



NEPC, LLC

YOU DEMAND MORE. So do we.™



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

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

March 3, 2016

Dan LeBeau, Consultant  
Allan Martin, Partner  
Mike Malchenko, Senior Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

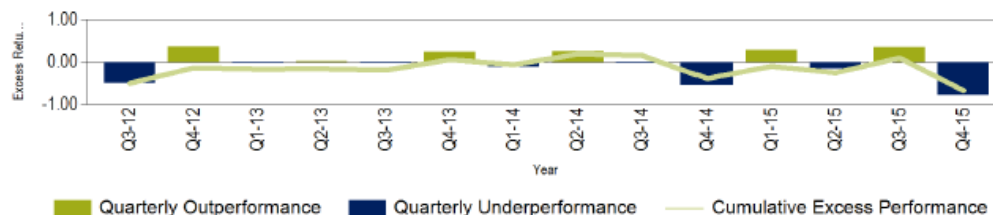
BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

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

## Total Fund Performance Summary – (Gross of Fees)

	Market Value (\$)	% of Portfolio	Ending December 31, 2015												Inception			
			3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Health Care Trust</b>	<b>71,858,339</b>	<b>100.0</b>	<b>1.9</b>	<b>20</b>	<b>-3.6</b>	<b>92</b>	<b>-2.8</b>	<b>94</b>	<b>0.9</b>	<b>86</b>	<b>3.3</b>	<b>53</b>	--	--	--	--	<b>3.9</b>	<b>Jul-12</b>
<i>Policy Benchmark</i>			2.6	12	-3.2	89	-2.5	93	1.2	80	3.4	51	--	--	--	--	4.1	Jul-12
<i>Allocation Index</i>			2.3	16	-1.6	71	-0.5	73	2.6	41	4.6	34	--	--	--	--	5.1	Jul-12
<i>InvestorForce Health &amp; Welfare Gross Median</i>			0.8		-0.7		0.5		2.3		3.5		4.2		4.5		4.0	Jul-12

Quarterly and Cumulative Excess Performance



For the three-year period ending December 31, 2015, the Health Care Trust returned 3.3%, trailing the policy benchmark by 0.1% and ranking in the 53<sup>rd</sup> percentile of the InvestorForce Health & Welfare Funds Universe.

For the one-year period ending December 31, 2015, the Health Care Trust produced a net investment loss of \$2.2 million, which includes a net investment gain of \$1.3 million in the fourth calendar quarter. Assets increased from \$55.1 million one year ago to \$71.9 million on December 31, 2015, with \$19.0 million in net contributions during the year.

For the one-year period ending December 31, 2015, the Fund returned -2.8%, trailing the policy benchmark by 0.3% and ranking in the 94<sup>th</sup> percentile of its peers. The Fund's volatility ranks in the bottom quartile of its peers, resulting in a Sharpe Ratio that also ranks in the bottom quartile of its peers.

Please see the appendix for additional performance disclosures. Performance is reported gross of fees.

Since Inception Ending Dec 31, 2015

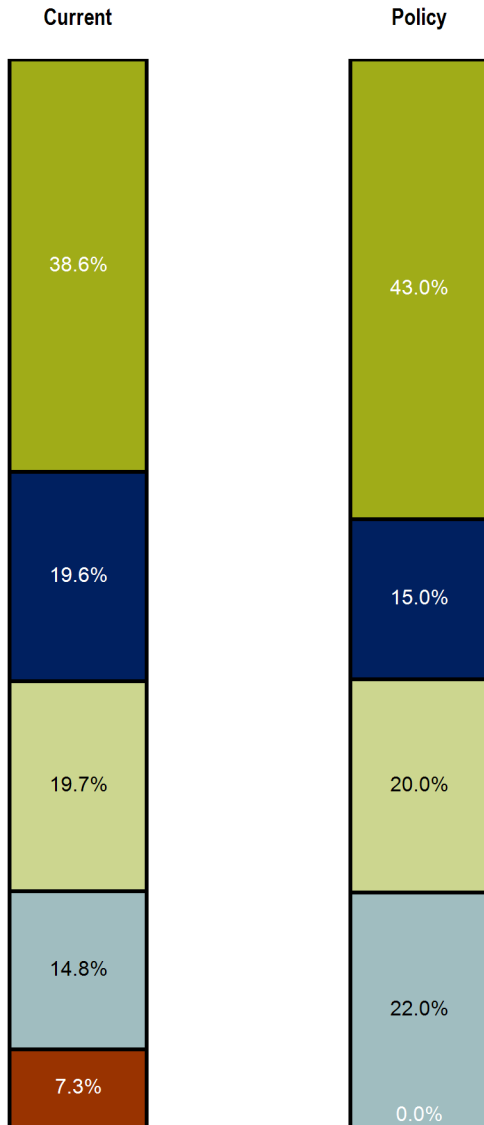
	Anlzd Return	Rank	Anlzd Standard Deviation	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Health Care Trust	3.9%	51	6.1%	85	0.6	88	1.1	84
Policy Benchmark	4.1%	46	6.4%	92	0.6	88	1.1	85
Allocation Index	5.1%	32	5.5%	81	0.9	75	1.6	71
InvestorForce Health & Welfare Gross Median	4.0%	--	3.0%	--	1.3	--	2.2	--

