

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM
PERFORMANCE MONITORING REPORT
JUNE 30, 2009

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TABLE OF CONTENTS

	SECTION
Capital Market Review	I
Total Fund.....	II
Domestic Equity	III
International Equity.....	IV
Total Fixed Income	V
Real Estate	VI
Appendix	

> General Comments

- U.S. equity markets rebounded sharply during the second quarter of 2009, registering the best quarterly performance since 1998. The Dow Jones Industrial Average rose 12.0% while the S&P 500 climbed 15.2% in the second quarter.
- The U.S. economy showed mixed signs of improvement as the Conference Board's Consumer Confidence Index posted its largest 1-month increase in six years, rising 14.1 to 54.8 in May. Although the index posted strong gains during the first two months of the quarter, it fell 5.5 in June ending the quarter at 49.3.
- U.S. Federal Reserve Chairman, Ben Bernanke, testified before Congress that recent data supports a slowing in economic contraction. Simultaneously, the Fed elected to keep the key short-term interest rate at the historically low range of 0 - .25%.
- Despite signs of an easing U.S. labor market, the economy has lost 6.5 million jobs since December 2007. The unemployment rate continued to rise during the quarter, ending the period at 9.5%. This marked the ninth consecutive month of increases in unemployment and the highest U.S. unemployment rate since 1983.
- Oil prices edged upward during the quarter, rising above \$70/barrel in June and ending the month at \$73.38. Analysts note that while oil inventories remain relatively high, recent inflows into commodities have steadily driven prices higher.
- After losing ground during the first two months of year, emerging markets indices have experienced a sharp rebound. Frontier markets have led returns and the MSCI BRIC Index has advanced 47.9% year to date.
- The U.S. dollar fell to a 6-month low against the euro in early June but rebounded slightly as the quarter came to a close. Simultaneously, the U.K. pound strengthened to an 8-month high. The dollar also fell against the yen which strengthened during the second quarter.
- For the period ending 6/30/09, the one quarter return for the NAREIT index was 28.86%, the one year return was (43.29%), and the three years return was (18.01%).
- The poor returns in the public indexes have been a major driver of banks' loan losses. According to a report by Real Capital Analytics, about \$2.2 trillion of U.S. commercial properties bought or refinanced since early 2004 have fallen below the price at which they changed hands.
- While for the most part the real estate news is dismal, there have been some positive announcements. For example, at the end of July, the S&P Case-Shiller Index, which reviews prices in 20 metropolitan areas, bottomed out, and the Radar Logic RPX Monthly Housing Market Report reported a two-month increase of 4.8% in the price paid per square foot since late March.

MARKET SUMMARY

Equity Markets

U.S.	QTR	1 Year
S&P 500	15.9	-26.2
Dow Jones Industrial Average	12.0	-23.0
NASDAQ	20.5	-18.8
Russell 1000	16.5	-26.7
Russell 2000	20.7	-25.1
Russell 3000	16.8	-26.6
Non-U.S.		
MSCI EAFE (Net)	25.4	-31.4
MSCI Emerging Markets (Net)	34.7	-28.1
MSCI All Country World ex U.S.	22.3	-29.3

Bond Markets

U.S.	QTR	1 Year
Barclays Capital Aggregate	1.8	6.1
Barclays Capital Gov/ Credit	2.8	5.3
Barclays Capital Universal	2.9	4.9
Barclays Capital Corp. High Yield	23.1	-2.4
Non-U.S.		
CG Non-U.S. World Govt.	5.4	3.5

Non-Public Markets

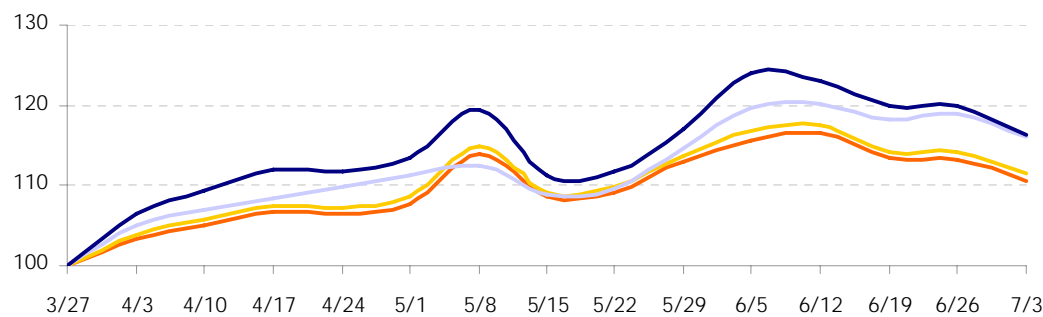
lagged quarterly

	QTR	1 Year
NCREIF Property	-7.3	-14.7
State Street Private Equity Index	-6.7	-28.4

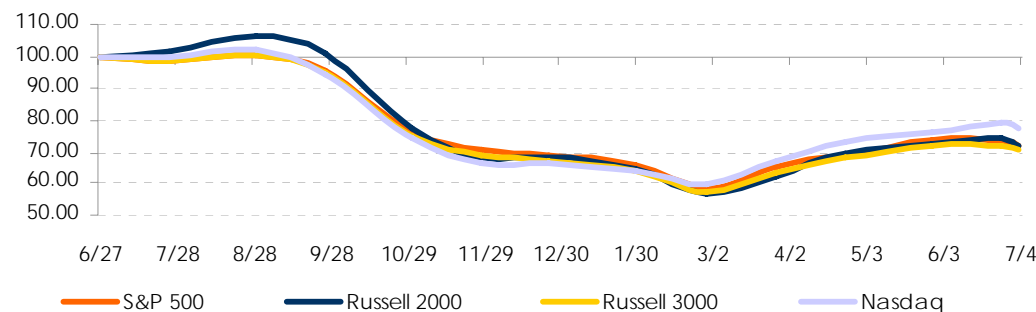
U.S. Equity Market

- U.S. equities continued a sharp rally into mid-June as the Dow Jones Industrial Average, the S&P 500, and the NASDAQ advanced to their highest levels since early January. Both the S&P 500 and the NASDAQ posted double digit gains for the quarter, while the Dow rose 8.6%.
- On both a year-to-date and trailing 12-month basis, the information technology heavy NASDAQ produced the best results, out-performing the Dow Jones Industrial Average, the S&P 500, the Russell 1000, and the Russell 3000 indices.

Equity Index - Quarter Growth Rate



Equity Index - 1-Year Growth Rate

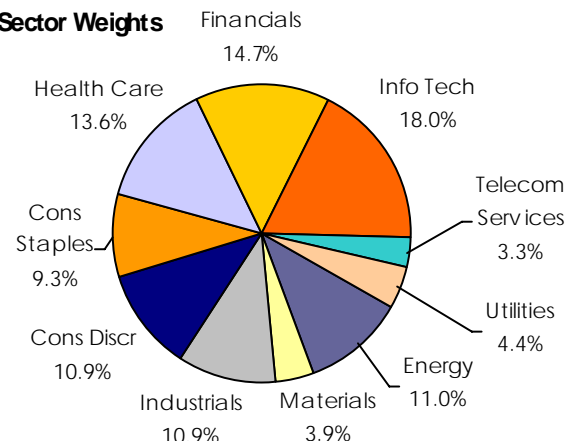


DOMESTIC MARKETS

Domestic Equity - Russell 3000

- The majority of Russell 3000 Index sectors delivered double digit returns during the second quarter with the financial and information technology sectors posting the strongest results for the quarter (+28.4% and +21.2% respectively). Conversely, the weakest performance was generated in the telecommunication services sector (+4.9%).
- Gains for the Russell 3000's two heaviest sector weightings (information technology and financials) contributed nearly half of the index's second quarter return. Financial sector performance was strengthened by gains for securities in the banking and diversified financials industries, while the information technology sector benefited from advances for positions in the office electronics and electronic equipment and instruments industries.
- On a 1-year basis, the consumer staples and health care sectors have provided the best down-side risk, while the energy and materials sectors experienced the largest declines.

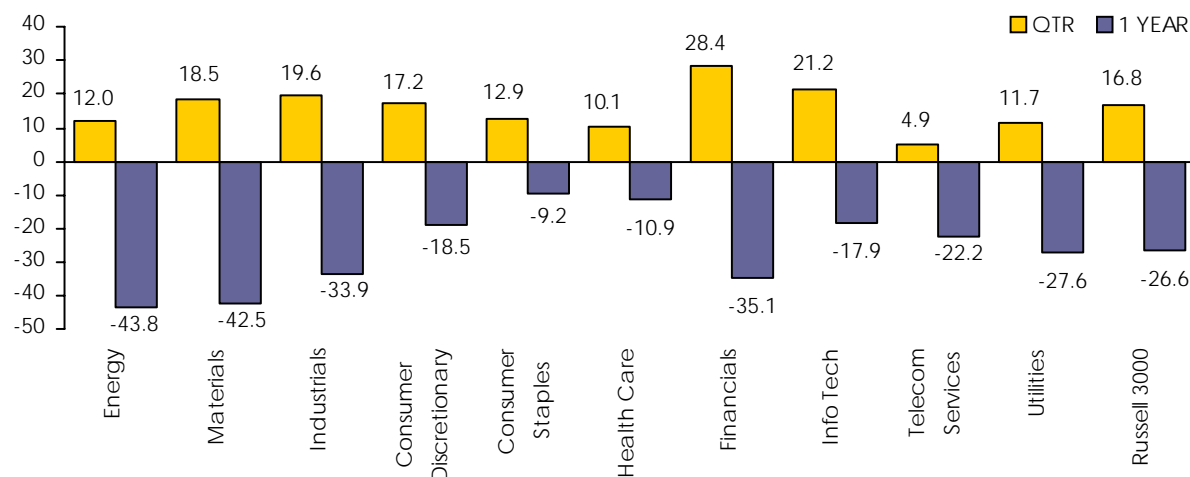
Ending Sector Weights



Characteristics

Div Yield (%)	2.2
P/B Ratio	3.0
P/E Ratio	19.8
Fundamental Beta	1.0
Market Cap \$(MM)	58,718

Sector Returns (%)



Contribution to Return:

Qtr	1.4	0.7	2.1	1.9	1.3	1.5	3.6	3.7	0.2	0.5	16.8
1 Yr	-4.8	-1.7	-3.7	-2.0	-0.9	-1.5	-5.2	-3.2	-0.7	-1.2	-26.6

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Second Quarter 2009

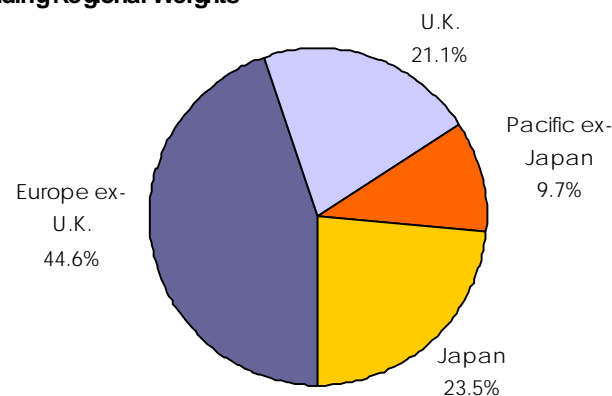
Capital Market Review

INTERNATIONAL MARKETS

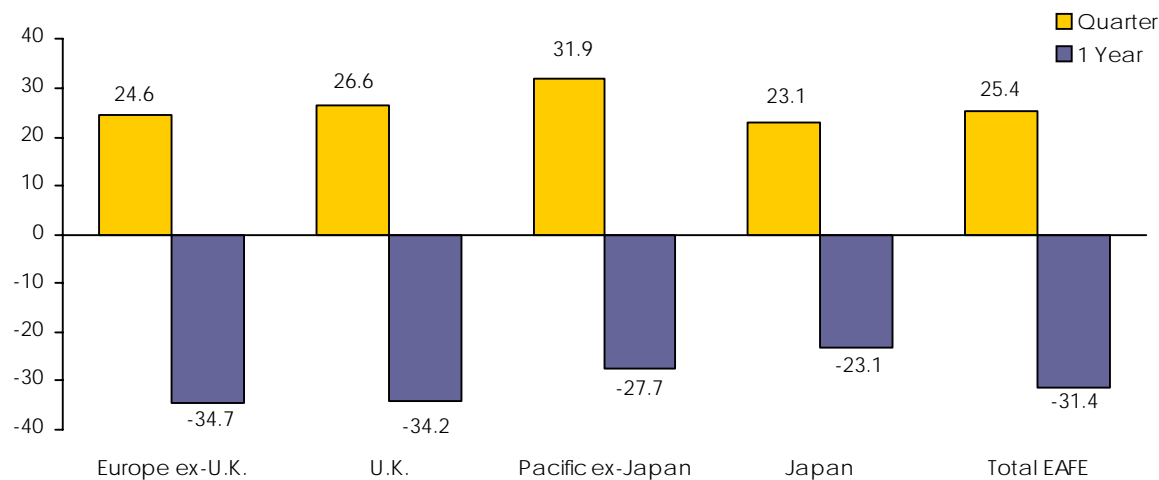
Developed Equity—MSCI EAFE (Net)

- The MSCI EAFE Index gained 25.4% during the second quarter of 2009. This marked the index's first positive quarter since 3Q 2007.
- Pacific ex-Japan was the top-performing region during the second quarter, driven by advances in Singapore (+43.1%) and Hong Kong (+33.8%). Outside of Asia, the U.K. market (+26.6%) out-performed the broader Europe ex-U.K. region (+24.6%), but countries such as Greece (+38.9%), Spain (+36.6%), and Sweden (+34.8%) posted some of the strongest results of the period.
- Over the trailing 12 months, declines for Europe- and U.K.-based holdings have had the most adverse impact on MSCI EAFE Index performance.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

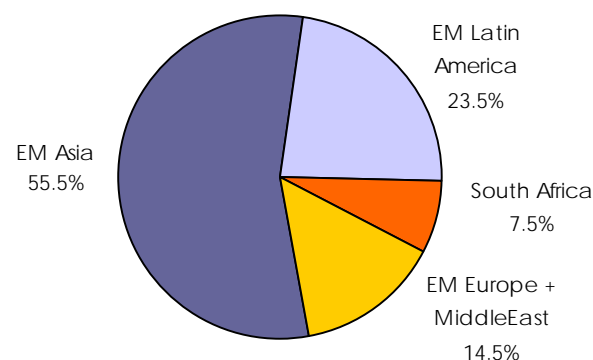
Qtr	11.9	5.7	3.1	4.6	25.4
1 Yr	-15.5	-7.2	-3.0	-5.4	-31.4

INTERNATIONAL MARKETS

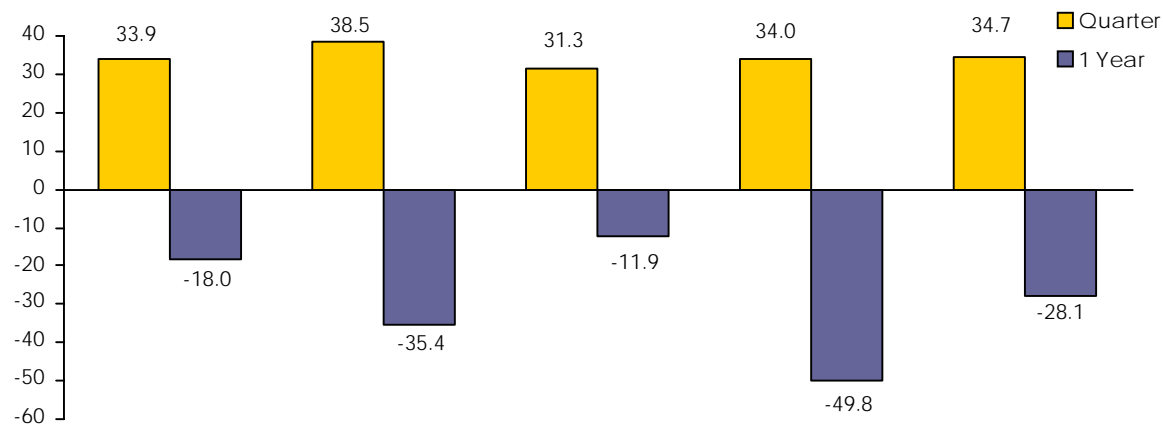
Emerging Markets Equity - MSCI EM (Net)

- During the second quarter, the MSCI Emerging Markets ("EM") Index jumped 34.7%, despite negative performance in June. The index closed the quarter rebounding to 3Q 2008 levels.
- The EM Index delivered its best 1-month return in more than 15 years (+17.1%) in May and advanced 36.0% year to date as of June 30, 2009.
- On a regional basis, positions in Latin America posted the best performance in the second quarter (+38.5%) followed closely by advances for securities in developing markets in Asia (+33.9%). Over the trailing 12 months, South Africa-based holdings have delivered the greatest downside protection (-11.9%), while Europe & Middle East holdings have endured the most significant declines (-49.8%).

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

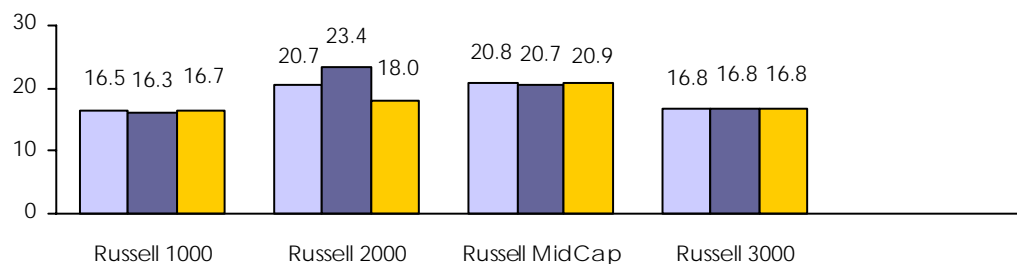
Qtr	19.5	8.4	2.3	4.6	34.7
1 Yr	-10.0	-8.3	-0.9	-7.2	-28.1

STYLE & CAPITALIZATION

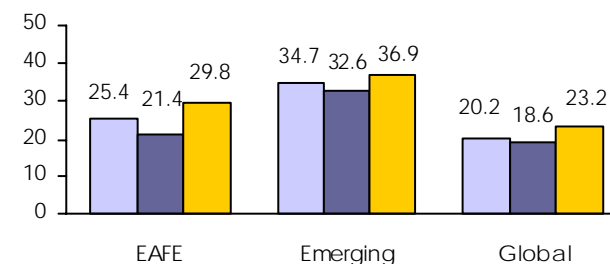
Style & Capitalization Returns

- The Russell 1000 Value Index narrowly out-performed its growth counterpart during the second quarter, but trailed the growth index for the 12-month period ending June 30, 2009. The small-cap growth segment of the Russell series, the Russell 2000 Growth Index, posted the greatest gains in the second quarter and had the largest disparity between its value and growth components. U.S. equity markets made significant advances during the second quarter, but remain negative over the trailing 1-year.
- In non-U.S. equities, emerging markets indices generated unprecedented performance results over the quarter and year-to-date periods. In particular, the value segments of these equity markets have delivered strong returns relative to growth. In developed EAFE countries, growth stocks provided the best returns in June, but the value component of the MSCI EAFE Index provided the greatest return over the quarter and year-to-date periods.

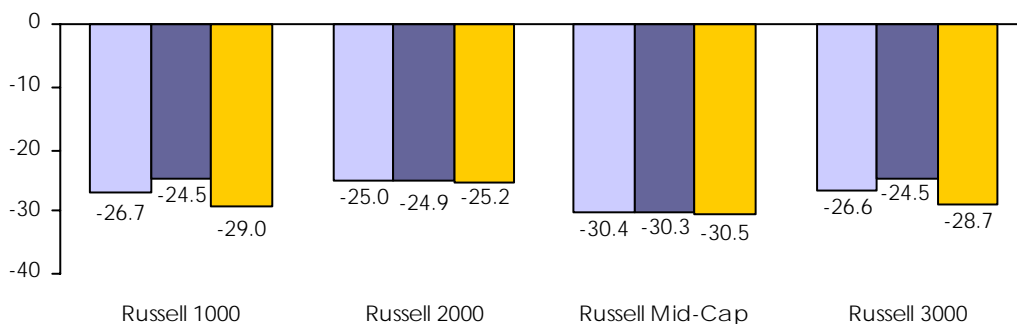
Russell U.S. Style Returns - Quarter



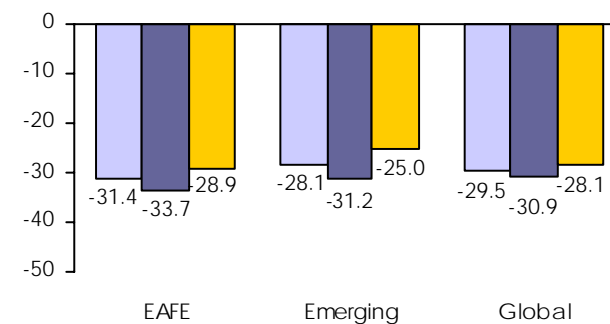
MSCI Non-U.S. Style Returns - Quarter



Russell U.S. Style Returns - 1 Year



MSCI Non-U.S. Style Returns - 1 Year

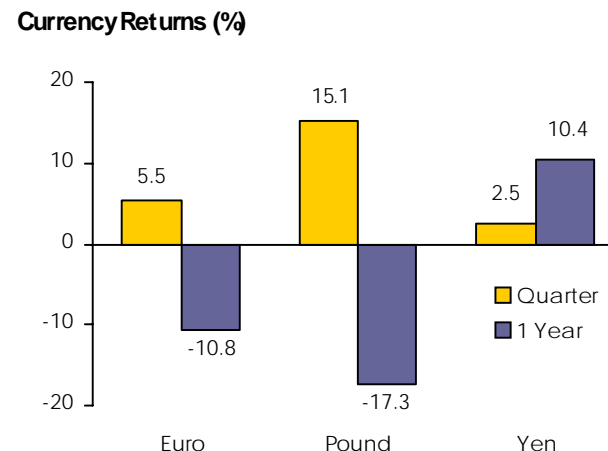


□ Neutral ■ Growth ■ Value

CURRENCY AND BOND MARKETS

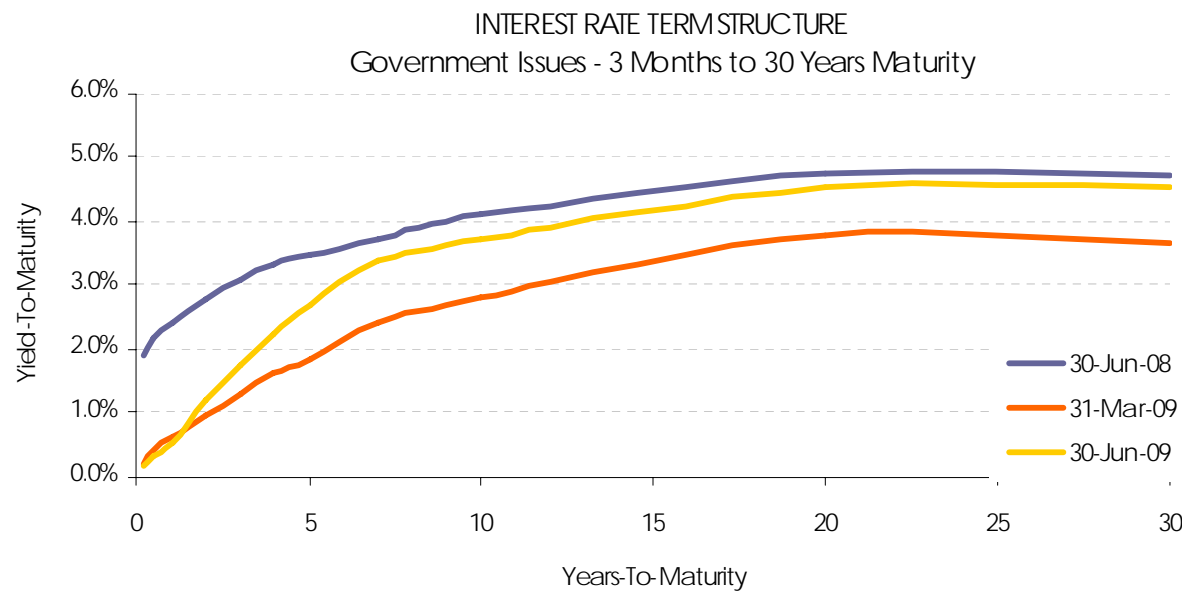
Currency Markets

- The dollar weakened against a basket of foreign currencies including the euro, pound, and yen as investors began to embrace riskier assets during the second quarter.
- The pound strengthened considerably over the 3-month period gaining 15.1%. In mid-June the pound moved to an 8-month high relative to the dollar, but the currency still remains well below its peak registered in October 2007.
- The euro strengthened during the first two months of the quarter, but remained relatively flat in June as mixed economic data tempered the currency's outlook.
- Conversely, the yen weakening slightly in the first month of the quarter, but regained ground on the dollar later in the period as economic optimism cooled in U.S. financial markets.



Yield Curve

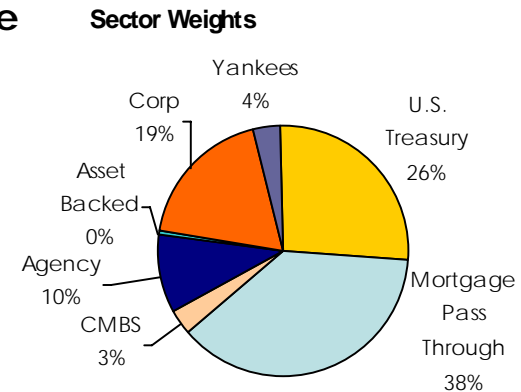
- The Fed continued to hold the key short term interest rate at the historically low range of 0 - 0.25% during the second quarter.
- Amid large U.S. government purchases of mortgage-backed securities and Treasuries, the gap between yields of the 2-year Treasury and the 10-year note widened to its highest point ever during May.



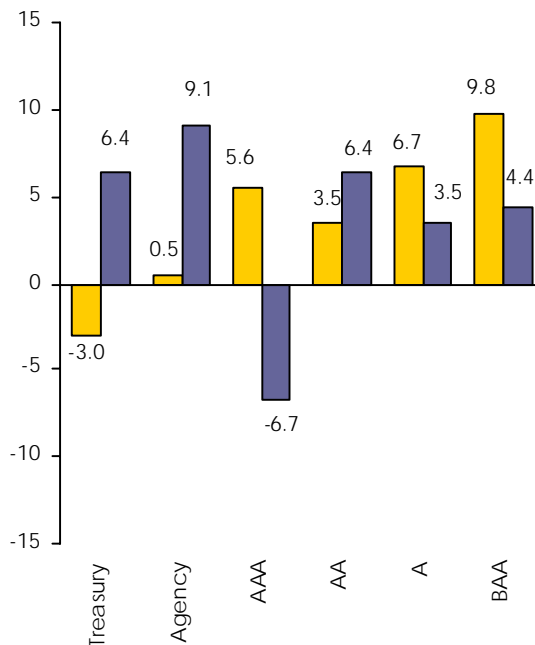
BOND MARKETS

U.S. Bond Market Returns - Barclays Capital Aggregate

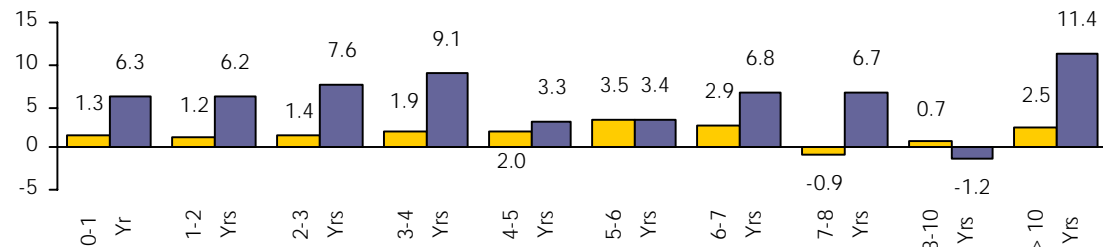
- During the second quarter, the Barclays Capital Aggregate Bond Index posted its third consecutive quarter of positive performance, resulting in a 1-year gain of 6.1%.
- The corporate and commercial mortgage-backed security ("CMBS") sectors provided the strongest returns during the quarter, however the CMBS sector continued to post negative performance over the trailing 12 months (-15.5%).
- Moderate duration instruments tended to generate the highest returns during the quarter, while long duration instruments produced most compelling 1-year returns.
- Lower quality issues led returns in the second quarter, but agencies and Treasuries generated the greatest 1-year performance.



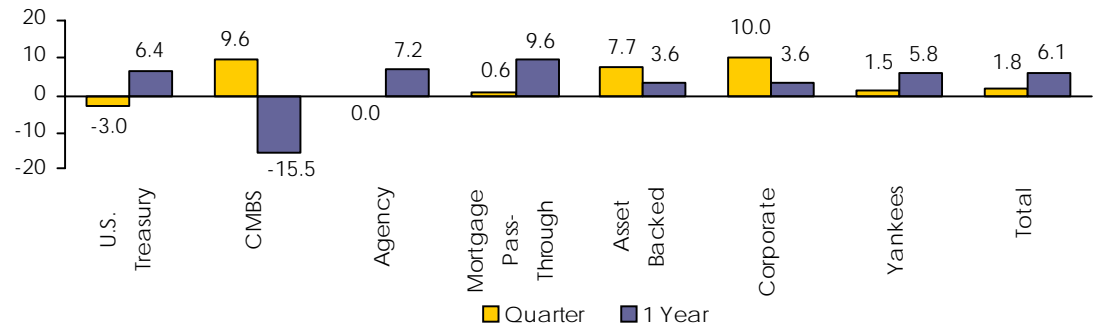
Quality Performance (%)



Duration Performance (%)



Sector Performance (%)



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Performance Summary

Gross of Fees

	1 QTR		CALENDAR YTD		FISCAL YTD		3 YEAR		5 YEAR		10 YEAR		INCEPTION		WATCHLIST PROBATION
	RETURN	RANK*	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	DATE	
FCERS TOTAL FUND	10.6%	58	3.8%	55	-16.8%	35	-2.1%	26	2.4%	39	4.0%	19	6.9%	Jan-94	
<i>Policy Index**</i>	<i>11.9%</i>	<i>34</i>	<i>4.0%</i>	<i>54</i>	<i>-15.2%</i>	<i>19</i>	<i>-1.6%</i>	<i>17</i>	<i>2.7%</i>	<i>31</i>	<i>3.5%</i>	<i>29</i>	<i>6.8%</i>		
<i>Excess return</i>	<i>-1.3%</i>		<i>-0.2%</i>		<i>-1.6%</i>		<i>-0.5%</i>		<i>-0.3%</i>		<i>0.5%</i>				
<i>CPI Index</i>	<i>0.8%</i>		<i>1.4%</i>		<i>-1.2%</i>		<i>2.1%</i>		<i>2.6%</i>		<i>2.6%</i>				
<i>Total Public Funds >\$100 Million Median</i>	<i>11.1%</i>		<i>4.1%</i>		<i>-17.9%</i>		<i>-2.8%</i>		<i>2.1%</i>		<i>3.0%</i>				
<i>Total Corporate Funds Median</i>	<i>11.1%</i>		<i>4.8%</i>		<i>-15.4%</i>		<i>-2.1%</i>		<i>2.4%</i>		<i>3.2%</i>				
<i>Total Endowments & Foundations Median</i>	<i>11.2%</i>		<i>5.8%</i>		<i>-16.6%</i>		<i>-2.4%</i>		<i>2.1%</i>		<i>2.9%</i>				
US EQUITY MANAGERS															
<i>Atlanta Capital Management</i>	<i>17.0%</i>	<i>22</i>	<i>10.5%</i>	<i>45</i>	<i>-24.0%</i>	<i>37</i>	<i>-4.2%</i>	<i>23</i>	<i>-0.5%</i>	<i>40</i>	<i>-1.1%</i>	<i>57</i>	<i>2.3%</i>	<i>Sep-98</i>	
<i>Russell 1000 Growth Index</i>	<i>16.3%</i>	<i>29</i>	<i>11.5%</i>	<i>36</i>	<i>-24.5%</i>	<i>42</i>	<i>-5.4%</i>	<i>37</i>	<i>-1.8%</i>	<i>77</i>	<i>-4.2%</i>	<i>98</i>	<i>-0.2%</i>		
<i>Brandywine Asset Management</i>	<i>17.0%</i>	<i>98</i>	<i>-6.1%</i>	<i>98</i>	<i>-27.9%</i>	<i>87</i>	<i>-13.4%</i>	<i>78</i>	<i>-4.1%</i>	<i>83</i>	<i>4.4%</i>	<i>85</i>	<i>4.7%</i>	<i>Jun-99</i>	1Q08
<i>Russell 2000 Value Index</i>	<i>18.0%</i>	<i>87</i>	<i>-5.2%</i>	<i>91</i>	<i>-25.2%</i>	<i>69</i>	<i>-12.1%</i>	<i>67</i>	<i>-2.3%</i>	<i>68</i>	<i>5.0%</i>	<i>85</i>	<i>5.3%</i>		2Q09
<i>Dodge & Cox Equity</i>	<i>21.7%</i>	<i>20</i>	<i>4.8%</i>	<i>29</i>	<i>-28.6%</i>	<i>66</i>	<i>-12.0%</i>	<i>72</i>	<i>-2.3%</i>	<i>71</i>			<i>-2.3%</i>	<i>Jul-04</i>	
<i>Russell 1000 Value Index</i>	<i>16.7%</i>	<i>67</i>	<i>-2.9%</i>	<i>93</i>	<i>-29.0%</i>	<i>77</i>	<i>-11.1%</i>	<i>63</i>	<i>-2.1%</i>	<i>64</i>			<i>-2.1%</i>		
<i>Eagle Asset Management</i>	<i>24.3%</i>	<i>24</i>	<i>10.8%</i>	<i>51</i>	<i>-24.4%</i>	<i>48</i>	<i>-3.6%</i>	<i>14</i>	<i>2.5%</i>	<i>22</i>	<i>4.1%</i>	<i>55</i>	<i>3.0%</i>	<i>Jun-98</i>	
<i>Russell 2000 Growth Index</i>	<i>23.4%</i>	<i>29</i>	<i>11.4%</i>	<i>46</i>	<i>-24.8%</i>	<i>51</i>	<i>-7.8%</i>	<i>53</i>	<i>-1.3%</i>	<i>72</i>	<i>-0.9%</i>	<i>94</i>	<i>0.0%</i>		
<i>NTGI Russell 3000</i>	<i>16.9%</i>	<i>19</i>	<i>4.3%</i>	<i>30</i>	<i>-26.5%</i>	<i>67</i>	<i>-8.2%</i>	<i>72</i>	<i>-1.7%</i>	<i>43</i>			<i>-1.0%</i>	<i>Sep-99</i>	
<i>Russell 3000 Index</i>	<i>16.8%</i>	<i>20</i>	<i>4.2%</i>	<i>33</i>	<i>-26.6%</i>	<i>68</i>	<i>-8.3%</i>	<i>75</i>	<i>-1.8%</i>	<i>46</i>			<i>-1.1%</i>		
<i>Wellington Management Co.</i>	<i>15.9%</i>	<i>60</i>	<i>9.6%</i>	<i>58</i>	<i>-28.1%</i>	<i>63</i>	<i>-6.0%</i>	<i>47</i>					<i>-3.6%</i>	<i>Sep-05</i>	
<i>Russell 3000 Growth Index</i>	<i>16.8%</i>	<i>54</i>	<i>11.5%</i>	<i>44</i>	<i>-24.5%</i>	<i>40</i>	<i>-5.7%</i>	<i>39</i>					<i>-3.7%</i>		
US Equity Composite	17.6%	46	5.2%	51	-26.8%	61	-8.1%	48	-1.5%	61	-0.2%	63			
<i>US Equity Benchmark***</i>	<i>17.2%</i>	<i>48</i>	<i>4.9%</i>	<i>53</i>	<i>-26.2%</i>	<i>54</i>									
<i>Excess return</i>	<i>0.4%</i>		<i>0.3%</i>		<i>-0.6%</i>										
<i>Russell 3000 Index</i>	<i>16.8%</i>	<i>52</i>	<i>4.2%</i>	<i>59</i>	<i>-26.6%</i>	<i>60</i>	<i>-8.3%</i>	<i>60</i>	<i>-1.8%</i>	<i>67</i>	<i>-1.5%</i>	<i>74</i>			
<i>US Equity Median</i>	<i>17.0%</i>		<i>5.5%</i>		<i>-26.0%</i>		<i>-8.1%</i>		<i>-0.9%</i>		<i>1.4%</i>				

* Ranking: 1 is best, 100 is worst. Total Fund and US Managers are ranked against their appropriate peer (style) groups. Asset Class composites are ranked against asset class universes.

** As of 7/1/05, the policy index is 34% Russell 1000/ 9% Russell 2000/ 29% BC Aggregate/ 7% Citi WGBI/ 15% MSCI ACWI-ex US/ 6% NCREIF Property.

***US Equity Benchmark is calculated by using the beginning US Equity managers market weight with its respective benchmark returns.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Performance Summary

Gross of Fees

	1 QTR		CALENDAR YTD		FISCAL YTD		3 YEAR		5 YEAR		10 YEAR		INCEPTION		WATCHLIST
	RETURN	RANK*	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	DATE	PROBATION
INTERNATIONAL EQUITY MANAGERS															
Boston Company	26.7%	27	13.1%	22	-20.9%	10	-5.4%	33	3.7%	58			11.4%	Mar-03	2Q07
MSCI ACWI -ex US	27.9%	17	14.4%	19	-30.5%	55	-5.4%	33	4.9%	29			11.4%		
Fisher Investments	27.7%	18	15.7%	16	-35.3%	83	-7.4%	71					0.4%	Jul-05	1Q09
McKinley Capital	16.3%	97	2.4%	84	-43.5%	99	-11.1%	96					-1.3%	Jul-05	2Q09
MSCI ACWI -ex US	27.9%	17	14.4%	19	-30.5%	55	-5.4%	33					2.1%		
International Equity Composite	23.3%	59	10.4%	38	-33.8%	75	-7.9%	79	2.6%	80	2.2%	86			
MSCI ACWI -ex US	27.9%	17	14.4%	19	-30.5%	55	-5.4%	33	4.9%	29	2.9%	79			
Excess return	-4.6%		-4.0%		-3.3%		-2.5%		-2.3%		-0.7%				
International Equity Median	24.5%		8.5%		-29.8%		-6.3%		4.0%		5.4%				
Private Equity	-10.0%		-18.7%		-23.8%		-3.6%						-3.9%	Jan-06	
S&P 500 Index + 3%	16.0%		4.6%		-23.2%		-5.2%						-3.3%		
Excess return	-26.0%		-23.3%		-0.6%		1.6%								
US FIXED INCOME MANAGERS															
BlackRock	4.9%	40	5.3%	51	3.2%	77	4.9%	77	4.4%	75			4.5%	Oct-02	2Q09
BC Aggregate Index	1.8%	83	1.9%	88	6.1%	47	6.4%	44	5.0%	53			4.6%		
Dodge & Cox Fixed Income	7.0%	16	7.3%	21	5.6%	52	5.6%	66	4.7%	64			6.3%	Oct-99	2Q09
BC Aggregate Index	1.8%	83	1.9%	88	6.1%	47	6.4%	44	5.0%	53			6.1%		
Mackay Shields*													2.8%	May-09	
ML High Yield Index													10.1%		
Seix*													1.9%	May-09	
CS Leveraged Loan Index													9.8%		
US Fixed Income Composite	5.7%	37	6.0%	44	4.2%	53	5.2%	61	4.6%	62	5.8%	66			
BC Aggregate Index	1.8%	71	1.9%	79	6.1%	36	6.4%	37	5.0%	46	6.0%	56			
Excess return	3.9%		4.1%		-1.9%		-1.2%		-0.4%		-0.2%				
US Fixed Income Median	4.5%		5.4%		4.6%		5.9%		5.0%		6.1%				
GLOBAL FIXED INCOME MANAGER															
Loomis Sayles	11.0%	42	7.0%	49	1.9%	41	6.5%	36					4.3%	Feb-05	
Citi WGBI	3.5%	87	-1.5%	95	4.0%	31	7.8%	28					4.5%		
Global Fixed Income Composite	11.0%	42	7.0%	49	1.9%	41	6.5%	36	6.0%	38	6.3%	82			
Citi WGBI	3.5%	87	-1.5%	95	4.0%	31	7.8%	28	6.1%	38	6.5%	75			
Excess return	7.5%		8.5%		-2.1%		-1.3%		-0.1%		-0.2%				
Global Fixed Income Median	9.1%		6.9%		0.4%		5.4%		5.7%		7.3%				
Total Fixed Income Composite	6.7%		6.3%		3.8%		5.5%		4.9%		6.0%				

* Mackay Shields and Seix are funded in April 30, 2009.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Performance Summary

Gross of Fees

	1 QTR		CALENDAR YTD		FISCAL YTD		3 YEAR		5 YEAR		10 YEAR		INCEPTION		WATCHLIST
	RETURN	RANK*	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	DATE	PROBATION
REAL ESTATE MANAGERS*															
One Quarter Lag**															
American Realty	-12.9%	85	-19.4%	59	-18.5%	24							-3.5%	Jan-07	
NCREIF Property Index - One Qtr Lag	-7.3%	71	-15.0%	41	-14.7%	20							1.9%		
DRA Growth & Income V	1.2%	19	-7.3%	27	-5.8%	14	6.1%	11					6.4%	Dec-05	
NCREIF Property Index - One Qtr Lag	-7.3%	71	-15.0%	41	-14.7%	20	4.1%	15					7.3%		
DRA Growth & Income VI	3.2%	13	-8.2%	28	-0.9%	10							3.3%	Nov-07	
NCREIF Property Index - One Qtr Lag	-7.3%	71	-15.0%	41	-14.7%	20							-4.4%		
GEAM Asset LP	-3.9%	57	-5.2%	25	-25.9%	39							-7.1%	Aug-06	
NCREIF Property Index - One Qtr Lag	-7.3%	71	-15.0%	41	-14.7%	20							4.3%		
Current Quarter															
Fidelity LP	-1.7%	54	29.1%	1	-15.6%	20	15.6%	2	22.9%	1			19.7%	Mar-01	
NCREIF Property Index	-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29			7.8%		
Fidelity Growth Fund III	-37.6%	98	-47.7%	96	-52.6%	90							-45.6%	Aug-07	
NCREIF Property Index	-5.2%	62	-12.1%	34	-19.6%	26							-6.5%		
MIG Realty Advisors***	-26.3%	97	-26.3%	76	-26.3%	40	3.7%	17	0.7%	78	11.4%	20	11.2%	Dec-94	
NCREIF Property Index	-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36	9.5%		
PRISA	-13.3%	87	-26.7%	77	-37.1%	69	-6.9%	70	2.7%	68			2.7%	Jul-04	
NCREIF Property Index	-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29			7.6%		
Real Estate Composite	-10.7%	80	-18.5%	55	-24.3%	37	0.7%	26	6.8%	33	10.8%	21			
NCREIF Property Index	-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36			
Excess return	-5.5%		-6.4%		-4.7%		-0.3%		-0.8%		2.3%				
Real Estate Fund Median	0.0%		-16.4%		-29.3%		-2.8%		5.5%		8.0%				
Cash Account****	0.3%		0.7%		2.1%		5.2%								
91 Day T-Bill Index	0.1%		0.1%		1.0%		3.2%								

* Real Estate returns calculated by SIS effective April 2008, and is linked with returns provided by previous consultant.

** American Realty, DRA and GEAM represent market values lagged one quarter, adjusted for cash flows through June 30, 2009.

*** MIG Realty Advisors value annually. Value appraised in April 2009 was \$10,500,000 and June 2009 is \$8,700,000.

**** STIF return only, Cash Account includes security lending income and brokers commission. Cash Balance includes Security Lending Collateral Liabilities of (\$1,735,191).

SAN JOSE FEDERATED CITY EMPLOYEES RET SYSTEM

Second Quarter 2009

Executive Performance Summary

- The total plan returned 10.6% in the second quarter of 2009, and ranked in the 58th percentile among all public funds greater than \$100 million, with a median return of 11.1%. The fund trailed its policy index of 11.9% during this time period. The one year -16.8% return ranked in the second quartile of large public plans (median -17.9%). Longer-term, the ten-year return of 4.0% is above its policy index and ranked in the top 20% among all public plans.
- Second quarter results were enhanced by the following factors:
 1. The passive Northern Trust Russell 3000 Index Fund, 16.9%, led the Russell 3000 Index return of 16.8% and ranked above the large core manager median of 16.0%. NT edged out the Russell 3000 Index for the year, at -26.5% vs. -26.6%.
 2. Atlanta appreciated 17.0%, ranked in the 22nd percentile among its large cap growth managers, and beat the Russell 1000 Growth Index, 16.3%. Its triple-weight in the Financials, plus strong stock selection in the Healthcare (Medtronic, Stryker Corp) sector, contributed to performance. Atlanta lost 24.0% for the year, ranking in the 37th percentile among its peers.
 3. Dodge & Cox-Equity, 21.7%, led its benchmark and ranked above the large cap value manager median of 17.4%. The Russell 1000 Value Index returned 16.7% during the quarter. Significant relative overweight to the Info Tech sector plus stock selection in Energy (Schlumberger, Baker Hughes) and Info Tech (Motorola, Xerox) were positive factors to performance. For the year, D & C's -28.6% return ranked below peer median. Its benchmark was down 29.0%.
 4. Eagle, 24.3%, out-performed the Russell 2000 Growth Index, 23.4%, and ranked above the median small growth managers (20.8%). Eagle was boosted by its stock selection in the Healthcare (Eclipsys, Bio Reference Labs) and Consumer Staples (Herbalife) sectors, and its intra-quarter trading. Its one-year return, -24.4%, was just ahead of its benchmark, -24.8%.
 5. BlackRock's return of 4.9% ranked in the 40th percentile among its core bond peer group. The Barclays Aggregate Index returned 1.8%. BlackRock's non-Agency MBS and non-dollar allocation, corporate security selection, plus CMBS and ABS relative overweight, helped performance. Its one-year return of 3.2% ranked 77th among its peers.

SAN JOSE FEDERATED CITY EMPLOYEES RET SYSTEM

Second Quarter 2009

Executive Performance Summary

6. The Dodge & Cox-Fixed Income's 7.0% return led its benchmark, the Barclays Capital Aggregate Index, 1.8%, and ranked in the top quartile among core bond managers, with a median return of 4.3%. D&C's overweight in the financials sector significantly contributed to relative performance. GMAC, Ford Motor Credit, SLM, Citigroup, Dillard's, Macy's and Dow Chemical had strong recoveries. D&C's one-year return of 5.6% was behind its benchmark return, 6.1%, and ranked just below the median core bond manager.
 7. The Fund's global bond manager, Loomis Sayles, gained 11.0%, and ranked in the second quartile among its peers. Its benchmark, the Citigroup World Government Bond Index Unhedged returned 3.5%. The portfolio's overweight corporate positioning, and corresponding underweight in Treasuries and securitized assets, was performance additive. The best performing security was Merrill Lynch while the worst was a Brazilian bond issue. For the year, Loomis returned 1.9%, versus 4.0% for its benchmark.
- Second quarter results were hindered by the following factors:
 1. Brandywine's 17.0% quarterly return was behind the Russell 2000 Value Index return of 18.0% and ranked in the 98th percentile among its peers, with a median of 24.1%. Brandywine was held back by its Consumer Discretionary (Carrols Restaurant, Group 1 Automotive) and Info Tech (Methode Electronics, Vishay Intertechnology, Electro Scientific Industries) investments. Brandywine was down 27.9% for the year while its benchmark was down 25.2%.
 2. Wellington Management's quarterly return of 15.9% trailed the Russell 3000 Growth Index return of 16.8% by 90 basis points and ranked in the third quartile of all cap growth equity funds. Its security selection in the Financials (WR Berkley) and Industrials (ITT Educational Services, Corinthian Colleges, Apollo Group) sectors and portfolio turnover, detracted from alpha. The one year performance for Wellington, -28.1%, was below its benchmark, -24.5%, and ranked below its peer median.
 3. The Boston Company's 26.7% return trailed the MSCI ACWI -ex US, 27.9%, but still ranked in the 27th percentile among international managers, whose median return was 24.5%. Relative performance was hurt by its underweight stance in India and Spain, and underweight positioning in financials and cyclical investments. TBC was down 20.9% for the year, ranking in the 10th percentile among international equity managers. Its benchmark was -30.5% during the same time period.

