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City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis For the period ending December 31, 2015

March 3, 2016

Dan LeBeau, Consultant
Allan Martin, Partner
Mike Malchenko, Senior Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

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Market Environment Update and Outlook



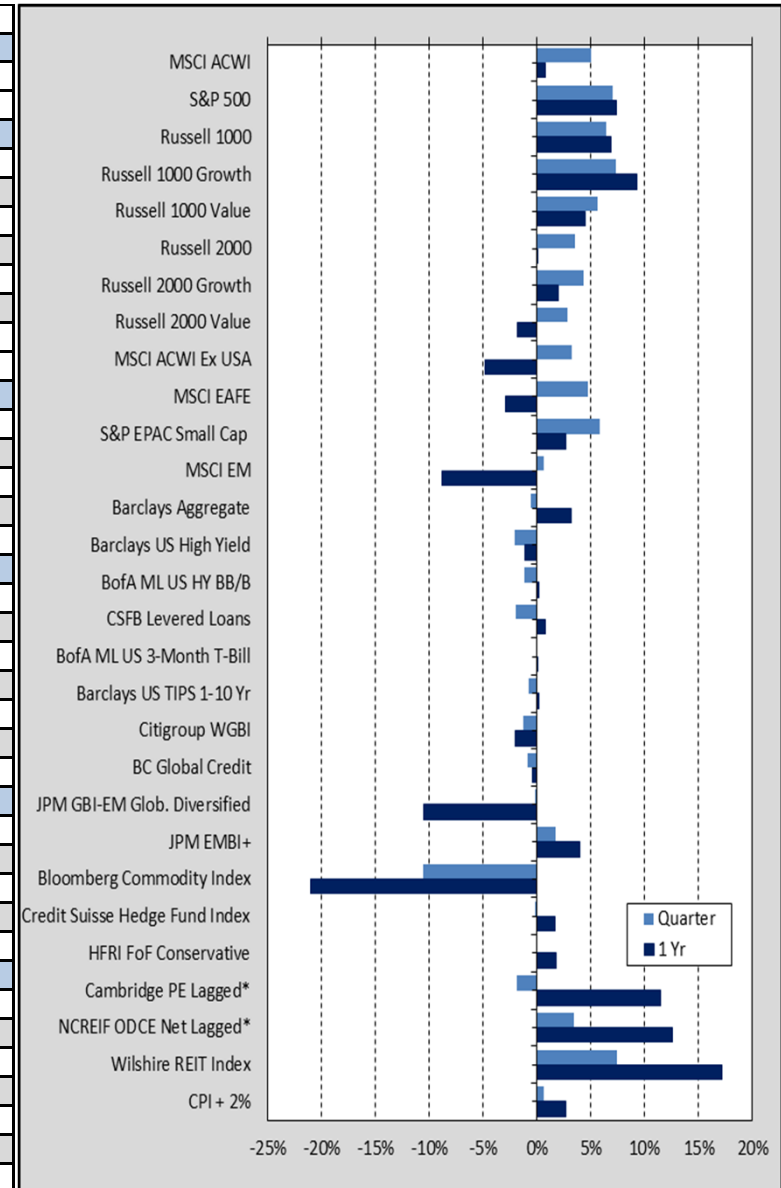
Economic Environment

- **Third quarter GDP growth rate (third estimate) printed at 2.0%.**
 - Retail sales (ended November) at +0.9% on a year-over-year growth rate basis. In the same period last year the YoY growth rate was 4.6%.
 - The inventory-to-sales ratio ending November was flat at 1.4 and has remained relatively flat since early 2010.
 - Corporate profits (ended June) as a percent of GDP declined slightly vs first quarter GDP to 9.9% from 10.3% and remain elevated relative to historical levels.
 - The U.S. trade deficit declined slightly in November.
- **The unemployment rate fell to 5.0% in Q4 from 5.6% in Q4 2014; U-6, a broader measure of unemployment, fell to 9.9% during the fourth quarter.**
- **The Case-Shiller Home Price Index (as of 10/31) increased slightly to 175.7 from second quarter levels (170.0) and is at levels higher than that of pre-financial crisis levels of 150.9.**
- **Rolling 12-month seasonally adjusted CPI increased to 0.6% from -0.02% at the end of September; Capacity Utilization decreased to 76.5% in December from 77.9% in September.**
- **Fed Funds rate was raised to 0.50% from 0.25%; The 10-year Treasury Yield (constant maturity) finished Q4 at 2.2% flat from Q3.**
- **The Fed balance sheet remained little changed in Q4 2015, while the European Central Bank balance sheet continues to increase.**
 - ECB continues asset purchases of €60 billion per month.
- **S&P valuations decreased in December remaining above the 10-year and long-term averages**
 - Cyclically adjusted Shiller PE ratio (23.95x) is above the long-term average of 16.4x and above the 10-year average of 22.9x.
- **The U.S. Dollar continues its strength against a basket of major currencies**
 - Currency volatility has seen a sustained uptick since Q1 2015.

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Q4 2015 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI	World	5.0%	0.8%	9.7%	7.2%	-2.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	7.0%	7.4%	15.3%	13.0%	1.4%
Russell 1000	Large Core	6.5%	6.9%	15.4%	13.0%	0.9%
Russell 1000 Growth	Large Growth	7.3%	9.3%	16.4%	14.1%	5.7%
Russell 1000 Value	Large Value	5.6%	4.5%	14.2%	12.0%	-3.8%
Russell 2000	Small Core	3.6%	0.1%	12.8%	12.0%	-4.4%
Russell 2000 Growth	Small Growth	4.3%	2.1%	14.4%	13.5%	-1.4%
Russell 2000 Value	Small Value	2.9%	-1.8%	11.2%	10.3%	-7.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	3.2%	-4.8%	5.1%	2.7%	-5.7%
MSCI EAFE	Int'l Developed	4.7%	-2.9%	8.0%	4.3%	-0.8%
S&P EPAC Small Cap	Small Cap Int'l	5.9%	2.8%	13.0%	8.9%	9.0%
MSCI EM	Emerging Equity	0.7%	-8.8%	-1.1%	-1.2%	-14.9%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	-0.6%	3.2%	2.1%	3.8%	0.5%
Barclays US High Yield	High Yield	-2.1%	-1.1%	5.1%	6.7%	-4.5%
BofA ML US HY BB/B	High Yield	-1.1%	0.3%	5.2%	6.7%	-2.9%
CSFB Levered Loans	Bank Loans	-2.0%	0.8%	4.2%	4.8%	-0.4%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	0.1%
Barclays US TIPS 1-10 Yr	Inflation	-0.7%	0.2%	-0.1%	2.2%	-0.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	-1.2%	-2.0%	-1.6%	0.8%	-3.6%
BC Global Credit	Global Bonds	-0.8%	-0.4%	2.4%	3.3%	-3.5%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-0.0%	-10.4%	-3.9%	-0.5%	-14.9%
JPM EMBI+	Em. Mkt. Bonds	1.8%	4.0%	4.0%	6.1%	1.8%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
Bloomberg Commodity Index	Commodity	-10.5%	-20.9%	-13.5%	-9.0%	-24.7%
Credit Suisse Hedge Fund Index	Hedge Fund	-0.1%	1.7%	5.2%	4.8%	-0.7%
HFRI FoF Conservative	Fund of Funds	0.1%	1.8%	3.8%	2.8%	0.4%
Cambridge PE Lagged*	Private Equity	-1.8%	11.5%	14.1%	14.7%	5.4%
NCREIF ODCE Net Lagged*	Real Estate	3.4%	12.6%	11.9%	11.8%	13.3%
Wilshire REIT Index	REIT	7.5%	17.2%	13.2%	15.0%	4.2%
CPI + 2%	Inflation/Real Assets	0.6%	2.7%	3.2%	3.5%	2.7%



* As of 9/30/2015

Market Environment

Global Equity

- **U.S. equities posted solid gains in the fourth quarter as global volatility continued.**
- **Small cap stocks underperformed large cap stocks during the quarter, with the Russell 2000 Index returning 3.6%% and the Russell 1000 Index returning 6.5%.**
- **International equities underperformed U.S. markets during the quarter, returning 3.2%, as measured by the MSCI ACWI ex-U.S. Index.**
 - Developed markets returned 4.7% as measured by the MSCI EAFE Index. The Pacific Region led returns posting a 9.0% gain with New Zealand leading the group up 18.2%. Europe posted modest gains, up 2.5%
 - Emerging markets returned 0.7% as measured by the MSCI Emerging Markets Index in U.S. dollar terms. Indonesia and China led gains returning 20.8% and 13.1% respectively.

Private Equity

- **New private equity commitments totaled \$312 billion in calendar year 2015.**
 - Represents a 14% decline from the \$360 billion raised in 2014, resulting from public equity market volatility and increased economic uncertainties.
- **Buyout and Special Situations fundraising down over 20% from post crisis high in 2014.**
- **Venture capital raised approximately \$43.9 billion in calendar 2015.**
 - VC fundraising as a percent of total new PE funds is in line with historical post-dot com levels at approximately 14%.
- **Energy funds raised \$38.6 billion representing 12% of capital raised in 2015.**
 - Investors are opportunistically approaching the energy market dislocation.
- **Asian private equity commitments slowed to total 8% of total funds raised down from 11% in 2014.**
- **European commitments comprised 23% of all new PE commitments in 2015.**
 - Fifteen pan-European buyout managers with closes on over \$1 billion each raised over half of 2015 total

Market Environment

Fixed Income

- The yield curve shifted up with intermediate yields increasing 21-39 basis points and long duration yields increasing 14 basis points.
- The spread between two and 10-year rates decreased to 121 basis points from 141 basis points ended December. Treasury Inflation-Protected Securities, or TIPS, returned -0.7% during the quarter, as measured by the Barclays US TIPS 1-10 Yr Index.
- The Barclays Long Duration Credit Index lost -0.67% as the long end of the curve ended the quarter 14 basis points higher.
- Long Treasuries lost -1.38% and investment-grade corporate debt lost -0.52%.
- The Barclays 1-3 year Government/ Credit Index returned -0.36% and US high yield bonds lost -2.1%.
- Emerging markets debt continued to slow in local currency and was modestly positive in US denominated terms.
 - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, gained 1.8%; local currency debt was flat, according to the JP Morgan GBI-EM Index.

Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
 - Seek inflation sensitive asset classes that offer positive yield
 - Oil prices trending lower.
 - Private equity and private debt opportunities may be relatively attractive.
 - Potential for public stressed/distressed credit, equity and commodity plays.
- **OPEC and Saudi Arabia have indicated a willingness to allow lower oil prices to persist in efforts to cement market share and reduce marginal supply.**
- **Select infrastructure opportunities are attractive.**
 - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations.
- **NEPC continues to believe in the long-term demand drivers in agriculture.**
 - Long-term commodity prices driven by growing emerging market demand.
 - Softness in commodity prices may provide attractive entry point.
- **Timber opportunity set limited but warrants further review**
 - 45% increase in housing starts forecasted; timber prices highly correlated

Market Environment

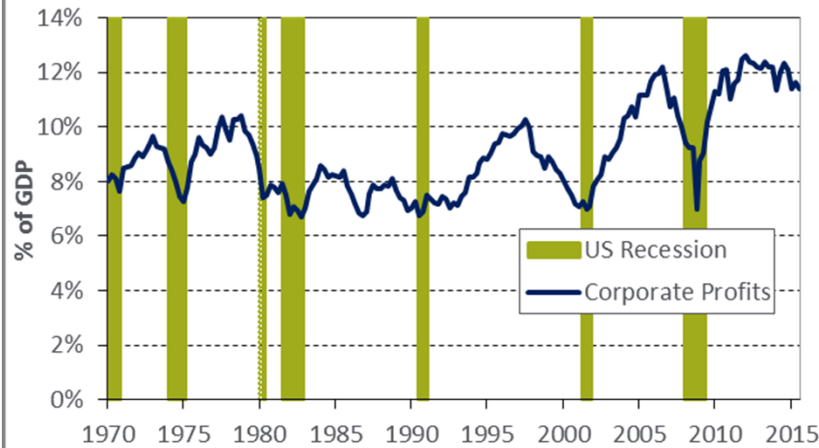
Commodities

- **Commodities retracted significantly with the Bloomberg Commodity Index posting a -14.5%.**
 - Energy led the way losing -24% (WTI Oil), while industrial metals, precious metals and agriculture declined.

Real Estate

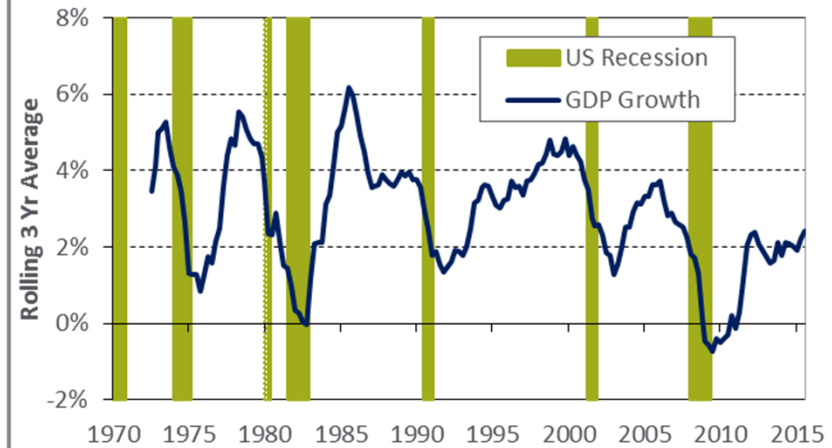
- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
 - Real estate fundamentals and debt terms are attractive, however valuations are high and the possibility of rising interest rates and the impact on cap rates causes concern.
- **U.S. REITs posted modest gains with a +2.2% return.**
 - FFO multiples are high, at approximately 15x but are decreasing.
 - REITs are trading at a discount to NAV.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **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 and uneven with global markets experiencing large capital inflows.
 - Banks in EU are still overleveraged and have significant real estate exposure to jettison.

Corporate Profits: Mid-Late Cycle



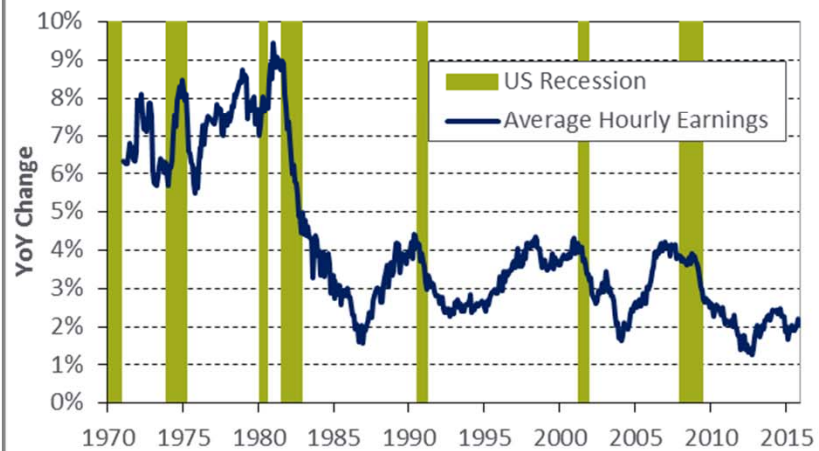
Source: St. Louis Federal Reserve

Economic Growth Levels: Mid Cycle



Source: St. Louis Federal Reserve

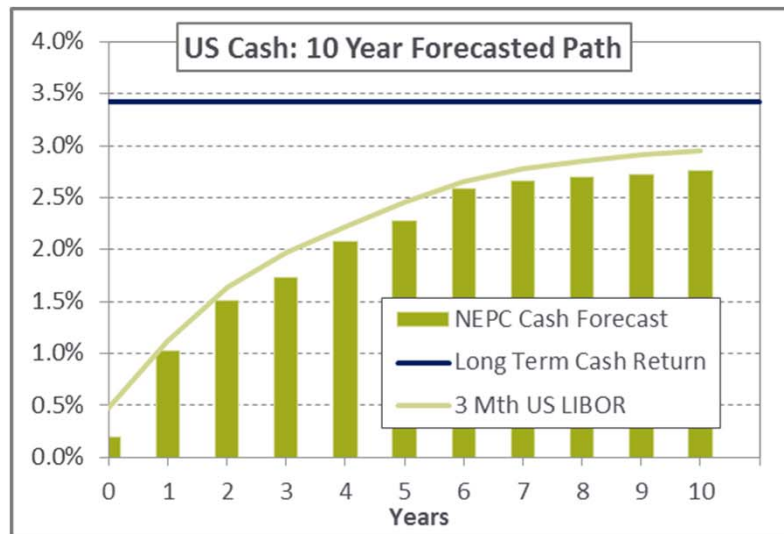
Wage Growth: Early Cycle



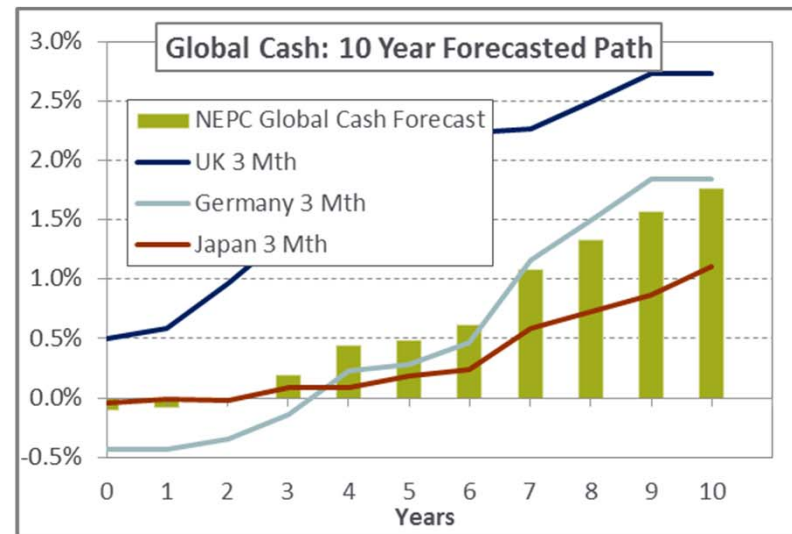
Source: St. Louis Federal Reserve

Where Are We In the Economic Cycle?

- **Relative to the average length of economic cycles the US expansion is in its later stages**
- **Improvement in wage growth and consumer spending can potentially extend the expansion**
- **Continued US expansion provides a positive foundation for US risk assets**

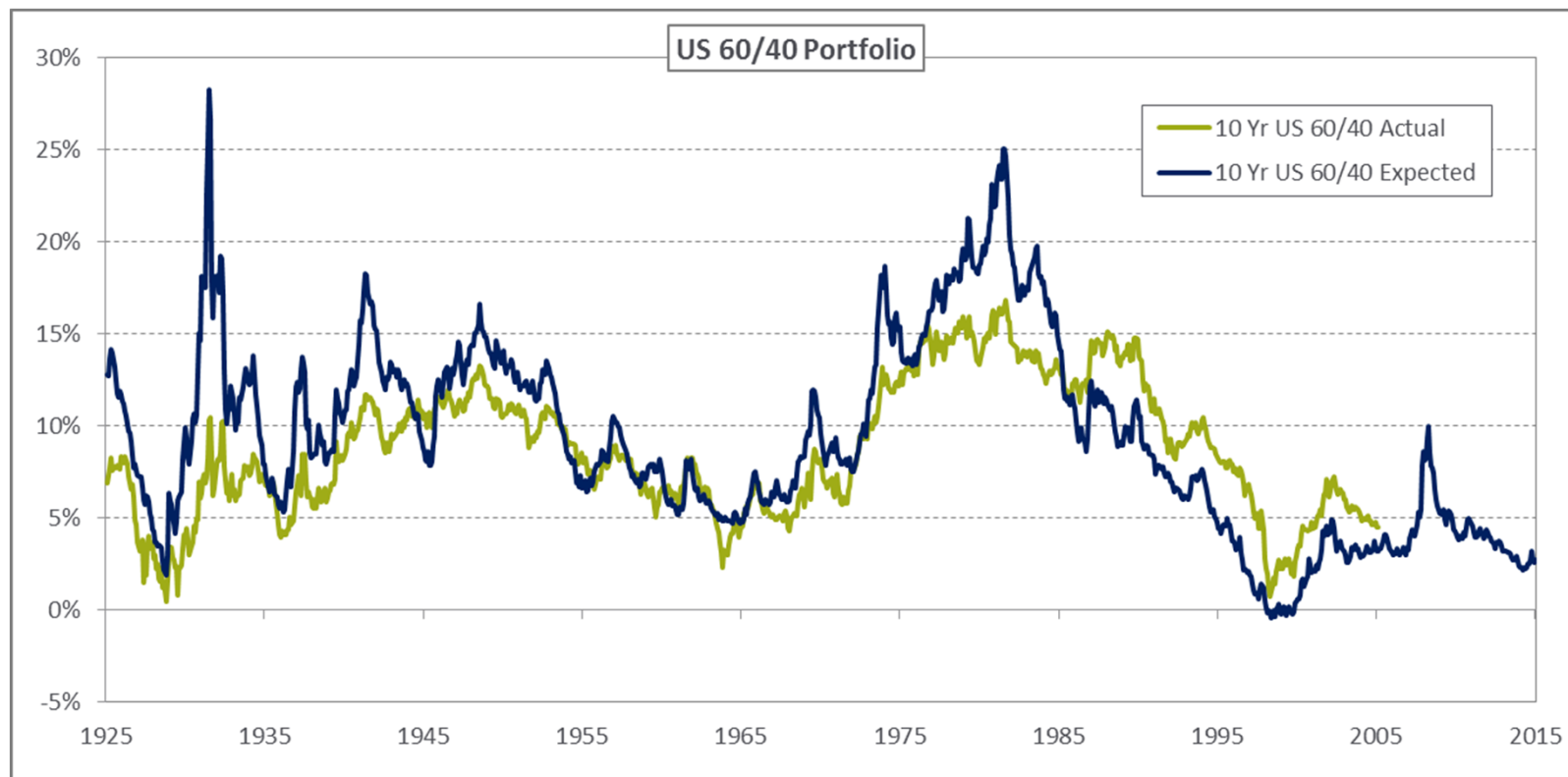


Source: Bloomberg, NEPC



Source: Bloomberg, NEPC

- **Accommodative global monetary policies flow through to markets distorting the traditional asset return profile**
 - QE and negative interest rates suppress income while supporting higher valuations
 - Provides near term support for market conditions in Europe and Japan
- **Potential extended period of low cash rates beyond the market expectations pose challenges for all investors**
 - Subdued long term cash expectations in the developed world compress long term expected returns for both fixed income and equity



Source: Shiller Data, NEPC

- **US centric portfolios like 60/40 have worked historically but forward looking return prospects are subdued**
 - Asset prices can be sustained but low yields portend below average expected returns
- **Conventional investment approaches may fall short going forward**
 - Index focused approaches, such as core bonds, suboptimal in current environment
 - Adjustments will be necessary to effectively meet and exceed long-term objectives

- **Maintain exposure to US risk assets in a low return environment**
 - Lower returns expected but risk premia can still be harvested as cycle extends
 - Economic cycle is in the advanced stages but macro policy remains supportive
 - Low core bond returns warrant a more positive tilt to equity, especially after sell-offs
- **Overweight non-US developed market equities**
 - Central bank support and dollar strength provide a positive economic backdrop
 - Corporate earnings remain well below 2007 levels despite recent earnings recovery
 - EAFE equity markets offer the potential for outsized returns relative to US equities
- **Reaffirm commitment to emerging market equities**
 - Valuations and long-term fundamentals suggest an overweight
 - China uncertainty, dollar pressure and idiosyncratic country risks temper excitement
 - Overweight small-cap and consumer focused strategies relative to broad mandates
- **Seek tactical fixed income strategies but preserve duration exposure**
 - Spreads have widened but credit selection is critical as credit cycle matures
 - US duration continues to have a role in a diversified and risk-aware portfolio
 - TIPS offer an attractive duration profile with inflation expectations at secular lows
- **Explore positive yielding assets revealed from energy market distress**
 - Private strategy returns are compelling but suggest patience
 - Focus on segments of the public markets that offer a yield

NEPC Updates

December 31, 2015

Highlights of Fourth Quarter Happenings at NEPC

After 30 Years NEPC's Founder has Transitioned to Chairman Emeritus

- NEPC's founder and chairman Richard "Dick" Charlton retired on January 1, 2016 after overseeing a decade-long succession process that involved a change in corporate structure and a planned approach to distributing his ownership shares. Dick had the foresight to begin distributing equity to partners 25 years ago and the formal succession process began in late 2007. Dick's vision for a client-focused organization continues to be the hallmark of NEPC and this deep-rooted culture will live on for generations to come. Mike Manning continues in his leadership role as Managing Partner with the guidance of our Partnership; a Partnership recognized throughout the industry for its depth, talent and culture. We are well positioned to lead in this increasingly competitive marketplace. NEPC has never been stronger.



Professional Staff Updates

- New Principals:** Lenia Ascenso, Principal and Director of Discretionary Operations; Devan Dewey, Principal and Chief Technology Officer; and Matt Lombardi, Principal and Chief Financial Officer
- We are also pleased to announce that Wyatt Crumpler joined NEPC in November as a Principal and Senior Consultant from American Beacon Advisors, Inc., and Sam Pollack joined NEPC as a Senior Consultant from DiMeo Schneider and Associates. Wyatt is a member of NEPC's Corporate consulting group and Sam is a member of NEPC's Endowment & Foundation consulting group.

Upcoming/Recent Events

- 2016 Market Outlook Webinar: January 26, 2016 at 2:00 PM EST.
- NEPC's 21st Annual Client Conference: May 10-11, 2016 in Boston at the Hynes Convention Center.
 - This year we will be offering an optional pre-conference workshop on Monday, May 9th at NEPC's Boston office.
- NEPC hosted a Manager Diversity Program event at our Boston office on October 12, 2015 in an effort to continue and enhance our firm's efforts in this area. The purpose of the gathering was to provide an opportunity for diverse managers to meet NEPC and have an open discussion about our research efforts in the arena of minority- and female-owned firms.



NEPC, LLC

December 31, 2015

NEPC Updates

December 31, 2015

Highlights of Fourth Quarter Happenings at NEPC - continued

NEPC Research

Recent White Papers

- *2015 Fourth Quarter Market Thoughts*
- *Governance: The Cornerstone of Successful Investment Programs* (January 2016) – Endowment & Foundation Practice Team
- *Green Bonds: An Overview* (December 2015) – NEPC Impact Investing Committee
- *Completing the Analysis: ESG Integration* (November 2015) – NEPC Impact Investing Committee
- *NEPC's Survey on Hedge Fund Operations* (November 2015) – Hedge Fund Operational Due Diligence team
- *Market Chatter: The Rise and Fall (and Rise?) of Oil Prices* (October 2015)



NEPC Recognitions

- NEPC, LLC was awarded "Best Full-Service Investment Consulting Firm - USA" by Acquisition International for the 2016 Hedge Fund Awards ¹

NEPC Client Recognitions

- Congratulations to the following NEPC clients for their nominations as Asset Owner Finalists for the 2015 CIO Industry Innovation Awards. Five NEPC clients who won awards in their categories are also highlighted below.
 - **Foundation:** Wisconsin Alumni Research Foundation (Carrie Thome) - Category Winner; Northwest Area Foundation (Amy Jensen)
 - **Endowment:** Fordham University (Eric Wood); Texas Tech University System (Tim Barrett)
 - **Public Defined Benefit Plan Below \$15B:** Orange County Employees Retirement System (Girard Miller) - Category Winner; MoDOT and Patrol Employees' Retirement System (Larry Krummen)
 - **Public Defined Benefit Plan Between \$15B and \$100B:** Massachusetts PRIM (Michael Trotsky) - Category Winner
 - **Public Defined Benefit Plan Above \$100B:** New York City Retirement System (Scott Evans); State of Wisconsin Investment Board (David Villa)
 - **Health Care Organization:** Baylor Scott and White Health (Mark Amiri) - Category Winner; Trinity Health (Dina Richards)
 - **Next Generation:** Massachusetts PRIM (Sarah Samuels) - Category Winner

Total Fund Performance

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Summary (Gross of Fees)

	Market Value	3 Mo Rank	Fiscal 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	\$3,096,534,889	1.7%	79	-2.9%	68	-0.8%	77	3.8%	96	4.6%	95	4.6%	94	5.5%	59	6.9%	70	8.0%	73	8.6%	Mar-71
Policy Benchmark		0.9%	93	-4.0%	91	-2.2%	91	3.4%	98	4.6%	95	4.4%	96	5.1%	85	6.6%	86	--	--	--	Mar-71
Allocation Index		1.4%	88	-3.3%	78	-1.7%	90	3.5%	97	4.2%	96	4.7%	93	4.8%	92	--	--	--	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI		2.5%	52	-2.8%	63	-2.5%	94	3.7%	97	3.8%	97	4.7%	91	5.0%	86	5.6%	97	--	--	--	Mar-71
InvestorForce Public DB > \$1B Gross Median		2.5%		-2.5%		0.3%		7.4%		7.1%		5.9%		5.7%		7.1%		8.2%		--	Mar-71

For the five-year period ending December 31, 2015, the Fund returned 4.6%, matching the policy benchmark and ranking in the 95th percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 11th percentile over this period.

For the three-year period ending December 31, 2015, the Fund returned 3.8%, outperforming the policy benchmark by 0.4% and ranking in the 96th percentile of its peers. The Fund's volatility ranks in the 23rd percentile of its peers over this period.

