

FUND EVALUATION REPORT

San Jose Federated City Employees' Retirement System

Quarterly Review
March 31, 2016



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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.

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Executive Summary
As of March 31, 2016

The value of the San Jose Federated City Employees' Retirement System assets was \$1.93 billion on March 31, 2016, a decrease of approximately \$13 million from the end of the fourth quarter. The Retirement System had \$50.6 million of net outflows, offset by positive investment performance.

- The Retirement System's net of fees performance for the quarter, including the overlay, was +1.6%. The peer Public Plans > \$1 Billion Universe's median return was +0.9% for the quarter, so the Retirement System ranked in the top quartile.
- The Retirement System, including the overlay, underperformed the Policy and Custom Benchmarks for the quarter and fiscal year-to-date periods. Over the five-year trailing period, the Retirement System was 0.5% behind the Policy Benchmark, and in line with the Custom Benchmark.
 - Natural Resources and Infrastructure were the best absolute performing asset classes for the quarter, returning +8.5% and +8.2%, respectively.
 - Global Equity returned -0.4% for the quarter, underperforming the MSCI ACWI IMI benchmark's return of +0.3%.
 - Non-Investment Grade Credit had the highest relative underperformance. For the quarter, Non-Investment Grade Credit returned -1.5% versus +2.6% for the custom benchmark (50% BAML Global HY/50% S&P Global Leveraged Loan). The main driver of the underperformance was the Claren Road Credit Fund, Ltd., which had been terminated, but maintained a balance of \$12.6 million as of March 31, 2016.
- The Retirement System added two investment managers during the first quarter: Tristan Capital Partners, L.P. (Commodities), and Pharo (Global Macro). Subsequent to the end of the quarter, Vontobel Emerging Markets was terminated by the Retirement System.

Cove Street

- Cove Street Small Cap Value returned 5.5% net of fees for the quarter vs. the Russell 2000 Value's return of 1.7%. Cove Street outperformed the benchmark for the fiscal year-to-date and 1-year periods by 4.7% and 8.0%, respectively. Cove Street's positions in Carrols Restaurants Group Inc. and ViaSat Inc. were strong performers for the quarter. Carrols benefited as an offshoot of 3G Capital's (Burger King's owner) improvements in menus and marketing, while ViaSat was aided by a major competitor's contract to American Airlines being revoked as American Airlines opted to look for another provider. ViaSat was considered the front runner to win the contract.

Aberdeen

- Aberdeen Frontier Markets Equity returned -3.1% net of fees for the quarter, underperforming the MSCI Frontier Markets benchmark's return of -0.9%. Aberdeen is in line with the benchmark over the fiscal year to date period, and has outperformed over the trailing 1-year. For the quarter, Aberdeen's overweight position in Sri Lanka was the largest detractor, as the country took steps to rebalance their economy, including dealing with twin deficits.

Marshall Wace

- Marshall Wace Eureka Fund returned -5.1% for the quarter, underperforming the HFRI Equity Hedge (Long/Short Equity) benchmark's return of -1.7%. Over the fiscal year-to-date and 1-year periods, Marshall Wace outperformed the benchmark by 4.4% and 5.7%, respectively. For the quarter, Marshall Wace's absolute return was negatively impacted by Global Financials (Fundamental and Emerging Growth), Overlay, and European Fundamental strategies, while the TOPS European and Japan MN Fundamental strategies were positive contributors.

Claren Road

- Claren Road experienced significant underperformance. Claren Road has already been terminated by the Retirement System.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Artisan Global Value	Global Equity	---	---	---	---
Vontobel EM Equity	Emerging Markets Equity	Yes	---	Terminate	CIO Departure
Oberweis International Opps.	Int'l Small Cap Equity	---	---	---	---
Cove Street Small Cap Value	Small Cap Equity	Yes	---	Hold	Ownership Interest Distribution
Aberdeen Frontier Markets Equity	Frontier Markets Equity	Yes	---	Hold	Acquisitions; Personnel Changes
Senator Global Opportunity	Long-Short Equity	---	---	---	---
Horizon Portfolio I	Long-Short Equity	---	---	---	---
Sandler Plus	Long-Short Equity	Yes	---	---	---
Marshall Wace Eureka	Long-Short Equity	---	---	---	---
Voya Securitized Credit	Global Credit	---	---	---	---
Davidson Kempner Inst.	Long-Short Credit	Yes	---	Hold	Organizational Structure Changes
BlueBay EM Select Debt	Global Credit	---	---	---	---
Credit Suisse Risk Parity	Commodities	Yes	---	Hold	Personnel Changes
Pinnacle Natural Resources	Commodities	---	---	---	---
First Quadrant Balanced Risk	Commodities	---	---	---	---

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

Vontobel

- On March 7, 2016, Vontobel announced that Rajiv Jain, Chief Investment Officer, Co-Chief Executive Officer and Portfolio Manager of the Vontobel Emerging Markets Equity, International Equity, and Global Equity strategies, had resigned. Mr. Jain will stay at the firm through the end of May 2016 to transition his portfolio management responsibilities. The strategy was terminated subsequent to the end of the first quarter.

Cove Street

- Majority shareholder Jeff Bronchick distributed 5% of the firm out of his interest to five employees that span all functions of the firm. After the distribution, Mr. Bronchick's ownership was reduced from 90% to 85%.

Aberdeen

- In December 2015, Aberdeen completed the acquisition of Arden Asset Management LLC, a provider of hedge fund solutions with offices in New York and London. Certain Arden vehicles were named in October 2010 in claims by the Fairfield Sentry Foreign Representatives in bankruptcy and in January 2012 the Madoff trustee in bankruptcy based on certain Arden vehicles having been past redeemers from so-called feeder funds. The Arden management company is bearing all expenses relating to these claims and AAMI believes there will be any recovery under the claims. Accordingly, the claims are expected to be resolved without any materially detrimental impact to AAMI.
- In January 2016, Aberdeen completed the acquisition of Parmenion, a financial technology company based in Bristol.
- During the quarter, Chou Chong, Investment Director, left the firm and Felicia Budiman, Investment Analyst, joined the investment team.

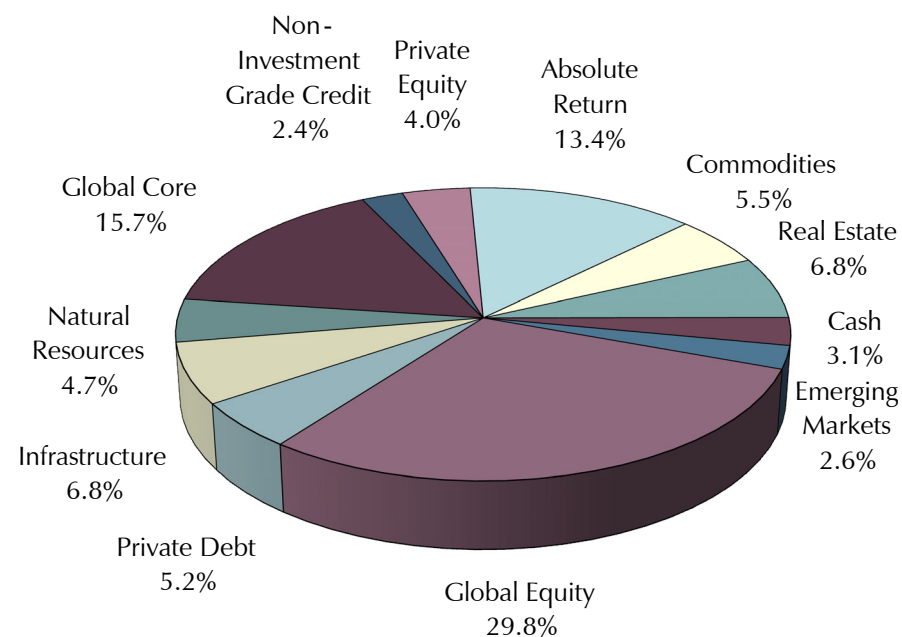
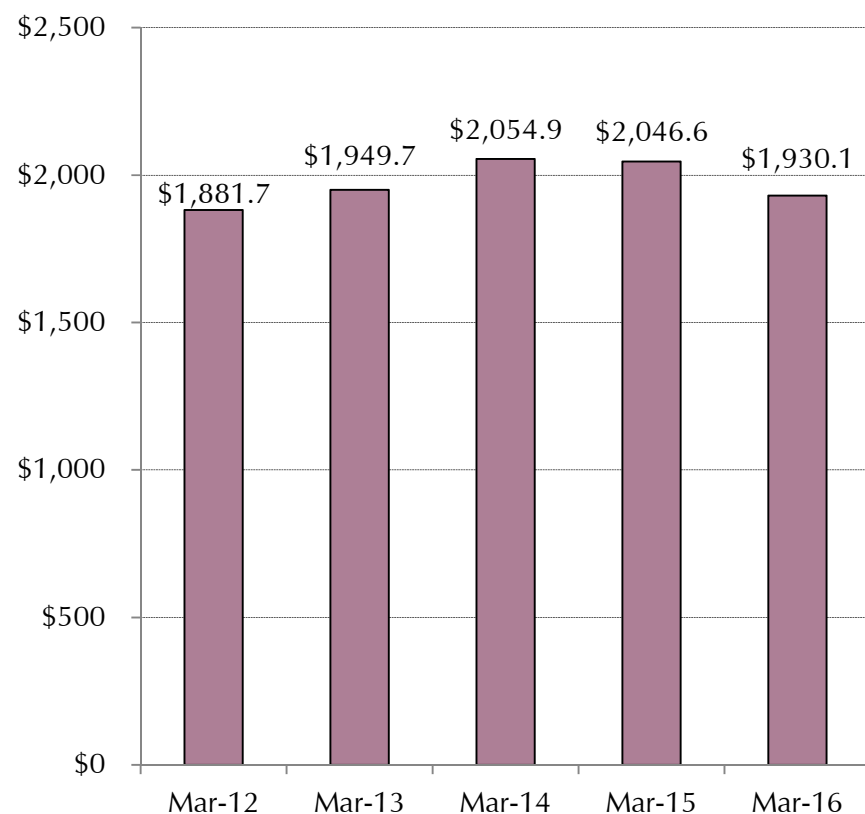
Davidson Kempner

- On January 1, 2016, two additional members were added to the Management Committee.
- On January 1, 2016, the firm formed an Investment Committee that is chaired by Tony Yoseloff and includes Conor Bastable, Michael Herzog and Tom Kempner. The Investment Committee's primary goal is to "look at the portfolios holistically across the firm," and "allow the firm to consider improvements to their investment process and further facilitate the transmission of ideas and information across investment areas."

Credit Suisse

- On March 28, 2016, Credit Suisse announced that Bob Jain, Global Head of Asset Management, had decided to leave the firm. Mr. Jain's replacement has yet to be announced and he will remain at Credit Suisse through June to assist with the transition.

Plan Summary
As of March 31, 2016



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

San Jose Federated City Employees' Retirement System

Aggregate Assets Asset Summary as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Retirement System	Russell Overlay Net Position ¹ (%)	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total Fund Aggregate	1,930.1	100.0	100.0	NA	NA	1,942.7
Equity Assets	651.6	33.8	38.0	37	30-44	638.8
Global Equity ²	574.7	29.8	34.0	28	20-36	559.0
<i>Long-Short Equity</i>	114.1	5.9	5.9	6	3-9	116.6
Private Equity	76.9	4.0	4.0	9	4-14	79.8
Fixed Income Assets	399.9	20.7	18.6	19	9-29	401.8
Global Core	303.8	15.7	13.6	12	7-17	298.5
Non-Investment Grade Credit	46.9	2.4	2.4	4	0-6	56.7
Emerging Markets	49.3	2.6	2.6	3	0-5	46.6
Private Debt	101.3	5.2	5.2	5	0-10	104.3
Real Assets	459.4	23.8	23.8	23	15-30	432.6
Real Estate	131.1	6.8	6.8	7	4-10	121.7
Commodities	106.1	5.5	5.5	6	2-10	105.7
Infrastructure	130.8	6.8	6.8	5	2-8	120.9
Natural Resources	91.5	4.7	4.7	5	2-8	84.3
Absolute Return Assets	259.0	13.4	13.4	11	6-16	251.7
GTAA/Opportunistic	0.0	0.0	0.0	5	0-7	0.0
Cash³	58.9	3.1	1.0	0	0-5	113.5

¹ Data in the column titled "Russell Overlay Net Position" is based on physical exposures, adjusted for synthetic positions provided by Russell Investments.

² Global Equity includes <\$0.1 million of residuals from terminated managers or previous transitions.

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



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total Fund Aggregate	1,930.1	NA	100.0	NA	NA	1,942.7
Equity Assets	651.6	100.0	33.8	37	30-44	638.8
Global Equity¹	574.7	100.0	29.8	28	20-36	559.0
Artisan Global Value	133.9	23.3	6.9			131.7
Northern Trust MSCI EAFE Index-NL	129.8	22.6	6.7			122.3
Vontobel Emerging Markets Equity	67.5	11.8	3.5			66.0
Northern Trust Russell 3000 Index	55.2	9.6	2.9			54.6
Oberweis International Opportunities	29.1	5.1	1.5			24.5
Cove Street Small Cap Value	28.2	4.9	1.5			24.8
Aberdeen Frontier Markets Equity	17.1	3.0	0.9			17.6
Russell Currency Hedge ²	-0.2	0.0	0.0			0.9
Long-Short Equity	114.1	19.8	5.9	6	3-9	116.6
Senator Global Opportunity Offshore Fund	34.4	6.0	1.8			35.4
Horizon Portfolio I	31.6	5.5	1.6			31.6
Sandler Plus Offshore Fund	24.9	4.3	1.3			25.3
Marshall Wace Eureka Fund	23.1	4.0	1.2			24.3

¹ Global Equity includes <\$0.1 million of residuals from terminated managers or previous transitions.

² The System initiated a partial currency hedge on August 21, 2015 of the following currencies: Australian Dollar, Canadian Dollar, Swiss Franc, Euro, British Pound Sterling, and Japanese Yen. As of the date of this report, the unrealized profit or loss was -\$0.5 mm and the total net exposure of the hedge was \$27.1 mm.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Equity Assets (continued)						
Private Equity	76.9	100.0	4.0	9	4-14	79.8
Pantheon USA Fund VII	29.1	37.9	1.5			29.9
Partners Group Secondary 2011	13.8	17.9	0.7			13.3
Pathway Private Equity Fund VIII	13.1	17.0	0.7			14.4
Pantheon Global Secondary Fund III 'B'	11.1	14.4	0.6			12.1
Partners Group Secondary 2008	5.5	7.1	0.3			6.2
Great Hill Equity Partners IV	4.3	5.6	0.2			4.0
Fixed Income Assets						
Global Core	303.8	76.0	15.7	12	7-17	298.5
Northern Trust 1-10 Year Intermediate Gov't Bond Index-NL	138.3	34.6	7.2			135.2
Northern Trust 0-5 Year TIPS	110.2	27.6	5.7			108.3
Voya Securitized Credit	55.3	13.8	2.9			55.0
Non-Investment Grade Credit	46.9	11.7	2.4	4	0-6	56.7
Davidson Kempner Institutional Partners	34.2	8.6	1.8			34.4
Claren Road Credit Fund, Ltd	12.6	3.2	0.7			22.4
Emerging Markets	49.3	12.3	2.6	3	0-5	46.6
BlueBay Emerging Markets Select Debt	49.3	12.3	2.6			46.6



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Private Debt	101.3	100.0	5.2	5	0-10	104.3
Medley Opportunity Fund II, L.P.	46.5	45.9	2.4			53.0
White Oak Direct Lending	37.8	37.3	2.0			31.2
GSO Direct Lending	17.0	16.8	0.9			20.1
Real Assets	459.4	100.0	23.8	23	15-30	432.6
Real Estate	131.1	100.0	6.8	7	4-10	121.7
Core Real Estate	87.8	67.0	4.6			87.3
PRISA I	45.0	34.3	2.3			45.0
American Core Realty Fund, LLC	42.9	32.7	2.2			42.3
Private Real Estate	43.3	33.0	2.2			34.4
DRA Growth and Income Fund VIII	15.1	11.5	0.8			6.2
DRA Growth and Income Fund VII	14.3	10.9	0.7			14.0
DRA Growth and Income Fund V	5.7	4.3	0.3			5.9
DRA Growth and Income Fund VI	3.4	2.6	0.2			3.1
Fidelity Real Estate Growth Fund III	3.3	2.6	0.2			3.4
Tristan Capital Partners	1.4	1.0	< 0.1			0.0
GEAM Value Add Realty Partners	0.1	< 0.1	< 0.1			1.7



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Real Assets (continued)						
Commodities	106.1	100.0	5.5	6	2-10	105.7
Credit Suisse Risk Parity Commodity Fund	51.4	48.4	2.7			51.0
Pinnacle Natural Resources, L.P.	39.8	37.5	2.1			0.0
First Quadrant Balanced Risk Commodity Fund	14.9	14.1	0.8			54.8
Infrastructure	130.8	100.0	6.8	5	2-8	120.9
Rhumblin DJ Brookfield Global Infrastructure	130.8	100.0	6.8			120.9
Natural Resources	91.5	100.0	4.7	5	2-8	84.3
Rhumblin S&P Global Large MidCap Commodity & NR	91.4	99.9	4.7			84.2
Northern Trust Global LargeMid NR	0.1	< 0.1	< 0.1			0.1
Absolute Return Assets	259.0	100.0	13.4	11	6-16	251.7
Relative Value	117.0	45.2	6.1			135.9
DE Shaw	44.1	17.0	2.3			43.1
Pine River Fund	31.8	12.3	1.6			33.6
Hudson Bay Fund	22.5	8.7	1.2			22.5
Arrowgrass International Fund	18.6	7.2	1.0			36.7



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Absolute Return Assets (continued)						
Global Macro	142.0	54.8	7.4			115.8
Brevan Howard Fund, Limited ¹	23.2	9.0	1.2			15.3
BlueTrend	21.1	8.2	1.1			19.6
Keynes Leveraged Quantitative Strategies Fund	20.3	7.9	1.1			20.0
Kepos Alpha Fund	20.1	7.8	1.0			19.0
Pharo	20.0	7.7	1.0			0.0
Dymon Asia Macro	19.8	7.7	1.0			19.8
MKP Opportunity Offshore, L.P.	9.6	3.7	0.5			6.7
Brevan Howard Multi-Strategy Fund ¹	7.8	3.0	0.4			15.4
Cash²	58.9	100.0	3.1	0	0-5	113.5

¹ The System began transitioning from the Brevan Howard Multi-Strategy Fund to the Brevan Howard Limited Fund in July 2015. The transition will be completed after four calendar quarters.

² Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate	1.6	-2.6	-2.5	2.7	3.1	3.8	1/1/94	6.9
Net of Fees²	1.6	-2.7	-2.7	2.6	3.0	3.6		6.7
Total Fund Aggregate ex Overlay	1.4	-2.8	-2.7	2.6	3.0	3.8		6.9
Net of Fees ex Overlay	1.3	-2.9	-2.8	2.5	2.9	3.6		6.7
<i>CPI (inflation)</i>	<i>0.7</i>	<i>-0.2</i>	<i>0.9</i>	<i>0.8</i>	<i>1.3</i>	<i>1.8</i>		<i>2.2</i>
<i>San Jose FCERS Policy Benchmark³</i>	<i>3.0</i>	<i>-1.1</i>	<i>-0.9</i>	<i>3.5</i>	<i>3.5</i>	<i>4.3</i>		<i>6.9</i>
<i>San Jose FCERS Custom Benchmark⁴</i>	<i>3.1</i>	<i>-1.5</i>	<i>-1.2</i>	<i>2.8</i>	<i>3.0</i>	<i>NA</i>		<i>NA</i>
<i>Public Plans > \$1 Billion Universe (Median)⁵</i>	<i>0.9</i>	<i>-2.1</i>	<i>-1.6</i>	<i>-5.4</i>	<i>5.9</i>	<i>5.0</i>		<i>NA</i>

¹ Fiscal Year begins July 1.

² Beginning in July 2012, fees are accounted for on a cash basis. Previously, fees were accounted for on an accrual basis.

³ Please see the Appendix for composition of the San Jose FCERS Policy Benchmark.

⁴ San Jose FCERS Custom Benchmark consists of the individual benchmarks that comprise the San Jose FCERS Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁵ Universe data provide by InvestorForce. Returns are net of fees.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity Assets	-0.2	-3.6	-3.1	6.5	NA	NA	1/1/12	9.6
Global Equity	-0.4	-4.5	-4.1	5.5	5.4	NA	5/1/10	7.2
<i>MSCI ACWI IMI</i>	0.3	-4.9	-4.4	5.6	5.2	4.3		6.8
Long-Short Equity	-1.9	-3.5	-2.9	NA	NA	NA	10/1/14	3.7
<i>HFRI Equity Hedge (Long/Short Equity)</i>	-1.7	-6.3	-4.6	2.6	1.7	2.7		-1.8
Private Equity	1.7	3.3	5.0	13.2	12.2	7.0	1/1/06	6.6
<i>Cambridge Associates Private Equity Composite²</i>	NA	NA	NA	NA	NA	NA		NA
Fixed Income	1.8	1.0	0.3	1.2	NA	NA	1/1/12	2.7
<i>Fixed Income Custom Benchmark³</i>	5.8	6.2	4.9	1.0	1.9	4.4		1.2
Global Core	1.8	NA	NA	NA	NA	NA	10/1/15	1.0
<i>Barclays Global Aggregate</i>	5.9	5.8	4.6	0.9	1.8	4.3		4.9
Non-Investment Grade Credit	-1.5	-4.9	-7.9	NA	NA	NA	10/1/14	-9.1
<i>50% BAML Global HY / 50% S&P Global Leveraged Loan</i>	2.6	-2.0	-1.4	4.3	5.7	6.0		0.0
Emerging Markets	5.7	NA	NA	NA	NA	NA	8/1/15	0.3
<i>50% JPM EMBI GD / 50% JPM GBI-EM</i>	8.0	2.0	1.3	-1.7	2.1	NA		3.0
Private Debt	-0.9	-0.2	-0.8	5.3	6.8	NA	12/1/10	5.9
<i>3 Month Libor + 5%</i>	1.4	4.2	5.5	5.4	5.4	6.7		5.4

¹ Fiscal Year begins July 1.

² Cambridge Associates Private Equity Composite (40% Secondary and 60% Fund of Funds) used since 1Q14. Data for the Venture Economics Private Equity Index was used through 4Q13, but the index was discontinued in early 2014. Not available at the time of this report.

³ Prior to 10/1/2015, Fixed Income Custom Benchmark was 100% Barclays Global Aggregate. After 10/1/2015, Fixed Income Custom Benchmark consists of 80% Barclays Global Aggregate, 5% JPM GBI GD, 5% JPM EMBI GD, 5% S&P Global Leveraged Loan, and 5% BAML Global HY Index.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Real Assets	3.2	-8.9	-8.0	-4.2	-5.3	NA	5/1/10	-1.6
Real Estate	0.8	9.0	13.2	15.8	13.8	5.6	1/1/94	9.2
Core Real Estate	0.6	7.5	11.1	12.0	11.8	NA	7/1/09	9.5
<i>NCREIF ODCE Equal Weighted (net)</i>	2.2	9.1	13.1	12.6	12.2	5.2		9.7
Private Real Estate ²	2.8	14.5	20.3	25.4	19.2	NA	7/1/09	8.4
<i>NCREIF Property</i>	2.2	8.4	11.8	11.9	12.0	7.6		10.4
Commodities	0.6	-18.8	-16.9	-12.8	-11.3	NA	5/1/10	-6.3
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9	-14.1	-6.2		-8.6
Infrastructure	8.2	-3.5	-5.5	NA	NA	NA	3/1/14	2.8
<i>DJ Brookfield Global Infrastructure Index</i>	8.1	-3.9	-6.4	4.9	9.0	9.1		1.9
Natural Resources	8.5	-17.6	-17.4	-10.3	NA	NA	11/1/12	-9.5
<i>S&P Global Natural Resources</i>	9.3	-14.8	-14.7	-8.2	-8.2	0.7		-7.1
Absolute Return Assets	1.1	1.6	-0.5	2.8	NA	NA	11/1/12	4.2
<i>HFRI Macro Index</i>	1.6	0.7	-2.9	1.4	0.3	3.4		1.8
Relative Value	-3.0	-3.3	-2.9	NA	NA	NA	10/1/14	0.9
<i>HFRI Relative Value Index</i>	-0.6	-3.4	-2.7	2.3	3.6	5.1		-1.2
Global Macro	3.6	5.8	-1.6	NA	NA	NA	10/1/14	3.6
<i>HFRI Macro: Discretionary Thematic Index</i>	-1.4	-2.7	-2.8	-1.2	-0.9	NA		-1.4
Russell Investments Overlay³	0.2	0.2	0.2	0.1	NA	NA	11/1/11	0.1

¹ Fiscal Year begins July 1.

² Performance is net of fees.

³ Overlay returns provided by Russell Investments.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity Assets	-0.2	-3.6	-3.1	6.5	NA	NA	1/1/12	9.6
Global Equity²	-0.4	-4.5	-4.1	5.5	5.4	NA	5/1/10	7.2
Artisan Global Value	1.7	-1.4	-0.5	9.0	11.3	NA	3/1/11	11.1
Net of Fees	1.7	-1.7	-1.0	8.4	10.7	NA		10.5
<i>MSCI ACWI Value</i>	0.8	-5.9	-5.7	3.8	3.8	3.0		3.7
Northern Trust MSCI EAFE Index-NL	-2.9	-8.7	-8.0	2.5	NA	NA	11/1/12	5.5
Net of Fees	-2.9	-8.7	-8.0	2.5	NA	NA		5.4
<i>MSCI EAFE</i>	-3.0	-8.8	-8.3	2.2	2.3	1.8		5.1
Vontobel Emerging Markets Equity	2.4	-6.3	-7.2	NA	NA	NA	7/1/13	0.1
Net of Fees	2.3	-6.8	-7.9	NA	NA	NA		-0.7
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-1.9
Northern Trust Russell 3000 Index	1.0	-0.4	-0.2	11.2	11.1	7.0	9/1/99	5.3
Net of Fees	1.0	-0.4	-0.2	11.2	11.1	7.0		5.3
<i>Russell 3000</i>	1.0	-0.5	-0.3	11.1	11.0	6.9		5.2
Oberweis International Opportunities	-1.7	NA	NA	NA	NA	NA	11/1/15	2.9
Net of Fees	-1.7	NA	NA	NA	NA	NA		2.9
<i>MSCI EAFE Small Cap</i>	-0.6	-1.1	3.2	7.3	5.6	3.4		0.2

¹ Fiscal Year begins July 1.

² Global Equity includes a partial currency hedge initiated on August 21, 2015 of the following currencies: Australian Dollar, Canadian Dollar, Swiss Franc, Euro, British Pound Sterling, and Japanese Yen. As of the date of this report, the unrealized profit or loss was -\$0.5 mm and the total net exposure of the hedge was \$27.1 mm.



	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity Assets (continued)								
Cove Street Small Cap Value	5.7	-1.4	1.0	NA	NA	NA	5/1/14	2.5
Net of Fees	5.5	-1.9	0.3	NA	NA	NA		1.8
<i>Russell 2000 Value</i>	1.7	-6.6	-7.7	5.7	6.7	4.4		-0.6
Aberdeen Frontier Markets Equity	-3.0	-11.7	-10.0	NA	NA	NA	12/1/13	-6.2
Net of Fees	-3.1	-12.5	-11.2	NA	NA	NA		-7.5
<i>MSCI Frontier Markets</i>	-0.9	-12.5	-12.5	1.8	1.3	-0.9		-3.3
<i>MSCI Frontier Markets ex GCC</i>	-0.4	-11.5	-11.6	-2.1	-1.6	0.5		-7.6
Long-Short Equity	-1.9	-3.5	-2.9	NA	NA	NA	10/1/14	3.7
Senator Global Opportunity Offshore Fund	-2.7	-9.8	-8.5	5.5	NA	NA	4/1/13	5.5
<i>HFRI Event Driven Index</i>	-0.5	-6.3	-5.7	1.7	2.1	3.8		1.7
Horizon Portfolio I, Limited	0.3	2.6	4.6	NA	NA	NA	7/1/13	7.1
<i>HFRI Equity Hedge (Long/Short Equity)</i>	-1.7	-6.3	-4.6	2.6	1.7	2.7		2.8
Sandler Plus Offshore Fund	-1.5	5.2	2.5	NA	NA	NA	5/1/13	7.8
<i>HFRI Equity Hedge (Long/Short Equity)</i>	-1.7	-6.3	-4.6	2.6	1.7	2.7		2.5
Marshall Wace Eureka Fund	-5.1	-1.9	1.1	NA	NA	NA	4/1/14	6.7
<i>HFRI Equity Hedge (Long/Short Equity)</i>	-1.7	-6.3	-4.6	2.6	1.7	2.7		-1.0

¹ Fiscal Year begins July 1.

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity Assets (continued)								
Private Equity	1.7	3.3	5.0	13.2	12.2	7.0	1/1/06	6.6
Pantheon USA Fund VII	-0.1	2.4	4.7	15.0	13.5	NA	1/1/07	NA
<i>Cambridge Associates Private Equity Composite</i> ²	NA	NA	NA	NA	NA	NA		NA
Partners Group Secondary 2011	3.4	8.4	11.1	20.7	NA	NA	11/1/12	30.1
<i>Cambridge Associates Private Equity Composite</i> ²	NA	NA	NA	NA	NA	NA		NA
Pathway Private Equity Fund VIII	-1.4	-2.5	-3.5	13.0	12.8	NA	8/1/04	NA
<i>Cambridge Associates Private Equity Composite</i> ²	NA	NA	NA	NA	NA	NA		NA
Pantheon Global Secondary Fund III 'B'	-0.7	-1.9	-0.7	2.6	2.9	NA	1/1/07	NA
<i>Cambridge Associates Private Equity Composite</i> ²	NA	NA	NA	NA	NA	NA		NA
Partners Group Secondary 2008	16.3	16.6	13.2	13.0	13.1	NA	12/1/08	NA
<i>Cambridge Associates Private Equity Composite</i> ²	NA	NA	NA	NA	NA	NA		NA
Great Hill Equity Partners IV	8.8	14.6	35.1	29.0	32.3	NA	10/1/08	NA
<i>Cambridge Associates Private Equity Composite</i> ²	NA	NA	NA	NA	NA	NA		NA

¹ Fiscal Year begins July 1.

² Cambridge Associates Private Equity Composite (40% Secondary and 60% Fund of Funds) used since 1Q14. Data for the Venture Economics Private Equity Index was used through 4Q13, but the index was discontinued in early 2014. Not available at the time of this report.

San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Fixed Income Assets	1.8	1.0	0.3	1.2	NA	NA	1/1/12	2.7
Global Core	1.8	NA	NA	NA	NA	NA	10/1/15	1.0
Northern Trust 1-10 Year Intermediate Gov't Bond Index-NL	2.3	2.7	2.2	1.5	NA	NA	10/1/12	1.3
Net of Fees	2.3	2.6	2.2	1.5	NA	NA		1.3
<i>Barclays Intermediate Gov't Bond Index</i>	2.3	2.7	2.2	1.5	2.5	4.0		1.4
Northern Trust 0-5 Year TIPS	1.8	0.7	1.3	NA	NA	NA	7/1/14	-0.7
Net of Fees	1.8	0.7	1.3	NA	NA	NA		-0.7
<i>Barclays U.S. TIPS 0-5 Years</i>	1.8	0.8	1.4	-0.4	0.7	3.0		-0.6
Voya Securitized Credit	0.5	NA	NA	NA	NA	NA	8/1/15	0.6
Net of Fees	0.5	NA	NA	NA	NA	NA		0.6
<i>Barclays Global Aggregate Securitized</i>	2.8	3.3	3.1	2.1	2.9	4.7		2.9
Non-Investment Grade Credit	-1.5	-4.9	-7.9	NA	NA	NA	10/1/14	-9.1
Davidson Kempner Institutional Partners	-0.1	-0.2	0.4	4.0	NA	NA	2/1/13	4.4
<i>HFRI Event Driven Index</i>	-0.5	-6.3	-5.7	1.7	2.1	3.8		2.1
Claren Road Credit Fund, Ltd.	-6.0	-12.9	-18.1	NA	NA	NA	7/1/13	-10.7
<i>HFRI RV Fixed Income-Corporate Index</i>	0.6	-3.1	-2.6	1.0	2.7	3.4		1.5
Emerging Markets	5.7	NA	NA	NA	NA	NA	8/1/15	0.3
BlueBay Emerging Markets Select Debt	5.7	NA	NA	NA	NA	NA	8/1/15	0.3
Net of Fees	5.6	NA	NA	NA	NA	NA		-0.2
<i>50% JPM EMBI GD / 50% JPM GBI-EM</i>	8.0	2.0	1.3	-1.7	2.1	NA		3.0

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Private Debt	-0.9	-0.2	-0.8	5.3	6.8	NA	12/1/10	5.9
Medley Opportunity Fund II, L.P.	-0.2	3.7	5.7	7.9	NA	NA	6/1/11	7.5
3 Month Libor + 5%	1.4	4.2	5.5	5.4	5.4	6.7		5.4
White Oak Direct Lending	2.8	-0.6	-5.1	4.0	4.2	NA	2/1/11	3.6
3 Month Libor + 5%	1.4	4.2	5.5	5.4	5.4	6.7		5.4
GSO Direct Lending	-9.3	-12.4	-11.7	-0.2	8.1	NA	3/1/11	7.5
3 Month Libor + 5%	1.4	4.2	5.5	5.4	5.4	6.7		5.4
Real Assets	3.2	-8.9	-8.0	-4.2	-5.3	NA	5/1/10	-1.6
Real Estate	0.8	9.0	13.2	15.8	13.8	5.6	1/1/94	9.2
Core Real Estate	0.6	7.5	11.1	12.0	11.8	NA	7/1/09	9.5
PRISA I	0.0	8.2	11.8	13.2	13.1	5.7	7/1/04	7.7
Net of Fees	0.0	7.8	11.1	12.4	12.2	4.7		6.7
NCREIF ODCE Equal Weighted (net)	2.2	9.1	13.1	12.6	12.2	5.2		6.8
American Core Realty Fund, LLC	1.2	7.8	11.8	12.6	12.4	NA	1/1/07	5.4
Net of Fees	1.2	7.2	11.0	11.7	11.4	NA		4.3
NCREIF ODCE Equal Weighted (net)	2.2	9.1	13.1	12.6	12.2	5.2		4.4

¹ Fiscal Year begins July 1.



