

FUND EVALUATION REPORT

San Jose Federated City Employees' Retirement System

Quarterly Review
March 31, 2014



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Executive Summary
As of March 31, 2014

The value of the San Jose Federated City Employee' Retirement System assets was \$2.055 billion on March 31, 2014, an increase of approximately \$11 million since the end of the previous quarter.

- Net outflows during the fourth quarter totaled approximately \$39 million.
- First quarter performance was 2.4% net of fees. Fiscal year-to-date performance was 9.9%.
- During the first quarter, the Fund's gross of fees performance, without the impact of the overlay, matched the Policy Benchmark.
 - Portfolio allocation detracted from relative performance by approximately -0.1%.
 - Selection effect, or the value added by managers in an asset class relative to the Policy Benchmark return for that asset class, bolstered quarterly performance by approximately 0.1%.

Manager Highlights

- Artisan Global Value, which manages the largest active allocation in the Fund, posted a return of 1.5% net of fees compared to 1.7% for the MSCI ACWI Value Index in the first quarter. The four largest contributors to the portfolio's return this quarter were in the technology space - Oracle, Applied Materials, Microsoft, and TE Connectivity. The three largest detractors were Tesco, MasterCard and Royal Bank of Scotland. The team sold three securities during the quarter as they reached the team's estimate of intrinsic value. Artisan believes that most securities in the market are fairly valued or expensive, leading to a cash position of nearly 13% of the portfolio at quarter end.
- Vontobel Emerging Market Equity outperformed the MSCI Emerging Markets Index during the first quarter, returning 2.1% net of fees, compared to -0.4% for the benchmark. Primary contributors to the outperformance included an overweight to quality Indian banks and lack of exposure to Chinese and Russian banks. After some challenging performance over recent quarters, Vontobel's first quarter performance fell in the top decile of the emerging markets equity peer group.
- Eagle Small Cap Growth underperformed the Russell 2000 Growth Index during the first quarter. Eagle's return was -1.3% net of fees, compared to 0.5% for the benchmark. The underperformance can be attributed to weak performers in the information technology sector, as some of the portfolio's internet software and services positions traded off late in the quarter.
- Aberdeen Frontier Markets returned -0.4% net of fees compared to 7.4% for the MSCI Frontier Markets Index in the first quarter. The primary contributor to underperformance was minimal exposure to the UAE and Qatar, both of which will be upgraded to emerging market status in June, leading to increased level of interest in these markets. An overweight to Nigeria, which fell 13.9% during the quarter, weighed on returns as well.

Manager Highlights (continued)

- Credit Suisse returned 6.6% for the quarter and First Quadrant returned 9.8%, compared with 7.3% for the custom risk parity commodity benchmark. The Dow Jones-UBS Commodity Index (which can be used as a proxy for the broad commodities market) returned 7.0%.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation	Comments
Artisan	Global Equity	Yes	---	Hold	Large cash position; Leadership change
Vontobel	Emerging Market Equity	Yes	---	Hold	Leadership changes
Eagle	U.S. Small Cap Growth	---	---	---	
Aberdeen	Frontier Market Equity	---	---	---	
First Quadrant	Commodities	---	---	---	
Credit Suisse	Commodities	---	---	---	
GSO	Private Debt	---	---	---	
Medley	Private Debt	---	---	---	
White Oak	Private Debt	---	---	---	

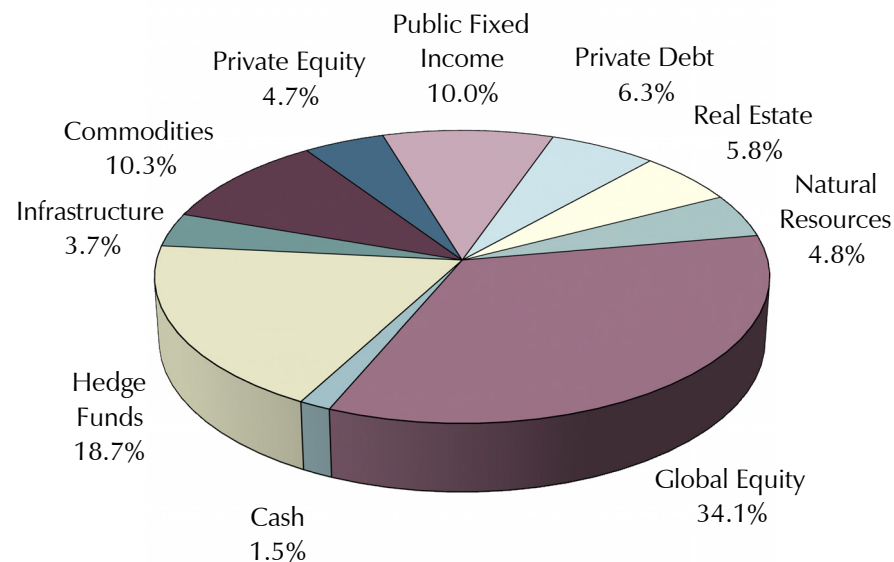
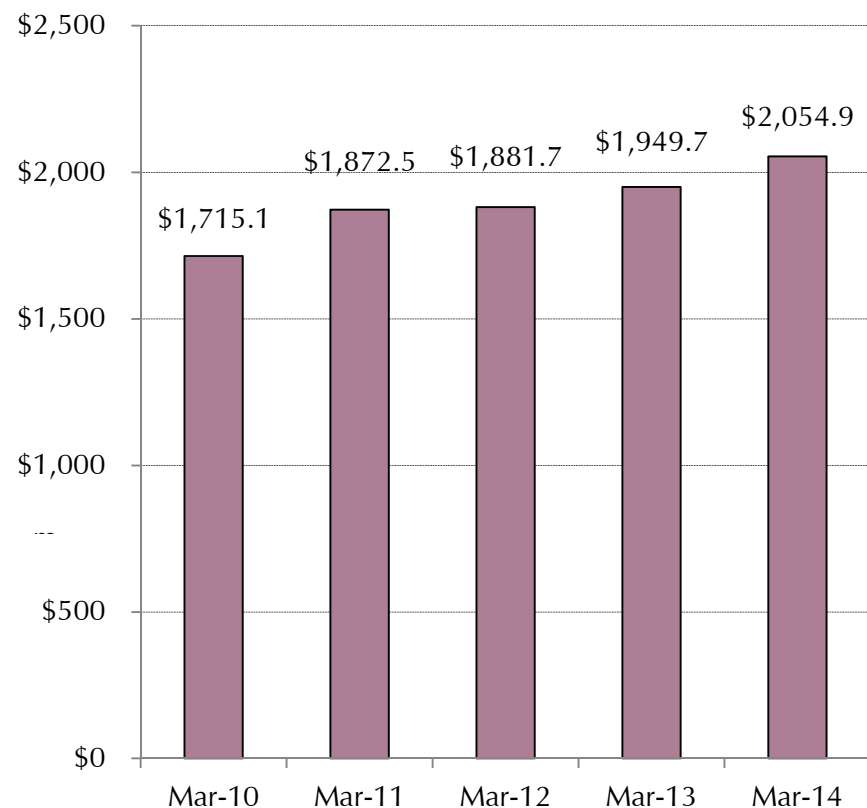
Artisan

- Per account guidelines "Cash will not generally exceed seven percent (7%) of the value of the ACCOUNT. If cash exceeds seven percent (7%) on average over a two-month rolling period, MANAGER shall notify the SYSTEM and await further instructions from SYSTEM." The cash level in the account exceeded 7% (ranging from 12.0%-13.7%) during the entire reporting period. The System has not provided further instructions regarding the cash levels.
- Artisan Partners' founder Andrew Ziegler completed a transition of the executive leadership of the company in 2010 to Eric Colson, the firm's Chief Executive Officer, and, as of March 12, 2014 has retired from his management duties. Mr. Ziegler will continue to provide strategic leadership and advice as Chairman of the Board of Artisan Partners Asset Management Inc. Mr. Colson will remain the firm's Chief Executive Officer.

Vontobel

- Effective July 1, 2014, Heinrich Schlegel will become Chairman of the Board of Directors and will be succeeded by Rajiv Jain and Dr. Philipp Hensler (former head of distribution at Oppenheimer Funds), who will serve as Co-Chief Executive Officers. Rajiv Jain will maintain his responsibilities as Chief Investment Officer. Dr. Hensler will be responsible for all aspects of the business that are not directly related to investment management, including client service, operations, finance, legal, and compliance.

Plan Summary
As of March 31, 2014



The diversification pie chart does not include the impact of the overlay.

San Jose Federated City Employees' Retirement System

Aggregate Assets Asset Summary as of 3/31/14

	Market Value 3/31/14 (\$ mm)	% of Retirement System	Russell Overlay Net Position ¹ (%)	Adopted Sub-Asset Allocation (%)	Target Allocation (%)	Target Range (%)	Market Value 12/31/13 (\$ mm)
Total Fund Aggregate	2,054.9	100.0	100.0	100	NA	NA	2,043.9
Equity and Real Estate Assets	918.1	44.7	43.7	40	45	38-52	990.5
Global Equity ²	701.6	34.1	33.3	26	NA	NA	778.3
Real Estate	119.0	5.8	5.9	5	NA	NA	116.7
Private Equity ³	97.5	4.7	4.6	9	NA	NA	95.5
Hedge Funds Assets	384.6	18.7	19.1	25	25	20-30	364.8
Real Assets	386.5	18.8	20.1	20	20	15-25	292.8
Commodities	211.5	10.3	10.1	10	NA	NA	195.9
Natural Resources	98.6	4.8	4.9	5	NA	NA	96.9
Infrastructure	76.4	3.7	5.1	5	NA	NA	0.0
Fixed Income Assets	334.4	16.3	17.1	15	10	5-20	338.7
Public Fixed Income	205.4	10.0	10.7	10	NA	NA	224.3
Private Debt ³	129.0	6.3	6.4	5	NA	NA	114.5
Cash ⁴	31.4	1.5	0.0	0	NA	NA	57.1

¹ Data in the column titled "Russell Overlay Net Position" is provided by Russell Investments, and is based on the data from the custodian.

² Global Equity includes \$0.3 million of residuals from terminated managers or previous transitions.

³ Fair values are based on manager reported value as of 12/31/13, adjusted for cash flows through 3/31/14.

⁴ Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/14

	Market Value 3/31/14 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/13 (\$ mm)
Total Fund Aggregate	2,054.9	NA	100.0	NA	NA	2,043.9
Equity and Real Estate Assets	918.1	100.0	44.7	45	38-52	990.5
Global Equity¹	701.6	100.0	34.1			778.3
Northern Trust Russell 3000 Index ²	188.6	26.9	9.2			224.2
Artisan Global Value	162.4	23.2	7.9			134.4
Vontobel Emerging Markets Equity	136.5	19.5	6.6			133.8
Northern Trust EAFE Small Cap ²	64.3	9.2	3.1			82.3
RS Investment Small Cap Value	49.6	7.1	2.4			74.1
Northern Trust MSCI EAFE Index ²	49.0	7.0	2.4			43.3
Eagle Small Cap Growth	30.7	4.4	1.5			65.9
Aberdeen Frontier Markets	20.0	2.9	1.0			20.0

¹ Global Equity includes \$0.3 million of residuals from terminated managers or previous transitions.

² Market Value based on manager reported data, because custodian reported NAV was not current.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/14

	Market Value 3/31/14 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/13 (\$ mm)
Equity and Real Estate Assets (continued)						
Real Estate	119.0	100.0	5.8			116.7
Core Real Estate	70.3	59.1	3.4			68.5
PRISA I	35.8	30.0	1.7			35.0
American Core Realty Fund, LLC	34.5	28.9	1.7			33.5
Private Real Estate¹	48.7	40.9	2.4			48.2
DRA Growth & Income Fund V	17.1	14.4	0.8			17.1
DRA Growth & Income Fund VII	13.7	11.6	0.7			12.8
Fidelity Real Estate Growth Fund III, L.P.	8.4	7.1	0.4			8.7
DRA Growth & Income Fund VI	7.5	6.3	0.4			7.8
GEAM Value Add Realty Partners II, L.P.	1.9	1.6	< 0.1			1.7
Private Equity¹	97.5	100.0	4.7			95.5
Pantheon USA Fund VII	33.5	34.4	1.6			33.1
Pathway Private Equity Fund VIII ²	24.5	25.2	1.2			24.8
Pantheon Global Secondary Fund III	19.2	19.7	0.9			19.8
Partners Group Secondary 2011	8.4	8.7	0.4			6.3
Partners Group Secondary 2008	8.0	8.2	0.4			8.4
Great Hill Equity Partners IV	3.9	4.0	0.2			3.2

¹ Fair values are based on manager reported value as of 12/31/13, adjusted for cash flows through 3/31/14.

² Pathway's market value is preliminary.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/14

	Market Value 3/31/14 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/13 (\$ mm)
Hedge Funds Assets¹	384.6	100.0	18.7	25	20-30	364.8
Arrowgrass International Fund Ltd	34.1	8.9	1.7			33.3
DE Shaw	33.8	8.8	1.6			32.3
Pine River Fund Ltd	33.8	8.8	1.6			33.0
Davidson Kempner Institutional Partners, L.P.	33.3	8.7	1.6			32.4
Hudson Bay Fund	31.6	8.2	1.5			31.3
Brevan Howard Multi-Strategy Fund Ltd	30.4	7.9	1.5			30.8
Senator Global Opportunity Offshore Fund	23.2	6.0	1.1			23.1
Horizon Portfolio I	21.6	5.6	1.0			21.2
Sandler Plus Offshore Fund Ltd	21.3	5.5	1.0			21.2
Claren Road Credit Fund	20.3	5.3	1.0			19.7
Marshall Wace Eureka Fund ²	20.0	5.2	1.0			0.0
Amici Offshore, Ltd.	20.0	5.2	1.0			20.4
Global Ascent Ltd	18.4	4.8	0.9			20.3
BlueCrest	16.2	4.2	0.8			16.8
CCP Quantitative Fund ³	13.7	3.6	0.7			14.7
Kepos Alpha Fund	13.1	3.4	0.6			14.1

¹ NAV and performance provided by Albourne.

² Marshall Wace Eureka Fund was funded on the last day of March 2014.

³ CCP Quantitative Fund was terminated at the end of March 2014. The termination will be reflected in April reports.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/14

	Market Value 3/31/14 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/13 (\$ mm)
Real Assets	386.5	100.0	18.8	20	15-25	292.8
Commodities	211.5	100.0	10.3			195.9
CS Risk Parity Commodity Index	124.7	59.0	6.1			116.9
First Quadrant Risk Parity Commodity Index	86.8	41.0	4.2			79.0
Natural Resources	98.6	100.0	4.8			96.9
Northern Trust Global LargeMid NR	98.6	100.0	4.8			96.9
Infrastructure	76.4	100.0	3.7			0.0
SSgA Dow Jones Brookfield Infrastructure Index	76.4	100.0	3.7			0.0
Fixed Income Assets	334.4	100.0	16.3	10	5-20	338.7
Public Fixed Income	205.4	100.0	10.0			224.3
Russell Investments Barclays U.S. TIPS	111.1	54.1	5.4			110.6
Northern Trust Intermediate Gov't 1-10 Year ¹	94.3	45.9	4.6			113.6
Private Debt²	129.0	100.0	6.3			114.5
White Oak Direct Lending Account	45.8	35.5	2.2			43.8
Medley Opportunity Fund II	45.7	35.4	2.2			37.1
GSO Direct Lending Account	37.5	29.1	1.8			33.5
Cash³	31.4	100.0	1.5	NA	NA	57.1

¹ Market value based on manager reported data because custodian reported NAV was not current.

² Fair values are based on manager reported value as of 12/31/13, adjusted for cash flows through 3/31/14.

³ Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate²	2.5	10.0	8.0	5.1	11.6	5.8	1/1/94	7.6
Net of Fees³	2.4	9.9	7.8	5.0	11.4	5.6		7.4
Total Fund Aggregate ex Overlay	2.2	9.7	7.8	5.0	11.5	5.8	1/1/94	7.6
Net of Fees ex Overlay	2.2	9.7	7.7	4.9	11.3	5.5		7.3
<i>CPI (inflation)</i>	<i>1.4</i>	<i>1.2</i>	<i>1.5</i>	<i>1.9</i>	<i>2.1</i>	<i>2.3</i>		<i>2.4</i>
<i>San Jose FCERS Policy Benchmark⁴</i>	<i>2.5</i>	<i>10.6</i>	<i>10.3</i>	<i>5.7</i>	<i>12.4</i>	<i>6.2</i>		<i>7.6</i>
<i>San Jose FCERS Custom Benchmark⁵</i>	<i>2.3</i>	<i>9.9</i>	<i>9.0</i>	<i>5.2</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>
<i>Public Plans > \$1 Billion Universe (Median)⁶</i>	<i>2.0</i>	<i>12.5</i>	<i>12.5</i>	<i>9.1</i>	<i>14.5</i>	<i>7.1</i>		<i>NA</i>

¹ Fiscal Year begins July 1.

² Represents performance which is gross of fees for public market managers and net of fees for private market managers.

³ Beginning in July 2012, fees are accounted for on a cash basis. Previously, fees were accounted for on an accrual basis.

⁴ Please see page 34 of the Plan Summary for composition of the San Jose FCERS Policy Benchmark.

⁵ San Jose FCERS Custom Benchmark consists of the individual benchmarks that comprise the San Jose FCERS Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁶ Universe data provided by InvestMetrics. Returns are gross of fees.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate								
Equity and Real Estate Assets	2.6	15.7	16.0	NA	NA	NA	1/1/12	16.7
Global Equity	1.9	16.6	16.0	8.6	NA	NA	5/1/10	10.7
<i>MSCI ACWI IMI</i>	1.3	17.7	17.1	8.7	18.5	7.3		10.4
Real Estate ²	3.5	10.1	13.2	11.8	1.3	5.2	1/1/94	8.4
<i>NCREIF Property (lagged one qtr.)</i>	2.7	8.1	11.1	11.7	7.9	8.7		9.4
Private Equity ³	6.5	14.7	18.9	13.3	10.4	NA	1/1/06	5.7
<i>Venture Economics PE Composite (lagged one qtr.)</i>	7.3	16.5	22.2	14.9	15.6	13.1		11.5
Hedge Funds Assets⁴	0.0	2.9	0.5	NA	NA	NA	11/1/12	4.6
<i>HFRI Fund of Funds Composite</i>	0.5	5.9	6.0	2.4	4.9	3.1		7.8
Real Assets	5.8	12.1	1.1	-4.3	NA	NA	5/1/10	1.1
<i>Custom Risk Parity Commodity Benchmark⁵</i>	7.3	10.0	1.8	-4.6	NA	NA		NA
<i>DJ Brookfield Global Infrastructure Index</i>	5.0	15.8	12.7	14.5	21.8	13.2		16.4
<i>S&P Global LargeMidCap Commodity and Resources</i>	1.6	13.7	1.4	-5.5	10.8	NA		2.9
<i>CPI (inflation) + 5%</i>	2.6	5.0	6.6	7.0	7.2	7.5		7.2

¹ Fiscal Year begins July 1.

² All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

³ All manager returns are presented one quarter lagged.

⁴ NAV and performance provided by Albourne.

⁵ Custom Risk Parity Commodity Benchmark returns provided by Credit Suisse.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate								
Fixed Income Assets	1.1	2.7	1.8	NA	NA	NA	1/1/12	4.2
Public Fixed Income	0.5	0.5	-1.8	3.6	7.0	5.0	1/1/94	6.0
<i>Barclays U.S. TIPS</i>	1.9	0.6	-6.5	3.5	4.9	4.5		NA
<i>Barclays U.S. TIPS 1-5 Years</i>	0.2	0.6	-2.2	1.1	3.1	NA		NA
<i>Barclays Intermediate Gov't Bond Index</i>	0.6	0.6	-0.8	2.4	2.3	3.6		5.0
Private Debt ²	2.3	7.4	9.7	9.3	NA	NA	12/1/10	7.5
<i>3 Month Libor + 5%</i>	1.3	3.9	5.3	5.4	5.4	7.2		5.4
Russell Investments Overlay³	0.2	0.2	0.2	NA	NA	NA	11/1/11	0.2

¹ Fiscal Year begins July 1.

² All manager returns are presented one quarter lagged.

³ Overlay returns provided by Russell Investments.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets	2.6	15.7	16.0	NA	NA	NA	1/1/12	16.7
Global Equity	1.9	16.6	16.0	8.6	NA	NA	5/1/10	10.7
Northern Trust Russell 3000 Index	2.0	19.4	22.7	14.7	22.1	8.0	9/1/99	5.3
Net of Fees	2.0	19.4	22.6	14.7	22.1	8.0		5.2
<i>Russell 3000</i>	2.0	19.4	22.6	14.6	21.9	7.9		5.1
Artisan Global Value	1.7	19.5	24.0	17.9	NA	NA	3/1/11	17.4
Net of Fees	1.5	19.1	23.4	17.2	NA	NA		16.7
<i>MSCI ACWI Value</i>	1.7	16.9	17.1	8.1	17.7	6.8		7.7
<i>Peer Global Equity</i>	1.4	19.9	21.1	11.6	20.2	9.1		11.4
<i>Peer Ranking (percentile)</i>	47	52	33	2	NA	NA		2
Vontobel Emerging Markets Equity	2.3	1.8	NA	NA	NA	NA	7/1/13	1.8
Net of Fees	2.1	1.2	NA	NA	NA	NA		1.2
<i>MSCI Emerging Markets</i>	-0.4	7.2	-1.4	-2.9	14.5	10.1		7.2
<i>Peer Emerging Markets</i>	-0.5	8.2	-0.5	-0.9	16.5	10.8		8.2
<i>Peer Ranking (percentile)</i>	9	94	NA	NA	NA	NA		94
Northern Trust EAFE Small Cap	3.3	26.3	23.3	NA	NA	NA	11/1/12	27.1
Net of Fees	3.2	26.2	23.3	NA	NA	NA		27.1
<i>MSCI EAFE Small Cap</i>	3.4	26.5	23.3	9.4	21.7	8.6		27.1

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal' YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Northern Trust MSCI EAFE Index-NL	0.7	18.9	18.0	NA	NA	NA	11/1/12	21.1
Net of Fees	0.7	18.8	17.9	NA	NA	NA		21.1
<i>MSCI EAFE</i>	0.7	18.7	17.6	7.2	16.0	6.5		20.8
Eagle Small Cap Growth	-1.0	15.3	18.9	12.3	26.8	11.7	6/1/98	8.5
Net of Fees	-1.3	14.7	18.0	11.6	26.1	11.0		7.9
<i>Russell 2000 Growth</i>	0.5	22.6	27.2	13.6	25.2	8.9		6.0
<i>Peer Small Cap Growth</i>	0.5	22.5	26.8	14.2	25.6	10.4		9.6
<i>Peer Ranking (percentile)</i>	76	96	97	78	37	16		64
Aberdeen Frontier Markets	0.0	NA	NA	NA	NA	NA	12/1/13	0.8
Net of Fees	-0.4	NA	NA	NA	NA	NA		0.3
<i>MSCI Frontier Markets</i>	7.4	21.7	25.0	8.2	14.9	7.7		9.8
<i>Peer Frontier Markets</i>	6.0	19.6	28.3	13.3	18.6	NA		8.6
<i>Peer Ranking (percentile)</i>	83	NA	NA	NA	NA	NA		88

¹ Fiscal Year begins July 1.



	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Real Estate²	3.5	10.1	13.2	11.8	1.3	5.2	1/1/94	8.4
Core Real Estate	2.6	9.0	12.4	11.8	NA	NA	7/1/09	8.5
PRISA I	2.5	10.1	13.8	13.3	7.2	NA	7/1/04	6.6
Net of Fees	2.2	9.4	12.8	12.2	6.1	NA		5.6
<i>NCREIF ODCE Equal Weighted, net</i>	2.3	8.6	12.3	11.9	5.7	5.8		5.6
American Core Realty Fund, LLC	3.2	9.5	13.2	12.4	5.8	NA	1/1/07	3.5
Net of Fees	3.0	8.7	12.1	11.3	4.7	NA		2.5
<i>NCREIF ODCE Equal Weighted, net</i>	2.3	8.6	12.3	11.9	5.7	5.8		2.3

¹ Fiscal Year begins July 1.

² All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Private Real Estate^{2,3}	4.7	11.7	14.5	11.9	NA	NA	7/1/09	0.0
DRA Growth & Income Fund V	1.8	5.3	6.0	5.1	-0.1	NA	1/1/06	1.8
<i>NCREIF Property (lagged one qtr.)</i>	2.7	8.1	11.1	11.7	7.9	8.7		6.7
DRA Growth & Income Fund VII	3.6	10.7	15.5	NA	NA	NA	4/1/12	14.9
<i>NCREIF Property (lagged one qtr.)</i>	2.7	8.1	11.1	11.7	7.9	8.7		10.9
Fidelity Real Estate Growth Fund III, L.P.	6.7	16.5	20.3	15.2	-11.7	NA	1/1/08	-16.3
<i>NCREIF Property (lagged one qtr.)</i>	2.7	8.1	11.1	11.7	7.9	8.7		3.8
DRA Growth & Income Fund VI	3.4	10.5	15.2	14.9	7.6	NA	1/1/08	4.9
<i>NCREIF Property (lagged one qtr.)</i>	2.7	8.1	11.1	11.7	7.9	8.7		3.8
GEAM Value Add Realty Partners II, L.P.	21.6	31.8	31.8	19.2	-7.1	NA	1/1/07	-8.6
<i>NCREIF Property (lagged one qtr.)</i>	2.7	8.1	11.1	11.7	7.9	8.7		5.4

¹ Fiscal Year begins July 1.

² Returns are time-weighted and lagged. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

³ Performance is net of fees.

San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Private Equity^{2,3}	6.5	14.7	18.9	13.3	10.4	NA	1/1/06	5.7
Pantheon USA Fund VII	5.7	15.2	20.6	14.3	NA	NA	1/1/07	NA
Venture Economics PE Composite (lagged one qtr.)	7.3	16.5	22.2	14.9	15.6	13.1		10.5
Pathway Private Equity Fund VIII	7.7	16.8	23.5	16.1	NA	NA	8/1/04	NA
Venture Economics PE Composite (lagged one qtr.)	7.3	16.5	22.2	14.9	15.6	13.1		13.3
Pantheon Global Secondary Fund III	3.5	6.6	7.1	4.6	NA	NA	1/1/07	NA
Venture Economics PE Composite (lagged one qtr.)	7.3	16.5	22.2	14.9	15.6	13.1		10.5
Partners Group Secondary 2011	6.8	18.2	26.4	NA	NA	NA	11/1/12	49.4
Venture Economics PE Composite (lagged one qtr.)	7.3	16.5	22.2	14.9	15.6	13.1		21.3
Partners Group Secondary 2008	8.4	19.9	20.4	15.6	NA	NA	12/1/08	NA
Venture Economics PE Composite (lagged one qtr.)	7.3	16.5	22.2	14.9	15.6	13.1		9.6
Great Hill Equity Partners IV	16.4	26.1	31.8	35.4	NA	NA	10/1/08	NA
Venture Economics PE Composite (lagged one qtr.)	7.3	16.5	22.2	14.9	15.6	13.1		9.3

¹ Fiscal Year begins July 1.

² All manager returns are presented one quarter lagged.

³ Returns are time-weighted and are shown beginning in July 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Hedge Fund Assets²	0.0	2.9	0.5	NA	NA	NA	11/1/12	4.6
Arrowgrass International Fund Ltd	2.2	5.6	7.7	NA	NA	NA	11/1/12	9.4
<i>HFRI Relative Value Index</i>	2.2	6.3	6.2	5.8	10.4	6.4		7.9
DE Shaw	4.7	8.5	12.7	NA	NA	NA	4/1/13	12.7
<i>HFRI Fund Weighted Composite Index</i>	1.1	6.9	6.5	3.0	7.9	5.4		6.5
Pine River Fund Ltd	2.4	5.3	5.9	NA	NA	NA	1/1/13	10.0
<i>HFRI Relative Value Index</i>	2.2	6.3	6.2	5.8	10.4	6.4		7.5
Davidson Kempner Institutional Partners, L.P.	2.8	6.7	9.1	NA	NA	NA	2/1/13	9.4
<i>HFRI Event Driven Index</i>	1.9	8.6	10.5	5.3	11.0	6.8		10.2
Hudson Bay Fund	1.0	NA	NA	NA	NA	NA	8/1/13	5.3
<i>HFRI Relative Value Index</i>	2.2	6.3	6.2	5.8	10.4	6.4		5.7
Brevan Howard Multi-Strategy Fund Ltd	-1.5	-1.2	-2.2	NA	NA	NA	12/1/12	0.9
<i>HFRI Macro Index</i>	-0.5	0.0	-2.2	-1.6	1.5	3.8		0.0
Senator Global Opportunity Offshore Fund	0.3	11.9	15.8	NA	NA	NA	4/1/13	15.8
<i>HFRI Event Driven Index</i>	1.9	8.6	10.5	5.3	11.0	6.8		10.5

¹ Fiscal Year begins July 1.

² NAV and performance provided by Albourne.



	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Hedge Fund Assets² (continued)								
Horizon Portfolio I	1.7	7.8	NA	NA	NA	NA	7/1/13	7.8
<i>HFRI Equity Hedge (Long/Short Equity)</i>	1.2	10.3	10.2	3.6	9.4	5.0		10.3
Sandler Plus Offshore Fund Ltd	0.4	7.7	NA	NA	NA	NA	5/1/13	6.3
<i>HFRI Equity Hedge (Long/Short Equity)</i>	1.2	10.3	10.2	3.6	9.4	5.0		9.8
Claren Road Credit Fund	3.0	1.6	NA	NA	NA	NA	7/1/13	1.6
<i>HFRI RV Fixed Income-Corporate Index</i>	2.1	6.3	5.2	5.3	11.7	5.2		6.3
Amici Offshore, Ltd.	-2.3	2.4	-1.8	NA	NA	NA	3/1/13	-0.1
<i>HFRI Equity Hedge (Long/Short Equity)</i>	1.2	10.3	10.2	3.6	9.4	5.0		10.6
Global Ascent Ltd	-9.5	-7.5	-10.0	NA	NA	NA	3/1/13	-7.5
<i>HFRI Macro Systematic Diversified</i>	-1.6	-1.6	-3.7	-2.4	0.3	6.1		-2.7
BlueCrest	-3.7	-4.9	-18.9	NA	NA	NA	4/1/13	-18.9
<i>Barclay BTOP50 Index</i>	-1.3	-1.0	-2.4	-1.6	-0.7	2.0		-2.4
Kepos Alpha Fund	-7.5	-3.4	-15.3	NA	NA	NA	3/1/13	-12.0
<i>HFRI Macro Systematic Diversified</i>	-1.6	-1.6	-3.7	-2.4	0.3	6.1		-2.7

¹ Fiscal Year begins July 1.

² NAV and performance provided by Albourne.

San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Real Assets	5.8	12.1	1.1	-4.3	NA	NA	5/1/10	1.1
Commodities	7.9	11.2	0.8	-5.8	NA	NA	5/1/10	1.0
CS Risk Parity Commodity Index ²	6.6	9.8	1.6	-4.5	NA	NA	4/1/11	-4.5
Custom Risk Parity Commodity Benchmark ³	7.3	10.0	1.8	-4.6	NA	NA		-4.6
Dow Jones-UBS Commodity U.S. Index	7.0	8.1	-2.1	-7.4	4.2	-0.7		-7.4
First Quadrant Risk Parity Commodity Index ³	9.8	13.5	0.3	-7.2	NA	NA	4/1/11	-7.2
Custom Risk Parity Commodity Benchmark ³	7.3	10.0	1.8	-4.6	NA	NA		-4.6
Dow Jones-UBS Commodity U.S. Index	7.0	8.1	-2.1	-7.4	4.2	-0.7		-7.4
Natural Resources	1.8	13.8	1.6	NA	NA	NA	11/1/12	0.6
Northern Trust Global LargeMid NR	1.8	13.8	1.6	NA	NA	NA	11/1/12	0.3
Net of Fees	1.8	13.8	1.5	NA	NA	NA		0.2
S&P Global LargeMidCap Commodity and Resources	1.6	13.7	1.4	-5.5	10.8	NA		0.1
Infrastructure	NA	NA	NA	NA	NA	NA	3/1/14	1.8
SSgA Dow Jones Brookfield Infrastructure Index	NA	NA	NA	NA	NA	NA	3/1/14	1.8
Net of Fees	NA	NA	NA	NA	NA	NA		1.8
DJ Brookfield Global Infrastructure Index	5.0	15.8	12.7	14.5	21.8	13.2		1.4

¹ Fiscal Year begins July 1.

² Performance is net of fees.