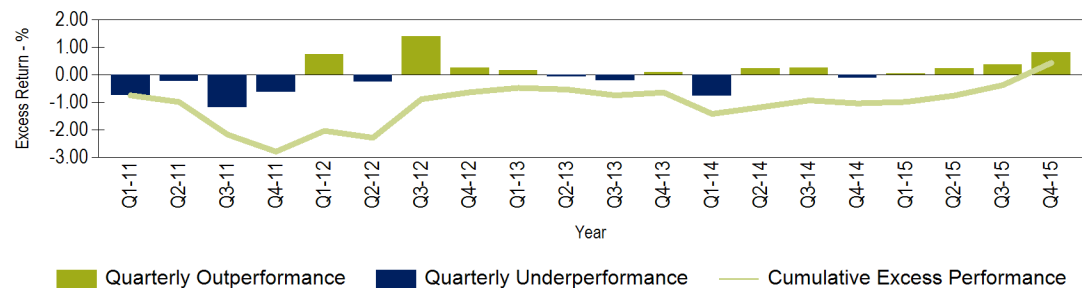
For the one-year period ending December 31, 2015, the Fund produced a net investment loss of \$28.0 million, which includes a net investment gain of \$53.4 million during the fourth calendar quarter. Assets decreased from \$3.2 billion one year ago to \$3.1 billion on December 31, 2015, with \$42.9 million in net distributions during the year.

For the one-year period ending December 31, 2015, the Fund returned -0.8%, outperforming the policy benchmark by 1.4%.

The InvestorForce Public Funds > \$1 Billion Universe includes 105 observations for the period ending December 31, 2015, with total assets of \$1.9 trillion.

Please see appendix for additional performance disclosure.

Quarterly and Cumulative Excess Performance



3 Years Ending December 31, 2015

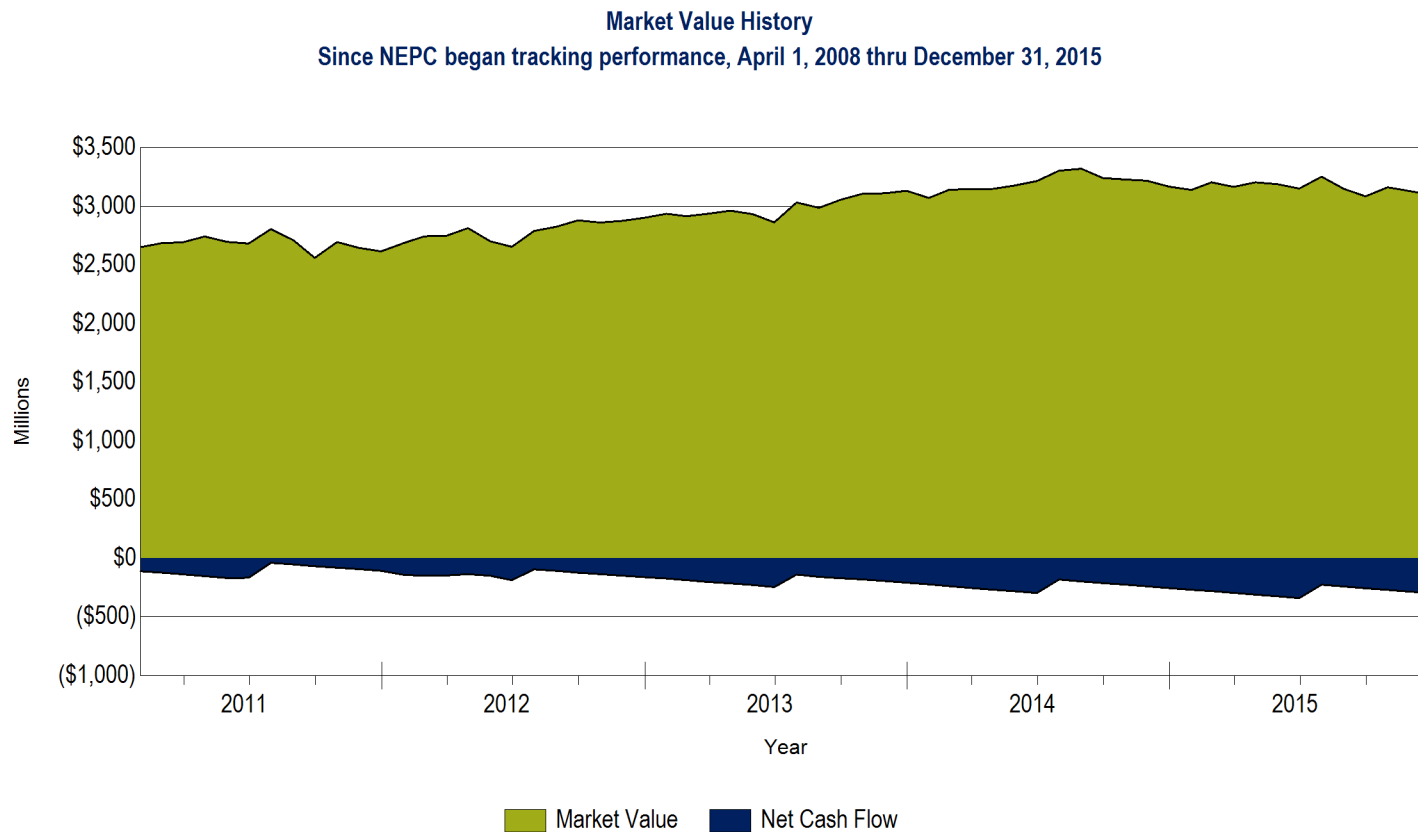
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	3.8%	96	5.1%	11	0.7	93	1.6	84
Policy Benchmark	3.4%	98	5.4%	18	0.6	97	1.3	91
InvestorForce Public DB > \$1B Gross Median	7.4%	--	6.2%	--	1.1	--	2.2	--

5 Years Ending December 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	4.6%	95	6.5%	23	0.7	95	1.1	90
Policy Benchmark	4.6%	95	6.4%	15	0.7	94	1.2	84
InvestorForce Public DB > \$1B Gross Median	7.1%	--	7.2%	--	1.0	--	1.4	--

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Growth Summary

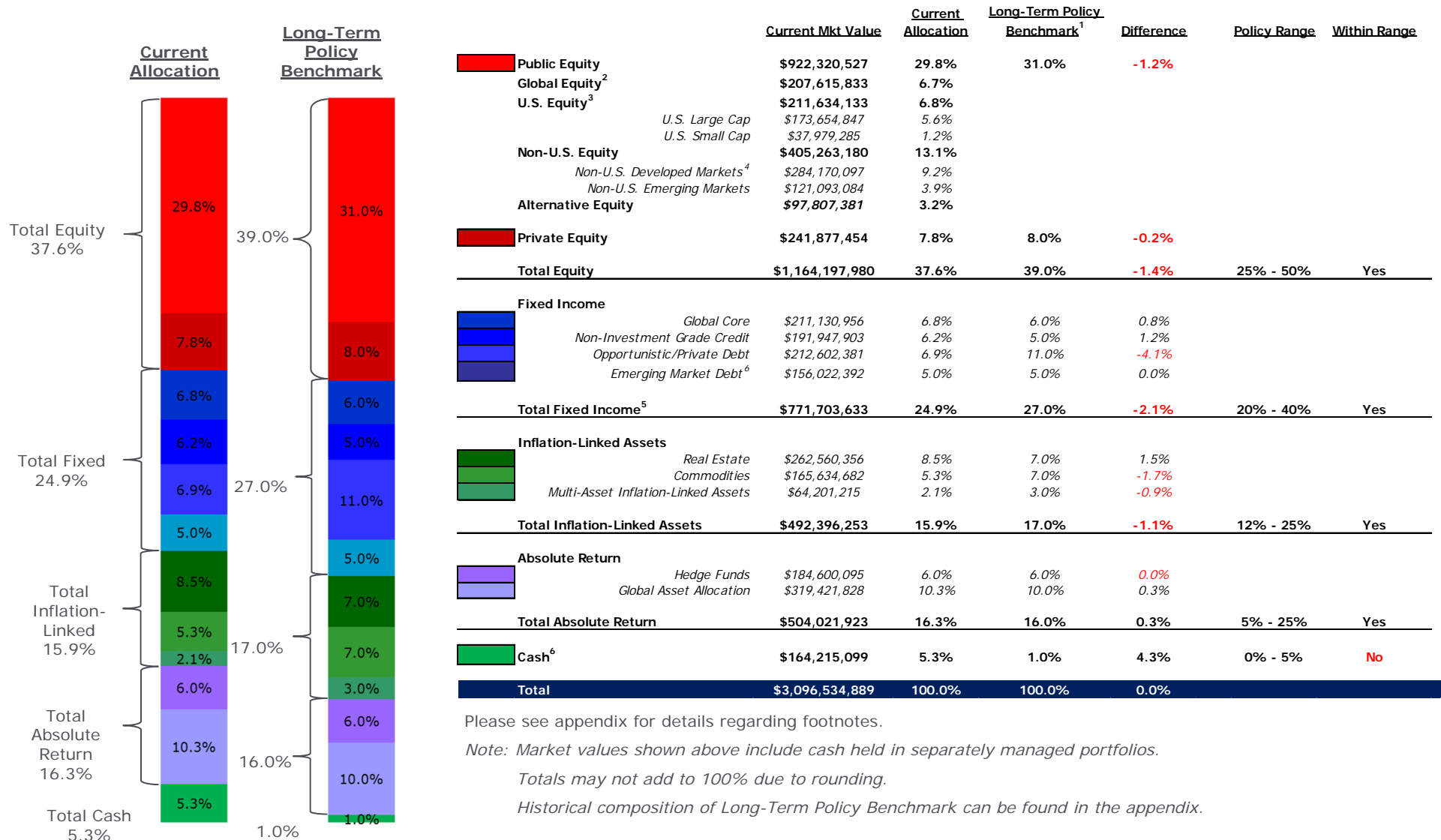


Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year	Three Years	Five Years	Since 4/1/08
Beginning Market Value	\$3,084,647,993	\$3,150,974,140	\$3,167,511,835	\$2,901,575,300	\$2,648,769,066	\$2,583,363,926
Net Additions/Withdrawals	-\$41,553,442	\$42,249,558	-\$42,931,208	-\$136,472,283	-\$197,569,377	-\$298,464,969
Investment Earnings	\$53,440,337	-\$96,688,810	-\$28,045,739	\$331,431,871	\$645,335,199	\$811,635,931
Ending Market Value	\$3,096,534,889	\$3,096,534,889	\$3,096,534,889	\$3,096,534,889	\$3,096,534,889	\$3,096,534,889



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

Asset Growth Summary Detail – Public Equity

	Quarter Ending December 31, 2015			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Artisan Global Opportunities	\$92,987,898	-\$213,394	\$7,275,766	\$100,050,270
Artisan Global Value	\$102,794,642	\$0	\$4,764,438	\$107,559,079
Liquidating - Russell MSCI ACWI	\$4,299	\$0	\$0	\$4,299
Equity Transition	\$2,180	\$0	\$5	\$2,185
Global Equity Composite	\$195,789,019	-\$213,394	\$12,040,209	\$207,615,833
NT Russell 1000 Index Fund	\$163,022,484	-\$6,584	\$10,638,947	\$173,654,847
Transition Account #1	\$2,987	\$0	-\$104	\$2,883
RBC Small Cap Core	\$36,488,633	\$0	\$1,487,769	\$37,976,402
U.S. Equity Composite	\$199,514,104	-\$6,584	\$12,126,612	\$211,634,132
Liquidating - Russell MSCI EAFE + CAD	\$71,067	\$0	-\$1,661	\$69,407
NT Russell MSCI World ex US Index Fund	\$221,448,555	-\$23,424	\$8,762,571	\$230,187,702
Liquidating - Brandes Int'l Equity	\$2,708	\$0	-\$73	\$2,635
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$1,198	\$0	-\$134	\$1,064
Oberweis	\$48,000,715	\$0	\$3,973,965	\$51,974,680
MSCI Emerging Markets ETF (ticker: EEM)	\$2,997	\$0	\$1	\$2,998
Vontobel Emerging Markets	\$74,149,108	-\$166,183	\$1,539,427	\$75,522,352
Dimensional Fund Advisors	\$27,039,391	-\$38,078	-\$236,343	\$26,764,969
Aberdeen Frontier Markets	\$18,985,295	\$0	-\$182,531	\$18,802,764
Russell Currency Hedging	\$919,339	\$0	\$1,015,270	\$1,934,609
International Equity Composite	\$390,620,373	-\$227,685	\$14,870,492	\$405,263,180
Amici	\$9,347,457	\$0	-\$144,433	\$9,203,024
Marshall Wace	\$21,771,276	\$0	\$453,806	\$22,225,082
Horizon	\$26,882,445	\$0	\$328,464	\$27,210,909
Sandler	\$17,114,307	\$0	\$676,869	\$17,791,176
Senator	\$12,009,590	\$9,300,000	\$67,598	\$21,377,189
Alternative Equity Composite	\$87,125,075	\$9,300,000	\$1,382,304	\$97,807,380
Total Equity Composite	\$873,048,571	\$8,852,337	\$40,419,617	\$922,320,525

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending December 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$12,357,754	\$930,239	-\$236,020	\$13,051,973
TCW/Crescent Mezzanine Partners V	\$5,056,156	\$257,216	\$26,441	\$5,339,813
CCMP Capital Investors III	\$8,711,116	\$1,262,535	\$62,513	\$10,036,164
Crescent Mezzanine Partners VI	\$14,547,939	\$396,933	\$267,760	\$15,212,632
Francisco Partners IV	\$3,535,365	\$675,000	-\$20,610	\$4,189,755
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$27,599,014	-\$2,696,049	\$117,499	\$25,020,464
Industry Ventures III	\$7,907,100	\$879,794	\$25,437	\$8,812,331
Pantheon USA Fund VI	\$23,221,569	-\$1,200,000	-\$626,277	\$21,395,292
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Situations)	\$10,850,565	-\$1,248,695	\$240,240	\$9,842,110
Siguler Guff DOF III	\$13,716,215	-\$294,436	-\$329,103	\$13,092,676
TPG Opportunity Partners II	\$9,140,669	-\$2,562,936	\$552,709	\$7,130,442
TPG Opportunity Partners III	\$3,307,285	\$440,253	\$124,581	\$3,872,119
Warburg Pincus Private Equity XI	\$16,480,055	\$2,474,740	\$117,956	\$19,072,751
NT Russell 3000 Index Fund	\$99,374,527	-\$20,007,522	\$6,441,926	\$85,808,931
Total Private Equity Composite	\$255,805,329	-\$20,692,928	\$6,765,052	\$241,877,453
Total Private Equity Composite ex-Interim Exposure	\$156,430,802	-\$685,406	\$323,126	\$156,068,522

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Fixed Income

	Quarter Ending December 31, 2015			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Claren Road	\$24,913,102	-\$10,338,937	-\$1,166,983	\$13,407,182
Colchester Global Fixed Income	\$84,965,825	-\$98,772	-\$1,043,632	\$83,823,421
Franklin Templeton Global Multi-Sector Plus	\$65,730,803	\$0	\$1,558,393	\$67,289,196
Global Fixed Income Composite	\$175,609,730	-\$10,437,709	-\$652,222	\$164,519,799
Beach Point Total Return	\$77,701,542	\$0	-\$2,075,545	\$75,625,997
Symphony L/S Credit Fund	\$80,038,826	\$0	-\$39,689	\$79,999,138
Voya	\$60,032,062	\$0	-\$13,723	\$60,018,339
Corporate Credit Composite	\$217,772,430	\$0	-\$2,128,957	\$215,643,474
Davidson Kempner	\$22,859,552	\$0	\$56,034	\$22,915,587
Marathon European Credit Opportunity Fund	\$9,540,268	\$0	\$113,523	\$9,653,791
GSO Direct Lending Fund	\$20,132,390	\$660,747	-\$663,267	\$20,129,871
Medley Opportunity Fund II	\$54,969,019	-\$3,032,788	\$1,077,356	\$53,013,587
White Oak Direct Lending Fund	\$31,820,340	-\$745,665	\$4,485,105	\$35,559,780
Capula European Special Situations Fund	\$69,982,733	-\$11,621,919	-\$837,739	\$57,523,075
Park Square	\$19,986,033	-\$277,811	\$118,234	\$19,826,456
Shoreline China Value III	\$15,023,399	\$0	\$1,872,423	\$16,895,822
Opportunistic Credit Composite	\$244,313,734	-\$15,017,436	\$6,221,669	\$235,517,969
BlueBay Emerging Market Select Debt	\$100,047,631	-\$194,014	\$271,455	\$100,125,072
Iguazu Partners	\$55,022,897	\$0	\$874,423	\$55,897,320
Emerging Market Debt Composite	\$155,070,528	-\$194,014	\$1,145,878	\$156,022,392
Total Fixed Income Composite	\$792,766,422	-\$25,649,159	\$4,586,368	\$771,703,635

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Inflation-Linked Assets

	Beginning Market Value	Quarter Ending December 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
American Realty Separate Account	\$24,737,819	-\$118,750	\$3,020,278	\$27,639,347
American Realty Core Fund	\$132,300,767	-\$1,715,491	\$4,122,420	\$134,707,696
BlackStone Real Estate Debt Strategies II	\$5,713,017	-\$355,428	\$250,788	\$5,608,377
Brookfield Strategic Real Estate Partners	\$9,676,713	\$338,899	\$529,287	\$10,544,899
Och Ziff Real Estate	\$2,876,877	\$217,246	\$89,957	\$3,184,080
Orion European Real Estate Fund IV	\$4,236,281	-\$1,267,220	-\$1,269,447	\$1,699,614
TA Realty Fund X	\$10,437,894	-\$383,660	\$383,797	\$10,438,031
Tristan EPISO 3	\$5,443,864	\$292,444	\$674,491	\$6,410,799
Tristan IV	\$0	\$1,014,036	\$0	\$1,014,036
Russell Real Estate	\$59,769,536	\$0	\$1,543,941	\$61,313,477
Total Real Estate Composite	\$255,192,768	-\$1,977,924	\$9,345,512	\$262,560,356
Total Real Estate Composite ex-Interim Exposure	\$195,423,232	-\$1,977,924	\$7,801,571	\$201,246,879
Credit Suisse Balanced Risk Commodity Index	\$106,217,702	-\$103,604	-\$7,791,573	\$98,322,525
Pinnacle Natural Resources	\$65,884,551	\$0	\$1,427,606	\$67,312,157
Total Commodities Composite	\$172,102,253	-\$103,604	-\$6,363,967	\$165,634,682
Wellington Diversified Inflation Hedges	\$67,301,409	-\$159,783	-\$2,940,411	\$64,201,215
Total Multi-Asset Inflation-Linked Assets	\$67,301,409	-\$159,783	-\$2,940,411	\$64,201,215

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Quarter Ending December 31, 2015			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Arrowgrass	\$23,922,992	\$0	\$531,171	\$24,454,162
BlueTrend	\$13,111,955	\$0	-\$310,749	\$12,801,207
Brevan Howard Limited	\$5,225,281	\$5,441,530	-\$473,828	\$10,192,983
Brevan Howard Multi-Strategy	\$15,545,533	-\$5,181,844	-\$122,280	\$10,241,408
DE Shaw	\$27,595,645	\$0	\$1,140,791	\$28,736,436
Dymon Asia	\$16,965,150	\$0	-\$124,780	\$16,840,370
Hudson Bay	\$20,408,581	\$0	-\$391,210	\$20,017,372
Kepos	\$12,773,288	\$0	-\$264,537	\$12,508,751
MKP Opportunity Fund	\$4,894,425	\$0	-\$121,190	\$4,773,235
Pine River	\$22,665,149	\$0	-\$253,519	\$22,411,630
Russell Hedge Funds	\$23,921,090	-\$22,500,000	\$201,450	\$1,622,540
Wadhwani	\$0	\$20,000,000	\$0	\$20,000,000
Total Hedge Funds	\$187,029,089	-\$2,240,314	-\$188,681	\$184,600,095
Total Hedge Funds ex-Interim Exposure	\$163,107,999	\$20,259,686	-\$390,131	\$182,977,555
GMO Benchmark-Free Allocation Fund	\$92,630,676	\$0	\$1,385,995	\$94,016,671
PIMCO All Asset All Authority Fund	\$85,267,016	\$0	-\$1,159,337	\$84,107,679
Standard Life GARS Fund	\$139,649,141	\$0	\$1,648,337	\$141,297,478
Total Global Asset Allocation	\$317,546,833	\$0	\$1,874,995	\$319,421,827

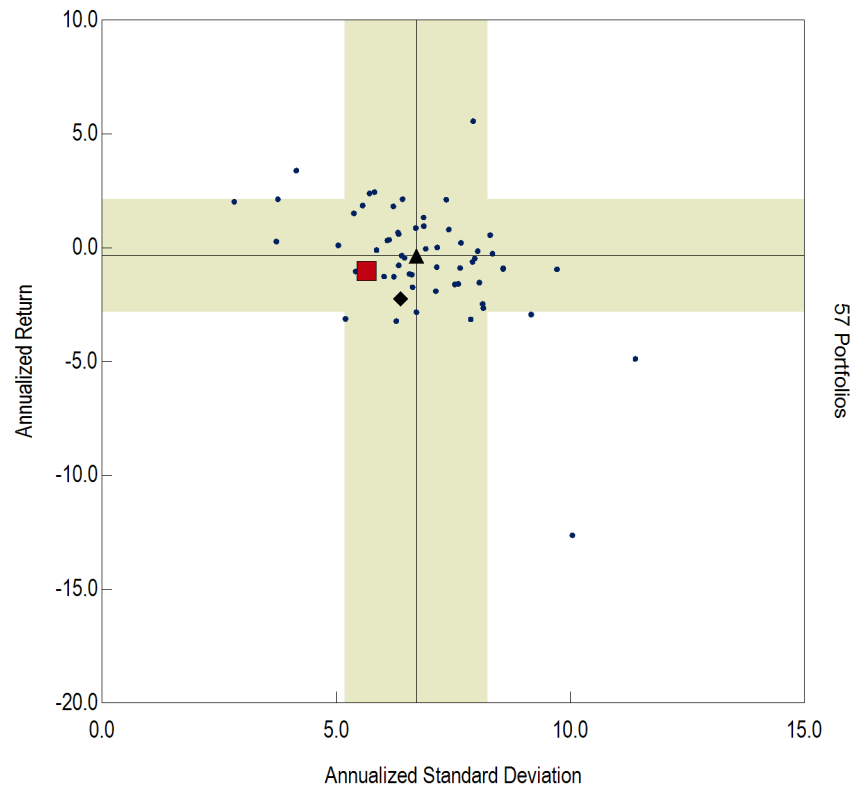
City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Cash & Overlay

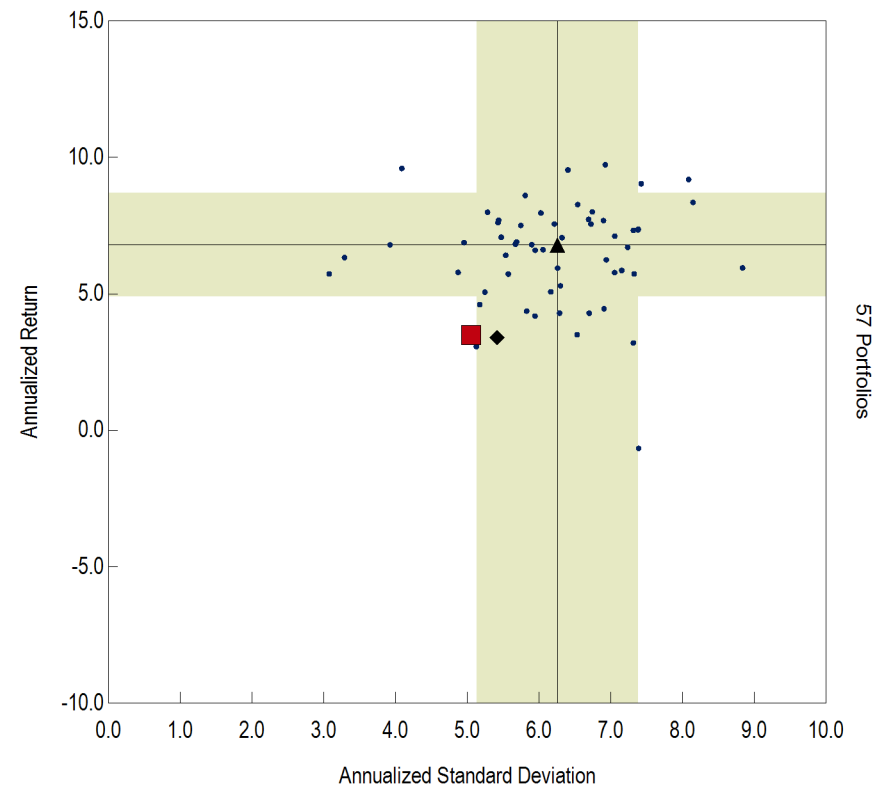
	Beginning Market Value	Quarter Ending December 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
Cash	\$98,051,304	\$417,935	\$614	\$98,469,853
Russell Overlay	\$65,804,013	\$0	-\$58,767	\$65,745,246
Total Cash and Overlay	\$163,855,317	\$417,935	-\$58,153	\$164,215,098

Total Fund Risk/Return

1 Year Ending December 31, 2015



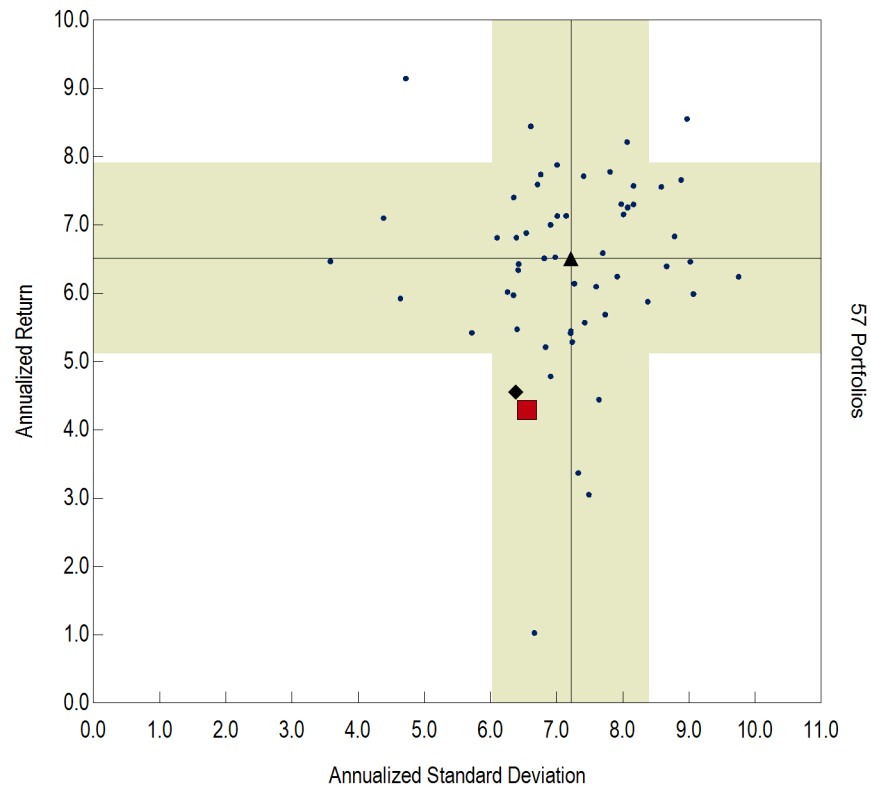
3 Years Ending December 31, 2015



City of San Jose Police and Fire Department Retirement Plan

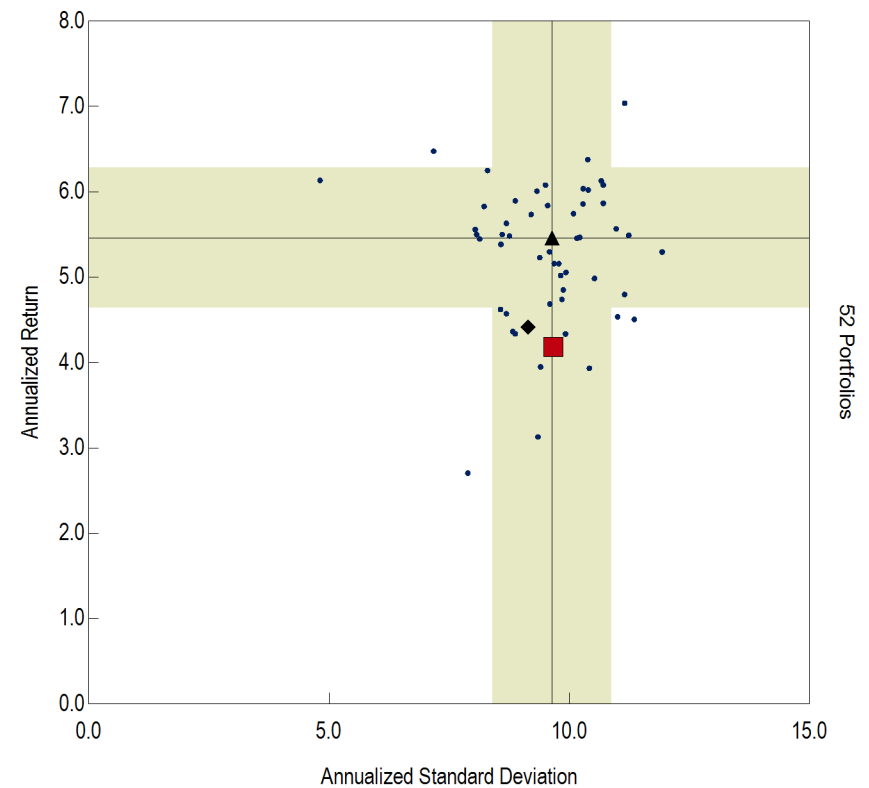
Total Fund Risk/Return

5 Years Ending December 31, 2015



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

10 Years Ending December 31, 2015

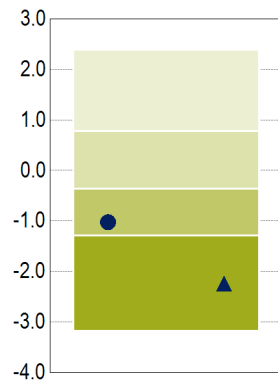


- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

Total Fund Risk Statistics vs. Peer Universe

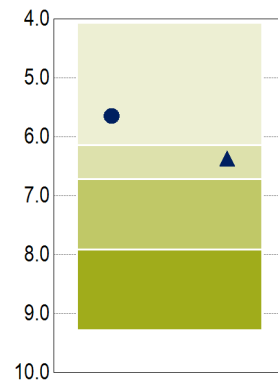
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 1 Year