	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Real Assets (continued)								
Private Real Estate²	2.8	14.5	20.3	25.4	19.2	NA	7/1/09	8.4
DRA Growth and Income Fund VIII	0.0	8.3	9.8	NA	NA	NA	1/1/15	10.6
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		12.5
DRA Growth and Income Fund VII	0.0	6.6	10.5	14.5	NA	NA	4/1/12	14.5
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		11.6
DRA Growth and Income Fund V	0.0	15.1	18.6	16.6	11.7	5.5	1/1/06	5.5
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		7.8
DRA Growth and Income Fund VI	0.0	9.3	11.9	22.1	19.1	NA	1/1/08	9.6
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		5.8
Fidelity Real Estate Growth Fund III	3.1	20.4	36.3	27.5	21.4	NA	1/1/08	-6.7
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		5.8
Tristan Capital Partners	4.9	NA	NA	NA	NA	NA	1/1/16	4.9
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		2.2
GEAM Value Add Realty Partners	27.7	39.6	40.1	38.1	27.6	NA	1/1/07	0.4
NCREIF Property	2.2	8.4	11.8	11.9	12.0	7.6		6.9

¹ Fiscal Year begins July 1.

² Performance is net of fees.



	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Real Assets (continued)								
Commodities	0.6	-18.8	-16.9	-12.8	-11.3	NA	5/1/10	-6.3
Credit Suisse Risk Parity Commodity Fund ²	0.8	-18.1	-15.7	-11.5	-9.9	NA	4/1/11	-9.9
<i>Custom Risk Parity Commodity Benchmark³</i>	0.5	-18.1	-15.8	-11.5	-10.0	NA		-10.0
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9	-14.1	-6.2		-14.1
Pinnacle Natural Resources, L.P. ²	-0.5	NA	NA	NA	NA	NA	1/1/16	-0.5
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9	-14.1	-6.2		0.4
First Quadrant Balanced Risk Commodity Fund ²	1.0	-19.0	-17.5	-13.8	-12.6	NA	4/1/11	-12.6
<i>Custom Risk Parity Commodity Benchmark³</i>	0.5	-18.1	-15.8	-11.5	-10.0	NA		-10.0
<i>Bloomberg Commodity Index</i>	0.4	-23.1	-19.6	-16.9	-14.1	-6.2		-14.1
Infrastructure	8.2	-3.5	-5.5	NA	NA	NA	3/1/14	2.8
Rhumblin DJ Brookfield Global Infrastructure ^{2,4}	8.2	-3.5	NA	NA	NA	NA	6/1/15	-7.3
<i>DJ Brookfield Global Infrastructure Index</i>	8.1	-3.9	-6.4	4.9	9.0	9.1		-7.8
Natural Resources	8.5	-17.6	-17.4	-10.3	NA	NA	11/1/12	-9.5
Rhumblin S&P Global Large MidCap Commodity & NR ^{2,4}	8.5	-17.6	NA	NA	NA	NA	6/1/15	-21.9
<i>S&P Global Large MidCap Commodity and Resources</i>	9.2	-17.2	-17.1	-10.4	-9.8	2.1		-21.5
<i>S&P Global Natural Resources</i>	9.3	-14.8	-14.7	-8.2	-8.2	0.7		-19.0

¹ Fiscal Year begins July 1.

² Performance is net of fees.

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

⁴ Tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.

San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Absolute Return Assets	1.1	1.6	-0.5	2.8	NA	NA	11/1/12	4.2
Relative Value	-3.0	-3.3	-2.9	NA	NA	NA	10/1/14	0.9
DE Shaw	-1.8	3.8	5.5	12.1	NA	NA	4/1/13	12.1
HFRI Fund Weighted Composite Index	-0.6	-4.1	-3.9	2.2	1.8	3.4		2.2
Pine River Fund	-8.5	-14.6	-12.7	-1.2	NA	NA	1/1/13	0.8
HFRI Relative Value Index	-0.6	-3.4	-2.7	2.3	3.6	5.1		3.1
Hudson Bay Fund	0.6	-2.1	-3.3	NA	NA	NA	8/1/13	0.3
HFRI Relative Value Index	-0.6	-3.4	-2.7	2.3	3.6	5.1		2.4
Arrowgrass International Fund	-0.3	1.0	2.0	5.0	NA	NA	11/1/12	6.0
HFRI Relative Value Index	-0.6	-3.4	-2.7	2.3	3.6	5.1		3.4
Global Macro	3.6	5.8	-1.6	NA	NA	NA	10/1/14	3.6
Brevan Howard Fund, Limited	1.7	-1.9	NA	NA	NA	NA	7/1/15	-1.9
HFRI Macro Index	1.6	0.7	-2.9	1.4	0.3	3.4		0.7
BlueTrend	7.7	14.7	-0.3	1.9	NA	NA	4/1/13	1.9
Barclay BTOP50 Index	2.2	4.5	-3.6	4.0	1.9	3.2		4.0
Keynes Leveraged Quantitative Strategies Fund	5.5	NA	NA	NA	NA	NA	1/1/16	5.5
HFRI Macro Index	1.6	0.7	-2.9	1.4	0.3	3.4		1.6
Kepos Alpha Fund	5.8	12.7	4.4	2.7	NA	NA	3/1/13	3.6
HFRI Macro Systematic Diversified	3.1	2.3	-4.0	2.9	1.0	4.6		3.1

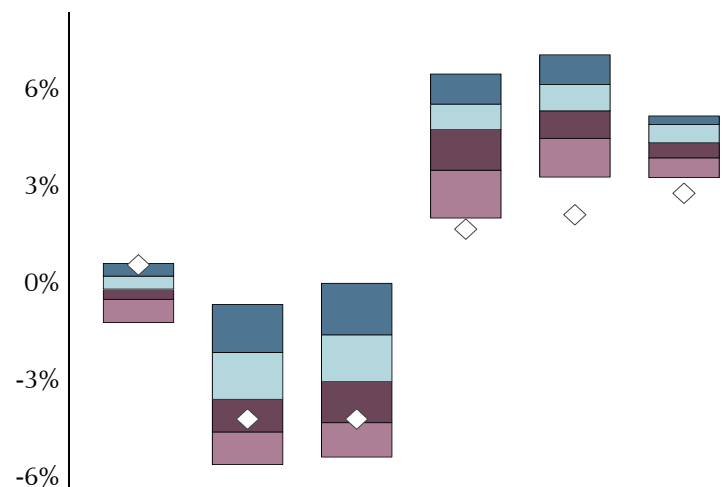
¹ Fiscal Year begins July 1.



	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Absolute Return Assets (continued)								
Dymon Asia Macro	0.0	NA	NA	NA	NA	NA	9/1/15	-0.9
HFRI Macro Index	1.6	0.7	-2.9	1.4	0.3	3.4		1.4
MKP Opportunity Offshore	-1.2	NA	NA	NA	NA	NA	8/1/15	-5.9
HFRI Macro: Discretionary Thematic Index	-1.4	-2.7	-2.8	-1.2	-0.9	NA		-3.5
Brevan Howard Multi-Strategy Fund	2.5	-0.8	-2.4	0.4	NA	NA	12/1/12	1.4
HFRI Macro Index	1.6	0.7	-2.9	1.4	0.3	3.4		1.9

¹ Fiscal Year begins July 1.

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



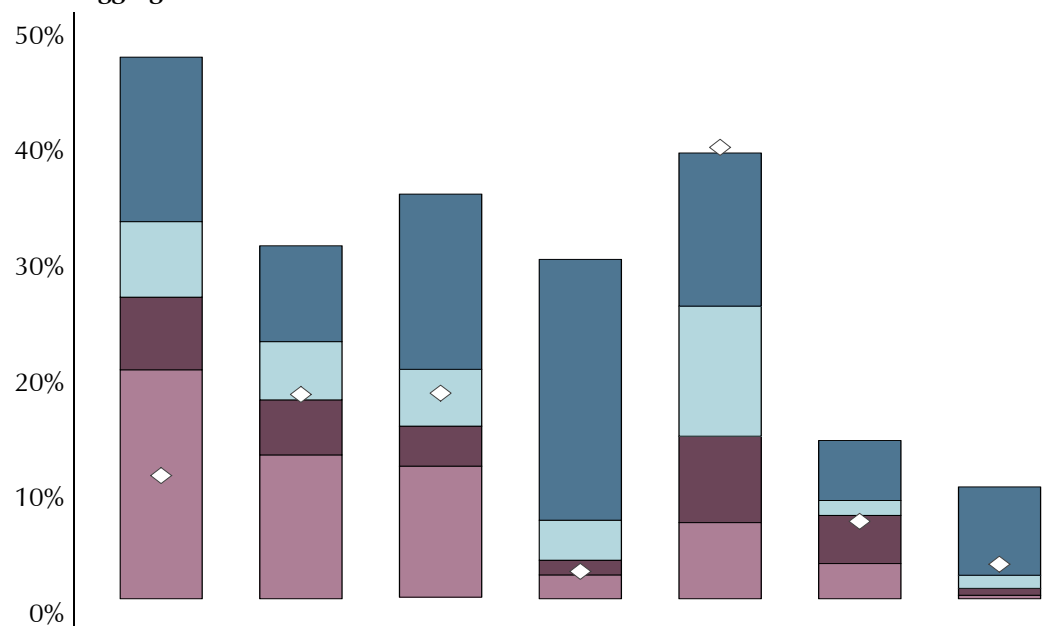
	Fiscal ²					
	1Q16 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Total Fund Aggregate³	1.6	-2.7	-2.7	2.6	3.0	3.6
25th Percentile	1.3	-0.8	-0.3	6.1	6.6	5.5
Median	0.9	-2.1	-1.6	5.4	5.9	5.0
75th Percentile	0.6	-3.1	-2.8	4.2	5.1	4.6
Total Fund Standard Deviation	8.2	7.2	6.0	5.5	7.7	9.8
Peer Median Standard Deviation	11.3	9.2	8.1	6.8	7.6	9.8
Population	50	50	50	50	50	45

¹ Universe data provide by InvestorForce. Returns are net of fees.

² Fiscal Year begins July 1.

³ Returns are net of fees.

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



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
San Jose Allocation (Russell Overlay Net Position) ²	11.0	18.2	18.3	2.6	40.2	6.8	3.1
25th Percentile	33.6	22.9	20.4	7.0	26.1	8.7	2.1
Median	26.8	17.7	15.4	3.4	14.5	7.4	0.9
75th Percentile	20.4	12.8	11.8	2.1	6.8	3.1	0.3
Population	46	46	46	46	46	46	46

¹ Final universe data provided by InvestorForce.

² Based on 3/31/16 physical exposures, adjusted for synthetic positions provided by Russell Investments.

San Jose Federated City Employees' Retirement System

Policy Benchmark Description as of 3/31/16

Time Period	%	Composition
10/1/2014-Present	28	MSCI ACWI IMI
	9	Cambridge Associates Private Equity Composite ⁴
	24	Barclays Global Aggregate
	7	NCREIF Property
	6	Bloomberg Commodity Index
	5	DJ Brookfield Global Infrastructure Index
	5	S&P Global Natural Resources
	11	HFRI Macro Index ¹
1/1/2012-9/30/2014	5	60% MSCI ACWI IMI/40% Barclays Global Aggregate ²
	31	MSCI ACWI IMI
	9	Cambridge Associates Private Equity Composite ³
	5	NCREIF Property
	2.5	Barclays Intermediate Government
	1.25	Barclays U.S. TIPS
	1.25	Barclays U.S. TIPS 0-5 Years ⁴
	5	3-Month LIBOR + 5%
	10	Risk Parity Commodities
	10	CPI-U + 5%
4/1/2011-12/31/2011	25	HFRI Fund of Funds Composite
	16	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI Weighted Composite
	5	NCREIF Property
	6	Venture Economics Private Equity

Time Period	%	Composition
4/1/2011-12/31/2011 (continued)	8	Custom Risk Parity Benchmark
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%
4/1/2010-3/31/2011	16	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI Weighted Composite
	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Dow-Jones UBS Commodities
7/1/09 – 3/31/2010	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%
	34	Russell 1000
	9	Russell 2000
	29	Barclays Aggregate
	7	S&P Citigroup WGBI
	15	MSCI ACWI ex U.S.
	6	NCREIF Property

¹ HFRI Macro Discretionary Thematic through 6/30/2015, HFRI Macro Index thereafter.

² Policy Benchmark from 10/1/14 through 5/31/15, 60% MSCI ACWI IMI/40% Barclays Global Aggregate thereafter.

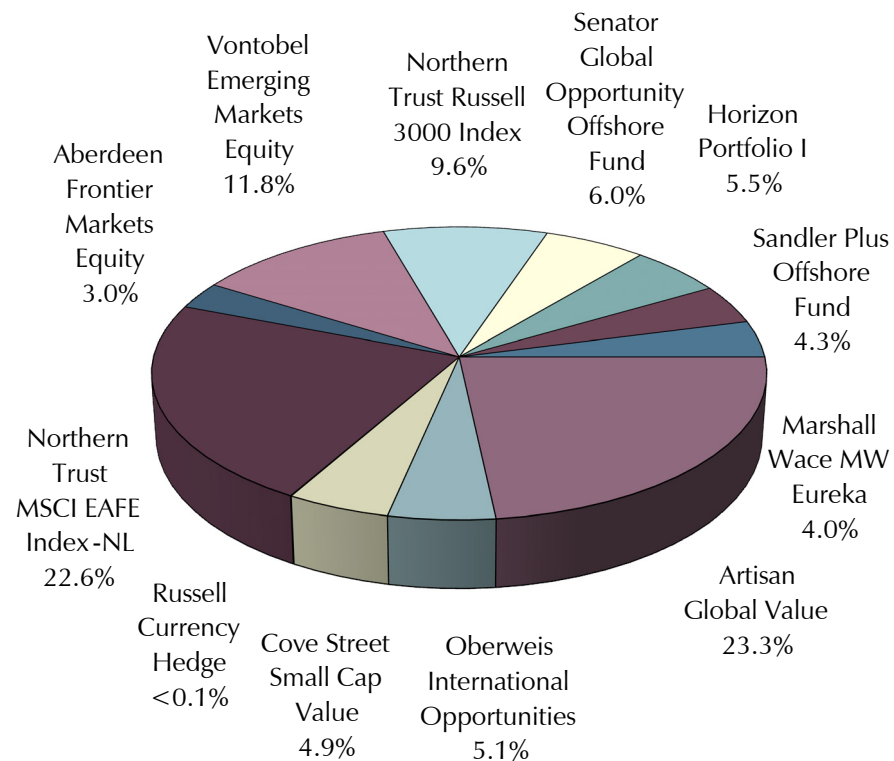
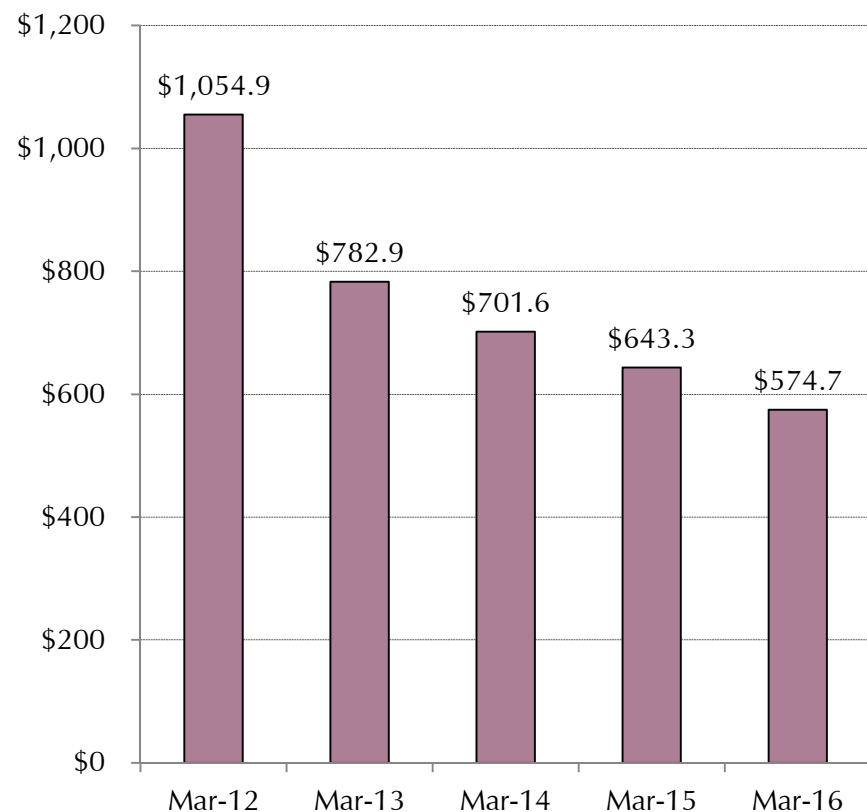
³ Cambridge Associates Private Equity Composite (40% Secondary and 60% Fund of Funds) used since 1Q14. Data for the Venture Economics Private Equity Index was used through 4Q13, but the index was discontinued in early 2014. Not available at the time of this report.

⁴ Barclays U.S. TIPS 1-5 Years through 6/30/14, Barclays U.S. TIPS 0-5 Years thereafter.



Plan Detail

**Global Equity Assets
As of March 31, 2016**



Risk: (sixty months)	Aggregate Global Equity ¹ 3/31/16	MSCI ACWI IMI 3/31/16
Annualized Return (%)	5.4	5.2
Standard Deviation (%)	13.2	14.7
Best Monthly Return (%)	10.5	10.8
Worst Monthly Return (%)	-9.4	-9.8
Beta	0.89	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.96	NA
Sharpe Measure (risk-adjusted return)	0.40	0.35
Information Ratio	0.05	NA

¹ Excludes Long-Short Equity prior to 10/1/14.

	Aggregate Global Equity ¹ 3/31/16	MSCI ACWI IMI 3/31/16	Aggregate Global Equity ¹ 12/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	60.7	75.9	59.7
Median Market Cap. (US\$ billion)	3.1	1.3	3.2
Large (% over US\$20 billion)	61	60	56
Medium (% US\$3 billion to US\$20 billion)	29	30	34
Small (% under US\$3 billion)	10	10	11
Fundamental Structure:			
Price-Earnings Ratio	19	18	19
Price-Book Value Ratio	2.7	1.7	2.6
Dividend Yield (%)	2.4	2.6	2.3
Historical Earnings Growth Rate (%)	9	9	11
Projected Earnings Growth Rate (%)	11	9	11

¹ Excludes Long-Short Equity.

Diversification:	Aggregate Global Equity¹ 3/31/16	MSCI ACWI IMI 3/31/16	Aggregate Global Equity¹ 12/31/15
Number of Holdings	3,775	8,618	3,809
% in 5 largest holdings	8	5	10
% in 10 largest holdings	13	8	15

Largest Five Holdings:	% of Portfolio	Economic Sector
Oracle	1.7	Software & Services
HDFC Bank	1.7	Banks
Microsoft	1.5	Software & Services
Housing Development Financial	1.5	Banks
Johnson & Johnson	1.3	Life Sciences

¹ Excludes Long-Short Equity.

Sector Allocation (%):	Aggregate Global Equity ¹ 3/31/16	MSCI ACWI IMI 3/31/16	Aggregate Global Equity ¹ 12/31/15
Consumer Staples	14	10	15
Financials	25	21	25
Information Technology	17	15	16
Industrials	11	12	9
Telecommunication Services	4	4	3
Materials	4	5	8
Utilities	2	3	2
Health Care	9	11	8
Energy	3	6	3
Consumer Discretionary	10	13	11

¹ Excludes Long-Short Equity.

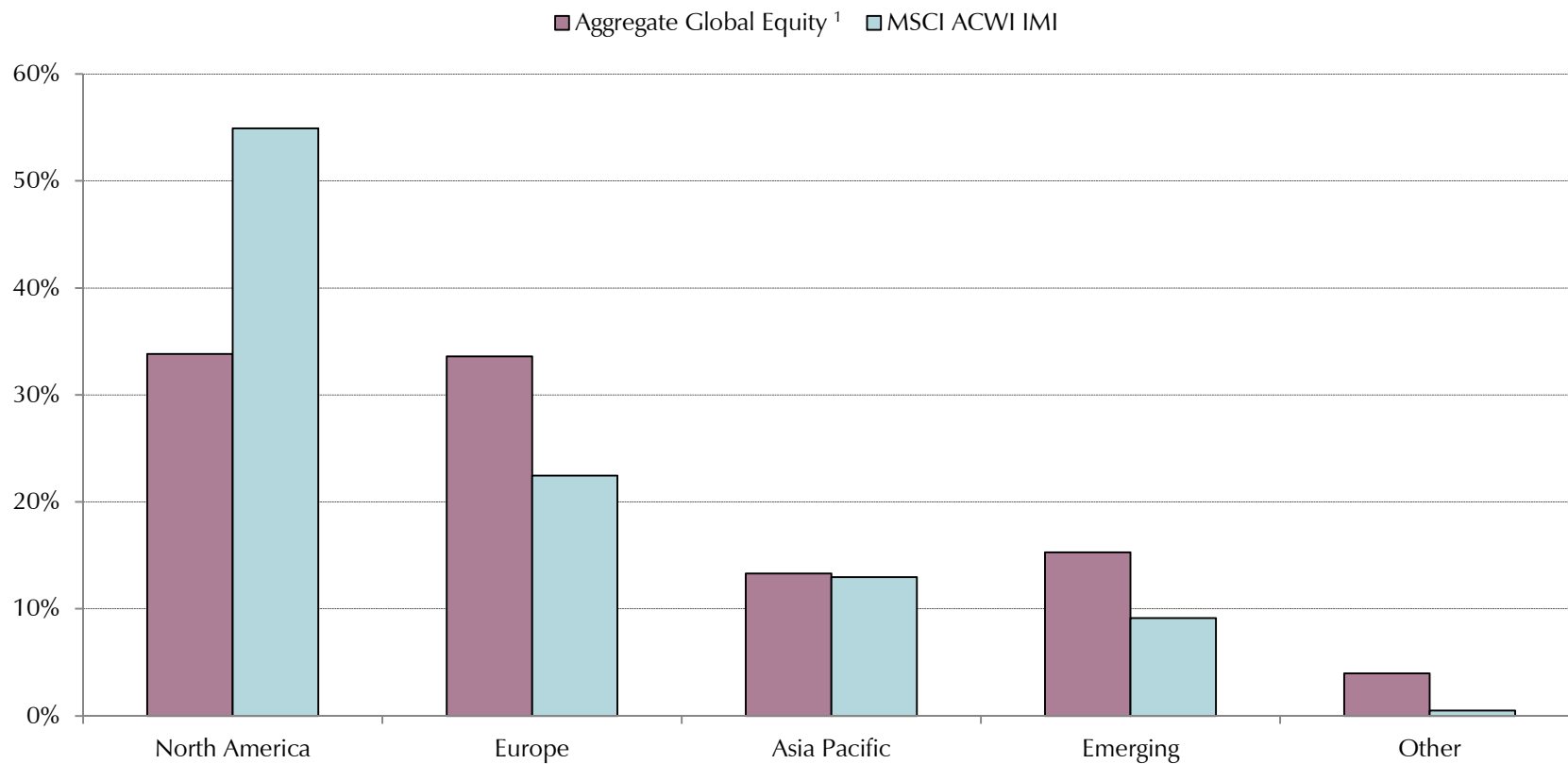
San Jose Federated City Employees' Retirement System

Global Equity Assets Country & Region Breakdown as of 3/31/16

	Aggregate Global Equity ¹ 3/31/16 (%)	MSCI ACWI IMI 3/31/16 (%)		Aggregate Global Equity ¹ 3/31/16 (%)	MSCI ACWI IMI 3/31/16 (%)
North America	33.8	54.9	Asia Pacific	13.3	13.0
Canada	1.1	3.1	Australia	2.6	2.3
United States of America	32.7	51.8	Japan	8.2	7.9
			Hong Kong	1.9	2.1
Europe	33.6	22.5	Emerging	15.3	9.1
United Kingdom	11.4	5.9	India	7.7	0.9
Switzerland	5.3	3.2	Brazil	1.4	0.6
Denmark	2.6	0.6	South Korea	2.0	1.7
Belgium	1.1	0.5	China	1.4	1.3
Germany	3.4	3.0			
Netherlands	2.0	1.7	Other	4.0	0.5
Sweden	1.1	1.1	Bermuda	1.2	0.2
Spain	1.0	1.0			
France	2.9	3.0			

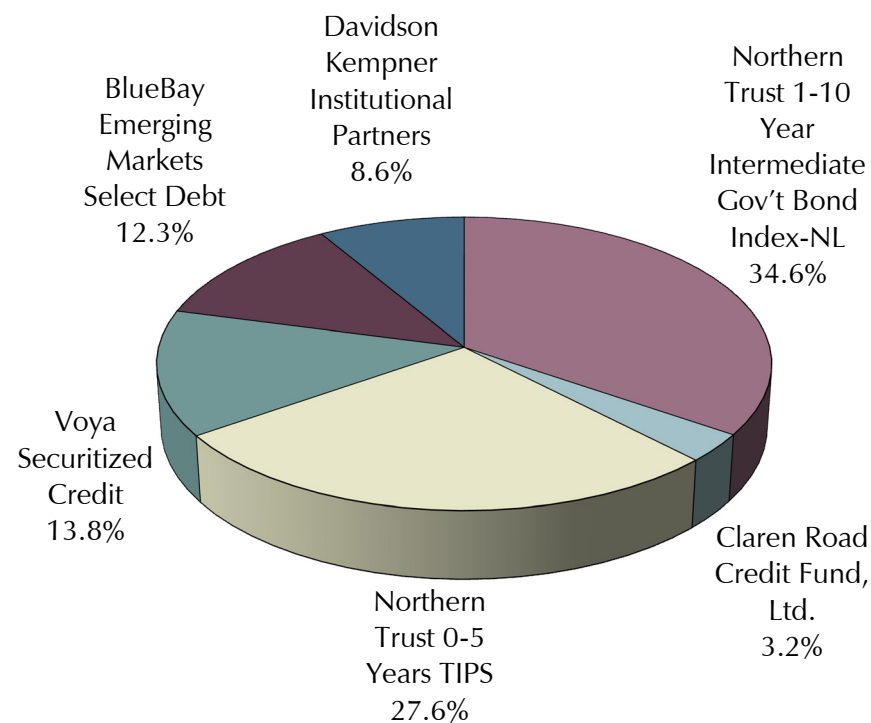
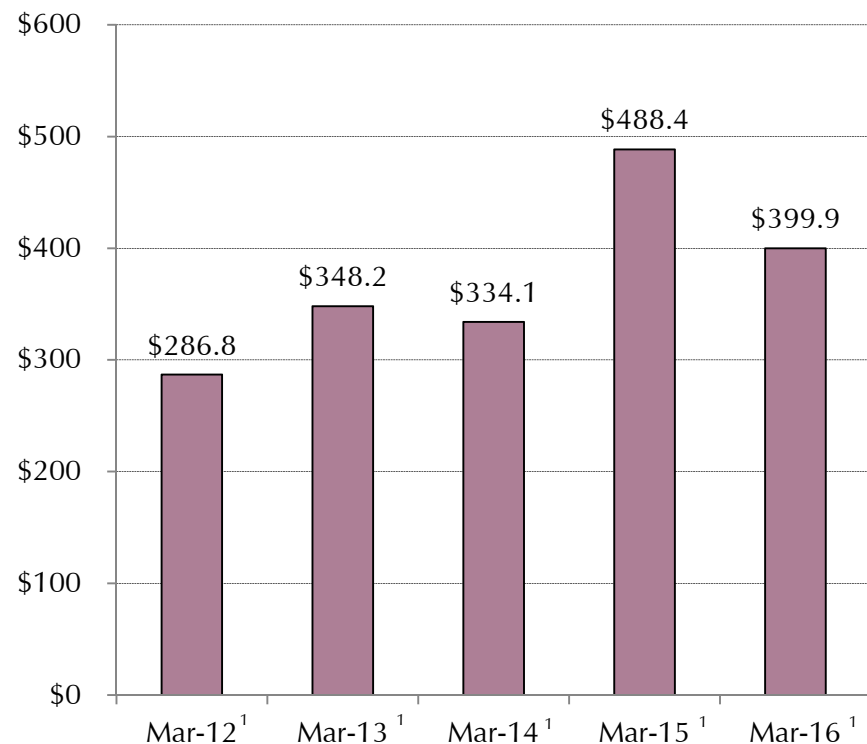
¹ Excludes Long-Short Equity.





¹ Excludes Long-Short Equity.

**Fixed Income Assets
As of March 31, 2016**



¹ Growth chart is representative of Public Fixed Income and Private Debt prior to 10/1/14, and all Fixed Income Assets thereafter. Reports prior to Q4 2014 only included Public Fixed Income in the charts, resulting in differences in total reported market values.

Risk: (fifty-one months)	Aggregate Fixed Income ¹ 3/31/16	Barclays Global Aggregate 3/31/16
Annualized Return (%)	2.7	1.1
Standard Deviation (%)	1.9	4.1
Best Monthly Return (%)	1.3	2.7
Worst Monthly Return (%)	-0.9	-3.0
Beta	0.25	1.00
Correlation to Index	0.55	1.00
Correlation to Total Fund Return	0.50	NA
Sharpe Measure (risk-adjusted return)	1.38	0.26
Information Ratio	0.45	NA

¹ Excludes Non-Investment Grade Credit prior to 10/1/14.

Duration & Yield:

Average Effective Duration (years)

Yield to Maturity (%)

Aggregate
Fixed Income¹
3/31/16

Barclays Global
Aggregate
3/31/16

Aggregate
Fixed Income¹
12/31/15

3.3

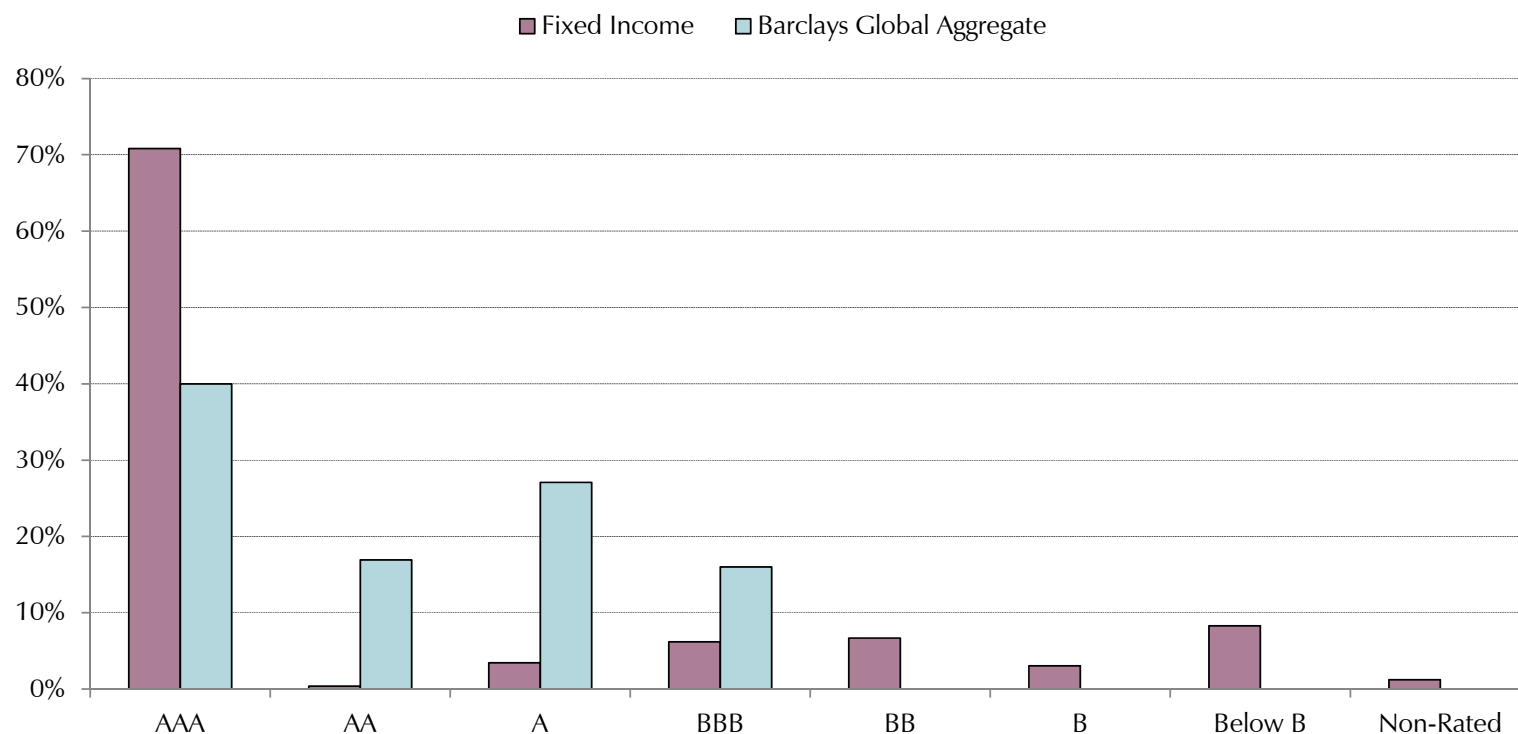
6.7

3.2

2.4

1.4

2.8



¹ Excludes Non-Investment Grade Credit.

