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City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis For the period ending September 30, 2016

November 22, 2016

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Market Environment Update and Outlook

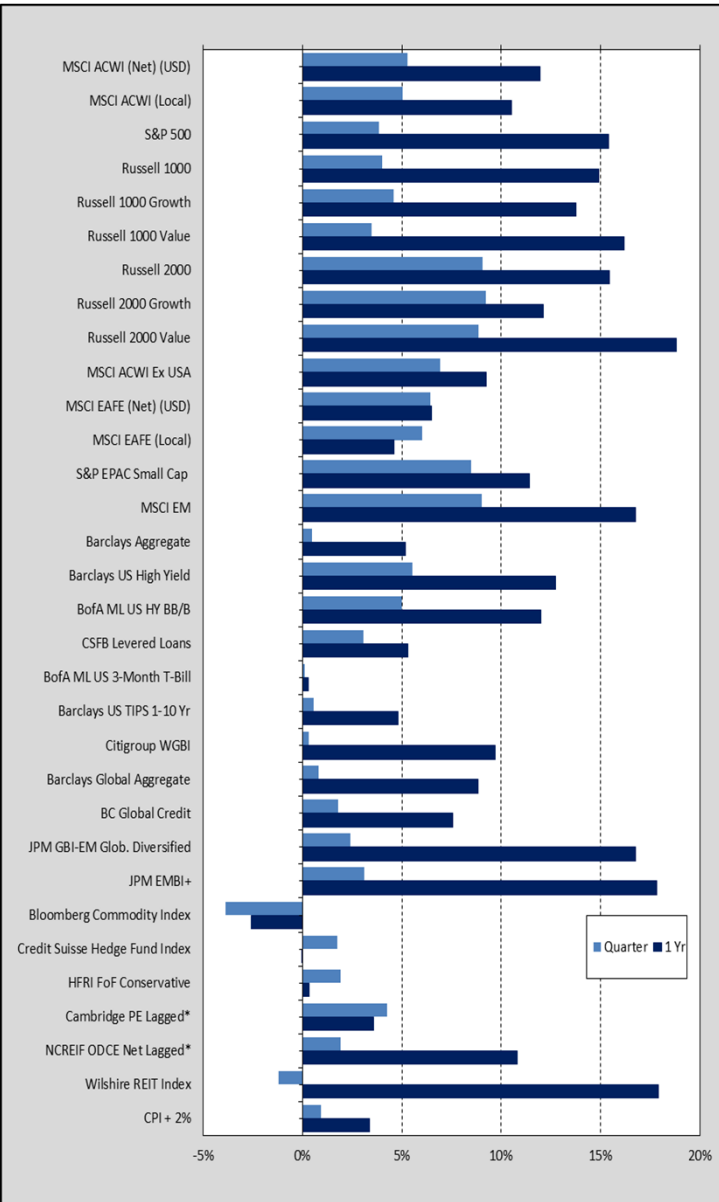


Economic Environment

- **Third quarter GDP growth rate (first estimate) printed at 2.9%.**
 - Retail sales ended August at +1.6% on a year-over-year basis. In the same period last year the YoY growth rate was 1.3%.
 - The inventory-to-sales ratio ended August flat at 1.4 and has remained relatively flat since early 2010.
 - Corporate profits (ended April) as a percent of GDP increased to 8.8% from 8.5% (in January) and remain elevated relative to historical levels.
 - The U.S. trade deficit widened ending August as the rate of change in imports increased to a level not seen since last September.
- **The unemployment rate increased 0.1% to 5.0% in Q3; U-6, a broader measure of unemployment, increased to 9.7% during the third quarter from 9.6%.**
- **The Case-Shiller Home Price Index (ended July) increased to 183.6 from 180.7 in July and is at levels higher than that of pre-financial crisis levels of 150.9.**
- **Rolling 12-month seasonally adjusted CPI saw an uptick to 1.36% at the end of September; Capacity Utilization was flat at 75.4% ended Q3.**
- **Fed Funds rate was unchanged at 0.50%. The 10-year Treasury Yield (constant maturity) finished Q3 unchanged at 1.6% vs Q2.**
- **The Fed balance sheet decreased slightly during Q3 2016, while the European Central Bank balance sheet continues to increase.**
 - ECB held its benchmark refinancing rate at 0%, deposit rates -0.4% and asset purchases at €80 billion per month of corporate and public securities.
- **S&P valuations increased slightly in Q3 remaining above the 10-year and long-term averages.**
 - Cyclically adjusted Shiller PE ratio (26.71x) is above the long-term average of 16.68x and above the 10-year average of 22.92x.

Market Environment – Q3 2016 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI (Net) (USD)	World	5.3%	12.0%	5.2%	10.6%	4.3%
MSCI ACWI (Local)	World (Local Currency)	5.1%	10.5%	7.7%	12.6%	4.6%
Domestic Equity Benchmarks						
S&P 500	Large Core	3.9%	15.4%	11.2%	16.4%	7.2%
Russell 1000	Large Core	4.0%	14.9%	10.8%	16.4%	7.4%
Russell 1000 Growth	Large Growth	4.6%	13.8%	11.8%	16.6%	8.8%
Russell 1000 Value	Large Value	3.5%	16.2%	9.7%	16.2%	5.9%
Russell 2000	Small Core	9.0%	15.5%	6.7%	15.8%	7.1%
Russell 2000 Growth	Small Growth	9.2%	12.1%	6.6%	16.1%	8.3%
Russell 2000 Value	Small Value	8.9%	18.8%	6.8%	15.4%	5.8%
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	6.9%	9.3%	0.2%	6.0%	2.2%
MSCI EAFE (Net) (USD)	Int'l Developed	6.4%	6.5%	0.5%	7.4%	1.8%
MSCI EAFE (Local)	Int'l Developed (Local Currency)	6.0%	4.6%	5.3%	11.2%	2.2%
S&P EPAC Small Cap	Small Cap Int'l	8.5%	11.4%	5.6%	11.5%	4.8%
MSCI EM	Emerging Equity	9.0%	16.8%	-0.6%	3.0%	3.9%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	0.5%	5.2%	4.0%	3.1%	4.8%
Barclays US High Yield	High Yield	5.6%	12.7%	5.3%	8.3%	7.7%
BofA ML US HY BB/B	High Yield	5.0%	12.0%	5.6%	8.0%	7.1%
CSFB Levered Loans	Bank Loans	3.1%	5.3%	3.6%	5.4%	4.3%
BofA ML US 3-Month T-Bill	Cash	0.1%	0.3%	0.1%	0.1%	0.9%
Barclays US TIPS 1-10 Yr	Inflation	0.6%	4.8%	1.5%	1.3%	3.8%
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	0.3%	9.7%	1.8%	0.8%	4.1%
Barclays Global Aggregate	Global Core Bonds	0.8%	8.8%	2.1%	1.7%	4.3%
BC Global Credit	Global Bonds	1.8%	7.6%	2.9%	3.7%	4.6%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local Currency)	2.4%	16.8%	-2.7%	0.0%	5.5%
JPM EMBI+	Em. Mkt. Bonds	3.1%	17.8%	8.0%	7.3%	7.6%
Alternative Benchmarks						
Bloomberg Commodity Index	Commodity	-3.9%	-2.6%	-12.3%	-9.4%	-5.3%
Credit Suisse Hedge Fund Index	Hedge Fund	1.8%	-0.0%	2.6%	4.3%	4.2%
HFRI FoF Conservative	Fund of Hedge Funds	1.9%	0.3%	2.2%	3.1%	1.5%
Cambridge PE Lagged*	Private Equity	4.2%	3.6%	11.3%	11.3%	10.8%
NCREIF ODCE Net Lagged*	Real Estate	1.9%	10.8%	12.0%	11.7%	5.2%
Wilshire REIT Index	REIT	-1.2%	17.9%	14.3%	15.8%	5.9%
CPI + 2%	Inflation/Real Assets	0.9%	3.4%	3.0%	3.2%	3.8%



* As of 6/30/2016

Global Equity

- **U.S. equities posted modest gains in the third quarter (+3.9%) according to the S&P 500. Volatility related to political change and economic uncertainty continued in the quarter.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning 9.0% and the Russell 1000 Index returning 4.0%.**
- **International equities outperformed U.S. markets during the quarter, returning +6.9%, as measured by the MSCI ACWI ex-U.S. Index. Emerging markets returned +9.0 as measured by the MSCI Emerging Markets Index in U.S. dollar terms.**
 - Developed international markets returned +6.4% as measured by the MSCI EAFE Index.

Private Equity

- **Private equity fundraising totaled \$71.7 billion in Q3 2016.**
- **Buyout and Special Situations fundraising totaled \$38 billion in Q3 2016.**
- **Venture capital fundraising totaled \$11.7 billion.**
 - VC fundraising as a percent of total new PE funds is in line with historical post-dot com levels.
- **Fund of fund and multi-manager co-investment fundraising totaled \$3 billion.**
- **Growth equity fundraising totaled \$7.2 billion.**

Market Environment

Fixed Income

- **The nominal yield curve flattened in the Q3. Intermediate yields increased 13 –to- 17 basis points and long duration yields increased 2 basis points.**
- **The spread between two and 10-year rates decreased to 83 basis points in Q3 from 91 basis points in Q2. Treasury Inflation-Protected Securities, or TIPS, returned +0.6% during the quarter, as measured by the Barclays US TIPS 1-10 Yr Index.**
- **The Barclays Long Duration Credit Index gained +2.26% as the long end of the curve ended the quarter 2 basis points higher.**
- **Long Treasuries lost -0.36% and investment-grade US corporate debt gained +0.5%.**
- **The Barclays 1-3 year Government/ Credit Index returned +0.02%. US high yield bonds gained +5.6% driven by lower quality and Energy names.**
- **Emerging markets debt continued its broad rally.**
 - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, gained +3.1%; local currency debt gained +2.4%, according to the JP Morgan GBI-EM Index.
 - 90% of flows have been into EM Hard Currency
 - Despite a spectacular +17% YTD, EM Local 3-year return is still -3.17%

Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
 - Seek inflation sensitive asset classes that offer positive yield
 - Oil prices stabilizing and remain low.
 - Private equity and private debt opportunities may be relatively attractive.
 - Potential for public stressed/distressed credit, equity and commodity plays.
- **Select infrastructure opportunities showing signs of being attractive.**
 - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations.
 - Secular opportunities may exist within the shipping industry as traditional financing sources (both debt and equity) are less abundant
- **Timber opportunities remain elusive.**
 - Income yields (net) are low as assets are predominantly traded between like-minded institutions
 - Private strategies are illiquid and constrain quick entrance/exit (i.e. long-term lock-up)
 - Liquid strategies have limited pure timber exposure (and limited active-play options)
- **Metals & Mining; weakened commodity prices may be the new norm as China growth shifts.**
- **Agriculture; outlook supported by strong demographic trends.**

Market Environment

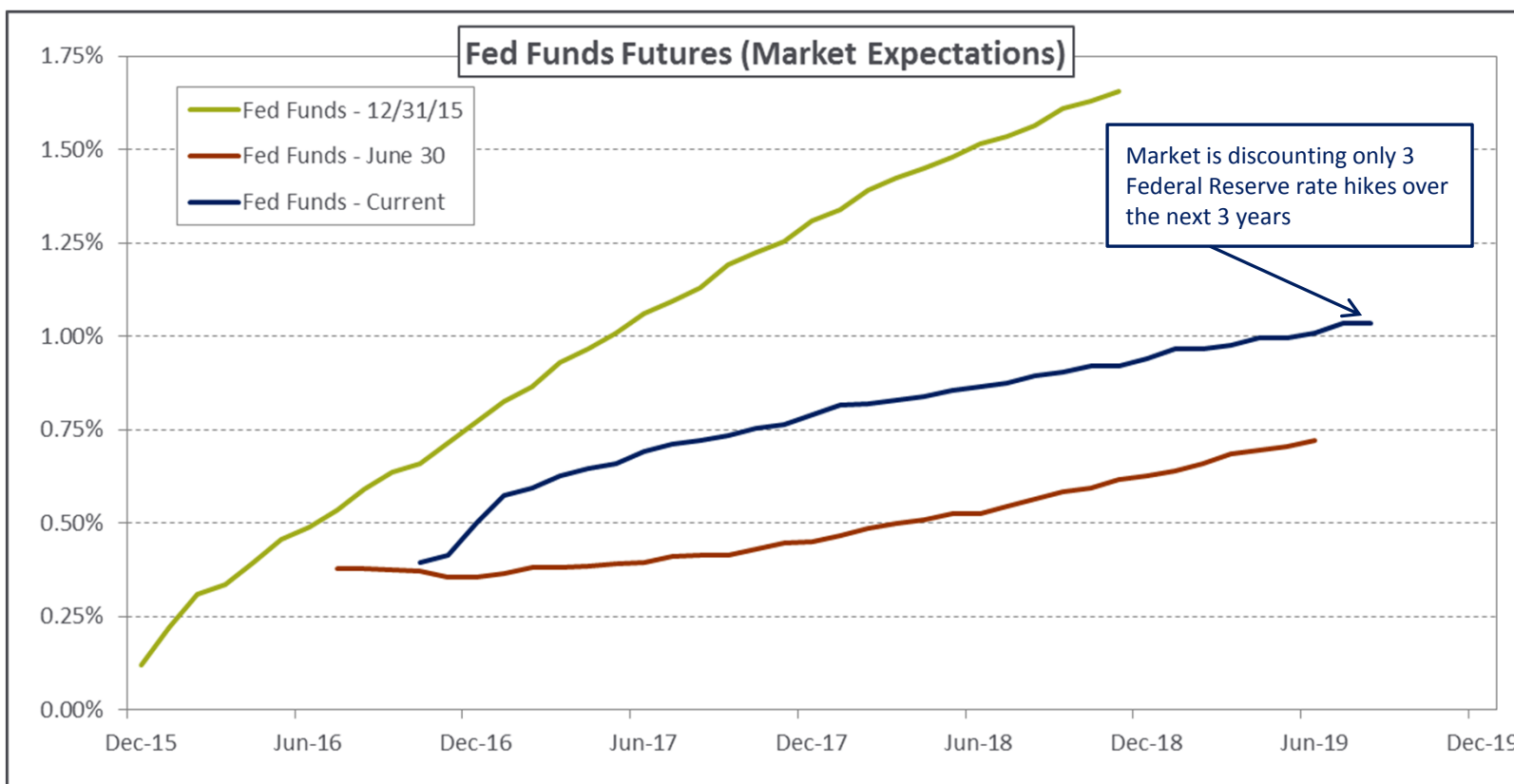
Commodities

- **Commodities ended quarter down -3.9% as measured by the Bloomberg Commodity Index.**
 - Gold lost -0.5% in the third quarter though rallying YTD approximately 24%.
 - Agricultural commodities were lower during the quarter.

Real Estate

- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
 - Real estate fundamentals and debt terms are attractive, however valuations are high and the possibility of rising interest rates and the impact on cap rates causes concern.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **US REITs recorded negative returns -1.2% as measured by the Wilshire REIT Index. The sector is trading at a slight premium to NAV ending Q3.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
 - Current US-dollar denominated investors with currency exposure will feel near-term impact of Brexit, but new investors may benefit from a strong US-dollar. Long-term Brexit implications, however, are unclear.

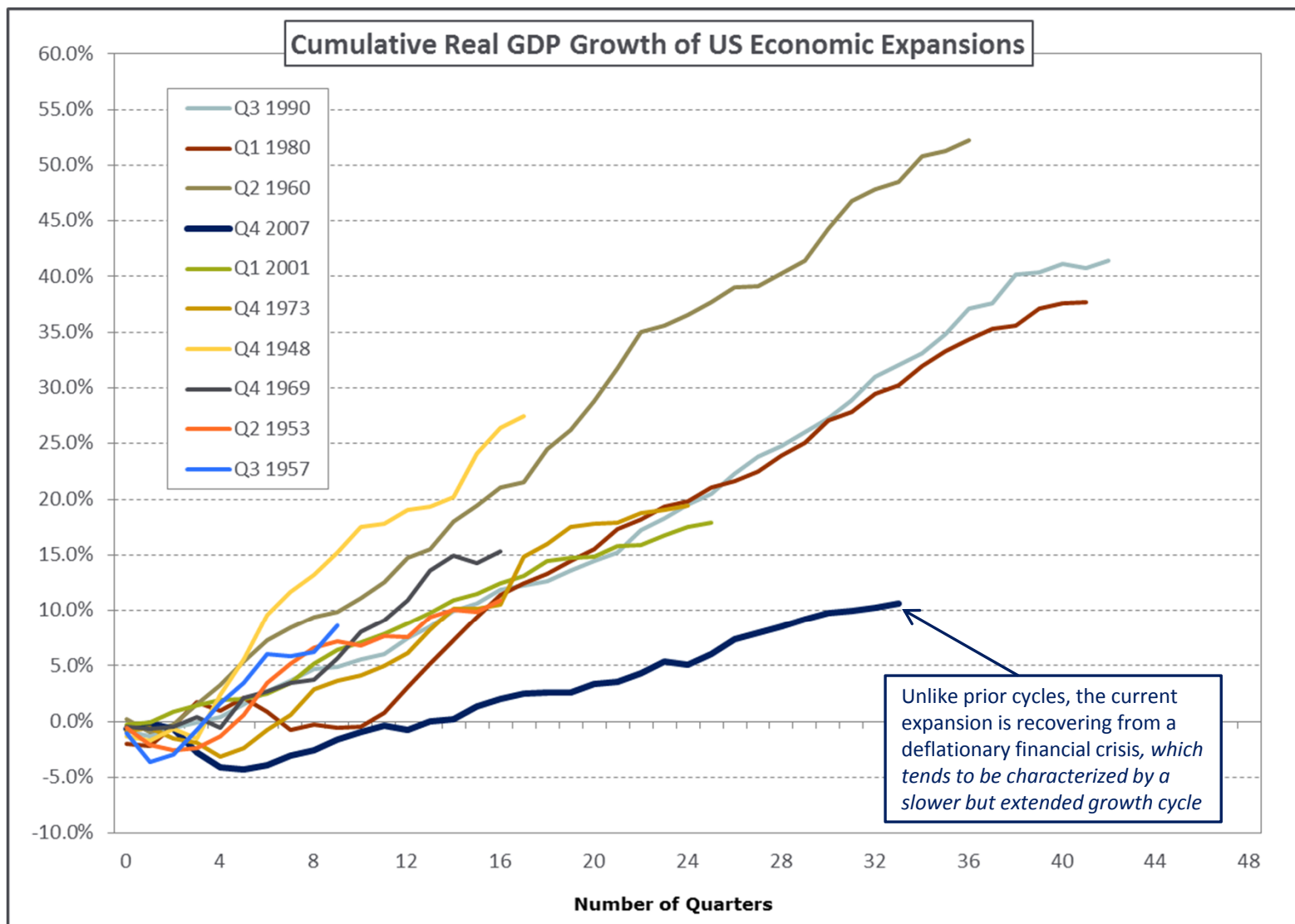
Expectations of Federal Reserve Action Have Decreased Considerably



Source: Bloomberg

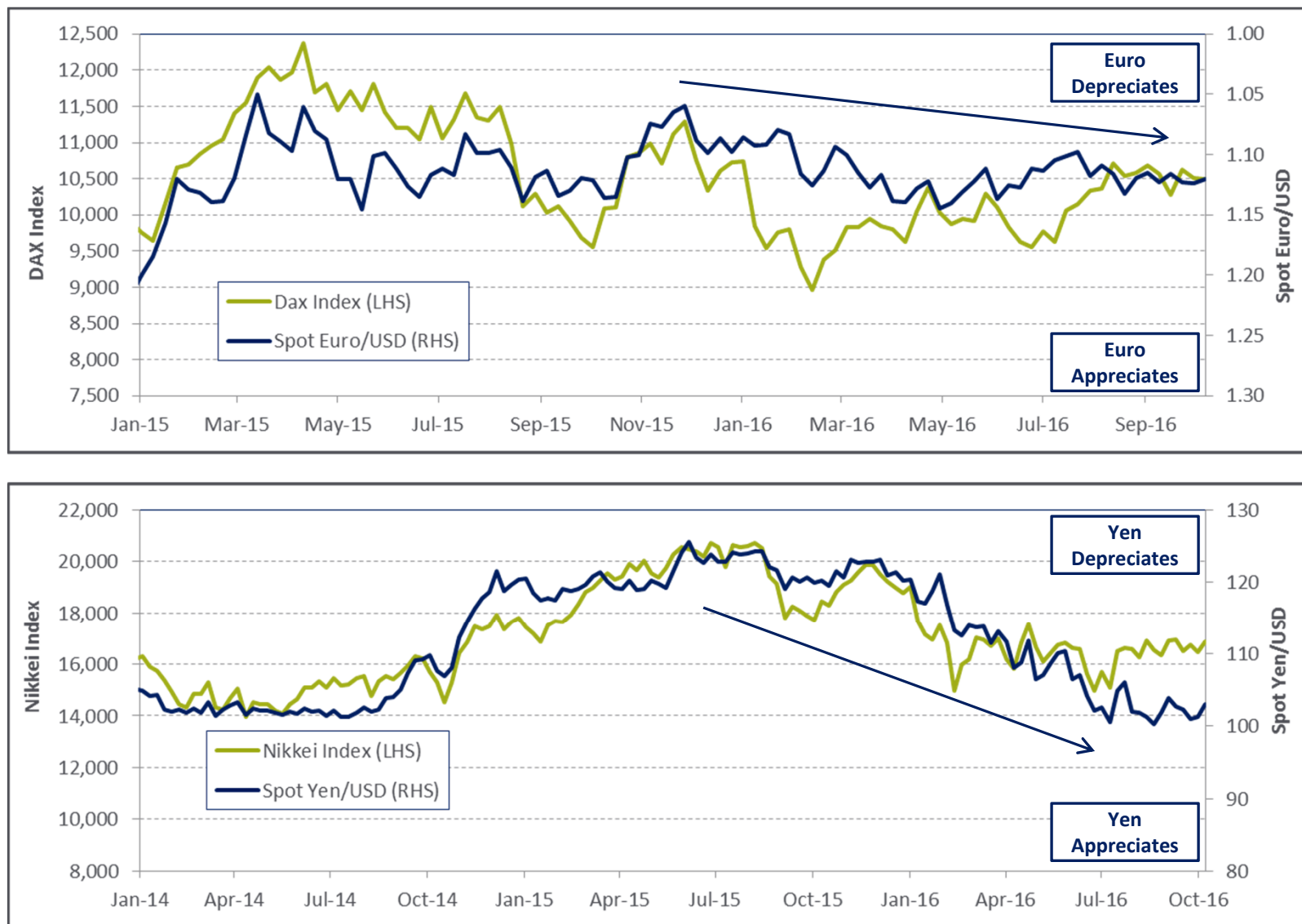
- **Muted, but consistent, US economic growth gives the Fed flexibility to move slowly with policy tightening**
- **Markets discounting a more muted pace increases potential for a negative Fed surprise**

A Prolonged US Economic Expansion can Support an Extended Rally for Risk Assets



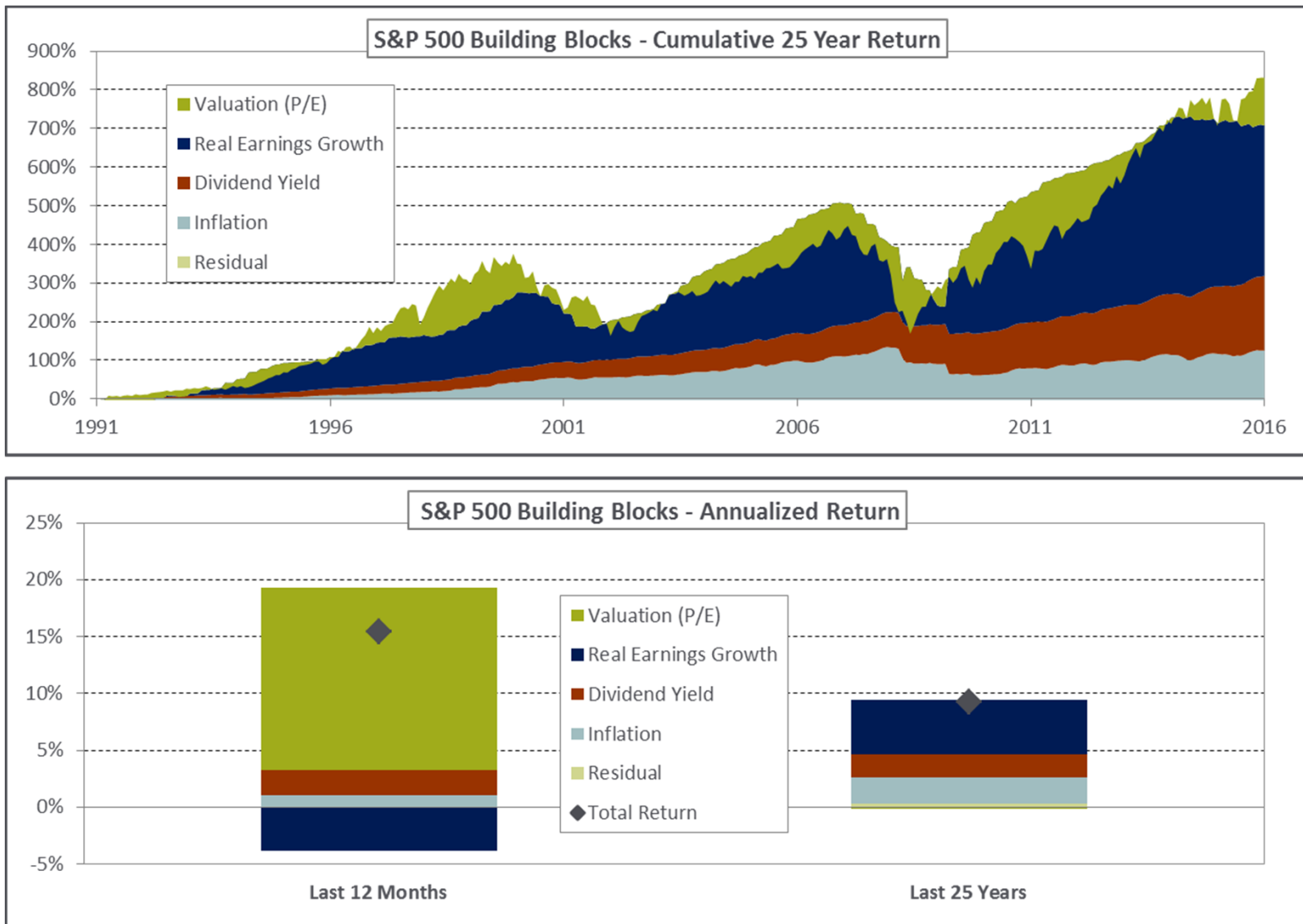
Source: Federal Reserve Bank of St. Louis

Central Bank Ability to Weaken the Currency and Stimulate Equity Markets has Waned



Source: Bloomberg

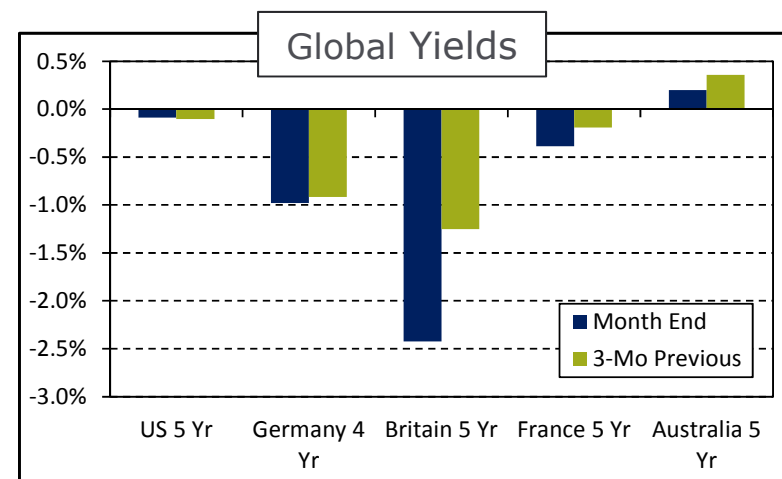
S&P Earnings Weakness has been Overlooked as Expanding Valuations Drive Recent Returns



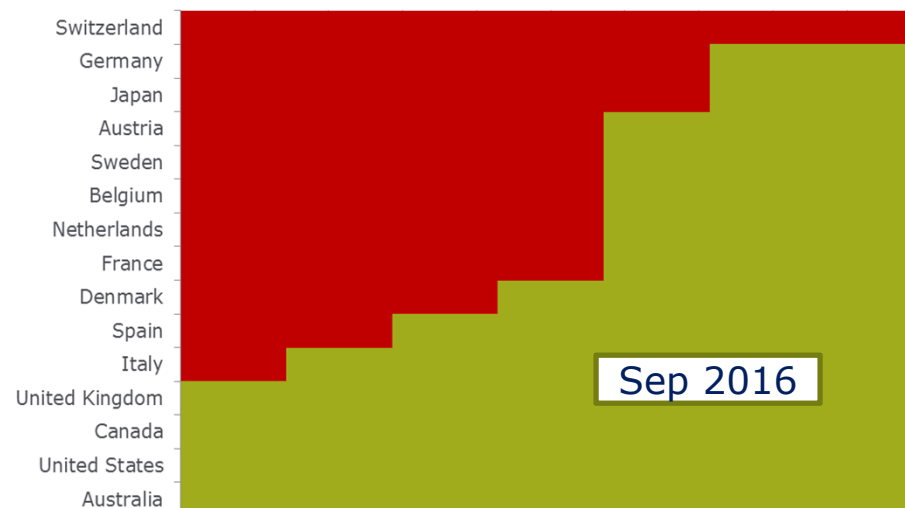
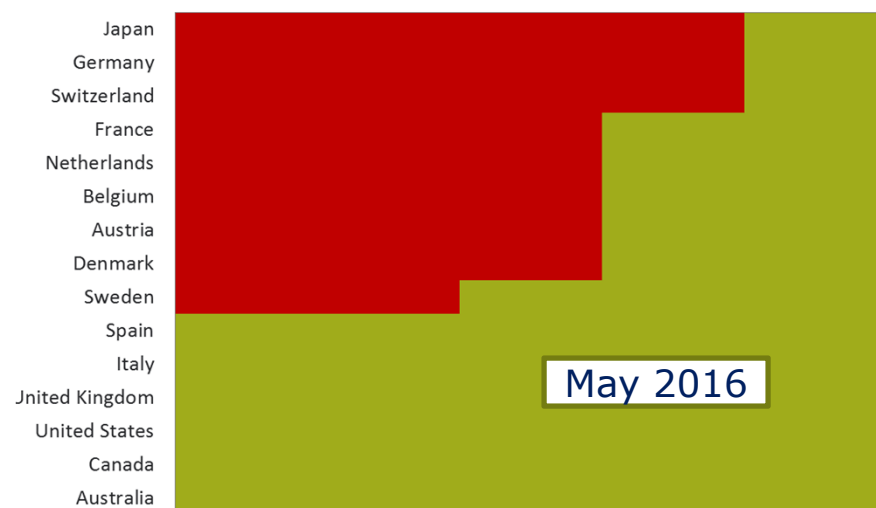
Source: Bloomberg, NEPC

Global Bonds – Developed Market Sovereign Debt

- **Global real yields continue trending lower**



- **Global government yields by maturity buckets – more than one third is negative yielding**

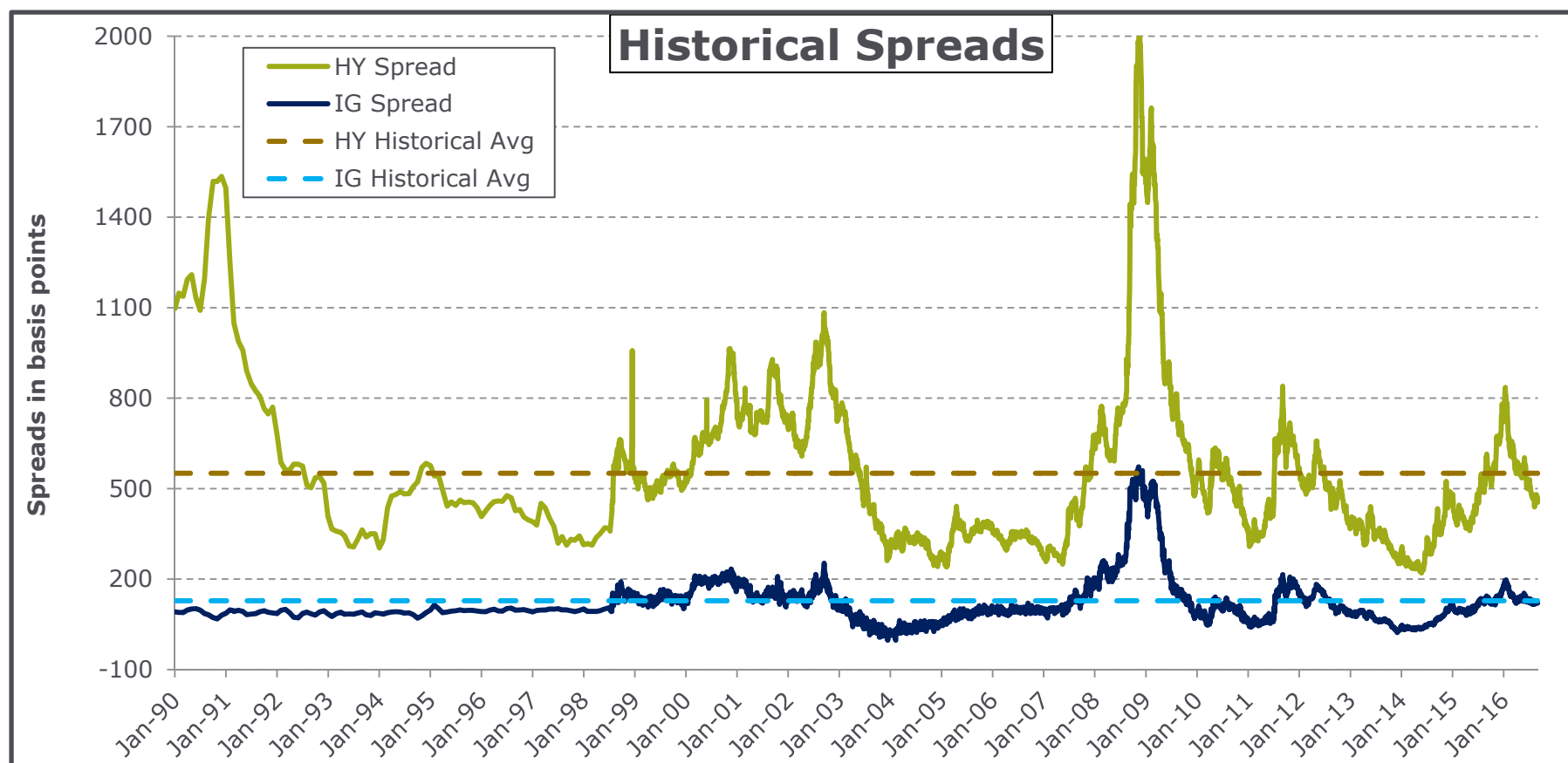


■ Positive Yield ■ Negative Yield

■ Negative Yield ■ Positive Yield

Credit Cycle and Historical Spreads

- **IG and HY spreads are at or below historical averages**



- **Trim US equity exposure as US markets have rebounded significantly**
 - Remain disciplined and look for rebalancing opportunities should equity markets decline
 - Use tactical strategies to capture pockets of value in US high yield as spreads compress
- **Maintain overweight exposure to non-US developed market equities**
 - Central bank support and dollar strength provide a positive economic backdrop
 - Small-cap equity and global equity are preferred implementation approaches
 - These strategies offer the best opportunity to exploit valuation discrepancies among stocks
- **Emerging Markets offer the most attractive total return opportunity for investors in public markets**
 - China uncertainty, dollar pressure and idiosyncratic country risks temper excitement
 - Overweight small-cap and consumer focused strategies relative to broad mandates
- **Developed market duration exposure is generally unattractive**
 - Preserve US duration exposure with a bias towards TIPS over core bonds
 - Rebalance long treasuries, long credit, and risk parity following recent gains
 - Look to eliminate WGBI focused global bond strategies with yields at historic lows
- **Embrace illiquidity in opportunistic credit and private credit strategies**
 - Stressed credit liquidity magnifies the scale of price movements in traditional credit assets
 - Credit markets ability to absorb an exodus from crowded positions is challenged

Highlights of Third Quarter Happenings at NEPC

September 30, 2016

NEPC Insights

Recent White Papers

- "DC Governance: Slaying the Hydra" (August)
- "Nonprofit Annual Audit Survival Guide" (August)
- "Class is in Session: Lawsuits Against Higher Education Retirement Plans" (September)
- Market Chatter: "NEPC's Summer Travel: Perspectives on China" (September)
- NEPC's 11th Annual Defined Contribution Plan & Fee Survey

Webinar

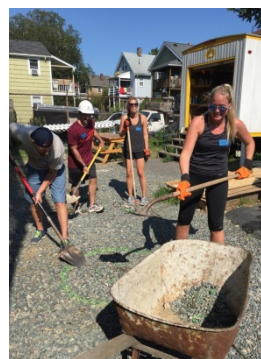
- "2016 Defined Contribution Plan & Fee Survey Webinar" (September); Panel reviewed key findings from our 11th annual NEPC 2016 Defined Contribution Plan & Fee Survey.