1 Year Ending December 31, 2015

	Anlzd Return	Rank	Anlzd Standard Deviation	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Health Care Trust	-2.8%	94	7.0%	86	-0.4	88	-0.7	89
Policy Benchmark	-2.5%	93	8.2%	98	-0.3	88	-0.5	89
Allocation Index	-0.5%	73	5.9%	80	-0.1	71	-0.1	72
InvestorForce Health & Welfare Gross Median	0.5%	--	3.1%	--	0.1	--	0.2	--

Note: The InvestorForce Health & Welfare Funds Universe had 187 observations totaling \$15.7 billion in assets as of 12/31/2015.

**Total Fund Asset Allocation vs Policy Targets**

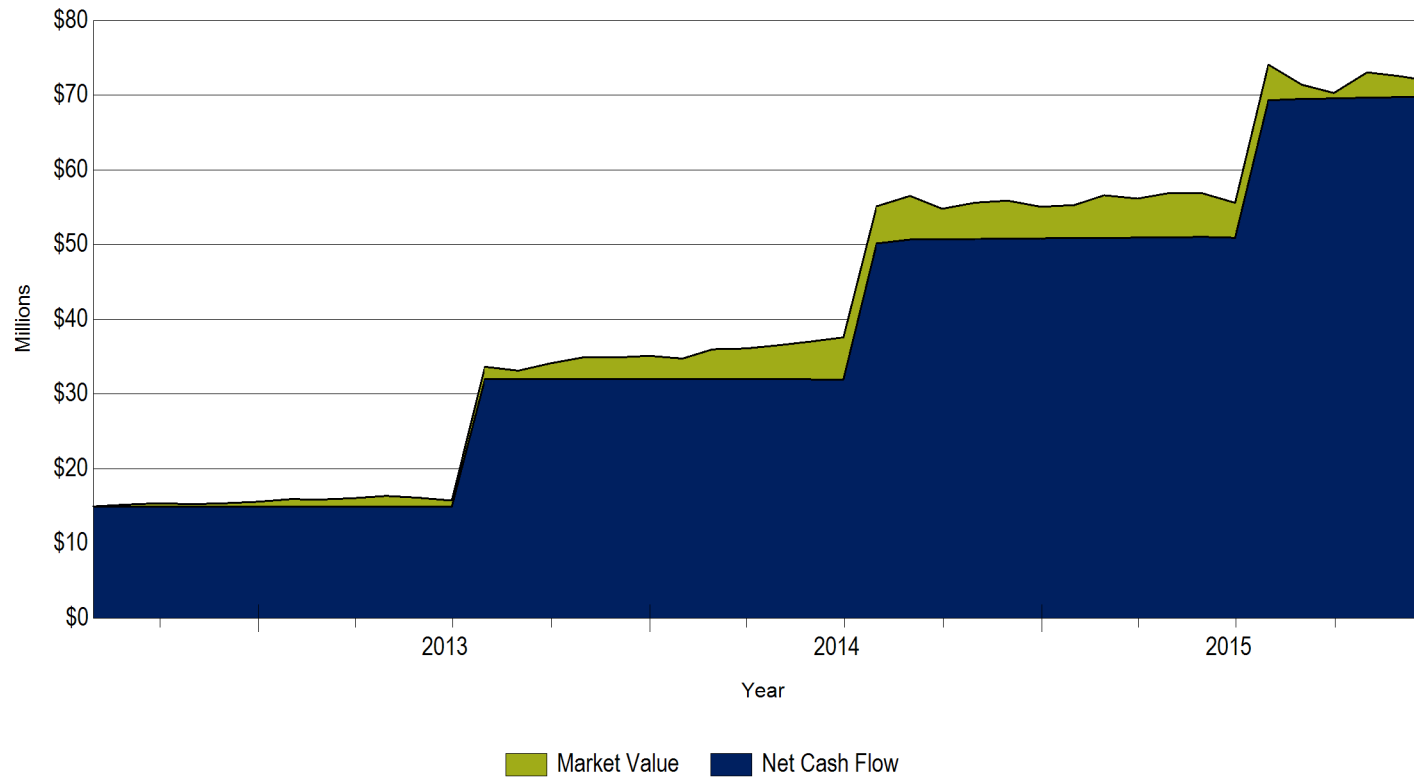


Asset Allocation vs. Target							
	Current Balance	Current Allocation	Policy	Difference *	Policy Range	Within IPS Range?	
Equities	\$27,736,630	38.6%	43.0%	-4.4%	25.0% - 50.0%	Yes	
Fixed Income	\$14,092,728	19.6%	15.0%	4.6%	5.0% - 25.0%	Yes	
Global Asset Allocation	\$14,125,179	19.7%	20.0%	-0.3%	0.0% - 25.0%	Yes	
Inflation-Linked	\$10,652,995	14.8%	22.0%	-7.2%	12.0% - 25.0%	Yes	
Cash	\$5,250,807	7.3%	0.0%	7.3%	0.0% - 5.0%	No	
<b>Total</b>	<b>\$71,858,339</b>	<b>100.0%</b>	<b>100.0%</b>				