³ Custom Risk Parity Commodity Benchmark returns provided by Credit Suisse.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/14

	1Q14 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Fixed Income Assets	1.1	2.7	1.8	NA	NA	NA	1/1/12	4.2
Public Fixed Income	0.5	0.5	-1.8	3.6	7.0	5.0	1/1/94	6.0
Russell Investments Barclays U.S. TIPS	0.4	0.5	-2.8	3.1	NA	NA	5/1/10	3.8
Net of Fees	0.4	0.4	-2.9	3.0	NA	NA		3.7
<i>TIPS Blended Benchmark²</i>	<i>1.1</i>	<i>0.6</i>	<i>-4.3</i>	<i>3.0</i>	<i>NA</i>	<i>NA</i>		<i>3.7</i>
<i>Barclays U.S. TIPS</i>	<i>1.9</i>	<i>0.6</i>	<i>-6.5</i>	<i>3.5</i>	<i>4.9</i>	<i>4.5</i>		<i>4.1</i>
<i>Barclays U.S. TIPS 1-5 Years</i>	<i>0.2</i>	<i>0.6</i>	<i>-2.2</i>	<i>1.1</i>	<i>3.1</i>	<i>NA</i>		<i>2.0</i>
Northern Trust Intermediate Gov't 1-10 Year	0.6	0.6	-0.8	NA	NA	NA	10/1/12	-0.4
Net of Fees	0.6	0.6	-0.8	NA	NA	NA		-0.4
<i>Barclays Intermediate Gov't Bond Index</i>	<i>0.6</i>	<i>0.6</i>	<i>-0.8</i>	<i>2.4</i>	<i>2.3</i>	<i>3.6</i>		<i>-0.4</i>
Private Debt^{3,4}	2.3	7.4	9.7	9.3	NA	NA	12/1/10	7.5
White Oak Direct Lending Account	3.3	8.8	11.3	6.8	NA	NA	2/1/11	5.7
<i>3 Month Libor + 5%</i>	<i>1.3</i>	<i>3.9</i>	<i>5.3</i>	<i>5.4</i>	<i>5.4</i>	<i>7.2</i>		<i>5.4</i>
Medley Opportunity Fund II	2.3	7.2	9.3	NA	NA	NA	6/1/11	7.6
<i>3 Month Libor + 5%</i>	<i>1.3</i>	<i>3.9</i>	<i>5.3</i>	<i>5.4</i>	<i>5.4</i>	<i>7.2</i>		<i>5.4</i>
GSO Direct Lending Account	1.3	5.5	7.5	16.8	NA	NA	3/1/11	15.6
<i>3 Month Libor + 5%</i>	<i>1.3</i>	<i>3.9</i>	<i>5.3</i>	<i>5.4</i>	<i>5.4</i>	<i>7.2</i>		<i>5.4</i>

¹ Fiscal Year begins July 1.

² The TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS & 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012, it was comprised of 100% Russell Investments Barclays U.S. TIPS.

³ All manager returns are presented one quarter lagged.

⁴ Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Total Fund Aggregate¹	8.7	9.7	-1.5	13.0	19.4	-23.8	8.8	13.0	6.7	11.4
Net of Fees¹	8.5	9.6	-1.6	12.8	19.1	-24.0	8.5	12.7	6.4	11.1
Total Fund Aggregate ex Overlay¹	8.4	9.7	-1.4	13.0	19.4	-23.8	8.8	13.0	6.7	11.4
Net of Fees ex Overlay	8.3	9.6	-1.6	12.8	19.1	-24.0	8.5	12.7	6.4	11.1
<i>CPI (inflation)</i>	<i>1.5</i>	<i>1.7</i>	<i>3.0</i>	<i>1.5</i>	<i>2.7</i>	<i>0.1</i>	<i>4.1</i>	<i>2.5</i>	<i>3.4</i>	<i>3.3</i>
<i>San Jose FCERS Policy Benchmark²</i>	<i>11.2</i>	<i>9.4</i>	<i>-1.7</i>	<i>14.4</i>	<i>19.0</i>	<i>-22.8</i>	<i>8.2</i>	<i>13.5</i>	<i>6.7</i>	<i>10.8</i>
<i>San Jose FCERS Custom Benchmark³</i>	<i>9.8</i>	<i>10.2</i>	<i>-2.6</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>
<i>Public Plans > \$1 Billion Universe (Median)⁴</i>	<i>15.2</i>	<i>13.4</i>	<i>0.7</i>	<i>12.5</i>	<i>19.4</i>	<i>-24.2</i>	<i>7.9</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>

¹ Represents performance which is gross of fees for public market managers and net of fees for private market managers.

² Please see page 34 of the Plan Summary for composition of the San Jose FCERS Policy Benchmark.

³ San Jose FCERS Custom Benchmark consists of the individual benchmarks that comprise the San Jose FCERS Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁴ Universe data provided by InvestMetrics.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Total Fund Aggregate										
Equity and Real Estate Assets	20.3	14.8	NA	NA	NA	NA	NA	NA	NA	NA
Global Equity	22.1	16.0	-6.9	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI IMI</i>	23.6	16.4	-7.9	14.3	36.4	-42.3	11.2	20.9	11.5	16.4
Real Estate ¹	12.3	8.9	14.9	7.7	-37.7	-5.4	23.4	13.2	22.9	10.3
<i>NCREIF Property</i>	11.0	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7
Private Equity ²	14.6	9.5	15.6	10.9	-13.5	-4.0	15.5	-3.5	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9
Hedge Funds Assets	5.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Fund of Funds Composite</i>	9.0	4.8	-5.7	5.7	11.5	-21.4	10.3	10.4	7.5	6.9
Real Assets	-8.1	0.2	-6.5	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Commodity Benchmark³</i>	-9.2	1.3	NA	NA	NA	NA	NA	NA	NA	NA
<i>DJ Brookfield Global Infrastructure Index</i>	15.9	16.0	13.7	12.5	34.2	-36.4	16.3	36.7	11.0	32.9
<i>S&P Global LargeMidCap Commodity and Resources</i>	-2.6	7.1	-12.9	19.5	57.8	-46.1	59.3	30.5	29.1	NA
<i>CPI (inflation) + 5%</i>	6.6	6.8	8.1	6.6	10.9	5.1	9.3	7.7	8.7	8.5

¹ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

² Returns are time-weighted and are shown beginning in July 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

³ Custom Risk Parity Commodity Benchmark returns provided by Credit Suisse.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Total Fund Aggregate (continued)										
Fixed Income Assets	1.4	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Public Fixed Income	-2.2	5.4	8.7	7.2	15.9	-1.3	6.7	5.8	0.8	6.3
<i>Barclays U.S. TIPS</i>	-8.6	7.0	13.6	6.3	11.4	-2.4	11.6	0.4	2.8	8.5
<i>Barclays U.S. TIPS 1-5 Years</i>	-2.0	2.7	4.9	3.9	11.5	-2.5	10.3	2.4	1.6	NA
<i>Barclays Intermediate Gov't Bond Index</i>	-1.2	1.7	6.1	5.0	-0.3	10.4	8.5	3.8	1.7	2.3
Private Debt ¹	9.2	10.8	2.8	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.3	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5

¹ Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Equity and Real Estate Assets	20.3	14.8	NA	NA	NA	NA	NA	NA	NA	NA
Global Equity	22.1	16.0	-6.9	NA	NA	NA	NA	NA	NA	NA
Northern Trust Russell 3000 Index	33.6	16.5	1.1	17.2	28.9	-37.3	5.3	15.8	6.2	12.0
Net of Fees	33.6	16.5	1.1	17.2	28.9	-37.3	5.2	15.8	6.2	12.0
<i>Russell 3000</i>	33.6	16.4	1.0	16.9	28.3	-37.3	5.1	15.7	6.1	11.9
Artisan Global Value	33.6	20.8	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	32.8	20.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI Value</i>	22.4	15.6	-7.3	10.2	31.7	-41.5	6.7	25.6	10.8	19.1
Vontobel Emerging Markets Equity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0	25.6
Northern Trust EAFE Small Cap	29.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	29.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE Small Cap</i>	29.3	20.0	-15.9	22.0	46.8	-47.0	1.4	19.3	26.2	30.8
Northern Trust MSCI EAFE Index-NL	23.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	23.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE</i>	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3	13.5	20.2



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Equity and Real Estate Assets (continued)										
Eagle Small Cap Growth	36.1	17.7	-2.3	34.4	40.3	-35.8	12.7	21.4	4.2	20.8
Net of Fees	35.1	17.3	-2.9	33.7	39.5	-36.1	12.0	20.7	3.6	20.0
<i>Russell 2000 Growth</i>	43.3	14.6	-2.9	29.1	34.5	-38.5	7.0	13.3	4.2	14.3
Aberdeen Frontier Markets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Frontier Markets</i>	25.9	8.9	-18.7	23.8	11.6	-54.1	41.9	-8.9	72.7	22.6
Real Estate¹	12.3	8.9	14.9	7.7	-37.7	-5.4	23.4	13.2	22.9	10.3
Core Real Estate	12.6	9.3	16.3	14.2	NA	NA	NA	NA	NA	NA
PRISA I	14.7	9.7	19.1	18.4	-34.2	-13.0	17.5	16.2	23.3	NA
Net of Fees	13.7	8.7	17.9	17.0	-34.9	-13.7	16.5	15.1	22.1	NA
<i>NCREIF ODCE Equal Weighted, net</i>	12.4	9.9	15.0	15.1	-31.3	-11.1	15.0	15.1	19.0	11.5
American Core Realty Fund, LLC	12.4	11.3	15.1	11.2	-30.0	-5.3	17.3	NA	NA	NA
Net of Fees	11.3	10.2	13.8	10.1	-30.7	-6.3	16.2	NA	NA	NA
<i>NCREIF ODCE Equal Weighted, net</i>	12.4	9.9	15.0	15.1	-31.3	-11.1	15.0	15.1	19.0	11.5

¹ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Equity and Real Estate Assets (continued)										
Private Real Estate¹	12.2	8.6	13.7	1.8	NA	NA	NA	NA	NA	NA
DRA Growth & Income Fund V	5.4	4.8	7.2	-1.0	-24.3	2.8	18.7	5.3	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	11.0	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7
DRA Growth & Income Fund VII	14.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	11.0	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7
Fidelity Real Estate Growth Fund III, L.P.	16.5	14.7	9.6	38.3	-77.5	-32.6	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	11.0	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7
DRA Growth & Income Fund VI	11.3	3.2	29.8	-0.1	-19.8	9.0	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	11.0	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7
CEAM Value Add Realty Partners II, L.P.	23.9	15.2	10.6	5.0	-66.3	-22.2	-1.6	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	11.0	10.7	14.3	13.1	-17.0	-6.5	15.8	16.8	20.2	14.7

¹ Performance is net of fees.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Equity and Real Estate Assets (continued)										
Private Equity¹	14.6	9.5	15.6	10.9	-13.5	-4.0	15.5	-3.5	NA	NA
Pantheon USA Fund VII	16.9	11.1	14.5	7.1	NA	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9
Pathway Private Equity Fund VIII	19.1	12.0	15.8	16.8	NA	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9
Pantheon Global Secondary Fund III	4.3	0.9	11.6	5.4	NA	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9
Partners Group Secondary 2011	16.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9
Partners Group Secondary 2008	15.1	6.0	24.5	20.1	NA	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9
Great Hill Equity Partners IV	29.6	17.8	43.3	7.4	NA	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	18.1	14.5	12.0	15.7	-6.6	-7.1	26.6	18.6	30.4	15.9

¹ Returns are time-weighted and are shown beginning in July 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Hedge Funds Assets	5.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arrowgrass International Fund Ltd	9.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Relative Value Index</i>	7.1	10.6	0.2	11.4	25.8	-18.0	8.9	12.3	6.0	5.6
DE Shaw	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Fund Weighted Composite Index</i>	9.1	6.4	-5.2	10.2	20.0	-19.0	10.0	12.9	9.3	9.0
Pine River Fund Ltd	10.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Relative Value Index</i>	7.1	10.6	0.2	11.4	25.8	-18.0	8.9	12.3	6.0	5.6
Davidson Kempner Institutional Partners, L.P.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Event Driven Index</i>	12.5	8.9	-3.3	11.9	25.1	-21.8	6.6	15.3	7.3	15.0
Hudson Bay Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Relative Value Index</i>	7.1	10.6	0.2	11.4	25.8	-18.0	8.9	12.3	6.0	5.6
Brevan Howard Multi-Strategy Fund Ltd	1.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	-0.4	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2	6.8	4.6
Senator Global Opportunity Offshore Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Event Driven Index</i>	12.5	8.9	-3.3	11.9	25.1	-21.8	6.6	15.3	7.3	15.0
Horizon Portfolio I	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Equity Hedge (Long/Short Equity)</i>	14.3	7.4	-8.4	10.5	24.6	-26.6	10.5	11.7	10.6	7.7



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Hedge Funds Assets (continued)										
Sandler Plus Offshore Fund Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Equity Hedge (Long/Short Equity)</i>	14.3	7.4	-8.4	10.5	24.6	-26.6	10.5	11.7	10.6	7.7
Claren Road Credit Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI RV Fixed Income-Corporate Index</i>	5.7	11.0	0.8	11.8	30.7	-24.2	-0.7	10.8	5.3	10.5
Amici Offshore, Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Equity Hedge (Long/Short Equity)</i>	14.3	7.4	-8.4	10.5	24.6	-26.6	10.5	11.7	10.6	7.7
Global Ascent Ltd	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Systematic Diversified</i>	-0.9	-2.5	-3.5	9.8	-1.7	18.1	10.4	16.9	14.4	6.4
BlueCrest	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclay BTOP50 Index</i>	0.7	-1.8	-4.2	6.4	-4.8	13.6	7.6	5.6	2.8	0.9
CCP Quantitative Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclay BTOP50 Index</i>	0.7	-1.8	-4.2	6.4	-4.8	13.6	7.6	5.6	2.8	0.9
Kepos Alpha Fund	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Systematic Diversified</i>	-0.9	-2.5	-3.5	9.8	8.1	18.1	10.4	16.9	14.4	6.4



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Real Assets	-8.1	0.2	-6.5	NA	NA	NA	NA	NA	NA	NA
Commodities	-11.2	-1.3	-9.0	NA	NA	NA	NA	NA	NA	NA
CS Risk Parity Commodity Index ¹	-8.8	1.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Commodity Benchmark</i> ²	-9.2	1.3	NA	NA	NA	NA	NA	NA	NA	NA
<i>Dow Jones-UBS Commodity U.S. Index</i>	-9.5	-1.1	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1
First Quadrant Risk Parity Commodity Index ¹	-13.6	-4.7	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Commodity Benchmark</i> ²	-9.2	1.3	NA	NA	NA	NA	NA	NA	NA	NA
<i>Dow Jones-UBS Commodity U.S. Index</i>	-9.5	-1.1	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1
Natural Resources	-1.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Northern Trust Global LargeMid NR	-2.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-2.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>S&P Global LargeMidCap Commodity and Resources</i>	-2.6	7.1	-12.9	19.5	57.8	-46.1	59.3	30.5	29.1	NA

¹ Performance is net of fees.

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



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

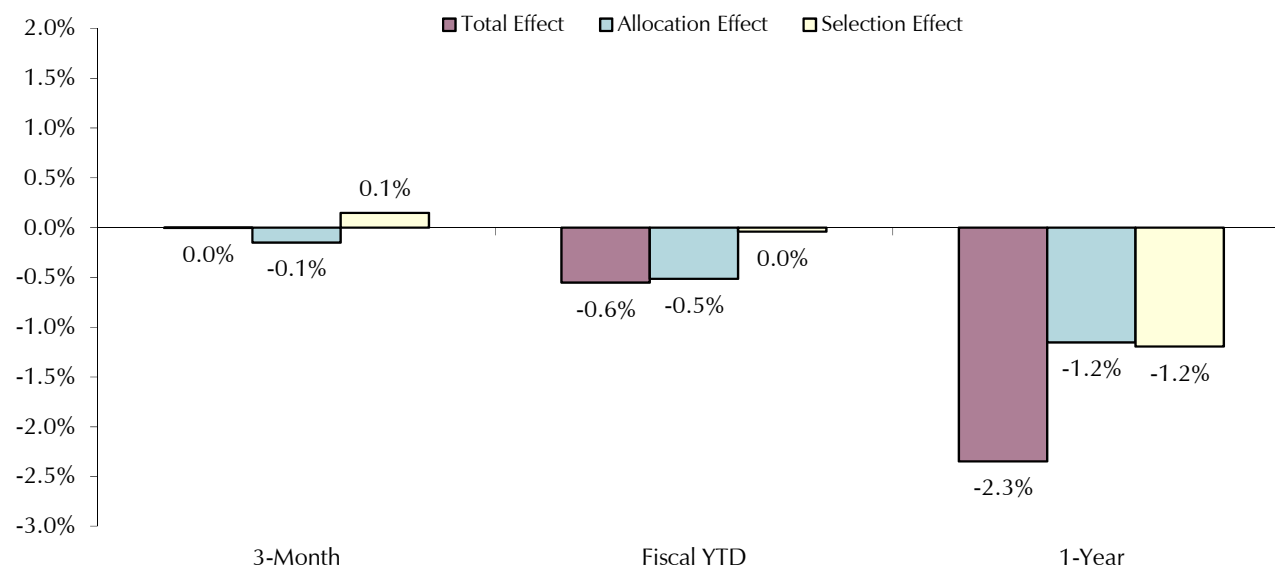
	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Fixed Income Assets	1.4	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Public Fixed Income	-2.2	5.4	8.7	7.2	15.9	-1.3	6.7	5.8	0.8	6.3
Russell Investments Barclays U.S. TIPS	-3.1	3.4	11.2	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-3.1	3.4	11.2	NA	NA	NA	NA	NA	NA	NA
<i>TIPS Blended Benchmark¹</i>	-5.3	4.8	11.2	NA	NA	NA	NA	NA	NA	NA
<i>Barclays U.S. TIPS</i>	-8.6	7.0	13.6	6.3	11.4	-2.4	11.6	0.4	2.8	8.5
<i>Barclays U.S. TIPS 1-5 Years</i>	-2.0	2.7	4.9	3.9	11.5	-2.5	10.3	2.4	1.6	NA
Northern Trust Intermediate Gov't 1-10 Year	-1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays Intermediate Gov't Bond Index</i>	-1.2	1.7	6.1	5.0	-0.3	10.4	8.5	3.8	1.7	2.3
Private Debt²	9.2	10.8	2.8	NA	NA	NA	NA	NA	NA	NA
White Oak Direct Lending Account	9.4	2.7	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.3	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5
Medley Opportunity Fund II	8.8	11.0	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.3	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5
GSO Direct Lending Account	8.4	16.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.3	5.5	5.3	5.3	5.9	8.7	10.7	10.5	8.5	6.5

¹ The TIPS Blended Benchmark Consists of 50% Barclays U.S. TIPS & 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012, it was comprised of 100% Russell Investments Barclays U.S. TIPS.

² Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.



Performance Attribution¹: Total Fund vs. Policy Benchmark
as of 3/31/14



Total Effect: The total effect is the difference between the performance of the total fund and the return for the policy benchmark. The total effect is calculated by adding the allocation effect and the selection effect.

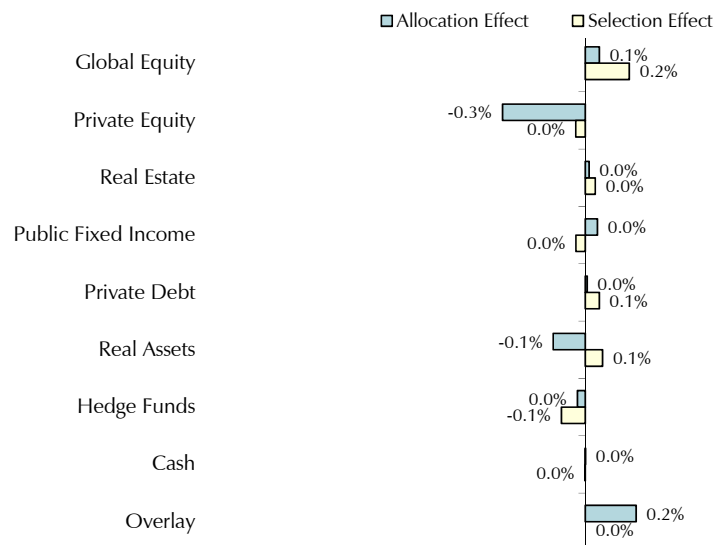
Allocation Effect: The allocation effect measures the impact of over- and under-weighting the fund allocations compared to the target allocations. The allocation effect is calculated by subtracting the Policy Benchmark return from the Custom Benchmark return.

Selection Effect: The selection effect measures the contribution of active management. For this analysis, the interaction effect, which measures the combined impact of selection and allocation, is included in the selection effect. Therefore, the selection effect is calculated by subtracting the Custom Benchmark return from the Total Fund return.

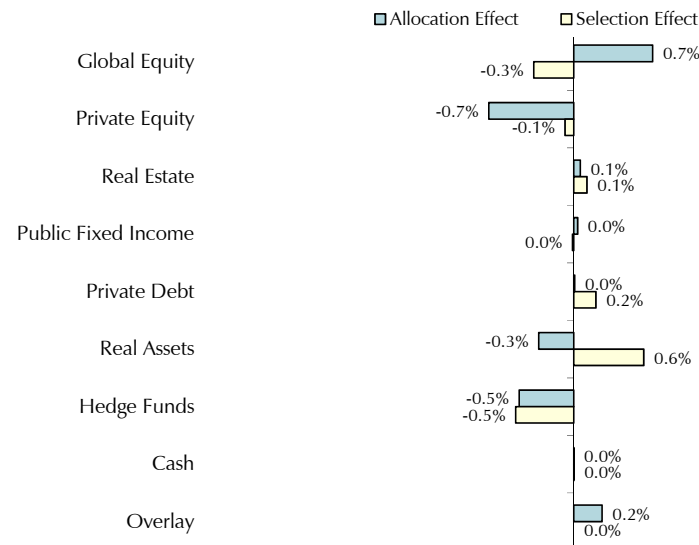
¹ Attribution is calculated based on performance gross of fees.

Performance Attribution (Total Fund)¹: Asset Class vs. Policy Benchmark
as of 3/31/14

QTD



Fiscal YTD

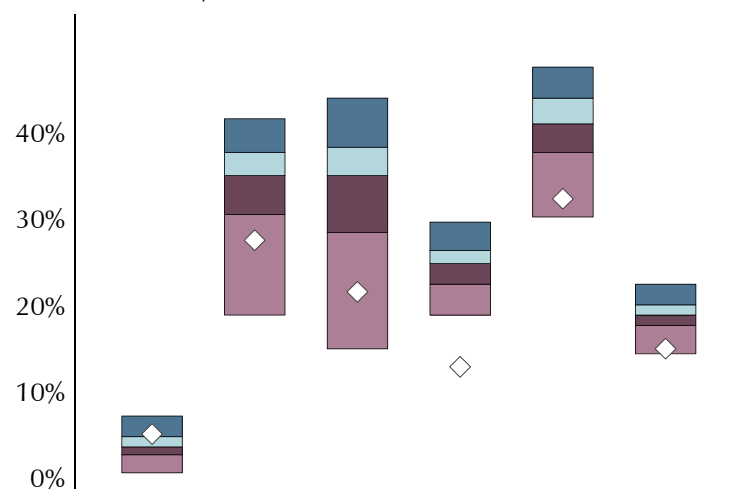


Allocation Effect: The allocation effect measures the impact of over- and under-weighting the fund allocations compared to the target allocations at the Total Fund level. The allocation effect is calculated by subtracting the asset class benchmark return from the asset class custom benchmark return.

Selection Effect: The selection effect measures the contribution of active management at the Total Fund level. For this analysis, the interaction effect, which measures the combined impact of selection and allocation, is included in the selection effect. Therefore, the selection effect is calculated by subtracting the asset class custom benchmark return from the asset class contribution to the Total Fund return.

¹ Attribution is calculated based on performance gross of fees.

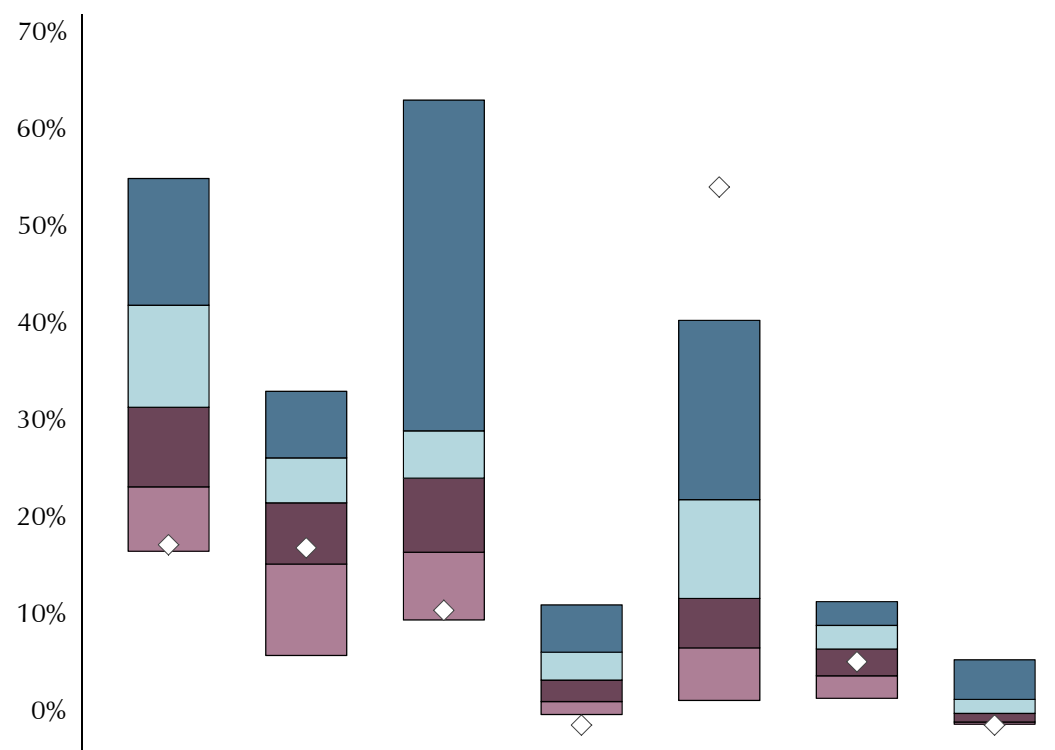
Total Fund Aggregate vs. Public Plans > \$1 Billion Universe¹



	1Q14 (%)	Fiscal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Total Fund Aggregate (gross of fees)	2.5	10.0	8.0	5.1	11.6	5.8
25th percentile	2.4	13.4	13.6	9.6	15.5	7.5
Median ³	2.0	12.5	12.5	9.1	14.5	7.1
75th Percentile	1.7	11.0	10.3	8.3	13.4	6.7
Population	83	82	81	73	71	64

¹ Universe data provided by InvestMetrics. Returns are gross of fees.

Peer Asset Allocation Comparison vs. Public Plans > \$1 Billion Universe^{1,2}



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
San Jose Allocation (Russell Overlay Net Position)	16.8	16.5	10.7	0.0	50.1	5.9	0.0
1 st Quartile	39.1	24.9	27.4	6.8	21.0	9.3	2.4
Median	29.6	20.7	23.0	4.2	11.8	7.1	1.1
3 rd Quartile	22.2	15.0	16.1	2.2	7.2	4.6	0.3
Population	60	58	61	33	42	36	28

¹ Universe data provided by InvestMetrics.

² Based on Russell Investments overlay net positions as of 3/31/14.

San Jose Federated City Employees' Retirement System

Policy Benchmark Description as of 3/31/14

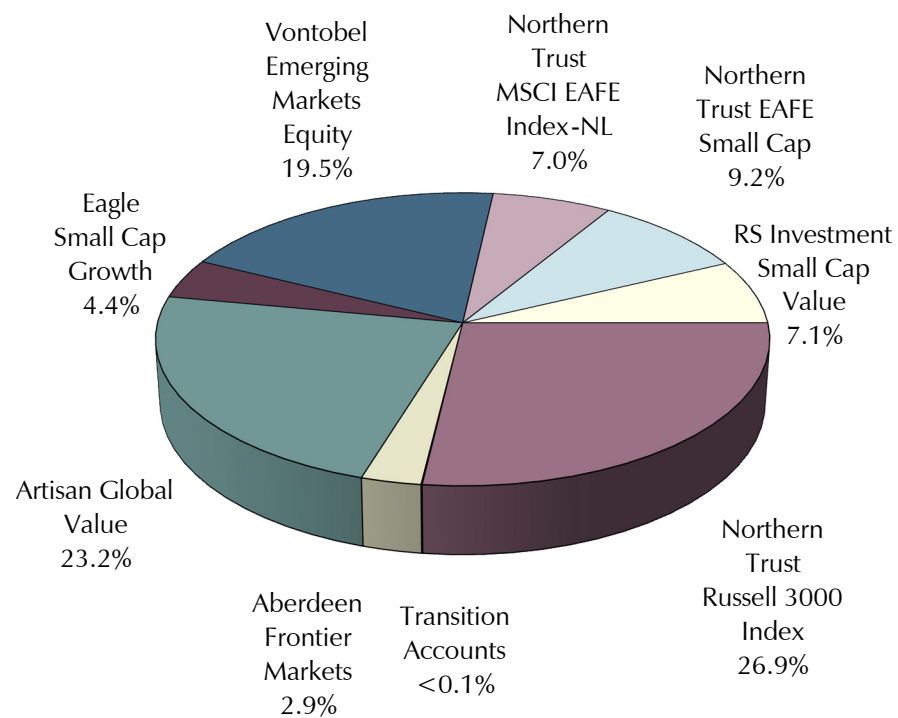
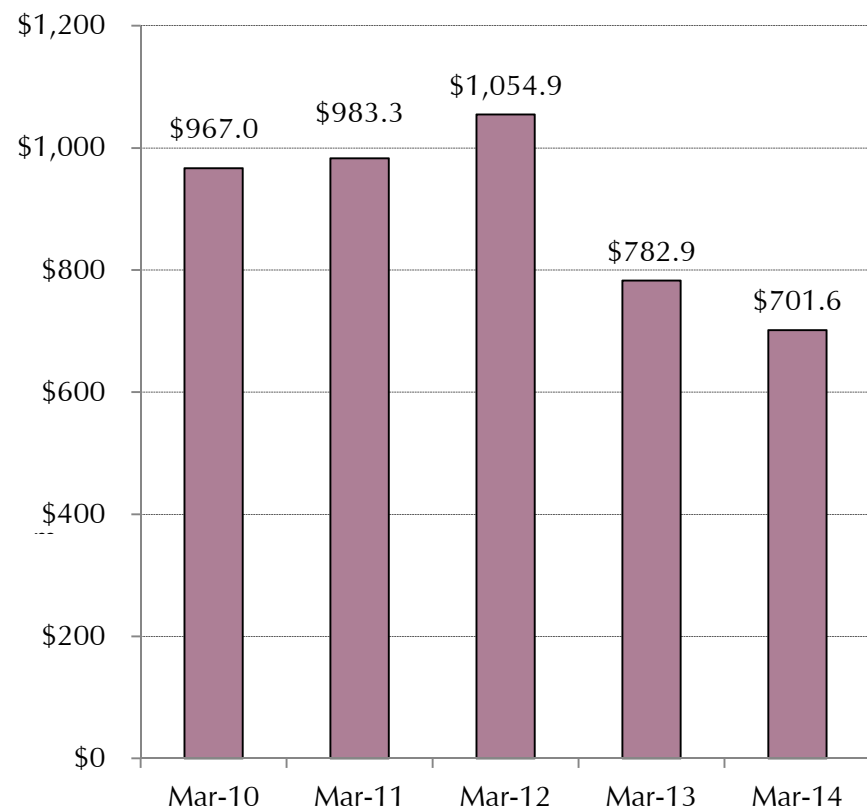
Time Period	Composition	
1/1/2012-Present	31%	MSCI ACWI IMI
	9	Venture Economics Private Equity
	5	NCREIF Property
	2.5	Barclays Intermediate Government
	1.25	Barclays U.S. TIPS
	1.25	Barclays U.S. TIPS 1-5 Years
	5	3-Month LIBOR + 5%
	10	Risk Parity Commodities
	10	CPI-U + 5%
	25	HFRI Fund of Funds Composite
4/1/2011-12/31/2011	16%	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI Weighted Composite
	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Custom Risk Parity Benchmark
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%

Time Period	Composition	
4/1/2010-3/31/2011	16%	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI Weighted Composite
7/1/09 – 3/31/2010	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Dow-Jones UBS Commodities
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%
	34%	Russell 1000
	9	Russell 2000
	29	Barclays Aggregate
	7	S&P Citigroup WGBI
	15	MSCI ACWI ex U.S.
	6	NCREIF Property

