

FUND EVALUATION REPORT

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

Quarterly Review
September 30, 2018



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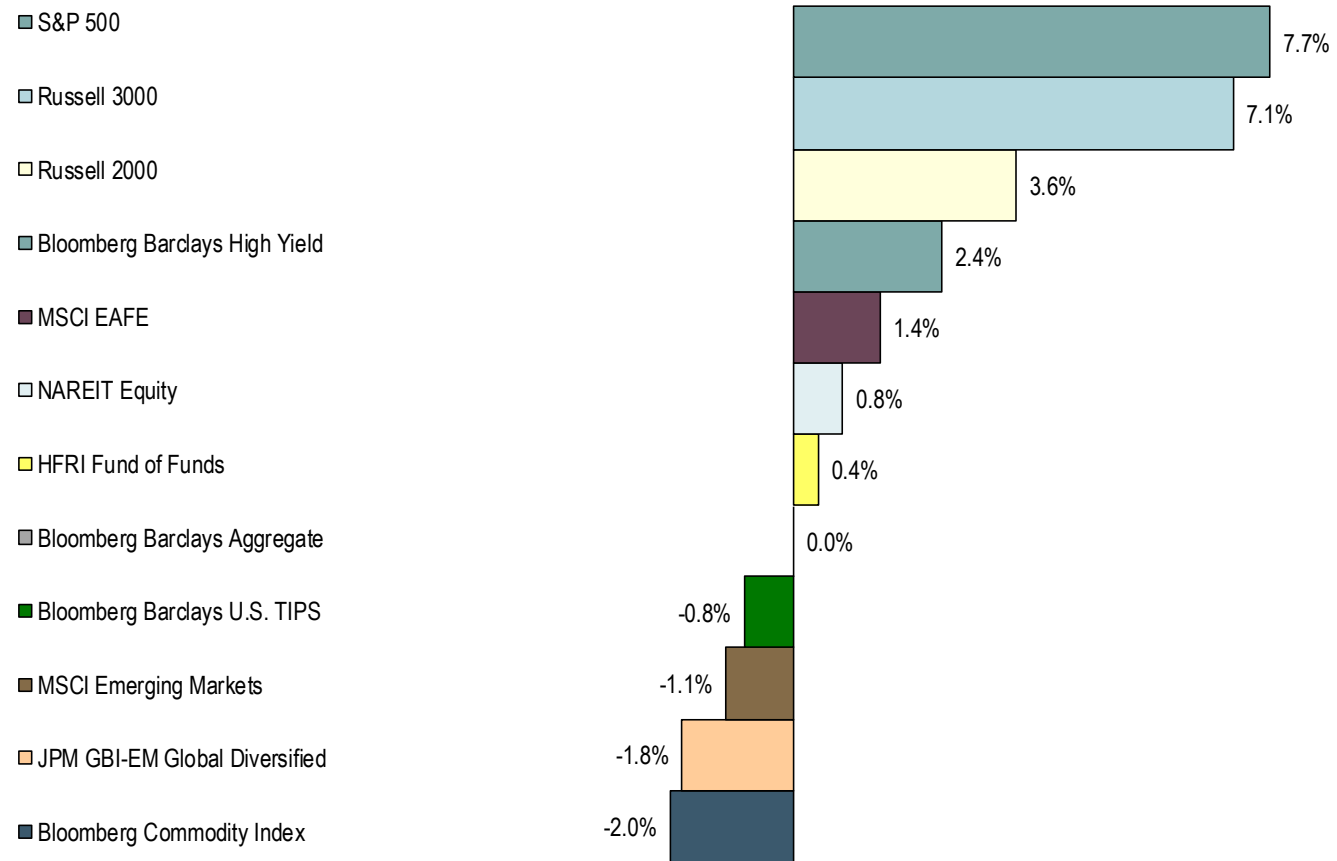
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The World Markets Third Quarter of 2018

The World Markets¹ Third Quarter of 2018



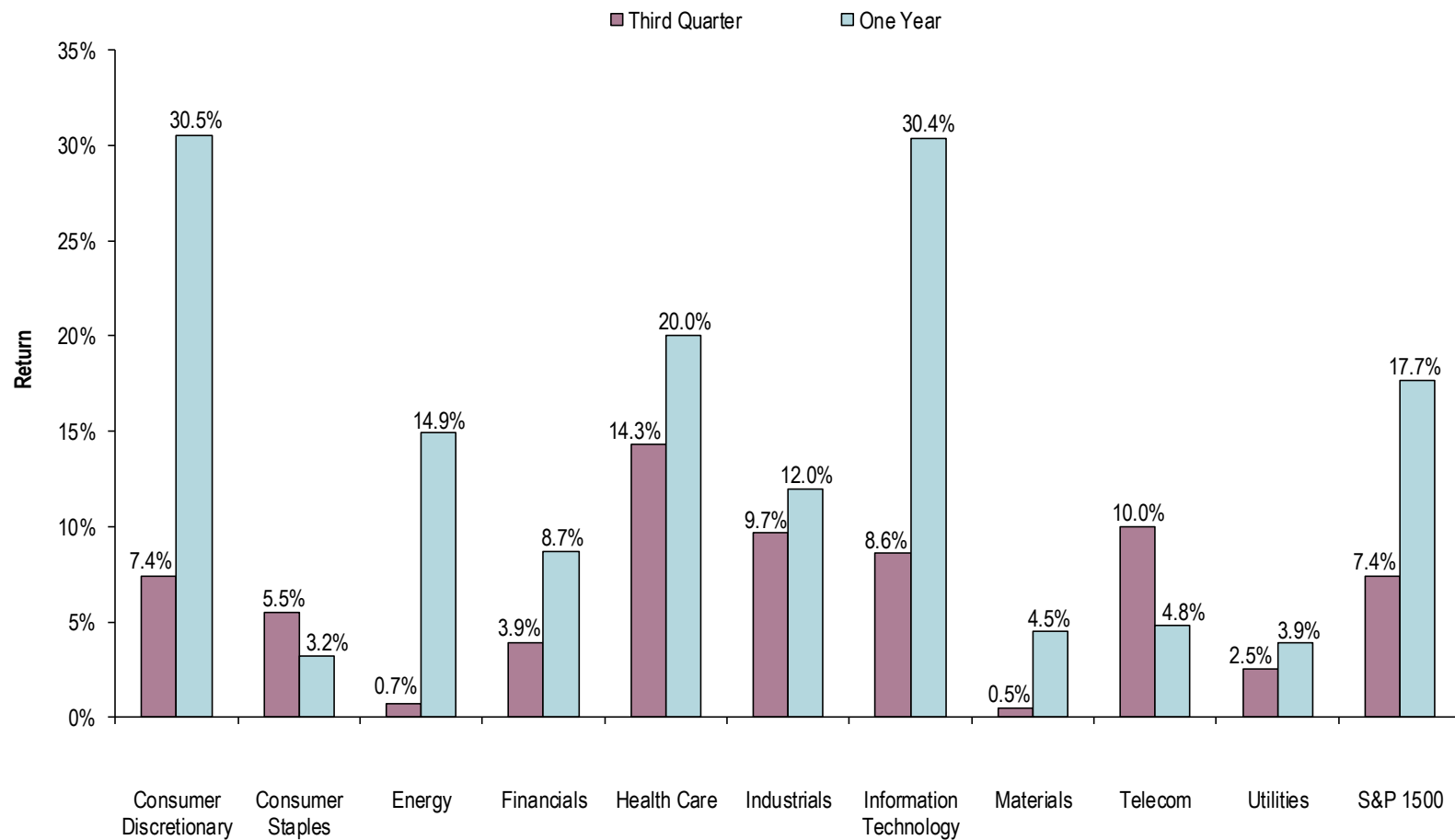
¹ Source: InvestorForce.

Index Returns¹

	3Q18 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity						
Russell 3000	7.1	10.6	17.6	17.1	13.5	12.0
Russell 1000	7.4	10.5	17.8	17.1	13.7	12.1
Russell 1000 Growth	9.2	17.1	26.3	20.6	16.6	14.3
Russell 1000 Value	5.7	3.9	9.5	13.6	10.7	9.8
Russell MidCap	5.0	7.5	14.0	14.5	11.7	12.3
Russell MidCap Growth	7.6	13.4	21.1	16.6	13.0	13.5
Russell MidCap Value	3.3	3.1	8.8	13.1	10.7	11.3
Russell 2000	3.6	11.5	15.2	17.1	11.1	11.1
Russell 2000 Growth	5.5	15.8	21.1	18.0	12.1	12.7
Russell 2000 Value	1.6	7.1	9.3	16.1	9.9	9.5
Foreign Equity						
MSCI ACWI (ex. U.S.)	0.7	-3.1	1.8	10.0	4.1	5.2
MSCI EAFE	1.4	-1.4	2.7	9.2	4.4	5.4
MSCI EAFE (Local Currency)	2.4	1.4	5.1	9.4	7.9	6.7
MSCI EAFE Small Cap	-0.9	-2.2	3.7	12.4	8.0	9.7
MSCI Emerging Markets	-1.1	-7.7	-0.8	12.4	3.6	5.4
MSCI Emerging Markets (Local Currency)	0.0	-2.9	2.7	12.2	7.3	7.7
Fixed Income						
Bloomberg Barclays Universal	0.3	-1.4	-1.0	2.0	2.5	4.2
Bloomberg Barclays Aggregate	0.0	-1.6	-1.2	1.3	2.2	3.8
Bloomberg Barclays U.S. TIPS	-0.8	-0.8	0.4	2.0	1.4	3.3
Bloomberg Barclays High Yield	2.4	2.6	3.0	8.1	5.5	9.5
JPM GBI-EM Global Diversified	-1.8	-8.1	-7.4	5.2	-1.7	2.7
Other						
NAREIT Equity	0.8	1.8	3.3	7.6	9.2	7.4
Bloomberg Commodity Index	-2.0	-2.0	2.6	-0.1	-7.2	-6.2
HFRI Fund of Funds	0.4	1.2	3.3	3.3	3.2	2.6

