

June 2008

Pension Plan
Analytical Supplement Report
First **Quarter 2008**
San José Police and Fire Retirement System

MERCER



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Executive Summary

Executive Summary

Asset Allocation

The San José Police and Fire Department Retirement Plan had a market value of \$2,583.4 million at March 31, 2008, a \$199.2 million decrease from the value at the end of the fourth quarter. At quarter-end, the Plan's assets were allocated across domestic equity (35.8%), international equity (21.4%), international emerging markets equity (6.2%), domestic core fixed income (21.5%), long-duration fixed income (4.3%), real estate (8.5%), private market equity (2.3%), and cash (0.0%). As of March 31, 2008, the asset class allocations were within the guidelines and generally close to their targets. Domestic equity was 1.8% above its target allocation of 34.0%, domestic core fixed income was 1.5% above its target allocation of 20.0%, international equity was 1.4% above its target allocation of 20.0%, international emerging market equity was 1.2% above its target allocation of 5.0%, , long-duration fixed income was 0.3% above its target allocation of 4.0%, private equity was 2.7% below its target allocation of 5.0%, and real estate was 3.5% below its target allocation of 12.0%.

Total Fund Performance

The Total Fund underperformed the return of the Total Fund Benchmark for the quarter, 1 year and 3 years while only outperforming the benchmark for the 5 years. The Total Fund placed below the Russell/Mellon Total Funds Billion Dollar–Public Universe median for all periods shown.

Economic conditions continued to weaken during the first quarter of 2008. Surging oil prices, the collapse of a major investment bank, depressed housing prices, and rising unemployment rates are increasing the likelihood of a recession in the first half of 2008. The advance estimate of annualized

first-quarter GDP growth was 0.6%, following 0.6% growth in the fourth quarter and 4.9% growth in the third quarter. In response, the Federal Open Market Committee made significant cuts to the Federal Funds Target Rate, bringing it down to 2.25% from 4.25% at the end of December.

Consumer prices rose at an annual rate of 3.1% in the first quarter and 4.0% over the past 12 months as measured by the Consumer Price Index. Excluding volatile food and energy prices, the measure rose at an annual rate of 2.0% during the quarter and 2.4% over the past 12 months. The Producer Price Index for finished goods increased 6.9% over the past 12 months, up significantly since the middle of 2007 (2.3% in August). The Federal Reserve Board reported that preliminary production capacity utilization was 80.5% at the end of March, a decrease of 0.5% from the revised December number and 0.5% below the average for the period from 1972 – 2007. The unemployment rate rose to 5.1% from 5.0% at the end of December. The Consumer Confidence Index plunged and now sits at a 5-year low.

Financial institutions and investment banks continued to make write-downs related to the sub-prime and credit crisis. In mid-March, the surprising collapse of Bear Stearns, one of the largest global investment banks, led the Federal Reserve to facilitate a merger with JPMorgan Chase. The failure of Bear Stearns prompted the Federal Reserve to open the discount window to investment banks, with the hope of lowering the risk of any further collapses among major financial institutions. Oil prices surged, surpassing \$110/barrel. The housing market, as measured by the National Association of Home Builders/Wells Fargo Housing Market Index, showed signs of stabilizing from a December low. Home prices, as measured by

the S&P/Case-Shiller 20-City Composite Home Price Index, declined 10.7% annually as of January. The yield curve became significantly steeper as 3-month Treasuries fell from 3.36% at the end of December to 1.38% at the end of March. Ten-year Treasuries experienced a more modest decline, falling from 4.04% to 3.45%.

It was a weak start to the year for the equity markets, both domestically and internationally. The large cap domestic equity market declined 9.5% during the first quarter, as measured by the Russell 1000 Index. No sector posted gains during the quarter, while the technology (–14.6%) and financial services (–13.2%) sectors were hit hardest. The autos & transportation (–1.7%) and other energy (–2.4%) sectors outperformed on a relative basis. Small cap stocks, as measured by the Russell 2000 Index, declined 9.9% during the quarter, slightly trailing large cap equity. Reversing the recent market trend, value outperformed growth in both the large and small cap markets during the first quarter.

The international equity markets were hit nearly as hard as the domestic equity markets, falling 8.8% in U.S. dollar terms as measured by the MSCI EAFE Index. The dollar's continued slide added value for dollar bond investors during the period, as the index returned –14.9% in local currency terms. The weakest performers during the quarter included Hong Kong (–18.9% in U.S. dollar terms) and Greece (–15.8% in U.S. dollar terms). Denmark (0.4%) was the sole developed market to generate a positive return in U.S. dollar terms during the quarter. Emerging markets underperformed their developed counterparts during the first quarter, declining 10.9% in both U.S. dollar terms and local currency terms, as measured by the MSCI EM Index. Turkey (–38.3%), India (–27.0%), and China (–23.7%) posted significant losses in U.S. dollar terms during

the quarter. Not all emerging markets struggled, however, as Morocco generated a 33.8% return.

The fixed income market, as measured by the Lehman Brothers Aggregate Bond Index, significantly outperformed the equity markets and advanced 2.2% during the first quarter. Longer-term issues lagged shorter-term issues during the quarter, as the Lehman Brothers Long-Term Government/Credit Bond Index returned 0.8%. Corporate bonds declined 0.2% during the quarter, as measured by the Lehman Brothers U.S. Corporate Bond Index. The flight to quality continued in the bond market, as AAA issues significantly outperformed lower-quality issues. High-yield bonds continued to lag and declined 3.0% during the quarter, as measured by the Lehman Brothers U.S. Corporate High Yield Bond Index. Mortgages, as measured by the Lehman Brothers Mortgage-Backed Securities Index, returned 2.4% during the quarter, while Treasuries, as measured by the Lehman Brothers Treasury Bond Index, appreciated 4.4% during the quarter.

Large Cap Index Equity – Rhumblin Advisers

Rhumblin held \$223.2 million at quarter-end. This represented a decrease of \$23.1 million from the end of the fourth quarter.

For all periods shown, Rhumblin tracked the S&P 500 Index within 30 basis points.

Large Cap Growth Equity – State Street Global Markets (Formerly Globalt, Inc.)

A large cap growth manager search was conducted to replace Globalt, Inc., with assets invested in a temporary SSGM fund. At quarter-end, the fund held \$43.4 million. This represented a decrease of \$4.4 million from the end of the fourth quarter.

State Street outperformed the Russell 1000 Growth Index for all periods shown except 3 years and inception-to-date. The portfolio placed below the Mercer U.S. Equity Large Cap Growth Universe median for all periods shown except the recent quarter.

Large Cap Growth Equity – INTECH

INTECH held \$50.7 million at March 31, 2008. This represented a decrease of \$6.2 million from the end of the fourth quarter.

The portfolio underperformed the Russell 1000 Growth Index for all periods except inception-to-date. The portfolio placed below the Mercer U.S. Equity Large Cap Growth Universe median for all periods measured.

The largest detractor from performance was the portfolio's unfavorable stock selection in the consumer discretionary and health care sectors. Unfavorable stock selection in the other energy and materials & processing sectors also detracted; however, an overweight allocation in these strong-performing sectors offset losses somewhat.

Underweighting and positive security selection in the technology sector was the greatest contributor to performance for the quarter. An underweight allocation in the financial services sector was able to offset the negative stock selection while the fund's cash holdings also benefited performance for the quarter.

News Item Dated April 11, 2008

INTECH announced on April 10th that co-CIO Dr. Cary Maguire has resigned from the firm effective immediately for family reasons. He will, however, remain in a full-time

consulting role for up to six months on an as-needed basis to smooth the transition of day-to-day responsibilities. Subsequent to this period, Maguire is prohibited from joining another competing investment firm for 2 years per his non-compete and confidentiality contracts. As co-CIO, Maguire had been slated to assume Dr. Fernholz's responsibilities upon retirement. INTECH is re-evaluating the firm's succession plans in light of Maguire's resignation.

At this time, INTECH does not have plans to replace Maguire, but will continue to add to the research team as needed. With Maguire's departure, the Princeton-based research team consists of Dr. Robert Fernholz, Dr. Adrian Banner, and Dr. Vassilio Papathanakos. Dr. Jason Greene and Dr. Robert Ferguson, both based in Palm Beach Gardens also provide research support.

Mercer View

In the short-term, we do not feel that Maguire's departure will impact the research or implementation supporting INTECH's strategies. Research projects tend to be collaborative and longer-term in nature, with Fernholz having final decision-making authority. However, as Co-CIO and the next generation thought-leader, the longer-term implications of Maguire's resignation may be an issue going forward, particularly as Fernholz nears to retirement.

As a result, we do not recommend a change in any ratings at this time; however, succession planning and development of next generation leaders will be issues to explore further at our next update meeting later this year.

Research Note Dated April 25, 2008

Issues to Watch

Succession plan: With the resignation of Dr. Maguire, who was slated to succeed Dr. Fernholz as CIO, the firm is back to the drawing board in an effort to find suitable candidates, internally or externally, for the role. Fernholz and Garvy have employment contracts in place until the end of 2011, at which point marks the likelihood of the firm transitioning its research team to the next generation of thought-leaders. While the longer-term implications of Maguire's departure may be an issue, we need to monitor INTECH's plan for succession over the next few years.

Highlights

The meeting provided an update on the firm, specifically as it relates to its succession plan subsequent to the recent news of Dr. Cary Maguire's departure. INTECH announced on April 10, 2008 that Maguire, Co-CIO, resigned for personal reasons that the firm is not at liberty to expound upon. He will, however, remain as a full-time consultant for up to six months to ensure a smooth transition of day-to-day responsibilities that will revert to Fernholz for the time being. As a result, Fernholz will temporarily delay his theoretical research priorities. With Maguire's departure, the Princeton-based research team consists of Fernholz, Dr. Adrian Banner, and Dr. Vassilios Papathanakos, all supported by Dr. Jason Greene and Dr. Robert Ferguson in the Palm Beach Gardens office. While INTECH does not have urgent need to replace Maguire, they are looking to potentially add three PhDs in Princeton by the end of 2009, two of whom are expected to be fresh out of academia and groomed by INTECH over time. The firm also intends to add a Ph.D. and a programmer in Palm Beach Gardens. Jennifer Young claimed that the broadening of resources will not only help enhance the firm's mathematical research process as its strategies grow but also lay a foundation for its long-term intellectual capital.

While Maguire's resignation is a significant loss to INTECH's research team, we do not believe his departure will impact the investment process or implementation supporting the firm's strategies in the short term. Research projects and agendas tend to be collaborative and longer-term in nature with Fernholz having the final decision-making authority. In addition, research is structured such that no projects are the primary domain of one person. Although Maguire assumed the lead developer role on the firm's covariance estimation enhancement several years ago, the idea was generated and refined by the team. With that said, the longer-term implications of Maguire's departure remains uncertain, particularly as Fernholz nears retirement. Not only did INTECH lose a thought-leader in theoretical research but also a tenured individual whose experience and expertise would have made him the ideal successor to lead the next generation of professionals. We expect the firm to have greater clarity on their succession plan over the next 12 to 18 months.

There have been no enhancements or changes to portfolio implementation since our last meeting. INTECH claimed that the covariance estimation process continues to operate normally where higher relative volatility stocks have been overweighted and lower relative volatility stocks have been underweighted. Jim Haymes did mention, however, that the implementation of flexible bands around stock target weights in 2007 is expected to be widened further in mid-2008 to create a more efficient optimization and trading process. This enhancement is not expected to result in changes to overall tracking error or alpha targets.

Janus recently increased its ownership stake in INTECH by another 3% that now totals 89.5%. What the final ownership

structure will look like is unknown; however, Haymes claimed that the minority employee ownership interest will be sufficient to provide incentives to the team. Maguire will relinquish his equity ownership upon leaving the firm.

The majority of INTECH's strategies underperformed their respective benchmarks during the first quarter of 2008. Similar to 2007, adverse trending, where a higher proportion of underweighted stocks outperformed than the overweighted stocks, detracted from returns. In particular, January 2008 experienced the largest spike in relative volatility over the last ten years that resulted in higher short-term tracking error. While a sudden increase in volatility results in a wider expected distribution of outcomes, due to the fact that the portfolio weighting process is designed to adapt to changes in relative volatility over time, the challenges of short-term negative trending led to undesirable performance.

Large Cap Growth Equity – New Amsterdam Partners

New Amsterdam held \$150.3 million at March 31, 2008. Assets decreased by \$16.7 million from the end of the fourth.

The portfolio underperformed the S&P 500 Index for the quarter, 1 year, and 3 years and placed below the Mercer U.S. Equity Large Cap Growth Universe median for all periods shown. However, the fund matched the performance of the S&P 500 Index for the 5 years and outperformed for the inception-to-date.

Detracting from performance was stock selection in technology coupled with an unfavorable overweight position within the sector. Poor security selection in producer durables also outweighed any benefit from a favorable overweight allocation. Stock selection in other energy and integrated oils also notably

detracted from performance.

Favorable security selection in the health care sector was the top contributor to performance for the quarter. Positive stock selection in the consumer discretionary and utilities sectors also added to performance. Favorable allocation in other energy and financial services were not able to offset the negative stock selection within these sectors.

Large Cap Value Equity – UBS Global Asset Management

At March 31, 2008, UBS managed \$120.5 million in assets, \$10.5 million less than at the previous quarter-end.

The portfolio underperformed the Russell 3000 Index for all periods shown except the 5 years and inception-to-date which both outperformed the index. The portfolio placed above the Mercer U.S. Equity Large Cap Value Universe median for all periods evaluated.

Unfavorable security selection coupled with an underweight position within the consumer staples sector and stock selection within the consumer discretionary sector were the greatest detractors from performance. Overweight allocation and unfavorable stock selection within the utilities sector also negatively impacted results, as did below-index exposure to the strong-performing materials and processing sector.

Security selection and a slight overweight in the other energy sector combined with favorable overweight allocation to the autos & transportation sector were the largest contributors to performance for the quarter. Positive stock selection within the financial services sector outweighed the unfavorable overweight position, ultimately contributing to performance.

News Item Dated May 29, 2008

In an attempt to reduce expenses due to market challenges, UBS announced that it will be reducing its head count, primarily through reductions of non-investment personnel. However, these reductions have impacted the Canadian operations and Artur Wichmann, materials analyst with North American coverage responsibility is no longer with the firm. The Canadian portion of the materials sector was previously covered by two Toronto based analysts, Artur Wichmann and Mark Serdan. Serdan has taken on full responsibility for Canadian materials coverage while U.S. materials coverage has reverted back to the Chicago-based U.S. equity analyst team.

Mercer View

We continue to see evidence at the global level that the firm is struggling to meet some of the challenges of running a large global asset management organization. It appears that the challenges at the global level are starting to have an impact on the Canadian operations as well. The reduction of an investment professional, for these reasons, is material and may have an impact on the depth of coverage. We continue to caution that further departures are a possibility.

News Item Dated May 14, 2008

Dipak Patel, head of Consultant Relationships, U.K. has tendered his resignation and now left UBS Global Asset Management (UBS) to join Wellington.

In addition to looking for a replacement for Dipak Patel, UBS are also in the process of hiring a global head of Consultant Relationships. In the meantime, all consultant queries should go to either Peter Douvos or Sonja Carey.

Mercer View

Mercer

UBS have been eager to appoint a head of Global Consultant relations for some time, and it appears that the search for this role is underway. It is unclear if there will be a senior U.K. consultant relations contact going forward.

No change in ratings results from Patel's departure.

News Item Dated April 8, 2008

UBS has announced that, for the first quarter of 2008, it expects to report a net loss to shareholders of about CHF12bn (\$12bn) after losses and write-downs of approximately \$19bn on US mortgage related securities and related structured credit positions.

UBS added that it was also seeking to raise CHF15bn (\$15bn) in capital by a rights issue (subject to approval at the 23 April 2008 AGM).

In addition, UBS announced that Marcel Ospel, chairman of UBS, will not stand for re-election to the Board of Directors. Peter Kurer, currently Group General Counsel of UBS, is nominated for election to the Board and is proposed the Chairman.

Mercer View

Analysts had expected further write-downs from UBS so this is not entirely unexpected, although the scale is significant. Given recent events, Marcel Ospel's effective resignation as chairman of the Board is unsurprising. Clients should note that whilst write-downs on UBS's own balance sheet do not impact the assets held on behalf of clients of UBS Global Asset Management. What is harder to quantify is the impact this news will have on the reputation of the firm.

UBS remains committed to asset management. However, what

is not clear is whether the losses incurred by the parent will result cost cutting in the asset management division. In addition, senior asset management employees are required to defer a portion of their annual performance-based incentive in the form of deferred or restricted UBS AG shares or employee stock options. The value of these is likely to have been impacted significantly and their use as a long term retention method may have been weakened.

We are not proposing any changes to ratings as a result of this news.

News Item Dated April 2, 2008

Peter Clarke, head of Canada, is leaving UBS Global Asset Management effective April 30th, 2008. David Wright, currently head of the Wholesale Business in Canada and a senior member of the Canadian management team, will assume Peter's day-to-day operating responsibilities as interim head of Canada until a successor is appointed.

Mercer View

We do not believe that this will affect UBS's day-to-day investment operations in the short-term. Depending on who is selected to replace Clarke, changes could occur in the future.

We see evidence at the global level that the firm is struggling to meet some of the challenges of running a large global asset management organization. Recent losses at the bank in connection with sub-prime lending could have a negative impact on morale within the asset management business. UBS's bonuses were paid at the end of February and looking forward, a portion of compensation is tied to the financial health of the firm, so further departures are a possibility.

Large Cap Value Equity – Boston Partners Asset Mgmt

At March 31, 2008, Boston Partners managed \$128.7 million in assets, a decrease of \$15.7 million since the prior quarter-end.

The portfolio outperformed the Russell 1000 Value Index for all periods shown with the exception of the quarter performance. The fund's 3-year performance was the only period that placed above the Mercer U.S. Equity Large Cap Value Universe median.

Unfavorable stock selection within the financial services sector more than outweighed the favorable underweight allocation and was the largest detractor from performance for the quarter. Stock selection within consumer staples, integrated oils, and other energy sectors and an unfavorable overweight allocation to the technology sector also weighed heavily on performance.

Benefiting performance was favorable security selection in health care coupled with an overweight position in the sector. Above index exposure to cash as cash holdings generally performed well in a negative equity environment.

Small Cap Growth Equity – Provident Investment Counsel

At March 31, 2008, Provident managed \$62.0 million in assets, a decrease of \$15.5 million since the end of the fourth quarter.

With the exception of the inception-to-date, Provident has underperformed the Russell 2000 Growth Index for all periods shown. The fund's performance has placed below the Mercer US Equity Small Cap growth universe median for all periods examined.

An unfavorable overweight allocation coupled with stock selection within the technology sector and stock selection

consumer discretionary sector were the leading drivers of underperformance for the quarter. Poor stock selection within the other energy sector more than offset any gains experienced by a favorable overweight to the sector.

Above-index exposure to cash as cash holdings generally performs well in a negative equity environment.

Small Cap Index Equity – Rhumblin Advisors

At March 31, 2008, Rhumblin managed \$89.2 million in assets. This represented a \$9.7 million decrease from the end of the fourth quarter.

For all periods shown, the fund tracked the Russell 2000 Index within 30 basis points.

Small Cap Value Equity – State Street Global Markets (formerly TCW Group)

A small cap value manager search was conducted to replace TCW Group, with assets invested in a temporary SSGM fund. At March 31, 2008, the fund held \$56.7 million in assets, a decrease of \$7.2 million from the previous quarter-end.

SSGM underperformed the Russell 2000 Index and placed below the Mercer U.S. Equity Small Cap Value Universe median for all periods examined.

International Equity – AQR Capital Management

At March 31, 2008, AQR held \$108.6 million, marking a decrease of \$10.6 million from the previous quarter-end.

AQR outperformed the MSCI EAFE Net Index for the quarter, but continues to trail the performance of the index for the 1-year and inception-to-date. For the quarter, AQR placed above the Mercer International Equity Universe median while ranking below the median for the 1-year period.

Favorable stock selection within Germany, Denmark, Japan, and United Kingdom were notable contributors to performance for the quarter. A lack of exposure to the poor performing Greece also aided performance. Conversely, security selection in France, Netherlands and Australia detracted from performance.

International Equity – Brandes Investment Partners

Brandes had \$211.5 million under management at March 31, 2008. This represented a decrease in assets of \$31.2 million from the previous quarter-end.

For all periods shown except 5 years, Brandes underperformed the MSCI EAFE Net Index and placed below the Mercer International Equity Universe median.

Security selection in Germany detracted most from performance. Unfavorable allocation and security selection in U.K. and Japan negatively impacted results. Investments in France and Italy also detracted, as did out of benchmark exposure to Canada and South Korea. Japan. Out-of-benchmark exposure to Brazil, Mexico, U.S. and Taiwan mitigated losses, as did lack of exposure to Greece.

Research Note Dated May 14, 2008

Rationale for change in recommended rating

We have no reason to recommend a change in the ratings of Brandes's Global and International Equity strategies. These continue to be strong, albeit volatile offerings. There have been no material changes in personnel or process to warrant a revision in our recommendations.

We are also introducing ratings on a number of Brandes's other global and international equity strategies. The firm's strengths (outstanding fundamental analysis, disciplined implementation, and a near ideal corporate culture) are evident in each of these strategies, yet at the same time, each falls short in portfolio construction, which limits the potential to generate sufficient and consistent excess returns. Emerging Markets Equity and the two small cap offerings have some appeal, but suffer from different issues. The Emerging Markets Equity strategy struggles due to its portfolio construction framework. Brandes's combination of concentrated portfolios with broad guidelines is a challenging framework in riskier markets (especially emerging markets), and the lack of any top-down perspective and a near permanent anti-momentum bias provide additional headwinds in these asset classes. The small cap mandates also have concentrated portfolios and loose constraints, but what we find most detrimental to the strategies' prospects is the lack of focus on smaller companies. Brandes's analysts tend to pay more attention to larger cap names, which translates into diminished idea generation. None of these strategies are ideally suited as stand-alone mandates because the results will be highly volatile. They are best employed as complimentary to other less volatile strategies.

Considering the mid cap strategies, we have the least amount of interest. We believe that the mid cap opportunity sets is too restrictive for Brandes's style of investing. Its process thrives on having the latitude to pursue deep value wherever it can find it. Forcing it upon a narrow slice of the universe is counterproductive.

Like the firm's flagship strategies, all of these mandates will vary widely from the benchmarks. Potential clients need to be committed to having a long-term relationship with Brandes and understand that the results will be volatile.

Issues to Watch

Portfolio construction: We have expressed concerns about Brandes' portfolio construction throughout the Mercer Evaluation Summary. It is important that we continue to dissect this area in future meetings with the firm.

The Investment Committee Structure: This is not an immediate concern, but something that we want to keep at the forefront of our minds. We need to continue to prod Brandes' Investment Committee members for insights into how much they challenge the analysts. Because Brandes does not permit outsiders to sit in on Investment Committee meetings, it is impossible to observe the process. Still, we need to look for ways to explore the topic.

Capacity: Although our capacity concerns have abated recently (due to client losses and poor relative performance), we still monitor Brandes' asset growth closely. Clients should be aware that the firm has split its business into institutional and SMA divisions, which means that it segregates its assets for reporting purposes. That is, asset figures are understated.

Staff turnover: While we usually applaud firms that retain its staff over long periods, we are also wary of firms that have no (or de minimis) turnover. Sometimes lack of turnover can lead to stagnation. Brandes has been very stable, which is beneficial from the perspective of maintaining its culture, but we remain conscious that teams need fresh ideas and fresh thinking from time to time. Thus far, Brandes has kept a healthy balance, but we continue to watch for signs that there is stagnation in the ranks.

Highlights

This was an update meeting on Brandes' global and non-US equity capabilities. Though recent performance has been weak, there is no cause for alarm. Brandes continues to pursue the same Graham-and-Dodd style of investing that it always has; it has simply gone through a period when it has been positioned mainly in out-of-favor industries and sectors. That singleminded, utterly focused discipline sets the firm apart, for better or worse. Again, we remind clients not to evaluate Brandes on short-term performance.

We asked Garrett to discuss margin of safety (MOS) and how it has fared recently. Brandes' concept of MOS is the difference between what it feels a company is worth (per share) and where the market prices it. MOS is a critical concept at Brandes because it governs the buy-sell process, as well as position sizing. In early 2007, the average MOS had contracted across the portfolios, but recently, Brandes has witnessed a significant widening in the average MOS' across the majority of its strategies. That has occurred as a result of finding a lot of new opportunities (where the MOS is high) to replace less compelling ideas. Brandes is willing to share with clients' the average MOS per portfolio, but we question the

value in gaining this information. Because the firm cannot compute the benchmarks' average MOS, it can only present a one-sided view of the opportunity set. It is perhaps best used as a complement to other information from the manager.

Garrett also shed some light on the way that the Investment Committees function within the process. Members of the various Investment Committees put in a considerable amount of work assessing the work of the research analysts. Committee members are expected to challenge the researchers' inputs as well as the conclusions, and often this translates into additional outside reading. From time to time, Committee members run basic screens to identify candidates for further research, and those ideas are passed directly to the sector specialists. Garrett also indicated that Brandes' Investment Committees are reluctant to set house views on inputs like normalized oil prices. Discussing the relative short position in Oil & Gas companies across the firm, he indicated that there are a range of views on oil prices within the firm. To outline the pertinent issues and air differences of opinion within the team, Brandes held a special session attended by most researchers. Thus the role of the Investment Committee is to guide and challenge the research analysts, but not to dole out specific marching orders.

We inquired about dedicated emerging markets researchers. Garrett told us that Brandes had once tried to have emerging markets specialists, but that these researchers could not function well within the existing team construct and were folded back into the global sector specialist structure. While Brandes acknowledges that there is value in specialization, it believes that the sector specialist alignment is the best possible solution. This thinking applies to smaller cap stocks, even

though the team admits that there is a greater emphasis on larger cap companies. This lack of focus on emerging markets or capitalization contributes to our hesitancy to recommend these narrower strategies.

There was only one personnel change of note. Vincent Palma, the Director of Trading, announced that he is retiring in 2008. Joe Scafidi, the firm's Assistant Director of Trading, has already assumed day-to-day management responsibilities from Palma. Scafidi has more than twenty years of trading experience, and he impressed us with his knowledge of execution techniques. We have no reservations about this change.

Emerging Markets Equity has struggled to keep pace with the benchmark in recent years. It has lagged each year since 2005. Much of the rationale comes down to industry positioning. Brandes has missed most of the run-up in Oil & Gas and Metals & Mining, and its stock selection has not been strong enough to overcome that drag. Garrett contended that Brandes views these areas as well-overbought right now, so it is still considerably underrepresented in the portfolio.

Brandes would be content if their clients viewed the Emerging Markets Equity strategy as an absolute return strategy, but we disagree. The firm's argument seems to rest on past performance, not anything inherent in how the strategy is managed. It is certainly not managed for absolute returns (i.e., positive returns regardless of market direction). Although Emerging Markets Equity's return since inception is positive, it has failed to achieve positive returns four years in its 13 calendar years of existence. It has just been the case over recent years that emerging markets have produced positive

results annually. We believe that most absolute return investors would be disappointed with those outcomes, but in a benchmark-relative context, this strategy is slightly better than average.

The Global and International Equity portfolios have also fared poorly on a relative basis. Similar to Emerging Markets Equity, the lack of exposure to Energy and Materials presents a significant hurdle. Brandes has been favorably inclined to Japanese stocks, despite the recent concerns over corporate governance. Also, industries such as communication equipment, banks, and pharmaceuticals have all disappointed. Despite the on-going crisis in financial stocks, Brandes finds itself to be investing heavily in companies such as Fannie Mae, AIG, and Citigroup. Schireson explained that Brandes has frequently been called to make sizeable investments in struggling enterprises. This is entirely consistent with its investment style.

As noted earlier, we are less concerned about capacity than in previous meetings. Brandes has witnessed some client defections as its strategies have generally underperformed the relevant benchmarks. Within its global and non-US equity strategies, Brandes has capacity for existing clients within its mid cap strategies. We are comfortable with, yet continue to monitor, the firm's policies towards asset growth.

International Equity – William Blair & Company

At March 31, 2008, William Blair managed \$232.1 million, decreasing \$29.0 million from the end of the previous quarter.

For all periods evaluated except the recent quarter, the portfolio

outperformed the MSCI AC World Free ex-U.S. Net Index and placed above the Mercer International Equity Universe median.

The portfolio's security selection in Switzerland, U.K., Italy and Spain contributed to performance. An overweight allocation in Egypt also helped. Detracting from performance was security selection in Australia, Japan, France and Brazil. An underweight allocation and security selection in Canada hurt results. An overweight allocation in Hong Kong and security selection also detracted.

Research Note Dated April 17, 2008

Issues to watch

Blair has one team that supports all of its non-US strategies. With the introduction of new strategies, we will monitor the team to ensure that it remains sufficiently staffed to effectively manage the products. With the global research team under Greig's direction, will he be spread too thin?

Non-US assets have experienced strong net inflows and total half of total firm assets. With the team running concentrated products, we will monitor asset growth to remain comfortable that total assets still at a manageable level for the team.

Highlights

Blair's non-US team, led by George Greig, continues to gain prominence within the asset management arm as it now manages over half of the firm's assets. In addition to providing Greig's team with additional research personnel, the firm has reorganized its research team to better facilitate a global equity product. The research team is now organized into global sector teams with team leaders reporting directly to Greig. Another indication of the non-US team's standing at Blair is that both portfolio managers for the new global equity strategy hail from the non-US team. The US portfolio management team has little input into the global equity product.

Although the new research structure highlights Blair's confidence in Greig, his team has effectively expanded and he will have more administrative responsibilities. Historically, Greig's team has been rather small given the universe that it manages, but there was good team chemistry. This change should have little effect on the non-US products, but we are slightly concerned that Greig will be spread too thin.

The non-US equity strategies continue to hum along with no changes to the process and no team departures. Blair continues to add research resources to allow it to extend capacity in its portfolios. In 2007, Blair added a small cap analyst and two research associates to the team. While we view the addition of research staff to be positive, we are not completely convinced that three junior hires are enough, especially with the introduction of two new products – Global Growth Equity and Emerging Markets Leaders.

Greig did not indicate that he was looking to expand the non-

US team, believing that the current team had the capacity to support all the products. We are concerned that product proliferation may detract from the quality of research that is currently produced by the analysts. This is an issue we will continue to monitor going forward.

With expansion in the market and better resourced team, Blair has decided to reopen the International Core Growth strategy to new separate accounts. Blair has not evaluated capacity formally and the firm has introduced new strategies that will eat into available capacity so we will continue to monitor liquidity to ensure that it can effectively manage new assets.

Emerging Markets Equity – Alliance Capital Management

At quarter-end, Alliance managed \$82.7 million in assets, marking a decrease of \$12.6 million from the end of the previous quarter.

The portfolio outperformed the MSCI Emerging Markets Free Index for 5 years and inception-to-date only, but matched the return of the index for the recent quarter. The portfolio placed below the Mercer Emerging Markets Equity Universe median for all periods evaluated.

Detracting from performance was out-of-benchmark exposure to Hong Kong and security selection in Mexico and Malaysia. An underweight allocation and security selection in South Korea also negatively impacted performance. Security selection in India and an overweight allocation and security selection in Egypt helped returns. Out-of-benchmark exposure to U.S. and U.K. also contributed.

Emerging Markets Equity – Boston Company Asset Mgmt

Boston Company managed \$77.8 million in assets at March 31, 2008. This represented a \$9.4 million decrease from the end of the previous quarter.

The portfolio underperformed the MSCI Emerging Markets Free Index for all periods evaluated except the recent quarter. It placed in the bottom quartile of the Mercer Emerging Markets Equity Universe for all periods evaluated except the recent quarter.

An underweight allocation and favorable security selection in China and Russia contributed to performance, as did an overweight allocation and security selection in Taiwan and Thailand. Security selection in Brazil also helped results. Unfavorable security selection more than offset an overweight allocation in South Korea and South Africa. Out-of-benchmark exposure to Hong Kong also detracted.

Core Fixed Income – Seix Investment Advisors, Inc.

At quarter-end, Seix managed \$281.0 million in assets, a decrease of \$1.0 million from the previous quarter-end. The portfolio had a cash outflow of \$5.0 million during the quarter.

Seix outperformed the Lehman Brothers Aggregate Bond Index for 5 years only, and matched the return of the index for inception-to-date. The portfolio placed above the Mercer U.S. Fixed Core Universe median for 1 and 5 years only.

A significant underweight allocation in Treasuries hurt performance, as Treasuries outperformed every other sector. An overweight in the ABS and CMBS sectors also detracted. Within corporates, an overweight to the flat industrials sector also negatively impacted performance.

Manager News Item Dated April 8, 2008

Mercer was informed that John Talty, CIO of Seix since 2006, and head of the high grade group since 1993, will retire at the end of April 2008. James Keegan will assume the position of CIO and head of the high grade division. Additionally, Christina Seix, chairman, Mike McEachern (president) and Bob Sherman (promoted to CEO in April) will extend their contracts to 2011, beyond the original 5 years they were contracted to when the firm was sold to SunTrust Banks Inc. in 2004. They will form the executive committee with James Keegan.

Core Fixed Income – Western Asset Management Company

At March 31, 2008, WAMCo held \$275.4 million, decreasing \$7.5 million from the previous quarter-end. The portfolio had a cash outflow of \$5.0 million during the quarter.

The portfolio underperformed the Lehman Brothers Aggregate Bond Index for all periods evaluated except 5 years and inception-to-date. It placed in the bottom quartile of the Mercer US Fixed Core Universe for all periods evaluated except 5 years. The portfolio significantly underperformed the index (by 310 basis points) for the quarter and (by 620 basis points) 1-year period.

A significant underweight to strong-performing Treasuries (2.4% for the portfolio versus 33.0% for the index) hurt results, as did above-index exposure to asset-backed securities and mortgage-related securities (61.8% for the portfolio versus 43.3% for the index).

Research Note Dated May 23, 2008

Rating Expectation

We do not believe any ratings changes are warranted as a result of this meeting.

Meeting Highlights

This meeting served as a face-to-face introduction to Deputy CIO Steve Walsh. Walsh has been a key leader and portfolio manager for the firm for many years, but most of our previous interactions with the firm have involved CIO Ken Leech and other senior PMs.

Walsh's role has taken on greater visibility following the announcement that Leech went on medical leave at the beginning of May. WAMCo maintains that additional information, if not resolution, of Leech's status will be available around the end of June. We believe Walsh to be capable of leading the investment effort in Leech's absence, and would be comfortable if he assumed the CIO title at some point in the near-future.

WAMCo's senior portfolio management team was bolstered by the addition of two PMs following the acquisition of Citigroup Asset Management. Mark Lindbloom and Fred Marki moved from NY to Pasadena, and have been integrated into the team as PMs of Core and Core Plus accounts. Ed Moody and Carl Eichstaedt also have significant Core and Core Plus assignments.

WAMCo continues to add to its mortgage overweight. We are pleased that the firm does not show signs of changing its approach to fixed income management, either by dialing down risk or becoming more aggressive (on credit risk) in an effort to

make up recent underperformance. The mutual fund versions of both strategies performed exceptionally in April and the first several trading days of May as CMBS and non-agency mortgage spreads rallied. This is evidence that the strategies will benefit as spreads tighten to reflect smaller liquidity premia and/or increased risk appetite in the overall market.

Walsh is steadfast in his view that WAMCo will not invest heavily in Treasuries. WAMCo collects active management fees in return for taking risk in spread sectors, and he has no intention of altering that approach. The firm's Core (7.28% YTW as of April 30, 2008) and Core Plus (8.73%) composites currently offer significant yield premia to the Lehman Brothers Aggregate Index (4.70%).

Walsh did admit that the firm's cash equivalent program has to be tightened up. We agree that most clients expect principal protection from cash equivalent strategies, as opposed to alpha. Walsh did not provide details on how the team would mitigate risk in cash equivalent pools, but we will follow up on this topic in future meetings.

Issues to Watch

Mortgage-related volatility: WAMCo remains confident that its non-agency mortgage positions are money-good and will continue to generate expected cash flows. The team's overall mortgage exposure continues to be the single largest source of active risk in Core and Core Plus portfolios, including the overweight agency pass-through exposure and the non-agency mortgages. While the firm's mortgage exposure is likely to drive returns for some time, WAMCo's willingness to concentrate active risk in a specific sector is not a departure from its long-time philosophy. In past cycles, the firm loaded up on corporate credit, both investment-grade and below.

Further, WAMCo's investment rationale is well reasoned. WAMCo believes that the recently high (and anomalous) correlation between mortgages and corporates will revert, making mortgages a hedge against corporate spread widening. Historically wide mortgage spreads also provide an attractive yield relative to Treasuries. WAMCo believes the Treasury flight-to-quality rally to be unprecedented in length, and unlikely to be sustained following the Fed's willingness to provide liquidity to investment banks. By taking non-agency mortgages and other credits as collateral, the Fed's actions have injected liquidity and provided much-needed stability into the financial system. If volatility subsides and liquidity does return, WAMCo should be in great shape considering the yield advantage relative to the Lehman Aggregate. However, another bout of heavy mortgage selling by leveraged investors or large banks will create additional performance problems for the firm.

Next Steps

We will continue to follow WAMCo's portfolio positioning and performance closely for confirmation that the firm's spread-heavy posture performs as expected during credit/mortgage rallies and sell-offs. This may entail quarterly conference calls or meetings for the foreseeable future, following the frequent pattern of contact we've had with WAMCo since summer 2007. However, our on-site due diligence in 1Q08 remains the primary source of research insight.

News Item Dated April 21, 2008

Ken Leech, WAMCo's chief investment officer, will be taking a temporary medical leave beginning May 2, 2008. The firm does not have a specific time table for his return to the office, but Leech has been telling clients that he expects to be out for about two months. He has a series of medical tests scheduled for the month of May.

Leech will remain in contact with his investment colleagues during his time out of the office. He has a Bloomberg connection at home and will participate in strategy meetings. However, his portfolio management assignments, including the Core and Core Plus mutual funds, will be handled by Deputy CIO Stephen Walsh. Walsh is also expected to take on a greater role in client-facing duties, along with portfolio managers Carl Eichstadt and Mark Lindbloom.

Mercer View

We recommend a provisional (P) rating for all of WAMCo's U.S. investment-grade oriented fixed income strategies. Leech is a central figure in determining strategy across the firm, and we think highly of him. Mercer expects to remove the provisional designation upon Leech's return to the trading desk on a full-time basis.

In the event that Leech does not return in that capacity, we would have to assess the new investment roles for members of the team. Leech is clearly the philosophical leader of the team, and we would want to ensure that Walsh—or whoever fills his shoes—shares the same insight and instincts.

That said, we do not believe this news requires a recommendation to downgrade any of WAMCo's strategies or for clients to consider termination. The firm has a deep team of investors to handle idea generation and trading without Leech stationed on the desk. Further, WAMCo's core investment philosophy manifests itself in structural portfolio positions that are not prone to change given the departure of any one individual. We believe this philosophy is well-entrenched. Regardless of Leech's role at the firm, we would expect WAMCo to retain its biases toward overweighting credit risk (at times quite aggressively), tilting longer duration as a

counterbalance to the credit overweight in an economic downturn, overweighting spread sectors in general while engaging in fairly aggressive sector rotation (including out-of-benchmark securities), and heavy use of TBA mortgages with active collateral management in lieu of specified pass-through pools.

We wish Leech the best and hope to see him make a speedy and healthy return to the business.

Long Duration Fixed Income – Income Research & Management

Income Research & Management held \$111.2 million at quarter-end. Assets increased \$1.4 million during the quarter.

For the quarter and 1-year period, the portfolio outperformed the Lehman Brothers US Government/Credit Long Term Index, and matched the index for 3 years and inception-to-date. The portfolio placed above the Mercer U.S. Fixed Long Duration Universe median for all periods except 3 years.

Detracting from performance was above-index exposure to corporates which underperformed the overall index, and out-of-benchmark exposure to mortgage-related securities.

Real Estate – MIG Realty Advisors

MIG managed \$50.6 million in assets at March 31, 2008.

For all periods shown, the portfolio underperformed the NCREIF Property – EWB Calc Index. It placed below the Mercer U.S. Real Estate Open End Universe median for all periods shown, ranking at the bottom of the universe for 3 and 5 years.

Real Estate – Kennedy Associates

Kennedy managed \$105.6 million in assets at March 31, 2008.

For all periods evaluated except 1 year, the portfolio underperformed the NCREIF Property – EWB Calc Index and placed in the bottom quartile of the Mercer U.S. Real Estate Open End Universe. For 1 year, the portfolio outperformed the index and universe median.

Real Estate – Multi-Employer Property Trust

MEPT managed \$62.3 million in assets at December 31, 2007.

The portfolio outperformed the NCREIF Property Index for the recent quarter. It approximately matched the index for 1 year, but underperformed for inception-to-date. It ranked above the Mercer U.S. Real Estate Open End Universe median for all periods evaluated.

Private Market Equity – Pantheon Ventures

Pantheon was funded September 23, 2005. Pantheon held \$23.0 million at quarter-end.

Research Note Dated March 13, 2008

Issues to Watch

As Dennis McCrary is a relatively new team member, we would like to monitor how well he integrates with the investment team.

Since Russell's acquisition of Pantheon in 2004, a number of retention contracts have expired or are set to expire in the next

one and two years. We need to monitor the impact of the expiration of these contracts with regard to key investment professionals.

Highlights

During the fourth quarter 2007, Pantheon hired Dennis McCrary as a Partner on its primary investment team. McCrary joined Pantheon from Adams Street where he was Head of the U.S. Partnership team. Although he will eventually relocate to San Francisco, McCrary is currently situated in Chicago and travels every other week to San Francisco. McCrary will be involved in selecting both U.S. primary investments and will also be a member of the newly developed co-investment team. We questioned McCrary about whether or not he was concerned with not leading a team as he did in his former position at Adams Street. He stated that he welcomed his new opportunity and felt that he was a valued team member at Pantheon. Additionally, McCrary stated that he would rather spend time on investment related responsibilities rather than administrative functions that consumed a considerable amount of time.

Some of the senior investment professionals have reduced their involvement with Pantheon - Rhoddy Swire and Carol Kennedy in the UK and David Braman in the US. Swire and Kennedy have scaled back their time to 20% while Braman is involved as often as he is required but is posed to retire relatively soon. We will need to monitor the impact of the upcoming retention contracts with Russell.

One of our concerns regarding the Pantheon team has been the disparity of experience between the senior partners and the next generation of decision makers in the U.S. Prior to hiring McCrary, the senior investment team included Susan Long McAndrews and Gary Hiatt. McAndrews is the only senior

investment professional involved in the investment process as Hiatt is spending the majority of his time with business management, client service and developing the firm's infrastructure business . Although the McCrary's addition is viewed as extremely positive and helps mitigate some of our concerns, we still have slight concerns with the bifurcation of team experience.

Additionally, over the last year, Pantheon hired Rudy Scarpa as a Partner on its global secondary investment team. Scarpa previously worked at Collier Capital. Scarpa is based in New York and will help Pantheon establish an East Coast office. Elsewhere, the firm intends to expand its global secondaries and Hong Kong teams as a result of the increase in deal flow and opportunities in these markets

Pantheon is currently offering Pantheon USA Fund VIII (PUSA VIII) with a target capitalization of \$2.5 billion. McCrary stated that the firm does not intend to grow its separate account business. Rather, Pantheon is focusing on its secondary, co-investment and infrastructure businesses for future growth.

Private Market Equity – Portfolio Advisors

Portfolio Advisors was funded October 17, 2005. Portfolio Advisors held \$20.3 million at quarter-end.

Private Market Equity – HarbourVest Partners

HarbourVest was funded December 23, 2005. HarbourVest held \$16.2 million at quarter-end.

Recommendations

Recommendations

Large Cap Index Equity – Rhumblin Advisers

- Rhumblin is tracking the S&P 500 Index as expected. Retention recommended.

Large Cap Growth Equity – SSgA Global Markets, Inc. (formerly Globalt)

- A large cap growth manager search was conducted to replace Globalt, with assets mapped on to an interim temporary SSgA fund.
- State Street outperformed the Russell 1000 Growth Index for all periods shown except 3 years and inception-to-date. The portfolio placed below the Mercer U.S. Equity Large Cap Growth Universe median for all periods shown except the recent quarter.

Large Cap Growth Equity – INTECH

- The portfolio underperformed the Russell 1000 Growth Index for all periods except inception-to-date. The portfolio placed below the Mercer U.S. Equity Large Cap Growth Universe median for all periods measured.
- We recommend keeping INTECH on the Watch List pending further improvements in performance. Please see manager news in the Executive Summary.

Large Cap Growth Equity – New Amsterdam Partners

- The portfolio underperformed the S&P 500 Index for the quarter, 1 year, and 3 years and placed below the Mercer U.S. Equity Large Cap Growth Universe median for all periods shown. However, the fund matched the performance of the S&P 500 Index for the 5 years and outperformed for the inception-to-date. Retention recommended.

Large Cap Value Equity – UBS Global Asset Management

- The portfolio underperformed the Russell 3000 Index for all periods shown except the 5 years and inception-to-date which both outperformed the index. The portfolio placed above the Mercer U.S. Equity Large Cap Value Universe median for all periods evaluated. We recommend keeping the fund on the Watch List. Please see manager news in the Executive Summary.

Large Cap Value Equity – Boston Partners Asset Management

- The portfolio outperformed the Russell 1000 Value Index for all periods shown with the exception of the recent quarter. The fund's 3-year performance was the only period that placed above the Mercer U.S. Equity Large Cap Value Universe median. Retention recommended.

Small Cap Growth Equity – Provident Investment Counsel

- With the exception of the inception-to-date, Provident has underperformed the Russell 2000 Growth Index for all periods shown. The fund's performance has placed below the Mercer US Equity Small Cap growth universe median for all periods examined. Retention recommended.

Small Cap Index Equity – Rhumblin Advisers

- Rhumblin is tracking the Russell 2000 Index as expected. Retention recommended.

Small Cap Value Equity – State Street Global Markets (formerly TCW Group)

- A small cap value manager search was conducted to replace TCW Group, with assets invested in a temporary SSGM fund. The portfolio underperformed the Russell 2000 Index and placed below the Mercer U.S. Equity Small Cap Value Universe median for all periods examined.

International Equity – AQR Capital Management

- AQR outperformed the MSCI EAFE Net Index for the quarter, but continues to trail the performance of the index for the 1- year and inception-to-date. For the quarter, AQR placed above the Mercer International Equity Universe median while ranking below the median for the 1-year period. While performance has improved, we recommend monitoring for improvements in the next few quarters as this is a relatively new relationship.

International Equity – Brandes Investment Partners

- For all periods shown except 5 years, Brandes underperformed the MSCI EAFE Net Index and placed below the Mercer International Equity Universe median. Retention recommended. Please see the manager research note in the Executive Summary.

International Equity – William Blair & Company

- For all periods evaluated except the recent quarter, the portfolio outperformed the MSCI AC World Free ex-U.S. Net Index and placed above the Mercer International Equity Universe median. Retention recommended. Please see the manager research note in the Executive Summary.

Emerging Markets Equity – Alliance Capital Management

- The portfolio outperformed the MSCI Emerging Markets Free Index for 5 years and inception-to-date only, but matched the return of the index for the recent quarter. The portfolio placed below the Mercer Emerging Markets Equity Universe median for all periods evaluated. We recommend keeping the firm on the Watch List.

Emerging Markets Equity – Boston Company Asset Management

- The portfolio underperformed the MSCI Emerging Markets Free Index for all periods evaluated except the recent quarter. It placed in the bottom quartile of the Mercer Emerging Markets Equity Universe for all periods evaluated except the recent quarter. Although there has been some recent improvement in performance, the fund ranked around the bottom decile for all periods evaluated excluding the recent quarter. Given the instability of retaining key professionals in the past year, we continue to recommend terminating the relationship.

Core Fixed Income – Seix Investment Advisors, Inc.

- Seix outperformed the Lehman Brothers Aggregate Bond Index for 5 years only, and matched the return of the index for inception-to-date. The portfolio placed above the Mercer U.S. Fixed Core Universe median for 1 and 5 years only. Please see manager news in the Executive Summary. Retention recommended.

Core Fixed Income – Western Asset Management Company

- The portfolio underperformed the Lehman Brothers Aggregate Bond Index for all periods evaluated except 5 years and inception-to-date. It placed in the bottom quartile of the Mercer US Fixed Core Universe for all periods evaluated except 5 years. The portfolio significantly underperformed the index (by 310 basis points) for the quarter and (by 620 basis points) 1-year period. We recommend keeping the fund on the watch list.

- Mercer is closely monitoring the impact of Ken Leech's resignation so we recommend keeping the firm on the Watch List. Additionally, we will be monitoring WAMCo's portfolio positioning and performance for confirmation that the firm's spread-heavy posture performs as expected during credit/mortgage rallies and sell-offs. Please see the news item in the Executive Summary.

Long Duration Fixed Income – Income Research & Management

- For the quarter and 1-year period, the portfolio outperformed the Lehman Brothers US Government/Credit Long Term Index, and matched the index for 3 years and inception-to-date. The portfolio placed above the Mercer U.S. Fixed Long Duration Universe median for all periods except 3 years. Retention recommended.

Real Estate – MIG Realty Advisors

- For all periods shown, the portfolio underperformed the NCREIF Property – EWB Calc Index. It placed below the Mercer U.S. Real Estate Open End Universe median for all periods shown, ranking at the bottom of the universe for 3 and 5 years. We recommend keeping the firm on Probation.

Real Estate – Kennedy Associates

- For all periods evaluated except 1 year, the portfolio underperformed the NCREIF Property – EWB Calc Index and placed in the bottom quartile of the Mercer U.S. Real Estate Open End Universe. For 1 year, the portfolio outperformed the index and universe median. We recommend keeping the firm on Probation.

Real Estate – Multi-Employer Property Trust

- The portfolio outperformed the NCREIF Property Index for the recent quarter. It approximately matched the index for 1 year, but underperformed for inception-to-date. It ranked above the Mercer U.S. Real Estate Open End Universe median for all periods evaluated. Retention recommended.

Private Market Equity – Pantheon Ventures

- Pantheon was funded September 23, 2005. Please see the manager research note in the Executive Summary.

Private Market Equity – Portfolio Advisors

- Portfolio Advisors was funded October 17, 2005.

Private Market Equity – HarbourVest Partners

- HarbourVest was funded December 23, 2005.

Comments on Asset Allocation

- It shall be the policy of the Plan to invest its assets in accordance with the maximum and minimum range, valued at market, for each asset as stated below:

<u>Asset Class</u>	<u>Minimum %</u>	<u>Target %</u>	<u>Actual %</u>	<u>Maximum %</u>
Domestic Equity	29	34	35.8	39
International Equity	10	20	21.4	25
Emerging Markets Equity	0	5	6.2	8
Domestic Core Fixed Income	15	20	21.5	25
Long-Duration Fixed Income	0	4	4.3	7
Real Estate	0	12	8.5	17
Private Equity	0	5	2.3	8
Cash			0.0	

At March 31, 2008, the asset class allocations were within the guidelines and generally close to their targets. Domestic equity was 1.8% above its target allocation of 34.0%, international equity was 1.4% above its target allocation of 20.0%, international emerging market equity was 1.2% above its target allocation of 5.0%, domestic core fixed income was 1.5% above its target allocation of 20.0%, long-duration fixed income was 0.1% below its target allocation of 4.0%, private equity was 2.7% below its target allocation of 5.0%, and real estate was 2.5% below its target allocation of 12.0%. We anticipate that, as opportunities present themselves, the allocations to real estate and private equity will be funded from domestic and international equities.

Watch List/Probation

- Globalt placed on the Watch List in the fourth quarter of 2001. Placed on Probation in the first quarter of 2002. Removed from Probation but kept on the Watch List in the fourth quarter of 2004. Placed on Probation in the third quarter of 2006. Placed on Termination status in the fourth quarter of 2006. Termination recommended in the second quarter of 2007.
- INTECH placed on the Watch List in the second quarter of 2007.
- New Amsterdam placed on the Watch List in the first quarter of 1999 and was put on Probation in the third quarter of 1999. Removed from Probation but kept on the Watch List in the fourth quarter of 2000. Removed from the Watch List in the first quarter of 2001.
- UBS placed on the Watch List in the third quarter of 1999. Placed on Probation in the first quarter of 2000. UBS placed on the Watch List in the first quarter of 2002. Removed from the Watch List in the fourth quarter of 2002. Placed on the Watch List in the fourth quarter of 2007.
- Boston Partners put on Probation during the fourth quarter of 1998 and moved to the Watch List in the third quarter of 2000, then removed from the Watch List in the second quarter of 2001. Placed on the Watch List in the fourth quarter of 2002. Placed on Probation in the first quarter of 2005. Removed from Probation but kept on the Watch List in the third quarter of 2005. Taken off the Watch List in the third quarter of 2007.
- Provident placed on the Watch List in the second quarter of 2000. Removed from the Watch List in the third quarter of 2003. Placed on the Watch List in the fourth quarter of 2004. Removed from the Watch List in the third quarter of 2007.
- TCW placed on the Watch List in the fourth quarter of 2004. Placed on Probation in the second quarter of 2005. Termination recommended in the third quarter of 2007.
- Alliance Capital (Emerging Markets Equity) placed on the Watch List in the third quarter of 2003. Removed from the Watch List in the second quarter of 2004. Placed on the Watch List in the second quarter of 2007.
- Boston Company Asset Management placed on the Watch List in the third quarter of 2002. Removed from the Watch List in the second quarter of 2003. Placed on the Watch List in the third quarter of 2005. Placed on Probation in the third quarter of 2006. Termination recommended in the fourth quarter of 2007.
- Seix placed on the Watch List in the third quarter of 2002. Removed from the Watch List in the fourth quarter of 2003. Placed on the Watch List in the third quarter of 2004. Taken off the Watch List in the third quarter of 2007.

- WAMCo placed on the Watch List in the second quarter of 2005. Removed from the Watch List in the fourth quarter of 2005. Placed on the Watch List in the fourth quarter of 2007.
- MIG was on Probation from the second quarter of 1998 until third quarter of 1999, when they were removed from Probation and placed on the Watch List. MIG was removed from the Watch List in the first quarter of 2002. Placed on the Watch List in the third quarter of 2004. Placed on Probation in the fourth quarter of 2005.
- Kennedy Associates was placed on the Watch List in the fourth quarter of 2006. Kennedy Associates was placed on Probation in the second quarter of 2007.

Asset Allocation

San Jose Police and Fire Retirement System

Asset Summary
As of March 31, 2008

	Total Market Value	% of Total Fund	% of Asset Class	Equity & Convertible		Fixed Income		Cash & Equivalents		Alternative	
Total Fund	\$ 2,583.4	100.0%	100.0%	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ --	-- %
Domestic Equity	924.6	35.8	100.0	911.1	98.5	--	--	13.5	1.5	--	--
Index Equity											
RhumbLine Advisers - Large Cap Index Equity	223.2	8.6	24.1	222.2	99.6	--	--	0.9	0.4	--	--
Growth Equity	244.4	9.5	26.4	239.2	97.9	--	--	5.2	2.1	--	--
State Street Corp Global Markets - Formerly Globalt	43.4	1.7	4.7	43.4	99.8	--	--	0.1	0.2	--	--
INTECH - Large Cap Growth Equity	50.7	2.0	5.5	50.2	99.2	--	--	0.4	0.8	--	--
New Amsterdam Partners - Large Cap Growth Equity	150.3	5.8	16.3	145.6	96.9	--	--	4.7	3.1	--	--
Value Equity	249.2	9.6	26.9	243.6	97.8	--	--	5.6	2.2	--	--
UBS Global Asset Management - Large Cap Value Equity	120.5	4.7	13.0	118.2	98.2	--	--	2.2	1.8	--	--
Boston Partners Asset Mgmt. - Large Cap Value Equity	128.7	5.0	13.9	125.3	97.4	--	--	3.4	2.6	--	--
Small Cap Growth											
Provident Investment Counsel - Small Cap Growth Equity	62.0	2.4	6.7	61.3	98.8	--	--	0.7	1.2	--	--
Small Cap Core											
RhumbLine Advisers	89.2	3.5	9.6	88.5	99.2	--	--	0.7	0.8	--	--

All dollars in millions, numbers may not add due to rounding

San Jose Police and Fire Retirement System

Asset Summary
As of March 31, 2008

	Total Market Value	% of Total Fund	% of Asset Class	Equity & Convertible		Fixed Income		Cash & Equivalents		Alternative	
Small Cap Value											
State Street Corp - Formerly TCW	\$ 56.7	2.2%	6.1%	\$ 56.4	99.3%	\$ --	-- %	\$ 0.4	0.7%	\$ --	-- %
International Established Markets	552.2	21.4	100.0	541.0	98.0	0.0	0.0	11.2	2.0	--	--
AQR Capital Management, LLC International Equity	108.6	4.2	19.7	108.6	100.0	--	--	0.0	0.0	--	--
Brandes Investment Partners - International Equity	211.5	8.2	38.3	209.8	99.2	0.0	0.0	1.8	0.8	--	--
William Blair & Company - International Equity	232.1	9.0	42.0	222.7	95.9	0.0	0.0	9.4	4.1	--	--
International Emerging Markets	160.4	6.2	100.0	82.7	51.5	--	--	--	--	77.8	48.5
Alliance Capital Mgmt Emerging Markets Equity	82.7	3.2	51.5	82.7	100.0	--	--	--	--	--	--
Boston Company Asset Mgmt. Emerging Markets Equity	77.8	3.0	48.5	--	--	--	--	--	--	77.8	100.0
Domestic Core Fixed Income	556.4	21.5	100.0	0.0	0.0	604.7	108.7	(48.3)	(8.7)	--	--
Seix Investment Advisors, Inc - Fixed Income	281.0	10.9	50.5	0.0	0.0	279.2	99.4	1.8	0.6	--	--
Western Asset Management - Fixed Income	275.4	10.7	49.5	--	--	325.5	118.2	(50.1)	(18.2)	--	--
Long Duration Fixed Income											
Income Research & Mgmt., Inc. Long Duration	111.2	4.3	100.0	--	--	110.5	99.4	0.6	0.6	--	--

All dollars in millions, numbers may not add due to rounding

San Jose Police and Fire Retirement System

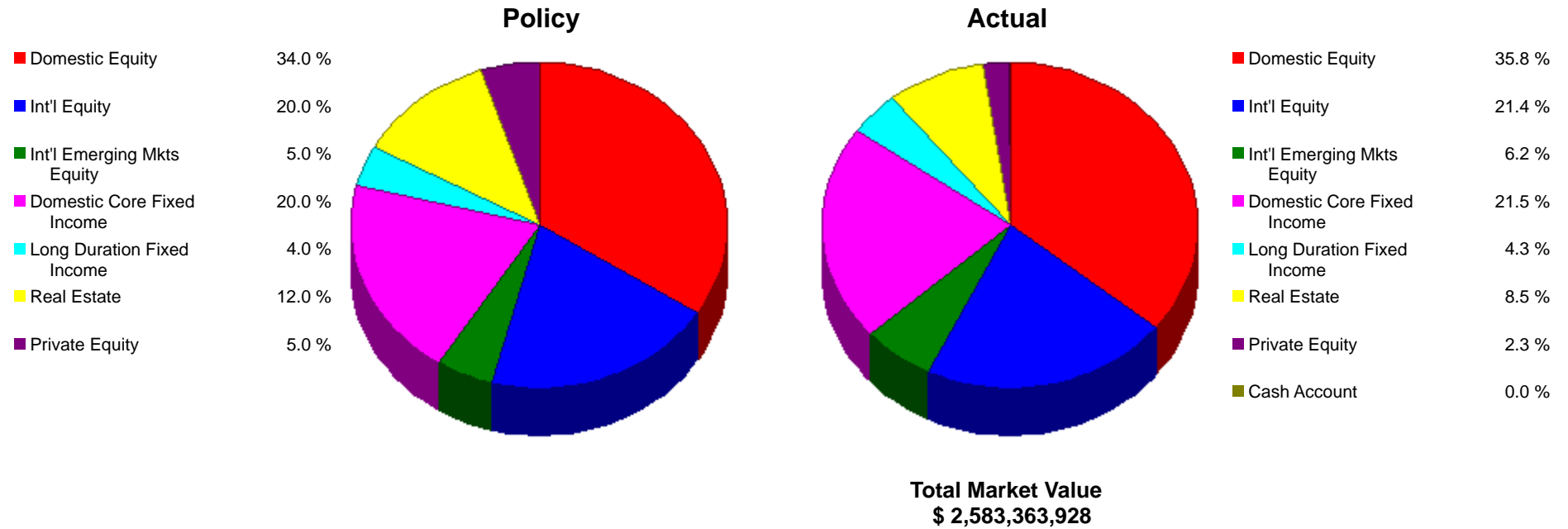
Asset Summary
As of March 31, 2008

	<u>Total Market Value</u>	<u>% of Total Fund</u>	<u>% of Asset Class</u>	<u>Equity & Convertible</u>	<u>Cash & Equivalents</u>	<u>Alternative</u>
Real Estate	\$ 218.5	8.5%	100.0%	\$ -- -- %	\$ -- -- %	\$ -- -- %
Kennedy Associate Real Estate - Real Estate	105.6	4.1	48.3	-- --	-- --	-- --
MIG Realty Advisors - Real Estate	50.6	2.0	23.2	-- --	-- --	-- --
Dummy Record MEPT	62.3	2.4	28.5	-- --	-- --	-- --
Private Equity	59.5	2.3	100.0	-- --	0.0 0.0	59.5 100.0
Pantheon Ventures	23.0	0.9	38.7	-- --	0.0 0.0	23.0 100.0
Portfolio Advisors	20.3	0.8	34.2	-- --	-- --	20.3 100.0
HarbourVest Partners, LLC	16.2	0.6	27.2	-- --	-- --	16.2 100.0
Cash Account						
Cash Account	0.6	0.0	100.0	0.0 1.1	0.5 98.9	-- --

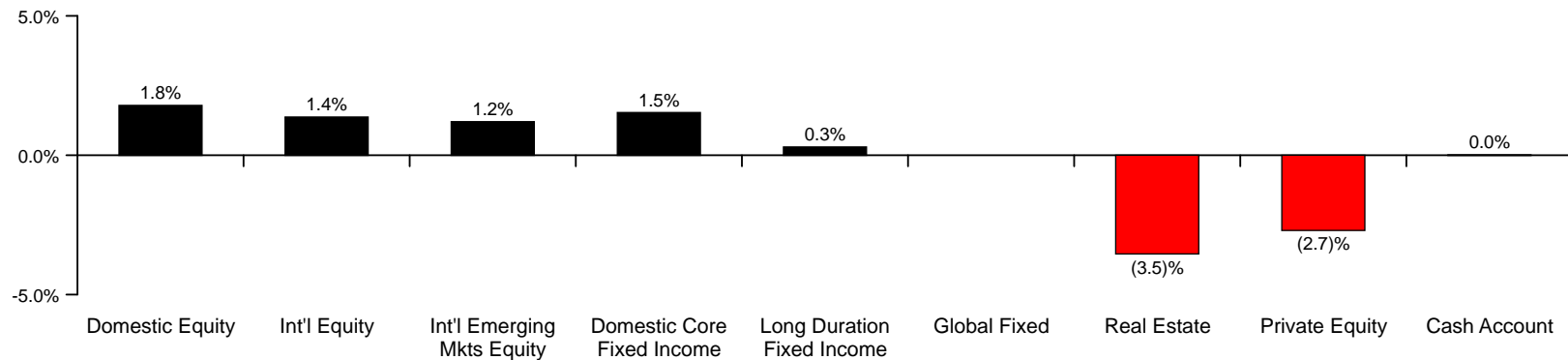
All dollars in millions, numbers may not add due to rounding

San Jose Police and Fire Retirement System

Asset Allocation
As of March 31, 2008



Asset Allocation vs. Policy



San Jose Police and Fire Retirement System

Asset Allocation
As of March 31, 2008

Prior Asset Allocation - December 31, 2007

Domestic Equity	37.1 %
Int'l Equity	22.4 %
Int'l Emerging Mkts Equity	6.6 %
Domestic Core Fixed Income	20.3 %
Long Duration Fixed Income	3.9 %
Real Estate	7.7 %
Private Equity	1.8 %
Cash Account	0.1 %



Total Market Value
\$ 2,782,606,589

Current Asset Allocation - March 31, 2008

Domestic Equity	35.8 %
Int'l Equity	21.4 %
Int'l Emerging Mkts Equity	6.2 %
Domestic Core Fixed Income	21.5 %
Long Duration Fixed Income	4.3 %
Real Estate	8.5 %
Private Equity	2.3 %
Cash Account	0.0 %



Total Market Value
\$ 2,583,363,928

San Jose Police and Fire Retirement System

Financial Reconciliation
Quarter Ending March 31, 2008

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
State Street Corp Global Markets - Formerly Globalt	47,766,406	198,751	137,280	(4,657,802)	(4,520,522)	43,444,635
INTECH - Large Cap Growth Equity	56,884,976	1,008,514	142,427	(7,381,795)	(7,239,368)	50,654,122
State Street Corp - Formerly TCW	63,895,176	--	133,919	(7,287,605)	(7,153,686)	56,741,490
Provident Investment Counsel - Small Cap Growth Equity	77,546,721	13,123	88,032	(15,635,364)	(15,547,333)	62,012,512
RhumbLine Advisers	98,885,286	85,767	368,348	(10,177,725)	(9,809,377)	89,161,676
UBS Global Asset Management - Large Cap Value Equity	131,019,452	2,000,000	654,829	(13,205,086)	(12,550,257)	120,469,195
Boston Partners Asset Mgmt. - Large Cap Value Equity	144,407,511	2,000,000	723,791	(18,447,315)	(17,723,523)	128,683,988
New Amsterdam Partners - Large Cap Growth Equity	166,966,068	2,000,000	507,838	(19,188,234)	(18,680,397)	150,285,671
RhumbLine Advisers - Large Cap Index Equity	246,276,764	67,630	1,244,091	(24,419,708)	(23,175,617)	223,168,777
Boston Company Asset Mgmt. Emerging Markets Equity	87,238,602	(2,000,000)	--	(7,487,738)	(7,487,738)	77,750,863
Alliance Capital Mgmt Emerging Markets Equity	95,333,727	(2,222,158)	1	(10,425,901)	(10,425,900)	82,685,668
AQR Capital Management, LLC International Equity	119,188,975	(193,895)	193,895	(10,588,810)	(10,394,915)	108,600,165
Brandes Investment Partners - International Equity	242,683,599	(2,000,000)	668,550	(29,806,184)	(29,137,634)	211,545,965
William Blair & Company - International Equity	261,136,057	(2,000,000)	560,930	(27,627,988)	(27,067,057)	232,069,000
Income Research & Mgmt., Inc. Long Duration	109,801,221	--	1,812,396	(451,018)	1,361,378	111,162,599
Western Asset Management - Fixed Income	282,905,708	(5,000,000)	4,090,304	(6,610,968)	(2,520,664)	275,385,044
Seix Investment Advisors, Inc - Fixed Income	281,979,805	(5,000,000)	3,508,294	505,768	4,014,062	280,993,867
HarbourVest Partners, LLC	12,639,257	1,099,592	37,808	2,381,025	2,418,833	16,157,682
Portfolio Advisors	18,596,958	1,106,463	18,750	611,880	630,630	20,334,051
Pantheon Ventures	19,395,103	3,264,097	65,000	275,227	340,227	22,999,426

San Jose Police and Fire Retirement System

Financial Reconciliation
Quarter Ending March 31, 2008

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
MIG Realty Advisors - Real Estate	49,892,692	--	--	706,117	706,117	50,598,809
MEPT	61,385,643	--	--	937,871	937,871	62,323,514
Kennedy Associate Real Estate - Real Estate	104,007,180	--	--	1,575,428	1,575,428	105,582,607
Cash Account	2,773,703	(3,327,178)	1,131,688	(25,612)	1,106,076	552,600
Total	\$2,782,606,589	(\$8,899,294)	\$16,088,172	(\$206,431,539)	(\$190,343,367)	\$2,583,363,928

Performance

San Jose Police and Fire Retirement System

Performance Summary

Period Ending March 31, 2008

					Annualized						
	Market Value	% of Total Fund	Quarter		1 Year		3 Years		5 Years		Inception to Date
Total Fund	\$ 2,583.4	100.0 %	(6.9)%	92	(0.1)%	79	9.0 %	55	12.7 %	59	9.6 %
Rank vs. Total Funds Billion Dollar - Public											
Total Funds Billion Dollar - Public Med			(5.1)		1.0		9.4		12.9		--
Total Fund Benchmark			(5.4)		1.6		9.8		12.5		--
Total Domestic Equity Fund	924.6	35.8	(11.3)	67	(8.6)	64	5.2	72	12.3	73	11.0
Rank vs. Mercer US Equity Combined Universe											
Mercer US Equity Combined Universe Med			(9.8)		(6.2)		6.8		14.2		--
S&P 500 - Total Return Index			(9.4)		(5.1)		5.9		11.3		11.5
Index Equity											
RhumbLine Advisers - Large Cap Index Equity	223.2	8.6	(9.4)	43	(5.1)	44	5.8	64	11.3	83	10.1
RhumbLine Advisers - Large Cap Index Equity-Net	223.2	8.6	(9.4)		(5.2)		5.8		11.2		10.0
Rank vs. Mercer US Equity Combined Universe											
Mercer US Equity Combined Universe Med			(9.8)		(6.2)		6.8		14.2		--
S&P 500 - Total Return Index			(9.4)		(5.1)		5.9		11.3		9.8
Growth Equity											
State Street Corp Global Markets - Formerly Globalt	43.4	1.7	(9.5)	30	0.3	50	4.8	83	10.2	70	(0.4)
State Street Corp Global Markets - Formerly Globalt-Net	43.4	1.7	(9.5)		0.1		4.4		9.8		(0.8)
Rank vs. Mercer US Equity Large Cap Growth Universe											
Mercer US Equity Large Cap Growth Universe Med			(10.9)		0.4		7.4		11.5		--
Russell 1000 Growth Index			(10.2)		(0.7)		6.3		10.0		0.9
Russell 1000 Growth + 1%			(10.0)		0.3		7.3		11.0		1.9
INTECH - Large Cap Growth Equity	50.7	2.0	(12.7)	76	(4.2)	79	5.1	77	--		8.3
INTECH - Large Cap Growth Equity-Net	50.7	2.0	(12.8)		(4.7)		4.5		--		7.7
Rank vs. Mercer US Equity Large Cap Growth Universe											
Mercer US Equity Large Cap Growth Universe Med			(10.9)		0.4		7.4		11.5		--
Russell 1000 Growth Index			(10.2)		(0.7)		6.3		10.0		7.0
Russell 1000 Growth + 1%			(10.0)		0.3		7.3		11.0		8.0

San Jose Police and Fire Retirement System

Performance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized						Inception to Date
				1 Year	3 Years	5 Years				
New Amsterdam Partners - Large Cap Growth Equity	\$ 150.3	5.8 %	(11.2)% 56	(8.2)% 94	3.4 % 95	11.3 % 53				11.9 %
New Amsterdam Partners - Large Cap Growth Equity-Net	150.3	5.8	(11.2)	(8.5)	3.1	11.0				11.5
Rank vs. Mercer US Equity Large Cap Growth Universe										
Mercer US Equity Large Cap Growth Universe Med			(10.9)	0.4	7.4	11.5				--
S&P 500 - Total Return Index			(9.4)	(5.1)	5.9	11.3				10.2
S&P 500 + 1.0%			(9.2)	(4.1)	6.9	12.3				11.2
Value Equity										
UBS Global Asset Management - Large Cap Value Equity	120.5	4.7	(9.6) 64	(8.5) 59	5.9 63	12.8 75				10.6
UBS Global Asset Management - Large Cap Value Equity-Net	120.5	4.7	(9.7)	(8.8)	5.5	12.4				10.2
Rank vs. Mercer US Equity Large Cap Value Universe										
Mercer US Equity Large Cap Value Universe Med			(8.8)	(6.8)	6.7	14.1				--
Russell 3000 Index			(9.5)	(6.1)	6.1	12.1				9.4
Russell 3000 + 1%			(9.3)	(5.1)	7.1	13.1				10.4
Boston Partners Asset Mgmt. - Large Cap Value Equity	128.7	5.0	(12.3) 92	(8.3) 58	7.6 36	14.0 52				9.8
Boston Partners Asset Mgmt. - Large Cap Value Equity-Net	128.7	5.0	(12.3)	(8.6)	7.2	13.7				9.5
Rank vs. Mercer US Equity Large Cap Value Universe										
Mercer US Equity Large Cap Value Universe Med			(8.8)	(6.8)	6.7	14.1				--
Russell 1000 Value Index			(8.7)	(10.0)	6.0	13.7				9.6
Russell 1000 Value + 1.0%			(8.5)	(9.0)	7.0	14.7				10.6
Small Cap Growth										
Provident Investment Counsel - Small Cap Growth Equity	62.0	2.4	(20.0) 88	(11.4) 64	5.1 68	13.2 71				6.4
Provident Investment Counsel - Small Cap Growth Equity-Net	62.0	2.4	(20.2)	(12.2)	4.1	12.0				5.3
Rank vs. Mercer US Equity Small Cap Growth Universe										
Mercer US Equity Small Cap Growth Universe Med			(14.5)	(8.9)	6.3	14.5				--
Russell 2000 Growth Index			(12.8)	(8.9)	5.7	14.2				2.8
Russell 2000 Growth + 2%			(12.3)	(6.9)	7.7	16.2				4.8
Small Cap Core										
RhumbLine Advisers	89.2	3.5	(9.9) 44	(12.9) 40	5.1 53	--				4.0
RhumbLine Advisers-Net	89.2	3.5	(9.9)	(13.0)	5.1	--				3.9
Rank vs. Mercer US Equity Small Cap Core Universe										
Mercer US Equity Small Cap Core Universe Med			(10.2)	(13.7)	5.5	15.5				--
Russell 2000 Index			(9.9)	(13.0)	5.1	14.9				3.7

San Jose Police and Fire Retirement System

Performance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized			Inception to Date
				1 Year	3 Years	5 Years	
Small Cap Value							
State Street Corp - Formerly TCW	\$ 56.7	2.2 %	(11.2)% 88	(21.0)% 86	1.1 % 91	12.9 % 94	6.1 %
State Street Corp - Formerly TCW-Net	56.7	2.2	(11.2)	(21.4)	0.3	12.0	5.2
Rank vs. Mercer US Equity Small Cap Value Universe							
Mercer US Equity Small Cap Value Universe Med			(7.2)	(13.7)	5.6	16.6	--
Russell 2000 Index			(9.9)	(13.0)	5.1	14.9	9.0
Russell 2000 + 2.0%			(9.4)	(11.0)	7.1	16.9	11.0

San Jose Police and Fire Retirement System

Performance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized				Inception to Date
				1 Year	3 Years	5 Years		
Total Intl Equity - Established Markets	\$ 552.2	21.4 %	(10.7)% 84	(2.9)% 69	14.7 % 58	23.4 % 39		11.0 %
Rank vs. Mercer Intl Equity Universe								
Mercer Intl Equity Universe Med			(8.9)	(0.4)	15.4	22.8		--
MSCI EAFE Net Dividend Index			(8.9)	(2.7)	13.3	21.4		7.2
AQR Capital Management, LLC International Equity	108.6	4.2	(8.7) 47	(4.7) 83	--	--		8.7
AQR Capital Management, LLC International Equity-Net	108.6	4.2	(8.9)	(5.4)	--	--		8.1
Rank vs. Mercer Intl Equity Universe								
Mercer Intl Equity Universe Med			(8.9)	(0.4)	15.4	22.8		--
MSCI EAFE Net Dividend Index			(8.9)	(2.7)	13.3	21.4		8.9
MSCI EAFE NET +1.5%			(8.5)	(1.2)	14.8	22.9		10.4
Brandes Investment Partners - International Equity	211.5	8.2	(12.1) 94	(8.2) 95	12.1 85	24.5 24		13.7
Brandes Investment Partners - International Equity-Net	211.5	8.2	(12.2)	(8.6)	11.6	23.9		13.1
Rank vs. Mercer Intl Equity Universe								
Mercer Intl Equity Universe Med			(8.9)	(0.4)	15.4	22.8		--
MSCI EAFE Net Dividend Index			(8.9)	(2.7)	13.3	21.4		6.9
MSCI EAFE NET +1.5%			(8.5)	(1.2)	14.8	22.9		8.4
William Blair & Company - International Equity	232.1	9.0	(10.4) 79	3.6 22	18.3 19	24.7 22		16.2
William Blair & Company - International Equity-Net	232.1	9.0	(10.5)	3.1	17.7	24.0		15.4
Rank vs. Mercer Intl Equity Universe								
Mercer Intl Equity Universe Med			(8.9)	(0.4)	15.4	22.8		--
MSCI All Country World Ex United States Net Index			(9.1)	2.1	16.0	23.5		15.1
MSCI AC World x US Net + 1.5%			(8.7)	3.6	17.5	25.0		16.6
Total Intl Equity - Emerging Markets	160.4	6.2	(9.8) 36	18.1 81	26.8 87	34.7 80		25.8
Alliance Capital Mgmt Emerging Markets Equity	82.7	3.2	(10.9) 57	20.0 64	28.6 75	36.6 66		27.0
Alliance Capital Mgmt Emerging Markets Equity-Net	82.7	3.2	(11.1)	19.0	27.4	35.3		25.8
Boston Company Asset Mgmt. Emerging Markets Equity	77.8	3.0	(8.6) 24	16.1 89	25.0 95	32.8 94		24.7
Boston Company Asset Mgmt. Emerging Markets Equity-Net	77.8	3.0	(8.8)	14.9	23.6	31.5		23.4
Rank vs. Mercer Emerging Markets Equity Universe								
Mercer Emerging Markets Equity Universe Med			(10.6)	21.2	30.8	37.7		--
MSCI Emerging Markets Index			(10.9)	21.7	29.6	36.0		25.2
MSCI Emerging Markets + 2%			(10.4)	23.7	31.6	38.0		27.2

San Jose Police and Fire Retirement System

Performance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized					
				1 Year	3 Years	5 Years	Inception to Date		
Total Domestic Core Fixed Income Fund	\$ 556.4	21.5 %	0.3 % 74	4.1 % 76	4.6 % 79	5.0 % 33	8.7 %		
<i>Rank vs. Mercer US Fixed Core Universe</i>									
<i>Mercer US Fixed Core Universe Med</i>			1.5	6.3	5.3	4.8	--		
<i>Lehman Brothers Aggregate Bond</i>			2.2	7.7	5.5	4.6	--		
<i>Seix Investment Advisors, Inc - Fixed Income</i>	281.0	10.9	1.4 51	6.9 42	5.1 57	5.0 30	6.4		
<i>Seix Investment Advisors, Inc - Fixed Income-Net</i>	281.0	10.9	1.4	6.7	5.0	4.8	6.2		
<i>Rank vs. Mercer US Fixed Core Universe</i>									
<i>Mercer US Fixed Core Universe Med</i>			1.5	6.3	5.3	4.8	--		
<i>Lehman Brothers Aggregate Bond</i>			2.2	7.7	5.5	4.6	6.4		
<i>LB Aggregate + 0.5%</i>			2.3	8.2	6.0	5.1	6.9		
<i>Western Asset Management Company</i>	275.4	10.7	(0.9) 88	1.5 91	4.1 89	5.0 28	6.2		
<i>Western Asset Management Company-Net</i>	275.4	10.7	(1.0)	1.3	3.9	4.8	6.0		
<i>Rank vs. Mercer US Fixed Core Universe</i>									
<i>Mercer US Fixed Core Universe Med</i>			1.5	6.3	5.3	4.8	--		
<i>Lehman Brothers Aggregate Bond</i>			2.2	7.7	5.5	4.6	5.2		
<i>LB Aggregate + 0.5%</i>			2.3	8.2	6.0	5.1	5.7		
Long Duration Fixed Income	111.2	4.3	1.2 36	7.1 33	5.1 58	--	4.8		
<i>Income Research & Mgmt., Inc. Long Duration</i>	111.2	4.3	1.2	7.0	5.1	--	4.7		
<i>Income Research & Mgmt., Inc. Long Duration-Net</i>	111.2	4.3	1.2	6.7	4.8	--	4.4		
<i>Rank vs. Mercer US Fixed Long Duration Universe</i>									
<i>Mercer US Fixed Long Duration Universe Med</i>			0.5	6.4	5.3	6.1	--		
<i>Lehman Brothers U.S. Gov/Credit-Long Term</i>			0.8	6.4	5.1	5.5	4.7		
<i>Lehman Brothers U.S. Gov/Credit-Long Term +0.5%</i>			0.9	6.9	5.6	6.0	5.2		

San Jose Police and Fire Retirement System

Performance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized					
				1 Year	3 Years	5 Years	Inception to Date		
Total Real Estate Fund	\$ 218.5	8.5 %	1.1 % 57	13.4 % 50	13.6 % 94	9.8 % 100	7.8 %		
Rank vs. Mercer US Real Estate Open End Universe									
Mercer US Real Estate Open End Universe Med			1.2	13.4	17.5	15.1	--		
NCREIF Property Index - EWB Calc			1.6	13.6	16.8	15.1	8.7		
MIG Realty Advisors - Real Estate	50.6	2.0	0.9 61	8.7 88	10.0 100	8.6 100	8.1		
MIG Realty Advisors - Real Estate-Net	50.6	2.0	0.9	8.2	9.5	8.1	7.2		
Rank vs. Mercer US Real Estate Open End Universe									
Mercer US Real Estate Open End Universe Med			1.2	13.4	17.5	15.1	--		
NCREIF Property Index - EWB Calc			1.6	13.6	16.8	15.1	8.7		
NCREIF PROPERTY + 1.5%			2.0	15.1	18.3	16.6	10.2		
Kennedy Associate Real Estate - Real Estate	105.6	4.1	0.8 63	15.9 32	15.2 86	--	13.8		
Kennedy Associate Real Estate - Real Estate-Net	105.6	4.1	0.7	15.4	14.6	--	13.2		
Rank vs. Mercer US Real Estate Open End Universe									
Mercer US Real Estate Open End Universe Med			1.2	13.4	17.5	15.1	--		
NCREIF Property Index - EWB Calc			1.6	13.6	16.8	15.1	15.8		
NCREIF PROPERTY + 1.5%			2.0	15.1	18.3	16.6	17.3		
MEPT	62.3	2.4	1.7 25	13.6 46	--	--	14.2		
MEPT-Net	62.3	2.4	1.5 37	12.6 62	--	--	13.2		
Rank vs. Mercer US Real Estate Open End Universe									
Mercer US Real Estate Open End Universe Med			1.2	13.4	17.5	15.1	--		
NCREIF Property Index - EWB Calc			1.6	13.6	16.8	15.1	14.8		
NCREIF PROPERTY + 1.5%			2.0	15.1	18.3	16.6	16.3		
Total Private Equity	59.5	2.3							
Pantheon Ventures	23.0	0.9							
S&P 500 + 3%									
Portfolio Advisors	20.3	0.8							
S&P 500 + 3%									
HarbourVest Partners, LLC	16.2	0.6							
S&P 500 + 3%									

REPORT NOTES

1. The Russell/Mellon Trust Total Funds Billion Dollar – Public Universe median includes all assets of public funds.
2. The Total Fund Benchmark Index consists of 34% S&P 500 Index, 20% MSCI EAFE Index, 5% MSCI Emerging Markets Free Index, 20% Lehman Brothers Aggregate Index, 4% Lehman Brothers Long Government/Credit Index, 12% NCREIF Property Index, and 5% Russell 2000 Index to reflect the transition to private equity market as stated in the Investment Policy.
 - Prior to 01/05, the Index consisted of 35% S&P 500, 15% MSCI EAFE, 5% MSCI Emerging Markets, 28% LB Aggregate, 5% Citigroup WG Bond, and 12% NCREIF.
 - Prior to 10/01, the Index consisted of 35% S&P 500, 10% MSCI EAFE, 35% LB Aggregate, 10% Citigroup WG Bond and 10% NCREIF.
3. Total Fund inception data is from January 1971.
4. Total Domestic Fixed Income Fund inception data is from January 1970.
5. Total Global Fixed Income Fund inception data is from January 1991.
6. Total Domestic Equity Fund inception data is from August 1985.
7. Total International Equity Established Markets Fund inception data is from April 1991.
8. Total International Equity Emerging Markets Fund inception data is from September 2001.
5. Total Real Estate Fund inception data is from January 1986.
6. Seix Investment Advisors inception data is from October 1999.
7. Western Asset Management inception data is from August 2002.
8. Rhumblin Advisers (Large Cap Equity) inception data is from April 1992. In February 2007, the manager's return of 1.13% was used because of a \$15 million inflow that occurred during the month. The manager can revalue their portfolio daily, while Mercer uses custodial statements that are valued monthly.
9. UBS Global Asset Management inception data is from April 1993.
10. Boston Partners inception data is from July 1996.
11. Globalt, Inc. inception data is from July 1998. In the fourth quarter of 2007, Globalt was terminated with assets transferred to an interim State Street Global Markets strategy.
12. New Amsterdam Partners inception data is from January 1995.
13. TCW Group inception data is from November 2001. During the first quarter of 2008, TCW was terminated with assets mapped to an interim State Street Corp. fund.
14. Provident Investment Counsel inception data is from January 1998.
15. Brandes Investment Partners, L.P. inception data is from January 1997.
16. William Blair & Company inception data is from March 2002.
17. Alliance Capital Management and Boston Company Asset Management inception data is from September 2001.
18. MIG Realty Advisors inception data is from January 1986.
19. INTECH inception date is from October 1, 2003.
20. Kennedy Associates inception date is from October 1, 2003. For the fourth quarter of 2007, Kennedy's reported market value was \$108.3 million. By contrast, the custodial statement reported a market value of \$104.0 million, as it did not capture the appreciated value of the portfolio. Per San Jose's request, the performance summary will only reflect the manager's income return, excluding the appreciation portion. That appreciation will be captured retroactively in the first quarter of

2008: the fourth quarter 2007 return will be revised to reflect the total return.

21. Rhumblin Advisers (Small Cap Equity) inception data is from December 2004.
22. Income Research & Management inception date is January 3, 2005. For the first quarter 2007, Mercer calculated a gross return of 1.22% and a net return of 1.15% versus the manager's gross return of 1.03% and net return of 0.96%. For the third quarter 2007, Mercer calculated a gross return of 3.66% and a net return of 3.59% versus the manager's gross return of 3.34% and net return of 3.27%. In the fourth quarter of 2007, Mercer calculated a gross return of 4.0% and a net return of 3.9% versus the manager's gross return of 4.2% and net return of 4.1%; per San Jose's request, the performance summary reflects the manager's returns. Mercer uses custodial statement pricing for performance calculation, which may differ from the investment manager.
23. Pantheon Ventures inception date is September 23, 2005.
24. Portfolio Advisors inception date is October 17, 2005.
25. HarbourVest inception date is December 23, 2005.
26. AQR Capital Management inception date is June 30, 2006.
27. Multi-Employer Property Trust inception date is June 30, 2006.
28. Kennedy Custom Benchmark was provided by Kennedy Associates Real Estate.
29. Attribution analysis is a monthly, static calculation of the portfolio holdings. Because of the time-bias with the holdings, there can be variances in total returns, especially in more volatile markets. Portfolio total returns include monthly transactions for the holdings, while total returns in the attribution analysis do not. The variance between the portfolio and attribution is required to be within a tolerable range. Static attribution holdings are based on the prior month-end positions and on returns that are calculated at the security level (i.e., the percent of change between the prior month's price and the current month's price plus dividends). The security level returns are then rolled up to the sector level, using a weight times return methodology. In summation, all of the sector level returns form the total attribution return.

Important Information, Datasource Acknowledgements and Disclaimers

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Returns for periods greater than one year are annualized. Returns are calculated [gross][net] of investment management fees, unless noted.

Style analysis graph time periods may differ reflecting the length of performance history available.