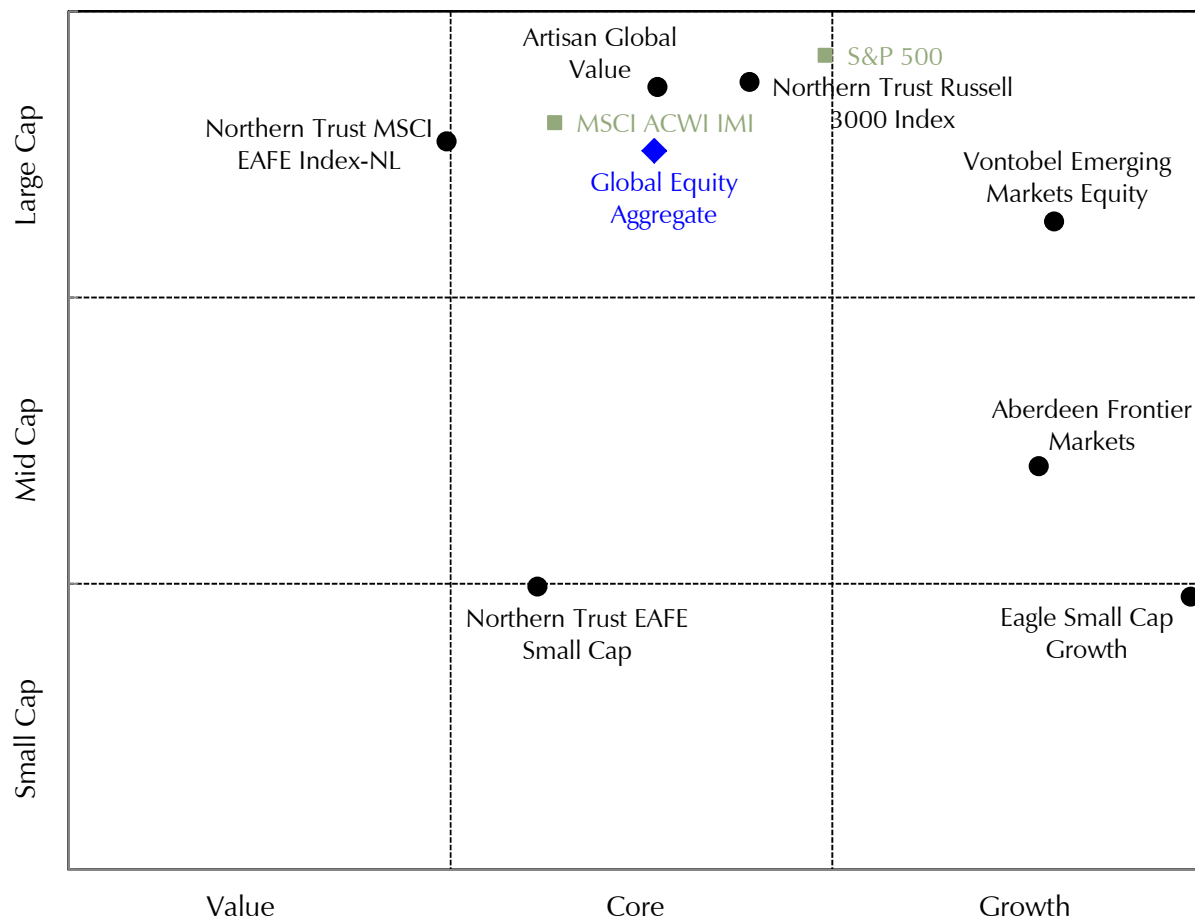


Plan Detail

Global Equity Assets As of March 31, 2014



	Aggregate Global Equity 3/31/14	MSCI ACWI IMI 3/31/14
Risk: (forty-seven months)		
Annualized Return (%)	10.7	10.4
Standard Deviation (%)	16.8	17.7
Best Monthly Return (%)	10.5	10.8
Worst Monthly Return (%)	-9.4	-9.8
Beta	0.94	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.97	NA
Sharpe Measure (risk-adjusted return)	0.63	0.58
Information Ratio	0.17	NA



	Aggregate Global Equity 3/31/14	MSCI ACWI IMI 3/31/14	Aggregate Global Equity 12/31/13
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	57.7	70.8	54.2
Median Market Cap. (US\$ billion)	1.7	1.4	1.6
Large (% over US\$10 billion)	63	74	56
Medium (% US\$2 billion to US\$10 billion)	26	19	29
Small (% under US\$2 billion)	12	6	15
Fundamental Structure:			
Price-Earnings Ratio	19	17	19
Price-Book Value Ratio	2.0	1.9	2.0
Dividend Yield (%)	2.0	2.4	1.9
Historical Earnings Growth Rate (%)	13	13	12
Projected Earnings Growth Rate (%)	13	12	13

Diversification:	Aggregate Global Equity 3/31/14	MSCI ACWI IMI 3/31/14	Aggregate Global Equity 12/31/13
Number of Holdings	5,819	8,451	5,840
% in 5 largest holdings	6	4	5
% in 10 largest holdings	11	7	9

Largest Five Holdings:	% of Portfolio	Economic Sector
Oracle	1.4	Software & Services
British American Tobacco	1.3	Food, Beverage & Tobacco
Microsoft	1.3	Software & Services
Johnson & Johnson	1.1	Pharmaceuticals & Biotech.
Apple	1.0	Technology Equipment

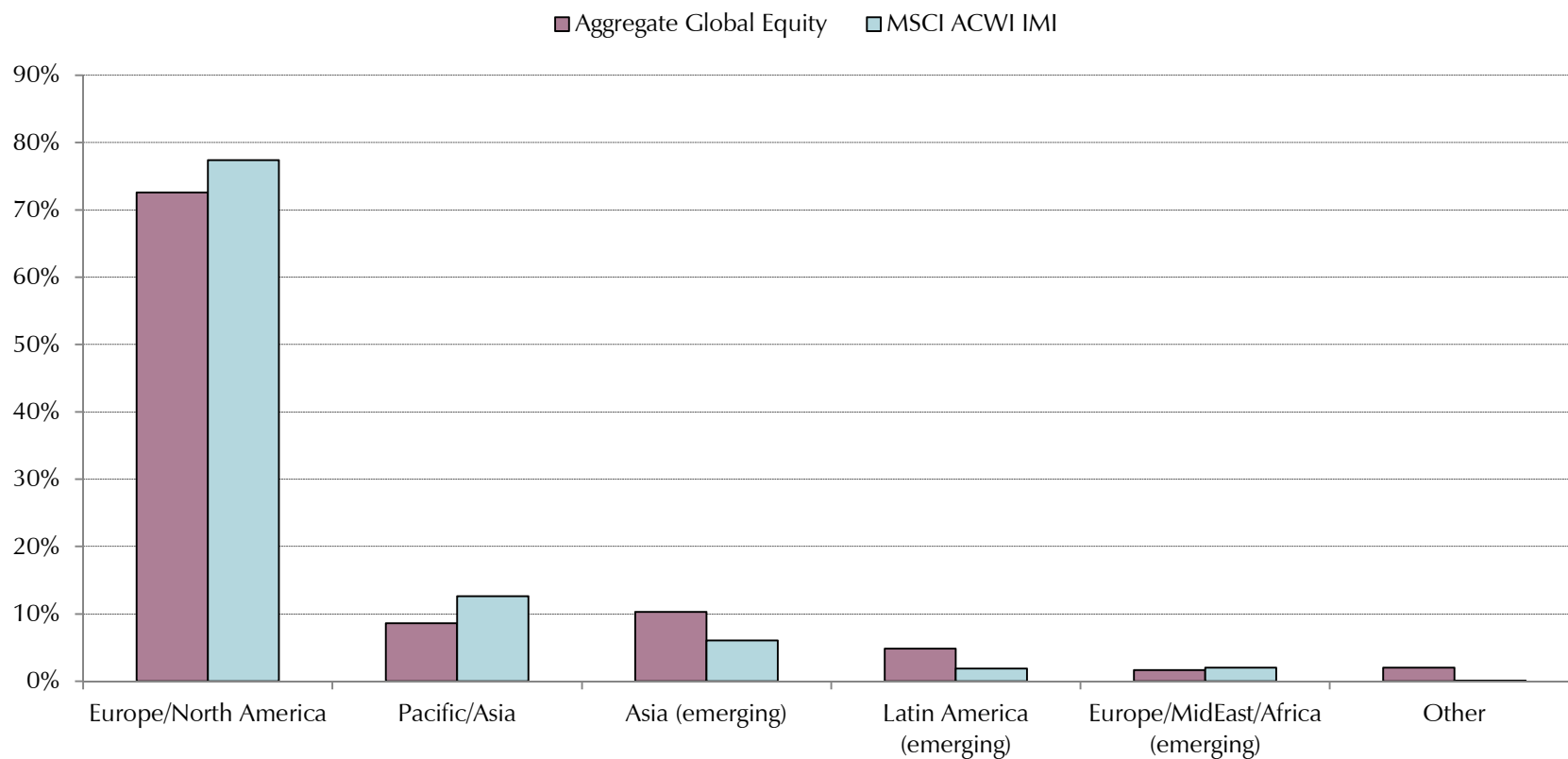
Sector Allocation (%):	Aggregate Global Equity 3/31/14	MSCI ACWI IMI 3/31/14	Aggregate Global Equity 12/31/13
Consumer Staples	15	9	14
Information Technology	16	13	15
Financials	24	22	23
Utilities	2	3	2
Consumer Discretionary	11	12	12
Health Care	9	10	10
Telecommunication Services	2	3	2
Industrials	10	12	11
Materials	4	6	5
Energy	6	9	6

San Jose Federated City Employees' Retirement System

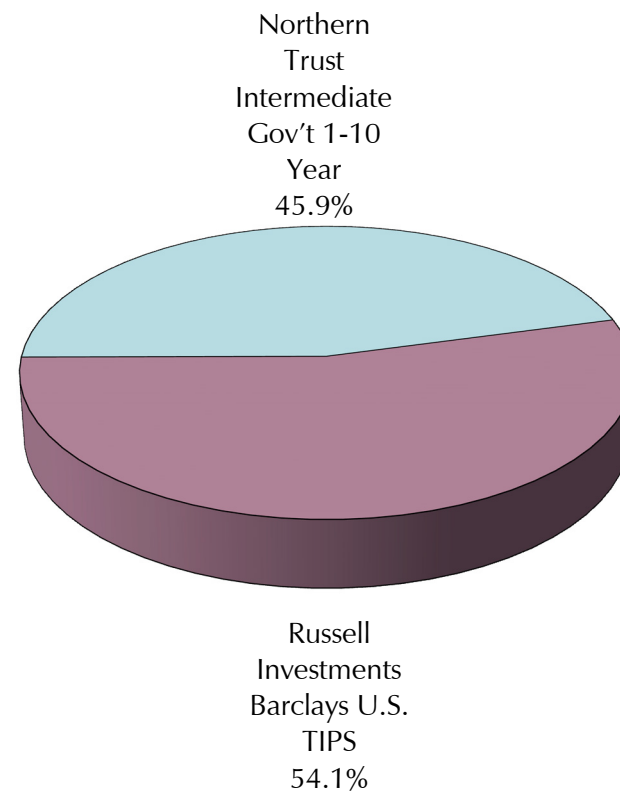
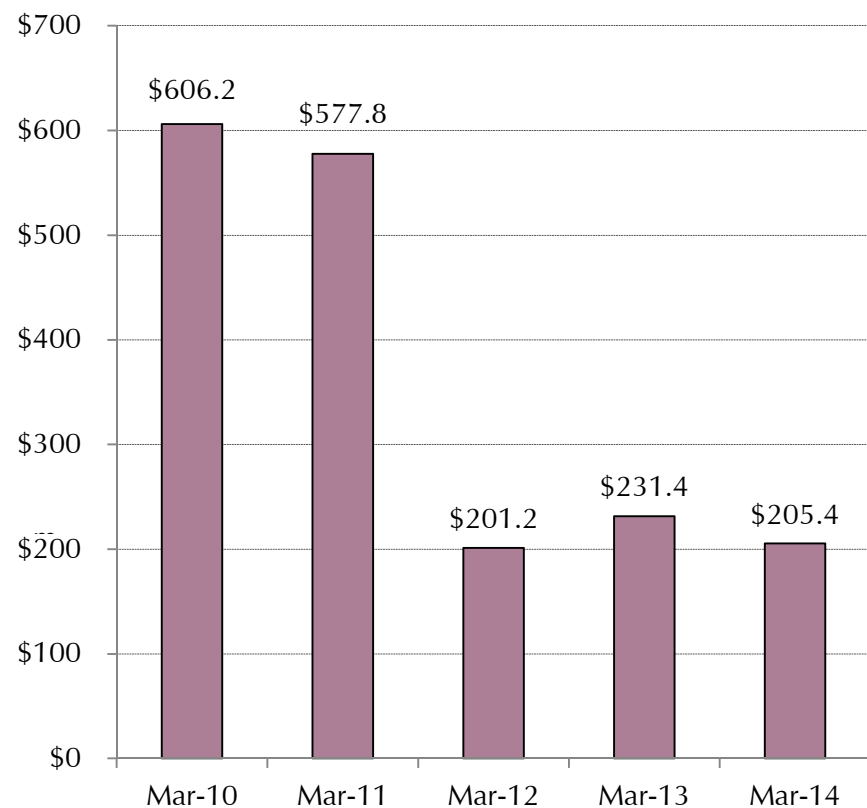
Global Equity Assets Country & Region Breakdown as of 3/31/14

	Aggregate Global Equity 3/31/14 (%)	MSCI ACWI IMI 3/31/14 (%)
Europe/North America	72.6	77.4
United Kingdom	10.5	7.1
Bermuda	1.0	0.2
United States of America	47.8	48.1
Netherlands	1.5	1.8
Switzerland	3.1	3.7
France	1.5	3.3
Germany	1.3	3.3
Pacific/Asia	8.6	12.6
Hong Kong	2.2	1.7
Australia	1.2	2.8
Japan	4.3	7.4

	Aggregate Global Equity 3/31/14 (%)	MSCI ACWI IMI 3/31/14 (%)
Asia (emerging)	10.3	6.0
India	5.1	0.7
Thailand	1.1	0.3
China	1.0	1.3
South Korea	1.2	1.7
Latin America (emerging)	4.8	1.9
Mexico	2.1	0.5
Brazil	2.7	1.1
Europe/MidEast/Africa (emerging)	1.7	2.0
South Africa	1.0	0.8
Other	2.0	0.1

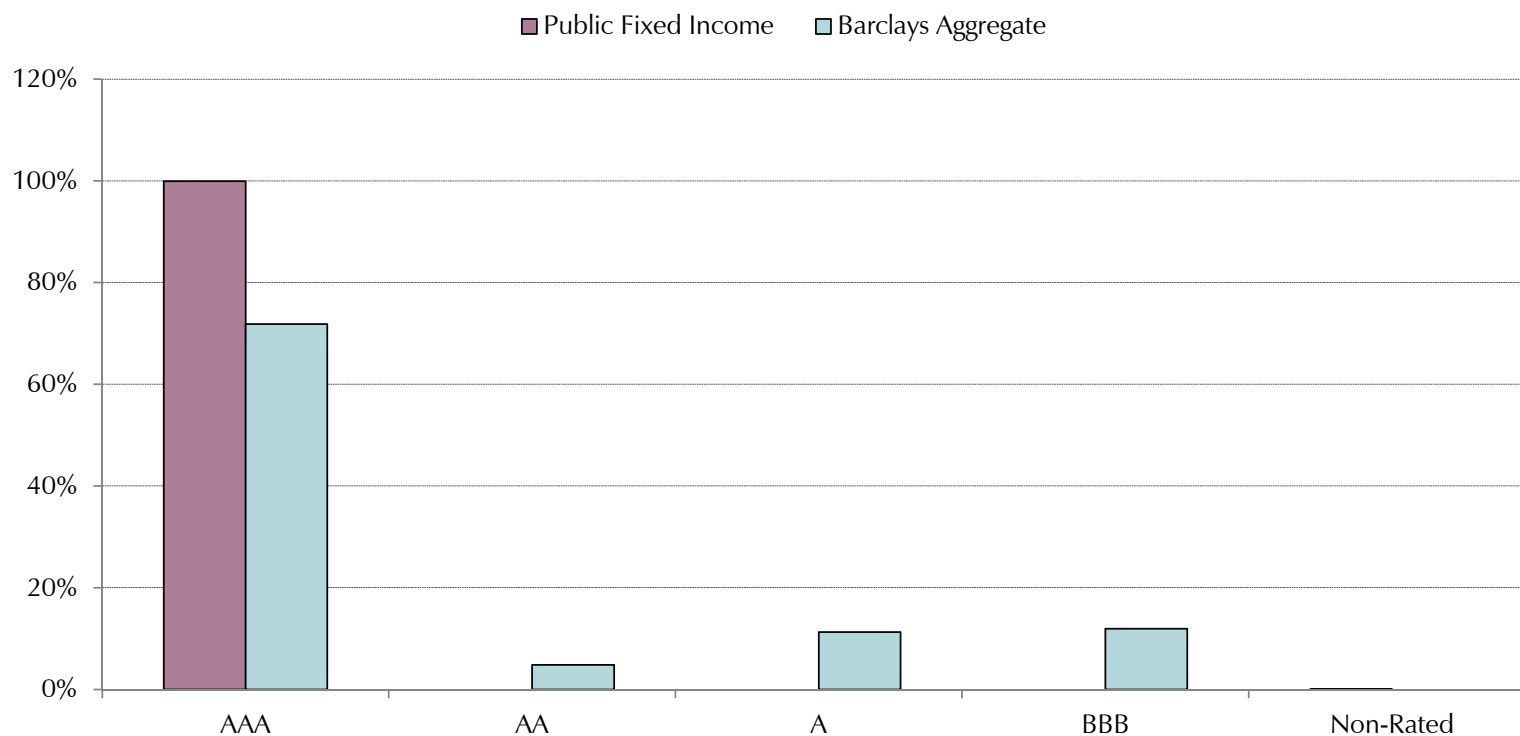


**Fixed Income Assets
As of March 31, 2014**



Risk: (sixty months)	Aggregate Fixed Income 3/31/14	Barclays Aggregate 3/31/14
Annualized Return (%)	7.0	4.8
Standard Deviation (%)	3.5	2.9
Best Monthly Return (%)	3.4	1.6
Worst Monthly Return (%)	-1.3	-1.8
Beta	0.86	1.00
Correlation to Index	0.74	1.00
Correlation to Total Fund Return	0.38	NA
Sharpe Measure (risk-adjusted return)	1.98	1.60
Information Ratio	0.98	NA

Duration & Yield:	Aggregate Fixed Income 3/31/14	Barclays Aggregate 3/31/14	Aggregate Fixed Income 12/31/13
Average Effective Duration (years)	2.8	5.7	3.0
Yield to Maturity (%)	1.0	2.4	1.1



	Aggregate Fixed Income 3/31/14	Barclays Aggregate 3/31/14	Aggregate Fixed Income 12/31/13
Market Allocation (%):			
United States	100	91	100
Foreign (developed markets)	0	5	0
Foreign (emerging markets)	0	4	0
Currency Allocation (%):			
Non-U.S. Dollar Exposure	0	0	0
Sector Allocation (%):			
U.S. Treasury-Nominal	41	36	45
U.S. Treasury-TIPS	54	0	49
U.S. Agency	4	6	6
Mortgage Backed	0	29	0
Corporate	0	23	0
Bank Loans	0	0	0
Local & Provincial Government	0	1	0
Sovereign & Supranational	0	3	0
Commercial Mortgage Backed	0	2	0
Asset Backed	0	0	0
Cash Equivalent	0	0	0
Other	0	0	0

Portfolio Reviews
As of March 31, 2014

Global Equity Portfolio Reviews As of March 31, 2014

San Jose Federated City Employees' Retirement System

Northern Trust Russell 3000 Index Portfolio Detail as of 3/31/14

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$188.6 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 9/1/1999
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.03% on all assets

Liquidity Constraints:
 Daily

Strategy:

The Northern Trust strategy seeks to replicate the return of the Russell 3000 Index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 9/1/99
Northern Trust Russell 3000 Index	2.0	19.4	22.7	14.7	22.1	5.3
Net of Fees	2.0	19.4	22.6	14.7	22.1	5.2
Russell 3000	2.0	19.4	22.6	14.6	21.9	5.1

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 3000 Index	17.8%	1.00	1.24	NA	1.00
Russell 3000	17.7	1.00	1.23	NA	1.00

	3/31/14		12/31/13	
Capitalization Structure:	NT Russell 3000	Russell 3000	NT Russell 3000	Russell 3000
Weighted Average Market Cap. (US\$ billion)	94.9	94.7	95.4	95.5
Median Market Cap. (US\$ billion)	1.8	1.4	1.8	1.4
Large (% over US\$10 billion)	79	79	78	78
Medium (% US\$2 billion to US\$10 billion)	17	16	17	16
Small (% under US\$2 billion)	5	5	5	5

Fundamental Structure:

Price-Earnings Ratio	19	19	19	20
Price-Book Value Ratio	2.6	2.6	2.5	2.5
Dividend Yield (%)	1.9	1.9	1.9	1.9
Historical Earnings Growth Rate (%)	15	15	14	14
Projected Earnings Growth Rate (%)	12	12	12	12

Sector Allocation (%):

Information Technology	18	18	18	18
Industrials	12	12	12	12
Materials	4	4	4	4
Consumer Discretionary	13	13	13	13
Energy	9	9	9	9
Consumer Staples	8	8	9	9
Telecommunication Services	2	2	2	2
Utilities	3	3	3	3
Financials	18	18	17	17
Health Care	13	13	12	13

Diversification:

Number of Holdings	2,606	2,991	2,619	3,018
% in 5 largest holdings	9	9	9	9
% in 10 largest holdings	15	15	15	15

Largest Ten Holdings:

		Industry
Apple	2.4	Technology Equipment
ExxonMobil	2.1	Energy
Microsoft	1.6	Software & Services
Google	1.4	Software & Services
Johnson & Johnson	1.3	Pharmaceuticals & Biotech.
General Electric	1.3	Capital Goods
Wells Fargo & Company	1.1	Banks
Chevron	1.1	Energy
JP Morgan Chase	1.1	Banks
Berkshire Hathaway	1.1	Diversified Financials

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Artisan Global Value Portfolio Detail as of 3/31/14

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$162.4 million

Portfolio Manager: David Samra
Dan O'Keefe

Location: San Francisco, California

Inception Date: 3/1/2011

Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.80% on first \$50 mm; 0.60% on next \$50 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

Artisan employs a bottom-up investment approach seeking to identify undervalued quality businesses that offer the potential for superior risk/reward outcomes. Artisan runs a somewhat concentrated portfolio of 40 to 60 stocks. They are benchmark-agnostic, and willing to have exposures that are materially different than the benchmark.

Guidelines:

Benchmark = MSCI ACWI; Max. % per country other than U.S. = 35%; Max. % per industry = 25%; Max. % in debt securities = 10%; Max % outside developed markets = 10% above benchmark weighting

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	3 YR	Since 3/1/11
Artisan Global Value	1.7	19.5	24.0	17.9	17.4
Net of Fees	1.5	19.1	23.4	17.2	16.7
MSCI ACWI Value	1.7	16.9	17.1	8.1	7.7
Peer Global Equity	1.4	19.9	21.1	11.6	11.4
Peer Ranking (percentile)	47	52	33	2	2
Risk: (thirty-seven months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Artisan Global Value	13.9%	0.80	1.24	1.95	0.95
MSCI ACWI Value	15.5	1.00	0.49	NA	1.00

	3/31/14 Artisan Global Value	MSCI ACWI Value	12/31/13 Artisan Global Value	MSCI ACWI Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	91.5	89.2	91.7	89.4
Median Market Cap. (US\$ billion)	32.4	8.1	37.5	7.9
Large (% over US\$10 billion)	90	87	90	87
Medium (% US\$2 billion to US\$10 billion)	10	12	10	13
Small (% under US\$2 billion)	0	1	0	0

Fundamental Structure:

Price-Earnings Ratio	16	15	17	15
Price-Book Value Ratio	2.7	1.6	2.7	1.6
Dividend Yield (%)	2.0	3.3	2.0	3.2
Historical Earnings Growth Rate (%)	8	9	8	8
Projected Earnings Growth Rate (%)	10	8	10	7

Sector Allocation (%):

Information Technology	28	9	24	8
Consumer Staples	12	6	12	7
Financials	31	29	32	29
Consumer Discretionary	7	5	7	5
Health Care	10	9	11	9
Industrials	6	9	6	9
Telecommunication Services	1	6	3	6
Utilities	0	6	0	5
Materials	0	7	0	7
Energy	6	14	5	14

Diversification:

Number of Holdings	45	1,308	45	1,306
% in 5 largest holdings	21	9	20	9
% in 10 largest holdings	37	15	36	15

Region Allocation (%):

Americas	49	52	46	51
Europe & Middle East	41	26	45	26
Pacific	3	12	3	13
Other	7	10	6	10

Largest Five Holdings:

		Industry
Oracle	5.7	Software & Services
Bank of New York Mellon	4.1	Diversified Financials
Microsoft	3.9	Software & Services
Johnson & Johnson	3.5	Pharmaceuticals & Biotech.
Royal Bank of Scotland	3.4	Banks

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/14

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$136.5 million

Portfolio Manager: Rajiv Jain

Location: New York, NY

Inception Date: 7/1/2013

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.95% on first \$150 mm; 0.85% thereafter

Liquidity Constraints:
Daily

Strategy:

Vontobel believes that long-term, stable, and superior earnings growth drives investment returns and risk-adjusted outperformance. Thus they seek to invest in businesses that are predictable (strong franchise, low capital intensity, shareholder oriented management, etc.), sustainable (ability to replicate or exceed past success in terms of growth, operating margins, ROE, ROA etc.), and are trading at an attractive margin of safety (to at least a 25% discount to their assessment of intrinsic value). They believe in building concentrated portfolios (50 to 90 stocks) of high conviction positions with little attention paid to the benchmark.

Performance (%):	1Q14	Fiscal YTD ¹	Since 7/1/13
Vontobel Emerging Markets Equity	2.3	1.8	1.8
Net of Fees	2.1	1.2	1.2
MSCI Emerging Markets	-0.4	7.2	7.2
Peer Emerging Markets	-0.5	8.2	8.2
Peer Ranking (percentile)	9	94	94

	3/31/14		12/31/13	
	Vontobel Emerging Markets	MSCI Emerging Markets	Vontobel Emerging Markets	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	34.6	34.8	40.2	36.2
Median Market Cap. (US\$ billion)	12.0	4.8	11.3	4.6
Large (% over US\$10 billion)	78	64	75	65
Medium (% US\$2 billion to US\$10 billion)	21	33	24	32
Small (% under US\$2 billion)	1	4	1	3

Fundamental Structure:				
Price-Earnings Ratio	22	15	21	15
Price-Book Value Ratio	3.2	1.6	3.1	1.6
Dividend Yield (%)	2.4	2.8	2.6	2.6
Historical Earnings Growth Rate (%)	20	14	16	14
Projected Earnings Growth Rate (%)	15	12	13	13

Sector Allocation (%):				
Consumer Staples	38	9	41	9
Financials	28	27	32	27
Consumer Discretionary	10	9	8	9
Health Care	2	2	2	2
Utilities	3	3	3	3
Telecommunication Services	3	7	3	7
Industrials	2	7	2	6
Materials	5	9	5	10
Information Technology	10	17	5	16
Energy	0	11	1	11

Diversification:				
Number of Holdings	81	822	80	822
% in 5 largest holdings	24	11	24	11
% in 10 largest holdings	39	16	40	17

Region Allocation (%):				
Asia	47	57	42	57
Americas	24	19	25	19
Europe, Middle East and Africa	5	18	4	18
Other	23	6	29	7

Largest Five Holdings:		Industry
British American Tobacco	6.4	Food, Beverage & Tobacco
ITC	4.8	Food, Beverage & Tobacco
SABMiller	4.5	Food, Beverage & Tobacco
Housing Development Financial	4.3	Banks
HDFC Bank	4.3	Banks

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$64.3 million

Portfolio Manager: Team

Location: Chicago, Illinois

Inception Date: 11/1/2012

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.05% on all assets

Liquidity Constraints:

Daily

Strategy:

This Northern Trust EAFE Small Cap Index strategy seeks to replicate the returns of the MSCI EAFE Small Cap index, a proxy for developed market small cap equity performance (excluding the U.S. and Canada). The strategy provides broad diversification (there are 21 developed country indices within the index) at minimal expense.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	Since 11/1/12
Northern Trust EAFE Small Cap	3.3	26.3	23.3	27.1
Net of Fees	3.2	26.2	23.3	27.1
MSCI EAFE Small Cap	3.4	26.5	23.3	27.1

Northern Trust EAFE Small Cap Portfolio Detail as of 3/31/14

	3/31/14		12/31/13	
	Northern Trust EAFE Small Cap	MSCI EAFE Small Cap	Northern Trust EAFE Small Cap	MSCI EAFE Small Cap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	2.5	2.5	2.3	2.3
Median Market Cap. (US\$ million)	891.1	893.0	882.4	884.3
Large (% over US\$10 billion)	0	0	0	0
Medium (% US\$2 billion to US\$10 billion)	50	50	48	48
Small (% under US\$2 billion)	50	50	52	52
Fundamental Structure:				
Price-Earnings Ratio	17	17	16	16
Price-Book Value Ratio	1.4	1.4	1.4	1.4
Dividend Yield (%)	2.3	2.3	2.3	2.3
Historical Earnings Growth Rate (%)	10	10	8	8
Projected Earnings Growth Rate (%)	15	14	13	13
Sector Allocation (%):				
Industrials	23	23	22	22
Consumer Discretionary	19	19	20	19
Information Technology	9	9	9	9
Energy	4	4	4	4
Telecommunication Services	1	1	1	1
Health Care	6	6	6	6
Utilities	2	2	2	2
Consumer Staples	5	5	5	5
Materials	10	10	10	10
Financials	21	21	21	21
Diversification:				
Number of Holdings	2,168	2,160	2,182	2,178
% in 5 largest holdings	2	2	2	2
% in 10 largest holdings	4	4	3	3
Region Allocation (%):				
Americas	0	0	0	0
Europe & Middle East	60	60	59	59
Pacific	38	38	40	40
Other	1	1	2	2
Largest Five Holdings:				
		Industry		
VESTAS WINDSYSTEMS	0.5	Capital Goods		
Ashtead Group	0.4	Capital Goods		
ST.JAMES'S PLACE	0.4	Insurance		
Barratt Developments	0.4	Consumer Durables		
Mondi	0.3	Materials		

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Northern Trust MSCI EAFE Index-NL Portfolio Detail as of 3/31/14

Mandate: International Equities,
Developed Markets

Active/Passive: Passive

Market Value: \$49.0 million

Portfolio Manager: Team

Location: Chicago, Illinois

Inception Date: 11/1/2012

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.05% on all assets

Liquidity Constraints:

Daily

Strategy:

The Northern Trust MSCI EAFE Index strategy seeks to replicate the return of the MSCI EAFE index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	Since 11/1/12
Northern Trust MSCI EAFE Index-NL	0.7	18.9	18.0	21.1
Net of Fees	0.7	18.8	17.9	21.1
MSCI EAFE	0.7	18.7	17.6	20.8

	3/31/14		12/31/13	
Capitalization Structure:	Northern Trust EAFE	MSCI EAFE	Northern Trust EAFE	MSCI EAFE
Weighted Average Market Cap. (US\$ billion)	61.7	61.6	63.1	63.0
Median Market Cap. (US\$ billion)	9.0	9.0	9.2	9.1
Large (% over US\$10 billion)	85	85	85	85
Medium (% US\$2 billion to US\$10 billion)	15	15	15	15
Small (% under US\$2 billion)	0	0	0	0

Fundamental Structure:

Price-Earnings Ratio	16	16	16	16
Price-Book Value Ratio	1.6	1.6	1.7	1.7
Dividend Yield (%)	3.1	3.1	3.0	3.0
Historical Earnings Growth Rate (%)	9	9	8	8
Projected Earnings Growth Rate (%)	11	11	10	10

Sector Allocation (%):

Financials	26	26	26	26
Consumer Staples	11	11	11	11
Industrials	13	13	13	13
Consumer Discretionary	12	12	12	12
Energy	7	7	7	7
Telecommunication Services	5	5	6	6
Utilities	4	4	4	4
Health Care	10	10	10	10
Information Technology	4	5	5	5
Materials	8	8	8	8

Diversification:

Number of Holdings	912	906	912	904
% in 5 largest holdings	8	8	8	8
% in 10 largest holdings	13	13	13	13

Region Allocation (%):

Americas	0	0	0	0
Europe & Middle East	67	68	66	67
Pacific	32	32	33	33
Other	1	1	1	1

Largest Five Holdings:

		Industry
Nestle	1.8	Food, Beverage & Tobacco
Roche	1.6	Pharmaceuticals & Biotech.
Novartis	1.5	Pharmaceuticals & Biotech.
HSBC	1.4	Banks
Toyota Motor	1.2	Automobiles & Components

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Eagle Small Cap Growth Portfolio Detail as of 3/31/14

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$30.7 million
Portfolio Manager: Bert L. Boksen, CFA
Location: St. Petersburg, Florida
Inception Date: 6/1/1998
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.75% on first \$3 mm; 0.70% on next \$7 mm; 0.60% on next \$40 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

Eagle Asset Management seeks to capture the significant long-term capital appreciation potential of small, rapidly growing, under-researched companies. The market capitalization of these companies falls within the market cap range of the Russell 2000 Index at the time of purchase. Since the small company sector historically has been less efficient than the large capitalization sector, they believe that conducting extensive proprietary research on companies that are not widely followed or owned institutionally should enable Eagle to capitalize on market inefficiencies and thus outperform the Russell 2000 Growth Index.

