

FUND EVALUATION REPORT

San Jose Federated Retiree Health Care 115 Trust

Quarterly Review
March 31, 2016



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Executive Summary
As of March 31, 2016

The value of the San Jose Federated Retiree Health Care Trust was \$150.0 million on March 31, 2016, up from \$142.1 million at the end of the previous quarter. The Trust had net cash inflows of \$6.1 million.

- First quarter performance for the Health Care Trust was +1.2% net of fees.
- The Health Care Trust underperformed the Policy and Custom Benchmarks for the quarter. Over the trailing three-year period, the Trust underperformed the Policy Benchmark by 0.6%, but outperformed the Custom Benchmark by 0.1%. Since inception, the Trust has outperformed the Policy Benchmark by 0.3% and is in line with the Custom Benchmark.
- For the quarter, Real Assets (+3.9%) was the top performing asset class and was aided by Public Infrastructure and Public Natural Resources returning +8.0% and +8.1%, respectively. Fixed Income (+2.6%) underperformed the Barclays Global Aggregate (+5.9%), and Global Equity (-0.2%) underperformed the MSCI ACWI IMI (+0.3%). Investment manager performance was mixed for the quarter as approximately half of the active managers outperformed their respective benchmarks.
- The Health Care Trust experienced several investment manager roster changes during the first quarter. The Trust added Vanguard Emerging Markets Equity (Global Equity), PRISA I (Core Real Estate), and Pinnacle Natural Resources (Commodities), and terminated First Quadrant Balanced Risk Commodity Fund (Commodities). Subsequent to the end of the first quarter, the Trust terminated Vontobel Emerging Markets Equity (Global Equity).
- The Health Care Trust was overweight Global Equity and Cash, and underweight Fixed Income and Real Assets, though all were within their respective target ranges. Cash represents 4.6% of the Health Care Trust, above the target allocation of 0.0%, and at the upper end of the 0-5% target range. With respect to the sub-asset classes, all were within their target ranges except for Global Credit, which remained unfunded at the end of the quarter.

San Jose Federated Retiree Health Care 115 Trust

First Quarter Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Artisan Global Value	Global Equity	---	---	---	---
Vontobel Emerging Markets Equity	Emerging Markets Equity	Yes	---	Terminate	CIO Departure
Aberdeen Frontier Markets Equity	Frontier Markets Equity	Yes	---	Hold	Acquisitions; Personnel Changes
Cove Street Small Cap Value	Small Cap Equity	Yes	---	Hold	Ownership Interest Distribution
American Core Realty Fund, LLC	Core Real Estate	---	---	---	---
PRISA I	Core Real Estate	No	---	---	---
Credit Suisse Risk Parity Commodity	Commodities	Yes	---	Hold	Personnel Changes
Pinnacle Natural Resources	Commodities	No	---	---	---

¹ The Meketa Investment Group recommendations are based on organizational or resource changes at each manager.



Vontobel

- On March 7, 2016, Vontobel announced that Rajiv Jain, Chief Investment Officer, Co-Chief Executive Officer and Portfolio Manager of the Vontobel Emerging Markets Equity, International Equity, and Global Equity strategies, had resigned. Mr. Jain will stay at the firm through the end of May 2016 to transition his portfolio management responsibilities. The strategy was terminated subsequent to the end of the first quarter.

Aberdeen

- In December 2015, Aberdeen completed the acquisition of Arden Asset Management LLC, a provider of hedge fund solutions with offices in New York and London. Certain Arden vehicles were named in October 2010 in claims by the Fairfield Sentry Foreign Representatives in bankruptcy and in January 2012 the Madoff trustee in bankruptcy based on certain Arden vehicles having been past redeemers from so-called feeder funds. The Arden management company is bearing all expenses relating to these claims and AAMI believes there will be any recovery under the claims. Accordingly, the claims are expected to be resolved without any materially detrimental impact to AAMI.
- In January 2016, Aberdeen completed the acquisition of Parmenion, a financial technology company based in Bristol.
- During the quarter, Chou Chong, Investment Director, left the firm and Felicia Budiman, Investment Analyst, joined the investment team.

Cove Street

- Majority shareholder Jeff Bronchick distributed 5% of the firm out of his interest to five employees that span all functions of the firm. After the distribution, Mr. Bronchick's ownership was reduced from 90% to 85%.

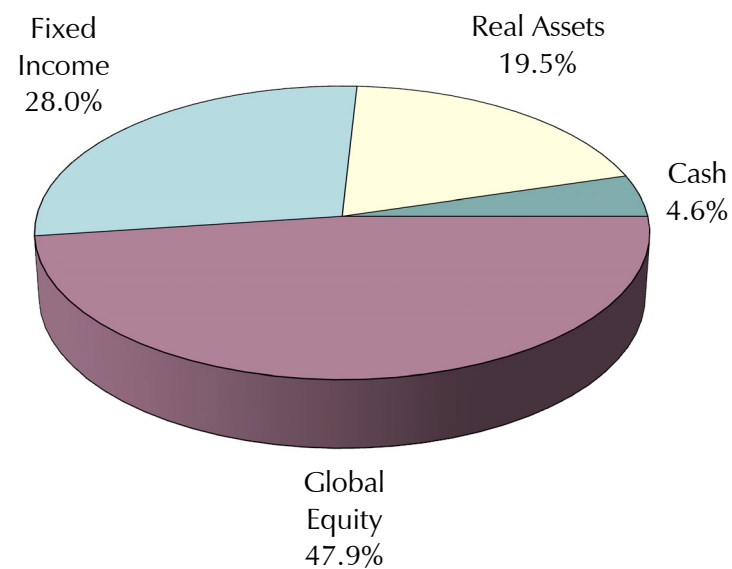
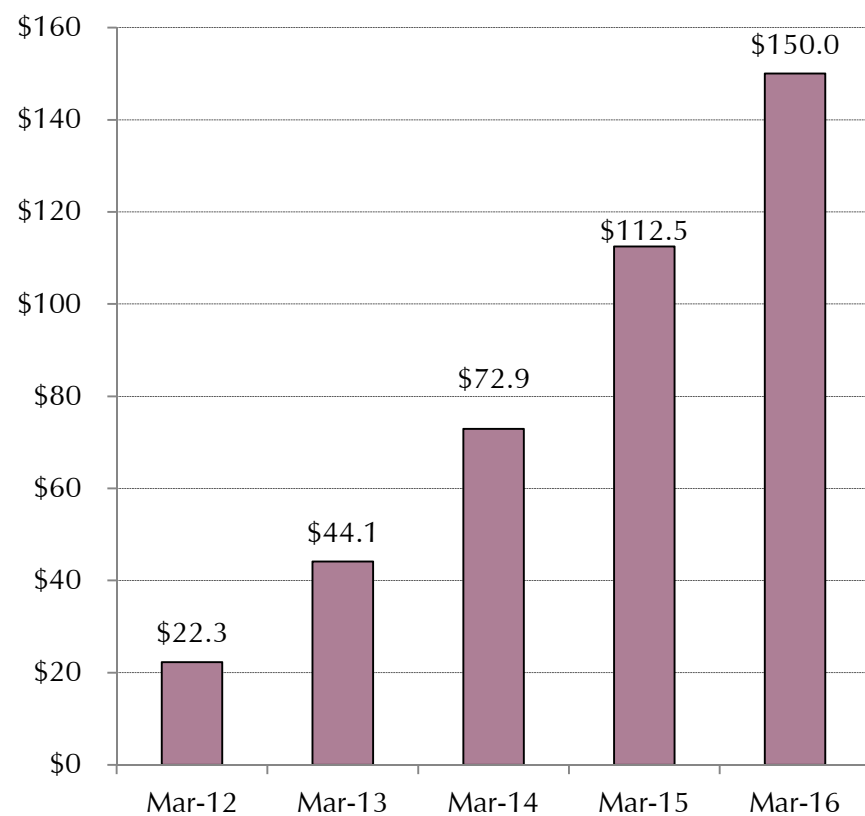
Credit Suisse

- On March 28, 2016, Credit Suisse announced that Bob Jain, Global Head of Asset Management, had decided to leave the firm. Mr. Jain's replacement has yet to be announced and he will remain at Credit Suisse through June to assist with the transition.

Fund Summary
As of March 31, 2016

San Jose Federated Retiree Health Care 115 Trust

Aggregate Assets as of 3/31/16



**San Jose Federated Retiree Health Care
115 Trust**

**Aggregate Assets
Asset Summary as of 3/31/16**

	Market Value 3/31/16 (\$ mm)	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total Fund Aggregate	150.0	100.0	NA	NA	142.1
Global Equity	71.8	47.9	46.7	40-54	64.9
Fixed Income	42.0	28.0	30.3	20-40	40.9
Real Assets	29.3	19.5	23.0	15-30	23.9
Cash	6.9	4.6	0.0	0-5	12.4



**San Jose Federated Retiree Health Care
115 Trust**

**Aggregate Assets
Portfolio Roster as of 3/31/16**

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total Fund Aggregate	150.0	NA	100.0	NA	NA	142.1
Global Equity	71.8	100.0	47.9	46.7	40-54	64.9
Artisan Global Value	19.0	26.5	12.7			18.8
Northern Trust EAFE Index-NL	18.8	26.2	12.5			19.4
Northern Trust Russell 3000 Index	10.6	14.7	7.0			10.5
Vontobel Emerging Markets Equity	7.5	10.4	5.0			7.3
Vanguard Emerging Markets Stock Index	7.0	9.7	4.7			0.0
Vanguard Developed Markets Index	5.2	7.3	3.5			5.4
Aberdeen Frontier Markets Equity	2.0	2.8	1.4			2.1
Cove Street Small Cap Value	1.7	2.4	1.1			1.6
Fixed Income	42.0	100.0	28.0	30.3	20-40	40.9
Investment Grade Bonds	24.8	59.0	16.5	12.7	8-18	24.0
Northern Trust Barclays Aggregate Index-NL	24.8	59.0	16.5			24.0
TIPS	17.2	41.0	11.5	12.7	8-18	16.9
Vanguard Short-Term Inflation-Protected Securities	17.2	41.0	11.5			16.9
Global Credit	0.0	0.0	0.0	5.0	2-8	0.0



**San Jose Federated Retiree Health Care
115 Trust**

**Aggregate Assets
Portfolio Roster as of 3/31/16**

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Real Assets	29.3	100.0	19.5	23.0	15-30	23.9
Core Real Estate	6.3	21.4	4.2	7.0	4-10	4.2
American Core Realty Fund, LLC	4.8	16.3	3.2			4.2
PRISA I	1.5	5.1	1.0			0.0
Commodities	9.2	31.5	6.1	6.0	2-10	9.7
Credit Suisse Risk Parity Commodity Fund	6.2	21.3	4.2			6.2
Pinnacle Natural Resources, L.P.	3.0	10.2	2.0			0.0
First Quadrant Balanced Risk Commodity Fund	0.0	0.0	0.0			3.5
Public Infrastructure	7.4	25.1	4.9	5.0	2-8	5.4
Rhumblin DJ Brookfield Global Infrastructure	7.4	25.1	4.9			5.4
Public Natural Resources	6.4	22.0	4.3	5.0	2-8	4.6
Rhumblin S&P Global Large MidCap Commodity & NR	6.4	22.0	4.3			4.6
Cash	6.9	100.0	4.6	0.0	0-5	12.4



San Jose Federated Retiree Health Care 115 Trust

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate²	1.2	-4.4	-3.6	1.9	7/1/11	3.7
<i>CPI Medical Care (Inflation)</i>	1.7	2.8	3.3	2.6		2.9
<i>San Jose Healthcare Policy Benchmark³</i>	3.0	-2.2	-1.9	2.5		3.4
<i>San Jose Healthcare Custom Benchmark⁴</i>	2.4	-3.4	-3.3	1.8		3.7
Global Equity	-0.2	-5.6	-3.6	5.6	12/1/11	9.5
<i>MSCI ACWI IMI</i>	0.3	-4.9	-4.4	5.6		9.1
Fixed Income	2.6	2.6	1.6	1.0	12/1/11	2.0
<i>Barclays Global Aggregate</i>	5.9	5.8	4.6	0.9		1.2
Real Assets	3.9	-11.5	-10.3	-10.7	8/1/11	-10.4
<i>NCREIF ODCE Equal Weighted (net)</i>	2.2	9.1	13.1	12.6		12.1
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9		-14.3
<i>DJ Brookfield Global Infrastructure Index</i>	8.1	-3.9	-6.4	4.9		8.9
<i>S&P Global Natural Resources</i>	9.3	-14.8	-14.7	-8.2		-7.8

¹ Fiscal Year begins July 1.

² Throughout this report, all returns are shown net of fees.

³ Please see the Appendix for composition of the San Jose Health Care 115 Trust Policy Benchmark.

⁴ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.



**San Jose Federated Retiree Health Care
115 Trust**

**Aggregate Assets
Performance as of 3/31/16**

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	Performance Inception Date	Since Inception (%)
Global Equity	-0.2	-5.6	-3.6	5.6	12/1/11	9.5
Artisan Global Value	1.5	-2.3	NA	NA	6/1/15	-4.4
MSCI ACWI Value	0.8	-5.9	-5.7	3.8		-8.6
Northern Trust EAFE Index-NL	-3.0	-8.8	NA	NA	7/1/15	-8.8
MSCI EAFE	-3.0	-8.8	-8.3	2.2		-8.8
Northern Trust Russell 3000 Index	1.0	-0.4	NA	NA	6/1/15	-2.1
Russell 3000	1.0	-0.5	-0.3	11.1		-2.1
Vontobel Emerging Markets Equity	2.3	-6.8	NA	NA	6/1/15	-7.5
MSCI Emerging Markets	5.7	-12.6	-12.0	-4.5		-14.9
Vanguard Developed Markets Index ²	-2.0	-8.3	-7.3	2.5	12/1/11	6.4
Spliced Developed Markets Index ³	-2.2	-7.9	-7.2	2.7		6.7
Aberdeen Frontier Markets Equity	-3.1	-13.2	NA	NA	7/1/15	-13.2
MSCI Frontier Markets	-0.9	-12.5	-12.5	1.8		-12.5
Cove Street Small Cap Value	5.6	-0.6	NA	NA	6/1/15	-2.3
Russell 2000 Value	1.7	-6.6	-7.7	5.7		-6.5

¹ Fiscal Year begins July 1.