	Aggregate Fixed Income ¹ 3/31/16	Barclays Global Aggregate 3/31/16	Aggregate Fixed Income ¹ 12/31/15
Market Allocation (%):			
United States	86	38	87
Foreign (developed markets)	0	56	0
Foreign (emerging markets)	14	6	13
Currency Allocation (%):			
Non-U.S. Dollar Exposure	7	56	7
Sector Allocation (%):			
U.S. Treasury-Nominal	36	15	36
U.S. Treasury-TIPS	31	0	31
U.S. Agency	3	1	3
Mortgage Backed	7	12	7
Corporate	0	18	0
Bank Loans	0	0	0
Local & Provincial Government	0	3	0
Sovereign & Supranational	13	48	12
Commercial Mortgage Backed	6	0	6
Asset Backed	2	0	2
Cash Equivalent	1	0	1
Other	0	3	0

¹ Excludes Non-Investment Grade Credit.

Portfolio Reviews
As of March 31, 2016

Global Equity Portfolio Reviews As of March 31, 2016

San Jose Federated City Employees' Retirement System

Artisan Global Value Portfolio Detail as of 3/31/16

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$133.9 million

Portfolio Manager: David Samra
Daniel J. O'Keefe

Location: San Francisco, California

Inception Date: 3/1/2011

Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

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

Liquidity Constraints:

Daily

Strategy:

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

Guidelines:

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

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 3/1/11
Artisan Global Value	1.7	-1.4	-0.5	9.0	11.3	11.1
Net of Fees	1.7	-1.7	-1.0	8.4	10.7	10.5
MSCI ACWI Value	0.8	-5.9	-5.7	3.8	3.8	3.7
Peer Global Equity	-2.0	-9.3	-7.7	2.5	2.0	1.8
Peer Ranking (percentile)	8	3	3	1	1	1

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Artisan Global Value	13.8%	0.86	0.82	1.66	0.95
MSCI ACWI Value	14.4	1.00	0.26	NA	1.00

	3/31/16 Artisan Global Value	MSCI ACWI Value	12/31/15 Artisan Global Value	MSCI ACWI Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	88.8	90.4	89.8	91.4
Median Market Cap. (US\$ billion)	31.7	7.9	28.9	7.5
Large (% over US\$20 billion)	77	73	74	73
Medium (% US\$3 billion to US\$20 billion)	22	26	25	25
Small (% under US\$3 billion)	2	2	1	2

Fundamental Structure:

Price-Earnings Ratio	15	15	15	14
Price-Book Value Ratio	2.6	1.4	2.2	1.4
Dividend Yield (%)	2.1	3.6	2.1	3.5
Historical Earnings Growth Rate (%)	4	3	6	4
Projected Earnings Growth Rate (%)	9	5	9	5

Sector Allocation (%):

Information Technology	29	10	28	10
Financials	33	29	39	31
Industrials	11	9	8	9
Consumer Staples	8	8	7	7
Health Care	8	9	8	10
Consumer Discretionary	5	7	5	7
Telecommunication Services	3	6	2	5
Materials	0	5	0	5
Utilities	0	6	0	6
Energy	3	11	3	11

Diversification:

Number of Holdings	41	1,320	41	1,332
% in 5 largest holdings	23	9	23	9
% in 10 largest holdings	41	15	42	15

Region Allocation (%):

North America	52	56	55	55
Europe	31	22	30	23
Asia Pacific	0	12	0	13
Emerging	13	10	11	9
Other	4	0	4	0

Largest Five Holdings:

		Industry
Oracle	5.7	Software & Services
Microsoft	4.6	Software & Services
Bank of New York Mellon	4.2	Diversified Financials
Arch Capital	4.1	Insurance
Johnson & Johnson	4.0	Life Sciences

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Mandate: International Equities,
Developed Markets

Active/Passive: Passive

Market Value: \$129.8 million

Portfolio Manager: Team

Location: Chicago, Illinois

Inception Date: 11/1/2012

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.05% on all assets

Liquidity Constraints:

Daily

Strategy:

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

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 11/1/12
Northern Trust MSCI EAFE Index-NL	-2.9	-8.7	-8.0	2.5	5.5
Net of Fees	-2.9	-8.7	-8.0	2.5	5.4
MSCI EAFE	-3.0	-8.8	-8.3	2.2	5.1

Northern Trust MSCI EAFE Index-NL Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Northern Trust MSCI EAFE Index-NL	MSCI EAFE	Northern Trust MSCI EAFE Index-NL	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	50.7	50.4	55.5	53.9
Median Market Cap. (US\$ billion)	8.7	8.7	8.5	8.7
Large (% over US\$20 billion)	64	64	66	65
Medium (% US\$3 billion to US\$20 billion)	35	35	33	34
Small (% under US\$3 billion)	1	1	1	1
Fundamental Structure:				
Price-Earnings Ratio	17	17	17	17
Price-Book Value Ratio	1.6	1.6	1.7	1.7
Dividend Yield (%)	3.5	3.5	3.2	3.2
Historical Earnings Growth Rate (%)	7	7	10	8
Projected Earnings Growth Rate (%)	8	8	8	8
Sector Allocation (%):				
Health Care	12	12	10	12
Materials	7	7	6	6
Consumer Discretionary	13	13	16	13
Consumer Staples	13	13	12	12
Telecommunication Services	5	5	4	5
Information Technology	5	5	6	5
Industrials	13	13	12	13
Utilities	4	4	4	4
Energy	5	5	4	5
Financials	24	24	26	26
Diversification:				
Number of Holdings	956	926	947	925
% in 5 largest holdings	7	7	10	8
% in 10 largest holdings	12	11	16	12
Region Allocation (%):				
North America	0	0	0	0
Europe	65	65	62	64
Asia Pacific	34	34	37	35
Emerging	0	0	0	0
Other	1	1	1	1
Largest Five Holdings:				
		Industry		
Nestle	2.1	Food & Beverage		
Roche	1.5	Life Sciences		
Novartis	1.4	Life Sciences		
Toyota Motor	1.2	Autos. & Components		
HSBC	1.0	Banks		

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/16

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$67.5 million

Portfolio Manager: Matthew Benkendorf

Location: New York, New York

Inception Date: 7/1/2013

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.95% on first \$150 mm; 0.85% thereafter

Liquidity Constraints:

Daily

Strategy:

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

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 7/1/13
Vontobel Emerging Markets Equity	2.4	-6.3	-7.2	0.1
Net of Fees	2.3	-6.8	-7.9	-0.7
MSCI Emerging Markets	5.7	-12.6	-12.0	-1.9
Peer Emerging Markets	4.4	-10.8	-9.9	-1.1
Peer Ranking (percentile)	70	5	17	29

	3/31/16		12/31/15	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	45.5	38.9	46.6	38.1
Median Market Cap. (US\$ billion)	19.6	4.6	16.4	4.2
Large (% over US\$20 billion)	80	38	63	38
Medium (% US\$3 billion to US\$20 billion)	20	53	36	53
Small (% under US\$3 billion)	0	9	2	10

Fundamental Structure:				
Price-Earnings Ratio	26	15	24	14
Price-Book Value Ratio	5.4	1.3	4.8	1.5
Dividend Yield (%)	1.8	2.7	2.1	2.5
Historical Earnings Growth Rate (%)	16	9	17	10
Projected Earnings Growth Rate (%)	15	4	13	13

Sector Allocation (%):				
Consumer Staples	36	8	45	8
Health Care	7	3	3	3
Financials	30	28	21	28
Utilities	2	3	4	3
Information Technology	17	20	14	20
Materials	1	7	2	6
Industrials	2	7	1	7
Telecommunication Services	1	7	4	7
Consumer Discretionary	4	10	7	10
Energy	0	8	0	7

Diversification:				
Number of Holdings	59	834	70	836
% in 5 largest holdings	41	13	25	13
% in 10 largest holdings	58	19	42	19

Region Allocation (%):				
Asia Pacific	75	69	59	71
Latin America	8	13	13	12
Europe/MidEast/Africa	3	17	6	16
Frontier	0	0	1	0
Other	13	2	22	2

Largest Five Holdings:		Industry
HDFC Bank	12.0	Banks
Housing Development Financial	10.9	Banks
ITC	9.2	Food & Beverage
Infosys	4.7	Software & Services
British American Tobacco	4.1	Food & Beverage

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Northern Trust Russell 3000 Index Portfolio Detail as of 3/31/16

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$55.2 million
Portfolio Manager: Brent D. Reeder
Location: Chicago, Illinois
Inception Date: 9/1/1999
Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.03% on all assets

Liquidity Constraints:

Daily

Strategy:

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

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 9/1/99
Northern Trust Russell 3000 Index	1.0	-0.4	-0.2	11.2	11.1	5.3
Net of Fees	1.0	-0.4	-0.2	11.2	11.1	5.3
Russell 3000	1.0	-0.5	-0.3	11.1	11.0	5.2

	3/31/16 Northern Trust Russell 3000 Index	Russell 3000	12/31/15 Northern Trust Russell 3000 Index	Russell 3000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	107.5	107.4	106.0	106.1
Median Market Cap. (US\$ billion)	1.7	1.4	1.7	1.4
Large (% over US\$20 billion)	70	69	69	69
Medium (% US\$3 billion to US\$20 billion)	23	23	23	23
Small (% under US\$3 billion)	7	7	8	8

Fundamental Structure:

Price-Earnings Ratio	21	21	21	21
Price-Book Value Ratio	2.3	2.3	2.2	2.3
Dividend Yield (%)	2.1	2.1	2.1	2.1
Historical Earnings Growth Rate (%)	10	10	11	11
Projected Earnings Growth Rate (%)	10	10	11	11

Sector Allocation (%):

Consumer Discretionary	14	14	14	13
Utilities	4	3	3	3
Industrials	11	11	11	11
Financials	17	17	18	18
Materials	3	3	3	3
Energy	6	6	6	6
Consumer Staples	9	9	9	9
Telecommunication Services	2	2	2	2
Information Technology	20	20	20	20
Health Care	14	14	15	15

Diversification:

Number of Holdings	2,646	2,973	2,672	3,012
% in 5 largest holdings	9	9	9	9
% in 10 largest holdings	15	15	14	14

Largest Ten Holdings:

		Industry
Apple	2.9	Technology Hardware
Microsoft	2.0	Software & Services
ExxonMobil	1.6	Energy
Johnson & Johnson	1.4	Life Sciences
General Electric	1.4	Capital Goods
Berkshire Hathaway	1.2	Diversified Financials
Facebook	1.1	Software & Services
AT&T	1.1	Telecom. Services
Amazon.com	1.0	Retailing
Wells Fargo & Company	1.0	Banks

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Oberweis International Opportunities Portfolio Detail as of 3/31/16

Mandate: International Equities
Active/Passive: Active
Market Value: \$29.1 million
Portfolio Manager: Ralf Scherschmidt
Location: Lisle, Illinois
Inception Date: 11/1/2015
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$50 mm; 0.90% on next \$50 mm; 0.80% on next \$50 mm

Liquidity Constraints:

Daily

Strategy:

The Oberweis International Opportunities strategy seeks to identify and capitalize on the investment opportunities offered by smaller companies in Europe, the UK, Canada, Asia, Japan, and Latin America. The strategy focuses on identifying less well-known small-cap companies which traditionally receive less coverage than larger companies, consequently providing unique opportunities to unearth hidden values.

Performance (%):

	1Q16	Fiscal YTD ¹	Since 11/1/15
Oberweis International Opportunities	-1.7	NA	2.9
Net of Fees	-1.7	NA	2.9
MSCI EAFE Small Cap	-0.6	-1.1	0.2
Peer International Small Cap	-0.7	-2.7	-0.3
Peer Ranking (percentile)	73	NA	9

	3/31/16		12/31/15	
	Oberweis International Opportunities	MSCI EAFE Small Cap	Oberweis International Opportunities	MSCI EAFE Small Cap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	4.9	2.3	4.4	2.3
Median Market Cap. (US\$ billion)	3.5	0.9	3.5	0.9
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	69	26	64	27
Small (% under US\$3 billion)	31	74	36	73

Fundamental Structure:

Price-Earnings Ratio	21	17	24	17
Price-Book Value Ratio	3.3	1.3	3.3	1.4
Dividend Yield (%)	1.5	2.6	1.4	2.3
Historical Earnings Growth Rate (%)	19	11	18	12
Projected Earnings Growth Rate (%)	25	13	25	14

Sector Allocation (%):

Consumer Discretionary	24	16	24	18
Consumer Staples	11	7	10	7
Information Technology	13	10	19	10
Materials	10	8	8	8
Health Care	9	8	11	8
Energy	3	2	2	2
Telecommunication Services	1	1	1	2
Utilities	0	2	0	2
Industrials	19	23	16	22
Financials	11	22	10	22

Diversification:

Number of Holdings	94	2,164	96	2,189
% in 5 largest holdings	11	2	10	2
% in 10 largest holdings	21	3	19	3

Region Allocation (%):

North America	8	0	7	0
Europe	55	57	53	57
Asia Pacific	36	42	40	41
Emerging	1	0	0	0
Other	0	2	0	2

Largest Five Holdings:

		Industry
CCL Inds.'B'	2.5	Materials
Admiral Group	2.4	Insurance
Freni Brembo	2.4	Autos. & Components
Hochtief	2.0	Capital Goods
Treasury Wine Estates	2.0	Food & Beverage

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$28.2 million
Portfolio Manager: Jeffrey Bronchick
Location: El Segundo, California
Inception Date: 5/1/2014
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.80% on all assets

Liquidity Constraints:
Daily

Strategy:

Cove Street Capital manages a fundamental, bottom-up research driven value portfolio of small capitalization companies. It is a relatively concentrated portfolio, usually consisting of between 30-40 companies. The strategy focuses on finding statistically cheap companies with high quality business models.

Guidelines:

Maximum of 10% in non-U.S. issuers, preferred stock, convertibles or other equity equivalents. Maximum of 15% in single issuer, 30% in any single industry. Maximum cash balance of 15%.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 5/1/14
Cove Street Small Cap Value	5.7	-1.4	1.0	2.5
Net of Fees	5.5	-1.9	0.3	1.8
Russell 2000 Value	1.7	-6.6	-7.7	-0.6
Peer Small Cap Value	2.4	-5.4	-5.3	1.7
Peer Ranking (percentile)	7	14	4	31

Cove Street Small Cap Value Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Cove Street Small Cap Value	Russell 2000 Value	Cove Street Small Cap Value	Russell 2000 Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	1.6	1.7	1.4	1.7
Median Market Cap. (US\$ million)	549.3	577.9	569.5	592.8
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	25	15	13	12
Small (% under US\$3 billion)	75	85	87	88
Fundamental Structure:				
Price-Earnings Ratio	27	19	29	18
Price-Book Value Ratio	2.2	1.5	2.1	1.5
Dividend Yield (%)	0.6	2.4	0.5	2.4
Historical Earnings Growth Rate (%)	12	10	6	8
Projected Earnings Growth Rate (%)	16	9	13	9
Sector Allocation (%):				
Consumer Discretionary	25	10	31	10
Industrials	25	12	18	12
Information Technology	19	11	18	11
Materials	8	3	8	3
Telecommunication Services	0	1	0	1
Consumer Staples	3	4	3	3
Health Care	3	4	5	5
Energy	2	4	2	4
Utilities	0	8	0	7
Financials	16	43	15	44
Diversification:				
Number of Holdings	34	1,325	35	1,349
% in 5 largest holdings	28	3	25	2
% in 10 largest holdings	46	5	43	5
Largest Ten Holdings:				
		Industry		
Forestar Group	6.1	Real Estate		
ViaSat	5.8	Technology Hardware		
USG	5.7	Capital Goods		
FMC	5.5	Materials		
Carrols Restaurant Group, Inc.	5.0	Consumer Services		
Heritage-Crystal Clean	4.0	Commercial Services		
Cherokee	3.9	Consumer Durables		
Gp Strategies	3.8	Commercial Services		
Hallmark Finl.Services	3.3	Insurance		
Belmond 'A'	3.1	Consumer Services		

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Aberdeen Frontier Markets Equity Portfolio Detail as of 3/31/16

Mandate: International Equities,
Frontier Markets

Active/Passive: Active

Market Value: \$17.1 million

Portfolio Manager: Devan Kaloo

Location: London, United Kingdom

Inception Date: 12/1/2013

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.50% on all assets

Liquidity Constraints:

Monthly

Strategy:

The firm believes, given the inefficiency of markets, that competitive long-term returns are achieved by identifying high quality stocks at attractive valuations and holding them for the long term. The firm believes that sound fundamentals drive stock prices over time and they employ a fundamental bottom-up investment approach based upon a rigorous and disciplined proprietary research effort which originates with direct company due diligence visits. The objective of the Frontier Markets Equity strategy is to achieve total return in excess of the MSCI Frontier Markets Index through investing in companies listed, domiciled or headquartered, or with a significant portion of their revenues, profits and/or assets derived from frontier economies.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 12/1/13
Aberdeen Frontier Markets Equity	-3.0	-11.7	-10.0	-6.2
Net of Fees	-3.1	-12.5	-11.2	-7.5
MSCI Frontier Markets	-0.9	-12.5	-12.5	-3.3
MSCI Frontier Markets ex GCC	-0.4	-11.5	-11.6	-7.6
Peer Frontier Markets	-0.6	-11.4	-9.1	-2.7
Peer Ranking (percentile)	94	56	64	82

	3/31/16		12/31/15	
	Aberdeen Frontier Markets Equity	MSCI Frontier Markets	Aberdeen Frontier Markets Equity	MSCI Frontier Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.7	4.1	3.5	4.1
Median Market Cap. (US\$ billion)	1.9	1.4	2.0	1.4
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	39	41	40	44
Small (% under US\$3 billion)	61	59	60	56
Fundamental Structure:				
Price-Earnings Ratio	16	12	17	11
Price-Book Value Ratio	3.5	1.6	3.6	1.6
Dividend Yield (%)	3.8	4.4	3.6	4.1
Historical Earnings Growth Rate (%)	9	6	10	10
Projected Earnings Growth Rate (%)	13	11	13	9
Sector Allocation (%):				
Consumer Staples	33	8	32	9
Industrials	8	3	8	3
Information Technology	5	0	5	0
Health Care	8	3	9	3
Consumer Discretionary	2	1	2	0
Telecommunication Services	13	14	12	13
Utilities	0	1	0	1
Materials	3	7	3	7
Energy	4	10	4	9
Financials	23	52	25	53
Diversification:				
Number of Holdings	45	121	47	120
% in 5 largest holdings	27	21	25	22
% in 10 largest holdings	47	33	44	33
Region Allocation (%):				
Asia	24	16	23	17
Europe & CIS	8	10	8	10
Americas	0	13	0	11
Africa	28	26	30	28
Middle East	3	31	5	32
Emerging	14	1	14	1
Other	23	2	20	1
Largest Five Holdings:				
		Industry		
Safaricom	6.2	Telecom. Services		
Vietnam Dairy Products	6.1	Food & Beverage		
Coca Cola Icecek	5.1	Food & Beverage		
Epam Systems	4.9	Software & Services		
East African Breweries	4.8	Food & Beverage		

¹ Fiscal Year begins July 1.



Long-Short Equity Portfolio Reviews As of March 31, 2016

Mandate: Hedge Fund,
Event Driven

Market Value: \$34.4 million

Portfolio Manager: Team

Location: New York, New York

Inception Date: 4/1/2013

Account Type: Limited Partnership

of Investments: Not Provided

Fee Schedule:
2.0% management fee and 20% performance fee with a high water mark

Liquidity Constraints:
Quarterly with 60 days' notice

Strategy:
Senator will migrate their portfolio across capital markets as an economic cycle takes shape. The firm tends to focus on high quality franchise assets they can purchase below their intrinsic value. A catalyst to change the value of the security is essential for Senator.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/13
Senator Global Opportunity Offshore Fund ²	-2.7	-9.8	-8.5	5.5	5.5
HFRI Event Driven Index	-1.0	-6.8	-6.2	1.5	1.5

¹ Fiscal Year begins July 1.

² Senator maintains a policy to not providing details in a requested template or format. Regional, sector, security type and holdings did not populate due to lack of detail from the manager.

San Jose Federated City Employees' Retirement System

Horizon Portfolio I Portfolio Detail as of 3/31/16

Mandate: Hedge Fund,
Long/Short Equity

Market Value: \$31.6 million

Portfolio Manager: Team

Location: Tokyo, Japan

Inception Date: 7/1/2013

Account Type: Limited Partnership

of Investments: 2192

Fee Schedule:
2.0% management fee and 20% performance fee with a high water mark

Liquidity Constraints:
1 year soft lock, quarterly with 45 days' notice thereafter

Strategy:
Horizon is a Japan-focused investment manager. The firm engages three distinct teams to manage the portfolio; Fundamental, Flow and Asia ex-Japan. The majority of exposure will be invested in Japanese equities with near 0% net exposure, ranging between +/-10%. Turnover in the portfolio is around once per month, and risk is focused to limit the impact of any single position to less than 0.25% of fund NAV.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 7/1/13
Horizon Portfolio I	0.3	2.6	4.6	7.1
HFRI Equity Hedge (Long/Short Equity)	-1.7	-6.2	-4.5	2.9

Geographic Exposure (%):	3/31/2016		12/31/2015	
	Gross	Net	Gross	Net
North America	3	0	3	0
Developed Europe	7	0	9	0
Developed Asia	126	-1	140	5
Emerging Markets	0	0	0	0
Sector Gross Exposure (%):	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Consumer	25	32	27	29
Energy	6	6	6	7
Financials	19	22	28	30
Health Care	8	9	8	8
Industrials	26	27	26	31
Materials	14	13	12	14
Staples	10	13	12	13
Technology	21	22	18	20
Utilities	3	3	2	3
Market Capitalization Gross Exposure (%):	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Large Cap	93	114	102	117
Mid Cap	32	29	32	32
Small Cap	12	8	9	8

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Sandler Plus Offshore Fund Portfolio Detail as of 3/31/16

Mandate: Hedge Fund,
Long/Short Equity

Market Value: \$24.9 million

Portfolio Manager: Team

Location: New York, New York

Inception Date: 5/1/2013

Account Type: Limited Partnership

of Investments: 167

Fee Schedule:
2.0% management fee, 20% performance fee with a high water mark

Liquidity Constraints:
Quarterly with 30 days' notice

Strategy:
Sandler uses fundamental analysis to expose investors to changes in secular growth through a business cycle. The firm will seek specific themes that drive a sector or industry toward or away from growth. The portfolio will have a high level of turnover as market and technical features are evaluated for entry or exit points for securities.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 5/1/13
Sandler Plus Offshore Fund	-1.5	5.2	2.5	7.8
HFRI Equity Hedge (Long/Short Equity)	-1.7	-6.2	-4.5	2.5

Geographic Exposure (%):	3/31/2016		12/31/2015	
	Gross	Net	Gross	Net
North America	148	46	218	24
Developed Europe	5	5	16	14
Developed Asia	0	0	2	2
Emerging Markets	0	0	1	-1

Top 5 Holdings (%):	
Visa Inc-Class A Shares	6
Facebook Inc	4
Sandler Cheap P/E With Fin	3
Thomson Reuters Corp	-3
Put - Ko 100 @ 47 Exp 06/17/2016	2

Sector Gross Exposure (%):	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Consumer	36	54	42	47
Energy	2	11	6	10
Financials	24	35	23	27
Health Care	13	21	19	31
Industrials	32	38	27	35
Materials	6	9	8	14
Staples	14	18	13	10
Technology	24	47	30	36
Utilities	0	1	1	1

Market Capitalization Gross Exposure (%):	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Large Cap	84	135	89	109
Mid Cap	61	84	78	101
Small Cap	8	17	5	5

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Marshall Wace Eureka Fund Portfolio Detail as of 3/31/16

Mandate: Hedge Fund,
Long/Short Equity

Market Value: \$23.1 million

Portfolio Manager: Team

Location: New York, New York

Inception Date: 4/1/2014

Account Type: Limited Partnership

of Investments: 4753

Fee Schedule:
2.0% management fee and 20% performance fee with a high water mark

Liquidity Constraints:
Monthly with 90 days' notice

Strategy:
The Eureka fund processes opportunities from two sources, internally managed offerings at Marshall Wace and the firm's TOPS program. TOPS is a methodology that analyzes information submitted by sell-side research personnel and compiles a portfolio of ideas for the fund.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 4/1/14
Marshall Wace Eureka Fund	-5.1	-1.9	1.1	6.7
HFRI Equity Hedge (Long/Short Equity)	-1.7	-6.2	-4.5	-1.0

Geographic Exposure (%):	3/31/2016		12/31/2015	
	Gross	Net	Gross	Net
North America	82	1	85	4
Developed Europe	69	19	85	24
Developed Asia	40	0	45	5
Emerging Markets	33	3	38	4

Top 5 Holdings (%):				
SabMiller Plc	4			
Zoetis Inc	3			
T-Mobile Us Inc	2			
Vodafone Group	2			
Bayer Ag-Reg	2			

Sector Gross Exposure (%):	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Consumer	0	40	36	40
Energy	9	9	8	9
Financials	37	55	48	60
Health Care	26	31	26	28
Industrials	29	32	25	29
Materials	15	17	17	17
Staples	27	25	18	18
Technology	0	21	19	22
Utilities	6	6	6	6

Market Capitalization Gross Exposure (%):	3/31/2016	12/31/2015	9/30/2015	6/30/2015
Large Cap	18	26	22	28
Mid Cap	189	210	184	206
Small Cap	12	14	12	12

¹ Fiscal Year begins July 1.



Fixed Income Portfolio Reviews As of March 31, 2016

Global Core Portfolio Reviews
As of March 31, 2016

San Jose Federated City Employees' Retirement System

Northern Trust 1-10 Year Intermediate Gov't Bond Index-NL Portfolio Detail as of 3/31/16

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$138.3 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 10/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.05% on all assets

Liquidity Constraints:
 Daily

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

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 10/1/12
Northern Trust 1-10 Year Intermediate Gov't Bond Index-NL	2.3	2.7	2.2	1.5	1.3
Net of Fees	2.3	2.6	2.2	1.5	1.3
Barclays Intermediate Gov't Bond Index	2.3	2.7	2.2	1.5	1.4

	3/31/16		12/31/15	
	Northern Trust 1-10 Year Intermediate Gov't Bond Index-NL	Barclays Intermediate Gov't Bond Index	Northern Trust 1-10 Year Intermediate Gov't Bond Index-NL	Barclays Intermediate Gov't Bond Index
Duration & Yield:				
Average Effective Duration (years)	3.8	3.9	3.8	3.8
Yield to Maturity (%)	1.1	1.1	1.5	1.5
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	98	100	97
AA	0	2	0	3
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	93	93	92	93
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	7	7	7	7
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.



San Jose Federated City Employees' Retirement System

Mandate: TIPS
Active/Passive: Passive
Market Value: \$110.2 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 7/1/2014
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.05% on all assets

Liquidity Constraints:

Daily

Strategy:

The Northern Trust TIPS index strategy seeks to track the risk and return characteristics of the Barclays U.S. 0-5 Year TIPS Index. The Index represents the Treasury Inflation-Protected Securities segment of the U.S. fixed income market. The strategy provides the desired exposure using quantitative techniques to maintain neutrality relative to index exposures while avoiding excessive transactions costs.

Guidelines:

The portfolio will have a weighted average duration that will approximate the duration of the Barclays U.S. 0-5 Year TIPS Index.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 7/1/14
Northern Trust 0-5 Year TIPS	1.8	0.7	1.3	-0.7
Net of Fees	1.8	0.7	1.3	-0.7
Barclays U.S. TIPS 0-5 Years	1.8	0.8	1.4	-0.6

Northern Trust 0-5 Year TIPS Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Northern Trust 0-5 Years TIPS	Barclays U.S. TIPS 0-5 Years	Northern Trust 0-5 Years TIPS	Barclays U.S. TIPS 0-5 Years
Duration & Yield:				
Average Effective Duration (years)	1.7	1.3	1.5	1.2
Yield to Maturity (%) ²	0.8	0.7	1.2	1.2
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.

² This figure is an estimated yield-to-maturity (YTM) for the fund. It is calculated by adding the trailing 12-month inflation adjustment to the "real" (i.e., before inflation) YTM of the fund. Adding the 12-month inflation adjustment allows the fund's yield to be more directly comparable to those of other bond funds. Investors should recognize that the actual YTM will depend upon the level of inflation experienced going forward.



San Jose Federated City Employees' Retirement System

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$55.3 million
Portfolio Manager: Team
Location: Atlanta, Georgia
Inception Date: 8/1/2015
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.45% on all assets

Liquidity Constraints:
Daily

Strategy:

Voya's Securitized Credit strategy combines a top down and bottom up approach to identifying undervalued securitized assets. Permissible securitized assets include agency and non-agency mortgages and MBS, ABS, CLOs, and CMBS. Voya leverages the breadth of a large securitized investment team, macroeconomic research team, as well as proprietary security analysis and tracking tools to manage the portfolio. In addition to the core securitized credit strategy, the custom portfolio can also allocate up to 25% of its market value to Voya's Mortgage Derivative strategy, a strategy that focuses on the mortgage derivatives market and finding inefficiently priced securities within it. This strategy generally focuses in principal only, interest-only, and inverse interest-only derivatives.

Guidelines:

No more than 10% in a single issuer or specific investments listed as permissible; no more than 20% in assets defined as "less liquid." Borrowing limited to no more than 20% of portfolio NAV.

Performance (%):	1Q16	Fiscal YTD ¹	Since 8/1/15
Voya Securitized Credit	0.5	NA	0.6
Net of Fees	0.5	NA	0.6
Barclays Global Aggregate Securitized	2.8	3.3	2.9

Voya Securitized Credit Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Voya Securitized Credit	Barclays Global Aggregate Securitized	Voya Securitized Credit	Barclays Global Aggregate Securitized
Duration & Yield:				
Average Effective Duration (years)	2.6	3.5	3.4	4.5
Yield to Maturity (%)	6.0	1.9	5.8	2.4
Quality Structure (%):				
Average Quality	B	AAA	B	AAA
AAA (includes Treasuries and Agencies)	3	94	2	94
AA	2	3	2	3
A	6	2	5	2
BBB	11	1	10	1
BB	14	0	15	0
B	16	0	15	0
Below B	48	0	51	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	45	76	45	76
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	40	3	40	3
Asset Backed	14	1	13	2
Cash Equivalent	1	0	2	0
Other	0	19	0	19
Market Allocation (%):				
United States	100	80	100	80
Foreign (developed markets)	0	20	0	20
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	19	0	18

¹ Fiscal Year begins July 1.



Non-Investment Grade Credit Portfolio Review As of March 31, 2016

Mandate: Hedge Fund,
Event Driven

Market Value: \$34.2 million

Portfolio Manager: Team

Location: New York, New York

Inception Date: 2/1/2013

Account Type: Limited Partnership

of Investments: Not Provided

Fee Schedule:
1.5% management fee, 20% performance fee

Liquidity Constraints:
Quarterly with 60 days' notice or Monthly with 60 days' notice and a 1.5% fee

Strategy:
The firm will invest across four major event focused disciplines: distressed securities, merger arbitrage, convertible bonds and volatility, and long-short equity. This multi-strategy event fund seeks low volatility and a consistent return for clients. The firm seeks to minimize loss to 1.0% of the portfolio, thus limiting most positions to less than 8%.

