

San Jose Federated City Employees' Retirement System Quarterly Report

Presenter: Kaci Boyer

September 30, 2019

San Jose Federated City Employees' Retirement System

As of September 30, 2019

Fund Overview	San Jose Federated City Employees' Retirement System ("Legacy")	SJFED Private Equity Strategic Partnership, L.P. ("NB")	Combined Funds
Fund Close:	July 2004	May 2017	Various
Total Fund Size:	\$174.3 million	\$261.5 million	\$435.8 million
# Primary Investments:	8	21	29
# Secondary Investments:	-	2	2
# Co-Investment Investments:	-	19	19
Net Performance	Legacy San Jose Federated City Employees' Retirement System ("Legacy")	0 SJFED Private Equity Strategic Partnership, L.P. ("NB")	Combined Funds
Net Performance			Combined Funds
Commitment - Fund Level	N/A	\$261.5 million	\$261.5 million
Commitment - Underlying Investments	\$174.3 million	\$217.5 million	\$391.8 million
Commitment - Remaining	N/A	\$44.0 million	\$44.0 million
Contributed Capital - Net*	\$152.3 million	\$78.9 million	\$231.2 million
Total Partners' Capital (NAV)	\$40.6 million	\$85.4 million	\$126.0 million
Distributions - Net	\$186.4 million	\$2.3 million	\$188.7 million
Total Value - Net	\$227.0 million	\$87.7 million	\$314.7 million
Net Multiple	1.5x	1.1x	1.4x
Net IRR	7.5%	13.8%	7.7%

Note: Key Metrics are based on the Limited Partner, net of fees and carry.

*Amount includes capital contributions for management fees and expenses

San Jose Federated City Employees' Retirement System ("Legacy")

Primary Fund Performance vs. Benchmarks

As of September 30, 2019

Investments	Benchmark	Vintage	Commitment	IRR ²	MOIC	IRR & MOIC Quartiles ¹	
Pathway Private Equity Fund VIII	Fund of Funds Index	2004	\$ 40,000,000	6.7%	1.46x	2nd	3rd
			1st Quartile	7.6%	1.60x		
			Median	6.1%	1.50x		
			3rd Quartile	5.4%	1.38x		
Pantheon Global Secondary Fund III 'B'	Secondary Funds Index	2006	\$ 40,000,000	2.2%	1.13x	4th	4th
			1st Quartile	10.5%	1.83x		
			Median	7.7%	1.53x		
			3rd Quartile	5.5%	1.38x		
Pantheon USA Fund VII	Fund of Funds Index	2006	\$ 40,000,000	10.0%	1.77x	2nd	2nd
			Median	7.5%	1.54x		
			Median	7.5%	1.54x		
			3rd Quartile	5.7%	1.39x		
Great Hill Equity Partners IV	Private Equity Index	2008	\$ 5,000,000	24.0%	2.84x	1st	1st
			1st Quartile	17.0%	1.99x		
			Median	11.2%	1.65x		
			3rd Quartile	5.2%	1.29x		
Partners Group Secondary 2008	Secondary Funds Index	2008	\$ 9,522,344	8.9%	1.45x	3rd	3rd
			1st Quartile	15.2%	1.93x		
			Median	11.9%	1.68x		
			3rd Quartile	7.6%	1.39x		
Partners Group Secondary 2011, L.P.	Secondary Funds Index	2011	\$ 20,000,000	16.4%	1.68x	2nd	2nd
			1st Quartile	16.7%	1.73x		
			Median	14.0%	1.51x		
			3rd Quartile	11.0%	1.41x		
Crestline Portfolio Financing Fund, L.P.	Private Equity Index	2018	\$ 15,000,000	NM	1.09x	NM	
Innovation Endeavors III, L.P.	Venture Capital Index	2018	\$ 4,800,000	NM	0.93x	NM	

Source: Cambridge Associates Pooled Return as of 6/30/19.

¹ Benchmark performance for vintage years 2018 and later are not available.

² Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. The Gross IRR of private equity investments is not meaningful (NM) in the early years.

SJFED Private Equity Strategic Partnership, L.P. ("NB")

Primary Fund Performance vs. Benchmarks

As of September 30, 2019

Investments	Benchmark	Vintage	Commitment	IRR ^{1,3}	MOIC	IRR & MOIC Quartiles ²	
Investment 1	Private Equity Index	2016	\$ 9,000,000	27.6%	1.17x	1st	2nd
			1st Quartile	23.1%	1.26x		
			Median	13.4%	1.15x		
			3rd Quartile	5.9%	1.07x		
Investment 38	Private Equity Index	2017	\$ 7,940,000	-31.7%	0.72x	4th	4th
			1st Quartile	10.6%	1.09x		
			Median	-0.9%	0.99x		
			3rd Quartile	-11.3%	0.91x		
Investment 39	Private Equity Index	2018	\$ 15,800,000	N/M ³	0.84x	N/M2	
Investment 5	Private Equity Index	2018	\$ 8,680,000	N/M ³	1.01x	N/M2	
Investment 7	Private Equity Index	2018	\$ 4,760,000	N/M ³	1.08x	-	
Investment 34	Venture Capital Index	2018	\$ 2,500,000	N/M ³	0.91x	N/M2	
Investment 35	Venture Capital Index	2018	\$ 625,000	N/M ³	1.00x	N/M ²	
Investment 36	Venture Capital Index	2018	\$ 1,640,000	N/M ³	0.99x	N/M ²	
Investment 31	Venture Capital Index	2018	\$ 4,760,000	N/M ³	1.17x	N/M ²	
Investment 32	Venture Capital Index	2018	\$ 4,760,000	N/M ³	0.92x	N/M ²	
Investment 33	Venture Capital Index	2018	\$ 4,800,000	N/M ³	1.02x	N/M ²	
Investment 9	Private Equity Index	2018	\$ 10,468,350	N/M ³	1.25x	N/M ²	
Investment 10	Private Equity Index	2018	\$ 4,240,000	N/M ³	0.95x	N/M ²	
Investment 16	Private Equity Index	2019	\$ 15,400,000	N/M ³	-	-	
Investment 18	Private Equity Index	2019	\$ 15,880,000	N/M ³	0.05x	N/M ²	
Investment 30	Private Equity Index	2019	\$ 15,870,850	N/M ³	-	-	
Investment 22	Private Equity Index	2019	\$ 7,000,000	N/M ³	0.98x	N/M ²	
Investment 42	Private Equity Index	2019	\$ 15,900,000	N/M ³	-	-	