² Vanguard international equity strategies may temporarily differ from the benchmark due to fair value pricing. Fair value pricing is an adjustment made to prices in the index after the markets close for securities that trade on foreign exchanges.

³ The Vanguard Spliced Developed Markets Index reflects the performance of the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.



**San Jose Federated Retiree Health Care
115 Trust**

**Aggregate Assets
Performance as of 3/31/16**

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	Performance Inception Date	Since Inception (%)
Fixed Income	2.6	2.6	1.6	1.0	12/1/11	2.0
Investment Grade Bonds	3.1	3.7	1.8	NA	1/1/15	2.8
Northern Trust Barclays Aggregate Index-NL	3.1	3.7	NA	NA	6/1/15	2.6
<i>Barclays Aggregate</i>	3.0	3.7	2.0	2.5		2.6
TIPS	1.8	0.8	1.4	NA	1/1/15	1.8
Vanguard Short-Term Inflation-Protected Securities	1.8	0.8	1.4	NA	3/1/15	0.9
<i>Barclays U.S. TIPS 0-5 Years</i>	1.8	0.8	1.4	-0.4		1.0
Real Assets	3.9	-11.5	-10.3	-10.7	8/1/11	-10.4
Core Real Estate	1.0	7.0	7.0	NA	1/1/15	5.5
American Core Realty Fund, LLC	1.1	7.0	NA	NA	7/1/15	7.0
<i>NCREIF ODCE Equal Weighted (net)</i>	2.2	9.1	13.1	12.6		9.1
Commodities	0.7	-18.6	-16.5	NA	1/1/15	-17.8
Credit Suisse Risk Parity Commodity Fund	0.8	-18.1	-15.7	-11.5	8/1/11	-10.1
<i>Custom Risk Parity Commodity Benchmark²</i>	0.5	-18.1	-15.8	-11.5		-10.2
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9		-14.3
Pinnacle Natural Resources, L.P.	-0.5	NA	NA	NA	1/1/16	-0.5
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9		2.1

¹ Fiscal Year begins July 1.

² Custom Risk Parity Commodity Benchmark returns provided by Credit Suisse.



**San Jose Federated Retiree Health Care
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**Aggregate Assets
Performance as of 3/31/16**

	1Q16 (%)	Fiscal¹ YTD (%)	1 YR (%)	3 YR (%)	Performance Inception Date	Since Inception (%)
Real Assets (continued)						
Public Infrastructure	8.0	-4.0	NA	NA	6/1/15	-6.4
Rhumblin DJ Brookfield Global Infrastructure ²	7.8	-4.0	NA	NA	6/1/15	-6.4
<i>DJ Brookfield Global Infrastructure Index</i>	8.1	-3.9	-6.4	4.9		-7.8
Public Natural Resources	8.1	-18.0	NA	NA	6/1/15	-21.2
Rhumblin S&P Global Large MidCap Commodity & NR ²	8.0	-18.0	NA	NA	6/1/15	-21.2
<i>S&P Global Large MidCap Commodity and Resources</i>	9.2	-17.2	-17.1	-10.4		-21.5
<i>S&P Global Natural Resources</i>	9.3	-14.8	-14.7	-8.2		-19.0

¹ Fiscal Year begins July 1.

² Tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.



San Jose Federated Retiree Health Care 115 Trust

Policy Benchmark Description as of 3/31/16

Time Period	%	Composition
1/1/2015-Present	46.7	MSCI ACWI IMI
	30.3	Barclays Global Aggregate
	7.0	NCREIF ODCE Equal Weighted (net)
	6.0	Bloomberg Commodity Index
	5.0	DJ Brookfield Global Infrastructure Index
	5.0	S&P Global Natural Resources
7/1/2011-12/31/2014	26.5	Russell 3000
	26.5	MSCI EAFE
	6.0	MSCI Emerging Markets
	16.0	Barclays Aggregate Float Adjusted
	12.0	Barclays U.S. TIPS
	13.0	Custom Risk Parity Commodity Benchmark ¹

¹ Custom Risk Parity Commodity Benchmark returns provided by Credit Suisse.

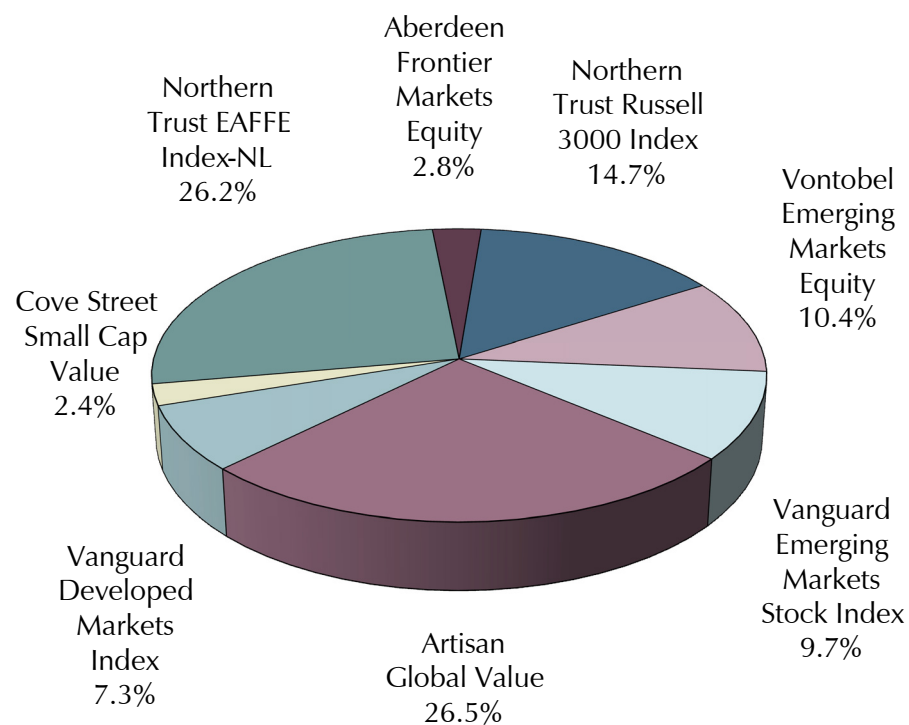
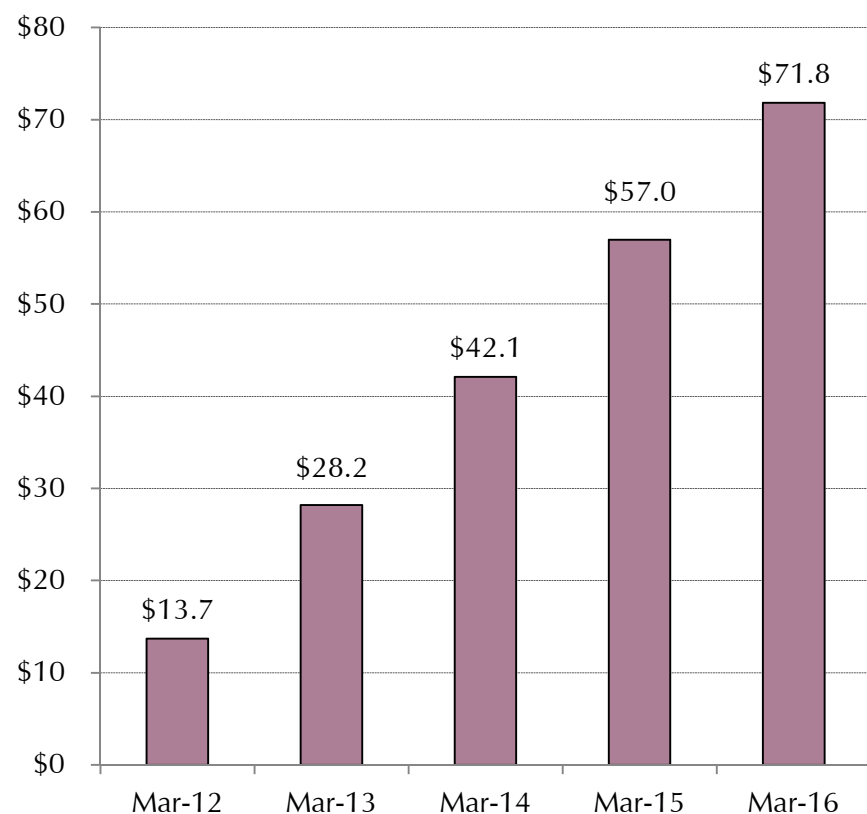


Fund Detail

**Global Equity Assets
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

Global Equity Assets as of 3/31/16



**San Jose Federated Retiree Health Care
115 Trust**

**Global Equity Assets
Risk as of 3/31/16**

Risk: (fifty-two months)	Aggregate Global Equity 3/31/16	MSCI ACWI IMI 3/31/16
Annualized Return (%)	9.5	9.1
Standard Deviation (%)	13.3	13.2
Best Monthly Return (%)	7.3	7.6
Worst Monthly Return (%)	-8.8	-9.0
Beta	1.00	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.98	NA
Sharpe Measure (risk-adjusted return)	0.71	0.69
Information Ratio	0.24	NA

**San Jose Federated Retiree Health Care
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**Global Equity Assets
Characteristics as of 3/31/16**

	Aggregate Global Equity 3/31/16	MSCI ACWI IMI 3/31/16	Aggregate Global Equity 12/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	64.1	75.9	69.1
Median Market Cap. (US\$ billion)	1.5	1.3	1.7
Large (% over US\$20 billion)	63	60	64
Medium (% US\$3 billion to US\$20 billion)	29	30	29
Small (% under US\$3 billion)	7	10	6
Fundamental Structure:			
Price-Earnings Ratio	17	18	18
Price-Book Value Ratio	2.0	1.7	2.3
Dividend Yield (%)	2.6	2.6	2.5
Historical Earnings Growth Rate (%)	8	9	10
Projected Earnings Growth Rate (%)	9	9	9

**San Jose Federated Retiree Health Care
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**Global Equity Assets
Diversification as of 3/31/16**

Diversification:	Aggregate Global Equity 3/31/16	MSCI ACWI IMI 3/31/16	Aggregate Global Equity 12/31/15
Number of Holdings	10,059	8,618	6,482
% in 5 largest holdings	7	5	7
% in 10 largest holdings	12	8	13

Largest Five Holdings:	% of Portfolio	Economic Sector
Oracle	1.6	Software & Services
Microsoft	1.5	Software & Services
Johnson & Johnson	1.3	Life Sciences
Bank of New York Mellon	1.1	Diversified Financials
HDFC Bank	1.1	Banks

**San Jose Federated Retiree Health Care
115 Trust**

**Global Equity Assets
Sector Allocation as of 3/31/16**

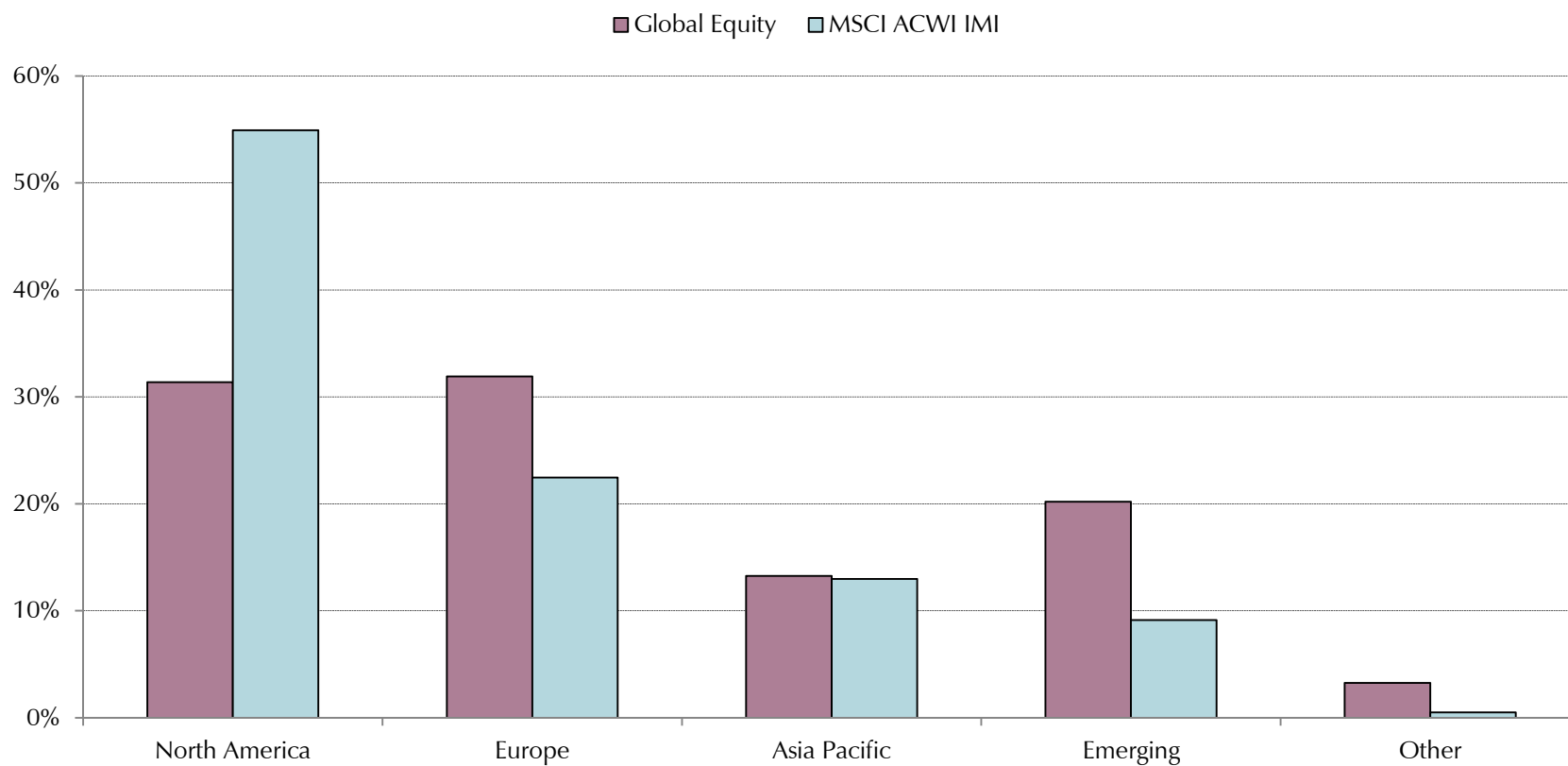
Sector Allocation (%):	Aggregate Global Equity 3/31/16	MSCI ACWI IMI 3/31/16	Aggregate Global Equity 12/31/15
Financials	26	21	28
Consumer Staples	13	10	14
Information Technology	16	15	16
Telecommunication Services	4	4	3
Industrials	11	12	9
Utilities	2	3	2
Materials	4	5	3
Energy	4	6	4
Health Care	9	11	9
Consumer Discretionary	10	13	11

