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City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis
For the period ending March 31, 2013

June 6, 2013

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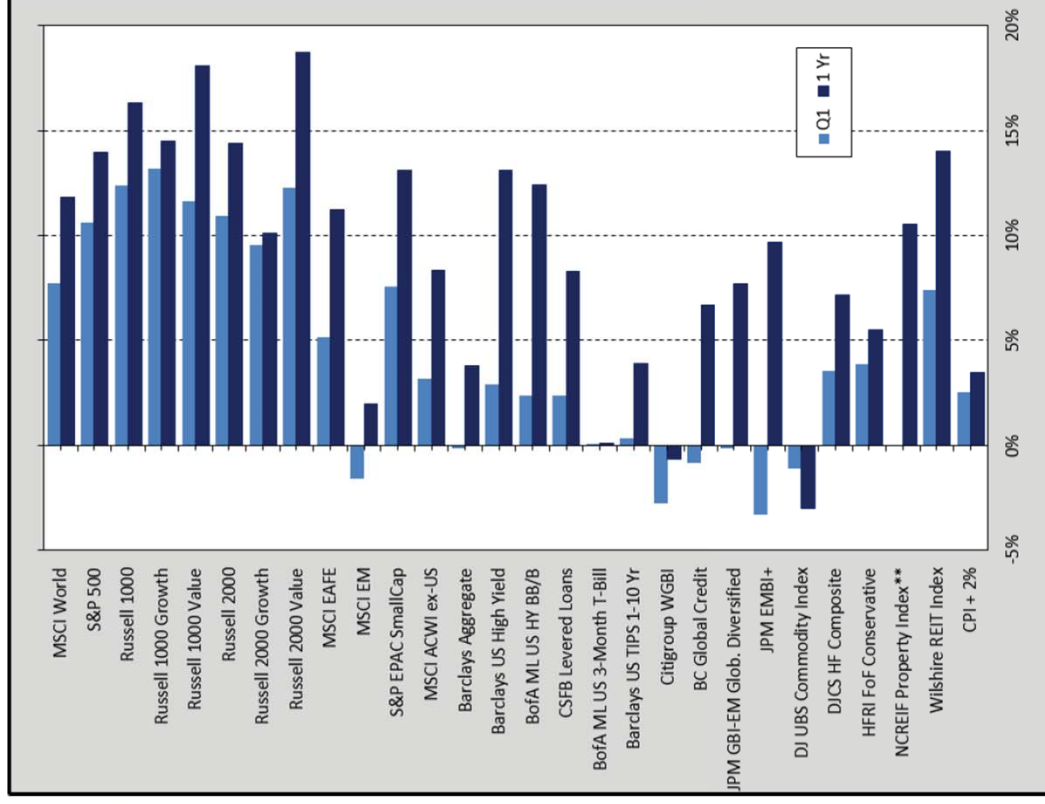
Market Environment

- **First estimate of first quarter 2013 GDP growth was 2.5%. Fourth quarter 2012 GDP growth was recently revised up to 0.4%, after being originally revised to 0.1% from the first estimate of -0.1%.**
 - Retail sales fell to a 2.0% year-over-year growth rate in March 2013.
 - The inventory-to-sales ratio has remained mostly flat since early 2010, closing at 1.28 in February 2013. Demand must contribute to further growth.
 - Corporate profits as a percent of GDP remained near secular highs and increased to 12.6% at the end of Q1 2013.
 - The trade deficit decreased slightly in February, backtracking on a large increase in January.
- **The unemployment rate decreased to 7.6% in March, its lowest level since 2008; U-6, a broader measure of unemployment, decreased to 13.8%.**
 - JP Morgan has stated that sustained GDP growth of 1.5% is needed for positive job creation, and closer to 3% growth is needed to decrease the unemployment rate.
- **Consumer confidence receded to January levels after experiencing a boost in February; the Case-Schiller Home Price Index (as of 12/31) dropped marginally during the fourth quarter.**
- **Rolling 12-month CPI decreased to 1.5% at the end of March; Capacity Utilization increased slightly to 78.5% in the month.**
- **Fed Funds rate remains at 0.25% while the 10-year Treasury Yield finished March at 1.85%.**
- **Fed balance sheets have increased in 2013, while European Central Bank balance sheets have decreased significantly.**
- **Both U.S. equities and investment grade corporates continue to appear cheap relative to long-term averages.**

City of San Jose Police and Fire Department Retirement Plan

Market Environment - Overview

	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks					
MSCI World	7.7%	11.9%	8.5%	2.2%	8.9%
Domestic Equity Benchmarks					
S&P 500	10.8%	14.0%	12.7%	5.8%	8.5%
Russell 1000	11.0%	14.4%	12.9%	6.2%	9.0%
Russell 1000 Growth	9.5%	10.1%	13.1%	7.3%	8.6%
Russell 1000 Value	12.3%	18.8%	12.7%	4.8%	9.2%
Russell 2000	12.4%	16.3%	13.5%	8.2%	11.5%
Russell 2000 Growth	13.2%	14.5%	14.7%	9.0%	11.6%
Russell 2000 Value	11.6%	18.1%	12.1%	7.3%	11.3%
International Equity Benchmarks					
MSCI EAFE	5.1%	11.3%	5.0%	-0.9%	9.7%
MSCI EM	-1.6%	2.0%	3.3%	1.1%	17.1%
S&P EPAC SmallCap	7.6%	13.1%	8.4%	1.4%	13.3%
MSCI ACWI ex-US	3.2%	8.4%	4.4%	-0.4%	10.9%
Domestic Fixed Income Benchmarks					
Barclays Aggregate	-0.1%	3.8%	5.5%	5.5%	5.0%
Barclays US High Yield	2.9%	13.1%	11.2%	11.6%	10.1%
BofA ML US HY BB/B	2.4%	12.4%	10.7%	10.1%	9.0%
CSFB Levered Loans	2.4%	8.3%	6.3%	6.6%	5.6%
BofA ML US 3-Month T-Bill	0.0%	0.1%	0.1%	0.3%	1.8%
Barclays US TIPS 1-10 Yr	0.3%	3.9%	6.2%	4.5%	5.4%
Global Fixed Income Benchmarks					
Citigroup WGBI	-2.8%	-0.7%	3.9%	2.8%	5.4%
BC Global Credit	-0.8%	6.7%	7.1%	5.8%	6.6%
JPM GBI-EM Glob. Diversified	-0.1%	7.7%	7.9%	8.4%	11.9%
JPM EMBI+	-3.3%	9.7%	10.4%	9.5%	10.8%
Alternative Benchmarks					
DJ UBS Commodity Index	-1.1%	-3.0%	1.4%	-7.1%	3.7%
DJCS HF Composite	3.6%	7.2%	5.4%	3.4%	7.1%
HFRI FoF Conservative	3.9%	5.5%	4.1%	3.0%	7.0%
NCREIF Property Index**	N/A	10.6%	12.6%	2.1%	8.4%
Wilshire REIT Index	7.4%	14.0%	17.3%	6.3%	12.2%
CPI + 2%	2.5%	3.5%	4.3%	3.8%	4.6%



Note: NCREIF Property Index is lagged by one quarter. Performance shown as of December 31, 2012.



NEPC, LLC

March 31, 2013

Equities

- Global equity markets surged to start 2013, lead by U.S. equities.
- Domestic Equity (S&P 500) outperformed International Equity (MSCI ACWI ex-U.S.) in the first quarter (+7.4%).
 - U.S. stock markets posted hefty gains in each month of the first quarter as the U.S. economy continues to recover. Valuations rose as investors flocked to equities, snapping up attractively priced lower growth stocks while avoiding those with higher valuations. To this end, defensive sectors such as consumer staples and healthcare led the pack. Value outperformed growth across the market cap spectrum except in small cap. That said, we believe the improvements in underlying economic fundamentals are at odds with the extent of the gains in U.S. markets.
 - Developed non-U.S. markets posted a modest return of 5.1% during the quarter as measured by the MSCI EAFE Index. A strong U.S. dollar provided a headwind to international markets. Declines in the Yen and Euro were fueled by anticipated policy changes in Japan and continued financial concerns in Europe, respectively. As in the U.S., defensive sectors such as consumer staples and healthcare were the strongest performers.
 - Broadly speaking, emerging markets retreated during the quarter, posting a loss of 1.6% according to the MSCI Emerging Markets Index. Commodity sectors, a major component of the benchmark, trailed with energy trading off nearly 5% and materials off almost 10% amid weakening global demand and slowing growth in China. That said, consumption-related investments and small cap stocks recorded gains in emerging markets, with small cap stocks returning 4.3% during the quarter, significantly outperforming large caps. Domestically-driven sectors, such as consumer staples and healthcare, returned approximately 1% in the first quarter.

Fixed Income

- Investors' quest for yield drove performance within fixed income markets again in the first quarter as depressed yields in investment grade bonds pushed investors into riskier segments of the market.
- Government stimuli withstood the selling pressures at the short-end of the curve and kept rates suppressed, but a steepening of the curve left long-dated government issues at a loss. At quarter-end, 10-year Treasuries were yielding 1.87%, compared to 1.78% in December 2012 and 1.65% in September 2012.
- The increase in yields resulted in the Barclays Capital Aggregate Index returning -0.1% in the first quarter, its first quarterly loss since 2006. Financial issues (0.9%) outpaced industrial issues (-0.7%) as investors gravitated toward the debt of banks and financial institutions because of their relative immunity to leveraged buyouts, a risk to fixed income investors in a low interest rate environment. As a result, spreads on financial issues were tighter than those of industrials, a first since 2007.
- High Yield bonds returned 2.9% during the quarter. Gains were driven by the continued demand for yield, low projected default rates, and positive fundamentals.
- Emerging market debt, the strongest performer across global fixed income markets in 2012, posted negative returns during the first quarter. U.S. dollar denominated emerging sovereign debt posted losses of 2.3%, fueled by upward pressure on U.S. rates and spread widening in the sector. Local currency debt returned -0.1% in the period.

Private Equity

- **The private equity industry exhibited a seasonal fundraising decline in the first quarter. New commitments totaled \$54 billion during the period, which equates to 20% of the \$257 million raised in 2012 and is in line with amounts raised in the first quarter of 2012.**
 - European fundraising posted \$17 billion of new commitments during the quarter, representing 31% of commitments raised for European funds in 2012.
 - Buyout and growth equity commitments were \$33 billion in the first quarter, comprising approximately 60% of all new commitments, continuing a trend seen in 2012 that could signaling a degree of investor confidence in the economic recovery.
 - Commitments to new distressed funds were less than \$1 billion during the quarter as investors wait for prior commitments to be deployed before adding to distressed positions.
- **With the dust yet to settle on the near-term economic outlook, we believe a blend of growth- and value-oriented strategies is vital to balance the macroeconomic risk in a private equity program. We find secondary, turnaround/special situation, and direct lending strategies particularly attractive as they benefit from corporate restructurings and tighter regulation of the global banking industry.**

Real Estate

- **NEPC is neutral on the U.S. core real estate market, including Real Estate Investment Trusts (REITs).**
 - Positive signs for core real estate include improving fundamentals for occupancy and rental rates, limited new construction, and attractive relative spreads vs. U.S. Treasuries.
 - Concerns include lower absolute yields and significant capital inflows that have bid up asset prices.
 - REITs are trading at historically high multiples of their funds from operations (FFO) and at premiums to underlying net asset values (NAV).
- **We continue to identify opportunities in value-add and opportunistic real estate strategies.**
 - In Europe, anemic lending activity is causing capital structure distress, particularly in non-core/secondary assets.
 - Debt related investment opportunities, also in Europe, appear to offer an attractive risk-return profile for investors.

Commodities

- **Negative news headlines underscored the extremely mixed performance posted by commodity and commodity-related equity markets during the quarter. Moderate growth in China and disappointing economic reports in Europe put downward pressure on many commodity sub-sectors.**
 - Within the energy sector, the one bright spot within commodities, gasoline prices surged nearly 30%.
 - The worst performing commodity sub-sector was metals, with copper, gold and silver declining roughly 5% during the quarter.
 - Gold experienced two consecutive negative quarters for the first time since 2001.

- **Strong performance of equities, particularly in the U.S., appears to borrow from the future.**
- **Continued monetary stimulation, combined with a low volatility landscape, has proven a prevailing panacea.**
- **Major macro risks remain**
 - Europe
 - Ongoing debt concerns returned to headlines by the Cypriot crisis
 - U.S. Fiscal Tightening
 - Fiscal Cliff and Sequester failed to derail markets, but fiscal challenges remain
 - China
 - Growth is slowing... how much?
 - Inflation
 - Potential creation of long-term inflation pressures through central bank bond purchases
- **Time to rebalance to fundamentally attractive asset classes and exercise patience in preparing to seize new opportunities.**
 - Maintain equity allocations to targets while taking profits in U.S. stocks.
 - International Developed and Emerging Market returns have been less positive despite a higher projected return premium.
 - Though stimulation is likely to persist it is prudent to prepare for other opportunities.
 - When returns normalize, downside volatility is likely to resurface, generating attractive buying opportunities for investors with the ability to act promptly.

- **NEPC research**
 - White Papers recently posted to <http://www.nepc.com/research/>
 - “NEPC Introduces Total Enterprise Management for Endowments & Foundations” – April 2013
 - “Few Implement Responsible Investing Even as Interest Grows: NEPC Survey” – April 2013
 - “Hedge Fund Replication: Traditional Beta, Alternative Beta, and Alpha” – April 2013
 - “Pursuing the Low Volatility Equity Anomaly: Strategic Allocation or Active Decision?” – March 2013
 - NEPC has entered into a research agreement with GFIA, a Singapore-based alternative asset investment consulting firm
 - Extension of NEPC’s on-going investment research efforts in Asia
- **Industry recognitions**
 - Richard M. Charlton, Chairman - honored at the 7th Annual NASP Encore event in Detroit, MI
 - Jeffrey H. Mitchell, CFA, CAIA, Senior Consultant - nominated for Institutional Investor’s ‘Consultant of the Year’ Award
 - 2013 Money Management Intelligence’s Public Pension Fund Awards:
 - New Mexico Educational Retirement Board – Mid-Sized Public Plan of the Year
 - San Antonio Fire and Police Pension Fund - Small-Sized Public Plan of the Year
- **Professional staff hires**
 - Amanda Karlsson, Research Consultant, Hedge Funds from Meritage Group, LP
 - Norman LeBlanc, Director, Private Wealth Group from Delegate Advisors, LLC
 - Melissa Mendenhall, Research Consultant, Private Markets from Panera Bread, Inc.
 - Dennis Miner, Managing Director, Private Wealth Group from Delegate Advisors, LLC

- **The asset allocation implementation transition was completed by Russell in November/December 2012.**
 - Russell is currently providing interim exposure to U.S. and non-U.S. equity, non-U.S. core fixed income, high yield fixed income, emerging markets debt, hedge funds, GAA, private equity and real estate mandates.
- **Artisan Global Value was funded in March 2013.**
 - \$50 million investment; Artisan Global Opportunities was funded on April 30, 2013.
 - Originally approved for investment in September 2012 (\$50 M investment in each).
- **Crescent Fund VI was funded in January 2013.**
 - Originally approved for investment in November 2012 (\$20 M commitment to mezzanine private equity).
- **TA Realty X was funded in March 2013.**
 - Originally approved for investment in February 2013 (\$10 M commitment to value-add real estate).
- **Five of the Fund's hedge fund investments were funded during 1Q 2013.**
 - 4.0% of the 10% target has been funded (8 total investments totaling \$115 million in commitments).
- **Three GAA strategies were funded in January 2013.**
 - GMO, PIMCO and Standard Life
 - Originally approved for investment in November 2012 (\$50 M investment in each).

Total Fund Performance



NEPC, LLC

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Summary

Market Value	3 Mo Rank	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	25 Yrs Rank	Return Since								
Total Fund	2.6%	88	5.7%	98	8.5%	87	4.1%	80	8.3%	50	6.7%	13	8.1%	43	8.8%	42	8.9%	Mar-71
<i>Policy Benchmark</i>	2.5%	99	9.1%	99	7.3%	99	8.7%	84	3.5%	88	8.0%	61	6.3%	42	--	--	--	Mar-71
<i>Allocation Index</i>	2.3%	99	8.9%	99	6.7%	99	7.9%	96	3.7%	86	8.5%	38	--	--	--	--	--	Mar-71
60% MSCI																		
World (Gross) / 40% Citi WGBI	3.5%	89	10.0%	98	7.3%	98	5.2%	99	7.3%	98	8.2%	57	5.6%	94	7.3%	93	--	Mar-71
IFx Public DB > \$1B Gross Median	4.9%		12.1%		10.2%		7.4%		9.5%		8.3%		6.2%		8.0%		8.7%	Mar-71

For the one-year period ending March 31, 2013, the Fund experienced a net investment gain of \$242.5 million, which includes a net investment gain of \$76.7 million during the first calendar quarter. Assets increased from \$2.75 billion twelve months ago to \$2.94 billion on March 31, 2013, with \$54.6 million in net distributions during the year.

Over the past five years, the Fund returned 4.1% per annum, outperforming the policy benchmark by 0.6% and ranking in the 80th percentile of the IF Public Funds > \$1 Billion universe. The Fund's volatility was 12.1%, which ranks in the 51st percentile of its peers over this period. The Fund's risk-adjusted performance, as measured by the Sharpe Ratio, ranks in the 70th percentile of its peers.

Over the past three years, the Fund returned 8.5% per annum, trailing the policy benchmark by 0.2% and ranking in the 87th percentile of its peer group. Over the past three years, the Fund has reduced its volatility on both an absolute and relative basis, resulting in a three-year Sharpe Ratio of 1.0, which ranks in the 55th percentile.

Over the past year, the Fund returned 8.8%, outperforming the policy benchmark by 1.5% and ranking in the 88th percentile of its peer group. The Fund's volatility over the last year was 6.5%, ranking in the 61st percentile of its peer group, resulting in a Sharpe Ratio of 1.3, which ranks in the 98th percentile.

Please see appendix for additional performance disclosures.

5 Years Ending March 31, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	4.1%	80	12.1%	51	0.3	70	0.4	75
Policy Benchmark	3.5%	88	11.5%	34	0.3	89	0.4	84
IFx Public DB > \$1B Gross Median	4.7%	--	12.0%	--	0.4	--	0.5	--

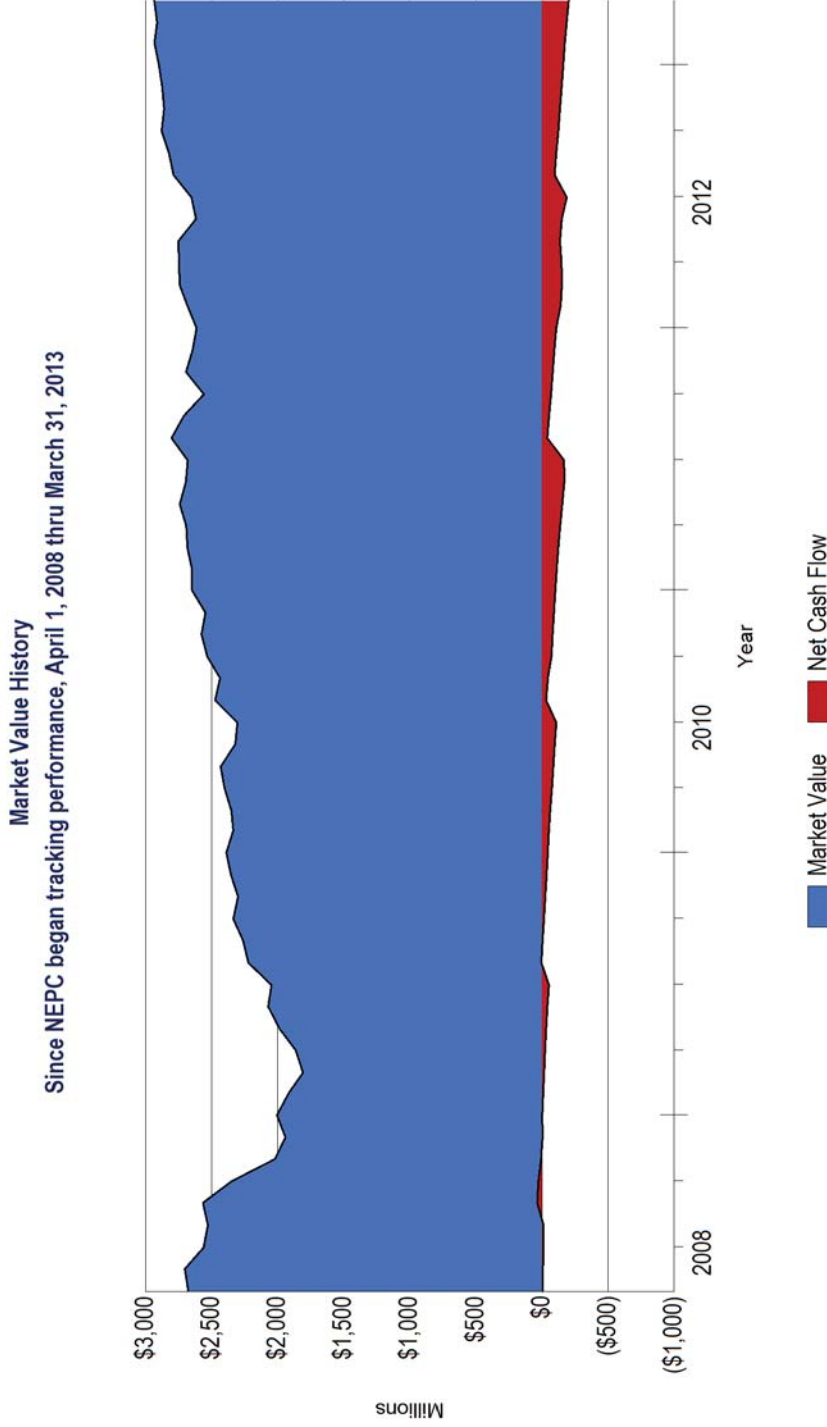
3 Years Ending March 31, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	8.5%	87	8.5%	38	1.0	55	1.5	45
Policy Benchmark	8.7%	84	8.4%	31	1.0	39	1.6	26
IFx Public DB > \$1B Gross Median	9.5%	--	9.1%	--	1.0	--	1.4	--

1 Year Ending March 31, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	8.8%	88	6.5%	61	1.3	98	1.2	42
Policy Benchmark	7.3%	98	6.1%	44	1.2	99	1.1	68
IFx Public DB > \$1B Gross Median	10.2%	--	6.2%	--	1.6	--	1.2	--