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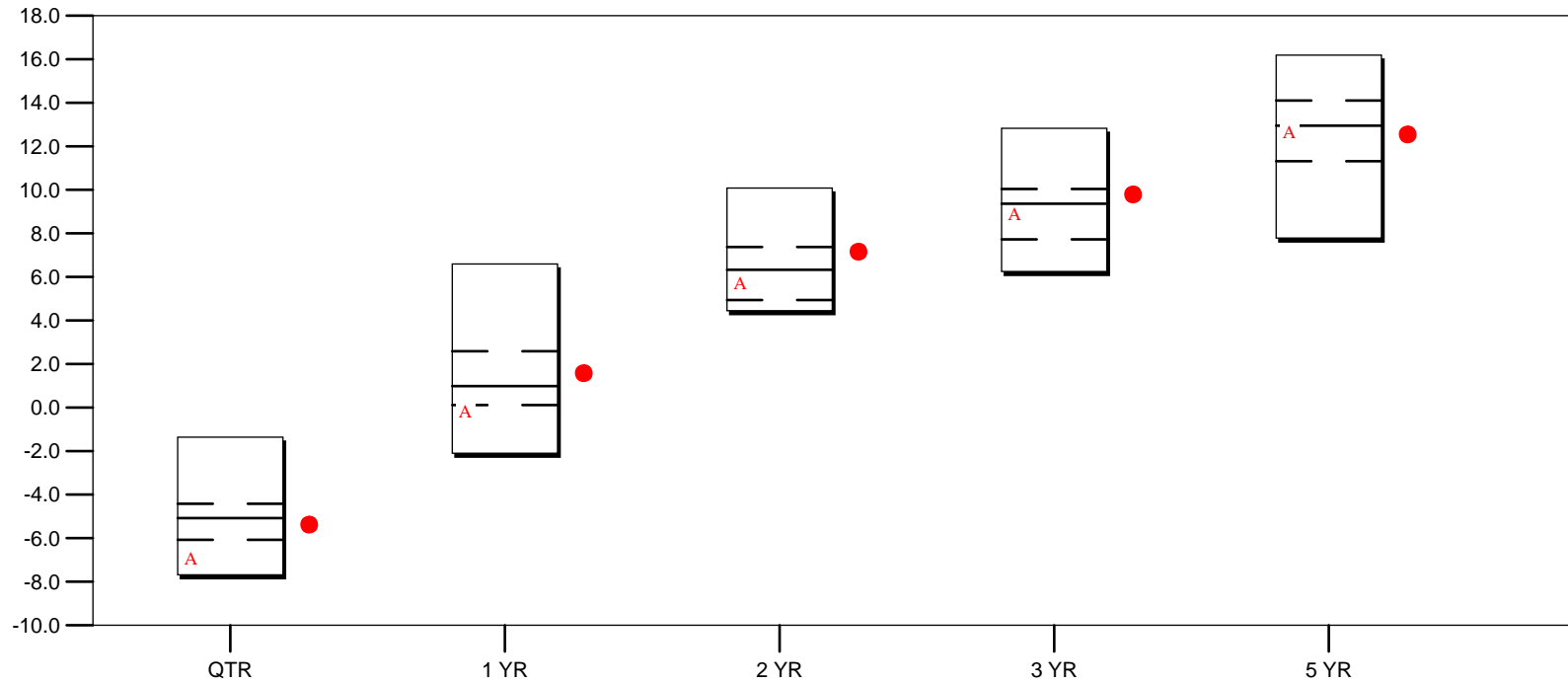
Total Fund

Total Funds Billion Dollar - Public

Return Quartiles

Periods Ending March 31, 2008

Annualized Rate of Return %



Performance & Risk Analytics Trust Universe
Asset Allocation
Quarter Ending March 31, 2008
Market Value in Millions

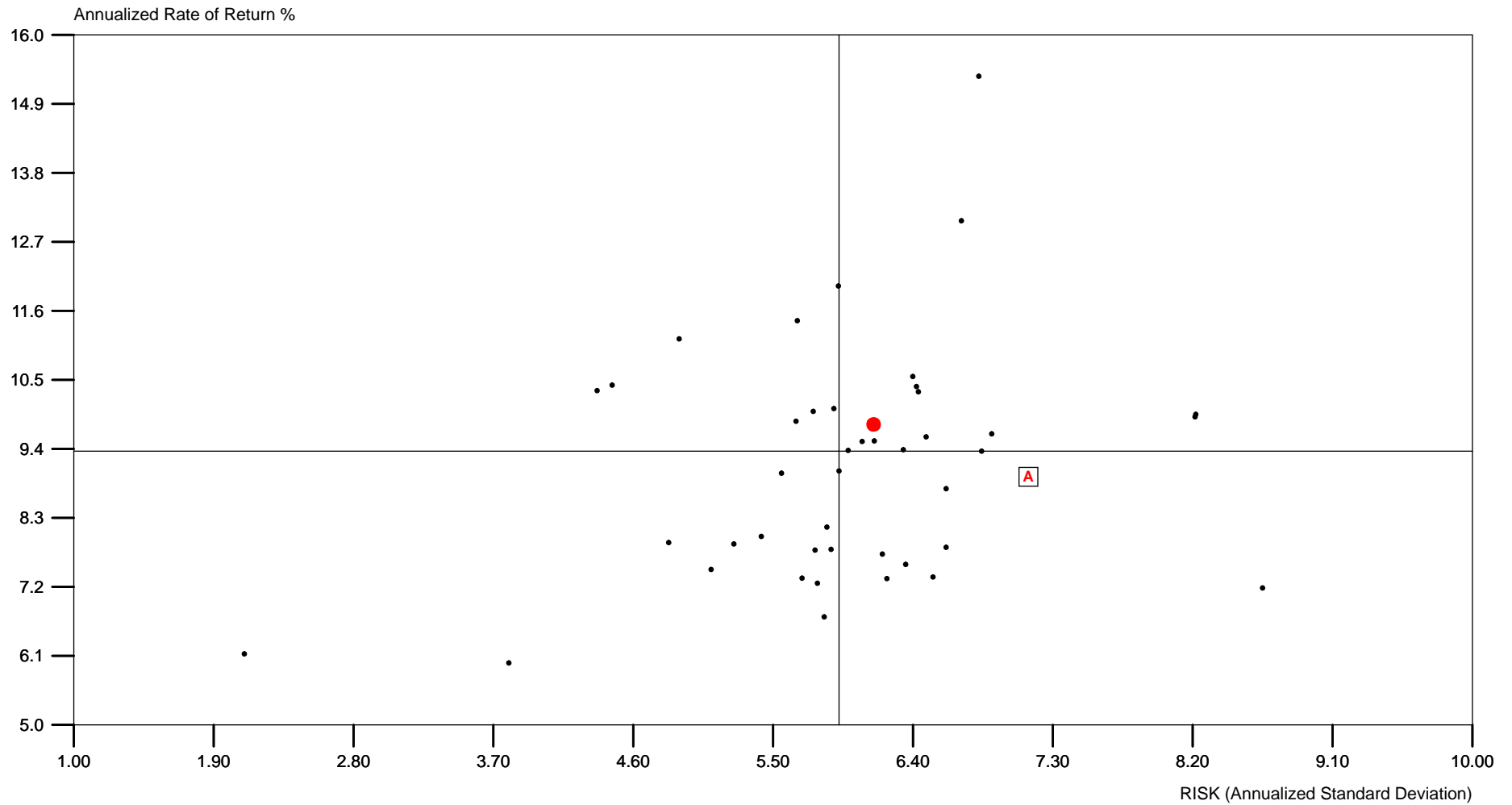
	Total Fund	US Equity	US Fixed Income	Non-US Equity	Non-US Fixed	Alternative Inv.	Real Estate	Cash	Total							
Market Value in US Dollars																
Total Funds Billion Dollar - Public																
Total Average	887,491.22 23,986.25	283,545.63 7,876.27	32%	237,222.00 6,411.41	27%	179,323.20 5,123.52	20%	12,354.31 823.62	1%	59,726.27 2,844.11	7%	31,357.51 2,090.50	4%	13,164.51 940.32	1%	92%
Maximum		77.41%		75.52%		31.22%		7.03%		34.70%		12.84%		13.65%		
5th		57.61%		45.82%		26.63%		7.01%		20.05%		12.14%		13.30%		
25th		40.10%		28.09%		22.13%		5.32%		9.12%		7.28%		3.91%		
Median		34.60%		25.46%		19.59%		3.08%		7.29%		5.86%		2.40%		
75th		29.75%		20.12%		17.02%		1.02%		3.92%		4.45%		2.05%		
95th		19.30%		13.62%		14.26%		0.00%		1.58%		0.00%		1.44%		
Minimum		15.11%		2.12%		6.86%		0.00%		1.04%		0.00%		.82%		

Report is based upon plans that have submitted asset class data greater than 70% of the total market value. 37 out of 45 accounts represented from the universe run.

Total does not equal 100% due to asset class market values not reported.
Mercer

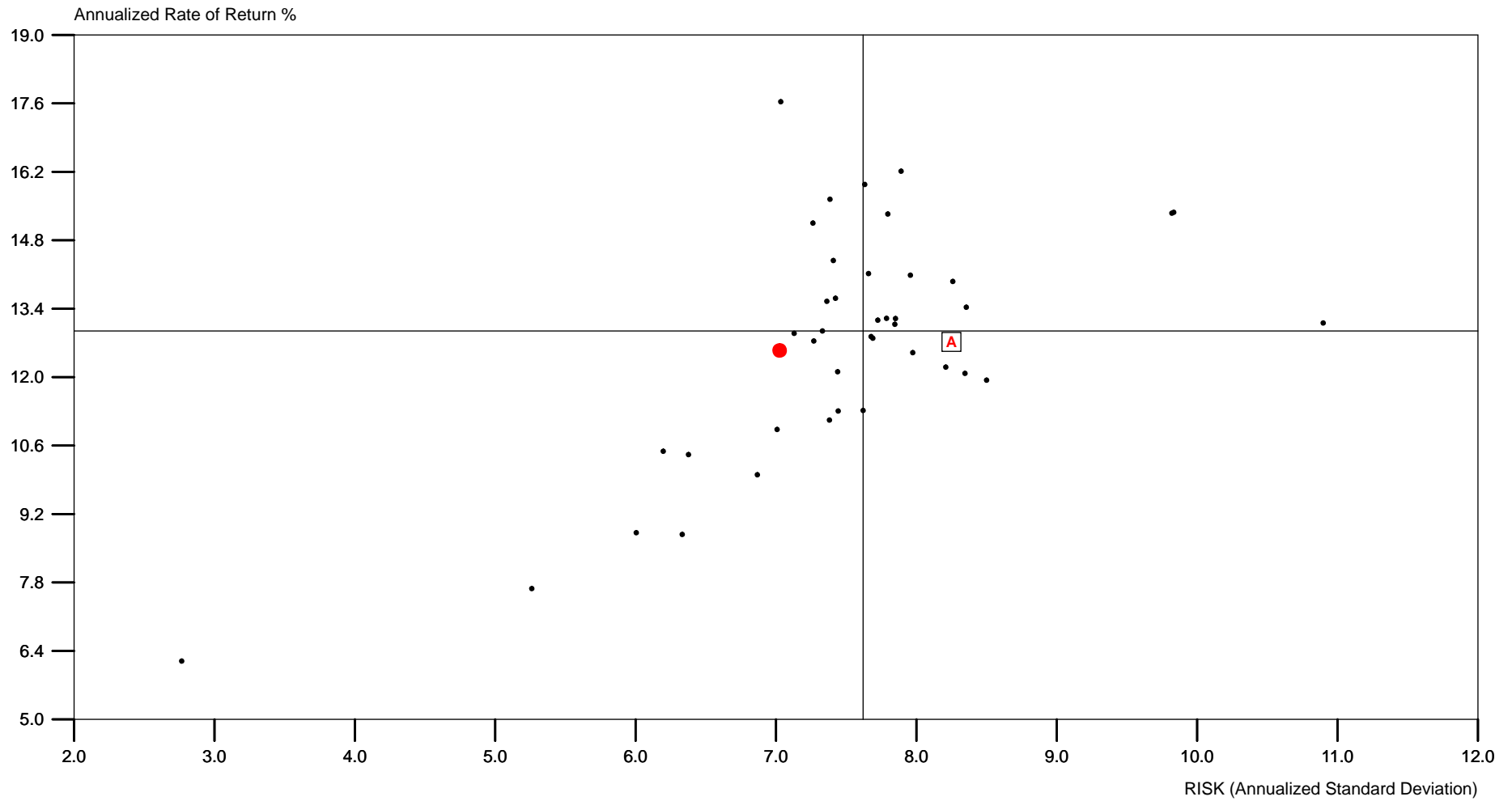
Total Funds Billion Dollar - Public

Risk-Return Comparisons
3 Years Ending March 31, 2008
43 Portfolios



Total Funds Billion Dollar - Public

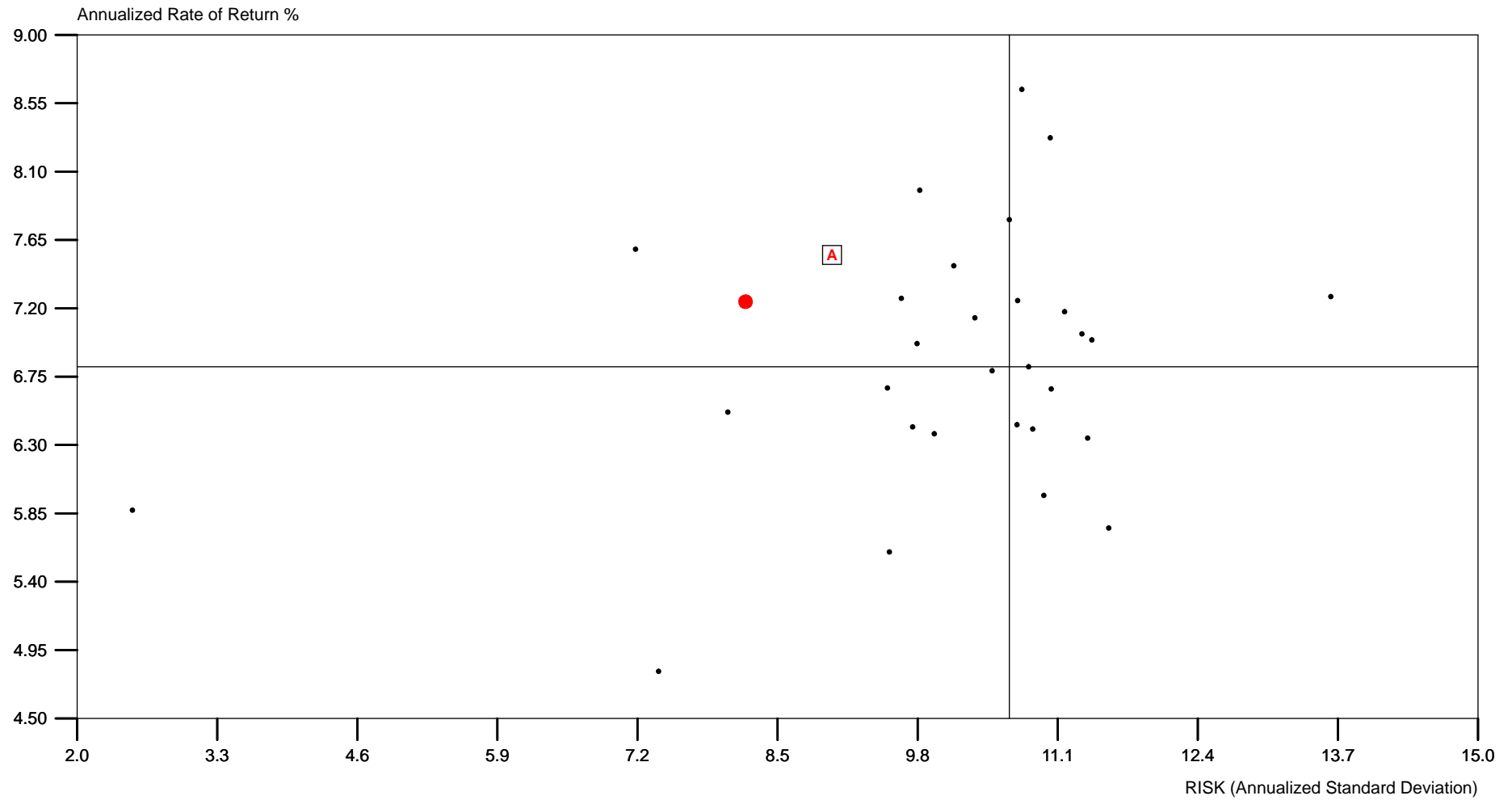
Risk-Return Comparisons
5 Years Ending March 31, 2008
41 Portfolios



A Total Fund 12.72, 59
● TF BENCHMARK

Total Funds Billion Dollar - Public

Risk-Return Comparisons
10 Years Ending March 31, 2008
29 Portfolios



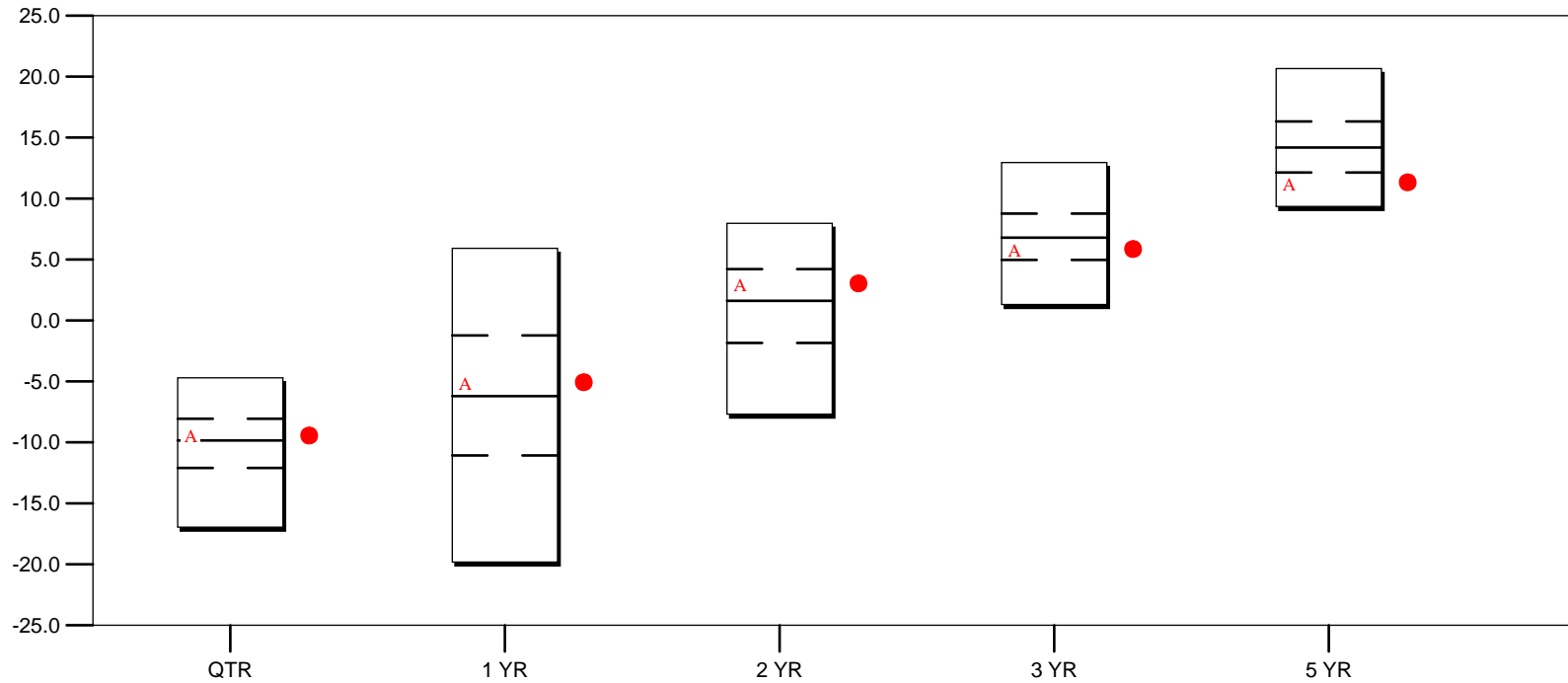
A Total Fund 7.55, 18
● TF BENCHMARK

Mercer US Equity Combined Universe

Return Quartiles

Periods Ending March 31, 2008

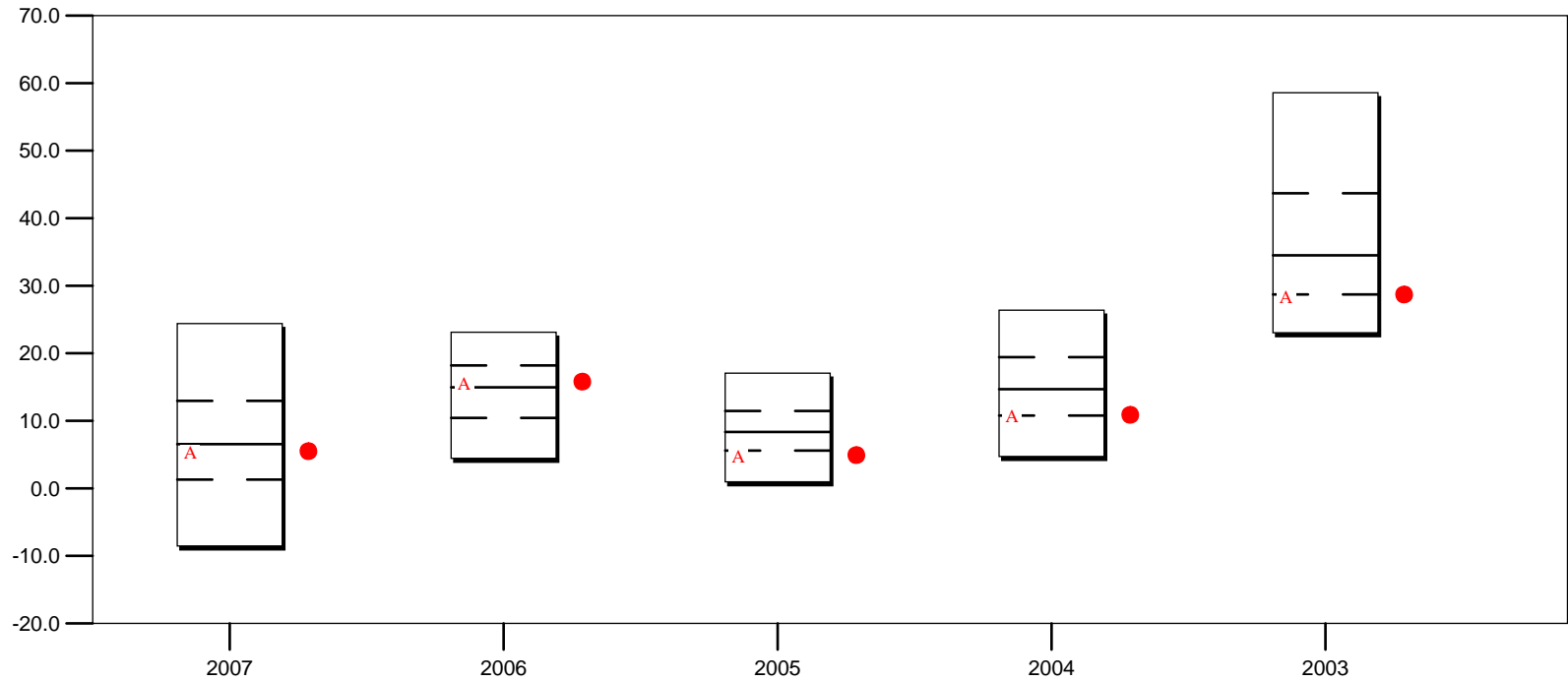
Annualized Rate of Return %



Mercer US Equity Combined Universe

Return Quartiles

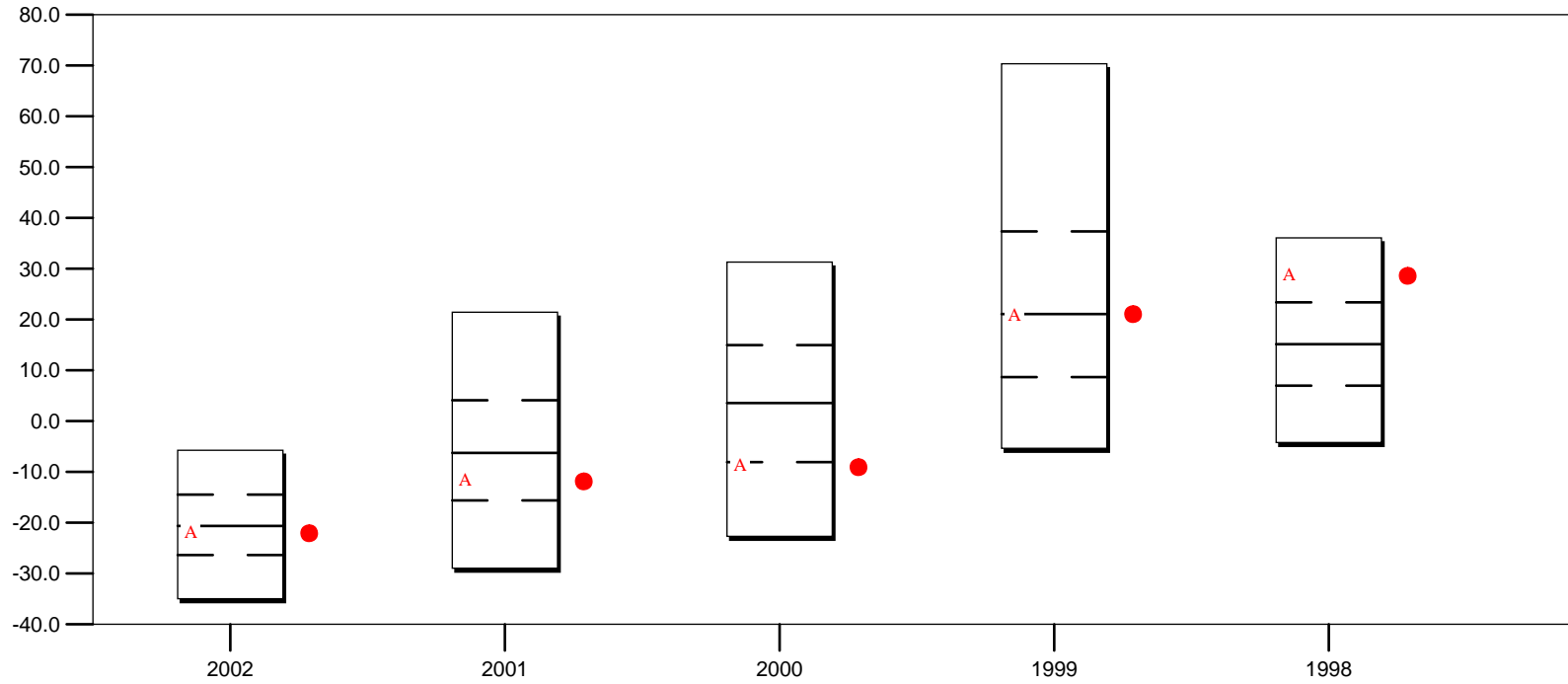
Annual Rate Of Return %



Mercer US Equity Combined Universe

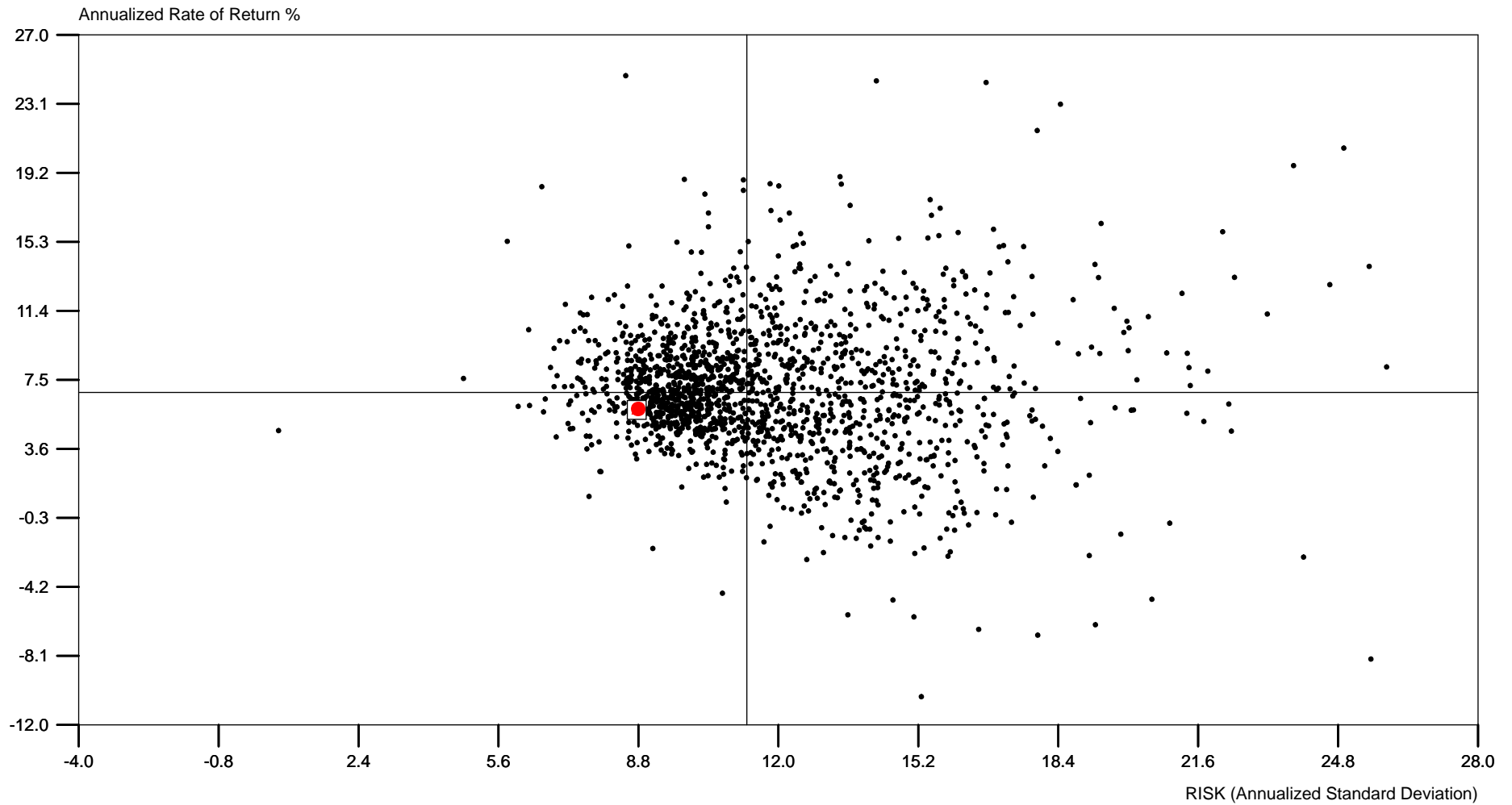
Return Quartiles

Annual Rate Of Return %



Mercer US Equity Combined Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
1666 Portfolios

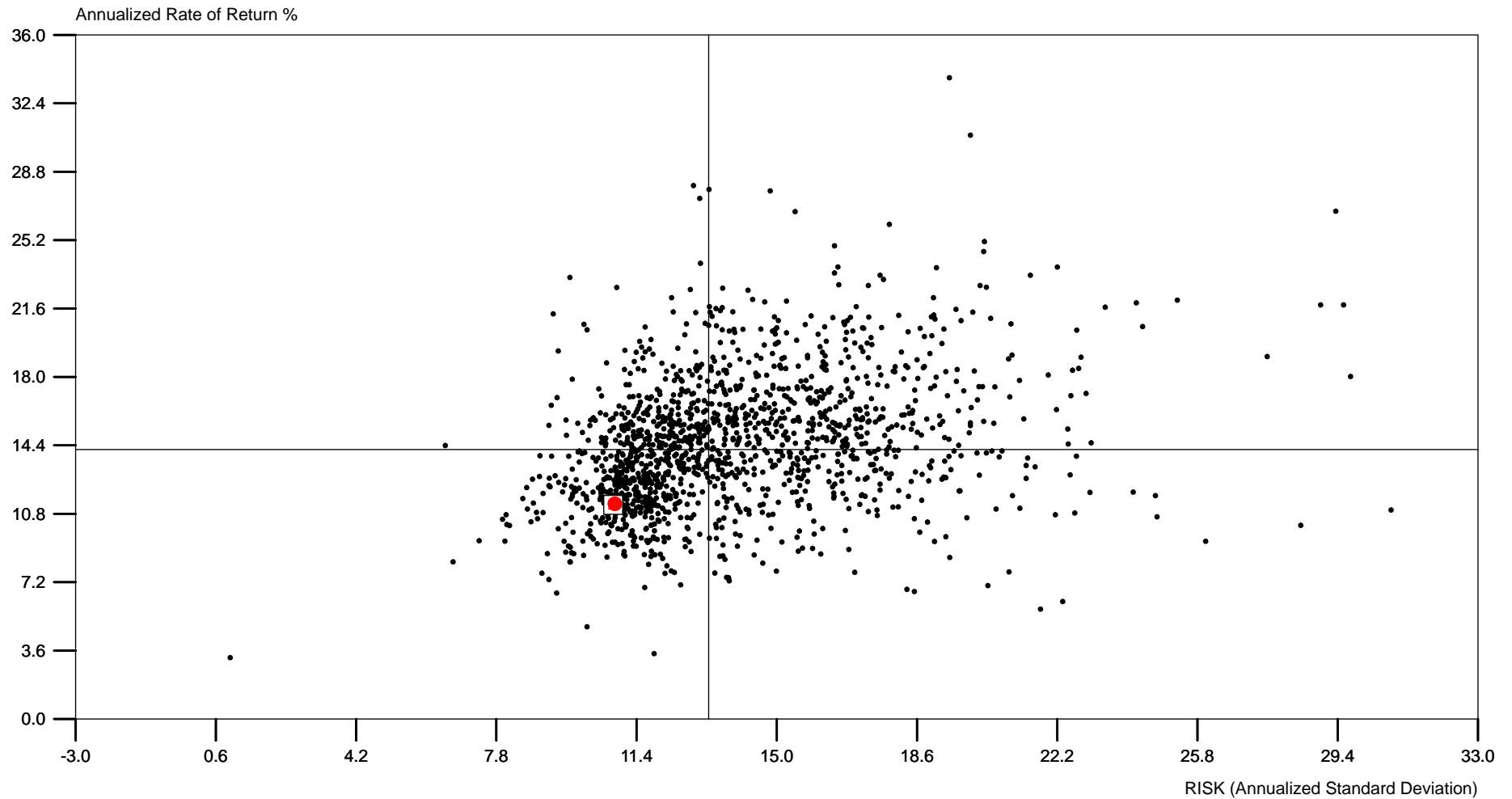


A Rhumbline Adv 5.81, 64
● S&P 500-S&P CALC

Mercer

Mercer US Equity Combined Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
1477 Portfolios

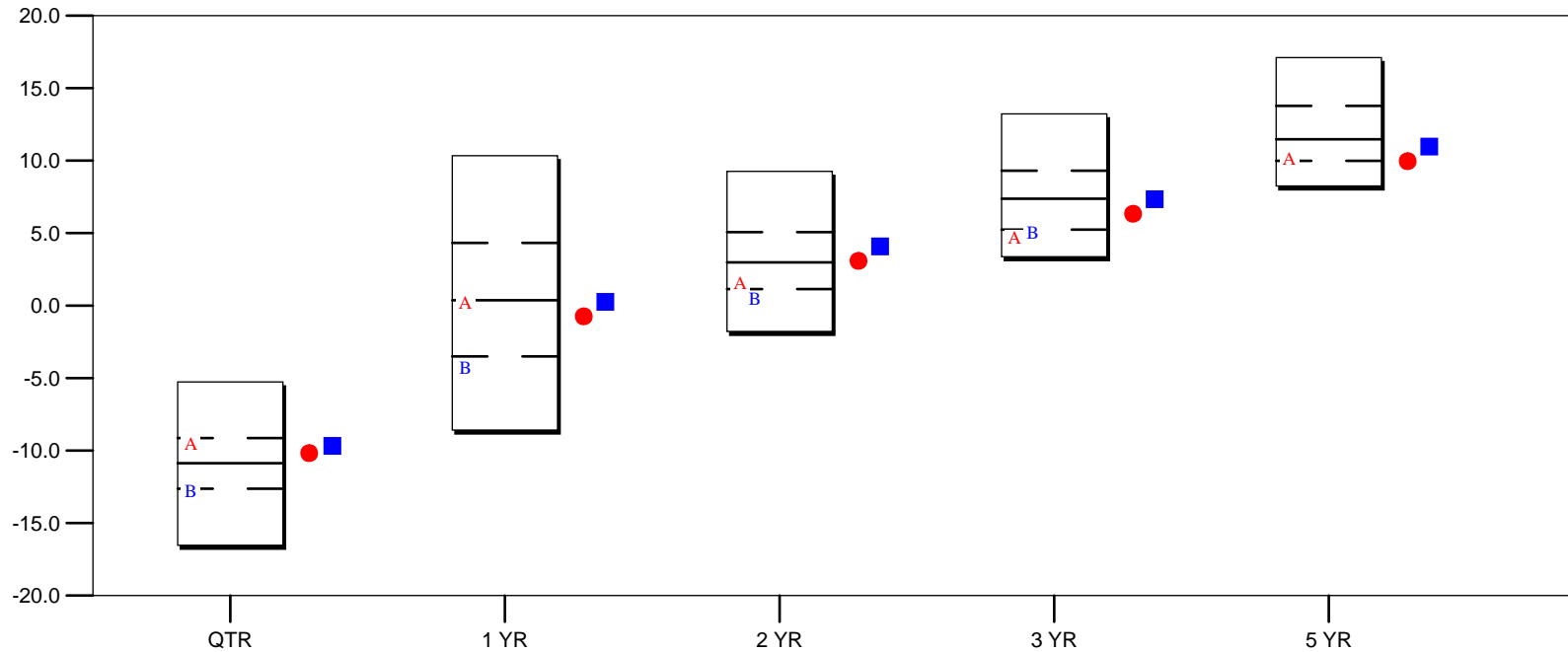


A Rhumblin Adv 11.27, 83
● S&P 500-S&P CALC

Mercer US Equity Large Cap Growth Universe

Return Quartiles
Periods Ending March 31, 2008

Annualized Rate of Return %

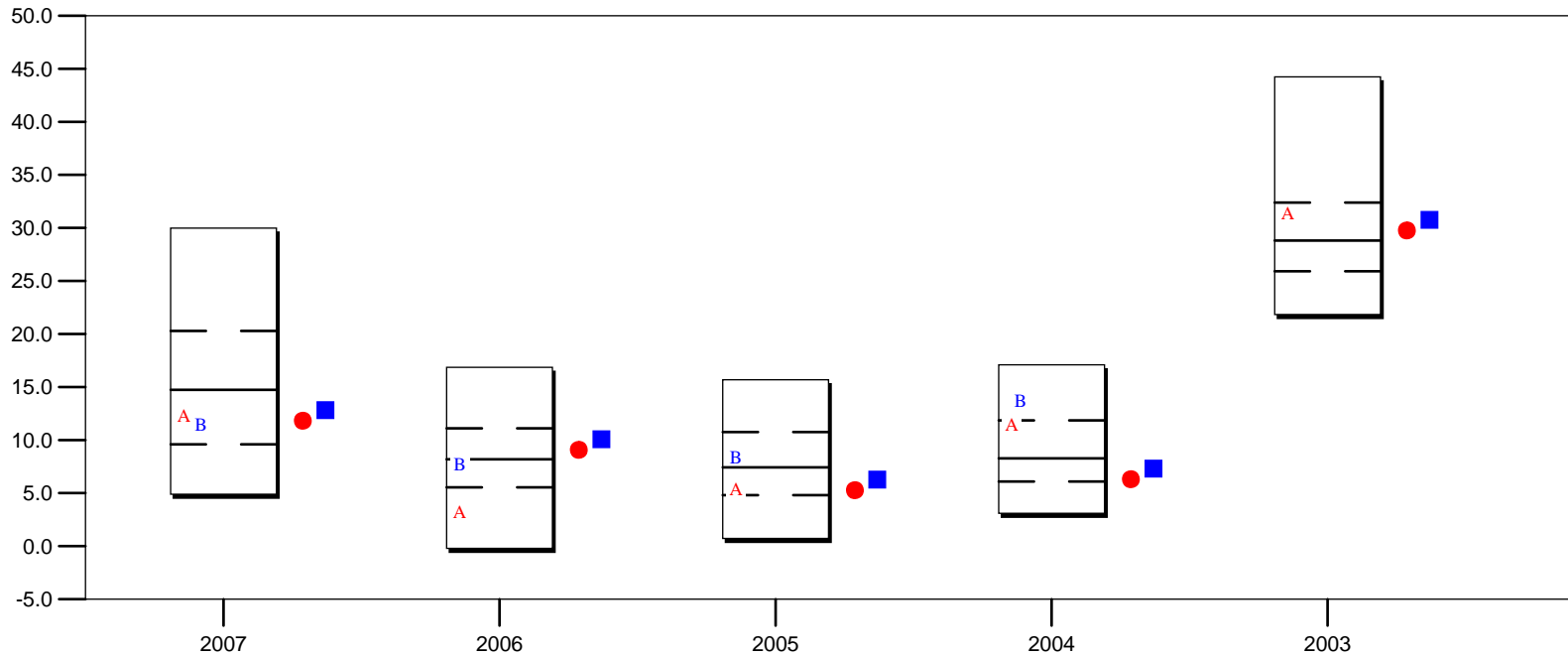


5th Percentile	(5.27)	10.34	9.26	13.22	17.11
25th Percentile	(9.14)	4.32	5.07	9.30	13.78
Median	(10.87)	0.37	2.98	7.37	11.47
75th Percentile	(12.63)	(3.51)	1.14	5.24	9.98
95th Percentile	(16.53)	(8.59)	(1.78)	3.37	8.25
# of Participants	318	299	285	274	251
● Russell 1000 Growth Index	(10.18)	(0.75)	3.08	6.33	9.96
■ Russell 1000 Growth + 1%	(9.68)	0.25	4.08	7.33	10.96
A GLOBALT Inc	(9.46), 30	0.29, 50	1.66, 68	4.75, 83	10.24, 70
B INTECH	(12.72), 76	(4.18), 79	0.55, 82	5.09, 77	---

Mercer US Equity Large Cap Growth Universe

Return Quartiles

Annual Rate Of Return %

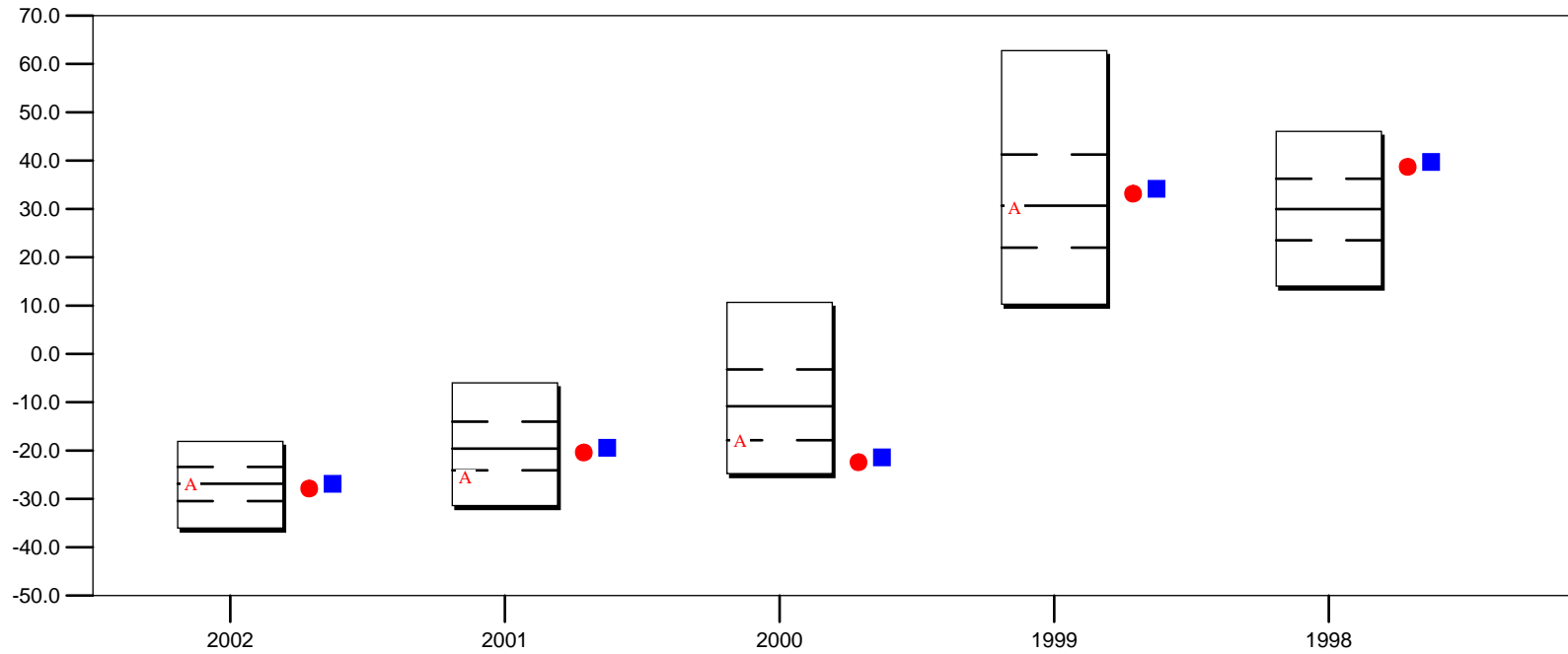


5th Percentile	29.98	16.85	15.68	17.09	44.24
25th Percentile	20.29	11.11	10.75	11.85	32.39
Median	14.73	8.19	7.42	8.27	28.80
75th Percentile	9.59	5.54	4.80	6.09	25.91
95th Percentile	4.89	(0.21)	0.73	3.09	21.83
# of Participants	349	376	405	412	409
Russell 1000 Growth Index	11.81	9.07	5.26	6.30	29.75
Russell 1000 Growth + 1%	12.81	10.07	6.26	7.30	30.75
A GLOBALT Inc	12.44 , 61	3.29 , 86	5.47 , 67	11.57 , 27	31.52 , 31
B INTECH	11.59 , 66	7.78 , 56	8.49 , 41	13.85 , 13	---

Mercer US Equity Large Cap Growth Universe

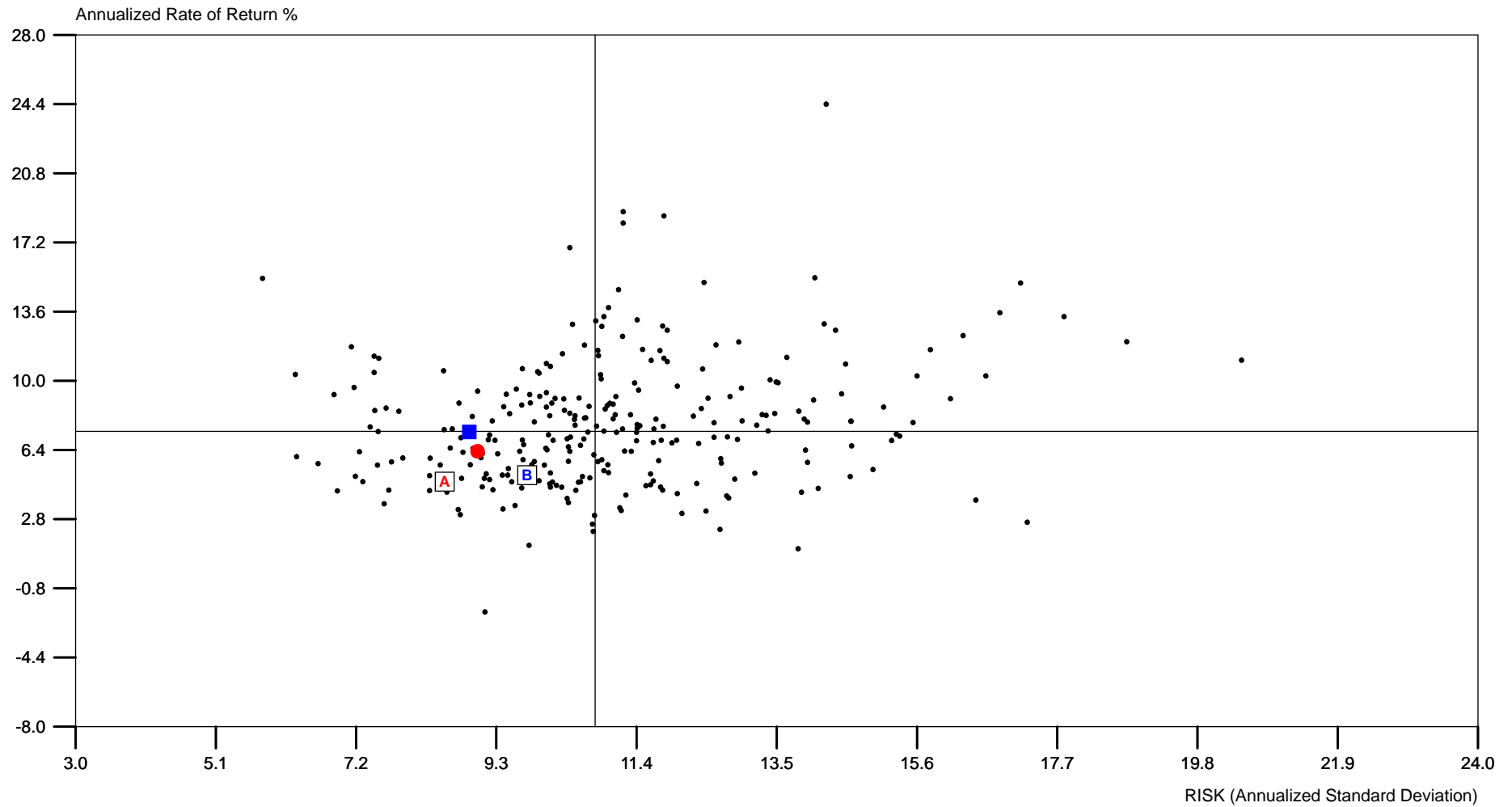
Return Quartiles

Annual Rate Of Return %



Mercer US Equity Large Cap Growth Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
274 Portfolios



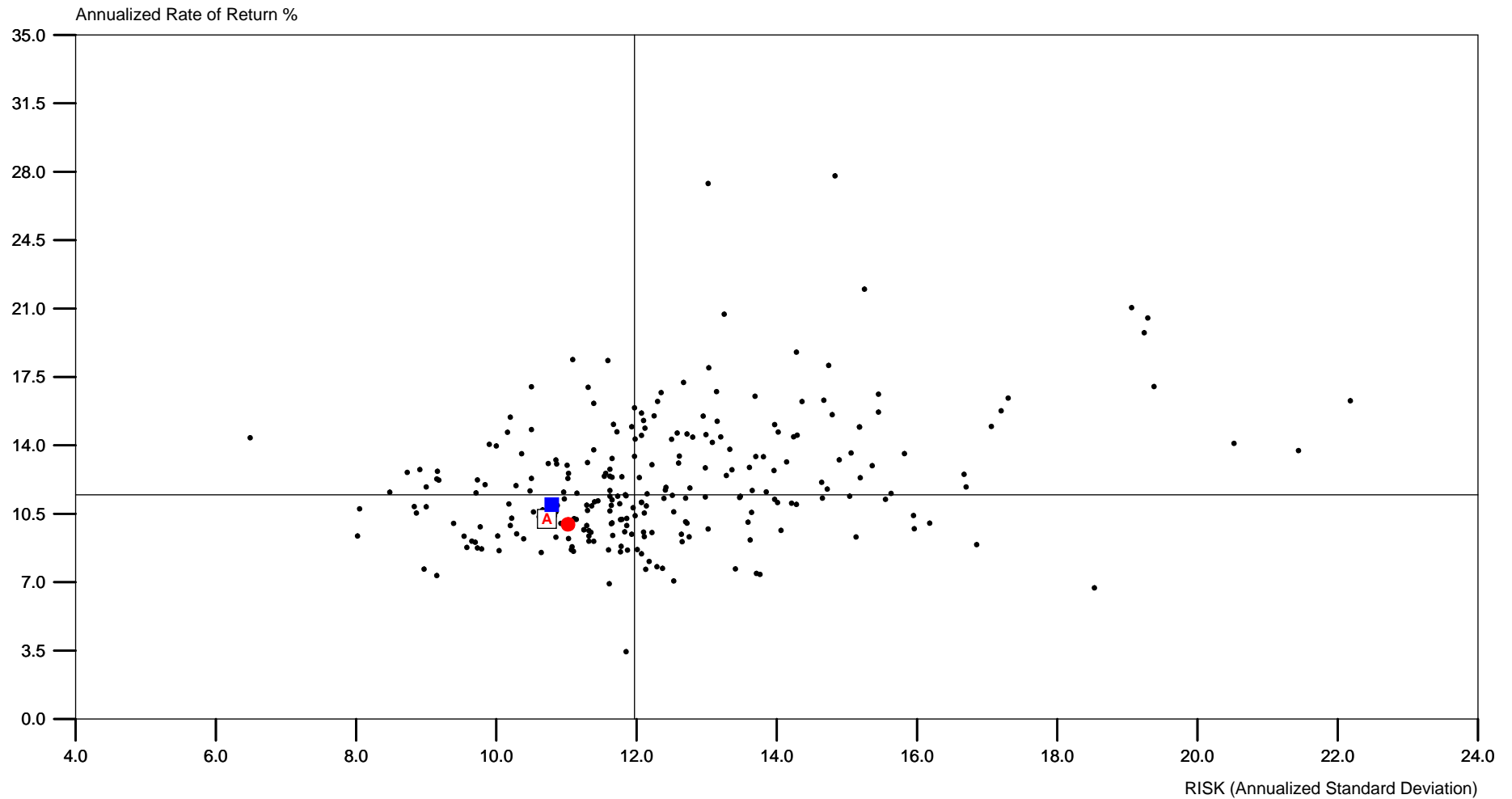
A GLOBALT Inc 4.75, 83
B INTECH 5.09, 77
● Russell 1000 Growth Index

■ Russell 1000 Growth + 1%

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Mercer US Equity Large Cap Growth Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
251 Portfolios



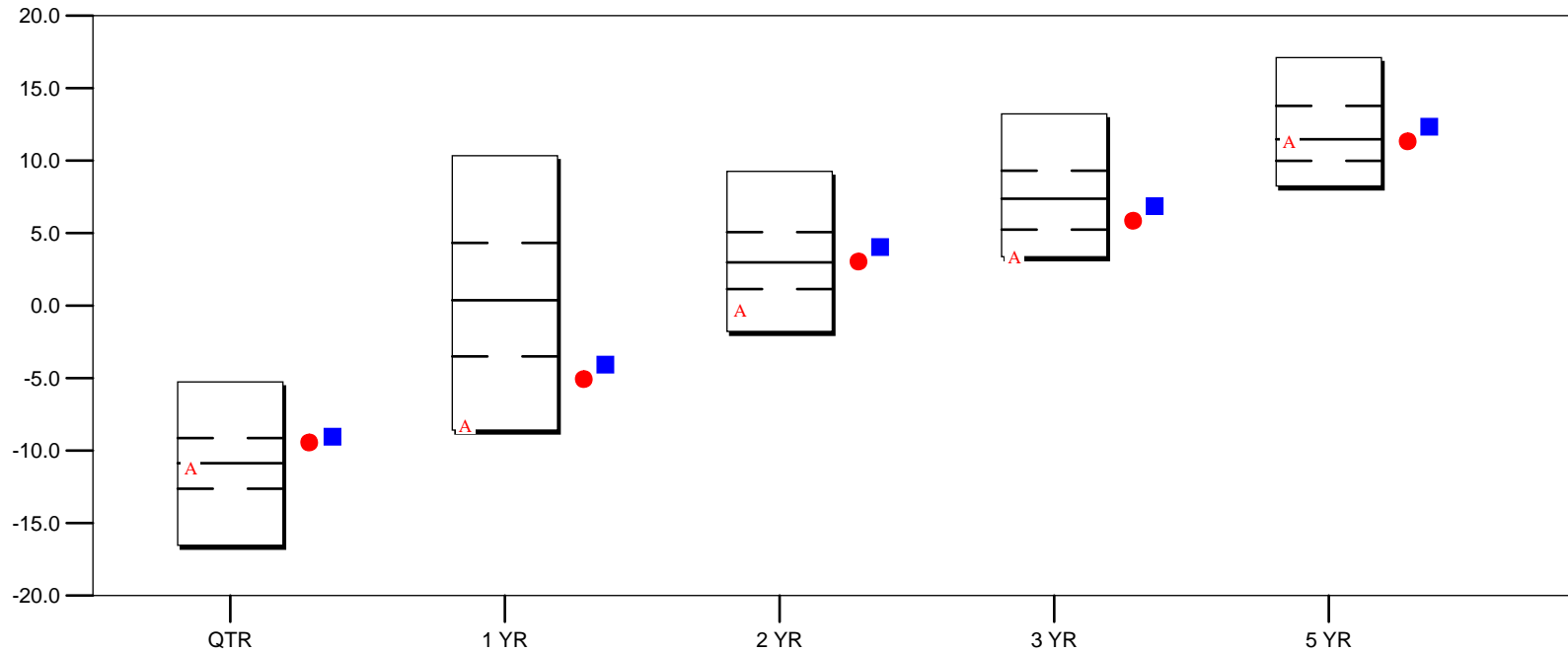
- A GLOBALT Inc 10.24, 70
- Russell 1000 Growth Index
- Russell 1000 Growth + 1%

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Mercer US Equity Large Cap Growth Universe

Return Quartiles
Periods Ending March 31, 2008

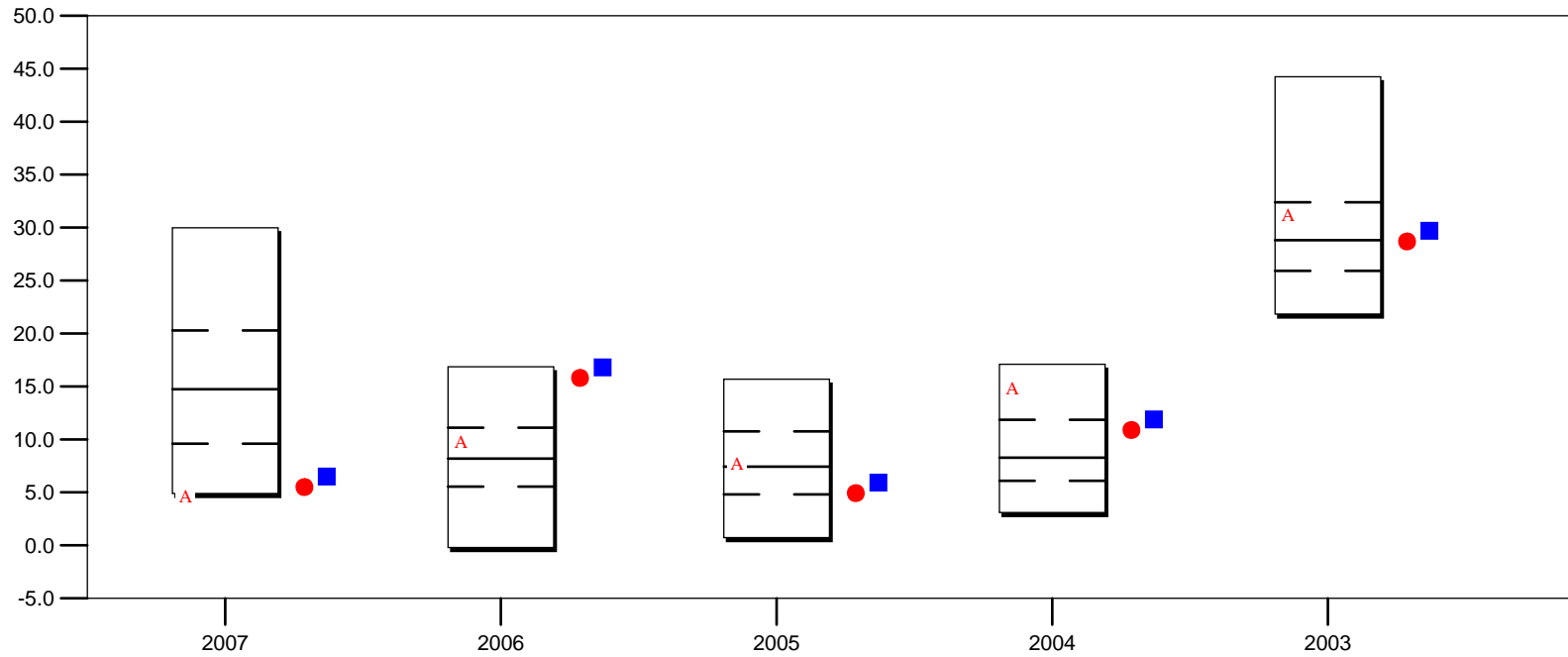
Annualized Rate of Return %



Mercer US Equity Large Cap Growth Universe

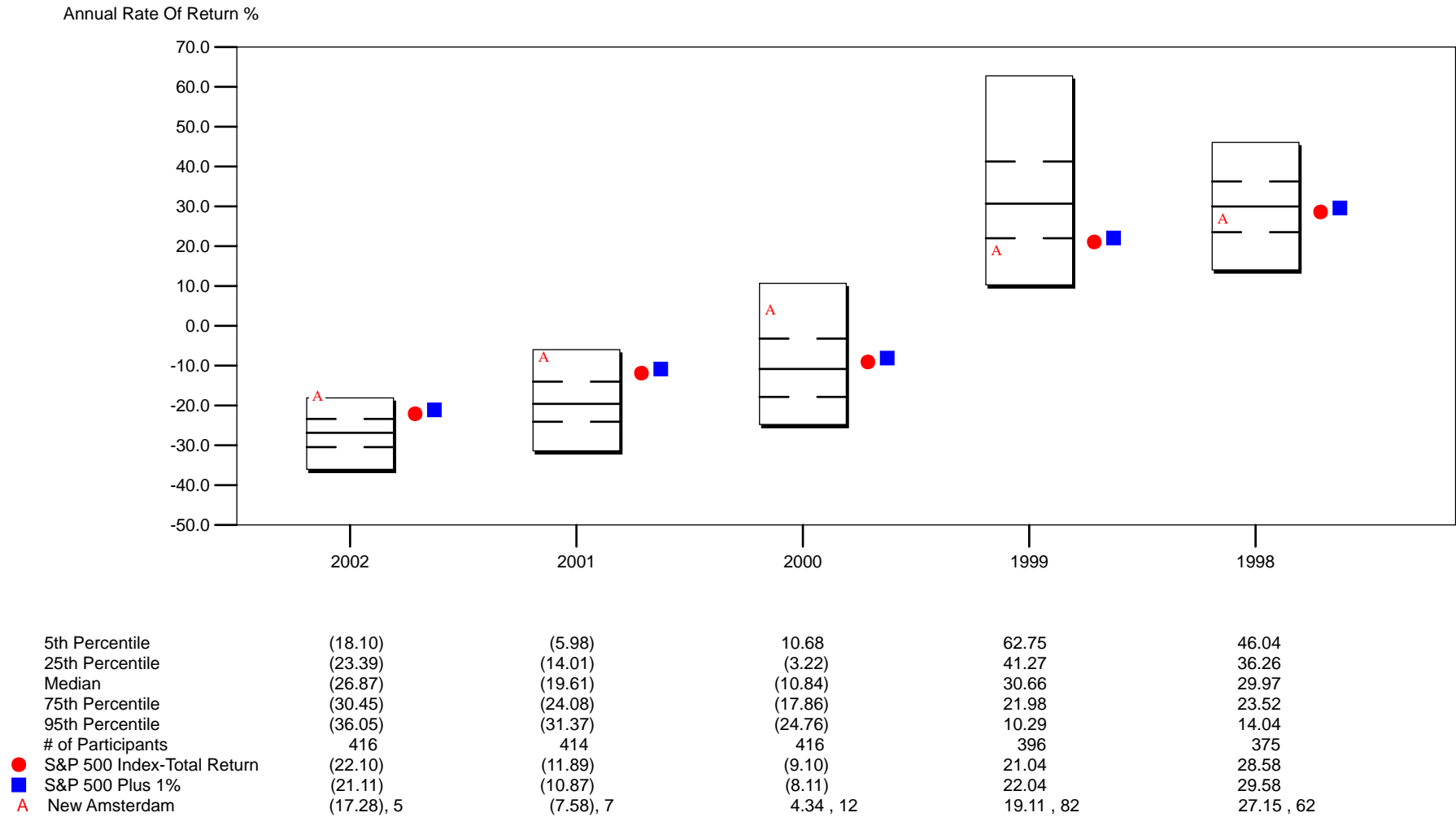
Return Quartiles

Annual Rate Of Return %



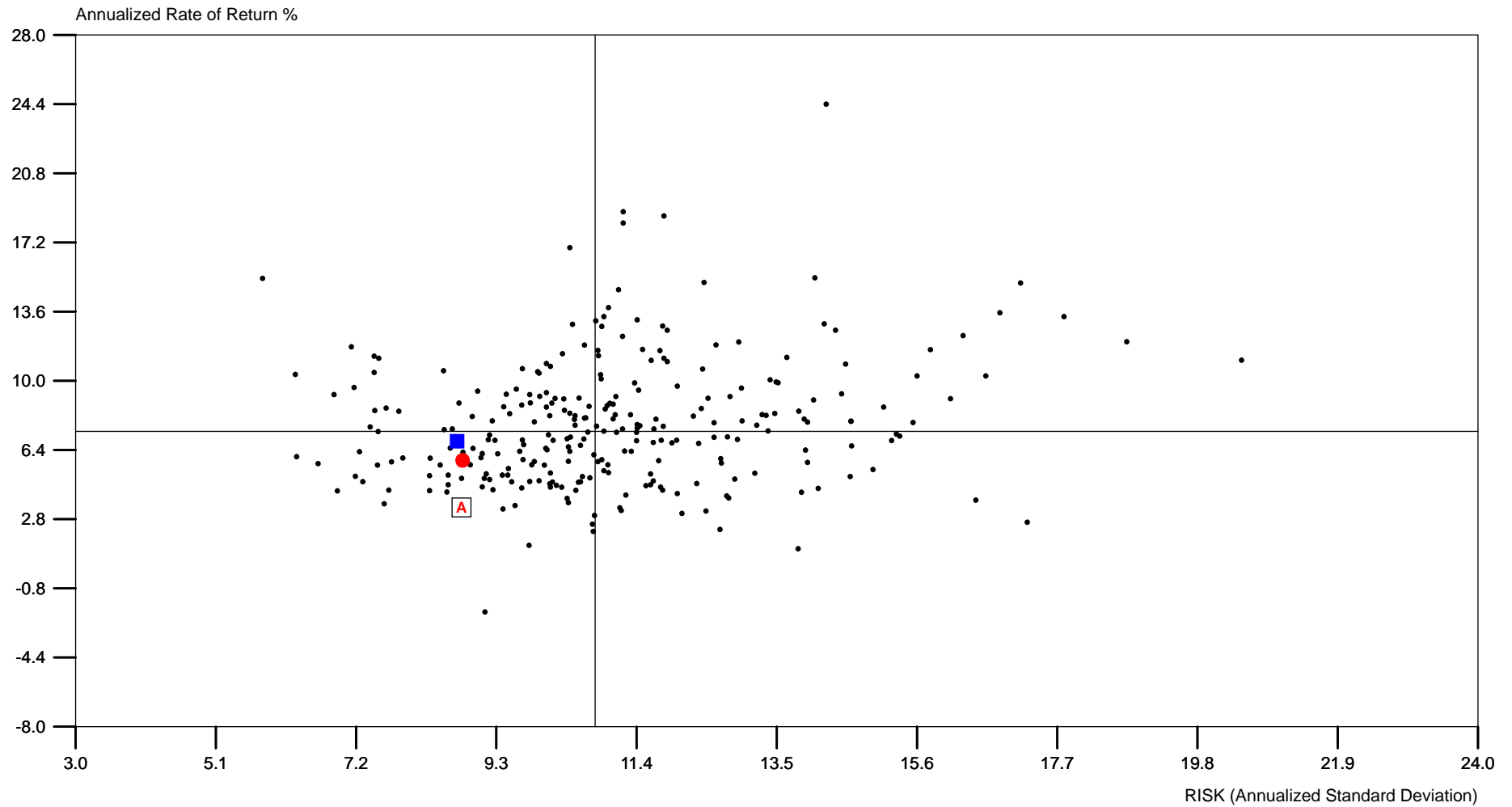
Mercer US Equity Large Cap Growth Universe

Return Quartiles



Mercer US Equity Large Cap Growth Universe

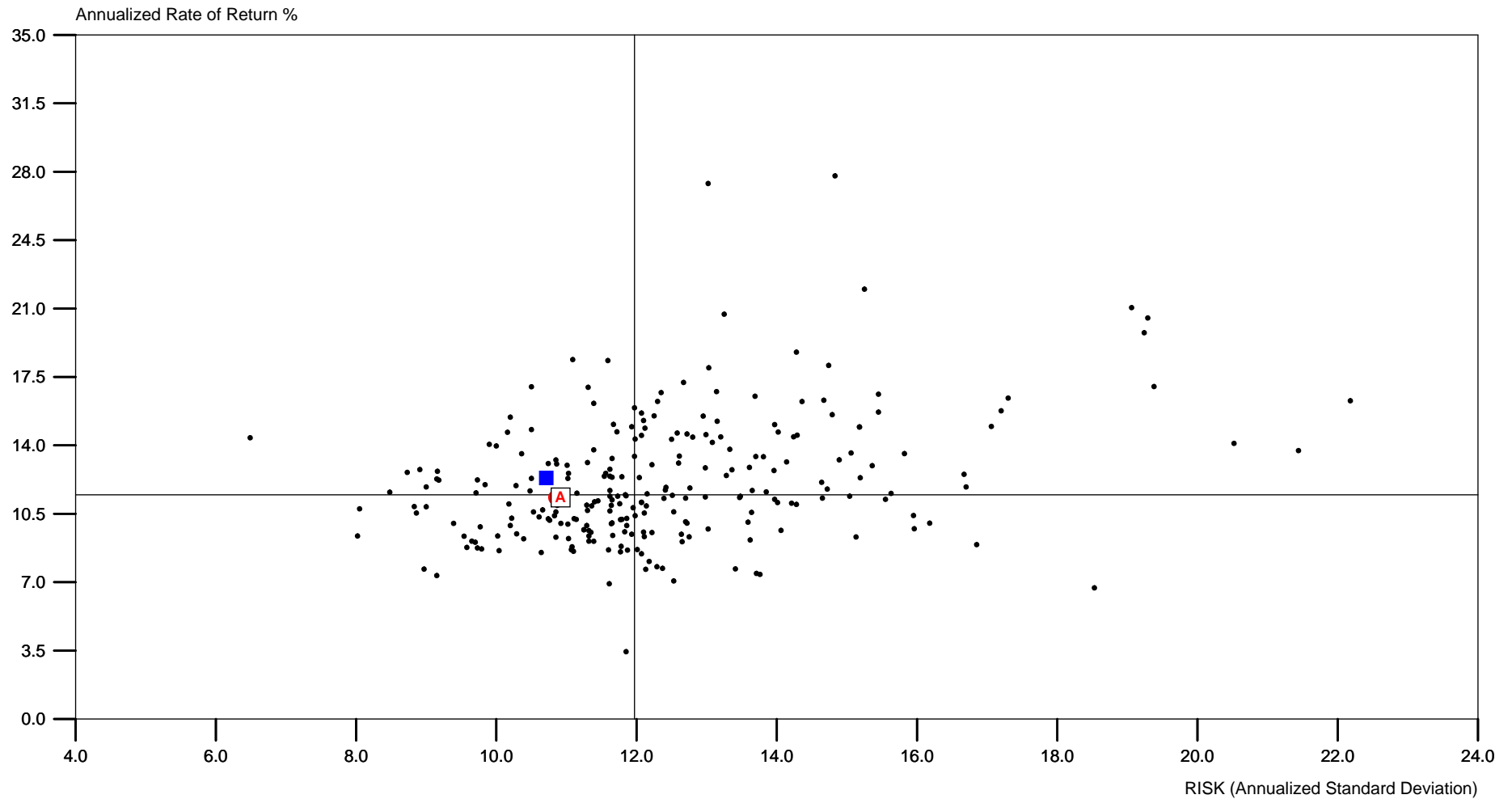
Risk-Return Comparisons
3 Years Ending March 31, 2008
274 Portfolios



Mercer

Mercer US Equity Large Cap Growth Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
251 Portfolios



- A New Amsterdam 11.34, 53
- S&P 500 Index-Total Return Index (S&P Calc)
- S&P 500 Plus 1%

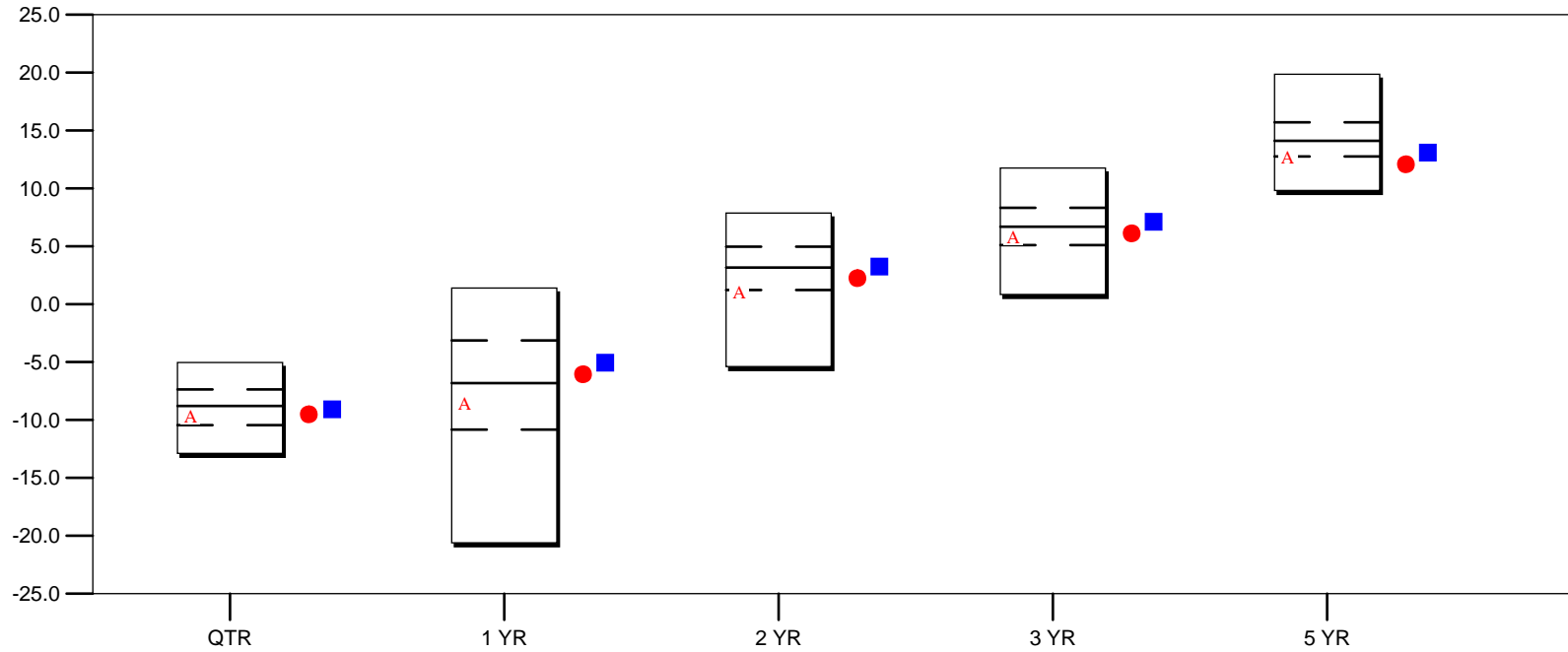
Mercer

Mercer US Equity Large Cap Value Universe

Return Quartiles

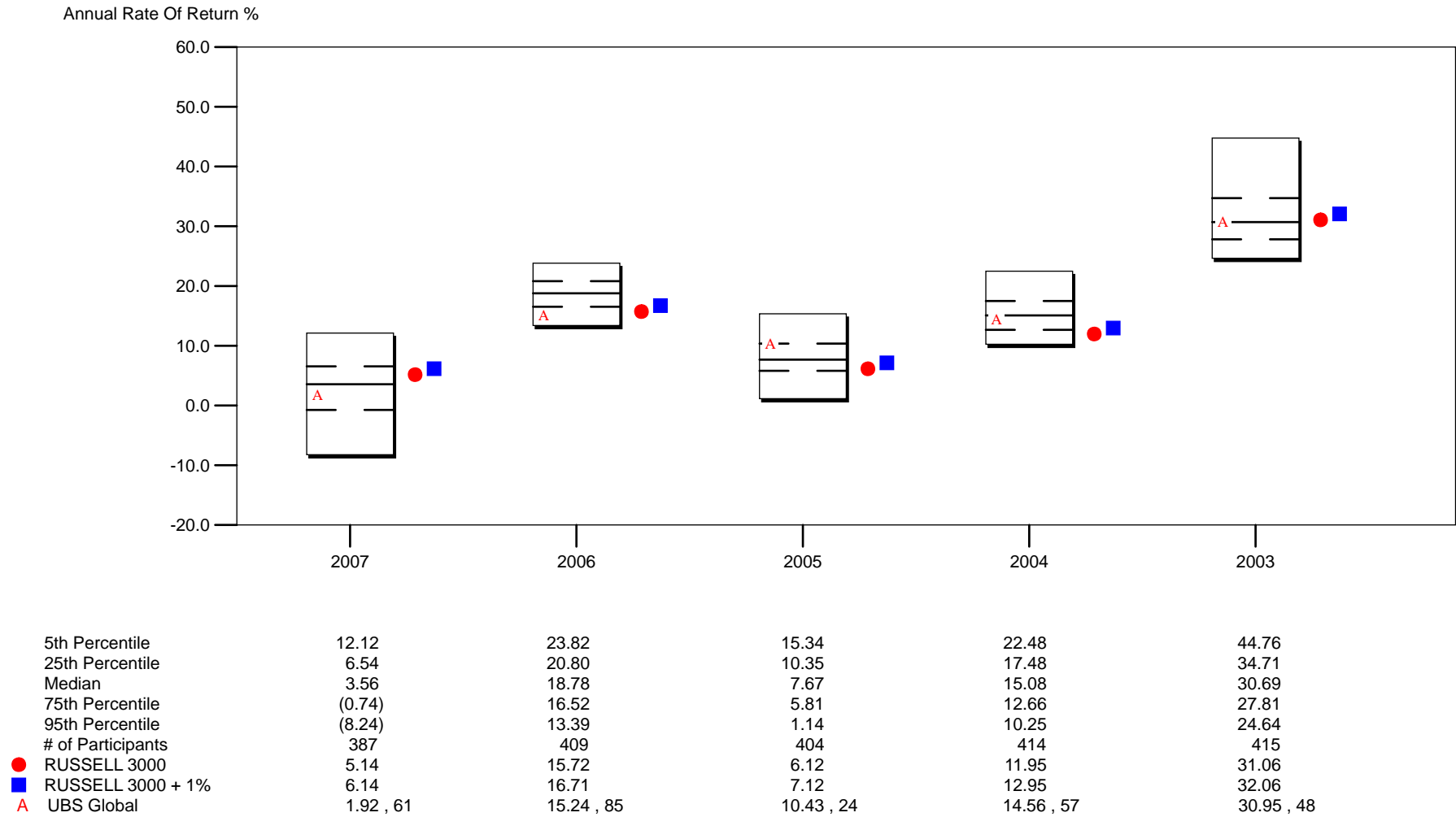
Periods Ending March 31, 2008

Annualized Rate of Return %



Mercer US Equity Large Cap Value Universe

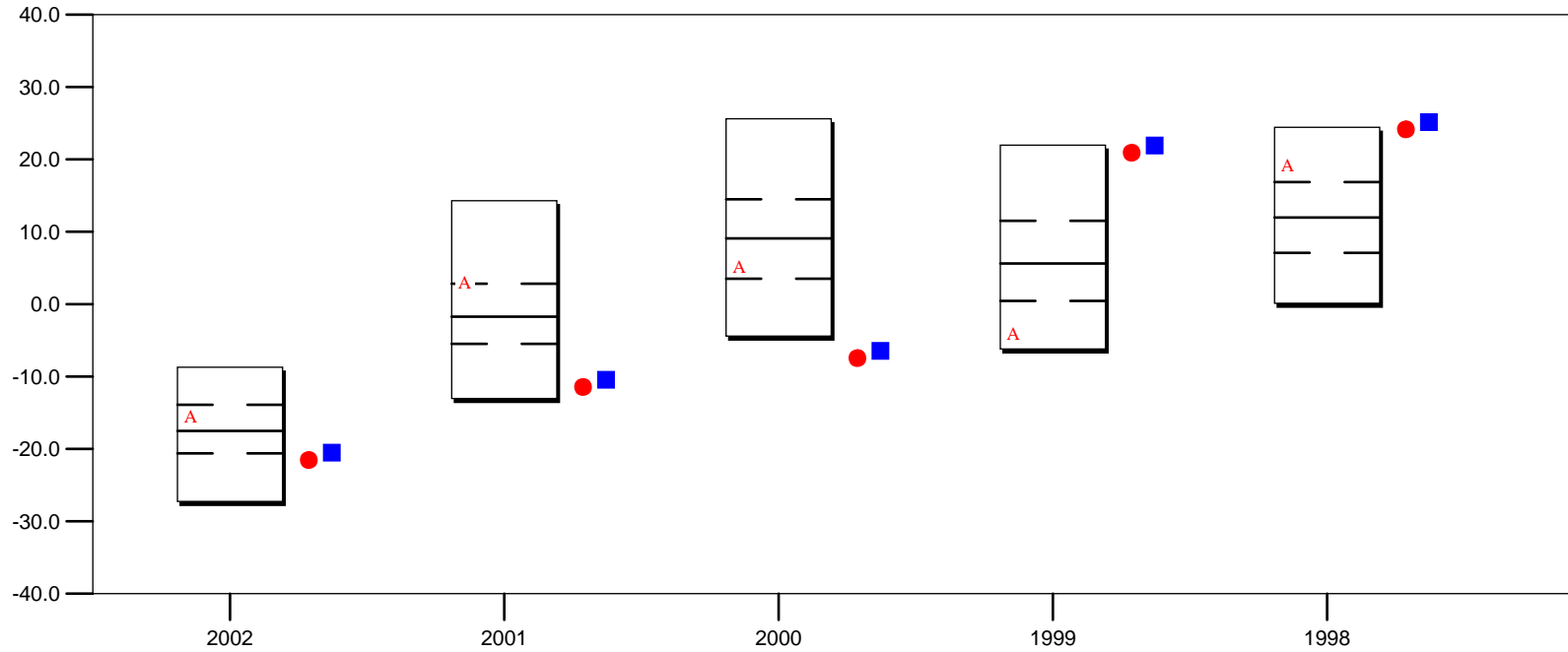
Return Quartiles



Mercer US Equity Large Cap Value Universe

Return Quartiles

Annual Rate Of Return %



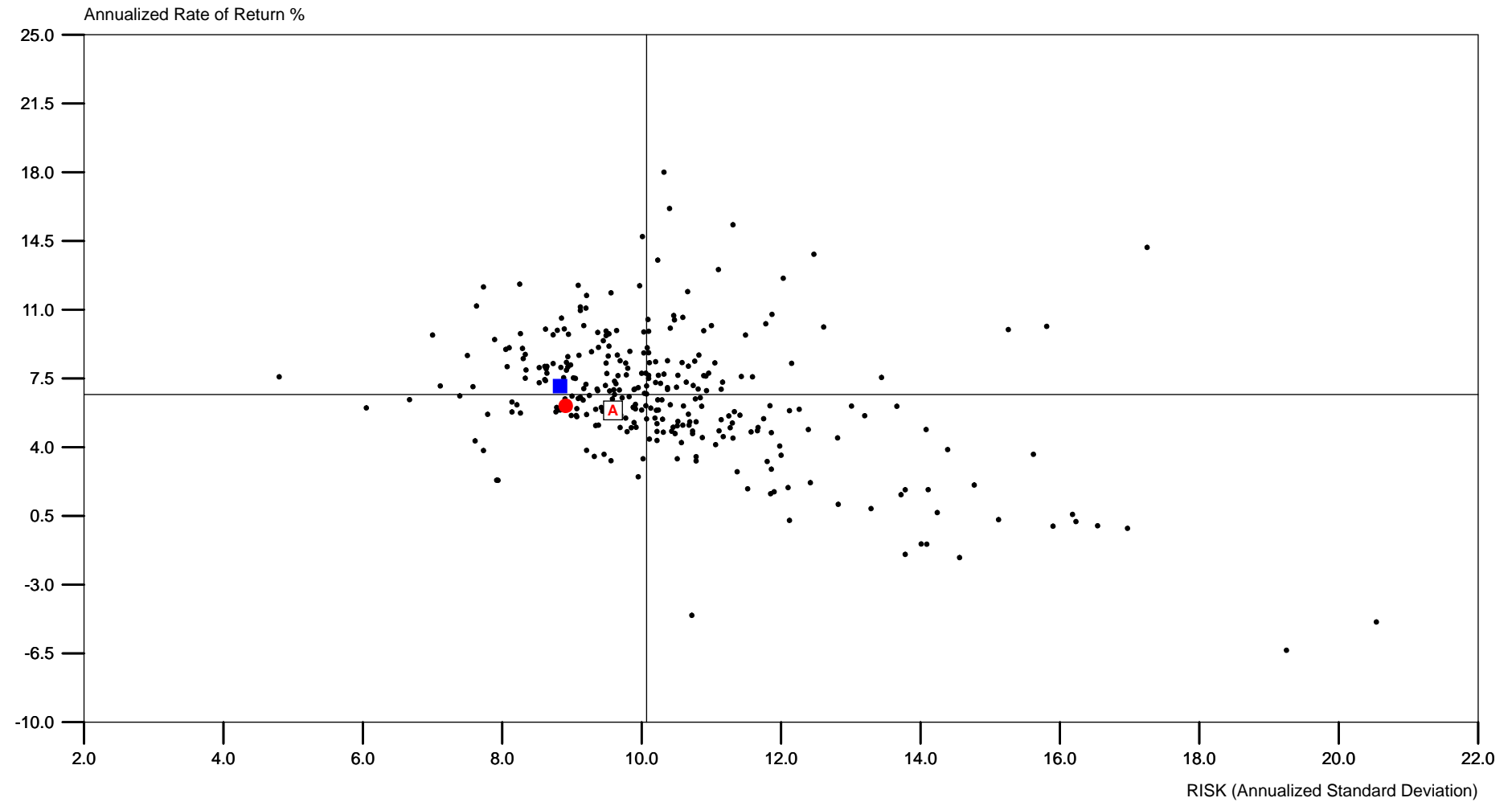
5th Percentile	(8.72)	14.28	25.62	21.96	24.44
25th Percentile	(13.90)	2.83	14.49	11.52	16.87
Median	(17.52)	(1.73)	9.09	5.62	11.97
75th Percentile	(20.63)	(5.48)	3.52	0.44	7.09
95th Percentile	(27.26)	(13.03)	(4.42)	(6.19)	0.12
# of Participants	426	423	398	378	363
RUSSELL 3000	(21.54)	(11.46)	(7.46)	20.90	24.14
RUSSELL 3000 + 1%	(20.54)	(10.46)	(6.46)	21.90	25.14
UBS Global	(15.32), 34	3.16 , 24	5.35 , 67	(3.97), 90	19.30 , 16

Mercer US Equity Large Cap Value Universe

Risk-Return Comparisons

3 Years Ending March 31, 2008

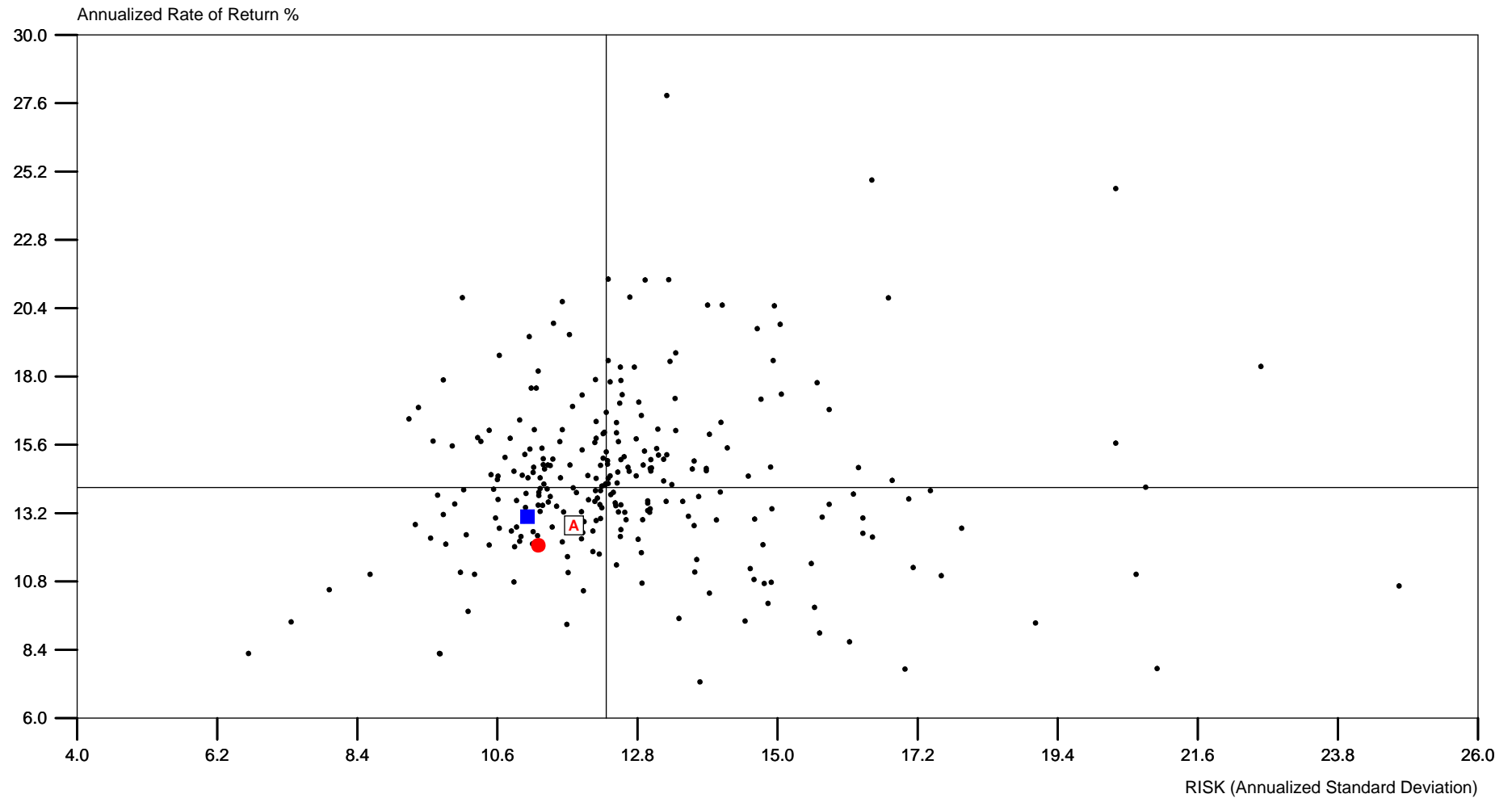
297 Portfolios



Mercer

Mercer US Equity Large Cap Value Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
271 Portfolios



