

FUND EVALUATION REPORT

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

Quarterly Review
September 30, 2017

REVISED



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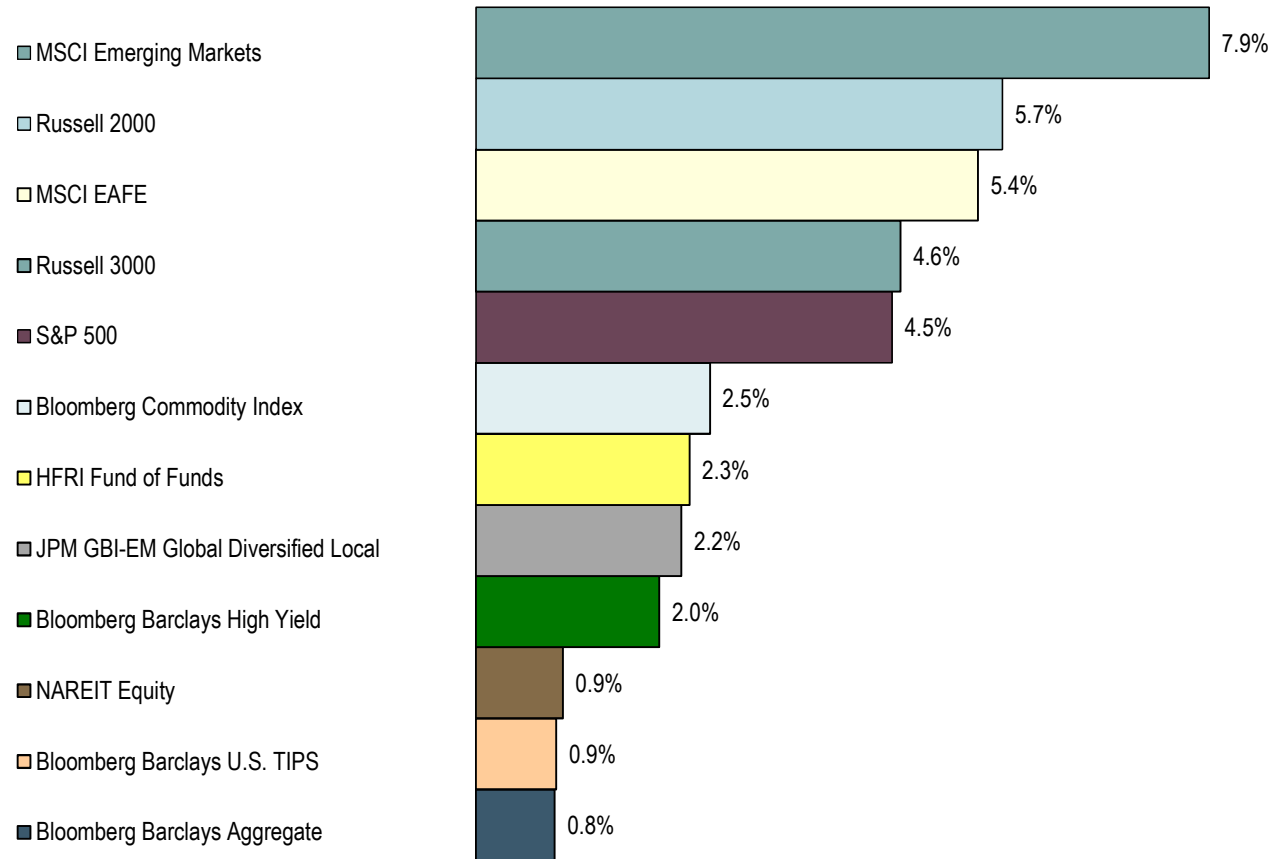
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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

- 1. The World Markets in the Third Quarter of 2017**
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 - Aggregate Fund Overview
 - Third Quarter Manager Summary
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- 3. 3Q17 Review**

The World Markets Third Quarter of 2017

The World Markets¹ Third Quarter of 2017



¹ Source: InvestorForce.

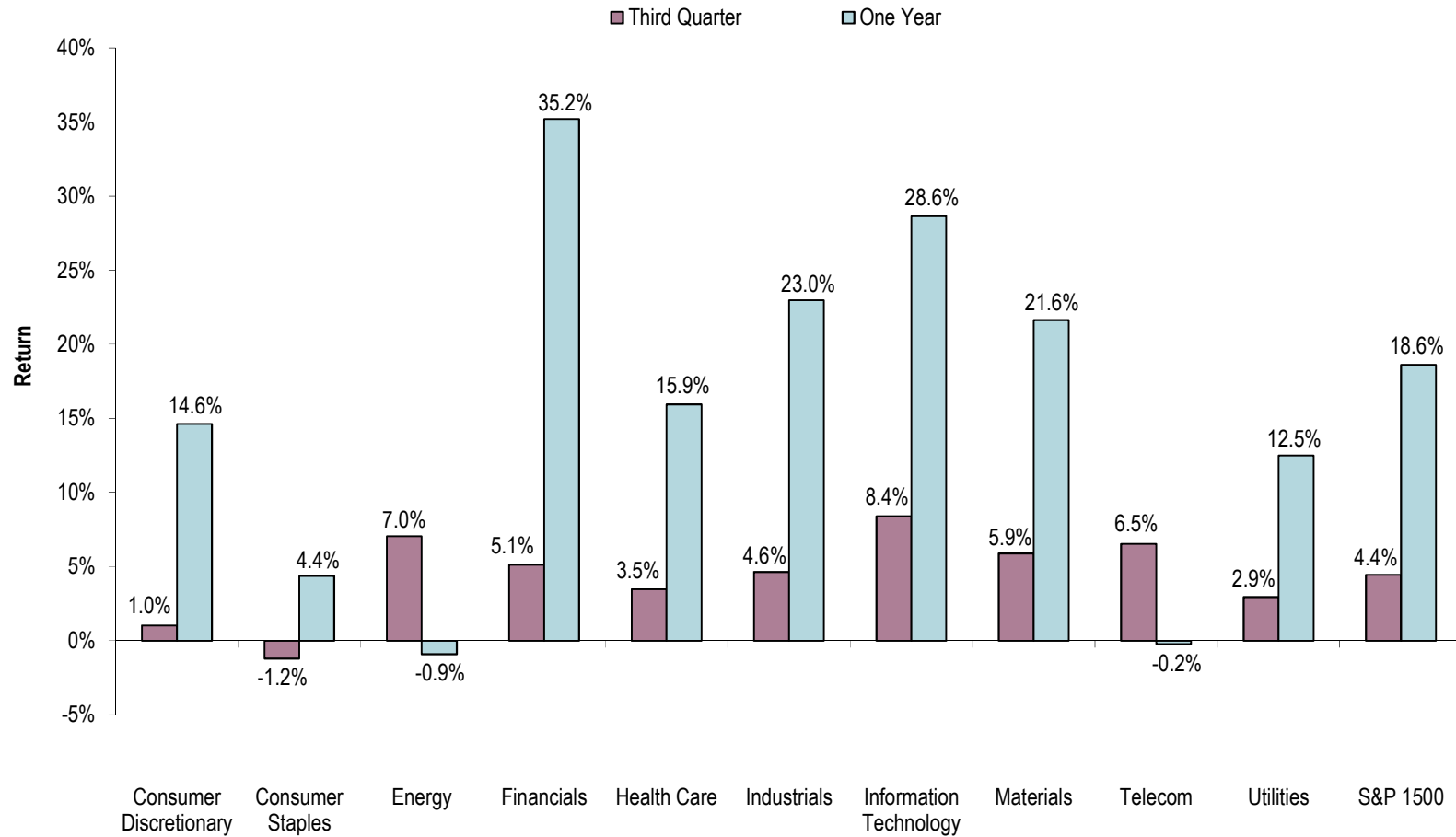


Index Returns¹

	3Q17 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity						
Russell 3000	4.6	13.9	18.7	10.7	14.2	7.6
Russell 1000	4.5	14.2	18.5	10.6	14.3	7.5
Russell 1000 Growth	5.9	20.7	21.9	12.7	15.3	9.1
Russell 1000 Value	3.1	7.9	15.1	8.5	13.2	5.9
Russell MidCap	3.5	11.7	15.3	9.5	14.3	8.1
Russell MidCap Growth	5.3	17.3	17.8	10.0	14.2	8.2
Russell MidCap Value	2.1	7.4	13.4	9.2	14.3	7.9
Russell 2000	5.7	10.9	20.7	12.2	13.8	7.8
Russell 2000 Growth	6.2	16.8	21.0	12.2	14.3	8.5
Russell 2000 Value	5.1	5.7	20.5	12.1	13.3	7.1
Foreign Equity						
MSCI ACWI (ex. U.S.)	6.2	21.1	19.6	4.7	7.0	1.3
MSCI EAFE	5.4	20.0	19.1	5.0	8.4	1.3
MSCI EAFE (Local Currency)	3.4	11.2	19.0	7.9	12.3	2.6
MSCI EAFE Small Cap	7.5	25.4	21.8	11.1	12.8	4.6
MSCI Emerging Markets	7.9	27.8	22.5	4.9	4.0	1.3
MSCI Emerging Markets (Local Currency)	7.6	23.5	21.8	8.5	7.9	3.9
Fixed Income						
Bloomberg Barclays Universal	1.0	3.7	1.0	3.1	2.5	4.6
Bloomberg Barclays Aggregate	0.8	3.1	0.1	2.7	2.1	4.3
Bloomberg Barclays U.S. TIPS	0.9	1.7	-0.7	1.6	0.0	3.9
Bloomberg Barclays High Yield	2.0	7.0	8.9	5.8	6.4	7.8
JPM GBI-EM Global Diversified (Local Currency)	2.2	8.0	6.5	7.6	6.4	8.3
Other						
NAREIT Equity	0.9	3.7	0.7	9.4	9.5	5.8
Bloomberg Commodity Index	2.5	-2.9	-0.3	-10.4	-10.5	-6.8
HFRI Fund of Funds	2.3	5.6	6.5	2.2	3.9	1.1

¹ Source: InvestorForce.