\*Difference between Policy and Current Allocation

Health Care Trust Asset Growth Summary

Since Inception Ending Dec 31, 2015



Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year	Inception 7/1/12
Beginning Market Value	\$70,306,083	\$55,595,234	\$55,066,805	\$0
Net Additions/Withdrawals	\$243,634	\$18,907,360	\$18,982,826	\$69,820,705
Investment Earnings	\$1,308,622	-\$2,644,255	-\$2,191,292	\$2,037,633
<b>Ending Market Value</b>	<b>\$71,858,339</b>	<b>\$71,858,339</b>	<b>\$71,858,339</b>	<b>\$71,858,339</b>

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

**Health Care Trust Asset Growth Summary Detail**

**Cash Flow Summary**  
**3 Months Ending Dec 31, 2015**

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$4,967,779	-\$2,631	\$285,658	\$283,028	\$0	\$5,250,807
Credit Suisse	\$3,582,452	-\$3,494	\$0	-\$3,494	-\$262,790	\$3,316,168
GMO	\$3,039,936	-\$6,620	\$0	-\$6,620	\$52,105	\$3,085,422
PIMCO	\$4,798,738	-\$11,339	\$0	-\$11,339	-\$53,907	\$4,733,491
Standard Life	\$6,232,699	\$0	\$0	\$0	\$73,567	\$6,306,266
Vanguard REIT Index Fund	\$5,859,665	-\$1,553	\$0	-\$1,553	\$414,276	\$6,272,388
Vanguard Total Bond Market Index Fund	\$14,178,124	-\$2,474	\$0	-\$2,474	-\$82,922	\$14,092,728
Vanguard Total World Stock Index Fund	\$26,530,500	-\$11,263	\$0	-\$11,263	\$1,217,393	\$27,736,630
Wellington	\$1,116,190	-\$2,650	\$0	-\$2,650	-\$49,101	\$1,064,439
<b>Total</b>	<b>\$70,306,083</b>	<b>-\$42,024</b>	<b>\$285,658</b>	<b>\$243,634</b>	<b>\$1,308,622</b>	<b>\$71,858,339</b>

**Cash Flow Summary**  
**FYTD Ending Dec 31, 2015**

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$1,563,765	-\$15,425,864	\$19,112,905	\$3,687,042	\$0	\$5,250,807
Credit Suisse	\$4,083,597	-\$7,243	\$0	-\$7,243	-\$760,186	\$3,316,168
GMO	\$2,957,438	-\$13,271	\$300,000	\$286,729	-\$158,745	\$3,085,422
PIMCO	\$3,331,646	-\$23,101	\$2,000,000	\$1,976,899	-\$575,054	\$4,733,491
Standard Life	\$4,304,644	\$0	\$2,000,000	\$2,000,000	\$1,622	\$6,306,266
Vanguard REIT Index Fund	\$5,744,217	-\$3,021	\$0	-\$3,021	\$531,192	\$6,272,388
Vanguard Total Bond Market Index Fund	\$7,990,445	-\$4,946	\$6,000,000	\$5,995,054	\$107,229	\$14,092,728
Vanguard Total World Stock Index Fund	\$24,298,991	-\$22,384	\$5,000,000	\$4,977,616	-\$1,539,977	\$27,736,630
Wellington	\$1,320,490	-\$5,716	\$0	-\$5,716	-\$250,335	\$1,064,439
<b>Total</b>	<b>\$55,595,234</b>	<b>-\$15,505,546</b>	<b>\$34,412,905</b>	<b>\$18,907,360</b>	<b>-\$2,644,255</b>	<b>\$71,858,339</b>