Video Series

- "Five Questions with Jeff Roberts on Healthcare Strategic Private Equity Investing" (July)
- "Five Questions with Richard M. Charlton" (July)
- "Discussing Pension Risk Transfers with Chris Levell and Craig Svendsen" (August)

NEPC Recognitions

We are pleased to announce that *Chief Investment Officer* published their fifth annual list of the world's most influential investment consultants featuring NEPC's **Tim McCusker, FSA, CFA, CAIA, CIO, Partner**, and **Scott Perry, CAIA, Partner**.



Upcoming Events

The 8th Annual NEPC, LLC Public Fund Workshop will be held January 23-24, 2017 in Tempe, Arizona at the Tempe Mission Palms.

NEPC's 22nd Annual Investment Conference will be held on May 9-10, 2017 at the InterContinental Hotel in Boston, MA.

ESG – Clearing Up The Confusion Webinar (Coming in December)

NEPC is hosting a webinar to continue the conversation around Environmental, Social and Governance integration (ESG). We aim to help clear up the confusion around what ESG represents and why it has become a growing topic of interest. NEPC will be joined by investment managers from different asset classes who will offer their insights into how they are implementing ESG into their investment portfolios.

NEPC Gives Back

- NEPC employees went "sock-less" and participated in the *Sox for Socks* drive to support the Boston Health Care for the Homeless Program, which provides socks for the homeless men and women of Boston.
- Eighteen NEPC employees volunteered to work with Habitat for Humanity Greater Boston, stepping up to help build new homes for low-income families in need of decent and affordable housing.

Total Fund Performance

Note: All of the data shown on the following pages is as of September 30, 2016 and reflects the deduction of investment manager fees, unless otherwise noted.



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance (Gross of Fee)

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	25 Yrs Rank	Return	Since									
Total Fund	\$3,262,498,500	3.3%	83	5.9%	96	7.8%	98	3.8%	96	6.8%	96	4.4%	98	6.4%	77	6.9%	68	7.7%	77	8.6%	Mar-71
Policy Benchmark		2.9%	94	7.5%	33	8.5%	88	3.9%	95	6.6%	96	4.3%	99	6.1%	93	6.7%	89	--	--	--	Mar-71
Allocation Index		2.9%	94	6.8%	59	8.4%	91	3.9%	95	6.5%	96	4.5%	98	6.3%	84	--	--	--	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI		3.4%	75	8.8%	6	11.5%	4	4.0%	95	6.9%	95	4.8%	95	6.7%	62	5.8%	99	--	--	--	Mar-71
InvestorForce Public DB > \$1B Gross Median		3.8%		7.1%		9.7%		6.2%		9.5%		5.8%		6.9%		7.0%		8.1%		--	Mar-71

For the five-year period ending September 30, 2016, the Fund returned 6.8%, trailing the policy benchmark by 0.2% and ranking in the 96th percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 15th percentile over this period, meaning that the Fund has been less volatile than 85% of its peers.

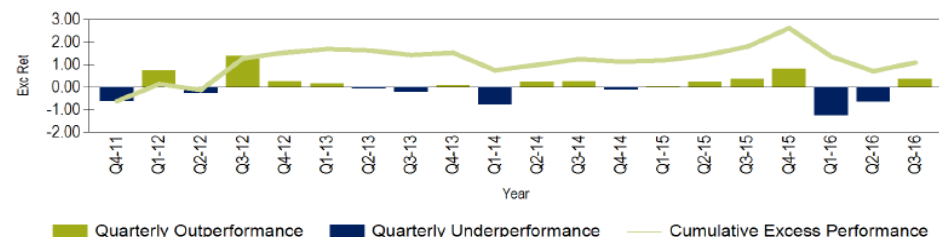
For the three-year period ending September 30, 2016, the Fund returned 3.8%, trailing the policy benchmark by 0.1% and ranking in the 96th percentile of its peers. The Fund's volatility ranks in the 8th percentile of its peers over this period.

For the one-year period ending September 30, 2016, the Fund produced a net investment gain of \$232.8 million, which includes a net investment gain of \$102.6 million during the third calendar quarter. Assets increased from \$3.08 billion one year ago to \$3.26 billion on September 30, 2016, with \$13.4 million in net distributions during the year.

For the one-year period ending September 30, 2016, the Fund returned 7.8%, underperforming the policy benchmark by 0.7% and ranking in the 98th percentile of its peers.

Please see the appendix for additional performance disclosures.

Quarterly and Cumulative Excess Performance



5 Years Ending September 30, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	6.8%	96	6.1%	15	1.1	93	2.0	73
Policy Benchmark	6.6%	96	6.1%	16	1.1	94	2.0	77
InvestorForce Public DB > \$1B Gross Median	9.5%	--	6.9%	--	1.3	--	2.2	--

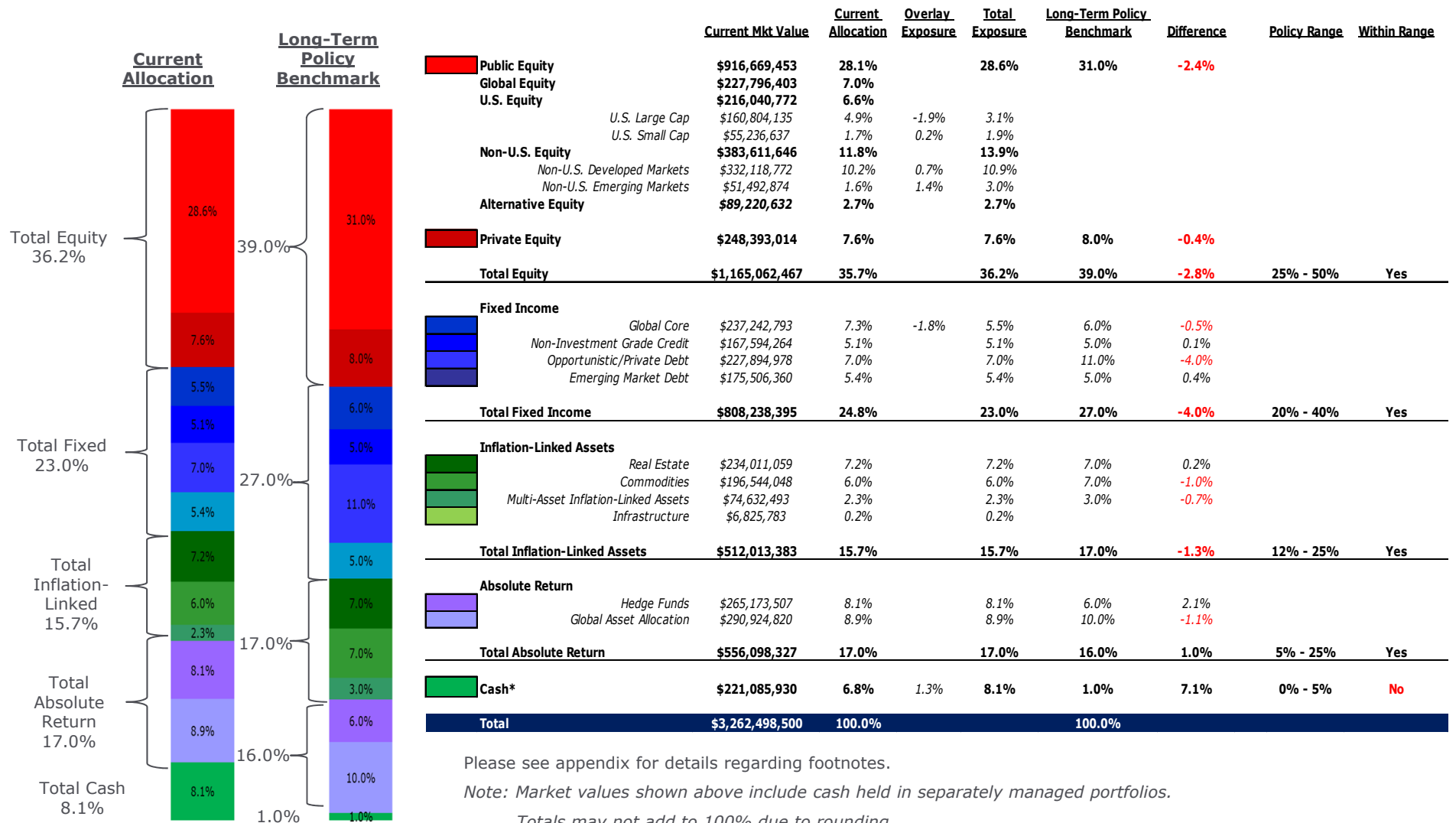
3 Years Ending September 30, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	3.8%	96	5.1%	8	0.7	88	1.4	61
Policy Benchmark	3.9%	95	5.6%	16	0.7	93	1.4	62
InvestorForce Public DB > \$1B Gross Median	6.2%	--	6.4%	--	0.9	--	1.6	--

*InvestorForce Public DB > \$1B includes 83 observations and total assets of \$1.6t.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Allocation vs. Policy Targets



Please see appendix for details regarding footnotes.

Note: Market values shown above include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding.

Historical composition of Long-Term Policy Benchmark can be found in the appendix.

Overlay exposure data source is Russell. Russell manages cash exposure to 7.9% as at 9/30/2016.

* Cash market value is comprised of Cash Account, Russell Overlay & Terminated Manager Assets. See page 26 for details.

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Public Equity

	Beginning Market Value	Quarter Ending September 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
Artisan Global Opportunities	\$100,377,232	\$0	\$10,789,735	\$111,166,967
Artisan Global Value	\$108,850,048	\$0	\$7,779,388	\$116,629,436
Global Equity Composite	\$209,227,280	\$0	\$18,569,123	\$227,796,403
NT Russell 1000 Index Fund	\$154,548,466	\$0	\$6,255,669	\$160,804,135
RBC Small Cap Core	\$50,149,789	\$0	\$5,086,848	\$55,236,637
U.S. Equity Composite	\$204,698,255	\$0	\$11,342,517	\$216,040,772
Liquidating - Russell MSCI EAFE + CAD	\$71,252	\$0	-\$18	\$71,234
NT Russell MSCI World ex US Index Fund	\$261,642,380	\$0	\$16,616,691	\$278,259,071
Liquidating - Brandes Int'l Equity	\$2,695	\$0	-\$2,695	\$1
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$1,088	\$0	\$516	\$1,604
Oberweis	\$51,502,581	\$0	\$2,421,814	\$53,924,394
MSCI Emerging Markets ETF (ticker: EEM)	\$1	-\$1	\$0	\$0
Dimensional Fund Advisors	\$29,520,321	\$0	\$2,867,975	\$32,388,296
Aberdeen Frontier Markets	\$18,188,869	\$0	\$915,708	\$19,104,577
Russell Currency Hedging	\$1,116,407	-\$1,182,895	-\$71,044	-\$137,532
International Equity Composite	\$362,045,594	-\$1,182,896	\$22,748,947	\$383,611,645
Marshall Wace	\$21,553,885	\$0	\$587,484	\$22,141,368
Horizon	\$27,779,419	\$0	-\$718,107	\$27,061,312
Sandler	\$17,794,980	\$0	\$194,066	\$17,989,046
Senator	\$20,924,167	\$0	\$1,104,738	\$22,028,905
Alternative Equity Composite	\$88,052,451	\$0	\$1,168,181	\$89,220,631
Total Equity Composite	\$864,023,580	-\$1,182,896	\$53,828,768	\$916,669,451

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending September 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$16,077,915	\$1,532,563	\$172,236	\$17,782,714
TCW/Crescent Mezzanine Partners V	\$3,712,878	-\$583,384	\$87,612	\$3,217,106
CCMP Capital Investors III	\$10,588,159	\$970,197	\$1,298,233	\$12,856,589
Crescent Mezzanine Partners VI	\$16,057,382	-\$1,614,229	\$381,699	\$14,824,852
Francisco Partners IV	\$5,140,975	-\$46,555	\$98,247	\$5,192,667
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$23,649,240	-\$1,899,006	\$584,719	\$22,334,953
Industry Ventures III	\$11,224,697	\$0	-\$178,337	\$11,046,361
KSL Capital Partners IV	\$908,488	-\$87,500	-\$26,066	\$794,922
Pantheon USA Fund VI	\$19,230,025	-\$1,612,650	\$476,441	\$18,093,816
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Situations)	\$8,308,968	-\$879,078	-\$57,786	\$7,372,104
Siguler Guff DOF III	\$10,754,126	-\$3,840	\$123,888	\$10,874,175
TPG Opportunity Partners II	\$6,750,454	-\$621,245	\$36,624	\$6,165,833
TPG Opportunity Partners III	\$6,011,810	-\$56,057	\$342,479	\$6,298,232
Warburg Pincus Private Equity XI	\$19,435,895	-\$423,000	\$439,920	\$19,452,815
NT Russell 3000 Index Fund	\$88,947,458	-\$6,953	\$3,940,293	\$92,880,798
Total Private Equity Composite	\$246,798,470	-\$5,330,737	\$7,720,202	\$249,187,937
Total Private Equity Composite ex-Interim Exposure	\$157,851,012	-\$5,323,784	\$3,779,909	\$156,307,139

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Fixed Income

	Beginning Market Value	Quarter Ending September 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
Colchester Global Fixed Income	\$72,709,830	-\$88,977	\$716,360	\$73,337,213
Franklin Templeton Global Multi-Sector Plus	\$48,188,518	\$0	-\$39,210	\$48,149,309
BlackRock Long Government	\$41,887,842	\$10,000,959	\$155,887	\$52,044,688
Voya	\$61,944,095	\$0	\$1,767,488	\$63,711,583
Global Core Composite	\$224,730,285	\$9,911,982	\$2,600,525	\$237,242,793
Beach Point Total Return	\$79,685,187	-\$20,135,234	\$2,768,277	\$62,318,230
Symphony L/S Credit Fund	\$75,877,192	-\$63,231	\$2,376,667	\$78,190,628
Davidson Kempner	\$23,550,437	-\$28,872	\$388,491	\$23,910,056
Claren Road	\$7,351,971	-\$3,933,304	-\$243,316	\$3,175,350
Non-Investment Grade Credit Portfolio	\$186,464,787	-\$24,160,641	\$5,290,119	\$167,594,264
BlueBay Emerging Market Select Debt	\$109,783,589	\$0	\$4,002,271	\$113,785,860
Iguazu Partners	\$59,585,519	\$0	\$2,134,981	\$61,720,500
Emerging Market Debt Composite	\$169,369,108	\$0	\$6,137,252	\$175,506,360
Total Global Fixed Income Composite	\$580,564,180	-\$14,248,659	\$14,027,896	\$580,343,417



City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Debt

	Beginning Market Value	Quarter Ending September 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
Marathon European Credit Opportunity Fund	\$7,468,577	\$0	\$31,839	\$7,500,416
GSO Direct Lending Fund	\$14,708,440	-\$110,603	\$1,422,040	\$16,019,877
Medley Opportunity Fund II	\$46,272,406	-\$2,725,451	\$662,214	\$44,209,169
White Oak Direct Lending Fund	\$30,913,705	-\$5,061,765	\$3,270,383	\$29,122,323
Cross Ocean	\$58,103,350	-\$8,544,109	\$2,125,151	\$51,684,391
Cross Ocean II	\$15,000,000	-\$63,972	\$727,223	\$15,663,251
Park Square	\$36,740,040	\$3,959,868	\$1,720,415	\$42,420,323
Shoreline China Value III	\$22,667,613	-\$1,120,494	-\$271,893	\$21,275,227
Octagon CLO Debt Fund II	\$0	\$17,500,000	\$0	\$17,500,000
Total Private Debt	\$231,874,131	\$3,833,474	\$9,687,372	\$245,394,977

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Inflation-Linked Assets

	Quarter Ending September 30, 2016			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
American Realty Separate Account	\$6,411,635	-\$665,000	-\$1,032,740	\$4,713,895
American Realty Core Fund	\$128,314,239	-\$2,099,677	\$3,534,896	\$129,749,458
BlackStone Real Estate Debt Strategies II	\$5,501,356	-\$424,527	\$141,962	\$5,218,791
Brookfield Strategic Real Estate Partners	\$10,578,916	\$0	\$394,084	\$10,973,000
Brookfield II	\$6,453,594	\$0	-\$13,591	\$6,440,003
Och Ziff Real Estate	\$4,723,445	\$1,073,009	\$203,520	\$5,999,974
Orion European Real Estate Fund IV	\$2,570,105	-\$45,428	\$848,786	\$3,373,463
TA Realty Fund X	\$9,980,578	-\$1,261,837	\$325,258	\$9,043,999
Tristan EPISO 3	\$7,603,940	-\$61,325	-\$1,177,773	\$6,364,842
Tristan IV	\$2,726,991	-\$198,459	-\$9,177	\$2,519,355
Russell Real Estate	\$47,602,501	-\$401	\$1,217,257	\$48,819,357
Total Real Estate Composite	\$232,467,300	-\$3,683,645	\$4,432,482	\$233,216,137
Total Real Estate Composite ex-Interim Exposure	\$184,864,799	-\$3,683,244	\$3,215,225	\$184,396,780
Brookfield III	\$1,593,697	\$1,339,345	\$90,997	\$3,024,039
Global Infrastructure Partners III	\$0	\$3,801,742	\$2	\$3,801,744
Infrastructure	\$1,593,697	\$5,141,087	\$90,999	\$6,825,783
Credit Suisse Balanced Risk Commodity Index	\$107,333,535	\$29,867,981	-\$4,348,043	\$132,853,473
Pinnacle Natural Resources	64825353	0	-1134778	63690575
Total Commodities Composite	\$172,158,888	\$29,867,981	-\$5,482,821	\$196,544,048
Wellington Diversified Inflation Hedges	\$71,876,712	-\$162,406	\$2,918,186	\$74,632,493
Total Multi-Asset Inflation-Linked Assets	\$71,876,712	-\$162,406	\$2,918,186	\$74,632,493

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Beginning Market Value	Quarter Ending September 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
AHL Partners	\$10,000,000	\$0	\$107,800	\$10,107,800
Arrowgrass	\$24,142,645	\$0	\$461,192	\$24,603,837
BlueTrend	\$17,353,353	\$2,000,000	-\$1,377,532	\$17,975,822
Brevan Howard Limited	\$20,325,077	-\$63,659	-\$277,844	\$19,983,574
DE Shaw	\$29,651,468	\$6,811,755	\$1,542,120	\$38,005,343
Dymon Asia	\$22,268,800	\$3,000,000	-\$366,740	\$24,902,060
Hudson Bay	\$15,246,539	-\$5,082,179	\$79,440	\$10,243,799
JD Capital	\$0	\$10,000,000	\$0	\$10,000,000
Kepos	\$17,209,959	\$1,903,950	-\$73,391	\$19,040,518
MKP Opportunity Fund	\$9,587,824	\$0	-\$35,203	\$9,552,621
Pharo Asset Management	\$21,024,155	\$0	\$517,496	\$21,541,650
Pine River	\$21,674,732	-\$82,375	\$534,126	\$22,126,483
Wadhwani	\$19,465,200	\$0	\$124,800	\$19,590,000
Total Hedge Funds	\$227,949,752	\$18,487,492	\$1,236,264	\$247,673,508
GMO Benchmark-Free Allocation Fund	\$84,883,383	\$0	\$3,007,873	\$87,891,256
PIMCO All Asset All Authority Fund	\$92,821,854	\$0	\$3,660,875	\$96,482,729
Standard Life GARS Fund	\$106,047,167	-\$331,779	\$835,448	\$106,550,836
Total Global Asset Allocation	\$283,752,404	-\$331,779	\$7,504,196	\$290,924,820

City of San Jose Police and Fire Department Retirement Plan

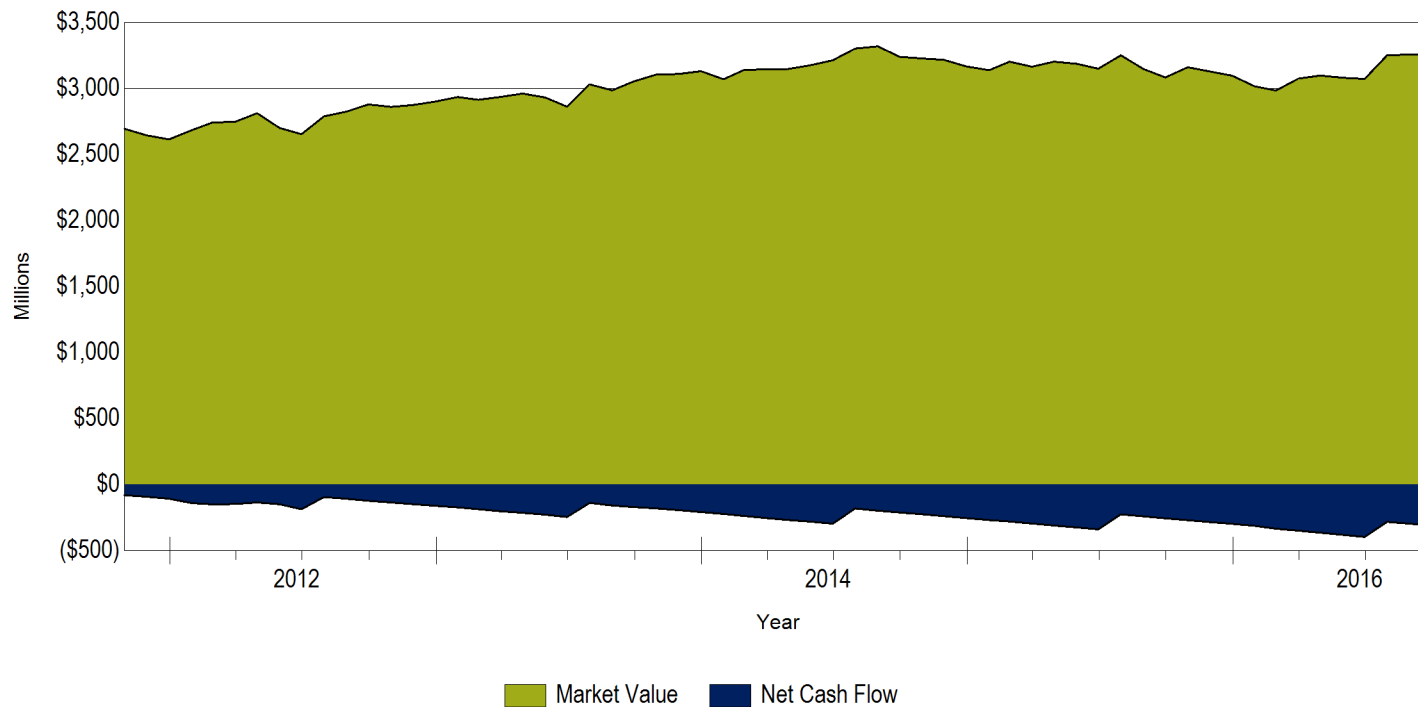
Asset Growth Summary Detail – Cash & Overlay

	Beginning Market Value	Quarter Ending September 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
Cash	\$89,398,251	\$83,374,785	\$10,385	\$172,783,420
Russell Overlay	\$71,130,102	-\$30,000,498	\$6,824,174	\$47,953,778
Terminated Manager Assets	\$0	\$510,557	-\$161,825	\$348,732
Total Cash and Overlay	\$160,528,353	\$53,884,844	\$6,672,734	\$221,085,930

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Growth Summary

Market Value History
Since NEPC began tracking performance, April 1, 2008 thru September 30, 2016

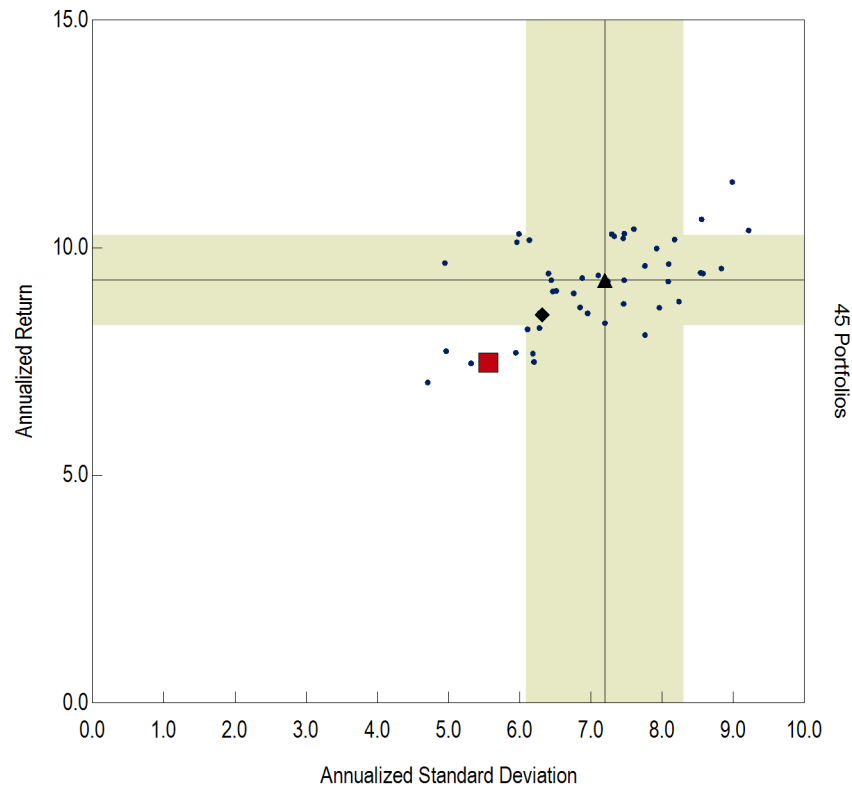


	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Since 4/1/08
Beginning Market Value	\$3,073,587,468	\$3,097,687,678	\$3,084,647,993	\$3,055,101,947	\$2,559,880,556	\$2,583,363,926
Net Cash Flow	\$86,274,755	-\$13,426,570	-\$54,980,012	-\$140,518,787	-\$243,098,963	-\$311,891,539
Net Investment Change	\$102,636,277	\$178,237,393	\$232,830,519	\$347,915,341	\$945,716,908	\$991,026,113
Ending Market Value	\$3,262,498,500	\$3,262,498,500	\$3,262,498,500	\$3,262,498,500	\$3,262,498,500	\$3,262,498,500

City of San Jose Police and Fire Department Retirement Plan

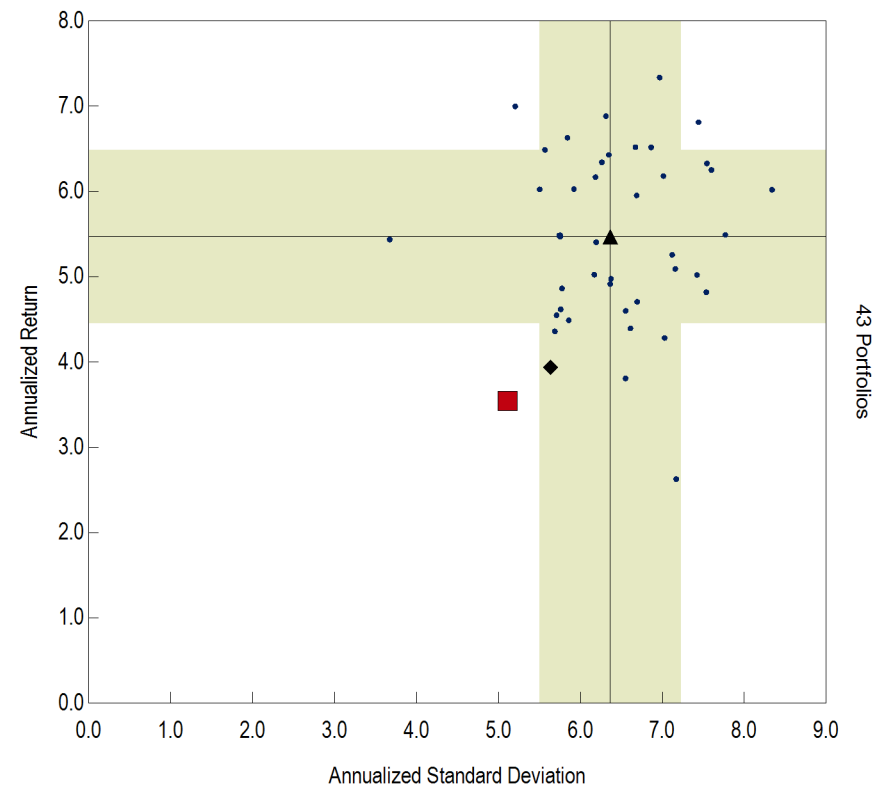
Total Fund Risk/Return

1 Year Ending September 30, 2016



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

3 Years Ending September 30, 2016

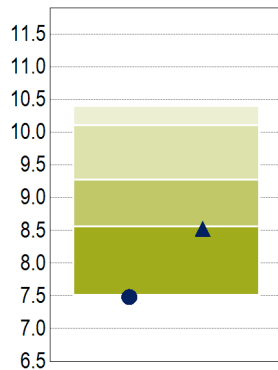


- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

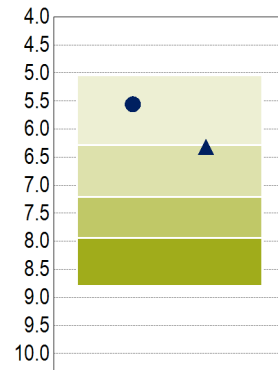
Total Fund Risk Statistics vs. Peer Universe

Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 1 Year

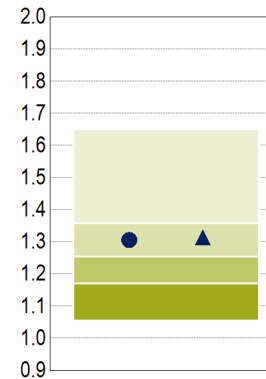
Anlzd Return



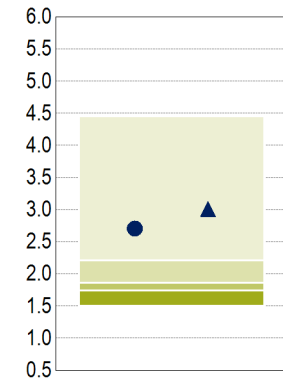
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	7.5
Rank	97
▲ Policy Benchmark	
Value	8.5
Rank	78
Universe	
5th %tile	10.4
25th %tile	10.1
Median	9.3
75th %tile	8.6
95th %tile	7.5

● Total Fund	
Value	5.6
Rank	8
▲ Policy Benchmark	
Value	6.3
Rank	29
Universe	
5th %tile	5.0
25th %tile	6.3
Median	7.2
75th %tile	7.9
95th %tile	8.8

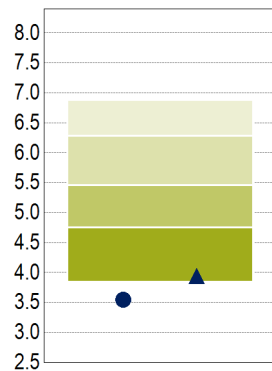
● Total Fund	
Value	1.3
Rank	42
▲ Policy Benchmark	
Value	1.3
Rank	41
Universe	
5th %tile	1.7
25th %tile	1.4
Median	1.3
75th %tile	1.2
95th %tile	1.1

● Total Fund	
Value	2.7
Rank	16
▲ Policy Benchmark	
Value	3.0
Rank	13
Universe	
5th %tile	4.5
25th %tile	2.2
Median	1.9
75th %tile	1.8
95th %tile	1.5

Total Fund Risk Statistics vs. Peer Universe

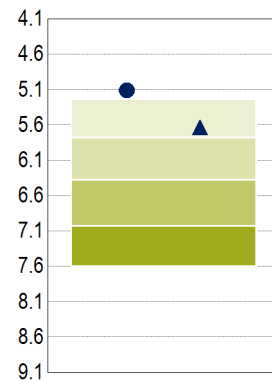
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 3 Years

Anlzd Return



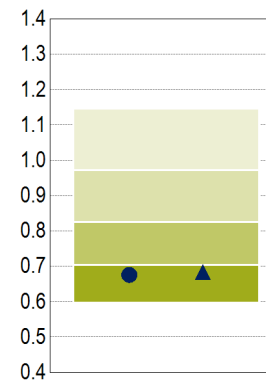
● Total Fund	
Value	3.5
Rank	98
▲ Policy Benchmark	
Value	3.9
Rank	95
Universe	
5th %tile	6.9
25th %tile	6.3
Median	5.5
75th %tile	4.8
95th %tile	3.9

Anlzd Standard Deviation



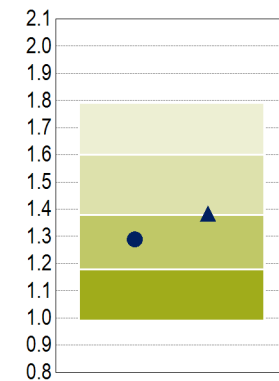
● Total Fund	
Value	5.1
Rank	4
▲ Policy Benchmark	
Value	5.6
Rank	11
Universe	
5th %tile	5.2
25th %tile	5.8
Median	6.4
75th %tile	7.0
95th %tile	7.6

Sharpe Ratio



● Total Fund	
Value	0.7
Rank	87
▲ Policy Benchmark	
Value	0.7
Rank	86
Universe	
5th %tile	1.1
25th %tile	1.0
Median	0.8
75th %tile	0.7
95th %tile	0.6

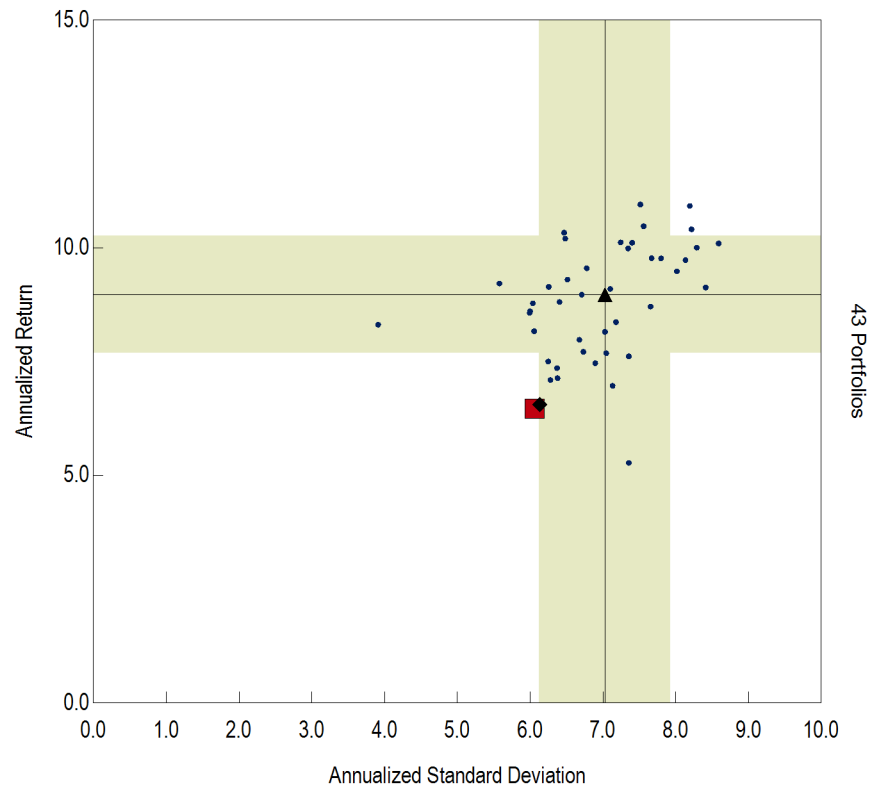
Sortino Ratio



● Total Fund	
Value	1.3
Rank	60
▲ Policy Benchmark	
Value	1.4
Rank	50
Universe	
5th %tile	1.8
25th %tile	1.6
Median	1.4
75th %tile	1.2
95th %tile	1.0

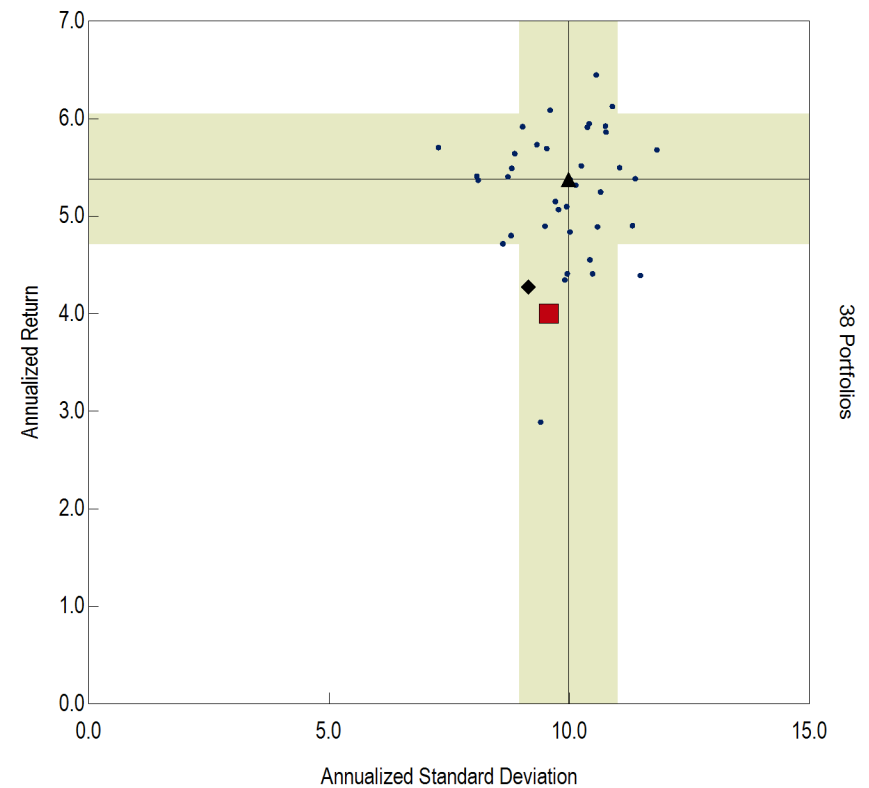
Total Fund Risk/Return

5 Years Ending September 30, 2016



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

10 Years Ending September 30, 2016

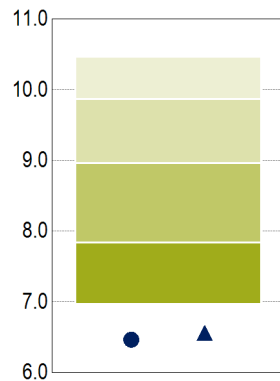


- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

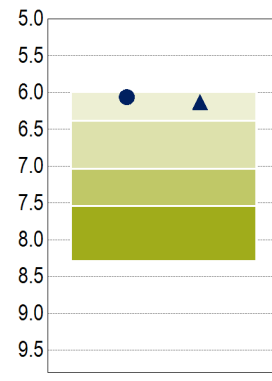
Total Fund Risk Statistics vs. Peer Universe

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

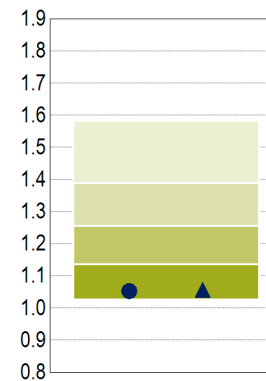
Anlzd Return



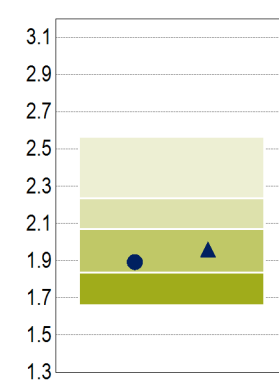
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	6.5
Rank	98
▲ Policy Benchmark	
Value	6.6
Rank	98
Universe	
5th %tile	10.5
25th %tile	9.9
Median	9.0
75th %tile	7.8
95th %tile	7.0

● Total Fund	
Value	6.1
Rank	15
▲ Policy Benchmark	
Value	6.1
Rank	16
Universe	
5th %tile	6.0
25th %tile	6.4
Median	7.0
75th %tile	7.5
95th %tile	8.3

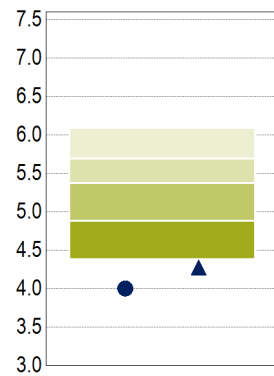
● Total Fund	
Value	1.1
Rank	94
▲ Policy Benchmark	
Value	1.1
Rank	94
Universe	
5th %tile	1.6
25th %tile	1.4
Median	1.3
75th %tile	1.1
95th %tile	1.0

● Total Fund	
Value	1.9
Rank	67
▲ Policy Benchmark	
Value	2.0
Rank	63
Universe	
5th %tile	2.6
25th %tile	2.2
Median	2.1
75th %tile	1.8
95th %tile	1.7

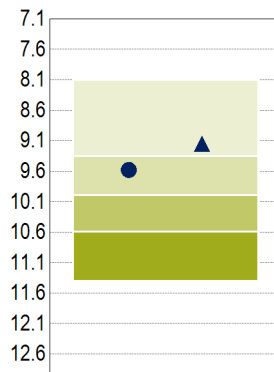
Total Fund Risk Statistics vs. Peer Universe

Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 10 Years

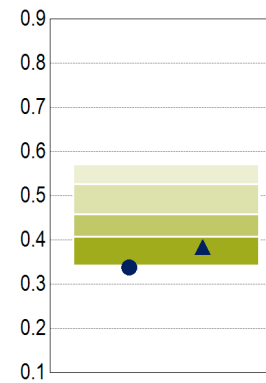
Anlzd Return



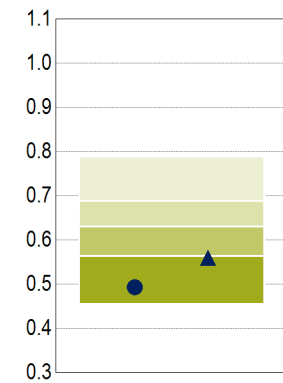
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	4.0
Rank	98
▲ Policy Benchmark	
Value	4.3
Rank	98

Universe	
5th %tile	6.1
25th %tile	5.7
Median	5.4
75th %tile	4.9
95th %tile	4.4

● Total Fund	
Value	9.6
Rank	35
▲ Policy Benchmark	
Value	9.2
Rank	23

Universe	
5th %tile	8.1
25th %tile	9.3
Median	10.0
75th %tile	10.6
95th %tile	11.4

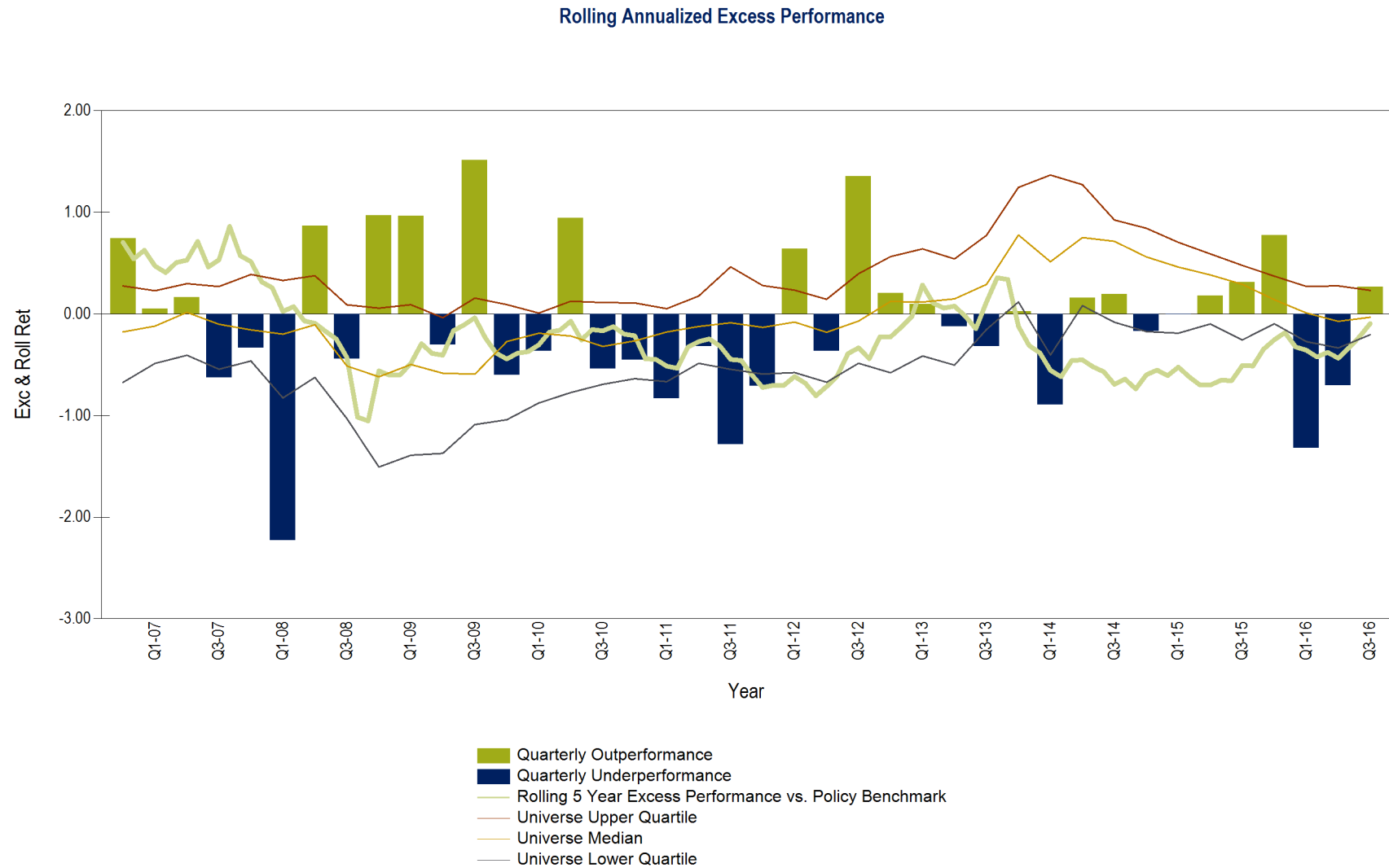
● Total Fund	
Value	0.3
Rank	96
▲ Policy Benchmark	
Value	0.4
Rank	82

Universe	
5th %tile	0.6
25th %tile	0.5
Median	0.5
75th %tile	0.4
95th %tile	0.3

● Total Fund	
Value	0.5
Rank	89
▲ Policy Benchmark	
Value	0.6
Rank	82

Universe	
5th %tile	0.8
25th %tile	0.7
Median	0.6
75th %tile	0.6
95th %tile	0.5

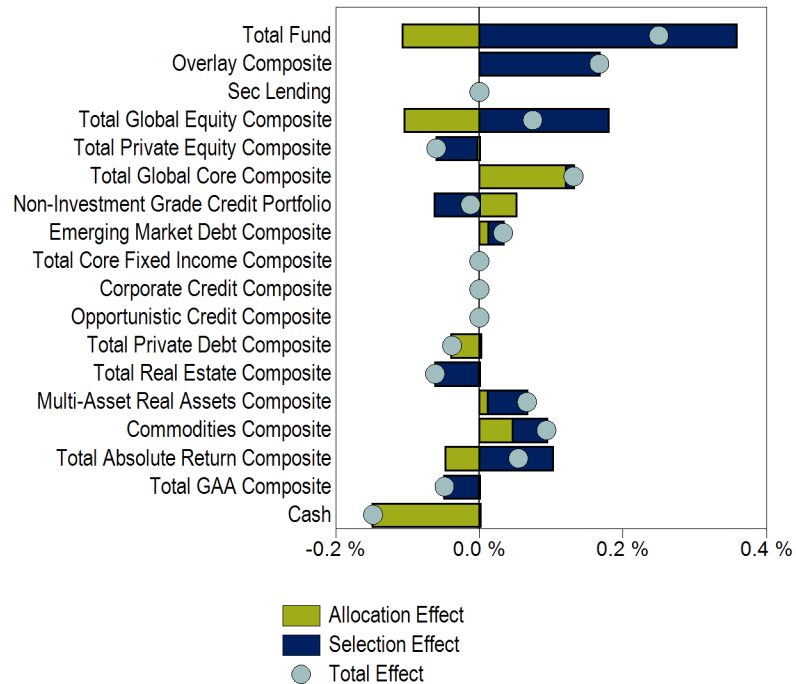
Total Fund Rolling 5-Year Excess Returns



City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
3 Months Ending September 30, 2016



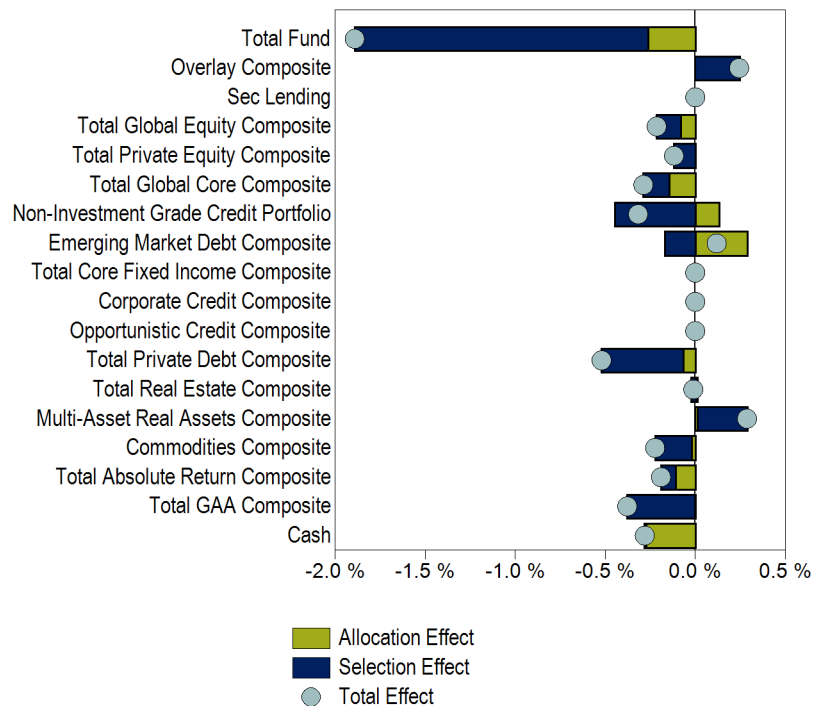
Attribution Summary
3 Months Ending September 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	13.4%	2.9%	10.6%	0.2%	0.0%	0.2%
Sec Lending	--	--	--	--	0.0%	--
Total Global Equity Composite	6.2%	5.6%	0.7%	0.2%	-0.1%	0.1%
Total Private Equity Composite	2.9%	3.7%	-0.8%	-0.1%	0.0%	-0.1%
Total Global Core Composite	1.0%	0.8%	0.2%	0.0%	0.1%	0.1%
Non-Investment Grade Credit Portfolio	3.2%	4.3%	-1.1%	-0.1%	0.1%	0.0%
Emerging Market Debt Composite	3.6%	3.2%	0.4%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	--	--	--	--	0.0%	--
Corporate Credit Composite	--	--	--	--	0.0%	--
Opportunistic Credit Composite	--	--	--	--	0.0%	--
Total Private Debt Composite	4.0%	3.9%	0.1%	0.0%	0.0%	0.0%
Total Real Estate Composite	1.7%	2.5%	-0.8%	-0.1%	0.0%	-0.1%
Multi-Asset Real Assets Composite	3.8%	1.4%	2.4%	0.1%	0.0%	0.1%
Commodities Composite	-2.8%	-3.5%	0.7%	0.0%	0.0%	0.1%
Total Absolute Return Composite	0.4%	-1.0%	1.4%	0.1%	0.0%	0.1%
Total GAA Composite	2.5%	3.0%	-0.5%	0.0%	0.0%	0.0%
Cash	0.1%	0.1%	0.0%	0.0%	-0.1%	-0.1%
Total	3.1%	2.9%	0.2%	0.4%	-0.1%	0.2%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
YTD Ending September 30, 2016

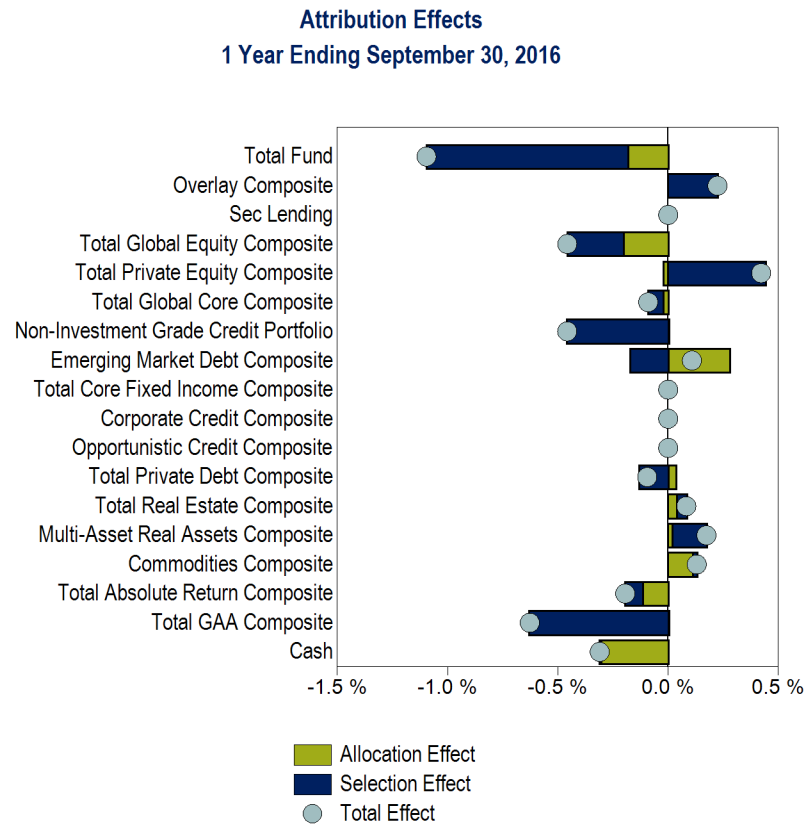


Attribution Summary
YTD Ending September 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	22.3%	7.5%	14.8%	0.2%	0.0%	0.2%
Sec Lending	--	--	--	--	0.0%	--
Total Global Equity Composite	6.6%	7.0%	-0.4%	-0.1%	-0.1%	-0.2%
Total Private Equity Composite	5.6%	7.1%	-1.5%	-0.1%	0.0%	-0.1%
Total Global Core Composite	7.7%	9.9%	-2.1%	-0.1%	-0.1%	-0.3%
Non-Investment Grade Credit Portfolio	3.3%	10.8%	-7.5%	-0.4%	0.1%	-0.3%
Emerging Market Debt Composite	12.5%	15.9%	-3.4%	-0.2%	0.3%	0.1%
Total Core Fixed Income Composite	--	--	--	--	0.0%	--
Corporate Credit Composite	--	--	--	--	0.0%	--
Opportunistic Credit Composite	--	--	--	--	0.0%	--
Total Private Debt Composite	3.1%	9.1%	-6.0%	-0.5%	-0.1%	-0.5%
Total Real Estate Composite	7.4%	7.9%	-0.5%	0.0%	0.0%	0.0%
Multi-Asset Real Assets Composite	18.7%	5.9%	12.9%	0.3%	0.0%	0.3%
Commodities Composite	1.1%	4.7%	-3.6%	-0.2%	0.0%	-0.2%
Total Absolute Return Composite	0.5%	1.7%	-1.2%	-0.1%	-0.1%	-0.2%
Total GAA Composite	4.1%	7.9%	-3.8%	-0.4%	0.0%	-0.4%
Cash	0.1%	0.2%	-0.1%	0.0%	-0.3%	-0.3%
Total	5.6%	7.5%	-1.9%	-1.6%	-0.3%	-1.9%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

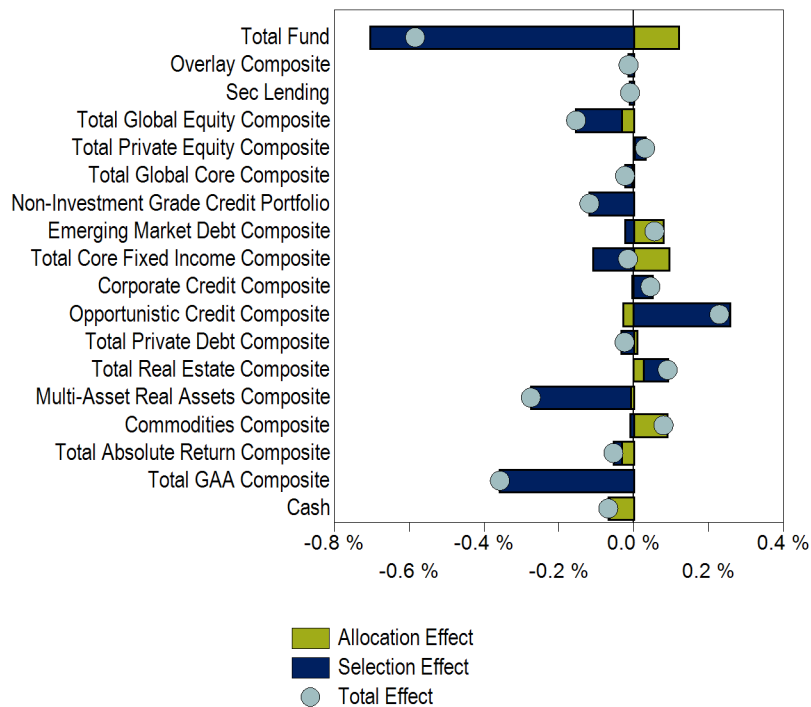


Attribution Summary						
1 Year Ending September 30, 2016						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	22.2%	8.5%	13.7%	0.2%	0.0%	0.2%
Sec Lending	--	--	--	--	0.0%	--
Total Global Equity Composite	11.5%	12.3%	-0.8%	-0.3%	-0.2%	-0.5%
Total Private Equity Composite	8.4%	3.3%	5.1%	0.4%	0.0%	0.4%
Total Global Core Composite	7.9%	8.8%	-1.0%	-0.1%	0.0%	-0.1%
Non-Investment Grade Credit Portfolio	1.6%	9.0%	-7.4%	-0.5%	0.0%	-0.5%
Emerging Market Debt Composite	13.2%	16.6%	-3.4%	-0.2%	0.3%	0.1%
Total Core Fixed Income Composite	--	0.2%	--	0.0%	0.0%	0.0%
Corporate Credit Composite	--	2.7%	--	0.0%	0.0%	0.0%
Opportunistic Credit Composite	--	--	--	--	0.0%	--
Total Private Debt Composite	6.1%	7.4%	-1.3%	-0.1%	0.0%	-0.1%
Total Real Estate Composite	11.9%	11.5%	0.3%	0.0%	0.0%	0.1%
Multi-Asset Real Assets Composite	13.3%	6.5%	6.7%	0.2%	0.0%	0.2%
Commodities Composite	-2.7%	-3.1%	0.4%	0.0%	0.1%	0.1%
Total Absolute Return Composite	0.5%	1.6%	-1.1%	-0.1%	-0.1%	-0.2%
Total GAA Composite	4.7%	11.0%	-6.2%	-0.6%	0.0%	-0.6%
Cash	0.1%	0.2%	-0.1%	0.0%	-0.3%	-0.3%
Total	7.4%	8.5%	-1.1%	-0.9%	-0.2%	-1.1%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

**Attribution Effects
Beginning 1/1/2013**



**Attribution Summary
Beginning 1/1/2013**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	227.2%	4.3%	222.9%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	0.0%	0.0%	0.0%
Total Global Equity Composite	7.8%	8.2%	-0.4%	-0.1%	0.0%	-0.2%
Total Private Equity Composite	12.0%	11.6%	0.3%	0.0%	0.0%	0.0%
Total Global Core Composite	--	--	--	0.0%	0.0%	0.0%
Non-Investment Grade Credit Portfolio	--	--	--	-0.1%	0.0%	-0.1%
Emerging Market Debt Composite	-1.0%	-0.6%	-0.4%	0.0%	0.1%	0.1%
Total Core Fixed Income Composite	--	-0.5%	--	-0.1%	0.1%	0.0%
Corporate Credit Composite	--	2.7%	--	0.0%	0.0%	0.0%
Opportunistic Credit Composite	--	2.4%	--	0.3%	0.0%	0.2%
Total Private Debt Composite	--	--	--	0.0%	0.0%	0.0%
Total Real Estate Composite	10.2%	9.4%	0.8%	0.1%	0.0%	0.1%
Multi-Asset Real Assets Composite	--	--	--	-0.3%	0.0%	-0.3%
Commodities Composite	-9.3%	-9.4%	0.1%	0.0%	0.1%	0.1%
Total Absolute Return Composite	2.2%	2.2%	-0.1%	0.0%	0.0%	-0.1%
Total GAA Composite	1.7%	5.9%	-4.1%	-0.4%	0.0%	-0.4%
Cash	0.1%	0.1%	0.0%	0.0%	-0.1%	-0.1%
Total	4.1%	4.7%	-0.6%	-0.7%	0.1%	-0.6%