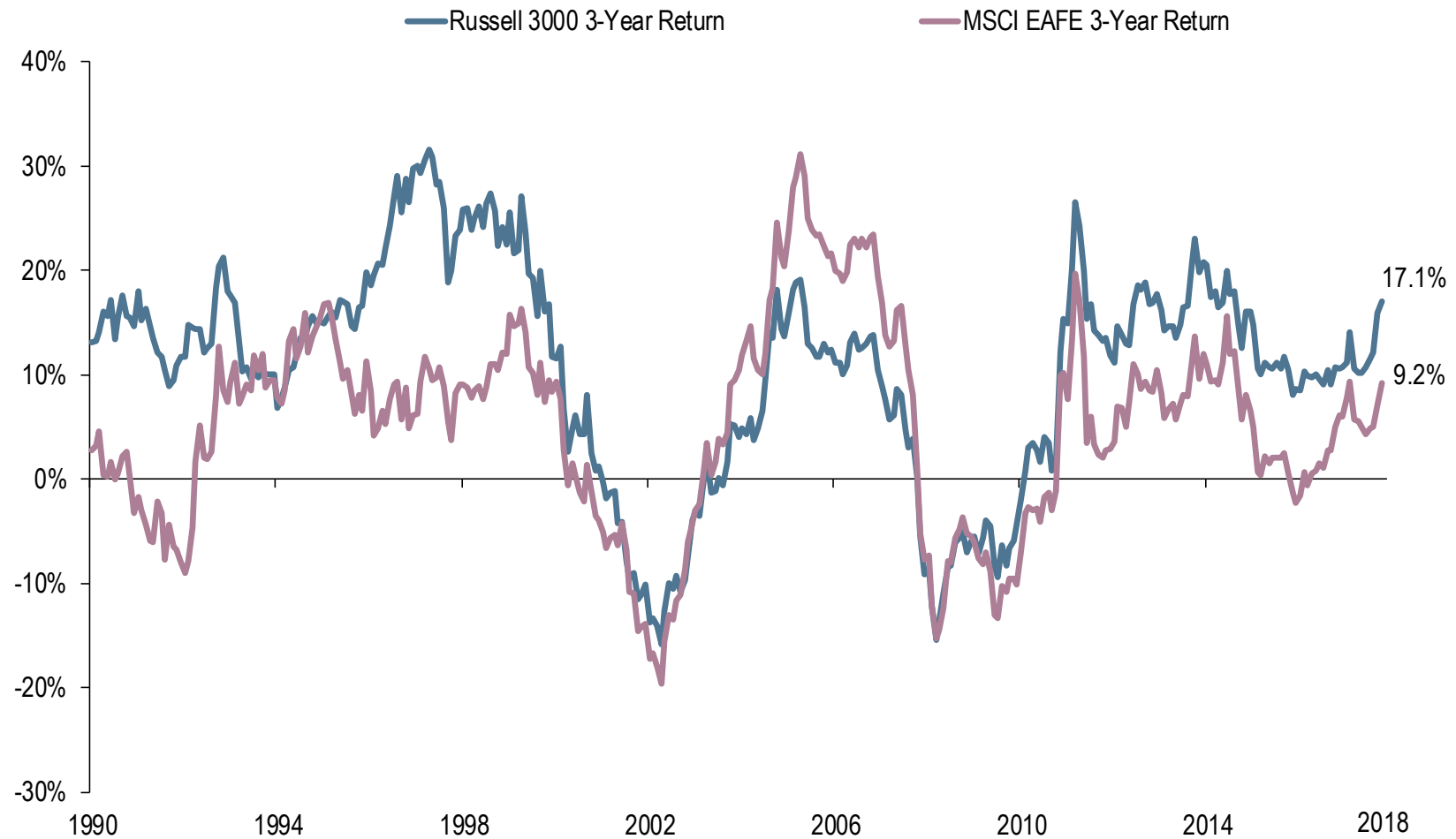
¹ Source: InvestorForce.

S&P Sector Returns¹



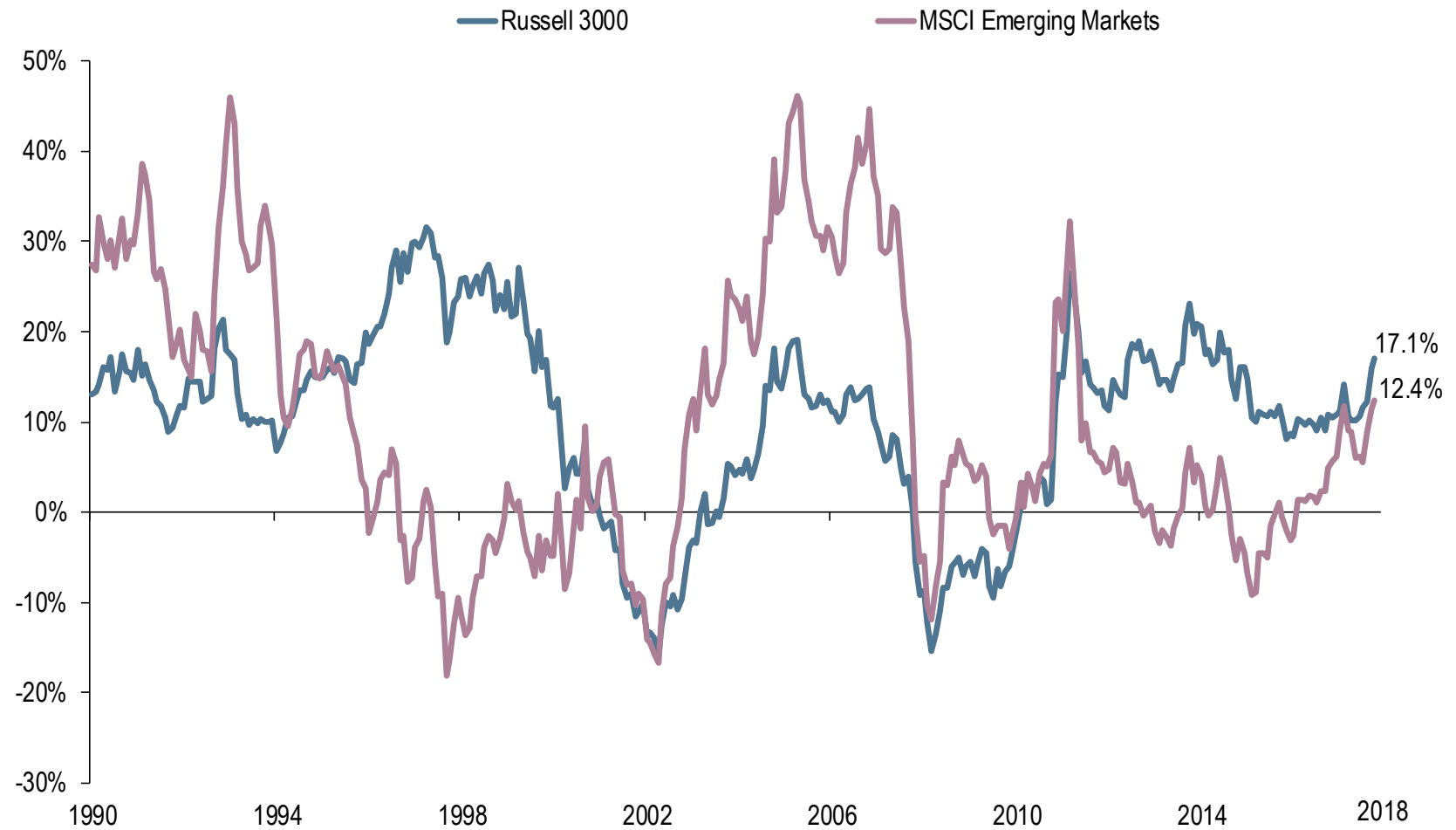
¹ Source: InvestorForce. Represents S&P 1500 (All Cap) data.

U.S. and Developed Market Foreign Equity Rolling Three-Year Returns¹



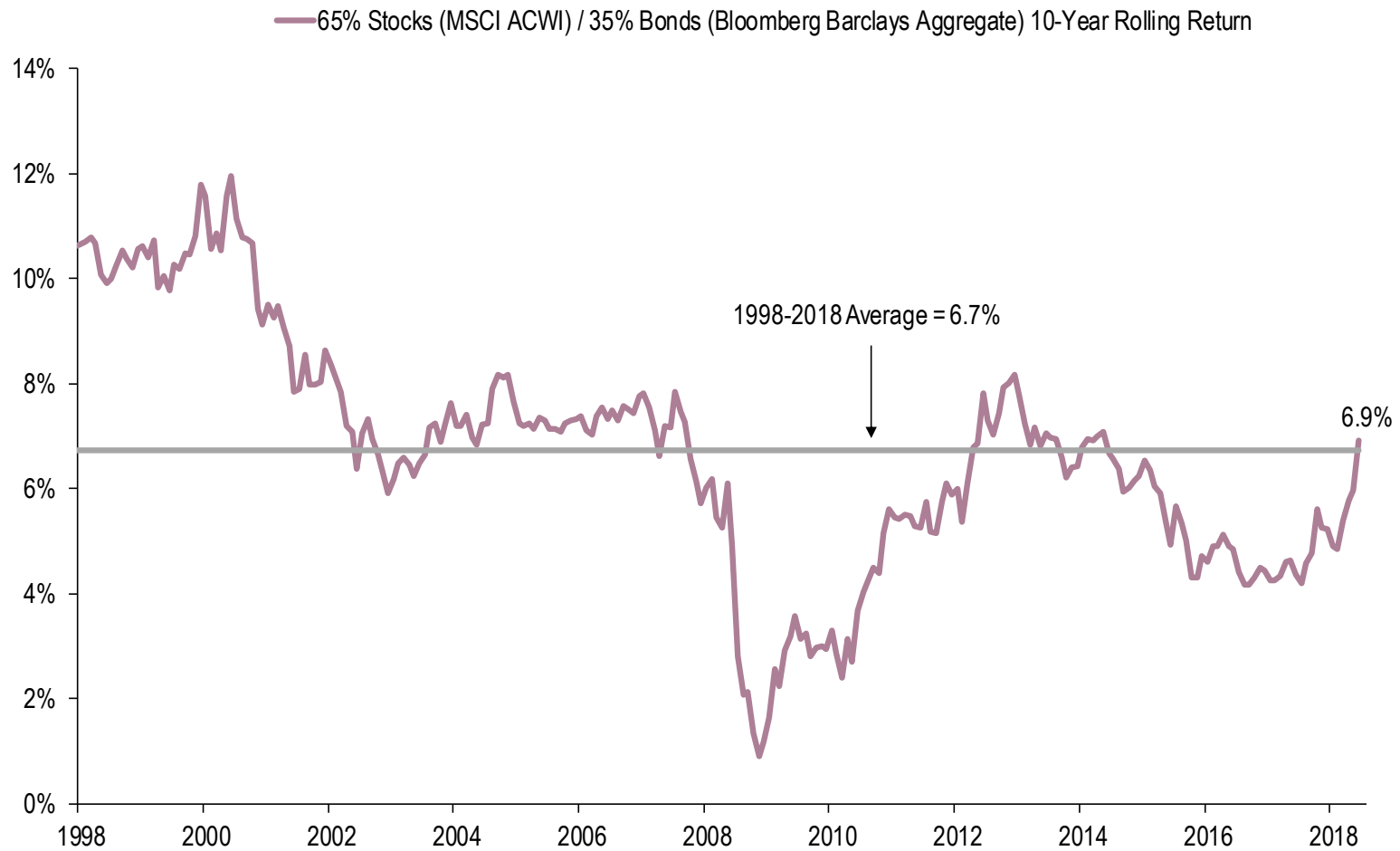
¹ Source: InvestorForce.