SAN JOSE FEDERATED CITY EMPLYS RET SYSTEM

Second Quarter 2009

Executive Performance Summary

4. Fisher was slightly behind the MSCI ACWI -ex US (27.7% vs. 27.9%). It ranked in the 18th percentile among its international equity manager peers (median 24.5%). An underweight allocation to Hong Kong and China and US dollar cash drag slightly dampened performance. The Fisher one-year return was unfavorable (-35.3% vs. -30.5% benchmark).
5. While it lagging its benchmark, McKinley Capital gained 16.3% and ranked 97th among international equity managers (median 24.5%). The MSCI ACWI -ex US was up 27.9%. Negative performance attribution came from Roche Holdings (Switzerland), Nokia (Finland), Xstrata PLC (UK). Major detractors on a country basis were from Canada and Japan. For the year McKinley fared worse than its benchmark (-43.5% vs. -30.5%).
6. The quarterly Real Estate Composite return of -10.7% fared worse than its peers and benchmark. The median manager and the NCREIF Index returns were 0.0% and -5.2%, respectively. Fidelity Growth III and MIG Realty were -37.6% and -26.3%, respectively, for the quarter. Longer term, the Real Estate Composite one-year return of -24.3% outperformed the real estate median -29.3%. The one-year return for the Russell NCREIF was -19.6%.
7. Private Equity Investments were down 10.0% during the quarter. The S&P 500 plus 300 bps benchmark was up 16.0%. Four percent of the Plan is currently allocated to this asset class.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Performance Summary

Net of Fees

	1 QTR	CALENDAR YTD	FISCAL YTD	3 YEAR	5 YEAR	10 YEAR	INCEPTION	
	RETURN	RETURN	RETURN	RETURN	RETURN	RETURN	RETURN	DATE
FCERS TOTAL FUND	10.5%	3.7%	-17.0%	-2.4%	2.1%	3.7%	6.6%	Jan-94
<i>Policy Index**</i>	<i>11.9%</i>	<i>4.0%</i>	<i>-15.2%</i>	<i>-1.6%</i>	<i>2.7%</i>	<i>3.5%</i>	<i>6.8%</i>	
US EQUITY MANAGERS								
Atlanta Capital Management	16.9%	10.2%	-24.3%	-4.7%	-0.9%	-1.6%	1.8%	Sep-98
Russell 1000 Growth Index	16.3%	11.5%	-24.5%	-5.4%	-1.8%	-4.2%	-0.2%	
Brandywine Asset Management	16.9%	-6.4%	-28.3%	-13.9%	-4.6%	3.8%	4.1%	Jun-99
Russell 2000 Value Index	18.0%	-5.2%	-25.2%	-12.1%	-2.3%	5.0%	5.3%	
Dodge & Cox Equity	21.6%	4.6%	-28.9%	-12.3%	-2.6%		-2.6%	Jul-04
Russell 1000 Value Index	16.7%	-2.9%	-29.0%	-11.1%	-2.1%		-2.1%	
Eagle Asset Management	24.1%	10.5%	-24.8%	-4.2%	1.9%	3.5%	2.3%	Jun-98
Russell 2000 Growth Index	23.4%	11.4%	-24.8%	-7.8%	-1.3%	-0.9%	0.0%	
NTGI Russell 3000	16.9%	4.3%	-26.5%	-8.3%	-1.8%		-1.0%	Sep-99
Russell 3000 Index	16.8%	4.2%	-26.6%	-8.3%	-1.8%		-1.1%	
Wellington Management Co.	15.7%	9.3%	-28.5%	-6.6%			-4.1%	Sep-05
Russell 3000 Growth Index	16.8%	11.5%	-24.5%	-5.7%			-3.7%	
INTERNATIONAL EQUITY MANAGERS								
Boston Company	26.6%	12.8%	-21.3%	-5.9%	3.1%		10.8%	Mar-03
MSCI ACWI -ex US	27.9%	14.4%	-30.5%	-5.4%	4.9%		11.4%	
Fisher Investments	27.5%	15.3%	-35.7%	-8.0%			-0.2%	Jul-05
McKinley Capital	16.2%	2.1%	-43.9%	-11.6%			-1.9%	Jul-05
MSCI ACWI -ex US	27.9%	14.4%	-30.5%	-5.4%			2.1%	
Private Equity	-10.0%	-18.7%	-23.8%	-3.6%			-3.9%	Jan-06
<i>S&P 500 Index + 3%</i>	<i>16.0%</i>	<i>4.6%</i>	<i>-23.2%</i>	<i>-5.2%</i>			<i>-3.3%</i>	

** As of 7/1/05, the policy index is 34% Russell 1000/ 9% Russell 2000/ 29% Barclays Aggregate/ 7% Citi WGBI/ 15% MSCI ACWI-ex US/ 6% NCREIF Property.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Performance Summary

Net of Fees

	1 QTR	CALENDAR YTD	FISCAL YTD	3 YEAR	5 YEAR	10 YEAR	INCEPTION
	RETURN	RETURN	RETURN	RETURN	RETURN	RETURN	RETURN
US FIXED INCOME MANAGERS							
BlackRock	4.7%	5.1%	2.9%	4.7%	4.2%		4.2% Oct-02
BC Aggregate Index	1.8%	1.9%	6.1%	6.4%	5.0%		4.6%
Dodge & Cox Fixed Income	7.0%	7.2%	5.5%	5.4%	4.6%		6.1% Oct-99
BC Aggregate Index	1.8%	1.9%	6.1%	6.4%	5.0%		6.1%
MacKay Shields****							2.8% May-09
ML High Yield Index							10.1%
Seix****							1.9% May-09
CS Leveraged Loan Index							9.8%
GLOBAL FIXED INCOME MANAGER							
Loomis Sayles	10.9%	6.8%	1.6%	6.2%			4.0% Feb-05
Citi WGBI	3.5%	-1.5%	4.0%	7.8%			4.5%
REAL ESTATE MANAGERS*							
One Quarter Lag**							
American Realty	-13.1%	-19.9%	-19.3%				-4.0% Jan-07
NCREIF Property Index - One Qtr Lag	-7.3%	-15.0%	-14.7%				1.9%
DRA Growth & Income V	0.5%	-8.7%	-8.6%	4.7%			4.6% Dec-05
NCREIF Property Index - One Qtr Lag	-7.3%	-15.0%	-14.7%	4.1%			7.3%
DRA Growth & Income VI	1.9%	-10.4%	-5.4%				0.1% Nov-07
NCREIF Property Index - One Qtr Lag	-7.3%	-15.0%	-14.7%				-4.4%
GEAM Asset LP	-3.9%	-5.9%	-27.1%				-7.6% Aug-06
NCREIF Property Index - One Qtr Lag	-7.3%	-15.0%	-14.7%				4.3%
Current Quarter							
Fidelity LP	-1.7%	29.1%	-15.6%	15.6%	22.7%		18.3% Mar-01
NCREIF Property Index	-5.2%	-12.1%	-19.6%	1.0%	7.6%		7.8%
Fidelity Growth Fund III	-37.6%	-47.7%	-53.1%				-47.0% Aug-07
NCREIF Property Index	-5.2%	-12.1%	-19.6%				-6.5%
MIG Realty Advisors***	-26.3%	-26.3%	-26.3%	3.7%	0.3%	10.8%	10.5% Dec-94
NCREIF Property Index	-5.2%	-12.1%	-19.6%	1.0%	7.6%	8.5%	9.5%
PRISA	-13.4%	-27.1%	-37.7%	-7.8%	1.8%		1.8% Jul-04
NCREIF Property Index	-5.2%	-12.1%	-19.6%	1.0%	7.6%		7.6%

* Real Estate returns calculated by SIS effective April 2008, and is linked with returns provided by previous consultant.

** American Realty, DRA and GEAM represent market values lagged one quarter, adjusted for cash flows through June 30, 2009.

*** MIG Realty Advisors value annually. Value appraised in April 2009 was \$10,500,000 and June is \$8,700,000.

**** MacKay Shields and Seix are funded in April 30, 2009.

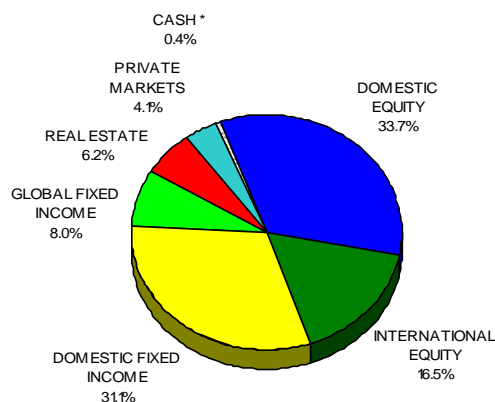
SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis

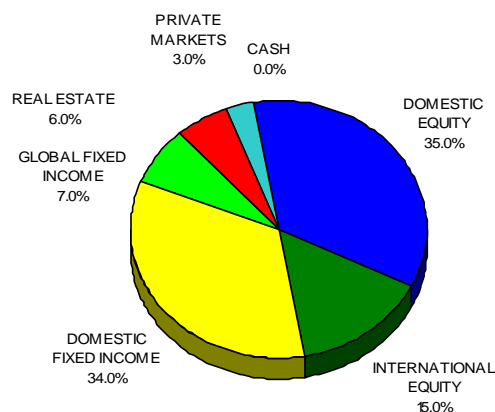
Total Plan

Actual



ASSET ALLOCATION	MARKET VALUE	%
DOMESTIC EQUITY	483,297,695	33.7%
INTERNATIONAL EQUITY	237,133,783	16.5%
DOMESTIC FIXED INCOME	445,983,803	31.1%
GLOBAL FIXED INCOME	114,638,918	8.0%
REAL ESTATE	88,960,204	6.2%
PRIVATE MARKETS	58,255,568	4.1%
CASH *	6,202,702	0.4%
TOTAL	1,434,472,673	100.0%

Prior Target



ASSET ALLOCATION	ACTUAL	MIN.	PRIOR TARGET	MAX.	DIFF	NEW TARGET
DOMESTIC EQUITY	33.7%	30.0%	35.0%	40.0%	-1.3%	33.0%
INTERNATIONAL EQUITY	16.5%	10.0%	15.0%	20.0%	1.5%	20.0%
DOMESTIC FIXED INCOME	31.1%	29.0%	34.0%	39.0%	-2.9%	36.0%
GLOBAL FIXED INCOME	8.0%	4.0%	7.0%	10.0%	1.0%	
REAL ESTATE	6.2%	3.0%	6.0%	9.0%	0.2%	6.0%
PRIVATE MARKETS	4.1%	0.0%	3.0%	6.0%	1.1%	5.0%
CASH	0.4%		0.0%		0.4%	

ASSET ALLOCATION	03/31/09	06/30/09	DIFF
DOMESTIC EQUITY	32.0%	33.7%	1.7%
INTERNATIONAL EQUITY	15.1%	16.5%	1.4%
DOMESTIC FIXED INCOME	32.3%	31.1%	-1.2%
GLOBAL FIXED INCOME	7.8%	8.0%	0.2%
REAL ESTATE	7.5%	6.2%	-1.3%
PRIVATE MARKETS	4.8%	4.1%	-0.7%
CASH	0.5%	0.4%	-0.1%

* Cash Balance includes Security Lending Cash Collateral Liabilities of (\$1,735,191).

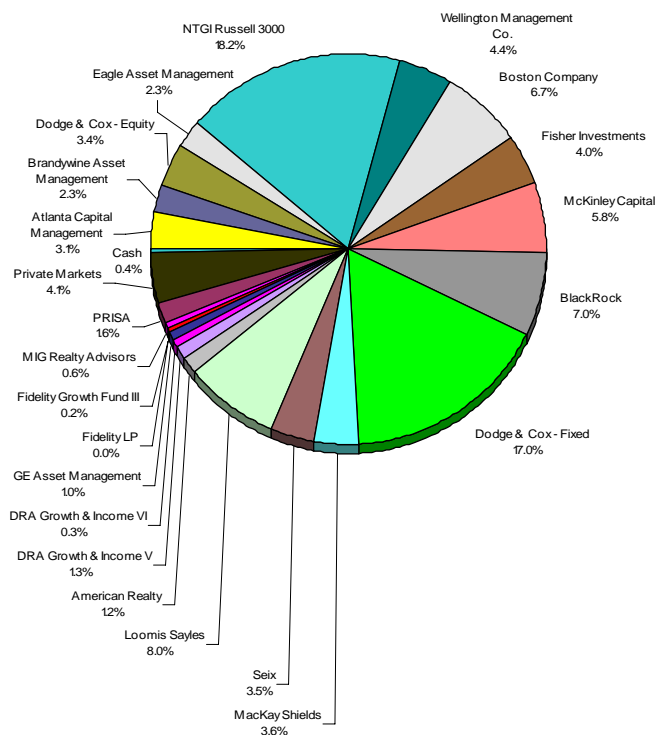
SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Manager Allocation Analysis

Total Plan

CURRENT ALLOCATION BY MANAGER



MANAGER	MARKET VALUE	%
Domestic Equity		
Atlanta Capital Management	44,166,469	3.1%
Brandywine Asset Management	32,267,902	2.3%
Dodge & Cox - Equity	49,348,815	3.4%
Eagle Asset Management	32,971,895	2.3%
NTGI Russell 3000	261,458,617	18.2%
Wellington Management Co.	63,083,997	4.4%
Subtotal	483,297,695	33.7%
International Equity		
Boston Company	96,594,071	6.7%
Fisher Investments	57,186,200	4.0%
McKinley Capital	83,353,512	5.8%
Subtotal	237,133,783	16.5%
Domestic Fixed Income		
BlackRock	99,860,988	7.0%
Dodge & Cox - Fixed	243,774,215	17.0%
MacKay Shields	51,404,115	3.6%
Seix	50,944,485	3.5%
Subtotal	445,983,803	31.1%
Global Fixed Income		
Loomis Sayles	114,638,918	8.0%
Subtotal	114,638,918	8.0%
Real Estate		
American Realty	17,466,934	1.2%
DRA Growth & Income II	442	0.0%
DRA Growth & Income V	18,138,185	1.3%
DRA Growth & Income VI	5,374,672	0.3%
GE Asset Management	13,641,420	1.0%
Fidelity LP	251,284	0.0%
Fidelity Growth Fund III	2,359,931	0.2%
MIG Realty Advisors	8,700,461	0.6%
PRISA	22,993,122	1.6%
CIGNA	33,753	0.0%
Subtotal	88,960,204	6.2%
Private Markets		
	58,255,568 *	4.1%
Cash		
	6,202,702 **	0.4%
TOTAL	1,434,472,673	100.0%

* represents 3/31/09 roll-forward value except Pathway. Pathway 6/30/09 value reported by fund manager.

** Cash balance includes Security Lending Cash Collateral Liabilities of (\$1,735,191).

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Policy

Total Plan

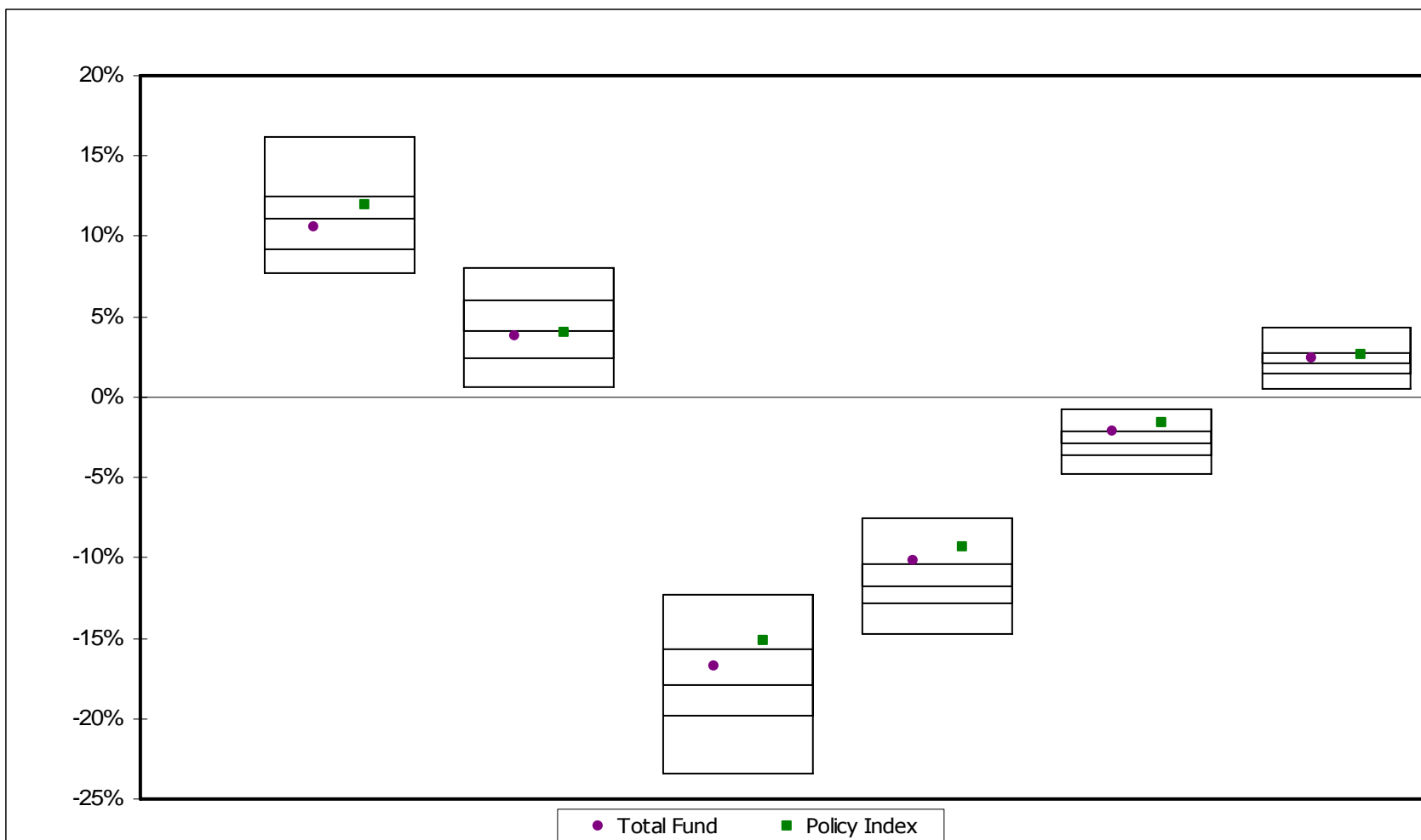
MANAGER	Actual %	Minimum	Prior Target %	Maximum	Benchmark	Commingled/ Separate
Domestic Equity						
Atlanta Capital Management	3.1%	1.0%	3.5%	6.0%	Russell 1000 Growth Index	Separate
Brandywine Asset Management	2.3%	1.0%	2.5%	4.0%	Russell 2000 Value Index	Separate
Dodge & Cox - Equity	3.4%	1.7%	4.2%	6.7%	Russell 1000 Value Index	Separate
Eagle Asset Management	2.3%	0.6%	2.1%	3.6%	Russell 2000 Growth Index	Separate
NTGI Russell 3000	18.2%	13.0%	17.5%	22.0%	Russell 3000 Index	Commingled
Wellington Management Co.	4.4%	2.8%	5.3%	7.8%	Russell 3000 Growth Index	Separate
Subtotal	33.7%		35.0%			
International Equity						
Boston Company	6.7%		5.0%		MSCI ACWI -ex US	Commingled
Fisher Investments	4.0%		5.0%		MSCI ACWI -ex US	Separate
McKinley Capital	5.8%		5.0%		MSCI ACWI -ex US	Separate
Subtotal	16.5%	10.0%	15.0%	20.0%		
Domestic Fixed Income						
BlackRock	7.0%		8.4%		BC Aggregate Index	Separate
Dodge & Cox - Fixed	17.0%		17.0%		BC Aggregate Index	Separate
Mackay Shields	3.6%		4.3%		ML High Yield Index	Separate
Seix	3.5%		4.3%		CS Leveraged Loan Index	Separate
Subtotal	31.1%	29.0%	34.0%	39.0%		
Global Fixed Income						
Loomis Sayles	8.0%		7.0%		Citi WGBI	Separate
Subtotal	8.0%	4.0%	7.0%	10.0%		
Real Estate						
American Realty	1.2%				NCREIF Property Index - One Qtr Lag	Commingled
DRA Growth & Income II	0.0%				NCREIF Property Index - One Qtr Lag	Commingled
DRA Growth & Income V	1.3%				NCREIF Property Index - One Qtr Lag	Commingled
DRA Growth & Income VI	0.3%				NCREIF Property Index - One Qtr Lag	Commingled
GE Asset Management	1.0%				NCREIF Property Index - One Qtr Lag	Commingled
Fidelity LP	0.0%				NCREIF Property Index	Commingled
Fidelity Growth Fund III	0.2%				NCREIF Property Index	Commingled
MIG Realty Advisors	0.6%				NCREIF Property Index	Commingled
PRISA	1.6%				NCREIF Property Index	Commingled
CIGNA	0.0%				NCREIF Property Index	Commingled
Subtotal	6.2%	3.0%	6.0%	9.0%		
Private Markets	4.1%		3.0%		S&P 500 Index + 3%	Commingled
Cash	0.4%		0.0%		91 Day T-Bill Index	Separate
TOTAL	100.0%		100.0%			

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Total Public Funds > \$100 Million



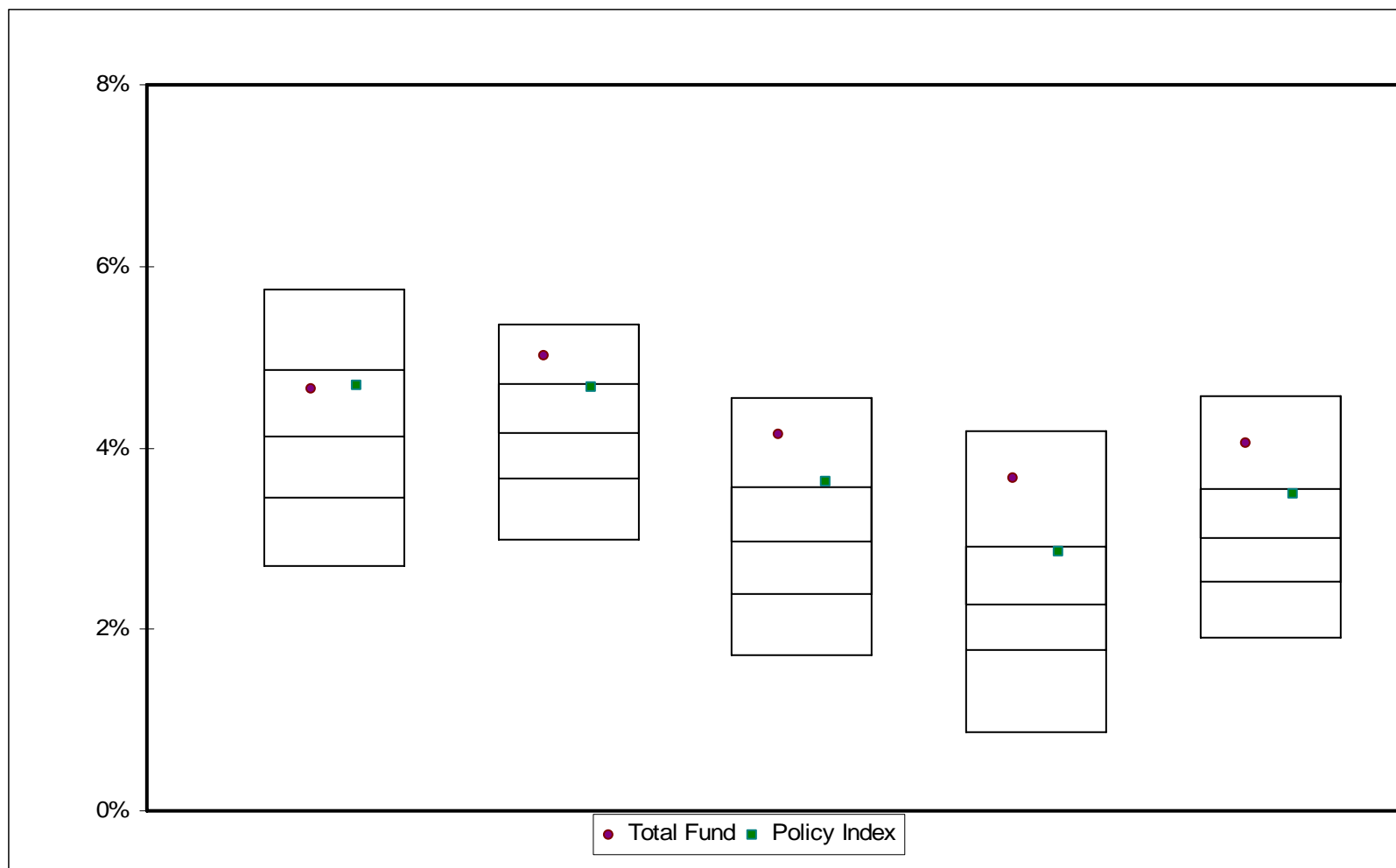
	1 QTR		CALENDAR YTD		FISCAL YEAR		2 YEAR		3 YEAR		5 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund	10.6%	58	3.8%	55	-16.8%	35	-10.2%	23	-2.1%	26	2.4%	39
Policy Index	11.9%	34	4.0%	54	-15.2%	19	-9.3%	15	-1.6%	17	2.7%	31
Median	11.1%		4.1%		-17.9%		-11.7%		-2.8%		2.1%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Total Public Funds > \$100 Million



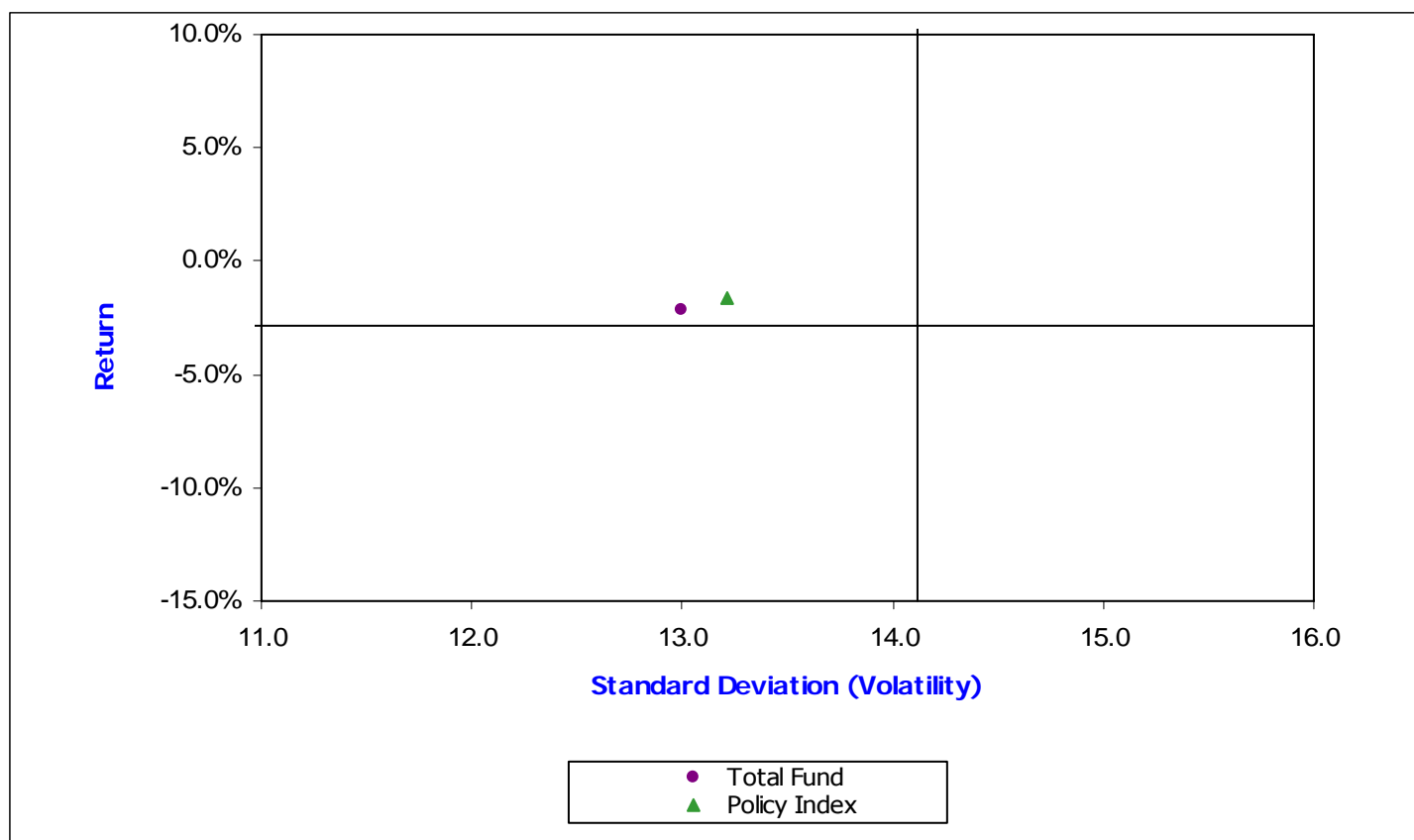
	6 YEAR		7 YEAR		8 YEAR		9 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund	4.7%	35	5.0%	15	4.2%	10	3.7%	13	4.0%	19
Policy Index	4.7%	34	4.7%	29	3.6%	20	2.9%	28	3.5%	29
Median	4.1%		4.2%		3.0%		2.3%		3.0%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return

Total Public Funds > \$100 Million



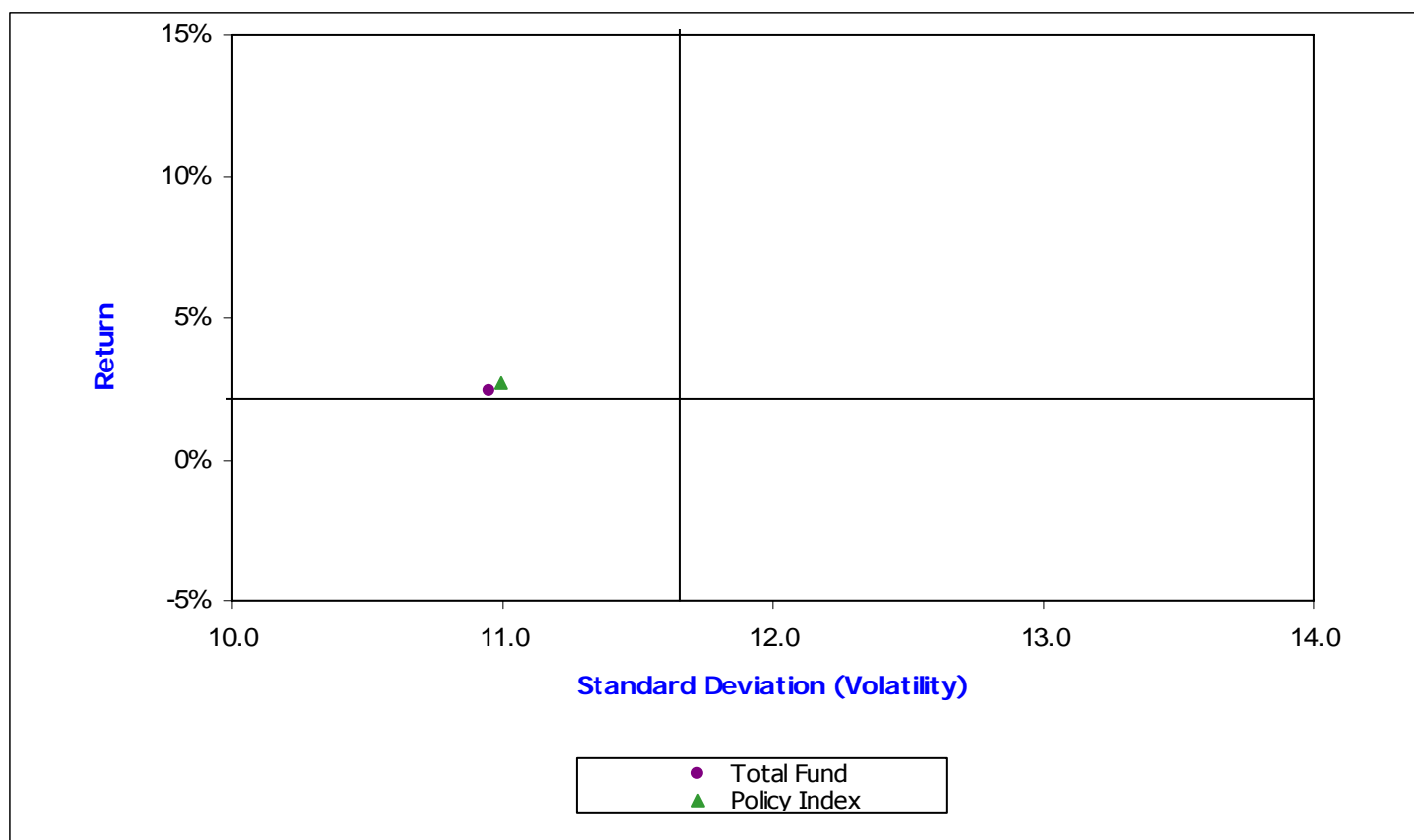
	Annualized Return		Standard Deviation		Sharpe Ratio	
	Value	Rank	Value	Rank	Value	Rank
Total Fund	-2.1%	26	13.0	28	-0.4	
Policy Index	-1.6%	17	13.2	33	-0.4	
Median	-2.8%		14.1		-0.4	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

5 Years Ending June 30, 2009

5 Year Risk vs. Return

Total Public Funds > \$100 Million



	Annualized Return		Standard Deviation		Sharpe Ratio	
	Value	Rank	Value	Rank	Value	Rank
Total Fund	2.4%	39	11.0	30	-0.1	
Policy Index	2.7%	31	11.0	30	0.0	
Median	2.1%		11.7		-0.1	

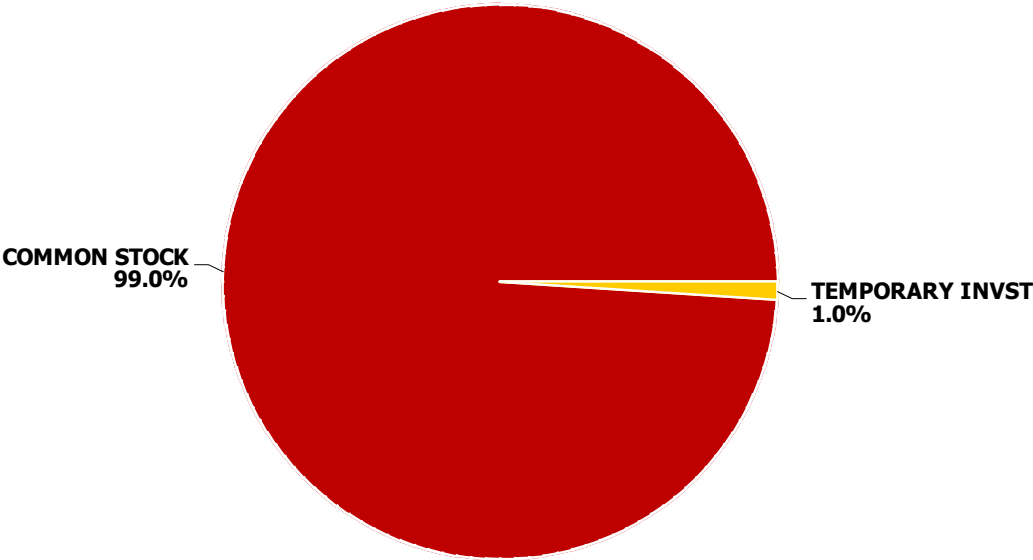
SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Private Equity

Investment	Vintage Year	Fund Size	Commitment	Percent Owned	Cumulative Contributions	Cummulative Distributions	6/30/09 Valuation*	IRR
Venture Funds								
Great Hill Equity Partners IV	2008	1,250,000,000	5,000,000	0.40%	504,646	0	334,183	-59.96
Buyout Funds								
Pantheon Global Secondary Fund III B	2006	2,000,000,000	40,000,000	2.00%	27,800,000	0	23,418,533	-12.00
Pantheon USA Fund VII	2006	2,250,000,000	40,000,000	1.78%	11,815,133	0	9,351,582	-15.91
Partners Group Secondary 2008	2008	2,500,000,000	10,000,000	0.40%	2,564,280	0	1,966,345	-54.44
Pathway Private Equity Fund VIII	2004	40,000,000	40,000,000	100.00%	31,447,702	3,874,570	22,992,860	-7.18
Total			135,000,000		74,131,761	3,874,570	58,063,503	-10.57

* Represents March 31, 2009 valuations reported by the underlying fund managers, adjusted for cash flows through June 30, 2009.

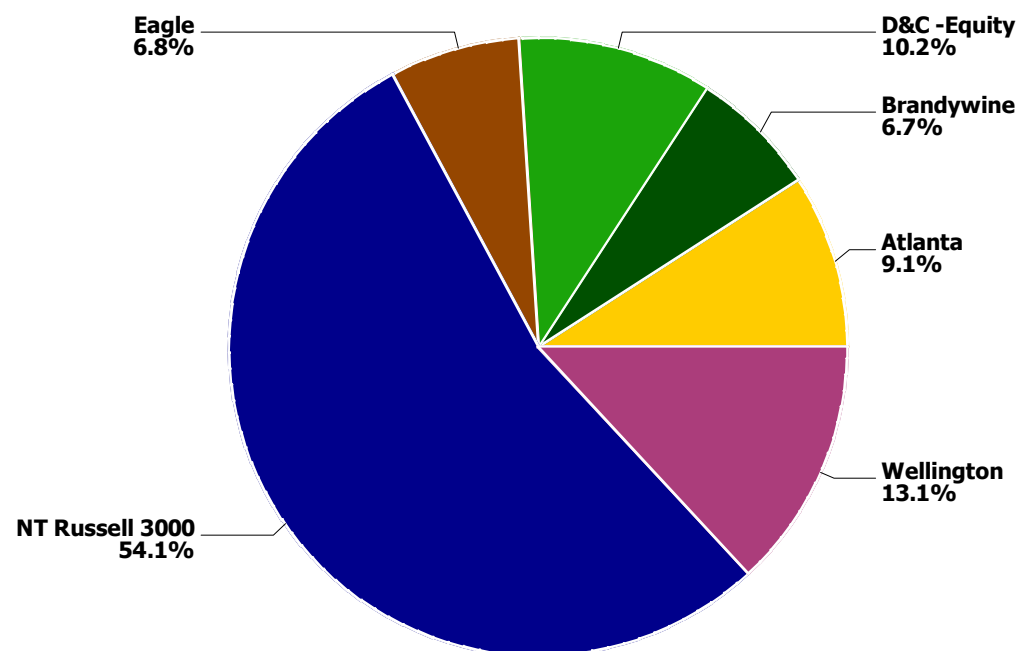


Asset Class	Market Value	Current%
COMMON STOCK	478,374,032	99.0
TEMPORARY INVST	4,923,663	1.0
Total	483,297,695	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Manager Allocation Analysis US Equity Composite

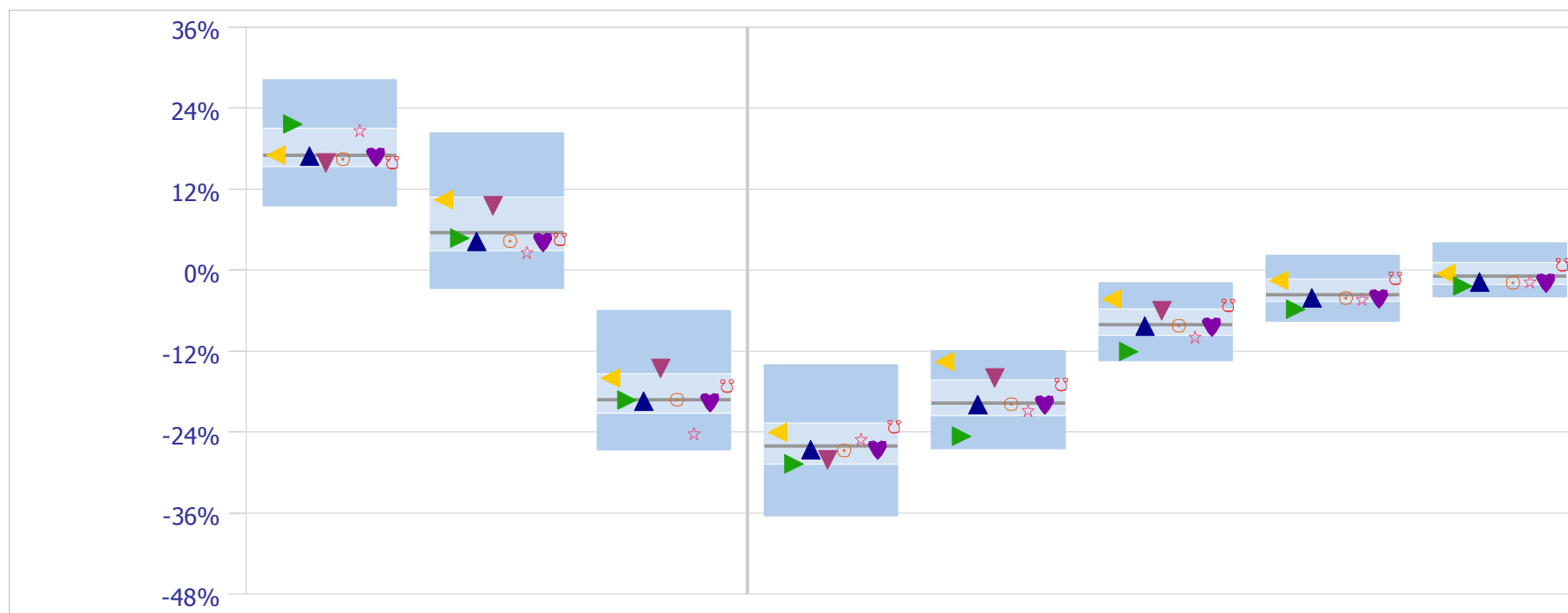


Manager	Market Value	Current%
Atlanta	44,166,469	9.1
Brandywine	32,267,902	6.7
D&C -Equity	49,348,815	10.2
Eagle	32,971,895	6.8
NT Russell 3000	261,458,617	54.1
Wellington	63,083,997	13.1
Total	483,297,695	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Equity Funds Total Returns



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
▶ Atlanta	17.0	49	10.5	26	-15.9	28	-24.0	31	-13.6	9	-4.2	16	-1.5	26	-0.5	43
▶ D&C -Equity	21.7	22	4.8	54	-19.2	50	-28.6	74	-24.5	89	-12.0	90	-5.8	86	-2.3	83
▲ NT Russell 3000	16.9	52	4.3	58	-19.4	57	-26.5	59	-19.8	55	-8.2	58	-4.1	58	-1.7	65
▼ Wellington	15.9	68	9.6	29	-14.5	20	-28.1	71	-16.0	22	-6.0	28				
○ R 1000(R)	16.5	56	4.3	58	-19.1	48	-26.7	61	-19.9	56	-8.2	57	-4.2	61	-1.9	67
☆ R 2000(R)	20.7	26	2.6	77	-24.2	88	-25.0	38	-20.7	69	-9.9	77	-4.3	69	-1.7	64
♥ R 3000(R)	16.8	52	4.2	59	-19.5	61	-26.6	60	-19.9	59	-8.3	60	-4.2	62	-1.8	67
⦿ S&P500+300 BP	16.0	64	4.6	56	-17.2	34	-23.2	27	-16.9	28	-5.2	21	-1.2	24	0.8	27
Median	17.0		5.5		-19.2		-26.0		-19.7		-8.1		-3.6		-0.9	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Equity Funds Total Returns

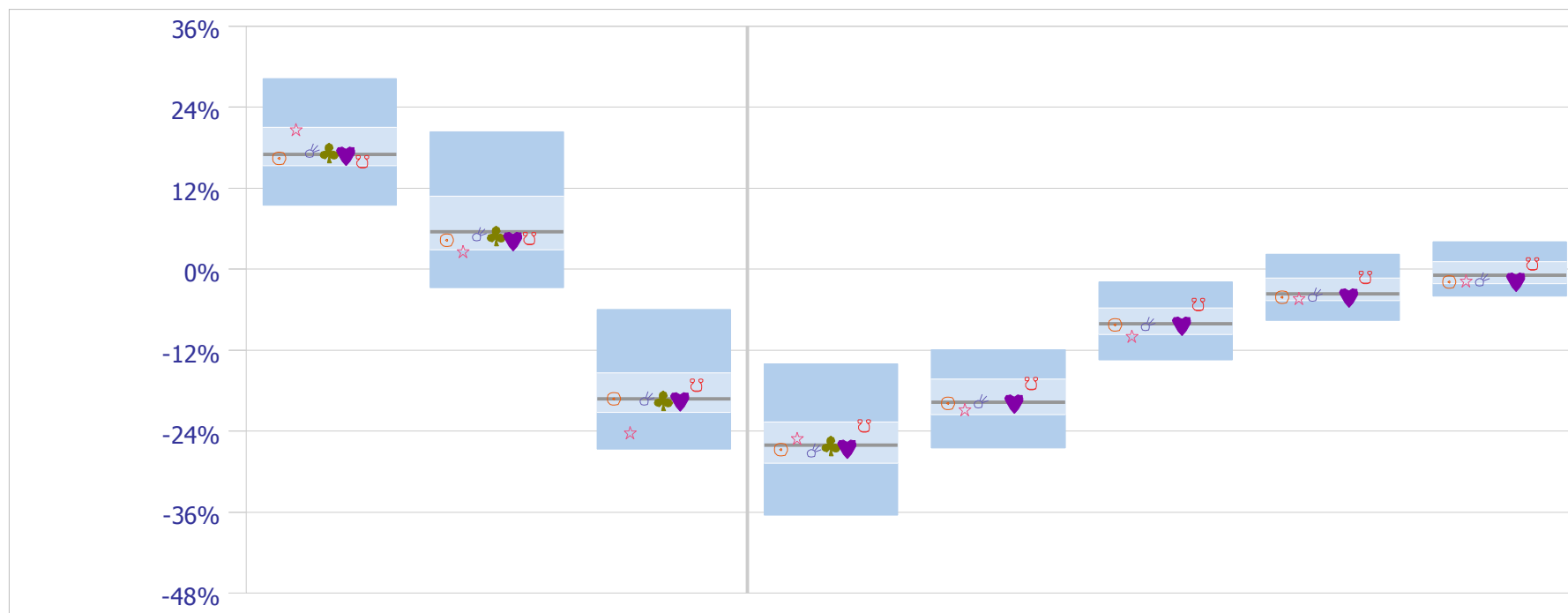


	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
* LargeCap Equity	17.1	49	5.8	48	-18.3	41	-26.8	62	-19.1	44	-7.9	46	-3.8	53	-1.5	61
⊙ R 1000(R)	16.5	56	4.3	58	-19.1	48	-26.7	61	-19.9	56	-8.2	57	-4.2	61	-1.9	67
⊕ Brandywine	17.0	49	-6.1	98	-29.7	97	-27.9	69	-25.8	93	-13.4	94	-8.8	97	-4.1	95
✿ Eagle	24.3	11	10.8	25	-18.2	40	-24.4	34	-17.1	29	-3.6	12	0.5	13	2.5	13
⊗ SmallCap Equity	20.6	27	1.7	81	-24.3	89	-26.2	55	-21.7	75	-8.8	66	-4.2	63	-1.1	52
☆ R 2000(R)	20.7	26	2.6	77	-24.2	88	-25.0	38	-20.7	69	-9.9	77	-4.3	69	-1.7	64
♥ R 3000(R)	16.8	52	4.2	59	-19.5	61	-26.6	60	-19.9	59	-8.3	60	-4.2	62	-1.8	67
⊗ S&P500+300 BP	16.0	64	4.6	56	-17.2	34	-23.2	27	-16.9	28	-5.2	21	-1.2	24	0.8	27
Median	17.0		5.5		-19.2		-26.0		-19.7		-8.1		-3.6		-0.9	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Equity Funds Total Returns

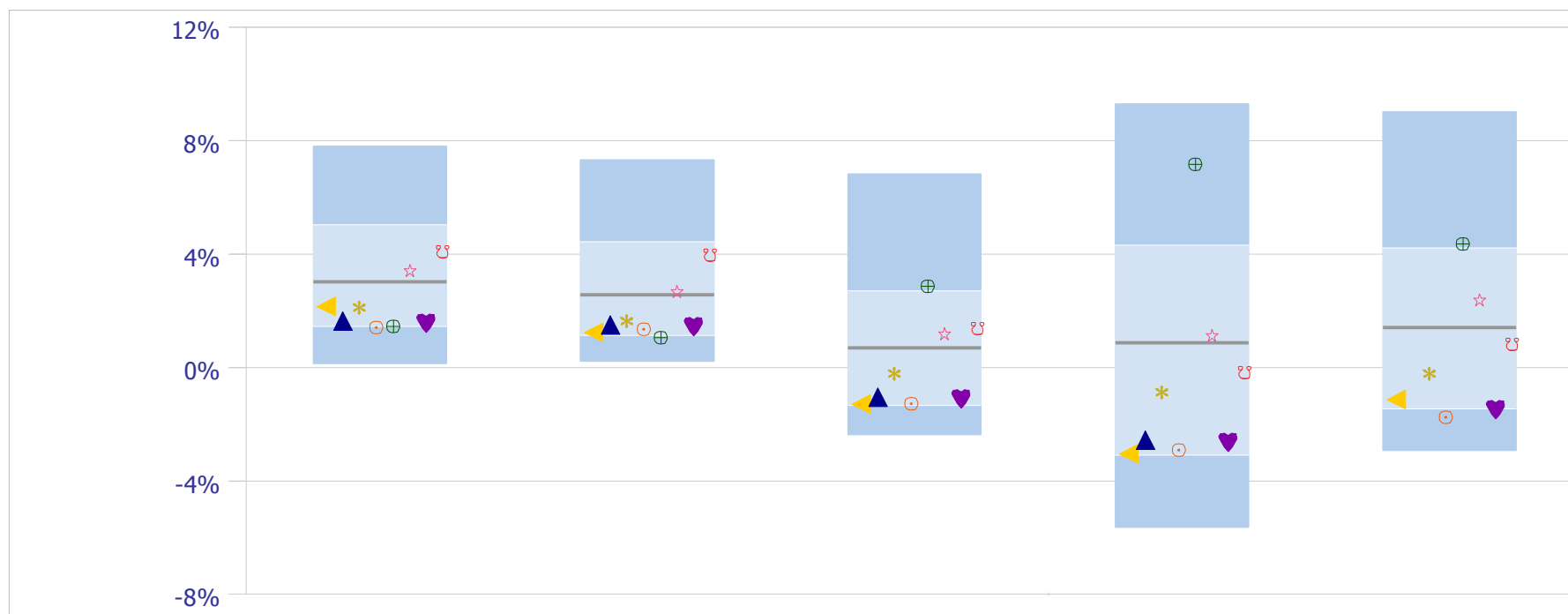


	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
○ R 1000(R)	16.5	56	4.3	58	-19.1	48	-26.7	61	-19.9	56	-8.2	57	-4.2	61	-1.9	67
☆ R 2000(R)	20.7	26	2.6	77	-24.2	88	-25.0	38	-20.7	69	-9.9	77	-4.3	69	-1.7	64
♠ US Equity	17.6	46	5.2	51	-19.1	48	-26.8	61	-19.5	47	-8.1	48	-3.8	52	-1.5	61
♣ US Equity Index	17.2	48	4.9	53	-19.4	59	-26.2	54								
♥ R 3000(R)	16.8	52	4.2	59	-19.5	61	-26.6	60	-19.9	59	-8.3	60	-4.2	62	-1.8	67
♣ S&P500+300 BP	16.0	64	4.6	56	-17.2	34	-23.2	27	-16.9	28	-5.2	21	-1.2	24	0.8	27
Median	17.0		5.5		-19.2		-26.0		-19.7		-8.1		-3.6		-0.9	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Equity Funds Total Returns