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics (Net of Fees)

3 Years Ending September 30, 2016

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Global Equity Composite	28.1%	5.2%	62	10.4%	20	0.4%	60	1.6%	1	0.0	63	0.9	0.5
San Jose Custom Total Equity Benchmark	--	5.2%	61	11.3%	41	0.0%	66	0.0%	1	--	--	1.0	0.5
Global Equity Composite	7.0%	8.0%	25	11.7%	56	2.8%	29	3.1%	20	0.9	9	1.0	0.7
MSCI ACWI IMI (Net)	--	5.2%	61	11.3%	41	0.0%	66	0.0%	1	--	--	1.0	0.5
U.S. Large Cap Equity Composite	4.9%	10.8%	36	10.8%	35	0.0%	38	0.1%	1	0.0	37	1.0	1.0
Russell 1000	--	10.8%	35	10.9%	36	0.0%	38	0.0%	1	--	--	1.0	1.0
U.S. Small Cap Equity Composite	1.7%	4.6%	92	15.5%	94	-1.5%	92	8.3%	57	-0.3	--	0.9	0.3
Russell 2000	--	6.7%	80	14.6%	87	0.0%	88	0.0%	1	--	--	1.0	0.5
International Equity Composite	10.2%	0.8%	67	11.6%	25	0.7%	67	2.0%	4	0.4	60	0.9	0.1
San Jose Custom MSCI World ex US Benchmark	--	0.1%	82	12.5%	75	0.0%	82	0.0%	1	--	--	1.0	0.0
Emerging Markets Equity Composite	1.6%	0.5%	47	12.7%	13	0.9%	47	5.5%	64	0.2	48	0.7	0.0
MSCI Emerging Markets	--	-0.6%	68	16.4%	80	0.0%	68	0.0%	1	--	--	1.0	0.0
Total Global Fixed Income Composite	17.8%	3.4%	57	3.3%	71	1.3%	75	2.4%	1	0.0	57	0.6	1.0
Fixed Income Blended Benchmark	--	3.3%	59	4.3%	79	0.0%	97	0.0%	1	--	--	1.0	0.8
Corporate Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
Blended Domestic Credit Index	--	5.3%	--	6.1%	--	0.0%	--	0.0%	--	--	--	1.0	0.8
Opportunistic Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	4.6%	--	4.0%	--	0.0%	--	0.0%	--	--	--	1.0	1.1
U.S. Direct Lending	--	--	--	--	--	--	--	--	--	--	--	--	--
3-Month LIBOR + 5%	--	5.4%	--	0.1%	--	0.0%	--	0.0%	--	--	--	1.0	89.7
Liquid Real Assets Composite	8.3%	-7.9%	--	10.4%	--	-1.9%	--	3.4%	--	-0.9	--	1.2	-0.8
San Jose Custom Liquid Real Assets Benchmark	--	-4.8%	--	8.0%	--	0.0%	--	0.0%	--	--	--	1.0	-0.6
Commodities Composite	6.0%	-8.4%	--	9.8%	--	-0.6%	--	3.0%	--	0.3	--	0.8	-0.9
Custom Commodity Risk Parity Index	--	-9.2%	--	11.2%	--	0.0%	--	0.0%	--	--	--	1.0	-0.8



City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics (Net of Fees)

5 Years Ending September 30, 2016

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Global Equity Composite	28.1%	10.8%	65	11.7%	29	0.4%	63	1.5%	1	-0.2	--	0.9	0.9
San Jose Custom Total Equity Benchmark	--	11.2%	60	12.5%	46	0.0%	68	0.0%	1	--	--	1.0	0.9
U.S. Large Cap Equity Composite	4.9%	16.4%	36	11.3%	33	0.0%	36	1.2%	1	0.0	36	1.0	1.4
Russell 1000	--	16.4%	36	11.3%	32	0.0%	36	0.0%	1	--	--	1.0	1.5
U.S. Small Cap Equity Composite	1.7%	13.9%	85	14.8%	81	0.2%	89	7.4%	54	-0.3	--	0.9	0.9
Russell 2000	--	15.8%	58	15.0%	83	0.0%	91	0.0%	1	--	--	1.0	1.0
International Equity Composite	10.2%	8.3%	62	13.2%	30	1.8%	60	2.9%	12	0.4	56	0.9	0.6
San Jose Custom MSCI World ex US Benchmark	--	7.1%	81	14.2%	80	0.0%	88	0.0%	1	--	--	1.0	0.5
Emerging Markets Equity Composite	1.6%	2.2%	91	15.8%	34	-0.4%	88	5.2%	62	-0.2	--	0.9	0.1
MSCI Emerging Markets	--	3.0%	76	17.3%	70	0.0%	79	0.0%	1	--	--	1.0	0.2
Total Global Fixed Income Composite	17.8%	4.8%	36	3.3%	65	2.1%	41	2.2%	1	0.4	29	0.7	1.5
Fixed Income Blended Benchmark	--	3.9%	47	4.0%	72	0.0%	98	0.0%	1	--	--	1.0	1.0
Corporate Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
Blended Domestic Credit Index	--	7.3%	--	5.5%	--	0.0%	--	0.0%	--	--	--	1.0	1.3
Opportunistic Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	6.7%	--	4.0%	--	0.0%	--	0.0%	--	--	--	1.0	1.7



Total Fund Performance (Net of Fees)



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fund	3,262,498,500	100.0	3.1	--	5.7	--	7.5	--	3.5	--	6.5	--	6.1	--	4.0	--	8.5	Mar-71
Policy Benchmark			<u>2.9</u>	--	<u>7.5</u>	--	<u>8.5</u>	--	<u>3.9</u>	--	<u>6.6</u>	--	<u>6.7</u>	--	<u>4.3</u>	--	--	Mar-71
Over/Under			0.2		-1.8		-1.0		-0.4		-0.1		-0.6		-0.3			
Allocation Index			2.9	--	6.8	--	8.4	--	3.9	--	6.5	--	6.3	--	4.5	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI			3.4	--	8.8	--	11.5	--	4.0	--	6.9	--	5.8	--	4.8	--	--	Mar-71
Total Global Equity Composite	916,669,451	28.1	6.2	30	6.6	47	11.5	49	5.2	62	10.8	65	8.3	63	--	--	4.6	Apr-08
San Jose Custom Total Equity Benchmark			<u>5.6</u>	41	<u>7.0</u>	44	<u>12.3</u>	44	<u>5.2</u>	61	<u>11.2</u>	60	<u>8.5</u>	60	--	--	<u>4.7</u>	Apr-08
Over/Under			0.6		-0.4		-0.8		0.0		-0.4		-0.2				-0.1	
eA All Global Equity Net Median			5.0		6.3		11.2		6.0		11.7		9.0		4.8		5.0	Apr-08
Global Equity Composite	227,796,403	7.0	8.9	11	9.6	23	16.1	17	8.0	25	--	--	--	--	--	--	10.7	Mar-13
MSCI ACWI IMI (Net)			<u>5.6</u>	41	<u>7.0</u>	44	<u>12.3</u>	44	<u>5.2</u>	61	<u>10.9</u>	65	<u>8.1</u>	67	<u>4.6</u>	56	<u>7.2</u>	Mar-13
Over/Under			3.3		2.6		3.8		2.8								3.5	
eA All Global Equity Net Median			5.0		6.3		11.2		6.0		11.7		9.0		4.8		8.0	Mar-13
Artisan Global Opportunities	111,166,967	3.4	10.7	5	11.1	14	19.5	8	9.5	10	--	--	--	--	--	--	10.6	May-13
MSCI ACWI IMI (Net)			<u>5.6</u>	41	<u>7.0</u>	44	<u>12.3</u>	44	<u>5.2</u>	61	<u>10.9</u>	65	<u>8.1</u>	67	<u>4.6</u>	56	<u>6.1</u>	May-13
Over/Under			5.1		4.1		7.2		4.3								4.5	
eA All Global Equity Net Median			5.0		6.3		11.2		6.0		11.7		9.0		4.8		6.6	May-13
Artisan Global Value	116,629,436	3.6	7.1	21	8.1	32	13.0	37	6.5	40	--	--	--	--	--	--	9.6	Mar-13
MSCI ACWI IMI (Net)			<u>5.6</u>	41	<u>7.0</u>	44	<u>12.3</u>	44	<u>5.2</u>	61	<u>10.9</u>	65	<u>8.1</u>	67	<u>4.6</u>	56	<u>7.2</u>	Mar-13
Over/Under			1.5		1.1		0.7		1.3								2.4	
eA All Global Equity Net Median			5.0		6.3		11.2		6.0		11.7		9.0		4.8		8.0	Mar-13
U.S. Equity Composite	216,040,772	6.6	5.5	45	9.7	30	16.3	19	10.6	18	17.2	17	13.5	28	7.4	51	9.2	Jun-95
Russell 3000			<u>4.4</u>	61	<u>8.2</u>	42	<u>15.0</u>	28	<u>10.4</u>	20	<u>16.4</u>	30	<u>13.2</u>	34	<u>7.4</u>	52	<u>9.0</u>	Jun-95
Over/Under			1.1		1.5		1.3		0.2		0.8		0.3		0.0		0.2	
eA All US Equity Net Median			5.1		7.3		12.1		8.4		15.3		12.6		7.4		10.0	Jun-95
NT Russell 1000 Index Fund	160,804,135	4.9	4.0	54	8.0	26	15.0	19	--	--	--	--	--	--	--	--	8.0	Apr-14
Russell 1000			<u>4.0</u>	55	<u>7.9</u>	26	<u>14.9</u>	19	<u>10.8</u>	22	<u>16.4</u>	22	<u>13.2</u>	22	<u>7.4</u>	42	<u>7.9</u>	Apr-14
Over/Under			0.0		0.1		0.1										0.1	
eA US Large Cap Equity Net Median			4.2		5.5		11.5		9.3		15.0		12.2		7.1		6.1	Apr-14
RBC Small Cap Core	55,236,637	1.7	10.1	18	14.8	15	19.2	14	--	--	--	--	--	--	--	--	3.3	Jul-14
Russell 2000			<u>9.0</u>	27	<u>11.5</u>	39	<u>15.5</u>	38	<u>6.7</u>	50	<u>15.8</u>	50	<u>12.5</u>	60	<u>7.1</u>	64	<u>3.6</u>	Jul-14
Over/Under			1.1		3.3		3.7										-0.3	
eA US Small Cap Equity Net Median			7.5		10.1		13.7		6.7		15.8		12.9		7.6		3.7	Jul-14

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
International Equity Composite	332,118,772	10.2	6.0	63	2.7	50	7.8	45	0.8	67	8.3	62	5.6	59	2.8	53	7.5	Jun-95
San Jose Custom MSCI World ex US Benchmark			<u>6.3</u>	55	<u>3.1</u>	44	<u>7.2</u>	49	<u>0.1</u>	82	<u>7.1</u>	81	<u>4.1</u>	86	<u>1.7</u>	81	<u>4.5</u>	Jun-95
Over/Under			-0.3		-0.4		0.6		0.7		1.2		1.5		1.1		3.0	
eA All EAFE Equity Net Median			6.5		2.6		6.9		1.9		9.0		5.9		2.9		6.7	Jun-95
NT Russell MSCI World ex US Index Fund	278,259,071	8.5	6.4	53	3.5	41	7.6	47	--	--	--	--	--	--	--	--	-1.9	Apr-14
MSCI World ex USA			<u>6.3</u>	55	<u>3.1</u>	44	<u>7.2</u>	49	<u>0.3</u>	77	<u>6.9</u>	87	<u>4.1</u>	86	<u>1.9</u>	77	<u>-2.0</u>	Apr-14
Over/Under			0.1		0.4		0.4										0.1	
eA All EAFE Equity Net Median			6.5		2.6		6.9		1.9		9.0		5.9		2.9		-0.5	Apr-14
Oberweis	53,924,394	1.7	4.7	93	3.2	72	11.5	68	--	--	--	--	--	--	--	--	3.7	Mar-14
MSCI World ex US Small Cap Growth (Net)			<u>7.2</u>	50	<u>6.5</u>	26	<u>14.9</u>	31	<u>5.5</u>	99	<u>9.9</u>	99	<u>8.6</u>	99	<u>4.6</u>	99	<u>2.8</u>	Mar-14
Over/Under			-2.5		-3.3		-3.4										0.9	
eA EAFE Small Cap Growth Net Median			7.2		5.0		13.9		8.7		13.8		10.3		6.8		4.0	Mar-14
Emerging Markets Equity Composite	51,492,874	1.6	7.9	64	10.3	85	11.1	85	0.5	47	2.2	91	0.7	95	2.5	94	9.6	Sep-01
MSCI Emerging Markets			<u>9.0</u>	40	<u>16.0</u>	38	<u>16.8</u>	46	<u>-0.6</u>	68	<u>3.0</u>	76	<u>2.3</u>	70	<u>3.9</u>	69	<u>10.2</u>	Sep-01
Over/Under			-1.1		-5.7		-5.7		1.1		-0.8		-1.6		-1.4		-0.6	
eA Emg Mkts Equity Net Median			8.5		14.5		16.1		0.3		4.2		3.6		4.7		11.4	Sep-01
Dimensional Fund Advisors	32,388,296	1.0	9.7	22	21.0	10	19.8	30	--	--	--	--	--	--	--	--	-2.5	Jul-15
MSCI Emerging Markets			<u>9.0</u>	40	<u>16.0</u>	38	<u>16.8</u>	46	<u>-0.6</u>	68	<u>3.0</u>	76	<u>2.3</u>	70	<u>3.9</u>	69	<u>-3.3</u>	Jul-15
Over/Under			0.7		5.0		3.0										0.8	
eA Emg Mkts Equity Net Median			8.5		14.5		16.1		0.3		4.2		3.6		4.7		-1.6	Jul-15
Aberdeen	19,104,577	0.6	5.0	92	0.8	99	-0.5	99	-2.9	98	--	--	--	--	--	--	-1.2	Jul-13
MSCI Frontier Markets			<u>2.6</u>	99	<u>2.2</u>	99	<u>0.9</u>	99	<u>-0.2</u>	62	<u>4.6</u>	41	<u>2.2</u>	72	<u>-0.3</u>	99	<u>1.7</u>	Jul-13
Over/Under			2.4		-1.4		-1.4		-2.7								-2.9	
eA Emg Mkts Equity Net Median			8.5		14.5		16.1		0.3		4.2		3.6		4.7		1.8	Jul-13

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Marketable Alternative Equity Composite	89,220,632	2.7	1.3	--	0.8	--	2.3	--	--	--	--	--	--	--	--	--	4.7	Oct-14
HFRI Equity Hedge (Total) Index			<u>4.6</u>	--	<u>4.2</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>5.6</u>	--	<u>4.3</u>	--	<u>3.3</u>	--	<u>1.6</u>	Oct-14
Over/Under			-3.3		-3.4		-3.7										3.1	
Horizon	27,061,312	0.8	-2.6	--	-0.5	--	0.7	--	5.2	--	--	--	--	--	--	--	5.7	Jul-13
HFRI Equity Hedge (Total) Index			<u>4.6</u>	--	<u>4.2</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>5.6</u>	--	<u>4.3</u>	--	<u>3.3</u>	--	<u>4.2</u>	Jul-13
Over/Under			-7.2		-4.7		-5.3		2.0								1.5	
Marshall Wace	22,141,368	0.7	2.7	--	-0.4	--	1.7	--	--	--	--	--	--	--	--	--	8.0	Apr-14
HFRI Equity Hedge (Total) Index			<u>4.6</u>	--	<u>4.2</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>5.6</u>	--	<u>4.3</u>	--	<u>3.3</u>	--	<u>1.5</u>	Apr-14
Over/Under			-1.9		-4.6		-4.3										6.5	
Sandler	17,989,046	0.6	1.1	--	1.1	--	5.1	--	7.5	--	--	--	--	--	--	--	7.5	May-13
HFRI Equity Hedge (Total) Index			<u>4.6</u>	--	<u>4.2</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>5.6</u>	--	<u>4.3</u>	--	<u>3.3</u>	--	<u>3.9</u>	May-13
Over/Under			-3.5		-3.1		-0.9		4.3								3.6	
Senator	22,028,905	0.7	5.3	--	3.0	--	3.6	--	4.7	--	--	--	--	--	--	--	6.5	Apr-13
HFRI Event-Driven (Total) Index			<u>4.5</u>	--	<u>6.8</u>	--	<u>6.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>4.3</u>	--	<u>3.5</u>	Apr-13
Over/Under			0.8		-3.8		-2.7		2.1								3.0	

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



NEPC, LLC

September 30, 2016

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity Composite	248,393,014	7.6	2.9	--	5.6	--	8.4	--	10.1	--	10.2	--	11.7	--	9.2	--	9.1	Oct-05
<i>San Jose Custom Total Private Equity Index</i>			<u>3.7</u>	--	<u>7.1</u>	--	<u>3.3</u>	--	<u>10.2</u>	--	--	--	--	--	--	--	--	<i>Oct-05</i>
Over/Under			-0.8		-1.5		5.1		-0.1									
<i>San Jose Custom Blended Private Equity Benchmark</i>			4.0	--	4.7	--	3.3	--	9.1	--	9.6	--	8.9	--	8.8	--	10.5	<i>Oct-05</i>
<i>Russell 3000 Qtr Lag</i>			2.6	--	10.1	--	2.1	--	11.1	--	11.6	--	14.9	--	7.4	--	7.6	<i>Oct-05</i>
Total Private Equity ex Russell R3000	155,512,215	4.8	2.0	54	4.1	52	4.3	51	9.7	71	9.0	70	10.8	75	8.6	59	8.5	Oct-05
<i>San Jose Custom Private Equity Benchmark</i>			<u>4.0</u>	18	<u>4.7</u>	40	<u>3.3</u>	58	<u>9.3</u>	75	<u>10.1</u>	50	<u>13.4</u>	21	<u>10.2</u>	17	<u>11.7</u>	<i>Oct-05</i>
Over/Under			-2.0		-0.6		1.0		0.4		-1.1		-2.6		-1.6		-3.2	
<i>San Jose Custom Blended Private Equity Benchmark</i>			4.0	18	4.7	40	3.3	58	9.1	76	9.6	67	8.9	99	8.8	58	10.5	<i>Oct-05</i>
<i>InvestorForce Public DB Private Eq Net Median</i>			2.3		4.1		4.5		11.7		10.1		11.4		9.2		10.5	<i>Oct-05</i>

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Global Fixed Income Composite	580,343,417	17.8	2.4	20	7.5	31	7.2	31	3.4	57	4.8	36	5.9	33	--	--	6.3	Apr-08
Fixed Income Blended Benchmark			<u>1.4</u>	34	<u>10.6</u>	19	<u>9.6</u>	21	<u>3.3</u>	59	<u>3.9</u>	47	<u>5.5</u>	37	<u>5.7</u>	30	<u>5.5</u>	Apr-08
Over/Under			1.0		-3.1		-2.4		0.1		0.9		0.4				0.8	
Barclays Aggregate			0.5	63	5.8	49	5.2	50	4.0	45	3.1	60	4.1	59	4.8	50	4.4	Apr-08
eA All US Fixed Inc Net Median			0.8		5.6		5.2		3.8		3.7		4.5		4.8		4.7	Apr-08
Total Global Core Composite	237,242,793	7.3	1.0	--	7.7	--	7.9	--	--	--	--	--	--	--	--	--	7.9	Oct-15
Barclays Global Aggregate			<u>0.8</u>	--	<u>9.9</u>	--	<u>8.8</u>	--	<u>2.1</u>	--	<u>1.7</u>	--	<u>2.7</u>	--	<u>4.3</u>	--	<u>8.8</u>	Oct-15
Over/Under			0.2		-2.2		-0.9										-0.9	
Colchester	73,337,213	2.2	0.9	--	12.4	--	10.9	--	--	--	--	--	--	--	--	--	2.0	Jan-14
Barclays Global Aggregate			<u>0.8</u>	--	<u>9.9</u>	--	<u>8.8</u>	--	<u>2.1</u>	--	<u>1.7</u>	--	<u>2.7</u>	--	<u>4.3</u>	--	<u>2.5</u>	Jan-14
Over/Under			0.1		2.5		2.1										-0.5	
Franklin Templeton	48,149,309	1.5	-0.1	--	1.6	--	3.8	--	--	--	--	--	--	--	--	--	-0.7	Jan-14
Barclays Global Aggregate			<u>0.8</u>	--	<u>9.9</u>	--	<u>8.8</u>	--	<u>2.1</u>	--	<u>1.7</u>	--	<u>2.7</u>	--	<u>4.3</u>	--	<u>2.5</u>	Jan-14
Over/Under			-0.9		-8.3		-5.0										-3.2	
Voya	63,711,583	2.0	2.9	--	5.8	--	5.8	--	--	--	--	--	--	--	--	--	4.6	Jul-15
Barclays Global Aggregate - Securitized			<u>0.8</u>	--	<u>4.2</u>	--	<u>3.6</u>	--	<u>2.5</u>	--	--	--	--	--	--	--	<u>4.0</u>	Jul-15
Over/Under			2.1		1.6		2.2										0.6	
BlackRock Long Government	52,044,688	1.6	-0.2	--	--	--	--	--	--	--	--	--	--	--	--	--	5.8	Jun-16
Barclays LT Govt.			<u>-0.3</u>	--	<u>14.6</u>	--	<u>13.0</u>	--	<u>11.1</u>	--	<u>5.5</u>	--	<u>8.1</u>	--	<u>8.0</u>	--	<u>5.7</u>	Jun-16
Over/Under			0.1														0.1	
Non-Investment Grade Credit Portfolio	167,594,264	5.1	3.2	--	3.3	--	1.6	--	--	--	--	--	--	--	--	--	1.6	Oct-15
50% Bofa Global HY/50% S&P Global Leveraged Loan			<u>4.3</u>	--	<u>10.8</u>	--	<u>9.0</u>	--	--	--	--	--	--	--	--	--	<u>9.0</u>	Oct-15
Over/Under			-1.1		-7.5		-7.4										-7.4	
Davidson Kempner	23,910,056	0.7	1.5	--	4.3	--	4.6	--	4.1	--	--	--	--	--	--	--	5.0	Feb-13
HFRI Event-Driven (Total) Index			<u>4.5</u>	--	<u>6.8</u>	--	<u>6.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>4.3</u>	--	<u>3.8</u>	Feb-13
Over/Under			-3.0		-2.5		-1.7		1.5								1.2	
Beach Point	62,318,230	1.9	4.4	--	10.1	--	7.1	--	3.5	--	--	--	--	--	--	--	3.5	Oct-13
Barclays High Yield			<u>5.6</u>	--	<u>15.1</u>	--	<u>12.7</u>	--	<u>5.3</u>	--	<u>8.3</u>	--	<u>8.8</u>	--	<u>7.7</u>	--	<u>5.3</u>	Oct-13
Over/Under			-1.2		-5.0		-5.6		-1.8								-1.8	
Claren Road	3,175,350	0.1	-7.1	--	-9.0	--	-15.9	--	-10.3	--	--	--	--	--	--	--	-10.3	Jul-13
HFRI RV: Fixed Income-Corporate Index			<u>4.0</u>	--	<u>8.7</u>	--	<u>8.0</u>	--	<u>3.5</u>	--	<u>5.2</u>	--	<u>5.8</u>	--	<u>3.8</u>	--	<u>3.7</u>	Jul-13
Over/Under			-11.1		-17.7		-23.9		-13.8								-14.0	
HFRI RV: Fixed Income-Corporate Index			4.0	--	8.7	--	8.0	--	3.5	--	5.2	--	5.8	--	3.8	--	3.7	Jul-13

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Symphony	78,190,628	2.4	3.0	--	-2.3	--	-2.3	--	--	--	--	--	--	--	--	--	1.6	Feb-14
Barclays High Yield			<u>5.6</u>	--	<u>15.1</u>	--	<u>12.7</u>	--	<u>5.3</u>	--	<u>8.3</u>	--	<u>8.8</u>	--	<u>7.7</u>	--	<u>4.3</u>	Feb-14
Over/Under			-2.6		-17.4		-15.0										-2.7	
Emerging Market Debt Composite	175,506,360	5.4	3.6	42	12.5	80	13.2	79	2.3	62	--	--	--	--	--	--	-1.0	Jan-13
San Jose Custom EMD Benchmark			<u>3.2</u>	56	<u>15.9</u>	44	<u>16.6</u>	38	<u>2.5</u>	62	--	--	--	--	--	--	<u>-0.6</u>	Jan-13
Over/Under			0.4		-3.4		-3.4		-0.2								-0.4	
eA All Emg Mkts Fixed Inc Net Median			3.3		15.4		15.8		5.1		5.7		6.3		7.2		1.7	Jan-13
BlueBay	113,785,860	3.5	3.6	41	13.6	71	13.7	76	0.4	74	--	--	--	--	--	--	0.2	Aug-13
50% JPM EMBI GD + 50% JPM GBI EM GD			<u>3.1</u>	63	<u>12.8</u>	78	<u>13.5</u>	78	<u>1.8</u>	65	--	--	--	--	--	--	<u>1.7</u>	Aug-13
Over/Under			0.5		0.8		0.2		-1.4								-1.5	
eA All Emg Mkts Fixed Inc Net Median			3.3		15.4		15.8		5.1		5.7		6.3		7.2		4.8	Aug-13
Iguazu	61,720,500	1.9	3.6	42	10.4	91	12.2	87	--	--	--	--	--	--	--	--	8.2	Feb-14
JP Morgan Blended EMD Benchmark			<u>3.1</u>	63	<u>12.8</u>	78	<u>13.5</u>	78	<u>1.5</u>	66	--	--	--	--	--	--	<u>2.6</u>	Feb-14
Over/Under			0.5		-2.4		-1.3										5.6	
eA All Emg Mkts Fixed Inc Net Median			3.3		15.4		15.8		5.1		5.7		6.3		7.2		5.7	Feb-14
Total Private Debt Composite	245,394,978	7.5	4.0	--	3.1	--	6.1	--	--	--	--	--	--	--	--	--	6.1	Oct-15
S&P Global Leveraged Loan + 2%			<u>3.9</u>	--	<u>9.1</u>	--	<u>7.4</u>	--	--	--	--	--	--	--	--	--	<u>7.4</u>	Oct-15
Over/Under			0.1		-6.0		-1.3										-1.3	
Marathon	7,500,416	0.2	0.4	--	4.5	--	5.7	--	6.3	--	--	--	--	--	--	--	7.7	Oct-12
BofA Merrill Lynch Euro High Yield Constrained			<u>4.7</u>	--	<u>10.8</u>	--	<u>9.2</u>	--	<u>-0.6</u>	--	<u>6.8</u>	--	<u>5.2</u>	--	<u>6.5</u>	--	<u>3.9</u>	Oct-12
Over/Under			-4.3		-6.3		-3.5		6.9								3.8	
GSO	16,019,877	0.5	9.1	--	-4.1	--	-7.2	--	1.2	--	8.4	--	--	--	--	--	9.0	Dec-10
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>4.2</u>	--	<u>5.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>5.4</u>	Dec-10
Over/Under			7.7		-8.3		-12.8		-4.2		3.0						3.6	
Medley Capital	44,209,169	1.4	1.2	--	0.6	--	2.6	--	6.2	--	7.5	--	--	--	--	--	6.5	Mar-11
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>4.2</u>	--	<u>5.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>5.4</u>	Mar-11
Over/Under			-0.2		-3.6		-3.0		0.8		2.1						1.1	
White Oak	29,122,323	0.9	10.1	--	8.2	--	23.4	--	7.8	--	6.9	--	--	--	--	--	6.0	Nov-10
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>4.2</u>	--	<u>5.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>5.4</u>	Nov-10
Over/Under			8.7		4.0		17.8		2.4		1.5						0.6	
Cross Ocean	51,684,391	1.6	3.7	--	4.9	--	3.5	--	--	--	--	--	--	--	--	--	5.9	Apr-14
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>4.2</u>	--	<u>5.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>5.4</u>	Apr-14
Over/Under			2.3		0.7		-2.1										0.5	

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Cross Ocean II	15,663,251	0.5	5.4	--	--	--	--	--	--	--	--	--	--	--	--	--	5.4	May-16
3-Month LIBOR + 5%			1.4	--	4.2	--	5.6	--	5.4	--	5.4	--	5.4	--	6.4	--	2.4	May-16
Over/Under			4.0														3.0	
Park Square	42,420,323	1.3	4.2	--	2.4	--	3.0	--	--	--	--	--	--	--	--	--	2.0	Nov-14
3-Month LIBOR + 5%			1.4	--	4.2	--	5.6	--	5.4	--	5.4	--	5.4	--	6.3	--	5.5	Nov-14
Over/Under			2.8		-1.8		-2.6										-3.5	
Shoreline China Value III	21,275,227	0.7	-1.7	--	4.1	--	17.1	--	--	--	--	--	--	--	--	--	7.7	Jul-15
3-Month LIBOR + 5%			1.4	--	4.2	--	5.6	--	5.4	--	5.4	--	5.4	--	6.3	--	5.6	Jul-15
Over/Under			-3.1		-0.1		11.5										2.1	
Octagon CLO Debt Fund II	17,500,000	0.5																
Total Real Assets	512,013,383	15.7	0.2	--	6.5	--	6.7	--	--	--	--	--	--	--	--	--	1.2	Jul-15
Total Real Estate Composite	234,011,059	7.2	1.7	--	7.4	--	11.9	--	10.0	--	10.3	--	9.5	--	7.0	--	8.3	Jun-95
San Jose Custom Total Real Estate BM			2.5	--	7.9	--	11.5	--	8.7	--	--	--	--	--	--	--	--	Jun-95
Over/Under			-0.8		-0.5		0.4		1.3									
Total Real Estate Ex Russell Real Estate	185,191,702	5.7	1.5	53	7.8	19	12.8	12	11.5	71	--	--	--	--	--	--	12.1	Dec-12
San Jose Custom Real Estate Benchmark			2.1	10	7.8	19	11.8	24	11.9	54	12.1	52	10.4	74	5.9	20	12.5	Dec-12
Over/Under			-0.6		0.0		1.0		-0.4								-0.4	
InvestorForce Public DB Real Estate			1.5		6.3		9.9		12.0		12.2		12.3		5.0		12.2	Dec-12
Pub+Priv Net Median																		
Infrastructure	6,825,783	0.2	0.0	--	--	--	--	--	--	--	--	--	--	--	--	--	0.0	Jun-16
Dow Jones Brookfield Global Infrastructure Index			2.2	--	18.8	--	15.3	--	7.8	--	11.5	--	12.3	--	8.4	--	7.4	Jun-16
Over/Under			-2.2														-7.4	

Octagon CLO Debt Fund II funded as of 9/15/2016.