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/13
Davidson Kempner Institutional Partners, L.P. ²	-0.1	-0.2	0.4	4.0	4.4
HFRI Event Driven Index	-1.0	-6.8	-6.2	1.5	1.9

¹ Fiscal Year begins July 1.

² Davidson Kempner maintains a policy not to provide details in requested template or format. Regional, sector, security type, and holdings are not shown due to lack of detail from manager.

Emerging Markets Portfolio Review As of March 31, 2016

San Jose Federated City Employees' Retirement System

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$49.3 million
Portfolio Manager: Team
Location: London, United Kingdom
Inception Date: 8/1/2015
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.55% on all assets

Liquidity Constraints:
 Daily

Strategy:

BlueBay invests opportunistically in emerging markets hard currency sovereign debt, local currency debt and corporate debt (up to a maximum of 20%). BlueBay's approach for investing in emerging markets debt reflects their belief that the asset class continues to be inefficient, with the underlying sovereigns generally improving relative to developed markets. They believe that local markets are at an earlier stage of development relative to hard currency/developed bond markets, resulting in higher pricing volatility and real interest rate premia.

Performance (%):	1Q16	Fiscal YTD ¹	Since 8/1/15
BlueBay Emerging Markets Select Debt	5.7	NA	0.3
Net of Fees	5.6	NA	-0.2
50% JPM EMBI GD / 50% JPM GBI-EM	8.0	2.0	3.0
Peer Emerging Market Debt	5.0	0.9	1.7
Peer Ranking (percentile)	40	NA	76

BlueBay Emerging Markets Select Debt Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	BlueBay Emerging Markets Select Debt	50% JPM EMBI GD/ 50% JPM GBI-EM	BlueBay Emerging Markets Select Debt	50% JPM EMBI GD/ 50% JPM GBI-EM
Duration & Yield:				
Average Effective Duration (years)	6.3	5.9	5.3	5.7
Yield to Maturity (%)	5.9	6.1	6.6	6.7
Quality Structure (%):				
Average Quality	BB+	BBB-	BB	BBB-
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	1	0	3
A	18	24	17	24
BBB	32	40	36	43
BB	32	23	22	18
B	4	9	8	9
Below B	6	2	7	3
Non-Rated	9	0	9	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	1	0	2	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	92	100	92	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	7	0	6	0
Other	0	0	0	0
Market Allocation (%):				
United States	0	0	0	0
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	100	100	100	100
Currency Allocation (%):				
Non-U.S. Dollar Exposure	51	50	51	50

¹ Fiscal Year begins July 1.



**Real Assets Portfolio Reviews
As of March 31, 2016**

Commodities Portfolio Reviews As of March 31, 2016

San Jose Federated City Employees' Retirement System

Credit Suisse Risk Parity Commodity Fund Portfolio Detail as of 3/31/16

Mandate: Commodity
Active/Passive: Active
Market Value: \$51.4 million
Portfolio Manager: Christopher A. Burton
Location: New York, New York
Inception Date: 4/1/2011
Account Type: Commingled

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

Liquidity Constraints:
 Daily

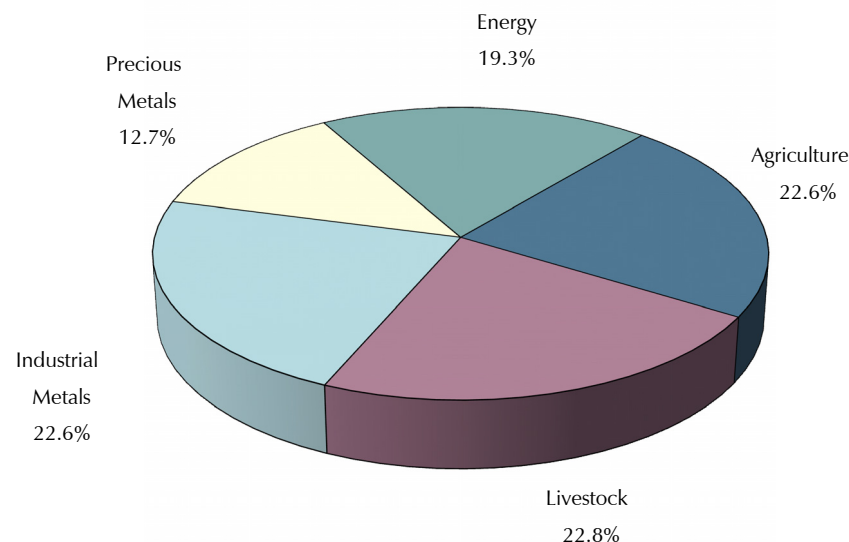
Strategy:

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

Performance (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 4/1/11
Credit Suisse Risk Parity Commodity Fund²	0.8	-18.1	-15.7	-11.5	-9.9	-9.9
Custom Risk Parity Commodity Benchmark ³	0.5	-18.1	-15.8	-11.5	-10.0	-10.0
Bloomberg Commodity Index	0.4	-23.1	-19.6	-16.9	-14.1	-14.1
Peer Commodities	0.7	-22.3	-19.6	-17.0	-13.9	-13.9
Peer Ranking (percentile)	41	24	21	12	12	12

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure ⁴	Info. Ratio	Correlation to Index
Credit Suisse Risk Parity Commodity Fund	10.5%	0.99	Neg.	0.10	1.00
Custom Risk Parity Commodity Benchmark ³	10.6	1.00	Neg.	NA	1.00

Current Allocation:



¹ Fiscal Year begins July 1.

² Performance is net of fees.

³ Custom Risk Parity Benchmark provided by Credit Suisse.

⁴ A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.



San Jose Federated City Employees' Retirement System

Pinnacle Natural Resources, L.P. Portfolio Detail as of 3/31/16

Mandate: Commodity
Active/Passive: Passive
Market Value: \$39.8 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 1/1/2016
Account Type: Limited Partnership

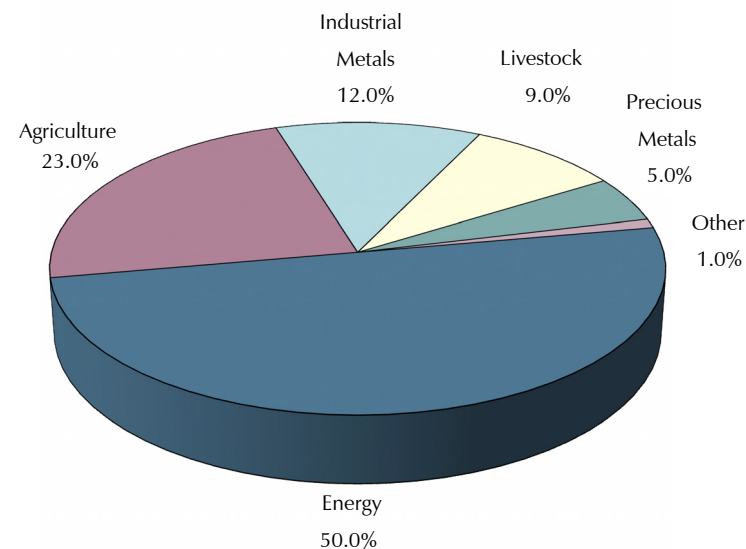
Fee Schedule:
 1.00% on all assets; 10% performance fee

Liquidity Constraints:
 Annual with 180 days' notice, 3-year soft lock

Strategy:
 The fund seeks to diversify its exposure by allocating assets among portfolio investments with various trading strategies, such as different forms of directional trading and arbitrage. The strategy utilizes a portfolio of commodity traders across major commodity complexes that exhibit low correlation within them and a successful track record. The strategy is set up with a core-satellite approach and a bottom-up focus. The objective is to generate positive returns in all market environments with little correlation to commodities benchmarks and traditional asset classes.

Performance (%):	1Q16	Fiscal YTD ¹	Since 1/1/16
Pinnacle Natural Resources, L.P.^{2,3}	-0.5	NA	-0.5
Bloomberg Commodity Index	0.4	-23.1	0.4
Peer Commodities	0.7	-22.3	0.7
Peer Ranking (percentile)	79	NA	79

Current Allocation:



¹ Fiscal Year begins July 1.

² Performance is net of fees.

³ Performance is net of fees.



Infrastructure Portfolio Review
As of March 31, 2016

San Jose Federated City Employees' Retirement System

Rhumblin DJ Brookfield Global Infrastructure Portfolio Detail as of 3/31/16

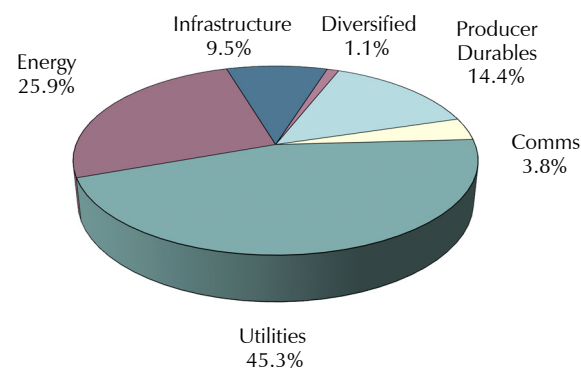
Mandate: Infrastructure
Active/Passive: Passive
Market Value: \$130.8 million
Portfolio Manager: Team
Location: Boston, Massachusetts
Inception Date: 6/1/2015
Account Type: Separately Managed

Fee Schedule:
 0.10% on all assets

Liquidity Constraints:
 Daily

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

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Rhumblin DJ Brookfield Global Infrastructure^{2,3}	8.2	-3.5	-7.3
DJ Brookfield Global Infrastructure Index	8.1	-3.9	-7.8



Country Allocation:

	Portfolio Allocation (%)
United States	47.2
International Developed Markets	48.8
Canada	12.8
United Kingdom	10.6
Hong Kong	2.1
Spain	5.7
Australia	5.3
Italy	4.5
Japan	2.2
France	2.1
Luxembourg	1.3
Singapore	0.4
Netherlands	0.4
New Zealand	0.5
Switzerland	0.5
Germany	0.3
Belgium	0.2
Emerging Markets	4.0
Mexico	0.8
China	3.0
Brazil	0.3

¹ Fiscal Year begins July 1.

² Tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.

³ Performance is net of fees.



Natural Resources Portfolio Review
As of March 31, 2016

San Jose Federated City Employees' Retirement System

Rhumblin S&P Global Large MidCap Commodity & NR Portfolio Detail as of 3/31/16

Mandate: Natural Resources
Active/Passive: Passive
Market Value: \$91.4 million
Portfolio Manager: Team
Location: Boston, Massachusetts
Inception Date: 6/1/2015
Account Type: Separately Managed

Fee Schedule:
0.048% on all assets

Liquidity Constraints:
Daily

Strategy:
This passive index fund seeks an investment return that approximates the performance of the S&P Global Large MidCap Commodities and Resources index. The index has equal exposure to three major natural resources industries: energy, materials, and agriculture. It generally holds over 75% in large capitalization companies and the balance in mid capitalization stocks, typically holding 220 to 260 securities. While the index invests in over thirty countries, the most exposure is in the United States, Canada, and the United Kingdom.

Performance (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Rhumblin S&P Global Large MidCap Commodity & NR^{2,3}	8.5	-17.6	-21.9
S&P Global Large MidCap Commodity and Resources	9.2	-17.2	-21.5
S&P Global Natural Resources	9.3	-14.8	-19.0

	3/31/16		12/31/15	
	Rhumblin S&P Global Large MidCap Commodity & NR	S&P Global Large MidCap Commodity and Resources	Rhumblin S&P Global Large MidCap Commodity & NR	S&P Global Large MidCap Commodity and Resources
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	55.9	55.9	55.6	52.1
Median Market Cap. (US\$ billion)	7.1	7.2	6.0	6.0
Large (% over US\$20 billion)	56	56	57	54
Medium (% US\$3 billion to US\$20 billion)	40	41	39	41
Small (% under US\$3 billion)	3	3	5	5
Fundamental Structure:				
Price-Earnings Ratio	18	18	16	16
Price-Book Value Ratio	1.3	1.3	1.3	1.2
Dividend Yield (%)	3.9	3.7	4.2	4.1
Historical Earnings Growth Rate (%)	-13	-12	-5	-6
Projected Earnings Growth Rate (%)	5	5	-3	-3
Sector Allocation (%):				
Energy	34	34	36	33
Consumer Staples	8	8	8	8
Consumer Discretionary	0	0	0	0
Financials	0	0	0	0
Health Care	0	0	0	0
Industrials	0	0	0	0
Information Technology	0	0	0	0
Telecommunication Services	0	0	0	0
Utilities	0	0	0	0
Materials	58	58	56	59
Diversification:				
Number of Holdings	180	187	182	180
% in 5 largest holdings	27	27	29	28
% in 10 largest holdings	41	41	44	42
Region Allocation (%):				
North America	49	50	51	49
Europe	29	28	28	28
Asia Pacific	11	10	11	11
Emerging	11	12	10	11
Other	1	1	1	1
Largest Five Holdings:				
		Industry		
ExxonMobil	6.7	Energy		
Monsanto	6.5	Materials		
Syngenta	6.3	Materials		
BHP Billiton	4.0	Materials		
Archer-Daniels	3.5	Food & Beverage		

¹ Fiscal Year begins July 1.

² Tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.

³ Performance is net of fees.



Global Macroeconomic Outlook

March 2016

Global Economic Outlook¹

Projections for global growth continue to be lowered, as the economic recovery in many countries remains weak.

- The IMF reduced their 2016 global growth forecast by 0.2%, to 3.2%, and lowered its 2017 forecast by 0.1%, to 3.5%.
- The IMF outlook for advanced economies was downgraded from 2.1% to 1.9% for 2016, and from 2.1% to 2.0% for 2017. In the U.S., weak manufacturing and the impact of the dollar's strength on exports should be balanced by the improving labor and housing markets. In Europe and Japan, growth is forecasted to be lower than in the U.S., as unemployment remains high in Europe and consumption weak in Japan.
- Growth projections in emerging economies were lowered, but are still projected to be higher than those for developed economies in 2016 and 2017. Economic environments within emerging market countries remain uneven. Lower commodity prices, slowing growth in China, and higher U.S. interest rates all remain key concerns, with varied impact among countries.

	Real GDP (%)			Inflation (%)		
	IMF 2016 Forecast	IMF 2017 Forecast	Actual 10 Year Average	IMF 2016 Forecast	IMF 2017 Forecast	Actual 10 Year Average
World	3.2	3.5	3.7	2.8	3.0	4.0
U.S.	2.4	2.5	1.4	0.8	1.5	2.0
European Union	1.8	1.9	1.1	0.4	1.3	1.9
Japan	0.5	-0.1	0.5	-0.2	1.2	0.2
China	6.5	6.2	9.5	1.8	2.0	2.9
Emerging Markets (ex. China)	2.6	3.6	4.5	6.1	5.6	7.4

¹ Source: IMF. World Economic Outlook, update April 2016. "Actual 10 Year Average" represents data from 2006 to 2015. Data after 2014 is an estimate.

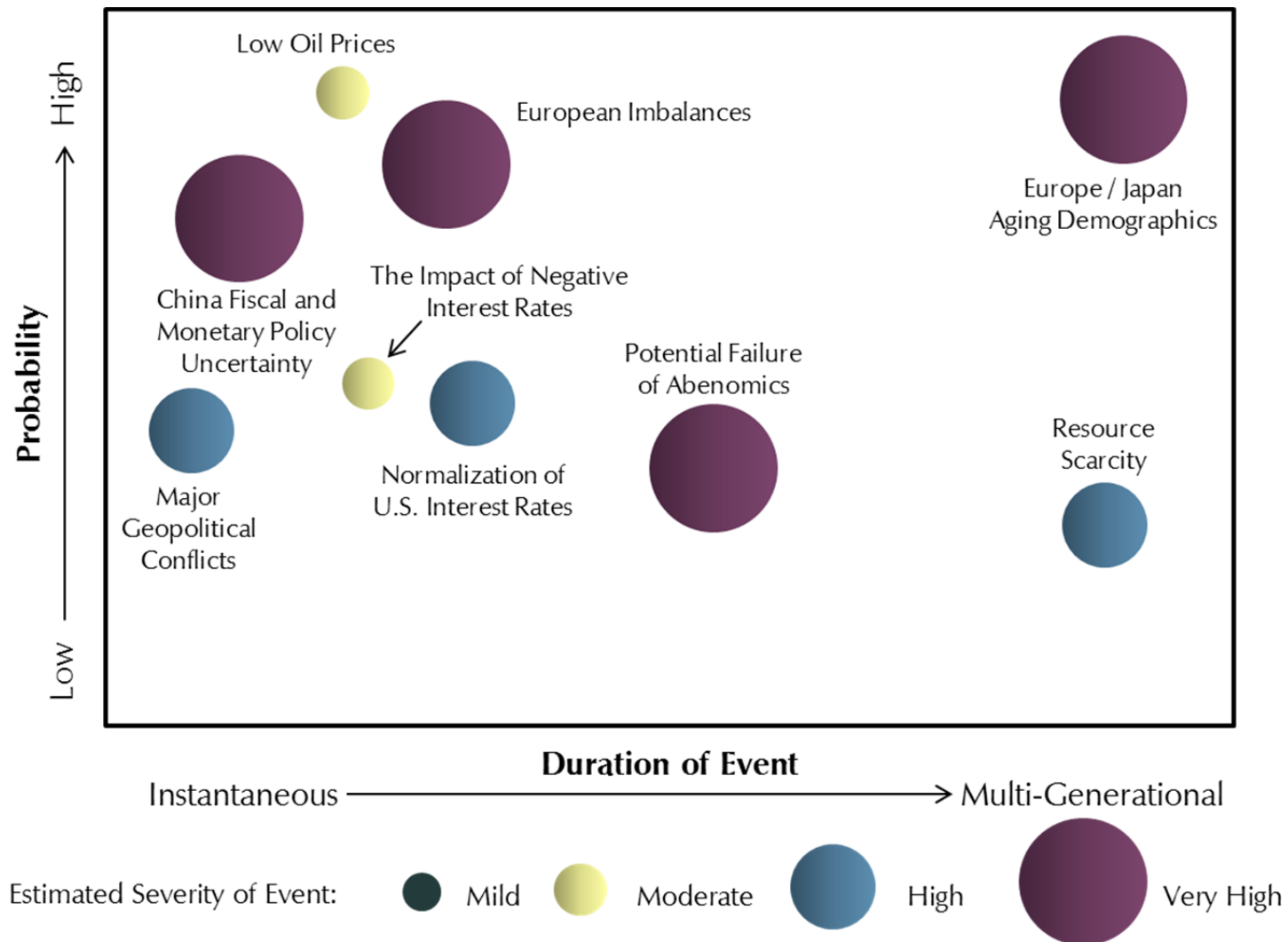
Global Economic Outlook, Continued

It appears that the pace of U.S. tightening will be slower than previously expected, while additional stimulus in Europe, Japan, and China is likely.

- Despite an improving labor market and rising prices, the Federal Reserve decided at their recent meeting to hold interest rates steady at 0.5% in the face of global uncertainties. Expectations are for the Fed to increase rates two times in 2016 by 0.25%, down from the four increases previously expected.
- In March, the European Central Bank (ECB) revealed a larger-than-anticipated increase in stimulus that included an expansion of its asset-purchase program, interest rate cuts, and cheap long-term loans to banks. The ECB's attempts to stimulate growth and prices was complicated by the recent appreciation of the euro versus the dollar.
- Earlier in the year, the Bank of Japan (BOJ) surprised markets by announcing that they would adopt negative interest rates for a portion of reserves held at the bank in an effort to stimulate growth. Given continued low inflation and weak growth, we expect that the BOJ will continue to expand its already aggressive monetary policy.
- China cut bank reserve requirements in February by 0.5% to 17%, representing the fifth cut since early last year. With China's economy growing at its slowest rate in a quarter century, we expect that further stimulus, including rate cuts, reductions in bank reserve requirements, and possibly infrastructure spending, will be announced.

Several issues are of primary concern: 1) declining growth in China, along with uncertain fiscal and monetary policies; 2) continued economic sluggishness and financial risk in Europe; 3) weakening economic activity in the U.S.; 4) divergent growth in emerging economies.

Macroeconomic Risk Matrix



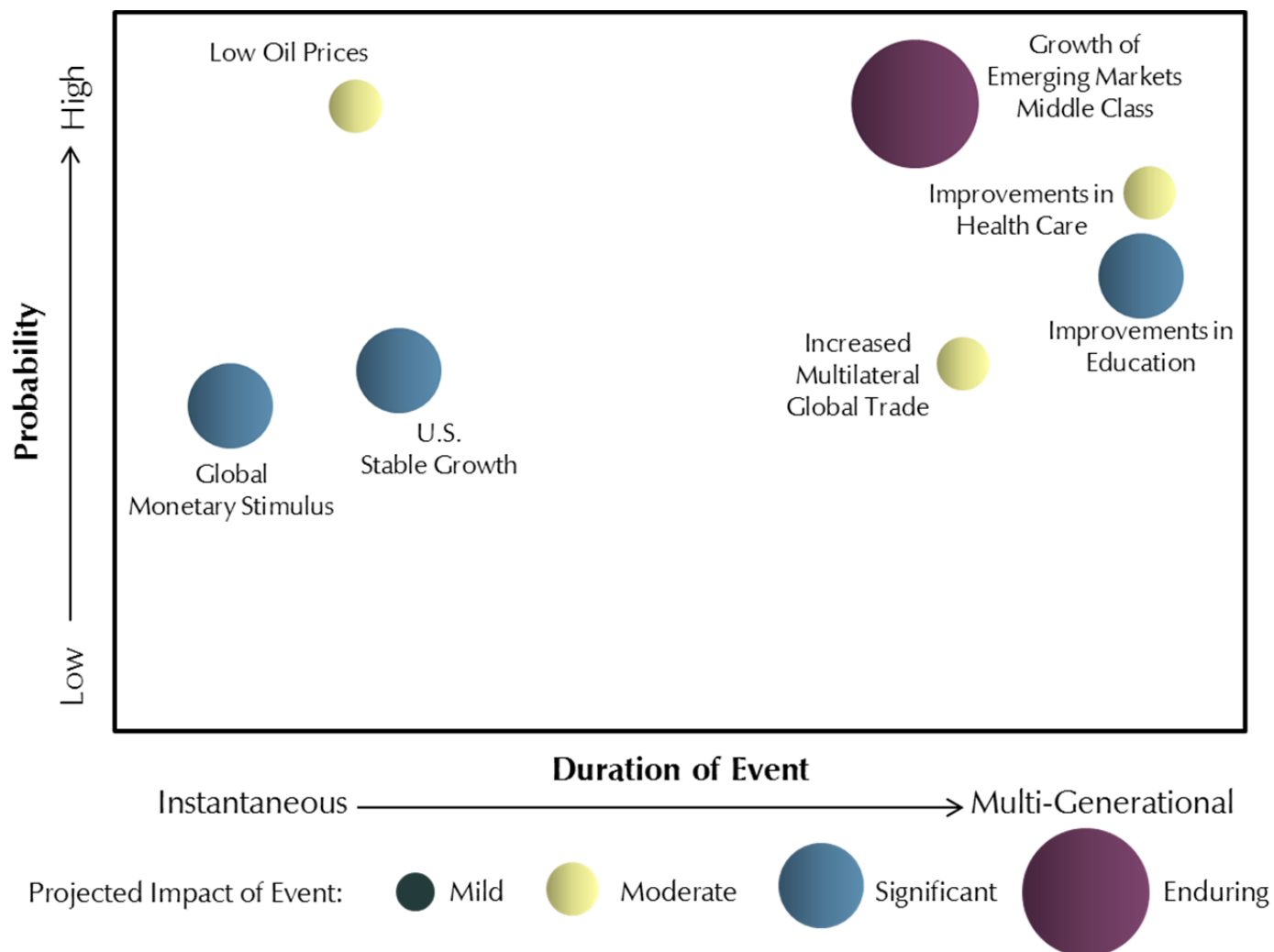
Macroeconomic Risk Overviews

Low Oil Prices	Although oil prices recently increased, they remain historically low. An extended period of low oil prices will hurt countries such as Iran, Russia, and Venezuela that depend heavily on oil export revenues. Low prices will continue to hurt oil exploration and production (E&P) companies, and companies that support the oil industry. Recently, the stress of low oil prices has particularly affected E&P companies, with bond defaults ticking up. The risk of increased geopolitical tensions also exists with depressed oil prices.
European Imbalances	The crisis is rooted in structural issues in the Eurozone related to the combination of a single currency combined with 17 fiscal authorities. The events in 2015 related to Greece's third bailout highlighted the continued European tensions. Allowing countries to leave the Eurozone could set a dangerous precedent, especially if they ultimately experience growth due to depressed currencies. Alternatively, providing debt forgiveness for some countries could lead to others looking for similar treatment. The massive influx of refugees into Europe from the Middle East and North Africa exacerbates economic stress. The impending referendum on whether the UK will stay in the European Union could also prove disruptive.
Potential Failure of Abenomics	Japan is engaged in a historic stimulus program, referred to as "Abenomics" to fight its decades of deflation. The plan includes monetary, fiscal, and structural components. If Japan overshoots with its policies, or dramatically changes them unexpectedly, it could prove disruptive to markets and growth.
Europe/Japan Aging Demographics	In Japan and Europe, birth rates have declined for decades, resulting in populations becoming older and smaller relative to the rest of the world. These demographic trends will have a negative long-term impact on GDP growth and fiscal budgets, amplifying debt problems.
Major Geopolitical Conflicts	The recent bombings in Brussels highlights the continued threat of ISIS. This complicates the refugee crisis within Europe, as countries try to balance maintaining open borders with preventing terrorists from entering their countries. Other unresolved geopolitical issues remain, including North Korea's nuclear aspirations, the civil war in Syria, and the ongoing tensions between Russia and Ukraine.

Macroeconomic Risk Overviews, Continued

China Fiscal and Monetary Policy Uncertainty	China's recent policies, first to support its equity markets and then to devalue its currency, created heightened volatility in global markets. The process of transitioning from a growth model based on fixed asset investment by the government, to a model of consumption-based growth will be difficult. Similar measures responding to slowing growth or to support stock prices could prove disruptive and decrease confidence in China's government. China's abandonment of its support of the yuan, and a resulting major devaluation of the currency, could prove particularly disruptive to global markets and trade.
Normalization of U.S. Interest Rates	After the Global Financial Crisis, the U.S., injected massive amounts of liquidity into the financial system in an effort to prevent depression-like declines in economic activity. Additionally, the central bank reduced short-term interest rates to record lows. Now that the Federal Reserve has begun to increase interest rates, albeit slowly, this could weigh on growth globally, particularly in emerging economies.
Resource Scarcity	The increasing world population, urbanization, and a growing middle class, particularly in emerging economies, could all lead to a scarcity of resources, including food, water, land, energy, and minerals. As demand continues to grow and supply declines, certain commodity prices may skyrocket, hurting the living standards of many and increasing the risk of geopolitical conflicts.
The Impact of Negative Interest Rates	Recently monetary policy amongst major central banks has diverged. The U.S. stopped its bond-buying program last year and plans to raise interest rates, while in Europe and Japan, rates are expected to remain low with deposit rates in negative territory. The hope of negative interest rates is to stimulate economic activity, but it is possible that they could have unintended consequences. If banks absorb the impact of negative interest rates, that could weigh on profit margins and lending, while charging customers to hold their cash may lead to funds being withdrawn from banks. Both results could lead to less lending, not more, and ultimately a decline in economic activity.

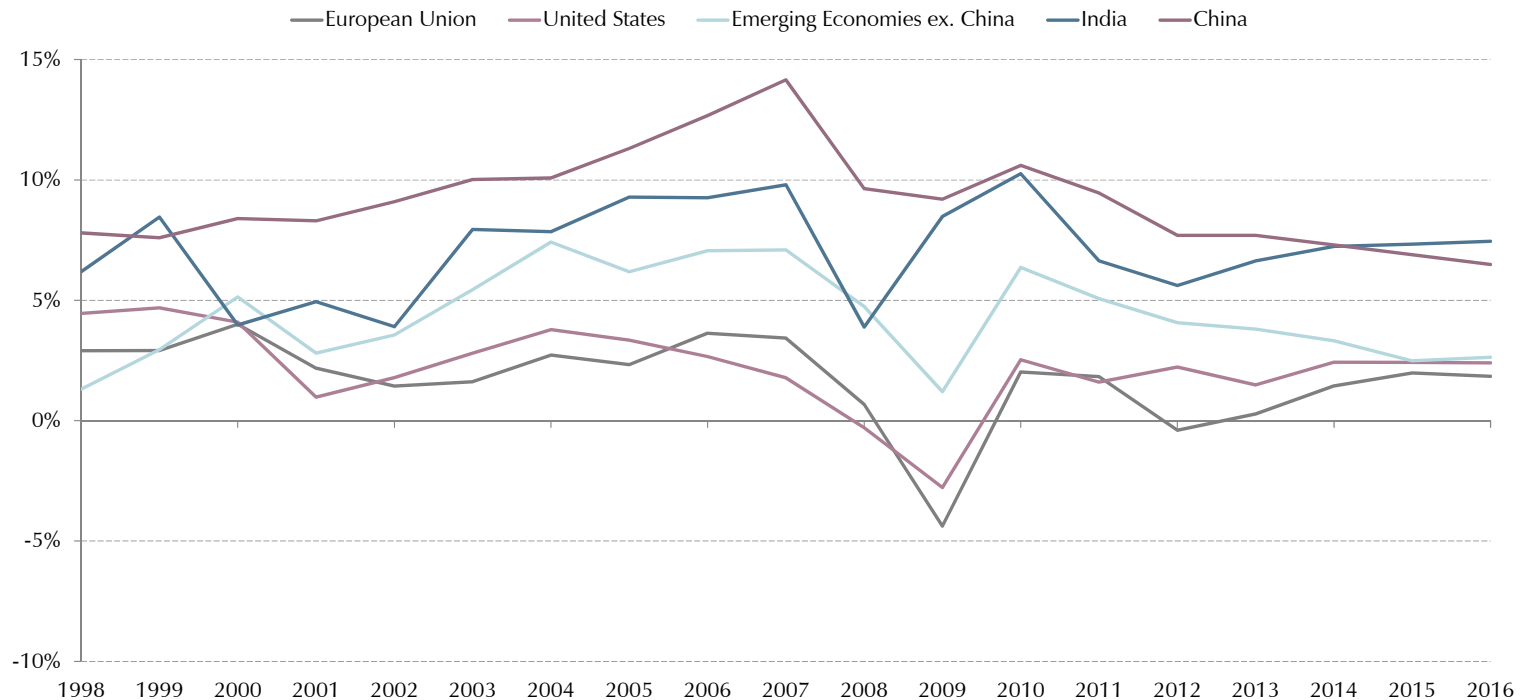
Positive Macroeconomic Trends Matrix



Positive Macroeconomic Trends Overviews

Low Oil Prices	Although oil prices have recently increased, they remain low from a historical perspective. Low oil prices will likely have a positive impact on global growth, particularly for energy importers like China, Japan, and India. Consumers should benefit from falling oil prices, in the form of lower prices for gasoline and heating oil.
U.S. Stable Growth	The U.S. economy has stabilized since the Global Financial Crisis, with GDP growth improving and unemployment declining. Continued stabilization in the world's largest economy should improve employment and growth domestically, and increase demand for goods and services from abroad.
Growth of Emerging Markets Middle Class	In emerging economies, the size of the middle class is projected to grow significantly over the next twenty years. This growing middle class should increase consumption globally, which in turn will drive GDP growth and create jobs.
Increased Multilateral Global Trade	The pace of globalization has accelerated, particularly in emerging economies. Increased trade and investment, and access to foreign capital and export markets for corporations, should lead to greater global growth.
Improvements in Education/Healthcare	Literacy rates and average life spans have increased globally, particularly in the emerging economies. Higher literacy rates will drive future growth, helping people learn new skills and improve existing skills. When people live longer, it increases incentives to make long-term investments in education and training, resulting in a more productive work force and ultimately more growth.
Global Monetary Stimulus	Developed market central banks embarked on a massive monetary stimulus campaign in the aftermath of the Global Financial Crisis. The U.S., European, and Japanese central banks continue to maintain interest rates at record lows. Japan has embarked on an unprecedented asset purchase program, while the European Central Bank recently began its own program. In contrast, the U.S. ended its bond buying last year and increased interest rates in December but has highlighted its plans to take a slow approach to increasing rates. Additionally, many emerging market central banks have reduced interest rates to stimulate slowing growth. If central banks continue to provide liquidity and keep interest rates low, this should stimulate growth.

Global Real Gross Domestic Product (GDP) Growth¹



- Global growth remains weak, with the dynamic of emerging economies growing faster than developed economies remaining intact.
- Slowing growth in China, the world's second largest economy, will remain a key issue, particularly affecting commodity exporters. Growth in India, a bright spot within emerging economies, has surpassed China's growth, a trend that should continue.