U.S. and Emerging Market Equity Rolling Three-Year Returns¹



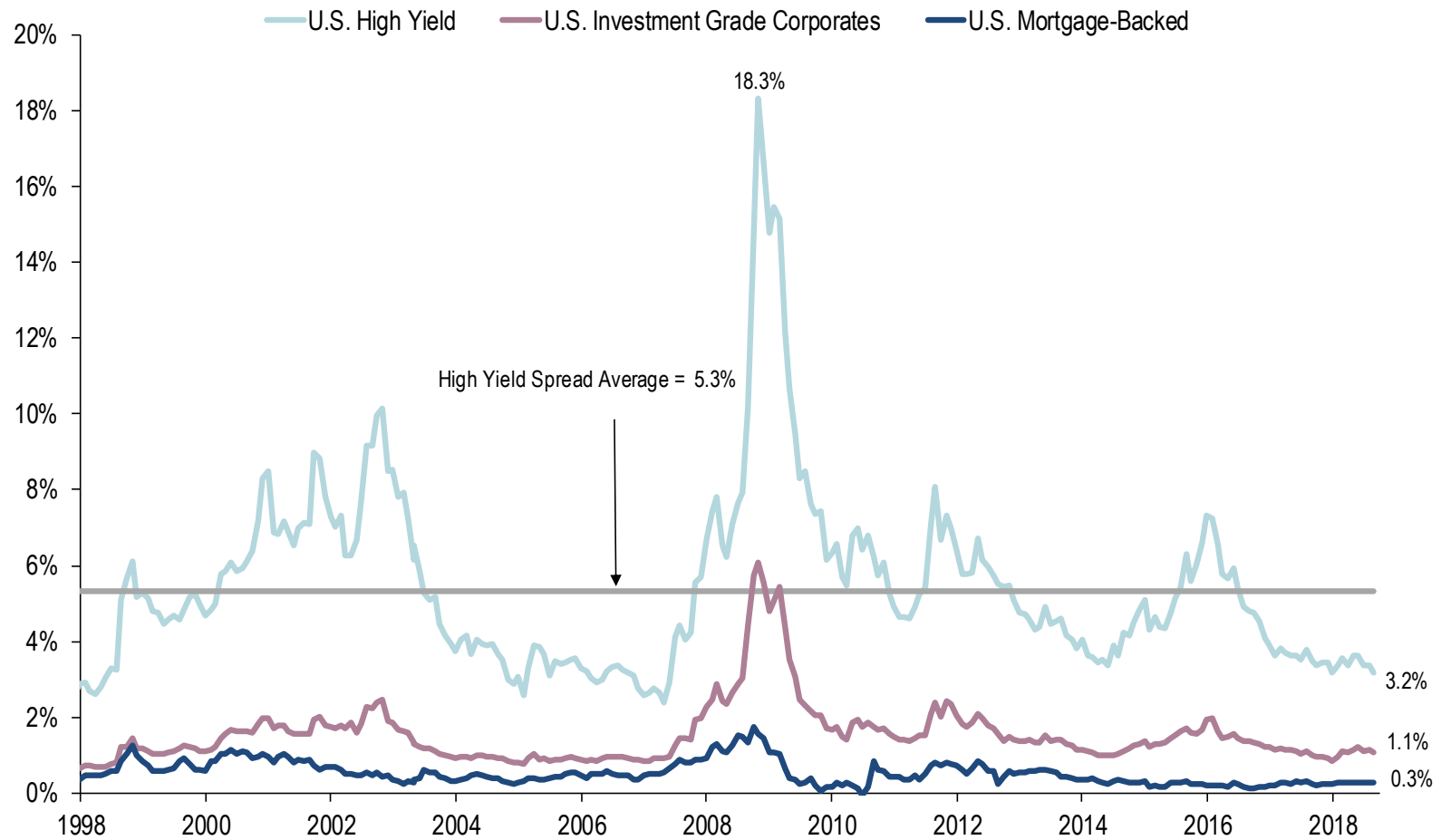
¹ Source: InvestorForce.

Rolling Ten-Year Returns: 65% Stocks and 35% Bonds¹



¹ Source: InvestorForce.

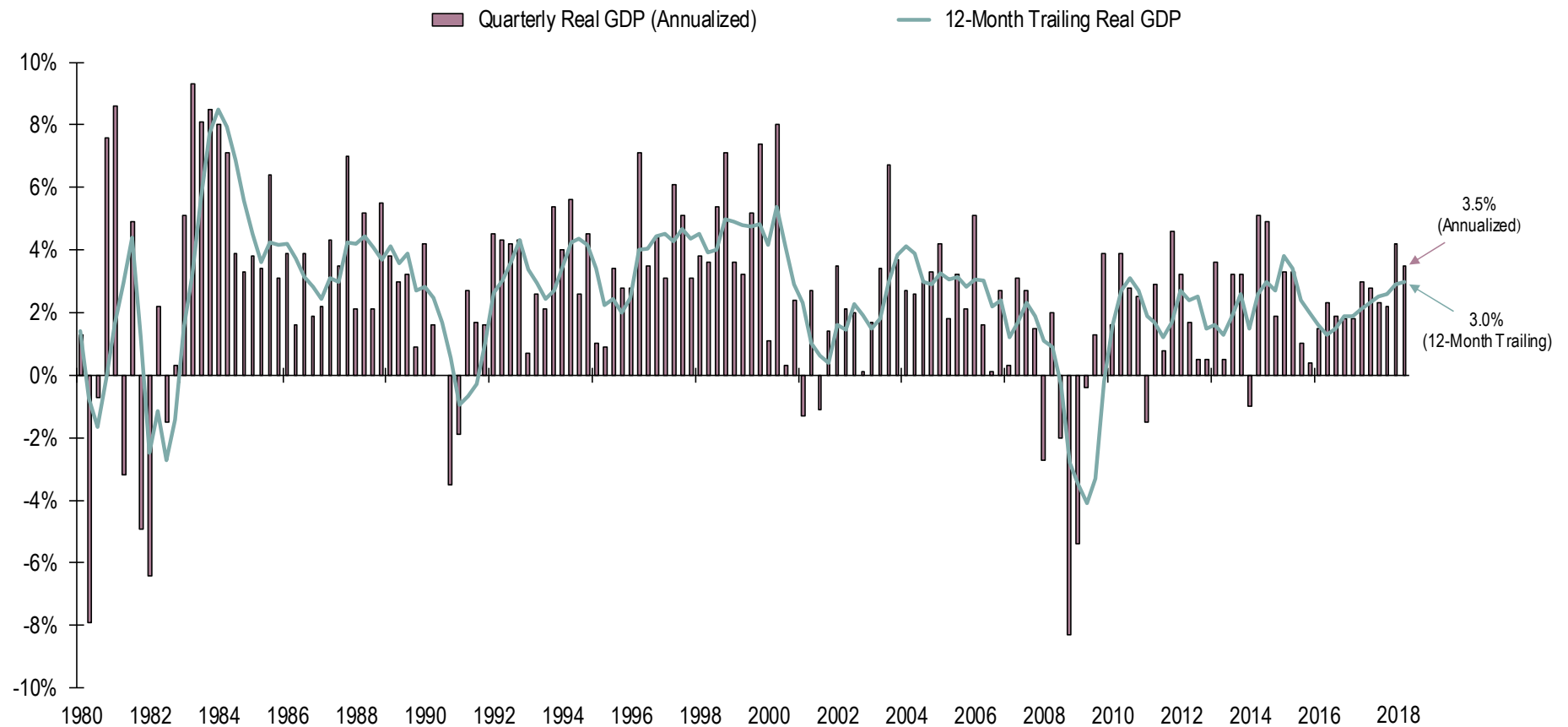
Credit Spreads vs. U.S. Treasury Bonds^{1,2}



¹ Source: Barclays Live.

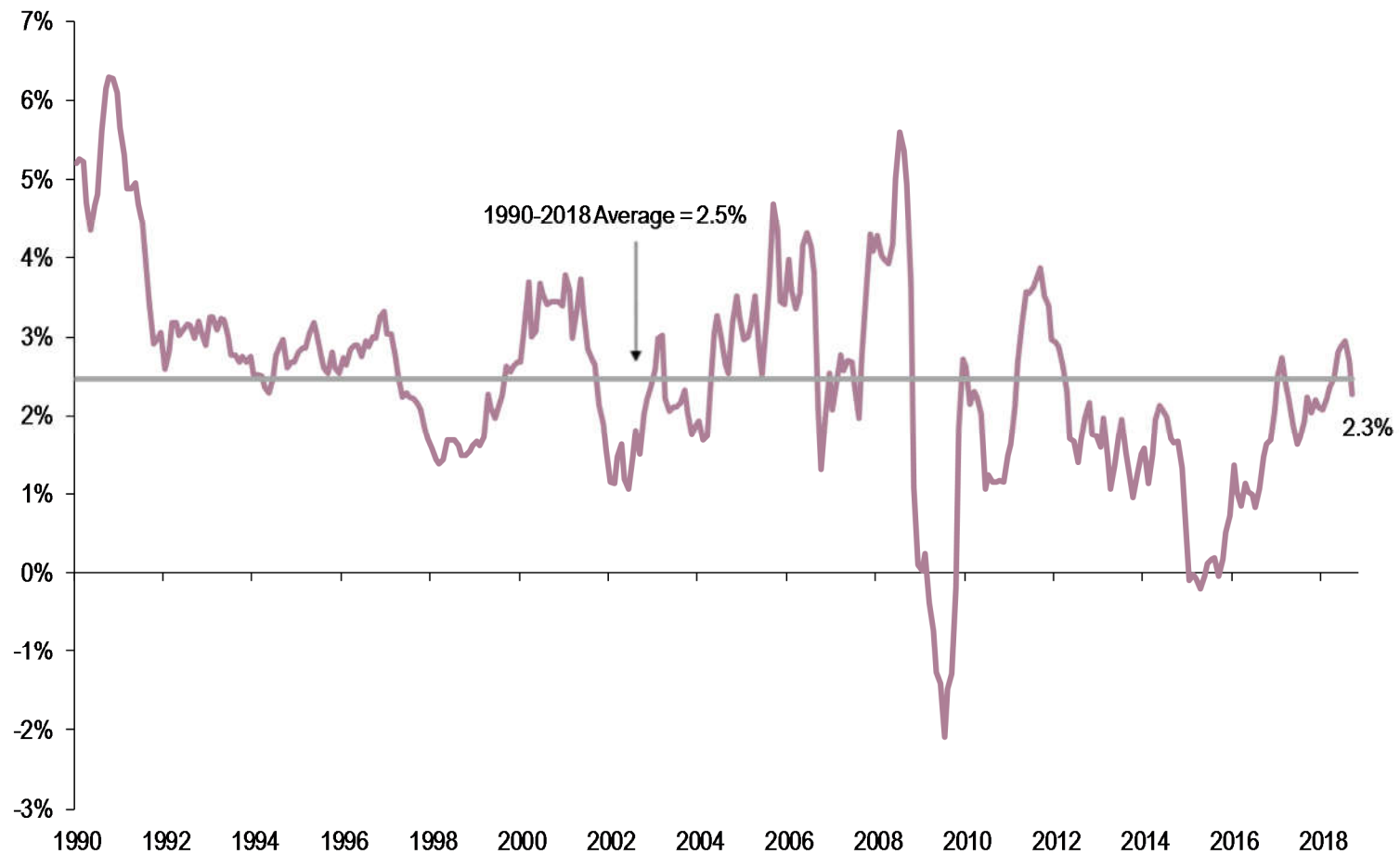
² The median high yield spread was 4.8% from 1997-2018.