Source: Cambridge Associates Pooled Return as of 6/30/19.

¹ Fund IRR performance is gross of NB management fees and other expenses.

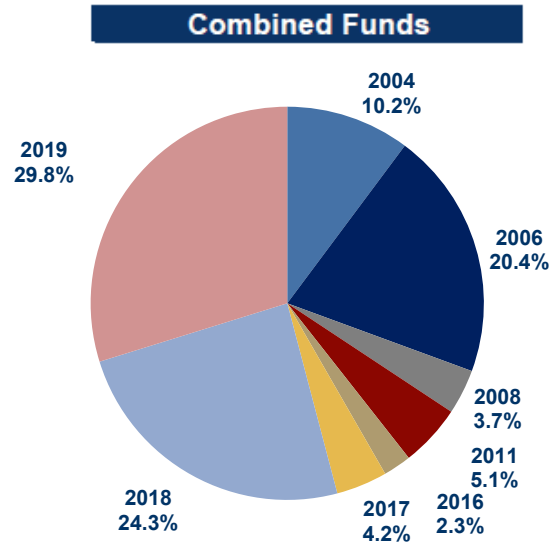
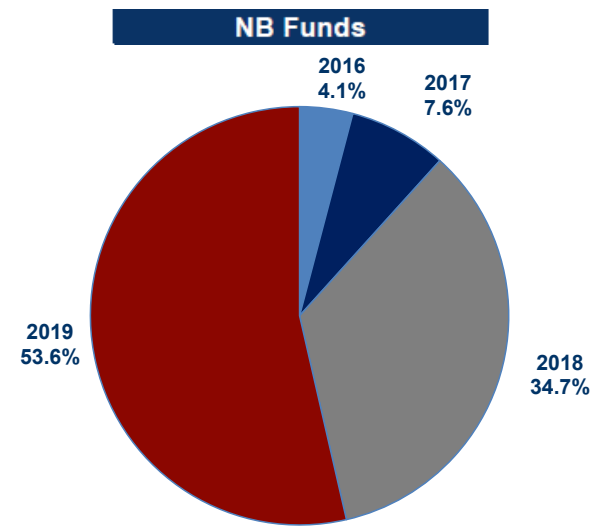
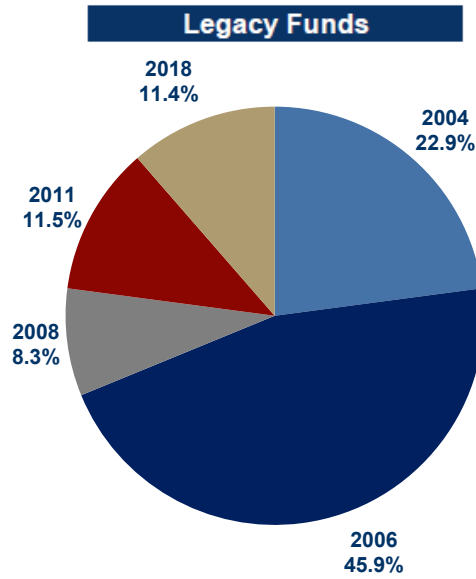
² Benchmark performance for vintage years 2018 and later are not available.

³ Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. The Gross IRR of private equity investments is not meaningful (NM) in the early years.

