

FUND EVALUATION REPORT

San Jose Federated City Employees' Retirement System

Quarterly Review
September 30, 2013



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**Executive Summary
As of September 30, 2013**

The value of the San Jose Federated City Employee' Retirement System assets was \$2.010 billion on September 30, 2013, an increase of approximately \$135 million since the end of the previous quarter.

- Net inflows during the third quarter totaled approximately \$57 million. In July 2013, the City of San Jose paid the Annual Required Contribution for fiscal year 2013 of approximately \$100 million in one lump sum contribution.
- Third quarter/fiscal year-to-date performance was 3.7% net of fees.
- During the third quarter, the Fund underperformed the Policy Benchmark by approximately 0.4%.
 - Portfolio allocation detracted from relative performance by approximately -0.3%.
 - Selection effect, or the value added by managers in an asset class relative to the Policy Benchmark return for that asset class, detracted slightly from quarterly performance by approximately -0.1%.

Manager Highlights

- Artisan Global Value, which manages the largest active allocation in the Fund, posted a return of 7.5% net of fees compared to 7.2% for the MSCI ACWI Value Index in the third quarter. Over the trailing one year period, Artisan returned 27.0% net of fees compared with 18.4% for the benchmark. The three largest contributors to the portfolio's return this quarter were TE Connectivity, Mastercard, and Lloyds Banking Group. During the quarter, only a couple of securities, Orkla and Kao, declined by any meaningful degree. Target and HeidelbergCement were sold during the quarter and the proceeds were used to fund new investments in Royal Bank of Scotland and Apple. Since the Retirement System invested in Artisan's global value portfolio in early 2011, the strategy has outperformed the benchmark by an average of 9.9% annually, net of fees, and has ranked in the 4th percentile of the global equity peer group.
- Newly funded manager Vontobel Emerging Market Equity underperformed the MSCI Emerging Markets Index during the third quarter, returning -1.0%, compared to 5.8% for the benchmark. Vontobel's overweight to India (24% vs 7% for the benchmark) was the primary reason for underperformance during the quarter.
- RS Investments Small Cap Value outperformed the Russell 2000 Value Index during the second quarter, up 8.1% net of fees compared with 7.6% for the benchmark. Stock selection in financial services and energy were the largest positive relative contributors during the quarter.
- Eagle Small Cap Growth underperformed the Russell 2000 Growth Index during the first quarter. Eagle's return was 11.1% net of fees, compared to 12.8% for the benchmark. The underperformance can be attributed to weak performers in healthcare and consumer staples. Eagle's longer-term performance remains strong.
- Both Credit Suisse and First Quadrant returned 4.2% for the third quarter, virtually matching the custom risk parity benchmark and outperforming the Dow Jones-UBS Commodity Index (which can be used as a proxy for the broad commodities market) by 210 basis points.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation	Comments
RS Investments	U.S. Small Cap Value	---	---	---	
Artisan	Global Equity	Yes	---	Hold	Large cash position; Strategy closed to new separate accounts
Eagle	U.S. Small Cap Growth	---	---	---	
Vontobel	Emerging Market Equity	Yes	---	Hold	Reopened strategy
First Quadrant	Commodities	---	---	---	
Credit Suisse	Commodities	---	---	---	
Medley	Private Debt	---	---	---	
White Oak	Private Debt	---	---	---	
GSO	Private Debt	---	---	---	

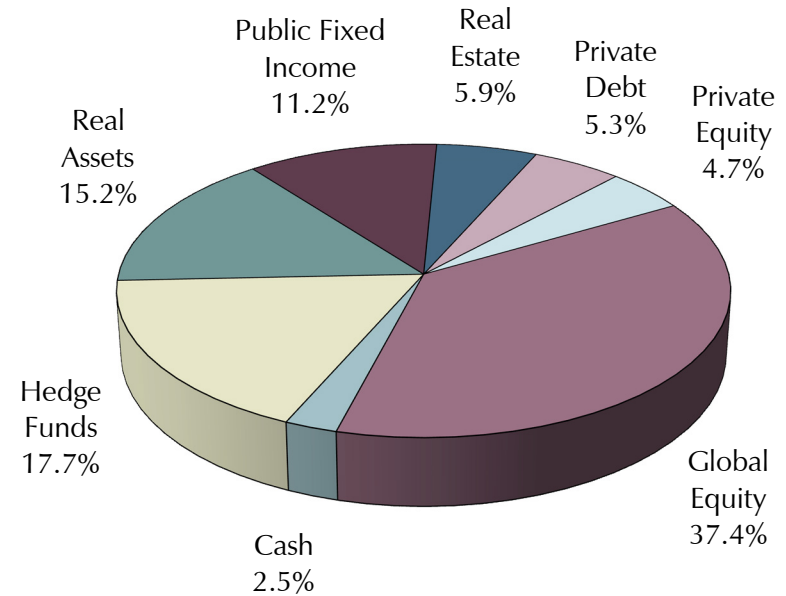
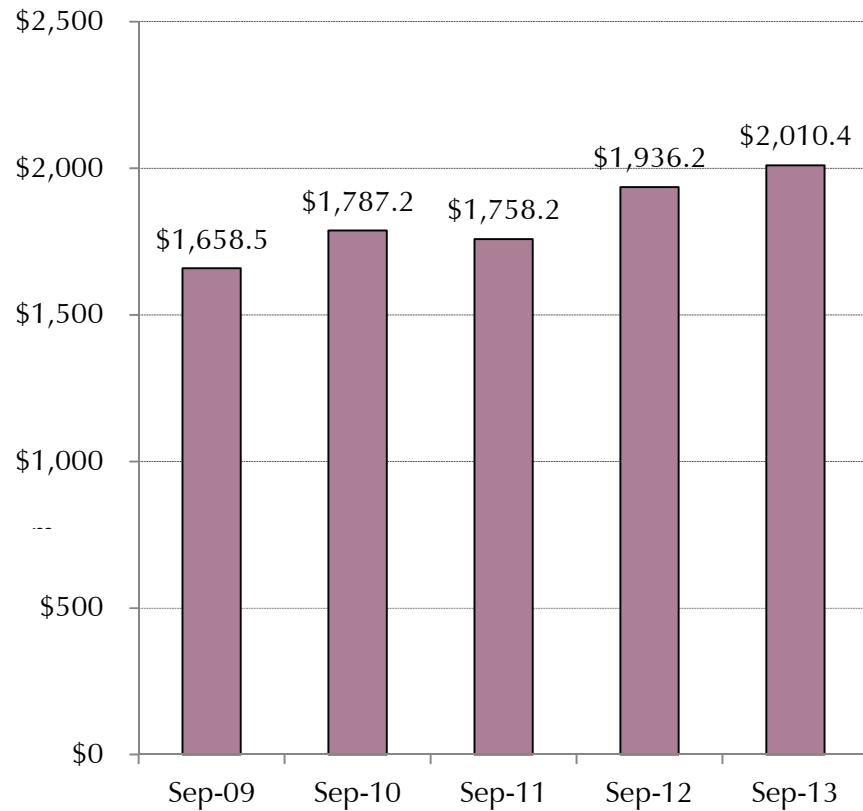
Artisan

- Per account guidelines "Cash will not generally exceed seven percent (7%) of the value of the ACCOUNT. If cash exceeds seven percent (7%) on average over a two-month rolling period, MANAGER shall notify the SYSTEM and await further instructions from SYSTEM." The cash level in the account exceeded 7% (ranging from 10.1%-13.0%) during the entire reporting period. The System has not provided further instructions regarding the cash levels.

Vontobel

- After closing the strategy in 2012, Vontobel reopened the emerging market equity strategy due to the selloff in emerging markets, as well as Vontobel's belief that they have enough capacity and that valuations are attractive at this time.

Plan Summary
As of September 30, 2013



The diversification pie chart does not include the impact of the overlay.

San Jose Federated City Employees' Retirement System

Aggregate Assets Asset Summary as of 9/30/13

	Market Value 9/30/13 (\$ mm)	% of Retirement System	Russell Overlay Net Position ¹ (%)	Adopted Sub-Asset Allocation (%)	Target Allocation (%)	Target Range (%)	Market Value 6/30/13 (\$ mm)
Total Fund Aggregate	2,010.4	100.0	100.0	100	NA	NA	1,875.1
Equity and Real Estate Assets	966.4	48.1	44.6	40	45	38-52	938.4
Global Equity ²	752.7	37.4	33.8	26	NA	NA	731.3
Real Estate	118.8	5.9	6.0	5	NA	NA	113.4
Private Equity ³	94.8	4.7	4.8	9	NA	NA	93.8
Hedge Funds Assets	355.8	17.7	17.8	25	25	20-30	284.3
Real Assets	306.1	15.2	20.2	20	20	15-25	250.5
Fixed Income Assets	331.6	16.5	17.4	15	10	5-20	331.3
Public Fixed Income	225.4	11.2	12.0	10	NA	NA	226.0
Private Debt ³	106.2	5.3	5.4	5	NA	NA	105.3
Cash ⁴	50.5	2.5	0.0	0	NA	NA	70.6

¹ Data in the column titled "Russell Overlay Net Position" is provided by Russell Investments, and is based on the data from the custodian.

² Global Equity includes \$0.4 million of residuals from terminated managers or previous transitions.

³ Fair values are based on manager reported value as of 6/30/13, adjusted for cash flows through 9/30/13.

⁴ Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account. As of 9/30/13, Russell Investments Overlay equitized \$46.7 million in cash.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 9/30/13

	Market Value 9/30/13 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/13 (\$ mm)
Total Fund Aggregate	2,010.4	NA	100.0	NA	NA	1,875.1
Equity and Real Estate Assets	966.4	100.0	48.1	45	38-52	938.4
Global Equity¹	752.7	100.0	37.4	NA	NA	731.3
Northern Trust Russell 3000 Index ²	203.6	27.0	10.1			190.4
Vontobel Emerging Markets Equity	133.6	17.7	6.6			100.0
Artisan Global Value	123.2	16.4	6.1			114.3
Northern Trust EAFE Small Cap ²	77.6	10.3	3.9			50.7
Northern Trust MSCI EAFE Index ²	74.8	9.9	3.7			33.0
RS Investments Small Cap Value	66.2	8.8	3.3			61.0
Eagle Small Cap Growth	63.0	8.4	3.1			56.6
Northern Trust MSCI Emerging Markets Index ²	10.3	1.4	0.5			124.8

¹ Global Equity includes \$0.4 million of residuals from terminated managers or previous transitions.

² Market Value based on manager reported data, because custodian reported NAV was not current.



	Market Value 9/30/13 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/13 (\$ mm)
Equity and Real Estate Assets (continued)						
Real Estate	118.8	100.0	5.9	NA	NA	113.4
Core Real Estate	66.6	56.0	3.3			60.6
PRISA I	33.8	28.5	1.7			32.7
American Core Realty Fund, LLC	32.7	27.6	1.6			27.9
Private Real Estate¹	52.3	44.0	2.6			52.8
DRA Growth & Income Fund V	17.8	15.0	0.9			17.6
DRA Growth & Income Fund VII	11.6	9.8	0.6			10.4
Fidelity Real Estate Growth Fund III, L.P.	11.2	9.4	0.6			13.3
DRA Growth & Income Fund VI	9.5	8.0	0.5			9.5
GEAM Value Add Realty Partners II, L.P.	2.2	1.8	0.1			2.1
Private Equity¹	94.8	100.0	4.7	NA	NA	93.8
Pantheon USA Fund VII	32.0	33.8	1.6			31.5
Pathway Private Equity Fund VIII	24.7	26.1	1.2			24.9
Pantheon Global Secondary Fund III	20.5	21.6	1.0			21.4
Partners Group Secondary 2008	8.9	9.4	0.4			8.6
Partners Group Secondary 2011	5.9	6.2	0.3			4.8
Great Hill Equity Partners IV	2.7	2.9	0.1			2.6

¹ Fair values are based on manager reported value as of 6/30/13, adjusted for cash flows through 9/30/13.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 9/30/13

	Market Value 9/30/13 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/13 (\$ mm)
Hedge Funds Assets¹	355.8	100.0	17.7	25	20-30	284.3
Pine River Fund Ltd	32.9	9.2	1.6			32.1
Arrowgrass International Fund Ltd	32.6	9.2	1.6			32.2
Davidson Kempner Institutional Partners, L.P.	31.8	8.9	1.6			31.2
DE Shaw	31.4	8.8	1.6			31.2
Brevan Howard Multi-Strategy Fund Ltd	30.4	8.5	1.5			30.7
Hudson Bay Fund	30.0	8.4	1.5			0.0
Senator Global Opportunity Offshore Fund	21.7	6.1	1.1			20.7
Sandler Plus Offshore Fund Ltd	20.6	5.8	1.0			19.7
Horizon Portfolio I	20.5	5.8	1.0			0.0
Amici Offshore, Ltd.	19.6	5.5	1.0			19.5
Claren Road Credit Fund	19.5	5.5	1.0			0.0
Global Ascent Ltd	19.2	5.4	1.0			19.9
BlueCrest	16.7	4.7	0.8			17.1
CCP Quantitative Fund	15.0	4.2	0.7			16.5
Kepos Alpha Fund	13.9	3.9	0.7			13.5

¹ NAV and performance provided by Albourne.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 9/30/13

	Market Value 9/30/13 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/13 (\$ mm)
Real Assets	306.1	100.0	15.2	20	15-25	250.5
Commodities	198.0	64.7	9.8			170.2
CS Risk Parity Commodity Index	118.4	38.7	5.9			93.8
First Quadrant Risk Parity Commodity Index	79.7	26.0	4.0			76.4
Natural Resources	108.1	35.3	5.4			80.3
Northern Trust Global LargeMid NR	108.1	35.3	5.4			80.3
Fixed Income Assets	331.6	100.0	16.5	10	5-20	331.3
Public Fixed Income	225.4	100.0	11.2	NA	NA	226.0
Northern Trust Intermediate Gov't 1-10 Year ¹	114.1	50.6	5.7			113.6
Russell Investments Barclays U.S. TIPS	111.3	49.4	5.5			112.3
Private Debt²	106.2	100.0	5.3	NA	NA	105.3
White Oak Direct Lending Account	42.9	40.4	2.1			41.5
GSO Direct Lending Account	35.1	33.1	1.7			32.6
Medley Opportunity Fund II	28.2	26.5	1.4			31.1
Cash³	50.5	100.0	2.5	NA	NA	70.6
<i>Russell Investments Overlay Equitized Cash</i>	46.7					100.7

¹ Market value based on manager reported data because custodian reported NAV was not current.

² Fair values are based on manager reported value as of 6/30/13, adjusted for cash flows through 9/30/13.

³ Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account. As of 9/30/13, Russell Investments Overlay equitized \$46.7 million in cash.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 9/30/13

	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate²	3.7	4.9	6.6	6.1	6.2	6.5	1/1/94	7.5
Net of Fees³	3.7	4.9	6.5	6.0	6.0	6.2		7.2
Total Fund Aggregate ex Overlay	3.6	4.7	6.3	6.1	6.1	6.5	1/1/94	7.4
Net of Fees ex Overlay	3.6	4.6	6.3	6.0	6.0	6.2		7.2
<i>CPI (inflation)</i>	0.3	2.0	1.2	2.3	1.4	2.4		2.4
<i>San Jose FCERS Policy Benchmark⁴</i>	4.1	7.3	8.9	7.2	6.6	6.6		7.2
<i>San Jose FCERS Custom Benchmark⁵</i>	3.8	6.1	7.5	6.2	NA	NA		NA
<i>Public Plans > \$1 Billion Universe (Median)⁶</i>	5.0	9.9	12.4	10.3	8.3	7.6		NA

¹ Fiscal Year ends June 30.

² Represents performance which is gross of fees for public market managers and net of fees for private market managers.

³ Beginning in July 2012, fees are accounted for on a cash basis. Previously, fees were accounted for on an accrual basis.

⁴ Please see page 34 of the Plan Summary for composition of the Policy Benchmark.

⁵ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁶ Universe data provided by InvestMetrics. Returns are gross of fees.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate								
Equity and Real Estate Assets	6.2	13.3	17.2	NA	NA	NA	1/1/12	16.2
Global Equity	7.1	14.2	18.4	10.8	NA	NA	5/1/10	9.6
<i>MSCI ACWI IMI</i>	8.3	15.2	18.6	10.5	8.3	8.3		9.3
Real Estate ²	3.2	8.9	10.8	12.6	-3.3	6.6	1/1/94	8.3
<i>NCREIF Property (lagged one qtr.)</i>	2.6	8.3	11.1	12.7	3.3	8.7		9.4
Private Equity ³	3.2	9.7	13.8	13.1	4.7	NA	1/1/06	4.7
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		10.5
Hedge Funds Assets⁴	0.4	2.4	NA	NA	NA	NA	11/1/12	4.0
<i>HFRI Fund of Funds Composite</i>	1.6	5.1	6.4	2.4	1.9	3.4		6.7
Real Assets	5.4	-8.7	-11.9	-1.9	NA	NA	5/1/10	-0.5
<i>Custom Risk Parity Benchmark⁵</i>	4.1	-7.7	-10.5	NA	NA	NA		NA
<i>S&P Global Infrastructure Index</i>	7.5	10.0	12.7	8.5	5.8	NA		8.3
<i>Dow Jones-UBS Commodity U.S. Index</i>	2.1	-8.6	-14.4	-3.2	-5.4	1.0		-1.7
<i>CPI (inflation) + 5%</i>	1.5	5.8	6.2	7.4	6.4	7.5		7.2

¹ Fiscal Year ends June 30.

² All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

³ All manager returns are presented one quarter lagged.

⁴ NAV and performance provided by Albourne.

⁵ Risk Parity Benchmark returns provided by Credit Suisse.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate								
Fixed Income Assets	1.0	0.8	2.1	NA	NA	NA	1/1/12	4.5
Public Fixed Income	0.6	-1.7	-1.5	3.8	7.3	5.5	1/1/94	6.2
<i>Barclays U.S. TIPS</i>	0.7	-6.7	-6.1	4.0	5.3	5.2		NA
<i>Barclays U.S. TIPS 1-5 Years</i>	0.7	-1.7	-1.3	2.2	2.9	NA		NA
<i>Barclays Intermediate Gov't Bond Index</i>	0.4	-0.8	-0.8	1.8	3.5	3.8		5.1
Private Debt ²	2.0	6.2	10.5	NA	NA	NA	12/1/10	7.0
3 Month Libor + 5%	1.3	3.9	5.3	5.4	5.7	7.2		5.4
Russell Investments Overlay³	0.0	0.2	0.2	NA	NA	NA	11/1/11	0.1

¹ Fiscal Year ends June 30.

² All manager returns are presented one quarter lagged.

³ Overlay returns provided by Russell Investments.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets	6.2	13.3	17.2	NA	NA	NA	1/1/12	16.2
Global Equity	7.1	14.2	18.4	10.8	NA	NA	5/1/10	9.6
Northern Trust Russell 3000 Index	6.4	21.3	21.7	16.9	10.8	8.2	9/1/99	4.6
Net of Fees	6.3	21.3	21.7	16.8	10.8	8.2		4.6
<i>Russell 3000</i>	6.3	21.3	21.6	16.8	10.6	8.1		4.5
Vontobel Emerging Markets Equity	-0.8	NA	NA	NA	NA	NA	7/1/13	-0.8
Net of Fees	-1.0	NA	NA	NA	NA	NA		-1.0
<i>MSCI Emerging Markets</i>	5.8	-4.4	1.0	-0.3	7.2	12.8		5.8
<i>Peer Emerging Markets</i>	5.8	-2.6	4.0	1.2	7.8	13.8		5.8
<i>Peer Ranking</i>	95	NA	NA	NA	NA	NA		95
Artisan Global Value	7.8	22.5	27.9	NA	NA	NA	3/1/11	16.4
Net of Fees	7.5	21.8	27.0	NA	NA	NA		15.6
<i>MSCI ACWI Value</i>	7.2	14.2	18.4	9.6	6.9	7.9		5.7
<i>Peer Global Equity</i>	9.3	19.0	24.2	13.0	10.6	10.0		9.4
<i>Peer Ranking</i>	81	24	26	NA	NA	NA		4
Northern Trust EAFE Small Cap	15.4	22.2	NA	NA	NA	NA	11/1/12	28.5
Net of Fees	15.4	22.2	NA	NA	NA	NA		28.4
<i>MSCI EAFE Small Cap</i>	15.5	22.1	29.4	11.2	11.4	10.3		28.3

¹ Fiscal Year ends June 30.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Northern Trust MSCI EAFE Index	11.6	16.5	NA	NA	NA	NA	11/1/12	23.2
Net of Fees	11.6	16.5	NA	NA	NA	NA		23.2
<i>MSCI EAFE</i>	11.6	16.1	23.8	8.5	6.4	8.0		22.8
RS Investments Small Cap Value	8.5	29.9	37.5	20.5	NA	NA	8/1/10	20.6
Net of Fees	8.1	29.2	36.8	19.7	NA	NA		19.8
<i>Russell 2000 Value</i>	7.6	23.1	27.0	16.6	9.1	9.3		16.5
<i>Peer Small Cap Value</i>	8.7	26.5	31.6	18.9	12.7	11.3		19.0
<i>Peer Ranking</i>	51	21	8	18	NA	NA		12
Eagle Small Cap Growth	11.3	30.1	33.0	20.8	15.8	13.3	6/1/98	8.6
Net of Fees	11.1	29.3	32.2	20.1	15.2	12.6		7.9
<i>Russell 2000 Growth</i>	12.8	32.5	33.1	20.0	13.2	9.9		5.6
<i>Peer Small Cap Growth</i>	12.3	31.7	33.0	21.1	14.7	11.2		9.5
<i>Peer Ranking</i>	70	59	49	53	33	5		68
Northern Trust MSCI Emerging Markets Index	5.8	-4.5	1.0	-0.5	NA	NA	5/1/10	1.5
Net of Fees	5.6	-4.7	0.8	-0.6	NA	NA		1.3
<i>MSCI Emerging Markets</i>	5.8	-4.4	1.0	-0.3	7.2	12.8		1.7

¹ Fiscal Year ends June 30.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Real Estate²	3.2	8.9	10.8	12.6	-3.3	6.6	1/1/94	8.3
Core Real Estate	3.3	9.4	11.5	13.5	NA	NA	7/1/09	8.2
PRISA I	3.7	10.7	12.8	15.5	-0.8	NA	7/1/04	6.3
Net of Fees	3.5	10.0	11.8	14.4	-1.8	NA		5.3
<i>NCREIF ODCE Equal Weighted</i>	3.4	9.9	12.5	14.1	0.1	6.7		6.3
American Core Realty Fund, LLC	3.4	9.5	12.3	13.3	0.2	NA	1/1/07	2.9
Net of Fees	3.2	8.8	11.2	12.1	-0.8	NA		1.9
<i>NCREIF ODCE Equal Weighted</i>	3.4	9.9	12.5	14.1	0.1	6.7		2.6

¹ Fiscal Year ends June 30.

² All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Private Real Estate^{2,3}	3.0	8.4	10.0	11.6	NA	NA	7/1/09	-1.9
DRA Growth & Income Fund V	2.5	4.4	5.4	6.1	-3.2	NA	1/1/06	1.6
<i>NCREIF Property (lagged one qtr.)</i>	2.6	8.3	11.1	12.7	3.3	8.7		6.5
DRA Growth & Income Fund VII	3.7	10.9	14.5	NA	NA	NA	4/1/12	15.2
<i>NCREIF Property (lagged one qtr.)</i>	2.6	8.3	11.1	12.7	3.3	8.7		10.9
Fidelity Real Estate Growth Fund III, L.P.	3.9	10.9	15.1	16.8	-15.6	NA	1/1/08	-19.3
<i>NCREIF Property (lagged one qtr.)</i>	2.6	8.3	11.1	12.7	3.3	8.7		3.2
DRA Growth & Income Fund VI	2.0	6.3	6.6	13.9	3.1	NA	1/1/08	3.9
<i>NCREIF Property (lagged one qtr.)</i>	2.6	8.3	11.1	12.7	3.3	8.7		3.2
GEAM Value Add Realty Partners II, L.P.	4.5	19.5	19.7	18.3	-15.8	NA	1/1/07	-12.3
<i>NCREIF Property (lagged one qtr.)</i>	2.6	8.3	11.1	12.7	3.3	8.7		5.0

¹ Fiscal Year ends June 30.

² Returns are time-weighted and lagged. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

³ Performance is net of fees.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Private Equity^{2,3}	3.2	9.7	13.8	13.1	4.7	NA	1/1/06	4.7
Pantheon USA Fund VII	3.7	11.2	14.0	13.0	NA	NA	1/1/07	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		9.4
Pathway Private Equity Fund VIII	2.9	13.1	15.9	15.4	NA	NA	8/1/04	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		12.6
Pantheon Global Secondary Fund III	2.5	3.8	4.4	6.4	NA	NA	1/1/07	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		9.4
Partners Group Secondary 2008	2.6	6.8	13.5	17.4	NA	NA	12/1/08	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		7.9
Partners Group Secondary 2011	3.7	8.7	NA	NA	NA	NA	11/1/12	54.9
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		16.8
Great Hill Equity Partners IV	4.4	24.9	36.1	27.7	NA	NA	10/1/08	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	3.4	12.6	16.8	14.8	7.6	13.1		7.6

¹ Fiscal Year ends June 30.

² All manager returns are presented one quarter lagged.

³ Returns are time-weighted and are shown beginning in July 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Hedge Fund Assets²	0.4	2.4	NA	NA	NA	NA	11/1/12	4.0
Pine River Fund Ltd	2.4	9.6	NA	NA	NA	NA	1/1/13	9.6
<i>HFRI Relative Value Index</i>	1.7	4.7	7.2	6.1	7.7	6.5		4.7
Arrowgrass International Fund Ltd	1.1	6.6	NA	NA	NA	NA	11/1/12	8.7
<i>HFRI Relative Value Index</i>	1.7	4.7	7.2	6.1	7.7	6.5		6.5
Davidson Kempner Institutional Partners, L.P.	2.0	NA	NA	NA	NA	NA	2/1/13	6.1
<i>HFRI Event Driven Index</i>	2.7	8.4	12.2	6.2	6.8	7.3		6.0
DE Shaw	0.9	NA	NA	NA	NA	NA	4/1/13	4.8
<i>HFRI Fund Weighted Composite Index</i>	2.3	5.6	7.2	3.9	5.0	5.9		2.0
Brevan Howard Multi-Strategy Fund Ltd	-1.2	-0.1	NA	NA	NA	NA	12/1/12	1.3
<i>HFRI Macro Index</i>	-1.0	-2.0	-2.8	-0.6	1.9	4.6		-1.0
Hudson Bay Fund	NA	NA	NA	NA	NA	NA	8/1/13	0.1
<i>HFRI Relative Value Index</i>	1.7	4.7	7.2	6.1	7.7	6.5		1.0
Senator Global Opportunity Offshore Fund	4.7	NA	NA	NA	NA	NA	4/1/13	8.3
<i>HFRI Event Driven Index</i>	2.7	8.4	12.2	6.2	6.8	7.3		4.5

¹ Fiscal Year ends June 30.

² NAV and performance provided by Albourne.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Hedge Funds Assets² (continued)								
Sandler Plus Offshore Fund Ltd	4.2	NA	NA	NA	NA	NA	5/1/13	2.9
<i>HFRI Equity Hedge (Long/Short Equity)</i>	4.2	9.3	11.3	4.7	5.3	5.4		3.8
Horizon Portfolio I	2.7	NA	NA	NA	NA	NA	7/1/13	2.7
<i>HFRI Equity Hedge (Long/Short Equity)</i>	4.2	9.3	11.3	4.7	5.3	5.4		4.2
Amici Offshore, Ltd.	0.7	NA	NA	NA	NA	NA	3/1/13	-1.8
<i>HFRI Equity Hedge (Long/Short Equity)</i>	4.2	9.3	11.3	4.7	5.3	5.4		5.4
Claren Road Credit Fund	-2.6	NA	NA	NA	NA	NA	7/1/13	-2.6
<i>HFRI RV Fixed Income-Corporate Index</i>	1.6	3.1	5.9	5.8	6.9	5.0		1.6
Global Ascent Ltd	-3.6	NA	NA	NA	NA	NA	3/1/13	-4.2
<i>HFRI Macro Systematic Diversified</i>	-2.8	-3.8	-6.1	-1.6	1.4	6.7		-4.1
BlueCrest	-2.1	NA	NA	NA	NA	NA	4/1/13	-16.5
<i>Barclay BTOP50 Index</i>	-2.8	-2.3	-3.9	-1.7	0.3	2.8		-4.2
CCP Quantitative Fund	-9.1	NA	NA	NA	NA	NA	4/1/13	-25.1
<i>Barclay BTOP50 Index</i>	-2.8	-2.3	-3.9	-1.7	0.3	2.8		-4.2

¹ Fiscal Year ends June 30.

² Preliminary NAV and performance provided by Albourne.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Hedge Funds Assets² (continued)								
Kepos Alpha Fund	3.2	NA	NA	NA	NA	NA	3/1/13	-7.0
<i>HFRI Macro Systematic Diversified</i>	-2.8	-3.8	-6.1	-1.6	1.4	6.7		-4.1
Real Assets								
Commodities	4.1	-10.3	-13.7	-2.3	NA	NA	5/1/10	-0.8
CS Risk Parity Commodity Index ³	4.2	-7.7	-10.4	NA	NA	NA	4/1/11	-7.4
<i>Custom Risk Parity Benchmark⁴</i>	4.1	-7.7	-10.5	NA	NA	NA		-7.5
<i>Dow Jones-UBS Commodity U.S. Index</i>	2.1	-8.6	-14.4	-3.2	-5.4	1.0		-10.9
First Quadrant Risk Parity Commodity Index ³	4.2	-12.9	-17.2	NA	NA	NA	4/1/11	-11.7
<i>Custom Risk Parity Benchmark⁴</i>	4.1	-7.7	-10.5	NA	NA	NA		-7.5
<i>Dow Jones-UBS Commodity U.S. Index</i>	2.1	-8.6	-14.4	-3.2	-5.4	1.0		-10.9
Natural Resources	7.8	-5.5	NA	NA	NA	NA	11/1/12	-4.5
Northern Trust Global LargeMid NR	7.8	-6.0	NA	NA	NA	NA	11/1/12	-5.0
Net of Fees	7.8	-6.0	NA	NA	NA	NA		-5.0
<i>S&P Global LargeMid Cap Commodities and Resources</i>	7.6	-6.4	-6.2	0.9	4.0	NA		-5.3

¹ Fiscal Year ends June 30.

² NAV and performance provided by Albourne.

³ Performance is net of fees.

⁴ Risk Parity Benchmark returns provided by Credit Suisse.