U.S. Real Gross Domestic Product (GDP) Growth¹



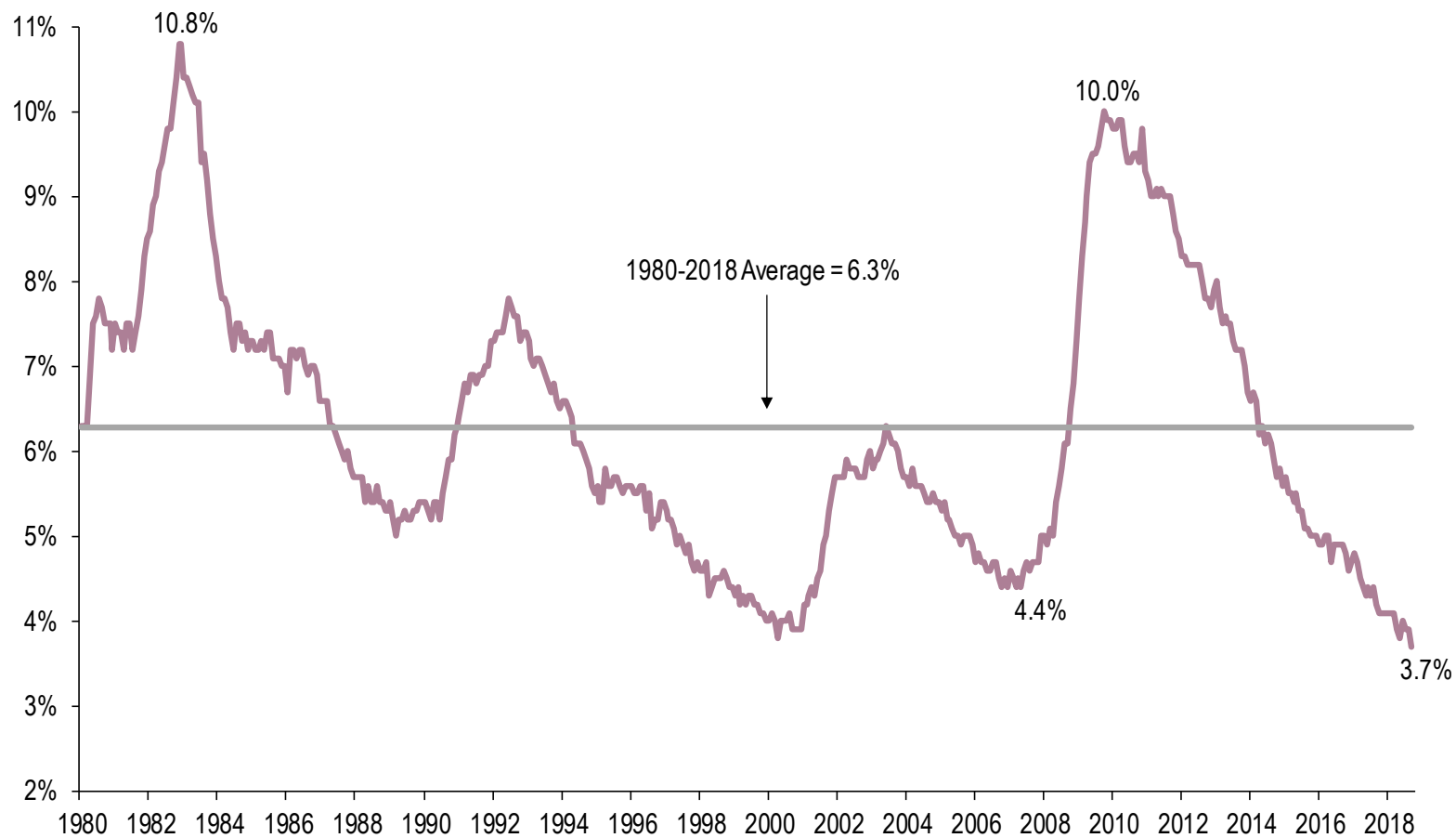
¹ Source: Bureau of Economic Analysis. Data is as of Q3 2018 and represents the first estimate.

U.S. Inflation (CPI) Trailing Twelve Months¹



¹ Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of September 30, 2018.

U.S. Unemployment¹



¹ Source: Bureau of Labor Statistics. Data is as of September 30, 2018.

Executive Summary

As of September 30, 2018

The value of the City of San Jose Police and Fire Department Retirement Plan Health Care Trust's assets was \$145.1 million on September 30, 2018, an increase of \$26.1 million from the end of the prior quarter. The Trust had \$22.6 million in net cash outflows for the quarter.

- The Health Care Trust's net of fees performance was +2.5% for the quarter, outperforming the Policy Benchmark return of +2.2% and the Allocation Index return of +2.1%. Over the one-year period the Trust returned +3.7%, underperforming both the Policy Benchmark (+6.0%) and Allocation Index (+4.5%).
 - Underperformance vs. the Policy Benchmark was primarily attributable to active GTAA manager underperformance.
- Performance was mixed in the quarter and one-year periods at the broad asset class level.
 - Global Equity returned +4.6% for the quarter and +10.4% over the one-year period, outperforming the MSCI ACWI IMI benchmark's return of +3.9% for the quarter and +9.6% over the one-year period.
 - Global Fixed Income returned +0.5% for the quarter and -0.7% over the one-year period, outperforming the BBgBarc US Aggregate by 50 basis points in both time periods.
 - Real Assets returned -0.8% for the quarter and +1.7% over the one-year period, underperforming the Real Assets Custom Benchmark return by 70 and 150 basis points over both time periods, respectively. For the quarter, Vanguard REIT (+0.7%) underperformed its Custom Benchmark (+0.8%), Credit Suisse (-3.2%) underperformed the Bloomberg Commodities Index (-2.0%), and Rhumblin Brookfield Global Infrastructure (+0.0%) outperformed the DJ Brookfield Global Infrastructure Net TR USD (-0.8%).
- The Health Care Trust positioned towards its new asset allocation at the end of the quarter, resulting in the current allocation temporarily falling outside of IPS Policy Ranges for Total Global Equity, Total Global Fixed Income, and Total Cash.

Third Quarter Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Credit Suisse Risk Parity	Commodities	---	---	---	---

¹ The Meketa Investment Group recommendations are based on organizational or resource changes at each manager.



Watch List^{1,2}

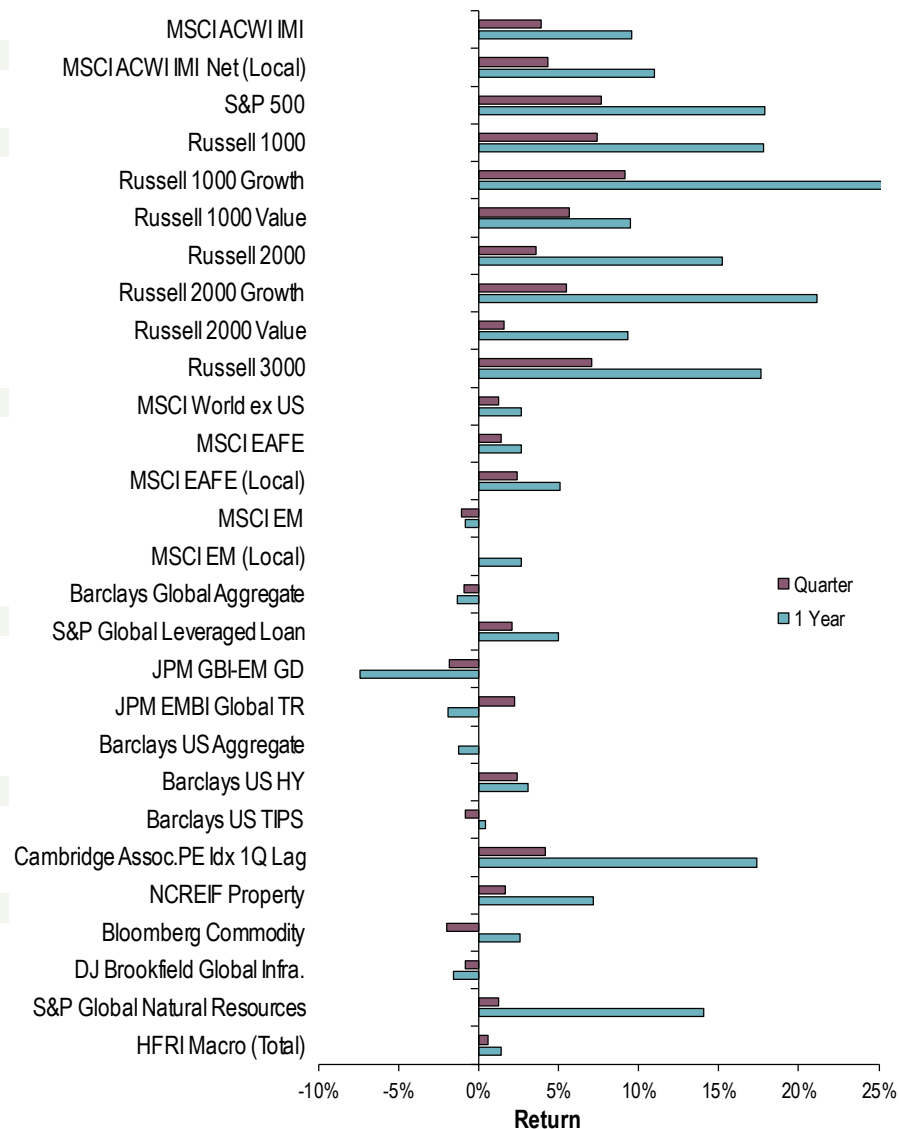
Investment Manager	Asset Class	Watch List Status	Comments

¹ Watch List excludes Private Markets and Passive Funds.
² Placement on the Watch List includes qualitative reasons and manager underperformance versus the appropriate benchmark over a three and or five year period as outlined in the Investment Policy Statement.