Anlzd Return



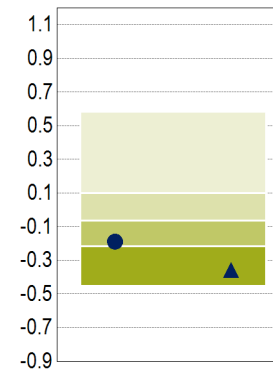
● Total Fund	
Value	-1.0
%tile	68
▲ Policy Benchmark	
Value	-2.2
%tile	86
Universe	
5th %tile	2.4
25th %tile	0.8
Median	-0.4
75th %tile	-1.3
95th %tile	-3.2

Anlzd Standard Deviation



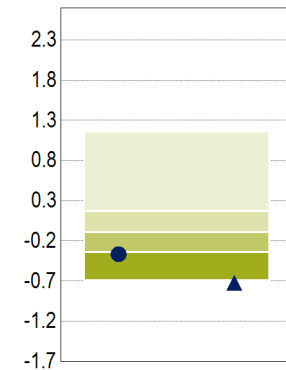
● Total Fund	
Value	5.6
%tile	16
▲ Policy Benchmark	
Value	6.4
%tile	37
Universe	
5th %tile	4.1
25th %tile	6.1
Median	6.7
75th %tile	7.9
95th %tile	9.3

Sharpe Ratio



● Total Fund	
Value	-0.2
%tile	71
▲ Policy Benchmark	
Value	-0.4
%tile	90
Universe	
5th %tile	0.6
25th %tile	0.1
Median	-0.1
75th %tile	-0.2
95th %tile	-0.5

Sortino Ratio

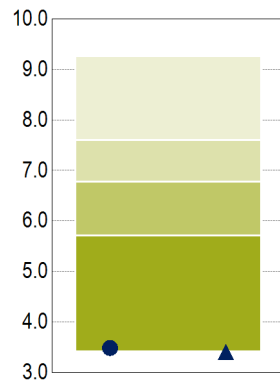


● Total Fund	
Value	-0.4
%tile	80
▲ Policy Benchmark	
Value	-0.7
%tile	97
Universe	
5th %tile	1.2
25th %tile	0.2
Median	-0.1
75th %tile	-0.3
95th %tile	-0.7

Total Fund Risk Statistics vs. Peer Universe

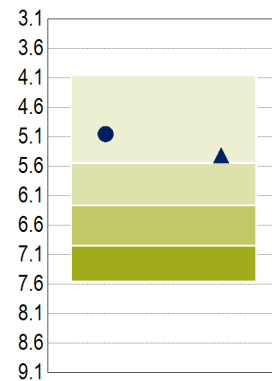
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 3 Years

Anlzd Return



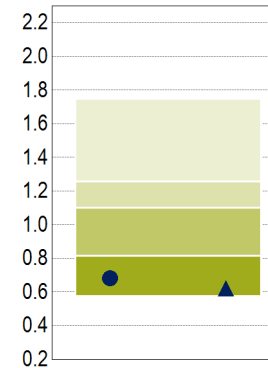
● Total Fund	
Value	3.5
%tile	95
▲ Policy Benchmark	
Value	3.4
%tile	96
Universe	
5th %tile	9.3
25th %tile	7.6
Median	6.8
75th %tile	5.7
95th %tile	3.4

Anlzd Standard Deviation



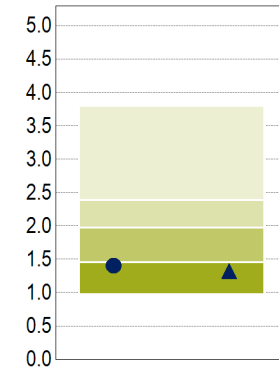
● Total Fund	
Value	5.1
%tile	12
▲ Policy Benchmark	
Value	5.4
%tile	20
Universe	
5th %tile	4.1
25th %tile	5.5
Median	6.3
75th %tile	6.9
95th %tile	7.6

Sharpe Ratio



● Total Fund	
Value	0.7
%tile	87
▲ Policy Benchmark	
Value	0.6
%tile	94
Universe	
5th %tile	1.7
25th %tile	1.3
Median	1.1
75th %tile	0.8
95th %tile	0.6

Sortino Ratio

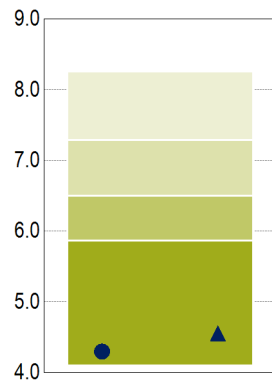


● Total Fund	
Value	1.4
%tile	79
▲ Policy Benchmark	
Value	1.3
%tile	82
Universe	
5th %tile	3.8
25th %tile	2.4
Median	2.0
75th %tile	1.5
95th %tile	1.0

Total Fund Risk Statistics vs. Peer Universe

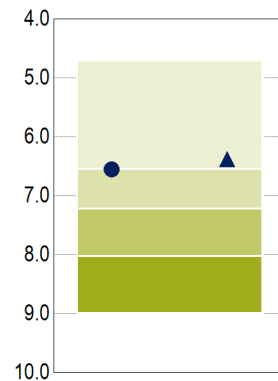
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 5 Years

Anlzd Return



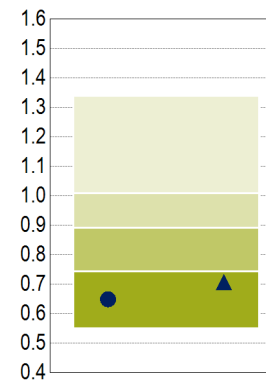
● Total Fund	
Value	4.3
%tile	95
▲ Policy Benchmark	
Value	4.6
%tile	93
Universe	
5th %tile	8.3
25th %tile	7.3
Median	6.5
75th %tile	5.9
95th %tile	4.1

Anlzd Standard Deviation



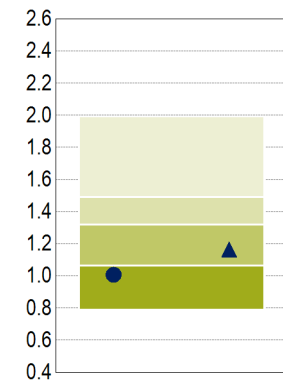
● Total Fund	
Value	6.6
%tile	26
▲ Policy Benchmark	
Value	6.4
%tile	16
Universe	
5th %tile	4.7
25th %tile	6.5
Median	7.2
75th %tile	8.0
95th %tile	9.0

Sharpe Ratio



● Total Fund	
Value	0.6
%tile	92
▲ Policy Benchmark	
Value	0.7
%tile	85
Universe	
5th %tile	1.3
25th %tile	1.0
Median	0.9
75th %tile	0.7
95th %tile	0.6

Sortino Ratio

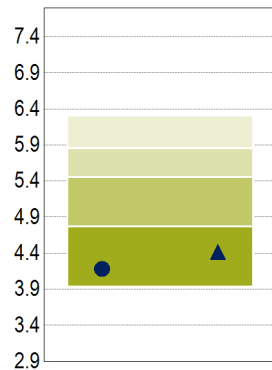


● Total Fund	
Value	1.0
%tile	86
▲ Policy Benchmark	
Value	1.2
%tile	70
Universe	
5th %tile	2.0
25th %tile	1.5
Median	1.3
75th %tile	1.1
95th %tile	0.8

Total Fund Risk Statistics vs. Peer Universe

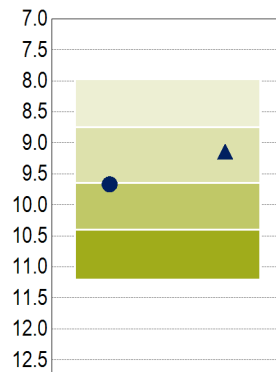
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 10 Years

Anlzd Return



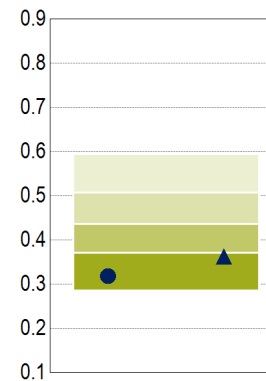
● Total Fund	
Value	4.2
%tile	93
▲ Policy Benchmark	
Value	4.4
%tile	88
Universe	
5th %tile	6.3
25th %tile	5.9
Median	5.5
75th %tile	4.8
95th %tile	3.9

Anlzd Standard Deviation



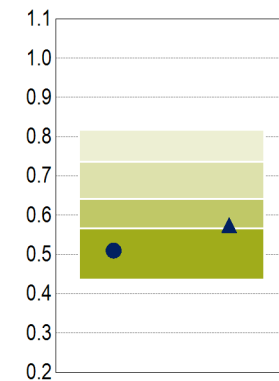
● Total Fund	
Value	9.7
%tile	51
▲ Policy Benchmark	
Value	9.1
%tile	33
Universe	
5th %tile	8.0
25th %tile	8.7
Median	9.6
75th %tile	10.4
95th %tile	11.2

Sharpe Ratio



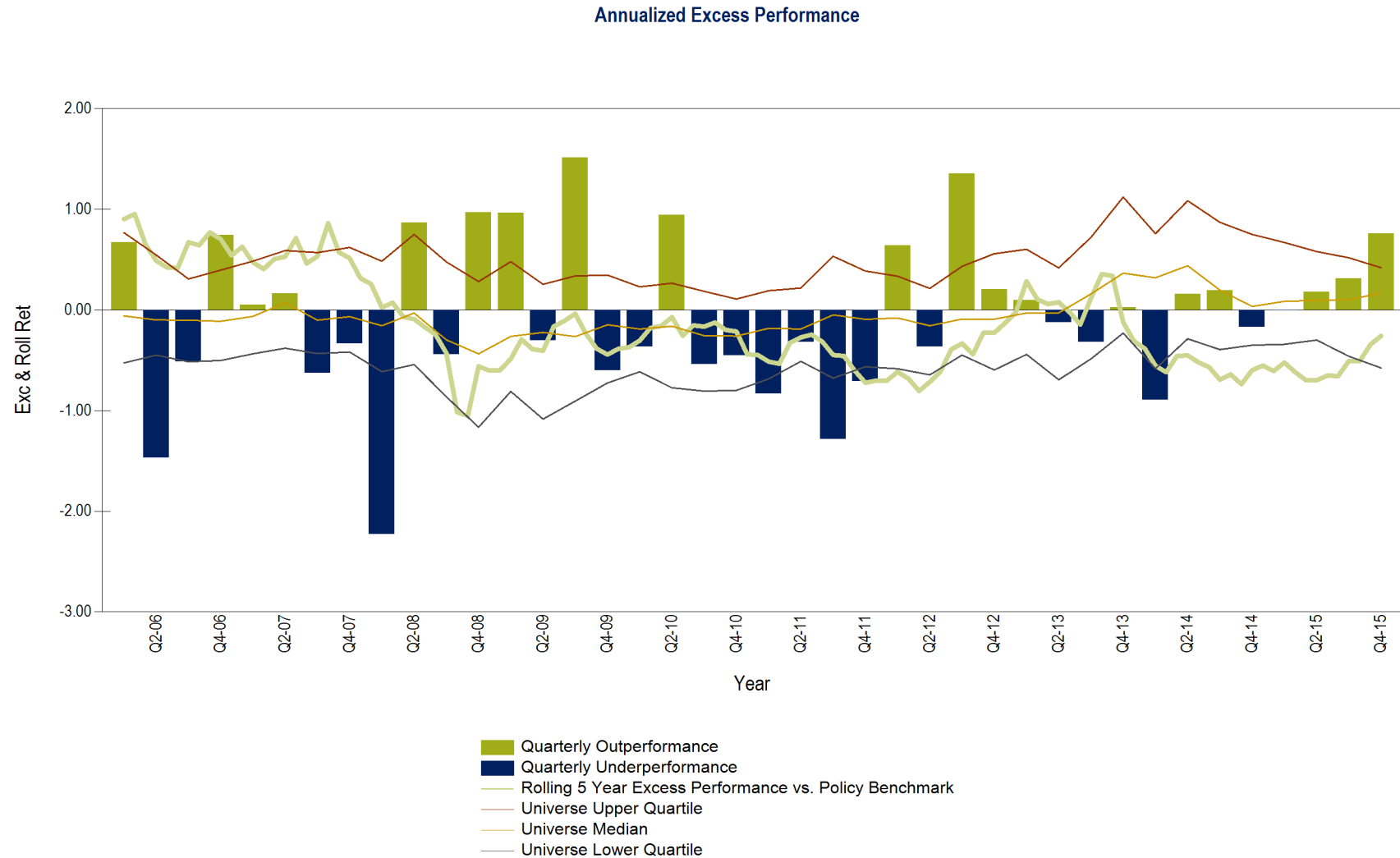
● Total Fund	
Value	0.3
%tile	90
▲ Policy Benchmark	
Value	0.4
%tile	83
Universe	
5th %tile	0.6
25th %tile	0.5
Median	0.4
75th %tile	0.4
95th %tile	0.3

Sortino Ratio



● Total Fund	
Value	0.5
%tile	88
▲ Policy Benchmark	
Value	0.6
%tile	71
Universe	
5th %tile	0.8
25th %tile	0.7
Median	0.6
75th %tile	0.6
95th %tile	0.4

Total Fund Rolling 5-Year Excess Returns

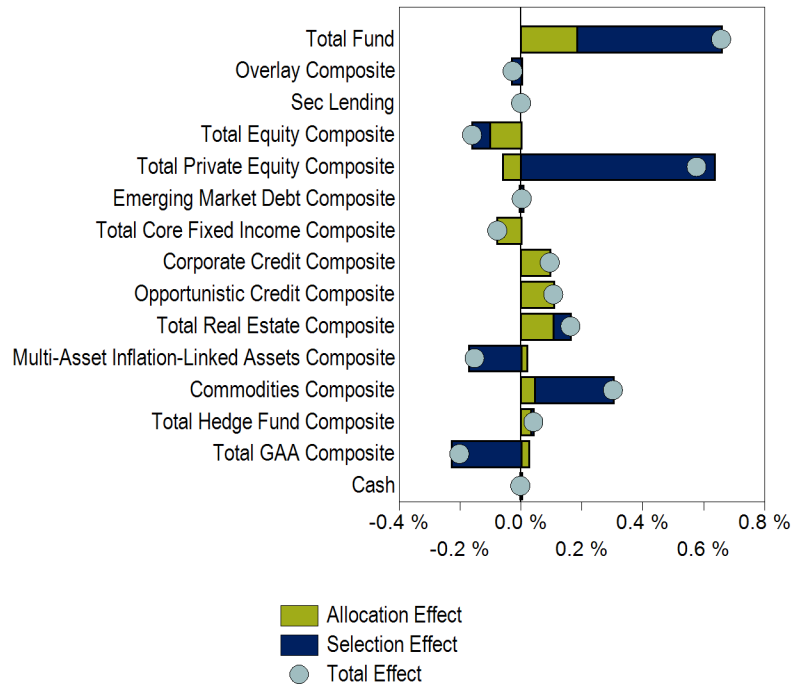


Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Attribution

Attribution Effects
3 Months Ending December 31, 2015



Attribution Summary
3 Months Ending December 31, 2015

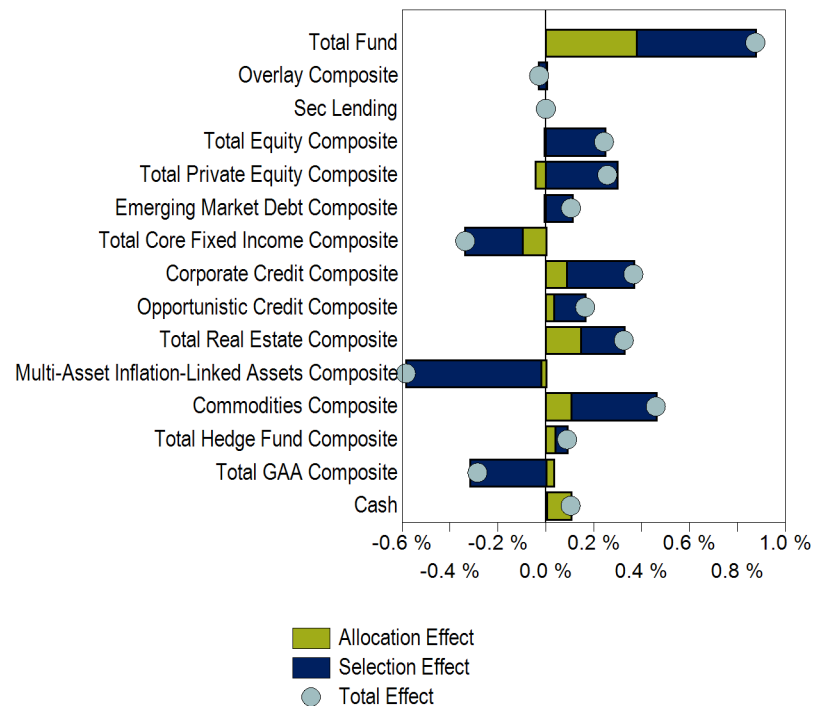
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	-0.1%	0.9%	-1.0%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--
Total Equity Composite	4.5%	4.9%	-0.4%	-0.1%	-0.1%	-0.2%
Total Private Equity Composite	2.6%	-3.8%	6.4%	0.6%	-0.1%	0.6%
Emerging Market Debt Composite	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	--	--	--	--	-0.1%	--
Corporate Credit Composite	--	--	--	--	0.1%	--
Opportunistic Credit Composite	--	--	--	--	0.1%	--
Total Real Estate Composite	3.7%	3.4%	0.3%	0.1%	0.1%	0.2%
Multi-Asset Inflation- Linked Assets Composite	-4.6%	0.6%	-5.2%	-0.2%	0.0%	-0.2%
Commodities Composite	-3.8%	-7.4%	3.7%	0.3%	0.0%	0.3%
Total Hedge Fund Composite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total GAA Composite	0.6%	2.8%	-2.2%	-0.2%	0.0%	-0.2%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.3%	0.9%	0.3%	0.5%	0.2%	0.7%

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Attribution

Attribution Effects
FYTD Ending December 31, 2015



Attribution Summary
FYTD Ending December 31, 2015

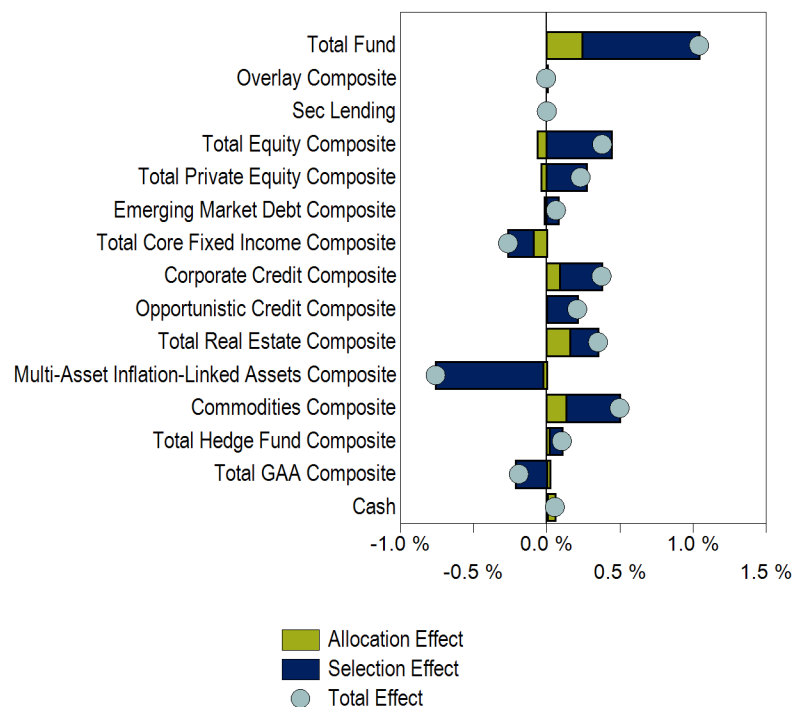
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	-5.0%	-4.0%	-1.0%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--
Total Equity Composite	-4.4%	-5.2%	0.7%	0.2%	0.0%	0.2%
Total Private Equity Composite	1.1%	-1.5%	2.6%	0.3%	0.0%	0.3%
Emerging Market Debt Composite	-4.0%	-6.1%	2.1%	0.1%	0.0%	0.1%
Total Core Fixed Income Composite	--	0.9%	--	-0.2%	-0.1%	-0.3%
Corporate Credit Composite	--	-4.9%	--	0.3%	0.1%	0.4%
Opportunistic Credit Composite	--	-2.8%	--	0.1%	0.0%	0.2%
Total Real Estate Composite	5.7%	3.6%	2.0%	0.2%	0.1%	0.3%
Multi-Asset Inflation- Linked Assets Composite	-19.3%	1.6%	-20.9%	-0.6%	0.0%	-0.6%
Commodities Composite	-13.6%	-18.5%	5.0%	0.4%	0.1%	0.5%
Total Hedge Fund Composite	-0.1%	-0.9%	0.8%	0.0%	0.0%	0.1%
Total GAA Composite	-4.7%	-1.7%	-3.0%	-0.3%	0.0%	-0.3%
Cash	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Total	-3.5%	-4.0%	0.6%	0.5%	0.4%	0.9%

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Attribution

Attribution Effects
1 Year Ending December 31, 2015



Attribution Summary
1 Year Ending December 31, 2015

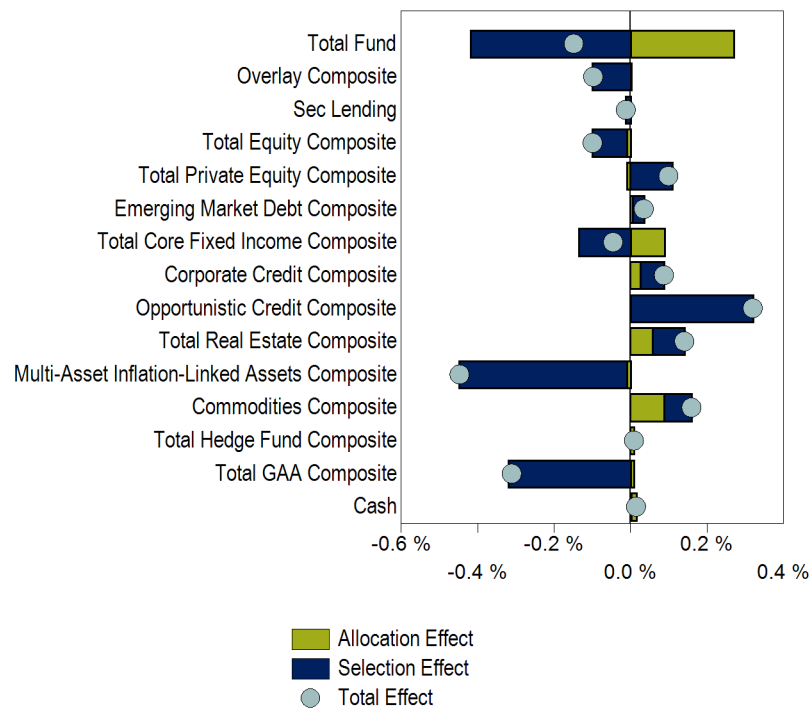
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	-2.0%	-2.2%	0.3%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--
Total Equity Composite	-0.8%	-2.2%	1.4%	0.4%	-0.1%	0.4%
Total Private Equity Composite	5.6%	3.3%	2.3%	0.3%	0.0%	0.2%
Emerging Market Debt Composite	-5.6%	-7.0%	1.4%	0.1%	0.0%	0.1%
Total Core Fixed Income Composite	--	-2.3%	--	-0.2%	-0.1%	-0.3%
Corporate Credit Composite	--	-2.5%	--	0.3%	0.1%	0.4%
Opportunistic Credit Composite	--	0.0%	--	0.2%	0.0%	0.2%
Total Real Estate Composite	9.8%	7.6%	2.2%	0.2%	0.2%	0.3%
Multi-Asset Inflation- Linked Assets Composite	-21.1%	5.8%	-26.9%	-0.7%	0.0%	-0.8%
Commodities Composite	-15.6%	-20.5%	4.9%	0.4%	0.1%	0.5%
Total Hedge Fund Composite	1.2%	0.0%	1.2%	0.1%	0.0%	0.1%
Total GAA Composite	-3.7%	-1.7%	-2.0%	-0.2%	0.0%	-0.2%
Cash	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Total	-1.5%	-2.2%	0.7%	0.8%	0.2%	1.0%

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Attribution

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



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

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	311.5%	2.9%	308.6%	-0.1%	0.0%	-0.1%
Sec Lending	--	--	--	0.0%	0.0%	0.0%
Total Equity Composite	7.5%	7.9%	-0.3%	-0.1%	0.0%	-0.1%
Total Private Equity Composite	13.1%	12.1%	1.1%	0.1%	0.0%	0.1%
Emerging Market Debt Composite	-5.0%	-5.5%	0.5%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	--	-0.7%	--	-0.1%	0.1%	0.0%
Corporate Credit Composite	--	2.4%	--	0.1%	0.0%	0.1%
Opportunistic Credit Composite	--	3.0%	--	0.3%	0.0%	0.3%
Total Real Estate Composite	10.1%	9.1%	1.0%	0.1%	0.1%	0.1%
Multi-Asset Inflation- Linked Assets Composite	--	--	--	-0.4%	0.0%	-0.4%
Commodities Composite	-11.8%	-12.9%	1.2%	0.1%	0.1%	0.2%
Total Hedge Fund Composite	2.6%	2.2%	0.3%	0.0%	0.0%	0.0%
Total GAA Composite	0.8%	4.7%	-3.9%	-0.3%	0.0%	-0.3%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.1%	3.4%	-0.3%	-0.4%	0.3%	-0.1%

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics

3 Years Ending December 31, 2015

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Equity Composite	29.8%	7.5%	71	10.1%	13	0.2%	69	1.4%	1	-0.2	--	0.9	0.7
San Jose Custom Total Equity Benchmark	--	7.9%	67	10.9%	37	0.0%	72	0.0%	1	--	--	1.0	0.7
Global Equity Composite	6.7%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI IMI (Net)	--	7.9%	67	10.9%	37	0.0%	72	0.0%	1	--	--	1.0	0.7
U.S. Large Cap Equity Composite	5.6%	14.9%	50	10.6%	29	0.0%	52	0.1%	1	-0.6	--	1.0	1.4
Russell 1000	--	15.0%	49	10.6%	31	0.0%	52	0.0%	1	--	--	1.0	1.4
U.S. Small Cap Equity Composite	1.2%	8.2%	95	14.7%	91	-2.0%	96	8.3%	61	-0.4	--	0.9	0.6
Russell 2000	--	11.7%	81	14.2%	86	0.0%	91	0.0%	1	--	--	1.0	0.8
Developed International Equity Composite	9.2%	4.6%	65	11.7%	39	0.9%	64	1.9%	6	0.3	62	0.9	0.4
San Jose Custom MSCI World ex US Benchmark	--	4.1%	74	12.7%	88	0.0%	82	0.0%	1	--	--	1.0	0.3
Emerging Markets Equity Composite	3.9%	-6.4%	67	12.3%	15	-0.9%	84	5.2%	66	0.1	69	0.8	-0.5
MSCI Emerging Markets	--	-6.8%	74	14.3%	61	0.0%	69	0.0%	1	--	--	1.0	-0.5
Total Fixed Income Composite	18.1%	1.2%	63	3.2%	65	1.2%	62	1.9%	1	0.7	27	0.7	0.3
Fixed Income Blended Benchmark	--	-0.1%	97	3.7%	72	0.0%	96	0.0%	1	--	--	1.0	0.0
Corporate Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
Blended Domestic Credit Index	--	1.7%	--	5.3%	--	0.0%	--	0.0%	--	--	--	1.0	0.3
Opportunistic Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	2.4%	--	3.4%	--	0.0%	--	0.0%	--	--	--	1.0	0.7
U.S. Direct Lending	--	--	--	--	--	--	--	--	--	--	--	--	--
3-Month LIBOR + 5%	--	5.3%	--	0.0%	--	0.0%	--	0.0%	--	--	--	1.0	252.6
Inflation-Linked Assets Composite	7.4%	-12.6%	--	10.5%	--	-1.7%	--	3.2%	--	-1.2	--	1.2	-1.2
San Jose Custom Inflation-Linked Assets Benchmark	--	-8.8%	--	8.3%	--	0.0%	--	0.0%	--	--	--	1.0	-1.1
Commodities Composite	5.3%	-11.8%	--	10.4%	--	0.4%	--	2.1%	--	0.6	--	0.9	-1.1
Custom Commodity Risk Parity Index	--	-12.9%	--	10.8%	--	0.0%	--	0.0%	--	--	--	1.0	-1.2

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics

5 Years Ending December 31, 2015

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ RK	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Equity Composite	29.8%	6.2%	71	12.4%	25	0.1%	68	1.4%	1	-0.3	--	0.9	0.5
San Jose Custom Total Equity Benchmark	--	6.6%	66	13.3%	45	0.0%	68	0.0%	1	--	--	1.0	0.5
U.S. Large Cap Equity Composite	5.6%	12.5%	45	11.9%	36	0.0%	47	1.2%	1	0.0	44	1.0	1.0
Russell 1000	--	12.4%	46	11.9%	35	0.0%	47	0.0%	1	--	--	1.0	1.0
U.S. Small Cap Equity Composite	1.2%	6.6%	96	15.6%	78	-1.4%	95	7.2%	47	-0.4	--	0.9	0.4
Russell 2000	--	9.2%	84	15.9%	83	0.0%	91	0.0%	1	--	--	1.0	0.6
Developed International Equity Composite	9.2%	4.3%	61	13.9%	21	1.5%	60	3.0%	22	0.4	54	0.9	0.3
San Jose Custom MSCI World ex US Benchmark	--	3.1%	81	15.0%	70	0.0%	82	0.0%	1	--	--	1.0	0.2
Emerging Markets Equity Composite	3.9%	-5.5%	82	17.2%	41	-1.1%	85	4.7%	53	-0.2	--	0.9	-0.3
MSCI Emerging Markets	--	-4.8%	71	17.8%	57	0.0%	67	0.0%	1	--	--	1.0	-0.3
Total Fixed Income Composite	18.1%	4.8%	25	3.1%	62	2.1%	27	1.8%	1	0.7	5	0.8	1.5
Fixed Income Blended Benchmark	--	3.5%	49	3.6%	69	0.0%	96	0.0%	1	--	--	1.0	1.0
Corporate Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
Blended Domestic Credit Index	--	4.2%	--	5.3%	--	0.0%	--	0.0%	--	--	--	1.0	0.8
Opportunistic Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	4.5%	--	4.2%	--	0.0%	--	0.0%	--	--	--	1.0	1.1

Note: Performance shown is net of fees.

