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**City of San Jose Police and Fire
Department Retirement Plan**
Investment Performance Analysis
For the period ending June 30, 2014

August 26, 2014

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Market Environment Update and Outlook

City of San Jose Police and Fire Department Retirement Plan

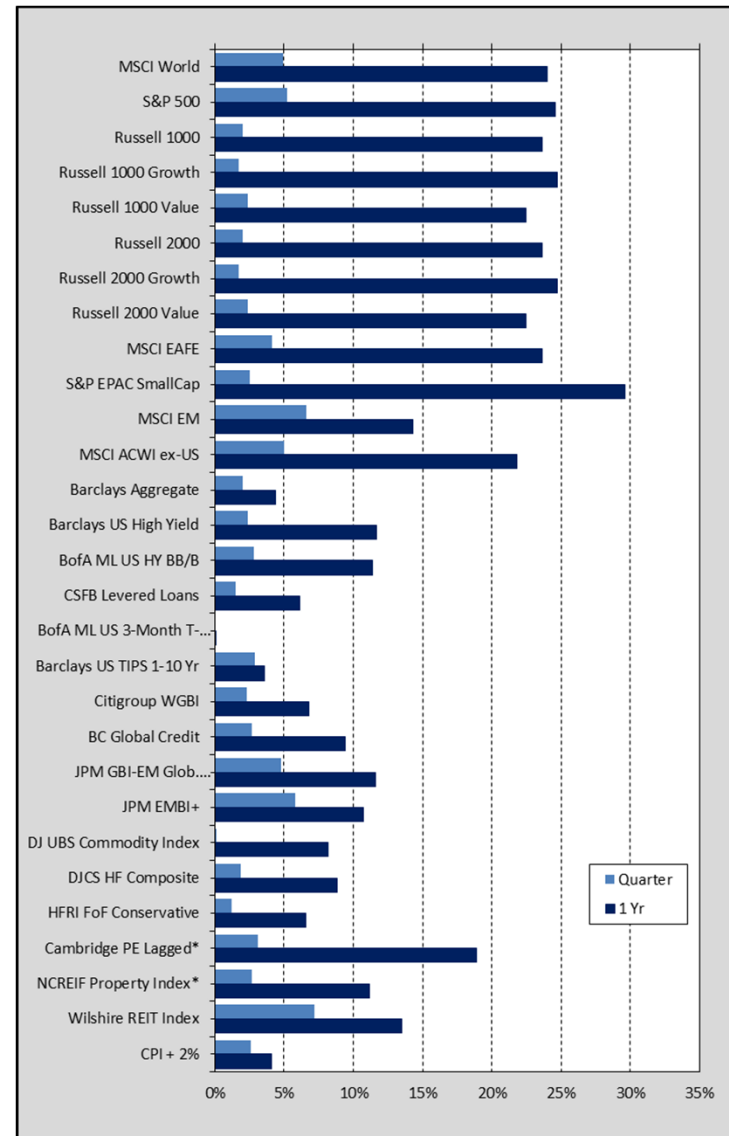
Economic Environment

- **Second quarter GDP grew at a rate of 4% (according to the advance estimate) after decreasing by 2.1% in the first quarter.**
 - Retail sales (ended June) rose to 3.7% on a year-over-year growth rate basis.
 - The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.29 in May.
 - Corporate profits as a percent of GDP fell from secular highs to 11.6% at the end of Q1 2014 but remain elevated relative to historical levels.
 - The U.S. trade deficit decreased in May.
- **The unemployment rate fell to 6.1% in June; U-6, a broader measure of unemployment, fell to 12.1% during the second quarter.**
- **The Case-Schiller Home Price Index (as of 3/31) stayed nearly flat at 150.79 and is only slightly below the highest level (150.92) it has reached since prior to the financial crisis.**
- **Rolling 12-month CPI increased to 2.1% at the end of May; Capacity Utilization rose slightly to 79.1% in May.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished June at 2.53%.**
- **The Fed balance sheet continues to increase in 2014, while European Central Bank balance sheets have decreased.**
 - Large economies continue easing (Japan to the extreme), while the ECB cut its main lending rate imposing a negative excess deposit rate.
- **S&P valuations rose in June remaining above the 10-year and long-term averages, which are nearly equal at 16.4x, using current price/earnings ratios.**
 - Cyclically adjusted Shiller PE ratios, are well above the long-term average of 17.6x and above the 10-year average of 23.0x.
 - VIX continues to remain near historically low levels.

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Q2 2014 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI World	World	4.9%	24.0%	11.8%	15.0%	7.2%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	5.2%	24.6%	16.6%	18.8%	7.8%
Russell 1000	Large Core	2.0%	23.6%	14.6%	20.2%	8.7%
Russell 1000 Growth	Large Growth	1.7%	24.7%	14.5%	20.5%	9.0%
Russell 1000 Value	Large Value	2.4%	22.5%	14.6%	19.9%	8.2%
Russell 2000	Small Core	2.0%	23.6%	14.6%	20.2%	8.7%
Russell 2000 Growth	Small Growth	1.7%	24.7%	14.5%	20.5%	9.0%
Russell 2000 Value	Small Value	2.4%	22.5%	14.6%	19.9%	8.2%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI EAFE	International Developed	4.1%	23.6%	8.1%	11.8%	6.9%
S&P EPAC SmallCap	Small Cap Int'l	2.5%	29.6%	9.8%	15.2%	9.6%
MSCI EM	Emerging Equity	6.6%	14.3%	-0.4%	9.2%	11.9%
MSCI ACWI ex-US	World ex-US	5.0%	21.8%	5.7%	11.1%	7.7%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	2.0%	4.4%	3.7%	4.9%	4.9%
Barclays US High Yield	High Yield	2.4%	11.7%	9.5%	14.0%	9.1%
BofA ML US HY BB/B	High Yield	2.8%	11.4%	8.8%	12.6%	8.6%
CSFB Levered Loans	Bank Loans	1.5%	6.1%	5.7%	8.8%	5.0%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.1%	0.1%	0.1%	1.6%
Barclays US TIPS 1-10 Yr	Inflation	2.9%	3.6%	2.2%	4.5%	4.6%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	2.3%	6.8%	1.6%	3.6%	4.8%
BC Global Credit	Global Bonds	2.7%	9.4%	5.1%	7.0%	5.6%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	4.8%	11.6%	7.4%	10.3%	9.3%
JPM EMBI+	Em. Mkt. Bonds	5.8%	10.7%	7.2%	10.1%	9.6%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
DJ UBS Commodity Index	Commodity	0.1%	8.2%	-5.2%	2.0%	0.9%
DJCS HF Composite	Hedge Fund	1.9%	8.8%	5.2%	7.8%	6.4%
HFRI FoF Conservative	Fund of Funds	1.2%	6.6%	3.4%	4.1%	2.8%
Cambridge PE Lagged*	Private Equity	3.1%	18.9%	14.4%	17.3%	14.9%
NCREIF Property Index*	Real Estate	2.7%	11.2%	11.7%	7.9%	8.7%
Wilshire REIT Index	REIT	7.2%	13.5%	11.7%	24.0%	9.5%
CPI + 2%	Inflation/Real Assets	2.6%	4.1%	3.9%	4.1%	4.6%



* As of 3/31/2014

Positives

- **Early stages of Taper generally accepted by marketplace**
 - Though priced in, “normalization” of rates appears optimistic given dovish Fed comments
- **Q2 GDP growth estimated at 4%**
 - U.S. employment gains have resulted in a positive outlook for consumption
- **ECB’s move to cut main lending rate and impose a negative excess deposit rate for banks met with tepid investor reaction**
- **Developed world inflation is low**
 - Allows Fed continued flexibility to work through Taper
- **Emerging markets made further progress**
 - Positive flows, expectations for global growth and valuations may provide tailwind
- **Volatility remains subdued and markets relatively stable**

Negatives

- **Potential geopolitical instability**
 - Instability in Iraq, Israel and Ukraine could have spillover effects away from oil price shocks
- **Benign market environment in Europe obscures challenging underlying economic conditions**
- **Inflation experienced an uptick**
 - Supply disruptions contributed to food and energy price increases
- **Chinese economic stimulus aided Q2 results but China still lagged broader emerging markets**
- **Valuations beginning to stretch above long-term averages**
 - Developed Equity P/Es above median
 - Credit spreads near historically low levels

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Market Environment

Global Equity

- **U.S. equities advanced in the second quarter amid improving economic data underscoring growth in the United States and Europe.**
- **Large cap stocks outperformed small cap stocks during the quarter, with the S&P 500 Index returning 5.2% versus 2.1% for the Russell 2000 Index.**
- **International equities slightly underperformed U.S. markets during the quarter, returning 5.0%, as measured by the MSCI ACWI ex-U.S. Index.**
 - Developed markets returned 4.1% as measured by the MSCI EAFE Index. Within developed markets, Japan was one of the better performing regions, returning roughly 6.6% during the quarter amid positive remarks on structural reform from Prime Minister Abe.
 - Emerging markets returned 6.6% as measured by the MSCI Emerging Markets Index. Returns during the quarter were bolstered by improving conditions in the Ukraine (conditions have since deteriorated), positive election results in India, and better economic conditions in China. Turkey and India were the best performing markets, returning 15% and 13%, respectively.

Private Equity

- **New private equity commitments totaled \$92.1 billion in Q2 2014, bringing total new commitments to \$173.1 billion in the first half of the year. 2014 is on track to be the fifth straight year of increasing commitments.**
 - While the overall trend was up, commitments to North American private equity funds fell 3% in the first half of the year. The relative value of European and Asian private equity may be outweighing the risks of investing overseas.
- **Buyout and growth equity funds have raised \$88.5 billion through the first half of the year, with mega buyout firms accounting for 31% of all buyout/growth equity funds.**
- **Venture capital commitments were \$27.2 billion in the first six months of the year, nearly matching the total raised in all of 2013.**
 - At 16% of total private equity raised, commitments are just below the 10-year historic relative average.
- **Mezzanine funds continue to face strong headwinds from a robust high yield market and an expanding supply of private debt.**
- **Asian private equity commitments accelerated in 2014 to \$21.7 billion.**
 - Represents 13% of 2014 total across all geographies and 72% of all Asian PE funds raised in 2013.
 - Approximately three-fourths of Asia PE raised in the 1st half of 2014 was by China funds.



Market Environment

Fixed Income

- **Bond markets continued their rally from the first quarter as strong performance in Treasuries spurred a rally across fixed income sectors.**
- **The 10-year Treasury yield fell almost 20 basis points during the quarter, finishing at 2.53%.**
- **The Treasury yield curve flattened as two-year yields rose slightly to 0.47% from 0.44%.**
- **Treasury Inflation-Protected Securities, or TIPS, outperformed nominal Treasuries due to increased inflation (expectations and actual), with the Barclays US TIPS Index posting gains of 3.8% during the quarter.**
- **Despite record new supply, investment grade credit posted strong performance, with spreads narrowing seven basis points to 96 basis points.**
 - The U.S. Credit Index gained 2.7% and the Long Duration Credit Index returned 5.0% in the second quarter.
- **High yield bonds returned 2.4%, aided by a decline in Treasury yields and a tightening of credit spreads.**
 - Spreads on high yield credit declined to 337 basis points, a post-crisis low, from 358 basis points at the end of the first quarter.
- **Additional monetary accommodation implemented by the ECB helped to extend a rally in emerging markets debt.**
 - Local currency (JP Morgan GBI-EM Global Diversified – Unhedged) and external currency (JP Morgan EMBI+) emerging markets debt had a stellar second quarter, returning 4.0% and 5.8%, respectively.

Market Environment

Commodities

- **Commodities posted modest gains in the second quarter with the DJ UBS essentially flat while the GSCI returned 2.7%.**
 - Commodity prices experienced high variability among sub-sectors.
- **Further tensions in the Middle East pushed energy prices higher while record low livestock inventories in the U.S. caused cattle prices to spike.**
- **Poor weather conditions in the growing regions, combined with severe cold weather, sparked supply related rallies earlier in the quarter in corn and natural gas before reversing course and trading downward during the second half of the quarter.**

Real Estate

- **NEPC continues to be neutral on core real estate in the U.S. and remains positive on non-core real estate, that is, value-add and opportunistic strategies, particularly in Europe.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
 - The concerns for U.S. core real estate (and U.S. real estate, broadly) continues to be plentiful capital that is driving up pricing; and the market's expectation for higher future interest rates and their impact on capitalization rates and capital values.
- **U.S. REITs have rebounded in 2014 following weak performance in 2013.**
 - 16.2% compounded return through Q2 versus 2.9% annual return in 2013 and 2.3% 20-year average annual return.
 - REITs are trading at slight premiums to NAV with high FFO multiples; indicative of higher public market growth expectations.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
 - Non-major markets have been slower to rebound relative to major markets and select property types/geographies remain distressed.
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
 - Europe is emerging from multi-year recession, but recovery is slow.
 - Banks in EU are still overleveraged and have significant real estate exposure (banks in Europe hold 90%+ of real estate debt or €2,300B; in the U.S. banks hold 49% of real estate debt).



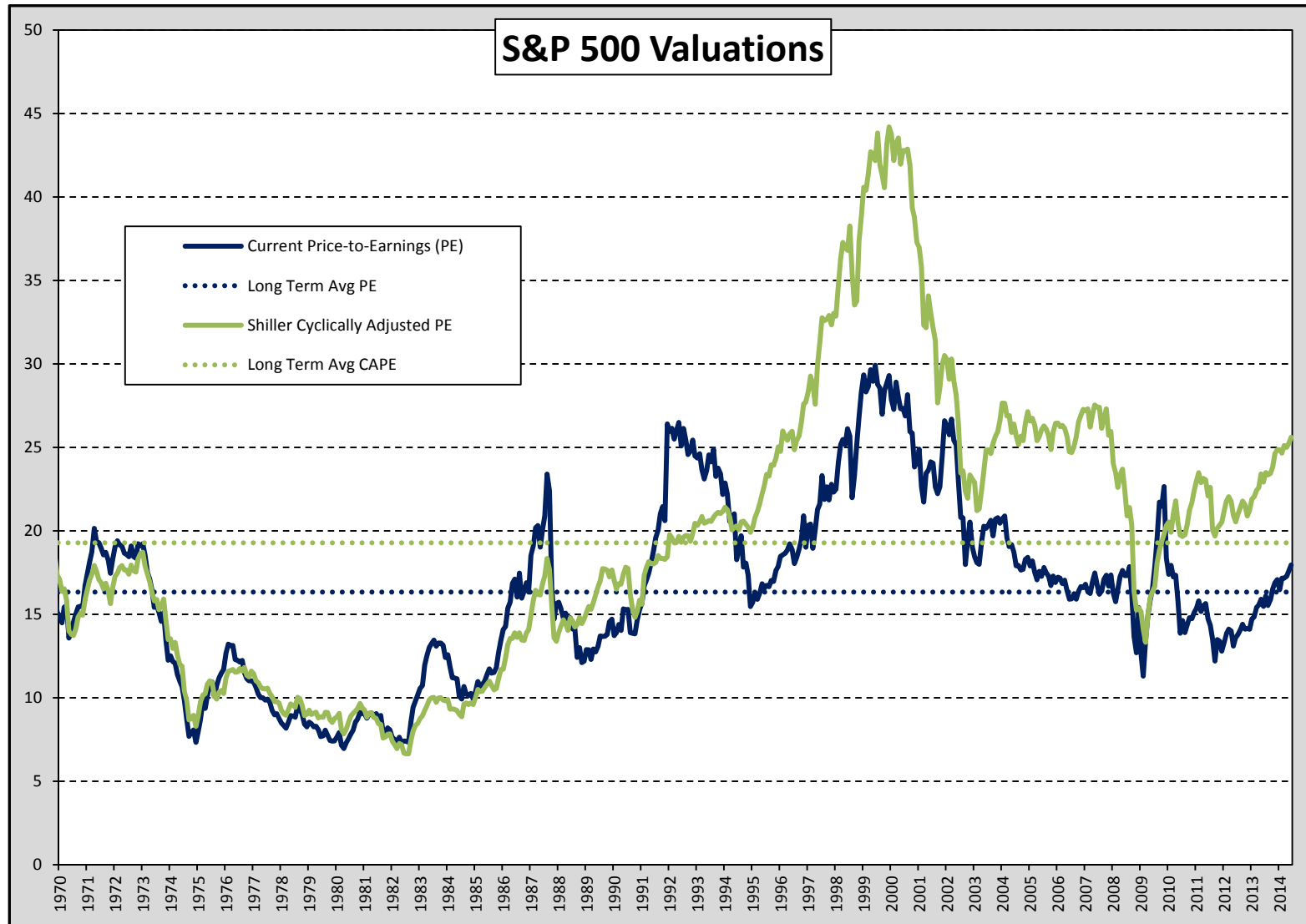
Market Environment

Real Assets/Inflation-Linked Assets

- **NEPC believes that energy, specifically in North America, represents an attractive opportunity in the up-stream and mid-stream parts of the energy value chain.**
- **Agriculture and metals/mining opportunities seem appealing based on long-term demographic trends despite a less certain short-term outlook.**
 - NEPC believes in long-term demand drivers for agriculture, especially for row crops such as corn and soy.
- **Timber is an area of portfolios where we would recommend underweight positions as total return targets are low with a relatively small market opportunity and managers seeking deals outside the U.S.**

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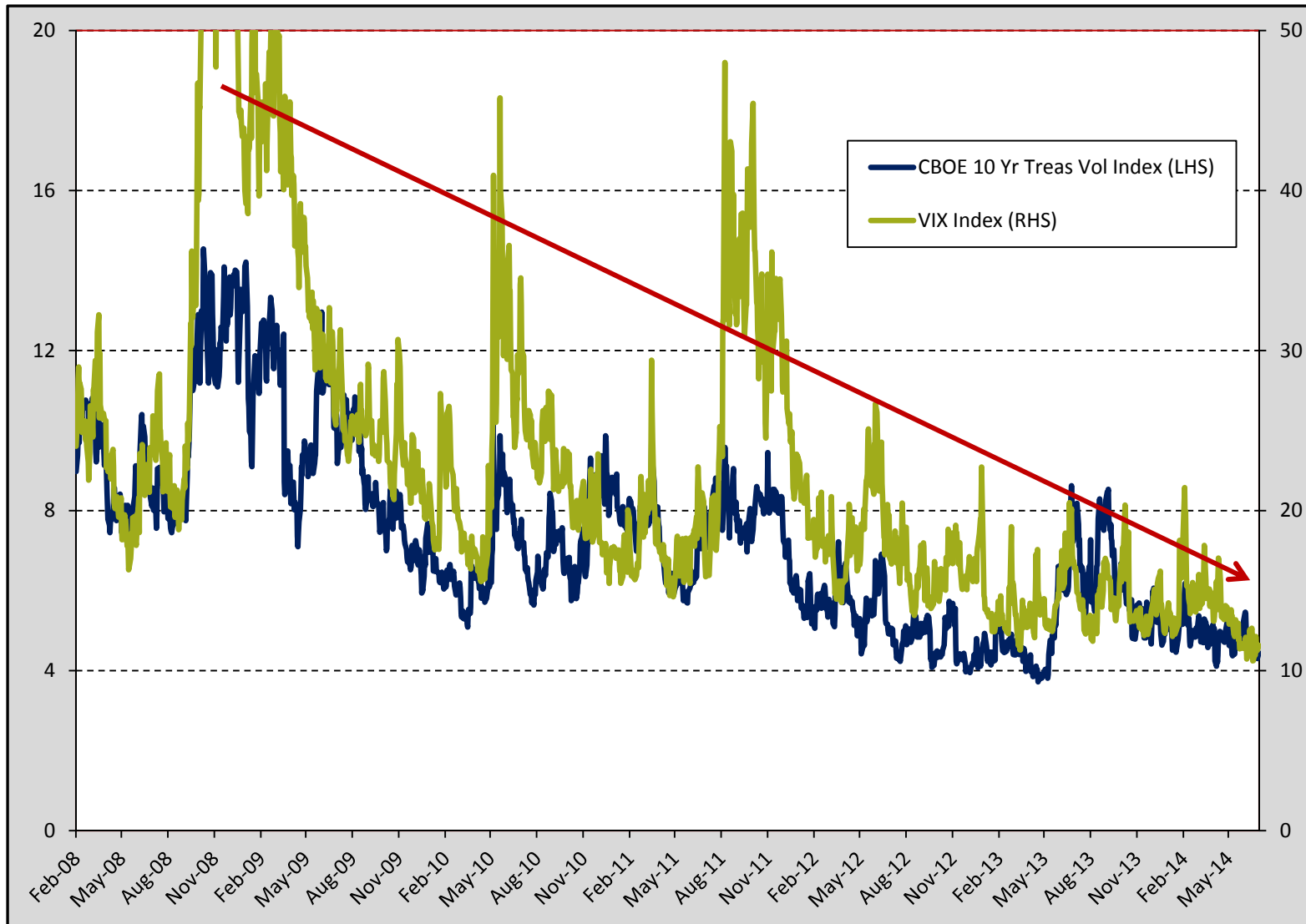
Equity Valuations are Trending above Long-Term Averages



Source: Bloomberg as of 6/30, Long-term averages since 1954

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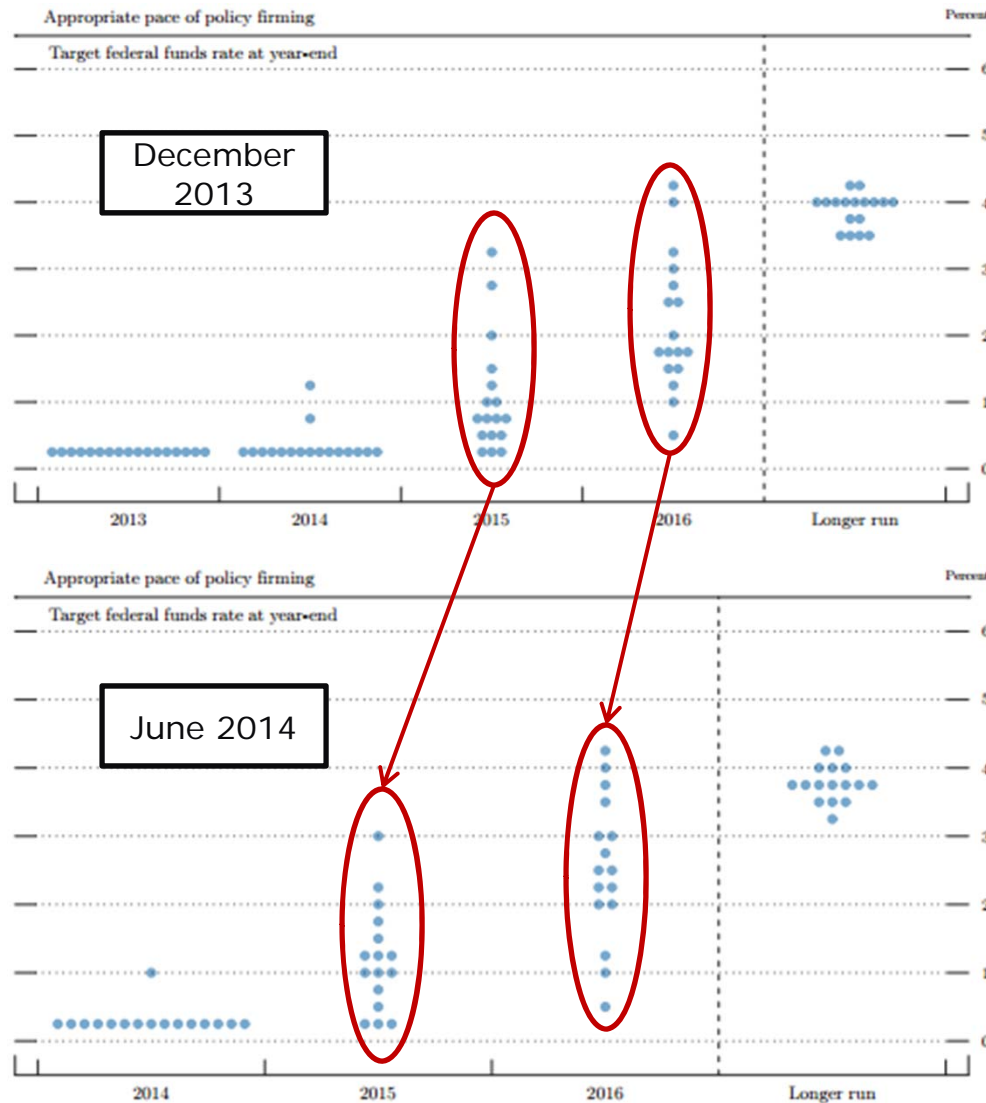
Amid a Backdrop of Persistent Low Volatility



Source: Bloomberg as of 6/30

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Uncertainty Regarding the Pace of Fed Policy Firming Remains



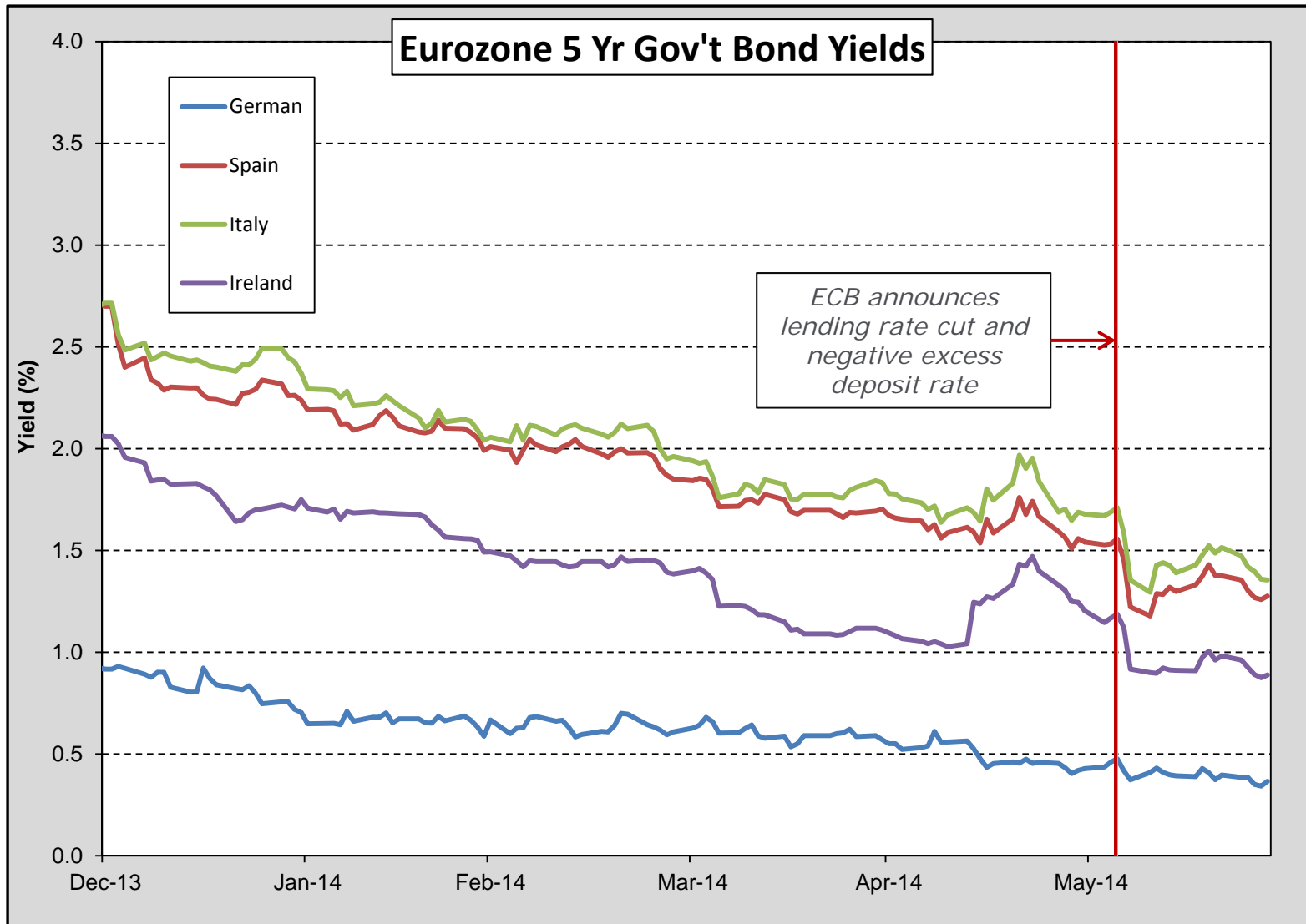
- Fed has delivered relatively unified messages on the pace of taper and thoughts on U.S. economy
- However, significant uncertainty remains on pace of raising the target Fed funds rate
- Though markets expect rates to rise, pace and path are unclear

Each shaded circle represents the value (rounded to the nearest ¼ percentage point) of an individual participant's judgment of the appropriate level of target federal funds rate at the end of the specified year or over the long run

Source: Federal Reserve

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Meanwhile the ECB Has Initiated Stimulatory Measures



Source: Bloomberg as of 6/30

Outlook

- **Interpreting and understanding the low volatility environment is a key challenge.**
 - Low volatility can persist for long periods as a tailwind to markets but can also lead to complacency as excesses build in capital markets.
 - Assess portfolio risk exposure and determine reasonable levels of portfolio liquidity and dry powder for future opportunities.
- **Persistent low volatility may obscure underlying economic risks.**
 - Global growth expectations remain subdued.
 - EM balance of payment concerns remain as some countries slow the pace of reforms.
 - China growth softens as credit growth continues to expand.
 - Geopolitical risks pushing oil prices higher.
- **As taper of QE concludes, there is the potential for increased volatility as markets seek visibility into the Fed's monetary policy for 2015.**
- **Valuations across many asset classes appear stretched.**
 - Excluding EM, equity P-E ratios are above long-term averages.
 - Credit spreads continue to tighten globally from insatiable demand.
- **NEPC themes remain consistent.**
 - Investors would be wise to rebalance to policy targets and maintain portfolio risk balance.
 - Allocate to emerging markets and private markets for higher returns in a low return world.
 - Look for opportunities to be dynamic – particularly in credit markets.

NEPC Updates

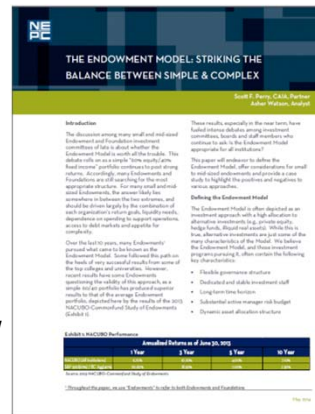
Second Quarter 2014

Highlights of Second Quarter Happenings at NEPC

NEPC Research

Recent White Papers Posted

- *2Q Market Thoughts — “Is It the Beginning of the End or the End of the Beginning? The Next Chapter for Growth Assets..” (April 2014)*
- *The Endowment Model: Striking the Balance Between Simple & Complex (May 2014) – Scott F. Perry, CAIA, Partner*
- *Hangover Redux: The Impact of Capital Overhang on Private Equity Investing (May 2014) –Melissa Mendenhall, Consultant, Private Markets Research*



News from NEPC

- NEPC is pleased to announce the selection of MSCI's BarraOne and HedgePlatform for risk management and reporting. "This broader relationship with MSCI will provide NEPC with leading risk tools for both total plan risk and hedge fund risk. We are particularly excited about the plans to integrate the InvestorForce Reporting platform with BarraOne," noted Dan Kelly, Chief Operating Officer of NEPC.

Professional Staff Updates

New Client Strategy Team

- Provides high level Research and Consulting Services to all practice areas and develops sophisticated client Research. The team offers a centralized senior level resource pool for all clients that require expertise in asset allocation, defined contribution and alternative assets.
- Led by **Chris Levell, ASA, CFA, CAIA, Partner** focusing on asset allocation
- Supported by **Ross Bremen, CFA, Partner** (Defined Contribution) and **Sean Gill, CFA, CAIA, Partner** (Alternative Assets)

NEPC Supports Principles for Responsible Investment



NEPC is proud to announce that we have become a signatory and partner with Principles for Responsible Investment initiative (PRI). The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. The PRI Initiative has quickly become the leading global network for investors to publicly demonstrate their commitment to responsible investment, to collaborate and learn with their peers about the financial and investment implications of ESG issues, and to incorporate these factors into their investment decision making and ownership practices. For more information on PRI, please visit <http://www.unpri.org/>.