Market Environment – 3Q18 Overview

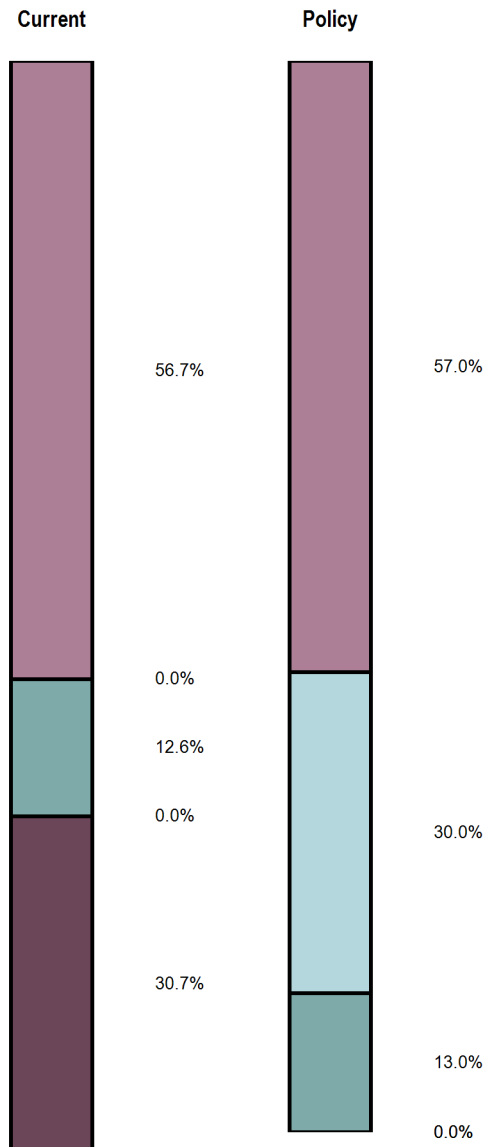
Benchmark	Scope	3Q18 (%)	YTD (%)	1 YR (%)	3 YR (%)	5YR (%)	10 YR (%)
Global Equity							
MSCI ACWI IMI	World	3.9	3.7	9.6	13.5	8.7	8.5
MSCI ACWI IMI Net (Local)	World (Local Currency)	4.3	5.4	11.0	13.4	10.5	9.2
Domestic Equity							
S&P 500	Large Core	7.7	10.6	17.9	17.3	14.0	12.0
Russell 1000	Large Core	7.4	10.5	17.8	17.1	13.7	12.1
Russell 1000 Growth	Large Growth	9.2	17.1	26.3	20.6	16.6	14.3
Russell 1000 Value	Large Value	5.7	3.9	9.5	13.6	10.7	9.8
Russell 2000	Small Core	3.6	11.5	15.2	17.1	11.1	11.1
Russell 2000 Growth	Small Growth	5.5	15.8	21.1	18.0	12.1	12.7
Russell 2000 Value	Small Value	1.6	7.1	9.3	16.1	9.9	9.5
Russell 3000	All Cap Core	7.1	10.6	17.6	17.1	13.5	12.0
International Equity							
MSCI World ex US	World ex-US	1.3	-1.5	2.7	9.3	4.2	5.2
MSCI EAFE	International Developed	1.4	-1.4	2.7	9.2	4.4	5.4
MSCI EAFE (Local)	International Developed (Local Currency)	2.4	1.4	5.1	9.4	7.9	6.7
MSCI EM	Emerging Markets	-1.1	-7.7	-0.8	12.4	3.6	5.4
MSCI EM (Local)	Emerging Markets (Local Currency)	0.0	-2.9	2.7	12.2	7.3	7.7
Global Fixed Income							
Barclays Global Aggregate	Global Core Bonds	-0.9	-2.4	-1.3	2.0	0.8	2.9
S&P Global Leveraged Loan	Bank Loans	2.1	4.0	5.0	5.2	3.6	6.1
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	-1.8	-8.2	-7.4	5.2	-1.7	2.7
JPM EMBI Global TR	Emerging Market Bonds	2.3	-3.0	-1.9	6.0	5.4	7.5
Domestic Fixed Income							
Barclays US Aggregate	Core Bonds	0.0	-1.6	-1.2	1.3	2.2	3.8
Barclays US HY	High Yield	2.4	2.6	3.1	8.2	5.5	9.5
Barclays US TIPS	Inflation	-0.8	-0.8	0.4	2.0	1.4	3.3
Other							
Cambridge Associates PE Index 1Qtr Lag	Private Equity	4.2	12.5	17.4	12.0	12.5	10.1
NCREIF Property	Real Estate	1.7	5.3	7.2	7.8	9.6	6.4
Bloomberg Commodity	Commodities	-2.0	-2.0	2.6	-0.1	-7.2	-6.2
DJ Brookfield Global Infrastructure	Infrastructure	-0.8	-2.1	-1.6	7.4	6.1	9.1
S&P Global Natural Resources	Natural Resources	1.3	5.1	14.1	19.7	4.1	3.2
HFRI Macro	Hedge Funds	0.6	-1.2	1.4	-0.6	0.4	-1.4



3Q18 Review

Total Fund Aggregate

As of September 30, 2018



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
Total Global Equity	\$82,237,565	56.7%	57.0%	-0.3%	40.0% - 54.0%	No	
Total Global Fixed Income	--	0.0%	30.0%	-30.0%	20.0% - 40.0%	No	
Total Real Assets	\$18,269,556	12.6%	13.0%	-0.4%	12.0% - 25.0%	Yes	
Total GTAA	--	0.0%	0.0%	0.0%	0.0% - 0.0%	Yes	
Total Cash	\$44,593,448	30.7%	0.0%	30.7%	0.0% - 5.0%	No	
Total	\$145,100,569	100.0%	100.0%				

Total Fund Aggregate

As of September 30, 2018

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Health Care Trust	145,100,569	100.0	2.5	2.5	1.2	3.7	6.4	4.3	--	4.9	Jul-12
Policy Benchmark			2.2	2.2	2.1	6.0	8.9	5.8	--	6.1	Jul-12
Allocation Index			2.1	2.1	1.9	4.4	6.8	5.3	--	5.7	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Median			1.8	1.8	2.1	3.9	5.6	4.6	5.5	4.9	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Rank			24	24	73	57	33	71	--	51	Jul-12
Global Equity Composite	82,237,565	56.7	4.6	4.6	4.5	10.4	13.9	9.1	--	11.4	Aug-12
MSCI ACWI IMI (Net)			3.9	3.9	3.7	9.6	13.5	8.7	--	11.0	Aug-12
eV All Global Equity Net Median			3.6	3.6	3.6	9.0	12.4	8.7	8.6	11.2	Aug-12
eV All Global Equity Net Rank			30	30	41	40	31	45	--	45	Aug-12
Global Fixed Income Composite	0	0.0	0.5	0.5	-1.1	-0.7	1.5	2.2	--	1.5	Aug-12
BBgBarc US Aggregate TR			0.0	0.0	-1.6	-1.2	1.3	2.2	--	1.5	Aug-12
eV All US Fixed Inc Net Median			0.4	0.4	-0.3	-0.1	2.0	2.4	4.3	2.0	Aug-12
eV All US Fixed Inc Net Rank			41	41	69	65	62	56	--	64	Aug-12
Real Assets	18,269,556	12.6	-0.8	-0.8	-1.1	1.7	5.5	--	--	3.4	Jul-15
Real Assets Custom Benchmark			-0.1	-0.1	0.5	3.2	5.0	--	--	3.4	Jul-15
Real Estate Composite	11,623,925	8.0	0.7	0.7	0.7	2.1	7.1	8.7	--	7.6	Aug-12
MSCI US REIT Gross			1.1	1.1	2.3	3.7	7.7	9.2	--	8.0	Aug-12
eV US REIT Net Median			0.8	0.8	1.3	3.8	7.3	9.4	7.8	8.0	Aug-12
eV US REIT Net Rank			55	55	74	86	55	77	--	72	Aug-12
Commodities Composite	6,644,514	4.6	-3.2	-3.2	-3.5	0.8	2.1	-3.9	--	-5.5	Oct-12
Bloomberg Commodity Index TR USD			-2.0	-2.0	-2.0	2.6	-0.1	-7.2	--	-8.4	Oct-12

¹ Fiscal Year begins July 1.² Please see the final page of the performance report for composition of the Policy Benchmark.³ Allocation Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

Total Fund Aggregate

As of September 30, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Infrastructure Composite	1,117	0.0	0.0	0.0	-1.0	0.3	6.1	--	--	-3.0	Jan-14
<i>DJ Brookfield Global Infrastructure Net TR USD</i>			<i>-0.8</i>	<i>-0.8</i>	<i>-2.1</i>	<i>-1.6</i>	<i>7.4</i>	<i>--</i>	<i>--</i>	<i>5.2</i>	<i>Jan-14</i>
Cash	44,593,448	30.7									
<i>91 Day T-Bills</i>			<i>0.5</i>	<i>0.5</i>	<i>1.3</i>	<i>1.6</i>	<i>0.9</i>	<i>0.5</i>	<i>--</i>	<i>0.4</i>	<i>Jul-12</i>

Total Fund Aggregate

As of September 30, 2018

Trailing Net Performance

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Health Care Trust	145,100,569	100.0	2.5	2.5	1.2	3.7	6.4	4.3	--	4.9	Jul-12
Policy Benchmark			2.2	2.2	2.1	6.0	8.9	5.8	--	6.1	Jul-12
Allocation Index			2.1	2.1	1.9	4.4	6.8	5.3	--	5.7	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Median			1.8	1.8	2.1	3.9	5.6	4.6	5.5	4.9	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Rank			24	24	73	57	33	71	--	51	Jul-12
Global Equity Composite	82,237,565	56.7	4.6	4.6	4.5	10.4	13.9	9.1	--	11.4	Aug-12
MSCI ACWI IMI (Net)			3.9	3.9	3.7	9.6	13.5	8.7	--	11.0	Aug-12
eV All Global Equity Net Median			3.6	3.6	3.6	9.0	12.4	8.7	8.6	11.2	Aug-12
eV All Global Equity Net Rank			30	30	41	40	31	45	--	45	Aug-12
Northern Trust Russell 3000	42,056,467	29.0	6.9	6.9	--	--	--	--	--	6.9	Jul-18
Russell 3000			7.1	7.1	--	--	--	--	--	7.1	Jul-18
Northern Trust MSCI EM	21,452,615	14.8	-0.3	-0.3	--	--	--	--	--	-0.3	Jul-18
MSCI Emerging Markets			-1.1	-1.1	--	--	--	--	--	-1.1	Jul-18
Northern Trust MSCI EAFE	18,728,484	12.9	2.8	2.8	--	--	--	--	--	2.8	Jul-18
MSCI EAFE			1.4	1.4	--	--	--	--	--	1.4	Jul-18
Global Fixed Income Composite	0	0.0	0.5	0.5	-1.1	-0.7	1.5	2.2	--	1.5	Aug-12
BBgBarc US Aggregate TR			0.0	0.0	-1.6	-1.2	1.3	2.2	--	1.5	Aug-12
eV All US Fixed Inc Net Median			0.4	0.4	-0.3	-0.1	2.0	2.4	4.3	2.0	Aug-12
eV All US Fixed Inc Net Rank			41	41	69	65	62	56	--	64	Aug-12
Real Assets	18,269,556	12.6	-0.8	-0.8	-1.1	1.7	5.5	--	--	3.4	Jul-15
Real Assets Custom Benchmark			-0.1	-0.1	0.5	3.2	5.0	--	--	3.4	Jul-15