- A UBS Global 12.77, 75
- RUSSELL 3000
- RUSSELL 3000 + 1%

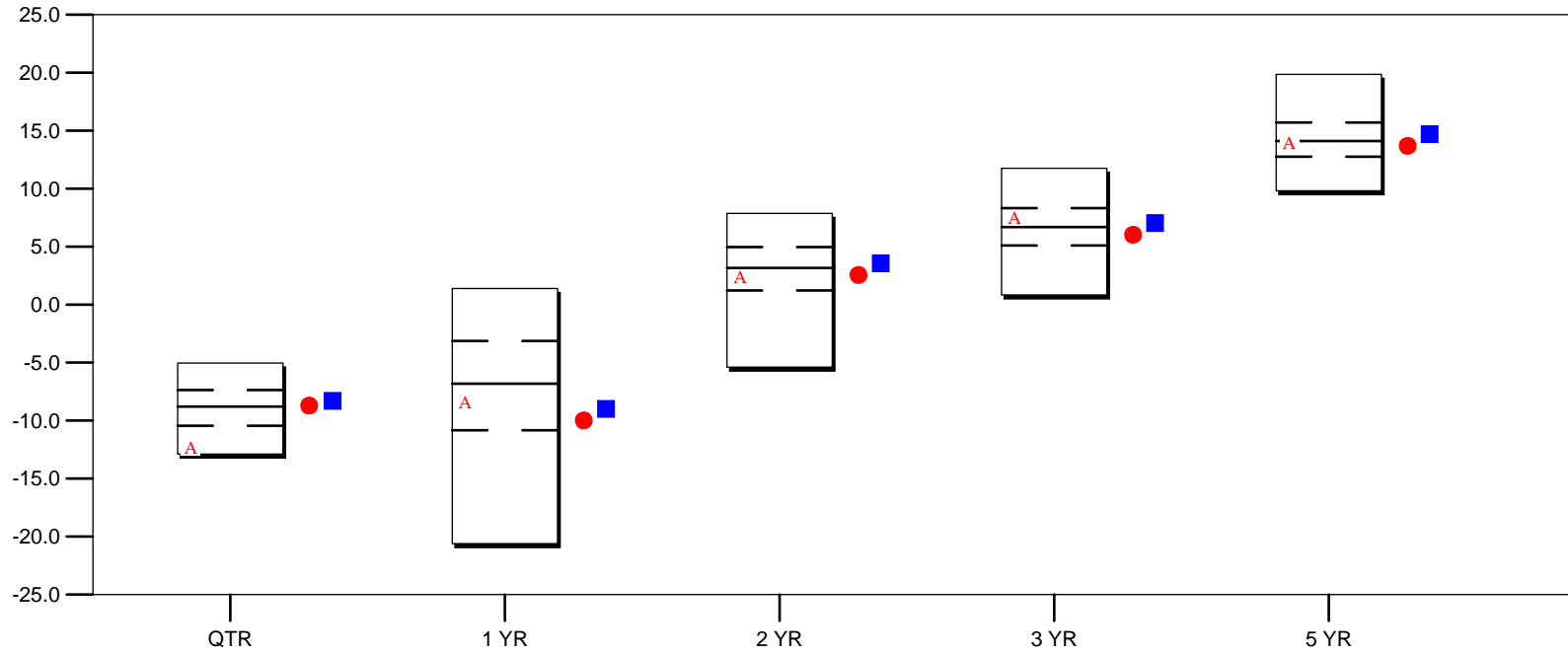
Mercer

Mercer US Equity Large Cap Value Universe

Return Quartiles

Periods Ending March 31, 2008

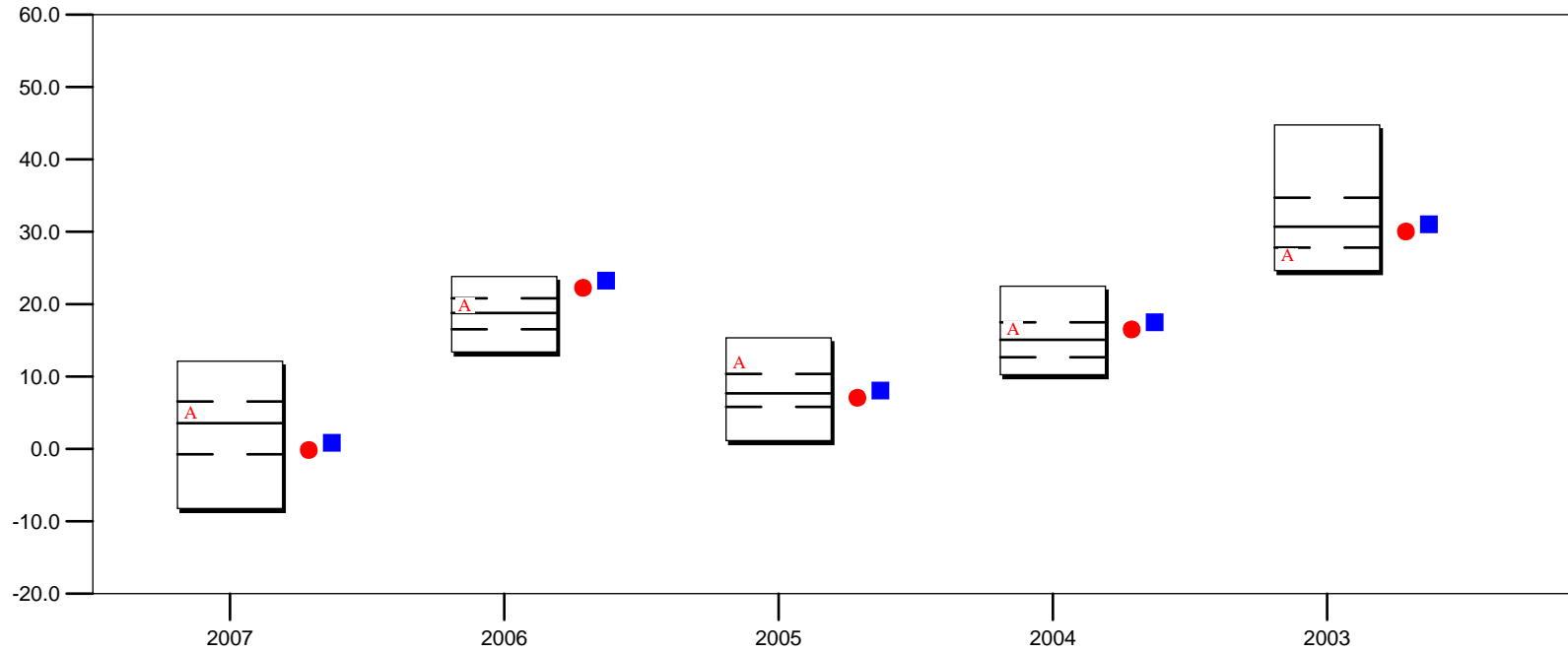
Annualized Rate of Return %



Mercer US Equity Large Cap Value Universe

Return Quartiles

Annual Rate Of Return %

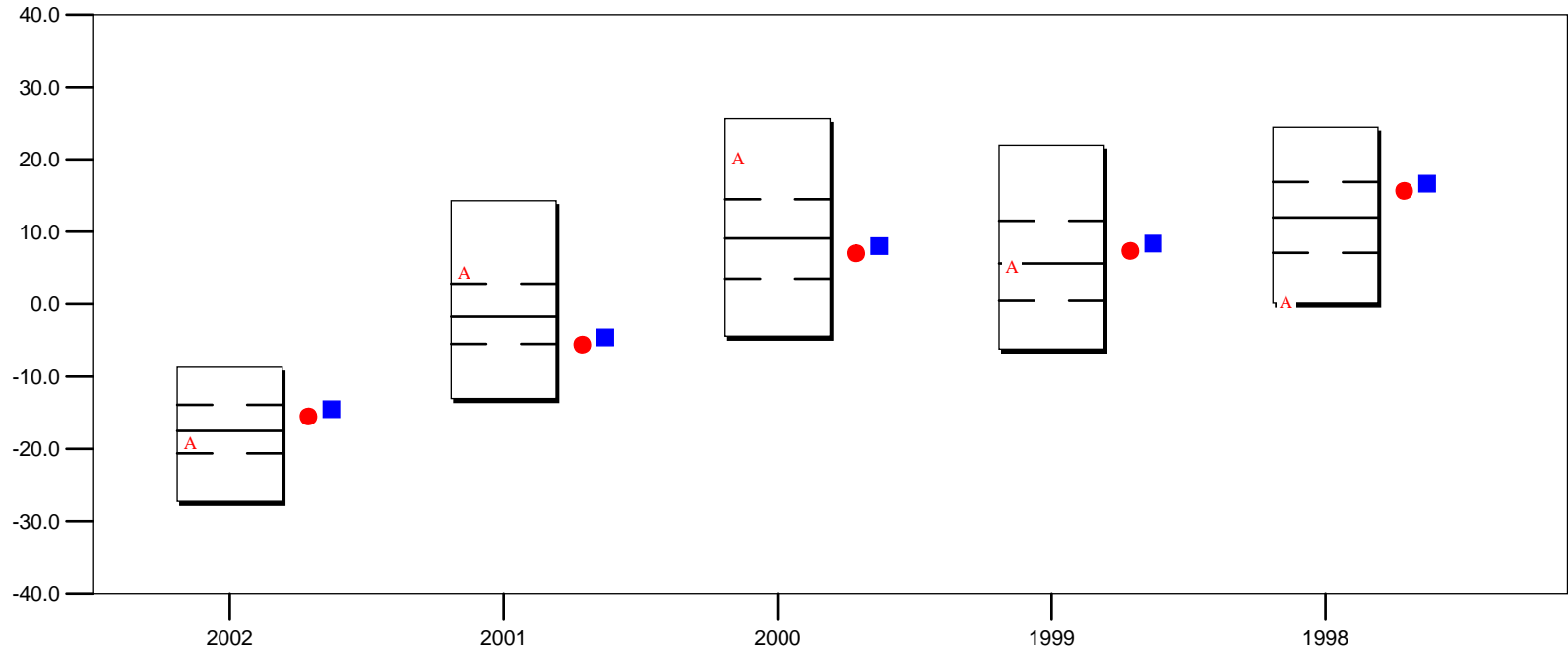


5th Percentile	12.12	23.82	15.34	22.48	44.76
25th Percentile	6.54	20.80	10.35	17.48	34.71
Median	3.56	18.78	7.67	15.08	30.69
75th Percentile	(0.74)	16.52	5.81	12.66	27.81
95th Percentile	(8.24)	13.39	1.14	10.25	24.64
# of Participants	387	409	404	414	415
Russell 1000 Value Index	(0.17)	22.25	7.05	16.49	30.03
Russell 1000 Value + 1.0%	0.83	23.25	8.05	17.49	31.03
Boston Partners Asset Mgmt.	5.20 , 35	19.96 , 36	12.05 , 12	16.77 , 32	26.89 , 80

Mercer US Equity Large Cap Value Universe

Return Quartiles

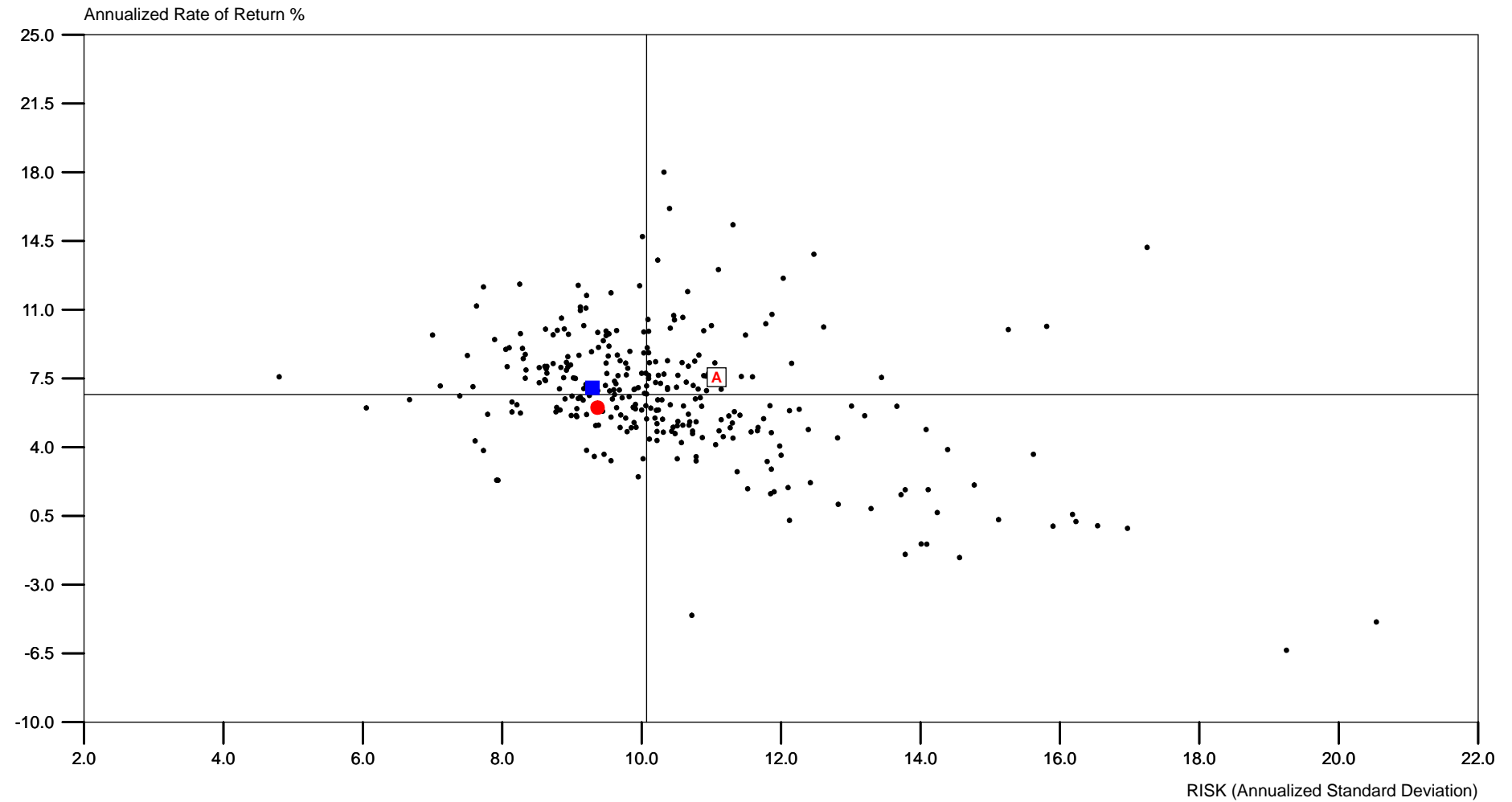
Annual Rate Of Return %



5th Percentile	(8.72)	14.28	25.62	21.96	24.44
25th Percentile	(13.90)	2.83	14.49	11.52	16.87
Median	(17.52)	(1.73)	9.09	5.62	11.97
75th Percentile	(20.63)	(5.48)	3.52	0.44	7.09
95th Percentile	(27.26)	(13.03)	(4.42)	(6.19)	0.12
# of Participants	426	423	398	378	363
Russell 1000 Value Index	(15.52)	(5.59)	7.01	7.35	15.63
Russell 1000 Value + 1.0%	(14.52)	(4.59)	8.01	8.35	16.63
Boston Partners Asset Mgmt.	(18.99), 61	4.47 , 19	20.30 , 12	5.35 , 51	0.38 , 94

Mercer US Equity Large Cap Value Universe

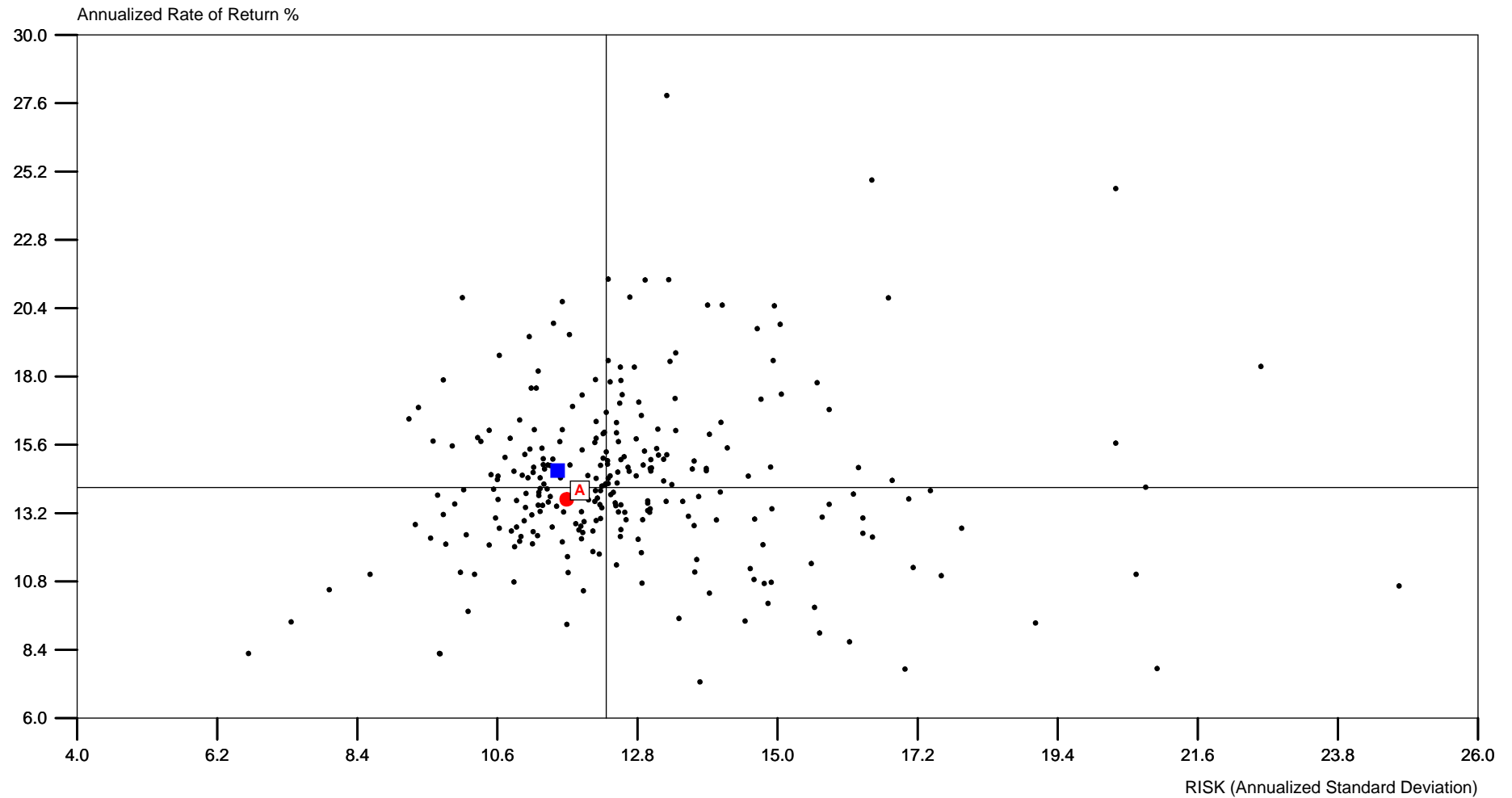
Risk-Return Comparisons
3 Years Ending March 31, 2008
297 Portfolios



Mercer

Mercer US Equity Large Cap Value Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
271 Portfolios



- A Boston Partners Asset Mgmt. Value Equity 14.00, 52
- Russell 1000 Value Index
- Russell 1000 Value + 1.0%

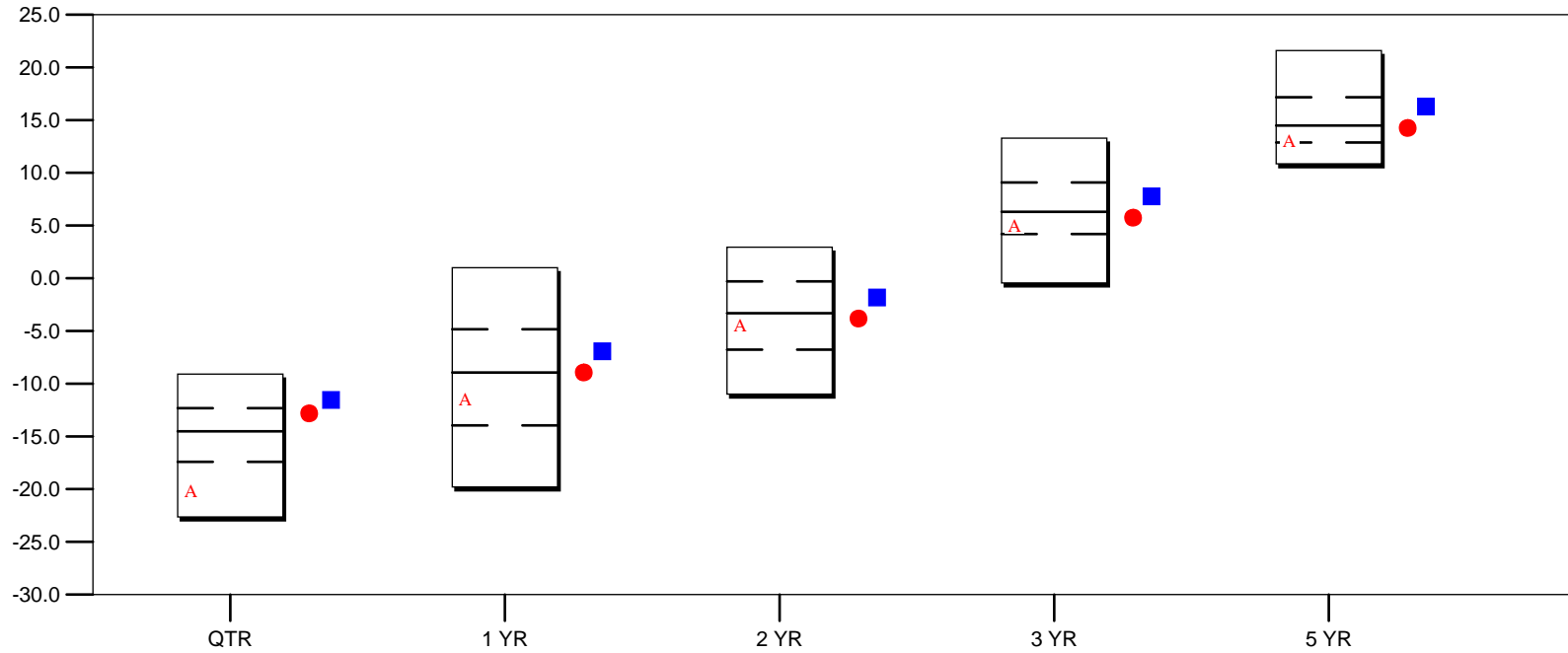
Mercer

Mercer US Equity Small Cap Growth Universe

Return Quartiles

Periods Ending March 31, 2008

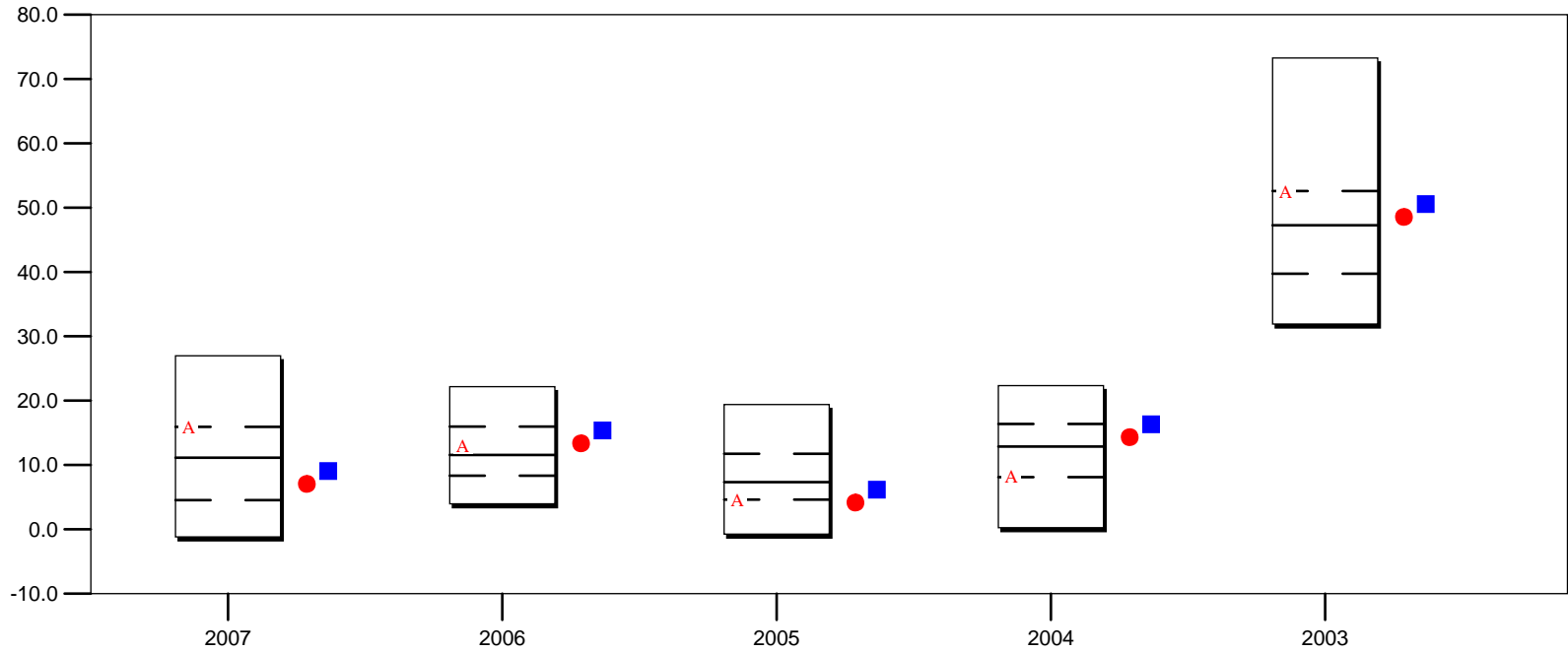
Annualized Rate of Return %



Mercer US Equity Small Cap Growth Universe

Return Quartiles

Annual Rate Of Return %

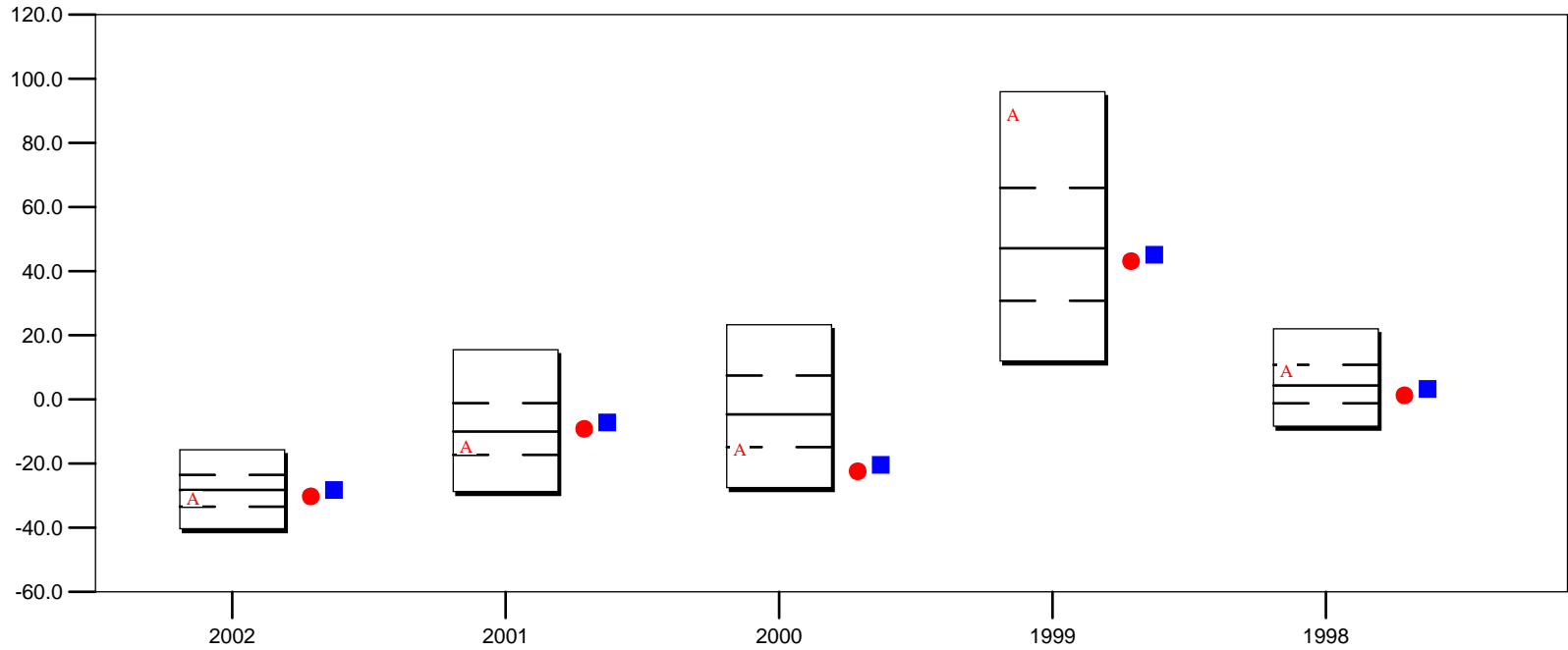


5th Percentile	26.96	22.17	19.40	22.34	73.27
25th Percentile	15.93	15.96	11.74	16.37	52.59
Median	11.13	11.56	7.33	12.86	47.25
75th Percentile	4.54	8.33	4.61	8.10	39.73
95th Percentile	(1.18)	3.96	(0.76)	0.24	31.90
# of Participants	183	196	198	197	191
RUSSELL 2000 G	7.05	13.35	4.15	14.31	48.54
RUSSELL 2000 G + 2%	9.05	15.35	6.15	16.31	50.54
Provident Inv	16.04 , 25	13.19 , 40	4.75 , 74	8.32 , 74	52.54 , 25

Mercer US Equity Small Cap Growth Universe

Return Quartiles

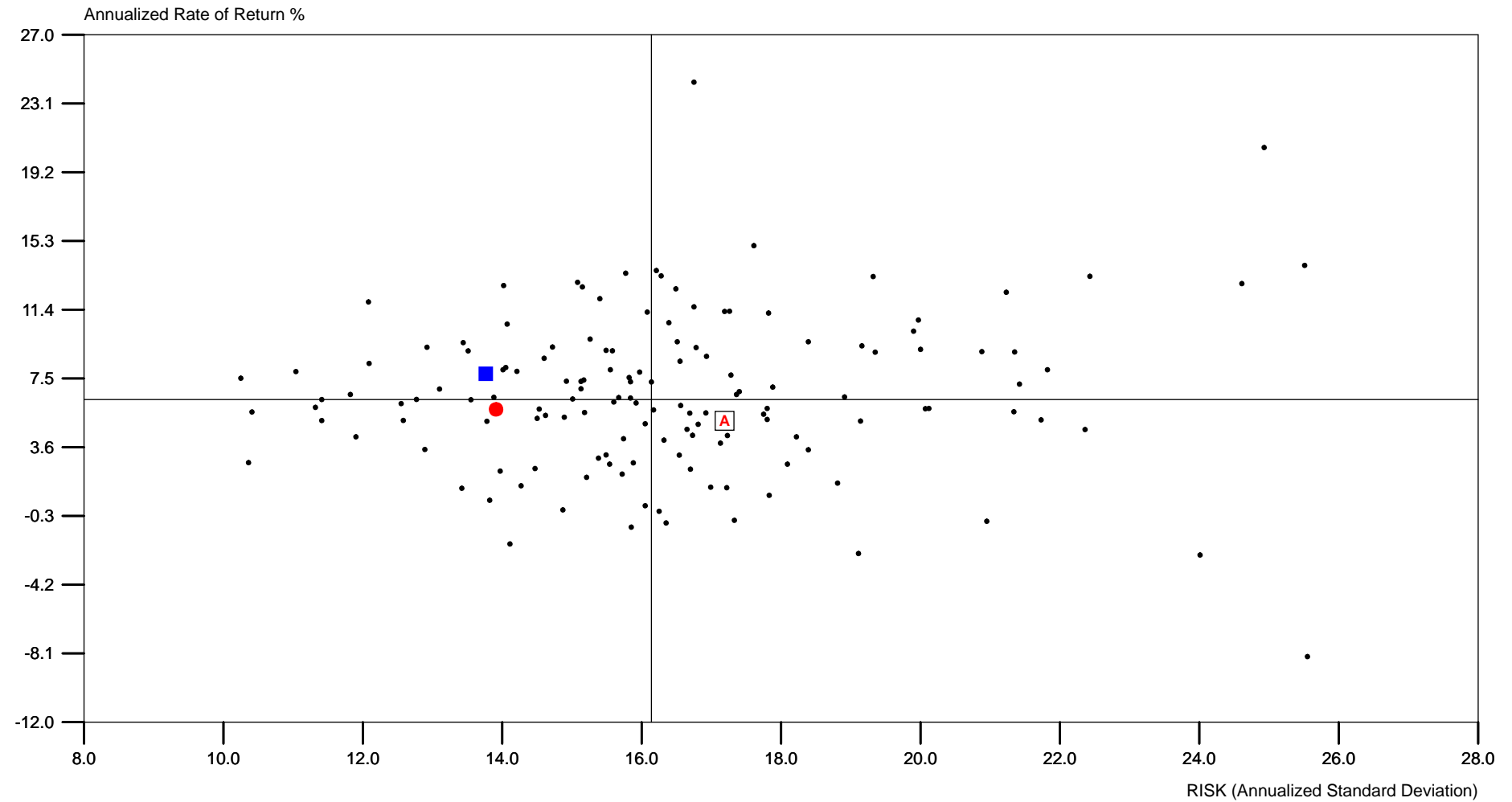
Annual Rate Of Return %



5th Percentile	(15.70)	15.49	23.27	95.97	22.02
25th Percentile	(23.55)	(1.19)	7.45	65.96	10.79
Median	(28.23)	(10.01)	(4.68)	47.11	4.36
75th Percentile	(33.48)	(17.29)	(14.89)	30.77	(1.21)
95th Percentile	(40.31)	(28.74)	(27.52)	11.97	(8.37)
# of Participants	196	198	191	177	171
● RUSSELL 2000 G	(30.26)	(9.23)	(22.43)	43.09	1.23
■ RUSSELL 2000 G + 2%	(28.26)	(7.23)	(20.43)	45.09	3.23
A Provident Inv	(30.69), 65	(14.26), 67	(15.38), 77	88.97 , 8	9.34 , 30

Mercer US Equity Small Cap Growth Universe

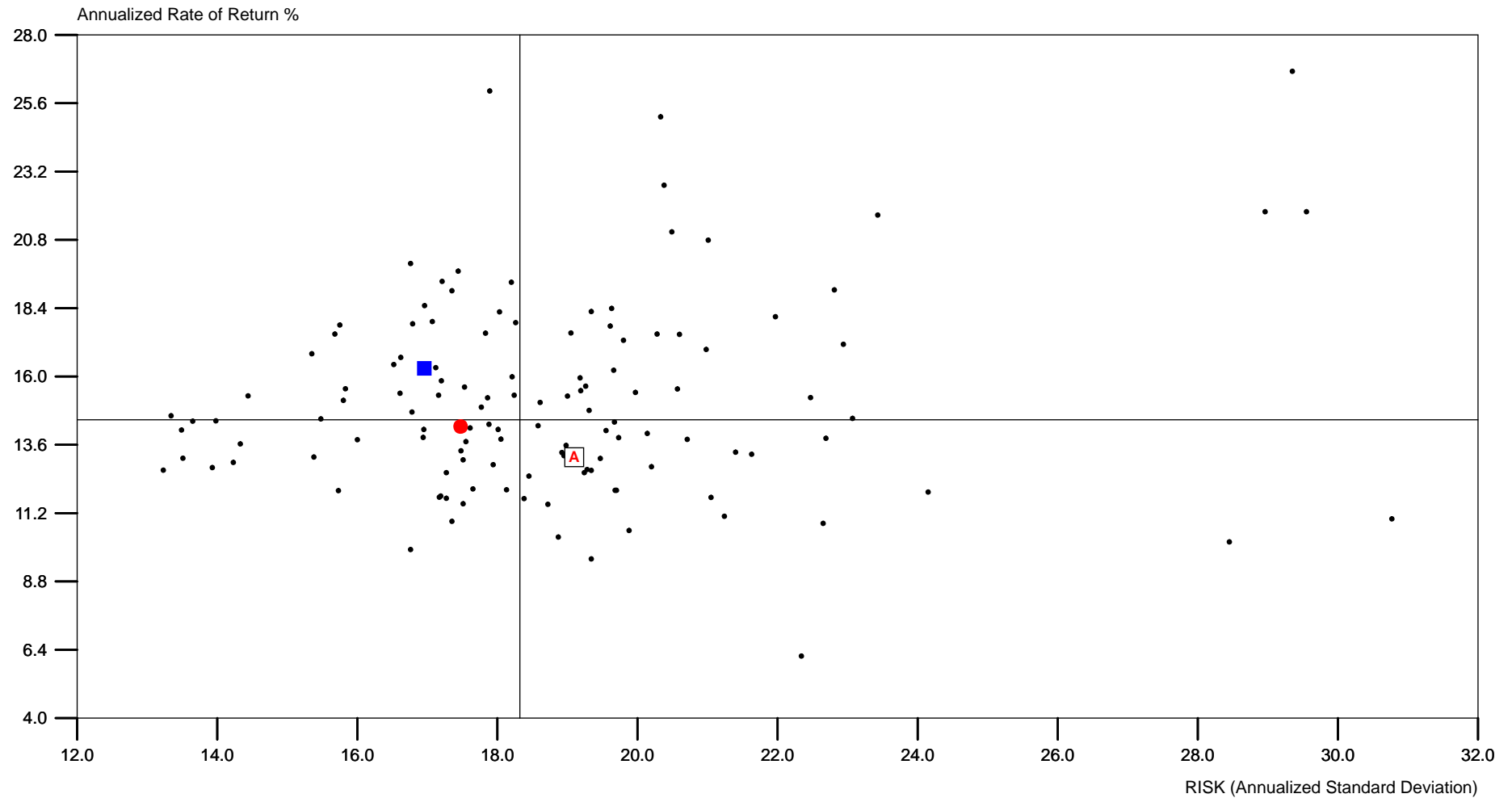
Risk-Return Comparisons
3 Years Ending March 31, 2008
145 Portfolios



Mercer

Mercer US Equity Small Cap Growth Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
124 Portfolios



- A Provident Inv 13.17, 71
- RUSSELL 2000 G
- RUSSELL 2000 G + 2%

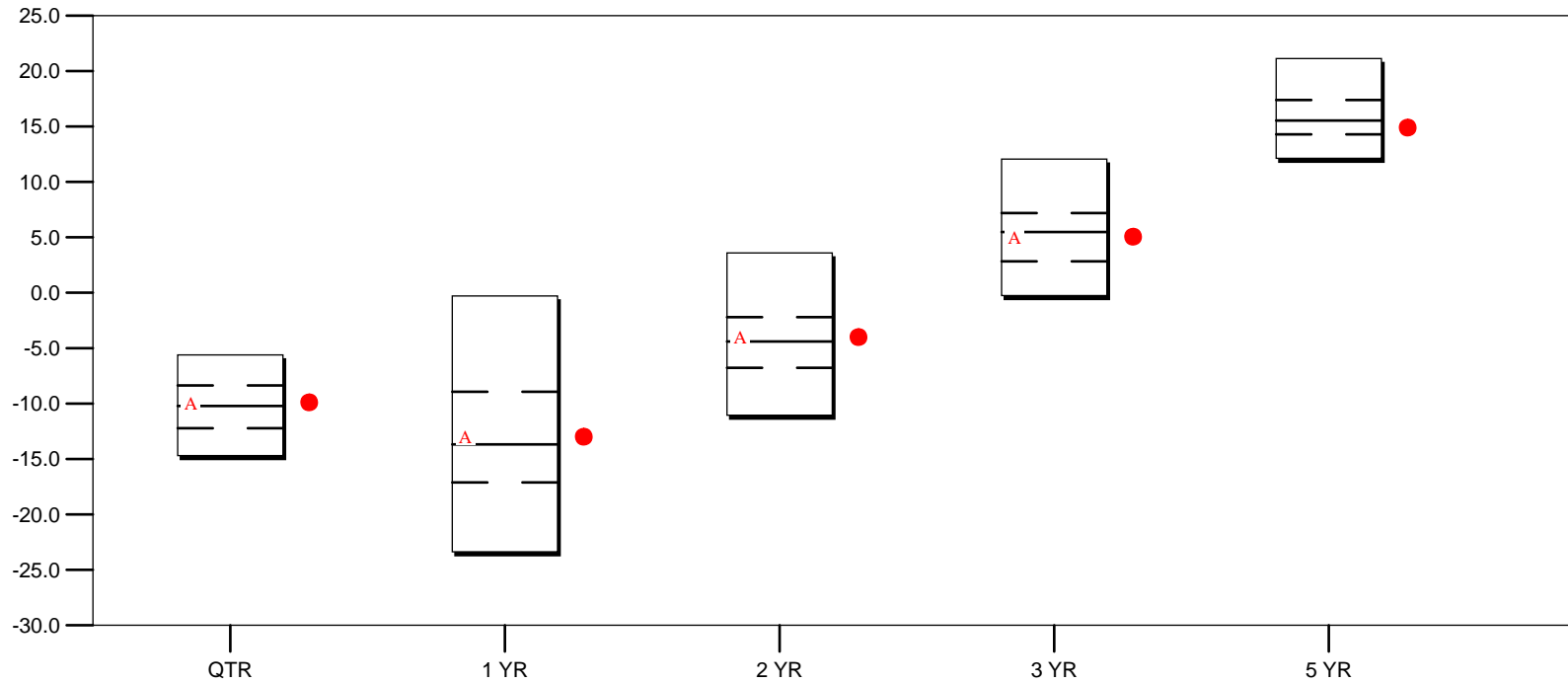
Mercer

Mercer US Equity Small Cap Core Universe

Return Quartiles

Periods Ending March 31, 2008

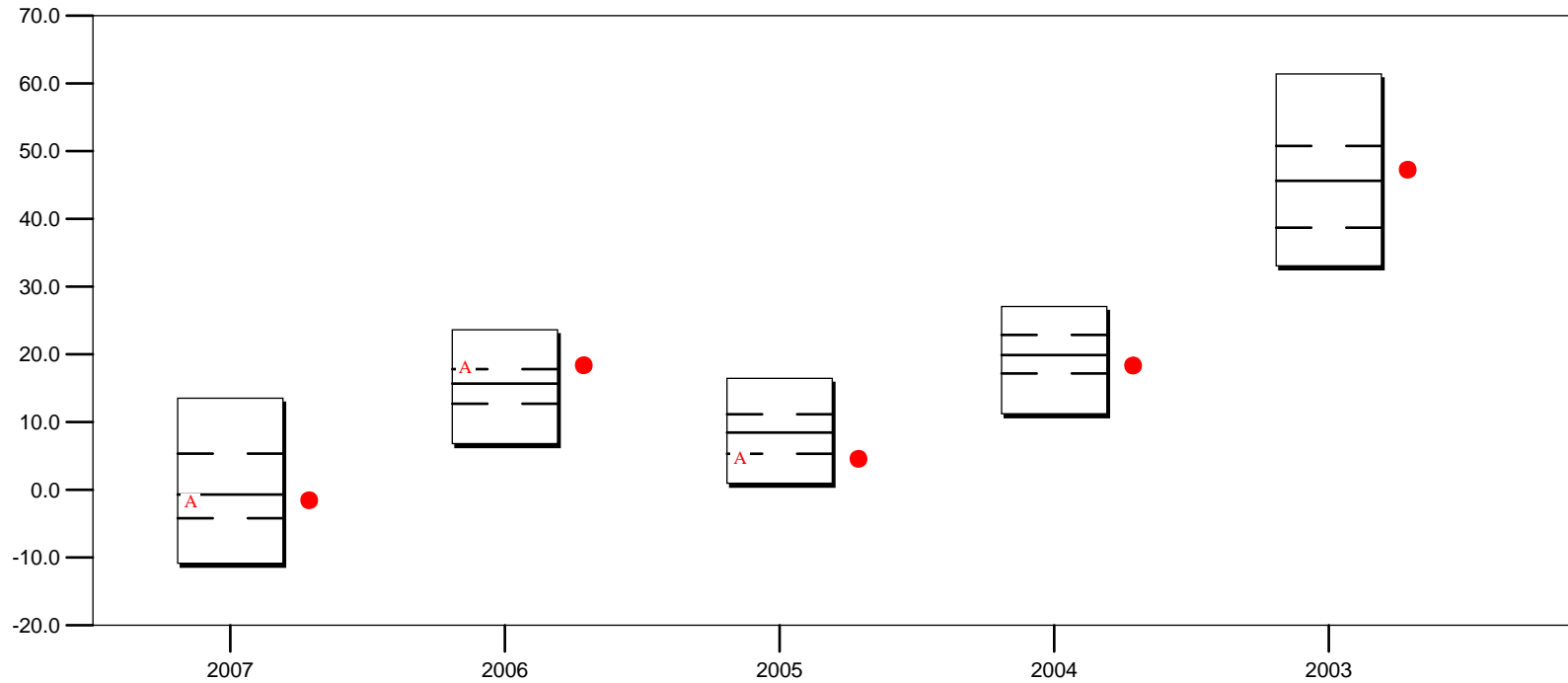
Annualized Rate of Return %



Mercer US Equity Small Cap Core Universe

Return Quartiles

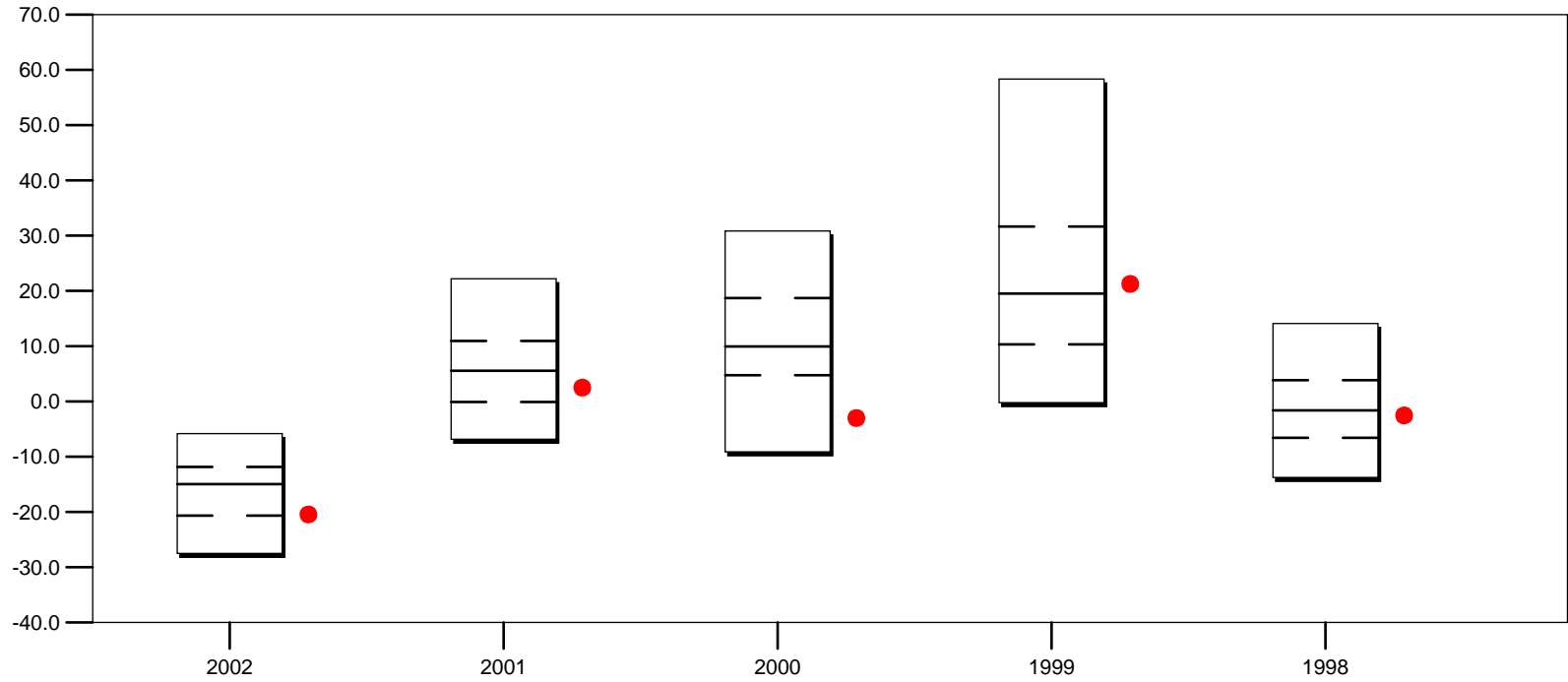
Annual Rate Of Return %



Mercer US Equity Small Cap Core Universe

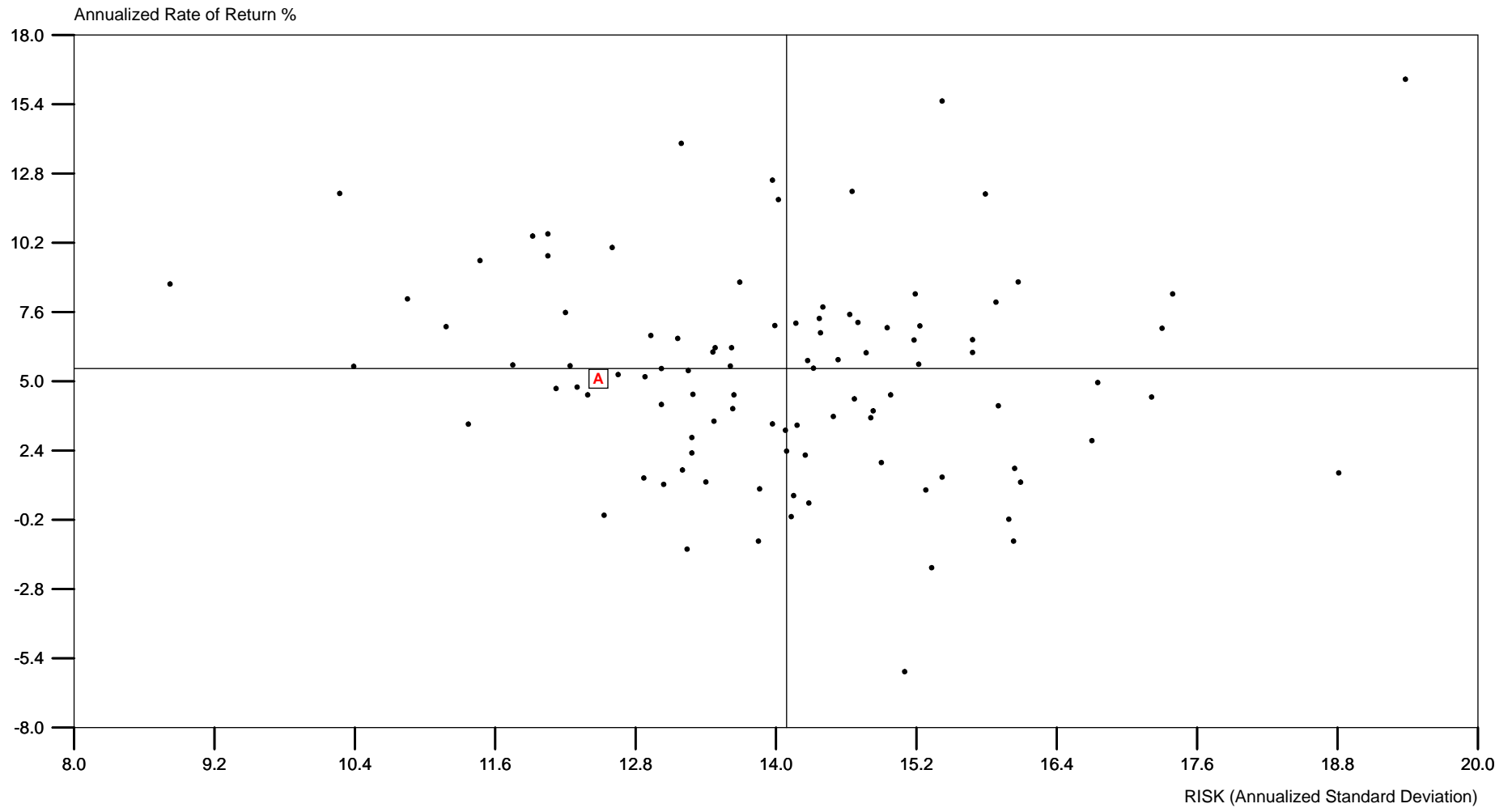
Return Quartiles

Annual Rate Of Return %



Mercer US Equity Small Cap Core Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
99 Portfolios

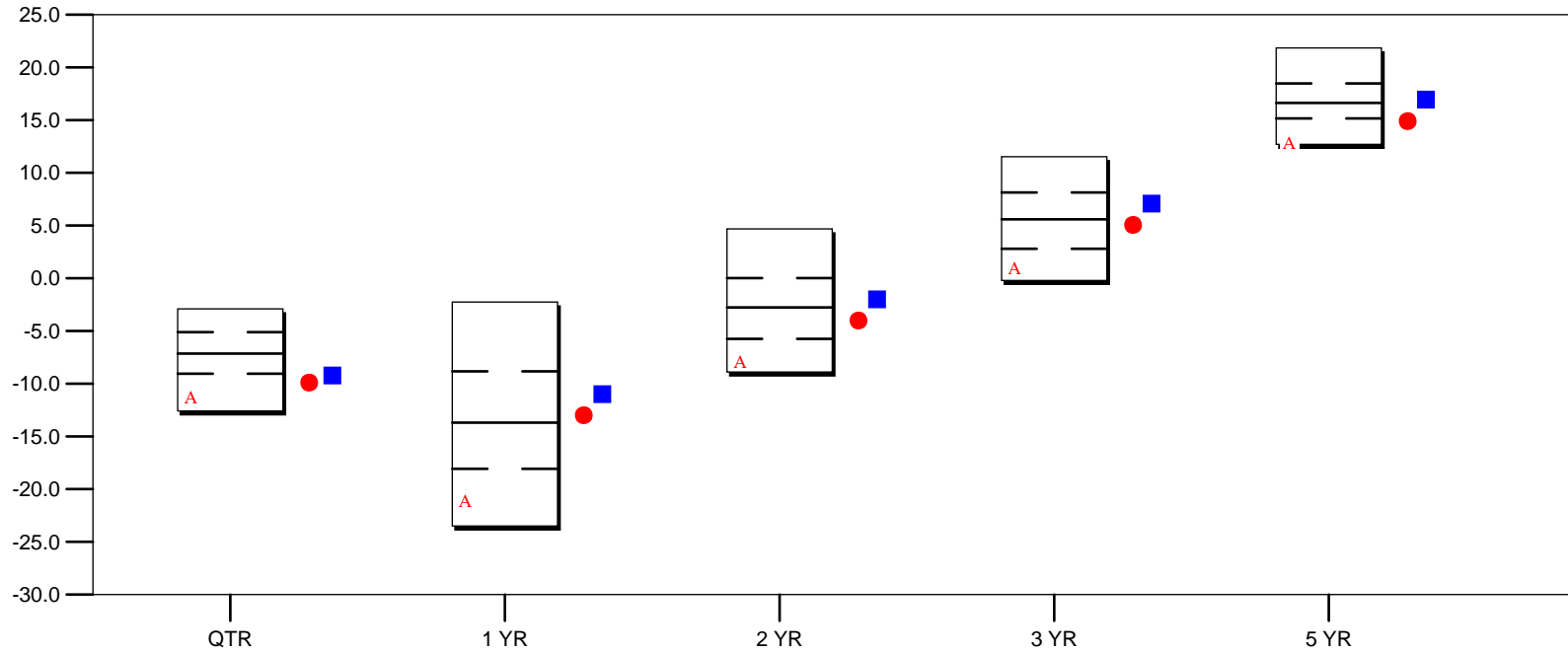


Mercer US Equity Small Cap Value Universe

Return Quartiles

Periods Ending March 31, 2008

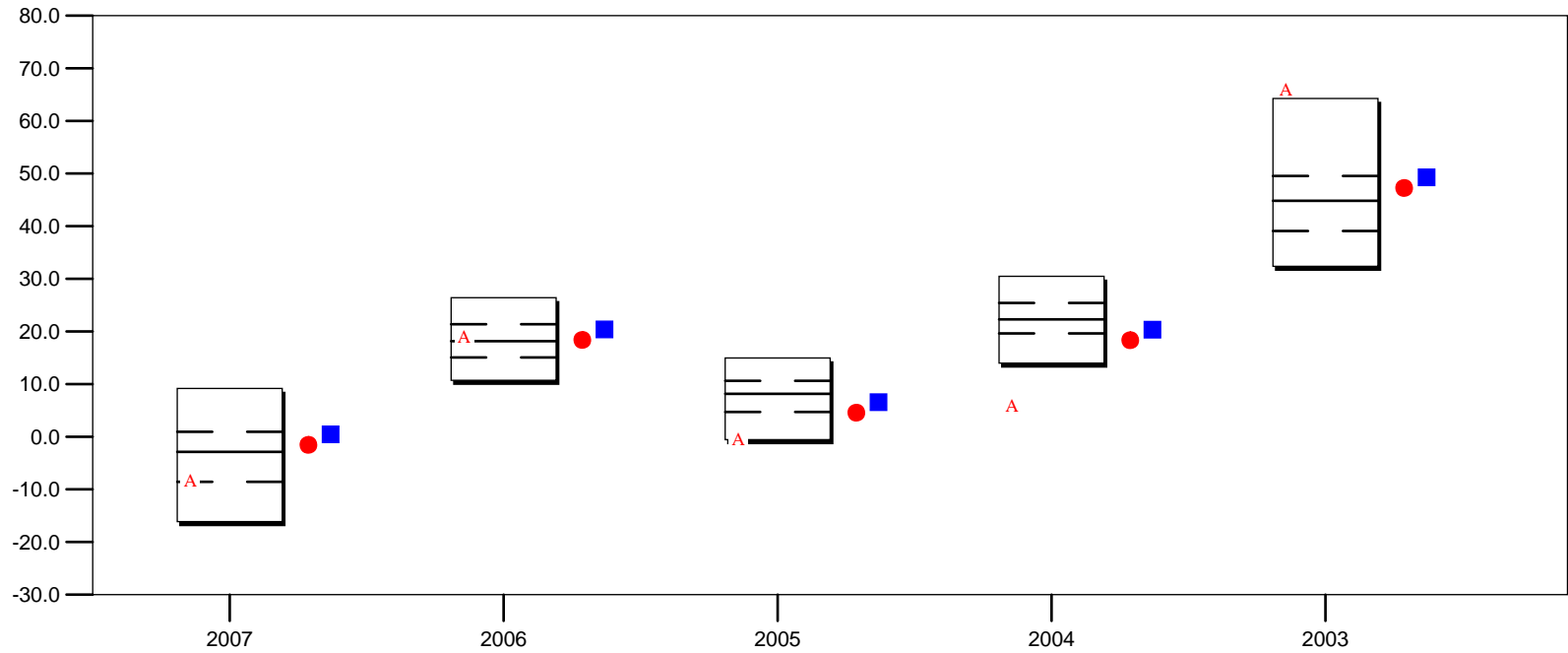
Annualized Rate of Return %



Mercer US Equity Small Cap Value Universe

Return Quartiles

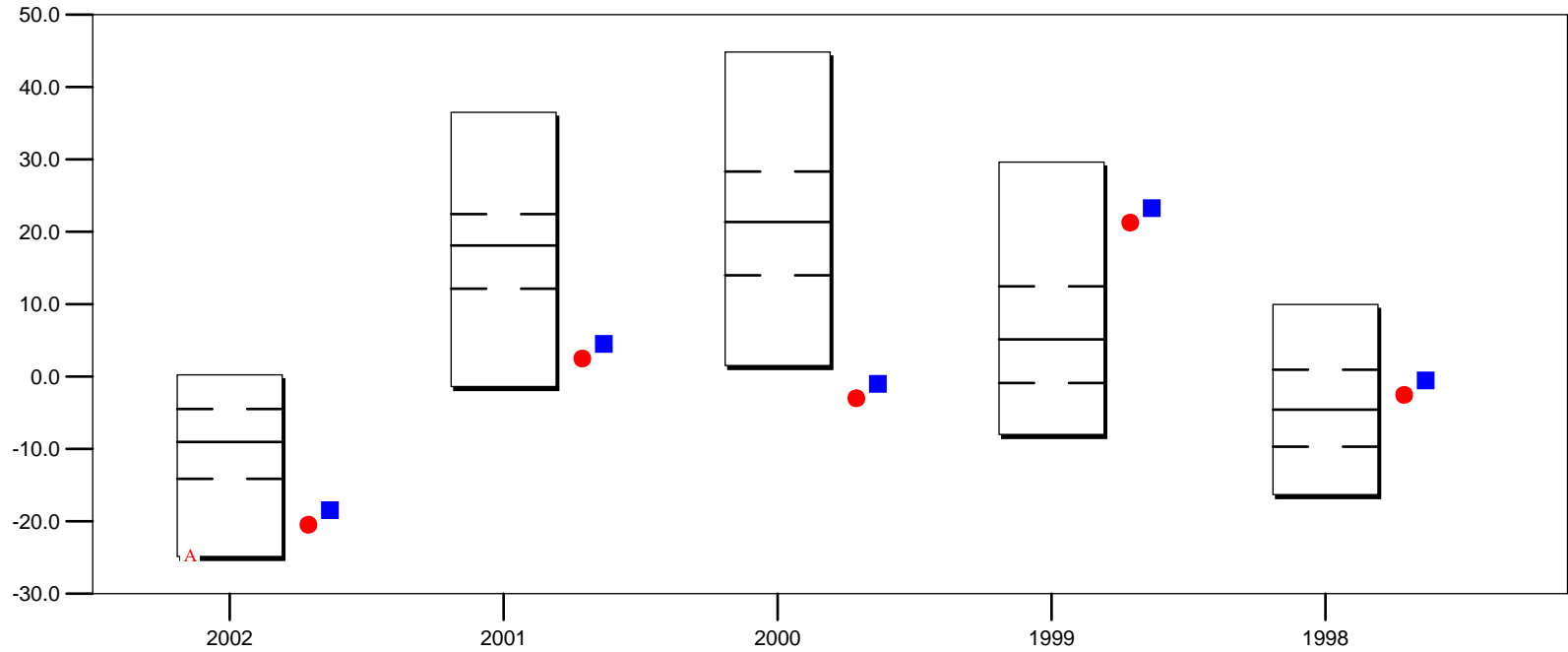
Annual Rate Of Return %



Mercer US Equity Small Cap Value Universe

Return Quartiles

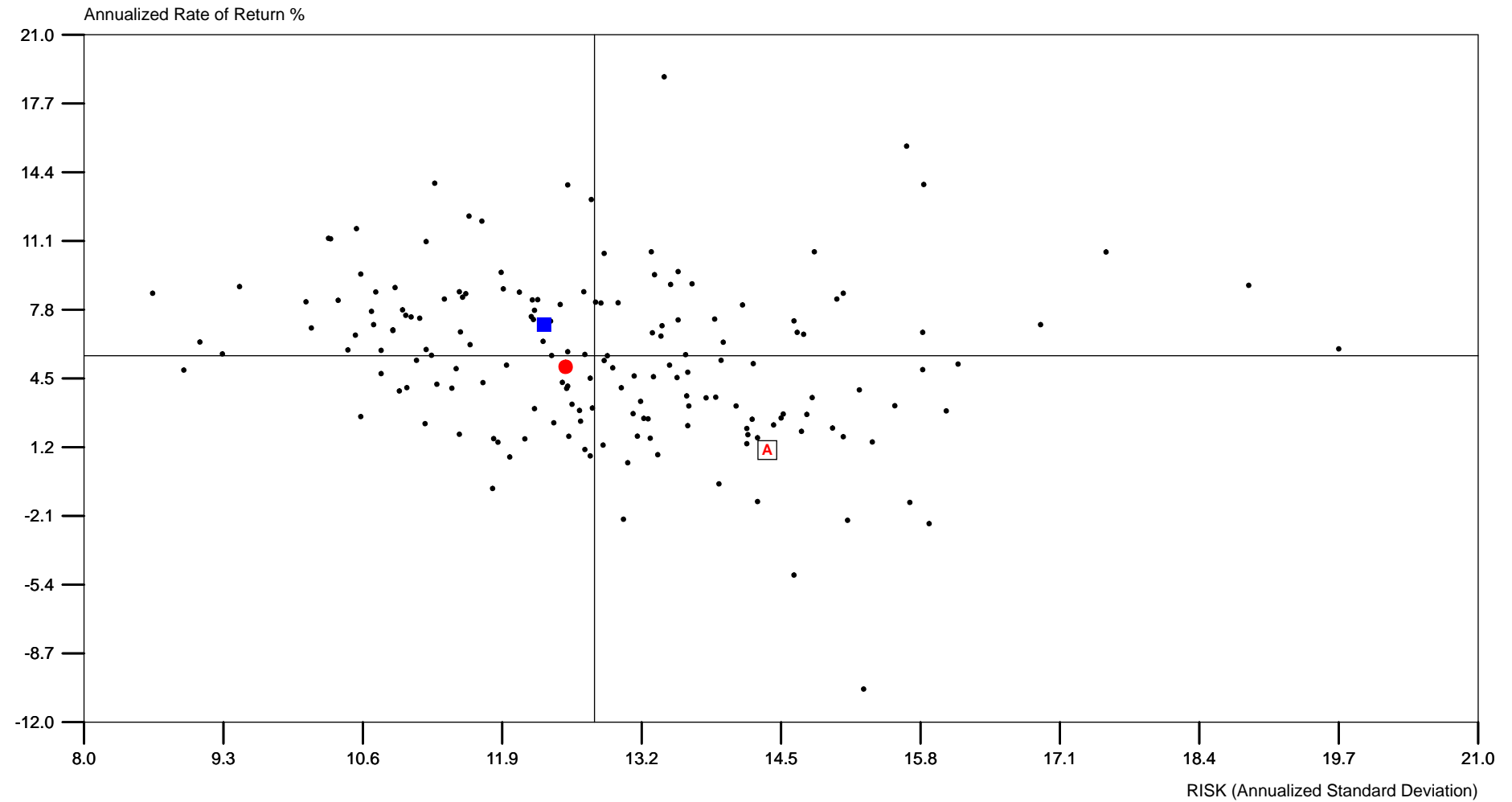
Annual Rate Of Return %



5th Percentile	0.23	36.50	44.82	29.62	9.95
25th Percentile	(4.48)	22.43	28.32	12.45	0.94
Median	(9.04)	18.10	21.35	5.12	(4.58)
75th Percentile	(14.15)	12.14	13.98	(0.89)	(9.69)
95th Percentile	(24.86)	(1.38)	1.51	(8.01)	(16.32)
# of Participants	197	195	197	196	184
● RUSSELL 2000	(20.48)	2.49	(3.02)	21.26	(2.55)
■ RUSSELL 2000 + 2%	(18.48)	4.49	(1.02)	23.26	(0.55)
A TCW Group	(24.53), 95	---	---	---	---

Mercer US Equity Small Cap Value Universe

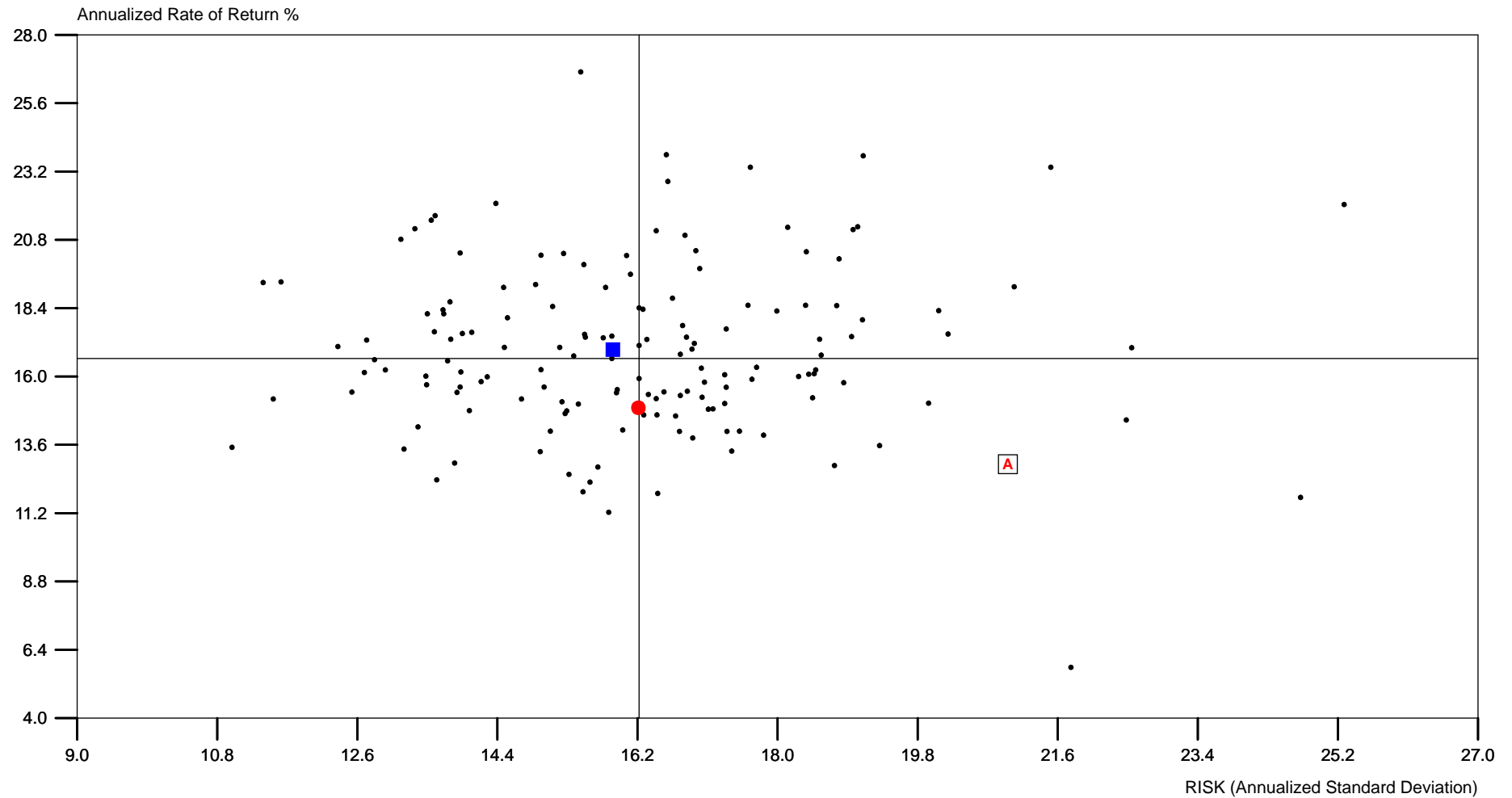
Risk-Return Comparisons
3 Years Ending March 31, 2008
168 Portfolios



Mercer

Mercer US Equity Small Cap Value Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
151 Portfolios



- A TCW Group 12.92, 94
- RUSSELL 2000
- RUSSELL 2000 + 2%

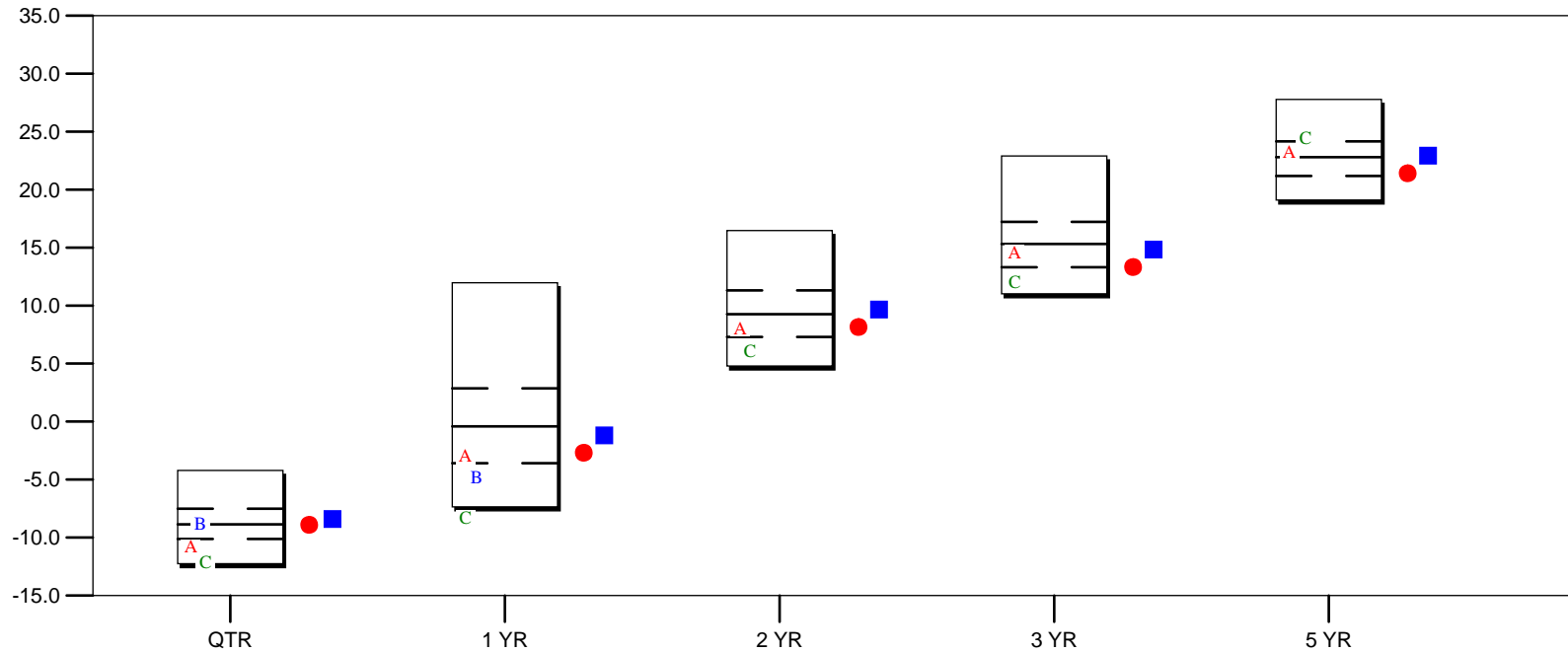
Mercer

Mercer Intl Equity Universe

Return Quartiles

Periods Ending March 31, 2008

Annualized Rate of Return %

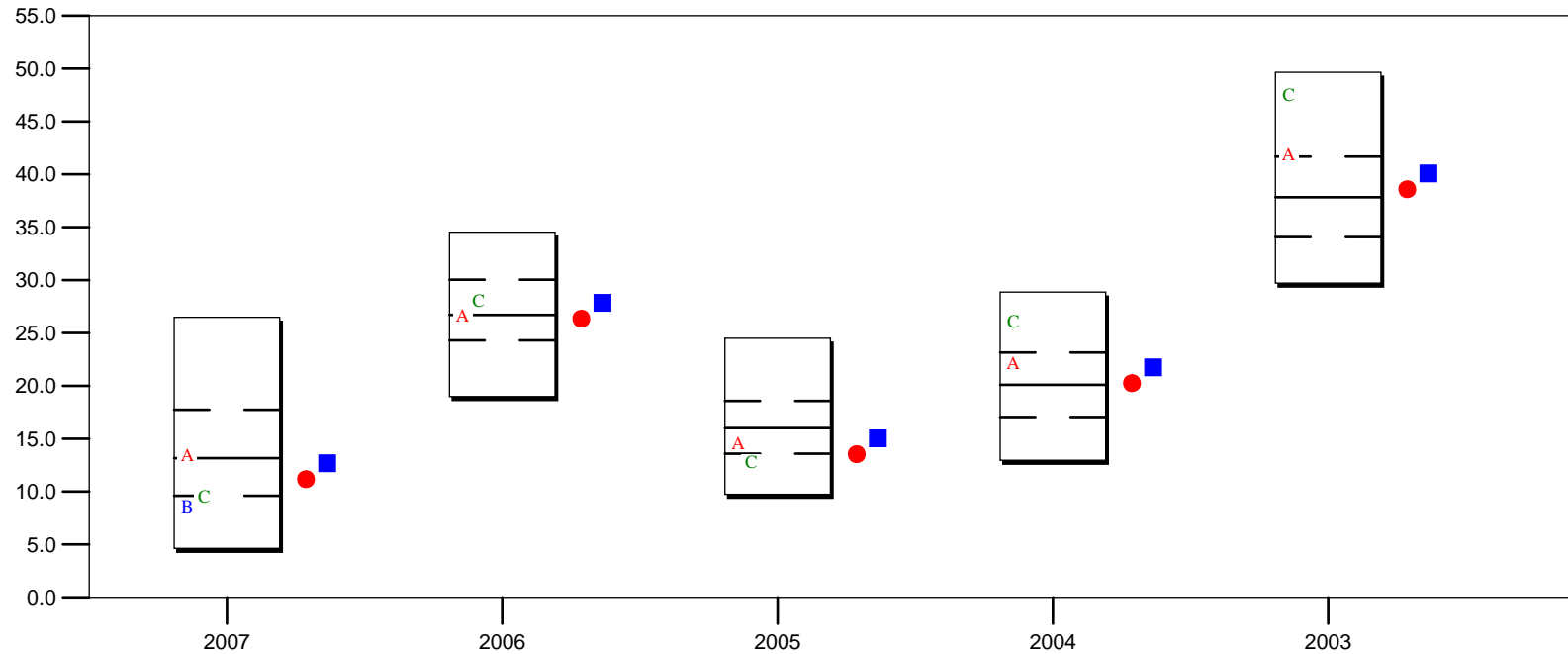


5th Percentile	(4.21)	11.97	16.47	22.90	27.78
25th Percentile	(7.52)	2.86	11.31	17.22	24.16
Median	(8.87)	(0.42)	9.26	15.31	22.80
75th Percentile	(10.12)	(3.59)	7.30	13.31	21.18
95th Percentile	(12.25)	(7.36)	4.79	11.01	19.10
# of Participants	303	297	281	263	233
● MSCI EAFE NET DIV	(8.91)	(2.70)	8.15	13.32	21.40
■ MSCI EAFE NET +1.5%	(8.41)	(1.20)	9.65	14.82	22.92
A Intl Est Mkts	(10.71), 84	(2.88), 70	8.13 , 64	14.69 , 57	23.38 , 38
B AQR	(8.72), 47	(4.74), 84	---	---	---
C Brandes Inv	(12.06), 94	(8.23), 95	6.17 , 90	12.14 , 86	24.52 , 22

Mercer Intl Equity Universe

Return Quartiles

Annual Rate Of Return %

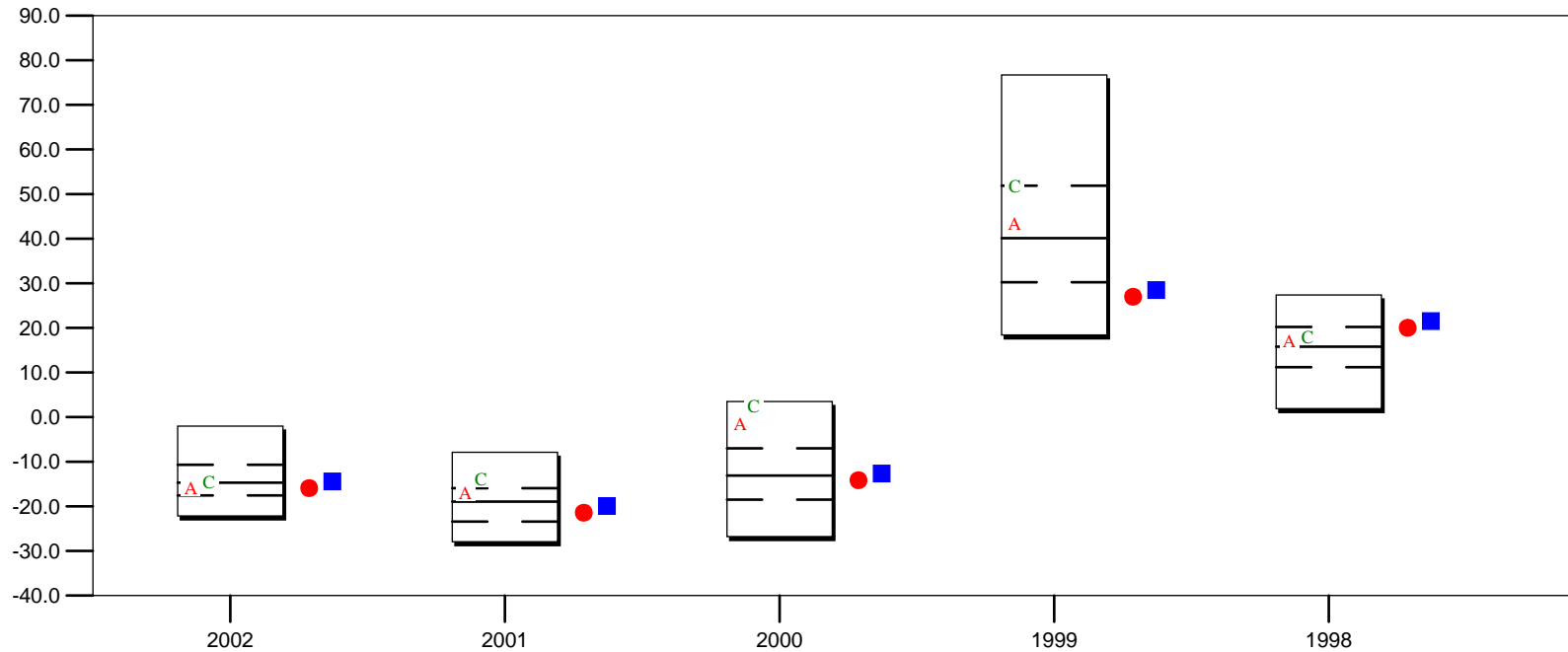


5th Percentile	26.48	34.53	24.50	28.87	49.65
25th Percentile	17.74	30.04	18.57	23.15	41.68
Median	13.16	26.71	16.00	20.10	37.83
75th Percentile	9.60	24.30	13.58	17.05	34.07
95th Percentile	4.63	18.99	9.74	12.96	29.71
# of Participants	318	317	313	311	301
● MSCI EAFE NET DIV	11.17	26.34	13.54	20.25	38.59
■ MSCI EAFE NET +1.5%	12.67	27.84	15.04	21.75	40.09
A Intl Est Mkts	13.57 , 48	26.79 , 49	14.70 , 64	22.30 , 31	42.05 , 23
B AQR	8.66 , 82	---	---	---	---
C Brandes Inv	9.60 , 75	28.13 , 38	12.87 , 79	26.20 , 10	47.67 , 8

Mercer Intl Equity Universe

Return Quartiles

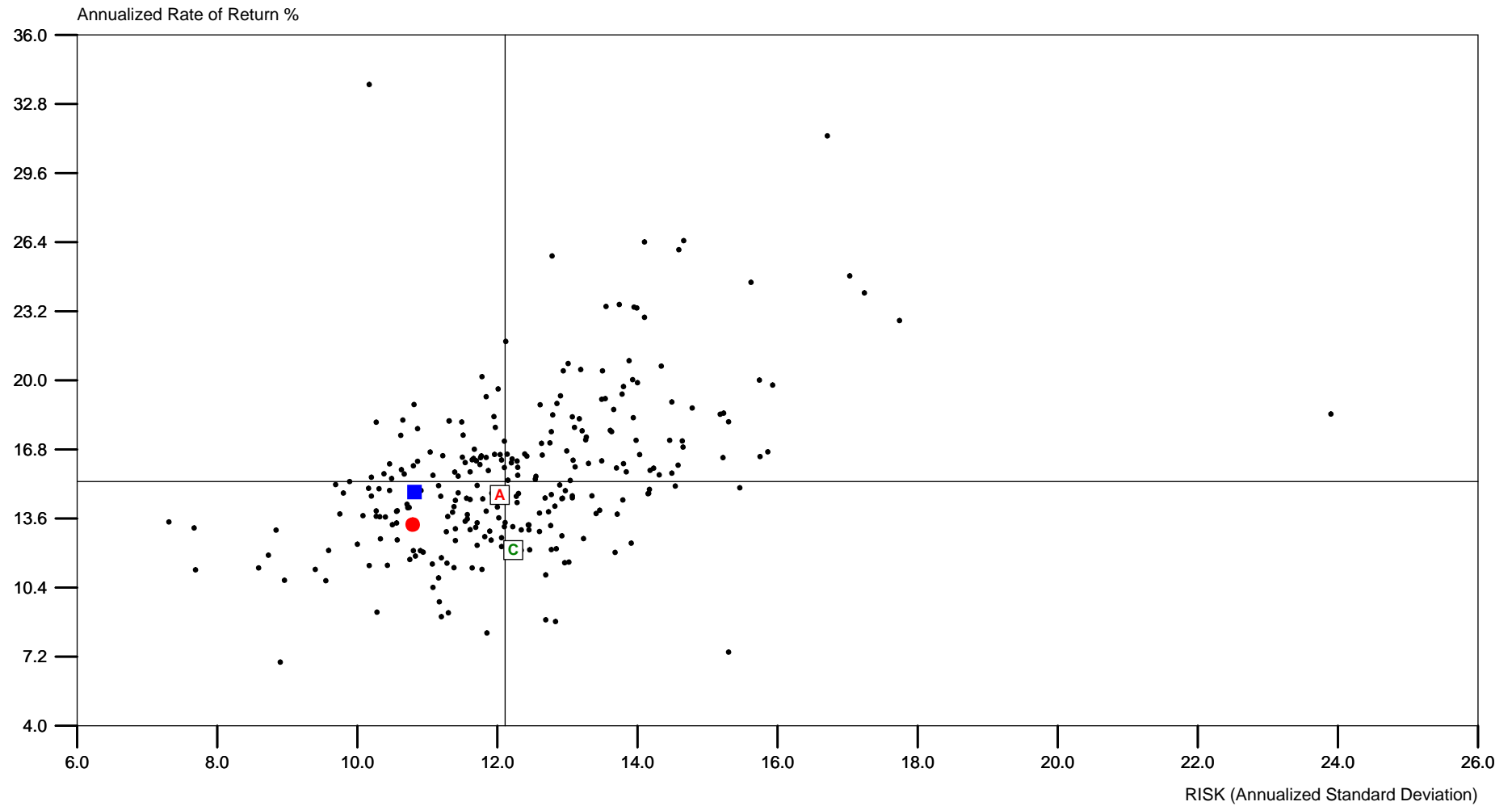
Annual Rate Of Return %



5th Percentile	(2.01)	(7.90)	3.50	76.70	27.37
25th Percentile	(10.69)	(15.94)	(7.01)	51.87	20.21
Median	(14.69)	(18.96)	(13.10)	40.11	15.78
75th Percentile	(17.57)	(23.44)	(18.50)	30.24	11.20
95th Percentile	(22.17)	(27.95)	(26.78)	18.42	1.90
# of Participants	310	304	291	283	265
● MSCI EAFE NET DIV	(15.94)	(21.44)	(14.17)	26.96	20.00
■ MSCI EAFE NET +1.5%	(14.44)	(19.94)	(12.67)	28.46	21.50
A Intl Est Mkts	(15.72), 59	(16.79), 31	(1.28), 12	43.63 , 41	17.36 , 40
C Brandes Inv	(14.35), 47	(13.59), 17	2.74 , 6	52.02 , 25	18.07 , 36

Mercer Intl Equity Universe

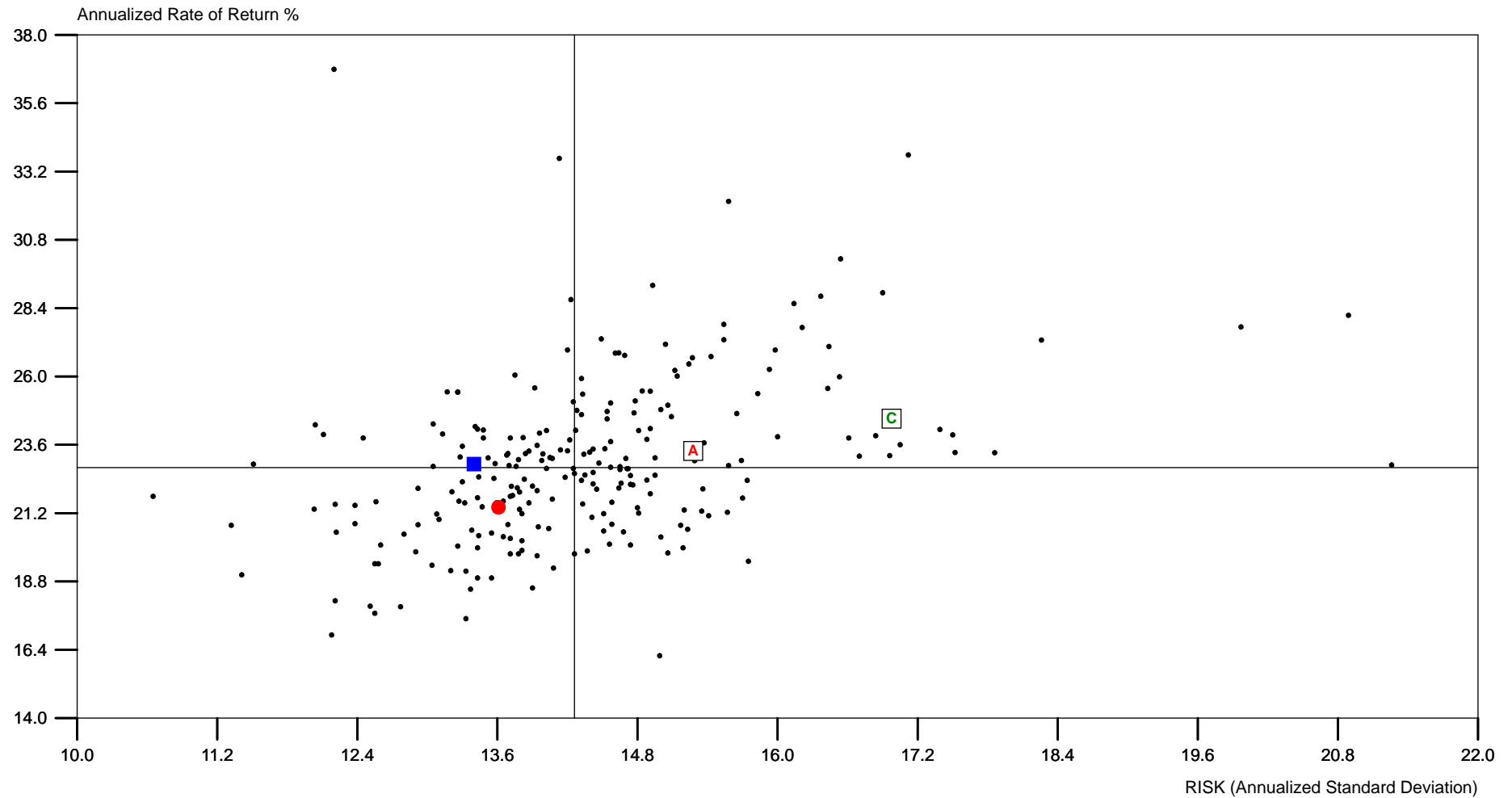
Risk-Return Comparisons
3 Years Ending March 31, 2008
263 Portfolios