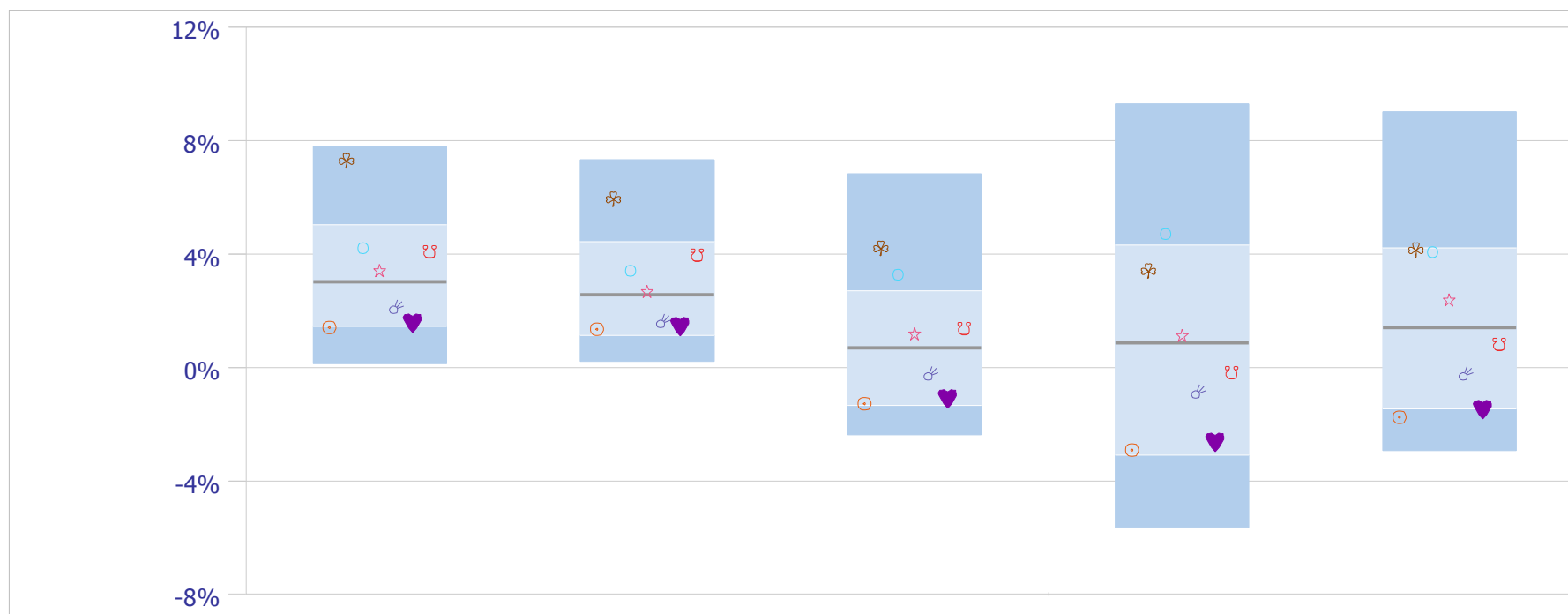


	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
▶ Atlanta	2.2	62	1.2	72	-1.3	74	-3.0	74	-1.1	72
▲ NT Russell 3000	1.6	71	1.5	69	-1.0	71	-2.6	69		
* LargeCap Equity	2.1	64	1.6	67	-0.2	61	-0.9	59	-0.2	63
○ R 1000(R)	1.4	75	1.4	71	-1.3	74	-2.9	72	-1.8	77
⊕ Brandywine	1.4	74	1.1	76	2.9	23	7.2	12	4.4	24
☆ R 2000(R)	3.4	43	2.7	47	1.2	43	1.1	47	2.4	41
♥ R 3000(R)	1.6	72	1.5	69	-1.1	71	-2.6	69	-1.5	74
⌢ S&P500+300 BP	4.1	36	4.0	29	1.4	41	-0.2	54	0.8	54
Median	3.0		2.6		0.7		0.9		1.4	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Equity Funds Total Returns

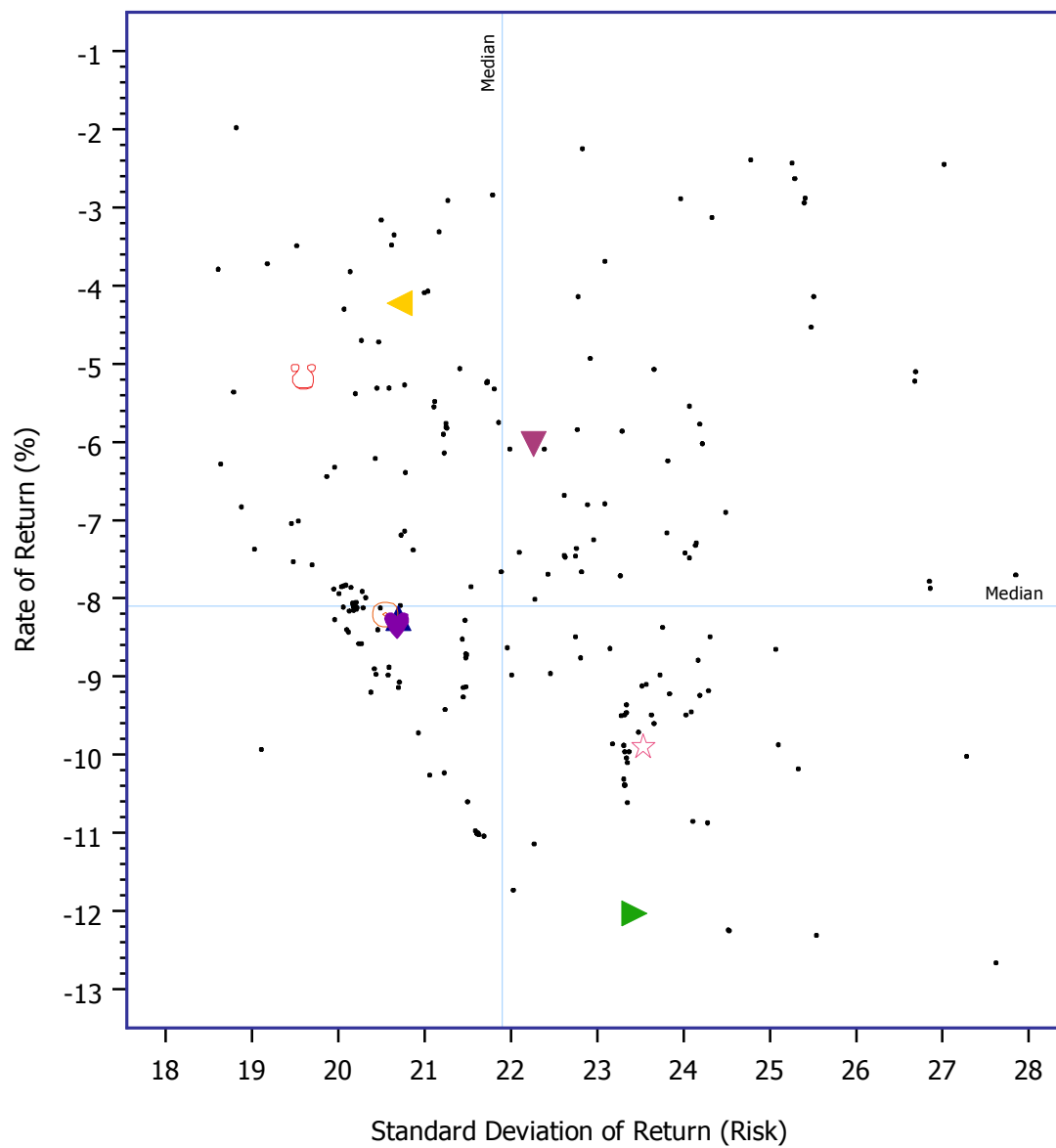


	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
R 1000(R)	1.4 75	1.4 71	-1.3 74	-2.9 72	-1.8 77
Eagle	7.3 6	5.9 12	4.2 16	3.4 31	4.1 25
SmallCap Equity	4.2 35	3.4 38	3.3 21	4.7 21	4.1 26
R 2000(R)	3.4 43	2.7 47	1.2 43	1.1 47	2.4 41
US Equity	2.1 63	1.7 67	-0.2 61	-0.8 59	-0.2 63
R 3000(R)	1.6 72	1.5 69	-1.1 71	-2.6 69	-1.5 74
S&P500+300 BP	4.1 36	4.0 29	1.4 41	-0.2 54	0.8 54
Median	3.0	2.6	0.7	0.9	1.4

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return Equity Funds - Total Returns

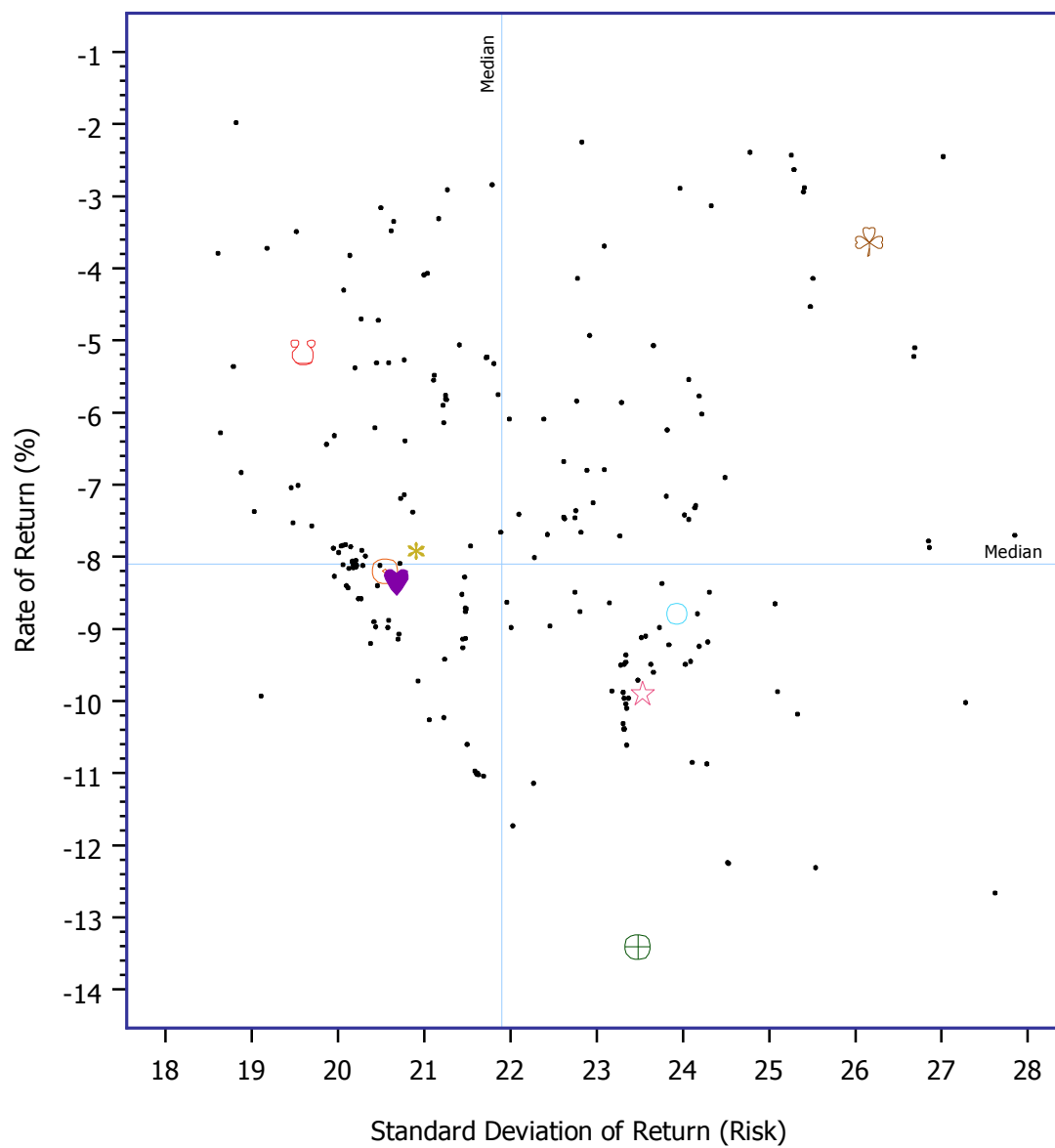


	Return		Standard Deviation		Sharpe Ratio
▶ Atlanta	-4.2	16	20.7	37	-0.3
▶ D&C -Equity	-12.0	90	23.4	66	-0.6
▲ NT Russell 3000	-8.2	58	20.7	37	-0.5
▼ Wellington	-6.0	28	22.3	53	-0.3
○ R 1000(R)	-8.2	57	20.5	33	-0.5
☆ R 2000(R)	-9.9	77	23.5	67	-0.5
♥ R 3000(R)	-8.3	60	20.7	36	-0.5
○ S&P500+300 BP	-5.2	21	19.6	13	-0.3
Median	-8.1		21.9		-0.4

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return Equity Funds - Total Returns

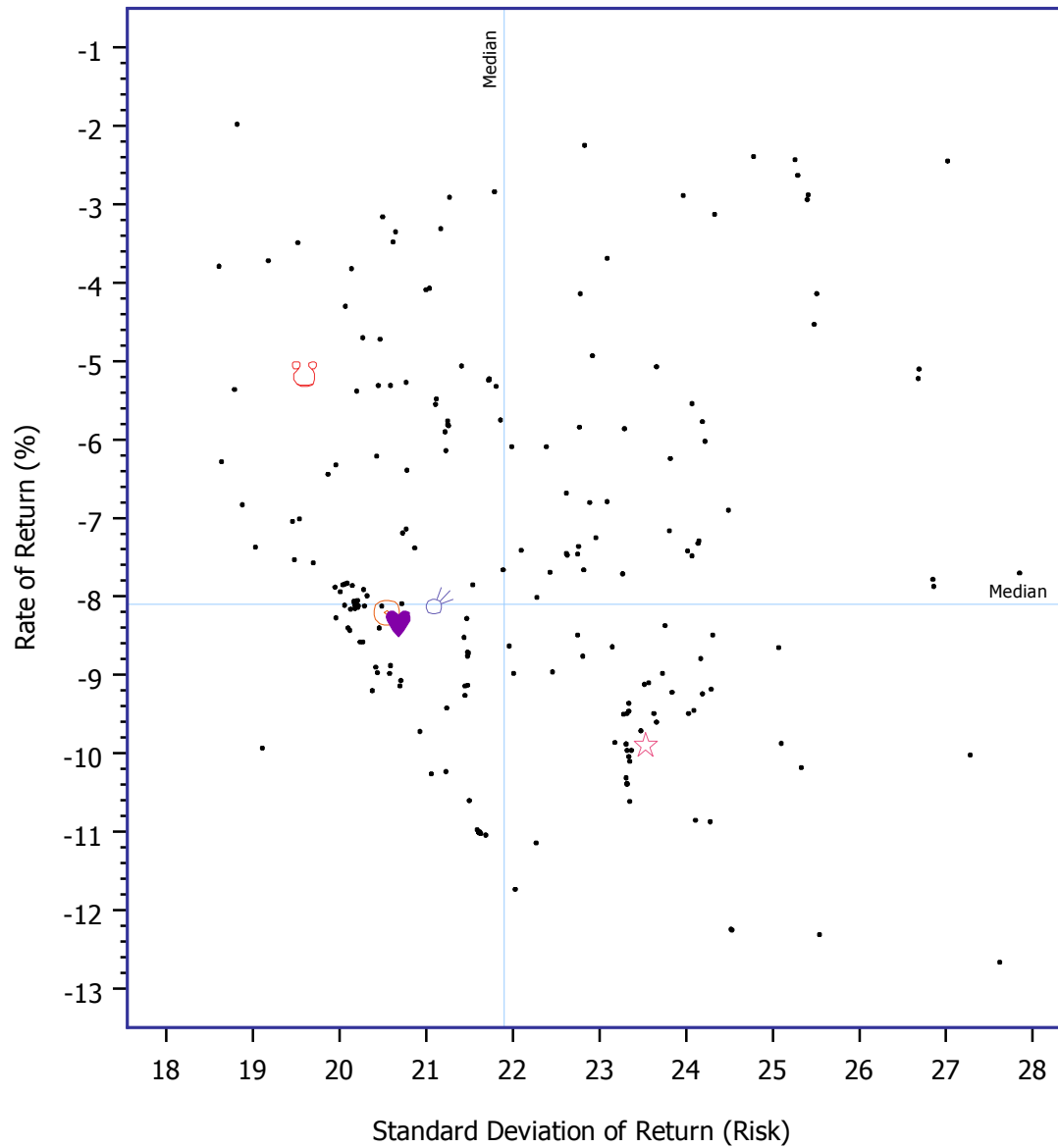


	Return		Standard Deviation		Sharpe Ratio
* LargeCap Equity	-7.9	46	20.9	39	-0.4
○ R 1000(R)	-8.2	57	20.5	33	-0.5
⊕ Brandywine	-13.4	94	23.5	66	-0.6
✿ Eagle	-3.6	12	26.2	86	-0.1
○ SmallCap Equity	-8.8	66	23.9	71	-0.4
☆ R 2000(R)	-9.9	77	23.5	67	-0.5
♥ R 3000(R)	-8.3	60	20.7	36	-0.5
⊗ S&P500+300 BP	-5.2	21	19.6	13	-0.3
Median	-8.1		21.9		-0.4

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return Equity Funds - Total Returns

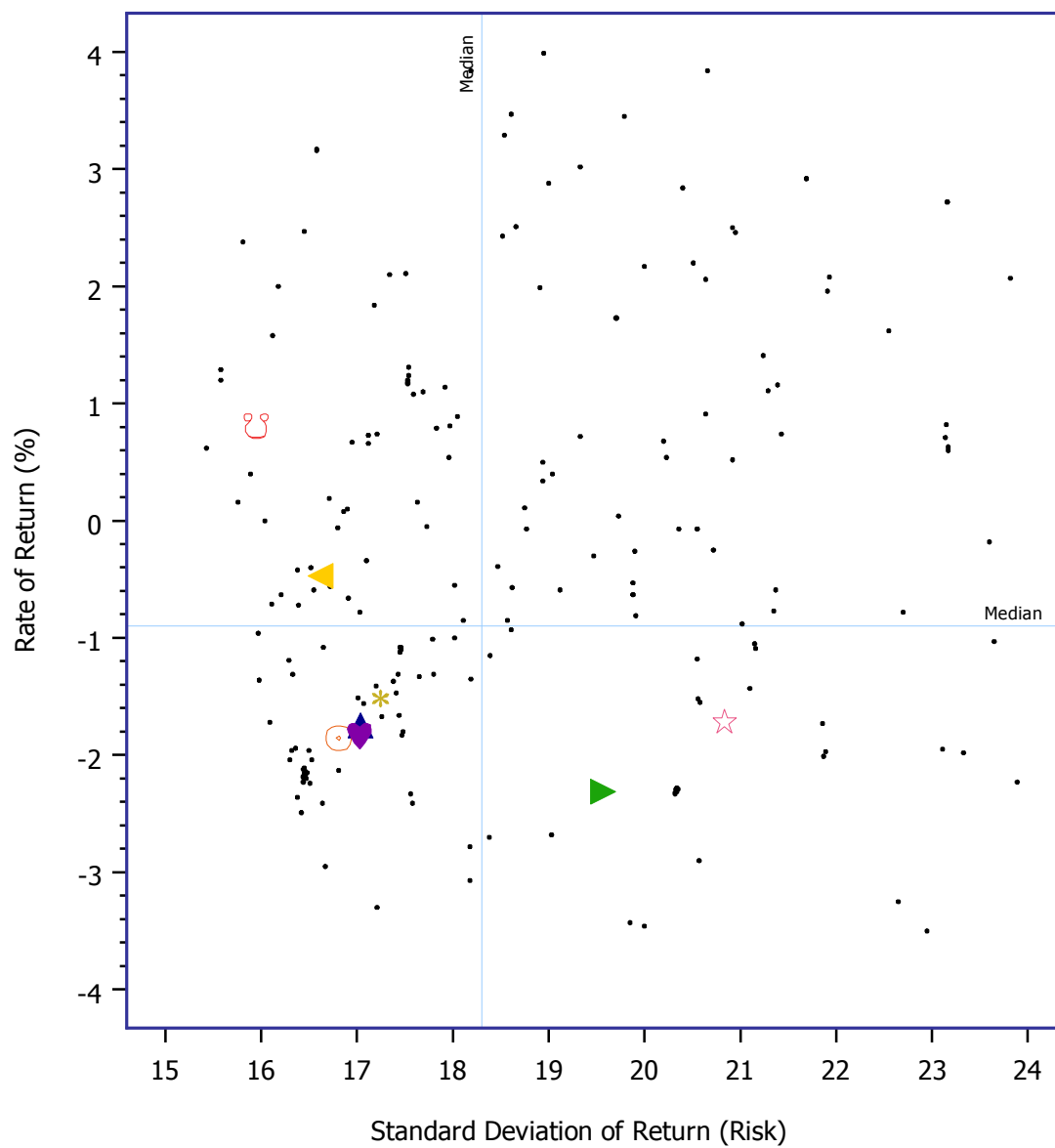


	Return		Standard Deviation		Sharpe Ratio
🕒 <i>R 1000(R)</i>	-8.2	57	20.5	33	-0.5
☆ <i>R 2000(R)</i>	-9.9	77	23.5	67	-0.5
👉 US Equity	-8.1	48	21.2	41	-0.4
♥ <i>R 3000(R)</i>	-8.3	60	20.7	36	-0.5
😊 <i>S&P500+300 BP</i>	-5.2	21	19.6	13	-0.3
Median	-8.1		21.9		-0.4

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

5 Years Ending June 30, 2009

5 Year Risk vs. Return Equity Funds - Total Returns

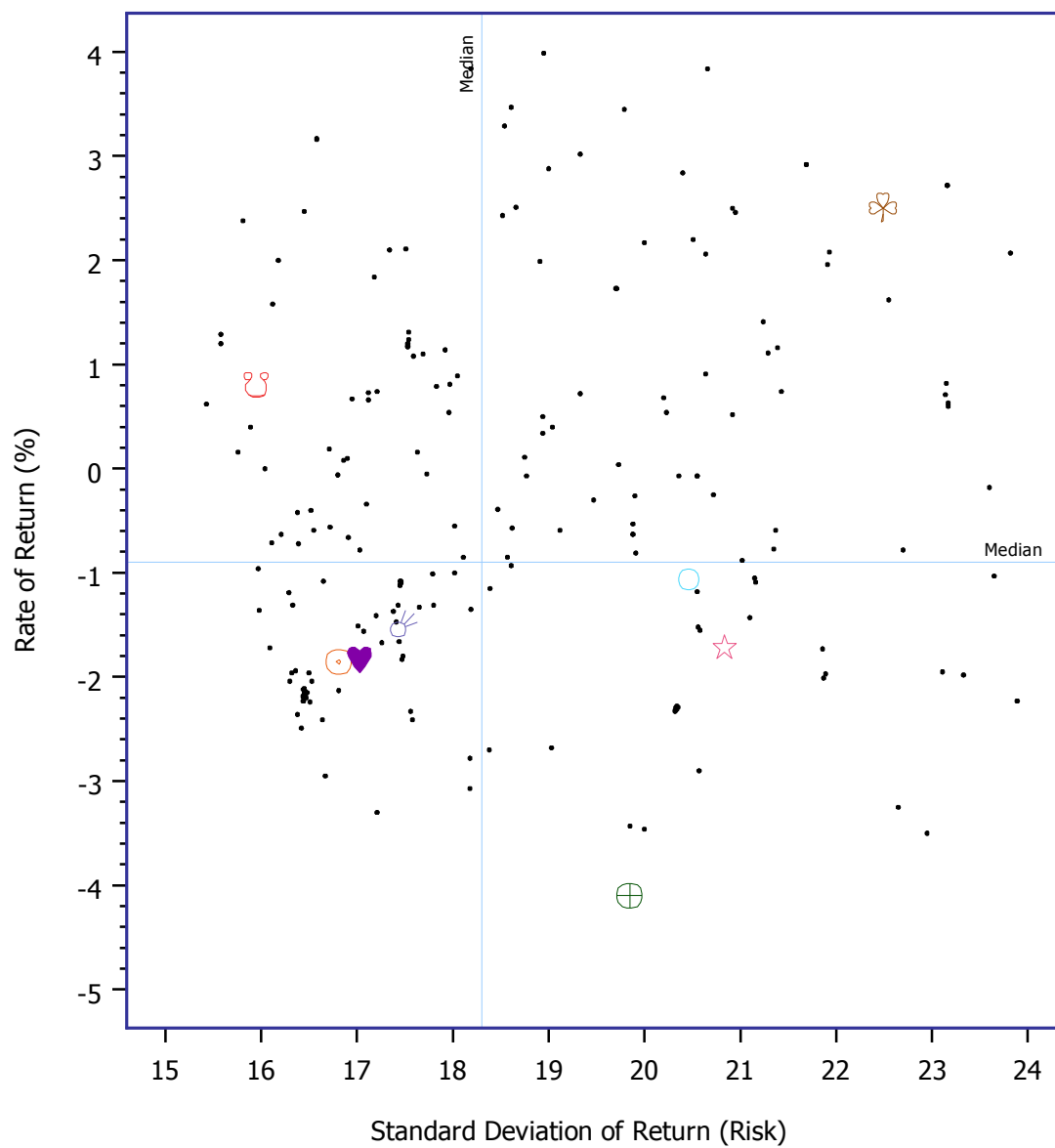


	Return		Standard Deviation		Sharpe Ratio
▶ Atlanta	-0.5	43	16.6	27	-0.1
▶ D&C -Equity	-2.3	83	19.6	63	-0.2
▲ NT Russell 3000	-1.7	65	17.0	34	-0.2
* LargeCap Equity	-1.5	61	17.2	37	-0.2
○ R 1000(R)	-1.9	67	16.8	30	-0.2
☆ R 2000(R)	-1.7	64	20.8	76	-0.1
♥ R 3000(R)	-1.8	67	17.0	34	-0.2
○ S&P500+300 BP	0.8	27	16.0	11	-0.1
Median	-0.9		18.3		-0.1

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

5 Years Ending June 30, 2009

5 Year Risk vs. Return Equity Funds - Total Returns



	Return		Standard Deviation		Sharpe Ratio	
○ <i>R 1000(R)</i>	-1.9	67	16.8	30	-0.2	
⊕ Brandywine	-4.1	95	19.8	65	-0.3	
✿ Eagle	2.5	13	22.5	88	0.1	10
○ SmallCap Equity	-1.1	52	20.5	72	-0.1	
☆ <i>R 2000(R)</i>	-1.7	64	20.8	76	-0.1	
✎ US Equity	-1.5	61	17.5	40	-0.2	
♥ <i>R 3000(R)</i>	-1.8	67	17.0	34	-0.2	
✎ <i>S&P500+300 BP</i>	0.8	27	16.0	11	-0.1	
Median	-0.9		18.3		-0.1	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics US Equity Composite

Portfolio Characteristics

	Portfolio	R 3000(R)
Total Number of Securities	2430	
Total Market Value \$	473,681,186	
Average Market Capitalization (000's)	47,088,000	58,721,200
Median Market Capitalization (000's)		596,100
Equity Segment Yield	1.84	2.19
Equity Segment P/E	20.87	19.82
Equity Segment Beta	1.10	1.03
Price/Book Ratio	2.90	3.03
Five Year Earnings Growth	14.25	13.79
Return On Equity	18.92	20.19

Ten Largest Holdings

Name	\$	Weight
EXXON MOBIL CORP	8,947,083	1.9
MICROSOFT	8,274,408	1.7
HEWLETT PACKARD CO	7,666,406	1.6
APPLE INC	6,207,248	1.3
WELLS FARGO & CO NE	5,934,922	1.3
CISCO SYS INC	5,644,075	1.2
SCHLUMBERGER LTD CO	5,005,784	1.1
ORACLE CORP	4,882,039	1.0
PROCTER & GAMBLE CO	4,865,022	1.0
GOOGLE INC	4,546,401	1.0

Ten Best Performers

Name	Return
DOLLAR THRIFTY AUTO	1102.
TENNECO INC	550.3
SONIC AUTOMOTIVE IN	535.0
AVIS BUDGET GROUP I	520.9
DENDREON CORP	491.7
BORDERS GROUP INC	484.1
ARVINMERITOR INC	455.7
PHOTRONICS INC	321.9
RITE AID CORP COM	319.4
CAPITALSOURCE INC	300.9

Ten Worst Performers

Name	Return
SEQUENOM INC COM NE	-72.5
PACIFIC CAP BANCORP	-68.4
YRC WORLDWIDE INC	-61.5
ODYSSEY MARINE EXPL	-52.8
BANCTRUST FINL GR	-52.5
GREENE COUNTY BANCS	-49.1
SUSQUEHANNA BANCHAR	-47.3
IMMUCOR INC	-45.3
NATIONAL PENN BANCS	-44.1
PINNACLE FINL PARTN	-43.8

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

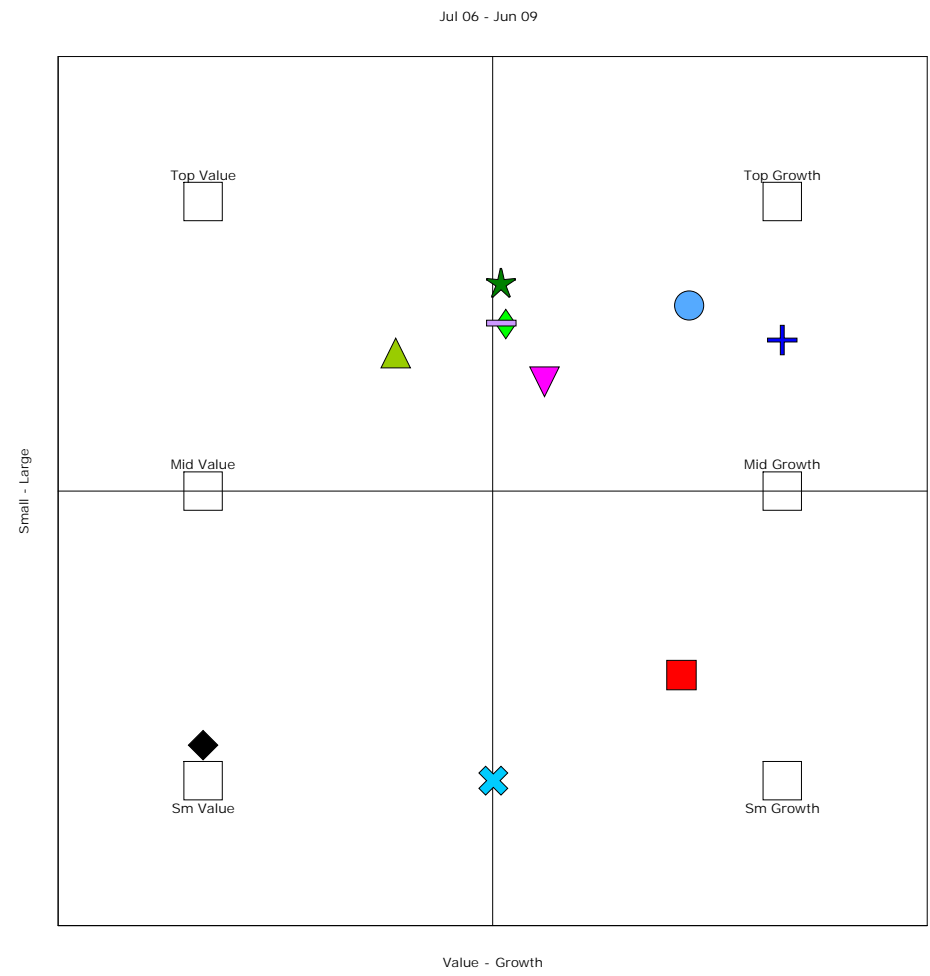
Equity Performance Attribution

US Equity Composite

	Portfolio		R 3000(R)		Attribution		
	Pct of Begin Mkt Val	Rate of Return	Pct of Begin Mkt Val	Rate of Return	Stock Selection	Sector Weighting	Total
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Cons Discretionary	11.4	18.9	9.2	21.0	-0.2	0.1	-0.2
Consumer Staples	8.2	9.8	11.5	9.3	0.0	0.2	0.3
Energy	10.1	16.1	11.6	12.1	0.4	0.1	0.5
Financials	11.0	25.4	12.0	29.1	-0.4	-0.1	-0.5
Health Care	15.9	12.7	14.7	10.4	0.4	-0.1	0.3
Industrials	12.6	18.6	10.8	19.7	-0.1	0.0	-0.1
Info Technology	22.4	20.7	18.2	20.8	0.0	0.1	0.1
Materials	3.6	18.5	3.9	19.8	0.0	0.0	-0.1
Telecom Services	2.2	6.5	3.7	4.3	0.0	0.2	0.2
Utilities	2.6	12.1	4.4	11.3	0.0	0.1	0.1
Miscellaneous	0.0		0.0				
TOTAL	100%	17.9	100%	16.8	0.0	0.6	0.6

Equity Only Buy/Hold Return (B)	17.9	Stock Selection (E)	0.0
Benchmark Buy/Hold Return (D)	16.8	Sector Weighting (F)	0.6
Total Relative Return Difference (B/D)	0.6	Total Selection (E * F)	0.6
Equity Only Actual Return (*)	17.9	Total Value Added	0.6
Equity Only Buy/Hold Return (B)	17.9	(Selection * Trading)	
Intra-Period Trading (* / B)	0.0		

US Equity Style Map

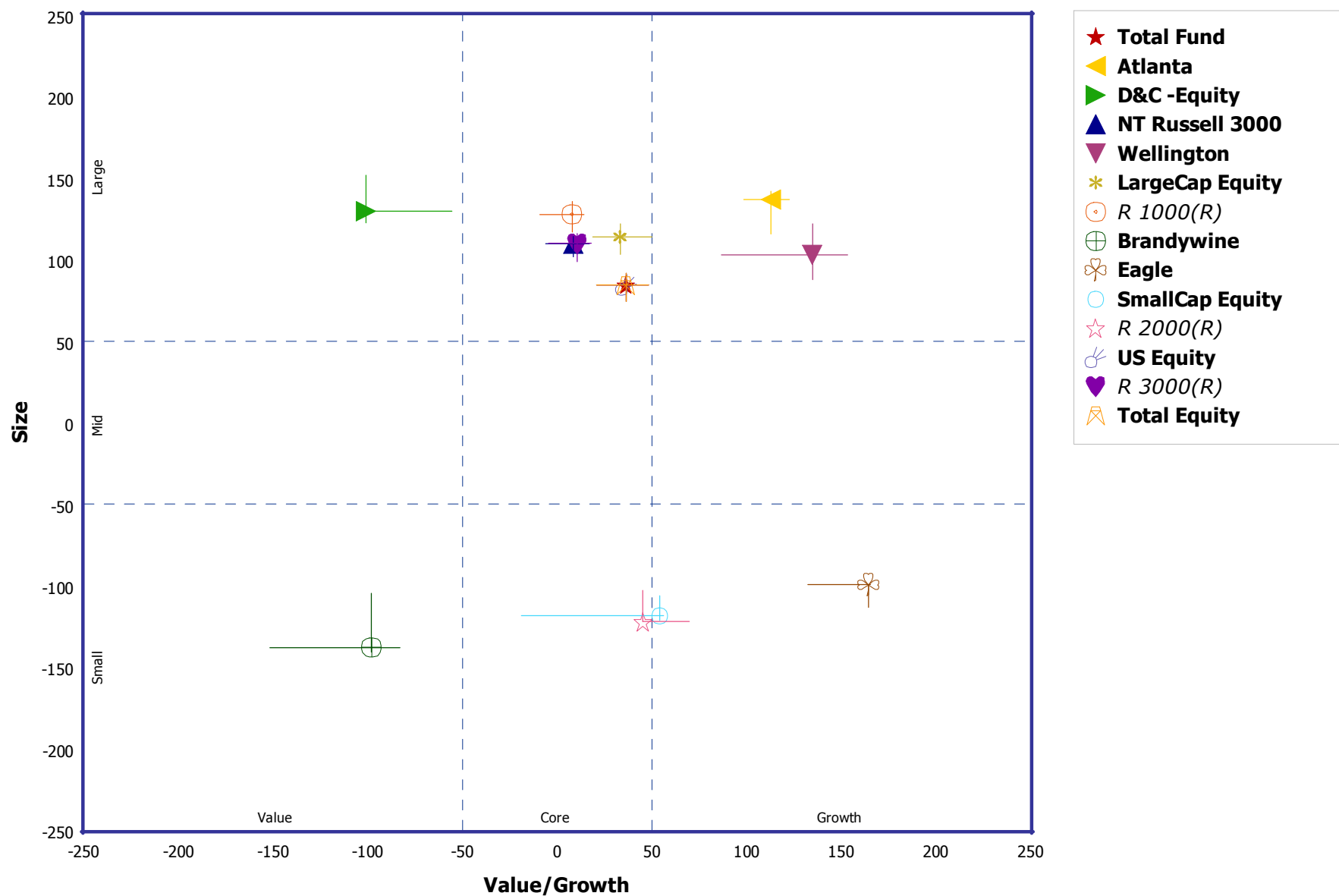


Legend			
Atlanta Capital Management Company	Brandywine Asset Management	Dodge & Cox -Equity	Eagle Asset Management
Northern Trust Russell 3000 Index Fund	Wellington Management Company	US Equity Composite	Russell 1000 Index
Russell 2000 Index	Russell 3000 Index		

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Equity Style Analysis Style Drift



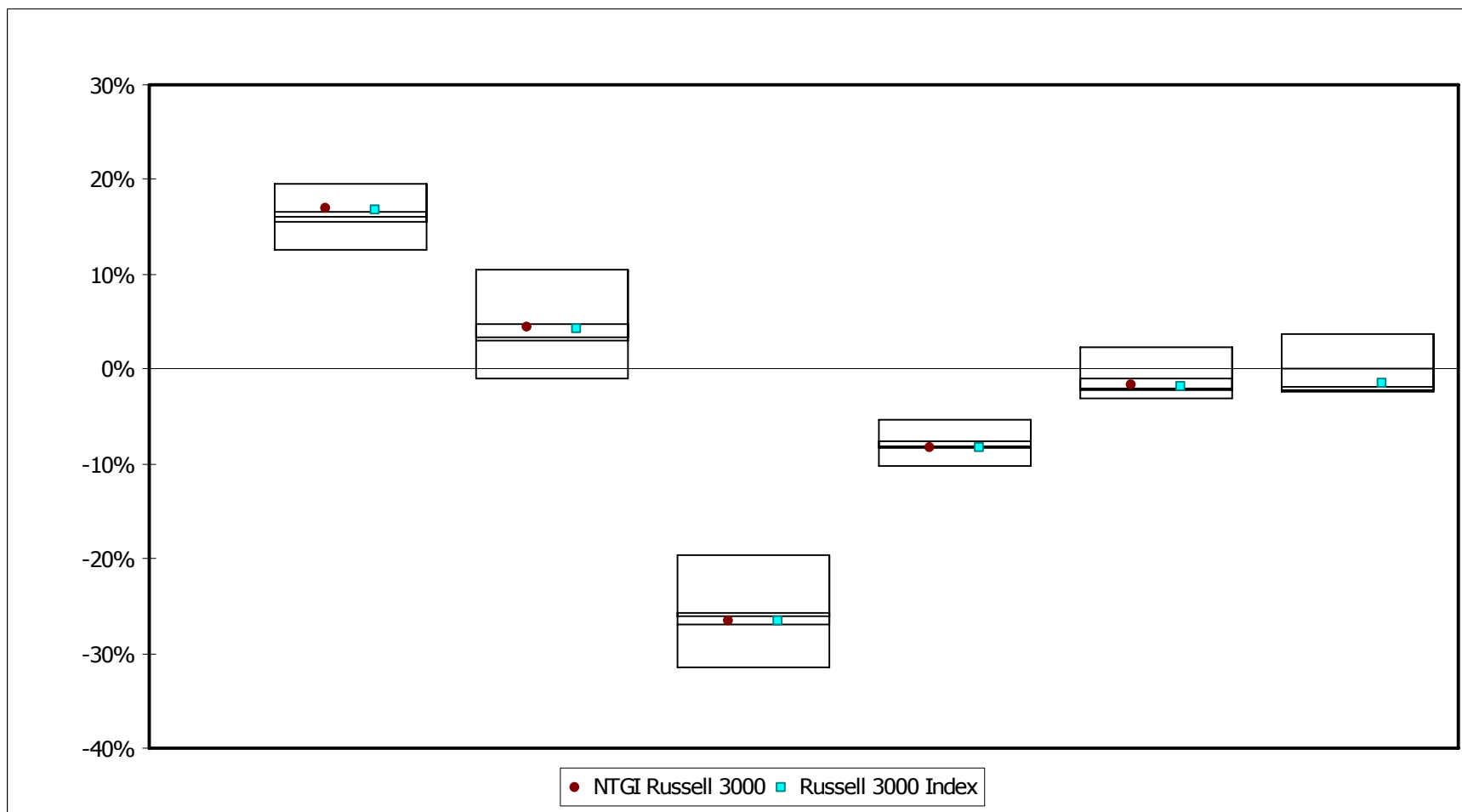
Style assignment based on Morningstar © Size and VCG Scores and Morningstar Style Box™ methodology

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Large Cap Core Equity

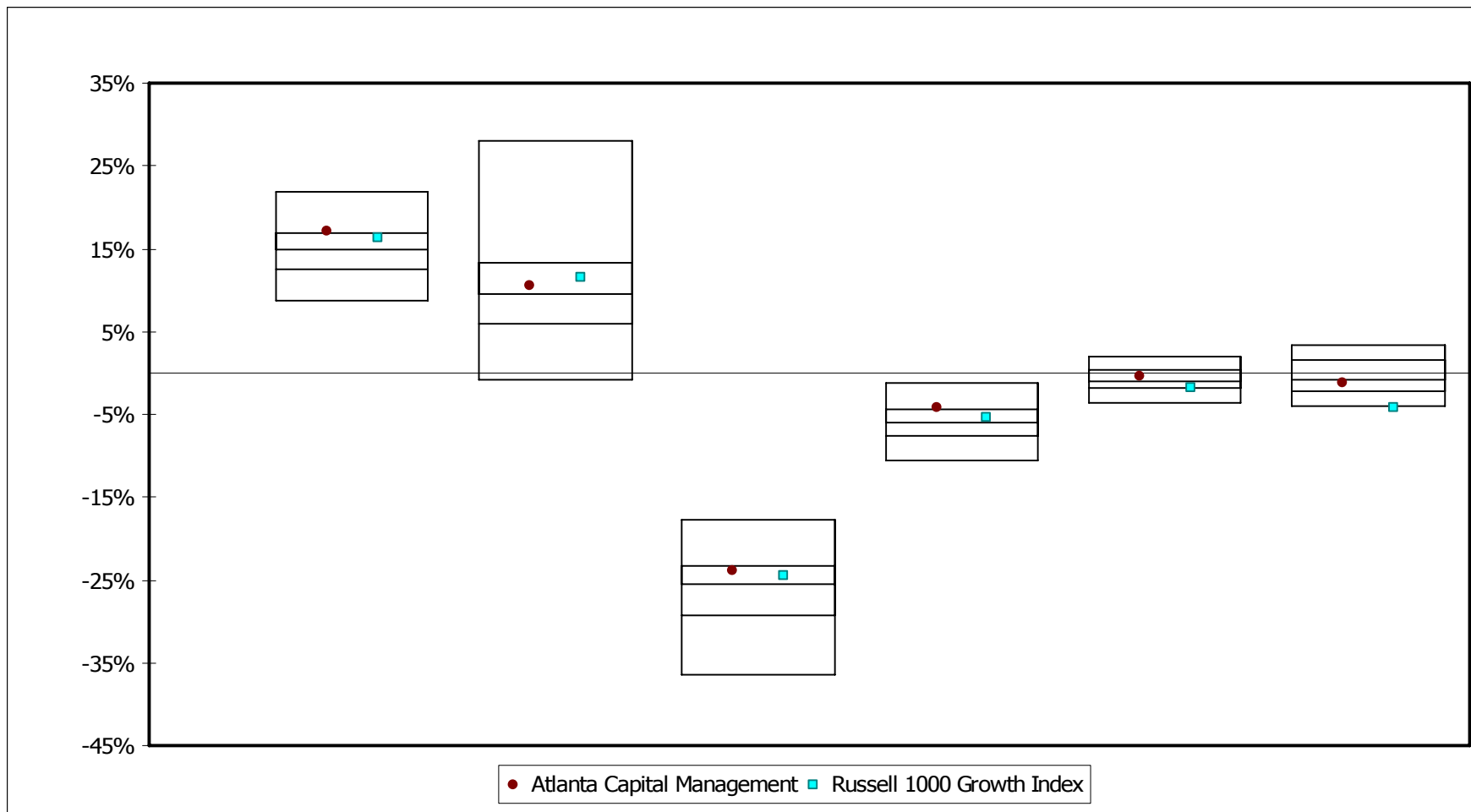


	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
NTGI Russell 3000	16.9%	19	4.3%	30	-26.5%	67	-8.2%	72	-1.7%	43		
Russell 3000 Index	16.8%	20	4.2%	33	-26.6%	68	-8.3%	75	-1.8%	46	-1.5%	44
Median	16.0%		3.3%		-26.1%		-8.1%		-2.0%		-1.9%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return Large Cap Growth Equity

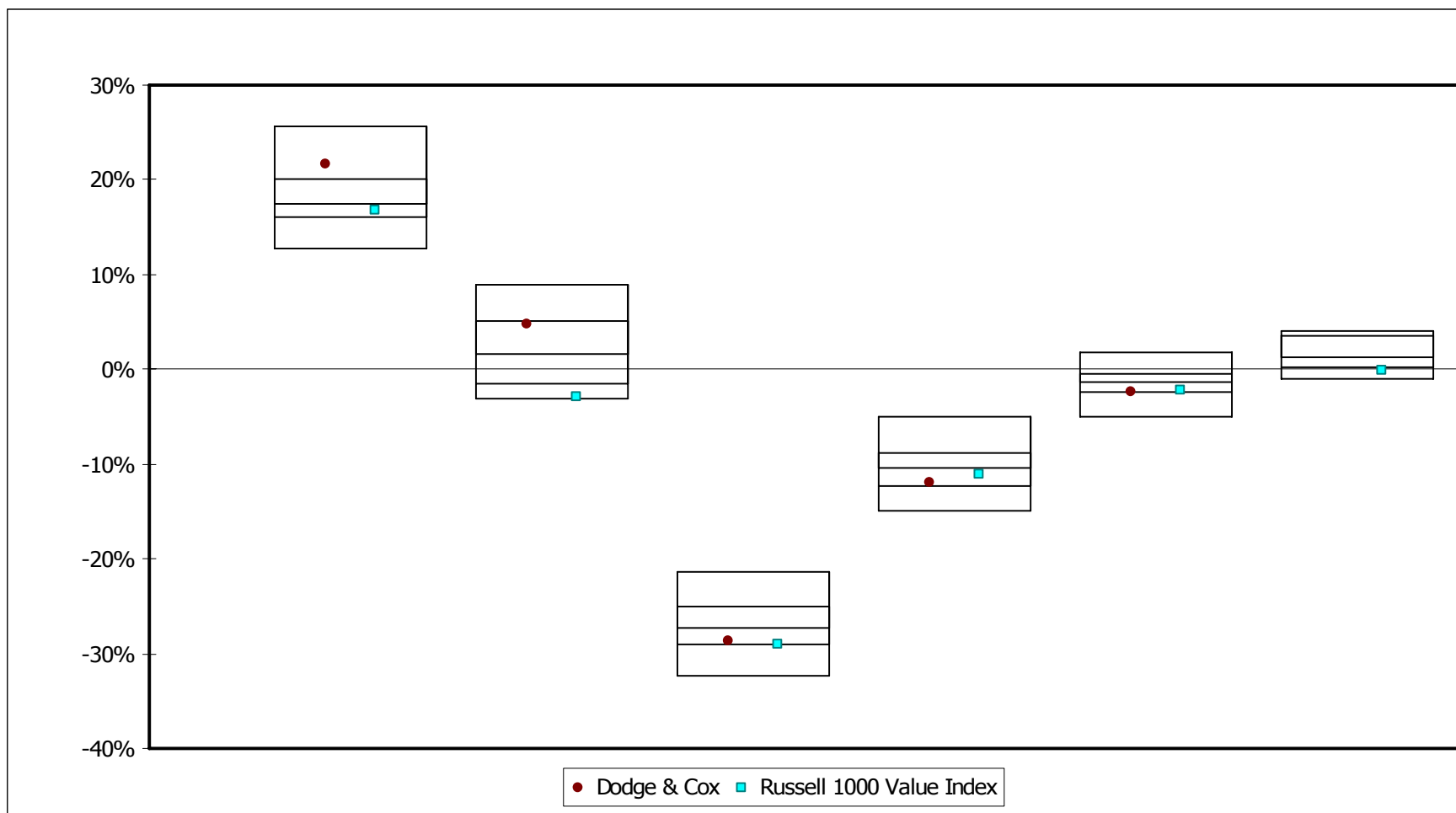


	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Atlanta Capital Management	17.0%	22	10.5%	45	-24.0%	37	-4.2%	23	-0.5%	40	-1.1%	57
Russell 1000 Growth Index	16.3%	29	11.5%	36	-24.5%	42	-5.4%	37	-1.8%	77	-4.2%	98
Median	15.0%		9.6%		-25.5%		-5.9%		-0.9%		-0.8%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return Large Cap Value Equity