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NEPC, LLC

September 30, 2016

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Liquid Real Assets Composite	271,176,541	8.3	-1.0	--	5.7	--	1.5	--	-7.9	--	-7.3	--	--	--	--	--	-8.5	Apr-11
San Jose Custom Liquid Real Assets			-2.0	--	5.1	--	-0.2	--	-4.8	--	-4.4	--	--	--	--	--	-6.0	Apr-11
Benchmark																		
Over/Under			1.0		0.6		1.7		-3.1		-2.9						-2.5	
Multi-Asset Real Assets Composite	74,632,493	2.3	3.8	--	18.7	--	13.3	--	--	--	--	--	--	--	--	--	-6.6	Nov-13
CPI + 5% (Unadjusted)			1.4	--	5.9	--	6.5	--	6.1	--	6.3	--	6.7	--	6.8	--	6.2	Nov-13
Over/Under			2.4		12.8		6.8										-12.8	
Wellington	74,632,493	2.3	3.8	--	18.7	--	13.3	--	--	--	--	--	--	--	--	--	-6.6	Nov-13
CPI + 5% (Unadjusted)			1.4	--	5.9	--	6.5	--	6.1	--	6.3	--	6.7	--	6.8	--	6.2	Nov-13
Over/Under			2.4		12.8		6.8										-12.8	
Commodities Composite	196,544,048	6.0	-2.8	--	1.1	--	-2.7	--	-8.4	--	-7.6	--	--	--	--	--	-8.8	Apr-11
Custom Commodity Risk Parity Index			-3.5	--	4.7	--	-3.1	--	-9.2	--	-7.1	--	--	--	--	--	-8.4	Apr-11
Over/Under			0.7		-3.6		0.4		0.8		-0.5						-0.4	
Bloomberg Commodity Index			-3.9	--	8.9	--	-2.6	--	-12.3	--	-9.4	--	-5.5	--	-5.3	--	-11.7	Apr-11
Credit Suisse	132,853,473	4.1	-3.3	--	5.6	--	-2.2	--	-9.0	--	-6.9	--	--	--	--	--	-8.3	Apr-11
Custom Commodity Risk Parity Index			-3.5	--	4.7	--	-3.1	--	-9.2	--	-7.1	--	--	--	--	--	-8.4	Apr-11
Over/Under			0.2		0.9		0.9		0.2		0.2						0.1	
Bloomberg Commodity Index			-3.9	--	8.9	--	-2.6	--	-12.3	--	-9.4	--	-5.5	--	-5.3	--	-11.7	Apr-11
Pinnacle Natural Resources	63,690,575	2.0	-1.8	--	-5.4	--	-3.3	--	--	--	--	--	--	--	--	--	-1.7	Aug-15
Bloomberg Commodity Index			-3.9	--	8.9	--	-2.6	--	-12.3	--	-9.4	--	-5.5	--	-5.3	--	-5.8	Aug-15
Over/Under			2.1		-14.3		-0.7										4.1	

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



NEPC, LLC

September 30, 2016

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Absolute Return Composite	247,673,507	7.6	0.4	--	0.5	--	0.5	--	2.3	--	--	--	--	--	--	--	2.2	Nov-12
<i>San Jose Custom Absolute Return Benchmark</i>			<u>-1.0</u>	--	<u>1.7</u>	--	<u>1.6</u>	--	<u>1.9</u>	--	--	--	--	--	--	--	<u>2.3</u>	Nov-12
Over/Under			1.4		-1.2		-1.1		0.4								-0.1	
<i>Absolute Return ex-Interim Benchmark</i>			-1.0	--	1.7	--	1.5	--	2.5	--	3.4	--	2.6	--	1.9	--	3.6	Nov-12
Total Absolute Return Composite ex-Interim	247,673,507	7.6	0.4	--	0.5	--	0.4	--	3.4	--	--	--	--	--	--	--	3.8	Nov-12
<i>Absolute Return ex-Interim Benchmark</i>			<u>-1.0</u>	--	<u>1.7</u>	--	<u>1.5</u>	--	<u>2.5</u>	--	<u>3.4</u>	--	<u>2.6</u>	--	<u>1.9</u>	--	<u>3.6</u>	Nov-12
Over/Under			1.4		-1.2		-1.1		0.9								0.2	
3-Month LIBOR + 5%			1.4	--	4.2	--	5.6	--	5.4	--	5.4	--	5.4	--	6.4	--	5.4	Nov-12
Macro Composite	142,694,045	4.4	-1.1	--	-0.5	--	-2.2	--	--	--	--	--	--	--	--	--	0.7	Jul-15
BlueTrend	17,975,822	0.6	-7.1	--	-7.1	--	-9.3	--	2.9	--	--	--	--	--	--	--	-2.6	Apr-13
<i>Barclay BTOP50 Index</i>			<u>-2.4</u>	--	<u>-1.9</u>	--	<u>-1.9</u>	--	<u>4.2</u>	--	<u>1.2</u>	--	<u>1.1</u>	--	<u>3.1</u>	--	<u>2.3</u>	Apr-13
Over/Under			-4.7		-5.2		-7.4		-1.3								-4.9	
Brevan Howard Limited	19,983,574	0.6	-1.7	--	-2.5	--	-4.6	--	--	--	--	--	--	--	--	--	-4.6	Jul-15
<i>HFRI Macro (Total) Index</i>			<u>-1.0</u>	--	<u>1.7</u>	--	<u>1.5</u>	--	<u>2.6</u>	--	<u>0.7</u>	--	<u>1.3</u>	--	<u>3.4</u>	--	<u>0.6</u>	Jul-15
Over/Under			-0.7		-4.2		-6.1										-5.2	
Dymon Asia	24,902,060	0.8	-1.5	--	0.4	--	-0.4	--	--	--	--	--	--	--	--	--	-0.5	Sep-15
<i>HFRI Macro (Total) Index</i>			<u>-1.0</u>	--	<u>1.7</u>	--	<u>1.5</u>	--	<u>2.6</u>	--	<u>0.7</u>	--	<u>1.3</u>	--	<u>3.4</u>	--	<u>1.4</u>	Sep-15
Over/Under			-0.5		-1.3		-1.9										-1.9	
Kepos	19,040,518	0.6	-0.9	--	-1.0	--	-3.1	--	3.9	--	--	--	--	--	--	--	1.2	Mar-13
<i>HFRI Macro: Systematic Diversified Index</i>			<u>-2.8</u>	--	<u>1.0</u>	--	<u>-0.1</u>	--	<u>3.9</u>	--	<u>0.3</u>	--	<u>1.4</u>	--	<u>4.5</u>	--	<u>2.1</u>	Mar-13
Over/Under			1.9		-2.0		-3.0		0.0								-0.9	
MKP Opportunity Fund	9,552,621	0.3	-0.4	--	-2.4	--	-4.8	--	--	--	--	--	--	--	--	--	-5.5	Jul-15
<i>HFRI Macro (Total) Index</i>			<u>-1.0</u>	--	<u>1.7</u>	--	<u>1.5</u>	--	<u>2.6</u>	--	<u>0.7</u>	--	<u>1.3</u>	--	<u>3.4</u>	--	<u>0.6</u>	Jul-15
Over/Under			0.6		-4.1		-6.3										-6.1	
Wadhvani	19,590,000	0.6	0.6	--	-2.1	--	--	--	--	--	--	--	--	--	--	--	-2.1	Jan-16
<i>Barclay BTOP50 Index</i>			<u>-2.4</u>	--	<u>-1.9</u>	--	<u>-1.9</u>	--	<u>4.2</u>	--	<u>1.2</u>	--	<u>1.1</u>	--	<u>3.1</u>	--	<u>-1.9</u>	Jan-16
Over/Under			3.0		-0.2												-0.2	
Pharo Management	21,541,650	0.7	2.5	--	--	--	--	--	--	--	--	--	--	--	--	--	7.7	Apr-16
<i>HFRI Macro (Total) Index</i>			<u>-1.0</u>	--	<u>1.7</u>	--	<u>1.5</u>	--	<u>2.6</u>	--	<u>0.7</u>	--	<u>1.3</u>	--	<u>3.4</u>	--	<u>0.1</u>	Apr-16
Over/Under			3.5														7.6	

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
AHL Partners	10,107,800	0.3	1.1	--	--	--	--	--	--	--	--	--	--	--	--	--	1.1	Jul-16
Barclay BTOP50 Index			<u>-2.4</u>	--	<u>-1.9</u>	--	<u>-1.9</u>	--	<u>4.2</u>	--	<u>1.2</u>	--	<u>1.1</u>	--	<u>3.1</u>	--	<u>-2.4</u>	Jul-16
Over/Under			3.5														3.5	
Relative Value Composite	104,979,462	3.2	2.7	--	2.9	--	4.0	--	--	--	--	--	--	--	--	--	2.1	Jul-15
Arrowgrass	24,603,837	0.8	1.9	--	0.6	--	2.8	--	4.2	--	--	--	--	--	--	--	5.4	Nov-12
HFRI Relative Value (Total) Index			<u>3.0</u>	--	<u>5.7</u>	--	<u>5.5</u>	--	<u>3.9</u>	--	<u>5.6</u>	--	<u>6.0</u>	--	<u>5.4</u>	--	<u>4.6</u>	Nov-12
Over/Under			-1.1		-5.1		-2.7		0.3								0.8	
DE Shaw	38,005,343	1.2	4.5	--	7.9	--	12.3	--	13.9	--	--	--	--	--	--	--	13.3	Apr-13
HFRI Fund Weighted Composite Index			<u>3.0</u>	--	<u>4.2</u>	--	<u>5.0</u>	--	<u>3.2</u>	--	<u>4.4</u>	--	<u>4.0</u>	--	<u>3.8</u>	--	<u>3.2</u>	Apr-13
Over/Under			1.5		3.7		7.3		10.7								10.1	
Hudson Bay	10,243,799	0.3	0.8	--	2.3	--	0.4	--	0.8	--	--	--	--	--	--	--	0.7	Jul-13
HFRI Relative Value (Total) Index			<u>3.0</u>	--	<u>5.7</u>	--	<u>5.5</u>	--	<u>3.9</u>	--	<u>5.6</u>	--	<u>6.0</u>	--	<u>5.4</u>	--	<u>4.1</u>	Jul-13
Over/Under			-2.2		-3.4		-5.1		-3.1								-3.4	
Pine River	22,126,483	0.7	2.1	--	-1.3	--	-2.4	--	0.3	--	--	--	--	--	--	--	2.7	Jan-13
HFRI Relative Value (Total) Index			<u>3.0</u>	--	<u>5.7</u>	--	<u>5.5</u>	--	<u>3.9</u>	--	<u>5.6</u>	--	<u>6.0</u>	--	<u>5.4</u>	--	<u>4.4</u>	Jan-13
Over/Under			-0.9		-7.0		-7.9		-3.6								-1.7	
JD Capital	10,000,000	0.3																

JD Capital funded as of 9/30/2016.

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



NEPC, LLC

September 30, 2016

City of San Jose Police and Fire Department Retirement Plan

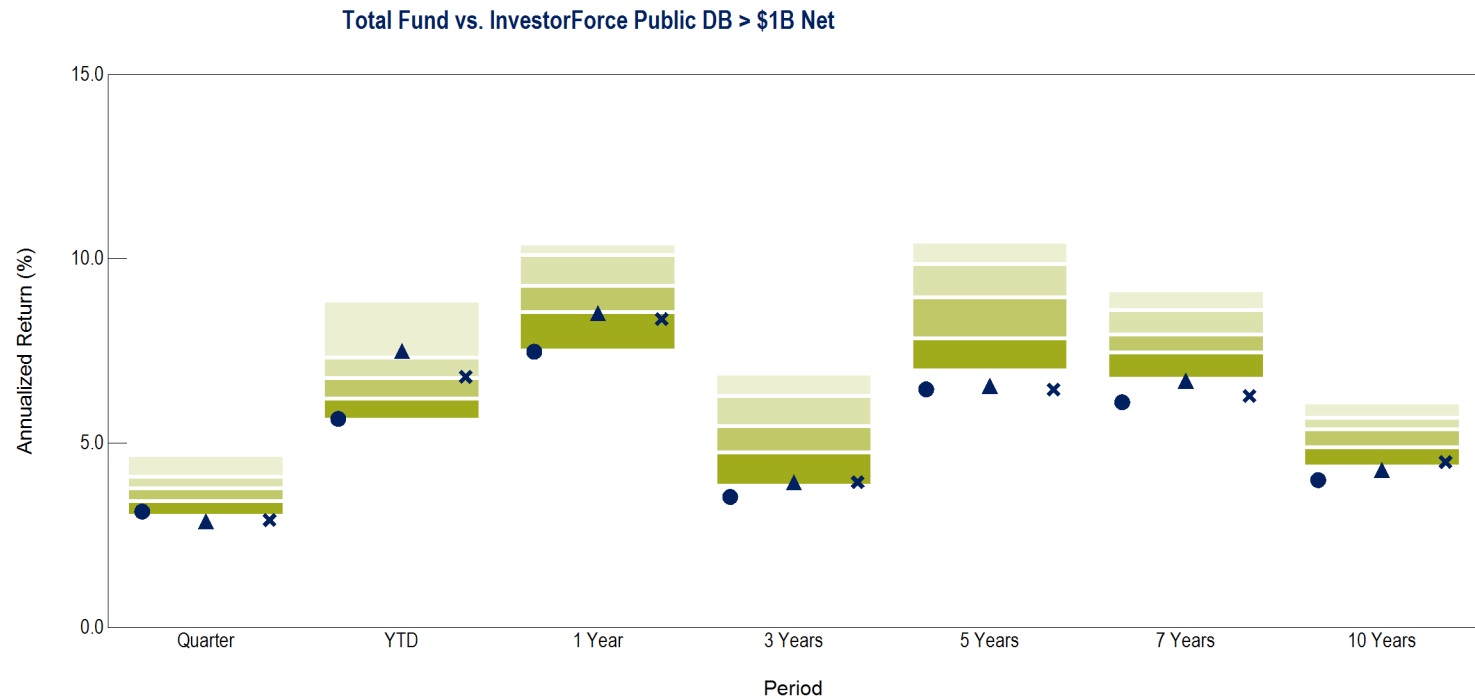
Total Fund

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total GAA Composite	290,924,820	8.9	2.5	75	4.1	85	4.7	94	1.2	98	--	--	--	--	--	--	1.7	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>3.0</u>	65	<u>7.9</u>	60	<u>11.0</u>	30	<u>4.4</u>	8	<u>7.3</u>	1	<u>6.0</u>	76	<u>4.7</u>	50	<u>5.9</u>	Jan-13
Over/Under			-0.5		-3.8		-6.3		-3.2								-4.2	
InvestorForce Public DB Global Tactical Net Median			3.8		9.1		9.9		3.0		5.8		6.7		4.7		2.8	Jan-13
GAA ex-Iterim	290,924,820	8.9	2.5	77	4.1	90	4.7	96	1.2	99	--	--	--	--	--	--	1.0	Jan-13
InvestorForce Public DB Global Tactical Gross Median			3.9		9.7		10.5		3.4		6.5		7.2		5.2		3.4	Jan-13
GMO	87,891,256	2.7	3.5	34	4.6	67	6.2	69	1.6	79	--	--	--	--	--	--	2.6	Feb-13
CPI + 5% (Seasonally Adjusted)			<u>1.7</u>	65	<u>5.0</u>	60	<u>6.4</u>	67	<u>6.0</u>	8	<u>6.3</u>	42	<u>6.6</u>	28	<u>6.8</u>	5	<u>6.1</u>	Feb-13
Over/Under			1.8		-0.4		-0.2		-4.4								-3.5	
60% MSCI World (Net) / 40% CITI WGBI			3.0	40	7.9	28	11.0	17	4.4	27	7.3	30	6.0	36	4.7	67	5.3	Feb-13
eA Global TAA Net Median			2.6		5.9		8.1		3.2		5.6		5.0		5.0		2.9	Feb-13
PIMCO	96,482,729	3.0	3.9	25	14.7	1	13.2	7	-0.7	91	--	--	--	--	--	--	-1.9	Feb-13
CPI + 6.5% (Seasonally Adjusted)			<u>2.0</u>	60	<u>6.1</u>	49	<u>7.9</u>	53	<u>7.6</u>	5	<u>7.8</u>	27	<u>8.2</u>	8	<u>8.3</u>	1	<u>7.7</u>	Feb-13
Over/Under			1.9		8.6		5.3		-8.3								-9.6	
60% MSCI World (Net) / 40% CITI WGBI			3.0	40	7.9	28	11.0	17	4.4	27	7.3	30	6.0	36	4.7	67	5.3	Feb-13
eA Global TAA Net Median			2.6		5.9		8.1		3.2		5.6		5.0		5.0		2.9	Feb-13
Standard Life	106,550,836	3.3	0.5	87	-3.5	97	-2.4	94	2.3	63	--	--	--	--	--	--	2.3	Feb-13
91 Day T-Bill + 5%			<u>1.3</u>	69	<u>3.9</u>	68	<u>5.2</u>	74	<u>5.1</u>	16	<u>5.1</u>	56	<u>5.1</u>	48	<u>5.8</u>	21	<u>5.1</u>	Feb-13
Over/Under			-0.8		-7.4		-7.6		-2.8								-2.8	
60% MSCI World (Net) / 40% CITI WGBI			3.0	40	7.9	28	11.0	17	4.4	27	7.3	30	6.0	36	4.7	67	5.3	Feb-13
eA Global TAA Net Median			2.6		5.9		8.1		3.2		5.6		5.0		5.0		2.9	Feb-13
Cash																		
Cash	172,783,420	5.3	0.1	--	0.1	--	0.1	--	0.0	--	0.1	--	0.5	--	--	--	0.8	Apr-08
91 Day T-Bills			<u>0.1</u>	--	<u>0.2</u>	--	<u>0.2</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.8</u>	--	<u>0.2</u>	Apr-08
Over/Under			0.0		-0.1		-0.1		-0.1		0.0		0.4				0.6	

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

City of San Jose Police and Fire Department Retirement Plan

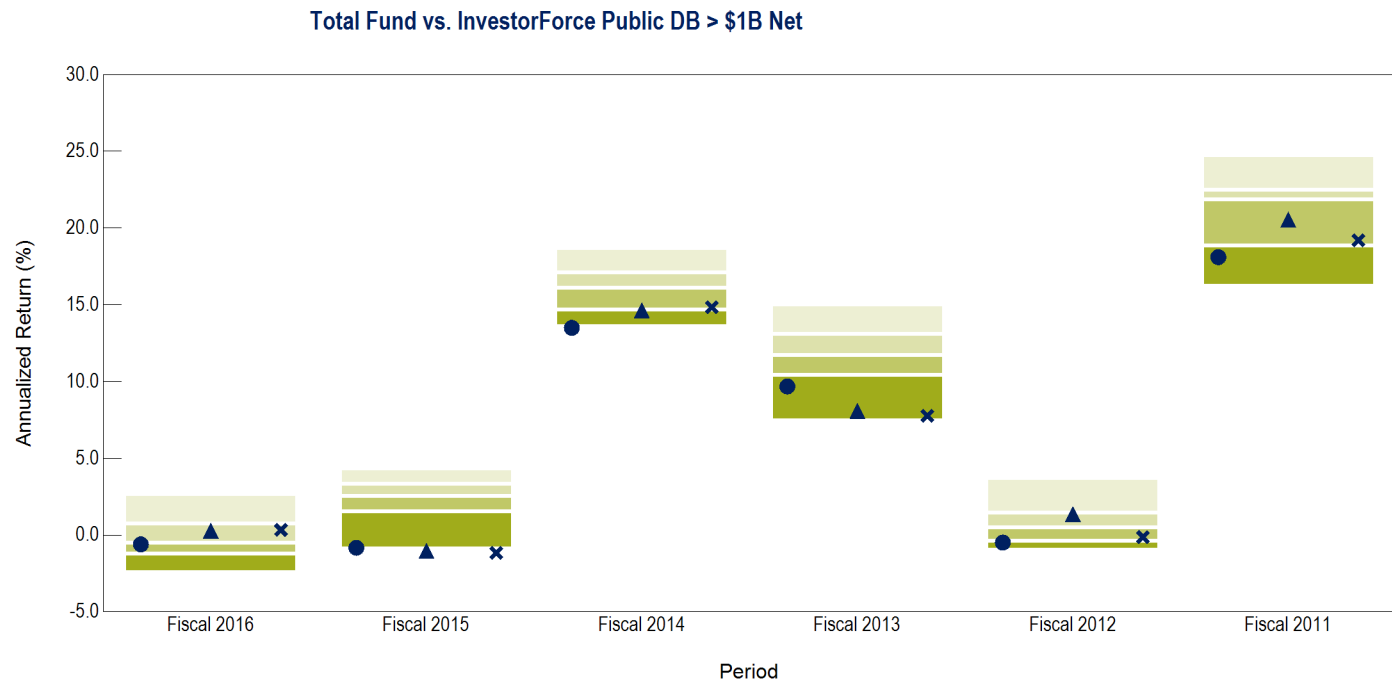
Total Fund Return Summary vs. Peer Universe



	Return (Rank)						
5th Percentile	4.7	8.9	10.4	6.9	10.5	9.1	6.1
25th Percentile	4.1	7.3	10.1	6.3	9.9	8.6	5.7
Median	3.8	6.8	9.3	5.5	9.0	8.0	5.4
75th Percentile	3.4	6.2	8.6	4.8	7.8	7.5	4.9
95th Percentile	3.0	5.7	7.5	3.9	7.0	6.8	4.4
# of Portfolios	45	45	45	43	43	42	38
● Total Fund	3.1 (88)	5.7 (95)	7.5 (97)	3.5 (98)	6.5 (98)	6.1 (98)	4.0 (98)
▲ Policy Benchmark	2.9 (96)	7.5 (21)	8.5 (78)	3.9 (95)	6.6 (98)	6.7 (96)	4.3 (98)
✕ Allocation Index	2.9 (96)	6.8 (49)	8.4 (80)	3.9 (95)	6.5 (98)	6.3 (97)	4.5 (88)

City of San Jose Police and Fire Department Retirement Plan

Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	2.7		4.3		18.7		15.0		3.7		24.7	
25th Percentile	0.8		3.3		17.2		13.1		1.5		22.5	
Median	-0.5		2.6		16.1		11.8		0.5		21.9	
75th Percentile	-1.2		1.6		14.7		10.5		-0.3		18.9	
95th Percentile	-2.4		-0.9		13.6		7.5		-0.9		16.3	
# of Portfolios	55		53		43		56		41		42	
● Total Fund	-0.6	(54)	-0.8	(95)	13.5	(98)	9.7	(83)	-0.5	(85)	18.1	(86)
▲ Policy Benchmark	0.3	(38)	-1.0	(98)	14.6	(76)	8.1	(92)	1.3	(27)	20.5	(57)
✕ Allocation Index	0.3	(37)	-1.2	(99)	14.8	(74)	7.8	(93)	-0.1	(75)	19.2	(66)

Manager Due Diligence

City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

The items below summarize the recent quarter's performance and any changes or announcements from the Plan's managers/products. A "-" indicates there were no material announcements. A "Yes" indicates there was an announcement and a brief summary is provided on the following pages. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determine if any action should be taken (by NEPC and/or by our clients). Events are rated: No Action, Watch, Hold, Client Review or Terminate. NEPC's recommendation in view of the recent quarter's developments (performance, manager events, and any of the longer-term trending data) is refreshed quarterly.

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Russell Overlay	N/A	-	Watch	No Action	Watch Status from Q2 2014
Artisan Global Opps	Top Decile	-	-	-	
Artisan Global Value	Top Quartile	-	-	-	
NT Russell 1000 Index	-	-	-	-	
RBC Small Cap	Top Quartile	-	-	-	
NT MSCI World ex-U.S. Index	-	-	-	-	
Oberweis International Opportunities	Bottom Decile	-	-	-	
Aberdeen Frontier Markets Equity	Bottom Decile	-	-	-	
Dimensional Fund Advisors	Top Quartile	-	-	-	
NT Russell 3000 Index Fund	-	-	-	-	
57 Stars Global Opportunity Fund 3	N/A	-	-	-	
Crescent Mezzanine Partners (Fund V; Fund VI)	N/A	-	-	-	
HarbourVest Partners (Fund VII - 2005 Buyout; VIII Venture; VIII Buyout)	N/A	-	-	-	
Pantheon USA Fund VI	N/A	-	-	-	
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Sits)	N/A	-	-	-	
Siguler Guff Distressed Opportunities Fund III	N/A	-	-	-	
TPG Opportunities Partners (Fund II; Fund III)	N/A	-	-	-	
Warburg Pincus Private Equity XI	N/A	-	-	-	



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Colchester Global Fixed Income	-	-	-	-	
Franklin Templeton Global Multi-Sector Plus	-	-	-	-	
Beach Point Total Return Fund	-	-	-	-	
Voya	-	-	-	-	
Symphony L/S Credit Fund	-	-	-	-	
Marathon European Credit Opportunity Fund	N/A	-	-	-	
GSO Direct Lending Fund	N/A	-	-	-	
Medley Opportunity Fund II	N/A	-	-	-	
White Oak Direct Lending Fund	N/A	-	-	-	
Cross Ocean	N/A	-	-	-	
Park Square Credit Opportunities Fund II	N/A	-	-	-	
Shoreline China Value III	N/A	-	-	-	Key-Person Event Q2 2016
BlueBay Emerging Market Select Debt	-	-	-	-	Watch Status from Q1 2016
Iguazu Partners	-	-	-	-	
Credit Suisse Risk Parity Commodity Fund	N/A	-	-	-	
Wellington Diversified Inflation Hedges	N/A	-	Watch	No Action	
Pinnacle Natural Resources	N/A	-	-	-	
Russell Real Estate	N/A	-	Watch	No Action	Watch Status from Q2 2014
American Realty Separate Account	N/A	-	-	-	
American Realty Core Fund	N/A	-	-	-	
Blackstone Real Estate Debt Strategies II	N/A	-	-	-	
Brookfield Strategic Real Estate Partners	N/A	-	-	-	
Orion European Real Estate Fund IV	N/A	-	-	-	
TA Realty Fund X	N/A	-	-	-	
Tristan EPISO 3	N/A	-	-	-	



NEPC, LLC

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City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Och-Ziff Real Estate Fund III	N/A	Yes	Hold	-	Hold Status
Brookfield Infrastructure Partners	N/A	-	-	-	
GMO Benchmark-Free Allocation	N/A	-	Hold	No Action	
PIMCO All Asset All Authority	N/A	Yes	No Action	No Action	
Standard Life Global Absolute Return Strategy (GTAA)	N/A	-	-	-	
Industry Ventures III	N/A	-	-	-	
CCMP Capital Investors III	N/A	-	-	-	
D.E. Shaw & Co., L.P.	N/A	-	-	-	
Marshall Wace Eureka Fund	N/A	-	Hold	No Action	
Horizon Portfolio I	N/A	-	-	-	
Sandler Plus Offshore Fund	N/A	-	-	-	
Senator Global Opp Offshore Fund	N/A	-	-	-	
Claren Road	N/A	-	-	-	
Davidson Kempner	N/A	-	-	-	

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



Due Diligence Commentary

Och-Ziff

On September 29, Och-Ziff formally reached an agreement with both the SEC and the Department of Justice (DoJ) to resolve the long-standing investigation into its investment activities in Africa and investment from the Libyan Investment Authority in relation to any possible Foreign Corrupt Practices Act violations. OZ Africa pleaded guilty to a one-count criminal information filed today and assigned to U.S. District Judge Nicholas G. Garaufis of the Eastern District of New York, charging the company with a conspiracy to violate the anti-bribery provisions of the FCPA. Sentencing has been scheduled for March 29, 2017. NEPC recommends the Firm be placed on Hold until we are able to fully process the depth of released materials and have a formal discussion with the Firm.

NEPC has focused on the following key issues which resulted in the settlements as well as forward-looking risks that have arisen as a result of the investigation:

- **Poor oversight and internal controls:** While much of the illegal activity has been attributed to two ex-employees without the expressed knowledge of the Firm or any current employees, the SEC and DoJ reports showcase a troublesome lack of oversight by senior personnel at the Firm. The reports walk through a number of situations in which due diligence was lacking throughout the investment process for the activities in Africa; both decisions to ignore red flags raised during initial review of prospective investments/partnerships and limited follow-up on investments to ensure the capital was utilized as intended.
- **Regulatory overhang:** In addition to the financial settlement, Och-Ziff is under a Deferred Prosecution Agreement which will be removed after three years with no further wrongdoing. As part of the agreement, Och-Ziff will maintain an independent monitor during the period. It is currently unclear what potential actions may trigger the DPA.
- **Pressure on assets under management:** Assets under management for the OZ Master Fund peaked in mid-2014. Since then, assets have been on a steady decline as the Firm has faced uncertainty with regard to the investigation as well as challenged performance for the Fund. Assets have declined from \$27.1 billion as of 7/1/2014 to \$17.6 billion as of 10/1/2016 (a decline of 35%). We expect this pressure to continue in the near term.
- **Litigation risk:** Och-Ziff has a pending class action lawsuit raised by public equity holders that has resulted from the investigation. The suit is related to the public disclosure of the investigation in March 2014 while being known to the Firm since 2011. While currently not open, the potential for issues to be raised by fund LPs exists.
- **Other open issues:** As a result of the settlements, Och-Ziff must amend its securities offering process or seek waivers from the SEC and Department of Labor. As of today, Och-Ziff has not sought a waiver from the SEC that would allow it to continue to issue securities through Reg-D. It will now need to utilize Reg-S and Section 4(a)(2) which requires additional steps to be taken at the state level and potentially changes the way it can raise capital from individuals. Additionally, the Firm needs to seek a waiver from the Department of Labor to maintain a QPAM status. Currently only 1% of assets require QPAM status, principally in separate accounts.
- **Headline risk:** It has been described that there remains an open investigation into the two former employees and business partners. Och-Ziff will likely remain in the headlines as these investigations unfold.

NEPC recommends a due diligence status of **Hold** at this time.

PIMCO

PIMCO announced that Emmanuel (Manny) Roman current CEO of Man Group PLC is joining them as their 5th CEO come November 1st. Doug Hodge will stay on as a Senior Advisor at least till the end of 2017. NEPC is comfortable that this transition is orderly and well planned. Manny is a well-respected CEO and has a solid track record at Man Group where he had taken the reigns since 2013. He has a broad background in both sell-side, buy-side, fixed income and equities. PIMCO in particular highlighted his skills and experience in acquisitions, and with public/client facing roles. Doug Hodge was tasked with managing the firm through the Bill Gross transition and now that the firm has stabilized PIMCO is ready for new leadership.

PIMCO started this process with a strategic review end of 2015. They decided on the need to hire a senior level executive, originally to fill the Head of Strategic Initiatives role. When they formally engaged an executive search firm to kick things off they were surprised at the amount and caliber of candidates they received (75 high profiles, mostly CEO level). Post Mohammed and Bill's departures they wanted someone internal who knew the business and their clients to help navigate tough waters and defend clients and assets. Two and a half years later PIMCO feels that they have stabilized and hence want to go on the offense pushing forward.

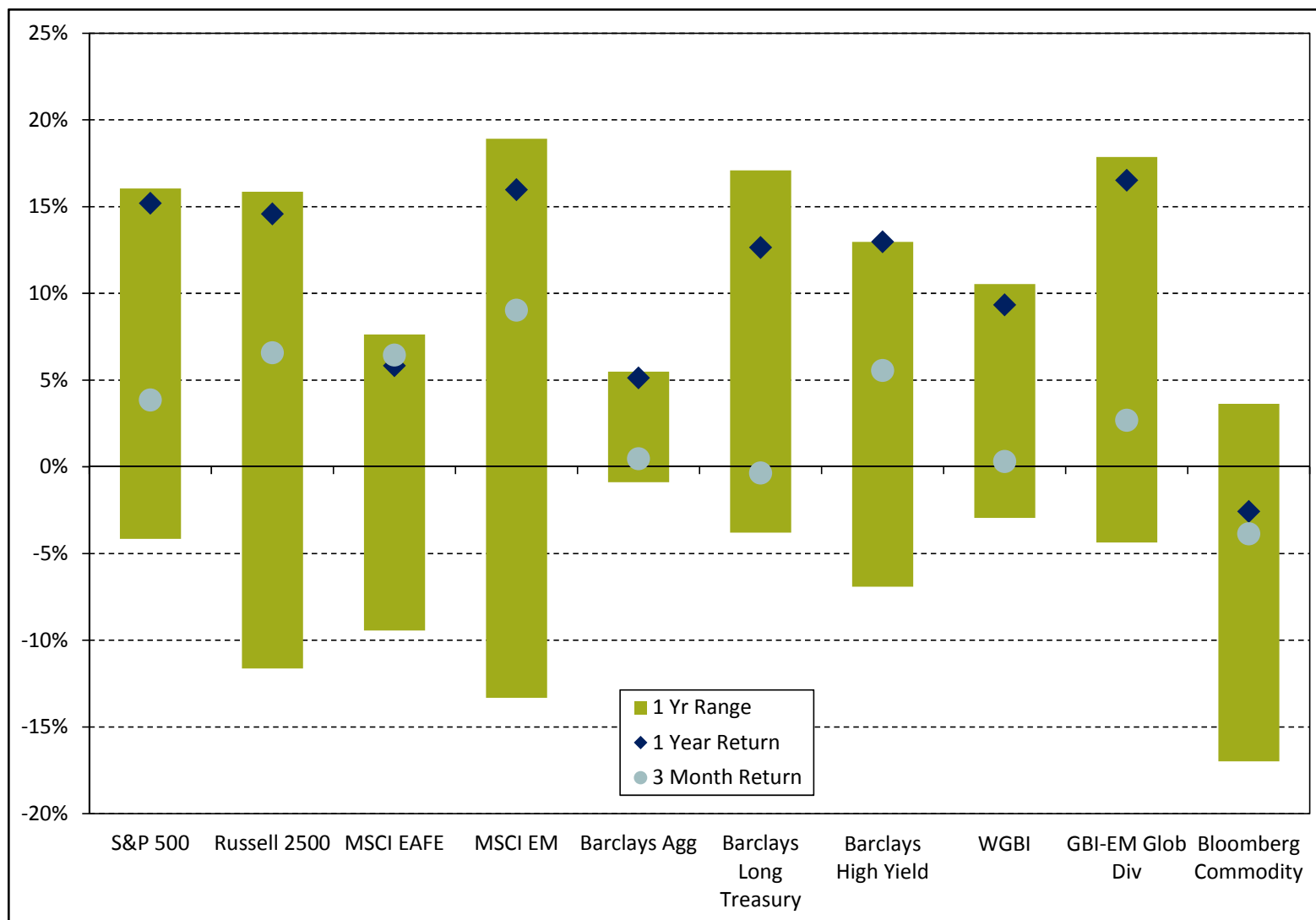
PIMCO released the outcomes of its recent severance package offering. Out of 93 individual proposals made, 25 were accepted. Of the 25 acceptances, only one was by a portfolio manager and one other was a client facing person. The Portfolio Manager (PM) who accepted the offer worked on the insurance desk and will be replaced. Natural attrition for PIMCO is 10% historically. NEPC believes that this result is a positive outcome for PIMCO. In addition, since the announcement, the PM on the only pure equity strategy left at PIMCO has resigned.