Mercer

Mercer Intl Equity Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
233 Portfolios



- A Intl Est Mkts 23.38, 38
- C Brandes Inv 24.52, 22
- MSCI EAFE NET DIV

■ MSCI EAFE NET +1.5%

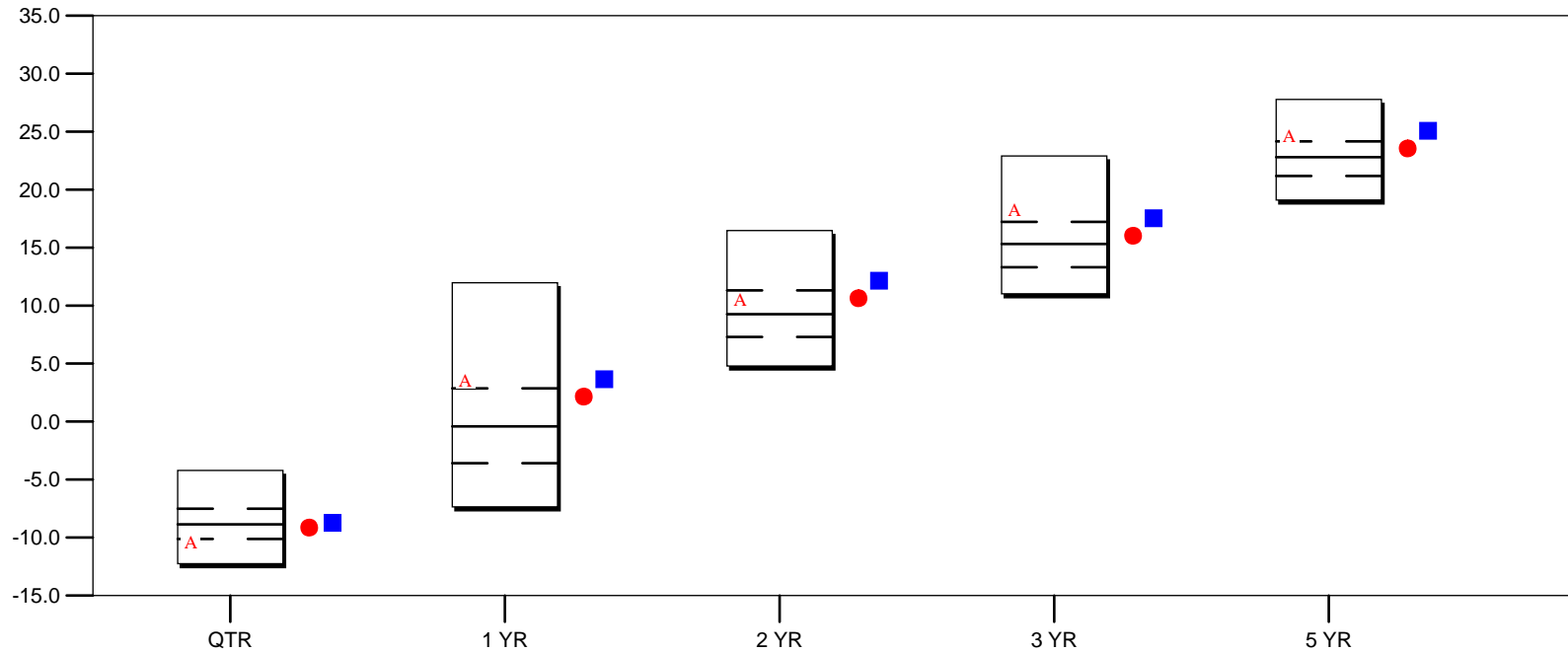
Mercer

Mercer Intl Equity Universe

Return Quartiles

Periods Ending March 31, 2008

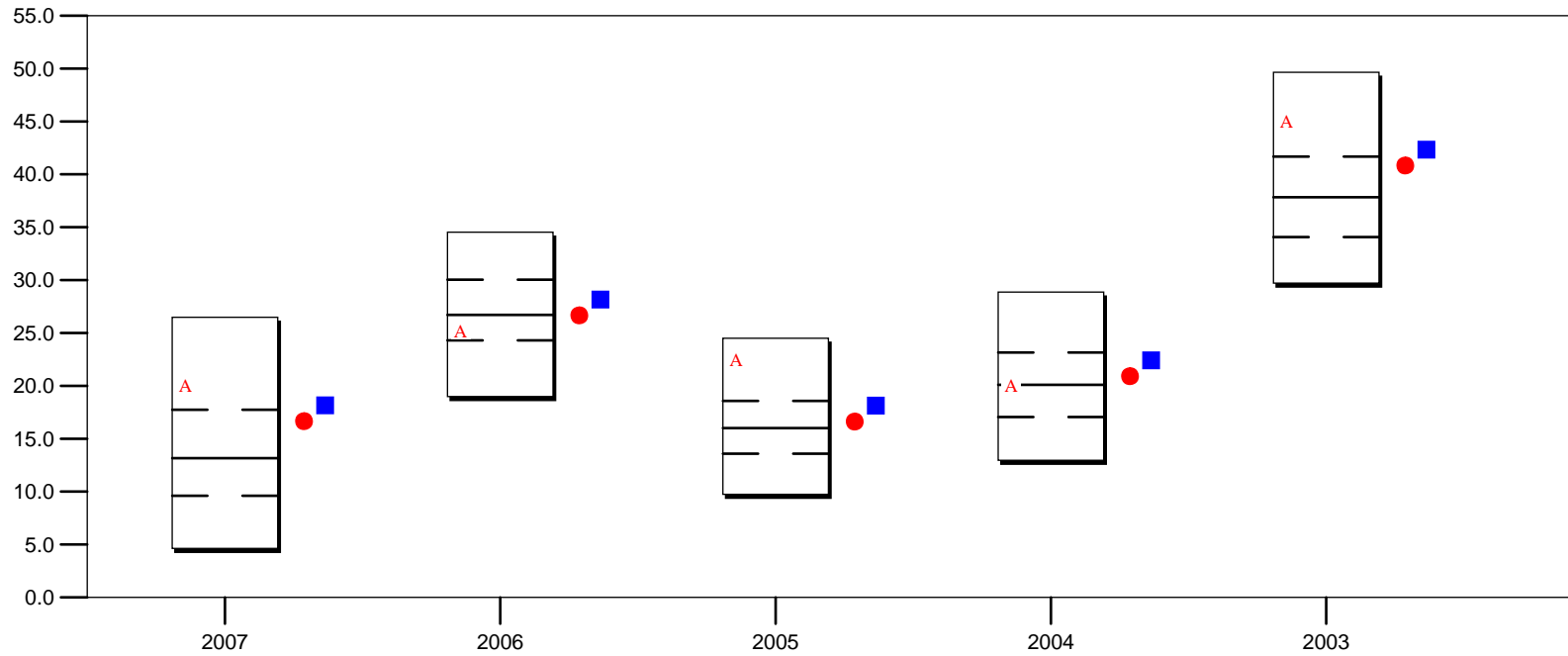
Annualized Rate of Return %



Mercer Intl Equity Universe

Return Quartiles

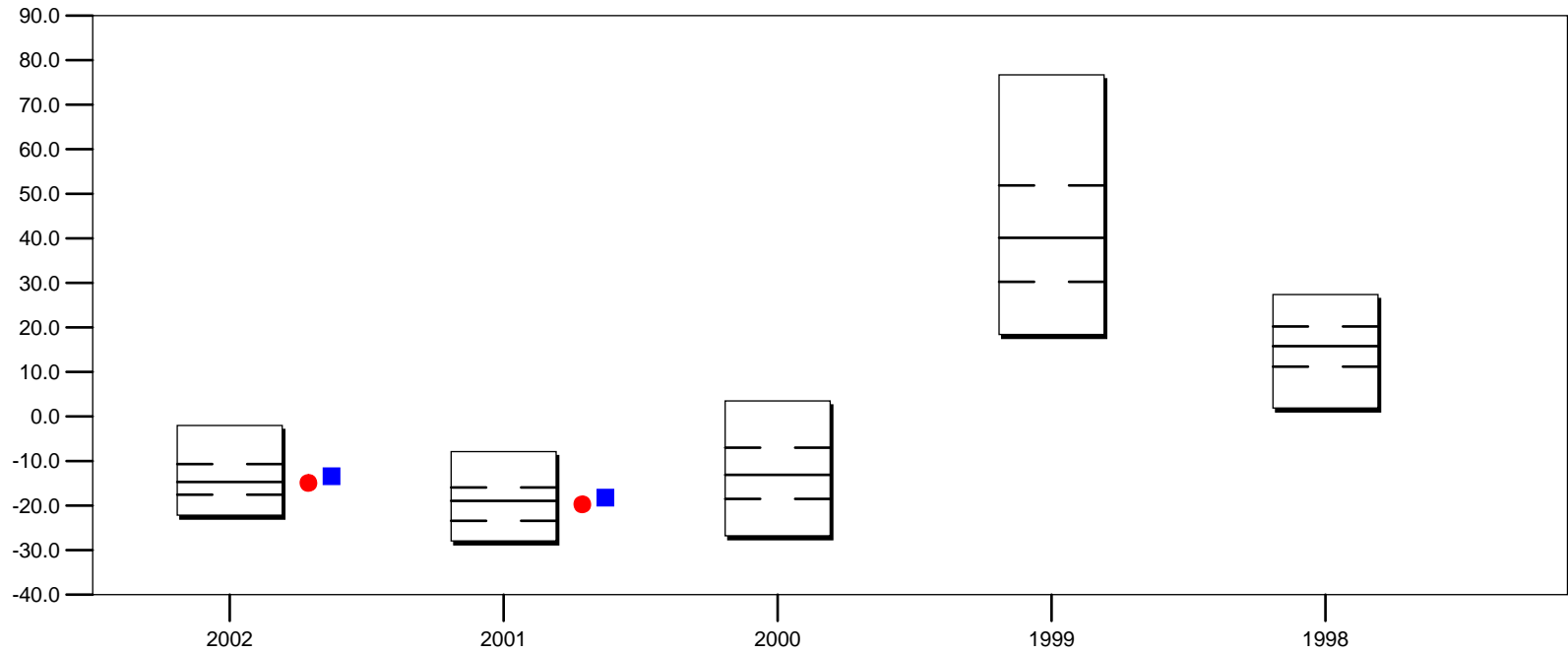
Annual Rate Of Return %



Mercer Intl Equity Universe

Return Quartiles

Annual Rate Of Return %



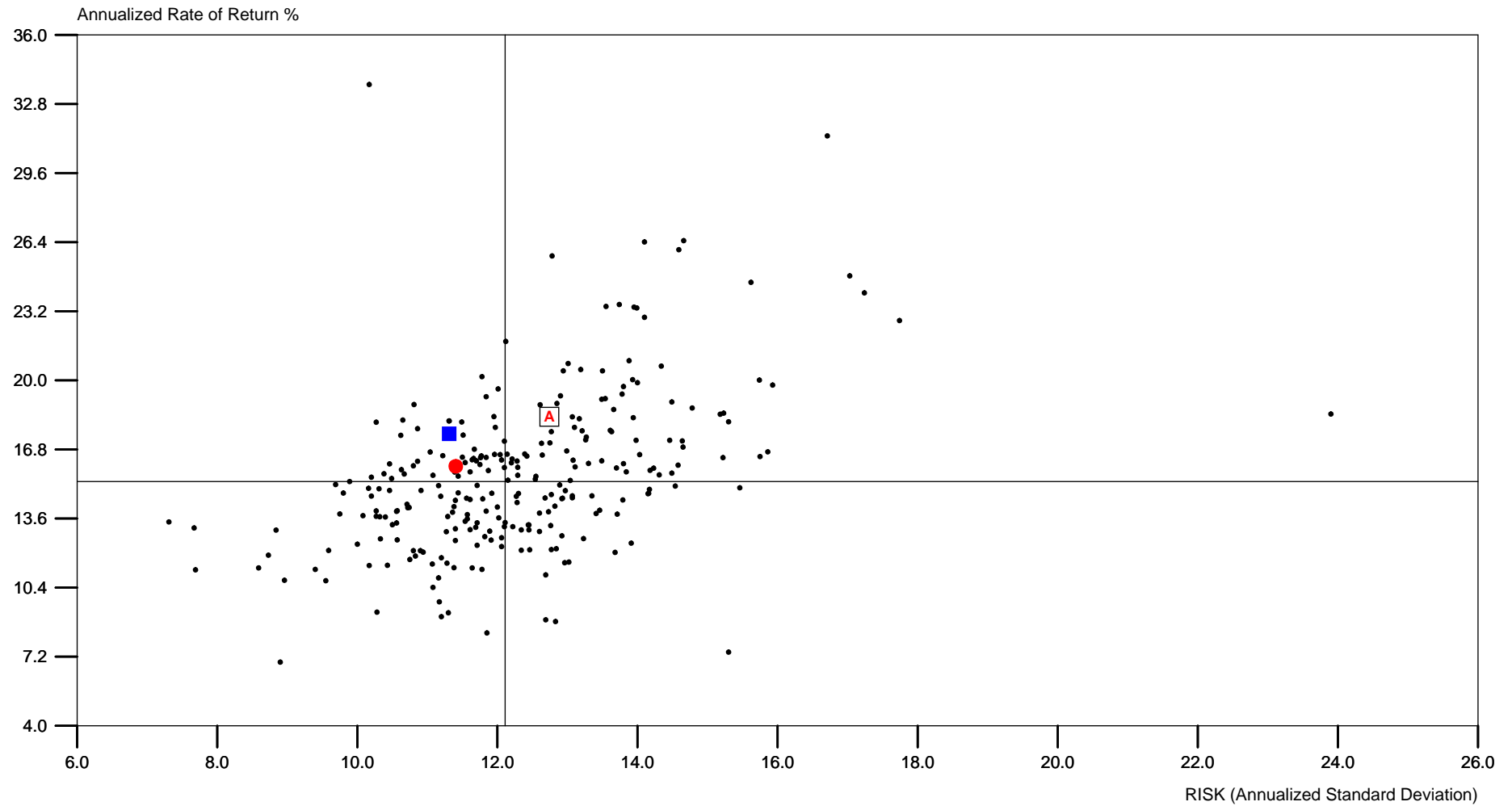
5th Percentile	(2.01)	(7.90)	3.50	76.70	27.37
25th Percentile	(10.69)	(15.94)	(7.01)	51.87	20.21
Median	(14.69)	(18.96)	(13.10)	40.11	15.78
75th Percentile	(17.57)	(23.44)	(18.50)	30.24	11.20
95th Percentile	(22.17)	(27.95)	(26.78)	18.42	1.90
# of Participants	310	304	291	283	265
● MSCI AC WLD X US NET	(14.95)	(19.73)	---	---	---
■ MSCI AC WLD X US + 1.5%	(13.45)	(18.24)	---	---	---

Mercer Intl Equity Universe

Risk-Return Comparisons

3 Years Ending March 31, 2008

263 Portfolios

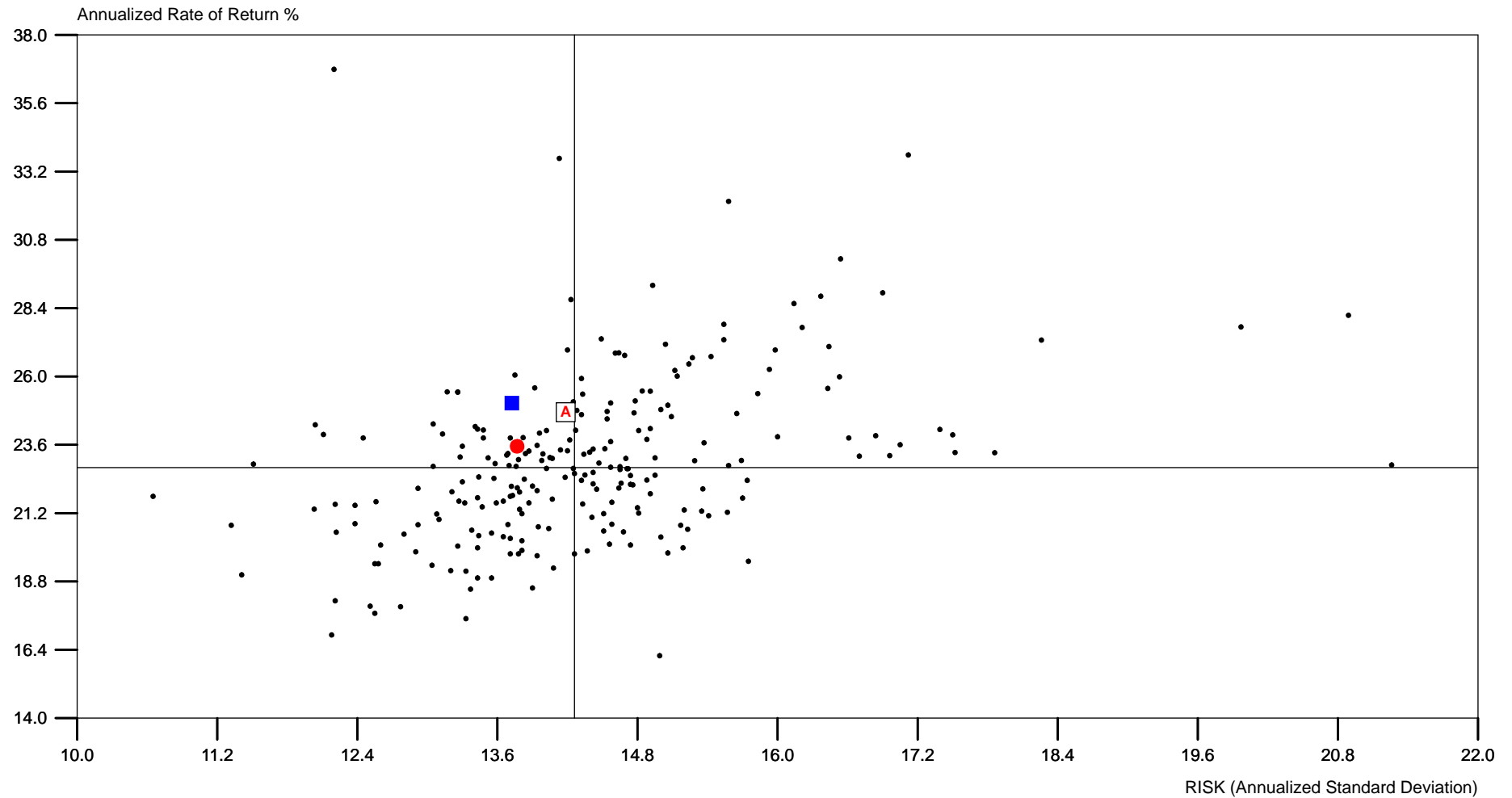


- A William Blair 18.31, 18
- MSCI AC WLD X US NET
- MSCI AC WLD X US + 1.5% NET

Mercer

Mercer Intl Equity Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
233 Portfolios



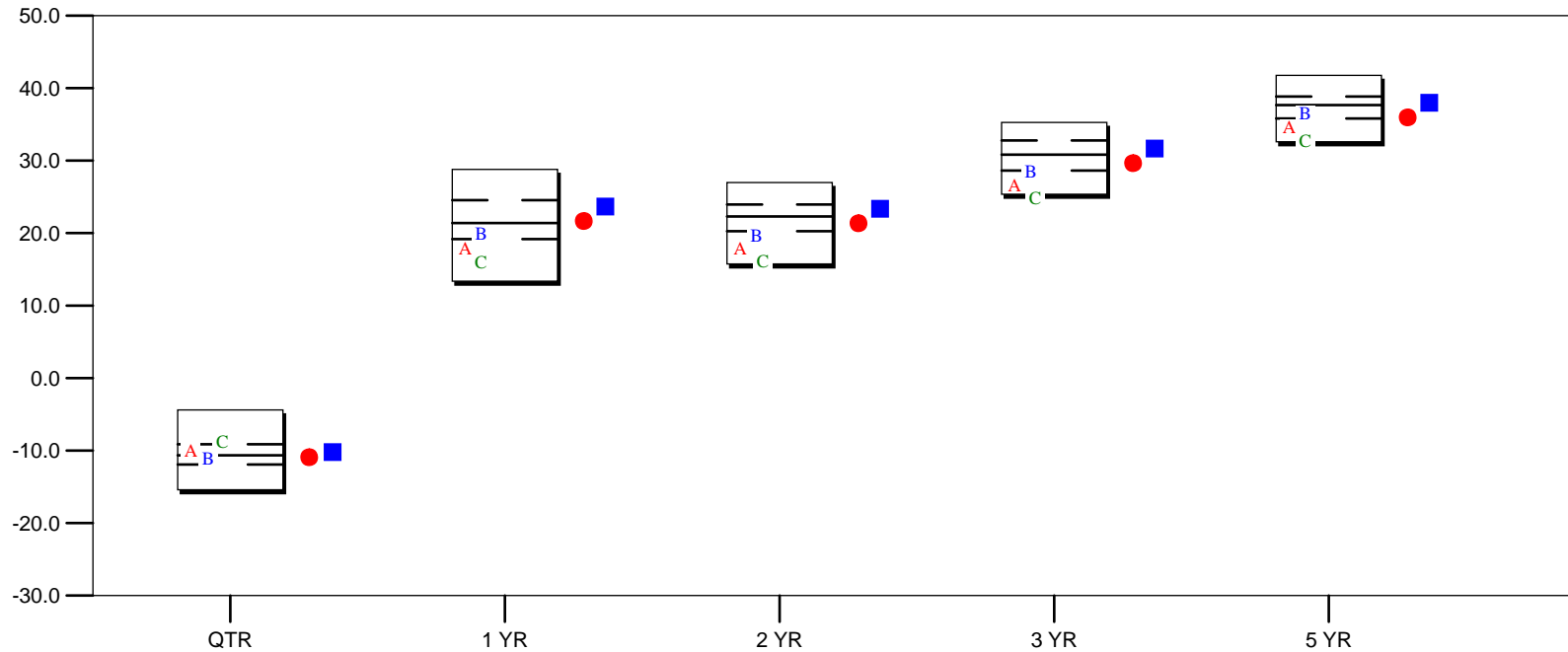
- A William Blair 24.75, 21
- MSCI AC WLD X US NET
- MSCI AC WLD X US + 1.5% NET

Mercer

Mercer Emerging Markets Equity Universe

Return Quartiles
Periods Ending March 31, 2008

Annualized Rate of Return %

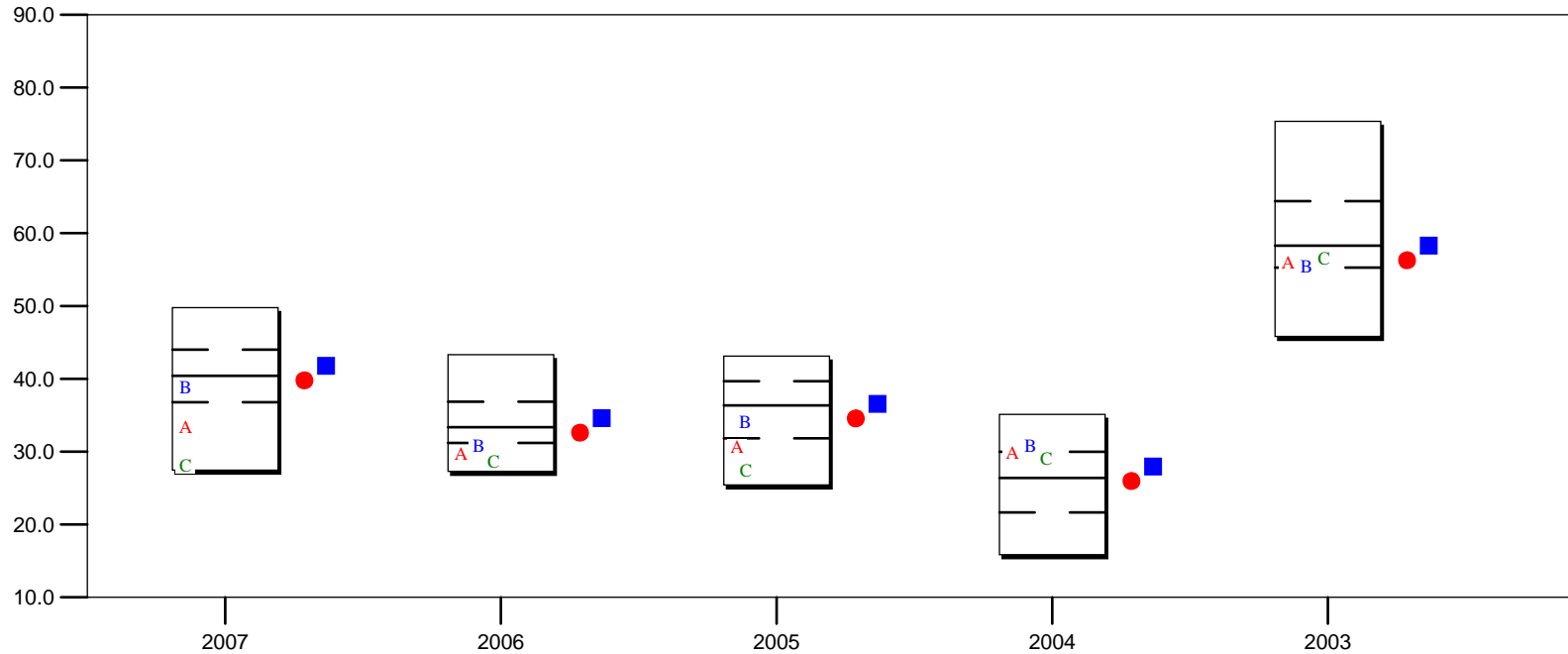


5th Percentile	(4.40)	28.79	26.98	35.26	41.76
25th Percentile	(9.13)	24.54	23.95	32.78	38.85
Median	(10.65)	21.39	22.30	30.82	37.66
75th Percentile	(11.93)	19.17	20.26	28.62	35.81
95th Percentile	(15.42)	13.36	15.75	25.36	32.60
# of Participants	136	133	124	112	99
● MSCI EMERG MKTS	(10.92)	21.65	21.34	29.64	35.95
■ MSCI EMERG MKTS + 2%	(10.22)	23.65	23.34	31.65	37.98
A Intl Emg Mkts	(9.80), 34	18.11 , 81	18.03 , 89	26.79 , 88	34.73 , 82
B Alliance Cap	(10.91), 54	20.04 , 66	19.76 , 80	28.59 , 75	36.63 , 66
C Boston Co Asset	(8.58), 22	16.13 , 89	16.27 , 94	24.97 , 95	32.84 , 94

Mercer Emerging Markets Equity Universe

Return Quartiles

Annual Rate Of Return %

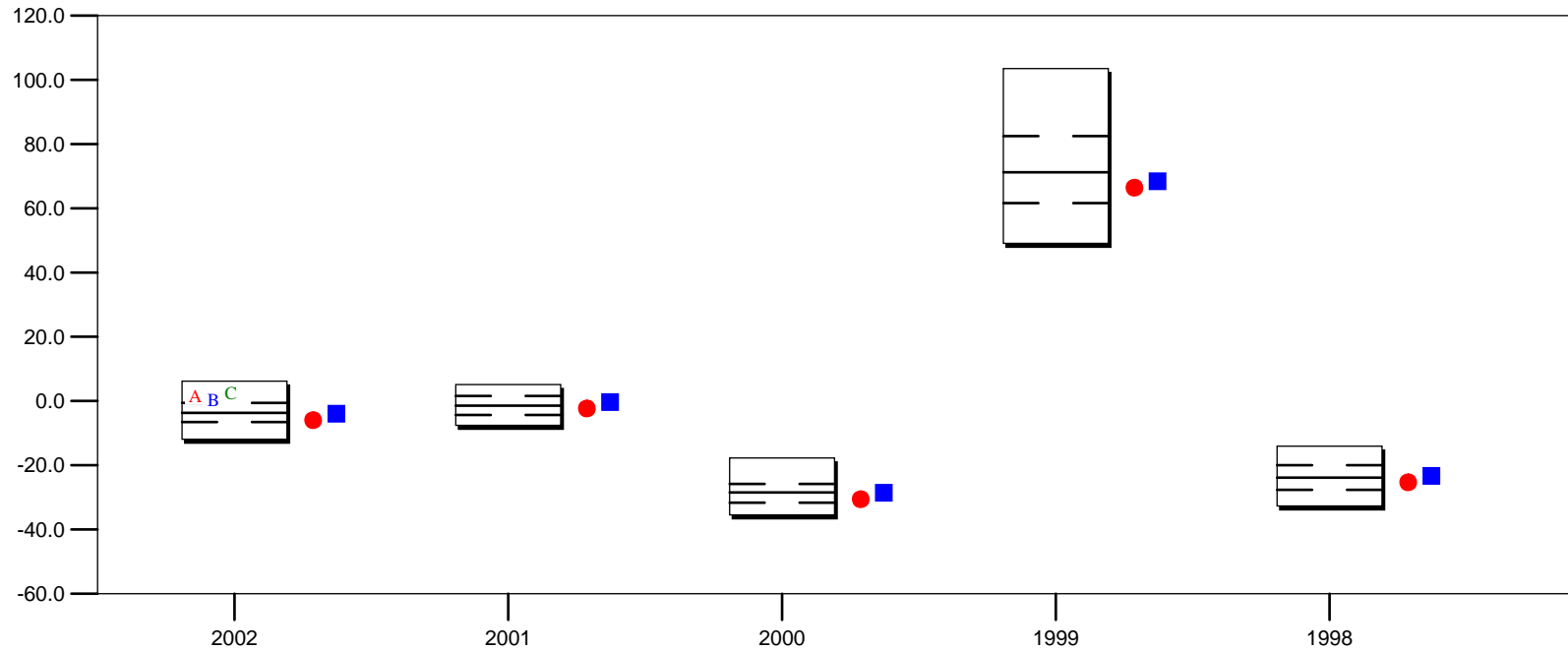


5th Percentile	49.78	43.32	43.11	35.12	75.36
25th Percentile	44.00	36.86	39.66	29.98	64.40
Median	40.41	33.35	36.34	26.38	58.29
75th Percentile	36.79	31.20	31.82	21.64	55.27
95th Percentile	27.46	27.30	25.42	15.84	45.82
# of Participants	137	131	122	118	114
● MSCI EMERG MKTS	39.78	32.59	34.54	25.95	56.28
■ MSCI EMERG MKTS + 2%	41.78	34.59	36.54	27.95	58.28
A Intl Emg Mkts	33.61 , 83	29.88 , 87	30.82 , 82	30.08 , 24	56.17 , 67
B Alliance Cap	38.94 , 60	30.96 , 79	34.17 , 62	31.01 , 19	55.60 , 72
C Boston Co Asset	28.26 , 94	28.80 , 91	27.62 , 92	29.16 , 31	56.72 , 63

Mercer Emerging Markets Equity Universe

Return Quartiles

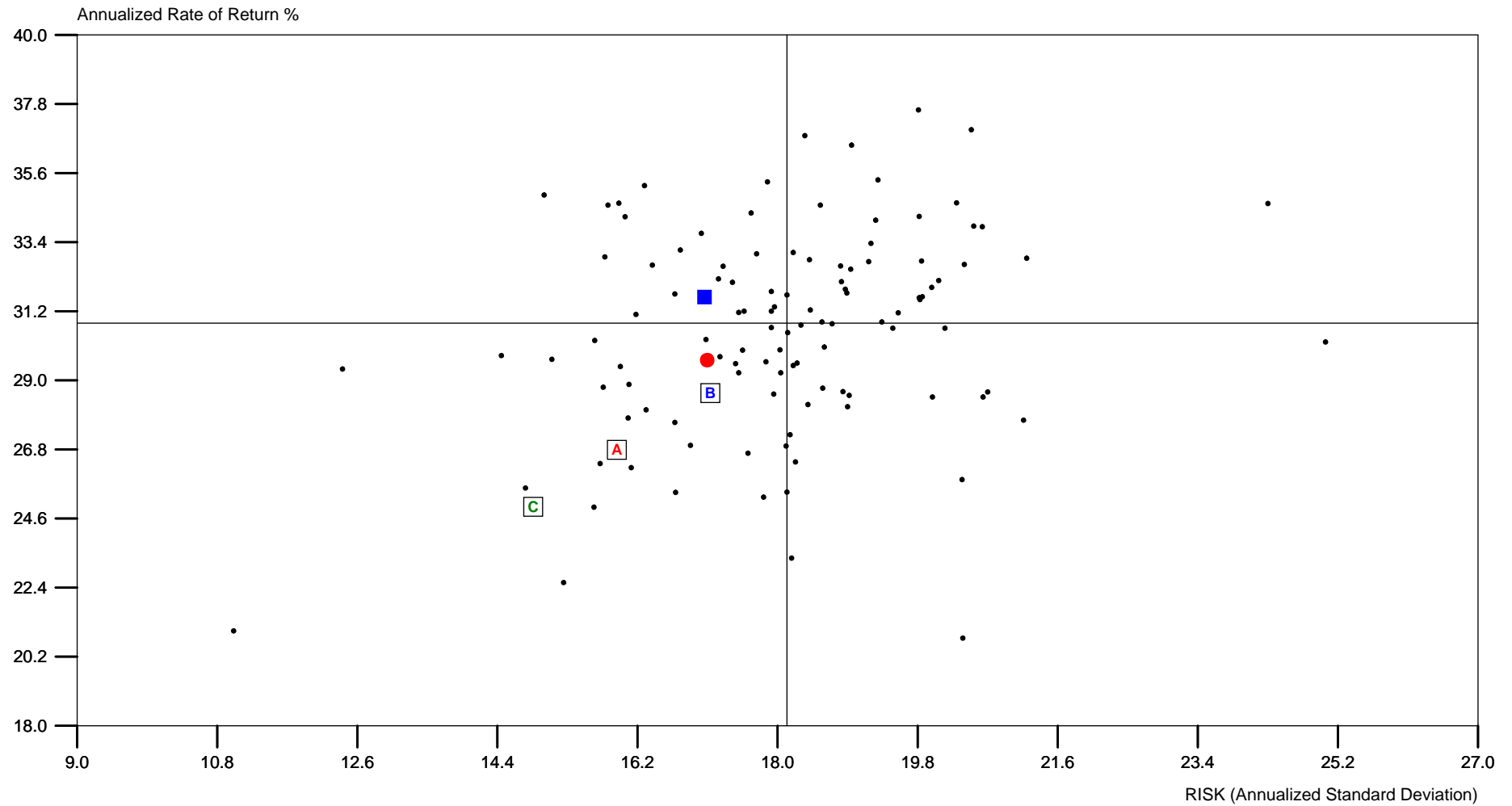
Annual Rate Of Return %



5th Percentile	6.18	5.13	(17.75)	103.50	(14.08)
25th Percentile	(0.58)	1.55	(25.84)	82.47	(19.98)
Median	(3.71)	(1.47)	(28.49)	71.23	(23.87)
75th Percentile	(6.57)	(4.34)	(31.66)	61.61	(27.65)
95th Percentile	(11.91)	(7.60)	(35.45)	49.10	(32.68)
# of Participants	111	113	108	108	101
● MSCI EMERG MKTS	(6.00)	(2.37)	(30.61)	66.41	(25.34)
■ MSCI EMERG MKTS + 2%	(4.00)	(0.37)	(28.61)	68.41	(23.34)
A Intl Emg Mkts	1.72 , 14	---	---	---	---
B Alliance Cap	0.56 , 18	---	---	---	---
C Boston Co Asset	2.93 , 10	---	---	---	---

Mercer Emerging Markets Equity Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
112 Portfolios



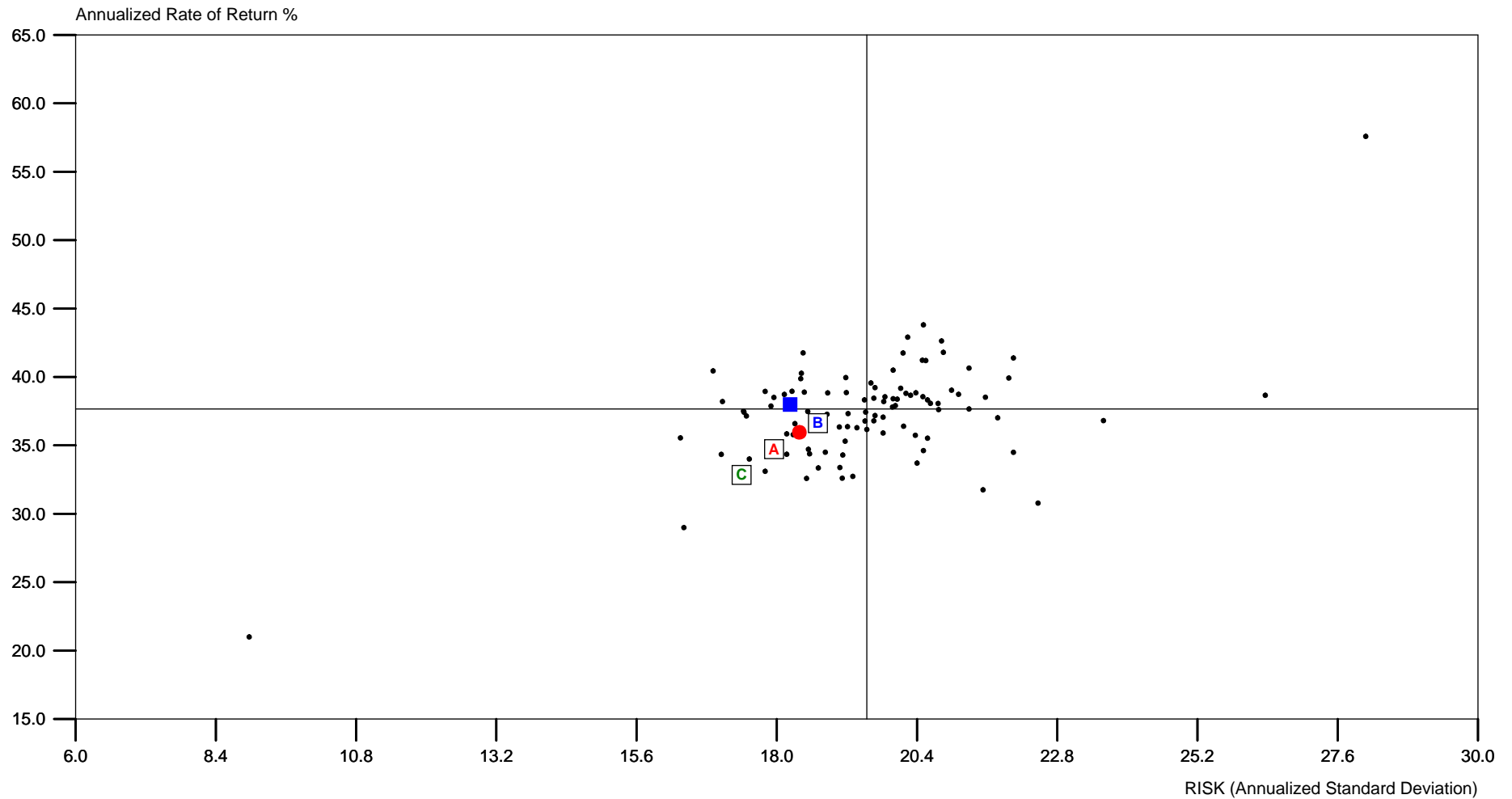
A Intl Emg Mkts 26.79, 88
B Alliance Cap 28.59, 75
C Boston Co Asset 24.97, 95

MSCI EMERG MKTS
MSCI EMERG MKTS + 2%

Mercer

Mercer Emerging Markets Equity Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
99 Portfolios



A Intl Emg Mkts 34.73, 82
B Alliance Cap 36.63, 66
C Boston Co Asset 32.84, 94

MSCI EMERG MKTS
MSCI EMERG MKTS + 2%

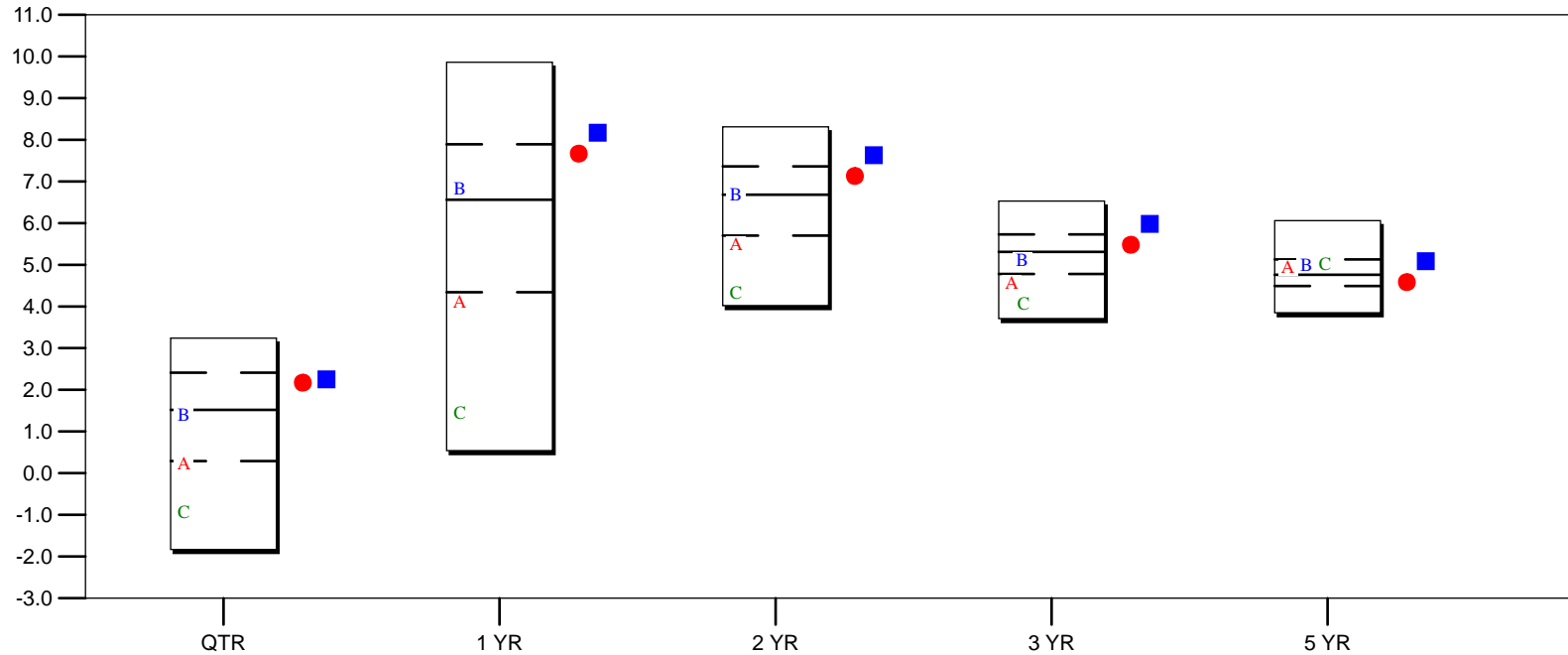
Mercer

Mercer US Fixed Core Universe

Return Quartiles

Periods Ending March 31, 2008

Annualized Rate of Return %

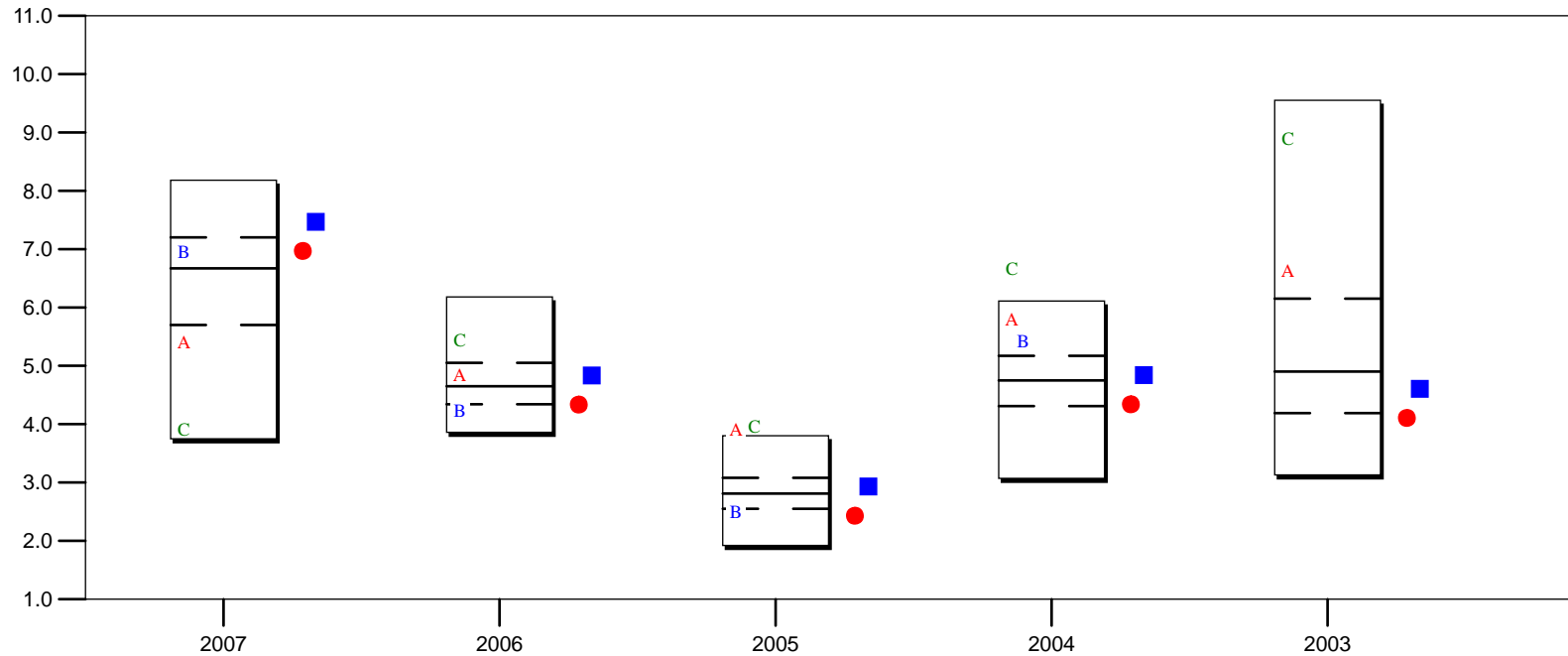


● LB AGGREGATE	2.17	7.67	7.13	5.48	4.58
■ LB AGG + 0.5%	2.25	8.17	7.63	5.98	5.08
A Domestic Core FI	0.25 , 76	4.13 , 77	5.54 , 79	4.60 , 80	4.97 , 35
B Seix Investment Advisors, Inc	1.42 , 55	6.86 , 44	6.73 , 49	5.14 , 59	5.02 , 32
C Western Asset Management	(0.91) , 88	1.49 , 91	4.36 , 92	4.09 , 90	5.05 , 30

Mercer US Fixed Core Universe

Return Quartiles

Annual Rate Of Return %

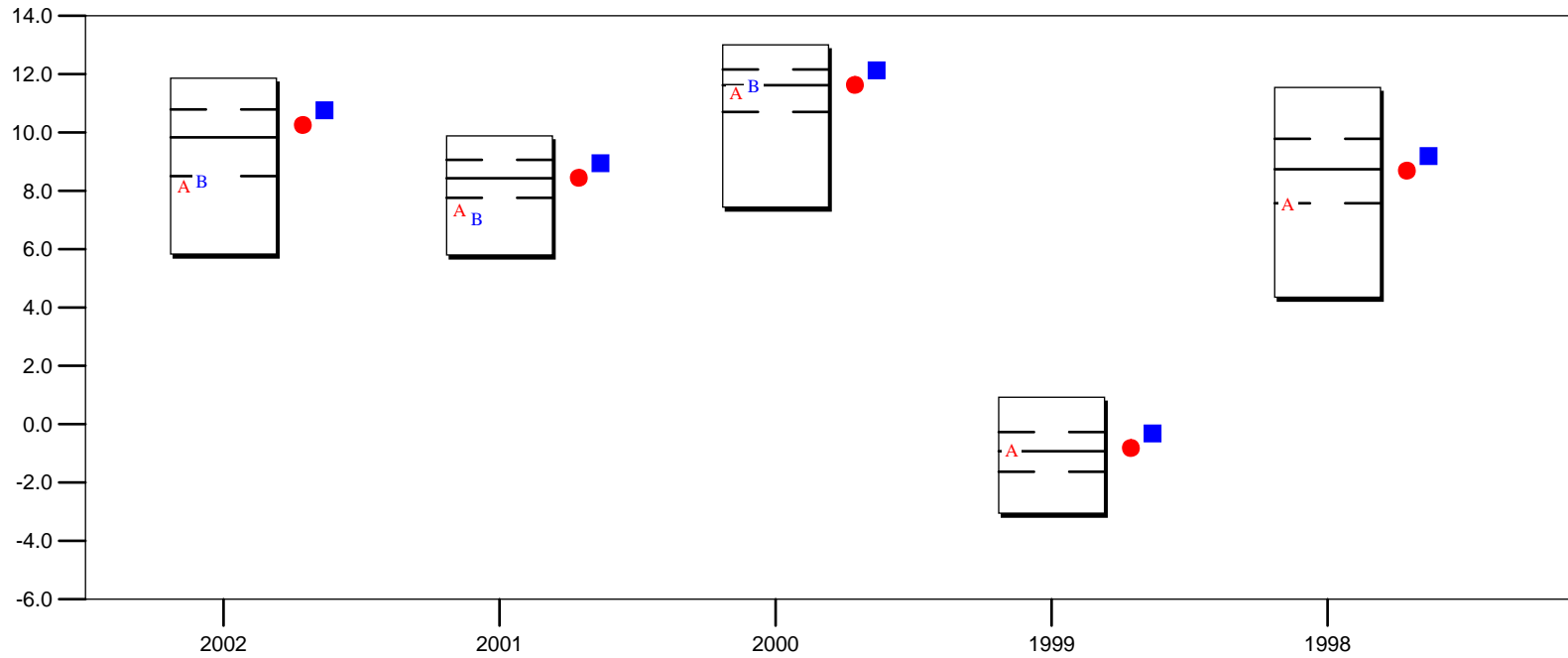


5th Percentile	8.18	6.18	3.80	6.11	9.55
25th Percentile	7.20	5.05	3.08	5.17	6.15
Median	6.67	4.65	2.81	4.75	4.90
75th Percentile	5.70	4.34	2.55	4.31	4.19
95th Percentile	3.75	3.86	1.92	3.07	3.13
# of Participants	293	315	329	352	378
● LB AGGREGATE	6.97	4.33	2.43	4.34	4.10
■ LB AGG + 0.5%	7.47	4.83	2.93	4.84	4.60
A Domestic Core FI	5.43 , 82	4.87 , 33	3.93 , 4	5.81 , 8	6.65 , 19
B Seix Investment Advisors, Inc	6.97 , 36	4.26 , 80	2.52 , 76	5.44 , 15	---
C Western Asset Management	3.93 , 94	5.46 , 14	3.98 , 4	6.68 , 4	8.91 , 7

Mercer US Fixed Core Universe

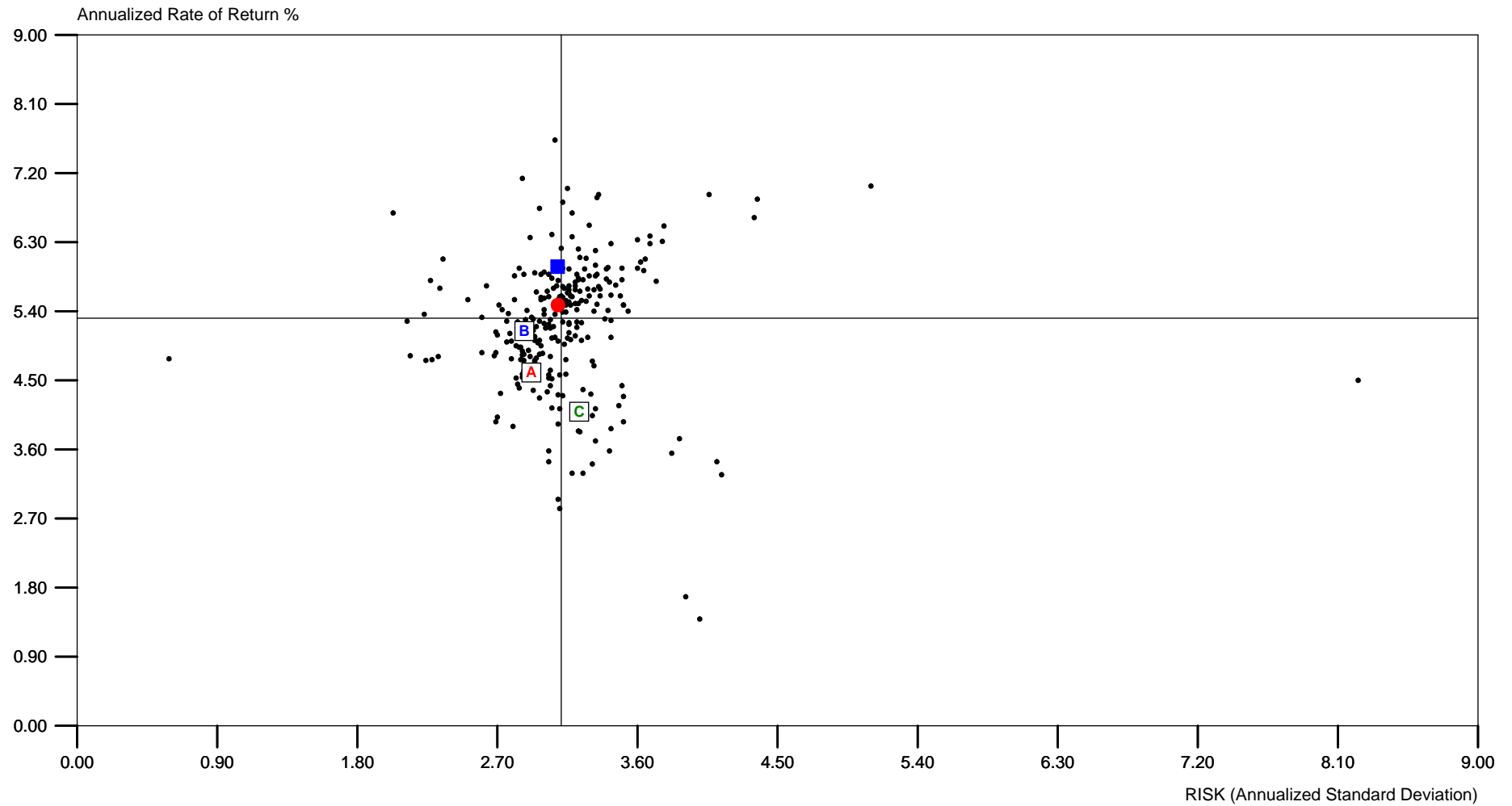
Return Quartiles

Annual Rate Of Return %



Mercer US Fixed Core Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
261 Portfolios



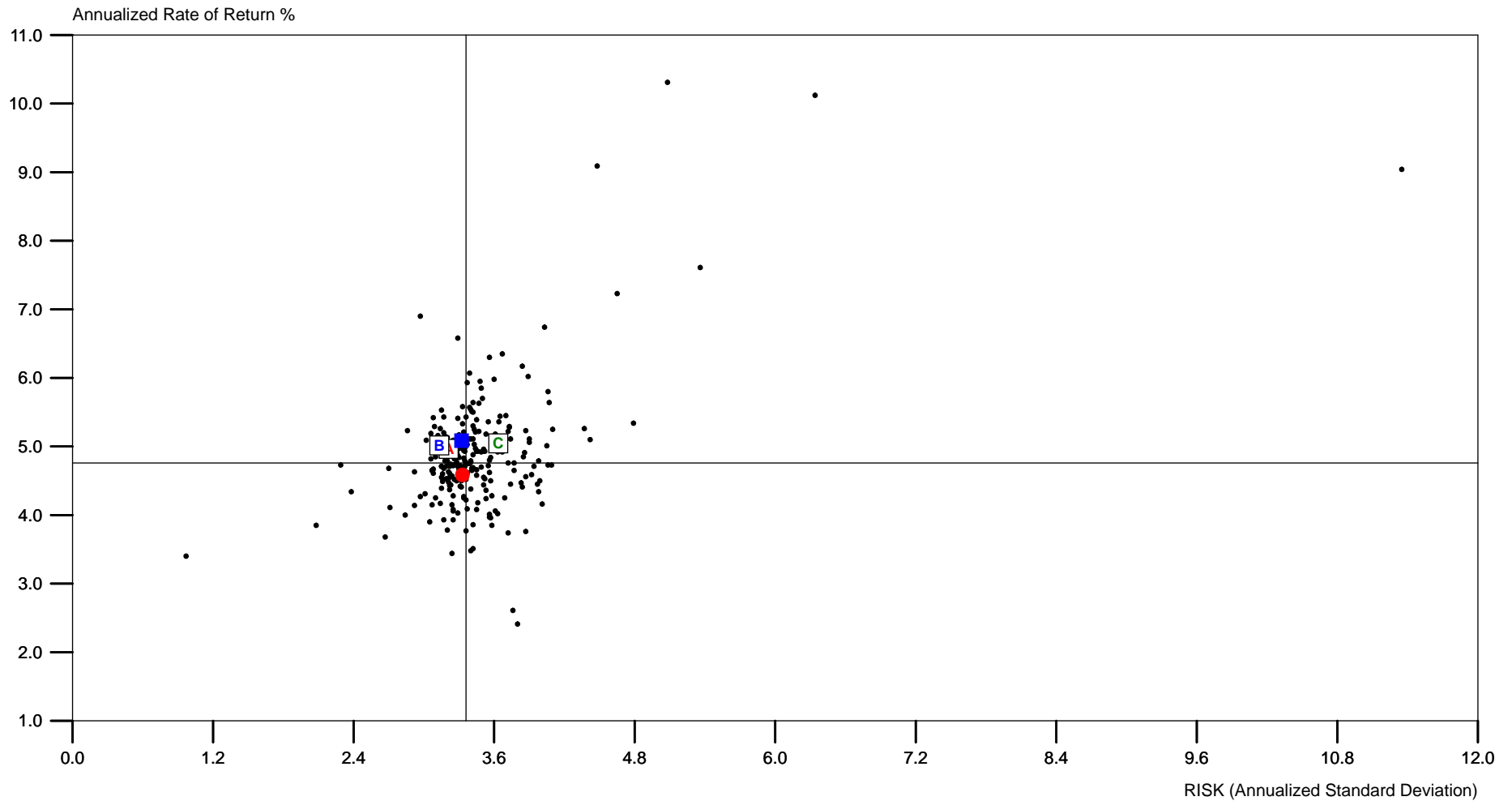
A Domestic Core FI 4.60, 80
B Seix Investment Advisors, Inc 5.14, 59
C Western Asset Management Company 4.09, 90

LB AGGREGATE
LB AGG + 0.5%

Mercer

Mercer US Fixed Core Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
247 Portfolios



A Domestic Core FI 4.97, 35
B Seix Investment Advisors, Inc 5.02, 32
C Western Asset Management Company 5.05, 30

LB AGGREGATE
LB AGG + 0.5%

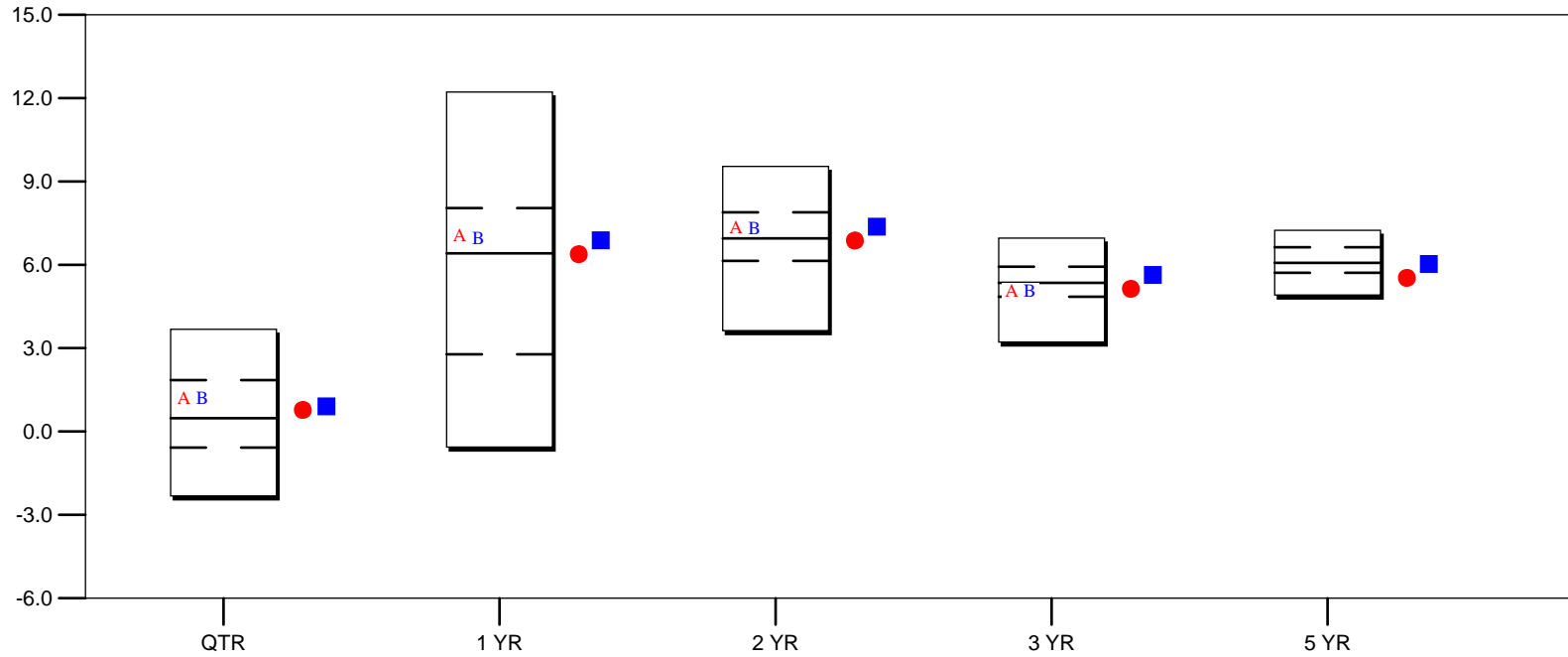
Mercer

Mercer US Fixed Long Duration Universe

Return Quartiles

Periods Ending March 31, 2008

Annualized Rate of Return %

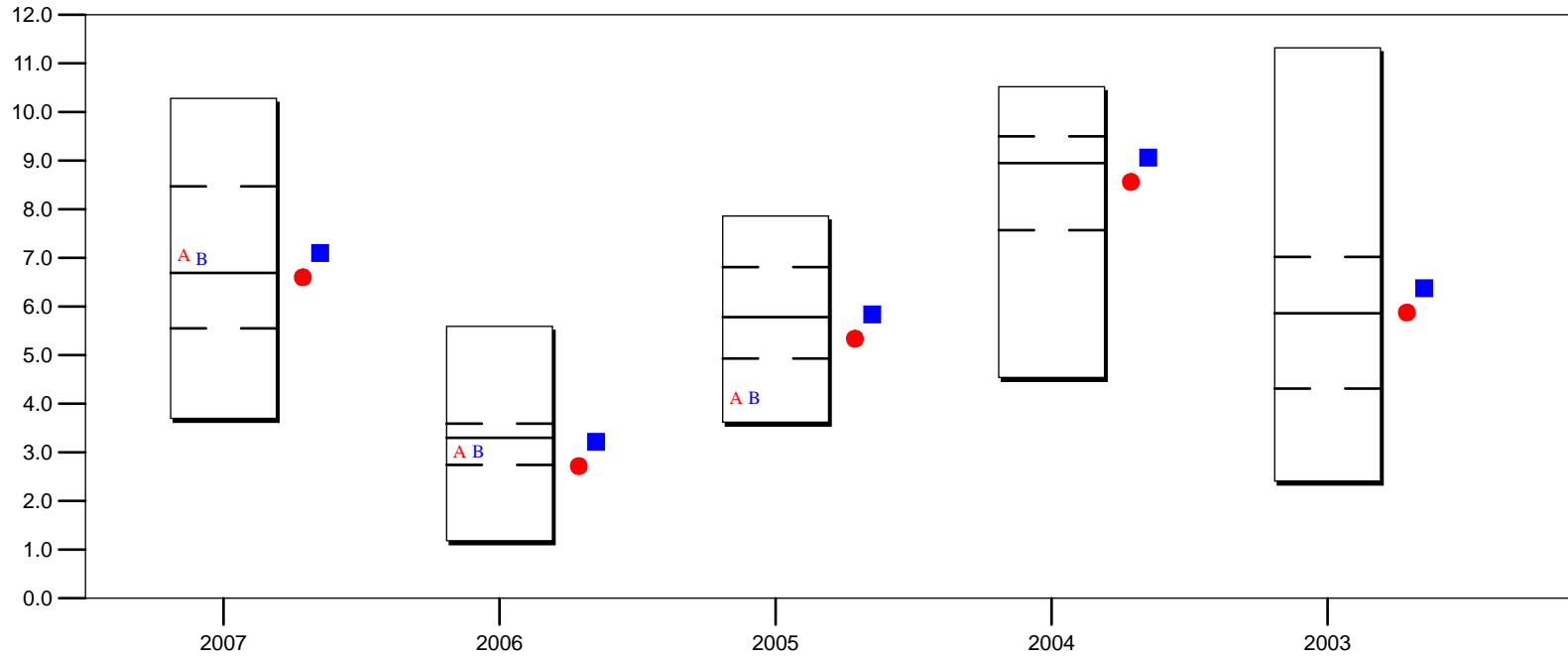


5th Percentile	3.68	12.22	9.54	6.96	7.24
25th Percentile	1.85	8.04	7.89	5.93	6.63
Median	0.48	6.41	6.95	5.35	6.07
75th Percentile	(0.58)	2.78	6.14	4.85	5.71
95th Percentile	(2.32)	(0.56)	3.63	3.22	4.91
# of Participants	42	33	32	31	27
● LB G/C LONG	0.78	6.38	6.87	5.13	5.53
■ LB G/C LONG + .5%	0.90	6.88	7.37	5.63	6.03
A Long Duration Fixed Income	1.24 , 40	7.10 , 34	7.40 , 30	5.13 , 58	---
B Income Research & Mgmt.,	1.24 , 40	7.01 , 34	7.36 , 31	5.10 , 59	---

Mercer US Fixed Long Duration Universe

Return Quartiles

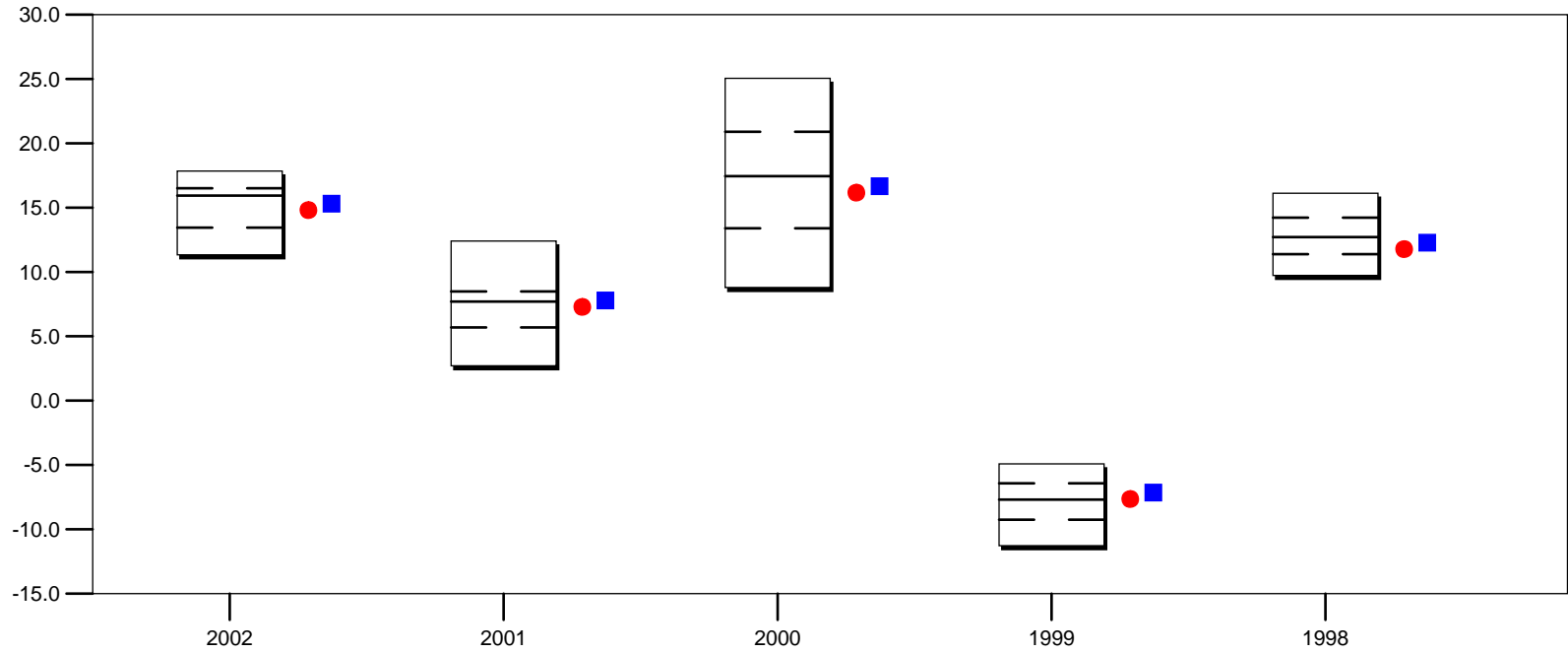
Annual Rate Of Return %



Mercer US Fixed Long Duration Universe

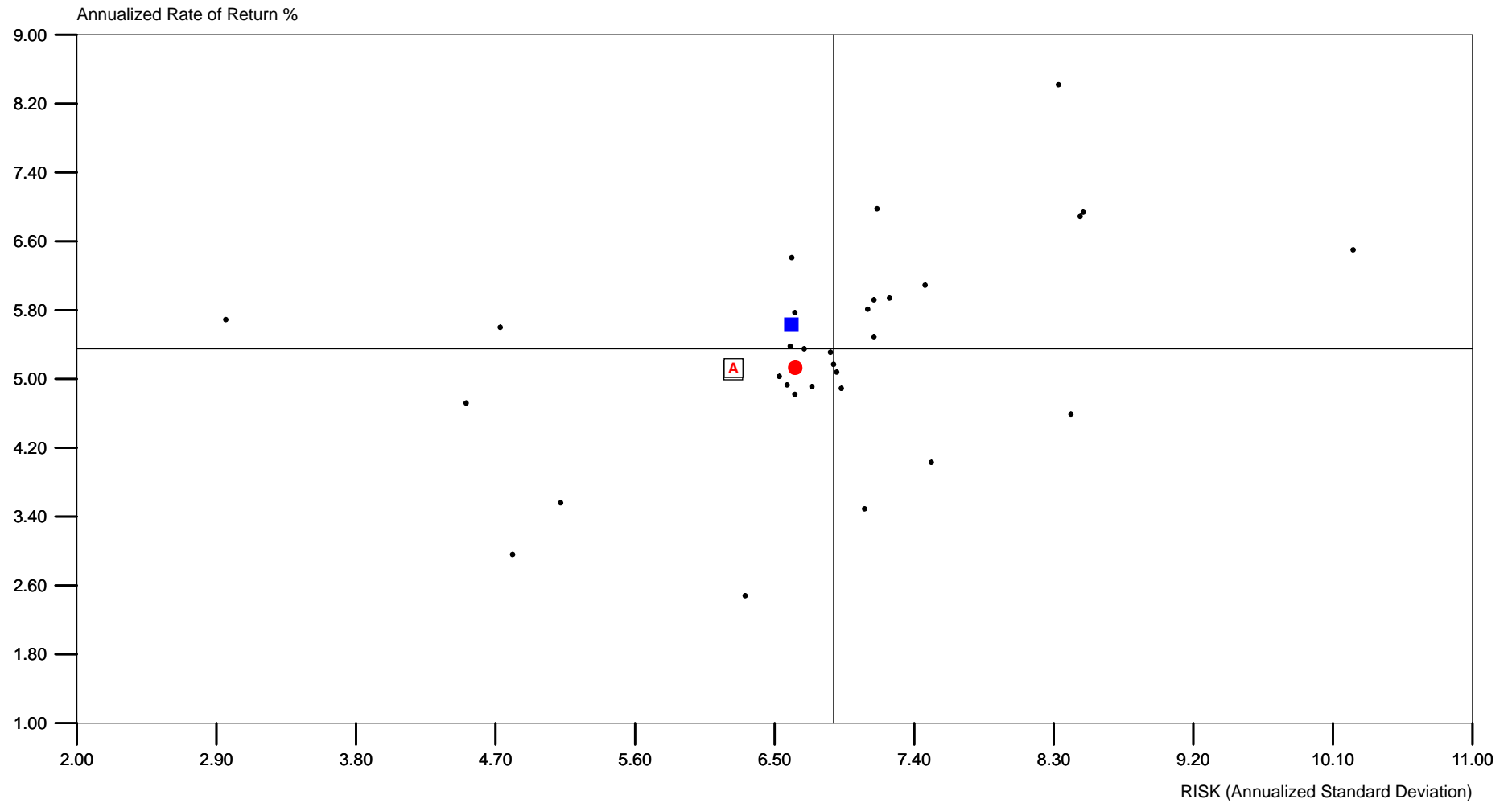
Return Quartiles

Annual Rate Of Return %



Mercer US Fixed Long Duration Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
31 Portfolios



A Long Duration Fixed Income 5.13, 58
B Income Research & Mgmt., Inc. 5.10, 59
● LB G/C LONG

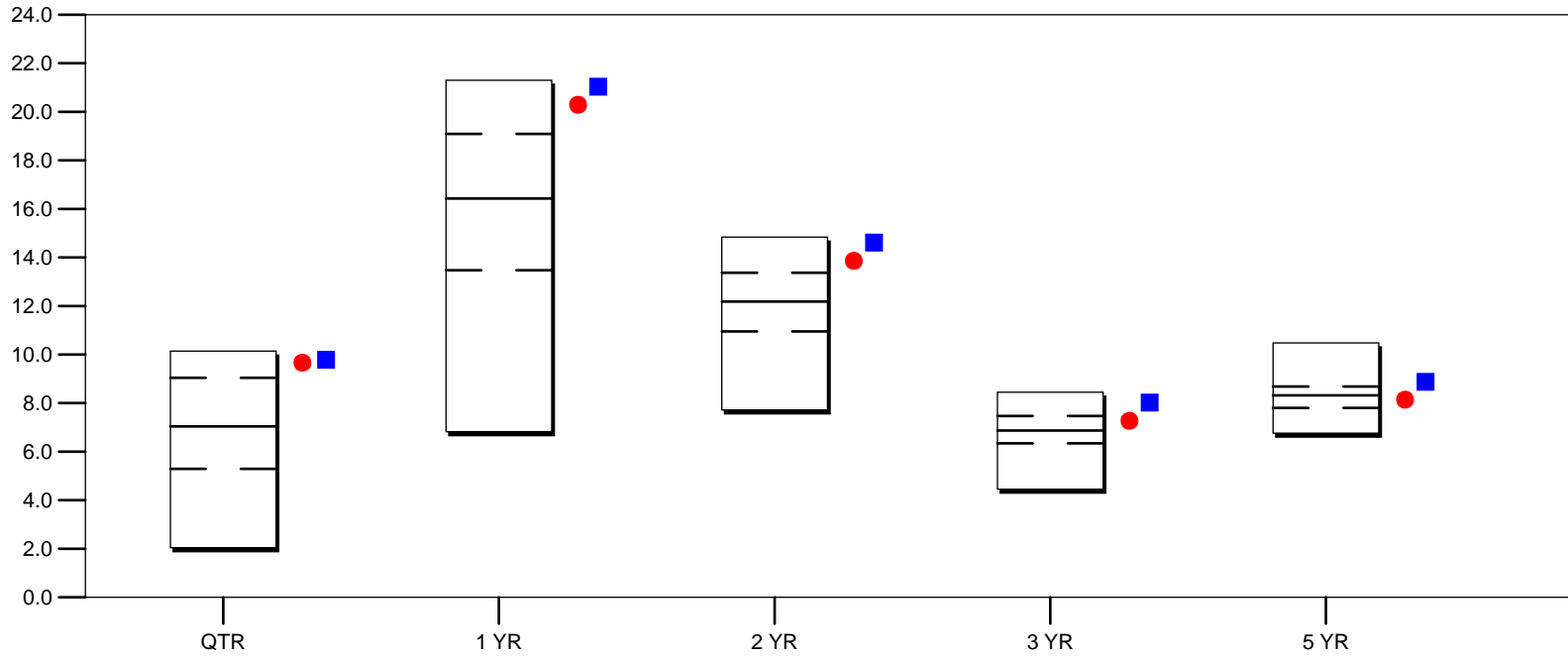
■ LB G/C LONG + .5%

Mercer

Mercer Global Fixed Unhedged Universe

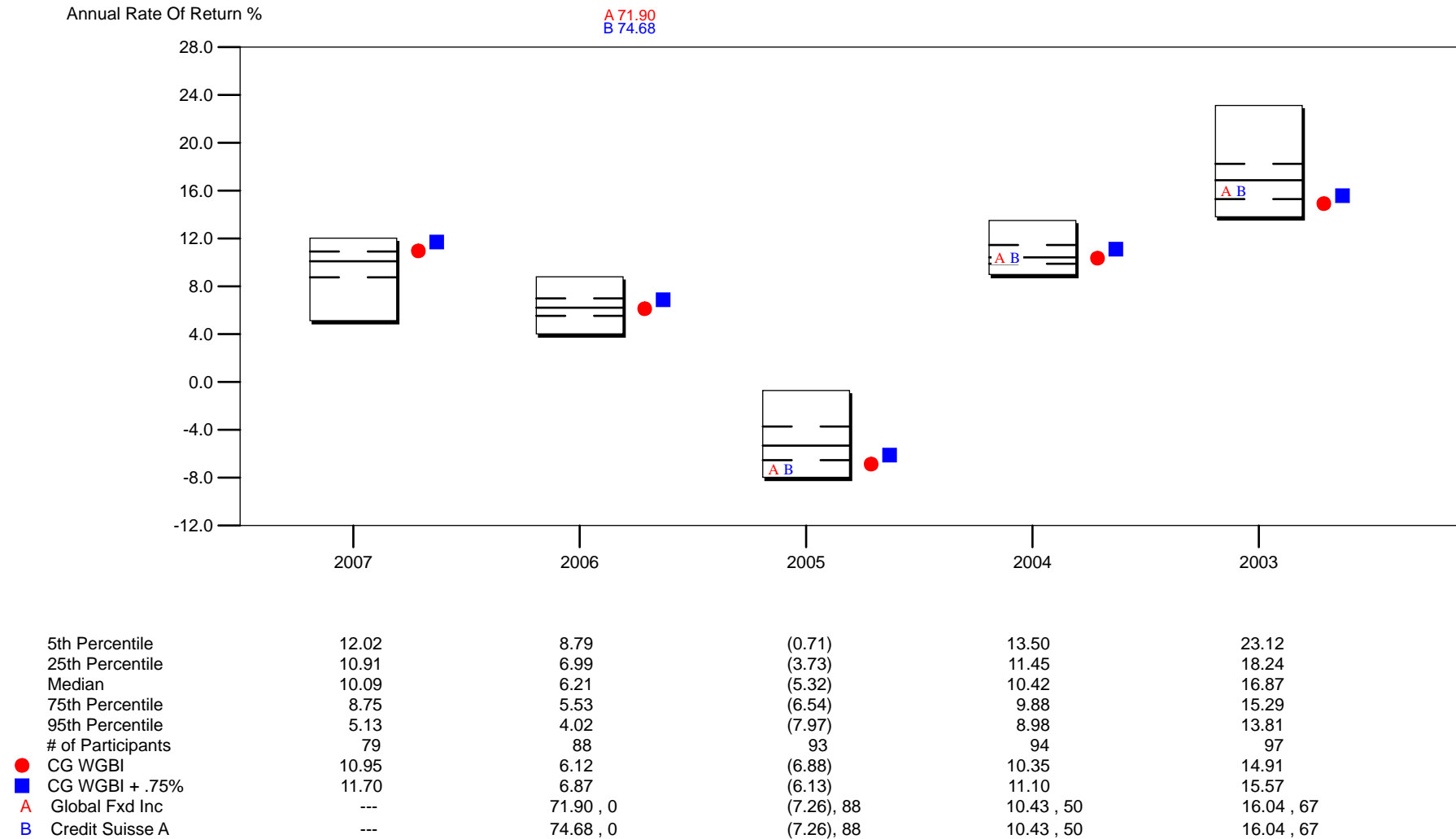
Return Quartiles
Periods Ending March 31, 2008

Annualized Rate of Return %



Mercer Global Fixed Unhedged Universe

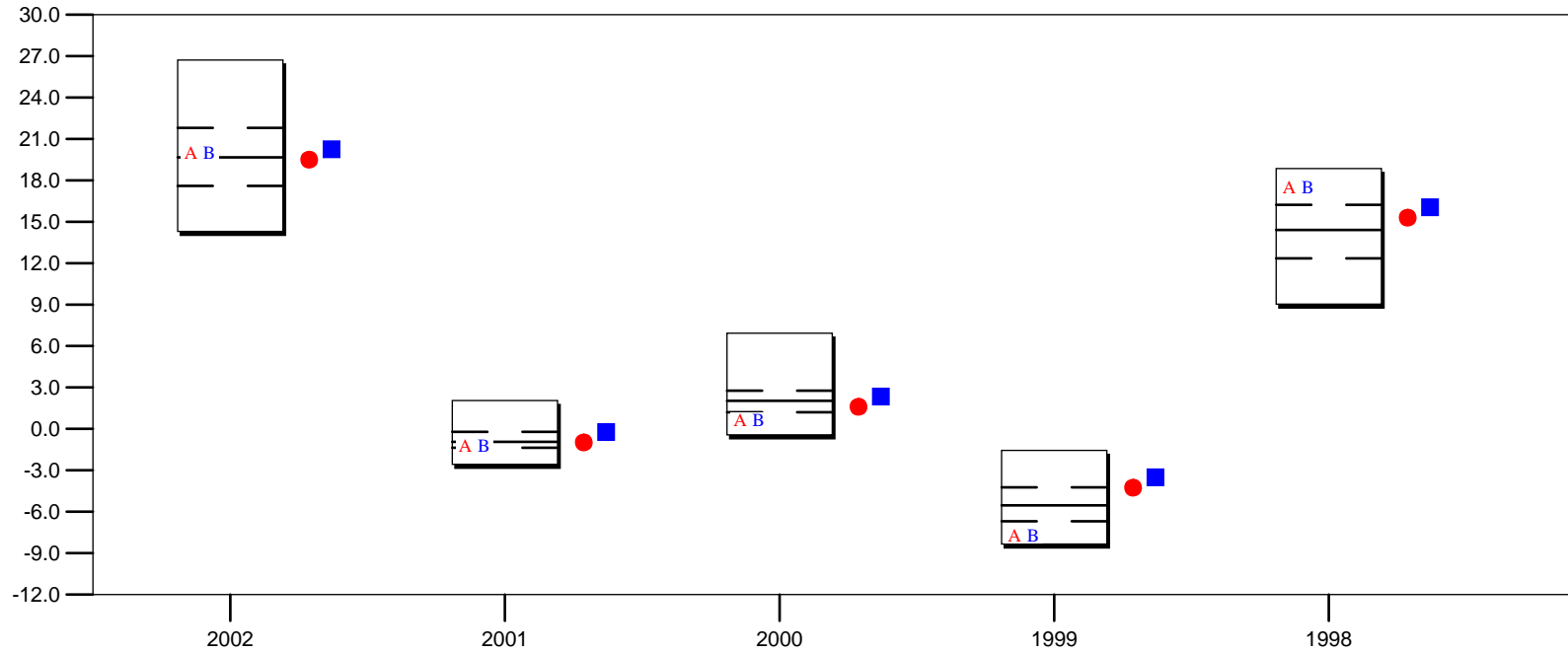
Return Quartiles



Mercer Global Fixed Unhedged Universe

Return Quartiles

Annual Rate Of Return %



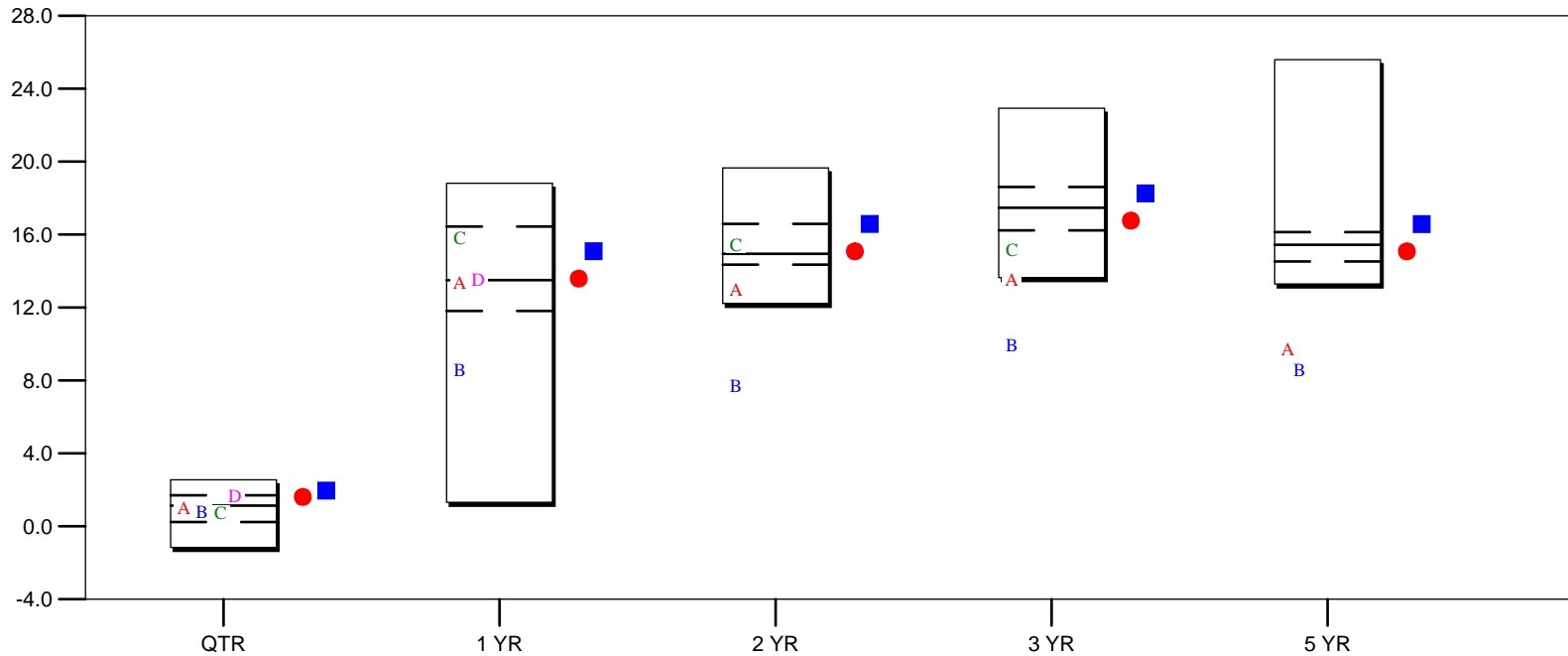
5th Percentile	26.71	2.05	6.93	(1.56)	18.85
25th Percentile	21.80	(0.22)	2.77	(4.24)	16.23
Median	19.66	(0.94)	2.03	(5.54)	14.41
75th Percentile	17.60	(1.37)	1.20	(6.69)	12.35
95th Percentile	14.30	(2.57)	(0.44)	(8.34)	9.03
# of Participants	93	85	83	81	77
● CG WGBI	19.49	(0.99)	1.59	(4.27)	15.29
■ CG WGBI + .75%	20.24	(0.24)	2.34	(3.52)	16.04
A Global Fxd Inc	20.07 , 43	(1.14), 66	0.75 , 84	(7.66), 90	17.55 , 12
B Credit Suisse A	20.06 , 43	(1.13), 66	0.75 , 84	(7.66), 90	17.55 , 12

Mercer US Real Estate Open End Universe

Return Quartiles

Periods Ending March 31, 2008

Annualized Rate of Return %



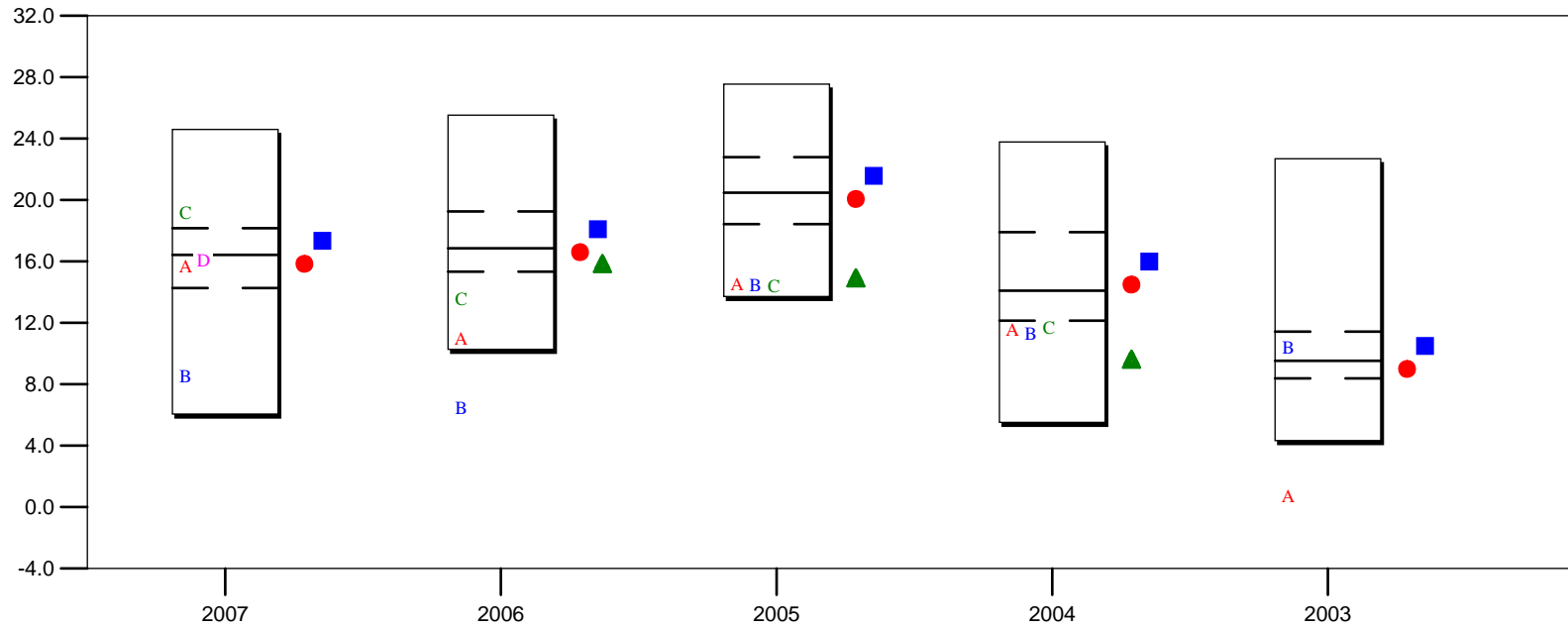
5th Percentile	2.55	18.81	19.65	22.93	25.59
25th Percentile	1.70	16.44	16.58	18.61	16.13
Median	1.13	13.50	14.94	17.47	15.44
75th Percentile	0.23	11.81	14.35	16.23	14.52
95th Percentile	(1.16)	1.31	12.22	13.64	13.29
# of Participants	22	21	18	17	12
● NCREIF PROP	1.60	13.58	15.07	16.76	15.07
■ NCREIF + 1.5%	1.95	15.08	16.57	18.26	16.57
A Real Estate	1.08 , 52	13.40 , 53	13.06 , 91	13.59 , 95	9.77 , 100
B MIG Realty Adv	0.86 , 59	8.63 , 91	7.75 , 100	9.97 , 100	8.61 , 100
C Kennedy Associates	0.80 , 60	15.89 , 27	15.51 , 39	15.20 , 88	---
D MEPT	1.74 , 20	13.56 , 45	---	---	---