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

**Health Care Trust Asset Growth Summary Detail**

**Cash Flow Summary**  
1 Year Ending Dec 31, 2015

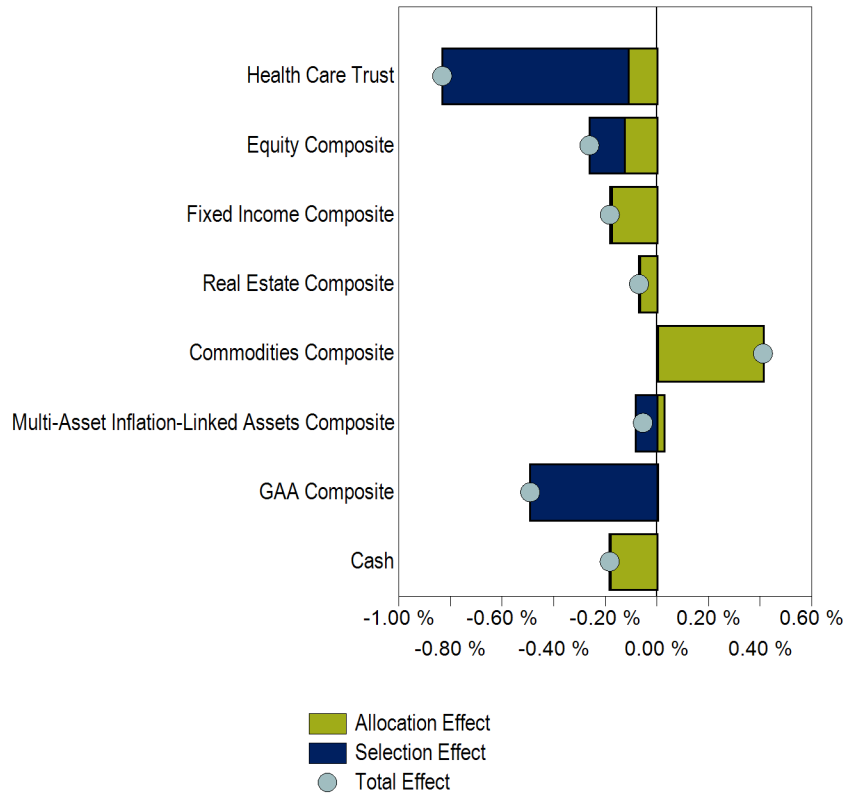
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$2,968,738	-\$19,908,224	\$22,190,294	\$2,282,069	\$0	\$5,250,807
Credit Suisse	\$4,182,309	-\$15,174	\$0	-\$15,174	-\$850,967	\$3,316,168
GMO	\$3,549,566	-\$677,340	\$300,000	-\$377,340	-\$86,805	\$3,085,422
PIMCO	\$3,349,672	-\$38,998	\$2,000,000	\$1,961,002	-\$577,183	\$4,733,491
Standard Life	\$0	\$0	\$6,300,000	\$6,300,000	\$6,266	\$6,306,266
Vanguard REIT Index Fund	\$6,126,031	-\$6,109	\$0	-\$6,109	\$152,466	\$6,272,388
Vanguard Total Bond Market Index Fund	\$10,076,507	-\$2,107,904	\$6,000,000	\$3,892,096	\$124,125	\$14,092,728
Vanguard Total World Stock Index Fund	\$23,464,486	-\$41,807	\$5,000,000	\$4,958,193	-\$686,049	\$27,736,630
Wellington	\$1,349,496	-\$11,911	\$0	-\$11,911	-\$273,145	\$1,064,439
<b>Total</b>	<b>\$55,066,805</b>	<b>-\$22,807,468</b>	<b>\$41,790,294</b>	<b>\$18,982,826</b>	<b>-\$2,191,292</b>	<b>\$71,858,339</b>

**Cash Flow Summary**  
Since Inception Ending Dec 31, 2015

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$0	-\$71,091,502	\$76,341,869	\$5,250,367	\$440	\$5,250,807
Credit Suisse	--	-\$539,450	\$5,300,000	\$4,760,550	-\$1,444,382	\$3,316,168
First Quadrant	--	-\$742,610	\$890,000	\$147,390	-\$147,390	--
GMO	--	-\$691,219	\$3,950,000	\$3,258,781	-\$173,359	\$3,085,422
PIMCO	--	-\$49,850	\$5,650,000	\$5,600,150	-\$866,659	\$4,733,491
Standard Life	--	\$0	\$6,300,000	\$6,300,000	\$6,266	\$6,306,266
Vanguard REIT Index Fund	--	-\$13,805	\$4,988,695	\$4,974,890	\$1,297,498	\$6,272,388
Vanguard Total Bond Market Index Fund	--	-\$4,223,070	\$17,610,434	\$13,387,364	\$705,364	\$14,092,728
Vanguard Total World Stock Index Fund	--	-\$100,005	\$24,671,390	\$24,571,385	\$3,165,245	\$27,736,630
Wellington	--	-\$20,171	\$1,590,000	\$1,569,829	-\$505,390	\$1,064,439
<b>Total</b>	<b>\$0</b>	<b>-\$77,471,682</b>	<b>\$147,292,388</b>	<b>\$69,820,705</b>	<b>\$2,037,633</b>	<b>\$71,858,339</b>