Total Fund Performance (Net of Fees)



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fund	3,096,534,889	100.0	1.7	--	-3.0	--	-1.0	--	3.5	--	4.3	--	7.6	--	4.2	--	8.5	Mar-71
Policy Benchmark			<u>0.9</u>	--	<u>-4.0</u>	--	<u>-2.2</u>	--	<u>3.4</u>	--	<u>4.6</u>	--	<u>7.6</u>	--	<u>4.4</u>	--	--	Mar-71
Over/Under			0.8		1.0		1.2		0.1		-0.3		0.0		-0.2		--	
Allocation Index			1.4	--	-3.3	--	-1.7	--	3.5	--	4.2	--	7.6	--	4.7	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI			2.5	--	-2.8	--	-2.5	--	3.7	--	3.8	--	7.3	--	4.7	--	--	Mar-71
Total Equity Composite	922,320,527	29.8	4.5	56	-4.4	55	-0.8	53	7.5	71	6.2	71	11.1	59	--	--	4.2	Apr-08
San Jose Custom Total Equity Benchmark			<u>4.9</u>	47	<u>-5.2</u>	64	<u>-2.2</u>	68	<u>7.9</u>	67	<u>6.6</u>	66	<u>11.3</u>	58	--	--	<u>4.3</u>	Apr-08
Over/Under			-0.4		0.8		1.4		-0.4		-0.4		-0.2				-0.1	
eA All Global Equity Net Median			4.7		-3.9		-0.6		9.1		7.5		11.7		5.7		4.6	Apr-08
Global Equity Composite	207,615,833	6.7	6.0	22	-2.6	39	2.7	22	--	--	--	--	--	--	--	--	10.1	Mar-13
MSCI ACWI IMI (Net)			<u>4.9</u>	47	<u>-5.2</u>	64	<u>-2.2</u>	68	<u>7.9</u>	67	<u>6.1</u>	74	<u>11.2</u>	59	<u>5.0</u>	68	<u>6.6</u>	Mar-13
Over/Under			1.1		2.6		4.9										3.5	
eA All Global Equity Net Median			4.7		-3.9		-0.6		9.1		7.5		11.7		5.7		7.9	Mar-13
Artisan Global Opportunities	100,050,270	3.2	7.6	8	-1.6	27	8.2	5	--	--	--	--	--	--	--	--	9.4	May-13
MSCI ACWI IMI (Net)			<u>4.9</u>	47	<u>-5.2</u>	64	<u>-2.2</u>	68	<u>7.9</u>	67	<u>6.1</u>	74	<u>11.2</u>	59	<u>5.0</u>	68	<u>5.2</u>	May-13
Over/Under			2.7		3.6		10.4										4.2	
eA All Global Equity Net Median			4.7		-3.9		-0.6		9.1		7.5		11.7		5.7		6.2	May-13
Artisan Global Value	107,559,079	3.5	4.5	58	-3.5	47	-2.6	71	--	--	--	--	--	--	--	--	9.2	Mar-13
MSCI ACWI IMI (Net)			<u>4.9</u>	47	<u>-5.2</u>	64	<u>-2.2</u>	68	<u>7.9</u>	67	<u>6.1</u>	74	<u>11.2</u>	59	<u>5.0</u>	68	<u>6.6</u>	Mar-13
Over/Under			-0.4		1.7		-0.4										2.6	
eA All Global Equity Net Median			4.7		-3.9		-0.6		9.1		7.5		11.7		5.7		7.9	Mar-13
U.S. Equity Composite	211,634,133	6.8	6.0	26	-2.5	34	-0.4	43	14.8	33	12.3	28	15.2	48	7.1	59	9.1	Jun-95
Russell 3000			<u>6.3</u>	23	<u>-1.4</u>	26	<u>0.5</u>	37	<u>14.7</u>	34	<u>12.2</u>	30	<u>15.0</u>	50	<u>7.4</u>	51	<u>8.9</u>	Jun-95
Over/Under			-0.3		-1.1		-0.9		0.1		0.1		0.2		-0.3		0.2	
eA All US Equity Net Median			4.4		-4.7		-1.3		13.4		10.9		15.0		7.4		10.1	Jun-95
NT Russell 1000 Index Fund	173,654,847	5.6	6.5	33	-0.7	36	1.0	45	--	--	--	--	--	--	--	--	6.8	Apr-14
Russell 1000			<u>6.5</u>	33	<u>-0.8</u>	36	<u>0.9</u>	45	<u>15.0</u>	39	<u>12.4</u>	34	<u>15.1</u>	35	<u>7.4</u>	46	<u>6.7</u>	Apr-14
Over/Under			0.0		0.1		0.1										0.1	
eA US Large Cap Equity Net Median			5.8		-1.9		0.0		14.4		11.7		14.4		7.2		5.5	Apr-14
RBC Small Cap Core	37,976,402	1.2	3.9	32	-10.2	72	-6.8	78	--	--	--	--	--	--	--	--	-4.2	Jul-14
Russell 2000			<u>3.6</u>	37	<u>-8.8</u>	61	<u>-4.4</u>	62	<u>11.7</u>	58	<u>9.2</u>	61	<u>14.0</u>	71	<u>6.8</u>	62	<u>-1.9</u>	Jul-14
Over/Under			0.3		-1.4		-2.4										-2.3	
eA US Small Cap Equity Net Median			2.8		-7.8		-3.2		12.1		9.9		15.3		7.2		-1.6	Jul-14

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
International Equity Composite	405,263,180	13.1	3.7	73	-6.9	61	-2.9	71	1.1	90	0.8	89	7.8	79	3.0	81	8.1	Jun-95
MSCI AC WORLD ex US (NET)			<u>3.2</u>	81	<u>-9.3</u>	87	<u>-5.7</u>	87	<u>1.5</u>	87	<u>1.1</u>	86	<u>7.5</u>	80	<u>2.9</u>	81	--	Jun-95
Over/Under			0.5		2.4		2.8		-0.4		-0.3		0.3		0.1			
eA All ACWI ex-US Equity Net Median			4.7		-6.0		-0.4		4.9		3.6		9.7		4.4		7.2	Jun-95
Developed International Equity Composite	284,170,097	9.2	5.0	41	-4.6	46	1.0	52	4.6	65	4.3	61	9.3	49	3.8	52	7.6	Jun-95
San Jose Custom MSCI World ex US Benchmark			<u>3.9</u>	69	<u>-7.1</u>	78	<u>-3.0</u>	84	<u>4.1</u>	74	<u>3.1</u>	81	<u>7.4</u>	83	<u>2.8</u>	82	<u>4.5</u>	Jun-95
Over/Under			1.1		2.5		4.0		0.5		1.2		1.9		1.0		3.1	
eA All EAFE Equity Net Median			4.6		-4.8		1.2		5.9		4.7		9.2		3.9		6.6	Jun-95
NT Russell MSCI World ex US Index Fund	230,187,702	7.4	<u>3.9</u>	68	<u>-7.0</u>	76	<u>-2.7</u>	84	--	--	--	--	--	--	--	--	-4.6	Apr-14
MSCI World ex USA			<u>3.9</u>	69	<u>-7.1</u>	78	<u>-3.0</u>	84	<u>3.9</u>	79	<u>2.8</u>	85	<u>7.6</u>	80	<u>2.9</u>	81	-4.6	Apr-14
Over/Under			0.0		0.1		0.3										0.0	
eA All EAFE Equity Net Median			4.6		-4.8		1.2		5.9		4.7		9.2		3.9		-2.1	Apr-14
Oberweis	51,974,680	1.7	8.0	24	3.4	29	16.2	14	--	--	--	--	--	--	--	--	3.4	Mar-14
MSCI World ex US Small Cap Growth (Net)			<u>7.8</u>	34	<u>0.0</u>	92	<u>9.9</u>	99	<u>8.9</u>	99	<u>4.9</u>	99	<u>13.5</u>	99	<u>4.9</u>	99	<u>0.4</u>	Mar-14
Over/Under			0.2		3.4		6.3										3.0	
eA EAFE Small Cap Growth Net Median			7.6		2.7		14.7		13.6		9.2		15.1		7.9		3.2	Mar-14
Emerging Markets Equity Composite	121,093,084	3.9	0.7	62	-11.3	9	-10.7	32	-6.4	67	-5.5	82	6.5	84	2.6	83	9.3	Sep-01
MSCI Emerging Markets			<u>0.7</u>	62	<u>-17.4</u>	78	<u>-14.9</u>	68	<u>-6.8</u>	74	<u>-4.8</u>	71	<u>7.5</u>	68	<u>3.6</u>	69	<u>9.7</u>	Sep-01
Over/Under			0.0		6.1		4.2		0.4		-0.7		-1.0		-1.0		-0.4	
eA Emg Mkts Equity Net Median			1.6		-14.8		-12.9		-4.6		-3.4		8.6		4.2		11.0	Sep-01
Vontobel	75,522,352	2.4	1.9	42	-8.9	3	-8.6	15	--	--	--	--	--	--	--	--	-1.7	Jul-13
MSCI Emerging Markets			<u>0.7</u>	62	<u>-17.4</u>	78	<u>-14.9</u>	68	<u>-6.8</u>	74	<u>-4.8</u>	71	<u>7.5</u>	68	<u>3.6</u>	69	-4.3	Jul-13
Over/Under			1.2		8.5		6.3										2.6	
eA Emg Mkts Equity Net Median			1.6		-14.8		-12.9		-4.6		-3.4		8.6		4.2		-3.3	Jul-13
Dimensional Fund Advisors	26,764,969	0.9	-1.0	85	-20.0	96	--	--	--	--	--	--	--	--	--	--	-20.0	Jul-15
MSCI Emerging Markets			<u>0.7</u>	62	<u>-17.4</u>	78	<u>-14.9</u>	68	<u>-6.8</u>	74	<u>-4.8</u>	71	<u>7.5</u>	68	<u>3.6</u>	69	-17.4	Jul-15
Over/Under			-1.7		-2.6												-2.6	
eA Emg Mkts Equity Net Median			1.6		-14.8		-12.9		-4.6		-3.4		8.6		4.2		-14.8	Jul-15

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Aberdeen	18,802,764	0.6	-1.3	88	-9.7	4	-11.2	36	--	--	--	--	--	--	--	--	-1.9	Jul-13
MSCI Frontier Markets			-1.2	87	-11.7	11	-14.5	65	4.8	2	0.4	7	5.0	98	-1.8	99	1.4	Jul-13
Over/Under			-0.1		2.0		3.3										-3.3	
eA Emg Mkts Equity Net Median			1.6		-14.8		-12.9		-4.6		-3.4		8.6		4.2		-3.3	Jul-13
Alternative Equity Composite	97,807,381	3.2	1.5	--	-0.6	--	4.3	--	--	--	--	--	--	--	--	--	6.9	Oct-14
HFRI Equity Hedge (Total) Index			1.8	--	-4.5	--	-0.9	--	4.9	--	2.6	--	6.6	--	3.5	--	-0.7	Oct-14
Over/Under			-0.3		3.9		5.2										7.6	
Amici	9,203,024	0.3	-1.5	--	-13.7	--	-9.8	--	--	--	--	--	--	--	--	--	-2.9	Mar-13
HFRI Equity Hedge (Total) Index			1.8	--	-4.5	--	-0.9	--	4.9	--	2.6	--	6.6	--	3.5	--	3.8	Mar-13
Over/Under			-3.3		-9.2		-8.9										-6.7	
Horizon	27,210,909	0.9	1.2	--	2.3	--	3.9	--	--	--	--	--	--	--	--	--	7.7	Jul-13
HFRI Equity Hedge (Total) Index			1.8	--	-4.5	--	-0.9	--	4.9	--	2.6	--	6.6	--	3.5	--	3.9	Jul-13
Over/Under			-0.6		6.8		4.8										3.8	
Marshall Wace	22,225,082	0.7	2.1	--	3.4	--	11.7	--	--	--	--	--	--	--	--	--	11.9	Apr-14
HFRI Equity Hedge (Total) Index			1.8	--	-4.5	--	-0.9	--	4.9	--	2.6	--	6.6	--	3.5	--	-0.1	Apr-14
Over/Under			0.3		7.9		12.6										12.0	
Sandler	17,791,176	0.6	4.0	--	6.7	--	12.9	--	--	--	--	--	--	--	--	--	9.2	May-13
HFRI Equity Hedge (Total) Index			1.8	--	-4.5	--	-0.9	--	4.9	--	2.6	--	6.6	--	3.5	--	3.5	May-13
Over/Under			2.2		11.2		13.8										5.7	
Senator	21,377,189	0.7	0.6	--	-7.3	--	-2.8	--	--	--	--	--	--	--	--	--	7.1	Apr-13
HFRI Event-Driven (Total) Index			-0.6	--	-6.0	--	-3.7	--	3.1	--	2.9	--	7.1	--	4.5	--	2.0	Apr-13
Over/Under			1.2		-1.3		0.9										5.1	

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity Composite	241,877,454	7.8	2.6	--	1.1	--	5.6	--	13.1	--	12.4	--	8.7	--	9.4	--	9.2	Oct-05
<i>San Jose Custom Total Private Equity Index</i>			<u>-3.8</u>	--	<u>-1.5</u>	--	<u>3.3</u>	--	<u>12.1</u>	--	--	--	--	--	--	--	--	<i>Oct-05</i>
<i>Over/Under</i>			6.4		2.6		2.3		1.0									
<i>San Jose Custom Blended Private Equity Benchmark</i>			-1.8	--	1.9	--	5.4	--	11.1	--	12.0	--	6.0	--	9.8	--	10.8	<i>Oct-05</i>
<i>Russell 3000 Qtr Lag</i>			-7.2	--	-7.1	--	-0.5	--	12.5	--	13.3	--	9.9	--	6.9	--	7.2	<i>Oct-05</i>
Total Private Equity ex Russell R3000	156,068,523	5.0	0.2	54	2.6	59	9.1	56	11.4	60	11.5	53	8.1	68	9.0	52	8.7	Oct-05
<i>San Jose Custom Private Equity Benchmark</i>			<u>-1.8</u>	93	<u>1.9</u>	69	<u>5.4</u>	77	<u>11.5</u>	59	<u>12.9</u>	36	<u>10.1</u>	27	<u>11.5</u>	24	<u>12.0</u>	<i>Oct-05</i>
<i>Over/Under</i>			2.0		0.7		3.7		-0.1		-1.4		-2.0		-2.5		-3.3	
<i>San Jose Custom Blended Private Equity Benchmark</i>			-1.8	93	1.9	69	5.4	77	11.1	60	12.0	44	6.0	75	9.8	50	10.8	<i>Oct-05</i>
<i>InvestorForce Public DB Private Eq Net Median</i>			0.5		3.1		9.2		13.1		11.7		8.7		9.5		10.6	<i>Oct-05</i>

Note: Performance shown is net of fees.



NEPC, LLC

December 31, 2015

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fixed Income Composite	559,101,252	18.1	-0.4	40	-2.6	85	-1.7	80	1.2	63	4.8	25	6.7	36	--	--	5.9	Apr-08
Fixed Income Blended Benchmark			<u>-0.8</u>	76	<u>-3.4</u>	88	<u>-3.3</u>	88	<u>-0.1</u>	97	<u>3.5</u>	49	<u>5.7</u>	43	<u>4.9</u>	38	<u>4.7</u>	Apr-08
Over/Under			0.4		0.8		1.6		1.3		1.3		1.0				1.2	
Barclays Aggregate			<u>-0.6</u>	57	<u>0.7</u>	24	<u>0.5</u>	45	<u>1.4</u>	51	<u>3.2</u>	56	<u>4.1</u>	65	<u>4.5</u>	51	<u>4.1</u>	Apr-08
eA All US Fixed Inc Net Median			<u>-0.5</u>		<u>0.1</u>		<u>0.4</u>		<u>1.5</u>		<u>3.5</u>		<u>5.1</u>		<u>4.6</u>		<u>4.4</u>	Apr-08
Total Global Core Composite	211,130,956	6.8	0.1	--	--	--	--	--	--	--	--	--	--	--	--	--	0.1	Oct-15
Barclays Global Aggregate			<u>-0.9</u>	--	<u>-0.1</u>	--	<u>-3.2</u>	--	<u>-1.7</u>	--	<u>0.9</u>	--	<u>2.4</u>	--	<u>3.7</u>	--	<u>-0.9</u>	Oct-15
Over/Under			1.0														1.0	
Colchester	83,823,421	2.7	<u>-1.3</u>	--	<u>-3.3</u>	--	<u>-6.0</u>	--	--	--	--	--	--	--	--	--	<u>-3.1</u>	Jan-14
Barclays Global Aggregate			<u>-0.9</u>	--	<u>-0.1</u>	--	<u>-3.2</u>	--	<u>-1.7</u>	--	<u>0.9</u>	--	<u>2.4</u>	--	<u>3.7</u>	--	<u>-1.3</u>	Jan-14
Over/Under			<u>-0.4</u>		<u>-3.2</u>		<u>-2.8</u>										<u>-1.8</u>	
Franklin Templeton	67,289,196	2.2	<u>2.2</u>	--	<u>-4.3</u>	--	<u>-4.0</u>	--	--	--	--	--	--	--	--	--	<u>-1.8</u>	Jan-14
Barclays Global Aggregate			<u>-0.9</u>	--	<u>-0.1</u>	--	<u>-3.2</u>	--	<u>-1.7</u>	--	<u>0.9</u>	--	<u>2.4</u>	--	<u>3.7</u>	--	<u>-1.3</u>	Jan-14
Over/Under			<u>3.1</u>		<u>-4.2</u>		<u>-0.8</u>										<u>-0.5</u>	
Voya	60,018,339	1.9	<u>0.0</u>	--	<u>0.0</u>	--	--	--	--	--	--	--	--	--	--	--	<u>0.0</u>	Jul-15
Barclays US Aggregate Securitized			<u>-0.2</u>	--	<u>1.1</u>	--	<u>1.5</u>	--	<u>2.0</u>	--	<u>3.0</u>	--	<u>4.2</u>	--	<u>4.6</u>	--	<u>1.1</u>	Jul-15
Over/Under			<u>0.2</u>		<u>-1.1</u>												<u>-1.1</u>	
Non-Investment Grade Credit Portfolio	191,947,903	6.2	-1.7	--	--	--	--	--	--	--	--	--	--	--	--	--	-1.7	Oct-15
50% Bofa Global HY/50% S&P Global Leveraged Loan			<u>-1.6</u>	--	--	--	--	--	--	--	--	--	--	--	--	--	<u>-1.6</u>	Oct-15
Over/Under			<u>-0.1</u>														<u>-0.1</u>	
Davidson Kempner	22,915,587	0.7	<u>0.2</u>	--	<u>-0.1</u>	--	<u>1.5</u>	--	<u>4.6</u>	--	--	--	--	--	--	--	<u>4.8</u>	Feb-13
HFRI Event-Driven (Total) Index			<u>-0.6</u>	--	<u>-6.0</u>	--	<u>-3.7</u>	--	<u>3.1</u>	--	<u>2.9</u>	--	<u>7.1</u>	--	<u>4.5</u>	--	<u>2.4</u>	Feb-13
Over/Under			<u>0.8</u>		<u>5.9</u>		<u>5.2</u>		<u>1.5</u>								<u>2.4</u>	
Beach Point	75,625,997	2.4	<u>-2.7</u>	--	<u>-5.4</u>	--	<u>-1.9</u>	--	--	--	--	--	--	--	--	--	<u>0.4</u>	Oct-13
Barclays High Yield			<u>-2.1</u>	--	<u>-6.8</u>	--	<u>-4.5</u>	--	<u>1.7</u>	--	<u>5.0</u>	--	<u>12.8</u>	--	<u>7.0</u>	--	<u>0.6</u>	Oct-13
Over/Under			<u>-0.6</u>		<u>1.4</u>		<u>2.6</u>										<u>-0.2</u>	
Claren Road	13,407,182	0.4	<u>-7.7</u>	--	<u>-8.1</u>	--	<u>-12.6</u>	--	--	--	--	--	--	--	--	--	<u>-9.8</u>	Jul-13
Barclays Global Aggregate			<u>-0.9</u>	--	<u>-0.1</u>	--	<u>-3.2</u>	--	<u>-1.7</u>	--	<u>0.9</u>	--	<u>2.4</u>	--	<u>3.7</u>	--	<u>-0.1</u>	Jul-13
Over/Under			<u>-6.8</u>		<u>-8.0</u>		<u>-9.4</u>										<u>-9.7</u>	
HFRI RV: Fixed Income-Corporate Index			<u>-0.5</u>	--	<u>-3.6</u>	--	<u>-1.7</u>	--	<u>1.7</u>	--	<u>3.3</u>	--	<u>8.1</u>	--	<u>3.7</u>	--	<u>1.5</u>	Jul-13
Symphony	79,999,138	2.6	<u>0.0</u>	--	<u>0.5</u>	--	<u>2.0</u>	--	--	--	--	--	--	--	--	--	<u>3.4</u>	Feb-14
Barclays High Yield			<u>-2.1</u>	--	<u>-6.8</u>	--	<u>-4.5</u>	--	<u>1.7</u>	--	<u>5.0</u>	--	<u>12.8</u>	--	<u>7.0</u>	--	<u>-1.5</u>	Feb-14
Over/Under			<u>2.1</u>		<u>7.3</u>		<u>6.5</u>										<u>4.9</u>	

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Emerging Market Debt Composite	156,022,392	5.0	0.6	52	-4.0	48	-5.6	59	-5.0	60	--	--	--	--	--	--	-5.0	Jan-13
San Jose Custom EMD Benchmark			0.6	51	-6.1	58	-7.0	61	-5.5	62	--	--	--	--	--	--	-5.5	Jan-13
Over/Under			0.0		2.1		1.4		0.5								0.5	
eA All Emg Mkts Fixed Inc Net Median			0.7		-4.8		-3.8		-2.5		2.5		8.8		6.1		-2.5	Jan-13
BlueBay	100,125,072	3.2	0.1	72	-6.5	62	-10.2	71	--	--	--	--	--	--	--	--	-4.9	Aug-13
JP Morgan Blended EMD Benchmark			0.6	51	-6.1	58	-7.0	61	-4.5	57	--	--	--	--	--	--	-3.0	Aug-13
Over/Under			-0.5		-0.4		-3.2										-1.9	
eA All Emg Mkts Fixed Inc Net Median			0.7		-4.8		-3.8		-2.5		2.5		8.8		6.1		-0.5	Aug-13
Iguazu	55,897,320	1.8	1.6	18	0.9	1	3.7	1	--	--	--	--	--	--	--	--	6.0	Feb-14
JP Morgan Blended EMD Benchmark			0.6	51	-6.1	58	-7.0	61	-4.5	57	--	--	--	--	--	--	-2.6	Feb-14
Over/Under			1.0		7.0		10.7										8.6	
eA All Emg Mkts Fixed Inc Net Median			0.7		-4.8		-3.8		-2.5		2.5		8.8		6.1		0.2	Feb-14
Total Private Debt Composite	212,602,381	6.9	2.9	--	--	--	--	--	--	--	--	--	--	--	--	--	2.9	Oct-15
S&P Global Leveraged Loan + 2%			-1.6	--	--	--	--	--	--	--	--	--	--	--	--	--	-1.6	Oct-15
Over/Under			4.5														4.5	
Marathon	9,653,791	0.3	1.2	--	5.2	--	7.4	--	7.3	--	--	--	--	--	--	--	8.1	Oct-12
BofA Merrill Lynch Euro High Yield Constrained			-1.5	--	-3.5	--	-9.5	--	-1.3	--	3.3	--	12.6	--	6.7	--	1.5	Oct-12
Over/Under			2.7		8.7		16.9		8.6								6.6	
GSO	20,129,871	0.7	-3.3	--	-3.4	--	-2.6	--	4.8	--	11.7	--	--	--	--	--	11.3	Dec-10
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	5.3	Dec-10
Over/Under			-4.6		-6.1		-7.9		-0.5		6.4						6.0	
Medley Capital	53,013,587	1.7	2.1	--	3.2	--	8.0	--	8.8	--	--	--	--	--	--	--	7.4	Mar-11
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	5.3	Mar-11
Over/Under			0.8		0.5		2.7		3.5								2.1	
White Oak	35,559,780	1.1	14.1	--	3.9	--	5.3	--	7.7	--	6.0	--	--	--	--	--	5.3	Nov-10
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	5.3	Nov-10
Over/Under			12.8		1.2		0.0		2.4		0.7						0.0	
Cross Ocean	57,523,075	1.9	-1.3	--	-0.6	--	5.7	--	--	--	--	--	--	--	--	--	5.6	Apr-14
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	5.3	Apr-14
Over/Under			-2.6		-3.3		0.4										0.3	
Park Square	19,826,456	0.6	0.6	--	1.0	--	1.5	--	--	--	--	--	--	--	--	--	1.3	Nov-14
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	5.3	Nov-14
Over/Under			-0.7		-1.7		-3.8										-4.0	

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Shoreline China Value III	16,895,822	0.5	12.5	--	5.4	--	--	--	--	--	--	--	--	--	--	--	5.4	Jul-15
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	2.7	Jul-15
Over/Under			11.2		2.7												2.7	
Total Real Estate Composite	262,560,356	8.5	3.7	--	5.7	--	9.8	--	10.1	--	9.1	--	6.4	--	6.8	--	8.2	Jun-95
San Jose Custom Total Real Estate BM			3.4	--	3.6	--	7.6	--	9.1	--	--	--	--	--	--	--	--	Jun-95
Over/Under			0.3		2.1		2.2		1.0									
Total Real Estate Ex Russell Real Estate	201,246,879	6.5	4.0	18	7.8	13	13.0	38	11.8	68	--	--	--	--	--	--	12.3	Dec-12
San Jose Custom Real Estate Benchmark			3.7	27	7.6	13	14.9	4	12.4	61	13.4	19	3.8	82	6.4	27	13.0	Dec-12
Over/Under			0.3		0.2		-1.9		-0.6								-0.7	
InvestorForce Public DB Real Estate Pub+Priv Net Median			3.1		6.6		11.5		12.6		12.5		5.7		5.2		13.0	Dec-12
Inflation-Linked Assets Composite	229,835,897	7.4	-4.0	--	-15.2	--	-17.2	--	-12.6	--	--	--	--	--	--	--	-10.8	Apr-11
San Jose Custom Inflation-Linked Assets Benchmark			-5.0	--	-12.8	--	-13.2	--	-8.8	--	--	--	--	--	--	--	-7.9	Apr-11
Over/Under			1.0		-2.4		-4.0		-3.8								-2.9	
Multi-Asset Inflation-Linked Assets Composite	64,201,215	2.1	-4.6	--	-19.3	--	-21.1	--	--	--	--	--	--	--	--	--	-15.7	Nov-13
CPI + 5% (Unadjusted)			0.6	--	1.6	--	5.8	--	6.0	--	6.6	--	6.8	--	6.9	--	5.6	Nov-13
Over/Under			-5.2		-20.9		-26.9										-21.3	
Wellington	64,201,215	2.1	-4.6	--	-19.3	--	-21.1	--	--	--	--	--	--	--	--	--	-15.7	Nov-13
CPI + 5% (Unadjusted)			0.6	--	1.6	--	5.8	--	6.0	--	6.6	--	6.8	--	6.9	--	5.6	Nov-13
Over/Under			-5.2		-20.9		-26.9										-21.3	
Commodities Composite	165,634,682	5.3	-3.8	--	-13.6	--	-15.6	--	-11.8	--	--	--	--	--	--	--	-10.3	Apr-11
Custom Commodity Risk Parity Index			-7.4	--	-18.5	--	-20.5	--	-12.9	--	--	--	--	--	--	--	-10.6	Apr-11
Over/Under			3.6		4.9		4.9		1.1								0.3	
Bloomberg Commodity Index			-10.5	--	-23.5	--	-24.7	--	-17.3	--	-13.5	--	-5.5	--	-6.4	--	-14.9	Apr-11
Credit Suisse	98,322,525	3.2	-7.4	--	-18.8	--	-20.7	--	-13.0	--	--	--	--	--	--	--	-10.6	Apr-11
Custom Commodity Risk Parity Index			-7.4	--	-18.5	--	-20.5	--	-12.9	--	--	--	--	--	--	--	-10.6	Apr-11
Over/Under			0.0		-0.3		-0.2		-0.1								0.0	
Bloomberg Commodity Index			-10.5	--	-23.5	--	-24.7	--	-17.3	--	-13.5	--	-5.5	--	-6.4	--	-14.9	Apr-11
Pinnacle Natural Resources	67,312,157	2.2	2.2	--	--	--	--	--	--	--	--	--	--	--	--	--	2.9	Sep-15
Bloomberg Commodity Index			-10.5	--	-23.5	--	-24.7	--	-17.3	--	-13.5	--	-5.5	--	-6.4	--	-13.6	Sep-15
Over/Under			12.7														16.5	