Mercer

Mercer US Real Estate Open End Universe

Return Quartiles

Annual Rate Of Return %



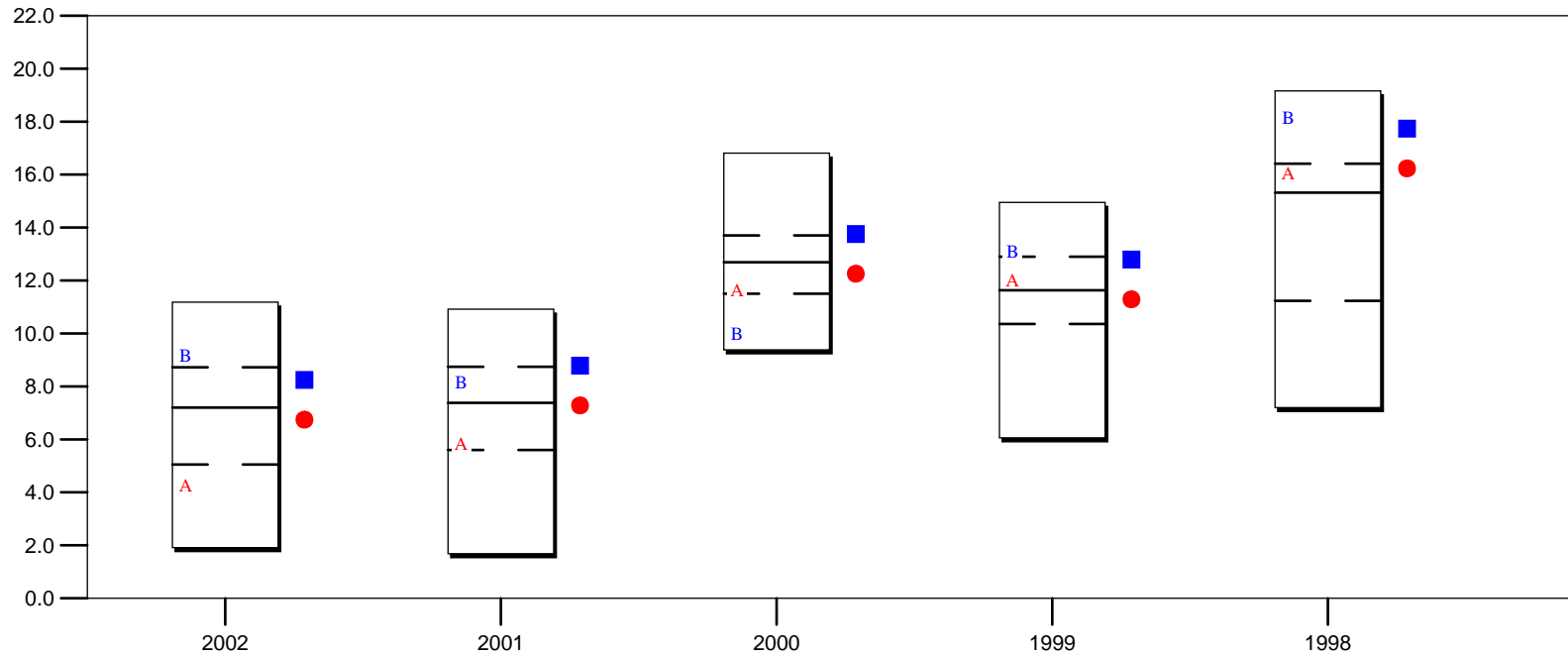
5th Percentile	24.59	25.52	27.54	23.78	22.68
25th Percentile	18.16	19.25	22.79	17.90	11.42
Median	16.42	16.85	20.47	14.09	9.52
75th Percentile	14.26	15.33	18.43	12.14	8.38
95th Percentile	6.06	10.27	13.71	5.51	4.33
# of Participants	33	32	30	26	23
● NCREIF PROP	15.84	16.59	20.06	14.48	8.99
■ NCREIF + 1.5%	17.34	18.09	21.56	15.98	10.49
▲ KENNEDY CUSTOM BM	---	15.85	14.92	9.62	---
▲ Real Estate	15.73 , 59	11.07 , 90	14.61 , 92	11.63 , 82	0.76 , 100
▲ MIG Realty Adv	8.61 , 90	6.54 , 98	14.55 , 93	11.35 , 83	10.47 , 33
▲ Kennedy Associate Real	19.22 , 16	13.64 , 83	14.45 , 93	11.76 , 81	---
▲ MEPT	16.16 , 56	---	---	---	---

Mercer

Mercer US Real Estate Open End Universe

Return Quartiles

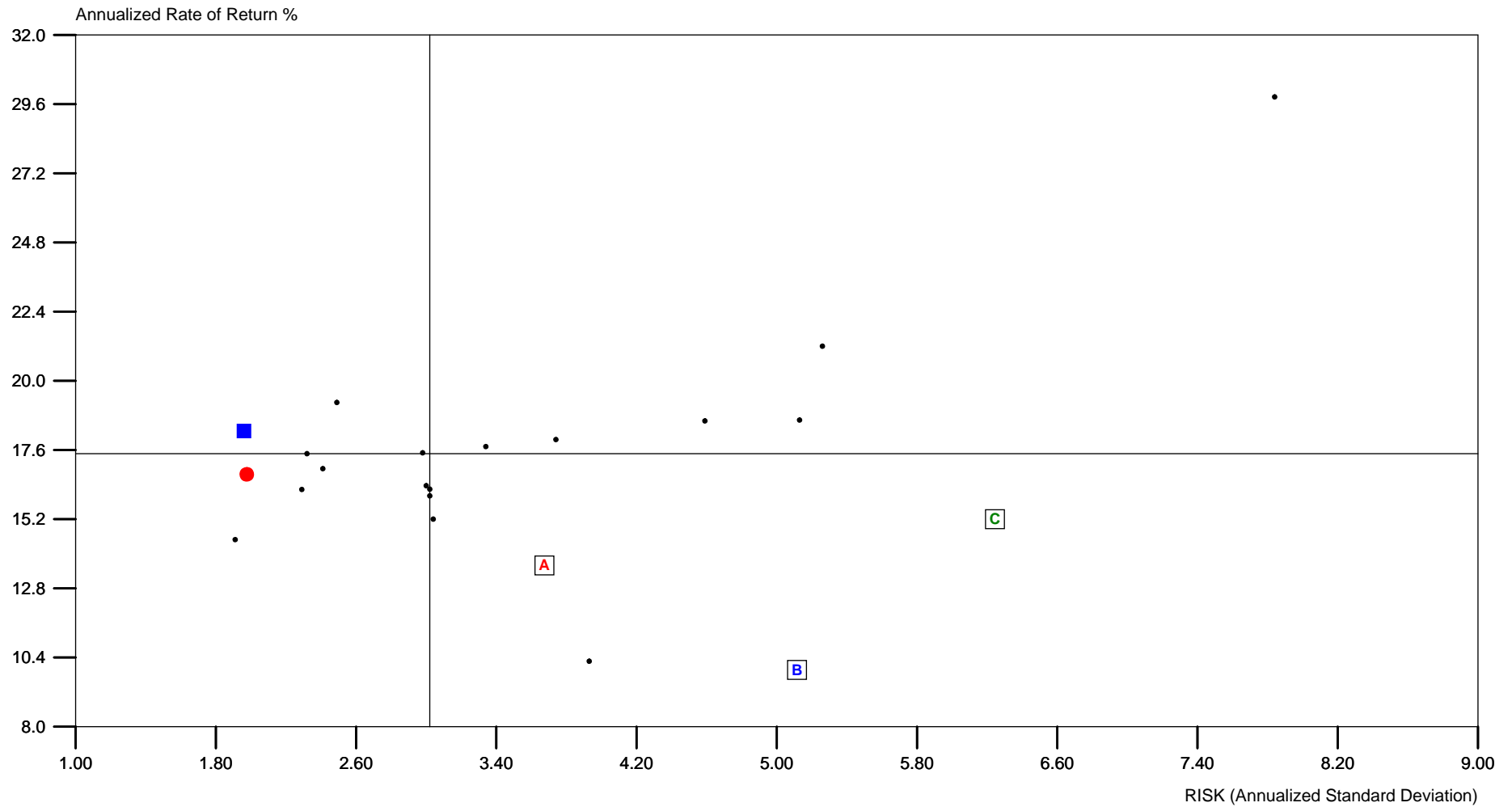
Annual Rate Of Return %



5th Percentile	11.18	10.92	16.81	14.95	19.16
25th Percentile	8.72	8.74	13.70	12.90	16.41
Median	7.20	7.38	12.69	11.63	15.32
75th Percentile	5.05	5.60	11.50	10.36	11.23
95th Percentile	1.91	1.68	9.38	6.06	7.20
# of Participants	21	19	18	18	17
● NCREIF PROP	6.74	7.28	12.25	11.29	16.23
■ NCREIF + 1.5%	8.24	8.78	13.75	12.79	17.73
A Real Estate	4.29 , 91	5.87 , 71	11.67 , 73	12.05 , 41	16.10 , 39
B MIG Realty Adv	9.20 , 12	8.20 , 33	10.02 , 90	13.12 , 21	18.20 , 11

Mercer US Real Estate Open End Universe

Risk-Return Comparisons
3 Years Ending March 31, 2008
17 Portfolios



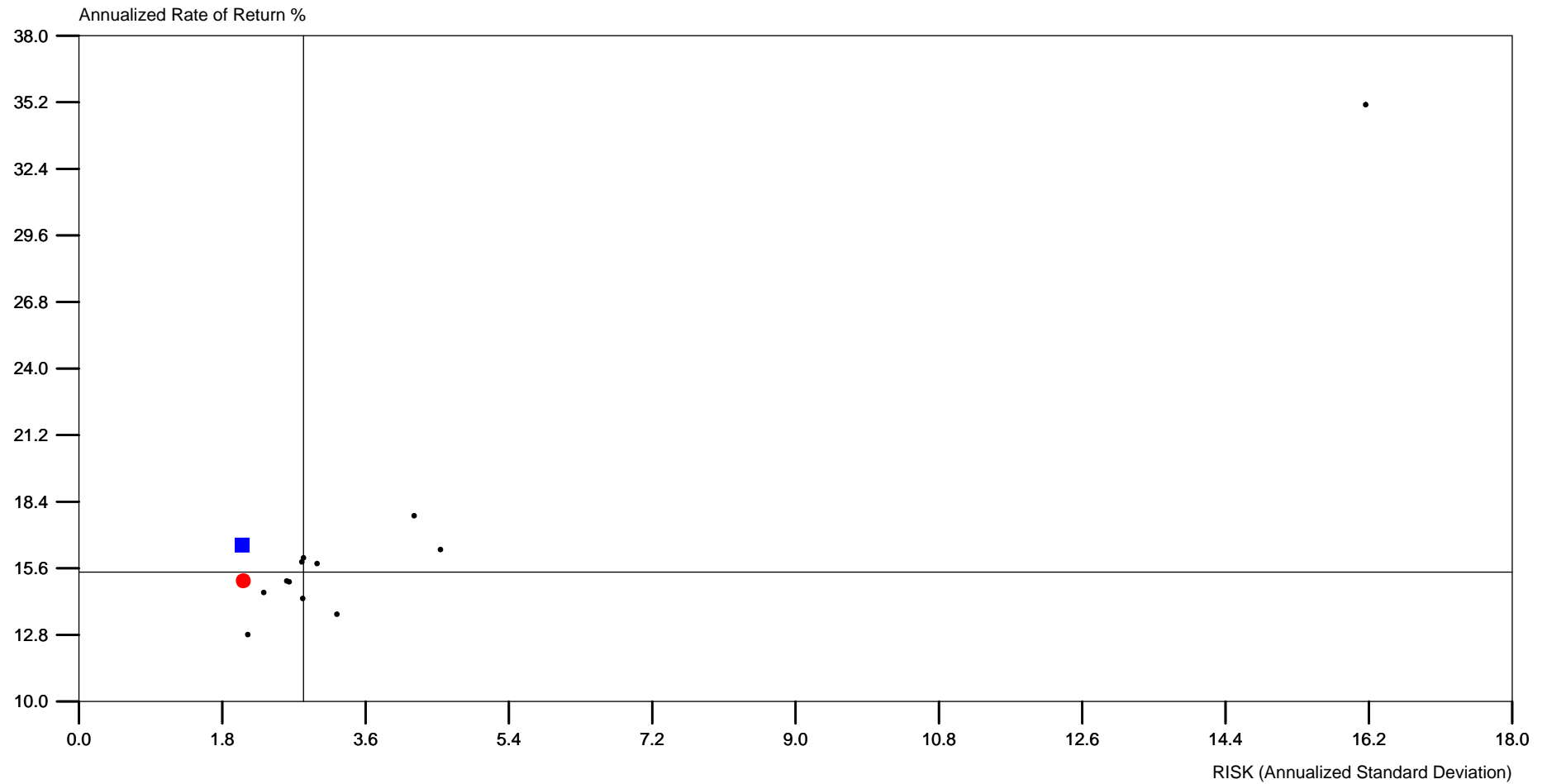
A Real Estate 13.59, 95
B MIG Realty Adv 9.97, 100
C Kennedy Associate Real Estate 15.20, 88

● NCREIF PROP
■ NCREIF + 1.5%

Mercer

Mercer US Real Estate Open End Universe

Risk-Return Comparisons
5 Years Ending March 31, 2008
12 Portfolios



- NCREIF PROP
- NCREIF + 1.5%
- B 8.61
- A 9.77
- ▲ Real Estate 9.77, 100
- ▲ MIG Realty Adv 8.61, 100

Mercer

ATTRIBUTION SUMMARY

San Jose

Total Fund

Period Ending March 31, 2008

	<u>Annualized</u>		
	<u>QTR</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(6.9)	(0.1)	5.8
Policy Return	(5.4)	1.6	7.2
Net Management Effect	(1.5)	(1.7)	(1.4)
Allocation	(0.1)	0.1	0.0
Selection	(1.4)	(1.8)	(1.4)

Currency USD

Policy Benchamrk is 34% S&P 500, 20% LB Aggregate, 20% MSCI EAFE, 12% NCREIF Property, 5% Russell 2000 Index, 5% MSCI Emerging Markets Free, and 4% LB US Govt/Credit Index- Long Term.

Mercer

ATTRIBUTION DETAIL

San Jose

Total Fund

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Alloc</u>	<u>Select</u>	<u>Inter</u>	<u>Total</u>
TOTAL	100.0	(6.9)	100.0	(5.4)	(0.1)	(1.4)	0.0	(1.5)
US Equity	36.2	(11.3)	39.0	(9.5)	0.1	(0.7)	0.0	(0.6)
Non-US Equity	28.1	(10.5)	25.0	(9.3)	(0.2)	(0.3)	0.0	(0.5)
Fixed Income	25.3	0.4	24.0	1.9	0.0	(0.3)	0.0	(0.3)
Real Estate	8.0	1.1	12.0	1.6	(0.3)	(0.1)	0.0	(0.3)
Cash	0.3	16.2	---	---	0.1	0.0	0.0	0.1
Other	2.0	6.2	---	---	0.2	0.0	0.0	0.2

Currency USD

Policy Benchamrk is 34% S&P 500, 20% LB Aggregate, 20% MSCI EAFE, 12% NCREIF Property, 5% Russell 2000 Index, 5% MSCI Emerging Markets Free, and 4% LB US Govt/Credit Index- Long Term.

Mercer

ATTRIBUTION DETAIL

San Jose

Total Fund

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Alloc</u>	<u>Select</u>	<u>Inter</u>	<u>Total</u>
TOTAL	100.0	(0.1)	100.0	1.6	0.1	(1.8)	0.0	(1.7)
US Equity	37.7	(8.6)	39.0	(6.1)	0.1	(1.0)	0.1	(0.9)
Non-US Equity	29.0	1.4	25.0	1.9	0.0	(0.1)	0.0	(0.2)
Fixed Income	23.9	4.6	24.0	7.5	0.0	(0.6)	0.0	(0.6)
Real Estate	7.5	13.4	12.0	13.6	(0.5)	0.0	0.0	(0.5)
Cash	0.3	49.9	---	---	0.1	0.0	0.0	0.1
Other	1.6	25.9	---	---	0.4	0.0	0.0	0.4

Currency USD

Policy Benchamrk is 34% S&P 500, 20% LB Aggregate, 20% MSCI EAFE, 12% NCREIF Property, 5% Russell 2000 Index, 5% MSCI Emerging Markets Free, and 4% LB US Govt/Credit Index- Long Term.

Mercer

ATTRIBUTION DETAIL

San Jose

Total Fund

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Alloc</u>	<u>Select</u>	<u>Inter</u>	<u>Total</u>
TOTAL	100.0	5.8	100.0	7.2	0.0	(1.5)	0.1	(1.4)
US Equity	38.0	(0.1)	39.0	2.1	0.1	(0.9)	0.0	(0.8)
Non-US Equity	29.2	10.2	25.0	10.8	0.1	(0.1)	0.0	0.0
Fixed Income	23.9	6.0	24.0	7.1	0.0	(0.3)	0.0	(0.3)
Real Estate	7.4	13.1	12.0	15.1	(0.4)	(0.2)	0.1	(0.5)
Cash	0.3	39.0	---	---	0.1	0.0	0.0	0.1
Other	1.1	17.2	---	---	0.2	0.0	0.0	0.2

Currency USD

Policy Benchamrk is 34% S&P 500, 20% LB Aggregate, 20% MSCI EAFE, 12% NCREIF Property, 5% Russell 2000 Index, 5% MSCI Emerging Markets Free, and 4% LB US Govt/Credit Index- Long Term.

Mercer

U.S. Equity Analysis

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		Rhumbline Advisers		S&P 500 Index				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	98.75	100%	98.40			
Characteristics	Portfolio P/E Excluding Neg. Earnings	96%	15.5	96%	15.6			
	Portfolio Price/Book	100%	2.49	100%	2.48			
	Price/Cash Flow	99%	11.0	99%	11.0			
	Return on Equity - 5 Year Average	94%	20.6	94%	20.6			
	EPS Growth - 5 Years	84%	20.2	84%	20.0			
	Dividend Yield	100%	2.17	100%	2.18			
	Debt/Equity	94%	1.17	94%	1.18			
	Beta (vs. R3000)	97%	0.9	97%	0.9			
	Economic Sectors -							
# holdings/% equity	Technology	56	13.4%	56	13.3%			
Based on Russell	Health Care	48	12.0%	48	12.0%			
Sector Scheme	Consumer Discretionary and Services	89	11.2%	88	11.1%			
	Consumer Staples	33	8.5%	33	8.6%			
	Integrated Oils	7	7.8%	7	7.7%			
	Other Energy	29	5.4%	29	5.5%			
	Materials and Processing	35	4.3%	35	4.3%			
	Producer Durables	37	5.0%	37	5.0%			
	Autos and Transportation	15	2.6%	15	2.6%			
	Financial Services	103	17.5%	102	17.6%			
	Utilities	40	7.4%	40	7.5%			
	Other	10	4.9%	10	4.8%			
	Account Number	1SJFPFRHUMB2		IX1F00079488				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Rhumbline Advisers

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	98.75	100%	109.75	100%	110.92	100%	103.34	100%	99.73
Characteristics	Portfolio P/E Excluding Neg. Earnings	96%	15.5	97%	16.5	97%	16.7	97%	16.8	97%	16.2
	Portfolio Price/Book	100%	2.49	100%	2.77	100%	2.92	100%	2.92	100%	2.82
	Price/Cash Flow	99%	11.0	100%	11.7	100%	12.2	99%	12.2	99%	12.0
	Return on Equity - 5 Year Average	94%	20.6	94%	20.4	95%	20.0	95%	19.4	96%	19.2
	EPS Growth - 5 Years	84%	20.2	84%	21.1	84%	21.8	83%	20.9	82%	19.9
	Dividend Yield	100%	2.17	100%	1.97	100%	1.85	100%	1.82	100%	1.87
	Debt/Equity	94%	1.17	91%	1.08	91%	1.15	91%	1.23	92%	1.22
	Beta (vs. R3000)	97%	0.9	98%	0.9	98%	0.9	98%	1.0	98%	1.0
Economic Sectors -											
# holdings/% equity	Technology	56	13.4%	56	14.0%	59	13.8%	60	12.9%	60	12.5%
Based on Russell	Health Care	48	12.0%	48	12.2%	50	11.8%	50	11.9%	51	12.1%
Sector Scheme	Consumer Discretionary and Services	89	11.2%	88	11.0%	89	11.2%	91	11.8%	90	12.3%
	Consumer Staples	33	8.5%	32	8.0%	32	7.6%	32	7.2%	31	7.4%
	Integrated Oils	7	7.8%	7	7.9%	7	7.3%	7	6.8%	7	6.4%
	Other Energy	29	5.4%	27	4.9%	25	4.3%	25	4.0%	25	3.6%
	Materials and Processing	35	4.3%	37	4.1%	34	3.8%	34	3.7%	34	3.6%
	Producer Durables	37	5.0%	37	4.9%	36	4.8%	36	4.6%	35	4.3%
	Autos and Transportation	15	2.6%	15	2.3%	14	2.3%	14	2.4%	14	2.4%
	Financial Services	103	17.5%	104	18.4%	103	20.6%	101	21.8%	98	22.5%
	Utilities	40	7.4%	40	7.6%	41	7.8%	42	8.0%	43	8.3%
	Other	10	4.9%	10	4.5%	10	4.8%	10	4.8%	10	4.6%
Account Number	1SJFPFRHUMB2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System S&P 500 Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	98.40	100%	109.45	100%	110.52	100%	103.08	100%	99.26
Characteristics	Portfolio P/E Excluding Neg. Earnings	96%	15.6	97%	16.5	97%	16.8	97%	16.8	97%	16.3
	Portfolio Price/Book	100%	2.48	100%	2.77	100%	2.92	100%	2.93	100%	2.83
	Price/Cash Flow	99%	11.0	100%	11.8	100%	12.2	100%	12.2	99%	12.0
	Return on Equity - 5 Year Average	94%	20.6	94%	20.4	95%	19.9	95%	19.4	96%	19.2
	EPS Growth - 5 Years	84%	20.0	84%	21.0	84%	21.8	83%	20.9	82%	19.8
	Dividend Yield	100%	2.18	100%	1.97	100%	1.85	100%	1.82	100%	1.87
	Debt/Equity	94%	1.18	91%	1.08	91%	1.15	92%	1.23	92%	1.22
	Beta (vs. R3000)	97%	0.9	98%	0.9	98%	0.9	98%	1.0	98%	1.0
Economic Sectors -											
# holdings/% equity	Technology	56	13.3%	56	14.1%	58	13.7%	59	13.0%	59	12.5%
Based on Russell	Health Care	48	12.0%	48	12.2%	50	11.8%	50	11.9%	51	12.1%
Sector Scheme	Consumer Discretionary and Services	88	11.1%	90	11.0%	89	11.2%	90	11.9%	91	12.3%
	Consumer Staples	33	8.6%	32	8.0%	32	7.6%	32	7.3%	31	7.4%
	Integrated Oils	7	7.7%	7	7.8%	7	7.3%	7	6.7%	7	6.3%
	Other Energy	29	5.5%	28	5.0%	26	4.3%	25	4.0%	25	3.6%
	Materials and Processing	35	4.3%	35	4.1%	34	3.8%	34	3.7%	34	3.6%
	Producer Durables	37	5.0%	37	4.9%	36	4.8%	36	4.6%	35	4.3%
	Autos and Transportation	15	2.6%	15	2.3%	14	2.3%	14	2.4%	14	2.4%
	Financial Services	102	17.6%	102	18.4%	103	20.6%	101	21.8%	100	22.6%
	Utilities	40	7.5%	40	7.6%	41	7.8%	42	8.0%	43	8.3%
	Other	10	4.8%	10	4.5%	10	4.7%	10	4.8%	10	4.6%
Account Number	IX1F00079488										

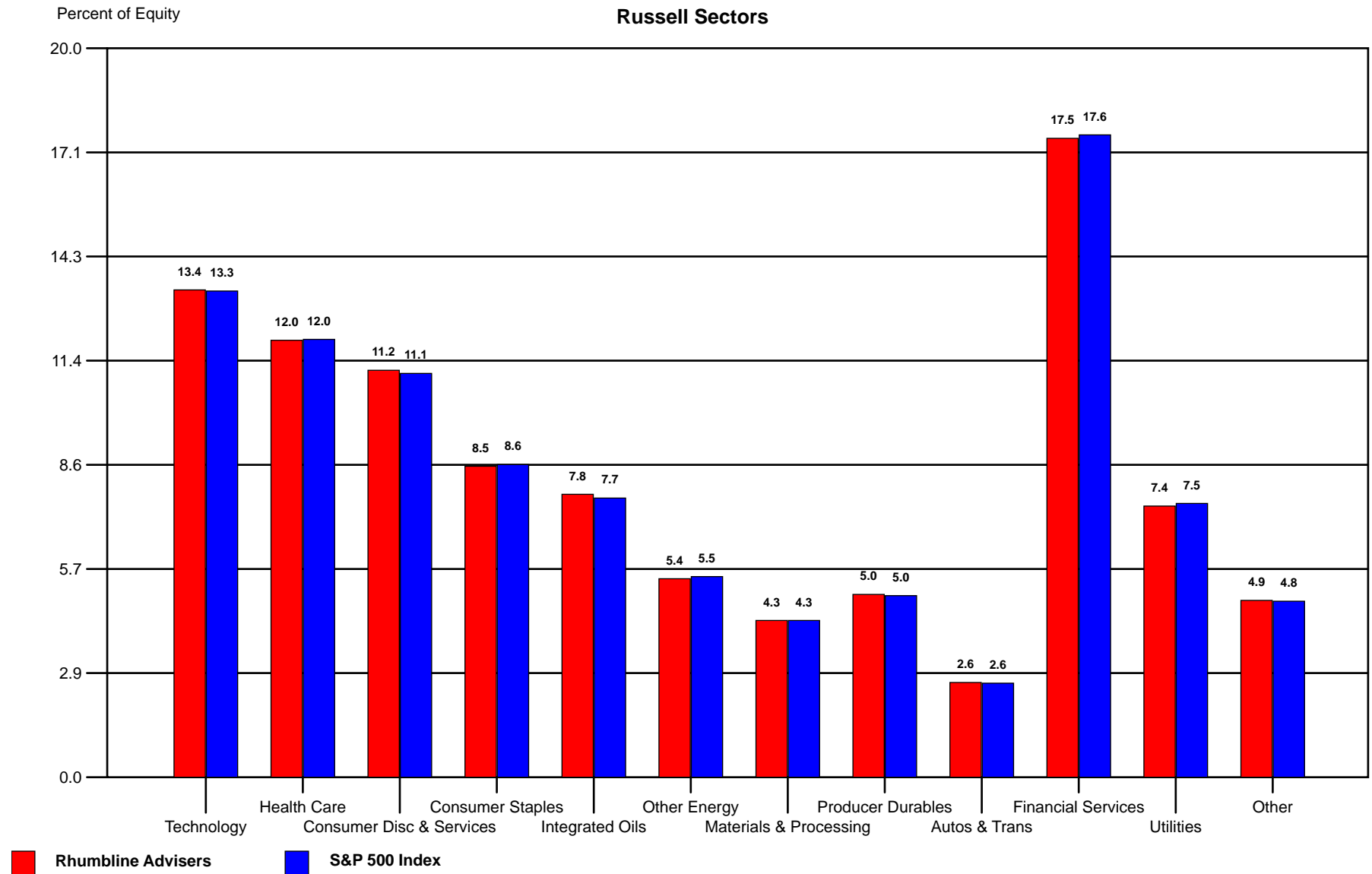
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
EXXON MOBIL CORP	INTEGRATED OILS	3.97%	3.93%	-9.36%	476.5
GENERAL ELEC CO COM	OTHER	3.24%	3.21%	0.77%	380.8
AT & T INC COM	UTILITIES	1.99%	2.01%	-6.89%	236.1
MICROSOFT CORP COM	TECHNOLOGY	1.96%	1.97%	-19.96%	271.5
PROCTER & GAMBLE CO COM	CONSUMER STAPLES	1.87%	1.87%	-4.05%	220.6
JOHNSON & JOHNSON COM	HEALTH CARE	1.60%	1.60%	-2.09%	187.9
CHEVRON CORPORATION COM	INTEGRATED OILS	1.55%	1.54%	-7.93%	183.5
BANK OF AMERICA CORP	FINANCIAL SERVICES	1.45%	1.46%	-6.57%	168.2
IBM CORP COM	TECHNOLOGY	1.36%	1.39%	6.89%	157.3
CISCO SYS INC COM	TECHNOLOGY	1.25%	1.25%	-11.01%	146.3
Total		20.23%	20.23%		
Benchmark					
S&P 500 Index				-9.44%	98,397.6

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

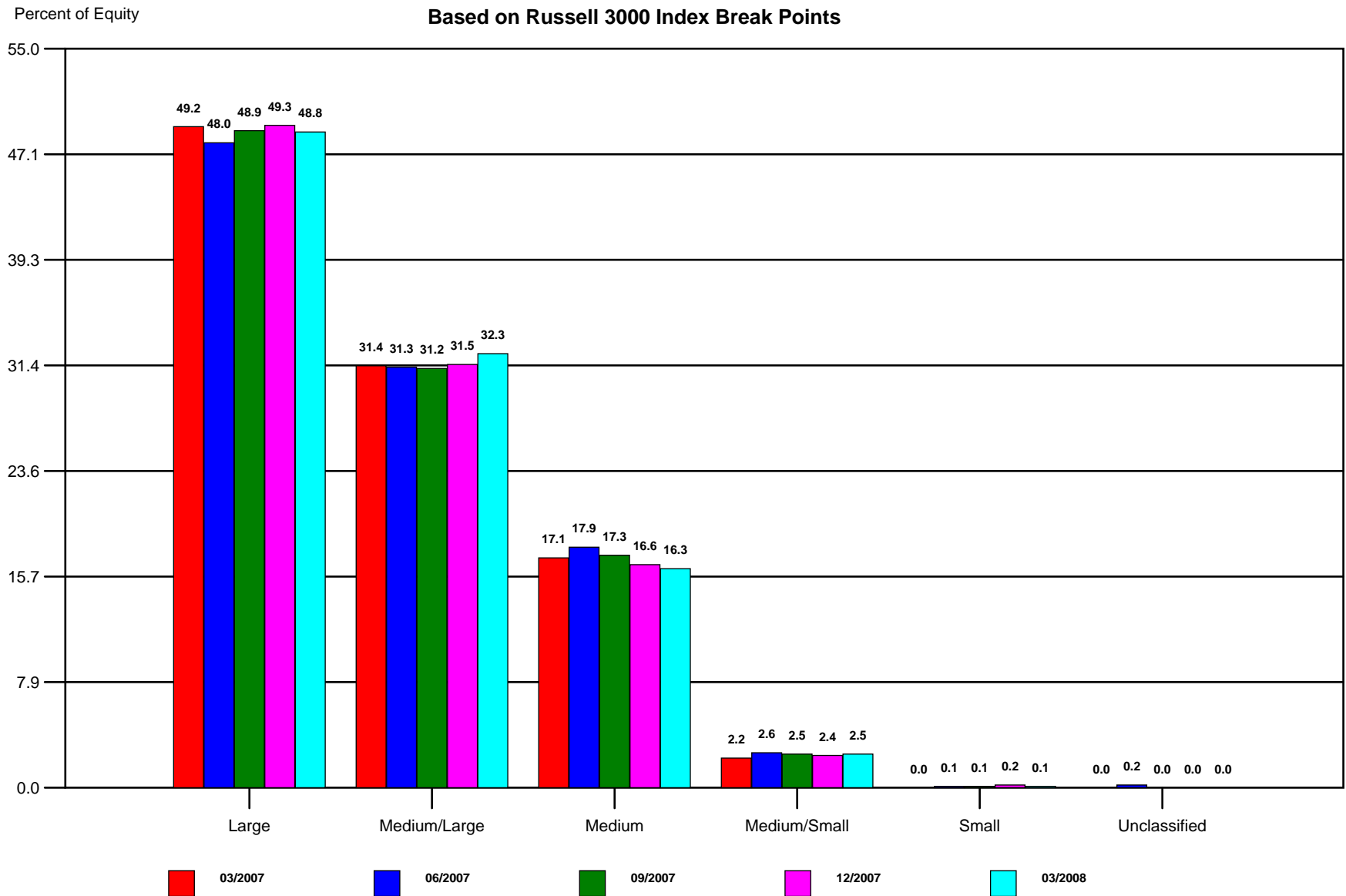
San Jose Police and Fire Retirement System



Mercer

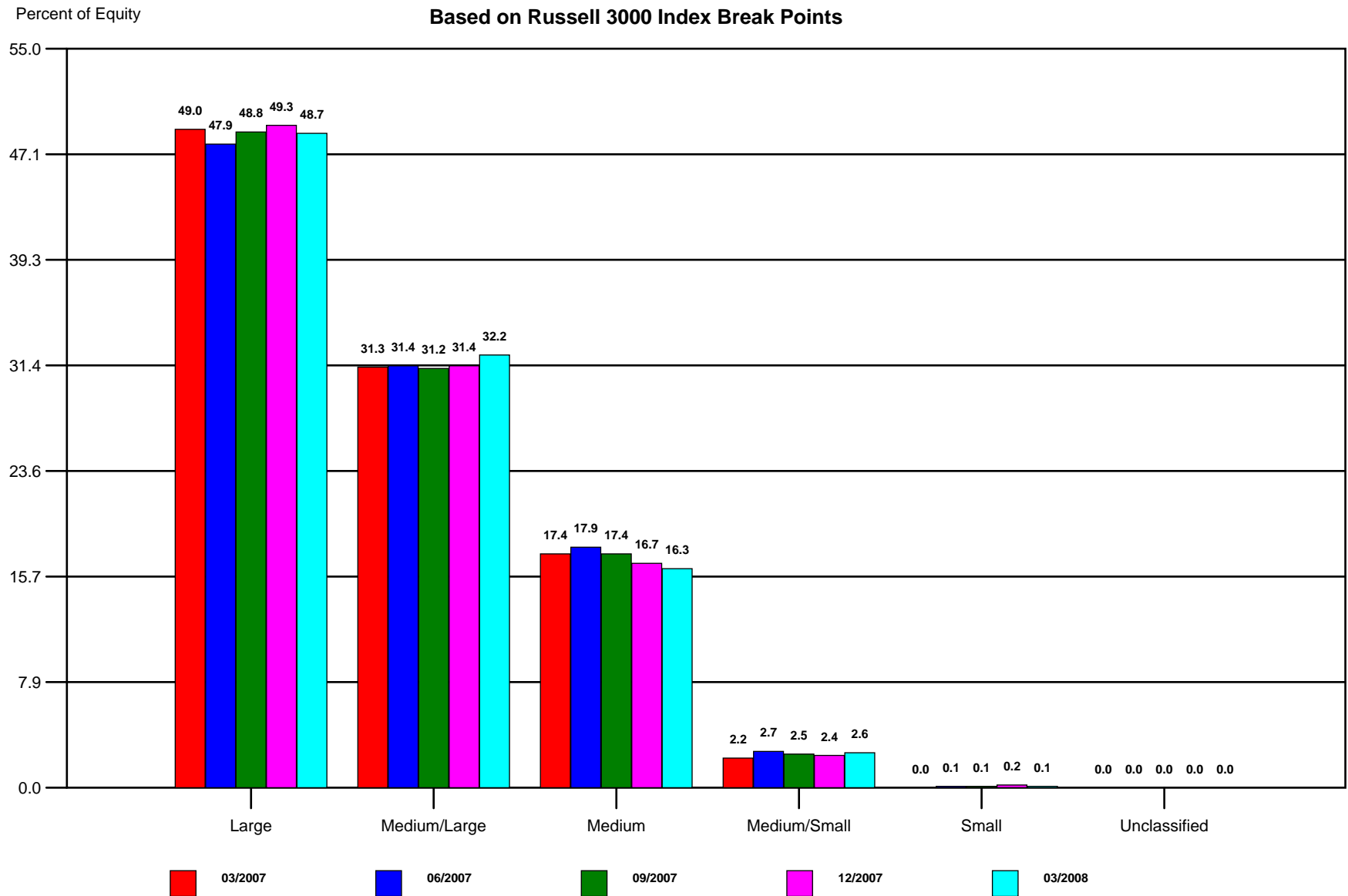
TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System Rhumblin Advisers



TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System S&P 500 Index

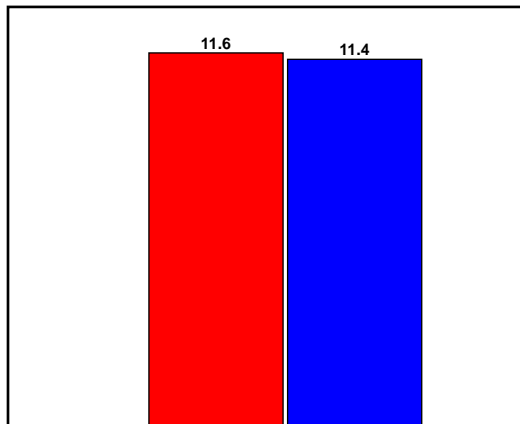


TOTAL SUMMARY PORTFOLIO CHARACTERISTICS

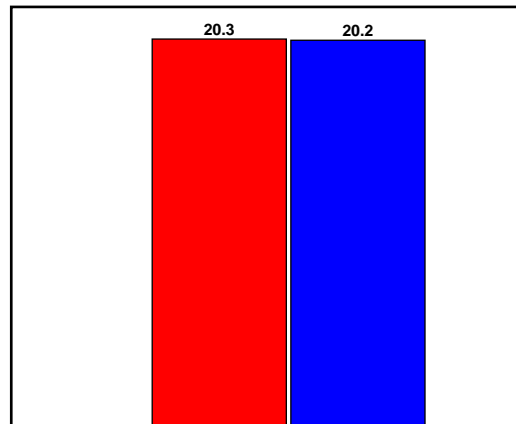
San Jose Police and Fire Retirement System

As of March 31, 2008

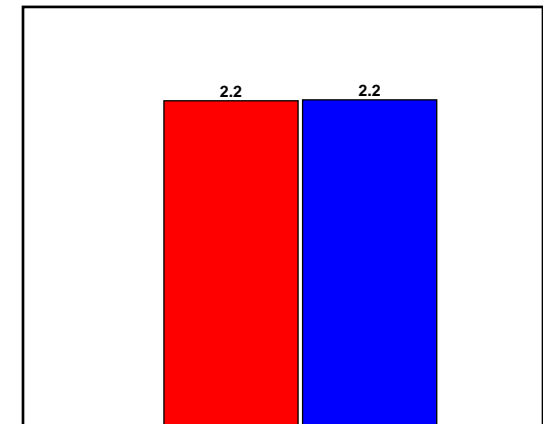
Market Cap - Mdn (USD)



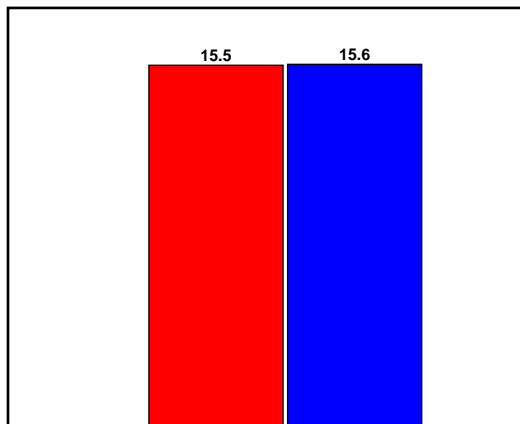
% Ten Largest Holdings



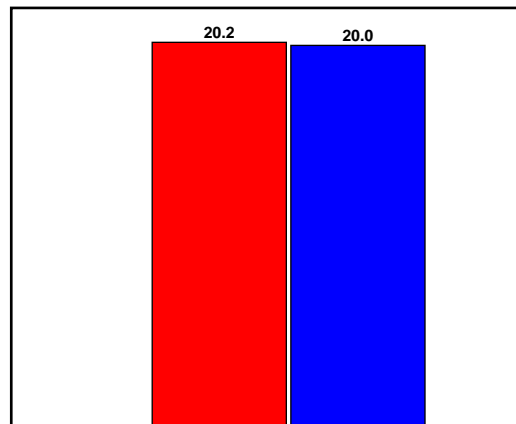
Dividend Yield



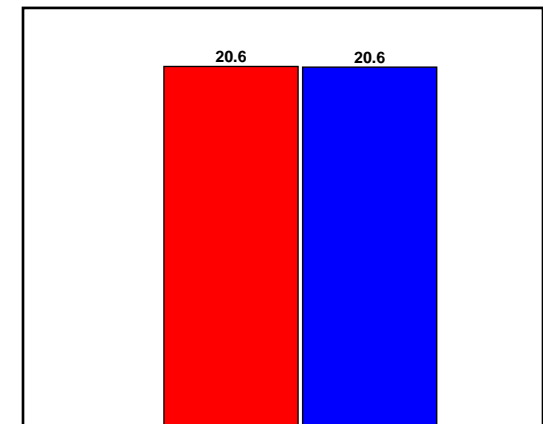
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



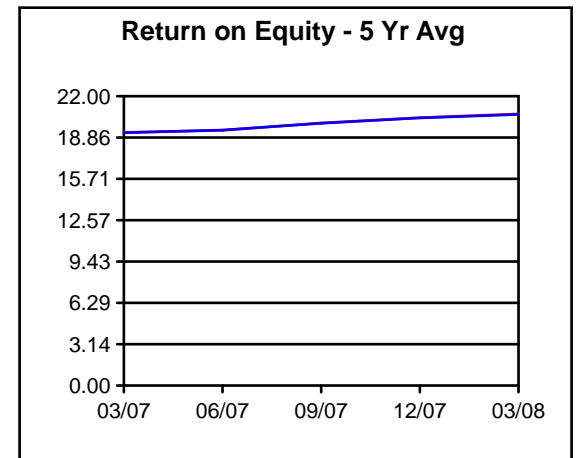
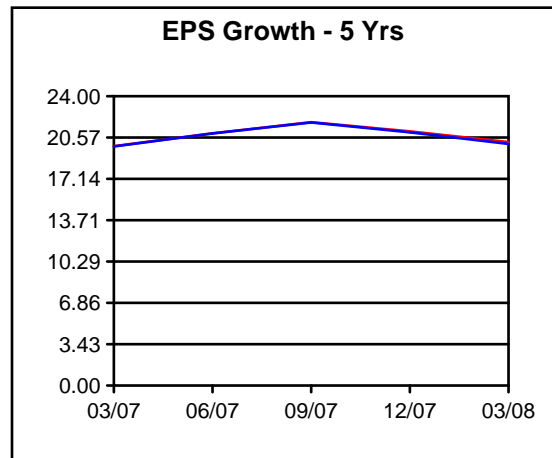
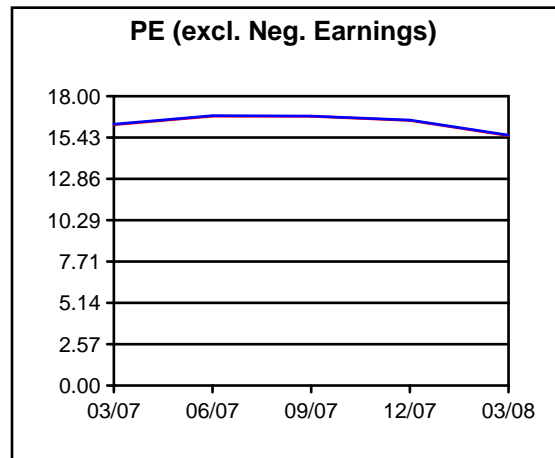
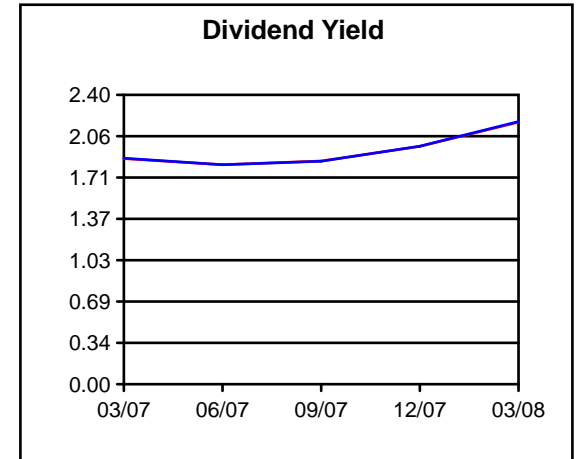
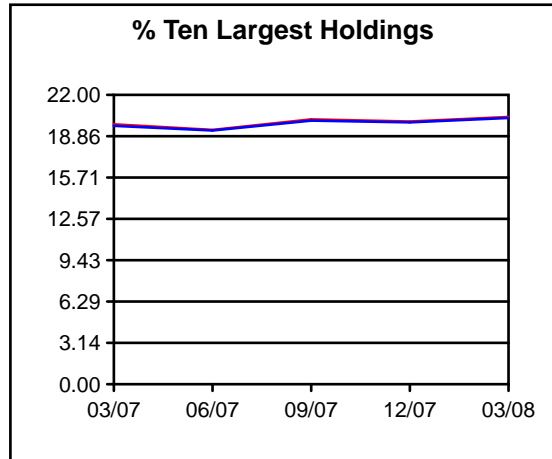
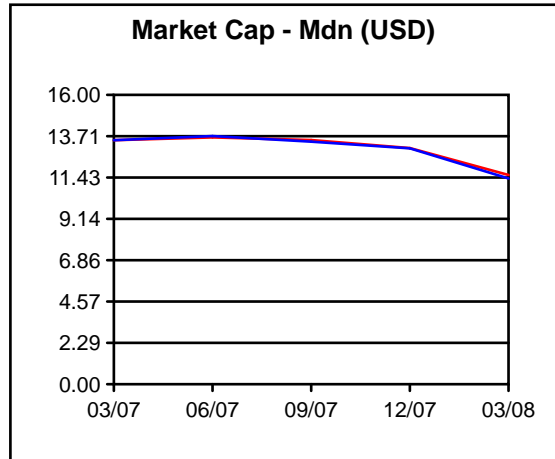
Return on Equity - 5 Yr Avg



 Rhumblin Advisers  S&P 500 Index

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— Rhumblin Advisers — S&P 500 Index

ATTRIBUTION SUMMARY

San Jose

RhumbLine Advisers

Period Ending March 31, 2008

		<u>Annualized</u>		
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(9.4)	(12.5)	(5.1)	2.9
Policy Return	(9.4)	(12.5)	(5.1)	3.0
Net Management Effect	0.0	0.0	(0.1)	(0.1)
Currency	0.0	0.0	0.0	0.0
Allocation	0.0	0.0	0.3	0.1
Selection	0.0	0.0	(0.3)	(0.3)

Currency USD

Policy Benchmark is S&P 500 - R/M Calculated

Mercer

ATTRIBUTION DETAIL

San Jose

RhumbLine Advisers

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(9.4)	100.0	(9.4)	0.0	0.0	0.0	0.0	0.0
EQUITY	99.8	(9.4)	100.0	(9.4)	0.0	0.0	0.0	0.0	0.0
Technology	13.3	(11.0)	13.3	(14.4)	0.0	0.0	0.0	0.5	0.5
Health Care	12.3	(10.9)	12.6	(10.8)	0.0	0.0	0.0	0.0	0.0
Consumer Discretionary	11.1	(7.7)	11.0	(7.8)	0.0	0.0	0.0	0.0	0.0
Consumer Staples	8.1	(9.2)	8.2	(3.5)	0.0	0.0	0.0	(0.5)	(0.5)
Integrated Oils	7.8	(10.0)	7.7	(9.9)	0.0	0.0	0.0	0.0	0.0
Other Energy	5.0	(3.0)	5.1	(2.9)	0.0	0.0	0.0	0.0	0.0
Materials and Processing	4.2	(4.9)	4.2	(4.9)	0.0	0.0	0.0	0.0	0.0
Producer Durables	5.0	(7.9)	4.9	(7.9)	0.0	0.0	0.0	0.0	0.0
Autos and Transportation	2.5	0.6	2.5	0.5	0.0	0.0	0.0	0.0	0.0
Financial Services	18.6	(13.7)	18.5	(13.7)	0.0	0.0	0.0	0.0	0.0
Utilities	7.4	(10.9)	7.5	(11.0)	0.0	0.0	0.0	0.0	0.0
Other	4.5	(2.2)	4.5	(2.2)	0.0	0.0	0.0	0.0	0.0
CASH	0.2	1.1	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is S&P 500 - R/M Calculated

Mercer

ATTRIBUTION DETAIL

San Jose

RhumbLine Advisers

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(12.5)	100.0	(12.5)	0.0	0.0	0.0	0.0	0.0
EQUITY	99.7	(12.5)	100.0	(12.5)	0.0	0.0	0.0	0.0	0.0
Technology	13.8	(27.3)	13.6	(14.8)	0.0	0.0	(0.1)	(1.9)	(2.0)
Health Care	12.2	(11.0)	12.3	(10.9)	0.0	0.0	0.0	0.0	0.0
Consumer Discretionary	11.2	(11.4)	11.1	(11.4)	0.0	0.0	0.0	0.0	0.0
Consumer Staples	7.9	(7.0)	7.9	(1.1)	0.0	0.0	0.0	(0.5)	(0.5)
Integrated Oils	7.5	(6.6)	7.5	(6.6)	0.0	0.0	0.0	0.0	0.0
Other Energy	4.5	93.3	4.8	2.3	0.0	0.0	0.0	2.4	2.4
Materials and Processing	4.1	(4.1)	4.1	(3.1)	0.0	0.0	0.0	0.0	0.0
Producer Durables	4.9	(11.6)	4.9	(11.6)	0.0	0.0	0.0	0.0	0.0
Autos and Transportation	2.4	(5.0)	2.4	(5.5)	0.0	0.0	0.0	0.0	0.0
Financial Services	19.3	(25.5)	19.2	(25.6)	0.0	0.0	0.0	0.0	0.0
Utilities	7.5	(11.6)	7.6	(11.6)	0.0	0.0	0.0	0.0	0.0
Other	4.6	(9.8)	4.6	(9.8)	0.0	0.0	0.0	0.0	0.0
CASH	0.3	2.5	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is S&P 500 - R/M Calculated

Mercer

ATTRIBUTION DETAIL

San Jose

RhumbLine Advisers

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(5.1)	100.0	(5.1)	0.0	0.0	0.3	(0.3)	(0.1)
EQUITY	99.7	(5.1)	100.0	(5.1)	0.0	0.0	0.3	(0.3)	(0.1)
Technology	13.4	(14.8)	13.1	1.5	0.0	0.0	0.0	(2.3)	(2.3)
Health Care	12.1	(5.3)	12.3	(5.8)	0.0	0.0	0.0	0.1	0.1
Consumer Discretionary	11.5	(11.8)	11.4	(11.4)	0.0	0.0	0.0	(0.1)	(0.1)
Consumer Staples	7.6	1.6	7.6	8.3	0.0	0.0	0.0	(0.5)	(0.5)
Integrated Oils	7.1	17.2	7.0	18.8	0.0	0.0	0.1	(0.1)	0.0
Other Energy	4.2	147.7	4.3	33.7	0.0	0.0	0.0	2.5	2.5
Materials and Processing	3.9	6.8	3.8	9.3	0.0	0.0	0.0	(0.1)	(0.1)
Producer Durables	4.7	1.9	4.7	2.5	0.0	0.0	0.0	0.0	0.0
Autos and Transportation	2.4	0.5	2.4	0.7	0.0	0.0	0.0	0.0	0.0
Financial Services	20.5	(26.3)	21.0	(26.8)	0.0	0.0	0.2	0.1	0.3
Utilities	7.7	(7.6)	7.8	(7.4)	0.0	0.0	0.0	0.0	0.0
Other	4.6	7.4	4.5	7.3	0.0	0.0	0.0	0.0	0.0
CASH	0.3	136.1	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is S&P 500 - R/M Calculated

Mercer

ATTRIBUTION DETAIL

San Jose

RhumbLine Advisers

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	2.9	100.0	3.0	0.0	0.0	0.1	(0.3)	(0.1)
EQUITY	99.7	2.9	100.0	3.0	0.0	0.0	0.2	(0.3)	(0.1)
Technology	13.1	(6.4)	13.0	2.3	0.0	0.0	0.0	(1.2)	(1.2)
Health Care	12.1	0.8	12.2	0.5	0.0	0.0	0.0	0.0	0.1
Consumer Discretionary	11.8	(1.4)	11.8	(0.8)	0.0	0.0	0.0	(0.1)	(0.1)
Consumer Staples	7.6	8.9	7.6	12.5	0.0	0.0	0.0	(0.3)	(0.3)
Integrated Oils	6.7	21.2	6.6	21.2	0.0	0.0	0.0	0.0	0.0
Other Energy	3.9	59.6	3.9	18.4	0.0	0.0	0.0	1.3	1.3
Materials and Processing	3.7	13.3	3.7	13.8	0.0	0.0	0.0	0.0	0.0
Producer Durables	4.5	3.5	4.5	5.6	0.0	0.0	0.0	(0.1)	(0.1)
Autos and Transportation	2.4	2.5	2.4	2.4	0.0	0.0	0.0	0.0	0.0
Financial Services	21.6	(9.1)	21.9	(9.5)	0.0	0.0	0.1	0.1	0.2
Utilities	7.6	9.9	7.7	10.3	0.0	0.0	0.0	0.0	0.0
Other	4.7	7.1	4.6	7.0	0.0	0.0	0.0	0.0	0.0
CASH	0.3	58.0	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is S&P 500 - R/M Calculated

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		GLOBALT, Inc.		INTECH		Russell 1000 Growth Index			
Characteristics Summary									
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	73.15	100%	71.00	100%	68.75		
Characteristics	Portfolio P/E Excluding Neg. Earnings	98%	18.2	97%	18.5	97%	17.8		
	Portfolio Price/Book	100%	3.56	100%	3.97	100%	3.68		
	Price/Cash Flow	100%	13.7	100%	13.9	100%	13.3		
	Return on Equity - 5 Year Average	93%	21.9	88%	22.9	90%	22.3		
	EPS Growth - 5 Years	78%	24.5	74%	22.5	76%	22.4		
	Dividend Yield	100%	1.26	100%	1.16	100%	1.28		
	Debt/Equity	96%	0.79	98%	0.94	96%	0.85		
	Beta (vs. R3000)	97%	1.0	96%	1.0	96%	1.0		
Economic Sectors -									
# holdings/% equity	Technology	40	22.5%	48	19.7%	92	21.6%		
Based on Russell	Health Care	25	15.6%	58	19.7%	86	15.7%		
Sector Scheme	Consumer Discretionary and Services	41	16.7%	54	11.6%	148	16.3%		
	Consumer Staples	8	7.9%	20	10.0%	29	8.6%		
	Integrated Oils	1	0.6%	1	1.4%	1	1.4%		
	Other Energy	46	8.9%	29	10.9%	53	7.9%		
	Materials and Processing	25	4.1%	23	7.6%	55	5.0%		
	Producer Durables	19	7.8%	32	6.9%	59	7.1%		
	Autos and Transportation	11	2.5%	15	1.0%	32	3.4%		
	Financial Services	31	7.8%	23	3.4%	99	8.4%		
	Utilities	7	1.6%	11	2.5%	22	2.1%		
	Other	5	4.0%	8	5.2%	11	2.6%		
Account Number		1SJFPFGLBAL2		1SJFPTECH012		IX1F00004118			

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System
GLOBALT, Inc.

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	73.15	100%	84.45	100%	82.14	100%	81.45	100%	77.58
Characteristics	Portfolio P/E Excluding Neg. Earnings	98%	18.2	98%	20.4	96%	23.1	95%	23.2	97%	21.4
	Portfolio Price/Book	100%	3.56	100%	4.06	100%	4.27	100%	4.26	100%	3.90
	Price/Cash Flow	100%	13.7	100%	15.7	100%	18.0	100%	17.4	100%	16.7
	Return on Equity - 5 Year Average	93%	21.9	91%	20.8	93%	19.3	91%	19.0	92%	18.3
	EPS Growth - 5 Years	78%	24.5	76%	22.9	77%	21.8	74%	24.6	70%	24.4
	Dividend Yield	100%	1.26	100%	1.09	100%	0.92	100%	1.02	100%	1.08
	Debt/Equity	96%	0.79	95%	0.73	95%	0.61	95%	0.75	97%	0.84
	Beta (vs. R3000)	97%	1.0	98%	1.0	100%	1.2	100%	1.3	100%	1.2
Economic Sectors -											
# holdings/% equity	Technology	40	22.5%	40	23.9%	14	28.1%	16	28.4%	14	23.6%
Based on Russell	Health Care	25	15.6%	23	16.0%	11	17.0%	10	14.4%	11	15.8%
Sector Scheme	Consumer Discretionary and Services	41	16.7%	40	16.4%	13	21.7%	15	23.6%	15	23.9%
	Consumer Staples	8	7.9%	6	7.3%	3	6.1%	3	5.4%	4	7.4%
	Integrated Oils	1	0.6%	1	0.6%	0	0.0%	0	0.0%	0	0.0%
	Other Energy	46	8.9%	46	8.2%	1	1.6%	1	1.6%	2	4.2%
	Materials and Processing	25	4.1%	25	4.0%	1	2.3%	1	1.4%	1	1.4%
	Producer Durables	19	7.8%	19	7.7%	6	6.7%	6	7.2%	6	7.8%
	Autos and Transportation	11	2.5%	11	2.4%	2	2.8%	2	2.7%	1	1.1%
	Financial Services	31	7.8%	31	8.1%	5	7.1%	5	7.1%	6	8.6%
	Utilities	7	1.6%	7	1.5%	2	2.1%	2	2.6%	1	1.0%
	Other	5	4.0%	5	3.8%	2	4.6%	2	5.5%	2	5.3%
Account Number	1SJFPFGLBAL2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System INTECH

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	71.00	100%	78.02	100%	72.78	99%	50.07	100%	47.90
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	18.5	97%	21.4	97%	22.5	94%	22.4	95%	21.9
	Portfolio Price/Book	100%	3.97	100%	4.64	100%	4.91	99%	4.57	100%	4.44
	Price/Cash Flow	100%	13.9	100%	15.3	100%	15.9	99%	16.2	100%	16.3
	Return on Equity - 5 Year Average	88%	22.9	81%	21.6	79%	21.4	81%	19.6	85%	19.8
	EPS Growth - 5 Years	74%	22.5	68%	23.1	65%	20.7	69%	19.2	73%	18.1
	Dividend Yield	100%	1.16	100%	0.95	100%	0.90	100%	0.98	100%	1.10
	Debt/Equity	98%	0.94	96%	0.98	93%	0.96	90%	1.06	92%	1.10
	Beta (vs. R3000)	96%	1.0	94%	1.0	94%	1.0	94%	1.0	98%	1.0
Economic Sectors -											
# holdings/% equity	Technology	48	19.7%	38	18.8%	37	16.6%	42	10.6%	33	10.6%
Based on Russell	Health Care	58	19.7%	51	17.9%	38	14.9%	49	15.1%	55	15.4%
Sector Scheme	Consumer Discretionary and Services	54	11.6%	54	14.5%	79	21.3%	92	23.8%	85	21.3%
	Consumer Staples	20	10.0%	17	7.7%	17	8.4%	20	9.2%	21	11.5%
	Integrated Oils	1	1.4%	1	1.2%	1	1.0%	1	0.5%	1	0.5%
	Other Energy	29	10.9%	27	10.7%	26	7.6%	22	5.8%	14	1.7%
	Materials and Processing	23	7.6%	28	9.3%	32	9.8%	36	7.1%	21	5.0%
	Producer Durables	32	6.9%	27	6.0%	15	3.6%	25	4.0%	27	6.4%
	Autos and Transportation	15	1.0%	12	1.9%	7	1.7%	13	3.4%	17	4.4%
	Financial Services	23	3.4%	15	4.2%	34	7.4%	59	12.6%	66	15.5%
	Utilities	11	2.5%	11	3.4%	15	4.8%	16	5.5%	13	4.7%
	Other	8	5.2%	8	4.4%	6	2.9%	5	2.4%	6	3.0%
Account Number	1SJFPTech012										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Russell 1000 Growth Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	68.75	100%	79.67	100%	73.51	100%	67.38	100%	69.97
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	17.8	97%	20.2	97%	21.0	97%	21.1	96%	20.2
	Portfolio Price/Book	100%	3.68	100%	4.25	100%	4.44	100%	4.42	100%	4.06
	Price/Cash Flow	100%	13.3	100%	15.2	100%	15.8	100%	15.8	100%	15.4
	Return on Equity - 5 Year Average	90%	22.3	88%	21.5	89%	21.2	89%	20.6	91%	20.3
	EPS Growth - 5 Years	76%	22.4	75%	21.4	75%	22.8	74%	23.0	76%	20.8
	Dividend Yield	100%	1.28	100%	1.11	100%	1.07	100%	1.08	100%	1.17
	Debt/Equity	96%	0.85	95%	0.80	95%	0.84	94%	0.83	95%	0.93
	Beta (vs. R3000)	96%	1.0	96%	1.0	96%	1.1	96%	1.1	98%	1.1
Economic Sectors -											
# holdings/% equity	Technology	92	21.6%	91	22.7%	94	22.2%	94	21.4%	89	20.9%
Based on Russell	Health Care	86	15.7%	88	16.0%	91	15.8%	93	16.1%	95	17.7%
Sector Scheme	Consumer Discretionary and Services	148	16.3%	149	16.2%	152	17.1%	156	18.1%	152	18.9%
	Consumer Staples	29	8.6%	28	8.0%	28	7.7%	28	7.4%	24	7.0%
	Integrated Oils	1	1.4%	1	1.4%	1	1.3%	1	1.3%	1	0.3%
	Other Energy	53	7.9%	53	7.5%	52	7.1%	53	6.8%	45	3.7%
	Materials and Processing	55	5.0%	55	4.7%	56	4.4%	58	4.2%	50	4.0%
	Producer Durables	59	7.1%	59	7.0%	59	7.1%	59	6.9%	61	7.1%
	Autos and Transportation	32	3.4%	32	3.1%	32	3.2%	31	3.3%	26	3.2%
	Financial Services	99	8.4%	100	8.8%	99	8.9%	101	9.3%	103	10.3%
	Utilities	22	2.1%	22	2.0%	23	2.5%	23	2.7%	19	2.7%
	Other	11	2.6%	11	2.5%	11	2.5%	11	2.4%	12	4.1%
Account Number	IX1F00004118										

Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
MICROSOFT CORP COM	TECHNOLOGY	2.78%	3.38%	-19.96%	271.5
COCA COLA CO COM	CONSUMER STAPLES	2.67%	1.35%	-0.20%	140.6
CISCO SYS INC COM	TECHNOLOGY	2.55%	2.12%	-11.01%	146.3
HEWLETT PACKARD CO COM	TECHNOLOGY	2.44%	1.77%	-9.39%	122.2
PEPSICO INC COM	CONSUMER STAPLES	2.34%	1.71%	-4.38%	117.6
WAL MART STORES INC COM	CONSUMER DISCRETIONARY & SERVICES	2.28%	1.35%	11.33%	217.1
UNITED TECHNOLOGIES CORP COM	PRODUCER DURABLES	2.17%	0.61%	-9.68%	68.4
GENERAL ELEC CO COM	OTHER	2.16%	0.61%	0.77%	380.8
DEVON ENERGY CORP NEW COM	OTHER ENERGY	2.16%	--	17.52%	46.4
QUALCOMM INC	TECHNOLOGY	2.13%	0.99%	4.54%	68.3
Total		23.68%	13.89%		
Benchmark					
Russell 1000 Growth Index				-10.18%	68,748.5

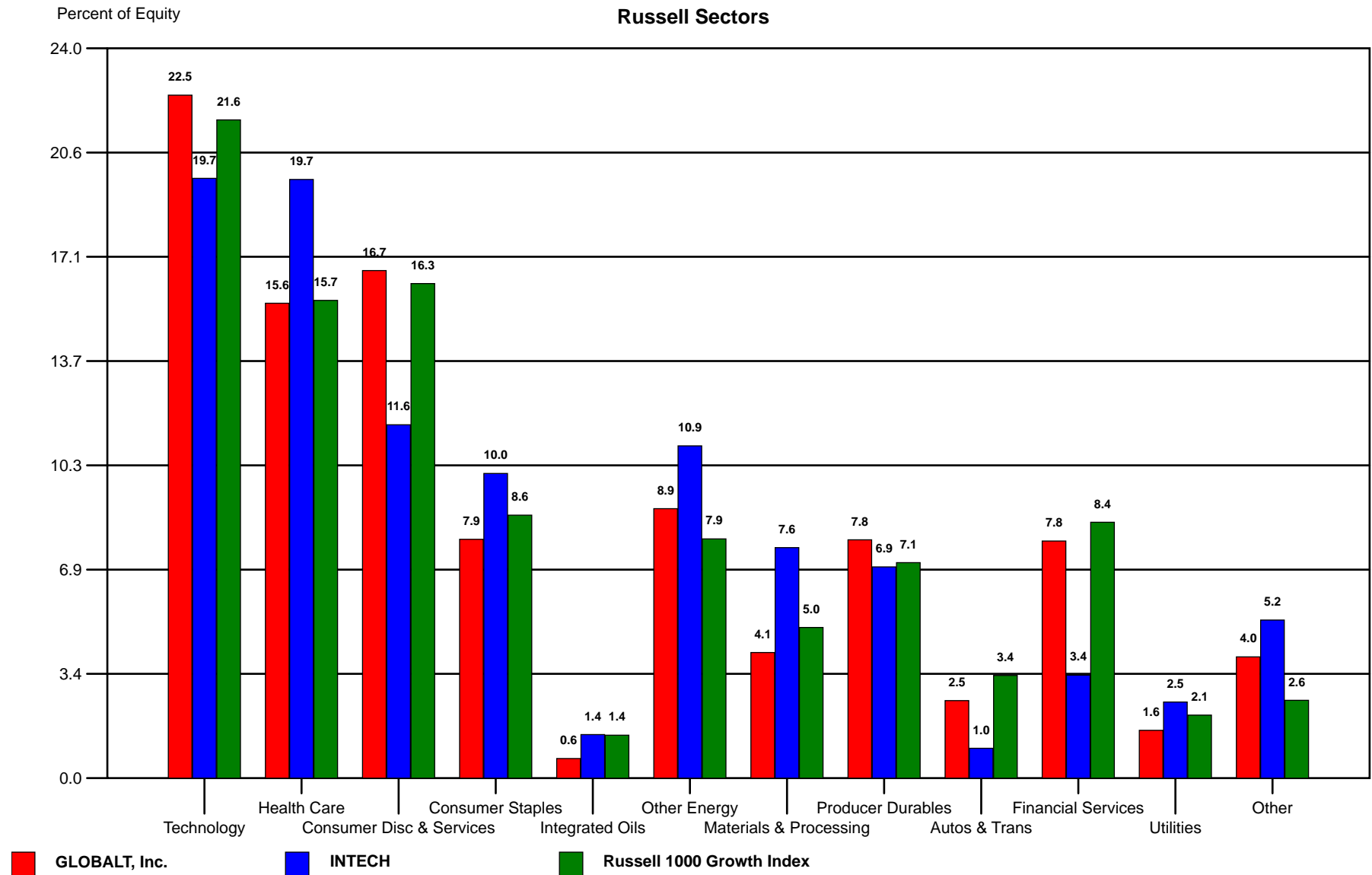
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
MICROSOFT CORP COM	TECHNOLOGY	4.12%	3.38%	-19.96%	271.5
SCHLUMBERGER LTD COM	OTHER ENERGY	3.10%	1.49%	-11.34%	102.5
MERCK & CO INC COM	HEALTH CARE	2.54%	0.99%	-34.04%	82.2
COCA COLA CO COM	CONSUMER STAPLES	2.39%	1.35%	-0.20%	140.6
CISCO SYS INC COM	TECHNOLOGY	2.15%	2.12%	-11.01%	146.3
PEPSICO INC COM	CONSUMER STAPLES	2.14%	1.71%	-4.38%	117.6
IBM CORP COM	TECHNOLOGY	2.14%	1.82%	6.89%	157.3
HEWLETT PACKARD CO COM	TECHNOLOGY	2.02%	1.77%	-9.39%	122.2
GENERAL ELEC CO COM	OTHER	1.91%	0.61%	0.77%	380.8
PROCTER & GAMBLE CO COM	CONSUMER STAPLES	1.87%	1.27%	-4.05%	220.6
Total		24.36%	16.49%		
Benchmark					
Russell 1000 Growth Index				-10.18%	68,748.5

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

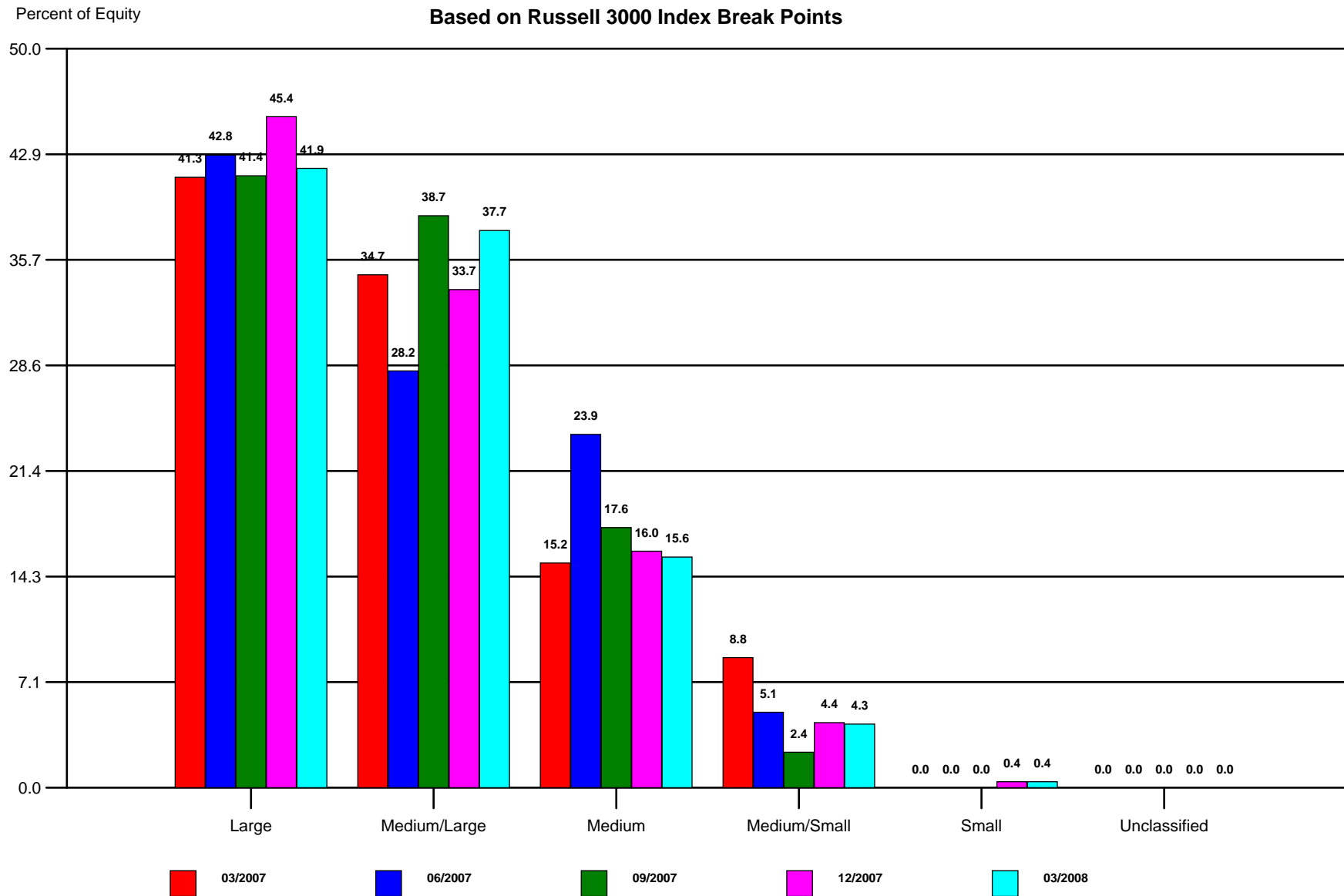
San Jose Police and Fire Retirement System



Mercer

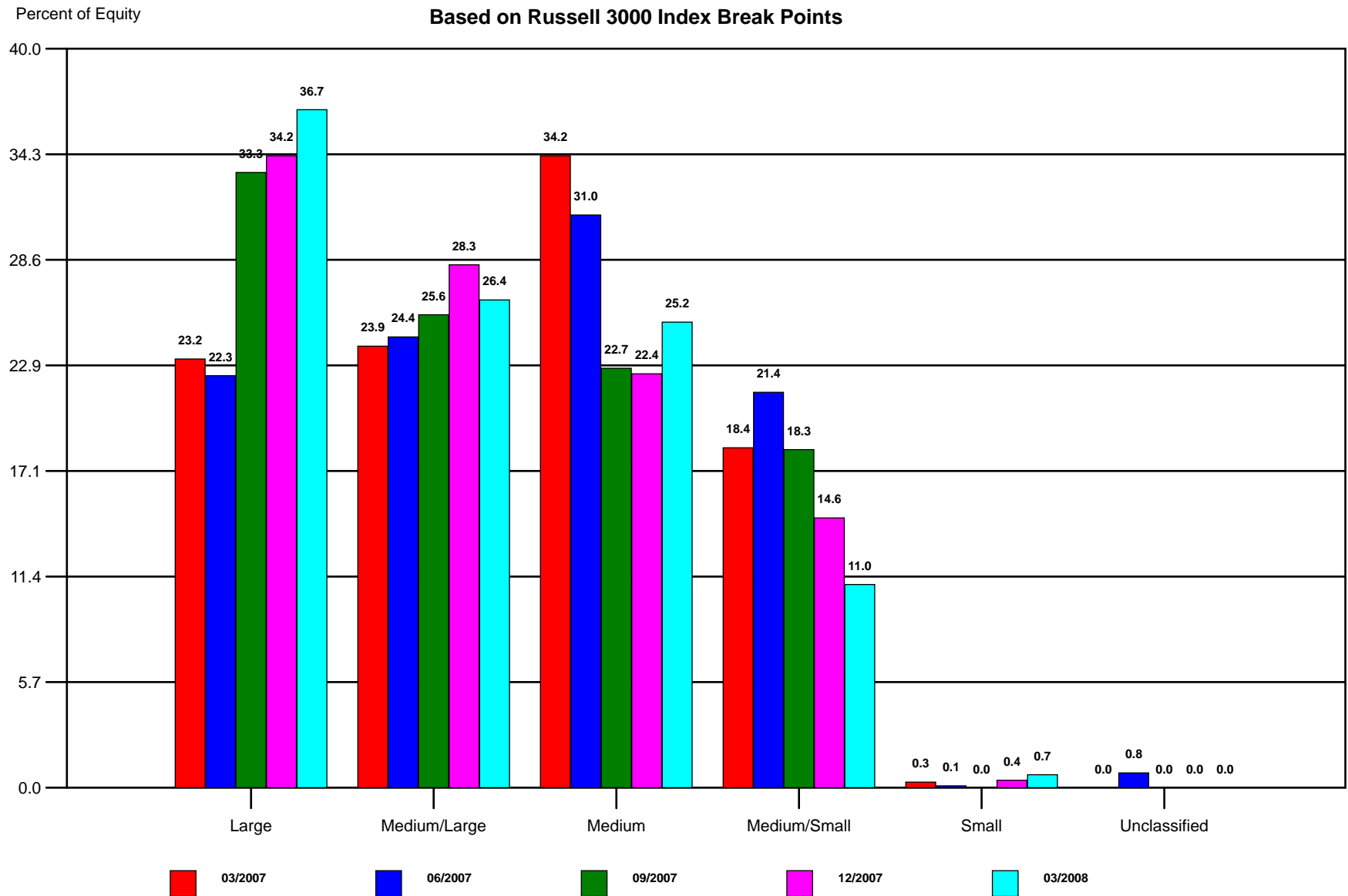
TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System
GLOBALT, Inc.



TOTAL HISTORICAL SIZE OF COMPANIES

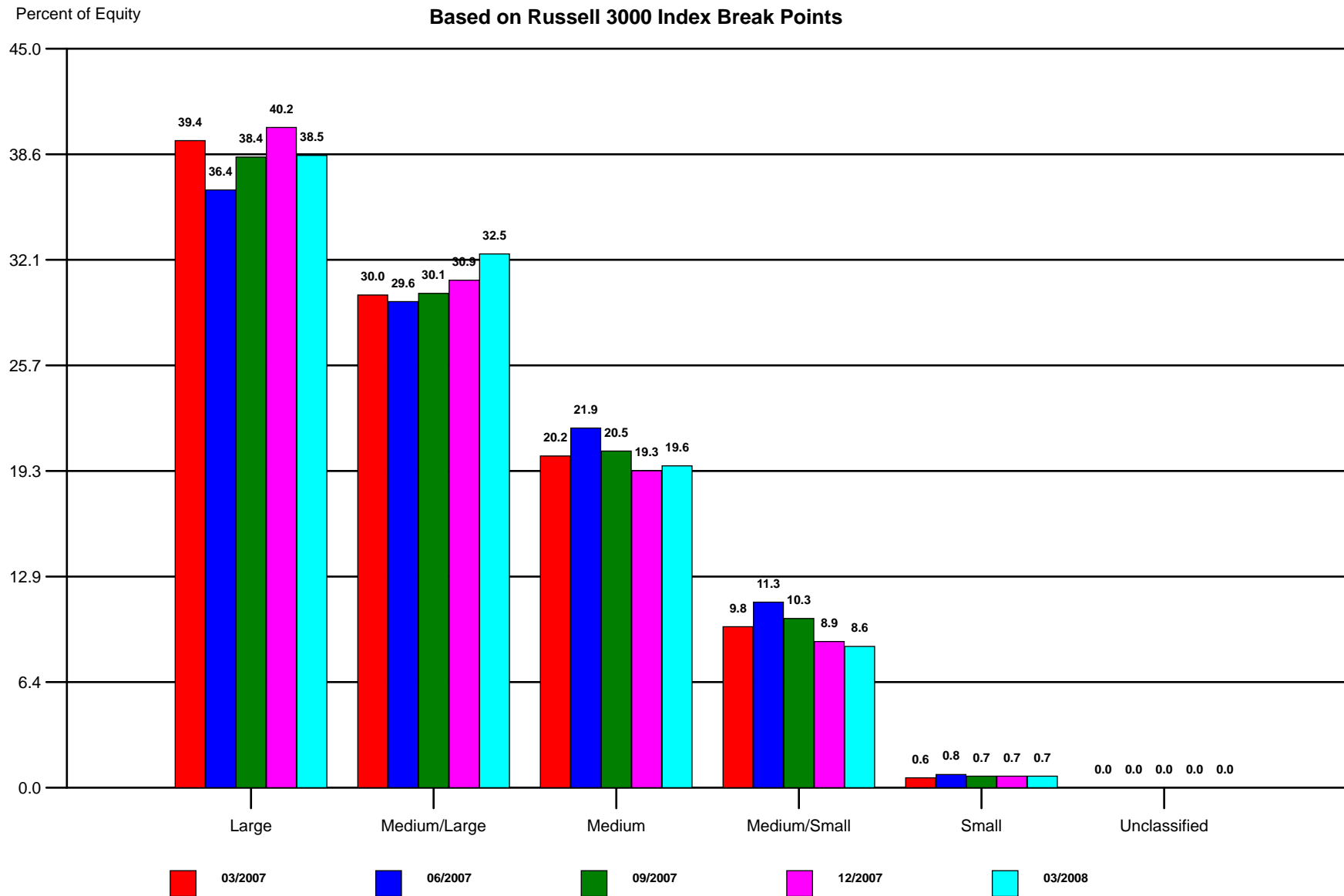
San Jose Police and Fire Retirement System INTECH



Mercer

TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System Russell 1000 Growth Index

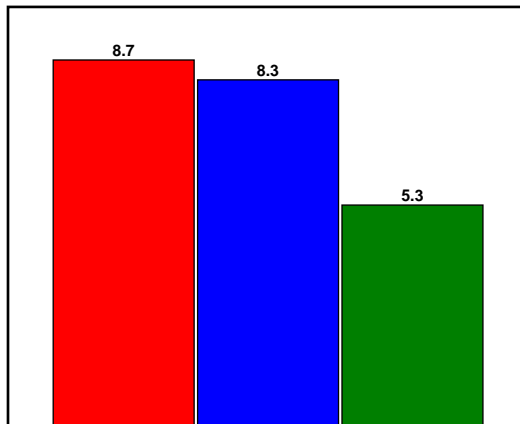


TOTAL SUMMARY PORTFOLIO CHARACTERISTICS

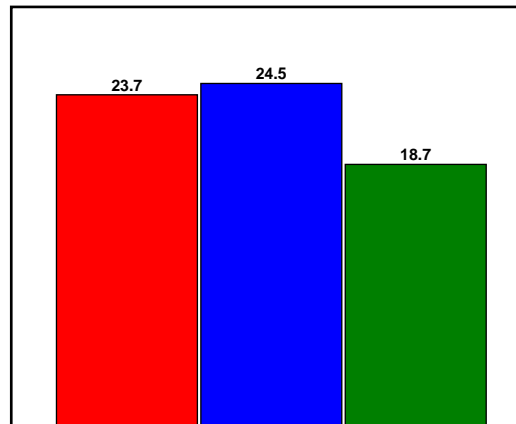
San Jose Police and Fire Retirement System

As of March 31, 2008

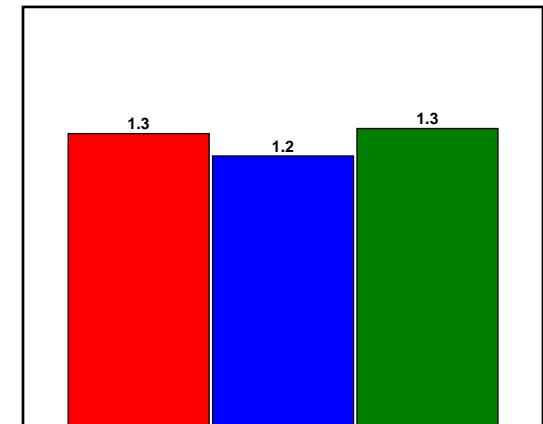
Market Cap - Mdn (USD)



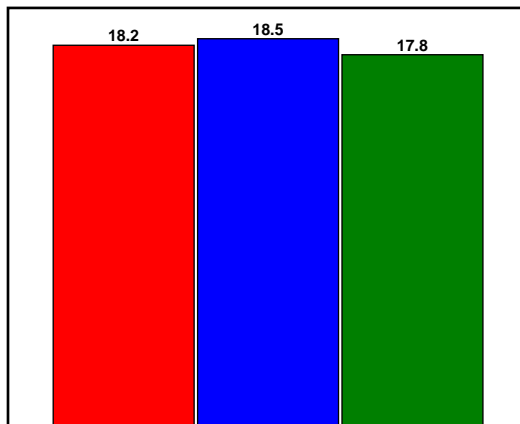
% Ten Largest Holdings



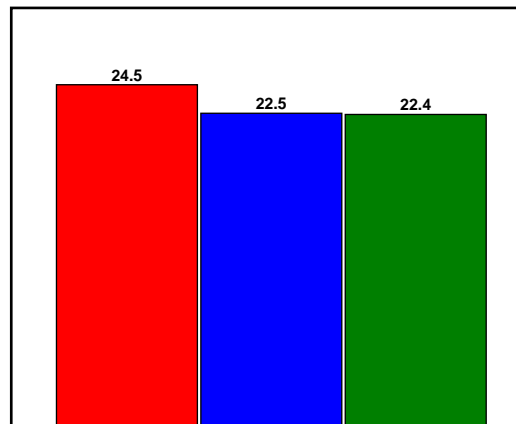
Dividend Yield



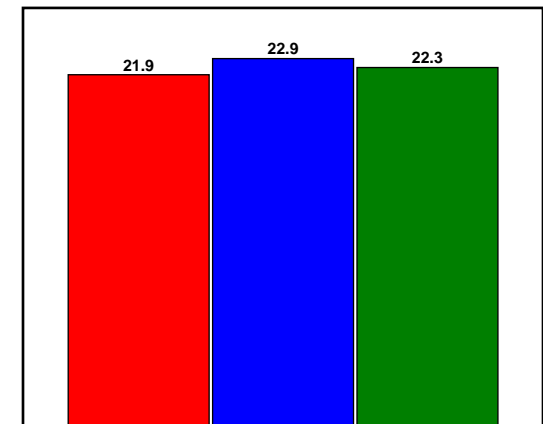
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



Return on Equity - 5 Yr Avg



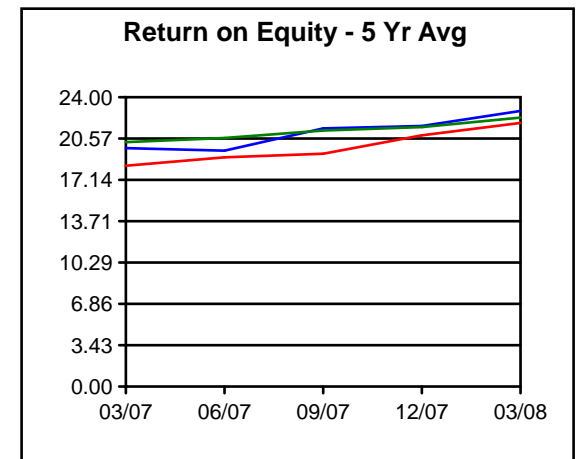
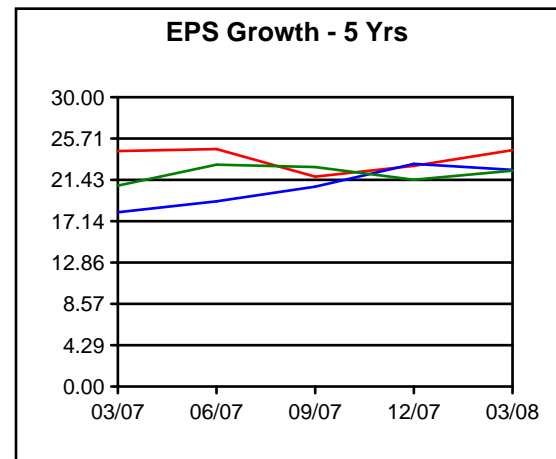
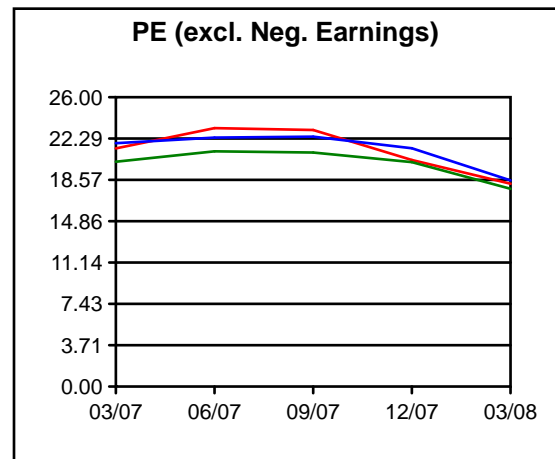
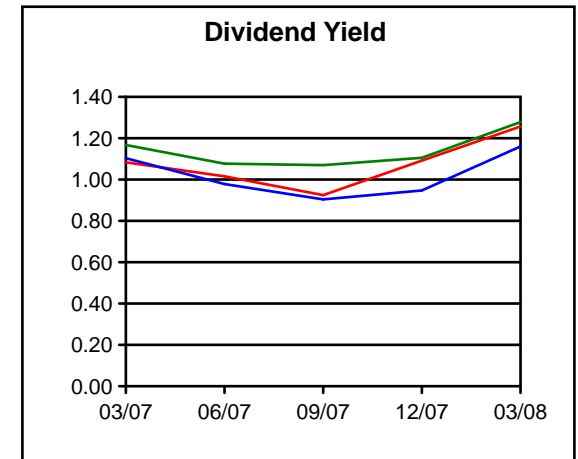
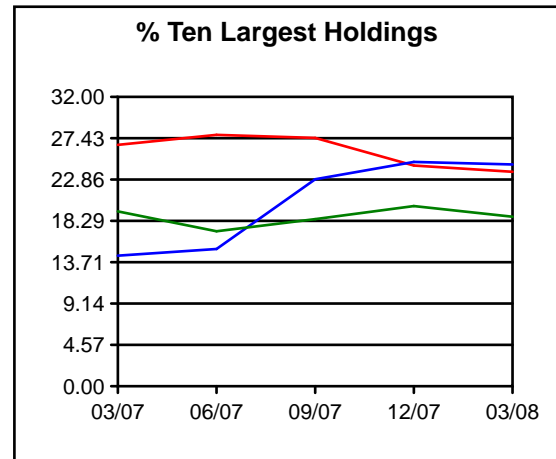
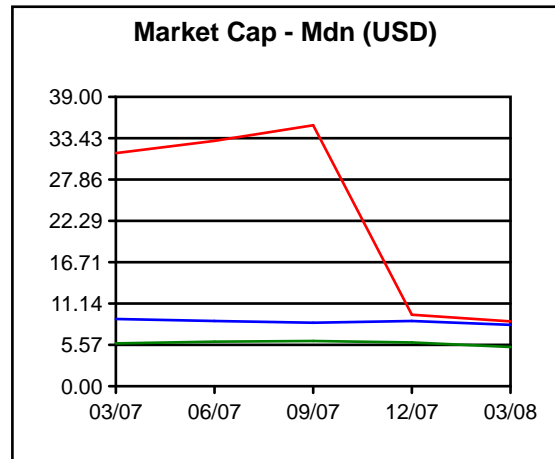
GLOBALT, Inc.