**San Jose Federated Retiree Health Care
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**Global Equity Assets
Country & Region Breakdown as of 3/31/16**

	Aggregate Global Equity 3/31/16 (%)	MSCI ACWI IMI 3/31/16 (%)
North America	31.4	54.9
Canada	1.0	3.1
United States of America	30.4	51.8
Europe	31.9	22.5
United Kingdom	10.5	5.9
Switzerland	5.3	3.2
Denmark	2.1	0.6
Netherlands	2.6	1.7
Belgium	1.0	0.5
Germany	3.1	3.0
France	3.0	3.0
Spain	1.0	1.0
Sweden	1.0	1.1

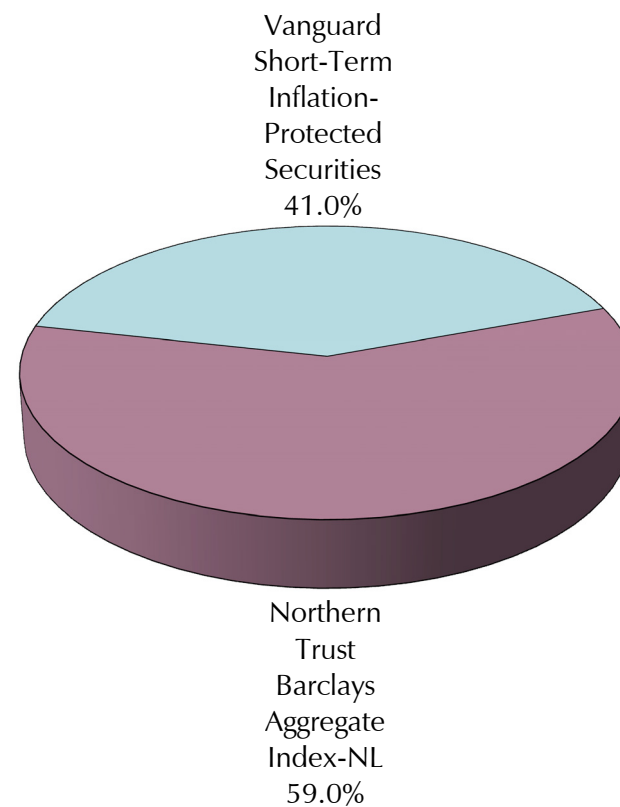
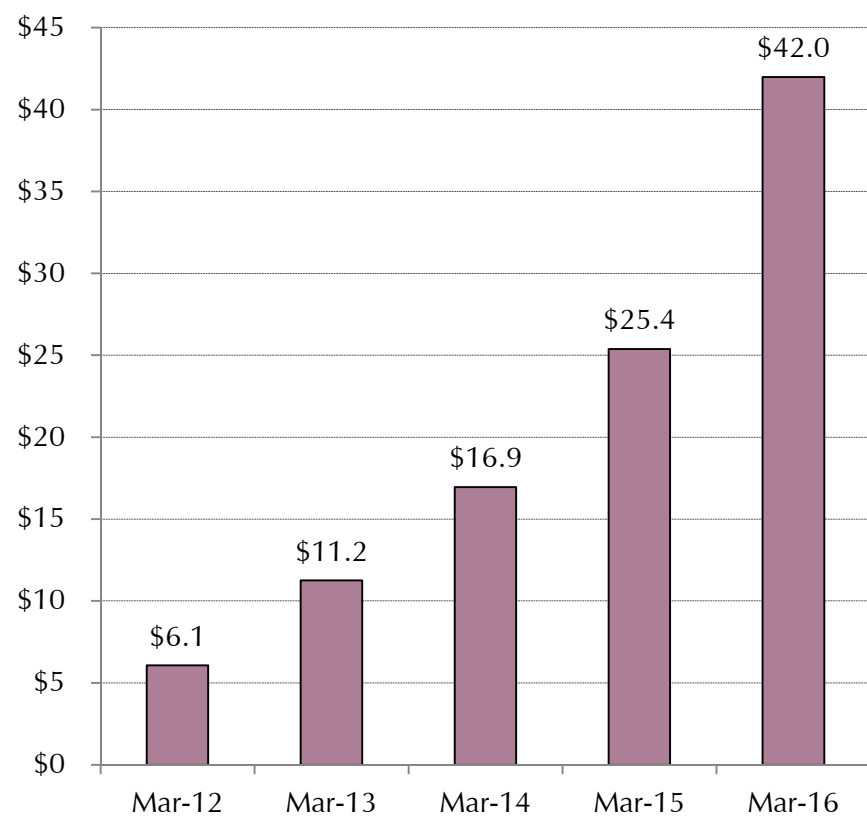
	Aggregate Global Equity 3/31/16 (%)	MSCI ACWI IMI 3/31/16 (%)
Asia Pacific	13.2	13.0
Hong Kong	2.8	2.1
Australia	2.4	2.3
Japan	7.5	7.9
Emerging	20.2	9.1
India	6.3	0.9
China	2.8	1.3
Brazil	1.9	0.6
South Africa	1.2	0.7
South Korea	2.1	1.7
Taiwan	1.7	1.4
Other	3.3	0.5
Bermuda	1.1	0.2



**Fixed Income Assets
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

Fixed Income Assets as of 3/31/16



**San Jose Federated Retiree Health Care
115 Trust**

**Fixed Income Assets
Risk as of 3/31/16**

Risk: (fifty-two months)	Aggregate Fixed Income 3/31/16	Barclays Global Aggregate 3/31/16
Annualized Return (%)	2.0	1.2
Standard Deviation (%)	3.6	4.1
Best Monthly Return (%)	2.6	2.7
Worst Monthly Return (%)	-2.8	-3.0
Beta	0.57	1.00
Correlation to Index	0.65	1.00
Correlation to Total Fund Return	0.16	NA
Sharpe Measure (risk-adjusted return)	0.54	0.29
Information Ratio	0.23	NA

San Jose Federated Retiree Health Care 115 Trust

Fixed Income Assets Characteristics as of 3/31/16

Duration & Yield:

Average Effective Duration (years)

Aggregate
Fixed Income
3/31/16

3.1

Barclays Global
Aggregate
3/31/16

6.7

Aggregate
Fixed Income
12/31/15

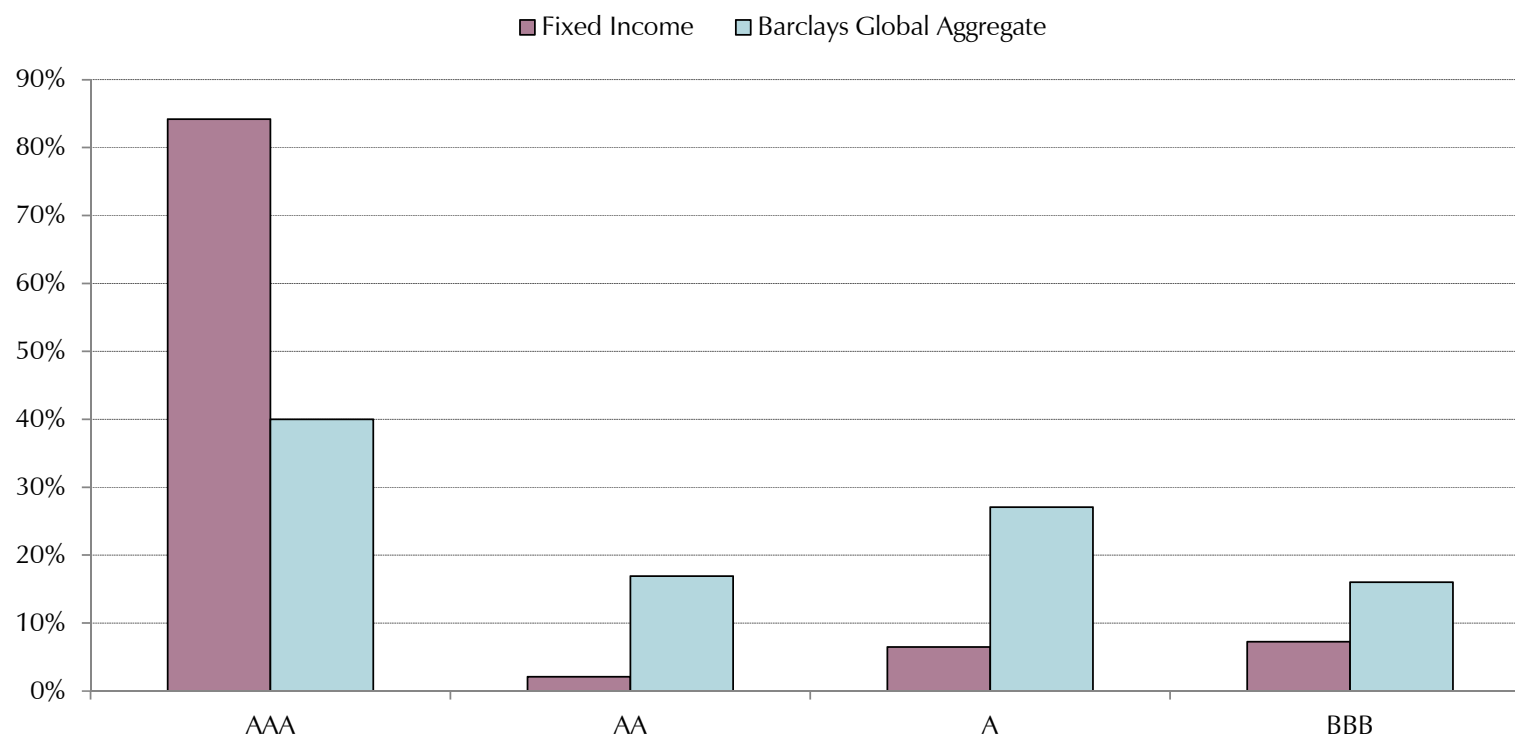
3.7

Yield to Maturity (%)

1.6

1.4

2.0



**San Jose Federated Retiree Health Care
115 Trust**

**Fixed Income Assets
Diversification as of 3/31/16**

	Aggregate Fixed Income 3/31/16	Barclays Global Aggregate 3/31/16	Aggregate Fixed Income 12/31/15
Market Allocation (%):			
United States	95	38	95
Foreign (developed markets)	4	56	4
Foreign (emerging markets)	1	6	1
Currency Allocation (%):			
Non-U.S. Dollar Exposure	0	56	0
Sector Allocation (%):			
U.S. Treasury-Nominal	22	15	22
U.S. Treasury-TIPS	41	0	41
U.S. Agency	2	1	2
Mortgage Backed	16	12	17
Corporate	14	18	14
Bank Loans	0	0	0
Local & Provincial Government	0	3	0
Sovereign & Supranational	3	48	3
Commercial Mortgage Backed	1	0	1
Asset Backed	0	0	0
Cash Equivalent	1	0	0
Other	0	3	0

Portfolio Reviews
As of March 31, 2016

**Global Equity Portfolio Reviews
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

Mandate: International Equities
Active/Passive: Active
Market Value: \$19.0 million
Portfolio Manager: David Samra
 Daniel J. O'Keefe
Location: San Francisco, California
Inception Date: 6/1/2015
Account Type: Mutual Fund (APHGX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.06% on all assets

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.

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Artisan Global Value	1.5	-2.3	-4.4
MSCI ACWI Value	0.8	-5.9	-8.6
Peer International Value	-2.3	-10.2	-12.3
Peer Ranking (percentile)	8	3	2

Artisan Global Value Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Artisan Global Value	MSCI ACWI Value	Artisan Global Value	MSCI ACWI Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	88.1	90.4	89.0	91.4
Median Market Cap. (US\$ billion)	31.7	7.9	28.9	7.5
Large (% over US\$20 billion)	77	73	74	73
Medium (% US\$3 billion to US\$20 billion)	21	26	25	25
Small (% under US\$3 billion)	2	2	1	2
Fundamental Structure:				
Price-Earnings Ratio	15	15	15	14
Price-Book Value Ratio	2.5	1.4	2.2	1.4
Dividend Yield (%)	2.2	3.6	2.1	3.5
Historical Earnings Growth Rate (%)	4	3	6	4
Projected Earnings Growth Rate (%)	9	5	9	5
Sector Allocation (%):				
Information Technology	29	10	28	10
Financials	34	29	40	31
Industrials	11	9	8	9
Consumer Staples	8	8	7	7
Health Care	8	9	8	10
Consumer Discretionary	5	7	5	7
Telecommunication Services	3	6	2	5
Materials	0	5	0	5
Utilities	0	6	0	6
Energy	3	11	3	11
Diversification:				
Number of Holdings	43	1,320	43	1,332
% in 5 largest holdings	22	9	22	9
% in 10 largest holdings	40	15	41	15
Region Allocation (%):				
North America	51	56	54	55
Europe	33	22	31	23
Asia Pacific	0	12	0	13
Emerging	13	10	11	9
Other	4	0	4	0
Largest Five Holdings:				
		Industry		
Oracle	5.6	Software & Services		
Microsoft	4.5	Software & Services		
Bank of New York Mellon	4.1	Diversified Financials		
Arch Capital	4.0	Insurance		
Johnson & Johnson	3.9	Life Sciences		

¹ Fiscal Year begins July 1.