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Hedge Fund Composite	184,600,095	6.0	0.0	--	-0.1	--	1.2	--	2.6	--	--	--	--	--	--	--	2.5	Nov-12
San Jose Custom Hedge Fund Benchmark			0.0	--	-0.9	--	0.0	--	2.2	--	--	--	--	--	--	--	2.3	Nov-12
Over/Under			0.0		0.8		1.2		0.4								0.2	
Hedge Fund ex-Interim Benchmark			-0.1	--	-0.9	--	1.0	--	3.6	--	1.9	--	3.8	--	2.2	--	4.0	Nov-12
Russell Hedge Funds	1,622,540	0.1	0.8	--	-0.1	--	-0.1	--	1.2	--	--	--	--	--	--	--	1.3	Dec-12
Russell Hedge Index			0.7	--	-0.7	--	-0.7	--	1.0	--	1.2	--	2.1	--	2.2	--	1.0	Dec-12
Over/Under			0.1		0.6		0.6		0.2								0.3	
Total Hedge Fund Composite ex-Interim	182,977,555	5.9	-0.1	--	0.1	--	2.8	--	4.3	--	--	--	--	--	--	--	4.5	Nov-12
Hedge Fund ex-Interim Benchmark			-0.1	--	-0.9	--	1.0	--	3.6	--	1.9	--	3.8	--	2.2	--	4.0	Nov-12
Over/Under			0.0		1.0		1.8		0.7								0.5	
3-Month LIBOR + 5%			1.3	--	2.7	--	5.3	--	5.3	--	5.3	--	5.4	--	6.7	--	5.3	Nov-12
Arrowgrass	24,454,162	0.8	2.2	--	1.3	--	6.5	--	6.3	--	--	--	--	--	--	--	6.6	Nov-12
HFRI Relative Value (Total) Index			-0.2	--	-2.8	--	-0.3	--	3.6	--	4.2	--	8.1	--	5.6	--	3.9	Nov-12
Over/Under			2.4		4.1		6.8		2.7								2.7	
BlueTrend	12,801,207	0.4	-2.4	--	6.5	--	3.3	--	--	--	--	--	--	--	--	--	-0.7	Apr-13
Barclay BTOP50 Index			0.0	--	2.5	--	-0.8	--	4.1	--	1.2	--	--	--	--	--	3.8	Apr-13
Over/Under			-2.4		4.0		4.1										-4.5	
Brevan Howard Mutli Strategy	10,241,408	0.3	-1.2	--	-3.2	--	-1.9	--	0.4	--	--	--	--	--	--	--	0.8	Dec-12
HFRI Macro (Total) Index			-0.1	--	-0.8	--	-1.2	--	1.3	--	-0.1	--	1.7	--	3.5	--	1.6	Dec-12
Over/Under			-1.1		-2.4		-0.7		-0.9								-0.8	
Brevan Howard Limited	10,192,983	0.3	-2.1	--	-3.3	--	--	--	--	--	--	--	--	--	--	--	-3.3	Jul-15
HFRI Macro (Total) Index			-0.1	--	-0.8	--	-1.2	--	1.3	--	-0.1	--	1.7	--	3.5	--	-0.8	Jul-15
Over/Under			-2.0		-2.5												-2.5	
DE Shaw	28,736,436	0.9	4.1	--	5.8	--	14.6	--	--	--	--	--	--	--	--	--	14.1	Apr-13
HFRI Fund Weighted Composite Index			0.8	--	-3.5	--	-1.1	--	3.6	--	2.3	--	5.8	--	4.1	--	2.6	Apr-13
Over/Under			3.3		9.3		15.7										11.5	
Hudson Bay	20,017,372	0.6	-1.9	--	-2.7	--	-1.9	--	--	--	--	--	--	--	--	--	0.0	Jul-13
HFRI Relative Value (Total) Index			-0.2	--	-2.8	--	-0.3	--	3.6	--	4.2	--	8.1	--	5.6	--	3.1	Jul-13
Over/Under			-1.7		0.1		-1.6										-3.1	
Kepos	12,508,751	0.4	-2.1	--	6.5	--	-8.4	--	--	--	--	--	--	--	--	--	1.9	Mar-13
HFRI Macro: Systematic Diversified Index			-1.0	--	-0.7	--	-2.4	--	2.3	--	0.1	--	1.2	--	5.2	--	2.3	Mar-13
Over/Under			-1.1		7.2		-6.0										-0.4	

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

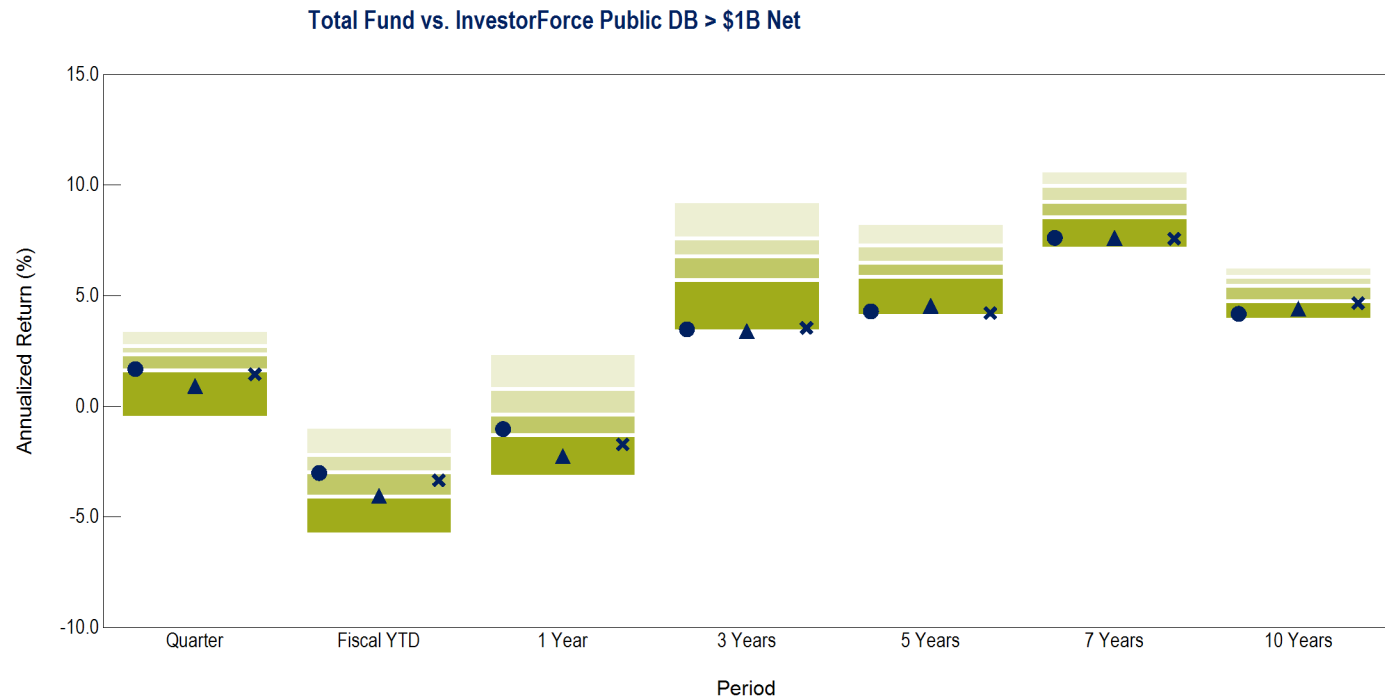
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
MKP Opportunity Fund	4,773,235	0.2	-2.5	--	-4.5	--	--	--	--	--	--	--	--	--	--	--	-4.5	Jul-15
HFRI Macro (Total) Index			-0.1	--	-0.8	--	-1.2	--	1.3	--	-0.1	--	1.7	--	3.5	--	-0.8	Jul-15
Over/Under			-2.4		-3.7												-3.7	
Pine River	22,411,630	0.7	-1.1	--	-6.7	--	-2.8	--	3.9	--	--	--	--	--	--	--	3.9	Jan-13
HFRI Relative Value (Total) Index			-0.2	--	-2.8	--	-0.3	--	3.6	--	4.2	--	8.1	--	5.6	--	3.6	Jan-13
Over/Under			-0.9		-3.9		-2.5		0.3								0.3	
Dymon Asia	16,840,370	0.5	-0.7	--	--	--	--	--	--	--	--	--	--	--	--	--	-0.9	Sep-15
HFRI Macro (Total) Index			-0.1	--	-0.8	--	-1.2	--	1.3	--	-0.1	--	1.7	--	3.5	--	-0.1	Sep-15
Over/Under			-0.6														-0.8	
Wadhwani	20,000,000	0.6																
Barclay BTOP50 Index			-		-		-		-		-		-		-			
Over/Under																		
Total GAA Composite	319,421,828	10.3	0.6	--	-4.7	--	-3.7	--	0.8	--	--	--	--	--	--	--	0.8	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	7.3	--	4.7	--	4.7	Jan-13
Over/Under			-2.2		-3.0		-2.0		-3.9								-3.9	
GMO	94,016,671	3.0	1.5	--	-5.2	--	-4.2	--	--	--	--	--	--	--	--	--	1.7	Feb-13
CPI + 5% (Seasonally Adjusted)			1.3	--	2.5	--	5.7	--	6.0	--	6.6	--	6.8	--	6.9	--	6.0	Feb-13
Over/Under			0.2		-7.7		-9.9										-4.3	
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	7.3	--	4.7	--	3.9	Feb-13
PIMCO	84,107,679	2.7	-1.4	--	-11.3	--	-11.7	--	--	--	--	--	--	--	--	--	-6.9	Feb-13
CPI + 6.5% (Seasonally Adjusted)			1.7	--	3.2	--	7.2	--	7.5	--	8.1	--	8.3	--	8.5	--	7.5	Feb-13
Over/Under			-3.1		-14.5		-18.9										-14.4	
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	7.3	--	4.7	--	3.9	Feb-13
Standard Life	141,297,478	4.6	1.2	--	0.0	--	2.4	--	--	--	--	--	--	--	--	--	4.2	Feb-13
91 Day T-Bill + 5%			1.3	--	2.5	--	5.0	--	5.0	--	5.0	--	5.1	--	6.2	--	5.0	Feb-13
Over/Under			-0.1		-2.5		-2.6										-0.8	
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	7.3	--	4.7	--	3.9	Feb-13
Cash																		
Cash	98,469,853	3.2	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--	0.5	--	--	--	0.8	Apr-08
91 Day T-Bills			0.0	--	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--	1.1	--	0.2	Apr-08
Over/Under			0.0		0.0		0.0		0.0		0.1		0.4				0.6	

Wadhwani funded as of 12/30/2015.

Note: Performance shown is net of fees.

City of San Jose Police and Fire Department Retirement Plan

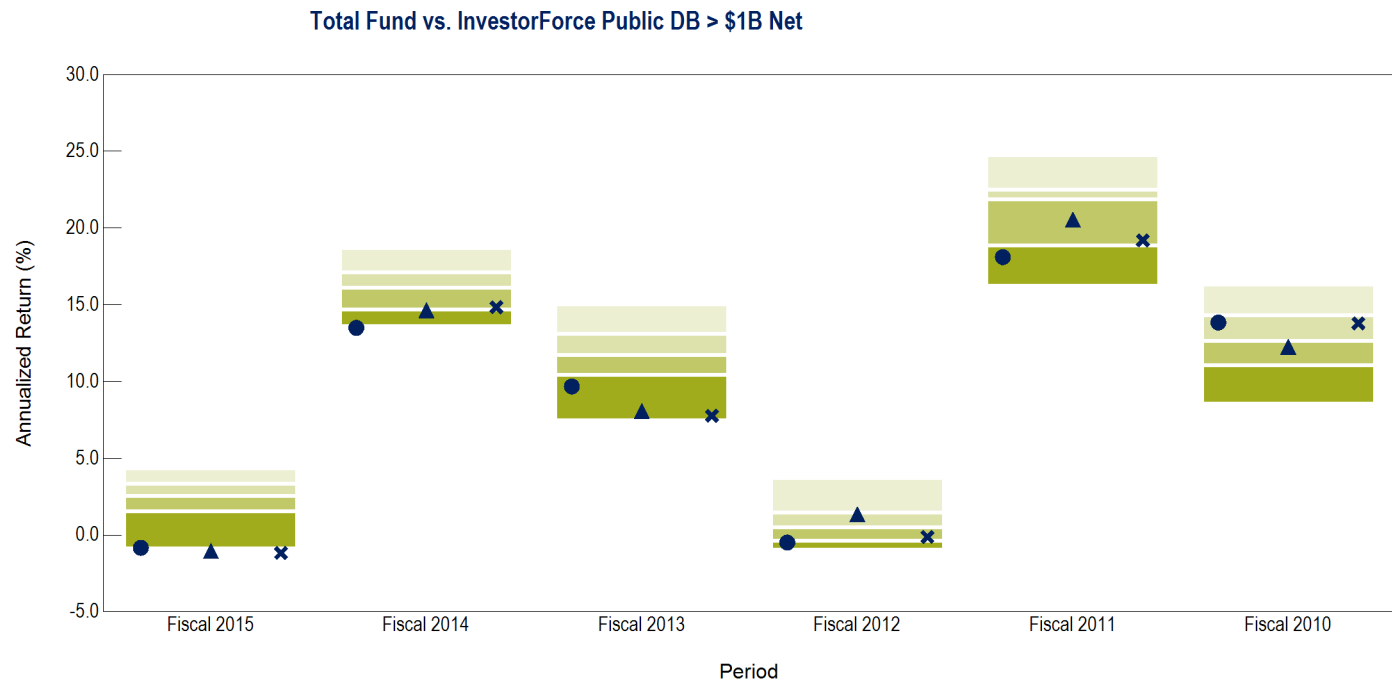
Total Fund Return Summary vs. Peer Universe



	Return (Rank)						
5th Percentile	3.4	-0.9	2.4	9.3	8.3	10.6	6.3
25th Percentile	2.7	-2.2	0.8	7.6	7.3	10.0	5.9
Median	2.4	-3.0	-0.4	6.8	6.5	9.3	5.5
75th Percentile	1.6	-4.1	-1.3	5.7	5.9	8.6	4.8
95th Percentile	-0.5	-5.8	-3.2	3.4	4.1	7.1	3.9
# of Portfolios	57	57	57	57	57	55	52
● Total Fund	1.7 (70)	-3.0 (57)	-1.0 (68)	3.5 (95)	4.3 (95)	7.6 (91)	4.2 (93)
▲ Policy Benchmark	0.9 (92)	-4.0 (75)	-2.2 (86)	3.4 (96)	4.6 (93)	7.6 (91)	4.4 (88)
✕ Allocation Index	1.4 (82)	-3.3 (61)	-1.7 (82)	3.5 (93)	4.2 (95)	7.6 (93)	4.7 (80)

City of San Jose Police and Fire Department Retirement Plan

Total Fund Return Summary vs. Peer Universe



	Return (Rank)					
5th Percentile	4.3		18.7		15.0	
25th Percentile	3.3		17.2		13.1	
Median	2.6		16.1		11.8	
75th Percentile	1.6		14.7		10.5	
95th Percentile	-0.9		13.6		7.5	
# of Portfolios	53		43		56	
● Total Fund	-0.8	(95)	13.5	(98)	9.7	(83)
▲ Policy Benchmark	-1.0	(98)	14.6	(76)	8.1	(92)
✕ Allocation Index	-1.2	(99)	14.8	(74)	7.8	(93)

Appendix: Policy Benchmark History

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 – 9/30/2014** – 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

Policy Benchmark History

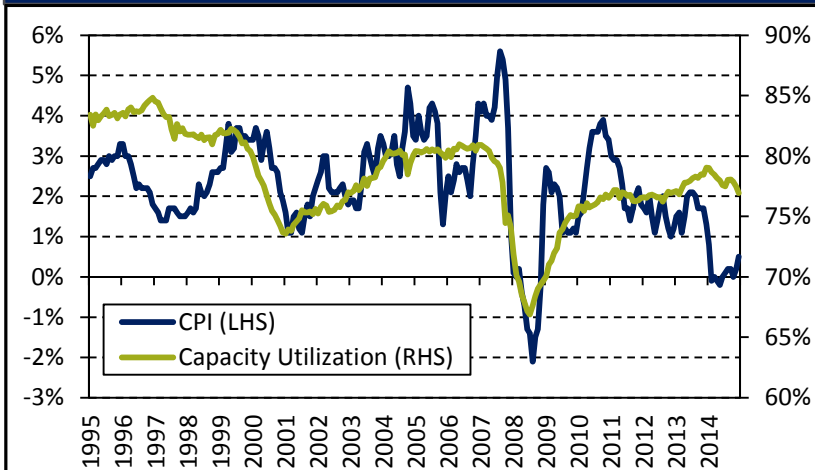
- **10/1/2014 – present** – 31% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/6% Barclays Capital Global Aggregate/5% BC High Yield/11% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/6% San Jose Custom Hedge Fund Index/10% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills

Appendix: Market Environment

City of San Jose Police and Fire Department Retirement Plan

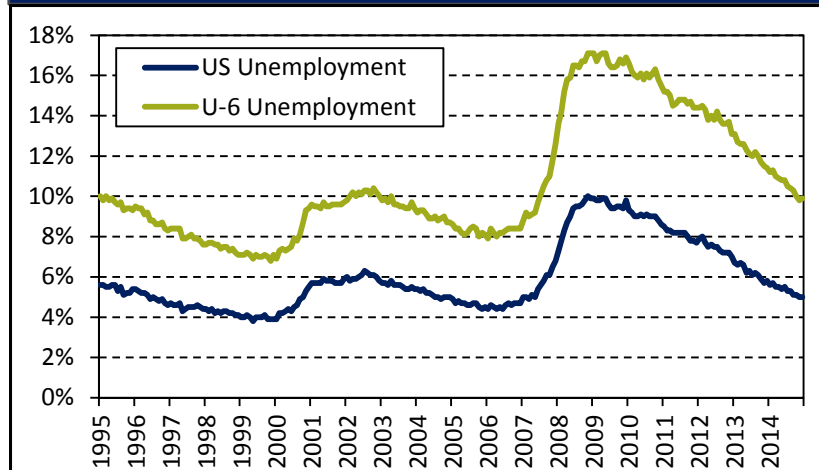
US Economic Indicators

Inflation has stayed low



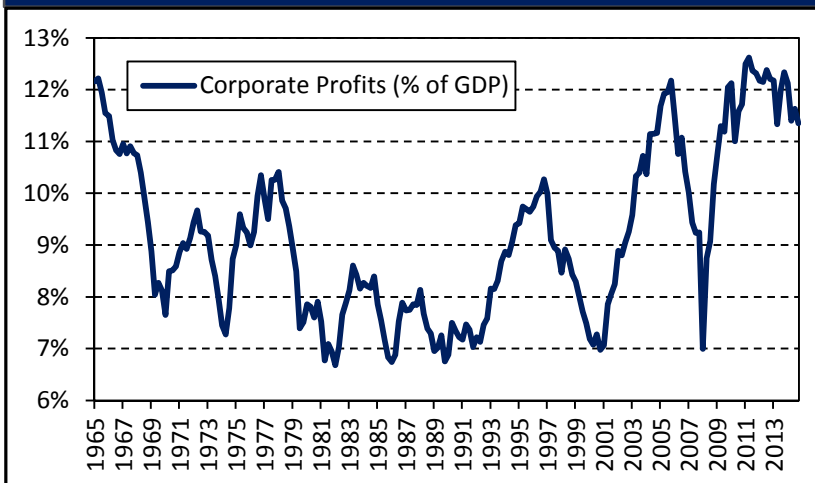
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment steadily improving



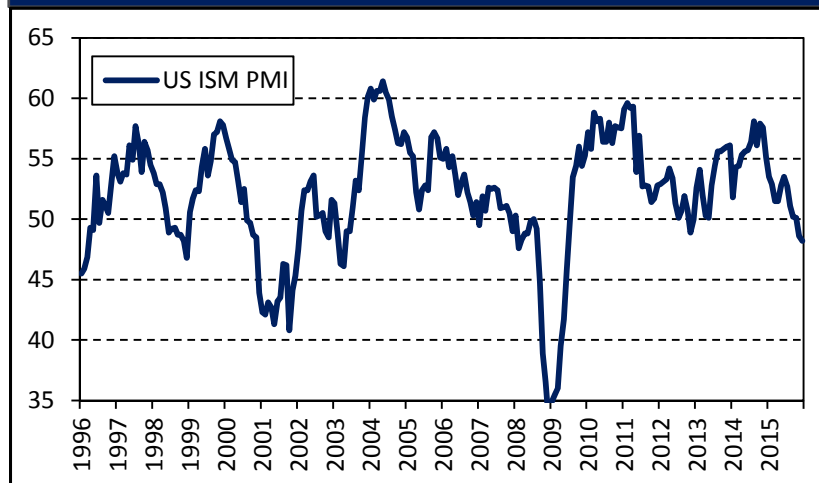
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits slightly off secular highs



Source: Bloomberg, Bureau of Economic Analysis

Manufacturing trending lower

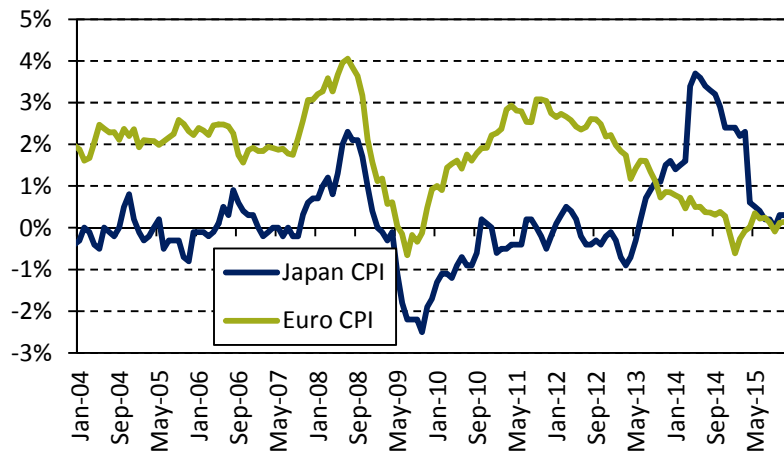


Source: Bloomberg, Institute for Supply Management

City of San Jose Police and Fire Department Retirement Plan

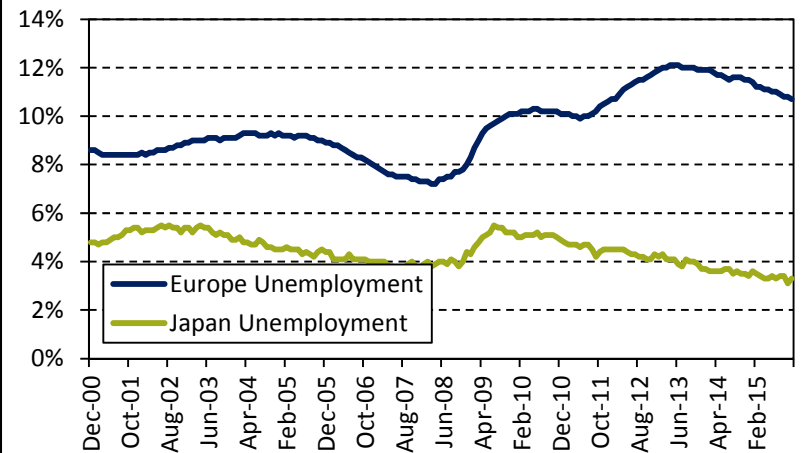
International Economic Indicators

Inflation remains muted



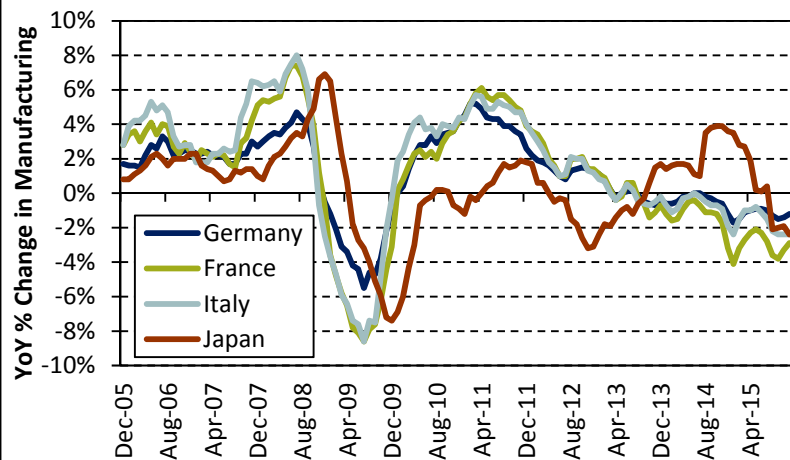
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe employment recovery lagging



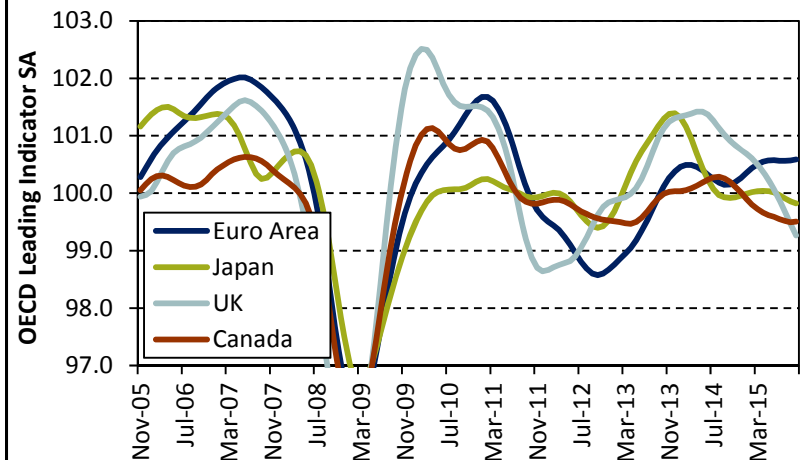
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing in developed economies has lagged