PIMCO recently updated the prospectus for their All Asset suite of products and made two adjustments. The first was to add CIO, Chris Brightman as co-PM alongside Rob Arnott. This does not represent a change in responsibility or roles but is a reflection of the work Mr. Brightman brings to the products. As a reminder, Chris Brightman is the CIO of Research Affiliates and broadly oversees the asset allocation models that serve as the foundation for the All Asset suite of products. We have no concern with this change. The second prospectus change involves increasing the maximum weight for international equity in the All Asset All Authority Fund. The maximum weight for international equity in the All Authority Fund will shift from 33% to 50% and brings the guideline in-line with what is currently in place for the All Asset Fund. We have no concerns with this change as well and do not expect the equity allocations to approach these maximum weights.

NEPC recommends a **No Action** due diligence rating.

Appendix: Market Environment

Near Term Broad Market Performance Summary as of 09/30/2016



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan
 *1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

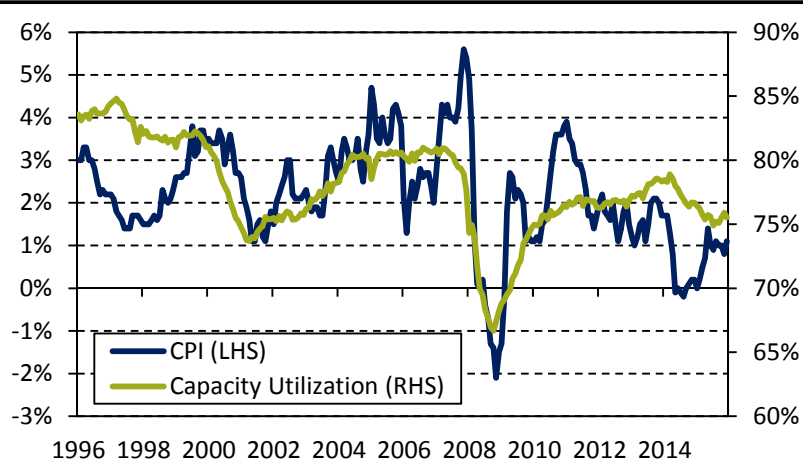
Long Term Broad Market Performance Summary as of 09/30/2016



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan

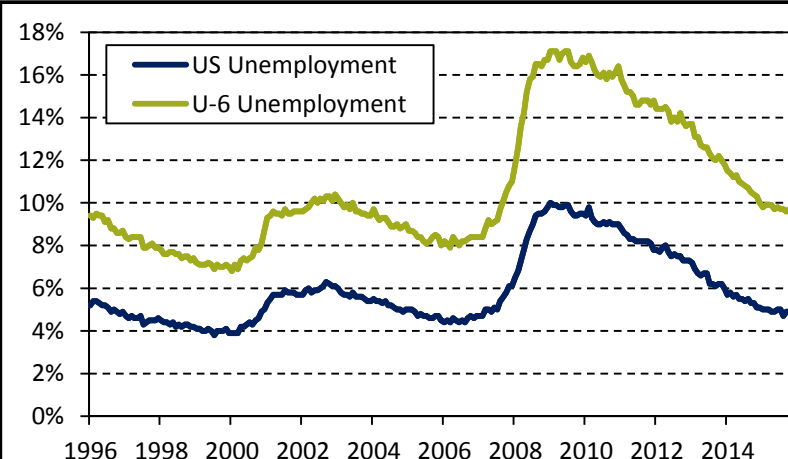
US Economic Indicators

Inflation experiences slight uptick



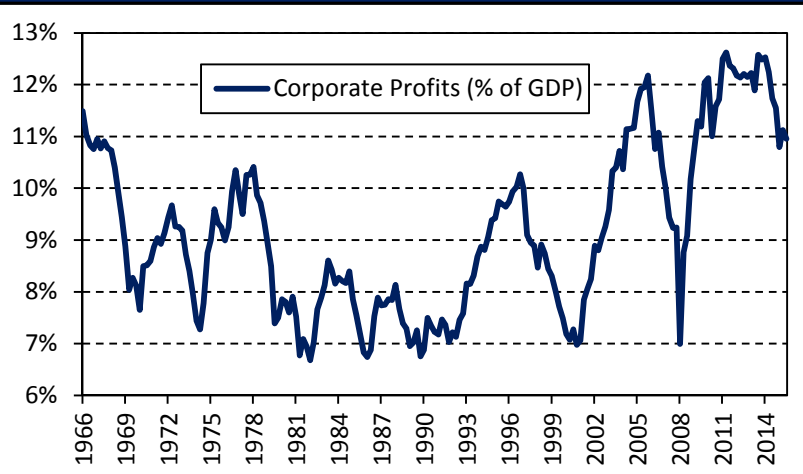
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment remains steady



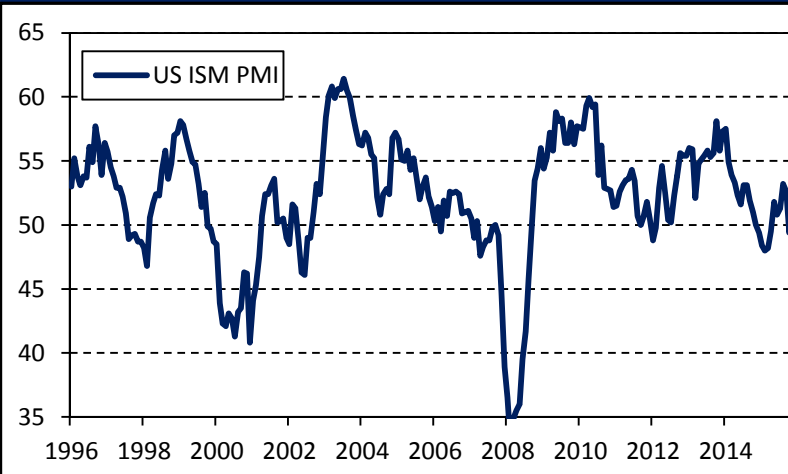
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits continue to decline



Source: Bloomberg, Bureau of Economic Analysis

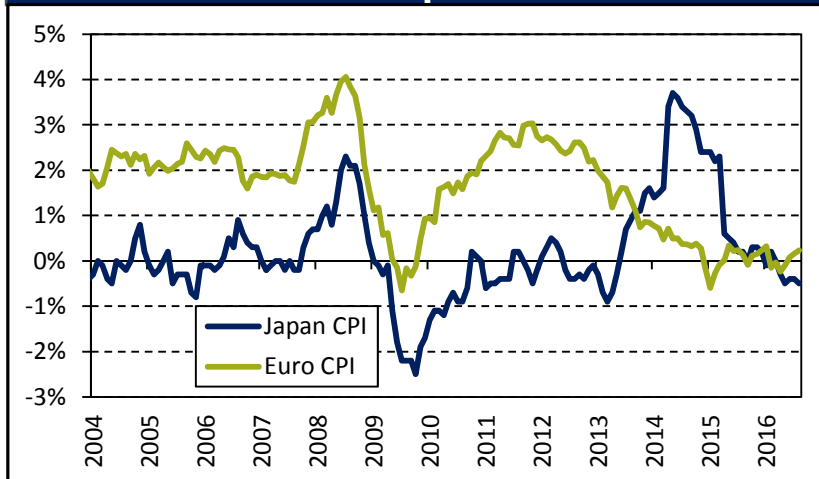
Manufacturing is relatively neutral



Source: Bloomberg, Institute for Supply Management

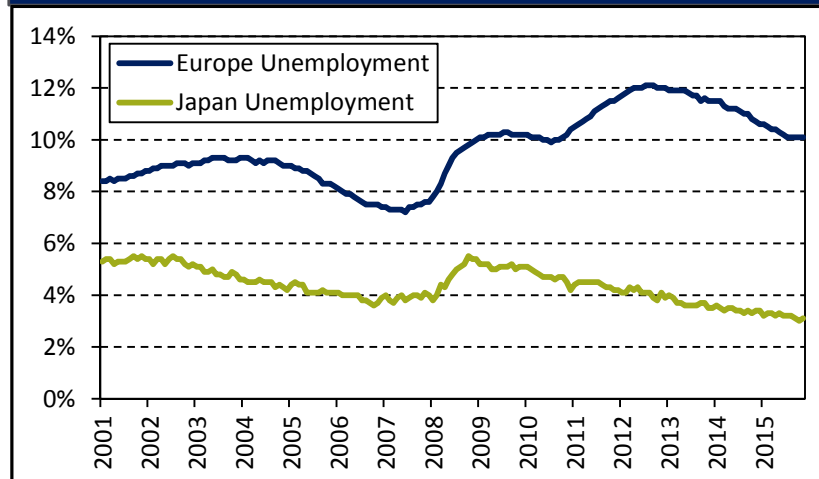
International Economic Indicators

Inflation in Europe experiences a slight uptick



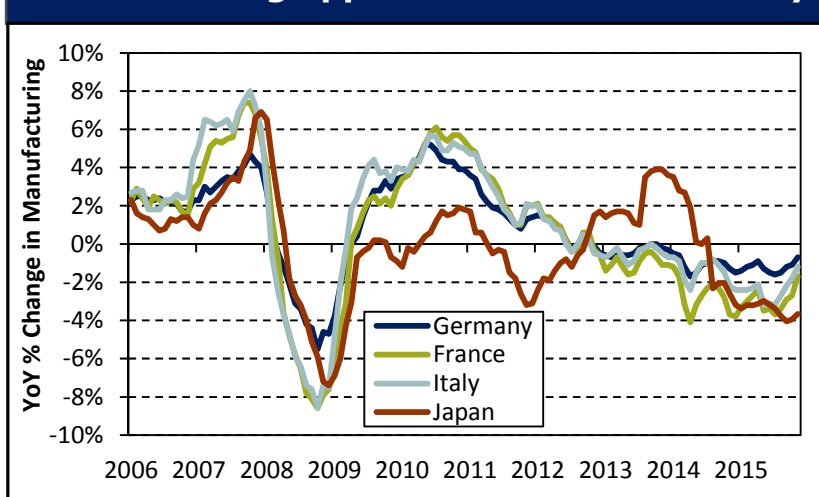
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe unemployment trending lower



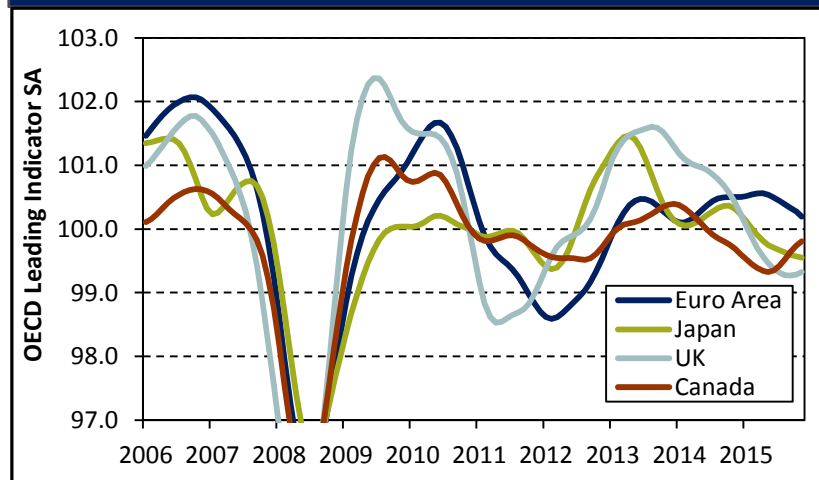
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing approaches neutral territory



Source: Bloomberg, OECD, Eurostat

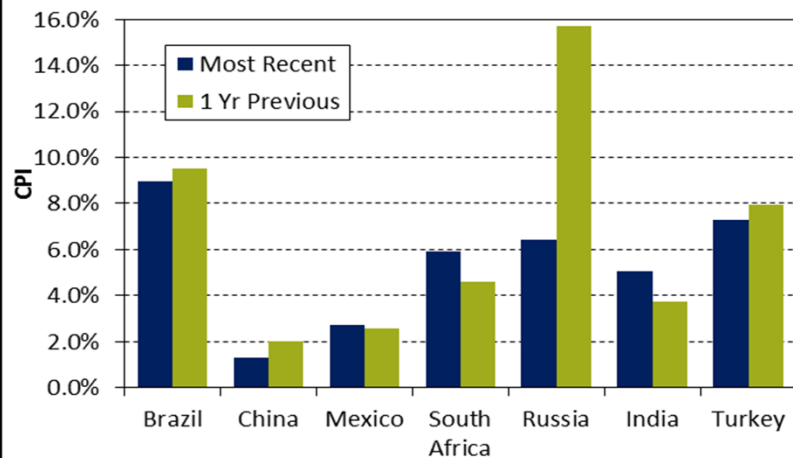
Euro Area and Japan leading indicators have declined



Source: Bloomberg, OECD

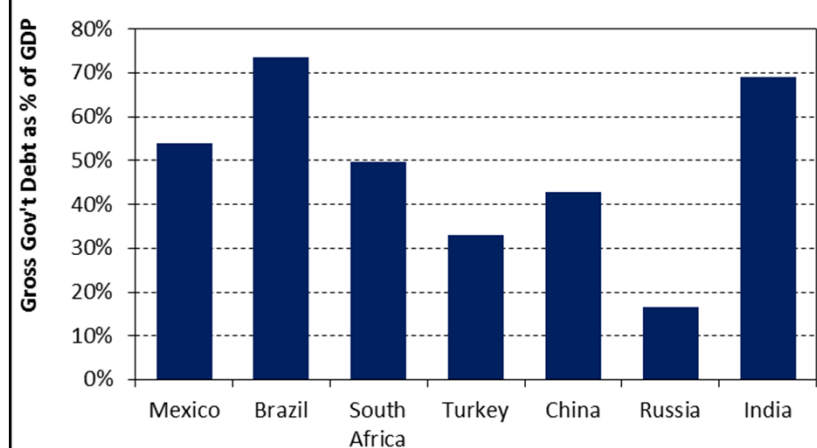
Emerging Market Economic Indicators

EM inflation varies by country



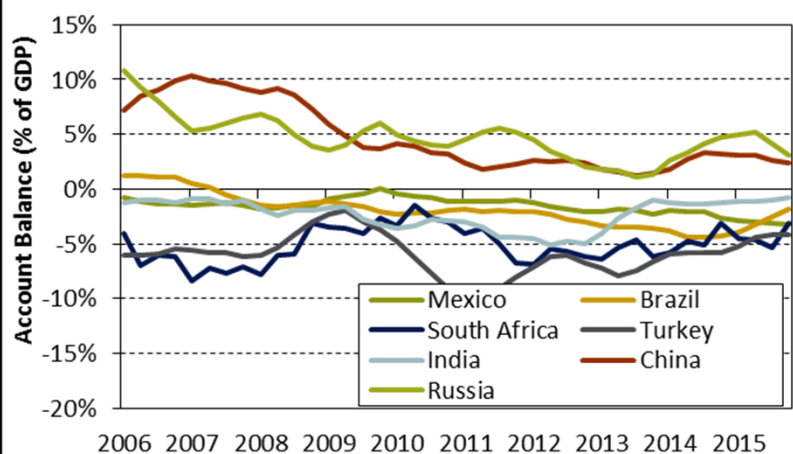
Source: Bloomberg

Relatively healthy Debt/GDP ratios



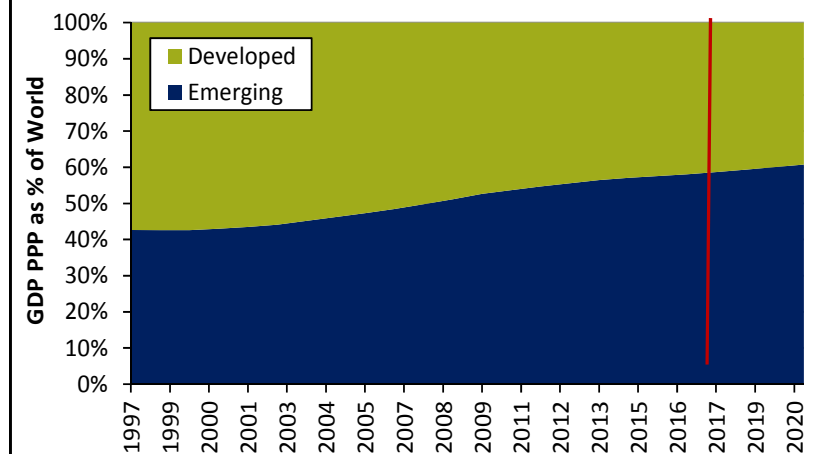
Source: Bloomberg, IMF

Account balances remain steady



Source: Bloomberg

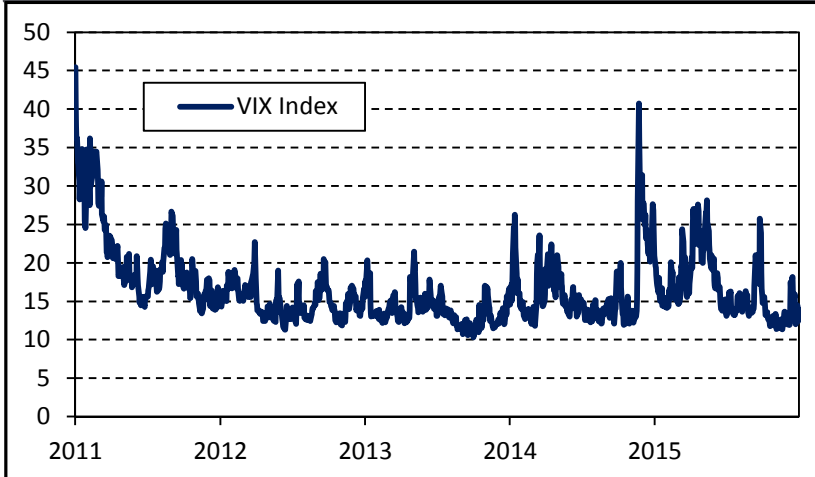
EM continues trending higher as a percent of global output



Source: Bloomberg, IMF

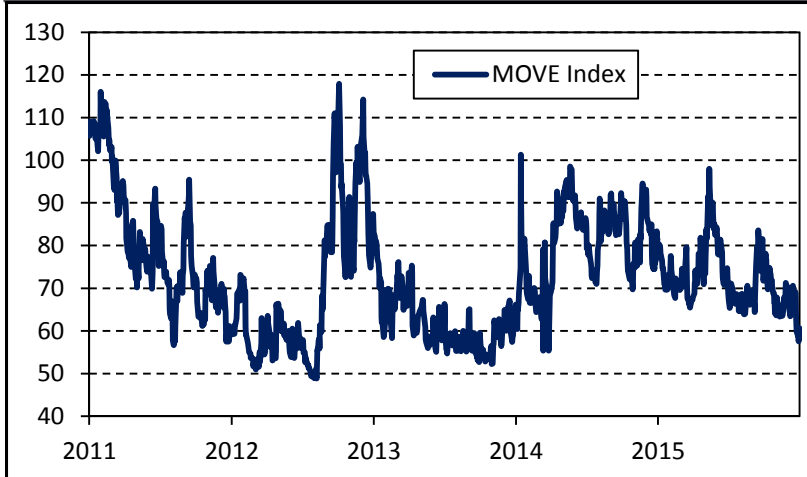
Volatility

Equity volatility seeing recent decrease



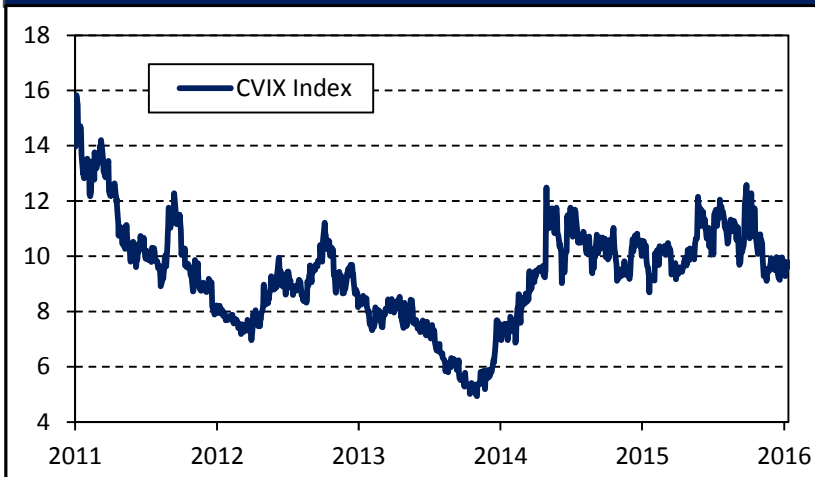
Source: Bloomberg, CBOE

Treasury volatility continues decreasing as a rate hike approaches



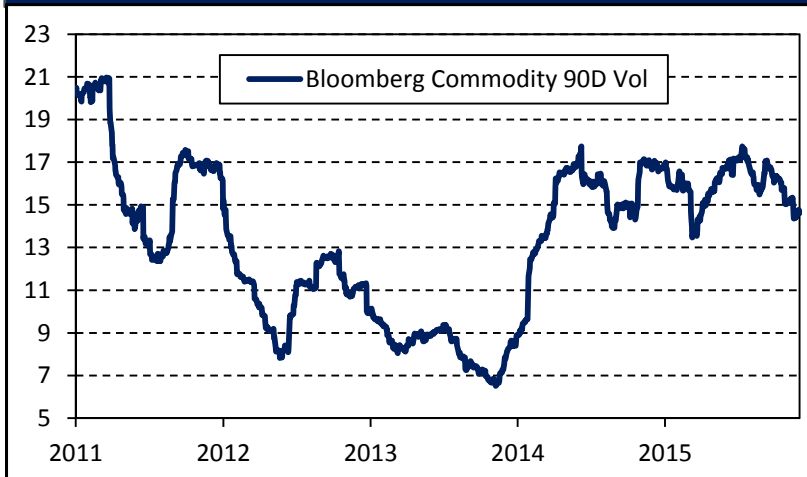
Source: Bloomberg, Merrill Lynch

Currency volatility remains elevated



Source: Bloomberg, Deutsche Bank

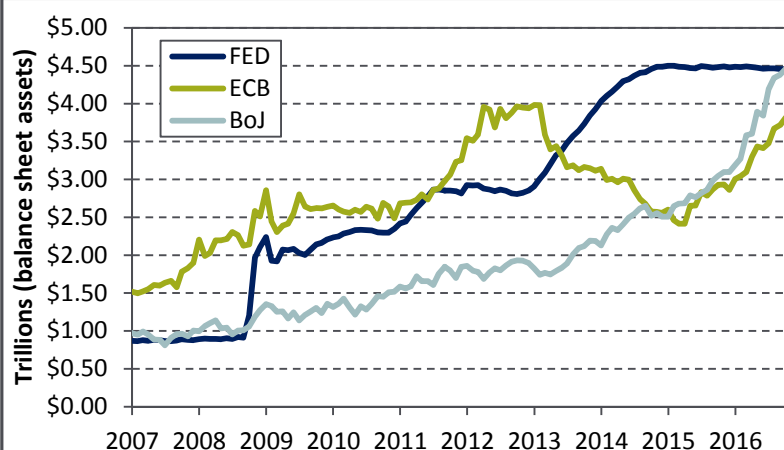
Commodity volatility continues to decline



Source: Bloomberg, Merrill Lynch

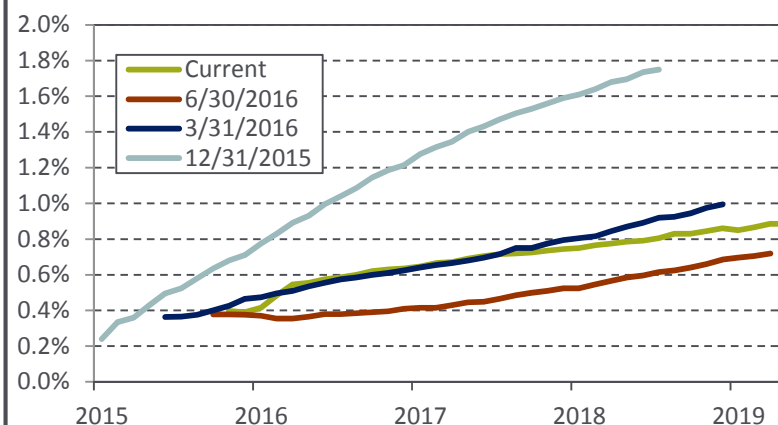
Central Banks

Central banks continue increasing balance sheet size



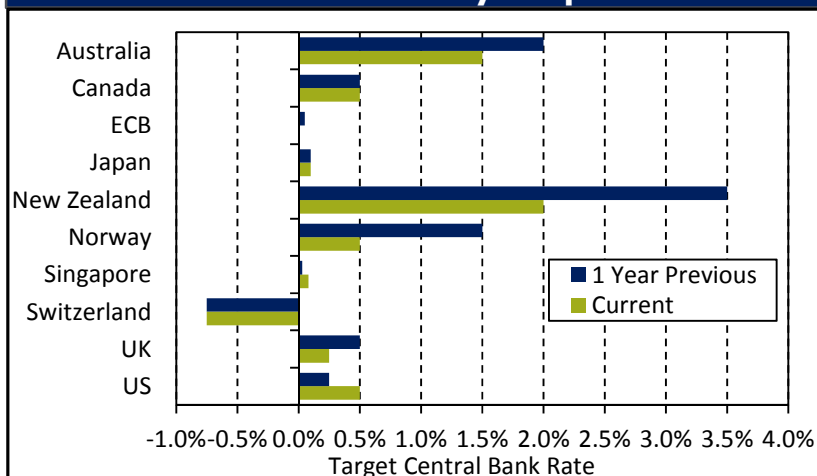
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Market expectations for interest rates echo the lower for longer sentiment



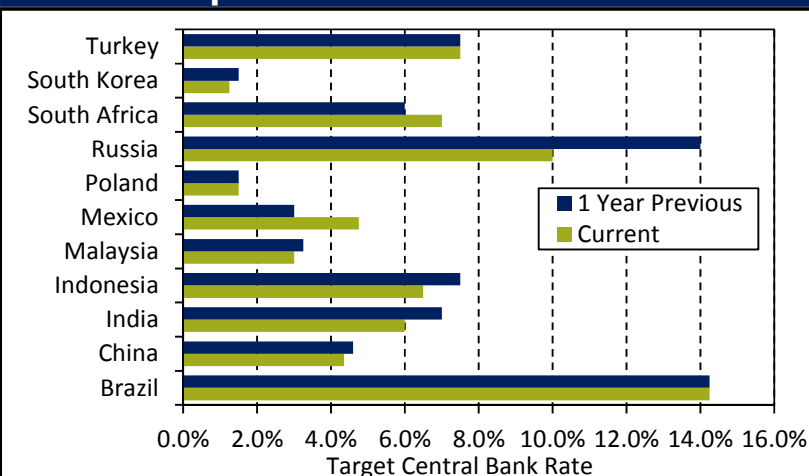
Source: Bloomberg, Federal Reserve

Developed market interest rates are mostly lower than one year previous



Source: Bloomberg

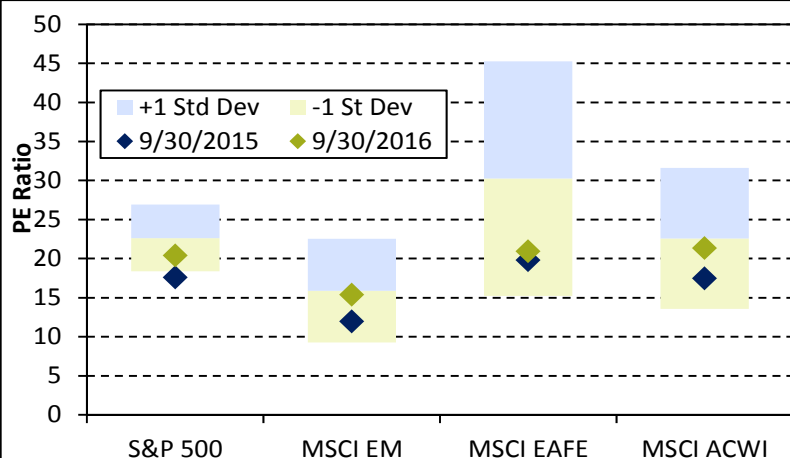
EM central bank policies vary by country-specific economic conditions



Source: Bloomberg

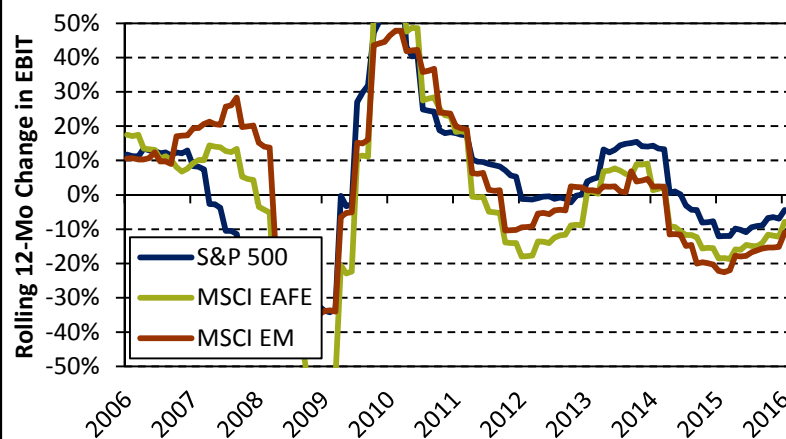
Global Equity

Global valuations increased over the year



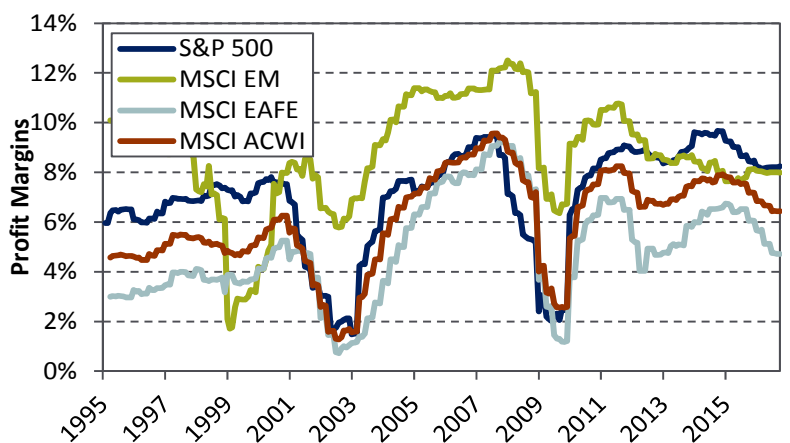
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom
*Standard deviation calculations based on 20 years of data