San Jose Federated Retiree Health Care 115 Trust

Mandate: International Equities
Active/Passive: Passive
Market Value: \$18.8 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 7/1/2015
Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.05% on all assets

Liquidity Constraints:
Daily

Strategy:

The Northern Trust EAFE Index strategy seeks to replicate the returns of the MSCI EAFE index, a proxy for developed market 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 (%):	1Q16	Fiscal YTD ¹	Since 7/1/15
Northern Trust EAFE Index-NL	-3.0	-8.8	-8.8
MSCI EAFE	-3.0	-8.8	-8.8

Northern Trust EAFE Index-NL Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Northern Trust EAFE Index-NL	MSCI EAFE	Northern Trust EAFE Index-NL	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	50.7	50.4	55.5	53.9
Median Market Cap. (US\$ billion)	8.7	8.7	8.5	8.7
Large (% over US\$20 billion)	64	64	66	65
Medium (% US\$3 billion to US\$20 billion)	35	35	33	34
Small (% under US\$3 billion)	1	1	1	1
Fundamental Structure:				
Price-Earnings Ratio	17	17	17	17
Price-Book Value Ratio	1.6	1.6	1.7	1.7
Dividend Yield (%)	3.5	3.5	3.2	3.2
Historical Earnings Growth Rate (%)	7	7	10	8
Projected Earnings Growth Rate (%)	8	8	8	8
Sector Allocation (%):				
Health Care	12	12	10	12
Materials	7	7	6	6
Consumer Discretionary	13	13	16	13
Consumer Staples	13	13	12	12
Telecommunication Services	5	5	4	5
Information Technology	5	5	6	5
Industrials	13	13	12	13
Utilities	4	4	4	4
Energy	5	5	4	5
Financials	24	24	26	26
Diversification:				
Number of Holdings	956	926	947	925
% in 5 largest holdings	7	7	10	8
% in 10 largest holdings	12	11	16	12
Region Allocation (%):				
North America	0	0	0	0
Europe	65	65	62	64
Asia Pacific	34	34	37	35
Emerging	0	0	0	0
Other	1	1	1	1
Largest Five Holdings:				
		Industry		
Nestle	2.1	Food & Beverage		
Roche	1.5	Life Sciences		
Novartis	1.4	Life Sciences		
Toyota Motor	1.2	Autos. & Components		
HSBC	1.0	Banks		

¹ Fiscal Year begins July 1.



San Jose Federated Retiree Health Care 115 Trust

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$10.6 million
Portfolio Manager: Brent D. Reeder
Location: Chicago, Illinois
Inception Date: 6/1/2015
Account Type: Commingled

	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 (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Northern Trust Russell 3000 Index	1.0	-0.4	-2.1
Russell 3000	1.0	-0.5	-2.1

Northern Trust Russell 3000 Index Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Northern Trust Russell 3000 Index	Russell 3000	Northern Trust Russell 3000 Index	Russell 3000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	107.5	107.4	106.0	106.1
Median Market Cap. (US\$ billion)	1.7	1.4	1.7	1.4
Large (% over US\$20 billion)	70	69	69	69
Medium (% US\$3 billion to US\$20 billion)	23	23	23	23
Small (% under US\$3 billion)	7	7	8	8
Fundamental Structure:				
Price-Earnings Ratio	21	21	21	21
Price-Book Value Ratio	2.3	2.3	2.2	2.3
Dividend Yield (%)	2.1	2.1	2.1	2.1
Historical Earnings Growth Rate (%)	10	10	11	11
Projected Earnings Growth Rate (%)	10	10	11	11
Sector Allocation (%):				
Consumer Discretionary	14	14	14	13
Utilities	4	3	3	3
Industrials	11	11	11	11
Financials	17	17	18	18
Materials	3	3	3	3
Energy	6	6	6	6
Consumer Staples	9	9	9	9
Telecommunication Services	2	2	2	2
Information Technology	20	20	20	20
Health Care	14	14	15	15
Diversification:				
Number of Holdings	2,646	2,973	2,672	3,012
% in 5 largest holdings	9	9	9	9
% in 10 largest holdings	15	15	14	14
Largest Ten Holdings:				
		Industry		
Apple	2.9	Technology Hardware		
Microsoft	2.0	Software & Services		
ExxonMobil	1.6	Energy		
Johnson & Johnson	1.4	Life Sciences		
General Electric	1.4	Capital Goods		
Berkshire Hathaway	1.2	Diversified Financials		
Facebook	1.1	Software & Services		
AT&T	1.1	Telecom. Services		
Amazon.com	1.0	Retailing		
Wells Fargo & Company	1.0	Banks		

¹ Fiscal Year begins July 1.



San Jose Federated Retiree Health Care 115 Trust

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$7.5 million

Portfolio Manager: Matthew Benkendorf

Location: New York, New York

Inception Date: 6/1/2015

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.85% on all assets

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 (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Vontobel Emerging Markets Equity	2.3	-6.8	-7.5
MSCI Emerging Markets	5.7	-12.6	-14.9
Peer Emerging Markets	4.1	-11.8	-13.9
Peer Ranking (percentile)	65	3	2

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ million)	55.1	38.9	46.6	38.1
Median Market Cap. (US\$ million)	19.6	4.6	16.4	4.2
Large (% over US\$20 billion)	72	38	63	38
Medium (% US\$3 billion to US\$20 billion)	28	53	36	53
Small (% under US\$3 billion)	0	9	2	10
Fundamental Structure:				
Price-Earnings Ratio	25	15	24	14
Price-Book Value Ratio	5.2	1.3	4.8	1.5
Dividend Yield (%)	2.1	2.7	2.1	2.5
Historical Earnings Growth Rate (%)	14	9	17	10
Projected Earnings Growth Rate (%)	14	4	13	13
Sector Allocation (%):				
Consumer Staples	46	8	45	8
Utilities	5	3	4	3
Health Care	2	3	3	3
Consumer Discretionary	8	10	7	10
Materials	3	7	2	6
Industrials	3	7	1	7
Telecommunication Services	3	7	4	7
Information Technology	15	20	14	20
Energy	1	8	0	7
Financials	16	28	21	28
Diversification:				
Number of Holdings	59	834	70	836
% in 5 largest holdings	26	13	25	13
% in 10 largest holdings	43	19	42	19
Region Allocation (%):				
Asia Pacific	52	69	59	71
Latin America	16	13	13	12
Europe/MidEast/Africa	6	17	6	16
Other	0	2	22	2
Largest Five Holdings:				
		Industry		
British American Tobacco	7.9	Food & Beverage		
SABMiller	5.1	Food & Beverage		
Fomento Econom Mexico	4.5	Food & Beverage		
Power Assets Holdings	4.3	Utilities		
Naspers	4.2	Media		

¹ Fiscal Year begins July 1.



San Jose Federated Retiree Health Care 115 Trust

Mandate: Equities
Active/Passive: Passive
Market Value: \$7.0 million
Portfolio Manager: Michael Perre
Location: Valley Forge, Pennsylvania
Inception Date: 4/1/2016
Account Type: Mutual Fund (VEMAX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.15% on all assets

Liquidity Constraints:
Daily

Strategy:

The Vanguard Emerging Markets Stock Index strategy seeks to replicate the characteristics and returns of the FTSE Emerging Index, a broad index of stocks by companies located in emerging markets around the world.

Performance data will be available on 4/30/2016.

Vanguard Emerging Markets Stock Index Portfolio Detail as of 3/31/16

	3/31/16	
	Vanguard Emerging Markets Stock Index	FTSE Emerging Index
Capitalization Structure:		
Weighted Average Market Cap. (US\$ billion)	31.8	33.6
Median Market Cap. (US\$ billion)	1.4	3.3
Large (% over US\$20 billion)	33	36
Medium (% US\$3 billion to US\$20 billion)	50	53
Small (% under US\$3 billion)	16	12
Fundamental Structure:		
Price-Earnings Ratio	16	15
Price-Book Value Ratio	1.8	1.4
Dividend Yield (%)	2.9	2.9
Historical Earnings Growth Rate (%)	9	10
Projected Earnings Growth Rate (%)	-1	2
Sector Allocation (%):		
Information Technology	16	15
Industrials	8	7
Consumer Discretionary	9	9
Health Care	3	3
Materials	7	7
Consumer Staples	8	8
Utilities	4	4
Telecommunication Services	7	8
Financials	29	30
Energy	8	9
Diversification:		
Number of Holdings	3,533	969
% in 5 largest holdings	11	13
% in 10 largest holdings	17	18
Largest Ten Holdings:		
		Industry
Tencent Holdings	3.3	Software & Services
Taiwan Semiconductor	2.5	Semiconductors
China Mobile	1.8	Telecom. Services
China Construction Bank	1.8	Banks
Naspers	1.8	Media
Industrial and Commercial Bank of China	1.3	Banks
Taiwan Semiconductor	1.2	Semiconductors
Hon Hai Precision	1.1	Technology Hardware
Infosys	1.1	Software & Services
Bank of China	1.0	Banks



San Jose Federated Retiree Health Care 115 Trust

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$5.2 million
Portfolio Manager: Christine D. Franquin
Location: Valley Forge, Pennsylvania
Inception Date: 12/1/2011
Account Type: Mutual Fund (VTMNX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.07% on all assets

Liquidity Constraints:

Daily

Strategy:

The Vanguard Developed Markets Index Fund seeks to track the performance of the FTSE Developed (ex. North America) index, which measures the investment return of stocks issued by companies located in the major markets of Europe and the Pacific Region. The fund employs a passive management investment approach by investing all, or substantially all, of its assets in the common stocks included in the index.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 12/1/11
Vanguard Developed Markets Index	-2.0	-8.3	-7.3	2.5	6.4
Spliced Developed Markets Index ²	-2.2	-7.9	-7.2	2.7	6.7

Vanguard Developed Markets Index Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Vanguard Developed Markets Index	FTSE Developed ex. North America	Vanguard Developed Markets Index	FTSE Developed ex. North America
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	44.0	47.7	50.0	51.2
Median Market Cap. (US\$ billion)	1.5	5.8	1.6	5.9
Large (% over US\$20 billion)	56	60	60	61
Medium (% US\$3 billion to US\$20 billion)	35	36	36	36
Small (% under US\$3 billion)	9	4	5	3
Fundamental Structure:				
Price-Earnings Ratio	17	17	17	17
Price-Book Value Ratio	1.3	1.5	1.3	1.5
Dividend Yield (%)	3.3	3.4	3.1	3.1
Historical Earnings Growth Rate (%)	7	7	8	8
Projected Earnings Growth Rate (%)	9	9	9	9
Sector Allocation (%):				
Financials	24	23	25	25
Energy	5	4	4	4
Industrials	14	14	13	13
Materials	7	7	7	7
Information Technology	6	6	6	6
Consumer Discretionary	13	14	14	14
Utilities	3	4	3	4
Telecommunication Services	4	5	4	4
Health Care	10	11	11	11
Consumer Staples	12	12	11	12
Diversification:				
Number of Holdings	3,749	1,410	3,680	1,385
% in 5 largest holdings	6	6	7	7
% in 10 largest holdings	9	10	11	11
Region Allocation (%):				
North America	5	0	1	0
Europe	57	61	59	60
Asia Pacific	33	34	34	35
Emerging	4	4	4	4
Other	1	1	1	1
Largest Five Holdings:				
		Industry		
Nestle	1.6	Food & Beverage		
Roche	1.2	Life Sciences		
Novartis	1.1	Life Sciences		
Toyota Motor	1.0	Autos. & Components		
HSBC	0.8	Banks		

¹ Fiscal Year begins July 1.

² The Vanguard Spliced Developed Markets Index reflects the performance of the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.



San Jose Federated Retiree Health Care 115 Trust

Mandate: International Equities,
Frontier Markets

Active/Passive: Active

Market Value: \$2.0 million

Portfolio Manager: Devan Kaloo

Location: London, United Kingdom

Inception Date: 7/1/2015

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
1.50% on all assets

Liquidity Constraints:
Monthly

Strategy:

The firm believes, given the inefficiency of markets, that competitive long-term returns are achieved by identifying high quality stocks at attractive valuations and holding them for the long term. The firm believes that sound fundamentals drive stock prices over time and they employ a fundamental bottom-up investment approach based upon a rigorous and disciplined proprietary research effort which originates with direct company due diligence visits. The objective of the Frontier Markets Equity strategy is to achieve total return in excess of the MSCI Frontier Markets Index through investing in companies listed, domiciled or headquartered, or with a significant portion of their revenues, profits and/or assets derived from frontier economies.

Performance (%):	1Q16	Fiscal YTD ¹	Since 7/1/15
Aberdeen Frontier Markets Equity	-3.1	-13.2	-13.2
MSCI Frontier Markets	-0.9	-12.5	-12.5
Peer Frontier Markets	-0.6	-11.4	-11.4
Peer Ranking (percentile)	95	81	81

Aberdeen Frontier Markets Equity Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Aberdeen Frontier Markets Equity	MSCI Frontier Markets	Aberdeen Frontier Markets Equity	MSCI Frontier Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.7	4.1	3.5	4.1
Median Market Cap. (US\$ billion)	1.9	1.4	2.0	1.4
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	39	41	40	44
Small (% under US\$3 billion)	61	59	60	56
Fundamental Structure:				
Price-Earnings Ratio	16	12	17	11
Price-Book Value Ratio	3.5	1.6	3.6	1.6
Dividend Yield (%)	3.8	4.4	3.6	4.1
Historical Earnings Growth Rate (%)	9	6	10	10
Projected Earnings Growth Rate (%)	13	11	13	9
Sector Allocation (%):				
Consumer Staples	33	8	32	9
Industrials	8	3	8	3
Information Technology	5	0	5	0
Health Care	8	3	9	3
Consumer Discretionary	2	1	2	0
Telecommunication Services	13	14	12	13
Utilities	0	1	0	1
Materials	3	7	3	7
Energy	4	10	4	9
Financials	23	52	25	53
Diversification:				
Number of Holdings	45	121	47	120
% in 5 largest holdings	27	21	25	22
% in 10 largest holdings	47	33	44	33
Region Allocation (%):				
Asia	24	16	23	17
Europe & CIS	8	10	8	10
Americas	0	13	0	11
Africa	28	26	30	28
Middle East	3	31	5	32
Emerging	14	1	14	1
Other	23	2	20	1
Largest Five Holdings:				
		Industry		
Safaricom	6.2	Telecom. Services		
Vietnam Dairy Products	6.1	Food & Beverage		
Coca Cola Icecek	5.1	Food & Beverage		
Epam Systems	4.9	Software & Services		
East African Breweries	4.8	Food & Beverage		

¹ Fiscal Year begins July 1.



San Jose Federated Retiree Health Care 115 Trust

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$1.7 million
Portfolio Manager: Jeffrey Bronchick
Location: El Segundo, California
Inception Date: 6/1/2015
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.80% on all assets

Liquidity Constraints:
Daily

Strategy:

Cove Street Capital manages a fundamental, bottom-up research driven value portfolio of small capitalization companies. It is a relatively concentrated portfolio, usually consisting of between 30-40 companies. The strategy focuses on finding statistically cheap companies with high quality business models.