Guidelines:

Maximum of 5% in one issuer, and maximum of 5% preferred stock.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 6/1/98
Eagle Small Cap Growth	-1.0	15.3	18.9	12.3	26.8	8.5
Net of Fees	-1.3	14.7	18.0	11.6	26.1	7.9
Russell 2000 Growth	0.5	22.6	27.2	13.6	25.2	6.0
Peer Small Cap Growth	0.5	22.5	26.8	14.2	25.6	9.6
Peer Ranking (percentile)	76	96	97	78	37	64

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Eagle Small Cap Growth	23.9%	0.95	1.12	0.38	0.98
Russell 2000 Growth	24.4	1.00	1.03	NA	1.00

	3/31/14		12/31/13	
Capitalization Structure:	Eagle	Russell 2000 Growth	Eagle	Russell 2000 Growth
Weighted Average Market Cap. (US\$ billion)	2.3	2.1	2.2	2.0
Median Market Cap. (US\$ billion)	1.8	0.9	1.9	0.9
Large (% over US\$10 billion)	0	0	0	0
Medium (% US\$2 billion to US\$10 billion)	47	45	45	43
Small (% under US\$2 billion)	53	55	55	57

Fundamental Structure:

Price-Earnings Ratio	25	25	27	25
Price-Book Value Ratio	2.9	3.3	3.0	3.6
Dividend Yield (%)	0.3	0.6	0.3	0.6
Historical Earnings Growth Rate (%)	20	20	19	18
Projected Earnings Growth Rate (%)	20	18	24	19

Sector Allocation (%):

Health Care	23	22	22	21
Energy	5	4	6	4
Materials	6	5	5	5
Consumer Discretionary	16	16	18	17
Financials	7	7	8	7
Utilities	0	0	0	0
Consumer Staples	4	5	4	5
Industrials	15	16	15	15
Telecommunication Services	0	1	0	1
Information Technology	24	25	23	25

Diversification:

Number of Holdings	99	1,156	100	1,174
% in 5 largest holdings	10	3	10	3
% in 10 largest holdings	19	6	19	5

Largest Ten Holdings:

	Industry
Texas Industries	2.4 Materials
Genesco	2.1 Retailing
Quaker Chemical	2.1 Materials
HURON CNSL.GP.	2.0 Commercial Services
Natus Medical	1.7 Health Care Services
Centene	1.7 Health Care Services
Multimedia Games	1.7 Consumer Services
ASPEN TECHNOLOGY	1.7 Software & Services
Vitamin Shoppe	1.6 Retailing
Bally Technologies	1.6 Consumer Services

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Mandate: International Equities
Active/Passive: Active
Market Value: \$20.0 million
Portfolio Manager: Devan Kaloo
Location: London, England
Inception Date: 12/1/2013
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 1.50% on all assets

Liquidity Constraints:
 Monthly

Strategy:

The objective of the Frontier Markets Equity Fund (for the purposes of this section, ("the Fund") is to achieve total return in excess of the MSCI Frontier Markets Index through investing in companies listed, domiciled or headquartered, or with a significant portion of their revenues, profits and/or assets derived from frontier economies.

Performance (%):	1Q14	Fiscal YTD ¹	Since 12/1/13
Aberdeen Frontier Markets	0.0	NA	0.8
Net of Fees	-0.4	NA	0.3
MSCI Frontier Markets	7.4	21.7	9.8
Peer Frontier Markets	6.0	19.6	8.6
Peer Ranking (percentile)	83	NA	88

Aberdeen Frontier Markets Portfolio Detail as of 3/31/14

	3/31/14		12/31/13	
	Aberdeen Frontier Markets	MSCI Frontier Markets	Aberdeen Frontier Markets	MSCI Frontier Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	5.9	8.8	6.0	7.8
Median Market Cap. (US\$ billion)	1.8	1.8	2.1	1.8
Large (% over US\$10 billion)	10	38	10	35
Medium (% US\$2 billion to US\$10 billion)	50	42	55	44
Small (% under US\$2 billion)	40	20	35	20
Fundamental Structure:				
Price-Earnings Ratio	18	13	19	13
Price-Book Value Ratio	3.7	1.8	3.5	1.7
Dividend Yield (%)	2.8	3.5	2.8	4.3
Historical Earnings Growth Rate (%)	12	6	13	5
Projected Earnings Growth Rate (%)	15	13	17	15
Sector Allocation (%):				
Consumer Staples	28	7	25	9
Health Care	9	2	9	2
Industrials	13	10	14	9
Information Technology	2	0	2	0
Consumer Discretionary	2	0	2	0
Energy	9	7	10	8
Utilities	0	1	0	1
Materials	2	4	2	4
Telecommunication Services	9	14	10	14
Financials	26	55	27	53
Diversification:				
Number of Holdings	41	142	40	143
% in 5 largest holdings	24	22	24	20
% in 10 largest holdings	44	34	45	32
Region Allocation (%):				
Europe/North America	18	0	18	0
Pacific/Asia	2	0	2	0
Asia (emerging)	0	4	0	4
Latin America (emerging)	0	5	0	5
Europe/MidEast/Africa (emerging)	15	39	13	36
Other	64	52	68	56
Largest Five Holdings:				
		Industry		
MTN Group	4.9	Telecom Services		
John Keells Holdings	4.8	Capital Goods		
Hikma Pharmaceuticals	4.8	Pharmaceuticals & Biotech.		
Tenaris	4.7	Energy		
Nestle Foods Nigeria	4.6	Food, Beverage & Tobacco		

¹ Fiscal Year begins July 1.



Real Assets Portfolio Reviews As of March 31, 2014

San Jose Federated City Employees' Retirement System

CS Risk Parity Commodity Index Portfolio Detail as of 3/31/14

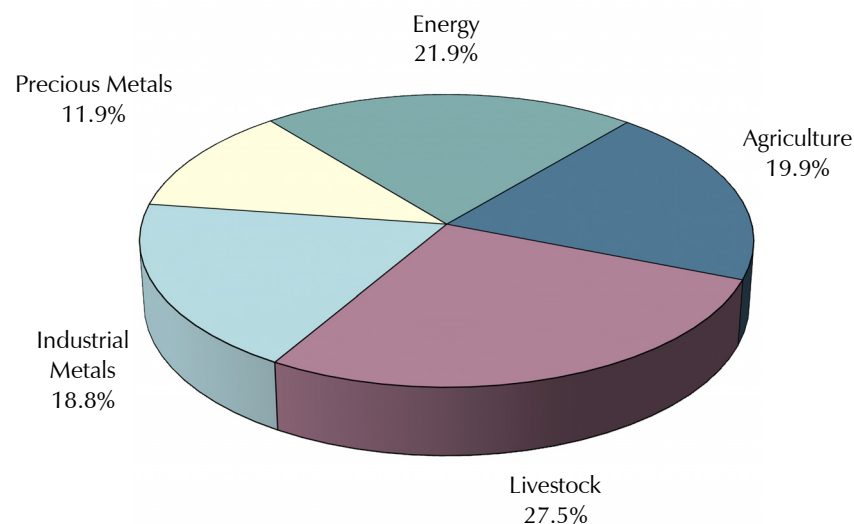
Mandate: Commodity
Active/Passive: Active
Market Value: \$124.7 million
Portfolio Manager: Christopher Burton
Location: New York, New York
Inception Date: 4/1/2011
Account Type: Commingled Fund

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

Liquidity Constraints:
 Daily

Strategy:
 Credit Suisse Asset Management (CSAM) seeks to provide a commodity-based investment return with reduced risk, measured by standard deviation, versus traditional commodity indices. The team aims to capture the spot return of commodities while employing active management techniques to exploit commodity market inefficiencies. The commodities team at CSAM utilizes futures to replicate the risk-based index. The portfolio consists of five commodity complexes (energy, industrial metals, precious metals, agriculture, and livestock) and 24 commodities included in the S&P- Goldman Sachs Commodities Index. CSAM allocates 20% of capital to each of the commodity complexes. Within each commodity complex, the strategy equal weights the specific commodities. The portfolio is rebalanced on a monthly basis. Active strategies used by CSAM seek to exploit the time period (roll date) the fund purchases commodities, using a quantitative and qualitative assessment. Collateral for the fund is actively managed and invested in U.S. Treasuries and agency securities.

Current Allocation:



Performance (%):	1Q14	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/11
CS Risk Parity Commodity Index	6.6	9.8	1.6	-4.5	-4.5
Custom Risk Parity Commodity Benchmark ²	7.3	10.0	1.8	-4.6	-4.6
Dow Jones-UBS Commodity U.S. Index	7.0	8.1	-2.1	-7.4	-7.4

¹ Fiscal Year begins July 1.

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



San Jose Federated City Employees' Retirement System

First Quadrant Risk Parity Commodity Index Portfolio Detail as of 3/31/14

Mandate: Commodity (net of fees)
Active/Passive: Active
Market Value: \$86.8 million
Portfolio Manager: Team
Location: Pasadena, California
Inception Date: 4/1/2011
Account Type: Commingled Fund

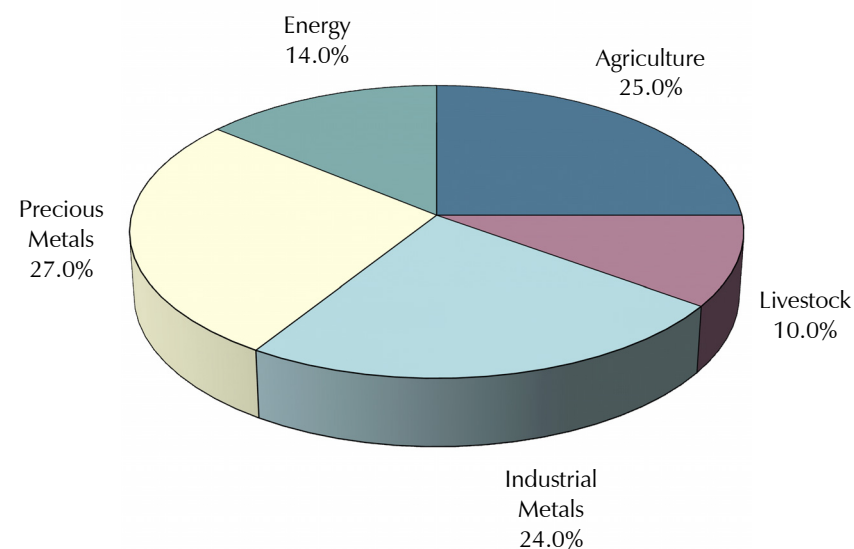
Fee Schedule:
 0.35% on all assets

Liquidity Constraints:
 Daily

Strategy:
 First Quadrant believes that there are inherent flaws to commodity indices, and they seek to produce a strategy which providing investors a higher correlation to inflation over the long run. First Quadrant utilizes futures and swaps to gain exposure to five commodity complexes, representing twenty specific commodities, and targets 20% risk to each of the commodity complexes. The complexes are energy, industrial metals, precious metals, agriculture, and livestock. The firm employs a quantitative methodology and uses risk as the weighting for each commodity product, making adjustments to the allocations depending upon the perceived volatility environment (high risk, low risk, or moderate risk). The firm will modify the investment exposure based upon the predicted environment ranging from 88% (in a high volatility environment) to 146% (in a low volatility environment). Collateral for the portfolio is actively managed and invested in U.S. Treasuries and agency securities.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/11
First Quadrant Risk Parity Commodity Index	9.8	13.5	0.3	-7.2	-7.2
Custom Risk Parity Commodity Benchmark ²	7.3	10.0	1.8	-4.6	-4.6
Dow Jones-UBS Commodity U.S. Index	7.0	8.1	-2.1	-7.4	-7.4

Current Allocation:



¹ Fiscal Year begins July 1.

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



San Jose Federated City Employees' Retirement System

Northern Trust Global LargeMid NR Portfolio Detail as of 3/31/14

Mandate: Natural Resources
Active/Passive: Passive
Market Value: \$98.6 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 11/1/2012
Account Type: Separately Managed

Fee Schedule:
 0.05% on all assets

Liquidity Constraints:
 Daily

Strategy:
 This Northern Trust Global Large MidCap Natural Resources Index seeks an investment return that approximates the performance of the S&P Global LargeMidCap Commodity and Resources Index. The index has equal exposure to three major natural resources industries: energy, materials, and agriculture.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	Since 11/1/12
Northern Trust Global LargeMid NR	1.8	13.8	1.6	0.3
Net of Fees	1.8	13.8	1.5	0.2
S&P Global LargeMidCap Commodity and Resources	1.6	13.7	1.4	0.1

	3/31/14		12/31/13	
	Northern Trust Global NR	S&P Global LargeMidCap Comm & Res	Northern Trust Global NR	S&P Global LargeMidCap Comm & Res
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	72.8	72.2	75.6	74.6
Median Market Cap. (US\$ billion)	10.3	9.2	9.7	8.9
Large (% over US\$10 billion)	88	88	88	88
Medium (% US\$2 billion to US\$10 billion)	11	11	11	11
Small (% under US\$2 billion)	1	1	1	1
Fundamental Structure:				
Price-Earnings Ratio	15	15	14	14
Price-Book Value Ratio	1.7	1.7	1.8	1.8
Dividend Yield (%)	2.9	2.9	3.0	3.0
Historical Earnings Growth Rate (%)	9	10	8	9
Projected Earnings Growth Rate (%)	8	8	7	7
Sector Allocation (%):				
Consumer Staples	9	8	9	8
Consumer Discretionary	0	0	0	0
Financials	0	0	0	0
Health Care	0	0	0	0
Industrials	0	0	0	0
Information Technology	0	0	0	0
Telecommunication Services	0	0	0	0
Utilities	0	0	0	0
Energy	34	34	34	33
Materials	58	58	58	58
Diversification:				
Number of Holdings	206	212	209	214
% in 5 largest holdings	27	27	28	27
% in 10 largest holdings	43	43	44	44
Region Allocation (%):				
Europe/North America	78	77	78	77
Pacific/Asia	11	11	11	11
Asia (emerging)	4	4	4	4
Latin America (emerging)	2	2	2	2
Europe/MidEast/Africa (emerging)	5	6	5	6
Other	0	0	0	0
Largest Five Holdings:				
		Industry		
Monsanto	7.6	Materials		
BHP Billiton	5.5	Materials		
ExxonMobil	5.4	Energy		
Syngenta	4.5	Materials		
Potash Corporation	3.9	Materials		

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

SSgA Dow Jones Brookfield Infrastructure Index Portfolio Detail as of 3/31/14

Strategy: Infrastructure

Market Value: \$76.4 million

Portfolio Manager: Team

Location: Boston, Massachusetts

Inception Date: 3/1/2014

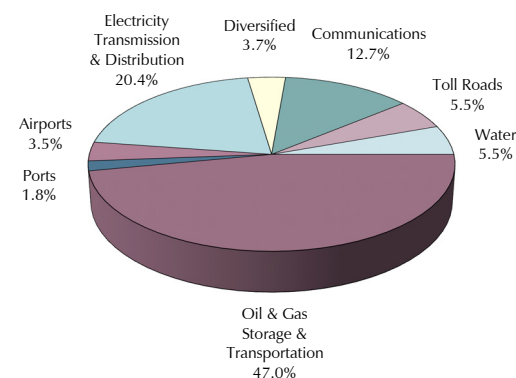
Account Type: Separately Managed

Liquidity Constraints: Daily

Fee Schedule: 0.15% on first \$50 mm; 0.10% on next \$50 mm; 0.07% thereafter; Minimum annual fee of \$105,000.

Guidelines: Investment Manager will not seek the Index exposure where securities are traded in the following countries: China, Brazil, United Arab Emirates, and Russia. The country restrictions do not apply to American Depositary Receipts (ADRs) or Global Depositary Receipts (GDRs) that provide exposure to these countries.

Index Sectors:



Performance (%):	1Q14	Fiscal YTD	Since 3/1/14
SSgA Dow Jones Brookfield Infrastructure Index	NA	NA	1.8
Net of Fees	NA	NA	1.8
DJ Brookfield Global Infrastructure Index	5.0	15.8	1.4

Country Allocation:	Portfolio Allocation (%)
United States	47.0
International Developed Markets	50.6
Canada	13.9
United Kingdom	10.4
Spain	4.6
Italy	4.2
Hong Kong	4.1
Australia	3.7
Luxembourg	2.4
France	2.4
Japan	2.4

Country Allocation:	Portfolio Allocation (%)
International Developed Markets (continued)	
Netherlands	0.5
Germany	0.5
New Zealand	0.5
Singapore	0.5
Switzerland	0.3
Belgium	0.2
Emerging Markets	2.4
China	1.3
Mexico	0.7
Brazil	0.4

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



Fixed Income Portfolio Reviews As of March 31, 2014

San Jose Federated City Employees' Retirement System

Russell Investments Barclays U.S. TIPS Portfolio Detail as of 3/31/14

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$111.1 million
Portfolio Manager: Russell Investments
Location: Seattle, Washington
Inception Date: 5/1/2010
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.05% on first \$200 mm; 0.03% on next \$200 mm; 0.015% thereafter

Liquidity Constraints:
Daily

Strategy:
Russell Investments seeks to construct a portfolio of U.S. TIPS securities subject to Staff's guidelines.

Guidelines:
NA

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	3 YR	Since 5/1/10
Russell Investments Barclays U.S. TIPS	0.4	0.5	-2.8	3.1	3.8
Net of Fees	0.4	0.4	-2.9	3.0	3.7
TIPS Blended Benchmark ²	1.1	0.6	-4.3	3.0	3.7
Barclays U.S. TIPS	1.9	0.6	-6.5	3.5	4.1
Risk: (forty-seven months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Russell Investments Barclays U.S. TIPS	3.5%	0.82	1.06	NA	0.97
TIPS Blended Benchmark ²	4.1	1.00	0.88	NA	1.00

	3/31/14		12/31/13	
Duration & Yield:	Barclays U.S. TIPS	Barclays U.S. TIPS	Barclays U.S. TIPS	Barclays U.S. TIPS
Average Effective Duration (years)	2.2	6.8	2.5	6.8
Yield to Maturity (%) ³	0.9	2.3	1.0	2.4
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.

² The TIPS Blended Benchmark Consists of 50% Barclays U.S. TIPS & 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012, it was comprised of 100% Russell Investments Barclays U.S. TIPS.

³ This figure is an estimated yield-to-maturity (YTM) for the fund. It is calculated by adding the trailing 12-month inflation adjustment to the "real" (i.e., before inflation) YTM of the fund. Adding the 12-month inflation adjustment allows the fund's yield to be more directly comparable to those of other bond funds. Investors should recognize that the actual YTM will depend upon the level of inflation experienced going forward.



San Jose Federated City Employees' Retirement System

Northern Trust Intermediate Gov't 1-10 Year Portfolio Detail as of 3/31/14

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$94.3 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 10/1/2012
Account Type: Commingled Fund

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.05% on all assets

Liquidity Constraints:
 Daily

Strategy:

The Northern Trust 1-10 Year Intermediate Government Bond Index Fund seeks to hold a portfolio representative of the intermediate government securities sector of the United States bond and debt market, as characterized by the Barclays Capital Intermediate Government Bond Index.

Performance (%):	1Q14	Fiscal YTD ¹	1 YR	Since 10/1/12
Northern Trust Intermediate Gov't 1-10 Year	0.6	0.6	-0.8	-0.4
Net of Fees	0.6	0.6	-0.8	-0.4
Barclays Intermediate Gov't Bond Index	0.6	0.6	-0.8	-0.4

	3/31/14		12/31/13	
Duration & Yield:	NTGI Int Gov't 1-10 yr	Barclays IT Gov't	NTGI Int Gov't 1-10 yr	Barclays IT Gov't
Average Effective Duration (years)	3.6	3.6	3.5	3.6
Yield to Maturity (%)	1.2	1.2	1.1	1.2
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	97	100	97
AA	0	3	0	3
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	90	90	88	90
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	10	10	12	10
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.



Global Macroeconomic Outlook

March 2014

Global Economic Outlook

For the remainder of 2014, economic growth in the developed world is expected to be somewhat higher than the average growth over the last ten years. Emerging market economic growth is projected to be higher than that for developed markets, but also more varied.

- Continued low interest rates globally, improvements in the U.S. labor market, and stimulus in Japan should all improve GDP growth in developed economies.
- Improvements in developed economies could help demand for emerging economy goods. China's ability to pivot from growing through investment to growing through consumption remains a key outstanding issue.
- With the exception of Japan, global inflation is projected to be below the ten-year average over the next year. Subdued growth in developed economies and slowing growth in emerging economies should restrain inflation.

	Real GDP (%)		Inflation (%)	
	IMF 2014 Forecast	Actual Trailing 10 Years	IMF 2014 Forecast	Actual Trailing 10 Years
U.S.	2.6	1.8	1.5	2.4
European Union	1.3	1.2	1.7	2.3
Japan	1.2	0.8	2.9	-0.1
China	7.3	10.2	3.0	3.1
Emerging Markets (ex. China)	4.1	5.3	6.0	7.5

Source: IMF. "IMF 2014 Forecast" represents the IMF's October 2013 projections.

Global Economic Outlook, Continued

The U.S. Federal Reserve will likely continue to decrease their bond buying program, while in Europe further monetary stimulus is a possibility in light of deflationary pressures. Continued fiscal and monetary stimulus is likely in Japan.

- Janet Yellen, the new head of the U.S. Federal Reserve, recently reaffirmed the central bank's commitment to keeping interest rates low, citing slack in the labor market and below target inflation.
- In March, the U.S. Federal Reserve announced a third \$10 billion reduction in their monthly bond purchase program (i.e., quantitative easing). Specifically, they reduced their monthly mortgage-backed security purchases from \$30 billion to \$25 billion and their Treasury purchases from \$35 billion to \$30 billion.
- At their recent meeting, the European Central Bank (ECB) maintained interest rates at 0.25%, a record low. Similar to recent times, Mario Draghi, the ECB president, reiterated that they stand ready to provide additional stimulus in light of the strong euro and weak inflation. It is unclear what authority the ECB has related to quantitative easing, but the reassurance by Draghi helped to calm markets.
- The recent annexation of Crimea by Russia, and continued tensions in Ukraine, could disrupt markets and trade. The European Union and United States have already imposed sanctions on Russia and are discussing even stiffer sanctions. If Russia responds with its own sanctions it could prove particularly painful to Europe, as they import 30% of their natural gas from Russia.
- Japan's consumption tax increased on April 1 from 5% to 8%. The expected rise in consumption leading up to the consumption tax hike did not materialize. Going forward, higher taxes, stagnant wages, and rising prices could be major headwinds to consumption in Japan.

Global Economic Outlook, Continued

Global real interest rates finished 2013 significantly higher than a year prior, but have since leveled-off.

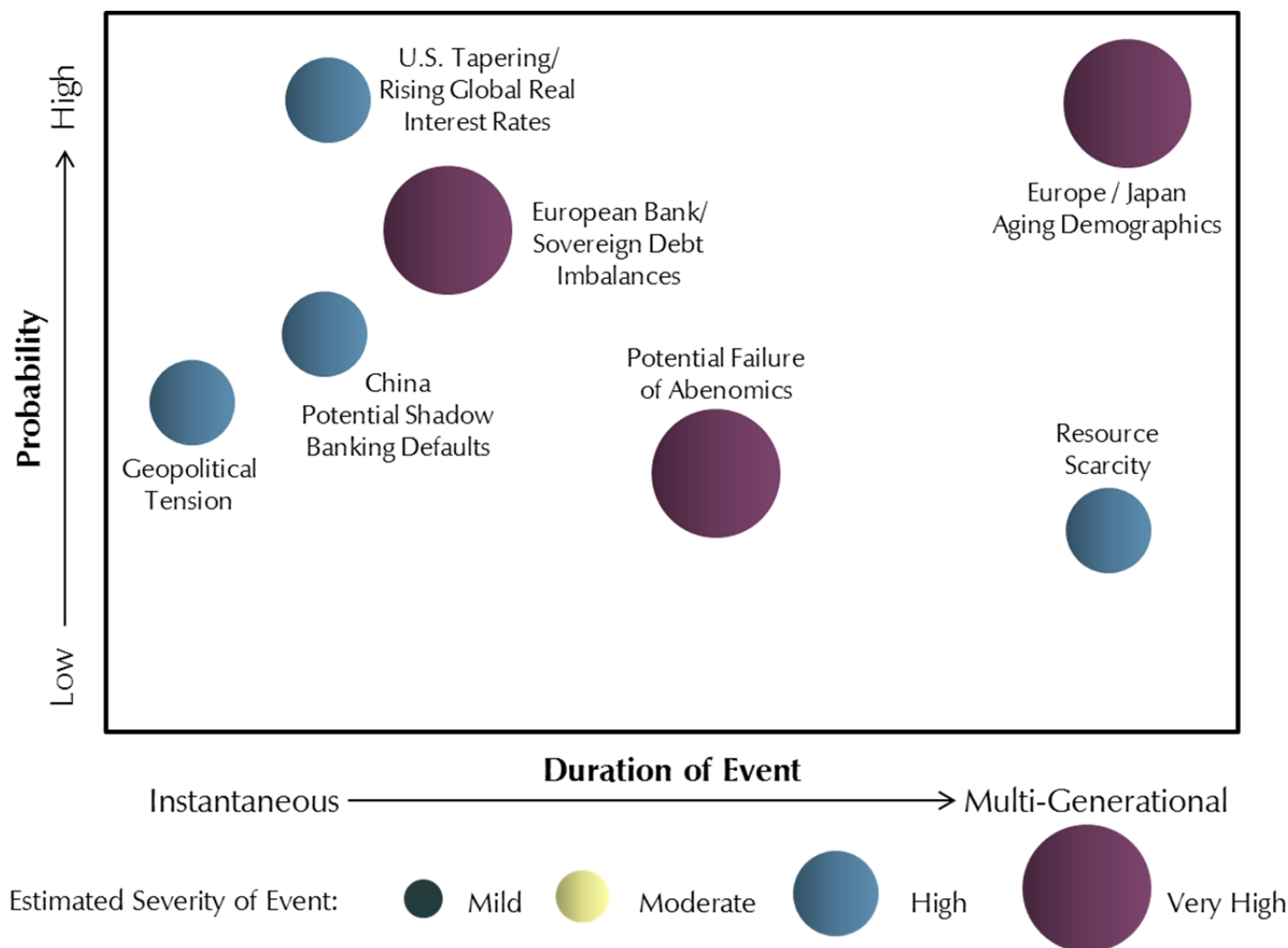
	2011 Real Interest Rate	2012 Real Interest Rate	2013 Real Interest Rate	1Q 2014 Real Interest Rate
U.S.	-1.1%	0.0%	1.5%	1.2%
Japan	1.3%	0.8%	-0.9%	-0.9%
Eurozone	-0.9%	-0.9%	1.1%	1.1%
Emerging Markets	-0.7%	-0.5%	1.1%	1.4%

Source: Bloomberg, BLS, IMF, JP Morgan. Calendar year Real Interest Rates for the U.S., Japan, and the Eurozone represent the year-end ten-year government bond yield minus the trailing twelve month CPI (inflation). The calendar year Real Interest Rate for emerging markets represents the year-end yield on the JP Morgan GBI-EM Global Diversified index minus the IMF calendar year CPI (inflation). First quarter 2014 Real Interest Rates are through March 31, 2014 with the exception of Japan, which is through February 28, 2014.

- The recent increase in real interest rates hurt emerging economies, particularly those with current account deficits, as the reduction in global liquidity weighed on currency values.
- If upward pressure on real interest rates continues to dissipate, conditions could improve in emerging economies.

Several issues remain of primary concern: 1) continued economic sluggishness and financial risk in Europe; 2) increasing real interest rates globally; 3) the potential for a rapid slowdown in China hurting the global economy; and 4) increased geopolitical tensions around the world.

Macroeconomic Risk Matrix



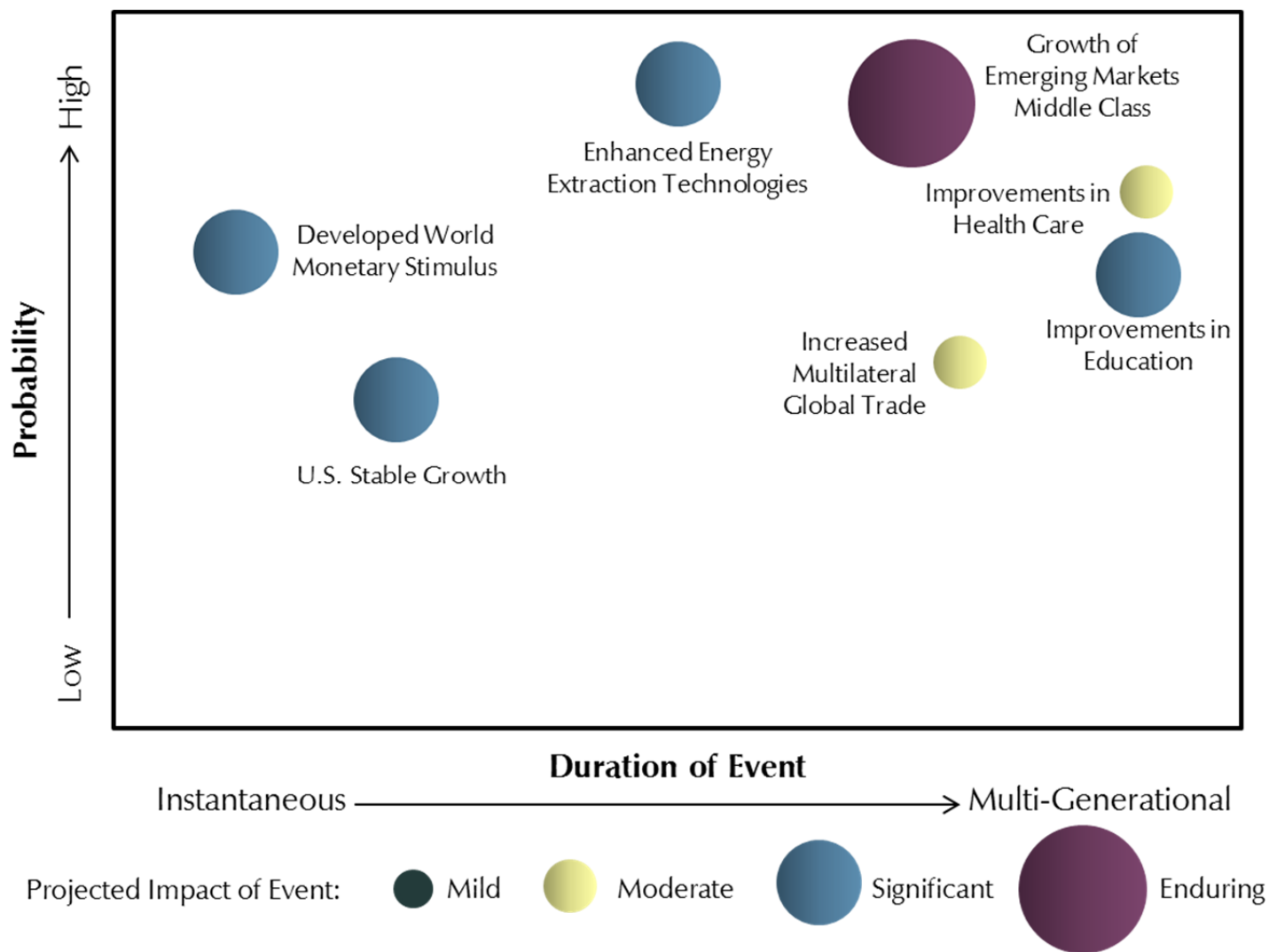
Macroeconomic Risk Overviews

European Bank/Sovereign Debt Imbalances	The crisis is rooted in structural issues in the Euro-zone related to the combination of a single currency (euro) combined with 17 fiscal authorities. Several negative outcomes are possible from the sovereign debt crisis, including sequential sovereign default, a break-up of the euro, bank failures, political regime change, and rapid de-leveraging/deflation.
Potential Failure of Abenomics	Japan has embarked on a historic stimulus program, commonly referred to as "Abenomics" in an effort to fight its decades of deflation. The plan includes monetary, fiscal, and structural components. If Japan overshoots with its policies, or dramatically changes them unexpectedly, it could prove to be very disruptive to markets and growth.
Europe/Japan Aging Demographics	In Japan and Europe birth rates have declined, resulting in populations becoming older and smaller relative to the rest of the world. These demographic trends will have a negative long-term impact on GDP growth and fiscal budgets, amplifying debt problems.
Geopolitical Tension	In March, Russia annexed Crimea, the eastern peninsula of Ukraine, after a largely contested referendum was held. Since, tensions remain as Ukrainian troops clashed with pro-Russian separatists that have taken over administrative buildings in the eastern part of the country. It also remains unclear if Russia intends to continue its expansionary tack in the country. An escalation in the circumstances in Ukraine could prove to be disruptive to trade, energy and commodity markets, and growth. There also remain other unresolved geopolitical issues including tensions between Iran and Israel, China's maritime expansion, the civil war in Syria, and uncertainties over the new leadership in North Korea.
China Potential Shadow Banking Defaults	Since the Global Financial Crisis China's debt burden has increased dramatically, particularly in the "shadow banking" system. Companies looking for financing that have been deemed a high risk by traditional banks have been turning to non-bank institutions for funding. Traditional banks have been offering clients higher yielding products issued by "shadow banks" and backed largely by loans to high risk borrowers. Although these products are offered through traditional banks, they do not ultimately back them. Recently, investors in one such product backed entirely by equity in and loans to a major coal mining company learned that they may not receive their principal back. Ultimately, it was announced that investors would receive their full investment back, but would not receive a portion of the interest expected. Little details were provided on the last minute source of the rescue capital. Going forward, additional bailouts could be required if other similar products default.