Total Fund Aggregate

As of September 30, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Estate Composite	11,623,925	8.0	0.7	0.7	0.7	2.1	7.1	8.7	--	7.6	Aug-12
MSCI US REIT Gross			1.1	1.1	2.3	3.7	7.7	9.2	--	8.0	Aug-12
eV US REIT Net Median			0.8	0.8	1.3	3.8	7.3	9.4	7.8	8.0	Aug-12
eV US REIT Net Rank			55	55	74	86	55	77	--	72	Aug-12
Vanguard REIT Index Fund	11,623,925	8.0	0.7	0.7	0.7	2.1	7.1	8.7	--	7.6	Aug-12
Vanguard REIT Index Fund Custom Benchmark			0.8	0.8	1.6	3.1	7.5	9.0	--	7.9	Aug-12
Commodities Composite	6,644,514	4.6	-3.2	-3.2	-3.5	0.8	2.1	-3.9	--	-5.5	Oct-12
Bloomberg Commodity Index TR USD			-2.0	-2.0	-2.0	2.6	-0.1	-7.2	--	-8.4	Oct-12
Credit Suisse	6,644,514	4.6	-3.2	-3.2	-3.5	0.8	2.1	-3.9	--	-4.6	Nov-12
Bloomberg Commodity Index TR USD			-2.0	-2.0	-2.0	2.6	-0.1	-7.2	--	-7.9	Nov-12
Infrastructure Composite	1,117	0.0	0.0	0.0	-1.0	0.3	6.1	--	--	-3.0	Jan-14
DJ Brookfield Global Infrastructure Net TR USD			-0.8	-0.8	-2.1	-1.6	7.4	--	--	5.2	Jan-14
Rhumblin Brookfield Global Infrastructure	1,117	0.0	0.0	0.0	-1.0	--	--	--	--	-0.4	Nov-17
DJ Brookfield Global Infrastructure Net TR USD			-0.8	-0.8	-2.1	--	--	--	--	-1.5	Nov-17
Cash	44,593,448	30.7									
91 Day T-Bills			0.5	0.5	1.3	1.6	0.9	0.5	--	0.4	Jul-12
Cash	44,593,448	30.7									
91 Day T-Bills			0.5	0.5	1.3	1.6	0.9	0.5	--	0.4	Jul-12

¹ Vanguard REIT Custom Benchmark is comprised of the MSCI US REIT Index adjusted to include a 2% cash position through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investible Market Real Estate 25/50 Transition Index thereafter.

Total Fund Aggregate

As of September 30, 2018

Cash Flow Summary

Quarter Ending September 30, 2018

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$9,873,406	\$171,715,122	-\$137,000,000	\$34,715,122	\$4,920	\$44,593,448
Credit Suisse	\$7,879,115	\$0	-\$1,006,447	-\$1,006,447	-\$228,155	\$6,644,514
GMO	\$3,549,788	\$0	-\$3,543,214	-\$3,543,214	-\$6,574	--
Northern Trust Barclays US Aggregate	\$0	\$33,000,000	-\$33,008,507	-\$8,507	\$8,507	\$0
Northern Trust MSCI EAFE	\$0	\$19,900,000	-\$1,700,000	\$18,200,000	\$528,484	\$18,728,484
Northern Trust MSCI EM	\$0	\$21,500,000	\$0	\$21,500,000	-\$47,385	\$21,452,615
Northern Trust Russell 3000	\$0	\$49,700,000	-\$11,000,000	\$38,700,000	\$3,356,467	\$42,056,467
PIMCO	\$8,628,998	\$0	-\$8,558,434	-\$8,558,434	-\$70,564	--
Rhumblin Brookfield Global Infrastructure	\$1,992,417	\$1,036,093	-\$3,016,823	-\$1,980,730	-\$10,570	\$1,117
Vanguard REIT Index Fund	\$7,141,715	\$4,400,000	\$0	\$4,400,000	\$82,210	\$11,623,925
Vanguard Short Term TIPS	\$0	\$8,500,000	-\$8,508,610	-\$8,610	\$8,610	\$0
Vanguard Total Bond Market Index Fund	\$33,149,931	\$0	-\$33,123,224	-\$33,123,224	-\$26,708	--
Total	\$72,215,370	\$309,751,215	-\$240,465,260	\$69,285,955	\$3,599,243	\$145,100,569

Total Fund Aggregate

As of September 30, 2018

Cash Flow Summary

Fiscal YTD Ending September 30, 2018

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$9,873,406	\$171,715,122	-\$137,000,000	\$34,715,122	\$4,920	\$44,593,448
Credit Suisse	\$7,879,115	\$0	-\$1,006,447	-\$1,006,447	-\$228,155	\$6,644,514
GMO	\$3,549,788	\$0	-\$3,543,214	-\$3,543,214	-\$6,574	--
Northern Trust Barclays US Aggregate	\$0	\$33,000,000	-\$33,008,507	-\$8,507	\$8,507	\$0
Northern Trust MSCI EAFE	\$0	\$19,900,000	-\$1,700,000	\$18,200,000	\$528,484	\$18,728,484
Northern Trust MSCI EM	\$0	\$21,500,000	\$0	\$21,500,000	-\$47,385	\$21,452,615
Northern Trust Russell 3000	\$0	\$49,700,000	-\$11,000,000	\$38,700,000	\$3,356,467	\$42,056,467
PIMCO	\$8,628,998	\$0	-\$8,558,434	-\$8,558,434	-\$70,564	--
Rhumblin Brookfield Global Infrastructure	\$1,992,417	\$1,036,093	-\$3,016,823	-\$1,980,730	-\$10,570	\$1,117
Vanguard REIT Index Fund	\$7,141,715	\$4,400,000	\$0	\$4,400,000	\$82,210	\$11,623,925
Vanguard Short Term TIPS	\$0	\$8,500,000	-\$8,508,610	-\$8,610	\$8,610	\$0
Vanguard Total Bond Market Index Fund	\$33,149,931	\$0	-\$33,123,224	-\$33,123,224	-\$26,708	--
Total	\$72,215,370	\$309,751,215	-\$240,465,260	\$69,285,955	\$3,599,243	\$145,100,569

Total Fund Aggregate

As of September 30, 2018

Cash Flow Summary

1 Year Ending September 30, 2018

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$18,523,343	\$182,980,481	-\$157,010,124	\$25,970,357	\$99,748	\$44,593,448
Credit Suisse	\$7,572,146	\$0	-\$1,029,208	-\$1,029,208	\$101,576	\$6,644,514
GMO	\$3,510,045	\$0	-\$3,543,214	-\$3,543,214	\$33,169	--
Northern Trust Barclays US Aggregate	--	\$33,000,000	-\$33,008,507	-\$8,507	\$8,507	\$0
Northern Trust MSCI EAFE	--	\$19,900,000	-\$1,700,000	\$18,200,000	\$528,484	\$18,728,484
Northern Trust MSCI EM	--	\$21,500,000	\$0	\$21,500,000	-\$47,385	\$21,452,615
Northern Trust Russell 3000	--	\$49,700,000	-\$11,000,000	\$38,700,000	\$3,356,467	\$42,056,467
PIMCO	\$8,718,658	\$0	-\$8,558,434	-\$8,558,434	-\$160,224	--
Rhumblin Brookfield Global Infrastructure	--	\$4,229,241	-\$4,209,971	\$19,270	-\$18,153	\$1,117
Standard Life	\$7,878,154	\$0	-\$7,751,187	-\$7,751,187	-\$126,966	--
Vanguard REIT Index Fund	\$7,043,935	\$4,400,000	\$0	\$4,400,000	\$179,990	\$11,623,925
Vanguard Short Term TIPS	--	\$8,500,000	-\$8,508,610	-\$8,610	\$8,610	\$0
Vanguard Total Bond Market Index Fund	\$33,566,166	\$0	-\$33,123,224	-\$33,123,224	-\$442,942	--
Vanguard Total World Stock Index Fund	\$35,474,073	\$10,000,000	\$0	\$10,000,000	-\$45,474,073	--
Wellington	\$1,328,076	\$0	-\$1,340,427	-\$1,340,427	\$12,351	--
Total	\$123,614,595	\$334,209,722	-\$270,782,906	\$63,426,816	-\$41,940,843	\$145,100,569

Total Fund Aggregate

As of September 30, 2018

Cash Flow Summary Since Inception

	Ending September 30, 2018					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$0	\$298,693,575	-\$254,307,772	\$44,385,803	\$207,645	\$44,593,448
Credit Suisse	--	\$8,800,000	-\$1,612,661	\$7,187,339	-\$542,825	\$6,644,514
First Quadrant	--	\$890,000	-\$742,610	\$147,390	-\$147,390	--
GMO	--	\$3,950,000	-\$4,247,447	-\$297,447	\$297,447	--
Northern Trust Barclays US Aggregate	--	\$33,000,000	-\$33,008,507	-\$8,507	\$8,507	\$0
Northern Trust MSCI EAFE	--	\$19,900,000	-\$1,700,000	\$18,200,000	\$528,484	\$18,728,484
Northern Trust MSCI EM	--	\$21,500,000	\$0	\$21,500,000	-\$47,385	\$21,452,615
Northern Trust Russell 3000	--	\$49,700,000	-\$11,000,000	\$38,700,000	\$3,356,467	\$42,056,467
PIMCO	--	\$8,150,000	-\$8,631,621	-\$481,621	\$481,621	--
Rhumblin Brookfield Global Infrastructure	--	\$4,229,241	-\$4,209,971	\$19,270	-\$18,153	\$1,117
Standard Life	--	\$7,800,000	-\$7,803,128	-\$3,128	\$3,128	--
Vanguard REIT Index Fund	--	\$9,388,695	-\$16,554	\$9,372,141	\$2,251,784	\$11,623,925
Vanguard Short Term TIPS	--	\$8,500,000	-\$8,508,610	-\$8,610	\$8,610	\$0
Vanguard Total Bond Market Index Fund	--	\$36,110,434	-\$37,351,055	-\$1,240,621	\$1,240,621	--
Vanguard Total World Stock Index Fund	--	\$34,671,390	-\$121,989	\$34,549,401	-\$34,549,401	--
Wellington	--	\$1,590,000	-\$1,379,686	\$210,314	-\$210,314	--
Total	\$0	\$546,873,334	-\$374,641,611	\$172,231,723	-\$27,131,155	\$145,100,569

