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## City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

### Investment Performance Analysis For the period ending June 30, 2013

August 2013

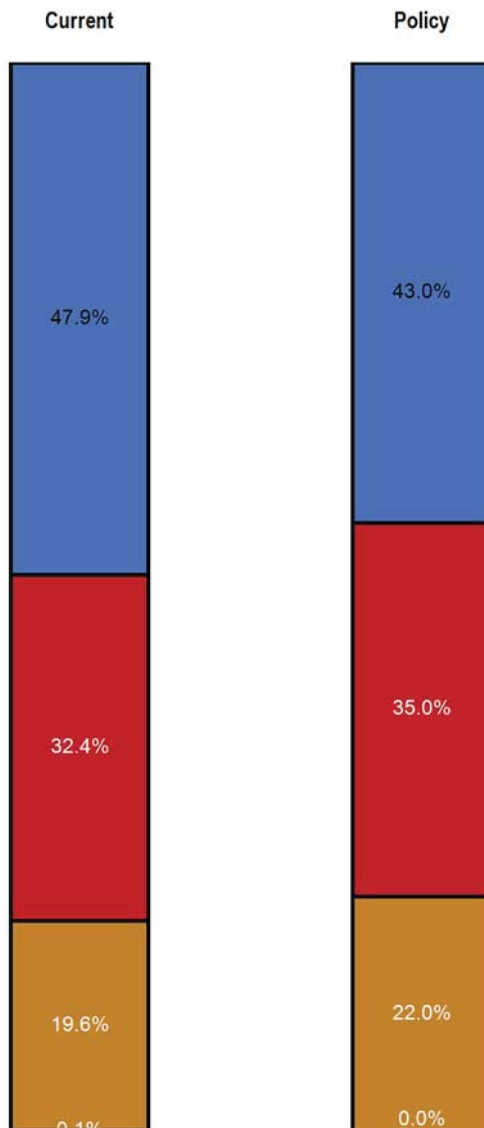
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# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