San Jose Federated City Employees' Retirement System

Vintage Year⁷ - Commitment

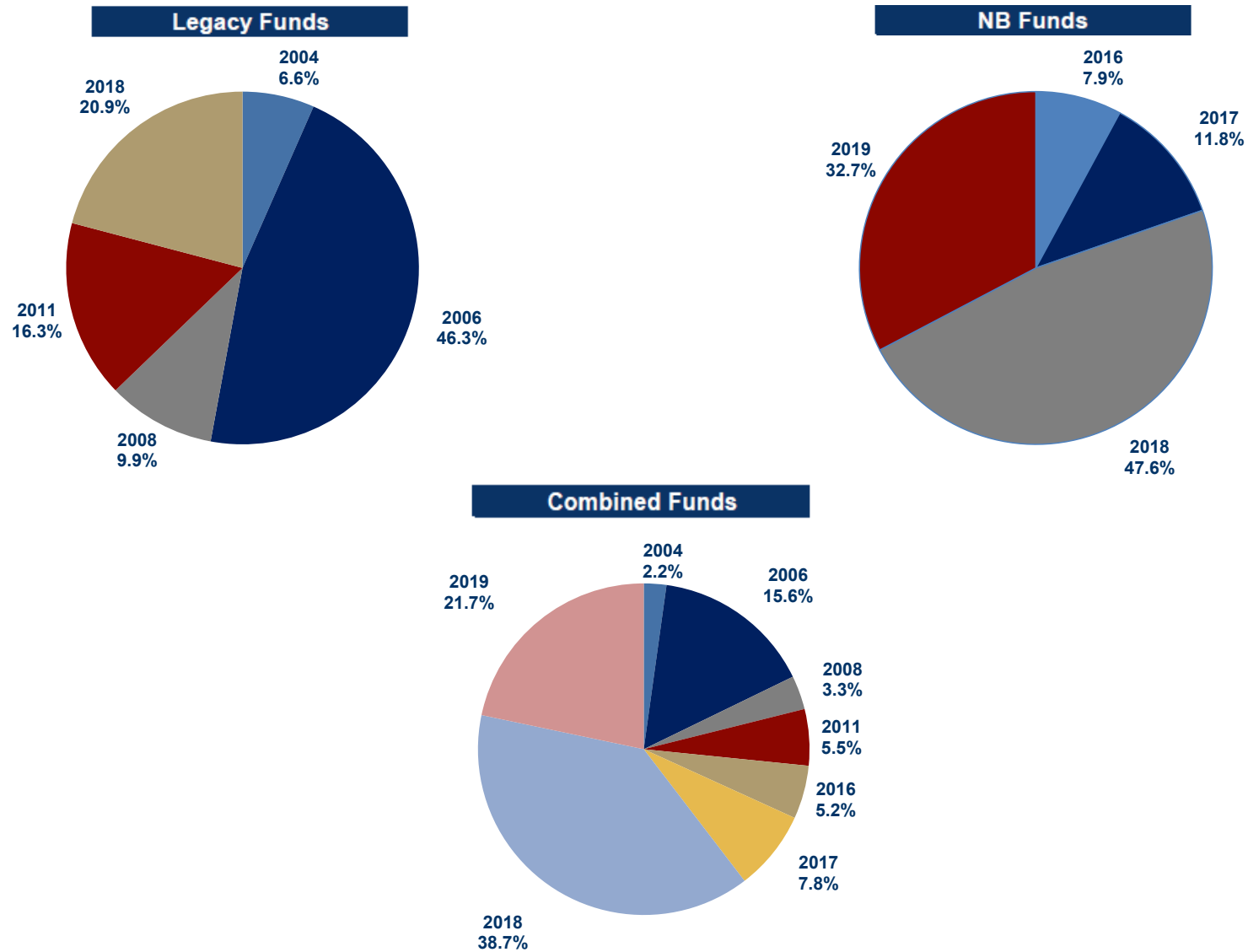
As of September 30, 2019



San Jose Federated City Employees' Retirement System

Vintage Year⁷ - Net Asset Value

As of September 30, 2019

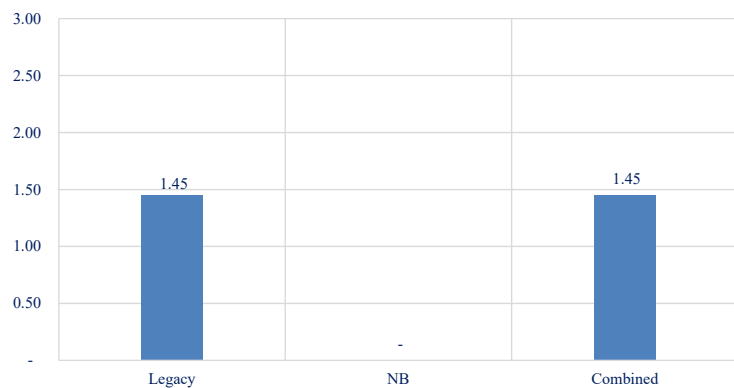


San Jose Federated City Employees' Retirement System

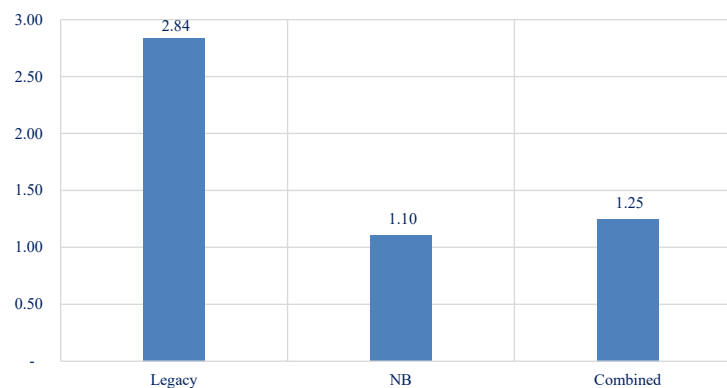
Private Equity Asset Class MOIC Performance