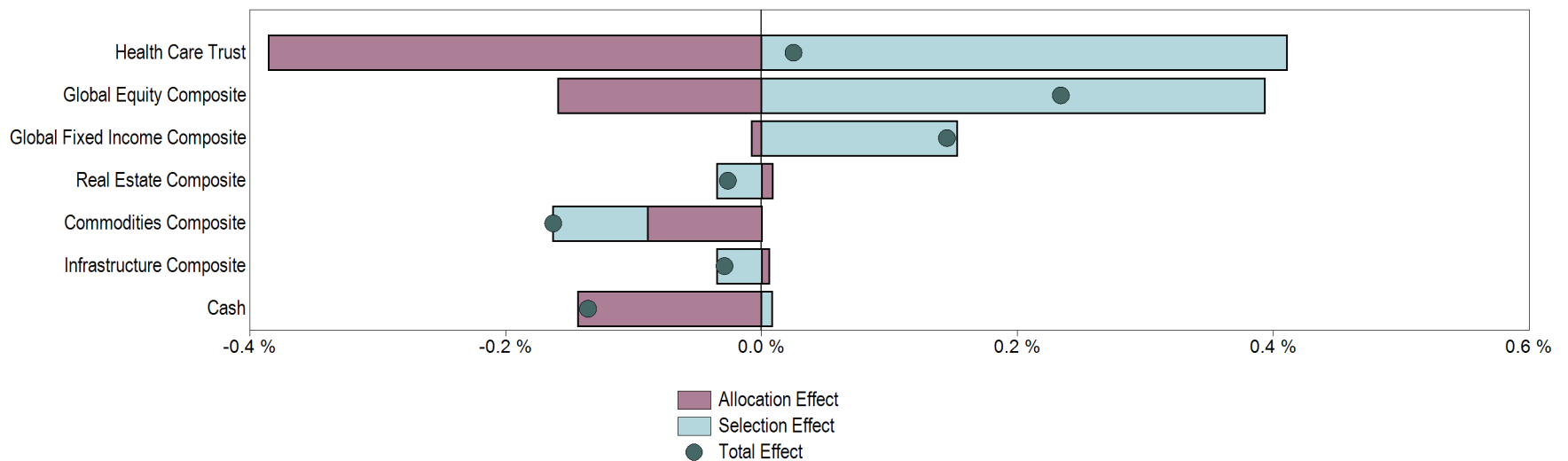
Total Fund Aggregate

As of September 30, 2018

Attribution Summary 3 Months Ending September 30, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	4.6%	3.9%	0.8%	0.4%	-0.2%	0.2%
Global Fixed Income Composite	0.5%	0.0%	0.5%	0.2%	0.0%	0.1%
Real Estate Composite	0.7%	1.1%	-0.4%	0.0%	0.0%	0.0%
Commodities Composite	-3.2%	-2.0%	-1.1%	-0.1%	-0.1%	-0.2%
Infrastructure Composite	0.0%	-0.8%	0.8%	0.0%	0.0%	0.0%
Cash	0.3%	0.0%	0.3%	0.0%	-0.1%	-0.1%
Total	2.2%	2.2%	0.0%	0.4%	-0.4%	0.0%

Attribution Effects 3 Months Ending September 30, 2018



¹ Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

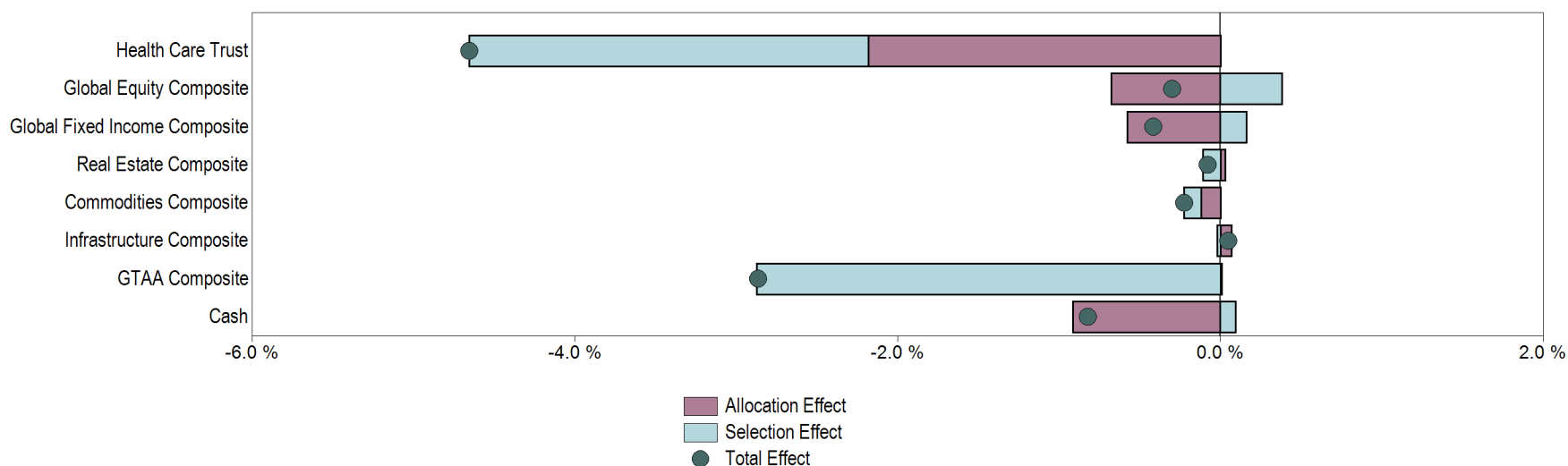
Total Fund Aggregate

As of September 30, 2018

Attribution Summary
1 Year Ending September 30, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	10.4%	9.6%	0.8%	0.4%	-0.7%	-0.3%
Global Fixed Income Composite	-0.7%	-1.2%	0.5%	0.2%	-0.6%	-0.4%
Real Estate Composite	2.1%	3.7%	-1.6%	-0.1%	0.0%	-0.1%
Commodities Composite	0.8%	2.6%	-1.8%	-0.1%	-0.1%	-0.2%
Infrastructure Composite	0.3%	-1.6%	2.0%	0.0%	0.1%	0.0%
GTAA Composite	-19.0%	6.0%	-25.0%	-2.9%	0.0%	-2.9%
Cash	1.2%	0.0%	1.2%	0.1%	-0.9%	-0.8%
Total	1.3%	6.3%	-5.0%	-2.5%	-2.2%	-4.7%

Attribution Effects
1 Year Ending September 30, 2018



¹ Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

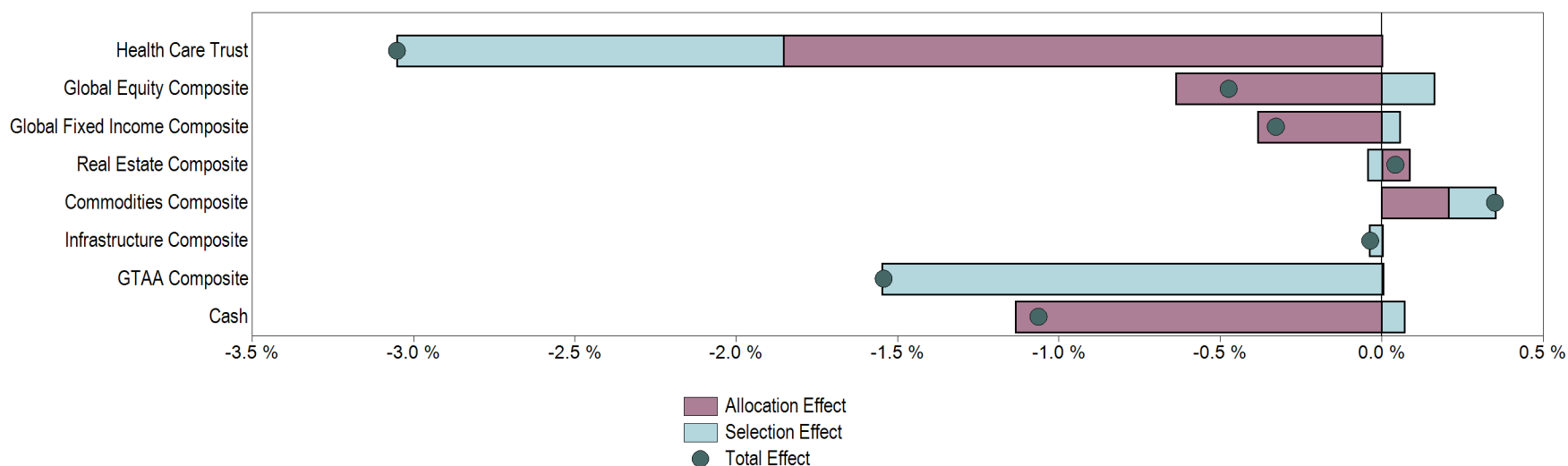
Total Fund Aggregate

As of September 30, 2018

Attribution Summary
3 Years Ending September 30, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	13.9%	13.5%	0.4%	0.2%	-0.6%	-0.5%
Global Fixed Income Composite	1.5%	1.3%	0.2%	0.1%	-0.4%	-0.3%
Real Estate Composite	7.1%	7.7%	-0.6%	0.0%	0.1%	0.0%
Commodities Composite	2.1%	-0.1%	2.2%	0.1%	0.2%	0.4%
Infrastructure Composite	6.1%	7.4%	-1.3%	0.0%	0.0%	0.0%
GTAA Composite	-3.2%	8.8%	-12.0%	-1.5%	0.0%	-1.5%
Cash	0.6%	0.0%	0.6%	0.1%	-1.1%	-1.1%
Total	5.8%	9.0%	-3.2%	-1.2%	-1.9%	-3.1%