Source: Bloomberg, OECD, Eurostat

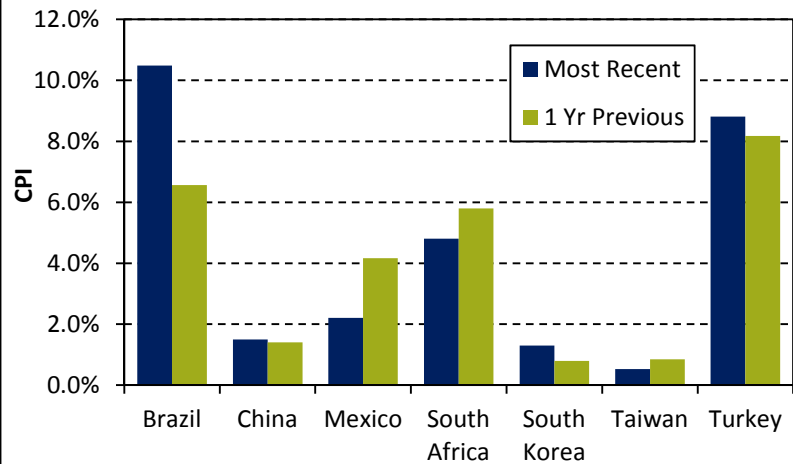
Leading indicators mostly neutral



Source: Bloomberg, OECD

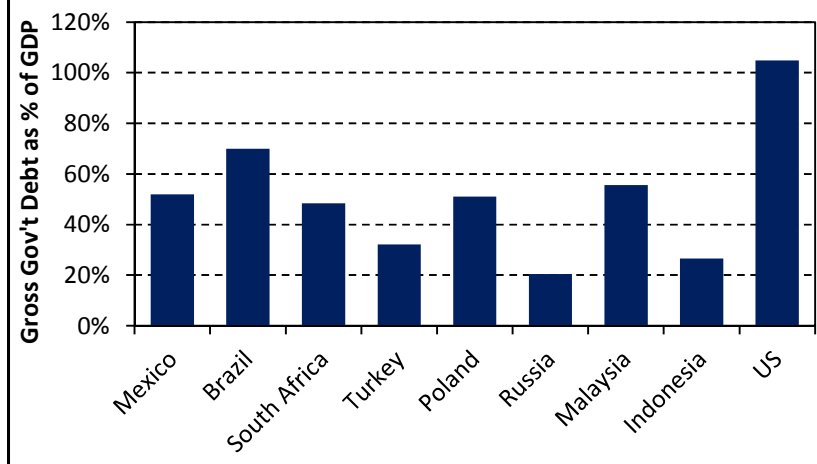
Emerging Market Economic Indicators

EM inflation is varied by country



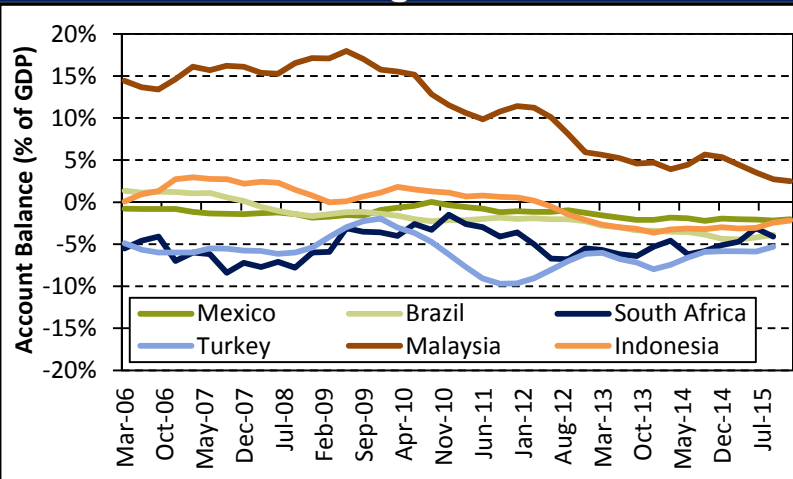
Source: Bloomberg

Relatively healthy Debt/GDP ratios



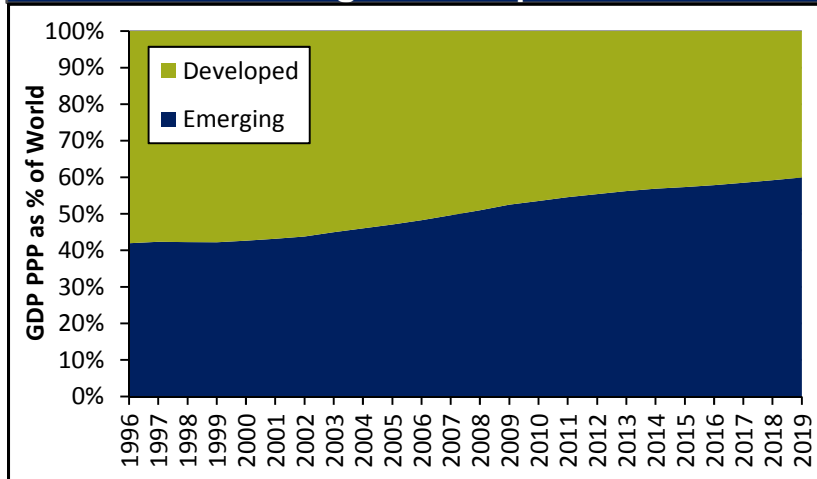
Source: Bloomberg, IMF

Little improvement in account balance challenged countries



Source: Bloomberg

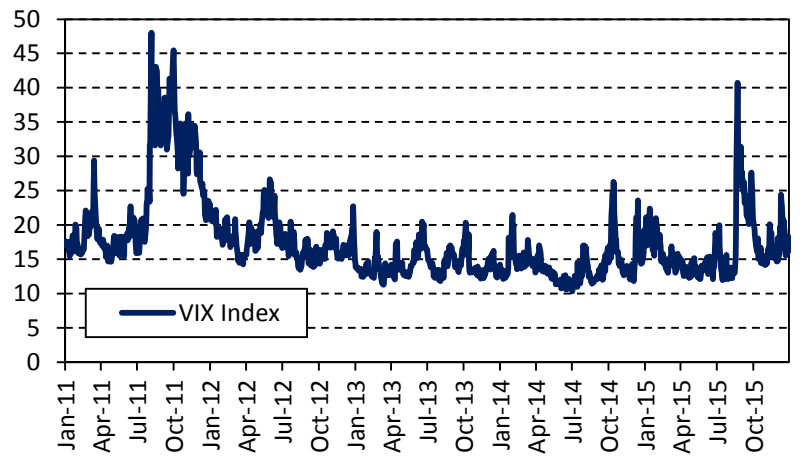
Emerging economies make up >50% of global output



Source: Bloomberg, IMF

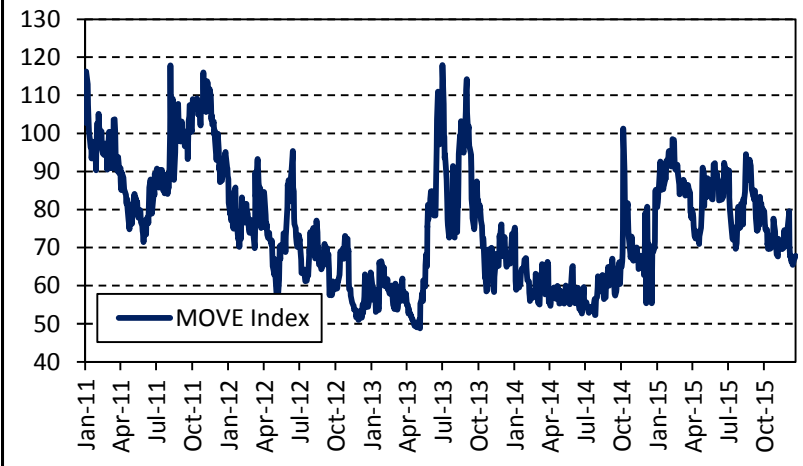
Volatility

Equity volatility has seen recent spike and decline



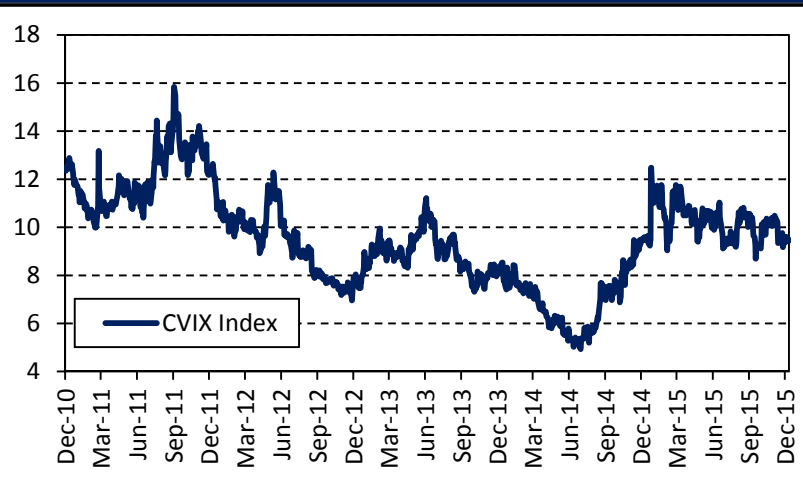
Source: Bloomberg, CBOE

Treasury rates experiencing periods of higher volatility



Source: Bloomberg, Merrill Lynch

Sustained uptick in currency volatilities



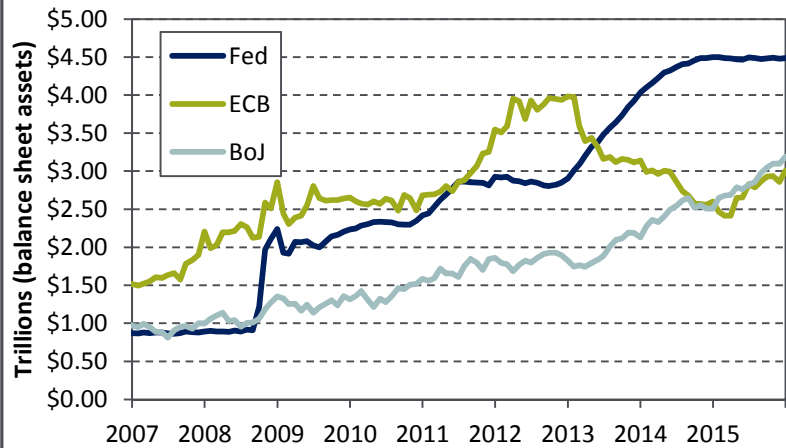
Source: Bloomberg, Deutsche Bank

Commodity pricing volatility has increased



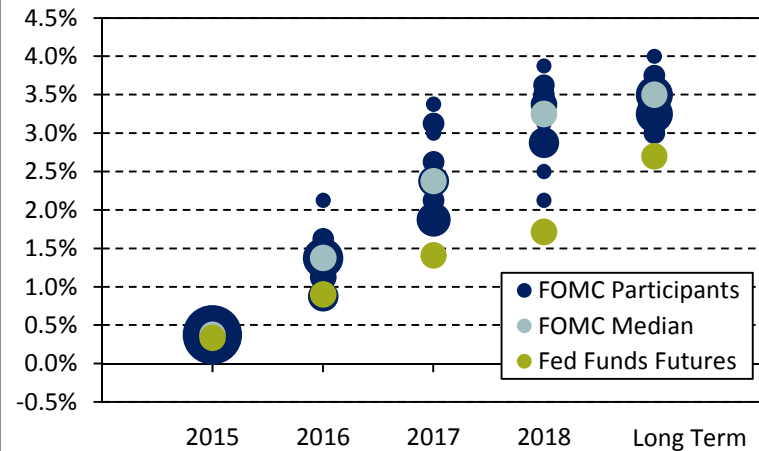
Source: Bloomberg, Merrill Lynch

Major central bank policy divergence



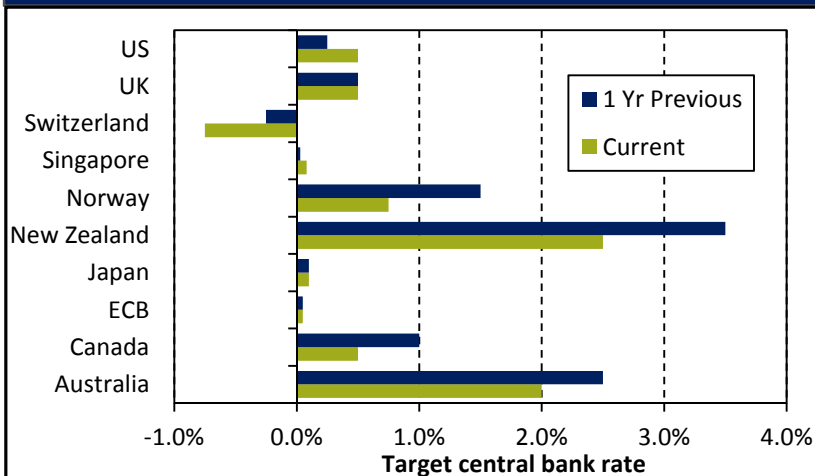
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Fed's ideal rate of policy firming above market expectations



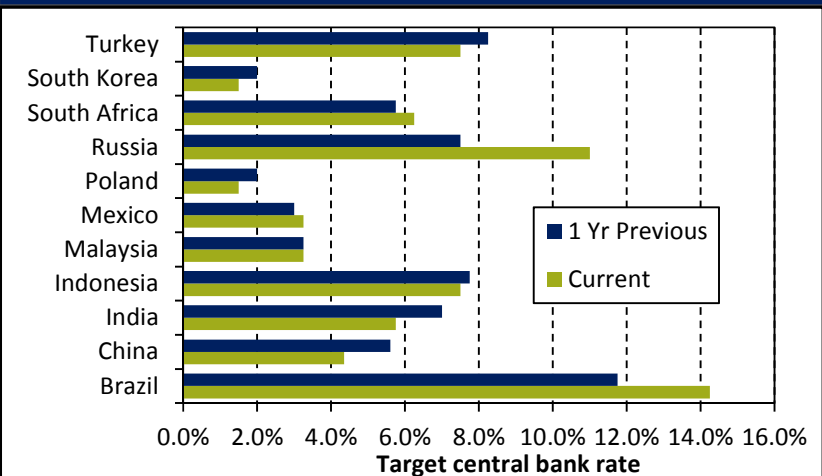
Source: Bloomberg, Federal Reserve, NEPC

Many developed central banks have maintained low interest rates



Source: Bloomberg

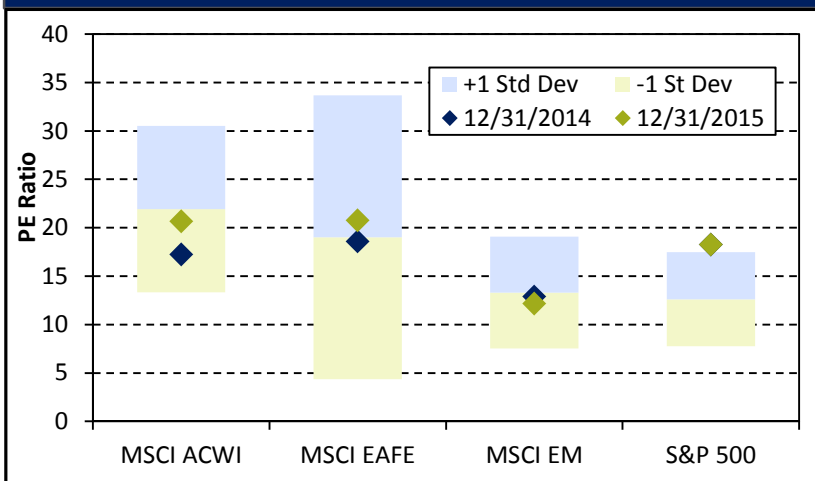
EM central bank policies have varied by circumstance



Source: Bloomberg

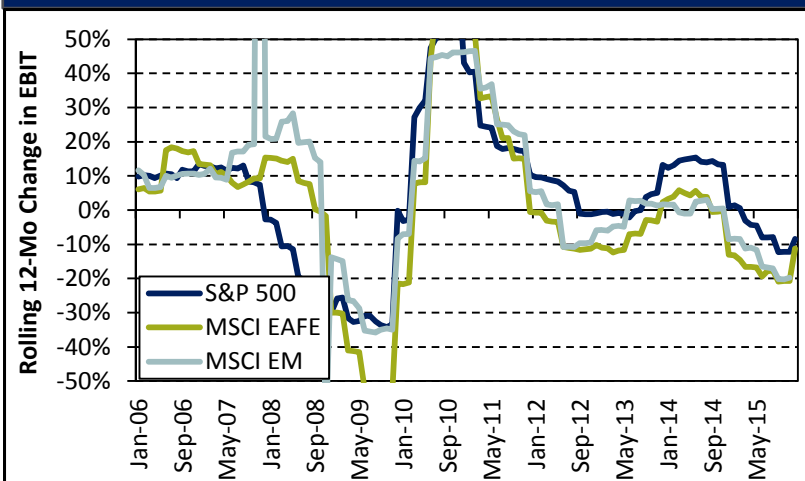
Global Equity

Global valuations are mixed



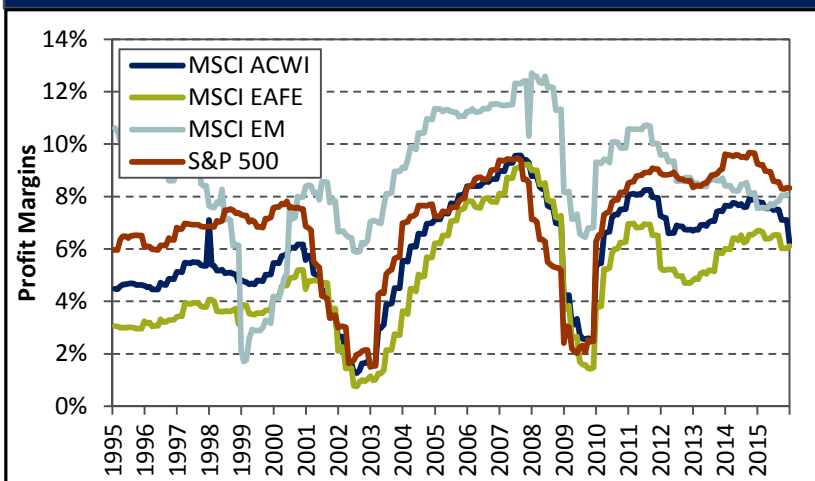
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom

Earnings growth trending lower



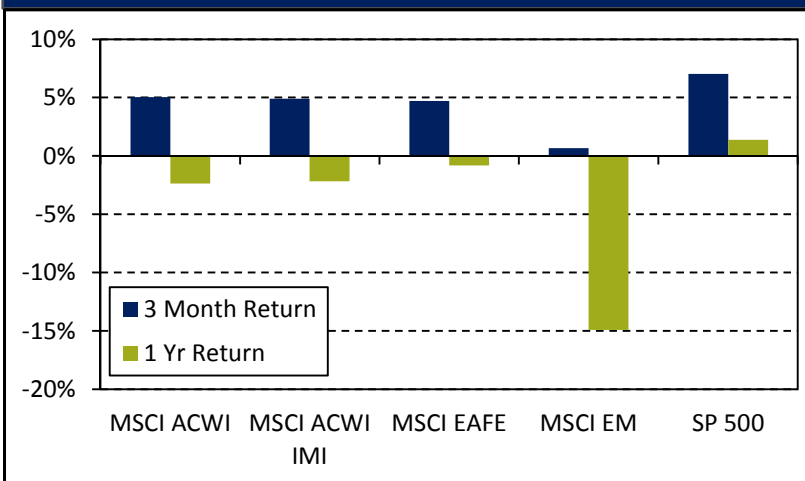
Source: Bloomberg, Standard and Poors, MSCI

Margins elevated, but largely a US story



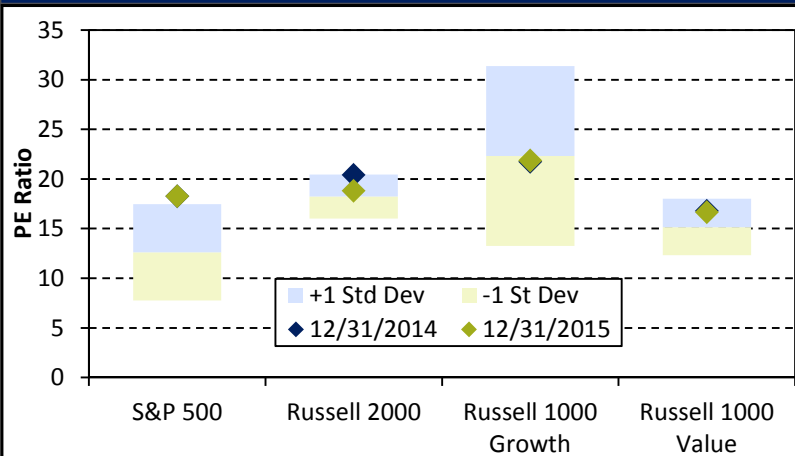
Source: Bloomberg, MSCI

Global equity returns have been mixed



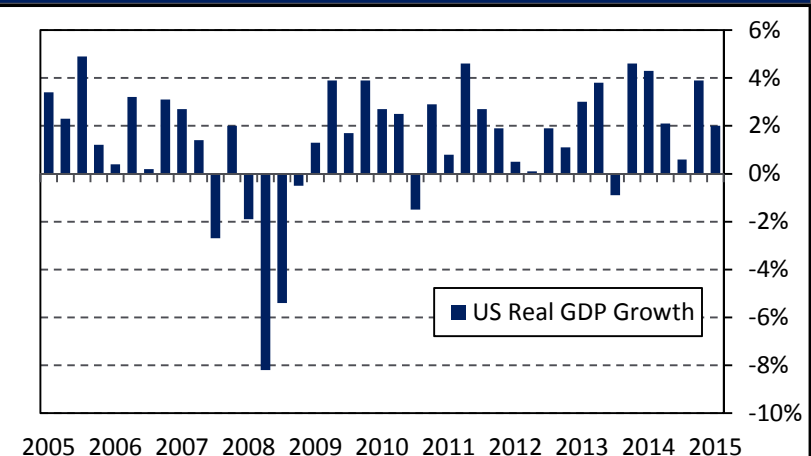
Source: Bloomberg, MSCI

Valuations near or above historical norms



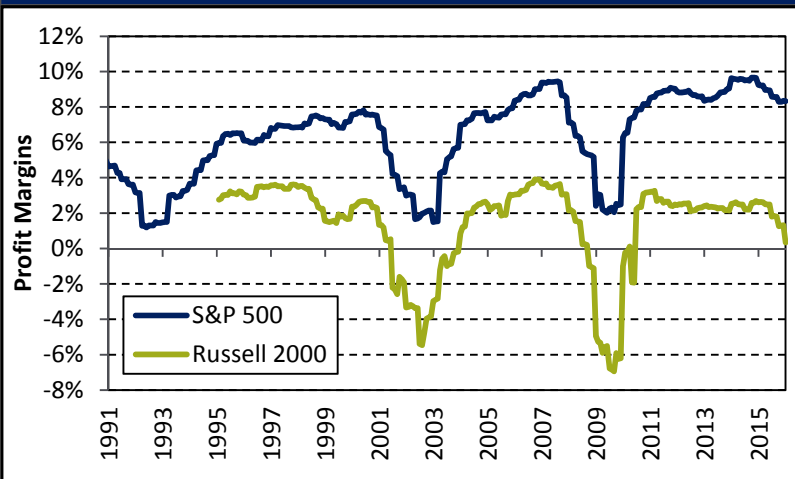
Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive

Growth recovery marked by inconsistency



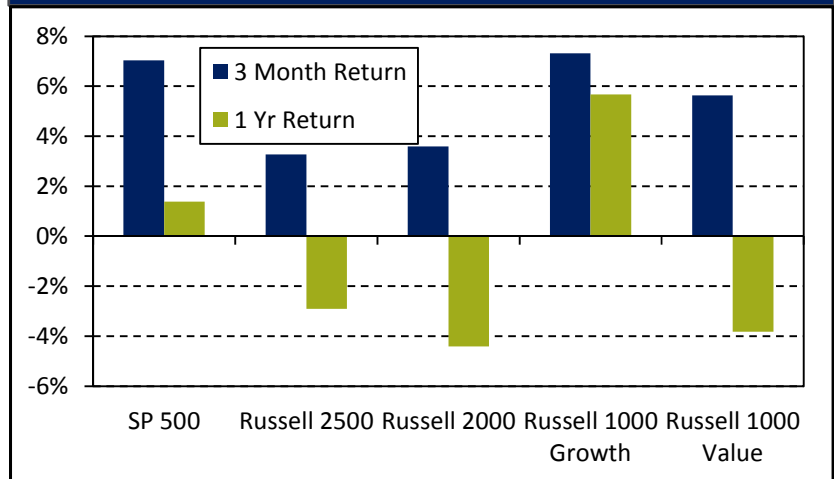
Source: Bloomberg, Bureau of Economic Analysis

Profit margins remain elevated



Source: Bloomberg, Standard and Poors, Russell

Trailing performance is positive in near term

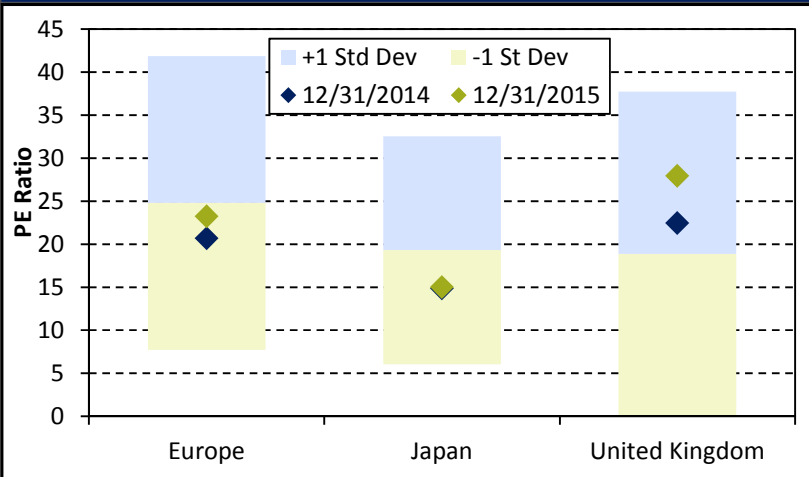


Source: Bloomberg, Standard and Poors, Russell

City of San Jose Police and Fire Department Retirement Plan

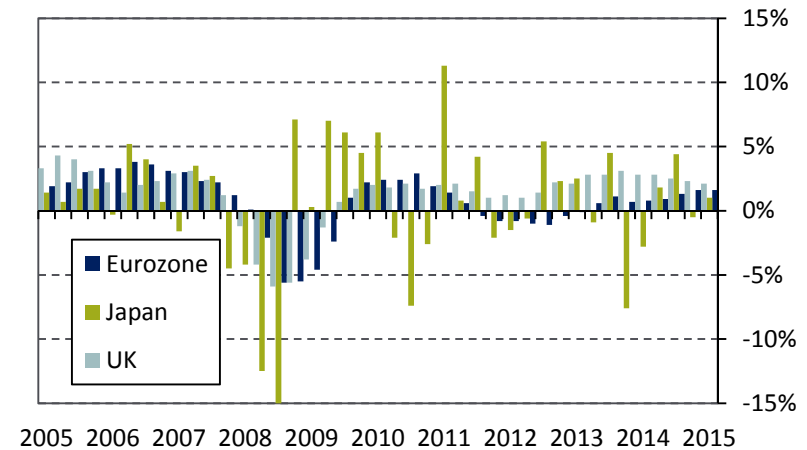
International Equity

PEs near historical medians



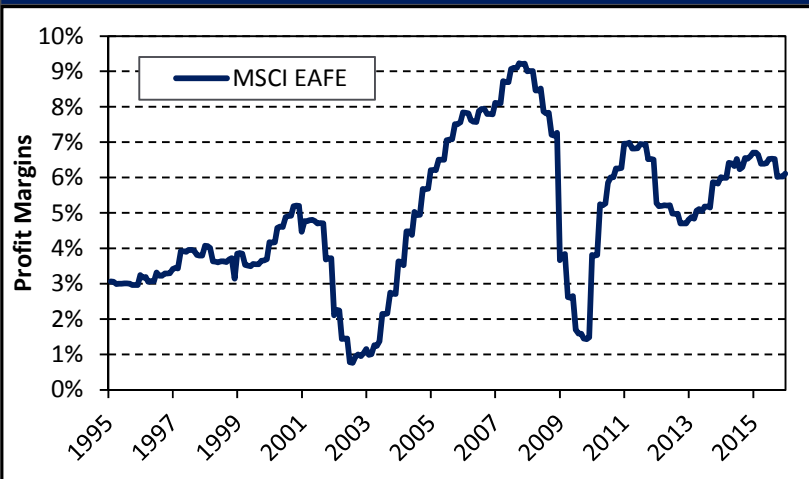
Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