As of September 30, 2019

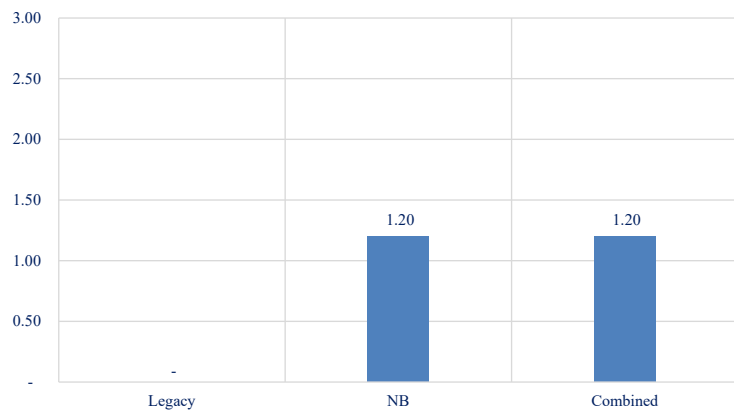
Diversified



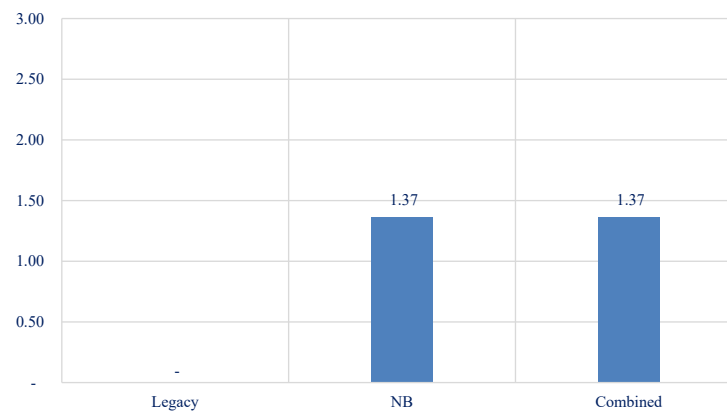
Mid-cap Buyout



Large-cap Buyout



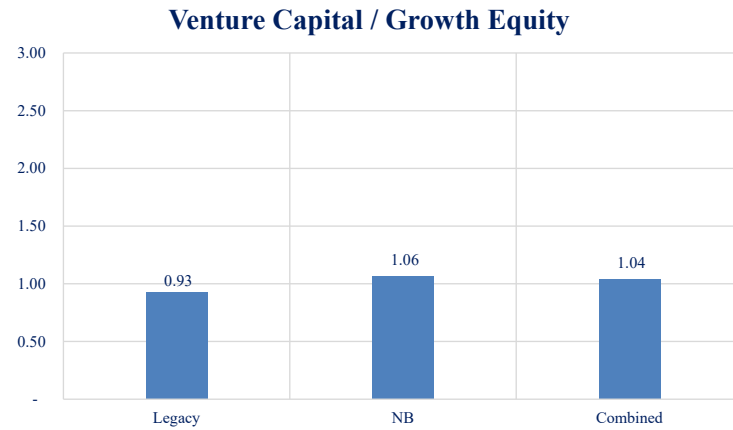
Special Situations



San Jose Federated City Employees' Retirement System

Private Equity Asset Class MOIC Performance

As of September 30, 2019

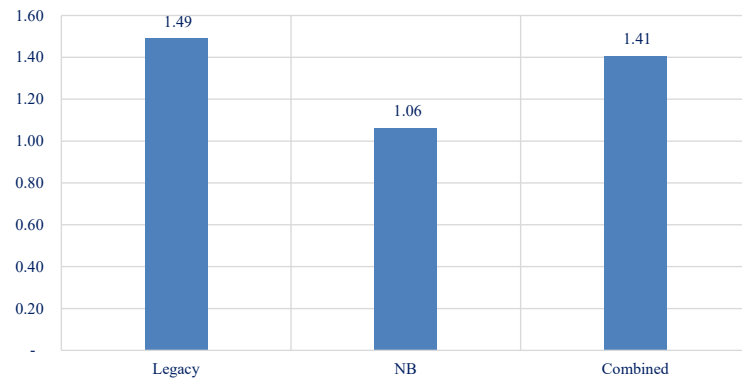


San Jose Federated City Employees' Retirement System

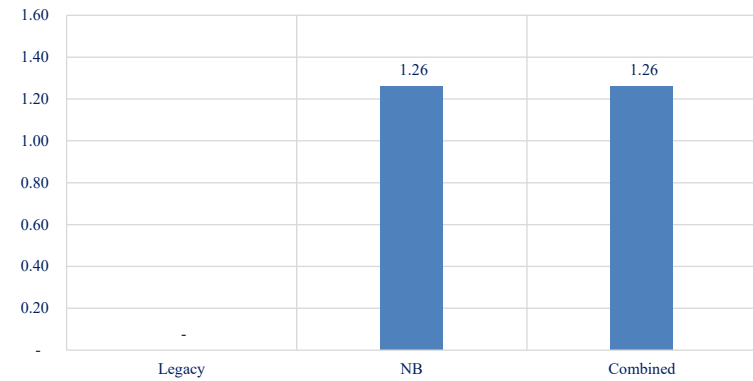
Private Equity Investment Type MOIC Performance