Macroeconomic Risk Overviews, Continued

U.S. Tapering/ Rising Global Real Interest Rates	After the Global Financial Crisis, the developed world, particularly the U.S., injected massive amounts of liquidity into the financial system in an effort to prevent depression-like declines in growth. The U.S. Federal Reserve has begun reducing its monthly bond purchases (i.e. quantitative easing). To date, it has decreased its monthly purchases three times totaling a reduction of \$30 billion (\$85 billion versus \$55 billion). The market's initial reaction to the change in monetary policy was a dramatic increase in global yields, a trend that has since slowed. If monetary stimulus is removed too quickly, the fragile recovery from the Global Financial Crisis may be derailed.
Resource Scarcity	The increasing world population, urbanization, and a growing middle class, particularly in emerging economies, could all lead to a scarcity of resources going forward, including food, water, land, energy, and minerals. As demand continues to grow and supply declines, it is possible that commodity prices will skyrocket, hurting the living standards of many and increasing the risk of geopolitical conflicts.

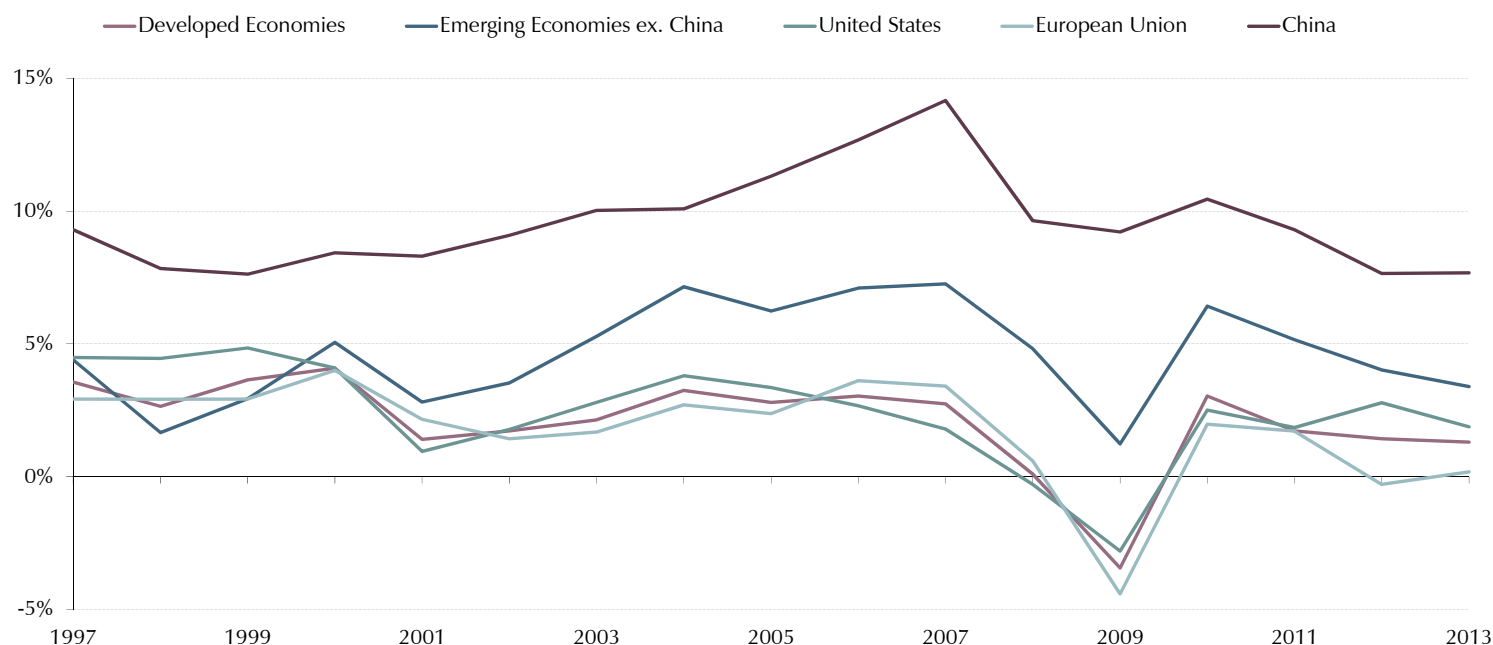
Positive Macroeconomic Trends Matrix



Positive Macroeconomic Trends Overviews

U.S. Stable Growth	Recently, the U.S. economy has shown signs of improvement with GDP growth stabilizing and unemployment declining. Continued stabilization in the world's largest economy should lead to improvements in employment and growth domestically, as well as increased demand for goods and services from abroad.
Growth of Emerging Markets Middle Class	In emerging economies, the size of the middle class is projected to grow significantly over the next twenty years. The growing middle class in the emerging economies should increase consumption globally, which in turn will drive GDP growth and create jobs.
Increased Multilateral Global Trade	The pace of globalization has accelerated, particularly in emerging economies. Increased trade and investment, as well as access to foreign capital and export markets for corporations, should lead to lower costs, higher efficiencies, and higher global growth.
Improvements in Education/Healthcare	Literacy rates and average life spans have increased globally, particularly in the emerging economies. Higher literacy rates will likely be a driver of future growth, as the ability to read helps people learn new skills and improve existing skills. When people live longer it increases incentives to make long-term investments in human capital (i.e., education and training), resulting in a more productive work force and ultimately more growth.
Enhanced Energy Extraction Technologies	Hydraulic fracturing (i.e., fracking) technologies have allowed large new supplies of natural gas and oil to be extracted from shale rocks, predominantly in the U.S. The large new supply of natural gas has decreased U.S. prices to levels considerably below the rest of the world. Going forward, it is likely that other countries will work to improve their fracking technologies, further increasing the supply of oil and gas globally.
Developed World Monetary Stimulus	Developed market central banks have embarked on a massive monetary stimulus campaign in the aftermath of the Global Financial Crisis. The U.S., European, and Japanese central banks continue to maintain interest rates at record lows. Japan has embarked on an unprecedented asset purchase program (quantitative easing), while the U.S. recently announced it would begin reducing its stimulative efforts. Going forward, if central banks continue to provide liquidity and keep interest rates low this should stimulate growth.

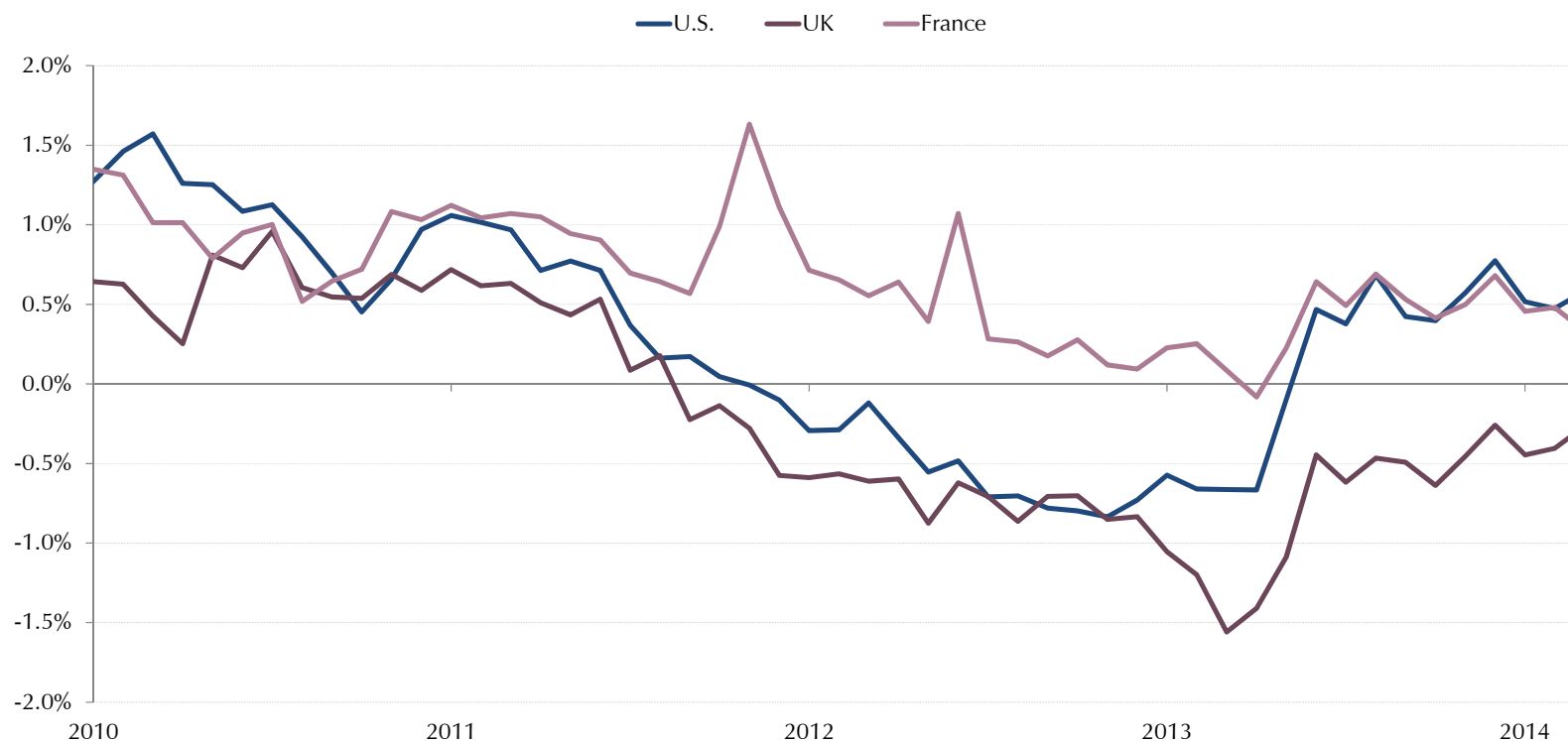
Global Gross Domestic Product (Real GDP) Growth



Source: IMF.

- Since the post Global Financial Crisis recovery, real GDP growth has slowed globally with emerging economies continuing to grow at a faster pace than developed economies.
- China's growth has declined from double-digit levels, but it remains well above other emerging economies. The planned transition to a consumption based growth model from the current investment focused model could further weigh on China's growth in the short-term.

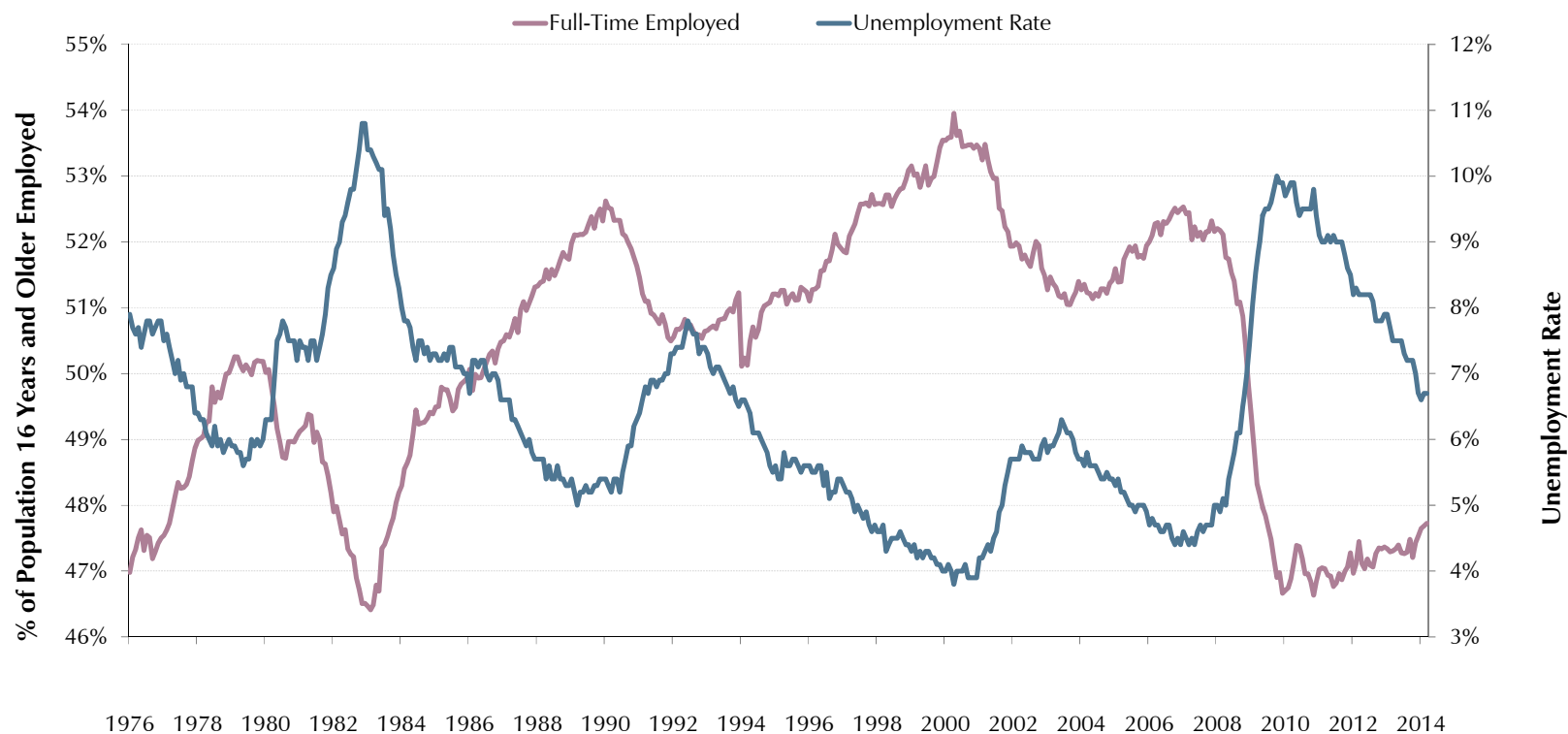
Real Yields for Ten-Year Inflation-Linked Bonds



Source: Bloomberg. Data is as of March 31, 2014.

- After the U.S. Federal Reserve announced they were considering decreasing their bond purchase program (i.e., quantitative easing) real yields dramatically increased.
- Since, real yields have largely leveled-off as concerns over monetary tightening have declined.

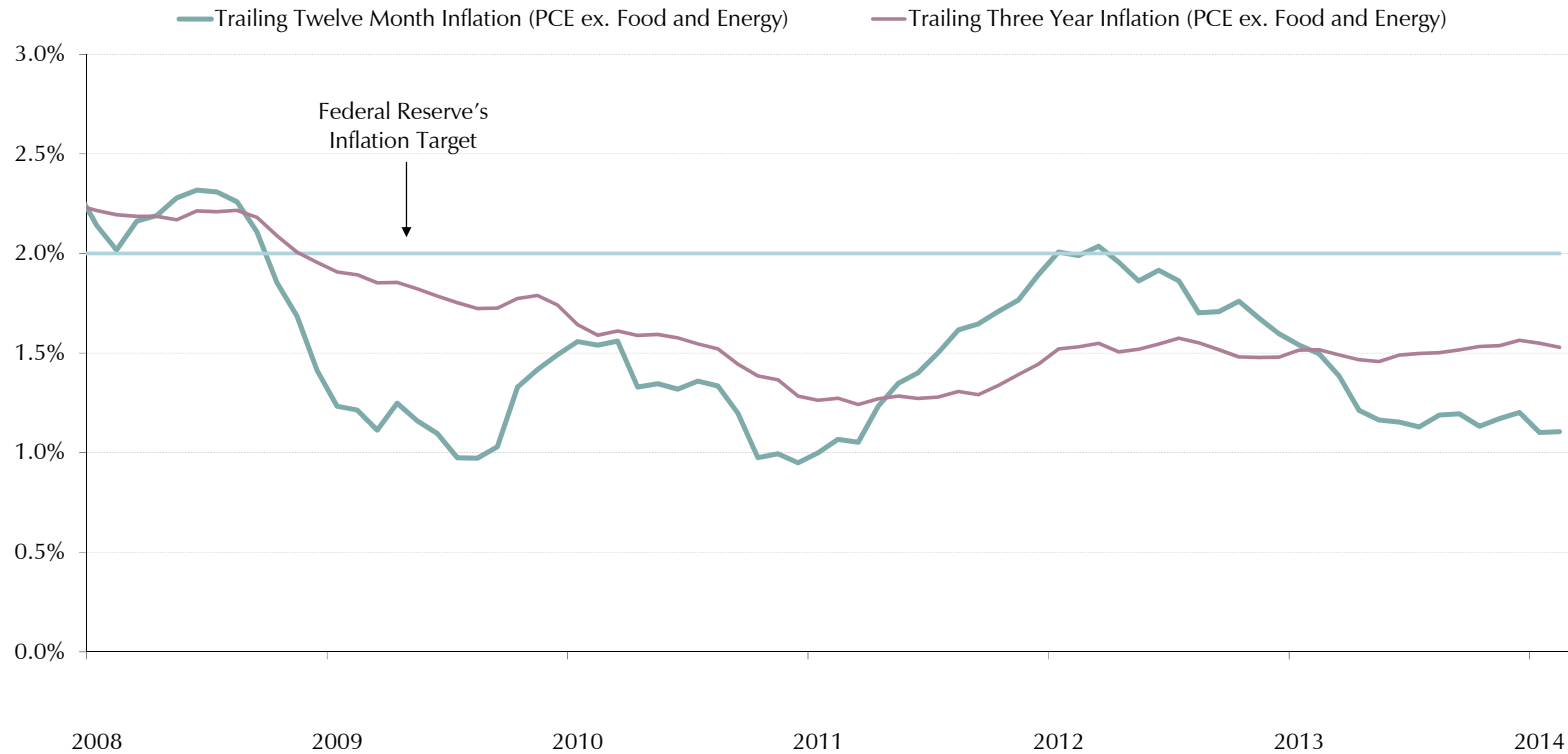
U.S. Employment



Source: BLS. Data is as of March 31, 2014.

- Recently, the U.S. unemployment rate has declined, but the percentage of the population that is employed is less than 50%.
- Improvements in the U.S. economy could lead to the unemployment rate increasing, as those currently not looking for work return to the job market and are included in the unemployment calculation.

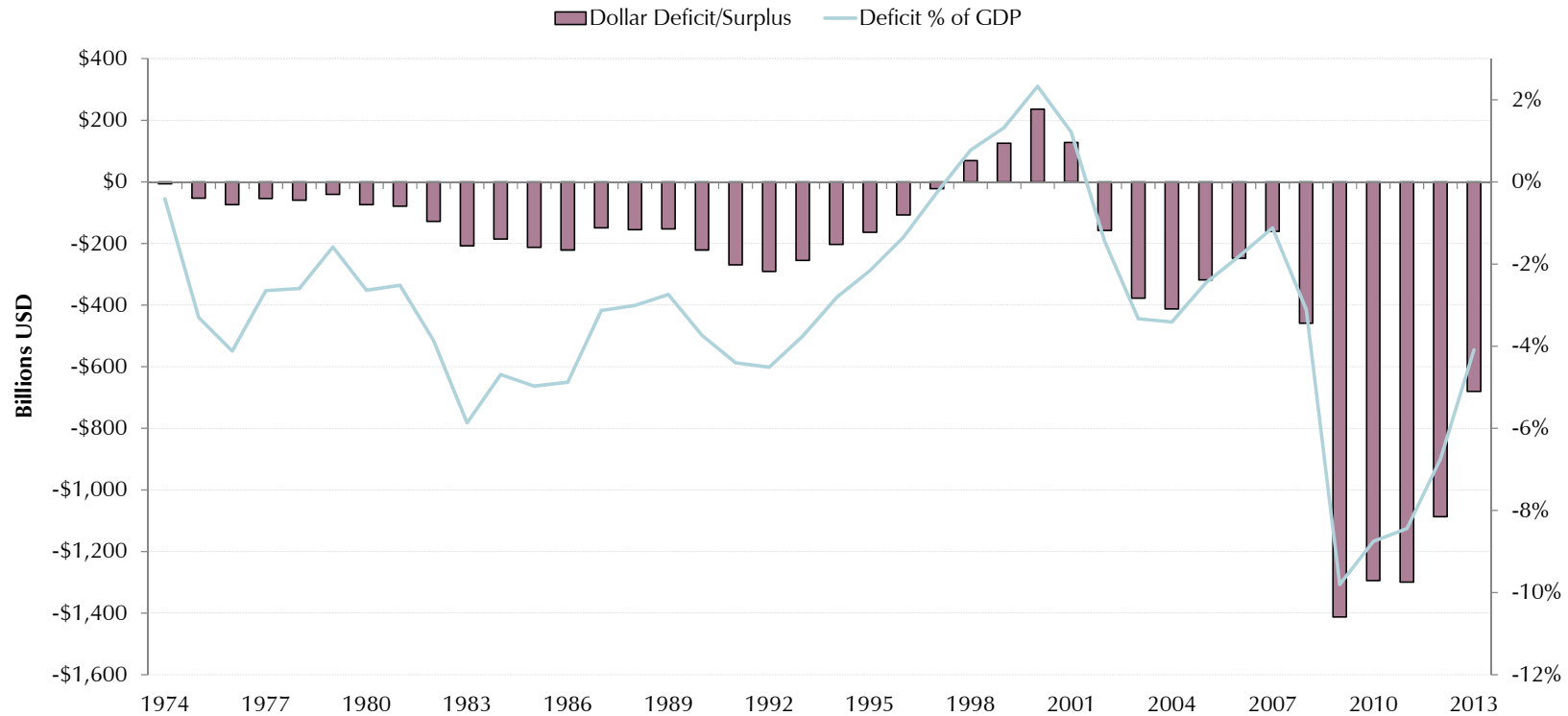
U.S. Inflation



Source: U.S. Bureau of Economic Analysis. Data is as of February 28, 2014.

- The U.S. Federal Reserve's preferred measure of inflation remains well below its tolerance level (1.1% versus 2.0%).
- If economic data begins to soften, low inflation levels would provide the Federal Reserve more flexibility in their monetary policy.

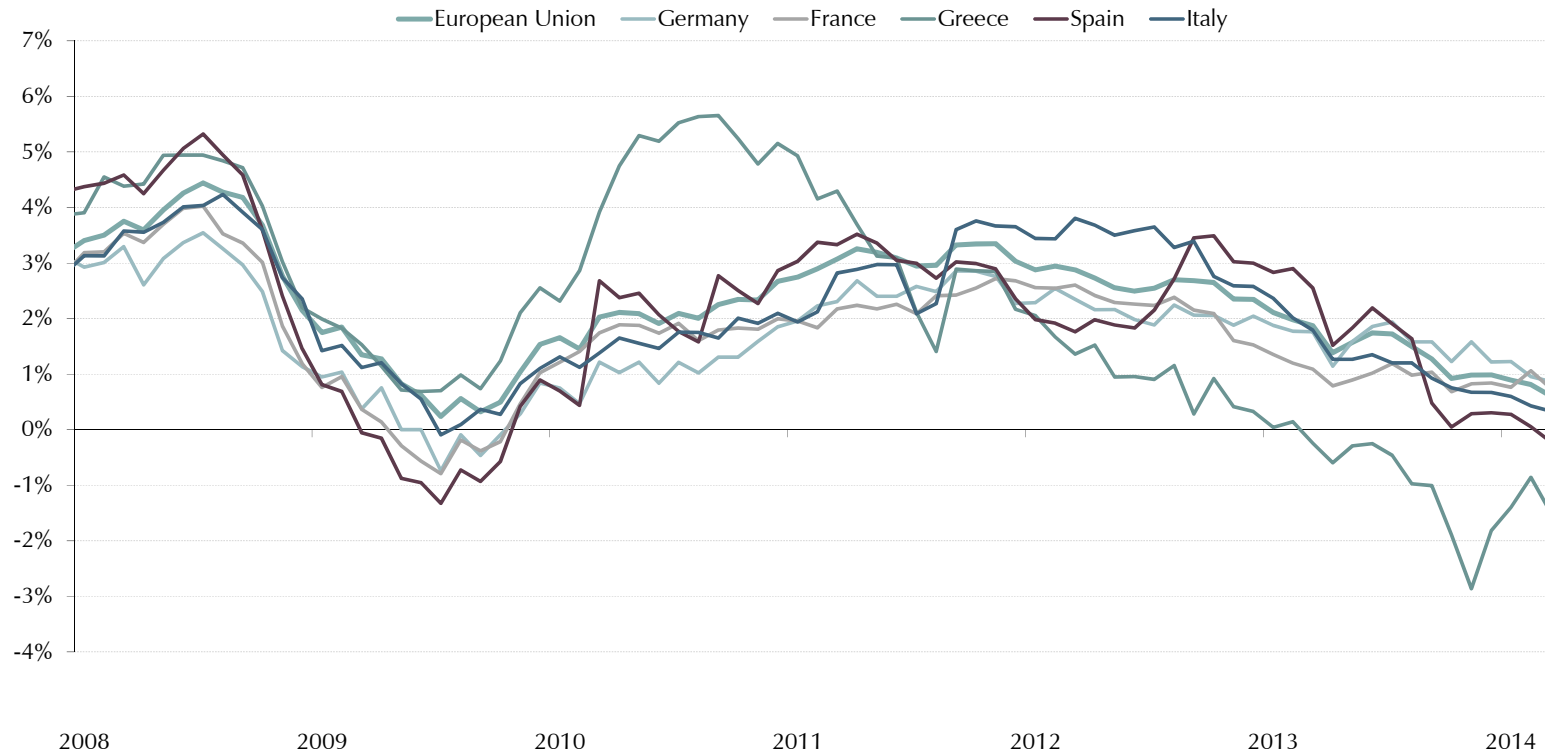
U.S. Federal Government Budget



Source: CBO.

- Since 2009, the U.S. government's budget deficit has declined in dollar terms and as a percentage of GDP.
- A decrease in spending growth and an improving economy are the main drivers of the shrinking deficit.

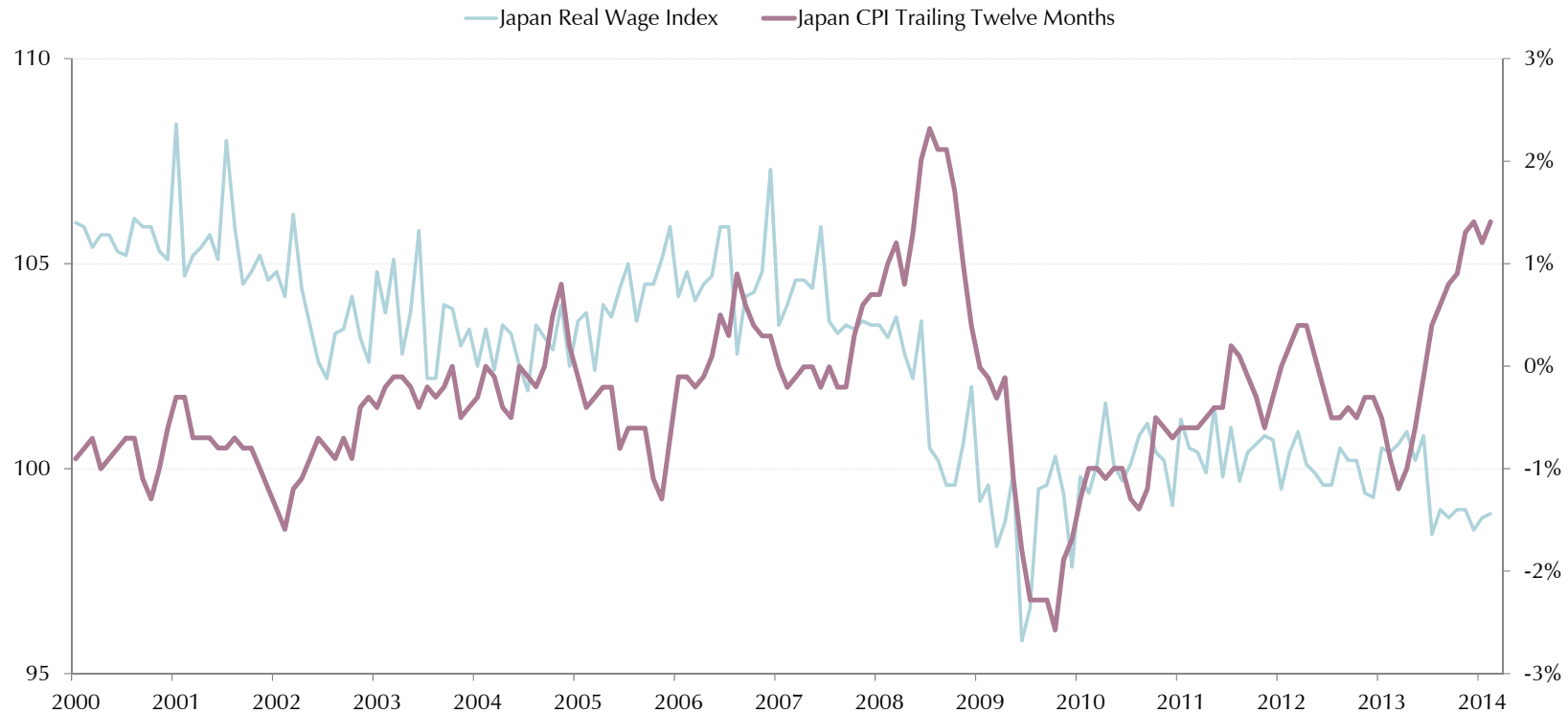
European Inflation



Source: Eurostat. Data is as of March 31, 2014.

- Deflationary pressures in Europe persist with inflation measures in Spain and Greece below 0%.
- The risk of deflation in the region, along with the strengthening euro, could force the European Central Bank (ECB) to stimulate the economy further.

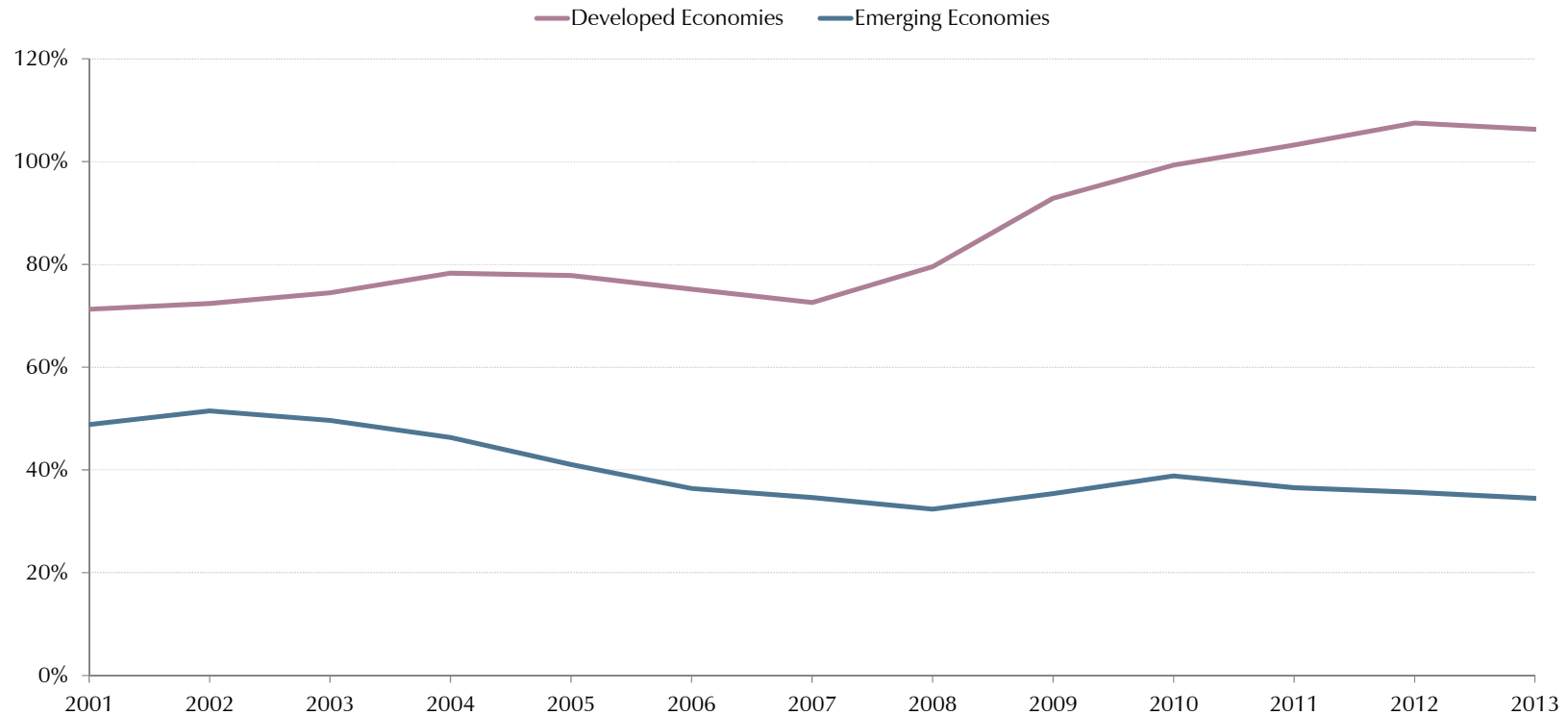
Japanese Economic Conditions



Source: Thomson Reuters for the Japan Real Wage Index, 2010 = 100, Bloomberg for CPI, data is as of February 28, 2014.