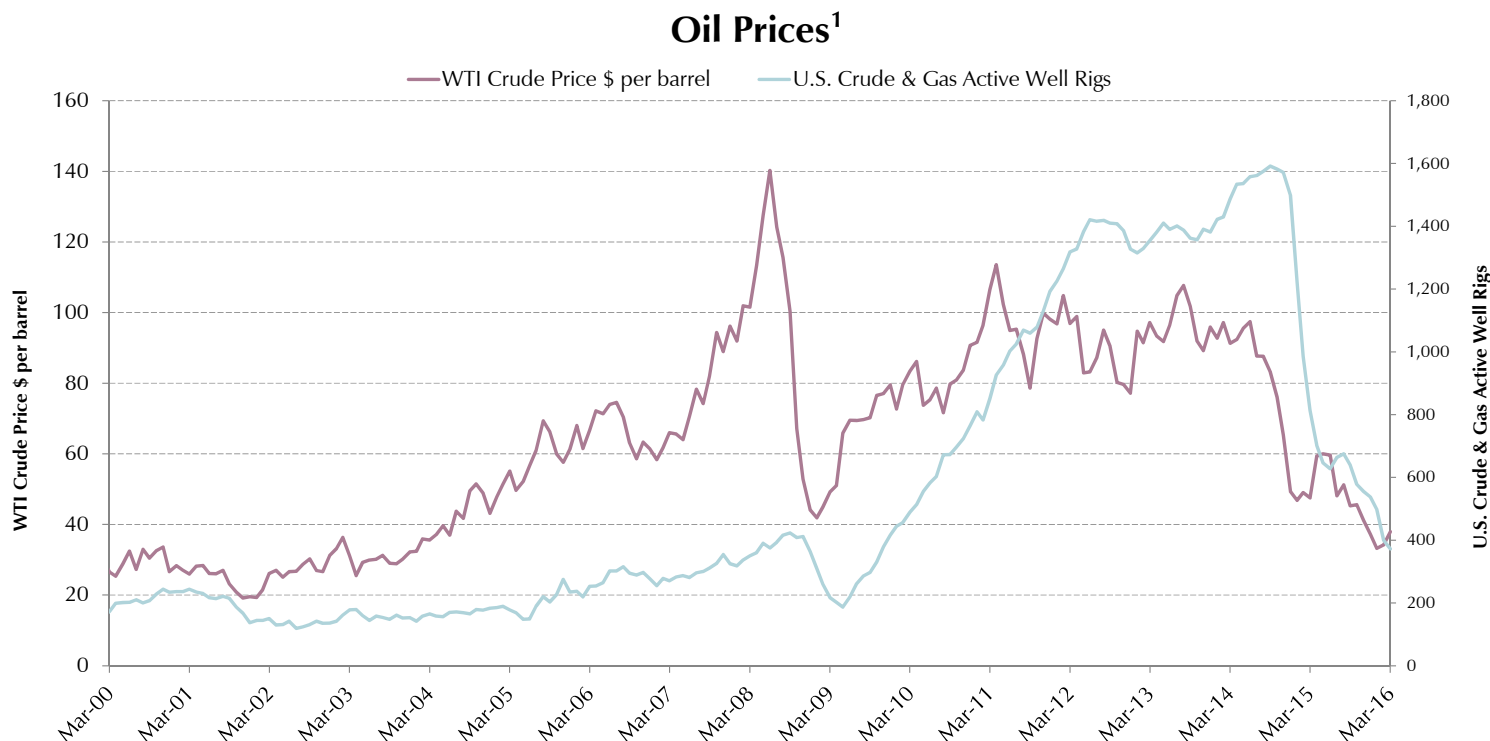
¹ Source: IMF. World Economic Outlook Update, April 2016. GDP data after 2014 are IMF estimates.

Major Currency Values versus the U.S. Dollar¹



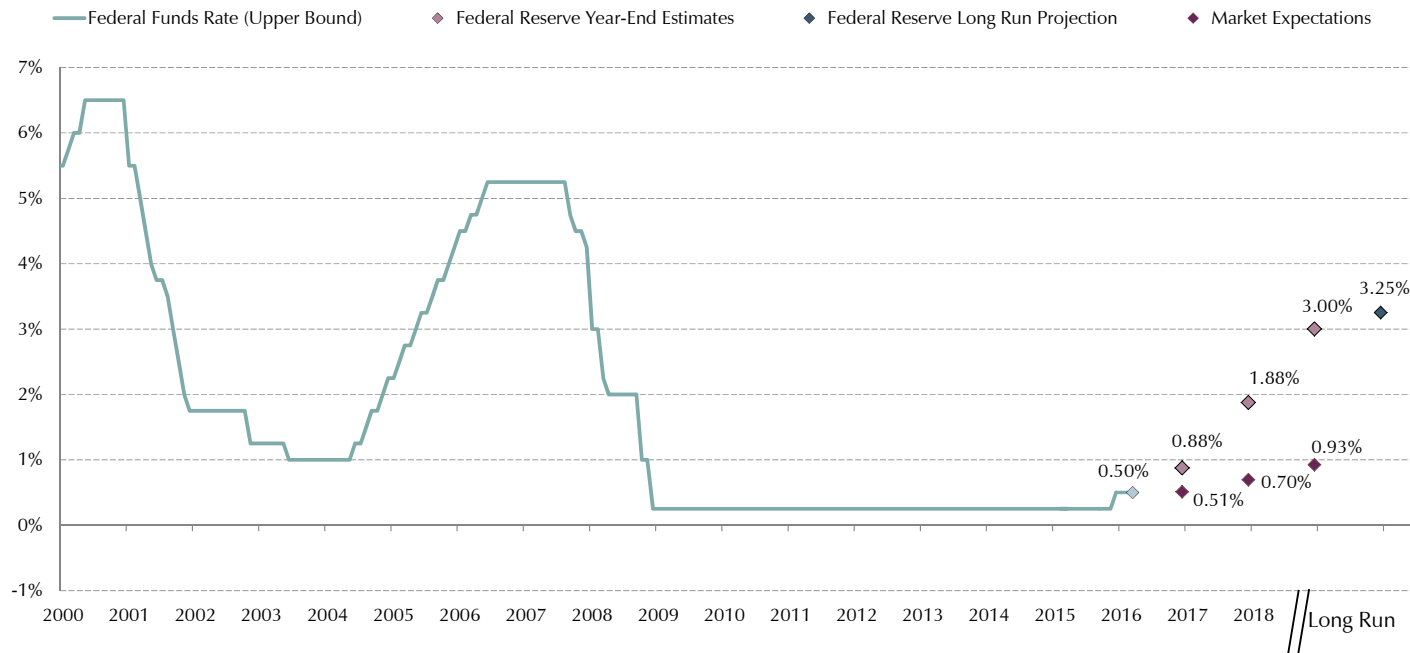
- In a reversal of the 2015 trend, the U.S. dollar weakened against most major currencies in 2016, particularly against emerging economies.
- The U.S. Federal Reserve emphasis that they will take a slow approach to raising interest rates led to the weakening dollar, benefiting non-dollar assets and commodities.

¹ Source: Thomson Reuters.



- Oil has recently been viewed as a barometer for global growth and has largely tracked the U.S. markets.
- Oil prices remain low, but have recently staged a recovery due to rumors of an OPEC production freeze, a weakening of the U.S. dollar, and a dramatic decline in rig counts.
- The net impact of lower oil prices is uncertain, with consumers and oil importers benefiting, and oil-related companies and oil-exporting countries being hurt.

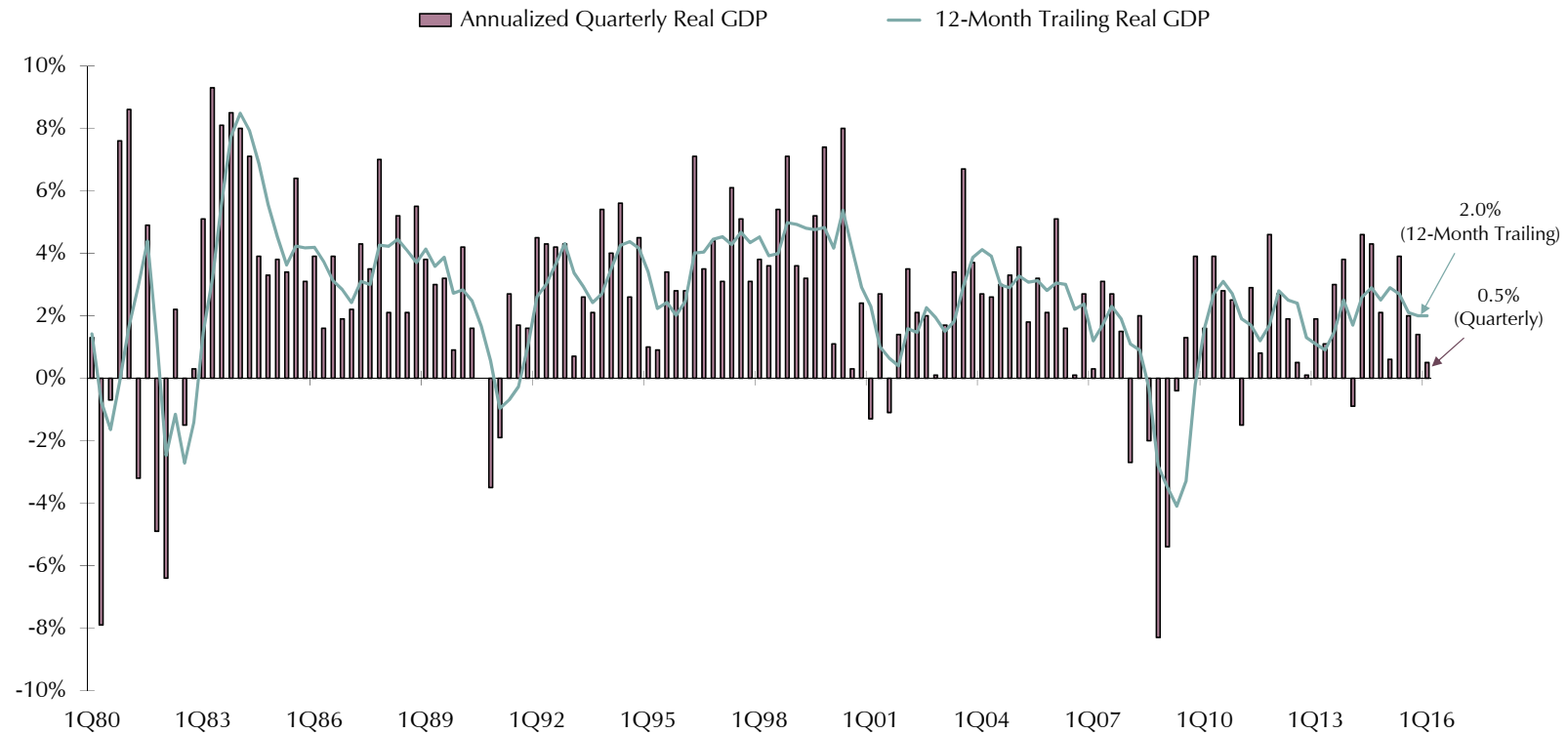
¹ Sources: Bloomberg. Data is as of March 31, 2016.

Federal Funds Rate¹

- After raising rates in December of 2015 by 0.25%, the Federal Reserve has made no additional increases, citing slowing global growth, particularly in China.
- The expected pace of rate increases has decreased with the market continuing to expect a lower trajectory than the Fed.

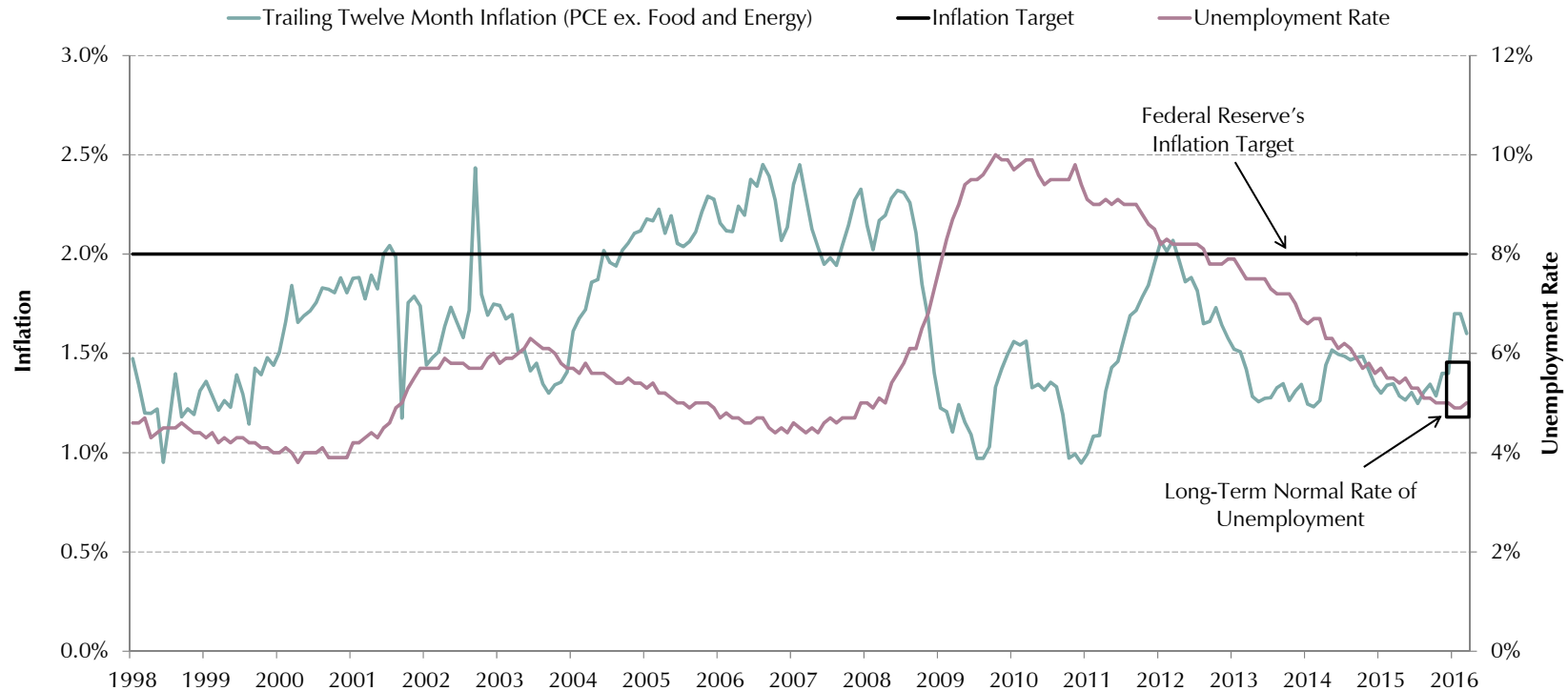
¹ Source: Bloomberg and Federal Reserve March Economic Projections. The FOMC Year-End Estimates are the median estimates of the forecasts of the federal funds rate by the 17 FOMC participants at the end of the specified calendar year or over the long run. Data is as of March 31, 2016, for market expectations that represents the fed funds future rate at the end of the specified calendar year.

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



- In the first quarter, U.S. GDP grew at an annual 0.5% rate, representing a third consecutive quarterly decline.
- Reductions in consumer spending and business investment, particularly in energy, contributed to the weakness.

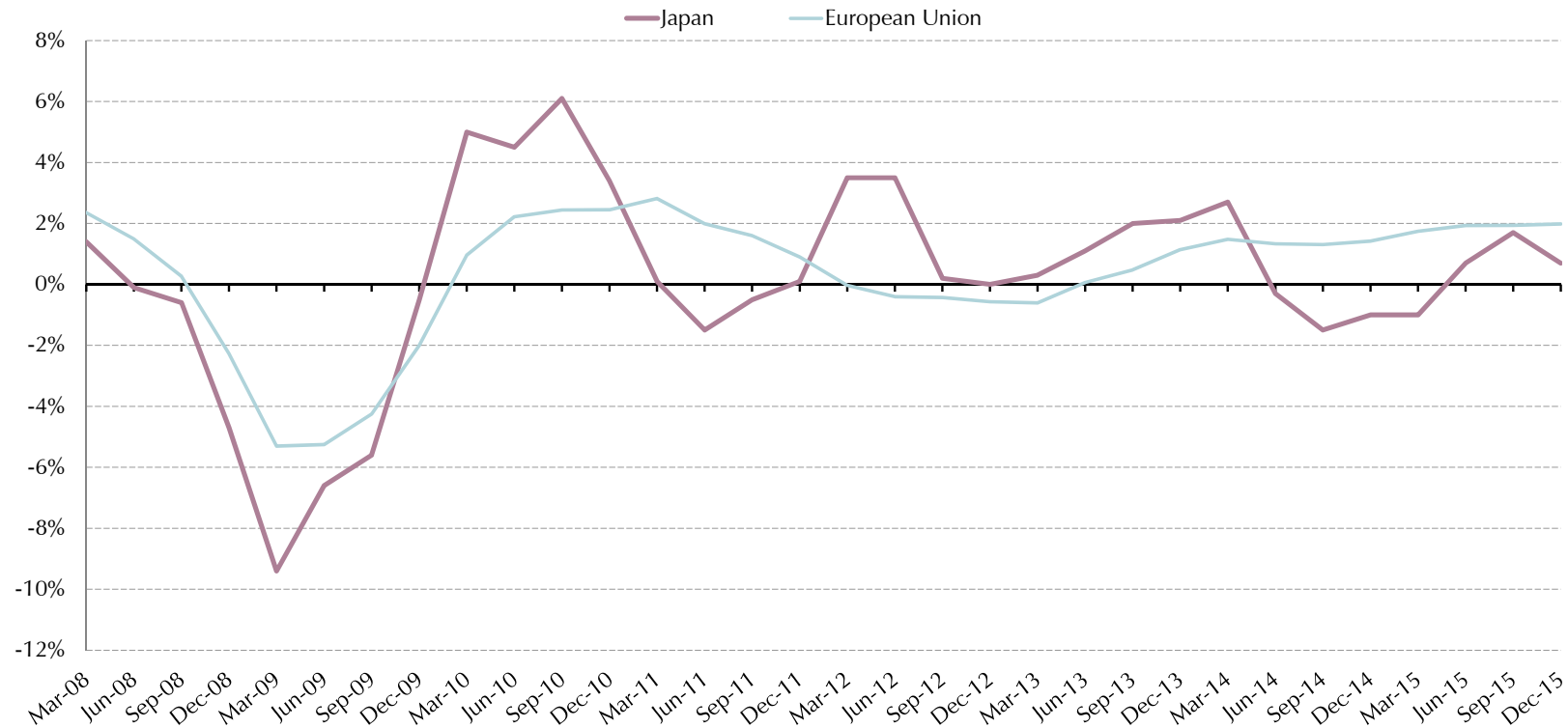
¹ Source: U.S. Bureau of Economic Analysis. Data is as of the first quarter of 2016 and represents the first estimate.

U.S. Inflation & Employment¹

- The Fed remains cautious in the pace of rate increases despite declining unemployment and increasing prices.
- Unemployment is half the level of its peak, while the Federal Reserve's preferred measure of inflation recently increased, but remains below its 2.0% target. The Fed continues to monitor the durability of recent price increases.

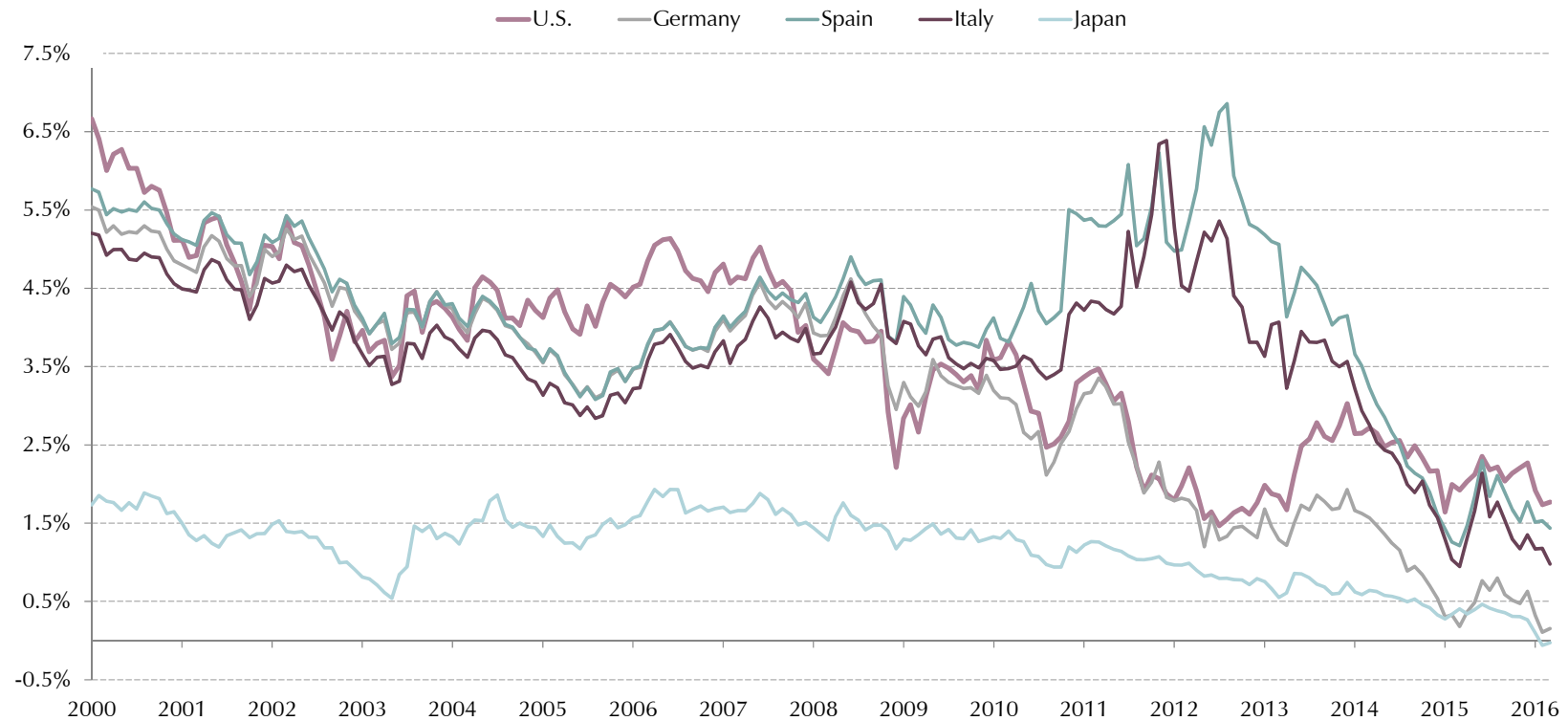
¹ Source: Bureau of Labor Statistics. Unemployment and PCE data are as of March 31, 2016. Federal Open Market Committee (FOMC) participants' recent estimates of long-term normal unemployment had a median value of 4.9% and a range of 4.7% to 5.8%.

European Union & Japan Real Gross Domestic Product (GDP) Growth ¹



- Growth in Japan and Europe has been slow and lower relative to the U.S.
- Continued weakness in both economies should lead to extended, or expanded, monetary stimulus by the respective central banks.

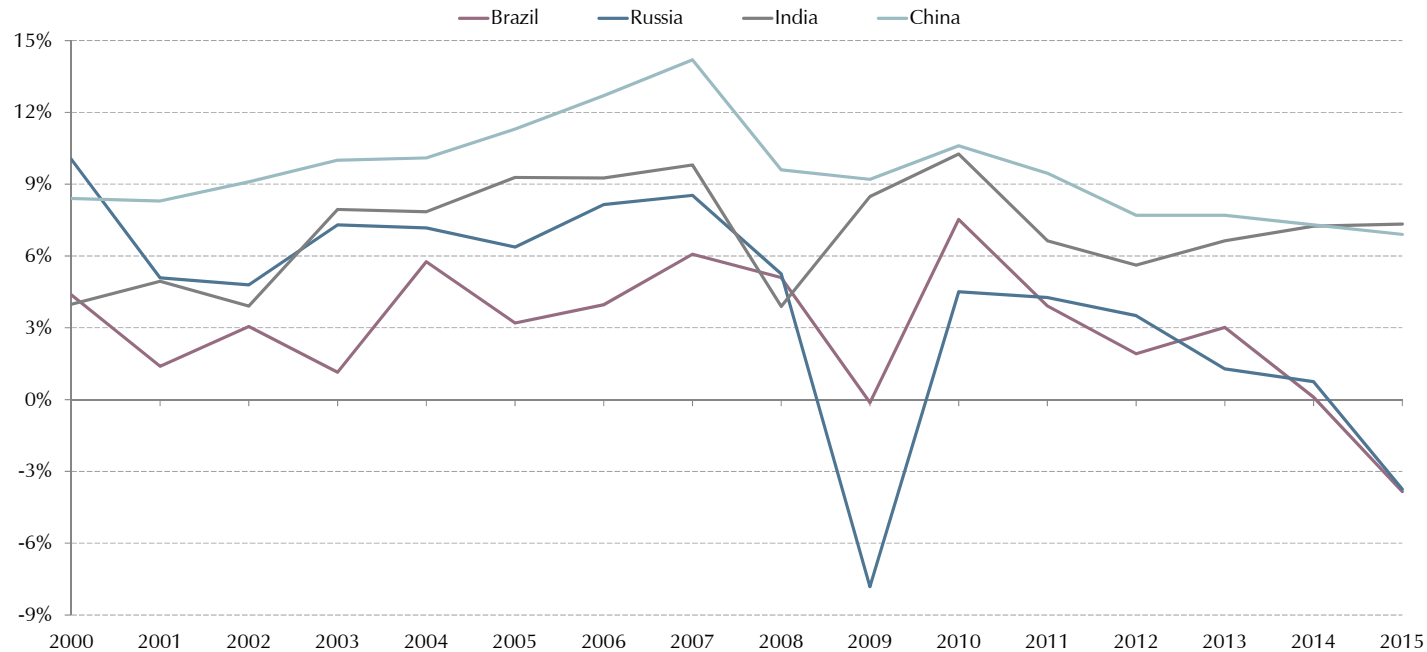
¹ Source: Bloomberg. Data is as of the fourth quarter of 2015.

10-Year Government Bond Yields¹

- In the first quarter, bond yields declined in many countries, as inflation remains low, central banks continue to ease, and the U.S. Federal Reserve highlighted its slow path of rate increases.
- In Japan, long-term bond yields turned negative, joining others in Europe. Large bond-buying programs by the Bank of Japan and European Central Bank, along with low inflation, have contributed to rates moving below 0%.

¹ Source: Bloomberg. Data is as of March 31, 2016.

Emerging Market GDP¹

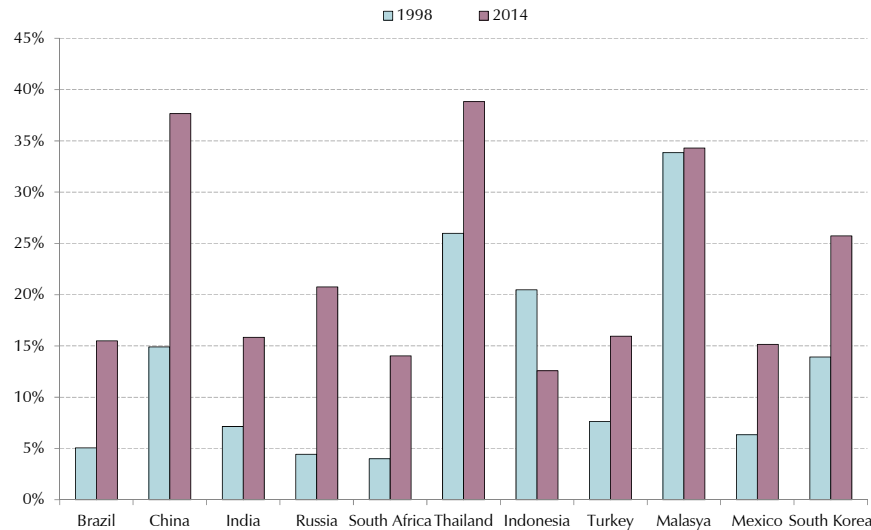


- Growth in emerging economies remains uneven and has been on a downtrend since 2010.
- China's economy has slowed as they transition from a growth model based on investment to one of consumption, while India remains a bright spot.
- Brazil and Russia remain in recession as the decline in commodity prices have weighed heavily on their economies.

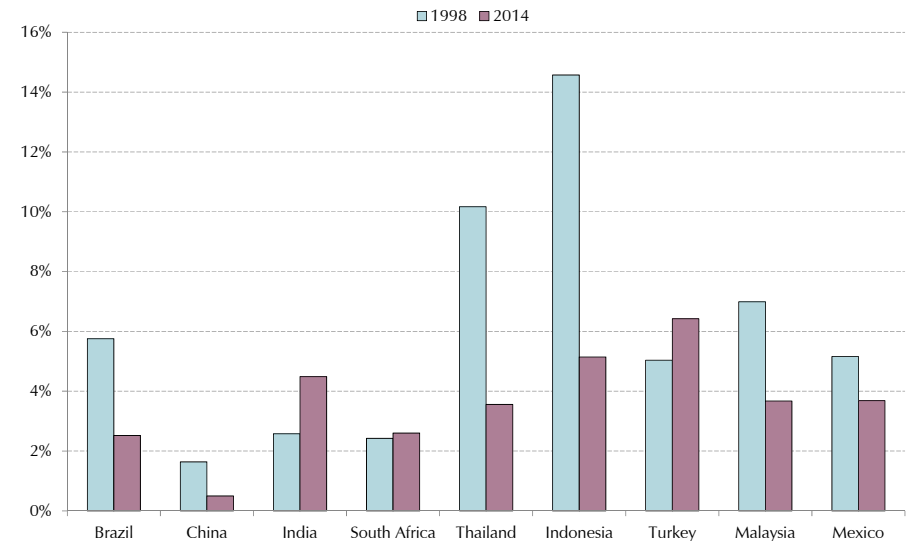
¹ Source: IMF. World Economic Outlook Update, April 2016. GDP data after 2014 are IMF estimates.

Emerging Market Conditions¹

Central Bank Reserves as Percentage of GDP



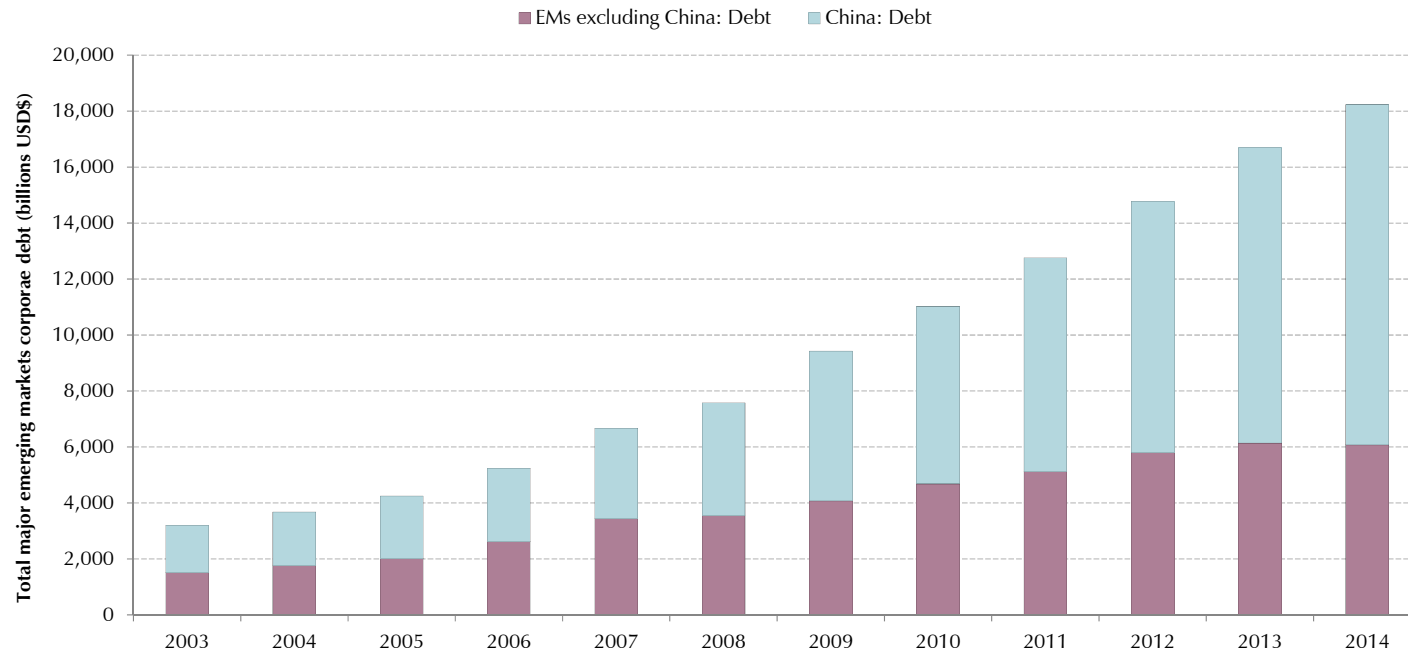
External Debt Service as Percentage of GDP



- After an extended period of underperformance, emerging markets recently showed strength, as the U.S. dollar declined and commodity prices, particularly oil, recovered.
- Contrasting current conditions with those during the Asian Financial Crisis in 1998, emerging economies generally have higher cash reserves and lower external debt service burdens making them better equipped to cope with currency fluctuations.