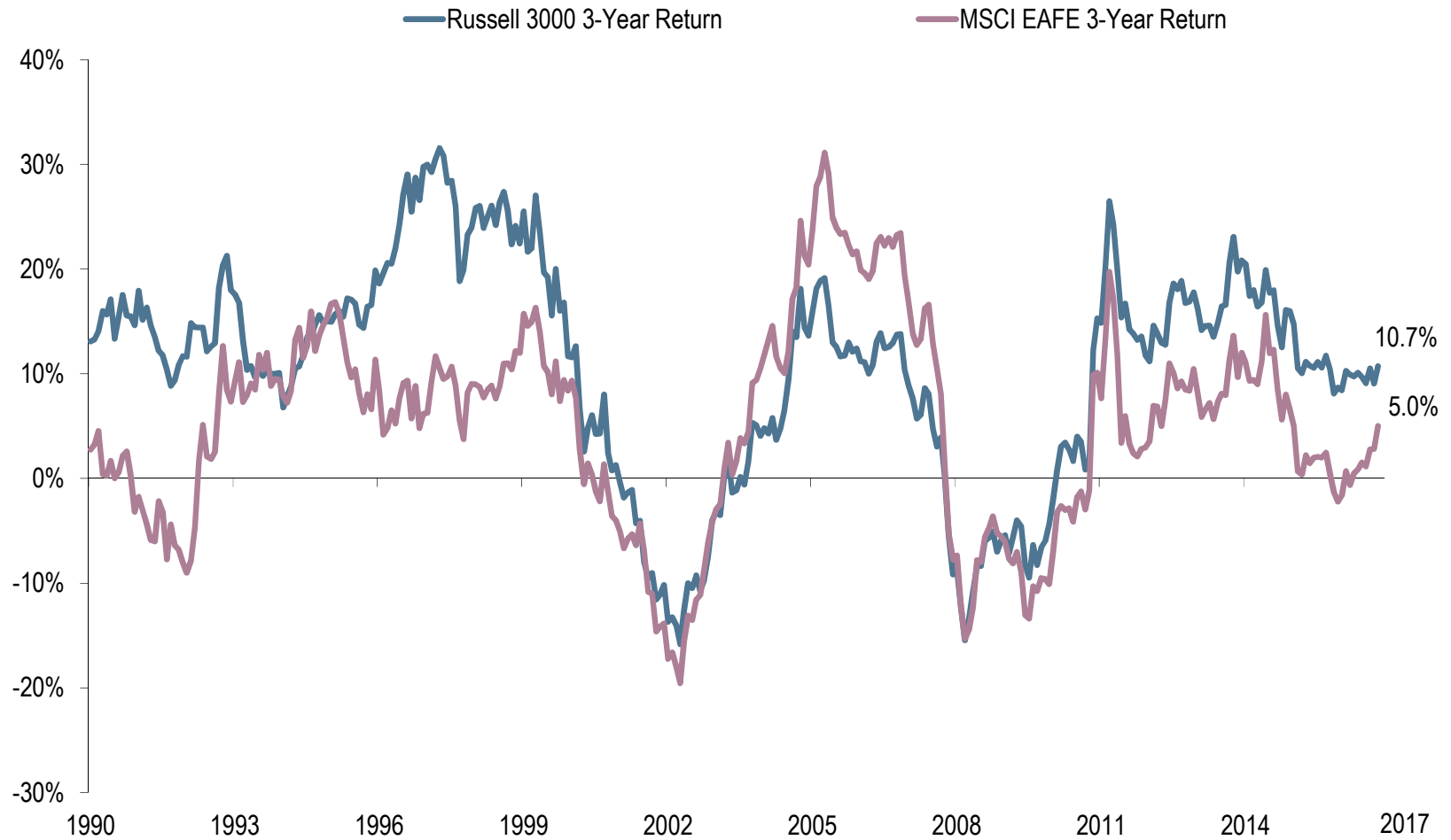
S&P Sector Returns¹



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



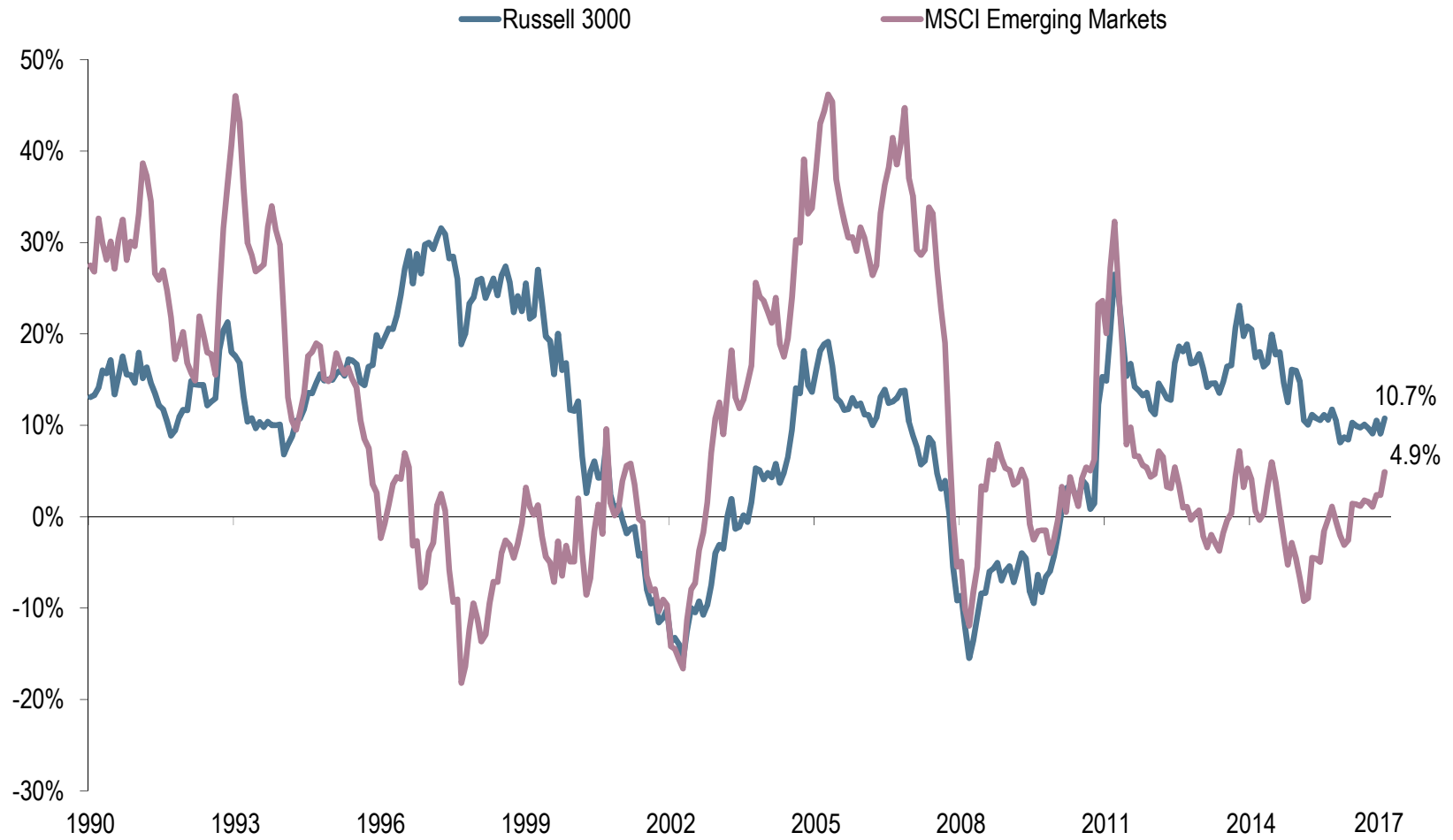
U.S. and Developed Market Foreign Equity Rolling Three-Year Returns¹



¹ Source: InvestorForce.



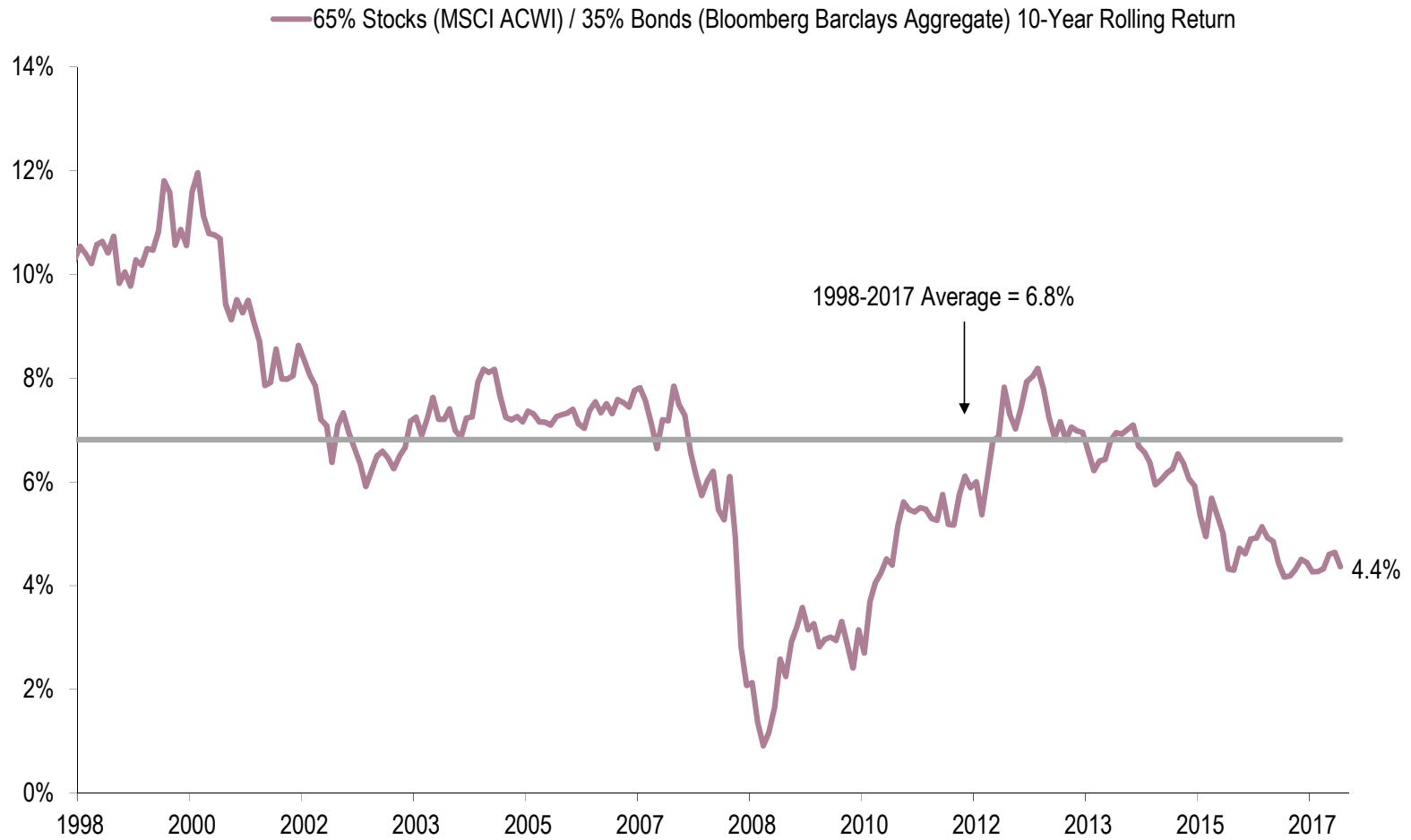
U.S. and Emerging Market Equity Rolling Three-Year Returns¹



¹ Source: InvestorForce.