Total Fund Performance

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	25 Yrs Rank	Return	Since									
Total Fund	\$3,215,214,566	3.5%	61	5.6%	54	13.9%	96	7.8%	93	11.1%	84	6.9%	68	6.4%	30	8.4%	54	8.6%	49	9.0%	Mar-71
<i>Policy Benchmark</i>		3.3%	72	6.1%	32	14.6%	81	7.9%	92	11.2%	83	6.8%	72	5.9%	53	--	--	--	--	--	Mar-71
<i>Allocation Index</i>		3.4%	70	6.1%	32	14.8%	76	7.3%	94	10.9%	86	7.0%	61	6.3%	36	--	--	--	--	--	Mar-71
<i>60% MSCI World (Gross) / 40% CITI WGBI</i>		3.9%	39	6.0%	35	17.4%	30	8.2%	85	10.9%	85	6.9%	63	5.4%	87	7.2%	91	--	--	--	Mar-71
<i>InvestorForce Public DB > \$1B Gross Median</i>		3.8%		5.7%		16.4%		9.6%		12.7%		7.2%		6.0%		8.5%		8.6%		--	Mar-71

For the five-year period ending June 30, 2014, the Fund returned 11.1%, trailing the policy benchmark by 0.1% and ranking in the 84th percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 34th percentile over the five-year period, resulting in a strong Sharpe Ratio on an absolute basis.

For the three-year period ending June 30, 2014, the Fund returned 7.8%, trailing the policy benchmark by 0.1% and ranking in the 93rd percentile of its peers. The Fund's volatility ranks in the top third of its peer group for the period.

For the fiscal year ending June 30, 2014, the Fund produced a net investment gain of \$402.3 million, which includes a net investment gain of \$110.2 million in the second calendar quarter. Assets increased from \$2.86 billion one year ago to \$3.22 billion on June 30, 2014, with \$49.8 million in net distributions during the year.

For the one-year period ending June 30, 2014, the Fund returned 13.9%, trailing the policy benchmark by 0.7%. The Fund's volatility ranks near the top decile of its peers, resulting in risk-adjusted performance that ranks just outside of the top quartile. The means the portfolio has produced more return per unit of risk taken than 72% of the Plan's in the universe of the last year.

Please see the appendix for additional performance disclosures. Performance is reported gross of fees.

5 Years Ending June 30, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	11.1%	84	7.7%	34	1.4	72	2.2	59
Policy Benchmark	11.2%	83	7.4%	25	1.5	56	2.4	36
InvestorForce Public DB > \$1B Gross Median	12.7%	--	8.2%	--	1.5	--	2.3	--

3 Years Ending June 30, 2014

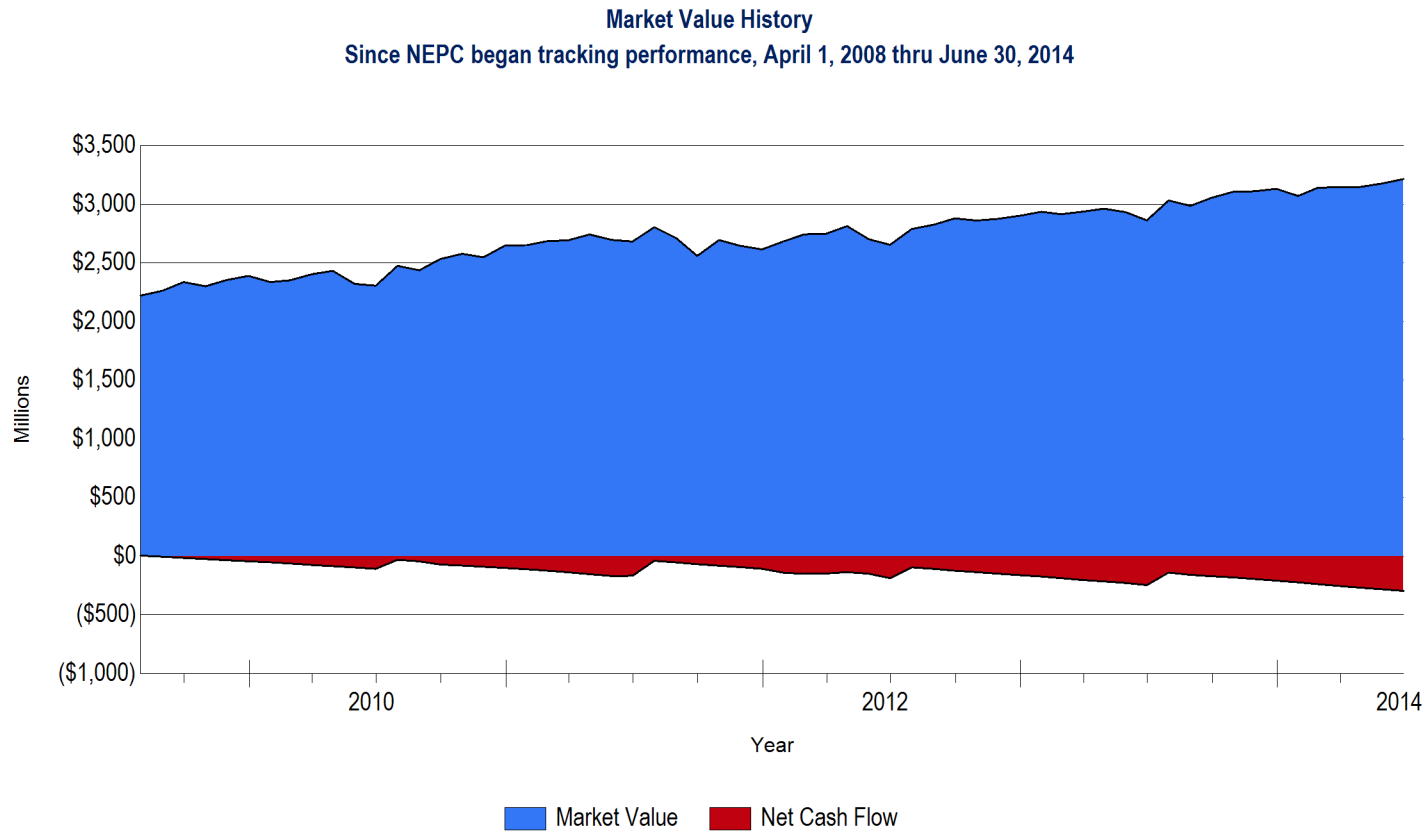
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.8%	93	7.4%	34	1.0	93	1.4	80
Policy Benchmark	7.9%	92	6.8%	15	1.1	67	1.6	54
InvestorForce Public DB > \$1B Gross Median	9.6%	--	7.7%	--	1.2	--	1.6	--

1 Year Ending June 30, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	13.9%	96	4.5%	13	3.1	28	9.1	69
Policy Benchmark	14.6%	81	4.2%	10	3.4	7	19.1	40
InvestorForce Public DB > \$1B Gross Median	16.4%	--	5.6%	--	2.9	--	16.7	--

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Growth Summary

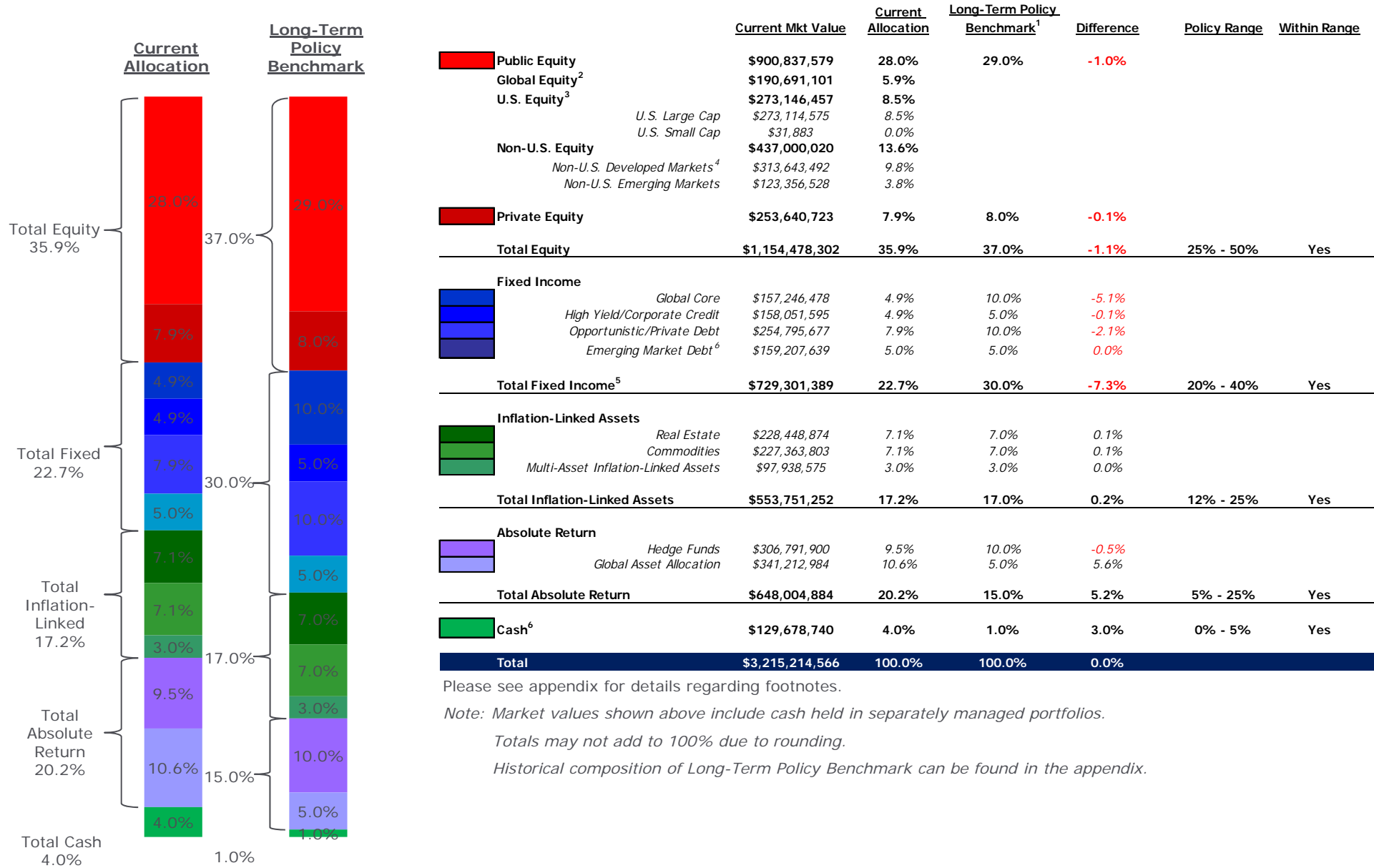


Sources of Portfolio Growth	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Inputed Date 4/1/08
Beginning Market Value	\$3,146,641,245	\$3,131,959,520	\$2,862,786,701	\$2,682,332,482	\$2,046,869,889	\$2,583,363,926
Net Additions/Withdrawals	-\$41,625,442	-\$87,519,020	-\$49,823,645	-\$129,201,469	-\$243,646,427	-\$296,691,005
Investment Earnings	\$110,198,763	\$170,774,066	\$402,251,510	\$662,083,553	\$1,411,991,104	\$928,541,645
Ending Market Value	\$3,215,214,566	\$3,215,214,566	\$3,215,214,566	\$3,215,214,566	\$3,215,214,566	\$3,215,214,566



City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Allocation vs. Policy Targets



Please see appendix for details regarding footnotes.

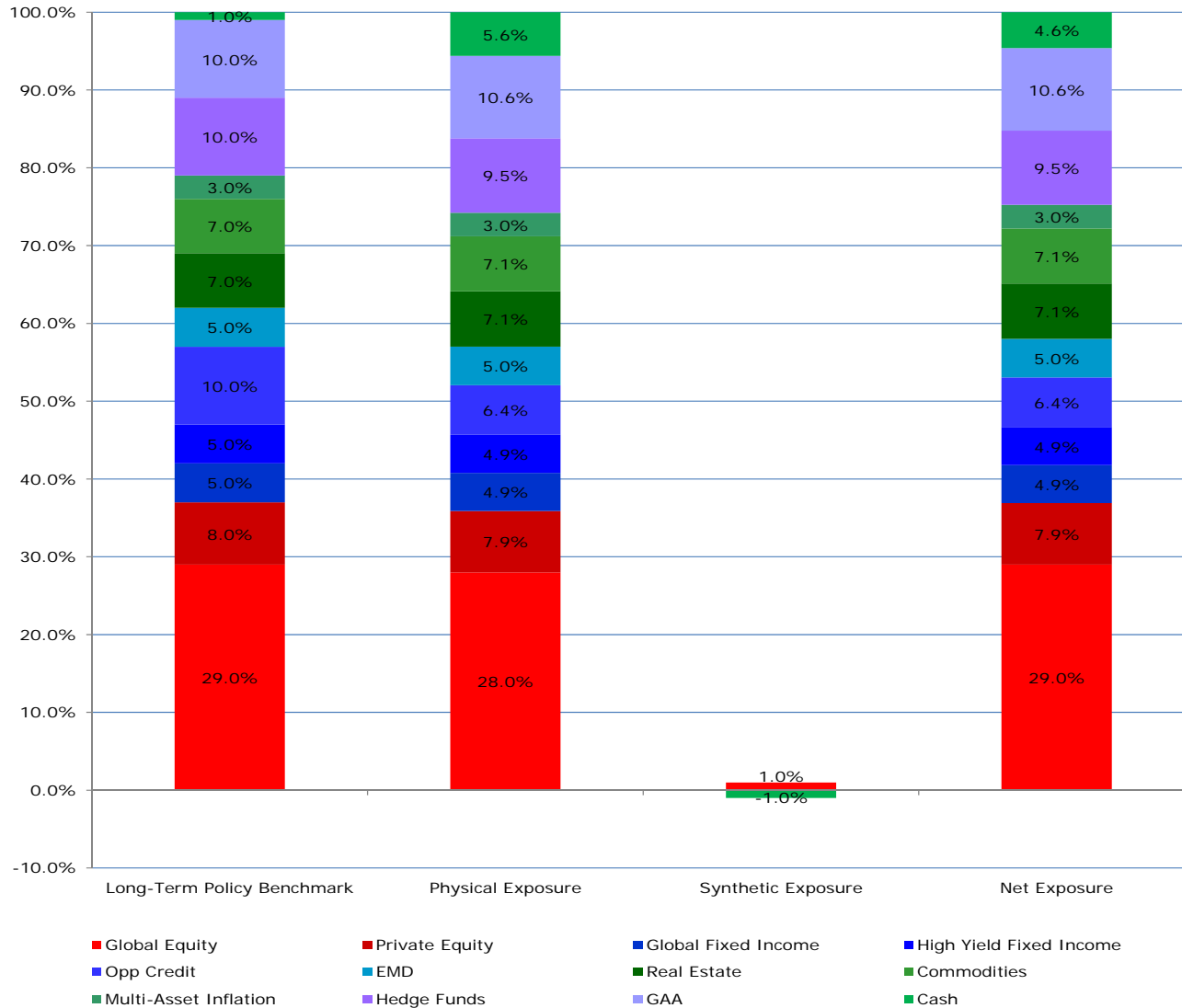
Note: Market values shown above include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding.

Historical composition of Long-Term Policy Benchmark can be found in the appendix.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Allocation vs. Policy Targets (with detailed Overlay exposure)



Note: Long-Term Policy Benchmark and Physical Exposure matches prior page. Synthetic Exposure provided by Russell as of 6/30/2014 based on unaudited month-end valuations. Exposure shown above is intended to provide a snapshot of exposure as of month-end. Physical exposure assumes PIMCO DISCO II portfolio was fully liquidated as of June 30, 2014. Actual liquidation date was 7/14/2014.

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Public Equity

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2014		Ending Market Value
			Net Investment Change		
Artisan Global Opportunities	\$89,783,674	-\$194,218	\$5,948,743		\$95,538,199
Artisan Global Value	\$90,878,591	\$54	\$4,167,275		\$95,045,920
Liquidating - Russell MSCI ACWI Index	\$9,135	\$0	-\$32		\$9,103
Liquidating - Russell MSCI ACWI Value Index	\$96,339	\$0	-\$437		\$95,902
Equity Transition	\$2,979	\$0	-\$1,002		\$1,977
Global Equity Composite	\$180,770,718	-\$194,164	\$10,114,547		\$190,691,101
Russell R1000	\$259,823,582	-\$259,379,502	-\$10,156		\$433,923
NT Russell 1000 Index Fund	\$0	\$259,371,040	\$13,308,775		\$272,679,815
Liquidating - Robeco/Boston Partners Large Cap Value	\$1,477	-\$1,262	\$622		\$836
Transition Account #1	\$43,866	-\$38,101	-\$2,004		\$3,761
Liquidating - RS Small Cap Value	\$27,729	\$0	\$392		\$28,121
U.S. Equity Composite	\$259,896,654	-\$47,825	\$13,297,628		\$273,146,457
Russell MSCI EAFE + CAD	\$236,778,856	-\$234,848,350	\$331,088		\$2,261,594
NT Russell MSCI World ex US IMI Index Fund	\$0	\$234,824,158	\$10,867,770		\$245,691,928
Liquidating - Brandes Int'l Equity	\$141,823	\$0	\$396		\$142,219
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$156,115	\$0	-\$19,231		\$136,885
Oberweis Int'l Opportunities	\$62,855,684	\$0	\$2,555,183		\$65,410,866
MSCI Emerging Markets ETF (ticker: EEM)	\$33,544,281	\$0	\$2,109,290		\$35,653,571
Vontobel Emerging Markets	\$60,682,333	-\$134,776	\$4,705,802		\$65,253,359
Aberdeen Frontier Markets	\$21,343,874	\$0	\$1,105,725		\$22,449,599
International Equity Composite	\$415,502,967	-\$158,968	\$21,656,022		\$437,000,020
Total Equity Composite	\$856,170,340	-\$400,957	\$45,068,196		\$900,837,579

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending June 30, 2014		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$6,037,102	\$1,451,037	-\$1,584,266	\$5,903,874
TCW/Crescent Mezzanine Partners V	\$9,435,002	-\$1,953,072	\$546,531	\$8,028,462
Crescent Mezzanine Partners VI	\$6,444,491	\$781,307	\$293,705	\$7,519,503
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$32,891,306	-\$1,693,881	\$4,101,965	\$35,299,390
Pantheon USA Fund VI	\$29,569,014	-\$1,480,011	\$894,971	\$28,983,974
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Buyout)	\$14,086,389	-\$854,413	\$639,489	\$13,871,465
Siguler Guff DOF III	\$22,032,840	-\$12,007	\$1,626,522	\$23,647,355
TPG Opportunity Partners II	\$12,286,547	\$0	\$583,273	\$12,869,820
TPG Opportunity Partners III	\$129,967	\$908,616	-\$165,253	\$873,330
Warburg Pincus Private Equity XI	\$6,371,608	\$2,770,000	\$0	\$9,141,608
Russell R3000	\$102,498,483	-\$102,321,972	-\$1,367	\$175,144
NT Russell 3000 Index Fund	\$0	\$102,314,717	\$5,012,082	\$107,326,799
Total Private Equity Composite	\$241,782,749	-\$89,678	\$11,947,652	\$253,640,723
Total Private Equity Composite ex-Interim Exposure	\$139,284,266	-\$82,423	\$6,936,936	\$146,138,780

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Fixed Income

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2014	
			Net Investment Change	Ending Market Value
Colchester Global Fixed Income	\$86,948,319	-\$102,822	\$2,878,672	\$89,724,169
Franklin Templeton Global Multi-Sector Plus	\$65,630,558	\$0	\$1,891,673	\$67,522,231
Global Fixed Income Composite	\$152,578,877	-\$102,822	\$4,770,345	\$157,246,400
Beach Point Total Return	\$78,879,383	\$0	\$1,635,758	\$80,515,141
Symphony L/S Credit Fund	\$76,512,825	\$0	\$1,018,844	\$77,531,669
Liquidating - BC High Yield Index ETF	\$316	\$0	\$0	\$316
Liquidating - Seix Bank Loans	\$4,469	\$0	\$0	\$4,469
Corporate Credit Composite	\$155,396,993	\$0	\$2,654,602	\$158,051,595
PIMCO DiSCO II	\$115,905,900	-\$50,102,319	\$1,629,400	\$67,432,981
Marathon European Credit Opportunity Fund	\$25,784,047	\$1,875,000	\$646,856	\$28,305,903
GSO Direct Lending Fund	\$37,493,234	-\$7,234,486	\$39	\$30,258,787
Medley Opportunity Fund II	\$45,347,799	\$0	\$1,232,196	\$46,579,995
White Oak Direct Lending Fund	\$47,209,116	-\$287,496	-\$1,888,007	\$45,033,613
Capula European Special Situations Fund	\$36,121,963	\$0	\$1,062,436	\$37,184,399
Opportunistic Credit Composite	\$307,862,059	-\$55,749,302	\$2,682,920	\$254,795,677
BlueBay Emerging Market Select Debt	\$101,980,374	-\$20,684	\$4,110,421	\$106,070,111
Iguazu Partners	\$50,907,952	\$0	\$2,229,576	\$53,137,528
Emerging Market Debt Composite	\$152,888,326	-\$20,684	\$6,339,997	\$159,207,639
Liquidating - Seix Core Fixed Income	\$78	\$0	\$0	\$78
Total Fixed Income Composite	\$768,726,332	-\$55,872,808	\$16,447,865	\$729,301,389

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Inflation-Linked Assets

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2014		Ending Market Value
			Net Investment Change		
American Realty Separate Account	\$22,505,238	-\$379,591	\$501,153		\$22,626,800
American Realty Core Fund	\$122,988,883	-\$1,817,438	\$3,414,120		\$124,585,565
BlackStone Real Estate Debt Strategies II	\$3,677,786	\$1,382,705	\$0		\$5,060,491
Brookfield Strategic Real Estate Partners	\$5,874,000	-\$1,212,638	\$0		\$4,661,362
Orion European Real Estate Fund IV	\$288,684	\$460,451	\$2,514		\$751,648
TA Realty Fund X	\$5,270,529	\$1,397,824	\$0		\$6,668,353
Tristan EPISO 3	\$351,954	\$842,745	\$11,316		\$1,206,015
Russell Real Estate	\$62,629,320	-\$1,862,730	\$2,122,049		\$62,888,639
Total Real Estate Composite	\$223,586,394	-\$1,188,673	\$6,051,152		\$228,448,874
Total Real Estate Composite ex-Interim Exposure	\$160,957,074	\$674,057	\$3,929,103		\$165,560,234
Credit Suisse Balanced Risk Commodity Index	\$219,012,764	-\$212,932	\$8,563,971		\$227,363,803
Total Commodities Composite	\$219,012,764	-\$212,932	\$8,563,971		\$227,363,803
Wellington Diversified Inflation Hedges	\$92,387,374	-\$415,951	\$5,967,152		\$97,938,575
Total Multi-Asset Inflation-Linked Assets	\$92,387,374	-\$415,951	\$5,967,152		\$97,938,575

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2014		Ending Market Value
			Net	Investment Change	
Amici	\$9,991,376	\$0		\$487,360	\$10,478,736
Arrowgrass	\$22,705,109	\$0		\$169,957	\$22,875,066
BlackRock	\$9,192,918	\$0		\$123,941	\$9,316,859
BlueTrend	\$8,108,586	\$0		\$832,351	\$8,940,937
Brevan Howard	\$20,242,381	\$0		\$96,723	\$20,339,104
Cantab	\$6,853,588	-\$6,853,588		\$0	--
Claren Road	\$10,164,354	\$0		-\$42,712	\$10,121,641
Davidson Kempner	\$22,204,361	\$0		\$669,984	\$22,874,345
DE Shaw	\$22,546,660	\$0		\$1,069,284	\$23,615,944
Horizon	\$10,777,368	\$0		\$207,294	\$10,984,662
Hudson Bay	\$21,049,098	\$0		\$142,738	\$21,191,836
Kepos	\$4,352,502	\$0		\$373,387	\$4,725,889
Marshall Wace	\$10,000,000	\$0		\$44,566	\$10,044,566
Pine River	\$22,538,428	\$0		-\$177,766	\$22,360,662
Sandler	\$10,633,523	\$0		-\$475,718	\$10,157,805
Senator	\$11,581,993	\$0		\$381,681	\$11,963,674
Russell Hedge Funds	\$79,022,154	\$6,853,588		\$924,431	\$86,800,173
Total Hedge Funds	\$301,964,399	\$0		\$4,827,502	\$306,791,900
Total Hedge Funds ex-Interim Exposure	\$222,942,245	-\$6,853,588		\$3,903,070	\$219,991,727
GMO Benchmark-Free Allocation Fund	\$127,185,279	\$0		\$4,532,236	\$131,717,515
PIMCO All Asset All Authority Fund	\$99,769,457	\$0		\$3,962,546	\$103,732,003
Standard Life GARS Fund	\$104,490,701	\$0		\$1,272,765	\$105,763,465
Total Global Asset Allocation	\$331,445,436	\$0		\$9,769,547	\$341,212,984

City of San Jose Police and Fire Department Retirement Plan

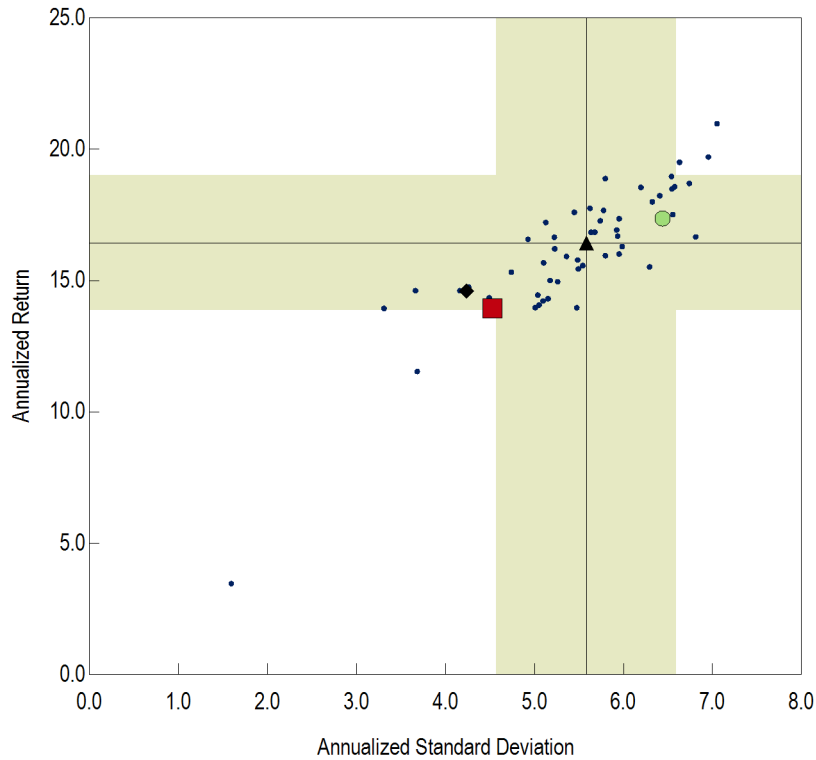
Asset Growth Summary Detail – Cash & Overlay

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2014 Net Investment Change	Ending Market Value
Cash	\$19,654,596	\$16,555,557	\$393	\$36,210,546
Russell Overlay	\$91,910,860	\$0	\$1,557,334	\$93,468,193
Total Cash and Overlay	\$111,565,456	\$16,555,557	\$1,557,727	\$129,678,739

City of San Jose Police and Fire Department Retirement Plan

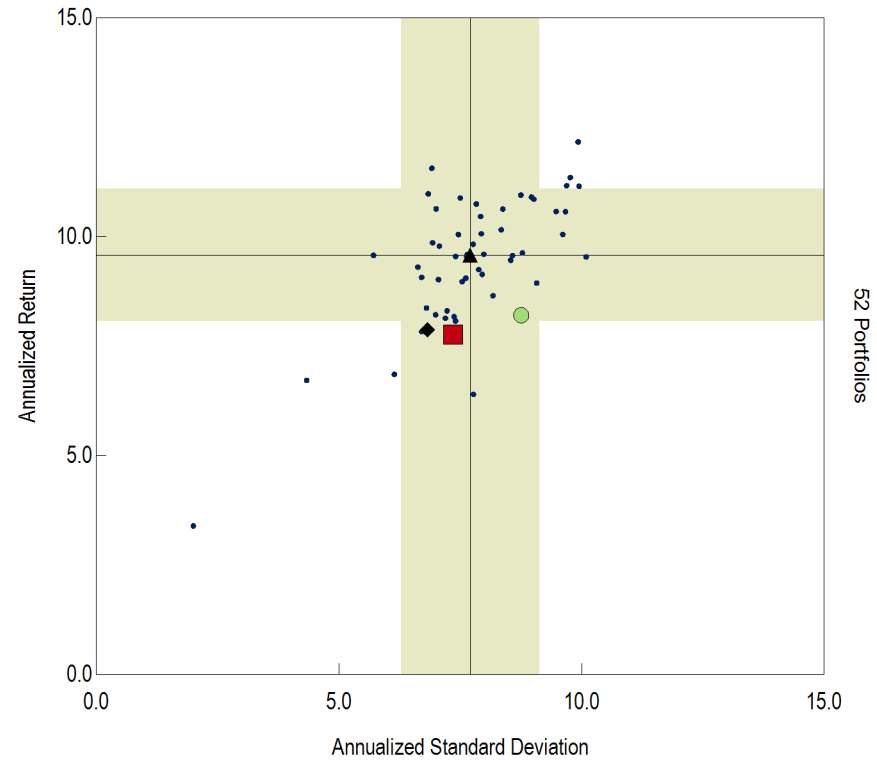
Total Fund Risk/Return

1 Year Ending June 30, 2014



- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

3 Years Ending June 30, 2014

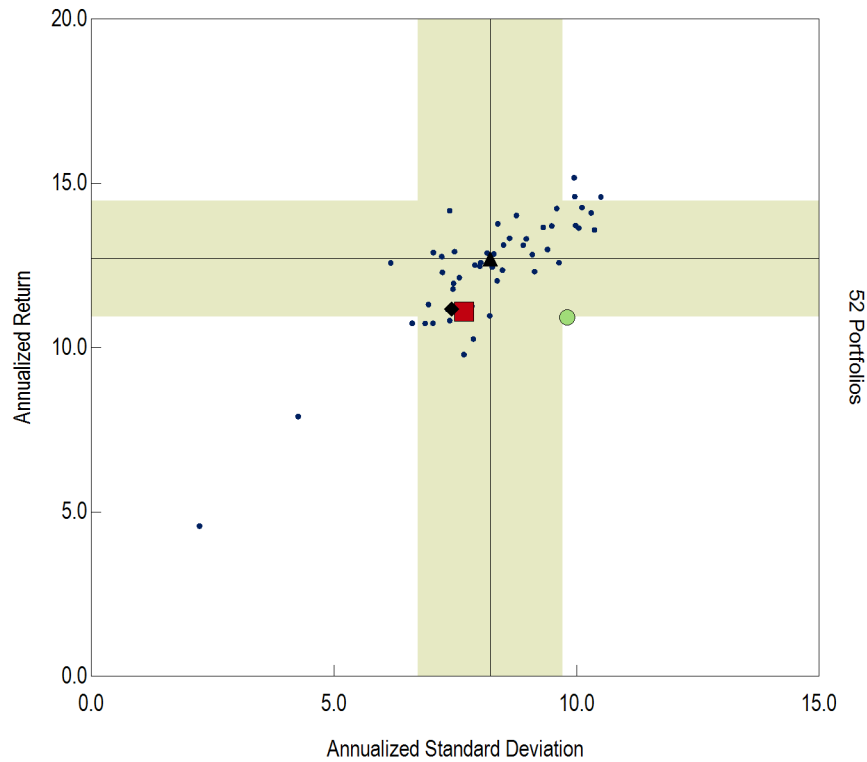


- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

City of San Jose Police and Fire Department Retirement Plan

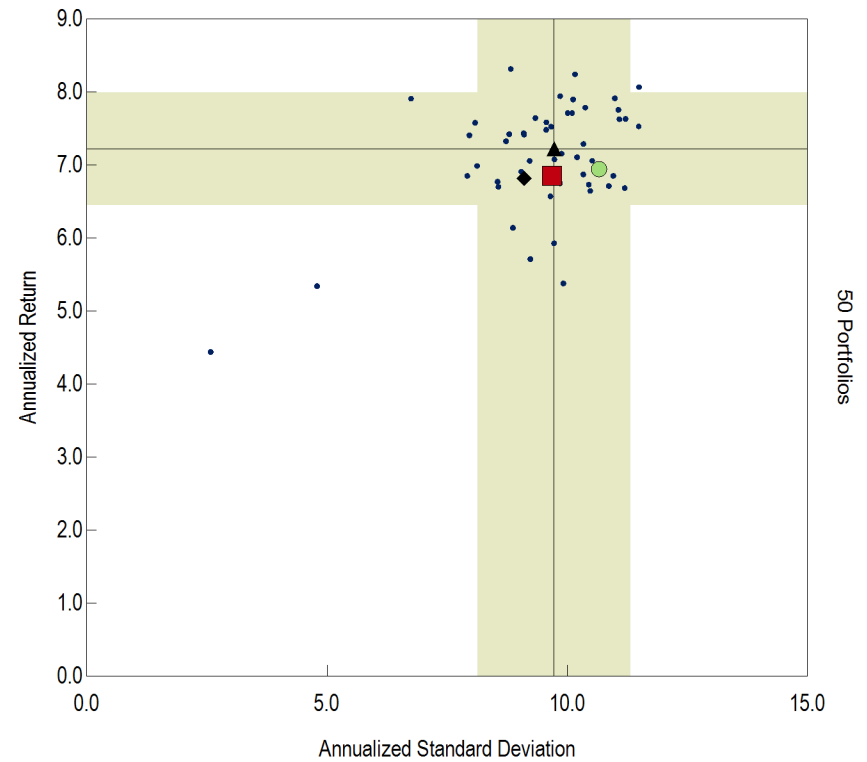
Total Fund Risk/Return

5 Years Ending June 30, 2014



- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

10 Years Ending June 30, 2014



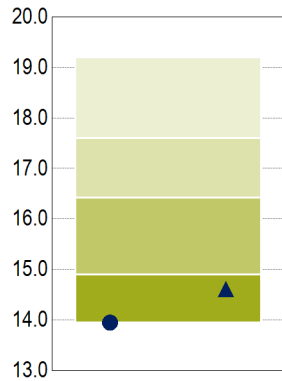
- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics vs. Peer Universe

