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## City of San Jose Police and Fire Department Retirement Plan

### Investment Performance Analysis For the period ending March 31, 2015

June 4, 2015

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# Market Environment Update and Outlook

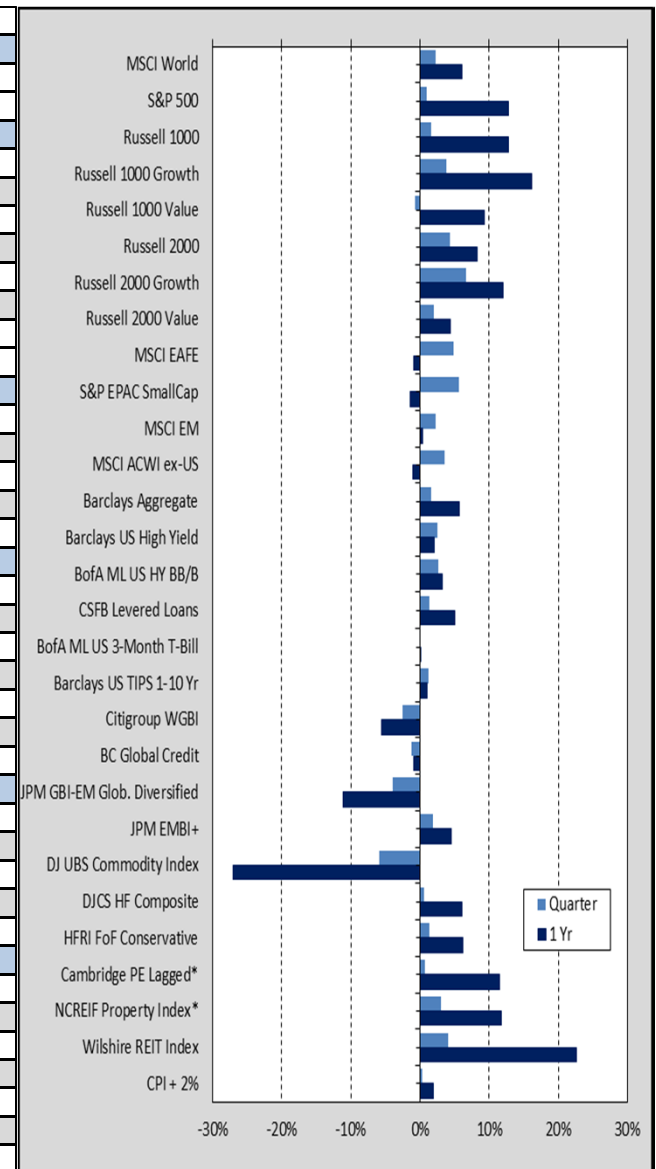


- **First quarter “advance” estimate of GDP growth printed at a weak+0.2%.**
  - Retail sales (ended March) at 0.5% on a year-over-year growth rate basis.
  - The inventory-to-sales ratio increased slightly to 1.4 in February and has remained relatively flat since early 2010.
  - Corporate profits as a percent of GDP decreased ended the fourth quarter at 10.4% and remain elevated relative to historical levels.
  - The U.S. trade deficit decreased slightly in February.
- **The unemployment rate fell to 5.5% in Q1 from 5.8% in December 2014; U-6, a broader measure of unemployment, fell to 10.9% during the first quarter.**
- **The Case-Shiller Home Price Index (as of 2/28) increased slightly to 166.8 from fourth quarter levels and is at levels higher than that of pre-financial crisis levels of 150.92.**
- **Rolling 12-month seasonally adjusted CPI decreased to -0.1% from 0.8% at the end of December; Capacity Utilization declined slightly to 77.1% in March.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished Q1 at 1.94%.**
- **The Fed balance sheet declined slightly in Q1 2015, while the European Central Bank balance sheet increased in the same period.**
  - ECB began asset purchases of €60 billion per month.
- **S&P valuations increased in March remaining above the 10-year and long-term averages**
  - Cyclically adjusted Shiller PE ratio is above the long-term average of 16.4x and above the 10-year average of 22.9x.
- **The U.S. Dollar continues to strengthen against a basket of major currencies as the Fed ends its quantitative easing program and the ECB ramps up easing.**

# City of San Jose Police and Fire Department Retirement Plan

## Market Environment – Q1 2015 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>World Equity Benchmarks</b>						
MSCI World	World	2.3%	6.0%	12.2%	10.0%	6.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Equity Benchmarks</b>						
S&P 500	Large Core	1.0%	12.7%	16.1%	14.5%	8.0%
Russell 1000	Large Core	1.6%	12.7%	16.5%	14.7%	8.3%
Russell 1000 Growth	Large Growth	3.8%	16.1%	16.3%	15.6%	9.4%
Russell 1000 Value	Large Value	-0.7%	9.3%	16.4%	13.8%	7.2%
Russell 2000	Small Core	4.3%	8.2%	16.3%	14.6%	8.8%
Russell 2000 Growth	Small Growth	6.6%	12.1%	17.7%	16.6%	10.0%
Russell 2000 Value	Small Value	2.0%	4.4%	14.8%	12.5%	7.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>International Equity Benchmarks</b>						
MSCI EAFE	International Developed	4.9%	-0.9%	9.0%	6.2%	5.0%
S&P EPAC SmallCap	Small Cap Int'l	5.6%	-1.5%	11.4%	9.2%	7.1%
MSCI EM	Emerging Equity	2.2%	0.4%	0.3%	1.8%	8.5%
MSCI ACWI ex-US	World ex-US	3.5%	-1.0%	6.4%	4.8%	5.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Fixed Income Benchmarks</b>						
Barclays Aggregate	Core Bonds	1.6%	5.7%	3.1%	4.4%	4.9%
Barclays US High Yield	High Yield	2.5%	2.0%	7.5%	8.6%	8.2%
BofA ML US HY BB/B	High Yield	2.7%	3.2%	7.4%	8.4%	7.5%
CSFB Levered Loans	Bank Loans	1.3%	5.0%	5.3%	12.2%	5.0%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	1.5%
Barclays US TIPS 1-10 Yr	Inflation	1.2%	1.1%	-0.1%	2.9%	4.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Global Fixed Income Benchmarks</b>						
Citigroup WGBI	World Gov. Bonds	-2.5%	-5.5%	-1.6%	3.4%	4.1%
BC Global Credit	Global Bonds	-1.2%	-0.9%	2.8%	4.4%	4.4%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-4.0%	-11.1%	-3.9%	0.7%	6.3%
JPM EMBI+	Em. Mkt. Bonds	1.9%	4.5%	4.0%	6.6%	8.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Alternative Benchmarks</b>						
DJ UBS Commodity Index	Commodity	-6.0%	-27.1%	-11.6%	-5.8%	-4.9%
DJCS HF Composite	Hedge Fund	0.6%	6.1%	2.4%	4.9%	3.1%
HFRI FoF Conservative	Fund of Funds	1.3%	6.2%	2.8%	4.6%	2.6%
Cambridge PE Lagged*	Private Equity	0.7%	11.5%	15.3%	15.4%	13.6%
NCREIF Property Index*	Real Estate	3.0%	11.8%	11.1%	12.1%	8.4%
Wilshire REIT Index	REIT	4.0%	22.7%	14.0%	15.4%	6.7%
CPI + 2%	Inflation/Real Assets	0.3%	2.0%	3.0%	3.7%	4.1%



\* As of 12/31/2014

## Positives

- **With Fed asset purchases coming to an end, divergence in monetary policies signaling different investment environments globally**
- **ECB monetary easing begins with €60 billion in monthly asset purchases**
  - ECB commits €1.3 trillion in asset purchases in the Eurozone
  - Global risk assets respond positively
  - Negative short dated interest rates in Eurozone
- **Developed world inflation is low**
  - In US, CPI for all Urban Consumers on a seasonally adjusted basis was negative in Q1 driven by Energy in January

## Negatives

- **Geopolitical instability continues to drive volatility**
  - Instability in the Mid-East, Eastern Europe, Greece
- **Fed rate hike uncertainty contributed to volatility in domestic markets**
  - Timing of Fed rate hike is “dependent on market conditions”
- **Europe continues to see ongoing political and economic growth challenges**
  - Negative currency impacts for US investors as USD appreciates
- **GDP decelerated, posting a +0.2% estimated growth rate**
  - Consumer spending decelerated, but still growing
- **Valuations remain above 10 year and long term averages**
  - Developed Equity P/Es above median

## Market Environment

### Global Equity

- **U.S. equities advanced in the first quarter as global monetary accommodation ramps up.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning 4.3% and the S&P 500 Index returning 1.0%.**
- **International equities outperformed U.S. markets during the quarter, returning 3.5%, as measured by the MSCI ACWI ex-U.S. Index.**
  - Developed markets returned 4.9% as measured by the MSCI EAFE Index. Japan was the top performer returning 10.0%.
  - Emerging markets returned 2.2% as measured by the MSCI Emerging Markets Index in U.S. dollar terms. India and Russia bolstered returns with Russia returning 18%.

### Private Equity

- **New private equity commitments totaled \$83.1 billion in Q1 2015.**
  - 2015 first three month total represents 23% of total PE raised in 2014
- **Buyout and growth equity fund deal volume in both the U.S. and Europe continues to decelerate.**
  - Buyout and growth equity deals totaled \$36.7 billion with US buyout and growth equity activity experiencing a sharp reduction in Q1.
- **Venture capital raised \$11.8 billion ended March.**
  - At 14% of total private equity raised, commitments are just below the 10-year historic relative average and are buoyed by strong IPO and M&A environment.
- **Energy funds raised \$3.2 billion representing 16% of capital raised in Q1.**
  - Investors are opportunistically approaching the energy market dislocation.
- **Asian private equity commitments slowed to total 8% of total funds raised down from 10% in 2014.**
- **European commitments comprised 14% of all new PE commitments in Q1 2015**
  - 72% of European funds raised were based in the United Kingdom

## Market Environment

### Fixed Income

- **As yields fell amid declining inflation and monetary easing, global sovereign debt gained in the first quarter.**
- **The spread between two and 10-year rates fell 12 basis points to 1.38%. Treasury Inflation-Protected Securities, or TIPS, returned 1.4% during the quarter, as measured by the Barclays US TIPS Index.**
- **The Barclays Long Duration Credit Index gained 3.1%, bolstered by falling Treasury yields.**
- **Agency mortgage-backed securities benefitted from a decrease in mortgage rates in January and March, and posted quarterly gains of 1.1%.**
- **Investment grade credit spreads continued to widen ending March at 129 basis points.**
- **High yield bonds returned 2.5% as spreads increased to 433 basis points up from 429 basis points.**
  - High yield markets were most significantly impacted by the decline of oil prices as Energy makes up approximately 14% of the Barclays US High Yield Bond Index.
- **Emerging markets debt continued to slow in local currency posting a -4.0% return as measured by the JP Morgan GBI-EM Global Diversified Index.**
  - Hard-currency emerging market debt market trumped local currency debt, with the JPMorgan EMBI Global Diversified Index returning 2.0%. After plunging at year-end, Russian debt outperformed as oil prices stabilized and geopolitical tensions cooled. Brazilian debt underperformed amid disappointing growth, high inflation, and concerns around the mismanagement of the state-run oil giant Petrobras.

**Real Assets/Inflation-Linked Assets**

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



## Market Environment

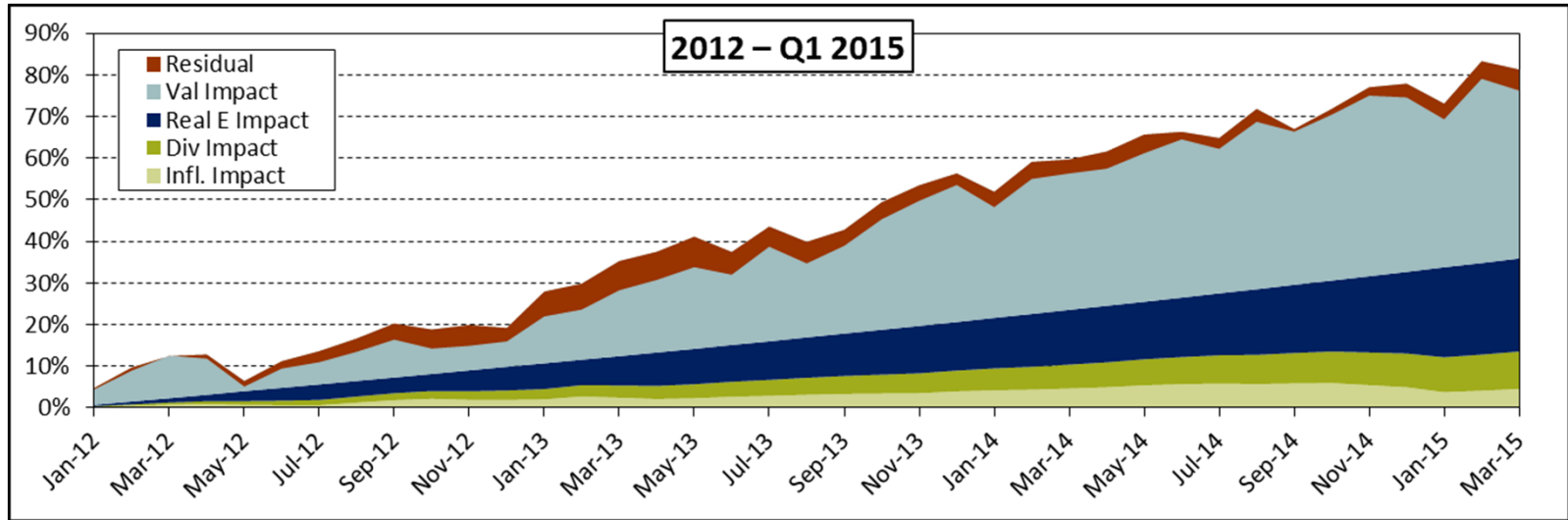
### Commodities

- **Commodities continued their losing streak for the third straight quarter with the Bloomberg Commodity Index posting a 5.9% loss.**
  - Volatility in the commodity sector trumped other asset classes, including equities, bonds and the US dollar; Brent crude dropped 9.9% in January, then sharply recovered, gaining 14.8% in February, and slipped again in March, losing 12.3% posting at a 9.3% Q1 loss.

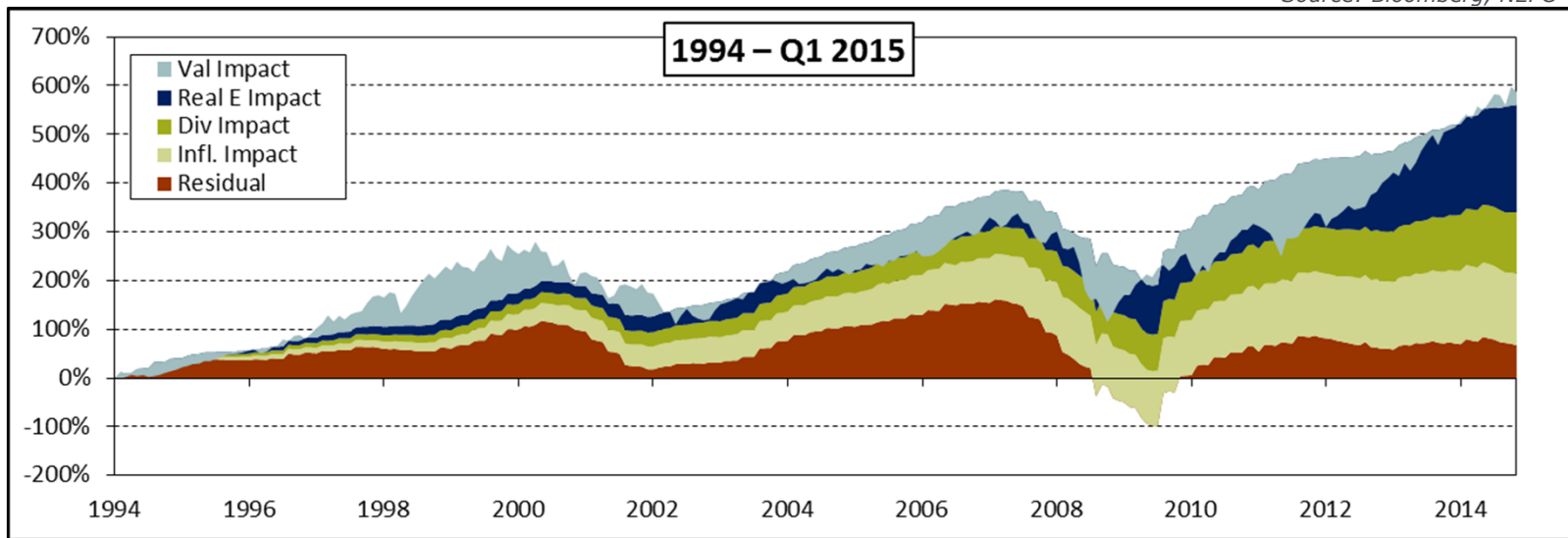
### Real Estate

- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
  - The concerns for U.S. core real estate (and U.S. real estate, broadly) continues to be plentiful capital that is driving up pricing; and the market's expectation for higher future interest rates and their impact on capitalization rates and capital values.
- **U.S. REITs posted a strong quarter with a 4.0% return.**
  - REITs are trading at slight premiums to NAV
  - FFO multiples are up to approximately 18x remaining above the average of 12.5x since 2000.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
  - Europe is emerging from multi-year recession, but recovery is slow and uneven with global markets experiencing large capital inflows.
  - Banks in EU are still overleveraged and have significant real estate exposure to jettison.

**Building Blocks for US Equities**

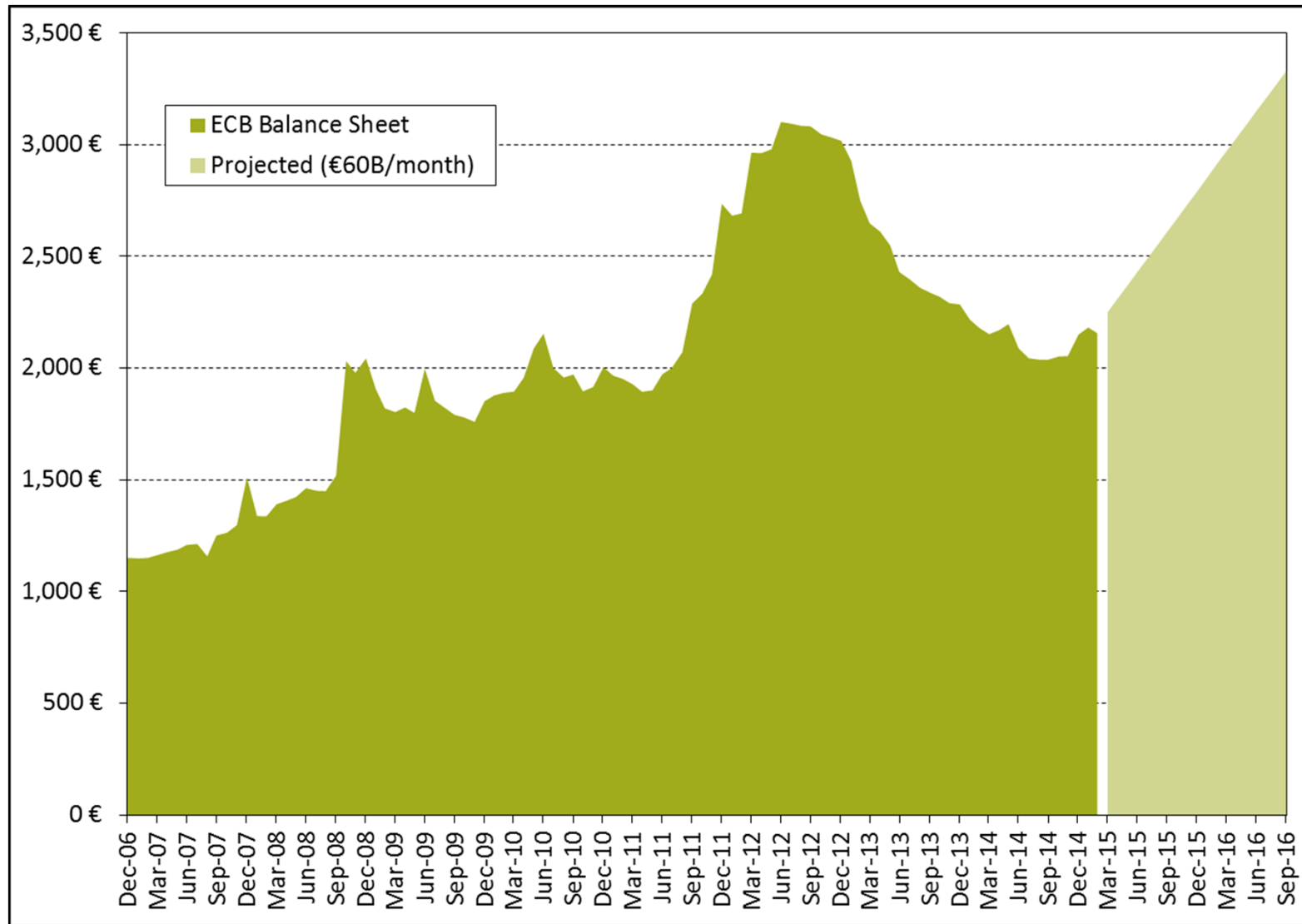


Source: Bloomberg, NEPC

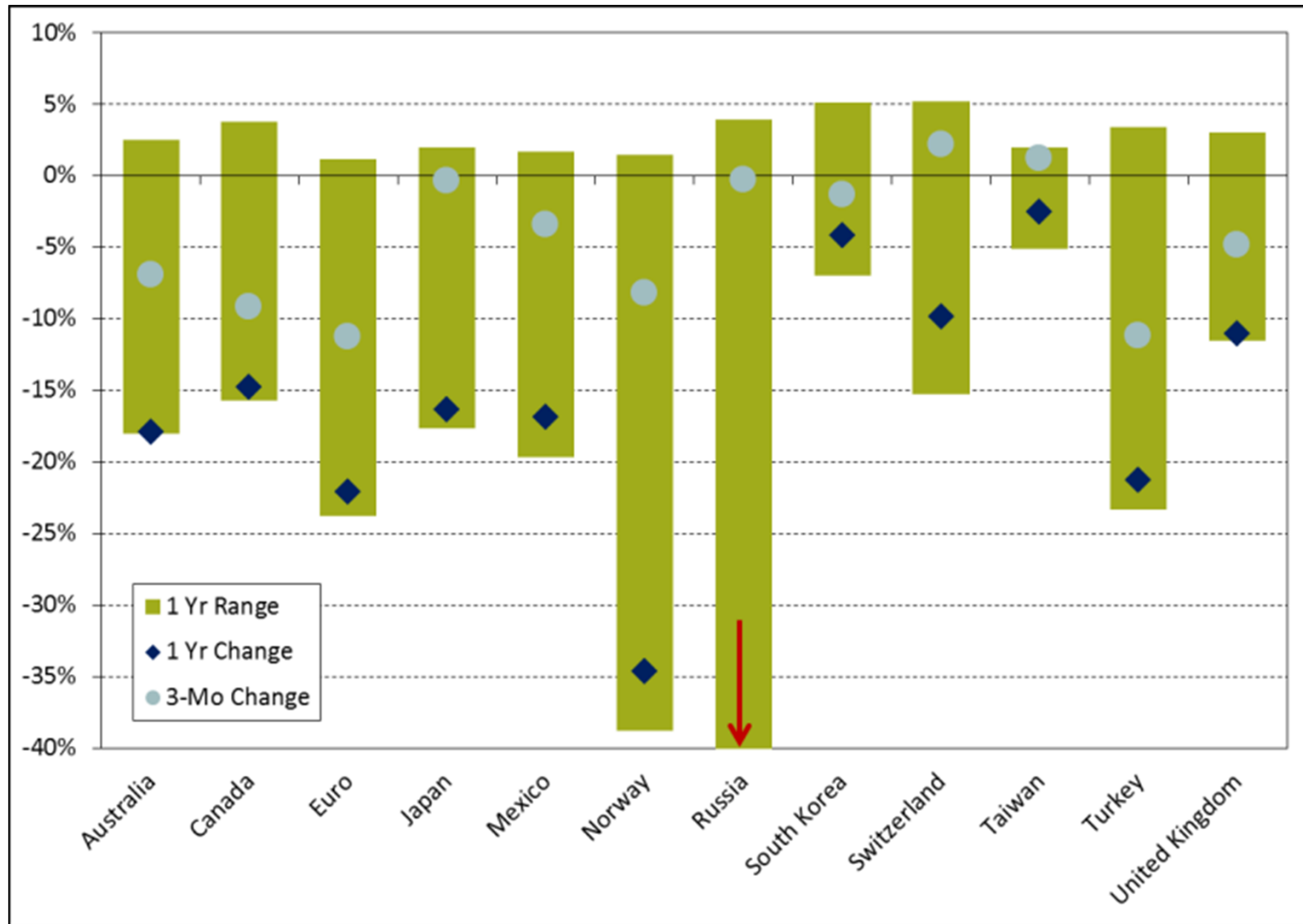


Source: Bloomberg, NEPC

Launch of Quantitative Easing in Eurozone is a New Catalyst for International Equities

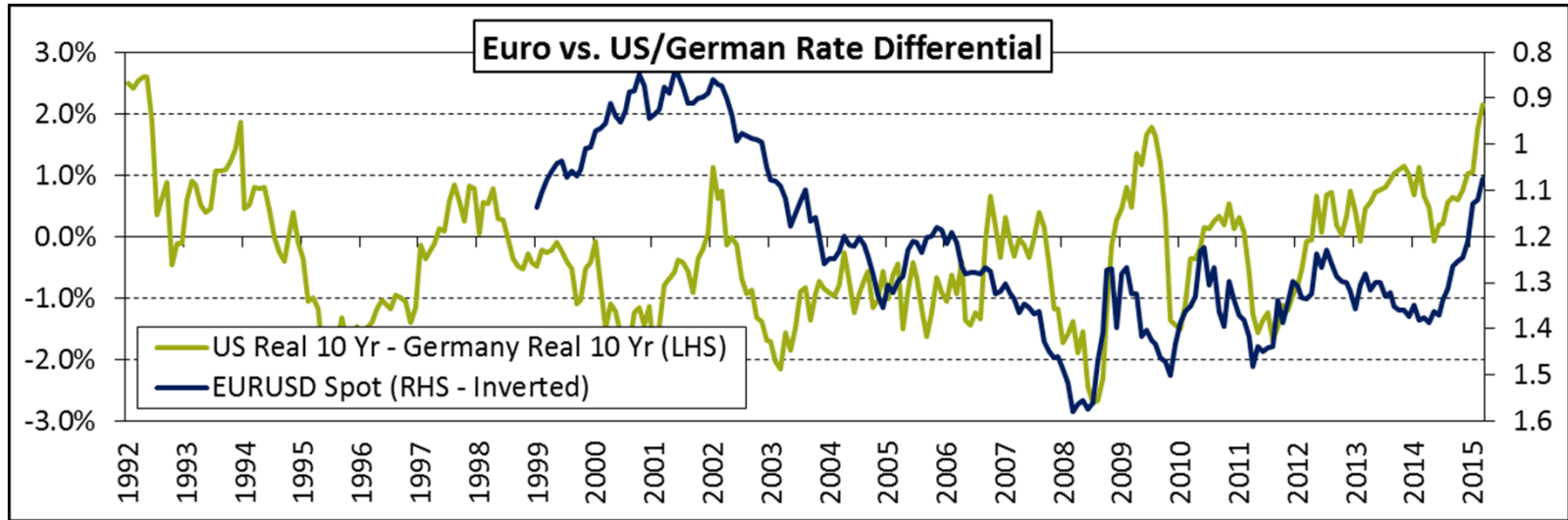


Currencies Have Been Volatile (and mostly negative versus the US Dollar)

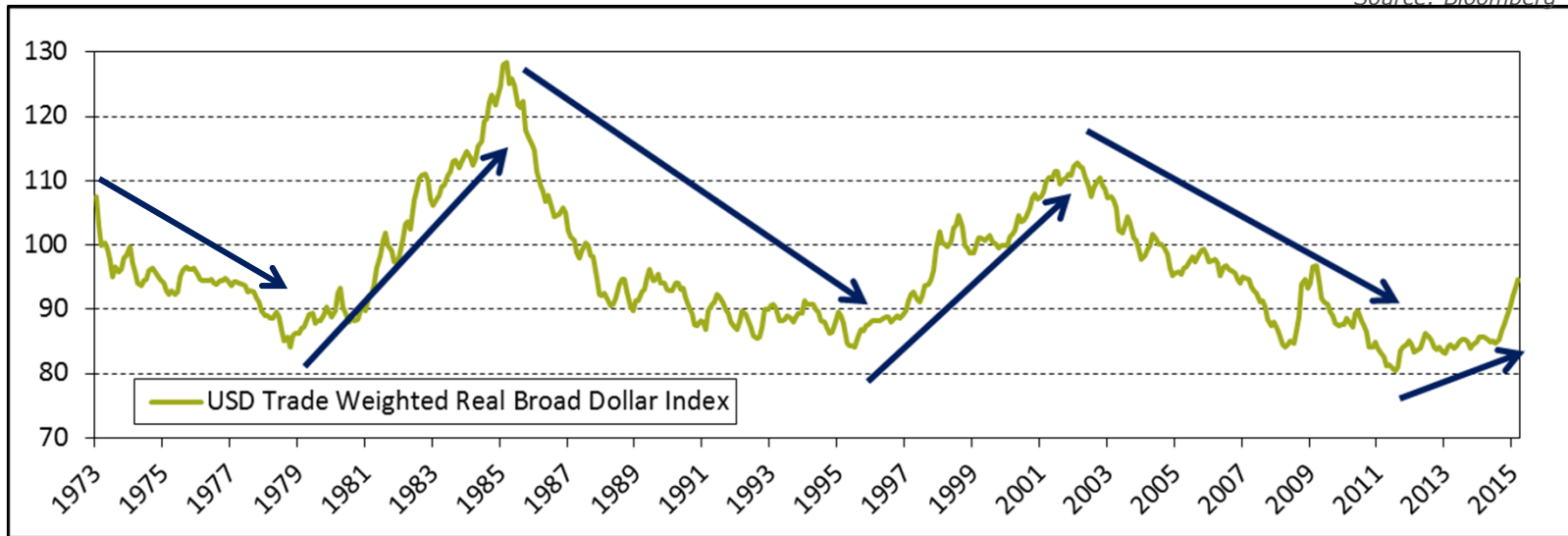


Source: Bloomberg

# Currency Pressure Remains; Historic Movements Exhibit Persistence

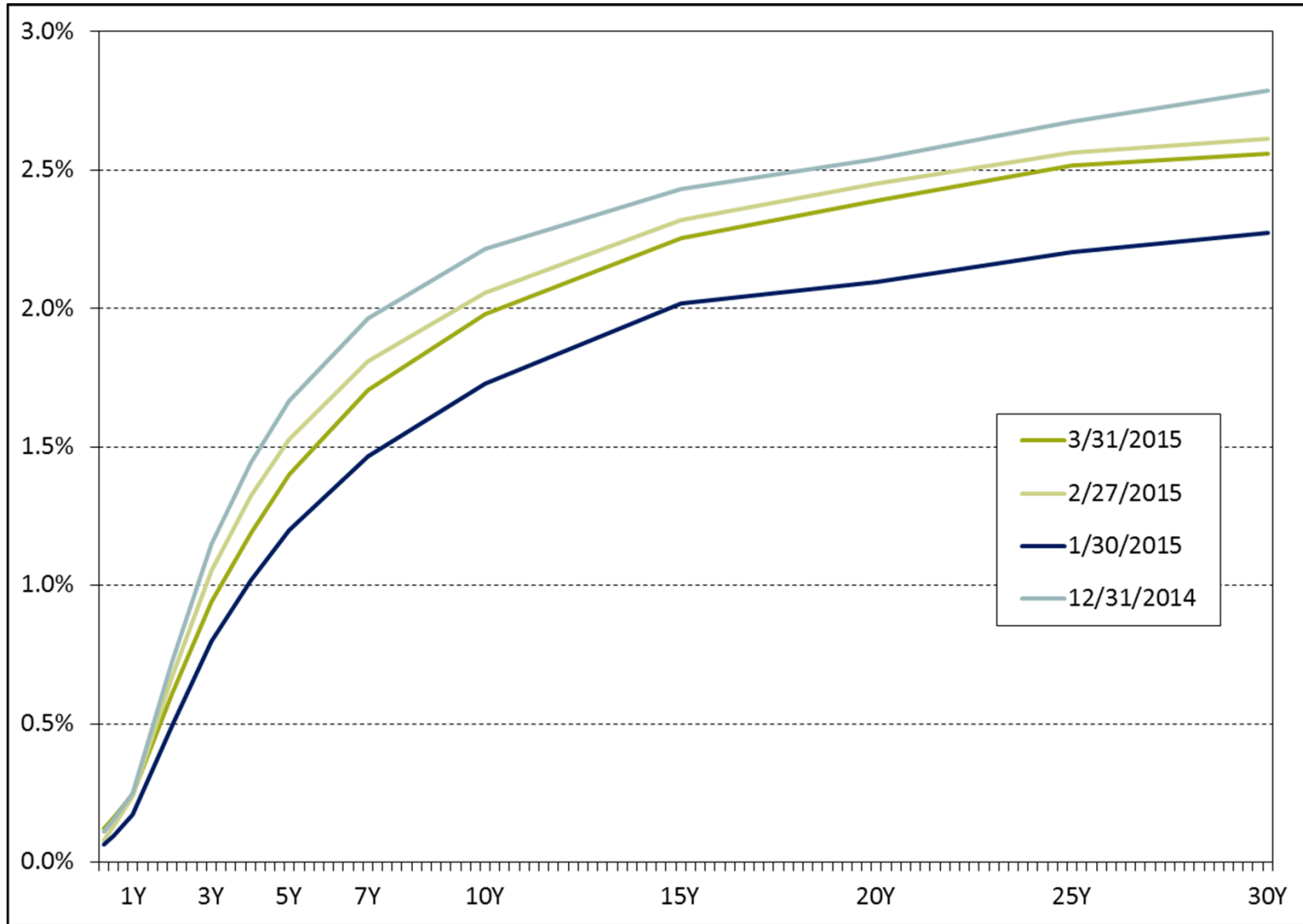


Source: Bloomberg



Source: Bloomberg

Treasury Curve Has Been in Flux, Seesawing in the First Quarter



Source: Bloomberg

- **Be judicious with risk**
  - Avoid chasing risk for only marginal return enhancements
  - Less liquid opportunities may provide the best risk-adjusted approach, but liquidity needs should be incorporated (e.g., substituting direct lending for high yield)
- **Catalysts are present to drive international equity markets above pre-financial crisis highs**
  - Encourage an equal weight exposure to international developed and US equities
  - If currency hedged, encourage larger international developed equity exposure relative to US equities
- **Question the “traditional” approach; different investment environments require different perspectives of risk and return**
  - A low-return environment may require a fresh perspective
  - Continue to remove traditional portfolio constraints by adding active managers with skill to exploit inefficiencies within and across asset classes (e.g., flexible global equity, global asset allocation, absolute return fixed income)
- **Rethink fixed income portfolio structure in light of current market environment**
  - Use of an unconstrained/multi-sector fixed income portfolio may provide sound diversification and enhanced liquidity
  - Examine if alternatives are available to traditional portfolio positions (e.g., combining cash and long treasuries vs. holding core bond portfolio)

## Highlights of First Quarter Happenings at NEPC

### NEPC Research

#### Recent White Papers Posted

- *Six Years Later: A Time for Moderation? NEPC's 2015 Asset Allocation (January 2015)* - NEPC's Asset Allocation Committee
- *A Primer on US Equity REITs and Their Role in an Institutional Investment Portfolio (April 2015)* - Sean Ruhmann, Director of Real Assets Research; Tim Bruce, Director of Traditional Research; Matt Ritter, Research Analyst, Real Assets Research; Larissa Davy, Research Associate, Traditional Research - The NEPC research paper provides an overview of US REITs and examines their place in institutional portfolios.



### Professional Staff Updates

- We are also pleased to announce that Aarish Patell has joined NEPC as a Research Consultant located in our Boston, MA office. Aarish will be focusing on private markets research.
- NEPC has also added two new Research Analysts to our hedge fund research team, Christian Pieri and Victoria Margosian.

### NEPC Client Recognitions

- We are immensely gratified to consistently achieve your favorable client satisfaction ratings in relation to our peers. Last year, you ranked NEPC #1 among the 10 largest firms in the investment consulting business, as measured by the Greenwich Quality Index (GQI). We remain the only firm among the 10 largest investment consultancies with rankings in the top three in 10 of the last 11 years, according to Greenwich Associates' annual survey of over 1,000 large plan sponsors regarding their investment consulting relationships.<sup>1</sup>
- Orange County Employee Retirement System has won the Government Finance Officers Association's Award for Excellence in Government Finance, for its investment fee transparency and management initiatives.