Guidelines:

Maximum of 10% in non-U.S. issuers. Maximum 10% in preferred stock, convertibles or other equity equivalents.

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Cove Street Small Cap Value	5.6	-0.6	-2.3
Russell 2000 Value	1.7	-6.6	-6.5
Peer Small Cap Value	2.1	-6.1	-6.0
Peer Ranking (percentile)	5	6	15

Cove Street Small Cap Value Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Cove Street Small Cap Value	Russell 2000 Value	Cove Street Small Cap Value	Russell 2000 Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	1.6	1.7	1.5	1.7
Median Market Cap. (US\$ million)	549.3	577.9	569.5	592.8
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	25	15	13	12
Small (% under US\$3 billion)	75	85	87	88
Fundamental Structure:				
Price-Earnings Ratio	26	19	30	18
Price-Book Value Ratio	2.3	1.5	2.2	1.5
Dividend Yield (%)	0.6	2.4	0.5	2.4
Historical Earnings Growth Rate (%)	13	10	5	8
Projected Earnings Growth Rate (%)	16	9	13	9
Sector Allocation (%):				
Consumer Discretionary	24	10	32	10
Industrials	25	12	17	12
Information Technology	20	11	18	11
Materials	8	3	10	3
Consumer Staples	3	4	3	3
Telecommunication Services	0	1	0	1
Health Care	3	4	5	5
Energy	2	4	2	4
Utilities	0	8	0	7
Financials	15	43	13	44
Diversification:				
Number of Holdings	34	1,325	35	1,349
% in 5 largest holdings	28	3	26	2
% in 10 largest holdings	46	5	44	5
Largest Ten Holdings:				
		Industry		
USG	5.9	Capital Goods		
ViaSat	5.7	Technology Hardware		
Carrols Restaurant Group, Inc.	5.6	Consumer Services		
FMC	5.5	Materials		
Forestar Group	5.3	Real Estate		
Cherokee	4.2	Consumer Durables		
GP Strategies	4.1	Commercial Services		
Heritage-Crystal Clean	3.7	Commercial Services		
Hallmark Finl.Services	3.2	Insurance		
Wesco Aircraft Holdings	3.1	Transportation		

¹ Fiscal Year begins July 1.



**Fixed Income Portfolio Reviews
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$24.8 million
Portfolio Manager: Bradford Adams
 Alexander Matturri Jr., CFA
Location: Chicago, Illinois
Inception Date: 6/1/2015
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.03% on all assets

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust Aggregate Bond Index strategy seeks to replicate the returns of the Barclays Aggregate index, an index covering the broad domestic investment grade bond market. The fund is passively managed, employing statistical methods to replicate performance and composition of the index. The portfolio is comprised of U.S. Treasury, government agency, investment grade corporate bonds, mortgage- and asset-backed sectors of the fixed income markets.

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Northern Trust Barclays Aggregate Index-NL	3.1	3.7	2.6
Barclays Aggregate	3.0	3.7	2.6

Northern Trust Barclays Aggregate Index-NL Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Northern Trust Barclays Aggregate-NL	Barclays Aggregate	Northern Trust Barclays Aggregate-NL	Barclays Aggregate
Duration & Yield:				
Average Effective Duration (years)	5.3	5.5	5.4	5.7
Yield to Maturity (%)	2.1	2.2	2.6	2.6
Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	73	72	73	72
AA	4	4	4	4
A	11	11	10	11
BBB	12	13	12	13
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	37	37	37	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	28	29
Corporate	24	25	24	24
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	1	1
Sovereign & Supranational	4	4	4	4
Commercial Mortgage Backed	2	2	2	2
Asset Backed	1	1	1	1
Cash Equivalent	1	0	1	0
Other	0	0	0	0
Market Allocation (%):				
United States	92	92	92	92
Foreign (developed markets)	6	6	6	6
Foreign (emerging markets)	2	2	2	2
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.



San Jose Federated Retiree Health Care 115 Trust

Vanguard Short-Term Inflation-Protected Securities Portfolio Detail as of 3/31/16

Mandate: TIPS
Active/Passive: Passive
Market Value: \$17.2 million
Portfolio Manager: John Hollyer, CFA
 Kenneth E. Volpert, CFA
Location: Valley Forge, Pennsylvania
Inception Date: 3/1/2015
Account Type: Mutual Fund (VTSPX)

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.07% on all assets

Liquidity Constraints:

Daily

Strategy:

The fund seeks to track an index that measures the performance of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of less than five years. It is designed to generate returns more closely correlated with realized inflation over the near term, and to offer investors the potential for less volatility of returns relative to a longer-duration TIPS fund. The fund invests in bonds that are backed by the full faith and credit of the federal government and whose principal is adjusted semiannually based on inflation.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 3/1/15
Vanguard Short-Term Inflation-Protected Securities	1.8	0.8	1.4	0.9
Barclays U.S. TIPS 0-5 Years	1.8	0.8	1.4	1.0

	3/31/16		12/31/15	
	Vanguard Short-Term Inflation- Protected Securities	Barclays U.S. TIPS 0-5 Years	Vanguard Short-Term Inflation- Protected Securities	Barclays U.S. TIPS 0-5 Years
Duration & Yield:				
Average Effective Duration (years)	2.5	1.3	2.4	1.2
Yield to Maturity (%) ²	1.0	0.7	1.3	1.2
Quality Structure (%):				
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 Fiscal Year begins July 1.

² This figure is an estimated yield-to-maturity (YTM) for the fund. It is calculated by adding the trailing 12-month inflation adjustment to the "real" (i.e., before inflation) YTM of the fund. Adding the 12-month inflation adjustment allows the fund's yield to be more directly comparable to those of other bond funds. Investors should recognize that the actual YTM will depend upon the level of inflation experienced going forward.



**Real Assets Portfolio Reviews
As of March 31, 2016**

**Core Real Estate Portfolio Review
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

American Core Realty Fund, LLC Portfolio Detail as of 3/31/16

Strategy: Real Estate
Open-end
Diversified Core

Market Value: \$4.8 million

Senior Professionals: Scott W. Darling
Gregory A. Blomstrand

Location: Glendale, California

Inception Date: 7/1/2015

Account Type: Commingled

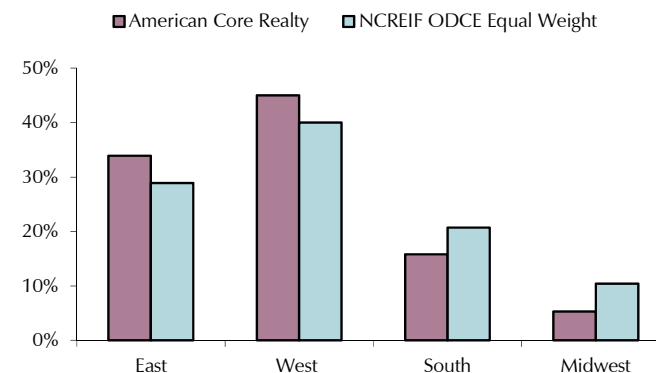
of Investments: 80

Liquidity Constraints: Quarterly

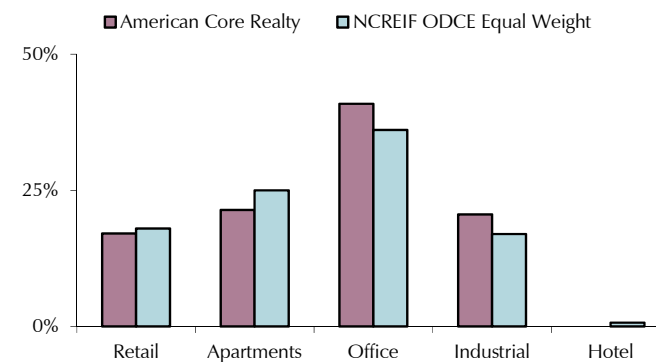
Fee Schedule: 1.10% on first \$25mm; 0.95% on next \$50mm; 0.85% thereafter.

Investment Strategy: American Realty targets institutional-quality office, industrial, retail, and multifamily properties in the United States. In general, the strategy seeks properties in the \$5 to \$50 million range. Target properties will be 80% to 100% occupied, less than ten years old, and diversified by tenant base.

Geographic Region:



Property Type:



Performance (%):	1Q16	Fiscal YTD ¹	Since 7/1/15
American Core Realty Fund, LLC	1.1	7.0	7.0
NCREIF ODCE Equal Weighted (net)	2.2	9.1	9.1

¹ Fiscal Year begins July 1.



**Commodities Portfolio Reviews
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

Credit Suisse Risk Parity Commodity Portfolio Detail as of 3/31/16

Mandate: Commodity
Active/Passive: Active
Market Value: \$6.2 million
Portfolio Manager: Christopher A. Burton
Location: New York, New York
Inception Date: 8/1/2011
Account Type: Commingled

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

Liquidity Constraints:
 Daily

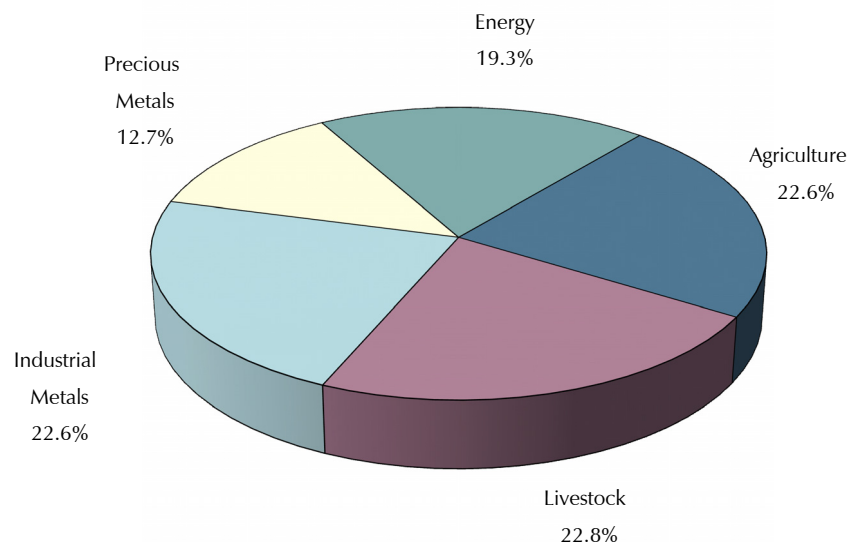
Strategy:

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.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 8/1/11
Credit Suisse Risk Parity Commodity	0.8	-18.1	-15.7	-11.5	-10.1
Custom Risk Parity Commodity Benchmark ²	0.5	-18.1	-15.8	-11.5	-10.2
Bloomberg Commodity Index	0.4	-23.1	-19.6	-16.9	-14.3

Risk: (fifty-six months)	Standard Deviation	Beta	Sharpe Measure ³	Info. Ratio	Correlation to Index
Credit Suisse Risk Parity Commodity	10.4%	0.99	Neg.	0.18	1.00
Custom Risk Parity Commodity Benchmark ²	10.5	1.00	Neg.	NA	1.00

Current Allocation:



¹ Fiscal Year begins July 1.

² Custom Risk Parity Commodity Benchmark returns provided by Credit Suisse.

³ A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.



San Jose Federated Retiree Health Care 115 Trust

Pinnacle Natural Resources, L.P. Portfolio Detail as of 3/31/16

Mandate: Commodity
Active/Passive: Active
Market Value: \$3.0 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 2/1/2016
Account Type: Limited Partnership

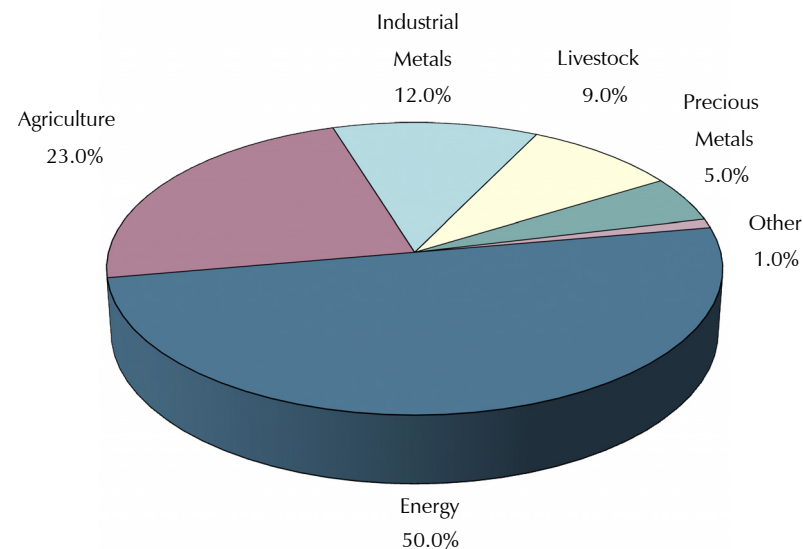
Fee Schedule:
 1.00% management fee, 10% performance fee

Liquidity Constraints:
 Annual with 180 days' notice, 3-year soft lock

Strategy:
 The fund seeks to diversify its exposure by allocating assets among portfolio investments with various trading strategies, such as different forms of directional trading and arbitrage. The strategy utilizes a portfolio of commodity traders across major commodity complexes that exhibit low correlation within them and a successful track record. The strategy is set up with a core-satellite approach and a bottom-up focus. The objective is to generate positive returns in all market environments with little correlation to commodities benchmarks and traditional asset classes.

Performance (%):	1Q16	Fiscal YTD ¹	Since 2/1/16
Pinnacle Natural Resources, L.P.	NA	NA	-0.5
Bloomberg Commodity Index	0.4	-23.1	2.1

Current Allocation:



¹ Fiscal Year begins July 1.