- Japan's historic policies targeted at combating deflation have led to a weakened yen and higher inflation. Most of the increase in prices was due to cost-push inflation (i.e., rising food and energy prices).
- Going forward, the recent consumption tax increase, stagnant wages, and higher food and energy prices could further weigh on consumption.

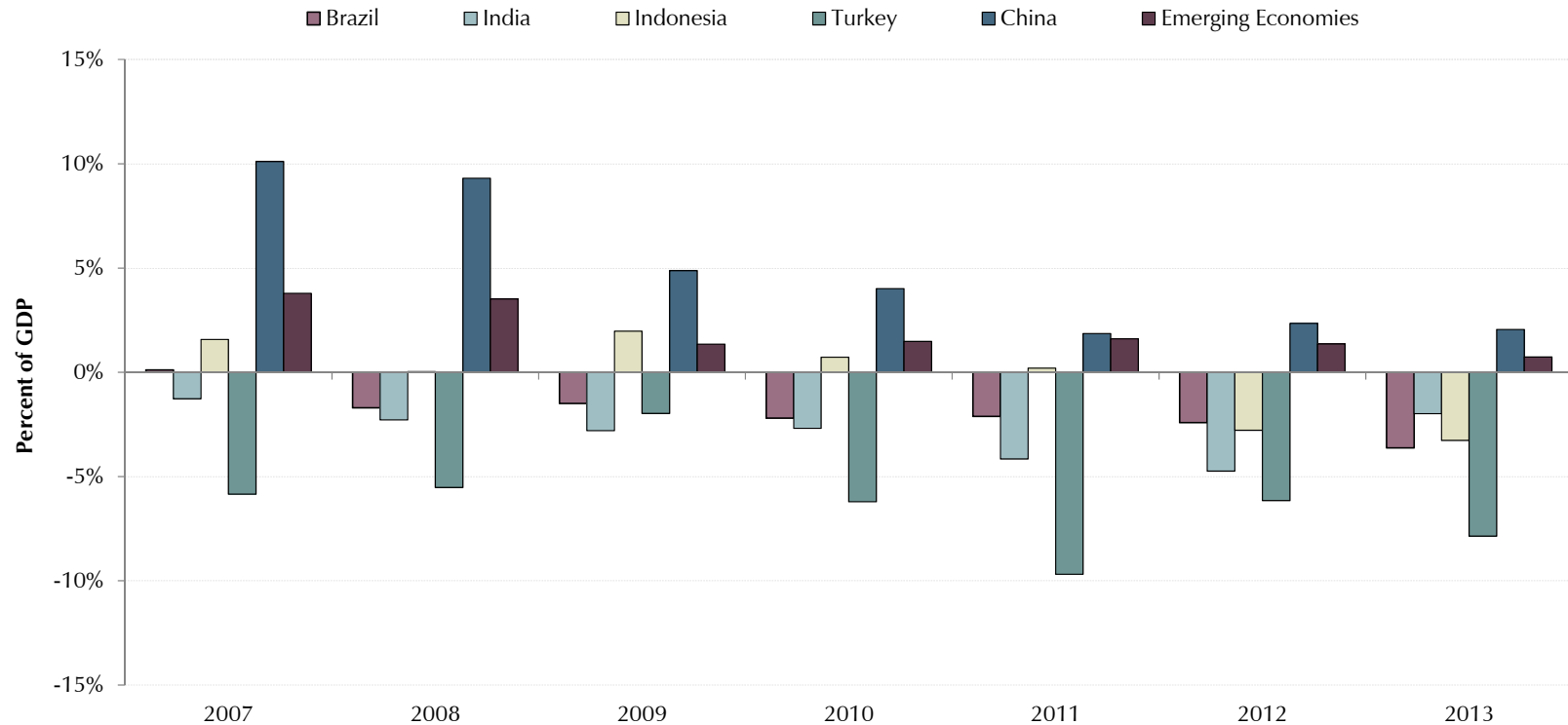
Debt as a % of GDP



Source: IMF.

- Although emerging market investment returns have recently trailed those of developed markets, the long-term growth thesis remains intact.
- Lower debt levels, along with a growing middle class and higher ratios of working age people, should help bolster emerging economy growth.

Current Account Balances



Source: IMF.

- The recent increase in U.S. interest rates, in part, led to capital outflows from emerging economies, driving down currency values and particularly hurting countries with current account deficits.
- Conditions in India and Indonesia have recently improved, as exports have been bolstered by the weaker currencies.

Summary

For 2014, four primary concerns face the global economy: 1) continued economic sluggishness and financial risk in Europe; 2) increasing real interest rates globally; 3) the potential for a rapid slowdown in China hurting the global economy; and 4) increased geopolitical tensions.

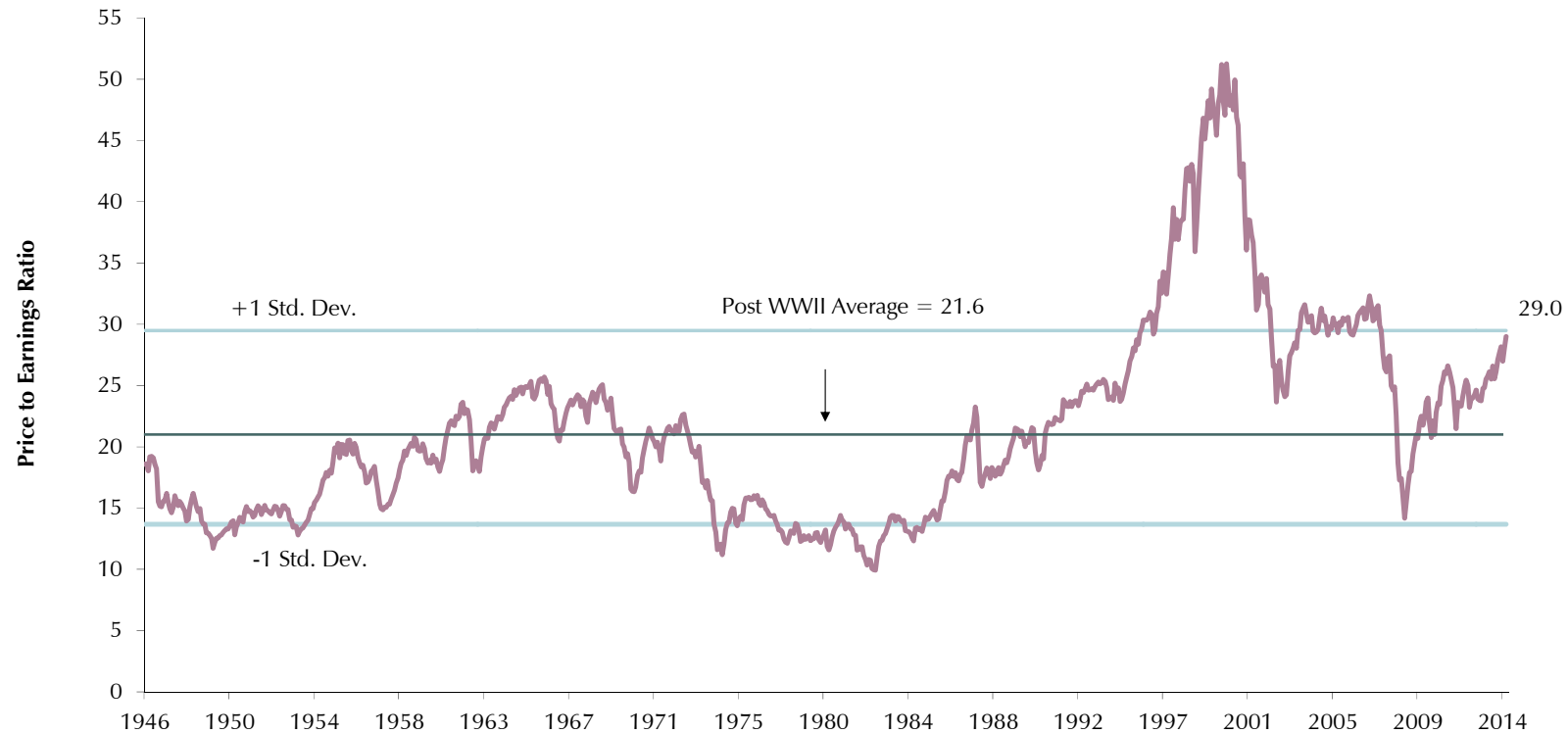
- In Europe, a strengthening euro, continued high unemployment, and declining prices could derail the regions fragile recovery. The European Central Bank's recent rhetoric of "doing whatever it takes" to support the region's economy has been enough to ease concerns, but going forward more action may be required.
- Rising real interest rates globally will likely create headwinds to global growth. Emerging economies would particularly be hurt by a further rate increase, especially those with current account deficits.
- China's recent growth has been mainly driven by debt fueled investment, a lot of which came from the "shadow banking" system. The planned transition from an investment based growth model to a consumption based growth model could prove to be difficult in the short-term, as the targeted rate of debt growth could weigh heavily on economic growth. Further, the high level of debt outside the traditional banking system creates the threat of large scale defaults and the need for government bailouts.
- If the situation in Ukraine escalates, it could prove disruptive to markets, trade, and growth. Other issues that remain unresolved include the civil war in Syria, China's maritime expansion, and uncertainties over the new leadership in North Korea.

Capital Markets Outlook

Capital Markets Outlook¹

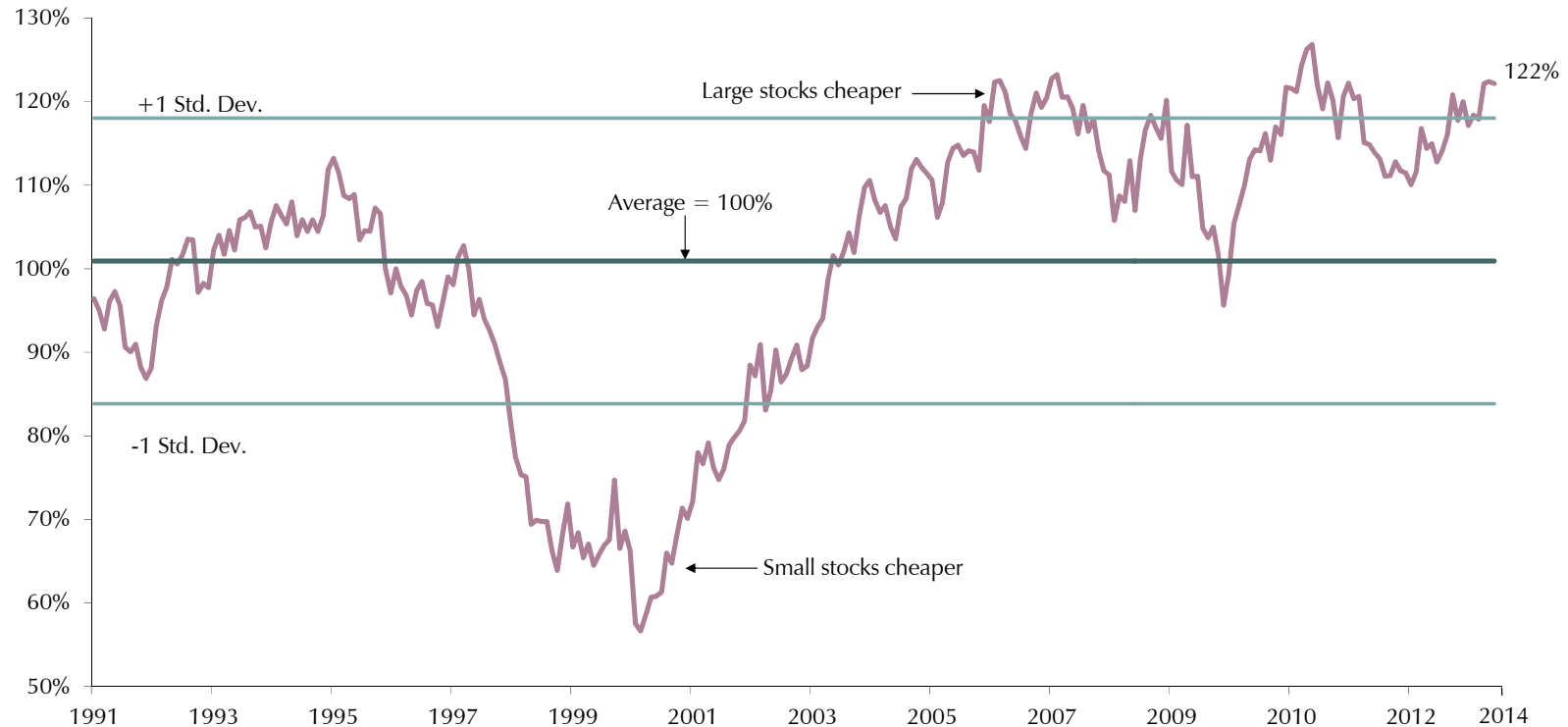
- Investors are faced with three primary issues in the near-term: 1) historically low bond yields, 2) the potential for a transition into a rising rate environment, and 3) the potential for deteriorating corporate earnings.
 - The price of the U.S. stock market relative to ten-year average earnings increased slightly from the beginning of the year, remaining above its historical average (29.0x versus 21.6x).
 - Small cap domestic stocks remain richly priced relative to large cap stocks.
 - Developed international and emerging market stocks are trading at lower valuations than U.S. stocks.
 - Sovereign debt issues and weak economic growth in Europe, and a cyclical slowdown in emerging economies, are weighing down valuations.
 - Uncertainties around global demand (particularly from emerging markets), stimulative monetary policy, and geopolitical tensions will likely cause heightened volatility.
 - In particular, the monetary policy changes by the U.S. Federal Reserve are having a meaningful impact on most markets.
 - At the end of March, the spreads for both high yield corporate bonds (3.6% versus 5.6%) and investment grade bonds (1.1% versus 1.6%) were below their long-term averages.
 - At 2.7%, the yield on the ten-year Treasury remained far below its post-WWII average of 5.7%.
 - Low yields on fixed income instruments are likely to push long-term investors further out on the risk spectrum as they seek to achieve their target returns, while short-term investors may look to cash for safety.

¹ Sources: Thomson Reuters, U.S. Treasury, Standard & Poor's. Data is as of March 31, 2014.

U.S. Equity Cyclically Adjusted P/E¹

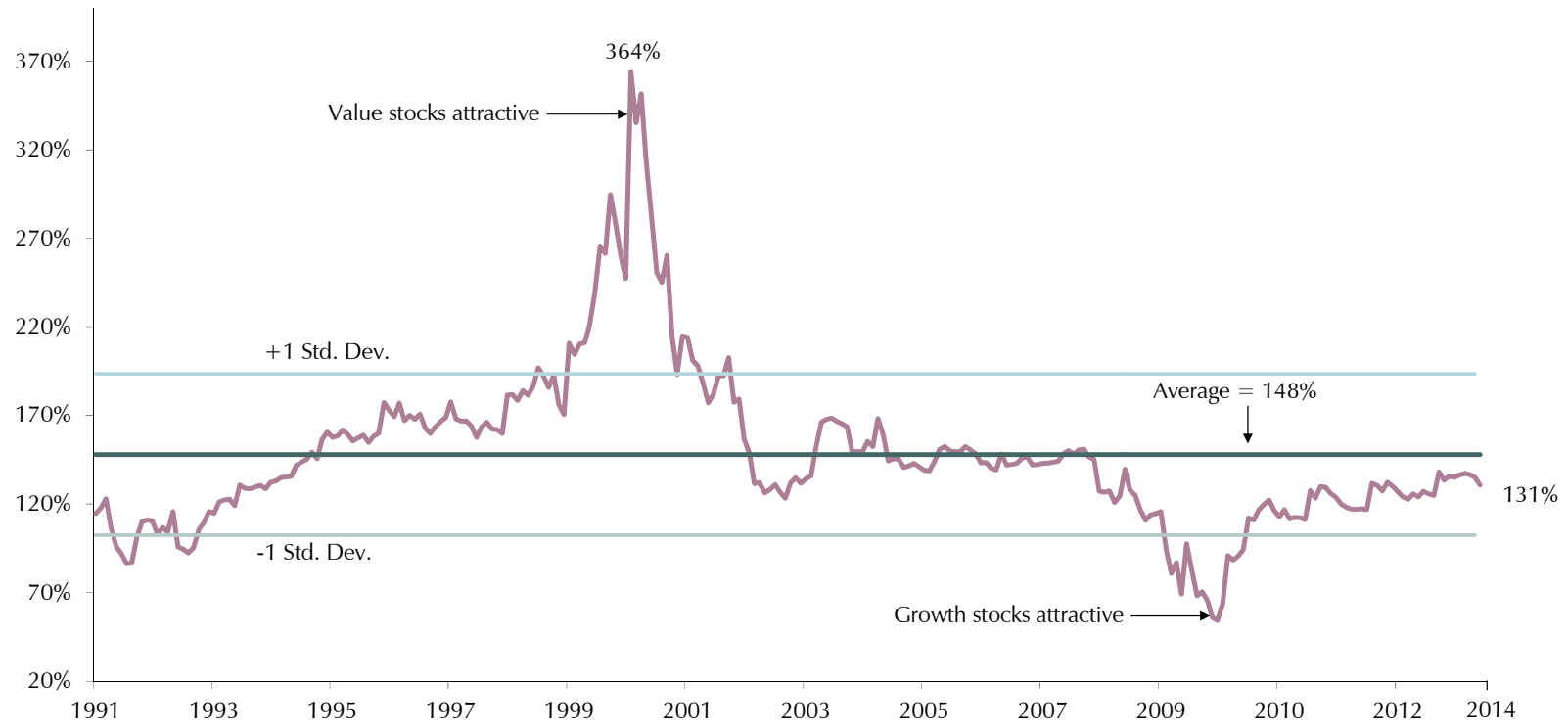
- The cyclically adjusted P/E ratio for the S&P 500 finished March at 29.0x, above its post-WWII average of 21.6x.
- Recent strong performance has driven this valuation measure well past its long-term average. While still in a reasonable zone, it is not likely that this type of price appreciation can continue indefinitely.

¹ Source: Standard & Poor's. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 31, 2014.

Small Cap P/E vs. Large Cap P/E¹

- The P/E ratio of small cap stocks (Russell 2000) relative to large cap stocks (Russell 1000) remains more than one standard deviation above its long-term average, signaling potential underperformance of small cap stocks relative to large cap stocks.

¹ Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of March 31, 2014.

Growth P/E vs. Value P/E¹

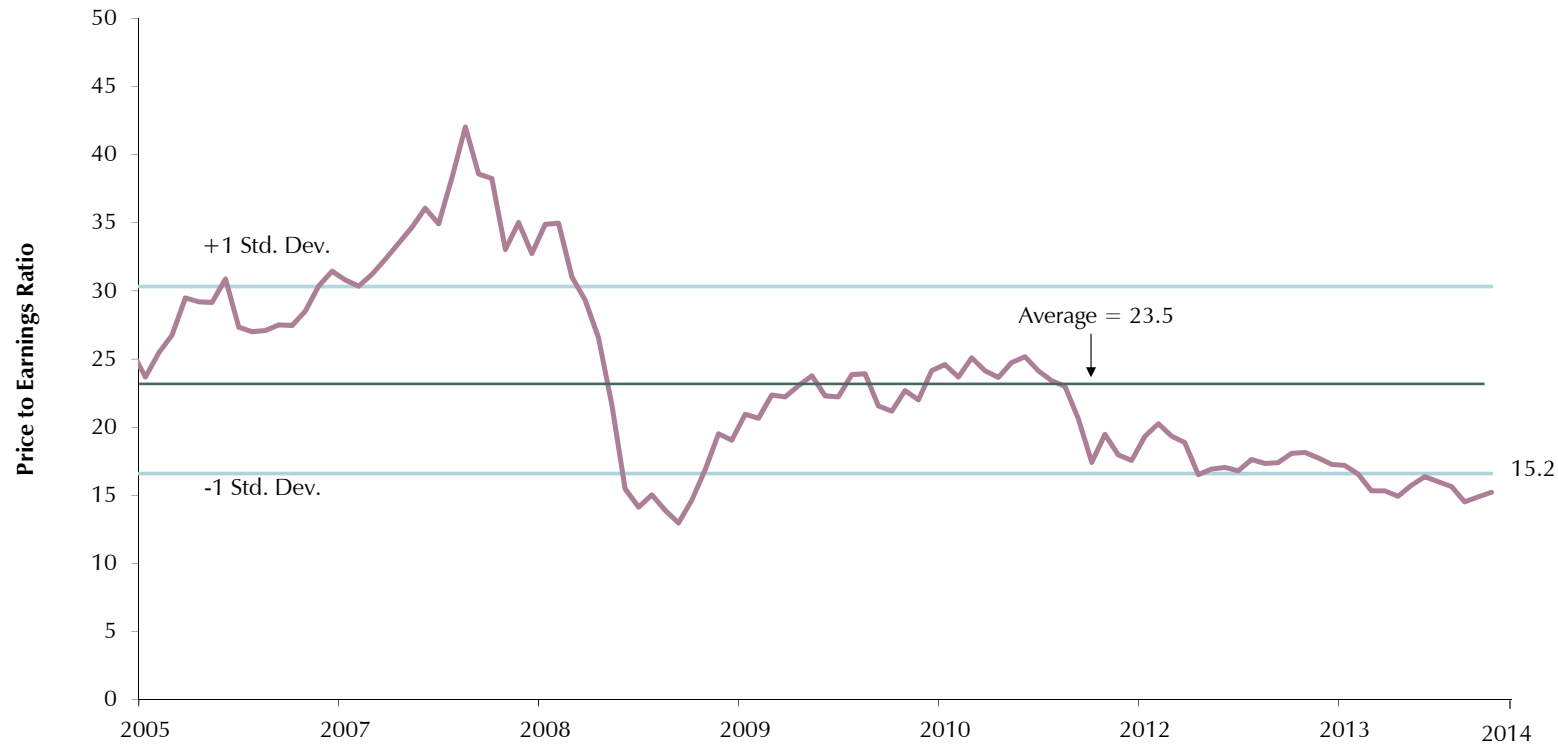
- The P/E ratio of growth stocks (Russell 3000 Growth) relative to value stocks (Russell 3000 Value) finished March at 131%, well above its level three years prior, but still below its long-term average.
- Of note, the long-term average was sharply influenced by the technology bubble of the late 1990s.

¹ Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of March 31, 2014.

Developed International Equity Cyclically Adjusted P/E¹

- Valuations (for the MSCI EAFE (ex-Japan) remain approximately one standard deviation cheaper than their historical average.
- Sovereign debt concerns and the slow-to-negative pace of economic growth in Europe likely account for the low valuation levels.

¹ Source: MSCI and Thomson Reuters. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 31, 2014.

Emerging Market Equity Cyclically Adjusted P/E¹

- Emerging market equities (MSCI Emerging Markets) are priced more than one standard deviation below their (brief) historical average.
- By this metric, emerging market equities are trading at a much lower valuation than U.S. equities, and at a slightly lower valuation than non-U.S. developed market equities.

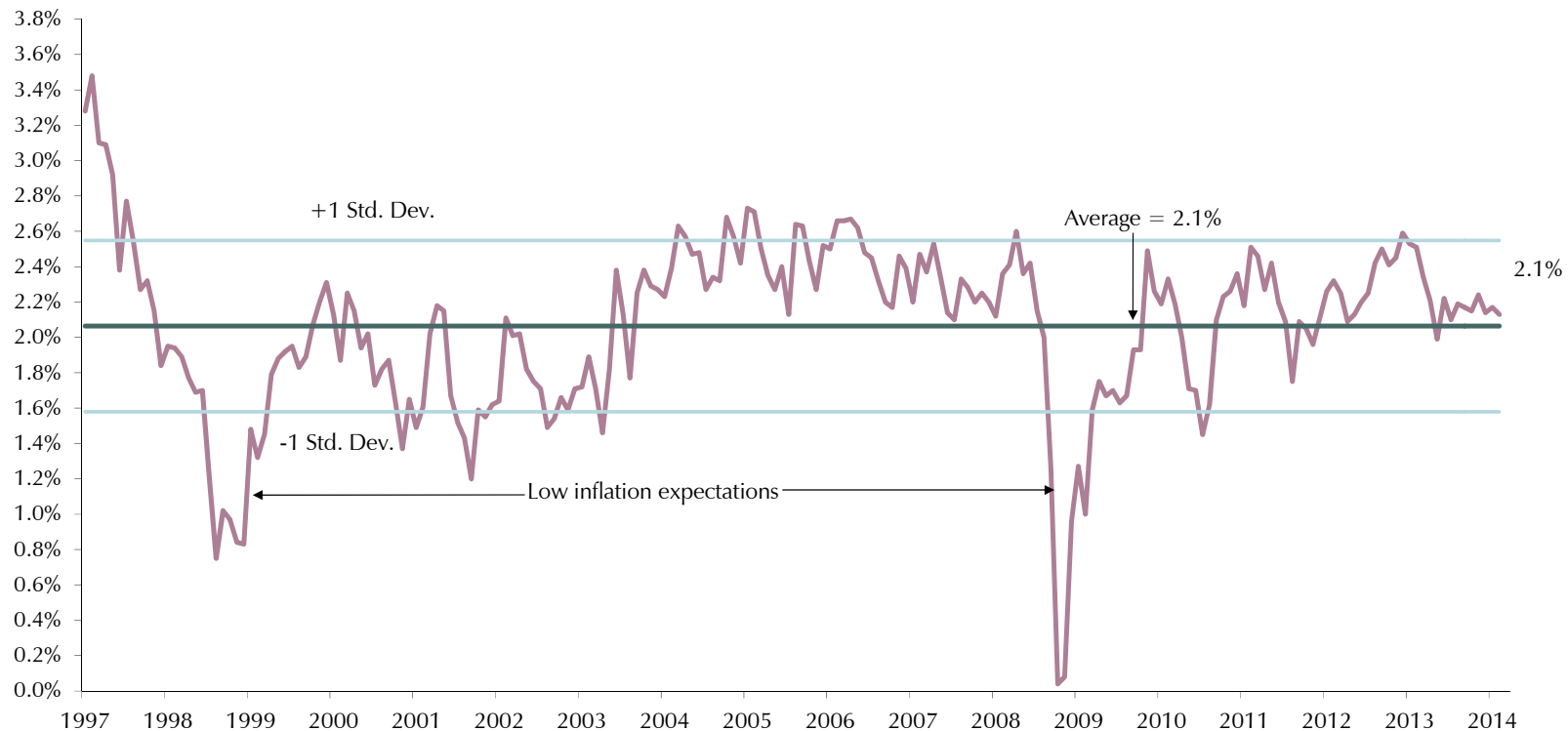
¹ Source: MSCI and Thomson Reuters. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 31, 2014.

Ten-Year Treasury Yields¹



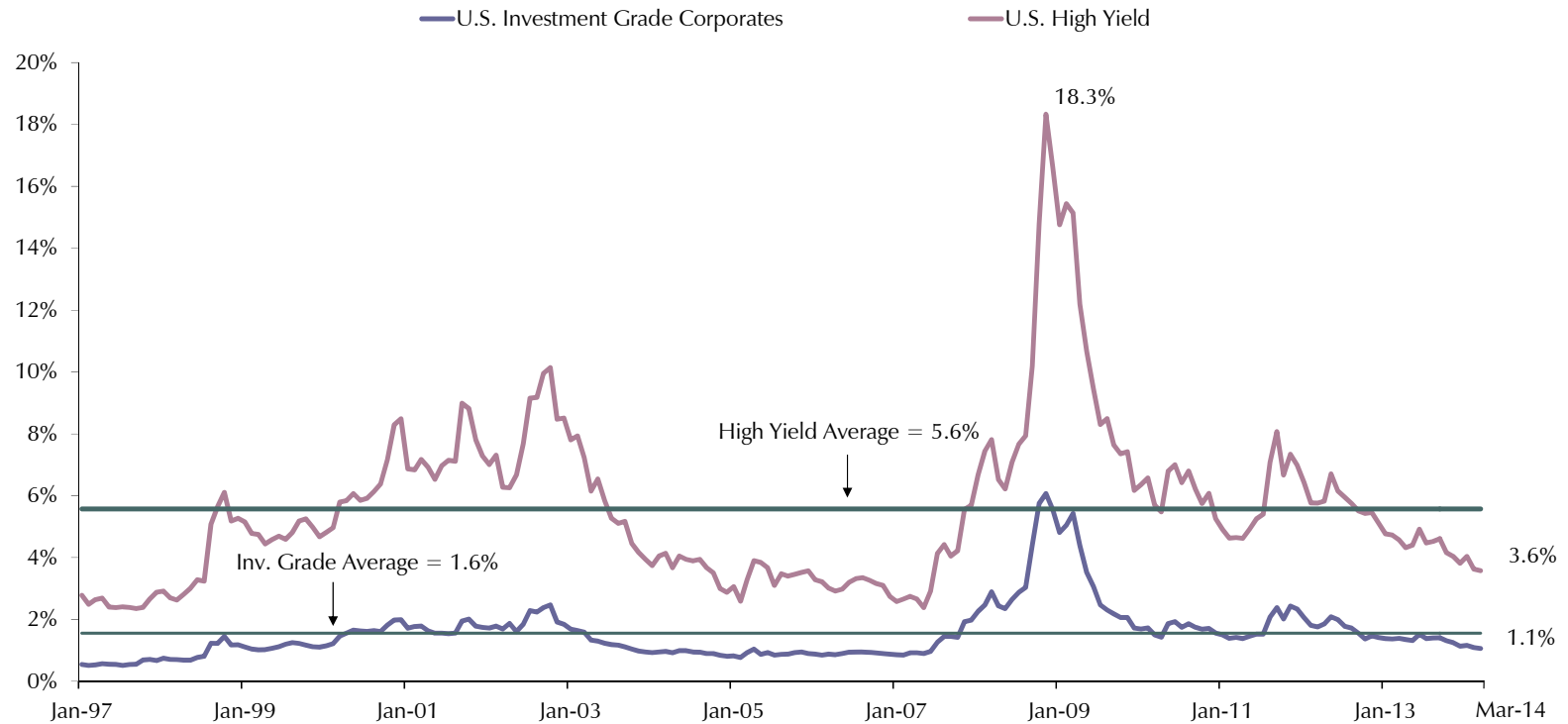
- Ten-year Treasury yields were 2.7% at the end of March, meaningfully above their level at the end of 2012, but well below their post-WWII average.
- The decision from the Federal Reserve to begin “tapering” off quantitative easing was one of the causes of the increase in rates during recent months.

¹ Source: U.S. Treasury. Data is as of March 31, 2014.