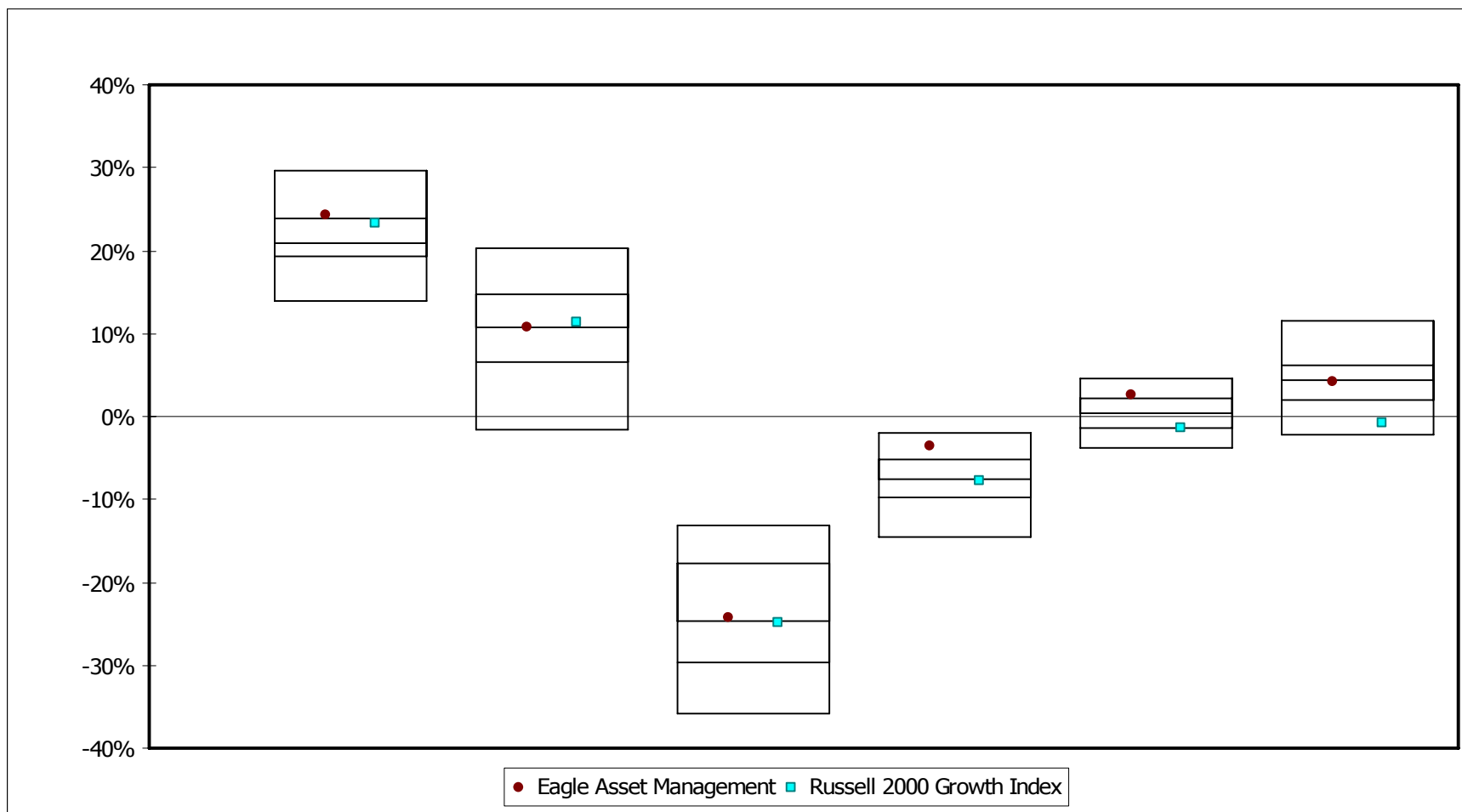


	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Dodge & Cox	21.7%	20	4.8%	29	-28.6%	66	-12.0%	72	-2.3%	71		
Russell 1000 Value Index	16.7%	67	-2.9%	93	-29.0%	77	-11.1%	63	-2.1%	64	-0.2%	87
Median	17.4%		1.6%		-27.2%		-10.4%		-1.4%		1.3%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return Small Cap Growth Equity

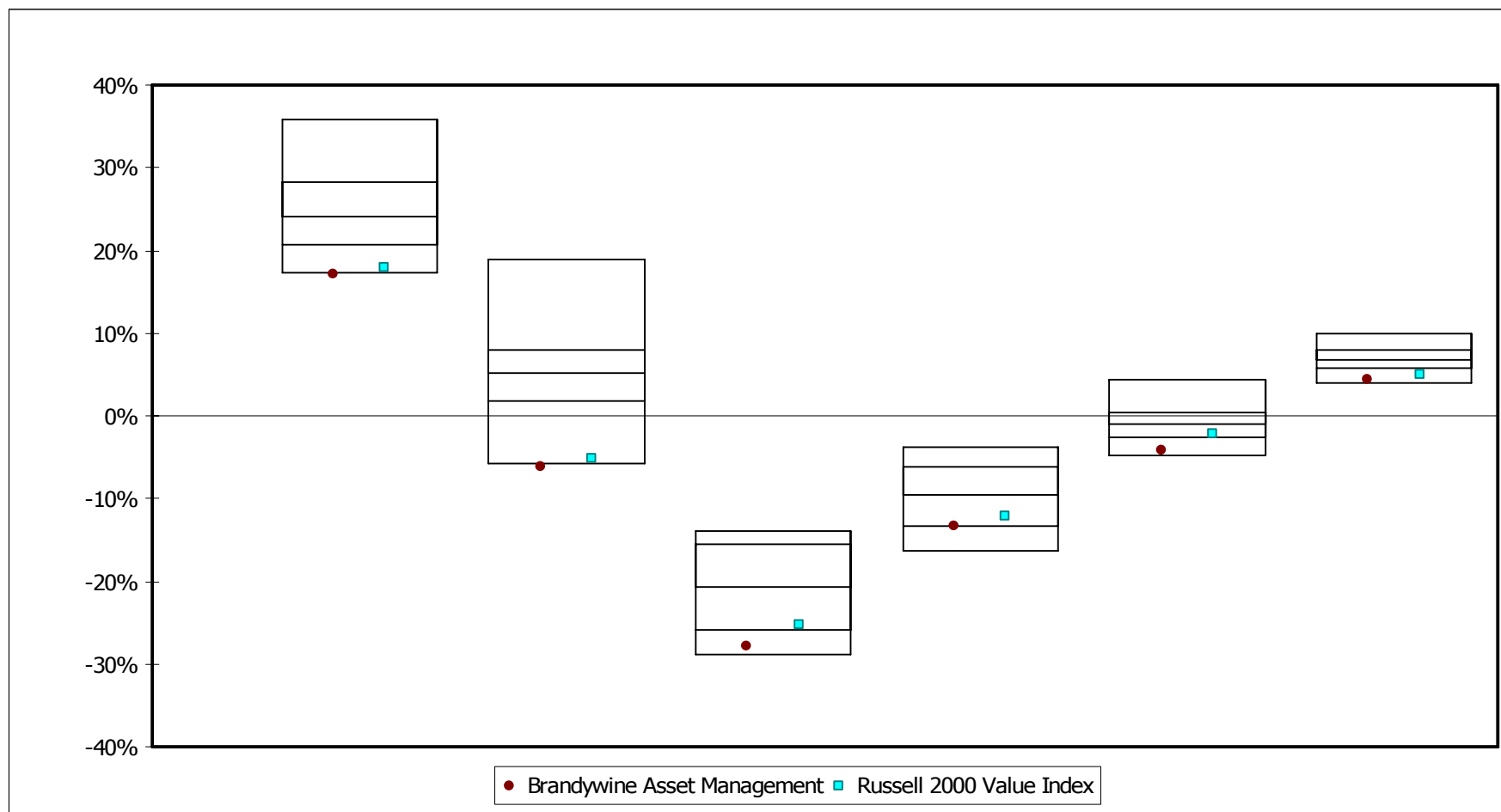


	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Eagle Asset Management	24.3%	24	10.8%	51	-24.4%	48	-3.6%	14	2.5%	22	4.1%	55
Russell 2000 Growth Index	23.4%	29	11.4%	46	-24.8%	51	-7.8%	53	-1.3%	72	-0.9%	94
Median	20.8%		10.8%		-24.8%		-7.6%		0.4%		4.4%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return Small Cap Value Equity



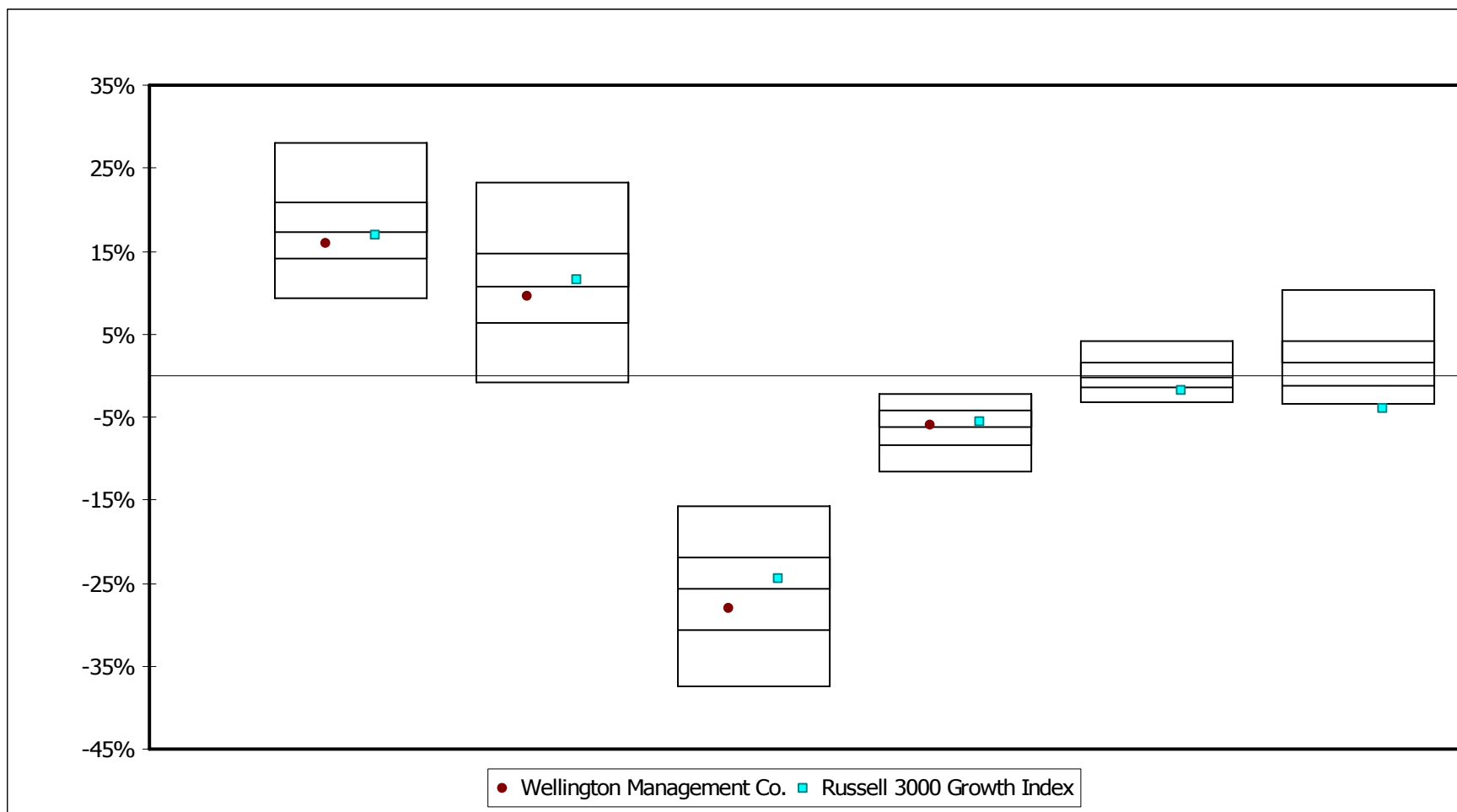
	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Brandywine Asset Management	17.0%	98	-6.1%	98	-27.9%	87	-13.4%	78	-4.1%	83	4.4%	85
Russell 2000 Value Index	18.0%	87	-5.2%	91	-25.2%	69	-12.1%	67	-2.3%	68	5.0%	85
Median	24.1%		5.1%		-20.8%		-9.5%		-1.1%		6.7%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

All Cap Growth Equity



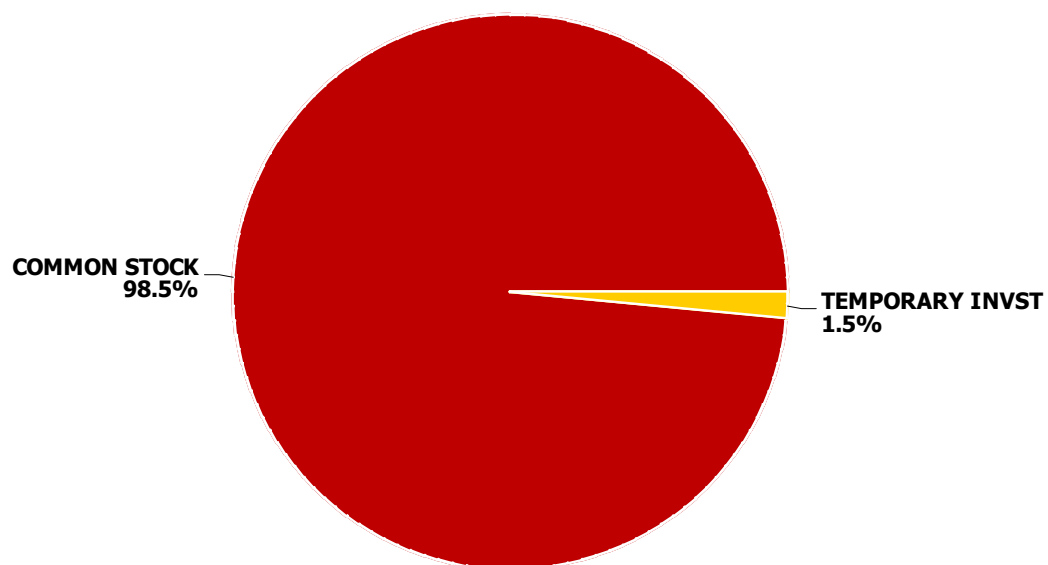
	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Wellington Management Co.	15.9%	60	9.6%	58	-28.1%	63	-6.0%	47	-1.8%	81	-3.9%	98
Russell 3000 Growth Index	16.8%	54	11.5%	44	-24.5%	40	-5.7%	39	-0.1%		1.6%	
Median	17.2%		10.7%		-25.7%		-6.3%		-0.1%		1.6%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis Atlanta Capital Management Company

Asset Class	Market Value	Current%
COMMON STOCK	43,518,476	98.5
TEMPORARY INVST	647,993	1.5
Total	44,166,469	100.0



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics Atlanta Capital Management Company

Portfolio Characteristics

	Portfolio	R 1000(R) GR
Total Number of Securities	56	
Total Market Value \$	43,518,476	
Average Market Capitalization (000's)	54,001,500	63,511,600
Median Market Capitalization (000's)	21,845,800	3,560,200
Equity Segment Yield	1.76	1.81
Equity Segment P/E	16.85	17.36
Equity Segment Beta	1.04	0.95
Price/Book Ratio	3.07	4.48
Five Year Earnings Growth	18.77	19.90
Return On Equity	20.69	28.71

Ten Largest Holdings

Name	\$	Weight
CVS CAREMARK CORPOR	1,609,435	3.7
APPLE INC	1,524,001	3.5
HEWLETT PACKARD CO	1,440,756	3.3
ABBOTT LABS	1,397,088	3.2
CISCO SYS INC	1,301,072	3.0
COCA COLA CO	1,219,680	2.8
MICROSOFT	1,214,647	2.8
STAPLES INC COM	1,200,973	2.8
GOOGLE INC	1,125,645	2.6
APACHE CORP	1,111,110	2.6

Ten Best Performers

Name	Return
WELLS FARGO & CO NE	70.7
AFLAC INC	61.9
COACH INC	61.4
PRICE T ROWE GROUP	45.2
GOLDMAN SACHS GROUP	39.4
OMNICOM GROUP COM U	35.6
APPLE INC	35.5
SCHLUMBERGER LTD CO	33.7
MICROSOFT	30.2
EOG RES INC	24.3

Ten Worst Performers

Name	Return
WAL MART STORES INC	-6.5
VULCAN MATERIALS CO	-1.5
ABBOTT LABS	-0.5
SYSCO CORP	0.7
KOHL'S CORPORATION	1.0
AUTOMATIC DATA PROC	1.7
UNITED PARCEL SVC I	2.4
LINEAR TECH CORP	2.7
AETNA INC	3.0
BANK NEW YORK MELLO	4.1

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

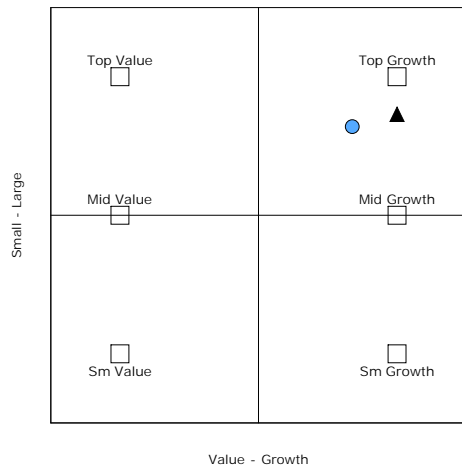
Equity Performance Attribution
Atlanta Capital Management Company

	Portfolio		R 1000(R) GR		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	12.1	14.5	9.5	16.6	-0.2	0.0	-0.2
Consumer Staples	14.3	6.7	13.9	8.5	-0.2	0.0	-0.3
Energy	9.5	19.9	7.5	19.9	0.0	0.1	0.1
Financials	9.9	35.7	3.3	35.6	0.0	1.1	1.1
Health Care	16.1	14.6	14.9	8.1	1.0	-0.1	1.0
Industrials	7.3	11.0	12.6	19.0	-0.6	-0.1	-0.7
Info Technology	26.8	18.8	31.2	19.8	-0.2	-0.1	-0.4
Materials	4.0	10.1	4.4	10.3	0.0	0.0	0.0
Telecom Services	0.0		0.8	8.6	0.0	0.1	0.1
Utilities	0.0		1.8	21.3	0.0	-0.1	-0.1
Miscellaneous	0.0		0.0				
TOTAL	100%	17.3	100%	16.1	-0.2	0.8	0.5

Equity Only Buy/Hold Return (B)	17.3	Stock Selection (E)	-0.2
Benchmark Buy/Hold Return (D)	16.1	Sector Weighting (F)	0.8
Total Relative Return Difference (B/D)	0.5	Total Selection (E * F)	0.5
Equity Only Actual Return (*)	17.5	Total Value Added	0.7
Equity Only Buy/Hold Return (B)	17.3	(Selection * Trading)	
Intra-Period Trading (* / B)	0.2		

US Equity Style Map

Jul 06 - Jun 09

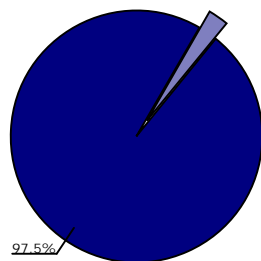
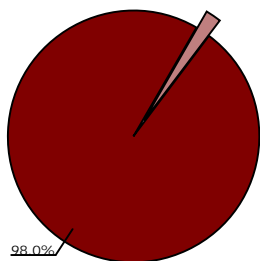


R-Squared (Style Analysis)

Jul 06 - Jun 09

■ Style R-Squared

■ Benchmark R-Squared



Legend

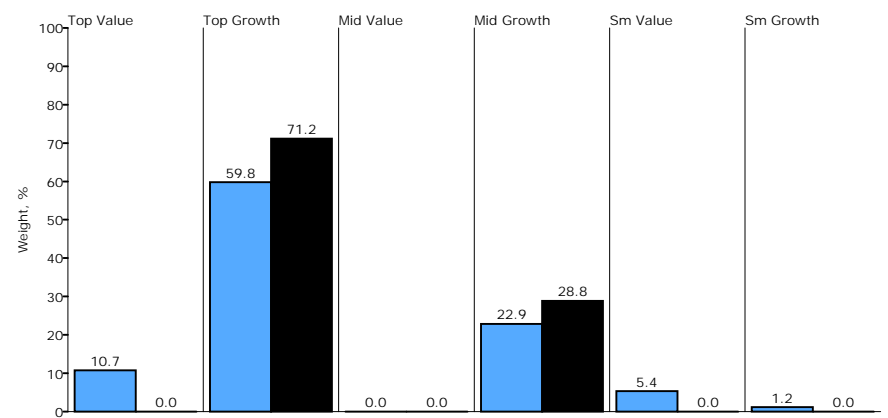
▲ Russell 1000 Growth Index ● Atlanta Capital Management Company

■ Total ■ Style ■ Selection

US Equity Style Exposures

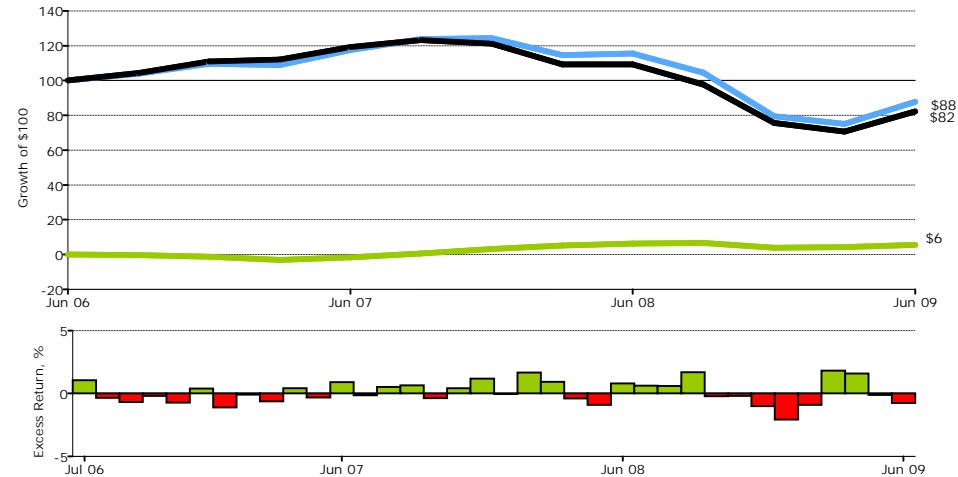
Jul 06 - Jun 09

■ Atlanta Capital Management Company ■ Russell 1000 Growth Index



Cumulative Total, Style & Selection Return

Jul 06 - Jun 09

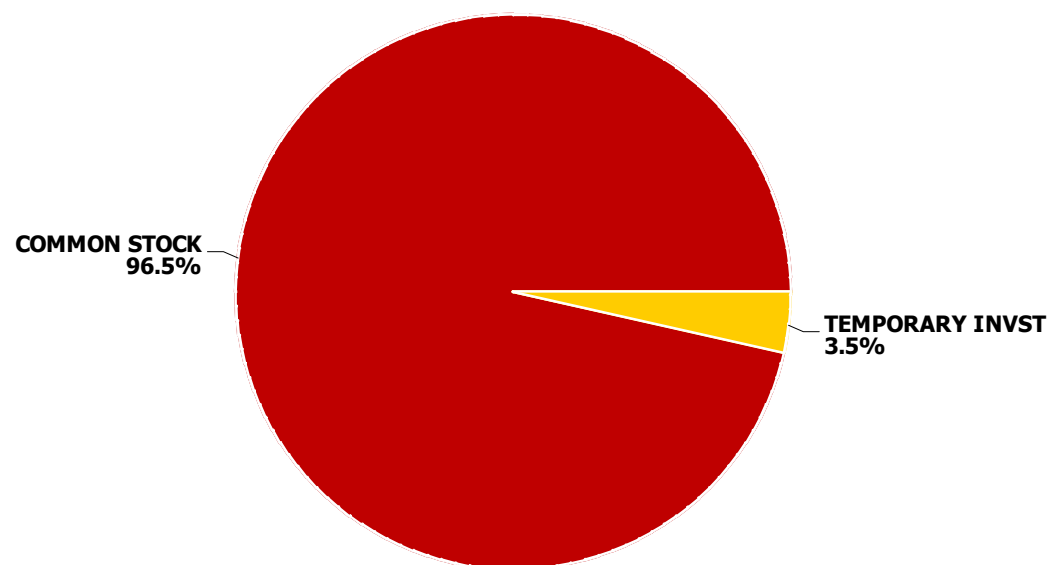


SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis Brandywine Asset Management

Asset Class	Market Value	Current%
COMMON STOCK	31,140,738	96.5
TEMPORARY INVST	1,127,164	3.5
Total	32,267,902	100.0



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics Brandywine Asset Management

Portfolio Characteristics

	Portfolio	R 2000(R) VALUE
Total Number of Securities	381	
Total Market Value \$	31,140,702	
Average Market Capitalization (000's)	614,800	690,400
Median Market Capitalization (000's)	307,100	280,500
Equity Segment Yield	1.43	2.39
Equity Segment P/E	31.69	35.32
Equity Segment Beta	1.43	1.37
Price/Book Ratio	1.38	1.17
Five Year Earnings Growth	6.64	5.93
Return On Equity	9.28	5.59

Ten Largest Holdings

Name	\$	Weight
BENCHMARK ELECTRS I	362,880	1.2
PNM RES INC	357,714	1.1
WORTHINGTON INDS IN	356,841	1.1
ARGO GROUP INTERNAT	318,886	1.0
LIFEPOINT HOSPS INC	315,000	1.0
FLAGSTONE REINSURAN	309,000	1.0
PIPER JAFFRAY COS	301,323	1.0
UNITED STATIONERS I	299,968	1.0
OLIN CORP	293,683	0.9
SYNNEX CORP	292,383	0.9

Ten Best Performers

Name	Return
NORTH AMERN GALVANZ	100.7
METHODE ELECTRS INC	98.9
VISHAY INTERTECHNOL	95.1
DYCOM INDS INC	91.2
CARROLS RESTAURANT	89.7
ELECTRO SCIENTIFIC	88.9
GROUP 1 AUTOMOTIVE	86.3
COMPUTER TASK GROUP	76.8
SPECIALTY UNDERWRIT	74.7
COWEN GROUP INC COM	71.5

Ten Worst Performers

Name	Return
BANCTRUST FINL GR	-52.5
GREENE COUNTY BANCS	-49.1
SUSQUEHANNA BANCHAR	-47.3
WESBANCO INC	-35.2
CENTRAL PAC FINL CO	-33.0
CALLAWAY GOLF CO	-28.6
PREFERRED BK LOS AN	-27.5
STEWART INFORMATION	-26.9
CNA SURETY CORP	-26.8
BUILD A BEAR WORKSH	-26.4

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Performance Attribution Brandywine Asset Management

	Portfolio		R 2000(R) VALUE		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	14.3	17.0	10.3	35.3	-2.4	0.5	-1.9
Consumer Staples	3.9	34.0	5.2	12.4	0.9	0.1	0.9
Energy	2.0	28.6	2.4	34.6	-0.1	-0.1	-0.1
Financials	29.5	6.7	36.1	9.7	-0.8	0.5	-0.3
Health Care	4.2	15.8	5.3	20.4	-0.1	0.0	-0.2
Industrials	22.3	21.5	14.2	20.9	0.2	0.1	0.3
Info Technology	15.3	27.7	12.4	34.9	-1.0	0.4	-0.6
Materials	4.3	21.7	4.8	28.8	-0.3	0.0	-0.3
Telecom Services	0.3	51.1	1.0	26.6	0.1	0.0	0.1
Utilities	4.0	21.1	8.3	5.5	0.7	0.5	1.2
Miscellaneous	0.0		0.0				
TOTAL	100%	17.9	100%	19.1	-2.9	2.0	-1.0

Equity Only Buy/Hold Return (B)	17.9	Stock Selection (E)	-2.9
Benchmark Buy/Hold Return (D)	19.1	Sector Weighting (F)	2.0
Total Relative Return Difference (B/D)	-1.0	Total Selection (E * F)	-1.0
Equity Only Actual Return (*)	17.5	Total Value Added	-1.3
Equity Only Buy/Hold Return (B)	17.9	(Selection * Trading)	
Intra-Period Trading (* / B)	-0.4		

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

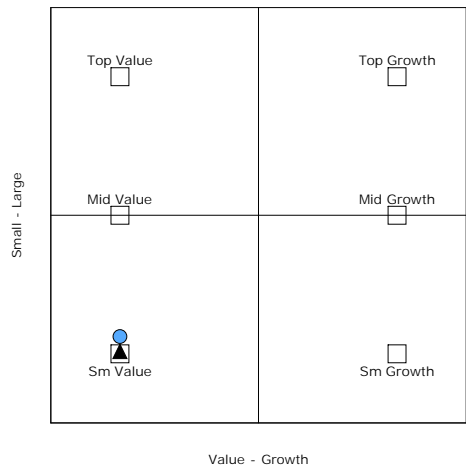
3 Years Ending June 30, 2009

Return Based Style Analysis

Brandywine Asset Management

US Equity Style Map

Jul 06 - Jun 09

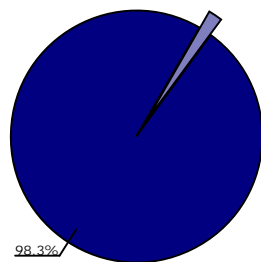
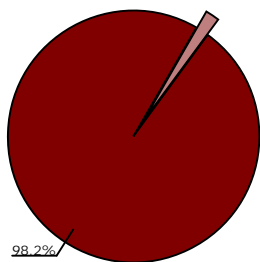


R-Squared (Style Analysis)

Jul 06 - Jun 09

■ Style R-Squared

■ Benchmark R-Squared



Legend

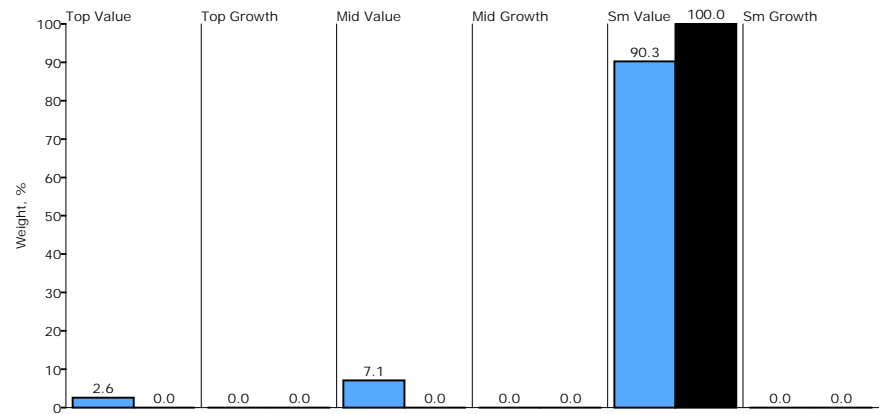
▲ Russell 2000 Value Index ● Brandywine Asset Management

■ Total ■ Style ■ Selection

US Equity Style Exposures

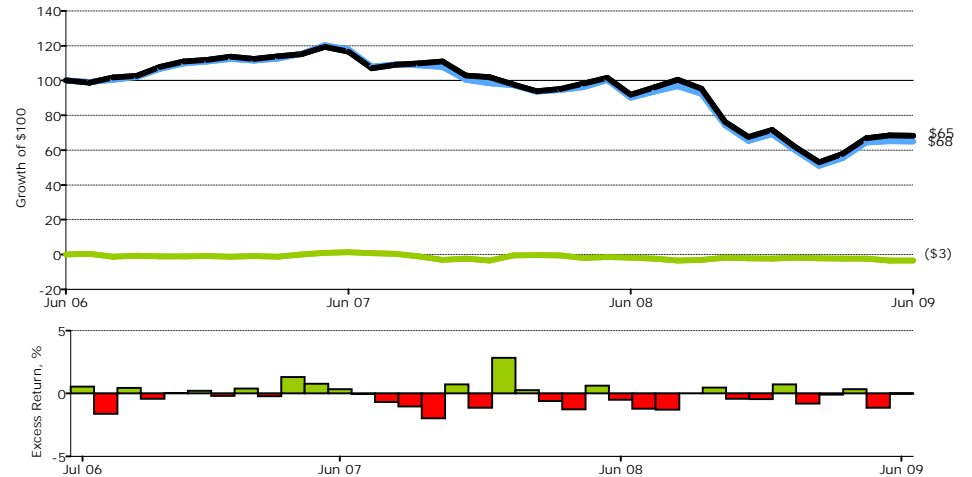
Jul 06 - Jun 09

■ Brandywine Asset Management ■ Russell 2000 Value Index



Cumulative Total, Style & Selection Return

Jul 06 - Jun 09

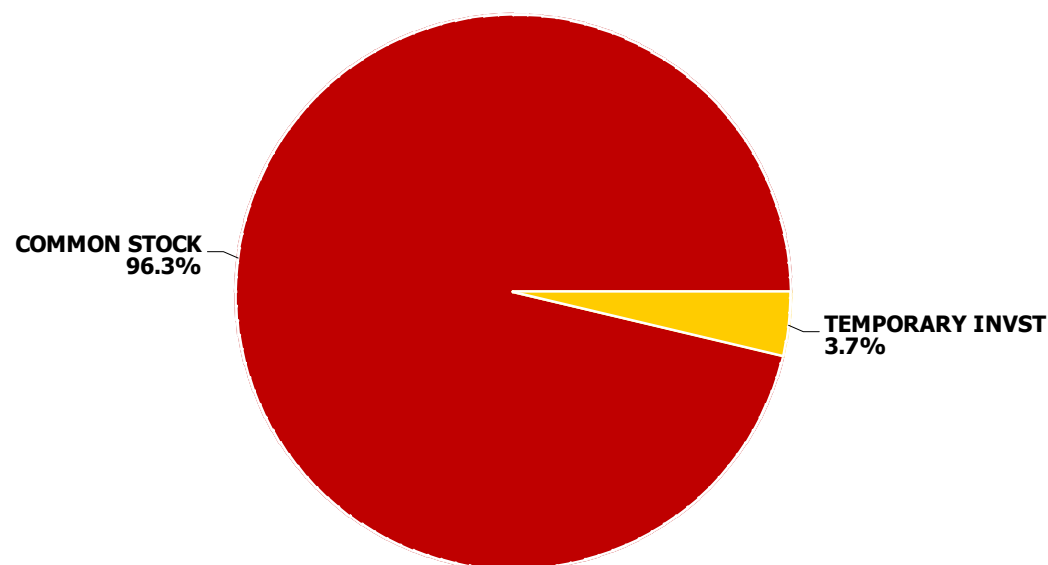


SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis Dodge and Cox -Equity

Asset Class	Market Value	Current%
COMMON STOCK	47,536,353	96.3
TEMPORARY INVST	1,812,462	3.7
Total	49,348,815	100.0



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics

Dodge and Cox -Equity

Portfolio Characteristics

	Portfolio	R 1000(R) VALUE
Total Number of Securities	77	
Total Market Value \$	47,534,658	
Average Market Capitalization (000's)	46,304,300	63,442,900
Median Market Capitalization (000's)	14,414,400	2,958,900
Equity Segment Yield	2.05	2.70
Equity Segment P/E	53.41	21.08
Equity Segment Beta	1.12	1.09
Price/Book Ratio	1.85	1.64
Five Year Earnings Growth	4.87	7.80
Return On Equity	12.70	13.34

Ten Largest Holdings

Name	\$	Weight
HEWLETT PACKARD CO	2,226,975	4.7
COMCAST CORP-CL A	1,683,738	3.5
WELLS FARGO & CO NE	1,567,366	3.3
AMGEN INC	1,535,260	3.2
WELLPOINT INC	1,470,721	3.1
MOTOROLA INC DEL	1,422,135	3.0
MERCK & CO INC COM	1,391,516	2.9
OCCIDENTAL PETE COR	1,369,098	2.9
TIME WARNER INC	1,345,977	2.8
NOVARTIS A G	1,305,280	2.7

Ten Best Performers

Name	Return
GENWORTH FINL INC	267.9
SLM CORP	107.5
DOW CHEM CO	93.2
HEALTH MGMT ASSOC I	91.5
CAPITAL ONE FINL CO	79.1
LIBERTY MEDIA INTER	72.8
WELLS FARGO & CO NE	70.7
AEGON NV	60.4
MOTOROLA INC DEL	56.7
CEMEX S.A.B. DE C.V	55.4

Ten Worst Performers

Name	Return
WAL MART STORES INC	-6.5
SYNOPSYS INC COM	-5.9
PITNEY BOWES	-4.5
CARDINAL HEALTH INC	-2.4
VULCAN MATERIALS CO	-1.5
CHEVRON CORP	-0.5
HOME DEPOT INC COM	1.2
TRAVELERS COS INC	1.7
BMC SOFTWARE INC	2.4
COMPUWARE CORP	4.1

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

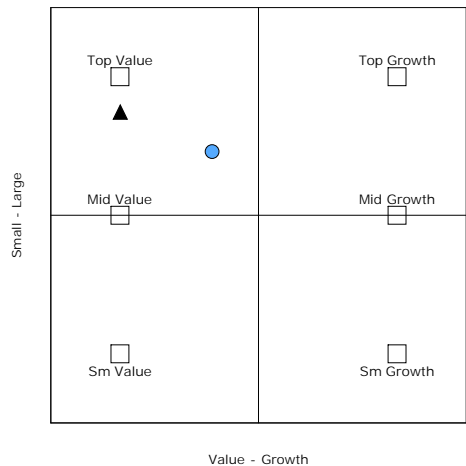
Equity Performance Attribution Dodge and Cox -Equity

	Portfolio		R 1000(R) VALUE		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	19.8	19.0	8.5	24.1	-1.0	0.7	-0.3
Consumer Staples	3.3	-1.3	10.0	10.2	-0.4	0.4	-0.1
Energy	10.7	18.9	17.7	7.5	1.2	0.6	1.7
Financials	7.0	56.8	20.5	31.1	1.7	-1.6	0.0
Health Care	28.6	13.4	14.4	11.3	0.5	-0.7	-0.1
Industrials	6.8	18.0	7.8	20.2	-0.2	0.0	-0.2
Info Technology	20.5	26.7	3.3	23.0	0.7	0.9	1.6
Materials	1.6	65.5	3.2	32.9	0.4	-0.2	0.2
Telecom Services	1.9	34.7	7.3	3.3	0.5	0.6	1.1
Utilities	0.0		7.4	9.0	0.0	0.5	0.5
Miscellaneous	0.0		0.0				
TOTAL	100%	23.0	100%	16.7	3.3	1.1	4.5

Equity Only Buy/Hold Return (B)	23.0	Stock Selection (E)	3.3
Benchmark Buy/Hold Return (D)	16.7	Sector Weighting (F)	1.1
Total Relative Return Difference (B/D)	4.5	Total Selection (E * F)	4.5
Equity Only Actual Return (*)	23.0	Total Value Added	4.5
Equity Only Buy/Hold Return (B)	23.0	(Selection * Trading)	
Intra-Period Trading (* / B)	0.0		

US Equity Style Map

Jul 06 - Jun 09

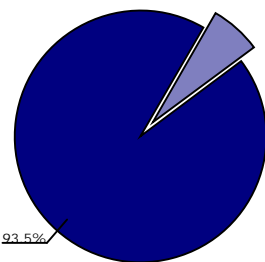
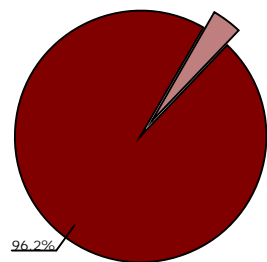


R-Squared (Style Analysis)

Jul 06 - Jun 09

■ Style R-Squared

■ Benchmark R-Squared



Legend

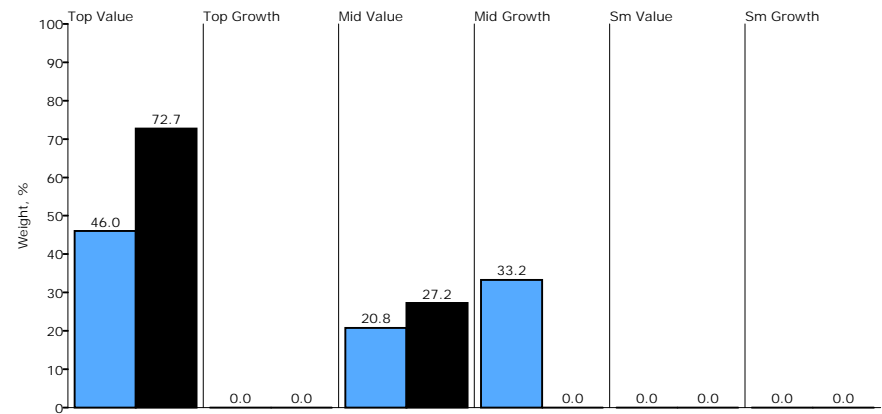
▲ Russell 1000 Value ● Dodge & Cox -Equity

■ Total ■ Style ■ Selection

US Equity Style Exposures

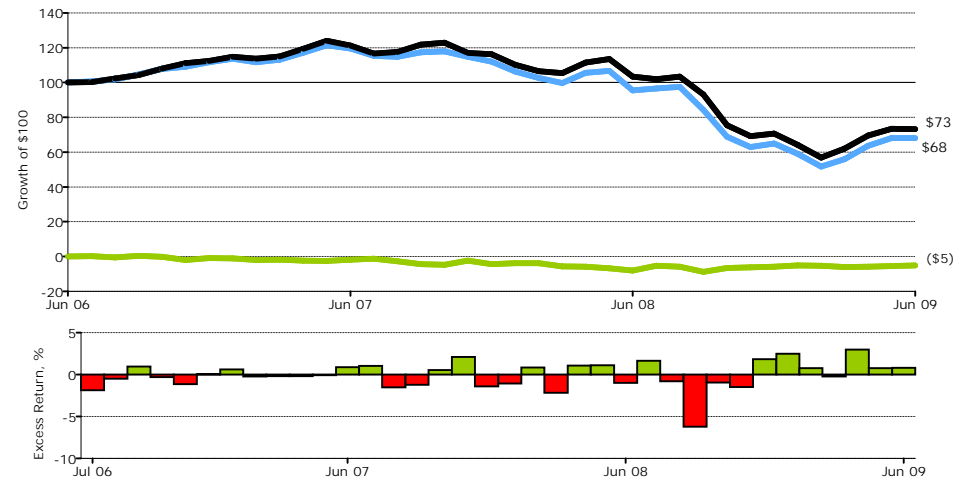
Jul 06 - Jun 09

■ Dodge & Cox -Equity ■ Russell 1000 Value

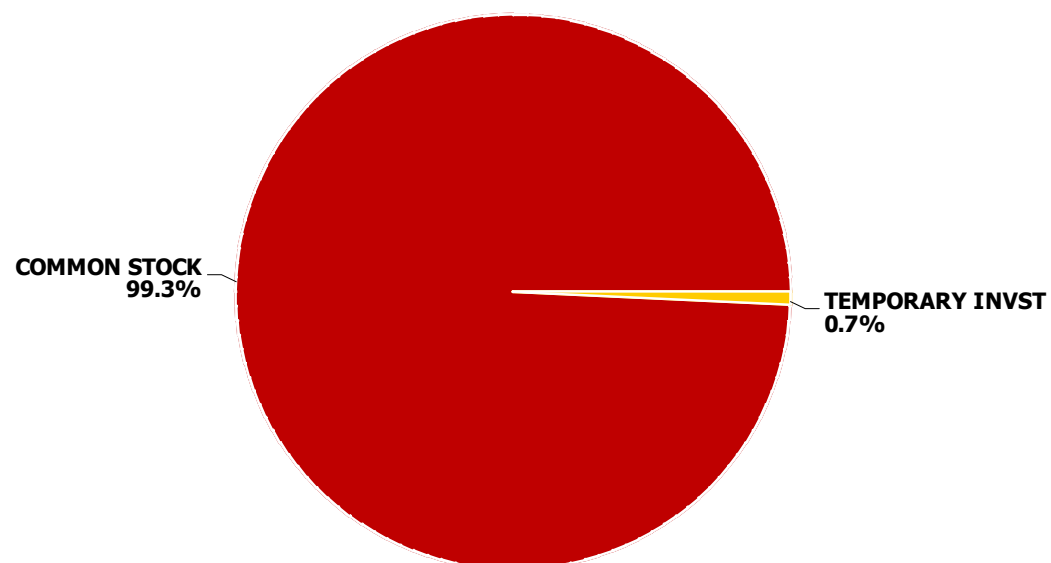


Cumulative Total, Style & Selection Return

Jul 06 - Jun 09



Asset Class	Market Value	Current%
■ COMMON STOCK	32,743,135	99.3
■ TEMPORARY INVST	228,760	0.7
<hr/>		
Total	32,971,895	100.0



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics Eagle Asset Management

Portfolio Characteristics

	Portfolio	R 2000(R) GR
Total Number of Securities	63	
Total Market Value \$	32,743,135	
Average Market Capitalization (000's)	1,019,900	823,200
Median Market Capitalization (000's)	872,400	343,500
Equity Segment Yield	0.53	0.62
Equity Segment P/E	22.85	60.69
Equity Segment Beta	1.25	1.12
Price/Book Ratio	2.82	3.33
Five Year Earnings Growth	18.10	18.39
Return On Equity	14.75	10.21

Ten Largest Holdings

Name	\$	Weight
THORATEC CORP	1,191,630	3.6
COMPELLENT TECHNOLO	1,120,799	3.4
AMERICAN MED SYS HL	999,982	3.1
BALLY TECHNOLOGIES	974,345	3.0
EMS TECHNOLOGIES IN	919,287	2.8
TRUE RELIGION APPAR	887,206	2.7
ECLIPSYS CORP	874,136	2.7
ICON PUB LTD CO	793,281	2.4
CASH AMER INTL INC	783,097	2.4
MACROVISION Solutio	754,626	2.3

Ten Best Performers

Name	Return
HERBALIFE LTD COM U	112.1
OYO GEOSPACE CORP	96.5
RADIANT SYS INC	88.2
ECLIPSYS CORP	75.3
QUAKER CHEMICAL COR	71.5
HUNTSMAN CORP COM	63.1
BALLY TECHNOLOGIES	62.4
BIO REFERENCE LABS	51.2
CASH AMER INTL INC	49.6
HEXCEL CORP NEW	45.1

Ten Worst Performers

Name	Return
FIRST COMWLTH FINL	-28.5
INVESTMENT TECHNOLO	-20.1
TERRA INDS INC	-13.5
ONYX PHARMACEUTICAL	-1.0
GENESCO INC	-0.3
VITAL IMAGES INC	0.7
WASTE CONNECTIONS I	0.8
THORATEC CORP	4.2
NOVELL INC	6.3
VARIAN SEMICONDUCTO	10.8

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Performance Attribution Eagle Asset Management

	Portfolio		R 2000(R) GR		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	13.3	18.5	11.9	29.8	-1.4	0.1	-1.4
Consumer Staples	0.8	112.1	3.1	24.0	0.7	0.0	0.7
Energy	5.5	32.5	5.4	31.7	0.1	0.0	0.1
Financials	4.5	8.7	5.3	15.9	-0.3	0.0	-0.2
Health Care	25.6	22.8	26.2	19.3	0.9	0.0	0.9
Industrials	14.4	25.0	18.6	21.9	0.5	0.1	0.5
Info Technology	30.9	21.6	24.1	28.6	-2.0	0.3	-1.7
Materials	4.9	27.5	3.0	29.0	0.0	0.1	0.0
Telecom Services	0.0		1.5	11.8	0.0	0.2	0.2
Utilities	0.0		0.9	16.0	0.0	0.1	0.1
Miscellaneous	0.0		0.0				
TOTAL	100%	23.6	100%	24.1	-1.6	0.8	-0.9

Equity Only Buy/Hold Return (B)	23.6	Stock Selection (E)	-1.6
Benchmark Buy/Hold Return (D)	24.1	Sector Weighting (F)	0.8
Total Relative Return Difference (B/D)	-0.9	Total Selection (E * F)	-0.9
Equity Only Actual Return (*)	24.8	Total Value Added	0.1
Equity Only Buy/Hold Return (B)	23.6	(Selection * Trading)	
Intra-Period Trading (* / B)	1.0		

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

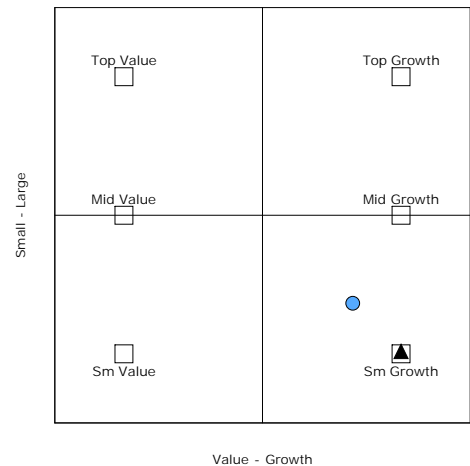
3 Years Ending June 30, 2009

Return Based Style Analysis

Eagle Asset Management

US Equity Style Map

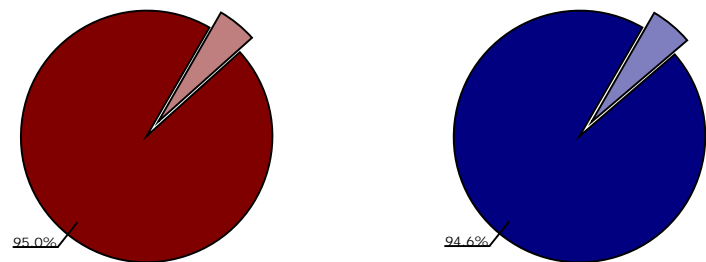
Jul 06 - Jun 09



R-Squared (Style Analysis)