Health Care Trust Attribution Analysis - Net of Fees

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

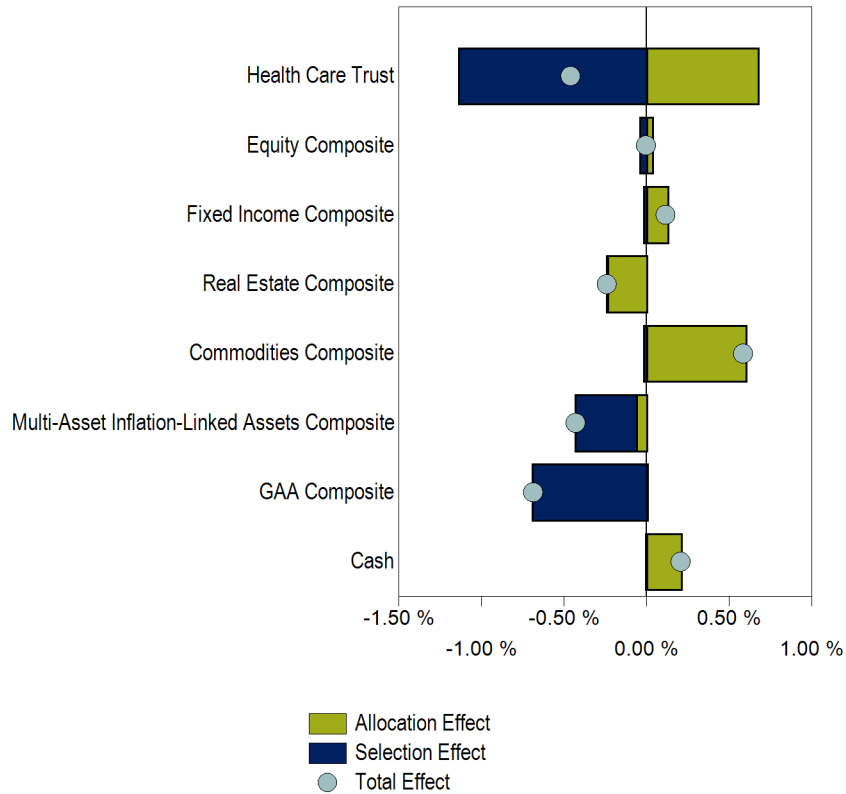


**Attribution Summary**  
3 Months Ending December 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Equity Composite	4.5%	4.9%	-0.4%	-0.1%	-0.1%	-0.3%
Fixed Income Composite	-0.6%	-0.6%	0.0%	0.0%	-0.2%	-0.2%
Real Estate Composite	7.0%	7.1%	0.0%	0.0%	-0.1%	-0.1%
Commodities Composite	-7.4%	-7.4%	0.0%	0.0%	0.4%	0.4%
Multi-Asset Inflation-Linked Assets Composite	-4.6%	0.6%	-5.3%	-0.1%	0.0%	-0.1%
GAA Composite	0.4%	2.8%	-2.5%	-0.5%	0.0%	-0.5%
Cash	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%
<b>Total</b>	<b>1.8%</b>	<b>2.6%</b>	<b>-0.8%</b>	<b>-0.7%</b>	<b>-0.1%</b>	<b>-0.8%</b>

Health Care Trust Attribution Analysis - Net of Fees

Attribution Effects  
FYTD Ending Dec 31, 2015



Attribution Summary  
FYTD Ending Dec 31, 2015

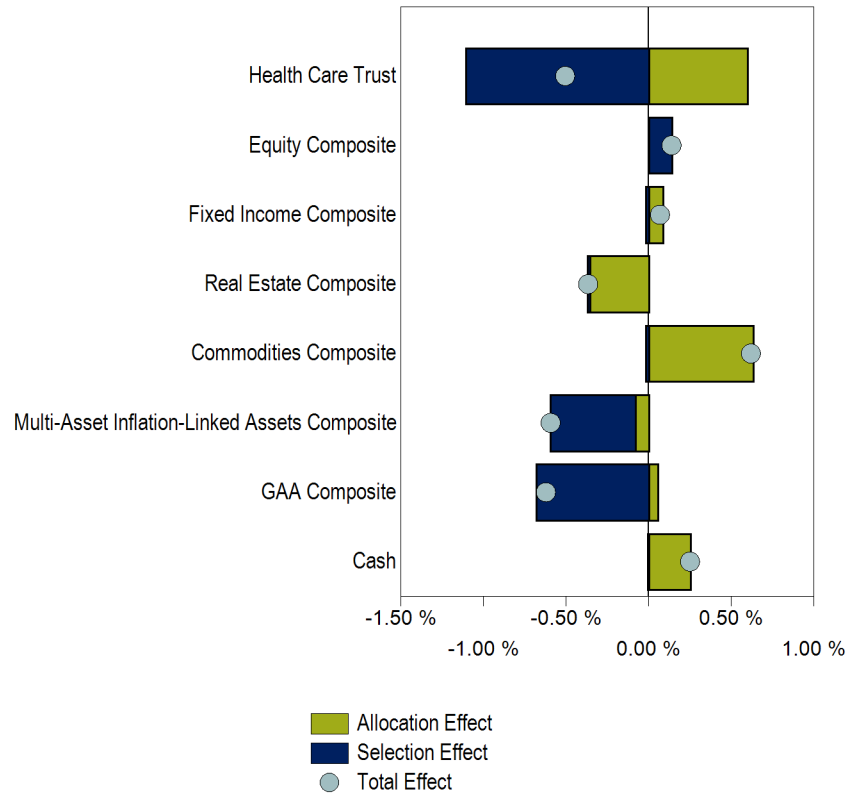
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Equity Composite	-5.2%	-5.2%	-0.1%	0.0%	0.0%	0.0%
Fixed Income Composite	0.6%	0.7%	-0.1%	0.0%	0.1%	0.1%
Real Estate Composite	9.2%	9.3%	-0.1%	0.0%	-0.2%	-0.2%
Commodities Composite	-18.8%	-18.5%	-0.3%	0.0%	0.6%	0.6%
Multi-Asset Inflation-Linked Assets Composite	-19.4%	1.6%	-21.0%	-0.4%	-0.1%	-0.4%
GAA Composite	-5.2%	-1.7%	-3.4%	-0.7%	0.0%	-0.7%
Cash	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
<b>Total</b>	<b>-3.7%</b>	<b>-3.2%</b>	<b>-0.5%</b>	<b>-1.1%</b>	<b>0.7%</b>	<b>-0.5%</b>