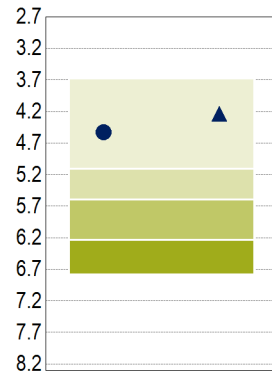
**Total Fund vs. IFx Public DB > \$1B Gross (USD)
1 Year**

Anlzd Return



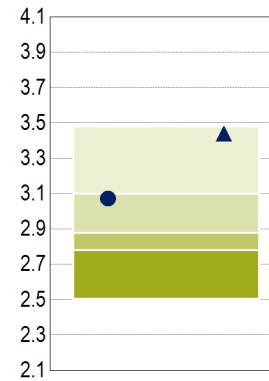
● Total Fund	
Value	13.9
%tile	96
▲ Policy Benchmark	
Value	14.6
%tile	81
Universe	
5th %tile	19.2
25th %tile	17.6
Median	16.4
75th %tile	14.9
95th %tile	14.0

Anlzd Standard Deviation



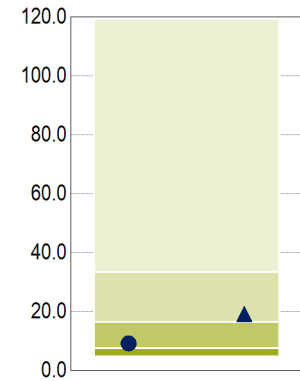
● Total Fund	
Value	4.5
%tile	13
▲ Policy Benchmark	
Value	4.2
%tile	10
Universe	
5th %tile	3.7
25th %tile	5.1
Median	5.6
75th %tile	6.2
95th %tile	6.8

Sharpe Ratio



● Total Fund	
Value	3.1
%tile	28
▲ Policy Benchmark	
Value	3.4
%tile	7
Universe	
5th %tile	3.5
25th %tile	3.1
Median	2.9
75th %tile	2.8
95th %tile	2.5

Sortino Ratio



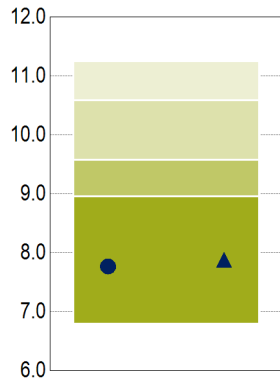
● Total Fund	
Value	9.1
%tile	69
▲ Policy Benchmark	
Value	19.1
%tile	40
Universe	
5th %tile	119.4
25th %tile	33.6
Median	16.7
75th %tile	7.6
95th %tile	4.9

City of San Jose Police and Fire Department Retirement Plan

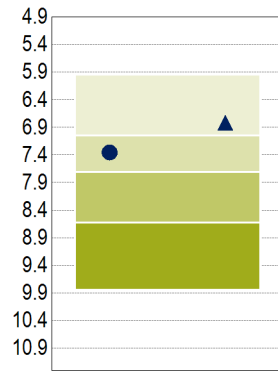
Total Fund Risk Statistics vs. Peer Universe

**Total Fund vs. IFx Public DB > \$1B Gross (USD)
3 Years**

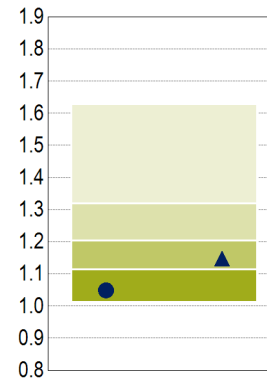
Anlzd Return



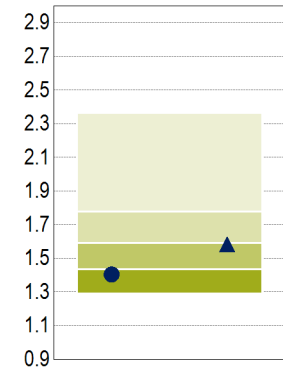
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	7.8
%tile	93
▲ Policy Benchmark	
Value	7.9
%tile	92
Universe	
5th %tile	11.3
25th %tile	10.6
Median	9.6
75th %tile	9.0
95th %tile	6.8

● Total Fund	
Value	7.4
%tile	34
▲ Policy Benchmark	
Value	6.8
%tile	15
Universe	
5th %tile	5.9
25th %tile	7.0
Median	7.7
75th %tile	8.6
95th %tile	9.8

● Total Fund	
Value	1.0
%tile	93
▲ Policy Benchmark	
Value	1.1
%tile	67
Universe	
5th %tile	1.6
25th %tile	1.3
Median	1.2
75th %tile	1.1
95th %tile	1.0

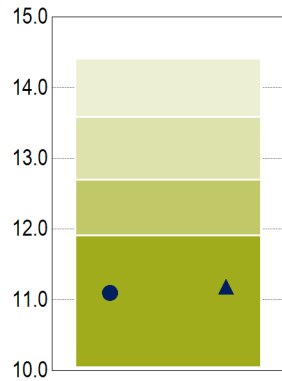
● Total Fund	
Value	1.4
%tile	80
▲ Policy Benchmark	
Value	1.6
%tile	54
Universe	
5th %tile	2.4
25th %tile	1.8
Median	1.6
75th %tile	1.4
95th %tile	1.3

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics vs. Peer Universe

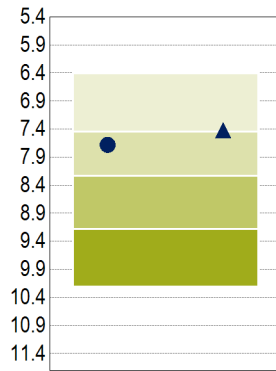
**Total Fund vs. IFx Public DB > \$1B Gross (USD)
5 Years**

Anlzd Return



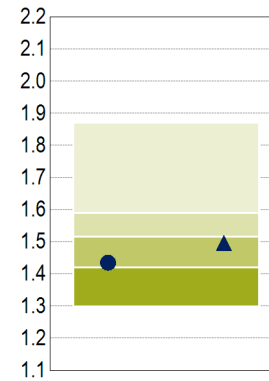
● Total Fund	
Value	11.1
%tile	84
▲ Policy Benchmark	
Value	11.2
%tile	83
Universe	
5th %tile	14.4
25th %tile	13.6
Median	12.7
75th %tile	11.9
95th %tile	10.1

Anlzd Standard Deviation



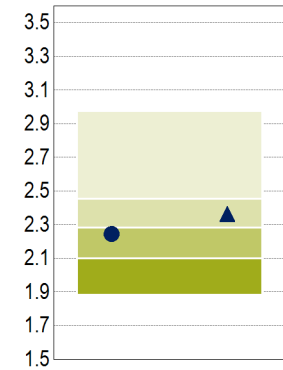
● Total Fund	
Value	7.7
%tile	34
▲ Policy Benchmark	
Value	7.4
%tile	25
Universe	
5th %tile	6.4
25th %tile	7.4
Median	8.2
75th %tile	9.2
95th %tile	10.2

Sharpe Ratio



● Total Fund	
Value	1.4
%tile	72
▲ Policy Benchmark	
Value	1.5
%tile	56
Universe	
5th %tile	1.9
25th %tile	1.6
Median	1.5
75th %tile	1.4
95th %tile	1.3

Sortino Ratio



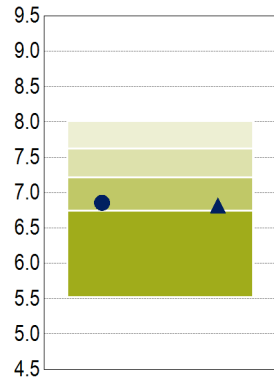
● Total Fund	
Value	2.2
%tile	59
▲ Policy Benchmark	
Value	2.4
%tile	36
Universe	
5th %tile	3.0
25th %tile	2.5
Median	2.3
75th %tile	2.1
95th %tile	1.9

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics vs. Peer Universe

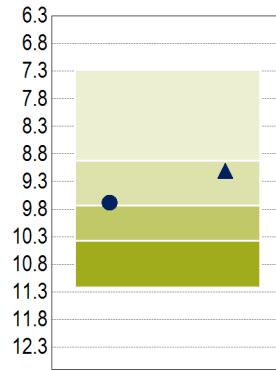
**Total Fund vs. IFx Public DB > \$1B Gross (USD)
10 Years**

Anlzd Return



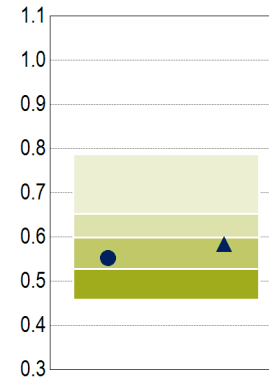
● Total Fund	
Value	6.9
%tile	68
▲ Policy Benchmark	
Value	6.8
%tile	72
Universe	
5th %tile	8.0
25th %tile	7.6
Median	7.2
75th %tile	6.8
95th %tile	5.5

Anlzd Standard Deviation



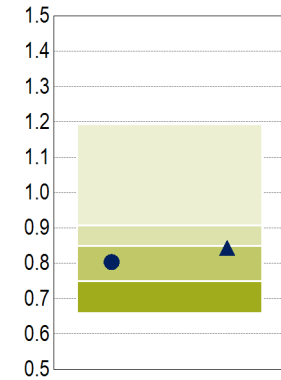
● Total Fund	
Value	9.7
%tile	48
▲ Policy Benchmark	
Value	9.1
%tile	32
Universe	
5th %tile	7.3
25th %tile	8.9
Median	9.7
75th %tile	10.4
95th %tile	11.2

Sharpe Ratio



● Total Fund	
Value	0.6
%tile	68
▲ Policy Benchmark	
Value	0.6
%tile	54
Universe	
5th %tile	0.8
25th %tile	0.7
Median	0.6
75th %tile	0.5
95th %tile	0.5

Sortino Ratio

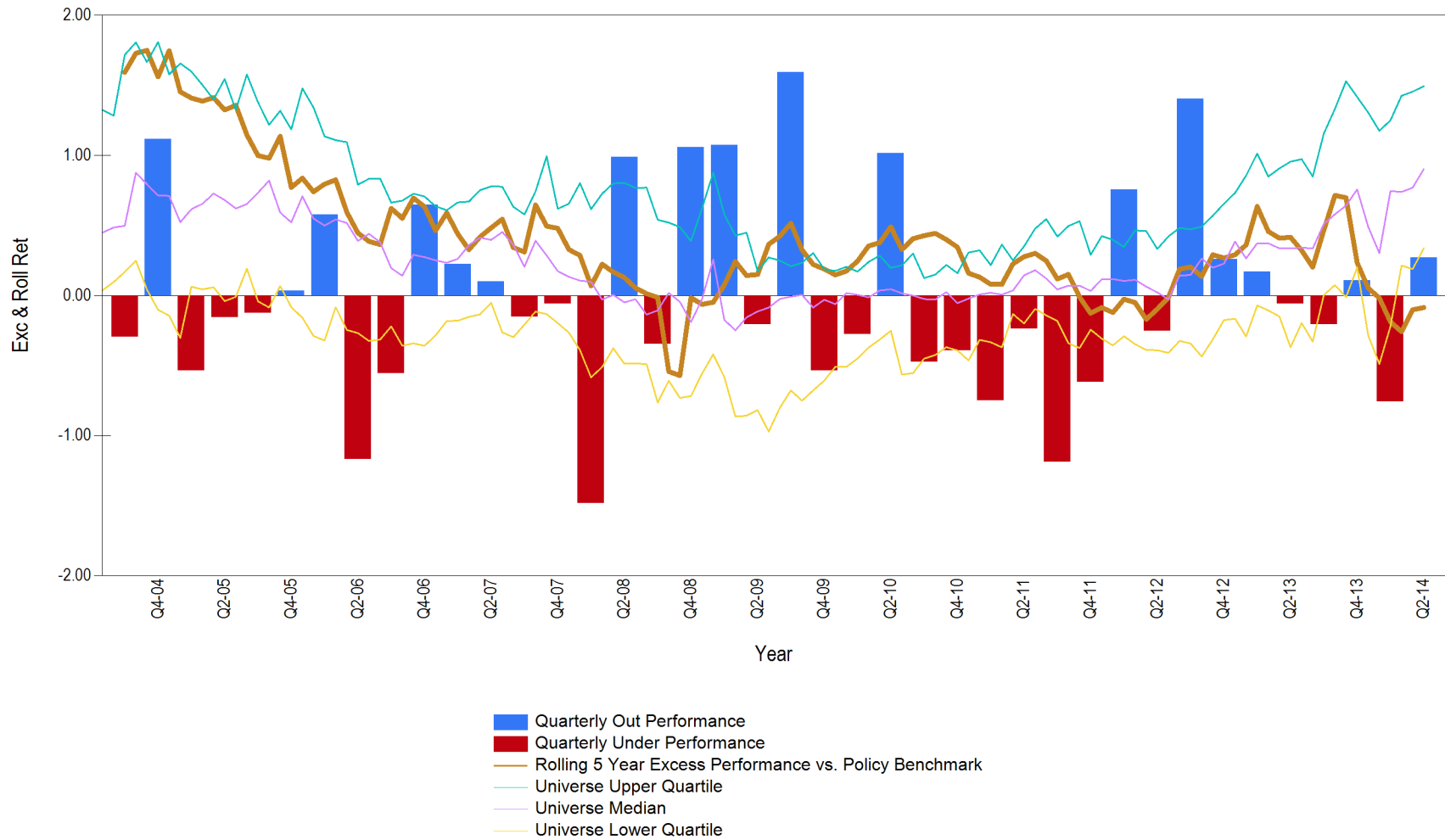


● Total Fund	
Value	0.8
%tile	66
▲ Policy Benchmark	
Value	0.8
%tile	52
Universe	
5th %tile	1.2
25th %tile	0.9
Median	0.9
75th %tile	0.8
95th %tile	0.7

City of San Jose Police and Fire Department Retirement Plan

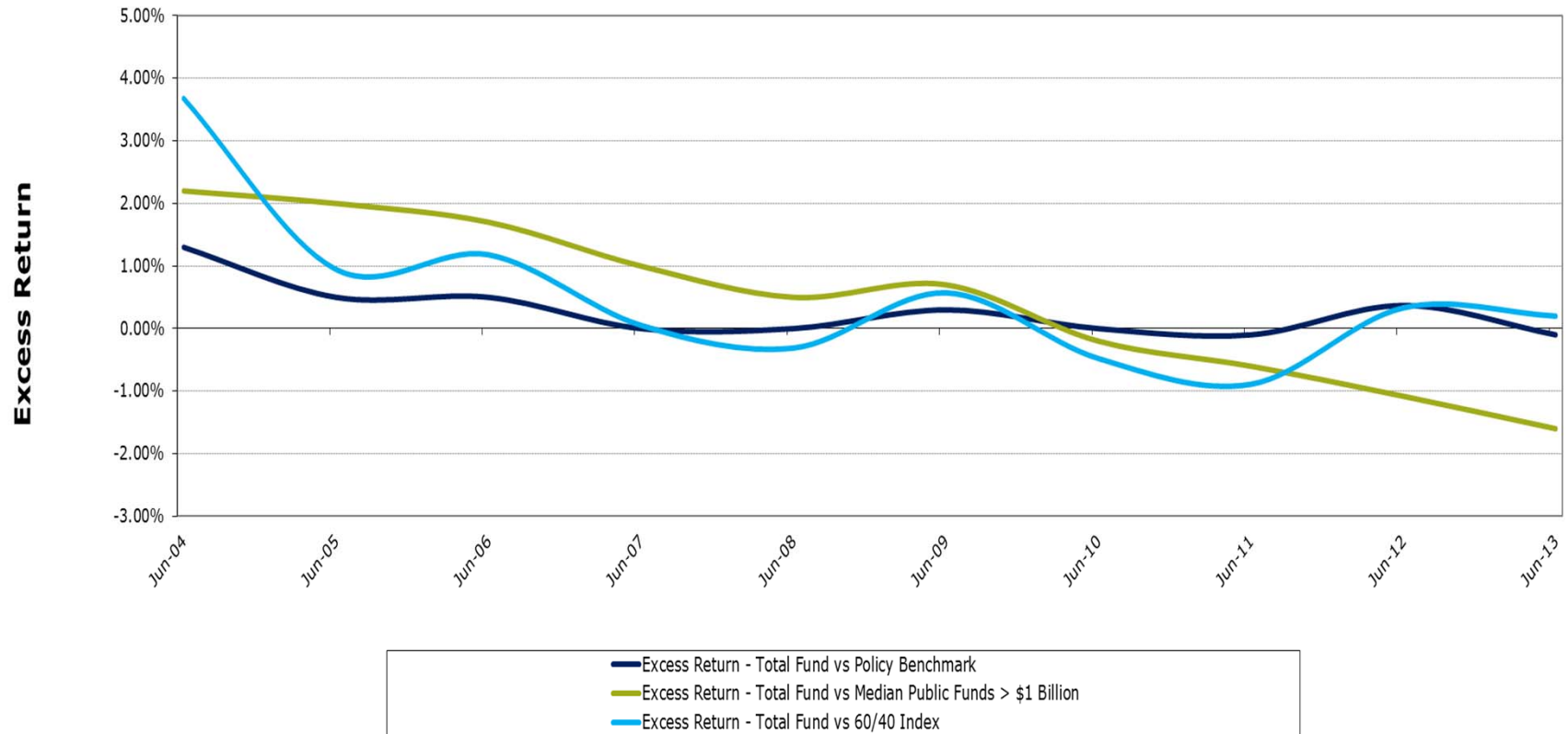
Total Fund Rolling 5-Year Excess Returns

Annualized Excess Performance



City of San Jose Police and Fire Department Retirement Plan

Total Fund Rolling 5-Year Excess Returns

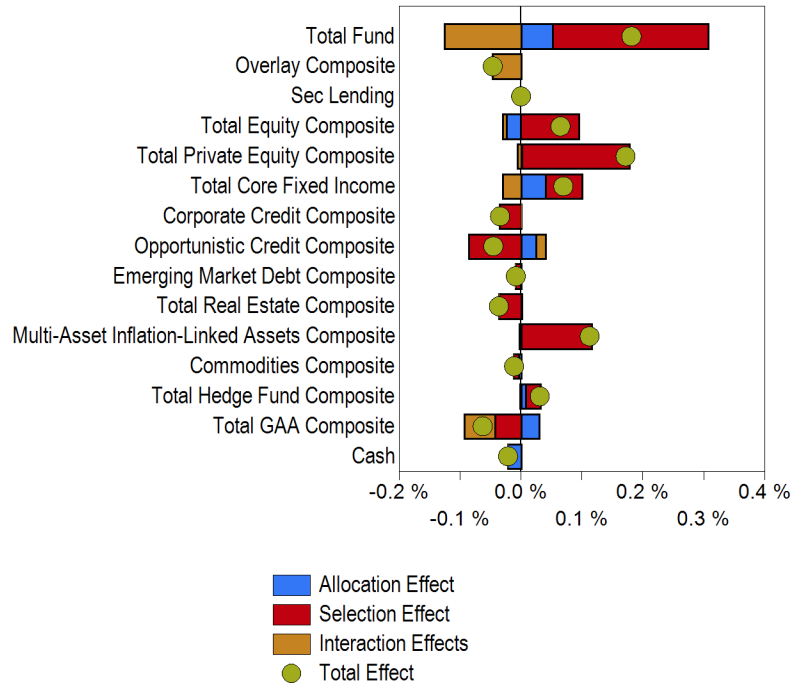


City of San Jose Police and Fire Department Retirement Plan

Total Fund

**Attribution Summary
3 Months Ending June 30, 2014**

**Attribution Effects
3 Months Ending June 30, 2014**

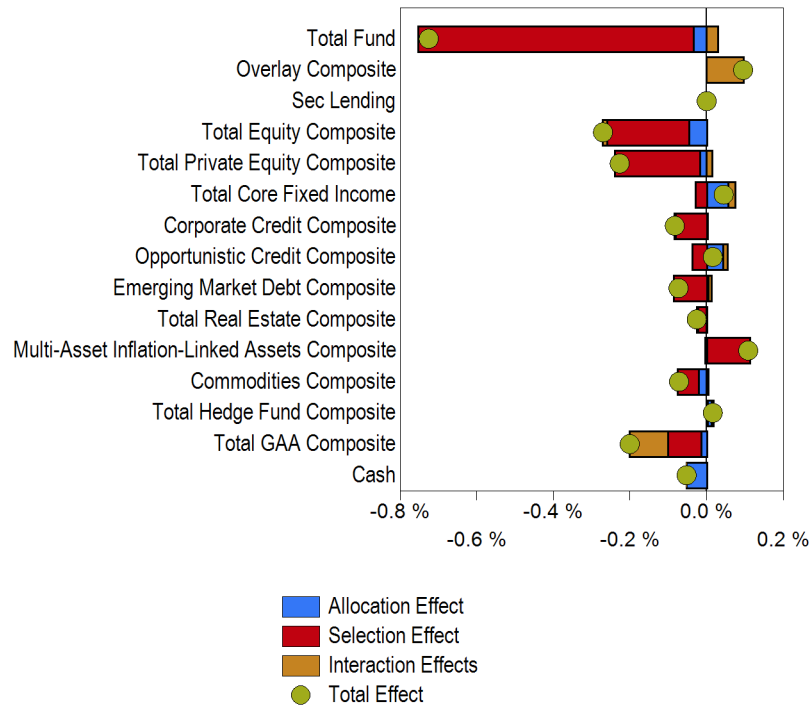


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	1.6%	3.3%	-1.7%	0.0%	0.0%	0.0%	0.0%
Sec Lending	0.0%	3.3%	-3.3%	0.0%	0.0%	0.0%	0.0%
Total Equity Composite	5.2%	4.8%	0.3%	0.1%	0.0%	0.0%	0.1%
Total Private Equity Composite	4.9%	2.7%	2.2%	0.2%	0.0%	0.0%	0.2%
Total Core Fixed Income	3.1%	2.5%	0.6%	0.1%	0.0%	0.0%	0.1%
Corporate Credit Composite	1.7%	2.4%	-0.7%	0.0%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	1.1%	2.0%	-0.8%	-0.1%	0.0%	0.0%	0.0%
Emerging Market Debt Composite	4.0%	4.2%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total Real Estate Composite	2.6%	3.1%	-0.5%	0.0%	0.0%	0.0%	0.0%
Multi-Asset Inflation-Linked Assets Composite	5.9%	2.1%	3.8%	0.1%	0.0%	0.0%	0.1%
Commodities Composite	3.8%	3.9%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total Hedge Fund Composite	1.6%	1.4%	0.2%	0.0%	0.0%	0.0%	0.0%
Total GAA Composite	2.9%	3.8%	-0.9%	0.0%	0.0%	0.0%	-0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.5%	3.3%	0.2%	0.3%	0.1%	-0.1%	0.2%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
6 Months Ending June 30, 2014



Attribution Summary

6 Months Ending June 30, 2014

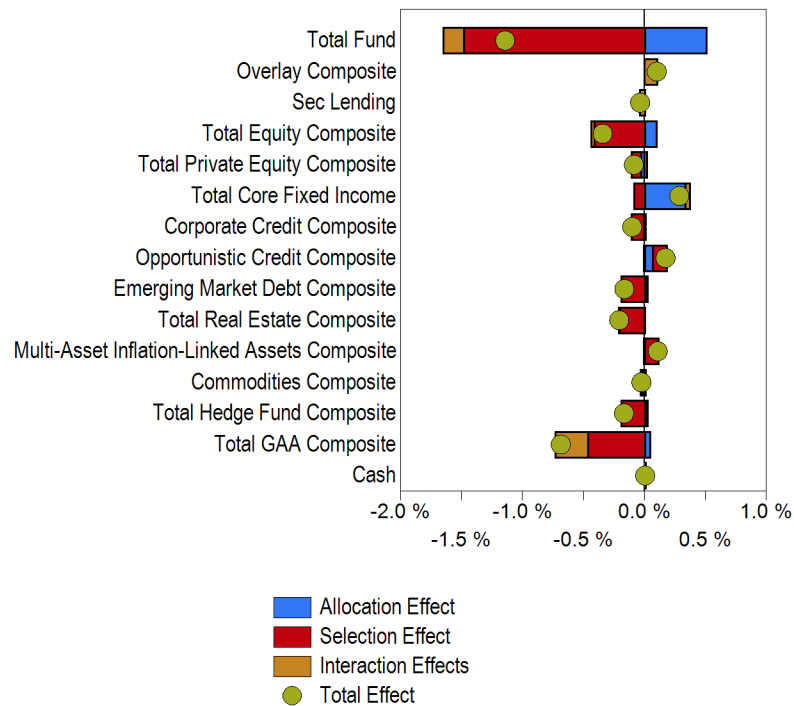
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	18.9%	6.1%	12.8%	0.0%	0.0%	0.1%	0.1%
Sec Lending	0.0%	6.1%	-6.1%	0.0%	0.0%	0.0%	0.0%
Total Equity Composite	5.5%	6.2%	-0.7%	-0.2%	0.0%	0.0%	-0.3%
Total Private Equity Composite	8.2%	10.9%	-2.7%	-0.2%	0.0%	0.0%	-0.2%
Total Core Fixed Income	4.7%	4.9%	-0.3%	0.0%	0.1%	0.0%	0.0%
Corporate Credit Composite	3.8%	5.5%	-1.6%	-0.1%	0.0%	0.0%	-0.1%
Opportunistic Credit Composite	3.8%	4.2%	-0.4%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt Composite	5.1%	6.8%	-1.7%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate Composite	5.5%	5.8%	-0.3%	0.0%	0.0%	0.0%	0.0%
Multi-Asset Inflation-Linked Assets Composite	8.4%	4.8%	3.6%	0.1%	0.0%	0.0%	0.1%
Commodities Composite	10.7%	11.5%	-0.8%	-0.1%	0.0%	0.0%	-0.1%
Total Hedge Fund Composite	2.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Total GAA Composite	4.1%	5.8%	-1.7%	-0.1%	0.0%	-0.1%	-0.2%
Cash	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Total	5.3%	6.1%	-0.7%	-0.7%	0.0%	0.0%	-0.7%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

**Attribution Summary
1 Year Ending June 30, 2014**

**Attribution Effects
1 Year Ending June 30, 2014**

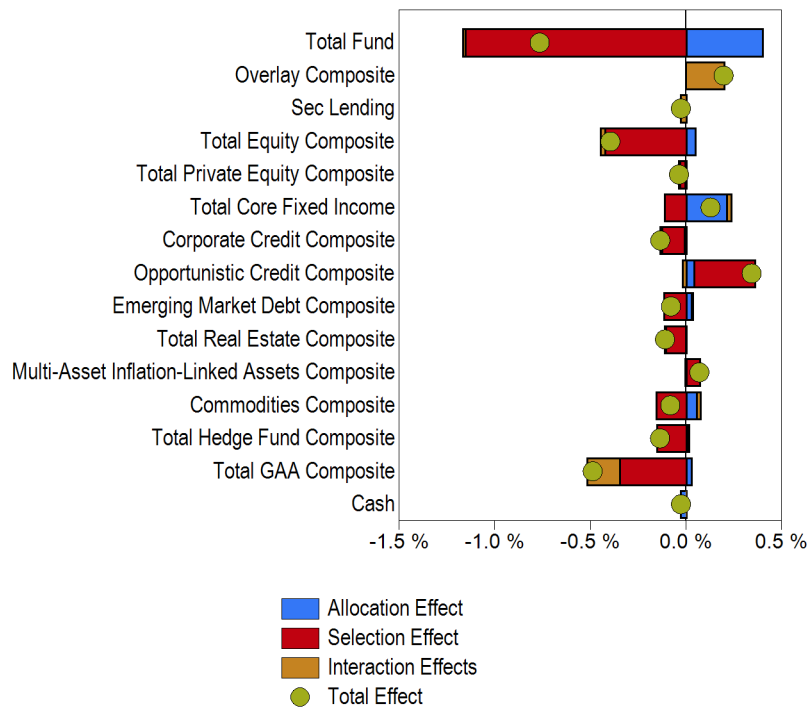


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	17.2%	12.7%	4.5%	0.0%	0.0%	0.1%	0.1%
Sec Lending	140.9%	14.6%	126.3%	0.0%	0.0%	0.0%	0.0%
Total Equity Composite	21.8%	23.3%	-1.6%	-0.4%	0.1%	0.0%	-0.3%
Total Private Equity Composite	19.7%	20.5%	-0.8%	-0.1%	0.0%	0.0%	-0.1%
Total Core Fixed Income	5.1%	5.9%	-0.8%	-0.1%	0.3%	0.0%	0.3%
Corporate Credit Composite	9.9%	11.7%	-1.8%	-0.1%	0.0%	0.0%	-0.1%
Opportunistic Credit Composite	9.8%	8.7%	1.1%	0.1%	0.1%	0.0%	0.2%
Emerging Market Debt Composite	3.8%	7.3%	-3.5%	-0.2%	0.0%	0.0%	-0.2%
Total Real Estate Composite	12.4%	15.2%	-2.8%	-0.2%	0.0%	0.0%	-0.2%
Multi-Asset Inflation-Linked Assets Composite	--	--	--	0.1%	0.0%	0.0%	0.1%
Commodities Composite	14.0%	14.3%	-0.3%	0.0%	0.0%	0.0%	0.0%
Total Hedge Fund Composite	4.9%	6.6%	-1.7%	-0.2%	0.0%	0.0%	-0.2%
Total GAA Composite	8.0%	17.0%	-9.0%	-0.5%	0.0%	-0.3%	-0.7%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	13.5%	14.6%	-1.1%	-1.5%	0.5%	-0.2%	-1.1%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

**Attribution Effects
Beginning 1/1/2013**



**Attribution Summary
Beginning 1/1/2013**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	--	8.3%	--	0.0%	0.0%	0.2%	0.2%
Sec Lending	86.9%	10.6%	76.3%	0.0%	0.0%	0.0%	0.0%
Total Equity Composite	18.3%	19.9%	-1.6%	-0.4%	0.0%	0.0%	-0.4%
Total Private Equity Composite	20.1%	20.3%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Core Fixed Income	1.9%	3.0%	-1.0%	-0.1%	0.2%	0.0%	0.1%
Corporate Credit Composite	6.4%	8.7%	-2.3%	-0.1%	0.0%	0.0%	-0.1%
Opportunistic Credit Composite	10.1%	7.0%	3.1%	0.3%	0.0%	0.0%	0.3%
Emerging Market Debt Composite	-3.9%	-1.9%	-2.0%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate Composite	11.4%	12.9%	-1.5%	-0.1%	0.0%	0.0%	-0.1%
Multi-Asset Inflation-Linked Assets Composite	--	--	--	0.1%	0.0%	0.0%	0.1%
Commodities Composite	-0.7%	0.9%	-1.6%	-0.2%	0.1%	0.0%	-0.1%
Total Hedge Fund Composite	3.6%	5.0%	-1.4%	-0.1%	0.0%	0.0%	-0.1%
Total GAA Composite	6.2%	13.0%	-6.8%	-0.3%	0.0%	-0.2%	-0.5%
Cash	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	9.9%	10.6%	-0.8%	-1.2%	0.4%	0.0%	-0.8%