¹ Source: IMF, World Bank, and Research Affiliates. Data for 2014 are estimates.

Emerging Market Corporate Debt¹



- Low interest rates in developed economies and an increased appetite for risk have led to a dramatic increase in corporate debt in emerging markets, driven by the more than 700% increase in China.
- Weaker commodity prices, rising rates, a stronger dollar, and overall risk aversion all create potential pressures increasing the risk for defaults.

¹ Source: IMF. Data represents nonfinancial firms.

Summary

Four primary concerns face the global economy in 2016: 1) declining growth in China along with uncertain fiscal and monetary policies; 2) continued economic sluggishness and financial risk in Europe; 3) weakening economic activity in the U.S.; 4) divergent growth in emerging economies.

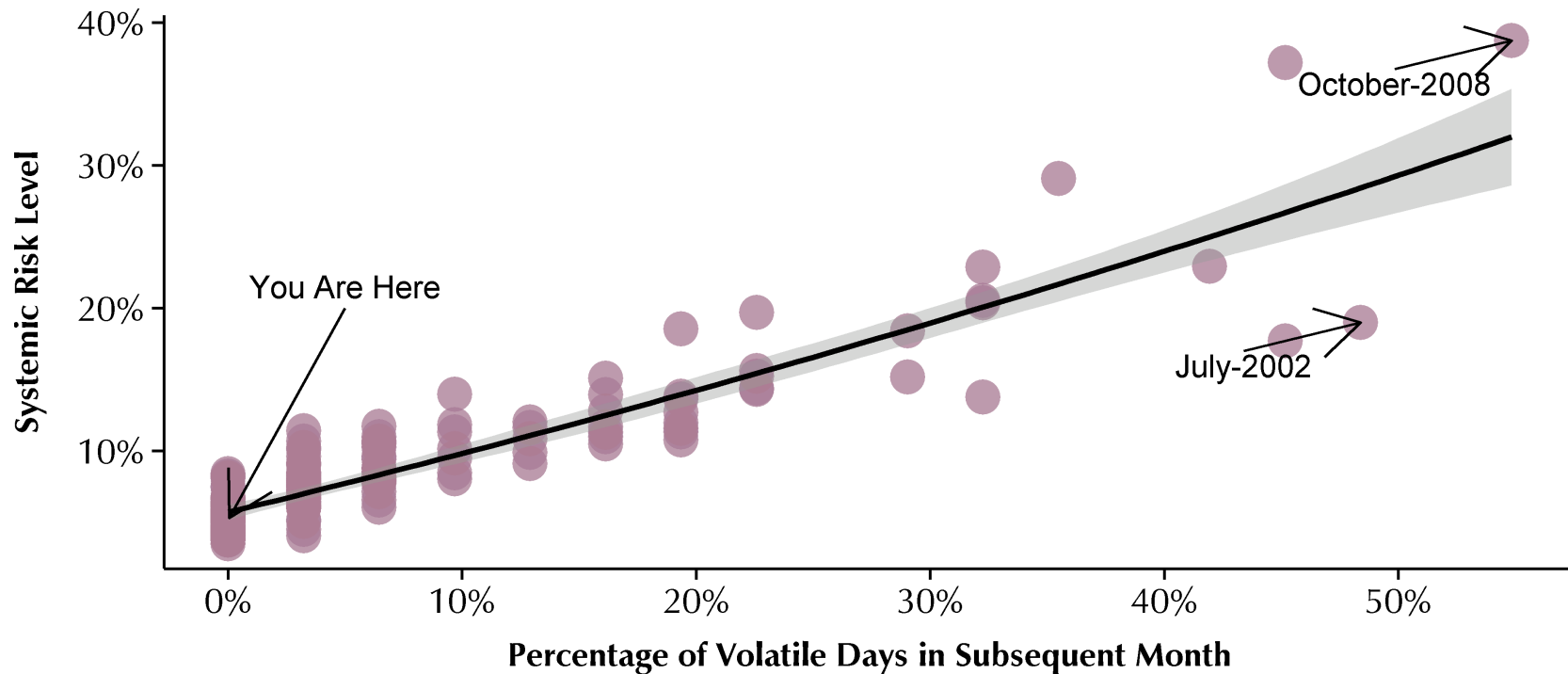
- Given China's size and contribution to global growth, a slowing of its economy could have a meaningful impact, particularly on countries that depend on its trade. Another unexpected devaluation of the yuan could prove very disruptive to capital markets, weigh on domestic demand, and hurt countries with competing exports.
- Although there have been recent increases in European growth and prices, both remain weak. The strengthening of the euro versus the dollar complicates the ECB's efforts to increase inflation and creates headwinds for exporters and growth. Structural issues related to a single currency and multiple fiscal authorities also remains. A prolonged slowdown, or further issues with the solidarity of the euro, could be disruptive to markets and growth.
- Slowing growth globally, low oil prices, and impending interest rate increases could weigh on economic activity in the U.S. Corporate profits remain vulnerable after a period where companies increased margins by cost cutting. The dollar has recently weakened, but the potential for returned strength exists as the Fed further tightens. A strong dollar should particularly weigh on multinational companies, while low energy prices should pressure oil and related companies.
- Growth in emerging market economies will likely remain uneven, with commodity export-dependent economies particularly hurt by a sustained slowdown in global growth and prices. Higher interest rates in the U.S. could also attract capital away from emerging economies. Despite varied headwinds, there are bright spots within emerging markets, including India, where their growth has surpassed China's growth.

Capital Markets Outlook

Capital Markets Outlook¹

- Investors are faced with four primary issues in the near-term: 1) historically low bond yields, 2) the potential for a transition into a rising rate environment, 3) the potential for deteriorating corporate earnings, and 4) the possibility of much lower energy prices for a sustained period.
 - The price of the U.S. stock market relative to ten-year average earnings has trended up after the financial crisis, and remains above its historical average (28.4x versus 21.8x).
 - Valuations of small cap domestic stocks relative to large cap stocks spiked in March after trending towards its historical average last year.
 - Developed international and emerging market stocks are trading at lower valuations than U.S. stocks.
 - Sovereign debt issues and weak economic growth in Europe, and a cyclical slowdown in emerging economies, are weighing down valuations.
 - Risk across markets measured by our Systemic Risk metric has returned to very low levels not seen since April of last year after a very volatile winter period.
 - Monetary policy changes by central banks and political upheaval will continue to have a meaningful impact.
 - At the end of March, spreads for high yield corporate and investment grade bonds (6.6% and 1.6%, respectively) were just above their long-term averages.
 - At 1.8%, the yield on the ten-year Treasury remained far below its post-WWII average of 5.6%.
 - Crude Oil prices continue on a steep decline which has had wide ranging effects across several markets.

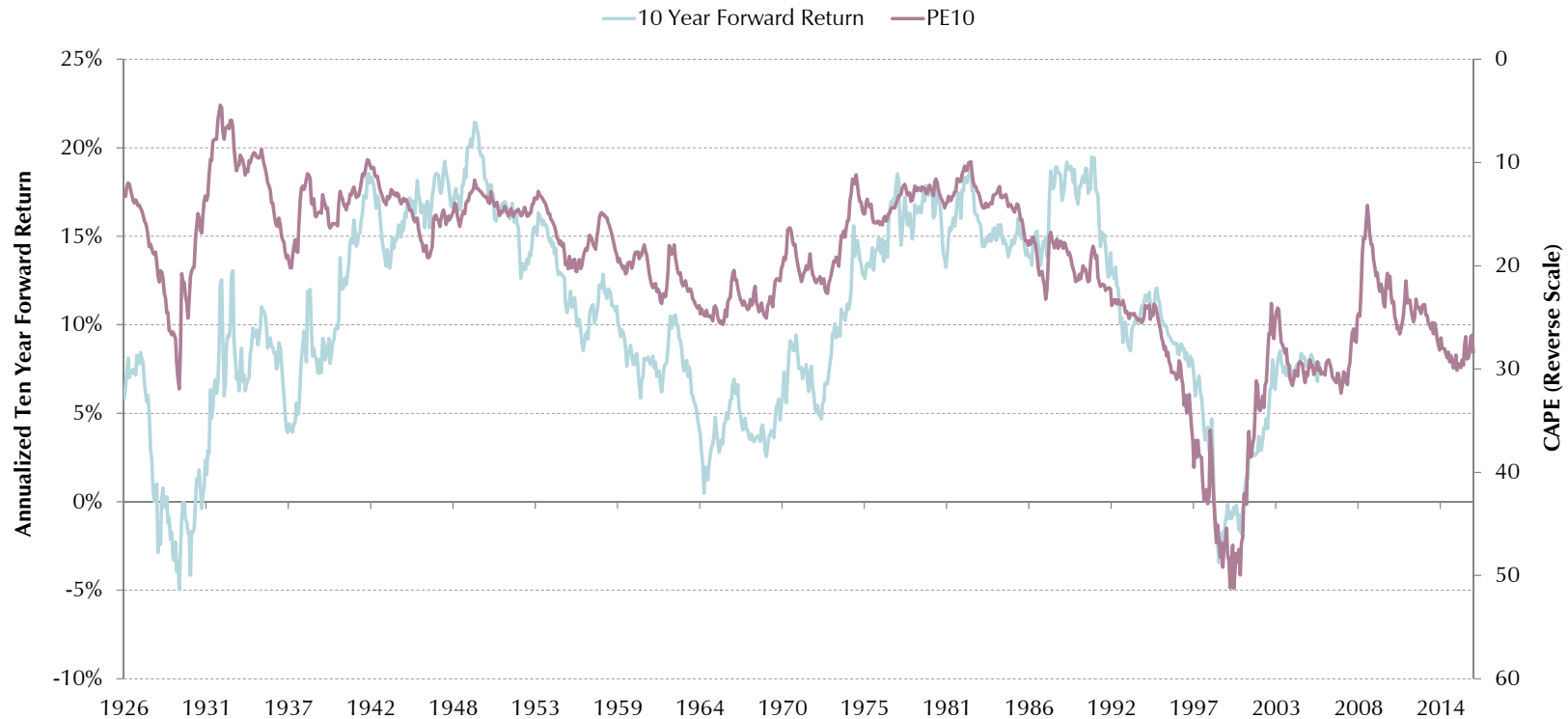
¹ Sources: Thomson Reuters, U.S. Treasury, and Standard & Poor's. Data is as of March 31, 2016.

Systemic Risk and Volatile Market Days¹

- Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.
- After a volatile start to the year our Systemic Risk measure has returned to very low levels. While the number of volatile days can differ this indicates that the next month should be in the lowest decile.

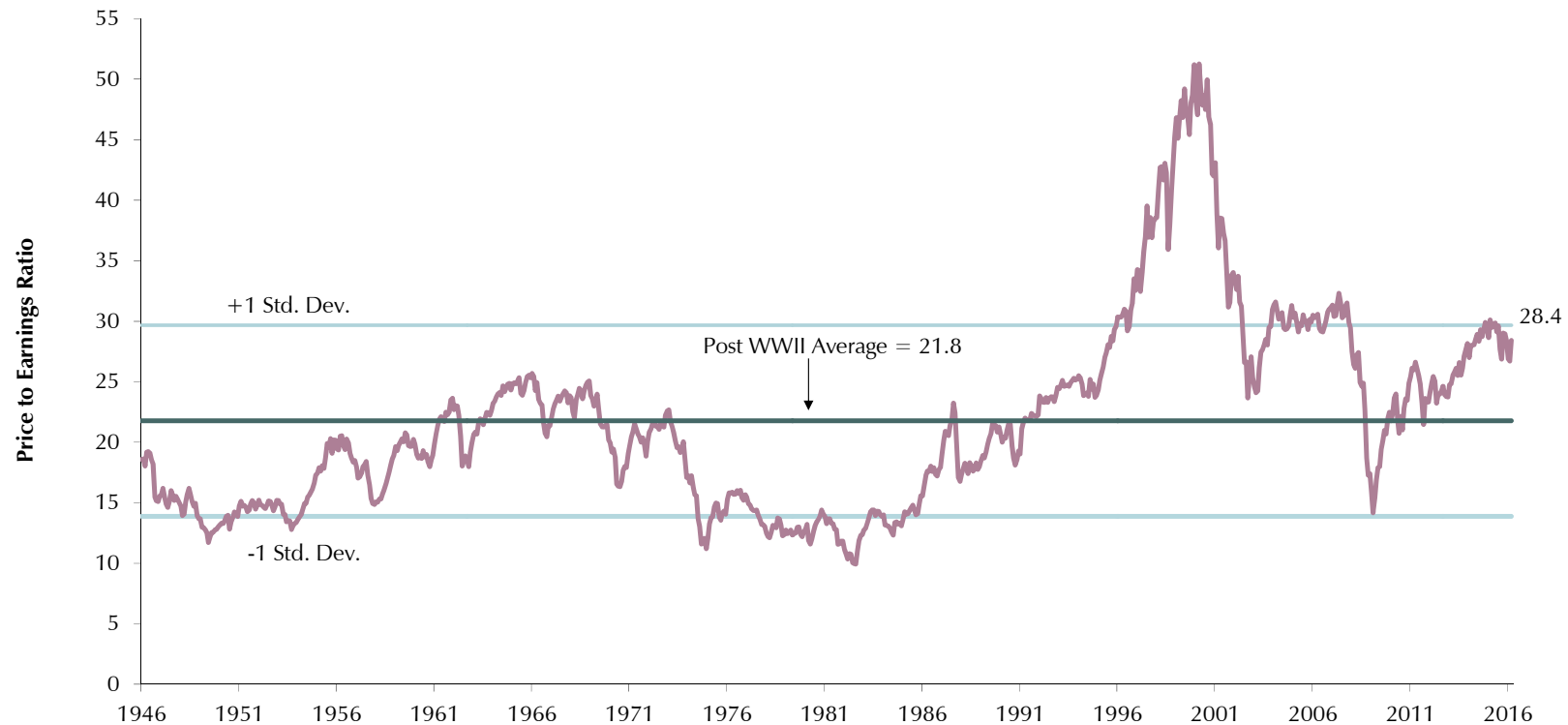
¹ Source: Meketa Investment Group, as of April 15, 2016. Volatile days are defined as the top 10 percent of realized turbulence which is a multivariate distance between asset returns.

The U.S. Cyclically Adjusted P/E¹ and Long-Term Equity Returns



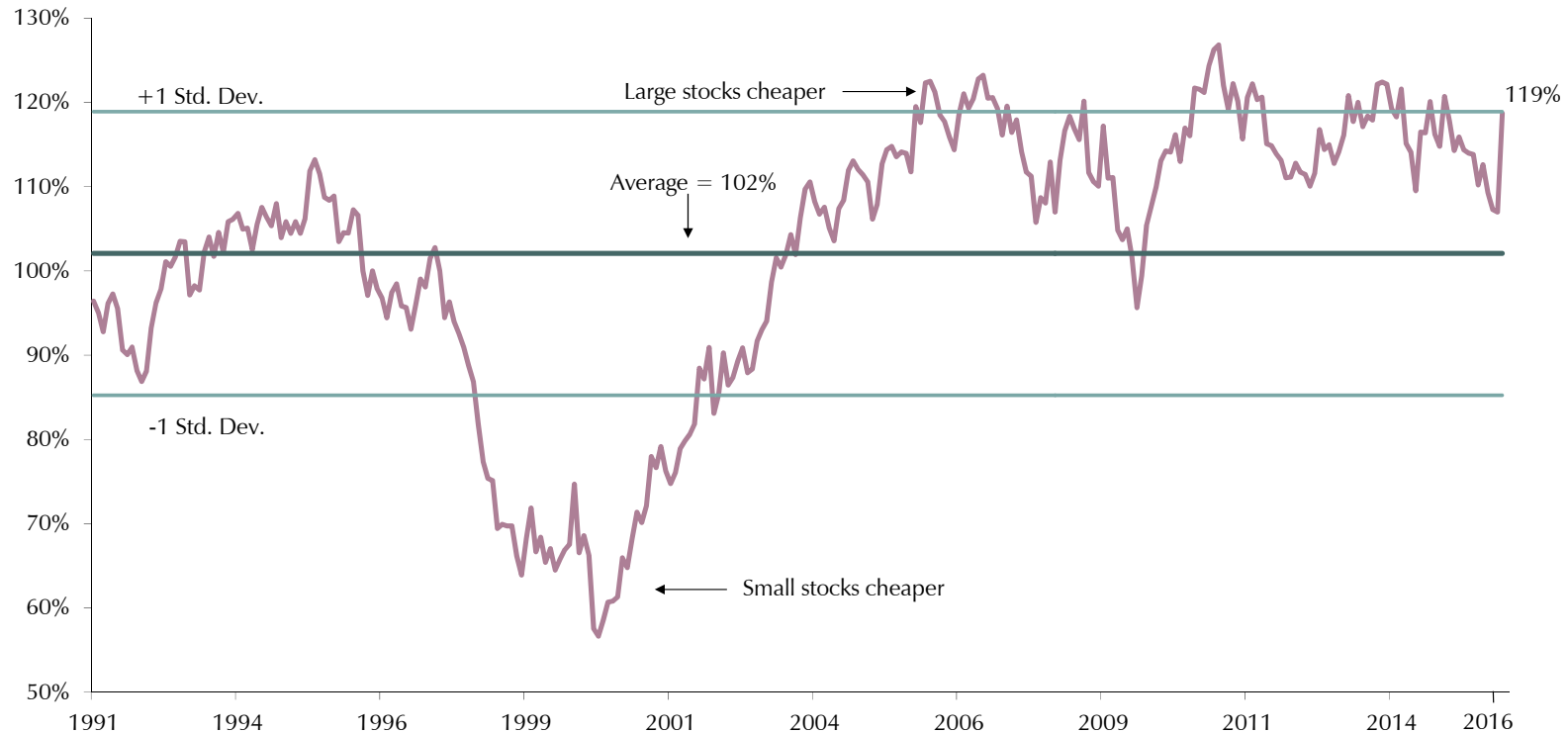
- One of the most powerful predictors of long-term equity returns has been the Cyclically Adjusted Price to Earnings Ratio (CAPE).
- This fundamentally driven measure is highly correlated with future returns, which are shown in the chart above using the CAPE metric on a reverse scale.

¹ Source: PE data are from Robert Shiller's website from 1926 - 1946; S&P and Thomson Reuters 1946 – present. S&P 500 equity returns are from Morningstar Direct for the entire period. Data is from March 31, 1926 to March 31, 2016.

U.S. Equity Cyclically Adjusted P/E¹

- The cyclically adjusted P/E ratio for the S&P 500 finished March at 28.4x, above its post-WWII average of 21.8x.
- Due to the recent pullback in equity markets, this metric has fallen slightly below the positive standard deviation threshold. Historically, a P/E ratio at this level has led to roughly average future returns over a 10 year horizon.

¹ Source: Standard & Poor's. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is from January 31, 1946 to March 31, 2016.

Small Cap P/E vs. Large Cap P/E¹

- The P/E ratio of small cap stocks (Russell 2000) relative to large cap stocks (Russell 1000) recently spiked after trending toward its long term average over last year.
- This relative valuation metric has remained largely range bound since 2010.

¹ Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of March 31, 2016.

Growth P/E vs. Value P/E¹

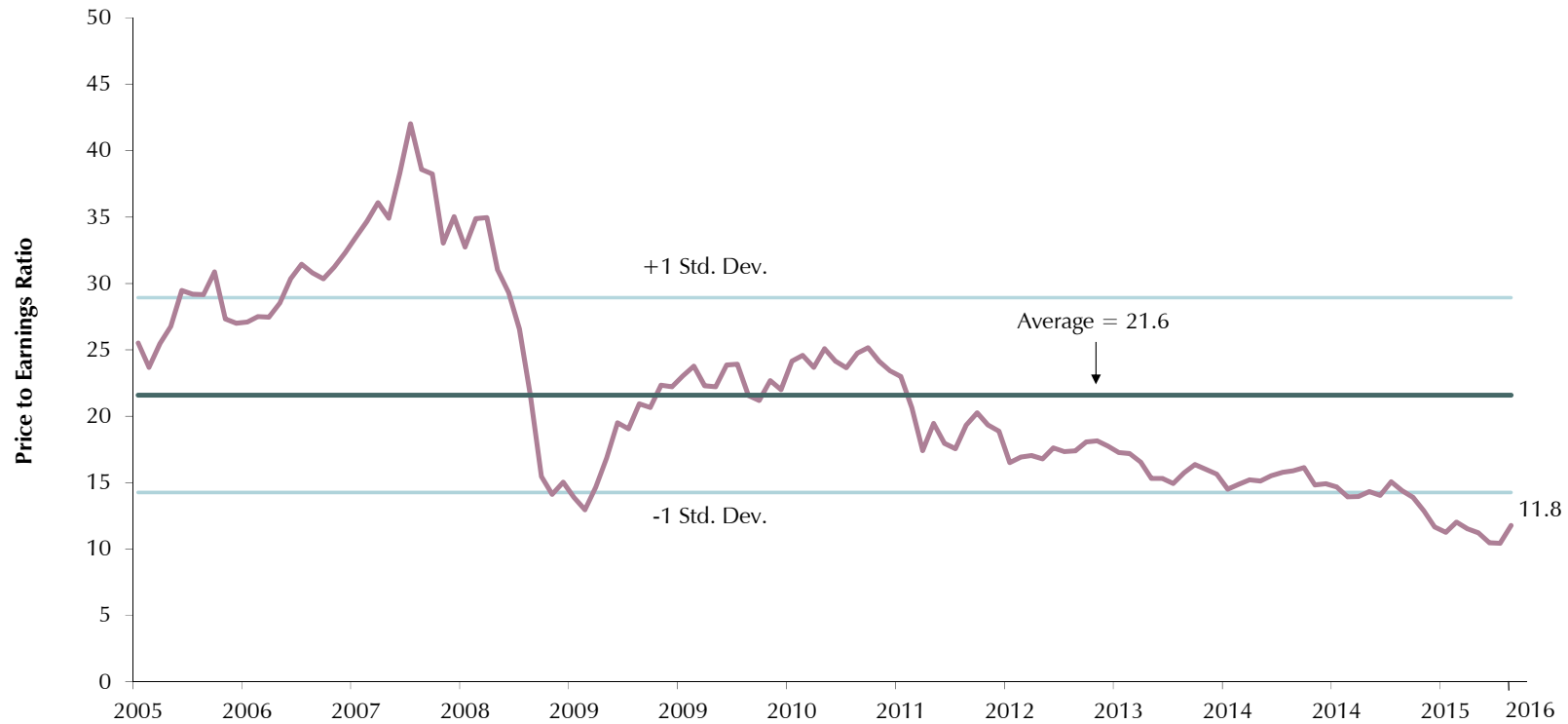
- The P/E ratio of growth stocks (Russell 3000 Growth) relative to value stocks (Russell 3000 Value) finished March at 122%, well above its level in 2009 but still below its long-term average.
- Of note, the long-term average was sharply influenced by the technology bubble of the late 1990s.

¹ Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings. Data is as of March 31, 2016.

Developed International Equity Cyclically Adjusted P/E¹

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

¹ Source: MSCI and Thomson Reuters. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 31, 2016.

Emerging Market Equity Cyclically Adjusted P/E¹

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

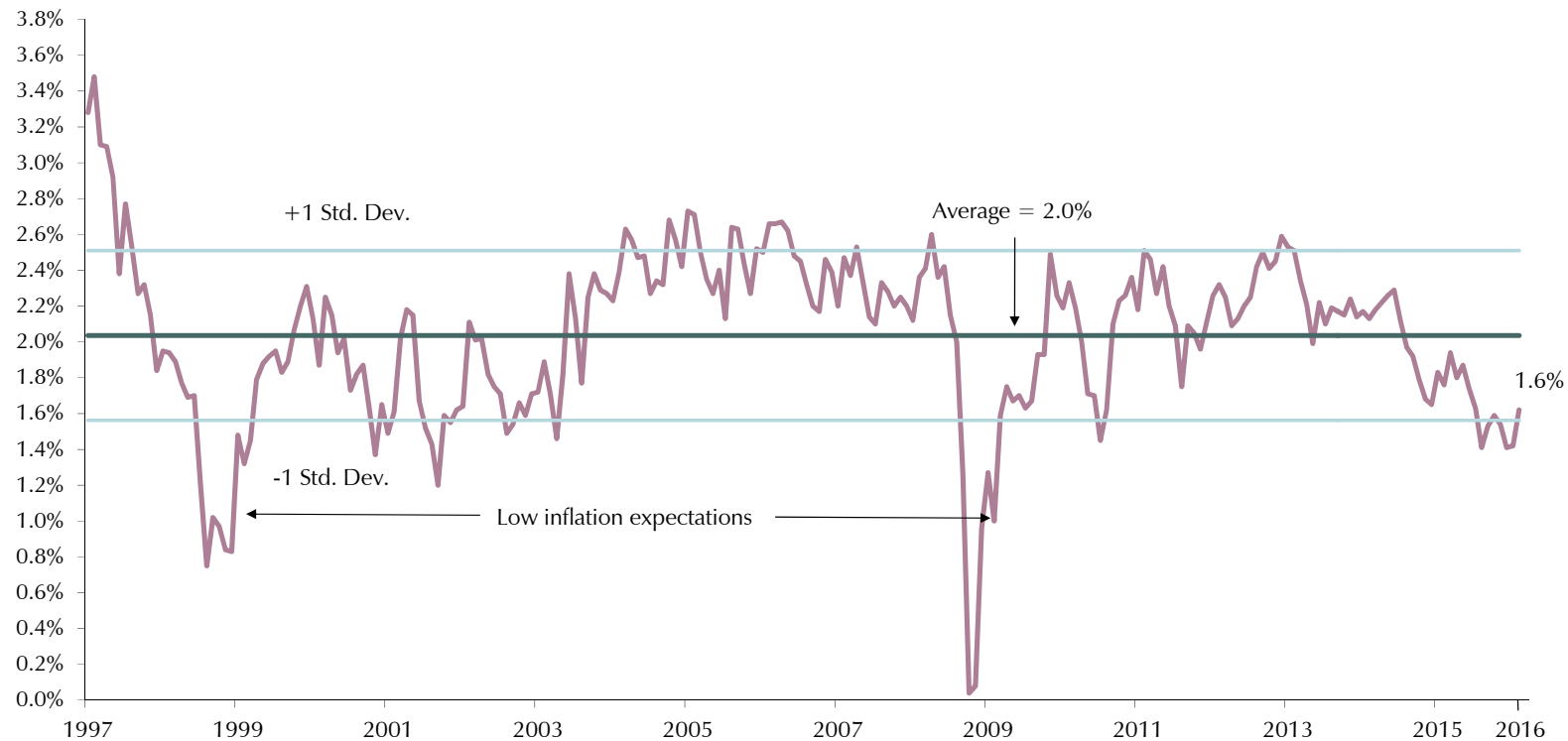
¹ Source: MSCI and Thomson Reuters. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of March 31, 2016.

Ten-Year Treasury Yields¹



- Ten-year Treasury yields finished March at 1.8%, well below both their post-WWII average and the levels of one year ago.
- Markets have begun to focus on the path of central bank interest rates; at the beginning of the year, the FOMC began the first rising rate environment since 2006, but the guidance remains relatively dovish and long term market expectations remain subdued.

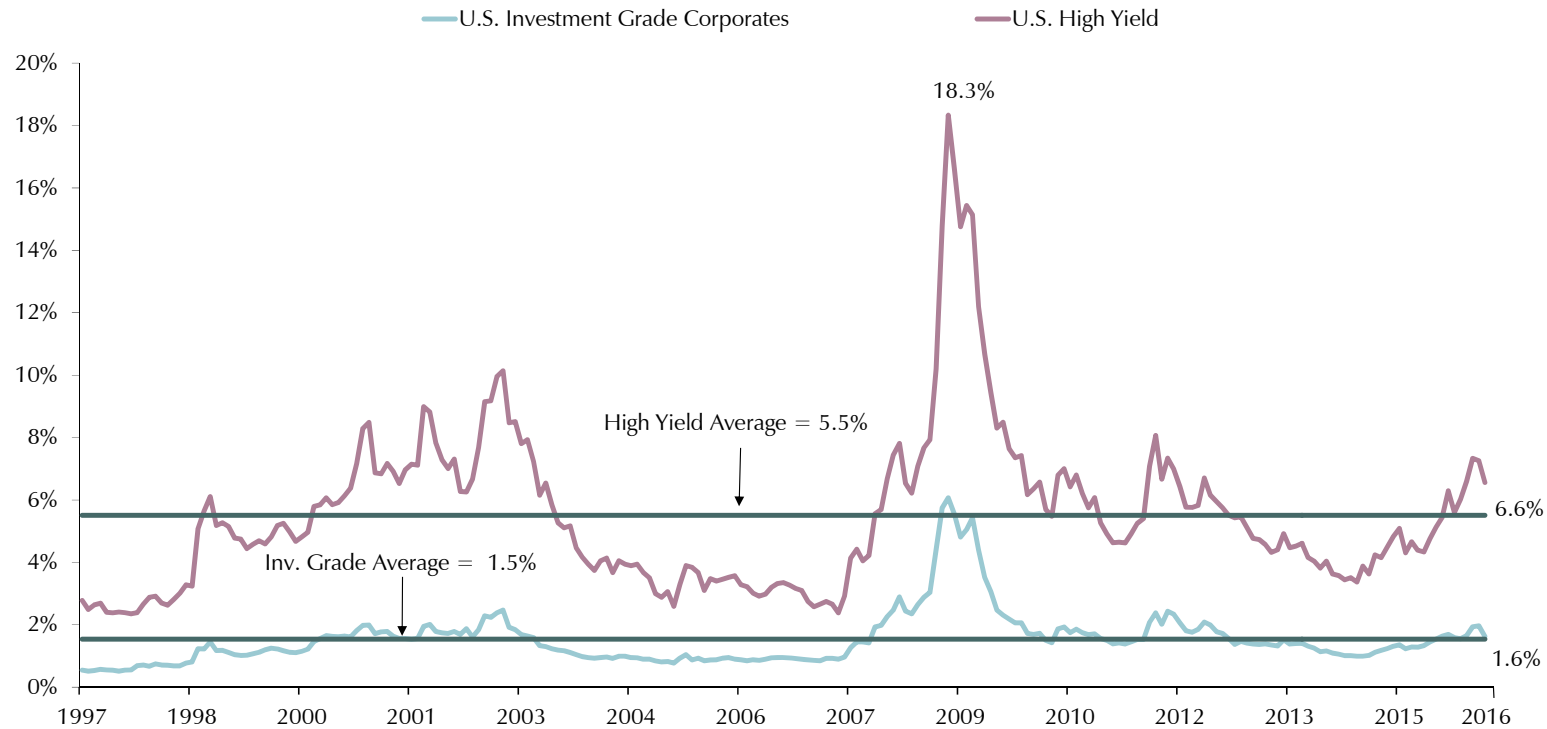
¹ Source: U.S. Treasury. Data is as of March 31, 2016.

Ten-Year Breakeven Inflation¹

- Breakeven (or expected) inflation, the difference between the nominal yield on a ten-year Treasury and the real yield on a ten-year TIPS, has fallen well below its long-term average.
- Sharp falls in commodity prices have put pressure on inflation. The most recent Year over Year (YoY) inflation rate was 0.9%, and deflation from commodities (especially energy) has been a major headwind.