As of September 30, 2019

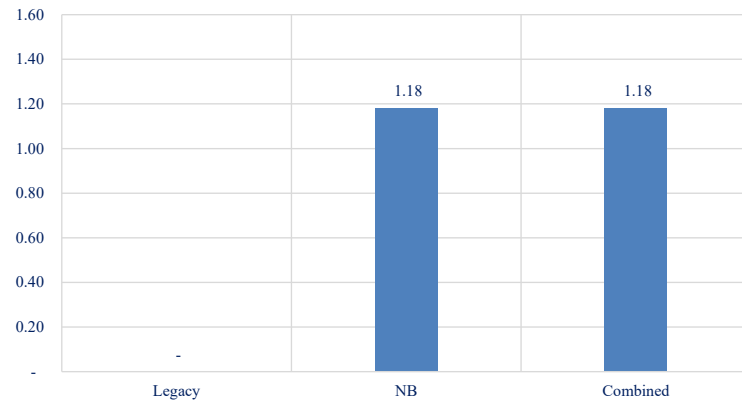
Primary



Secondary



Co-Investment

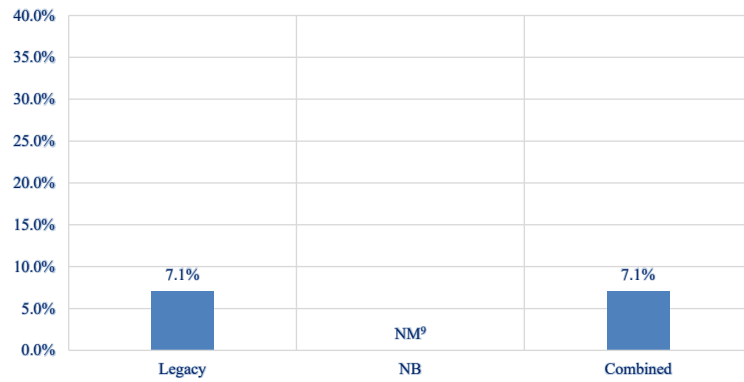


San Jose Federated City Employees' Retirement System

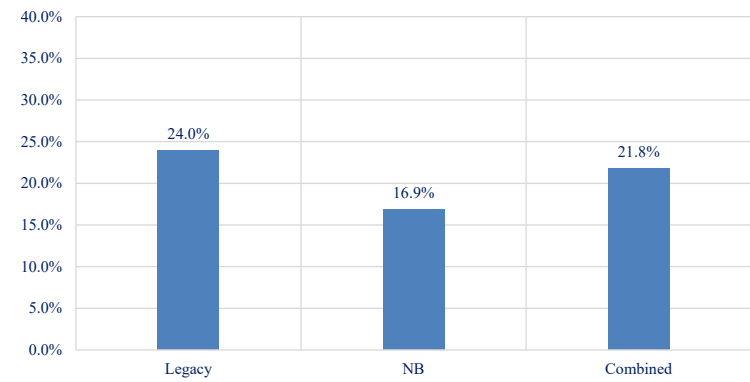
Private Equity Asset Class IRR Performance