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Equity Composite¹	900,837,579	28.0	5.3	35	5.7	63	22.2	65	10.6	69	15.0	69	--	--	--	--	6.1	Apr-08
<i>San Jose Custom Total Equity Benchmark²</i>			<u>4.8</u>	45	<u>6.2</u>	52	<u>23.3</u>	57	<u>10.9</u>	66	<u>15.4</u>	62	--	--	--	--	<u>6.1</u>	<i>Apr-08</i>
Over/Under			0.5		-0.5		-1.1		-0.3		-0.4						0.0	
<i>eA All Global Equity Gross Median</i>			4.7		6.3		24.1		12.0		16.2		4.7		9.3		6.7	<i>Apr-08</i>
Global Equity Composite³	190,691,101	5.9	5.6	28	6.7	45	25.1	42	--	--	--	--	--	--	--	--	22.7	Mar-13
<i>MSCI ACWI IMI (Net)</i>			<u>4.8</u>	45	<u>6.2</u>	52	<u>23.3</u>	57	<u>10.4</u>	72	<u>14.8</u>	71	<u>3.6</u>	73	<u>7.8</u>	81	<u>18.4</u>	<i>Mar-13</i>
Over/Under			0.8		0.5		1.8										4.3	
<i>eA All Global Equity Gross Median</i>			4.7		6.3		24.1		12.0		16.2		4.7		9.3		19.7	<i>Mar-13</i>
Artisan Global Opportunities	95,538,199	3.0	6.6	17	7.0	40	25.6	36	--	--	--	--	--	--	--	--	19.0	May-13
<i>MSCI ACWI IMI (Net)</i>			<u>4.8</u>	45	<u>6.2</u>	52	<u>23.3</u>	57	<u>10.4</u>	72	<u>14.8</u>	71	<u>3.6</u>	73	<u>7.8</u>	81	<u>16.6</u>	<i>May-13</i>
Over/Under			1.8		0.8		2.3										2.4	
<i>eA All Global Equity Gross Median</i>			4.7		6.3		24.1		12.0		16.2		4.7		9.3		18.0	<i>May-13</i>
Artisan Global Value	95,045,920	3.0	4.6	54	6.4	50	24.7	44	--	--	--	--	--	--	--	--	23.9	Mar-13
<i>MSCI ACWI IMI (Net)</i>			<u>4.8</u>	45	<u>6.2</u>	52	<u>23.3</u>	57	<u>10.4</u>	72	<u>14.8</u>	71	<u>3.6</u>	73	<u>7.8</u>	81	<u>18.4</u>	<i>Mar-13</i>
Over/Under			-0.2		0.2		1.4										5.5	
<i>eA All Global Equity Gross Median</i>			4.7		6.3		24.1		12.0		16.2		4.7		9.3		19.7	<i>Mar-13</i>
U.S. Equity Composite⁴	273,146,457	8.5	5.1	29	6.9	40	25.9	47	17.4	28	19.9	53	6.7	68	8.4	77	9.8	Jun-95
<i>Russell 3000</i>			<u>4.9</u>	36	<u>6.9</u>	39	<u>25.2</u>	53	<u>16.5</u>	44	<u>19.3</u>	62	<u>6.5</u>	73	<u>8.2</u>	81	<u>9.3</u>	<i>Jun-95</i>
Over/Under			0.2		0.0		0.7		0.9		0.6		0.2		0.2		0.5	
<i>eA All US Equity Gross Median</i>			4.2		6.2		25.5		16.0		20.0		7.5		9.6		11.1	<i>Jun-95</i>
NT Russell 1000 Index Fund	272,679,815	8.5	5.1	36	--	--	--	--	--	--	--	--	--	--	--	--	5.1	Apr-14
<i>Russell 1000</i>			<u>5.1</u>	37	<u>7.3</u>	42	<u>25.4</u>	54	<u>16.6</u>	43	<u>19.3</u>	39	<u>6.5</u>	65	<u>8.2</u>	70	<u>5.1</u>	<i>Apr-14</i>
Over/Under			0.0														0.0	
<i>eA US Large Cap Equity Gross Median</i>			4.7		6.8		25.6		16.2		18.7		7.0		8.8		4.7	<i>Apr-14</i>

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
International Equity Composite¹	437,000,020	13.6	5.2	24	4.5	55	18.8	83	5.0	92	10.9	90	1.3	87	8.2	76	9.8	Jun-95
MSCI AC WORLD ex US (NET)			<u>5.0</u>	28	<u>5.6</u>	41	<u>21.8</u>	57	<u>5.7</u>	87	<u>11.1</u>	89	<u>1.3</u>	87	<u>7.7</u>	80	--	Jun-95
Over/Under			0.2		-1.1		-3.0		-0.7		-0.2		0.0		0.5			
eA All ACWI ex-US Equity Gross Median			4.1		4.8		22.6		8.3		13.7		2.9		9.5		9.5	Jun-95
Developed International Equity Composite¹	313,643,492	9.8	4.6	31	3.6	74	21.9	72	9.4	52	13.3	58	2.1	58	8.1	64	9.1	Jun-95
MSCI EAFE (Net)			<u>4.1</u>	45	<u>4.8</u>	54	<u>23.6</u>	60	<u>8.1</u>	76	<u>11.8</u>	87	<u>1.0</u>	85	<u>6.9</u>	91	5.6	Jun-95
Over/Under			0.5		-1.2		-1.7		1.3		1.5		1.1		1.2		3.5	
eA All EAFE Equity Gross Median			3.8		5.0		24.4		9.5		13.7		2.5		8.5		8.2	Jun-95
NT Russell MSCI World ex US IMI Index Fund	245,691,928	7.6	4.6	29	--	--	--	--	--	--	--	--	--	--	--	--	4.6	Apr-14
MSCI World ex US IMI			<u>4.4</u>	34	<u>5.6</u>	41	<u>24.5</u>	47	<u>7.7</u>	81	<u>12.1</u>	80	<u>1.4</u>	77	<u>7.4</u>	80	4.4	Apr-14
Over/Under			0.2														0.2	
eA All EAFE Equity Gross Median			3.8		5.0		24.4		9.5		13.7		2.5		8.5		3.8	Apr-14
Oberweis	65,410,866	2.0	4.1	1	--	--	--	--	--	--	--	--	--	--	--	--	0.3	Mar-14
MSCI World ex US Small Cap Growth (Net)			<u>3.1</u>	20	<u>6.1</u>	33	<u>28.2</u>	45	<u>7.7</u>	80	<u>15.3</u>	80	<u>2.2</u>	84	<u>8.5</u>	92	2.2	Mar-14
Over/Under			1.0														-1.9	
eA EAFE Small Cap Growth Gross Median			1.6		4.9		27.8		13.4		18.4		4.6		12.0		0.4	Mar-14
Emerging Markets Equity Composite	123,356,528	3.8	6.9	58	7.0	43	12.3	80	-2.9	97	7.1	95	1.0	86	10.5	97	12.8	Sep-01
MSCI Emerging Markets			<u>6.6</u>	67	<u>6.1</u>	61	<u>14.3</u>	64	<u>-0.4</u>	81	<u>9.2</u>	78	<u>2.3</u>	71	<u>11.9</u>	79	13.0	Sep-01
Over/Under			0.3		0.9		-2.0		-2.5		-2.1		-1.3		-1.4		-0.2	
eA Emg Mkts Equity Gross Median			7.2		6.7		15.5		2.2		11.6		3.5		13.7		14.8	Sep-01
Russell Emerging Markets	35,653,571	1.1	6.3	74	4.5	87	14.0	66	--	--	--	--	--	--	--	--	2.8	Nov-11
MSCI Emerging Markets			<u>6.6</u>	67	<u>6.1</u>	61	<u>14.3</u>	64	<u>-0.4</u>	81	<u>9.2</u>	78	<u>2.3</u>	71	<u>11.9</u>	79	4.6	Nov-11
Over/Under			-0.3		-1.6		-0.3										-1.8	
eA Emg Mkts Equity Gross Median			7.2		6.7		15.5		2.2		11.6		3.5		13.7		7.6	Nov-11
Vontobel	65,253,359	2.0	7.8	35	10.2	13	9.7	91	--	--	--	--	--	--	--	--	9.7	Jul-13
MSCI Emerging Markets			<u>6.6</u>	67	<u>6.1</u>	61	<u>14.3</u>	64	<u>-0.4</u>	81	<u>9.2</u>	78	<u>2.3</u>	71	<u>11.9</u>	79	14.3	Jul-13
Over/Under			1.2		4.1		-4.6										-4.6	
eA Emg Mkts Equity Gross Median			7.2		6.7		15.5		2.2		11.6		3.5		13.7		15.5	Jul-13
Aberdeen	22,449,599	0.7	5.2	92	5.2	77	16.9	38	--	--	--	--	--	--	--	--	16.9	Jul-13
MSCI Frontier Markets			<u>11.9</u>	3	<u>20.2</u>	1	<u>36.2</u>	1	<u>12.4</u>	1	<u>10.7</u>	61	<u>-0.7</u>	99	<u>8.5</u>	99	36.2	Jul-13
Over/Under			-6.7		-15.0		-19.3										-19.3	
eA Emg Mkts Equity Gross Median			7.2		6.7		15.5		2.2		11.6		3.5		13.7		15.5	Jul-13

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity Composite¹	253,640,723	7.9	4.9	--	8.2	--	20.0	--	12.1	--	14.5	--	10.7	--	--	--	10.2	Oct-05
Cambridge PE 1 Qtr Lag			<u>3.1</u>	--	<u>9.9</u>	--	<u>18.9</u>	--	<u>14.4</u>	--	<u>17.4</u>	--	<u>9.4</u>	--	<u>14.9</u>	--	<u>13.3</u>	Oct-05
Over/Under			1.8		-1.7		1.1		-2.3		-2.9		1.3				-3.1	
Thomson One All Private Equity Lag - CA			3.1	--	10.3	--	18.9	--	13.6	--	11.1	--	7.8	--	13.9	--	11.9	Oct-05
Russell 3000 Qtr Lag			2.0	--	12.3	--	22.6	--	14.6	--	21.9	--	6.6	--	7.9	--	7.9	Oct-05
Total Private Equity ex Russell R3000	146,138,780	4.5	5.0	--	9.1	--	15.6	--	9.9	--	13.1	--	9.8	--	--	--	9.5	Oct-05
Cambridge PE 1 Qtr Lag			<u>3.1</u>	--	<u>9.9</u>	--	<u>18.9</u>	--	<u>14.4</u>	--	<u>17.4</u>	--	<u>9.4</u>	--	<u>14.9</u>	--	<u>13.3</u>	Oct-05
Over/Under			1.9		-0.8		-3.3		-4.5		-4.3		0.4				-3.8	
Thomson One All Private Equity Lag - CA			3.1	--	10.3	--	18.9	--	13.6	--	11.1	--	7.8	--	13.9	--	11.9	Oct-05

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fixed Income Composite¹	729,301,389	22.7	2.4	32	4.8	33	8.6	23	8.5	18	9.6	22	--	--	--	--	8.3	Apr-08
Fixed Income Blended Benchmark			<u>2.6</u>	26	<u>5.1</u>	30	<u>8.0</u>	26	<u>6.8</u>	25	<u>8.2</u>	30	<u>7.5</u>	21	<u>6.5</u>	23	<u>7.0</u>	Apr-08
Over/Under			-0.2		-0.3		0.6		1.7		1.4						1.3	
Barclays Aggregate			2.0	49	3.9	51	4.4	61	3.7	63	4.9	65	5.3	60	4.9	61	4.7	Apr-08
eA All US Fixed Inc Gross Median			2.0		3.9		4.9		4.4		5.7		5.7		5.3		5.3	Apr-08
Global Fixed Income Composite	157,246,400	4.9	3.1	22	4.8	63	--	--	--	--	--	--	--	--	--	--	4.8	Dec-13
Barclays Global Aggregate			<u>2.5</u>	51	<u>4.9</u>	56	<u>7.4</u>	57	<u>2.6</u>	73	<u>4.6</u>	95	<u>5.5</u>	82	<u>5.1</u>	90	<u>4.9</u>	Dec-13
Over/Under			0.6		-0.1												-0.1	
eA Global Agg Fixed Inc Gross Median			2.5		5.1		7.7		3.9		6.0		6.3		5.9		5.1	Dec-13
Colchester	89,724,169	2.8	3.3	19	5.8	31	--	--	--	--	--	--	--	--	--	--	5.8	Jan-14
Barclays Global Aggregate			<u>2.5</u>	51	<u>4.9</u>	56	<u>7.4</u>	57	<u>2.6</u>	73	<u>4.6</u>	95	<u>5.5</u>	82	<u>5.1</u>	90	<u>4.9</u>	Jan-14
Over/Under			0.8		0.9												0.9	
eA Global Agg Fixed Inc Gross Median			2.5		5.1		7.7		3.9		6.0		6.3		5.9		5.1	Jan-14
Franklin Templeton	67,522,231	2.1	2.9	27	3.5	90	--	--	--	--	--	--	--	--	--	--	3.5	Jan-14
Barclays Global Aggregate			<u>2.5</u>	51	<u>4.9</u>	56	<u>7.4</u>	57	<u>2.6</u>	73	<u>4.6</u>	95	<u>5.5</u>	82	<u>5.1</u>	90	<u>4.9</u>	Jan-14
Over/Under			0.4		-1.4												-1.4	
eA Global Agg Fixed Inc Gross Median			2.5		5.1		7.7		3.9		6.0		6.3		5.9		5.1	Jan-14
Total Credit Composite^{2,3}	412,847,272	12.8	1.5	--	4.3	--	11.0	--	13.4	--	14.7	--	--	--	--	--	11.5	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.0</u>	--	<u>4.2</u>	--	<u>8.7</u>	--	<u>7.3</u>	--	<u>10.7</u>	--	<u>6.4</u>	--	<u>6.6</u>	--	<u>7.8</u>	Jul-08
Over/Under			-0.5		0.1		2.3		6.1		4.0						3.7	
Corporate Credit Composite³	158,051,595	4.9	1.7	--	3.8	--	10.0	--	6.6	--	9.2	--	--	--	--	--	9.4	Apr-09
Blended Domestic Credit Index ⁴			<u>2.4</u>	--	<u>5.5</u>	--	<u>11.7</u>	--	<u>8.4</u>	--	<u>11.3</u>	--	<u>6.8</u>	--	<u>6.9</u>	--	<u>14.3</u>	Apr-09
Over/Under			-0.7		-1.7		-1.7		-1.8		-2.1						-4.9	
Beach Point	80,515,141	2.5	2.1	75	4.0	85	--	--	--	--	--	--	--	--	--	--	7.4	Oct-13
Barclays High Yield			<u>2.4</u>	46	<u>5.5</u>	55	<u>11.7</u>	47	<u>9.5</u>	52	<u>14.0</u>	41	<u>9.1</u>	37	<u>9.0</u>	41	<u>9.2</u>	Oct-13
Over/Under			-0.3		-1.5												-1.8	
eA US High Yield Fixed Inc Gross Median			2.4		5.5		11.7		9.5		13.7		8.7		8.9		9.3	Oct-13
Symphony	77,531,669	2.4	1.3	92	--	--	--	--	--	--	--	--	--	--	--	--	3.4	Feb-14
Barclays High Yield			<u>2.4</u>	46	<u>5.5</u>	55	<u>11.7</u>	47	<u>9.5</u>	52	<u>14.0</u>	41	<u>9.1</u>	37	<u>9.0</u>	41	<u>4.7</u>	Feb-14
Over/Under			-1.1														-1.3	
eA US High Yield Fixed Inc Gross Median			2.4		5.5		11.7		9.5		13.7		8.7		8.9		4.8	Feb-14

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Opportunistic Credit Composite	254,795,677	7.9	1.3	--	4.6	--	11.5	--	15.7	--	17.8	--	--	--	--	--	15.7	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.0</u>	--	<u>4.2</u>	--	<u>8.7</u>	--	<u>7.3</u>	--	<u>10.7</u>	--	<u>6.4</u>	--	<u>6.6</u>	--	<u>7.8</u>	Jul-08
Over/Under			-0.7		0.4		2.8		8.4		7.1						7.9	
Pimco Disco II	67,432,981	2.1	2.5	--	6.1	--	13.2	--	--	--	--	--	--	--	--	--	24.0	Nov-11
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index			<u>2.5</u>	--	<u>5.5</u>	--	<u>11.3</u>	--	<u>8.9</u>	--	<u>12.5</u>	--	<u>8.3</u>	--	<u>8.2</u>	--	<u>10.1</u>	Nov-11
Over/Under			0.0		0.6		1.9										13.9	
Marathon	28,305,903	0.9	2.3	--	3.7	--	10.0	--	--	--	--	--	--	--	--	--	11.1	Oct-12
BofA ML Euro HY Constrained Index			<u>1.6</u>	--	<u>4.7</u>	--	<u>19.6</u>	--	<u>9.1</u>	--	<u>15.4</u>	--	<u>9.5</u>	--	<u>10.5</u>	--	<u>16.9</u>	Oct-12
Over/Under			0.7		-1.0		-9.6										-5.8	
Direct Lending Composite¹	159,056,793	4.9	0.7	--	3.8	--	10.6	--	10.5	--	--	--	--	--	--	--	8.9	Nov-10
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>5.4</u>	Nov-10
Over/Under			-0.6		1.2		5.3		5.1								3.5	
U.S. Direct Lending	121,872,395	3.8	0.0	--	3.3	--	10.1	--	10.4	--	--	--	--	--	--	--	8.8	Nov-10
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>5.4</u>	Nov-10
Over/Under			-1.3		0.7		4.8		5.0								3.4	
GSO	30,258,787	0.9	0.0	--	1.3	--	3.2	--	15.0	--	--	--	--	--	--	--	15.1	Dec-10
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>5.4</u>	Dec-10
Over/Under			-1.3		-1.3		-2.1		9.6								9.7	
Medley Capital	46,579,995	1.4	2.7	--	4.5	--	12.1	--	9.4	--	--	--	--	--	--	--	8.5	Mar-11
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>5.4</u>	Mar-11
Over/Under			1.4		1.9		6.8		4.0								3.1	
White Oak	45,033,613	1.4	-4.1	--	1.8	--	12.3	--	9.2	--	--	--	--	--	--	--	7.3	Nov-10
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>5.4</u>	Nov-10
Over/Under			-5.4		-0.8		7.0		3.8								1.9	
European Direct Lending	37,184,399	1.2	2.9	--	--	--	--	--	--	--	--	--	--	--	--	--	2.9	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>1.3</u>	Apr-14
Over/Under			1.6														1.6	
Capula ²	37,184,399	1.2	2.9	--	--	--	--	--	--	--	--	--	--	--	--	--	2.9	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.1</u>	--	<u>7.1</u>	--	<u>1.3</u>	Apr-14
Over/Under			1.6														1.6	

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Emerging Market Debt Composite	159,207,639	5.0	4.1	78	5.4	91	4.4	86	--	--	--	--	--	--	--	--	-3.5	Jan-13
<i>San Jose Custom EMD Benchmark¹</i>			<u>4.2</u>	78	<u>6.8</u>	66	<u>7.3</u>	68	--	--	--	--	--	--	--	--	<u>-1.9</u>	<i>Jan-13</i>
Over/Under			-0.1		-1.4		-2.9										-1.6	
<i>eA All Emg Mkts Fixed Inc Gross Median</i>			4.8		7.5		9.6		6.6		11.0		8.4		10.7		1.4	<i>Jan-13</i>
BlueBay	106,070,111	3.3	4.0	83	6.3	78	--	--	--	--	--	--	--	--	--	--	5.6	Aug-13
<i>JP Morgan Blended EMD Benchmark²</i>			<u>4.2</u>	78	<u>6.8</u>	66	<u>7.3</u>	68	--	--	--	--	--	--	--	--	<u>7.0</u>	<i>Aug-13</i>
Over/Under			-0.2		-0.5												-1.4	
<i>eA All Emg Mkts Fixed Inc Gross Median</i>			4.8		7.5		9.6		6.6		11.0		8.4		10.7		8.8	<i>Aug-13</i>
Iguazu	53,137,528	1.7	4.4	70	--	--	--	--	--	--	--	--	--	--	--	--	6.3	Feb-14
<i>JP Morgan Blended EMD Benchmark²</i>			<u>4.2</u>	78	<u>6.8</u>	66	<u>7.3</u>	68	--	--	--	--	--	--	--	--	<u>9.4</u>	<i>Feb-14</i>
Over/Under			0.2														-3.1	
<i>eA All Emg Mkts Fixed Inc Gross Median</i>			4.8		7.5		9.6		6.6		11.0		8.4		10.7		10.3	<i>Feb-14</i>

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate Composite¹	228,448,874	7.1	2.7	--	5.8	--	13.0	--	11.0	--	9.1	--	6.0	--	8.1	--	8.3	Jun-95
<i>NCREIF Property Index</i>			<u>2.9</u>	--	<u>5.7</u>	--	<u>11.2</u>	--	<u>11.3</u>	--	<u>9.7</u>	--	<u>4.9</u>	--	<u>8.6</u>	--	<u>9.7</u>	<i>Jun-95</i>
Over/Under			-0.2		0.1		1.8		-0.3		-0.6		1.1		-0.5		-1.4	
Total Real Estate Ex Russell Real Estate	165,560,234	5.1	2.4	--	6.2	--	12.9	--	--	--	--	--	--	--	--	--	13.9	Dec-12
<i>NCREIF Property Index</i>			<u>2.9</u>	--	<u>5.7</u>	--	<u>11.2</u>	--	<u>11.3</u>	--	<u>9.7</u>	--	<u>4.9</u>	--	<u>8.6</u>	--	<u>12.4</u>	<i>Dec-12</i>
Over/Under			-0.5		0.5		1.7		--		--		--		--	--	1.5	
Inflation-Linked Assets Composite	325,302,378	10.1	4.6	--	10.3	--	14.3	--	-2.8	--	--	--	--	--	--	--	-4.2	Apr-11
<i>San Jose Custom Inflation-Linked Assets²</i>			<u>3.4</u>	--	<u>9.5</u>	--	<u>12.8</u>	--	<u>-2.0</u>	--	--	--	--	--	--	--	<u>-3.5</u>	<i>Apr-11</i>
Benchmark																		
Over/Under			1.2		0.8		1.5		-0.8		--		--		--		-0.7	
Multi-Asset Inflation-Linked Assets Composite	97,938,575	3.0	6.4	--	8.9	--	--	--	--	--	--	--	--	--	--	--	9.2	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>2.1</u>	--	<u>4.8</u>	--	<u>7.2</u>	--	<u>6.9</u>	--	<u>7.1</u>	--	<u>7.0</u>	--	<u>7.4</u>	--	<u>5.4</u>	<i>Nov-13</i>
Over/Under			4.3		4.1		--		--		--		--		--		3.8	
Wellington	97,938,575	3.0	6.4	--	8.9	--	--	--	--	--	--	--	--	--	--	--	9.2	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>2.1</u>	--	<u>4.8</u>	--	<u>7.2</u>	--	<u>6.9</u>	--	<u>7.1</u>	--	<u>7.0</u>	--	<u>7.4</u>	--	<u>5.4</u>	<i>Nov-13</i>
Over/Under			4.3		4.1		--		--		--		--		--		3.8	
Commodities Composite	227,363,803	7.1	3.9	--	10.9	--	14.4	--	-2.8	--	--	--	--	--	--	--	-4.2	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>3.9</u>	--	<u>11.5</u>	--	<u>14.3</u>	--	<u>-1.5</u>	--	--	--	--	--	--	--	<u>-3.1</u>	<i>Apr-11</i>
Over/Under			0.0		-0.6		0.1		-1.3		--		--		--		-1.1	
<i>Bloomberg Commodity Index</i>			<u>0.1</u>	--	<u>7.1</u>	--	<u>8.2</u>	--	<u>-5.2</u>	--	<u>2.0</u>	--	<u>-2.7</u>	--	<u>0.9</u>	--	<u>-6.8</u>	<i>Apr-11</i>
Credit Suisse	227,363,803	7.1	3.9	--	10.9	--	14.4	--	-1.2	--	--	--	--	--	--	--	-2.7	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>3.9</u>	--	<u>11.5</u>	--	<u>14.3</u>	--	<u>-1.5</u>	--	--	--	--	--	--	--	<u>-3.1</u>	<i>Apr-11</i>
Over/Under			0.0		-0.6		0.1		0.3		--		--		--		0.4	
<i>Bloomberg Commodity Index</i>			<u>0.1</u>	--	<u>7.1</u>	--	<u>8.2</u>	--	<u>-5.2</u>	--	<u>2.0</u>	--	<u>-2.7</u>	--	<u>0.9</u>	--	<u>-6.8</u>	<i>Apr-11</i>

Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Hedge Fund Composite	306,791,900	9.5	1.6	--	2.0	--	4.9	--	--	--	--	--	--	--	--	--	3.4	Nov-12
San Jose Custom Hedge Fund Benchmark ¹			<u>1.4</u>	--	<u>1.9</u>	--	<u>6.6</u>	--	--	--	--	--	--	--	--	--	<u>4.8</u>	Nov-12
Over/Under			0.2		0.1		-1.7										-1.4	
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	7.6	Nov-12
Russell Hedge Funds	86,800,173	2.7	1.1	--	1.5	--	4.1	--	--	--	--	--	--	--	--	--	3.0	Dec-12
Russell Hedge Index ²			<u>1.1</u>	--	<u>1.7</u>	--	<u>4.4</u>	--	<u>2.0</u>	--	<u>2.9</u>	--	<u>1.9</u>	--	<u>3.1</u>	--	<u>3.1</u>	Dec-12
Over/Under			0.0		-0.2		-0.3										-0.1	
Total Hedge Fund Composite ex-Interim	219,991,727	6.8	1.8	--	2.2	--	5.2	--	--	--	--	--	--	--	--	--	5.7	Nov-12
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>7.6</u>	Nov-12
Over/Under			0.3		0.2		-2.4										-1.9	
Amici	10,478,736	0.3	4.9	--	2.5	--	7.4	--	--	--	--	--	--	--	--	--	3.6	Mar-13
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>6.4</u>	Mar-13
Over/Under			3.4		0.5		-0.2										-2.8	
Arrowgrass	22,875,066	0.7	0.7	--	3.0	--	6.4	--	--	--	--	--	--	--	--	--	8.4	Nov-12
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>7.6</u>	Nov-12
Over/Under			-0.8		1.0		-1.2										0.8	
BlackRock	9,316,859	0.3	1.3	--	-8.3	--	-6.2	--	--	--	--	--	--	--	--	--	-5.2	Mar-13
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>6.4</u>	Mar-13
Over/Under			-0.2		-10.3		-13.8										-11.6	
BlueTrend	8,940,937	0.3	10.3	--	6.2	--	4.9	--	--	--	--	--	--	--	--	--	-8.6	Apr-13
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>6.0</u>	Apr-13
Over/Under			8.8		4.2		-2.7										-14.6	
Brevan Howard	20,339,104	0.6	0.5	--	-1.0	--	-0.7	--	--	--	--	--	--	--	--	--	1.1	Dec-12
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>7.7</u>	Dec-12
Over/Under			-1.0		-3.0		-8.3										-6.6	
Claren Road	10,121,641	0.3	-0.4	--	2.6	--	1.2	--	--	--	--	--	--	--	--	--	1.2	Jul-13
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>7.6</u>	Jul-13
Over/Under			-1.9		0.6		-6.4										-6.4	
Davidson Kempner	22,874,345	0.7	3.0	--	5.9	--	9.9	--	--	--	--	--	--	--	--	--	9.9	Feb-13
HFRI.FOF.Comp			<u>1.5</u>	--	<u>2.0</u>	--	<u>7.6</u>	--	<u>3.3</u>	--	<u>4.2</u>	--	<u>0.6</u>	--	<u>3.4</u>	--	<u>6.2</u>	Feb-13
Over/Under			1.5		3.9		2.3										3.7	

Note: Performance of Total Hedge Fund Composite, underlying sub-composites and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
DE Shaw	23,615,944	0.7	4.7	--	9.6	--	13.7	--	--	--	--	--	--	--	--	--	14.2	Apr-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	6.0	Apr-13
Over/Under			3.2		7.6		6.1										8.2	
Horizon	10,984,662	0.3	1.9	--	3.6	--	9.8	--	--	--	--	--	--	--	--	--	9.8	Jul-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	7.6	Jul-13
Over/Under			0.4		1.6		2.2										2.2	
Hudson Bay	21,191,836	0.7	0.7	--	1.7	--	6.0	--	--	--	--	--	--	--	--	--	6.0	Jul-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	7.6	Jul-13
Over/Under			-0.8		-0.3		-1.6										-1.6	
Kepos	4,725,889	0.1	8.6	--	0.4	--	4.9	--	--	--	--	--	--	--	--	--	-4.1	Mar-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	6.4	Mar-13
Over/Under			7.1		-1.6		-2.7										-10.5	
Marshall Wace	10,044,566	0.3	0.4	--	--	--	--	--	--	--	--	--	--	--	--	--	0.4	Apr-14
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	1.5	Apr-14
Over/Under			-1.1														-1.1	
Pine River	22,360,662	0.7	-0.8	--	1.6	--	4.4	--	--	--	--	--	--	--	--	--	7.7	Jan-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	7.3	Jan-13
Over/Under			-2.3		-0.4		-3.2										0.4	
Sandler	10,157,805	0.3	-4.5	--	-4.1	--	2.9	--	--	--	--	--	--	--	--	--	1.4	May-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	5.7	May-13
Over/Under			-6.0		-6.1		-4.7										-4.3	
Senator	11,963,674	0.4	3.3	--	3.6	--	15.6	--	--	--	--	--	--	--	--	--	15.4	Apr-13
HFRI.FOF.Comp			1.5	--	2.0	--	7.6	--	3.3	--	4.2	--	0.6	--	3.4	--	6.0	Apr-13
Over/Under			1.8		1.6		8.0										9.4	

Note: Performance of Total Hedge Fund Composite, underlying sub-composites and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

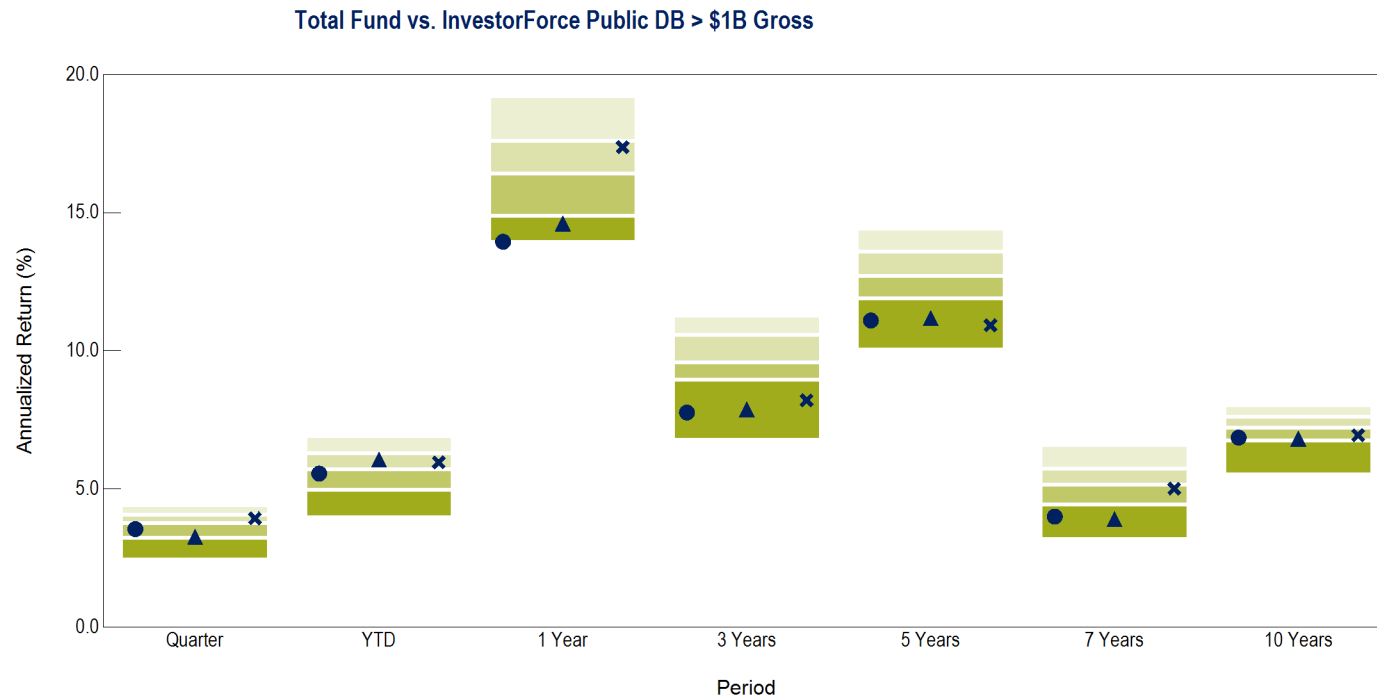
Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total GAA Composite	341,212,984	10.6	2.9	--	4.1	--	8.0	--	--	--	--	--	--	--	--	--	6.2	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	--	<u>5.8</u>	--	<u>17.0</u>	--	<u>7.8</u>	--	<u>10.6</u>	--	<u>4.7</u>	--	<u>6.6</u>	--	<u>13.0</u>	Jan-13
Over/Under			-0.9		-1.7		-9.0										-6.8	
GMO	131,717,515	4.1	3.6	--	4.6	--	11.3	--	--	--	--	--	--	--	--	--	9.3	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	--	<u>5.8</u>	--	<u>17.0</u>	--	<u>7.8</u>	--	<u>10.6</u>	--	<u>4.7</u>	--	<u>6.6</u>	--	<u>11.8</u>	Feb-13
Over/Under			-0.2		-1.2		-5.7										-2.5	
PIMCO	103,732,003	3.2	4.0	--	6.3	--	7.2	--	--	--	--	--	--	--	--	--	0.2	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	--	<u>5.8</u>	--	<u>17.0</u>	--	<u>7.8</u>	--	<u>10.6</u>	--	<u>4.7</u>	--	<u>6.6</u>	--	<u>11.8</u>	Feb-13
Over/Under			0.2		0.5		-9.8										-11.6	
Standard Life	105,763,465	3.3	1.2	--	1.3	--	4.8	--	--	--	--	--	--	--	--	--	4.7	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	--	<u>5.8</u>	--	<u>17.0</u>	--	<u>7.8</u>	--	<u>10.6</u>	--	<u>4.7</u>	--	<u>6.6</u>	--	<u>11.8</u>	Feb-13
Over/Under			-2.6		-4.5		-12.2										-7.1	
Cash																		
Cash ¹	36,210,546	1.1	0.0	--	0.0	--	0.1	--	0.1	--	0.7	--	--	--	--	--	0.8	Apr-08
91 Day T-Bills			<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.1</u>	--	<u>0.5</u>	--	<u>1.5</u>	--	<u>0.2</u>	Apr-08
Over/Under			0.0		0.0		0.1		0.1		0.6						0.6	