### Upcoming Events

- NEPC's 20th Annual Client Conference – May 19-20, 2015 in Boston at the Boston Convention & Exhibition Center (BCEC)
- Headline Speakers:
  - Liz Ann Sonders, Senior Vice President, Chair of the Investment Committee, Windhaven Investment Management, Inc.
  - Don Yaeger, Sports Journalist
  - Rick Rieder, Chief Investment Officer, Fundamental Fixed Income, BlackRock

- Register at [www.nepc.com](http://www.nepc.com)

<sup>1</sup>Source: Greenwich Associates, 2014 Evaluations by U.S. Institutional Investors. Greenwich Associates is an independent research firm. Its rankings do not represent an endorsement of NEPC. Past performance is no guarantee of future results.



# Total Fund Performance



# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Summary (Gross of Fees)

	Market Value	3 Mo Rank	Fiscal YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yr Rank	20 Yrs Rank	25 Yrs Rank	Return Since											
<b>Total Fund</b>	<b>\$3,165,755,146</b>	<b>1.2%</b>	<b>96</b>	<b>-1.5%</b>	<b>99</b>	<b>2.0%</b>	<b>99</b>	<b>6.5%</b>	<b>96</b>	<b>7.3%</b>	<b>95</b>	<b>5.8%</b>	<b>90</b>	<b>5.8%</b>	<b>32</b>	<b>7.9%</b>	<b>71</b>	<b>8.3%</b>	<b>69</b>	<b>8.8%</b>	<b>Mar-71</b>	
<i>Policy Benchmark</i>		1.2%	96	-1.6%	99	1.6%	99	6.2%	97	7.5%	94	5.8%	91	5.3%	66	--	--	--	--	--	--	Mar-71
<i>Allocation Index</i>		1.1%	97	-1.6%	99	1.7%	99	6.1%	97	7.0%	95	6.0%	89	5.6%	41	--	--	--	--	--	--	Mar-71
<i>60% MSCI World (Gross) / 40% CITI WGBI</i>		0.5%	99	-2.2%	99	1.7%	99	6.9%	94	7.1%	95	5.7%	92	4.5%	98	6.6%	98	7.4%	98	--	--	Mar-71
<i>InvestorForce Public DB &gt; \$1B Gross Median</i>		2.3%		2.5%		6.5%		9.8%		9.5%		6.8%		5.4%		8.1%		8.5%		--	--	Mar-71

For the five-year period ending March 31, 2015, the Fund returned 7.3%, trailing the policy benchmark by 0.2% and ranking in the 95<sup>th</sup> percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 26<sup>th</sup> percentile over the five-year period.

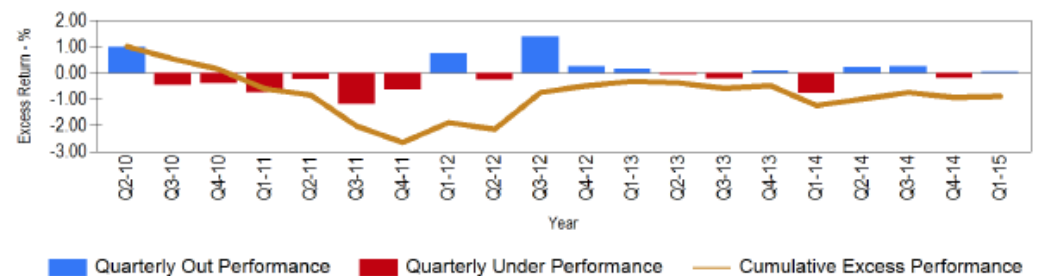
For the three-year period ending March 31, 2015, the Fund returned 6.5%, outperforming the policy benchmark by 0.4% and ranking in the 96<sup>th</sup> percentile of its peers. The Fund's volatility ranks in the top quartile of its peer group for the period.

For the one year ending March 31, 2015, the Fund produced a net investment gain of \$60.4 million, which includes a net investment gain of \$39.1 million in the first calendar quarter. Assets increased from \$3.1 billion one year ago to \$3.2 billion on March 31, 2015, with \$41.3 million in net distributions during the year.

For the one-year period ending March 31, 2015, the Fund returned 2.0%, outperforming the policy benchmark by 0.4%. The Fund's volatility ranks in the top quartile of its peers while risk-adjusted performance is 0.4 for the year.

Please see the appendix for additional performance disclosures.

Quarterly and Cumulative Excess Performance



5 Years Ending March 31, 2015

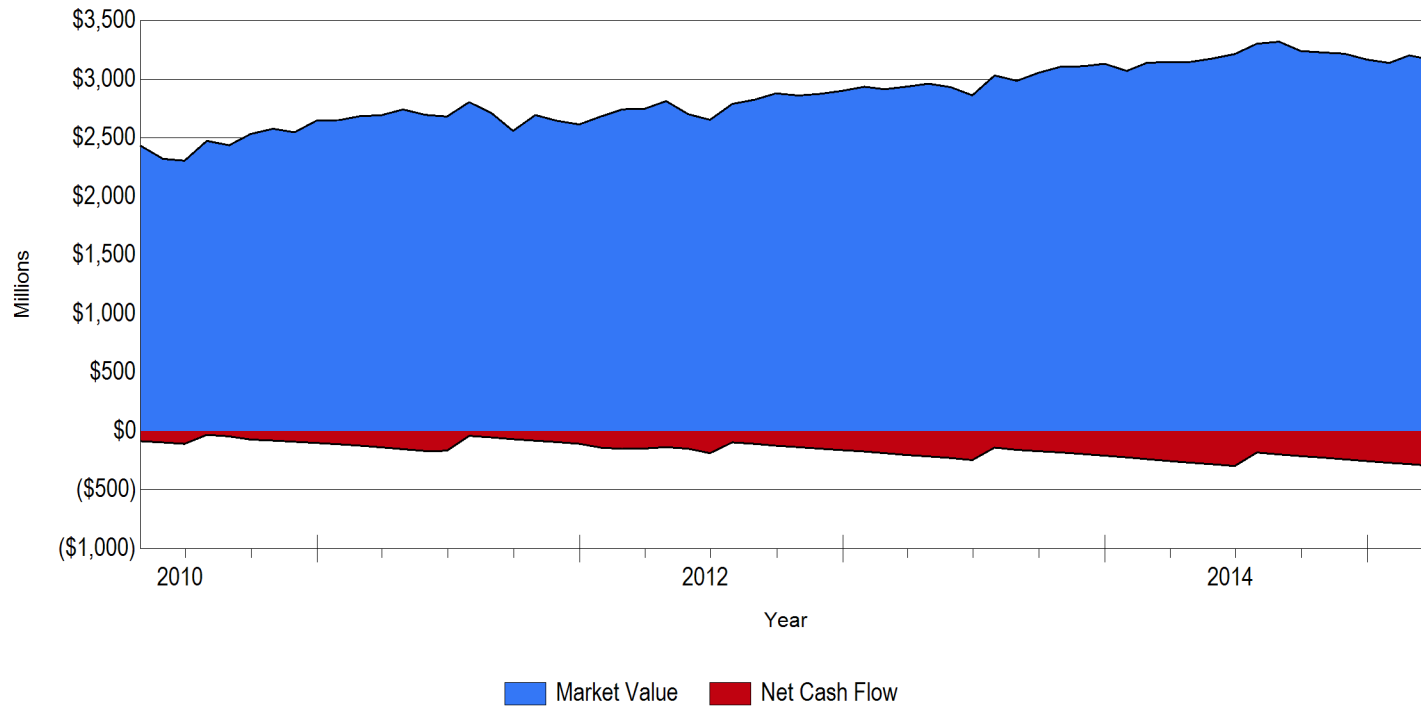
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.3%	95	7.3%	26	1.0	94	1.5	83
Policy Benchmark	7.5%	94	7.2%	25	1.0	87	1.7	61
InvestorForce Public DB > \$1B Gross Median	9.5%	--	7.9%	--	1.2	--	1.7	--

3 Years Ending March 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	6.5%	96	5.4%	21	1.2	96	1.7	97
Policy Benchmark	6.2%	97	5.4%	18	1.1	97	1.8	94
InvestorForce Public DB > \$1B Gross Median	9.8%	--	6.0%	--	1.6	--	2.3	--

**Total Fund Asset Growth Summary**

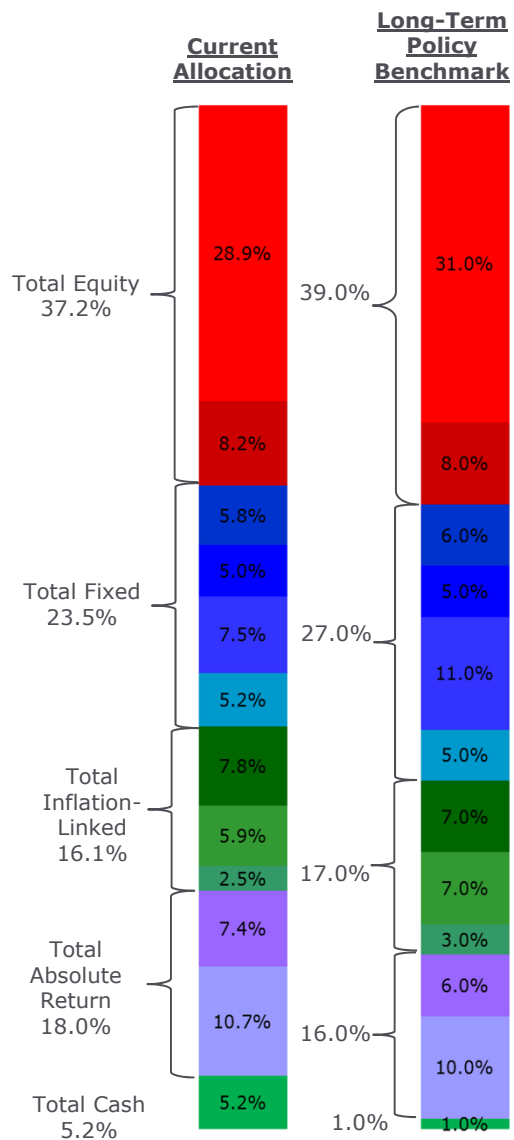
**Market Value History**  
 Since NEPC began tracking performance, April 1, 2008 thru March 31, 2015



Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year	Three Years	Five Years	Since 4/1/08
Beginning Market Value	\$3,167,511,835	\$3,214,627,471	\$3,146,641,245	\$2,748,359,436	\$2,403,195,959	\$2,583,363,926
Net Additions/Withdrawals	-\$40,831,963	\$924,985	-\$41,300,159	-\$148,247,220	-\$220,924,709	-\$296,365,723
Investment Earnings	\$39,075,274	-\$49,797,310	\$60,414,061	\$565,642,930	\$983,483,896	\$878,756,943
<b>Ending Market Value</b>	<b>\$3,165,755,146</b>	<b>\$3,165,755,146</b>	<b>\$3,165,755,146</b>	<b>\$3,165,755,146</b>	<b>\$3,165,755,146</b>	<b>\$3,165,755,146</b>

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Asset Allocation vs. Policy Targets



	Current Mkt Value	Current Allocation	Long-Term Policy Benchmark <sup>1</sup>	Difference	Policy Range	Within Range
<b>Public Equity</b>	<b>\$915,240,076</b>	<b>28.9%</b>	<b>31.0%</b>	<b>-2.1%</b>		
Global Equity <sup>2</sup>	\$192,437,889	6.1%				
U.S. Equity <sup>3</sup>	\$272,458,993	8.6%				
U.S. Large Cap	\$230,276,854	7.3%				
U.S. Small Cap	\$42,182,333	1.3%				
Non-U.S. Equity	\$391,607,866	12.4%				
Non-U.S. Developed Markets <sup>4</sup>	\$273,978,683	8.7%				
Non-U.S. Emerging Markets	\$117,629,183	3.7%				
Alternative Equity	\$58,735,327	1.9%				
<b>Private Equity</b>	<b>\$261,052,361</b>	<b>8.2%</b>	<b>8.0%</b>	<b>0.2%</b>		
<b>Total Equity</b>	<b>\$1,176,292,437</b>	<b>37.2%</b>	<b>39.0%</b>	<b>-1.8%</b>	<b>25% - 50%</b>	<b>Yes</b>
<b>Fixed Income</b>						
Global Core	\$184,485,572	5.8%	6.0%	-0.2%		
High Yield/Corporate Credit	\$158,105,108	5.0%	5.0%	0.0%		
Opportunistic/Private Debt	\$236,678,320	7.5%	11.0%	-3.5%		
Emerging Market Debt <sup>6</sup>	\$164,854,825	5.2%	5.0%	0.2%		
<b>Total Fixed Income<sup>5</sup></b>	<b>\$744,123,825</b>	<b>23.5%</b>	<b>27.0%</b>	<b>-3.5%</b>	<b>20% - 40%</b>	<b>Yes</b>
<b>Inflation-Linked Assets</b>						
Real Estate	\$245,537,404	7.8%	7.0%	0.8%		
Commodities	\$185,626,258	5.9%	7.0%	-1.1%		
Multi-Asset Inflation-Linked Assets	\$79,106,399	2.5%	3.0%	-0.5%		
<b>Total Inflation-Linked Assets</b>	<b>\$510,270,061</b>	<b>16.1%</b>	<b>17.0%</b>	<b>-0.9%</b>	<b>12% - 25%</b>	<b>Yes</b>
<b>Absolute Return</b>						
Hedge Funds	\$233,624,240	7.4%	6.0%	1.4%		
Global Asset Allocation	\$337,771,684	10.7%	10.0%	0.7%		
<b>Total Absolute Return</b>	<b>\$571,395,925</b>	<b>18.0%</b>	<b>16.0%</b>	<b>2.0%</b>	<b>5% - 25%</b>	<b>Yes</b>
<b>Cash<sup>6</sup></b>	<b>\$163,672,898</b>	<b>5.2%</b>	<b>1.0%</b>	<b>4.2%</b>	<b>0% - 5%</b>	<b>Yes</b>
<b>Total</b>	<b>\$3,165,755,146</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>		

Please see appendix for details regarding footnotes.

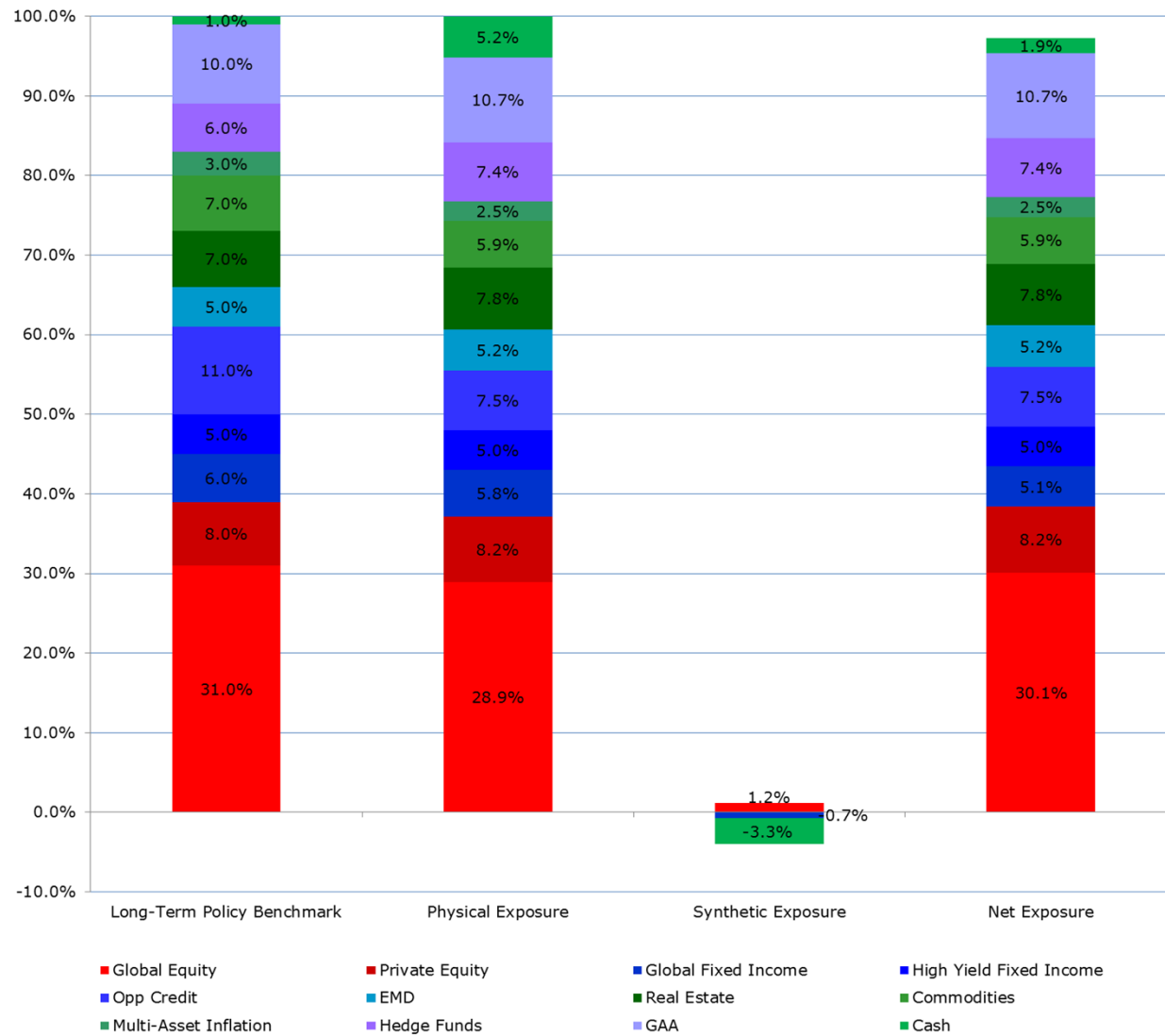
Note: Market values shown above include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding.

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

# City of San Jose Police and Fire Department Retirement Plan

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



Note: Long-Term Policy Benchmark and Physical Exposure matches prior page. Synthetic Exposure provided by Russell as of 12/31/2014 based on unaudited month-end valuations. Exposure shown above is intended to provide a snapshot of exposure as of month-end. Negative cash reflects gross notional exposure taken in the Russell Overlay account.

# City of San Jose Police and Fire Department Retirement Plan

## Asset Growth Summary Detail – Public Equity

	Beginning Market Value	Quarter Ending March 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
Artisan Global Opportunities	\$92,464,759	-\$203,158	\$4,846,013	\$97,107,615
Artisan Global Value	\$94,822,947	\$0	\$502,674	\$95,325,621
Liquidating - Russell MSCI ACWI	\$4,299	\$0	\$0	\$4,299
Liquidating - Russell MSCI ACWI Value	\$2,196	-\$2,026	-\$19	\$151
Equity Transition	\$24,539	-\$23,047	-\$1,289	\$202
<b>Global Equity Composite</b>	<b>\$187,318,740</b>	<b>-\$228,231</b>	<b>\$5,347,379</b>	<b>\$192,437,889</b>
NT Russell 1000 Index Fund	\$256,501,782	-\$30,008,911	\$3,781,100	\$230,273,971
Liquidating - Robeco/Boston Partners Large Cap Value	\$3,246	-\$3,246	\$2,690	\$2,690
Transition Account #1	\$3,458	\$0	-\$296	\$3,162
RBC Small Cap Core	\$40,416,032	\$0	\$1,763,139	\$42,179,171
<b>U.S. Equity Composite</b>	<b>\$296,924,518</b>	<b>-\$30,012,157</b>	<b>\$5,546,633</b>	<b>\$272,458,993</b>
Liquidating - Russell MSCI EAFE + CAD	\$89,915	-\$12,453	-\$1,036	\$76,425
NT Russell MSCI World ex US Index Fund	\$222,351,508	-\$22,921	\$8,818,081	\$231,146,668
Liquidating - Brandes Int'l Equity	\$2,938	-\$3	-\$330	\$2,605
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$1,856	-\$420	-\$160	\$1,276
Oberweis	\$39,900,373	\$0	\$2,851,337	\$42,751,710
MSCI Emerging Markets ETF (ticker: EEM)	\$32,836,955	\$0	\$699,390	\$33,536,345
Vontobel Emerging Markets	\$62,842,492	-\$136,960	\$1,110,817	\$63,816,349
Aberdeen Frontier Markets	\$20,850,289	\$0	-\$573,800	\$20,276,489
<b>International Equity Composite</b>	<b>\$378,876,326</b>	<b>-\$172,757</b>	<b>\$12,904,299</b>	<b>\$391,607,866</b>
Amici	\$10,200,613	\$0	\$567,352	\$10,767,965
Marshall Wace	\$10,894,683	\$0	\$526,691	\$11,421,375
Horizon	\$11,580,427	\$0	-\$48,361	\$11,532,066
Sandler	\$11,198,075	\$0	\$963,281	\$12,161,356
Senator	\$12,420,859	\$0	\$431,707	\$12,852,566
<b>Alternative Equity Composite</b>	<b>\$56,294,657</b>	<b>\$0</b>	<b>\$2,440,670</b>	<b>\$58,735,327</b>
<b>Total Equity Composite</b>	<b>\$919,414,241</b>	<b>-\$30,413,145</b>	<b>\$26,238,981</b>	<b>\$915,240,076</b>

# City of San Jose Police and Fire Department Retirement Plan

## Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending March 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$8,451,121	\$905,670	\$216,638	\$9,573,429
TCW/Crescent Mezzanine Partners V	\$7,030,110	-\$988,174	\$307,286	\$6,349,222
CCMP Capital Investors III	\$7,982,433	-\$11,662	-\$25,667	\$7,945,104
Crescent Mezzanine Partners VI	\$13,251,847	-\$920,929	\$251,047	\$12,581,965
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$30,869,876	-\$2,560,310	\$889,049	\$29,198,615
Industry Ventures III	\$3,903,747	\$750,000	\$533,296	\$5,187,043
Pantheon USA Fund VI	\$27,295,832	-\$1,440,030	\$1,035,221	\$26,891,023
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Situations)	\$13,131,579	-\$934,691	-\$155,367	\$12,041,521
Siguler Guff DOF III	\$16,449,407	-\$1,453,985	\$225,731	\$15,221,153
TPG Opportunity Partners II	\$12,530,512	\$0	\$456,985	\$12,987,497
TPG Opportunity Partners III	\$1,555,169	\$936,538	-\$10,398	\$2,481,309
Warburg Pincus Private Equity XI	\$12,772,521	\$265,037	\$625,305	\$13,662,863
NT Russell 3000 Index Fund	\$105,047,470	-\$7,927	\$1,892,074	\$106,931,617
<b>Total Private Equity Composite</b>	<b>\$260,271,624</b>	<b>-\$5,460,463</b>	<b>\$6,241,200</b>	<b>\$261,052,361</b>
<b>Total Private Equity Composite ex-Interim Exposure</b>	<b>\$155,224,154</b>	<b>-\$5,452,536</b>	<b>\$4,349,126</b>	<b>\$154,120,744</b>

# City of San Jose Police and Fire Department Retirement Plan

## Asset Growth Summary Detail – Fixed Income

	Beginning Market Value	Quarter Ending March 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
Claren Road	\$26,322,844	\$0	\$305,243	\$26,628,087
Colchester Global Fixed Income	\$109,137,820	-\$20,069,106	-\$1,338,927	\$87,729,787
Franklin Templeton Global Multi-Sector Plus	\$69,682,443	\$0	\$445,255	\$70,127,698
<b>Global Fixed Income Composite</b>	<b>\$205,143,107</b>	<b>-\$20,069,106</b>	<b>-\$588,429</b>	<b>\$184,485,572</b>
Beach Point Total Return	\$77,079,307	\$0	\$2,027,546	\$79,106,853
Symphony L/S Credit Fund	\$78,428,345	\$0	\$565,441	\$78,993,786
Liquidating - Seix Bank Loans	\$4,469	\$0	\$0	\$4,469
<b>Corporate Credit Composite</b>	<b>\$155,512,121</b>	<b>\$0</b>	<b>\$2,592,987</b>	<b>\$158,105,108</b>
Davidson Kempner	\$22,577,338	\$0	\$241,485	\$22,818,823
Marathon European Credit Opportunity Fund	\$14,429,984	-\$1,259,241	\$40,478	\$13,211,222
GSO Direct Lending Fund	\$20,290,028	-\$368,273	-\$115,118	\$19,806,638
Medley Opportunity Fund II	\$51,948,475	\$0	\$784,097	\$52,732,572
White Oak Direct Lending Fund	\$47,019,639	-\$4,530,542	-\$1,696,091	\$40,793,006
Capula European Special Situations Fund	\$64,575,766	\$8,623,075	\$1,261,789	\$74,460,630
Park Square	\$13,862,184	\$0	-\$1,006,755	\$12,855,429
<b>Opportunistic Credit Composite</b>	<b>\$234,703,414</b>	<b>\$2,465,019</b>	<b>-\$490,115</b>	<b>\$236,678,320</b>
BlueBay Emerging Market Select Debt	\$111,473,253	-\$212,186	-\$1,308,101	\$109,952,966
Iguazu Partners	\$53,883,040	\$0	\$1,018,819	\$54,901,859
<b>Emerging Market Debt Composite</b>	<b>\$165,356,293</b>	<b>-\$212,186</b>	<b>-\$289,282</b>	<b>\$164,854,825</b>
<b>Total Fixed Income Composite</b>	<b>\$760,714,935</b>	<b>-\$17,816,273</b>	<b>\$1,225,161</b>	<b>\$744,123,825</b>



City of San Jose Police and Fire Department Retirement Plan  
**Asset Growth Summary Detail – Inflation-Linked Assets**

	Beginning Market Value	Quarter Ending March 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
American Realty Separate Account	\$24,539,658	-\$461,000	\$468,599	\$24,547,257
American Realty Core Fund	\$125,302,625	-\$1,628,968	\$1,969,533	\$125,643,189
BlackStone Real Estate Debt Strategies II	\$5,781,369	-\$1,589,418	\$98,118	\$4,290,069
Brookfield Strategic Real Estate Partners	\$8,640,096	\$618,157	\$136,904	\$9,395,157
Och Ziff Real Estate	\$198,748	\$943,401	-\$56,256	\$1,085,893
Orion European Real Estate Fund IV	\$3,611,027	\$669,316	\$45,967	\$4,326,310
TA Realty Fund X	\$8,732,620	\$852,963	\$304,728	\$9,890,311
Tristan EPISO 3	\$3,416,754	\$710,135	-\$27,878	\$4,099,011
Russell Real Estate	\$61,054,322	\$0	\$1,205,886	\$62,260,208
<b>Total Real Estate Composite</b>	<b>\$241,277,219</b>	<b>\$114,586</b>	<b>\$4,145,601</b>	<b>\$245,537,404</b>
<b>Total Real Estate Composite ex-Interim Exposure</b>	<b>\$180,222,897</b>	<b>\$114,586</b>	<b>\$2,939,715</b>	<b>\$183,277,197</b>
Credit Suisse Balanced Risk Commodity Index	\$195,705,593	-\$181,109	-\$9,898,226	\$185,626,258
<b>Total Commodities Composite</b>	<b>\$195,705,593</b>	<b>-\$181,109</b>	<b>-\$9,898,226</b>	<b>\$185,626,258</b>
Wellington Diversified Inflation Hedges	\$81,393,305	-\$192,618	-\$2,094,288	\$79,106,399
<b>Total Multi-Asset Inflation-Linked Assets</b>	<b>\$81,393,305</b>	<b>-\$192,618</b>	<b>-\$2,094,288</b>	<b>\$79,106,399</b>

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Beginning Market Value	Quarter Ending March 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
Arrowgrass	\$22,964,028	\$0	\$946,139	\$23,910,166
BlueTrend	\$9,489,870	\$0	\$1,110,074	\$10,599,944
Brevan Howard	\$20,878,518	\$0	\$660,485	\$21,539,002
DE Shaw	\$25,074,078	\$0	\$1,670,135	\$26,744,213
Hudson Bay	\$20,409,825	\$0	\$401,202	\$20,811,028
Kepos	\$5,753,097	\$0	-\$419,518	\$5,333,580
Pine River	\$23,057,887	\$0	\$426,132	\$23,484,019
Russell Hedge Funds	\$101,165,848	\$0	\$36,440	\$101,202,288
<b>Total Hedge Funds</b>	<b>\$228,793,151</b>	<b>\$0</b>	<b>\$4,831,089</b>	<b>\$233,624,240</b>
<b>Total Hedge Funds ex-Interim Exposure</b>	<b>\$127,627,303</b>	<b>\$0</b>	<b>\$4,794,649</b>	<b>\$132,421,952</b>
GMO Benchmark-Free Allocation Fund	\$127,445,698	-\$30,000,000	\$2,117,578	\$99,563,275
PIMCO All Asset All Authority Fund	\$95,288,474	\$0	-\$306,962	\$94,981,512
Standard Life GARS Fund	\$109,043,640	\$30,000,000	\$4,183,257	\$143,226,897
<b>Total Global Asset Allocation</b>	<b>\$331,777,812</b>	<b>\$0</b>	<b>\$5,993,873</b>	<b>\$337,771,684</b>

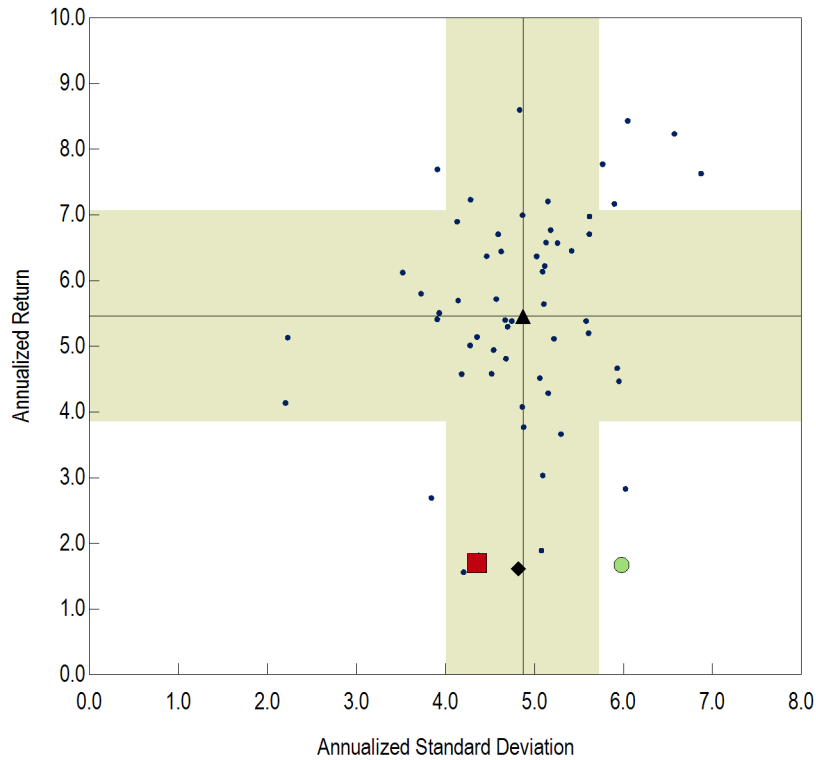
City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Cash & Overlay

	Beginning Market Value	Quarter Ending March 31, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
Cash	\$81,232,703	\$13,117,084	\$0	\$94,349,788
Russell Overlay	\$66,931,227	\$0	\$2,391,884	\$69,323,111
<b>Total Cash and Overlay</b>	<b>\$148,163,930</b>	<b>\$13,117,084</b>	<b>\$2,391,884</b>	<b>\$163,672,898</b>

Total Fund Risk/Return

1 Year Ending March 31, 2015



58 Portfolios

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

3 Years Ending March 31, 2015

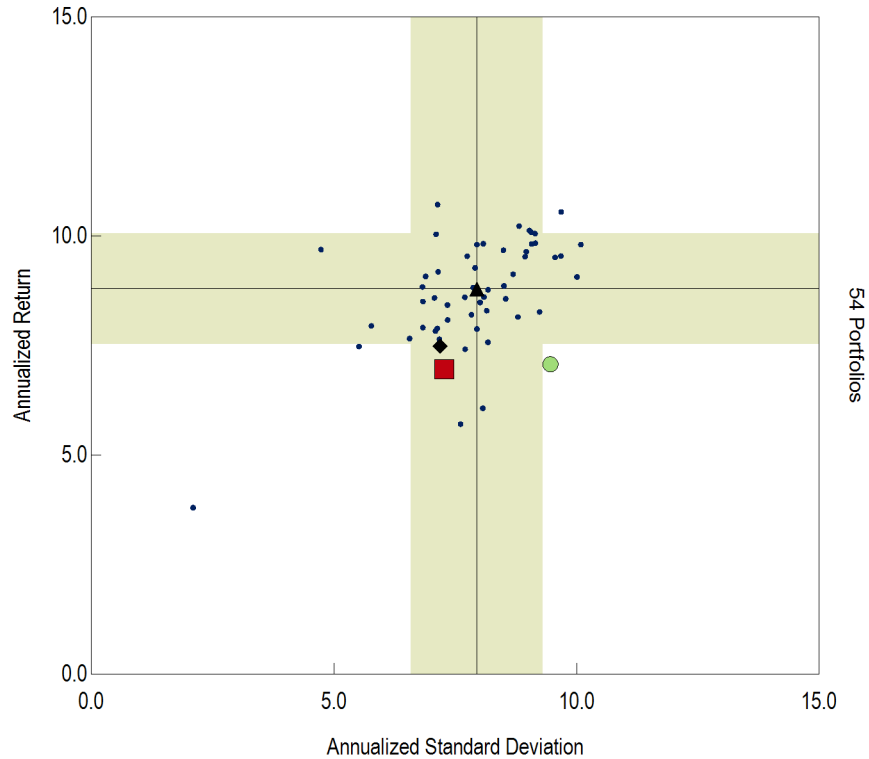


57 Portfolios

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

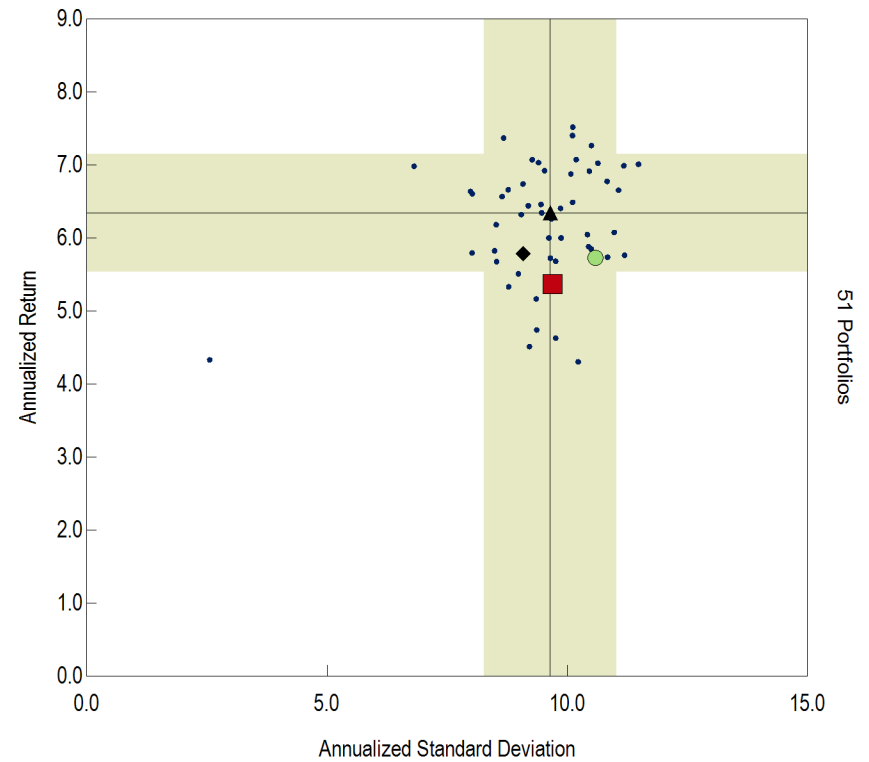
Total Fund Risk/Return

5 Years Ending March 31, 2015



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

10 Years Ending March 31, 2015

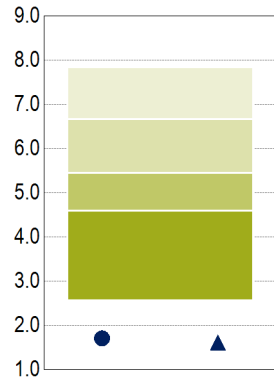


- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

**Total Fund Risk Statistics vs. Peer Universe**

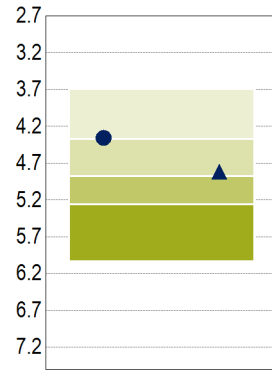
**Total Fund vs. InvestorForce Public DB > \$1B Net (USD)  
1 Year**