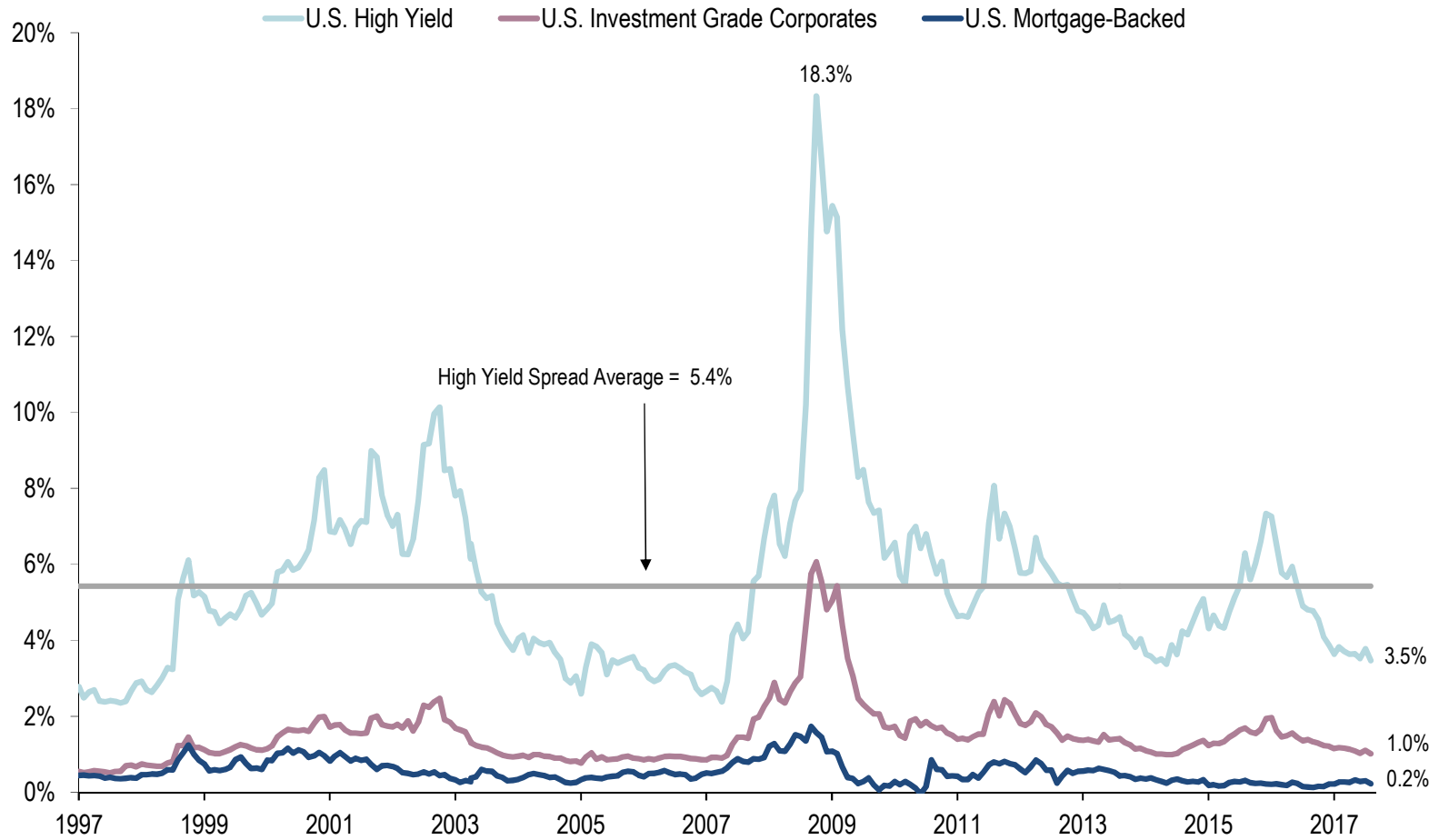
Rolling Ten-Year Returns: 65% Stocks and 35% Bonds¹



¹ Source: InvestorForce.



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

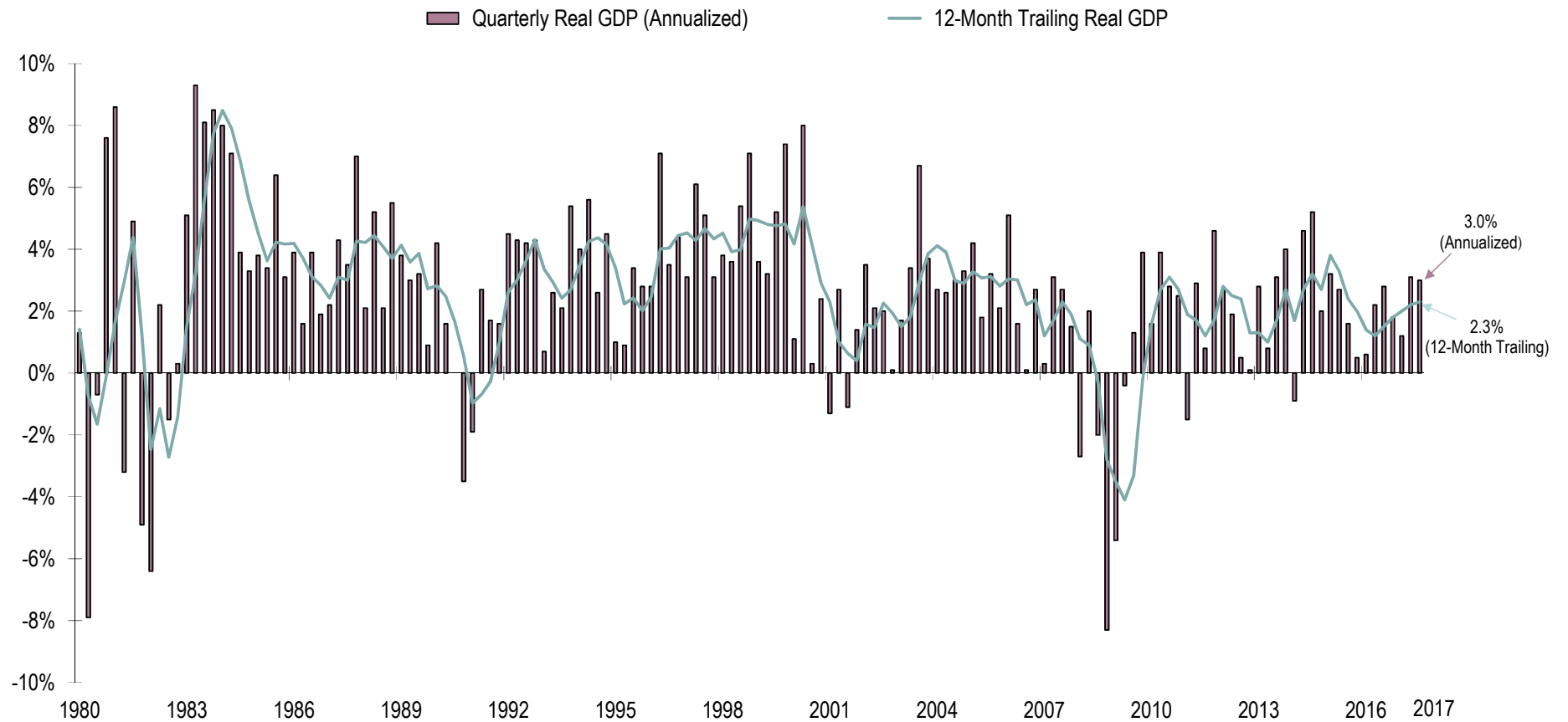


¹ Source: Barclays Live.

² The median high yield spread was 5.0% from 1997-2017.