INTECH

Russell 1000 Growth Index

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— GLOBALT, Inc. — INTECH

— Russell 1000 Growth Index

ATTRIBUTION SUMMARY

San Jose

GLOBALT, Inc.

Period Ending March 31, 2008

		<u>Annualized</u>			
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>	
Portfolio Return	(9.5)	(9.0)	0.3	1.7	
Policy Return	(10.2)	(10.9)	(0.8)	3.1	
Net Management Effect	0.7	1.9	1.1	(1.4)	
Currency	0.0	0.0	0.0	0.0	
Allocation	0.0	0.2	(0.3)	(0.1)	
Selection	0.8	1.7	1.3	(1.4)	

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

GLOBALT, Inc.

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(9.5)	100.0	(10.2)	0.0	0.0	0.0	0.8	0.7
EQUITY	99.6	(9.5)	100.0	(10.2)	0.0	0.0	(0.1)	0.8	0.7
Technology	22.8	(14.6)	21.8	(14.8)	0.0	0.0	0.0	0.1	0.0
Health Care	16.2	(11.7)	16.3	(11.6)	0.0	0.0	0.0	0.0	0.0
Consumer Discretionary	16.5	(7.3)	16.4	(9.0)	0.0	0.0	0.0	0.3	0.3
Consumer Staples	7.5	(6.9)	8.2	(3.1)	0.0	0.0	0.0	(0.3)	(0.3)
Integrated Oils	0.7	(9.4)	1.4	(9.3)	0.0	0.0	0.0	0.0	0.0
Other Energy	8.3	(1.7)	7.5	(6.2)	0.0	0.0	0.0	0.3	0.4
Materials and Processing	4.0	(5.1)	4.8	(6.1)	0.0	0.0	0.0	0.0	0.0
Producer Durables	7.8	(7.0)	7.1	(9.1)	0.0	0.0	0.0	0.2	0.2
Autos and Transportation	2.5	(3.2)	3.2	(1.2)	0.0	0.0	(0.1)	0.0	(0.1)
Financial Services	8.1	(14.5)	8.7	(14.9)	0.0	0.0	0.0	0.0	0.1
Utilities	1.6	(5.6)	2.1	(9.3)	0.0	0.0	0.0	0.1	0.1
Other	3.8	(4.6)	2.5	(7.7)	0.0	0.0	0.0	0.1	0.2
CASH	0.4	0.9	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

GLOBALT, Inc.

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(9.0)	100.0	(10.9)	0.0	0.0	0.2	1.7	1.9
EQUITY	99.3	(9.0)	100.0	(10.9)	0.0	0.0	0.1	1.7	1.8
Technology	23.9	(15.1)	22.2	(14.1)	0.0	0.0	0.1	(0.3)	(0.1)
Health Care	16.3	(10.0)	16.1	(11.3)	0.0	0.0	0.0	0.2	0.2
Consumer Discretionary	17.5	(6.2)	16.6	(13.2)	0.0	0.0	0.0	1.3	1.3
Consumer Staples	7.1	(4.0)	8.0	(1.1)	0.0	0.0	(0.1)	(0.2)	(0.3)
Integrated Oils	0.5	---	1.4	(7.9)	0.0	0.0	0.0	0.0	0.0
Other Energy	6.9	11.7	7.3	(1.9)	0.0	0.0	0.1	0.4	0.6
Materials and Processing	3.7	(5.1)	4.7	(1.6)	0.0	0.0	(0.1)	0.0	(0.1)
Producer Durables	7.4	(9.3)	7.0	(13.2)	0.0	0.0	0.0	0.3	0.3
Autos and Transportation	2.5	(7.3)	3.2	(6.2)	0.0	0.0	0.0	0.0	(0.1)
Financial Services	8.0	(13.7)	8.9	(16.7)	0.0	0.0	0.0	0.3	0.3
Utilities	1.7	(31.9)	2.1	(16.2)	0.0	0.0	0.0	(0.3)	(0.3)
Other	3.9	(8.5)	2.5	(11.1)	0.0	0.0	0.0	0.1	0.1
CASH	0.7	2.1	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

GLOBALT, Inc.

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	0.3	100.0	(0.8)	0.0	0.0	(0.3)	1.3	1.1
EQUITY	98.7	0.4	100.0	(0.8)	0.0	0.0	(0.2)	1.3	1.2
Technology	25.3	(2.6)	21.9	3.4	0.0	0.0	0.6	(1.5)	(1.0)
Health Care	15.6	(7.2)	16.5	(5.0)	0.0	0.0	0.1	(0.3)	(0.2)
Consumer Discretionary	20.2	(0.1)	17.4	(11.8)	0.0	0.0	(0.4)	2.5	2.1
Consumer Staples	6.6	8.6	7.5	9.7	0.0	0.0	(0.1)	(0.1)	(0.3)
Integrated Oils	0.2	---	1.1	16.5	0.0	0.0	(0.1)	0.0	(0.1)
Other Energy	4.5	33.7	6.4	20.4	0.0	0.0	(0.1)	0.3	0.2
Materials and Processing	2.7	24.4	4.4	20.7	0.0	0.0	(0.3)	0.1	(0.3)
Producer Durables	7.2	9.5	7.1	1.0	0.0	0.0	0.0	0.6	0.6
Autos and Transportation	2.3	0.5	3.2	(4.0)	0.0	0.0	0.0	0.2	0.2
Financial Services	8.0	(10.7)	9.3	(12.3)	0.0	0.0	0.1	0.2	0.3
Utilities	1.7	(43.9)	2.4	(14.7)	0.0	0.0	0.0	(0.7)	(0.7)
Other	4.5	10.9	2.9	7.6	0.0	0.0	0.1	0.1	0.2
CASH	1.3	5.0	---	---	0.0	0.0	(0.1)	0.0	(0.1)

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

GLOBALT, Inc.

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	1.7	100.0	3.1	0.0	0.0	(0.1)	(1.4)	(1.4)
EQUITY	98.3	1.7	100.0	3.1	0.0	0.0	0.0	(1.4)	(1.3)
Technology	24.2	(0.1)	21.5	2.9	0.0	0.0	0.3	(0.8)	(0.5)
Health Care	16.1	(8.1)	17.2	0.2	0.0	0.0	0.0	(1.6)	(1.5)
Consumer Discretionary	19.3	4.1	18.0	(2.8)	0.0	0.0	(0.2)	1.5	1.4
Consumer Staples	7.3	8.3	7.7	11.4	0.0	0.0	0.0	(0.3)	(0.3)
Integrated Oils	0.1	---	0.7	27.8	0.0	0.0	(0.1)	0.0	(0.1)
Other Energy	4.6	15.7	5.0	11.1	0.0	0.0	0.1	0.1	0.2
Materials and Processing	2.2	16.5	3.9	19.4	0.0	0.0	(0.3)	0.0	(0.3)
Producer Durables	7.5	9.6	7.1	4.3	0.0	0.0	0.0	0.4	0.3
Autos and Transportation	1.5	---	3.2	(0.4)	0.0	0.0	0.1	0.0	0.0
Financial Services	8.6	(3.2)	9.6	(1.7)	0.0	0.0	0.1	(0.2)	(0.1)
Utilities	1.7	(23.2)	2.4	7.1	0.0	0.0	0.0	(0.6)	(0.6)
Other	5.0	7.8	3.7	5.7	0.0	0.0	0.1	0.1	0.1
CASH	1.7	5.2	---	---	0.0	0.0	(0.1)	0.0	(0.1)

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION SUMMARY

San Jose

INTECH

Period Ending March 31, 2008

		<u>Annualized</u>		
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(12.7)	(11.4)	(4.2)	0.6
Policy Return	(10.2)	(10.9)	(0.8)	3.1
Net Management Effect	(2.5)	(0.5)	(3.4)	(2.5)
Currency	0.0	0.0	0.0	0.0
Allocation	0.8	1.2	(0.2)	0.4
Selection	(3.3)	(1.8)	(3.2)	(2.9)

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

INTECH

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(12.7)	100.0	(10.2)	0.0	0.0	0.8	(3.3)	(2.5)
EQUITY	99.3	(12.8)	100.0	(10.2)	0.0	0.0	0.7	(3.3)	(2.6)
Technology	19.3	(14.0)	21.8	(14.8)	0.0	0.0	0.2	0.2	0.3
Health Care	19.0	(14.6)	16.3	(11.6)	0.0	0.0	(0.1)	(0.6)	(0.7)
Consumer Discretionary	12.6	(22.9)	16.4	(9.0)	0.0	0.0	0.0	(1.8)	(1.8)
Consumer Staples	8.4	(3.0)	8.2	(3.1)	0.0	0.0	0.0	0.0	0.0
Integrated Oils	1.3	(9.3)	1.4	(9.3)	0.0	0.0	0.0	0.0	0.0
Other Energy	11.0	(10.2)	7.5	(6.2)	0.0	0.0	0.2	(0.5)	(0.2)
Materials and Processing	8.6	(9.6)	4.8	(6.1)	0.0	0.0	0.2	(0.3)	(0.1)
Producer Durables	6.7	(9.3)	7.1	(9.1)	0.0	0.0	0.0	0.0	0.0
Autos and Transportation	1.4	(12.2)	3.2	(1.2)	0.0	0.0	(0.1)	(0.2)	(0.3)
Financial Services	3.4	(17.8)	8.7	(14.9)	0.0	0.0	0.3	(0.1)	0.1
Utilities	2.9	(11.0)	2.1	(9.3)	0.0	0.0	0.0	(0.1)	0.0
Other	4.8	(7.3)	2.5	(7.7)	0.0	0.0	0.1	0.0	0.1
CASH	0.7	1.0	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

INTECH

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(11.4)	100.0	(10.9)	0.0	0.0	1.2	(1.8)	(0.5)
EQUITY	99.1	(11.5)	100.0	(10.9)	0.0	0.0	1.1	(1.8)	(0.6)
Technology	18.6	0.1	22.2	(14.1)	0.0	0.0	0.1	2.5	2.6
Health Care	17.8	(20.9)	16.1	(11.3)	0.0	0.0	(0.1)	(1.6)	(1.7)
Consumer Discretionary	15.0	(28.1)	16.6	(13.2)	0.0	0.0	0.0	(2.2)	(2.1)
Consumer Staples	8.0	0.7	8.0	(1.1)	0.0	0.0	0.0	0.1	0.1
Integrated Oils	1.2	(7.6)	1.4	(7.9)	0.0	0.0	0.0	0.0	0.0
Other Energy	10.2	(8.7)	7.3	(1.9)	0.0	0.0	0.4	(0.7)	(0.3)
Materials and Processing	9.0	(8.6)	4.7	(1.6)	0.0	0.0	0.4	(0.6)	(0.2)
Producer Durables	5.5	(10.8)	7.0	(13.2)	0.0	0.0	0.1	0.1	0.2
Autos and Transportation	1.7	(16.0)	3.2	(6.2)	0.0	0.0	(0.1)	(0.1)	(0.2)
Financial Services	4.5	(6.6)	8.9	(16.7)	0.0	0.0	0.3	0.6	0.9
Utilities	3.3	(14.1)	2.1	(16.2)	0.0	0.0	(0.1)	0.1	0.0
Other	4.2	(8.7)	2.5	(11.1)	0.0	0.0	0.1	0.1	0.1
CASH	0.9	2.6	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

INTECH

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(4.2)	100.0	(0.8)	0.0	0.0	(0.2)	(3.2)	(3.4)
EQUITY	99.2	(4.3)	100.0	(0.8)	0.0	0.0	(0.3)	(3.2)	(3.5)
Technology	15.2	11.8	21.9	3.4	0.0	0.0	(0.7)	1.9	1.2
Health Care	16.5	(11.9)	16.5	(5.0)	0.0	0.0	(0.1)	(1.3)	(1.3)
Consumer Discretionary	18.8	(25.7)	17.4	(11.8)	0.0	0.0	(0.3)	(2.1)	(2.4)
Consumer Staples	8.8	9.5	7.5	9.7	0.0	0.0	(0.1)	(0.1)	(0.2)
Integrated Oils	0.9	12.3	1.1	16.5	0.0	0.0	0.0	0.0	(0.1)
Other Energy	7.3	10.0	6.4	20.4	0.0	0.0	0.3	(0.9)	(0.6)
Materials and Processing	8.2	2.7	4.4	20.7	0.0	0.0	0.8	(1.3)	(0.5)
Producer Durables	5.0	4.0	7.1	1.0	0.0	0.0	0.0	0.1	0.1
Autos and Transportation	2.4	(16.0)	3.2	(4.0)	0.0	0.0	0.0	(0.3)	(0.3)
Financial Services	8.3	(4.5)	9.3	(12.3)	0.0	0.0	0.2	0.2	0.4
Utilities	4.3	(8.8)	2.4	(14.7)	0.0	0.0	(0.3)	0.3	0.0
Other	3.4	11.1	2.9	7.6	0.0	0.0	0.0	0.1	0.1
CASH	0.8	5.5	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

INTECH

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	0.6	100.0	3.1	0.0	0.0	0.4	(2.9)	(2.5)
EQUITY	99.3	0.5	100.0	3.1	0.0	0.0	0.4	(2.9)	(2.6)
Technology	12.4	5.7	21.5	2.9	0.0	0.0	(0.1)	0.9	0.8
Health Care	18.3	(4.2)	17.2	0.2	0.0	0.0	(0.1)	(1.0)	(1.0)
Consumer Discretionary	18.0	(13.2)	18.0	(2.8)	0.0	0.0	(0.1)	(1.5)	(1.6)
Consumer Staples	8.9	10.4	7.7	11.4	0.0	0.0	(0.1)	(0.1)	(0.2)
Integrated Oils	0.6	---	0.7	27.8	0.0	0.0	0.0	0.0	0.0
Other Energy	5.0	8.5	5.0	11.1	0.0	0.0	0.4	(0.4)	0.0
Materials and Processing	5.6	9.3	3.9	19.4	0.0	0.0	0.5	(0.7)	(0.2)
Producer Durables	6.3	5.6	7.1	4.3	0.0	0.0	(0.1)	0.0	0.0
Autos and Transportation	3.9	(9.2)	3.2	(0.4)	0.0	0.0	(0.1)	(0.2)	(0.3)
Financial Services	13.6	1.6	9.6	(1.7)	0.0	0.0	0.3	(0.1)	0.2
Utilities	3.4	9.0	2.4	7.1	0.0	0.0	(0.1)	0.1	0.0
Other	3.5	7.8	3.7	5.7	0.0	0.0	0.0	0.1	0.1
CASH	0.7	5.8	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is Russell 1000 Growth

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		New Amsterdam Partners		S&P 500 Index - Total Return				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	41.39	100%	98.40			
Characteristics	Portfolio P/E Excluding Neg. Earnings	100%	16.9	96%	15.6			
	Portfolio Price/Book	100%	3.17	100%	2.48			
	Price/Cash Flow	100%	11.9	99%	11.0			
	Return on Equity - 5 Year Average	97%	25.6	94%	20.6			
	EPS Growth - 5 Years	94%	28.2	84%	20.0			
	Dividend Yield	100%	1.13	100%	2.18			
	Debt/Equity	95%	0.76	94%	1.18			
	Beta (vs. R3000)	100%	1.0	97%	0.9			
	Economic Sectors -							
# holdings/% equity	Technology	7	17.6%	56	13.3%			
Based on Russell	Health Care	7	15.8%	48	12.0%			
Sector Scheme	Consumer Discretionary and Services	6	11.6%	88	11.1%			
	Consumer Staples	4	9.0%	33	8.6%			
	Integrated Oils	2	4.5%	7	7.7%			
	Other Energy	3	8.2%	29	5.5%			
	Materials and Processing	3	6.5%	35	4.3%			
	Producer Durables	5	10.2%	37	5.0%			
	Autos and Transportation	0	0.0%	15	2.6%			
	Financial Services	4	6.9%	102	17.6%			
	Utilities	2	4.7%	40	7.5%			
	Other	2	5.0%	10	4.8%			
	Account Number	1SJFPFNEWAM2		IX1F00079488				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System New Amsterdam Partners

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	41.39	100%	48.35	100%	49.13	100%	46.36	100%	46.42
Characteristics	Portfolio P/E Excluding Neg. Earnings	100%	16.9	100%	18.6	100%	17.0	100%	16.4	97%	16.1
	Portfolio Price/Book	100%	3.17	99%	3.64	100%	3.26	100%	3.10	100%	3.00
	Price/Cash Flow	100%	11.9	100%	13.2	100%	12.4	100%	12.1	100%	11.8
	Return on Equity - 5 Year Average	97%	25.6	100%	25.5	100%	24.5	100%	23.8	100%	24.2
	EPS Growth - 5 Years	94%	28.2	93%	30.0	91%	28.9	92%	25.5	96%	23.6
	Dividend Yield	100%	1.13	100%	1.03	100%	1.02	100%	1.11	100%	1.32
	Debt/Equity	95%	0.76	96%	0.68	95%	0.68	94%	0.83	98%	0.94
	Beta (vs. R3000)	100%	1.0	100%	1.0	100%	1.0	100%	1.0	100%	0.9
Economic Sectors -											
# holdings/% equity	Technology	7	17.6%	7	16.2%	6	14.1%	5	10.2%	4	8.1%
Based on Russell	Health Care	7	15.8%	7	15.9%	5	11.8%	6	13.2%	6	13.7%
Sector Scheme	Consumer Discretionary and Services	6	11.6%	5	12.1%	7	16.0%	7	13.7%	8	16.2%
	Consumer Staples	4	9.0%	3	6.1%	2	4.7%	4	9.1%	3	7.7%
	Integrated Oils	2	4.5%	2	4.9%	2	4.6%	1	0.8%	0	0.0%
	Other Energy	3	8.2%	3	8.0%	3	7.6%	3	10.2%	3	10.3%
	Materials and Processing	3	6.5%	4	9.1%	4	9.3%	3	6.7%	2	5.2%
	Producer Durables	5	10.2%	5	10.6%	4	7.2%	1	2.5%	1	2.5%
	Autos and Transportation	0	0.0%	0	0.0%	0	0.0%	2	2.8%	2	4.0%
	Financial Services	4	6.9%	5	7.3%	6	13.0%	7	17.5%	8	19.0%
	Utilities	2	4.7%	2	4.6%	3	6.2%	3	5.9%	3	6.5%
	Other	2	5.0%	2	5.3%	2	5.4%	3	7.2%	3	6.7%
Account Number	1SJFPFNEWAM2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System S&P 500 Index - Total Return

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	98.40	100%	109.45	100%	110.52	100%	103.08	100%	99.26
Characteristics	Portfolio P/E Excluding Neg. Earnings	96%	15.6	97%	16.5	97%	16.8	97%	16.8	97%	16.3
	Portfolio Price/Book	100%	2.48	100%	2.77	100%	2.92	100%	2.93	100%	2.83
	Price/Cash Flow	99%	11.0	100%	11.8	100%	12.2	100%	12.2	99%	12.0
	Return on Equity - 5 Year Average	94%	20.6	94%	20.4	95%	19.9	95%	19.4	96%	19.2
	EPS Growth - 5 Years	84%	20.0	84%	21.0	84%	21.8	83%	20.9	82%	19.8
	Dividend Yield	100%	2.18	100%	1.97	100%	1.85	100%	1.82	100%	1.87
	Debt/Equity	94%	1.18	91%	1.08	91%	1.15	92%	1.23	92%	1.22
	Beta (vs. R3000)	97%	0.9	98%	0.9	98%	0.9	98%	1.0	98%	1.0
Economic Sectors -											
# holdings/% equity	Technology	56	13.3%	56	14.1%	58	13.7%	59	13.0%	59	12.5%
Based on Russell	Health Care	48	12.0%	48	12.2%	50	11.8%	50	11.9%	51	12.1%
Sector Scheme	Consumer Discretionary and Services	88	11.1%	90	11.0%	89	11.2%	90	11.9%	91	12.3%
	Consumer Staples	33	8.6%	32	8.0%	32	7.6%	32	7.3%	31	7.4%
	Integrated Oils	7	7.7%	7	7.8%	7	7.3%	7	6.7%	7	6.3%
	Other Energy	29	5.5%	28	5.0%	26	4.3%	25	4.0%	25	3.6%
	Materials and Processing	35	4.3%	35	4.1%	34	3.8%	34	3.7%	34	3.6%
	Producer Durables	37	5.0%	37	4.9%	36	4.8%	36	4.6%	35	4.3%
	Autos and Transportation	15	2.6%	15	2.3%	14	2.3%	14	2.4%	14	2.4%
	Financial Services	102	17.6%	102	18.4%	103	20.6%	101	21.8%	100	22.6%
	Utilities	40	7.5%	40	7.6%	41	7.8%	42	8.0%	43	8.3%
	Other	10	4.8%	10	4.5%	10	4.7%	10	4.8%	10	4.6%
Account Number	IX1F00079488										

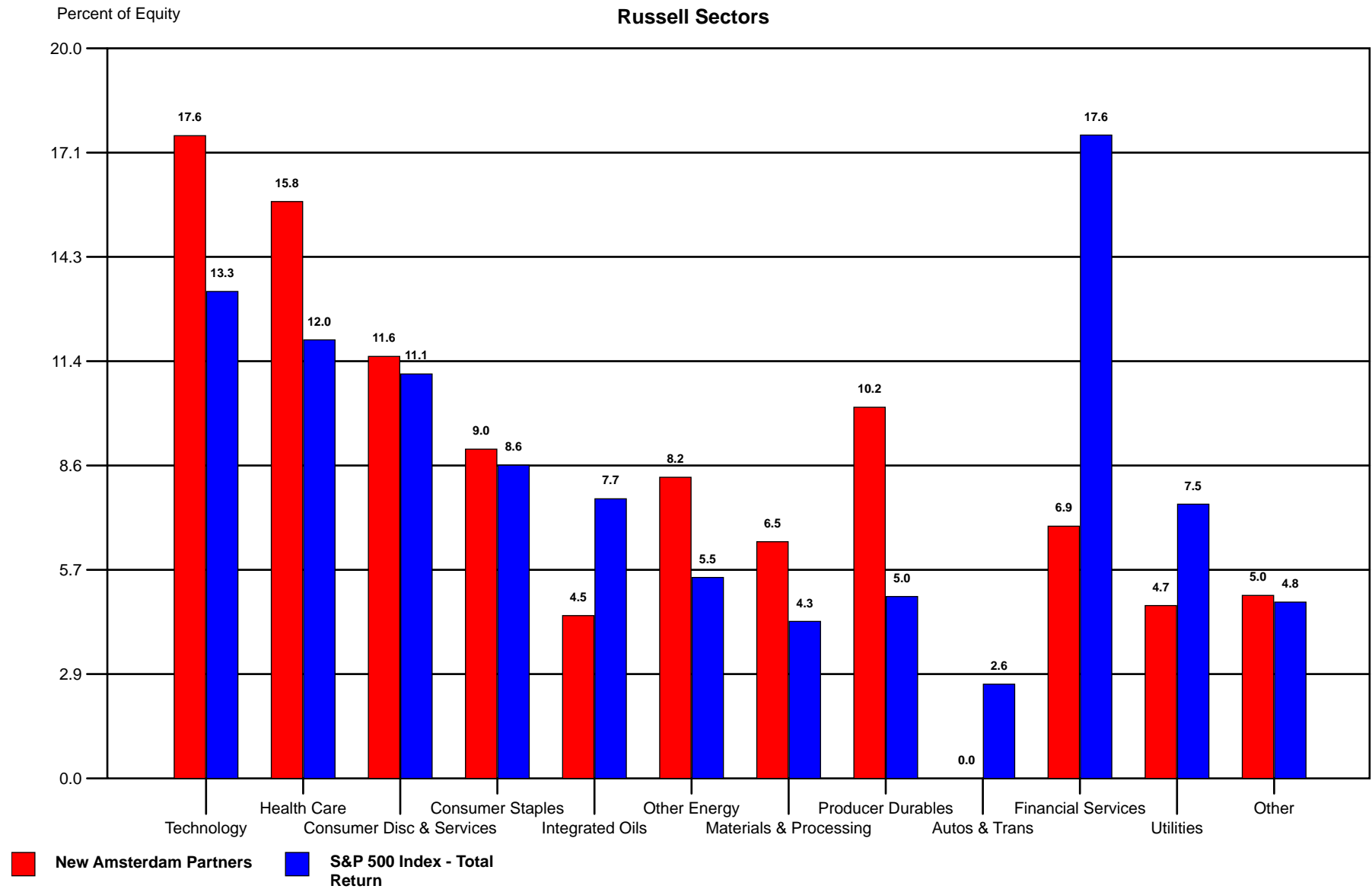
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
XTO ENERGY INC COM	OTHER ENERGY	3.81%	0.27%	20.68%	29.9
THERMO FISHER SCIENTIFIC	HEALTH CARE	3.17%	0.21%	-1.46%	24.0
HEWLETT PACKARD CO COM	TECHNOLOGY	3.05%	0.98%	-9.39%	122.2
NIKE INC CL B COM	CONSUMER DISCRETIONARY & SERVICES	2.97%	0.23%	6.21%	34.4
NUCOR CORP	MATERIALS & PROCESSING	2.84%	0.17%	15.27%	20.4
ADOBE SYS INC DEL COM	TECHNOLOGY	2.63%	0.18%	-16.71%	20.9
COLGATE PALMOLIVE CO	CONSUMER STAPLES	2.62%	0.35%	0.41%	39.9
ORACLE CORPORATION COM	TECHNOLOGY	2.62%	0.67%	-13.37%	100.6
CME GROUP INC COM	FINANCIAL SERVICES	2.60%	0.22%	-31.45%	25.7
PEPSICO INC COM	CONSUMER STAPLES	2.57%	1.01%	-4.38%	117.6
Total		28.86%	4.27%		
Benchmark					
S&P 500 Index - Total Return				-9.44%	98,397.6

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

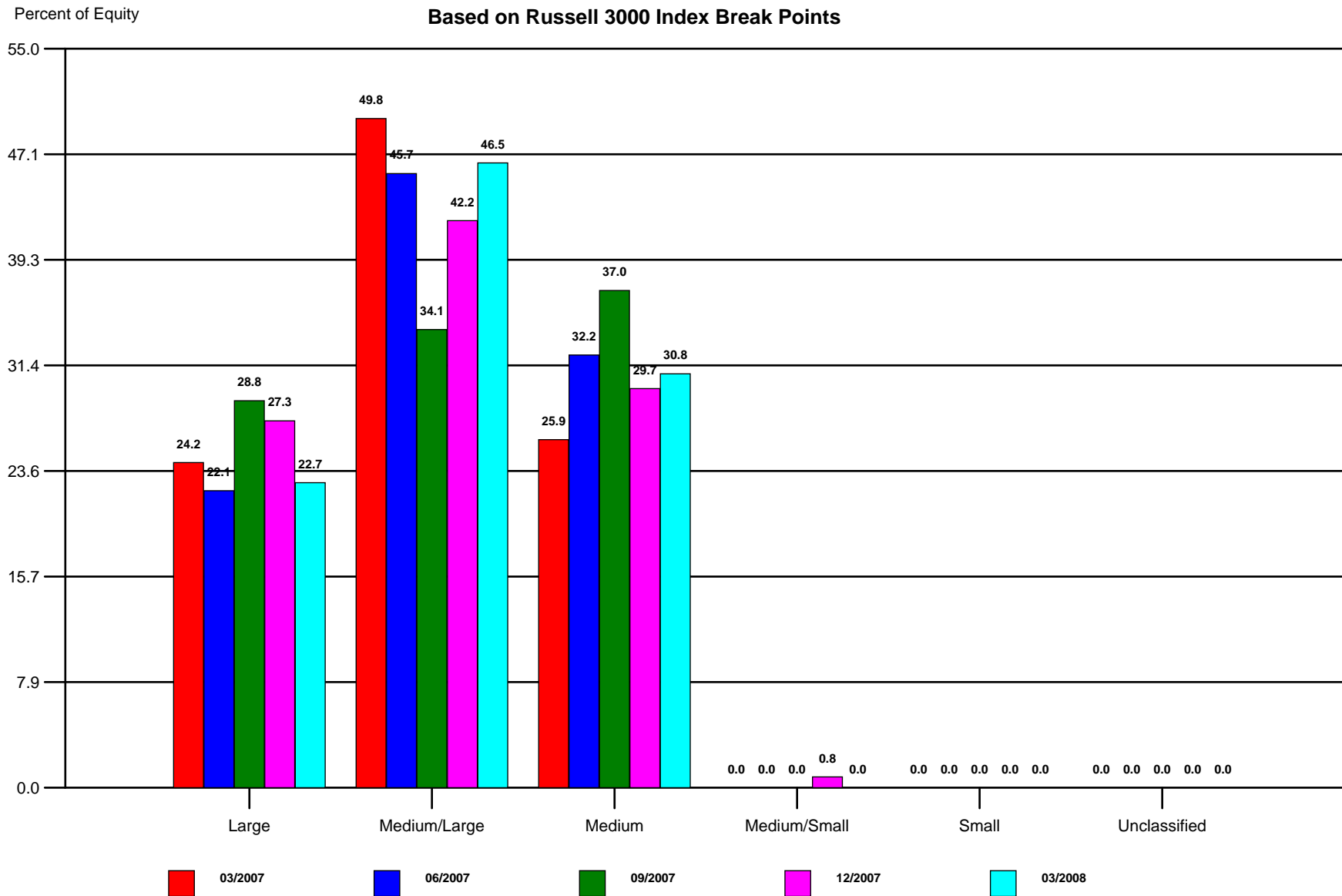
San Jose Police and Fire Retirement System



Mercer

TOTAL HISTORICAL SIZE OF COMPANIES

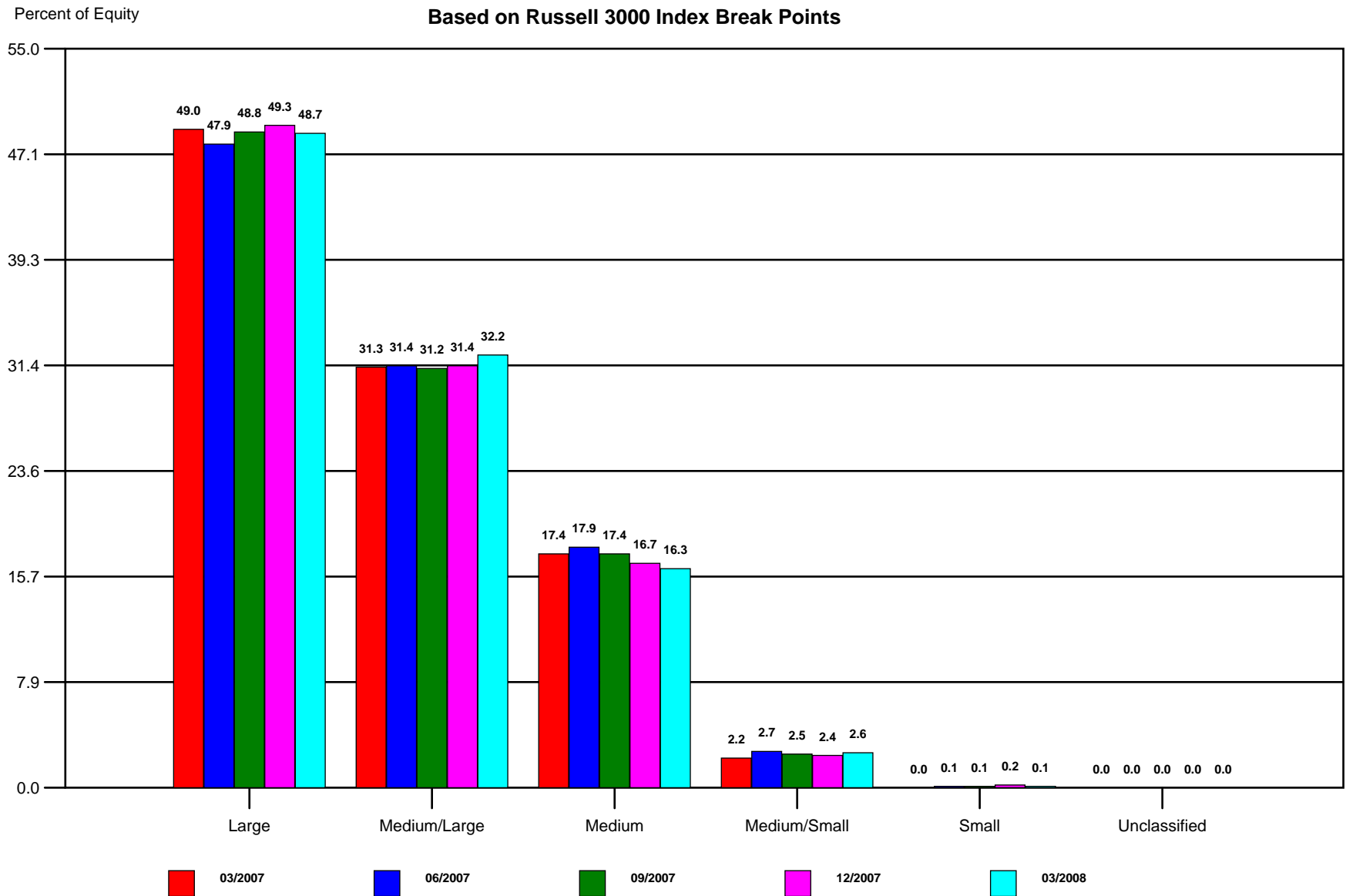
San Jose Police and Fire Retirement System New Amsterdam Partners



TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System

S&P 500 Index - Total Return



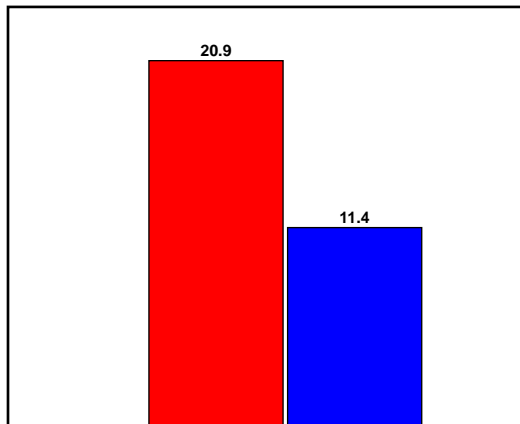
Mercer

TOTAL SUMMARY PORTFOLIO CHARACTERISTICS

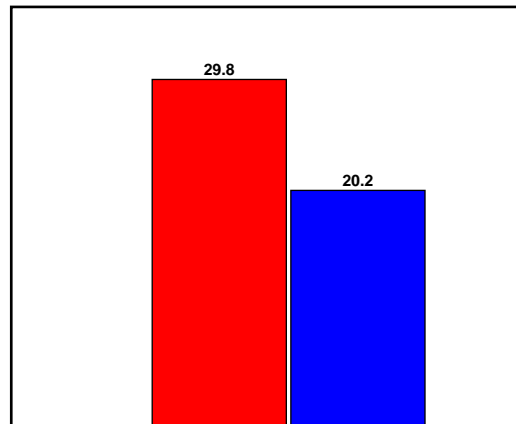
San Jose Police and Fire Retirement System

As of March 31, 2008

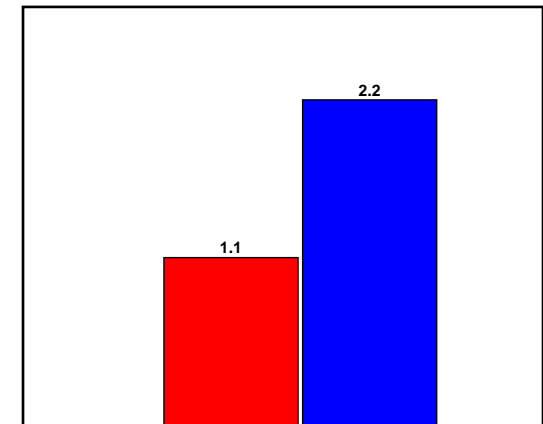
Market Cap - Mdn (USD)



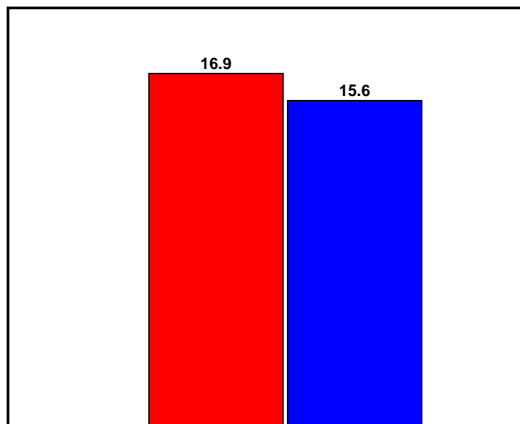
% Ten Largest Holdings



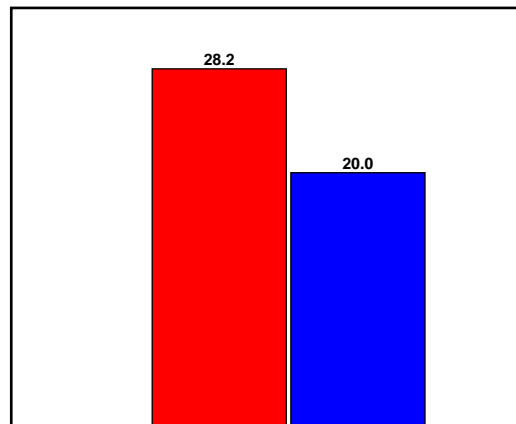
Dividend Yield



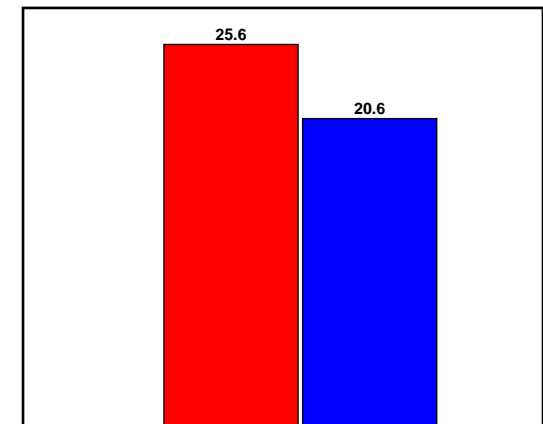
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



Return on Equity - 5 Yr Avg

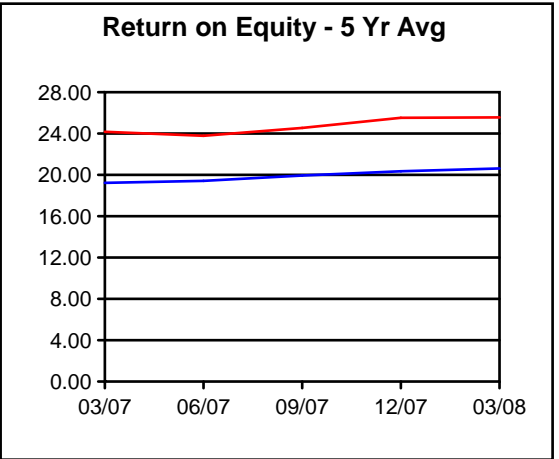
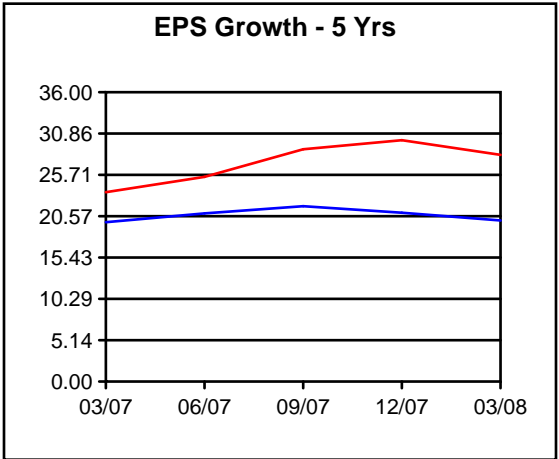
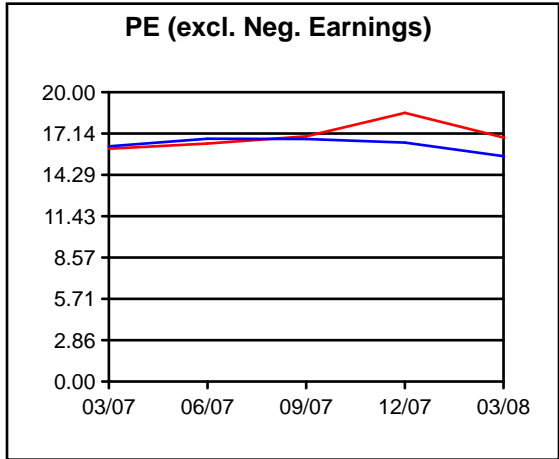
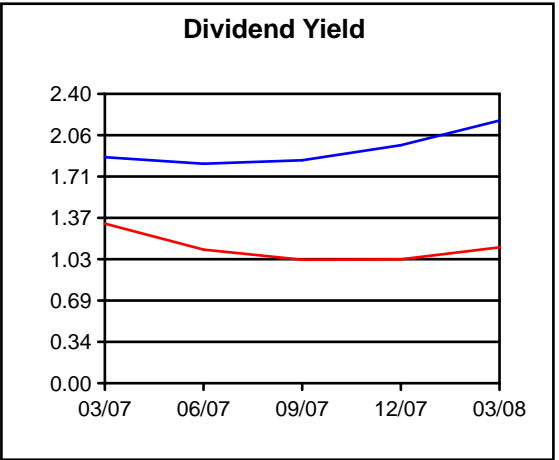
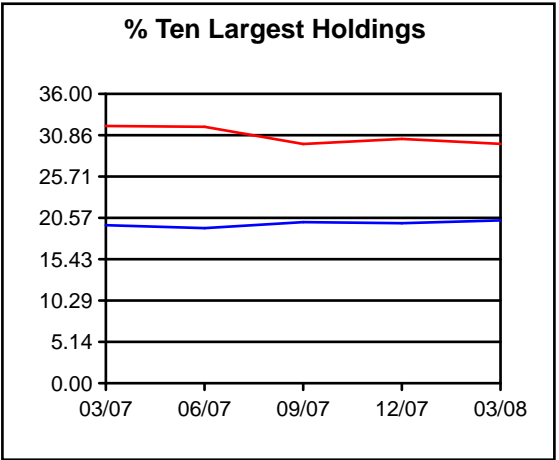
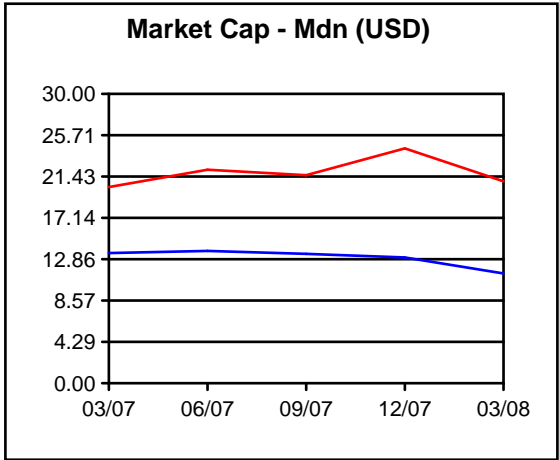


 New Amsterdam Partners  S&P 500 Index - Total Return

Mercer

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— New Amsterdam Partners — S&P 500 Index - Total Return

ATTRIBUTION SUMMARY

San Jose

New Amsterdam Partners

Period Ending March 31, 2008

		<u>Annualized</u>		
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(11.2)	(13.5)	(8.2)	(0.3)
Policy Return	(9.4)	(12.5)	(5.1)	3.0
Net Management Effect	(1.7)	(1.0)	(3.1)	(3.3)
Currency	0.0	0.0	0.0	0.0
Allocation	1.0	2.2	2.9	1.3
Selection	(2.8)	(3.2)	(6.0)	(4.6)

Currency USD

Policy Benchmark is S&P 500

Mercer

ATTRIBUTION DETAIL

San Jose

New Amsterdam Partners

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(11.2)	100.0	(9.4)	0.0	0.0	1.0	(2.8)	(1.7)
EQUITY	97.5	(11.5)	100.0	(9.4)	0.0	0.0	0.8	(2.8)	(2.0)
Technology	16.2	(17.1)	13.3	(14.4)	0.0	0.0	(0.1)	(0.4)	(0.5)
Health Care	15.4	(3.7)	12.6	(10.8)	0.0	0.0	0.0	1.1	1.0
Consumer Discretionary	12.0	(5.7)	11.0	(7.8)	0.0	0.0	0.0	0.2	0.3
Consumer Staples	8.0	(3.4)	8.2	(3.5)	0.0	0.0	0.0	0.0	0.0
Integrated Oils	4.6	(17.2)	7.7	(9.9)	0.0	0.0	0.0	(0.3)	(0.3)
Other Energy	7.9	(7.8)	5.1	(2.9)	0.0	0.0	0.2	(0.4)	(0.2)
Materials and Processing	7.8	(7.1)	4.2	(4.9)	0.0	0.0	0.2	(0.2)	0.0
Producer Durables	9.4	(17.7)	4.9	(7.9)	0.0	0.0	0.1	(1.0)	(0.9)
Autos and Transportation	---	---	2.5	0.5	0.0	0.0	(0.2)	0.0	(0.2)
Financial Services	6.7	(31.5)	18.5	(13.7)	0.0	0.0	0.5	(1.3)	(0.8)
Utilities	4.5	(6.5)	7.5	(11.0)	0.0	0.0	0.1	0.2	0.2
Other	5.1	(14.0)	4.5	(2.2)	0.0	0.0	0.0	(0.6)	(0.6)
CASH	2.5	0.9	---	---	0.0	0.0	0.3	0.0	0.3

Currency USD

Policy Benchmark is S&P 500

Mercer

ATTRIBUTION DETAIL

San Jose

New Amsterdam Partners

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(13.5)	100.0	(12.5)	0.0	0.0	2.2	(3.2)	(1.0)
EQUITY	97.5	(13.8)	100.0	(12.5)	0.0	0.0	1.9	(3.2)	(1.3)
Technology	15.1	(19.8)	13.6	(14.8)	0.0	0.0	(0.1)	(0.8)	(0.8)
Health Care	14.3	0.3	12.3	(10.9)	0.0	0.0	0.0	1.7	1.6
Consumer Discretionary	12.9	(10.2)	11.1	(11.4)	0.0	0.0	0.1	0.1	0.1
Consumer Staples	6.9	(12.6)	7.9	(1.1)	0.0	0.0	0.0	(0.6)	(0.6)
Integrated Oils	4.5	(13.9)	7.5	(6.6)	0.0	0.0	(0.2)	(0.3)	(0.5)
Other Energy	7.6	(3.2)	4.8	2.3	0.0	0.0	0.4	(0.4)	0.0
Materials and Processing	8.3	(5.7)	4.1	(3.1)	0.0	0.0	0.4	(0.3)	0.1
Producer Durables	8.9	(14.6)	4.9	(11.6)	0.0	0.0	0.1	(0.3)	(0.3)
Autos and Transportation	0.0	---	2.4	(5.5)	0.0	0.0	(0.2)	0.0	(0.2)
Financial Services	9.0	(43.5)	19.2	(25.6)	0.0	0.0	1.4	(2.0)	(0.6)
Utilities	4.9	(8.3)	7.6	(11.6)	0.0	0.0	0.0	0.2	0.1
Other	5.1	(19.0)	4.6	(9.8)	0.0	0.0	0.0	(0.5)	(0.5)
CASH	2.5	2.1	---	---	0.0	0.0	0.3	0.0	0.3

Currency USD

Policy Benchmark is S&P 500

Mercer

ATTRIBUTION DETAIL

San Jose

New Amsterdam Partners

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(8.2)	100.0	(5.1)	0.0	0.0	2.9	(6.0)	(3.1)
EQUITY	97.8	(8.5)	100.0	(5.1)	0.0	0.0	2.7	(6.0)	(3.3)
Technology	12.5	(2.3)	13.1	1.5	0.0	0.0	(0.3)	(0.6)	(0.8)
Health Care	13.6	7.6	12.3	(5.8)	0.0	0.0	0.0	2.0	1.9
Consumer Discretionary	13.7	(7.6)	11.4	(11.4)	0.0	0.0	(0.2)	0.5	0.3
Consumer Staples	7.3	(3.7)	7.6	8.3	0.0	0.0	(0.1)	(0.6)	(0.7)
Integrated Oils	3.1	---	7.0	18.8	0.0	0.0	(0.9)	(0.6)	(1.4)
Other Energy	8.3	5.2	4.3	33.7	0.0	0.0	1.4	(2.1)	(0.7)
Materials and Processing	7.5	20.8	3.8	9.3	0.0	0.0	0.6	0.7	1.3
Producer Durables	6.1	(9.4)	4.7	2.5	0.0	0.0	0.0	(0.5)	(0.6)
Autos and Transportation	1.4	---	2.4	0.7	0.0	0.0	(0.1)	(0.5)	(0.6)
Financial Services	12.9	(51.0)	21.0	(26.8)	0.0	0.0	2.0	(3.8)	(1.7)
Utilities	5.5	(4.6)	7.8	(7.4)	0.0	0.0	0.1	0.1	0.2
Other	5.9	(4.8)	4.5	7.3	0.0	0.0	0.2	(0.6)	(0.3)
CASH	2.2	4.8	---	---	0.0	0.0	0.2	0.0	0.2

Currency USD

Policy Benchmark is S&P 500

Mercer

ATTRIBUTION DETAIL

San Jose

New Amsterdam Partners

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(0.3)	100.0	3.0	0.0	0.0	1.3	(4.6)	(3.3)
EQUITY	98.2	(0.3)	100.0	3.0	0.0	0.0	1.3	(4.6)	(3.3)
Technology	12.3	0.1	13.0	2.3	0.0	0.0	(0.1)	(0.3)	(0.4)
Health Care	13.1	12.5	12.2	0.5	0.0	0.0	0.0	1.6	1.6
Consumer Discretionary	14.7	0.9	11.8	(0.8)	0.0	0.0	(0.2)	0.1	0.0
Consumer Staples	8.2	4.0	7.6	12.5	0.0	0.0	0.0	(0.5)	(0.6)
Integrated Oils	3.7	---	6.6	21.2	0.0	0.0	(0.5)	(0.8)	(1.3)
Other Energy	7.0	4.5	3.9	18.4	0.0	0.0	0.8	(0.9)	(0.1)
Materials and Processing	5.4	29.6	3.7	13.8	0.0	0.0	0.4	0.7	1.1
Producer Durables	4.6	(12.4)	4.5	5.6	0.0	0.0	0.0	(0.7)	(0.6)
Autos and Transportation	2.1	---	2.4	2.4	0.0	0.0	(0.1)	(0.3)	(0.4)
Financial Services	16.0	(31.2)	21.9	(9.5)	0.0	0.0	1.1	(3.4)	(2.3)
Utilities	5.4	12.6	7.7	10.3	0.0	0.0	(0.2)	0.1	(0.1)
Other	5.6	1.6	4.6	7.0	0.0	0.0	0.1	(0.2)	(0.1)
CASH	1.8	5.1	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is S&P 500

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		UBS Global Asset Management		Russell 3000 Index				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	60.33	100%	81.65			
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	16.7	94%	15.8			
	Portfolio Price/Book	100%	2.24	100%	2.41			
	Price/Cash Flow	98%	11.6	99%	11.2			
	Return on Equity - 5 Year Average	97%	17.5	91%	19.7			
	EPS Growth - 5 Years	87%	16.9	79%	20.2			
	Dividend Yield	100%	2.10	100%	2.02			
	Debt/Equity	91%	1.25	94%	1.15			
	Beta (vs. R3000)	98%	0.9	95%	1.0			
	Economic Sectors -							
# holdings/% equity	Technology	8	13.1%	375	12.9%			
Based on Russell	Health Care	13	16.5%	339	11.9%			
Sector Scheme	Consumer Discretionary and Services	10	7.7%	545	12.3%			
	Consumer Staples	2	2.0%	89	7.5%			
	Integrated Oils	2	2.0%	10	6.4%			
	Other Energy	5	7.2%	165	6.1%			
	Materials and Processing	1	1.7%	251	5.5%			
	Producer Durables	3	3.0%	196	5.4%			
	Autos and Transportation	6	8.6%	117	2.6%			
	Financial Services	13	20.6%	646	18.1%			
	Utilities	8	10.9%	134	7.1%			
	Other	3	6.7%	32	4.2%			
	Account Number	1SJFPFBRINS2		IX1F00003858				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System UBS Global Asset Management

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	60.33	100%	74.44	100%	79.52	100%	77.65	100%	76.76
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	16.7	96%	17.7	92%	17.3	98%	18.2	93%	16.8
	Portfolio Price/Book	100%	2.24	100%	2.49	100%	2.79	100%	2.92	100%	2.76
	Price/Cash Flow	98%	11.6	99%	11.5	100%	12.6	100%	13.1	100%	12.6
	Return on Equity - 5 Year Average	97%	17.5	95%	18.7	95%	18.6	96%	18.9	96%	18.8
	EPS Growth - 5 Years	87%	16.9	88%	15.8	89%	20.1	90%	18.7	91%	16.7
	Dividend Yield	100%	2.10	100%	1.96	100%	1.75	100%	1.74	100%	1.83
	Debt/Equity	91%	1.25	89%	1.12	91%	1.23	91%	1.24	91%	1.17
	Beta (vs. R3000)	98%	0.9	97%	0.9	98%	1.0	99%	1.0	99%	1.0
Economic Sectors -											
# holdings/% equity	Technology	8	13.1%	10	13.3%	11	14.6%	12	14.3%	11	12.7%
Based on Russell	Health Care	13	16.5%	15	17.5%	15	15.8%	12	15.0%	11	14.6%
Sector Scheme	Consumer Discretionary and Services	10	7.7%	12	9.8%	13	12.5%	13	13.3%	12	12.3%
	Consumer Staples	2	2.0%	3	2.9%	3	2.9%	3	2.8%	3	2.9%
	Integrated Oils	2	2.0%	2	1.9%	2	1.8%	2	1.6%	2	1.7%
	Other Energy	5	7.2%	5	6.7%	5	4.7%	4	4.3%	4	4.0%
	Materials and Processing	1	1.7%	1	1.6%	1	1.5%	1	1.8%	1	1.9%
	Producer Durables	3	3.0%	2	2.5%	1	2.3%	2	2.5%	3	3.4%
	Autos and Transportation	6	8.6%	5	7.0%	5	6.5%	5	6.8%	5	6.8%
	Financial Services	13	20.6%	15	20.0%	14	21.2%	13	22.2%	13	23.3%
	Utilities	8	10.9%	9	11.0%	9	10.5%	8	9.7%	9	10.7%
	Other	3	6.7%	3	6.0%	3	5.9%	3	5.7%	3	5.8%
Account Number	1SJFPFBRINS2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Russell 3000 Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	81.65	100%	89.93	100%	89.53	100%	82.36	100%	81.46
Characteristics	Portfolio P/E Excluding Neg. Earnings	94%	15.8	95%	16.8	95%	17.3	95%	17.4	95%	16.9
	Portfolio Price/Book	100%	2.41	100%	2.70	100%	2.86	100%	2.88	100%	2.79
	Price/Cash Flow	99%	11.2	99%	12.1	99%	12.6	99%	12.7	99%	12.6
	Return on Equity - 5 Year Average	91%	19.7	90%	19.4	91%	18.9	91%	18.3	92%	18.3
	EPS Growth - 5 Years	79%	20.2	78%	20.8	78%	21.6	77%	20.7	78%	19.6
	Dividend Yield	100%	2.02	100%	1.83	100%	1.70	100%	1.67	100%	1.74
	Debt/Equity	94%	1.15	92%	1.07	92%	1.12	92%	1.18	92%	1.17
	Beta (vs. R3000)	95%	1.0	96%	1.0	96%	1.0	96%	1.0	98%	1.0
Economic Sectors -											
# holdings/% equity	Technology	375	12.9%	378	13.7%	362	13.3%	365	12.5%	365	12.4%
Based on Russell	Health Care	339	11.9%	348	12.2%	347	11.7%	353	11.6%	353	12.2%
Sector Scheme	Consumer Discretionary and Services	545	12.3%	548	12.3%	554	12.8%	563	13.4%	570	13.8%
	Consumer Staples	89	7.5%	87	7.0%	88	6.6%	89	6.3%	88	6.6%
	Integrated Oils	10	6.4%	10	6.4%	10	5.9%	10	5.3%	12	5.2%
	Other Energy	165	6.1%	165	5.5%	161	5.0%	164	4.7%	156	3.4%
	Materials and Processing	251	5.5%	253	5.3%	253	5.1%	258	5.0%	247	4.8%
	Producer Durables	196	5.4%	198	5.3%	199	5.3%	202	5.1%	202	4.8%
	Autos and Transportation	117	2.6%	118	2.4%	119	2.5%	120	2.7%	105	2.5%
	Financial Services	646	18.1%	655	18.7%	659	20.5%	679	21.8%	674	22.8%
	Utilities	134	7.1%	136	7.3%	138	7.4%	142	7.5%	134	8.0%
	Other	32	4.2%	33	3.9%	31	4.0%	31	4.0%	27	3.6%
Account Number	IX1F00003858										

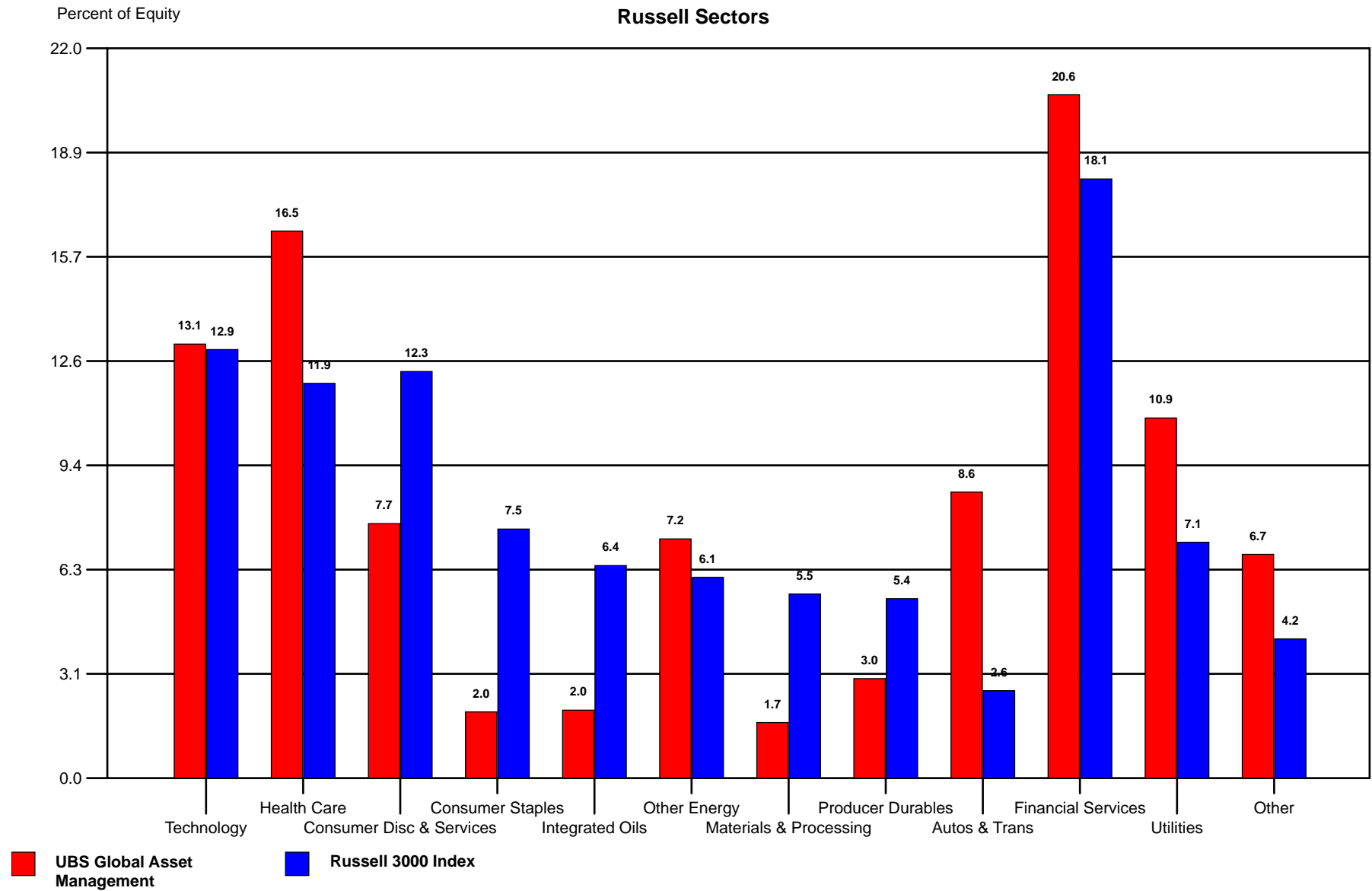
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
GENERAL ELEC CO COM	OTHER	3.70%	2.65%	0.77%	380.8
INTEL CORP	TECHNOLOGY	3.31%	0.86%	-20.05%	123.1
WELLS FARGO & CO NEW COM	FINANCIAL SERVICES	3.08%	0.69%	-2.59%	98.9
WYETH COM	HEALTH CARE	3.03%	0.39%	-4.89%	56.2
CITIGROUP INC COM	FINANCIAL SERVICES	2.82%	0.78%	-26.42%	111.5
EXELON CORP COM	UTILITIES	2.73%	0.38%	0.21%	54.7
MORGAN STANLEY	FINANCIAL SERVICES	2.54%	0.34%	-13.48%	48.2
BURLINGTON NORTH SANTA FE CORP	AUTOS & TRANSPORTATION	2.54%	0.23%	11.19%	32.8
MICROSOFT CORP COM	TECHNOLOGY	2.51%	1.62%	-19.96%	271.5
HALLIBURTON CO COM	OTHER ENERGY	2.41%	0.25%	3.99%	35.9
Total		28.67%	8.18%		
Benchmark					
Russell 3000 Index				-9.52%	81,646.4

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

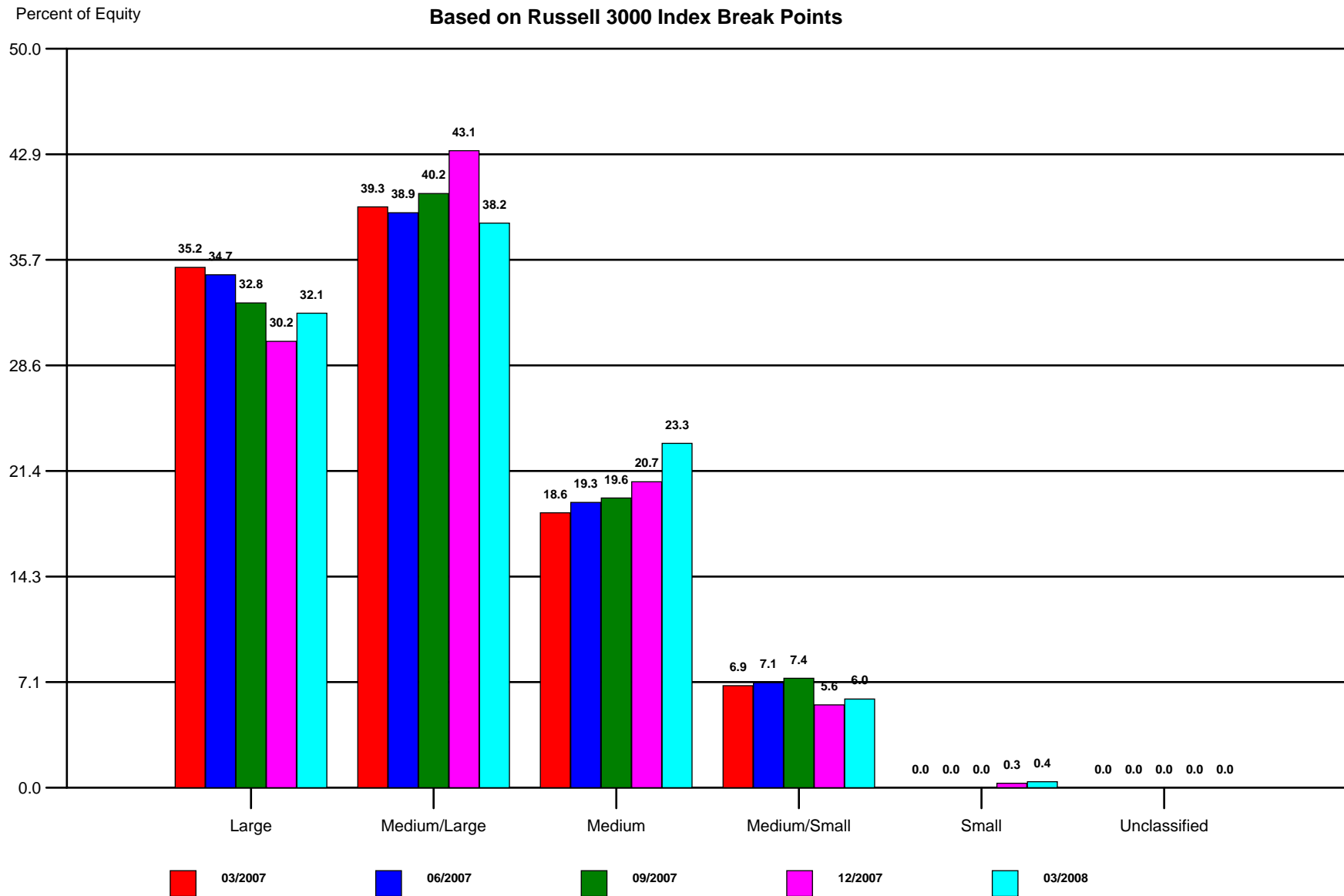
San Jose Police and Fire Retirement System



Mercer

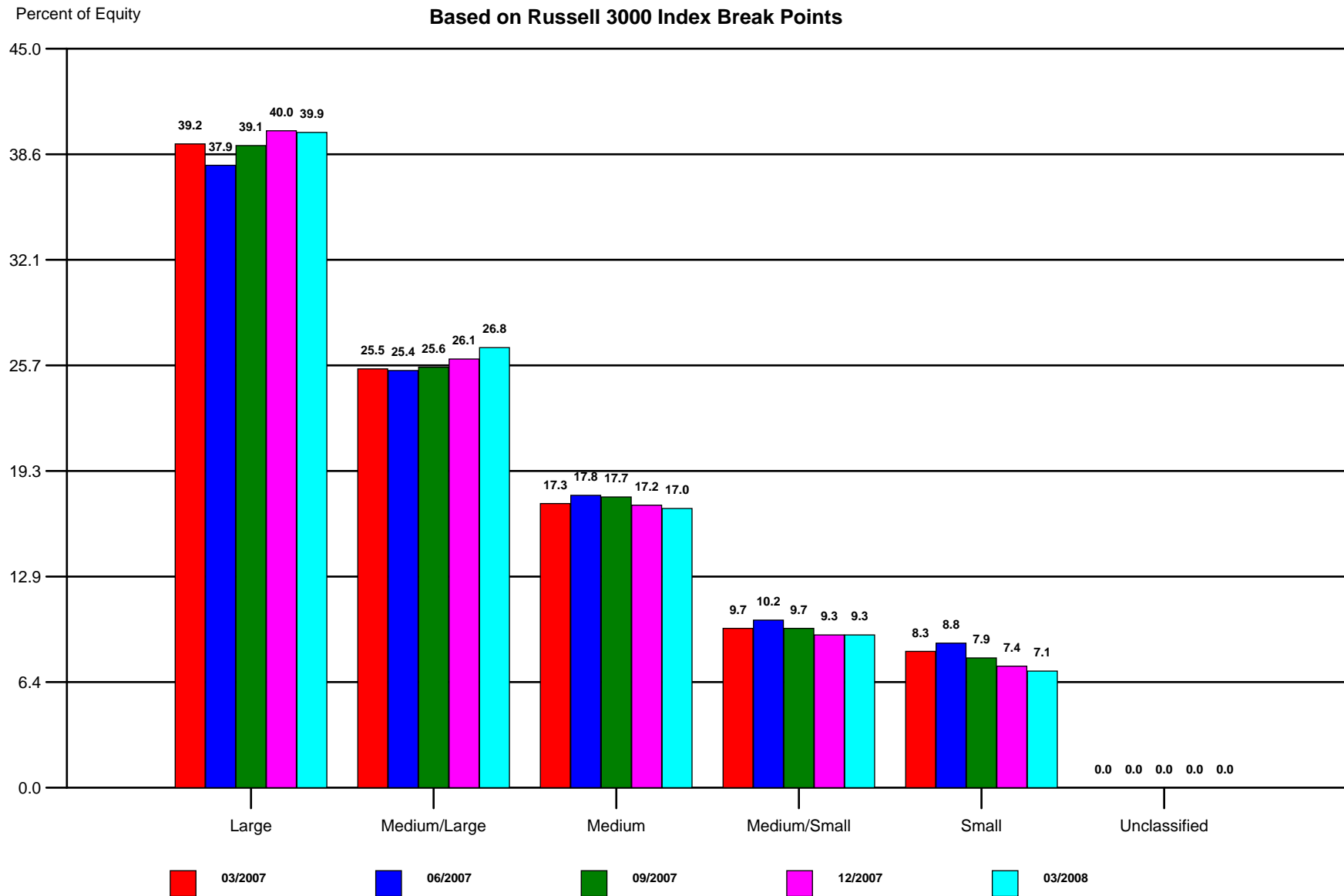
TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System UBS Global Asset Management



TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System Russell 3000 Index

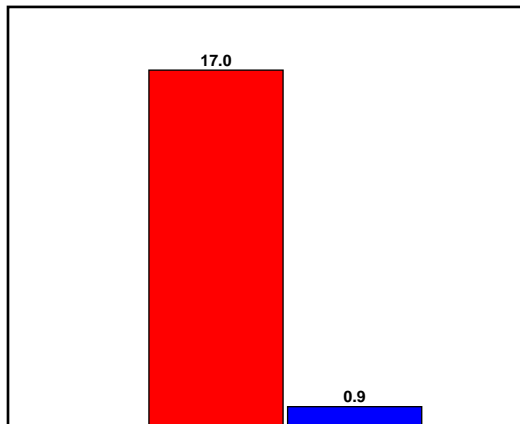


TOTAL SUMMARY PORTFOLIO CHARACTERISTICS

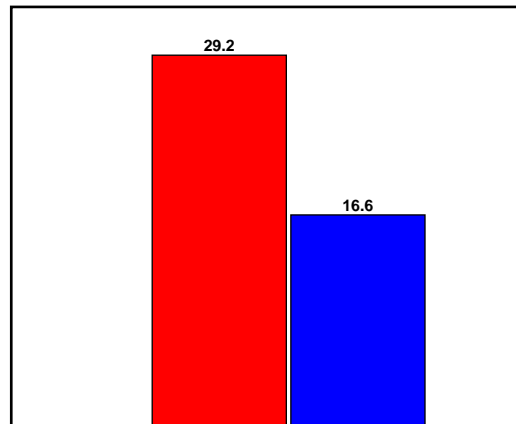
As of March 31, 2008

San Jose Police and Fire Retirement System

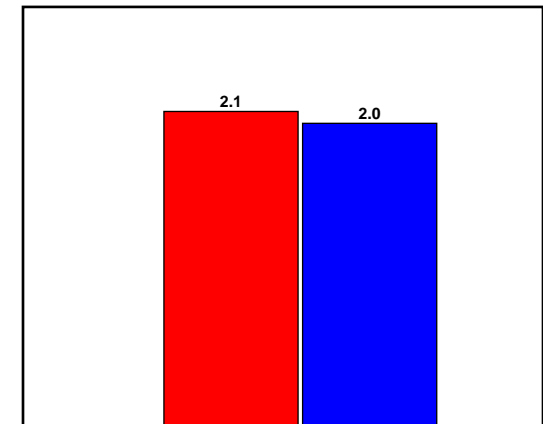
Market Cap - Mdn (USD)



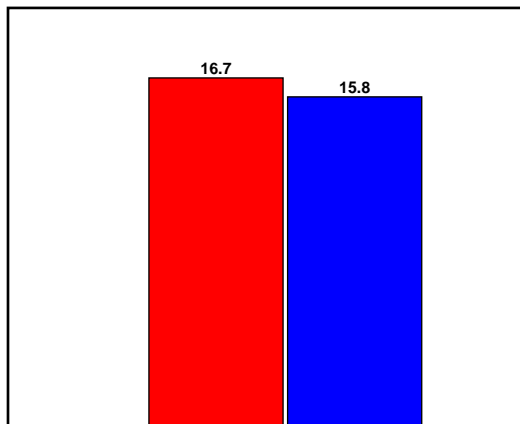
% Ten Largest Holdings



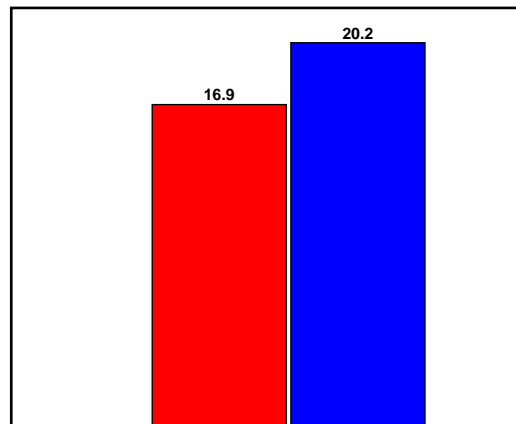
Dividend Yield



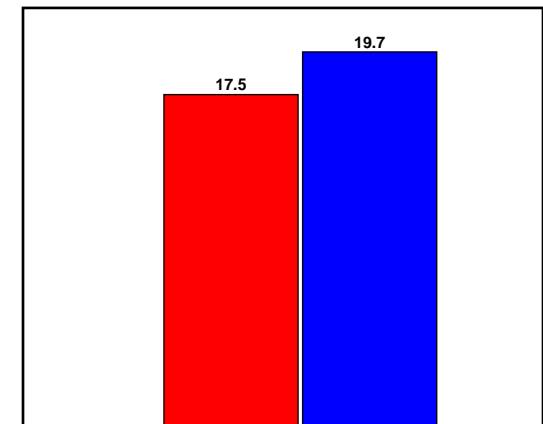
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



Return on Equity - 5 Yr Avg

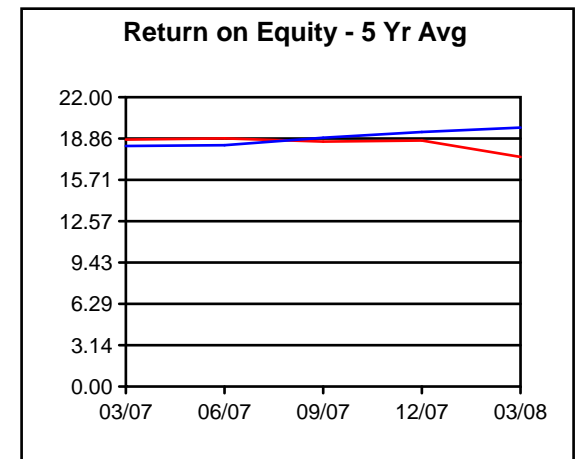
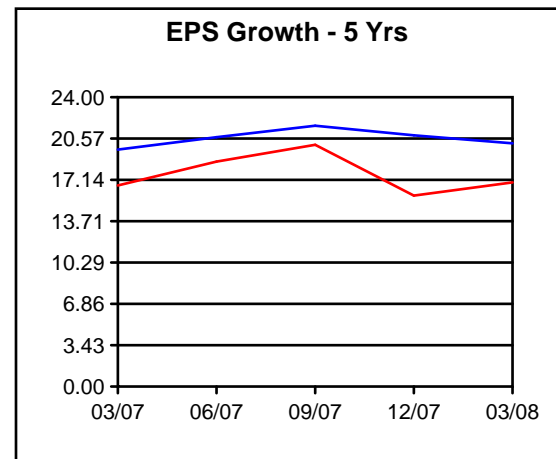
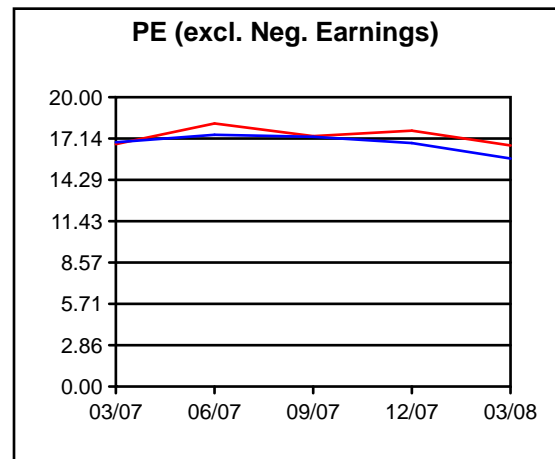
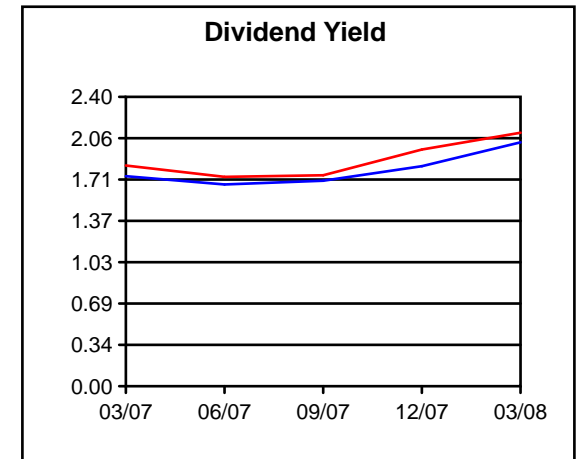
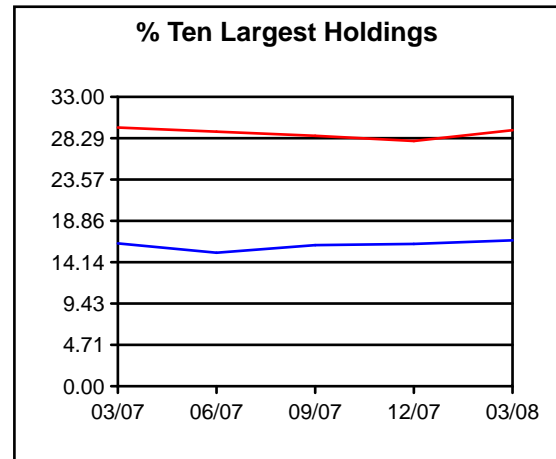
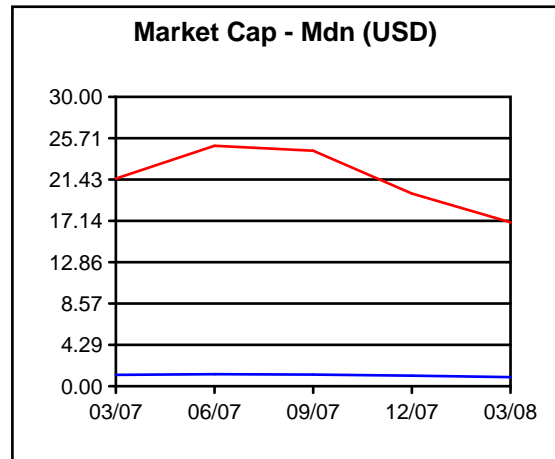


UBS Global Asset Management Russell 3000 Index

Mercer

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— UBS Global Asset Management — Russell 3000 Index

ATTRIBUTION SUMMARY

San Jose

UBS Global Asset Management

Period Ending March 31, 2008

		<u>Annualized</u>			
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>	
Portfolio Return	(9.6)	(13.4)	(8.5)	1.1	
Policy Return	(9.5)	(12.6)	(6.1)	2.2	
Net Management Effect	(0.1)	(0.8)	(2.4)	(1.1)	
Currency	0.0	0.0	0.0	0.0	
Allocation	0.1	(0.5)	(1.3)	(1.1)	
Selection	(0.1)	(0.3)	(1.1)	0.0	

Currency USD

Policy Benchmark is Russell 3000

Mercer

ATTRIBUTION DETAIL

San Jose

UBS Global Asset Management

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(9.6)	100.0	(9.5)	0.0	0.0	0.1	(0.1)	(0.1)
EQUITY	98.7	(9.7)	100.0	(9.5)	0.0	0.0	0.0	(0.1)	(0.2)
Technology	11.6	(14.5)	13.1	(14.9)	0.0	0.0	0.1	0.1	0.1
Health Care	17.3	(10.5)	12.3	(10.8)	0.0	0.0	(0.1)	0.0	0.0
Consumer Discretionary	9.2	(14.0)	12.3	(8.9)	0.0	0.0	0.0	(0.5)	(0.5)
Consumer Staples	2.2	(14.0)	7.1	(3.5)	0.0	0.0	(0.3)	(0.2)	(0.5)
Integrated Oils	1.9	(15.8)	6.4	(9.9)	0.0	0.0	0.0	(0.1)	(0.1)
Other Energy	6.6	5.1	5.6	(2.2)	0.0	0.0	0.1	0.5	0.5
Materials and Processing	1.6	(7.3)	5.5	(5.9)	0.0	0.0	(0.1)	0.0	(0.2)
Producer Durables	2.7	(10.5)	5.4	(8.4)	0.0	0.0	0.0	(0.1)	(0.1)
Autos and Transportation	7.9	(1.9)	2.5	(1.8)	0.0	0.0	0.4	0.0	0.4
Financial Services	20.6	(11.3)	18.9	(12.6)	0.0	0.0	(0.1)	0.3	0.2
Utilities	10.8	(12.4)	7.1	(11.4)	0.0	0.0	(0.1)	(0.1)	(0.2)
Other	6.1	(1.6)	3.9	(2.6)	0.0	0.0	0.2	0.1	0.2
CASH	1.3	1.0	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 3000

Mercer

ATTRIBUTION DETAIL

San Jose

UBS Global Asset Management

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(13.4)	100.0	(12.6)	0.0	0.0	(0.5)	(0.3)	(0.8)
EQUITY	98.4	(13.6)	100.0	(12.6)	0.0	0.0	(0.7)	(0.3)	(1.0)
Technology	12.4	(15.8)	13.3	(15.9)	0.0	0.0	0.1	0.0	0.1
Health Care	16.9	(6.0)	12.1	(10.9)	0.0	0.0	0.1	0.7	0.8
Consumer Discretionary	9.7	(19.7)	12.5	(13.9)	0.0	0.0	0.1	(0.5)	(0.5)
Consumer Staples	2.5	(18.2)	6.9	(1.4)	0.0	0.0	(0.5)	(0.4)	(0.9)
Integrated Oils	1.8	(15.0)	6.1	(6.5)	0.0	0.0	(0.3)	(0.2)	(0.4)
Other Energy	6.0	19.0	5.4	4.0	0.0	0.0	0.1	0.7	0.8
Materials and Processing	1.6	(12.8)	5.3	(4.5)	0.0	0.0	(0.3)	(0.1)	(0.4)
Producer Durables	2.6	(20.2)	5.3	(10.9)	0.0	0.0	0.0	(0.3)	(0.3)
Autos and Transportation	7.3	(3.8)	2.5	(9.5)	0.0	0.0	0.2	0.4	0.5
Financial Services	20.6	(24.2)	19.4	(23.3)	0.0	0.0	(0.1)	(0.2)	(0.3)
Utilities	10.7	(16.5)	7.1	(12.6)	0.0	0.0	0.0	(0.4)	(0.4)
Other	6.2	(10.5)	3.9	(9.6)	0.0	0.0	0.1	(0.1)	0.0
CASH	1.6	2.1	---	---	0.0	0.0	0.2	0.0	0.2

Currency USD

Policy Benchmark is Russell 3000

Mercer

ATTRIBUTION DETAIL

San Jose

UBS Global Asset Management

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(8.5)	100.0	(6.1)	0.0	0.0	(1.3)	(1.1)	(2.4)
EQUITY	98.8	(8.7)	100.0	(6.1)	0.0	0.0	(1.5)	(1.1)	(2.6)
Technology	13.2	(3.1)	13.0	(0.9)	0.0	0.0	0.2	(0.3)	(0.1)
Health Care	16.0	(0.4)	12.0	(4.9)	0.0	0.0	0.1	0.7	0.7
Consumer Discretionary	11.4	(22.5)	12.9	(14.1)	0.0	0.0	0.1	(1.0)	(0.9)
Consumer Staples	2.6	(12.6)	6.7	7.4	0.0	0.0	(0.6)	(0.5)	(1.0)
Integrated Oils	1.7	6.9	5.8	17.2	0.0	0.0	(0.9)	(0.2)	(1.0)
Other Energy	5.1	38.0	4.8	25.2	0.0	0.0	0.1	0.6	0.7
Materials and Processing	1.7	(25.0)	5.1	8.4	0.0	0.0	(0.5)	(0.6)	(1.0)
Producer Durables	2.6	(7.5)	5.2	0.6	0.0	0.0	(0.2)	(0.2)	(0.4)
Autos and Transportation	7.0	1.2	2.6	(6.5)	0.0	0.0	0.1	0.5	0.6
Financial Services	21.2	(23.0)	20.7	(25.1)	0.0	0.0	(0.1)	0.6	0.4
Utilities	10.4	(15.0)	7.4	(9.3)	0.0	0.0	(0.1)	(0.6)	(0.7)
Other	5.9	6.8	3.9	7.2	0.0	0.0	0.2	0.0	0.2
CASH	1.2	4.7	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 3000

Mercer

ATTRIBUTION DETAIL

San Jose

UBS Global Asset Management

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	1.1	100.0	2.2	0.0	0.0	(1.1)	0.0	(1.1)
EQUITY	98.3	1.2	100.0	2.2	0.0	0.0	(1.0)	0.0	(1.1)
Technology	12.3	3.9	12.8	1.1	0.0	0.0	0.2	0.3	0.4
Health Care	16.4	1.6	12.1	0.4	0.0	0.0	(0.1)	0.2	0.1
Consumer Discretionary	11.5	(4.7)	13.3	(2.6)	0.0	0.0	0.0	(0.2)	(0.2)
Consumer Staples	2.8	(4.5)	6.7	12.4	0.0	0.0	(0.4)	(0.4)	(0.8)
Integrated Oils	1.9	16.9	5.5	20.4	0.0	0.0	(0.6)	0.0	(0.6)
Other Energy	4.2	24.5	4.1	15.5	0.0	0.0	0.0	0.4	0.4
Materials and Processing	2.0	(19.0)	4.8	13.1	0.0	0.0	(0.3)	(0.6)	(1.0)
Producer Durables	3.3	2.7	5.0	3.8	0.0	0.0	(0.1)	0.0	(0.1)
Autos and Transportation	6.4	5.0	2.5	(0.2)	0.0	0.0	0.0	0.4	0.3
Financial Services	23.3	(6.3)	21.9	(8.8)	0.0	0.0	(0.1)	0.7	0.6
Utilities	10.2	1.5	7.3	9.0	0.0	0.0	0.2	(0.7)	(0.5)
Other	4.1	13.7	3.8	6.3	0.0	0.0	0.2	0.1	0.3
CASH	1.7	5.0	---	---	0.0	0.0	(0.1)	0.0	(0.1)

Currency USD

Policy Benchmark is Russell 3000

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		Boston Partners Asset Mgmt. Value Equity		Russell 1000 Value Index				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	90.45	100%	109.95			
Characteristics	Portfolio P/E Excluding Neg. Earnings	90%	12.5	94%	13.8			
	Portfolio Price/Book	96%	2.03	99%	1.81			
	Price/Cash Flow	97%	8.8	98%	9.3			
	Return on Equity - 5 Year Average	91%	20.2	95%	18.1			
	EPS Growth - 5 Years	83%	24.7	88%	18.7			
	Dividend Yield	100%	2.35	100%	2.94			
	Debt/Equity	93%	1.15	93%	1.53			
	Beta (vs. R3000)	90%	0.9	96%	0.8			
	Economic Sectors -							
# holdings/% equity	Technology	10	10.9%	46	3.4%			
Based on Russell	Health Care	8	12.3%	33	7.6%			
Sector Scheme	Consumer Discretionary and Services	15	14.0%	82	7.0%			
	Consumer Staples	5	6.4%	37	7.1%			
	Integrated Oils	5	11.7%	7	12.9%			
	Other Energy	4	4.2%	33	3.9%			
	Materials and Processing	2	1.7%	56	5.4%			
	Producer Durables	3	4.8%	40	3.2%			
	Autos and Transportation	1	1.1%	23	1.6%			
	Financial Services	17	23.9%	183	28.0%			
	Utilities	5	4.5%	63	13.1%			
	Other	2	4.4%	15	6.6%			
	Account Number	1SJFPFBOSTO2		IX1F00004108				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Boston Partners Asset Mgmt. Value Equity