Note: Performance of Total GAA Composite and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Return Summary vs. Peer Universe



	Return (Rank)													
5th Percentile	4.4	6.9	19.2	11.3	14.4	6.6	8.0							
25th Percentile	4.1	6.3	17.6	10.6	13.6	5.7	7.6							
Median	3.8	5.7	16.4	9.6	12.7	5.2	7.2							
75th Percentile	3.3	5.0	14.9	9.0	11.9	4.4	6.8							
95th Percentile	2.5	4.0	14.0	6.8	10.1	3.2	5.5							
# of Portfolios	53	53	52	52	52	51	50							
● Total Fund	3.5	(61)	5.6	(54)	13.9	(96)	7.8	(93)	11.1	(84)	4.0	(93)	6.9	(68)
▲ Policy Benchmark	3.3	(72)	6.1	(32)	14.6	(81)	7.9	(92)	11.2	(83)	3.9	(93)	6.8	(72)
× 60% MSCI World (Gross) / 40% CITI WGBI	3.9	(39)	6.0	(35)	17.4	(30)	8.2	(85)	10.9	(85)	5.0	(59)	6.9	(63)

City of San Jose Police and Fire Department Retirement Plan

Total Fund Return Summary vs. Peer Universe

Total Fund vs. InvestorForce Public DB > \$1B Gross



	Return (Rank)					
5th Percentile	19.2	15.6	3.6	25.1	17.5	-14.2
25th Percentile	17.6	13.5	1.9	22.8	14.7	-15.7
Median	16.4	12.0	0.8	22.0	13.6	-18.6
75th Percentile	14.9	10.4	0.3	19.7	12.3	-19.7
95th Percentile	14.0	7.7	-0.3	17.7	10.4	-23.7
# of Portfolios	52	55	50	49	49	49
● Total Fund	13.9 (96)	9.9 (82)	-0.1 (90)	18.4 (92)	14.2 (34)	-18.0 (42)
▲ Policy Benchmark	14.6 (81)	8.1 (93)	1.3 (38)	20.5 (69)	12.3 (76)	-19.5 (70)
× 60% MSCI World (Gross) / 40% CITI WGBI	17.4 (30)	9.2 (87)	-1.2 (99)	22.7 (28)	8.0 (99)	-16.4 (28)

Total Fund Performance - Net of Fees

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund¹	3,215,214,566	100.0	3.5	5.3	13.5	7.4	10.7	3.5	6.4	8.9	Mar-71
Policy Benchmark			<u>3.3</u>	<u>6.1</u>	<u>14.6</u>	<u>7.9</u>	<u>11.2</u>	<u>3.9</u>	<u>6.8</u>	--	Mar-71
Over/Under			0.2	-0.8	-1.1	-0.5	-0.5	-0.4	-0.4		
Allocation Index			3.4	6.1	14.8	7.3	10.9	4.0	7.0	--	Mar-71
60% MSCI World (Gross) / 40% CITI WGBI			3.9	6.0	17.4	8.2	10.9	5.0	6.9	--	Mar-71
Total Equity Composite	900,837,579	28.0	5.2	5.5	21.8	10.3	14.7	--	--	5.8	Apr-08
San Jose Custom Total Equity Benchmark ²			<u>4.8</u>	<u>6.2</u>	<u>23.3</u>	<u>10.9</u>	<u>15.4</u>	--	--	<u>6.1</u>	Apr-08
Over/Under			0.4	-0.7	-1.5	-0.6	-0.7			-0.3	
Global Equity Composite³	190,691,101	5.9	5.4	6.3	24.2	--	--	--	--	21.9	Mar-13
MSCI ACWI IMI (Net)			<u>4.8</u>	<u>6.2</u>	<u>23.3</u>	<u>10.4</u>	<u>14.8</u>	<u>3.6</u>	<u>7.8</u>	<u>18.4</u>	Mar-13
Over/Under			0.6	0.1	0.9					3.5	
Artisan Global Opportunities	95,538,199	3.0	6.4	6.6	24.4	--	--	--	--	17.9	May-13
MSCI ACWI IMI (Net)			<u>4.8</u>	<u>6.2</u>	<u>23.3</u>	<u>10.4</u>	<u>14.8</u>	<u>3.6</u>	<u>7.8</u>	<u>16.6</u>	May-13
Over/Under			1.6	0.4	1.1					1.3	
Artisan Global Value	95,045,920	3.0	4.4	6.0	24.0	--	--	--	--	23.3	Mar-13
MSCI ACWI IMI (Net)			<u>4.8</u>	<u>6.2</u>	<u>23.3</u>	<u>10.4</u>	<u>14.8</u>	<u>3.6</u>	<u>7.8</u>	<u>18.4</u>	Mar-13
Over/Under			-0.4	-0.2	0.7					4.9	
U.S. Equity Composite⁴	273,146,457	8.5	5.1	6.8	25.5	17.1	19.6	6.4	8.2	9.6	Jun-95
Russell 3000			<u>4.9</u>	<u>6.9</u>	<u>25.2</u>	<u>16.5</u>	<u>19.3</u>	<u>6.5</u>	<u>8.2</u>	<u>9.3</u>	Jun-95
Over/Under			0.2	-0.1	0.3	0.6	0.3	-0.1	0.0	0.3	
NT Russell 1000 Index Fund	272,679,815	8.5	5.1	--	--	--	--	--	--	5.1	Apr-14
Russell 1000			<u>5.1</u>	<u>7.3</u>	<u>25.4</u>	<u>16.6</u>	<u>19.3</u>	<u>6.5</u>	<u>8.2</u>	<u>5.1</u>	Apr-14
Over/Under			0.0							0.0	

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
International Equity Composite¹	437,000,020	13.6	5.1	4.3	18.5	4.8	10.5	0.8	7.6	9.4	Jun-95
<i>MSCI AC WORLD ex US (NET)</i>			<u>5.0</u>	<u>5.6</u>	<u>21.8</u>	<u>5.7</u>	<u>11.1</u>	<u>1.3</u>	<u>7.7</u>	--	<i>Jun-95</i>
Over/Under			0.1	-1.3	-3.3	-0.9	-0.6	-0.5	-0.1		
Developed International Equity Composite¹	313,643,492	9.8	4.5	3.5	21.7	9.3	13.0	1.8	7.6	8.8	Jun-95
<i>MSCI EAFE (Net)</i>			<u>4.1</u>	<u>4.8</u>	<u>23.6</u>	<u>8.1</u>	<u>11.8</u>	<u>1.0</u>	<u>6.9</u>	<u>5.6</u>	<i>Jun-95</i>
Over/Under			0.4	-1.3	-1.9	1.2	1.2	0.8	0.7	3.2	
NT Russell MSCI World ex US IMI Index Fund	245,691,928	7.6	4.6	--	--	--	--	--	--	4.6	Apr-14
<i>MSCI World ex US IMI</i>			<u>4.4</u>	<u>5.6</u>	<u>24.5</u>	<u>7.7</u>	<u>12.1</u>	<u>1.4</u>	<u>7.4</u>	<u>4.4</u>	<i>Apr-14</i>
Over/Under			0.2							0.2	
Oberweis	65,410,866	2.0	3.9	--	--	--	--	--	--	0.2	Mar-14
<i>MSCI World ex US Small Cap Growth (Net)</i>			<u>3.1</u>	<u>6.1</u>	<u>28.2</u>	<u>7.7</u>	<u>15.3</u>	<u>2.2</u>	<u>8.5</u>	<u>2.2</u>	<i>Mar-14</i>
Over/Under			0.8							-2.0	
Emerging Markets Equity Composite	123,356,528	3.8	6.7	6.7	11.7	-3.2	6.5	0.3	9.7	12.0	Sep-01
<i>MSCI Emerging Markets</i>			<u>6.6</u>	<u>6.1</u>	<u>14.3</u>	<u>-0.4</u>	<u>9.2</u>	<u>2.3</u>	<u>11.9</u>	<u>13.0</u>	<i>Sep-01</i>
Over/Under			0.1	0.6	-2.6	-2.8	-2.7	-2.0	-2.2	-1.0	
Russell Emerging Markets	35,653,571	1.1	6.3	4.5	13.9	--	--	--	--	2.7	Nov-11
<i>MSCI Emerging Markets</i>			<u>6.6</u>	<u>6.1</u>	<u>14.3</u>	<u>-0.4</u>	<u>9.2</u>	<u>2.3</u>	<u>11.9</u>	<u>4.6</u>	<i>Nov-11</i>
Over/Under			-0.3	-1.6	-0.4					-1.9	
Vontobel	65,253,359	2.0	7.5	9.8	8.8	--	--	--	--	8.8	Jul-13
<i>MSCI Emerging Markets</i>			<u>6.6</u>	<u>6.1</u>	<u>14.3</u>	<u>-0.4</u>	<u>9.2</u>	<u>2.3</u>	<u>11.9</u>	<u>14.3</u>	<i>Jul-13</i>
Over/Under			0.9	3.7	-5.5					-5.5	
Aberdeen	22,449,599	0.7	4.8	4.7	15.9	--	--	--	--	15.9	Jul-13
<i>MSCI Frontier Markets</i>			<u>11.9</u>	<u>20.2</u>	<u>36.2</u>	<u>12.4</u>	<u>10.7</u>	<u>-0.7</u>	<u>8.5</u>	<u>36.2</u>	<i>Jul-13</i>
Over/Under			-7.1	-15.5	-20.3					-20.3	

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Private Equity Composite¹	253,640,723	7.9	4.9	8.2	19.7	11.6	13.8	10.0	--	9.6	Oct-05
Cambridge PE 1 Qtr Lag			<u>3.1</u>	<u>9.9</u>	<u>18.9</u>	<u>14.4</u>	<u>17.4</u>	<u>9.4</u>	<u>14.9</u>	<u>13.3</u>	Oct-05
Over/Under			1.8	-1.7	0.8	-2.8	-3.6	0.6		-3.7	
Thomson One All Private Equity Lag - CA			3.1	10.3	18.9	13.6	11.1	7.8	13.9	11.9	Oct-05
Russell 3000 Qtr Lag			2.0	12.3	22.6	14.6	21.9	6.6	7.9	7.9	Oct-05
Total Private Equity ex Russell R3000	146,138,780	4.5	5.0	9.0	15.1	9.3	12.4	9.0	--	8.8	Oct-05
Cambridge PE 1 Qtr Lag			<u>3.1</u>	<u>9.9</u>	<u>18.9</u>	<u>14.4</u>	<u>17.4</u>	<u>9.4</u>	<u>14.9</u>	<u>13.3</u>	Oct-05
Over/Under			1.9	-0.9	-3.8	-5.1	-5.0	-0.4		-4.5	
Thomson One All Private Equity Lag - CA			3.1	10.3	18.9	13.6	11.1	7.8	13.9	11.9	Oct-05

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fixed Income Composite¹	729,301,389	22.7	2.3	4.4	7.8	8.0	9.3	--	--	8.0	Apr-08
Fixed Income Blended Benchmark			<u>2.6</u>	<u>5.1</u>	<u>8.0</u>	<u>6.8</u>	<u>8.2</u>	<u>7.5</u>	<u>6.5</u>	<u>7.0</u>	Apr-08
Over/Under			-0.3	-0.7	-0.2	1.2	1.1			1.0	
Barclays Aggregate			2.0	3.9	4.4	3.7	4.9	5.3	4.9	4.7	Apr-08
Global Fixed Income Composite	157,246,400	4.9	3.1	4.6	--	--	--	--	--	4.6	Dec-13
Barclays Global Aggregate			<u>2.5</u>	<u>4.9</u>	<u>7.4</u>	<u>2.6</u>	<u>4.6</u>	<u>5.5</u>	<u>5.1</u>	<u>4.9</u>	Dec-13
Over/Under			0.6	-0.3						-0.3	
Colchester	89,724,169	2.8	3.2	5.6	--	--	--	--	--	5.6	Jan-14
Barclays Global Aggregate			<u>2.5</u>	<u>4.9</u>	<u>7.4</u>	<u>2.6</u>	<u>4.6</u>	<u>5.5</u>	<u>5.1</u>	<u>4.9</u>	Jan-14
Over/Under			0.7	0.7						0.7	
Franklin Templeton	67,522,231	2.1	2.9	3.5	--	--	--	--	--	3.5	Jan-14
Barclays Global Aggregate			<u>2.5</u>	<u>4.9</u>	<u>7.4</u>	<u>2.6</u>	<u>4.6</u>	<u>5.5</u>	<u>5.1</u>	<u>4.9</u>	Jan-14
Over/Under			0.4	-1.4						-1.4	
Total Credit Composite^{2,3}	412,847,272	12.8	1.3	3.8	9.8	12.5	13.9	--	--	10.7	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.0</u>	<u>4.2</u>	<u>8.7</u>	<u>7.3</u>	<u>10.7</u>	<u>6.4</u>	<u>6.6</u>	<u>7.8</u>	Jul-08
Over/Under			-0.7	-0.4	1.1	5.2	3.2			2.9	
Corporate Credit Composite³	158,051,595	4.9	1.7	3.8	9.9	6.4	9.0	--	--	9.2	Apr-09
Blended Domestic Credit Index			<u>2.4</u>	<u>5.5</u>	<u>11.7</u>	<u>8.4</u>	<u>11.3</u>	<u>6.8</u>	<u>6.9</u>	<u>14.3</u>	Apr-09
Over/Under			-0.7	-1.7	-1.8	-2.0	-2.3			-5.1	
Beach Point	80,515,141	2.5	2.1	4.0	--	--	--	--	--	7.4	Oct-13
Barclays High Yield			<u>2.4</u>	<u>5.5</u>	<u>11.7</u>	<u>9.5</u>	<u>14.0</u>	<u>9.1</u>	<u>9.0</u>	<u>9.2</u>	Oct-13
Over/Under			-0.3	-1.5						-1.8	
Symphony	77,531,669	2.4	1.3	--	--	--	--	--	--	3.4	Feb-14
Barclays High Yield			<u>2.4</u>	<u>5.5</u>	<u>11.7</u>	<u>9.5</u>	<u>14.0</u>	<u>9.1</u>	<u>9.0</u>	<u>4.7</u>	Feb-14
Over/Under			-1.1							-1.3	

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Opportunistic Credit Composite¹	254,795,677	7.9	1.1	3.8	9.8	14.3	16.6	--	--	14.5	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.0</u>	<u>4.2</u>	<u>8.7</u>	<u>7.3</u>	<u>10.7</u>	<u>6.4</u>	<u>6.6</u>	<u>7.8</u>	Jul-08
Over/Under			-0.9	-0.4	1.1	7.0	5.9			6.7	
Pimco Disco II	67,432,981	2.1	2.3	5.7	12.3	--	--	--	--	22.9	Nov-11
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index			<u>2.5</u>	<u>5.5</u>	<u>11.3</u>	<u>8.9</u>	<u>12.5</u>	<u>8.3</u>	<u>8.2</u>	<u>10.1</u>	Nov-11
Over/Under			-0.2	0.2	1.0					12.8	
Marathon	28,305,903	0.9	2.3	3.7	10.0	--	--	--	--	11.1	Oct-12
BofA ML Euro HY Constrained			<u>1.6</u>	<u>4.7</u>	<u>19.6</u>	<u>9.1</u>	<u>15.4</u>	<u>9.5</u>	<u>10.5</u>	<u>16.9</u>	Oct-12
Over/Under			0.7	-1.0	-9.6					-5.8	
Direct Lending Composite	159,056,793	4.9	0.4	2.4	7.7	8.3	--	--	--	7.1	Nov-10
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>5.4</u>	Nov-10
Over/Under			-0.9	-0.2	2.4	2.9				1.7	
U.S. Direct Lending	121,872,395	3.8	-0.4	1.7	7.0	8.1	--	--	--	6.9	Nov-10
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>5.4</u>	Nov-10
Over/Under			-1.7	-0.9	1.7	2.7				1.5	
GSO	30,258,787	0.9	0.0	1.3	3.2	15.0	--	--	--	15.1	Dec-10
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>5.4</u>	Dec-10
Over/Under			-1.3	-1.3	-2.1	9.6				9.7	
Medley Capital	46,579,995	1.4	2.7	4.5	10.4	8.0	--	--	--	7.3	Mar-11
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>5.4</u>	Mar-11
Over/Under			1.4	1.9	5.1	2.6				1.9	
White Oak	45,033,613	1.4	-3.6	-0.6	7.0	5.3	--	--	--	4.1	Nov-10
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>5.4</u>	Nov-10
Over/Under			-4.9	-3.2	1.7	-0.1				-1.3	
European Direct Lending	37,184,399	1.2	2.9	--	--	--	--	--	--	2.9	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>1.3</u>	Apr-14
Over/Under			1.6							1.6	
Capula ²	37,184,399	1.2	2.9	--	--	--	--	--	--	2.9	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	<u>2.6</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.1</u>	<u>7.1</u>	<u>1.3</u>	Apr-14
Over/Under			1.6							1.6	

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Emerging Market Debt Composite	159,207,639	5.0	4.0	5.1	3.8	--	--	--	--	-3.9	Jan-13
San Jose Custom EMD Benchmark ¹			<u>4.2</u>	<u>6.8</u>	<u>7.3</u>	--	--	--	--	<u>-1.9</u>	Jan-13
Over/Under			-0.2	-1.7	-3.5					-2.0	
BlueBay	106,070,111	3.3	3.8	5.9	--	--	--	--	--	4.8	Aug-13
JP Morgan Blended EMD Benchmark ²			<u>4.2</u>	<u>6.8</u>	<u>7.3</u>	--	--	--	--	<u>7.0</u>	Aug-13
Over/Under			-0.4	-0.9						-2.2	
Iguazu	53,137,528	1.7	4.4	--	--	--	--	--	--	6.3	Feb-14
JP Morgan Blended EMD Benchmark ²			<u>4.2</u>	<u>6.8</u>	<u>7.3</u>	--	--	--	--	<u>9.4</u>	Feb-14
Over/Under			0.2							-3.1	

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate Composite¹	228,448,874	7.1	2.6	5.5	12.4	10.3	8.4	5.4	7.7	8.1	Jun-95
<i>NCREIF Property Index</i>			<u>2.9</u>	<u>5.7</u>	<u>11.2</u>	<u>11.3</u>	<u>9.7</u>	<u>4.9</u>	<u>8.6</u>	<u>9.7</u>	<i>Jun-95</i>
Over/Under			-0.3	-0.2	1.2	-1.0	-1.3	0.5	-0.9	-1.6	
Total Real Estate Ex Russell Real Estate	165,560,234	5.1	2.2	5.8	12.0	--	--	--	--	12.9	Dec-12
<i>NCREIF Property Index</i>			<u>2.9</u>	<u>5.7</u>	<u>11.2</u>	<u>11.3</u>	<u>9.7</u>	<u>4.9</u>	<u>8.6</u>	<u>12.4</u>	<i>Dec-12</i>
Over/Under			-0.7	0.1	0.8					0.5	
Inflation-Linked Assets Composite	325,302,378	10.1	4.4	10.0	13.8	-3.2	--	--	--	-4.6	Apr-11
<i>San Jose Custom Inflation-Linked Assets Benchmark²</i>			<u>3.4</u>	<u>9.5</u>	<u>12.8</u>	<u>-2.0</u>	--	--	--	<u>-3.5</u>	<i>Apr-11</i>
Over/Under			1.0	0.5	1.0	-1.2				-1.1	
Multi-Asset Inflation-Linked Assets Composite	97,938,575	3.0	5.9	8.4	--	--	--	--	--	8.7	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>2.1</u>	<u>4.8</u>	<u>7.2</u>	<u>6.9</u>	<u>7.1</u>	<u>7.0</u>	<u>7.4</u>	<u>5.4</u>	<i>Nov-13</i>
Over/Under			3.8	3.6						3.3	
Wellington	97,938,575	3.0	5.9	8.4	--	--	--	--	--	8.7	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>2.1</u>	<u>4.8</u>	<u>7.2</u>	<u>6.9</u>	<u>7.1</u>	<u>7.0</u>	<u>7.4</u>	<u>5.4</u>	<i>Nov-13</i>
Over/Under			3.8	3.6						3.3	
Commodities Composite	227,363,803	7.1	3.8	10.7	14.0	-3.2	--	--	--	-4.6	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>3.9</u>	<u>11.5</u>	<u>14.3</u>	<u>-1.5</u>	--	--	--	<u>-3.1</u>	<i>Apr-11</i>
Over/Under			-0.1	-0.8	-0.3	-1.7				-1.5	
<i>Bloomberg Commodity Index</i>			0.1	7.1	8.2	-5.2	2.0	-2.7	0.9	-6.8	<i>Apr-11</i>
Credit Suisse	227,363,803	7.1	3.8	10.7	13.9	-1.7	--	--	--	-3.1	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>3.9</u>	<u>11.5</u>	<u>14.3</u>	<u>-1.5</u>	--	--	--	<u>-3.1</u>	<i>Apr-11</i>
Over/Under			-0.1	-0.8	-0.4	-0.2				0.0	
<i>Bloomberg Commodity Index</i>			0.1	7.1	8.2	-5.2	2.0	-2.7	0.9	-6.8	<i>Apr-11</i>

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Hedge Fund Composite	306,791,900	9.5	1.6	2.0	4.9	--	--	--	--	3.4	Nov-12
San Jose Custom Hedge Fund Benchmark ¹			<u>1.4</u>	<u>1.9</u>	<u>6.6</u>	--	--	--	--	<u>4.8</u>	Nov-12
Over/Under			0.2	0.1	-1.7					-1.4	
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.6</u>	Nov-12
Russell Hedge Funds	86,800,173	2.7	<u>1.1</u>	<u>1.5</u>	<u>4.1</u>	--	--	--	--	<u>3.0</u>	Dec-12
Russell Hedge Index ²			<u>1.1</u>	<u>1.7</u>	<u>4.4</u>	<u>2.0</u>	<u>2.9</u>	<u>1.9</u>	<u>3.1</u>	<u>3.1</u>	Dec-12
Over/Under			0.0	-0.2	-0.3					-0.1	
Total Hedge Fund Composite ex-Interim	219,991,727	6.8	1.8	2.2	5.2	--	--	--	--	5.7	Nov-12
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.6</u>	Nov-12
Over/Under			0.3	0.2	-2.4					-1.9	
Amici	10,478,736	0.3	<u>4.9</u>	<u>2.5</u>	<u>7.4</u>	--	--	--	--	<u>3.6</u>	Mar-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.4</u>	Mar-13
Over/Under			3.4	0.5	-0.2					-2.8	
Arrowgrass	22,875,066	0.7	<u>0.7</u>	<u>3.0</u>	<u>6.4</u>	--	--	--	--	<u>8.4</u>	Nov-12
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.6</u>	Nov-12
Over/Under			-0.8	1.0	-1.2					0.8	
BlackRock	9,316,859	0.3	<u>1.3</u>	<u>-8.3</u>	<u>-6.2</u>	--	--	--	--	<u>-5.2</u>	Mar-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.4</u>	Mar-13
Over/Under			-0.2	-10.3	-13.8					-11.6	
BlueTrend	8,940,937	0.3	<u>10.3</u>	<u>6.2</u>	<u>4.9</u>	--	--	--	--	<u>-8.6</u>	Apr-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.0</u>	Apr-13
Over/Under			8.8	4.2	-2.7					-14.6	
Brevan Howard	20,339,104	0.6	<u>0.5</u>	<u>-1.0</u>	<u>-0.7</u>	--	--	--	--	<u>1.1</u>	Dec-12
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.7</u>	Dec-12
Over/Under			-1.0	-3.0	-8.3					-6.6	
Claren Road	10,121,641	0.3	<u>-0.4</u>	<u>2.6</u>	<u>1.2</u>	--	--	--	--	<u>1.2</u>	Jul-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.6</u>	Jul-13
Over/Under			-1.9	0.6	-6.4					-6.4	
Davidson Kempner	22,874,345	0.7	<u>3.0</u>	<u>5.9</u>	<u>9.9</u>	--	--	--	--	<u>9.9</u>	Feb-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.2</u>	Feb-13
Over/Under			1.5	3.9	2.3					3.7	

Note: Performance of Total Hedge Fund Composite, underlying sub-composites and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
DE Shaw	23,615,944	0.7	4.7	9.6	13.7	--	--	--	--	14.2	Apr-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.0</u>	Apr-13
Over/Under			3.2	7.6	6.1					8.2	
Horizon	10,984,662	0.3	1.9	3.6	9.8	--	--	--	--	9.8	Jul-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.6</u>	Jul-13
Over/Under			0.4	1.6	2.2					2.2	
Hudson Bay	21,191,836	0.7	0.7	1.7	6.0	--	--	--	--	6.0	Jul-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.6</u>	Jul-13
Over/Under			-0.8	-0.3	-1.6					-1.6	
Kepos	4,725,889	0.1	8.6	0.4	4.9	--	--	--	--	-4.1	Mar-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.4</u>	Mar-13
Over/Under			7.1	-1.6	-2.7					-10.5	
Marshall Wace	10,044,566	0.3	0.4	--	--	--	--	--	--	0.4	Apr-14
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>1.5</u>	Apr-14
Over/Under			-1.1							-1.1	
Pine River	22,360,662	0.7	-0.8	1.6	4.4	--	--	--	--	7.7	Jan-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>7.3</u>	Jan-13
Over/Under			-2.3	-0.4	-3.2					0.4	
Sandler	10,157,805	0.3	-4.5	-4.1	2.9	--	--	--	--	1.4	May-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>5.7</u>	May-13
Over/Under			-6.0	-6.1	-4.7					-4.3	
Senator	11,963,674	0.4	3.3	3.6	15.6	--	--	--	--	15.4	Apr-13
HFRI.FOF.Comp			<u>1.5</u>	<u>2.0</u>	<u>7.6</u>	<u>3.3</u>	<u>4.2</u>	<u>0.6</u>	<u>3.4</u>	<u>6.0</u>	Apr-13
Over/Under			1.8	1.6	8.0					9.4	

Note: Performance of Total Hedge Fund Composite, underlying sub-composites and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total GAA Composite	341,212,984	10.6	2.9	4.1	8.0	--	--	--	--	6.2	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	<u>5.8</u>	<u>17.0</u>	<u>7.8</u>	<u>10.6</u>	<u>4.7</u>	<u>6.6</u>	<u>13.0</u>	Jan-13
Over/Under			-0.9	-1.7	-9.0					-6.8	
GMO	131,717,515	4.1	3.6	4.6	11.3	--	--	--	--	9.3	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	<u>5.8</u>	<u>17.0</u>	<u>7.8</u>	<u>10.6</u>	<u>4.7</u>	<u>6.6</u>	<u>11.8</u>	Feb-13
Over/Under			-0.2	-1.2	-5.7					-2.5	
PIMCO	103,732,003	3.2	4.0	6.3	7.2	--	--	--	--	0.2	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	<u>5.8</u>	<u>17.0</u>	<u>7.8</u>	<u>10.6</u>	<u>4.7</u>	<u>6.6</u>	<u>11.8</u>	Feb-13
Over/Under			0.2	0.5	-9.8					-11.6	
Standard Life	105,763,465	3.3	1.2	1.3	4.8	--	--	--	--	4.7	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.8</u>	<u>5.8</u>	<u>17.0</u>	<u>7.8</u>	<u>10.6</u>	<u>4.7</u>	<u>6.6</u>	<u>11.8</u>	Feb-13
Over/Under			-2.6	-4.5	-12.2					-7.1	
Cash											
Cash ¹	36,210,546	1.1	0.0	0.0	0.1	0.1	0.7	--	--	1.0	Apr-08
91 Day T-Bills			<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.5</u>	<u>1.5</u>	<u>0.2</u>	Apr-08
Over/Under			0.0	0.0	0.1	0.1	0.6			0.8	

Note: Performance of Total GAA Composite and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

Manager Due Diligence

City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

The items below summarize the recent quarter's performance and any changes or announcements from the Plan's managers/products. A "-" indicates there were no material announcements. A "Yes" indicates there was an announcement and a brief summary is provided on the following pages. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determine if any action should be taken (by NEPC and/or by our clients). Events are rated: No Action, Watch, Hold, Client Review or Terminate. NEPC's recommendation in view of the recent quarter's developments (performance, manager events, and any of the longer-term trending data) is refreshed quarterly.

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Russell Overlay	N/A	Yes	Watch	No Action	
Artisan Global Opps	Top Quartile	-	-	-	
Artisan Global Value	-	-	-	-	
NT Russell 1000 Index	-	-	-	-	Funded 4/2014
NT MSCI World ex-U.S. Index	-	-	-	-	Funded 4/2014
Oberweis International Opportunities	Top Decile	-	-	-	Funded 2/2014
MSCI Emerging Markets ETF (ticker: EEM)	Bottom Quartile	-	-	-	
Vontobel Emerging Markets Equity	Top Decile	-	-	-	
Aberdeen Frontier Markets Equity	-	Yes	No Action	No Action	
NT Russell 3000 Index Fund	-	-	-	-	Funded 4/2014
57 Stars Global Opportunity Fund 3	N/A	-	-	-	Funded 1/2014
Crescent Mezzanine Partners (Fund V; Fund VI)	N/A	-	-	-	
HarbourVest Partners (Fund VII - 2005 Buyout; VIII Venture; VIII Buyout)	N/A	-	-	-	
Pantheon USA Fund VI	N/A	-	-	-	
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Sits)	N/A	-	-	-	
Siguler Guff Distressed Opportunities Fund III	N/A	-	-	-	
TPG Opportunities Partners (Fund II; Fund III)	N/A	-	-	-	Fund III Funded 2/2014
Warburg Pincus Private Equity XI	N/A	-	-	-	



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Colchester Global Fixed Income	Top Quartile	Yes	No Action	No Action	
Franklin Templeton Global Multi-Sector Plus	-	-	-	-	
Beach Point Total Return Fund	Bottom Quartile	-	-	-	
Symphony L/S Credit Fund	Bottom Decile	Yes	No Action	No Action	
PIMCO DiSCO II	N/A	Yes	Watch	No Action	Liquidate
Marathon European Credit Opportunity Fund	N/A	-	-	-	
GSO Direct Lending Fund	N/A	-	-	-	
Medley Opportunity Fund II	N/A	-	-	-	
White Oak Direct Lending Fund	N/A	-	-	-	
Capula European Special Situations Fund	N/A	-	-	-	Funded 3/2014
Park Square Credit Opportunities Fund II	N/A	-	-	-	
BlueBay Emerging Market Select Debt	-	-	-	-	
Iguazu Partners	-	-	-	-	Strategy is closed to new investors; Funded 2/2014
Credit Suisse Risk Parity Commodity Fund	N/A	-	-	-	
Wellington Diversified Inflation Hedges	N/A	-	-	-	
Russell Real Estate	N/A	Yes	Watch	No Action	Interim Real Estate Exposure
American Realty Separate Account	N/A	-	-	-	
American Realty Core Fund	N/A	-	-	-	
Blackstone Real Estate Debt Strategies II	N/A	-	-	-	
Brookfield Strategic Real Estate Partners	N/A	-	-	-	
Orion European Real Estate Fund IV	N/A	-	-	-	Funded 3/2014
TA Realty Fund X	N/A	-	-	-	
Tristan EPISO 3	N/A	-	-	-	



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Och-Ziff Real Estate Fund III	-	-	-	-	Funded 7/2014
Russell Hedge Funds	N/A	Yes	Watch	No Action	Interim Hedge Fund Exposure
GMO Benchmark-Free Allocation	N/A	Yes	No Action	No Action	
PIMCO All Asset All Authority	N/A	Yes	Watch	No Action	
Standard Life Global Absolute Return Strategy (GTAA)	N/A	Yes	Watch	No Action	

Note: Hedge Funds are excluded from the Due Diligence Monitor as NEPC does not provide the Plan with hedge fund advisory services.