**Anlzd Return**



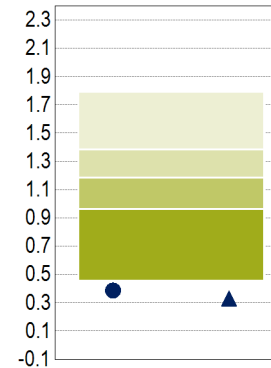
● Total Fund	
Value	1.7
%tile	99
▲ Policy Benchmark	
Value	1.6
%tile	99
Universe	
5th %tile	7.8
25th %tile	6.7
Median	5.5
75th %tile	4.6
95th %tile	2.6

**Anlzd Standard Deviation**



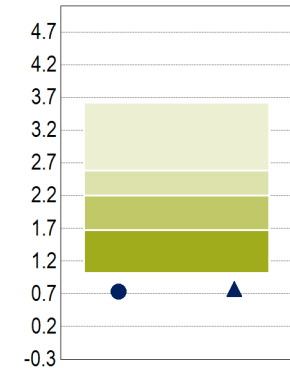
● Total Fund	
Value	4.4
%tile	25
▲ Policy Benchmark	
Value	4.8
%tile	46
Universe	
5th %tile	3.7
25th %tile	4.4
Median	4.9
75th %tile	5.2
95th %tile	6.0

**Sharpe Ratio**



● Total Fund	
Value	0.4
%tile	98
▲ Policy Benchmark	
Value	0.3
%tile	99
Universe	
5th %tile	1.8
25th %tile	1.4
Median	1.2
75th %tile	1.0
95th %tile	0.5

**Sortino Ratio**

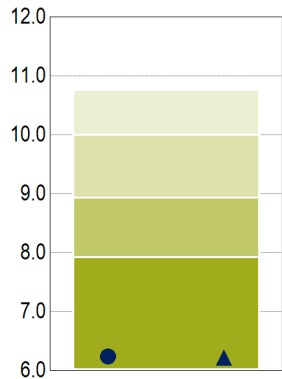


● Total Fund	
Value	0.7
%tile	98
▲ Policy Benchmark	
Value	0.8
%tile	97
Universe	
5th %tile	3.6
25th %tile	2.6
Median	2.2
75th %tile	1.7
95th %tile	1.0

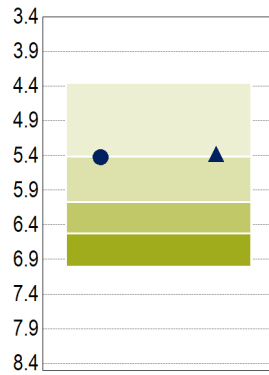
**Total Fund Risk Statistics vs. Peer Universe**

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

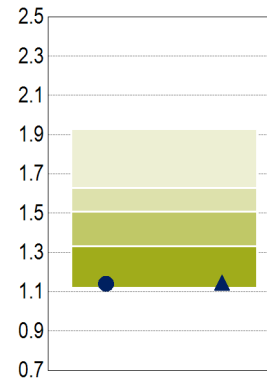
**Anlzd Return**



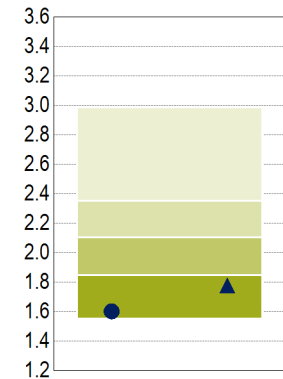
**Anlzd Standard Deviation**



**Sharpe Ratio**



**Sortino Ratio**



● Total Fund	
Value	6.2
%tile	95
▲ Policy Benchmark	
Value	6.2
%tile	95
Universe	
5th %tile	10.8
25th %tile	10.0
Median	8.9
75th %tile	7.9
95th %tile	6.0

● Total Fund	
Value	5.4
%tile	26
▲ Policy Benchmark	
Value	5.4
%tile	23
Universe	
5th %tile	4.4
25th %tile	5.4
Median	6.1
75th %tile	6.5
95th %tile	7.0

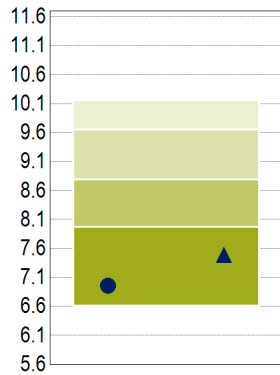
● Total Fund	
Value	1.1
%tile	95
▲ Policy Benchmark	
Value	1.1
%tile	95
Universe	
5th %tile	1.9
25th %tile	1.6
Median	1.5
75th %tile	1.3
95th %tile	1.1

● Total Fund	
Value	1.6
%tile	95
▲ Policy Benchmark	
Value	1.8
%tile	84
Universe	
5th %tile	3.0
25th %tile	2.4
Median	2.1
75th %tile	1.9
95th %tile	1.6

**Total Fund Risk Statistics vs. Peer Universe**

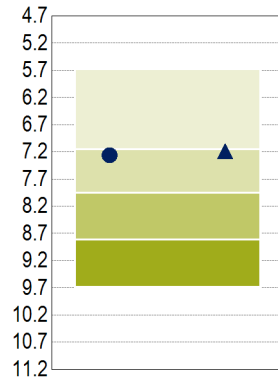
**Total Fund vs. InvestorForce Public DB > \$1B Net (USD)  
5 Years**

**Anlzd Return**



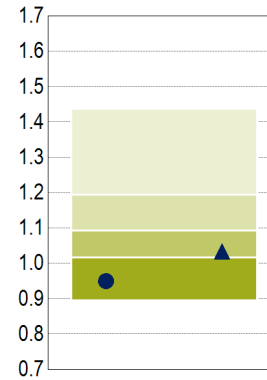
● Total Fund	
Value	7.0
%tile	95
▲ Policy Benchmark	
Value	7.5
%tile	91
Universe	
5th %tile	10.2
25th %tile	9.7
Median	8.8
75th %tile	8.0
95th %tile	6.6

**Anlzd Standard Deviation**



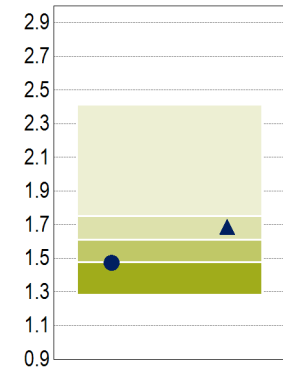
● Total Fund	
Value	7.3
%tile	32
▲ Policy Benchmark	
Value	7.2
%tile	30
Universe	
5th %tile	5.7
25th %tile	7.1
Median	7.9
75th %tile	8.8
95th %tile	9.7

**Sharpe Ratio**



● Total Fund	
Value	0.9
%tile	89
▲ Policy Benchmark	
Value	1.0
%tile	74
Universe	
5th %tile	1.4
25th %tile	1.2
Median	1.1
75th %tile	1.0
95th %tile	0.9

**Sortino Ratio**



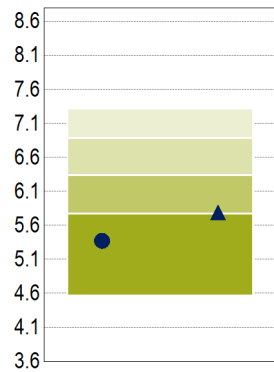
● Total Fund	
Value	1.5
%tile	79
▲ Policy Benchmark	
Value	1.7
%tile	38
Universe	
5th %tile	2.4
25th %tile	1.8
Median	1.6
75th %tile	1.5
95th %tile	1.3



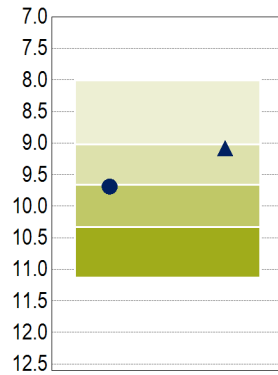
**Total Fund Risk Statistics vs. Peer Universe**

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

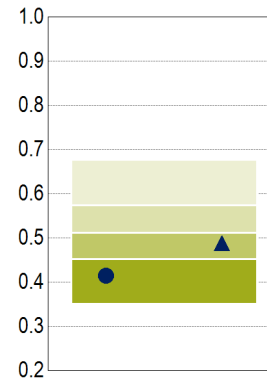
**Anlzd Return**



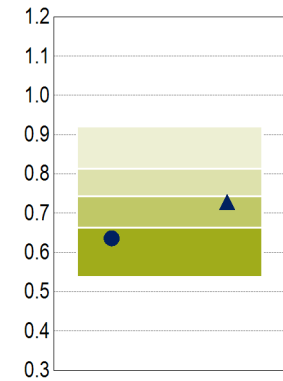
**Anlzd Standard Deviation**



**Sharpe Ratio**



**Sortino Ratio**



● Total Fund	
Value	5.4
%tile	88
▲ Policy Benchmark	
Value	5.8
%tile	75

● Total Fund	
Value	9.7
%tile	55
▲ Policy Benchmark	
Value	9.1
%tile	29

● Total Fund	
Value	0.4
%tile	88
▲ Policy Benchmark	
Value	0.5
%tile	65

● Total Fund	
Value	0.6
%tile	85
▲ Policy Benchmark	
Value	0.7
%tile	57

Universe	
5th %tile	7.3
25th %tile	6.9
Median	6.3
75th %tile	5.8
95th %tile	4.6

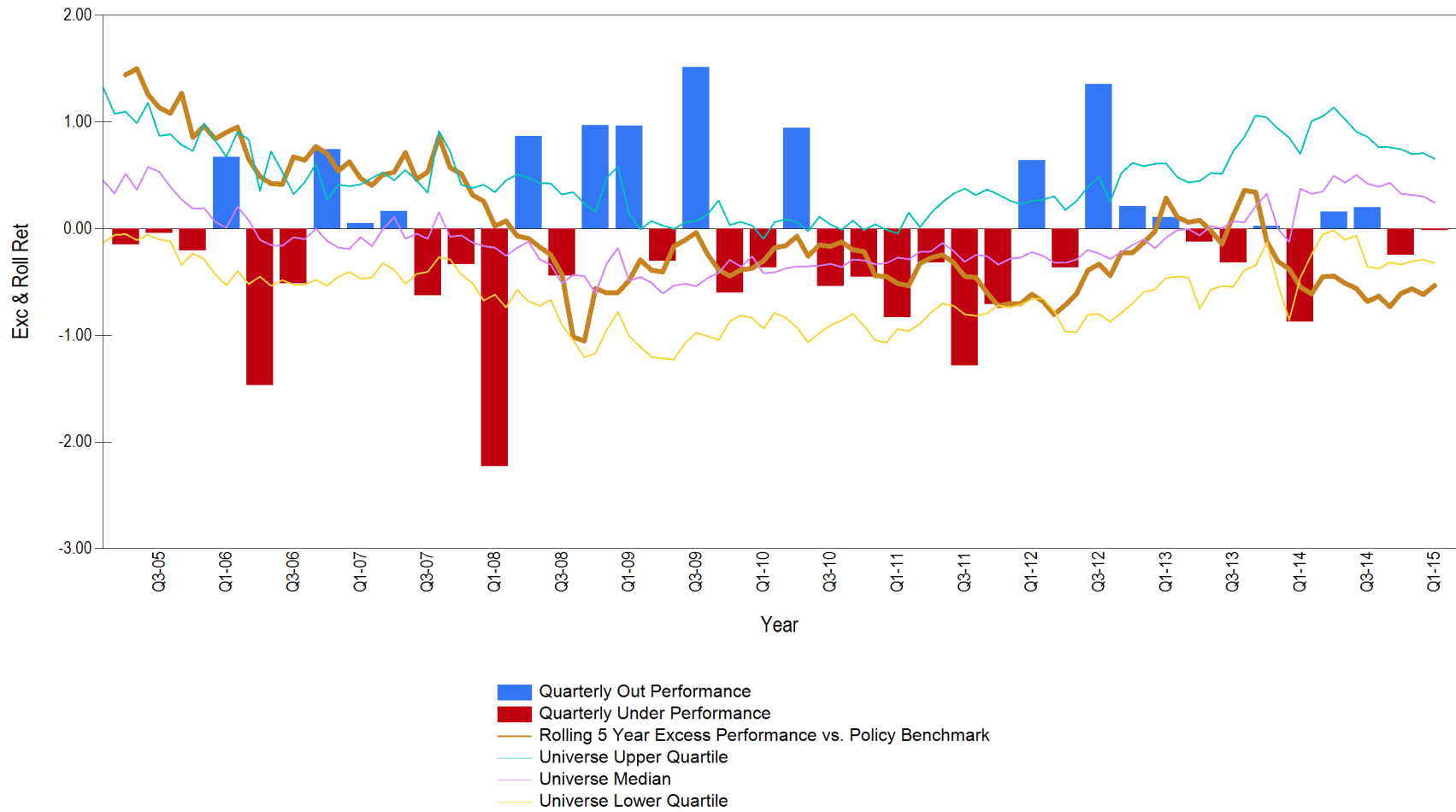
Universe	
5th %tile	8.0
25th %tile	9.0
Median	9.6
75th %tile	10.3
95th %tile	11.1

Universe	
5th %tile	0.7
25th %tile	0.6
Median	0.5
75th %tile	0.5
95th %tile	0.4

Universe	
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25th %tile	0.8
Median	0.7
75th %tile	0.7
95th %tile	0.5

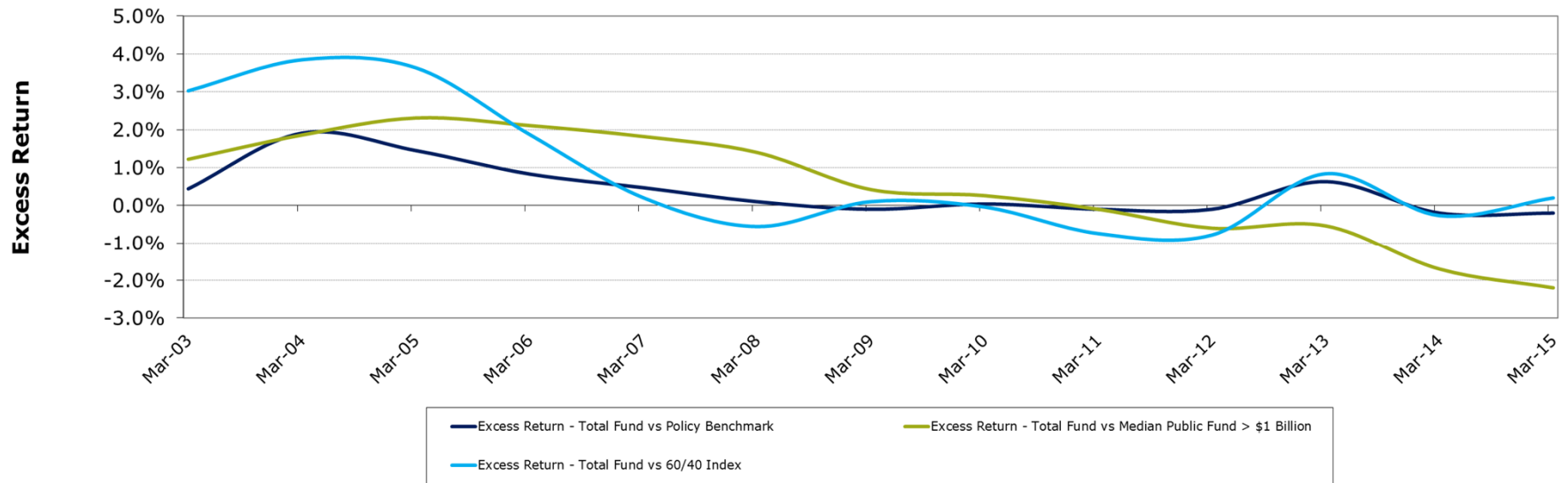
**Total Fund Rolling 5-Year Excess Returns**

Annualized Excess Performance



Note: Performance shown is net of fees.

Total Fund Rolling 5-Year Excess Returns

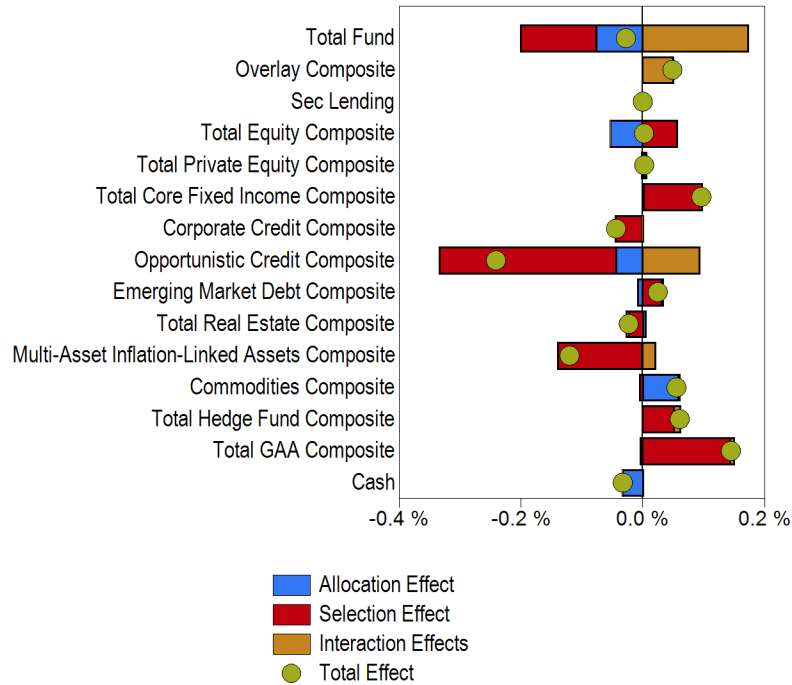


Note: Performance shown is gross of fees.

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund

**Attribution Effects**  
3 Months Ending March 31, 2015



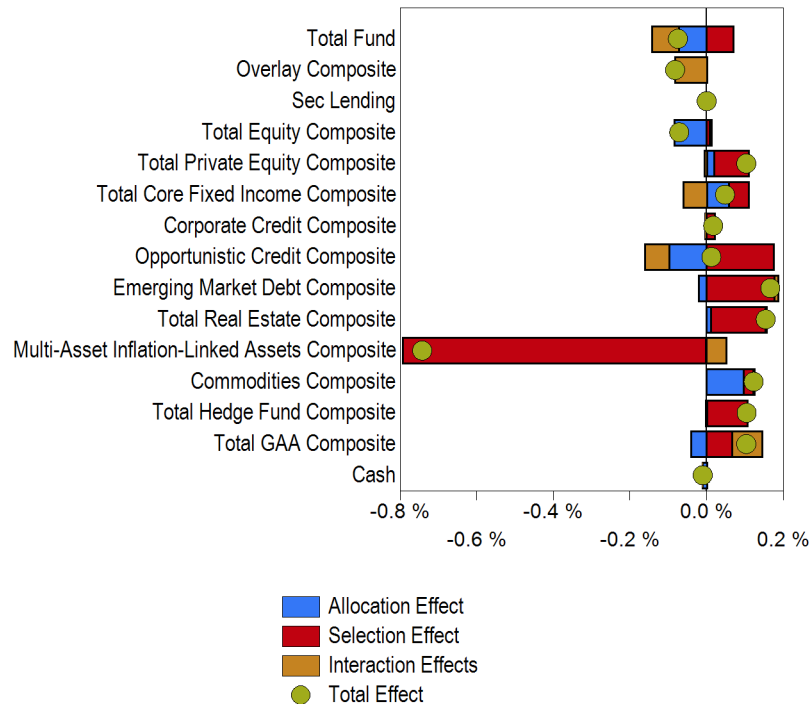
**Attribution Summary**  
3 Months Ending March 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	3.5%	1.2%	2.3%	0.0%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--	--
Total Equity Composite	2.8%	2.6%	0.2%	0.1%	-0.1%	0.0%	0.0%
Total Private Equity Composite	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	-0.4%	-1.9%	1.5%	0.1%	0.0%	0.0%	0.1%
Corporate Credit Composite	1.7%	2.5%	-0.9%	0.0%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	-0.3%	2.4%	-2.6%	-0.3%	0.0%	0.1%	-0.2%
Emerging Market Debt Composite	-0.3%	-0.9%	0.6%	0.0%	0.0%	0.0%	0.0%
Total Real Estate Composite	1.7%	2.1%	-0.4%	0.0%	0.0%	0.0%	0.0%
Multi-Asset Inflation-Linked Assets Composite	-2.8%	1.8%	-4.6%	-0.1%	0.0%	0.0%	-0.1%
Commodities Composite	-5.2%	-5.1%	-0.1%	0.0%	0.1%	0.0%	0.1%
Total Hedge Fund Composite	2.1%	1.3%	0.8%	0.1%	0.0%	0.0%	0.1%
Total GAA Composite	1.8%	0.4%	1.4%	0.1%	0.0%	0.0%	0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>1.2%</b>	<b>1.2%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.2%</b>	<b>0.0%</b>

Note: Performance shown is net of fees.

**Total Fund**

**Attribution Effects**  
Fiscal YTD Ending March 31, 2015



**Attribution Summary**

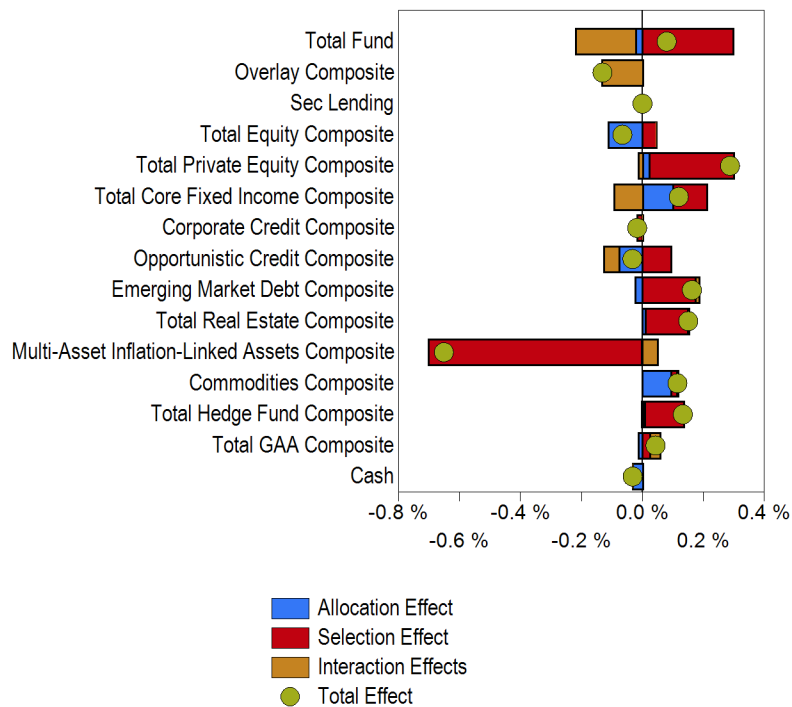
**Fiscal YTD Ending March 31, 2015**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	-4.8%	-1.6%	-3.2%	0.0%	0.0%	-0.1%	-0.1%
Sec Lending	--	--	--	--	0.0%	--	--
Total Equity Composite	0.3%	0.3%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Total Private Equity Composite	6.6%	5.4%	1.2%	0.1%	0.0%	0.0%	0.1%
Total Core Fixed Income Composite	-5.9%	-6.0%	0.1%	0.1%	0.1%	-0.1%	0.0%
Corporate Credit Composite	0.0%	-0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	2.9%	1.0%	1.8%	0.2%	-0.1%	-0.1%	0.0%
Emerging Market Debt Composite	-3.9%	-7.3%	3.4%	0.2%	0.0%	0.0%	0.2%
Total Real Estate Composite	4.8%	2.7%	2.1%	0.1%	0.0%	0.0%	0.2%
Multi-Asset Inflation-Linked Assets Composite	-21.8%	2.8%	-24.5%	-0.8%	0.0%	0.1%	-0.7%
Commodities Composite	-22.0%	-22.3%	0.3%	0.0%	0.1%	0.0%	0.1%
Total Hedge Fund Composite	3.2%	1.7%	1.5%	0.1%	0.0%	0.0%	0.1%
Total GAA Composite	-1.0%	-2.4%	1.4%	0.1%	0.0%	0.1%	0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-1.7%</b>	<b>-1.6%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>

Note: Performance shown is net of fees.

**Total Fund**

**Attribution Effects  
1 Year Ending March 31, 2015**



**Attribution Summary  
1 Year Ending March 31, 2015**

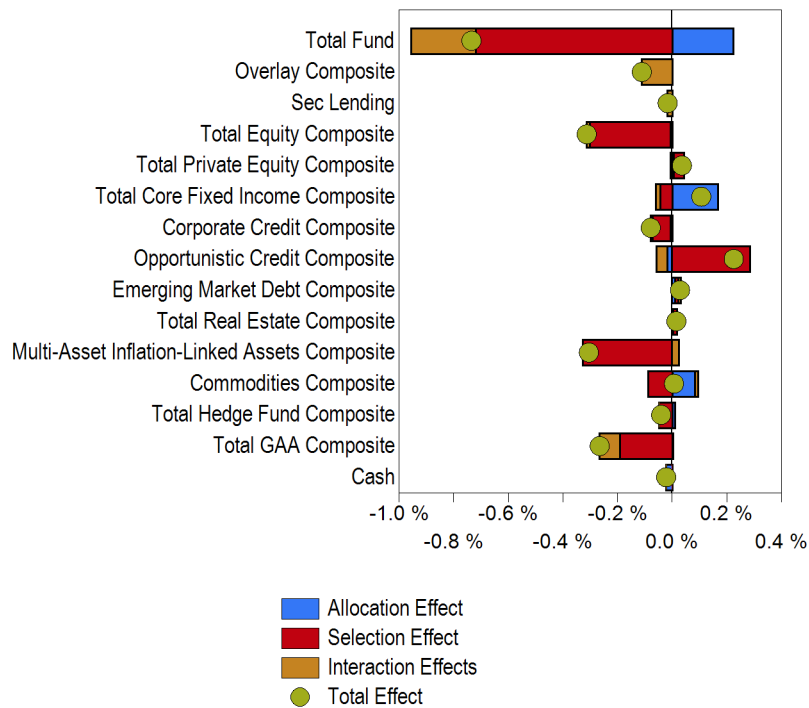
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	-3.3%	1.6%	-4.9%	0.0%	0.0%	-0.1%	-0.1%
Sec Lending	--	--	--	0.0%	0.0%	0.0%	0.0%
Total Equity Composite	5.3%	5.1%	0.2%	0.0%	-0.1%	0.0%	-0.1%
Total Private Equity Composite	11.9%	8.2%	3.7%	0.3%	0.0%	0.0%	0.3%
Total Core Fixed Income Composite	-3.1%	-3.7%	0.6%	0.1%	0.1%	-0.1%	0.1%
Corporate Credit Composite	1.7%	2.0%	-0.3%	0.0%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	4.0%	3.0%	1.0%	0.1%	-0.1%	0.0%	0.0%
Emerging Market Debt Composite	-0.1%	-3.5%	3.4%	0.2%	0.0%	0.0%	0.2%
Total Real Estate Composite	7.9%	5.9%	2.0%	0.1%	0.0%	0.0%	0.2%
Multi-Asset Inflation-Linked Assets Composite	-17.1%	4.9%	-22.0%	-0.7%	0.0%	0.0%	-0.7%
Commodities Composite	-19.0%	-19.2%	0.2%	0.0%	0.1%	0.0%	0.1%
Total Hedge Fund Composite	4.9%	3.1%	1.8%	0.1%	0.0%	0.0%	0.1%
Total GAA Composite	1.9%	1.3%	0.6%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>1.7%</b>	<b>1.6%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>0.1%</b>

Note: Performance shown is net of fees.

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund

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



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

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Overlay Composite	575.4%	5.5%	569.9%	0.0%	0.0%	-0.1%	-0.1%
Sec Lending	--	--	--	0.0%	0.0%	0.0%	0.0%
Total Equity Composite	11.9%	13.0%	-1.1%	-0.3%	0.0%	0.0%	-0.3%
Total Private Equity Composite	16.3%	15.8%	0.5%	0.0%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	-1.4%	-0.8%	-0.6%	0.0%	0.2%	0.0%	0.1%
Corporate Credit Composite	4.2%	5.5%	-1.3%	-0.1%	0.0%	0.0%	-0.1%
Opportunistic Credit Composite	8.0%	5.1%	2.9%	0.3%	0.0%	0.0%	0.2%
Emerging Market Debt Composite	-4.3%	-4.5%	0.2%	0.0%	0.0%	0.0%	0.0%
Total Real Estate Composite	9.9%	9.7%	0.2%	0.0%	0.0%	0.0%	0.0%
Multi-Asset Inflation-Linked Assets Composite	--	--	--	-0.3%	0.0%	0.0%	-0.3%
Commodities Composite	-10.9%	-10.1%	-0.8%	-0.1%	0.1%	0.0%	0.0%
Total Hedge Fund Composite	3.8%	4.1%	-0.3%	0.0%	0.0%	0.0%	0.0%
Total GAA Composite	3.6%	7.3%	-3.7%	-0.2%	0.0%	-0.1%	-0.3%
Cash	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>5.5%</b>	<b>6.2%</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>0.2%</b>	<b>-0.2%</b>	<b>-0.7%</b>

Note: Performance shown is net of fees.

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Risk Statistics

3 Years Ending March 31, 2015

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Equity Composite	28.9%	10.6%	69	10.3%	26	0.1%	71	1.2%	1	-0.4	82	1.0	1.0
San Jose Custom Total Equity Benchmark	--	11.0%	64	10.7%	44	0.0%	72	0.0%	1	--	--	1.0	1.0
Global Equity Composite	6.1%	10.0%	74	10.9%	50	0.1%	70	5.3%	63	-0.2	72	0.9	0.9
MSCI ACWI IMI (Net)	--	11.0%	65	10.6%	37	0.0%	70	0.0%	1	--	--	1.0	1.0
U.S. Large Cap Equity Composite	7.3%	15.7%	61	9.7%	26	-0.8%	60	0.7%	1	-1.1	94	1.0	1.6
Russell 1000	--	16.4%	47	9.6%	24	0.0%	45	0.0%	1	--	--	1.0	1.7
U.S. Small Cap Equity Composite	1.3%	15.6%	66	13.5%	86	2.4%	76	8.6%	85	-0.1	64	0.8	1.1
Russell 2000	--	16.3%	55	13.4%	84	0.0%	89	0.0%	1	--	--	1.0	1.2
Developed International Equity Composite	8.7%	7.7%	75	12.1%	37	0.0%	74	2.8%	20	-0.3	79	0.9	0.6
San Jose Custom MSCI World ex US Benchmark	--	8.5%	67	13.1%	82	0.0%	74	0.0%	1	--	--	1.0	0.6
Emerging Markets Equity Composite	3.7%	-1.1%	87	13.5%	63	-1.4%	87	3.7%	39	-0.4	85	1.0	-0.1
MSCI Emerging Markets	--	0.3%	72	13.3%	57	0.0%	72	0.0%	1	--	--	1.0	0.0
Total Fixed Income Composite	23.5%	5.0%	33	3.2%	65	2.5%	39	1.6%	1	1.1	14	0.8	1.6
Fixed Income Blended Benchmark	--	3.1%	57	3.6%	69	0.0%	96	0.0%	1	--	--	1.0	0.9
Corporate Credit Composite	5.0%	5.0%	--	3.5%	--	0.7%	--	2.9%	--	-0.6	--	0.6	1.4
Blended Domestic Credit Index	--	6.9%	--	4.2%	--	0.0%	--	0.0%	--	--	--	1.0	1.6
Opportunistic Credit Composite	7.5%	15.2%	--	5.5%	--	10.5%	--	5.2%	--	1.7	--	0.7	2.7
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	6.4%	--	2.9%	--	0.0%	--	0.0%	--	--	--	1.0	2.2
U.S. Direct Lending	3.6%	8.9%	--	3.9%	--	-186.1%	--	3.9%	--	0.9	--	37.0	2.3
3-Month LIBOR + 5%	--	5.3%	--	0.0%	--	0.0%	--	0.0%	--	--	--	1.0	228.8
Inflation-Linked Assets Composite	8.4%	-9.0%	--	9.9%	--	-2.7%	--	2.4%	--	-1.5	--	1.1	-0.9
San Jose Custom Inflation-Linked Assets Benchmark	--	-5.5%	--	8.5%	--	0.0%	--	0.0%	--	--	--	1.0	-0.7
Commodities Composite	5.9%	-9.0%	--	9.9%	--	-1.2%	--	1.2%	--	-1.0	--	1.0	-0.9
Custom Commodity Risk Parity Index	--	-7.8%	--	9.9%	--	0.0%	--	0.0%	--	--	--	1.0	-0.8

Note: Performance shown is net of fees.



# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Risk Statistics

5 Years Ending March 31, 2015

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Equity Composite	28.9%	9.4%	63	13.8%	26	0.2%	63	1.3%	1	-0.3	74	0.9	0.7
San Jose Custom Total Equity Benchmark	--	9.8%	59	14.7%	47	0.0%	65	0.0%	1	--	--	1.0	0.7
U.S. Large Cap Equity Composite	7.3%	14.6%	50	13.3%	39	-0.2%	50	1.3%	1	-0.1	56	1.0	1.1
Russell 1000	--	14.7%	46	13.2%	36	0.0%	47	0.0%	1	--	--	1.0	1.1
U.S. Small Cap Equity Composite	1.3%	12.9%	85	17.2%	80	-0.1%	91	7.0%	41	-0.2	86	0.9	0.7
Russell 2000	--	14.6%	63	17.8%	86	0.0%	91	0.0%	1	--	--	1.0	0.8
Developed International Equity Composite	8.7%	7.2%	51	15.2%	20	1.9%	44	3.3%	28	0.4	47	0.9	0.5
San Jose Custom MSCI World ex US Benchmark	--	5.9%	76	16.6%	62	0.0%	77	0.0%	1	--	--	1.0	0.4
Emerging Markets Equity Composite	3.7%	-0.5%	92	18.4%	67	-2.3%	92	3.5%	23	-0.6	91	1.0	0.0
MSCI Emerging Markets	--	1.7%	66	18.1%	56	0.0%	67	0.0%	1	--	--	1.0	0.1
Total Fixed Income Composite	23.5%	6.7%	28	3.1%	58	2.3%	25	1.6%	1	0.6	13	0.8	2.1
Fixed Income Blended Benchmark	--	5.8%	35	3.7%	68	0.0%	96	0.0%	1	--	--	1.0	1.6
Corporate Credit Composite	5.0%	5.8%	--	4.2%	--	0.3%	--	2.4%	--	-0.6	--	0.8	1.4
Blended Domestic Credit Index	--	7.2%	--	4.8%	--	0.0%	--	0.0%	--	--	--	1.0	1.5
Opportunistic Credit Composite	7.5%	11.8%	--	8.3%	--	9.0%	--	8.5%	--	0.6	--	0.4	1.4
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	6.9%	--	4.2%	--	0.0%	--	0.0%	--	--	--	1.0	1.6

Note: Performance shown is net of fees.