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

Health Care Trust Attribution Analysis - Net of Fees

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

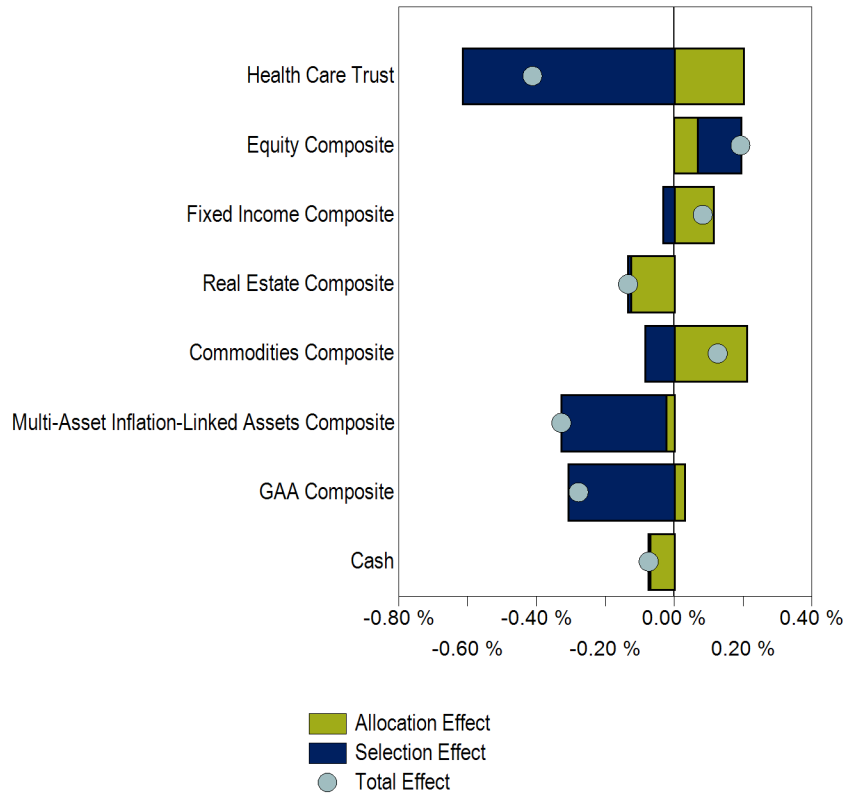


**Attribution Summary**  
1 Year Ending December 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Equity Composite	-1.9%	-2.2%	0.3%	0.1%	0.0%	0.1%
Fixed Income Composite	0.4%	0.5%	-0.1%	0.0%	0.1%	0.1%
Real Estate Composite	2.4%	2.5%	-0.1%	0.0%	-0.4%	-0.4%
Commodities Composite	-20.7%	-20.5%	-0.2%	0.0%	0.6%	0.6%
Multi-Asset Inflation-Linked Assets Composite	-21.1%	5.8%	-26.9%	-0.5%	-0.1%	-0.6%
GAA Composite	-4.6%	-1.7%	-2.8%	-0.7%	0.1%	-0.6%
Cash	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%
<b>Total</b>	<b>-3.0%</b>	<b>-2.5%</b>	<b>-0.5%</b>	<b>-1.1%</b>	<b>0.6%</b>	<b>-0.5%</b>

**Health Care Trust Attribution Analysis - Net of Fees**

**Attribution Effects**  
Since Inception Ending Dec 31, 2015



**Attribution Summary**  
Since Inception Ending Dec 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Equity Composite	--	9.3%	--	0.1%	0.1%	0.2%
Fixed Income Composite	--	1.4%	--	0.0%	0.1%	0.1%
Real Estate Composite	--	9.6%	--	0.0%	-0.1%	-0.1%
Commodities Composite	--	-11.4%	--	-0.1%	0.2%	0.1%
Multi-Asset Inflation-Linked Assets Composite	--	--	--	-0.3%	0.0%	-0.3%
GAA Composite	--	--	--	-0.3%	0.0%	-0.3%
Cash	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
<b>Total</b>	<b>3.7%</b>	<b>4.1%</b>	<b>-0.4%</b>	<b>-0.6%</b>	<b>0.2%</b>	<b>-0.4%</b>