Jul 06 - Jun 09

■ Style R-Squared ■ Benchmark R-Squared



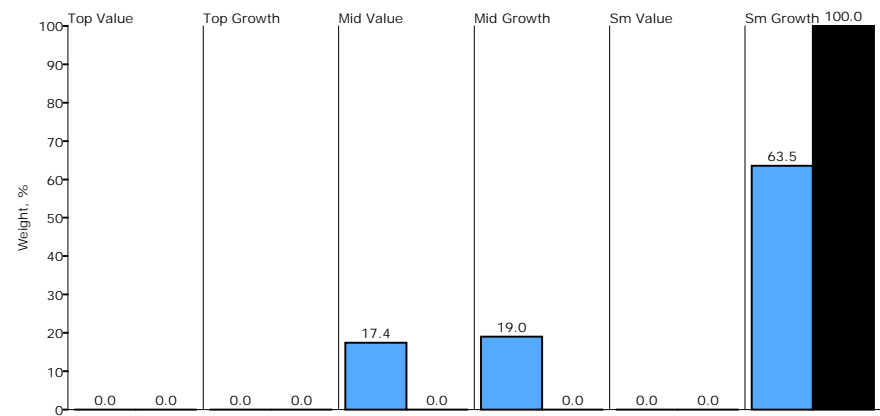
Legend

▲ Russell 2000 Growth Index ● Eagle Asset Management

US Equity Style Exposures

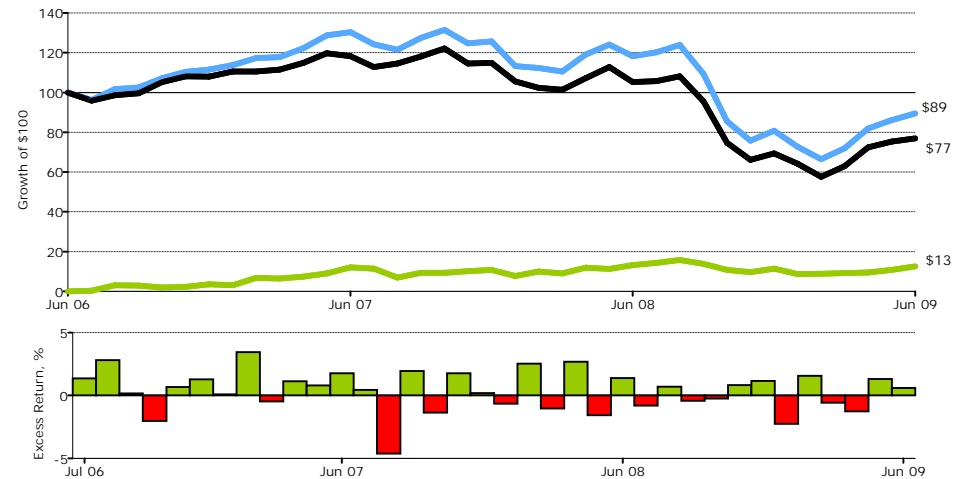
Jul 06 - Jun 09

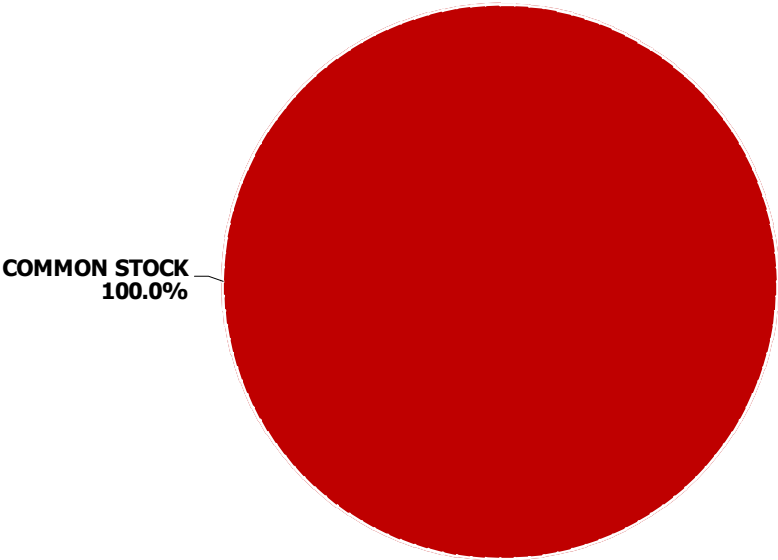
■ Eagle Asset Management ■ Russell 2000 Growth Index



Cumulative Total, Style & Selection Return

Jul 06 - Jun 09





Asset Class	Market Value	Current%
COMMON STOCK	261,446,096	100.0
TEMPORARY INVST	12,521	0.0
Total	261,458,617	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics Northern Trust Russell 3000 Index Fund

Portfolio Characteristics

	Portfolio	R 3000(R)
Total Number of Securities	2251	
Total Market Value \$	256,754,981	
Average Market Capitalization (000's)	59,046,500	58,721,200
Median Market Capitalization (000's)	950,500	596,100
Equity Segment Yield	2.20	2.19
Equity Segment P/E	19.80	19.82
Equity Segment Beta	1.03	1.03
Price/Book Ratio	3.04	3.03
Five Year Earnings Growth	13.75	13.79
Return On Equity	20.26	20.19

Ten Largest Holdings

Name	\$	Weight
EXXON MOBIL CORP	8,947,083	3.5
MICROSOFT	4,803,750	1.9
JOHNSON & JOHNSON	4,105,985	1.6
PROCTER & GAMBLE CO	3,909,452	1.5
AT & T INC	3,844,953	1.5
INTERNATIONAL BUSIN	3,617,635	1.4
CHEVRON CORP	3,483,732	1.4
J P MORGAN CHASE &	3,363,787	1.3
APPLE INC	3,333,010	1.3
GENERAL ELEC CO	3,253,261	1.3

Ten Best Performers

Name	Return
DOLLAR THRIFTY AUTO	1102.
TENNECO INC	550.3
SONIC AUTOMOTIVE IN	535.0
AVIS BUDGET GROUP I	520.9
DENDREON CORP	491.7
BORDERS GROUP INC	484.1
ARVINMERITOR INC	455.7
PHOTRONICS INC	321.9
RITE AID CORP COM	319.4
CAPITALSOURCE INC	300.9

Ten Worst Performers

Name	Return
SEQUENOM INC COM NE	-72.5
PACIFIC CAP BANCORP	-68.4
YRC WORLDWIDE INC	-61.5
ODYSSEY MARINE EXPL	-52.8
SUSQUEHANNA BANCHAR	-47.3
IMMUCOR INC	-45.3
NATIONAL PENN BANC	-44.1
PINNACLE FINL PARTN	-43.8
S & T BANCORP INC	-42.0
KENDLE INTERNATIONAL	-41.6

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

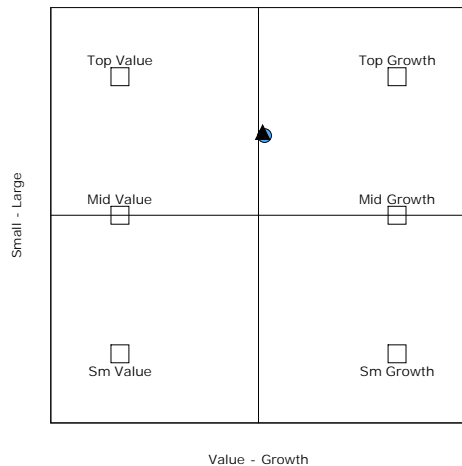
Equity Performance Attribution Northern Trust Russell 3000 Index Fund

	Portfolio		R 3000(R)		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	9.2	20.6	9.2	21.0	0.0	0.0	0.0
Consumer Staples	11.4	9.3	11.5	9.3	0.0	0.0	0.0
Energy	11.6	12.1	11.6	12.1	0.0	0.0	0.0
Financials	12.0	29.2	12.0	29.1	0.0	0.0	0.0
Health Care	14.8	10.3	14.7	10.4	0.0	0.0	0.0
Industrials	10.8	19.7	10.8	19.7	0.0	0.0	0.0
Info Technology	18.2	20.0	18.2	20.8	-0.1	0.0	-0.1
Materials	4.0	18.8	3.9	19.8	0.0	0.0	0.0
Telecom Services	3.7	4.2	3.7	4.3	0.0	0.0	0.0
Utilities	4.4	11.1	4.4	11.3	0.0	0.0	0.0
Miscellaneous	0.0		0.0				
TOTAL	100%	17.0	100%	16.8	-0.2	0.0	-0.2

Equity Only Buy/Hold Return (B)	17.0	Stock Selection (E)	-0.2
Benchmark Buy/Hold Return (D)	16.8	Sector Weighting (F)	0.0
Total Relative Return Difference (B/D)	-0.2	Total Selection (E * F)	-0.2
Equity Only Actual Return (*)	16.9	Total Value Added	-0.2
Equity Only Buy/Hold Return (B)	17.0	(Selection * Trading)	
Intra-Period Trading (* / B)	-0.1		

US Equity Style Map

Jul 06 - Jun 09

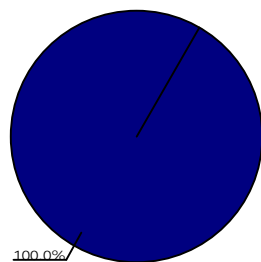
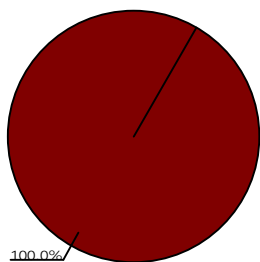


R-Squared (Style Analysis)

Jul 06 - Jun 09

■ Style R-Squared

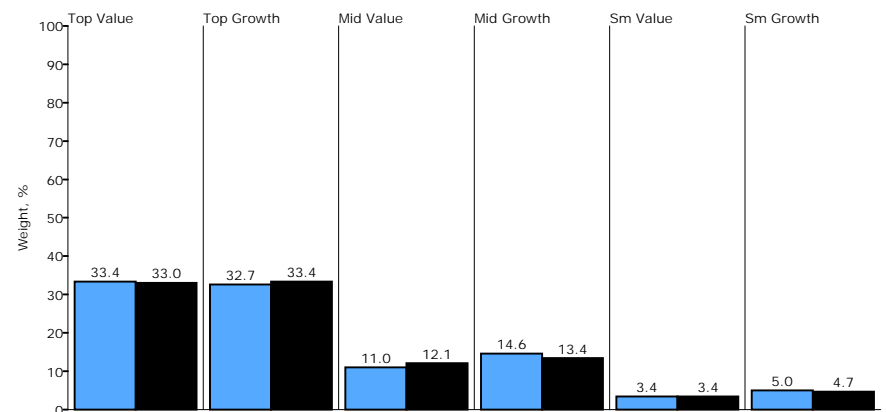
■ Benchmark R-Squared



US Equity Style Exposures

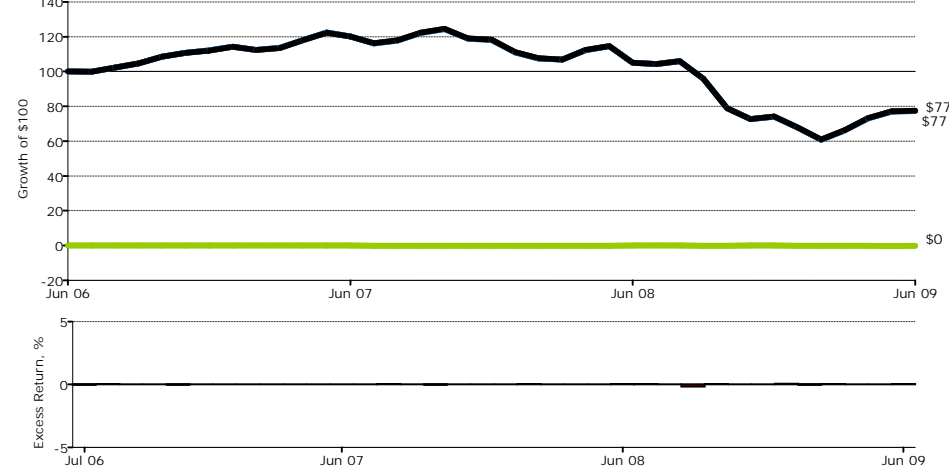
Jul 06 - Jun 09

■ Northern Trust Russell 3000 Index Fund ■ Russell 3000 Index



Cumulative Total, Style & Selection Return

Jul 06 - Jun 09



Legend

▲ Russell 3000 Index ● Northern Trust Russell 3000 Index Fund

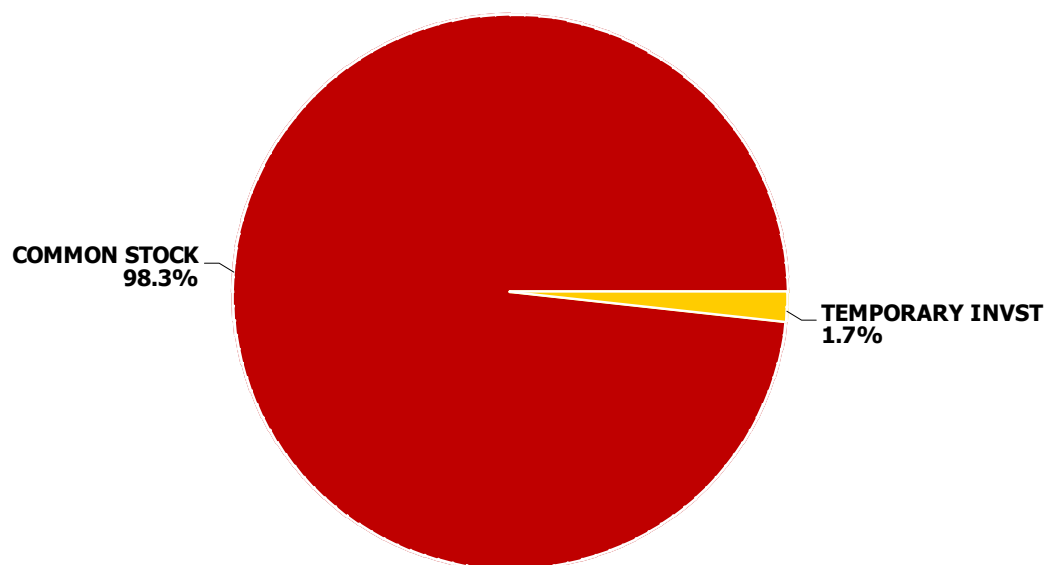
■ Total ■ Style ■ Selection

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis Wellington Management Company

Asset Class	Market Value	Current%
COMMON STOCK	61,989,234	98.3
TEMPORARY INVST	1,094,763	1.7
Total	63,083,997	100.0



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Only Summary Statistics
Wellington Management Company

Portfolio Characteristics

	Portfolio	R 3000(R) GR
Total Number of Securities	141	
Total Market Value \$	61,989,234	
Average Market Capitalization (000's)	40,898,300	58,780,600
Median Market Capitalization (000's)	4,134,900	647,500
Equity Segment Yield	1.15	1.72
Equity Segment P/E	16.43	18.33
Equity Segment Beta	1.12	0.96
Price/Book Ratio	3.82	4.39
Five Year Earnings Growth	21.85	19.81
Return On Equity	23.78	27.31

Ten Largest Holdings

Name	\$	Weight
MICROSOFT	2,256,011	3.6
ORACLE CORP	2,123,793	3.4
APOLLO GROUP INC	1,647,850	2.7
ACCENTURE LTD	1,605,411	2.6
HEWLETT PACKARD CO	1,575,980	2.5
CISCO SYS INC	1,522,888	2.5
NETAPP INC	1,358,116	2.2
APPLE INC	1,350,236	2.2
QUALCOMM INC	1,247,972	2.0
ST JUDE MED INC COM	1,242,864	2.0

Ten Best Performers

Name	Return
ON SEMICONDUCTOR CO	75.9
RESEARCH IN MOTION	64.8
HEALTHSOUTH CORP	62.6
COACH INC	61.4
JUNIPER NETWORKS IN	56.7
NCR CORP NEW	48.8
PLEXUS CORP	48.0
GOLDMAN SACHS GROUP	39.4
CUMMINS ENGINE INC	39.1
PETROLEO BRASILEIRO	35.6

Ten Worst Performers

Name	Return
OSI PHARMACEUTICALS	-26.2
ITT ED SVCS INC	-17.1
CORINTHIAN COLLEGES	-13.0
BEST BUY INC	-11.5
APOLLO GROUP INC	-9.2
NEWMONT MNG CORP	-8.5
SUPERVALU INC	-8.3
ALTERA CORP	-6.9
BERKLEY W R CORP CO	-4.5
VERISIGN INC	-2.1

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Equity Performance Attribution Wellington Management Company

	Portfolio		R 3000(R) GR		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	11.6	17.8	9.7	17.8	0.0	0.0	0.1
Consumer Staples	1.3	6.8	13.1	8.7	0.0	0.8	0.8
Energy	9.7	23.5	7.4	20.5	0.3	0.1	0.4
Financials	5.7	10.6	3.4	33.5	-1.2	0.3	-0.9
Health Care	13.3	11.0	15.7	9.4	0.2	0.2	0.4
Industrials	20.6	15.2	13.0	19.3	-0.8	0.2	-0.6
Info Technology	34.9	18.9	30.7	20.3	-0.4	0.1	-0.3
Materials	2.7	-0.8	4.3	11.2	-0.3	0.1	-0.2
Telecom Services	0.3	-22.1	0.9	9.0	-0.1	0.0	0.0
Utilities	0.0		1.8	21.1	0.0	-0.1	-0.1
Miscellaneous	0.0		0.0				
TOTAL	100%	16.3	100%	16.7	-2.2	1.7	-0.5

Equity Only Buy/Hold Return (B)
Benchmark Buy/Hold Return (D)
Total Relative Return Difference (B/D)

16.3
16.7
-0.5

Stock Selection (E)
Sector Weighting (F)
Total Selection (E * F)

-2.2
1.7
-0.5

Equity Only Actual Return (*)
Equity Only Buy/Hold Return (B)
Intra-Period Trading (* / B)

15.8
16.3
-0.4

Total Value Added
(Selection * Trading)

-0.9

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

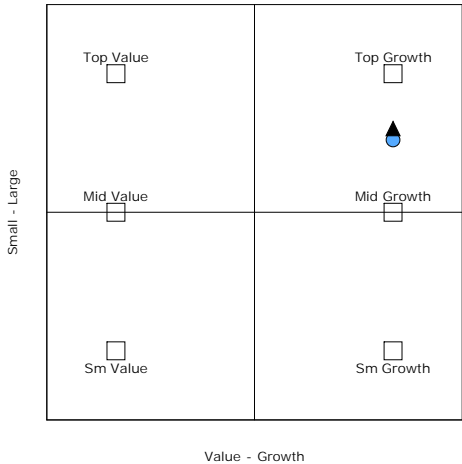
3 Years Ending June 30, 2009

Return Based Style Analysis

Wellington Management Company

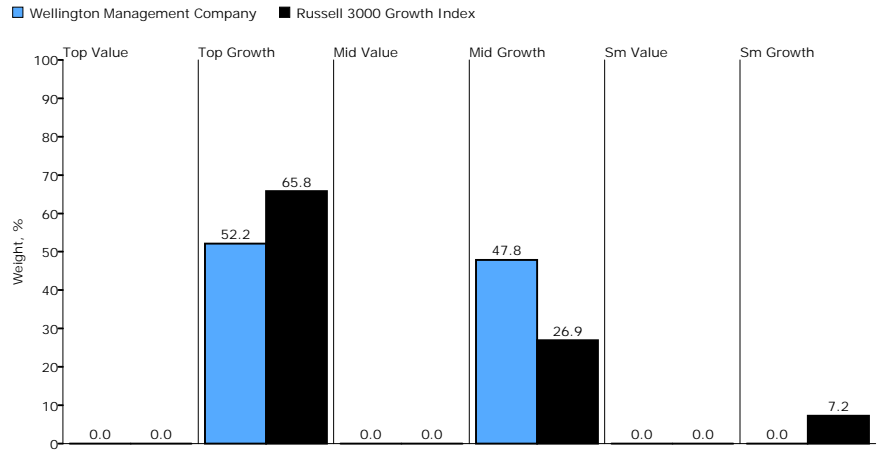
US Equity Style Map

Jul 06 - Jun 09



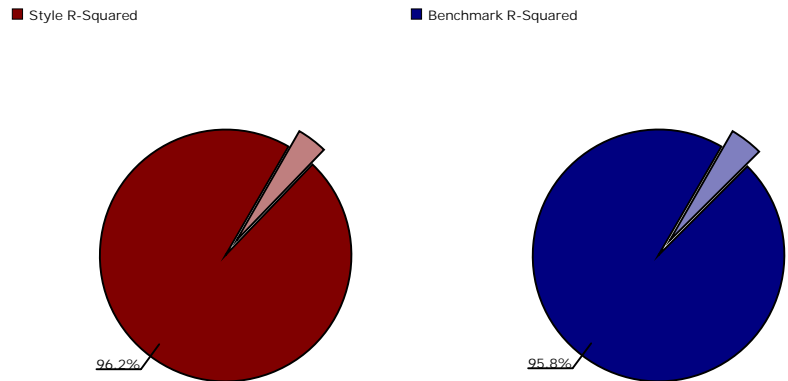
US Equity Style Exposures

Jul 06 - Jun 09



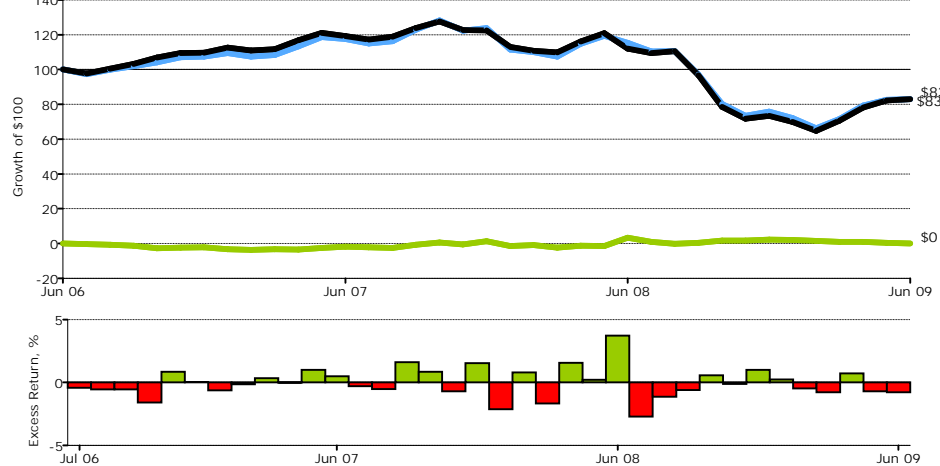
R-Squared (Style Analysis)

Jul 06 - Jun 09



Cumulative Total, Style & Selection Return

Jul 06 - Jun 09



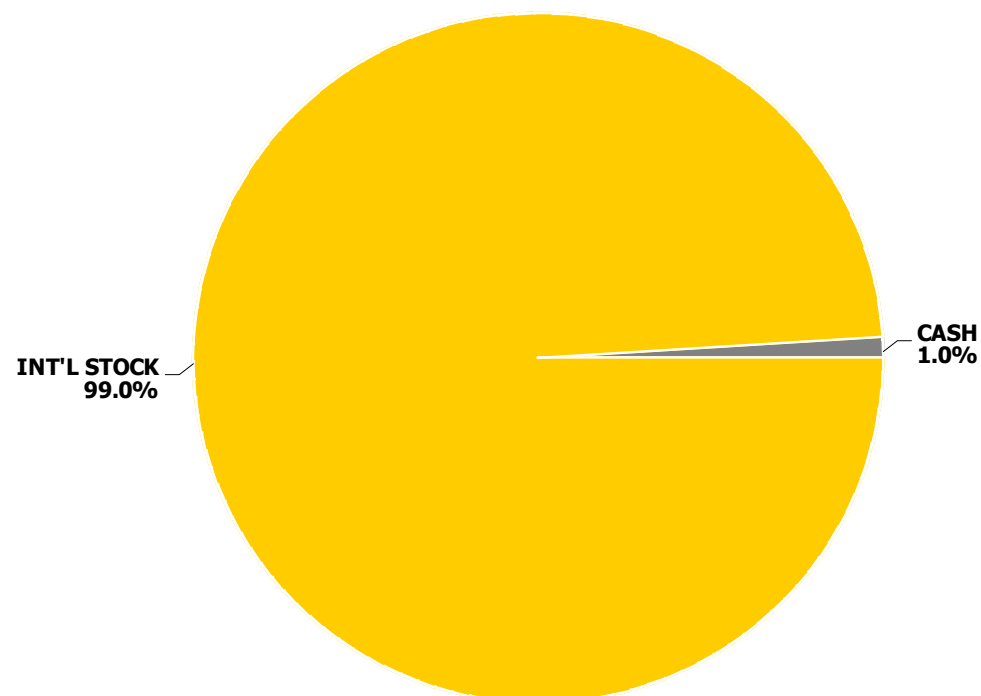
Legend

- ▲ Russell 3000 Growth Index
- Wellington Management Company
- Total
- Style
- Selection

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis International Equity Composite

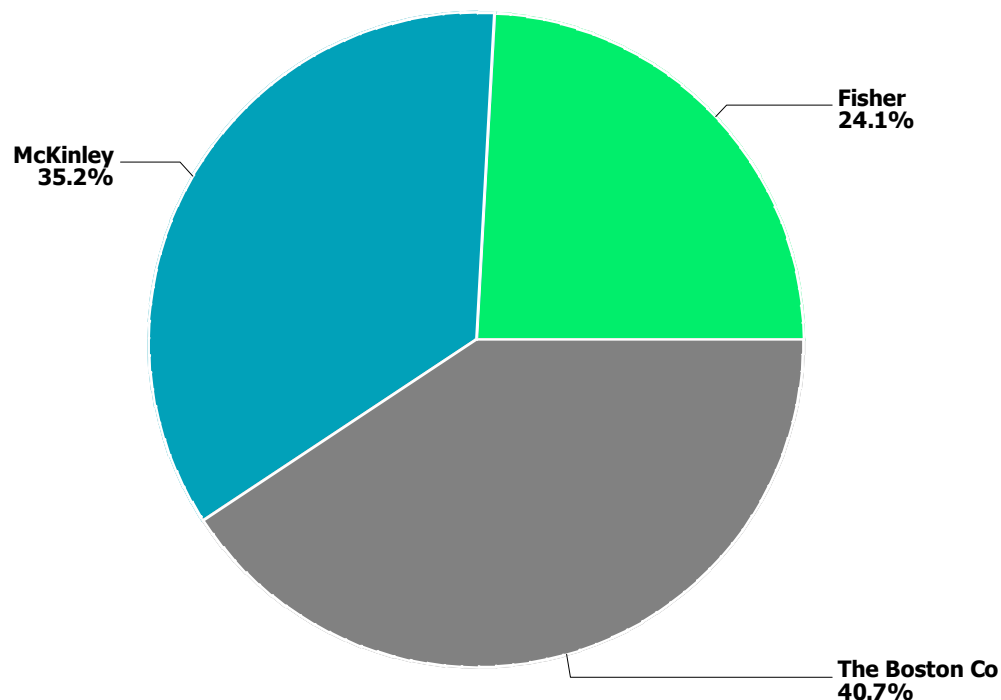


Asset Class	Market Value	Current%
CASH	2,336,872	1.0
INT'L STOCK	234,796,911	99.0
Total	237,133,783	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Manager Allocation Analysis International Equity Composite



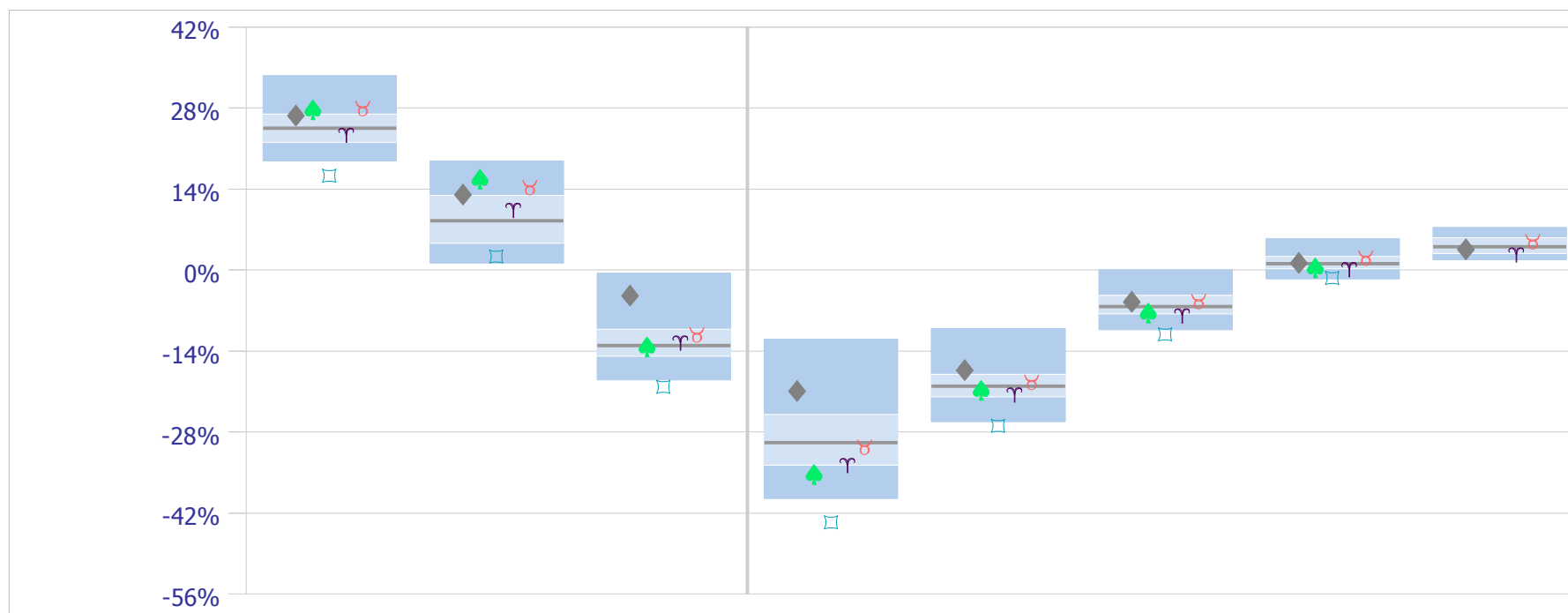
Manager	Market Value	Current%
Fisher	57,186,200	24.1
McKinley	83,353,512	35.2
The Boston Co	96,594,071	40.7
Total	237,133,783	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Int'l Developed Mkt Equity Funds

Total Returns



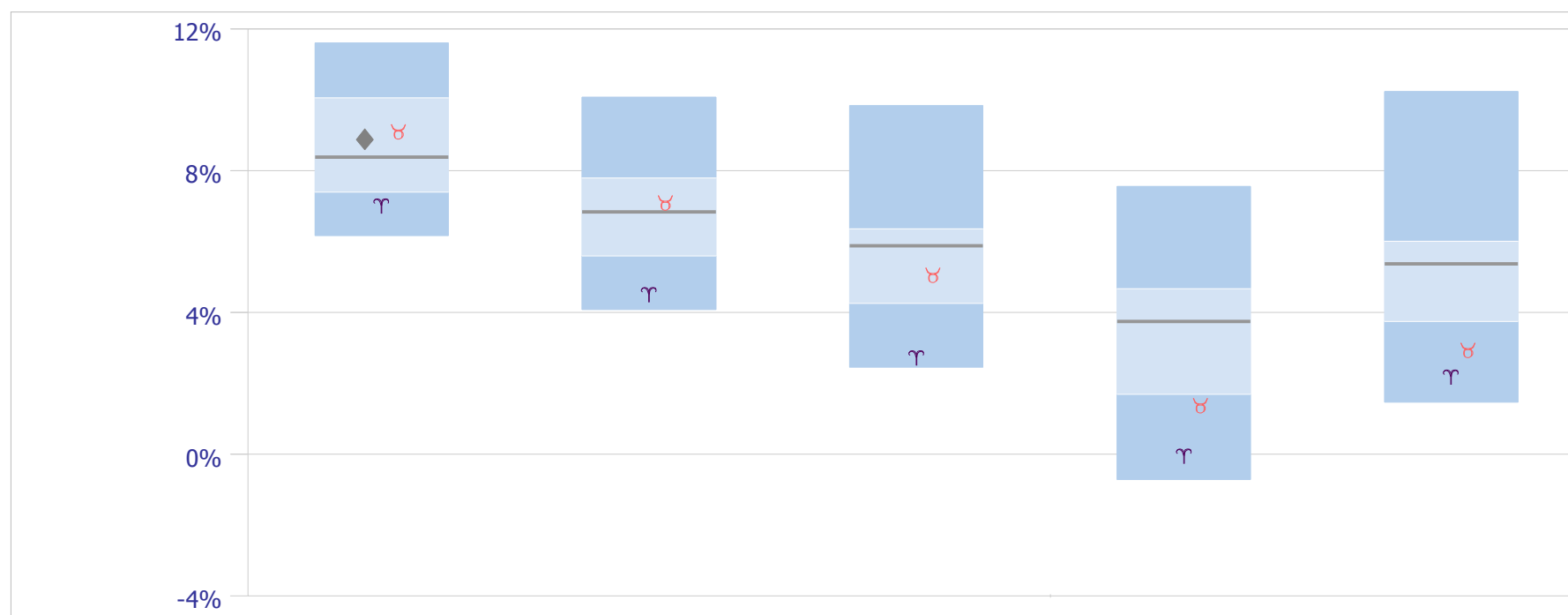
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
◆ The Boston Co	26.7	27	13.1	22	-4.4	9	-20.9	10	-17.2	19	-5.4	33	1.3	44	3.7	58
♠ Fisher	27.7	18	15.7	16	-13.3	54	-35.3	83	-20.7	55	-7.4	71	0.4	70		
□ McKinley	16.3	97	2.4	84	-20.2	96	-43.5	99	-26.9	95	-11.1	96	-1.3	89		
γ Intl Equity	23.3	59	10.4	38	-12.6	43	-33.8	75	-21.6	69	-7.9	79	0.1	77	2.6	80
Ω MS ACWXUS FR GR	27.9	17	14.4	19	-11.1	29	-30.5	55	-19.3	41	-5.4	33	2.1	29	4.9	29
Median	24.5		8.5		-13.0		-29.8		-20.1		-6.3		1.1		4.0	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Int'l Developed Mkt Equity Funds

Total Returns

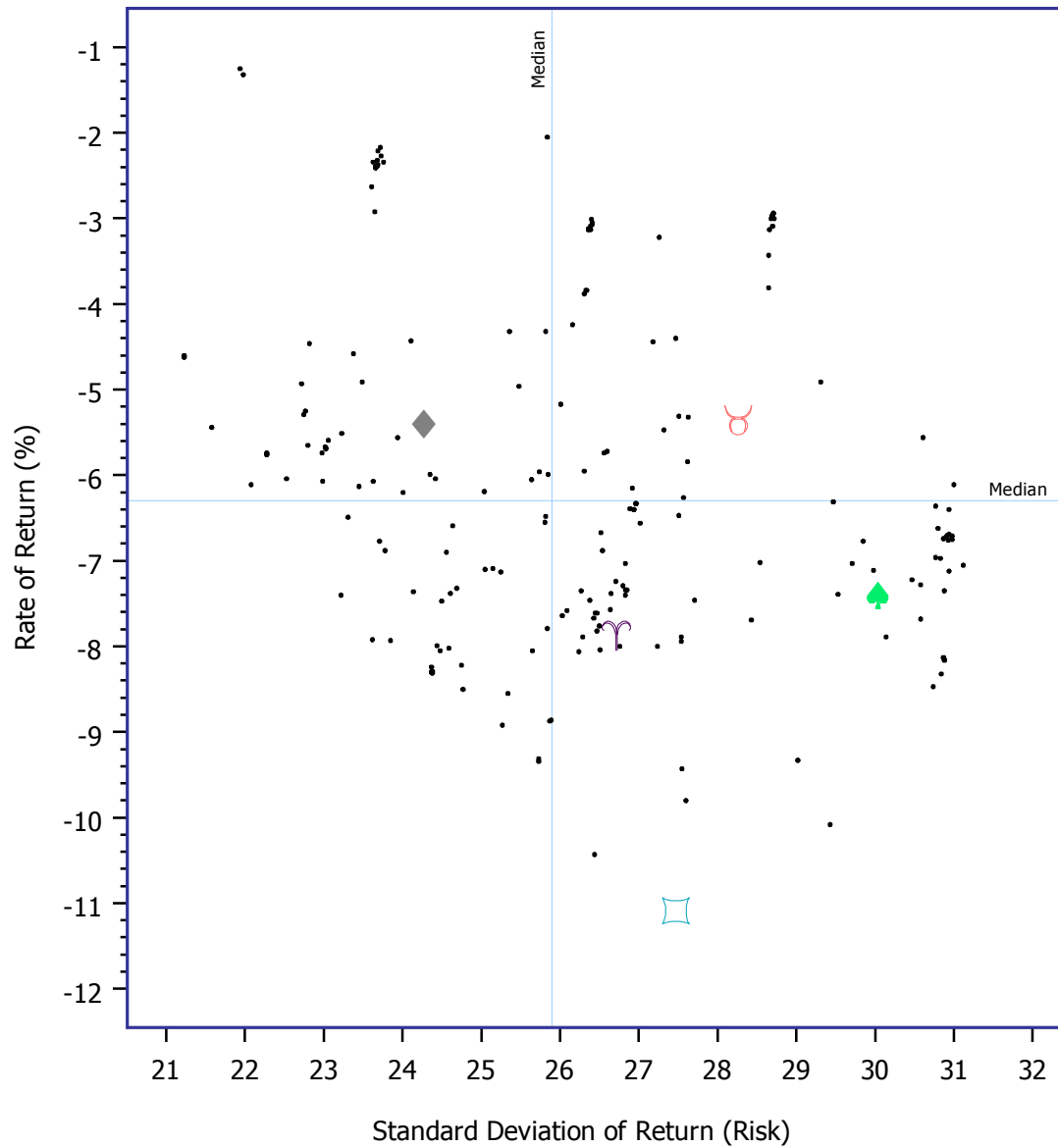


	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
◆ The Boston Co	8.9 40				
γ Intl Equity	7.0 86	4.5 92	2.7 93	0.0 90	2.2 86
ω MS ACWXUS FR GR	9.1 37	7.1 42	5.1 65	1.4 76	2.9 79
Median	8.4	6.8	5.9	3.8	5.4

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return Int'l Developed Mkt Equity Funds - Total Returns



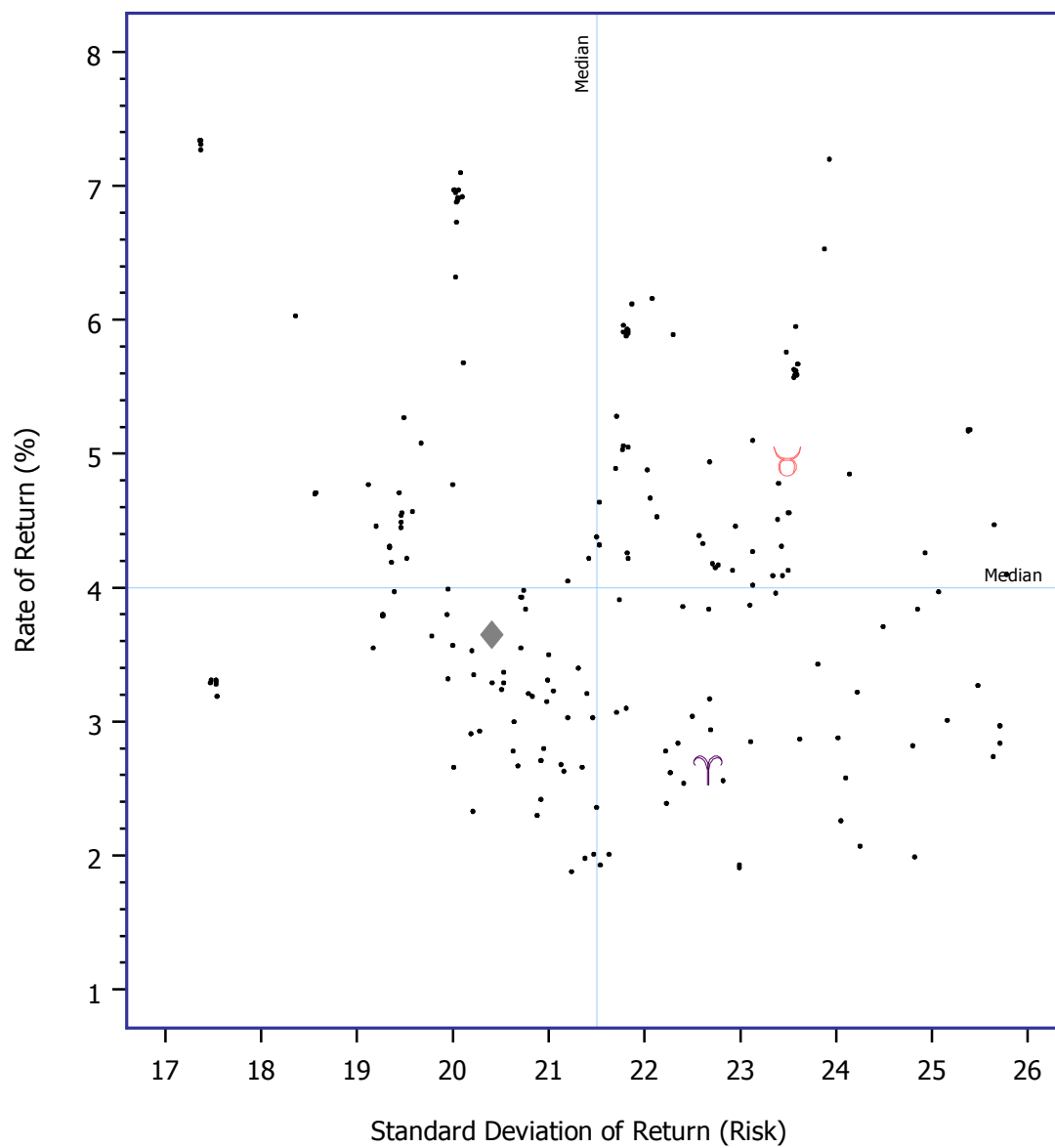
	Return		Standard Deviation		Sharpe Ratio
◆ The Boston Co	-5.4	33	24.3	34	-0.3
♠ Fisher	-7.4	71	30.0	88	-0.2
◻ McKinley	-11.1	96	27.5	73	-0.4
Y Intl Equity	-7.9	79	26.7	66	-0.3
Y MS ACWXUS FR GR	-5.4	33	28.3	79	-0.2
Median	-6.3		25.9		-0.3

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

5 Years Ending June 30, 2009

5 Year Risk vs. Return

Int'l Developed Mkt Equity Funds - Total Returns



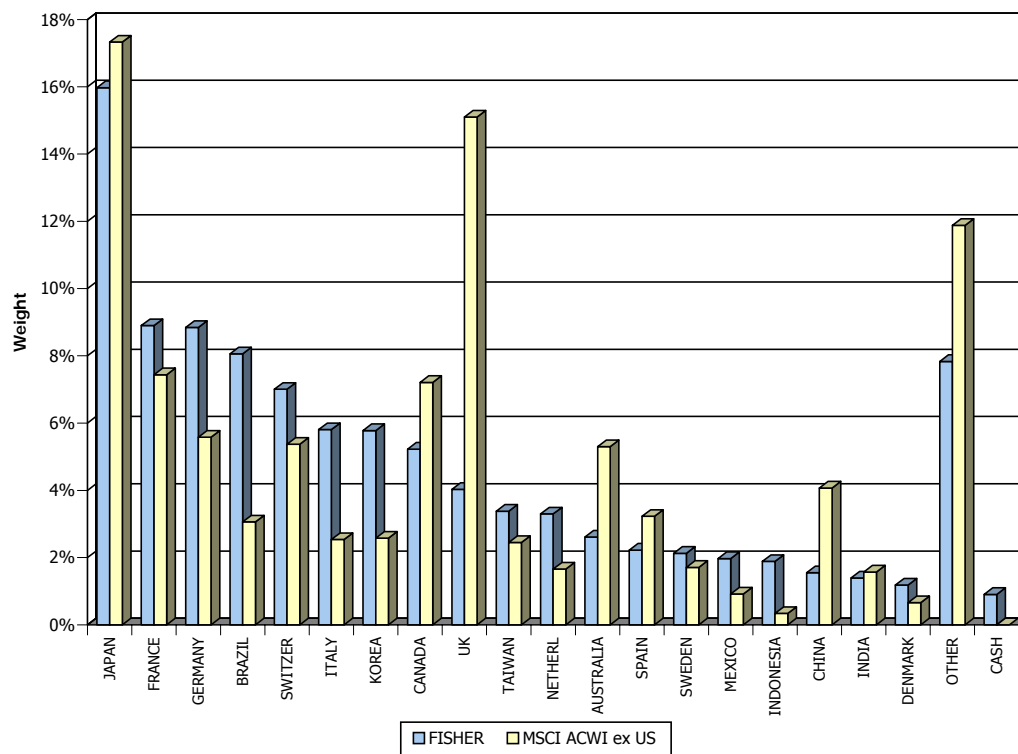
	Return		Standard Deviation		Sharpe Ratio	
◆ The Boston Co	3.7	58	20.4	33	0.1	58
♉ Intl Equity	2.6	80	22.7	69	0.1	71
♉ MS ACWXUS FR GR	4.9	29	23.5	78	0.2	28
Median	4.0		21.5		0.1	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Country Weights

Fisher Investments



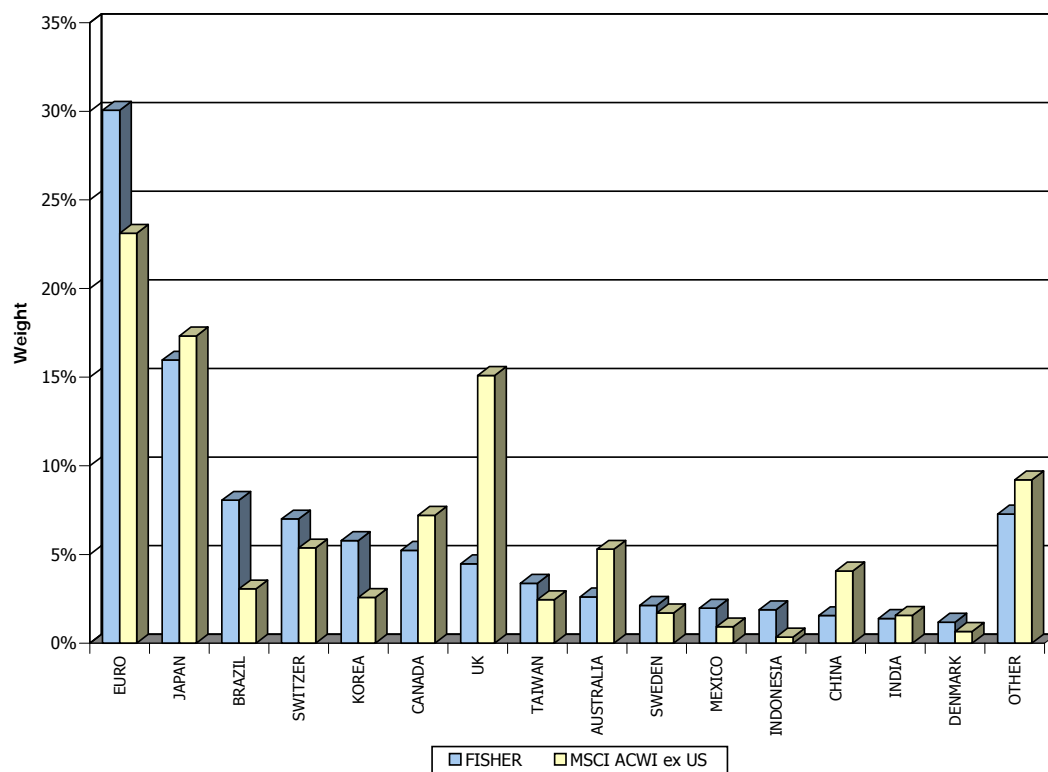
COUNTRY	MARKET VALUE	FISHER	MSCI ACWI ex US
JAPAN	\$ 9,134	16.0%	17.3%
FRANCE	\$ 5,089	8.9%	7.4%
GERMANY	\$ 5,057	8.8%	5.6%
BRAZIL	\$ 4,610	8.1%	3.1%
SWITZER	\$ 4,006	7.0%	5.4%
ITALY	\$ 3,320	5.8%	2.5%
KOREA	\$ 3,305	5.8%	2.6%
CANADA	\$ 2,990	5.2%	7.2%
UK	\$ 2,304	4.0%	15.1%
TAIWAN	\$ 1,934	3.4%	2.5%
NETHERL	\$ 1,888	3.3%	1.7%
AUSTRALIA	\$ 1,493	2.6%	5.3%
SPAIN	\$ 1,273	2.2%	3.2%
SWEDEN	\$ 1,217	2.1%	1.7%
MEXICO	\$ 1,127	2.0%	0.9%
INDONESIA	\$ 1,079	1.9%	0.3%
CHINA	\$ 887	1.6%	4.1%
INDIA	\$ 798	1.4%	1.6%
DENMARK	\$ 677	1.2%	0.7%
OTHER	\$ 4,481	7.8%	11.9%
CASH	\$ 519	0.9%	0.0%
	\$ 57,186	100.0%	100.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