# Total Fund Performance (Net of Fees)



# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Fund</b>	<b>3,165,755,146</b>	<b>100.0</b>	<b>1.2</b>	<b>--</b>	<b>-1.7</b>	<b>--</b>	<b>1.7</b>	<b>--</b>	<b>6.2</b>	<b>--</b>	<b>7.0</b>	<b>--</b>	<b>4.1</b>	<b>--</b>	<b>5.4</b>	<b>--</b>	<b>8.7</b>	<b>Mar-71</b>
Policy Benchmark			1.2	--	-1.6	--	1.6	--	6.2	--	7.5	--	4.1	--	5.8	--	--	Mar-71
Over/Under			0.0		-0.1		0.1		0.0		-0.5		0.0		-0.4			
Allocation Index			1.1	--	-1.6	--	1.7	--	6.1	--	7.0	--	4.3	--	6.0	--	--	Mar-71
60% MSCI World (Gross) / 40% CITI WGBI			0.5	--	-2.2	--	1.7	--	6.9	--	7.1	--	4.3	--	5.7	--	--	Mar-71
<b>Total Equity Composite<sup>1</sup></b>	<b>915,240,076</b>	<b>28.9</b>	<b>2.8</b>	<b>59</b>	<b>0.3</b>	<b>61</b>	<b>5.3</b>	<b>55</b>	<b>10.6</b>	<b>69</b>	<b>9.4</b>	<b>63</b>	<b>5.1</b>	<b>62</b>	<b>--</b>	<b>--</b>	<b>5.1</b>	<b>Apr-08</b>
San Jose Custom Total Equity Benchmark <sup>2</sup>			2.6	61	0.3	61	5.1	56	11.0	64	9.8	59	5.4	56	--	--	5.4	Apr-08
Over/Under			0.2		0.0		0.2		-0.4		-0.4		-0.3				-0.3	
eA All Global Equity Net Median			3.0		1.3		6.0		12.1		10.5		5.7		7.3		5.7	Apr-08
<b>Global Equity Composite<sup>3</sup></b>	<b>192,437,889</b>	<b>6.1</b>	<b>2.6</b>	<b>61</b>	<b>1.7</b>	<b>47</b>	<b>6.2</b>	<b>48</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>13.9</b>	<b>Mar-13</b>
MSCI ACWI IMI (Net)			2.6	61	0.3	61	5.1	56	11.0	65	9.3	66	4.9	67	6.7	62	11.5	Mar-13
Over/Under			0.0		1.4		1.1		--		--		--		--		2.4	
eA All Global Equity Net Median			3.0		1.3		6.0		12.1		10.5		5.7		7.3		12.5	Mar-13
Artisan Global Opportunities	97,107,615	3.1	5.0	15	3.6	32	8.2	30	--	--	--	--	--	--	--	--	11.5	May-13
MSCI ACWI IMI (Net)			2.6	61	0.3	61	5.1	56	11.0	65	9.3	66	4.9	67	6.7	62	9.9	May-13
Over/Under			2.4		3.3		3.1		--		--		--		--		1.6	
eA All Global Equity Net Median			3.0		1.3		6.0		12.1		10.5		5.7		7.3		10.6	May-13
Artisan Global Value	95,325,621	3.0	0.2	89	-0.1	63	4.3	63	--	--	--	--	--	--	--	--	14.3	Mar-13
MSCI ACWI IMI (Net)			2.6	61	0.3	61	5.1	56	11.0	65	9.3	66	4.9	67	6.7	62	11.5	Mar-13
Over/Under			-2.4		-0.4		-0.8		--		--		--		--		2.8	
eA All Global Equity Net Median			3.0		1.3		6.0		12.1		10.5		5.7		7.3		12.5	Mar-13
<b>U.S. Equity Composite<sup>4</sup></b>	<b>272,458,993</b>	<b>8.6</b>	<b>2.0</b>	<b>65</b>	<b>7.1</b>	<b>46</b>	<b>12.5</b>	<b>35</b>	<b>18.1</b>	<b>20</b>	<b>15.4</b>	<b>36</b>	<b>9.8</b>	<b>51</b>	<b>8.3</b>	<b>66</b>	<b>9.6</b>	<b>Jun-95</b>
Russell 3000			1.8	69	7.1	45	12.4	36	16.4	41	14.7	48	9.4	60	8.4	64	9.3	Jun-95
Over/Under			0.2		0.0		0.1		1.7		0.7		0.4		-0.1		0.3	
eA All US Equity Net Median			3.2		6.7		10.4		15.8		14.6		9.8		8.9		10.8	Jun-95
NT Russell 1000 Index Fund	230,273,971	7.3	1.6	56	7.4	46	12.9	41	--	--	--	--	--	--	--	--	12.9	Apr-14
Russell 1000			1.6	56	7.2	47	12.7	43	16.4	37	14.7	35	9.3	43	8.3	52	12.7	Apr-14
Over/Under			0.0		0.2		0.2		--		--		--		--		0.2	
eA US Large Cap Equity Net Median			1.9		6.8		11.8		15.6		13.9		8.9		8.4		11.8	Apr-14
RBC Small Cap Core	42,179,171	1.3	4.1	47	4.8	57	--	--	--	--	--	--	--	--	--	--	4.8	Jul-14
Russell 2000			4.3	45	6.0	42	8.2	47	16.3	46	14.6	57	10.5	58	8.8	61	6.0	Jul-14
Over/Under			-0.2		-1.2		--		--		--		--		--		-1.2	
eA US Small Cap Equity Net Median			4.0		5.3		7.8		16.0		15.0		11.0		9.2		5.3	Jul-14

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>International Equity Composite<sup>1</sup></b>	<b>391,607,866</b>	<b>12.4</b>	<b>3.3</b>	<b>71</b>	<b>-5.4</b>	<b>66</b>	<b>-0.5</b>	<b>55</b>	<b>4.6</b>	<b>97</b>	<b>4.5</b>	<b>91</b>	<b>1.1</b>	<b>81</b>	<b>5.5</b>	<b>80</b>	<b>8.8</b>	<b>Jun-95</b>
MSCI AC WORLD ex US (NET)			3.5	65	-5.8	70	-1.0	63	6.4	78	4.8	88	1.2	76	5.5	80	--	Jun-95
Over/Under			-0.2		0.4		0.5		-1.8		-0.3		-0.1		0.0			
eA All ACWI ex-US Equity Net Median			4.1		-3.7		-0.1		8.2		7.0		3.0		6.7		8.3	Jun-95
<b>Developed International Equity Composite</b>	<b>273,978,683</b>	<b>8.7</b>	<b>4.4</b>	<b>65</b>	<b>-5.5</b>	<b>71</b>	<b>-1.2</b>	<b>58</b>	<b>7.7</b>	<b>75</b>	<b>7.2</b>	<b>51</b>	<b>2.4</b>	<b>55</b>	<b>5.8</b>	<b>51</b>	<b>8.1</b>	<b>Jun-95</b>
San Jose Custom MSCI World ex US Benchmark			3.8	79	-6.1	74	-2.2	69	8.5	67	5.9	76	1.4	73	4.8	80	5.0	Jun-95
Over/Under			0.6		0.6		1.0		-0.8		1.3		1.0		1.0		3.1	
eA All EAFE Equity Net Median			4.9		-4.0		-0.8		9.5		7.3		2.7		5.8		6.9	Jun-95
NT Russell MSCI World ex US Index Fund	231,146,668	7.3	4.0	77	-5.9	73	-1.6	64	--	--	--	--	--	--	--	--	-1.6	Apr-14
MSCI World ex USA			3.8	79	-5.7	73	-1.4	60	8.2	70	5.7	78	1.5	71	5.0	70	-1.4	Apr-14
Over/Under			0.2		-0.2		-0.2										-0.2	
eA All EAFE Equity Net Median			4.9		-4.0		-0.8		9.5		7.3		2.7		5.8		-0.8	Apr-14
Oberweis	42,751,710	1.4	6.9	39	-2.4	49	1.4	31	--	--	--	--	--	--	--	--	-2.1	Mar-14
MSCI World ex US Small Cap Growth (Net)			4.4	99	-6.4	99	-3.5	85	8.0	99	7.9	99	3.1	94	6.2	99	-4.0	Mar-14
Over/Under			2.5		4.0		4.9										1.9	
eA EAFE Small Cap Growth Net Median			6.3		-2.6		-1.1		14.0		10.5		4.9		9.4		-1.1	Mar-14
<b>Emerging Markets Equity Composite</b>	<b>117,629,183</b>	<b>3.7</b>	<b>0.9</b>	<b>67</b>	<b>-4.8</b>	<b>47</b>	<b>1.6</b>	<b>49</b>	<b>-1.1</b>	<b>87</b>	<b>-0.5</b>	<b>92</b>	<b>-0.7</b>	<b>87</b>	<b>6.5</b>	<b>97</b>	<b>10.9</b>	<b>Sep-01</b>
MSCI Emerging Markets			2.2	39	-5.8	57	0.4	57	0.3	72	1.7	66	0.6	76	8.5	77	11.7	Sep-01
Over/Under			-1.3		1.0		1.2		-1.4		-2.2		-1.3		-2.0		-0.8	
eA Emg Mkts Equity Net Median			1.6		-5.0		1.3		1.8		3.6		1.6		9.3		12.9	Sep-01
Russell Emerging Markets	33,536,345	1.1	2.1	41	-5.9	60	0.0	62	-1.0	86	--	--	--	--	--	--	0.3	Nov-11
MSCI Emerging Markets			2.2	39	-5.8	57	0.4	57	0.3	72	1.7	66	0.6	76	8.5	77	1.8	Nov-11
Over/Under			-0.1		-0.1		-0.4		-1.3								-1.5	
eA Emg Mkts Equity Net Median			1.6		-5.0		1.3		1.8		3.6		1.6		9.3		3.3	Nov-11
Vontobel	63,816,349	2.0	1.5	53	-2.2	25	5.2	23	--	--	--	--	--	--	--	--	3.6	Jul-13
MSCI Emerging Markets			2.2	39	-5.8	57	0.4	57	0.3	72	1.7	66	0.6	76	8.5	77	4.3	Jul-13
Over/Under			-0.7		3.6		4.8										-0.7	
eA Emg Mkts Equity Net Median			1.6		-5.0		1.3		1.8		3.6		1.6		9.3		4.0	Jul-13

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Aberdeen	20,276,489	0.6	-3.1	98	-10.4	91	-6.1	95	--	--	--	--	--	--	--	--	2.2	Jul-13
<i>MSCI Frontier Markets</i>			<u>-3.1</u>	98	<u>-13.9</u>	96	<u>-3.6</u>	86	<u>10.4</u>	4	<u>5.1</u>	27	<u>-4.2</u>	99	<u>2.2</u>	99	<u>9.5</u>	<i>Jul-13</i>
Over/Under			0.0		3.5		-2.5										-7.3	
<i>eA Emg Mkts Equity Net Median</i>			1.6		-5.0		1.3		1.8		3.6		1.6		9.3		4.0	<i>Jul-13</i>
<b>Alternative Equity Composite</b>	<b>58,735,327</b>	<b>1.9</b>	<b>4.3</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	<b>8.7</b>	<b>Oct-14</b>
<i>HFRI Equity Hedge (Total) Index</i>			<u>2.0</u>	--	<u>0.6</u>	--	<u>2.7</u>	--	<u>6.0</u>	--	<u>4.7</u>	--	<u>3.3</u>	--	<u>4.8</u>	--	<u>2.0</u>	<i>Oct-14</i>
Over/Under			2.3														6.7	
Amici	10,767,965	0.3	5.6	--	2.8	--	7.8	--	--	--	--	--	--	--	--	--	3.6	Mar-13
<i>HFRI Equity Hedge (Total) Index</i>			<u>2.0</u>	--	<u>0.6</u>	--	<u>2.7</u>	--	<u>6.0</u>	--	<u>4.7</u>	--	<u>3.3</u>	--	<u>4.8</u>	--	<u>6.7</u>	<i>Mar-13</i>
Over/Under			3.6		2.2		5.1										-3.1	
Marshall Wace	11,421,375	0.4	4.8	--	13.7	--	14.2	--	--	--	--	--	--	--	--	--	14.2	Apr-14
<i>HFRI Equity Hedge (Total) Index</i>			<u>2.0</u>	--	<u>0.6</u>	--	<u>2.7</u>	--	<u>6.0</u>	--	<u>4.7</u>	--	<u>3.3</u>	--	<u>4.8</u>	--	<u>2.7</u>	<i>Apr-14</i>
Over/Under			2.8		13.1		11.5										11.5	
Horizon	11,532,066	0.4	-0.4	--	5.0	--	7.0	--	--	--	--	--	--	--	--	--	8.5	Jul-13
<i>HFRI Equity Hedge (Total) Index</i>			<u>2.0</u>	--	<u>0.6</u>	--	<u>2.7</u>	--	<u>6.0</u>	--	<u>4.7</u>	--	<u>3.3</u>	--	<u>4.8</u>	--	<u>7.3</u>	<i>Jul-13</i>
Over/Under			-2.4		4.4		4.3										1.2	
Sandler	12,161,356	0.4	8.6	--	19.7	--	14.4	--	--	--	--	--	--	--	--	--	10.7	May-13
<i>HFRI Equity Hedge (Total) Index</i>			<u>2.0</u>	--	<u>0.6</u>	--	<u>2.7</u>	--	<u>6.0</u>	--	<u>4.7</u>	--	<u>3.3</u>	--	<u>4.8</u>	--	<u>6.4</u>	<i>May-13</i>
Over/Under			6.6		19.1		11.7										4.3	
Senator	12,852,566	0.4	3.5	--	7.4	--	11.0	--	--	--	--	--	--	--	--	--	13.4	Apr-13
<i>HFRI Event-Driven (Total) Index</i>			<u>1.8</u>	--	<u>-1.4</u>	--	<u>0.9</u>	--	<u>6.3</u>	--	<u>5.5</u>	--	<u>4.7</u>	--	<u>5.7</u>	--	<u>5.7</u>	<i>Apr-13</i>
Over/Under			1.7		8.8		10.1										7.7	

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Private Equity Composite<sup>1</sup></b>	<b>261,052,361</b>	<b>8.2</b>	<b>2.4</b>	--	<b>6.6</b>	--	<b>11.9</b>	--	<b>14.7</b>	--	<b>12.7</b>	--	<b>8.3</b>	--	--	--	<b>9.6</b>	<b>Oct-05</b>
<i>San Jose Custom Total Private Equity Index<sup>2</sup></i>			<u>2.4</u>	--	<u>5.4</u>	--	<u>8.2</u>	--	--	--	--	--	--	--	--	--	--	Oct-05
<i>Over/Under</i>			0.0		1.2		3.7											
<i>San Jose Custom Blended Private Equity Benchmark</i>			0.7	--	2.4	--	5.5	--	13.0	--	13.2	--	5.4	--	11.6	--	11.2	Oct-05
<i>Russell 3000 Qtr Lag</i>			5.2	--	10.4	--	12.6	--	20.5	--	15.6	--	7.5	--	7.9	--	8.4	Oct-05
<b>Total Private Equity ex Russell R3000</b>	<b>154,120,744</b>	<b>4.9</b>	<b>2.8</b>	--	<b>5.9</b>	--	<b>11.4</b>	--	<b>12.1</b>	--	<b>11.2</b>	--	<b>7.3</b>	--	--	--	<b>8.8</b>	<b>Oct-05</b>
<i>San Jose Custom Private Equity<sup>3</sup> Benchmark</i>			<u>0.7</u>	--	<u>2.4</u>	--	<u>5.5</u>	--	<u>13.2</u>	--	<u>14.2</u>	--	<u>7.9</u>	--	<u>12.9</u>	--	<u>12.5</u>	Oct-05
<i>Over/Under</i>			2.1		3.5		5.9		-1.1		-3.0		-0.6				-3.7	
<i>San Jose Custom Blended Private Equity Benchmark</i>			0.7	--	2.4	--	5.5	--	13.0	--	13.2	--	5.4	--	11.6	--	11.2	Oct-05

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Fixed Income Composite<sup>1</sup></b>	<b>744,123,825</b>	<b>23.5</b>	<b>0.1</b>	<b>97</b>	<b>-1.7</b>	<b>96</b>	<b>0.6</b>	<b>91</b>	<b>5.0</b>	<b>33</b>	<b>6.7</b>	<b>28</b>	<b>6.8</b>	<b>25</b>	<b>--</b>	<b>--</b>	<b>6.8</b>	<b>Apr-08</b>
<i>Fixed Income Blended Benchmark</i>			<u>0.4</u>	89	<u>-3.0</u>	99	<u>-0.5</u>	99	<u>3.1</u>	57	<u>5.8</u>	35	<u>5.8</u>	35	<u>5.7</u>	31	<u>5.8</u>	<i>Apr-08</i>
Over/Under			<b>-0.3</b>		1.3		1.1		1.9		0.9		1.0				1.0	
<i>Barclays Aggregate</i>			1.6	46	3.6	22	5.7	27	3.1	57	4.4	57	4.7	55	4.9	49	4.7	<i>Apr-08</i>
<i>eA All US Fixed Inc Net Median</i>			1.5		2.1		3.6		3.5		4.7		4.9		4.9		4.9	<i>Apr-08</i>
<b>Global Fixed Income Composite</b>	<b>184,485,572</b>	<b>5.8</b>	<b>-0.4</b>	<b>45</b>	<b>-5.9</b>	<b>80</b>	<b>-3.1</b>	<b>81</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-1.3</b>	<b>Dec-13</b>
<i>Barclays Global Aggregate</i>			<u>-1.9</u>	79	<u>-6.0</u>	80	<u>-3.7</u>	83	<u>-0.2</u>	90	<u>2.3</u>	83	<u>2.3</u>	82	<u>3.6</u>	87	<u>-1.1</u>	<i>Dec-13</i>
Over/Under			1.5		0.1		0.6										<b>-0.2</b>	
<i>eA Global Agg Fixed Inc Net Median</i>			<u>-0.5</u>		<u>-4.2</u>		<u>-1.7</u>		1.8		3.4		3.8		4.5		1.0	<i>Dec-13</i>
Claren Road	26,628,087	0.8	1.2	--	-11.6	--	-12.0	--	--	--	--	--	--	--	--	--	-6.2	Jul-13
<i>Barclays Global Aggregate</i>			<u>-1.9</u>	--	<u>-6.0</u>	--	<u>-3.7</u>	--	<u>-0.2</u>	--	<u>2.3</u>	--	<u>2.3</u>	--	<u>3.6</u>	--	<u>0.5</u>	<i>Jul-13</i>
Over/Under			3.1		<b>-5.6</b>		<b>-8.3</b>										<b>-6.7</b>	
<i>HFRI RV: Fixed Income-Corporate Index</i>			1.6	--	-1.8	--	0.7	--	4.9	--	5.4	--	5.3	--	4.4	--	4.0	<i>Jul-13</i>
Colchester	87,729,787	2.8	-1.6	70	-6.9	84	-4.0	84	--	--	--	--	--	--	--	--	-1.4	Jan-14
<i>Barclays Global Aggregate</i>			<u>-1.9</u>	79	<u>-6.0</u>	80	<u>-3.7</u>	83	<u>-0.2</u>	90	<u>2.3</u>	83	<u>2.3</u>	82	<u>3.6</u>	87	<u>-1.1</u>	<i>Jan-14</i>
Over/Under			0.3		<b>-0.9</b>		<b>-0.3</b>										<b>-0.3</b>	
<i>eA Global Agg Fixed Inc Net Median</i>			<u>-0.5</u>		<u>-4.2</u>		<u>-1.7</u>		1.8		3.4		3.8		4.5		1.0	<i>Jan-14</i>
Franklin Templeton	70,127,698	2.2	0.5	40	-2.4	44	0.4	47	--	--	--	--	--	--	--	--	0.8	Jan-14
<i>Barclays Global Aggregate</i>			<u>-1.9</u>	79	<u>-6.0</u>	80	<u>-3.7</u>	83	<u>-0.2</u>	90	<u>2.3</u>	83	<u>2.3</u>	82	<u>3.6</u>	87	<u>-1.1</u>	<i>Jan-14</i>
Over/Under			2.4		3.6		4.1										1.9	
<i>eA Global Agg Fixed Inc Net Median</i>			<u>-0.5</u>		<u>-4.2</u>		<u>-1.7</u>		1.8		3.4		3.8		4.5		1.0	<i>Jan-14</i>
<b>Total Credit Composite<sup>2,3</sup></b>	<b>394,783,428</b>	<b>12.5</b>	<b>0.5</b>	<b>--</b>	<b>1.6</b>	<b>--</b>	<b>3.0</b>	<b>--</b>	<b>12.1</b>	<b>--</b>	<b>10.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>9.7</b>	<b>Jul-08</b>
<i>50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index</i>			<u>2.4</u>	--	<u>1.0</u>	--	<u>3.0</u>	--	<u>6.4</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>6.2</u>	--	<u>7.1</u>	<i>Jul-08</i>
Over/Under			<b>-1.9</b>		0.6		0.0		5.7		3.1						2.6	
<b>Corporate Credit Composite<sup>3</sup></b>	<b>158,105,108</b>	<b>5.0</b>	<b>1.7</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>1.7</b>	<b>--</b>	<b>5.0</b>	<b>--</b>	<b>5.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.0</b>	<b>Apr-09</b>
<i>Blended Domestic Credit Index<sup>4</sup></i>			<u>2.5</u>	--	<u>-0.4</u>	--	<u>2.0</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>7.5</u>	--	<u>6.3</u>	--	<u>12.4</u>	<i>Apr-09</i>
Over/Under			<b>-0.8</b>		0.4		<b>-0.3</b>		<b>-1.9</b>		<b>-1.4</b>						<b>-4.4</b>	
Beach Point	79,106,853	2.5	2.6	32	-1.7	73	0.3	78	--	--	--	--	--	--	--	--	3.6	Oct-13
<i>Barclays High Yield</i>			<u>2.5</u>	46	<u>-0.4</u>	47	<u>2.0</u>	48	<u>7.5</u>	30	<u>8.6</u>	35	<u>9.6</u>	15	<u>8.2</u>	17	<u>5.8</u>	<i>Oct-13</i>
Over/Under			0.1		<b>-1.3</b>		<b>-1.7</b>										<b>-2.2</b>	
<i>eA US High Yield Fixed Inc Net Median</i>			2.5		-0.5		1.9		7.1		8.3		8.7		7.6		5.5	<i>Oct-13</i>

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Symphony	78,993,786	2.5	0.7	98	1.9	4	3.2	16	--	--	--	--	--	--	--	--	4.5	Feb-14
<i>Barclays High Yield</i>			<u>2.5</u>	46	<u>-0.4</u>	47	<u>2.0</u>	48	<u>7.5</u>	30	<u>8.6</u>	35	<u>9.6</u>	15	<u>8.2</u>	17	<u>3.7</u>	<i>Feb-14</i>
Over/Under			<u>-1.8</u>		2.3		1.2										0.8	
<i>eA US High Yield Fixed Inc Net Median</i>			2.5		-0.5		1.9		7.1		8.3		8.7		7.6		3.3	<i>Feb-14</i>
<b>Opportunistic Credit Composite<sup>1</sup></b>	<b>236,678,320</b>	<b>7.5</b>	<b>-0.3</b>	<b>--</b>	<b>2.9</b>	<b>--</b>	<b>4.0</b>	<b>--</b>	<b>15.2</b>	<b>--</b>	<b>11.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>13.3</b>	<b>Jul-08</b>
<i>50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index</i>			<u>2.4</u>	--	<u>1.0</u>	--	<u>3.0</u>	--	<u>6.4</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>6.2</u>	--	<u>7.1</u>	<i>Jul-08</i>
Over/Under			<u>-2.7</u>		1.9		1.0		8.8		4.9						6.2	
Davidson Kempner	22,818,823	0.7	1.1	--	-0.2	--	2.8	--	--	--	--	--	--	--	--	--	6.3	Feb-13
<i>HFRI Event-Driven (Total) Index</i>			<u>1.8</u>	--	<u>-1.4</u>	--	<u>0.9</u>	--	<u>6.3</u>	--	<u>5.5</u>	--	<u>4.7</u>	--	<u>5.7</u>	--	<u>5.9</u>	<i>Feb-13</i>
Over/Under			<u>-0.7</u>		1.2		1.9										0.4	
Marathon	13,211,222	0.4	0.4	--	0.1	--	2.4	--	--	--	--	--	--	--	--	--	7.7	Oct-12
<i>BofA ML Euro HY Constrained</i>			<u>-8.6</u>	--	<u>-19.2</u>	--	<u>-17.9</u>	--	<u>2.9</u>	--	<u>4.4</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>2.4</u>	<i>Oct-12</i>
Over/Under			9.0		19.3		20.3										5.3	
<b>Direct Lending Composite</b>	<b>200,648,275</b>	<b>6.3</b>	<b>-0.5</b>	<b>--</b>	<b>3.5</b>	<b>--</b>	<b>3.9</b>	<b>--</b>	<b>8.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.7</b>	<b>Nov-10</b>
<i>3-Month LIBOR + 5%</i>			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	<i>Nov-10</i>
Over/Under			<u>-1.8</u>		<u>-0.4</u>		<u>-1.4</u>		3.5								1.4	
<b>U.S. Direct Lending</b>	<b>113,332,216</b>	<b>3.6</b>	<b>-1.1</b>	<b>--</b>	<b>4.5</b>	<b>--</b>	<b>4.1</b>	<b>--</b>	<b>8.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.8</b>	<b>Nov-10</b>
<i>3-Month LIBOR + 5%</i>			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	<i>Nov-10</i>
Over/Under			<u>-2.4</u>		0.6		<u>-1.2</u>		3.6								1.5	
GSO	19,806,638	0.6	-0.6	--	6.2	--	6.2	--	10.3	--	--	--	--	--	--	--	13.9	Dec-10
<i>3-Month LIBOR + 5%</i>			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	<i>Dec-10</i>
Over/Under			<u>-1.9</u>		2.3		0.9		5.0								8.6	
Medley Capital	52,732,572	1.7	1.5	--	5.1	--	7.9	--	9.1	--	--	--	--	--	--	--	7.2	Mar-11
<i>3-Month LIBOR + 5%</i>			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	<i>Mar-11</i>
Over/Under			0.2		1.2		2.6		3.8								1.9	
White Oak	40,793,006	1.3	-4.5	--	2.2	--	-1.4	--	8.1	--	--	--	--	--	--	--	3.9	Nov-10
<i>3-Month LIBOR + 5%</i>			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	<i>Nov-10</i>
Over/Under			<u>-5.8</u>		<u>-1.7</u>		<u>-6.7</u>		2.8								<u>-1.4</u>	

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



# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>European Direct Lending</b>	<b>87,316,059</b>	<b>2.8</b>	<b>0.4</b>	<b>--</b>	<b>1.4</b>	<b>--</b>	<b>4.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.4</b>	<b>Apr-14</b>
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	Apr-14
Over/Under			-0.9		-2.5		-0.9										-0.9	
Capula <sup>1</sup>	74,460,630	2.4	1.8	--	2.9	--	5.9	--	--	--	--	--	--	--	--	--	5.9	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>5.3</u>	Apr-14
Over/Under			0.5		-1.0		0.6										0.6	
Park Square	12,855,429	0.4	-7.3	--	--	--	--	--	--	--	--	--	--	--	--	--	-7.3	Nov-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>2.2</u>	Nov-14
Over/Under			-8.6														-9.5	
<b>Emerging Market Debt Composite</b>	<b>164,854,825</b>	<b>5.2</b>	<b>-0.3</b>	<b>58</b>	<b>-3.9</b>	<b>38</b>	<b>-0.1</b>	<b>44</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-4.3</b>	<b>Jan-13</b>
San Jose Custom EMD Benchmark <sup>2</sup>			<u>-0.9</u>	64	<u>-7.3</u>	56	<u>-3.5</u>	62	<u>0.7</u>	60	--	--	--	--	--	--	<u>-4.5</u>	Jan-13
Over/Under			0.6		3.4		3.4										0.2	
eA All Emg Mkts Fixed Inc Net Median			0.6		-5.9		-1.4		2.3		5.3		6.1		8.0		-1.7	Jan-13
BlueBay	109,952,966	3.5	-1.4	67	-7.2	55	-3.6	62	--	--	--	--	--	--	--	--	-1.6	Aug-13
JP Morgan Blended EMD Benchmark <sup>3</sup>			<u>-0.9</u>	64	<u>-7.3</u>	56	<u>-3.5</u>	62	<u>0.6</u>	61	--	--	--	--	--	--	<u>-0.5</u>	Aug-13
Over/Under			-0.5		0.1		-0.1										-1.1	
eA All Emg Mkts Fixed Inc Net Median			0.6		-5.9		-1.4		2.3		5.3		6.1		8.0		1.6	Aug-13
Iguazu	54,901,859	1.7	1.9	20	3.3	1	7.8	1	--	--	--	--	--	--	--	--	8.3	Feb-14
JP Morgan Blended EMD Benchmark <sup>3</sup>			<u>-0.9</u>	64	<u>-7.3</u>	56	<u>-3.5</u>	62	<u>0.6</u>	61	--	--	--	--	--	--	<u>1.2</u>	Feb-14
Over/Under			2.8		10.6		11.3										7.1	
eA All Emg Mkts Fixed Inc Net Median			0.6		-5.9		-1.4		2.3		5.3		6.1		8.0		2.8	Feb-14

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Real Estate Composite<sup>1</sup></b>	<b>245,537,404</b>	<b>7.8</b>	<b>1.7</b>	<b>--</b>	<b>4.8</b>	<b>--</b>	<b>7.9</b>	<b>--</b>	<b>10.1</b>	<b>--</b>	<b>9.9</b>	<b>--</b>	<b>4.7</b>	<b>--</b>	<b>7.3</b>	<b>--</b>	<b>8.1</b>	<b>Jun-95</b>
<i>San Jose Custom Total Real Estate BM<sup>2</sup></i>			<u>2.1</u>	--	<u>2.7</u>	--	<u>5.9</u>	--	--	--	--	--	--	--	--	--	--	<i>Jun-95</i>
Over/Under			-0.4		2.1		2.0											
<b>Total Real Estate Ex Russell Real Estate</b>	<b>183,277,197</b>	<b>5.8</b>	<b>1.6</b>	<b>--</b>	<b>5.5</b>	<b>--</b>	<b>8.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>11.4</b>	<b>Dec-12</b>
<i>San Jose Custom Real Estate Benchmark<sup>3</sup></i>			<u>3.3</u>	--	<u>6.6</u>	--	<u>9.3</u>	--	<u>11.4</u>	--	<u>13.3</u>	--	<u>2.4</u>	--	<u>6.8</u>	--	<u>12.3</u>	<i>Dec-12</i>
Over/Under			-1.7		-1.1		-0.9										-0.9	
<b>Inflation-Linked Assets Composite</b>	<b>264,732,657</b>	<b>8.4</b>	<b>-4.5</b>	<b>--</b>	<b>-21.9</b>	<b>--</b>	<b>-18.4</b>	<b>--</b>	<b>-9.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.5</b>	<b>Apr-11</b>
<i>San Jose Custom Inflation-Linked Assets<sup>4</sup> Benchmark</i>			<u>-3.0</u>	--	<u>-15.4</u>	--	<u>-12.5</u>	--	<u>-5.5</u>	--	--	--	--	--	--	--	<u>-6.8</u>	<i>Apr-11</i>
Over/Under			-1.5		-6.5		-5.9		-3.5								-2.7	
<b>Multi-Asset Inflation-Linked Assets Composite</b>	<b>79,106,399</b>	<b>2.5</b>	<b>-2.8</b>	<b>--</b>	<b>-21.8</b>	<b>--</b>	<b>-17.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-10.8</b>	<b>Nov-13</b>
<i>CPI + 5% (Unadjusted)</i>			<u>1.8</u>	--	<u>2.8</u>	--	<u>4.9</u>	--	<u>6.0</u>	--	<u>6.7</u>	--	<u>6.5</u>	--	<u>7.1</u>	--	<u>5.8</u>	<i>Nov-13</i>
Over/Under			-4.6		-24.6		-22.0										-16.6	
Wellington	79,106,399	2.5	-2.8	--	-21.8	--	-17.1	--	--	--	--	--	--	--	--	--	-10.8	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>1.8</u>	--	<u>2.8</u>	--	<u>4.9</u>	--	<u>6.0</u>	--	<u>6.7</u>	--	<u>6.5</u>	--	<u>7.1</u>	--	<u>5.8</u>	<i>Nov-13</i>
Over/Under			-4.6		-24.6		-22.0										-16.6	
<b>Commodities Composite</b>	<b>185,626,258</b>	<b>5.9</b>	<b>-5.2</b>	<b>--</b>	<b>-22.0</b>	<b>--</b>	<b>-19.0</b>	<b>--</b>	<b>-9.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.5</b>	<b>Apr-11</b>
<i>Custom Commodity Risk Parity Index</i>			<u>-5.1</u>	--	<u>-22.3</u>	--	<u>-19.2</u>	--	<u>-7.8</u>	--	--	--	--	--	--	--	<u>-8.5</u>	<i>Apr-11</i>
Over/Under			-0.1		0.3		0.2		-1.2								-1.0	
<i>Bloomberg Commodity Index</i>			-5.9	--	-27.1	--	-27.0	--	-11.5	--	-5.7	--	-9.6	--	-3.6	--	-12.7	<i>Apr-11</i>
Credit Suisse	185,626,258	5.9	-5.2	--	-22.0	--	-19.0	--	-7.6	--	--	--	--	--	--	--	-8.4	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>-5.1</u>	--	<u>-22.3</u>	--	<u>-19.2</u>	--	<u>-7.8</u>	--	--	--	--	--	--	--	<u>-8.5</u>	<i>Apr-11</i>
Over/Under			-0.1		0.3		0.2		0.2								0.1	
<i>Bloomberg Commodity Index</i>			-5.9	--	-27.1	--	-27.0	--	-11.5	--	-5.7	--	-9.6	--	-3.6	--	-12.7	<i>Apr-11</i>

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

# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Hedge Fund Composite</b>	<b>233,624,240</b>	<b>7.4</b>	<b>2.1</b>	<b>--</b>	<b>3.2</b>	<b>--</b>	<b>4.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.7</b>	<b>Nov-12</b>
<i>San Jose Custom Hedge Fund Benchmark<sup>1</sup></i>			<u>1.3</u>	--	<u>1.7</u>	--	<u>3.1</u>	--	--	--	--	--	--	--	--	--	<u>4.0</u>	Nov-12
Over/Under			0.8		1.5		1.8										-0.3	
<i>HFRI.FOF.Comp</i>			2.5	--	3.7	--	5.3	--	5.4	--	3.5	--	1.4	--	3.2	--	6.8	Nov-12
Russell Hedge Funds	101,202,288	3.2	0.0	--	-0.6	--	0.5	--	--	--	--	--	--	--	--	--	1.7	Dec-12
<i>Russell Hedge Index<sup>2</sup></i>			<u>0.1</u>	--	<u>-0.8</u>	--	<u>0.3</u>	--	<u>1.6</u>	--	<u>1.8</u>	--	<u>1.4</u>	--	<u>2.6</u>	--	<u>1.7</u>	Dec-12
Over/Under			-0.1		0.2		0.2										0.0	
<b>Total Hedge Fund Composite ex-Interim</b>	<b>132,421,952</b>	<b>4.2</b>	<b>3.8</b>	<b>--</b>	<b>5.9</b>	<b>--</b>	<b>7.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.4</b>	<b>Nov-12</b>
<i>HFRI.FOF.Comp</i>			<u>2.5</u>	--	<u>3.7</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>3.5</u>	--	<u>1.4</u>	--	<u>3.2</u>	--	<u>6.8</u>	Nov-12
Over/Under			1.3		2.2		2.5										-0.4	
<i>3-Month LIBOR + 5%</i>			1.3	--	3.9	--	5.3	--	5.3	--	5.3	--	5.7	--	7.0	--	5.3	Nov-12
Arrowgrass	23,910,166	0.8	4.1	--	4.5	--	5.3	--	--	--	--	--	--	--	--	--	7.7	Nov-12
<i>HFRI Relative Value (Total) Index</i>			<u>1.8</u>	--	<u>1.0</u>	--	<u>3.5</u>	--	<u>6.4</u>	--	<u>6.2</u>	--	<u>5.9</u>	--	<u>6.4</u>	--	<u>6.1</u>	Nov-12
Over/Under			2.3		3.5		1.8										1.6	
BlueTrend	10,599,944	0.3	11.7	--	18.6	--	30.7	--	--	--	--	--	--	--	--	--	3.0	Apr-13
<i>Barclay BTOP50 Index</i>			<u>4.9</u>	--	<u>17.4</u>	--	<u>19.5</u>	--	<u>5.5</u>	--	<u>3.4</u>	--	--	--	--	--	<u>8.0</u>	Apr-13
Over/Under			6.8		1.2		11.2										-5.0	
Brevan Howard	21,539,002	0.7	3.2	--	5.9	--	6.4	--	--	--	--	--	--	--	--	--	3.2	Dec-12
<i>HFRI Macro (Total) Index</i>			<u>3.2</u>	--	<u>7.9</u>	--	<u>9.3</u>	--	<u>2.5</u>	--	<u>2.4</u>	--	<u>2.4</u>	--	<u>4.6</u>	--	<u>4.0</u>	Dec-12
Over/Under			0.0		-2.0		-2.9										-0.8	
DE Shaw	26,744,213	0.8	6.7	--	13.2	--	18.6	--	--	--	--	--	--	--	--	--	15.6	Apr-13
<i>HFRI Fund Weighted Composite Index</i>			<u>2.2</u>	--	<u>2.0</u>	--	<u>4.1</u>	--	<u>5.3</u>	--	<u>4.5</u>	--	<u>3.6</u>	--	<u>5.3</u>	--	<u>5.3</u>	Apr-13
Over/Under			4.5		11.2		14.5										10.3	
Hudson Bay	20,811,028	0.7	2.0	--	-1.8	--	-1.1	--	--	--	--	--	--	--	--	--	2.3	Jul-13
<i>HFRI Relative Value (Total) Index</i>			<u>1.8</u>	--	<u>1.0</u>	--	<u>3.5</u>	--	<u>6.4</u>	--	<u>6.2</u>	--	<u>5.9</u>	--	<u>6.4</u>	--	<u>5.6</u>	Jul-13
Over/Under			0.2		-2.8		-4.6										-3.3	
Kepos	5,333,580	0.2	-7.3	--	12.9	--	22.5	--	--	--	--	--	--	--	--	--	3.1	Mar-13
<i>HFRI Macro: Systematic Diversified Index</i>			<u>4.8</u>	--	<u>15.7</u>	--	<u>17.8</u>	--	<u>4.1</u>	--	<u>3.5</u>	--	<u>3.4</u>	--	<u>7.2</u>	--	<u>6.7</u>	Mar-13
Over/Under			-12.1		-2.8		4.7										-3.6	
Pine River	23,484,019	0.7	1.8	--	5.0	--	4.2	--	--	--	--	--	--	--	--	--	7.4	Jan-13
<i>HFRI Relative Value (Total) Index</i>			<u>1.8</u>	--	<u>1.0</u>	--	<u>3.5</u>	--	<u>6.4</u>	--	<u>6.2</u>	--	<u>5.9</u>	--	<u>6.4</u>	--	<u>5.7</u>	Jan-13
Over/Under			0.0		4.0		0.7										1.7	