As of September 30, 2019

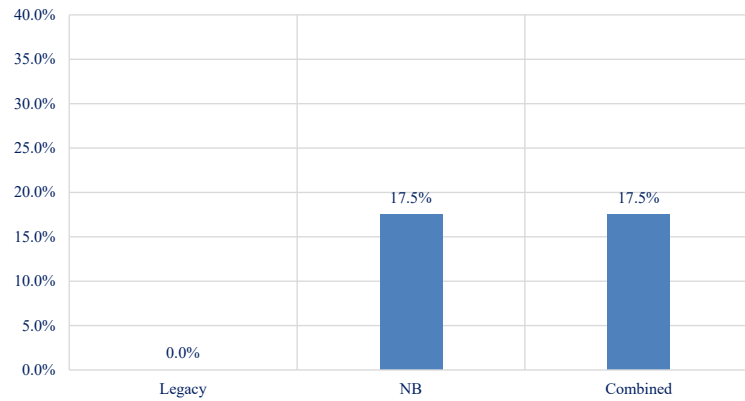
Diversified



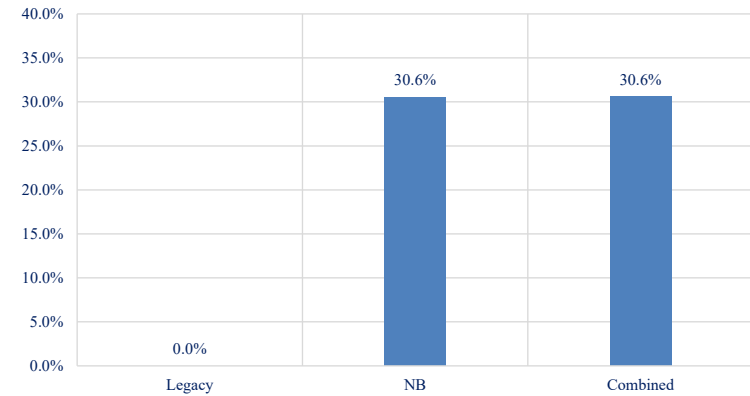
Mid-cap Buyout



Large-cap Buyout



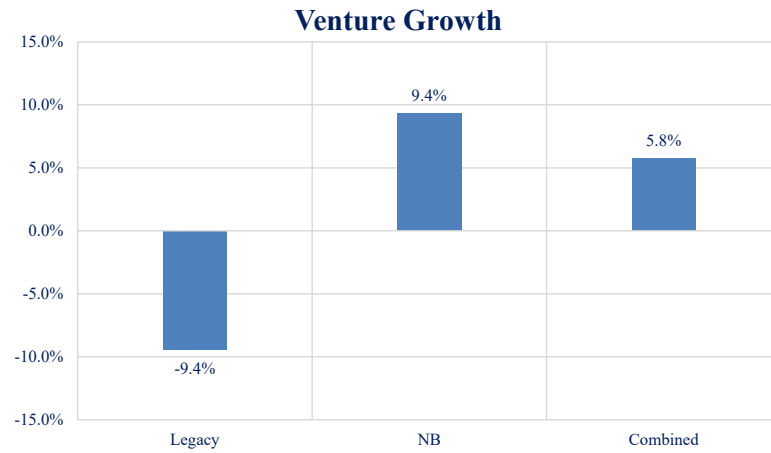
Special Situations



San Jose Federated City Employees' Retirement System

Private Equity Asset Class IRR Performance

As of September 30, 2019

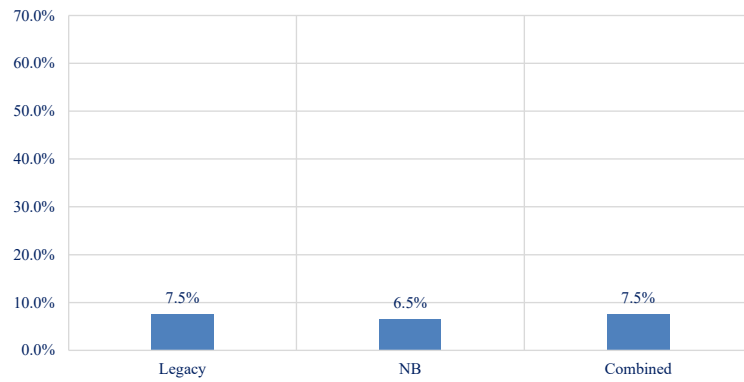


San Jose Federated City Employees' Retirement System

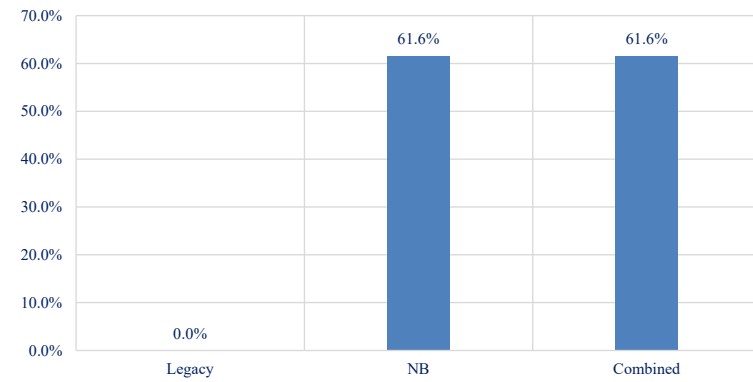
Private Equity Investment Type IRR Performance

As of September 30, 2019

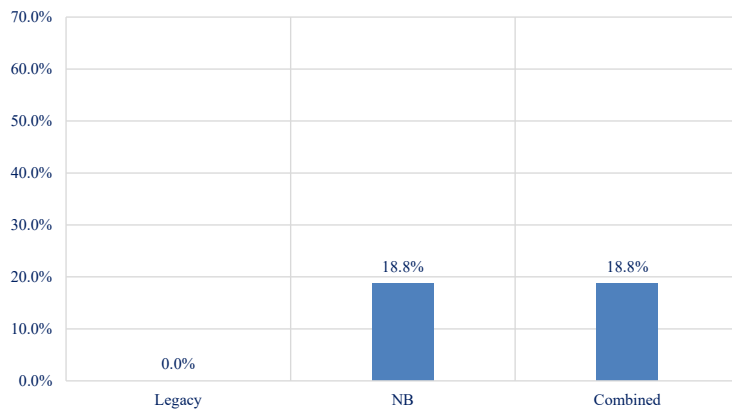
Primary



Secondary



Co-Investment



San Jose Federated City Employees' Retirement System
Status of the Portfolio
As of September 30, 2019