Earnings growth increases slightly



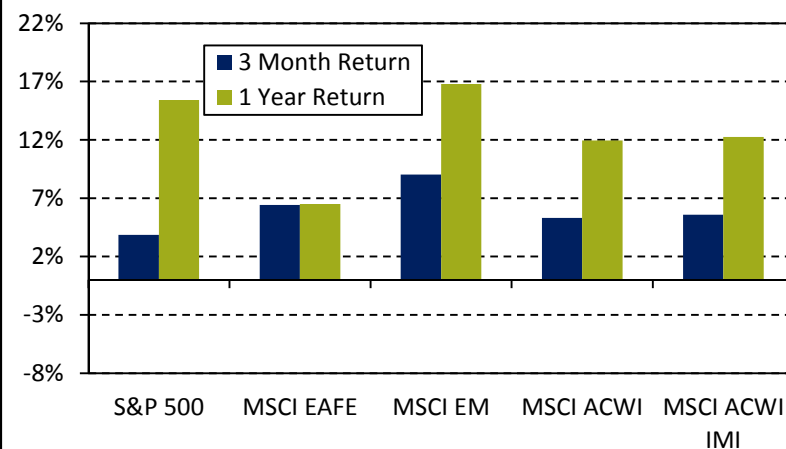
Source: Bloomberg, Standard and Poors, MSCI

Profit margins continue to decline



Source: Bloomberg, MSCI

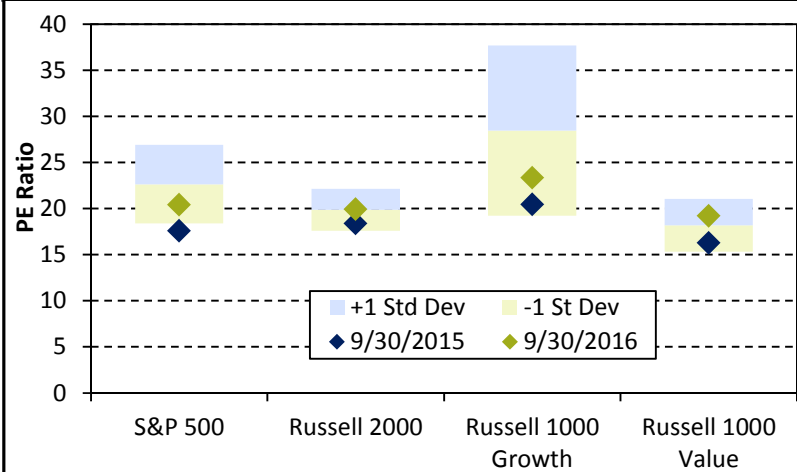
Broadly positive short-term returns for global equity



Source: Bloomberg, MSCI

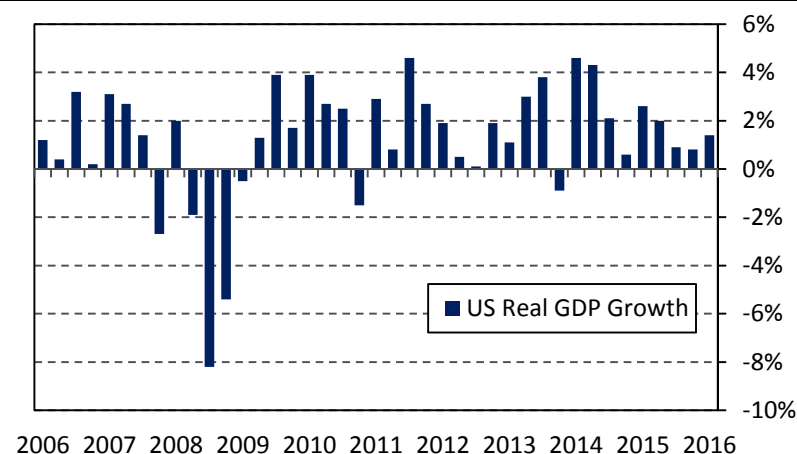
US Equity

US equity valuations have increased year over year



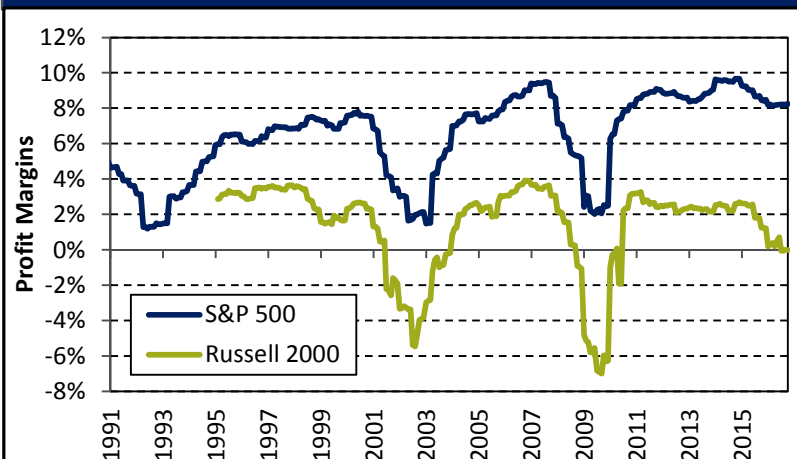
Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive*
Standard deviation calculations based on 20 years of data

GDP growth remains steady



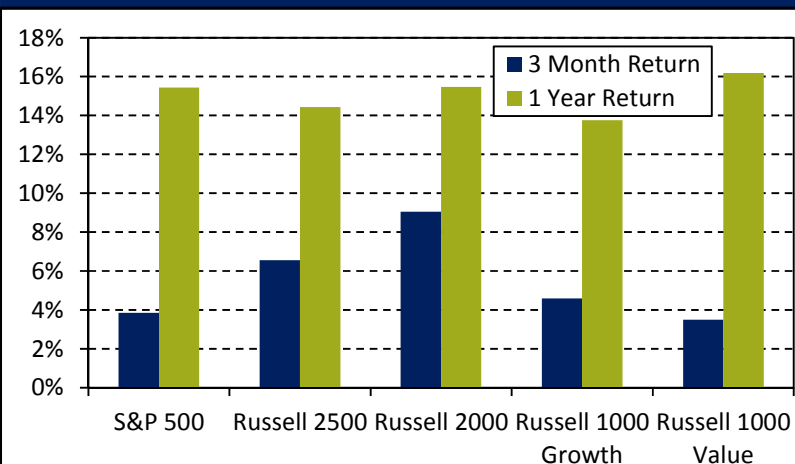
Source: Bloomberg, Bureau of Economic Analysis

Profit margins continue to decline



Source: Bloomberg, Standard and Poors, Russell

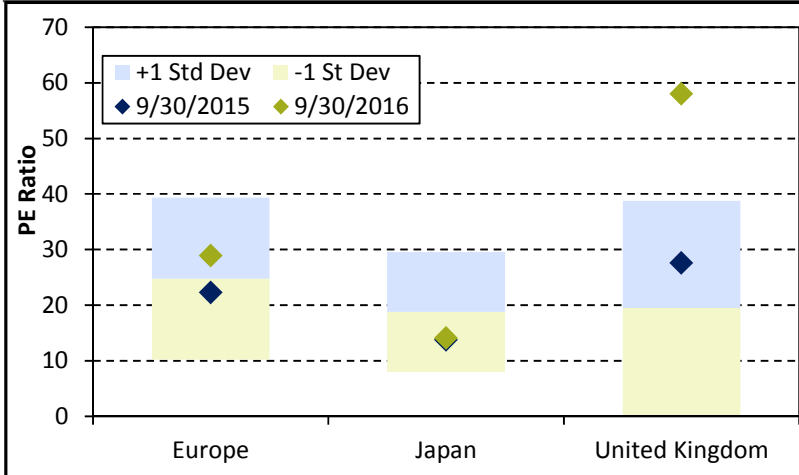
Strong short-term US equity returns



Source: Bloomberg, Standard and Poors, Russell

International Equity

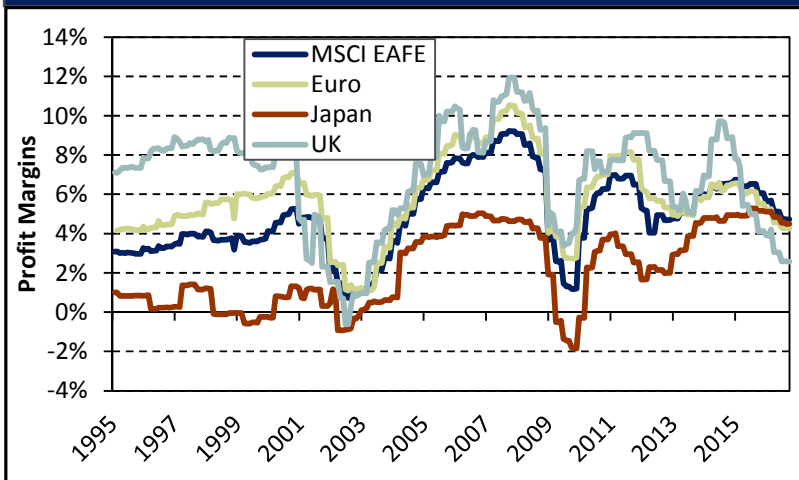
UK PE ratio remains elevated



Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

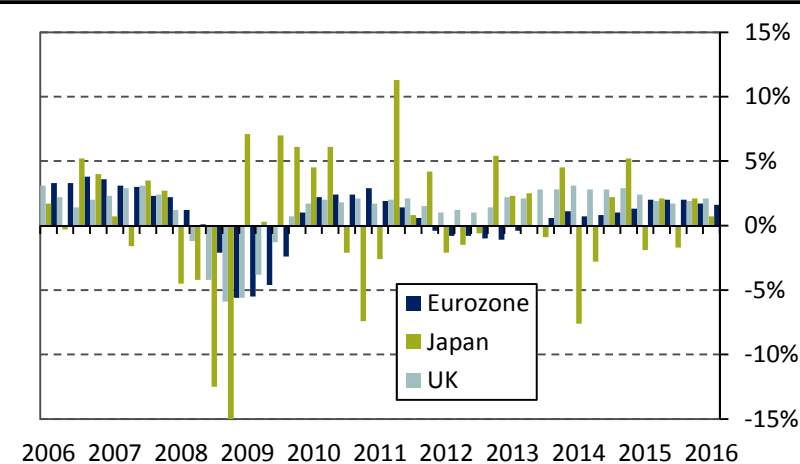
*Standard deviation calculations based on 20 years of data, with Europe since 12/1998

Margins continue to decline, particularly in the UK



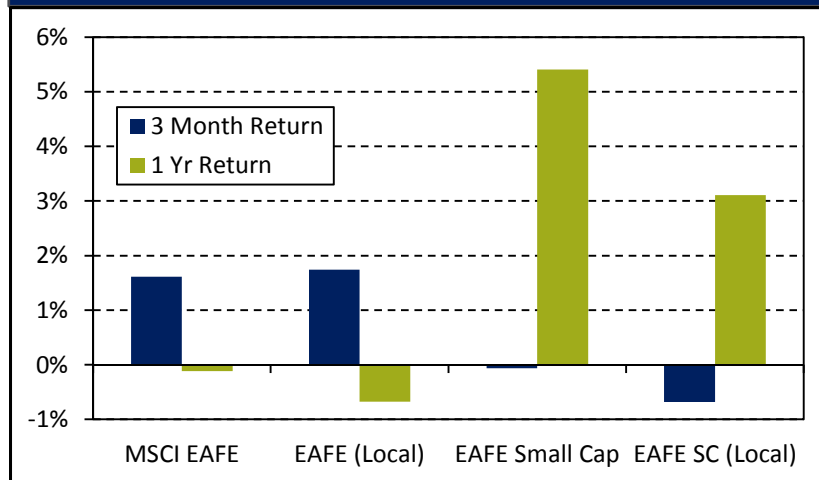
Source: Bloomberg, MSCI

Global growth varies by country



Source: Bloomberg

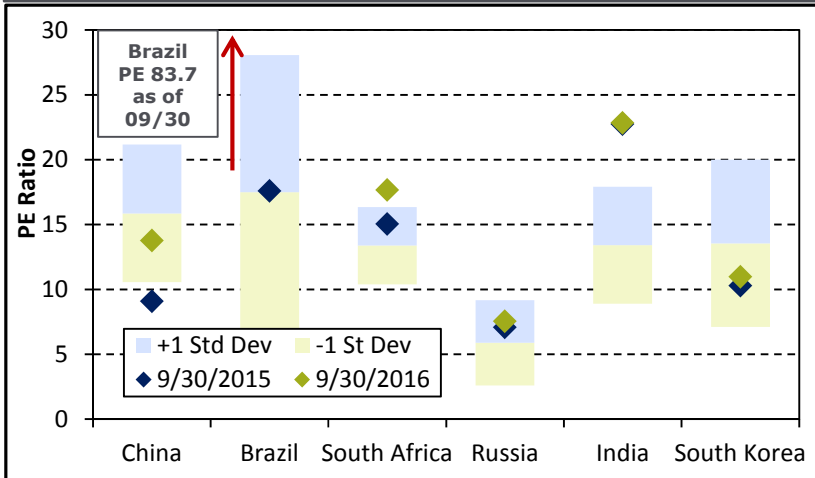
EAFE small cap returns have struggled in recent months



Source: Bloomberg, MSCI

Emerging Markets Equity

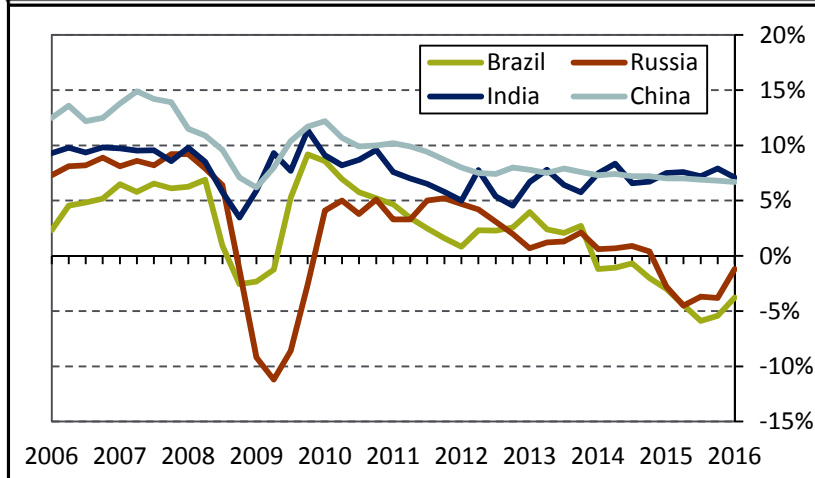
Regional valuations similar year over year with the exception of Brazil



Source: Bloomberg, MSCI

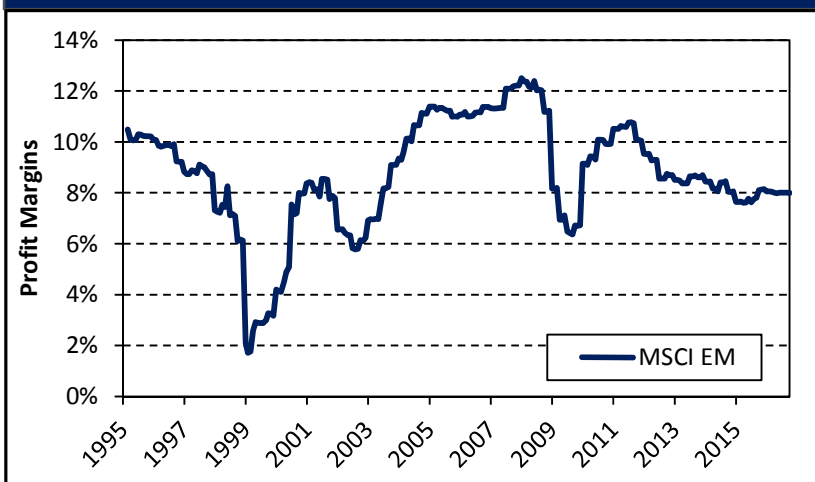
*Standard deviation calculations based on 20 years of data, with Russia since 01/1998

Russia and Brazil experience upward trends in growth



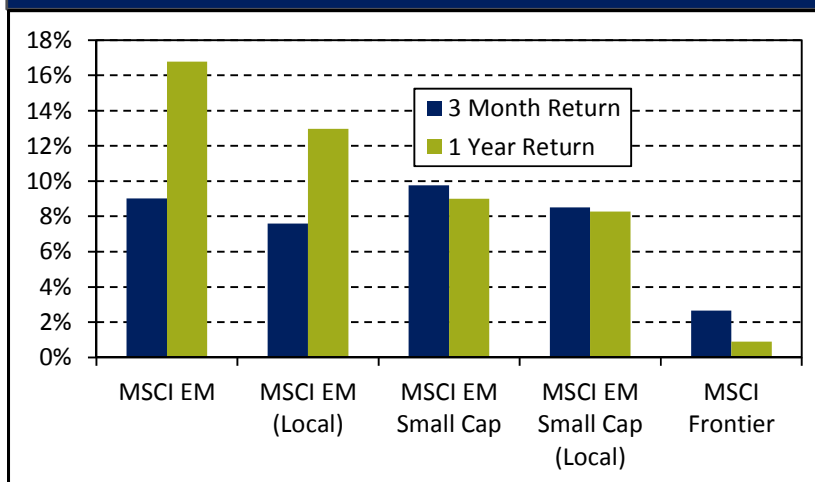
Source: Bloomberg

Profit margins in line with history



Source: Bloomberg, MSCI

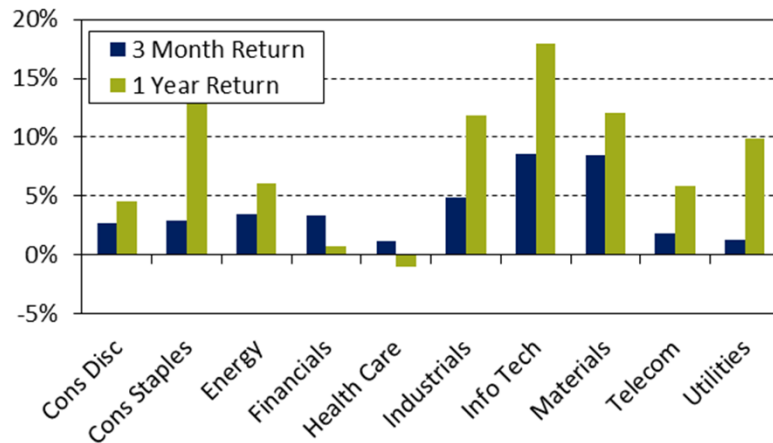
Strong short-term returns for EM



Source: Bloomberg, MSCI

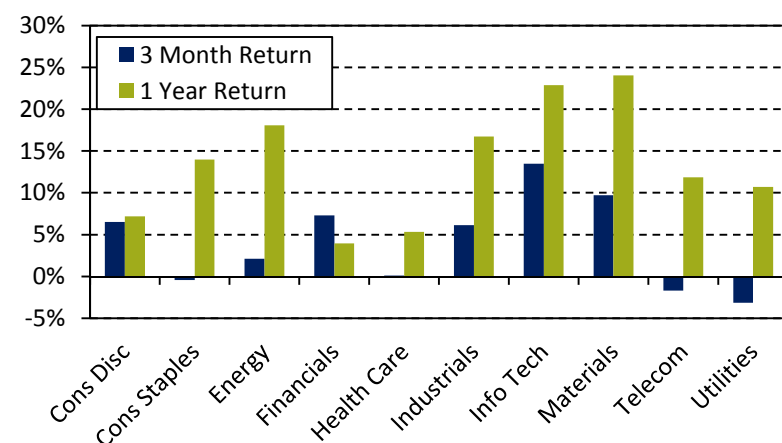
Global Equity by Sector

MSCI ACWI short-term returns driven by Info Tech and Materials



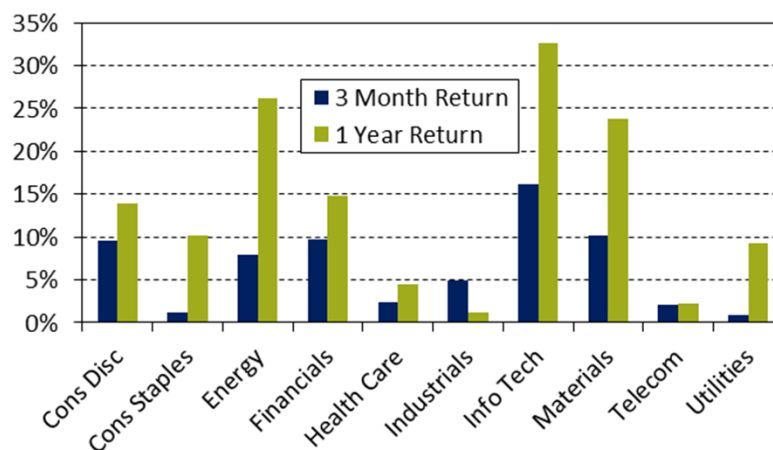
Source: Bloomberg, MSCI

S&P 500 sectors post broadly positive short-term returns



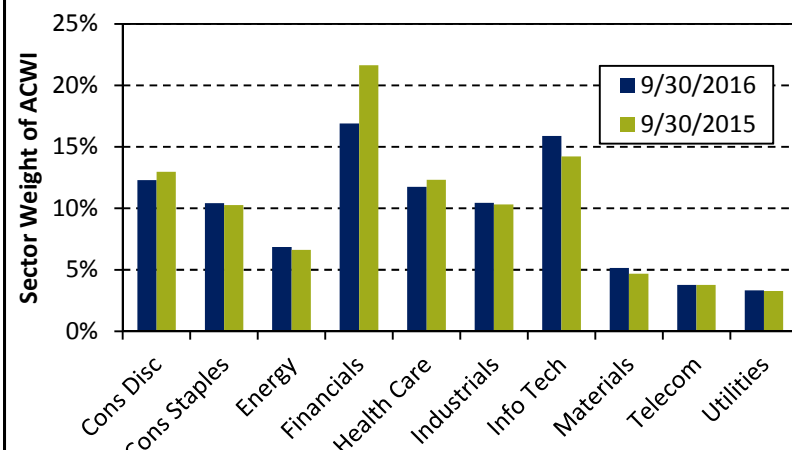
Source: Bloomberg, Standard and Poors

EM sectors posting strong short-term returns



Source: Bloomberg, MSCI

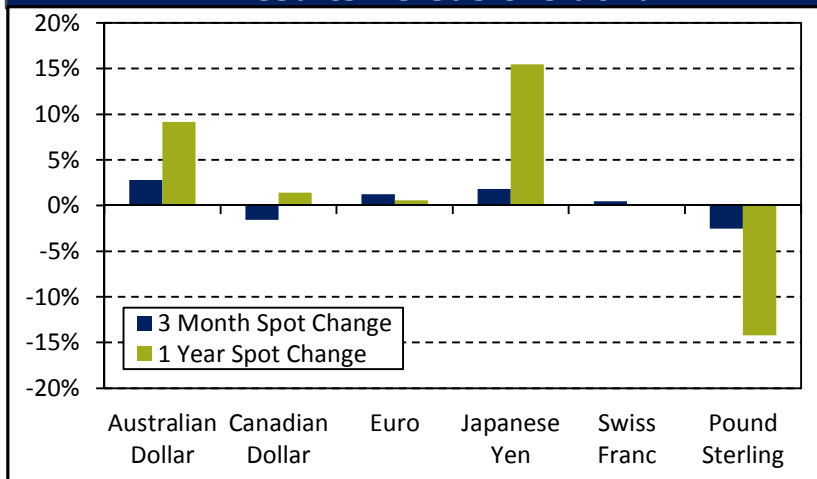
Financials sector weight has decreased significantly



Source: Bloomberg, MSCI

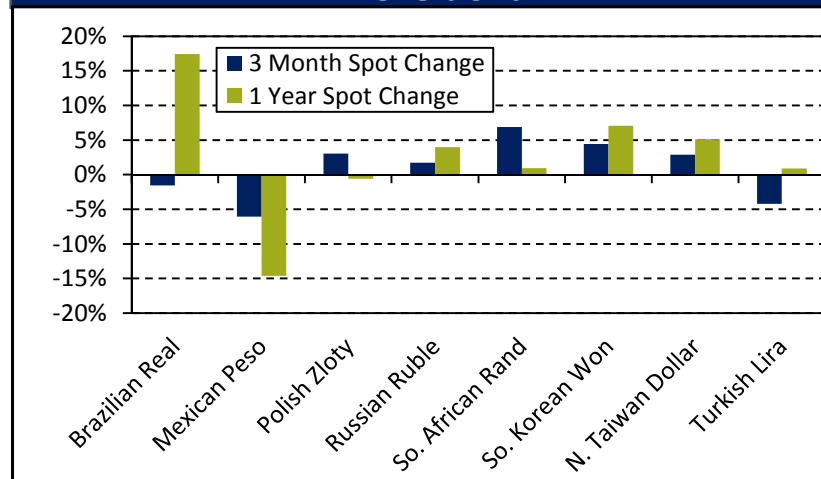
Currencies

Developed currencies experience mixed results versus the dollar



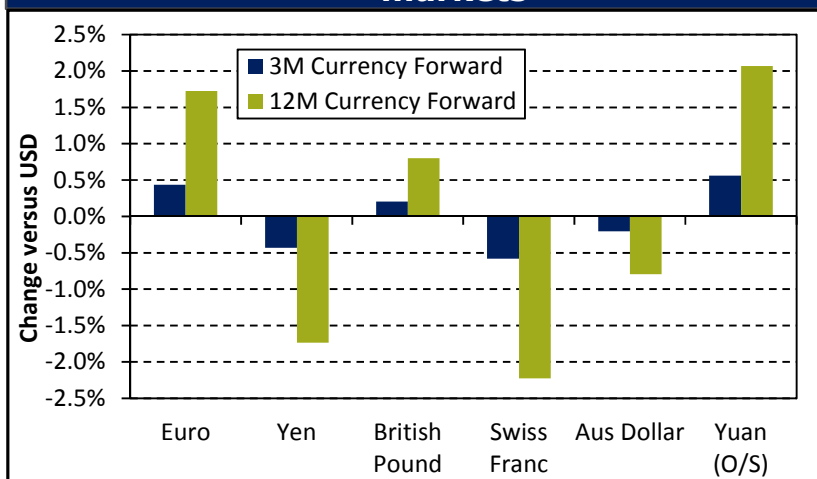
Source: Bloomberg

Diverse EM currency performance versus the dollar



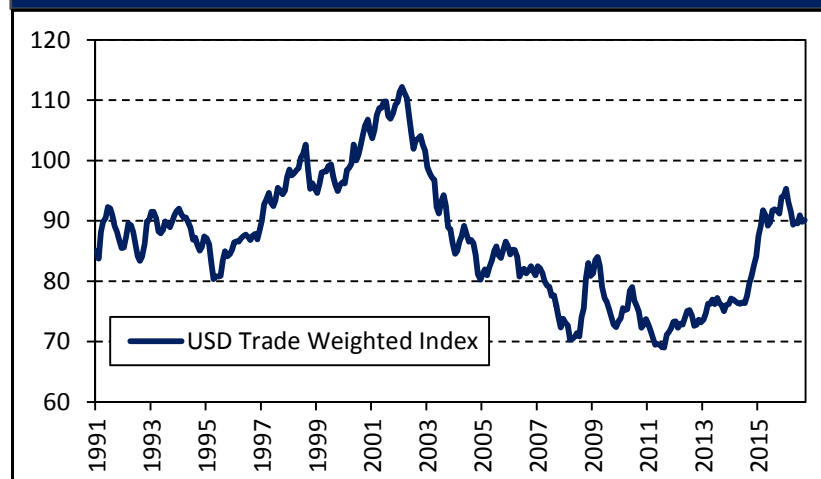
Source: Bloomberg

USD expectations vary across developed markets



Source: Bloomberg

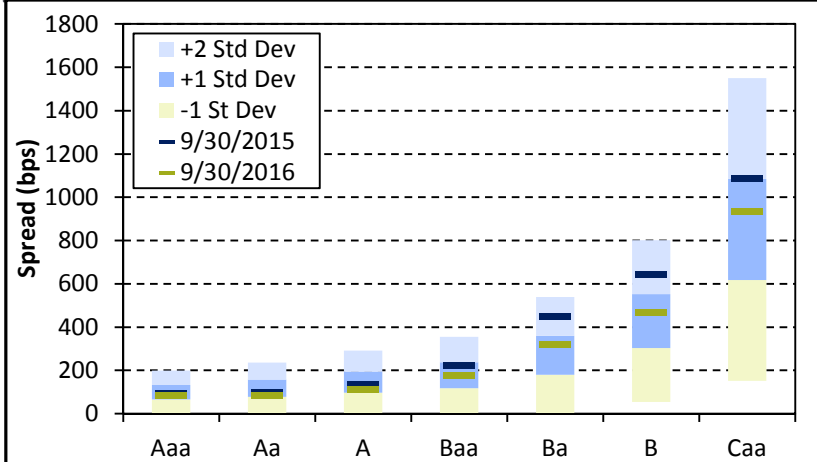
Dollar strength retreated slightly off highs



Source: Bloomberg, Federal Reserve

US Fixed Income

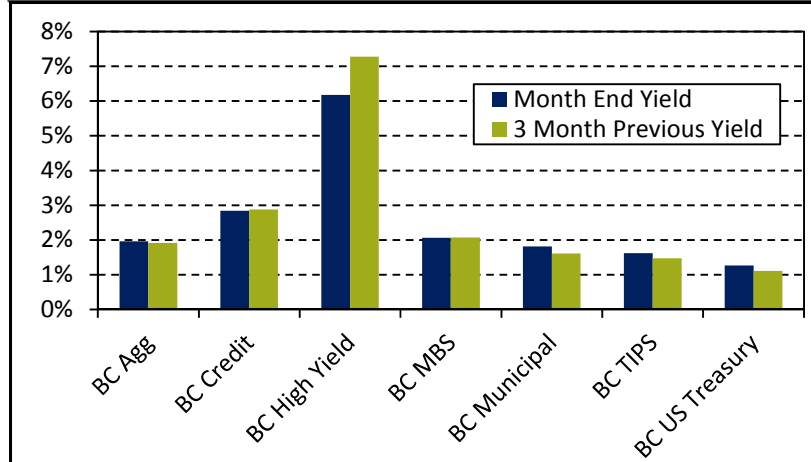
Spreads remain lower than the previous year



Source: Bloomberg, Barclays

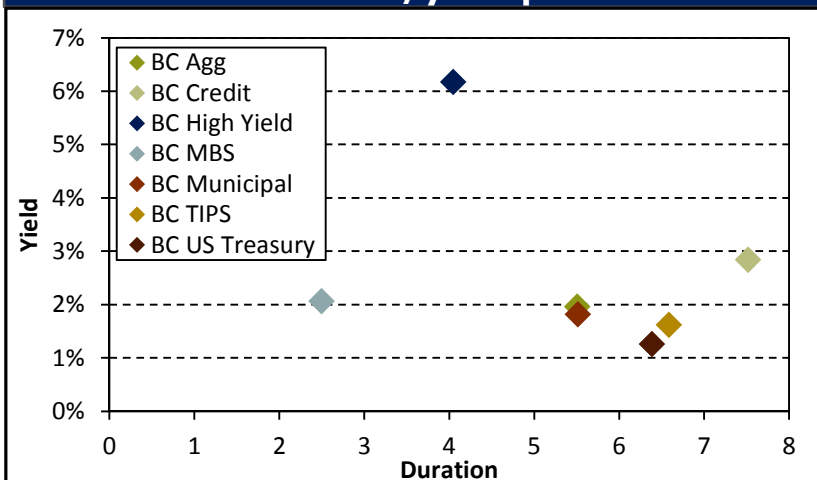
*Standard deviation calculations based on 20 years of data

Except high yield, yields have remained similar over recent months



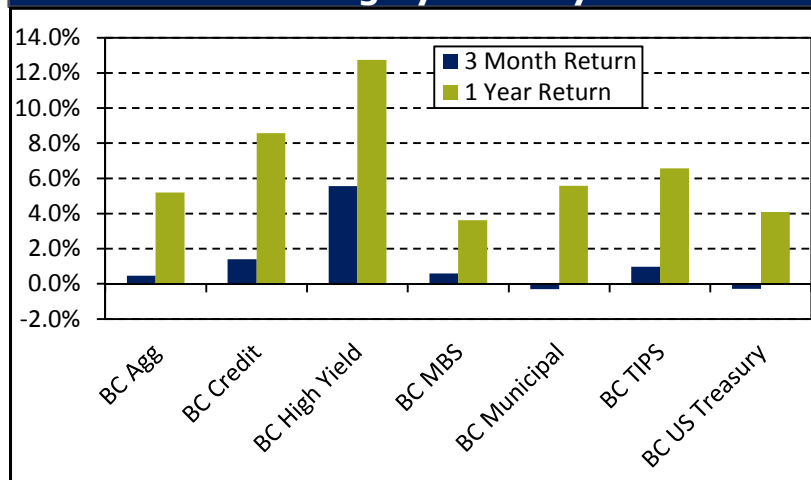
Source: Bloomberg, Barclays

TIPS look attractive among similar duration/yield profiles



Source: Bloomberg, Barclays

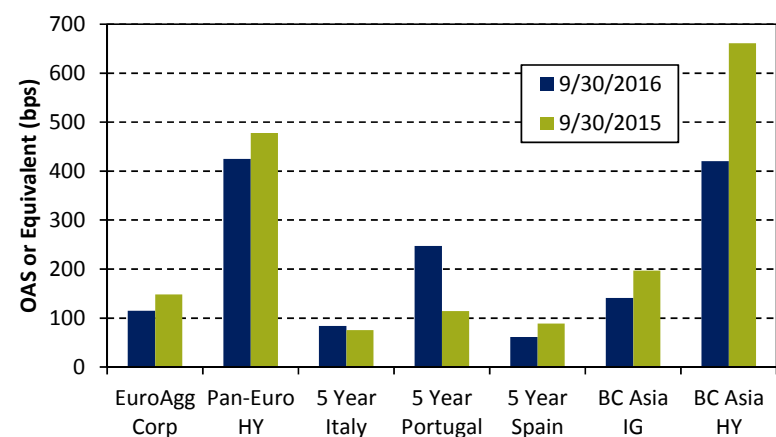
Relatively flat returns except the credit and high yield rally