NEPC Due Diligence Committee Recommendation Key

No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot participate in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with an Investment Manager; manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

City of San Jose Police and Fire Department Retirement Plan

Due Diligence Commentary

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

PIMCO (DiSCO II and All Asset All Authority Fund)

- On July 28, 2014 PIMCO announced that Paul McCulley will rejoin the firm in a newly created Chief Economist role. As Chief Economist, his responsibilities will include chairing the Investment Committee several times per month to lead discussion on global macroeconomic issues and central bank policy, writing and publishing commentary, and speaking with PIMCO's clients around the world. Mr. McCulley had been with PIMCO in the past, most recently as head of the short term desk and member of the Investment Committee before leaving in 2010 to join a Philadelphia-based think tank, Global Interdependence Center. He is a well-known and respected economist, author and thought leader on monetary and economic policy. We expect that Mr. McCulley will assume much of the role left behind by Mohamed El-Erian as PIMCO's public face. The hire also creates additional organizational stability and bolsters PIMCO's already impressive team of macro policy experts. While we believe this announcement is positive for PIMCO, NEPC will maintain a "Watch" status on the firm. "
- As of June 30, 2014, the Plan had approximately \$170 million, or approximately 5.3% of Plan assets, invested in the PIMCO DiSCO II (\$67 million) and All Asset All Authority Fund (\$103 million). PIMCO DiSCO II and All Asset All Authority are Preferred strategies in the opportunistic credit and global asset allocation space, respectively.
- ***NEPC has changed the due diligence status for all PIMCO strategies to WATCH as a result of the recent organizational changes.***
- ***No Client Action is Recommended.***

Russell Investments (Overlay, Interim Real Estate and Hedge Fund Exposure)

- On June 26, 2014 Russell Investments announced that the London Stock Exchange Group (LSEG) agreed to acquire them from Northwestern Mutual Life. There have been multiple stories documenting NW's desire to sell off the Russell Investments business which they have owned roughly 97% of for 15 years, but is a non-core business for them. The deal is expected to close in the 4th quarter 2014 or 1st quarter 2015, but there are numerous regulatory and shareholder approvals needed in the interim. Additionally there will be a capital raise to finance the purchase. We expect to follow-up on the due diligence status once the transaction is finalized and we have more clarity on LSEG's strategic objectives.
- At this time we only have preliminary information regarding the impact to the index business, asset management and implemented services (including Overlays) units. There are conflicting reports in the news, but at such an early stage it is difficult to place much weight on any. The one item that may raise concern is the statement in the P&I article (Link below) that includes language regarding the review of the asset management business. In our initial discussions we have been told that at this point the intention is "business as usual" and no immediate plans to spin off any particular components of the business. We will continue to follow up as more information becomes available.
- As of June 30, 2014, the Plan had approximately \$243 million, or approximately 7.5% of Plan assets, managed by Russell in the Plan's overlay portfolio and interim exposure to real estate and hedge funds. Russell is a Preferred manager in the overlay space.
- ***NEPC has changed the due diligence status to Watch as a result of the recent organizational changes***
- ***No Client Action is Recommended.***



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Commentary

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Aberdeen Frontier Markets (reprinted from Q1 2014)

- On May 8, 2014, Aberdeen announced that David Steyn had resigned as the firm's head of the Americas for "family-related reasons". He will continue to advise Aberdeen on its U.S. strategy, but will remain based in the U.K. Mr. Steyn had recently joined Aberdeen in its Philadelphia office to take over the firm's North American operations. Mr. Steyn was formerly the Chief Operating Officer at AllianceBernstein Holding.
- As of June 30, 2014, the Plan had approximately \$22 million, or approximately 0.7% of Plan assets, invested in the Aberdeen Frontier Markets Equity Fund.
- ***No Client Action is Recommended.***

Colchester Global Fixed Income (reprinted from Q1 2014)

- On May 7, 2014, Colchester Global Investors announced several changes to the senior management team.
 - Appointment of Jeff Pritchard as Chief Operating Officer with oversight of the Operations, Compliance and Finance teams at Colchester. As Colchester's business has become more complex and global in nature, they felt it was necessary to add a COO position. Mr. Pritchard will also serve as the Chief Risk Officer. Prior to joining Colchester, Mr. Pritchard had done some risk management work with the firm on a consulting basis.
 - Liz Pritchard, who is married to Jeff Pritchard, will step down as Chief Financial Officer but will continue in her role as the Chief Compliance Officer. Given the simplicity of Colchester's balance sheet, they decided that the CFO position was not necessary. This will allow Mrs. Pritchard to focus entire on compliance.
 - Michele Connell has been appointed the Global Head of Legal. Ms. Connell has been with the firm since 2012 and has 18 years of legal experience in investment management.
 - Kieran Madigan, Joint Head of Operations, will be leaving the firm at the end of June. The other Joint Head of Operations, Paul Bowell, will assume sole responsibility of the role going forward and will report to Jeff Pritchard.
- Given the relationship between Jeff and Liz Pritchard, the appointment of Mr. Pritchard as COO creates a potential conflict of interest. We will be following up with Colchester to determine how they plan to address this potential conflict of interest.
- As of June 30, 2014, the Plan had approximately \$89 million, or approximately 2.8% of Plan assets, invested in the Colchester Global Fixed Income Fund. Colchester Global Fixed Income is a Preferred strategy in the global fixed income space.
- ***No Client Action is Recommended.***

Symphony Long/Short Credit Fund (reprinted from Q1 2014)

- On April 13, 2014, Symphony Asset Management, which is 100% owned by Nuveen Investments, announced that Nuveen will be sold by Madison Dearborn Partners, a private equity firm that bought Nuveen in 2007, to TIAA-CREF. The deal is expected to close by the end of the year and is expected to have very little impact on Symphony as a firm.
- We anticipated that Madison Dearborn would exit its investment in Nuveen at some point and asked Symphony a number of questions related to ownership structure during the due diligence process. At the time, Symphony stated that all employment contracts and compensation arrangements, including the rights of shadow equity stakes in Symphony held by Symphony employees, would not change as a result of a potential change in ownership of Nuveen, and that will be the case with TIAA-CREF. Additionally, the revenue sharing arrangement between Symphony and Nuveen will not change.
- In February 2014, the Plan invested \$75 million, or approximately 2.5% of Plan assets, in the Symphony Long/Short Credit Fund. Symphony Long/Short Credit Fund is a Preferred strategy in the long/short high yield fixed income space.
- ***No Client Action is Recommended.***



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Commentary Continued

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements**GMO Benchmark-Free Allocation Fund (reprinted from Q1 2014)**

- On May 19, 2014, GMO announced that Nick Nanda, a member of the GMO Asset Allocation Team, will be leaving on June 30 to pursue other opportunities. It was Mr. Nanda's decision to leave GMO and at this time we have been told that he does not have any immediate plans to join another firm. Mr. Nanda focused on fixed income research within the Asset Allocation Team and with the addition of Marc Seidner, who will oversee all of GMO's fixed income efforts, Mr. Nanda's role within fixed income would have been reduced. Although Mr. Nanda was a longstanding member of the Asset Allocation Team and part of its growth over the years, he expressed a desire to work in a smaller, more entrepreneurial group.
- GMO has no plans to replace Mr. Nanda on the Asset Allocation Team and his existing responsibilities have been reassigned. Other than fixed income research, Mr. Nanda's primary responsibility was to oversee the GMO Mean-Reversion Fund, which has been transitioned to another member of the Asset Allocation Team.
- On January 30, 2014, GMO announced that Marc Seidner, formerly a senior portfolio manager at PIMCO, would join GMO in March as head of the Fixed Income Team. GMO's search for a head of fixed income began nearly 12 months ago as the prior head, Tom Cooper, expressed a desire to focus portfolio management responsibilities on emerging market debt strategies.
- We view the addition of Marc Seidner as a positive event for GMO as they look to expand their capabilities beyond global and emerging market debt strategies.
- As of March 31, 2014, the Plan had approximately \$127 million, or approximately 4.0% of Plan assets, invested in the GMO Benchmark-Free Allocation Fund. GMO Benchmark-Free Allocation is a Preferred strategy in the global asset allocation space.
- ***No Client Action is Recommended.***

City of San Jose Police and Fire Department Retirement Plan

Due Diligence Commentary Continued

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Standard Life Global Absolute Return Strategy (GARS) GTAA (reprinted from Q1 2014)

- On May 15, 2014, Standard Life Investments announced the departure of Ian Pizer from the Multi-Asset Team. Mr. Pizer's primary responsibility was to oversee government and interest rate markets. In addition, he was a member of the Multi-Asset Team's Investment Committee, was Chairman of the Bond Investment Group within Standard Life and was a portfolio manager on the Global Absolute Return Strategy (GARS). Mr. Pizer will be replaced by Sebastian Mackay, who is a member of Standard Life's Bond Investment Group, with a focus on global bond strategies. Mr. Mackay is a senior member of the Multi-Asset Team and is a key member of the Absolute Return Bond Strategy, which is a fixed income version of the overall GARS strategy. Standard Life expects that Mr. Mackay's assumption of Mr. Pizer's responsibilities will be a seamless transition.
- Mr. Pizer will be joining Aviva Life to head their global rates and fixed income multi-asset efforts. He will be joining Euan Munro, who created the GARS strategy and was the previous Head of the Multi-Asset and Fixed Income Teams at Standard Life. Mr. Munro departed Standard Life in June of 2013 to head Aviva's investment division, and his departure was an amicable one. At the time of his departure, Mr. Munro provided assurances to Standard Life that he would not look to re-create GARS at Aviva by hiring his former employees. Since that time, Mr. Munro's leadership of Aviva Investments has been difficult, as they have experienced a high level of turnover and asset outflows. Recently, Mr. Munro approached Mr. Pizer to provide much needed investment capability and stability for the Aviva fixed income team. Mr. Munro discussed the possibility of hiring Mr. Pizer with senior executives at Standard Life and sought their pre-approval. Overall this was a unique situation and was an amicable transition for all parties. Based on our conversations with Standard Life and statements from the Firm's leadership, we believe Mr. Pizer's departure is an isolated incident and additional Standard Life personnel moves to Aviva appear unlikely.
- Although there are no other announced changes to the team, there is some concern regarding the heightened level of turnover following the departure of team head Euan Munro in June 2013. NEPC will continue to monitor personnel updates at Standard Life and will follow up with any additional news as quickly as the facts are determined. The Standard Life GARS strategy remains a preferred option for Global Asset Allocation (GAA) mandates.
- On March 26, 2014, Standard Life announced that it had entered into an agreement with Phoenix Group Holdings to acquire its investment management business, Ignis Asset Management. Standard Life believes that the acquisition of Ignis will complement its existing investment capabilities. The transaction is subject to FCA approval and expected to close in June 2014.
- As of June 30, 2014, the Plan had approximately \$106 million, or approximately 3.3% of Plan assets, invested in the Standard Life GARS Fund. Standard Life GARS is a Preferred strategy in the global asset allocation space.
- ***NEPC has changed the due diligence status for the Standard Life GARS strategy to WATCH as a result of the recent organizational changes.***
- ***No Client Action is Recommended.***



Appendix: Policy Benchmark History; Performance Disclosures

City of San Jose Police and Fire Department Retirement Plan

Policy Benchmark History

- **6/1/95 – 9/30/01** – 35% S&P 500/10% MSCI EAFE/35% BC Aggregate/10% Citigroup WGBI/10% NCREIF Property
- **10/1/01 – 12/31/04** – 35% S&P 500/15% MSCI EAFE/5% MSCI Emg Mkts/28% BC Aggregate/5% Citigroup WGBI/12% NCREIF Property
- **1/1/05 – 3/31/08** – 34% S&P 500/20% MSCI EAFE/5% MSCI Emg Mkts/20% BC Aggregate/4% BC Long Gov't/Credit/12% NCREIF Property/5% Russell 2000
- **4/1/08 – 6/30/08** – 29% S&P 500/5% Russell 2000/20% MSCI EAFE/5% MSCI Emg Mkts/20% BC Aggregate/4% BC Long Gov't/Credit/12% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)
- **7/1/08 – 12/31/09** – 22% S&P 500/5% Russell 2000/17% MSCI EAFE/5% MSCI Emg Mkts/18% BC Aggregate/5% ML US HY BB-B Constrained/10% NCREIF Property/8% Cambridge Private Equity (lagged 1 quarter)/5% DJ/UBS Commodities Index/5% HFRI FoF: Conservative
- **1/1/10 – 3/31/11** – 18% Russell 1000/5% Russell 2000/12% MSCI EAFE/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% DJ/UBS Commodities Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **4/1/11 – 12/31/2011** – 18% Russell 1000/5% Russell 2000/12% MSCI EAFE/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% San Jose P&F Custom Commodity Risk Parity Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **1/1/12 – 12/31/2012** – 12% MSCI All Country World Index/15% MSCI All Country World Index Value/2% Russell 3000/3% Russell 2000/3% MSCI EAFE + CAD Small Cap/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% San Jose P&F Custom Commodity Risk Parity Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5
- **1/1/2013 – 10/31/2013** - 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/10% San Jose Custom Inflation-Linked Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **11/1/2013 – 12/31/2013** - 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked/3% CPI+5%/ Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **1/1/2014 – present** – 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/10% Barclays Capital Global Aggregate/5% BC High Yield/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills



City of San Jose Police and Fire Department Retirement Plan

Additional Performance Disclosures and Footnote Detail

Note: All performance, ranks, asset allocation and asset growth detailed throughout this report is gross of fees and is as of December 31, 2013, unless otherwise noted.

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- 1 - Long-Term Policy Benchmark adopted by the Board of Administration at the August 2, 2012 meeting.
- 2 - Global Equity Composite market value includes \$106,982 of residual assets remaining in the equity transition account and terminated manager accounts.
- 3 - U.S. Equity market value includes \$466,642 of residual assets remaining in terminated manager accounts.
- 4 - International Equity Composite and Developed International Equity Composite market values include \$297,103 of residual assets remaining in terminated manager accounts.
- 5 - Total Fixed Income market value includes \$4,784 of residual assets remaining in terminated manager accounts.
- 6 - Cash market value includes Russell Overlay account.

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- 1 - Total Equity Composite market value includes \$3,114,322 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 - San Jose Custom Total Equity Benchmark comprised of: 50% S&P 500/8% Russell 2000/34% MSCI EAFE (Net)/8% MSCI Emerging Markets (Net) from 4/1/2008 - 6/30/2008; 45% S&P 500/10% Russell 2000/35% MSCI EAFE (Net)/10% MSCI Emerging Markets (Net) from 7/1/2008 - 12/31/2009; 45% Russell 1000/12.5% Russell 2000/30% MSCI EAFE(Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2010 - 12/31/2011; 30% MSCI ACWI (Net)/37.5% MSCI ACWI Value (Net)/5% Russell 3000/7.5% Russell 2000/7.5% MSCI World ex-U.S. Small Cap (Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2012 - 12/31/2012; 100% MSCI ACWI IMI (Net) from 1/1/2013 - forward.
- 3 - Global Equity Composite market value includes \$106,982 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 - November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund and related composites from December 2012 - February 2013.
- 4 - U.S. Equity Composite market value includes \$466,642 of residual assets remaining in terminated manager accounts.

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- 1 - International Equity Composite and Developed International Equity Composite market values include \$297,103 of residual assets remaining in terminated manager accounts.

Page 39

- 1 - Total Private Equity Composite includes investments that have been funded through 6/30/2014 as well as \$107.5 million in interim exposure managed by Russell.

Page 40

- 1 - Total Fixed Income Composite market value includes \$4,785 of residual assets remaining in terminated manager accounts.
- 2 - Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Total Credit Composite.
- 3 - Total Credit and Corporate Credit Composite market value includes \$4,785 of residual assets remaining in terminated manager accounts.
- 4 - Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.

City of San Jose Police and Fire Department Retirement Plan

Additional Performance Disclosures and Footnote Detail

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- 1 - Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Opportunistic Credit Composite.
- 2 - Capula was funded in March 2014. Inception date for performance reporting purposes is April 1, 2014.

Page 42

- 1 - San Jose Custom EMD Index comprised of JP Morgan EMBI+ from 1/1/2013 - 6/30/2013; JP Morgan Blended EMD Index thereafter.
- 2 - JP Morgan Blended EMD Index comprised of 50% JP Morgan GBI EM Global Diversified, 25% JP Morgan EMBI Global Diversified, 25% JP Morgan Corporate Broad EMBI.

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- 1 - Total Real Estate Composite includes investments that have been funded through 6/30/2014 as well as \$62.9 million in interim exposure managed by Russell.
- 2 - San Jose Custom Inflation-Linked Assets Benchmark comprised of 100% Custom Commodity Risk Parity Index from 4/1/2011 - 10/31/2013; 70% Custom Commodity Risk Parity Index, 30% CPI + 5% (Unadjusted) from 11/1/2013 - forward.

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- 1 - San Jose Custom Hedge Fund Benchmark comprised of 100% Russell Hedge Index from 11/1/2012 - 12/31/2012; 80% Russell Hedge Index, 20% HFRI FoF Composite from 1/1/2013 - 3/31/2013; 60% Russell Hedge Index, 40% HFRI FoF Composite from 4/1/2013 - 6/30/2013; 40% Russell Hedge Index, 60% HFRI FoF Composite from 7/1/2013 - 9/30/2013; 30% Russell Hedge Index, 70% HFRI FoF Composite from 10/1/2013 - forward.
- 2 - Russell Hedge Index comprised of 15% MSCI ACWI, 15% Barclays Capital Global Aggregate (Unhedged), 70% 90 day T-bills. The Russell Hedge Index is being used as a proxy for the Plan's allocation to hedge funds while searches are completed to fill the 10% target allocation.

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- 1 - NEPC began calculating cash returns as of April 1, 2008.

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- 1 - Total Equity Composite market value includes \$3,114,322 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 - San Jose Custom Total Equity Benchmark comprised of: 50% S&P 500/8% Russell 2000/34% MSCI EAFE (Net)/8% MSCI Emerging Markets (Net) from 4/1/2008 - 6/30/2008; 45% S&P 500/10% Russell 2000/35% MSCI EAFE (Net)/10% MSCI Emerging Markets (Net) from 7/1/2008 - 12/31/2009; 45% Russell 1000/12.5% Russell 2000/30% MSCI EAFE(Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2010 - 12/31/2011; 30% MSCI ACWI (Net)/37.5% MSCI ACWI Value (Net)/5% Russell 3000/7.5% Russell 2000/7.5% MSCI World ex-U.S. Small Cap (Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2012 - 12/31/2012; 100% MSCI ACWI IMI (Net) from 1/1/2013 - forward.
- 3 - Global Equity Composite market value includes \$106,982 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 - November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund and related composites from December 2012 - February 2013.
- 4 - U.S. Equity Composite market value includes \$466,642 of residual assets remaining in terminated manager accounts.

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- 1 - International Equity Composite and Developed International Equity Composite market values include \$297,103 of residual assets remaining in terminated manager accounts.

Page 52

- 1 - Total Private Equity Composite includes investments that have been funded through 6/30/2014 as well as \$107.5 million in interim exposure managed by Russell.

City of San Jose Police and Fire Department Retirement Plan

Additional Performance Disclosures and Footnote Detail

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- 1 – Total Fixed Income Composite market value includes \$4,785 of residual assets remaining in terminated manager accounts.
- 2 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Total Credit Composite.
- 3 – Total Credit and Corporate Credit Composite market value includes \$4,785 of residual assets remaining in terminated manager accounts.
- 4 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.

Page 54

- 1 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Opportunistic Credit Composite.
- 2 – Capula was funded in March 2014. Inception date for performance reporting purposes is April 1, 2014.

Page 55

- 1 – San Jose Custom EMD Index comprised of JP Morgan EMBI+ from 1/1/2013 – 6/30/2013; JP Morgan Blended EMD Index thereafter.
- 2 – JP Morgan Blended EMD Index comprised of 50% JP Morgan GBI EM Global Diversified, 25% JP Morgan EMBI Global Diversified, 25% JP Morgan Corporate Broad EMBI

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- 1 – Total Real Estate Composite includes investments that have been funded through 6/30/2014 as well as \$62.9 million in interim exposure managed by Russell.
- 2 – San Jose Custom Inflation-Linked Assets Benchmark comprised of 100% Custom Commodity Risk Parity Index from 4/1/2011 – 10/31/2013; 70% Custom Commodity Risk Parity Index, 30% CPI + 5% (Unadjusted) from 11/1/2013 – forward.

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- 1 – San Jose Custom Hedge Fund Benchmark comprised of 100% Russell Hedge Index from 11/1/2012 – 12/31/2012; 80% Russell Hedge Index, 20% HFRI FoF Composite from 1/1/2013 – 3/31/2013; 60% Russell Hedge Index, 40% HFRI FoF Composite from 4/1/2013 – 6/30/2013; 40% Russell Hedge Index, 60% HFRI FoF Composite from 7/1/2013 – 9/30/2013; 30% Russell Hedge Index, 70% HFRI FoF Composite from 10/1/2013 - forward.
- 2 – Russell Hedge Index comprised of 15% MSCI ACWI, 15% Barclays Capital Global Aggregate (Unhedged), 70% 90 day T-bills. The Russell Hedge Index is being used as a proxy for the Plan's allocation to hedge funds while searches are completed to fill the 10% target allocation.

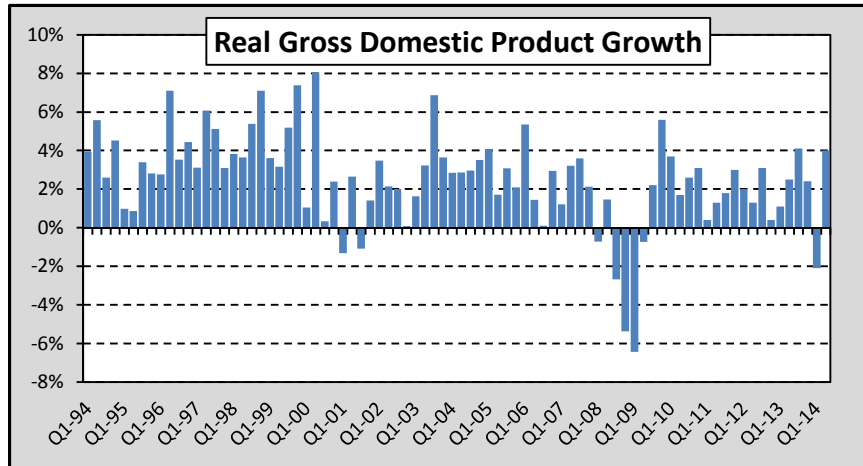
Page 59

- 1 – NEPC began calculating cash returns as of April 1, 2008.

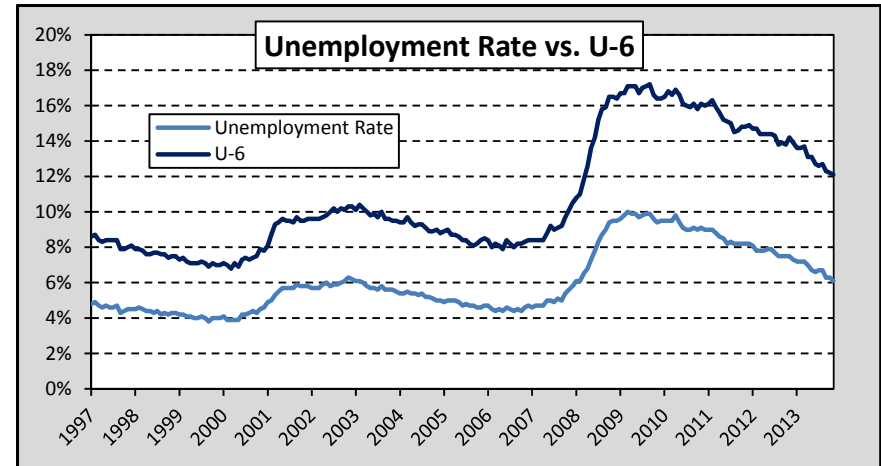
Appendix: Market Environment

City of San Jose Police and Fire Department Retirement Plan

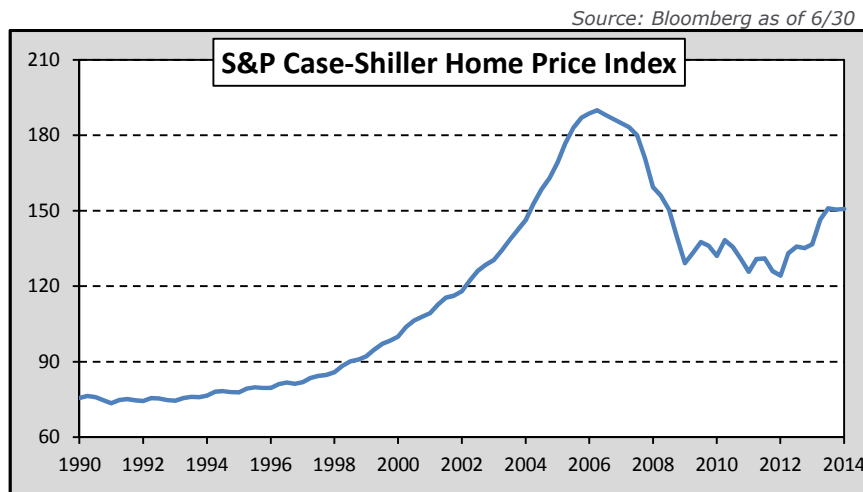
US Economic Environment



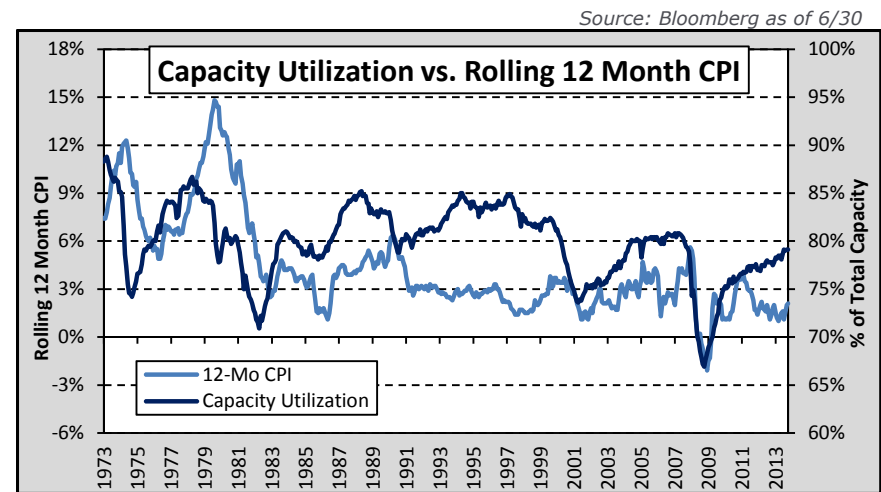
US GDP growth estimated at 4.0% in the second quarter



Unemployment fell to 6.1% in June; U-6 fell to 12.1%



The Case-Shiller home price index (as of 3/31) stayed nearly flat at 150.76



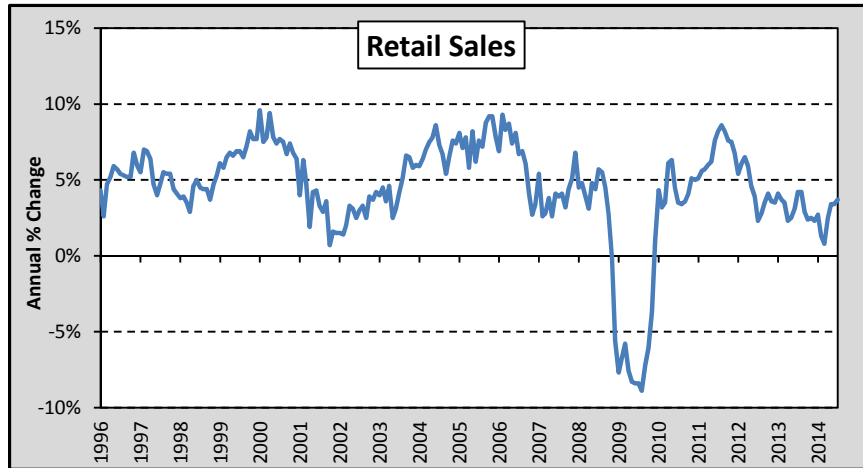
Rolling 12 month CPI rose to 2.1% at May end; capacity utilization rose slightly to 79.1% in the month

Source: Bloomberg as of 3/31

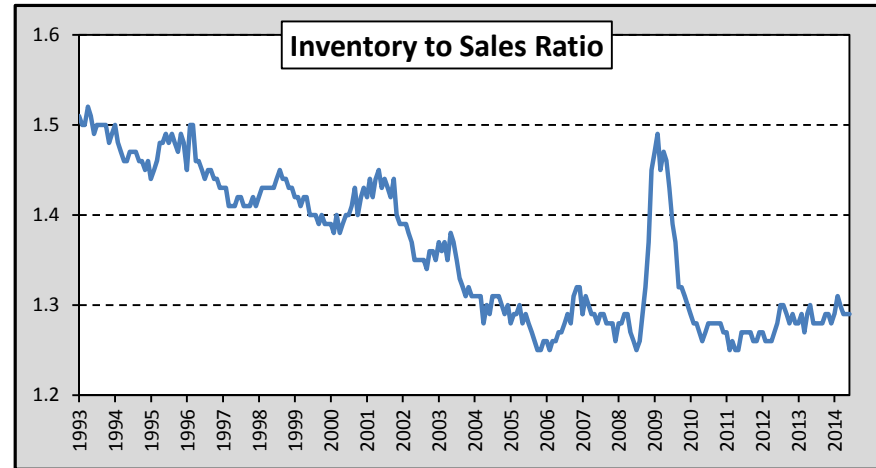
Source: Bloomberg as of 5/31

City of San Jose Police and Fire Department Retirement Plan

Components of GDP



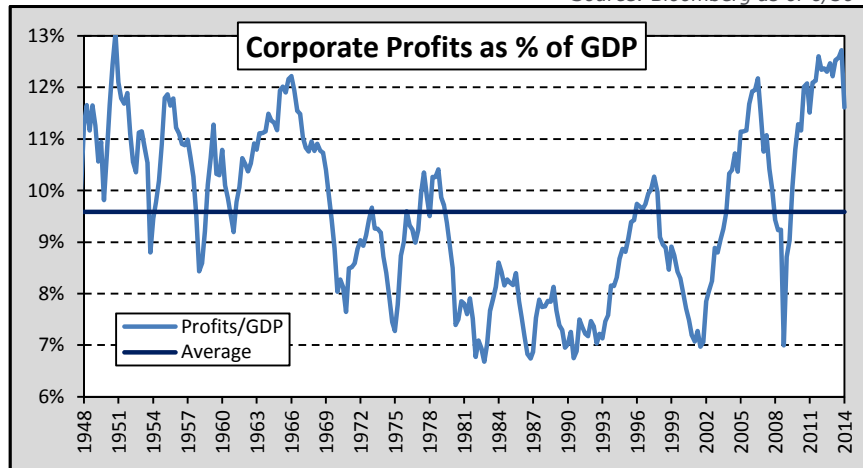
Retail sales rose to a 3.7% year-over-year growth rate in June



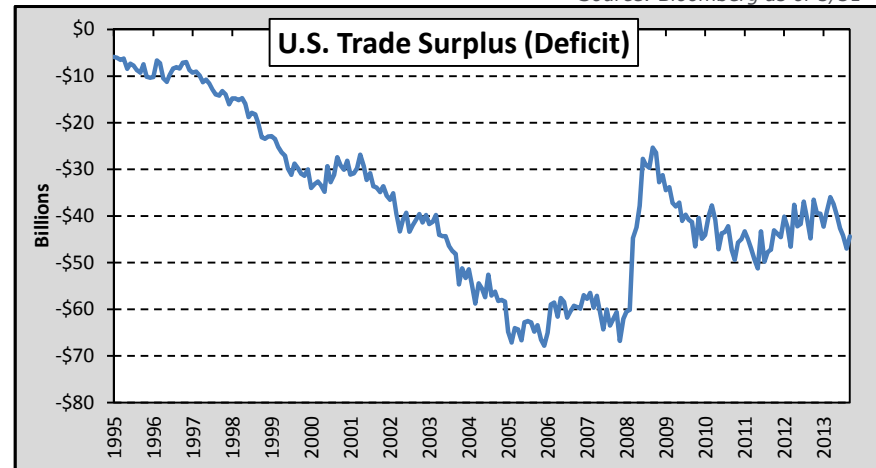
The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.29 in May