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

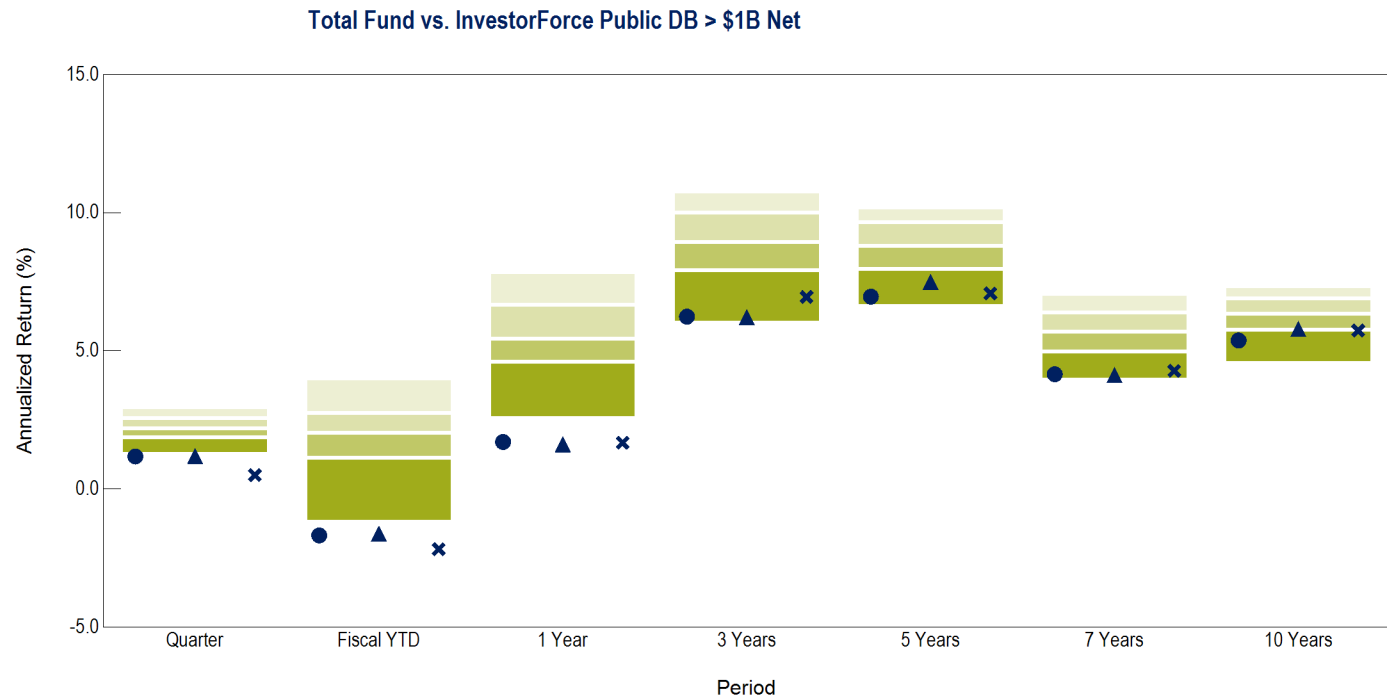
# City of San Jose Police and Fire Department Retirement Plan

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total GAA Composite</b>	<b>337,771,684</b>	<b>10.7</b>	<b>1.8</b>	--	<b>-1.0</b>	--	<b>1.9</b>	--	--	--	--	--	--	--	--	--	<b>3.6</b>	<b>Jan-13</b>
60% MSCI World (Net) / 40% CITI WGBI			<u>0.4</u>	--	<u>-2.4</u>	--	<u>1.3</u>	--	<u>6.6</u>	--	<u>6.7</u>	--	<u>3.9</u>	--	<u>5.4</u>	--	<u>7.3</u>	Jan-13
Over/Under			1.4		1.4		0.6										-3.7	
<b>GMO</b>	<b>99,563,275</b>	<b>3.1</b>	<b>1.4</b>	--	<b>-1.9</b>	--	<b>1.6</b>	--	--	--	--	--	--	--	--	--	<b>5.1</b>	<b>Feb-13</b>
CPI + 5% (Seasonally Adjusted)			<u>1.0</u>	--	<u>3.0</u>	--	<u>5.0</u>	--	<u>6.0</u>	--	<u>6.7</u>	--	<u>6.5</u>	--	<u>7.1</u>	--	<u>5.9</u>	Feb-13
Over/Under			0.4		-4.9		-3.4										-0.8	
60% MSCI World (Net) / 40% CITI WGBI			<u>0.4</u>	--	<u>-2.4</u>	--	<u>1.3</u>	--	<u>6.6</u>	--	<u>6.7</u>	--	<u>3.9</u>	--	<u>5.4</u>	--	<u>6.4</u>	Feb-13
<b>PIMCO</b>	<b>94,981,512</b>	<b>3.0</b>	<b>-0.3</b>	--	<b>-8.4</b>	--	<b>-4.8</b>	--	--	--	--	--	--	--	--	--	<b>-3.9</b>	<b>Feb-13</b>
CPI + 6.5% (Seasonally Adjusted)			<u>1.4</u>	--	<u>4.1</u>	--	<u>6.5</u>	--	<u>7.6</u>	--	<u>8.2</u>	--	<u>8.0</u>	--	<u>8.6</u>	--	<u>7.4</u>	Feb-13
Over/Under			-1.7		-12.5		-11.3										-11.3	
60% MSCI World (Net) / 40% CITI WGBI			<u>0.4</u>	--	<u>-2.4</u>	--	<u>1.3</u>	--	<u>6.6</u>	--	<u>6.7</u>	--	<u>3.9</u>	--	<u>5.4</u>	--	<u>6.4</u>	Feb-13
<b>Standard Life</b>	<b>143,226,897</b>	<b>4.5</b>	<b>3.8</b>	--	<b>7.1</b>	--	<b>8.4</b>	--	--	--	--	--	--	--	--	--	<b>6.3</b>	<b>Feb-13</b>
91 Day T-Bill + 5%			<u>1.2</u>	--	<u>3.7</u>	--	<u>5.0</u>	--	<u>5.0</u>	--	<u>5.1</u>	--	<u>5.2</u>	--	<u>6.4</u>	--	<u>5.0</u>	Feb-13
Over/Under			2.6		3.4		3.4										1.3	
60% MSCI World (Net) / 40% CITI WGBI			<u>0.4</u>	--	<u>-2.4</u>	--	<u>1.3</u>	--	<u>6.6</u>	--	<u>6.7</u>	--	<u>3.9</u>	--	<u>5.4</u>	--	<u>6.4</u>	Feb-13
<b>Cash</b>																		
<b>Cash<sup>1</sup></b>	<b>94,349,788</b>	<b>3.0</b>	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.1</b>	--	<b>0.4</b>	--	<b>0.9</b>	--	<b>--</b>	--	<b>0.9</b>	<b>Apr-08</b>
91 Day T-Bills			<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.1</u>	--	<u>0.2</u>	--	<u>1.4</u>	--	<u>0.2</u>	Apr-08
Over/Under			0.0		0.0		0.0		0.1		0.3		0.7				0.7	

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

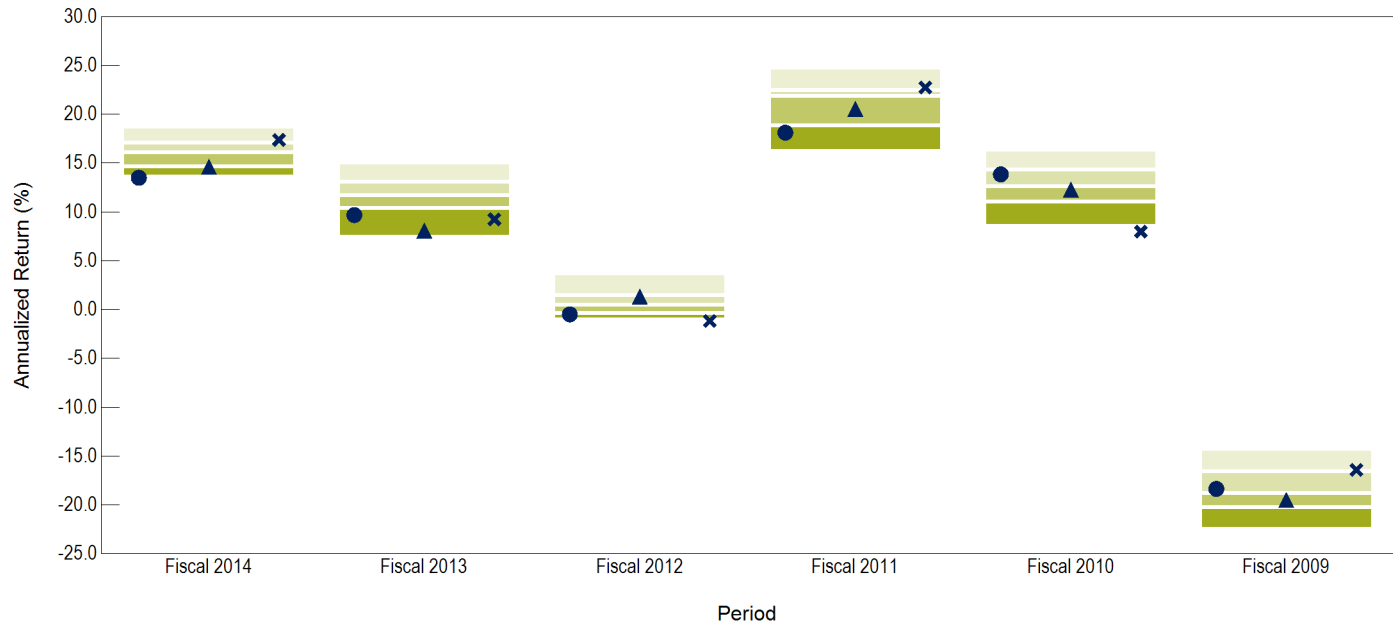
**Total Fund Return Summary vs. Peer Universe**



	Return (Rank)													
5th Percentile	2.9		4.0		7.8		10.8		10.2		7.0		7.3	
25th Percentile	2.6		2.8		6.7		10.0		9.7		6.4		6.9	
Median	2.2		2.0		5.5		8.9		8.8		5.7		6.3	
75th Percentile	1.9		1.2		4.6		7.9		8.0		5.0		5.8	
95th Percentile	1.3		-1.2		2.6		6.0		6.6		4.0		4.6	
# of Portfolios	58		58		58		57		54		53		51	
● Total Fund	1.2	(96)	-1.7	(99)	1.7	(99)	6.2	(95)	7.0	(95)	4.1	(91)	5.4	(88)
▲ Policy Benchmark	1.2	(96)	-1.6	(98)	1.6	(99)	6.2	(95)	7.5	(91)	4.1	(91)	5.8	(75)
× 60% MSCI World (Gross) / 40% CITI WGBI	0.5	(99)	-2.2	(99)	1.7	(99)	6.9	(92)	7.1	(94)	4.3	(90)	5.7	(80)

**Total Fund Return Summary vs. Peer Universe**

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



	Return (Rank)					
	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
5th Percentile	18.7	15.0	3.7	24.7	16.3	-14.3
25th Percentile	17.2	13.1	1.5	22.5	14.4	-16.5
Median	16.1	11.8	0.5	21.9	12.7	-18.7
75th Percentile	14.7	10.5	-0.3	18.9	11.1	-20.2
95th Percentile	13.6	7.5	-0.9	16.3	8.6	-22.4
# of Portfolios	43	56	41	42	41	40
● Total Fund	13.5 (98)	9.7 (83)	-0.5 (85)	18.1 (86)	13.8 (33)	-18.4 (42)
▲ Policy Benchmark	14.6 (76)	8.1 (92)	1.3 (27)	20.5 (57)	12.3 (57)	-19.5 (60)
× 60% MSCI World (Gross) / 40% CITI WGBI	17.4 (23)	9.2 (88)	-1.2 (96)	22.7 (23)	8.0 (98)	-16.4 (25)

# Manager Due Diligence



# City of San Jose Police and Fire Department Retirement Plan

## Due Diligence Monitor

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

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
<b>Russell Overlay</b>	N/A	-	Watch Q2 2014	No Action	
<b>Artisan Global Opps</b>	Top Quartile	-	-	-	
<b>Artisan Global Value</b>	Bottom Quartile	-	-	-	
<b>NT Russell 1000 Index</b>	-	-	-	-	
<b>RBC Small Cap</b>	-	-	-	-	
<b>NT MSCI World ex-U.S. Index</b>	-	-	-	-	
<b>Oberweis International Opportunities</b>	-	-	-	-	
<b>MSCI Emerging Markets ETF (ticker: EEM)</b>	-	-	-	-	
<b>Vontobel Emerging Markets Equity</b>	-	-	-	-	
<b>Aberdeen Frontier Markets Equity</b>	Bottom Decile	-	-	-	
<b>NT Russell 3000 Index Fund</b>	-	-	-	-	
<b>57 Stars Global Opportunity Fund 3</b>	N/A	-	-	-	
<b>Crescent Mezzanine Partners (Fund V; Fund VI)</b>	N/A	-	-	-	
<b>HarbourVest Partners (Fund VII - 2005 Buyout; VIII Venture; VIII Buyout)</b>	N/A	-	-	-	
<b>Pantheon USA Fund VI</b>	N/A	-	-	-	
<b>Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Sits)</b>	N/A	-	-	-	
<b>Siguler Guff Distressed Opportunities Fund III</b>	N/A	-	-	-	
<b>TPG Opportunities Partners (Fund II; Fund III)</b>	N/A	-	-	-	Fund III Funded 2/2014
<b>Warburg Pincus Private Equity XI</b>	N/A	-	-	-	





City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
<b>Colchester Global Fixed Income</b>	-	-	-	-	
<b>Franklin Templeton Global Multi-Sector Plus</b>	-	-	-	-	
<b>Beach Point Total Return Fund</b>	-	-	-	-	
<b>Symphony L/S Credit Fund</b>	Bottom Decile	-	-	-	
<b>Marathon European Credit Opportunity Fund</b>	N/A	-	-	-	
<b>GSO Direct Lending Fund</b>	N/A	-	-	-	
<b>Medley Opportunity Fund II</b>	N/A	-	-	-	
<b>White Oak Direct Lending Fund</b>	N/A	-	-	-	
<b>Capula European Special Situations Fund</b>	N/A	-	-	-	
<b>Park Square Credit Opportunities Fund II</b>	N/A	-	-	-	
<b>BlueBay Emerging Market Select Debt</b>	-	-	-	-	
<b>Iguazu Partners</b>	Top Quartile	-	-	-	
<b>Credit Suisse Risk Parity Commodity Fund</b>	N/A	-	Hold Q2 2014	No Action	
<b>Wellington Diversified Inflation Hedges</b>	N/A	-	-	-	
<b>Russell Real Estate</b>	N/A	-	Watch Q2 2014	No Action	Interim Real Estate Exposure
<b>American Realty Separate Account</b>	N/A	-	-	-	
<b>American Realty Core Fund</b>	N/A	-	-	-	
<b>Blackstone Real Estate Debt Strategies II</b>	N/A	-	-	-	
<b>Brookfield Strategic Real Estate Partners</b>	N/A	-	-	-	
<b>Orion European Real Estate Fund IV</b>	N/A	-	-	-	
<b>TA Realty Fund X</b>	N/A	-	-	-	
<b>Tristan EPISO 3</b>	N/A	-	-	-	

City of San Jose Police and Fire Department Retirement Plan

**Due Diligence Monitor Continued**

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
<b>Och-Ziff Real Estate Fund III</b>	N/A	-	-	-	
<b>Russell Hedge Funds</b>	N/A	-	Watch Q2 2014	No Action	Interim Hedge Fund Exposure
<b>GMO Benchmark-Free Allocation</b>	N/A	Yes	No Action	No Action	
<b>PIMCO All Asset All Authority</b>	N/A	Yes	Watch	Watch	Upgraded from Client Review Q1 2015
<b>Standard Life Global Absolute Return Strategy (GTAA)</b>	N/A	-	-	-	
<b>Industry Ventures III</b>	N/A	-	-	-	Funded 9/2014
<b>CCMP Capital Investors III</b>	N/A	Yes	Hold Q1 2015	Hold	
<b>Amici Offshore</b>	N/A	-	-	-	
<b>Marshall Wace Eureka Fund</b>	N/A	-	-	-	
<b>Horizon Portfolio I</b>	N/A	-	-	-	
<b>Sandler Plus Offshore Fund</b>	N/A	-	-	-	
<b>Senator Global Opp Offshore Fund</b>	N/A	-	-	-	
<b>Davidson Kempner</b>	N/A	-	-	-	
<b>Marathon</b>	N/A	-	-	-	

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

#### **PIMCO Firm Due Diligence Status Update**

##### Due Diligence Process and Ratings Changes

In the months following the departure of Bill Gross, NEPC maintained a consistent dialogue with PIMCO executives, senior investment personnel, and staff. These interactions included two onsite meetings in Newport Beach, a conference call and in-person discussion with CEO Doug Hodge, several product-specific updates, and constant ad-hoc conversations with PIMCO representatives. Through these conversations we gathered information related to Bill Gross' departure, specifically, the impact on investment performance, internal working environment, PIMCO's approach towards managing a high level of redemptions, revenue losses and organizational flexibility, and retention of key professionals. The insight gained from these conversations combined with the actual results in the months after the announcement provide us with a basis on which to make a recommendation.

In the period beginning January 1, 2014 through March 31, 2015, PIMCO total assets under management fell by approximately \$330 billion. Much of the outflows occurred following Bill Gross's departure and more than half was redeemed from the Total Return strategy. There are signs that asset flows have stabilized outside of Total Return, with several strategies experiencing net inflows in March 2015. In addition, there is no evidence that PIMCO has made any material organizational changes to adjust for the loss in revenue. We believe that PIMCO has a great deal of financial flexibility in this regard through compensation adjustments, employee attrition, and overall financial health. One factor that did not go unnoticed in conversations with members of the investment team is the improvement in the workplace environment since Mr. Gross' departure. By all accounts it appears the atmosphere is positive and more conducive to a collegial workplace. While it will take time to see if this new PIMCO environment will yield positive results for clients, it is a step in the right direction.

The due diligence status updates detailed below are divided into four areas:

- 1) PIMCO at the firm level
- 2) Total Return
- 3) Unconstrained Bond
- 4) Other PIMCO strategies

**PIMCO - Firm Status:** In the period beginning January 1, 2014 through March 31, 2015, PIMCO total assets under management fell by approximately \$330 billion. Much of the outflows occurred following Bill Gross's departure and more than half was redeemed from the Total Return strategy. There are signs that asset flows have stabilized outside of Total Return, with several strategies experiencing net inflows in March 2015. In addition, there is no evidence that PIMCO has made any material organizational changes to adjust for the loss in revenue. We believe that PIMCO has a great deal of financial flexibility in this regard through compensation adjustments, employee attrition, and overall financial health. One factor that did not go unnoticed in conversations with members of the investment team is the improvement in the workplace environment since Mr. Gross' departure. By all accounts it appears the atmosphere is positive and more conducive to a collegial workplace. While it will take time to see if this new PIMCO environment will yield positive results for clients, it is a step in the right direction. For these reasons we are upgrading PIMCO's firm due diligence status to Watch from Client Review.

**Due Diligence Commentary**

**PIMCO Firm Due Diligence Status Update (continued)**

- **Total Return:** The Total Return strategy has been impacted significantly as result of Bill Gross’ resignation. He was the primary decision maker since the strategy’s inception and a major factor in its success over the years. As expected, outflows were substantial – including 2014 and the first quarter 2015 the Total Return strategy platform AUM fell 45%. While performance in the Total Return strategy has been fairly strong since Mr. Gross resigned, a degree of uncertainty remains regarding the new team and decision making structure. We will continue to monitor the Total Return strategy over the next several months before reconsidering its due diligence status of Client Review.
- **Unconstrained Bond:** The Unconstrained Bond strategy has experienced a high level of portfolio management turnover since lead portfolio manager Chris Dialynas announced his sabbatical in the fourth quarter of 2013. In response Bill Gross took over as lead portfolio manager before departing in September of 2014. Adding to that, Unconstrained Bond portfolio manager Saumil Parikh left the firm in January of 2015. After returning to PIMCO following a short employment with GMO, CIO of Non-Traditional Strategies Marc Seidner was named lead portfolio manager on the Unconstrained Bond Fund, filling the void left by Mr. Parikh. While we have confidence in Mr. Seidner and the rest of the Unconstrained Bond team’s ability to manage the strategy, the level of turnover at the senior level gives us pause. Outflows have also been substantial from Unconstrained Bond. Assets under management fell 55% from January 1, 2014 to March 31, 2015, although redemptions appear to be slowing. Over the coming months we will continue to monitor the Unconstrained Bond strategy before reconsidering its due diligence status of Client Review.
- **All other PIMCO strategies:** The impact of Bill Gross’s departure for a majority of PIMCO strategies is much less significant from an investment standpoint. While outflows did occur across the product platform, redemptions tapered off quickly in the months since the announcement and reversed in some cases. While some strategies may continue to feel a residual impact from the organizational changes we are comfortable with the investment teams and strategies and see little in terms of product-specific risks going forward. All PIMCO strategies with the exception of Total Return and Unconstrained Bond will have their Client Review due diligence status rescinded. These strategies will retain a due diligence status of Watch due to the overall PIMCO Firm rating detailed above.
- **For these reasons we are upgrading PIMCO’s firm due diligence status to Watch from Client Review.**

**Asset Flow Summary**

In millions \$	3/31/2015	12/31/2014	12/31/2013	AUM Change 12/31/2014 - 3/31/2015	AUM Change 12/31/2013 - 3/31/2015
<b>Firm AUM</b>	<b>\$ 1,588,065</b>	<b>\$ 1,680,389</b>	<b>\$ 1,919,589</b>	<b>\$ (92,324)</b>	<b>\$ (331,524)</b>
Total Return	\$ 261,191	\$ 300,983	\$ 471,648	\$ (39,792)	\$ (210,457)
Unconstrained Bond	\$ 19,874	\$ 23,328	\$ 44,284	\$ (3,454)	\$ (24,410)
All Asset Strategy	\$ 48,651	\$ 52,002	\$ 63,231	\$ (3,351)	\$ (14,580)
StocksPLUS	\$ 20,852	\$ 15,982	\$ 17,069	\$ 4,871	\$ 3,783
Emerging Markets Debt	\$ 49,714	\$ 53,380	\$ 68,113	\$ (3,666)	\$ (18,400)
Diversified Income	\$ 19,098	\$ 19,601	\$ 27,400	\$ (503)	\$ (8,302)
Short Duration	\$ 83,250	\$ 92,862	\$ 110,241	\$ (9,612)	\$ (26,991)
Long Duration	\$ 130,249	\$ 133,576	\$ 125,035	\$ (3,328)	\$ 5,213
Income Fund	\$ 57,646	\$ 53,625	\$ 34,111	\$ 4,020	\$ 23,535

## Due Diligence Commentary

### GMO & Co., LLC

On February 26, 2015 GMO announced the departure of one employee and five additions to their asset allocation team.

Departure: Edmund Bellord – Mr. Bellord was a portfolio strategist on the asset allocation team and served largely in a client facing role. He will be leaving to join QMA in what is expected to be a similar role. Though Mr. Bellord was a visible member of the asset allocation team to many clients we expect his departure to have a minimal effect on any GMO strategies as his involvement with strategy and implementation was limited.

Additions: Vlad Barbalat – Mr. Barbalat comes from Goldman Sachs and will serve as a senior member on the asset allocation team focusing on the mean reversion and alpha only strategies. John Thorndike – Mr. Thorndike is expected to join in April and is coming from TIFF where he served as a managing director and Deputy CIO. He is expected to focus on absolute return strategies. Rick Friedman – Mr. Friedman joined the asset allocation team after working on GMO's global client relations team in the Berkeley office. Matt Lehman – Mr. Lehman will be joining from J.P. Morgan and will take on a client facing and analyst role. Amar Reganti – Mr. Reganti will be joining from the US Treasury and will take on a client facing and analyst role.

Despite Mr. Bellord's departure we remain confident in GMO's ability to source and retain talent, as exhibited by a number of the asset allocation team's recent additions. Though Mr. Bellord was very visible among NEPC clients we feel his departure will not have material effect on any strategies the asset allocation team has management responsibilities for and that his relationship responsibilities can be adequately covered given recent additions and the depth of the team. Additionally, Ben Inker and Sam Wilderman remain in place as co-heads of the asset allocation team and key drivers of strategy.

***NEPC recommends No Action as a result of this event.***

### CCMP Capital Advisors, LLC

During the first quarter of 2015, CCMP Capital informed NEPC that Stephen Murray, President and CEO of CCMP, was taking a medical leave of absence. Mr. Murray subsequently passed away, triggering a Key Person Event for the Fund.

A consequence of the Key Person Event calls for a suspension of the Investment Period for 180 days. During the suspension period, no investments may be made other than follow-on investments and committed investments made prior to the commencement of the suspension period. CCMP had not committed to either follow-on or new investments prior to Mr. Murray's death. A majority in interest of the Limited Partners may elect in writing prior to the end of such 180-day period to reinstate the Investment Period. In the absence of any such election, the Investment Period will terminate on such 180<sup>th</sup> day.

In mid-March 2015, CCMP provided amendments to the Limited Partnership Agreement ("LPA") for the Fund and requested a reinstatement of the Investment Period from the Limited Partners. The Limited Partners subsequently approved the amendments to the LPA and reinstated the Investment Period.

***NEPC Recommends No Action as a result of this event.***

## **Appendix: Policy Benchmark History; Performance Disclosures**



## Policy Benchmark History

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

## Policy Benchmark History

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



**Page 20**

- 1 – Long-Term Policy Benchmark adopted by the Board of Administration at the August 2, 2012 meeting.
- 2 – Global Equity Composite market value includes \$4,652 of residual assets remaining in the equity transition account and terminated manager accounts.
- 3 – U.S. Equity market value includes \$5,852 of residual assets remaining in terminated manager accounts.
- 4 – International Equity Composite and Developed International Equity Composite market values includes \$80,306 of residual assets remaining in terminated manager accounts.
- 5 – Total Fixed Income market value includes \$4,469 of residual assets remaining in terminated manager accounts.
- 6 – Cash market value includes Russell Overlay account.

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- 1 – Total Equity Composite market value includes \$90,810 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – San Jose Custom Total Equity Benchmark comprised of: 50% S&P 500/8% Russell 2000/34% MSCI EAFE (Net)/8% MSCI Emerging Markets (Net) from 4/1/2008 – 6/30/2008; 45% S&P 500/10% Russell 2000/35% MSCI EAFE (Net)/10% MSCI Emerging Markets (Net) from 7/1/2008 – 12/31/2009; 45% Russell 1000/12.5% Russell 2000/30% MSCI EAFE(Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2010 – 12/31/2011; 30% MSCI ACWI (Net)/37.5% MSCI ACWI Value (Net)/5% Russell 3000/7.5% Russell 2000/7.5% MSCI World ex-U.S. Small Cap (Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2012 – 12/31/2012; 100% MSCI ACWI IMI (Net) from 1/1/2013 – forward.
- 3 – Global Equity Composite market value includes \$4,652 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund and related composites from December 2012 – February 2013.
- 4 – U.S. Equity Composite market value includes \$5,852 of residual assets remaining in terminated manager accounts.

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- 1 – International Equity Composite and Developed International Equity Composite market values include \$80,306 of residual assets remaining in terminated manager accounts.

**Page 46**

- 1 – Total Private Equity Composite includes investments that have been funded through 12/31/2014 as well as \$106 million in interim exposure managed by Russell. All Private Equity partnerships reported are lagged one quarter beginning 7/1/2014.
- 2 – San Jose Custom Total Private Equity Index comprised of 62.5% Cambridge PE Index 1 Qtr Lagged, 37.5% Russell 3000 Index 1 Qtr Lagged.
- 3 – San Jose Custom Private Equity is comprised of 100% Cambridge PE Index 1 Qtr Lagged. Private Equity reporting policy change resulted in a zero 9/30/2014 quarterly return.

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- 1 – Total Fixed Income Composite market value includes \$4,469 of residual assets remaining in terminated manager accounts.
- 2 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Total Credit Composite.
- 3 – Total Credit and Corporate Credit Composite market value includes \$4,469 of residual assets remaining in terminated manager accounts.
- 4 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.

## Additional Performance Disclosures and Footnote Detail

**Page 48**

1 – Effective 12/1/2012, the Plan’s allocation to direct lending strategies will be included in the Opportunistic Credit Composite.

**Page 49**

1 – Capula was funded in March 2014. Inception date for performance reporting purposes is April 1, 2014.

2 – San Jose Custom EMD Index comprised of JP Morgan EMBI+ from 1/1/2013 – 6/30/2013; JP Morgan Blended EMD Index thereafter.

3 – JP Morgan Blended EMD Index comprised of 50% JP Morgan GBI EM Global Diversified, 25% JP Morgan EMBI Global Diversified, 25% JP Morgan Corporate Broad EMBI.

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1 – Total Real Estate Composite includes investments that have been funded through 9/30/2014 as well as \$62 million in interim exposure managed by Russell.

2 – San Jose Custom Total Real Estate BM is comprised of 43% 60/40 MSCI World (Net)/Citi WGBI, 57% NCREIF ODCE

3 – San Jose Custom Real Estate Benchmark is comprised of 100% NCREIF ODCE. Real Estate reporting policy change resulted in a zero 9/30/2014 quarterly return.

4 – San Jose Custom Inflation-Linked Assets Benchmark comprised of 100% Custom Commodity Risk Parity Index from 4/1/2011 – 10/31/2013; 70% Custom Commodity Risk Parity Index, 30% CPI + 5% (Unadjusted) from 11/1/2013 – forward.

**Page 51**

1 – San Jose Custom Hedge Fund Benchmark comprised of 100% Russell Hedge Index from 11/1/2012 – 12/31/2012; 80% Russell Hedge Index, 20% HFRI FoF Composite from 1/1/2013 – 3/31/2013; 60% Russell Hedge Index, 40% HFRI FoF Composite from 4/1/2013 – 6/30/2013; 40% Russell Hedge Index, 60% HFRI FoF Composite from 7/1/2013 – 9/30/2013; 30% Russell Hedge Index, 70% HFRI FoF Composite from 10/1/2013 - forward.

2 – Russell Hedge Index comprised of 15% MSCI ACWI, 15% Barclays Capital Global Aggregate (Unhedged), 70% 90 day T-bills. The Russell Hedge Index is being used as a proxy for the Plan’s allocation to hedge funds while searches are completed to fill the 10% target allocation.