	Fiscal YR ¹ / 3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Fixed Income Assets	1.0	0.8	2.1	NA	NA	NA	1/1/12	4.5
Public Fixed Income	0.6	-1.7	-1.5	3.8	7.3	5.5	1/1/94	6.2
Northern Trust Intermediate Gov't 1-10 Year	0.4	-0.9	-0.8	NA	NA	NA	10/1/12	-0.8
Net of Fees	0.4	-0.9	-0.8	NA	NA	NA		-0.8
<i>Barclays Intermediate Gov't Bond Index</i>	<i>0.4</i>	<i>-0.8</i>	<i>-0.8</i>	<i>1.8</i>	<i>3.5</i>	<i>3.8</i>		<i>-0.8</i>
Russell Investments Barclays U.S. TIPS	0.7	-2.5	-2.1	3.6	NA	NA	5/1/10	4.4
Net of Fees	0.7	-2.5	-2.1	3.5	NA	NA		4.4
<i>TIPS Blended Benchmark²</i>	<i>0.7</i>	<i>-4.2</i>	<i>-3.7</i>	<i>3.4</i>	<i>NA</i>	<i>NA</i>		<i>4.3</i>
<i>Barclays U.S. TIPS</i>	<i>0.7</i>	<i>-6.7</i>	<i>-6.1</i>	<i>4.0</i>	<i>5.3</i>	<i>5.2</i>		<i>4.7</i>
<i>Barclays U.S. TIPS 1-5 Years</i>	<i>0.7</i>	<i>-1.7</i>	<i>-1.3</i>	<i>2.2</i>	<i>2.9</i>	<i>NA</i>		<i>2.3</i>
Private Debt^{3,4}	2.0	6.2	10.5	NA	NA	NA	12/1/10	7.0
White Oak Direct Lending Account	1.1	5.1	13.0	NA	NA	NA	2/1/11	3.9
<i>3 Month Libor + 5%</i>	<i>1.3</i>	<i>3.9</i>	<i>5.3</i>	<i>5.4</i>	<i>5.7</i>	<i>7.2</i>		<i>5.4</i>
GSO Direct Lending Account	1.8	5.9	10.5	NA	NA	NA	3/1/11	17.2
<i>3 Month Libor + 5%</i>	<i>1.3</i>	<i>3.9</i>	<i>5.3</i>	<i>5.4</i>	<i>5.7</i>	<i>7.2</i>		<i>5.4</i>
Medley Opportunity Fund II	2.8	6.7	9.7	NA	NA	NA	6/1/11	7.4
<i>3 Month Libor + 5%</i>	<i>1.3</i>	<i>3.9</i>	<i>5.3</i>	<i>5.4</i>	<i>5.7</i>	<i>7.2</i>		<i>5.4</i>

¹ Fiscal Year ends June 30.

² The TIPS Blended Benchmark Consists of 50% Barclays U.S. TIPS & 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012, it was comprised of 100% Russell Investments Barclays U.S. TIPS.

³ All manager returns are presented one quarter lagged.

⁴ Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Total Fund Aggregate¹	9.7	-1.5	13.0	19.4	-23.8	8.8	13.0	6.7	11.4	24.4
Net of Fees¹	9.6	-1.6	12.8	19.1	-24.0	8.5	12.7	6.4	11.1	24.0
Total Fund Aggregate ex Overlay¹	9.7	-1.4	13.0	19.4	-23.8	8.8	13.0	6.7	11.4	24.4
Net of Fees ex Overlay	9.6	-1.6	12.8	19.1	-24.0	8.5	12.7	6.4	11.1	24.0
<i>CPI (inflation)</i>	1.7	3.0	1.5	2.7	0.1	4.1	2.5	3.4	3.3	1.9
<i>San Jose FCERS Policy Benchmark²</i>	9.4	-1.7	14.4	19.0	-22.8	8.2	13.5	6.7	10.8	20.6
<i>San Jose FCERS Custom Benchmark³</i>	10.2	-2.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>Public Plans > \$1 Billion Universe (Median)⁴</i>	13.4	0.7	12.5	19.4	-24.2	7.9	NA	NA	NA	NA

¹ Represents performance which is gross of fees for public market managers and net of fees for private market managers.

² Please see page 34 of the Plan Summary for composition of the Policy Benchmark.

³ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁴ Universe data provided by InvestMetrics.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Total Fund Aggregate	9.7	-1.5	13.0	19.4	-23.8	8.8	13.0	6.7	11.4	24.4
Equity and Real Estate Assets	14.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
Global Equity	16.0	-6.9	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI IMI</i>	16.4	-7.9	14.3	36.4	-42.3	11.2	20.9	11.5	16.4	35.5
Real Estate ¹	8.9	14.9	7.7	-37.7	-5.4	23.4	13.2	22.9	10.3	28.7
<i>NCREIF Property</i>	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7	9.2
Private Equity ²	9.5	15.6	10.9	-13.5	-4.0	15.5	-3.5	NA	NA	NA
<i>Venture Economics Private Equity Composite</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3
Hedge Funds Assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Fund of Funds Composite</i>	4.8	-5.7	5.7	11.5	-21.4	10.3	10.4	7.5	6.9	11.6
Real Assets	0.2	-6.5	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Benchmark³</i>	1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>S&P Global Infrastructure Index</i>	11.1	-0.4	5.8	25.3	-39.0	23.2	NA	NA	NA	NA
<i>Dow Jones-UBS Commodity U.S. Index</i>	-1.1	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9
<i>CPI (inflation) + 5%</i>	6.8	8.1	6.6	7.8	5.1	9.3	7.7	8.7	8.5	7.1

¹ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

² Returns are time-weighted and are shown beginning in July 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

³ Risk Parity Benchmark returns provided by Credit Suisse.



	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Total Fund Aggregate (continued)										
Fixed Income Assets	7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Public Fixed Income	5.4	8.7	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0
<i>Barclays U.S. TIPS</i>	7.0	13.6	6.3	11.4	-2.4	11.6	0.4	2.8	8.5	8.4
<i>Barclays U.S. TIPS 1-5 Years</i>	2.7	4.9	3.9	11.5	-2.5	10.3	2.4	1.6	NA	NA
<i>Barclays Intermediate Gov't Bond Index</i>	1.7	6.1	5.0	-0.3	10.4	8.5	3.8	1.7	2.3	2.3
Private Debt ¹	10.8	2.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5	6.3

¹ Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Equity and Real Estate Assets	14.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
Global Equity	16.0	-6.9	NA	NA	NA	NA	NA	NA	NA	NA
Northern Trust Russell 3000 Index	16.5	1.1	17.2	28.9	-37.3	5.3	15.8	6.2	12.0	31.2
Net of Fees	16.5	1.1	17.2	28.9	-37.3	5.2	15.8	6.2	12.0	31.1
<i>Russell 3000</i>	16.4	1.0	16.9	28.3	-37.3	5.1	15.7	6.1	11.9	31.1
Vontobel Emerging Markets Equity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0	25.6	55.8
Artisan Global Value	20.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	20.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI Value</i>	15.6	-7.3	10.2	31.7	-41.5	6.7	25.6	10.8	19.1	39.0
Northern Trust EAFE Small Cap	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE Small Cap</i>	20.0	-15.9	22.0	46.8	-47.0	1.4	19.3	26.2	30.8	61.3
Northern Trust MSCI EAFE Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE</i>	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3	13.5	20.2	38.6
RS Investments Small Cap Value	21.6	-7.1	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	20.9	-7.9	NA	NA	NA	NA	NA	NA	NA	NA
<i>Russell 2000 Value</i>	18.1	-5.5	24.5	20.6	-28.9	-9.8	23.5	4.7	22.2	46.0



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Equity and Real Estate Assets (continued)										
Eagle Small Cap Growth	17.7	-2.3	34.4	40.3	-35.8	12.7	21.4	4.2	20.8	44.7
Net of Fees	17.3	-2.9	33.7	39.5	-36.1	12.0	20.7	3.6	20.0	43.8
<i>Russell 2000 Growth</i>	14.6	-2.9	29.1	34.5	-38.5	7.0	13.3	4.2	14.3	48.5
Northern Trust MSCI Emerging Markets Index	18.3	-18.7	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	18.2	-18.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0	25.6	55.8
Real Estate¹	8.9	14.9	7.7	-37.7	-5.4	23.4	13.2	22.9	10.3	28.7
Core Real Estate	9.3	16.3	14.2	NA	NA	NA	NA	NA	NA	NA
PRISA I	9.7	19.1	18.4	-34.2	-13.0	17.5	16.2	23.3	NA	NA
Net of Fees	8.7	17.9	17.0	-34.9	-13.7	16.5	15.1	22.1	NA	NA
<i>NCREIF ODCE Equal Weighted</i>	11.0	16.0	16.1	-30.7	-10.4	16.1	16.1	20.2	12.6	9.1
American Core Realty Fund, LLC	11.3	15.1	11.2	-30.0	-5.3	17.3	NA	NA	NA	NA
Net of Fees	10.2	13.8	10.1	-30.7	-6.3	16.2	NA	NA	NA	NA
<i>NCREIF ODCE Equal Weighted</i>	11.0	16.0	16.1	-30.7	-10.4	16.1	16.1	20.2	12.6	9.1

¹ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Equity and Real Estate Assets (continued)										
Private Real Estate	8.6	13.7	1.8	NA	NA	NA	NA	NA	NA	NA
DRA Growth & Income Fund V ¹	4.8	7.2	-1.0	-24.3	2.8	18.7	5.3	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7	9.2
DRA Growth & Income Fund VII ¹	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7	9.2
Fidelity Real Estate Growth Fund III, L.P. ¹	14.7	9.6	38.3	-77.5	-32.6	NA	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7	9.2
DRA Growth & Income Fund VI ¹	3.2	29.8	-0.1	-19.8	9.0	NA	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7	9.2
GEAM Value Add Realty Partners II, L.P. ¹	15.2	10.6	5.0	-66.3	-22.2	-1.6	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7	9.2

¹ Performance is net of fees.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Equity and Real Estate Assets (continued)										
Private Equity¹	9.5	15.6	10.9	-13.5	-4.0	15.5	-3.5	NA	NA	NA
Pantheon USA Fund VII	11.1	14.5	7.1	NA	NA	NA	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3
Pathway Private Equity Fund VIII	12.0	15.8	16.8	NA	NA	NA	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3
Pantheon Global Secondary Fund III	0.9	11.6	5.4	NA	NA	NA	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3
Partners Group Secondary 2008	6.0	24.5	20.1	NA	NA	NA	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3
Partners Group Secondary 2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3
Great Hill Equity Partners IV	17.8	43.3	7.4	NA	NA	NA	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9	7.3

¹ Returns are time-weighted and are shown beginning in July 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Hedge Funds Assets										
Pine River Fund Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Relative Value Index</i>	10.6	0.2	11.4	25.8	-18.0	8.9	12.3	6.0	5.6	9.7
Arrowgrass International Fund Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Relative Value Index</i>	10.6	0.2	11.4	25.8	-18.0	8.9	12.3	6.0	5.6	9.7
Davidson Kempner Institutional Partners, L.P.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Event Driven Index</i>	8.9	-3.3	11.9	25.1	-21.8	6.6	15.3	7.3	15.0	25.3
DE Shaw	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Fund Weighted Composite Index</i>	6.4	-5.2	10.2	20.0	-19.0	10.0	12.9	9.3	9.0	19.6
Brevan Howard Multi-Strategy Fund Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2	6.8	4.6	21.4
Hudson Bay Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Relative Value Index</i>	10.6	0.2	11.4	25.8	-18.0	8.9	12.3	6.0	5.6	9.7
Senator Global Opportunity Offshore Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Event Driven Index</i>	8.9	-3.3	11.9	25.1	-21.8	6.6	15.3	7.3	15.0	25.3
Sandler Plus Offshore Fund Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Equity Hedge (Long/Short Equity)</i>	7.4	-8.4	10.5	24.6	-26.6	10.5	11.7	10.6	7.7	20.5

San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Hedge Funds Assets (continued)										
Horizon Portfolio I	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Equity Hedge (Long/Short Equity)</i>	7.4	-8.4	10.5	24.6	-26.6	10.5	11.7	10.6	7.7	20.5
Amici Offshore, Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Equity Hedge (Long/Short Equity)</i>	7.4	-8.4	10.5	24.6	-26.6	10.5	11.7	10.6	7.7	20.5
Claren Road Credit Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI RV Fixed Income-Corporate Index</i>	11.0	0.8	11.8	30.7	-24.2	-0.7	10.8	5.3	10.5	21.3
Global Ascent Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Systematic Diversified</i>	-2.5	-3.5	9.8	-1.7	18.1	10.4	16.9	14.4	6.4	15.4
BlueCrest	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclay BTOP50 Index</i>	-1.8	-4.2	6.4	-4.8	13.6	7.6	5.6	2.8	0.9	15.5
CCP Quantitative Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclay BTOP50 Index</i>	-1.8	-4.2	6.4	-4.8	13.6	7.6	5.6	2.8	0.9	15.5
Kepos Alpha Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Systematic Diversified</i>	-2.5	-3.5	9.8	-1.7	18.1	10.4	16.9	14.4	6.4	15.4



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Real Assets	0.2	-6.5	NA	NA	NA	NA	NA	NA	NA	NA
Commodities	-1.3	-9.0	NA	NA	NA	NA	NA	NA	NA	NA
CS Risk Parity Commodity Index ¹	1.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Benchmark</i> ²	1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Dow Jones-UBS Commodity U.S. Index</i>	-1.1	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9
First Quadrant Risk Parity Commodity Index ¹	-4.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Benchmark</i> ²	1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Dow Jones-UBS Commodity U.S. Index</i>	-1.1	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9
Natural Resources	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Northern Trust Global LargeMid NR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>S&P Global LargeMid Cap Commodities and Resources</i>	7.1	-12.9	19.5	57.8	-46.1	59.3	30.5	29.1	NA	NA
Fixed Income Assets	7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Public Fixed Income	5.4	8.7	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0
Northern Trust Intermediate Gov't 1-10 Year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays Intermediate Gov't Bond Index</i>	1.7	6.1	5.0	-0.3	10.4	8.5	3.8	1.7	2.3	2.3

¹ Performance is net of fees.

² Risk Parity Benchmark returns provided by Credit Suisse.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

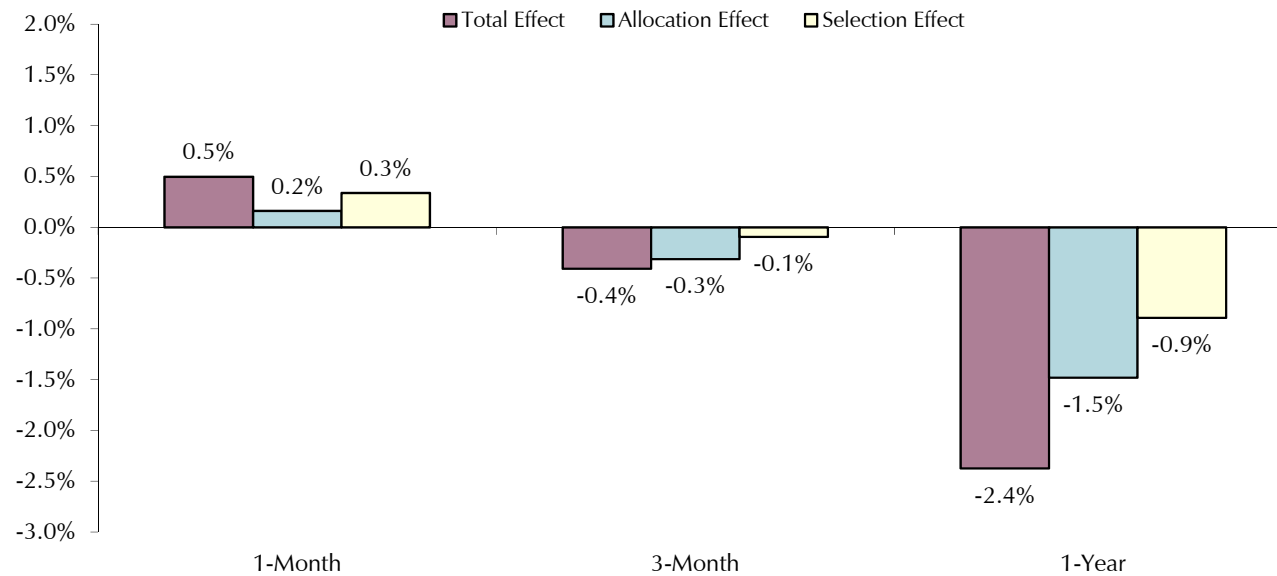
	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)
Fixed Income Assets (continued)										
Russell Investments Barclays U.S. TIPS	3.4	11.2	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	3.4	11.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>TIPS Blended Benchmark¹</i>	4.8	11.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays U.S. TIPS</i>	7.0	13.6	6.3	11.4	-2.4	11.6	0.4	2.8	8.5	8.4
<i>Barclays U.S. TIPS 1-5 Years</i>	2.7	4.9	3.9	11.5	-2.5	10.3	2.4	1.6	NA	NA
Private Debt²	10.8	2.8	NA	NA	NA	NA	NA	NA	NA	NA
White Oak Direct Lending Account	2.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5	6.3
GSO Direct Lending Account	16.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5	6.3
Medley Opportunity Fund II	11.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5	6.3

¹ The TIPS Blended Benchmark Consists of 50% Barclays U.S. TIPS & 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012, it was comprised of 100% Russell Investments Barclays U.S. TIPS.

² Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



Performance Attribution: Total Fund vs. Policy Benchmark
as of 9/30/13

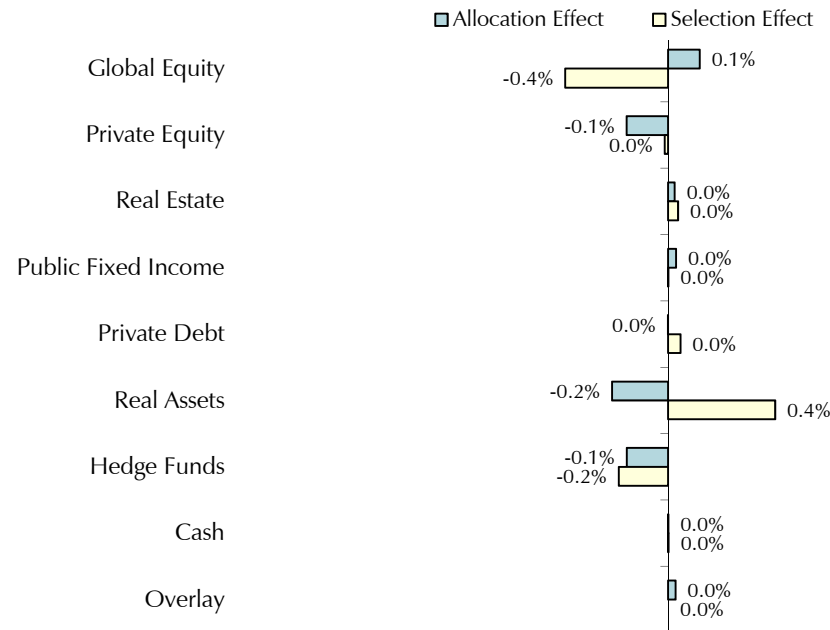


Total Effect: The total effect is the difference between the performance of the total fund and the return for the policy benchmark. The total effect is calculated by adding the allocation effect and the selection effect.

Allocation Effect: The allocation effect measures the impact of over- and under-weighting the fund allocations compared to the target allocations. The allocation effect is calculated by subtracting the Policy Benchmark return from the Custom Benchmark return.

Selection Effect: The selection effect measures the contribution of active management. For this analysis, the interaction effect, which measures the combined impact of selection and allocation, is included in the selection effect. Therefore, the selection effect is calculated by subtracting the Custom Benchmark return from the Total Fund return.

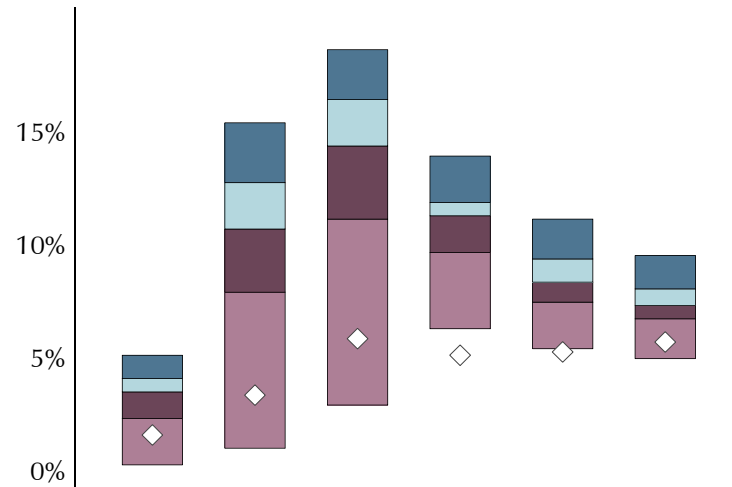
Performance Attribution (Total Fund): Asset Class vs. Policy Benchmark
as of 9/30/13
3Q13



Allocation Effect: The allocation effect measures the impact of over- and under-weighting the fund allocations compared to the target allocations at the Total Fund level. The allocation effect is calculated by subtracting the asset class benchmark return from the asset class custom benchmark return.

Selection Effect: The selection effect measures the contribution of active management at the Total Fund level. For this analysis, the interaction effect, which measures the combined impact of selection and allocation, is included in the selection effect. Therefore, the selection effect is calculated by subtracting the asset class custom benchmark return from the asset class contribution to the Total Fund return.

Total Fund Aggregate vs. Public Plans > \$1Billion Universe¹

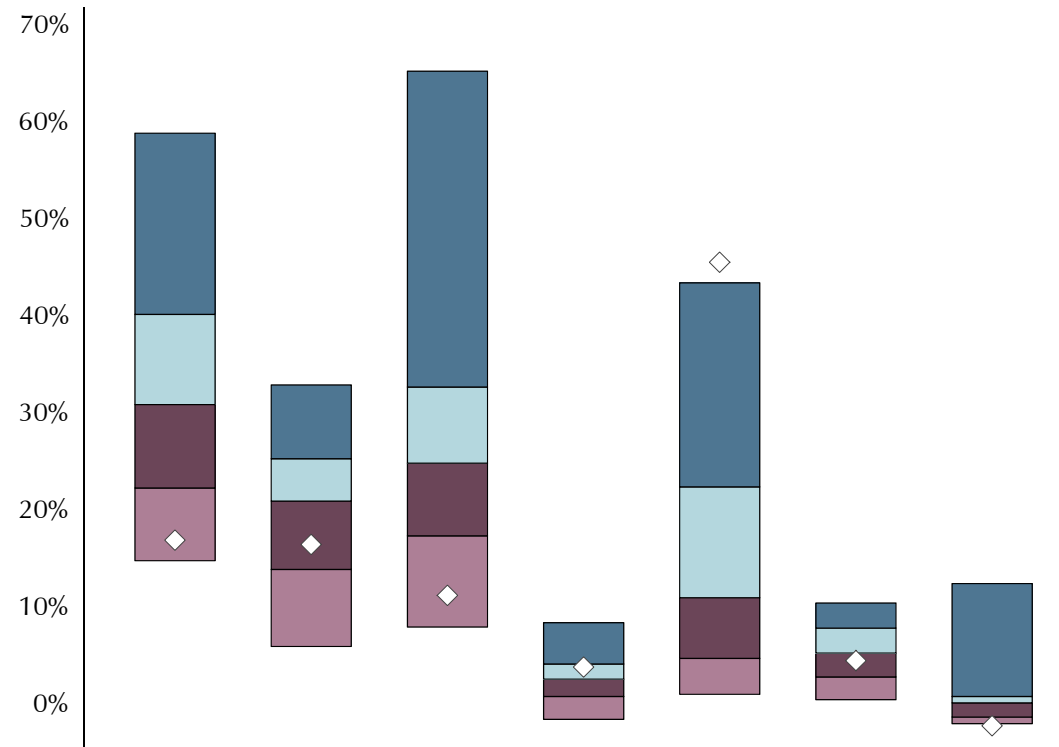


	3Q13 (%)	Cal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Total Fund Aggregate¹	3.7	4.9	6.6	6.1	6.2	6.5
25th percentile	5.4	11.3	13.8	10.7	9.0	8.1
Median ³	5.0	9.9	12.4	10.3	8.3	7.6
75 Percentile	4.2	8.0	10.2	9.2	7.7	7.2

¹ Universe data provided by InvestMetrics. Returns are gross of fees.



Peer Asset Allocation Comparison vs. Public Plans > \$1 Billion Universe^{1,2}



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
San Jose Allocation (Russell Overlay Net Position)	17.1	16.7	12.0	5.4	42.7	6.0	0.0
1 st Quartile	37.9	24.6	31.2	5.7	22.0	9.0	2.7
Median	29.6	20.7	24.2	4.3	11.8	6.7	2.1
3 rd Quartile	21.9	14.4	17.5	2.7	6.2	4.5	0.8
Population	54	52	53	27	37	33	20

¹ Universe data provided by InvestMetrics.

² Based on Russell Investments overlay net positions as of 9/30/13.



San Jose Federated City Employees' Retirement System

Policy Benchmark Description as of 9/30/13

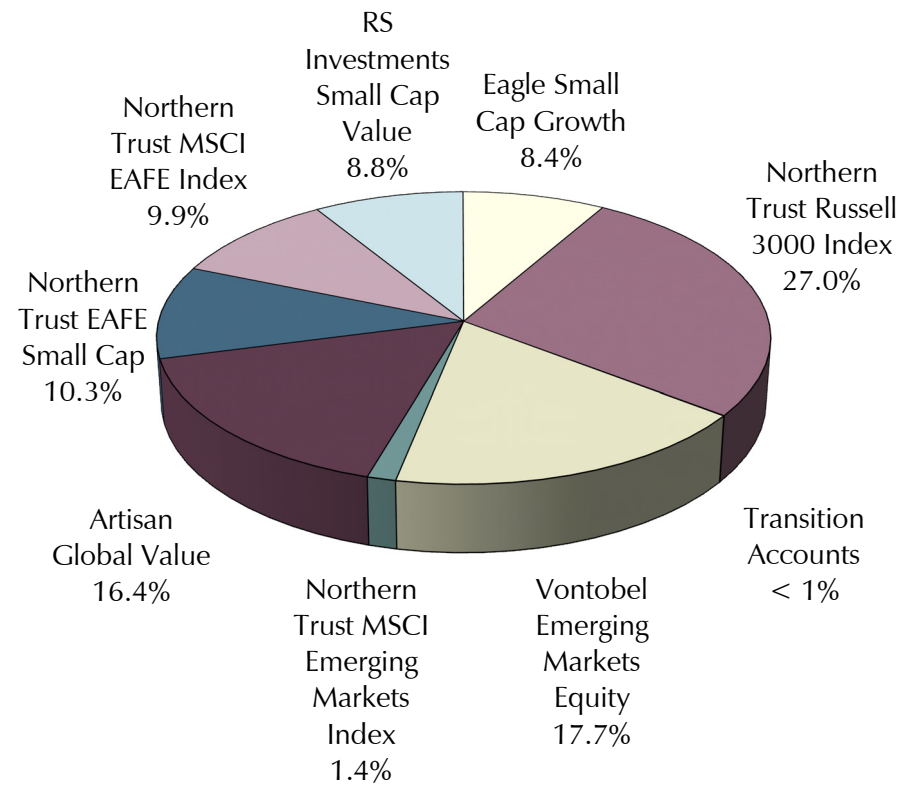
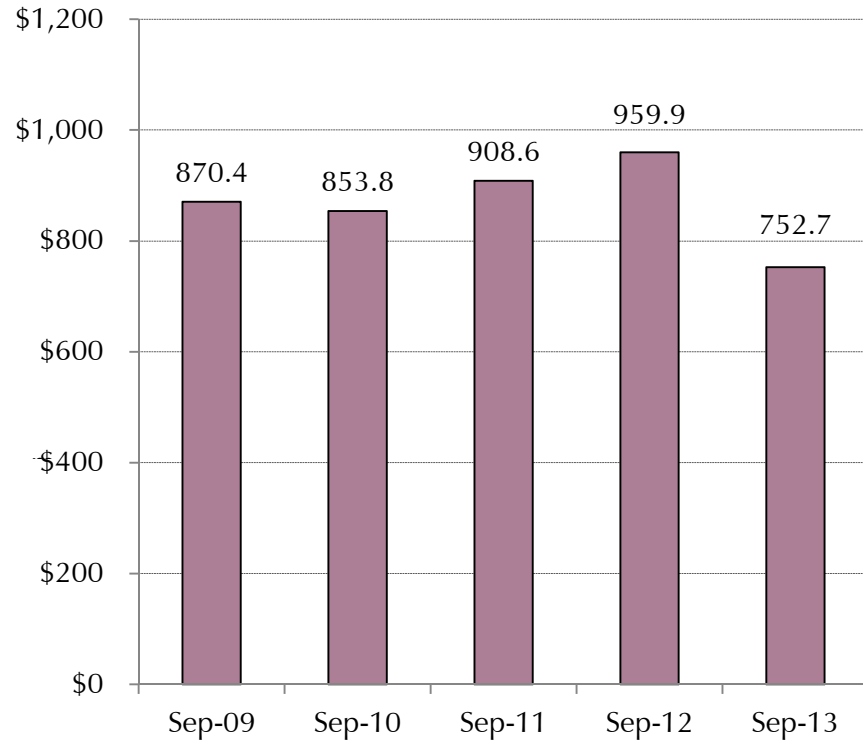
Time Period	Composition
1/1/2012-Present	31% MSCI ACWI IMI
	9 Venture Economics Private Equity
	5 NCREIF Property
	2.5 Barclays Intermediate Government
	1.25 Barclays U.S. TIPS
	1.25 Barclays U.S. TIPS 1-5 Years
	5 3-Month LIBOR + 5%
	10 Risk Parity Commodities
	10 CPI-U + 5%
	25 HFRI Fund of Funds Composite
4/1/2011-12/31/2011	16% MSCI ACWI
	9 MSCI ACWI Value
	5 MSCI Emerging Markets
	5 MSCI EAFE Small Cap
	3 MSCI EAFE Growth
	3 Russell 3000
	2.5 Russell 2000 Growth
	2.5 Russell 2000 Value
	7.5 Russell Investments Barclays U.S. TIPS
	5 Barclays Intermediate Government
	2.5 Barclays Long U.S. Credit
	2.5 Merrill Lynch High Yield BB/B
	2.5 CSFB Leveraged Loan
	3 ML 300 Global Convertibles
	5 HFRI Weighted Composite
	5 NCREIF Property
	6 Venture Economics Private Equity
	8 Custom Risk Parity Benchmark
2 S&P Global Infrastructure	
5 3-Month LIBOR + 5%	