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	90.45	100%	107.32	100%	103.59	100%	95.89	100%	91.31
Characteristics	Portfolio P/E Excluding Neg. Earnings	90%	12.5	94%	14.4	96%	15.0	96%	14.5	94%	13.7
	Portfolio Price/Book	96%	2.03	95%	2.31	97%	2.36	97%	2.25	97%	2.08
	Price/Cash Flow	97%	8.8	100%	10.3	100%	11.0	99%	11.2	97%	11.2
	Return on Equity - 5 Year Average	91%	20.2	94%	19.5	94%	19.3	94%	18.0	95%	17.7
	EPS Growth - 5 Years	83%	24.7	83%	26.4	83%	26.7	77%	22.7	77%	21.3
	Dividend Yield	100%	2.35	100%	1.98	100%	1.83	100%	1.87	100%	1.87
	Debt/Equity	93%	1.15	89%	1.10	87%	1.17	91%	1.40	89%	1.35
	Beta (vs. R3000)	90%	0.9	93%	0.8	93%	0.8	93%	0.9	95%	1.0
Economic Sectors -											
# holdings/% equity	Technology	10	10.9%	14	13.6%	14	14.0%	15	13.2%	13	13.1%
Based on Russell	Health Care	8	12.3%	10	14.1%	11	12.6%	10	9.4%	9	10.3%
Sector Scheme	Consumer Discretionary and Services	15	14.0%	12	9.5%	12	9.6%	13	11.6%	12	10.9%
	Consumer Staples	5	6.4%	4	6.3%	4	6.1%	5	5.8%	4	5.5%
	Integrated Oils	5	11.7%	4	11.5%	4	10.9%	5	10.8%	3	8.3%
	Other Energy	4	4.2%	4	2.7%	2	2.6%	2	2.5%	3	3.6%
	Materials and Processing	2	1.7%	2	1.6%	1	0.5%	1	0.5%	1	0.5%
	Producer Durables	3	4.8%	5	9.1%	5	9.0%	5	6.6%	7	7.7%
	Autos and Transportation	1	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Financial Services	17	23.9%	17	21.4%	19	26.7%	23	29.5%	24	30.7%
	Utilities	5	4.5%	6	4.7%	5	3.5%	7	5.3%	6	4.6%
	Other	2	4.4%	2	5.5%	2	4.6%	3	4.7%	3	4.8%
Account Number	1SJFPFBOSTO2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Russell 1000 Value Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	109.95	100%	117.40	100%	122.14	100%	112.54	100%	108.62
Characteristics	Portfolio P/E Excluding Neg. Earnings	94%	13.8	95%	14.0	96%	14.3	95%	14.5	96%	14.1
	Portfolio Price/Book	99%	1.81	99%	1.99	100%	2.15	100%	2.19	100%	2.17
	Price/Cash Flow	98%	9.3	99%	9.6	99%	10.1	99%	10.3	99%	10.2
	Return on Equity - 5 Year Average	95%	18.1	96%	18.2	96%	17.8	97%	17.4	96%	17.6
	EPS Growth - 5 Years	88%	18.7	87%	20.7	87%	21.2	84%	19.1	85%	19.0
	Dividend Yield	100%	2.94	100%	2.72	100%	2.46	100%	2.36	100%	2.44
	Debt/Equity	93%	1.53	89%	1.42	88%	1.49	90%	1.60	90%	1.50
	Beta (vs. R3000)	96%	0.8	96%	0.8	96%	0.9	97%	0.9	98%	0.9
Economic Sectors -											
# holdings/% equity	Technology	46	3.4%	46	3.6%	47	3.8%	46	3.4%	48	3.6%
Based on Russell	Health Care	33	7.6%	33	7.5%	34	7.2%	34	7.1%	32	6.7%
Sector Scheme	Consumer Discretionary and Services	82	7.0%	82	7.1%	84	7.2%	86	7.7%	88	7.5%
	Consumer Staples	37	7.1%	36	6.8%	36	6.2%	36	5.9%	33	7.0%
	Integrated Oils	7	12.9%	7	13.1%	7	11.6%	7	10.4%	7	11.1%
	Other Energy	33	3.9%	33	3.3%	33	2.8%	33	2.7%	26	2.9%
	Materials and Processing	56	5.4%	56	5.2%	56	5.0%	56	4.9%	56	4.6%
	Producer Durables	40	3.2%	40	3.1%	40	2.9%	40	2.9%	39	2.0%
	Autos and Transportation	23	1.6%	23	1.5%	24	1.6%	24	1.7%	21	1.6%
	Financial Services	183	28.0%	184	29.2%	180	32.4%	183	34.2%	173	35.3%
	Utilities	63	13.1%	63	13.5%	65	13.1%	66	13.0%	67	14.0%
	Other	15	6.6%	15	6.0%	15	6.2%	15	6.3%	14	3.6%
Account Number	IX1F00004108										

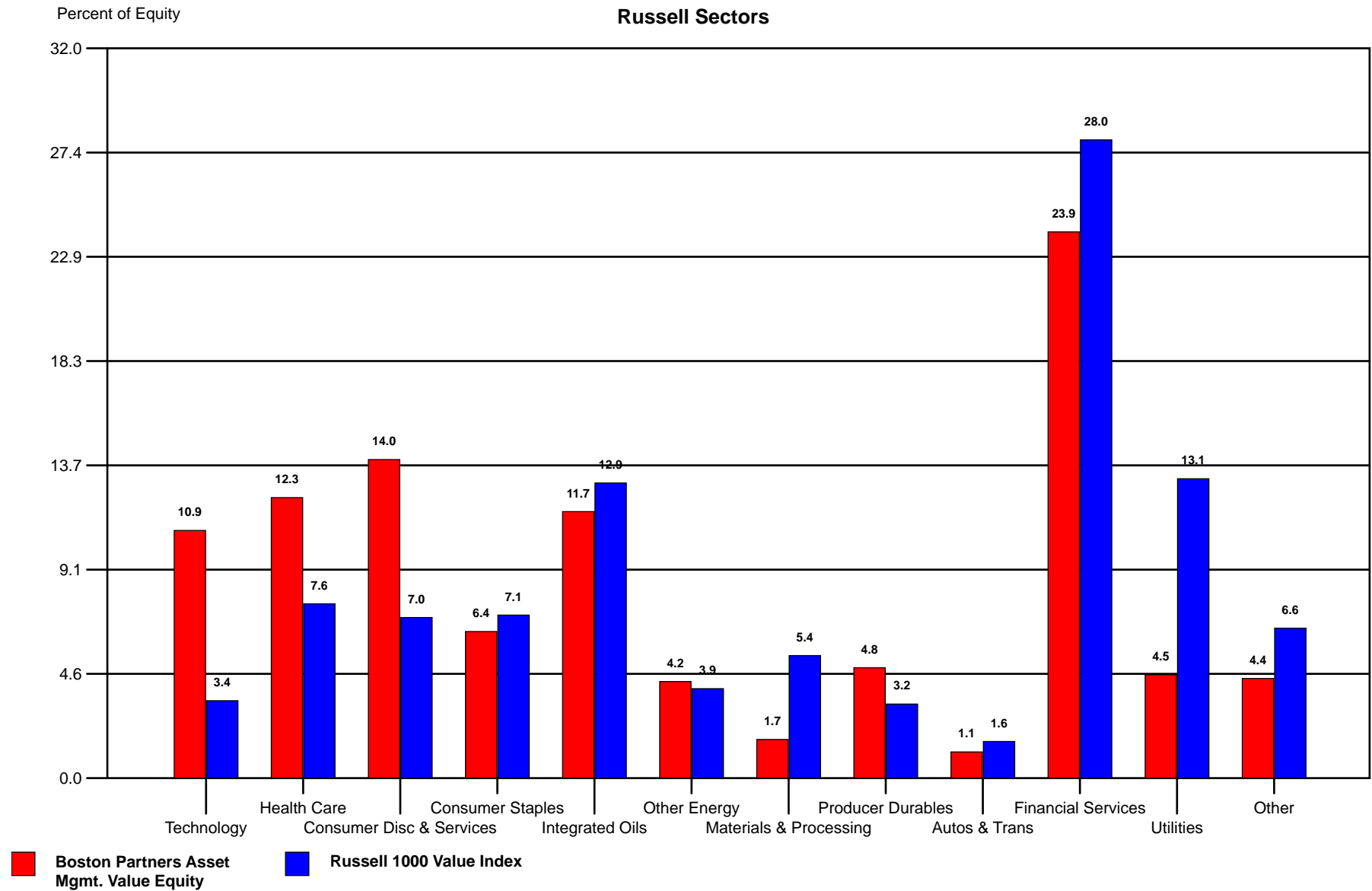
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
JOHNSON & JOHNSON COM	HEALTH CARE	4.06%	1.85%	-2.09%	187.9
JPMORGAN CHASE & CO COM	FINANCIAL SERVICES	3.47%	2.31%	-0.81%	146.7
BANK OF AMERICA CORP	FINANCIAL SERVICES	3.06%	2.65%	-6.57%	168.2
BERKSHIRE HATHAWAY INC DEL B	OTHER	3.04%	--	-5.56%	206.5
LOCKHEED MARTIN CORP COM	PRODUCER DURABLES	2.81%	--	-5.28%	41.7
EXXON MOBIL CORP	INTEGRATED OILS	2.67%	5.98%	-9.36%	476.5
PROCTER & GAMBLE CO COM	CONSUMER STAPLES	2.66%	2.10%	-4.05%	220.6
MARATHON OIL CORP	INTEGRATED OILS	2.44%	0.52%	-24.74%	32.8
PFIZER INC COM STK USD0.05	HEALTH CARE	2.27%	2.32%	-6.60%	146.9
TOTAL SA ADR	INTEGRATED OILS	2.23%	--	-10.40%	166.6
Total		28.71%	17.73%		
Benchmark					
Russell 1000 Value Index				-8.72%	109,945.2

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

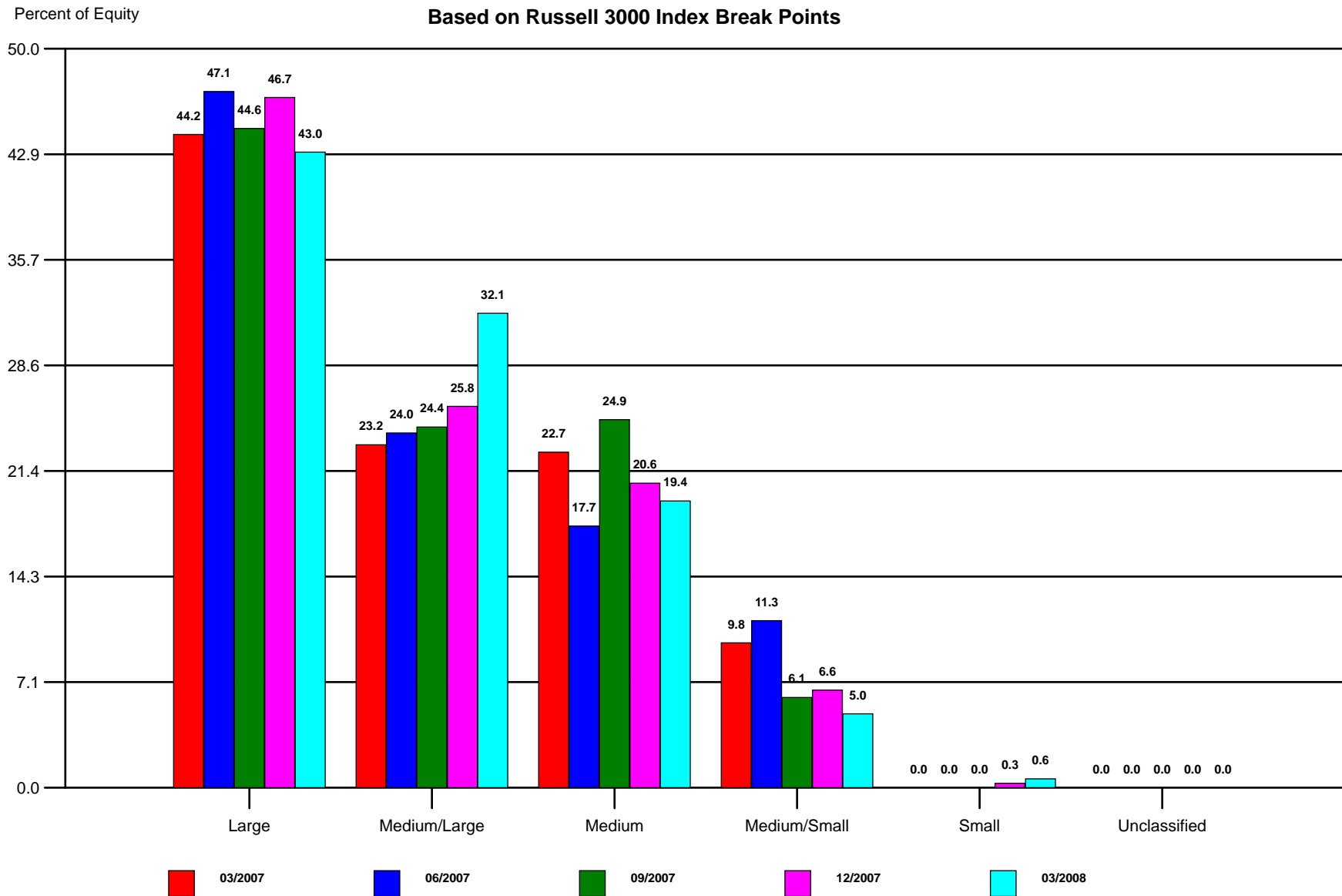
San Jose Police and Fire Retirement System



Mercer

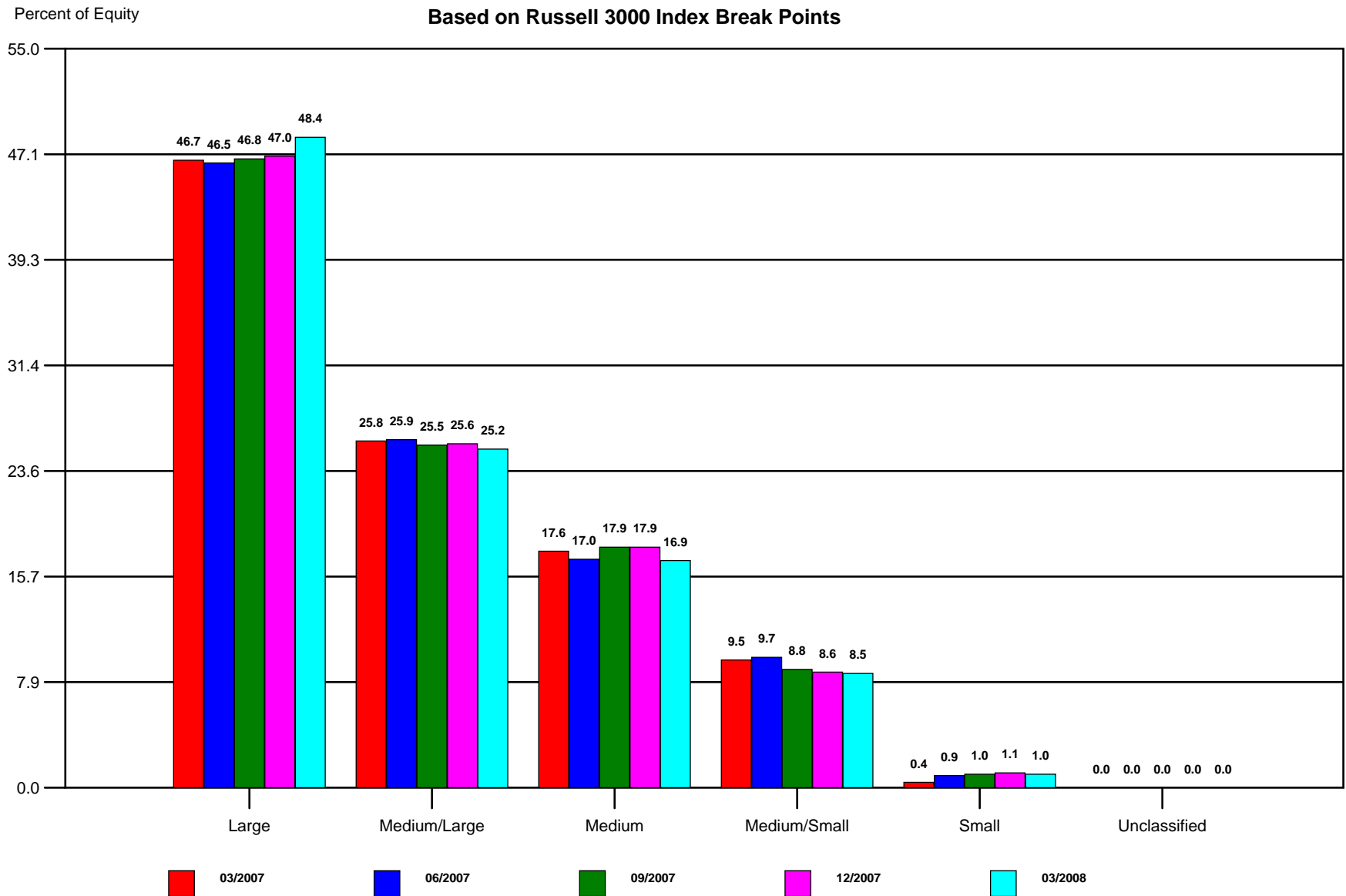
TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System
Boston Partners Asset Mgmt. Value Equity



TOTAL HISTORICAL SIZE OF COMPANIES

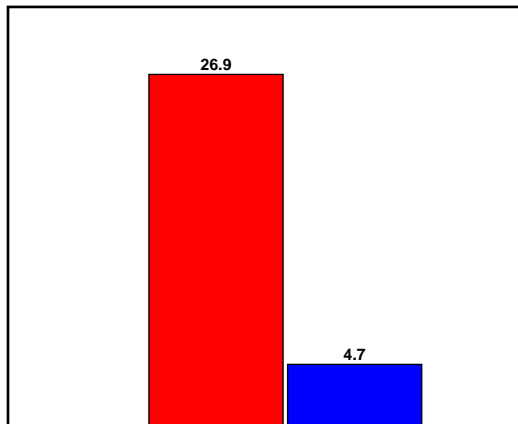
San Jose Police and Fire Retirement System Russell 1000 Value Index



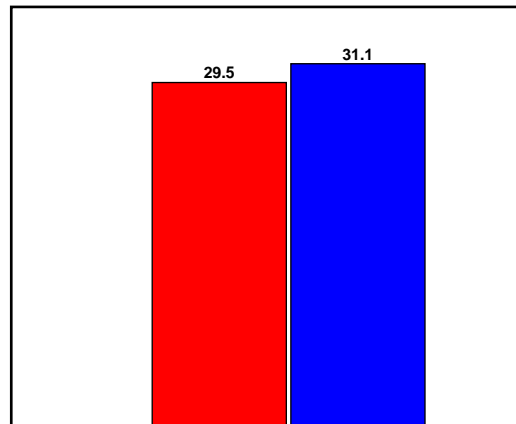
TOTAL SUMMARY PORTFOLIO CHARACTERISTICS
As of March 31, 2008

San Jose Police and Fire Retirement System

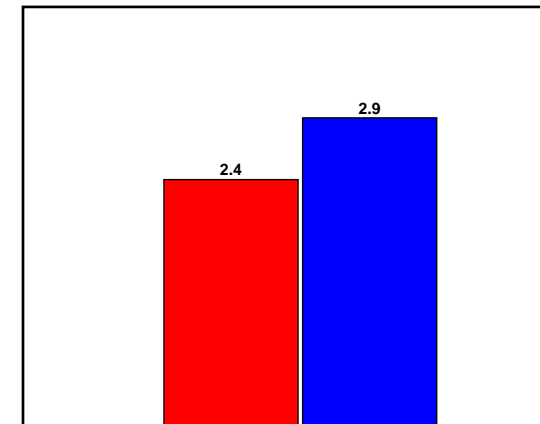
Market Cap - Mdn (USD)



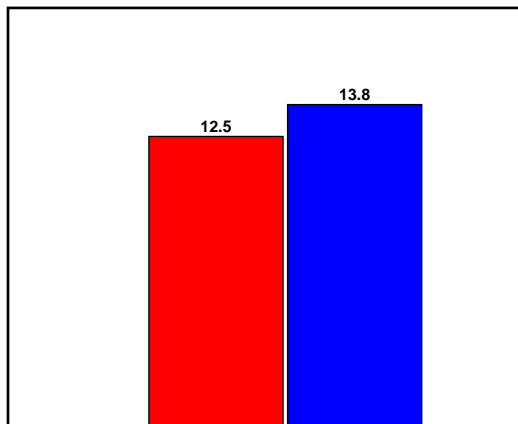
% Ten Largest Holdings



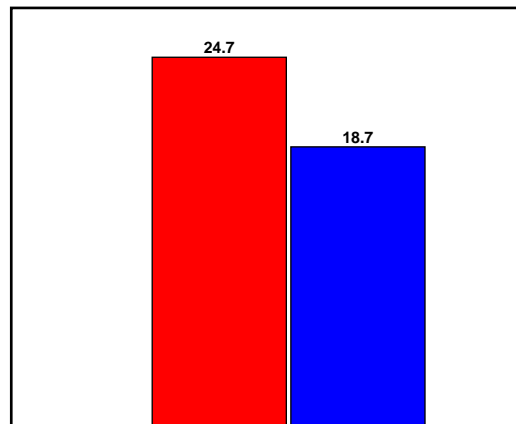
Dividend Yield



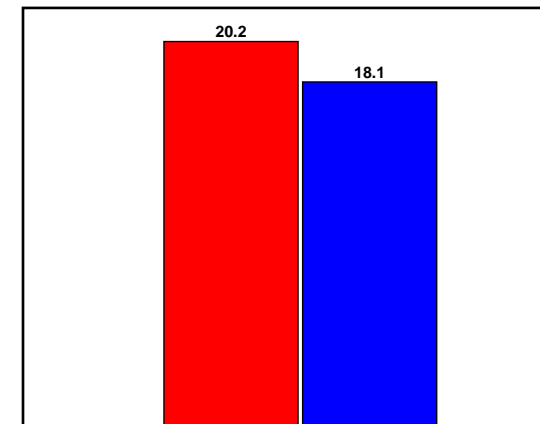
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



Return on Equity - 5 Yr Avg

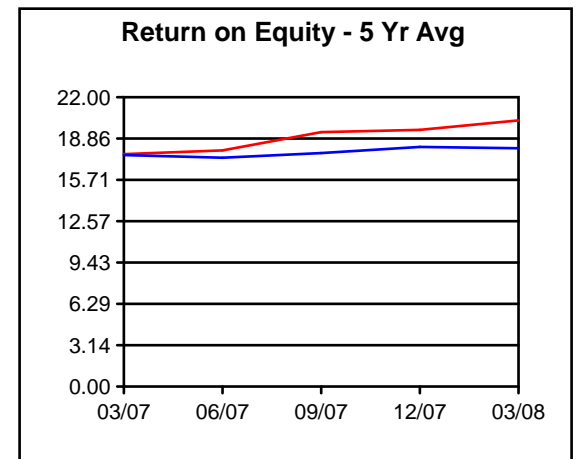
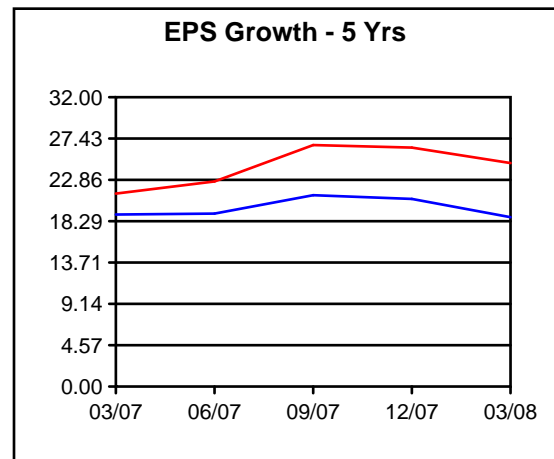
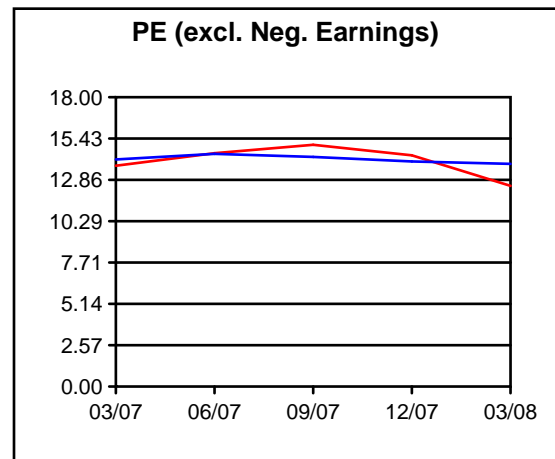
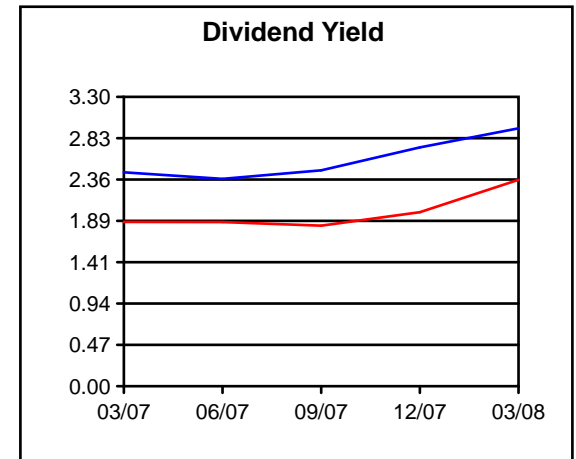
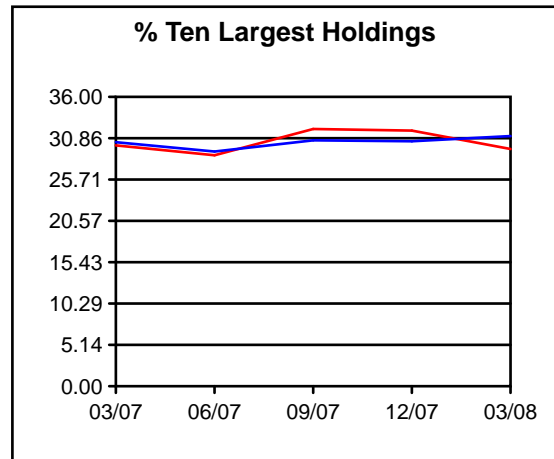
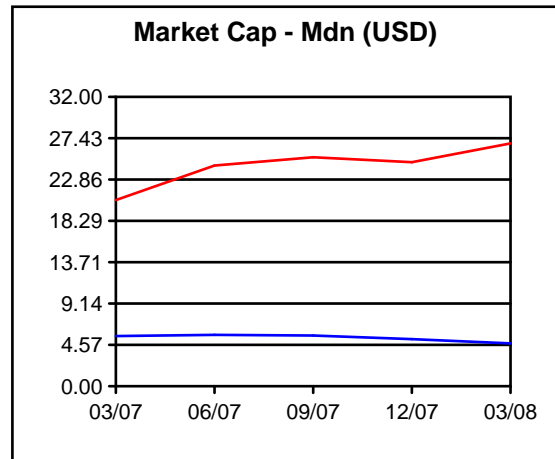


 **Boston Partners Asset Mgmt. Value Equity**  **Russell 1000 Value Index**

Mercer

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— Boston Partners Asset Mgmt. Value Equity
 — Russell 1000 Value Index

ATTRIBUTION SUMMARY

San Jose

Boston Partners Asset Mgmt. Value Equity

Period Ending March 31, 2008

		<u>Annualized</u>		
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(12.3)	(15.3)	(8.3)	2.5
Policy Return	(8.7)	(14.0)	(10.0)	2.6
Net Management Effect	(3.6)	(1.2)	1.7	0.0
Currency	0.0	0.0	0.0	0.0
Allocation	(0.1)	0.4	1.0	(0.5)
Selection	(3.5)	(1.6)	0.7	0.5

Currency USD

Policy Benchmark is Russell 1000 Value

Mercer

ATTRIBUTION DETAIL

San Jose

Boston Partners Asset Mgmt. Value Equity

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(12.3)	100.0	(8.7)	0.0	0.0	(0.1)	(3.5)	(3.6)
EQUITY	98.9	(12.4)	100.0	(8.7)	0.0	0.0	(0.2)	(3.5)	(3.6)
Technology	10.6	(12.7)	3.5	(13.0)	0.0	0.0	(0.4)	0.0	(0.4)
Health Care	13.5	(4.1)	7.7	(7.3)	0.0	0.0	0.1	0.3	0.5
Consumer Discretionary	11.2	(9.9)	7.1	(8.1)	0.0	0.0	0.0	(0.2)	(0.2)
Consumer Staples	6.2	(18.4)	6.7	(4.1)	0.0	0.0	0.0	(0.9)	(0.9)
Integrated Oils	11.2	(12.9)	12.9	(10.0)	0.0	0.0	0.0	(0.3)	(0.3)
Other Energy	3.5	(0.9)	3.5	7.1	0.0	0.0	0.0	(0.2)	(0.2)
Materials and Processing	1.6	(7.1)	5.3	(5.1)	0.0	0.0	(0.1)	0.0	(0.2)
Producer Durables	7.6	(10.6)	3.2	(6.0)	0.0	0.0	0.1	(0.2)	(0.1)
Autos and Transportation	0.9	10.7	1.6	(2.9)	0.0	0.0	(0.1)	0.1	0.0
Financial Services	23.5	(19.0)	29.5	(12.6)	0.0	0.0	0.1	(1.5)	(1.5)
Utilities	4.5	(15.8)	13.1	(11.6)	0.0	0.0	0.3	(0.2)	0.0
Other	4.6	(6.1)	6.0	(0.5)	0.0	0.0	(0.1)	(0.2)	(0.4)
CASH	1.1	0.9	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 1000 Value

Mercer

ATTRIBUTION DETAIL

San Jose

Boston Partners Asset Mgmt. Value Equity

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(15.3)	100.0	(14.0)	0.0	0.0	0.4	(1.6)	(1.2)
EQUITY	98.4	(15.5)	100.0	(14.0)	0.0	0.0	0.1	(1.6)	(1.5)
Technology	12.4	(23.3)	3.6	(21.2)	0.0	0.0	(0.8)	(0.3)	(1.1)
Health Care	13.5	6.0	7.5	(9.2)	0.0	0.0	0.3	1.8	2.1
Consumer Discretionary	10.5	(15.0)	7.1	(13.8)	0.0	0.0	0.0	(0.1)	(0.1)
Consumer Staples	6.3	(13.4)	6.6	(1.6)	0.0	0.0	0.0	(0.7)	(0.7)
Integrated Oils	10.9	(11.5)	12.4	(6.4)	0.0	0.0	(0.1)	(0.5)	(0.6)
Other Energy	3.1	13.3	3.2	19.6	0.0	0.0	0.0	(0.1)	(0.2)
Materials and Processing	1.3	(12.2)	5.2	(4.9)	0.0	0.0	(0.3)	(0.1)	(0.4)
Producer Durables	8.1	(12.6)	3.1	(5.3)	0.0	0.0	0.4	(0.5)	0.0
Autos and Transportation	0.4	---	1.6	(13.7)	0.0	0.0	0.0	0.1	0.1
Financial Services	23.0	(32.2)	30.5	(26.2)	0.0	0.0	0.9	(1.6)	(0.8)
Utilities	4.3	(16.7)	13.1	(11.9)	0.0	0.0	(0.2)	(0.2)	(0.4)
Other	4.7	8.7	6.1	(9.5)	0.0	0.0	(0.1)	0.8	0.7
CASH	1.6	2.1	---	---	0.0	0.0	0.3	0.0	0.3

Currency USD

Policy Benchmark is Russell 1000 Value

Mercer

ATTRIBUTION DETAIL

San Jose

Boston Partners Asset Mgmt. Value Equity

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(8.3)	100.0	(10.0)	0.0	0.0	1.0	0.7	1.7
EQUITY	98.3	(8.5)	100.0	(10.0)	0.0	0.0	0.7	0.7	1.4
Technology	12.8	(12.2)	3.6	(13.2)	0.0	0.0	(0.3)	0.1	(0.2)
Health Care	11.9	12.4	7.3	(4.5)	0.0	0.0	0.4	2.0	2.4
Consumer Discretionary	10.7	(17.1)	7.3	(15.7)	0.0	0.0	(0.2)	(0.1)	(0.3)
Consumer Staples	5.9	(3.4)	6.6	5.4	0.0	0.0	0.1	(0.5)	(0.5)
Integrated Oils	10.4	11.5	11.7	17.4	0.0	0.0	(0.3)	(0.5)	(0.8)
Other Energy	3.0	39.0	3.0	40.2	0.0	0.0	0.0	0.0	(0.1)
Materials and Processing	0.9	(4.4)	5.0	1.9	0.0	0.0	(0.4)	(0.1)	(0.5)
Producer Durables	7.8	10.4	2.8	2.8	0.0	0.0	0.6	0.6	1.2
Autos and Transportation	0.2	---	1.6	(7.0)	0.0	0.0	0.0	0.1	0.1
Financial Services	25.7	(35.6)	32.4	(29.2)	0.0	0.0	1.4	(1.9)	(0.5)
Utilities	4.5	(8.5)	13.3	(8.0)	0.0	0.0	(0.2)	(0.1)	(0.2)
Other	4.5	38.8	5.5	6.0	0.0	0.0	(0.2)	1.1	0.9
CASH	1.7	4.8	---	---	0.0	0.0	0.3	0.0	0.3

Currency USD

Policy Benchmark is Russell 1000 Value

Mercer

ATTRIBUTION DETAIL

San Jose

Boston Partners Asset Mgmt. Value Equity

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	2.5	100.0	2.6	0.0	0.0	(0.5)	0.5	0.0
EQUITY	97.9	2.5	100.0	2.6	0.0	0.0	(0.5)	0.5	0.0
Technology	11.5	(0.7)	3.8	(3.0)	0.0	0.0	(0.3)	0.3	0.0
Health Care	9.7	8.7	7.0	2.1	0.0	0.0	0.2	1.0	1.2
Consumer Discretionary	12.0	2.0	7.5	0.9	0.0	0.0	(0.1)	0.2	0.1
Consumer Staples	4.8	13.7	6.5	13.8	0.0	0.0	(0.1)	0.0	(0.1)
Integrated Oils	9.9	16.8	11.4	20.4	0.0	0.0	(0.2)	(0.3)	(0.5)
Other Energy	3.1	14.3	2.9	26.3	0.0	0.0	0.0	(0.3)	(0.3)
Materials and Processing	1.7	1.0	4.8	10.5	0.0	0.0	(0.3)	(0.3)	(0.6)
Producer Durables	7.4	13.6	2.4	5.6	0.0	0.0	0.2	0.6	0.7
Autos and Transportation	0.1	---	1.7	2.9	0.0	0.0	0.0	0.1	0.1
Financial Services	28.6	(15.9)	34.5	(10.9)	0.0	0.0	0.9	(1.4)	(0.5)
Utilities	4.4	7.0	13.0	10.3	0.0	0.0	(0.6)	(0.1)	(0.8)
Other	4.7	27.7	4.4	6.7	0.0	0.0	(0.2)	0.8	0.7
CASH	2.1	5.0	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is Russell 1000 Value

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		Provident Investment Counsel		Russell 2000 Growth Index				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	1.45	100%	1.45			
Characteristics	Portfolio P/E Excluding Neg. Earnings	86%	23.1	80%	19.7			
	Portfolio Price/Book	100%	3.35	99%	2.87			
	Price/Cash Flow	99%	18.5	98%	16.4			
	Return on Equity - 5 Year Average	59%	16.2	72%	13.5			
	EPS Growth - 5 Years	38%	30.0	45%	20.0			
	Dividend Yield	100%	0.28	100%	0.65			
	Debt/Equity	92%	0.50	91%	0.75			
	Beta (vs. R3000)	79%	1.4	93%	1.5			
	Economic Sectors -							
# holdings/% equity	Technology	17	15.7%	225	16.9%			
Based on Russell	Health Care	17	18.8%	227	19.3%			
Sector Scheme	Consumer Discretionary and Services	20	21.4%	267	21.0%			
	Consumer Staples	1	0.5%	30	1.5%			
	Integrated Oils	0	0.0%	2	0.3%			
	Other Energy	9	11.3%	72	7.9%			
	Materials and Processing	11	12.7%	106	8.4%			
	Producer Durables	5	5.6%	92	8.6%			
	Autos and Transportation	4	4.4%	48	3.3%			
	Financial Services	8	8.1%	145	10.3%			
	Utilities	3	1.4%	24	1.4%			
	Other	0	0.0%	11	1.1%			
	Account Number	1SJFPFPROV12		IX1F00039058				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Provident Investment Counsel

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	1.45	100%	1.65	100%	1.72	100%	1.61	100%	1.53
Characteristics	Portfolio P/E Excluding Neg. Earnings	86%	23.1	85%	30.7	86%	32.6	83%	30.2	88%	26.7
	Portfolio Price/Book	100%	3.35	100%	4.36	100%	4.62	100%	4.62	100%	4.82
	Price/Cash Flow	99%	18.5	100%	23.5	100%	24.9	99%	25.7	100%	25.1
	Return on Equity - 5 Year Average	59%	16.2	47%	14.0	46%	11.1	51%	12.6	53%	12.5
	EPS Growth - 5 Years	38%	30.0	27%	32.2	27%	33.9	28%	40.2	26%	28.0
	Dividend Yield	100%	0.28	100%	0.21	100%	0.26	100%	0.29	100%	0.25
	Debt/Equity	92%	0.50	88%	0.53	92%	0.55	91%	0.60	92%	0.71
	Beta (vs. R3000)	79%	1.4	74%	1.4	76%	1.3	69%	1.3	73%	1.3
Economic Sectors -											
# holdings/% equity	Technology	17	15.7%	23	22.9%	22	23.4%	18	20.8%	18	21.8%
Based on Russell	Health Care	17	18.8%	17	15.9%	16	13.6%	18	16.5%	16	15.6%
Sector Scheme	Consumer Discretionary and Services	20	21.4%	20	20.0%	25	25.2%	24	24.6%	28	28.4%
	Consumer Staples	1	0.5%	1	0.6%	0	0.0%	0	0.0%	0	0.0%
	Integrated Oils	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Other Energy	9	11.3%	8	8.1%	8	6.1%	8	6.1%	7	5.1%
	Materials and Processing	11	12.7%	15	16.9%	16	17.9%	12	12.0%	9	8.5%
	Producer Durables	5	5.6%	3	2.6%	4	3.7%	5	3.7%	4	4.4%
	Autos and Transportation	4	4.4%	3	2.8%	4	3.1%	6	5.0%	6	4.8%
	Financial Services	8	8.1%	7	8.9%	7	6.4%	11	10.9%	11	10.7%
	Utilities	3	1.4%	2	1.3%	1	0.5%	1	0.4%	1	0.8%
	Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Account Number	1SJFPFPROV12										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Russell 2000 Growth Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	1.45	100%	1.59	100%	1.43	100%	1.36	100%	1.28
Characteristics	Portfolio P/E Excluding Neg. Earnings	80%	19.7	79%	23.2	80%	24.9	78%	25.3	80%	23.3
	Portfolio Price/Book	99%	2.87	99%	3.51	99%	3.73	99%	3.92	99%	3.52
	Price/Cash Flow	98%	16.4	98%	20.1	98%	21.5	96%	21.8	97%	20.4
	Return on Equity - 5 Year Average	72%	13.5	66%	12.9	67%	11.7	68%	11.0	70%	11.3
	EPS Growth - 5 Years	45%	20.0	40%	21.3	41%	20.5	40%	21.0	40%	22.4
	Dividend Yield	100%	0.65	100%	0.55	100%	0.54	100%	0.54	100%	0.45
	Debt/Equity	91%	0.75	91%	0.74	91%	0.76	90%	0.70	90%	0.68
	Beta (vs. R3000)	93%	1.5	91%	1.5	91%	1.4	89%	1.5	93%	1.5
Economic Sectors -											
# holdings/% equity	Technology	225	16.9%	229	17.9%	210	18.0%	213	17.1%	224	17.7%
Based on Russell	Health Care	227	19.3%	234	21.1%	230	20.1%	235	18.7%	236	18.5%
Sector Scheme	Consumer Discretionary and Services	267	21.0%	269	20.4%	269	21.9%	273	22.8%	266	22.2%
	Consumer Staples	30	1.5%	29	1.3%	30	1.4%	31	1.5%	24	1.3%
	Integrated Oils	2	0.3%	2	0.2%	2	0.2%	2	0.2%	5	0.3%
	Other Energy	72	7.9%	73	6.8%	68	5.9%	70	5.7%	76	5.5%
	Materials and Processing	106	8.4%	107	8.3%	104	8.1%	105	8.0%	109	8.8%
	Producer Durables	92	8.6%	94	8.8%	94	8.2%	97	8.6%	101	8.8%
	Autos and Transportation	48	3.3%	49	2.9%	49	3.4%	51	4.2%	47	3.9%
	Financial Services	145	10.3%	145	9.8%	141	10.5%	144	11.0%	185	11.4%
	Utilities	24	1.4%	26	1.5%	25	1.7%	27	1.6%	17	1.3%
	Other	11	1.1%	12	0.8%	7	0.6%	7	0.6%	7	0.4%
Account Number	IX1F00039058										

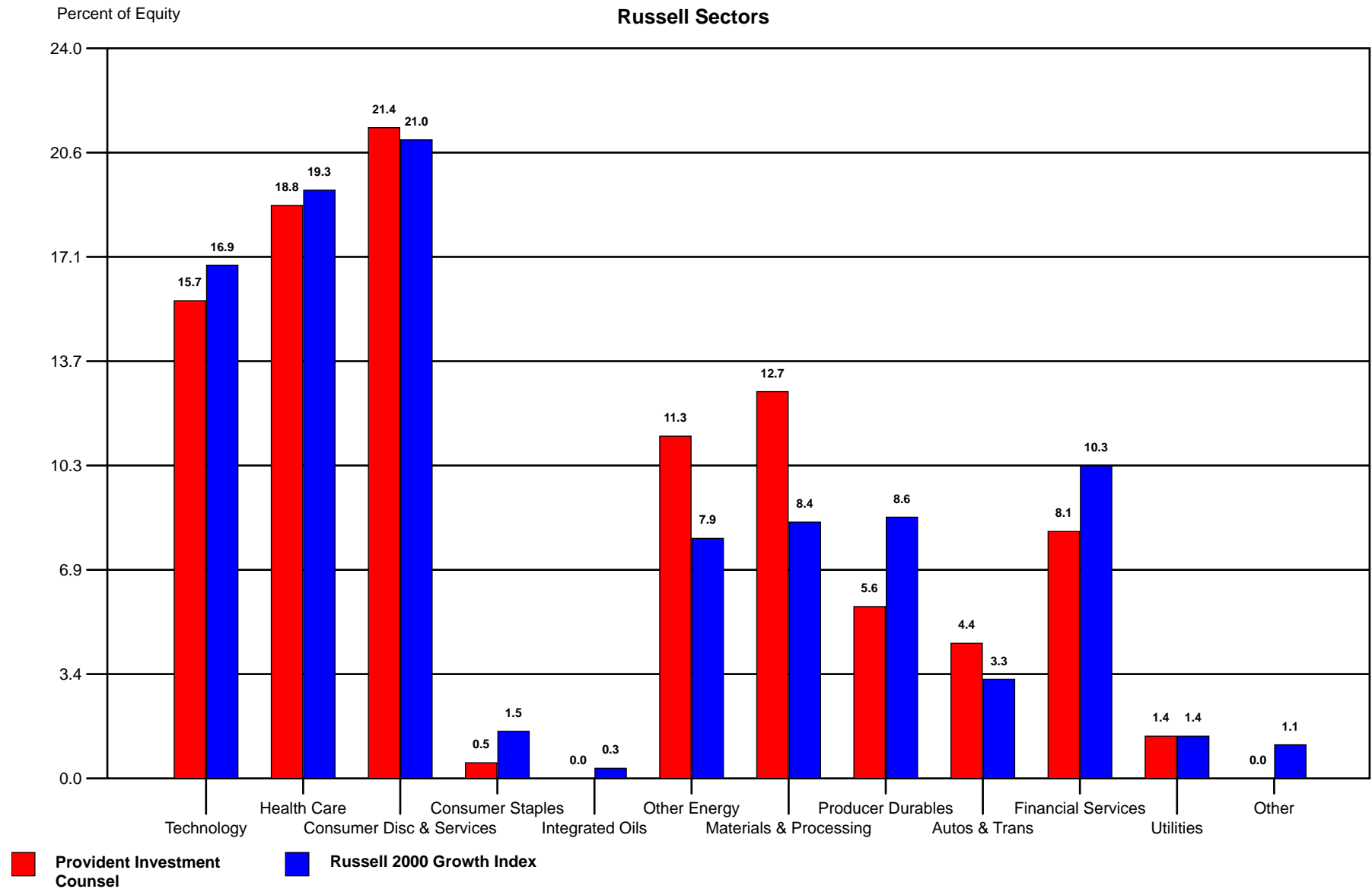
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
EQUINIX INC	TECHNOLOGY	2.29%	0.41%	-34.21%	2.4
CF INDS HLDGS INC	MATERIALS & PROCESSING	2.22%	0.10%	-5.77%	5.7
CONCHO RES INC COM	OTHER ENERGY	1.94%	0.08%	24.41%	1.9
EXL SERVICE HLDGS INC COM	FINANCIAL SERVICES	1.80%	0.07%	-0.52%	.7
HMS HOLDING CORP	HEALTH CARE	1.76%	0.10%	-14.03%	.7
MICROS SYS INC COM	TECHNOLOGY	1.74%	0.47%	-4.05%	2.7
CTRIPO COM INTL LTD AMERICAN	CONSUMER DISCRETIONARY & SERVICES	1.74%	--	-7.74%	3.5
TENNANT CO	PRODUCER DURABLES	1.72%	0.06%	-9.79%	.7
ICON PUB LTD CO SPONSORED ADR	HEALTH CARE	1.67%	--	4.90%	1.9
MERIDIAN BIOSCIENCE INC COM	HEALTH CARE	1.63%	0.23%	11.63%	1.3
Total		18.52%	1.52%		
Benchmark					
Russell 2000 Growth Index				-12.83%	1,447.8

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

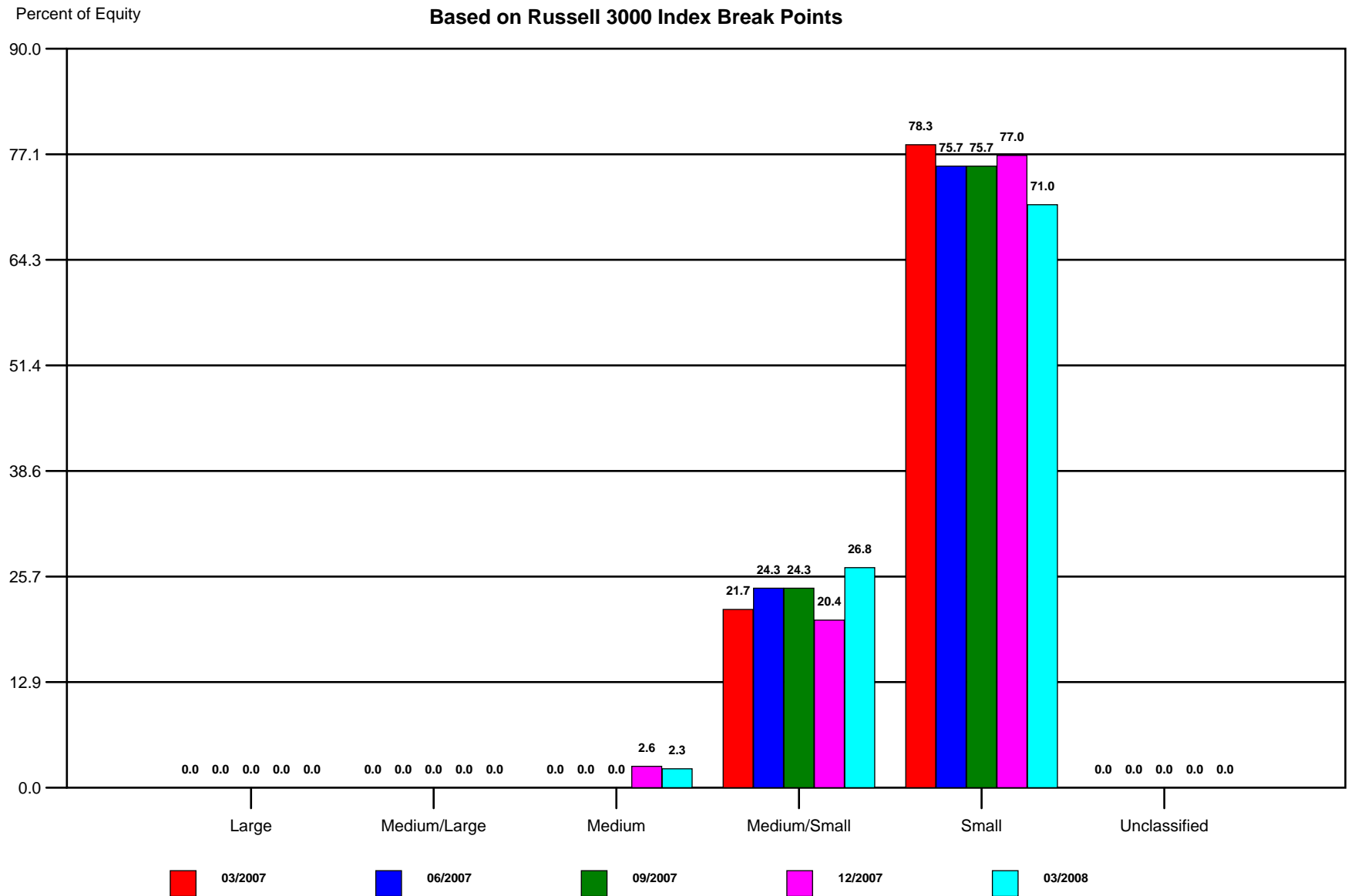
San Jose Police and Fire Retirement System



Mercer

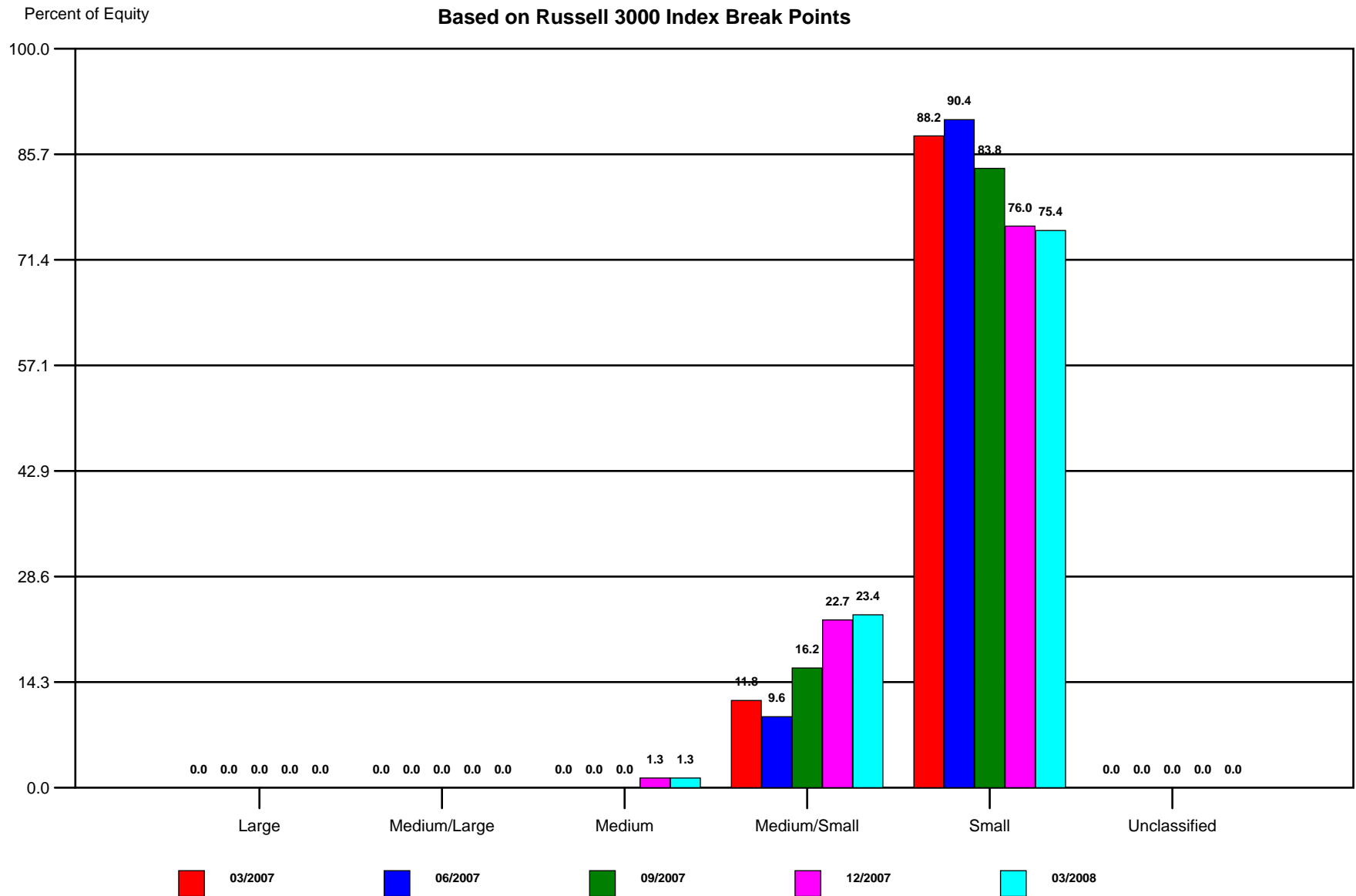
TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System Provident Investment Counsel



TOTAL HISTORICAL SIZE OF COMPANIES

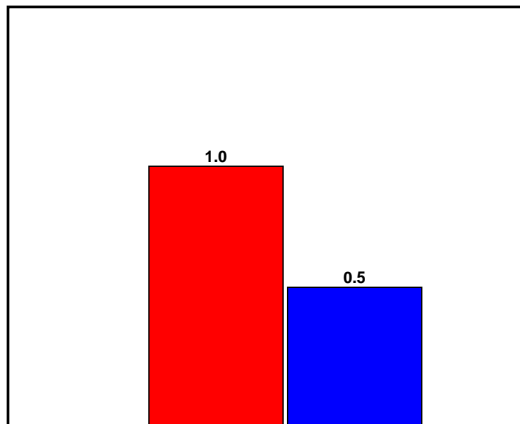
San Jose Police and Fire Retirement System Russell 2000 Growth Index



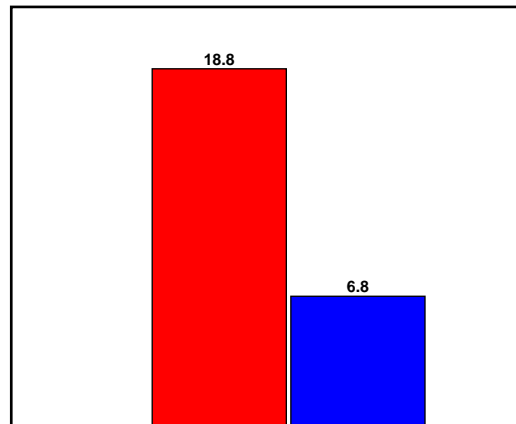
TOTAL SUMMARY PORTFOLIO CHARACTERISTICS
As of March 31, 2008

San Jose Police and Fire Retirement System

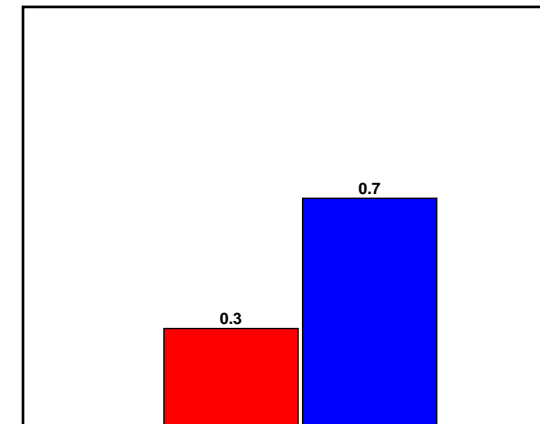
Market Cap - Mdn (USD)



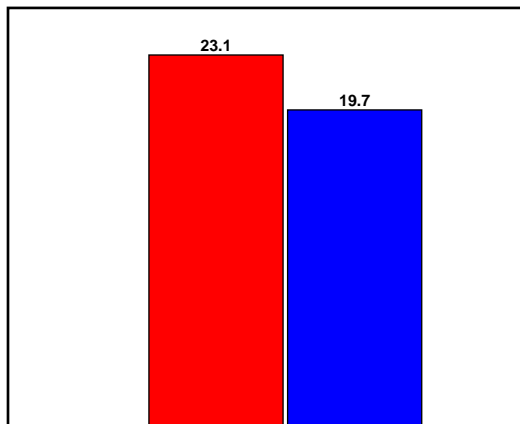
% Ten Largest Holdings



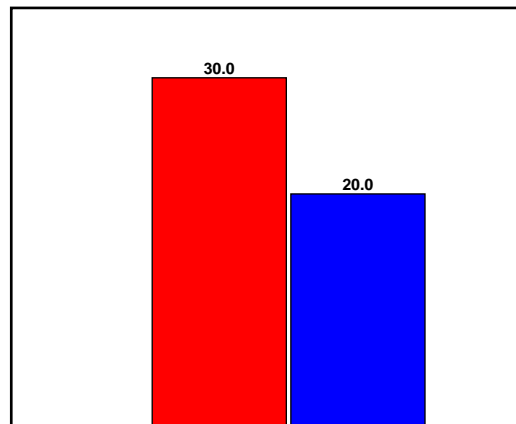
Dividend Yield



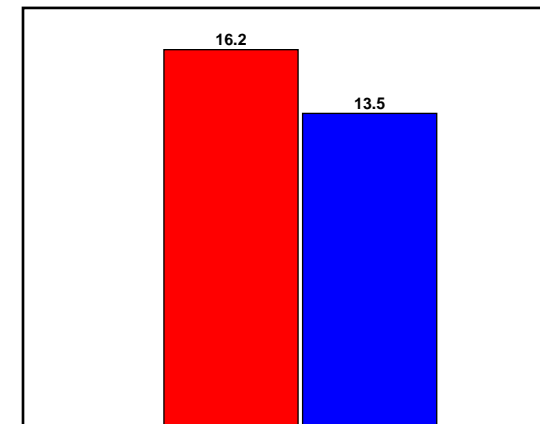
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



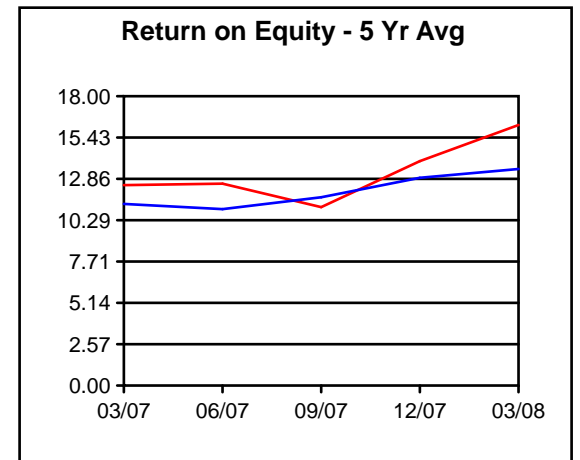
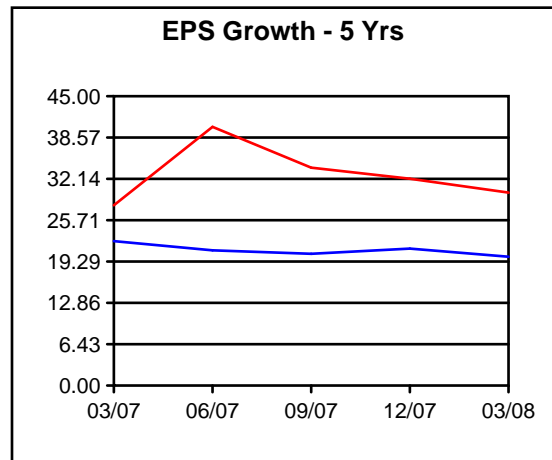
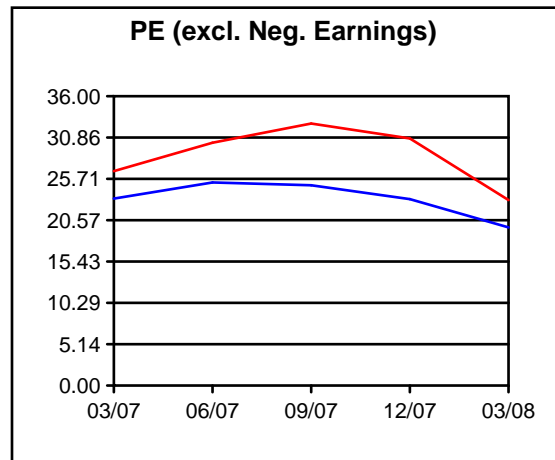
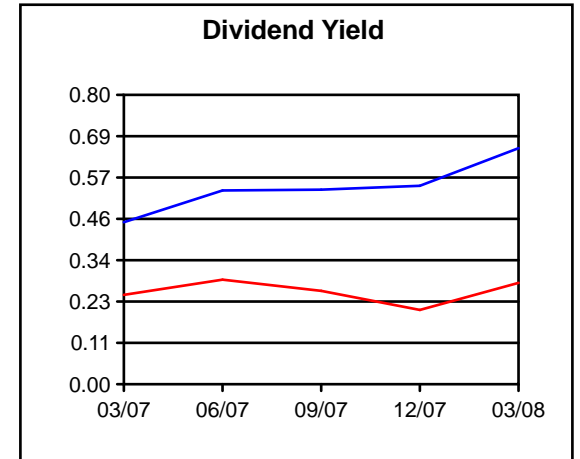
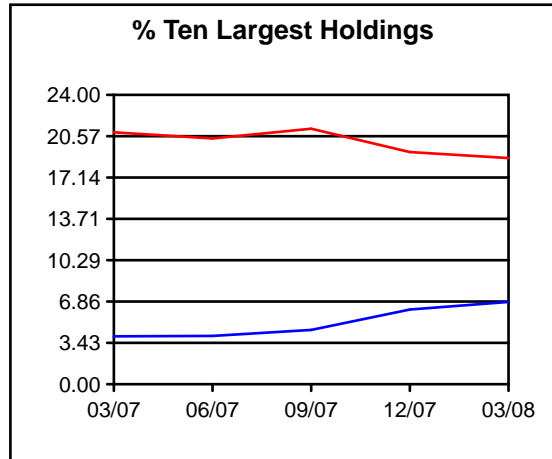
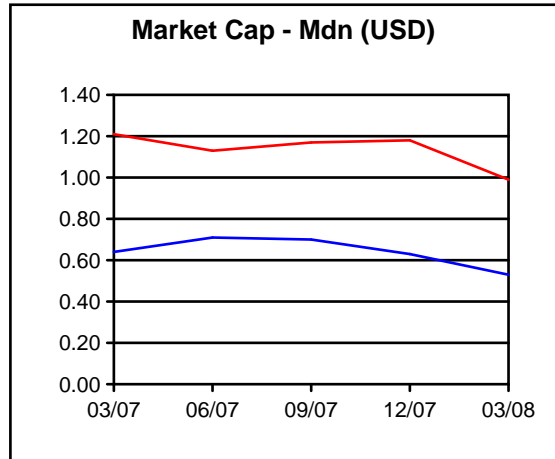
Return on Equity - 5 Yr Avg



 **Provident Investment Counsel**  **Russell 2000 Growth Index**

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— Provident Investment Counsel — Russell 2000 Growth Index

ATTRIBUTION SUMMARY

San Jose

Provident Investment Counsel

Period Ending March 31, 2008

	<u>Annualized</u>			
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(20.0)	(21.9)	(12.1)	(4.8)
Policy Return	(12.8)	(14.7)	(9.0)	(3.9)
Net Management Effect	(7.2)	(7.2)	(3.2)	(0.9)
Currency	0.0	0.0	0.0	0.0
Allocation	0.2	(0.3)	(0.5)	(0.2)
Selection	(7.4)	(6.9)	(2.7)	(0.8)

Currency USD

Policy Benchmark is Russell 2000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

Provident Investment Counsel

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(20.0)	100.0	(12.8)	0.0	0.0	0.2	(7.4)	(7.2)
EQUITY	96.2	(20.9)	100.0	(12.8)	0.0	0.0	(0.4)	(7.4)	(7.8)
Technology	18.3	(30.8)	17.3	(19.9)	0.0	0.0	(0.2)	(2.2)	(2.4)
Health Care	18.4	(16.7)	20.7	(16.1)	0.0	0.0	0.0	(0.1)	(0.1)
Consumer Discretionary	20.1	(22.2)	20.8	(11.4)	0.0	0.0	0.0	(2.2)	(2.2)
Consumer Staples	0.5	(27.7)	1.4	(9.7)	0.0	0.0	0.0	(0.1)	(0.1)
Integrated Oils	---	---	0.3	17.7	0.0	0.0	(0.1)	0.0	(0.1)
Other Energy	8.9	(9.3)	7.1	(2.3)	0.0	0.0	0.2	(0.6)	(0.4)
Materials and Processing	13.1	(17.9)	8.4	(12.6)	0.0	0.0	0.0	(0.7)	(0.7)
Producer Durables	3.3	(16.7)	8.4	(11.2)	0.0	0.0	(0.1)	(0.1)	(0.2)
Autos and Transportation	3.2	(8.5)	3.1	(3.4)	0.0	0.0	0.0	(0.1)	(0.1)
Financial Services	9.1	(22.9)	10.1	(11.2)	0.0	0.0	0.0	(1.1)	(1.1)
Utilities	1.2	(35.8)	1.5	(17.3)	0.0	0.0	0.0	(0.2)	(0.2)
Other	---	---	0.9	20.7	0.0	0.0	(0.3)	0.0	(0.3)
CASH	3.8	1.0	---	---	0.0	0.0	0.5	0.0	0.5

Currency USD

Policy Benchmark is Russell 2000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

Provident Investment Counsel

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(21.9)	100.0	(14.7)	0.0	0.0	(0.3)	(6.9)	(7.2)
EQUITY	96.2	(22.9)	100.0	(14.7)	0.0	0.0	(1.0)	(6.9)	(7.9)
Technology	21.0	(37.8)	17.9	(25.0)	0.0	0.0	(0.4)	(2.8)	(3.2)
Health Care	16.3	(11.0)	20.5	(13.9)	0.0	0.0	(0.2)	0.3	0.2
Consumer Discretionary	20.9	(29.3)	21.1	(16.6)	0.0	0.0	0.0	(2.7)	(2.7)
Consumer Staples	0.4	---	1.3	(14.4)	0.0	0.0	0.0	(0.1)	(0.1)
Integrated Oils	---	---	0.2	22.2	0.0	0.0	(0.1)	0.0	(0.1)
Other Energy	7.5	(5.5)	6.6	4.2	0.0	0.0	0.2	(0.7)	(0.5)
Materials and Processing	15.1	(15.0)	8.3	(13.4)	0.0	0.0	0.1	(0.1)	0.0
Producer Durables	2.9	(8.9)	8.4	(7.3)	0.0	0.0	(0.4)	(0.1)	(0.5)
Autos and Transportation	3.0	(25.6)	3.2	(16.9)	0.0	0.0	0.0	(0.2)	(0.2)
Financial Services	7.9	(9.3)	10.2	(14.9)	0.0	0.0	0.0	0.1	0.1
Utilities	1.3	(55.9)	1.6	(17.8)	0.0	0.0	0.0	(0.6)	(0.6)
Other	---	---	0.8	33.8	0.0	0.0	(0.3)	0.0	(0.3)
CASH	3.8	2.1	---	---	0.0	0.0	0.7	0.0	0.7

Currency USD

Policy Benchmark is Russell 2000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

Provident Investment Counsel

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(12.1)	100.0	(9.0)	0.0	0.0	(0.5)	(2.7)	(3.2)
EQUITY	96.4	(13.0)	100.0	(9.0)	0.0	0.0	(1.2)	(2.7)	(3.8)
Technology	21.0	(26.8)	17.6	(16.9)	0.0	0.0	(0.3)	(2.0)	(2.2)
Health Care	15.5	5.8	19.6	(5.0)	0.0	0.0	(0.5)	1.2	0.7
Consumer Discretionary	22.7	(25.1)	21.8	(15.0)	0.0	0.0	(0.1)	(2.3)	(2.3)
Consumer Staples	0.2	---	1.4	(18.9)	0.0	0.0	0.1	(0.1)	0.0
Integrated Oils	---	---	0.3	4.0	0.0	0.0	0.0	0.0	0.0
Other Energy	6.5	12.6	6.2	16.4	0.0	0.0	0.2	(0.4)	(0.2)
Materials and Processing	13.5	3.7	8.3	(1.5)	0.0	0.0	0.1	0.9	1.0
Producer Durables	3.6	15.5	8.6	0.3	0.0	0.0	(0.4)	0.4	0.0
Autos and Transportation	4.0	(29.9)	3.5	(19.5)	0.0	0.0	0.0	(0.3)	(0.3)
Financial Services	8.5	(7.2)	10.6	(15.2)	0.0	0.0	0.0	0.5	0.6
Utilities	0.9	(48.4)	1.5	(6.0)	0.0	0.0	(0.1)	(0.6)	(0.7)
Other	---	---	0.6	32.9	0.0	0.0	(0.3)	0.0	(0.3)
CASH	3.6	4.7	---	---	0.0	0.0	0.7	0.0	0.7

Currency USD

Policy Benchmark is Russell 2000 Growth

Mercer

ATTRIBUTION DETAIL

San Jose

Provident Investment Counsel

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(4.8)	100.0	(3.9)	0.0	0.0	(0.2)	(0.8)	(0.9)
EQUITY	96.4	(5.3)	100.0	(3.9)	0.0	0.0	(0.6)	(0.8)	(1.4)
Technology	19.8	(10.1)	17.7	(9.5)	0.0	0.0	0.0	0.0	0.0
Health Care	13.9	(0.8)	19.2	(3.9)	0.0	0.0	(0.2)	0.5	0.3
Consumer Discretionary	24.0	(11.7)	21.6	(5.7)	0.0	0.0	0.0	(1.3)	(1.2)
Consumer Staples	0.1	---	1.2	2.6	0.0	0.0	(0.1)	(0.1)	(0.1)
Integrated Oils	---	---	0.3	2.8	0.0	0.0	0.0	0.0	0.0
Other Energy	6.4	(1.4)	6.2	7.4	0.0	0.0	0.2	(0.6)	(0.4)
Materials and Processing	11.5	8.6	8.5	0.5	0.0	0.0	0.1	1.0	1.0
Producer Durables	6.1	1.3	8.5	(0.1)	0.0	0.0	(0.3)	(0.1)	(0.4)
Autos and Transportation	4.1	(8.2)	3.9	(9.0)	0.0	0.0	0.0	0.0	0.0
Financial Services	9.4	(1.9)	11.1	(5.8)	0.0	0.0	0.0	0.3	0.2
Utilities	1.0	(36.8)	1.3	0.6	0.0	0.0	0.0	(0.5)	(0.5)
Other	0.1	---	0.5	5.9	0.0	0.0	(0.2)	0.0	(0.2)
CASH	3.6	4.9	---	---	0.0	0.0	0.5	0.0	0.5

Currency USD

Policy Benchmark is Russell 2000 Growth

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		TCW Group		Russell 2000 Index				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	1.49	100%	1.31			
Characteristics	Portfolio P/E Excluding Neg. Earnings	80%	17.7	82%	17.0			
	Portfolio Price/Book	99%	1.64	99%	1.94			
	Price/Cash Flow	98%	12.7	97%	12.8			
	Return on Equity - 5 Year Average	80%	9.8	77%	12.0			
	EPS Growth - 5 Years	47%	11.6	53%	14.4			
	Dividend Yield	100%	0.90	100%	1.41			
	Debt/Equity	95%	0.76	93%	0.90			
	Beta (vs. R3000)	90%	1.4	93%	1.4			
Economic Sectors -								
# holdings/% equity	Technology	52	16.2%	275	13.1%			
Based on Russell	Health Care	51	11.3%	247	12.6%			
Sector Scheme	Consumer Discretionary and Services	45	16.1%	365	17.1%			
	Consumer Staples	5	0.4%	45	2.6%			
	Integrated Oils	0	0.0%	3	0.2%			
	Other Energy	19	8.7%	97	6.9%			
	Materials and Processing	26	9.1%	168	10.2%			
	Producer Durables	41	12.6%	126	7.4%			
	Autos and Transportation	13	3.0%	76	3.9%			
	Financial Services	60	19.9%	421	21.2%			
	Utilities	7	1.7%	63	4.1%			
	Other	2	0.9%	15	0.8%			
Account Number		1SJFPFTCW002		IX1F00003878				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System TCW Group

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	1.49	100%	1.14	100%	1.15	100%	1.21	100%	1.15
Characteristics	Portfolio P/E Excluding Neg. Earnings	80%	17.7	75%	17.7	76%	18.9	76%	21.4	80%	21.9
	Portfolio Price/Book	99%	1.64	99%	1.52	99%	1.64	100%	1.87	99%	1.86
	Price/Cash Flow	98%	12.7	97%	13.2	97%	14.0	95%	15.6	96%	16.1
	Return on Equity - 5 Year Average	80%	9.8	82%	7.4	82%	7.0	81%	7.6	81%	7.2
	EPS Growth - 5 Years	47%	11.6	42%	11.1	41%	10.8	41%	12.3	44%	11.7
	Dividend Yield	100%	0.90	100%	0.57	100%	0.54	100%	0.48	100%	0.51
	Debt/Equity	95%	0.76	96%	0.54	94%	0.56	96%	0.61	95%	0.58
	Beta (vs. R3000)	90%	1.4	88%	1.6	88%	1.6	88%	1.6	89%	1.6
Economic Sectors -											
# holdings/% equity	Technology	52	16.2%	56	28.1%	64	28.4%	65	25.9%	62	25.1%
Based on Russell	Health Care	51	11.3%	10	5.8%	10	4.3%	11	5.3%	11	5.4%
Sector Scheme	Consumer Discretionary and Services	45	16.1%	32	16.4%	40	17.2%	48	20.3%	47	21.0%
	Consumer Staples	5	0.4%	0	0.0%	1	0.1%	3	1.7%	3	1.8%
	Integrated Oils	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.2%
	Other Energy	19	8.7%	16	7.8%	15	6.1%	15	5.1%	13	3.6%
	Materials and Processing	26	9.1%	18	7.9%	22	9.1%	24	9.2%	23	9.2%
	Producer Durables	41	12.6%	41	17.4%	38	16.8%	38	17.0%	39	18.9%
	Autos and Transportation	13	3.0%	9	3.0%	10	3.7%	9	3.4%	8	3.3%
	Financial Services	60	19.9%	30	13.1%	37	14.0%	34	11.0%	34	11.1%
	Utilities	7	1.7%	0	0.0%	1	0.3%	1	0.3%	0	0.0%
	Other	2	0.9%	1	0.5%	1	0.2%	2	0.5%	2	0.4%
Account Number	1SJFPFTCW002										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Russell 2000 Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	1.31	100%	1.42	100%	1.32	100%	1.29	100%	1.27
Characteristics	Portfolio P/E Excluding Neg. Earnings	82%	17.0	81%	18.7	81%	19.9	80%	20.5	82%	20.5
	Portfolio Price/Book	99%	1.94	99%	2.21	99%	2.35	99%	2.44	99%	2.43
	Price/Cash Flow	97%	12.8	97%	14.5	97%	15.8	96%	16.3	97%	16.9
	Return on Equity - 5 Year Average	77%	12.0	73%	11.6	74%	11.0	74%	10.5	77%	10.3
	EPS Growth - 5 Years	53%	14.4	48%	16.2	48%	16.1	48%	16.2	50%	15.7
	Dividend Yield	100%	1.41	100%	1.25	100%	1.18	100%	1.17	100%	1.15
	Debt/Equity	93%	0.90	92%	0.88	93%	0.90	92%	0.88	92%	0.86
	Beta (vs. R3000)	93%	1.4	91%	1.4	91%	1.3	90%	1.3	93%	1.2
Economic Sectors -											
# holdings/% equity	Technology	275	13.1%	279	14.2%	260	14.0%	264	13.2%	268	13.5%
Based on Russell	Health Care	247	12.6%	254	13.9%	250	12.7%	255	11.7%	255	11.2%
Sector Scheme	Consumer Discretionary and Services	365	17.1%	368	17.1%	370	18.3%	375	19.2%	388	19.7%
	Consumer Staples	45	2.6%	44	2.2%	45	2.2%	46	2.2%	47	2.4%
	Integrated Oils	3	0.2%	3	0.1%	3	0.1%	3	0.1%	5	0.2%
	Other Energy	97	6.9%	97	6.0%	93	5.2%	95	4.9%	95	4.4%
	Materials and Processing	168	10.2%	170	10.0%	169	9.8%	172	9.7%	166	9.5%
	Producer Durables	126	7.4%	128	7.5%	129	7.2%	132	7.5%	137	7.6%
	Autos and Transportation	76	3.9%	77	3.6%	77	4.0%	79	4.4%	69	3.7%
	Financial Services	421	21.2%	429	20.3%	435	21.5%	450	22.6%	455	23.2%
	Utilities	63	4.1%	65	4.3%	65	4.2%	68	4.0%	61	4.1%
	Other	15	0.8%	16	0.7%	14	0.6%	14	0.5%	11	0.4%
Account Number	IX1F00003878										

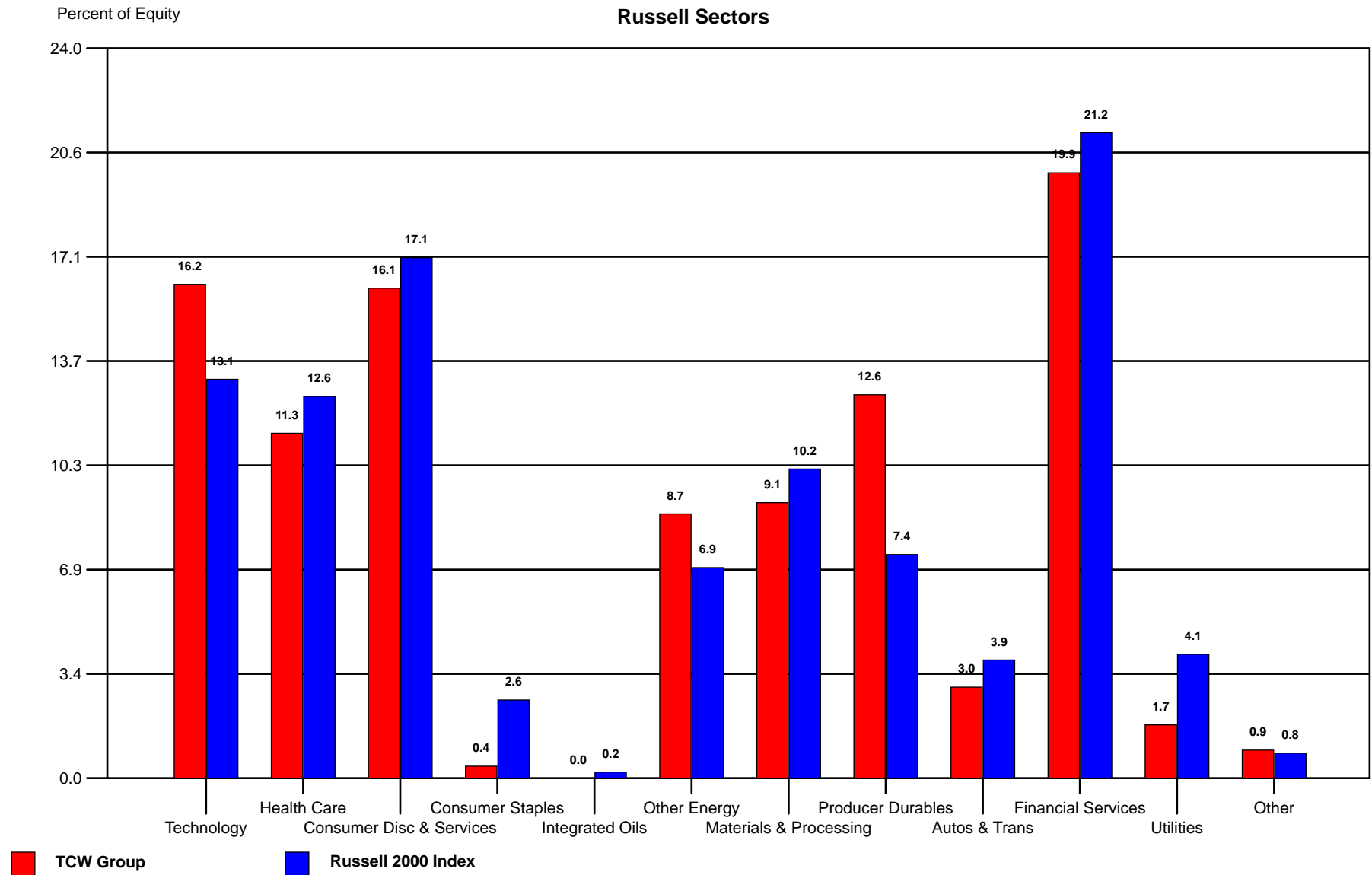
Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
KNIGHT CAP GROUP INC	FINANCIAL SERVICES	1.23%	0.14%	12.78%	1.6
URBAN OUTFITTERS INC COM	CONSUMER DISCRETIONARY & SERVICES	1.20%	--	15.00%	5.2
ASTORIA FINL CORP COM	FINANCIAL SERVICES	1.20%	--	17.88%	2.6
KINDRED HEALTHCARE INC COM	HEALTH CARE	1.11%	0.06%	-12.45%	.8
CNX GAS CORP COM	OTHER ENERGY	1.09%	--	1.03%	4.9
LITTELFUSE INC COM	PRODUCER DURABLES	1.04%	0.07%	6.10%	.8
MAX CAPITAL GROUP LTD	FINANCIAL SERVICES	1.00%	0.13%	-6.13%	1.5
PETROHAWK ENERGY CORP	OTHER ENERGY	0.95%	0.34%	16.52%	3.9
OLYMPIC STL INC	MATERIALS & PROCESSING	0.95%	0.04%	42.36%	.5
STERLING BANCORP COM	FINANCIAL SERVICES	0.94%	0.03%	15.25%	.3
Total		10.71%	0.80%		
Benchmark					
Russell 2000 Index				-9.90%	1,305.9

TOTAL SUMMARY OF SECTOR DISTRIBUTION
As of March 31, 2008

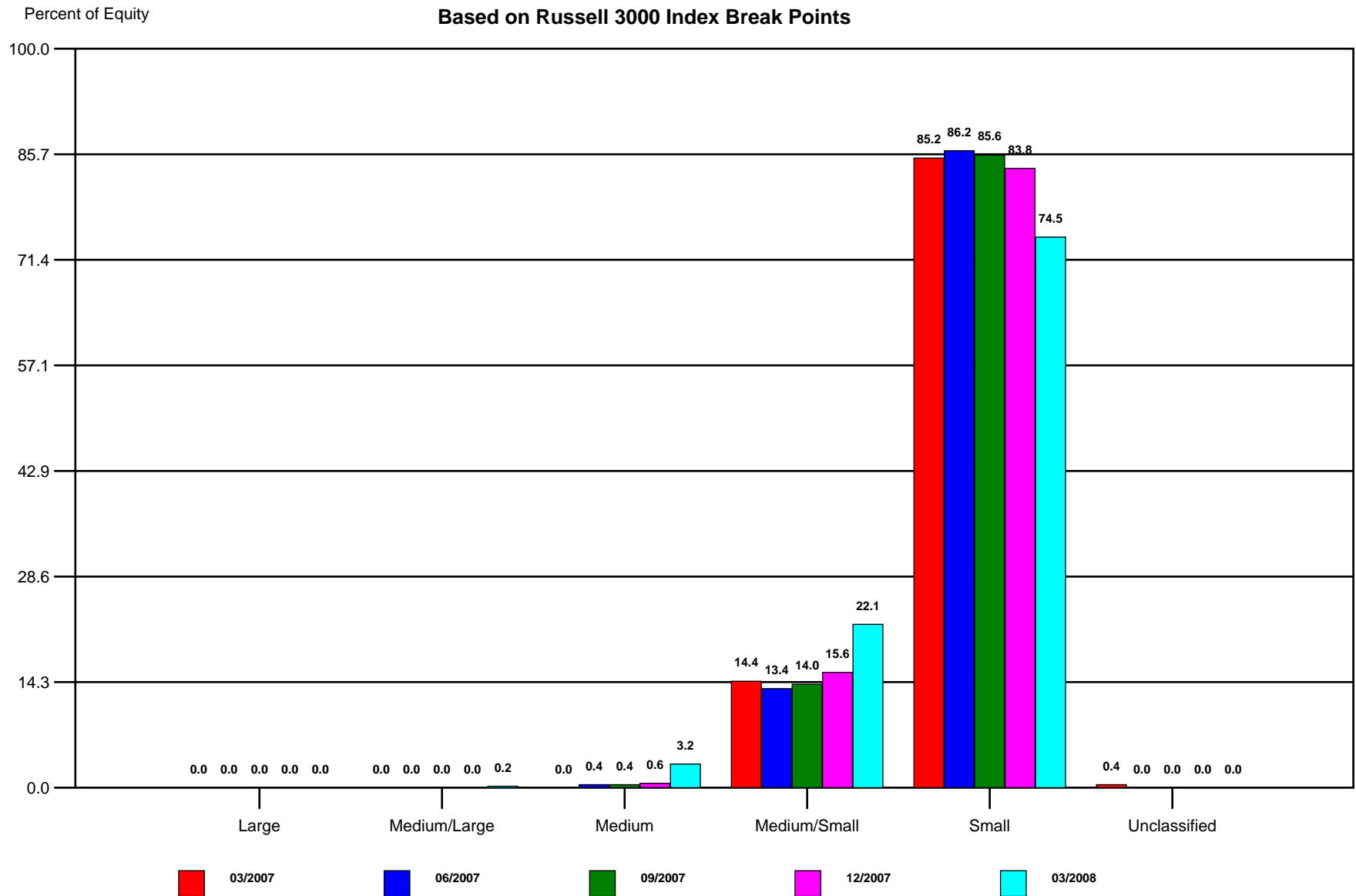
San Jose Police and Fire Retirement System



Mercer

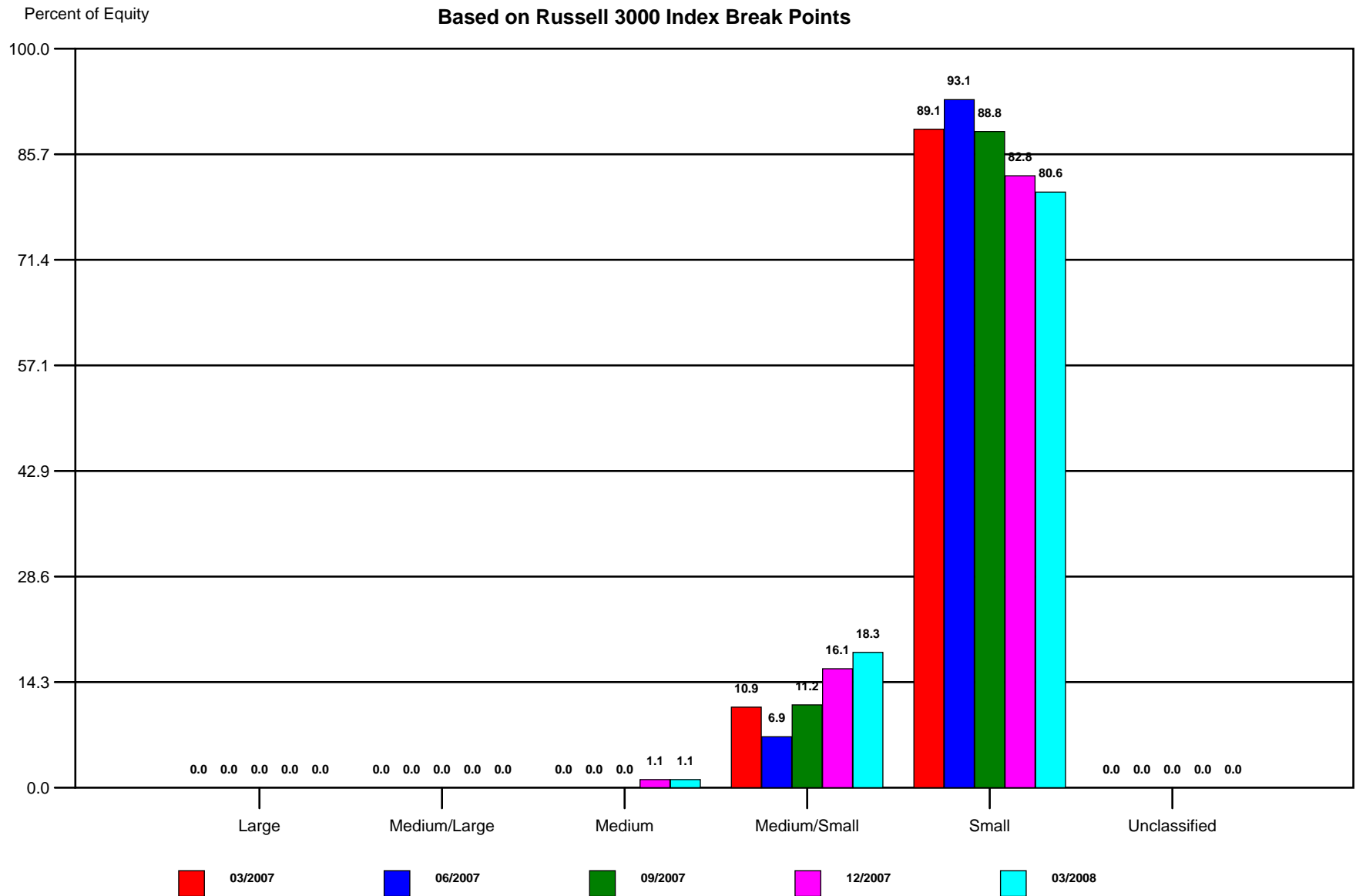
TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System TCW Group