Ten-Year Breakeven Inflation¹

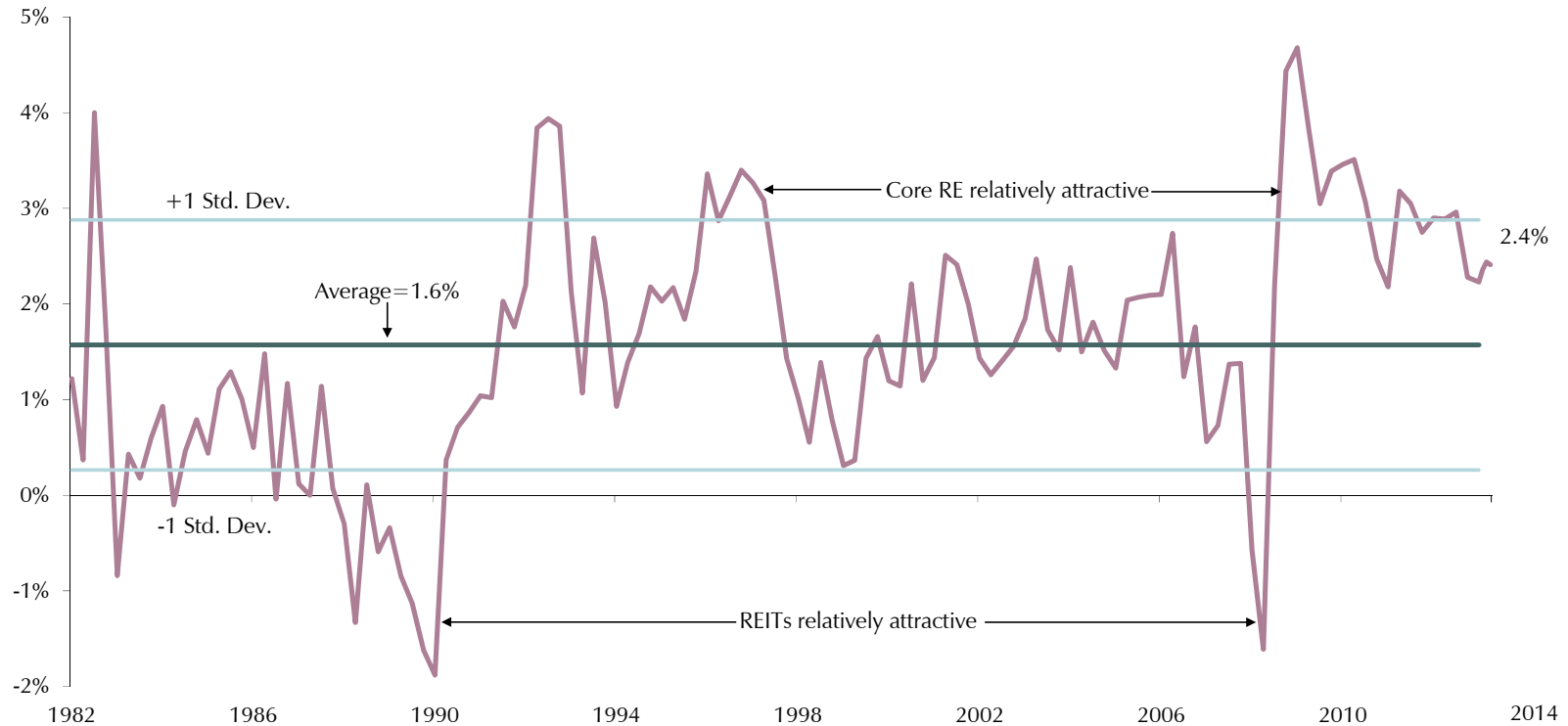
- Breakeven (or expected) inflation, the difference between the nominal yield on a ten-year Treasury and the real yield on a ten-year TIPS, was close to its historical average at the end of March.
- The most recent inflation rate year over year was 1.1%. This means actual inflation has been 1.0% below the ten-year breakeven inflation rate.

¹ Source: U.S. Treasury and Federal Reserve. Data is as of March 31, 2014 for TIPS and Treasuries. Inflation is measured by the Consumer Price Index (CPI-U) for which the most recent data point is from February 28, 2013.

Credit Spreads¹

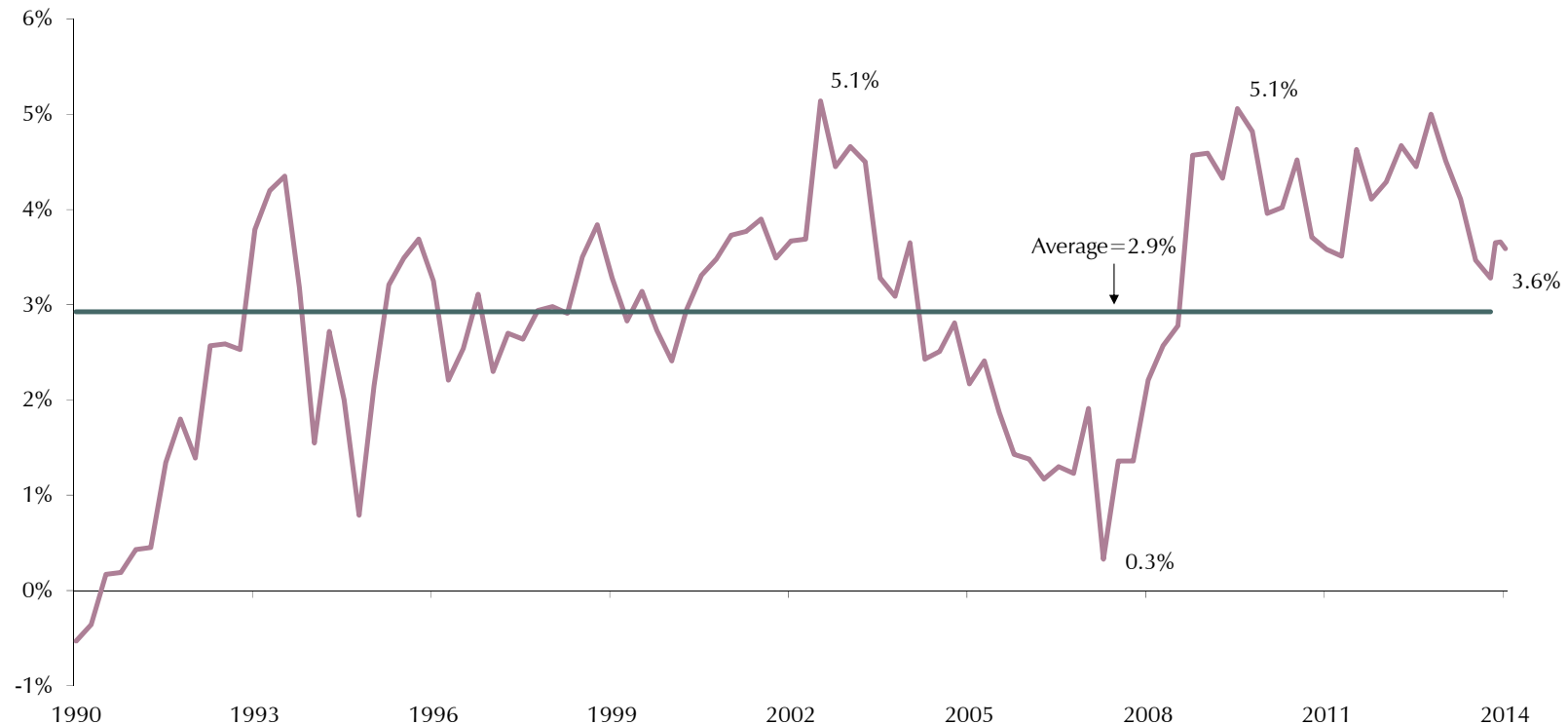
- Credit spreads (versus U.S. Treasury bonds) for both high yield and investment grade corporate bonds finished March below their respective historical averages.

¹ Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index. Data is as of March 31, 2014.

Core Real Estate vs. REITs¹

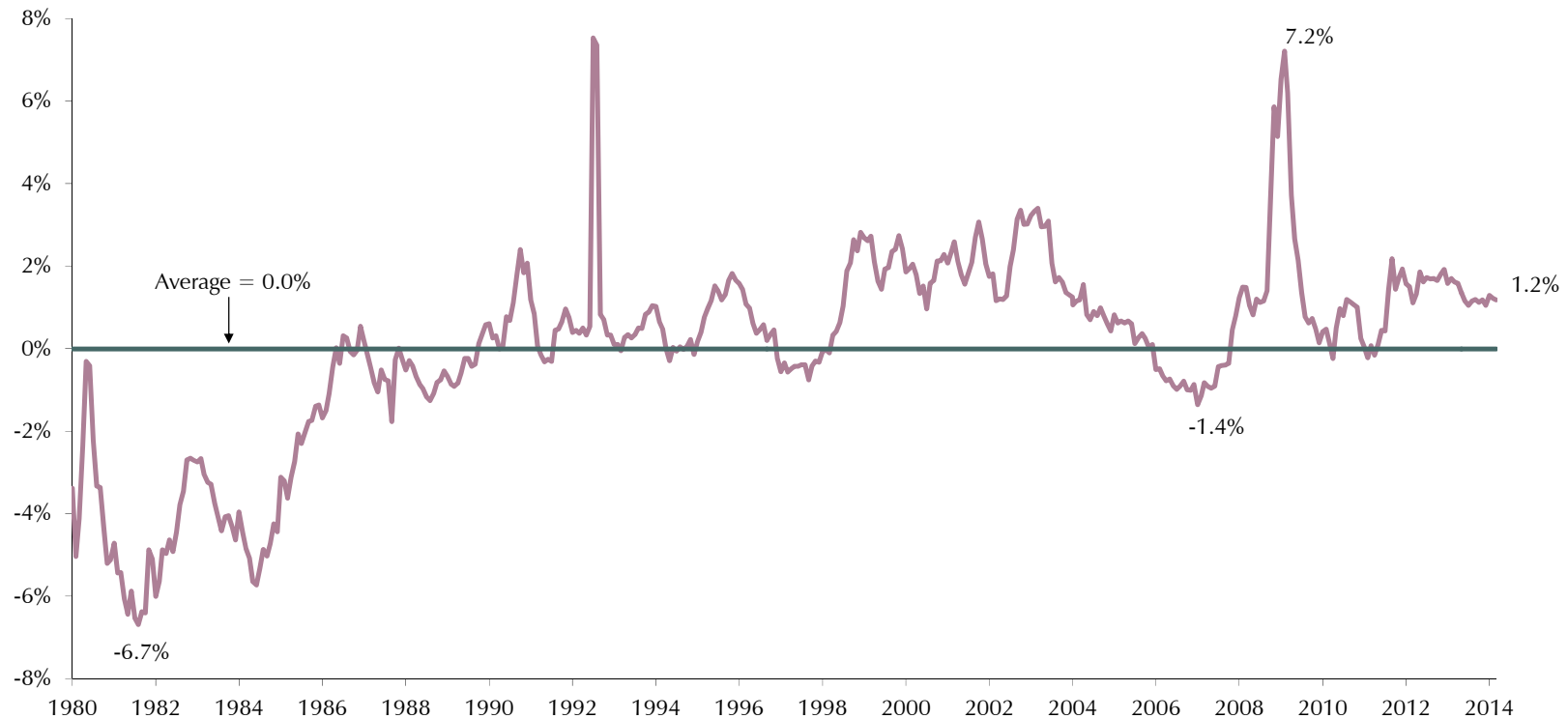
- At the end of March, the spread between core real estate cap rates and REIT yields was 2.4%, which has come down significantly in recent months toward its long-term average.
- REITs were yielding 3.9% at the end of March, well below the 10.1% level of early 2009.

¹ Sources: Thomson Reuters and NCREIF. Core Real Estate is proxied by the transaction-based cap rate for the NCREIF NPI index and REITs are proxied by the yield for the NAREIT Equity index. NPI transactional capitalization rates are calculated on a quarterly basis and lagged in their release. Data is as of December 31, 2013, for the NCREIF NPI and March 31, 2014, for the NAREIT Equity index.

Core Real Estate Spread vs. Ten-Year Treasury¹

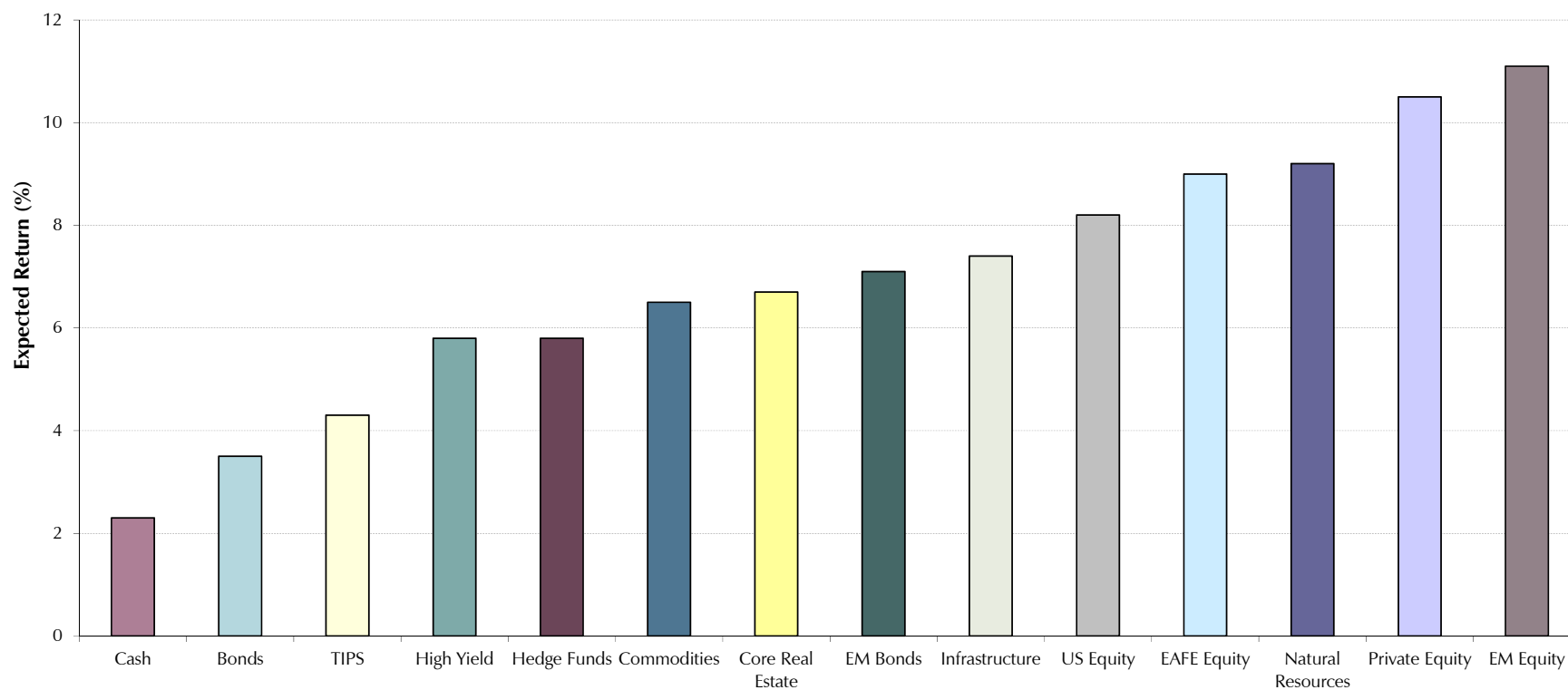
- At 3.6%, the difference between the 6.3% cap rate for core real estate and the 2.7% yield for the ten-year Treasury is near its historical average.
- Still, the absolute level of core real estate cap rates is near a historical low.

¹ Source: NCREIF, U.S. Treasury. NPI transactional capitalization rates are calculated on a quarterly basis. The March 31, 2014 NCREIF NPI data is not yet available. Data is as of December 31, 2013, for the NCREIF NPI and March 31, 2014, for the ten-year Treasury.

REITs Dividend Yield Spread vs. Ten-Year Treasury¹

- REIT yield spreads were 1.2% at the end of March. As the recovery in the real estate market continues, this spread is trending closer to its long term average.
- As with core real estate, the absolute level of REIT dividend yields is near a historical low.

¹ Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index. Data is as of March 31, 2014.

Long-Term Outlook¹

- Based on Meketa Investment Group's long term expectations, only a handful of asset classes are priced to produce returns above 8% per year. All of these asset classes incorporate a high degree of volatility.

¹ Twenty-year expected returns based upon Meketa Investment Group's 2014 Annual Asset Study.

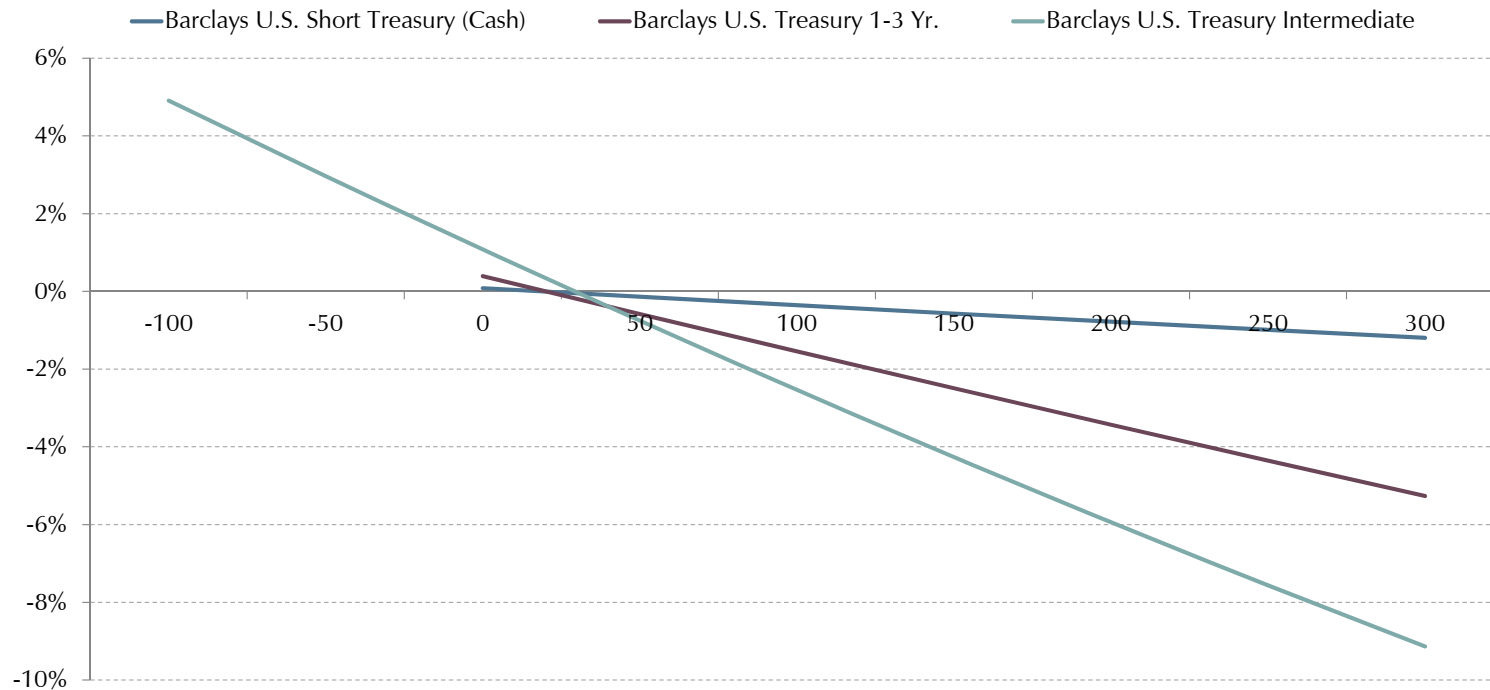
Total Return Comparison of Barclays U.S. Aggregate Minus Barclays U.S. TIPS¹

		Changes In Rates (bps)				
		-100	-50	0	50	100
Inflation Rate Scenarios	4.0%	-4.28%	-3.17%	-2.32%	-1.72%	-1.38%
	3.0%	-3.28%	-2.17%	-1.32%	-0.72%	-0.38%
	2.0%	-2.28%	-1.17%	-0.32%	0.28%	0.62%
	1.0%	-1.28%	-0.17%	0.68%	1.28%	1.62%
	0.0%	-0.28%	0.83%	1.68%	2.28%	2.62%

Total Return Scenario: 100 bps Rate Increase and 2% Inflation

Total Return Over Longer Holding Periods	1 Year	3 Year	5 Year	7 Year	10 Year
Barclays U.S. Aggregate	-3.39%	0.92%	1.81%	2.19%	2.48%
Barclays U.S. Treasury U.S. TIPS	-4.00%	0.90%	1.91%	2.35%	2.67%

¹ Data is as of March 31, 2014 via Barclays, Bloomberg, and Thomson Reuters.

Total Return Given Changes in Interest Rates (bps)¹

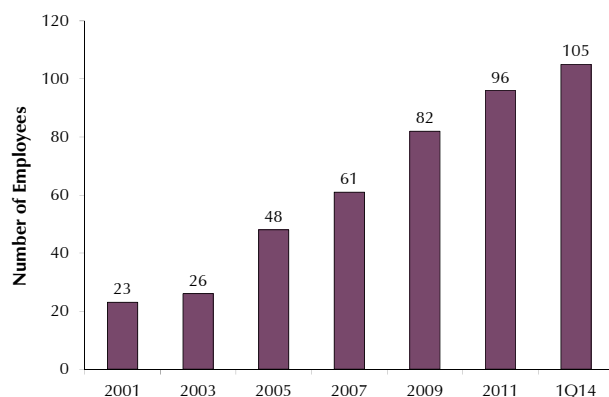
	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)			0.1%	-0.1%	-0.4%	-0.6%	-0.8%	-1.0%	-1.2%	0.44	0.08%
Barclays U.S. Treasury 1-3 Yr.			0.4%	-0.6%	-1.5%	-2.5%	-3.4%	-4.4%	-5.3%	1.96	0.39%
Barclays U.S. Treasury Intermediate	4.9%	3.0%	1.1%	-0.8%	-2.5%	-4.3%	-5.9%	-7.6%	-9.1%	3.72	1.08%
Barclays U.S. Treasury Long	21.7%	12.0%	3.3%	-4.4%	-11.3%	-17.2%	-22.2%	-26.2%	-29.3%	16.48	3.33%

¹ Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data is as of March 31, 2014 via Barclays and Thomson Reuters.

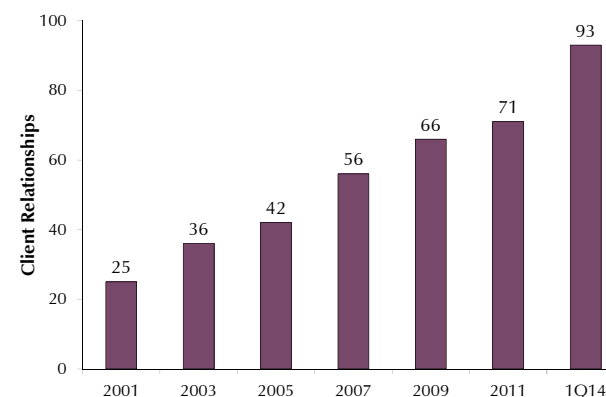
Meketa Investment Group Corporate Update

- Staff of 105, including 66 investment professionals and 23 CFA Charterholders
- 93 clients, with over 180 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Miami, and San Diego
- Clients have aggregate assets of over \$630 billion
 - Over \$20 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Employee Growth



Client Growth



Meketa Investment Group is proud to work for 4.9 million American families everyday



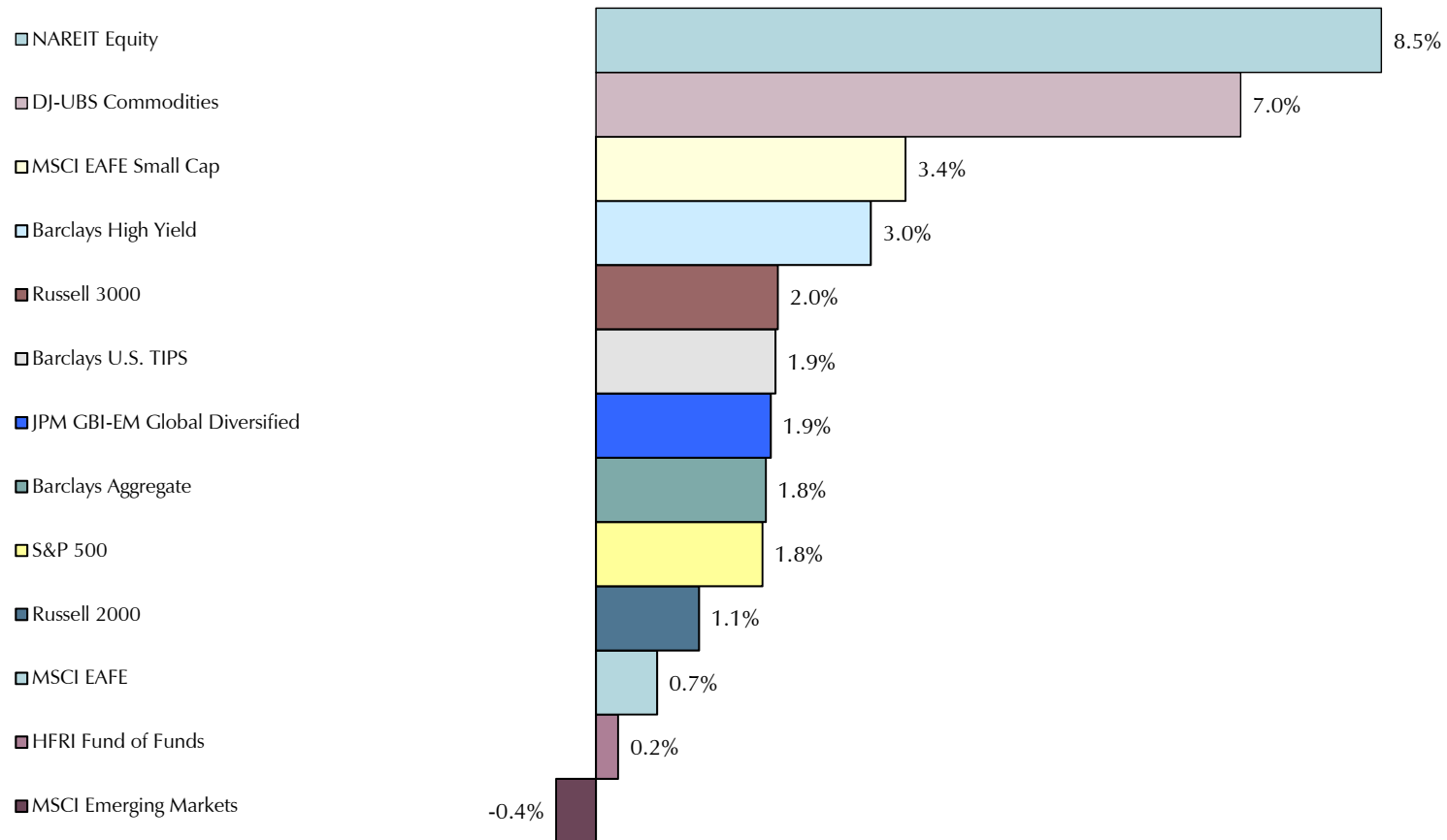
Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> - Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30 	<ul style="list-style-type: none"> - Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets 	<ul style="list-style-type: none"> - Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds 	<ul style="list-style-type: none"> - Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities 	<ul style="list-style-type: none"> - Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets 	<ul style="list-style-type: none"> - Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

Appendices

The World Markets First Quarter of 2014

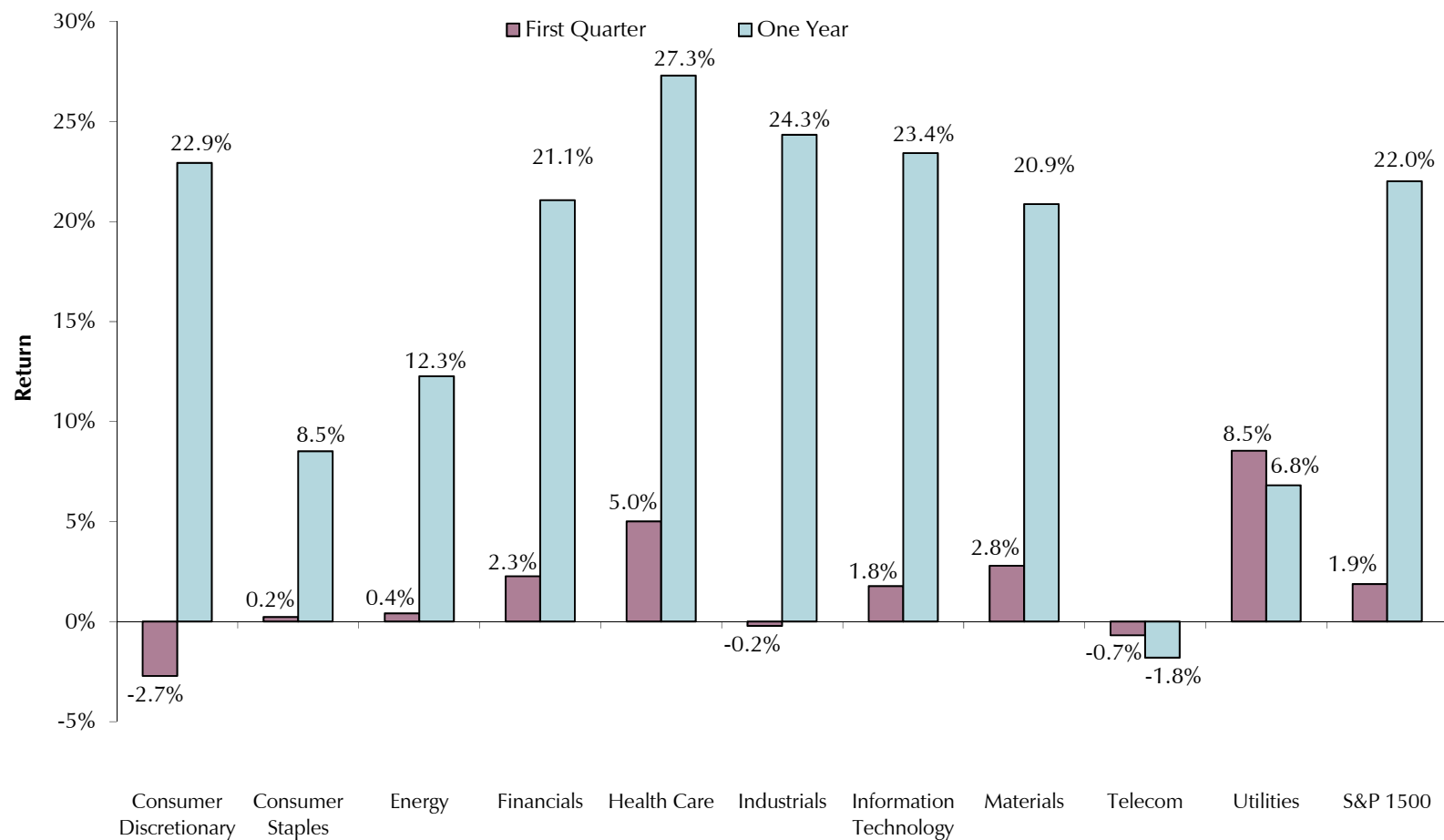
The World Markets
First Quarter of 2014



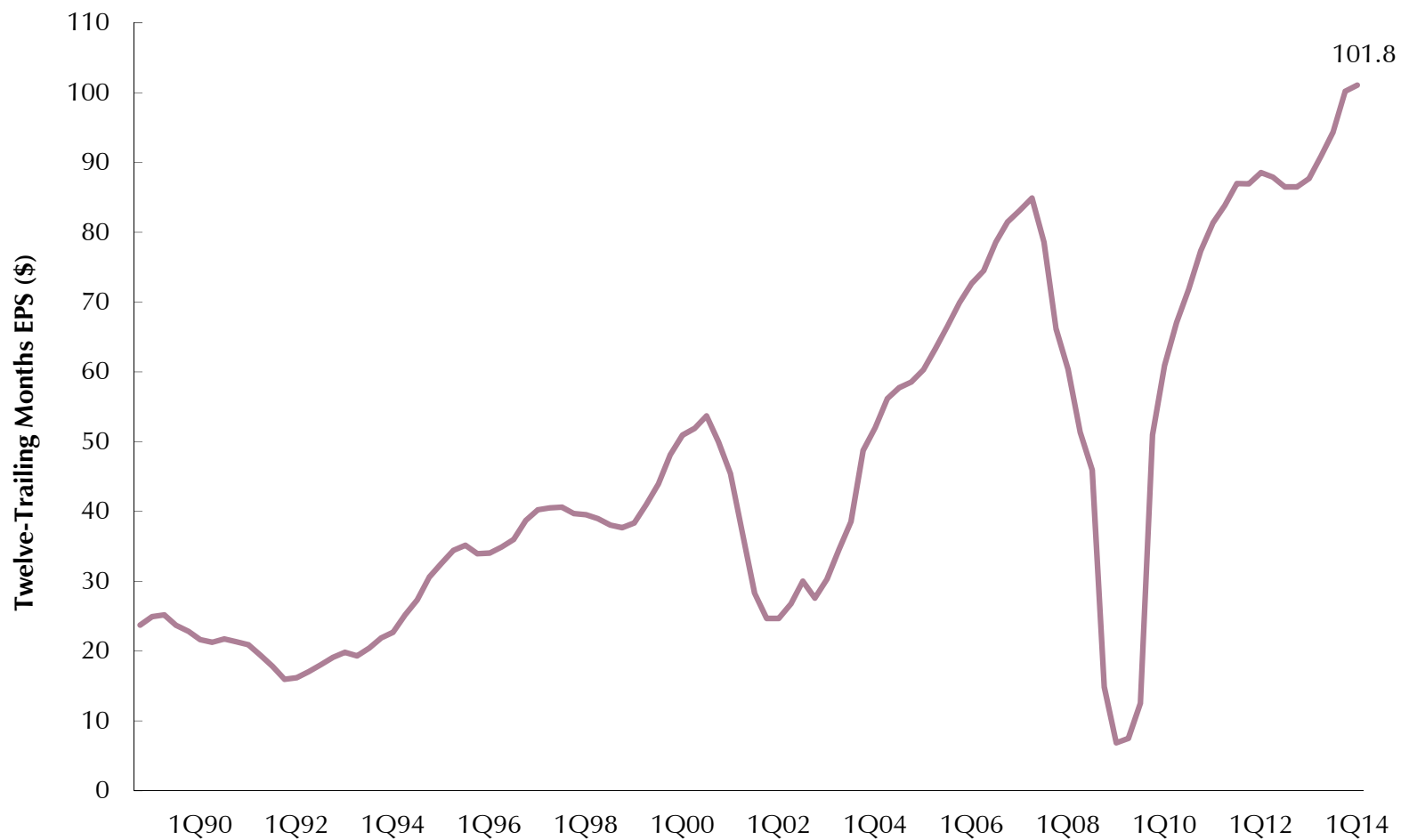
Index Returns

	1Q14 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	2.0	22.6	14.6	21.9	7.9
Russell 1000	2.0	22.4	14.7	21.7	7.8
Russell 1000 Growth	1.1	23.2	14.6	21.7	7.9
Russell 1000 Value	3.0	21.6	14.8	21.8	7.6
Russell MidCap	3.5	23.5	14.4	25.6	10.1
Russell MidCap Growth	2.0	24.2	13.5	24.7	9.5
Russell MidCap Value	5.2	23.0	15.2	26.4	10.2
Russell 2000	1.1	24.9	13.2	24.3	8.5
Russell 2000 Growth	0.5	27.2	13.6	25.2	8.9
Russell 2000 Value	1.8	22.6	12.7	23.3	8.1
Foreign Equity					
MSCI ACWI (ex. U.S.)	0.5	12.3	4.1	15.5	7.1
MSCI EAFE	0.7	17.6	7.2	16.0	6.5
MSCI EAFE (local currency)	-0.3	15.4	8.9	13.7	5.5
MSCI EAFE Small Cap	3.4	23.3	9.4	21.7	8.6
MSCI Emerging Markets	-0.4	-1.4	-2.9	14.5	10.1
MSCI Emerging Markets (local currency)	-0.5	3.4	1.4	13.3	10.1
Fixed Income					
Barclays Universal	2.0	0.5	4.2	5.7	4.8
Barclays Aggregate	1.8	-0.1	3.7	4.8	4.5
Barclays U.S. TIPS	1.9	-6.5	3.5	4.9	4.5
Barclays High Yield	3.0	7.5	9.0	18.2	8.7
JPMorgan GBI-EM Global Diversified	1.9	-7.1	1.1	9.8	9.3
Other					
NAREIT Equity	8.5	3.3	10.4	28.3	8.3
DJ-UBS Commodities	7.0	-2.1	-7.4	4.2	-0.7
HFRI Fund of Funds	0.2	5.7	2.3	4.8	3.1