Time Period	Composition
4/1/2010-3/31/2011	16% MSCI ACWI
	9 MSCI ACWI Value
	5 MSCI Emerging Markets
	5 MSCI EAFE Small Cap
	3 MSCI EAFE Growth
	3 Russell 3000
	2.5 Russell 2000 Growth
	2.5 Russell 2000 Value
	7.5 Russell Investments Barclays U.S. TIPS
	5 Barclays Intermediate Government
	2.5 Barclays Long U.S. Credit
	2.5 Merrill Lynch High Yield BB/B
	2.5 CSFB Leveraged Loan
	3 ML 300 Global Convertibles
	5 HFRI Weighted Composite
	5 NCREIF Property
6 Venture Economics Private Equity	
8 Dow-Jones UBS Commodities	
2 S&P Global Infrastructure	
5 3-Month LIBOR + 5%	
7/1/09 – 3/31/2010	34% Russell 1000
	9 Russell 2000
	29 Barclays Aggregate
	7 S&P Citigroup WGBI
	15 MSCI ACWI ex U.S.
	6 NCREIF Property

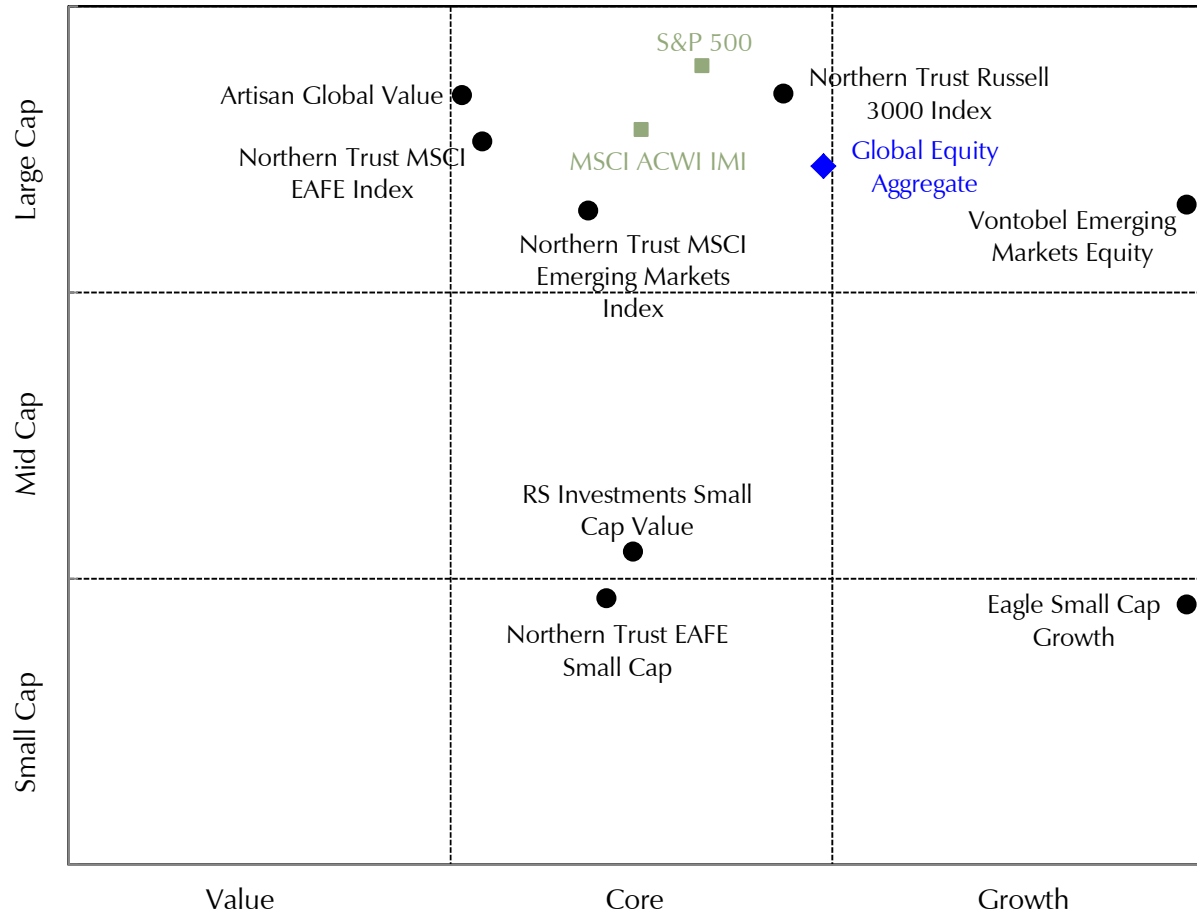


Plan Detail

**Global Equity Assets
As of September 30, 2013**



	Aggregate Global Equity 9/30/13	MSCI ACWI IMI 9/30/13
Risk: (forty-one months)		
Annualized Return (%)	9.6	9.3
Standard Deviation (%)	17.4	18.4
Best Monthly Return (%)	10.5	10.8
Worst Monthly Return (%)	-9.4	-9.8
Beta	0.94	1.00
Correlation (R ²) to Index	0.99	1.00
Correlation to Total Fund Return	0.97	NA
Sharpe Measure (risk-adjusted return)	0.55	0.50
Information Ratio	0.15	NA



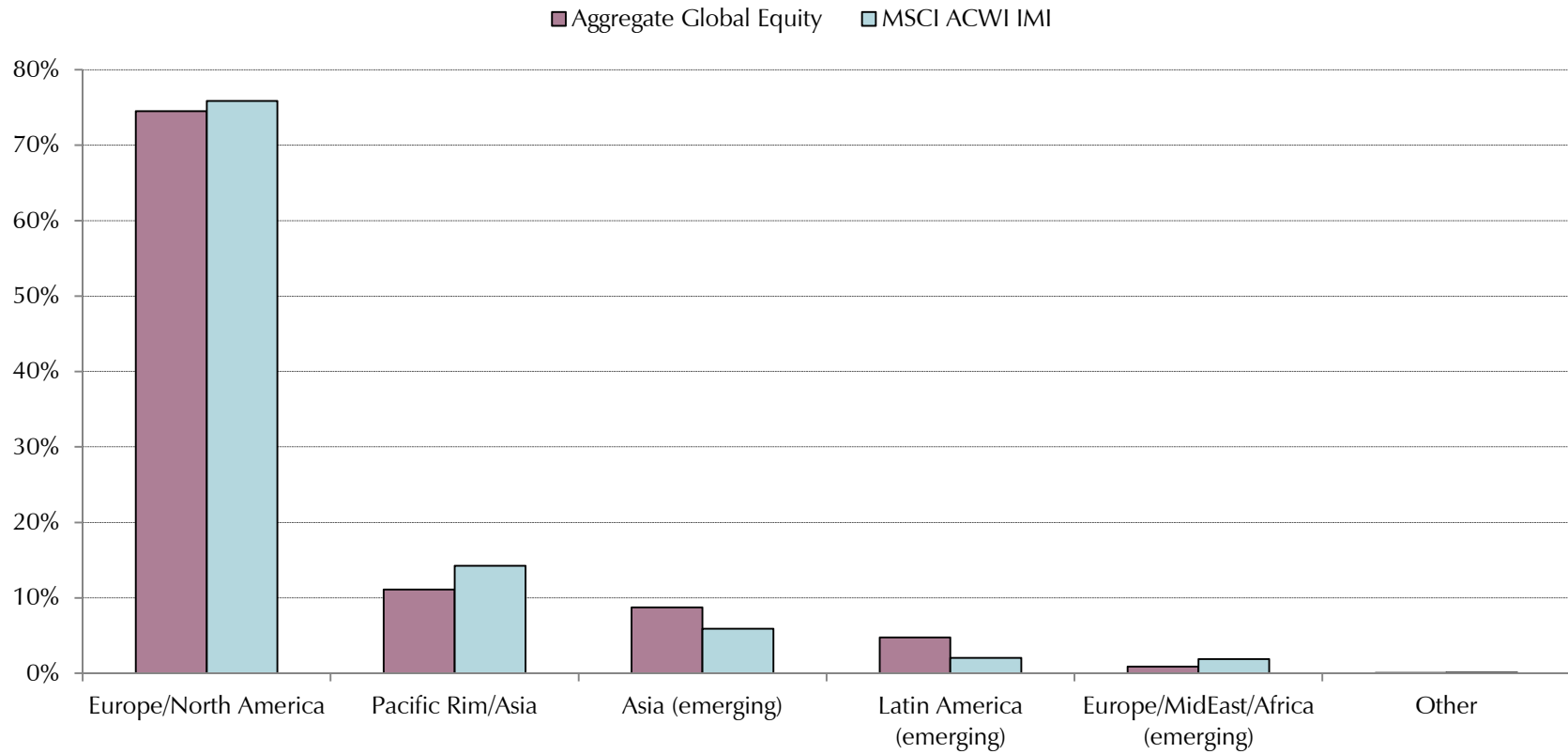
	Aggregate Global Equity 9/30/13	MSCI ACWI IMI 9/30/13	Aggregate Global Equity 6/30/13
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	49.7	64.8	48.4
Median Market Cap. (US\$ billion)	1.9	1.3	1.7
Large (% over US\$10 billion)	59	73	56
Medium (% US\$2 billion to US\$10 billion)	27	20	28
Small (% under US\$2 billion)	14	7	16
Fundamental Structure:			
Price-Earnings Ratio	23	21	22
Price-Book Value Ratio	4.7	3.7	3.6
Dividend Yield (%)	2.0	2.5	2.2
Historical Earnings Growth Rate (%)	12	10	10
Projected Earnings Growth Rate (%)	12	12	12

Diversification:	Aggregate Global Equity 9/30/13	MSCI ACWI IMI 9/30/13	Aggregate Global Equity 6/30/13
Number of Holdings	6,528	8,403	6,570
% in 5 largest holdings	5	4	5
% in 10 largest holdings	9	7	8

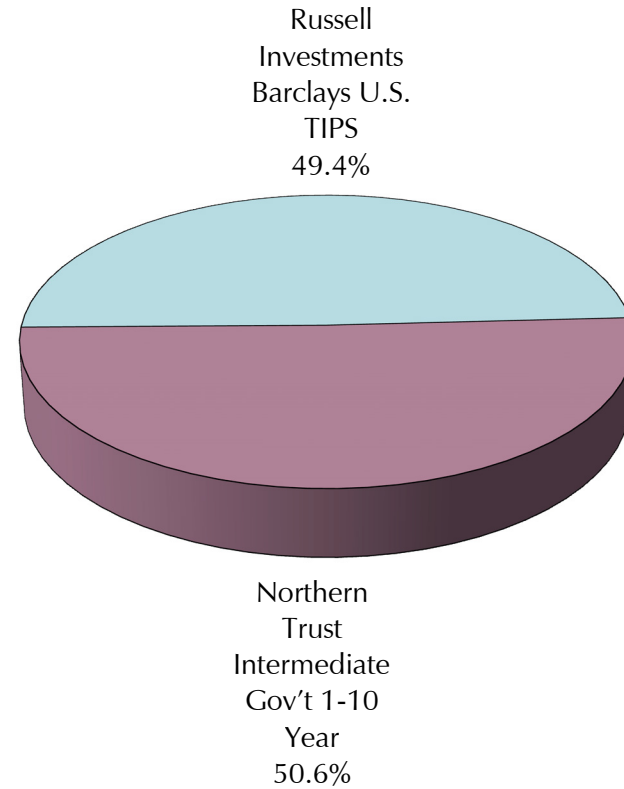
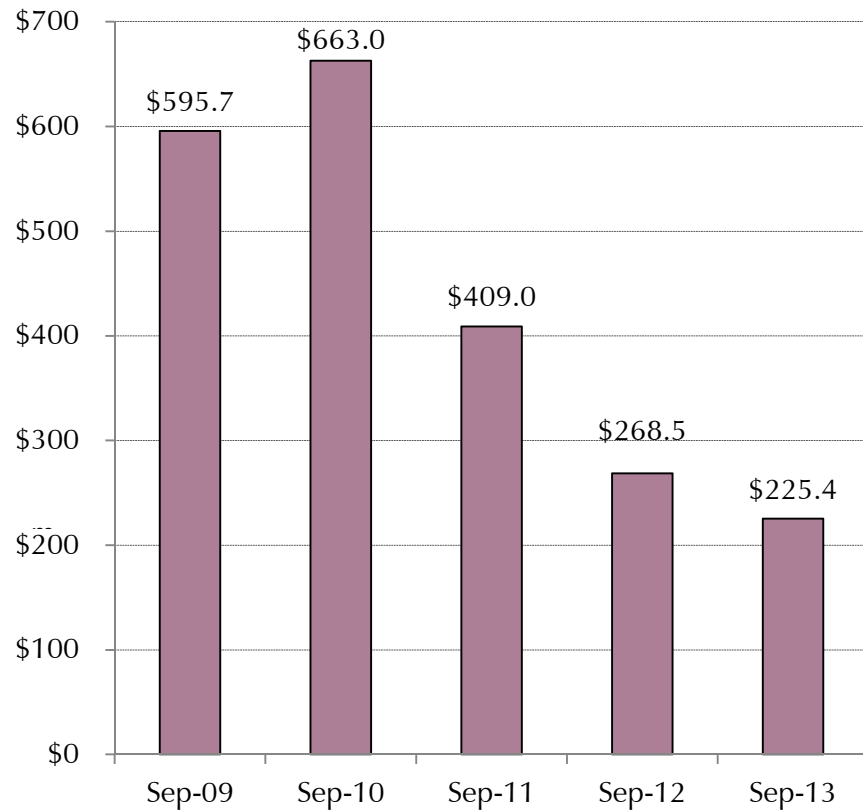
Largest Five Holdings:	% of Portfolio	Economic Sector
British American Tobacco	1.2	Food, Beverage & Tobacco
Microsoft	0.9	Software & Services
Oracle	0.9	Software & Services
Apple	0.9	Technology Equipment
SABMiller	0.9	Food, Beverage & Tobacco

Sector Allocation (%):	Aggregate Global Equity 9/30/13	MSCI ACWI IMI 9/30/13	Aggregate Global Equity 6/30/13
Consumer Staples	14	9	8
Information Technology	15	12	18
Financials	23	22	22
Health Care	9	10	10
Utilities	3	3	3
Consumer Discretionary	11	12	12
Materials	5	7	6
Industrials	10	12	11
Telecommunication Services	2	4	3
Energy	6	9	8

	Aggregate Global Equity 9/30/13 (%)	MSCI ACWI IMI 9/30/13 (%)		Aggregate Global Equity 9/30/13 (%)	MSCI ACWI IMI 9/30/13 (%)
Europe/North America	74.5	75.9	Asia (emerging)	8.7	5.9
United States	53.0	48.3	India	4.5	0.6
United Kingdom	10.0	7.8	Malaysia	1.0	0.4
Netherlands	1.0	1.4	South Korea	1.0	1.8
Switzerland	2.1	3.1	Latin America (emerging)	4.8	2.0
France	1.8	3.2	Mexico	2.3	0.5
Germany	1.6	3.1	Brazil	2.0	1.2
Canada	1.0	3.8	Europe/MidEast/Africa (emerging)	0.9	1.9
Pacific Rim/Asia	11.1	14.3	Other	0.0	0.1
Hong Kong	2.8	2.1			
Singapore	1.0	0.6			
Australia	1.5	2.9			
Japan	5.5	8.3			

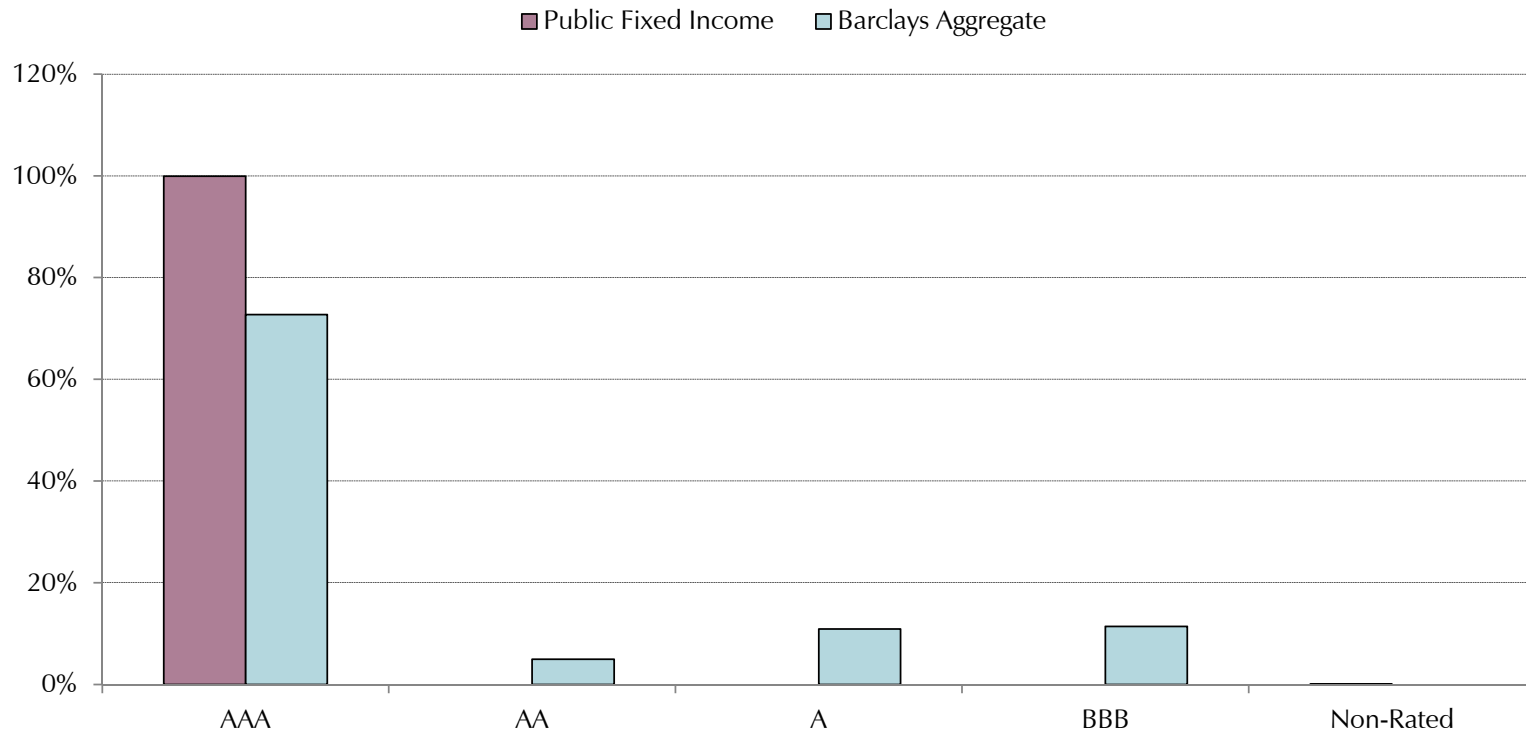


**Fixed Income Assets
As of September 30, 2013**



Risk: (sixty months)	Aggregate Fixed Income 9/30/13	Barclays Aggregate 9/30/13
Annualized Return (%)	7.3	5.4
Standard Deviation (%)	4.6	3.8
Best Monthly Return (%)	4.8	3.7
Worst Monthly Return (%)	-3.8	-2.4
Beta	0.94	1.00
Correlation (R ²) to Index	0.80	1.00
Correlation to Total Fund Return	0.58	NA
Sharpe Measure (risk-adjusted return)	1.55	1.36
Information Ratio	0.72	NA

Duration & Yield:	Aggregate Fixed Income 9/30/13	Barclays Aggregate 9/30/13	Aggregate Fixed Income 6/30/13
Average Effective Duration (years)	3.5	5.6	3.5
Yield to Maturity (%)	1.0	2.4	1.0



	Aggregate Fixed Income 9/30/13	Barclays Aggregate 9/30/13	Aggregate Fixed Income 6/30/13
Market Allocation (%):			
United States	100	91	100
Foreign (developed markets)	0	5	0
Foreign (emerging markets)	0	4	0
Currency Allocation (%):			
Non-U.S. Dollar Exposure	0	0	0
Sector Allocation (%):			
U.S. Treasury-Nominal	45	36	44
U.S. Treasury-TIPS	49	0	50
U.S. Agency	6	6	6
Mortgage Backed	0	29	0
Corporate	0	22	0
Bank Loans	0	0	0
Local & Provincial Government	0	1	0
Sovereign & Supranational	0	3	0
Commercial Mortgage Backed	0	2	0
Asset Backed	0	0	0
Cash Equivalent	0	0	0
Other	0	0	0

Portfolio Reviews
As of September 30, 2013

**Global Equity Portfolios Reviews
As of September 30, 2013**

San Jose Federated City Employees' Retirement System

Northern Trust Russell 3000 Index Portfolio Detail as of 9/30/13

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$203.6 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 9/1/1999
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.03% on all assets

Liquidity Constraints:
Daily

Strategy:

The Northern Trust strategy seeks to replicate the return of the Russell 3000 Index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	3Q13	1 YR	3 YR	5 YR	Since 9/1/99
Northern Trust Russell 3000 Index	6.4	21.7	16.9	10.8	4.6
Net of Fees	6.3	21.7	16.8	10.8	4.6
Russell 3000	6.3	21.6	16.8	10.6	4.5

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 3000 Index	21.2%	1.00	0.50	NA	1.00
Russell 3000	21.1	1.00	0.49	NA	1.00

Capitalization Structure:	9/30/13		6/30/13	
	NT Russell 3000	Russell 3000	NT Russell 3000	Russell 3000
Weighted Average Market Cap. (US\$ billion)	84.3	84.1	84.7	84.6
Median Market Cap. (US\$ billion)	1.7	1.3	1.5	1.2
Large (% over US\$10 billion)	77	77	77	76
Medium (% US\$2 billion to US\$10 billion)	17	17	17	17
Small (% under US\$2 billion)	5	6	6	6

Fundamental Structure:	9/30/13	6/30/13	NT	Russell 3000
Price-Earnings Ratio	23	23	22	22
Price-Book Value Ratio	4.5	4.5	4.1	4.1
Dividend Yield (%)	2.0	2.0	2.1	2.1
Historical Earnings Growth Rate (%)	13	13	12	12
Projected Earnings Growth Rate (%)	12	12	12	11

Sector Allocation (%):	9/30/13	6/30/13	NT	Russell 3000
Consumer Discretionary	13	13	13	13
Health Care	13	13	12	12
Materials	4	4	4	4
Energy	10	9	10	10
Industrials	11	11	11	11
Utilities	3	3	3	3
Telecommunication Services	2	2	3	3
Consumer Staples	9	9	9	9
Information Technology	18	18	17	17
Financials	17	17	18	18

Diversification:	9/30/13	6/30/13	NT	Russell 3000
Number of Holdings	2,579	2,965	2,625	2,923
% in 5 largest holdings	8	8	9	9
% in 10 largest holdings	14	14	15	15

Largest Ten Holdings:	Weight	Industry
Apple	2.4	Technology Equipment
ExxonMobil	2.0	Energy
Microsoft	1.5	Software & Services
General Electric	1.3	Capital Goods
Johnson & Johnson	1.3	Pharmaceuticals & Biotech.
Chevron	1.2	Energy
Google	1.2	Software & Services
Procter & Gamble	1.1	Household Products
Berkshire Hathaway	1.1	Diversified Financials
Wells Fargo & Company	1.1	Banks



San Jose Federated City Employees' Retirement System

Vontobel Emerging Markets Equity Portfolio Detail as of 9/30/13

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$133.6 million

Portfolio Manager: Rajiv Jain

Location: New York, NY

Inception Date: 7/1/2013

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.95% on first \$150 mm; 0.85% thereafter

Liquidity Constraints:

Daily

Strategy:

Vontobel believes that long-term, stable, and superior earnings growth drives investment returns and risk-adjusted outperformance. Thus they seek to invest in businesses that are predictable (strong franchise, low capital intensity, shareholder oriented management, etc.), sustainable (ability to replicate or exceed past success in terms of growth, operating margins, ROE, ROA etc.), and are trading at an attractive margin of safety (to at least a 25% discount to their assessment of intrinsic value). They believe in building concentrated portfolios (50 to 90 stocks) of high conviction positions with little attention paid to the benchmark.

Performance (%):	3Q13	Since 7/1/13
Vontobel Emerging Markets Equity	-0.8	-0.8
Net of Fees	-1.0	-1.0
MSCI Emerging Markets	5.8	5.8
Peer Emerging Markets	5.8	5.8
Peer Ranking (percentile)	95	95

	9/30/13	
	Vontobel Emerging Markets	MSCI Emerging Markets
Capitalization Structure:		
Weighted Average Market Cap. (US\$ billion)	37.6	35.9
Median Market Cap. (US\$ billion)	11.6	4.4
Large (% over US\$10 billion)	79	64
Medium (% US\$2 billion to US\$10 billion)	21	32
Small (% under US\$2 billion)	1	3
Fundamental Structure:		
Price-Earnings Ratio	23	18
Price-Book Value Ratio	8.3	3.1
Dividend Yield (%)	2.5	2.6
Historical Earnings Growth Rate (%)	23	13
Projected Earnings Growth Rate (%)	12	13
Sector Allocation (%):		
Consumer Staples	41	9
Financials	32	27
Utilities	4	3
Health Care	2	1
Consumer Discretionary	7	9
Materials	5	10
Industrials	2	6
Telecommunication Services	2	7
Energy	1	12
Information Technology	4	15
Diversification:		
Number of Holdings	75	818
% in 5 largest holdings	24	11
% in 10 largest holdings	40	17
Region Allocation (%):		
Asia	42	53
Latin America	25	20
Europe, Middle East and Africa	4	18
Other	30	9
Largest Five Holdings:		
		Industry
British American Tobacco	6.8	Food, Beverage & Tobacco
SABMiller	5.0	Food, Beverage & Tobacco
ITC	4.7	Food, Beverage & Tobacco
HSBC	3.9	Banks
Housing Development Financial	3.7	Banks



San Jose Federated City Employees' Retirement System

Artisan Global Value Portfolio Detail as of 9/30/13

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$123.2 million

Portfolio Manager: David Samra
Dan O'Keefe

Location: San Francisco, California

Inception Date: 3/1/2011

Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.80% on first \$50 mm; 0.60% on next \$50 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

Artisan employs a bottom-up investment approach seeking to identify undervalued quality businesses that offer the potential for superior risk/reward outcomes. Artisan runs a somewhat concentrated portfolio of 40 to 60 stocks. They are benchmark-agnostic, and willing to have exposures that are materially different than the benchmark.

Guidelines:

Benchmark = MSCI ACWI; Max. % per country other than U.S. = 35%; Max. % per industry = 25%; Max. % in debt securities = 10%; Max % outside developed markets = 10% above benchmark weighting

Performance (%):	3Q13	1 YR	Since 3/1/11
Artisan Global Value	7.8	27.9	16.4
Net of Fees	7.5	27.0	15.6
MSCI ACWI Value	7.2	18.4	5.7
Peer Global Equity	9.3	24.2	9.4
Peer Ranking (percentile)	81	26	4

	9/30/13		6/30/13	
	Artisan Global Value	MSCI ACWI Value	Artisan Global Value	MSCI ACWI Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	83.2	77.1	72.6	79.9
Median Market Cap. (US\$ billion)	36.1	7.6	28.7	7.0
Large (% over US\$10 billion)	91	85	89	85
Medium (% US\$2 billion to US\$10 billion)	9	15	11	15
Small (% under US\$2 billion)	0	1	0	1
Fundamental Structure:				
Price-Earnings Ratio	18	18	20	18
Price-Book Value Ratio	3.1	2.3	3.4	2.2
Dividend Yield (%)	2.1	3.3	2.3	3.6
Historical Earnings Growth Rate (%)	7	5	8	5
Projected Earnings Growth Rate (%)	11	9	10	7
Sector Allocation (%):				
Information Technology	25	7	24	7
Consumer Staples	10	6	12	6
Health Care	12	8	11	9
Financials	32	31	29	30
Consumer Discretionary	7	6	11	6
Telecommunication Services	3	6	2	6
Industrials	7	10	7	10
Utilities	0	5	0	6
Materials	0	7	1	7
Energy	4	13	3	14
Diversification:				
Number of Holdings	43	1,326	44	1,328
% in 5 largest holdings	19	8	20	9
% in 10 largest holdings	36	13	39	15
Region Allocation (%):				
Americas	61	50	64	53
Europe	34	25	31	23
Pacific Rim	2	14	3	14
Other	2	11	2	11
Largest Five Holdings:				
		Industry		
Oracle	5.1	Software & Services		
Bank of New York Mellon	3.8	Diversified Financials		
Microsoft	3.5	Software & Services		
AON	3.5	Insurance		
Arch Capital	3.5	Insurance		



San Jose Federated City Employees' Retirement System

Northern Trust EAFE Small Cap Portfolio Detail as of 9/30/13

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$77.6 million

Portfolio Manager: Team

Location: Chicago, Illinois

Inception Date: 11/1/2012

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.05% on all assets

Liquidity Constraints:
Daily

Strategy:
This Northern Trust EAFE Small Cap Index strategy seeks to replicate the returns of the MSCI EAFE Small Cap index, a proxy for developed market small cap equity performance (excluding the U.S. and Canada). The strategy provides broad diversification (there are 21 developed country indices within the index) at minimal expense.