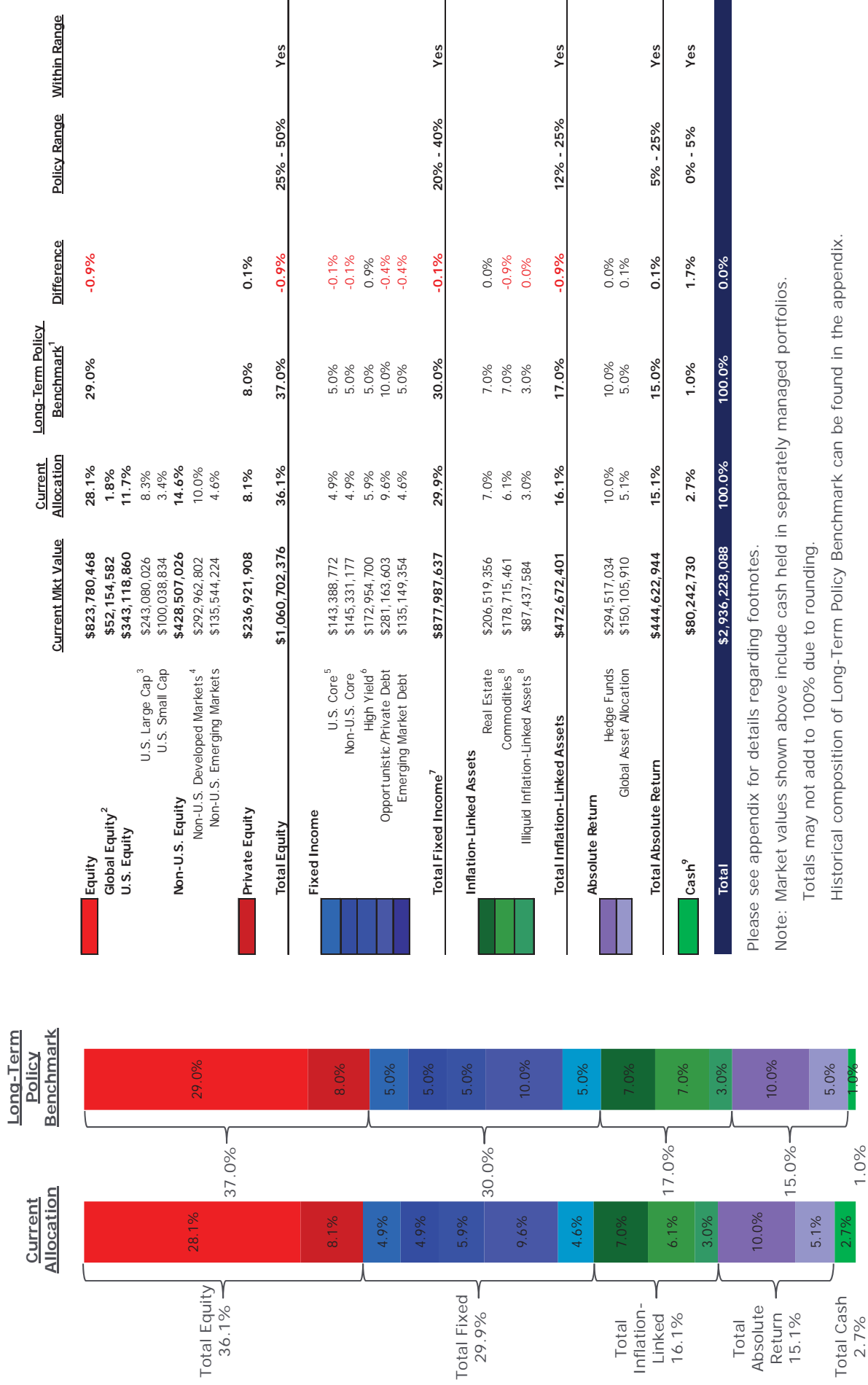
City of San Jose Police and Fire Department Retirement Plan
Total Fund Asset Growth Summary



Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year	Three Years	Inputted Date
Beginning Market Value	\$2,900,885,261	\$2,654,365,686	\$2,748,359,436	\$2,403,195,959	\$2,583,363,926
Net Additions/Withdrawals	-\$41,349,904	-\$14,880,821	-\$54,579,205	-\$127,256,694	-\$202,697,708
Investment Earnings	\$76,692,730	\$296,743,223	\$242,447,857	\$660,288,822	\$555,561,870
Ending Market Value	\$2,936,228,088	\$2,936,228,088	\$2,936,228,088	\$2,936,228,088	\$2,936,228,088

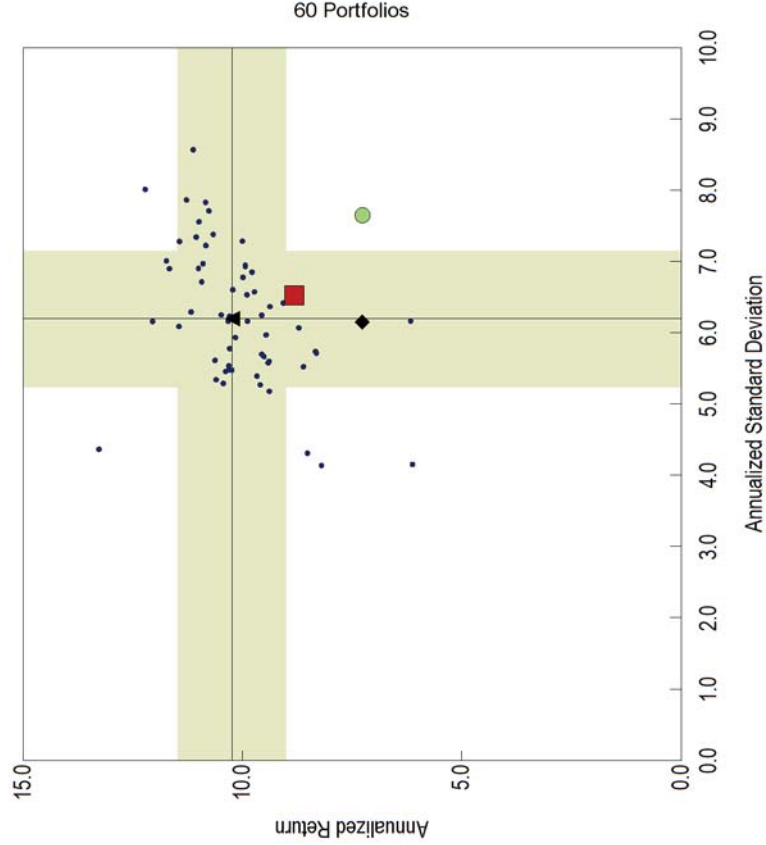
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Total Fund Asset Allocation vs. Policy Targets

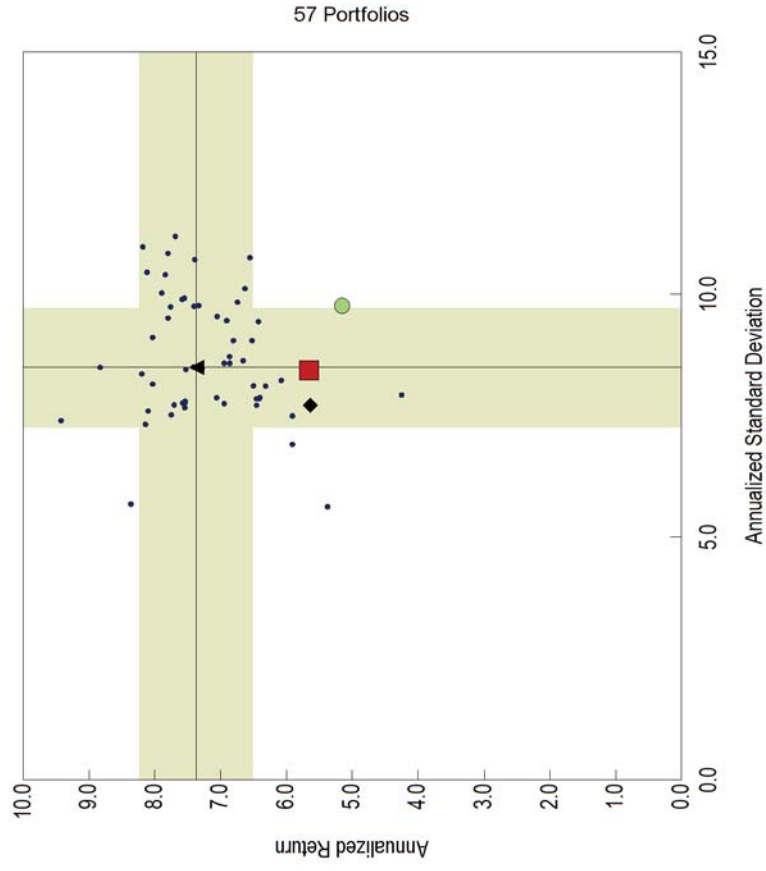


Please see appendix for details regarding footnotes.
 Note: Market values shown above include cash held in separately managed portfolios.
 Totals may not add to 100% due to rounding.
 Historical composition of Long-Term Policy Benchmark can be found in the appendix.

1 Year Ending March 31, 2013

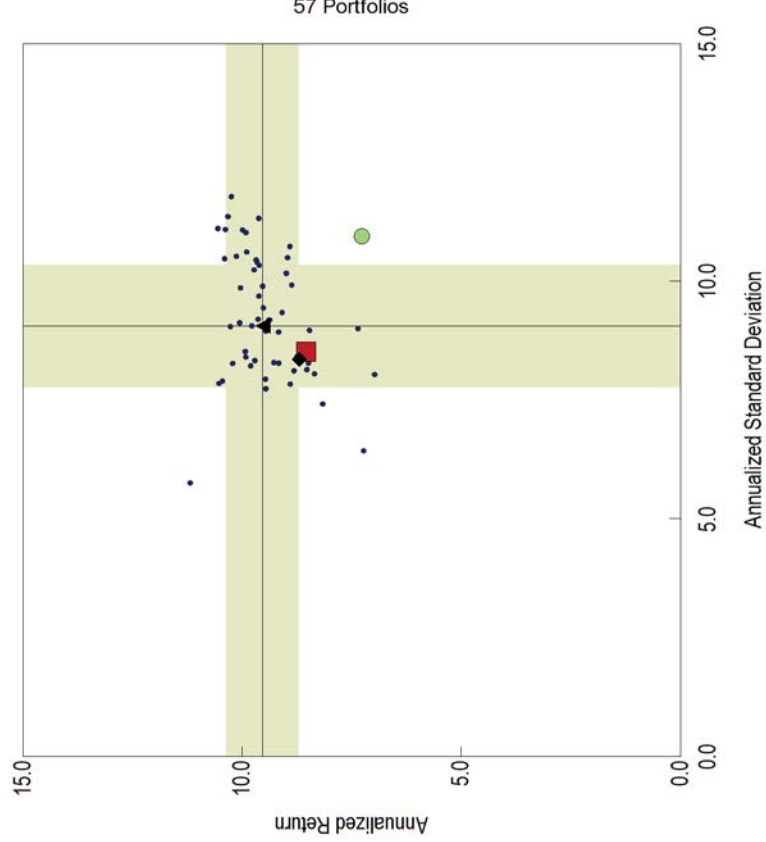


2 Years Ending March 31, 2013



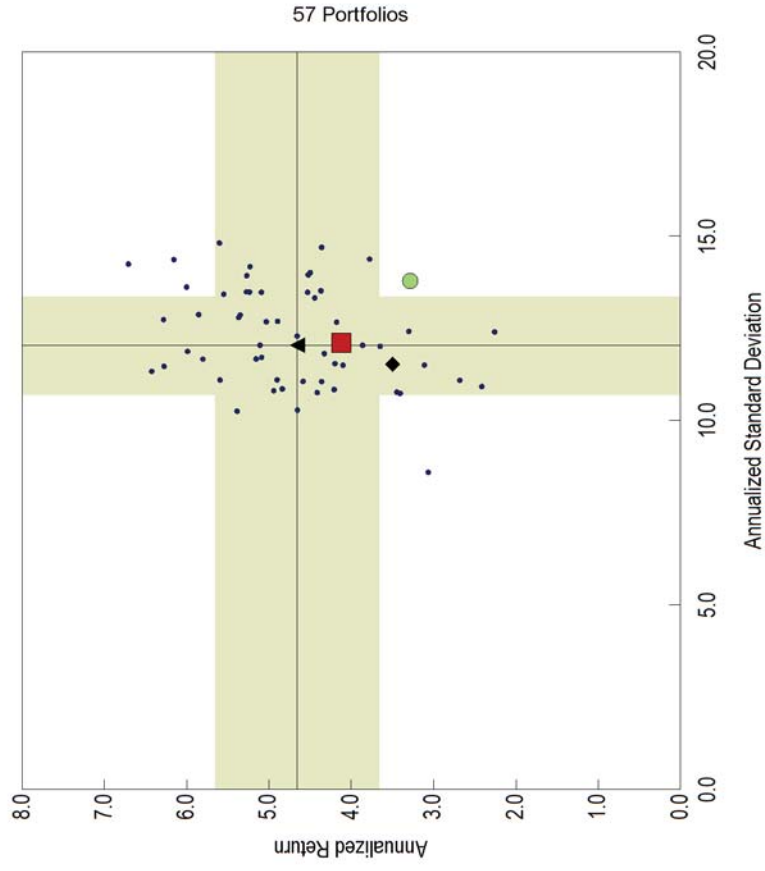
City of San Jose Police and Fire Department Retirement Plan
Total Fund Risk/Return

3 Years Ending March 31, 2013



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

5 Years Ending March 31, 2013

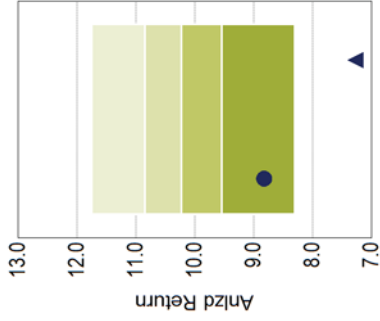


- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- IFX Public DB > \$1B Gross

Total Fund Risk Statistics vs. Peer Universe

Total Fund vs. IFx Public DB > \$1B Gross (USD)
1 Year

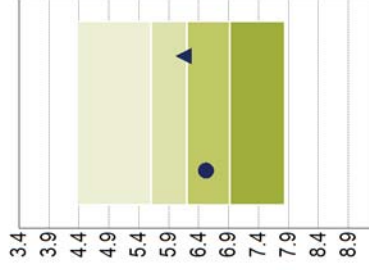
Anzld Return



● Total Fund Value 8.8 88
▲ Policy Benchmark Value 7.3 98

Universe
5th %tile 11.8
25th %tile 10.9
Median 10.2
75th %tile 9.5
95th %tile 8.3

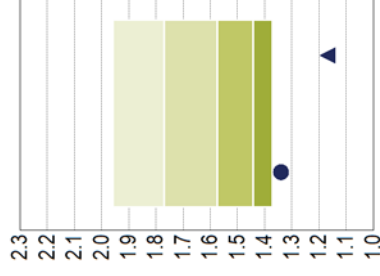
Anzld Standard Deviation



● Total Fund Value 6.5 61
▲ Policy Benchmark Value 6.1 44

Universe
5th %tile 4.4
25th %tile 5.6
Median 6.2
75th %tile 6.9
95th %tile 7.8

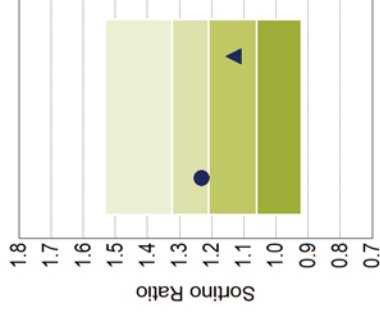
Sharpe Ratio



● Total Fund Value 1.3 98
▲ Policy Benchmark Value 1.2 99

Universe
5th %tile 2.0
25th %tile 1.8
Median 1.6
75th %tile 1.4
95th %tile 1.4

Sortino Ratio



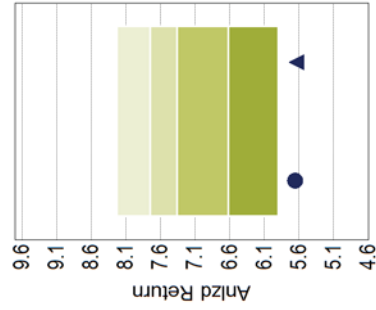
● Total Fund Value 1.2 42
▲ Policy Benchmark Value 1.1 68

Universe
5th %tile 1.5
25th %tile 1.3
Median 1.2
75th %tile 1.1
95th %tile 0.9

Total Fund Risk Statistics vs. Peer Universe

**Total Fund vs. IFx Public DB > \$1B Gross (USD)
2 Years**

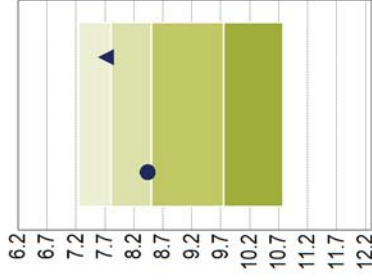
Anlzd Return



● Total Fund Value %tile 5.7 98
▲ Policy Benchmark Value %tile 5.6 98

Universe
5th %tile 8.2
25th %tile 7.8
Median 7.4
75th %tile 6.6
95th %tile 5.9

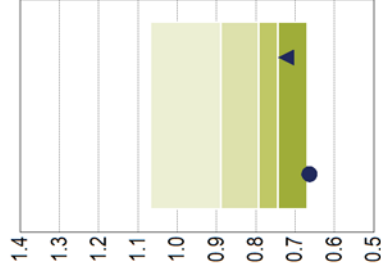
Anlzd Standard Deviation



● Total Fund Value %tile 8.4 45
▲ Policy Benchmark Value %tile 7.7 18

Universe
5th %tile 7.2
25th %tile 7.8
Median 8.5
75th %tile 9.7
95th %tile 10.8

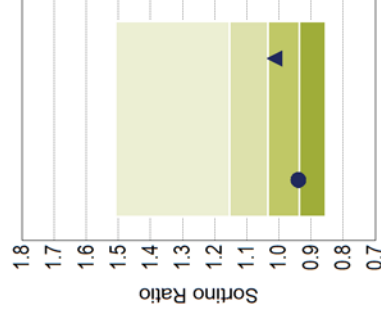
Sharpe Ratio



● Total Fund Value %tile 0.7 96
▲ Policy Benchmark Value %tile 0.7 85

Universe
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25th %tile 0.9
Median 0.8
75th %tile 0.7
95th %tile 0.7

Sortino Ratio

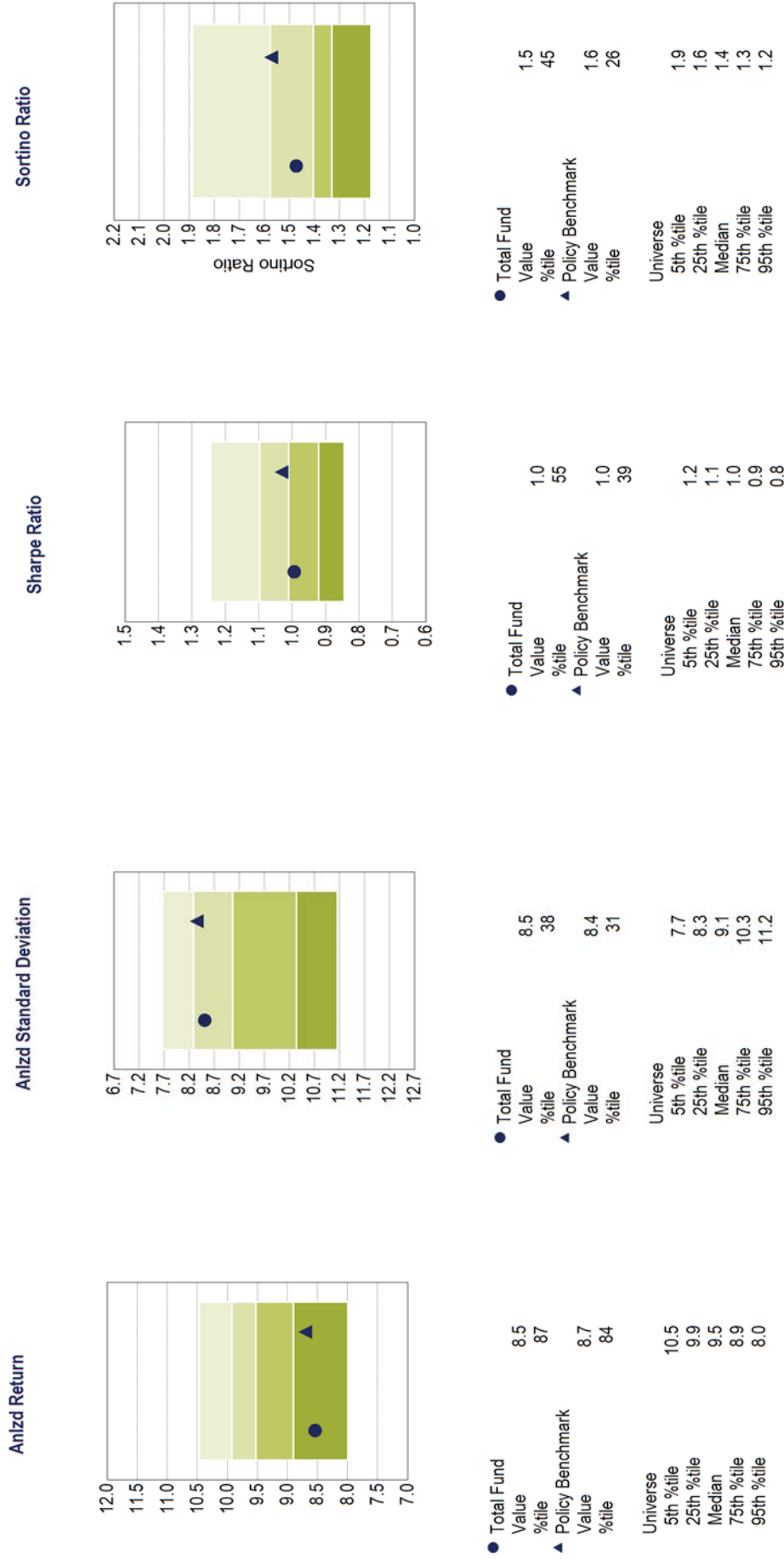


● Total Fund Value %tile 0.9 56
▲ Policy Benchmark Value %tile 1.0 56

Universe
5th %tile 1.5
25th %tile 1.2
Median 1.0
75th %tile 0.9
95th %tile 0.9

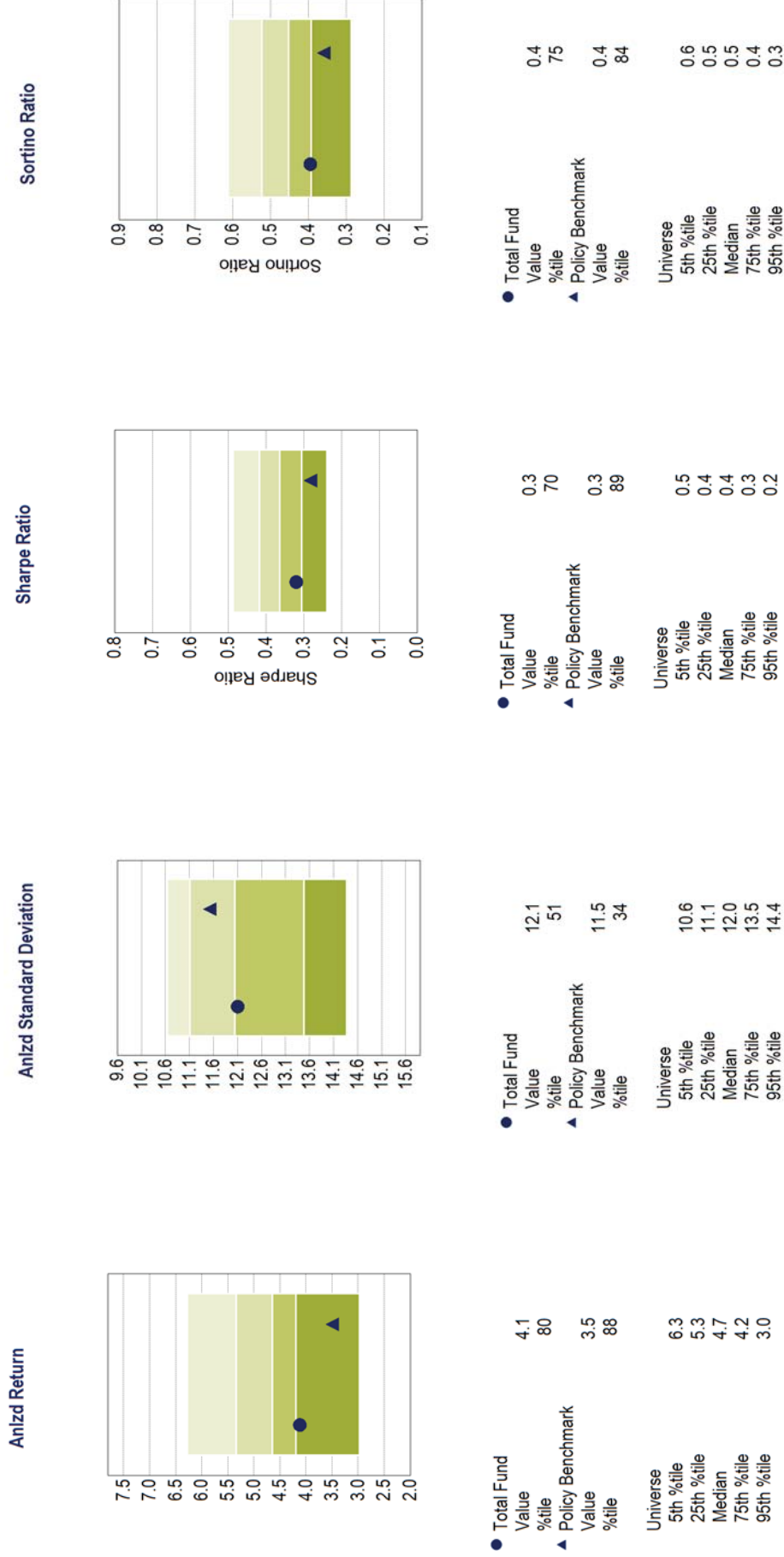
City of San Jose Police and Fire Department Retirement Plan
Total Fund Risk Statistics vs. Peer Universe