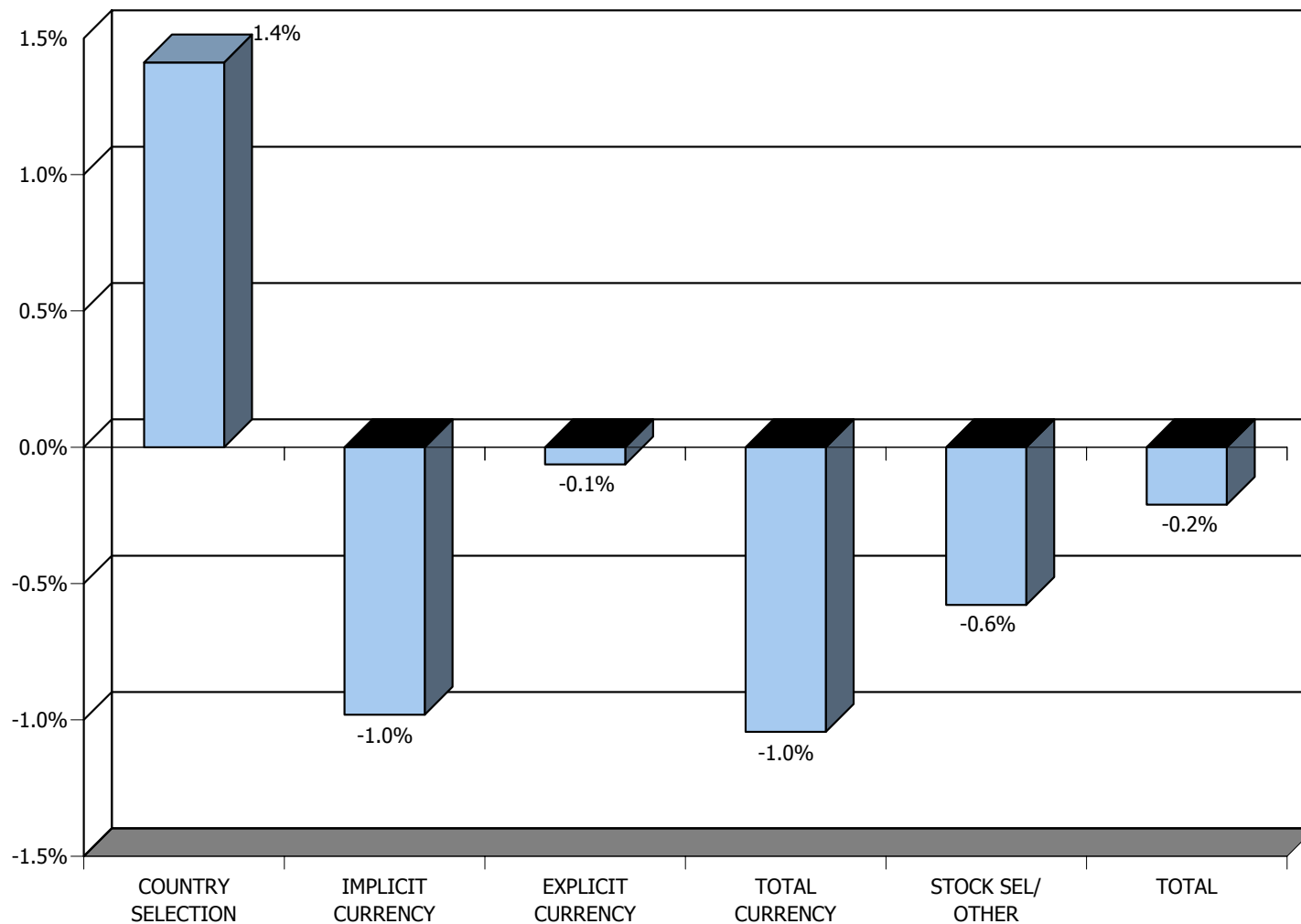
As of June 30, 2009

Portfolio Currency Exposures

Fisher Investments



CURRENCY	MARKET VALUE	FISHER	MSCI ACWI ex US
EURO	\$ 17,191	30.1%	23.1%
JAPAN	\$ 9,134	16.0%	17.3%
BRAZIL	\$ 4,610	8.1%	3.1%
SWITZER	\$ 4,006	7.0%	5.4%
KOREA	\$ 3,310	5.8%	2.6%
CANADA	\$ 2,997	5.2%	7.2%
UK	\$ 2,563	4.5%	15.1%
TAIWAN	\$ 1,934	3.4%	2.5%
AUSTRALIA	\$ 1,493	2.6%	5.3%
SWEDEN	\$ 1,217	2.1%	1.7%
MEXICO	\$ 1,127	2.0%	0.9%
INDONESIA	\$ 1,079	1.9%	0.3%
CHINA	\$ 887	1.6%	4.1%
INDIA	\$ 798	1.4%	1.6%
DENMARK	\$ 677	1.2%	0.7%
OTHER	\$ 4,164	7.3%	9.2%
	\$ 57,186	100.0%	100.0%

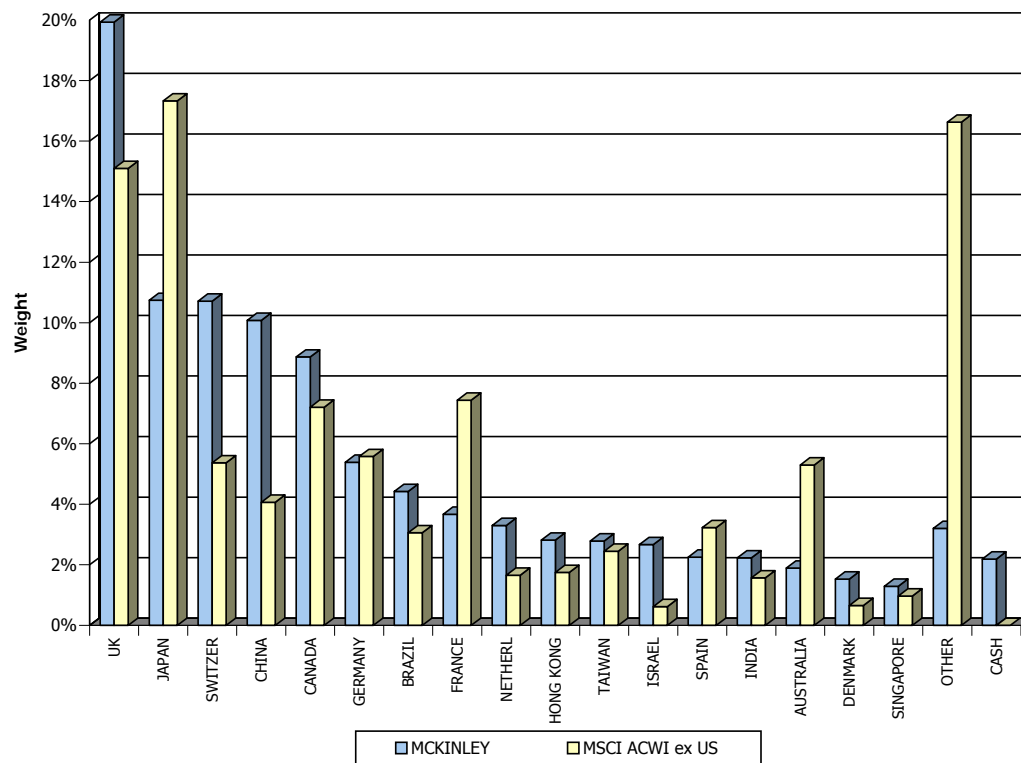


SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Country Weights

McKinley Capital



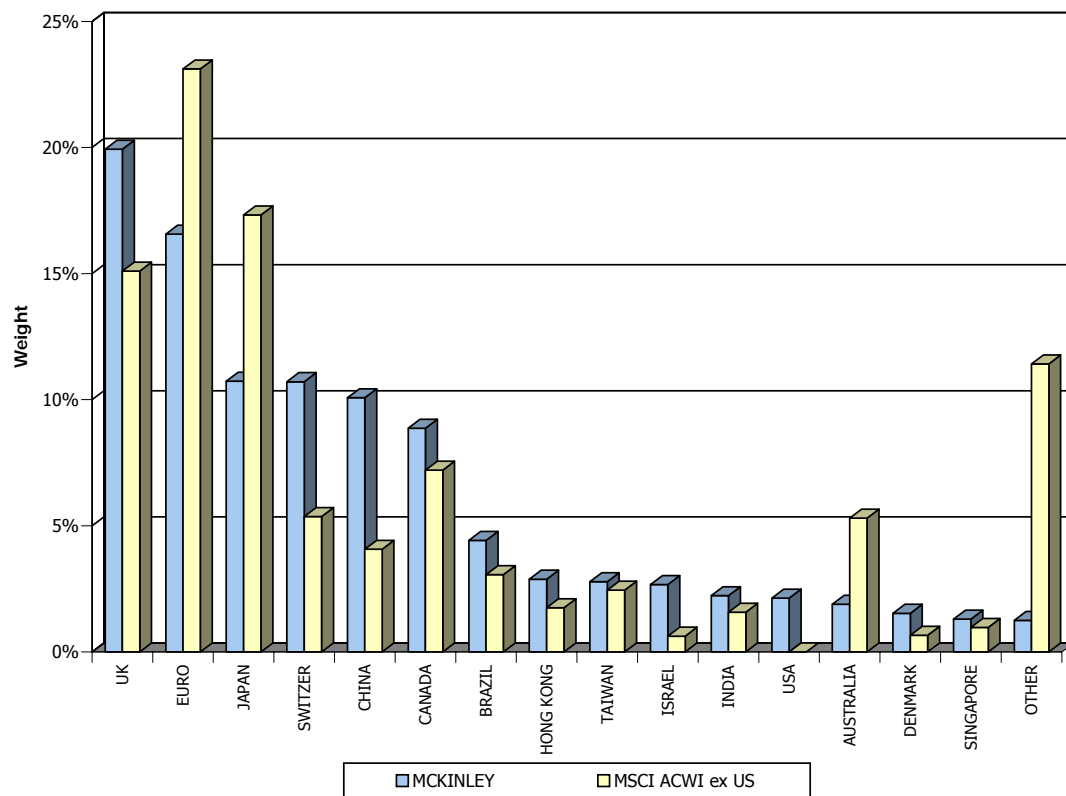
COUNTRY	MARKET VALUE	MCKINLEY	MSCI ACWI ex US
UK	\$ 16,615	19.9%	15.1%
JAPAN	\$ 8,951	10.7%	17.3%
SWITZER	\$ 8,931	10.7%	5.4%
CHINA	\$ 8,403	10.1%	4.1%
CANADA	\$ 7,393	8.9%	7.2%
GERMANY	\$ 4,491	5.4%	5.6%
BRAZIL	\$ 3,689	4.4%	3.1%
FRANCE	\$ 3,062	3.7%	7.4%
NETHERL	\$ 2,752	3.3%	1.7%
HONG KONG	\$ 2,350	2.8%	1.8%
TAIWAN	\$ 2,323	2.8%	2.5%
ISRAEL	\$ 2,224	2.7%	0.6%
SPAIN	\$ 1,880	2.3%	3.2%
INDIA	\$ 1,858	2.2%	1.6%
AUSTRALIA	\$ 1,576	1.9%	5.3%
DENMARK	\$ 1,277	1.5%	0.7%
SINGAPORE	\$ 1,081	1.3%	1.0%
OTHER	\$ 2,668	3.2%	16.6%
CASH	\$ 1,829	2.2%	0.0%
	\$ 83,354	100.0%	100.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Currency Exposures

McKinley Capital



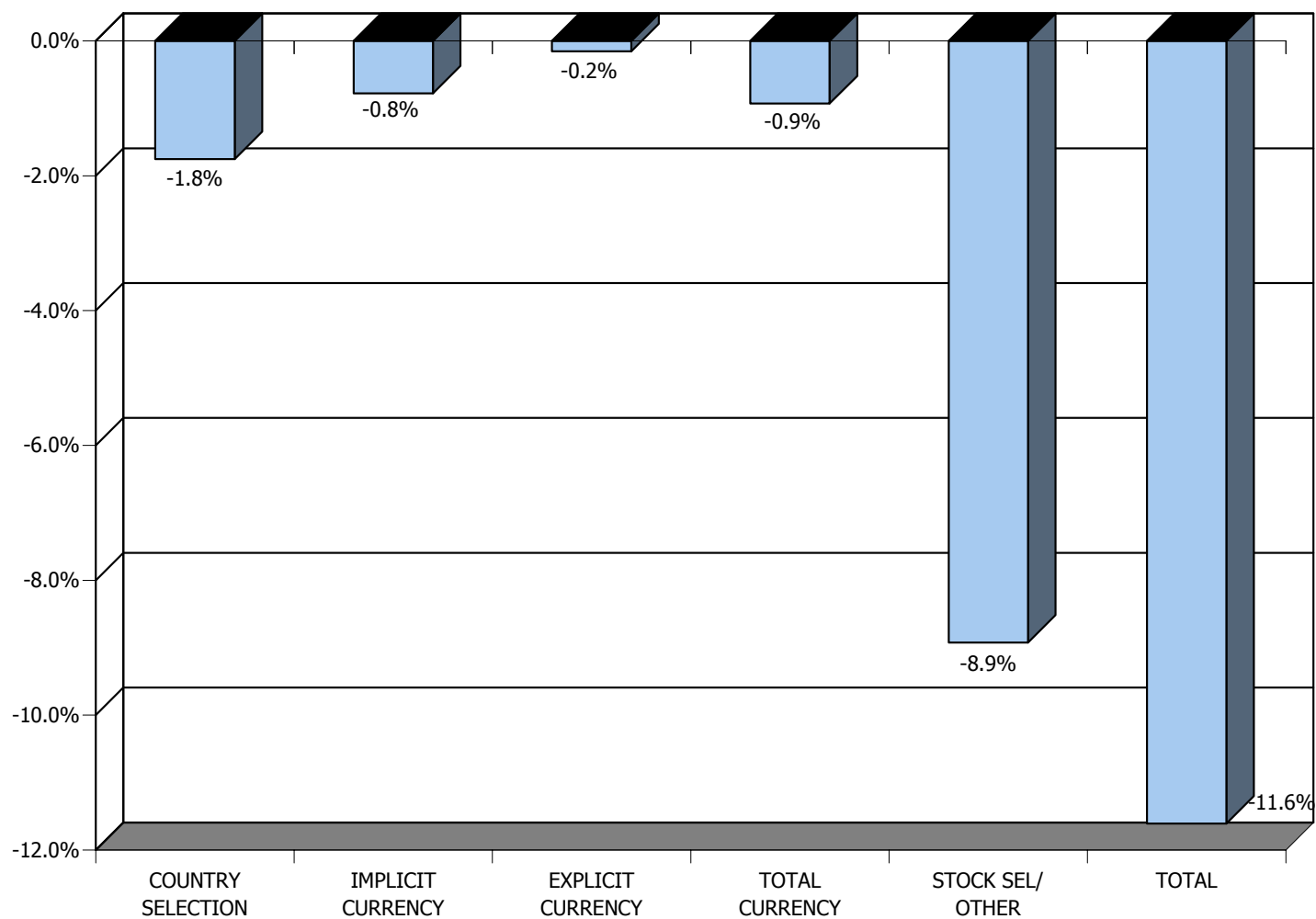
CURRENCY	MARKET VALUE	MCKINLEY	MSCI ACWI ex US
UK	\$ 16,615	19.9%	15.1%
EURO	\$ 13,810	16.6%	23.1%
JAPAN	\$ 8,951	10.7%	17.3%
SWITZER	\$ 8,931	10.7%	5.4%
CHINA	\$ 8,403	10.1%	4.1%
CANADA	\$ 7,393	8.9%	7.2%
BRAZIL	\$ 3,689	4.4%	3.1%
HONG KONG	\$ 2,403	2.9%	1.8%
TAIWAN	\$ 2,323	2.8%	2.5%
ISRAEL	\$ 2,224	2.7%	0.6%
INDIA	\$ 1,858	2.2%	1.6%
USA	\$ 1,776	2.1%	
AUSTRALIA	\$ 1,576	1.9%	5.3%
DENMARK	\$ 1,277	1.5%	0.7%
SINGAPORE	\$ 1,081	1.3%	1.0%
OTHER	\$ 1,043	1.3%	11.4%
	\$ 83,354	100.0%	100.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Summary Performance Attribution

McKinley Capital

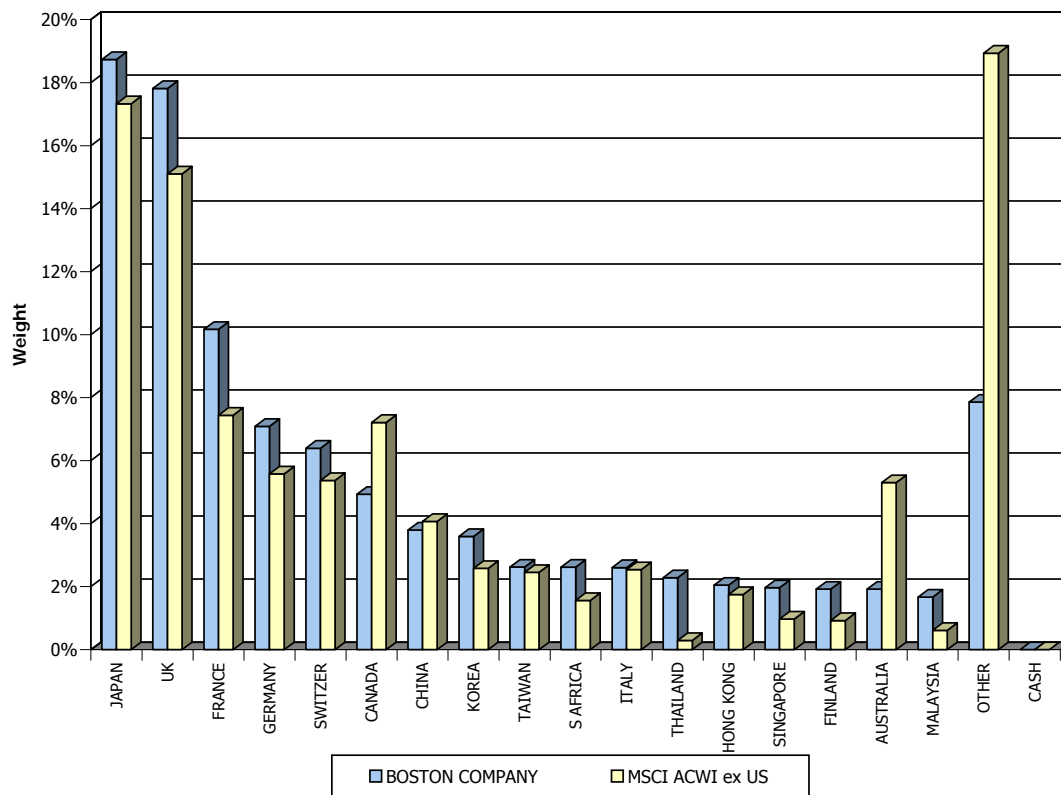


SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Country Weights

The Boston Company



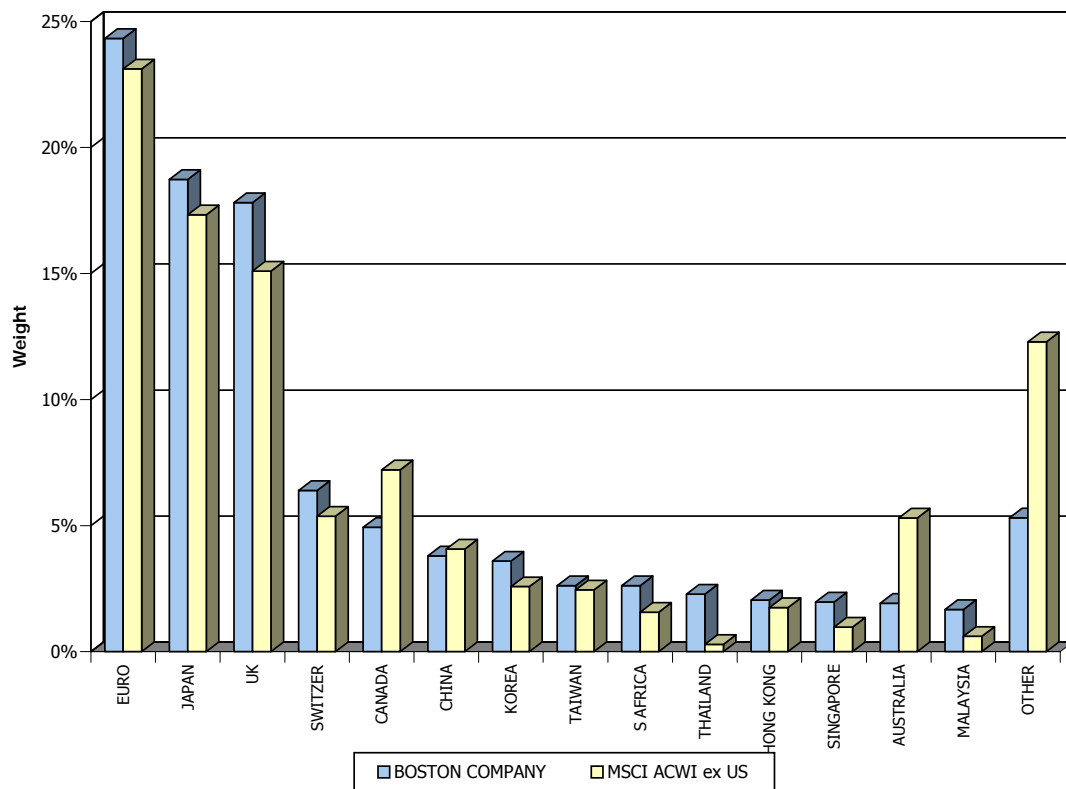
COUNTRY	MARKET VALUE	BOSTON COMPANY	MSCI ACWI ex US
JAPAN	\$ 18,094	18.7%	17.3%
UK	\$ 17,206	17.8%	15.1%
FRANCE	\$ 9,819	10.2%	7.4%
GERMANY	\$ 6,845	7.1%	5.6%
SWITZER	\$ 6,176	6.4%	5.4%
CANADA	\$ 4,762	4.9%	7.2%
CHINA	\$ 3,667	3.8%	4.1%
KOREA	\$ 3,471	3.6%	2.6%
TAIWAN	\$ 2,530	2.6%	2.5%
S AFRICA	\$ 2,527	2.6%	1.6%
ITALY	\$ 2,515	2.6%	2.5%
THAILAND	\$ 2,203	2.3%	0.3%
HONG KONG	\$ 1,977	2.0%	1.8%
SINGAPORE	\$ 1,899	2.0%	1.0%
FINLAND	\$ 1,853	1.9%	0.9%
AUSTRALIA	\$ 1,850	1.9%	5.3%
MALAYSIA	\$ 1,611	1.7%	0.6%
OTHER	\$ 7,587	7.9%	18.9%
CASH	\$ -	0.0%	0.0%
	\$ 96,594	100.0%	100.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Currency Exposures

The Boston Company



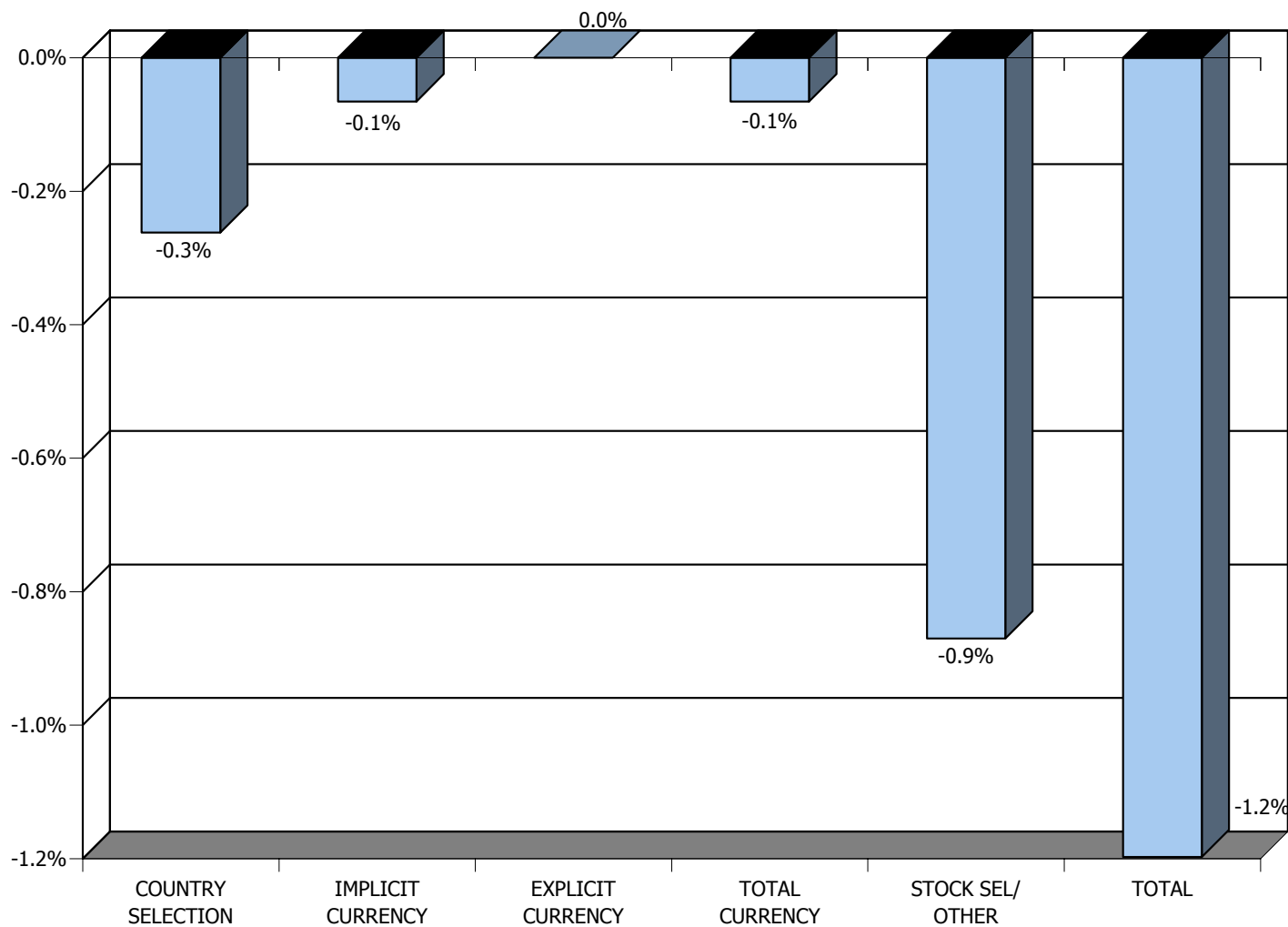
CURRENCY	MARKET VALUE	BOSTON COMPANY	MSCI ACWI ex US
EURO	\$ 23,494	24.3%	23.1%
JAPAN	\$ 18,094	18.7%	17.3%
UK	\$ 17,206	17.8%	15.1%
SWITZER	\$ 6,176	6.4%	5.4%
CANADA	\$ 4,762	4.9%	7.2%
CHINA	\$ 3,667	3.8%	4.1%
KOREA	\$ 3,471	3.6%	2.6%
TAIWAN	\$ 2,530	2.6%	2.5%
S AFRICA	\$ 2,527	2.6%	1.6%
THAILAND	\$ 2,203	2.3%	0.3%
HONG KONG	\$ 1,977	2.0%	1.8%
SINGAPORE	\$ 1,899	2.0%	1.0%
AUSTRALIA	\$ 1,850	1.9%	5.3%
MALAYSIA	\$ 1,611	1.7%	0.6%
OTHER	\$ 5,126	5.3%	12.3%
	\$ 96,594	100.0%	100.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Quarter Ending June 30, 2009

Summary Performance Attribution

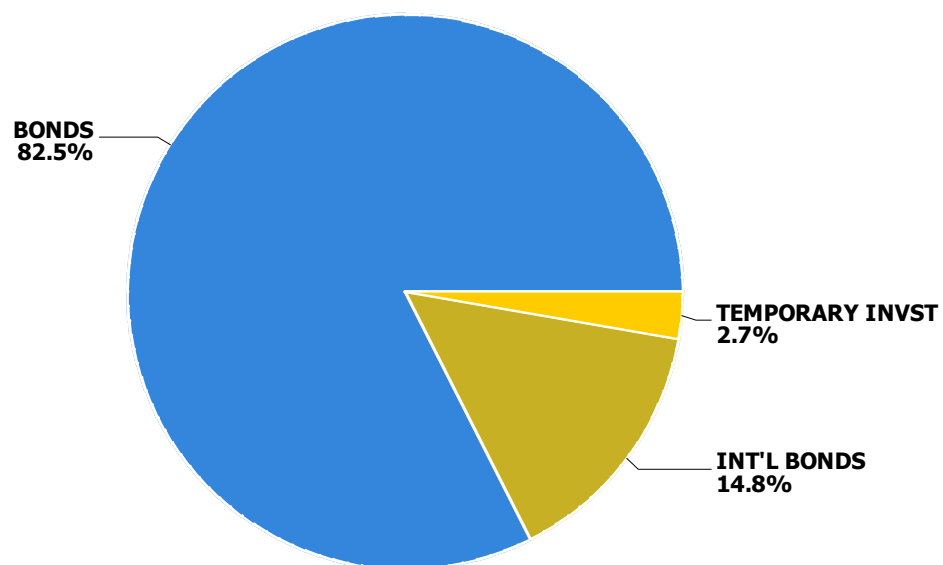
The Boston Company



SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis Total Fixed Income Composite

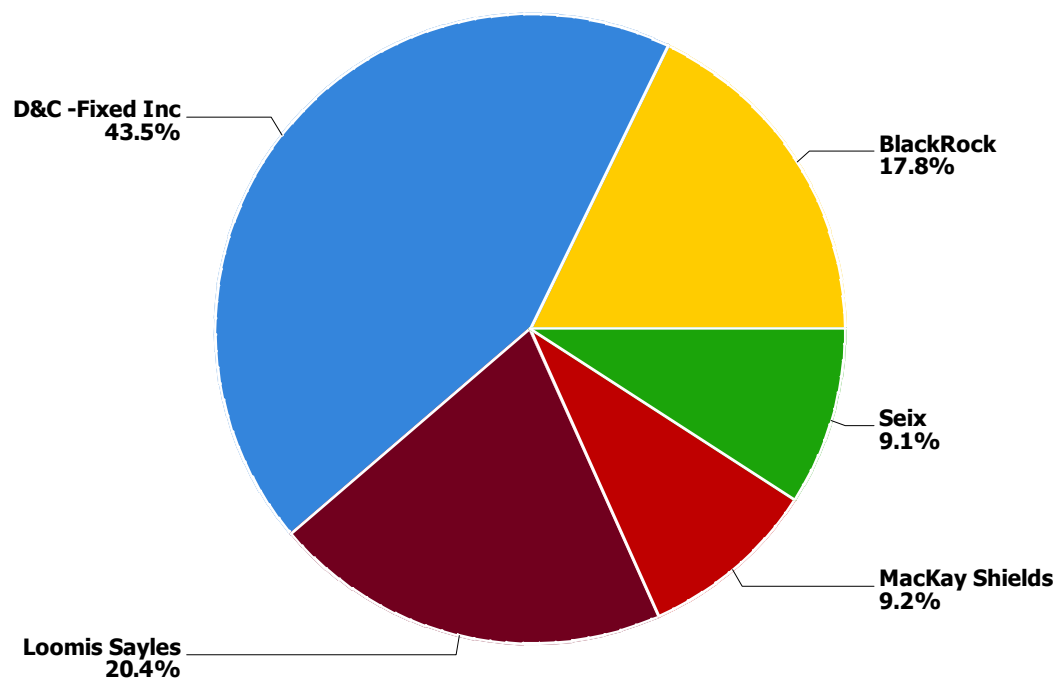


Asset Class	Market Value	Current%
BONDS	462,745,092	82.5
CASH	2,093,257	0.0
INT'L BONDS	82,812,639	14.8
TEMPORARY INVST	12,971,733	2.7
Total	560,622,721	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Manager Allocation Analysis Total Fixed Income Composite

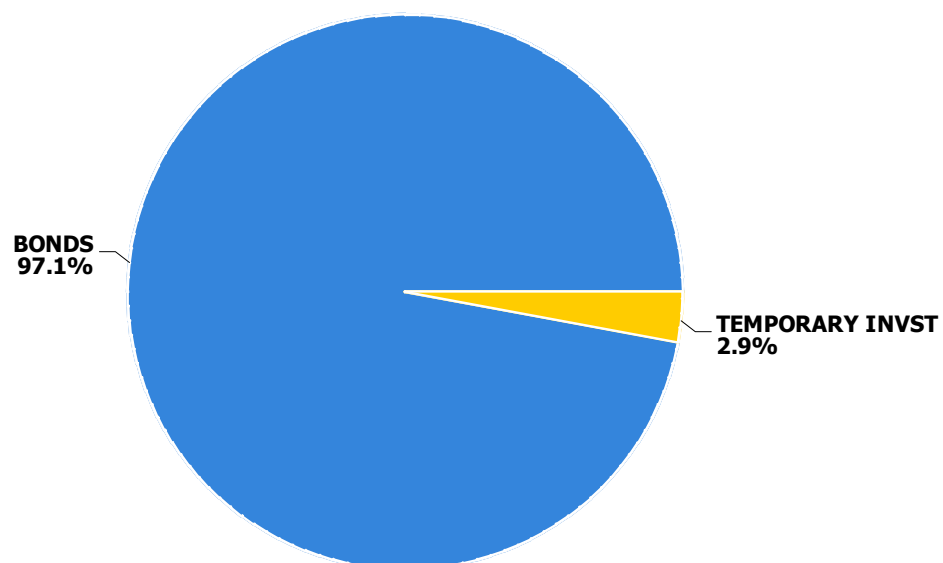


Manager	Market Value	Current%
BlackRock	99,860,988	17.8
D&C -Fixed Inc	243,774,215	43.5
Loomis Sayles	114,638,918	20.4
MacKay Shields	51,404,115	9.2
Seix	50,944,485	9.1
Total	560,622,721	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis US Fixed Income Composite

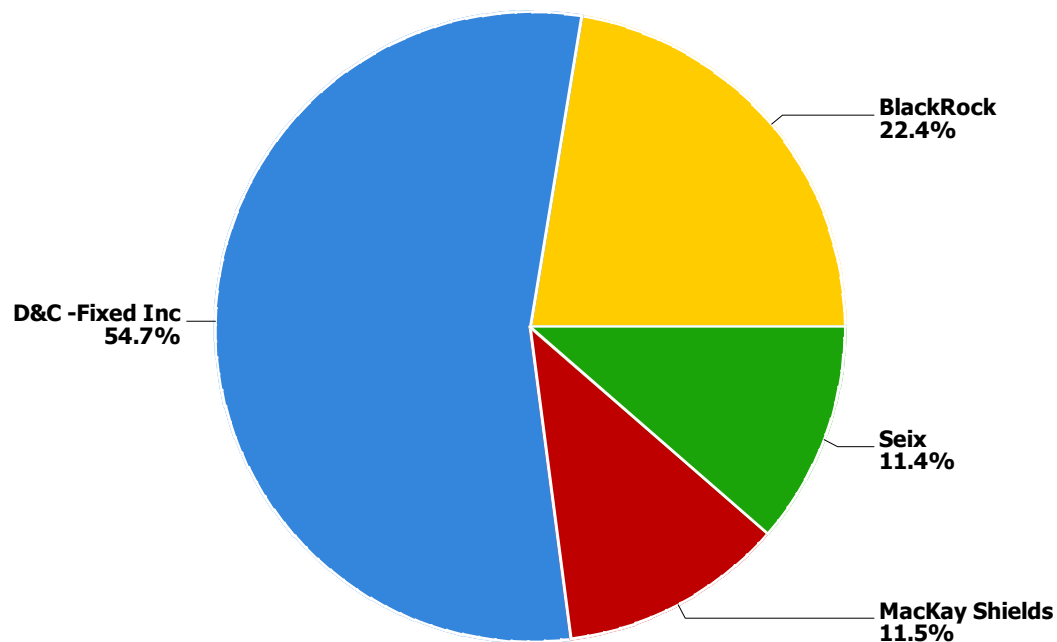


Asset Class	Market Value	Current%
■ BONDS	433,012,070	97.1
■ TEMPORARY INVST	12,971,733	2.9
<hr/>		
Total	445,983,803	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Manager Allocation Analysis US Fixed Income Composite



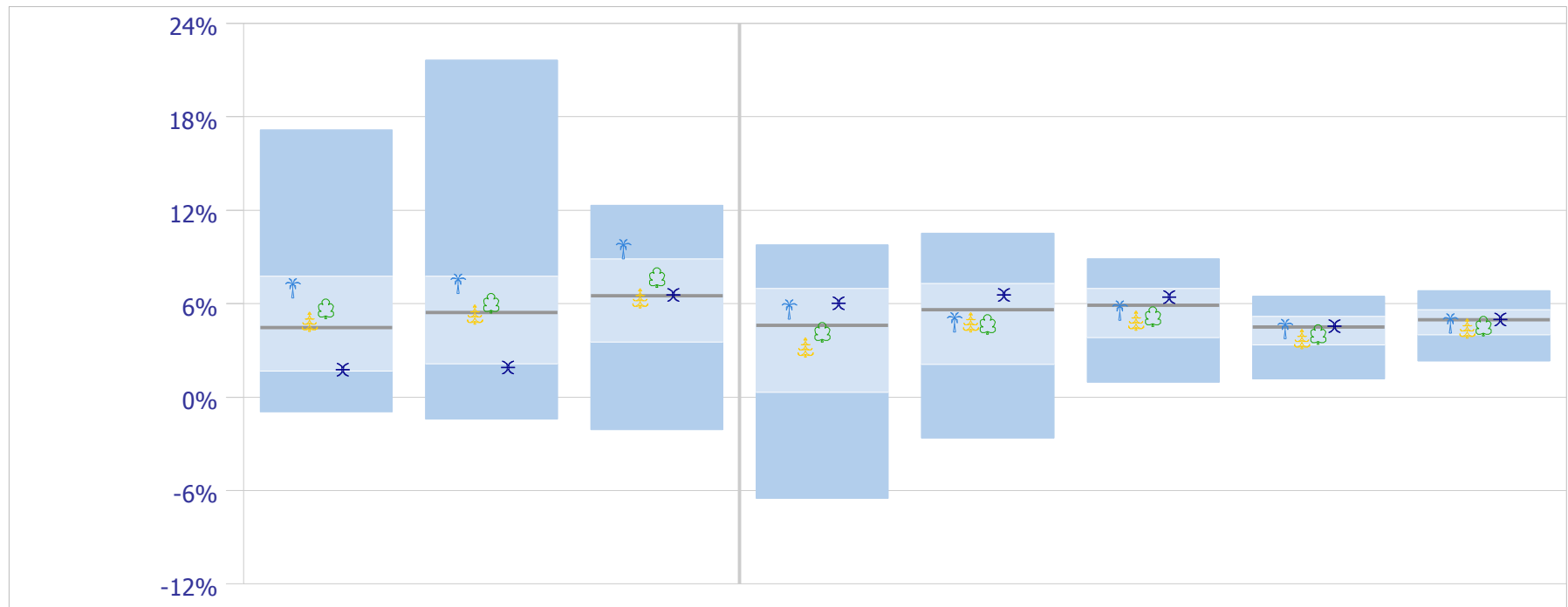
Manager	Market Value	Current%
BlackRock	99,860,988	22.4
D&C -Fixed Inc	243,774,215	54.7
MacKay Shields	51,404,115	11.5
Seix	50,944,485	11.4
Total	445,983,803	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Bond Funds

Total Returns

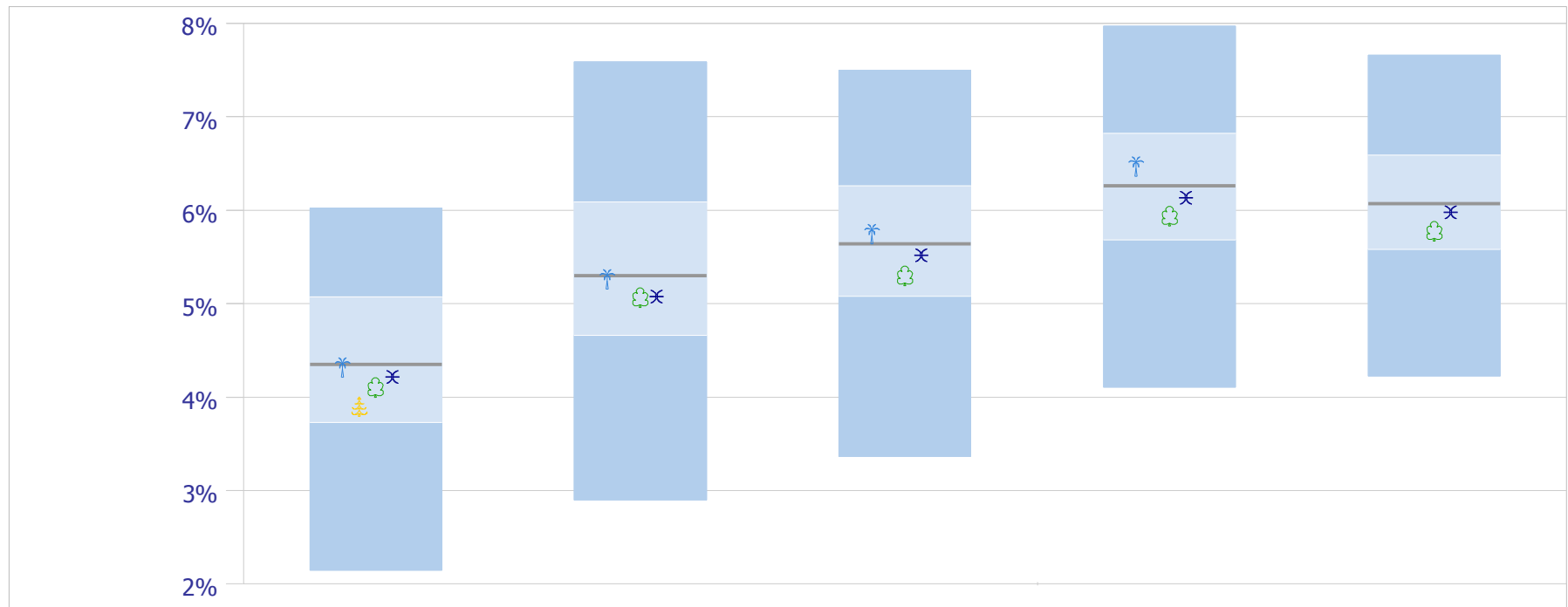


	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
D&C -Fixed Inc	7.0	28	7.3	28	9.5	21	5.6	40	4.8	57	5.6	55	4.4	52	4.7	57
BlackRock	4.9	43	5.3	51	6.4	52	3.2	60	4.8	57	4.9	63	3.7	67	4.4	67
US Fixed Income	5.7	37	6.0	44	7.7	33	4.2	53	4.7	58	5.2	61	4.0	61	4.6	62
BC AGGREGATE	1.8	71	1.9	79	6.6	48	6.1	36	6.6	37	6.4	37	4.6	47	5.0	46
Median	4.5		5.4		6.5		4.6		5.6		5.9		4.5		5.0	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Bond Funds Total Returns



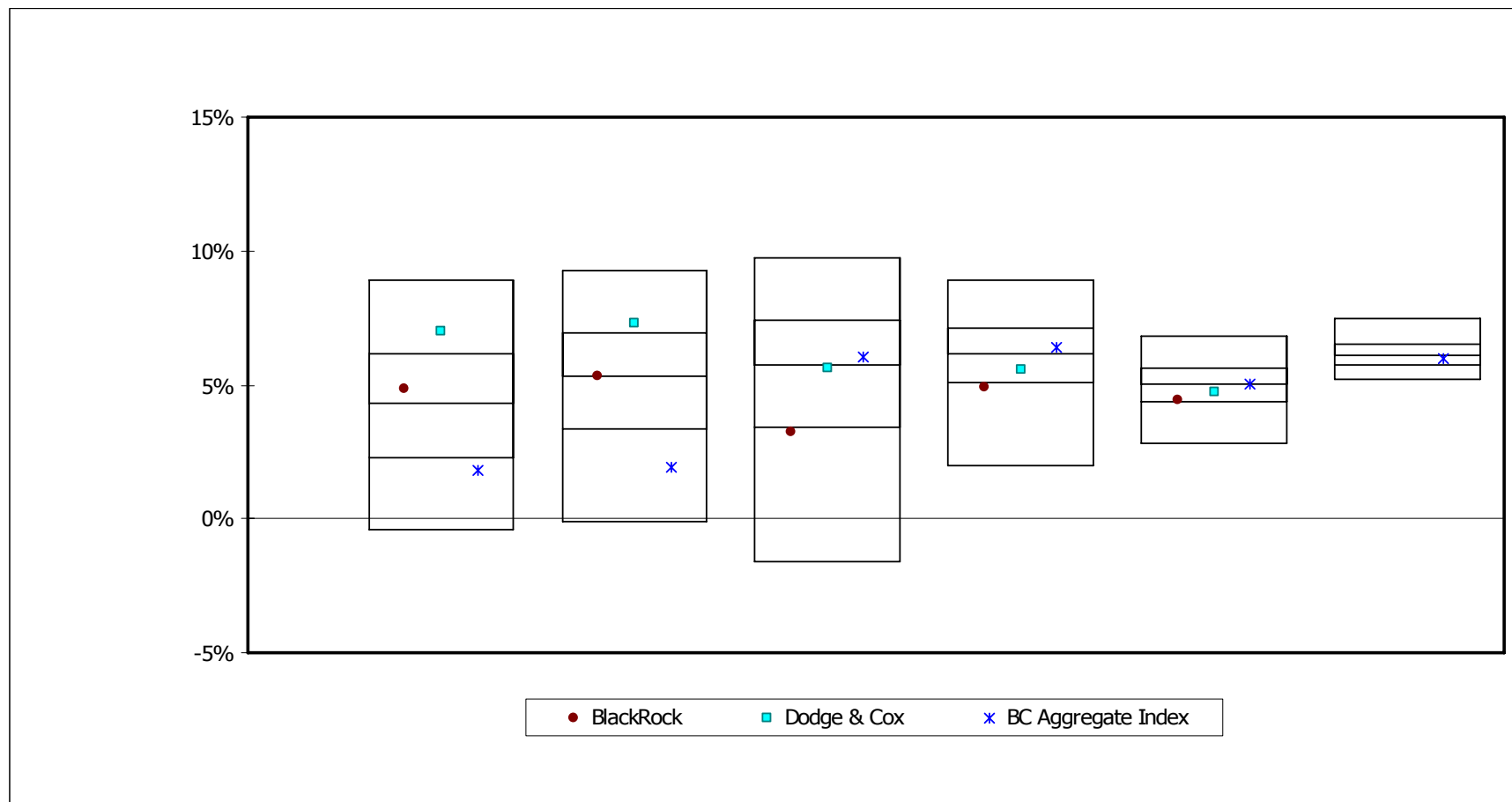
	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
D&C -Fixed Inc	4.3	51	5.3	51	5.7	44	6.5	39		
BlackRock	3.9	68								
US Fixed Income	4.1	61	5.1	63	5.3	68	5.9	68	5.8	66
BC AGGREGATE	4.2	57	5.1	62	5.5	58	6.1	58	6.0	56
Median	4.4		5.3		5.6		6.3		6.1	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Core Fixed Income