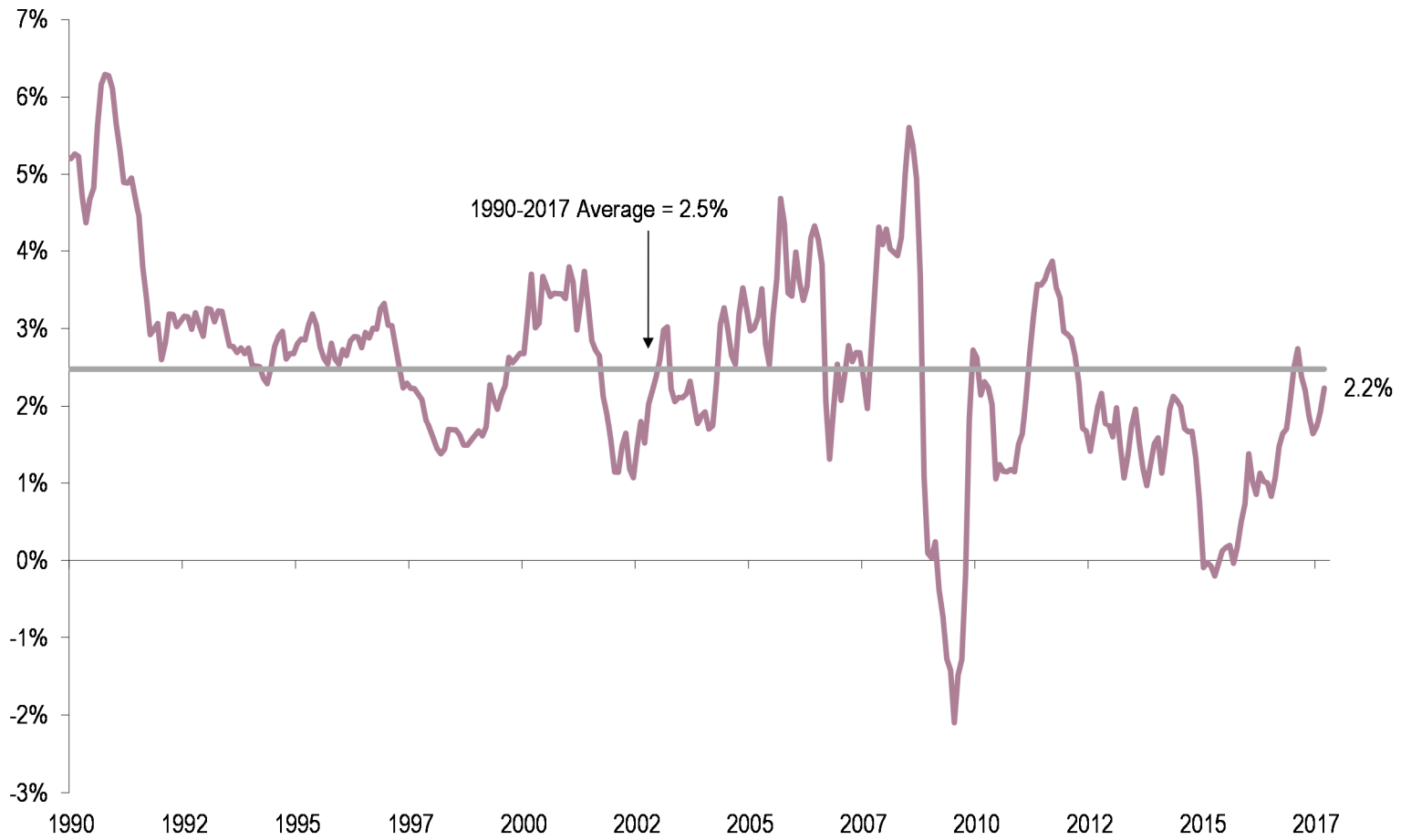
U.S. Real Gross Domestic Product (GDP) Growth¹



¹ Source: Bureau of Economic Analysis. Data is as of the third quarter of 2017 and represents the first estimate.



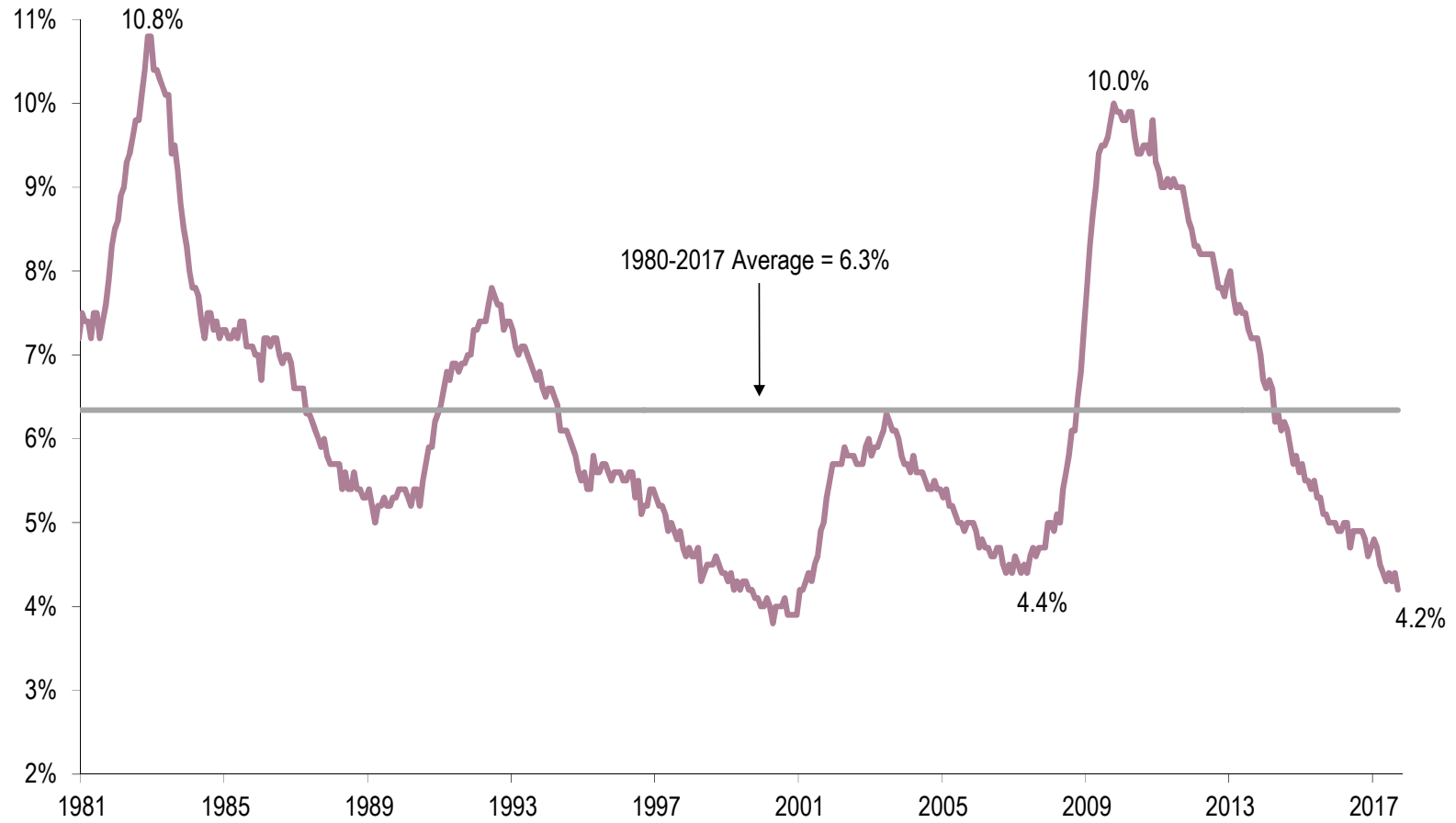
U.S. Inflation (CPI) Trailing Twelve Months¹



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, 2017.



U.S. Unemployment¹



¹ Source: Bureau of Labor Statistics. Data is as of September 30, 2017.



**Executive Summary
As of September 30, 2017**

The value of the City of San Jose Police and Fire Department Retirement Plan – Health Care Trust’s assets was \$123.6 million on September 30, 2017, an increase of \$20.7 million from the end of the prior quarter. The Trust had \$17.8 million in net cash inflows for the quarter.

- The Health Care Trust’s net of fees performance was +2.4% for the quarter, underperforming the Policy Benchmark (+3.6%) and Allocation index (+2.5%). Year-to-date, the Trust has returned +7.7%.
- The Health Care Trust’s Total Global Fixed Income (27.2% vs. target range of 5-25%) and Cash (15.0% vs. target range of 0-5%) allocations ended the quarter outside of their target range.
- All broad asset classes were positive for the quarter.
 - Global Equity returned +5.3% for the quarter and +17.6% over the year-to-date period, in line with the MSCI ACWI IMI’s quarterly return of +5.3% and outperforming year-to-date (+17.2%).
 - Global Fixed Income returned +0.8% for the quarter and +3.2% year-to-date, approximately in line with the BBgBarc US Aggregate for both periods.
 - Real Assets returned +2.4% for the quarter and +4.0% year-to-date, outperforming the Real Assets Custom Benchmark returns of +1.9% and +3.4%, respectively. For the quarter, Credit Suisse (+3.2%) outperformed the Bloomberg Commodities Index (+2.5%), Wellington Diverse Inflation Hedge (+6.0%) underperformed CPI +5% Unadjusted (+2.0%), and Vanguard REIT (+0.9%) outperformed the MSCI US REIT Index (+0.6%).
 - GTAA returned +1.9% for the quarter, underperforming the 60% MSCI World/40% Citi WGFI by 170 basis points. For the quarter, PIMCO All Asset All Authority (+3.2%) outperformed, while GMO Benchmark Free Allocation (+2.2%) and Standard Life GARS (+0.4%) underperformed their benchmarks.
- The Trust did not add any additional investment managers during the quarter.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Credit Suisse Risk Parity Commodity	Commodities	---	---	---	---
Wellington Diverse Inflation Hedge	Infrastructure	---	---	---	Termination approved by Investment Committee
GMO Benchmark Free Allocation Fund	GTAA	---	---	---	---
PIMCO All Asset All Authority	GTAA	---	---	---	---
Standard Life GARS	GTAA	Yes	---	Hold	Merger Completion