Performance (%):	3Q13	Since 11/1/12
Northern Trust EAFE Small Cap	15.4	28.5
Net of Fees	15.4	28.4
MSCI EAFE Small Cap	15.5	28.3

	9/30/13		6/30/13	
	Northern Trust EAFE Small Cap	MSCI EAFE Small Cap	Northern Trust EAFE Small Cap	MSCI EAFE Small Cap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	2.2	2.2	1.8	1.8
Median Market Cap. (US\$ million)	839.1	840.9	735.0	737.8
Large (% over US\$10 billion)	0	0	0	0
Medium (% US\$2 billion to US\$10 billion)	45	45	37	37
Small (% under US\$2 billion)	55	55	63	63
Fundamental Structure:				
Price-Earnings Ratio	21	21	20	20
Price-Book Value Ratio	3.1	3.1	2.8	2.8
Dividend Yield (%)	2.3	2.3	2.7	2.7
Historical Earnings Growth Rate (%)	7	7	6	6
Projected Earnings Growth Rate (%)	13	13	12	12
Sector Allocation (%):				
Materials	10	10	10	10
Financials	20	20	21	21
Consumer Staples	6	5	6	6
Energy	4	4	4	4
Health Care	6	6	6	6
Utilities	2	2	2	2
Telecommunication Services	1	1	1	1
Information Technology	10	10	9	9
Industrials	22	22	21	21
Consumer Discretionary	20	20	20	20
Diversification:				
Number of Holdings	2,149	2,143	2,163	2,155
% in 5 largest holdings	2	2	2	2
% in 10 largest holdings	3	3	3	3
Region Allocation (%):				
Europe	57	58	56	56
Pacific Rim	42	42	44	44
Other	0	0	0	0
Largest Five Holdings:				
			Industry	
ALCATEL-LUCENT	0.5		Technology Equipment	
Mondi	0.4		Materials	
VALEO	0.4		Automobiles & Components	
ASOS	0.3		Retailing	
Taylor Wimpey	0.3		Consumer Durables	



San Jose Federated City Employees' Retirement System

Northern Trust MSCI EAFE Index Portfolio Detail as of 9/30/13

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$74.8 million

Portfolio Manager: Team

Location: Chicago, Illinois

Inception Date: 11/1/2012

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.05% on all assets

Liquidity Constraints:
Daily

Strategy:

The Northern Trust MSCI EAFE Index strategy seeks to replicate the return of the MSCI EAFE index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	3Q13	Since 11/1/12
Northern Trust MSCI EAFE Index	11.6	23.2
Net of Fees	11.6	23.2
MSCI EAFE	11.6	22.8

	9/30/13		6/30/13	
	Northern Trust EAFE	MSCI EAFE	Northern Trust EAFE	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	59.6	59.5	54.5	54.5
Median Market Cap. (US\$ billion)	8.5	8.4	7.7	7.6
Large (% over US\$10 billion)	84	84	81	81
Medium (% US\$2 billion to US\$10 billion)	16	16	19	19
Small (% under US\$2 billion)	0	0	0	0
Fundamental Structure:				
Price-Earnings Ratio	20	20	19	19
Price-Book Value Ratio	3.0	3.0	2.9	2.9
Dividend Yield (%)	3.1	3.1	3.3	3.3
Historical Earnings Growth Rate (%)	6	6	5	5
Projected Earnings Growth Rate (%)	11	11	11	11
Sector Allocation (%):				
Consumer Staples	11	11	12	12
Industrials	13	13	12	12
Energy	7	7	7	7
Telecommunication Services	6	5	5	5
Information Technology	4	4	5	5
Financials	25	25	25	25
Health Care	10	10	11	11
Consumer Discretionary	12	12	12	12
Utilities	4	4	4	4
Materials	8	8	8	8
Diversification:				
Number of Holdings	913	907	915	907
% in 5 largest holdings	8	8	8	8
% in 10 largest holdings	13	13	14	14
Region Allocation (%):				
Americas	1	0	0	0
Europe	64	65	64	64
Pacific Rim	35	35	36	36
Other	0	0	0	0
Largest Five Holdings:				
			Industry	
Nestle	1.8		Food, Beverage & Tobacco	
HSBC	1.6		Banks	
Roche Holding	1.5		Pharmaceuticals & Biotech.	
Novartis	1.4		Pharmaceuticals & Biotech.	
Toyota Motor	1.4		Automobiles & Components	



San Jose Federated City Employees' Retirement System

RS Investments Small Cap Value Portfolio Detail as of 9/30/13

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$66.2 million
Portfolio Manager: Team
Location: San Francisco, California
Inception Date: 8/1/2010
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$30 mm; 0.80% on next \$20 mm; 0.60% thereafter

Liquidity Constraints:

Daily

Strategy:

RS employs a bottom-up, fundamental stock picking approach to portfolio management. The investment team seeks to optimize risk-adjusted returns through deep company-specific fundamental research. When evaluating investments for the strategy, RS Investments employs a return-on-capital analysis, combining balance sheet and cash flow analysis. RS believes that stock price performance is more highly correlated to improving returns on capital than it is to traditional valuation measurements like price-to-earnings, price-to-sales or price to book value. The strategy typically invests most of its assets in securities of U.S. companies but may also invest up to 15% of its assets in foreign securities.

Guidelines:

Position size <9%, industry exposure <25%, maximum 10% non U.S.

Performance (%):	3Q13	1 YR	3 YR	Since 8/1/10	
RS Investments Small Cap Value	8.5	37.5	20.5	20.6	
Net of Fees	8.1	36.8	19.7	19.8	
Russell 2000 Value	7.6	27.0	16.6	16.5	
Peer Small Cap Value	8.7	31.6	18.9	19.0	
Peer Ranking (percentile)	51	8	18	12	
Risk: (thirty-eight months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
RS Investments Small Cap Value	22.2%	0.99	0.92	0.77	0.96
Russell 2000 Value	20.8	1.00	0.79	NA	1.00

Capitalization Structure:	9/30/13		6/30/13	
	RS SCV	Russell 2000 Value	RS SCV	Russell 2000 Value
Weighted Average Market Cap. (US\$ billion)	3.1	1.4	2.9	1.4
Median Market Cap. (US\$ billion)	2.7	0.5	2.6	0.5
Large (% over US\$10 billion)	0	0	0	0
Medium (% US\$2 billion to US\$10 billion)	76	24	71	22
Small (% under US\$2 billion)	24	76	29	78

Fundamental Structure:

Price-Earnings Ratio	26	24	28	24
Price-Book Value Ratio	2.9	1.8	2.8	1.9
Dividend Yield (%)	1.1	2.0	1.1	2.1
Historical Earnings Growth Rate (%)	1	4	0	3
Projected Earnings Growth Rate (%)	11	11	12	12

Sector Allocation (%):

Information Technology	25	11	25	12
Materials	9	5	7	5
Energy	11	7	11	6
Consumer Staples	3	3	3	3
Utilities	6	6	7	6
Health Care	4	5	6	5
Telecommunication Services	0	1	0	1
Consumer Discretionary	6	11	5	13
Industrials	9	14	12	13
Financials	27	39	25	37

Diversification:

Number of Holdings	52	1,343	52	1,392
% in 5 largest holdings	19	2	19	3
% in 10 largest holdings	34	4	36	4

Largest Ten Holdings:

		Industry
IDT	4.7	Semiconductors
Acxiom	4.3	Software & Services
AOL	3.9	Software & Services
StanCorp Financial	3.2	Insurance
TORCHMARK	3.1	Insurance
Peyto	3.1	Energy
Euronet Worldwide	3.0	Software & Services
Questar	3.0	Utilities
Calpine	2.9	Utilities
LAREDO PETROLEUM HDG.	2.8	Energy



San Jose Federated City Employees' Retirement System

Eagle Small Cap Growth Portfolio Detail as of 9/30/13

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$63.0 million
Portfolio Manager: Bert L. Boksen, CFA
Location: St. Petersburg, Florida
Inception Date: 6/1/1998
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.75% on first \$3 mm; 0.70% on next \$7 mm; 0.60% on next \$40 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

Eagle Asset Management seeks to capture the significant long-term capital appreciation potential of small, rapidly growing, under-researched companies. The market capitalization of these companies falls within the market cap range of the Russell 2000 Index at the time of purchase. Since the small company sector historically has been less efficient than the large capitalization sector, they believe that conducting extensive proprietary research on companies that are not widely followed or owned institutionally should enable Eagle to capitalize on market inefficiencies and thus outperform the Russell 2000 Growth Index.

Guidelines:

Maximum of 5% in one issuer, and maximum of 5% preferred stock.

Performance (%):	3Q13	1 YR	3 YR	5 YR	Since 6/1/98
Eagle Small Cap Growth	11.3	33.0	20.8	15.8	8.6
Net of Fees	11.1	32.2	20.1	15.2	7.9
Russell 2000 Growth	12.8	33.1	20.0	13.2	5.6
Peer Small Cap Growth	12.3	33.0	21.1	14.7	9.5
Peer Ranking (percentile)	70	49	53	33	68

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Eagle Small Cap Growth	28.0%	0.97	0.56	0.63	0.99
Russell 2000 Growth	27.9	1.00	0.47	NA	1.00

Capitalization Structure:	9/30/13		6/30/13	
	Eagle	Russell 2000 Growth	Eagle	Russell 2000 Growth
Weighted Average Market Cap. (US\$ billion)	2.1	1.8	1.9	1.8
Median Market Cap. (US\$ billion)	1.7	0.8	1.5	0.7
Large (% over US\$10 billion)	0	0	0	0
Medium (% US\$2 billion to US\$10 billion)	45	38	40	38
Small (% under US\$2 billion)	55	62	60	62

Fundamental Structure:

Price-Earnings Ratio	38	35	33	31
Price-Book Value Ratio	7.2	7.3	5.5	6.2
Dividend Yield (%)	0.5	0.6	0.6	0.7
Historical Earnings Growth Rate (%)	18	16	16	19
Projected Earnings Growth Rate (%)	20	18	19	18

Sector Allocation (%):

Energy	6	4	5	5
Financials	8	7	9	8
Materials	6	5	6	5
Health Care	22	21	21	21
Utilities	0	0	0	0
Consumer Staples	5	5	4	5
Industrials	15	15	17	18
Consumer Discretionary	16	17	17	16
Telecommunication Services	0	1	0	1
Information Technology	23	25	22	21

Diversification:

Number of Holdings	95	1,117	98	1,101
% in 5 largest holdings	11	3	10	3
% in 10 largest holdings	20	5	19	5

Largest Ten Holdings:

		Industry
Genesco	2.3	Retailing
Multimedia Games	2.3	Consumer Services
Centene	2.1	Health Care Services
Geospace Technologies	2.1	Energy
Quaker Chemical	2.0	Materials
Bally Technologies	1.9	Consumer Services
Texas Industries	1.8	Materials
HURON CNSL.GP.	1.8	Commercial Services
MEDASSETS	1.6	Health Care Services
Hanger	1.6	Health Care Services



San Jose Federated City Employees' Retirement System

Northern Trust MSCI Emerging Markets Index Portfolio Detail as of 9/30/13

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$10.3 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 5/1/2010
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.05% on all assets

Liquidity Constraints:
 Daily

Strategy:

The Northern Trust strategy seeks to replicate the return of the MSCI Emerging Markets index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the benchmark's risk profile. The result is a diversified portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	3Q13	1 YR	3 YR	Since 5/1/10
Northern Trust MSCI Emerging Markets Index	5.8	1.0	-0.5	1.5
Net of Fees	5.6	0.8	-0.6	1.3
MSCI Emerging Markets	5.8	1.0	-0.3	1.7

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust MSCI Emerging Markets Index	21.3%	1.00	0.07	NA	1.00
MSCI Emerging Markets	21.4	1.00	0.07	NA	1.00

	9/30/13		6/30/13	
Capitalization Structure:	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Weighted Average Market Cap. (US\$ billion)	36.1	35.9	32.9	32.7
Median Market Cap. (US\$ billion)	4.7	4.4	4.5	4.2
Large (% over US\$10 billion)	65	64	64	63
Medium (% US\$2 billion to US\$10 billion)	32	32	32	32
Small (% under US\$2 billion)	3	3	4	4

Fundamental Structure:	9/30/13	6/30/13	9/30/13	6/30/13
Price-Earnings Ratio	19	18	18	18
Price-Book Value Ratio	3.1	3.1	3.1	3.1
Dividend Yield (%)	2.6	2.6	2.9	2.9
Historical Earnings Growth Rate (%)	13	13	14	14
Projected Earnings Growth Rate (%)	14	13	12	12

Sector Allocation (%):	9/30/13	6/30/13	9/30/13	6/30/13
Financials	27	27	28	28
Information Technology	15	15	15	15
Consumer Staples	9	9	10	9
Industrials	6	6	6	6
Consumer Discretionary	9	9	8	8
Health Care	1	1	1	1
Telecommunication Services	7	7	8	8
Utilities	3	3	3	3
Materials	10	10	9	10
Energy	12	12	11	11

Diversification:	9/30/13	6/30/13	9/30/13	6/30/13
Number of Holdings	847	818	851	820
% in 5 largest holdings	11	11	11	11
% in 10 largest holdings	16	17	16	16

Region Allocation (%):	9/30/13	6/30/13	9/30/13	6/30/13
Asia	53	53	54	54
Latin America	20	20	20	20
Europe, Middle East and Africa	17	18	16	17
Other	10	9	10	9

Largest Five Holdings:	9/30/13	Industry
Samsung	3.8	Semiconductors
Taiwan Semiconductor	2.3	Semiconductors
China Mobile	1.8	Telecom Services
China Con.Bank	1.5	Banks
Tencent Holdings	1.5	Software & Services



**Real Assets Portfolio Reviews
As of September 30, 2013**

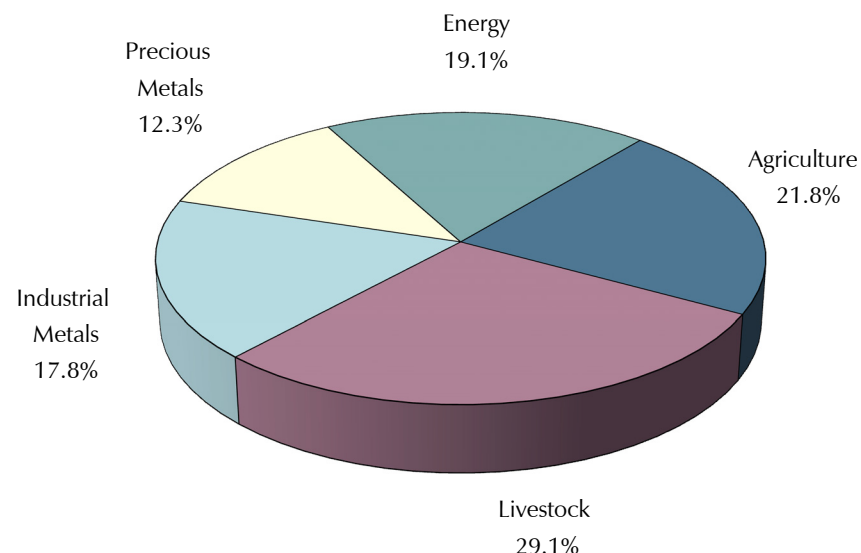
Mandate: Commodity
Active/Passive: Active
Market Value: \$118.4 million
Portfolio Manager: Christopher Burton
Location: New York, New York
Inception Date: 4/1/2011
Account Type: Commingled Fund

Fee Schedule:
 0.42% on first \$100 mm; 0.37% thereafter

Liquidity Constraints:
 Daily

Strategy:
 Credit Suisse Asset Management (CSAM) seeks to provide a commodity-based investment return with reduced risk, measured by standard deviation, versus traditional commodity indices. The team aims to capture the spot return of commodities while employing active management techniques to exploit commodity market inefficiencies. The commodities team at CSAM utilizes futures to replicate the risk-based index. The portfolio consists of five commodity complexes (energy, industrial metals, precious metals, agriculture, and livestock) and 24 commodities included in the S&P- Goldman Sachs Commodities Index. CSAM allocates 20% of capital to each of the commodity complexes. Within each commodity complex, the strategy equal weights the specific commodities. The portfolio is rebalanced on a monthly basis. Active strategies used by CSAM seek to exploit the time period (roll date) the fund purchases commodities, using a quantitative and qualitative assessment. Collateral for the fund is actively managed and invested in U.S. Treasuries and agency securities.

Current Allocation:



Performance (%):	3Q13	1 YR	Since 4/1/11
CS Risk Parity Commodity Index¹	4.2	-10.4	-7.4
Custom Risk Parity Benchmark ²	4.1	-10.5	-7.5
Dow Jones-UBS Commodity U.S. Index	2.1	-14.4	-10.9

¹ Performance is net of fees.

² Risk Parity benchmark returns provided by staff.



San Jose Federated City Employees' Retirement System

Northern Trust Global LargeMid NR Portfolio Detail as of 9/30/13

Mandate: Natural Resources
Active/Passive: Passive
Market Value: \$108.1 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 11/1/2012
Account Type: Separately Managed

Fee Schedule:
 0.05% on all assets

Liquidity Constraints:
 Daily

Strategy:
 This Northern Trust Global Large MidCap Natural Resources Index seeks an investment return that approximates the performance of the S&P Global LargeMidCap Commodity and Resources Index. The index has equal exposure to three major natural resources industries: energy, materials, and agriculture.

Performance (%):	3Q13	Since 11/1/12
Northern Trust Global LargeMid NR	7.8	-5.0
Net of Fees	7.8	-5.0
S&P Global LargeMid Cap Commodities and Resources	7.6	-5.3

	9/30/13		6/30/13	
	Northern Trust Global NR	S&P Global LargeMid Cap Comm & Res	Northern Trust Global NR	S&P Global LargeMid Cap Comm & Res
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	66.6	66.5	65.0	66.4
Median Market Cap. (US\$ billion)	9.4	8.6	8.1	7.3
Large (% over US\$10 billion)	86	87	84	85
Medium (% US\$2 billion to US\$10 billion)	13	12	15	14
Small (% under US\$2 billion)	1	1	1	1
Fundamental Structure:				
Price-Earnings Ratio	18	18	17	17
Price-Book Value Ratio	2.2	2.2	2.2	2.2
Dividend Yield (%)	2.9	3.0	3.1	3.1
Historical Earnings Growth Rate (%)	7	7	6	6
Projected Earnings Growth Rate (%)	8	8	7	7
Sector Allocation (%):				
Energy	34	33	35	34
Consumer Staples	8	8	8	8
Consumer Discretionary	0	0	0	0
Financials	0	0	0	0
Health Care	0	0	0	0
Industrials	0	0	0	0
Information Technology	0	0	0	0
Telecommunication Services	0	0	0	0
Utilities	0	0	0	0
Materials	58	58	57	57
Diversification:				
Number of Holdings	209	213	217	225
% in 5 largest holdings	27	27	27	27
% in 10 largest holdings	43	42	42	42
Region Allocation (%):				
Europe/North America	77	76	78	76
Pacific Rim/Asia	12	12	11	12
Asia (emerging)	4	4	5	5
Latin America (emerging)	2	2	2	3
Europe/MidEast/Africa (emerging)	5	5	4	5
Largest Five Holdings:				
		Industry		
Monsanto	7.5	Materials		
BHP Billiton	5.5	Materials		
Syngenta	5.1	Materials		
ExxonMobil	5.0	Energy		
Potash Corporation	3.6	Materials		



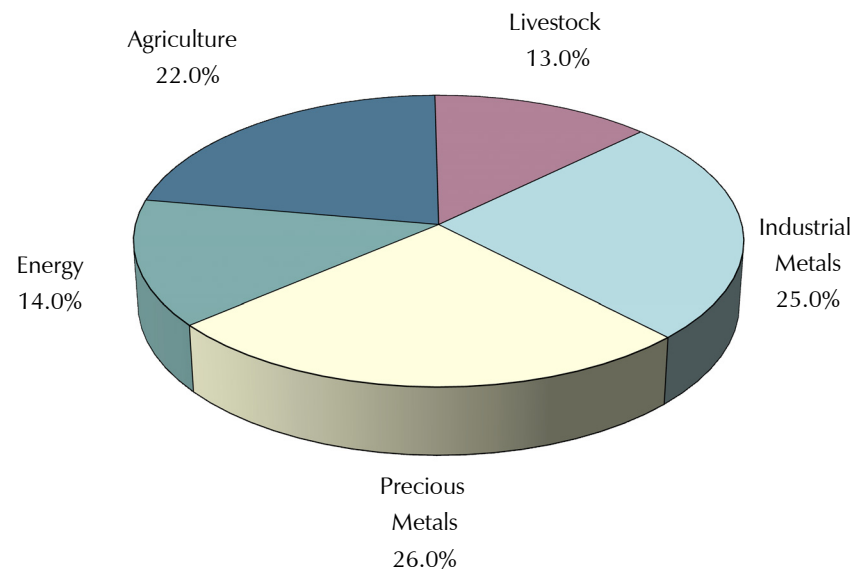
Mandate: Commodity (net of fees)
Active/Passive: Active
Market Value: \$79.7 million
Portfolio Manager: Team
Location: Pasadena, California
Inception Date: 4/1/2011
Account Type: Commingled Fund

Fee Schedule:
 0.35% on all assets

Liquidity Constraints:
 Daily

Strategy:
 First Quadrant believes that there are inherent flaws to commodity indices, and they seek to produce a strategy which providing investors a higher correlation to inflation over the long run. First Quadrant utilizes futures and swaps to gain exposure to five commodity complexes, representing twenty specific commodities, and targets 20% risk to each of the commodity complexes. The complexes are energy, industrial metals, precious metals, agriculture, and livestock. The firm employs a quantitative methodology and uses risk as the weighting for each commodity product, making adjustments to the allocations depending upon the perceived volatility environment (high risk, low risk, or moderate risk). The firm will modify the investment exposure based upon the predicted environment ranging from 88% (in a high volatility environment) to 146% (in a low volatility environment). Collateral for the portfolio is actively managed and invested in U.S. Treasuries and agency securities.

Current Allocation:



Performance (%)	3Q13	1 YR	Since 4/1/11
CS Risk Parity Commodity Index¹	4.2	-17.2	-11.7
Custom Risk Parity Benchmark ²	4.1	-10.5	-7.5
Dow Jones-UBS Commodity U.S. Index	2.1	-14.4	-10.9

¹ Performance is net of fees.

² Risk Parity benchmark returns provided by staff.



**Fixed Income Portfolio Reviews
As of September 30, 2013**

San Jose Federated City Employees' Retirement System

Northern Trust Intermediate Gov't 1-10 Year Portfolio Detail as of 9/30/13

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$114.1 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 10/1/2012
Account Type: Commingled Fund

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.05% on all assets

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust 1-10 Year Intermediate Government Bond Index Fund seeks to hold a portfolio representative of the intermediate government securities sector of the United States bond and debt market, as characterized by the Barclays Capital Intermediate Government Bond Index.

Performance (%):	3Q13	1 YR	Since 10/1/12
Northern Trust Intermediate Gov't 1-10 Year	0.4	-0.8	-0.8
Net of Fees	0.4	-0.8	-0.8
Barclays Intermediate Gov't Bond Index	0.4	-0.8	-0.8

Duration & Yield:	9/30/13		6/30/13	
	NTGI Int Gov't 1-10 yr	Barclays IT Gov't	NTGI Int Gov't 1-10 yr	Barclays IT Gov't
Average Effective Duration (years)	3.5	3.6	3.5	3.6
Yield to Maturity (%)	1.0	1.0	1.0	1.0
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	97	100	97
AA	0	3	0	3
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	88	89	88	88
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	12	11	12	12
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



San Jose Federated City Employees' Retirement System

Russell Investments Barclays U.S. TIPS Portfolio Detail as of 9/30/13

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$111.3 million
Portfolio Manager: Russell Investments
Location: Seattle, Washington
Inception Date: 5/1/2010
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.05% on first \$200 mm; 0.03% on next \$200 mm; 0.015% thereafter

Liquidity Constraints:

Daily

Strategy:

Russell Investments seeks to construct a portfolio of U.S. TIPS securities subject to Staff's guidelines.

Performance (%):	3Q13	1 YR	3 YR	Since 5/1/10
Russell Investments Barclays U.S. TIPS	0.7	-2.1	3.6	4.4
Net of Fees	0.7	-2.1	3.5	4.4
TIPS Blended Benchmark ¹	0.7	-3.7	3.4	4.3
Barclays U.S. TIPS	0.7	-6.1	4.0	4.7

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Russell Investments Barclays U.S. TIPS	3.7%	0.84	1.17	NA	0.97
TIPS Blended Benchmark	4.3	1.00	0.97	NA	1.00

Quality Structure (%):	9/30/13		6/30/13	
	Barclays U.S. TIPS	Barclays TIPS	Barclays U.S. TIPS	Barclays TIPS
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0

Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0

Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0

Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ The TIPS Blended Benchmark Consists of 50% Barclays U.S. TIPS & 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012, it was comprised of 100% Russell Investments Barclays U.S. TIPS.



Global Macroeconomic Outlook September 2013

Global Economic Outlook

So far in 2013, economic growth in most developed economies has been close to expectations, while emerging market economic growth has been slower than expected and more varied.

- Although growth recently improved in developed economies, it should remain subdued due to an increase in interest rates, government austerity, and high unemployment.
- The recent increase in real interest rates and reduction in global liquidity will likely weigh on growth in emerging markets.
- China growth in 2013 has disappointed, resulting in lower demand for commodities and other emerging markets goods.
- Thus far in 2013, GDP growth levels have come in at or below consensus projections, with the exception of Japan. In the U.S., growth remained modestly positive, while in Europe growth continues to be sluggish. China's growth continues to be stronger than developed economies, but is lower than its recent levels and below expectations.

	IMF 2013 Real GDP Forecast (%)	YTD Actual Real GDP (%)
U.S.	2.1	2.1
European Union	0.5	0.5
Japan	1.2	3.3
China	8.2	7.7

Source: "IMF 2013 Real GDP Forecast" represents the IMF's October 2012 projections. The source for the "2013 Actual Real GDP" is Thomson Reuters and is through September 30, 2013.

- Subdued growth in developed economies and slowing growth in emerging economies, coupled with higher interest rates, should keep inflation at moderate levels. If central banks begin to reduce their historic monetary stimulus, inflationary pressures will decline further and deflation risk will increase across developed economies.

Global Economic Outlook, Continued

Global real interest rates remain markedly higher than a year prior, despite continued monetary stimulus. For the remainder of 2013, fiscal stimulus looks unlikely in developed economies, with the exception of Japan.

- In June, the U.S. Federal Reserve announced that they were considering tapering their bond purchase program (i.e., quantitative easing) later this year. Subsequently, they conveyed in September that they would wait for more evidence of a sustainable economic recovery before beginning their reduction in purchases.
- Recently, President Obama announced that he would be recommending Janet Yellen to replace Ben Bernanke as the head of the U.S. Federal Reserve. Ms. Yellen has been the vice chair of the Federal Reserve for the past two years.
- Shinzo Abe, Japan's Prime Minister announced that in April 2014 that the consumption tax will be increased from 5% to 8%, with the possibility of further increases. The last time the tax was increased was in 1997, a period that preceded a recession. This fiscal consolidation follows Japan's recent unprecedented monetary and fiscal stimulus aimed at ending the country's long-term economic stagnation.

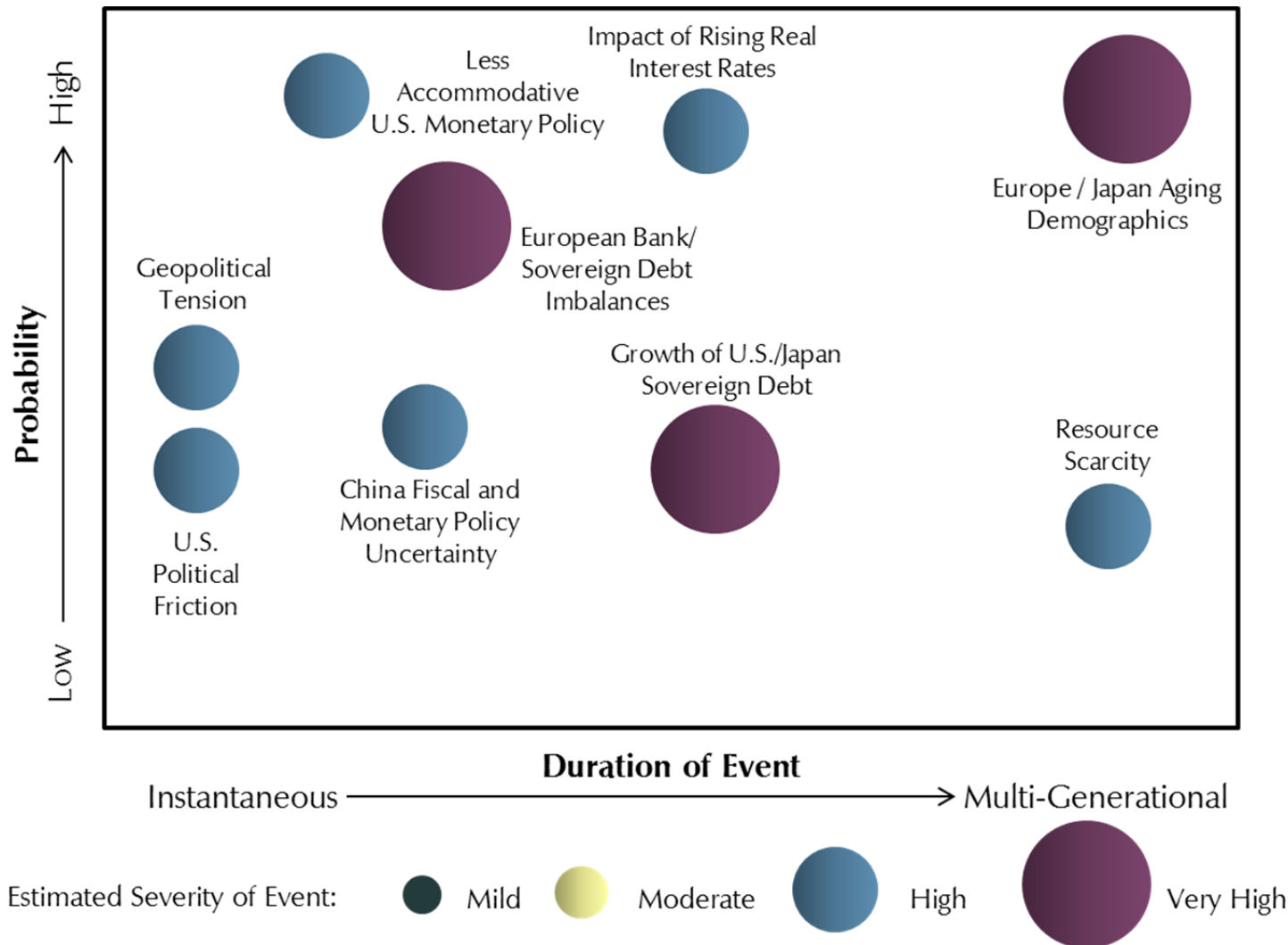
Global Economic Outlook, Continued

Political frictions in the U.S. Congress related to increasing the debt ceiling and the budget impasse caused uncertainty in financial markets and concerns from creditors.

- The U.S. government recently experienced a partial shutdown as Congress struggled to pass a resolution to continue funding the budget. Additionally, Congress debated the terms of increasing the country's borrowing limit (i.e., "the debt ceiling").
- At the final hour, Congress passed a temporary solution to increase the debt ceiling through February and to fund the budget through January, setting up the potential for a repeat of the recent gridlock as the new deadlines approach.
- Initial estimates forecast that the shutdown decreased fourth-quarter GDP by more than 0.5%, equating to close to \$25 billion removed from the U.S. economy.
- Although the U.S. did not ultimately default on its debt and was able to reopen the government, the process further highlighted the political dysfunction in Washington and damaged confidence in the country's financial strength.

Several issues remain of primary concern: 1) continued economic sluggishness and financial risk in Europe; 2) increasing real interest rates globally; 3) the potential for a rapid slowdown in China impacting other emerging economies; and 4) increased geopolitical tensions around the world.