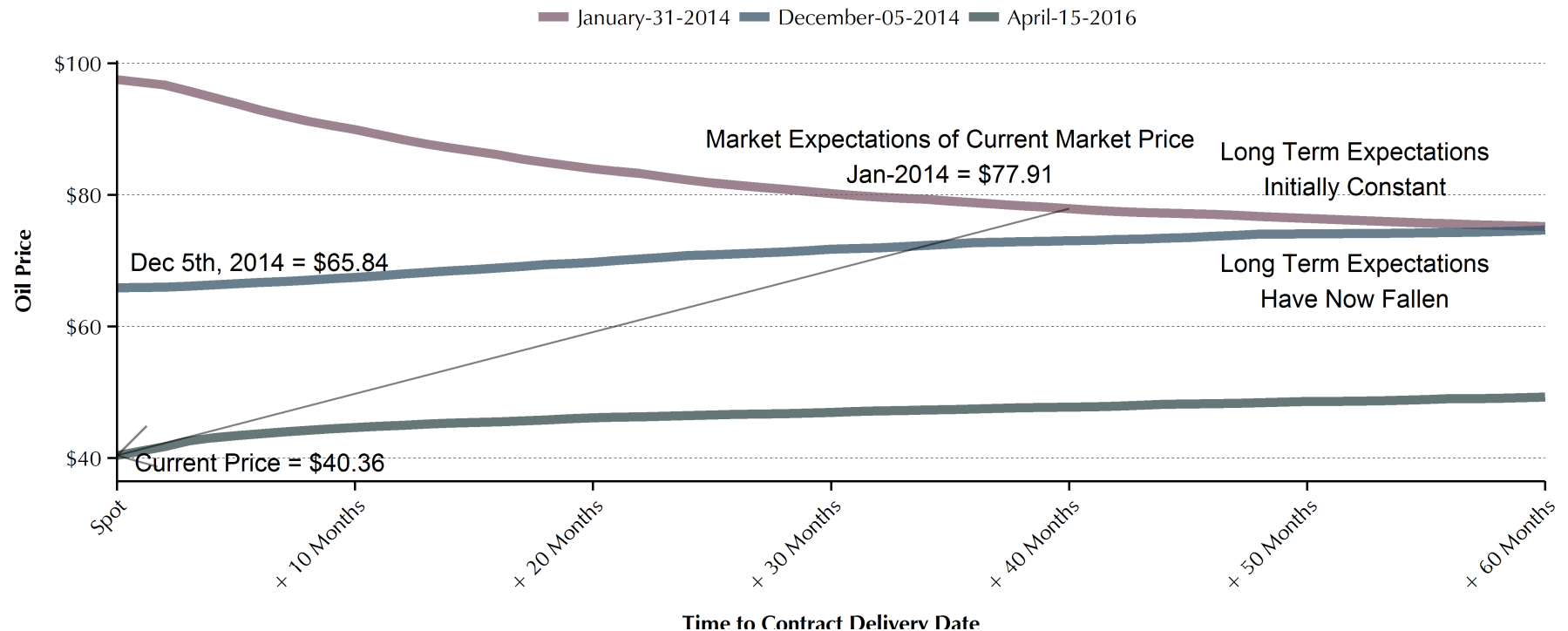
¹ Source: U.S. Treasury and Federal Reserve. Data is as of March 31, 2016 for TIPS and Treasuries. Inflation is measured by the Consumer Price Index (CPI-U NSA) for which the most recent data point is from March 31, 2015.

Credit Spreads¹



- Credit spreads (versus U.S. Treasury bonds) for both high yield and investment grade corporate bonds finished March above their respective historical averages.
- The recent jump in market risk caused a widening in spreads, especially within high yield which was affected by oil price declines.

¹ Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index. Data is as of March 31, 2016.

Oil Price Futures Curves¹

- The chart above shows the WTI Crude Oil futures prices as of January and December of 2014 and April of this year. This highlights how large the recent price fall has been, especially relative to expectations.
- Looking further out on the curve we can see that initially, long-term price expectations remained the same. As the oil price has continued to fall, long-term expectations have settled at a lower price.

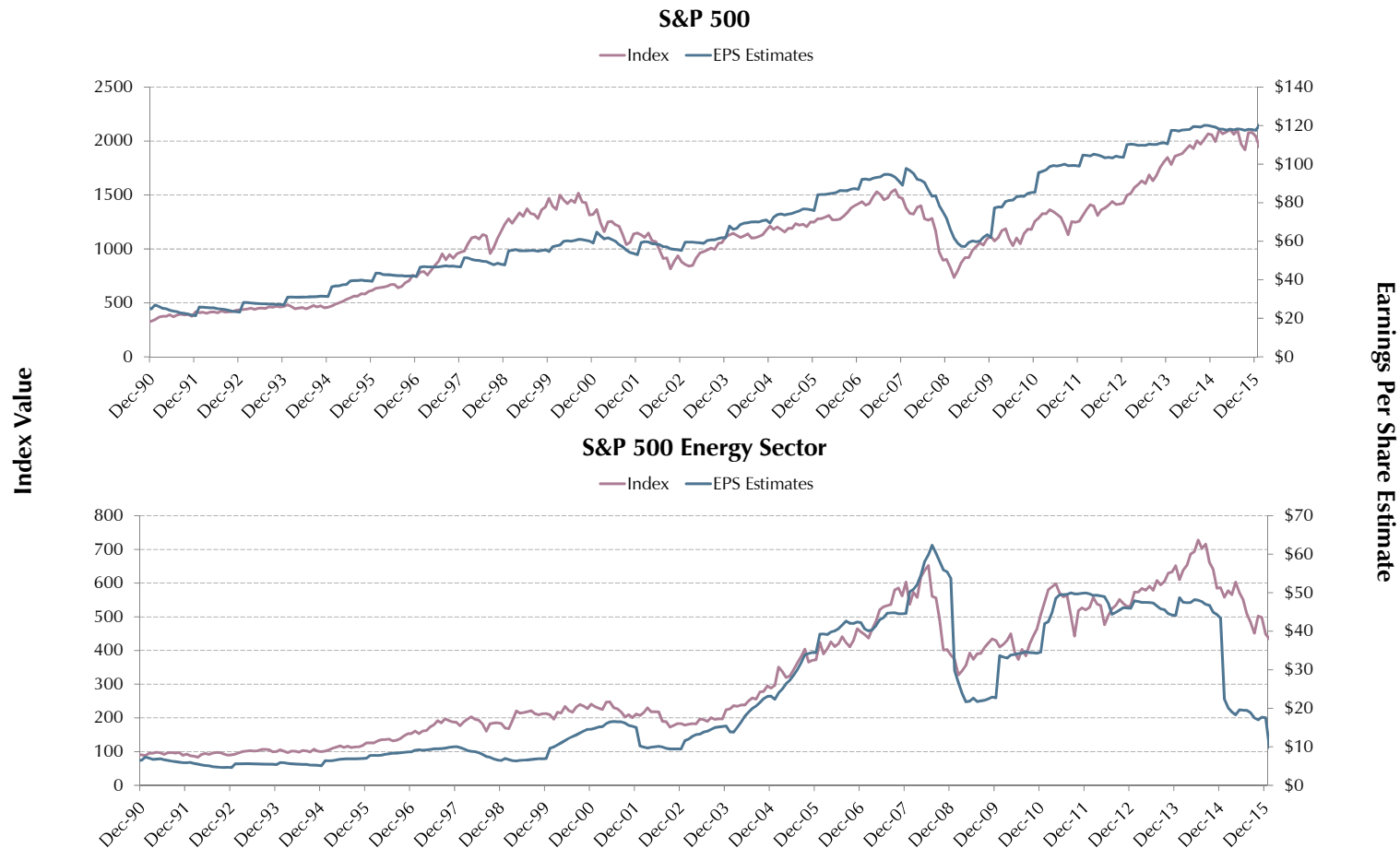
¹ Source: WTI Crude Oil Futures Price via Bloomberg. Data is as of April 15, 2016.

U.S. High Yield Sectors¹



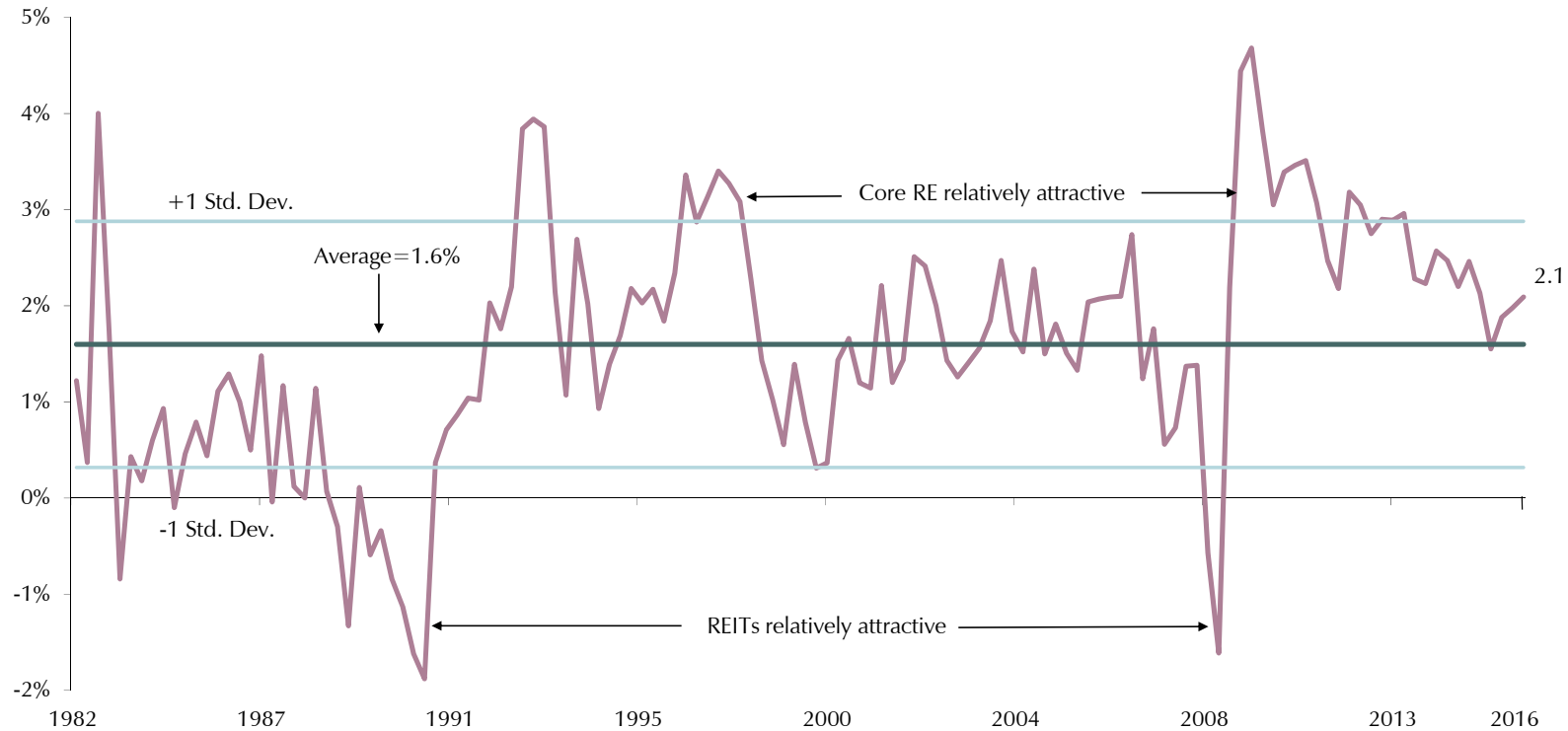
- The oil price decline has been a major contributing factor to the recent widening of spreads within U.S. High Yield.
- The energy sector represents roughly 15% of the index, and as illustrated above, most widening of spreads has come from the energy sector which has now surpassed levels seen during the Financial Crisis of 2008.

¹ Source: Barclays and Thompson Reuters. Data is as of April 15, 2016.

U.S. Corporate Earnings¹

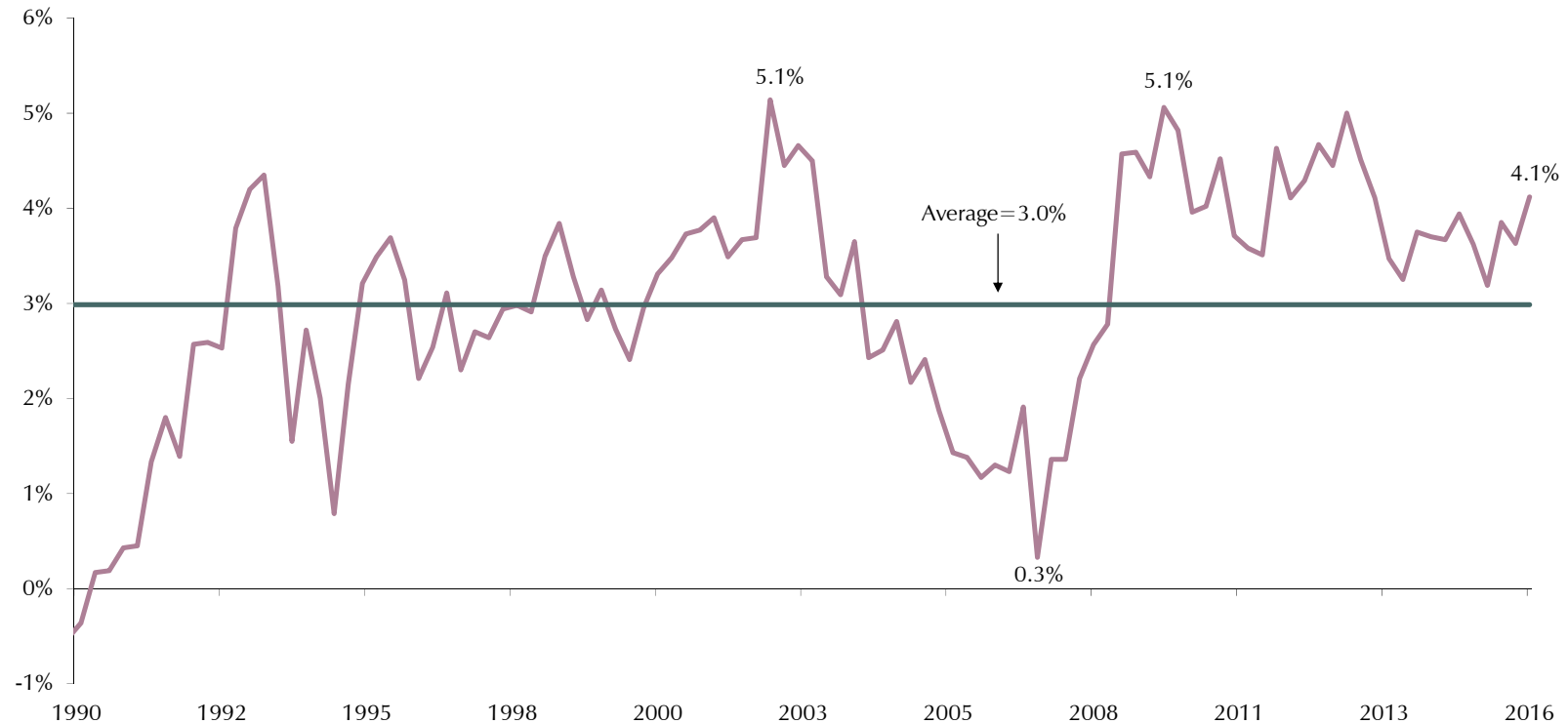
- The oil price decline has also had a major effect on U.S. earnings expectations. Although the rout in the energy sector continues to be severe, aggregating all sectors estimates have recently fallen only slightly.

¹ Source: Bloomberg. Earnings Per Share Estimates are the average current quarter estimates of market analyst. Data is as of March 31, 2016.

Core Real Estate vs. REITs¹

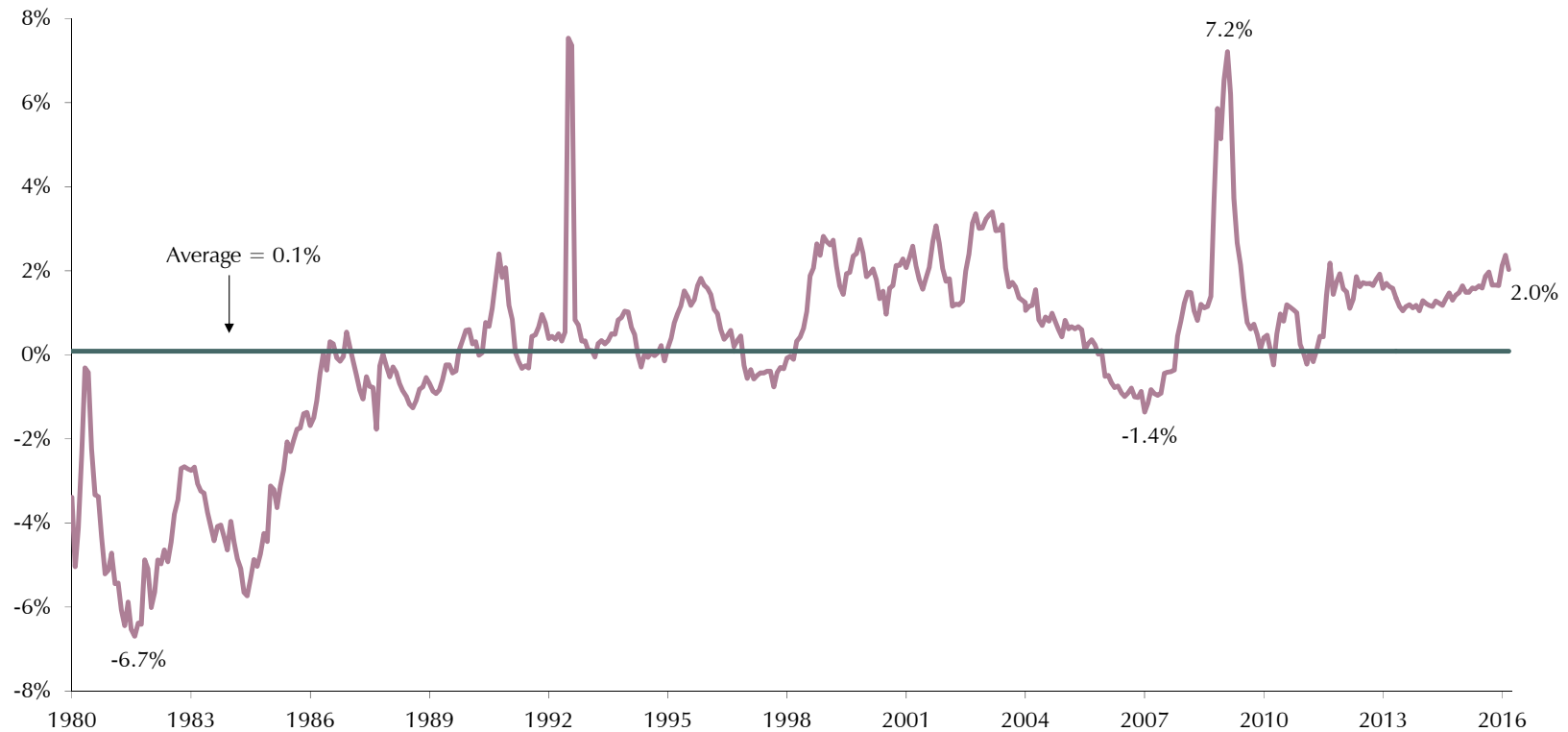
- At the end of March, the spread between core real estate cap rates and REIT yields was 2.1%, reaching just above the long term historical average level.
- REITs were yielding 3.8%, well below the 10.1% level of early 2009.

¹ Sources: Thomson Reuters and NCREIF. Core Real Estate is proxied by the transaction-based cap rate for the NCREIF NPI index and REITs are proxied by the yield for the NAREIT Equity index. NPI transactional capitalization rates are calculated on a quarterly basis and lagged in their release. Data is as of March 31, 2015 for the NCREIF NPI and March 31, 2016 for the NAREIT Equity index.

Core Real Estate Spread vs. Ten-Year Treasury¹

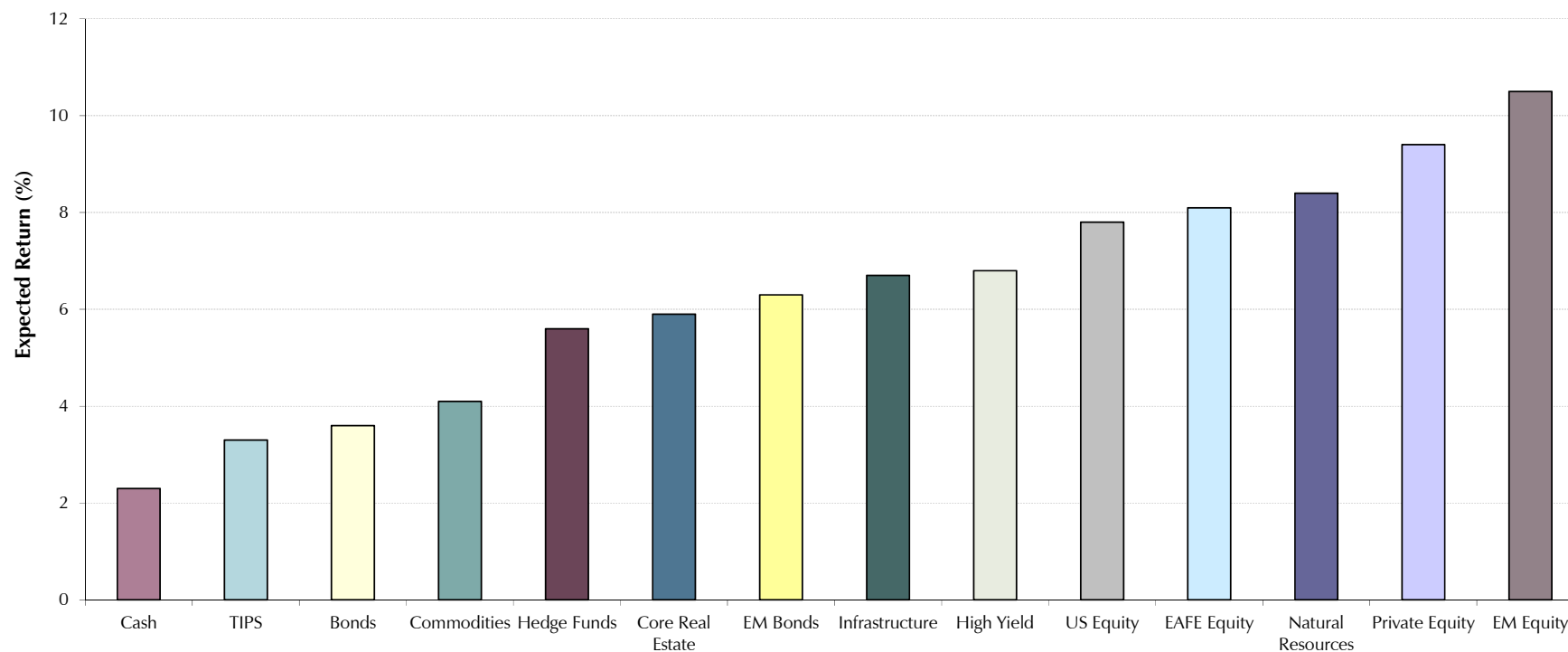
- At 4.1%, the difference between the 5.9% cap rate for core real estate and the 1.8% yield for the ten-year Treasury has begun to widen after trending towards its historical average since 2012.
- Still, the absolute level of core real estate cap rates is near a historical low.

¹ Source: NCREIF, U.S. Treasury. NPI transactional capitalization rates are calculated on a quarterly basis. Data is as of December 31, 2015 for the NCREIF NPI and March 31, 2016 for the ten-year Treasury.

REITs Dividend Yield Spread vs. Ten-Year Treasury¹

- REIT yield spreads were 2.0% at the end of March. This spread gradually increased last year despite strong REIT performance.
- As with core real estate, the absolute level of REIT dividend yields is near a historical low.

¹ Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index. Data is as of March 31, 2016.

Long-Term Outlook¹

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

¹ Twenty-year expected returns based upon Meketa Investment Group's 2016 Annual Asset Study.

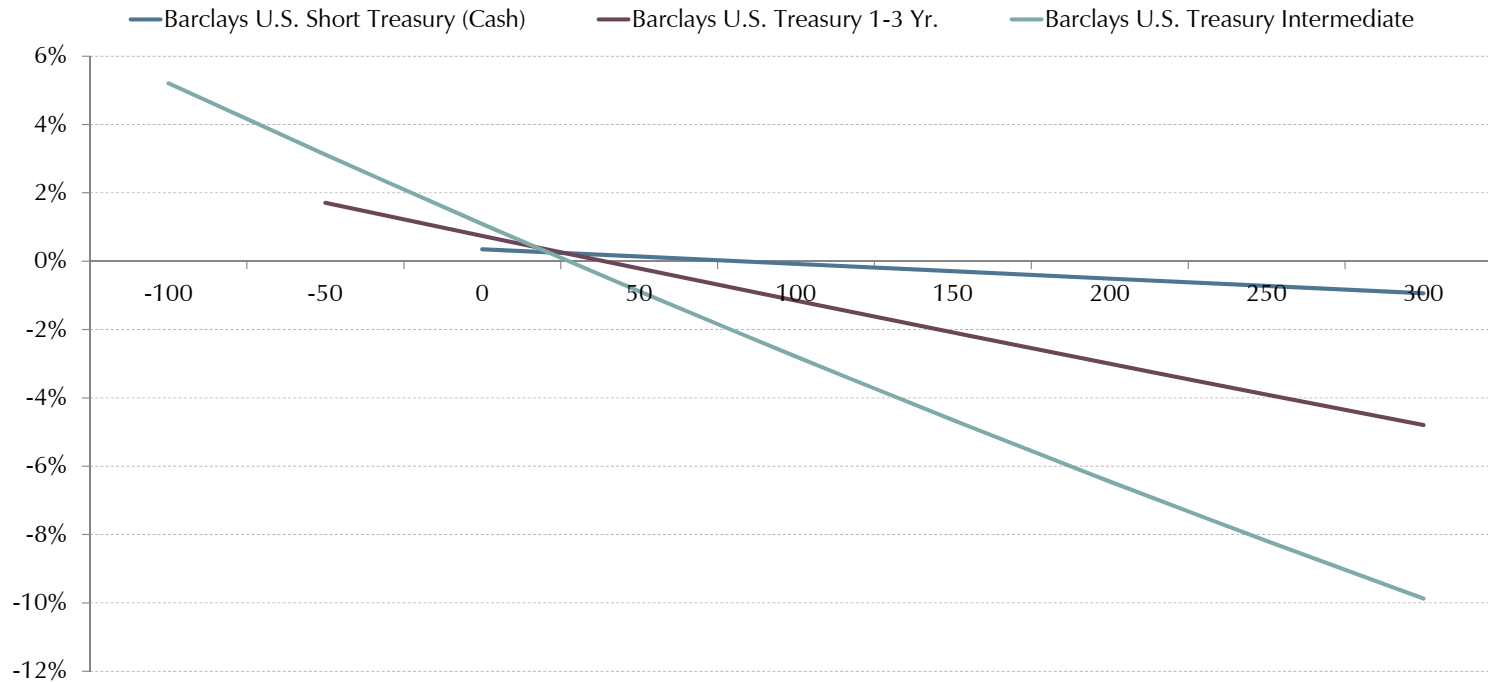
Total Return Comparison of Barclays U.S. Aggregate Minus Barclays U.S. TIPS¹

		Changes In Rates (bps)				
		-100	-50	0	50	100
Inflation Rate Scenarios	4.0%	-5.38%	-3.72%	-2.19%	-0.78%	0.52%
	3.0%	-4.38%	-2.72%	-1.19%	0.22%	1.52%
	2.0%	-3.38%	-1.72%	-0.19%	1.22%	2.52%
	1.0%	-2.38%	-0.72%	0.81%	2.22%	3.52%
	0.0%	-1.38%	0.28%	1.81%	3.22%	4.52%

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

Total Return Over Longer Holding Periods	1 Year	3 Year	5 Year	7 Year	10 Year
Barclays U.S. Aggregate	-3.39%	0.79%	1.65%	2.02%	2.30%
Barclays U.S. Treasury U.S. TIPS	-5.91%	0.16%	1.42%	1.96%	2.37%

¹ Data is as of March 31, 2016 via Barclays, Bloomberg, and Thomson Reuters. Scenario assumes that the rate increase happens over one year.

Total Return Given Changes in Interest Rates (bps)¹

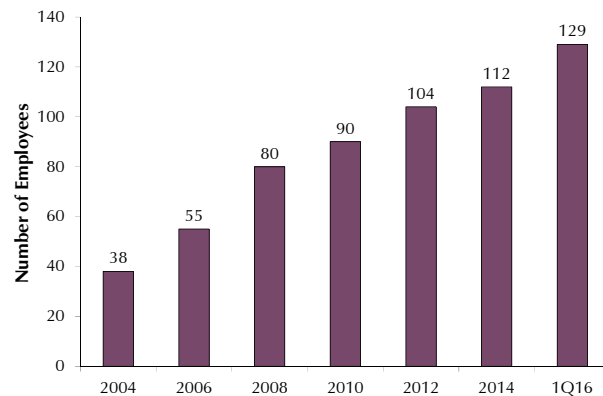
	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)			0.4%	0.1%	-0.1%	-0.3%	-0.5%	-0.7%	-0.9%	0.43	0.35%
Barclays U.S. Treasury 1-3 Yr.		1.7%	0.7%	-0.2%	-1.2%	-2.1%	-3.0%	-3.9%	-4.8%	1.92	0.74%
Barclays U.S. Treasury Intermediate	5.2%	3.1%	1.1%	-0.9%	-2.8%	-4.7%	-6.4%	-8.2%	-9.9%	4	1.09%
Barclays U.S. Treasury Long	22.5%	11.9%	2.4%	-6.0%	-13.5%	-19.8%	-25.1%	-29.3%	-32.5%	17.99	2.42%

¹ Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data is as of March 31, 2016 via Barclays and Thomson Reuters.