Source: Bloomberg, Barclays

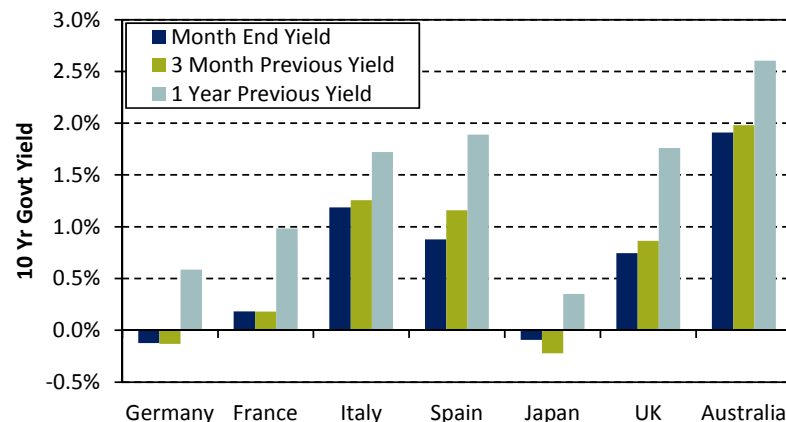
International Developed Fixed Income

European periphery yields vary relative to Germany



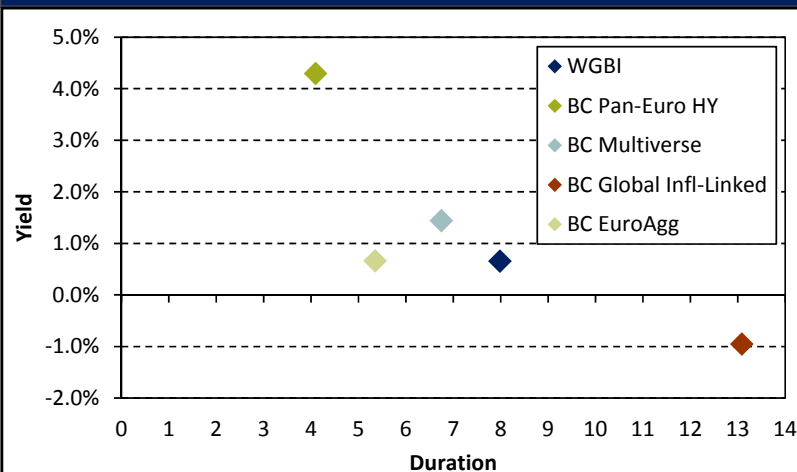
Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund

Global yields continue to fall with the exception of Japan



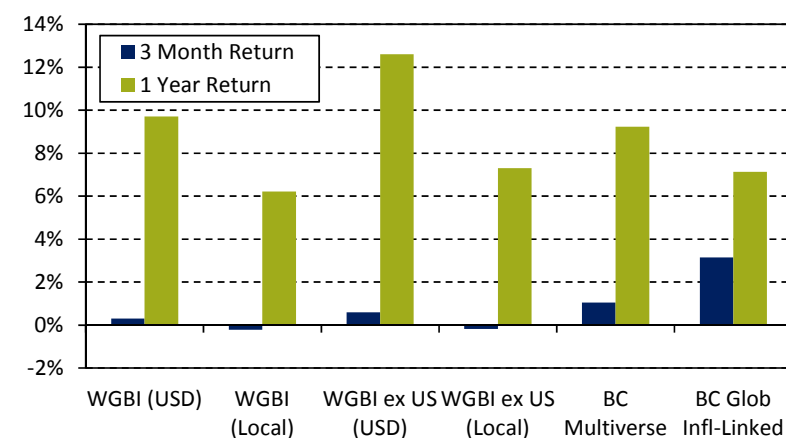
Source: Bloomberg

Low global yields relative to duration



Source: Bloomberg, Citigroup, Barclays

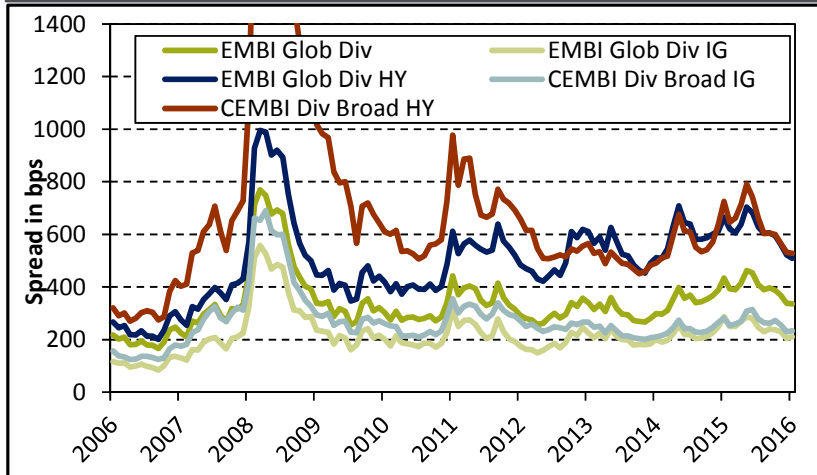
Global bond returns are heavily influenced by currency returns



Source: Bloomberg, Citigroup, Barclays

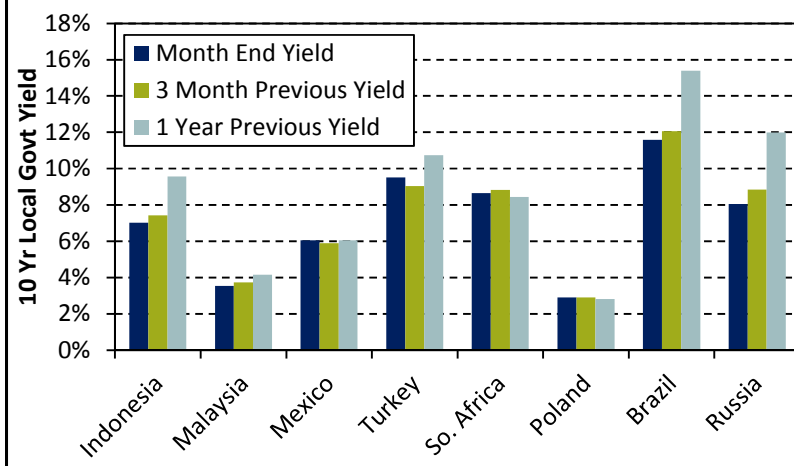
Emerging Markets Fixed Income

Spreads continue to decline



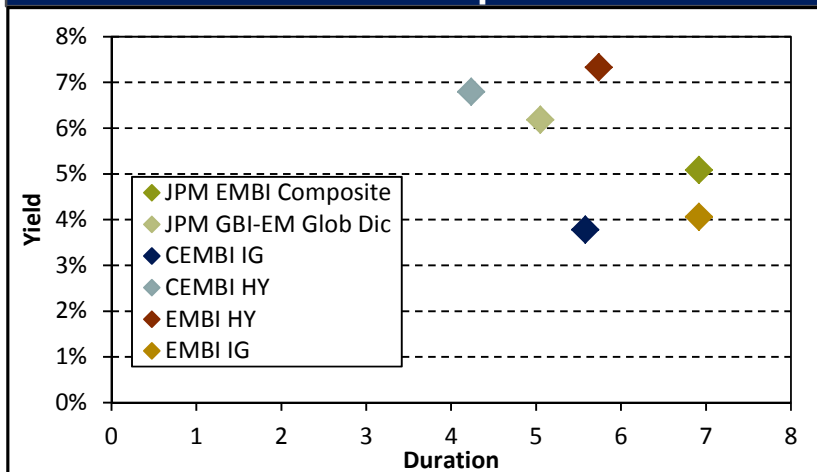
Source: Bloomberg, JP Morgan

EM local bond yields have declined for more volatile markets



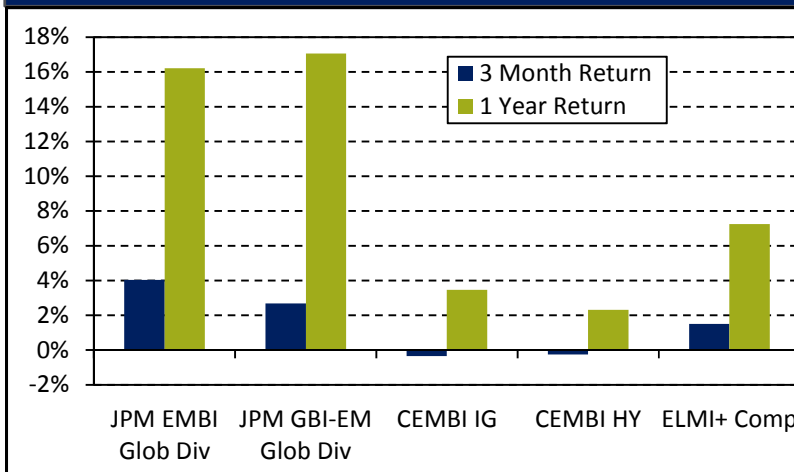
Source: Bloomberg

EM yields remain attractive versus global counterparts



Source: Bloomberg, JP Morgan

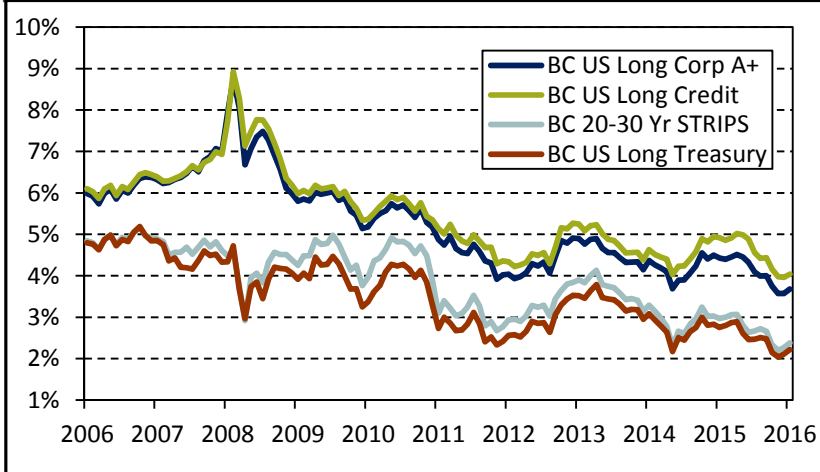
EM debt continues to perform well



Source: Bloomberg, JP Morgan

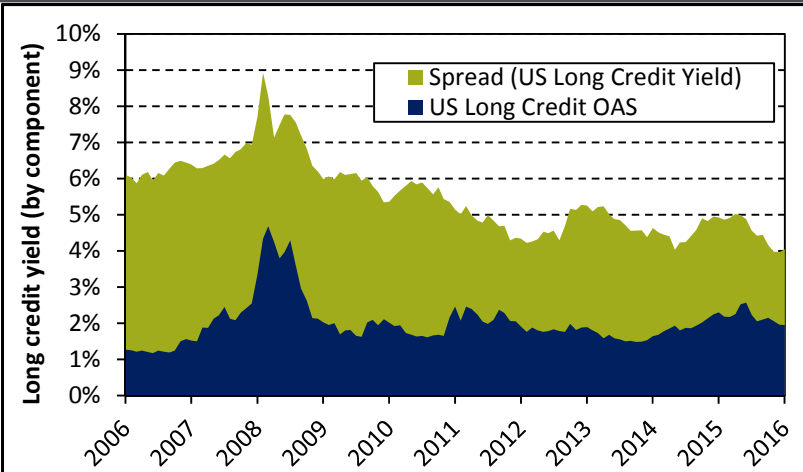
Long Rates and Liability

Long duration yields continue to decline



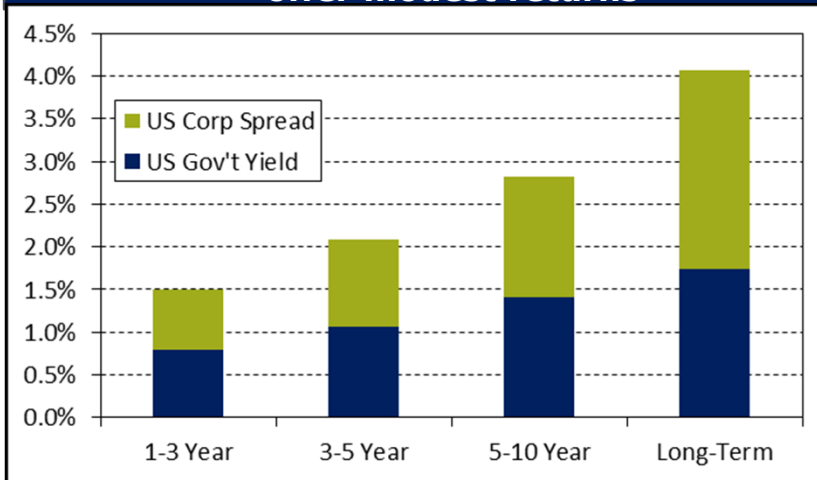
Source: Bloomberg, Citigroup, Barclays

Lower yields driven by real rates



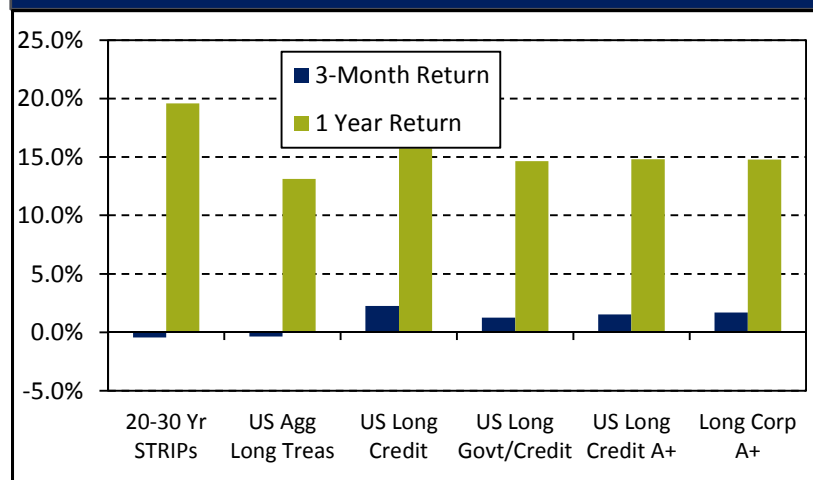
Source: Bloomberg, US Treasury, Barclays, NEPC

Yield and spread components continue to offer modest returns



Source: Bloomberg, Barclays

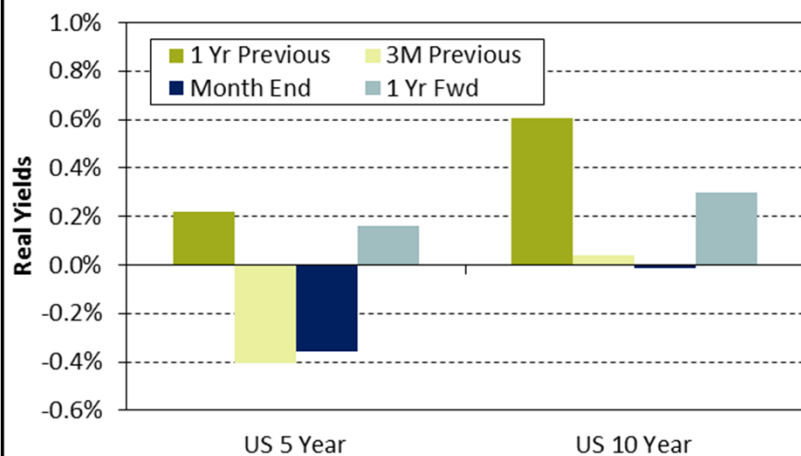
Long duration short-term returns are flat



Source: Bloomberg, Barclays

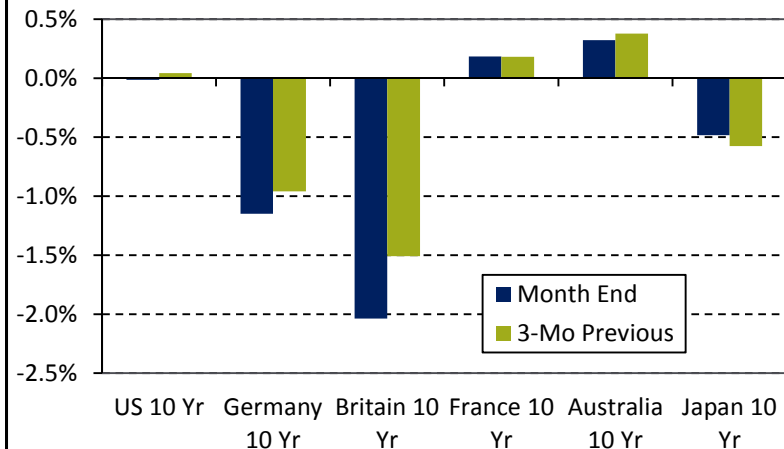
Inflation and Real Rates

US real yields have decreased



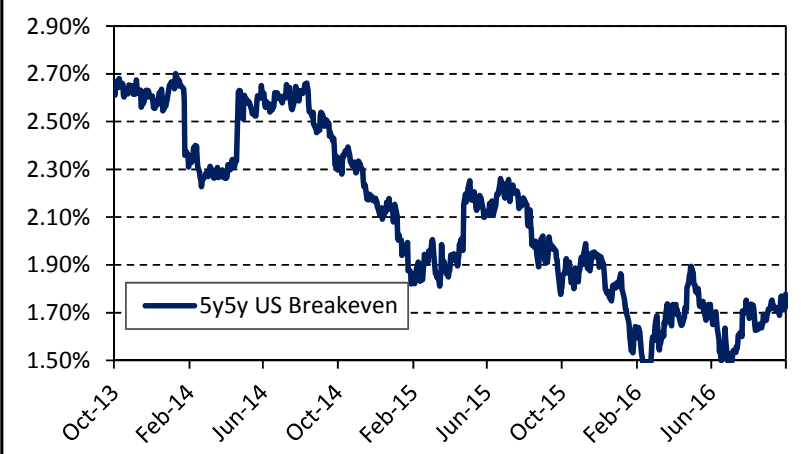
Source: Bloomberg

Global real yields dip even lower



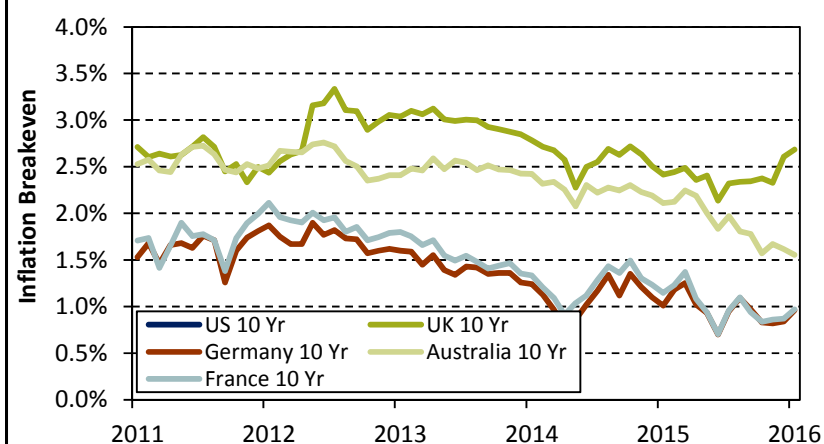
Source: Bloomberg

US inflation expectations remain low



Source: Bloomberg

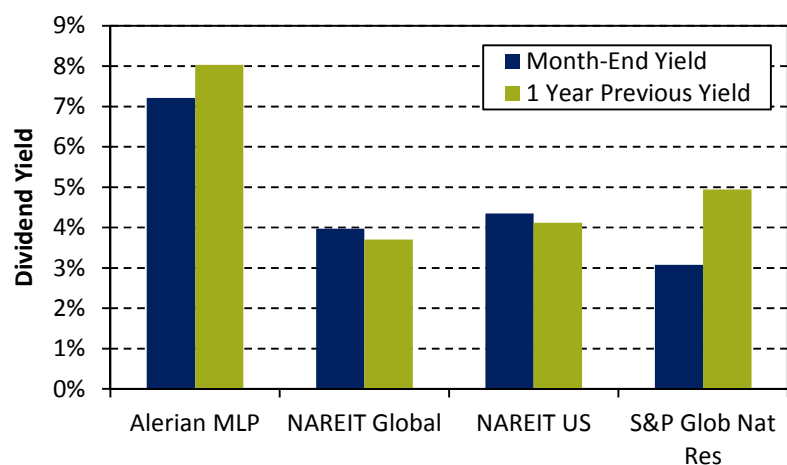
Global inflation expectations remain mostly unchanged except the UK



Source: Bloomberg

Inflation Sensitive Growth Assets

Yields remain similar to the previous year



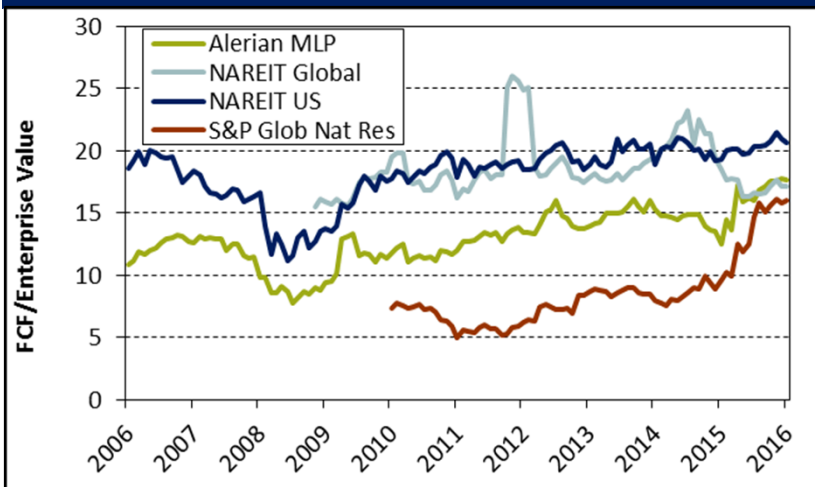
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Sustained recovery in commercial real estate occupancy rates



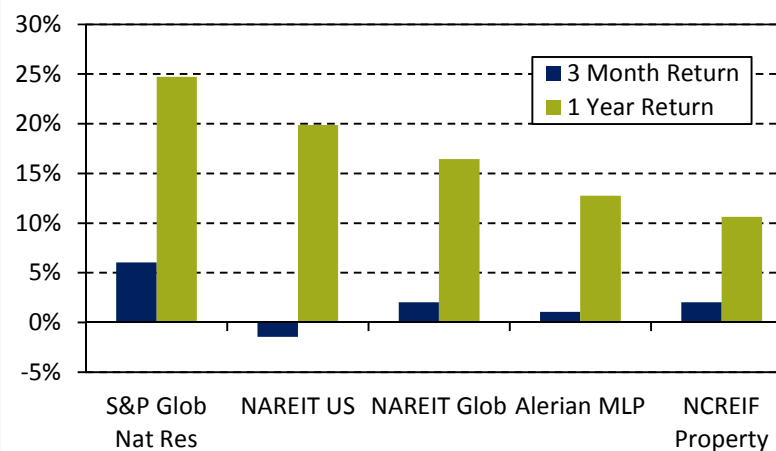
Source: NCREIF

Valuations remain steady



Source: Bloomberg, US Census Bureau

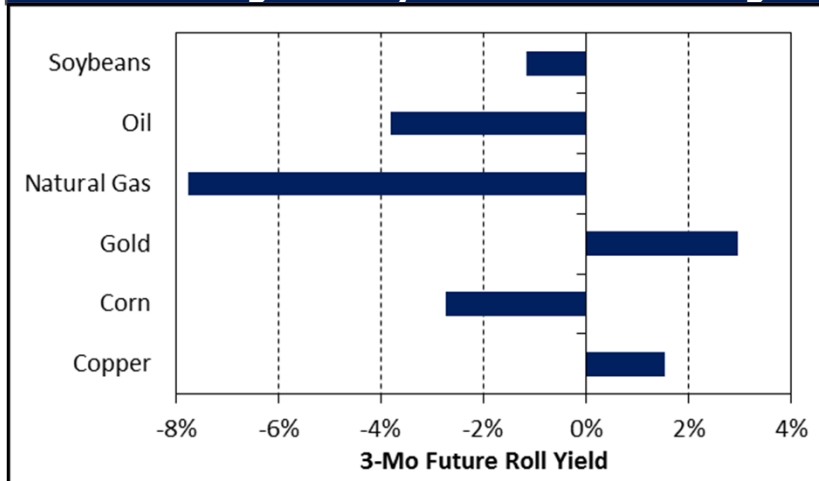
REITs exhibit mixed short-term performance



Source: Bloomberg, Alerian, Nareit, Standard and Poors

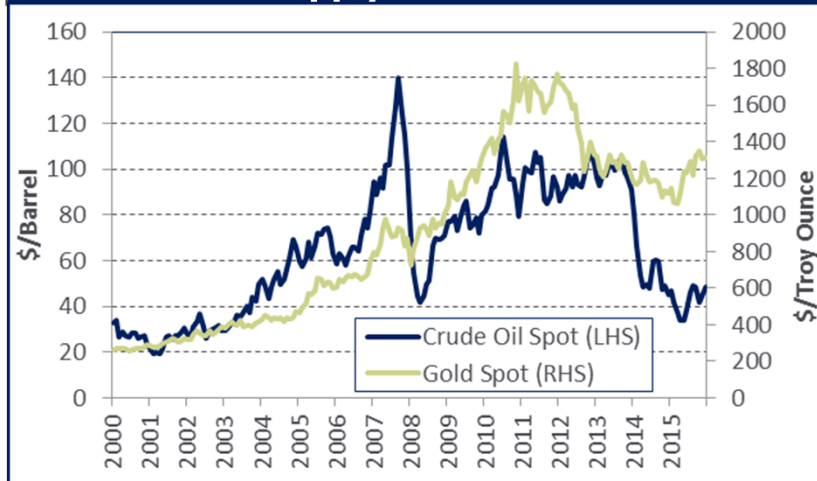
Commodities

Negative roll yields remain a hurdle for investing directly in oil and natural gas



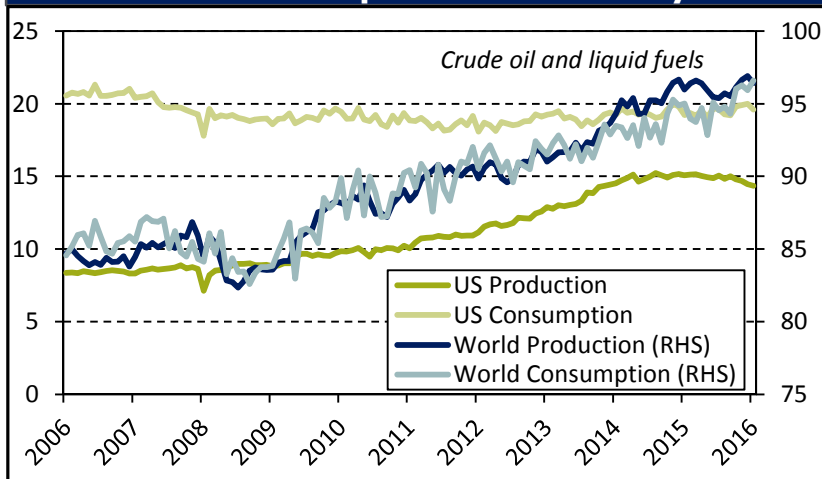
Source: Bloomberg

Recent spike in gold and decline in oil as oversupply concerns continue



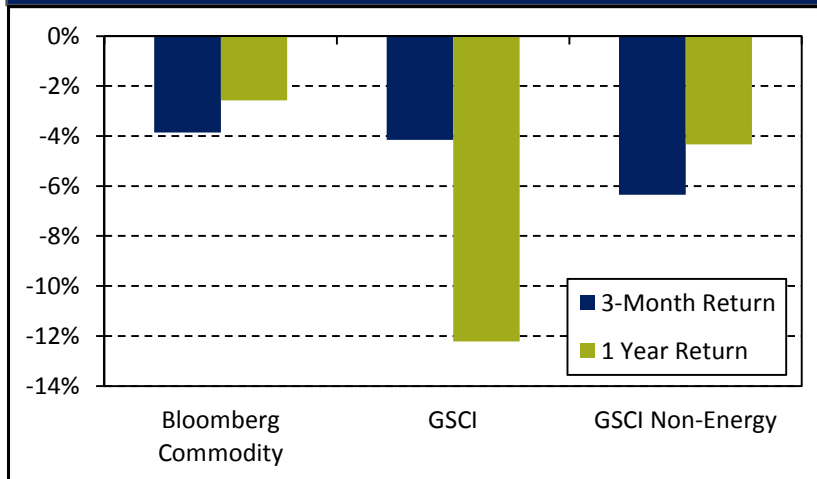
Source: Bloomberg

Recent decline in world production as consumption holds steady



Source: Bloomberg, US Department of Energy *Crude oil and liquid fuels

Commodity indices continue to decline



Source: Bloomberg, Standard and Poors

Appendix: Policy Benchmark History

City of San Jose Police and Fire Department Retirement Plan

Policy Benchmark History

- **6/1/95 – 9/30/01** – 35% S&P 500/10% MSCI EAFE/35% BC Aggregate/10% Citigroup WGBI/10% NCREIF Property
- **10/1/01 – 12/31/04** – 35% S&P 500/15% MSCI EAFE/5% MSCI Emg Mkts/28% BC Aggregate/5% Citigroup WGBI/12% NCREIF Property
- **1/1/05 – 3/31/08** – 34% S&P 500/20% MSCI EAFE/5% MSCI Emg Mkts/20% BC Aggregate/4% BC Long Gov't/Credit/12% NCREIF Property/5% Russell 2000
- **4/1/08 – 6/30/08** – 29% S&P 500/5% Russell 2000/20% MSCI EAFE/5% MSCI Emg Mkts/20% BC Aggregate/4% BC Long Gov't/Credit/12% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)
- **7/1/08 – 12/31/09** – 22% S&P 500/5% Russell 2000/17% MSCI EAFE/5% MSCI Emg Mkts/18% BC Aggregate/5% ML US HY BB-B Constrained/10% NCREIF Property/8% Cambridge Private Equity (lagged 1 quarter)/5% DJ/UBS Commodities Index/5% HFRI FoF: Conservative
- **1/1/10 – 3/31/11** – 18% Russell 1000/5% Russell 2000/12% MSCI EAFE/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% DJ/UBS Commodities Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **4/1/11 – 12/31/2011** – 18% Russell 1000/5% Russell 2000/12% MSCI EAFE/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% San Jose P&F Custom Commodity Risk Parity Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **1/1/12 – 12/31/2012** – 12% MSCI All Country World Index/15% MSCI All Country World Index Value/2% Russell 3000/3% Russell 2000/3% MSCI EAFE + CAD Small Cap/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% San Jose P&F Custom Commodity Risk Parity Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **1/1/2013 – 10/31/2013** – 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/10% San Jose Custom Inflation-Linked Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **11/1/2013 – 12/31/2013** – 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked/3% CPI+5%/ Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **1/1/2014 – 9/30/2014** – 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/10% Barclays Capital Global Aggregate/5% BC High Yield/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills

Policy Benchmark History

- **10/1/2014 – present** – 31% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/6% Barclays Capital Global Aggregate/5% BC High Yield/11% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/6% San Jose Custom Hedge Fund Index/10% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills

Information Disclaimer and Reporting Methodology

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- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
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