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



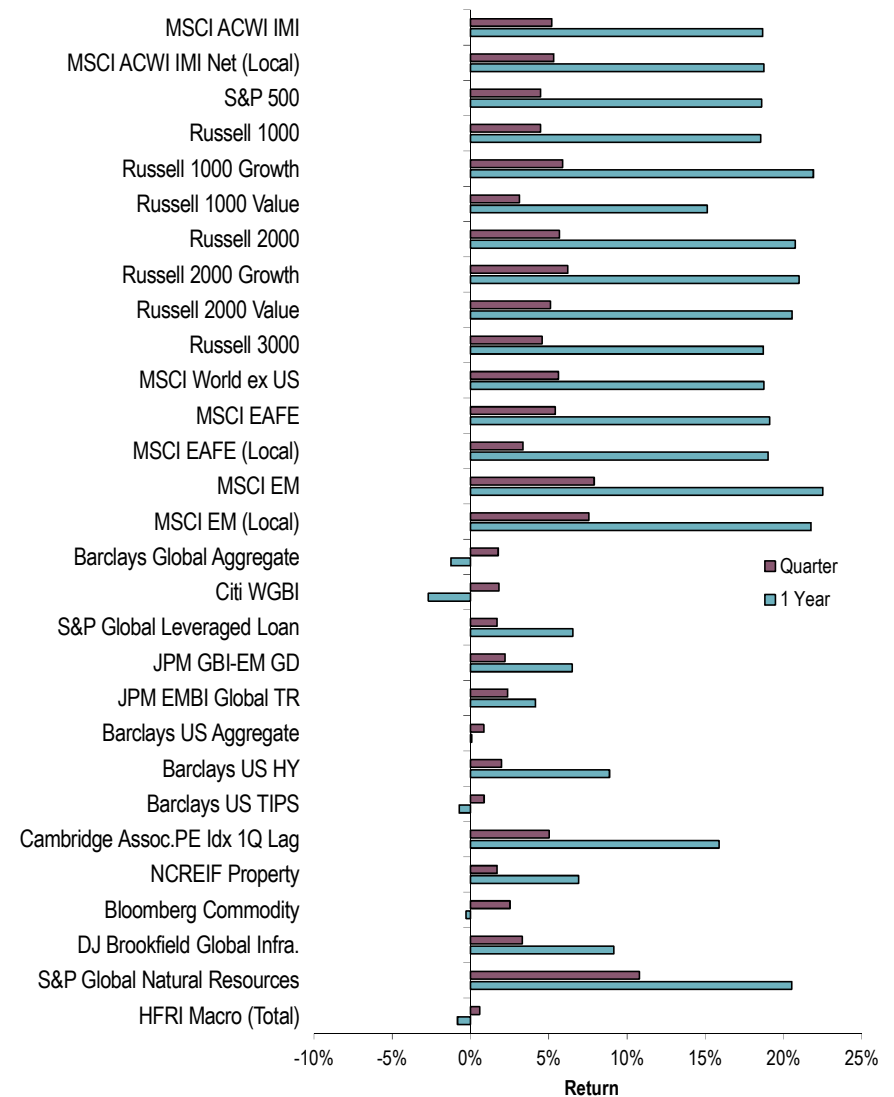
Wellington

- Wellington Diverse Inflation Hedge's termination was approved by the Investment Committee.

Standard Life

- In the third quarter, the merger of Aberdeen and Standard Life was successfully completed after approval by the Court of Session in Scotland. The new firm is now called Standard Life Aberdeen plc.

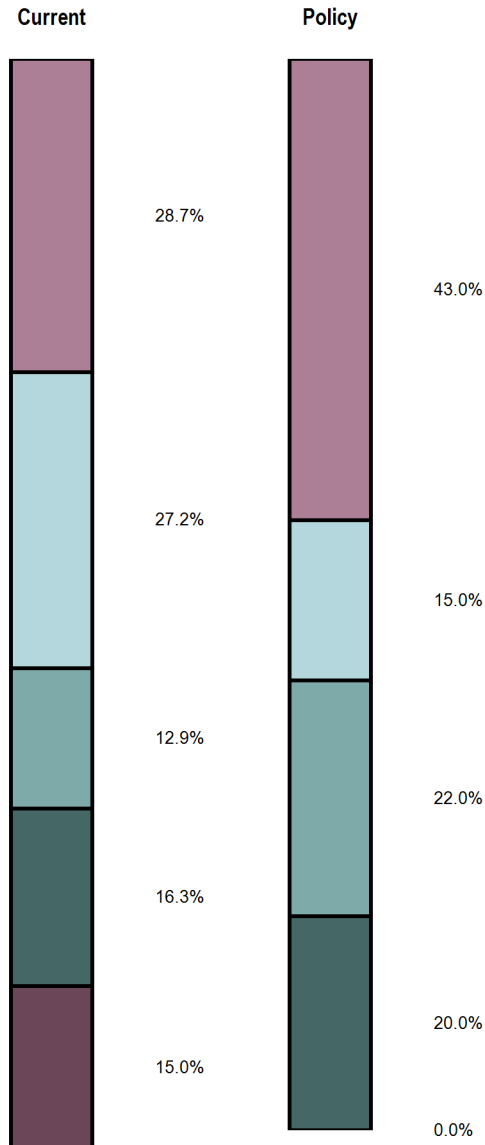
Benchmark	Scope	3Q17 (%)	1 YR (%)	3 YR (%)	5YR (%)	10 YR (%)
Global Equity						
MSCI ACWI IMI	World	5.2	18.6	7.4	10.2	3.9
MSCI ACWI IMI Net (Local)	World (Local)	5.3	18.7	7.7	10.4	4.2
Domestic Equity						
S&P 500	Large Core	4.5	18.6	10.8	14.2	7.4
Russell 1000	Large Core	4.5	18.5	10.6	14.3	7.6
Russell 1000 Growth	Large Growth	5.9	21.9	12.7	15.3	9.1
Russell 1000 Value	Large Value	3.1	15.1	8.5	13.2	5.9
Russell 2000	Small Core	5.7	20.7	12.2	13.8	7.8
Russell 2000 Growth	Small Growth	6.2	21.0	12.2	14.3	8.5
Russell 2000 Value	Small Value	5.1	20.5	12.1	13.3	7.1
Russell 3000	All Cap Core	4.6	18.7	10.7	14.2	7.6
International Equity						
MSCI World ex. U.S.	World ex. U.S.	5.6	18.7	4.6	7.8	1.3
MSCI EAFE	Int'l Developed	5.4	19.1	5.0	8.4	1.3
MSCI EAFE (Local)	Int'l Developed (Local)	3.4	19.0	7.9	12.3	2.6
MSCI Emerging Markets	Emerg. Markets	7.9	22.5	4.9	4.0	1.3
MSCI Emerging Markets (Local)	Emerg. Markets (Local)	7.6	21.8	8.5	7.9	3.9
Global Fixed Income						
Barclays Global Aggregate	Global Core Bonds	1.8	-1.3	1.3	0.5	3.3
Citi WGBI	World Gov. Bonds	1.8	-2.7	0.9	-0.4	3.0
S&P Global Leveraged Loan	Bank Loans	1.7	6.5	3.5	4.0	4.5
JPM GBI-EM GD	Emerg. Bonds (Local)	2.2	6.5	7.6	6.4	8.3
JPM EMBI Global TR	Emerg. Bonds	2.4	4.2	6.1	4.3	7.3
Domestic Fixed Income						
Barclays U.S. Aggregate	Core Bonds	0.8	0.1	2.7	2.1	4.3
Barclays U.S. High Yield	High Yield	2.0	8.9	5.8	6.4	7.8
Barclays U.S. TIPS	Inflation	0.9	-0.7	1.6	0.0	3.9
Other						
Cambridge Assoc. PE Index (1Q-Lag)	Private Equity	5.0	15.9	10.8	13.9	8.9
NCREIF Property	Real Estate	1.7	6.9	9.8	10.3	6.2
Bloomberg Commodities	Commodities	2.5	-0.3	-10.4	-10.5	-6.8
DJ Brookfield Global Infrastructure	Infrastructure	3.3	9.2	4.0	9.0	7.0
S&P Global Natural Resources	Natural Resources	10.8	20.5	1.3	1.1	-0.7
HFRI Macro (Total)	Hedge Funds	0.6	-0.8	0.6	0.7	2.0



3Q17 Review

Total Fund Aggregate

As of September 30, 2017



Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Total Global Equity	\$35,474,073	28.7%	43.0%	-14.3%	25.0% - 50.0%	Yes
Total Global Fixed Income	\$33,566,166	27.2%	15.0%	12.2%	5.0% - 25.0%	No
Total Real Assets	\$15,944,157	12.9%	22.0%	-9.1%	12.0% - 25.0%	Yes
Total GTAA	\$20,106,857	16.3%	20.0%	-3.7%	0.0% - 25.0%	Yes
Total Cash	\$18,523,343	15.0%	0.0%	15.0%	0.0% - 5.0%	No
Total	\$123,614,595	100.0%	100.0%			

As of September 30, 2017

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Health Care Trust	123,614,595	100.0	2.4	2.4	7.7	7.6	3.5	4.9	--	5.1	Jul-12
Policy Benchmark			3.6	3.6	10.9	10.5	5.3	5.9	--	6.1	Jul-12
Allocation Index			2.5	2.5	7.1	7.5	4.7	5.8	--	6.0	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Median			2.0	2.0	6.2	6.3	4.8	5.0	5.0	5.3	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Rank			42	42	38	36	77	53	--	54	Jul-12
Global Equity Composite	35,474,073	28.7	5.3	5.3	17.6	18.9	8.0	10.7	--	11.6	Aug-12
MSCI ACWI IMI (Net)			5.3	5.3	17.2	18.7	7.7	10.4	--	11.2	Aug-12
eA All Global Equity Net Median			5.0	5.0	17.1	17.9	7.8	10.7	4.4	11.4	Aug-12
eA All Global Equity Net Rank			46	46	46	42	45	50	--	46	Aug-12
Global Fixed Income Composite	33,566,166	27.2	0.8	0.8	3.2	0.0	2.7	2.0	--	2.0	Aug-12
BBgBarc US Aggregate TR			0.8	0.8	3.1	0.1	2.7	2.1	--	2.0	Aug-12
eA All US Fixed Inc Net Median			0.9	0.9	3.4	1.1	2.9	2.5	4.4	2.5	Aug-12
eA All US Fixed Inc Net Rank			57	57	53	88	55	61	--	63	Aug-12
Real Assets	15,944,157	12.9	2.4	2.4	4.0	4.3	--	--	--	4.1	Jul-15
Real Assets Custom Benchmark			1.9	1.9	3.4	3.4	--	--	--	3.4	Jul-15
Real Estate Composite	7,043,935	5.7	0.9	0.9	3.5	0.4	9.5	9.5	--	8.7	Aug-12
MSCI US REIT Gross			0.9	0.9	3.6	0.5	9.7	9.6	--	8.8	Aug-12
eA US REIT Net Median			0.7	0.7	3.4	0.5	9.7	9.4	6.2	8.8	Aug-12
eA US REIT Net Rank			45	45	49	54	62	48	--	57	Aug-12
Commodities Composite	7,572,146	6.1	3.2	3.2	4.8	8.1	-7.2	-6.7	--	-6.7	Oct-12
Bloomberg Commodity Index TR USD			2.5	2.5	-2.9	-0.3	-10.4	-10.5	--	-10.5	Oct-12
Infrastructure Composite	1,328,076	1.1	6.0	6.0	1.9	5.0	-4.9	--	--	-3.9	Jan-14
DJ Brookfield Global Infrastructure Net TR USD			3.3	3.3	15.2	9.2	4.0	--	--	7.0	Jan-14

¹ Fiscal Year begins July 1.