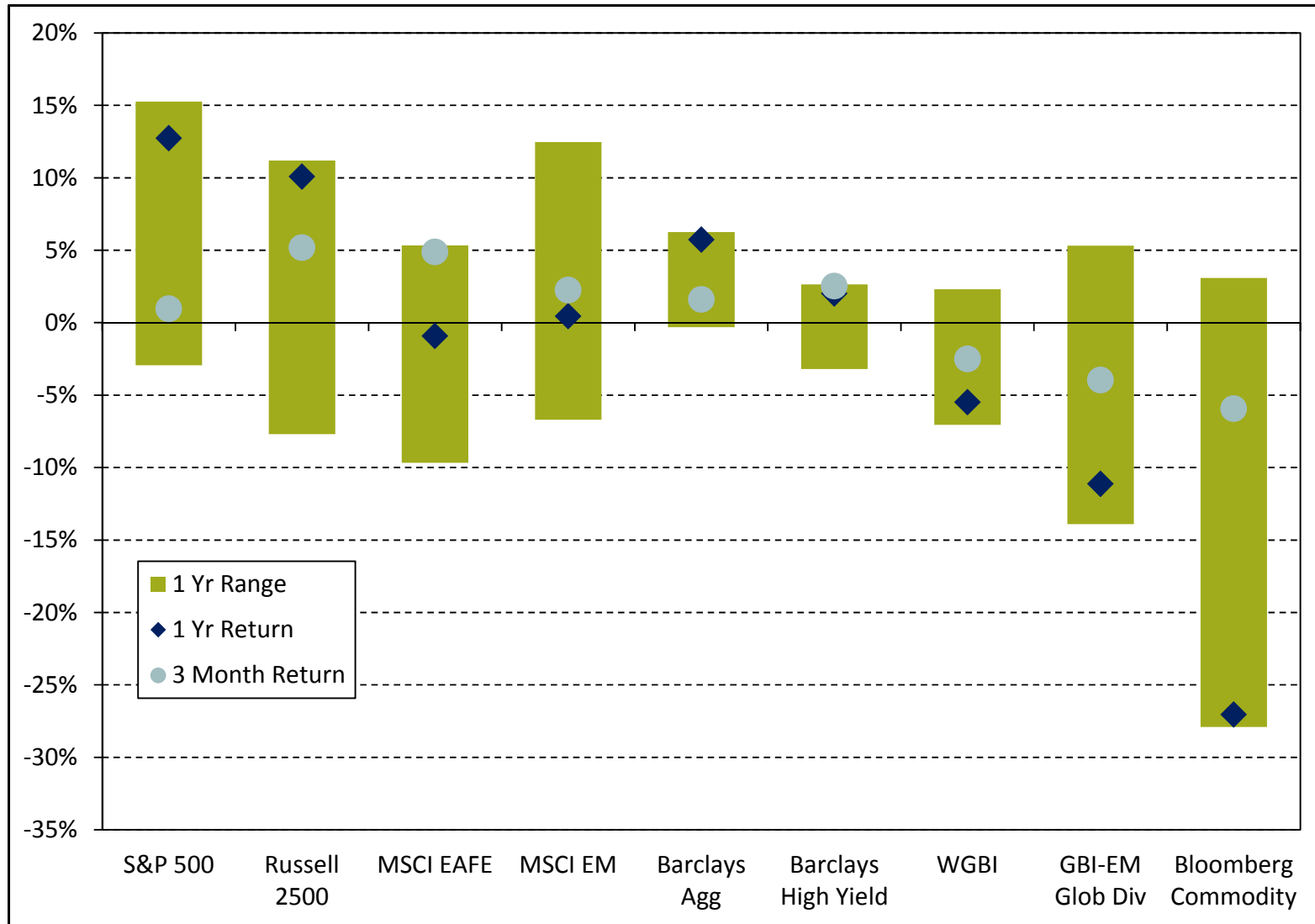
**Page 52**

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

# Appendix: Market Environment



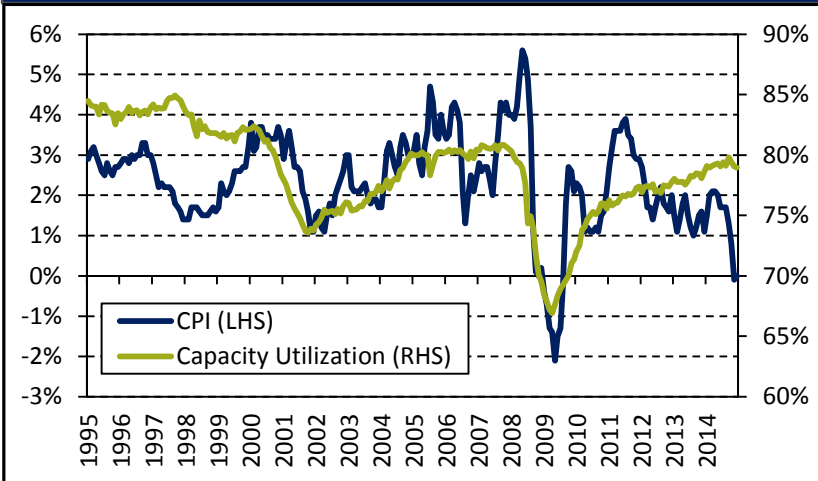
Broad Market Performance Summary as of 3/31/2015



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan  
 \*1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

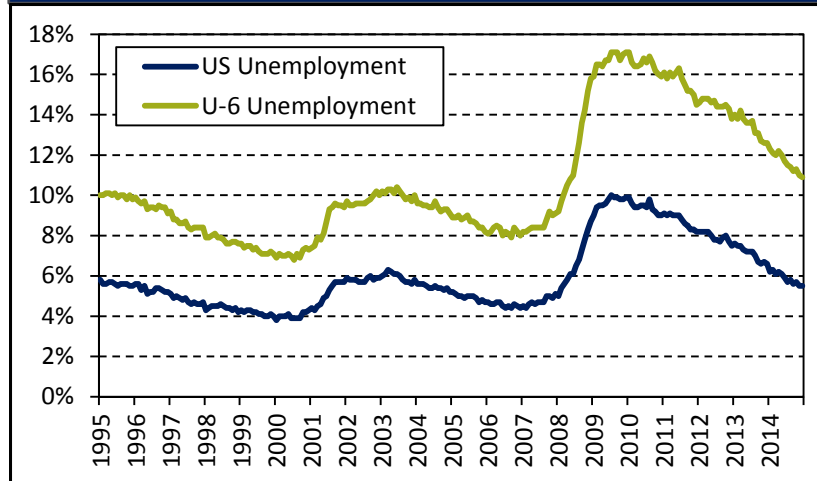
US Economic Indicators

**Inflation has stayed low**



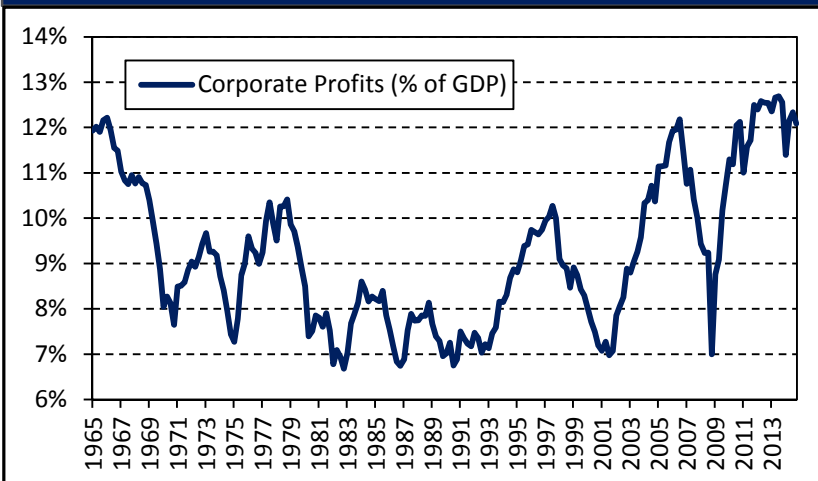
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

**Unemployment steadily improving**



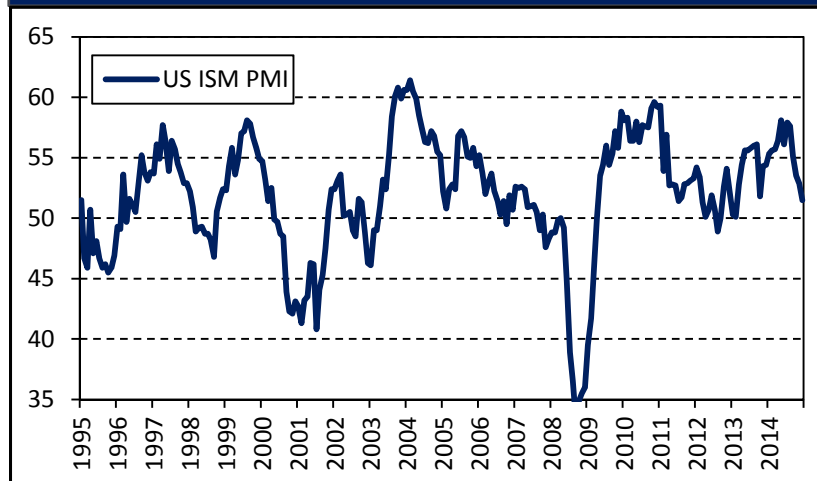
Source: Bloomberg, Bureau of Labor Statistics

**Corporate profits at secular highs**



Source: Bloomberg, Bureau of Economic Analysis

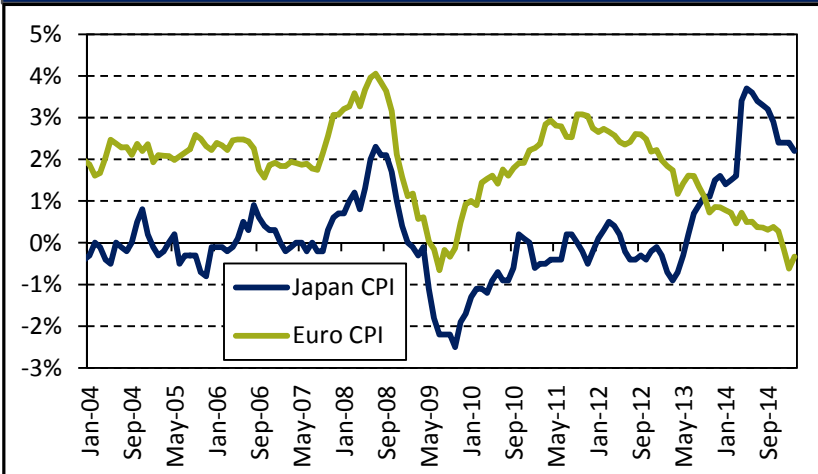
**Manufacturing above average but trending down**



Source: Bloomberg, Institute for Supply Management

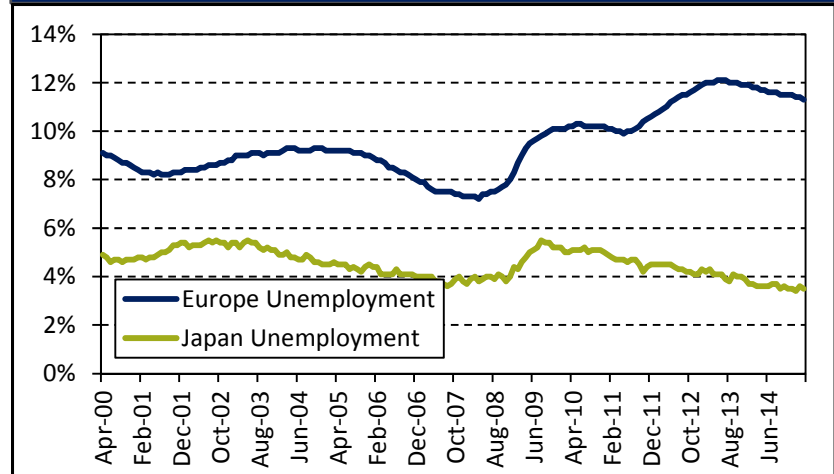
City of San Jose Police and Fire Department Retirement Plan  
**International Economic Indicators**

**Deflation remains a concern**



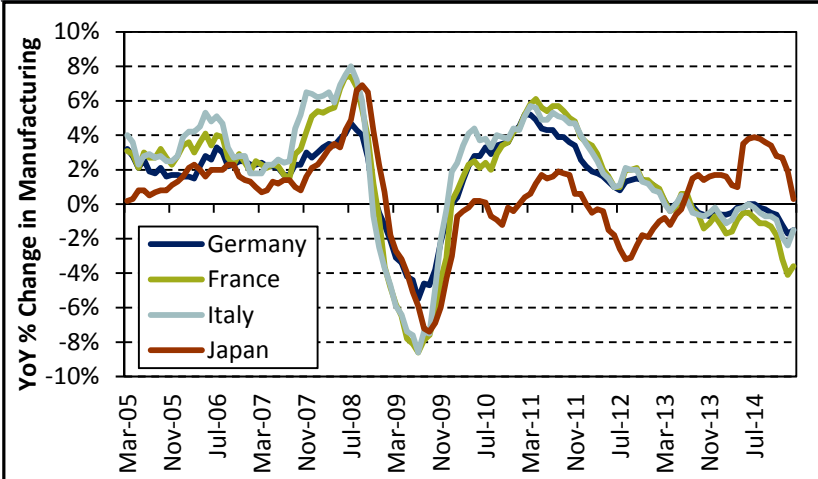
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

**Europe employment recovery lagging**



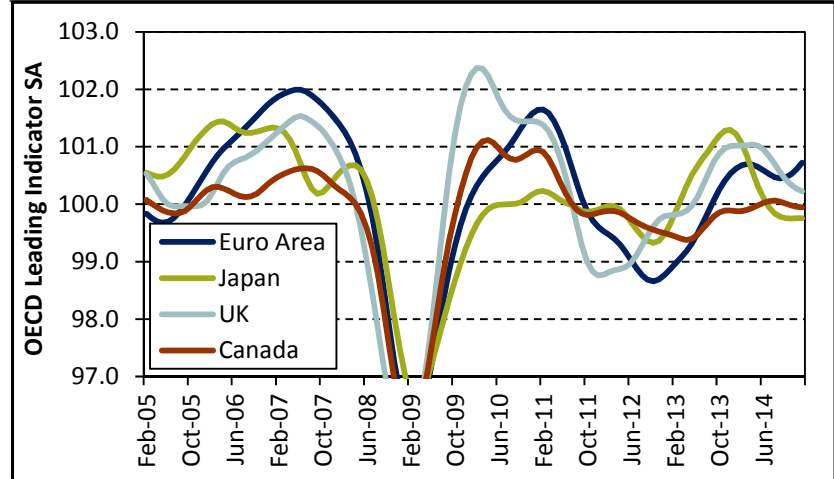
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

**Manufacturing subdued in Europe but rising off lows**



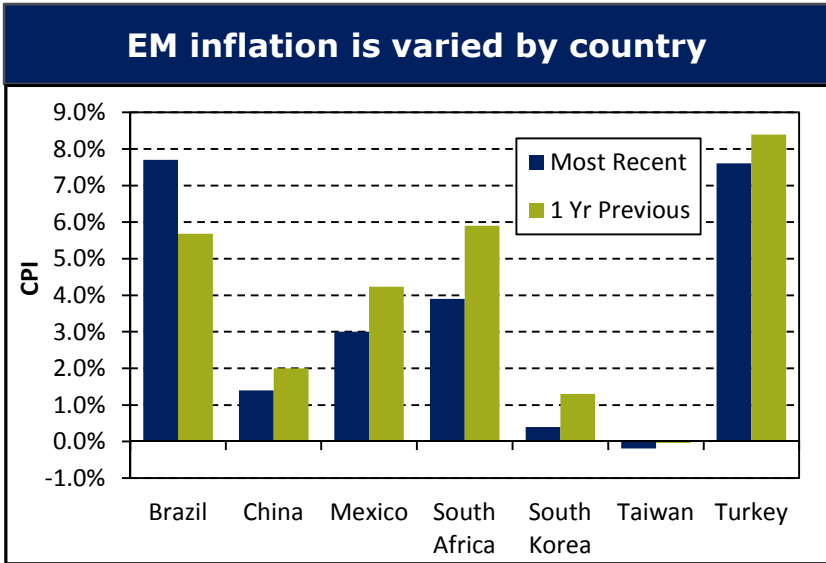
Source: Bloomberg, OECD, Eurostat

**Leading indicators neutral to positive**

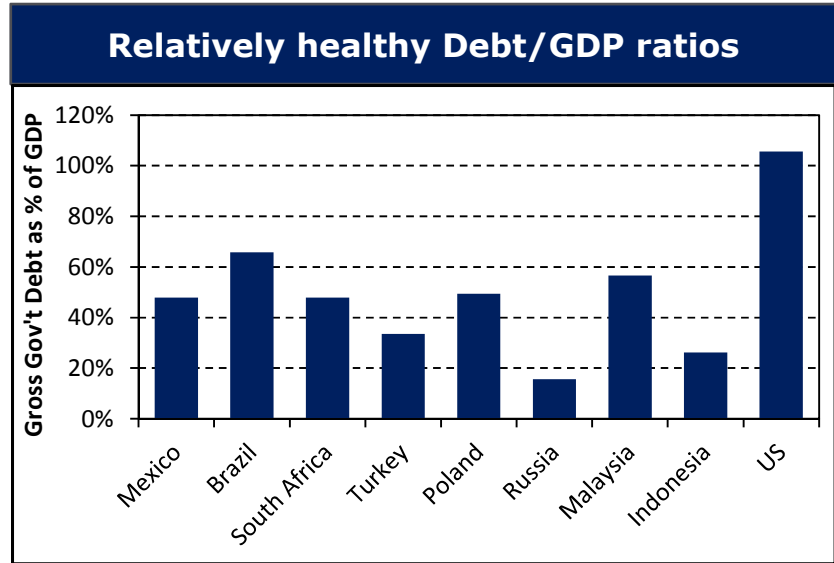


Source: Bloomberg, OECD

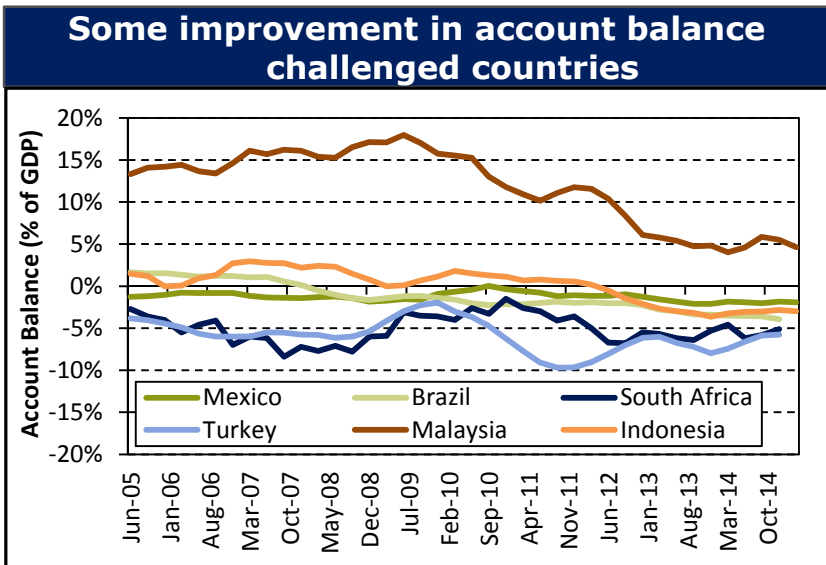
Emerging Market Economic Indicators



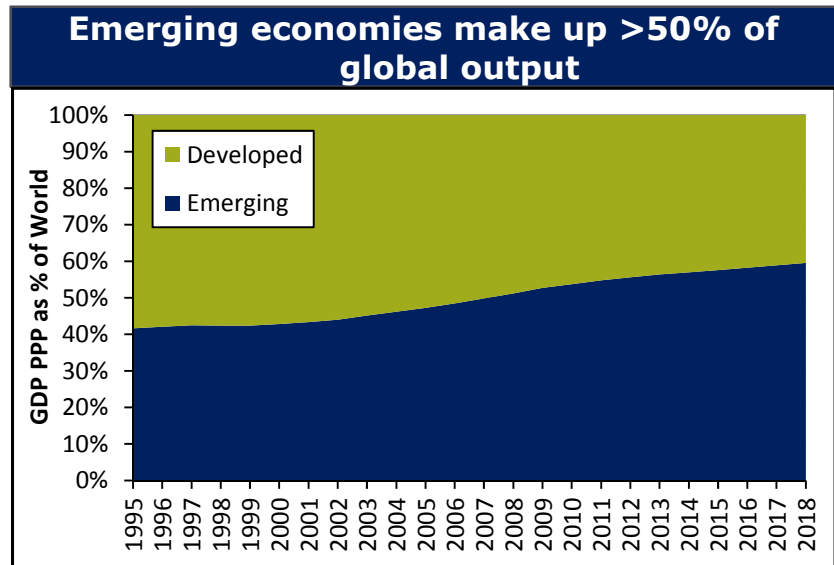
Source: Bloomberg



Source: Bloomberg, IMF



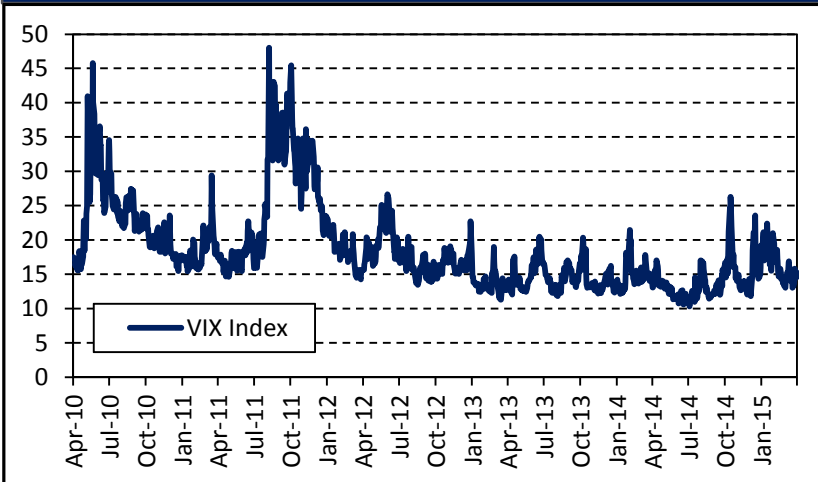
Source: Bloomberg



Source: Bloomberg, IMF

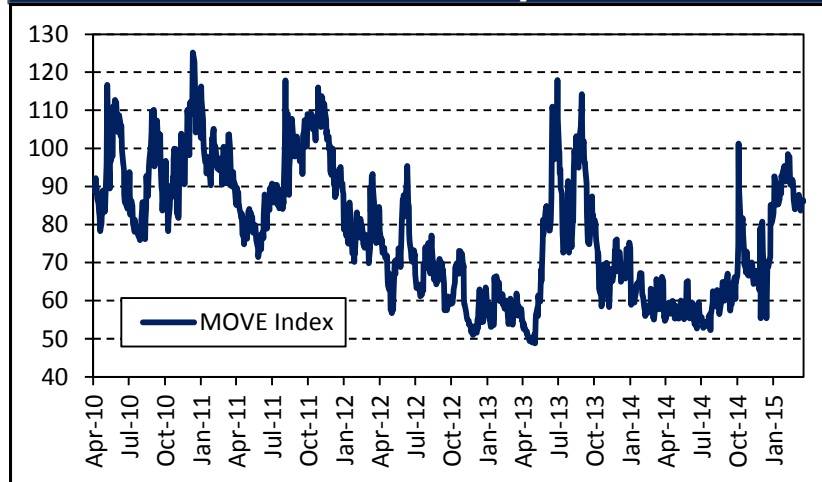
Volatility

Equity volatility remains low



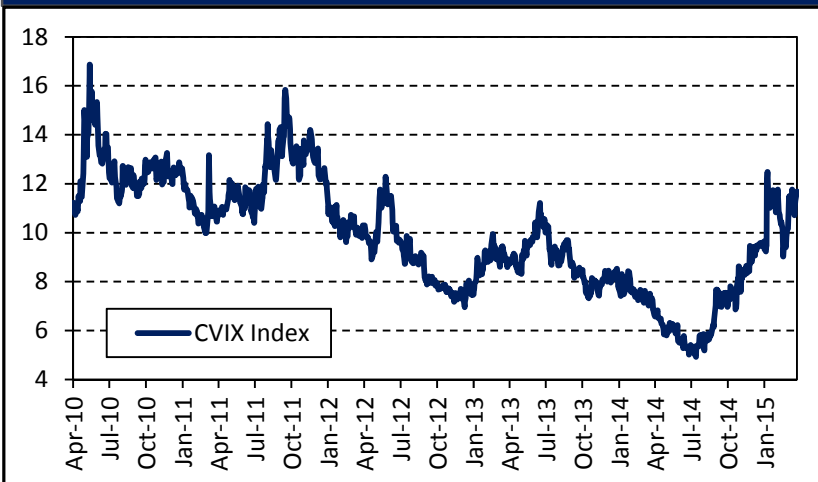
Source: Bloomberg, CBOE

Treasury rates experiencing higher volatility



Source: Bloomberg, Merrill Lynch

Recent uptick in currency volatilities



Source: Bloomberg, Deutsche Bank

Commodity pricing volatility has increased

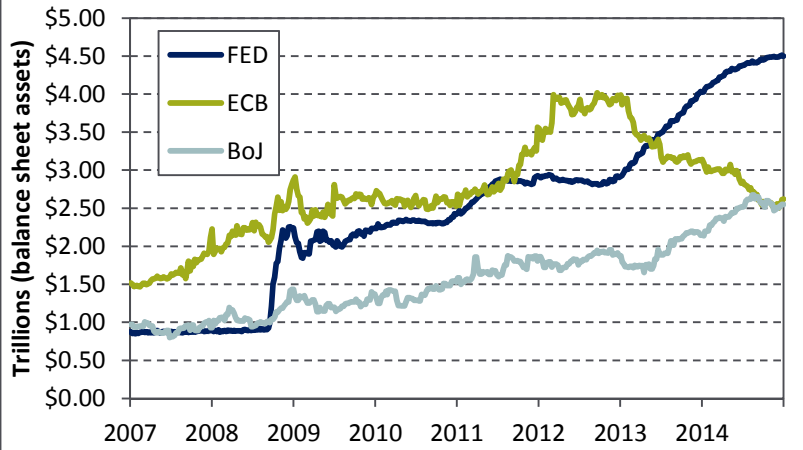


Source: Bloomberg, Merrill Lynch



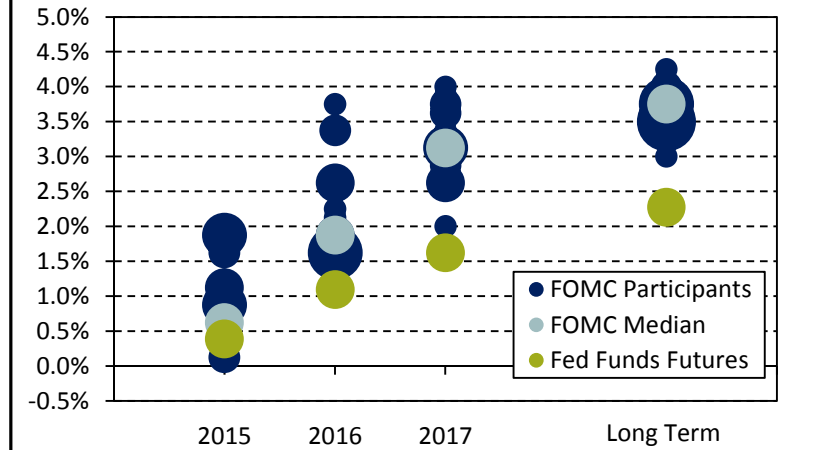
Central Banks

Major central bank policy divergence



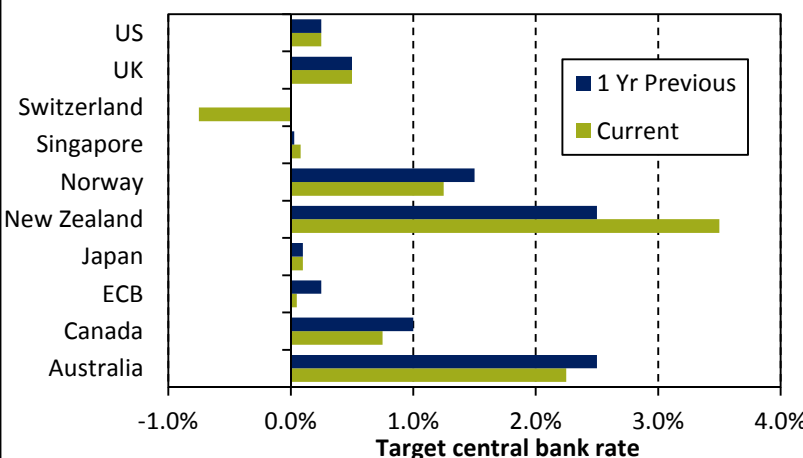
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Fed's ideal rate of policy firming above market expectations



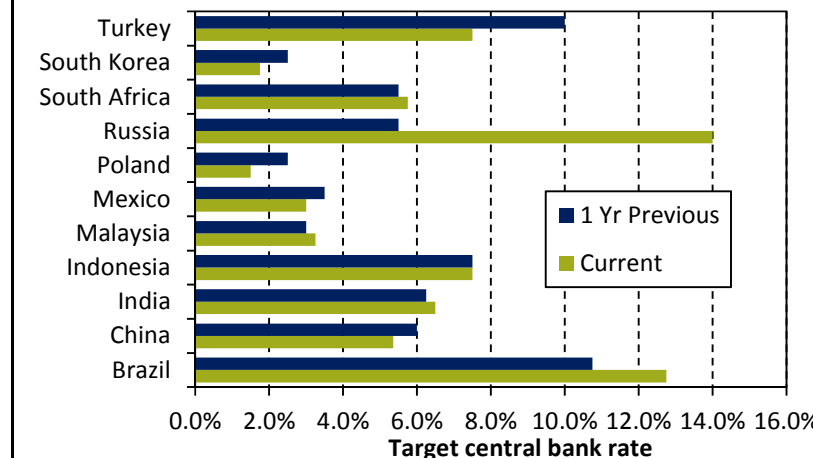
Source: Bloomberg, Federal Reserve, NEPC

Many developed central banks have maintained low interest rates



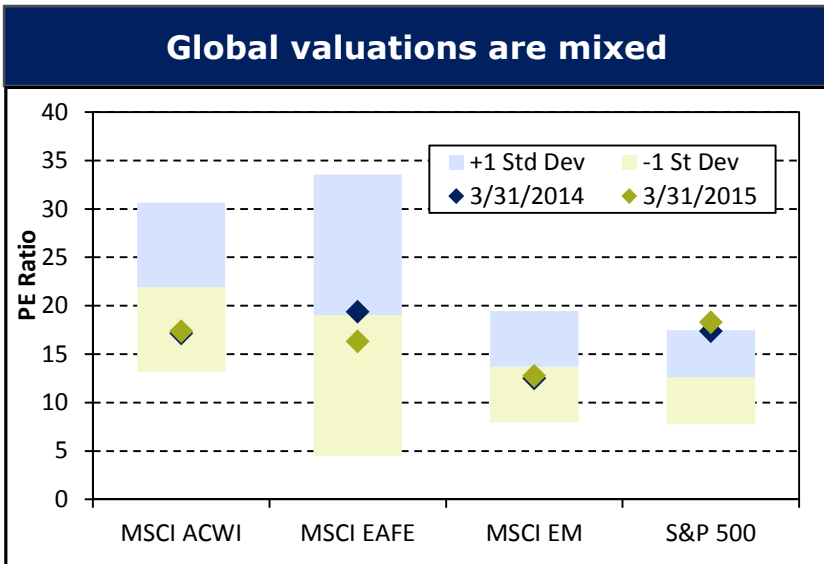
Source: Bloomberg

EM central bank policies have varied by circumstance

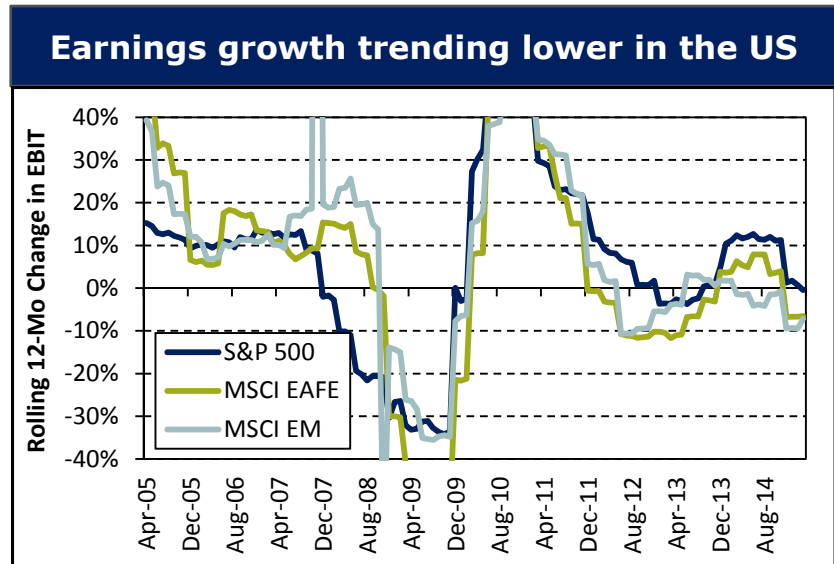


Source: Bloomberg

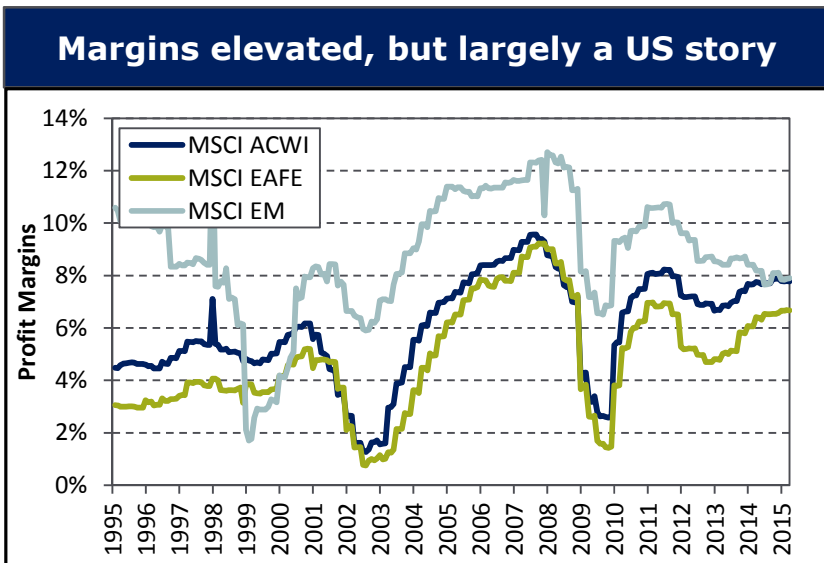
Global Equity



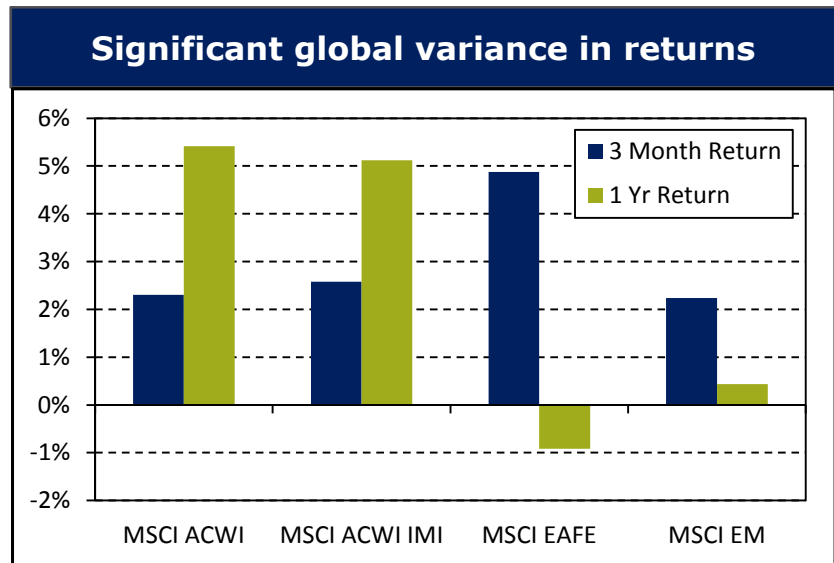
Source: Bloomberg, Standard and Poors, MSCI \*MSCI EAFE is ex UK Telecom



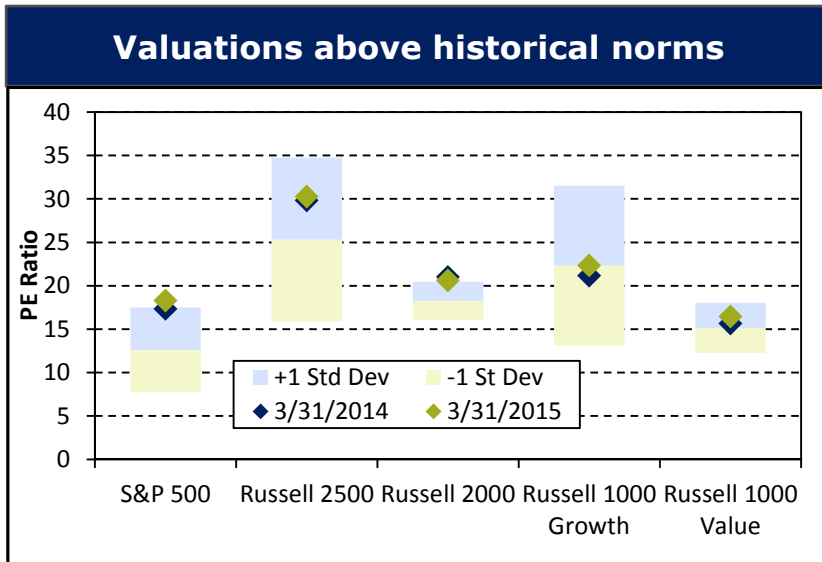
Source: Bloomberg, Standard and Poors, MSCI



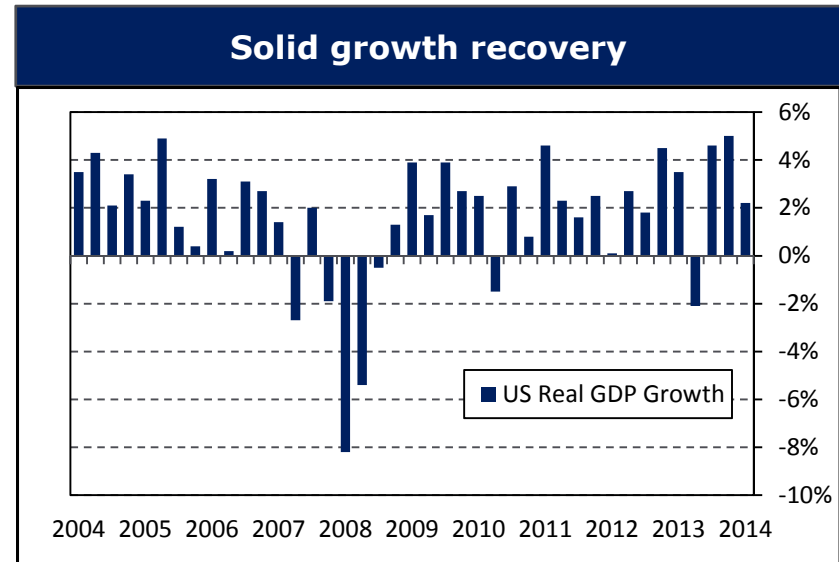
Source: Bloomberg, MSCI



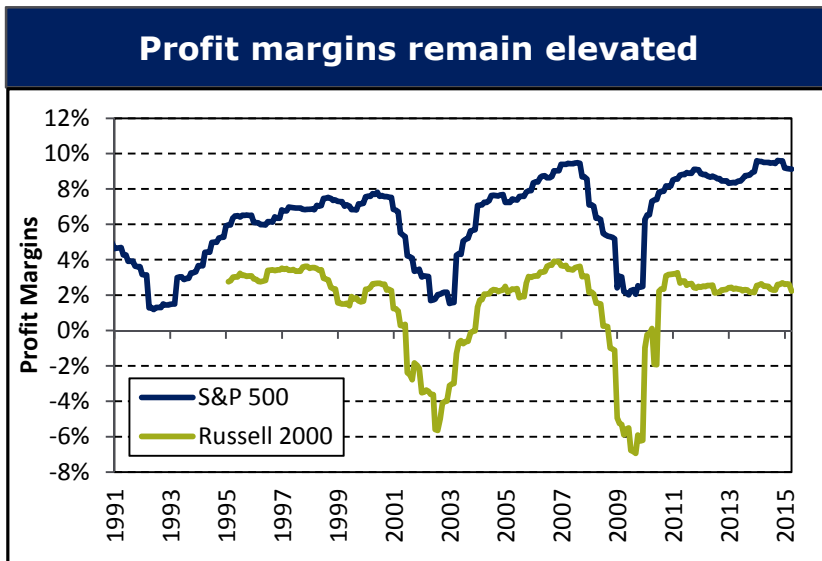
Source: Bloomberg, MSCI



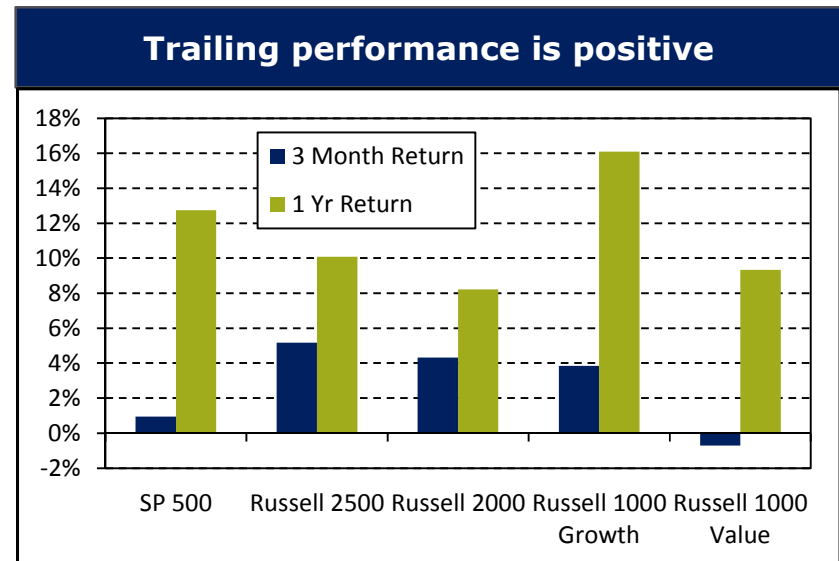
Source: Bloomberg, Standard and Pooers, Russell \*Russell 2000 PE is index adjusted positive