Infrastructure Portfolio Review As of March 31, 2016

San Jose Federated Retiree Health Care 115 Trust

Rhumblin DJ Brookfield Global Infrastructure Portfolio Detail as of 3/31/16

Mandate: Infrastructure
Active/Passive: Passive
Market Value: \$7.4 million
Portfolio Manager: Team
Location: Boston, Massachusetts
Inception Date: 6/1/2015
Account Type: Separately Managed

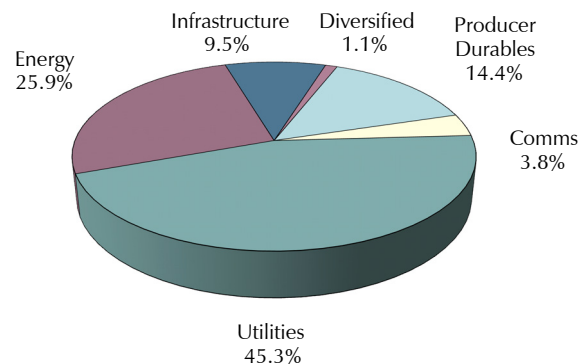
Fee Schedule:
 0.10% on all assets

Liquidity Constraints:
 Daily

Strategy:

The Rhumblin Dow Jones Brookfield Infrastructure Index aims to measure the stock performance of companies worldwide whose primary business is the ownership and operation of (rather than service of) infrastructure assets. To be included in the index, a company must have more than 70% of estimated cash flows (based on publicly available information) derived from the following infrastructure sectors: airports, toll roads, ports, communications, electricity transmission & distribution, oil & gas storage & transportation, and water.

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Rhumblin DJ Brookfield Global Infrastructure²	7.8	-4.0	-6.4
DJ Brookfield Global Infrastructure Index	8.1	-3.9	-7.8



Country Allocation:	Portfolio Allocation (%)
United States	47.2
International Developed Markets	48.8
Canada	12.8
United Kingdom	10.6
Spain	5.7
Australia	5.3
Italy	4.5
Japan	2.2
Hong Kong	2.1
France	2.1
Luxembourg	1.3
New Zealand	0.5
Switzerland	0.5
Singapore	0.4
Netherlands	0.4
Germany	0.3
Belgium	0.2
Emerging Markets	4.0
China	3.0
Mexico	0.8
Brazil	0.3

¹ Fiscal Year begins July 1.

² Tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.



**Natural Resources Portfolio Review
As of March 31, 2016**

San Jose Federated Retiree Health Care 115 Trust

Rhumblin S&P Global Large MidCap Commodity & NR Portfolio Detail as of 3/31/16

Mandate: Natural Resources
Active/Passive: Passive
Market Value: \$6.4 million
Portfolio Manager: Team
Location: Boston, Massachusetts
Inception Date: 6/1/2015
Account Type: Separately Managed

Fee Schedule:
0.048% on all assets

Liquidity Constraints:
Daily

Strategy:

This passive index fund seeks an investment return that approximates the performance of the S&P Global Large MidCap Commodities and Resources index. The index has equal exposure to three major natural resources industries: energy, materials, and agriculture. It generally holds over 75% in large capitalization companies and the balance in mid capitalization stocks, typically holding 220 to 260 securities. While the index invests in over thirty countries, the most exposure is in the United States, Canada, and the United Kingdom.

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Rhumblin S&P Global Large MidCap Commodity & NR²	8.0	-18.0	-21.2
S&P Global Large MidCap Commodity and Resources	9.2	-17.2	-21.5
S&P Global Natural Resources	9.3	-14.8	-19.0

	3/31/16		12/31/15	
	Rhumblin S&P Global Large MidCap Commodity & NR	S&P Global Large MidCap Commodity and Resources	Rhumblin S&P Global Large MidCap Commodity & NR	S&P Global Large MidCap Commodity and Resources
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	57.2	55.9	55.1	52.1
Median Market Cap. (US\$ billion)	8.0	7.2	7.2	6.0
Large (% over US\$20 billion)	57	56	57	54
Medium (% US\$3 billion to US\$20 billion)	40	41	39	41
Small (% under US\$3 billion)	3	3	4	5
Fundamental Structure:				
Price-Earnings Ratio	18	18	16	16
Price-Book Value Ratio	1.4	1.3	1.3	1.2
Dividend Yield (%)	3.8	3.7	4.2	4.1
Historical Earnings Growth Rate (%)	-13	-12	-6	-6
Projected Earnings Growth Rate (%)	5	5	-3	-3
Sector Allocation (%):				
Consumer Staples	9	8	9	8
Energy	34	34	36	33
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	57	58	55	59
Diversification:				
Number of Holdings	161	187	157	180
% in 5 largest holdings	28	27	29	28
% in 10 largest holdings	41	41	44	42
Largest Ten Holdings:				
		Industry		
ExxonMobil	7.1	Energy		
Syngenta	6.6	Materials		
Monsanto	6.5	Materials		
BHP Billiton	3.8	Materials		
Chevron	3.7	Energy		
Archer-Daniels	3.5	Food & Beverage		
Rio Tinto	3.0	Materials		
GlencoreXstrata	2.5	Materials		
Potash Corporation	2.4	Materials		
Total	2.2	Energy		

¹ Fiscal Year begins July 1.

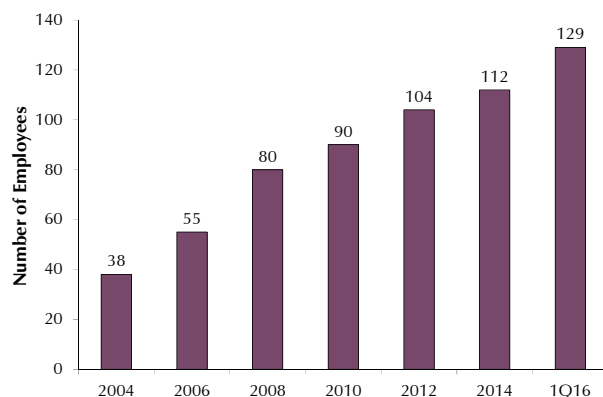
² Tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.



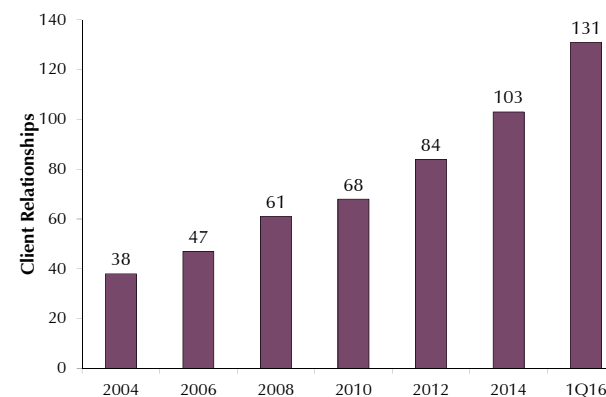
Meketa Investment Group Corporate Update

- Staff of 129, including 79 investment professionals and 27 CFA Charterholders
- 131 clients, with over 200 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- Clients have aggregate assets of over \$780 billion
 - Over \$40 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 4.9 million American families everyday

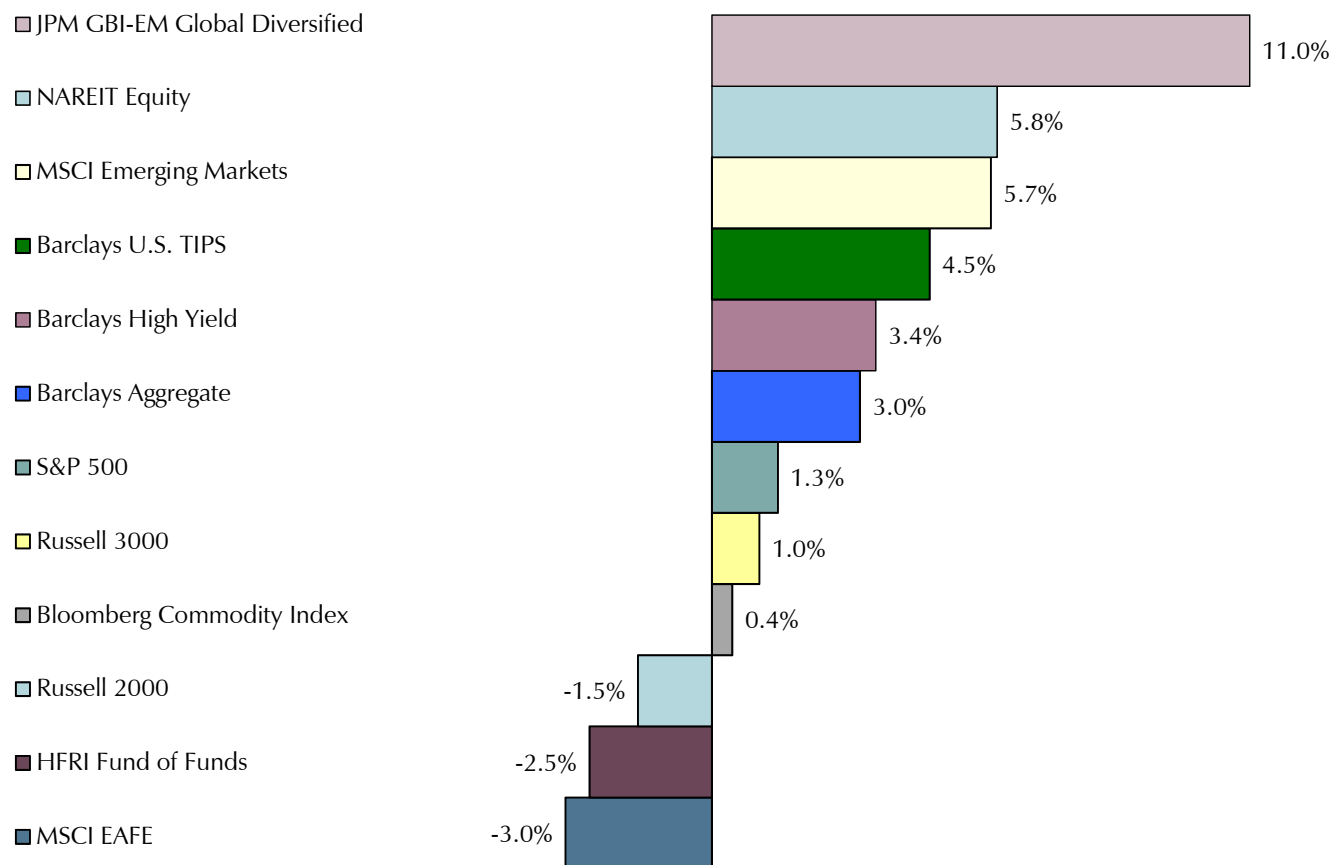
Asset Classes Followed Intensively by Meketa Investment Group