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

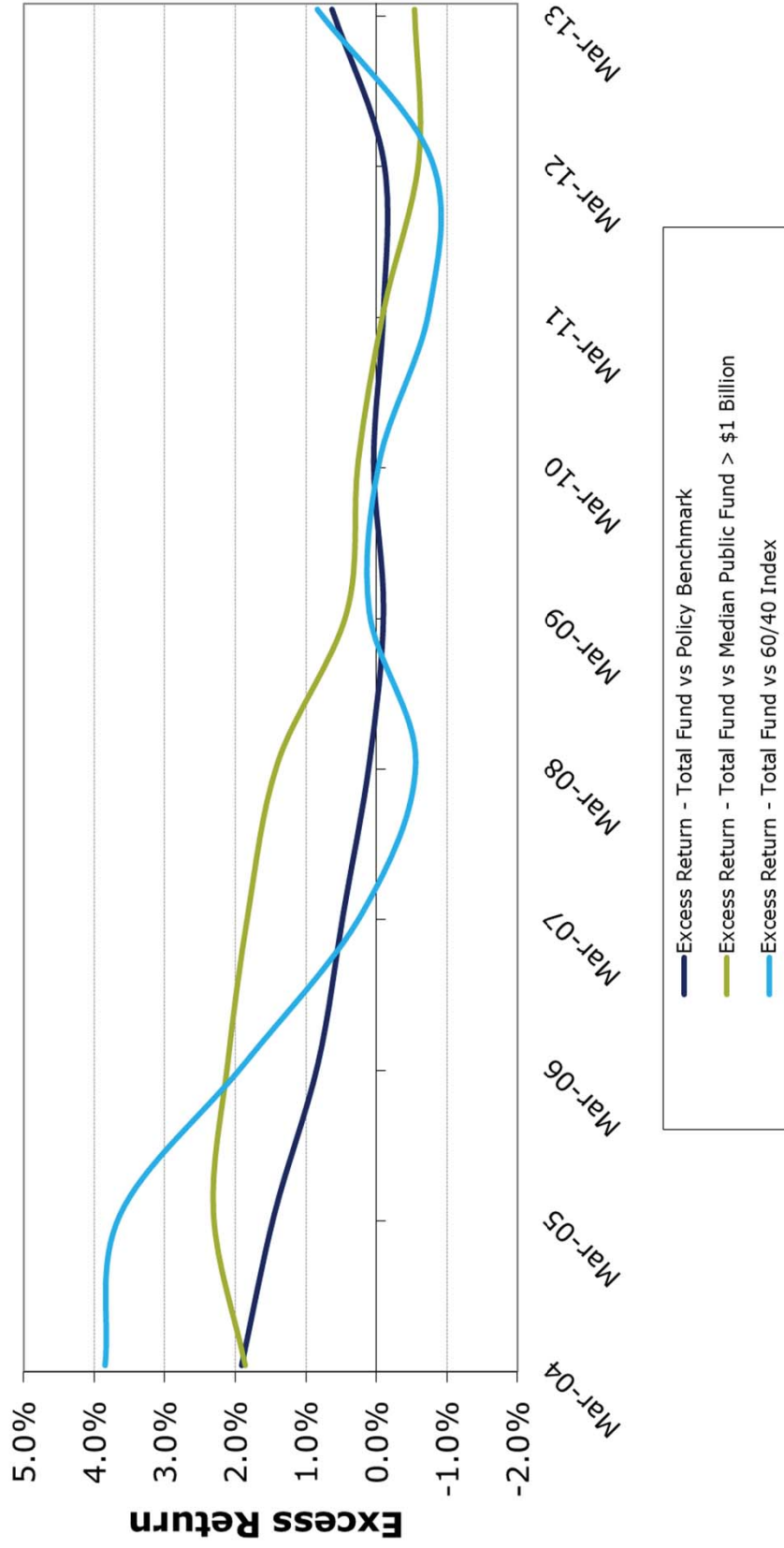


Total Fund Risk Statistics vs. Peer Universe

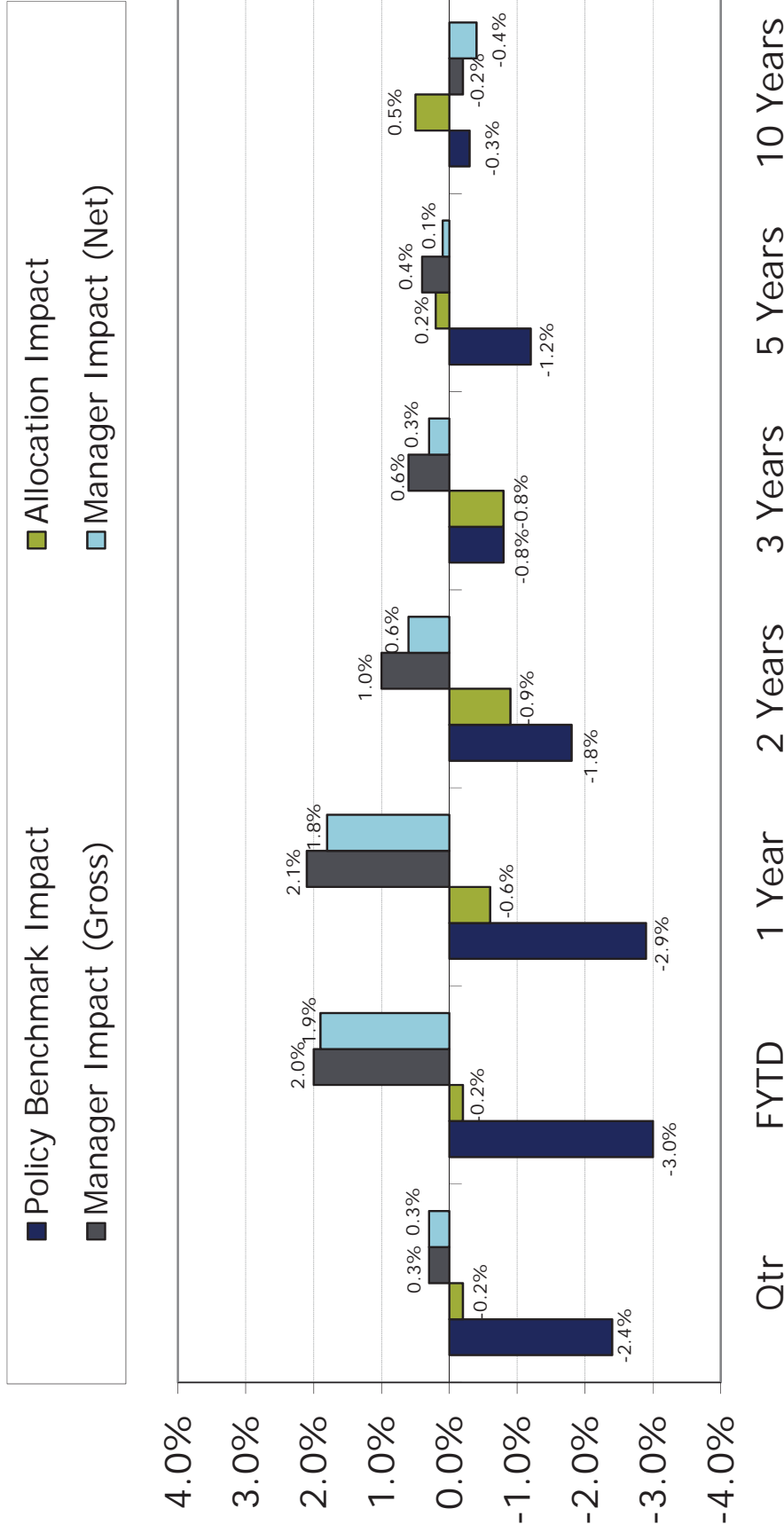
Total Fund vs. IFx Public DB > \$1B Gross (USD)
5 Years



Total Fund Rolling 5-Year Excess Returns



Total Fund Performance Attribution



Policy Impact: The policy index is calculated by multiplying the target asset class weights times the return of the respective passive benchmark (re-balanced monthly). The policy impact, which is the difference between the policy index and the median fund's performance, measures the effectiveness of Plan Structure.

Allocation Impact: The allocation index is calculated by multiplying the actual asset class weights times the return of the respective passive benchmark. When the policy index is subtracted from the allocation index, the result measures the impact of deviating from the target weights.

Manager Impact: The Composite is calculated by multiplying the actual asset class weights times the actual manager return. The allocation index is then subtracted from the Composite. The result, manager impact, measures the contribution of active management.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD Rank (%)	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Equity Composite¹	823,780,468	28.1	6.2	68	17.7	60	11.5	5.4	61	9.2	55	3.5	55	--	--	--	--	3.5	Apr-08
MSCI ACWI IMI (Net)			6.9	57	17.6	61	11.0	4.7	67	8.1	69	2.6	69	3.7	74	9.9	79	2.6	Apr-08
Over/Under			-0.7		0.1		0.5	0.7		1.1		0.9						0.9	
eA All Global Equity Gross Median			7.4		18.4		12.4	6.4		9.5		3.8		4.7		11.6		3.8	Apr-08
Global Equity Composite²	52,154,582	1.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.7	Mar-13
MSCI ACWI IMI (Net)			6.9	57	17.6	61	11.0	4.7	67	8.1	69	2.6	69	3.7	74	9.9	79	2.0	Mar-13
Over/Under			7.4		18.4		12.4	6.4		9.5		3.8		4.7		11.6		0.7	
eA All Global Equity Gross Median			7.4		18.4		12.4	6.4		9.5		3.8		4.7		11.6		2.2	Mar-13
Artisan Global Value ³	51,374,821	1.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.8	Mar-13
MSCI ACWI IMI (Net)			6.9	57	17.6	61	11.0	4.7	67	8.1	69	2.6	69	3.7	74	9.9	79	2.0	Mar-13
Over/Under			7.4		18.4		12.4	6.4		9.5		3.8		4.7		11.6		0.8	
eA All Global Equity Gross Median			7.4		18.4		12.4	6.4		9.5		3.8		4.7		11.6		2.2	Mar-13
U.S. Equity Composite⁴	343,118,860	11.7	11.6	45	23.7	19	19.1	11.4	30	14.1	40	7.0	58	5.0	72	9.6	72	8.9	Jun-95
Russell 3000			11.1	56	18.3	57	14.6	10.8	38	13.0	57	6.3	69	5.1	68	9.2	80	8.5	Jun-95
Over/Under			0.5		5.4		4.5	0.6		1.1		0.7		-0.1		0.4		0.4	
eA All US Equity Gross Median			11.4		19.1		14.4	9.8		13.4		7.6		5.9		11.1		10.3	Jun-95
Russell 1000 ⁵	243,045,362	8.3	11.0	41	--	--	--	--	--	--	--	--	--	--	--	--	--	11.0	Jan-13
Russell 1000			11.0	41	18.1	44	14.4	11.1	38	12.9	36	6.2	53	5.2	61	9.0	67	11.0	Jan-13
Over/Under			0.0		17.5		13.3	10.1		12.1		6.2		5.6		9.6		0.0	
eA US Large Cap Equity Gross Median			10.5		17.5		13.3	10.1		12.1		6.2		5.6		9.6		10.5	Jan-13
RS Investments	100,038,834	3.4	13.2	36	29.0	12	23.9	8.9	56	--	--	--	--	--	--	--	--	18.5	Aug-10
Russell 2000 Value			11.6	68	21.8	66	18.1	8.1	67	12.1	81	7.3	87	3.9	92	11.3	93	15.6	Aug-10
Over/Under			1.6		7.2		5.8	0.8		0.8		2.9						2.9	
eA US Small Cap Value Equity Gross Median			12.6		23.1		18.1	9.1		14.0		9.7		6.6		13.4		17.5	Aug-10

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



NEPC, LLC

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City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since	
International Equity Composite¹	428,507,026	14.6	2.2	85	6.5	85	5.4	81	0.5	69	12.5	47	9.7 Jun-95
MSCI AC WORLD ex US (NET)			3.2	66	8.4	74	4.4	91	-0.4	80	10.9	91	-- Jun-95
Over/Under			-1.0	-1.8	-1.9	0.8	1.0	0.9	0.6	1.6			
eA ACWI ex-US All Cap Equity Gross Median			4.0	19.1	10.1	2.6	7.6	1.4	3.9	12.4			9.2 Jun-95
Developed International Equity Composite¹	292,962,802	10.0	4.8	58	10.6	73	5.5	33	1.3	44	11.8	38	8.6 Jun-95
MSCI EAFE (Net)			5.1	51	11.3	66	2.4	72	-0.9	84	9.7	84	4.8 Jun-95
Over/Under			-0.3	-0.5	-0.7	3.1	3.1	2.2	1.6	2.1			3.8
eA All EAFE Equity Gross Median			5.2	20.7	12.8	3.9	7.4	0.9	2.9	11.2			7.6 Jun-95
Russell MSCI EAFE + CAD ²	232,179,866	7.9	4.8	58	--	--	--	--	--	--	--	--	4.8 Jan-13
MSCI EAFE + CAD			4.0	74	7.1	90	1.7	95	-3.6	96	7.1	99	4.0 Jan-13
Over/Under			0.8						-0.9	98	7.1	99	0.8
eA All EAFE Equity Gross Median			5.2	20.7	12.8	3.9	7.4	0.9	2.9	11.2			5.2 Jan-13
Russell MSCI EAFE + CAD Small Cap	60,353,957	2.1	4.2	99	22.6	79	13.4	80	--	--	--	--	18.9 Dec-11
MSCI EAFE + CAD Small Cap			7.2	73	22.1	80	10.9	87	2.0	78	2.1	83	17.2 Dec-11
Over/Under			-3.0	0.5	2.5	1.3	93	7.8	2.0	83	13.1	81	1.7
eA EAFE Small Cap Equity Gross Median			8.4	25.9	15.8	6.5	11.2	3.3	4.2	14.8			22.9 Dec-11
Emerging Markets Equity Composite	135,544,224	4.6	-3.5	94	9.7	88	1.0	90	0.5	76	5.2	87	14.2 Sep-01
MSCI Emg Mkts Free (Net)			-1.6	78	11.9	77	2.0	73	1.1	70	6.4	66	14.0 Sep-01
Over/Under			-1.9	-2.2	-2.2	-2.4	-2.3	-0.6	-1.2	-0.7	17.1	83	0.2
eA Emg Mkts Equity Gross Median			0.2	14.7	5.5	-1.4	4.9	2.4	7.7	18.6			15.7 Sep-01
Russell Emerging Markets	135,544,224	4.6	-3.5	94	9.7	88	0.8	81	--	--	--	--	3.4 Nov-11
MSCI Emg Mkts Free (Net)			-1.6	78	11.9	77	2.0	73	1.1	70	6.4	66	5.1 Nov-11
Over/Under			-1.9	-2.2	-2.2	-2.4	-2.3	-0.6	-1.2	-0.7	17.1	83	-1.7
eA Emg Mkts Equity Gross Median			0.2	14.7	5.5	-1.4	4.9	2.4	7.7	18.6			8.7 Nov-11

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



NEPC, LLC

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Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%) Since
Total Private Equity Composite¹	236,921,908	8.1	5.8	9.3	14.1	13.3	11.8	6.6	9.6	--	8.8 Oct-05
Cambridge PE 1 Qtr Lag			3.5	8.0	13.8	12.2	15.0	6.0	10.9	15.1	12.3 Oct-05
Over/Under			2.3	1.3	0.3	1.1	-3.2	0.6	-1.3	--	-3.5
Venture Economics All Private Equity Lag			3.3	7.5	13.2	11.1	13.4	5.6	9.3	12.6	10.5 Oct-05
Russell 3000 Qtr Lag			0.2	3.1	16.4	8.4	11.2	2.0	4.3	7.7	4.9 Oct-05

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



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City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since				
Total Fixed Income Composite¹	877,987,637	29.9	1.1	8.3	14	14	10.2	19	20	--	--	9.0	Apr-08			
Barclays Aggregate			-0.1	1.7	77	68	5.5	62	5.5	60	5.0	62	5.5	Apr-08		
Over/Under			1.2	6.6	7.4	4.8	4.7	3.5					3.5			
eA All US Fixed Inc Gross Median			0.3	2.8	5.0	6.4	6.3	6.1					6.1	Apr-08		
Domestic Core Fixed Income Composite²	143,388,772	4.9	0.0	2.1	75	74	6.7	33	6.2	59	6.0	81	5.6	43	6.2	Jun-95
Barclays Aggregate			-0.1	1.7	89	90	5.5	85	5.5	88	5.9	83	5.0	87	6.1	Jun-95
Over/Under			0.1	0.4	0.5	1.1	1.2	0.7			0.1		0.6		0.1	
eA US Core Fixed Inc Gross Median			0.1	2.8	4.9	6.6	6.3	6.3			6.5		5.5		6.5	Jun-95
Seix Core Fixed Income	143,304,970	4.9	0.0	2.1	76	74	6.8	40	7.2	17	7.0	20	6.1	14	6.7	Oct-99
Barclays Aggregate			-0.1	1.7	89	90	5.7	86	5.5	88	5.9	83	5.0	87	6.0	Oct-99
Over/Under			0.1	0.4	0.5	1.1	1.2	1.7			1.1		1.1		0.7	
eA US Core Fixed Inc Gross Median			0.1	2.8	4.9	6.6	6.3	6.3			6.5		5.5		6.5	Oct-99
Non-U.S. Core Fixed Income Composite	145,331,177	4.9	0.9	34	--	--	--	--	--	--	--	--	--	--	0.9	Jan-13
Barclays Global Aggregate ex US Hedged			1.1	4.6	59	54	6.1	57	4.4	86	4.6	69	4.4	99	1.1	Jan-13
Over/Under			-0.2												-0.2	
eA Global Fixed Inc Hedged Gross Median			0.5	5.2	6.3	6.6	6.1	5.9	6.6		6.6		6.2		0.5	Jan-13
Russell BC Global Agg ex-U.S. ³	145,331,177	4.9	0.9	34	--	--	--	--	--	--	--	--	--	--	0.9	Jan-13
Barclays Global Aggregate ex US Hedged			1.1	4.6	59	54	6.1	57	4.4	86	4.6	69	4.4	99	1.1	Jan-13
Over/Under			-0.2												-0.2	
eA Global Fixed Inc Hedged Gross Median			0.5	5.2	6.3	6.6	6.1	5.9	6.6		6.6		6.2		0.5	Jan-13

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



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City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since
Total Credit Composite^{1,5}	454,118,303	15.5	3.1	23.2	26.8	13.8	13.8	--	--	--	12.2	Jul-08
50% DLJ Leveraged Loan Index /												
50% BofA ML US HY BB-B Rated Constrained Index			2.4	8.7	10.3	7.3	8.5	8.4	6.6	7.3	8.2	Jul-08
Over/Under			0.7	14.5	16.5	6.5	5.3				4.0	
Domestic Credit Composite¹	172,954,700	5.9	2.1	6.9	8.0	6.3	7.5	--	--	--	10.5	Apr-09
Blended Domestic Credit Index ²			2.9	9.8	11.4	7.9	8.9	8.6	6.7	7.4	16.4	Apr-09
Over/Under			-0.8	-2.9	-3.4	-1.6	-1.4				-5.9	
Russell BC High Yield ³	172,949,753	5.9	2.1	--	--	--	--	--	--	--	2.1	Jan-13
Barclays High Yield			2.9	11.1	13.1	9.7	11.2	11.6	9.3	10.1	2.9	Jan-13
Over/Under			-0.8								-0.8	
Opportunistic Credit Composite⁴	281,163,603	9.6	3.7	29.3	34.1	15.3	16.1	--	--	--	17.0	Jul-08
50% DLJ Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			2.4	8.7	10.3	7.3	8.5	8.4	6.6	7.3	8.2	Jul-08
Over/Under			1.3	20.6	23.8	8.0	7.6				8.8	
Pimco Disco II	151,518,861	5.2	5.2	33.0	37.9	--	--	--	--	--	36.3	Nov-11
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index			2.4	10.3	12.4	9.2	10.7	10.1	8.3	9.0	12.4	Nov-11
Over/Under			2.8	22.7	25.5						23.9	
Marathon ⁴	12,092,315	0.4	3.8	--	--	--	--	--	--	--	8.1	Oct-12
BofA ML Euro HY Constrained			-1.2	17.2	10.7	4.7	8.0	8.0	9.4	11.9	7.9	Oct-12
Over/Under			5.0								0.2	

Note: Performance shown is gross of fees except for Marathon. Please see appendix for details regarding footnotes.