Investments	Fund	Vintage Year ⁷	Exposure Commitment ¹	% of Total	Cumulative Contributions ²	Unfunded Commitment ³	Cumulative Distributions ⁵	Cost ³	Fair Value ⁴	Total Value ⁶	Gross IRR ⁹	Gross MOIC ¹⁰
Diversified												
Pathway Private Equity Fund VIII	Legacy	2004	\$ 40,000,000	10.2%	\$ 39,850,735	\$ 3,990,944	\$ 55,557,980	\$ 516,535	\$ 2,662,619	\$ 58,220,599	6.7%	1.46x
Pantheon Global Secondary Fund III 'B'	Legacy	2006	40,000,000	10.2%	37,840,000	2,160,000	38,840,000	-	3,844,816	42,684,816	2.2%	1.13x
Pantheon USA Fund VII	Legacy	2006	40,000,000	10.2%	36,960,000	3,040,000	50,421,257	-	14,930,557	65,351,814	10.0%	1.77x
Partners Group Secondary 2008	Legacy	2008	9,522,344	2.4%	10,123,420	1,129,445	13,449,082	-	1,179,499	14,628,581	8.9%	1.45x
Partners Group Secondary 2011, L.P.	Legacy	2011	20,000,000	5.1%	13,053,192	7,393,985	15,287,896	-	6,602,376	21,890,272	16.4%	1.68x
Crestline Portfolio Financing Fund, L.P.	Legacy	2018	15,000,000	3.8%	7,863,579	8,617,103	1,525,572	6,943,160	7,032,177	8,557,749	NM	1.09x
Total Diversified			\$ 149,522,344	38.2%	\$ 137,827,347	\$ 17,714,374	\$ 173,556,215	\$ 516,535	\$ 29,219,867	\$ 202,776,082	0.0%	1.47x
Total Diversified			\$ 164,522,344	42.0%	\$ 145,690,926	\$ 26,331,477	\$ 175,081,787	\$ 7,459,695	\$ 36,252,044	\$ 211,333,831	7.1%	1.45x
Mid-cap Buyout												
Great Hill Equity Partners IV	Legacy	2008	\$ 5,000,000	1.3%	\$ 5,000,000	\$ -	\$ 11,342,921	\$ 696,855	\$ 2,851,341	\$ 14,194,262	24.0%	2.84x
Investment 1	NB	2016	9,000,000	2.3%	7,531,658	2,630,477	2,545,778	5,106,875	6,292,903	8,838,681	27.6%	1.17x
Investment 2	NB	2017	1,175,000	0.3%	1,179,698	-	-	1,173,750	1,173,750	1,173,750	(0.3%)	0.99x
Investment 3	NB	2017	1,768,837	0.5%	1,939,577	-	2,660,596	-	192,136	2,852,732	48.6%	1.47x
Investment 4	NB	2017	2,120,000	0.5%	2,120,000	-	33,597	2,123,961	3,183,961	3,217,558	25.7%	1.52x
Investment 5	NB	2018	8,680,000	2.2%	2,494,927	6,185,073	-	2,280,200	2,519,238	2,519,238	NM	1.01x
Investment 6	NB	2018	690,000	0.2%	690,000	-	-	689,950	1,158,231	1,158,231	NM	1.68x
Investment 7	NB	2018	4,760,000	1.2%	2,439,500	2,320,500	-	2,335,115	2,644,400	2,644,400	NM	1.08x
Investment 8	NB	2018	1,270,000	0.3%	1,280,366	-	-	1,271,808	1,129,504	1,129,504	NM	0.88x
Investment 9	NB	2018	10,468,350	2.7%	1,869,772	7,711,149	144,619	1,628,726	2,192,950	2,337,569	NM	1.25x
Investment 10	NB	2018	4,240,000	1.1%	2,002,444	2,232,911	33,133	1,890,695	1,862,608	1,895,741	NM	0.95x
Investment 11	NB	2018	1,935,000	0.5%	1,748,404	74,916	-	1,828,770	2,800,000	2,800,000	NM	1.60x
Investment 12	NB	2018	2,170,000	0.6%	2,170,000	-	-	2,170,000	2,191,700	2,191,700	NM	1.01x
Investment 13	NB	2018	1,640,000	0.4%	1,640,000	-	-	1,640,022	1,524,541	1,524,541	NM	0.93x
Investment 14	NB	2018	1,943,000	0.5%	1,560,215	388,600	-	1,556,778	1,945,378	1,945,378	NM	1.25x
Investment 15	NB	2019	1,513,474	0.4%	1,523,198	-	-	1,520,095	1,516,948	1,516,948	NM	1.00x
Investment 16	NB	2019	15,400,000	3.9%	-	15,400,000	-	-	-	-	NM	-
Investment 17	NB	2019	2,720,000	0.7%	2,720,000	-	-	2,718,424	2,720,000	2,720,000	NM	1.00x
Investment 18	NB	2019	15,880,000	4.1%	321,211	15,558,789	-	104,498	16,632	16,632	NM	0.05x
Investment 19	NB	2019	7,950,000	2.0%	2,137,418	4,912,582	-	2,137,418	2,137,418	2,137,418	NM	1.00x
Investment 20	NB	2019	15,880,000	4.1%	2,671,985	13,208,015	-	2,470,848	2,470,848	2,470,848	NM	0.92x
Investment 21	NB	2019	5,290,000	1.4%	4,704,246	585,754	-	4,676,911	5,508,279	5,508,279	NM	1.17x
Investment 22	NB	2019	7,000,000	1.8%	2,628,662	4,428,018	-	2,571,982	2,571,982	2,571,982	NM	0.98x
Investment 23	NB	2019	3,600,000	0.9%	3,600,000	-	-	3,600,000	3,600,000	3,600,000	NM	1.00x
Investment 24	NB	2019	4,595,245	1.2%	4,615,463	-	-	4,615,461	4,647,576	4,647,576	NM	1.01x
Total Mid-cap Buyout			\$ 136,688,906	34.9%	\$ 60,588,744	\$ 75,636,783	\$ 16,760,644	\$ 50,809,142	\$ 58,852,324	\$ 75,612,968	21.8%	1.25x
Large-cap Buyout												
Investment 25	NB	2017	\$ 931,003	0.2%	\$ 931,003	\$ -	\$ 623,683	\$ 475,003	\$ 818,035	\$ 1,441,718	29.2%	1.55x
Investment 26	NB	2018	2,120,000	0.5%	2,120,000	-	-	2,120,000	2,332,000	2,332,000	NM	1.10x
Investment 27	NB	2018	1,170,000	0.3%	1,172,035	-	-	1,171,073	1,383,713	1,383,713	NM	1.18x
Investment 28	NB	2018	1,110,000	0.3%	1,110,284	-	-	1,110,095	1,442,905	1,442,905	NM	1.30x
Investment 29	NB	2018	1,800,000	0.5%	1,819,272	-	-	1,817,403	1,985,036	1,985,036	NM	1.09x
Investment 30	NB	2019	15,870,850	4.1%	-	15,311,859	-	-	-	-	NM	-
Total Large-cap Buyout			\$ 23,001,853	5.9%	\$ 7,152,594	\$ 15,311,859	\$ 623,683	\$ 6,693,574	\$ 7,961,689	\$ 8,585,372	17.5%	1.20x