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 First Quarter of 2016

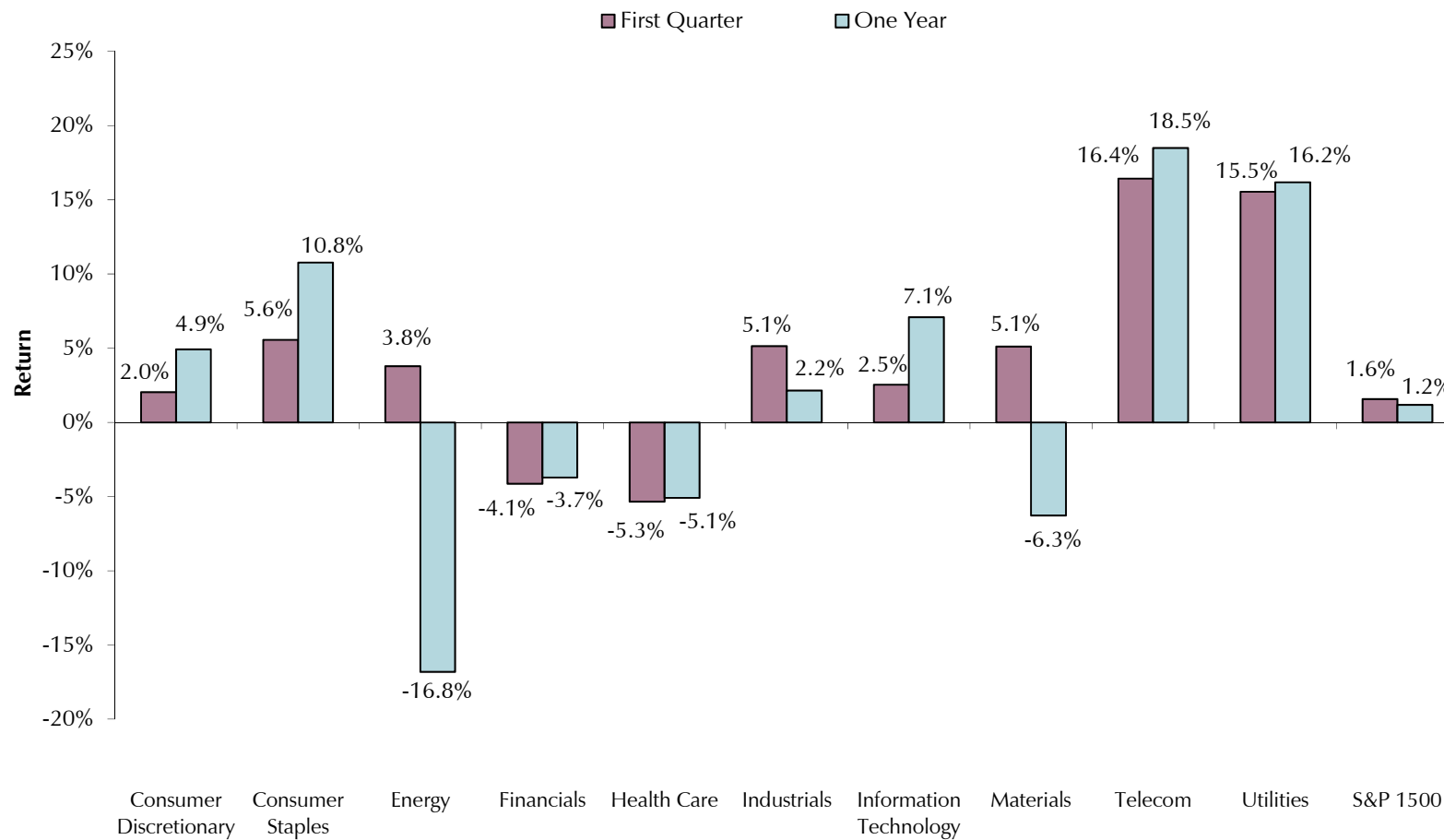
The World Markets
First Quarter of 2016



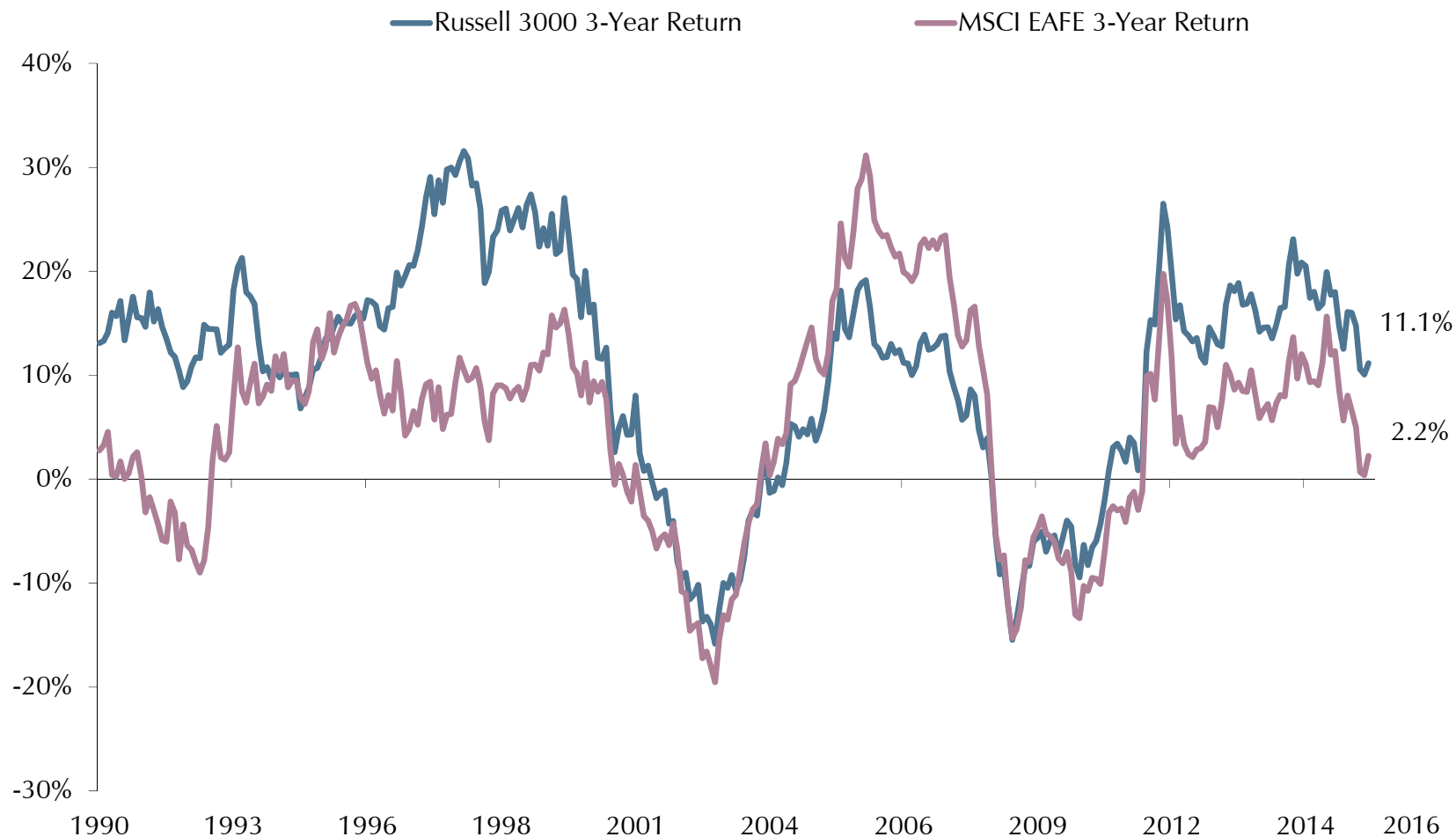
Index Returns

	1Q16 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	1.0	-0.3	11.2	11.0	6.9
Russell 1000	1.2	0.5	11.5	11.4	7.1
Russell 1000 Growth	0.7	2.5	13.6	12.4	8.3
Russell 1000 Value	1.6	-1.5	9.4	10.3	5.7
Russell MidCap	2.3	-4.0	10.3	10.3	7.5
Russell MidCap Growth	0.6	-4.8	11.0	10.0	7.4
Russell MidCap Value	3.9	-3.4	9.9	10.5	7.2
Russell 2000	-1.5	-9.8	6.8	7.2	5.3
Russell 2000 Growth	-4.7	-11.9	7.9	7.7	6.0
Russell 2000 Value	1.7	-7.7	5.7	6.7	4.4
Foreign Equity					
MSCI ACWI (ex. U.S.)	-0.4	-9.2	0.3	0.3	1.9
MSCI EAFE	-3.0	-8.3	2.2	2.3	1.8
MSCI EAFE (local currency)	-6.5	-11.2	6.5	6.2	1.7
MSCI EAFE Small Cap	-0.6	3.2	7.3	5.6	3.5
MSCI Emerging Markets	5.7	-12.0	-4.5	-4.1	3.0
MSCI Emerging Markets (local currency)	2.7	-7.7	1.9	1.3	5.3
Fixed Income					
Barclays Universal	3.1	1.8	2.5	4.0	5.0
Barclays Aggregate	3.0	2.0	2.5	3.8	4.9
Barclays U.S. TIPS	4.5	1.5	-0.7	3.0	4.6
Barclays High Yield	3.4	-3.7	1.8	4.9	7.0
JPMorgan GBI-EM Global Diversified	11.0	-1.7	-6.7	-2.0	5.0
Other					
NCREIF Property	2.2	11.8	11.9	12.0	7.6
NAREIT Equity	5.8	4.7	9.9	11.6	6.5
Bloomberg Commodity Index	0.4	-19.6	-16.9	-14.2	-6.2
HFRI Fund of Funds	-2.5	-5.1	2.0	1.4	1.5

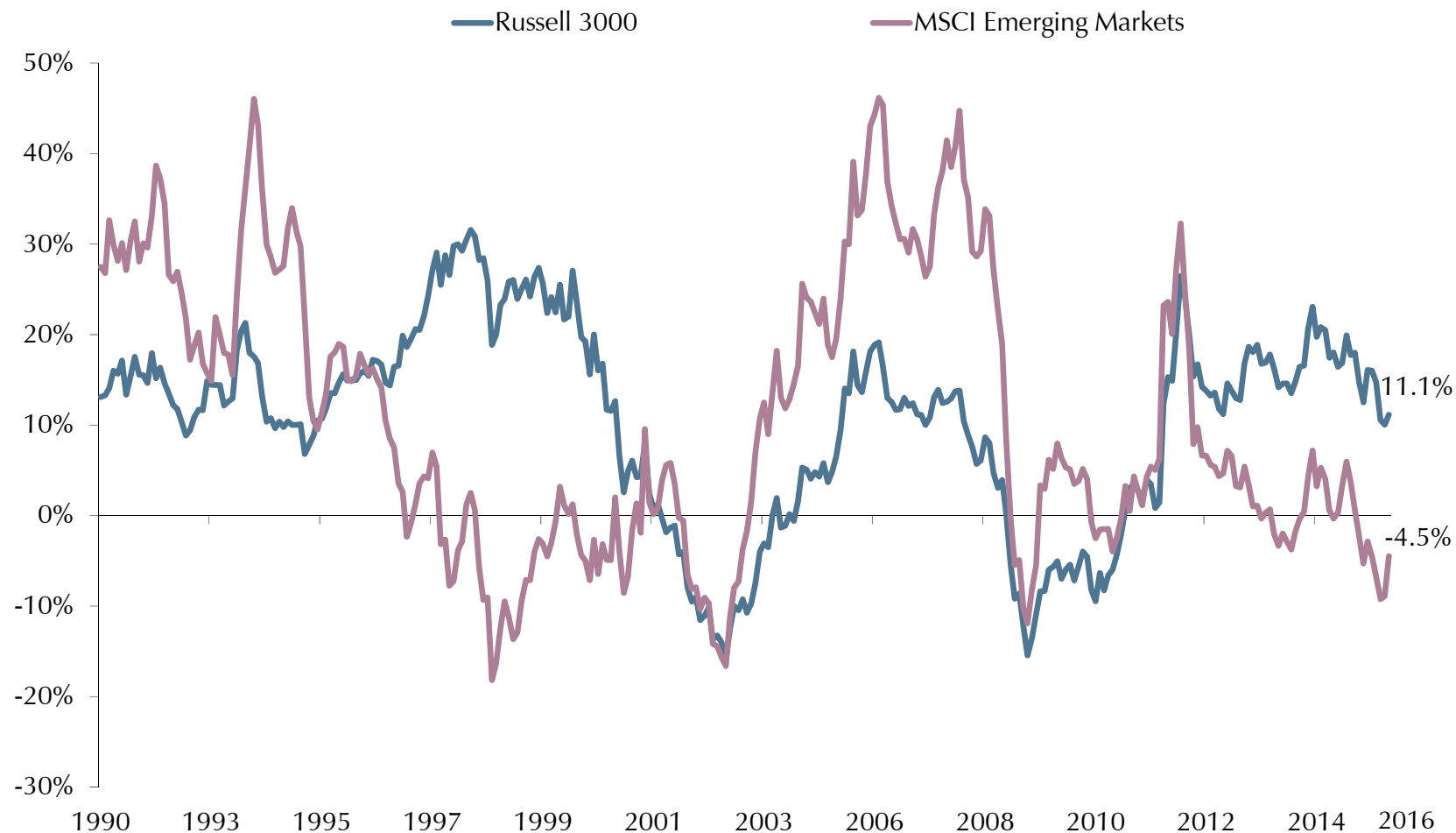
S&P Sector Returns



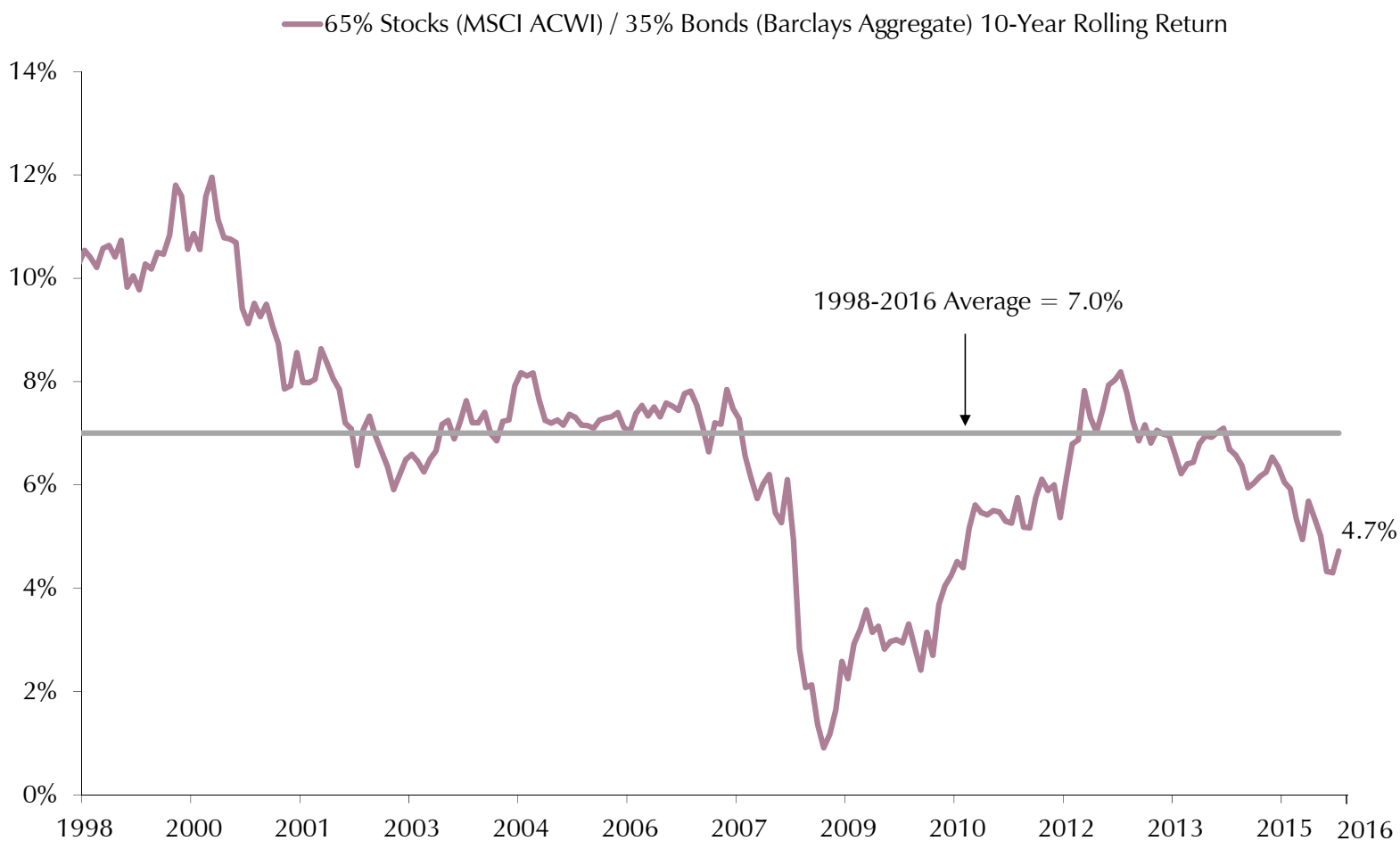
U.S. and Developed Market Foreign Equity Rolling Three-Year Returns