Macroeconomic Risk Matrix



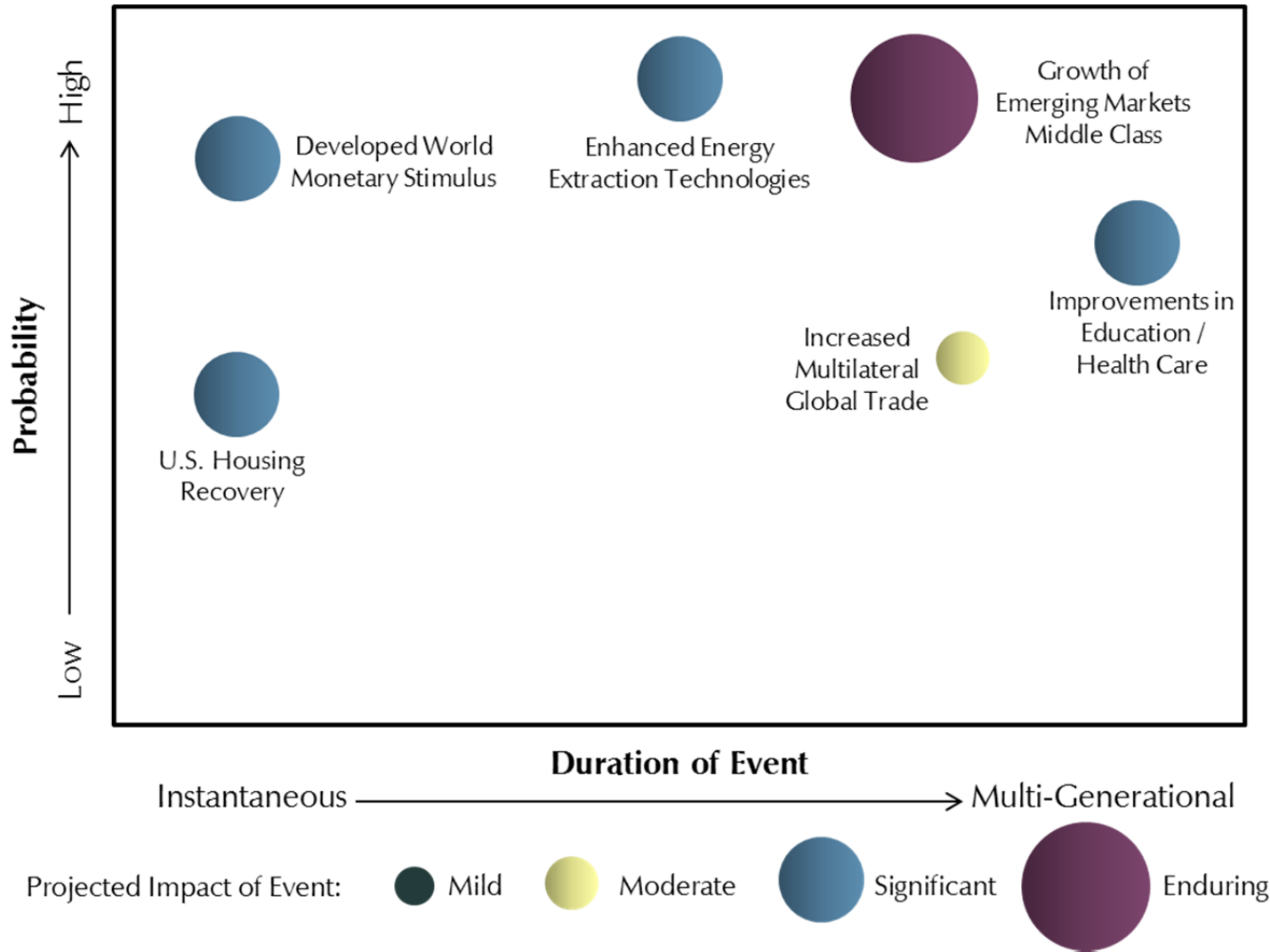
Macroeconomic Risk Overviews

European Bank/Sovereign Debt Imbalances	The crisis is rooted in structural issues in the Euro-zone related to the combination of a single currency (euro) combined with 17 fiscal authorities. Several negative outcomes are possible from the sovereign debt crisis, including sequential sovereign default, a break-up of the euro, bank failures, political regime change, and rapid de-leveraging/deflation.
Growth of U.S./Japan Sovereign Debt	Similar to the sovereign debt crisis in Europe, the potential crises in Japan and the U.S. are founded on very large and growing fiscal debt burdens, combined with slow growth. However, unlike Europe, Japan and the U.S. both have single fiscal and monetary authorities. Thus, central banks can (and did) print money to avoid the risk of default. Recently, Japan's central bank announced a very aggressive strategy to fight deflation that aims to double the monetary base and target a 2% inflation rate.
Europe/Japan Aging Demographics	In Japan and Europe birth rates have declined, resulting in populations becoming older and smaller relative to the rest of the world. These demographic trends will have a negative long-term impact on GDP growth and fiscal budgets, amplifying debt problems.
Geopolitical Tension	Recently, social unrest has increased most notably in Brazil, Turkey, and Egypt. The use of social media has dramatically enhanced the ability to quickly disseminate information and to mobilize people. In Brazil and Turkey the protest initially started over a single issue, but eventually expanded to cover a wide range of grievances. In Egypt, the protests were focused on discontent with the recently elected president (Mohammed Morsi) who replaced the country's long-term dictator (Hosni Mubarak). It is likely that social unrest in emerging economies will continue going forward as many people transition into the middle class and begin to demand more from their governments.
China Fiscal and Monetary Policy Uncertainty	A lot of China's recent growth was fueled by debt. One of the focuses of the new leadership regime in China has been to transition the country from a model of debt-fuelled growth to a model of consumption based growth. This transition process could prove to be difficult in the short-term, as the targeted rate of debt growth could weigh heavily on economic growth.

Macroeconomic Risk Overviews, Continued

<p>Less Accommodative U.S. Monetary Policy / Impact of Rising Real Interest Rates</p>	<p>After the Global Financial Crisis, the developed world, particularly the U.S., injected massive amounts of liquidity into the system in an effort to prevent depression-like declines in growth. Recently, the Federal Reserve hinted that it may begin reducing its bond purchase program later this year if economic growth continued to improve. The initial reaction to the announcement was a dramatic increase in global yields. If monetary stimulus is removed too quickly, the fragile recovery from the Global Financial Crisis may be derailed.</p>
<p>Resource Scarcity</p>	<p>The increasing world population, urbanization, and a growing middle class, particularly in emerging economies, could all lead to a scarcity of resources going forward, including food, water, land, energy, and minerals. As demand continues to grow and supply declines, it is possible that commodity prices will skyrocket, hurting the living standards of many and increasing the risk of geopolitical conflicts.</p>
<p>U.S. Political Friction</p>	<p>The recent contentious process to increase the debt ceiling and reopen the government spotlighted the dysfunction in the U.S. Congress. This process hurt longer-term confidence in the U.S., as well as creditors' willingness to lend to the U.S. going forward. As the solution to increasing the debt ceiling and the budget impasse were temporary, it is likely that a repeat of the recent flared-up political rhetoric will take place as the deadlines approach further weighing on others' confidence in the U.S.</p>

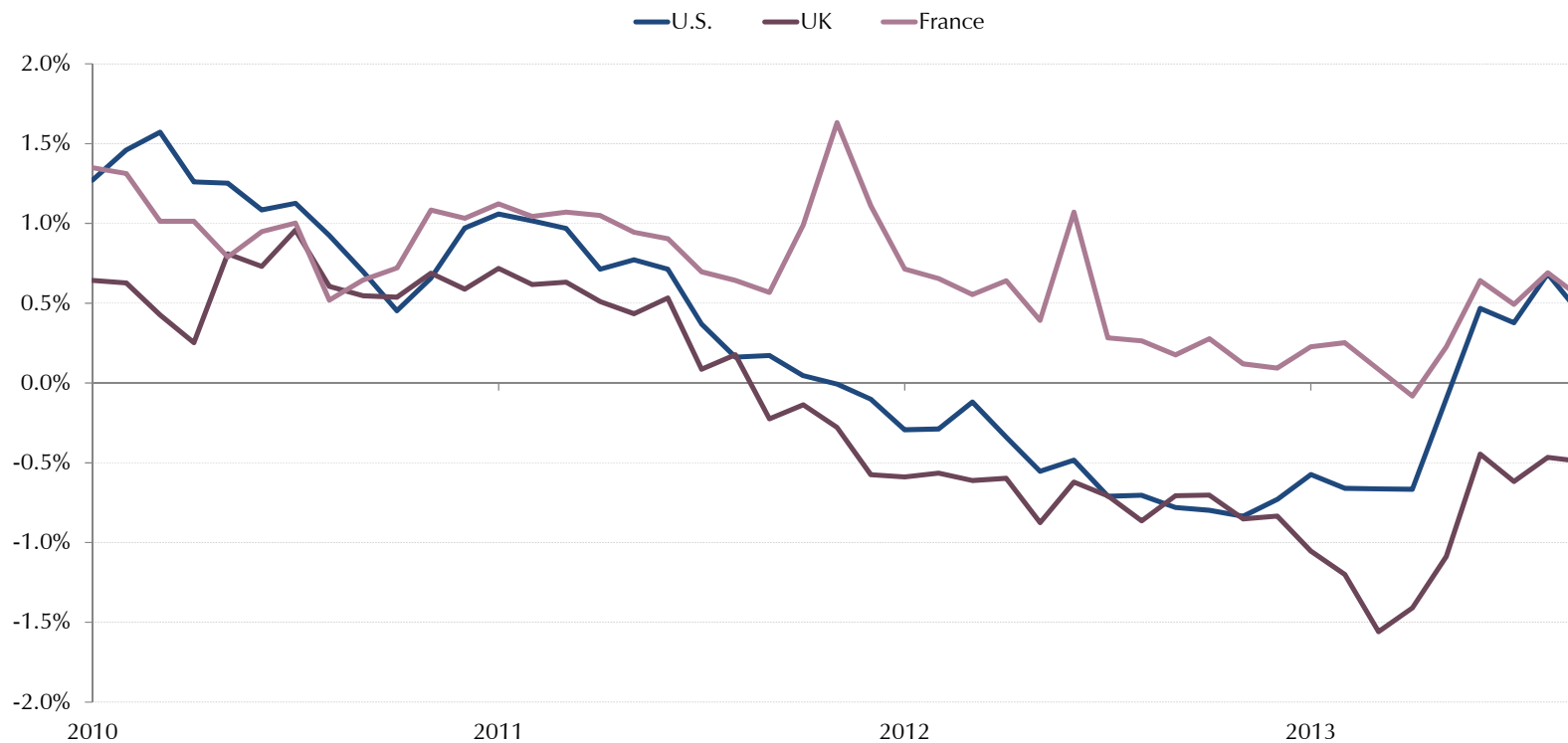
Positive Macroeconomic Trends Matrix



Positive Macroeconomic Trends Overviews

<p>Growth of Emerging Markets Middle Class</p>	<p>In emerging economies, the size of the middle class is projected to grow significantly over the next twenty years. The growing middle class in the emerging economies should increase consumption globally, which in turn will drive GDP growth and create jobs.</p>
<p>Increased Multilateral Global Trade</p>	<p>The pace of globalization has accelerated, particularly in emerging economies. Increased trade and investment, as well as access to foreign capital and export markets for corporations, should lead to lower costs, higher efficiencies, and higher global growth.</p>
<p>Improvements in Education/Healthcare</p>	<p>Literacy rates and average life spans have increased globally, particularly in the emerging economies. Higher literacy rates will likely be a driver of future growth, as the ability to read helps people learn new skills and improve existing skills. When people live longer it increases incentives to make long-term investments in human capital (i.e., education and training), resulting in a more productive work force and ultimately more growth.</p>
<p>Enhanced Energy Extraction Technologies</p>	<p>Hydraulic fracturing (i.e., fracking) technologies have allowed large new supplies of natural gas and oil to be extracted from shale rocks, predominantly in the U.S. The large new supply of natural gas has decreased U.S. prices to levels considerably below the rest of the world. Going forward, it is likely that other countries will work to improve their fracking technologies, further increasing the supply of oil and gas globally.</p>
<p>U.S. Housing Recovery</p>	<p>The U.S. housing market continues to show signs of recovery as building permits, housing starts, and prices have all increased recently. A recovery in the U.S. housing market should create jobs both in the construction and financial services industries, potentially decreasing the unemployment rate and ultimately increasing growth. One potential major headwind to a continued U.S. housing recovery is the recent increase in mortgage rates related to fears that the Federal Reserve might begin winding down its bond purchase program.</p>
<p>Developed World Monetary Stimulus</p>	<p>Developed market central banks have embarked on a massive monetary stimulus campaign in the aftermath of the Global Financial Crisis. The U.S., European, and Japanese central banks continue to maintain interest rates at record lows. Japan has recently embarked on an unprecedented asset purchase program (quantitative easing), while the U.S. is much further along in its stimulative efforts. Going forward, if central banks continue to increase liquidity and keep interest rates low this should stimulate growth.</p>

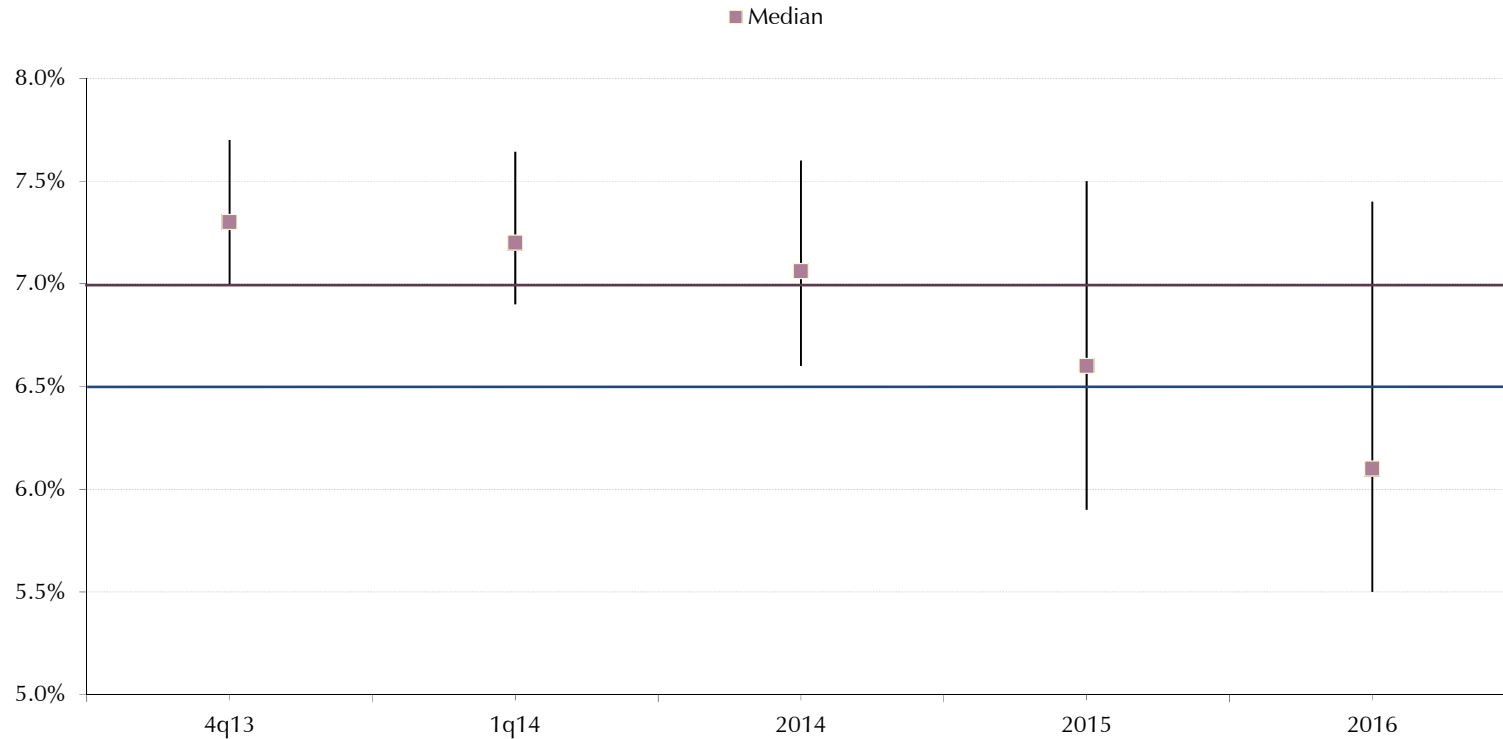
Ten-Year Inflation-Linked Bonds Real Yields



Source: Bloomberg. Data is as of September 30, 2013.

- Anticipation of the U.S. Federal Reserve starting to tighten monetary policy coupled with declining inflation expectations recently caused markets to re-adjust real yields globally.
- During the third quarter, real yields for ten-year inflation-linked bonds fell slightly, as the U.S. Federal Reserve announced that it would not immediately start reducing its bond purchases.

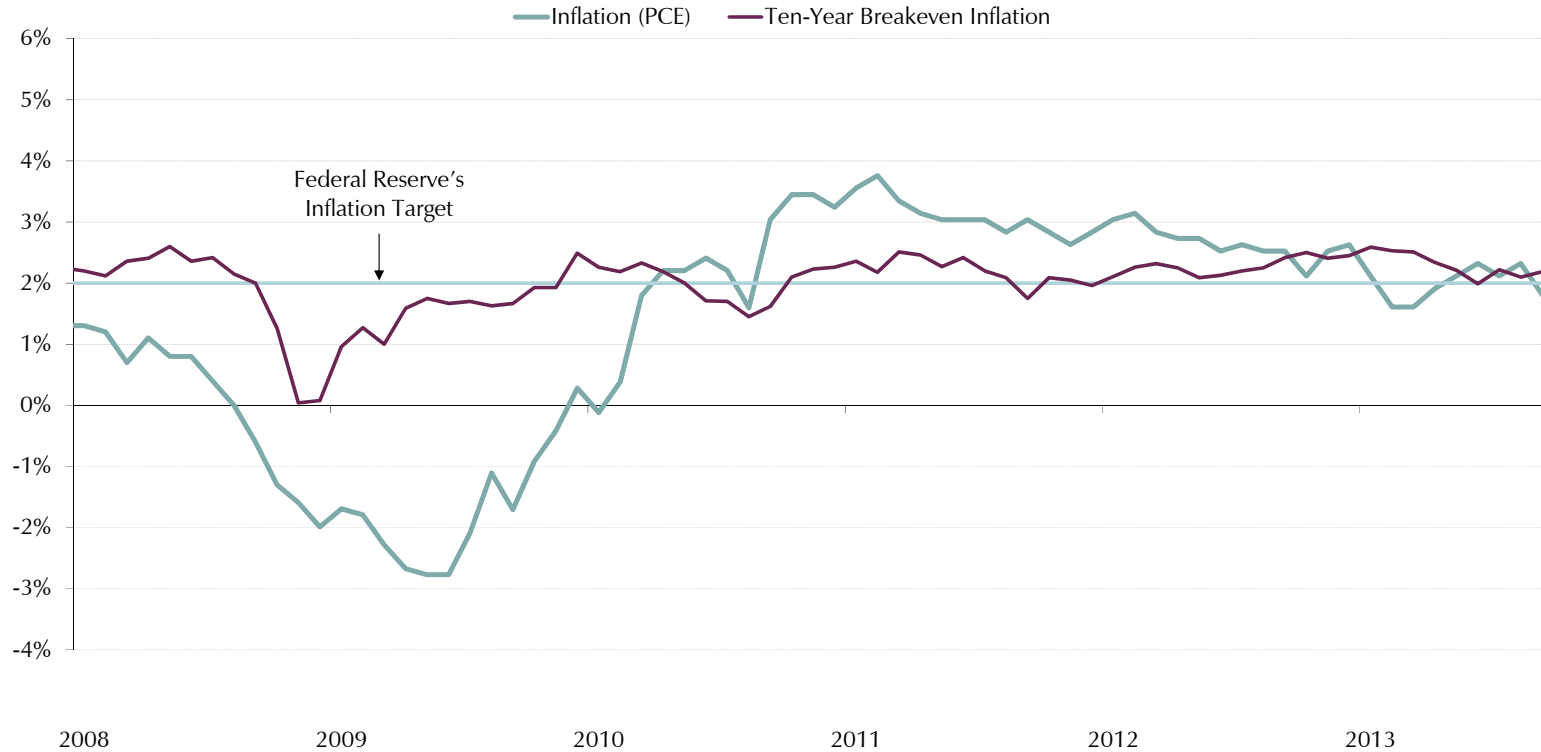
U.S. Unemployment Forecast



Source: Philadelphia Federal Reserve Survey of Professional Forecasters Q3 2013 survey.

- The U.S. Federal Reserve announced that it would connect its interest rate policy and bond purchase program (i.e., quantitative easing) with the unemployment rate.
- Specifically, they plan to stop purchasing bonds once unemployment reaches 7.0% and to keep interest rates low as long as unemployment remains above 6.5%.
- Economists forecast that unemployment will decline below these levels over the next several years.

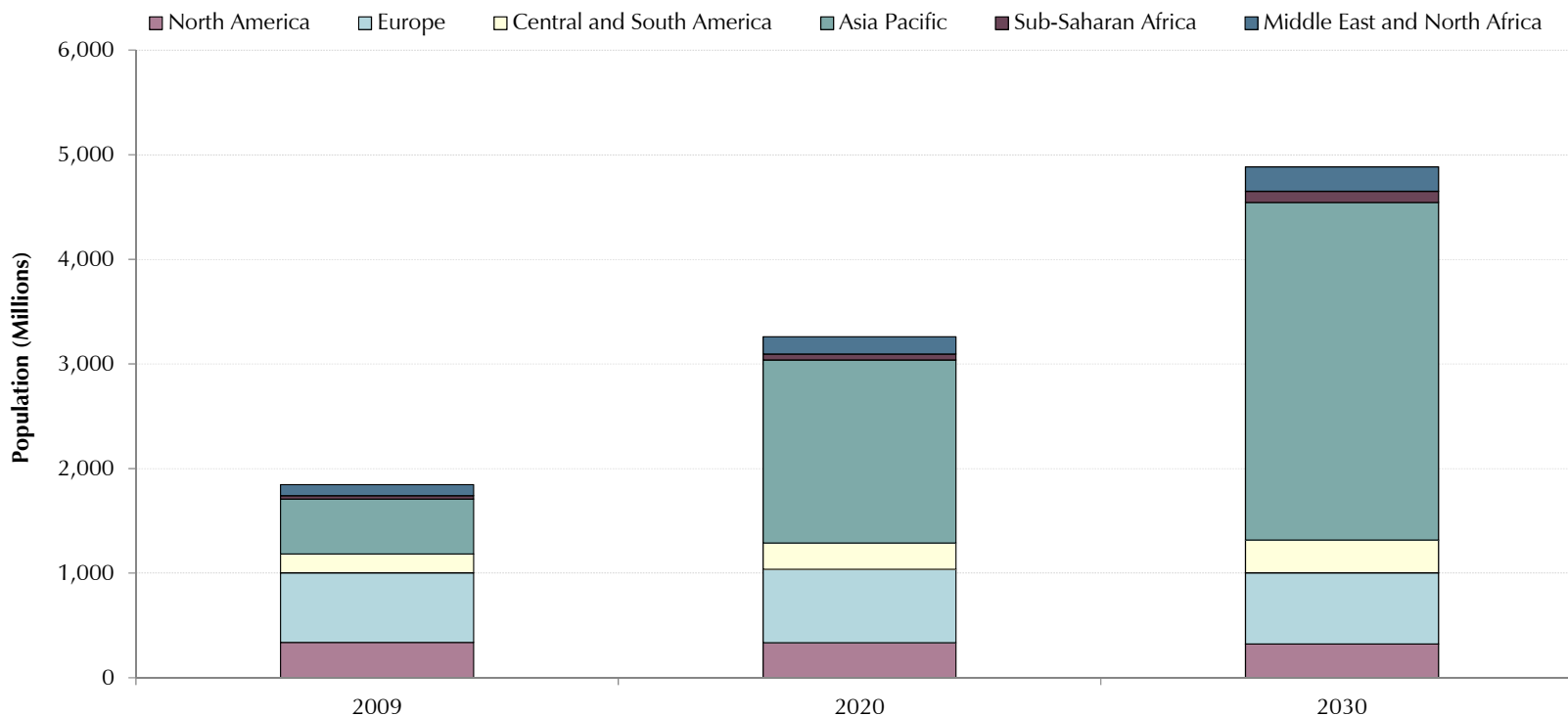
U.S. Inflation



Source: U.S. Bureau of Economic Analysis, U.S. Treasury, and Federal Reserve. Data is as of September 30, 2013.

- Trailing twelve-month U.S. inflation, and future inflation expectations, are well within the Federal Reserve's tolerance level.
- Low inflation provides the Federal Reserve with more flexibility in their monetary policy going forward.

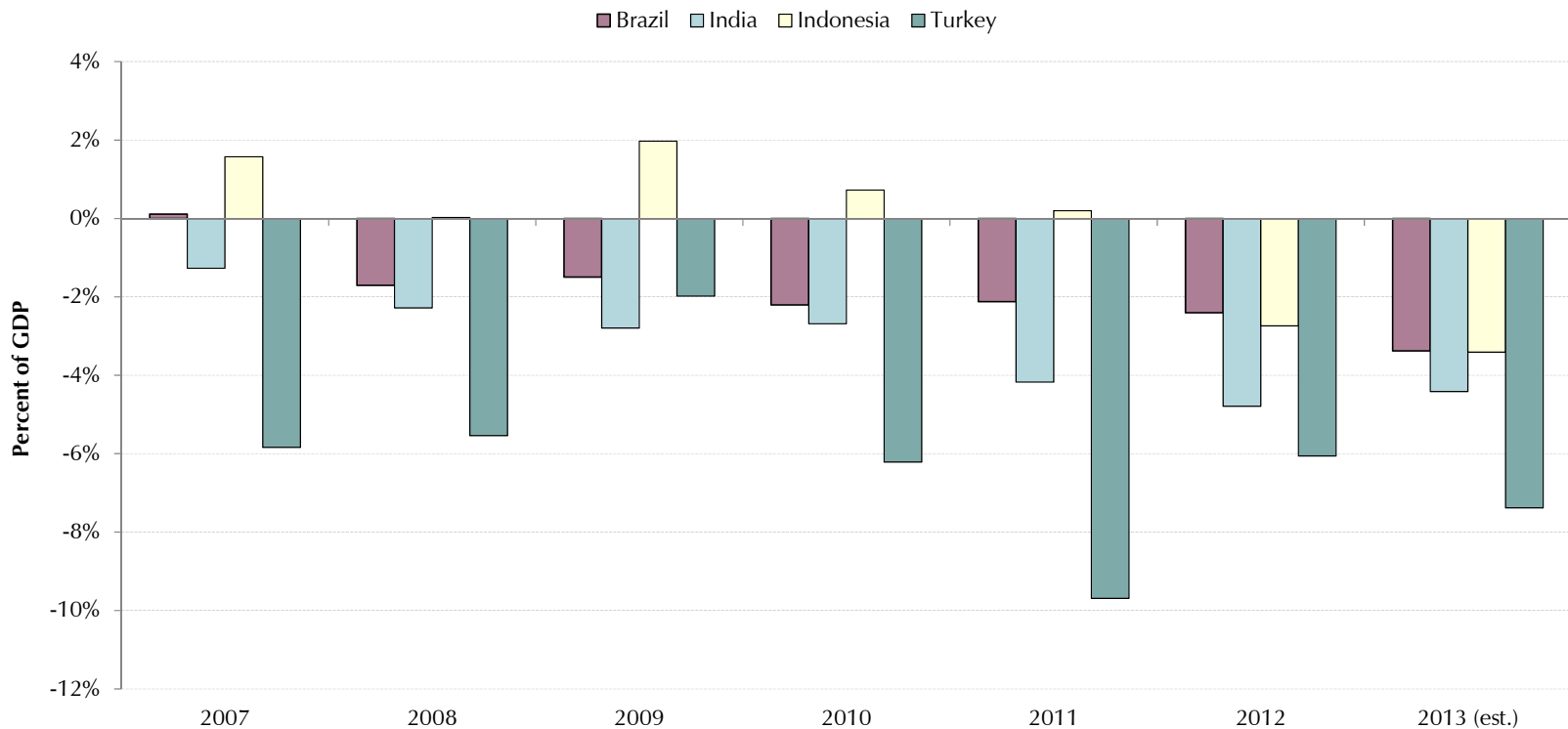
Size of the Middle Class by Region: 2009 - 2030



Source: Brookings Institute.

- The size of the middle class is projected to grow by over 250% globally by the year 2030, with the largest growth forecast for emerging market countries.
- It is projected that close to 60% of the world's population will be middle class by 2030.
- As recently seen in Brazil, Turkey, and Egypt, the growth of the emerging market middle class does not come without growing pains, as many begin to pay taxes and consequently demand more from their governments.

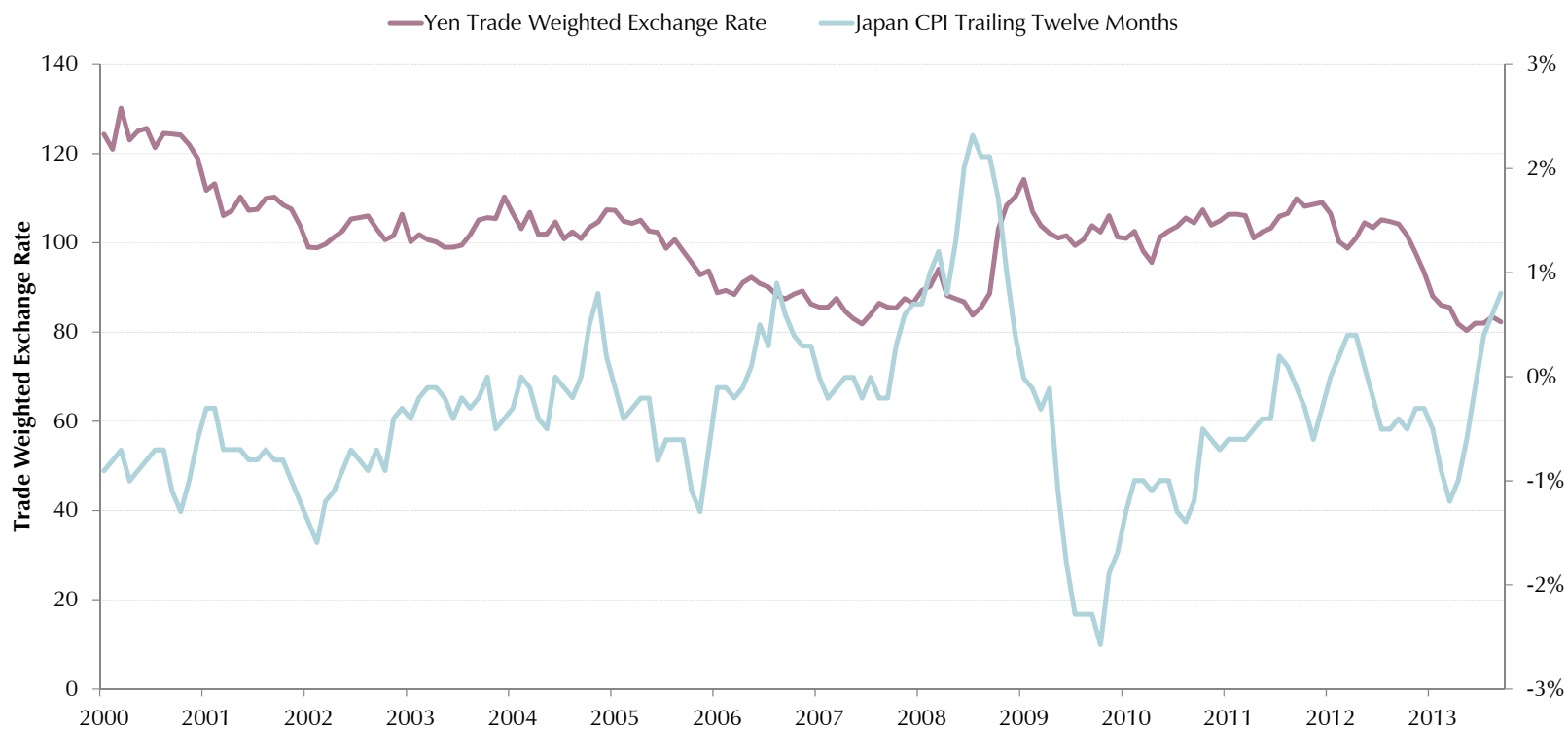
Current Account Balances



Source: IMF.