Source: Bloomberg as of 6/30

Source: Bloomberg as of 5/31



Corporate Profits as a percent of GDP fell from secular highs to 11.6% at the end of the first quarter but remain elevated relative to history



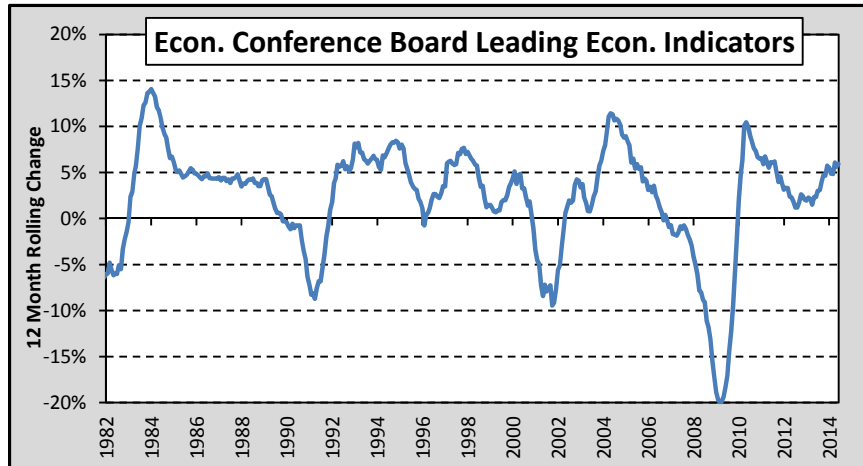
The trade deficit decreased in May

Source: Bloomberg as of 3/31

Source: Bloomberg as of 5/31

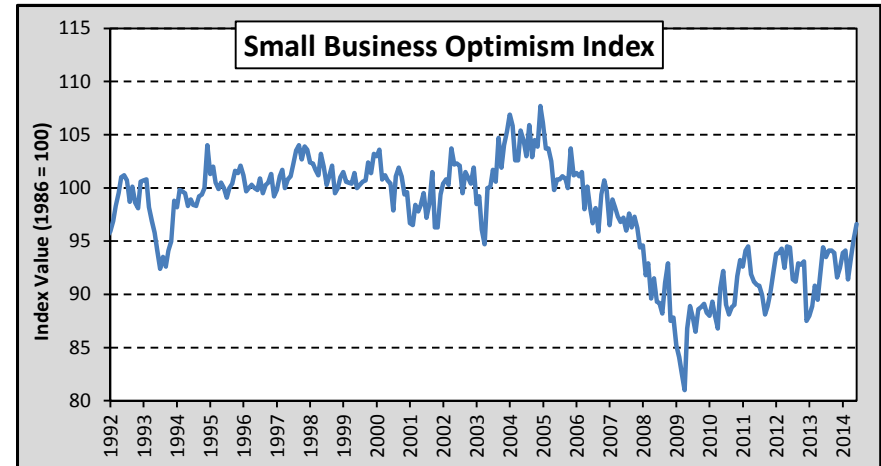
City of San Jose Police and Fire Department Retirement Plan

Key Economic Indicators



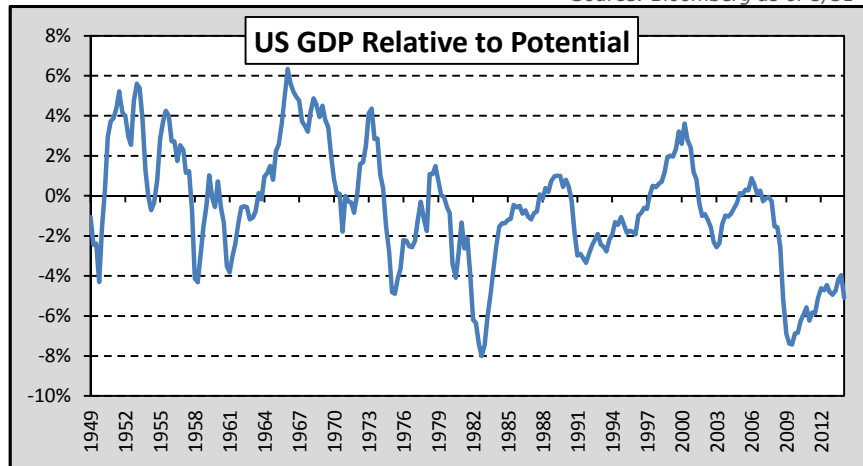
The rolling percentage change in the Leading Economic Indicators index increased to 5.94% through May

Source: Bloomberg as of 5/31



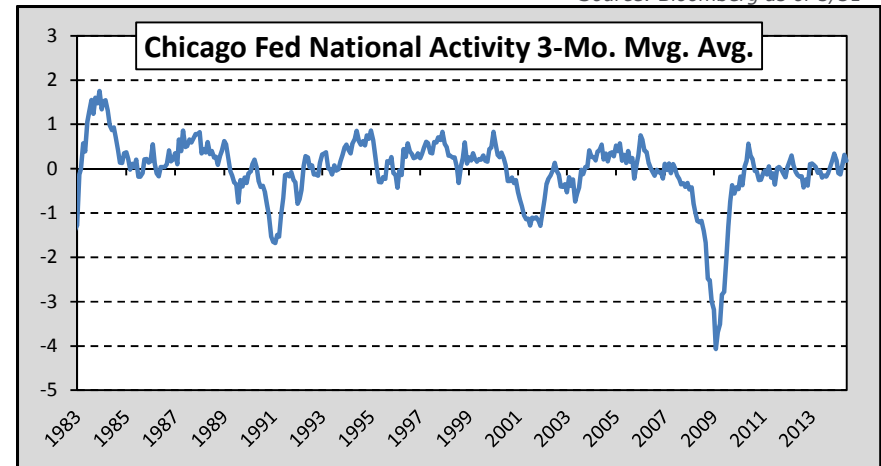
The small business optimism index increased to 96.6 through May

Source: Bloomberg as of 5/31



US GDP relative to potential GDP decreased through the first quarter and remained near historic lows

Source: Bureau of Economic Analysis, Congressional Budget Office as of 3/31

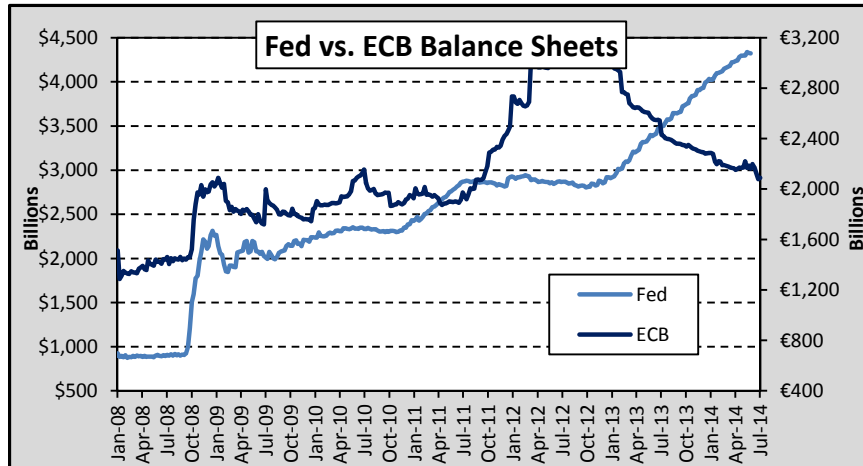


Chicago Fed National Activity 3 Month moving average remained positive through May; indicating above average growth

Source: Bloomberg as of 5/31

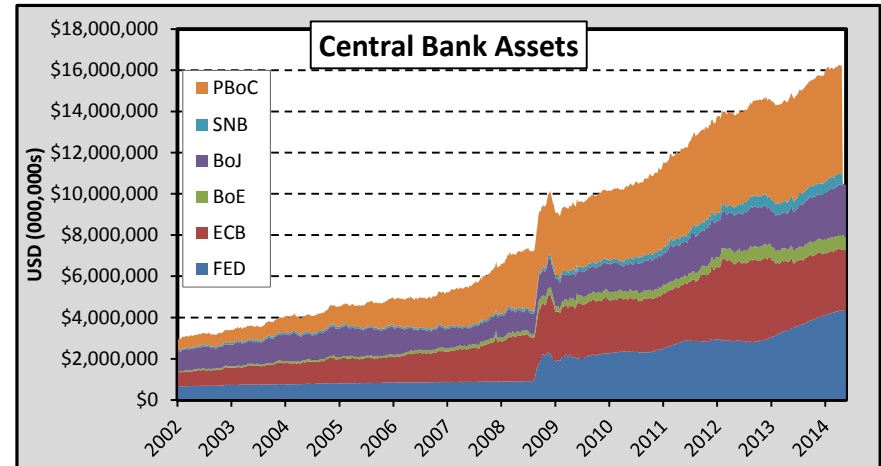
City of San Jose Police and Fire Department Retirement Plan

Economic Environment – Monetary Policy and Banks



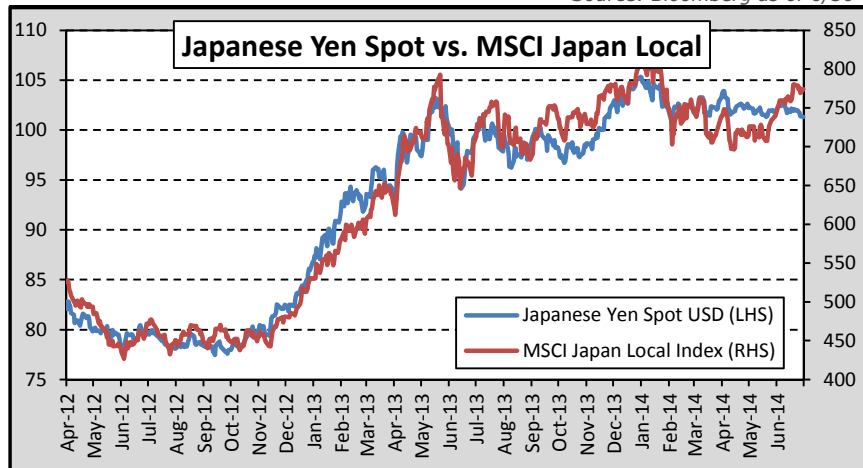
The Federal Reserve Bank balance sheet has increased in 2014 while the European Central Bank balance sheet decreased

Source: Bloomberg as of 6/30



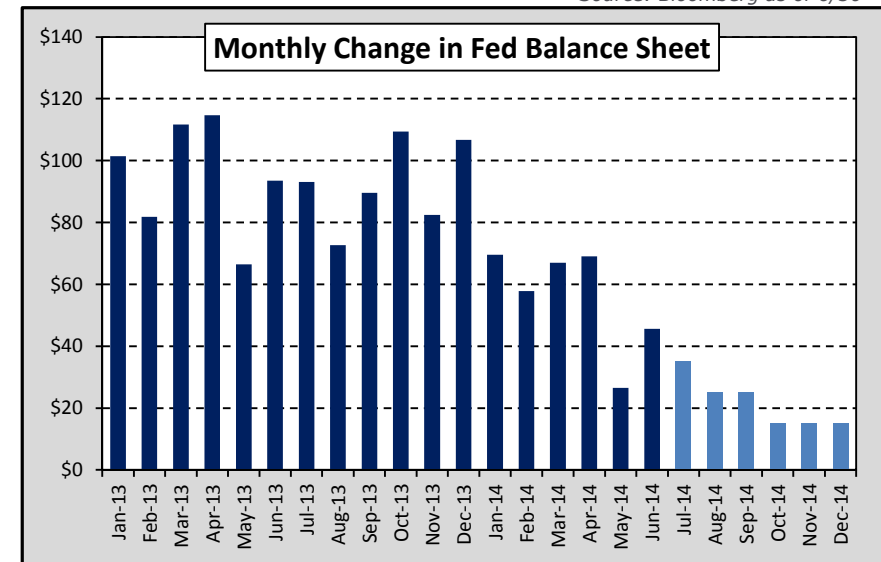
Central bank assets worldwide have risen significantly since 2008

Source: Bloomberg as of 6/30



The Japanese Yen has weakened 3.8% relative to the US dollar in 2014; while the MSCI Japan TR Net Local Index returned (3.0)%

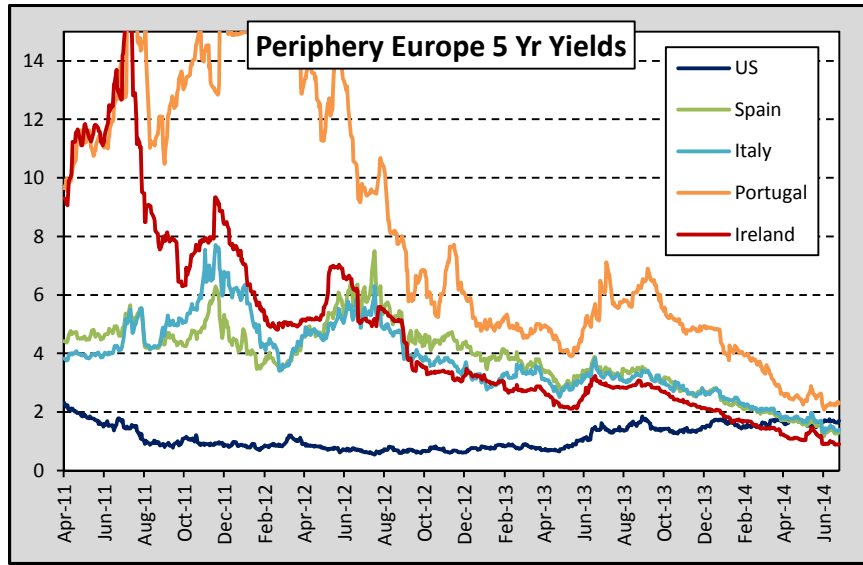
Source: Bloomberg as of 6/30



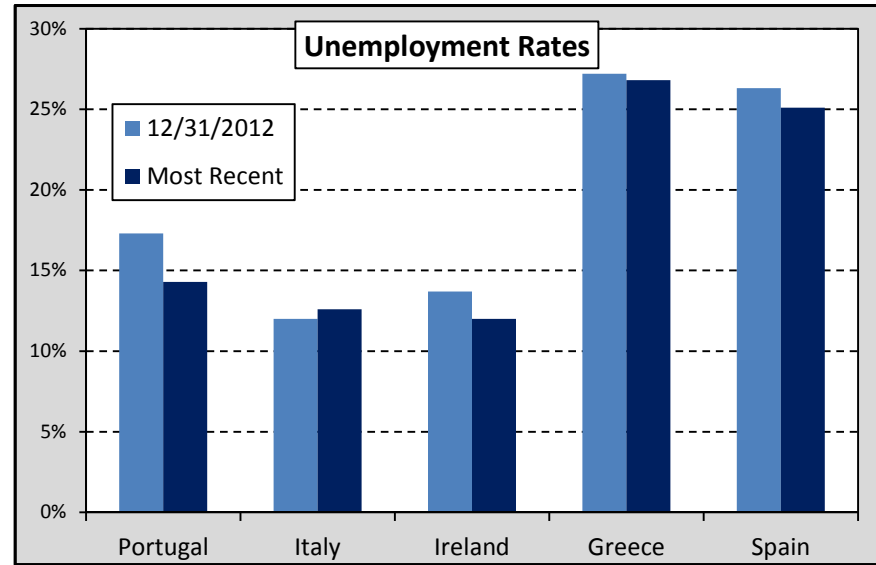
Source: Bloomberg as of 6/25, Values after 6/25 based on market projections

City of San Jose Police and Fire Department Retirement Plan

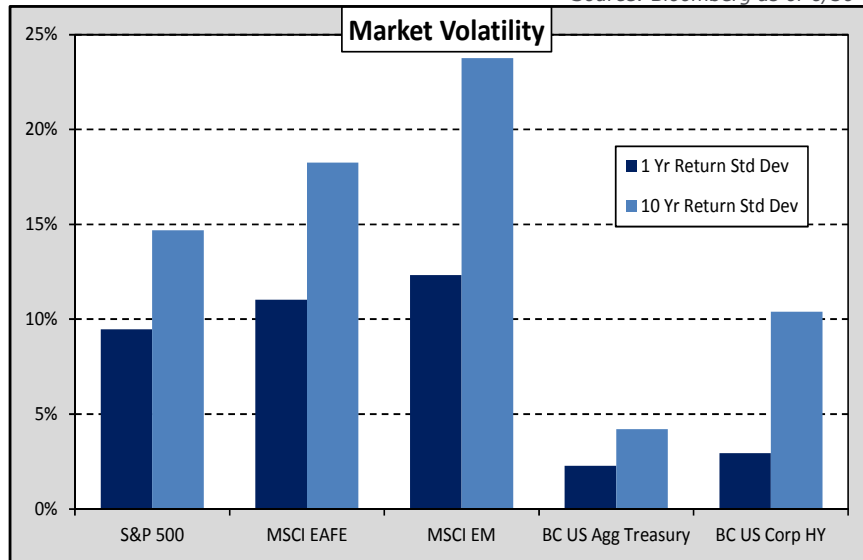
Looming Macro Uncertainties



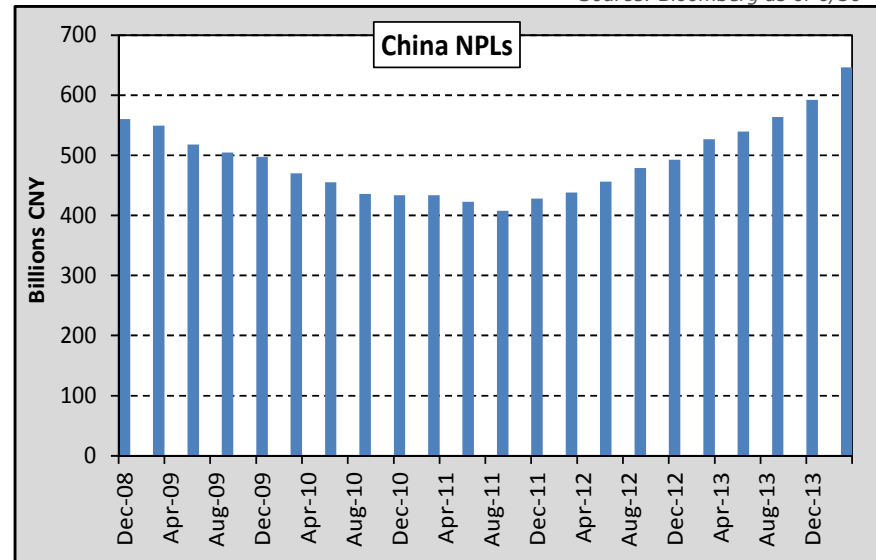
Source: Bloomberg as of 6/30



Source: Bloomberg as of 6/30



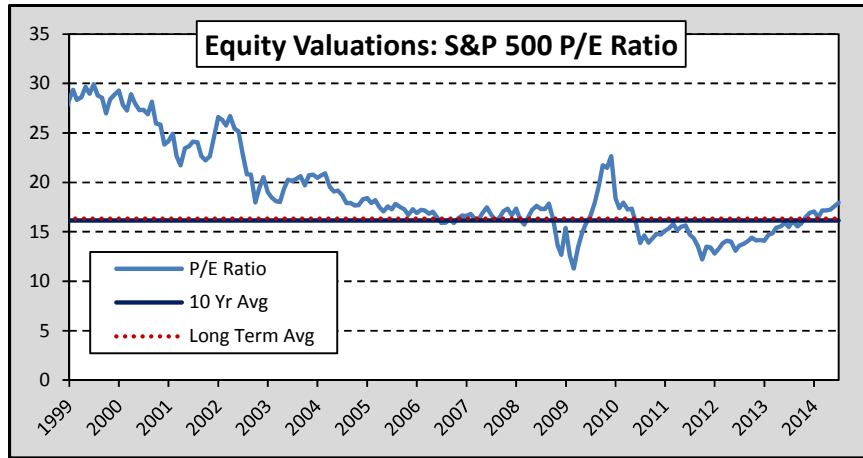
Source: Morningstar as of 6/30



Source: Bloomberg as of 6/30

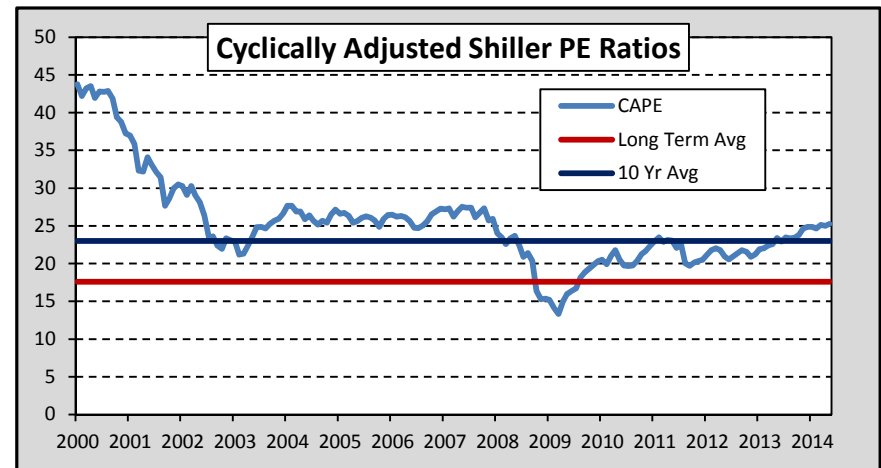
City of San Jose Police and Fire Department Retirement Plan

Market Environment – US Equity



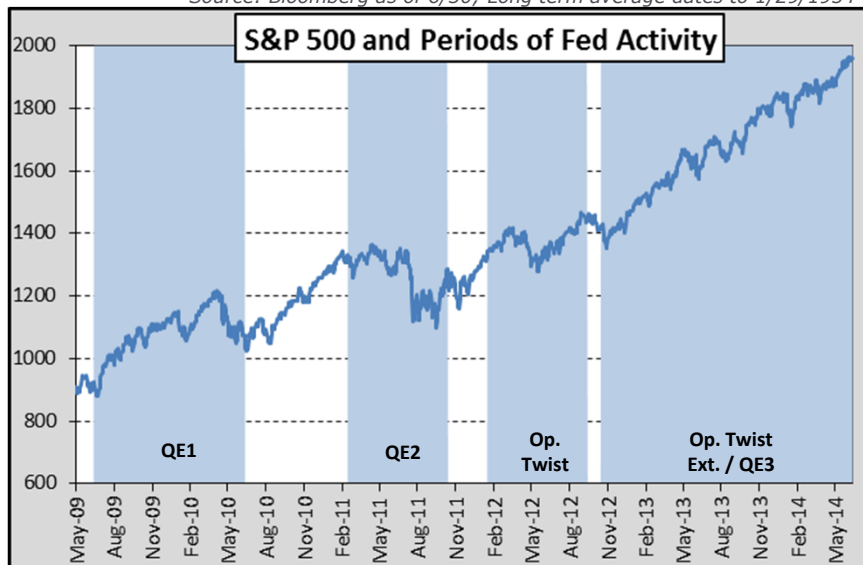
S&P valuations rose in June and remained above the 10 year and long term averages

Source: Bloomberg as of 6/30; Long term average dates to 1/29/1954

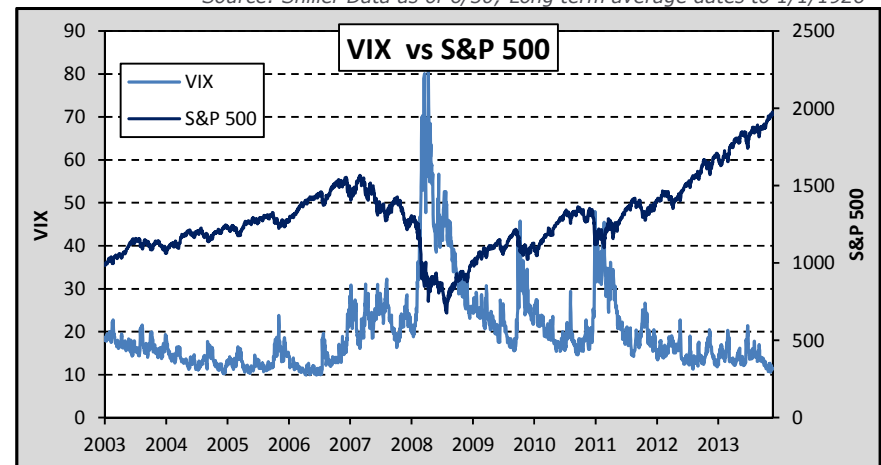


...The cyclically adjusted Shiller PE Ratio, is above the long term average of 17.59 and slightly above the 10 year average of 23.02

Source: Shiller Data as of 6/30; Long term average dates to 1/1/1926



Source: Bloomberg as of 6/30

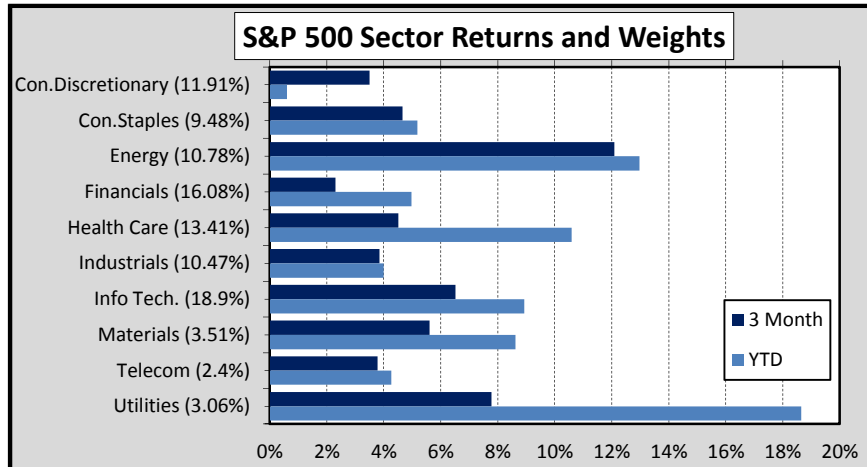


The VIX remained near historically low levels in June; the S&P 500 rose 2.1% on the month

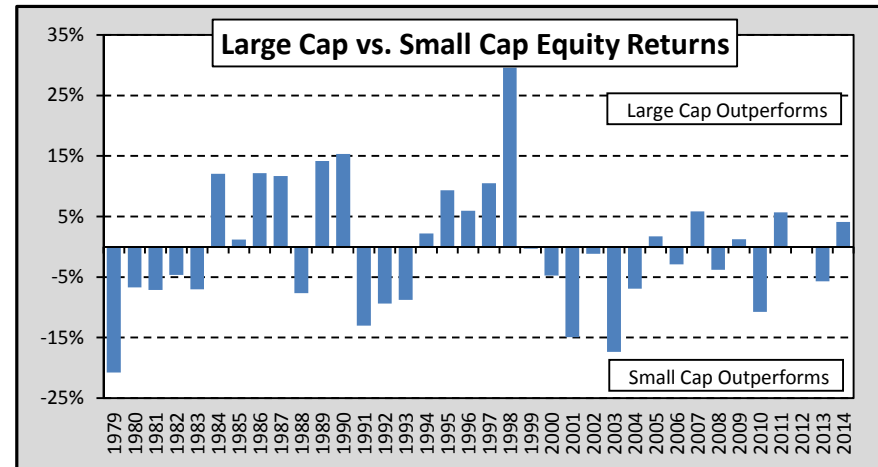
Source: Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan

US Stock Market Performance

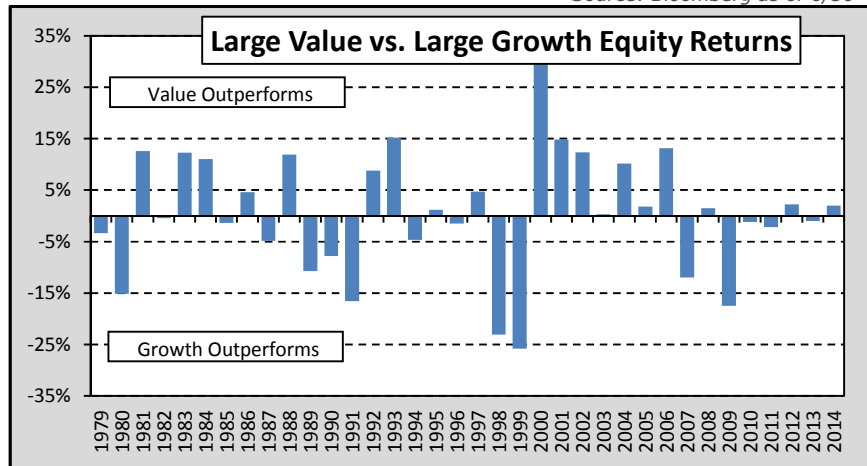


All sectors are positive to start 2014 with utilities and energy providing the highest returns



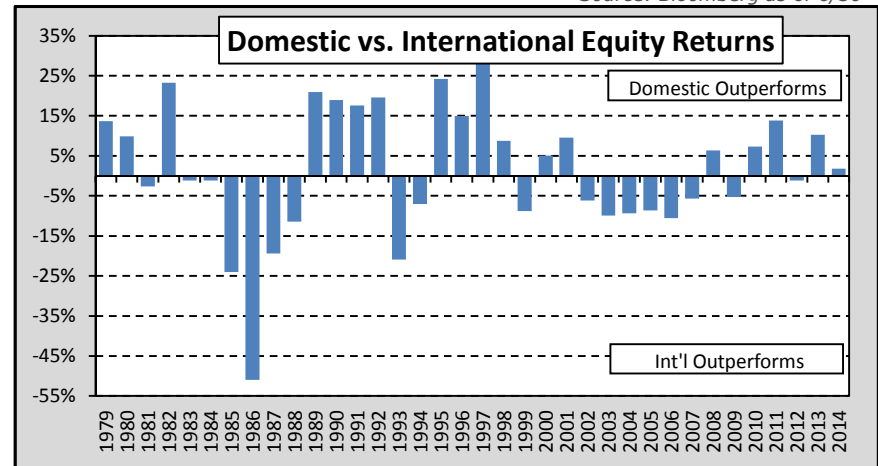
Large cap has outperformed small cap in 2014

Source: Bloomberg as of 6/30



Large value stocks have outperformed large growth in 2014

Source: Bloomberg as of 6/30



Domestic equity has marginally outperformed international equity in 2014

Source: Bloomberg as of 6/30

Source: Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan

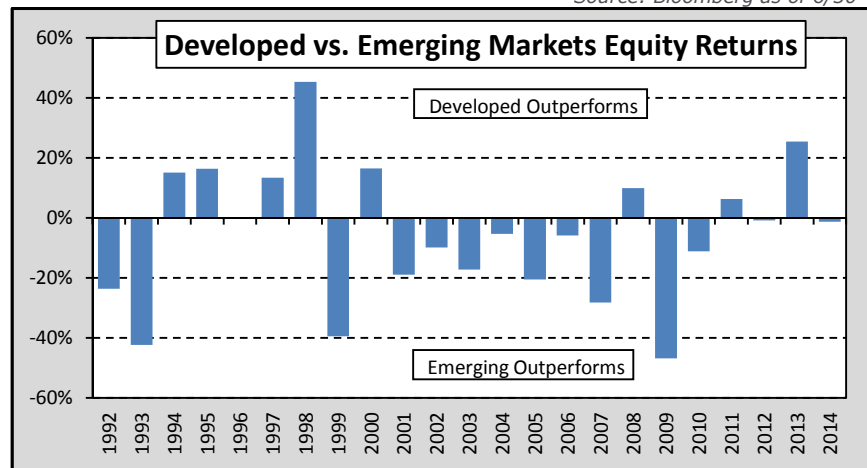
Non-US Stock Performance

Developed Market Equity Returns (U.S. Dollars)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Europe ex UK	3.6%	0.5%	27.8%	4.9%
United Kingdom	3.1%	5.0%	22.1%	6.4%
Japan	-0.3%	6.5%	7.9%	5.4%
Pacific Ex Japan	5.2%	3.2%	14.2%	2.0%
Canada	10.4%	9.3%	23.6%	0.8%
USA	6.1%	4.7%	22.4%	14.1%