Source: Bloomberg, Bureau of Economic Analysis

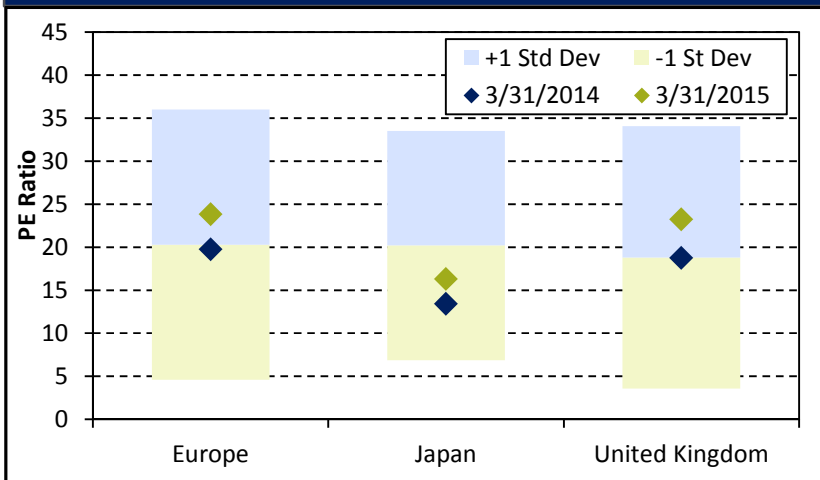


Source: Bloomberg, Standard and Pooers, Russell



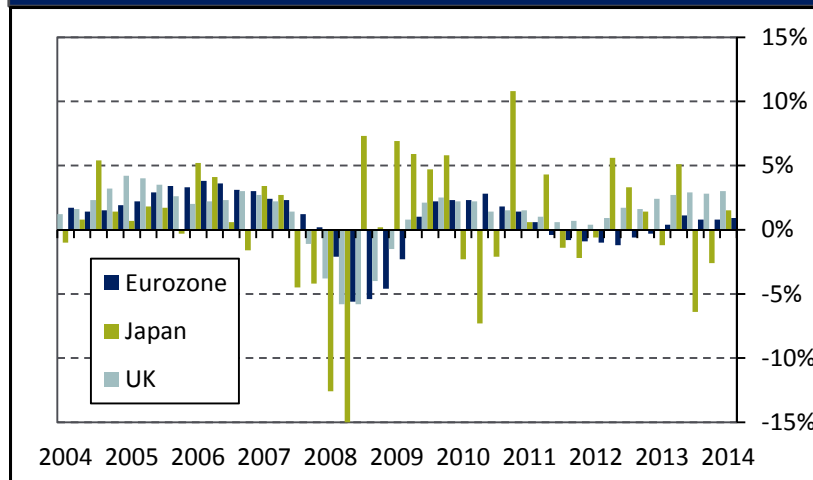
Source: Bloomberg, Standard and Pooers, Russell

**PEs near or below historical medians**



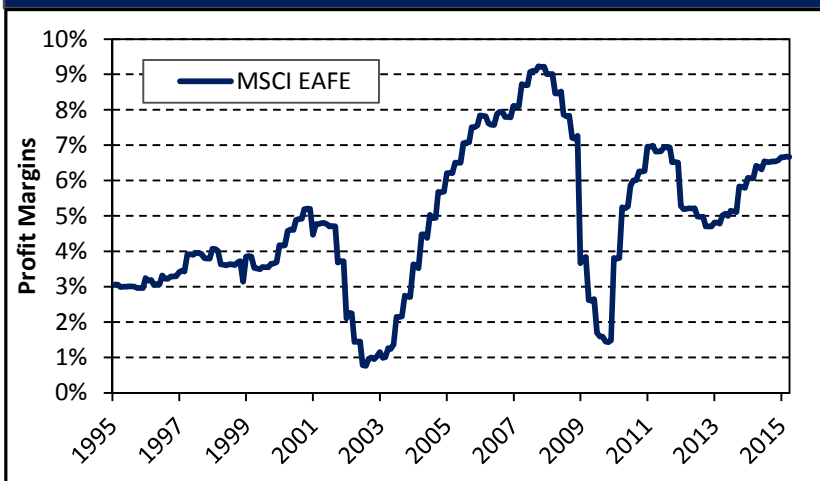
Source: Bloomberg, MSCI, FTSE \*UK represented by FTSE 100 Index

**Growth dispersion pronounced**



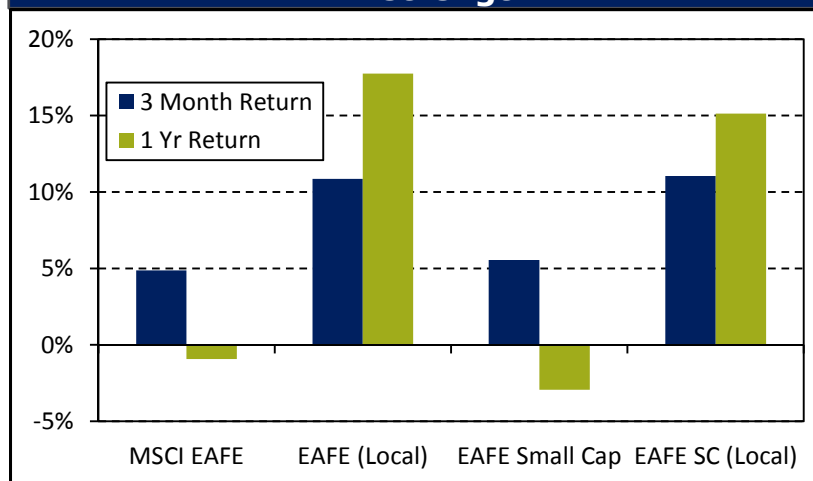
Source: Bloomberg

**Margins elevated but not at extremes**



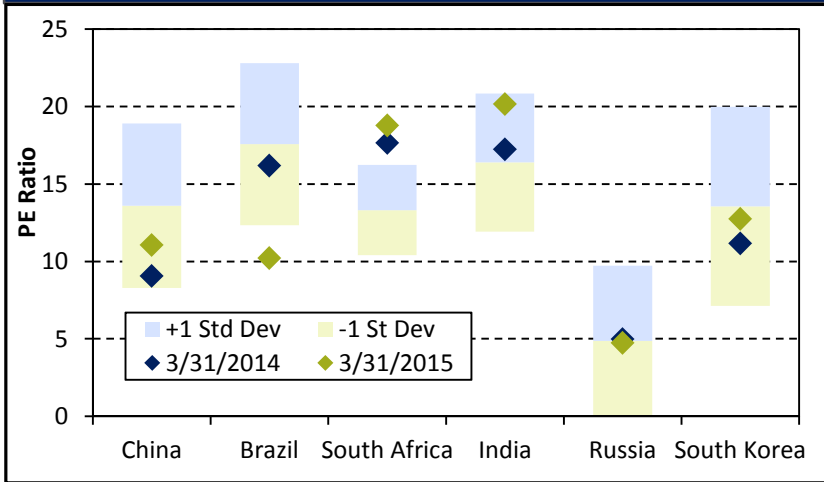
Source: Bloomberg, MSCI

**Positive performance muted by dollar strength**



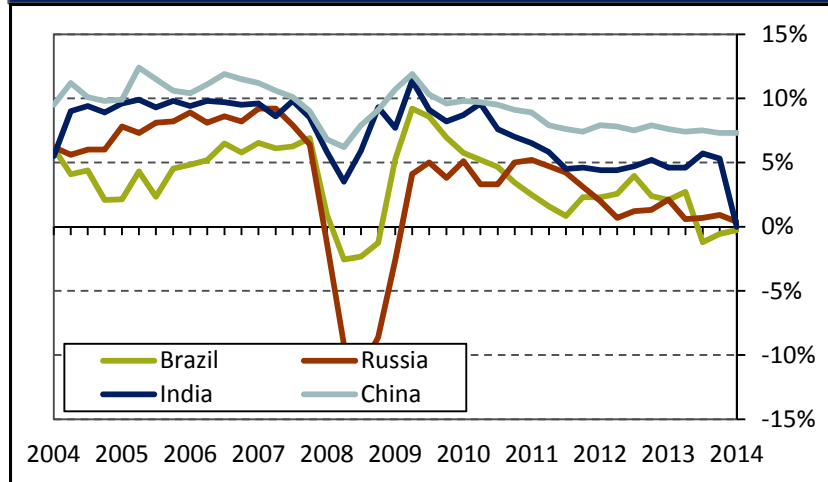
Source: Bloomberg, MSCI

**Regional valuations show divergence**



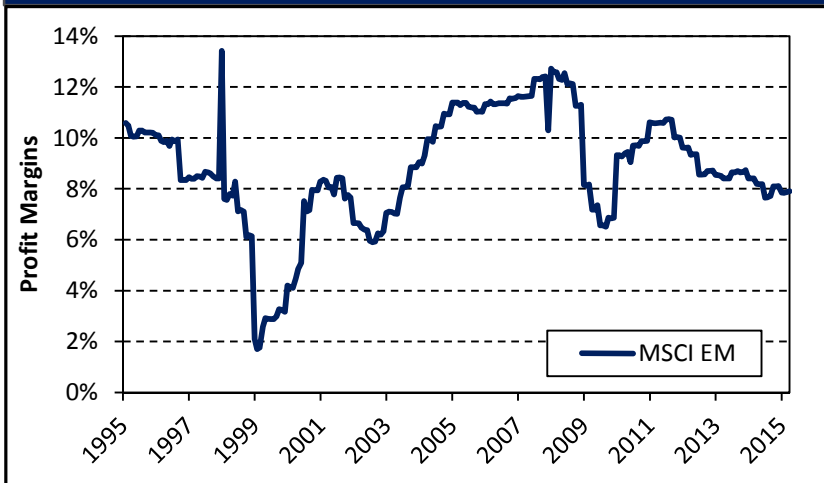
Source: Bloomberg, MSCI

**Slowing growth in major economies**



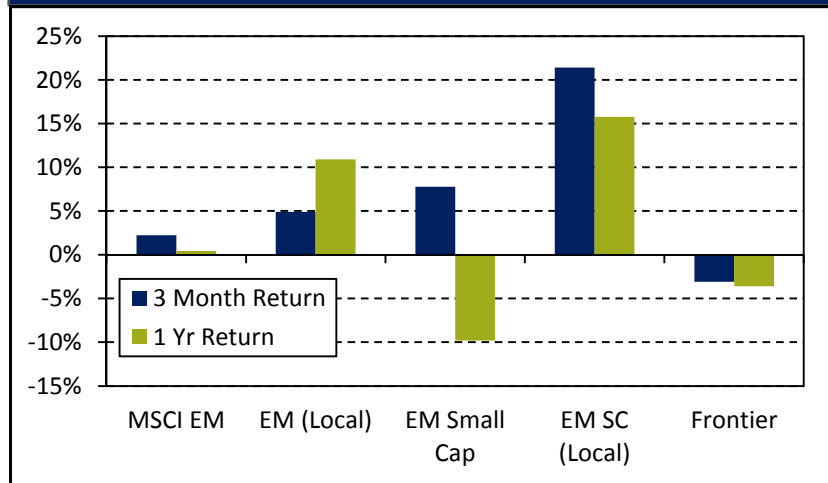
Source: Bloomberg

**Profit margins in line with history**



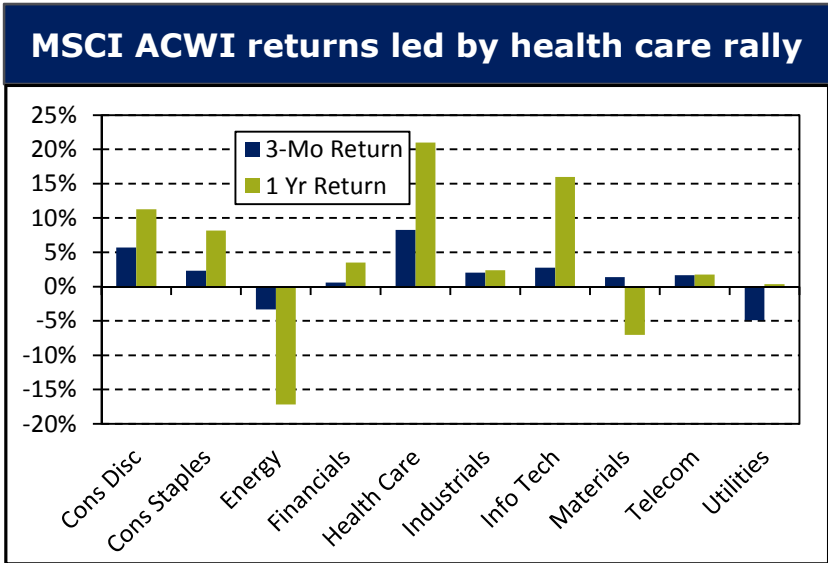
Source: Bloomberg, MSCI

**Dollar strength has detracted**

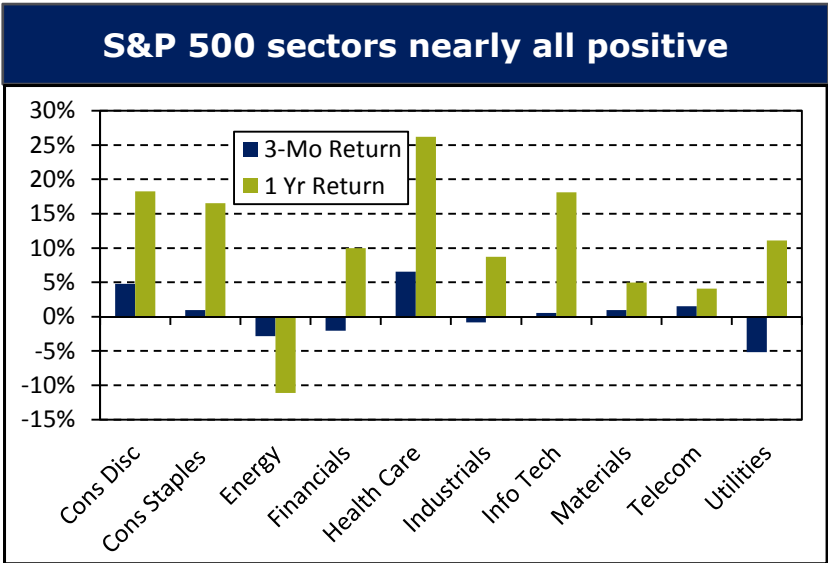


Source: Bloomberg, MSCI

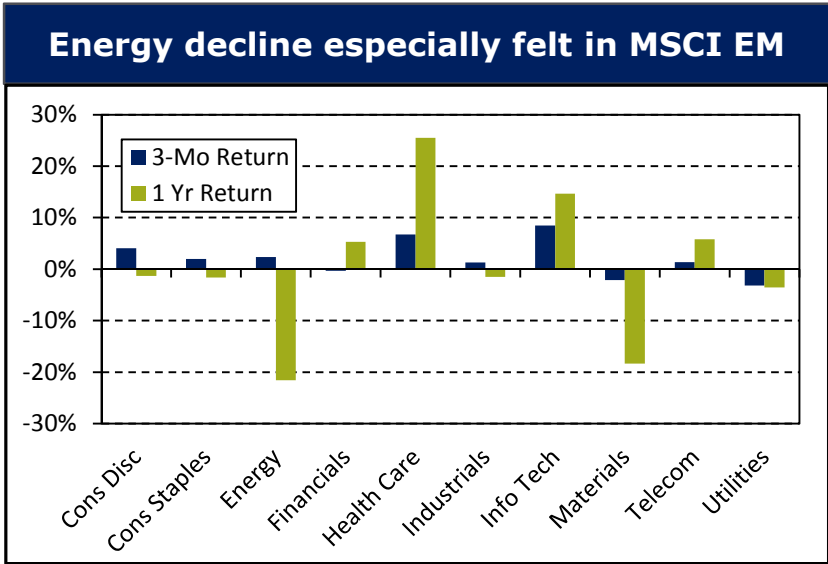
Global Equity by Sector



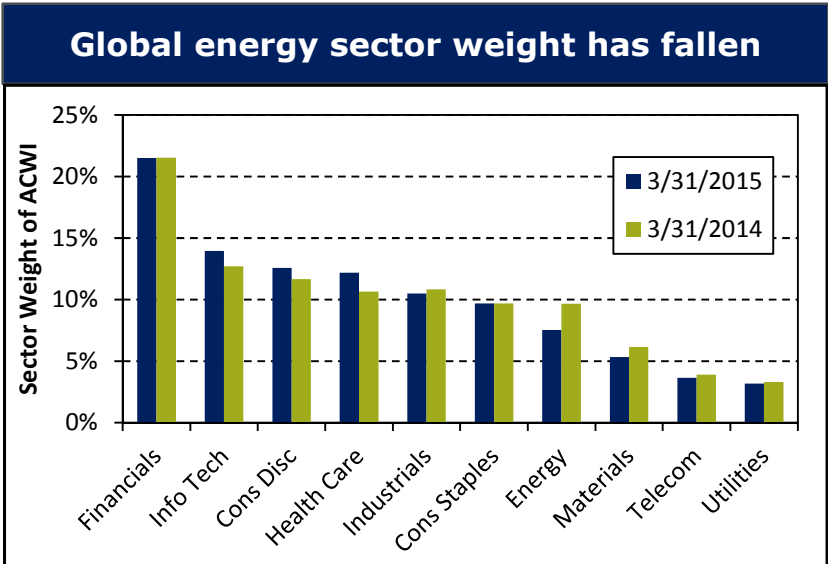
Source: Bloomberg, MSCI



Source: Bloomberg, Standard and Poors

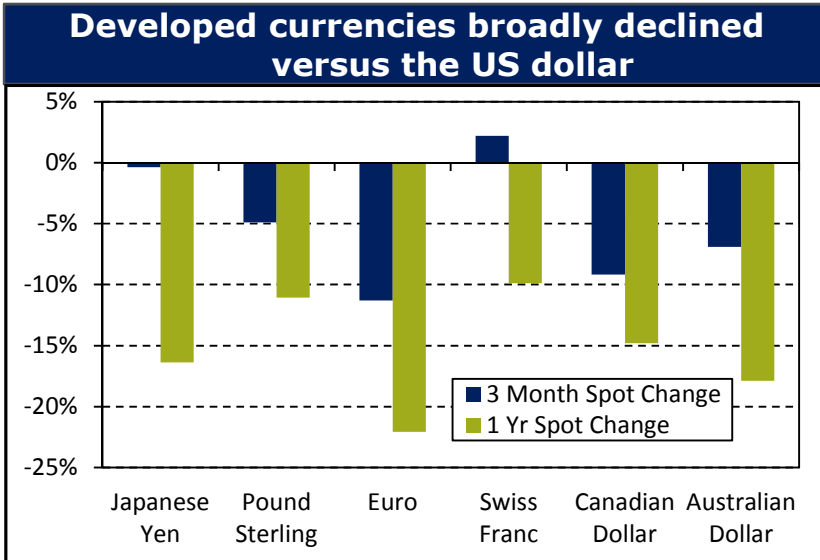


Source: Bloomberg, MSCI

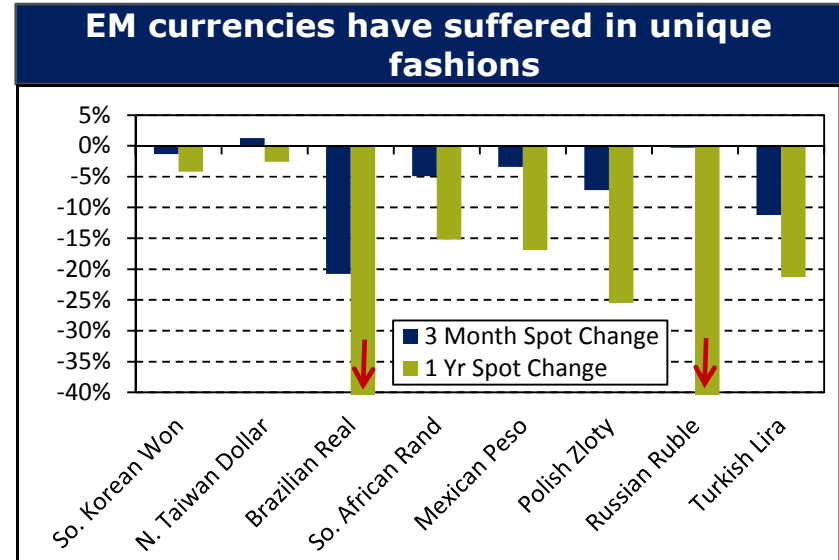


Source: Bloomberg, MSCI

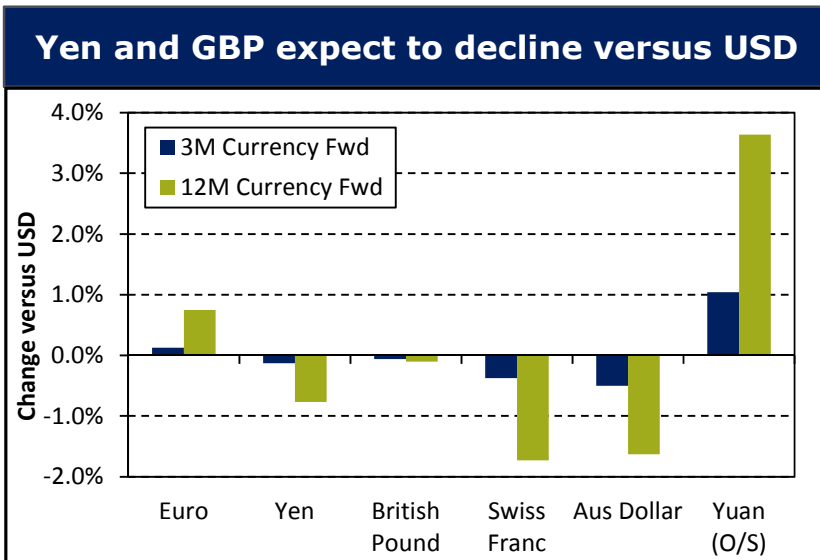
Currencies



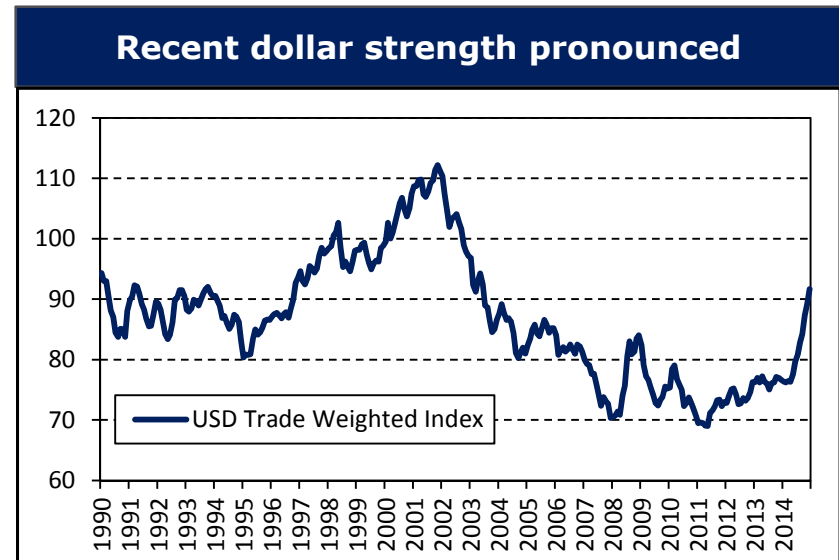
Source: Bloomberg



Source: Bloomberg

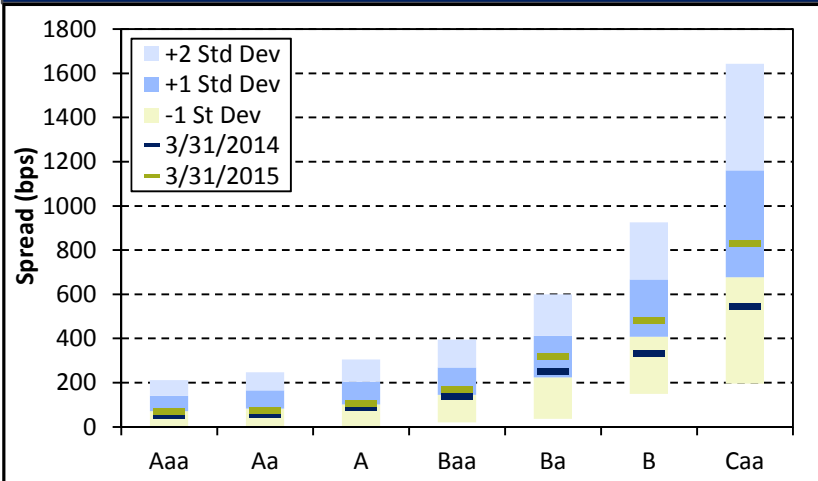


Source: Bloomberg



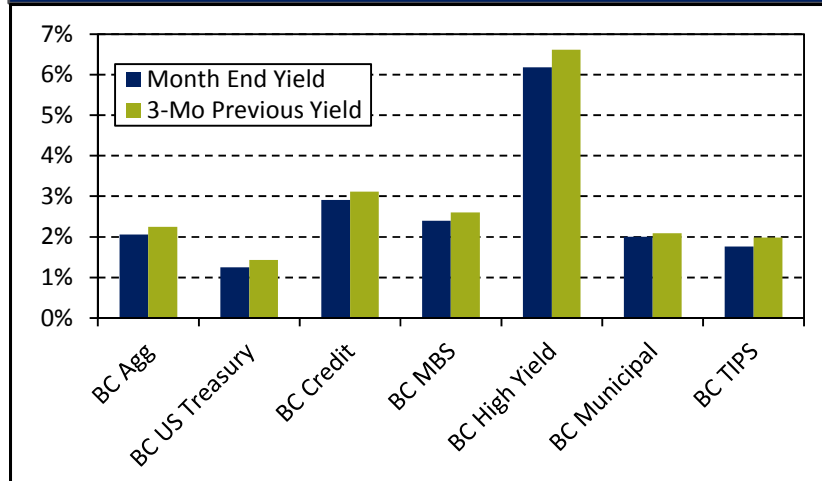
Source: Bloomberg, Federal Reserve

**Spreads in line or above history**



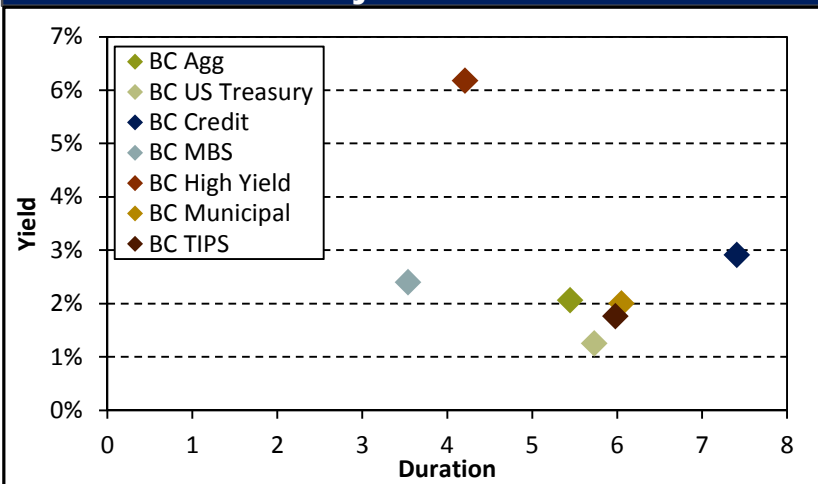
Source: Bloomberg, Barclays

**Yields have mostly declined**



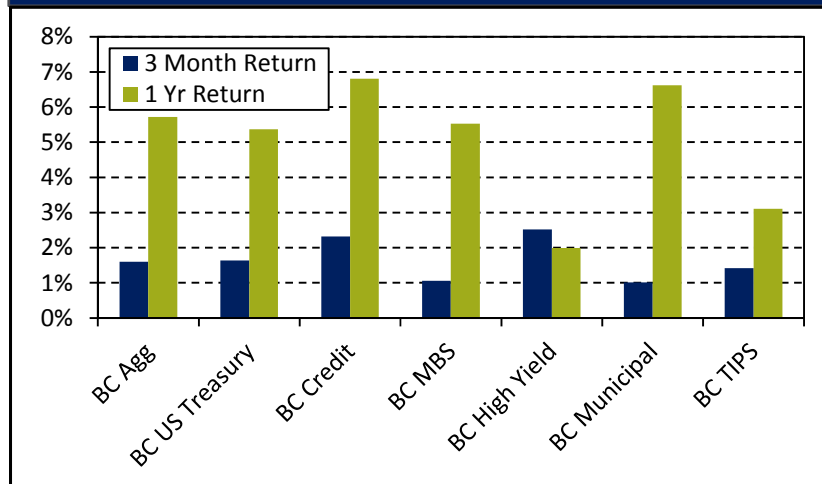
Source: Bloomberg, Barclays

**Similar yield/duration tradeoff among major US indices**



Source: Bloomberg, Barclays

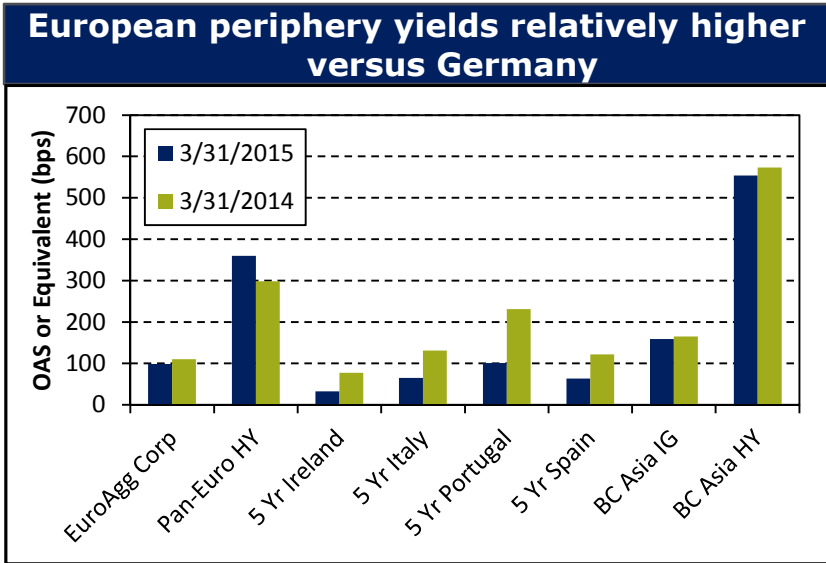
**Trailing returns have been strong**



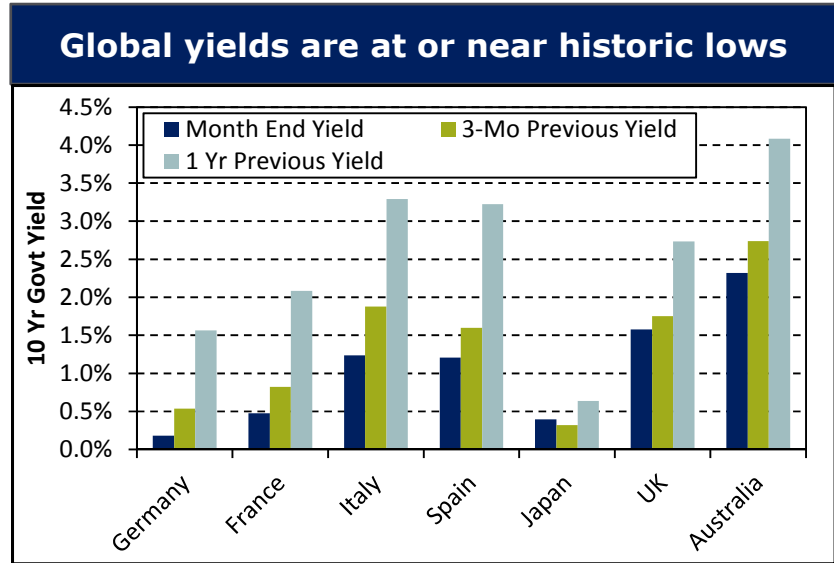
Source: Bloomberg, Barclays



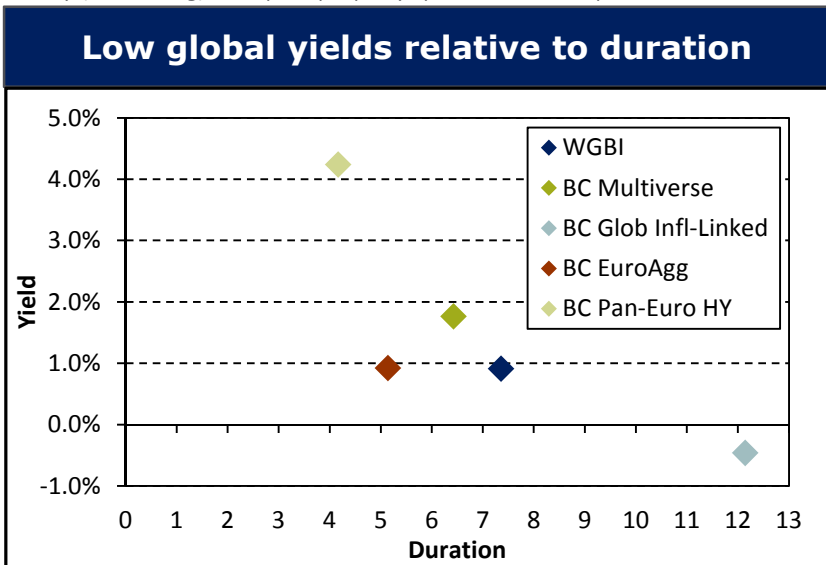
City of San Jose Police and Fire Department Retirement Plan  
**International Developed Fixed Income**



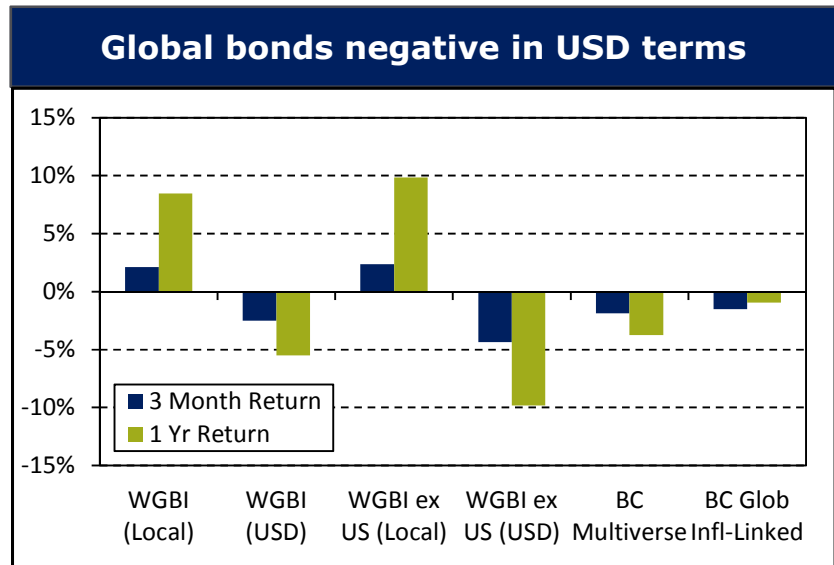
Source: Barclays, Bloomberg, \*European periphery spreads are over equivalent German Bund