- Due in part to slowing growth and increasing interest rates in the U.S., emerging market economies have experienced capital outflows, driving down currency values.
- Countries with current account deficits have been particularly hurt by this trend, as central banks struggle with balancing increasing interest rates to defend their currencies with slowing growth.

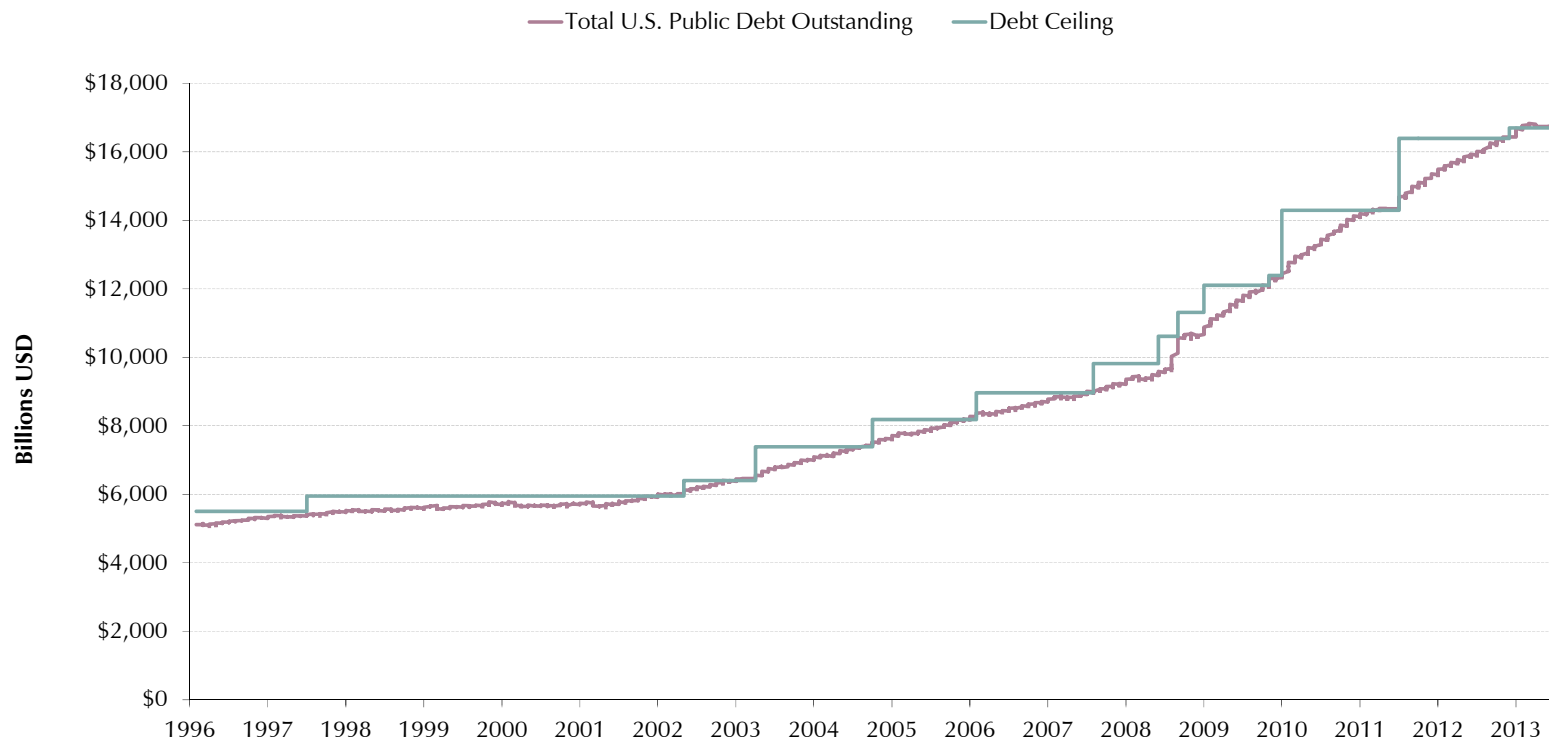
Japan Economic Conditions



Source: Bloomberg. Trade weighted exchange rate and Japan CPI data are as of September 30, 2013.

- As Japan implements its historic new policies to fight its long-term economic sluggishness and deflation, its currency declined, making its exports cheaper.
- Inflation increased in light of the weakened yen, but mainly due to higher food and energy prices. The Bank of Japan is targeting a 2% inflation rate within the next two years.

Debt Ceiling



Source: Treasury Direct and FAS. Data is as of September 30, 2013.

- The Federal Government’s permissible level of outstanding debt is referred to as the “debt ceiling.”
- Since 1996, the debt ceiling has been increased 12 times as the U.S. debt level swelled more than 300%.
- After much debate and political grandstanding that brought the country close to defaulting on its debt, the U.S. Congress voted to increase the “debt ceiling” through February 2014.

Summary

Four primary concerns face the global economy: 1) continued economic sluggishness and financial risk in Europe; 2) increasing real interest rates globally; 3) the potential for a rapid slowdown in China hurting other emerging economies; and 4) increased geopolitical tensions.

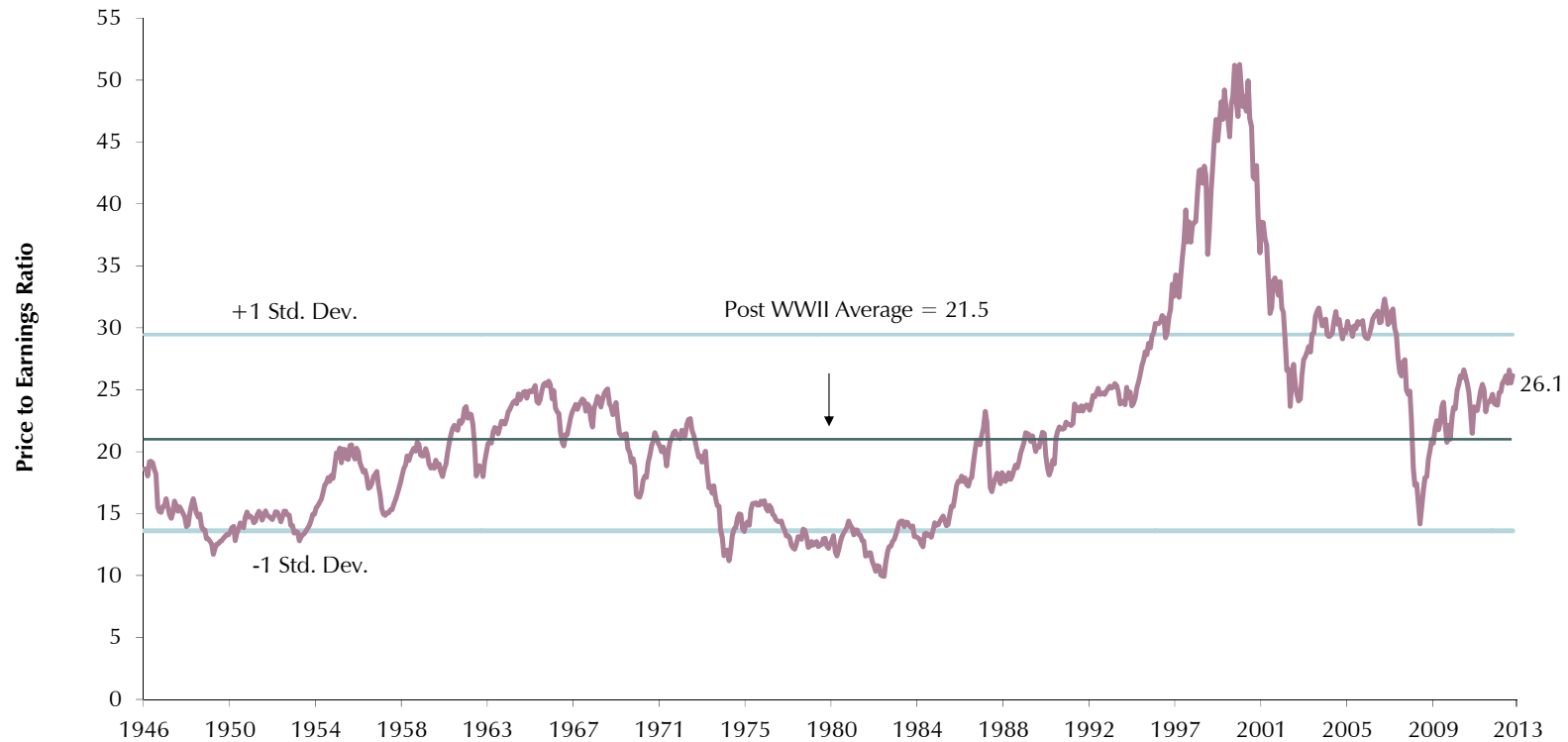
- Despite the recent improvements in developed economy growth, we anticipate that growth will remain sluggish due to increasing real interest rates, high unemployment, and fiscal austerity.
- The recent increase in real interest rates and reduction in global liquidity, along with declining demand from China, will likely create headwinds for emerging market growth.
- Slow growth globally and an increase in interest rates should keep inflation subdued in the near-term. If central banks begin to reduce their historic monetary stimulus, inflationary pressures will decline further. The risk of deflation exists in developed economies, although small.
- Continued monetary stimulus in Europe, the emerging economies, the U.S., and Japan is likely going forward. If economic conditions continue to improve in the U.S. it is likely that the Federal Reserve will begin to decrease their bond purchase program.
- Further fiscal stimulus looks unlikely going forward in developed economies, as the political will declines in the face of high government debt levels. The exception is Japan, which pledged to increase fiscal spending to fight deflation.

Capital Markets Outlook

Capital Markets Outlook¹

- Investors are faced with three primary issues in the near-term: 1) historically low bond yields, 2) the potential for a transition into a rising rate environment, and 3) the potential for deteriorating earnings.
 - The price of the U.S. stock market relative to ten-year average earnings increased slightly from the beginning of the year, remaining above its historical average (26.1x versus 21.5x).
 - Small cap domestic stocks remain richly priced relative to large cap stocks.
 - Developed international and emerging market stocks are trading at lower valuations than U.S. stocks.
 - Sovereign debt issues and weak economic growth in Europe, and a cyclical slowdown in emerging economies, are weighing down valuations.
 - Uncertainties around global demand (particularly from emerging markets), stimulative monetary policy, and geopolitical tensions (e.g., Egypt) will likely cause heightened volatility.
 - At the end of September, the spreads for both high yield corporate bonds (4.6% versus 5.6%) and investment grade bonds (1.4% versus 1.6%) were below their long-term averages.
 - At 2.6%, the yield on the ten-year Treasury remained far below its post-WWII average of 5.7%.
 - Low yields on fixed income instruments are likely to push long-term investors further out on the risk spectrum as they seek to achieve their target returns, while short-term investors may look to cash for safety.

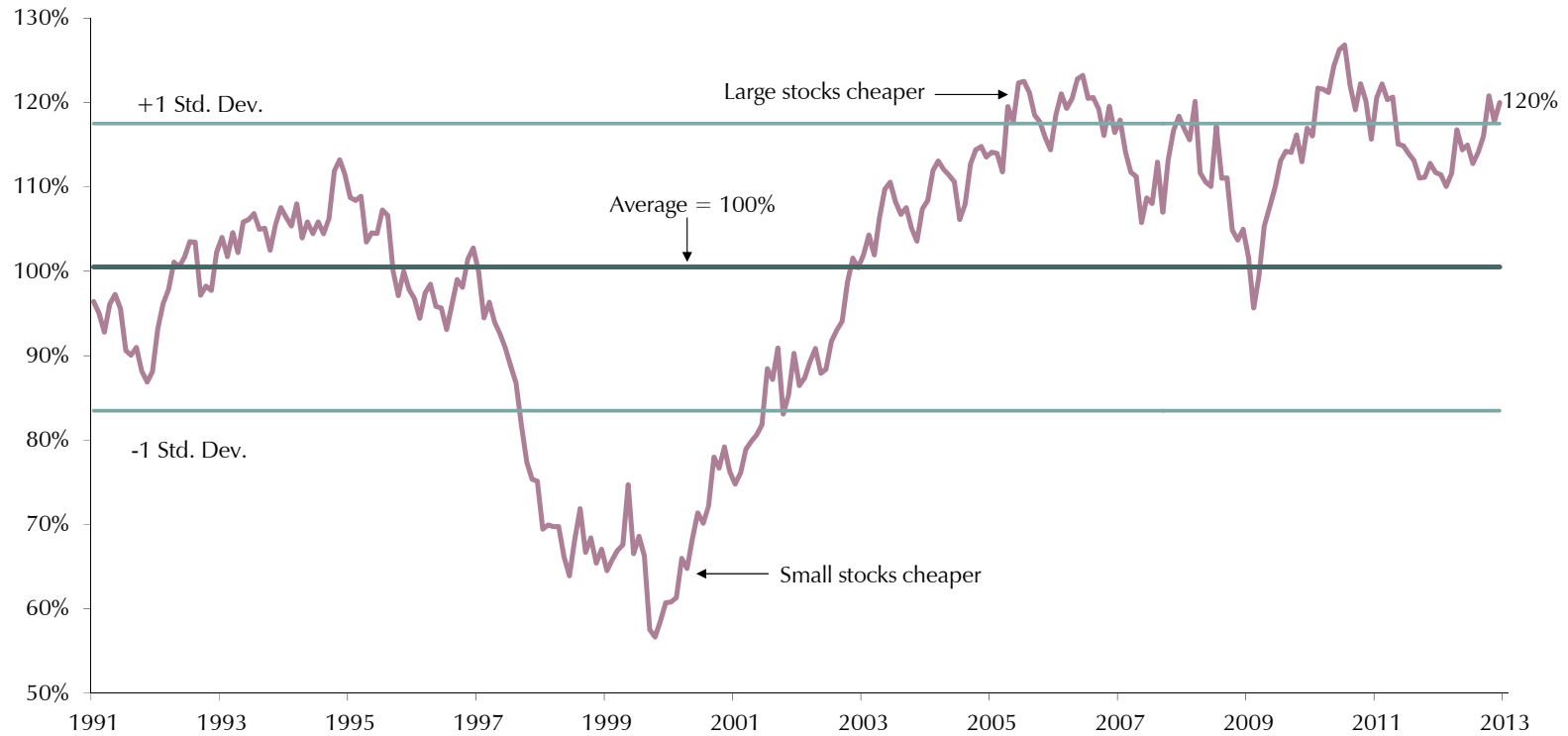
¹ Sources: Thomson Reuters, U.S. Treasury, Standard & Poor's. Data is as of September 30, 2013.

U.S. Equity Cyclically Adjusted P/E¹

- The cyclically adjusted P/E ratio for the S&P 500 finished September at 26.1x, above its post-WWII average of 21.5x.
- Recent strong performance has driven this valuation measure well past its long-term average. While still in a reasonable zone, it is not likely that this type of price appreciation can continue indefinitely.

¹ Source: Standard & Poor's. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 30, 2013.

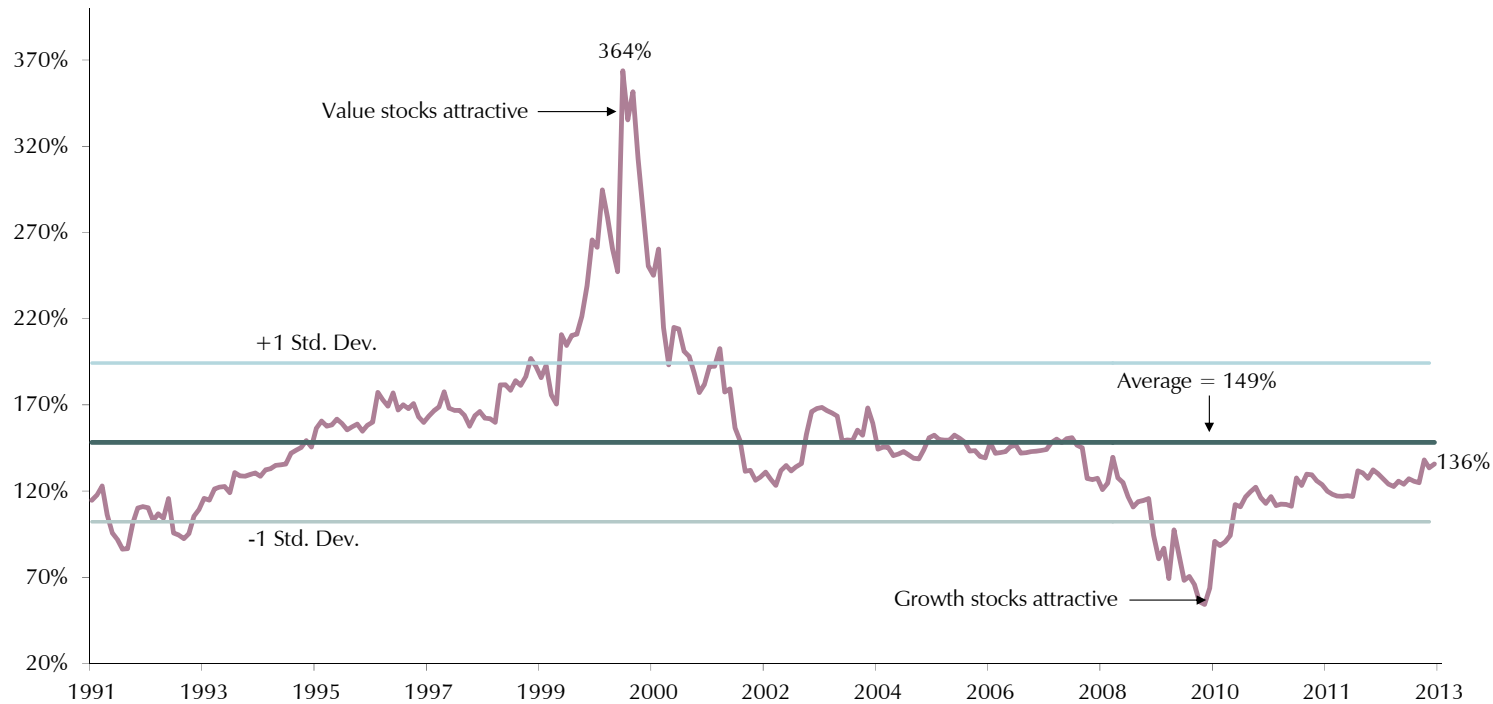
Small Cap P/E vs. Large Cap P/E¹



- The P/E ratio of small cap stocks (Russell 2000) relative to large cap stocks (Russell 1000) has declined from its early 2011 peak, but still remains more than one standard deviations above its long-term average, signaling potential underperformance of small cap stocks relative to large cap stocks.

¹ Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of September 30, 2013.



Growth P/E vs. Value P/E¹

- The P/E ratio of growth stocks (Russell 3000 Growth) relative to value stocks (Russell 3000 Value) finished September at 136%, well above its level three years prior, but still below its long-term average.
- Of note, the long-term average was sharply influenced by the technology bubble of the late 1990s.

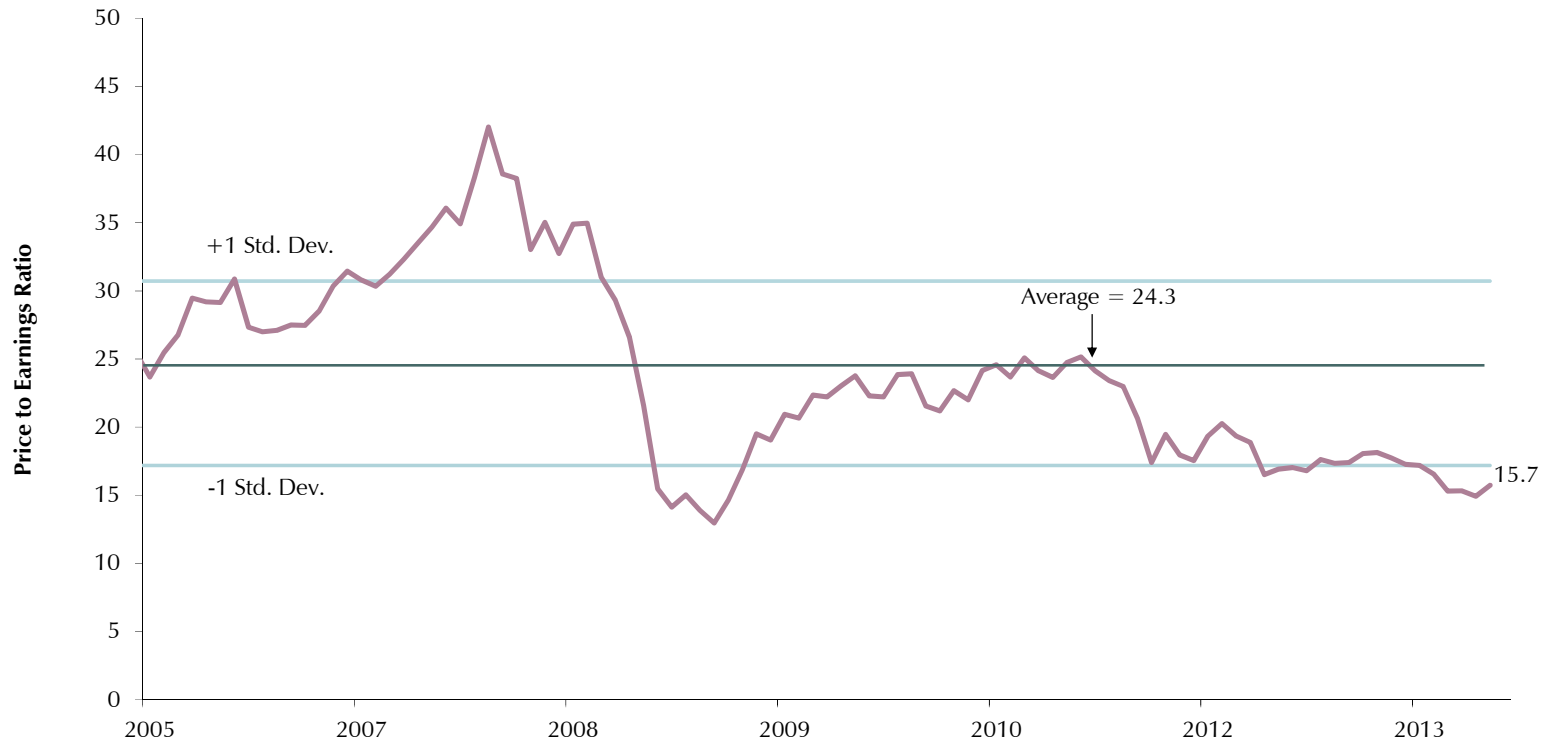
¹ Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of September 30, 2013.

Developed International Equity Cyclically Adjusted P/E¹

- Valuations (for the MSCI EAFE ex-Japan) remain more than one standard deviation cheaper than their historical average.
- Sovereign debt concerns and the slow-to-negative pace of economic growth in Europe likely account for the low valuation levels.

¹ Source: MSCI and Thomson Reuters. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 30, 2013.

Emerging Market Equity Cyclically Adjusted P/E¹



- Emerging market equities (MSCI Emerging Markets) are priced more than one standard deviation below their (brief) historical average.
- Emerging market equities are trading at much lower valuations than U.S. equities, and at similar valuations as non-U.S. developed market equities.

¹ Source: MSCI and Thomson Reuters. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 30, 2013.

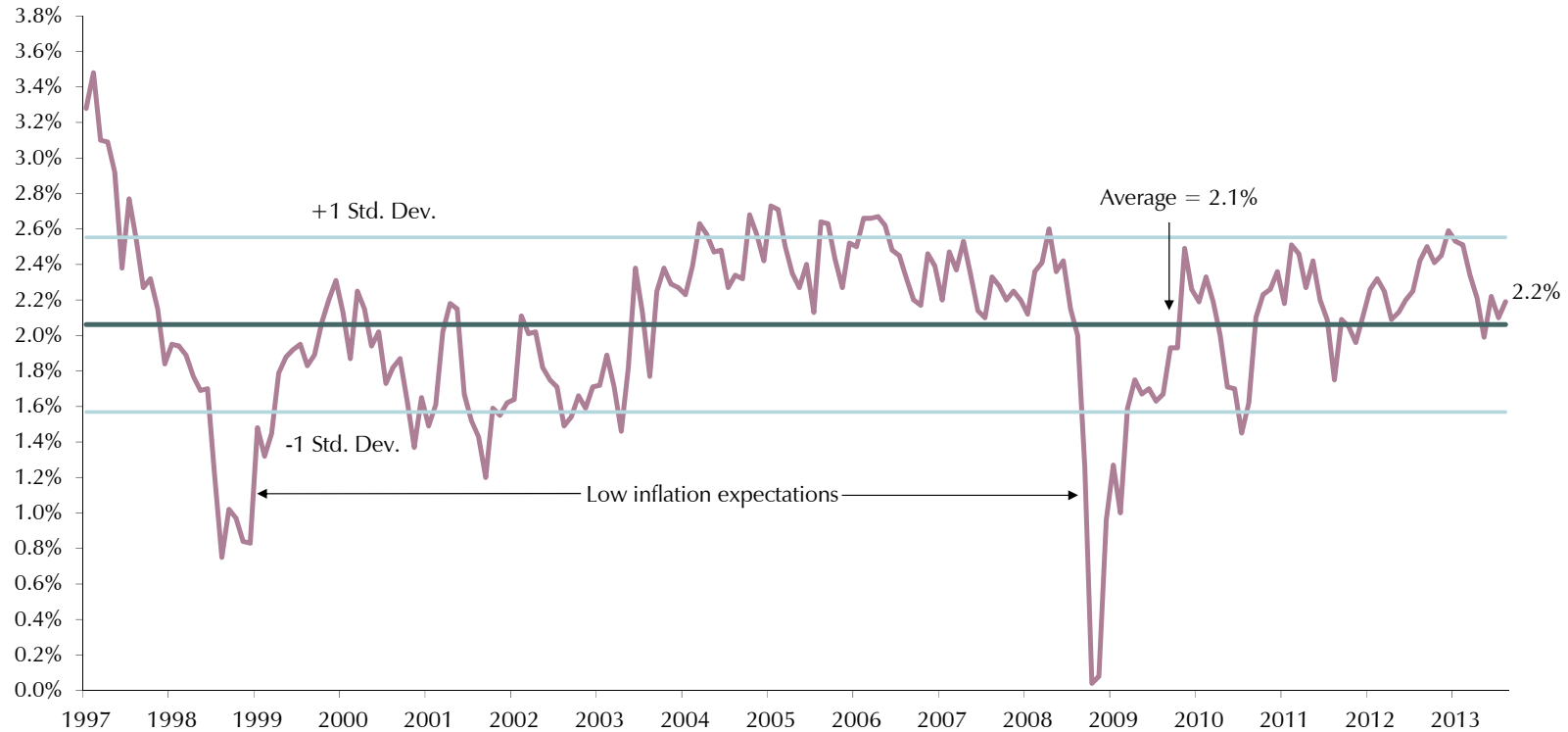


Ten-Year Treasury Yields¹

- Ten-year Treasury yields were 2.6% at the end of September, meaningfully above their level at the end of 2012 but well below their post-WWII average.
- Discussion from the Federal Reserve about “tapering” off U.S. Quantitative Easing was one of the causes of the increase in rates during recent months.

¹ Source: U.S. Treasury. Data is as of September 30, 2013.

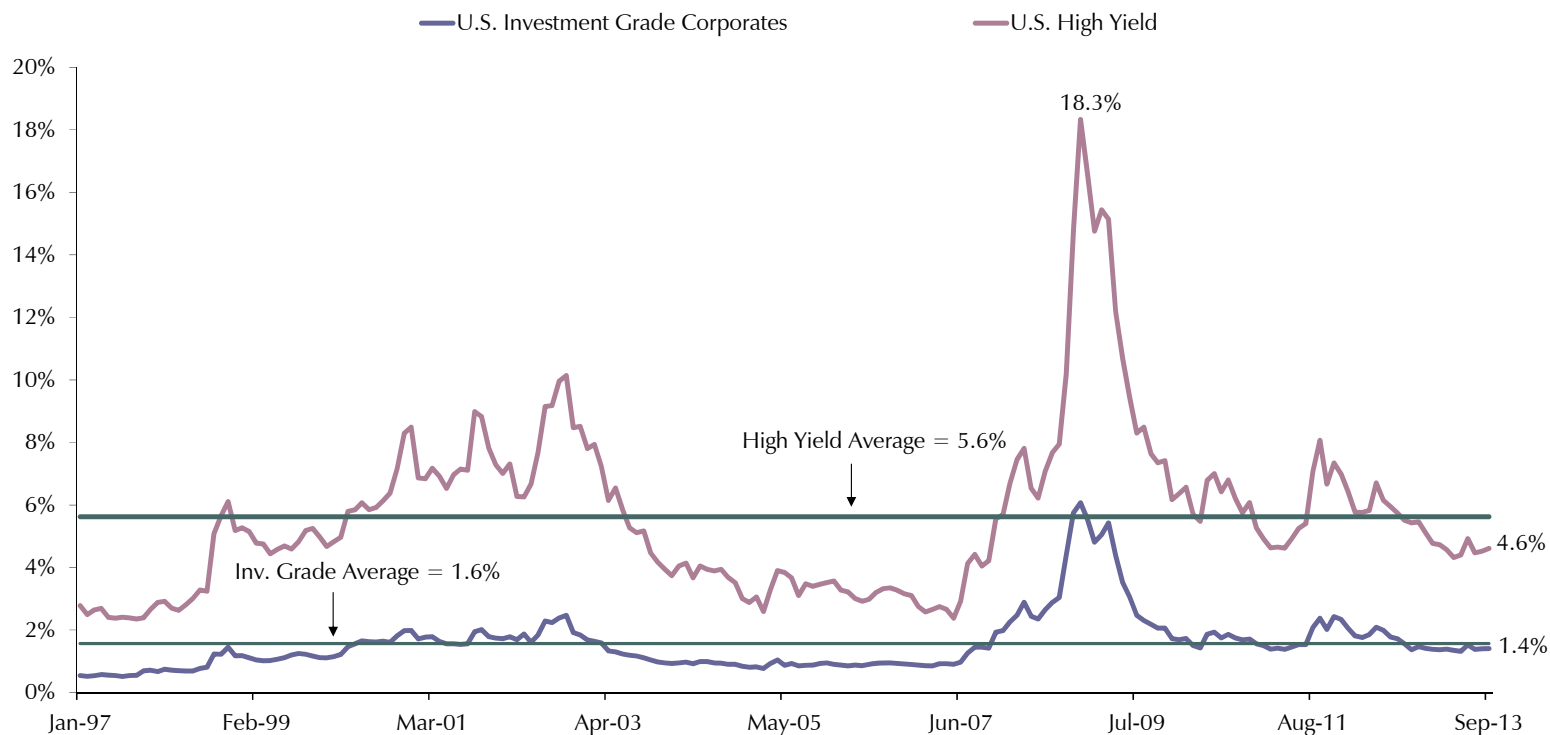
Ten-Year Breakeven Inflation¹



- Breakeven (or expected) inflation, the difference between the nominal yield on a ten-year Treasury and the real yield on a ten-year TIPS, was close to its historical average at the end of September.
- The inflation rate year over year was 1.5% at the end of August. This means actual inflation has been 0.7% below the ten-year breakeven inflation rate.