As of September 30, 2017

Trailing Net Performance

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Global Equity Composite	35,474,073	28.7	5.3	5.3	17.6	18.9	8.0	10.7	--	11.6	Aug-12
MSCI ACWI IMI (Net)			5.3	5.3	17.2	18.7	7.7	10.4	--	11.2	Aug-12
eA All Global Equity Net Median			5.0	5.0	17.1	17.9	7.8	10.7	4.4	11.4	Aug-12
eA All Global Equity Net Rank			46	46	46	42	45	50	--	46	Aug-12
Vanguard Total World Stock Index Fund	35,474,073	28.7	5.3	5.3	17.6	18.9	8.0	10.7	--	11.6	Aug-12
MSCI ACWI IMI (Net)			5.3	5.3	17.2	18.7	7.7	10.4	--	11.2	Aug-12
eA All Global Equity Net Median			5.0	5.0	17.1	17.9	7.8	10.7	4.4	11.4	Aug-12
eA All Global Equity Net Rank			46	46	46	42	45	50	--	46	Aug-12
Global Fixed Income Composite	33,566,166	27.2	0.8	0.8	3.2	0.0	2.7	2.0	--	2.0	Aug-12
BBgBarc US Aggregate TR			0.8	0.8	3.1	0.1	2.7	2.1	--	2.0	Aug-12
eA All US Fixed Inc Net Median			0.9	0.9	3.4	1.1	2.9	2.5	4.4	2.5	Aug-12
eA All US Fixed Inc Net Rank			57	57	53	88	55	61	--	63	Aug-12
Vanguard Total Bond Market Index Fund	33,566,166	27.2	0.8	0.8	3.2	0.0	2.7	2.0	--	2.0	Aug-12
BBgBarc US Aggregate TR			0.8	0.8	3.1	0.1	2.7	2.1	--	2.0	Aug-12
eA All US Fixed Inc Net Median			0.9	0.9	3.4	1.1	2.9	2.5	4.4	2.5	Aug-12
eA All US Fixed Inc Net Rank			57	57	53	88	55	61	--	63	Aug-12
Real Assets	15,944,157	12.9	2.4	2.4	4.0	4.3	--	--	--	4.1	Jul-15
Real Assets Custom Benchmark			1.9	1.9	3.4	3.4	--	--	--	3.4	Jul-15
Real Estate Composite	7,043,935	5.7	0.9	0.9	3.5	0.4	9.5	9.5	--	8.7	Aug-12
MSCI US REIT Gross			0.9	0.9	3.6	0.5	9.7	9.6	--	8.8	Aug-12
eA US REIT Net Median			0.7	0.7	3.4	0.5	9.7	9.4	6.2	8.8	Aug-12
eA US REIT Net Rank			45	45	49	54	62	48	--	57	Aug-12

¹ Fiscal Year begins July 1.

Total Fund Aggregate

As of September 30, 2017

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Vanguard REIT Index Fund	7,043,935	5.7	0.9	0.9	3.5	0.4	9.5	9.5	--	8.7	Aug-12
<i>MSCI US REIT</i>			0.6	0.6	2.7	-0.7	8.3	8.2	--	7.5	Aug-12
<i>eA US REIT Net Median</i>			0.7	0.7	3.4	0.5	9.7	9.4	6.2	8.8	Aug-12
<i>eA US REIT Net Rank</i>			45	45	49	54	62	48	--	57	Aug-12
Commodities Composite	7,572,146	6.1	3.2	3.2	4.8	8.1	-7.2	-6.7	--	-6.7	Oct-12
<i>Bloomberg Commodity Index TR USD</i>			2.5	2.5	-2.9	-0.3	-10.4	-10.5	--	-10.5	Oct-12
Credit Suisse	7,572,146	6.1	3.2	3.2	4.8	8.1	-7.2	-5.9	--	-5.6	Nov-12
<i>Bloomberg Commodity Index TR USD</i>			2.5	2.5	-2.9	-0.3	-10.4	-10.5	--	-9.9	Nov-12
Infrastructure Composite	1,328,076	1.1	6.0	6.0	1.9	5.0	-4.9	--	--	-3.9	Jan-14
<i>DJ Brookfield Global Infrastructure Net TR USD</i>			3.3	3.3	15.2	9.2	4.0	--	--	7.0	Jan-14
Wellington	1,328,076	1.1	6.0	6.0	1.9	5.0	-4.9	--	--	-3.9	Jan-14
<i>CPI + 5% (Unadjusted)</i>			2.0	2.0	6.0	7.3	6.3	--	--	6.6	Jan-14
GTAA Composite	20,106,857	16.3	1.9	1.9	6.6	6.8	1.2	--	--	0.2	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			3.6	3.6	12.1	9.4	5.1	--	--	3.9	Sep-14
GMO	3,510,045	2.8	2.2	2.2	10.0	8.8	2.6	--	--	1.9	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			3.6	3.6	12.1	9.4	5.1	--	--	3.9	Sep-14
PIMCO	8,718,658	7.1	3.2	3.2	9.7	8.8	1.7	--	--	0.3	Sep-14
<i>CPI + 6.5% (Seasonally Adjusted)</i>			2.7	2.7	6.4	9.0	7.8	--	--	7.8	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			3.6	3.6	12.1	9.4	5.1	--	--	3.9	Sep-14
Standard Life	7,878,154	6.4	0.4	0.4	1.9	3.8	--	--	--	0.3	Feb-15
<i>91-Day T-Bills + 5%</i>			1.5	1.5	4.4	5.8	--	--	--	5.4	Feb-15
<i>60% MSCI World & 40% Citigroup WGBI</i>			3.6	3.6	12.1	9.4	--	--	--	6.2	Feb-15

¹ Fiscal Year begins July 1.

Total Fund Aggregate

As of September 30, 2017

Cash Flow Summary

Quarter Ending September 30, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$17,636,296	\$17,885,411	-\$17,041,443	\$843,968	\$43,080	\$18,523,343
Credit Suisse	\$7,337,802	\$0	-\$7,232	-\$7,232	\$241,575	\$7,572,146
GMO	\$3,432,850	\$0	\$0	\$0	\$77,195	\$3,510,045
PIMCO	\$8,451,037	\$0	\$0	\$0	\$267,621	\$8,718,658
Standard Life	\$7,848,305	\$0	-\$14,946	-\$14,946	\$44,795	\$7,878,154
Vanguard REIT Index Fund	\$6,981,720	\$0	\$0	\$0	\$62,215	\$7,043,935
Vanguard Total Bond Market Index Fund	\$16,296,768	\$17,000,000	\$0	\$17,000,000	\$269,398	\$33,566,166
Vanguard Total World Stock Index Fund	\$33,700,142	\$0	\$0	\$0	\$1,773,930	\$35,474,073
Wellington	\$1,252,917	\$0	-\$2,836	-\$2,836	\$77,996	\$1,328,076
Total	\$102,937,838	\$34,885,411	-\$17,066,457	\$17,818,954	\$2,857,804	\$123,614,595

Cash Flow Summary

Fiscal YTD Ending September 30, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$17,636,296	\$17,885,411	-\$17,041,443	\$843,968	\$43,080	\$18,523,343
Credit Suisse	\$7,337,802	\$0	-\$7,232	-\$7,232	\$241,575	\$7,572,146
GMO	\$3,432,850	\$0	\$0	\$0	\$77,195	\$3,510,045
PIMCO	\$8,451,037	\$0	\$0	\$0	\$267,621	\$8,718,658
Standard Life	\$7,848,305	\$0	-\$14,946	-\$14,946	\$44,795	\$7,878,154
Vanguard REIT Index Fund	\$6,981,720	\$0	\$0	\$0	\$62,215	\$7,043,935
Vanguard Total Bond Market Index Fund	\$16,296,768	\$17,000,000	\$0	\$17,000,000	\$269,398	\$33,566,166
Vanguard Total World Stock Index Fund	\$33,700,142	\$0	\$0	\$0	\$1,773,930	\$35,474,073
Wellington	\$1,252,917	\$0	-\$2,836	-\$2,836	\$77,996	\$1,328,076
Total	\$102,937,838	\$34,885,411	-\$17,066,457	\$17,818,954	\$2,857,804	\$123,614,595

¹ Fiscal Year begins July 1.

Total Fund Aggregate

As of September 30, 2017

Cash Flow Summary

1 Year Ending September 30, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$16,373,826	\$19,172,007	-\$17,129,626	\$2,042,380	\$107,137	\$18,523,343
Credit Suisse	\$7,004,663	\$0	-\$28,386	-\$28,386	\$595,869	\$7,572,146
GMO	\$3,227,461	\$0	\$0	\$0	\$282,584	\$3,510,045
PIMCO	\$8,013,115	\$0	\$0	\$0	\$705,543	\$8,718,658
Standard Life	\$7,592,149	\$0	-\$51,941	-\$51,941	\$337,946	\$7,878,154
Vanguard REIT Index Fund	\$7,014,176	\$0	\$0	\$0	\$29,759	\$7,043,935
Vanguard Total Bond Market Index Fund	\$16,434,304	\$17,000,000	\$0	\$17,000,000	\$131,862	\$33,566,166
Vanguard Total World Stock Index Fund	\$29,824,666	\$0	\$0	\$0	\$5,649,406	\$35,474,073
Wellington	\$1,265,237	\$0	-\$11,447	-\$11,447	\$74,286	\$1,328,076
Total	\$96,749,597	\$36,172,007	-\$17,221,401	\$18,950,606	\$7,914,393	\$123,614,595