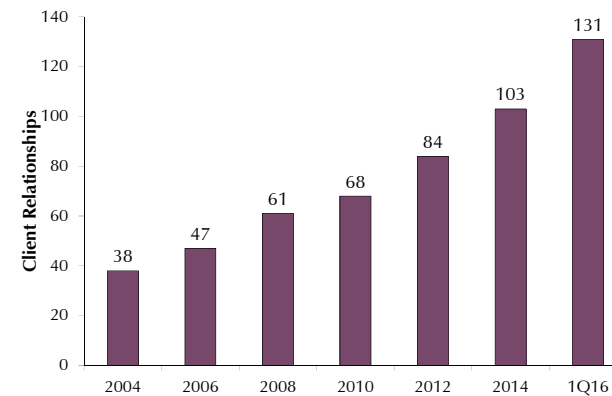
Meketa Investment Group Corporate Update

- Staff of 129, including 79 investment professionals and 27 CFA Charterholders
- 131 clients, with over 200 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- Clients have aggregate assets of over \$780 billion
 - Over \$40 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Employee Growth



Client Growth



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

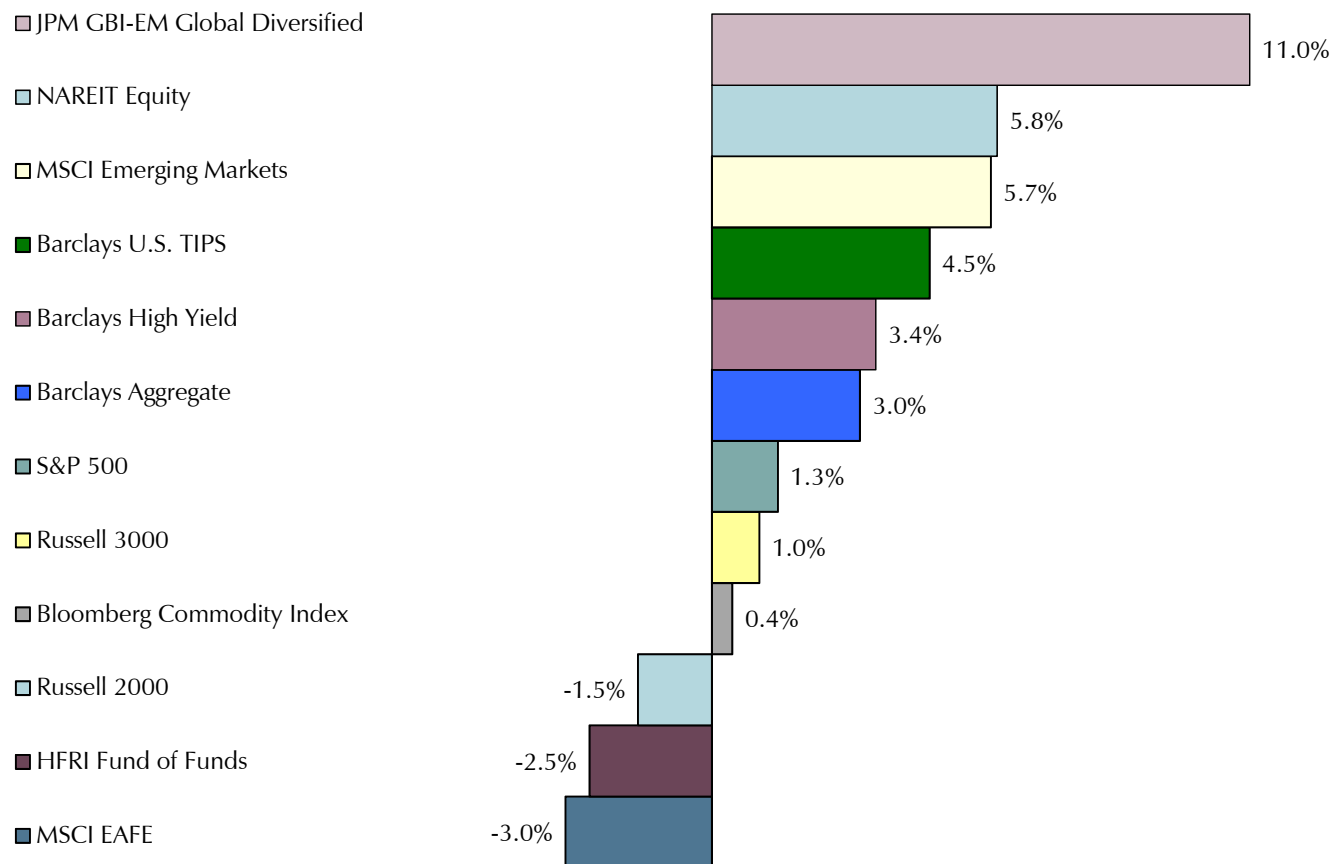
Asset Classes Followed Intensively by Meketa Investment Group

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

Appendices

The World Markets First Quarter of 2016

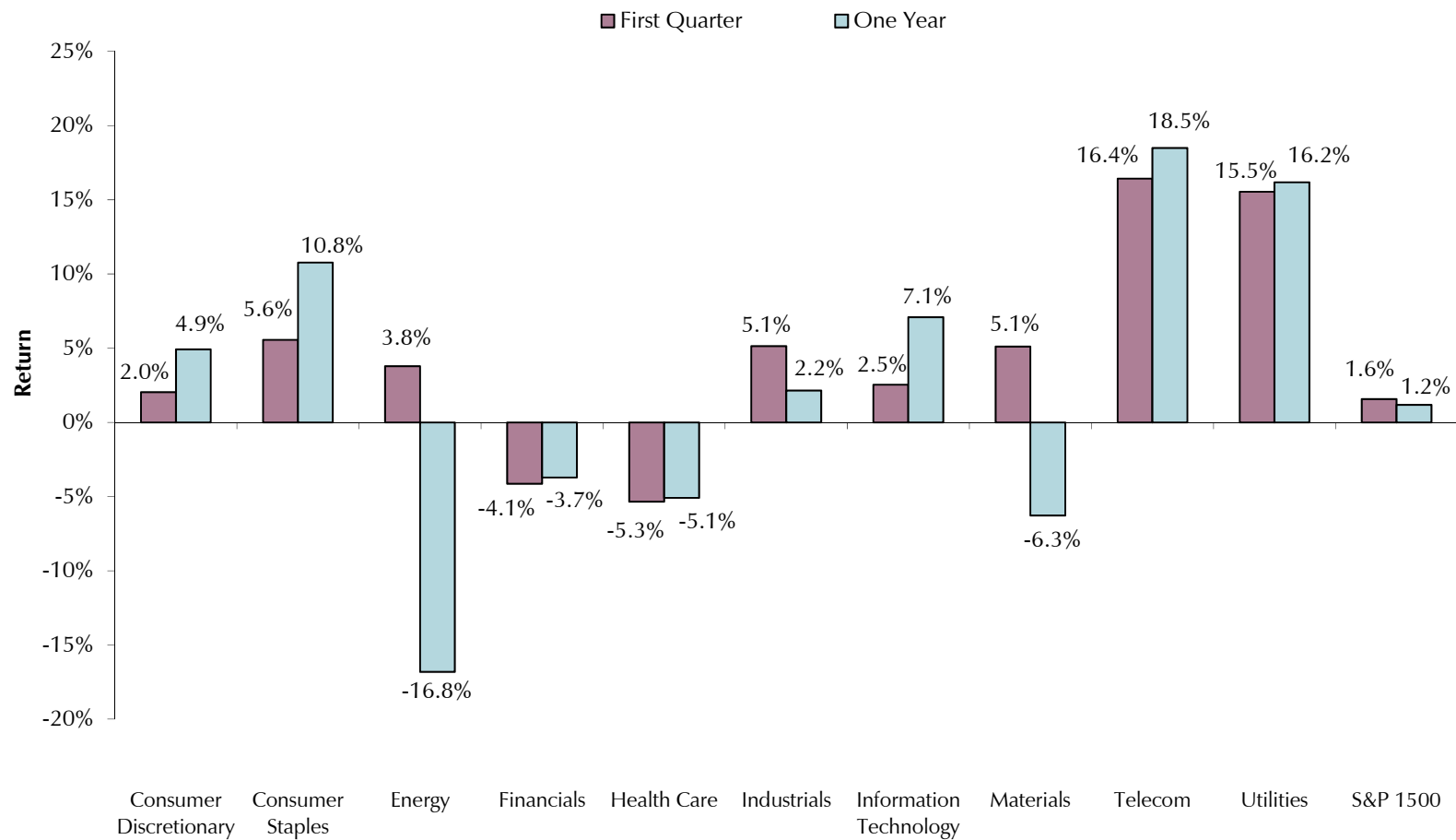
The World Markets
First Quarter of 2016



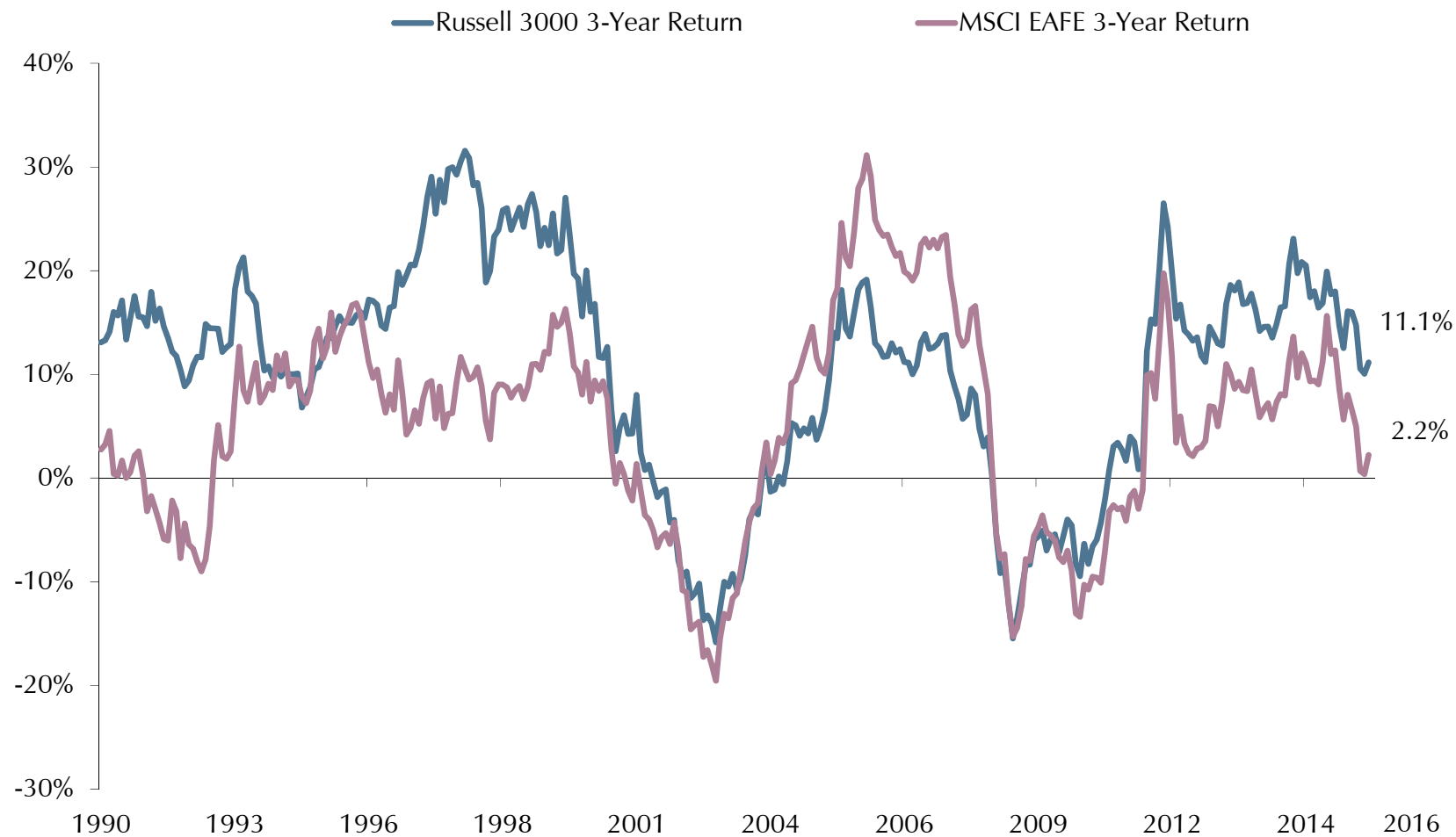
Index Returns

	1Q16 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	1.0	-0.3	11.2	11.0	6.9
Russell 1000	1.2	0.5	11.5	11.4	7.1
Russell 1000 Growth	0.7	2.5	13.6	12.4	8.3
Russell 1000 Value	1.6	-1.5	9.4	10.3	5.7
Russell MidCap	2.3	-4.0	10.3	10.3	7.5
Russell MidCap Growth	0.6	-4.8	11.0	10.0	7.4
Russell MidCap Value	3.9	-3.4	9.9	10.5	7.2
Russell 2000	-1.5	-9.8	6.8	7.2	5.3
Russell 2000 Growth	-4.7	-11.9	7.9	7.7	6.0
Russell 2000 Value	1.7	-7.7	5.7	6.7	4.4
Foreign Equity					
MSCI ACWI (ex. U.S.)	-0.4	-9.2	0.3	0.3	1.9
MSCI EAFE	-3.0	-8.3	2.2	2.3	1.8
MSCI EAFE (local currency)	-6.5	-11.2	6.5	6.2	1.7
MSCI EAFE Small Cap	-0.6	3.2	7.3	5.6	3.5
MSCI Emerging Markets	5.7	-12.0	-4.5	-4.1	3.0
MSCI Emerging Markets (local currency)	2.7	-7.7	1.9	1.3	5.3
Fixed Income					
Barclays Universal	3.1	1.8	2.5	4.0	5.0
Barclays Aggregate	3.0	2.0	2.5	3.8	4.9
Barclays U.S. TIPS	4.5	1.5	-0.7	3.0	4.6
Barclays High Yield	3.4	-3.7	1.8	4.9	7.0
JPMorgan GBI-EM Global Diversified	11.0	-1.7	-6.7	-2.0	5.0
Other					
NCREIF Property	2.2	11.8	11.9	12.0	7.6
NAREIT Equity	5.8	4.7	9.9	11.6	6.5
Bloomberg Commodity Index	0.4	-19.6	-16.9	-14.2	-6.2
HFRI Fund of Funds	-2.5	-5.1	2.0	1.4	1.5

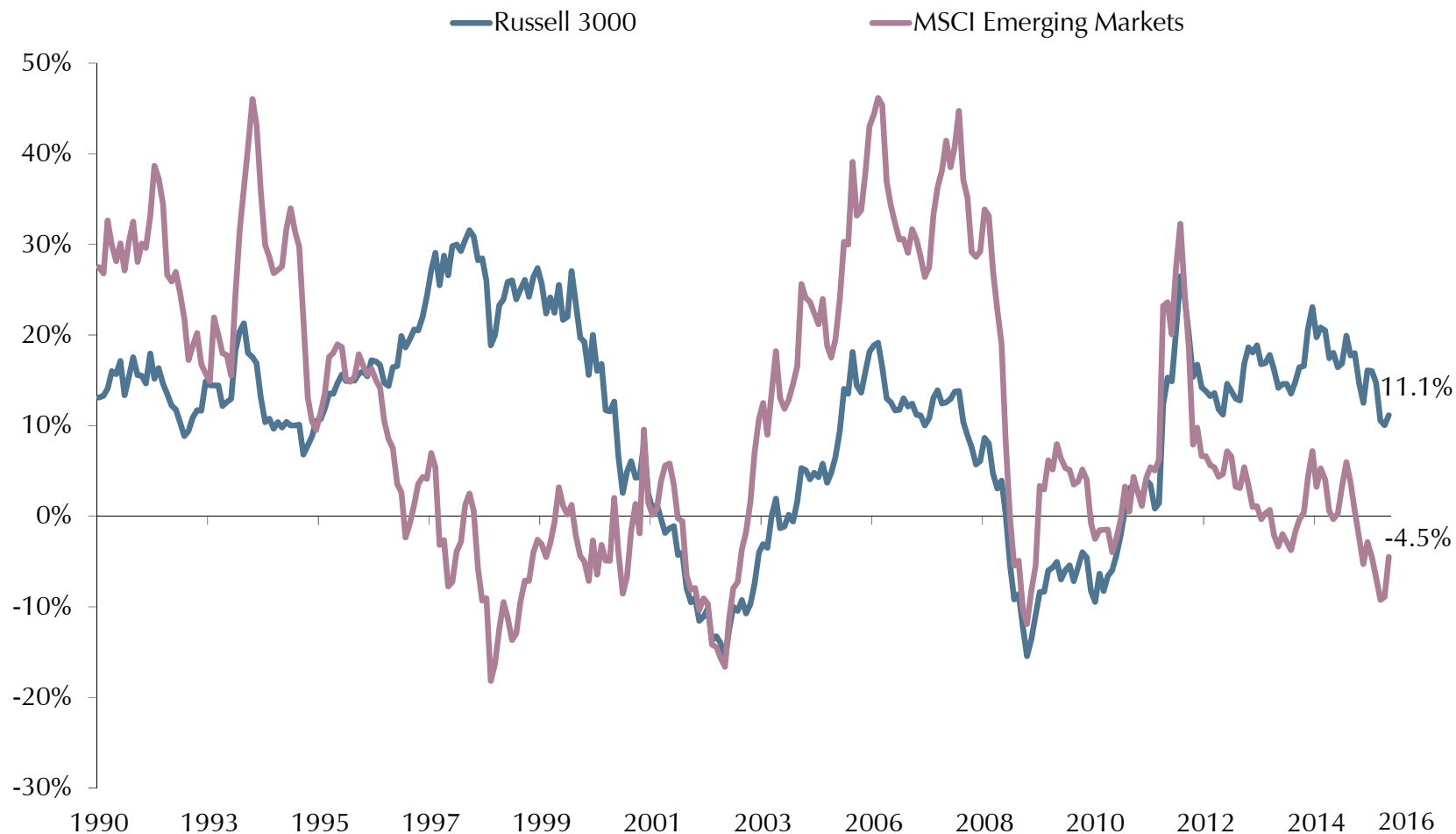
S&P Sector Returns



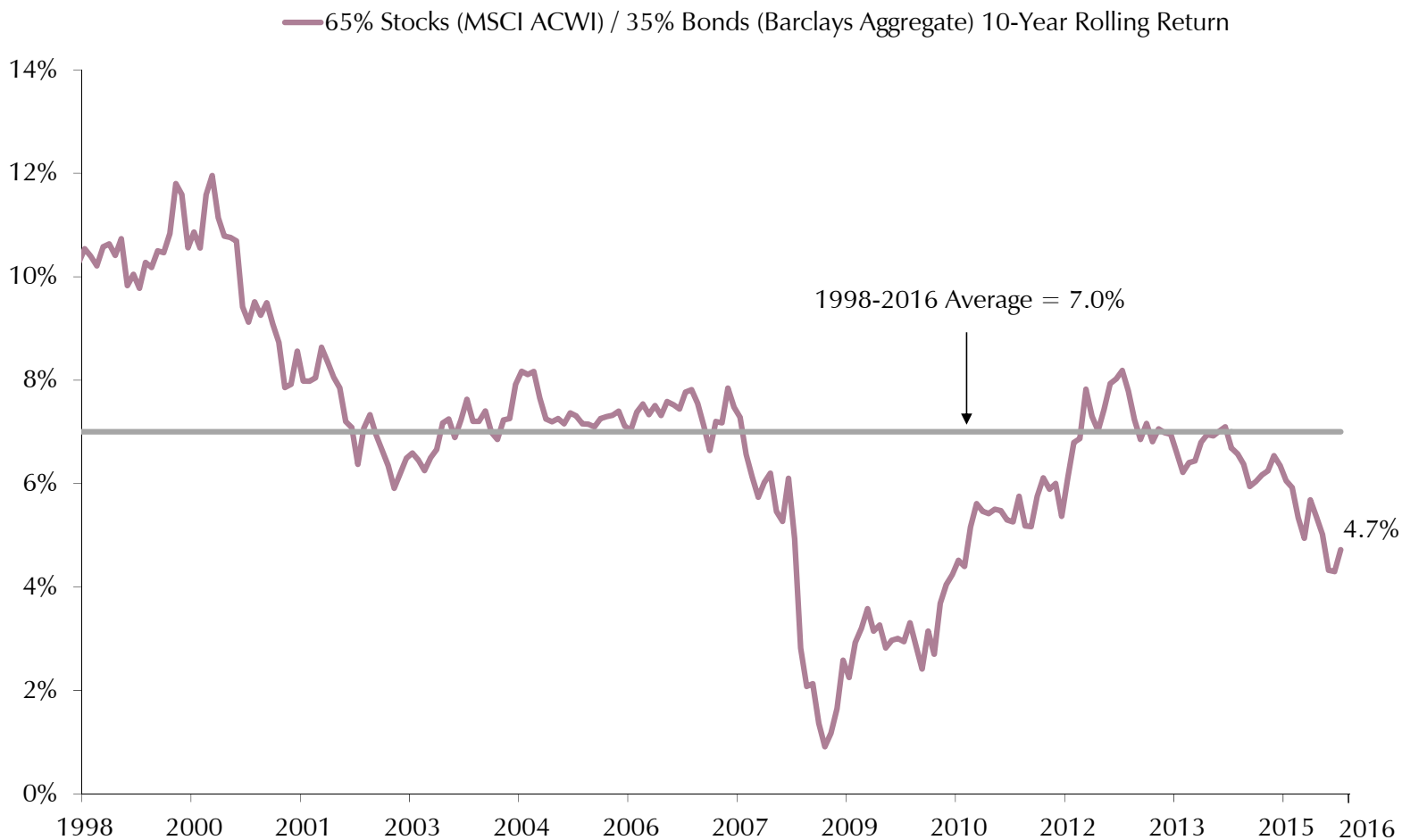
U.S. and Developed Market Foreign Equity Rolling Three-Year Returns



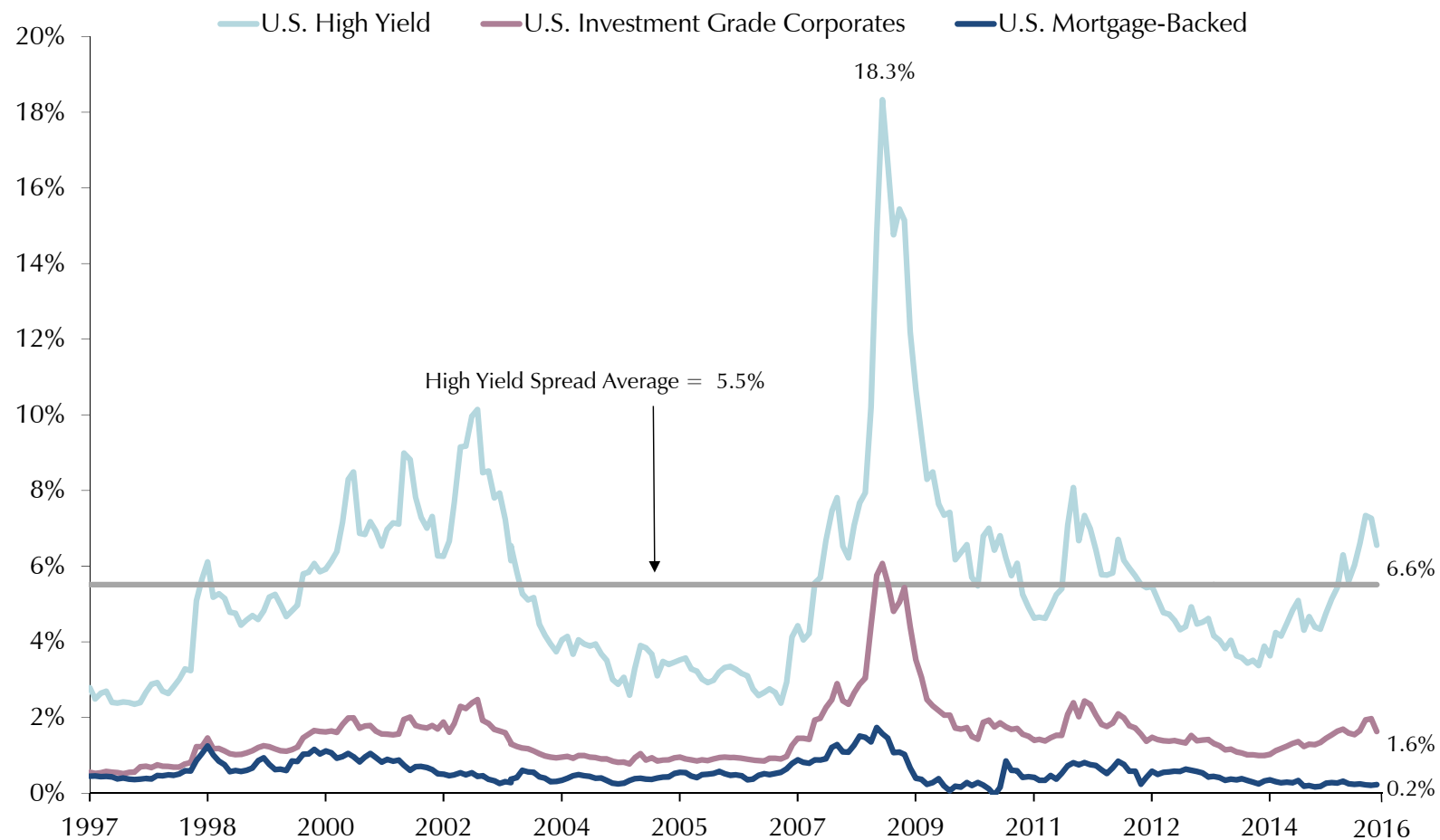
U.S. and Emerging Market Equity Rolling Three-Year Returns



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

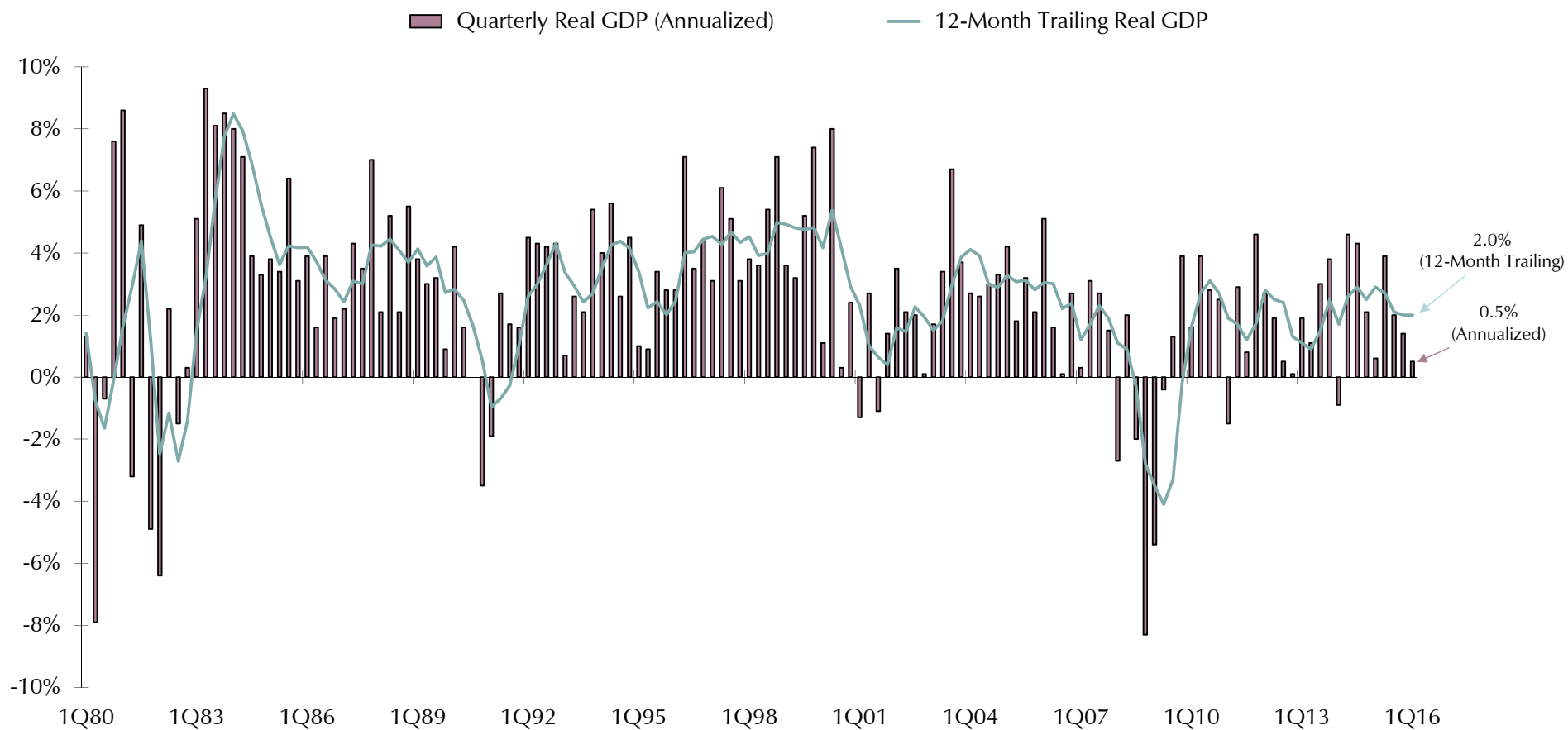


Credit Spreads vs. U.S. Treasury Bonds

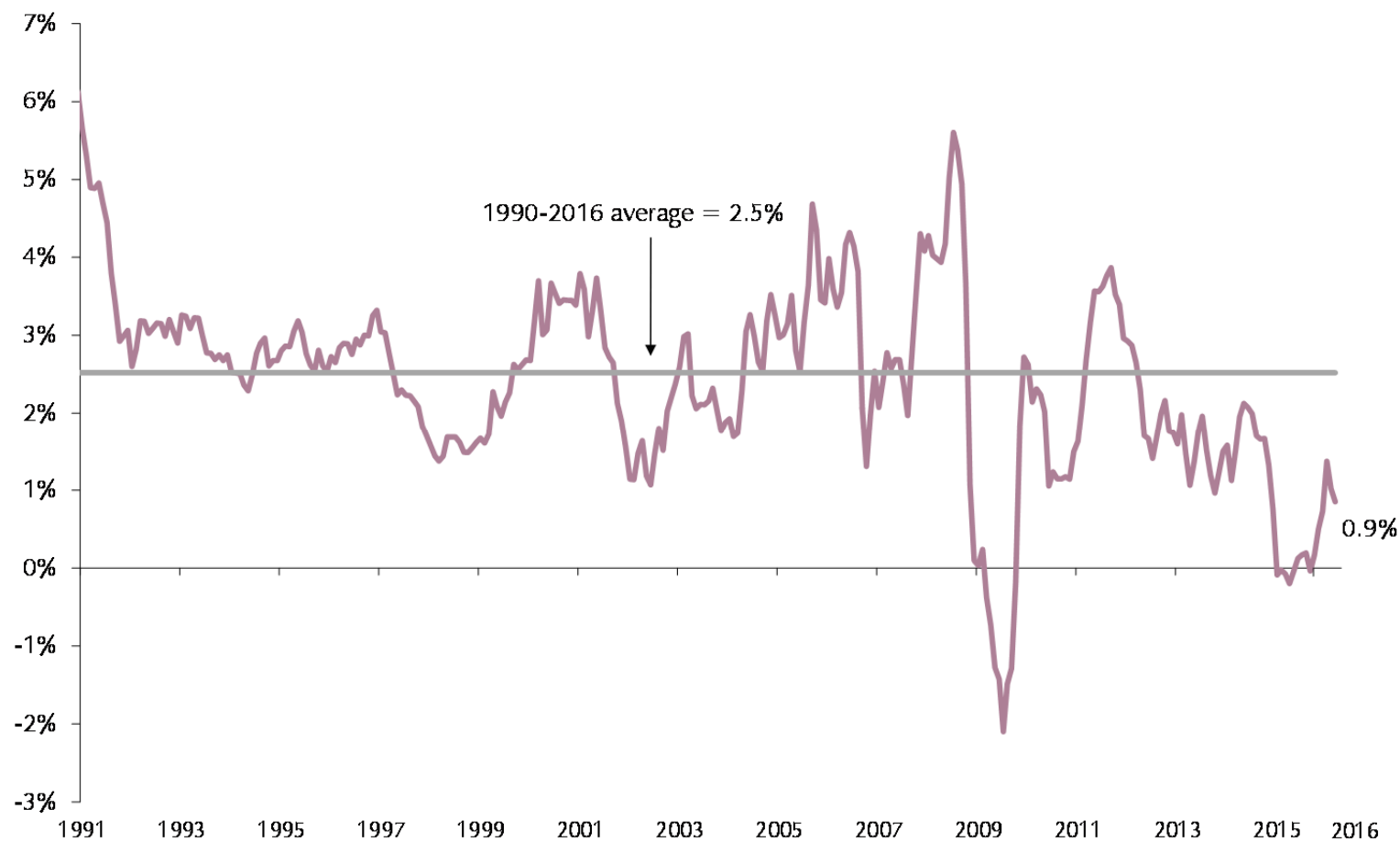


¹ The median high yield spread was 5.1% from 1997-2016.

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

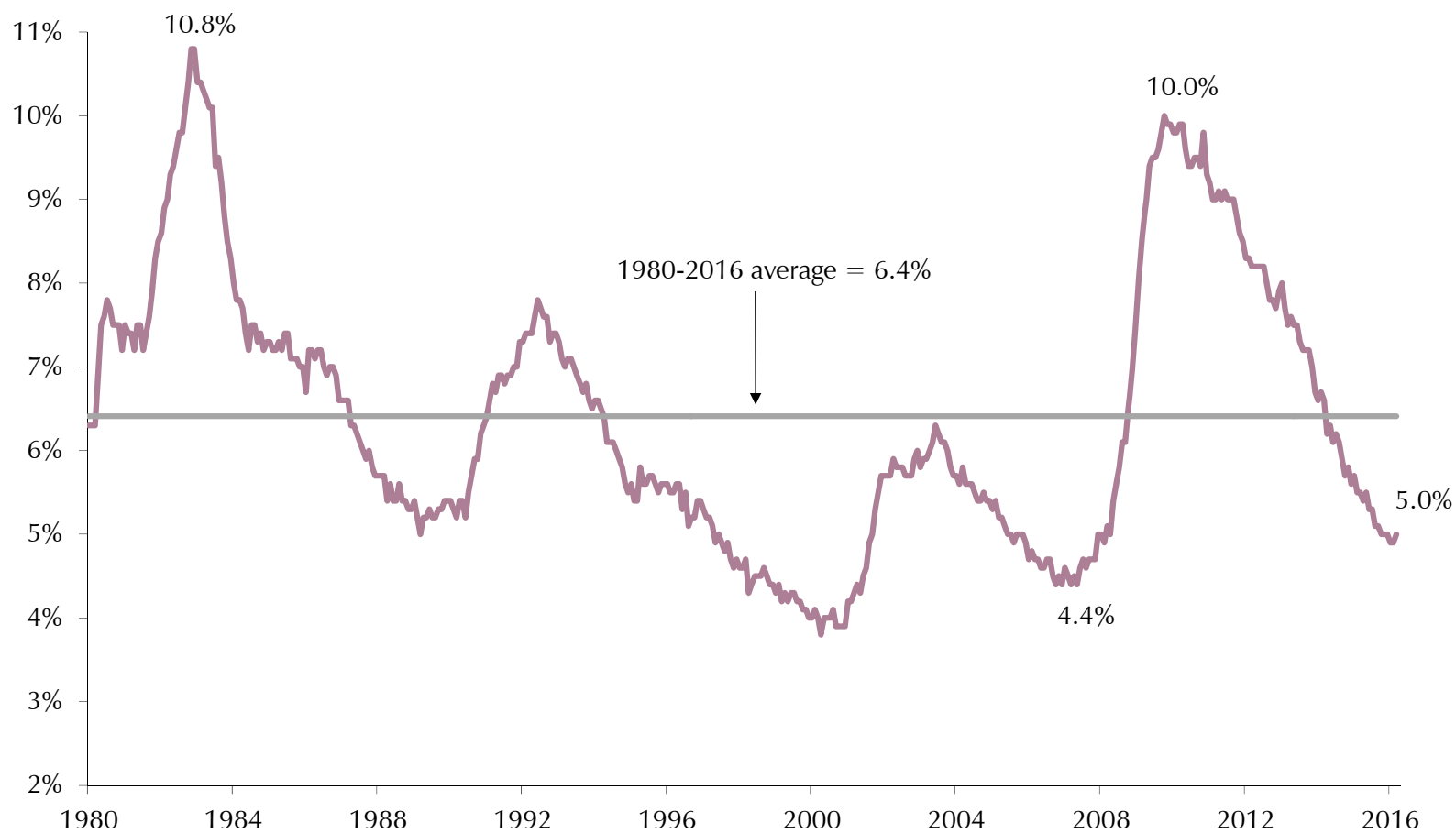


**U.S. Inflation (CPI)
Trailing Twelve Months¹**



¹ Data is non-seasonally adjusted CPI, which may be volatile in the short-term.

U.S. Unemployment¹



¹ Data is as of March 31, 2016.

Glossary and Notes As of March 31, 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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