City of San Jose Police and Fire Department Retirement Plan
Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since			
Direct Lending Composite¹	117,552,427	4.0	1.7	12.3	13.3	--	--	--	--	--	7.5	Nov-10			
3 Months LIBOR + 5% Over/Under			<u>1.3</u>	<u>4.0</u>	<u>5.4</u>	--	<u>5.4</u>	<u>5.8</u>	<u>7.1</u>	<u>7.2</u>	<u>5.4</u>	Nov-10			
White Oak	47,541,370	1.6	2.9	13.5	16.7	--	--	--	--	--	5.3	Nov-10			
3 Months LIBOR + 5% Over/Under			<u>1.3</u>	<u>4.0</u>	<u>5.4</u>	--	<u>5.4</u>	<u>5.8</u>	<u>7.1</u>	<u>7.2</u>	<u>5.4</u>	Nov-10			
GSO	36,111,313	1.2	1.8	11.6	15.9	--	--	--	--	--	-0.1				
3 Months LIBOR + 5% Over/Under			<u>1.3</u>	<u>4.0</u>	<u>5.4</u>	--	<u>5.4</u>	<u>5.8</u>	<u>7.1</u>	<u>7.2</u>	19.6	Dec-10			
Medley Capital	33,899,744	1.2	0.0	12.1	9.0	--	--	--	--	--	5.4	Dec-10			
3 Months LIBOR + 5% Over/Under			<u>1.3</u>	<u>4.0</u>	<u>5.4</u>	--	<u>5.4</u>	<u>5.8</u>	<u>7.1</u>	<u>7.2</u>	14.2				
Emerging Market Debt Composite	135,149,354	4.6	-3.6	99	--	--	--	--	--	--	-3.6	Jan-13			
JP Morgan EMBI+ TR Over/Under			<u>-3.3</u>	<u>6.8</u>	<u>9.7</u>	<u>62</u>	<u>30</u>	<u>10.4</u>	<u>40</u>	<u>9.5</u>	<u>60</u>	<u>9.0</u>	<u>78</u>	<u>10.8</u>	<u>82</u>
eA All Emg Mkts Fixed Inc Gross Median			<u>-0.3</u>												
Russell JPM EMBI Plus ² Over/Under			<u>-0.1</u>	<u>10.0</u>	<u>11.1</u>	<u>8.6</u>	<u>9.8</u>	<u>9.9</u>	<u>10.2</u>	<u>12.2</u>	<u>-0.1</u>	<u>Jan-13</u>			
JP Morgan EMBI+ TR Over/Under			<u>-3.6</u>	<u>99</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>-3.6</u>	<u>Jan-13</u>			
eA All Emg Mkts Fixed Inc Gross Median			<u>-3.3</u>	<u>6.8</u>	<u>9.7</u>	<u>62</u>	<u>30</u>	<u>10.4</u>	<u>40</u>	<u>9.5</u>	<u>60</u>	<u>9.0</u>	<u>78</u>	<u>10.8</u>	<u>82</u>
			<u>-0.3</u>												
			<u>-0.1</u>	<u>10.0</u>	<u>11.1</u>	<u>8.6</u>	<u>9.8</u>	<u>9.9</u>	<u>10.2</u>	<u>12.2</u>	<u>-0.1</u>	<u>Jan-13</u>			

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



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	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since
Total Real Estate Composite¹	206,519,356	7.0	2.8	7.9	11.8	8.4	10.8	3.4	6.0	6.5	8.1	Jun-95
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	9.5	Jun-95
Over/Under			0.2	0.3	1.3	-3.6	-2.5	1.1	0.2	-2.0	-1.4	
American Realty/Kennedy Combined	19,665,852	0.7	3.3	11.4	15.6	10.8	11.8	6.3	8.9	--	9.8	Oct-03
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	8.5	Oct-03
Over/Under			0.7	3.8	5.1	-1.2	-1.5	4.0	3.1	--	1.3	
American Realty Core Realty Fund	109,184,817	3.7	2.5	7.7	11.7	--	--	--	--	--	11.2	Sep-11
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	12.6	Sep-11
Over/Under			-0.1	0.1	1.2	--	--	--	--	--	-1.4	
TA Realty ²	2,017,425	0.1	--	--	--	--	--	--	--	--	--	Apr-13
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	--	Apr-13
Over/Under			--	--	--	--	--	--	--	--	--	
Inflation-Linked Assets Composite	266,153,045	9.1	-4.8	-1.7	-6.6	-8.8	1.8	--	--	--	0.0	Jan-10
Custom Commodity Risk Parity Index			-4.2	-0.3	-4.5	-7.6	--	--	--	--	--	Jan-10
Over/Under			-0.6	-1.4	-2.1	-1.2	--	--	--	--	--	
Dow Jones-UBS Commodity Index TR			-1.1	1.6	-3.0	-9.9	1.4	-7.1	-1.2	3.7	-0.3	Jan-10
Credit Suisse	150,319,678	5.1	-4.3	0.0	-3.9	-7.2	--	--	--	--	-7.2	Apr-11
Custom Commodity Risk Parity Index			-4.2	-0.3	-4.5	-7.6	--	--	--	--	-7.6	Apr-11
Over/Under			-0.1	0.3	0.6	0.4	--	--	--	--	0.4	
Dow Jones-UBS Commodity Index TR			-1.1	1.6	-3.0	-9.9	1.4	-7.1	-1.2	3.7	-9.9	Apr-11
First Quadrant	115,833,366	3.9	-5.4	-3.9	-9.9	-10.6	--	--	--	--	-10.6	Apr-11
Custom Commodity Risk Parity Index			-4.2	-0.3	-4.5	-7.6	--	--	--	--	-7.6	Apr-11
Over/Under			-1.2	-3.6	-5.4	-3.0	--	--	--	--	-3.0	
Dow Jones-UBS Commodity Index TR			-1.1	1.6	-3.0	-9.9	1.4	-7.1	-1.2	3.7	-9.9	Apr-11

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	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since
Total Hedge Fund Composite	294,517,034	10.0	1.4	--	--	--	--	--	--	--	1.6	Dec-12
Russell Hedge Index ¹			0.7	2.6	1.9	1.4	2.1	1.3	2.6	3.5	1.0	Dec-12
Over/Under			0.7								0.6	
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	4.1	Dec-12
Amici Offshore Ltd.	10,000,000	0.3	--	--	--	--	--	--	--	--	--	Apr-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	--	Apr-13
Over/Under												
Arrowgrass	20,908,810	0.7	4.7	--	--	--	--	--	--	--	4.5	Dec-12
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	4.1	Dec-12
Over/Under			1.0								0.4	
BlackRock Global Ascent Ltd.	10,000,000	0.3	--	--	--	--	--	--	--	--	--	Apr-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	--	Apr-13
Over/Under												
Brevan Howard	20,654,330	0.7	3.3	--	--	--	--	--	--	--	3.3	Jan-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	3.7	Jan-13
Over/Under			-0.4								-0.4	
Cantab Capital	10,000,000	0.3	--	--	--	--	--	--	--	--	--	May-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	--	May-13
Over/Under												
Davidson Kempner	20,139,759	0.7	--	--	--	--	--	--	--	--	0.7	Mar-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	0.3	Mar-13
Over/Under											0.4	
Kepos	5,000,000	0.2	--	--	--	--	--	--	--	--	--	Apr-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	--	Apr-13
Over/Under												
Pine River	21,096,246	0.7	--	--	--	--	--	--	--	--	5.5	Feb-13
HFRI.FOF.Comp (1 Month Lag)			3.7	5.9	3.9	0.1	2.4	-1.0	1.4	3.8	2.4	Feb-13
Over/Under			1.8								3.1	
Russell Hedge Funds	176,717,890	6.0	0.6	--	--	--	--	--	--	--	0.9	Dec-12
Russell Hedge Index ¹			0.7	2.6	1.9	1.4	2.1	1.3	2.6	3.5	1.0	Dec-12
Over/Under			-0.1								-0.1	

Note: Performance shown for Total Hedge Fund Composite and underlying managers is net of fees and reported on a one month lag. Please see appendix for details regarding footnotes.



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

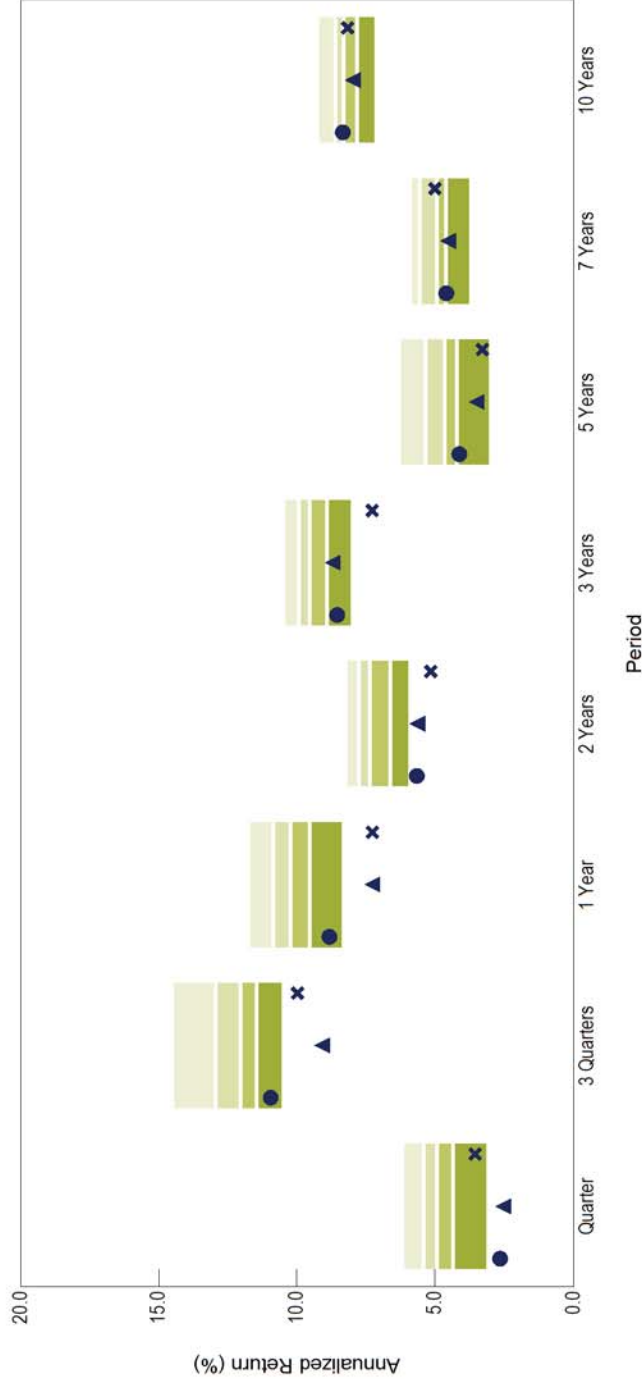
	Market Value (\$)	% of Portfolio	3 Mo Rank (%)	Fiscal YTD Rank (%)	1 Yr Rank (%)	2 Yrs Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since
Total GAA Composite¹	150,105,910	5.1	3.4	--	--	--	--	--	--	--	3.4	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.5</u>	<u>9.7</u>	<u>6.9</u>	<u>4.8</u>	<u>6.9</u>	<u>2.9</u>	<u>4.7</u>	<u>7.8</u>	<u>3.5</u>	<u>Jan-13</u>
Over/Under			-0.1								-0.1	
GMO ²	45,827,294	1.6	--	--	--	--	--	--	--	--	1.7	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.5</u>	<u>9.7</u>	<u>6.9</u>	<u>4.8</u>	<u>6.9</u>	<u>2.9</u>	<u>4.7</u>	<u>7.8</u>	<u>0.9</u>	<u>Feb-13</u>
Over/Under											0.8	
PIMCO All Asset ²	44,387,911	1.5	--	--	--	--	--	--	--	--	-0.8	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.5</u>	<u>9.7</u>	<u>6.9</u>	<u>4.8</u>	<u>6.9</u>	<u>2.9</u>	<u>4.7</u>	<u>7.8</u>	<u>0.9</u>	<u>Feb-13</u>
Over/Under											-1.7	
Standard Life GARS ²	45,951,953	1.6	--	--	--	--	--	--	--	--	2.1	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.5</u>	<u>9.7</u>	<u>6.9</u>	<u>4.8</u>	<u>6.9</u>	<u>2.9</u>	<u>4.7</u>	<u>7.8</u>	<u>0.9</u>	<u>Feb-13</u>
Over/Under											1.2	
Cash³												
Cash	81,239,445	2.8	0.1	0.1	0.2	0.2	0.6	--	--	--	--	Jul-02
91 Day T-Bills			<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>1.4</u>	<u>1.6</u>	<u>1.6</u>	<u>Jul-02</u>
Over/Under			0.1	0.0	0.1	0.1	0.5					

Note: Performance shown for GAA Composite and underlying managers is net of fees. Please see appendix for details regarding footnotes.



City of San Jose Police and Fire Department Retirement Plan
Total Fund Return Summary vs. Peer Universe

Total Fund vs. I/Fx Public DB > \$1B Gross

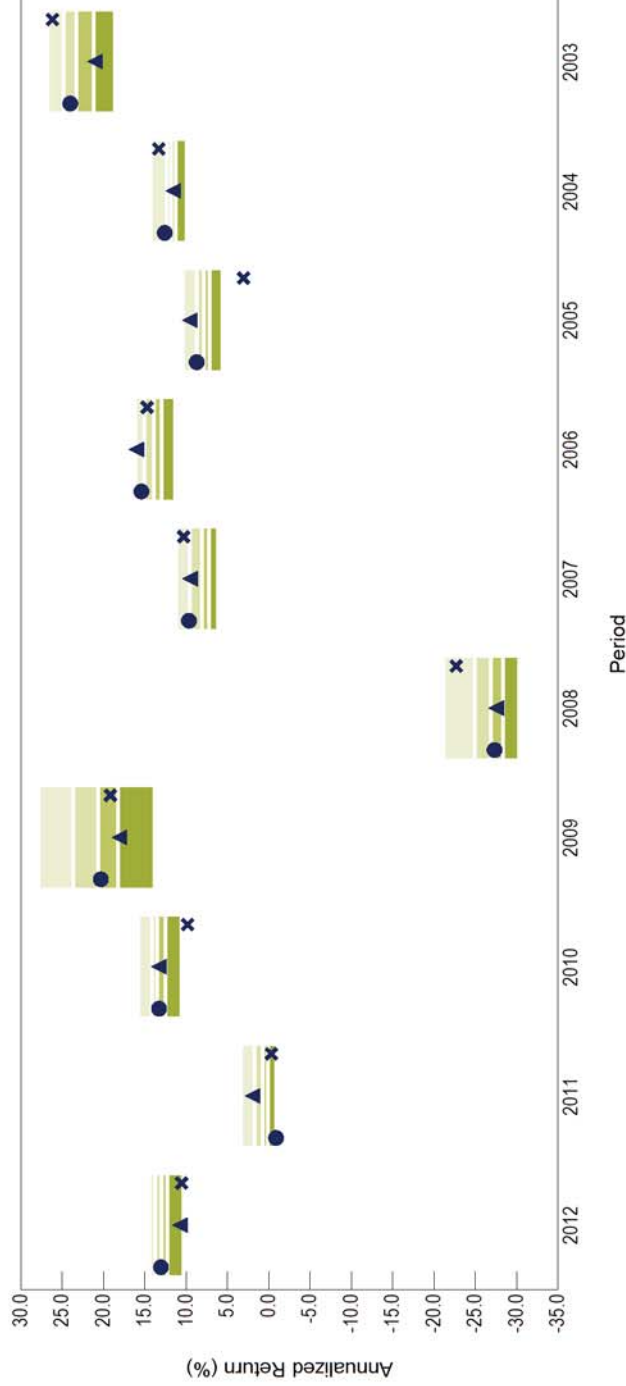


Return (Rank)	Quarter	3 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	6.2	14.5	11.8	8.2	10.5	6.3	5.9	9.3
25th Percentile	5.4	12.9	10.9	7.8	9.9	5.3	5.6	8.6
Median	4.9	12.1	10.2	7.4	9.5	4.7	4.9	8.3
75th Percentile	4.4	11.5	9.5	6.6	8.9	4.2	4.6	7.8
95th Percentile	3.1	10.5	8.3	5.9	8.0	3.0	3.7	7.1
# of Portfolios	61	61	60	57	57	57	55	47
Total Fund	2.6 (99)	10.9 (88)	8.8 (88)	5.7 (98)	8.5 (87)	4.1 (80)	4.6 (76)	8.3 (50)
Policy Benchmark	2.5 (99)	9.1 (99)	7.3 (98)	5.6 (98)	8.7 (84)	3.5 (88)	4.5 (82)	8.0 (61)
60% MSCI World (Gross) / 40% CITI WGBI	3.5 (89)	10.0 (98)	7.3 (98)	5.2 (99)	7.3 (98)	3.3 (92)	5.0 (48)	8.2 (57)



City of San Jose Police and Fire Department Retirement Plan
Total Fund Return Summary vs. Peer Universe

Total Fund vs. I/Fx Public DB > \$1B Gross



Return (Rank)

5th Percentile	14.4	3.3	15.7	27.8	11.1	16.1	10.4	14.3	26.7
25th Percentile	13.8	1.8	14.2	23.7	9.6	15.1	8.8	12.4	24.8
Median	13.0	0.8	13.5	20.7	8.1	13.9	7.9	11.8	23.3
75th Percentile	12.3	0.1	12.5	18.3	7.2	13.0	7.2	11.3	21.2
95th Percentile	10.4	-0.9	10.6	13.9	6.2	11.4	5.6	10.0	18.6
# of Portfolios	51	49	49	49	47	41	41	39	39
Total Fund	13.0 (48)	-0.9 (96)	13.3 (59)	20.3 (55)	9.7 (24)	15.4 (20)	8.7 (31)	12.6 (14)	24.0 (32)
Policy Benchmark	10.8 (94)	2.0 (24)	13.3 (57)	18.1 (76)	9.5 (26)	16.1 (7)	9.6 (10)	11.6 (62)	21.0 (78)
60% MSCI World (Gross) / 40% Citi WGBI	10.6 (94)	-0.3 (82)	9.8 (99)	19.2 (61)	10.3 (18)	14.7 (34)	3.1 (99)	13.3 (11)	26.2 (12)

- Total Fund
- ▲ Policy Benchmark
- x 60% MSCI World (Gross) / 40% Citi WGBI



City of San Jose Police and Fire Department Retirement Plan
Manager Summary

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

NEPC Focused Placement List (FPL) Strategies are those strategies that have been vetted by the respective research analyst/consultant and NEPC's Due Diligence Committee, and subsequently approved for broad application across NEPC's client base. FPL strategies represent the highest conviction managers with whom we have thoroughly reviewed and believe have investment theses that present a competitive advantage in their respective areas of opportunity. Note that NEPC does not receive any compensation from investment managers as a result of their inclusion on our FPL, nor does inclusion on the FPL guarantee that the investment manager will ultimately be awarded a mandate with an NEPC client. FPLs are continuously monitored throughout the year, and officially updated once per year.

City of San Jose Police and Fire Department Retirement Plan Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	NEPC DD Recommendation	Comments
Russell	Global Equities, Non-U.S. Core Fixed Income, High Yield Fixed Income, Emerging Markets Debt, Hedge Funds, GAA, Private Equity, and Real Estate	--	--	--	Russell is the Fund's overlay provider and is currently providing interim exposure to several asset classes while we continue to work with staff to complete searches.
Artisan Partners	Global Equities (2 Strategies)	--	--	--	Global Opps Strategy - NEPC FPL Strategy
RS Investments	U.S. Small Cap Equities	Y	--	NO ACTION	
TPG	Private Equity (Distressed)	--	--	--	NEPC FPL Strategy
Siguler Guff	Private Equity (Distressed)	--	--	--	NEPC FPL Strategy
Crescent Capital	Private Equity (Mezzanine)	--	--	--	NEPC FPL Strategy
Pantheon	Private Equity (Fund of Funds)	--	--	--	
Portfolio Advisors	Private Equity (Venture, Buyout, Special Situations)	--	--	--	
HarbourVest	Private Equity (Venture, Buyout)				
Seix	Core Plus Fixed Income	Y	--	HOLD	
PIMCO	Distressed Senior Credit II	--	--	--	
Marathon	Opportunistic Credit (European Distressed)	--	--	--	NEPC FPL Strategy
White Oak	Opportunistic Credit (Direct Lending)	--	--	--	
GSO	Opportunistic Credit (Direct Lending)	--	--	--	
Medley	Opportunistic Credit (Direct Lending)	--	--	--	

City of San Jose Police and Fire Department Retirement Plan

Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	NEPC DD Recommendation	Comments
American Realty	Real Estate (Core)	--	--	--	
TA Realty	Real Estate (Value Add)	--	--	--	NEPC FPL Strategy
First Quadrant	Commodities	--	--	--	
Credit Suisse	Commodities	--	--	--	
GMO	Global Asset Allocation	--	--	--	NEPC FPL Strategy
PIMCO	Global Asset Allocation	--	--	--	NEPC FPL Strategy
Standard Life	Global Asset Allocation	--	--	--	NEPC FPL Strategy

Note: Hedge Funds are excluded from this section of the report as NEPC is not the Plan's advisor for hedge funds.



NEPC, LLC

March 31, 2013

City of San Jose Police and Fire Department Retirement Plan Manager Summary

Changes/Announcements

Below is a summary of manager changes and announcements that have occurred over recent months.