¹ Source: U.S. Treasury and Federal Reserve. Data is as of September 30, 2013 and is measured by the Consumer Price Index (CPI-U).

Credit Spreads¹

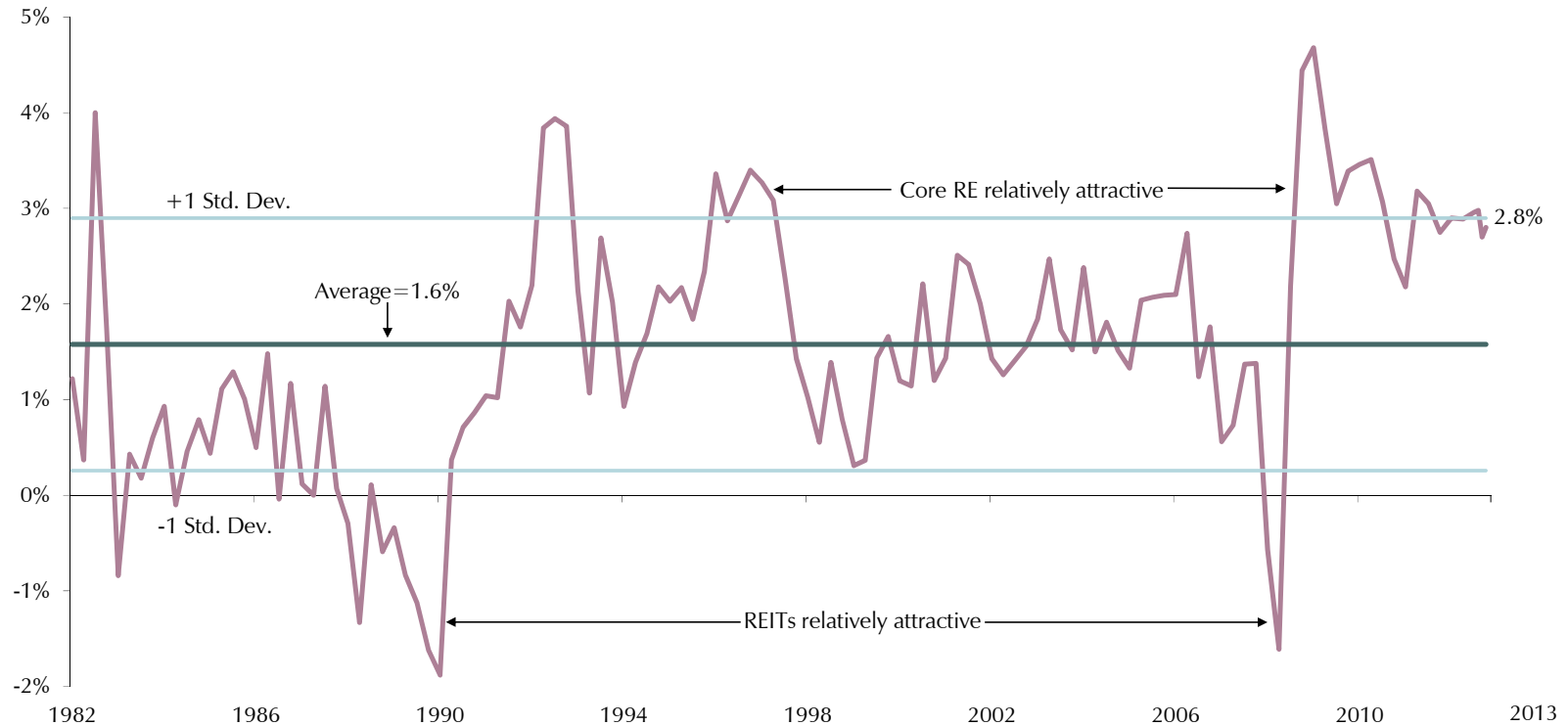


- Credit spreads (versus U.S. Treasury bonds) for both high yield and investment grade corporate bonds finished September below their respective historical averages.
- As markets anticipate diminished Quantitative Easing, bond yields may drift closer to their long term averages.

¹ Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index. Data is as of September 30, 2013.



Core Real Estate vs. REITs¹

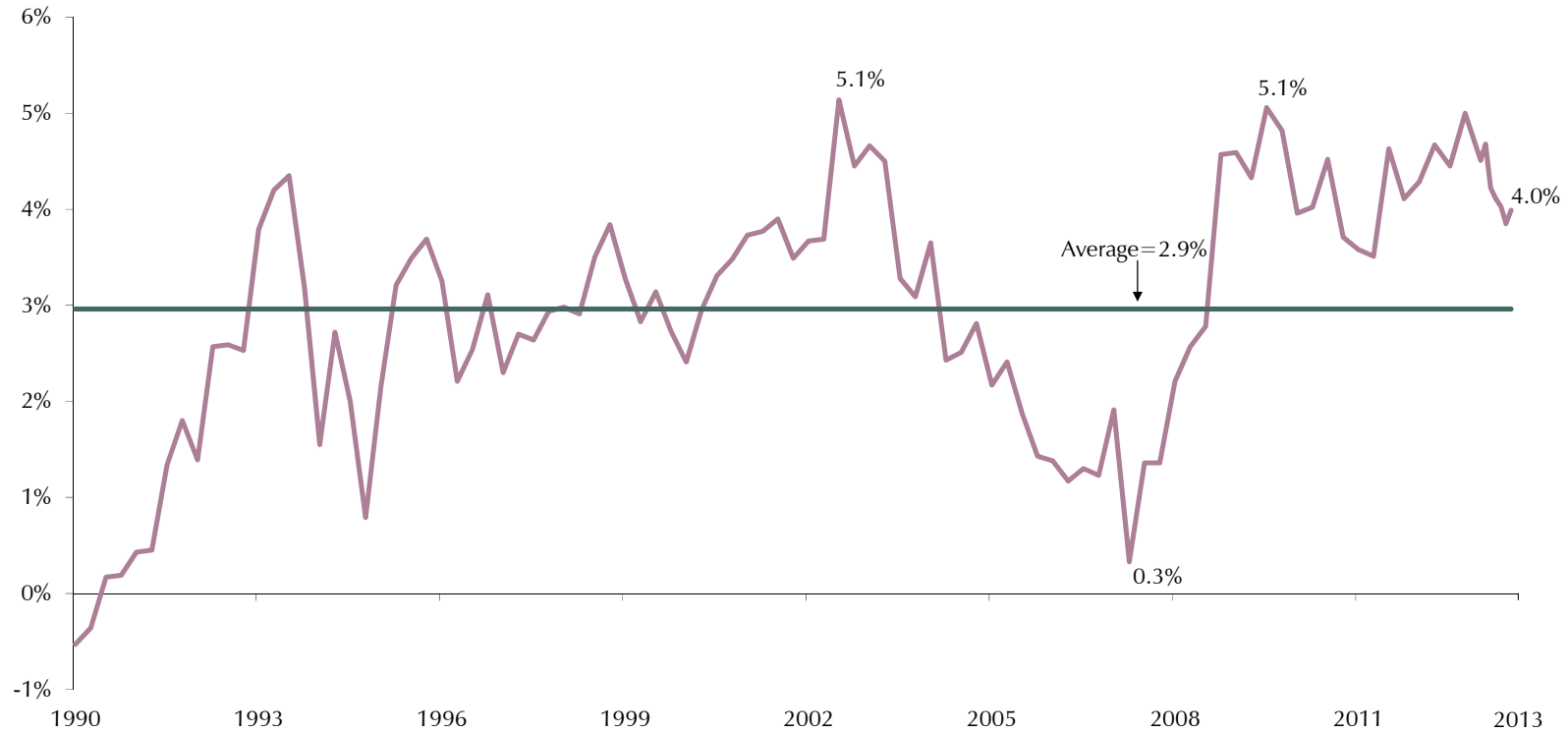


- At the end of September, the spread between core real estate cap rates and REIT yields was 2.8%, which is approximately one standard deviation above its long-term average.
- REITs were yielding 3.8% at the end of September, well below the 10.1% level of early 2009.

¹ Sources: Thomson Reuters and NCREIF. Core Real Estate is proxied by the transaction-based cap rate for the NCREIF NPI index and REITs are proxied by the yield for the NAREIT Equity index. NPI transactional capitalization rates are calculated on a quarterly basis. September 30, 2013 NCREIF NPI data is not yet available. Data is as of August 31, 2013, for the NCREIF NPI and September 30, 2013, for the NAREIT Equity index.

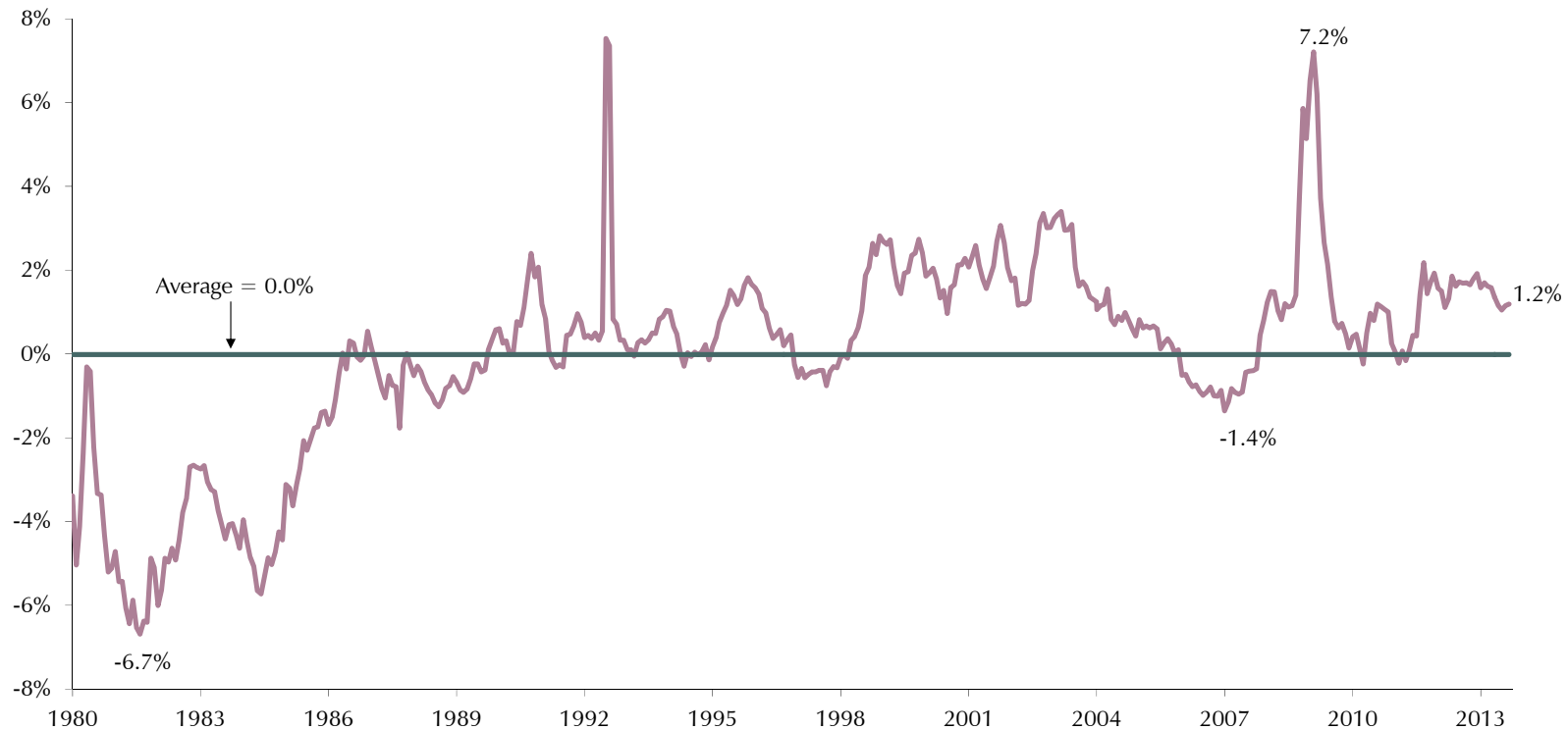


Core Real Estate Spread vs. Ten-Year Treasury¹



- At 4.0%, the difference between the 6.6% cap rate for core real estate and the 2.6% yield for the ten-year Treasury is above the historical average.
- Still, the absolute level of core real estate cap rates is near a historical low.

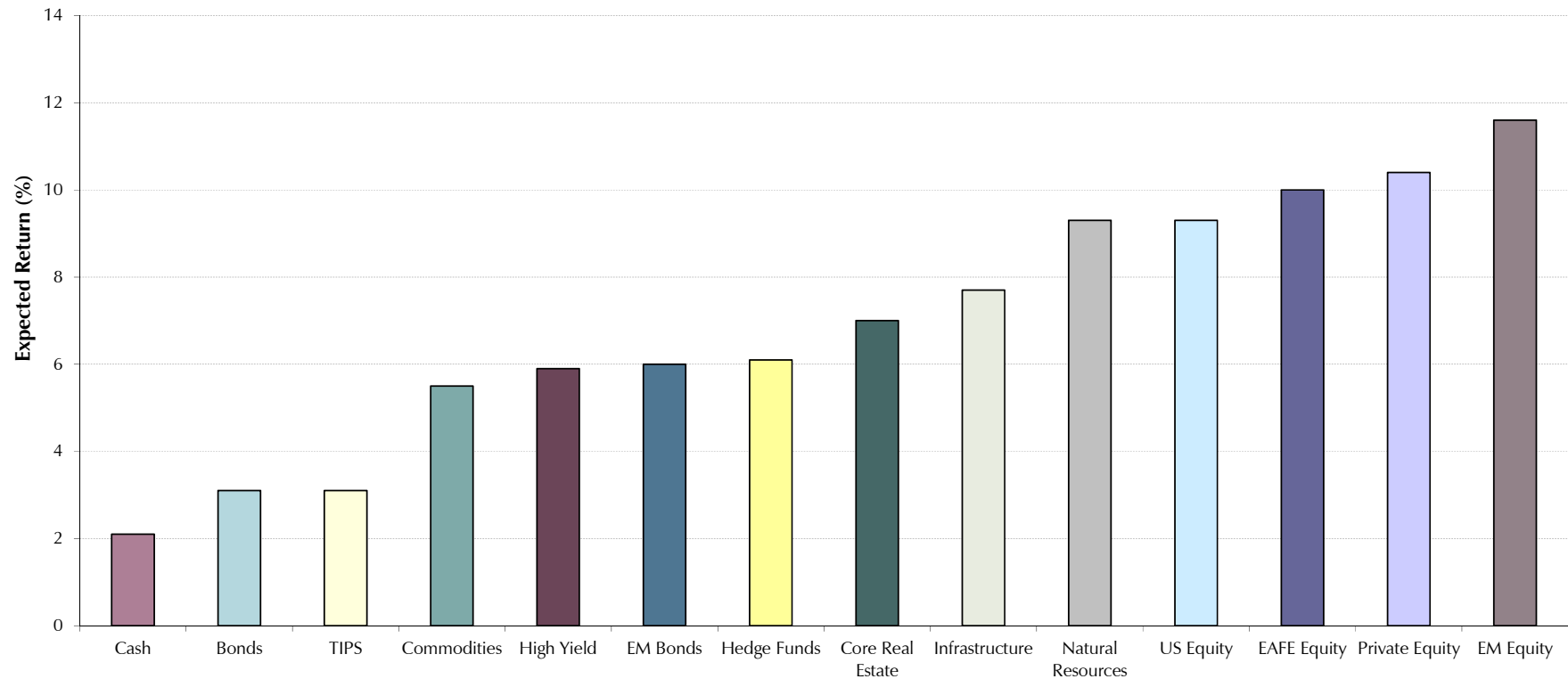
¹ Source: NCREIF, U.S. Treasury. NPI transactional capitalization rates are calculated on a quarterly basis. The September 30, 2013 NCREIF NPI data is not yet available. Data is as of August 31, 2013, for the NCREIF NPI and September 30, 2013, for the ten-year Treasury.

REITs Dividend Yield Spread vs. Ten-Year Treasury¹

- REIT yield spreads were 1.2% at the end of September as both rates continue to rise but recently the U.S. Treasury has risen at a faster pace.
- As with core real estate, the absolute level of REIT dividend yields is near a historical low.

¹ Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index. Data is as of September 30, 2013.

Long-Term Outlook¹



- Based on Meketa Investment Group's long term expectations, only a handful of asset classes are priced to produce returns above 8% per year. All of these asset classes incorporate a high degree of volatility.

¹ Twenty-year expected returns based upon Meketa Investment Group's 2013 Annual Asset Study.



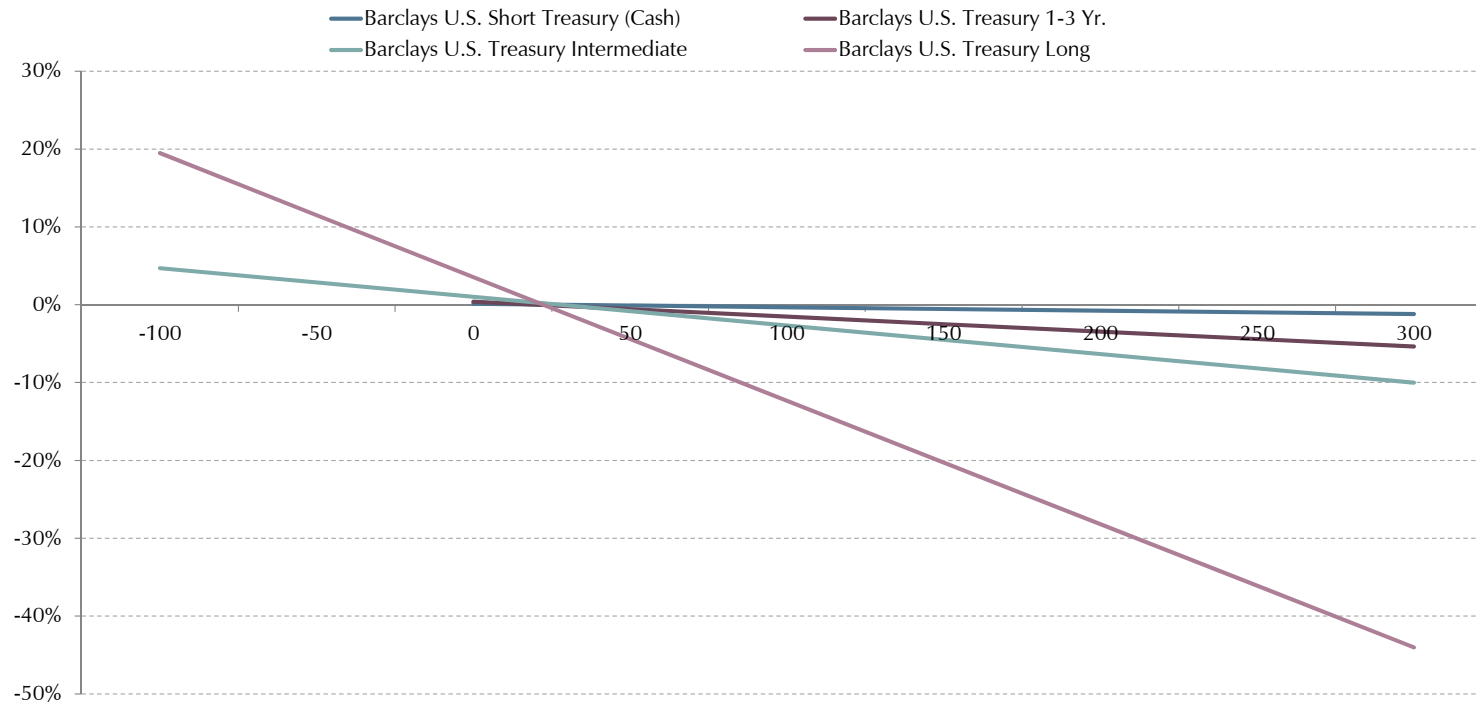
Break Even Point for Changes in Interest Rates¹

	Barclays U.S. Aggregate	Barclays U.S. Treasury TIPS 1-5 Years	Barclays U.S. TIPS 5-10 Years	Barclays U.S. Short Treasury	Barclays U.S. Treasury 1-3 Years	Barclays U.S. Treasury Intermediate	Barclays U.S. Treasury Long	Barclays U.S. Agg. Corp AA Long	Barclays U.S. Agg. Corp AA Intermediate
Barclays U.S. Aggregate -- Yield=2.38 / D=5.57	NA	44	5	43	53	70	10	26	35
Barclays U.S. Treasury TIPS 1-5 Years -- Real Yield=-0.82 / D=2.96	44	NA	27	41	75	-24	17	30	55
Barclays U.S. Treasury U.S. TIPS -- Real Yield=0.53 / D=7.7	5	27	NA	32	35	36	11	32	17
Barclays U.S. Short Treasury -- Yield=0.12 / D=0.44	43	41	32	NA	17	26	21	32	45
Barclays U.S. Treasury 1-3 Years -- Yield=0.39 / D=1.92	53	75	35	17	NA	34	21	34	64
Barclays U.S. Treasury Intermediate -- Yield=1.02 / D=3.68	70	-24	36	26	34	NA	19	34	172
Barclays U.S. Treasury Long -- Yield=3.55 / D=15.91	10	17	11	21	21	19	NA	-67	13
Barclays U.S. Agg. Corp AA Long -- Yield=4.7 / D=14.15	26	30	32	32	34	34	-67	NA	27
Barclays U.S. Agg. Corp AA Intermediate -- Yield=1.87 / D=4.17	35	55	17	45	64	172	13	27	NA

¹ Break even points represent the change in interest rates (in basis points) over a 12-month period for which the total return is equivalent assuming identical rate movements in both securities. Data is as of October 10, 2013 via Barclays, Bloomberg, and Thomson Reuters.



Total Return Given Changes in Interest Rates (bps)¹



	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)	NA	NA	0.1%	-0.1%	-0.3%	-0.5%	-0.8%	-1.0%	-1.2%	0.44	0.12%
Barclays U.S. Treasury 1-3 Yr.	NA	NA	0.4%	-0.6%	-1.5%	-2.5%	-3.4%	-4.4%	-5.4%	1.92	0.39%
Barclays U.S. Treasury Intermediate	4.7%	2.9%	1.0%	-0.8%	-2.7%	-4.5%	-6.3%	-8.2%	-10.0%	3.68	1.02%
Barclays U.S. Treasury Long	19.5%	11.5%	3.6%	-4.4%	-12.3%	-20.3%	-28.2%	-36.1%	-44.0%	15.91	3.55%

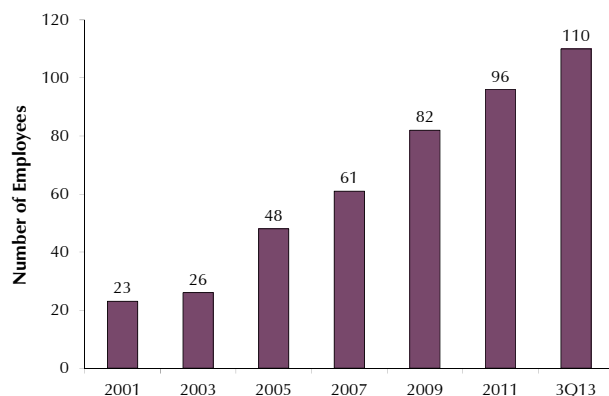
¹ Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data as of October 10th, 2013 via Barclays and Thomson Reuters.



Meketa Investment Group Corporate Update

- Staff of 110, including 68 investment professionals and 24 CFA Charterholders
- 90 clients, with over 175 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Miami, and San Diego
- Clients have aggregate assets of over \$600 billion
 - Over \$20 billion in assets committed to alternative investments
 - Private Equity
 - Infrastructure
 - Natural Resources
 - Real Estate
 - Hedge Funds
 - Commodities

Employee Growth



Client Growth



Meketa Investment Group is proud to work for 3.2 million American families everyday



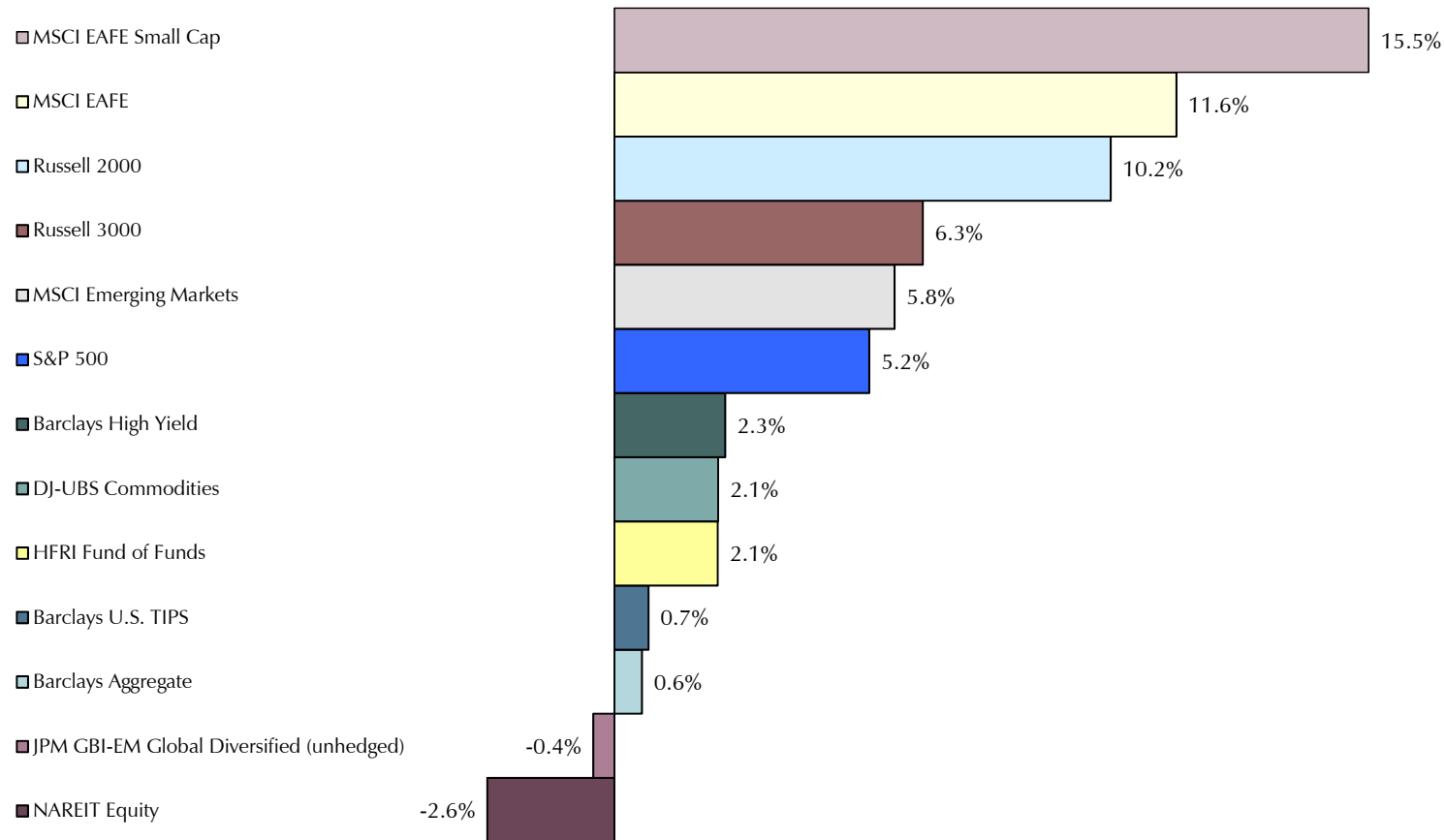
Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> - Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30 	<ul style="list-style-type: none"> - Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets 	<ul style="list-style-type: none"> - Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds 	<ul style="list-style-type: none"> - Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities 	<ul style="list-style-type: none"> - Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets 	<ul style="list-style-type: none"> - Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