Cash Flow Summary Since Inception

Ending September 30, 2017

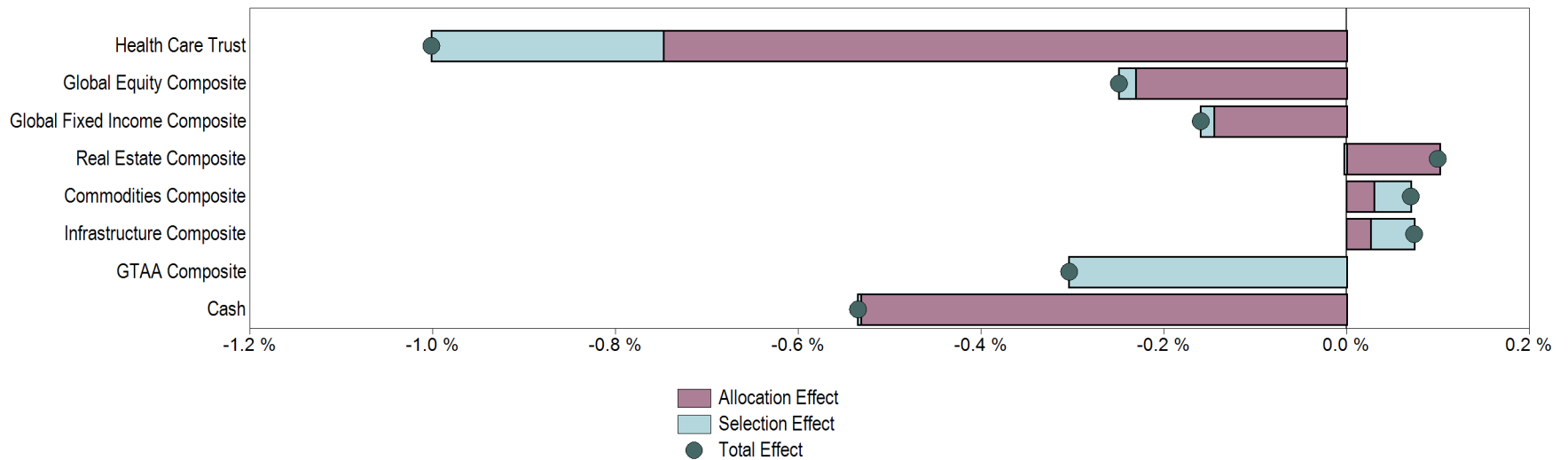
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$0	\$115,713,094	-\$97,297,648	\$18,415,446	\$107,897	\$18,523,343
Credit Suisse	--	\$8,800,000	-\$583,453	\$8,216,547	-\$644,401	\$7,572,146
First Quadrant	--	\$890,000	-\$742,610	\$147,390	-\$147,390	--
GMO	--	\$3,950,000	-\$704,232	\$3,245,768	\$264,277	\$3,510,045
PIMCO	--	\$8,150,000	-\$73,188	\$8,076,812	\$641,846	\$8,718,658
Standard Life	--	\$7,800,000	-\$51,941	\$7,748,059	\$130,095	\$7,878,154
Vanguard REIT Index Fund	--	\$4,988,695	-\$16,554	\$4,972,141	\$2,071,794	\$7,043,935
Vanguard Total Bond Market Index Fund	--	\$36,110,434	-\$4,227,831	\$31,882,603	\$1,683,563	\$33,566,166
Vanguard Total World Stock Index Fund	--	\$24,671,390	-\$121,989	\$24,549,401	\$10,924,672	\$35,474,073
Wellington	--	\$1,590,000	-\$39,258	\$1,550,742	-\$222,665	\$1,328,076
Total	\$0	\$212,663,613	-\$103,858,705	\$108,804,907	\$14,809,688	\$123,614,595

¹ Fiscal Year begins July 1.

Attribution Summary
3 Months Ending September 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	5.3%	5.3%	-0.1%	0.0%	-0.2%	-0.2%
Global Fixed Income Composite	0.8%	0.8%	0.0%	0.0%	-0.1%	-0.2%
Real Estate Composite	0.9%	0.9%	0.0%	0.0%	0.1%	0.1%
Commodities Composite	3.2%	2.5%	0.7%	0.0%	0.0%	0.1%
Infrastructure Composite	6.0%	2.0%	4.0%	0.0%	0.0%	0.1%
GTAA Composite	1.9%	3.6%	-1.7%	-0.3%	0.0%	-0.3%
Cash	0.2%	0.3%	0.0%	0.0%	-0.5%	-0.5%
Total	2.5%	3.5%	-1.0%	-0.3%	-0.7%	-1.0%

Attribution Effects
3 Months Ending September 30, 2017



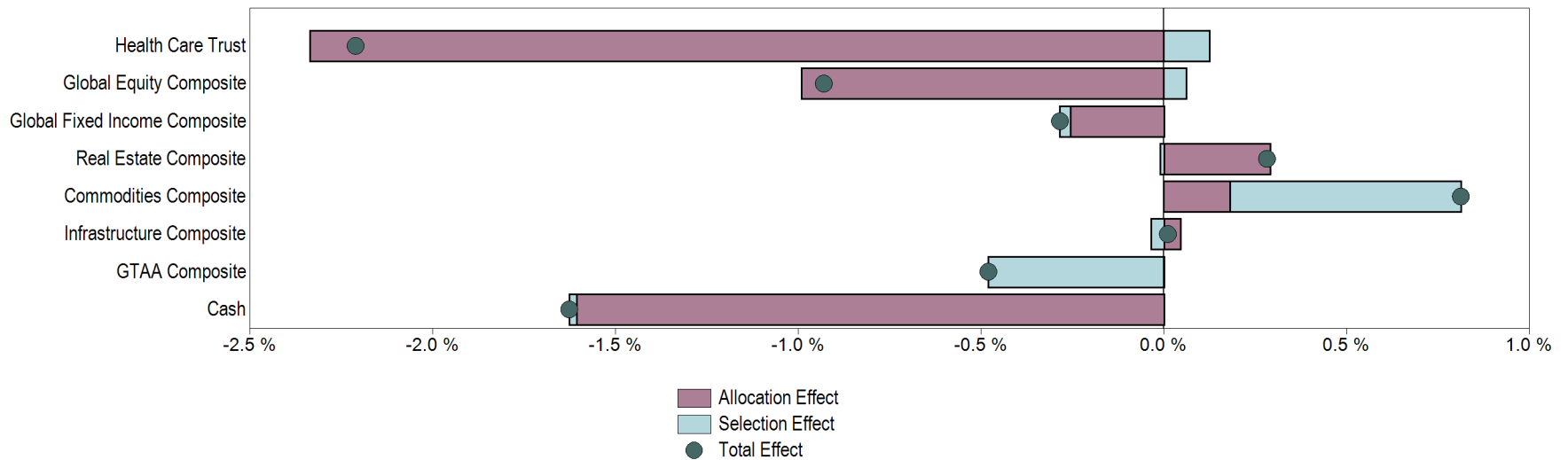
¹ Fiscal Year begins July 1.



Attribution Summary
1 Year Ending September 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	18.9%	18.7%	0.2%	0.1%	-1.0%	-0.9%
Global Fixed Income Composite	0.0%	0.1%	-0.1%	0.0%	-0.3%	-0.3%
Real Estate Composite	0.4%	0.5%	-0.1%	0.0%	0.3%	0.3%
Commodities Composite	8.1%	-0.3%	8.4%	0.6%	0.2%	0.8%
Infrastructure Composite	5.0%	7.3%	-2.4%	0.0%	0.0%	0.0%
GTAA Composite	6.8%	9.4%	-2.7%	-0.5%	0.0%	-0.5%
Cash	0.6%	0.7%	-0.1%	0.0%	-1.6%	-1.6%
Total	7.8%	10.0%	-2.2%	0.1%	-2.3%	-2.2%

Attribution Effects
1 Year Ending September 30, 2017



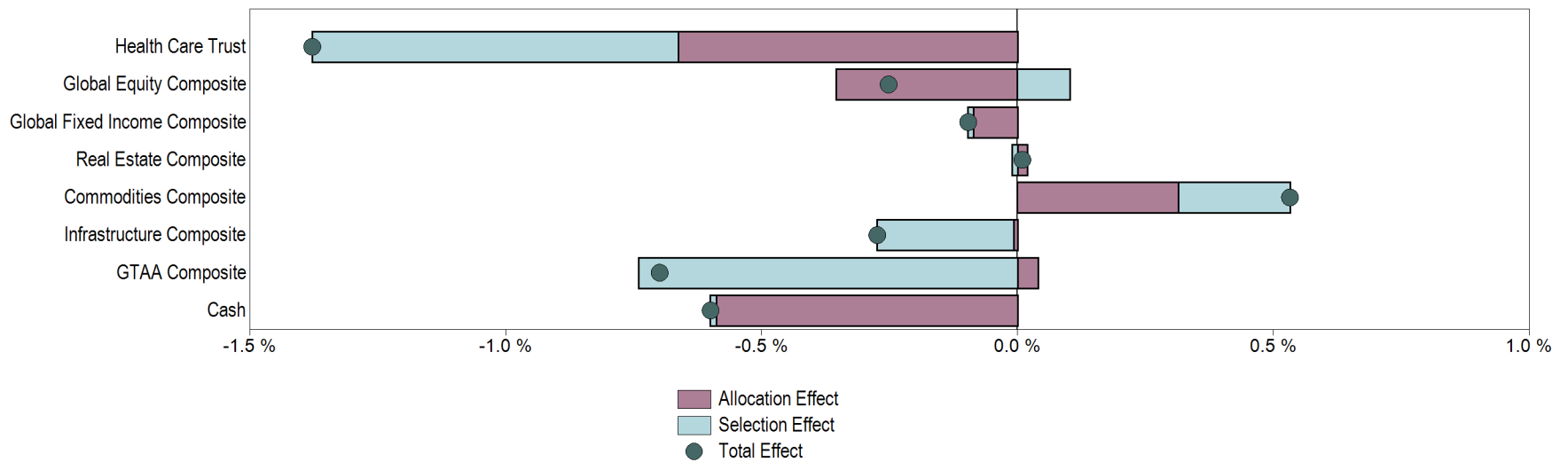
¹ Fiscal Year begins July 1.



Attribution Summary
3 Years Ending September 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	8.0%	7.7%	0.3%	0.1%	-0.4%	-0.3%
Global Fixed Income Composite	2.7%	2.7%	0.0%	0.0%	-0.1%	-0.1%
Real Estate Composite	9.5%	9.7%	-0.1%	0.0%	0.0%	0.0%
Commodities Composite	-7.2%	-10.4%	3.2%	0.2%	0.3%	0.5%
Infrastructure Composite	-4.9%	6.3%	-11.2%	-0.3%	0.0%	-0.3%
GTAA Composite	1.2%	5.1%	-3.9%	-0.7%	0.0%	-0.7%
Cash	0.2%	0.3%	-0.1%	0.0%	-0.6%	-0.6%
Total	3.7%	5.1%	-1.4%	-0.7%	-0.7%	-1.4%

Attribution Effects
3 Years Ending September 30, 2017



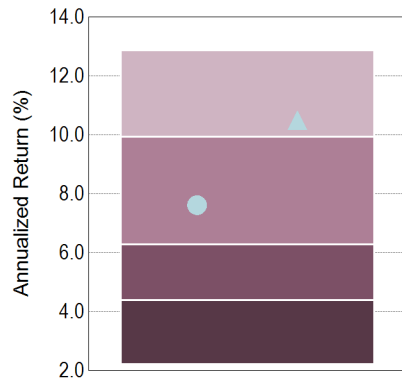
¹ Fiscal Year begins July 1.