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

Health Care Trust Performance Summary – Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Return (%)	Since
<b>Health Care Trust</b>	<b>71,858,339</b>	<b>100.0</b>	<b>1.8</b>	<b>--</b>	<b>-3.7</b>	<b>--</b>	<b>-3.0</b>	<b>--</b>	<b>3.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.8</b>	<b>Jul-12</b>
<i>Policy Benchmark</i>			<u>2.6</u>	<b>--</b>	<u>-3.2</u>	<b>--</b>	<u>-2.5</u>	<b>--</b>	<u>3.4</u>	<b>--</b>	<b>--</b>	<b>--</b>	<u>4.1</u>	<i>Jul-12</i>
<i>Over/Under</i>			<b>-0.8</b>		<b>-0.5</b>		<b>-0.5</b>		<b>-0.3</b>				<b>-0.3</b>	
<i>Allocation Index</i>			2.3	<b>--</b>	-1.6	<b>--</b>	-0.5	<b>--</b>	4.6	<b>--</b>	<b>--</b>	<b>--</b>	5.1	<i>Jul-12</i>
<b>Equity Composite</b>	<b>27,736,630</b>	<b>38.6</b>	<b>4.5</b>	<b>56</b>	<b>-5.2</b>	<b>64</b>	<b>-1.9</b>	<b>66</b>	<b>7.9</b>	<b>67</b>	<b>--</b>	<b>--</b>	<b>9.8</b>	<b>Aug-12</b>
Vanguard Total World Stock Index Fund	27,736,630	38.6	4.5	56	-5.2	64	-1.9	66	7.9	67	--	--	9.8	Aug-12
<i>MSCI ACWI IMI (Net)</i>			<u>4.9</u>	47	<u>-5.2</u>	64	<u>-2.2</u>	68	<u>7.9</u>	67	<u>6.1</u>	74	<u>9.5</u>	<i>Aug-12</i>
<i>Over/Under</i>			<b>-0.4</b>		0.0		0.3		0.0				0.3	
<i>eA All Global Equity Net Median</i>			4.7		-3.9		-0.6		9.1		7.5		10.5	<i>Aug-12</i>
<b>Fixed Income Composite</b>	<b>14,092,728</b>	<b>19.6</b>	<b>-0.6</b>	<b>61</b>	<b>0.6</b>	<b>26</b>	<b>0.4</b>	<b>51</b>	<b>1.3</b>	<b>56</b>	<b>--</b>	<b>--</b>	<b>1.3</b>	<b>Aug-12</b>
Vanguard Total Bond Market Index Fund	14,092,728	19.6	-0.6	61	0.6	26	0.4	51	1.3	56	--	--	1.3	Aug-12
<i>Barclays Aggregate</i>			<u>-0.6</u>	57	<u>0.7</u>	24	<u>0.5</u>	45	<u>1.4</u>	51	<u>3.2</u>	56	<u>1.4</u>	<i>Aug-12</i>
<i>Over/Under</i>			0.0		<b>-0.1</b>		<b>-0.1</b>		<b>-0.1</b>				<b>-0.1</b>	
<i>eA All US Fixed Inc Net Median</i>			-0.5		0.1		0.4		1.5		3.5		1.7	<i>Aug-12</i>
<b>Real Estate Composite</b>	<b>6,272,388</b>	<b>8.7</b>	<b>7.0</b>	<b>71</b>	<b>9.2</b>	<b>67</b>	<b>2.4</b>	<b>88</b>	<b>11.0</b>	<b>71</b>	<b>--</b>	<b>--</b>	<b>9.7</b>	<b>Aug-12</b>
Vanguard REIT Index Fund	6,272,388	8.7	7.0	71	9.2	67	2.4	88	11.0	71	--	--	9.7	Aug-12
<i>MSCI US REIT</i>			<u>6.7</u>	85	<u>8.5</u>	81	<u>1.3</u>	89	<u>9.7</u>	88	<u>10.6</u>	96	<u>8.5</u>	<i>Aug-12</i>
<i>Over/Under</i>			0.3		0.7		1.1		1.3				1.2	
<i>eA US REIT Net Median</i>			7.4		10.3		4.8		11.9		12.6		10.7	<i>Aug-12</i>
<b>Inflation-Linked Composite</b>	<b>4,380,607</b>	<b>6.1</b>	<b>-6.8</b>	<b>--</b>	<b>-18.9</b>	<b>--</b>	<b>-20.8</b>	<b>--</b>	<b>-14.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-14.0</b>	<b>Oct-12</b>
<b>Commodities Composite</b>	<b>3,316,168</b>	<b>4.6</b>	<b>-7.4</b>	<b>--</b>	<b>-18.8</b>	<b>--</b>	<b>-20.7</b>	<b>--</b>	<b>-13.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-13.7</b>	<b>Oct-12</b>
<i>Custom Commodity Risk Parity Index</i>			<u>-7.4</u>	<b>--</b>	<u>-18.5</u>	<b>--</b>	<u>-20.5</u>	<b>--</b>	<u>-12.9</u>	<b>--</b>	<b>--</b>	<b>--</b>	<u>-12.8</u>	<i>Oct-12</i>
<i>Over/Under</i>			0.0		<b>-0.3</b>		<b>-0.2</b>		<b>-0.8</b>				<b>-0.9</b>	
Credit Suisse	3,316,168	4.6	-7.4	--	-18.8	--	-20.7	--	-13.0	--	--	--	-12.3	Nov-12
<i>Custom Commodity Risk Parity Index</i>			<u>-7.4</u>	<b>--</b>	<u>-18.5</u>	<b>--</b>	<u>-20.5</u>	<b>--</b>	<u>-12.9</u>	<b>--</b>	<b>--</b>	<b>--</b>	<u>-12.3</u>	<i>Nov-12</i>
<i>Over/Under</i>			0.0		<b>-0.3</b>		<b>-0.2</b>		<b>-0.1</b>				0.0	
<b>Multi-Asset Inflation-Linked Assets Composite</b>	<b>1,064,439</b>	<b>1.5</b>	<b>-4.6</b>	<b>--</b>	<b>-19.4</b>	<b>--</b>	<b>-21.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-16.9</b>	<b>Jan-14</b>
Wellington	1,064,439	1.5	-4.6	--	-19.4	--	-21.1	--	--	--	--	--	-16.9	Jan-14
<i>CPI + 5% (Unadjusted)</i>			<u>0.6</u>	<b>--</b>	<u>1.6</u>	<b>--</b>	<u>5.8</u>	<b>--</b>	<u>6.0</u>	<b>--</b>	<u>6.6</u>	<b>--</b>	<u>5.8</u>	<i>Jan-14</i>
<i>Over/Under</i>			<b>-5.2</b>		<b>-21.0</b>		<b>-26.9</b>						<b>-22.7</b>	