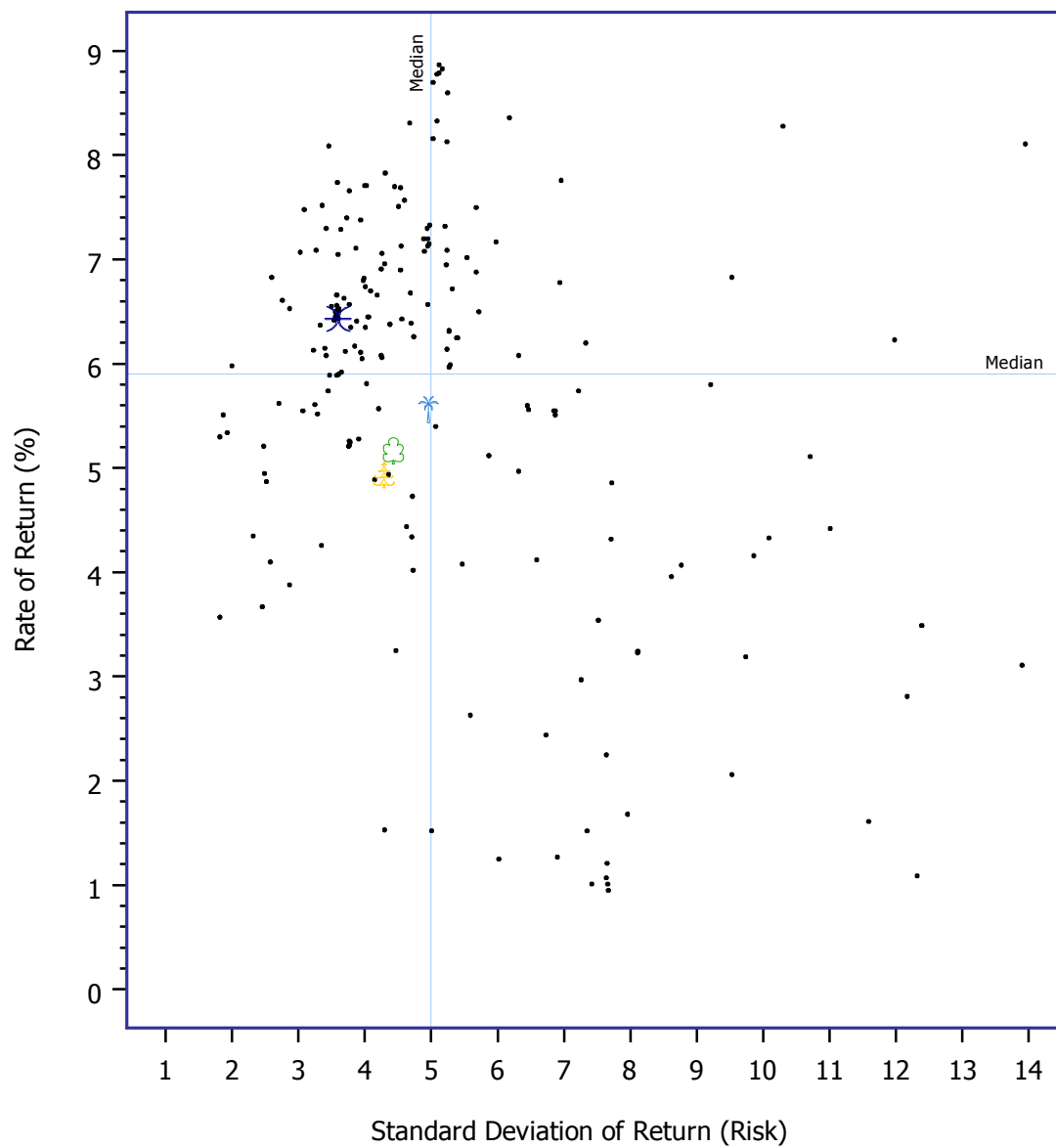


	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
BlackRock	4.9%	40	5.3%	51	3.2%	77	4.9%	77	4.4%	75		
Dodge & Cox	7.0%	16	7.3%	21	5.6%	52	5.6%	66	4.7%	64		
BC Aggregate Index	1.8%	83	1.9%	88	6.1%	47	6.4%	44	5.0%	53	6.0%	62
Median	4.3%		5.3%		5.8%		6.2%		5.0%		6.1%	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return Bond Funds - Total Returns

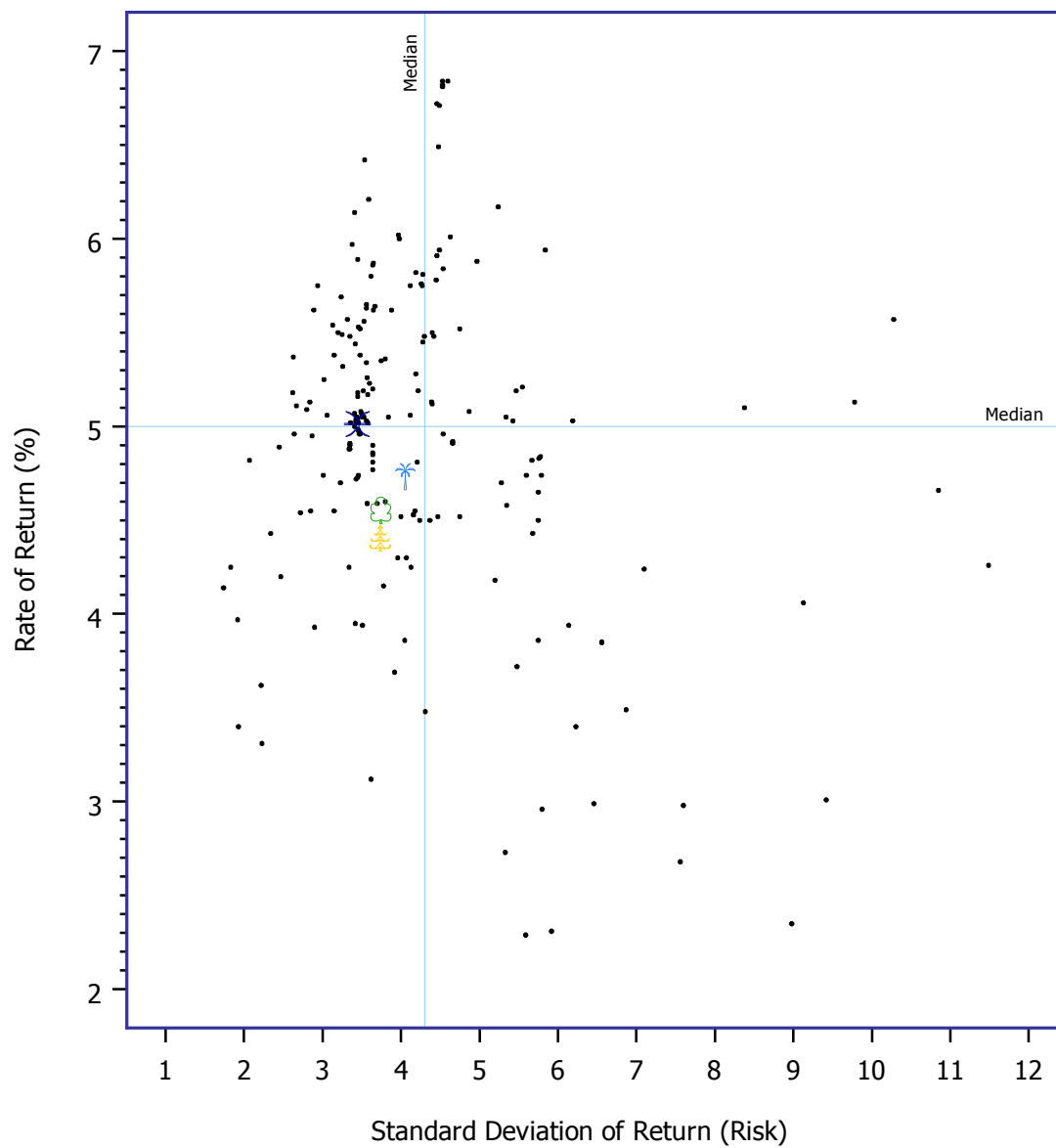


	Return		Standard Deviation		Sharpe Ratio	
D&C -Fixed Inc	5.6	55	5.0	48	0.5	55
BlackRock	4.9	63	4.3	39	0.4	60
US Fixed Income	5.2	61	4.4	41	0.4	58
BC AGGREGATE	6.4	37	3.6	25	0.9	31
Median	5.9		5.0		0.6	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

5 Years Ending June 30, 2009

5 Year Risk vs. Return Bond Funds - Total Returns



	Return		Standard Deviation		Sharpe Ratio	
D&C -Fixed Inc	4.7	57	4.1	45	0.4	54
BlackRock	4.4	67	3.7	39	0.3	60
US Fixed Income	4.6	62	3.7	39	0.4	56
BC AGGREGATE	5.0	46	3.4	27	0.5	36
Median	5.0		4.3		0.4	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Bond Summary Statistics US Fixed Income Composite

Portfolio Characteristics		
	Portfolio	BC AGGREGATE
Total Number of Securities	611	
Total Market Value	\$ 455,594,709	
Current Coupon	5.84	4.94
Yield To Maturity	5.78	4.14
Average Life	6.04	6.72
Duration	3.88	4.30
Quality	19.91	23.25

Duration (in Years)	
Range	%Held
0.0 to 1.0	12.8
1.0 to 3.0	24.8
3.0 to 4.0	7.1
4.0 to 6.0	16.5
6.0 to 8.0	9.8
Over 8.0	9.4
Unclassified	16.6

Quality	
Range	%Held
Govt (26)	30.5
Aaa (24)	5.7
Aa (22)	4.6
A (19)	10.4
Baa (16)	12.9
Below Baa	15.7
Other	20.2

Yield to Maturity	
Range	%Held
0.0 to 5.0	43.5
5.0 to 7.0	13.4
7.0 to 9.0	11.8
9.0 to 11.0	7.7
11.0 to 13.0	2.7
Over 13.0	4.3
Unclassified	16.6

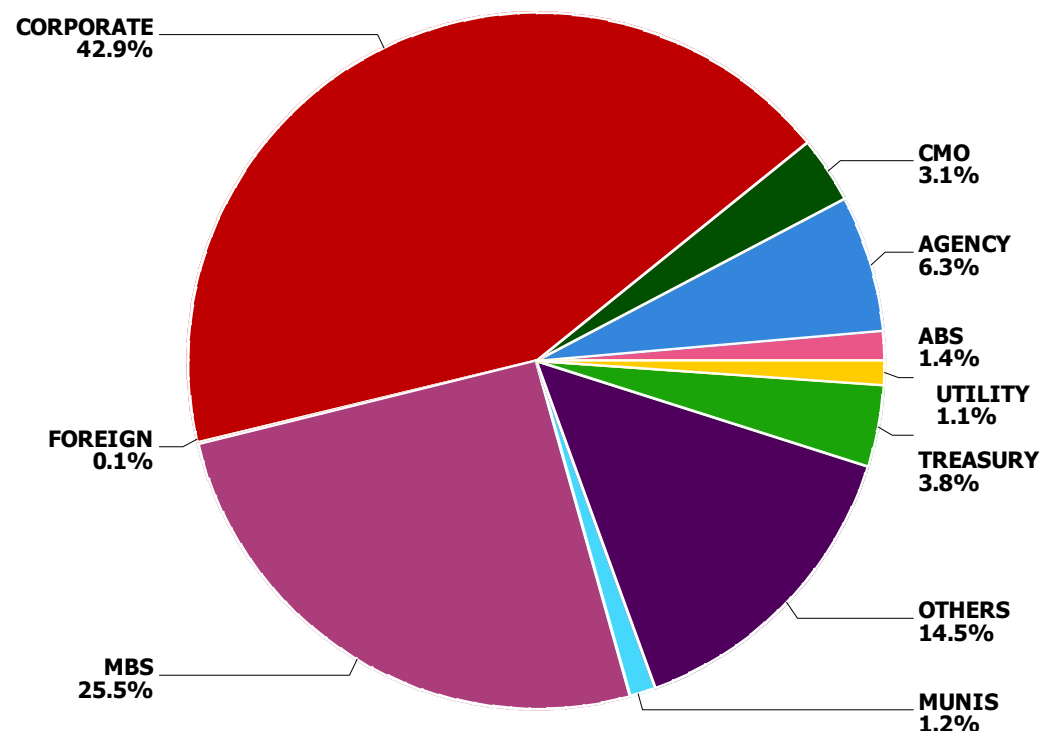
Average Life	
Range	%Held
0.0 to 1.0	8.7
1.0 to 3.0	25.3
3.0 to 5.0	17.8
5.0 to 10.0	23.3
10.0 to 20.0	2.3
Over 20.0	6.2
Unclassified	16.6

Coupon	
Range	%Held
0.0 to 5.0	22.9
5.0 to 7.0	47.6
7.0 to 9.0	17.9
9.0 to 11.0	2.2
11.0 to 13.0	0.5
Over 13.0	0.0
Unclassified	8.8

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Fixed Income Sector Allocation US Fixed Income Composite



Sector	Account Weight	Index Weight	Difference
ABS	1.4%	4.0%	-2.5%
Agencies	6.3%	9.1%	-2.9%
CMO	3.1%	0.0%	3.1%
Corporates	42.9%	16.5%	26.4%
Foreign	0.1%	4.1%	-4.0%
MBS	25.5%	37.0%	-11.4%
Municipals	1.2%	0.0%	1.2%
Others	14.5%	0.0%	14.5%
Treasuries	3.8%	27.1%	-23.2%
Utilities	1.1%	2.3%	-1.2%
Total	100.0%	100.0%	0.0%

Benchmark: BC AGGREGATE

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Bond Summary Statistics BlackRock Financial Management

Portfolio Characteristics		
	Portfolio	BC AGGREGATE
Total Number of Securities	228	
Total Market Value	\$ 107,218,884	
Current Coupon	4.97	4.94
Yield To Maturity	5.52	4.14
Average Life	6.01	6.72
Duration	4.61	4.30
Quality	23.12	23.25

Duration (in Years)	
Range	%Held
0.0 to 1.0	10.4
1.0 to 3.0	27.2
3.0 to 4.0	14.3
4.0 to 6.0	16.6
6.0 to 8.0	4.8
Over 8.0	17.1
Unclassified	8.5

Quality	
Range	%Held
Govt (26)	40.0
Aaa (24)	21.1
Aa (22)	10.3
A (19)	7.1
Baa (16)	4.9
Below Baa	3.5
Other	13.1

Yield to Maturity	
Range	%Held
0.0 to 5.0	58.4
5.0 to 7.0	12.7
7.0 to 9.0	6.9
9.0 to 11.0	5.8
11.0 to 13.0	2.7
Over 13.0	5.1
Unclassified	8.5

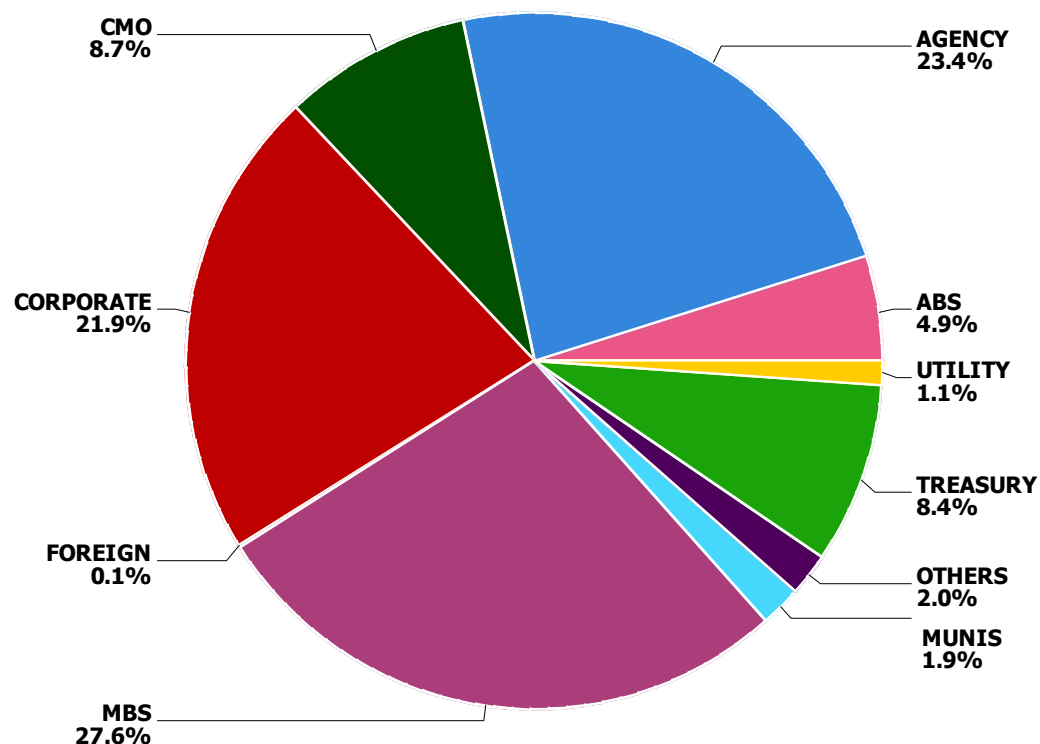
Average Life	
Range	%Held
0.0 to 1.0	8.6
1.0 to 3.0	28.9
3.0 to 5.0	27.7
5.0 to 10.0	15.7
10.0 to 20.0	3.8
Over 20.0	6.9
Unclassified	8.5

Coupon	
Range	%Held
0.0 to 5.0	44.5
5.0 to 7.0	46.5
7.0 to 9.0	8.4
9.0 to 11.0	0.3
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.3

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Fixed Income Sector Allocation BlackRock Financial Management



Sector	Account Weight	Index Weight	Difference
ABS	4.9%	4.0%	1.0%
Agencies	23.4%	9.1%	14.3%
CMO	8.7%	0.0%	8.7%
Corporates	21.9%	16.5%	5.4%
Foreign	0.1%	4.1%	-4.0%
MBS	27.6%	37.0%	-9.3%
Municipals	1.9%	0.0%	1.9%
Others	2.0%	0.0%	2.0%
Treasuries	8.4%	27.1%	-18.7%
Utilities	1.1%	2.3%	-1.2%
Total	100.0%	100.0%	0.0%

Benchmark: BC AGGREGATE

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Bond Summary Statistics Dodge and Cox -Fixed Income

Portfolio Characteristics		
	Portfolio	BC AGGREGATE
Total Number of Securities	205	
Total Market Value	\$ 243,775,167	
Current Coupon	5.92	4.94
Yield To Maturity	4.93	4.14
Average Life	6.25	6.72
Duration	3.62	4.30
Quality	20.59	23.25

Duration (in Years)	
Range	%Held
0.0 to 1.0	15.6
1.0 to 3.0	29.8
3.0 to 4.0	2.6
4.0 to 6.0	13.0
6.0 to 8.0	14.7
Over 8.0	9.7
Unclassified	9.3

Quality	
Range	%Held
Govt (26)	39.4
Aaa (24)	1.4
Aa (22)	4.0
A (19)	16.4
Baa (16)	21.2
Below Baa	7.5
Other	10.1

Yield to Maturity	
Range	%Held
0.0 to 5.0	51.9
5.0 to 7.0	19.5
7.0 to 9.0	10.7
9.0 to 11.0	4.6
11.0 to 13.0	1.6
Over 13.0	2.4
Unclassified	9.3

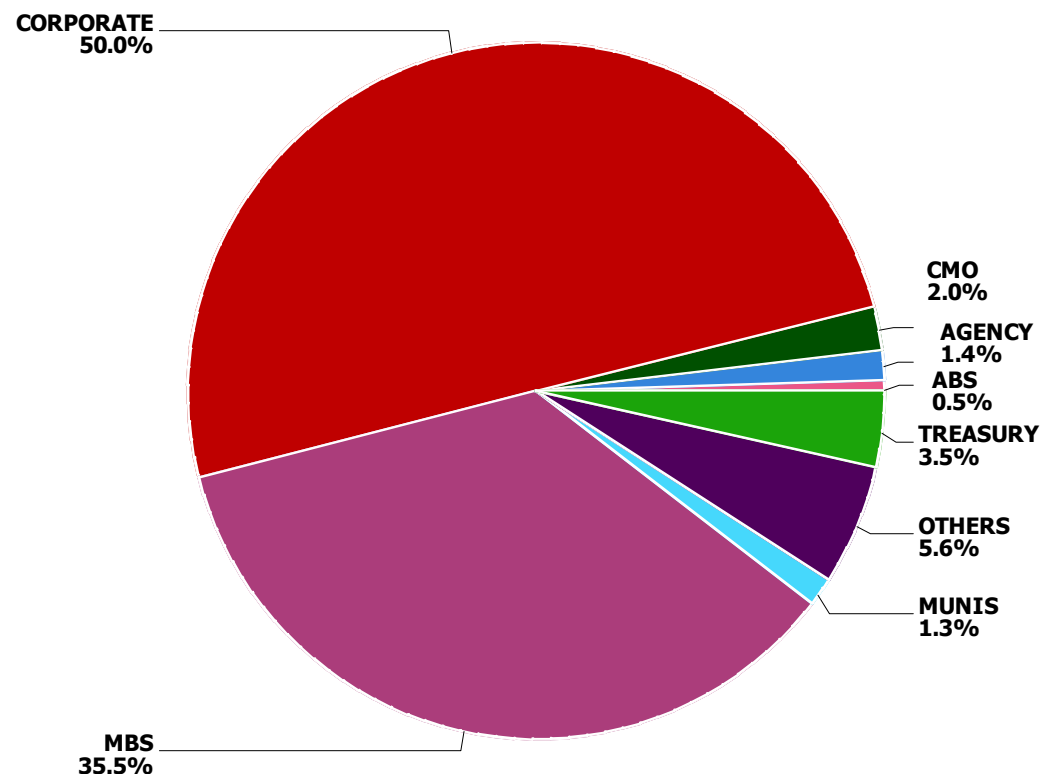
Average Life	
Range	%Held
0.0 to 1.0	8.5
1.0 to 3.0	30.9
3.0 to 5.0	15.5
5.0 to 10.0	25.9
10.0 to 20.0	2.2
Over 20.0	7.8
Unclassified	9.3

Coupon	
Range	%Held
0.0 to 5.0	19.2
5.0 to 7.0	61.1
7.0 to 9.0	18.6
9.0 to 11.0	0.9
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.3

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Fixed Income Sector Allocation Dodge and Cox -Fixed Income



Sector	Account Weight	Index Weight	Difference
ABS	0.5%	4.0%	-3.4%
Agencies	1.4%	9.1%	-7.7%
CMO	2.0%	0.0%	2.0%
Corporates	50.0%	16.5%	33.5%
Foreign	0.0%	4.1%	-4.1%
MBS	35.5%	37.0%	-1.4%
Municipals	1.3%	0.0%	1.3%
Others	5.6%	0.0%	5.6%
Treasuries	3.5%	27.1%	-23.6%
Utilities	0.0%	2.3%	-2.3%
Total	100.0%	100.0%	0.0%

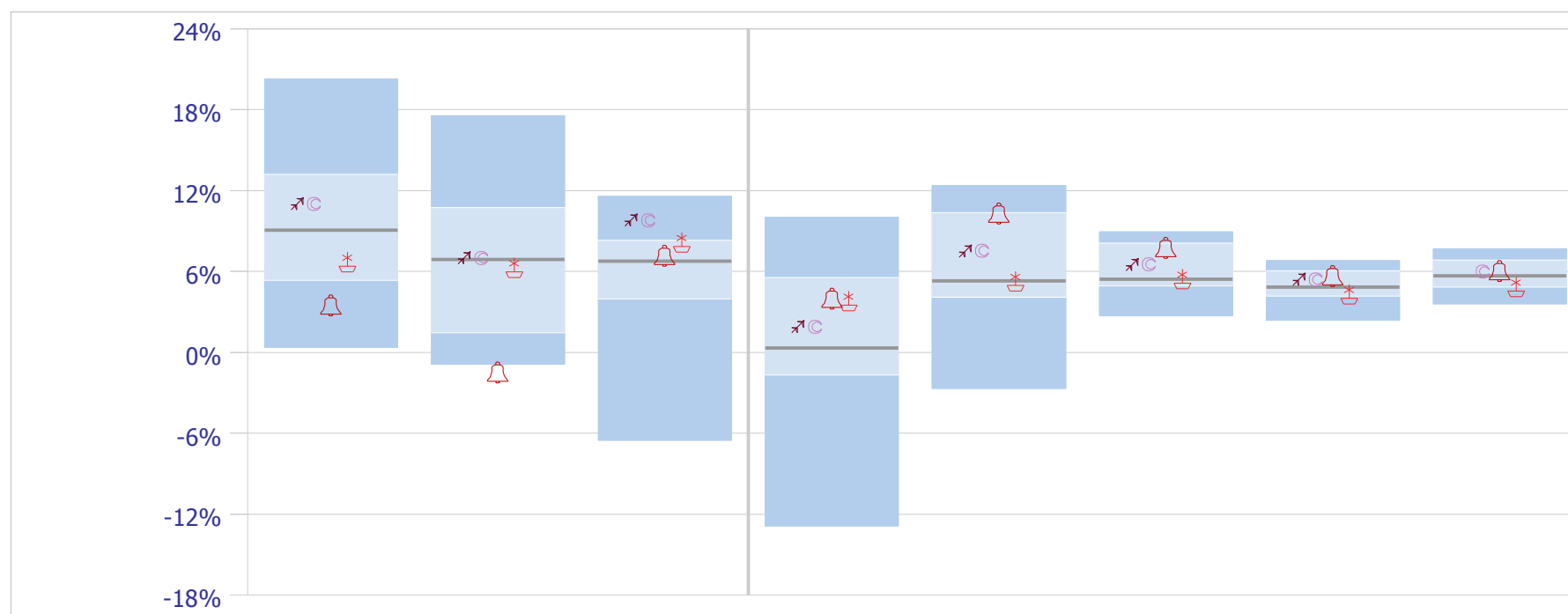
Benchmark: BC AGGREGATE

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Global Bond Funds

Total Returns



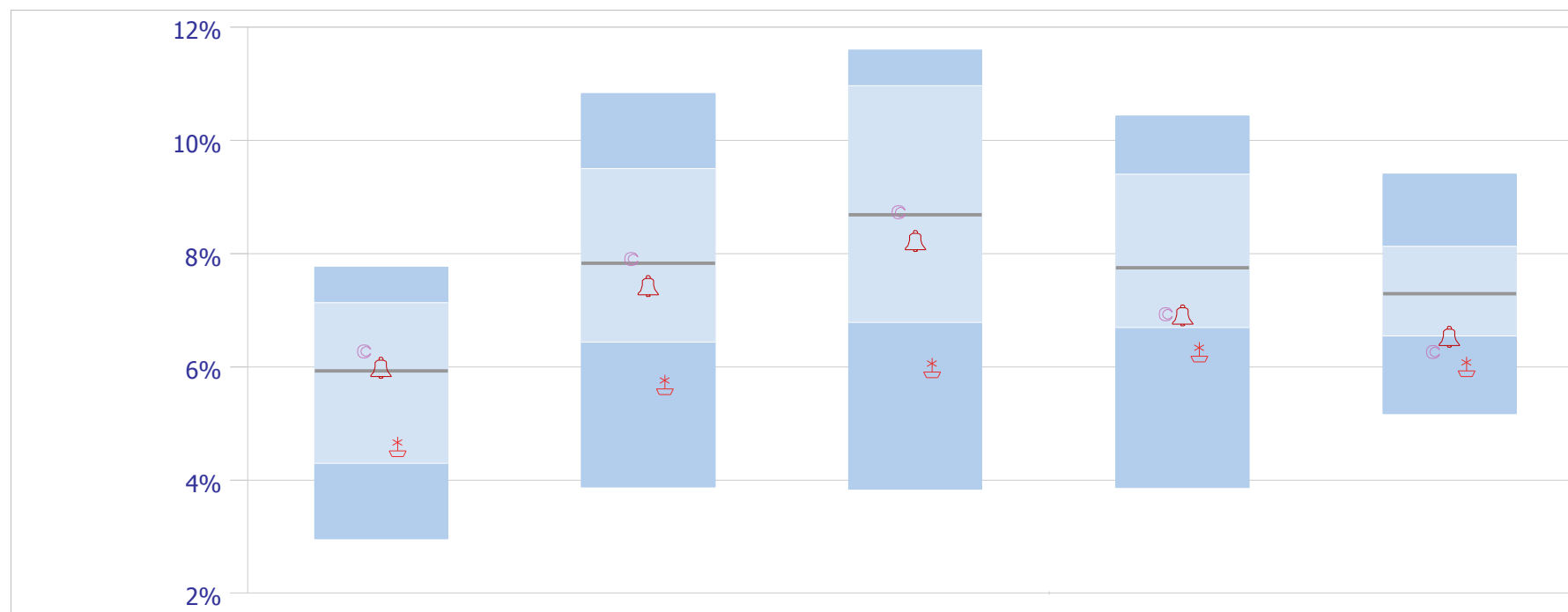
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
Loomis Sayles	11.0	42	7.0	49	9.8	11	1.9	41	7.5	31	6.5	36	5.4	34		
Global FixedInc	11.0	42	7.0	49	9.8	11	1.9	41	7.5	31	6.5	36	5.4	34	6.0	38
CITI WLD GOV BD	3.5	87	-1.5	95	7.2	38	4.0	31	10.3	25	7.8	28	5.7	29	6.1	38
Total Fixed Inc	6.7	58	6.3	54	8.2	27	3.8	31	5.3	50	5.5	47	4.3	65	4.9	73
Median	9.1		6.9		6.8		0.4		5.3		5.4		4.8		5.7	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Global Bond Funds

Total Returns

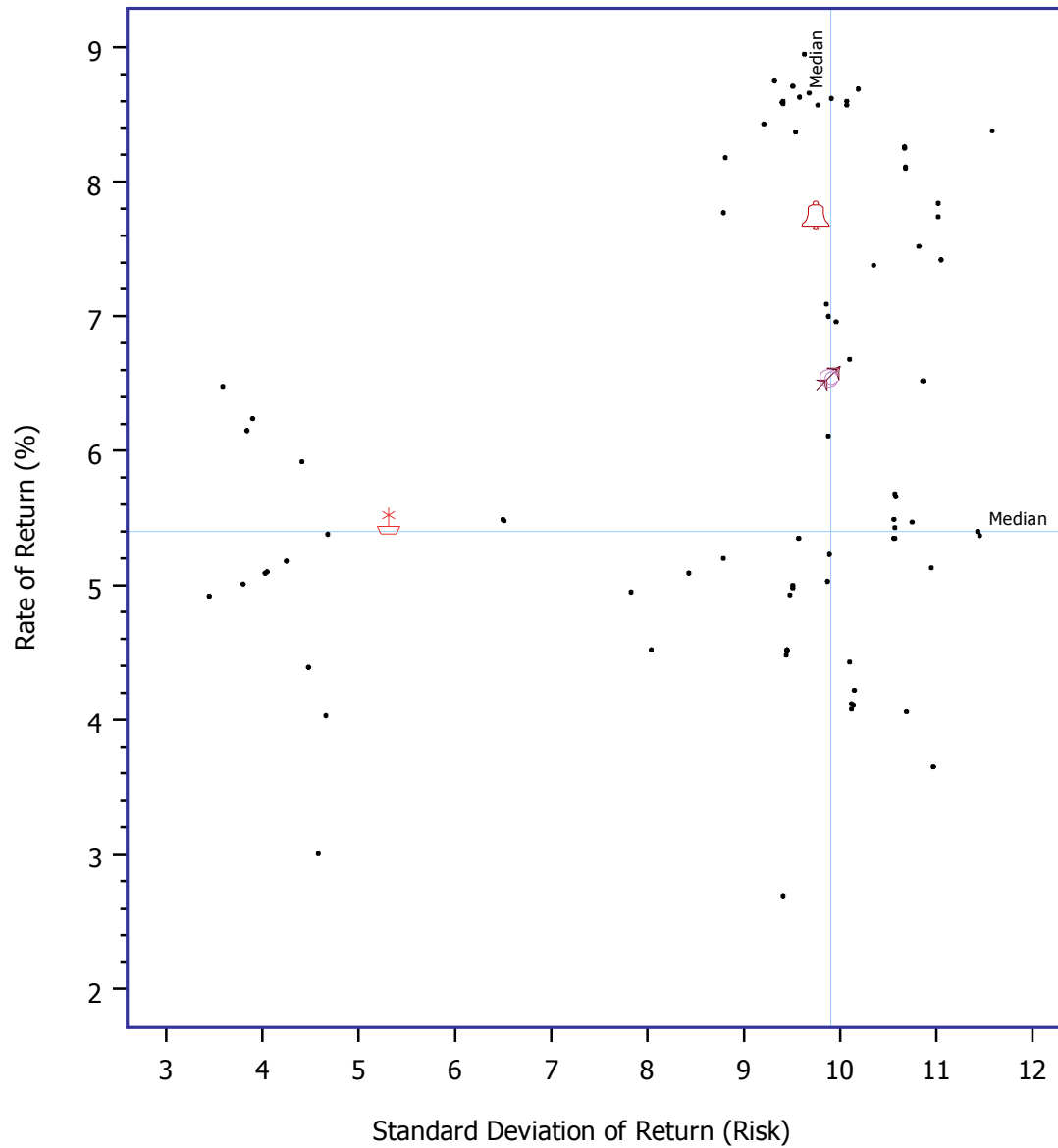


	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
© Global Fixed Inc	6.3	42	7.9	47	8.7	42	6.9	69	6.3	82
🔔 CITI WLD GOV BD	6.0	48	7.4	60	8.2	66	6.9	69	6.5	75
⚓ Total Fixed Inc	4.6	73	5.7	80	6.0	79	6.3	76	6.0	85
Median	5.9		7.8		8.7		7.8		7.3	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

3 Years Ending June 30, 2009

3 Year Risk vs. Return Global Bond Funds - Total Returns

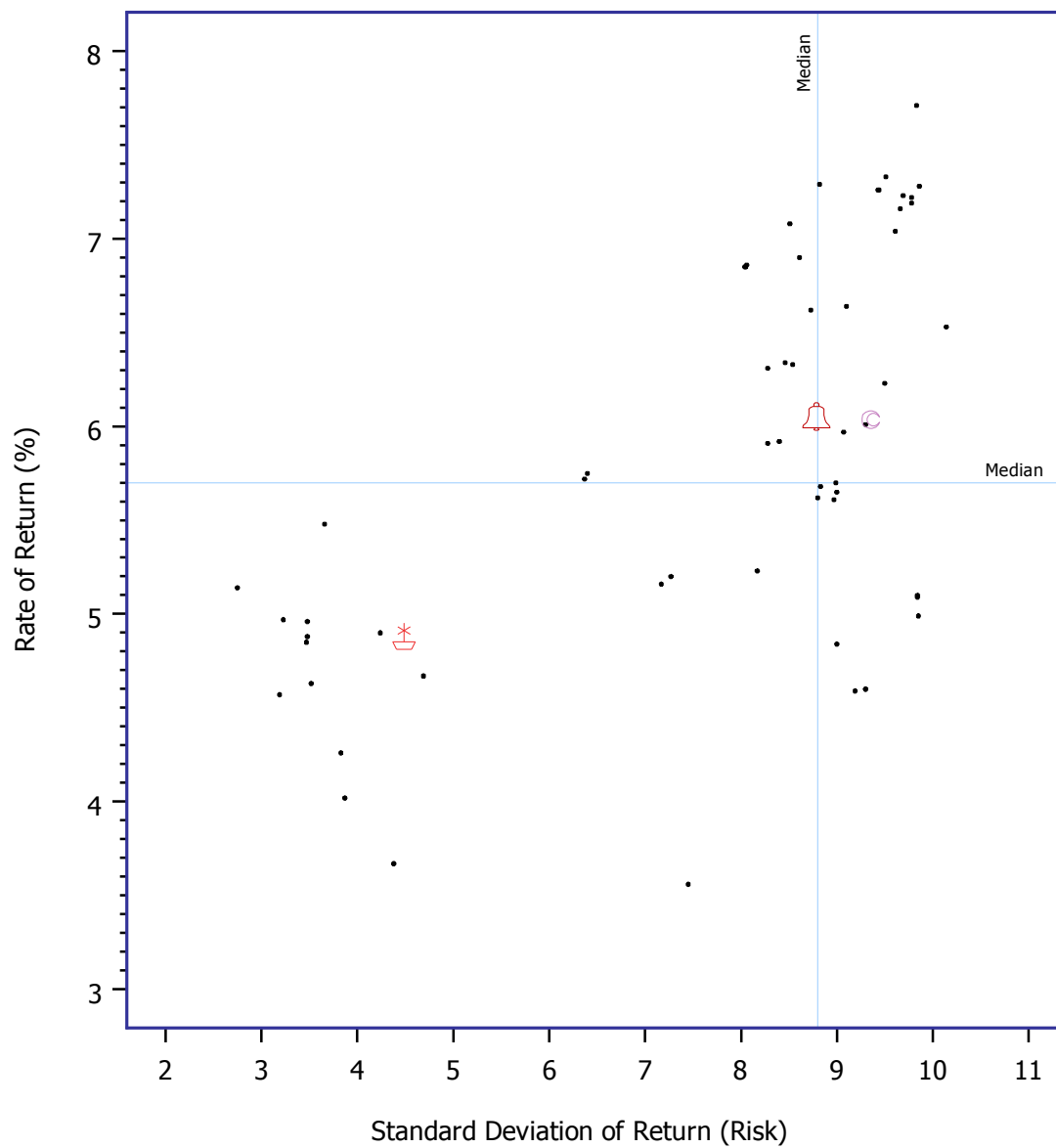


	Return		Standard Deviation		Sharpe Ratio	
↗ Loomis Sayles	6.5	36	9.9	53	0.4	49
⦿ Global FixedInc	6.5	36	9.9	53	0.4	49
🔔 CITI WLD GOV BD	7.8	28	9.8	48	0.5	31
✱ Total Fixed Inc	5.5	47	5.3	17	0.4	42
Median	5.4		9.9		0.4	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

5 Years Ending June 30, 2009

5 Year Risk vs. Return Global Bond Funds - Total Returns

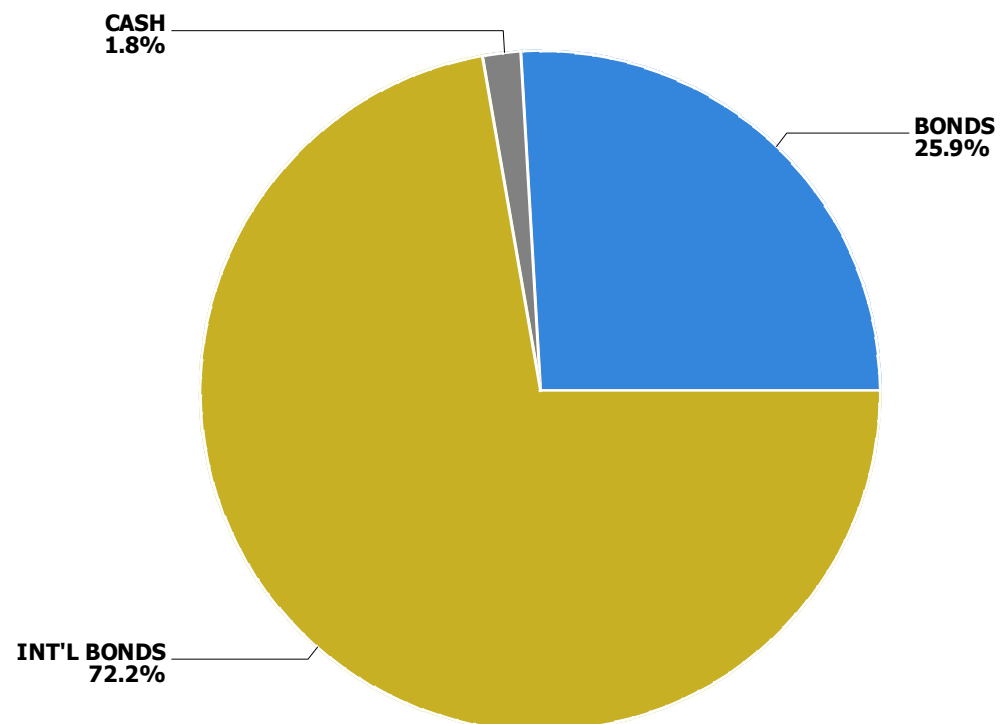


	Return		Standard Deviation		Sharpe Ratio	
🕒 Global Fixed Inc	6.0	38	9.4	67	0.3	62
🔔 CITI WLD GOV BD	6.1	38	8.8	48	0.4	57
🚢 Total Fixed Inc	4.9	73	4.5	21	0.4	52
Median	5.7		8.8		0.4	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation Analysis
Loomis Sayles & Company



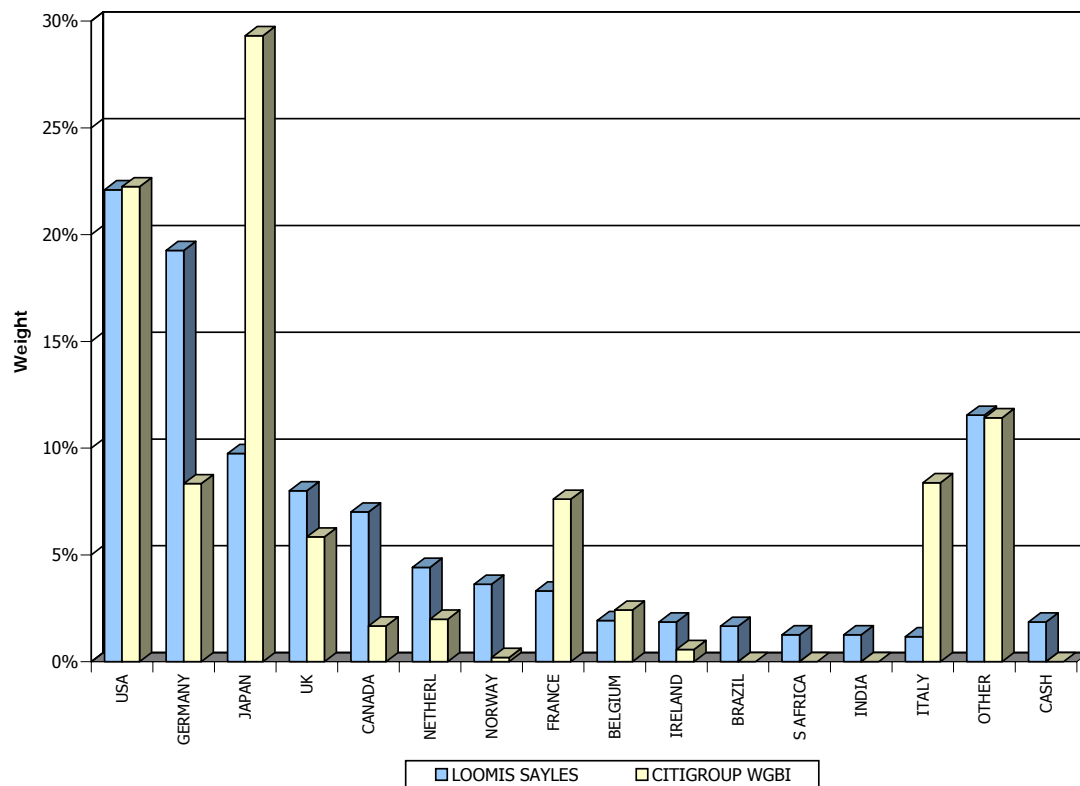
Asset Class	Market Value	Current%
BONDS	29,733,022	25.9
CASH	2,093,257	1.8
INT'L BONDS	82,812,639	72.2
Total	114,638,918	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Country Weights

Loomis Sayles



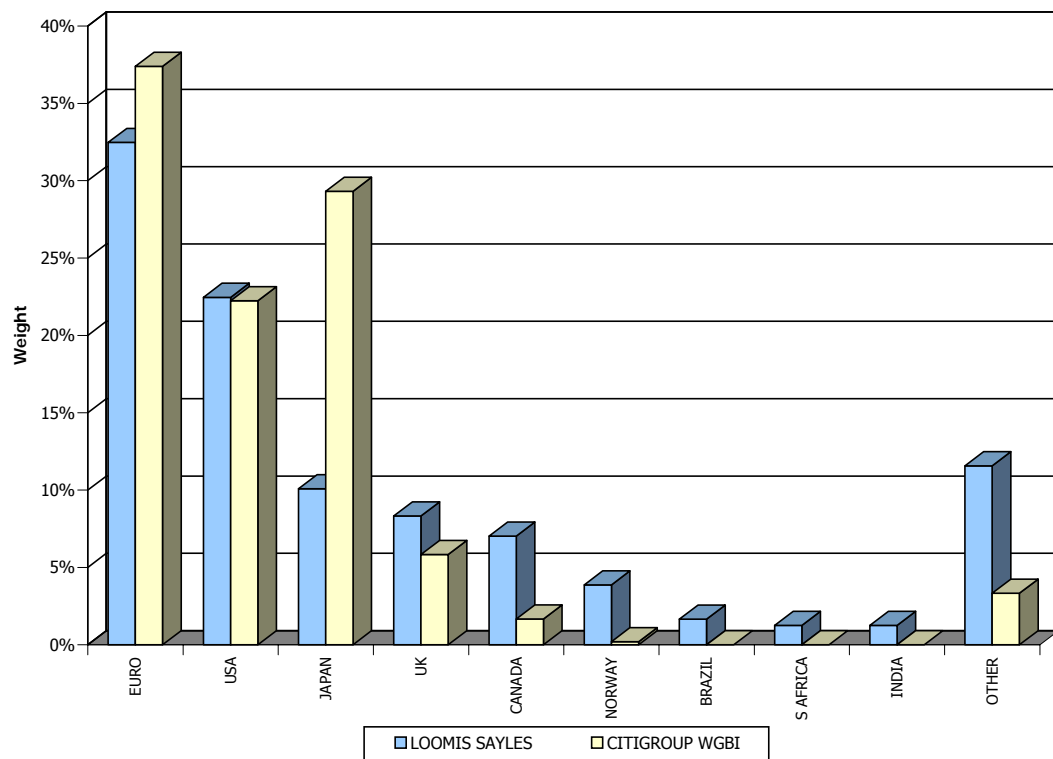
COUNTRY	MARKET VALUE	LOOMIS SAYLES	CITIGROUP WGBI	DIFF
USA	\$ 25,337	22.1%	22.2%	-0.1%
GERMANY	\$ 22,077	19.3%	8.3%	+10.9%
JAPAN	\$ 11,176	9.7%	29.3%	-19.6%
UK	\$ 9,174	8.0%	5.8%	+2.2%
CANADA	\$ 8,039	7.0%	1.7%	+5.3%
NETHERL	\$ 5,063	4.4%	2.0%	+2.4%
NORWAY	\$ 4,158	3.6%	0.2%	+3.4%
FRANCE	\$ 3,798	3.3%	7.6%	-4.3%
BELGIUM	\$ 2,206	1.9%	2.4%	-0.5%
IRELAND	\$ 2,129	1.9%	0.6%	+1.3%
BRAZIL	\$ 1,905	1.7%		+1.7%
S AFRICA	\$ 1,441	1.3%		+1.3%
INDIA	\$ 1,439	1.3%		+1.3%
ITALY	\$ 1,341	1.2%	8.4%	-7.2%
OTHER	\$ 13,231	11.5%	11.4%	+0.1%
CASH	\$ 2,125	1.9%	0.0%	+1.9%
	\$ 114,639	100.0%	100.0%	0.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Portfolio Currency Exposures

Loomis Sayles

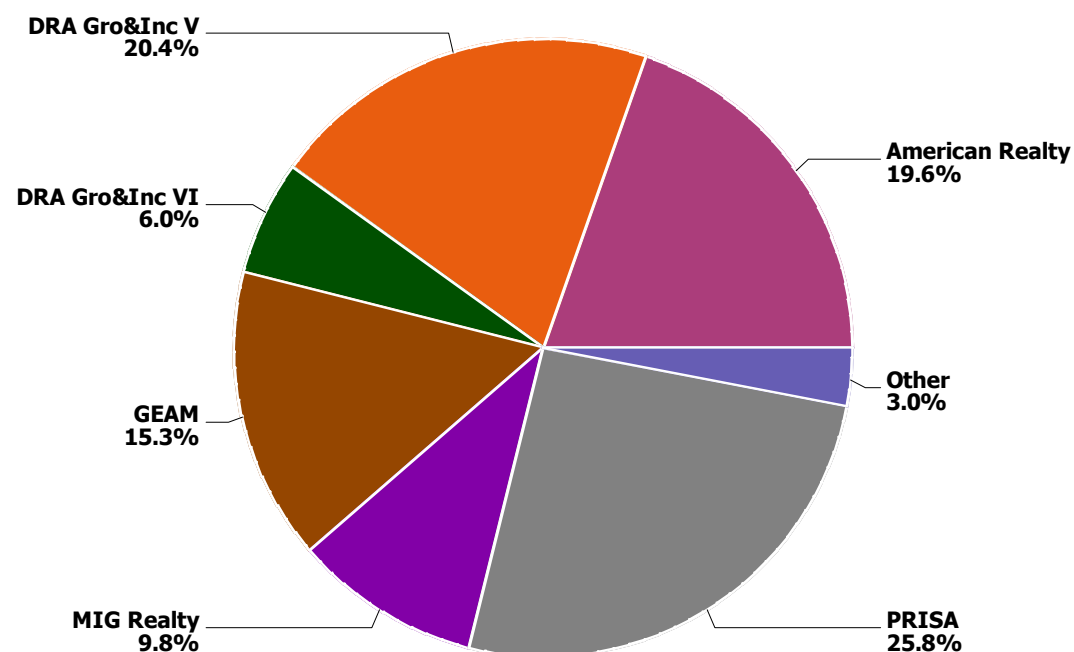


CURRENCY	MARKET VALUE	LOOMIS SAYLES	CITIGROUP WGBI	DIFF
EURO	\$ 37,228	32.5%	37.4%	-4.9%
USA	\$ 25,755	22.5%	22.2%	+0.2%
JAPAN	\$ 11,561	10.1%	29.3%	-19.2%
UK	\$ 9,551	8.3%	5.8%	+2.5%
CANADA	\$ 8,056	7.0%	1.7%	+5.4%
NORWAY	\$ 4,440	3.9%	0.2%	+3.7%
BRAZIL	\$ 1,905	1.7%		+1.7%
S AFRICA	\$ 1,441	1.3%		+1.3%
INDIA	\$ 1,439	1.3%		+1.3%
OTHER	\$ 13,264	11.6%	3.3%	+8.2%
	\$ 114,639	100.0%	100.0%	0.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Manager Allocation Analysis Real Estate Composite