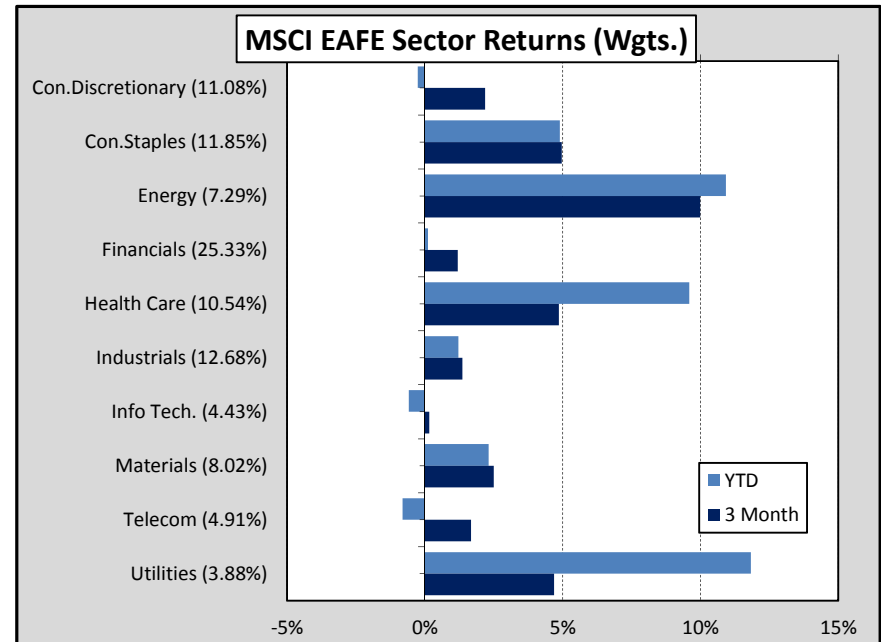
US Dollar Return vs. Major Foreign Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Euro	0.4%	0.6%	-5.2%	1.9%
Japanese Yen	-3.9%	-1.9%	2.2%	7.4%
British Pound	-3.3%	-2.7%	-12.5%	-2.1%
Canada	0.4%	-3.5%	1.4%	3.3%
Australia	-5.8%	-1.8%	-3.2%	4.2%

Currency Impact on Developed Mkt. Returns				
(Negative = Currency Hurt, Positive = Currency Helped)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	3.1%	3.4%	17.9%	10.4%
MSCI EAFE (USD)	4.8%	4.1%	23.6%	8.1%
Currency Impact	1.7%	0.7%	5.7%	-2.3%

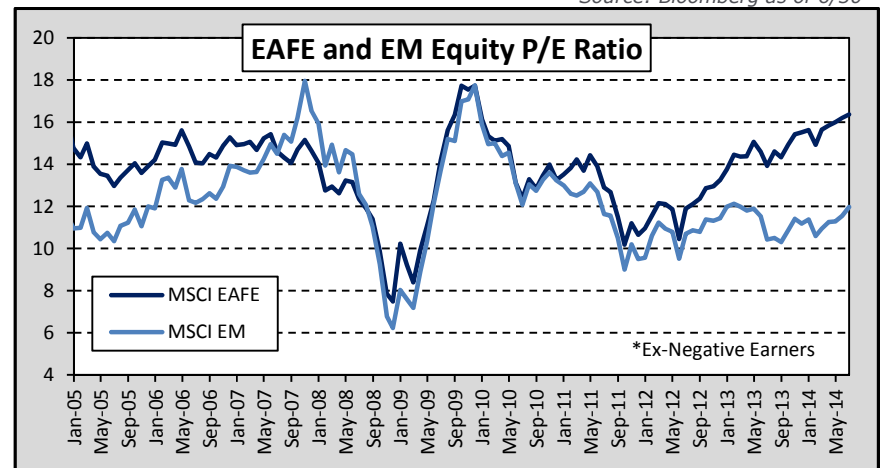
Source: Bloomberg as of 6/30



Source: Bloomberg as of 6/30



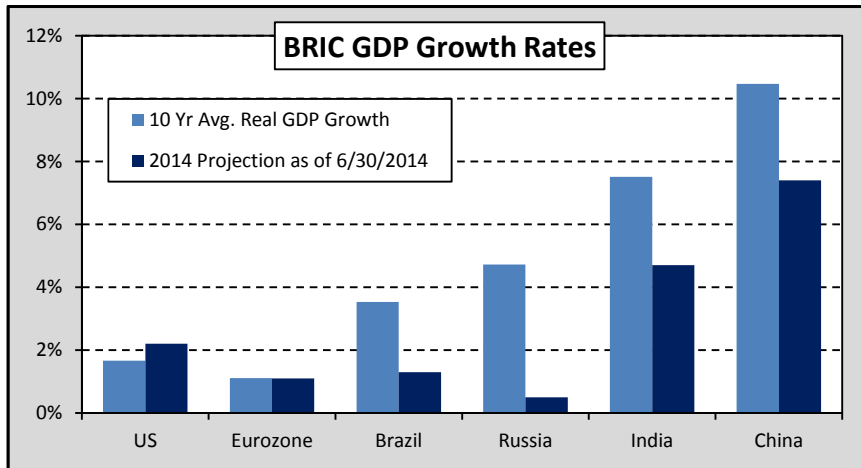
Source: Bloomberg as of 6/30



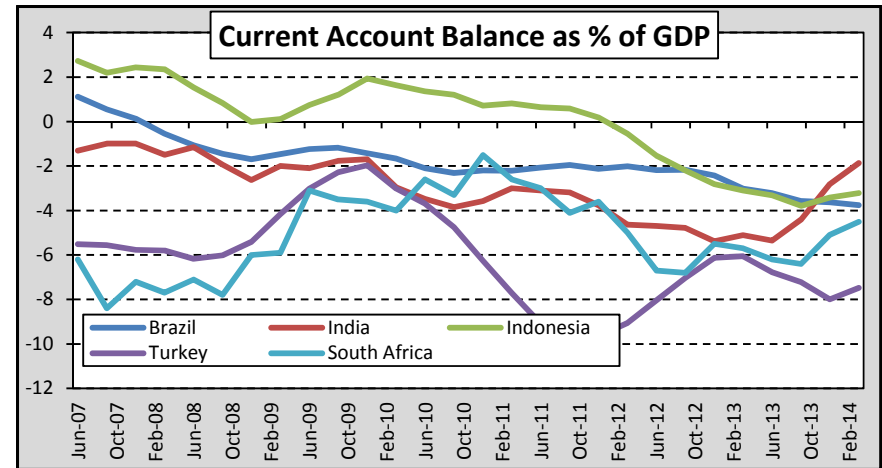
Source: Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan

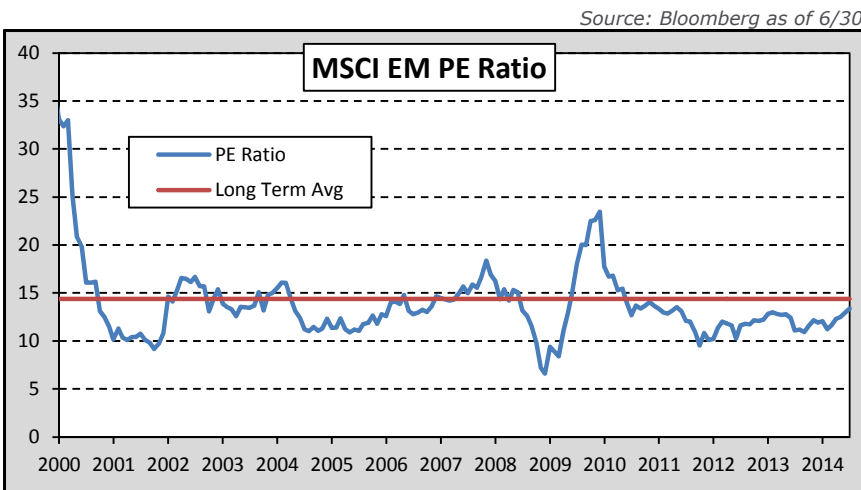
Market Environment – Emerging Markets



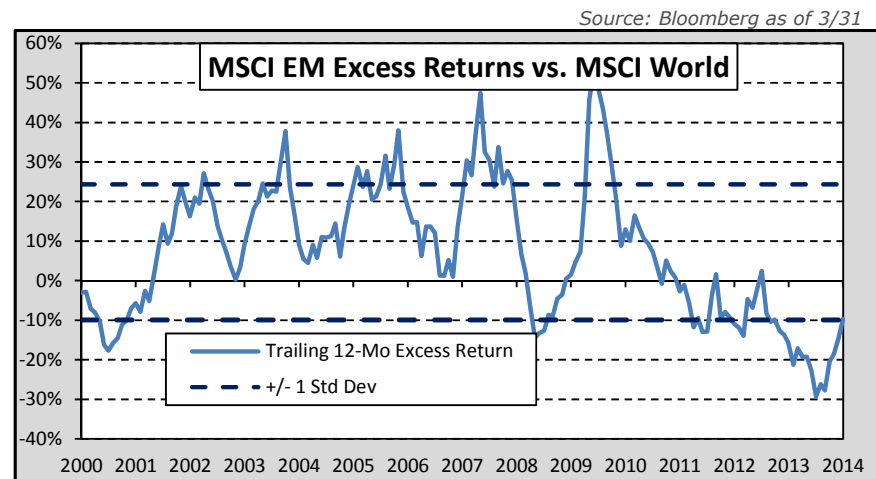
Projected GDP growth rates have continued to decline in emerging market countries



Balance of payment challenged countries have shown signs of improvement



The MSCI EM PE Ratio remains below its long term average



MSCI EM Rolling 12-Month excess returns relative to MSCI World are at below the lower bound of the historical range

Source: Bloomberg as of 6/30

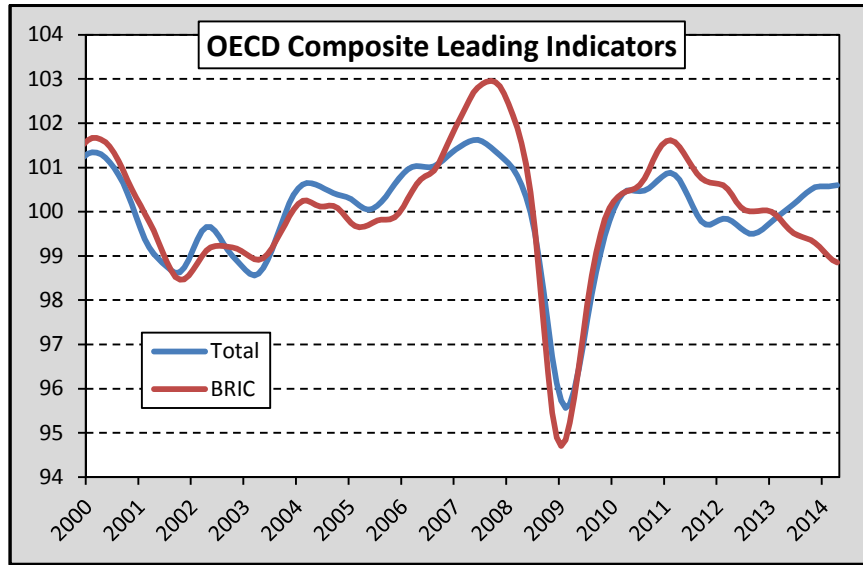
Source: Bloomberg as of 3/31

Source: Bloomberg as of 6/30

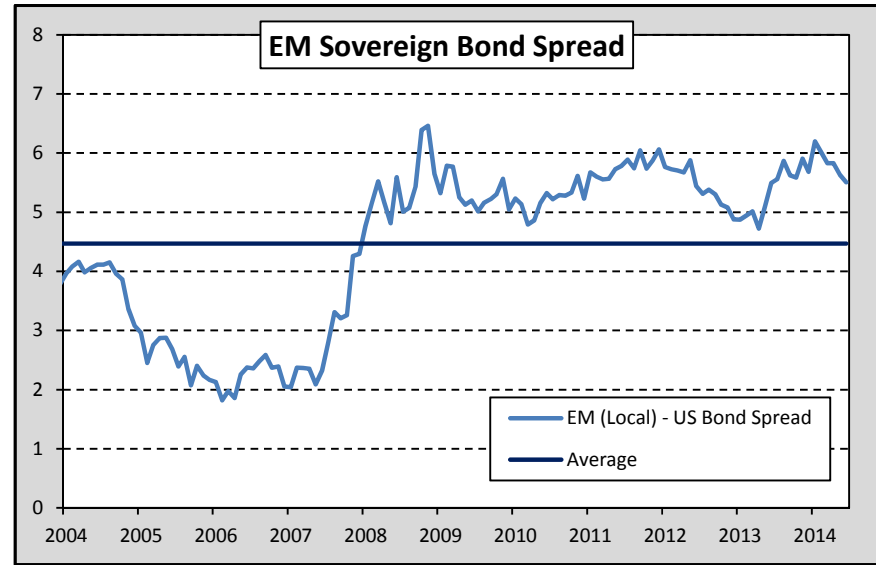
Source: Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan

Emerging Markets



Source: Bloomberg as of 5/31



Source: Bloomberg as of 6/30

Emerging Markets Valuation		
	MSCI EM	MSCI EM Small Cap
PE Ratio	13.33	12.86
PE Historical Avg	14.39	14.33
PB Ratio	1.55	1.37
Historical Avg	1.53	1.28
PS Ratio	1.07	0.80
Historical Avg	1.11	0.71

- MSCI EM PE and PS and MSCI EM Small Cap PE Ratios are below historical averages
- MSCI EM Small Cap PB and PS ratios are above historical averages

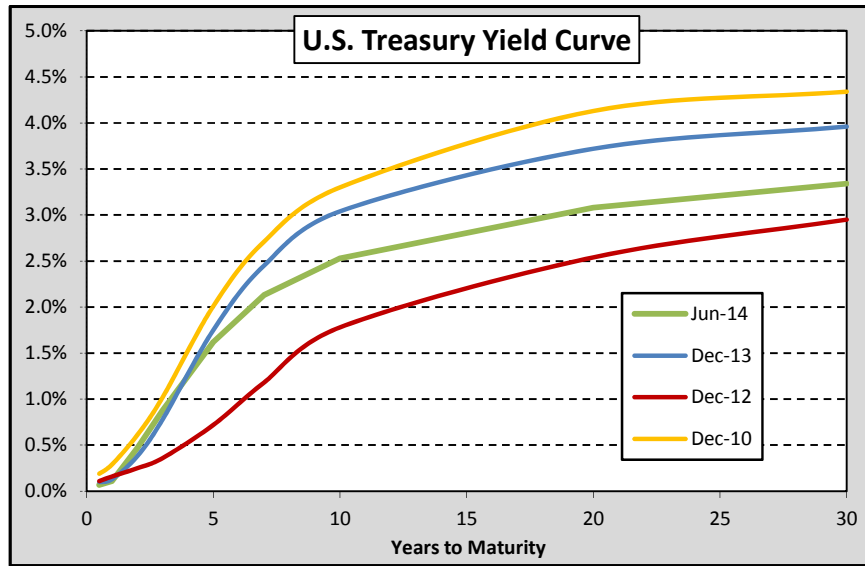
Source: Bloomberg as of 6/30

US Dollar Return vs. Major EM Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Brazilian Real	-6.8%	-2.6%	-0.8%	10.9%
Russian Ruble	3.2%	-3.2%	3.4%	6.4%
Indian Rupee	-3.0%	0.3%	0.6%	9.4%
Chinese Renminbi	2.4%	-0.2%	1.1%	-1.4%
Singapore Dollar	-0.4%	-0.2%	-0.9%	-0.9%
Hungarian Forint	4.3%	1.3%	-0.2%	6.7%
Turkish Lira	-1.4%	-1.1%	9.0%	8.5%
Mexican Peso	-0.5%	-0.7%	0.2%	3.3%
So. African Rand	1.2%	1.0%	7.1%	14.0%
So. Korean Won	-4.0%	-5.2%	-12.9%	-1.8%

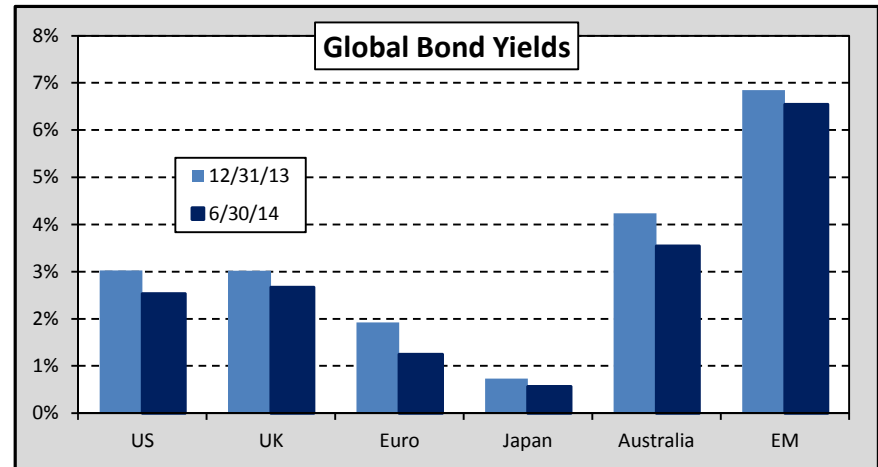
Source: Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Interest Rates

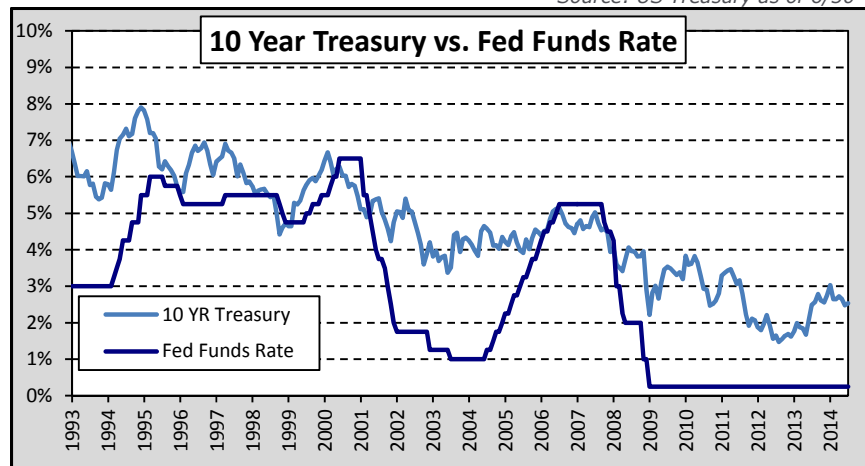


Source: US Treasury as of 6/30



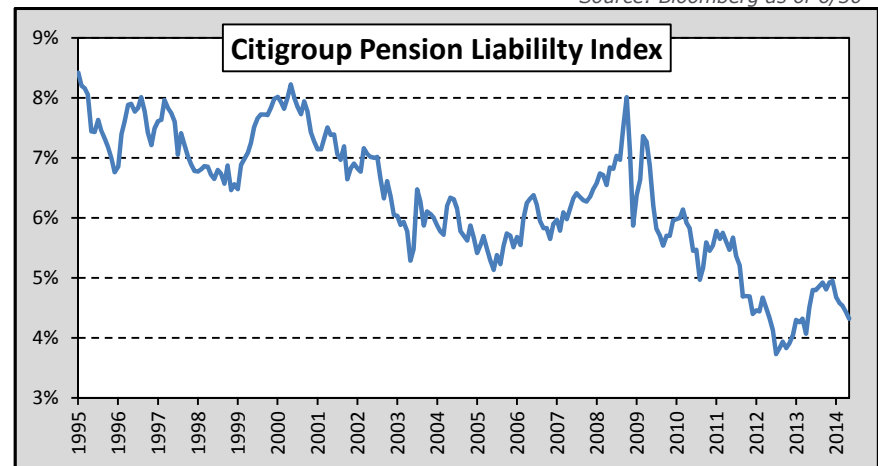
Bond yields across the globe have mostly declined in 2014

Source: Bloomberg as of 6/30



Fed Funds rate remained at 0.25% while the 10 Yr. Treasury Yield finished June at 2.53%

Source: Bloomberg as of 6/30

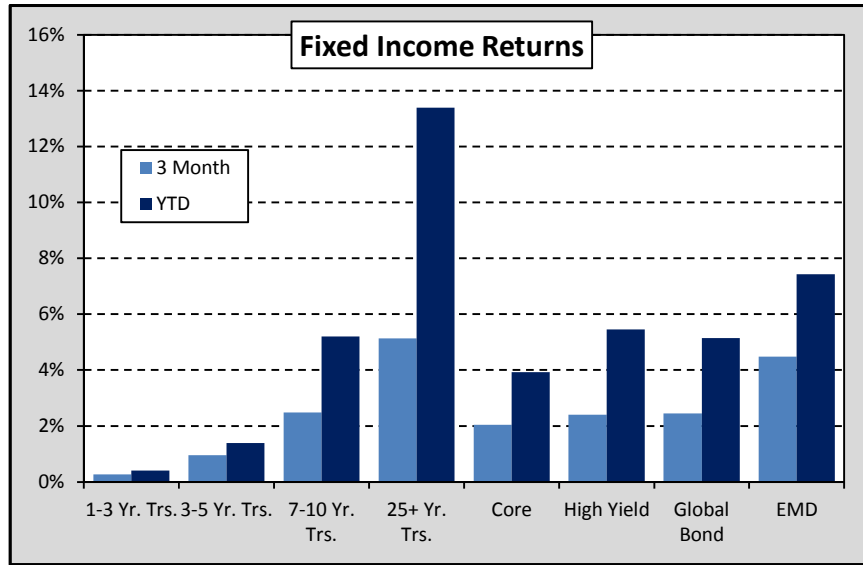


The Citi Pension discount rate fell to 4.32% through May

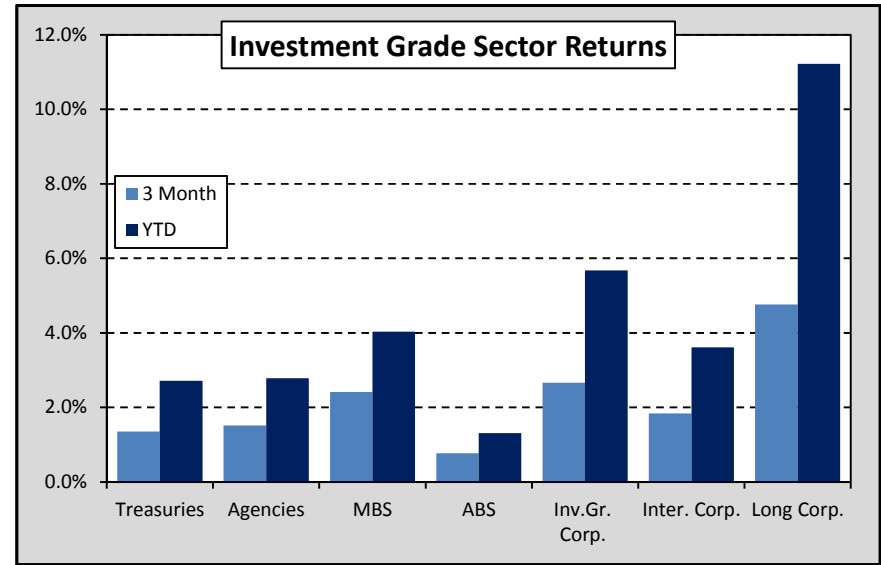
Source: Citigroup as of 5/31

City of San Jose Police and Fire Department Retirement Plan

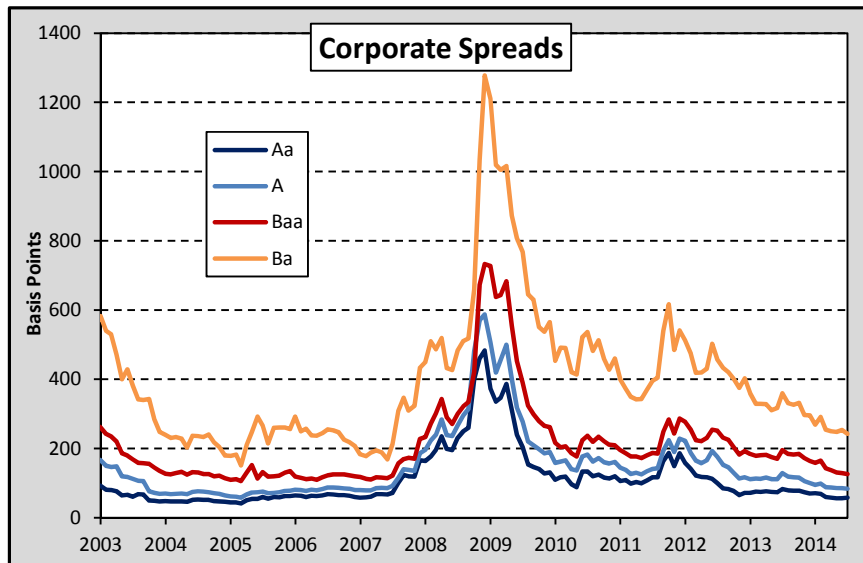
Fixed Income Performance



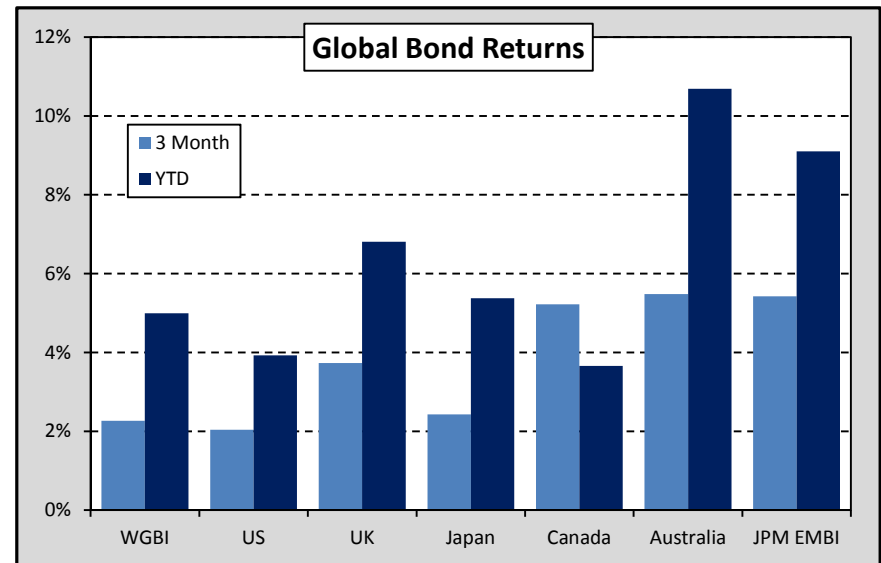
Source: Barclays as of 6/30



Source: Barclays as of 6/30



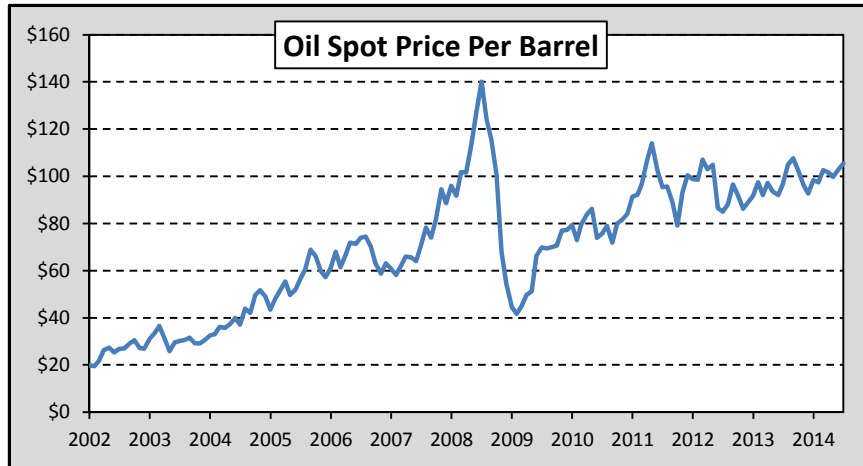
Source: Barclays as of 6/30



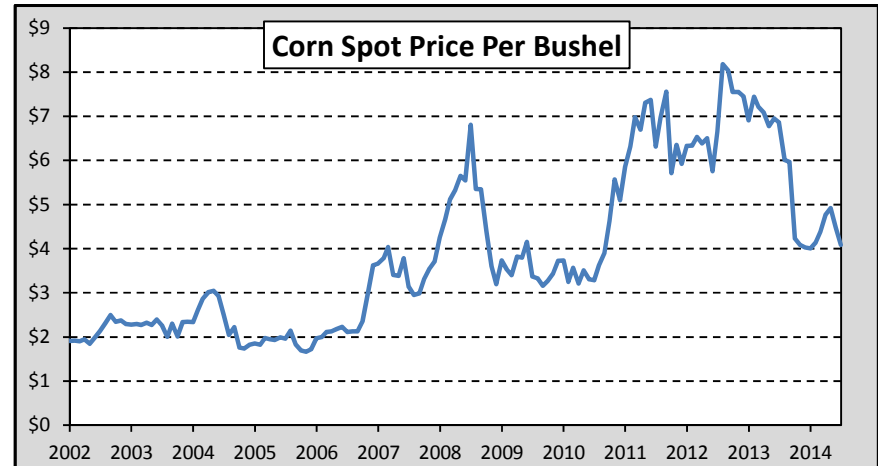
Source: Barclays, Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Commodities



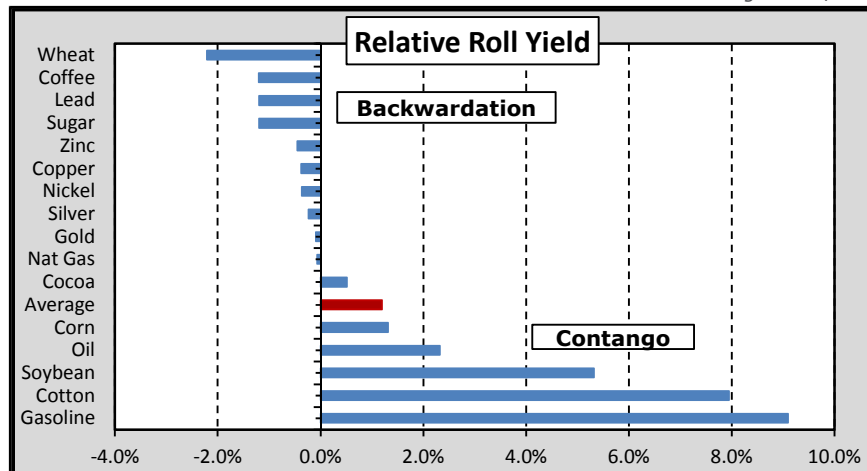
Oil prices finished June up at \$105.37 per barrel



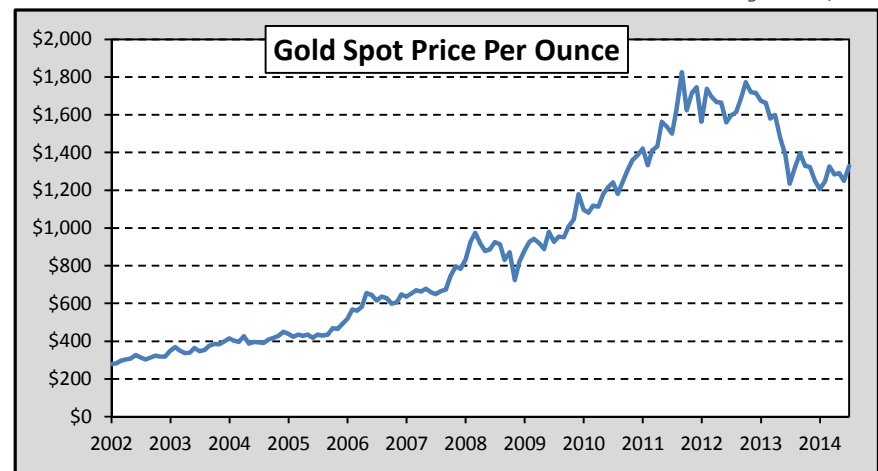
Corn prices finished June down at \$4.09 per bushel

Source: Bloomberg as of 6/30

Source: Bloomberg as of 6/30



Many commodity futures' prices are contangoed, meaning a lower forward price is expected relative to the current spot



Gold prices finished June up at \$1327.32 per ounce

Source: Bloomberg as of 6/30

Source: Bloomberg as of 6/30

Reporting Methodology

- **The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.**
- **Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of Return are annualized when the time period is longer than a year. Performance is presented gross and/or net of fees as indicated.**
- **For managers funded in the middle of a month, the 'since inception' return will start with the first full month, although actual inception dates and cash flows are included in all respective Composite calculations.**
- **This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.**



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- **Past performance is no guarantee of future results.**
- **All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.**
- **Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may not be available from the source or may be preliminary and subject to change.**
- **NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the Plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained herein.**
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