Fiscal year ends June 30.

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

Health Care Trust Performance Summary – Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Return (%)	Since
<b>GAA Composite</b>	<b>14,125,179</b>	<b>19.7</b>	<b>0.4</b>	--	<b>-5.2</b>	--	<b>-4.6</b>	--	--	--	--	--	<b>-7.4</b>	<b>Sep-14</b>
60% MSCI World (Net) / 40% CITI WGBI			<u>2.8</u>	--	<u>-1.7</u>	--	<u>-1.7</u>	--	<u>4.7</u>	--	<u>4.7</u>	--	<u>-3.5</u>	Sep-14
Over/Under			<b>-2.4</b>		<b>-3.5</b>		<b>-2.9</b>						<b>-3.9</b>	
GMO	3,085,422	4.3	1.5	--	-5.2	--	-4.2	--	--	--	--	--	-5.1	Sep-14
CPI + 5% (Seasonally Adjusted)			<u>1.3</u>	--	<u>2.5</u>	--	<u>5.7</u>	--	<u>6.0</u>	--	<u>6.6</u>	--	<u>5.1</u>	Sep-14
Over/Under			0.2		<b>-7.7</b>		<b>-9.9</b>						<b>-10.2</b>	
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	-3.5	Sep-14
PIMCO	4,733,491	6.6	-1.4	--	-11.3	--	-11.7	--	--	--	--	--	-14.6	Sep-14
CPI + 6.5% (Seasonally Adjusted)			<u>1.7</u>	--	<u>3.2</u>	--	<u>7.2</u>	--	<u>7.5</u>	--	<u>8.1</u>	--	<u>6.6</u>	Sep-14
Over/Under			<b>-3.1</b>		<b>-14.5</b>		<b>-18.9</b>						<b>-21.2</b>	
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	-3.5	Sep-14
Standard Life	6,306,266	8.8	1.2	--	0.0	--	--	--	--	--	--	--	0.5	Feb-15
91 Day T-Bill + 5%			<u>1.3</u>	--	<u>2.5</u>	--	<u>5.0</u>	--	<u>5.0</u>	--	<u>5.0</u>	--	<u>4.6</u>	Feb-15
Over/Under			<b>-0.1</b>		<b>-2.5</b>								<b>-4.1</b>	
60% MSCI World (Net) / 40% CITI WGBI			2.8	--	-1.7	--	-1.7	--	4.7	--	4.7	--	-0.5	Feb-15
<b>Cash</b>	<b>5,250,807</b>	<b>7.3</b>	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.0</b>	<b>Jul-12</b>
Cash	5,250,807	7.3	0.0	--	0.0	--	0.0	--	0.0	--	0.0	--	0.0	Jul-12
91 Day T-Bills			<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	Jul-12
Over/Under			0.0		0.0		0.0		0.0		0.0		0.0	

Fiscal year ends June 30.

## Policy Benchmark History

- **7/1/12 – 7/31/12:** 90 day T-Bills
- **8/1/12 – 12/31/13:** 43% MSCI ACWI IMI (Net)/35% Barclays Capital U.S. Aggregate/10% MSCI U.S. REIT/12% Custom Commodity Risk Parity Index
- **1/1/14 – 8/31/2014:** 43% MSCI ACWI IMI (Net)/35% Barclays Capital U.S. Aggregate/10% MSCI U.S. REIT/9% Custom Commodity Risk Parity Index/3% CPI + 5% (Unadjusted)
- **9/1/14 - present:** 43% MSCI ACWI IMI (Net)/15% Barclays Capital U.S. Aggregate/10% MSCI U.S. REIT/9% Custom Commodity Risk Parity Index/3% CPI + 5% (Unadjusted)/20% 60/40 MSCI World (Net)/Citi World Government Bond Index

## Information Disclaimer and Reporting Methodology

### Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

### Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.