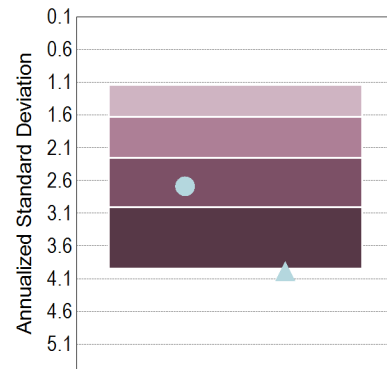
Total Fund Risk Statistics vs. Peer Universe (Trailing 1 Year)

As of September 30, 2017

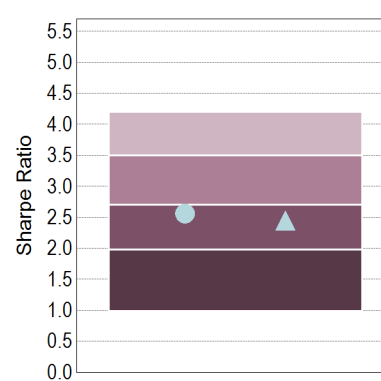
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



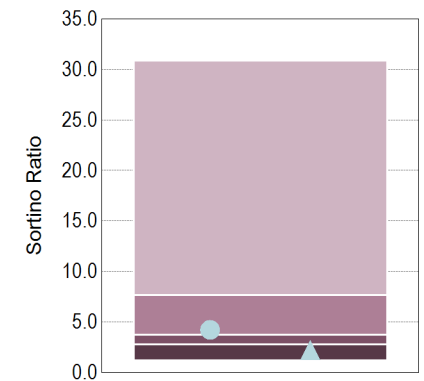
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



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



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



● Health Care Trust	
Value	7.6
Rank	36
▲ Policy Benchmark	
Value	10.5
Rank	24
Universe	
5th %tile	12.9
25th %tile	10.0
Median	6.3
75th %tile	4.4
95th %tile	2.2

● Health Care Trust	
Value	2.7
Rank	63
▲ Policy Benchmark	
Value	4.0
Rank	96
Universe	
5th %tile	1.1
25th %tile	1.6
Median	2.2
75th %tile	3.0
95th %tile	3.9

● Health Care Trust	
Value	2.6
Rank	54
▲ Policy Benchmark	
Value	2.4
Rank	55
Universe	
5th %tile	4.2
25th %tile	3.5
Median	2.7
75th %tile	2.0
95th %tile	1.0

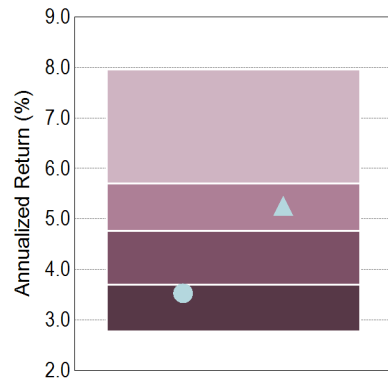
● Health Care Trust	
Value	4.2
Rank	45
▲ Policy Benchmark	
Value	2.2
Rank	86
Universe	
5th %tile	30.9
25th %tile	7.7
Median	3.8
75th %tile	2.8
95th %tile	1.2



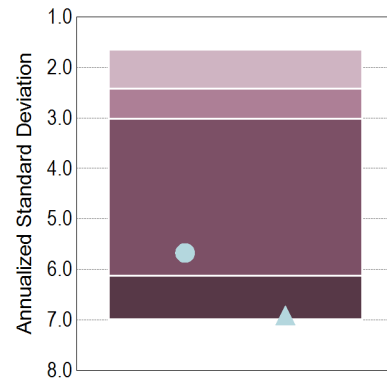
Total Fund Risk Statistics vs. Peer Universe (Trailing 3 Years)

As of September 30, 2017

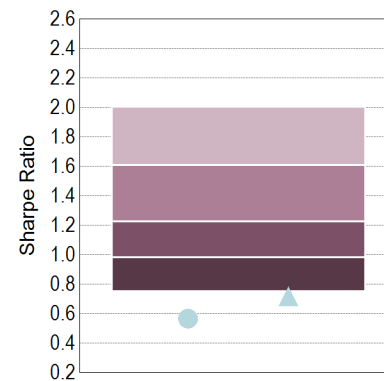
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



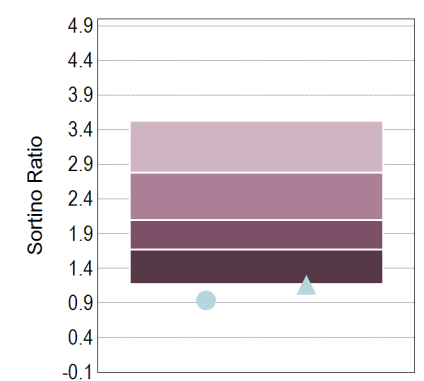
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



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



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



● Health Care Trust	
Value	3.5
Rank	77
▲ Policy Benchmark	
Value	5.3
Rank	35
Universe	
5th %tile	8.0
25th %tile	5.7
Median	4.8
75th %tile	3.7
95th %tile	2.8

● Health Care Trust	
Value	5.7
Rank	73
▲ Policy Benchmark	
Value	6.9
Rank	95
Universe	
5th %tile	1.7
25th %tile	2.4
Median	3.0
75th %tile	6.1
95th %tile	7.0

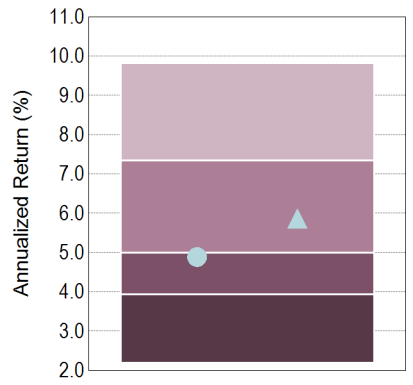
● Health Care Trust	
Value	0.6
Rank	99
▲ Policy Benchmark	
Value	0.7
Rank	97
Universe	
5th %tile	2.0
25th %tile	1.6
Median	1.2
75th %tile	1.0
95th %tile	0.8

● Health Care Trust	
Value	0.9
Rank	99
▲ Policy Benchmark	
Value	1.2
Rank	96
Universe	
5th %tile	3.5
25th %tile	2.8
Median	2.1
75th %tile	1.7
95th %tile	1.2

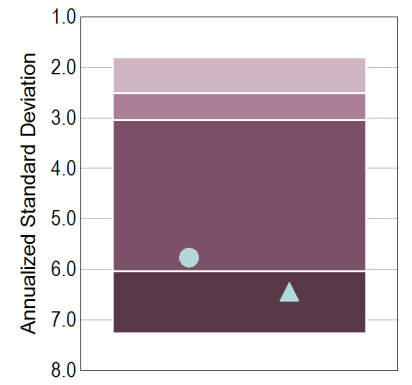
Total Fund Risk Statistics vs. Peer Universe (Trailing 5 Years)

As of September 30, 2017

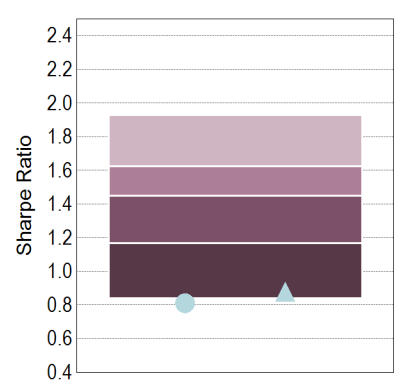
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



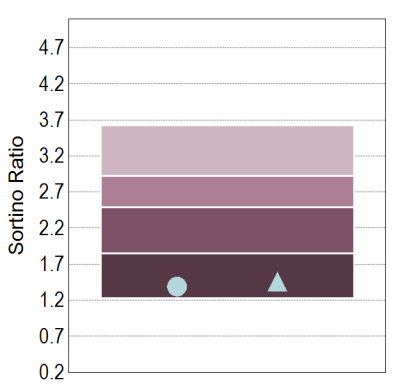
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



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



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



● Health Care Trust	
Value	4.9
Rank	53
▲ Policy Benchmark	
Value	5.9
Rank	34
Universe	
5th %tile	9.8
25th %tile	7.4
Median	5.0
75th %tile	4.0
95th %tile	2.2

● Health Care Trust	
Value	5.8
Rank	74
▲ Policy Benchmark	
Value	6.4
Rank	88
Universe	
5th %tile	1.8
25th %tile	2.5
Median	3.0
75th %tile	6.0
95th %tile	7.3

● Health Care Trust	
Value	0.8
Rank	96
▲ Policy Benchmark	
Value	0.9
Rank	92
Universe	
5th %tile	1.9
25th %tile	1.6
Median	1.5
75th %tile	1.2
95th %tile	0.8

● Health Care Trust	
Value	1.4
Rank	94
▲ Policy Benchmark	
Value	1.5
Rank	93
Universe	
5th %tile	3.6
25th %tile	2.9
Median	2.5
75th %tile	1.9
95th %tile	1.2



Benchmark History

As of September 30, 2017

Health Care Trust		
2/1/2017	Present	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Bloomberg Commodity Index TR USD / 3% CPI + 5% (Unadjusted) / 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
Global Fixed Income Composite		
8/1/2012	Present	BBgBarc US Aggregate TR
Real Assets		
7/1/2015	Present	Real Assets Custom Benchmark
Real Estate Composite		
8/1/2012	Present	MSCI US REIT Gross
Liquid Real Assets Composite		
		No Benchmark Selected
Commodities Composite		
10/1/2012	Present	Bloomberg Commodity Index TR USD
Infrastructure Composite		
1/1/2014	Present	DJ Brookfield Global Infrastructure Net TR USD
GTAA Composite		
9/1/2014	Present	60% MSCI World / 40% Citi WGBI
Cash		
7/1/2012	Present	91 Day T-Bills