RS Investments

- On May 3, 2013, RS announced that Andy Pilara Jr., architect of the RS Small Cap Value strategy, will transition to a new role as senior advisor effective May 1, 2013. In this new role, Mr. Pilara will continue to mentor and counsel investment team members. Mr. Pilara has been building a deep, experienced team that continues to employ his original investment philosophy and process over the past several years, and he has not been responsible for the day-to-day management of portfolios for some time. In addition, Mr. Pilara has given up ownership in recent years in order to allow key members of the team to gain an ownership position.
- The same announcement included news that David Kelley is retiring from the firm and industry after 11 years on the Value team in order to pursue various philanthropic interests. Most recently, Mr. Kelley was head of the Asset Lite pod, responsible for development and oversight of research for those sectors that fall within the Asset Lite pod: consumer technology, healthcare and media.
- The announcement of Mr. Pilara's new role is not a surprise as he has "been retiring for five years now." His investment participation has consisted of sitting in on research meetings, offering opinions and challenging ideas in recent years. The departure of Mr. Kelley was a surprise, however, it is less of a concern due to the way research is structured. Each potential idea for the portfolio is followed by two analysts, and a recent move away from the pod structure to a flatter structure with continued industry/sector focused analysts should make for a smooth transition. In addition, the RS Value team is one of the deepest in the industry, with 14 team members.
- **NO ACTION is recommended.**

Seix Investment Advisors

- In mid-February 2013, NEPC was notified that Biron Lim, head of high yield research, will be leaving the firm due to health issues. Mr. Lim covered energy and chemicals which together comprise roughly 18% of the high yield index. Ray Kramer and Andrea Pagnozzi will take over chemicals and energy research, respectively. Mr. Kramer and Ms. Pagnozzi's current responsibilities overlap moderately with the new coverage, which softens the impact to the team a bit. A search for a replacement is in progress, but whether or not the new analyst will cover the sectors previously covered by Mr. Lim is yet to be determined.
- In February 2013, Reuters published an article stating that SunTrust has identified three private equity firms that may be interested in purchasing the asset management division of SunTrust, Ridgeworth Asset Management. Seix is a subsidiary of Ridgeworth Asset Management, but operates independently as a boutique fixed income asset manager. While the announcement doesn't directly impact Seix, there is a minor concern that a potential sale of Ridgeworth Asset Management could have ramifications for Seix from an ownership standpoint.
- **NEPC has placed a "HOLD" status on all Seix products.**

Appendix: Net of Fees Performance

City of San Jose Police and Fire Department Retirement Plan
Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	2,936,228,088	100.0	2.6	10.8	8.5	5.3	8.2	3.8	4.1	8.1	8.9	Mar-71
Policy Benchmark			2.5	9.1	7.3	5.6	8.7	3.5	4.5	8.0	--	Mar-71
Over/Under			0.1	1.7	1.2	-0.3	-0.5	0.3	-0.4	0.1		
Allocation Index			2.3	8.9	6.7	4.7	7.9	3.7	4.7	8.5	--	Mar-71
60% MSCI World (Gross) / 40% CITI WGBI			3.5	10.0	7.3	5.2	7.3	3.3	5.0	8.2	--	Mar-71
Total Equity Composite¹	823,780,468	28.1	6.2	17.6	11.4	5.2	8.9	3.2	--	--	3.2	Apr-08
MSCI ACWI IMI (Net)			6.9	17.6	11.0	4.7	8.1	2.6	3.7	9.9	2.6	Apr-08
Over/Under			-0.7	0.0	0.4	0.5	0.8	0.6			0.6	
Global Equity Composite²	52,154,582	1.8	--	--	--	--	--	--	--	--	2.6	Mar-13
MSCI ACWI IMI (Net)			6.9	17.6	11.0	4.7	8.1	2.6	3.7	9.9	2.0	Mar-13
Over/Under			--	--	--	--	--	--	--	--	0.6	
Artisan Global Value ³	51,374,821	1.7	--	--	--	--	--	--	--	--	2.7	Mar-13
MSCI ACWI IMI (Net)			6.9	17.6	11.0	4.7	8.1	2.6	3.7	9.9	2.0	Mar-13
Over/Under			--	--	--	--	--	--	--	--	0.7	
U.S. Equity Composite⁴	343,118,860	11.7	11.6	23.5	18.8	11.1	13.8	6.8	4.7	9.3	8.7	Jun-95
Russell 3000			11.1	18.3	14.6	10.8	13.0	6.3	5.1	9.2	8.5	Jun-95
Over/Under			0.5	5.2	4.2	0.3	0.8	0.5	-0.4	0.1	0.2	
Russell R1000 ⁵	243,045,362	8.3	11.0	--	--	--	--	--	--	--	11.0	Jan-13
Russell 1000			11.0	18.1	14.4	11.1	12.9	6.2	5.2	9.0	11.0	Jan-13
Over/Under			0.0	--	--	--	--	--	--	--	0.0	
RS Investments	100,038,834	3.4	13.0	28.6	23.3	8.1	--	--	--	--	17.8	Aug-10
Russell 2000 Value			11.6	21.8	18.1	8.1	12.1	7.3	3.9	11.3	15.6	Aug-10
Over/Under			1.4	6.8	5.2	0.0					2.2	

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



NEPC, LLC

March 31, 2013

City of San Jose Police and Fire Department Retirement Plan
Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
International Equity Composite¹	428,507,026	14.6	2.2	15.5	6.4	0.9	5.0	0.0	2.7	11.9	9.4	Jun-95
MSCI AC WORLD ex US (NET)			3.2	17.3	8.4	0.3	4.4	-0.4	2.6	10.9	--	Jun-95
Over/Under			-1.0	-1.8	-2.0	0.6	0.6	0.4	0.1	1.0		
Developed International Equity Composite¹	292,962,802	10.0	4.8	19.3	10.5	5.4	7.8	0.9	2.8	11.3	8.3	Jun-95
MSCI EAFE (Net)			5.1	19.8	11.3	2.4	5.0	-0.9	1.6	9.7	4.8	Jun-95
Over/Under			-0.3	-0.5	-0.8	3.0	2.8	1.8	1.2	1.6	3.5	
Russell MSCI EAFE + CAD ²	232,179,866	7.9	4.8	--	--	--	--	--	--	--	4.8	Jan-13
MSCI EAFE + CAD			4.0	16.9	7.1	-1.6	1.7	-3.6	-0.9	7.1	4.0	Jan-13
Over/Under			0.8								0.8	
Russell MSCI EAFE + CAD Small Cap	60,353,957	2.1	4.2	22.5	13.3	--	--	--	--	--	18.8	Dec-11
MSCI EAFE + CAD Small Cap			7.2	22.1	10.9	1.3	7.8	2.0	2.1	13.1	17.2	Dec-11
Over/Under			-3.0	0.4	2.4						1.6	
Emerging Markets Equity Composite	135,544,224	4.6	-3.5	9.7	0.8	-6.3	0.5	-0.2	4.4	15.4	13.3	Sep-01
MSCI Emg Mkts Free (Net)			-1.6	11.9	2.0	-3.6	3.3	1.1	6.4	17.1	14.0	Sep-01
Over/Under			-1.9	-2.2	-1.2	-2.7	-2.8	-1.3	-2.0	-1.7	-0.7	
Russell Emerging Markets	135,544,224	4.6	-3.5	9.7	0.8	--	--	--	--	--	3.4	Nov-11
MSCI Emg Mkts Free (Net)			-1.6	11.9	2.0	-3.6	3.3	1.1	6.4	17.1	5.1	Nov-11
Over/Under			-1.9	-2.2	-1.2						-1.7	
Total Private Equity Composite³	236,921,908	8.1	5.8	9.2	13.7	12.7	11.1	5.7	8.9	--	8.1	Oct-05
Cambridge PE 1 Qtr Lag			3.5	8.0	13.8	12.2	15.0	6.0	10.9	15.1	12.3	Oct-05
Over/Under			2.3	1.2	-0.1	0.5	-3.9	-0.3	-2.0	-4.2		
Venture Economics All Private Equity Lag			3.3	7.5	13.2	11.1	13.4	5.6	9.3	12.6	10.5	Oct-05
Russell 3000 Qtr Lag			0.2	3.1	16.4	8.4	11.2	2.0	4.3	7.7	4.9	Oct-05

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



NEPC, LLC

March 31, 2013

City of San Jose Police and Fire Department Retirement Plan
Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fixed Income Composite¹	877,987,637	29.9	1.0	8.1	10.9	10.2	9.9	8.8	--	--	8.8	Apr-08
Barclays Aggregate Over/Under			-0.1 1.1	1.7 6.4	3.8 7.1	5.7 4.5	5.5 4.4	5.5 3.3	5.9	5.0	5.5 3.3	Apr-08
Domestic Core Fixed Income Composite²	143,388,772	4.9	0.0	2.1	4.2	6.7	6.6	6.0	5.8	5.4	6.1	Jun-95
Barclays Aggregate Over/Under			-0.1 0.1	1.7 0.4	3.8 0.4	5.7 1.0	5.5 1.1	5.5 0.5	5.9 -0.1	5.0 0.4	6.1 0.0	Jun-95
Seix Core Fixed Income	143,304,970	4.9	-0.1	2.0	4.2	6.7	6.6	7.0	6.9	5.9	6.5	Oct-99
Barclays Aggregate Over/Under			-0.1 0.0	1.7 0.3	3.8 0.4	5.7 1.0	5.5 1.1	5.5 1.5	5.9 1.0	5.0 0.9	6.0 0.5	Oct-99
Non-U.S. Core Fixed Income Composite	145,331,177	4.9	0.8	--	--	--	--	--	--	--	0.8	Jan-13
Barclays Global Aggregate ex US Hedged Over/Under			1.1 -0.3	4.6	5.8	6.1	4.4	4.6	4.7	4.4	1.1 -0.3	Jan-13
Russell BC Global Agg ex-U.S. ³	145,331,177	4.9	0.8	--	--	--	--	--	--	--	0.8	Jan-13
Barclays Global Aggregate ex US Hedged Over/Under			1.1 -0.3	4.6	5.8	6.1	4.4	4.6	4.7	4.4	1.1 -0.3	Jan-13
Total Credit Composite^{4,7,6,6,6,6}	454,116,303	15.5	2.9	22.6	25.9	12.9	13.0	--	--	--	11.4	Jul-08
50% DLJ Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index Over/Under			2.4 0.5	8.7 13.9	10.3 15.6	7.3 5.6	8.5 4.5	8.4	6.6	7.3	8.2 3.2	Jul-08
Domestic Credit Composite⁴	172,954,700	5.9	2.1	6.8	7.8	5.9	7.2	--	--	--	10.2	Apr-09
Blended Domestic Credit Index ⁵ Over/Under			2.9 -0.8	9.8 -3.0	11.4 -3.6	7.9 -2.0	8.9 -1.7	8.6	6.7	7.4	16.4 -6.2	Apr-09
Russell BC High Yield ⁶ Over/Under	172,949,753	5.9	2.1	--	--	--	--	--	--	--	2.1	Jan-13
Barclays High Yield Over/Under			2.9 -0.8	11.1	13.1	9.7	11.2	11.6	9.3	10.1	2.9 -0.8	Jan-13

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



NEPC, LLC

March 31, 2013

City of San Jose Police and Fire Department Retirement Plan
Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Opportunistic Credit Composite¹	281,163,603	9.6	3.4	28.5	32.9	14.2	15.0	--	--	--	16.0	Jul-08
50% DLJ Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			2.4	8.7	10.3	7.3	8.5	8.4	6.6	7.3	8.2	Jul-08
Over/Under			1.0	19.8	22.6	6.9	6.5				7.8	
Pimco Disco II	151,518,861	5.2	5.0	32.0	36.6	--	--	--	--	--	35.1	Nov-11
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index			2.4	10.3	12.4	9.2	10.7	10.1	8.3	9.0	12.4	Nov-11
Over/Under			2.6	21.7	24.2						22.7	
Marathon	12,092,315	0.4	3.8	--	--	--	--	--	--	--	8.1	Oct-12
BofA ML Euro HY Constrained			-1.2	17.2	10.7	4.7	8.0	8.0	9.4	11.9	7.9	Oct-12
Over/Under			5.0								0.2	
Direct Lending Composite	117,552,427	4.0	1.4	11.6	11.8	8.1	--	--	--	--	6.2	Nov-10
3 Months LIBOR + 5%			1.3	4.0	5.4	5.4	5.4	5.8	7.1	7.2	5.4	Nov-10
Over/Under			0.1	7.6	6.4	2.7					0.8	
White Oak	47,541,370	1.6	2.3	12.0	14.2	5.0	--	--	--	--	2.9	Nov-10
3 Months LIBOR + 5%			1.3	4.0	5.4	5.4	5.4	5.8	7.1	7.2	5.4	Nov-10
Over/Under			1.0	8.0	8.8	-0.4					-2.5	
GSO	36,111,313	1.2	1.8	11.6	15.9	21.5	--	--	--	--	19.6	Dec-10
3 Months LIBOR + 5%			1.3	4.0	5.4	5.4	5.4	5.8	7.1	7.2	5.4	Dec-10
Over/Under			0.5	7.6	10.5	16.1					14.2	
Medley Capital	33,899,744	1.2	0.0	11.7	7.3	4.7	--	--	--	--	4.5	Mar-11
3 Months LIBOR + 5%			1.3	4.0	5.4	5.4	5.4	5.8	7.1	7.2	5.4	Mar-11
Over/Under			-1.3	7.7	1.9	-0.7					-0.9	
Emerging Market Debt Composite	135,149,354	4.6	-3.6	--	--	--	--	--	--	--	-3.6	Jan-13
JP Morgan EMBI+ TR			-3.3	6.8	9.7	11.2	10.4	9.5	9.0	10.8	-3.3	Jan-13
Over/Under			-0.3								-0.3	
Russell JPM EMBI Plus ²	135,149,354	4.6	-3.6	--	--	--	--	--	--	--	-3.6	Jan-13
JP Morgan EMBI+ TR			-3.3	6.8	9.7	11.2	10.4	9.5	9.0	10.8	-3.3	Jan-13
Over/Under			-0.3								-0.3	

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



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate Composite¹	206,519,356	7.0	2.7	7.4	10.9	7.6	10.1	2.7	5.6	6.2	7.9	Jun-95
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	9.5	Jun-95
Over/Under			0.1	-0.2	0.4	-4.4	-3.2	0.4	-0.2	-2.3	-1.6	
American Realty/Kennedy Combined	19,665,852	0.7	3.1	10.8	14.7	9.9	11.1	5.8	8.3	--	9.2	Oct-03
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	8.5	Oct-03
Over/Under			0.5	3.2	4.2	-2.1	-2.2	3.5	2.5	--	0.7	
American Realty Core Realty Fund	109,184,817	3.7	2.3	7.1	10.7	--	--	--	--	--	10.2	Sep-11
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	12.6	Sep-11
Over/Under			-0.3	-0.5	0.2	--	--	--	--	--	-2.4	
TA Realty ²	2,017,425	0.1	--	--	--	--	--	--	--	--	--	Apr-13
NCREIF Property Index			2.6	7.6	10.5	12.0	13.3	2.3	5.8	8.5	--	Apr-13
Over/Under			--	--	--	--	--	--	--	--	--	
Inflation-Linked Assets Composite	266,153,045	9.1	-4.8	-1.7	-6.9	-9.1	1.6	--	--	--	-0.1	Jan-10
Custom Commodity Risk Parity Index			-4.2	-0.3	-4.5	-7.6	--	--	--	--	--	Jan-10
Over/Under			-0.6	-1.4	-2.4	-1.5	--	--	--	--	--	
Dow Jones-UBS Commodity Index TR			-1.1	1.6	-3.0	-9.9	1.4	-7.1	-1.2	3.7	-0.3	Jan-10
Credit Suisse	150,319,678	5.1	-4.3	0.0	-4.2	-7.5	--	--	--	--	-7.5	Apr-11
Custom Commodity Risk Parity Index			-4.2	-0.3	-4.5	-7.6	--	--	--	--	-7.6	Apr-11
Over/Under			-0.1	0.3	0.3	0.1	--	--	--	--	0.1	
Dow Jones-UBS Commodity Index TR			-1.1	1.6	-3.0	-9.9	1.4	-7.1	-1.2	3.7	-9.9	Apr-11
First Quadrant	115,833,366	3.9	-5.4	-3.9	-10.1	-10.7	--	--	--	--	-10.7	Apr-11
Custom Commodity Risk Parity Index			-4.2	-0.3	-4.5	-7.6	--	--	--	--	-7.6	Apr-11
Over/Under			-1.2	-3.6	-5.6	-3.1	--	--	--	--	-3.1	
Dow Jones-UBS Commodity Index TR			-1.1	1.6	-3.0	-9.9	1.4	-7.1	-1.2	3.7	-9.9	Apr-11

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



NEPC, LLC

March 31, 2013

Appendix: Policy Benchmark History, Performance Disclosures

Policy Benchmark History

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

City of San Jose Police and Fire Department Retirement Plan Additional Performance Disclosures and Footnote Details

Note: All performance, ranks, asset allocation and asset growth detailed throughout this report is gross of fees and is as of March 31, 2013, unless otherwise noted. Total Fund performance calculations take into account an unrealized loss of \$998,617 in the Fund's securities lending cash collateral reinvestment pool. The unrealized loss was accounted for in June 2009 performance calculations, which negatively impacted performance by 51 basis points at the Total Fund level for the month. This impact will be negated over time as market conditions improve and pricing of fixed income assets becomes more normalized, assuming there are no impairments or defaults in the pool. To date, State Street (who manages the Fund's securities lending program), has not experienced any impairments or defaults in the Fund's securities lending cash collateral reinvestment pool. Performance results are reported gross of fees.

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- 1 – Long-Term Policy Benchmark adopted by the Board of Administration at the August 2, 2012 meeting.
- 2 – Global Equity market value includes \$779,761 of residual assets remaining in the equity transition account and terminated manager accounts.
- 3 – U.S. Large Cap market value includes \$34,664 of residual assets remaining in terminated manager accounts.
- 4 – Non-U.S. Developed Markets market value includes \$428,979 of residual assets remaining in terminated manager accounts.
- 5 – U.S. Core market value includes \$83,803 of residual assets remaining in terminated manager accounts.
- 6 – High Yield market value includes \$4,947 of residual assets remaining in terminated manager accounts.
- 7 – Total Fixed Income market value includes \$31 of residual assets remaining in terminated manager accounts.
- 8 – Commodities market value has been split to account for interim exposure to illiquid inflation-linked assets for asset allocation purposes.
- 9 – Cash market value includes unrealized loss in the Fund's securities lending cash collateral reinvestment pool, transition account and Russell Overlay.

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- 1 – Total Equity Composite market value includes \$1,243,404 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – Global Equity Composite market value includes \$779,761 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund from December 2012 – February 2013.
- 3 – Artisan Global Value portfolio was funded 2/22/2013. Inception date for performance reporting purposes is March 1, 2013.
- 4 – U.S. Equity Composite market value includes \$34,664 of residual assets remaining in terminated manager accounts.
- 5 – Russell 1000 Index portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – International Equity and Developed International Equity Composite market value includes \$428,979 of residual assets remaining in terminated manager accounts.
- 2 – MSCI EAFE + CAD portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – Total Private Equity Composite includes investments that have been funded through 3/31/2013 as well as \$110.3 million in interim exposure managed by Russell.

Page 25

- 1 – Total Fixed Income Composite market value includes \$88,781 of residual assets remaining in the fixed income transition account and terminated manager accounts.
- 2 – Domestic Core Fixed Income Composite market value includes \$83,803 of residual assets remaining in terminated manager accounts.
- 3 – BC Global Agg ex-U.S. exposure is captured within the overlay account. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – Total Credit and Domestic Credit Composite market value includes \$4,947 of residual assets remaining in terminated manager accounts.
- 2 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.
- 3 – Barclays Capital High Yield portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 4 – Marathon performance is reported net of fees.
- 5 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.

City of San Jose Police and Fire Department Retirement Plan Additional Performance Disclosures and Footnote Details

Page 27

- 1 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.
- 2 – JP Morgan EMBI + portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – Total Real Estate Composite includes investments that have been funded through 3/31/2013 as well as interim exposure managed by Russell.
- 2 – TA Realty Fund X was funded 3/11/2013.

Page 29

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

Page 30

- 1 – Total GAA Composite includes \$13.9 million remaining in interim account managed by Russell.
- 2 – GMO and PIMCO were funded on 1/22/2013 and Standard Life was funded on 1/30/2013. Inception date for performance reporting purposes is February 1, 2013.
- 3 – NEPC began calculated cash returns as of April 1, 2008 due to inconsistent historical data received from the Fund's prior investment consultant.

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- 1 – Total Equity Composite market value includes \$1,243,404 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – Global Equity Composite market value includes \$779,761 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund from December 2012 – February 2013.
- 3 – Artisan Global Value portfolio was funded 2/22/2013. Inception date for performance reporting purposes is March 1, 2013.
- 4 – U.S. Equity Composite market value includes \$34,664 of residual assets remaining in terminated manager accounts.
- 5 – Russell 1000 Index portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – International Equity and Developed International Equity Composite market value includes \$428,979 of residual assets remaining in terminated manager accounts.
- 2 – MSCI EAFE + CAD portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 3 – Total Private Equity Composite includes investments that have been funded through 3/31/2013 as well as \$110.3 million in interim exposure managed by Russell.

Page 40

- 1 – Total Fixed Income Composite market value includes \$88,781 of residual assets remaining in the fixed income transition account and terminated manager accounts.
- 2 – Domestic Core Fixed Income Composite market value includes \$83,803 of residual assets remaining in terminated manager accounts.
- 3 – BC Global Agg ex-U.S. exposure is captured within the overlay account. Inception date for performance reporting purposes is January 1, 2013.
- 4 – Total Credit and Domestic Credit Composite market value includes \$4,947 of residual assets remaining in terminated manager accounts.
- 5 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.
- 6 – Barclays Capital High Yield portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 7 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.

Page 41

- 1 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Opportunistic Credit Composite.
- 2 – JP Morgan EMBI + portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

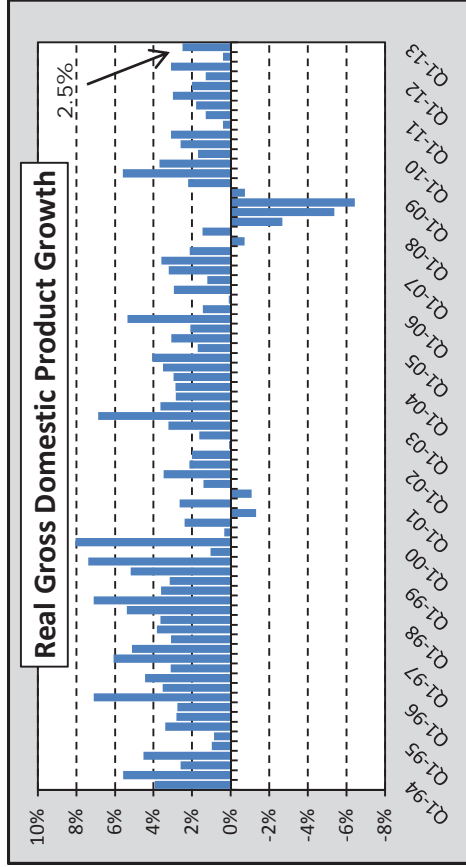
City of San Jose Police and Fire Department Retirement Plan
Additional Performance Disclosures and Footnote Details

Page 42

- 1 – Total Real Estate Composite includes investments that have been funded through 3/31/2013 as well as interim exposure managed by Russell.
- 2 – TA Realty Fund X was funded 3/11/2013.