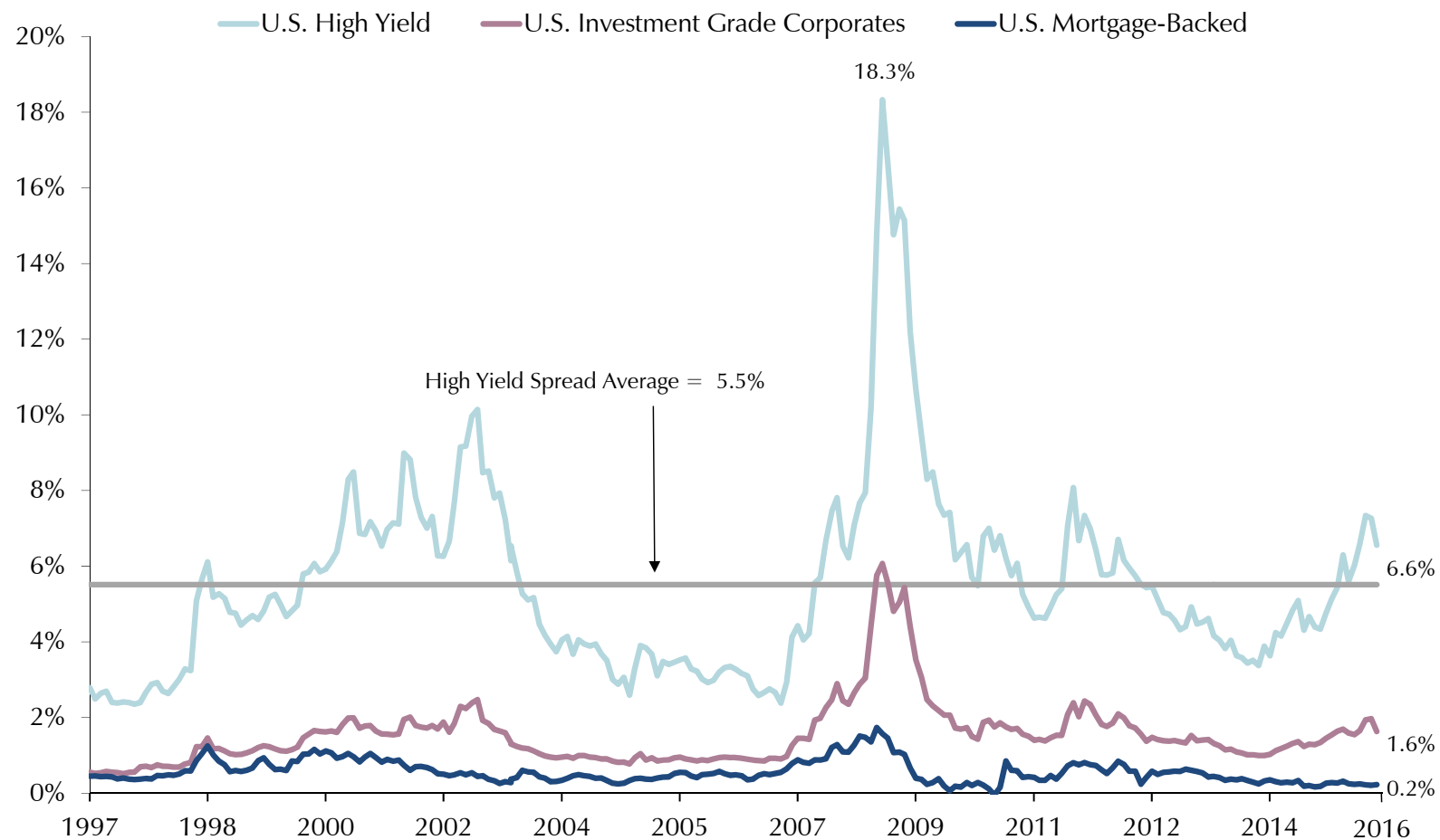
U.S. and Emerging Market Equity Rolling Three-Year Returns



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



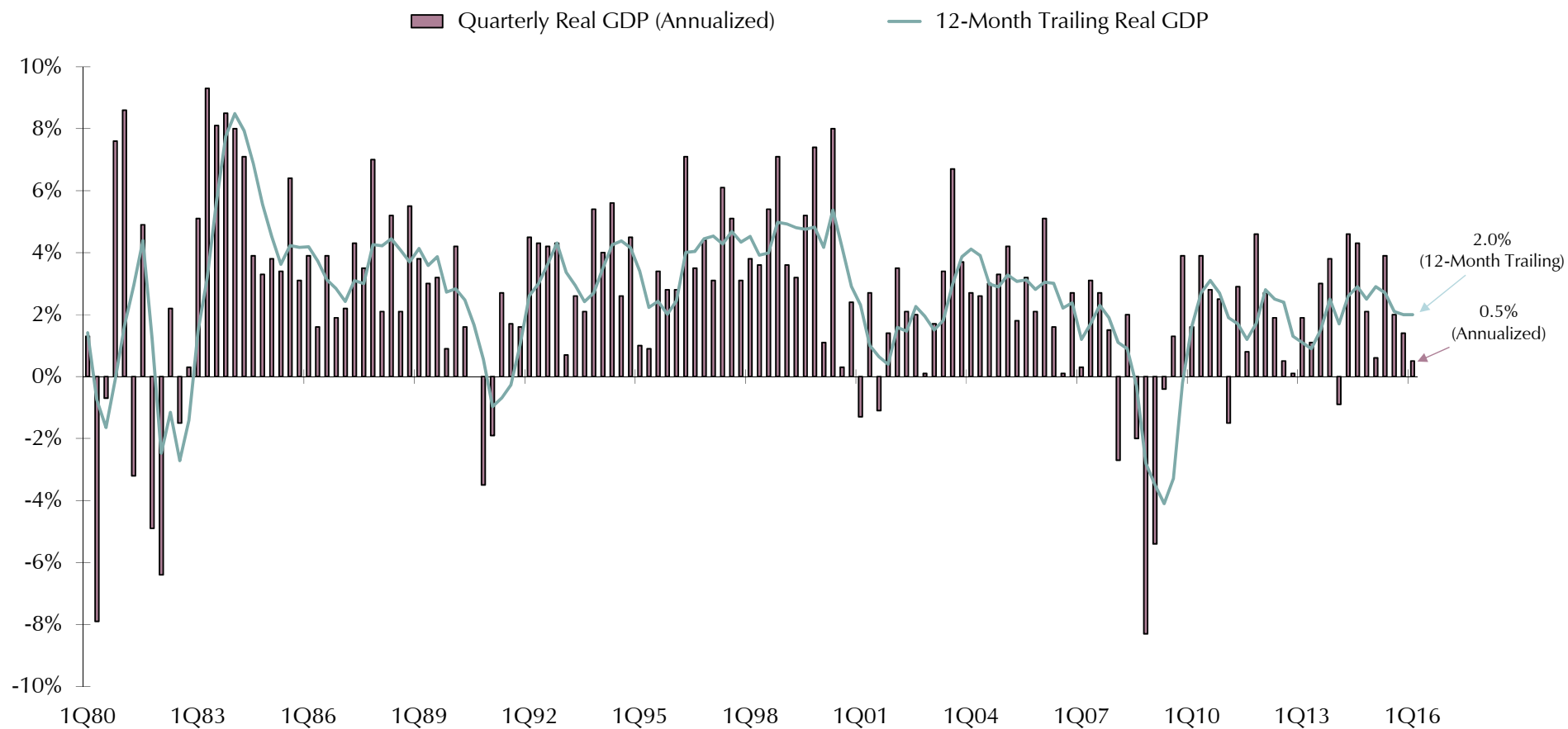
Credit Spreads vs. U.S. Treasury Bonds



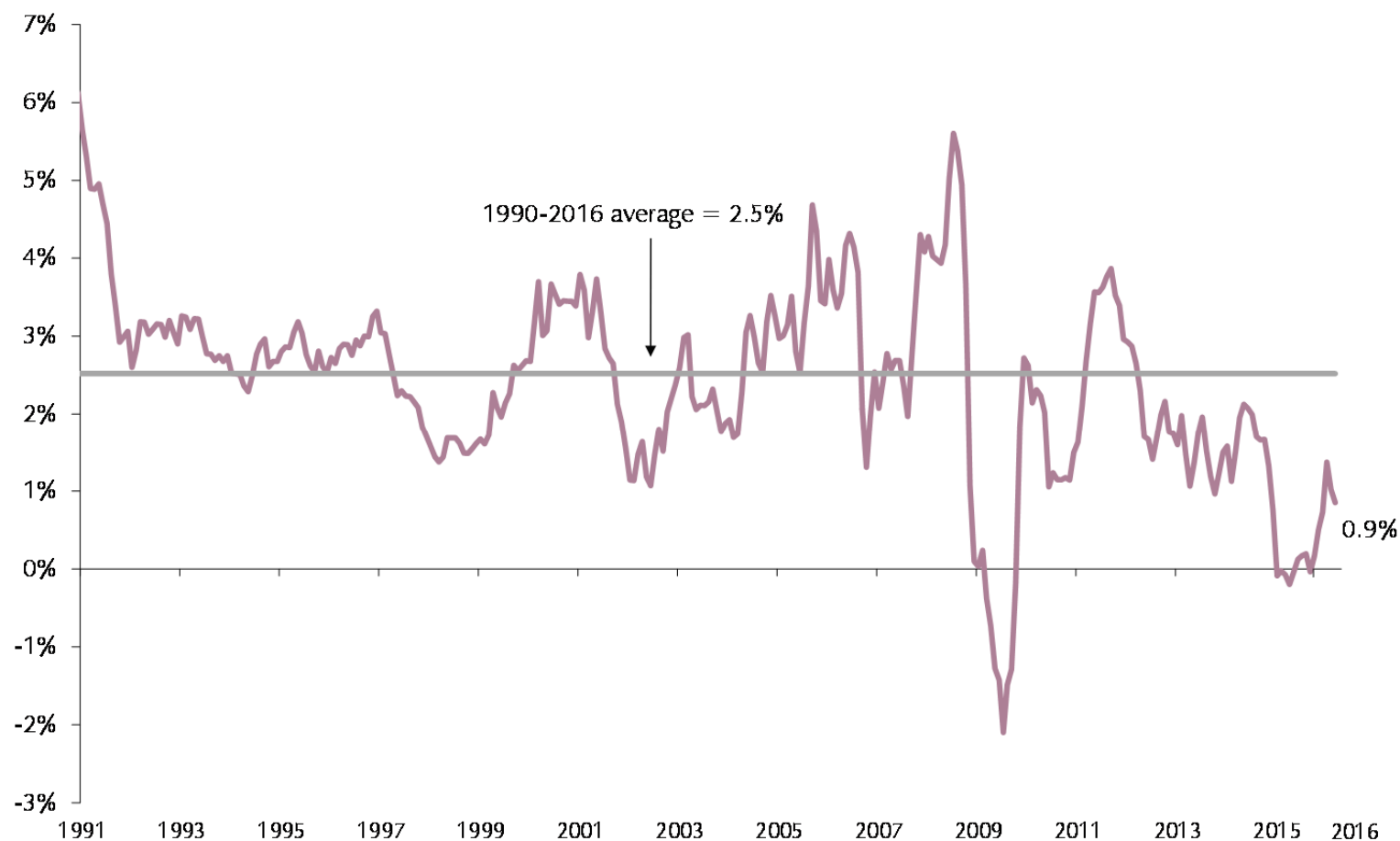
¹ The median high yield spread was 5.1% from 1997-2016.



U.S. Real Gross Domestic Product (GDP) Growth

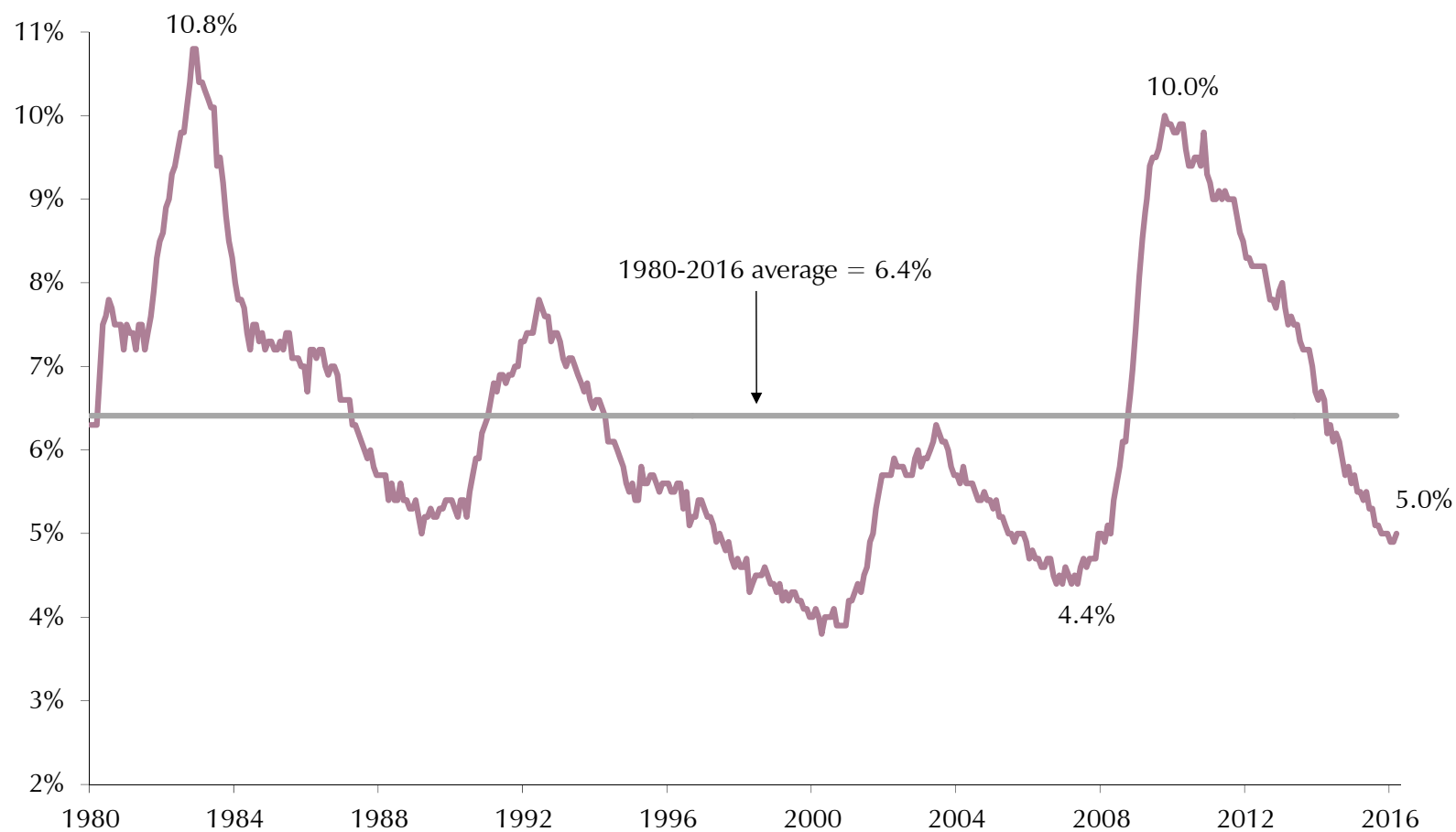


**U.S. Inflation (CPI)
Trailing Twelve Months¹**



¹ Data is non-seasonally adjusted CPI, which may be volatile in the short-term.

U.S. Unemployment¹



¹ Data is as of March 31, 2016.

**Glossary and Notes
As of March 31, 2016**

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.