Source: Bloomberg

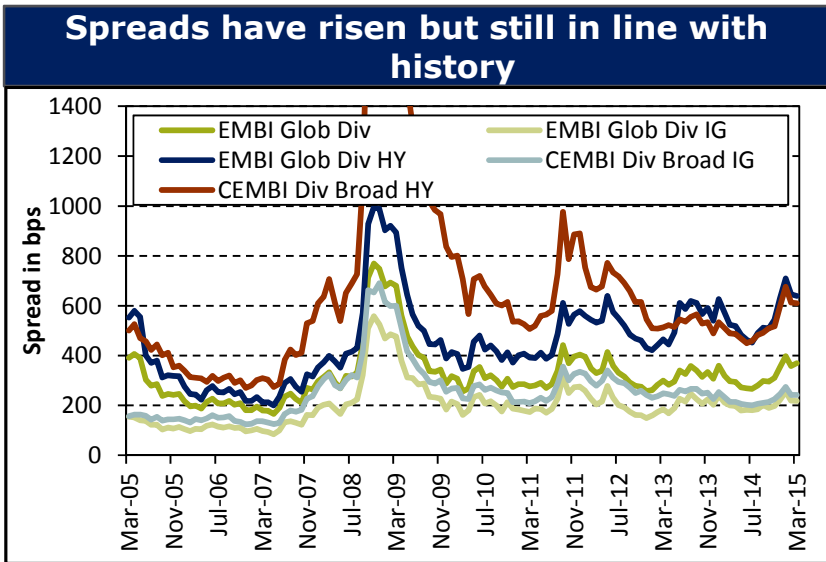


Source: Bloomberg, Citigroup, Barclays

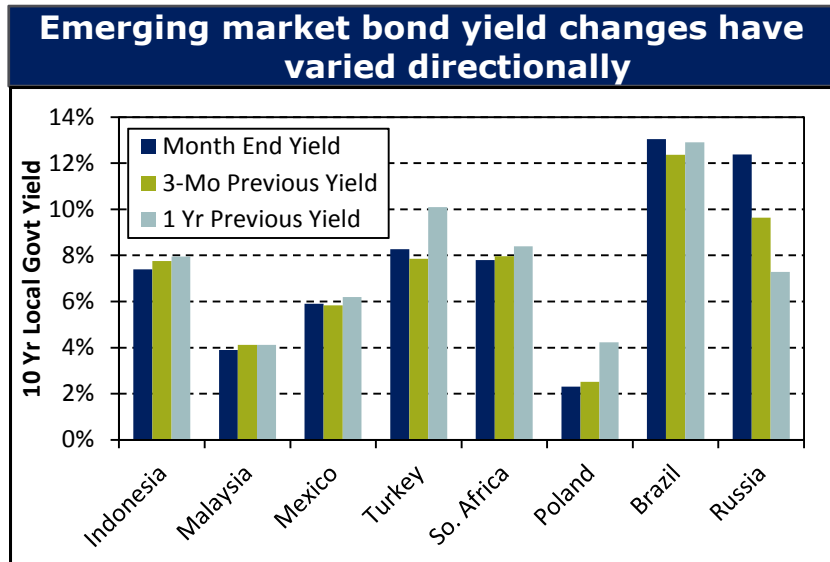


Source: Bloomberg, Citigroup, Barclays

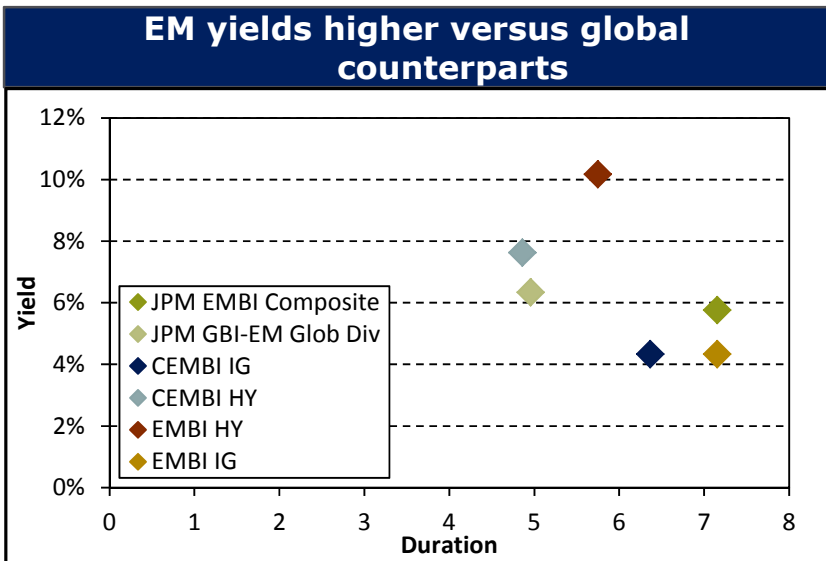
Emerging Markets Fixed Income



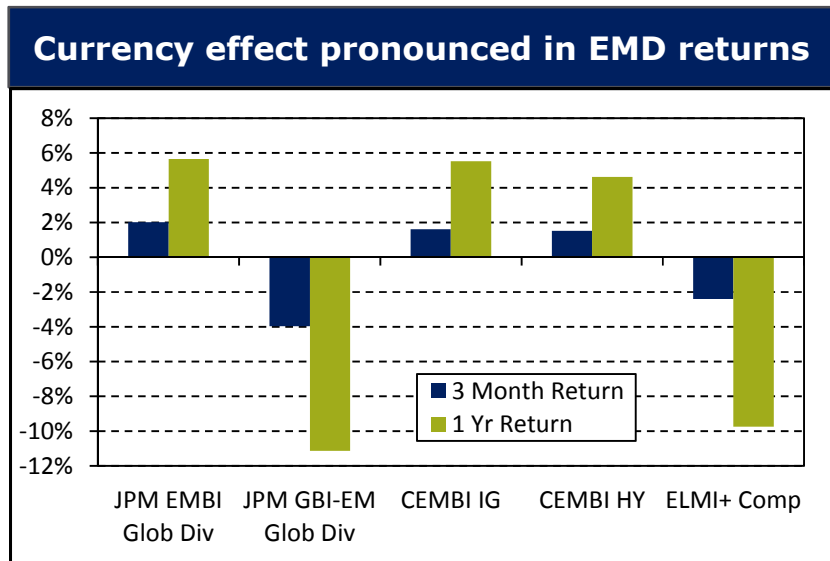
Source: Bloomberg, JP Morgan



Source: Bloomberg



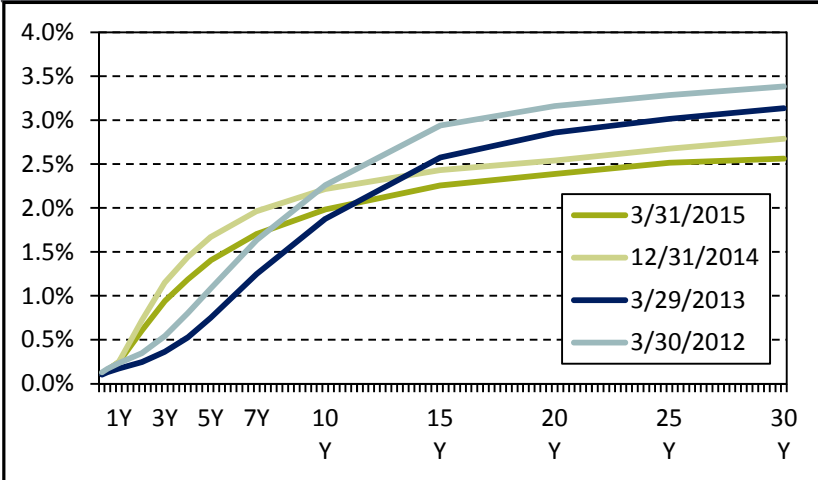
Source: Bloomberg, JP Morgan



Source: Bloomberg, JP Morgan

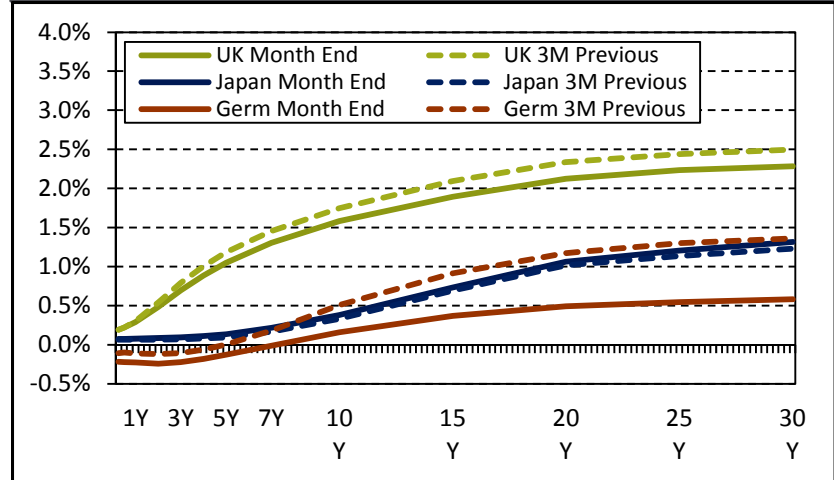
Rates

**Treasury yields lower but some steepness remains**



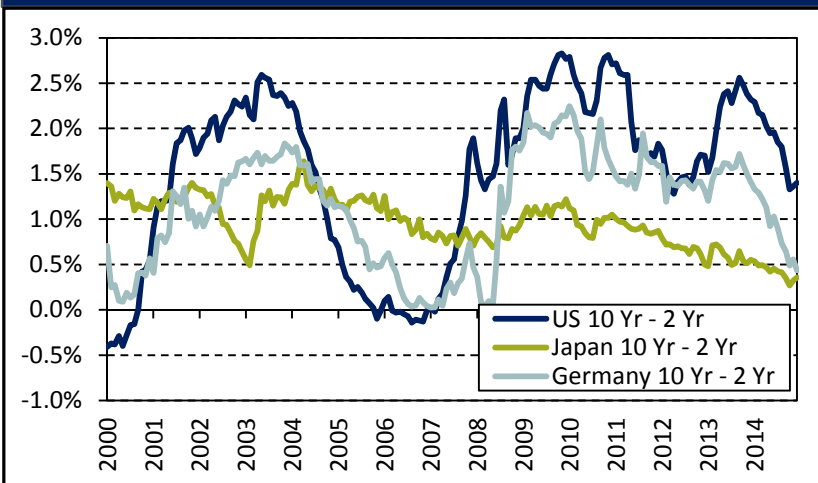
Source: Bloomberg

**Significant compression in German Bund curve**



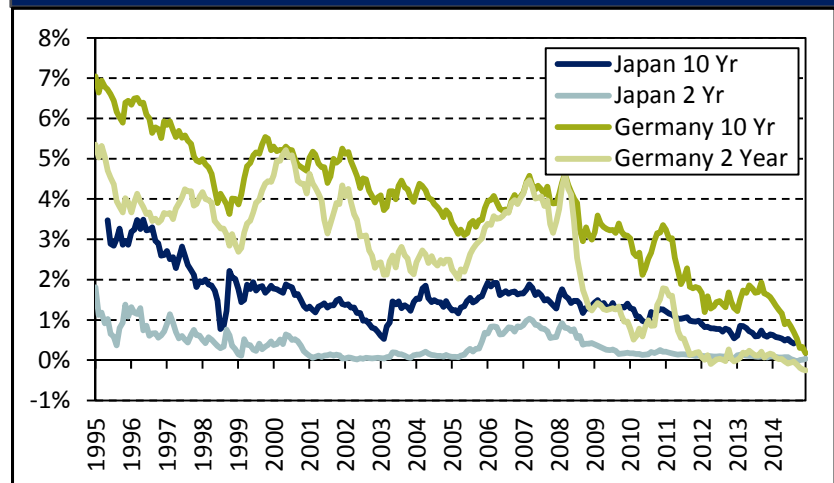
Source: Bloomberg

**Global yield curves have flattened**



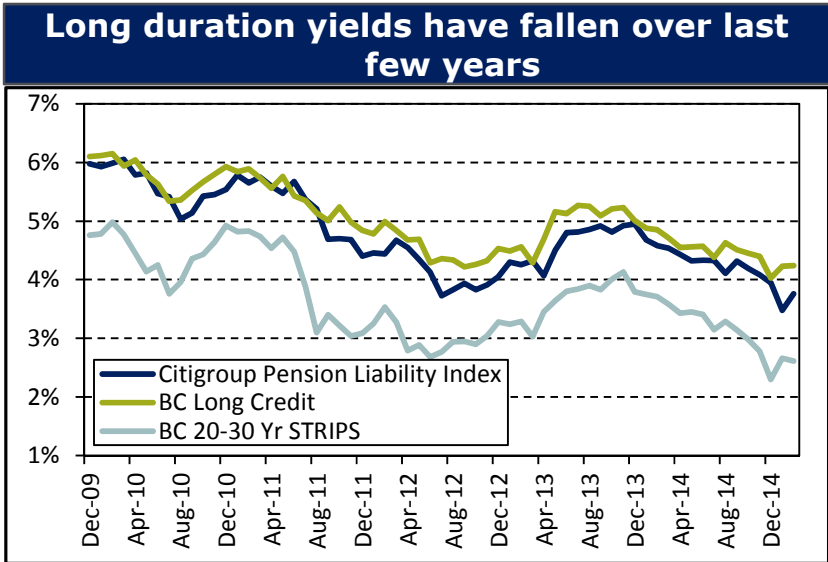
Source: Bloomberg

**Global yields trending lower**

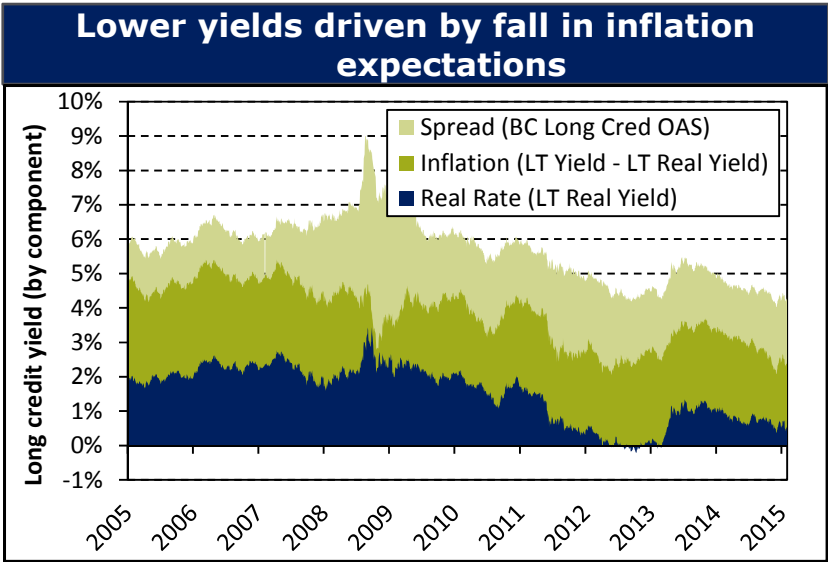


Source: Bloomberg

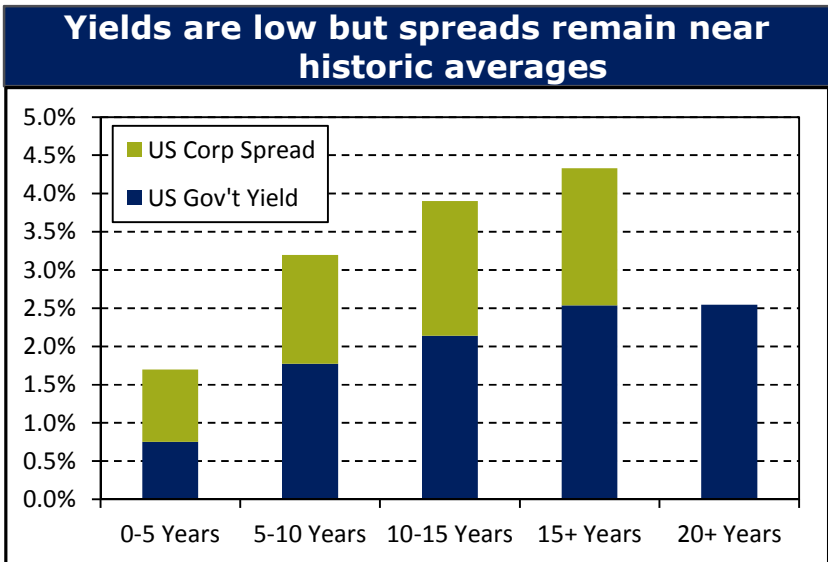
Long Rates and Liability



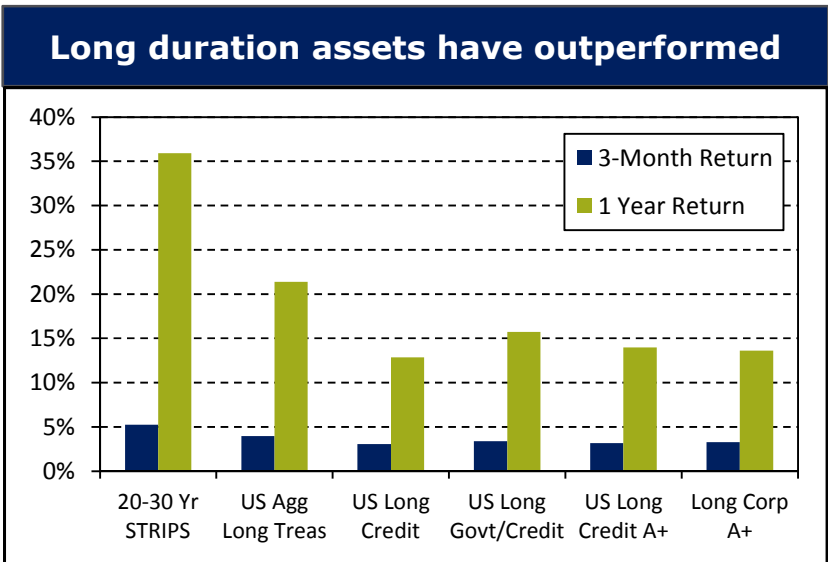
Source: Bloomberg, Citigroup, Barclays



Source: Bloomberg, US Treasury, Barclays, NEPC

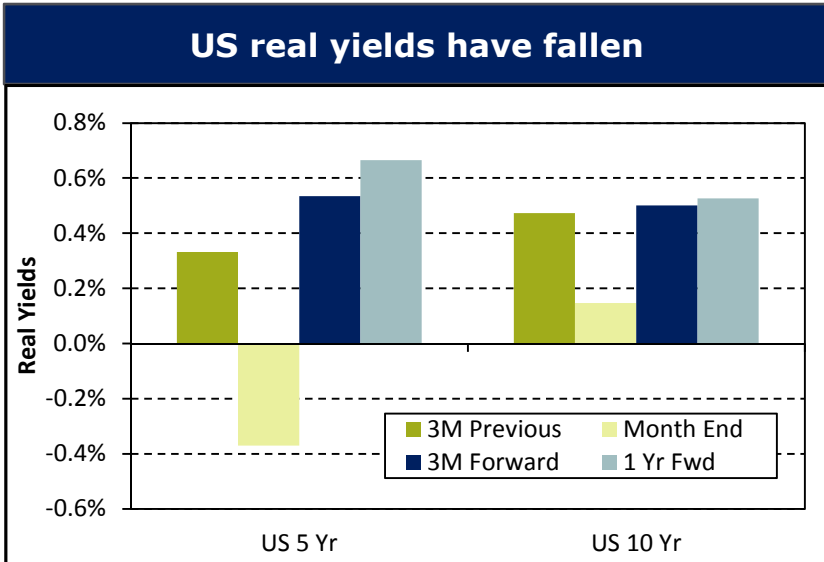


Source: Bloomberg, BofA Merrill Lynch, Barclays \*No index for 20+ year corporate

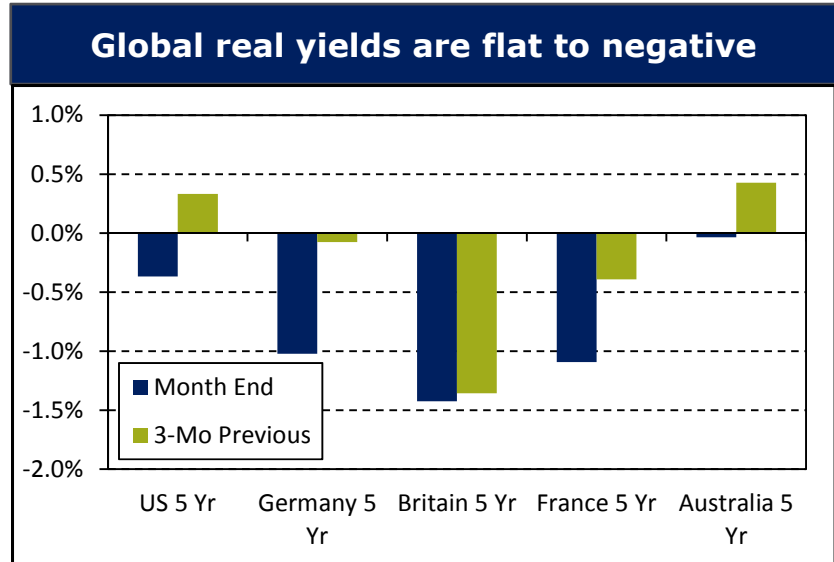


Source: Bloomberg, Barclays

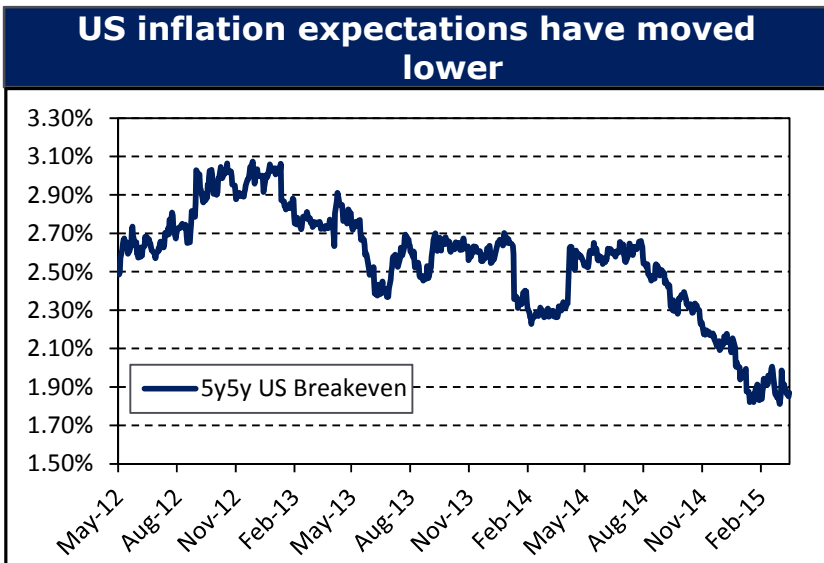
**Inflation and Real Rates**



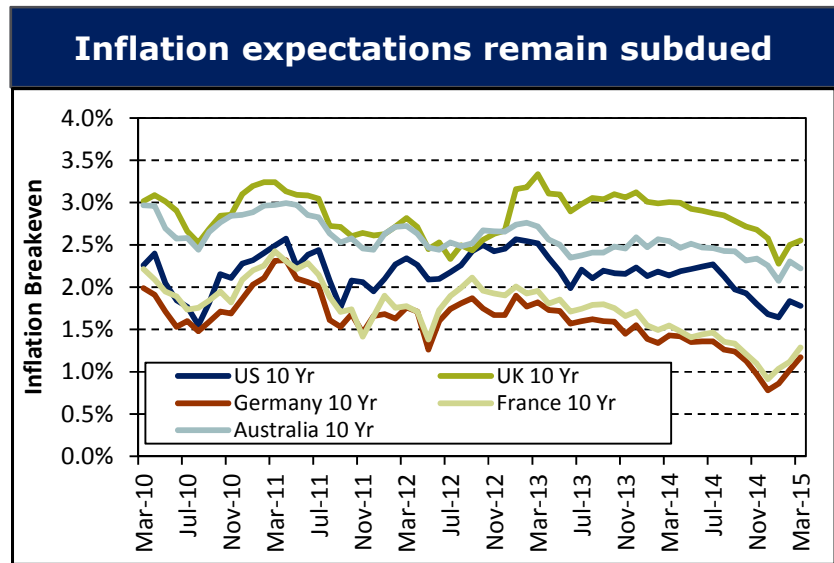
Source: Bloomberg



Source: Bloomberg



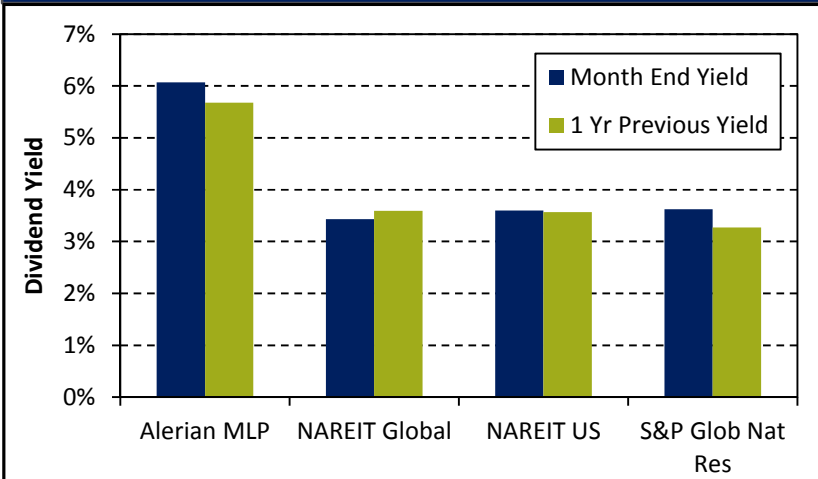
Source: Bloomberg



Source: Bloomberg

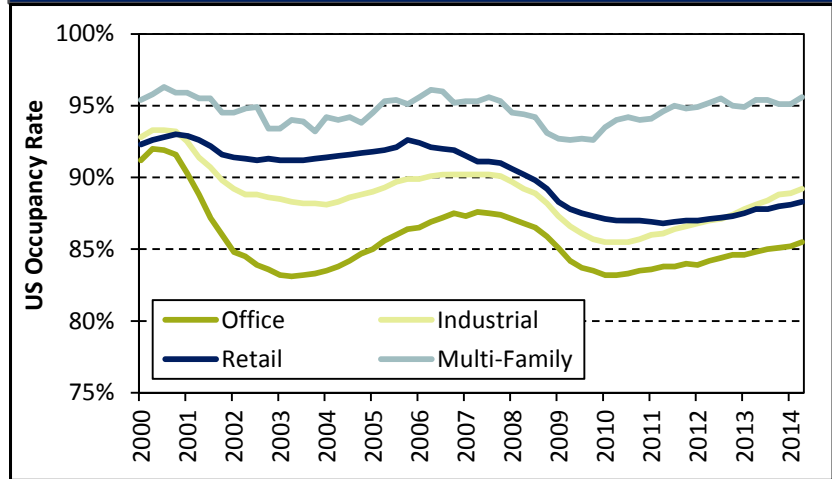
City of San Jose Police and Fire Department Retirement Plan  
**Inflation Sensitive Growth Assets**

**Yields at similar levels relative to last year**



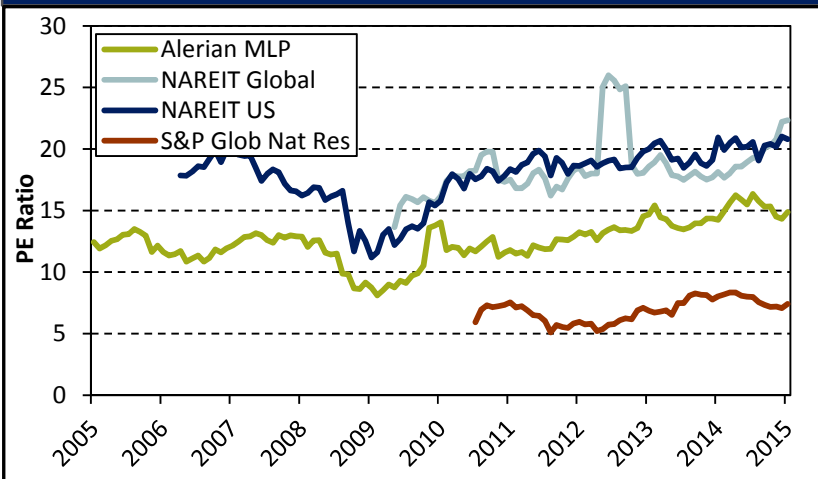
Source: Bloomberg, Alerian, Nareit, Standard and Poors

**Slow recovery in occupancy rates**



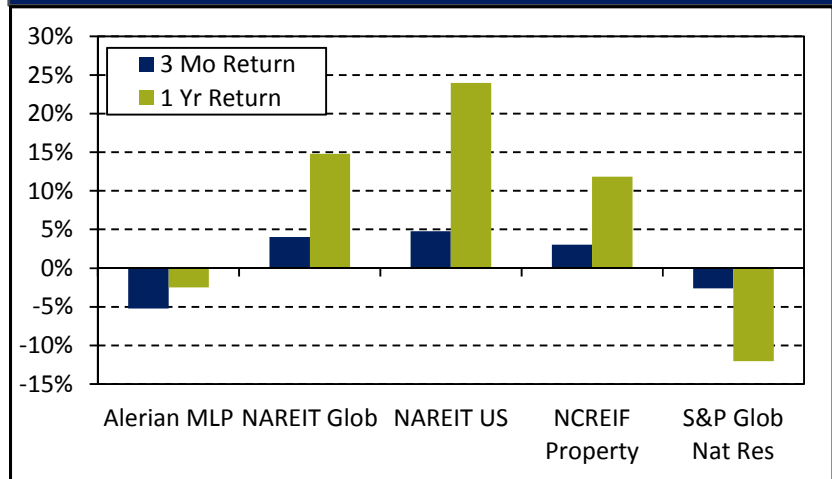
Source: Bloomberg, CB Richard Ellis

**PE Ratios near or above averages**



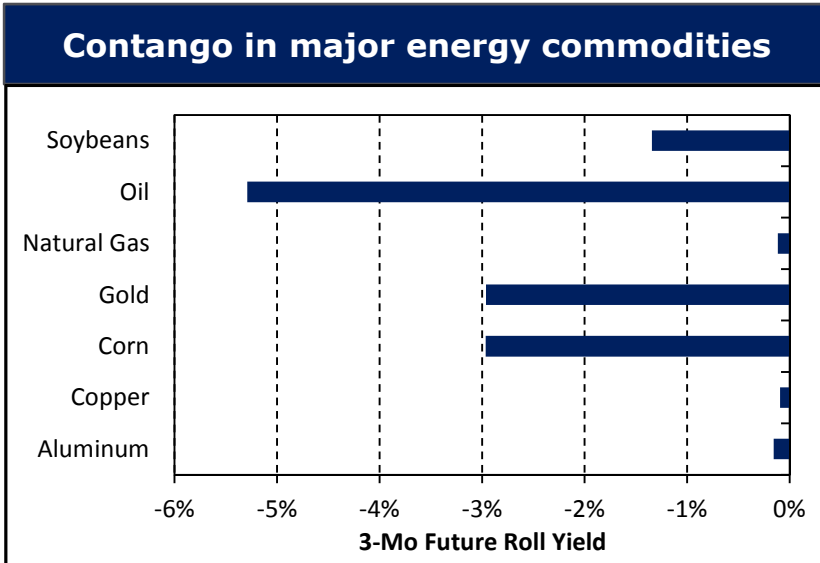
Source: Bloomberg, US Census Bureau

**REITs have rallied globally**

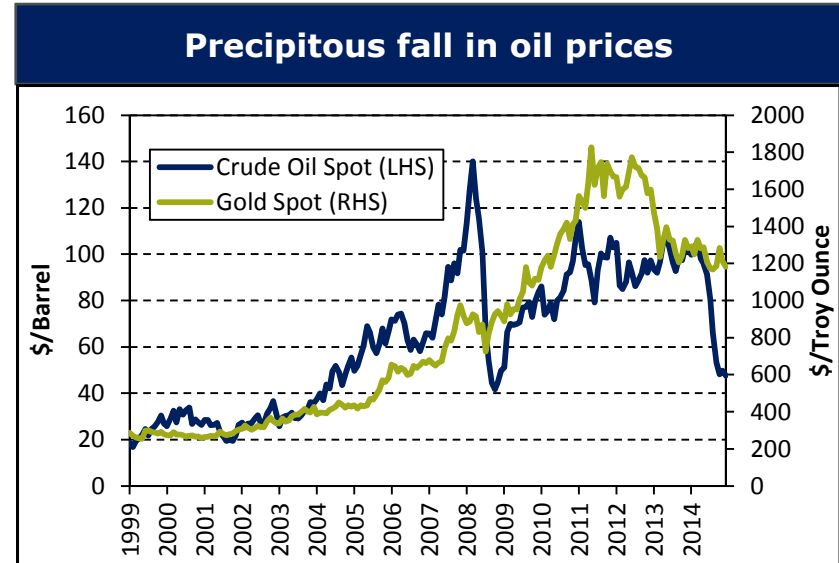


Source: Bloomberg, Alerian, Nareit, Standard and Poors

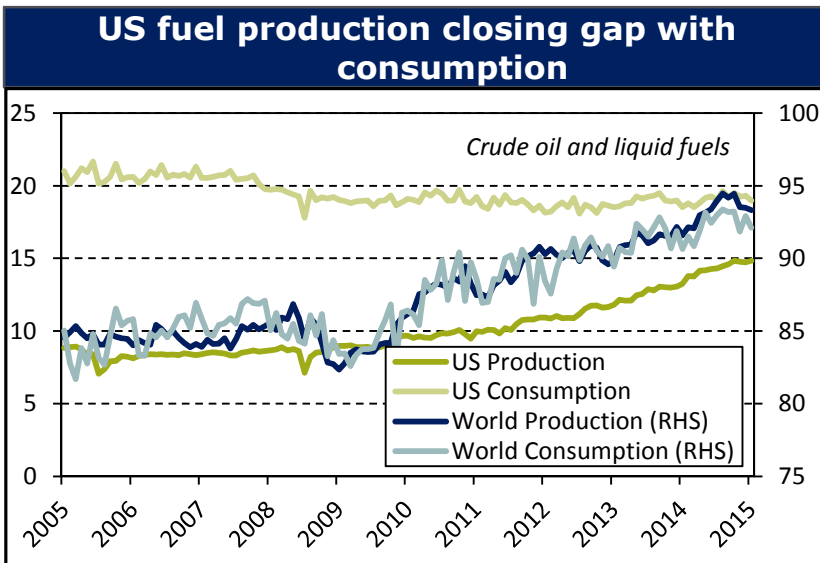
Commodities



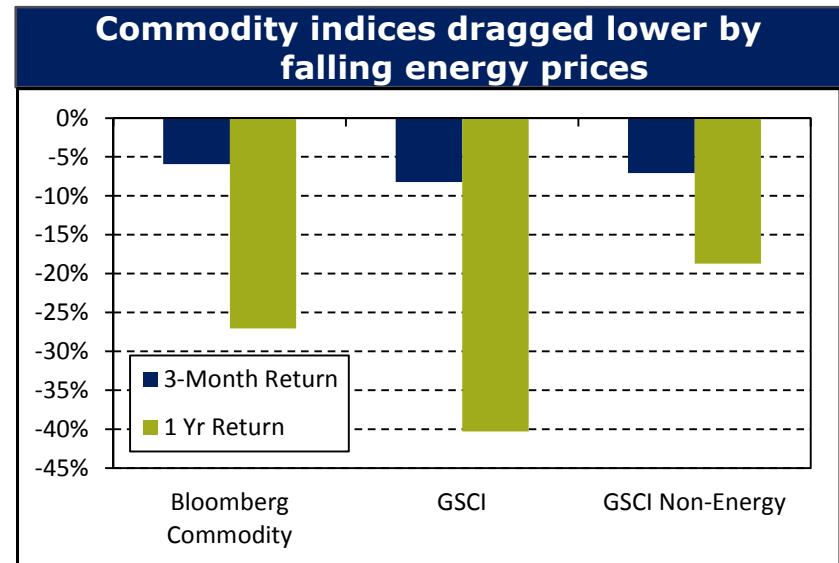
Source: Bloomberg



Source: Bloomberg



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



Source: Bloomberg, Standard and Poors

## Information Disclaimer and Reporting Methodology

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- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
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