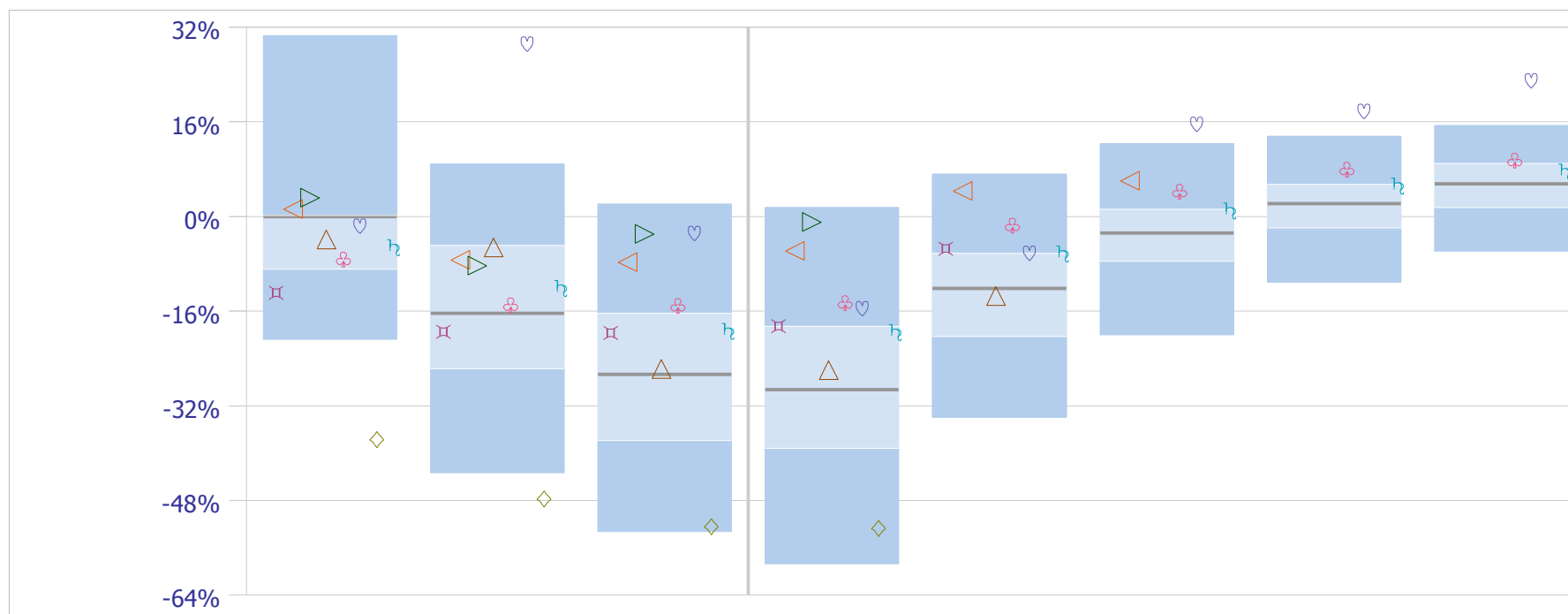
Manager	Market Value	Current%
American Realty	17,466,934	19.6
Cigna	33,753	0.0
DRA Gro&Inc II	442	0.0
DRA Gro&Inc V	18,138,185	20.4
DRA Gro&Inc VI	5,374,672	6.0
Fidelity LP	251,284	0.3
FidelityGro III	2,359,931	2.7
GEAM	13,641,420	15.3
MIG Realty	8,700,461	9.8
PRISA	22,993,122	25.8
Total	88,960,204	100.0

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Real Estate Funds

Total Returns



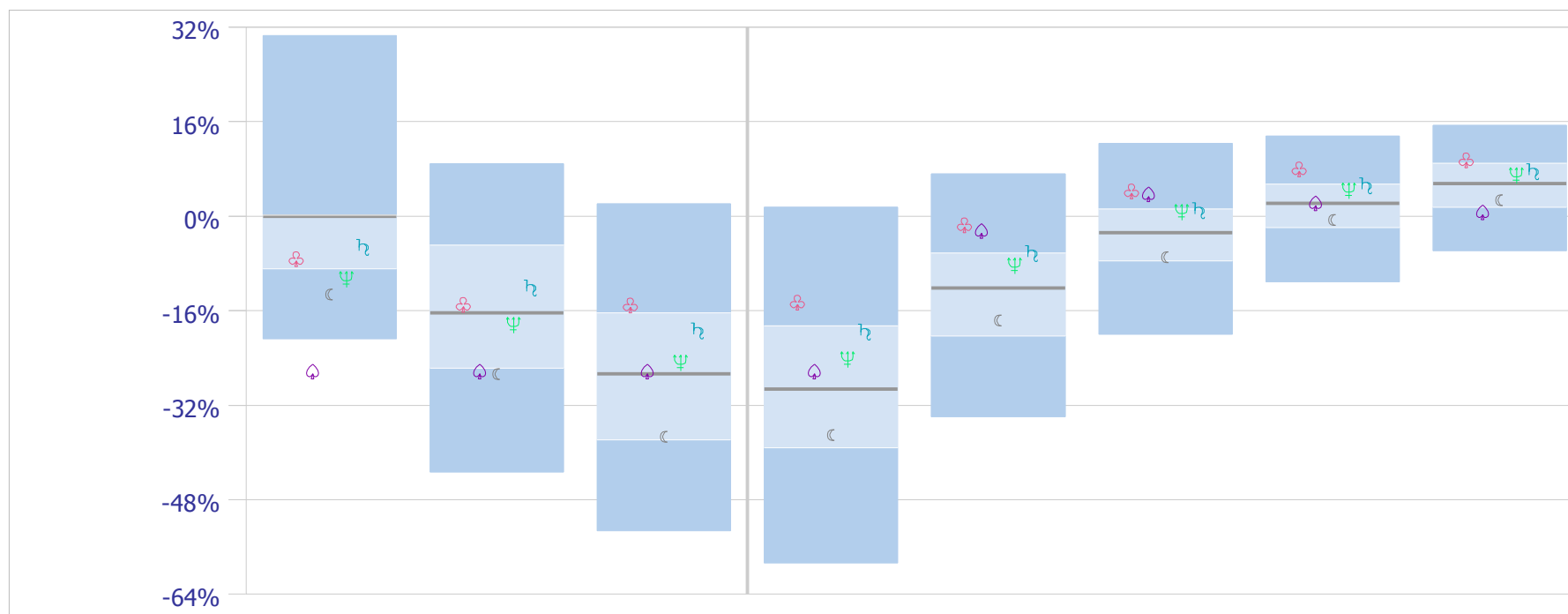
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
American Realty	-12.9	85	-19.4	59	-19.7	31	-18.5	24	-5.4	22						
DRA Gro&Inc V	1.2	19	-7.3	27	-7.7	17	-5.8	14	4.4	8	6.1	11				
DRA Gro&Inc VI	3.2	13	-8.2	28	-2.9	12	-0.9	10								
GEAM	-3.9	57	-5.2	25	-25.8	48	-25.9	39	-13.4	54						
NCREIF PROP LAG	-7.3	71	-15.0	41	-15.2	22	-14.7	20	-1.6	17	4.1	15	7.9	14	9.4	23
Fidelity LP	-1.7	54	29.1	1	-2.8	12	-15.6	20	-6.2	25	15.6	2	17.8	3	22.9	1
FidelityGro III	-37.6	98	-47.7	96	-52.4	94	-52.6	90								
NCREIF PROPERTY	-5.2	62	-12.1	34	-19.4	30	-19.6	26	-6.3	25	1.0	26	5.1	26	7.6	29
Median	0.0		-16.4		-26.7		-29.3		-12.2		-2.8		2.1		5.5	





SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Real Estate Funds

Total Returns



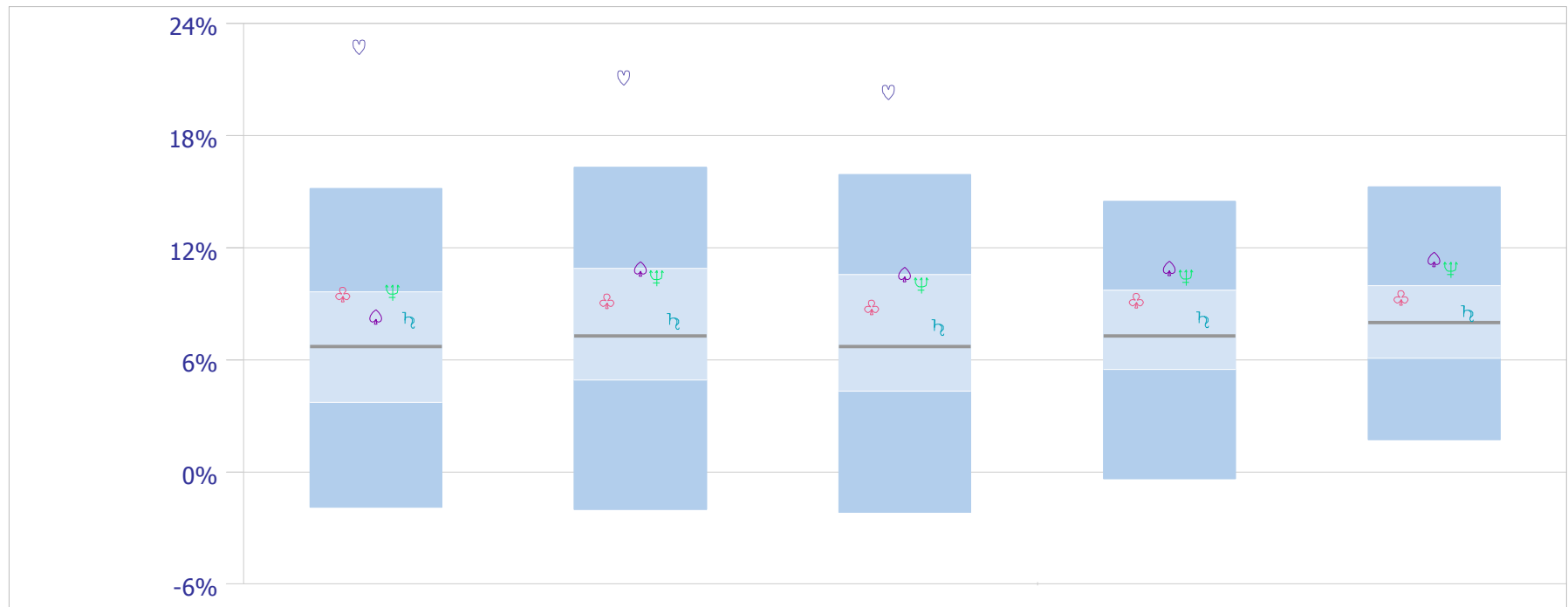
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
 NCREIF PROP LAG	-7.3	71	-15.0	41	-15.2	22	-14.7	20	-1.6	17	4.1	15	7.9	14	9.4	23
 MIG Realty	-26.3	97	-26.3	76	-26.3	49	-26.3	40	-2.5	18	3.7	17	2.2	48	0.7	78
 PRISA	-13.3	87	-26.7	77	-37.3	73	-37.1	69	-17.6	66	-6.9	70	-0.6	67	2.7	68
 Real Estate	-10.7	80	-18.5	55	-24.8	43	-24.3	37	-8.4	30	0.7	26	4.3	30	6.8	33
 NCREIF PROPERTY	-5.2	62	-12.1	34	-19.4	30	-19.6	26	-6.3	25	1.0	26	5.1	26	7.6	29
Median	0.0		-16.4		-26.7		-29.3		-12.2		-2.8		2.1		5.5	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Real Estate Funds

Total Returns



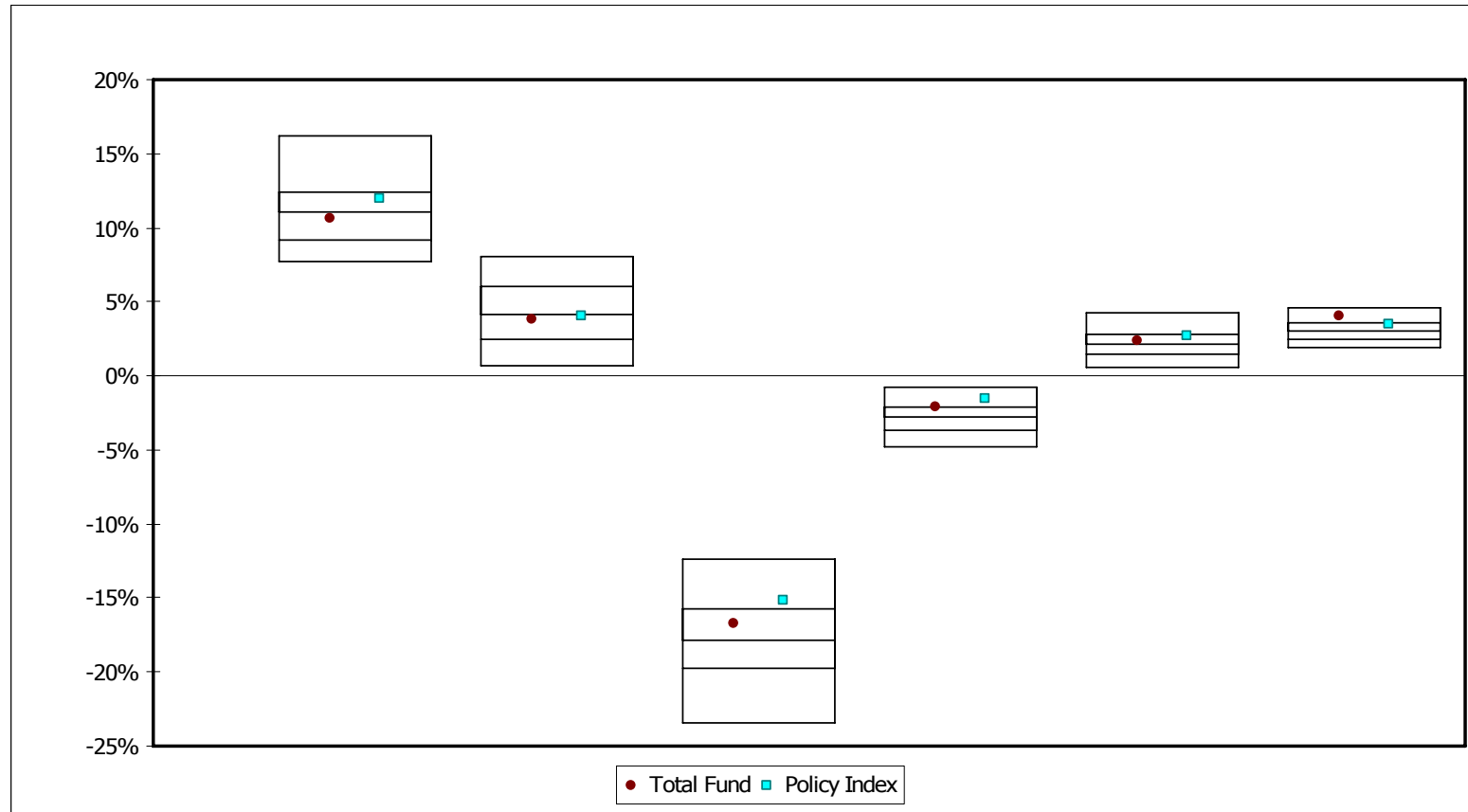
	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
 NCREIF PROP LAG	9.5	27	9.1	28	8.8	31	9.2	31	9.3	29
 Fidelity LP	22.7	1	21.1	2	20.3	2				
 MIG Realty	8.3	29	10.9	25	10.6	25	10.9	22	11.4	20
 Real Estate	9.6	26	10.4	25	10.0	26	10.4	23	10.8	21
 NCREIF PROPERTY	8.1	31	8.1	38	7.7	38	8.2	36	8.5	36
Median	6.7		7.3		6.7		7.3		8.0	

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Total Public Funds >\$100 Million



	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
Total Fund	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
	10.6%	58	3.8%	55	-16.8%	35	-2.1%	26	2.4%	39	4.0%	19
Policy Index	11.9%	34	4.0%	54	-15.2%	19	-1.6%	17	2.7%	31	3.5%	29
Median	11.1%		4.1%		-17.9%		-2.8%		2.1%		3.0%	

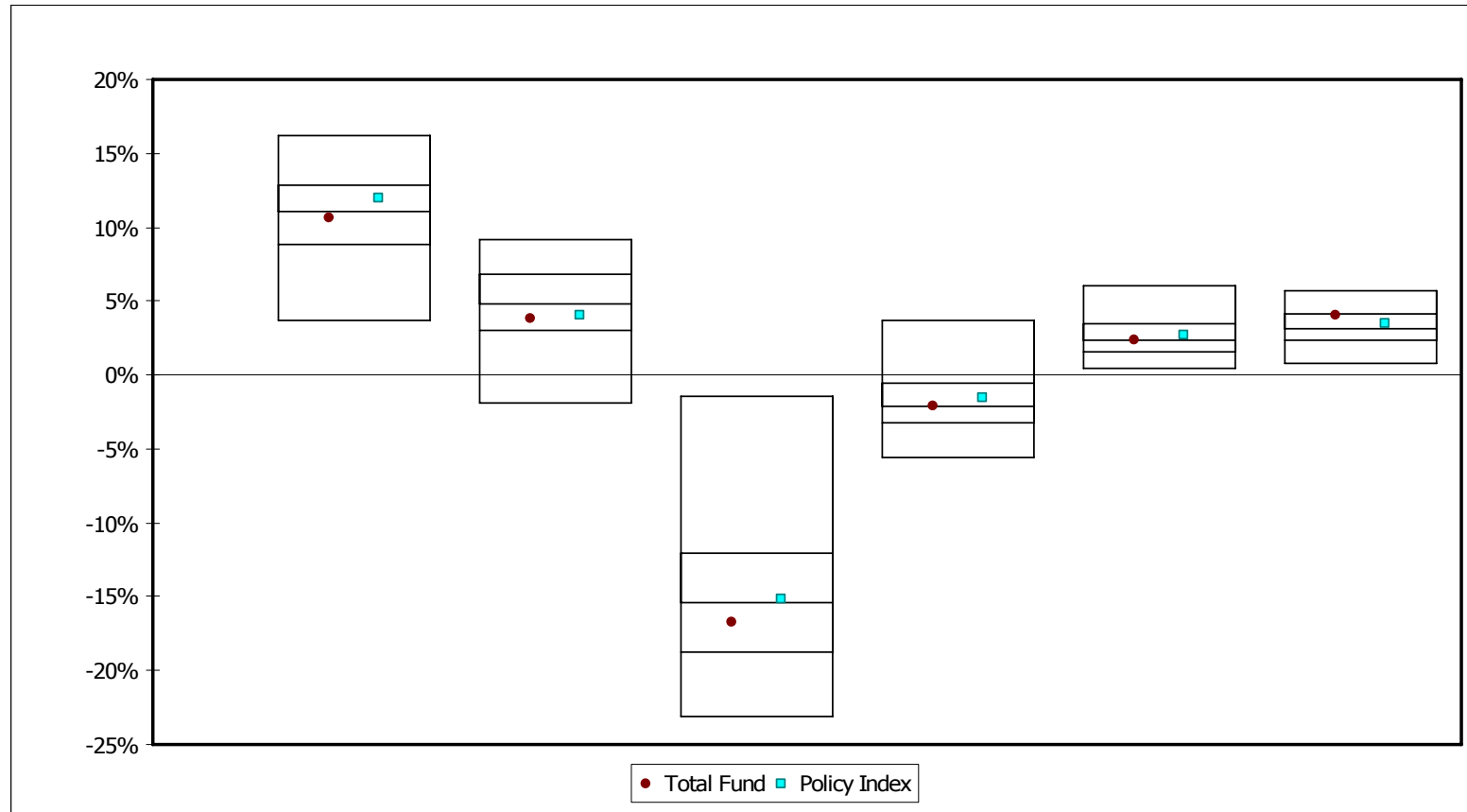
25th Percentile	12.5%	6.0%	-15.7%	-2.1%	2.8%	3.5%
50th Percentile	11.1%	4.1%	-17.9%	-2.8%	2.1%	3.0%
75th Percentile	9.2%	2.5%	-19.8%	-3.6%	1.4%	2.5%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Total Corporate Funds



	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10 YEAR	
Total Fund	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
	10.6%	58	3.8%	61	-16.8%	61	-2.1%	50	2.4%	51	4.0%	26
Policy Index	11.9%	39	4.0%	58	-15.2%	47	-1.6%	41	2.7%	41	3.5%	39
Median	11.1%		4.8%		-15.4%		-2.1%		2.4%		3.2%	

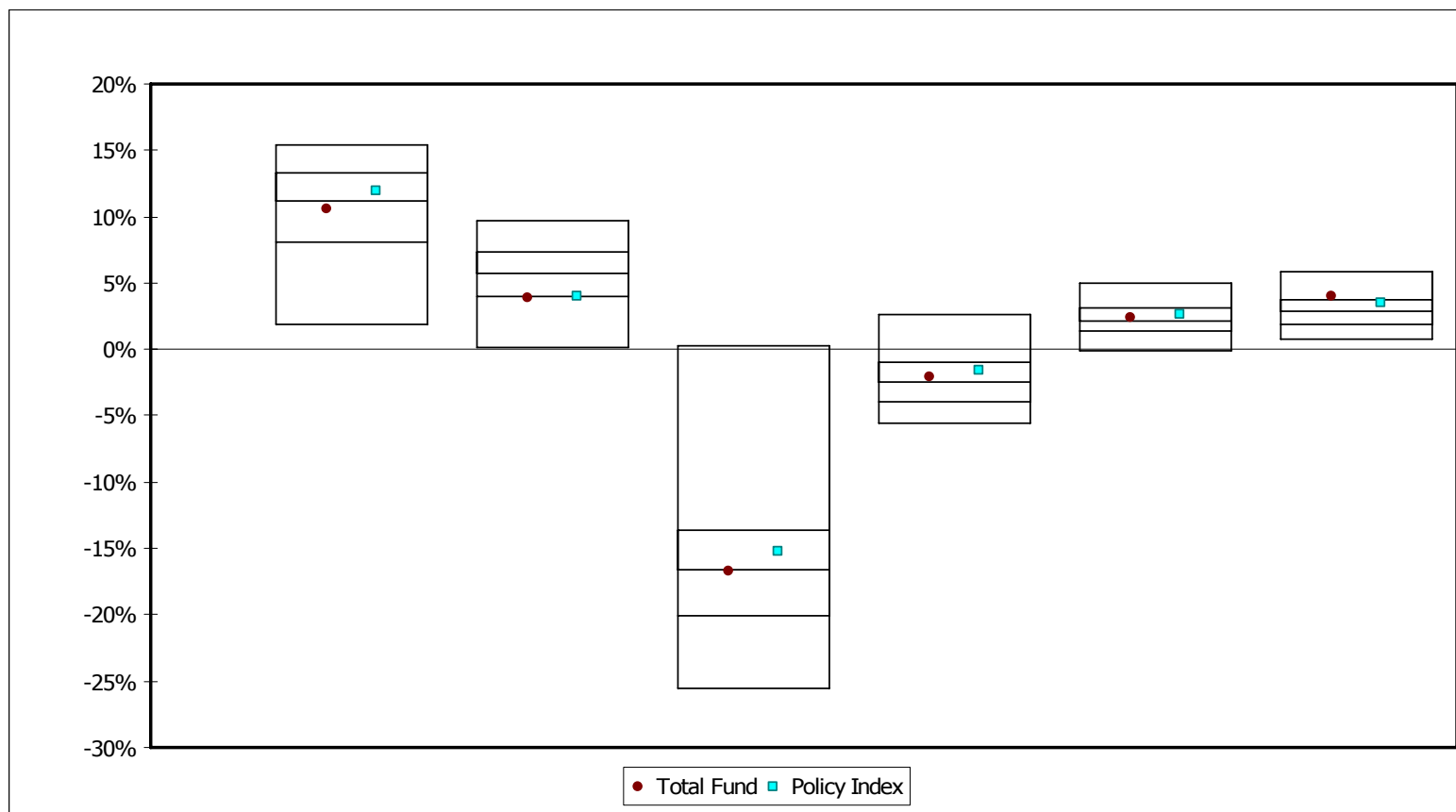
25th Percentile	12.9%	6.8%	-12.0%	-0.6%	3.4%	4.1%
50th Percentile	11.1%	4.8%	-15.4%	-2.1%	2.4%	3.2%
75th Percentile	8.8%	3.0%	-18.8%	-3.3%	1.6%	2.3%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Total Rates of Return

Total Endowments & Foundations



	1 QTR		CALENDAR YTD		FISCAL YEAR		3 YEAR		5 YEAR		10YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund	10.6%	55	3.8%	75	-16.8%	50	-2.1%	44	2.4%	41	4.0%	17
Policy Index	11.9%	41	4.0%	75	-15.2%	37	-1.6%	34	2.7%	35	3.5%	36
Median	11.2%		5.8%		-16.6%		-2.4%		2.1%		2.9%	

25th Percentile	13.3%	7.3%	-13.7%	-1.0%	3.2%	3.8%
50th Percentile	11.2%	5.8%	-16.6%	-2.4%	2.1%	2.9%
75th Percentile	8.1%	4.0%	-20.1%	-4.0%	1.3%	1.9%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

As of June 30, 2009

Asset Allocation

Total Public Funds > \$100 Million Universe

Quartiles	US Equity	Int'l Equity	US Fixed Income	Int'l Fixed Income	Real Estate	Private Equity	Hedge Funds
5th	57.2%	24.7%	52.7%	10.1%	13.1%	14.6%	11.4%
25th	43.1%	17.3%	31.7%	4.6%	5.6%	6.2%	4.2%
50th	35.7%	14.1%	25.1%	0.2%	3.6%	1.0%	0.0%
75th	26.4%	7.5%	18.7%	0.0%	0.0%	0.0%	0.0%
95th	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Total Corporate Funds Universe

Quartiles	US Equity	Int'l Equity	US Fixed Income	Int'l Fixed Income	Real Estate	Private Equity	Hedge Funds
5th	63.2%	22.9%	67.5%	9.6%	7.2%	14.8%	30.3%
25th	45.8%	16.9%	39.2%	1.6%	0.5%	1.5%	5.3%
50th	36.6%	13.1%	29.7%	0.0%	0.0%	0.0%	0.0%
75th	25.8%	8.1%	20.8%	0.0%	0.0%	0.0%	0.0%
95th	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Total Endowments & Foundations Universe

Quartiles	US Equity	Int'l Equity	US Fixed Income	Int'l Fixed Income	Real Estate	Private Equity	Hedge Funds
5th	67.9%	24.3%	61.6%	8.9%	4.4%	11.4%	33.5%
25th	46.8%	17.2%	36.0%	0.1%	0.0%	0.0%	14.0%
50th	33.7%	12.2%	26.4%	0.0%	0.0%	0.0%	0.0%
75th	24.0%	6.0%	16.0%	0.0%	0.0%	0.0%	0.0%
95th	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Portfolio Asset Growth (\$000)

Summary by Manager

Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
One Quarter					
Total Fund	1,322,979	-28,138	10,684	128,948	1,434,473
Atlanta	37,739	0	188	6,240	44,166
D&C -Equity	40,558	0	322	8,468	49,349
NT Russell 3000	223,717	0	0	37,741	261,459
Wellington	67,008	-14,000	222	9,854	63,084
LargeCap Equity	369,022	-14,000	732	62,304	418,058
Brandywine	27,571	0	114	4,583	32,268
Eagle	26,529	0	44	6,398	32,972
SmallCap Equity	54,100	0	158	10,981	65,240
US Equity	423,123	-14,000	890	73,285	483,298
US Equity Index	0	0	0	0	0
The Boston Co	76,216	0	0	20,378	96,594
Fisher	52,543	-10,000	793	13,850	57,186
McKinley	71,651	0	939	10,763	83,354
Intl Equity	200,410	-10,000	1,732	44,992	237,134
Private Equity	62,662	1,901	-117	-6,190	58,256
Loomis Sayles	103,241	0	1,573	9,825	114,639
Global FixedInc	103,241	0	1,573	9,825	114,639
D&C -Fixed Inc	233,660	-6,000	3,222	12,892	243,774
BlackRock	194,167	-100,000	2,581	3,114	99,861
US Fixed Income	427,827	-6,000	5,430	18,727	445,984
American Realty	20,100	-48	198	-2,784	17,467
DRA Gro&Inc II	1,097	-1,097	2	-1	0
DRA Gro&Inc V	17,774	143	270	-49	18,138
DRA Gro&Inc VI	4,212	1,028	140	-6	5,375
GEAM	14,045	0	0	-404	13,641
Fidelity LP	256	0	0	-4	251
FidelityGro III	3,784	0	0	-1,424	2,360
MIG Realty	11,800	0	0	-3,100	8,700
PRISA	26,563	-52	407	-3,926	22,993

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Portfolio Asset Growth (\$000)**Summary by Manager**

Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
One Quarter					
Real Estate	99,666	-25	1,017	-11,697	88,960
Cash Account	7,794	-14	158	0	7,938
Total Equity	623,533	-24,000	2,622	118,277	720,431
Total Fixed Inc	531,068	-6,000	7,003	28,552	560,623

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Portfolio Asset Growth (\$000)

Summary by Manager

Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
Year to Date					
Total Fund	1,432,855	-50,472	21,273	30,816	1,434,473
Atlanta	39,967	0	384	3,815	44,166
D&C -Equity	47,078	0	568	1,703	49,349
NT Russell 3000	250,652	0	0	10,807	261,459
Wellington	70,874	-14,000	469	5,742	63,084
LargeCap Equity	408,571	-14,000	1,421	22,066	418,058
Brandywine	34,369	0	245	-2,346	32,268
Eagle	29,761	0	83	3,128	32,972
SmallCap Equity	64,130	0	327	782	65,240
US Equity	472,701	-14,000	1,749	22,848	483,298
US Equity Index	0	0	0	0	0
The Boston Co	68,355	15,000	0	13,239	96,594
Fisher	58,008	-10,000	999	8,179	57,186
McKinley	63,965	15,000	1,252	3,137	83,354
Intl Equity	190,329	20,000	2,251	24,554	237,134
Private Equity	66,323	4,769	-240	-12,596	58,256
Loomis Sayles	107,112	0	2,829	4,698	114,639
Global FixedInc	107,112	0	2,829	4,698	114,639
D&C -Fixed Inc	252,562	-25,500	7,086	9,626	243,774
BlackRock	230,782	-137,500	5,615	963	99,861
US Fixed Income	483,345	-63,000	12,328	13,311	445,984
American Realty	21,796	-102	416	-4,644	17,467
DRA Gro&Inc II	949	-1,101	6	146	0
DRA Gro&Inc V	18,825	668	535	-1,891	18,138
DRA Gro&Inc VI	4,790	975	290	-680	5,375
GEAM	13,096	1,130	-52	-531	13,641
Fidelity LP	195	0	0	57	251
FidelityGro III	4,282	228	0	-2,150	2,360
MIG Realty	11,800	0	0	-3,100	8,700
PRISA	31,526	-124	811	-9,220	22,993

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Portfolio Asset Growth (\$000)**Summary by Manager**

Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
Year to Date					
Real Estate	107,450	1,675	2,006	-22,171	88,960
Cash Account	7,502	85	350	1	7,938
Total Equity	663,029	6,000	4,000	47,402	720,431
Total Fixed Inc	590,457	-63,000	15,157	18,009	560,623

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Portfolio Asset Growth (\$000)

Summary by Manager

Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
One Year					
Total Fund	1,774,659	-30,641	44,949	-354,494	1,434,473
Atlanta	72,432	-13,500	839	-15,604	44,166
D&C -Equity	78,962	-9,500	1,215	-21,329	49,349
NT Russell 3000	355,904	0	0	-94,446	261,459
Wellington	111,118	-17,000	972	-32,006	63,084
LargeCap Equity	618,416	-40,000	3,026	-163,384	418,058
Brandywine	44,783	0	658	-13,173	32,268
Eagle	43,600	0	162	-10,790	32,972
SmallCap Equity	88,383	0	820	-23,963	65,240
US Equity	706,799	-40,000	3,846	-187,347	483,298
US Equity Index	0	0	0	0	0
The Boston Co	80,451	31,910	0	-15,767	96,594
Fisher	85,449	6,910	1,910	-37,082	57,186
McKinley	97,751	31,910	2,155	-48,463	83,354
Intl Equity	263,651	70,730	4,065	-101,312	237,134
Private Equity	57,284	17,929	-352	-16,605	58,256
Loomis Sayles	122,284	-9,000	5,138	-3,783	114,639
Global FixedInc	122,284	-9,000	5,138	-3,783	114,639
D&C -Fixed Inc	259,423	-28,136	15,092	-2,605	243,774
BlackRock	249,081	-150,136	12,513	-11,597	99,861
US Fixed Income	508,504	-78,272	27,233	-11,480	445,984
American Realty	21,648	-217	951	-4,915	17,467
DRA Gro&Inc II	949	-1,105	10	146	0
DRA Gro&Inc V	19,224	-42	1,227	-2,271	18,138
DRA Gro&Inc VI	4,472	952	596	-645	5,375
GEAM	15,484	2,149	-109	-3,883	13,641
Fidelity LP	374	-76	-1	-45	251
FidelityGro III	3,843	1,108	10	-2,601	2,360
MIG Realty	11,800	0	0	-3,100	8,700
PRISA	36,880	-278	1,302	-14,912	22,993

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Periods Ending June 30, 2009

Portfolio Asset Growth (\$000)**Summary by Manager**

Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
One Year					
Real Estate	114,708	2,492	3,986	-32,226	88,960
Cash Account	1,430	5,480	1,033	-6	7,938
Total Equity	970,450	30,730	7,911	-288,659	720,431
Total Fixed Inc	630,787	-87,272	32,371	-15,263	560,623

Background:

Equity Style Spectrum analysis is employed in characterizing the investment approach of a managed equity portfolio. It further provides the means for grouping equity portfolios with similar investment styles. While no rule-based methodology can claim to capture all of the decisions made by an investment manager, the size of the firm in which a manager invests and the fundamental growth or value orientation of portfolio constituent holdings serve to explain a significant portion of fund performance.

Exhibits:

The intersection of Size (Y-axis) and Value/Growth (X-axis) coordinates drive equity style spectrum mappings on a nine-quadrant grid. Each of the nine quadrants is bounded by both a metric of size and a measure of value, growth or neutrality. The style map depicts the magnitude of an individual manager's style bias while similarly identifying style gaps and redundancies among multiple investment managers. As style bias is characterized at points in time over extended intervals, the style map similarly captures any "style drift" that may be exhibited.

While portfolio-level assignments are driven by a weighted-average calculation of constituent holding size and value/growth scores, the portfolio cross-sectional distribution of such scores is of additional interest. Consider, for example, that a Mid Cap assignment can result from holding either a portfolio that is concentrated exclusively in mid cap stocks or alternatively as a result of holding both large and small cap names. Similarly, a Core assignment can be accorded to a portfolio that is wholly comprised of constituent holdings that have no style bias (neutral) or equivalently by holding securities that carry both a growth and value bias in equal proportion.

Methodology:

Morningstar provides the size and value/growth scores for individual securities, and Morningstar's methodology for assigning securities and portfolios to various styles is followed.

Morningstar determines a size score for each security based on the natural log of its market capitalization relative to the mid-capitalization range. A security's Value Score is based on 5 factors (Price to Projected Earnings, Price to Book, Price to Sales, Price to Cash Flow, and Dividend Yield), and its Growth Score is also based on 5 factors (Long Term Projected Earnings Growth, Book Value Growth, Sales Growth, Cash Flow Growth, and Historical Earnings Growth). A security's Value/Growth score is the difference between its Growth and Value Scores. The Morningstar scores have been rescaled to center on zero.

The Size bands are:

Small: Size Exposure < -50
Mid: -50 <= Size Exposure <= 50
Large: Size Exposure > 50

The Value/Growth bands are:

Value: Value/Growth Exposure < -50
Core: -50 <= Value/Growth Exposure <= 50
Growth: Value/Growth Exposure > 50

Background:

Return-based style analysis is an analytical process for determining the composition of an investment portfolio solely based on the performance history of the portfolio. The quadratic optimization process, developed by William Sharpe, made it possible to look at the return history of a portfolio and attribute its performance to its respective exposures to various published market indices.

The return of the weighted combination of indices represented the fund's market derived (systematic, or later called style) return, and the portion of the fund's return not explained by the estimation process was attributed to the manager's selection skill (specific return). After indices became readily accessible and segmented the domestic equity market into value/grown and small cap/large cap spectra, they were used in estimations to characterize portfolios in terms of "style" and the estimation process came to be called returns-based style analysis. MPI also implemented locally weighted regression to overcome the sizable lag in mix estimation of Sharpe's methodology and significantly reduced statistical "noise".

Exhibits:

Returns-based style analysis has as its output measures that address exposure to classes assets and the return implications of these measures.

A Style Map is a scatter plot typically used to show where a product lies on the value-to-growth and small-to-large cap spectrums. Four to six style reference indices are plotted, with the value oriented ones on the left and the growth oriented on the right, small cap at the bottom, and large cap at the top.

SHORT

Short Term Fixed Income managers are generally retained as "cash" managers. They provide an alternative to SHORT TERM INVESTMENT VEHICLES and attempt to add value through superior management of high quality short term instruments. In order to be classified as Short Term, a manager's portfolio duration should be 0-40% of the Lehman Brothers Aggregate's and an average quality rating of at least 14.9. Contractual restrictions limiting a short term fund's duration generally preclude the use of one of the major bond indices as a relevant benchmark. Instead, 90 day T-Bills are generally used as the portfolio's standard.

INTERMEDIATE

An Intermediate manager invests in high quality issues with a duration that is 40-80% of the Lehman Brothers Aggregate and an average quality rating of at least 14.9. Although many Intermediate managers are contractually prevented from extending a portfolio's maturity, other Intermediate managers assert that intermediate duration securities provide the best risk/reward trade-off relative to short and long duration instruments.

CORE

A Core manager differs from the Short, Intermediate, and Long styles in that he does not concentrate on achieving a superior return within a certain duration range. Instead, he prefers to emphasize sector or individual bond selection to create a portfolio whose duration is similar to the index's, but produces a superior return. A Core manager's defining criteria include a duration ranging from 80-120% of the Lehman Brothers Aggregate and an average quality rating of at least 14.9.

CORE PLUS

Core-plus fixed income management is a strategy of incorporating moderate allocations to nonbenchmark sectors in order to achieve excess return without taking on excessive additional risk. Core-plus portfolios typically include diversifying exposure to sovereign, high yield, and/or emerging market debt. Core-plus is an assigned style.

LONG

To be classified as a Long manager, an investment manager's portfolio must have a duration that is greater than 120% of the Lehman Brothers Aggregate's and an average quality rating of at least 14.9. Long managers believe that the increased return provided by the long end of the maturity spectrum compensates for the higher volatility of longer duration issues.

HIGH YIELD

A High Yield Manager invests in lower quality, higher yielding issues; generally companies in financial difficulty or with limited financing means. The debt issued by these types of companies carry higher rates to compensate for the increased credit risk. A High Yield manager emphasizes security selection to take advantage of the superior return produced by the debt of less credit-worthy companies. A High Yield manager's portfolio must have a current yield to maturity that is at least 120% of the Lehman Brothers Aggregate's and an average quality rating less than or equal to 14.9.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Performance Report Glossary

TERM	CATEGORY	DEFINITION
91 Day T-Bill	Index	Composed of 91 day term treasury bills issued by the U.S. Government. Typically used as a benchmark for short-term investments.
Active Management Value Added	Equity	The value added to a portfolio by active management over a passive index investment. In equity performance attribution, it refers to the difference between the equity only and buy & hold return, representing the value added to the equity portfolio from the transactions occurring during the quarter.
Active Return	General	The difference between the manager's return and the benchmark's return. The active return reflects the manager's added value over the benchmark.
Allocation Index	General	Illustrates how the fund's actual asset allocation would have performed if it were invested in passive indices. The prior month's actual asset allocation from the composite fund is multiplied by the index returns for each manager's benchmark on a monthly basis to obtain the allocation index return for the quarter.
Alpha	General	The difference between the actual performance of the fund and the performance which should have been achieved given the market's performance and the fund's risk posture.
Annualized Rate of Return	General	The constant return needed each year of the period in question to provide the amount of wealth gained by the end of the period.
Average Market Capitalization	Equity	The position weighted average of all the securities' market capitalizations in the portfolio.
Average Life	Fixed Income	Market value-weighted average time to stated maturity for all securities in the portfolio.
Beta	Equity	The sensitivity of the rate of return of a portfolio or security to market fluctuations. A beta of .95 means that on average when the market moves X%, the portfolio (or security) will move X% * .95.
Buy & Hold Return	Equity	The return on the portfolio assuming the equity positions which were held at the beginning of the quarter were held throughout the quarter.
Citigroup Non-US World Gov't Bond Index	Index	This index is market value weighted and composed of the available market for domestic Government bonds in nine countries. It includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of US \$25 million.
Composite Fund	General	A composite consisting of all of the plan's portfolios. Returns are calculated by aggregating each manager's market value and transactions.
Core Fixed Income Manager	Fixed Income	Core fixed income managers have a duration ranging from 80-120% of the BC Aggregate and focus on sector or individual bond selection to create portfolios.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Performance Report Glossary

TERM	CATEGORY	DEFINITION
Core Equity Managers	Equity	Core equity managers buy a mixture of value and growth stocks, without any strong style biases apparent. The most common benchmark is the S&P 500 Index.
Corporate Plan Universe	General	A total plan universe comprised of all Corporate Defined Benefit and VEBA plans in the ICC database. There are approximately 400 plans in this universe.
Country Selection	International	The excess performance that can be attributed to country allocation decisions.
Current Coupon	Fixed Income	Current annual income generated by the total portfolio.
Domestic Equity Composite	General	A composite consisting of all the fund's equity portfolios with U.S. equity mandates. Returns are calculated by aggregating each manager's market value and transactions.
Domestic Fixed Composite	General	A composite consisting of all the fund's fixed income portfolios with U.S. fixed income mandates. Returns are calculated by aggregating each manager's market value and transactions.
Duration	Fixed Income	A measure of a bond or bond portfolio's responsiveness to changes in interest rates, determined by the size and timing of future cash flows (interest, principal, and pre-payment of principal).
Endowment/Foundation Universe	General	A total plan universe comprised of all Endowment and Foundations in the ICC database. There are approximately 270 plans in this universe.
Equity Only Return	Equity	The total return of the equity positions in the portfolio.
Equity Segment Yield	Equity	The dividend yield of the entire equity portfolio.
Explicit Currency	International	The portion of the international portfolio performance attribution due to intentional currency hedging.
Five Year Earnings Growth	Equity	Represents the smoothed earnings growth rate of a firm (or portfolio) over the past 20 quarters.
Growth Equity Managers	Equity	Growth managers buy companies that are expected to have above average long-term growth earnings relative to the price of the stock. These stocks are usually selling at high price/book, high price/earning ratios.
High Yield Fixed Income Manager	Fixed Income	High yield managers invest in lower quality, higher yielding issues; generally companies who are experiencing financial difficulty or have limited financing means.
ICC	General	The State Street Bank/Independent Consultants Cooperative is formed by State Street Bank (formerly Deutsche Bank) and sixteen independent consulting firms. As a member of the SSB/ICC, SIS uses the SSB/ICC software and database to provide performance measurement and analytical service to plan sponsors.
Implicit Currency	International	The portion of the international portfolio performance attribution due to the currency implicit in the country allocation compared to the benchmark's currency allocation.
Interest Rate Anticipator Fixed Income Manager	Fixed Income	Interest rate anticipators attempt to add value primarily through interest rate forecasting and adjusting the duration of the portfolio to respond favorably to the expected change in interest rates.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Performance Report Glossary

TERM	CATEGORY	DEFINITION
Intermediate Fixed Income Manager	Fixed Income	Intermediate fixed income managers invest in high quality issues with a duration that is 40-80% of the BC Aggregate.
International Equity Composite	International	A composite consists of all the fund's international equity managers. Returns are weighted by each manager's market value within the fund.
BC Aggregate Index	Index	Measures the total return of all major sectors of the domestic, taxable bond market (approx. 5400 fixed income securities). The index contains all the investment grade issues in the Baclays Capital Government/Corporate and the BC Mortgage-Backed Securities Indexes.
BC Government/Credit Index	Index	A composite index consisting of all publicly issued, fixed rate, non-convertible, domestic debt of the U.S. government and domestic debt of the three major corporate classifications. The index is market capitalization weighted, and mortgages are excluded.
Long Fixed Income Manager	Fixed Income	Managers with portfolios having a duration greater than 120% of the BC Aggregate Bond Index.
Market Value	Equity	What the market is willing to pay for a specific amount of a security (or portfolio of securities). This is determined by multiplying the latest price of each stock (or bond) by the number of shares held.
Maturity - Return Decomposition	Fixed Income	Represents the amount of active return due to the spreads of different maturities of the same issue.
Median	General	Represents the fund (or manager) where half the universe has a higher return than the fund (or manager), and half has lower returns. By definition the median is the 50th percentile.
MSCI All Country World Index (ACWI) -ex US	Index	Composed of stocks of major non-US companies within the developed markets of Europe and Asia, 10% of the index is emerging markets. This index excludes all US issues.
MSCI EAFE	Index	Composed of approximately the top 60% of market capitalization of the stock exchanges of Europe, Australia, New Zealand and the Far East. The index is market capitalization weighted using U.S. dollars.
NCREIF (National Council of Real Estate Investment Fiduciaries National Property index)	Index	Composed of 2,231 investment grade, non-agricultural properties, including wholly-owned and joint venture investment of existing properties. All properties have been acquired on behalf of tax-exempt institutions and are held in a fiduciary environment.
Price/Earnings Ratio	Equity	The dollar price of a company divided by annual earnings per common share. The P/E ratio reflects the anticipated future earnings growth and is market capitalization weighted.
Policy Index	General	Represents the fund's asset allocation policy. Returns are calculated using index returns weighted by policy allocations.

SAN JOSE FEDERATED CITY EMPLS RET SYSTEM

Performance Report Glossary

TERM	CATEGORY	DEFINITION
Price/Book Ratio	Equity	The relationship between a security's valuation by the market and the book value of assets reported. In terms of a portfolio, it is the market capitalization weighted value of all the securities within the portfolio.
Public Funds Universe	General	A total plan universe comprised of all State and Local government run pension plans in the ICC database. There are approximately 250 plans in this universe.
Quality	Fixed Income	Measures the market value weighted credit quality of the portfolio.
R-Squared	General	Indicates the proportion of the portfolio's returns that can be explained by its beta.
Return on Equity (ROE)	Equity	The earnings per share of a firm divided by the firm's book value per share. It is the return on the equity capital of a business. In terms of a portfolio, it is the market capitalization weighted ROE of all the securities within the portfolio.
Return Ranking	General	The percentile ranking of the return. For example, if a fund's (manager's) return rank is 5 then 5% of the funds in the universe had higher returns and 95% of the funds had lower returns.
Russell 1000 Equity Index	Index	The largest 1000 stocks of the Russell 3000 Index, representing approximately 92% of the total market capitalization of the Russell 3000 Index. The average market capitalization is approximately \$3.8 billion. The smallest company in the index has an approximate market capitalization of \$1350.8 million.
Russell 2000 Equity Index	Index	The smallest 2000 stocks of the Russell 3000 Index. The average market capitalization for this index is approximately \$900 million.
Russell 3000 Equity Index	Index	The largest 3000 common stocks of U.S. domiciled companies, with market capitalization adjustments for cross ownership and large private holdings.
Sector - Risk Decomposition	Fixed Income	Represents the amount of active risk within the fixed income portfolio attributable to investments in different sectors.
Security Selection	International	The effect the actual securities (net of country and currency attribution) have on a manager's performance compared to its benchmark.
Sharpe Ratio (Reward/Variability Ratio)	General	Measures the added return per unit of risk. Mathematically, it is the excess return of a portfolio divided by the standard deviation of the portfolio returns.
Short Fixed Income Manager	Fixed Income	Usually "cash" managers, the portfolio duration should be 0-40% of the BC Aggregate Bond Index.
Specific - Return Decomposition	Fixed Income	Represents the active return of the portfolio that cannot be explained by sector, rating, maturity, time or term. This return is specific to the bond itself.
Specific - Risk Decomposition	Fixed Income	Represents the active risk of the portfolio that cannot be explained by sector, rating, or term. This risk is specific to the bond itself.

TERM	CATEGORY	DEFINITION
S&P 500 (Standard & Poor's 500 Index)	Index	A composite index of 400 industrial, 40 financial, 40 utility and 20 transportation common stocks. The index is capitalization-weighted, so larger companies have a greater impact on the index.
Standard Deviation (Risk) Ranking	General	The percentile ranking of the risk inherent in the funds returns (standard deviation of the returns). For example, if the fund's rank is 5 then 5% of the funds in the universe have lower standard deviations (less risk) than the fund and 95% have higher.
Standard Deviation of Return (Risk)	General	Measures the range within which an actual return may deviate from the expected rate of return over a defined time period, or the amount of risk that you incur to achieve the expected return.
Term - Return Decomposition	Fixed Income	Represents the active return due to the term structure of fixed income instruments. It looks at the active return gained due to the cash flow structure of the portfolio and any interest rate movements.
Term - Risk Decomposition	Fixed Income	Represents the risk inherent in the portfolio due to the term structure of the underlying fixed income instruments. It looks at the active risk exposure due to the cash flow structure of the portfolio and any interest rate movements.
Time-Return Decomposition	Fixed Income	Represents the active return due to cash flows at different points on the term structure of a fixed income instrument.
Total Currency	International	The portion of the international portfolio performance attribution due to the total currency effect (implicit and explicit) of the portfolio.
Total Performance Attribution	International	The difference between the portfolio total return and the benchmark total return. It is the sum of attribution due to country selection, implicit currency, explicit currency, security selection and other.
Total Fund	General	A plan sponsor's composite portfolio. A plan sponsor may be defined as a corporate plan, public fund, trust, endowment, foundation, 401(k), Taft-Hartley, health & welfare, etc.
Total Fund Universe	Total Fund	This universe is an aggregation of institutional custodial data submitted by the ICC, selected regional banks, and the ICC consulting firms. The total fund universe contains an estimated 1,550 accounts. Specialty total fund universes are subset universes containing a plan sponsor type and/or size.
Total Rate of Return	General	Incorporates both realized and unrealized capital gains and losses, as well as total earnings from interest and dividends on a fund or plan.
Value Equity Managers	Equity	Value managers buy companies that are under-priced relative to the equity market in general. These stocks usually sell at low price/book and low price/earning ratios.
Yield to Maturity	Fixed Income	The rate of return that would be earned if all coupon payments on a bond held to maturity could be reinvested at the same rate as the coupon of the bond.