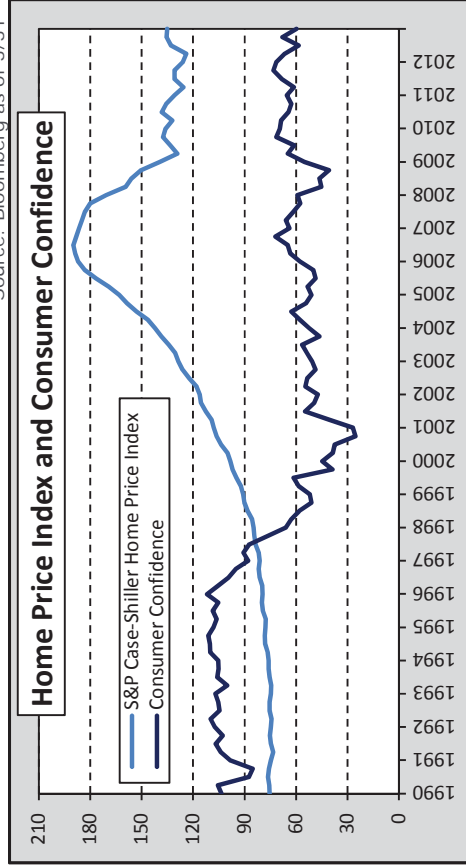


Appendix: Market Environment



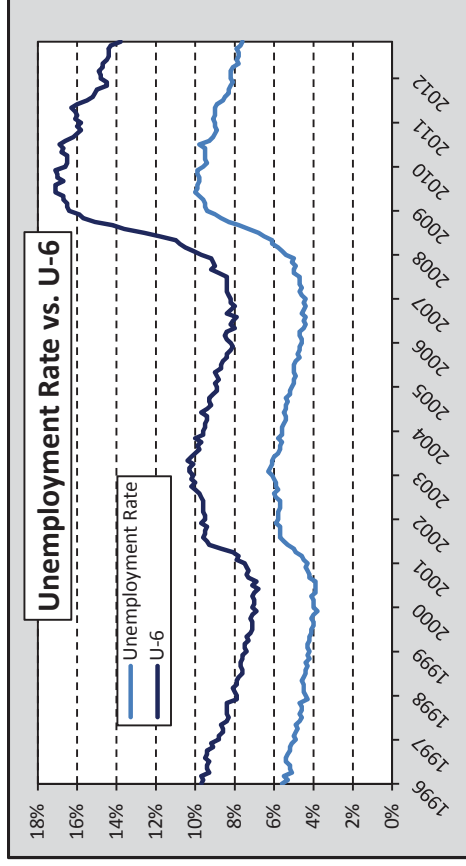
First estimate of first quarter GDP growth was 2.5%. Fourth quarter GDP growth was revised to 0.4%.

Source: Bloomberg as of 3/31



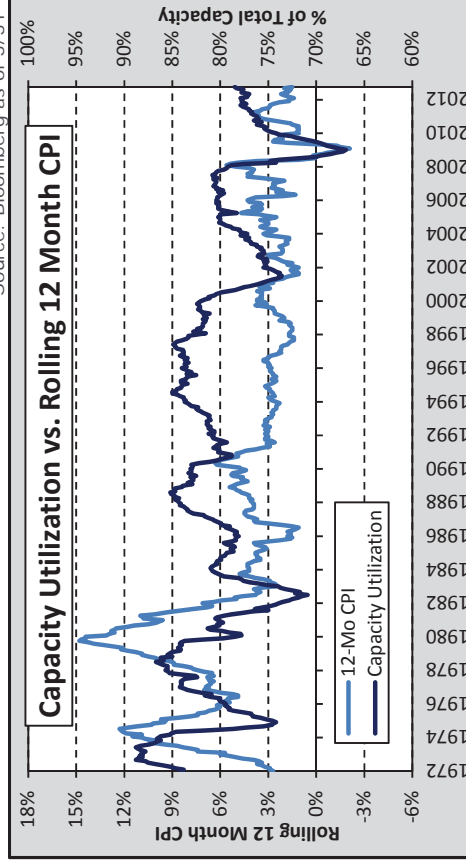
Consumer confidence receded to January levels after experiencing a February boost; the Case-Shiller home price index (As of 12/31) fell marginally through December.

Source: Bloomberg as of 3/31



Unemployment decreased to 7.6% in March, its lowest level since 2008; U-6 decreased to 13.8%.

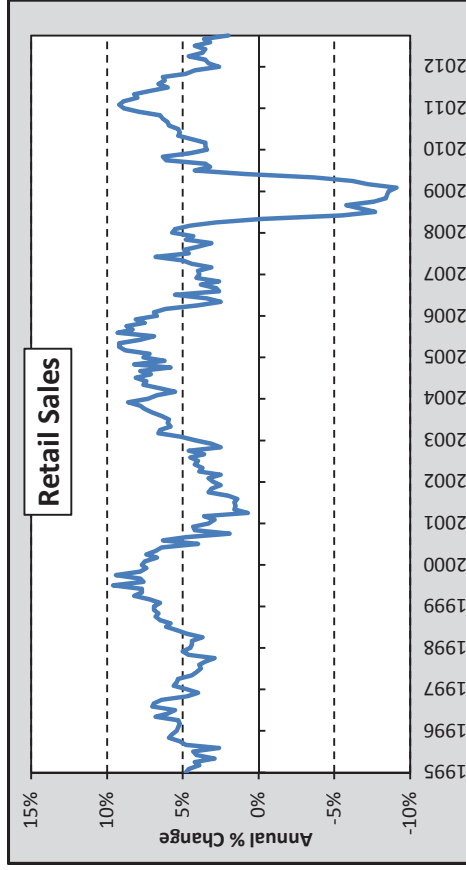
Source: Bloomberg as of 3/31



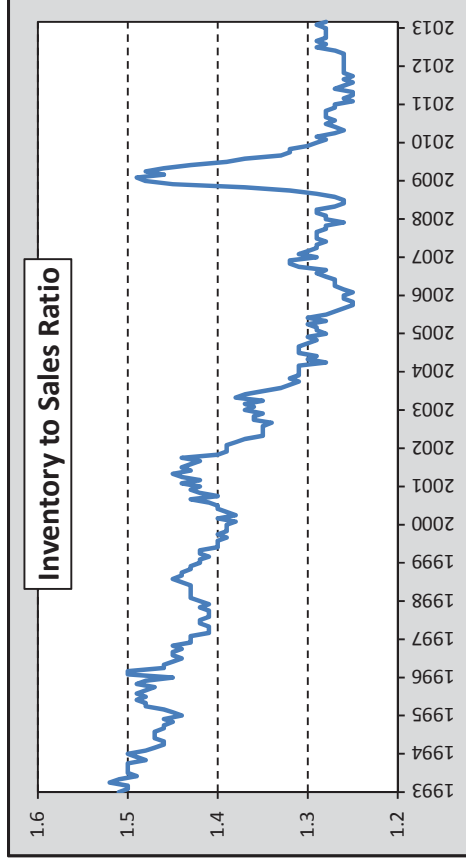
Rolling 12 month CPI fell to 1.5% at March end; capacity utilization increased to 78.5% in the month.

Source: Bloomberg as of 3/31

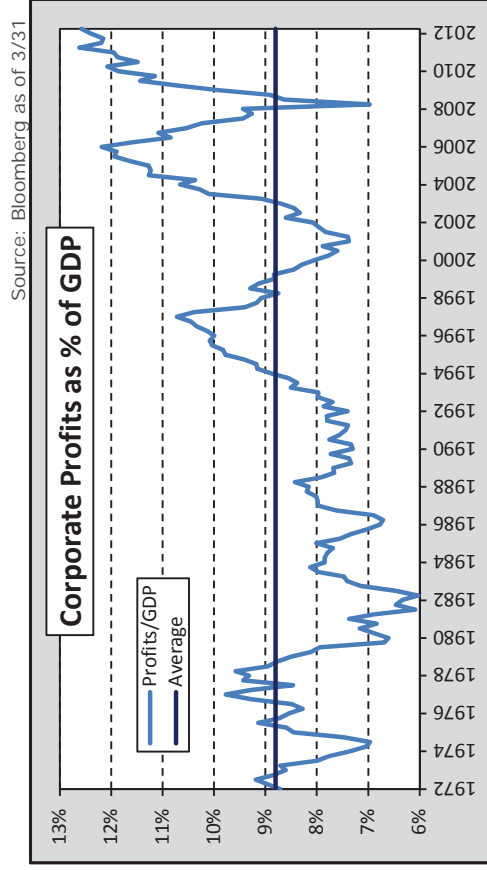
City of San Jose Police and Fire Department Retirement Plan
Components of GDP



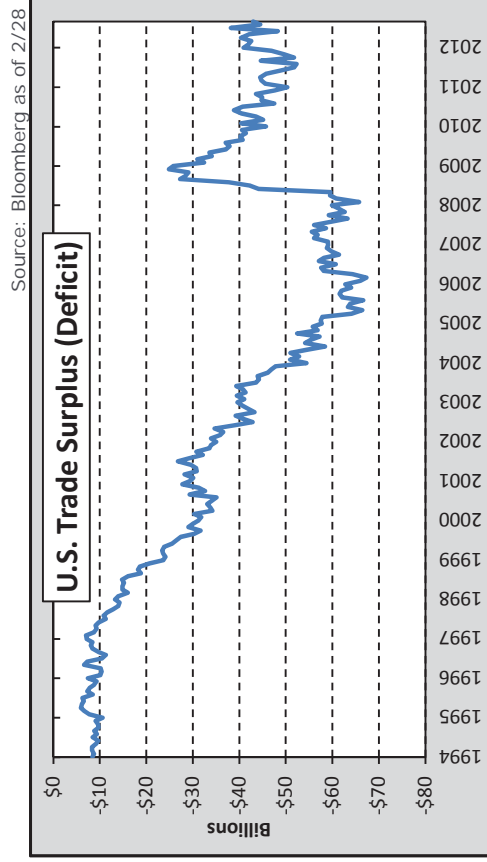
Retail sales fell to a 2.0% year-over-year growth rate in March.



The inventory-to-sales ratio has remained mostly flat since early 2010 - closing at 1.28 in February.



Corporate Profits as a percent of GDP remained near secular highs and increased to 12.6% at Q1 end.

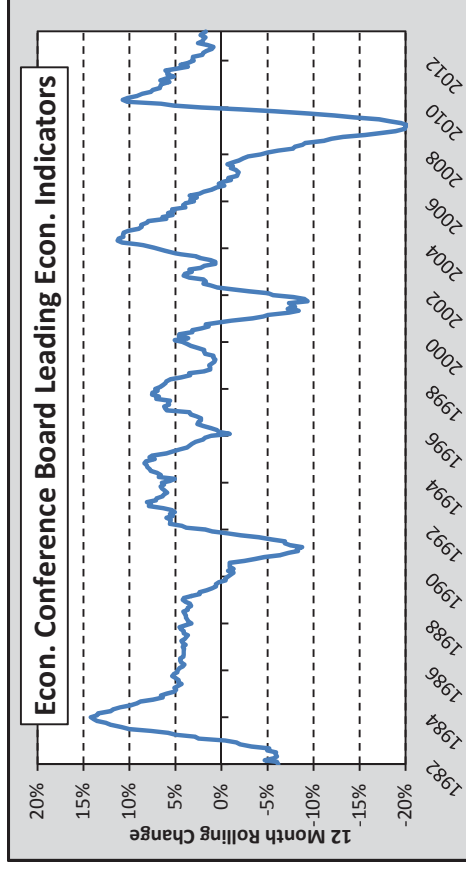


The trade deficit decreased slightly in February, backtracking on a large January increase.

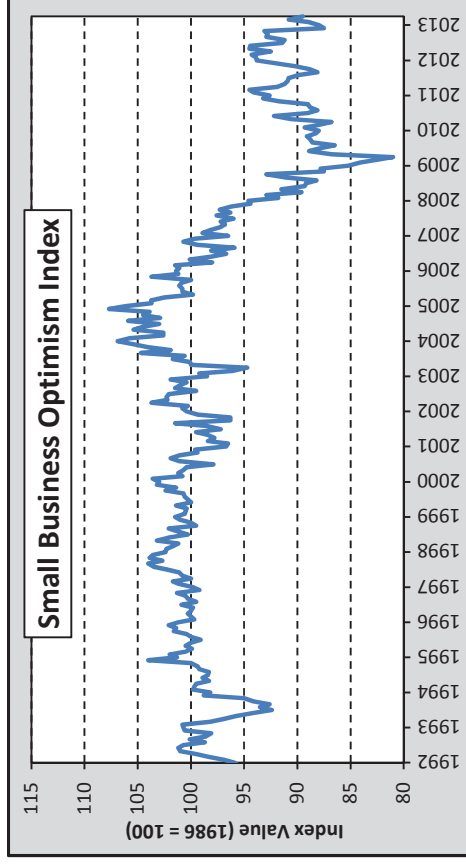
Source: Bloomberg as of 3/31

Source: Bloomberg as of 2/28

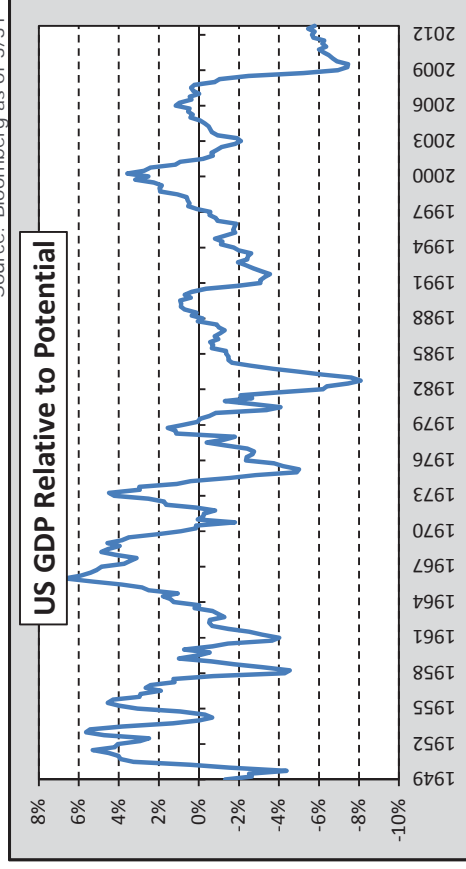
City of San Jose Police and Fire Department Retirement Plan
Key Economic Indicators



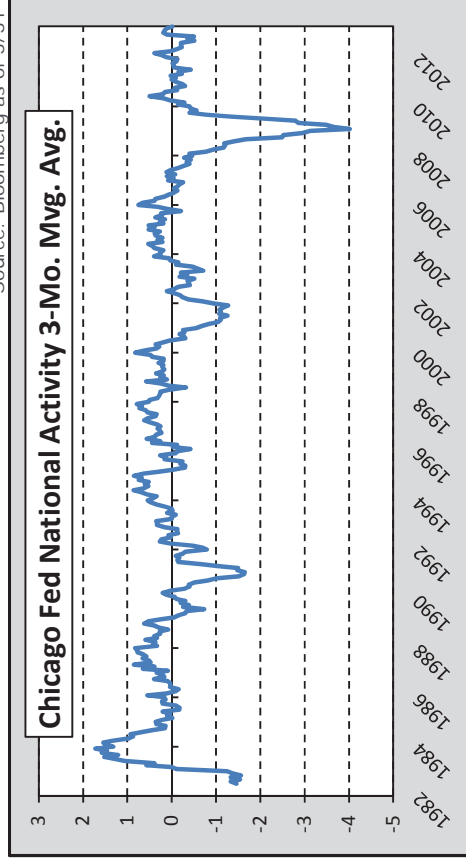
The rolling percentage change in the Leading Economic Indicators index fell to 1.72% through March.



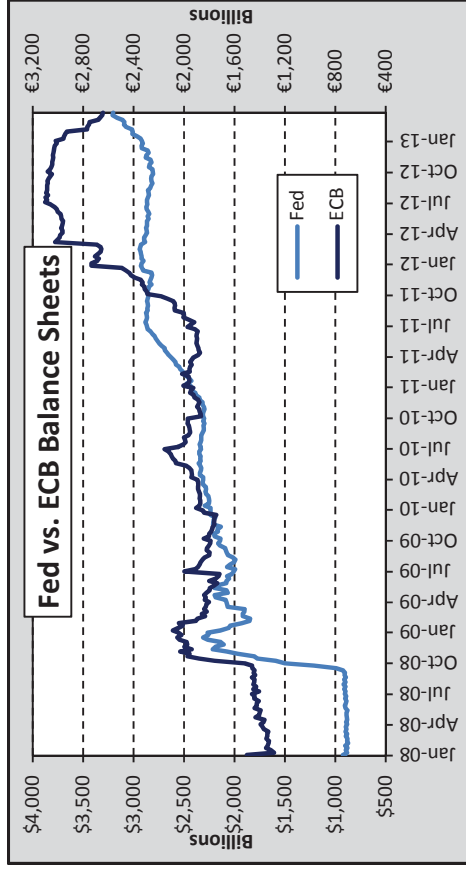
The small business optimism index increased slightly from January, but declined month over month.



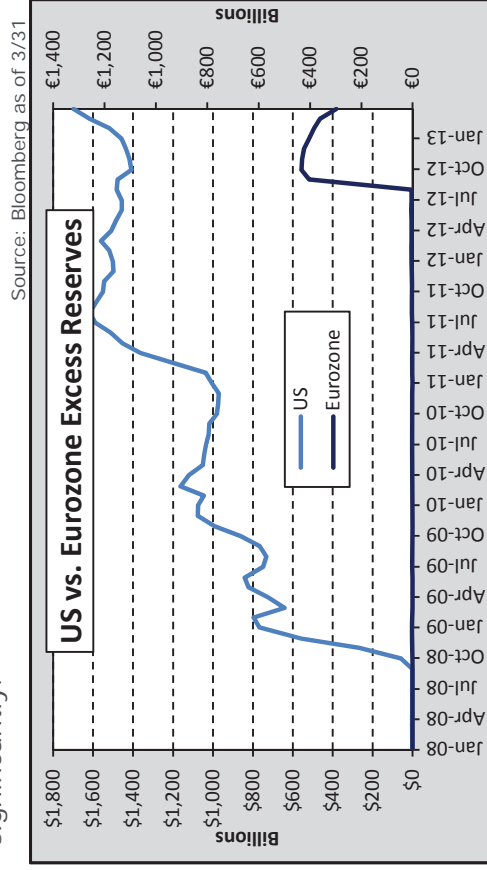
U.S. GDP relative to potential GDP decreased in the third quarter of 2012 and remained below the historical average.



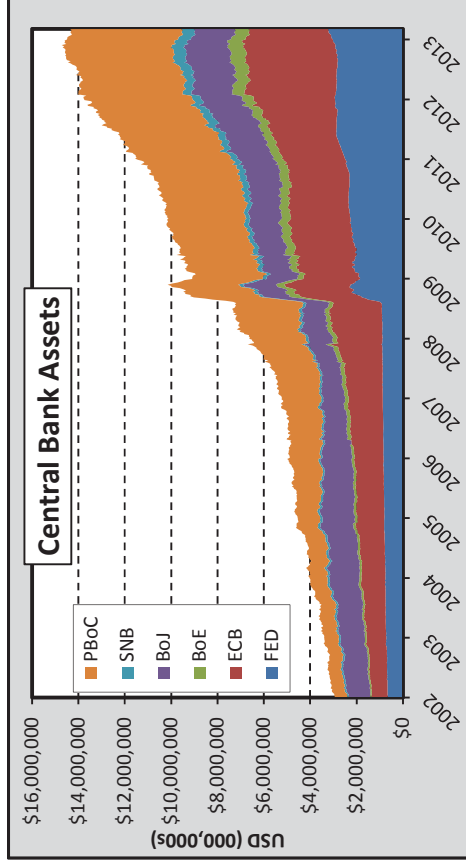
Chicago Fed National Activity 3 Month moving average decreased through March.



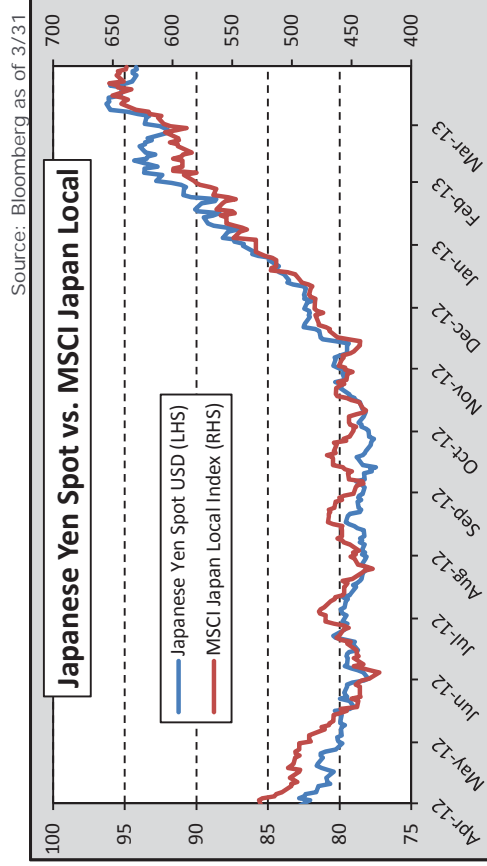
Federal Reserve Bank balance sheets have increased in 2013 while European Central Bank balance sheets have decreased significantly.



After more dramatic movements in 2012 Eurozone excess reserves have steadily decreased as US excess reserves experienced a sharp increase through March.