San Jose Federated City Employees' Retirement System
Status of the Portfolio
As of September 30, 2019

Investments	Fund	Vintage Year ⁷	Exposure Commitment ¹	% of Total	Cumulative Contributions ²	Unfunded Commitment ³	Cumulative Distributions ⁵	Cost ³	Fair Value ⁴	Total Value ⁶	Gross IRR ⁹	Gross MOIC ¹⁰
Venture Capital / Growth Equity												
Innovation Endeavors III, L.P.	Legacy	2018	\$ 4,800,000	1.2%	\$ 1,569,603	\$ 3,240,000	\$ 39	\$ 1,506,488	\$ 1,453,784	\$ 1,453,823	NM	0.93x
Investment 31	NB	2018	4,760,000	1.2%	3,379,600	1,380,400	1,630	3,182,178	3,966,756	3,968,386	NM	1.17x
Investment 32	NB	2018	4,760,000	1.2%	1,368,169	3,391,831	-	1,249,271	1,258,101	1,258,101	NM	0.92x
Investment 33	NB	2018	4,800,000	1.2%	2,304,000	2,496,000	-	2,156,350	2,360,447	2,360,447	NM	1.02x
Investment 34	NB	2019	2,500,000	0.6%	462,500	2,037,500	-	417,816	420,439	420,439	NM	0.91x
Investment 35	NB	2019	625,000	0.2%	134,375	490,625	-	134,725	134,725	134,725	NM	1.00x
Investment 36	NB	2019	1,640,000	0.4%	336,200	1,303,800	-	306,329	332,491	332,491	NM	0.99x
Total Venture Capital / Growth Equity			\$ 23,885,000	6.1%	\$ 9,554,447	\$ 14,340,156	\$ 1,669	\$ 8,953,157	\$ 9,926,743	\$ 9,928,412	5.8%	1.04x
Special Situations												
Investment 37	NB	2017	\$ 2,650,000	0.7%	\$ 2,652,257	\$ -	\$ 2,126,361	\$ 909,585	\$ 3,237,376	\$ 5,363,737	48.6%	2.02x
Investment 38	NB	2017	7,940,000	2.0%	1,076,490	6,863,510	-	786,956	776,977	776,977	(31.7%)	0.72x
Investment 39	NB	2018	15,800,000	4.0%	1,737,268	14,062,732	-	1,341,370	1,457,438	1,457,438	NM	0.84x
Investment 40	NB	2018	790,000	0.2%	816,189	(26,189)	-	816,189	820,301	820,301	NM	1.01x
Investment 41	NB	2018	641,300	0.2%	660,539	(19,239)	-	660,539	1,066,925	1,066,925	NM	1.62x
Investment 42	NB	2019	15,900,000	4.1%	-	15,900,000	-	-	-	-	NM	-
Total Special Situations			\$ 43,721,300	11.2%	\$ 6,942,743	\$ 36,780,815	\$ 2,126,361	\$ 4,514,639	\$ 7,359,017	\$ 9,485,378	30.6%	1.37x
Legacy investments			\$ 174,322,344	44.5%	\$ 152,260,529	\$ 29,571,477	\$ 186,424,747	\$ 9,663,038	\$ 40,557,169	\$ 226,981,916	7.5%	1.49x
NB investments			\$ 217,497,059	55.5%	\$ 77,668,925	\$ 138,829,613	\$ 8,169,397	\$ 68,767,169	\$ 79,794,648	\$ 87,964,045	18.1%	1.13x
Total investments			\$ 391,819,403	100.0%	\$ 229,929,454	\$ 168,401,090	\$ 194,594,144	\$ 78,430,207	\$ 120,351,817	\$ 314,945,961	7.9%	1.37x

San Jose Federated City Employees' Retirement System

Footnotes

- 1 For primary investments, exposure commitment is the commitment to the investment. For secondary and co-investments, exposure commitment is the purchase price paid plus unfunded commitment on the day of purchase.
 - 2 Cumulative Contributions represent all amounts funded to the investments, including amounts contributed for fees and expenses.
 - 3 The cost basis of the investments in private equity limited partnerships is determined utilizing the Partners' proportionate share of the cost basis of each limited partnership and their portfolio companies, as well as net other assets.
 - 4 We use the best information we have reasonably available to determine or estimate fair value. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or partnership, and considers subsequent transactions, such as capital contributions or distributions. The investments include adjustments based on information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events.
 - 5 Cumulative Distributions represents all amounts distributed by the investment and includes additional cash receipts.
 - 6 Total value equals Fair value plus Cumulative Distributions.
 - 7 Vintage year is based on the year of first investment with exception for the secondary investments of which it is the year of the purchase.
 - 8 Unfunded Commitment represents contributions applied to commitment less recallable distributions. This amount also includes payables to investments. Commitments denominated in foreign currency are translated into U.S. dollar equivalents using spot rates as of September 30, 2019.
 - 9 Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. IRR is presented net of underlying investment fees but gross of NB fees and carried interest. The Gross IRR of private equity investments is not meaningful (NM) in the early years.
 - 10 Gross multiple of invested capital (MOIC) is computed based on commencement-to-date distributions plus the current net asset value divided by commencement-to-date capital contributions. MOIC is presented net of underlying investment fees but gross of NB fees and carried interest.
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San Jose Federated City Employees' Retirement Fund

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