Slow Global Growth



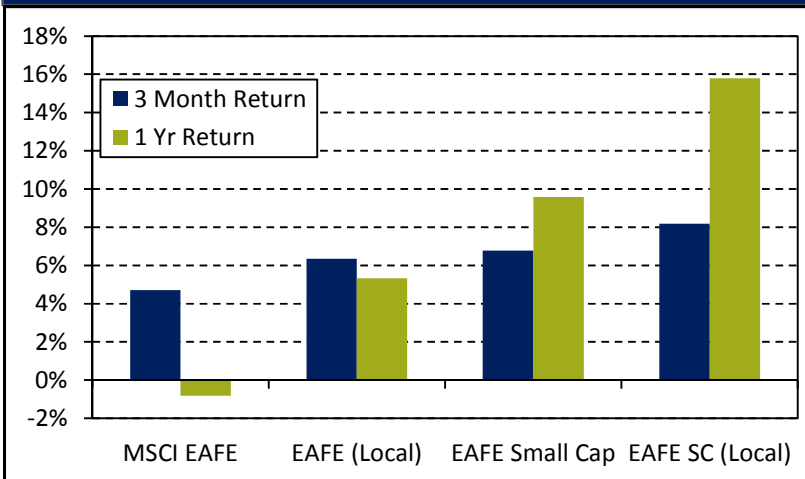
Source: Bloomberg

Margins elevated but not at extremes



Source: Bloomberg, MSCI

Returns pulled lower by dollar strength

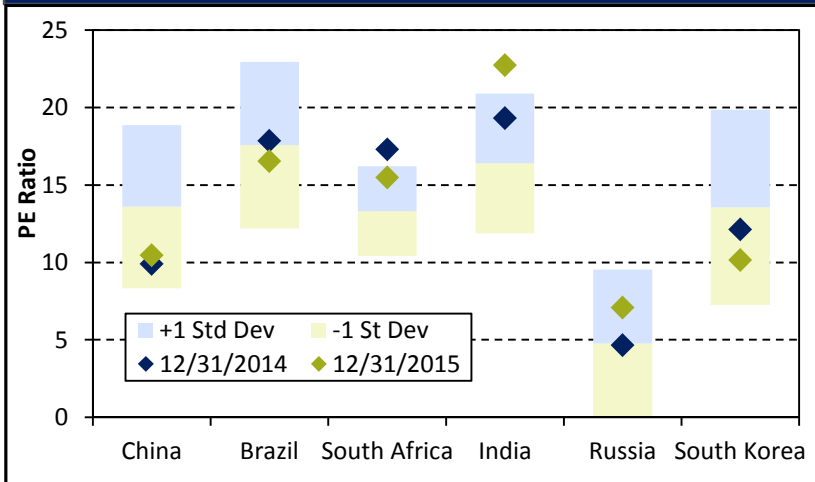


Source: Bloomberg, MSCI

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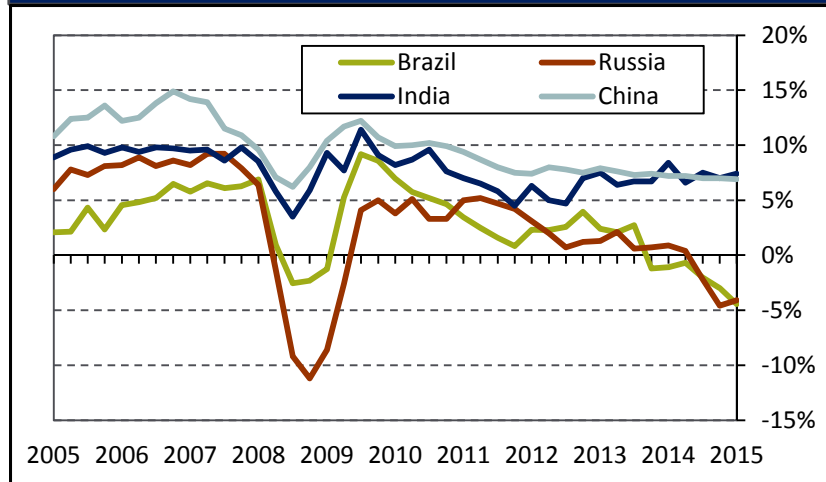
Emerging Markets Equity

Regional valuations show divergence



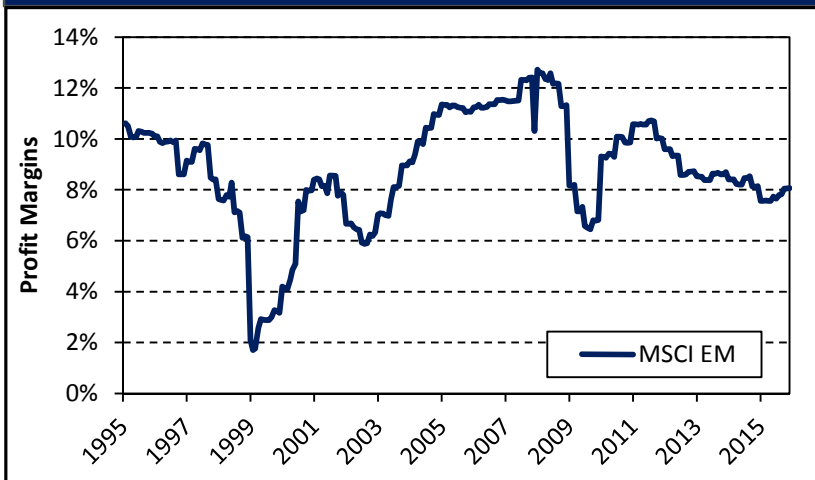
Source: Bloomberg, MSCI

Slowing growth in major economies



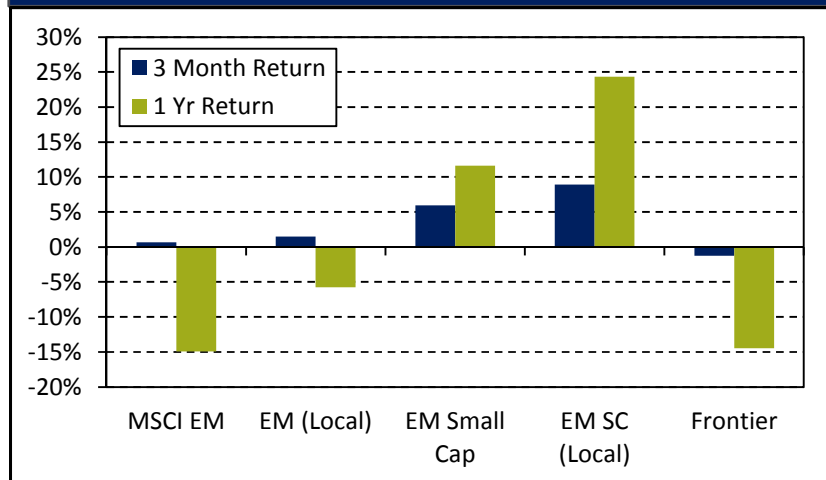
Source: Bloomberg

Profit margins in line with history



Source: Bloomberg, MSCI

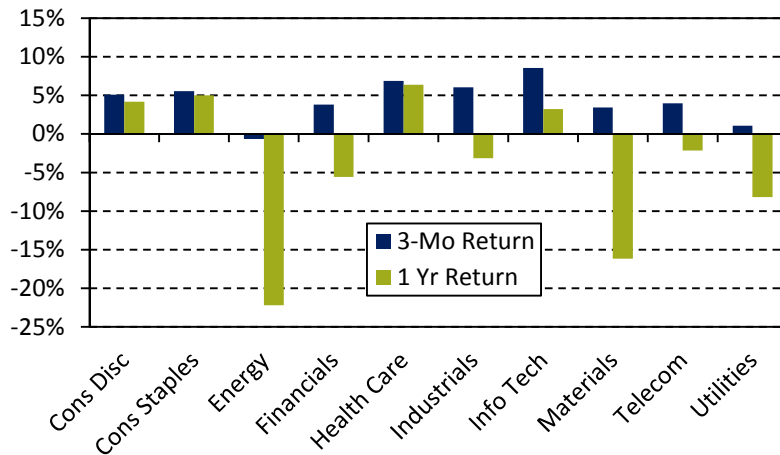
Small cap EM issues have outperformed



Source: Bloomberg, MSCI

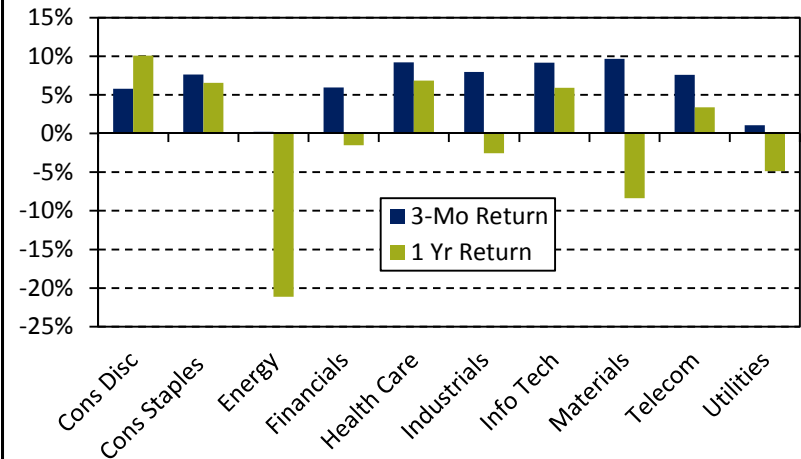
Global Equity by Sector

Energy returns sharply negative



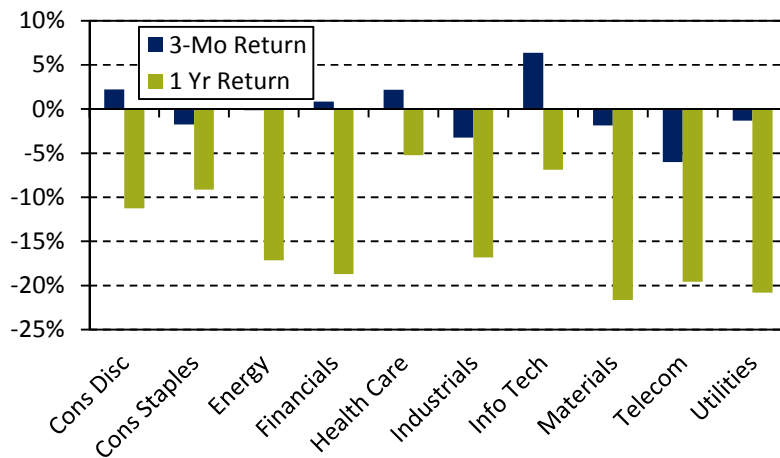
Source: Bloomberg, MSCI

S&P 500 sectors mostly positive in near term



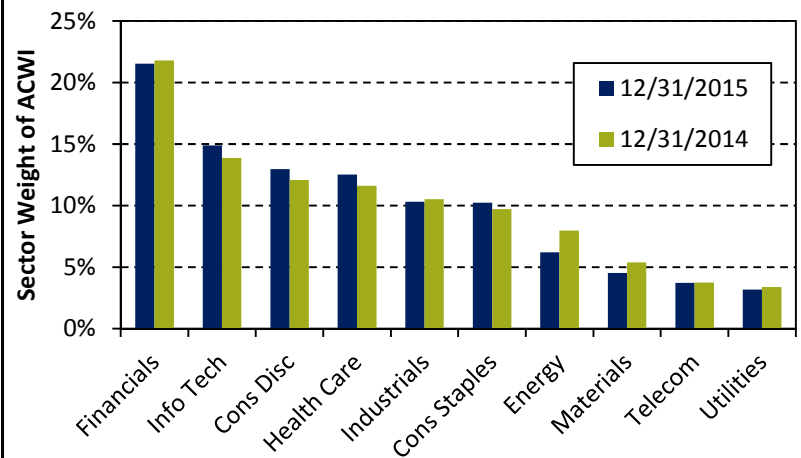
Source: Bloomberg, Standard and Poors

Returns negative across sectors over one year



Source: Bloomberg, MSCI

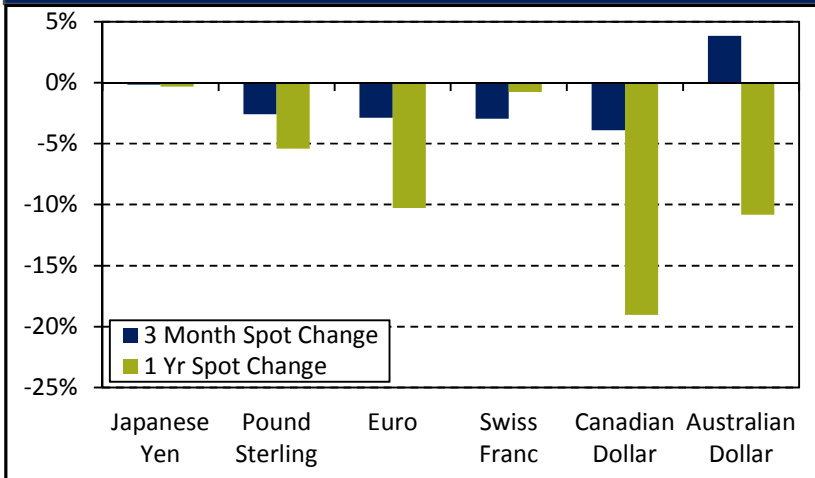
Global energy sector weight has fallen



Source: Bloomberg, MSCI

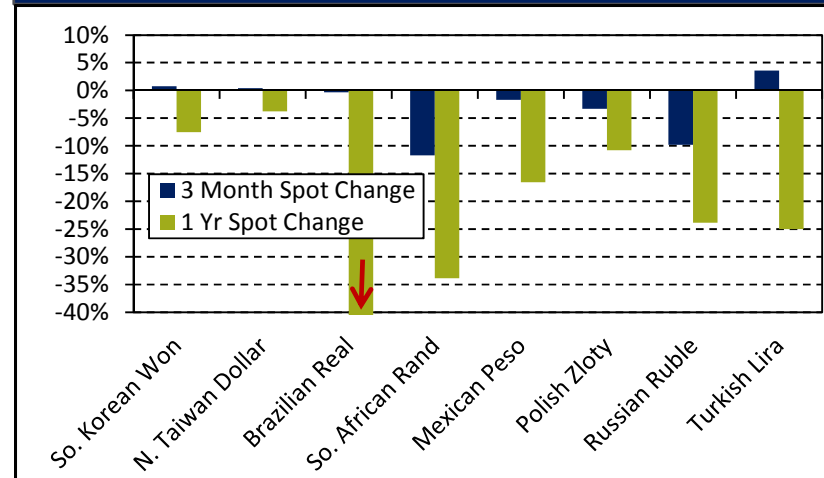
Currencies

Developed currencies mostly negative versus the dollar



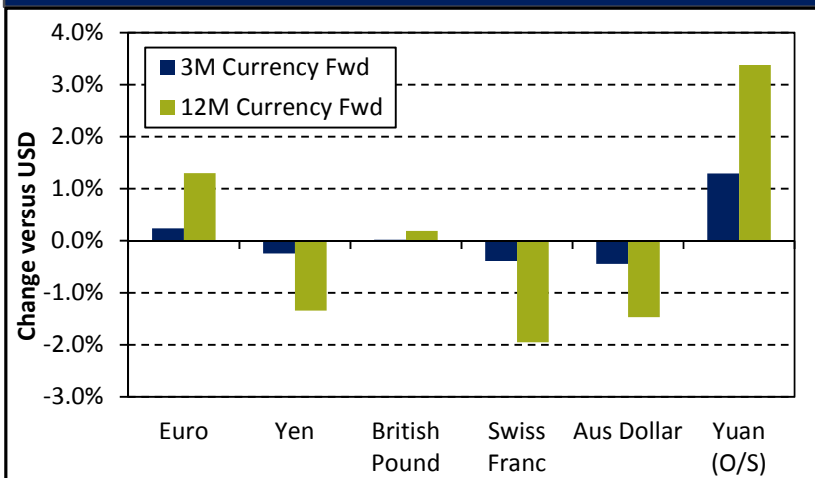
Source: Bloomberg

EM currencies have suffered in unique fashions



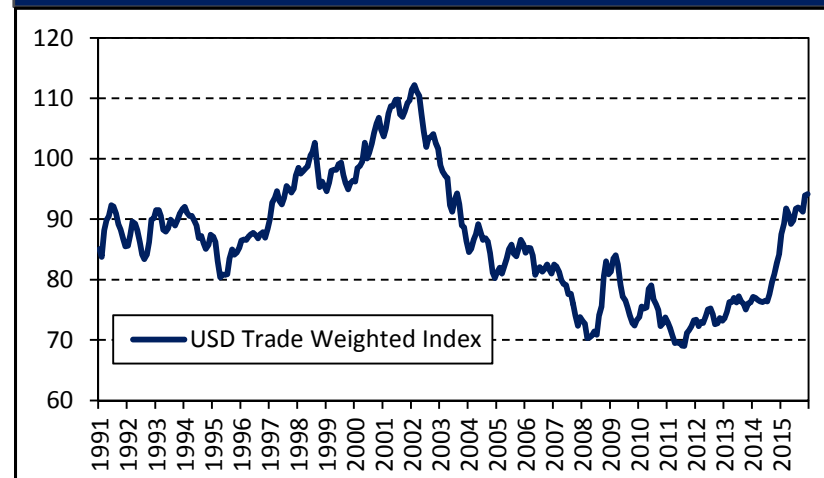
Source: Bloomberg

Yen expected to decline versus USD



Source: Bloomberg

Recent dollar strength pronounced

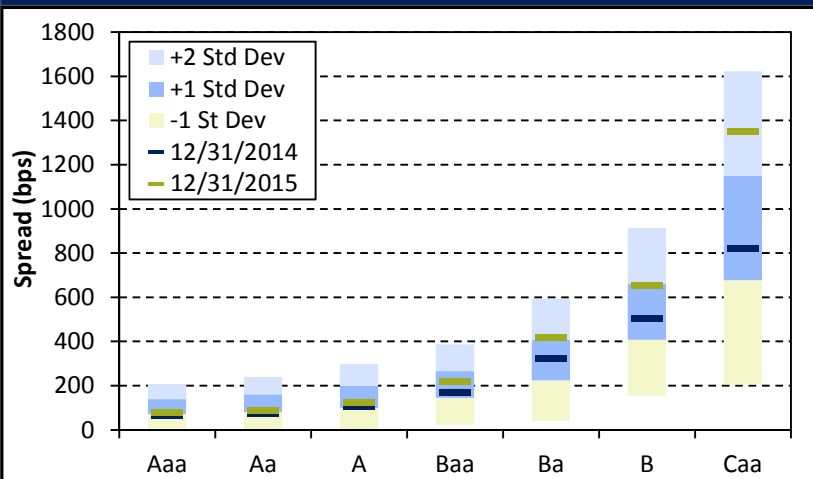


Source: Bloomberg, Federal Reserve

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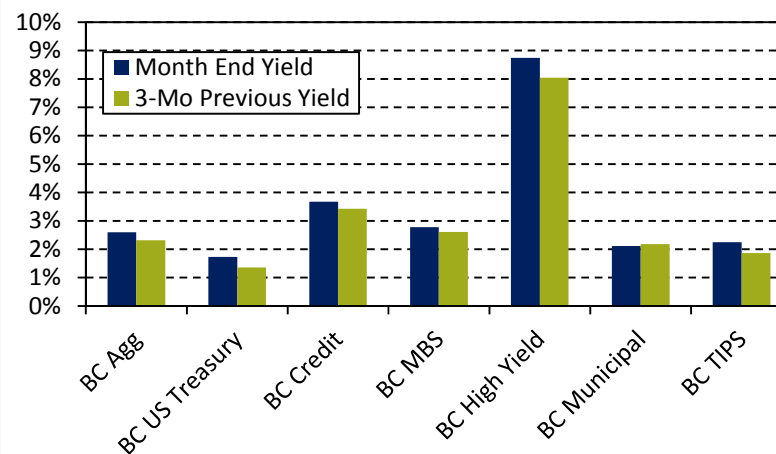
US Fixed Income

Spread levels above historical medians



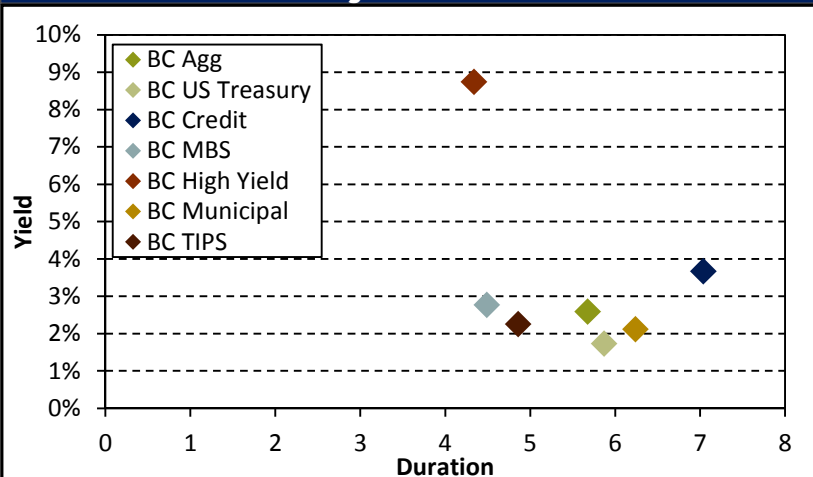
Source: Bloomberg, Barclays

Most yields have increased



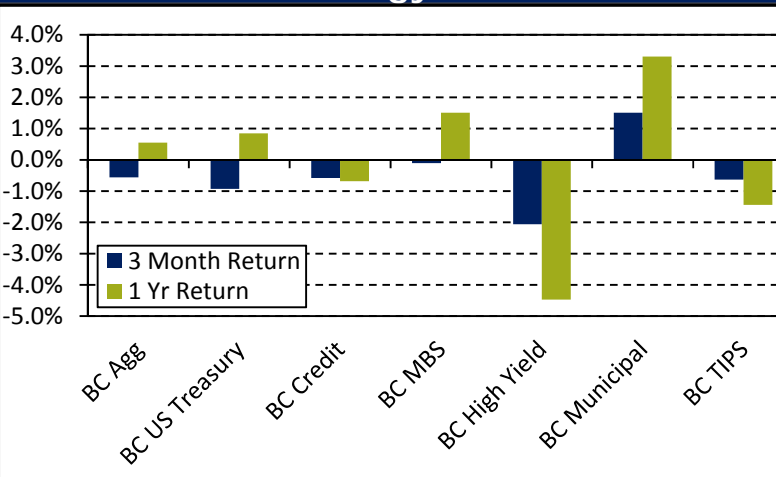
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



Source: Bloomberg, Barclays

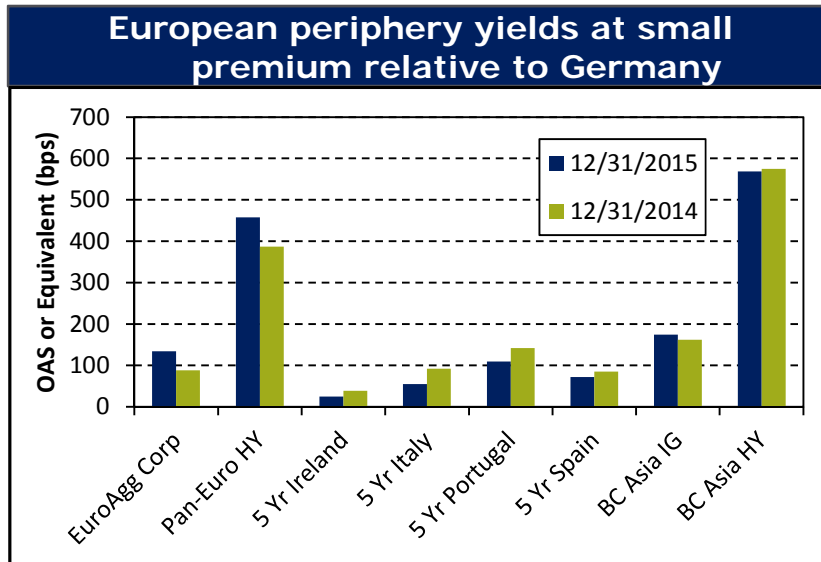
Negative high yield returns driven by energy distress



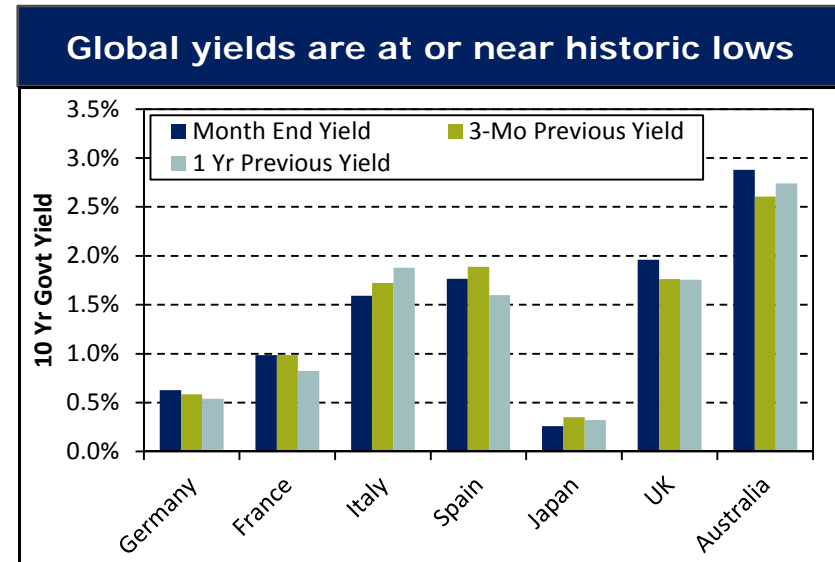
Source: Bloomberg, Barclays

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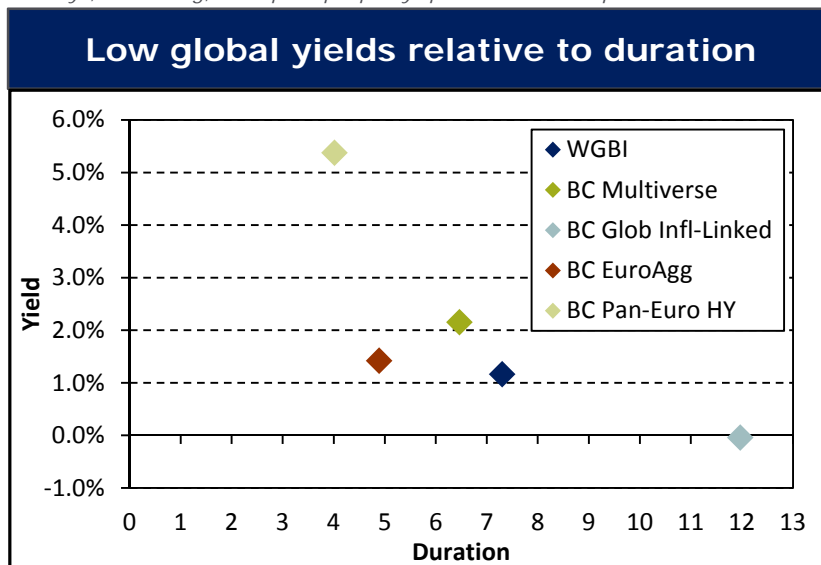
International Developed Fixed Income



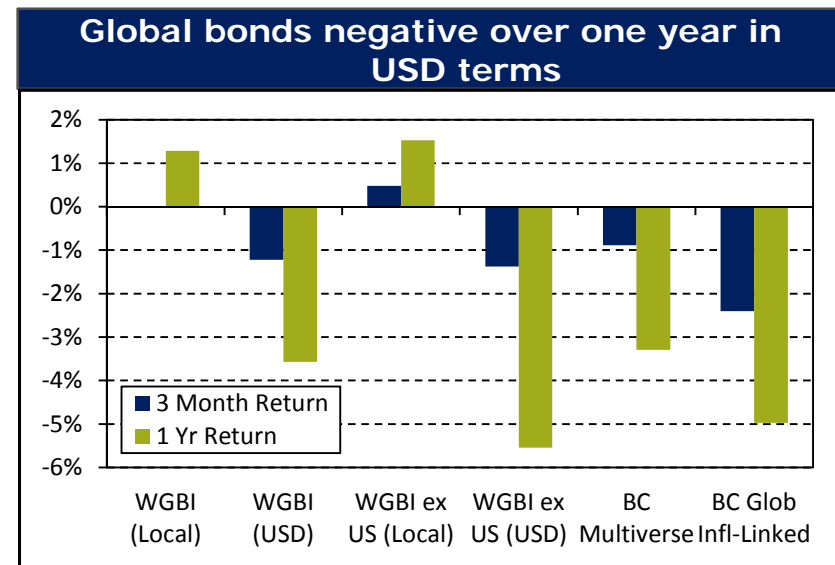
Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund



Source: Bloomberg



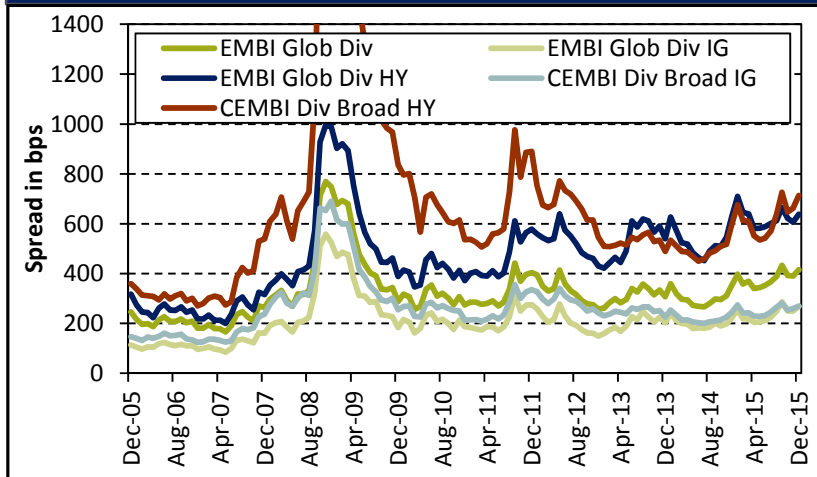
Source: Bloomberg, Citigroup, Barclays



Source: Bloomberg, Citigroup, Barclays

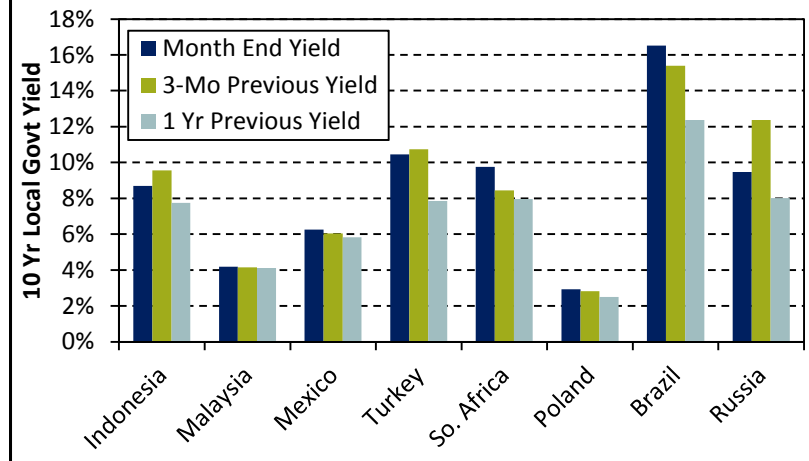
Emerging Markets Fixed Income

Spreads have widened recently



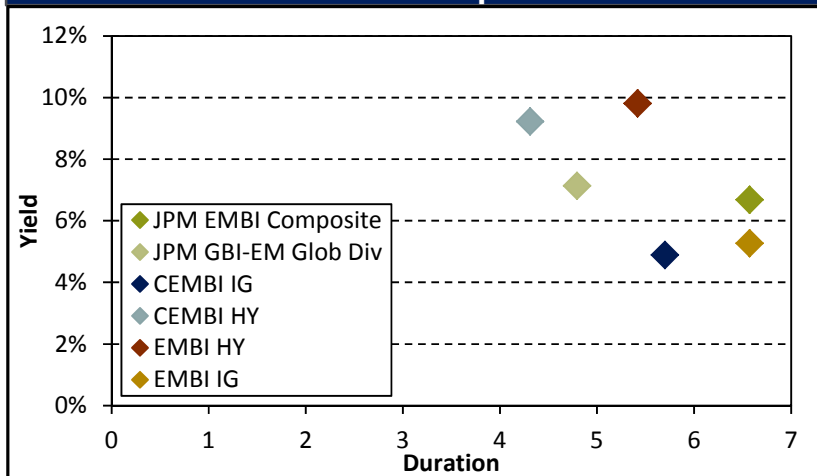
Source: Bloomberg, JP Morgan

Emerging market bond yield changes have varied directionally



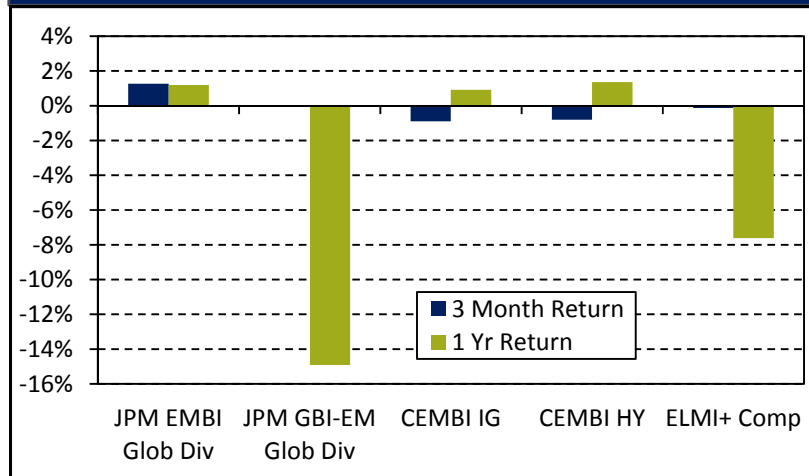
Source: Bloomberg

EM yields higher versus global counterparts



Source: Bloomberg, JP Morgan

Currency effect pronounced in EMD returns

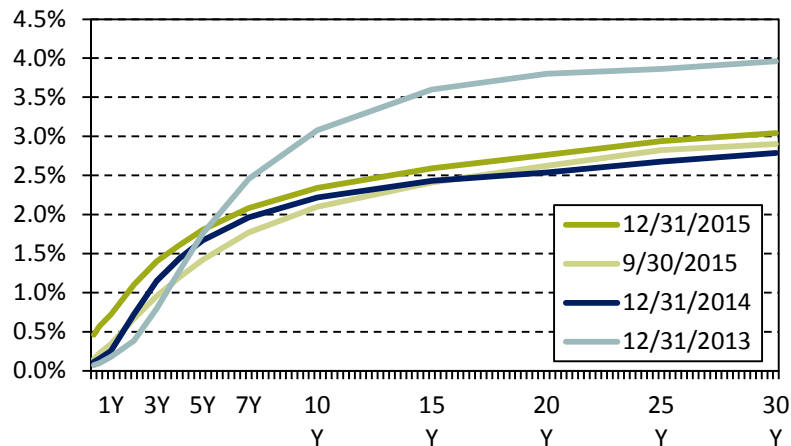


Source: Bloomberg, JP Morgan

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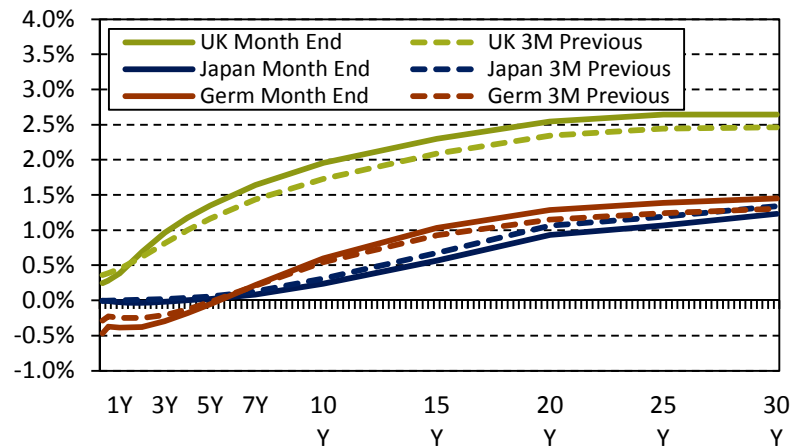
Rates

Treasury yield curve moderately rising



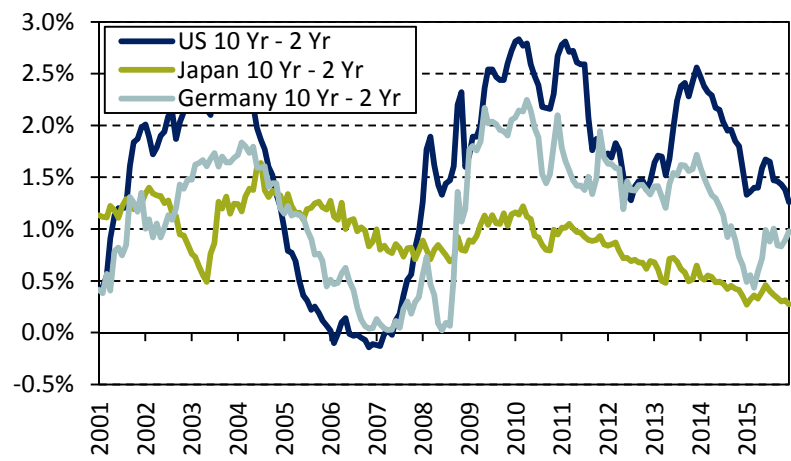
Source: Bloomberg

UK and German yield curves have shifted slightly upwards



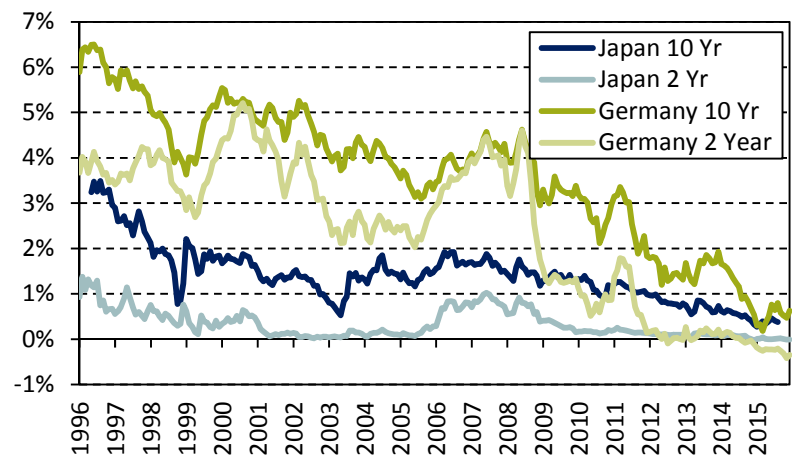
Source: Bloomberg

Global yield curves have mostly flattened



Source: Bloomberg

Global yields have trended lower over long term

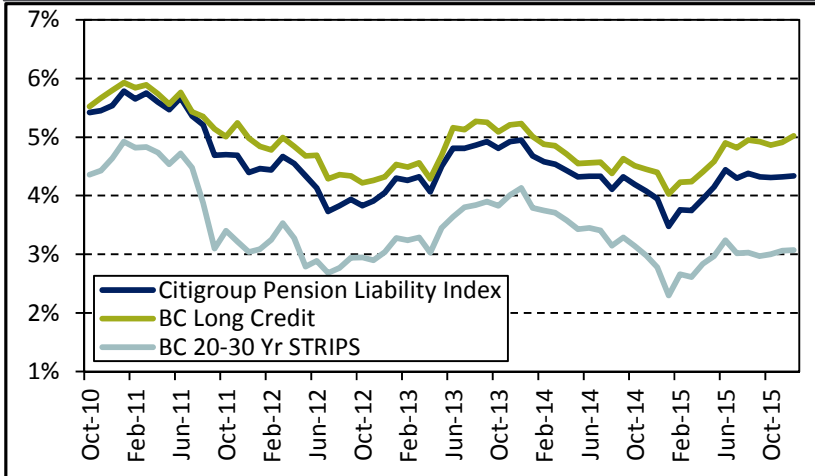


Source: Bloomberg

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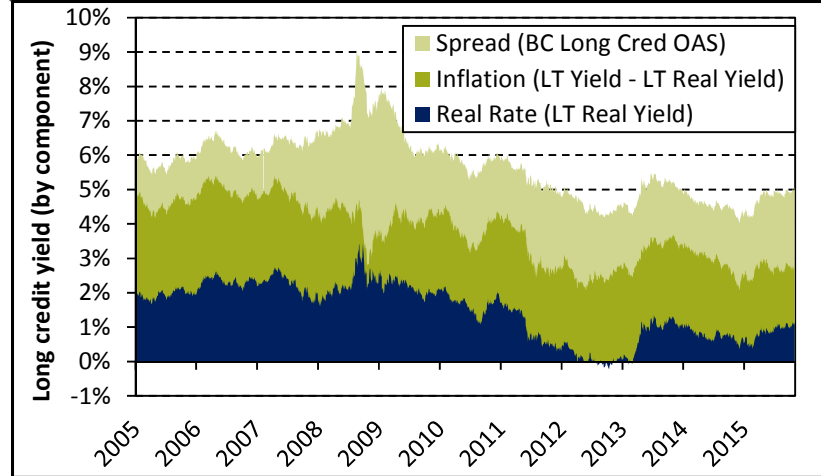
Long Rates and Liability

Long duration yields have fallen over last few years even with recent uptick



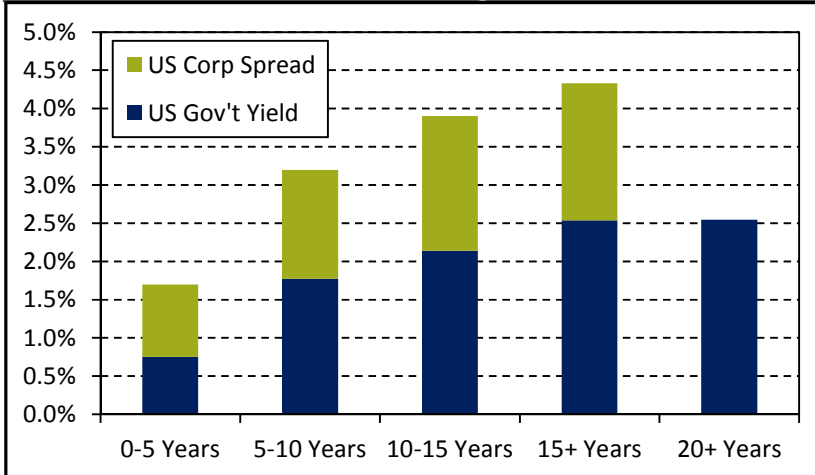
Source: Bloomberg, Citigroup, Barclays

Lower yields driven by low inflation expectations and real rates



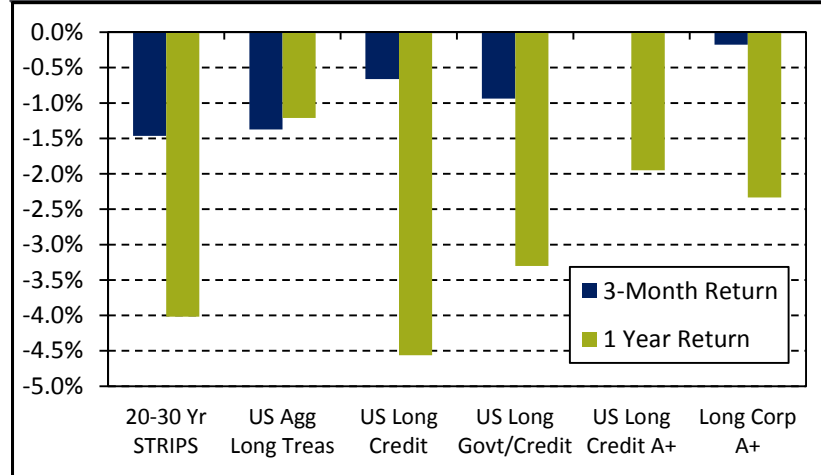
Source: Bloomberg, US Treasury, Barclays, NEPC

Yields are low but spreads above historic averages



Source: Bloomberg, BofA Merrill Lynch, Barclays *No index for 20+ year corporate

Returns recently negative

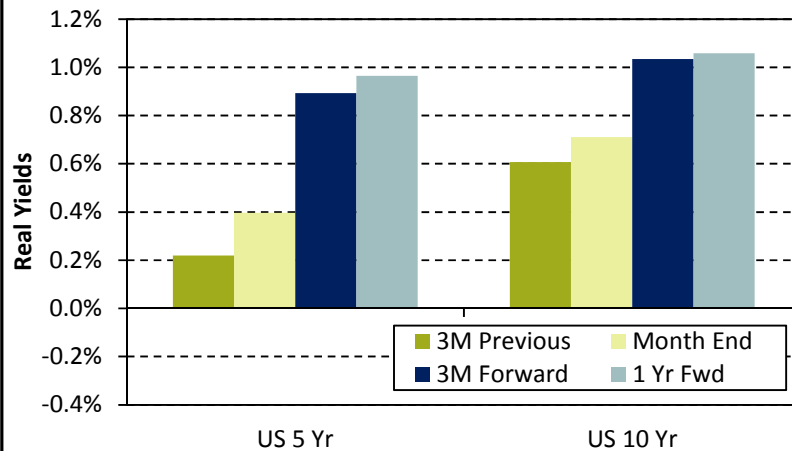


Source: Bloomberg, Barclays

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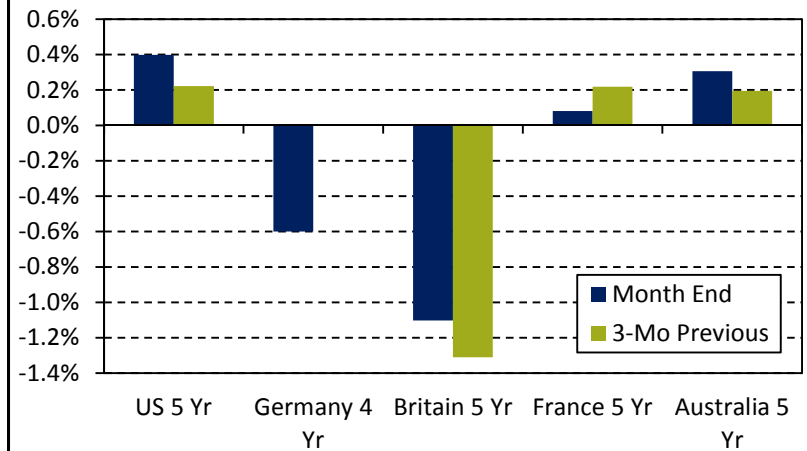
Inflation and Real Rates

US real yields have risen slightly



Source: Bloomberg

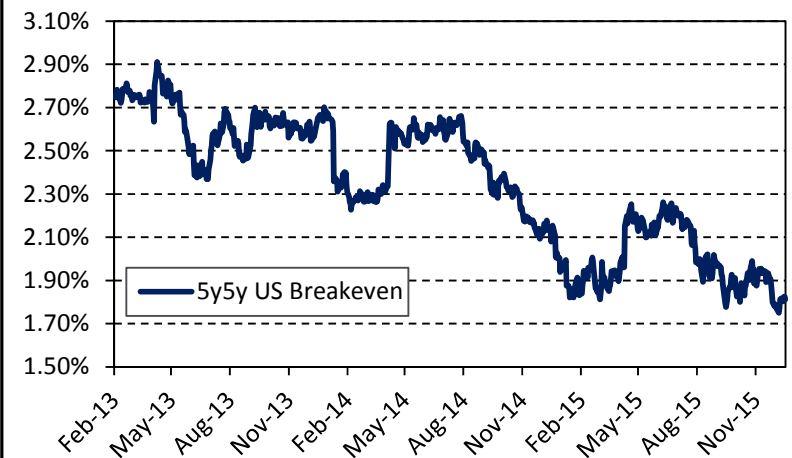
Global real yields are flat to negative



*3-Mo data not available for Germany 4 year rate

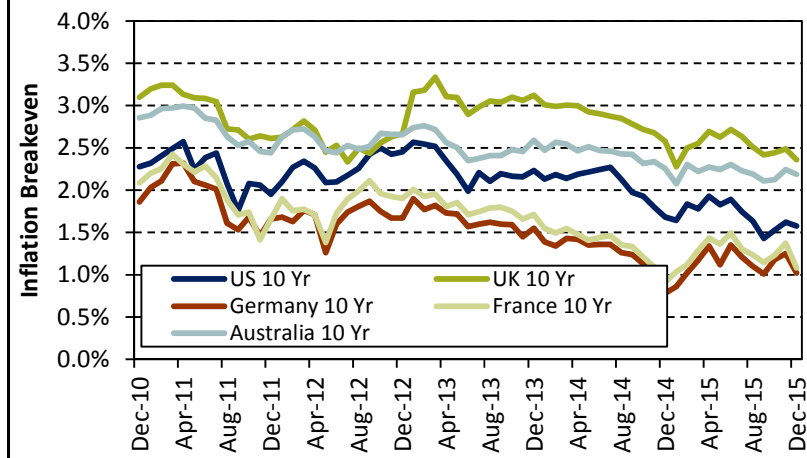
Source: Bloomberg

US inflation expectations very low



Source: Bloomberg

Global inflation expectations remain subdued

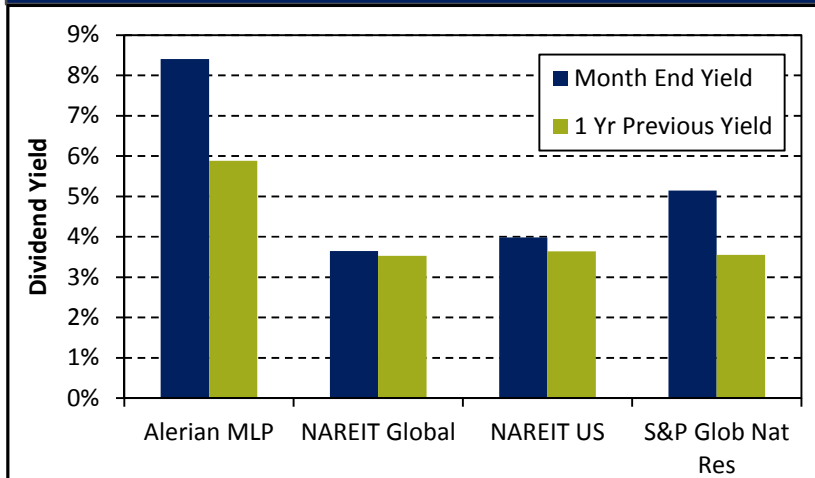


Source: Bloomberg

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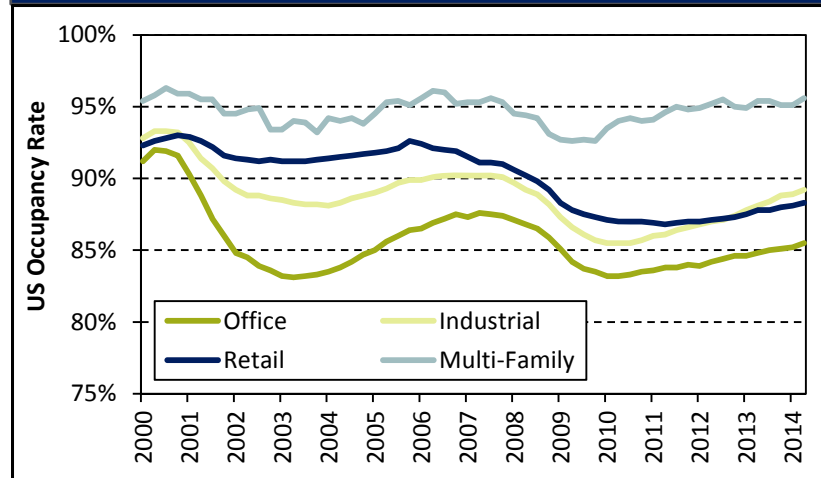
Inflation Sensitive Growth Assets

Yields higher relative to last year



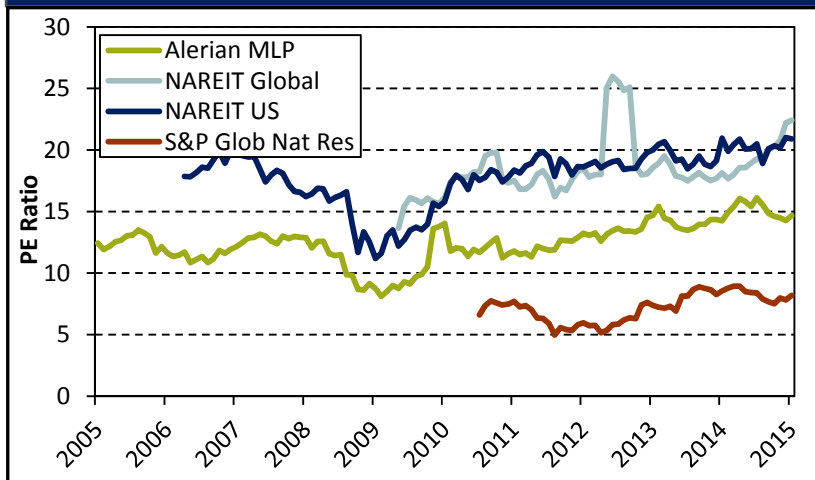
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Gradual recovery in occupancy rates



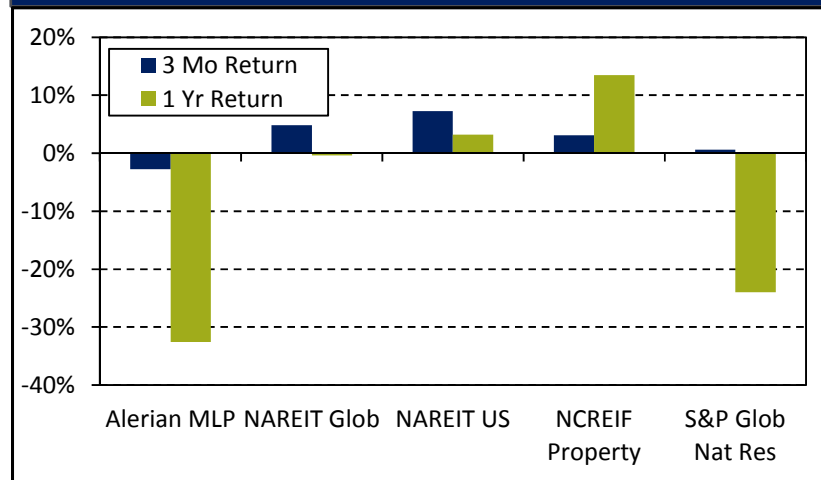
Source: Bloomberg, CB Richard Ellis

PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

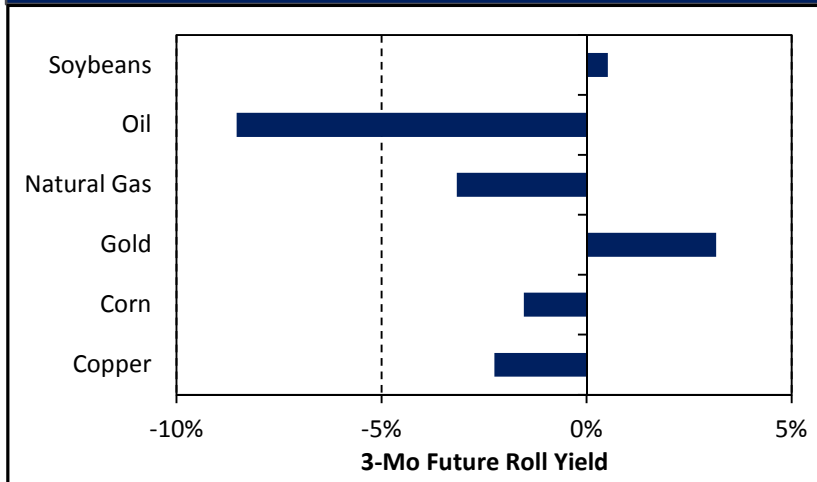
Recent MLP selloff and energy pressure



Source: Bloomberg, Alerian, Nareit, Standard and Poors

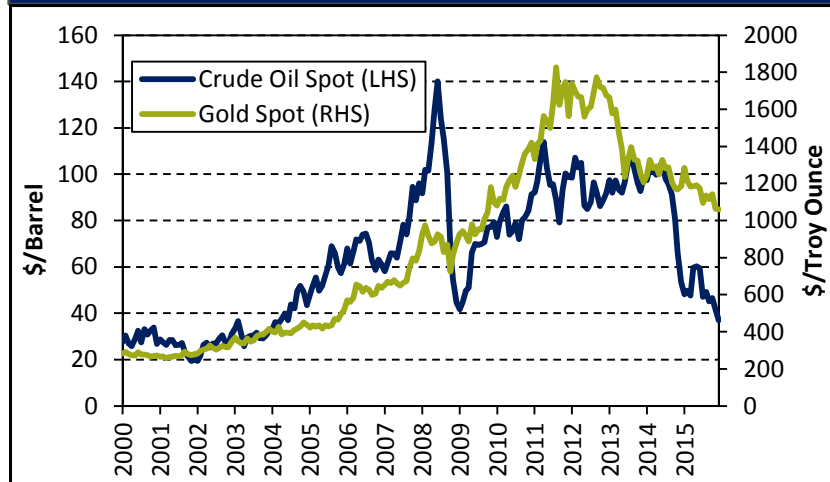
Commodities

Contango in major commodity futures



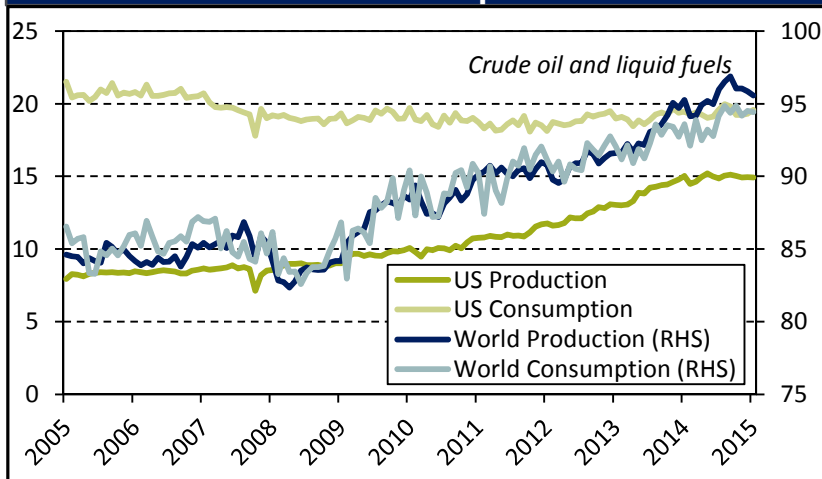
Source: Bloomberg

Precipitous fall in oil prices



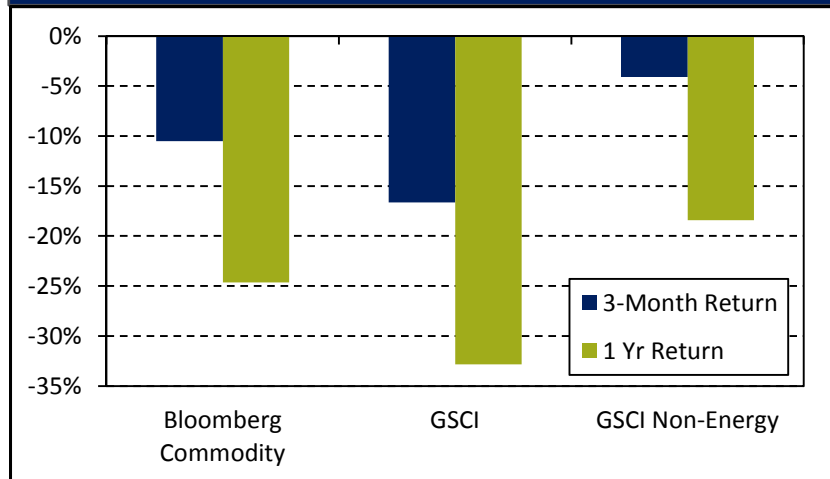
Source: Bloomberg

US fuel production closing gap with consumption



Source: Bloomberg, US Department of Energy *Crude oil and liquid fuels

Commodity indices negative after oil-induced decline



Source: Bloomberg, Standard and Poors

Information Disclaimer and Reporting Methodology

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- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- 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 within.
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- 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 manager fees as indicated on each page.
- 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 taken into account in all 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.