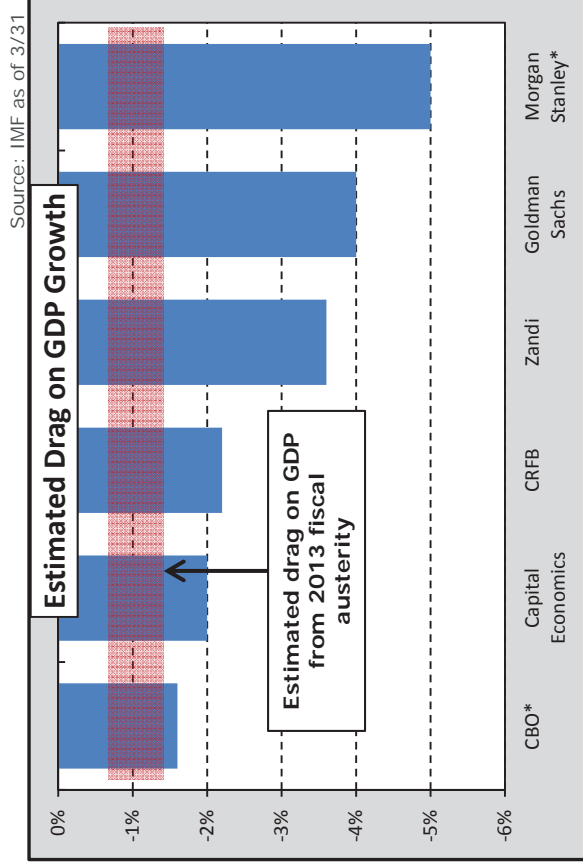
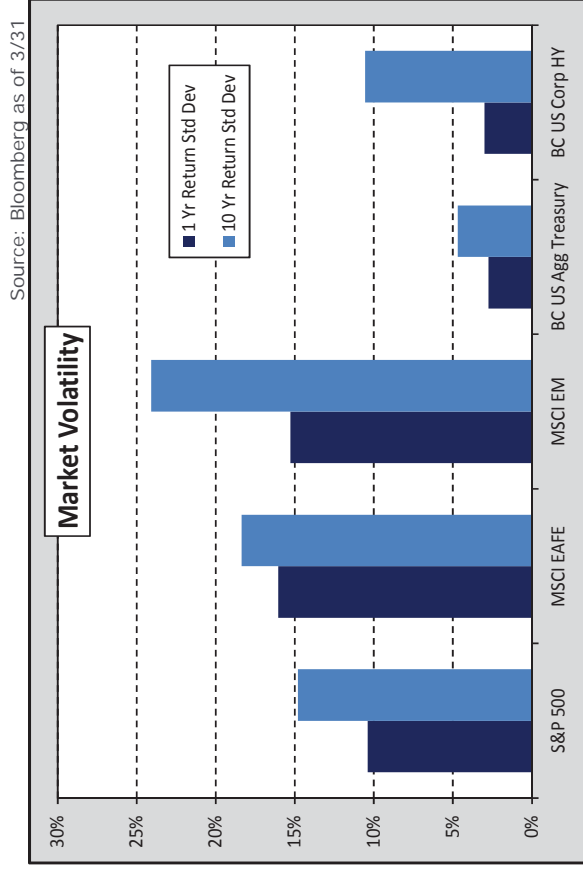
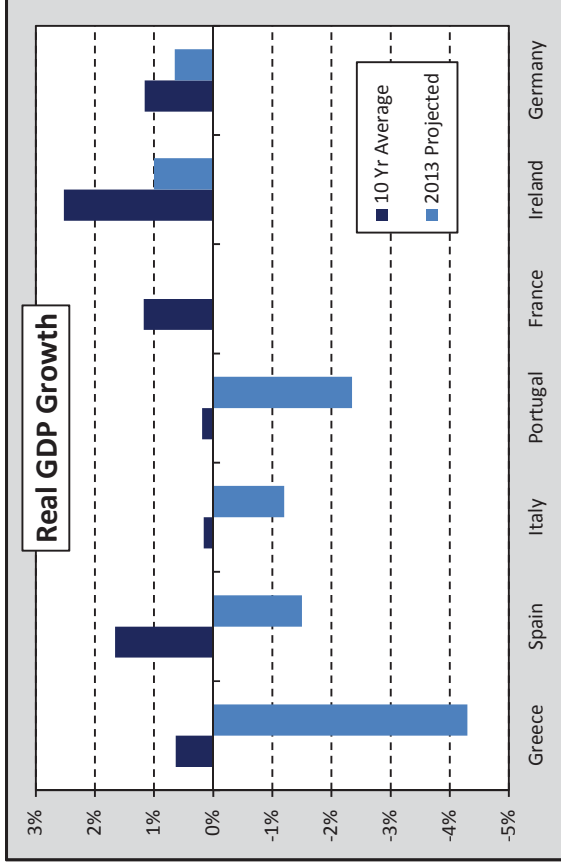
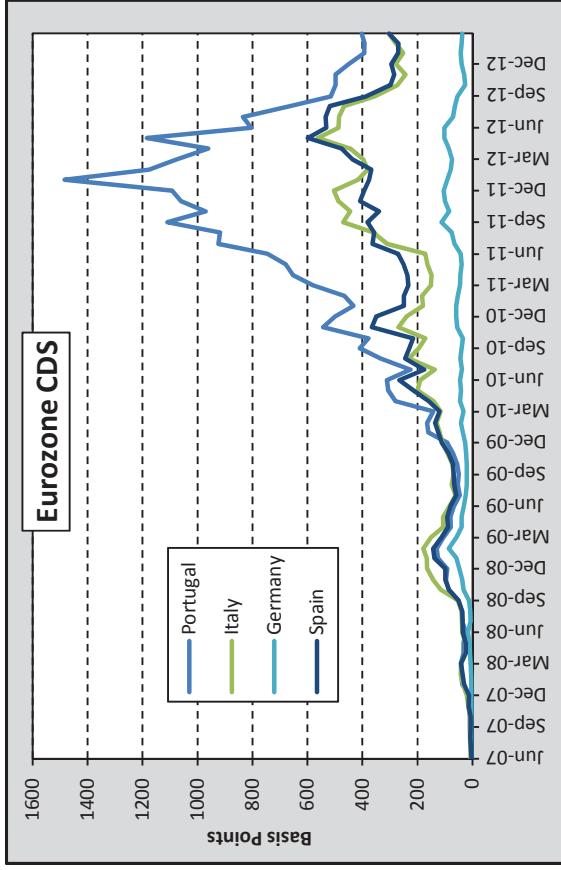


Central bank assets worldwide have risen significantly since 2008 but have experienced a recent slowdown.



The Japanese Yen weakened 8.0% relative to the US dollar in the first quarter; while the MSCI Japan TR Net Local Index returned 21.4%.

City of San Jose Police and Fire Department Retirement Plan
 Economic Environment – Macro Issues



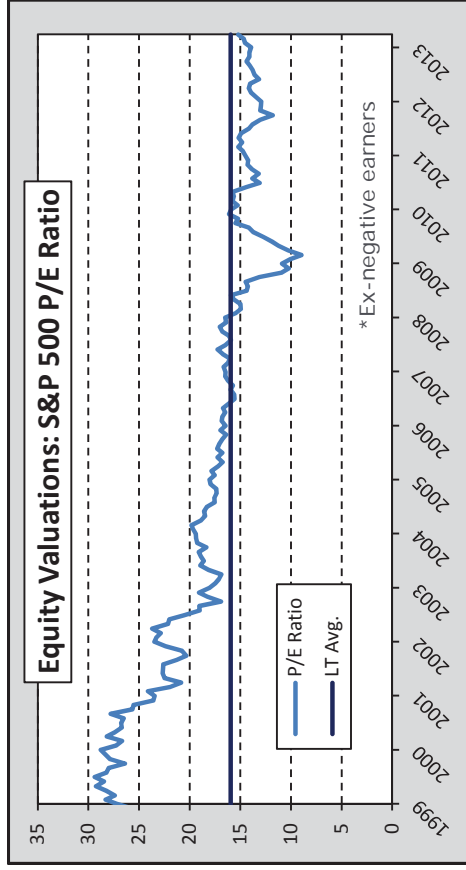
Source: Morningstar as of 3/31

*Shown as the midpoint of a range; Source: CRFB; Capital Economics

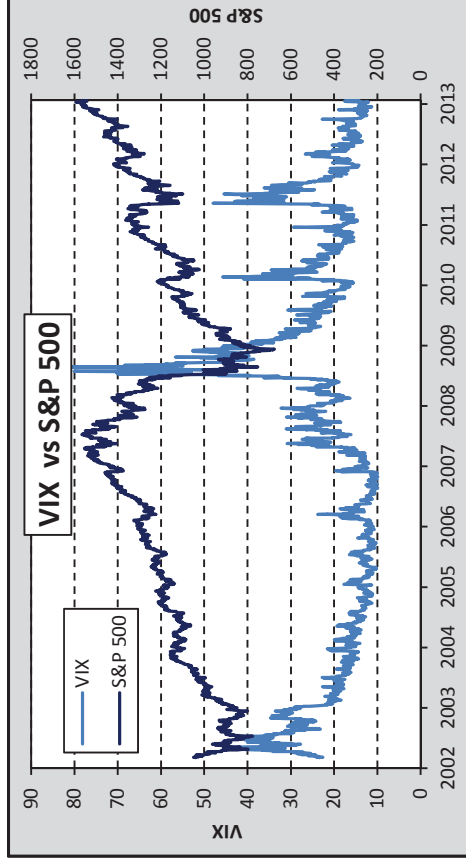


NEPC, LLC

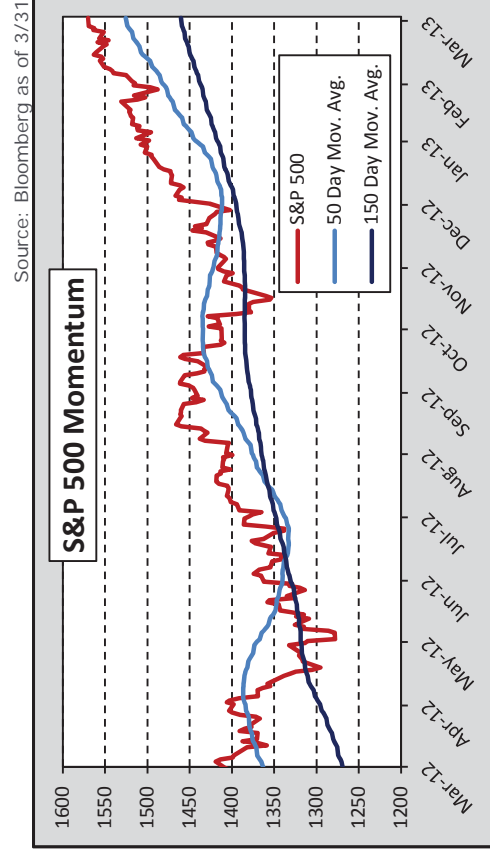
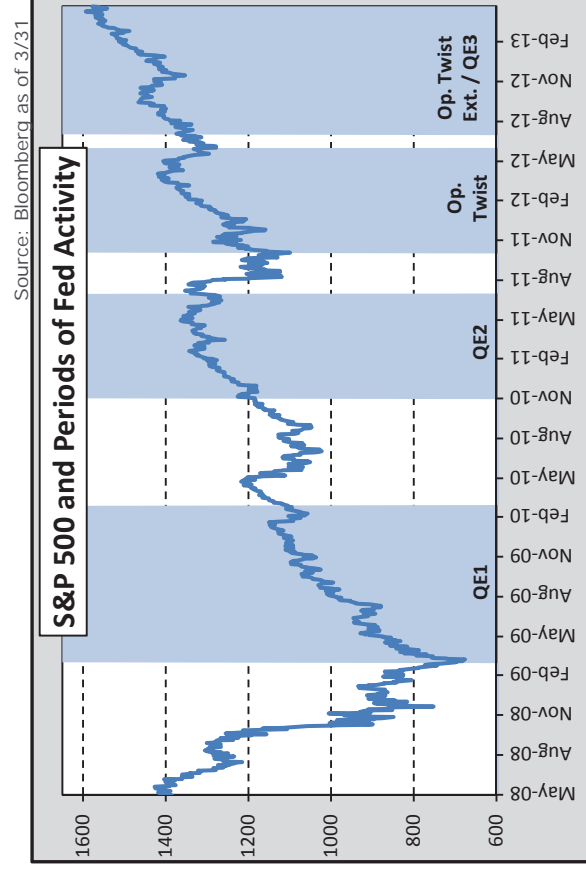
March 31, 2013



S&P valuations remain below the long-term average.

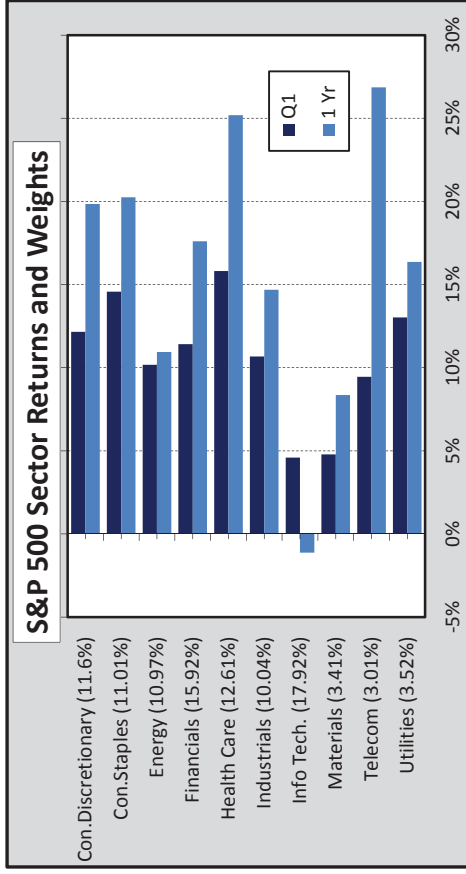


The VIX fell 18.1% in March, while the S&P 500 rose 3.8%.

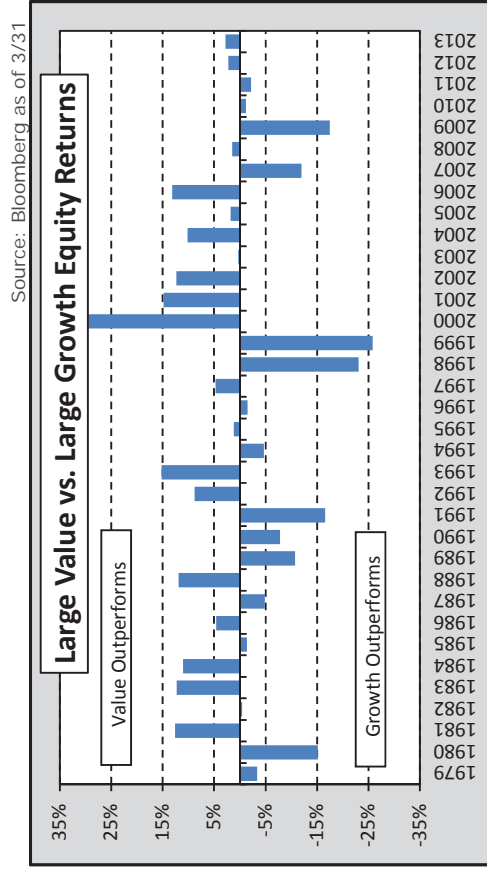


The S&P 500's 50-day moving average remained above its 150-day moving average in March.

City of San Jose Police and Fire Department Retirement Plan
 U.S. Stock Market Performance

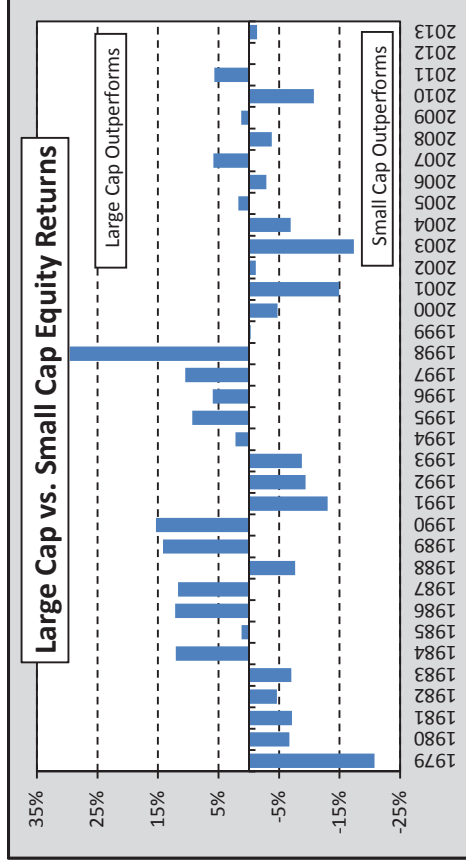


Healthcare lead all sectors in the first quarter; IT and Materials lagged but delivered positive returns.

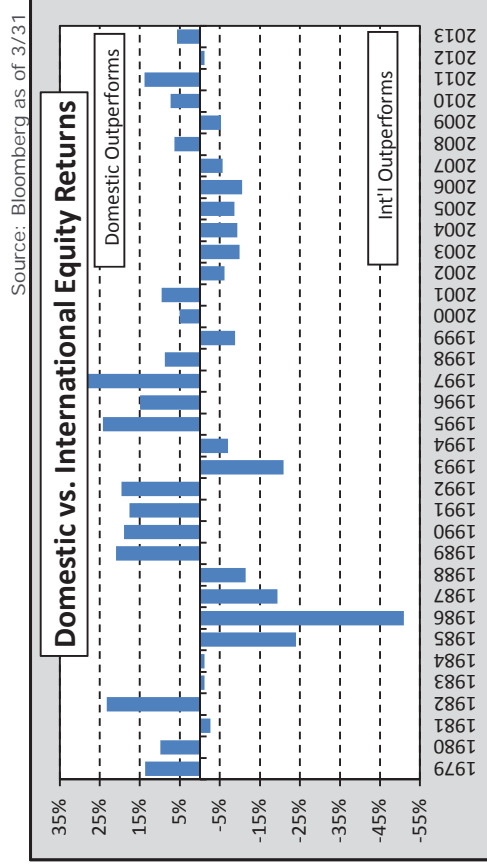


Value stocks have outperformed growth in 2013.

Source: Bloomberg as of 3/31



Small cap has marginally outperformed large cap in 2013.



Domestic equity has outperformed international equity in 2013.

Source: Bloomberg as of 3/31

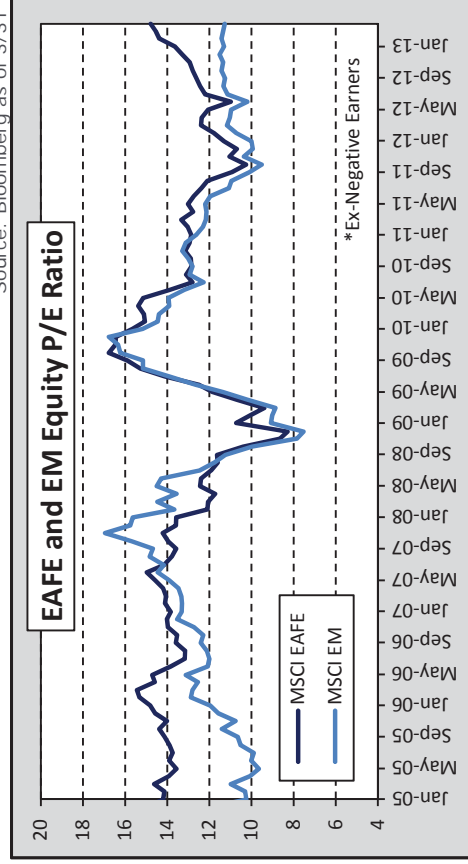
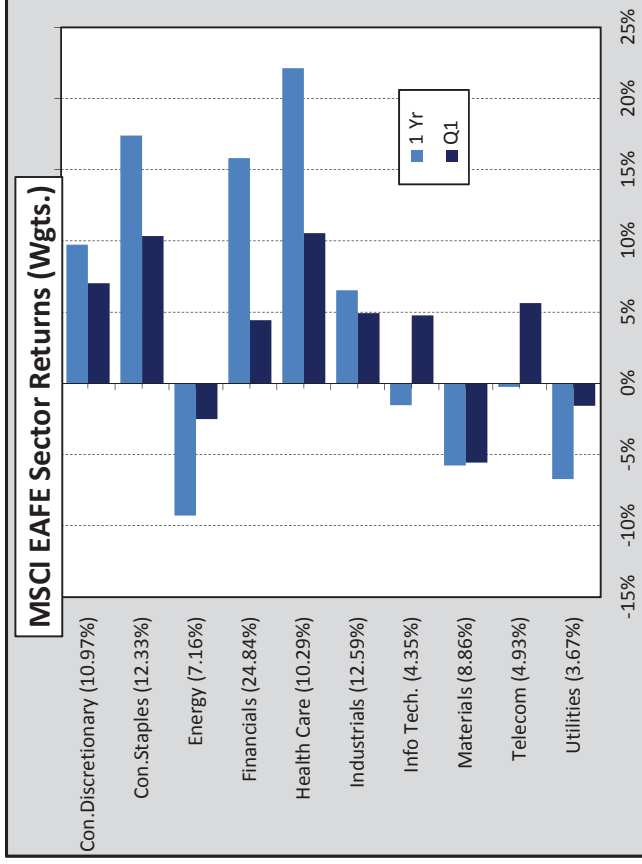
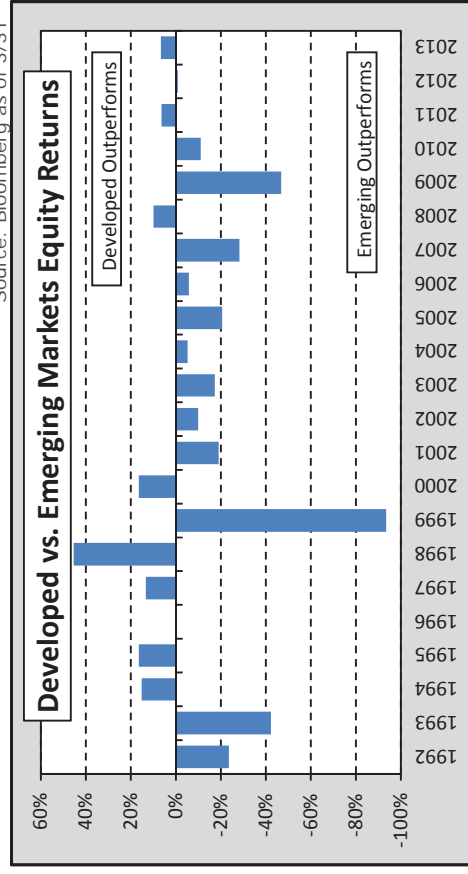


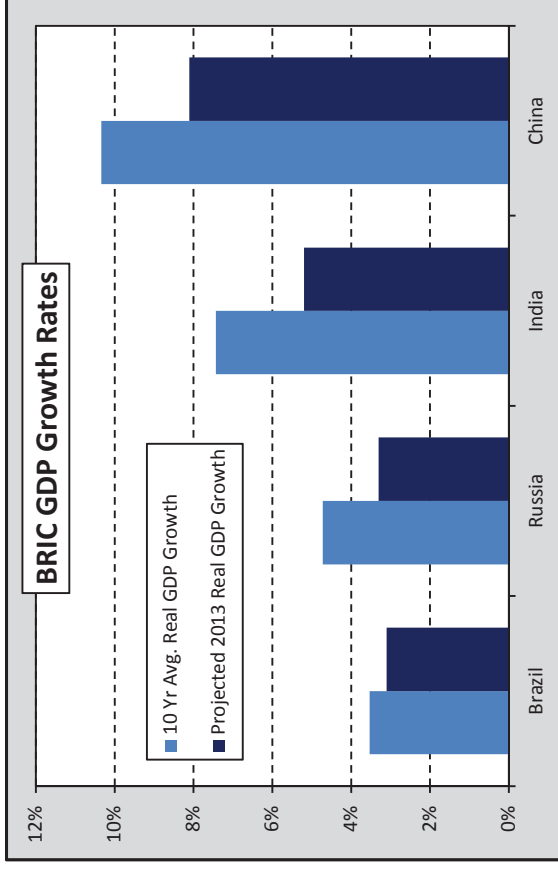
City of San Jose Police and Fire Department Retirement Plan
Non-U.S. Stock Market Performance