## Total Fund Asset Allocation vs Policy Targets



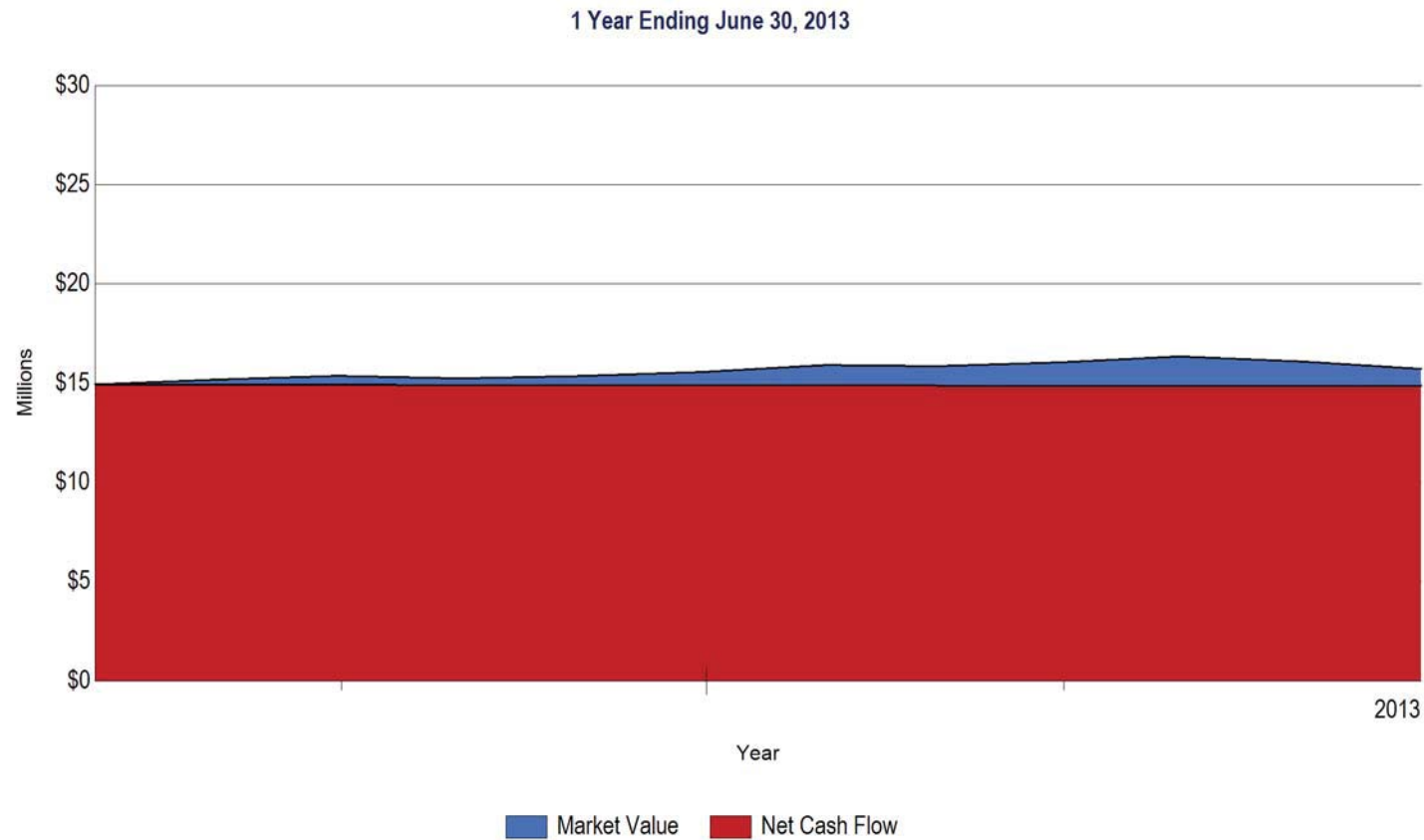
### Asset Allocation vs. Target

	Current Balance	Current Allocation	Policy	Difference *	Target Ranges	Within IPS Range?
Equities	\$7,527,002	47.9%	43.0%	4.9%	25.0% - 50.0%	Yes
Fixed Income	\$5,099,967	32.4%	35.0%	-2.6%	20.0% - 40.0%	Yes
Inflation-Linked	\$3,083,352	19.6%	22.0%	-2.4%	12.0% - 25.0%	Yes
Cash	\$13,723	0.1%	0.0%	0.1%	0.0% - 5.0%	Yes
<b>Total</b>	<b>\$15,724,043</b>	<b>100.0%</b>	<b>100.0%</b>			

\*Difference between Policy and Current Allocation

# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

## Total Fund Asset Growth Summary



Sources of Portfolio Growth	Last Three Months	Year-To-Date	1 Year
Beginning Market Value	\$16,055,140	\$15,569,862	\$0
Net Additions/Withdrawals	-\$6,031	-\$12,445	\$14,873,657
Investment Earnings	-\$325,067	\$166,625	\$850,386
Ending Market Value	\$15,724,043	\$15,724,043	\$15,724,043

# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

## Total Fund Performance Detail - Gross of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Return (%)	Since
<b>Health Care Trust</b>	<b>15,724,043</b>	<b>100.0</b>	<b>-2.0</b>	<b>91</b>	<b>1.1</b>	<b>56</b>	<b>5.1</b>	<b>44</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5.1</b>	<b>Jul-12</b>
Policy Benchmark			-2.0	91	1.1	56	5.3	42	--	--	--	--	5.3	Jul-12
Over/Under			0.0		0.0		-0.2						-0.2	
Allocation Index			-1.9	88	1.5	52	5.3	41	--	--	--	--	5.3	Jul-12
IFx Health & Welfare Gross Median			-0.8		1.6		4.7		5.9		5.0		4.7	Jul-12
<b>Equity Composite</b>	<b>7,527,002</b>	<b>47.9</b>	<b>-0.4</b>	<b>62</b>	<b>6.0</b>	<b>66</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>16.5</b>	<b>Aug-12</b>
Vanguard Total World Stock Index Fund	7,527,002	47.9	-0.4	62	6.0	66	--	--	--	--	--	--	16.5	Aug-12
MSCI ACWI IMI (Net)			-0.5	63	6.4	64	17.1	62	12.6	72	2.8	67	15.7	Aug-12
Over/Under			0.1		-0.4								0.8	
eA All Global Equity Gross Median			0.3		7.9		18.6		14.3		3.9		16.8	Aug-12
<b>Fixed Income Composite</b>	<b>5,099,967</b>	<b>32.4</b>	<b>-2.4</b>	<b>67</b>	<b>-2.4</b>	<b>75</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.1</b>	<b>Aug-12</b>
Vanguard Total Bond Market Index Fund	5,099,967	32.4	-2.4	67	-2.4	75	--	--	--	--	--	--	-2.1	Aug-12
Barclays Aggregate			-2.3	63	-2.4	75	-0.7	86	3.5	67	5.2	65	-2.0	Aug-12
Over/Under			-0.1		0.0								-0.1	
eA All US Fixed Inc Gross Median			-1.9		-1.5		0.8		4.4		5.8		-0.2	Aug-12
<b>Inflation-Linked Composite</b>	<b>3,083,352</b>	<b>19.6</b>	<b>-5.4</b>	<b>--</b>	<b>-4.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-6.7</b>	<b>Aug-12</b>
<b>Real Estate Composite</b>	<b>1,594,849</b>	<b>10.1</b>	<b>-1.6</b>	<b>80</b>	<b>6.4</b>	<b>19</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.9</b>	<b>Aug-12</b>
Vanguard REIT Index Fund	1,594,849	10.1	-1.6	80	6.4	19	--	--	--	--	--	--	6.9	Aug-12
MSCI US REIT Gross			-1.6	80	6.4	19	9.0	28	18.3	70	7.6	77	6.9	Aug-12
Over/Under			0.0		0.0								0.0	
eA US REIT Gross Median			-0.9		5.3		8.1		18.6		8.8		6.1	Aug-12
<b>Commodities Composite</b>	<b>1,488,503</b>	<b>9.5</b>	<b>-9.1</b>	<b>--</b>	<b>-13.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-16.3</b>	<b>Oct-12</b>
Custom Commodity Risk Parity Index			-7.5	--	-11.4	--	-7.8	--	--	--	--	--	-14.1	Oct-12
Over/Under			-1.6		-2.1								-2.2	
Credit Suisse	1,014,780	6.5	-7.3	--	-11.2	--	--	--	--	--	--	--	-11.0	Nov-12
Custom Commodity Risk Parity Index			-7.5	--	-11.4	--	-7.8	--	--	--	--	--	-11.3	Nov-12
Over/Under			0.2		0.2								0.3	
First Quadrant	473,723	3.0	-11.6	--	-16.4	--	--	--	--	--	--	--	-20.4	Oct-12
Custom Commodity Risk Parity Index			-7.5	--	-11.4	--	-7.8	--	--	--	--	--	-14.1	Oct-12
Over/Under			-4.1		-5.0								-6.3	
<b>Cash</b>	<b>13,723</b>	<b>0.1</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.0</b>	<b>Jul-12</b>
Cash	13,723	0.1	0.0	--	0.0	--	0.0	--	--	--	--	--	0.0	Jul-12
91 Day T-Bills			0.0	--	0.0	--	0.1	--	0.1	--	0.2	--	0.1	Jul-12
Over/Under			0.0		0.0		-0.1						-0.1	

# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

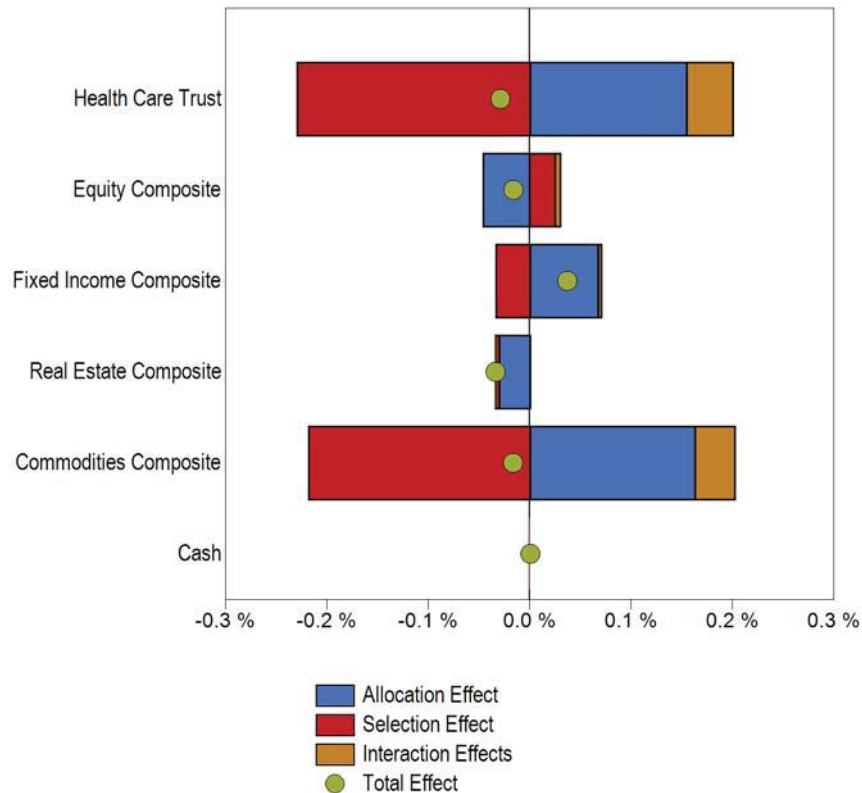
## Total Fund Performance Detail - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Return (%)	Since
<b>Health Care Trust</b>	<b>15,724,043</b>	<b>100.0</b>	<b>-2.1</b>	<b>1.0</b>	<b>5.0</b>	<b>--</b>	<b>--</b>	<b>5.0</b>	<b>Jul-12</b>
Policy Benchmark			-2.0	1.1	5.3	--	--	5.3	Jul-12
Over/Under			-0.1	-0.1	-0.3			-0.3	
Allocation Index			-1.9	1.5	5.3	--	--	5.3	Jul-12
<b>Equity Composite</b>	<b>7,527,002</b>	<b>47.9</b>	<b>-0.4</b>	<b>5.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>16.3</b>	<b>Aug-12</b>
Vanguard Total World Stock Index Fund	7,527,002	47.9	-0.4	5.9	--	--	--	16.3	Aug-12
MSCI ACWI IMI (Net)			-0.5	6.4	17.1	12.6	2.8	15.7	Aug-12
Over/Under			0.1	-0.5				0.6	
<b>Fixed Income Composite</b>	<b>5,099,967</b>	<b>32.4</b>	<b>-2.4</b>	<b>-2.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.2</b>	<b>Aug-12</b>
Vanguard Total Bond Market Index Fund	5,099,967	32.4	-2.4	-2.5	--	--	--	-2.2	Aug-12
Barclays Aggregate			-2.3	-2.4	-0.7	3.5	5.2	-2.0	Aug-12
Over/Under			-0.1	-0.1				-0.2	
<b>Inflation-Linked Composite</b>	<b>3,083,352</b>	<b>19.6</b>	<b>-5.4</b>	<b>-4.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-6.9</b>	<b>Aug-12</b>
<b>Real Estate Composite</b>	<b>1,594,849</b>	<b>10.1</b>	<b>-1.6</b>	<b>6.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.8</b>	<b>Aug-12</b>
Vanguard REIT Index Fund	1,594,849	10.1	-1.6	6.3	--	--	--	6.8	Aug-12
MSCI US REIT Gross			-1.6	6.4	9.0	18.3	7.6	6.9	Aug-12
Over/Under			0.0	-0.1				-0.1	
<b>Commodities Composite</b>	<b>1,488,503</b>	<b>9.5</b>	<b>-9.2</b>	<b>-13.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-16.6</b>	<b>Oct-12</b>
Custom Commodity Risk Parity Index			-7.5	-11.4	-7.8	--	--	-14.1	Oct-12
Over/Under			-1.7	-2.2				-2.5	
Credit Suisse	1,014,780	6.5	-7.4	-11.4	--	--	--	-11.2	Nov-12
Custom Commodity Risk Parity Index			-7.5	-11.4	-7.8	--	--	-11.3	Nov-12
Over/Under			0.1	0.0				0.1	
First Quadrant	473,723	3.0	-11.7	-16.5	--	--	--	-20.6	Oct-12
Custom Commodity Risk Parity Index			-7.5	-11.4	-7.8	--	--	-14.1	Oct-12
Over/Under			-4.2	-5.1				-6.5	
<b>Cash</b>	<b>13,723</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>--</b>	<b>0.0</b>	<b>Jul-12</b>
Cash	13,723	0.1	0.0	0.0	0.0	--	--	0.0	Jul-12
91 Day T-Bills			0.0	0.0	0.1	0.1	0.2	0.1	Jul-12
Over/Under			0.0	0.0	-0.1			-0.1	

# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

## Total Fund Attribution Analysis - Net of Fees

**Attribution Effects**  
3 Months Ending June 30, 2013



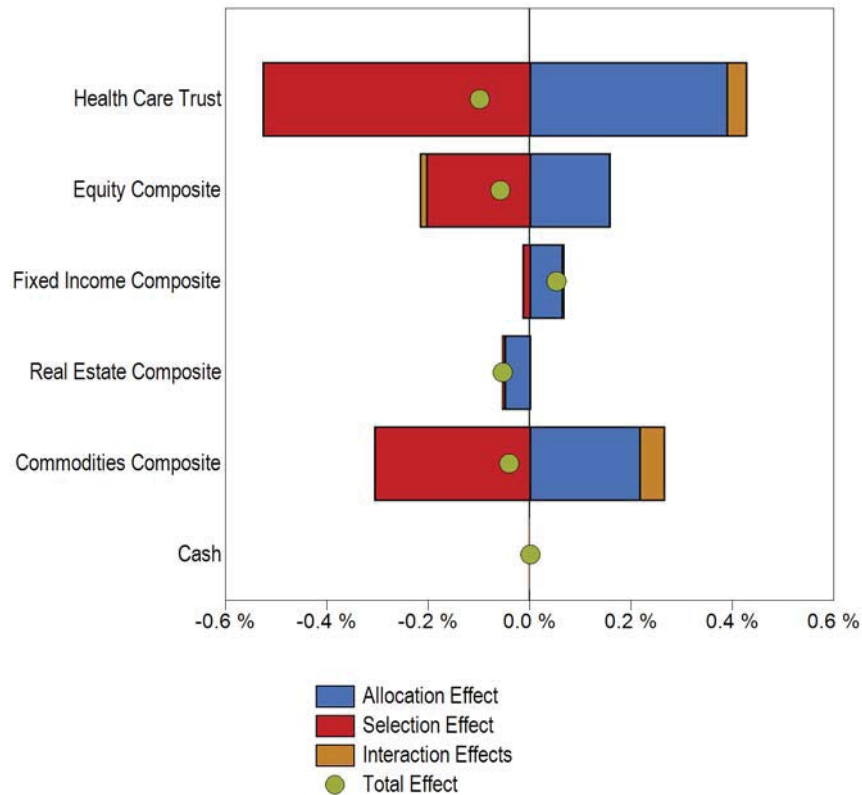
**Attribution Summary**  
3 Months Ending June 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	-0.4%	-0.5%	0.1%	0.0%	0.0%	0.0%	0.0%
Fixed Income Composite	-2.4%	-2.3%	-0.1%	0.0%	0.1%	0.0%	0.0%
Real Estate Composite	-1.6%	-1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Commodities Composite	-9.2%	-7.5%	-1.8%	-0.2%	0.2%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-2.1%</b>	<b>-2.0%</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>

# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

## Total Fund Attribution Analysis - Net of Fees

Attribution Effects  
6 Months Ending June 30, 2013



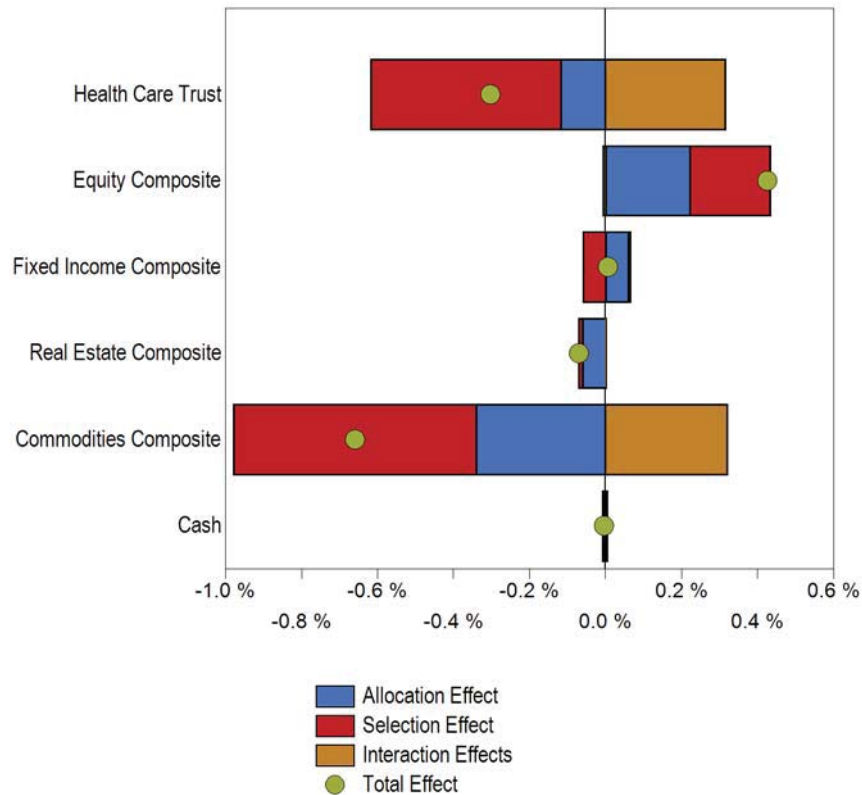
Attribution Summary  
6 Months Ending June 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	5.9%	6.4%	-0.5%	-0.2%	0.2%	0.0%	-0.1%
Fixed Income Composite	-2.5%	-2.4%	0.0%	0.0%	0.1%	0.0%	0.1%
Real Estate Composite	6.3%	6.4%	0.0%	0.0%	0.0%	0.0%	-0.1%
Commodities Composite	-13.6%	-11.4%	-2.3%	-0.3%	0.2%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>1.0%</b>	<b>1.1%</b>	<b>-0.1%</b>	<b>-0.5%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>-0.1%</b>

# City of San Jose Police and Fire Department Retirement Plan – Health Care Trust

## Total Fund Attribution Analysis - Net of Fees

Attribution Effects  
1 Year Ending June 30, 2013



Attribution Summary  
1 Year Ending June 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	--	--	--	0.2%	0.2%	0.0%	0.4%
Fixed Income Composite	--	--	--	-0.1%	0.1%	0.0%	0.0%
Real Estate Composite	--	--	--	0.0%	-0.1%	0.0%	-0.1%
Commodities Composite	--	--	--	-0.6%	-0.3%	0.3%	-0.7%
Cash	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>5.0%</b>	<b>5.3%</b>	<b>-0.3%</b>	<b>-0.5%</b>	<b>-0.1%</b>	<b>0.3%</b>	<b>-0.3%</b>



## Policy Benchmark History

- **7/1/12 – 7/31/12:** 90 day T-Bills
- **8/1/12 – Present:** 43% MSCI ACWI IMI (Net)/35% Barclays Capital U.S. Aggregate/10% MSCI U.S. REIT/12% Custom Commodity Risk Parity Index

## Information Disclosure

- NEPC uses, as its data source, the plan's custodian bank or fund service company, and NEPC relies on those sources for security pricing, calculation of accruals, and all transactions, including income payments, splits, and distributions. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
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