Appendices

**The World Markets
Third Quarter of 2013**

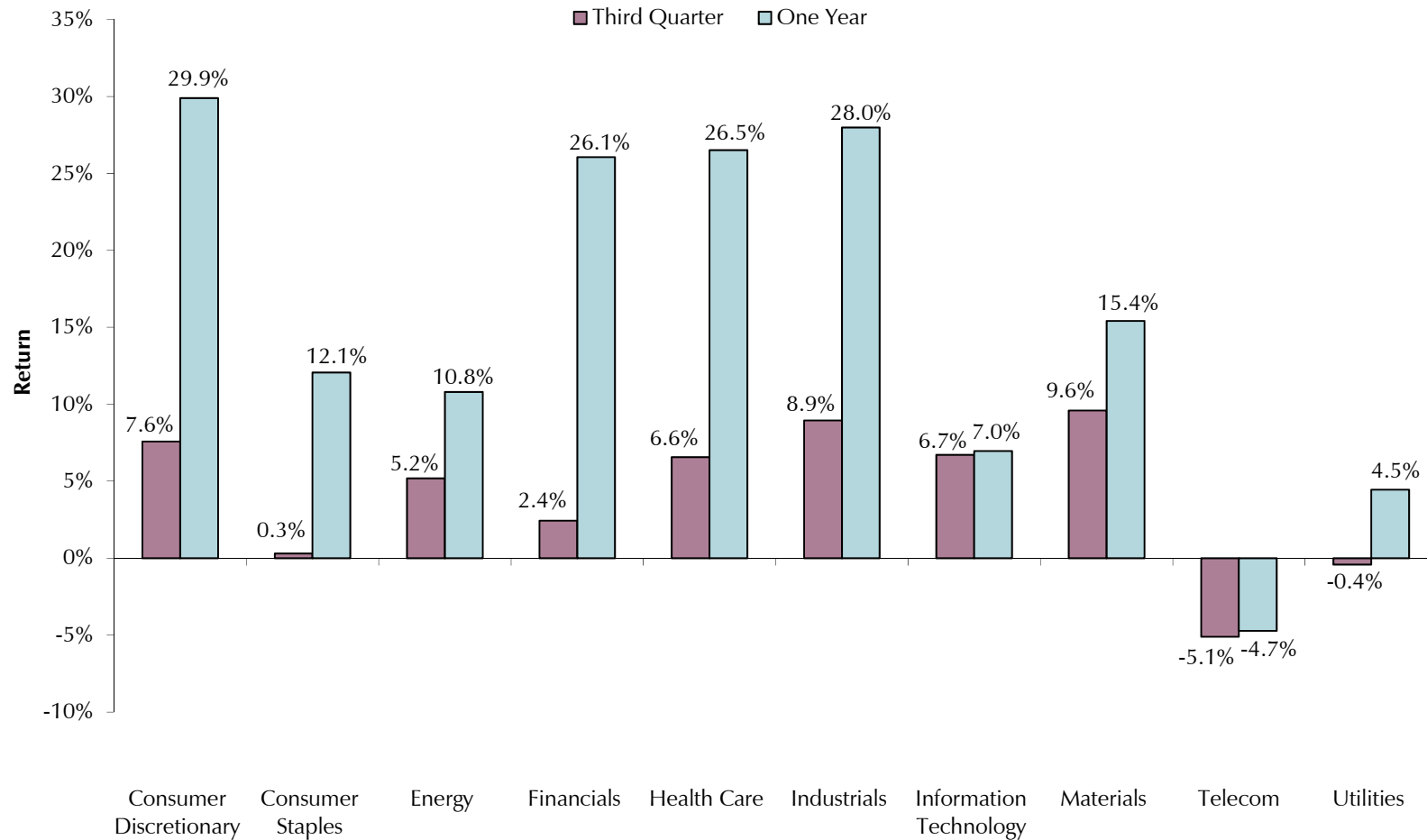
The World Markets
Third Quarter of 2013



Index Returns

	3Q13 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity						
Russell 3000	6.3	21.3	21.6	16.8	10.6	8.1
Russell 1000	6.0	20.8	20.9	16.6	10.5	8.0
Russell 1000 Growth	8.1	20.9	19.3	16.9	12.1	7.8
Russell 1000 Value	3.9	20.5	22.3	16.2	8.9	8.0
Russell MidCap	7.7	24.3	27.9	17.5	13.0	10.8
Russell MidCap Growth	9.3	25.4	27.5	17.7	13.9	10.2
Russell MidCap Value	5.9	22.9	27.8	17.3	11.9	10.9
Russell 2000	10.2	27.7	30.1	18.3	11.2	9.6
Russell 2000 Growth	12.8	32.5	33.1	20.0	13.2	9.9
Russell 2000 Value	7.6	23.1	27.0	16.6	9.1	9.3
Foreign Equity						
MSCI ACWI (ex. U.S.)	10.1	10.0	16.5	5.9	6.3	8.8
MSCI EAFE	11.6	16.1	23.8	8.5	6.4	8.0
MSCI EAFE (local currency)	7.5	19.3	28.3	9.1	5.5	6.3
MSCI EAFE Small Cap	15.5	22.1	29.4	11.3	11.4	10.3
MSCI Emerging Markets	5.8	-4.4	1.0	-0.3	7.2	12.8
MSCI Emerging Markets (local currency)	5.6	0.5	5.8	2.7	8.2	12.5
Fixed Income						
Barclays Universal	0.7	-1.6	-1.0	3.4	5.9	4.9
Barclays Aggregate	0.6	-1.9	-1.7	2.9	5.4	4.6
Barclays U.S. TIPS	0.7	-6.7	-6.1	4.0	5.3	5.2
Barclays High Yield	2.3	3.7	7.1	9.2	13.5	8.9
JPMorgan GBI-EM Global Diversified (unhedged)	-0.4	-7.6	-3.7	1.8	7.3	10.1
Other						
NAREIT Equity	-2.6	3.0	6.2	12.8	6.0	9.7
DJ-UBS Commodities	2.1	-8.6	-14.4	-3.2	-5.4	1.0
HFRI Fund of Funds	2.1	5.6	6.9	2.6	2.0	3.4

S&P Sector Returns



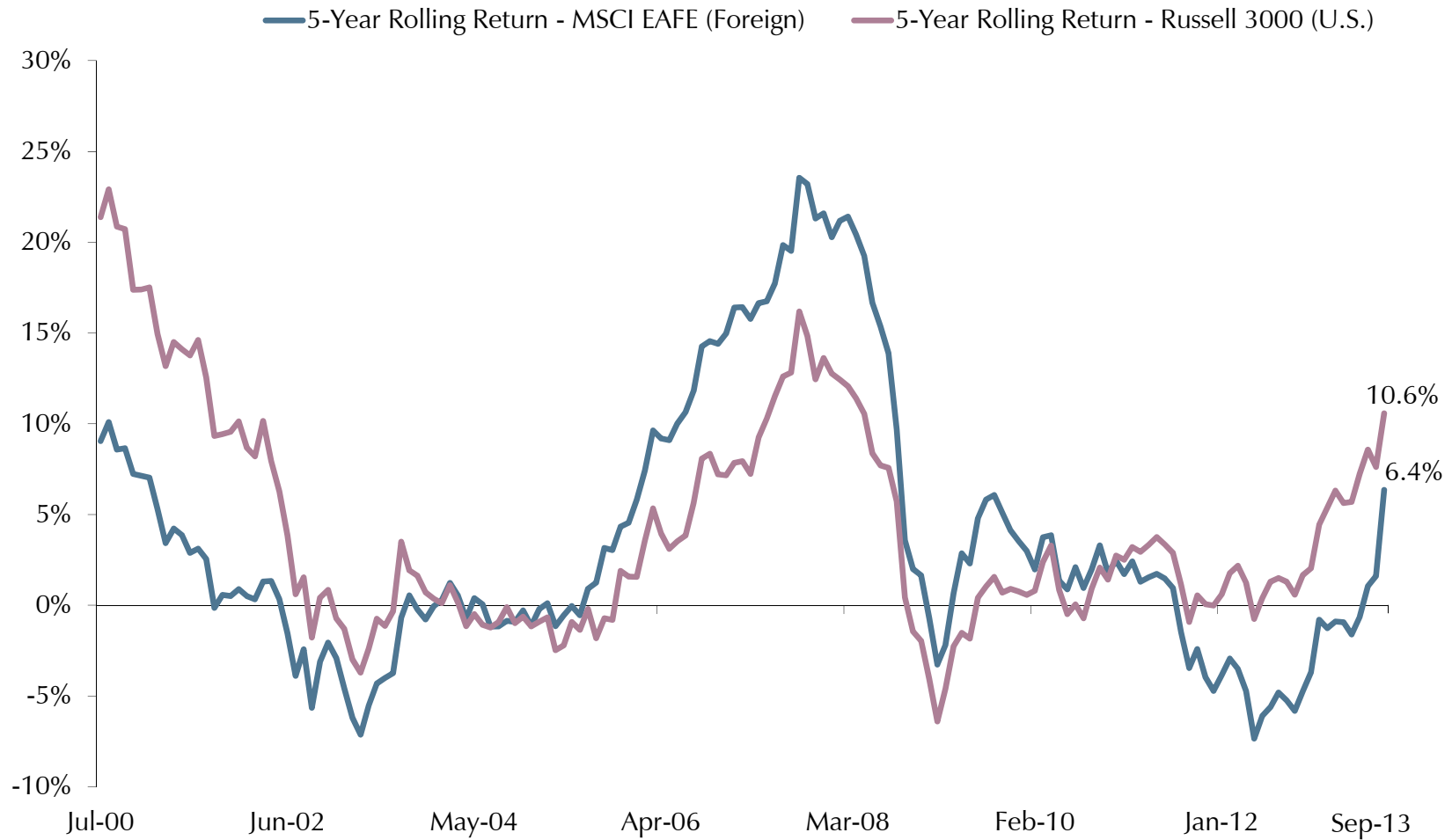
S&P 500 Earnings Per Share¹



¹ The September 30, 2013 number is based on the approximately 92% of S&P 500 companies that reported earnings to date.



Equity Markets

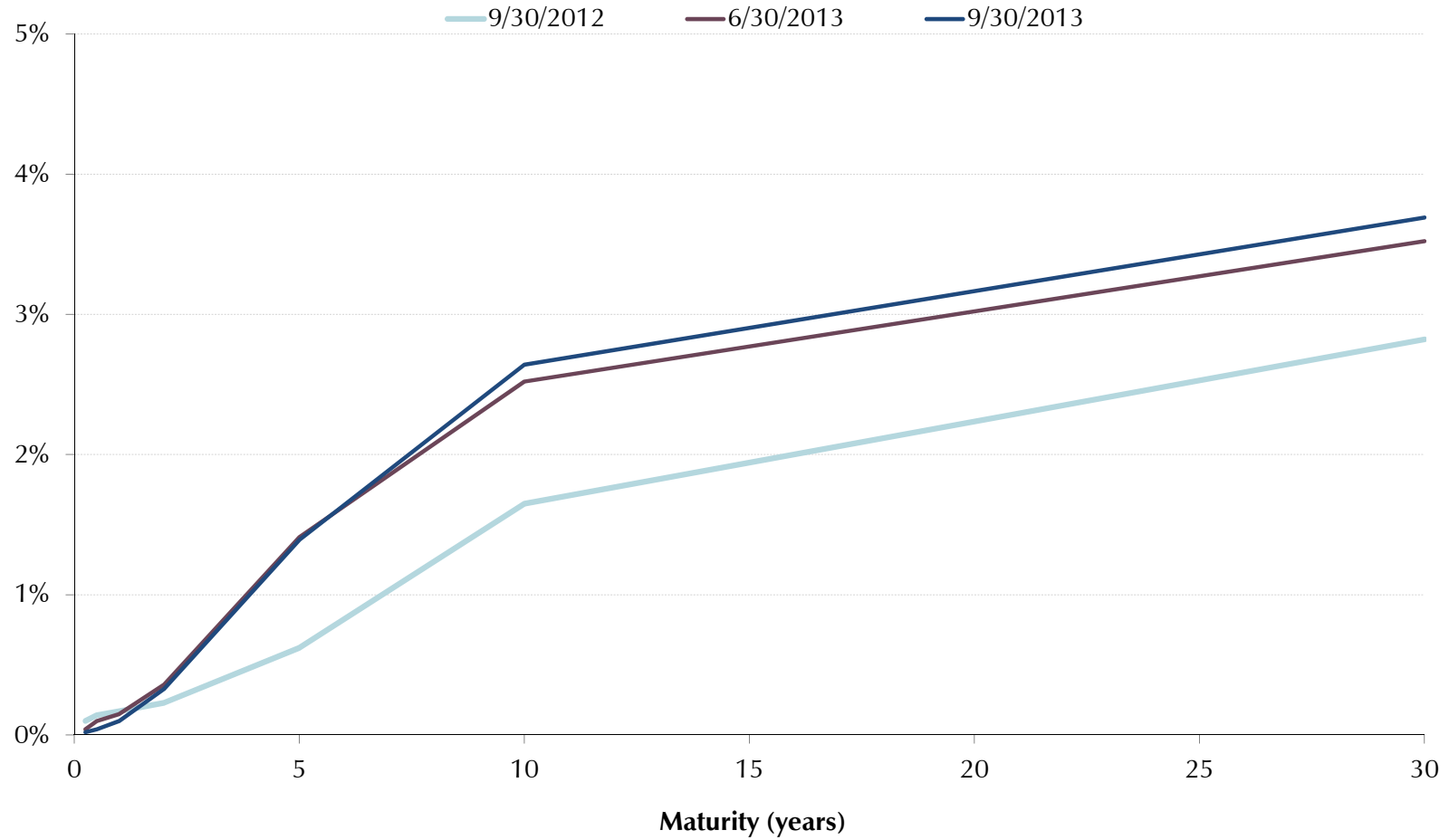


Rolling Ten-Year Returns: 65% Stocks and 35% Bonds

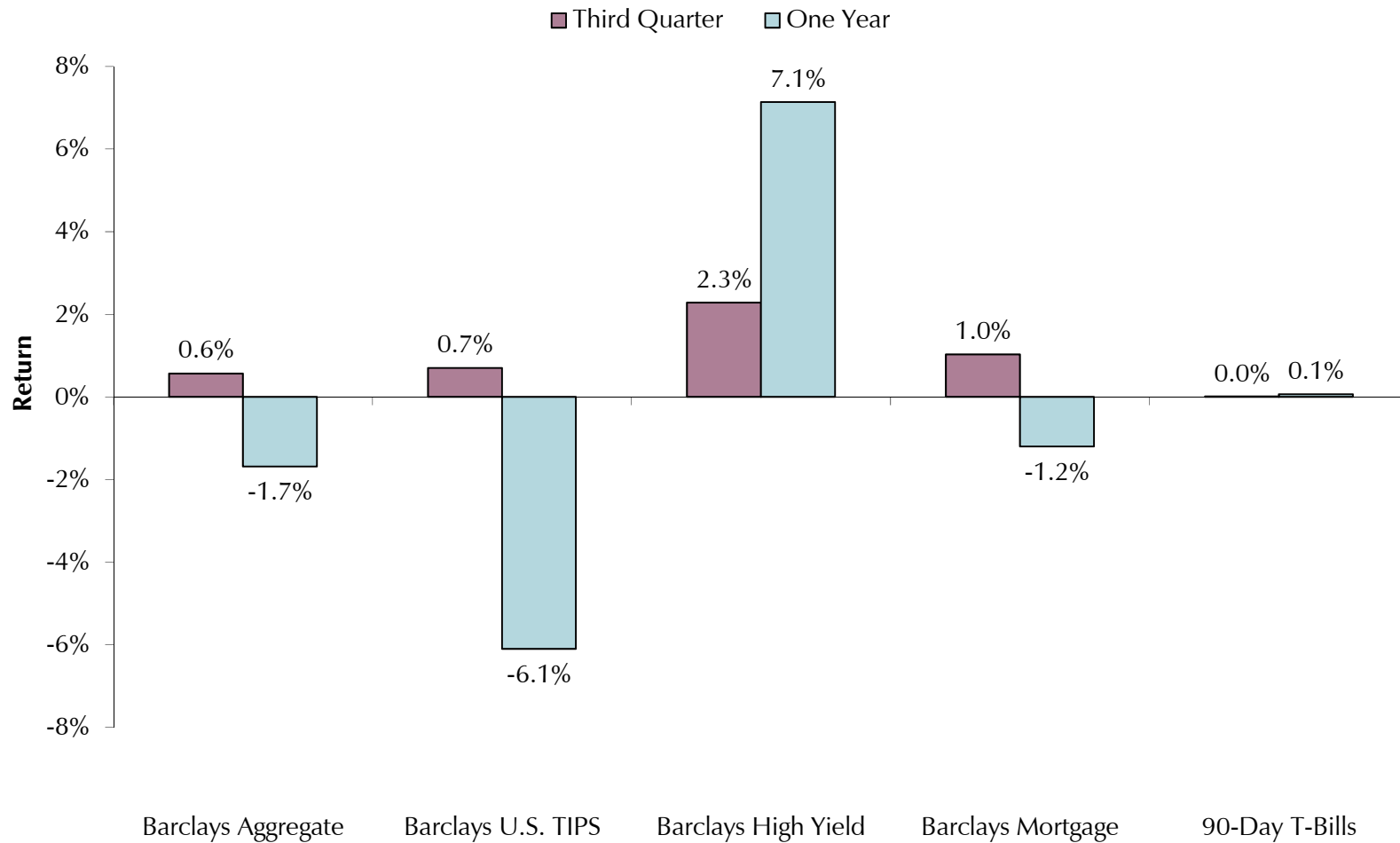
— 65% Stocks (Russell 3000) / 35% Bonds (Barclays Aggregate) 10-Year Rolling Return



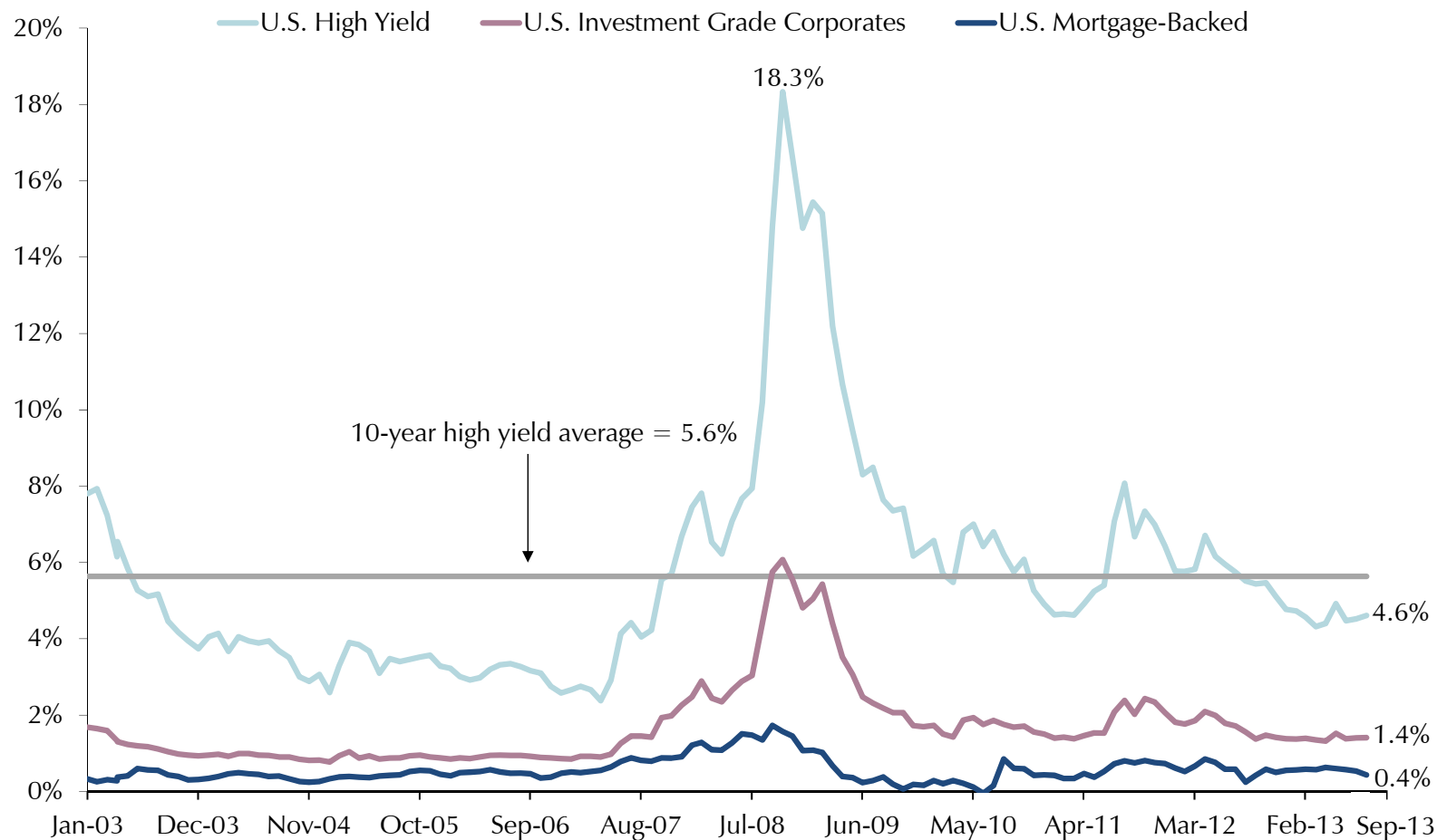
Treasury Yields



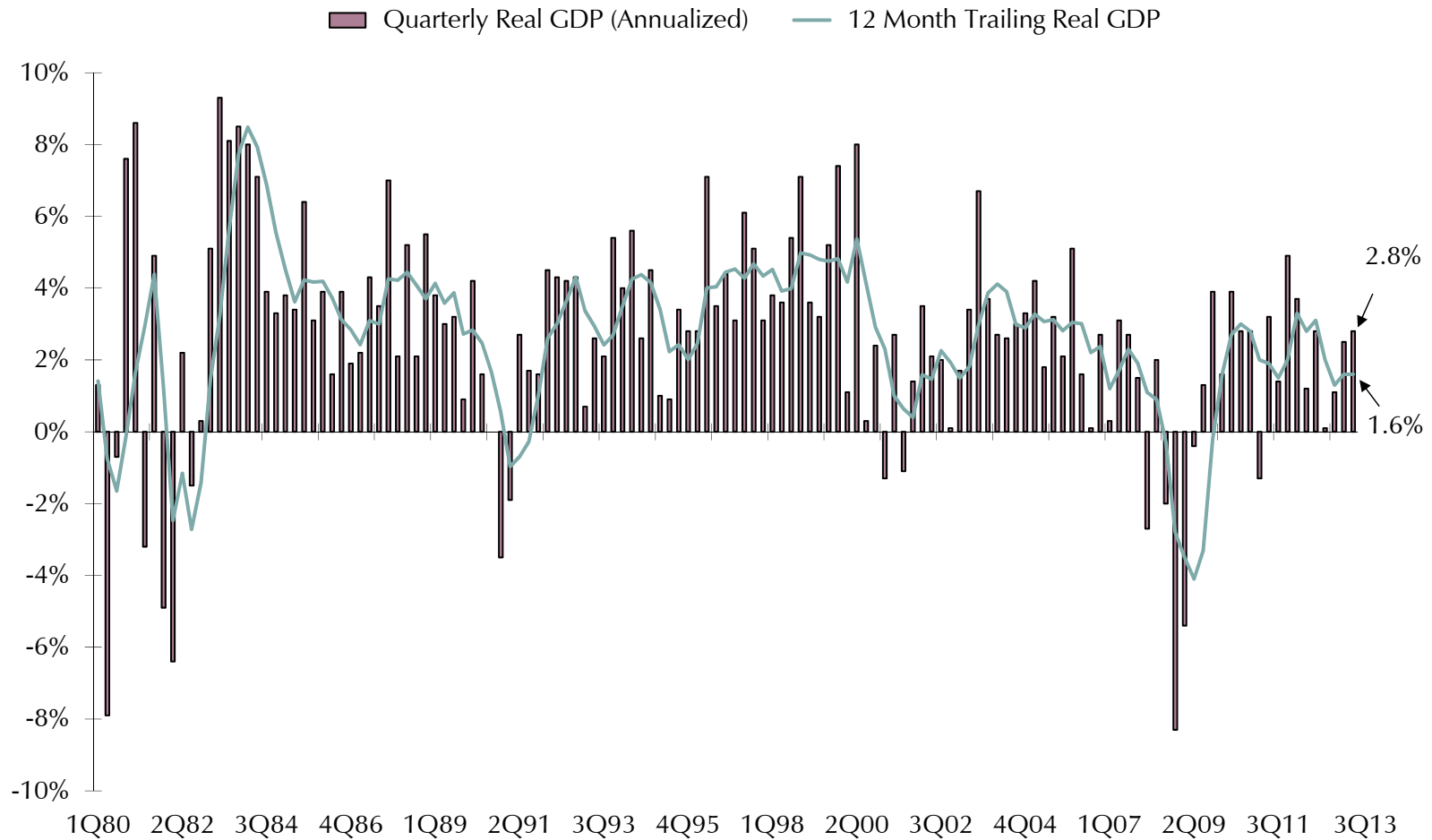
U.S. Fixed Income Markets



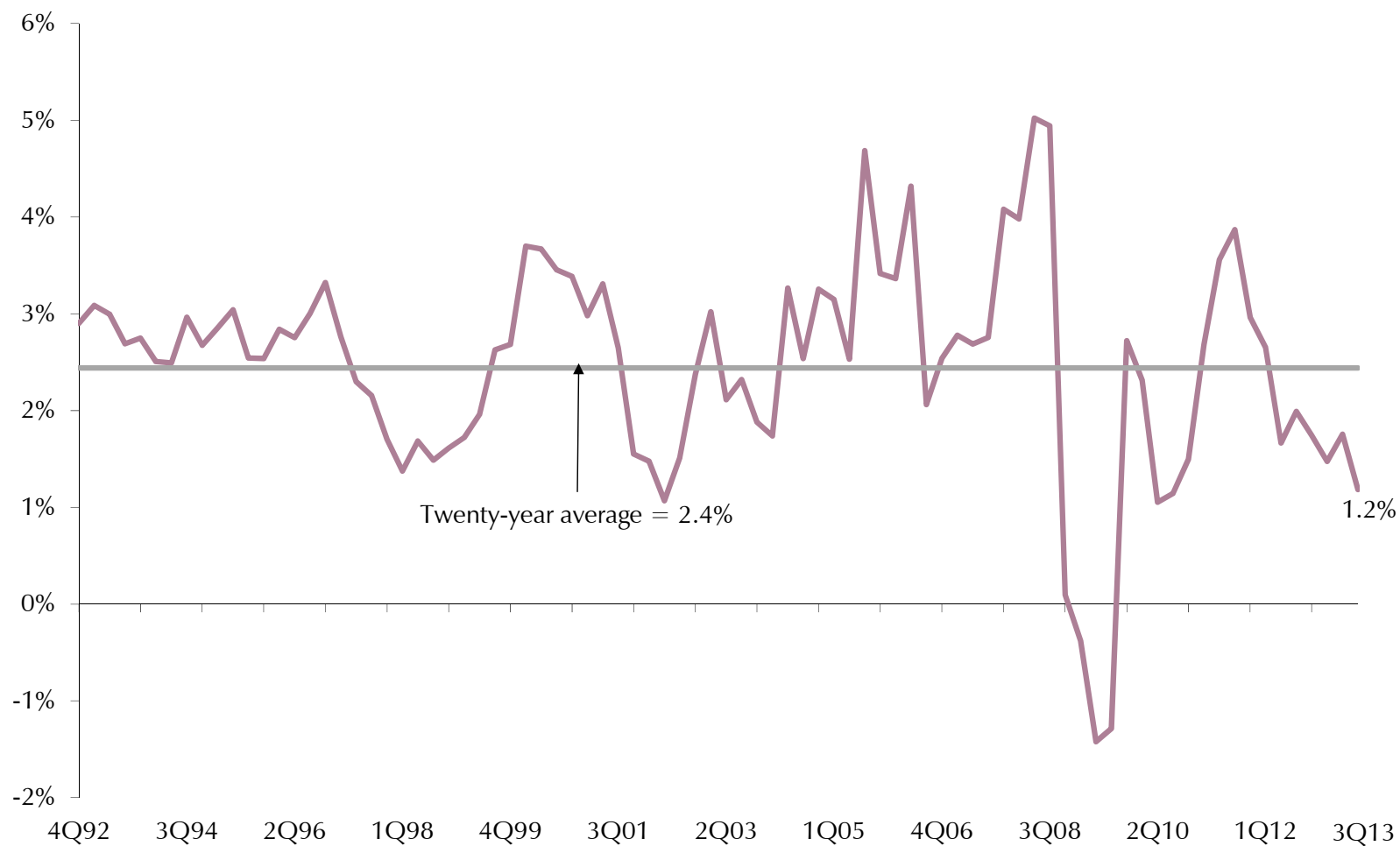
Credit Spreads vs. U.S. Treasury Bonds



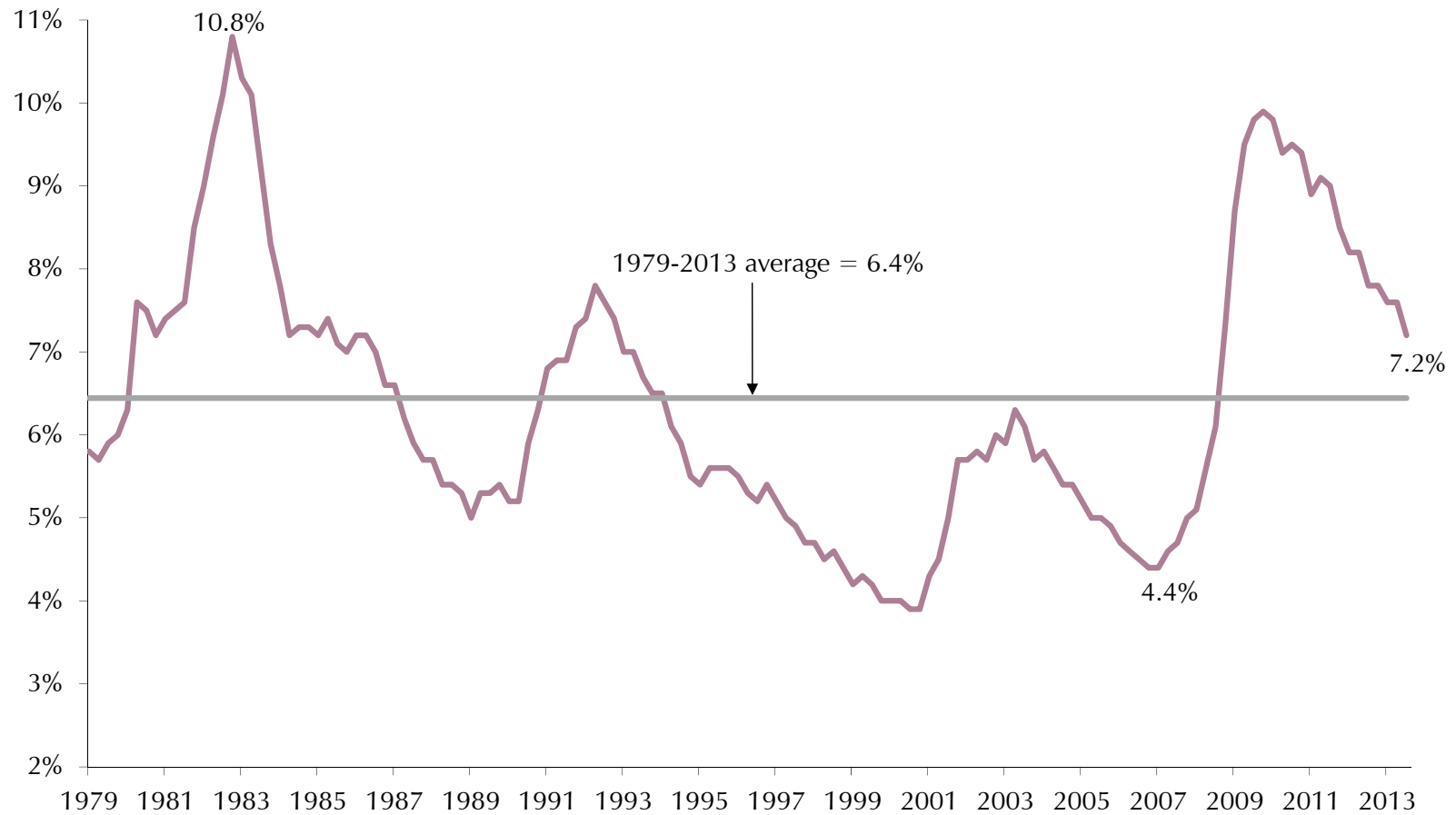
Real Gross Domestic Product (GDP) Growth



**U.S. Inflation (CPI)
Trailing Twelve Months**



U.S. Unemployment



**Glossary and Notes
As of September 30, 2013**

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit

above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.