Developed Market Equity Returns (U.S. Dollars)			
	YTD	1 Yr.	3 Yr. Ann.
Europe ex UK	2.4%	7.7%	0.3%
United Kingdom	1.4%	5.6%	4.3%
Japan	10.7%	6.3%	1.2%
Pacific Ex Japan	6.1%	15.0%	5.7%
Canada	0.3%	1.1%	0.9%
USA	10.1%	11.3%	11.6%

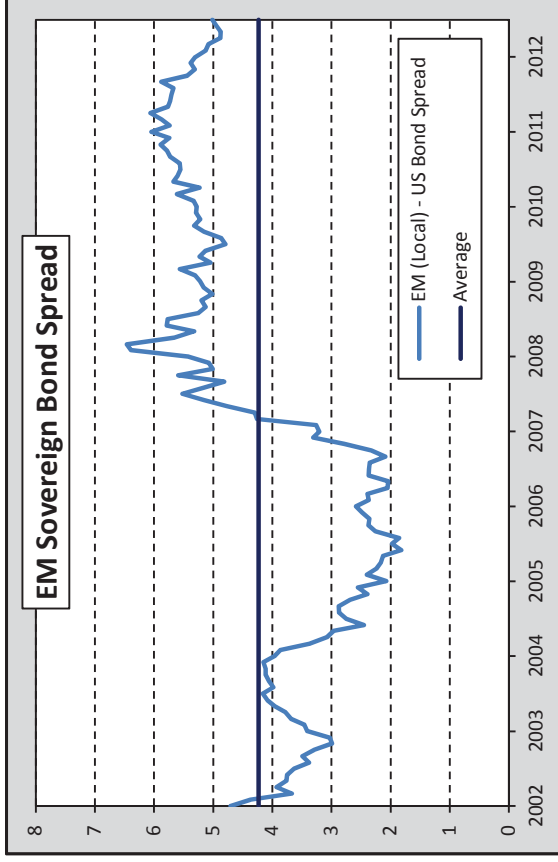
US Dollar Return vs. Major Foreign Currencies (Negative = Dollar Depreciates, Positive = Dollar Appreciates)			
	YTD	1 Yr.	3 Yr. Ann.
Euro	2.8%	3.9%	1.7%
Japanese Yen	8.0%	12.1%	0.3%
British Pound	6.5%	5.1%	-0.0%
Canada	2.5%	2.0%	0.1%
Australia	0.1%	-0.7%	-4.5%

Currency Impact on Developed Mkt. Returns (Negative = Currency Hurt, Positive = Currency Helped)			
	YTD	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	9.7%	16.7%	4.5%
MSCI EAFE (USD)	5.1%	11.3%	5.3%
Currency Impact	-4.5%	-5.5%	0.7%





Source: Bloomberg as of 3/31



Source: Bloomberg as of 3/31

Emerging Markets Valuation	MSCI EM	MSCI EM Small Cap
PE Ratio	12.27	16.15
PE Historical Avg	15.64	21.64
PB Ratio	1.59	1.32
Historical Avg	1.56	1.17
PS Ratio	1.02	0.64
Historical Avg	1.03	0.69

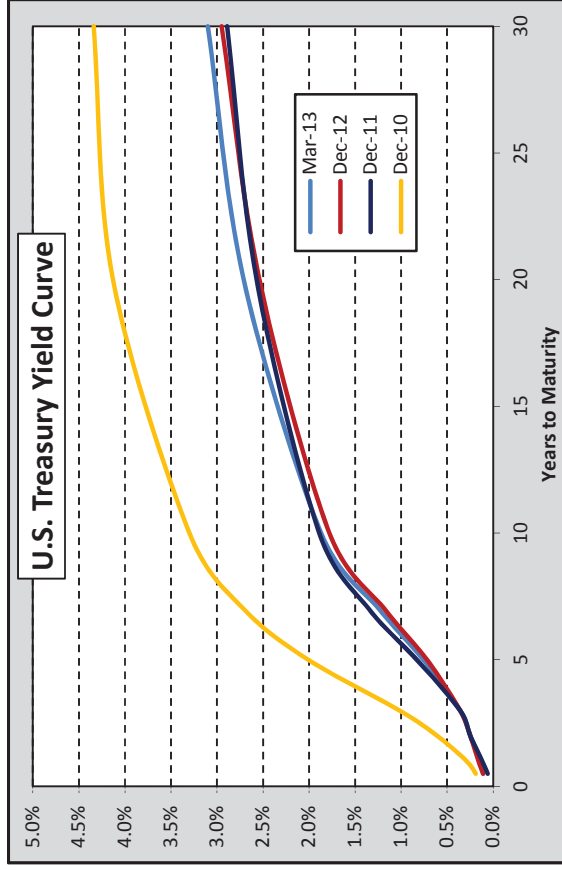
- MSCI EM P/E Ratio and the MSCI EM Small Cap P/E Ratio are both below historical averages
- MSCI EM P/B and P/S Ratios are in line with historical averages
- MSCI EM Small Cap P/B Ratio is above historical average
- MSCI EM Small Cap P/S Ratio is below historical average

Source: Bloomberg as of 3/31

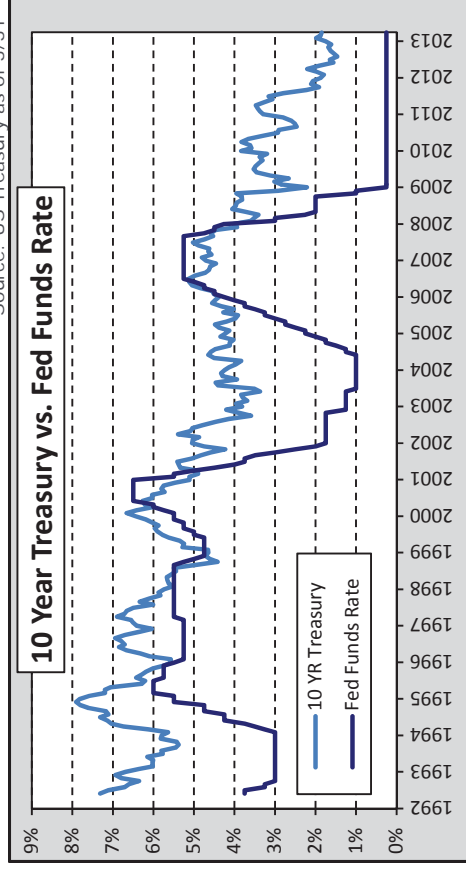
US Dollar Return vs. Major EM Currencies	YTD	Q1	1 Yr.	3 Yr. Ann.
Brazilian Real	-1.4%	-1.4%	9.7%	4.0%
Russian Ruble	1.7%	1.7%	5.7%	1.8%
Indian Rupee	-0.7%	-0.7%	6.5%	5.9%
Chinese Renminbi	-0.3%	-0.3%	-1.3%	-3.3%
Singapore Dollar	-0.2%	-0.2%	-0.9%	-0.9%
Hungarian Forint	7.1%	7.1%	7.1%	5.8%
Turkish Lira	1.4%	1.4%	1.4%	5.4%
Mexican Peso	-4.4%	-4.4%	-4.0%	-0.1%
So. African Rand	8.3%	8.3%	16.9%	7.1%
So. Korean Won	4.4%	4.4%	-1.7%	-0.6%

Source: Bloomberg as of 3/31

City of San Jose Police and Fire Department Retirement Plan
Market Environment – Interest Rates

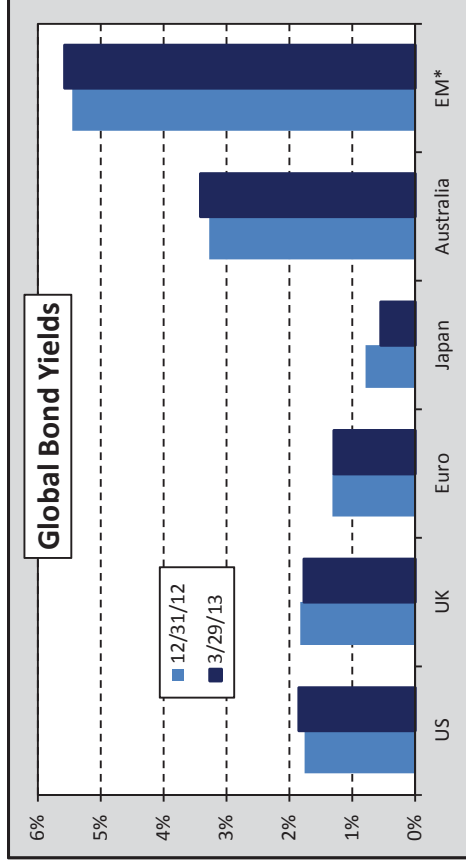


Source: US Treasury as of 3/31



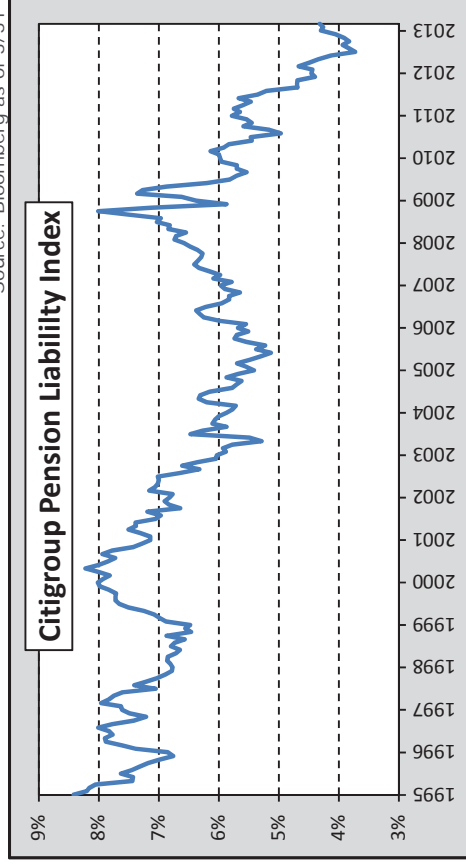
Fed Funds rate remained at 0.25% while the 10 Yr. Treasury Yield finished March at 1.85%.

Source: Bloomberg as of 3/31



Bond yields across the globe have experienced mixed changes in 2013.

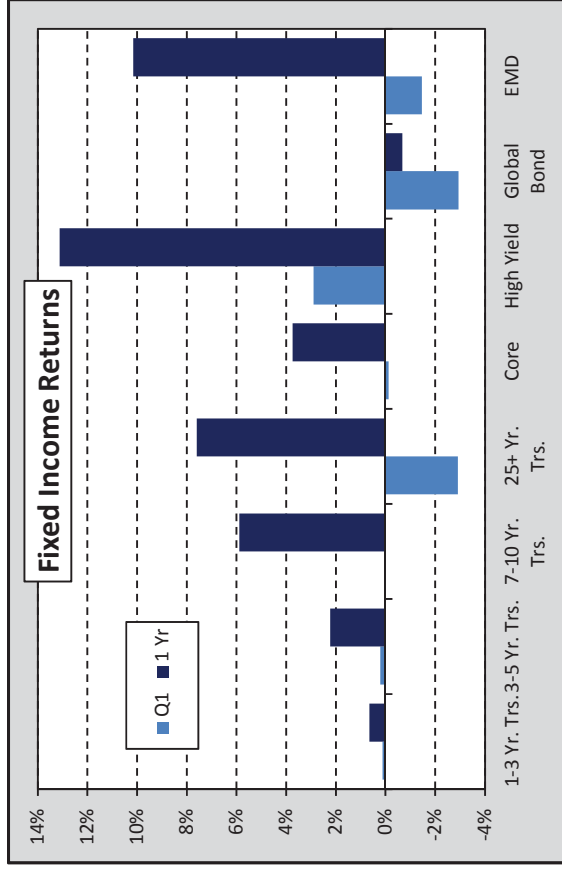
Source: Bloomberg as of 3/31



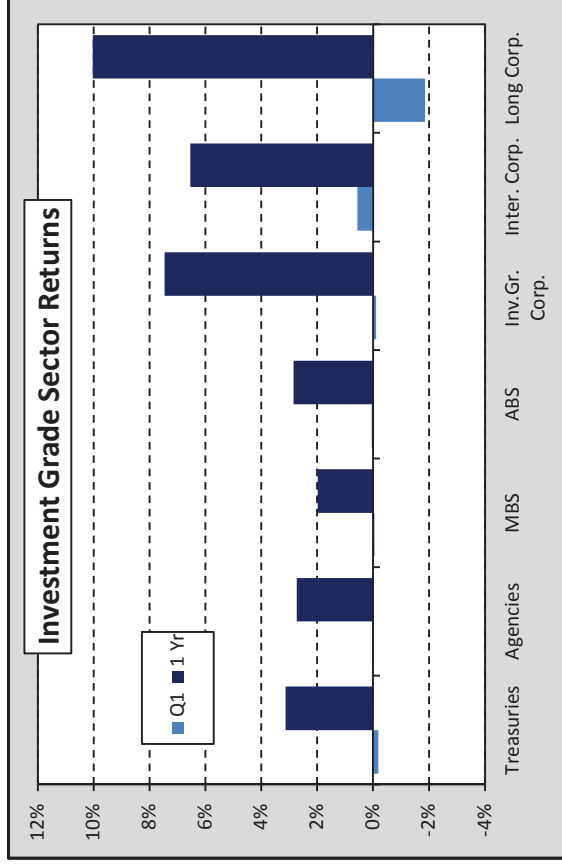
Citi Pension discount rate rose slightly to 4.32% through March, but remained near all-time lows.

Source: Citigroup as of 3/31

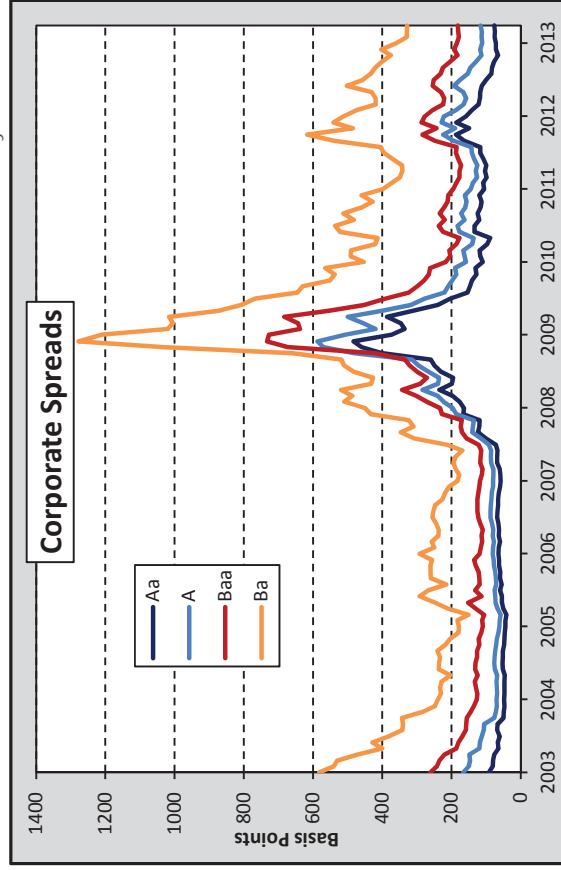
Fixed Income Performance



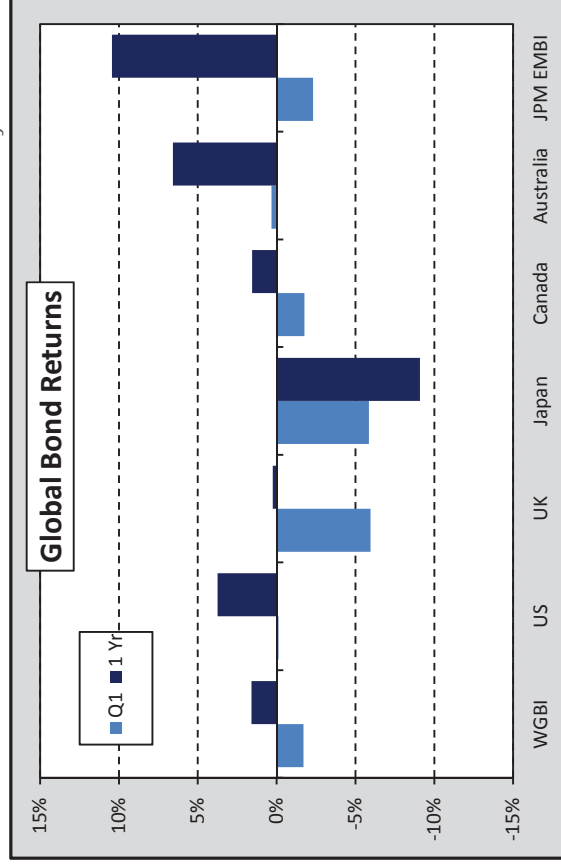
Source: Barclays as of 3/31



Source: Barclays as of 3/31

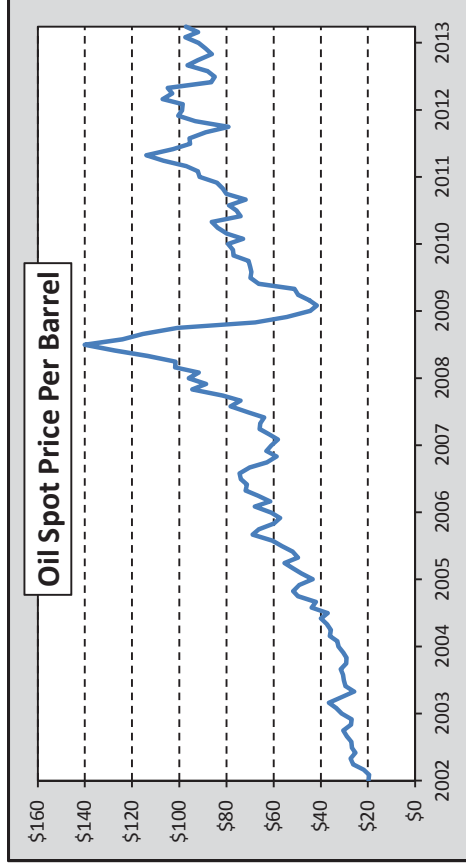


Source: Barclays as of 3/31

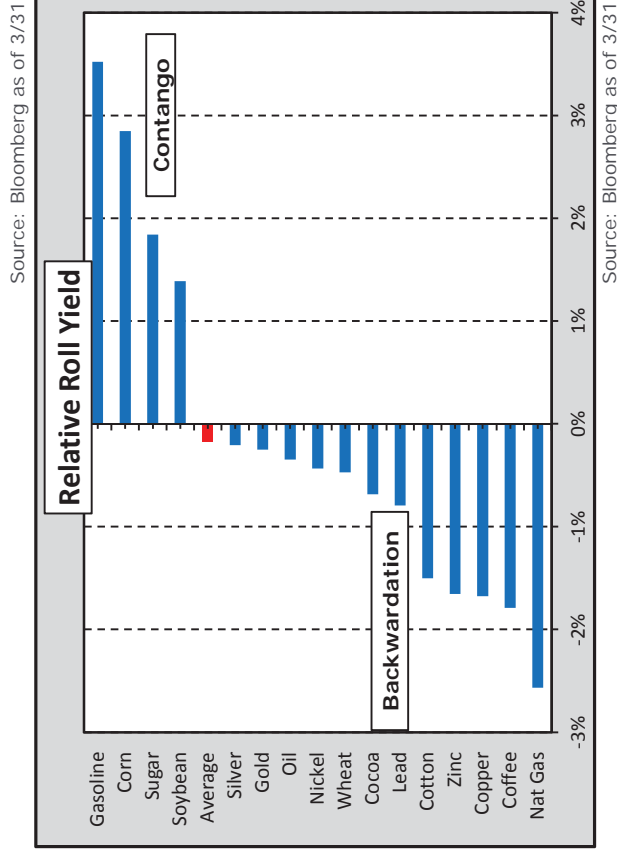


Source: Barclays, Bloomberg as of 3/31

City of San Jose Police and Fire Department Retirement Plan
 Market Environment – Commodities

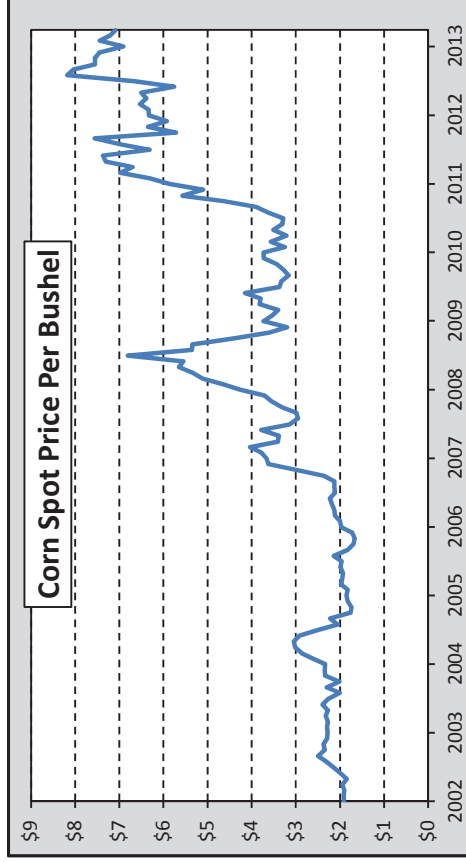


Oil prices finished March up at \$97.23 per barrel.

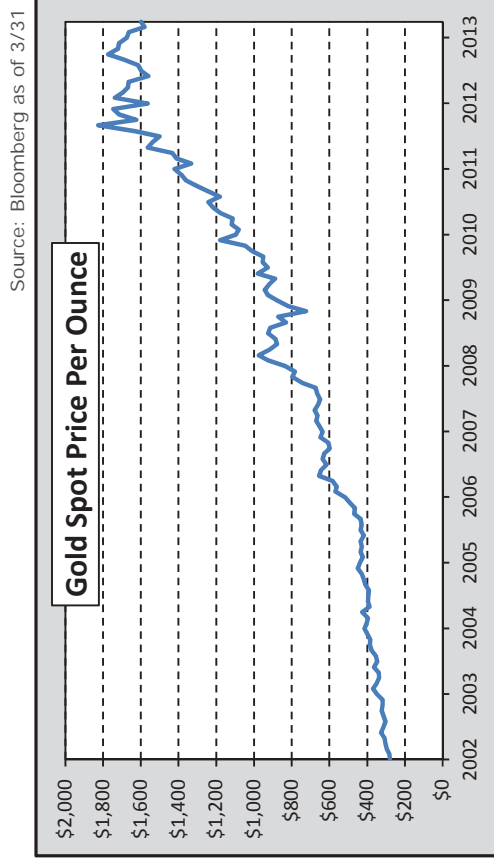


Source: Bloomberg as of 3/31

Source: Bloomberg as of 3/31



Corn prices finished March up at \$7.50 per bushel.



Source: Bloomberg as of 3/31

Gold prices finished March at \$1,598.75 per ounce

Source: Bloomberg as of 3/31



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