S&P Sector Returns

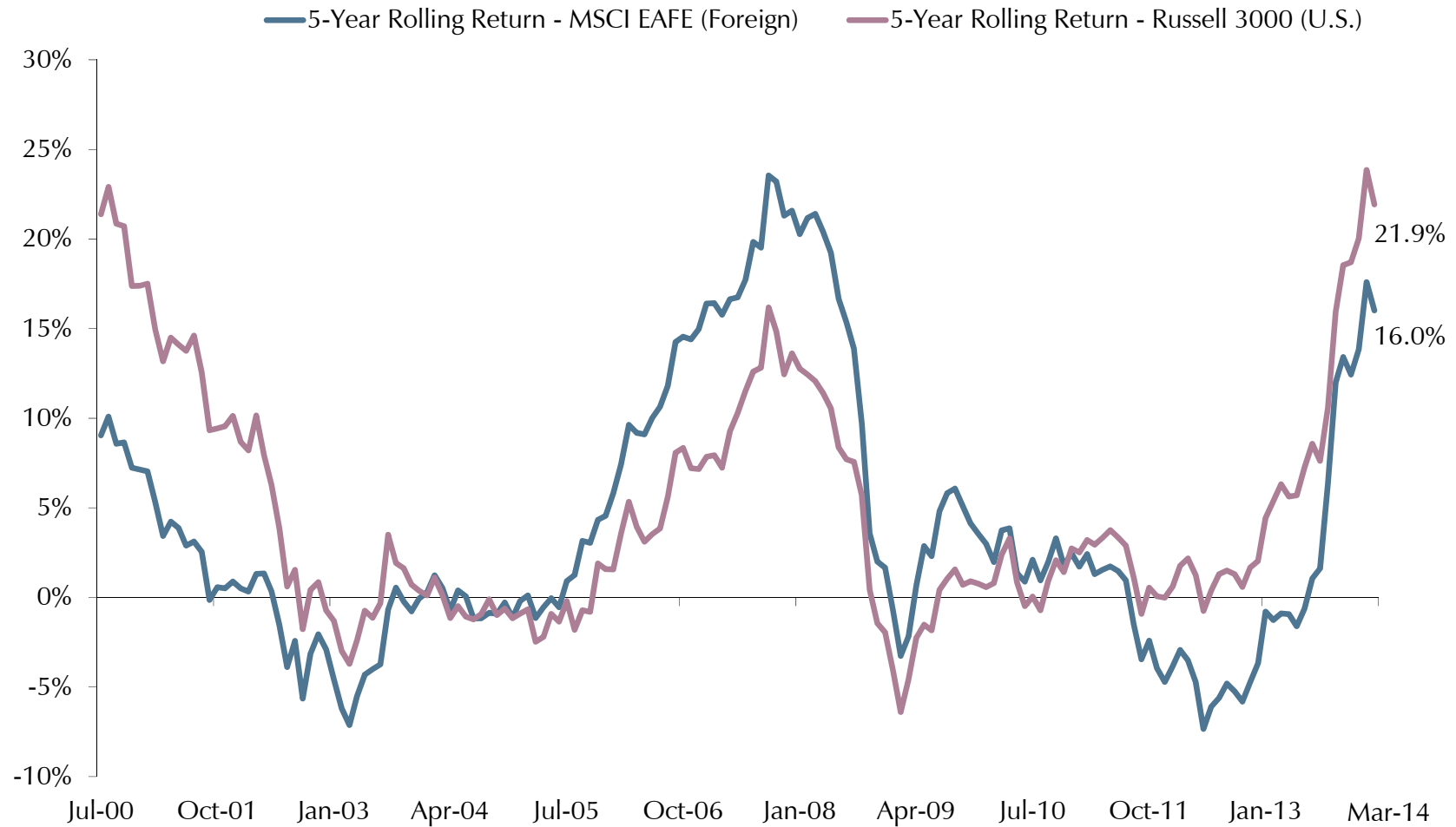


S&P 500 Earnings Per Share¹

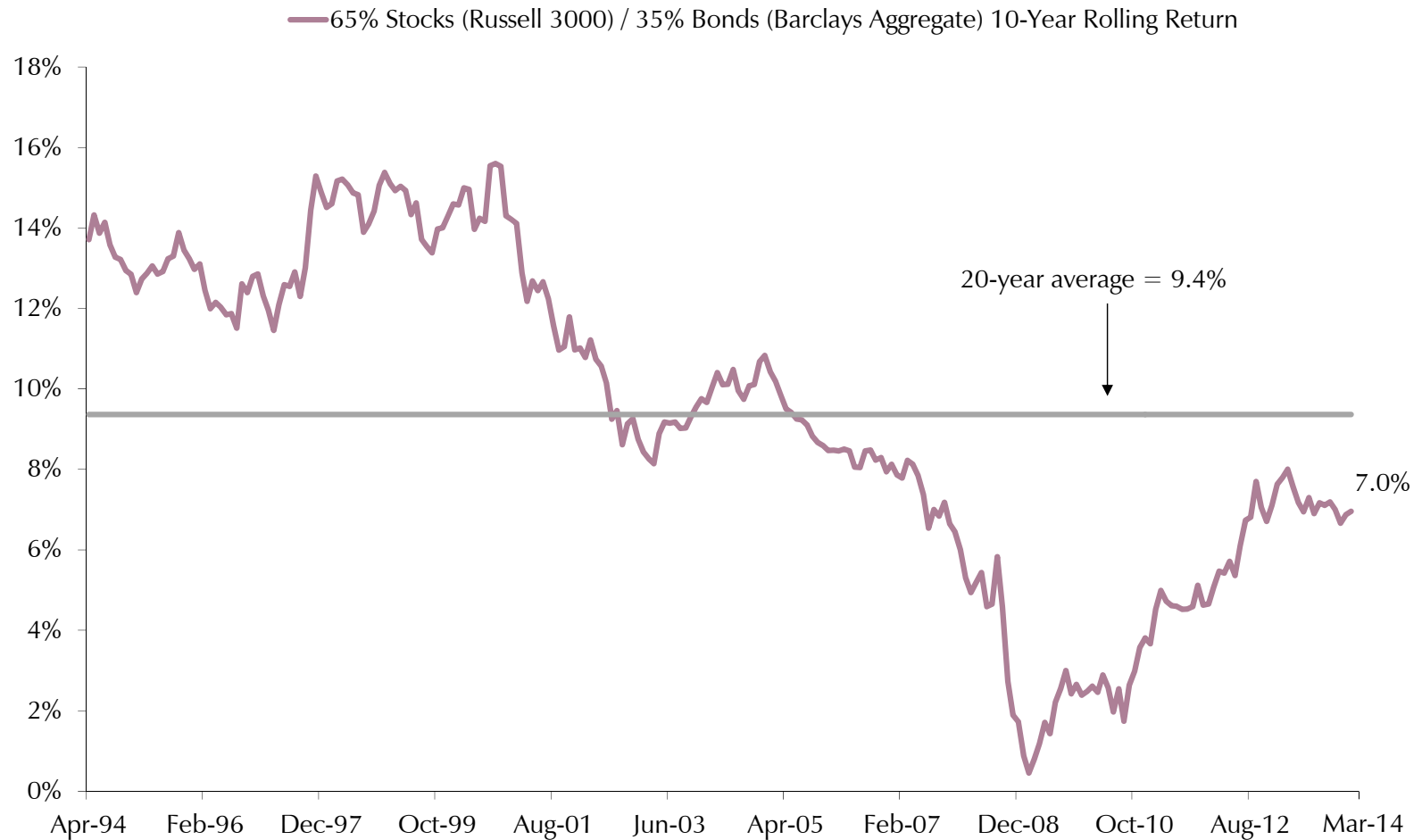


¹ The March 31, 2014 number is based on the approximately 77% of S&P 500 companies that reported earnings to date.

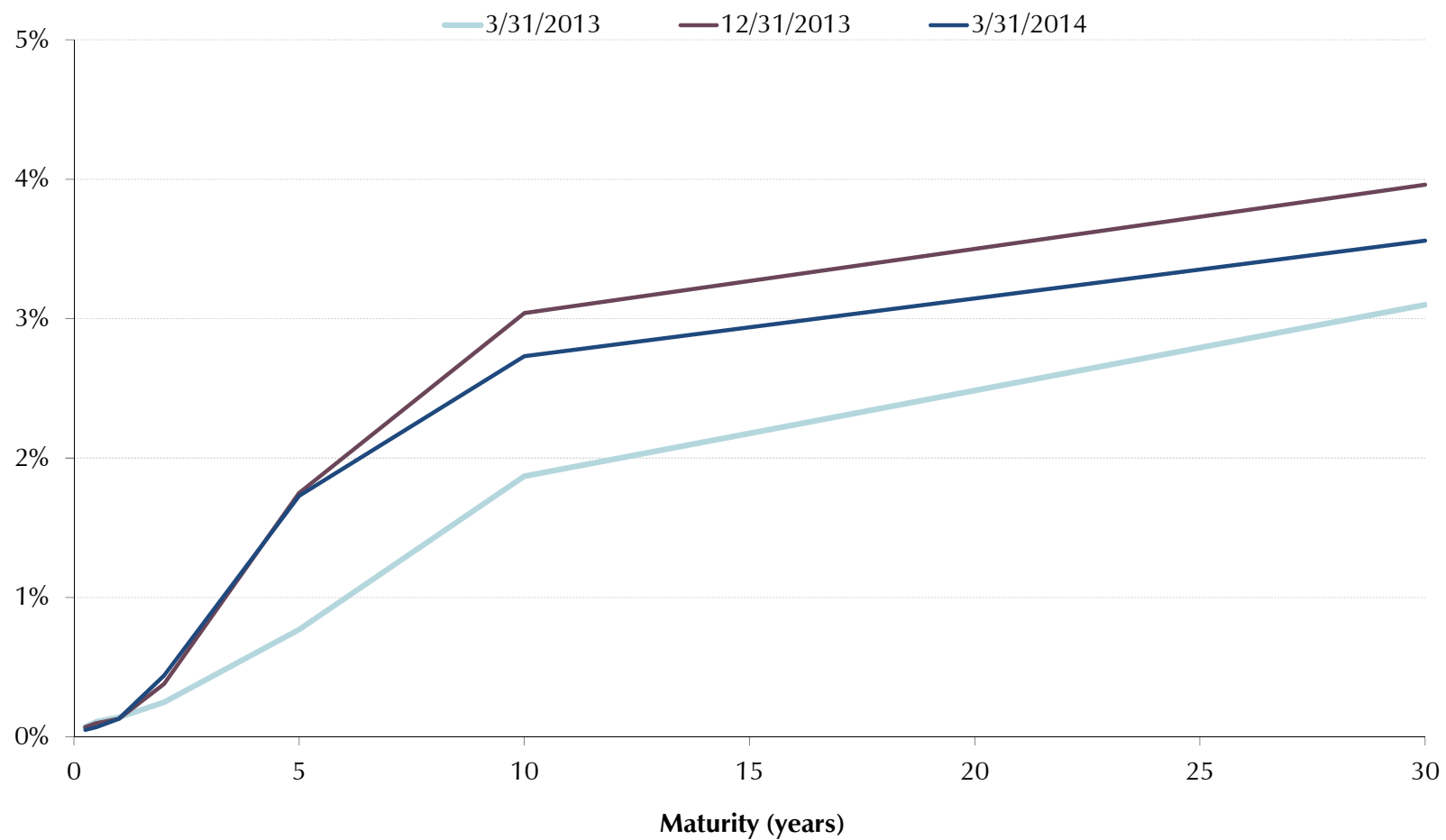
Equity Markets



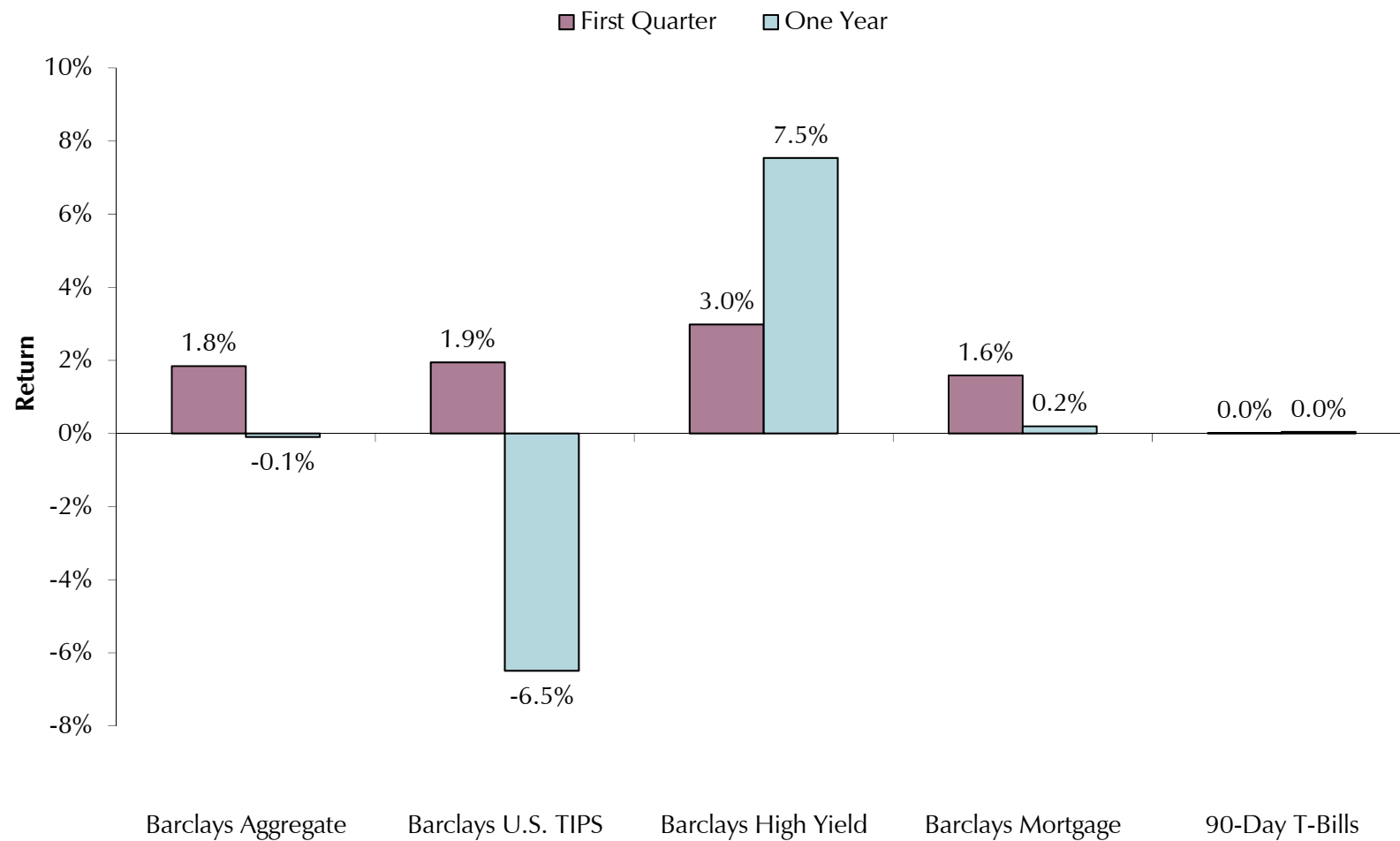
Rolling Ten-Year Returns: 65% Stocks and 35% Bonds



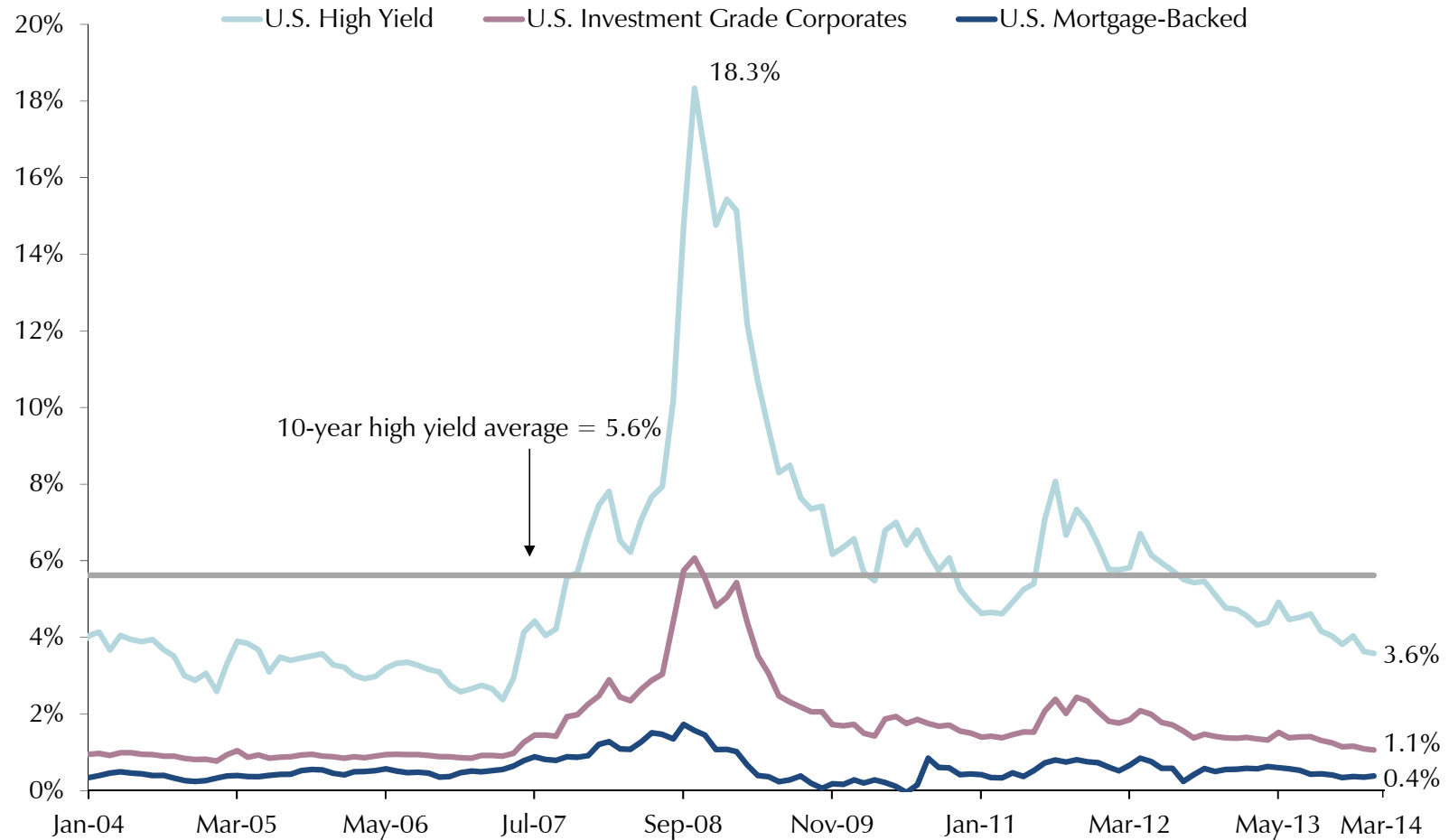
Treasury Yields



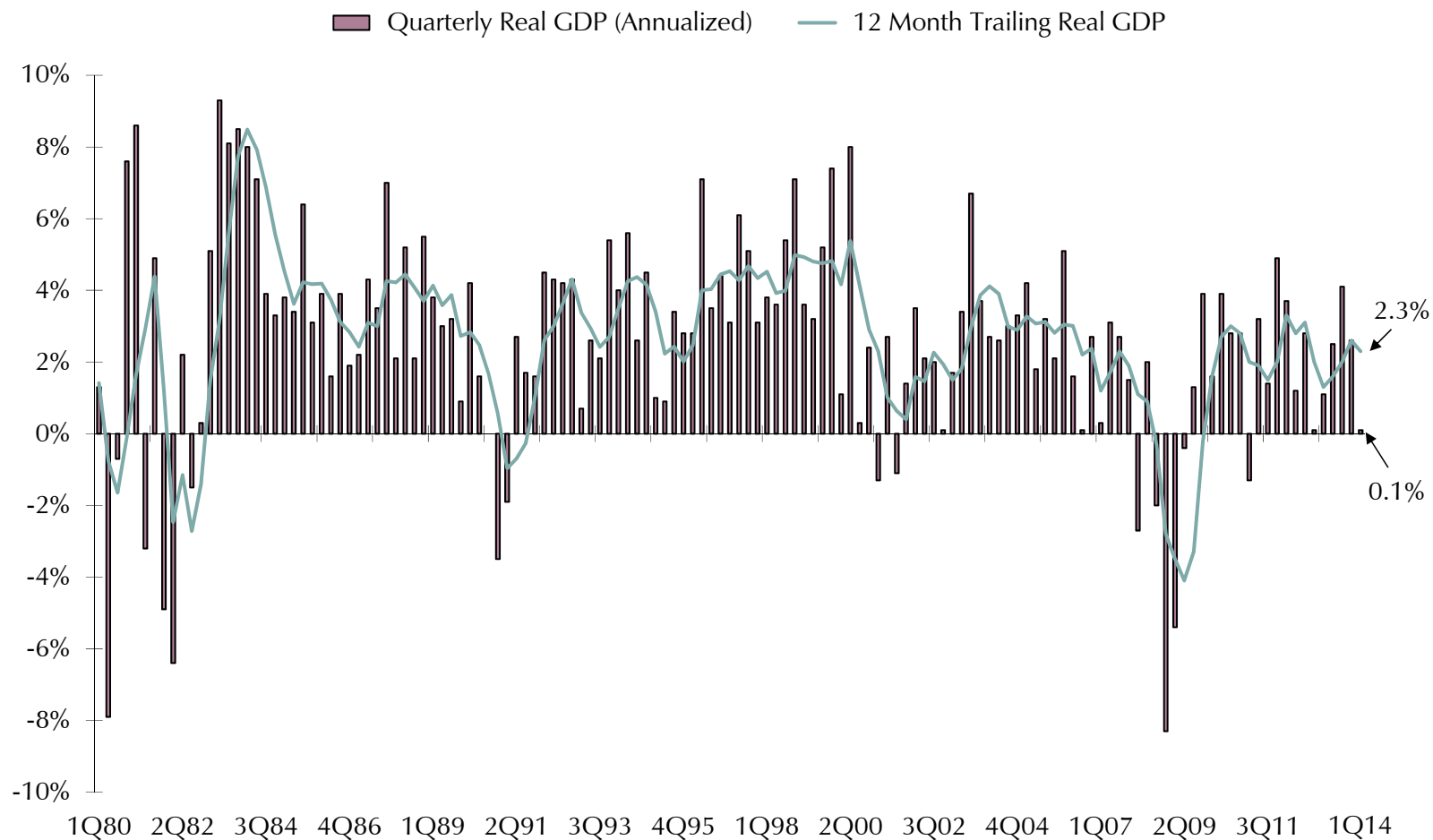
U.S. Fixed Income Markets



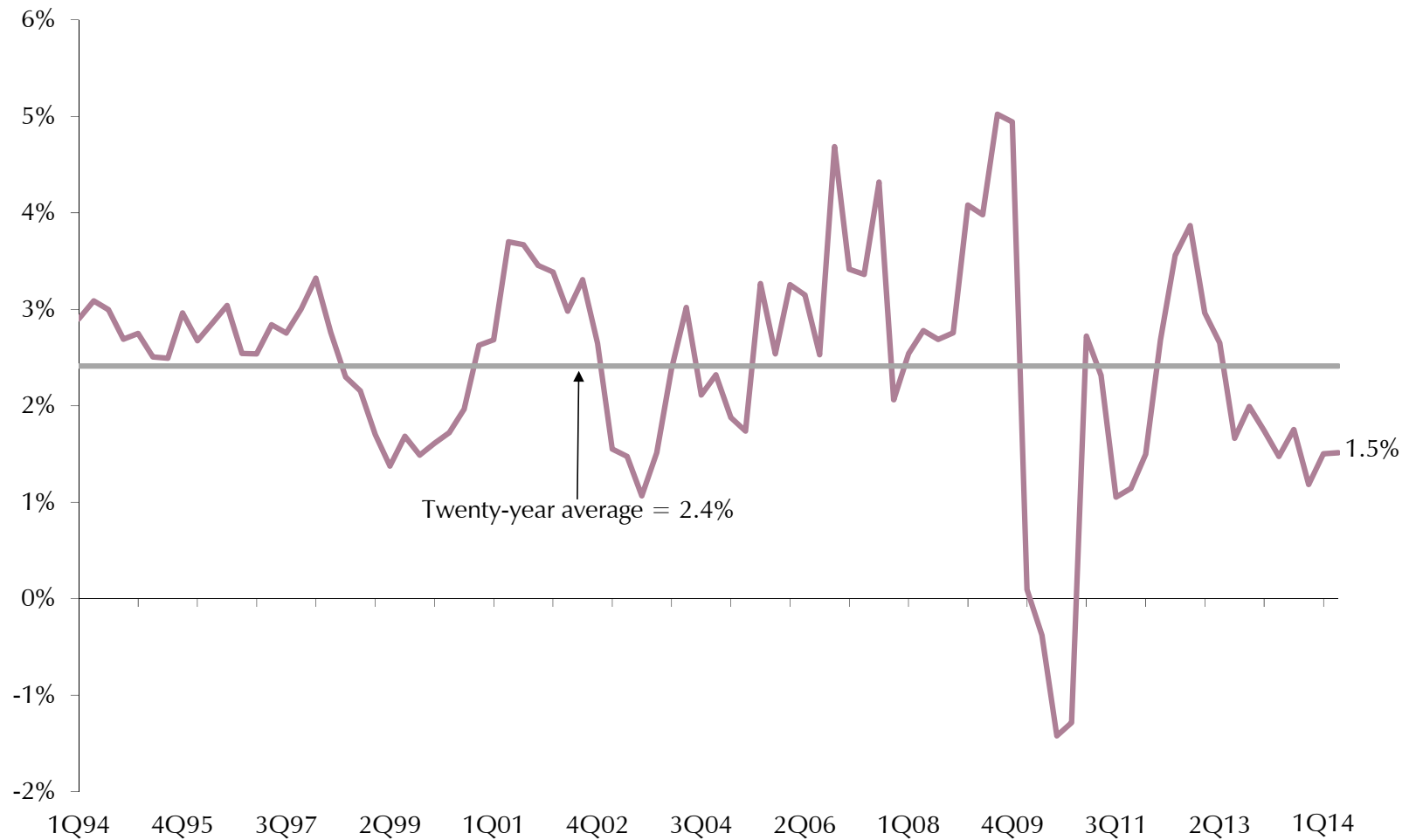
Credit Spreads vs. U.S. Treasury Bonds



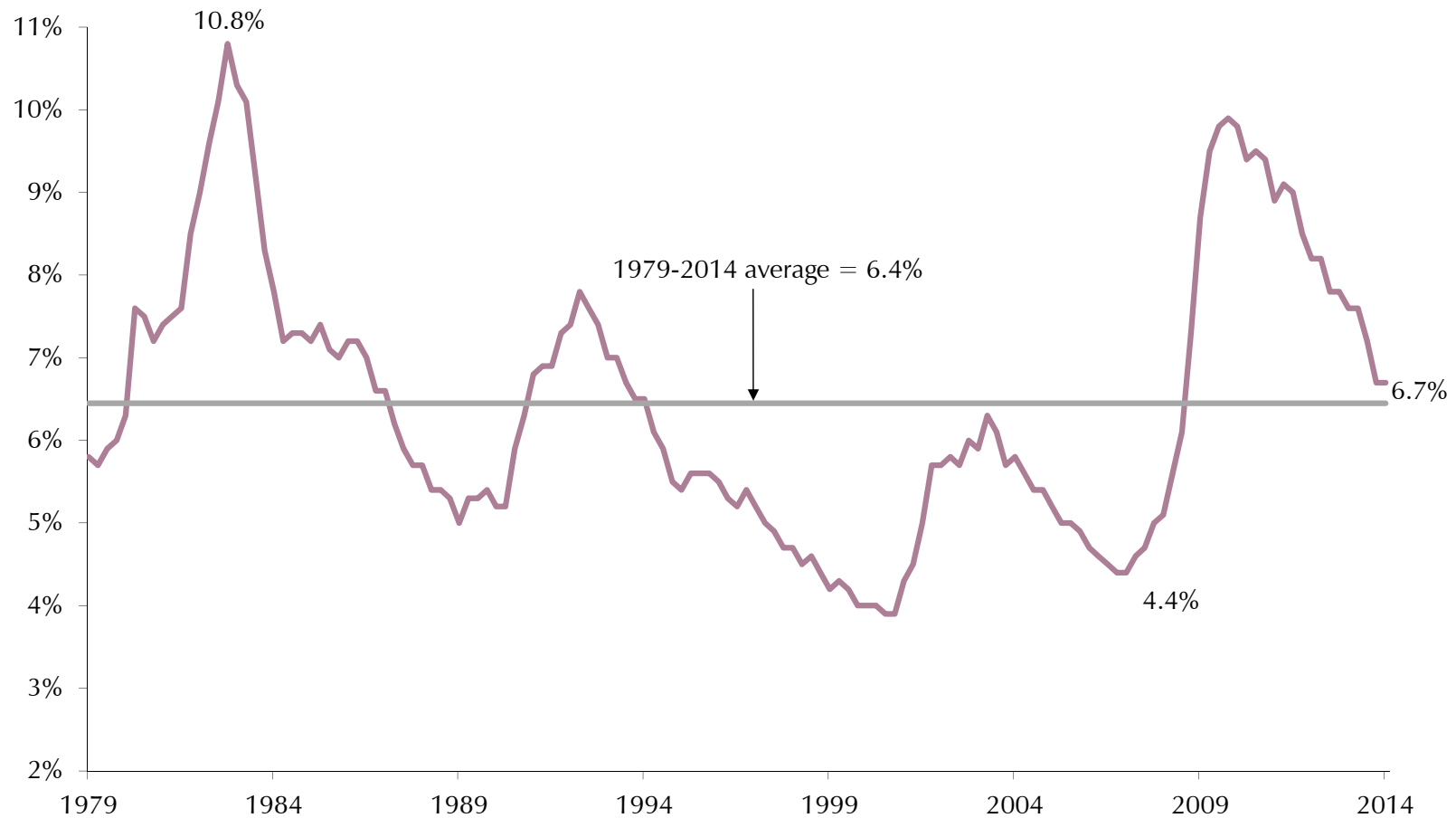
Real Gross Domestic Product (GDP) Growth



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



U.S. Unemployment



Glossary and Notes As of March 31, 2014

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit

above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

The Russell Indices ®, TM, SM are trademarks/service marks of the Frank Russell Company.

Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.