Attribution Effects
3 Years Ending September 30, 2018

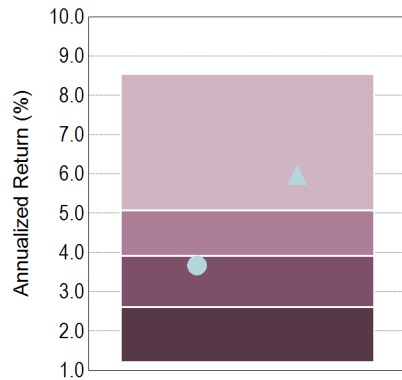


¹ Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

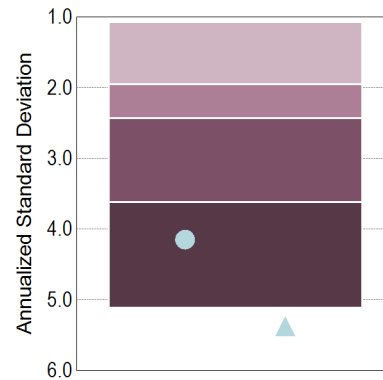
Total Fund Risk Statistics vs. Peer Universe (Trailing 1 Year)

As of September 30, 2018

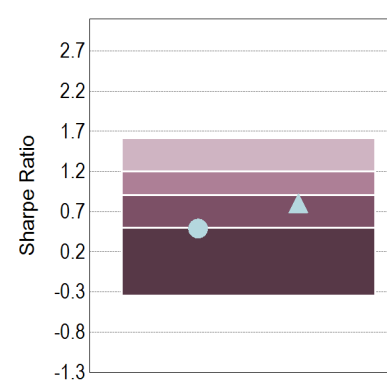
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



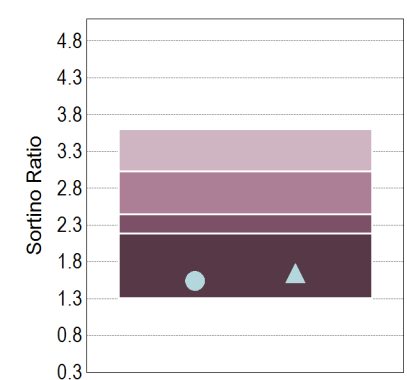
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



Sortino Ratio
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



● Health Care Trust
Value 3.7
Rank 57
▲ Policy Benchmark
Value 6.0
Rank 17

● Health Care Trust
Value 4.2
Rank 81
▲ Policy Benchmark
Value 5.4
Rank 99

● Health Care Trust
Value 0.5
Rank 77
▲ Policy Benchmark
Value 0.8
Rank 58

● Health Care Trust
Value 1.5
Rank 94
▲ Policy Benchmark
Value 1.6
Rank 92

Universe
5th %tile 8.5
25th %tile 5.1
Median 3.9
75th %tile 2.6
95th %tile 1.2

Universe
5th %tile 1.1
25th %tile 1.9
Median 2.4
75th %tile 3.6
95th %tile 5.1

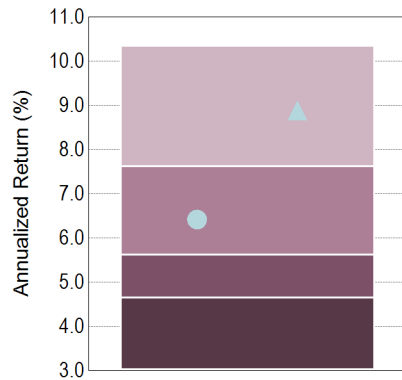
Universe
5th %tile 1.6
25th %tile 1.2
Median 0.9
75th %tile 0.5
95th %tile -0.3

Universe
5th %tile 3.6
25th %tile 3.0
Median 2.5
75th %tile 2.2
95th %tile 1.3

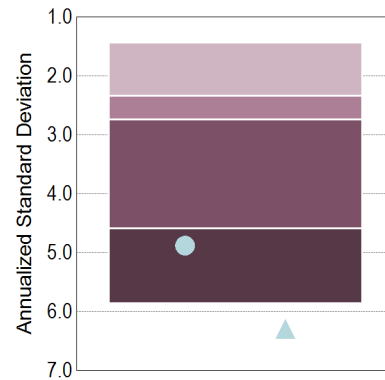
Total Fund Risk Statistics vs. Peer Universe (Trailing 3 Years)

As of September 30, 2018

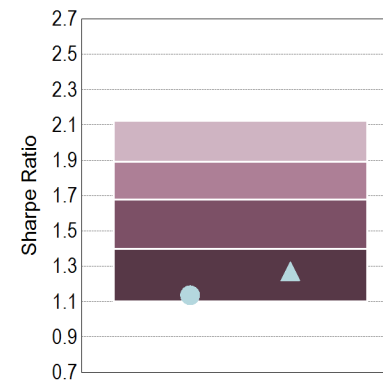
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



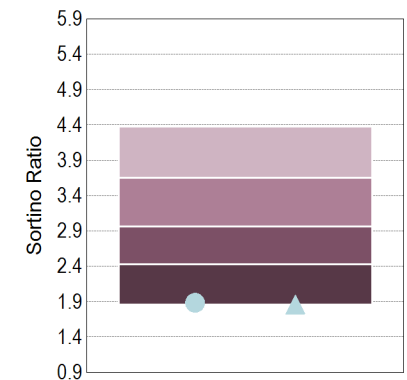
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



Sortino Ratio
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



● Health Care Trust
Value 6.4
Rank 33
▲ Policy Benchmark
Value 8.9
Rank 14

● Health Care Trust
Value 4.9
Rank 80
▲ Policy Benchmark
Value 6.3
Rank 98

● Health Care Trust
Value 1.1
Rank 94
▲ Policy Benchmark
Value 1.3
Rank 86

● Health Care Trust
Value 1.9
Rank 95
▲ Policy Benchmark
Value 1.9
Rank 96

Universe
5th %tile 10.3
25th %tile 7.6
Median 5.6
75th %tile 4.7
95th %tile 3.0

Universe
5th %tile 1.4
25th %tile 2.3
Median 2.7
75th %tile 4.6
95th %tile 5.9

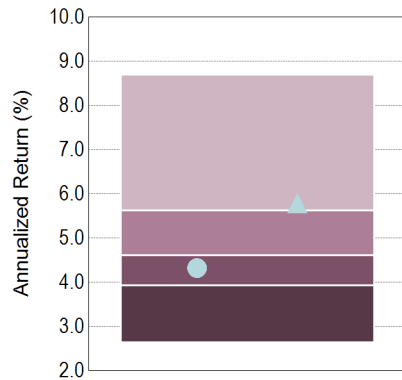
Universe
5th %tile 2.1
25th %tile 1.9
Median 1.7
75th %tile 1.4
95th %tile 1.1

Universe
5th %tile 4.4
25th %tile 3.7
Median 3.0
75th %tile 2.4
95th %tile 1.9

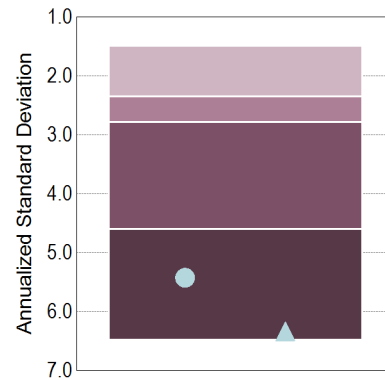
Total Fund Risk Statistics vs. Peer Universe (Trailing 5 Years)

As of September 30, 2018

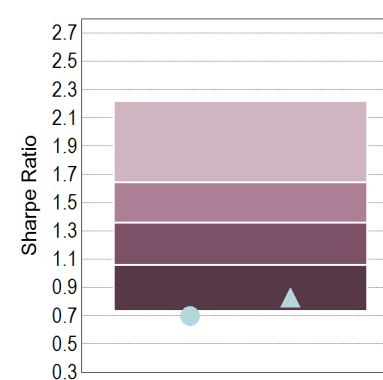
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



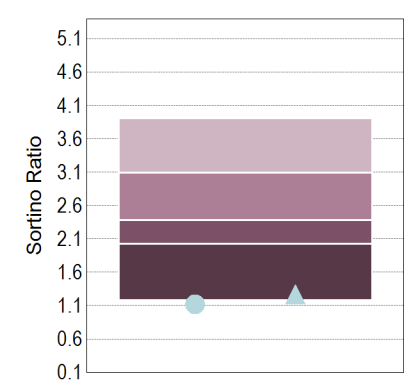
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



Sortino Ratio
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



● Health Care Trust

Value 4.3

Rank 71

▲ Policy Benchmark

Value 5.8

Rank 24

Universe

5th %tile 8.7

25th %tile 5.6

Median 4.6

75th %tile 3.9

95th %tile 2.6

● Health Care Trust

Value 5.4

Rank 81

▲ Policy Benchmark

Value 6.3

Rank 94

Universe

5th %tile 1.5

25th %tile 2.3

Median 2.8

75th %tile 4.6

95th %tile 6.5

● Health Care Trust

Value 0.7

Rank 99

▲ Policy Benchmark

Value 0.8

Rank 91

Universe

5th %tile 2.2

25th %tile 1.6

Median 1.4

75th %tile 1.1

95th %tile 0.7

● Health Care Trust

Value 1.1

Rank 97

▲ Policy Benchmark

Value 1.3

Rank 94

Universe

5th %tile 3.9

25th %tile 3.1

Median 2.4

75th %tile 2.0

95th %tile 1.2

As of September 30, 2018

Benchmark History

As of September 30, 2018

Health Care Trust

7/1/2018	Present	57% MSCI ACWI IMI (Net) / 30% BBgBarc US Aggregate TR / 8% MSCI US REIT Gross / 5% Bloomberg Commodity Index TR USD
2/1/2017	6/30/2018	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Bloomberg Commodity Index TR USD / 3% DJ Brookfield Global Infrastructure Net TR USD / 20% 60% MSCI World & 40% Citigroup WGBI
9/1/2014	1/31/2017	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Custom Commodity Risk Parity Index / 3% CPI + 5% (Unadjusted) / 20% 60% MSCI World & 40% Citigroup WGBI

Global Equity Composite

8/1/2012	Present	MSCI ACWI IMI Net USD
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Global Fixed Income Composite

8/1/2012	Present	BBgBarc US Aggregate TR
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Real Assets

7/1/2015	Present	45.45% MSCI US REIT / 40.91% Bloomberg Commodity Index TR USD / 13.64% DJ Brookfield Global Infrastructure Net TR USD
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Real Estate Composite

8/1/2012	Present	MSCI US REIT Gross
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Liquid Real Assets Composite

No Benchmark Selected

Commodities Composite

10/1/2012	Present	Bloomberg Commodity Index TR USD
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Infrastructure Composite

1/1/2014	Present	DJ Brookfield Global Infrastructure Net TR USD
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GTAA Composite

9/1/2014	Present	60% MSCI World / 40% FTSE WGBI TR
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Cash

7/1/2012	Present	91 Day T-Bills
----------	---------	----------------

Glossary and Notes

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

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

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

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

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

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

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

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

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

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

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

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

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

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

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

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

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

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

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

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

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