TOTAL HISTORICAL SIZE OF COMPANIES

San Jose Police and Fire Retirement System Russell 2000 Index

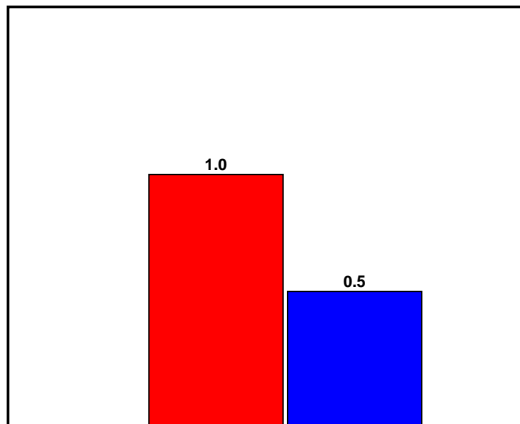


TOTAL SUMMARY PORTFOLIO CHARACTERISTICS

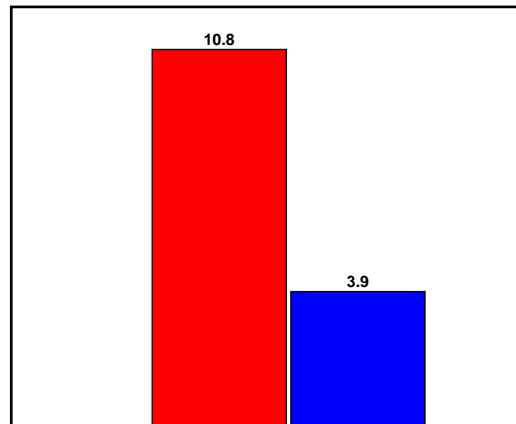
San Jose Police and Fire Retirement System

As of March 31, 2008

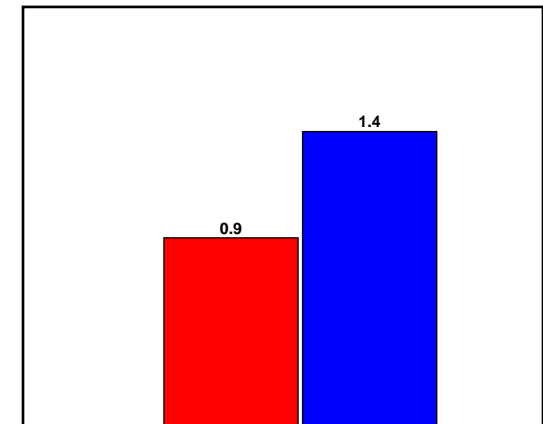
Market Cap - Mdn (USD)



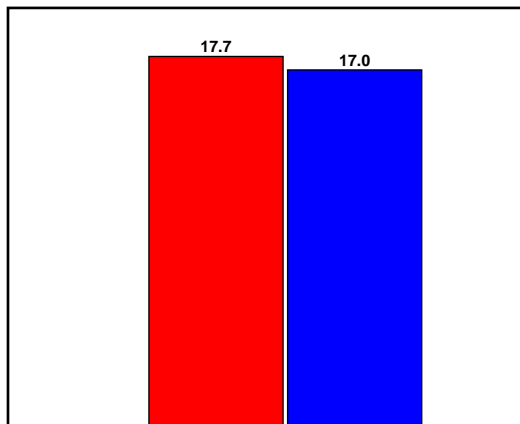
% Ten Largest Holdings



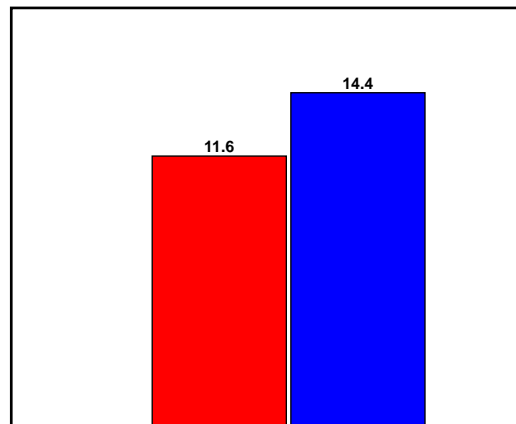
Dividend Yield



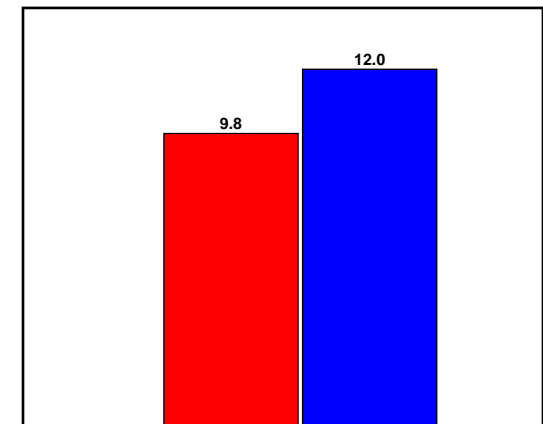
PE (excl. Neg. Earnings)



EPS Growth - 5 Yrs



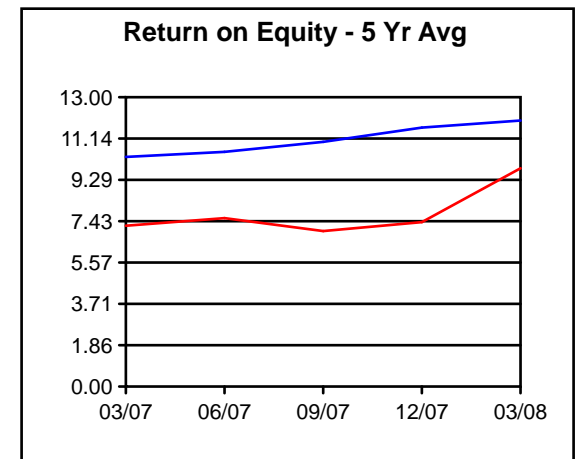
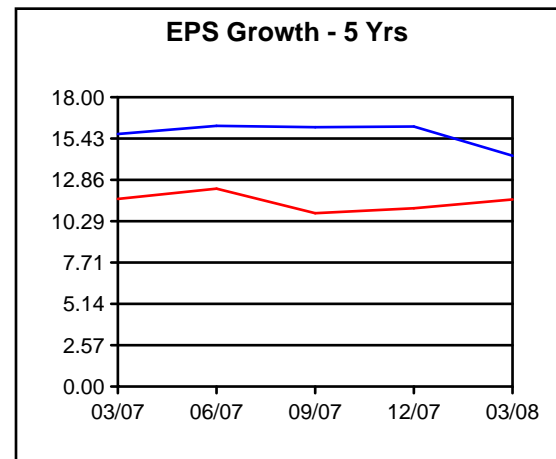
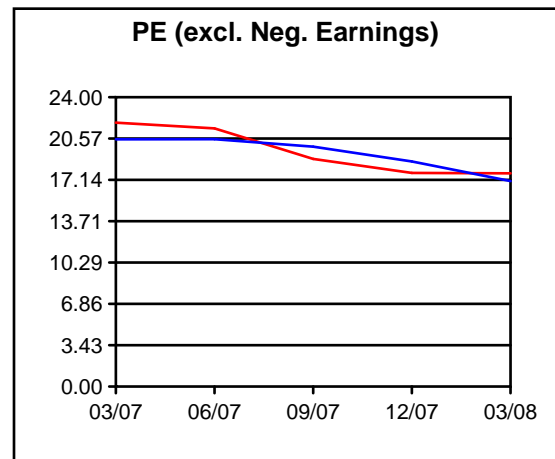
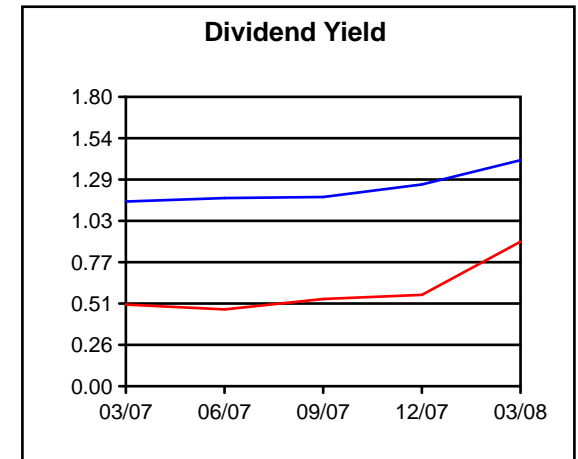
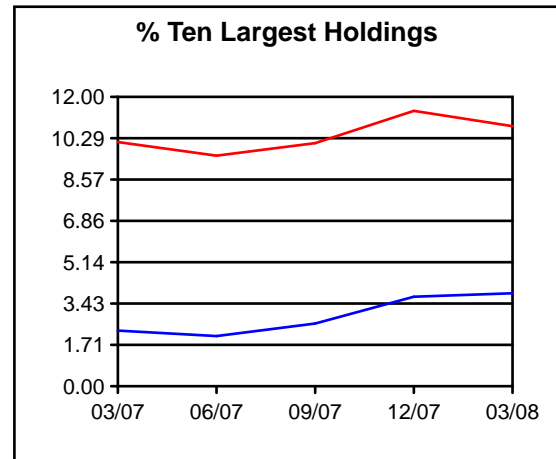
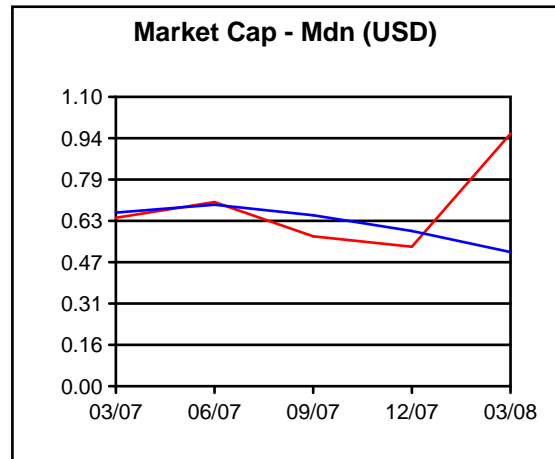
Return on Equity - 5 Yr Avg



TCW Group Russell 2000 Index

HISTORICAL PORTFOLIO CHARACTERISTICS

San Jose Police and Fire Retirement System



— TCW Group — Russell 2000 Index

ATTRIBUTION SUMMARY

San Jose

TCW Group

Period Ending March 31, 2008

		<u>Annualized</u>		
	<u>QTR</u>	<u>6 MO</u>	<u>1 YR</u>	<u>2 YR</u>
Portfolio Return	(11.2)	(17.0)	(21.0)	(7.8)
Policy Return	(9.9)	(14.0)	(13.0)	(4.0)
Net Management Effect	(1.3)	(3.0)	(8.0)	(3.8)
Currency	0.0	0.0	0.0	0.0
Allocation	(1.2)	(1.2)	0.0	(0.5)
Selection	(0.1)	(1.8)	(8.0)	(3.3)

Currency USD

Policy Benchmark is Russell 2000

Mercer

ATTRIBUTION DETAIL

San Jose

TCW Group

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(11.2)	100.0	(9.9)	0.0	0.0	(1.2)	(0.1)	(1.3)
EQUITY	99.1	(11.3)	100.0	(9.9)	0.0	0.0	(1.2)	(0.1)	(1.4)
Technology	22.4	(20.2)	13.5	(18.3)	0.0	0.0	(1.1)	(0.5)	(1.6)
Health Care	8.5	(18.9)	13.5	(15.5)	0.0	0.0	0.2	(0.4)	(0.2)
Consumer Discretionary	16.1	(12.9)	17.1	(9.9)	0.0	0.0	0.0	(0.5)	(0.5)
Consumer Staples	0.1	---	2.3	(3.2)	0.0	0.0	(0.1)	0.0	(0.1)
Integrated Oils	---	---	0.2	16.0	0.0	0.0	0.0	0.0	0.0
Other Energy	8.0	2.2	6.2	(0.3)	0.0	0.0	0.2	0.2	0.4
Materials and Processing	8.7	(6.7)	10.2	(7.8)	0.0	0.0	0.0	0.1	0.1
Producer Durables	14.6	(9.4)	7.2	(9.9)	0.0	0.0	(0.1)	0.1	0.0
Autos and Transportation	3.0	(4.9)	3.8	(2.3)	0.0	0.0	0.0	(0.1)	(0.1)
Financial Services	16.2	0.5	21.0	(6.3)	0.0	0.0	(0.3)	1.0	0.7
Utilities	0.8	(8.6)	4.2	(13.7)	0.0	0.0	0.2	0.0	0.1
Other	0.7	8.4	0.7	11.0	0.0	0.0	0.0	0.0	0.0
CASH	0.9	0.7	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 2000

Mercer

ATTRIBUTION DETAIL

San Jose

TCW Group

6 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(17.0)	100.0	(14.0)	0.0	0.0	(1.2)	(1.8)	(3.0)
EQUITY	99.1	(17.2)	100.0	(14.0)	0.0	0.0	(1.3)	(1.8)	(3.1)
Technology	25.0	(22.9)	14.0	(23.5)	0.0	0.0	(1.2)	0.2	(1.0)
Health Care	6.8	(10.5)	13.3	(12.8)	0.0	0.0	(0.4)	0.0	(0.4)
Consumer Discretionary	16.4	(21.5)	17.5	(18.2)	0.0	0.0	0.0	(0.6)	(0.5)
Consumer Staples	0.1	---	2.3	(5.7)	0.0	0.0	(0.2)	0.0	(0.2)
Integrated Oils	---	---	0.2	20.2	0.0	0.0	0.0	0.0	0.0
Other Energy	7.5	(1.6)	5.9	4.2	0.0	0.0	0.3	(0.3)	0.0
Materials and Processing	8.7	(14.8)	10.0	(10.8)	0.0	0.0	(0.1)	(0.3)	(0.4)
Producer Durables	15.8	(17.3)	7.3	(9.8)	0.0	0.0	0.3	(1.2)	(0.9)
Autos and Transportation	3.1	(24.6)	3.8	(15.6)	0.0	0.0	0.0	(0.3)	(0.3)
Financial Services	14.6	(8.1)	21.0	(14.5)	0.0	0.0	0.0	0.9	1.0
Utilities	0.5	(12.5)	4.2	(13.1)	0.0	0.0	0.0	0.0	(0.1)
Other	0.6	(19.3)	0.7	21.0	0.0	0.0	0.0	(0.2)	(0.2)
CASH	0.9	1.9	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 2000

Mercer

ATTRIBUTION DETAIL

San Jose

TCW Group

Annualized 1 Year Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(21.0)	100.0	(13.0)	0.0	0.0	0.0	(8.0)	(8.0)
EQUITY	98.9	(21.2)	100.0	(13.0)	0.0	0.0	(0.1)	(8.0)	(8.2)
Technology	25.6	(25.0)	13.7	(18.3)	0.0	0.0	(0.6)	(1.9)	(2.5)
Health Care	5.9	(17.2)	12.4	(4.9)	0.0	0.0	(0.8)	(0.7)	(1.5)
Consumer Discretionary	18.0	(28.6)	18.5	(22.0)	0.0	0.0	0.1	(1.3)	(1.2)
Consumer Staples	0.7	---	2.3	(8.7)	0.0	0.0	(0.1)	0.2	0.0
Integrated Oils	0.1	---	0.2	5.2	0.0	0.0	(0.1)	(0.1)	(0.2)
Other Energy	6.3	3.0	5.3	15.6	0.0	0.0	0.3	(0.6)	(0.4)
Materials and Processing	8.8	(12.0)	9.9	(2.2)	0.0	0.0	(0.1)	(0.8)	(0.9)
Producer Durables	16.4	(22.5)	7.5	(7.0)	0.0	0.0	0.5	(2.6)	(2.1)
Autos and Transportation	3.3	(33.6)	3.9	(16.9)	0.0	0.0	0.0	(0.6)	(0.6)
Financial Services	13.0	(16.0)	21.6	(19.4)	0.0	0.0	0.8	0.6	1.3
Utilities	0.3	---	4.2	(13.8)	0.0	0.0	0.0	0.0	0.0
Other	0.5	(8.0)	0.6	33.1	0.0	0.0	0.0	(0.1)	(0.2)
CASH	1.1	4.5	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 2000

Mercer

ATTRIBUTION DETAIL

San Jose

TCW Group

Annualized 2 Years Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(7.8)	100.0	(4.0)	0.0	0.0	(0.5)	(3.3)	(3.8)
EQUITY	99.0	(7.9)	100.0	(4.0)	0.0	0.0	(0.5)	(3.3)	(3.8)
Technology	25.1	(12.6)	13.7	(9.4)	0.0	0.0	(0.5)	(0.9)	(1.5)
Health Care	5.5	1.9	11.9	(2.5)	0.0	0.0	(0.3)	0.2	(0.1)
Consumer Discretionary	18.0	(9.9)	18.7	(8.5)	0.0	0.0	0.0	(0.2)	(0.2)
Consumer Staples	1.1	---	2.1	11.9	0.0	0.0	(0.1)	0.2	0.0
Integrated Oils	0.1	---	0.2	4.7	0.0	0.0	0.0	(0.1)	(0.1)
Other Energy	4.6	(0.7)	5.2	8.4	0.0	0.0	0.0	(0.4)	(0.4)
Materials and Processing	9.2	(5.2)	9.7	5.2	0.0	0.0	(0.1)	(0.9)	(1.0)
Producer Durables	19.0	(7.1)	7.5	(1.7)	0.0	0.0	0.1	(0.8)	(0.7)
Autos and Transportation	3.2	(17.7)	3.8	(4.7)	0.0	0.0	0.0	(0.4)	(0.4)
Financial Services	12.5	(7.0)	22.7	(8.2)	0.0	0.0	0.5	0.2	0.7
Utilities	0.2	---	4.1	0.4	0.0	0.0	(0.2)	0.0	(0.2)
Other	0.5	(0.6)	0.5	16.8	0.0	0.0	0.0	(0.1)	(0.1)
CASH	1.0	4.8	---	---	0.0	0.0	0.1	0.0	0.1

Currency USD

Policy Benchmark is Russell 2000

Mercer

International Equity Analysis

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		AQR Capital Management, LLC		Brandes Investment Partners		MSCI EAFE Index			
Characteristics Summary									
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	60.89	97%	43.13	100%	61.30		
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	11.3	90%	12.8	98%	11.6		
	Portfolio Price/Book	99%	1.80	97%	1.32	100%	1.82		
	Price/Cash Flow	98%	7.2	93%	6.5	98%	7.7		
	Return on Equity - 5 Year Average	93%	18.5	87%	15.1	95%	17.8		
	EPS Growth - 5 Years	69%	26.1	54%	18.4	76%	25.1		
	Dividend Yield	100%	3.29	100%	3.59	100%	3.44		
	Debt/Equity	91%	0.55	88%	0.68	85%	0.65		
	Beta (vs. R3000)	0%	0.3	8%	1.4	---	---		
	Economic Sectors -								
# holdings/% equity	Technology	24	2.0%	12	13.5%	72	3.8%		
Based on Russell	Health Care	24	6.1%	8	13.8%	55	6.5%		
Sector Scheme	Consumer Discretionary and Services	77	8.6%	10	15.8%	204	8.5%		
	Consumer Staples	31	7.2%	2	4.8%	61	6.9%		
	Integrated Oils	11	6.9%	0	0.0%	16	5.4%		
	Other Energy	13	2.6%	0	0.0%	29	2.6%		
	Materials and Processing	117	15.2%	1	2.0%	248	14.6%		
	Producer Durables	56	6.7%	2	2.5%	98	6.7%		
	Autos and Transportation	61	7.7%	0	0.0%	106	6.7%		
	Financial Services	113	18.5%	16	22.2%	206	24.3%		
	Utilities	35	13.6%	21	24.4%	68	10.2%		
	Other	21	4.9%	1	0.9%	37	3.7%		
Account Number		1SJFPFAQR002		1SJFPFBRAND2		IX1G00059648			

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System AQR Capital Management, LLC

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	60.89	100%	67.05	100%	63.46	100%	59.91	99%	53.50
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	11.3	97%	12.9	95%	13.2	96%	14.5	96%	13.9
	Portfolio Price/Book	99%	1.80	99%	2.12	100%	2.26	100%	2.42	99%	2.37
	Price/Cash Flow	98%	7.2	97%	7.8	98%	8.2	97%	8.7	96%	8.6
	Return on Equity - 5 Year Average	93%	18.5	94%	15.8	94%	15.2	94%	15.3	94%	14.6
	EPS Growth - 5 Years	69%	26.1	68%	22.0	68%	22.7	69%	22.2	69%	20.6
	Dividend Yield	100%	3.29	100%	2.77	100%	2.62	100%	2.48	100%	2.68
	Debt/Equity	91%	0.55	91%	0.60	89%	0.62	89%	0.62	85%	0.64
	Beta (vs. R3000)	0%	0.3	---	---	---	---	---	---	---	---
Economic Sectors -											
# holdings/% equity	Technology	24	2.0%	26	3.2%	25	3.2%	22	3.2%	19	2.9%
Based on Russell	Health Care	24	6.1%	22	6.0%	18	5.8%	13	5.6%	15	5.3%
Sector Scheme	Consumer Discretionary and Services	77	8.6%	64	8.8%	62	8.9%	53	9.4%	60	8.7%
	Consumer Staples	31	7.2%	27	6.0%	27	5.3%	27	5.7%	24	5.0%
	Integrated Oils	11	6.9%	10	7.2%	9	6.5%	8	6.2%	8	5.2%
	Other Energy	13	2.6%	15	2.0%	9	1.3%	7	1.6%	5	1.3%
	Materials and Processing	117	15.2%	117	15.8%	110	16.5%	89	15.4%	98	16.8%
	Producer Durables	56	6.7%	58	6.8%	48	7.0%	35	7.2%	29	6.0%
	Autos and Transportation	61	7.7%	63	8.5%	54	9.1%	40	8.7%	36	8.7%
	Financial Services	113	18.5%	107	21.4%	107	22.9%	91	24.4%	94	27.2%
	Utilities	35	13.6%	31	10.6%	36	10.4%	31	9.1%	32	9.6%
	Other	21	4.9%	20	3.6%	18	3.0%	19	3.4%	14	3.3%
Account Number	1SJFPFAQR002										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Brandes Investment Partners

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	97%	43.13	98%	52.14	98%	52.86	99%	51.49	99%	50.46
Characteristics	Portfolio P/E Excluding Neg. Earnings	90%	12.8	88%	15.7	86%	16.6	89%	19.2	93%	17.1
	Portfolio Price/Book	97%	1.32	97%	1.67	97%	1.83	98%	2.07	98%	2.05
	Price/Cash Flow	93%	6.5	94%	7.1	95%	7.1	96%	7.8	96%	7.2
	Return on Equity - 5 Year Average	87%	15.1	89%	12.8	89%	14.0	91%	13.0	93%	11.8
	EPS Growth - 5 Years	54%	18.4	53%	13.2	56%	13.4	59%	13.6	62%	8.1
	Dividend Yield	100%	3.59	100%	2.87	100%	2.64	100%	2.48	100%	2.51
	Debt/Equity	88%	0.68	88%	0.62	90%	0.70	88%	0.66	86%	0.69
	Beta (vs. R3000)	8%	1.4	7%	1.3	7%	1.5	8%	1.6	9%	1.4
Economic Sectors -											
# holdings/% equity	Technology	12	13.5%	12	14.9%	11	13.6%	10	16.3%	10	14.1%
Based on Russell	Health Care	8	13.8%	8	13.7%	8	14.6%	7	12.4%	6	9.9%
Sector Scheme	Consumer Discretionary and Services	10	15.8%	10	15.0%	11	16.8%	9	14.1%	8	14.7%
	Consumer Staples	2	4.8%	3	6.5%	3	7.0%	4	9.9%	5	11.7%
	Integrated Oils	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Other Energy	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Materials and Processing	1	2.0%	1	1.7%	1	1.7%	1	2.3%	1	2.4%
	Producer Durables	2	2.5%	2	2.4%	1	2.2%	1	3.0%	2	2.9%
	Autos and Transportation	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	2.7%
	Financial Services	16	22.2%	15	19.7%	13	16.1%	11	15.2%	13	15.4%
	Utilities	21	24.4%	21	25.1%	21	26.7%	22	24.9%	24	24.5%
	Other	1	0.9%	1	1.0%	2	1.4%	2	2.0%	2	1.7%
Account Number	1SJFPFBRAND2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System MSCI EAFE Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	61.30	100%	68.57	100%	67.28	100%	65.23	100%	58.87
Characteristics	Portfolio P/E Excluding Neg. Earnings	98%	11.6	98%	13.9	97%	14.3	96%	15.5	97%	14.8
	Portfolio Price/Book	100%	1.82	100%	2.26	100%	2.38	100%	2.50	100%	2.45
	Price/Cash Flow	98%	7.7	98%	8.6	98%	9.0	98%	9.5	98%	9.7
	Return on Equity - 5 Year Average	95%	17.8	95%	16.1	95%	16.1	95%	15.8	95%	15.2
	EPS Growth - 5 Years	76%	25.1	73%	22.3	73%	22.3	72%	21.7	74%	19.7
	Dividend Yield	100%	3.44	100%	2.76	100%	2.64	100%	2.51	100%	2.58
	Debt/Equity	85%	0.65	87%	0.67	85%	0.67	86%	0.66	84%	0.69
	Beta (vs. R3000)	---	---	---	---	---	---	---	---	---	---
Economic Sectors -											
# holdings/% equity	Technology	72	3.8%	74	4.3%	72	4.4%	72	4.5%	81	4.4%
Based on Russell	Health Care	55	6.5%	56	6.4%	51	6.4%	51	6.4%	52	6.8%
Sector Scheme	Consumer Discretionary and Services	204	8.5%	207	8.4%	202	8.5%	202	8.6%	202	8.7%
	Consumer Staples	61	6.9%	62	6.6%	62	6.4%	63	6.3%	65	6.6%
	Integrated Oils	16	5.4%	16	5.6%	15	5.3%	15	5.4%	14	5.0%
	Other Energy	29	2.6%	29	2.6%	25	2.0%	26	2.0%	23	1.5%
	Materials and Processing	248	14.6%	246	14.1%	230	14.4%	232	14.1%	235	14.0%
	Producer Durables	98	6.7%	98	6.7%	100	7.1%	101	6.9%	102	6.4%
	Autos and Transportation	106	6.7%	108	6.5%	97	6.5%	97	6.5%	96	6.6%
	Financial Services	206	24.3%	209	24.7%	188	25.6%	189	26.5%	189	27.1%
	Utilities	68	10.2%	69	10.5%	64	10.0%	63	9.5%	65	9.8%
	Other	37	3.7%	37	3.6%	33	3.5%	34	3.3%	33	3.0%
Account Number	IX1G00059648										

Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
TELEFONICA SA EUR1	UTILITIES	2.16%	0.99%	-0.89%	137.7
VODAFONE GROUP	UTILITIES	1.58%	1.27%	-19.90%	159.3
VIVENDI SA EUR5.5	OTHER	1.57%	0.36%	-7.36%	45.7
ROCHE HLDG AG GENUSSSCHEINE NPV	HEALTH CARE	1.55%	1.06%	28.28%	163.0
TOTAL SA EUR2.5	INTEGRATED OILS	1.51%	1.28%	-2.78%	178.6
E.ON AG NPV	UTILITIES	1.49%	0.92%	-5.40%	124.4
BP PLC ORD USD.25	INTEGRATED OILS	1.45%	1.54%	-15.86%	191.8
FRANCE TELECOM EUR4	UTILITIES	1.41%	0.49%	1.62%	87.9
NOKIA (AB) OY EUR0.06	PRODUCER DURABLES	1.40%	1.00%	-11.24%	122.1
ENI EUR1	INTEGRATED OILS	1.13%	0.71%	1.28%	136.1
Total		15.25%	9.60%		
Benchmark					
MSCI EAFE Index				-8.83%	61,296.2

Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
SANOFI-AVENTIS EUR2	HEALTH CARE	3.42%	0.61%	-11.37%	102.9
DEUTSCHE TELEKOM AG NPV (REGD)	UTILITIES	3.38%	0.38%	-17.50%	72.9
NIPPON TEL & TEL CORP Y50000	UTILITIES	3.14%	0.18%	-2.08%	59.7
GLAXOSMITHKLINE ORD GBP0.25	HEALTH CARE	2.94%	0.93%	-15.57%	114.9
ASTRAZENECA ORD USD0.25	HEALTH CARE	2.84%	0.44%	-6.33%	54.6
MITSUBISHI UFJ FINANCIAL GROUP	FINANCIAL SERVICES	2.83%	0.60%	4.31%	93.3
FRANCE TELECOM EUR4	UTILITIES	2.47%	0.49%	1.62%	87.9
UNILEVER NV CVA EUR0.16	CONSUMER STAPLES	2.46%	0.46%	-0.66%	52.8
mitsui sumitomo insurance Y50	FINANCIAL SERVICES	2.41%	0.10%	-98.95%	--
MORRISON (W) SUPMKT ORD 10P	CONSUMER STAPLES	2.31%	0.05%	-15.09%	14.6
Total		28.21%	4.23%		
Benchmark					
MSCI EAFE Index				-8.83%	61,296.2

COUNTRY ALLOCATION
March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	AQR Capital Management, LLC		Brandes Investment Partners		MSCI EAFE Index			
Total Market Value	108.60M		211.54M		12.56T			
Percent Total/Equity Market Value	89.89%	97.62M	99.16%	209.77M	100.00%	12.56T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
AFRICA / MIDDLE EAST								
Mauritius	100.00	0.02						
TOTAL AFRICA / MIDDLE EAST		0.02						
AMERICAS								
Brazil			100.00	3.54				
Canada			100.00	0.51				
Mexico			100.00	1.15				
United States	2.99	10.43	71.25	3.26				
Venezuela	100.00	0.06						
TOTAL AMERICAS		10.48		8.47				
ASIA / PACIFIC BASIN								
Australia	100.00	5.65			100.00	6.36		
China	100.00	0.02						
Hong Kong	100.00	2.01			100.00	2.18		
Korea, South			100.00	5.27				
New Zealand			100.00	0.69	100.00	0.12		
Papua New Guinea	100.00	0.12						
Singapore	100.00	0.94			100.00	1.15		
Taiwan			100.00	1.37				
Account Number	1SJFPFAQR002		1SJFPFBRAND2		IX1G00059648			

Mercer

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	AQR Capital Management, LLC		Brandes Investment Partners		MSCI EAFE Index			
Total Market Value	108.60M		211.54M		12.56T			
Percent Total/Equity Market Value	89.89%	97.62M	99.16%	209.77M	100.00%	12.56T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
ASIA / PACIFIC BASIN (Cont'd)								
Total Pacific Basin Ex Japan	8.74		7.33		9.82			
Japan	100.00	18.24	100.00	30.18	100.00	20.10		
TOTAL ASIA / PACIFIC BASIN	26.98		37.50		29.92			
EUROPE								
Austria					100.00	0.59		
Belgium	100.00	0.95			100.00	1.30		
Denmark	100.00	1.22			100.00	1.02		
Finland	100.00	2.23			100.00	1.84		
France	100.00	8.80	100.00	9.65	100.00	10.91		
Germany	100.00	8.86	100.00	4.36	100.00	9.18		
Greece					100.00	0.71		
Ireland					100.00	0.70		
Italy	100.00	3.86	100.00	3.55	100.00	3.87		
Luxembourg	100.00	0.62						
Netherlands	100.00	3.21	100.00	10.78	100.00	2.87		
Norway					100.00	1.06		
Portugal			100.00	1.59	100.00	0.34		
Spain	100.00	4.83	100.00	0.95	100.00	4.44		
Sweden	100.00	2.49	100.00	1.91	100.00	2.46		
Account Number	1SJFPFAQR002		1SJFPFBRAND2		IX1G00059648			

Mercer

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	AQR Capital Management, LLC		Brandes Investment Partners		MSCI EAFE Index			
Total Market Value	108.60M		211.54M		12.56T			
Percent Total/Equity Market Value	89.89%	97.62M	99.16%	209.77M	100.00%	12.56T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
EUROPE (Cont'd)								
Switzerland	100.00	5.79	100.00	2.84	100.00	7.23		
Total Europe Ex United Kingdom		42.84		35.63		48.53		
United Kingdom	100.00	19.68	100.56	18.41	100.00	21.55		
TOTAL EUROPE		62.52		54.03		70.08		
OTHER								
Multiple Domicile	0.00	0.00						
TOTAL OTHER								
% in Developed Market Countries		99.79%		88.69%		100.00%		
% in Emerging Market Countries		0.21%		11.31%		0.00%		
Account Number	1SJFPFAQR002		1SJFPFBRAND2		IX1G00059648			

Mercer

ATTRIBUTION SUMMARY

San Jose

AQR Capital Management, LLC

Period Ending March 31, 2008

QTR

Portfolio Return	(8.6)
Policy Return	(8.9)
Net Management Effect	0.3
Currency	(0.1)
Allocation	0.2
Selection	0.2

Currency USD

Policy Benchmark is MSCI EAFE Net Dividend

Mercer

ATTRIBUTION DETAIL

San Jose

AQR Capital Management, LLC

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(8.6)	100.0	(8.9)	7.1	(0.1)	0.2	0.2	0.3
EQUITY	100.0	(8.6)	100.0	(8.9)	7.1	(0.1)	0.2	0.2	0.3
EUROPE	69.2	(8.2)	69.3	(8.6)	6.2	(0.1)	0.2	0.1	0.3
EUROPE ex UK	46.3	(7.3)	47.2	(7.8)	9.2	0.0	0.2	0.0	0.2
EURO	35.6	(9.1)	36.0	(9.2)	8.4	0.0	0.1	0.0	0.1
Austria	---	---	0.6	(9.9)	8.4	0.0	0.0	0.0	0.0
Belgium	1.5	(5.8)	1.2	(3.1)	8.4	0.0	0.0	0.0	0.0
Finland	2.4	(10.5)	1.9	(10.5)	8.4	0.0	0.0	0.0	0.0
France	9.3	(10.9)	10.6	(8.4)	8.4	0.0	0.0	(0.2)	(0.3)
Germany	10.0	(9.7)	9.1	(11.7)	8.4	0.0	0.0	0.2	0.2
Greece	---	---	0.7	(15.8)	8.4	0.0	0.1	0.0	0.1
Ireland	---	---	0.7	(1.2)	8.4	0.0	0.0	0.0	0.0
Italy	4.1	(9.1)	3.9	(11.7)	8.4	0.0	0.0	0.1	0.1
Luxembourg	0.5	6.2	---	---	8.4	0.0	0.1	0.0	0.1
Netherlands	3.4	(9.5)	2.8	(6.6)	8.4	0.0	0.0	(0.1)	(0.1)
Portugal	---	---	0.4	(13.2)	8.4	0.0	0.0	0.0	0.0
Spain	4.3	(5.1)	4.2	(5.6)	8.4	0.0	0.0	0.0	0.0
NON-EURO	10.8	(1.3)	11.2	(3.0)	12.1	0.0	0.1	0.1	0.1
Denmark	1.5	5.4	0.9	0.0	8.4	0.0	0.1	0.1	0.1
Norway	---	---	1.0	(10.5)	6.9	0.0	0.0	0.0	0.0
Sweden	3.0	(3.7)	2.3	(3.4)	9.0	0.0	0.0	0.0	0.0
Switzerland	6.3	(2.1)	6.9	(2.1)	14.5	0.0	0.0	0.0	0.0
UNITED KINGDOM	22.9	(10.2)	22.1	(10.5)	(0.2)	0.0	0.0	0.1	0.1
United Kingdom	22.9	(10.2)	22.1	(10.5)	(0.2)	0.0	0.0	0.1	0.1
PACIFIC BASIN	30.6	(9.3)	30.7	(9.6)	9.2	0.0	0.0	0.1	0.1

Currency USD

Policy Benchmark is MSCI EAFE Net Dividend

Mercer

ATTRIBUTION DETAIL

San Jose

AQR Capital Management, LLC

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
PACIFIC BASIN ex JAPAN	10.0	(13.7)	10.1	(13.0)	3.1	0.0	0.0	(0.1)	(0.1)
Australia	6.8	(13.3)	6.5	(11.7)	4.0	0.0	0.0	(0.1)	(0.1)
Hong Kong	2.2	(17.7)	2.4	(18.9)	0.2	0.0	0.0	0.0	0.0
New Zealand	---	---	0.1	(14.7)	2.2	0.0	0.0	0.0	0.0
Singapore	1.0	(7.5)	1.1	(7.4)	4.4	0.0	0.0	0.0	0.0
JAPAN	20.5	(7.1)	20.6	(7.8)	12.2	0.0	0.0	0.1	0.1
Japan	20.5	(7.1)	20.6	(7.8)	12.2	0.0	0.0	0.1	0.1
NORTH AMERICA	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0
United States	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0
EMERGING MARKETS	0.2	(2.5)	---	---	0.0	0.0	0.0	0.0	0.0
Bermuda	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Cayman Islands	---	---	---	---	0.0	0.0	0.0	0.0	0.0
China	0.1	(23.2)	---	---	4.2	0.0	0.0	0.0	0.0
Indonesia	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0
International Equity	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Mauritius	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0
Multi-National	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Papua New Guinea	0.1	4.5	---	---	1.6	0.0	0.0	0.0	0.0
Venezuela	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is MSCI EAFE Net Dividend

Mercer

ATTRIBUTION SUMMARY

San Jose

Brandes Investment Partners

Period Ending March 31, 2008

QTR

Portfolio Return	(12.1)
Policy Return	(8.9)
Net Management Effect	(3.1)
Currency	(0.4)
Allocation	0.7
Selection	(3.5)

Currency USD

Policy Benchmark is MSCI EAFE Net Dividend

Mercer

ATTRIBUTION DETAIL

San Jose

Brandes Investment Partners

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(12.1)	100.0	(8.9)	7.1	(0.4)	0.7	(3.5)	(3.1)
EQUITY	100.0	(12.1)	100.0	(8.9)	7.1	(0.4)	0.7	(3.5)	(3.1)
EUROPE	54.3	(14.3)	69.3	(8.6)	6.2	(0.1)	(0.2)	(2.9)	(3.2)
EUROPE ex UK	36.3	(14.2)	47.2	(7.8)	9.2	(0.3)	0.0	(2.2)	(2.5)
EURO	31.4	(15.3)	36.0	(9.2)	8.4	(0.1)	0.1	(2.0)	(1.9)
Austria	---	---	0.6	(9.9)	8.4	0.0	0.0	0.0	0.0
Belgium	---	---	1.2	(3.1)	8.4	0.0	(0.1)	0.0	(0.1)
Finland	---	---	1.9	(10.5)	8.4	0.0	0.1	0.0	0.0
France	9.6	(12.2)	10.6	(8.4)	8.4	0.0	0.0	(0.4)	(0.4)
Germany	5.1	(28.5)	9.1	(11.7)	8.4	(0.1)	0.1	(0.8)	(0.8)
Greece	---	---	0.7	(15.8)	8.4	0.0	0.1	0.0	0.1
Ireland	---	---	0.7	(1.2)	8.4	0.0	0.0	0.0	0.0
Italy	3.9	(24.4)	3.9	(11.7)	8.4	0.0	0.0	(0.5)	(0.5)
Netherlands	10.2	(9.5)	2.8	(6.6)	8.4	0.1	0.1	(0.3)	(0.1)
Portugal	1.6	(10.7)	0.4	(13.2)	8.4	0.0	(0.1)	0.0	0.0
Spain	1.0	(8.6)	4.2	(5.6)	8.4	0.0	(0.1)	0.0	(0.1)
NON-EURO	4.9	(7.7)	11.2	(3.0)	12.1	(0.3)	(0.1)	(0.2)	(0.5)
Denmark	---	---	0.9	0.0	8.4	0.0	(0.1)	0.0	(0.1)
Norway	---	---	1.0	(10.5)	6.9	0.0	0.0	0.0	0.0
Sweden	2.0	(16.3)	2.3	(3.4)	9.0	0.0	0.0	(0.3)	(0.3)
Switzerland	2.9	(1.1)	6.9	(2.1)	14.5	(0.3)	0.0	0.1	(0.2)
UNITED KINGDOM	18.0	(14.7)	22.1	(10.5)	(0.2)	0.3	(0.2)	(0.8)	(0.7)
United Kingdom	18.0	(14.7)	22.1	(10.5)	(0.2)	0.3	(0.2)	(0.8)	(0.7)
PACIFIC BASIN	31.4	(9.6)	30.7	(9.6)	9.2	0.8	(0.4)	(0.5)	(0.1)
PACIFIC BASIN ex JAPAN	0.7	(8.4)	10.1	(13.0)	3.1	0.3	0.0	0.0	0.4

Currency USD

Policy Benchmark is MSCI EAFE Net Dividend

Mercer

ATTRIBUTION DETAIL

San Jose

Brandes Investment Partners

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
Australia	---	---	6.5	(11.7)	4.0	0.2	0.0	0.0	0.2
Hong Kong	---	---	2.4	(18.9)	0.2	0.1	0.1	0.0	0.2
New Zealand	0.7	(8.4)	0.1	(14.7)	2.2	0.0	0.0	0.0	0.0
Singapore	---	---	1.1	(7.4)	4.4	0.0	0.0	0.0	0.0
JAPAN	30.7	(9.7)	20.6	(7.8)	12.2	0.5	(0.4)	(0.6)	(0.5)
Japan	30.7	(9.7)	20.6	(7.8)	12.2	0.5	(0.4)	(0.6)	(0.5)
NORTH AMERICA	3.3	(19.2)	---	---	0.0	(0.2)	(0.1)	0.0	(0.4)
Canada	0.8	(55.1)	---	---	(3.8)	(0.1)	(0.4)	0.0	(0.5)
United States	2.5	(4.3)	---	---	0.0	(0.2)	0.3	0.0	0.1
EMERGING MARKETS	11.0	(4.3)	---	---	0.0	(0.9)	1.3	0.0	0.5
Bermuda	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Brazil	3.0	15.5	---	---	1.8	(0.2)	0.8	0.0	0.6
China	---	---	---	---	0.0	0.0	0.0	0.0	0.0
International Equity	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Mexico	1.0	2.6	---	---	2.3	0.0	0.2	0.0	0.1
Russia	---	---	---	---	0.0	0.0	0.0	0.0	0.0
South Korea	5.8	(15.3)	---	---	(5.5)	(0.7)	0.3	0.0	(0.4)
Taiwan	1.2	(0.9)	---	---	6.8	0.0	0.1	0.0	0.1
Venezuela	---	---	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is MSCI EAFE Net Dividend

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		William Blair & Company		MSCI AC World Ex United States Index				
Characteristics Summary								
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	97%	34.47	100%	58.65			
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	17.4	96%	12.3			
	Portfolio Price/Book	95%	3.64	99%	1.98			
	Price/Cash Flow	97%	12.4	98%	8.0			
	Return on Equity - 5 Year Average	80%	19.1	94%	18.5			
	EPS Growth - 5 Years	64%	34.6	76%	26.1			
	Dividend Yield	100%	1.61	100%	3.09			
	Debt/Equity	85%	0.51	88%	0.58			
	Beta (vs. R3000)	2%	1.9	0%	1.4			
	Economic Sectors -							
# holdings/% equity	Technology	9	2.9%	168	5.0%			
Based on Russell	Health Care	8	6.7%	75	5.2%			
Sector Scheme	Consumer Discretionary and Services	37	20.6%	291	7.5%			
	Consumer Staples	10	10.5%	119	5.8%			
	Integrated Oils	0	0.0%	47	6.3%			
	Other Energy	12	6.6%	86	4.8%			
	Materials and Processing	24	12.7%	497	16.4%			
	Producer Durables	13	8.1%	133	5.7%			
	Autos and Transportation	6	3.5%	177	5.8%			
	Financial Services	28	13.8%	403	23.7%			
	Utilities	6	6.2%	169	10.5%			
	Other	7	8.2%	68	3.3%			
	Account Number	1SJFPFBLAIR2		IX1G00108428				

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System William Blair & Company

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	97%	34.47	97%	31.98	97%	32.13	97%	25.96	98%	24.91
Characteristics	Portfolio P/E Excluding Neg. Earnings	97%	17.4	96%	20.8	96%	21.3	96%	22.7	97%	21.3
	Portfolio Price/Book	95%	3.64	95%	4.75	94%	4.70	95%	4.53	97%	4.25
	Price/Cash Flow	97%	12.4	97%	14.5	97%	15.0	97%	14.5	98%	13.8
	Return on Equity - 5 Year Average	80%	19.1	77%	19.0	78%	18.9	80%	18.4	83%	18.0
	EPS Growth - 5 Years	64%	34.6	61%	32.4	61%	31.9	61%	30.7	66%	28.7
	Dividend Yield	100%	1.61	100%	1.28	100%	1.28	100%	1.26	100%	1.33
	Debt/Equity	85%	0.51	82%	0.46	80%	0.39	81%	0.49	81%	0.49
	Beta (vs. R3000)	2%	1.9	3%	1.6	3%	1.7	2%	1.6	3%	1.4
Economic Sectors -											
# holdings/% equity	Technology	9	2.9%	12	3.9%	12	4.0%	13	5.1%	12	5.3%
Based on Russell	Health Care	8	6.7%	7	3.4%	10	4.2%	10	4.8%	10	5.1%
Sector Scheme	Consumer Discretionary and Services	37	20.6%	45	24.9%	49	22.4%	50	23.2%	48	22.6%
	Consumer Staples	10	10.5%	11	9.5%	10	9.8%	11	10.9%	12	11.3%
	Integrated Oils	0	0.0%	1	0.4%	1	0.8%	1	0.7%	1	0.6%
	Other Energy	12	6.6%	10	6.3%	9	6.2%	7	4.4%	8	3.9%
	Materials and Processing	24	12.7%	27	13.4%	29	15.0%	24	11.7%	23	10.4%
	Producer Durables	13	8.1%	12	8.6%	11	8.3%	12	6.8%	13	6.5%
	Autos and Transportation	6	3.5%	6	2.9%	5	2.6%	6	2.8%	10	5.1%
	Financial Services	28	13.8%	33	16.2%	34	17.3%	36	20.7%	32	22.3%
	Utilities	6	6.2%	4	3.2%	5	3.4%	6	4.4%	6	4.0%
	Other	7	8.2%	5	7.4%	5	6.0%	4	4.7%	3	3.0%
Account Number	1SJFPFBLAIR2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System MSCI AC World Ex United States Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	100%	58.65	100%	65.81	100%	63.17	100%	59.50	100%	54.21
Characteristics	Portfolio P/E Excluding Neg. Earnings	96%	12.3	96%	14.6	95%	14.9	95%	15.7	96%	14.8
	Portfolio Price/Book	99%	1.98	99%	2.40	100%	2.48	100%	2.56	99%	2.48
	Price/Cash Flow	98%	8.0	98%	8.9	98%	9.2	98%	9.5	98%	9.5
	Return on Equity - 5 Year Average	94%	18.5	93%	16.9	94%	16.8	94%	16.4	94%	15.7
	EPS Growth - 5 Years	76%	26.1	73%	24.1	73%	23.7	73%	23.0	74%	20.6
	Dividend Yield	100%	3.09	100%	2.53	100%	2.81	100%	2.39	100%	2.48
	Debt/Equity	88%	0.58	88%	0.61	87%	0.60	87%	0.61	86%	0.64
	Beta (vs. R3000)	0%	1.4	0%	1.2	0%	1.1	0%	1.2	0%	1.3
Economic Sectors -											
# holdings/% equity	Technology	168	5.0%	171	5.2%	160	5.3%	161	5.6%	163	5.4%
Based on Russell	Health Care	75	5.2%	77	5.1%	73	5.2%	74	5.3%	80	5.8%
Sector Scheme	Consumer Discretionary and Services	291	7.5%	296	7.5%	287	7.7%	286	7.8%	290	8.1%
	Consumer Staples	119	5.8%	120	5.6%	119	5.6%	120	5.5%	126	5.8%
	Integrated Oils	47	6.3%	44	6.6%	41	6.0%	41	6.0%	40	5.7%
	Other Energy	86	4.8%	86	4.5%	74	3.8%	74	3.7%	70	3.3%
	Materials and Processing	497	16.4%	489	15.7%	455	16.0%	457	15.3%	458	15.0%
	Producer Durables	133	5.7%	132	5.7%	131	6.1%	133	6.1%	135	5.7%
	Autos and Transportation	177	5.8%	180	5.7%	168	5.9%	169	6.0%	170	6.1%
	Financial Services	403	23.7%	404	24.3%	360	25.0%	359	25.8%	361	26.4%
	Utilities	169	10.5%	170	10.8%	151	10.3%	148	9.8%	153	9.9%
	Other	68	3.3%	68	3.3%	61	3.2%	62	3.1%	64	2.9%
Account Number	IX1G00108428										

Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
VODAFONE GROUP	UTILITIES	2.39%	0.94%	-19.90%	159.3
ABB LTD CHF2.50 (REGD)	OTHER	2.20%	0.35%	7.09%	61.4
NESTLE SA CHF1 (REGD)	CONSUMER STAPLES	2.01%	1.17%	25.05%	188.8
WOOLWORTHS LIMITED ORD A\$0.25	CONSUMER DISCRETIONARY & SERVICES	2.00%	0.19%	-6.38%	32.2
RECKITT BENCKISER GROUP PLC	CONSUMER STAPLES	1.95%	0.20%	-3.35%	39.4
NOVO-NORDISK AS DKK1	HEALTH CARE	1.95%	0.20%	14.81%	42.6
SAIPEM EUR1	OTHER ENERGY	1.94%	0.03%	9.79%	17.7
GENERIC EQUITY SECURITY	OTHER	1.81%	--	--	--
TESCO ORD 5P	CONSUMER STAPLES	1.75%	0.35%	-20.83%	59.2
NINTENDO CO	CONSUMER DISCRETIONARY & SERVICES	1.68%	0.30%	-1.24%	66.0
Total		19.69%	3.72%		
Benchmark					
MSCI AC World Ex United States Index				-9.05%	58,653.5

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	William Blair & Company		MSCI AC World Ex United States Index				
Total Market Value	232.07M		16.93T				
Percent Total/Equity Market Value	94.97%	220.46M	99.88%	16.91T			
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry			
AFRICA / MIDDLE EAST							
Egypt	100.00	1.39	100.00	0.16			
Georgia	100.00	0.13					
Israel			100.00	0.44			
Jordan			100.00	0.02			
Morocco			100.00	0.08			
South Africa	137.27	0.16	100.00	1.21			
United Arab Emirates	100.00	0.66					
TOTAL AFRICA / MIDDLE EAST		2.34		1.91			
AMERICAS							
Argentina			100.00	0.11			
Brazil	98.73	4.85	100.00	2.79			
Canada	100.61	4.99	100.00	6.50			
Chile	100.00	0.58	99.18	0.28			
Colombia			82.73	0.08			
Mexico	100.00	0.39	100.00	1.00			
Peru			100.00	0.13			
United States	39.48	6.51					
TOTAL AMERICAS		17.32		10.89			
Account Number	1SJFPFBLAIR2		IX1G00108428				

Mercer

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	William Blair & Company		MSCI AC World Ex United States Index				
Total Market Value	232.07M		16.93T				
Percent Total/Equity Market Value	94.97%	220.46M	99.88%	16.91T			
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry			
ASIA / PACIFIC BASIN							
Australia	113.57	4.51	100.00	4.72			
China	100.00	0.13	100.00	2.69			
Hong Kong	114.49	1.76	100.00	1.62			
India	100.00	2.88	100.00	1.36			
Indonesia	100.00	0.37	100.00	0.33			
Korea, South	100.00	1.17	97.57	2.67			
Malaysia	99.18	1.20	100.00	0.49			
New Zealand			100.00	0.09			
Pakistan			100.00	0.04			
Philippines			100.00	0.09			
Singapore	98.05	2.44	100.00	0.85			
Taiwan	100.00	0.80	100.00	2.27			
Thailand			100.00	0.30			
Total Pacific Basin Ex Japan		15.26		17.50			
Japan	91.17	14.31	100.00	14.91			
TOTAL ASIA / PACIFIC BASIN		29.56		32.41			
Account Number	1SJFPFBLAIR2		IX1G00108428				

Mercer

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	William Blair & Company		MSCI AC World Ex United States Index			
Total Market Value	232.07M		16.93T			
Percent Total/Equity Market Value	94.97%	220.46M	99.88%	16.91T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
EUROPE						
Austria	100.00	1.23	100.00	0.44		
Belgium	100.00	1.45	100.00	0.97		
Czech Republic			100.00	0.16		
Denmark	100.00	2.55	100.00	0.76		
EURO CURRENCY	0.00	-0.03				
Finland	100.00	1.94	100.00	1.36		
France	100.00	3.77	100.00	8.10		
Germany	100.00	3.51	100.00	6.81		
Greece	100.00	1.30	100.00	0.53		
Hungary			100.00	0.14		
Ireland	100.00	0.23	100.00	0.52		
Italy	100.00	2.01	100.00	2.87		
Netherlands	100.00	1.00	100.00	2.13		
Norway	100.00	0.08	100.00	0.79		
Poland			100.00	0.34		
Portugal			100.00	0.25		
Russia	100.00	0.40	97.75	1.93		
Spain	100.00	1.95	100.00	3.29		
Sweden	0.00	0.00	100.00	1.82		
Switzerland	100.00	9.61	100.00	5.36		
Turkey	100.00	0.28	100.00	0.23		
Account Number	1SJFPFBLAIR2		IX1G00108428			

Mercer

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	William Blair & Company		MSCI AC World Ex United States Index				
Total Market Value	232.07M		16.93T				
Percent Total/Equity Market Value	94.97%	220.46M	99.88%	16.91T			
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry			
EUROPE (Cont'd)							
Total Europe Ex United Kingdom	31.28		38.80				
United Kingdom	96.55	19.50	100.00	15.99			
TOTAL EUROPE	50.78		54.79				
% in Developed Market Countries	84.95%		80.67%				
% in Emerging Market Countries	15.05%		19.33%				
Account Number	1SJFPFBLAIR2		IX1G00108428				

ATTRIBUTION SUMMARY

San Jose

William Blair & Company

Period Ending March 31, 2008

QTR

Portfolio Return	(10.8)
Policy Return	(9.1)
Net Management Effect	(1.7)
Currency	(0.2)
Allocation	0.2
Selection	(1.7)

Currency USD

Policy Benchmark is MSCI AC World Ex United States Net

Mercer

ATTRIBUTION DETAIL

San Jose

William Blair & Company

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(10.8)	100.0	(9.1)	5.1	(0.2)	0.2	(1.7)	(1.7)
EQUITY	100.0	(10.8)	100.0	(9.1)	5.1	(0.2)	0.2	(1.7)	(1.7)
EUROPE	48.2	(6.3)	51.4	(8.6)	6.2	0.0	0.2	0.9	1.1
EUROPE ex UK	30.4	(5.5)	35.0	(7.7)	9.2	0.1	0.2	0.4	0.6
EURO	20.0	(8.9)	26.7	(9.1)	8.4	(0.2)	0.1	0.0	0.0
Austria	1.4	(10.2)	0.4	(9.9)	8.4	0.0	0.0	0.0	0.0
Belgium	1.4	6.0	0.9	(3.1)	8.4	0.0	0.0	0.1	0.1
Finland	2.0	(5.7)	1.4	(10.2)	8.4	0.0	0.0	0.1	0.1
France	4.6	(14.4)	7.8	(8.3)	8.4	(0.1)	0.0	(0.3)	(0.3)
Germany	3.3	(13.2)	6.7	(11.7)	8.4	(0.1)	0.2	0.0	0.0
Greece	1.4	(18.7)	0.5	(15.8)	8.4	0.0	(0.1)	0.0	(0.1)
Ireland	0.2	4.3	0.5	(1.0)	8.4	0.0	0.0	0.0	0.0
Italy	2.4	(5.0)	2.9	(11.7)	8.4	0.0	0.0	0.2	0.2
Luxembourg	0.3	---	---	---	0.0	0.0	0.0	0.0	0.0
Netherlands	1.1	(20.4)	2.1	(6.5)	8.4	0.0	0.0	(0.2)	(0.2)
Portugal	---	---	0.3	(13.2)	8.4	0.0	0.0	0.0	0.0
Spain	1.8	6.7	3.1	(5.5)	8.4	0.0	0.0	0.2	0.2
NON-EURO	10.4	1.9	8.3	(2.8)	12.1	0.3	0.0	0.3	0.6
Denmark	1.2	---	0.7	0.3	8.4	0.0	0.1	0.0	0.1
Norway	0.1	(43.4)	0.8	(10.4)	6.9	0.0	0.0	(0.1)	0.0
Sweden	0.0	(7.7)	1.7	(3.4)	9.0	(0.1)	0.0	0.0	(0.1)
Switzerland	9.2	2.6	5.1	(1.8)	14.5	0.3	(0.1)	0.4	0.7
UNITED KINGDOM	17.8	(7.5)	16.4	(10.5)	(0.2)	(0.1)	0.0	0.6	0.5
United Kingdom	17.8	(7.5)	16.4	(10.5)	(0.2)	(0.1)	0.0	0.6	0.5
PACIFIC BASIN	26.2	(15.8)	22.7	(9.4)	9.2	(0.2)	0.1	(1.6)	(1.7)

Currency USD

Policy Benchmark is MSCI AC World Ex United States Net

Mercer

ATTRIBUTION DETAIL

San Jose

William Blair & Company

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
PACIFIC BASIN ex JAPAN	12.9	(20.9)	7.5	(12.8)	3.1	(0.1)	0.0	(1.2)	(1.3)
Australia	7.4	(20.7)	4.8	(11.4)	4.0	0.0	0.0	(0.7)	(0.8)
Hong Kong	2.8	(25.7)	1.8	(18.9)	0.2	(0.1)	(0.1)	(0.2)	(0.3)
New Zealand	---	---	0.1	(14.4)	2.2	0.0	0.0	0.0	0.0
Singapore	2.7	(17.4)	0.8	(7.4)	4.4	0.0	0.1	(0.3)	(0.2)
JAPAN	13.3	(10.8)	15.2	(7.7)	12.2	(0.1)	0.1	(0.4)	(0.4)
Japan	13.3	(10.8)	15.2	(7.7)	12.2	(0.1)	0.1	(0.4)	(0.4)
NORTH AMERICA	6.9	(10.5)	6.5	(6.0)	(3.8)	0.0	0.1	(0.4)	(0.3)
Canada	5.0	(15.0)	6.5	(6.0)	(3.8)	0.1	(0.2)	(0.4)	(0.5)
United States	1.9	(4.1)	---	---	0.0	(0.1)	0.3	0.0	0.2
EMERGING MARKETS	18.7	(14.8)	19.4	(10.9)	0.9	(0.1)	(0.1)	(0.6)	(0.7)
Argentina	---	---	0.1	6.9	(0.5)	0.0	0.0	0.0	0.0
Bermuda	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Brazil	5.2	(13.3)	2.7	(5.0)	1.8	(0.1)	0.2	(0.4)	(0.3)
Cayman Islands	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Chile	0.6	6.9	0.2	9.8	14.0	0.0	0.0	0.0	0.0
China	1.8	(26.6)	2.9	(23.7)	4.2	0.0	0.1	(0.1)	0.1
Colombia	---	---	0.1	(4.4)	10.1	0.0	0.0	0.0	0.0
Czech Republic	---	---	0.2	(0.4)	14.3	0.0	0.0	0.0	0.0
Egypt	1.3	12.0	0.2	7.9	1.2	0.0	0.2	0.0	0.2
Estonia	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Hungary	---	---	0.1	(13.7)	5.4	0.0	0.0	0.0	0.0
India	3.2	(27.1)	1.5	(27.0)	(1.8)	(0.1)	(0.2)	0.0	(0.3)
Indonesia	0.4	(13.1)	0.3	(6.5)	2.0	0.0	0.0	0.0	0.0
International Equity	---	---	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is MSCI AC World Ex United States Net

Mercer

ATTRIBUTION DETAIL

San Jose

William Blair & Company

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
Israel	---	---	0.4	(4.7)	9.0	0.0	0.0	0.0	0.0
Jordan	---	---	0.0	(1.9)	0.0	0.0	0.0	0.0	0.0
Kazakhstan	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Malaysia	1.3	(11.6)	0.5	(9.3)	3.4	0.0	0.0	0.0	0.0
Mexico	0.4	(4.9)	0.9	5.1	2.3	0.0	(0.1)	0.0	(0.1)
Morocco	---	---	0.1	33.8	7.1	0.0	0.0	0.0	0.0
Multi-National	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Pakistan	---	---	0.0	11.4	(1.7)	0.0	0.0	0.0	0.0
Panama	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Peru	---	---	0.1	5.3	9.2	0.0	0.0	0.0	0.0
Philippines	---	---	0.1	(16.9)	(1.2)	0.0	0.0	0.0	0.0
Poland	---	---	0.3	(3.9)	10.8	0.0	0.0	0.0	0.0
Russia	0.5	(24.7)	1.9	(11.5)	4.7	0.0	0.0	(0.1)	0.0
South Africa	0.8	(25.3)	1.3	(15.0)	(15.9)	0.1	(0.1)	(0.1)	(0.1)
South Korea	1.2	(2.0)	2.7	(12.7)	(5.5)	0.2	(0.1)	0.1	0.2
Taiwan	1.2	1.3	2.0	5.3	6.8	0.0	(0.2)	(0.1)	(0.3)
Thailand	---	---	0.3	3.4	7.0	0.0	0.0	0.0	0.0
Turkey	0.3	(12.3)	0.3	(38.3)	(12.3)	0.0	0.0	0.1	0.1
UAE	0.6	(17.2)	---	---	0.0	0.0	0.0	0.0	(0.1)
Venezuela	---	---	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is MSCI AC World Ex United States Net

Mercer

TOTAL EQUITY CHARACTERISTICS SUMMARY

San Jose Police and Fire Retirement System

March 31, 2008

UNITED STATES DOLLAR		Alliance Capital Mgmt Emerging Markets		Boston Company Asset Mgmt. Emerging		MSCI Emerging Markets Index			
Characteristics Summary									
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	96%	67.46	98%	43.16	99%	57.77		
Characteristics	Portfolio P/E Excluding Neg. Earnings	78%	17.7	82%	10.3	89%	15.0		
	Portfolio Price/Book	83%	3.23	92%	1.52	98%	2.65		
	Price/Cash Flow	88%	9.7	96%	6.2	98%	8.8		
	Return on Equity - 5 Year Average	65%	24.3	84%	18.2	87%	21.7		
	EPS Growth - 5 Years	56%	31.4	70%	23.0	77%	30.5		
	Dividend Yield	100%	2.06	100%	3.02	100%	2.04		
	Debt/Equity	77%	0.44	91%	0.42	92%	0.39		
	Beta (vs. R3000)	24%	1.5	26%	1.2	1%	1.4		
	Economic Sectors -								
# holdings/% equity	Technology	5	5.5%	16	12.4%	90	9.0%		
Based on Russell	Health Care	5	3.4%	3	2.0%	18	1.7%		
Sector Scheme	Consumer Discretionary and Services	9	4.4%	10	4.1%	78	4.6%		
	Consumer Staples	9	6.0%	10	4.8%	51	2.8%		
	Integrated Oils	3	6.0%	7	9.4%	25	8.5%		
	Other Energy	6	10.5%	6	7.2%	38	8.4%		
	Materials and Processing	36	25.2%	31	14.3%	224	21.8%		
	Producer Durables	3	3.1%	1	0.2%	33	3.5%		
	Autos and Transportation	4	1.8%	13	5.9%	68	3.3%		
	Financial Services	15	13.4%	37	22.6%	180	19.9%		
	Utilities	15	16.9%	29	16.1%	95	14.2%		
	Other	3	3.7%	3	1.0%	28	2.4%		
Account Number		1SJFPFALLEM2		1SJFPFBOSEM2		IX1G00059918			

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Alliance Capital Mgmt Emerging Markets

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		December 31, 2002	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	96%	67.46	85%	54.10	91%	48.44	90%	39.69	---	---
Characteristics	Portfolio P/E Excluding Neg. Earnings	78%	17.7	77%	19.4	85%	17.6	82%	17.3	---	---
	Portfolio Price/Book	83%	3.23	79%	3.71	86%	3.76	85%	3.46	---	---
	Price/Cash Flow	88%	9.7	84%	11.1	91%	11.2	88%	10.0	---	---
	Return on Equity - 5 Year Average	65%	24.3	63%	25.7	66%	24.2	67%	22.5	---	---
	EPS Growth - 5 Years	56%	31.4	56%	31.9	57%	31.9	54%	37.0	---	---
	Dividend Yield	100%	2.06	100%	1.14	100%	1.24	100%	1.35	100%	---
	Debt/Equity	77%	0.44	74%	0.42	76%	0.37	74%	0.43	---	---
	Beta (vs. R3000)	24%	1.5	22%	1.5	21%	1.5	25%	1.5	---	---
Economic Sectors -											
# holdings/% equity	Technology	5	5.5%	9	6.8%	14	7.4%	13	9.0%	0	0.0%
Based on Russell	Health Care	5	3.4%	5	3.0%	5	3.6%	5	3.1%	0	0.0%
Sector Scheme	Consumer Discretionary and Services	9	4.4%	14	5.4%	13	5.8%	14	6.5%	0	0.0%
	Consumer Staples	9	6.0%	11	6.0%	11	6.3%	8	5.6%	0	0.0%
	Integrated Oils	3	6.0%	3	6.5%	2	4.8%	5	7.1%	0	0.0%
	Other Energy	6	10.5%	9	11.2%	9	8.7%	4	6.2%	0	0.0%
	Materials and Processing	36	25.2%	32	21.0%	35	20.8%	27	15.9%	0	0.0%
	Producer Durables	3	3.1%	4	4.6%	3	3.1%	3	2.6%	0	0.0%
	Autos and Transportation	4	1.8%	6	2.5%	6	2.8%	7	3.8%	0	0.0%
	Financial Services	15	13.4%	19	13.7%	21	17.0%	18	16.6%	0	0.0%
	Utilities	15	16.9%	19	15.8%	17	16.7%	17	18.9%	0	0.0%
	Other	3	3.7%	2	3.6%	2	2.9%	6	4.6%	1	100.0%
Account Number	1SJFPFALLEM2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System Boston Company Asset Mgmt. Emerging Markets

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	98%	43.16	97%	40.18	97%	33.20	97%	22.27	97%	18.88
Characteristics	Portfolio P/E Excluding Neg. Earnings	82%	10.3	82%	12.5	87%	12.0	89%	12.7	89%	12.0
	Portfolio Price/Book	92%	1.52	91%	1.70	94%	1.73	95%	1.76	95%	1.67
	Price/Cash Flow	96%	6.2	95%	6.8	93%	6.8	95%	6.9	94%	6.5
	Return on Equity - 5 Year Average	84%	18.2	82%	17.4	82%	17.6	82%	17.2	80%	17.6
	EPS Growth - 5 Years	70%	23.0	68%	25.3	67%	24.9	68%	23.5	68%	16.0
	Dividend Yield	100%	3.02	100%	2.53	100%	2.56	100%	2.37	100%	2.69
	Debt/Equity	91%	0.42	90%	0.44	90%	0.42	90%	0.43	91%	0.43
	Beta (vs. R3000)	26%	1.2	25%	1.1	22%	1.3	22%	1.5	21%	1.4
Economic Sectors -											
# holdings/% equity	Technology	16	12.4%	17	11.8%	16	11.6%	16	14.2%	17	13.9%
Based on Russell	Health Care	3	2.0%	2	1.7%	2	1.7%	2	2.0%	3	2.5%
Sector Scheme	Consumer Discretionary and Services	10	4.1%	10	4.1%	12	5.3%	12	6.0%	12	6.0%
	Consumer Staples	10	4.8%	11	4.9%	10	4.5%	10	4.4%	9	4.2%
	Integrated Oils	7	9.4%	6	8.2%	6	7.4%	6	6.2%	7	6.6%
	Other Energy	6	7.2%	7	8.6%	8	8.8%	9	8.0%	10	8.3%
	Materials and Processing	31	14.3%	33	14.9%	34	11.8%	31	11.1%	32	10.5%
	Producer Durables	1	0.2%	2	0.7%	2	0.7%	3	0.8%	4	1.2%
	Autos and Transportation	13	5.9%	13	6.3%	14	7.2%	13	6.9%	13	6.0%
	Financial Services	37	22.6%	33	22.2%	37	22.4%	35	22.1%	32	21.9%
	Utilities	29	16.1%	28	14.9%	29	16.8%	32	15.8%	30	15.8%
	Other	3	1.0%	3	1.6%	3	1.8%	3	2.6%	3	3.1%
Account Number	1SJFPFBOSEM2										

TOTAL EQUITY CHARACTERISTICS SUMMARY SEQUENTIAL

San Jose Police and Fire Retirement System MSCI Emerging Markets Index

UNITED STATES DOLLAR		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Characteristics Summary											
Portfolio	Market Cap.- \$-Wtd Avg - \$ billion	99%	57.77	98%	66.18	99%	57.12	99%	43.55	99%	40.50
Characteristics	Portfolio P/E Excluding Neg. Earnings	89%	15.0	90%	17.4	91%	17.3	90%	16.2	88%	14.8
	Portfolio Price/Book	98%	2.65	97%	3.05	98%	2.94	98%	2.72	96%	2.53
	Price/Cash Flow	98%	8.8	97%	10.1	97%	10.0	97%	9.4	96%	8.7
	Return on Equity - 5 Year Average	87%	21.7	85%	20.6	87%	20.4	88%	19.7	87%	19.3
	EPS Growth - 5 Years	77%	30.5	74%	31.0	75%	30.7	76%	30.0	74%	25.8
	Dividend Yield	100%	2.04	100%	1.82	100%	3.85	100%	2.03	100%	2.13
	Debt/Equity	92%	0.39	91%	0.42	92%	0.40	92%	0.41	92%	0.42
	Beta (vs. R3000)	1%	1.4	1%	1.2	1%	1.1	1%	1.2	1%	1.3
Economic Sectors -											
# holdings/% equity	Technology	90	9.0%	91	8.4%	82	9.4%	83	10.9%	76	11.0%
Based on Russell	Health Care	18	1.7%	19	1.6%	20	1.6%	21	1.8%	24	1.9%
Sector Scheme	Consumer Discretionary and Services	78	4.6%	78	4.6%	75	4.9%	74	5.1%	77	5.5%
	Consumer Staples	51	2.8%	51	2.6%	50	2.9%	50	3.2%	54	3.2%
	Integrated Oils	25	8.5%	22	8.9%	21	7.7%	21	7.6%	21	7.9%
	Other Energy	38	8.4%	36	7.8%	27	6.7%	26	6.8%	25	7.4%
	Materials and Processing	224	21.8%	219	20.8%	200	21.4%	198	19.6%	196	18.7%
	Producer Durables	33	3.5%	32	3.5%	29	3.8%	30	3.9%	31	3.4%
	Autos and Transportation	68	3.3%	68	3.4%	67	3.9%	68	3.8%	70	3.7%
	Financial Services	180	19.9%	177	20.9%	156	21.1%	154	21.2%	157	21.1%
	Utilities	95	14.2%	95	14.6%	81	14.2%	79	13.6%	83	13.7%
	Other	28	2.4%	28	2.7%	25	2.4%	25	2.4%	28	2.4%
Account Number	IX1G00059918										

Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
GAZPROM ADR REP10 ORD	OTHER ENERGY	4.86%	--	-10.05%	292.6
PETROLEO BRASILEIRO SA ADR	INTEGRATED OILS	4.45%	--	-11.66%	224.0
COMPANHIA VALE DO RIO DOCE ADR	MATERIALS & PROCESSING	3.93%	--	4.18%	167.4
AMERICA MOVIL SAB DE C V	UTILITIES	3.20%	--	3.75%	111.8
SAMSUNG ELECTRS KRW5000	TECHNOLOGY	2.55%	2.12%	0.10%	92.7
ITAUSA PRF BZCZ1(REGD)	OTHER	2.50%	0.17%	-6.87%	20.8
CHINA MOBILE LTD HKD0.10	UTILITIES	2.47%	2.73%	-15.71%	297.7
CATHAY FINL H TWD10	FINANCIAL SERVICES	2.08%	0.43%	30.68%	23.7
TELEKOMUNIKASI INDONESIA (PERS	UTILITIES	2.06%	0.32%	-1.01%	20.9
HOUSING DEV FIN CORP INR10	FINANCIAL SERVICES	1.93%	0.38%	-20.19%	16.2
Total		30.05%	6.15%		
Benchmark					
MSCI Emerging Markets Index				-10.88%	57,772.6

Top 10 Equity Holdings

As of March 31, 2008

Security Name	Russell Economic Sectors	Portfolio Weight	Index Weight	Quarterly Rate of Return	Market Cap (USD-MM)
GAZPROM OAO LEVEL 1 ADR	OTHER ENERGY	3.83%	--	-11.94%	289.8
PETROLEO BRASILEIRO SA ADR	INTEGRATED OILS	3.21%	--	-11.66%	224.0
SAMSUNG ELECTRS KRW5000	TECHNOLOGY	3.09%	2.12%	0.10%	92.7
OIL CO LUKOIL SPON ADR	INTEGRATED OILS	2.67%	--	1.18%	71.0
KOOKMIN BANK KRW5000	FINANCIAL SERVICES	1.68%	0.58%	-28.27%	18.8
MALAYAN BANKING BERHAD MYRI	FINANCIAL SERVICES	1.65%	0.20%	-0.07%	12.9
SK TELECOM LTD SPONSORED ADR	UTILITIES	1.64%	--	-27.58%	14.1
UNITED MICRO ELECTRONICS TW\$10	TECHNOLOGY	1.60%	0.22%	5.78%	8.1
PETROCHINA CO 'H'CNY1	INTEGRATED OILS	1.58%	0.73%	-29.81%	223.6
QUANTA COMPUTER TWD10	TECHNOLOGY	1.41%	0.08%	3.84%	4.8
Total		22.36%	3.93%		
Benchmark					
MSCI Emerging Markets Index				-10.88%	57,772.6

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	Alliance Capital Mgmt Emerging Markets		Boston Company Asset Mgmt. Emerging Markets		MSCI Emerging Markets Index			
Total Market Value	82.69M		77.75M		3.27T			
Percent Total/Equity Market Value	97.71%	80.79M	95.78%	74.47M	99.35%	3.25T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
AFRICA / MIDDLE EAST								
Bahrain	100.00	0.37						
Egypt	100.00	1.01			100.00	0.82		
Israel	100.00	2.11	100.00	1.83	100.00	2.29		
Jordan					100.00	0.09		
Morocco					100.00	0.40		
South Africa	100.00	5.38	100.00	7.44	100.00	6.28		
TOTAL AFRICA / MIDDLE EAST		8.86		9.27		9.88		
AMERICAS								
Argentina					100.00	0.57		
Brazil	100.00	17.28	100.00	11.62	100.00	14.42		
Chile	100.00	1.73	100.00	0.81	99.18	1.43		
Colombia					82.73	0.43		
Mexico	100.00	4.98	100.00	4.82	100.00	5.16		
Peru	100.00	0.46			100.00	0.70		
United States	20.70	2.89	0.00	4.22				
TOTAL AMERICAS		27.35		21.47		22.69		
Account Number	1SJFPFALLEM2		1SJFPFBOSEM2		IX1G00059918			

Mercer

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	Alliance Capital Mgmt Emerging Markets		Boston Company Asset Mgmt. Emerging Markets		MSCI Emerging Markets Index			
Total Market Value	82.69M		77.75M		3.27T			
Percent Total/Equity Market Value	97.71%	80.79M	95.78%	74.47M	99.35%	3.25T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
ASIA / PACIFIC BASIN								
China	100.00	11.40	100.00	6.36	100.00	13.91		
Hong Kong	100.00	4.48	100.00	5.89				
India	100.00	8.83	100.00	7.02	100.00	7.04		
Indonesia	100.00	2.91	100.00	0.92	100.00	1.70		
Korea, South	100.00	9.70	100.00	17.06	97.57	13.79		
Malaysia	100.00	0.88	100.00	3.65	100.00	2.51		
Pakistan					100.00	0.19		
Philippines	100.00	0.64	100.00	0.85	100.00	0.47		
Taiwan	100.00	7.36	100.00	12.06	100.00	11.73		
Thailand	100.00	1.05	100.00	4.49	100.00	1.55		
Total Pacific Basin Ex Japan		47.25		58.28		52.88		
Japan								
TOTAL ASIA / PACIFIC BASIN		47.25		58.28		52.88		
EUROPE								
Czech Republic	100.00	1.03	100.00	0.51	100.00	0.85		
Hungary			100.00	0.51	100.00	0.73		
Netherlands	100.00	0.36						
Poland	100.00	0.51	100.00	1.32	100.00	1.78		
Russia	100.00	10.09	100.00	7.48	97.75	9.99		
Account Number	1SJFPFALLEM2		1SJFPFBOSEM2		IX1G00059918			

Mercer

COUNTRY ALLOCATION

March 31, 2008

San Jose Police and Fire Retirement System

UNITED STATES DOLLAR	Alliance Capital Mgmt Emerging Markets		Boston Company Asset Mgmt. Emerging Markets		MSCI Emerging Markets Index			
Total Market Value	82.69M		77.75M		3.27T			
Percent Total/Equity Market Value	97.71%	80.79M	95.78%	74.47M	99.35%	3.25T		
	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry	% Cntry In Eq	% In Cntry		
EUROPE (Cont'd)								
Spain	100.00	1.15						
Turkey	100.00	1.48	100.00	1.17	100.00	1.19		
Total Europe Ex United Kingdom		14.63		10.98		14.54		
United Kingdom	100.00	1.91						
TOTAL EUROPE		16.54		10.98		14.54		
OTHER								
Multiple Domicile			0.00	0.00				
TOTAL OTHER								
% in Developed Market Countries		10.80%		10.11%		0.00%		
% in Emerging Market Countries		89.21%		89.89%		100.00%		
Account Number	1SJFPFALLEM2		1SJFPFBOSEM2		IX1G00059918			

Mercer

ATTRIBUTION SUMMARY

San Jose

Alliance Capital Mgmt Emerging Markets

Period Ending March 31, 2008

QTR

Portfolio Return	(10.5)
Policy Return	(10.9)
Net Management Effect	0.4
Currency	(0.3)
Allocation	(0.3)
Selection	1.0

Currency USD

Policy Benchmark is the MSCI EAFE Emerging Markets

Mercer

ATTRIBUTION DETAIL

San Jose

Alliance Capital Mgmt Emerging Markets

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(10.5)	100.0	(10.9)	0.9	(0.3)	(0.3)	1.0	0.4
EQUITY	100.0	(10.5)	100.0	(10.9)	0.9	(0.3)	(0.3)	1.0	0.4
ASIA	45.3	(14.1)	53.8	(14.1)	1.1	(0.1)	(0.4)	0.8	0.3
China	13.4	(25.4)	14.9	(23.7)	4.2	(0.1)	0.3	(0.3)	0.0
India	9.1	(18.2)	8.0	(27.0)	(1.8)	0.0	(0.2)	0.9	0.7
Indonesia	3.1	(5.0)	1.8	(6.5)	2.0	0.0	0.1	0.0	0.1
Malaysia	0.3	---	2.6	(9.3)	3.4	(0.1)	0.0	(0.1)	(0.2)
Pakistan	---	---	0.2	11.4	(1.7)	0.0	0.0	0.0	0.0
Philippines	0.8	(25.5)	0.5	(16.9)	(1.2)	0.0	0.0	(0.1)	(0.1)
South Korea	10.7	(14.9)	14.0	(12.7)	(5.5)	0.2	(0.2)	(0.3)	(0.2)
Taiwan	7.6	13.8	10.3	5.3	6.8	(0.1)	(0.3)	0.6	0.1
Thailand	0.3	---	1.4	3.4	7.0	(0.1)	(0.1)	0.0	(0.1)
EUROPE/MIDEAST/AFRICA	22.5	(11.2)	24.7	(11.7)	(1.2)	(0.2)	(0.2)	0.5	0.2
Bahrain	0.4	(8.3)	---	---	(0.3)	0.0	0.0	0.0	0.0
Czech Republic	0.9	2.4	0.8	(0.4)	14.3	0.0	0.0	0.0	0.0
Egypt	1.2	25.4	0.9	7.9	1.2	0.0	0.1	0.2	0.3
Hungary	---	---	0.7	(13.7)	5.4	0.0	0.1	0.0	0.0
Israel	1.6	1.6	2.3	(4.7)	9.0	(0.1)	0.0	0.1	0.0
Jordan	---	---	0.1	(1.9)	0.0	0.0	0.0	0.0	0.0
Morocco	---	---	0.3	33.8	7.1	0.0	(0.1)	0.0	(0.1)
Poland	0.3	(3.7)	1.6	(3.9)	10.8	(0.1)	0.0	0.0	(0.1)
Russia	10.0	(11.2)	9.9	(11.5)	4.7	0.0	0.0	0.0	0.0
South Africa	5.9	(13.8)	6.6	(15.0)	(15.9)	0.1	(0.1)	0.1	0.1
Turkey	2.2	(34.6)	1.5	(38.3)	(12.3)	(0.1)	(0.1)	0.1	(0.1)
UAE	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is the MSCI EAFE Emerging Markets

Mercer

ATTRIBUTION DETAIL

San Jose

Alliance Capital Mgmt Emerging Markets

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
LATIN AMERICA	23.6	(3.0)	21.5	(1.3)	2.9	0.0	0.0	(0.2)	(0.2)
Argentina	---	---	0.5	6.9	(0.5)	0.0	(0.1)	0.0	(0.1)
Brazil	17.0	(4.9)	14.0	(5.0)	1.8	0.0	0.1	0.0	0.1
Chile	1.5	6.0	1.2	9.8	14.0	0.0	0.0	(0.1)	0.0
Colombia	---	---	0.3	(4.4)	10.1	0.0	0.0	0.0	0.0
Mexico	5.2	1.0	4.8	5.1	2.3	0.0	0.0	(0.2)	(0.2)
Peru	---	---	0.6	5.3	9.2	(0.1)	0.0	0.0	(0.1)
EURO	0.6	(9.7)	---	---	0.0	0.0	0.0	0.0	0.0
Luxembourg	0.2	---	---	---	0.0	0.0	0.0	0.0	0.0
Netherlands	0.4	(13.6)	---	---	8.4	0.0	0.0	0.0	0.0
Spain	0.0	---	---	---	0.0	0.0	0.0	0.0	0.0
OTHER EQUITY	8.0	(8.7)	---	---	0.0	(0.1)	0.3	0.0	0.2
Hong Kong	4.6	(16.8)	---	---	0.2	0.0	(0.2)	0.0	(0.3)
United Kingdom	2.2	0.4	---	---	(0.2)	0.0	0.3	0.0	0.2
United States	1.2	4.2	---	---	0.0	0.0	0.3	0.0	0.2

Currency USD

Policy Benchmark is the MSCI EAFE Emerging Markets

Mercer

ATTRIBUTION SUMMARY

San Jose

Boston Company Asset Mgmt. Emerging

Period Ending March 31, 2008

QTR

Portfolio Return	(9.7)
Policy Return	(10.9)
Net Management Effect	1.1
Currency	(0.8)
Allocation	1.6
Selection	0.3

Currency USD

Policy Benchmark is MSCI Emerging Markets

Mercer

ATTRIBUTION DETAIL

San Jose

Boston Company Asset Mgmt. Emerging

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
TOTAL	100.0	(9.7)	100.0	(10.9)	0.9	(0.8)	1.6	0.3	1.1
EQUITY	100.0	(9.7)	100.0	(10.9)	0.9	(0.8)	1.6	0.3	1.1
ASIA	54.4	(9.6)	53.8	(14.1)	1.1	(0.2)	2.1	0.5	2.4
China	6.4	(20.6)	14.9	(23.7)	4.2	(0.3)	1.5	0.2	1.4
India	7.4	(27.8)	8.0	(27.0)	(1.8)	0.0	0.1	(0.1)	0.0
Indonesia	0.6	(7.0)	1.8	(6.5)	2.0	0.0	(0.1)	0.0	(0.1)
Malaysia	4.2	(8.1)	2.6	(9.3)	3.4	0.0	0.1	0.1	0.2
Pakistan	---	---	0.2	11.4	(1.7)	0.0	0.0	0.0	0.0
Philippines	0.9	(13.0)	0.5	(16.9)	(1.2)	0.0	0.0	0.0	0.0
South Korea	18.2	(14.4)	14.0	(12.7)	(5.5)	(0.3)	0.2	(0.3)	(0.4)
Taiwan	12.2	9.9	10.3	5.3	6.8	0.1	0.2	0.5	0.8
Thailand	4.6	7.4	1.4	3.4	7.0	0.2	0.3	0.2	0.6
EUROPE/MIDEAST/AFRICA	21.2	(14.5)	24.7	(11.7)	(1.2)	(0.4)	0.1	(0.3)	(0.6)
Croatia	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Czech Republic	0.6	(0.1)	0.8	(0.4)	14.3	0.0	0.0	0.0	0.0
Egypt	0.2	---	0.9	7.9	1.2	0.0	(0.1)	0.0	(0.1)
Hungary	0.5	(5.3)	0.7	(13.7)	5.4	0.0	0.0	0.0	0.1
Israel	2.1	(2.6)	2.3	(4.7)	9.0	0.0	0.0	0.1	0.1
Jordan	---	---	0.1	(1.9)	0.0	0.0	0.0	0.0	0.0
Morocco	---	---	0.3	33.8	7.1	0.0	(0.1)	0.0	(0.1)
Poland	1.2	1.1	1.6	(3.9)	10.8	0.0	0.0	0.0	0.0
Russia	7.2	(7.4)	9.9	(11.5)	4.7	(0.1)	0.1	0.3	0.3
South Africa	8.0	(23.5)	6.6	(15.0)	(15.9)	(0.2)	0.2	(0.7)	(0.8)
Tunisia	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Turkey	1.4	(40.5)	1.5	(38.3)	(12.3)	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is MSCI Emerging Markets

Mercer

ATTRIBUTION DETAIL

San Jose

Boston Company Asset Mgmt. Emerging

3 Months Ending March 31, 2008

	<u>Portfolio</u>		<u>Policy</u>		<u>Currency</u>	<u>Net Management Effect</u>			
	<u>Weight</u>	<u>Return</u>	<u>Weight</u>	<u>Return</u>	<u>Return</u>	<u>Ccy</u>	<u>Alloc</u>	<u>Select</u>	<u>Total</u>
LATIN AMERICA	18.6	(1.2)	21.5	(1.3)	2.9	(0.1)	(0.2)	0.0	(0.3)
Argentina	0.0	---	0.5	6.9	(0.5)	0.0	(0.1)	0.0	(0.1)
Brazil	12.8	(1.9)	14.0	(5.0)	1.8	0.0	(0.1)	0.3	0.3
Cayman Islands	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Chile	0.9	4.9	1.2	9.8	14.0	0.0	0.0	0.0	(0.1)
Colombia	---	---	0.3	(4.4)	10.1	0.0	0.0	0.0	0.0
Mexico	4.8	(0.4)	4.8	5.1	2.3	0.0	0.0	(0.3)	(0.2)
Panama	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Peru	---	---	0.6	5.3	9.2	(0.1)	0.0	0.0	(0.1)
Venezuela	---	---	---	---	0.0	0.0	0.0	0.0	0.0
OTHER EQUITY	5.8	(18.4)	---	---	0.0	0.0	(0.4)	0.0	(0.5)
Bermuda	---	---	---	---	0.0	0.0	0.0	0.0	0.0
Hong Kong	5.8	(18.4)	---	---	0.2	0.0	(0.4)	0.0	(0.5)
United Kingdom	---	---	---	---	0.0	0.0	0.0	0.0	0.0
United States	---	---	---	---	0.0	0.0	0.0	0.0	0.0

Currency USD

Policy Benchmark is MSCI Emerging Markets

Mercer

Fixed Income Analysis

San Jose Police and Fire Retirement System
Fixed Income Characteristics
As of March 31, 2008

		Seix Investment Advisors, Inc - Fixed Income	Western Asset Management	LB Aggregate Bond Index		
Summary Statistics	Total Portfolio Size (\$MM)	\$278.87	\$273.36	\$10,215.82		
	Average Quality	AA1	AA1	AAA		
	Average Coupon	5.31%	5.03%	5.46%		
	Opt. Adj. Duration	4.42	3.99	4.63		
	Yield To Maturity	4.86%	6.87%	4.45%		
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	6 12.38%	14 2.43%	1075 33.03%		
	Corporate	105 21.91%	179 17.75%	3243 22.47%		
	Mortgage - Related	91 56.50%	111 61.81%	27 43.27%		
	Asset - Backed	12 2.65%	20 2.68%	504 0.80%		
	Muni	11 3.52%	---	23 0.18%		
	Preferred	---	---	---		
	Other	14 3.06%	59 15.32%	47 0.25%		
	Non US	---	---	---		
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	6 12.32%	10 4.27%	141 23.29%		
	Agency	47 39.16%	67 54.95%	902 52.64%		
	Aaa	56 18.36%	79 24.18%	634 3.54%		
	Aa1-Aa3	29 7.50%	19 2.41%	563 5.15%		
	A1-A3	44 8.97%	47 5.22%	1166 7.04%		
	Baa1-Baa3	39 6.45%	88 8.83%	1398 7.65%		
	Ba1-Ba3	2 0.44%	12 1.87%	43 0.20%		
	B1-B3	---	30 4.15%	---		
	Caa1-Caa3	---	17 1.32%	---		
	Ca	---	4 0.08%	---		
	C	---	---	---		
	Other	---	---	---		
	Not Rated	19 6.79%	16 -7.29%	72 0.48%		
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	---	16 3.13%	---		
	1 - 3 Years	3 1.01%	31 3.76%	929 16.17%		
	3 - 5 Years	44 20.95%	45 6.00%	1017 11.92%		
	5 - 7 Years	13 2.85%	25 3.27%	593 6.25%		
	7 - 10 Years	35 8.71%	51 5.49%	896 10.51%		
	10 - 15 Years	20 15.16%	11 1.20%	237 3.18%		
	15 - 20 Years	8 4.81%	12 6.97%	201 2.21%		
	20 Yrs And Above	116 46.02%	190 82.24%	1021 6.46%		
	Not Rated/Cash	3 0.48%	8 -12.06%	25 43.29%		

San Jose Police and Fire Retirement System
Fixed Income Characteristics - Sequential
Seix Investment Advisors, Inc - Fixed Income

		March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Summary Statistics	Total Portfolio Size (\$MM)	\$278.87	\$279.86	\$272.17	\$264.32	\$251.25
	Average Quality	AA1	AA1	AAA	AAA	AAA
	Average Coupon	5.31%	5.43%	5.27%	5.27%	5.16%
	Opt. Adj. Duration	4.42	4.47	4.65	5.21	4.35
	Yield To Maturity	4.86%	4.98%	5.25%	5.62%	5.24%
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	6 12.38%	7 17.50%	7 26.46%	10 28.68%	16 34.39%
	Corporate	105 21.91%	232 21.34%	79 16.00%	70 12.62%	210 15.77%
	Mortgage - Related	91 56.50%	99 55.30%	100 54.13%	72 57.21%	63 42.79%
	Asset - Backed	12 2.65%	12 1.92%	7 0.85%	2 0.01%	6 0.26%
	Muni	11 3.52%	---	---	---	---
	Preferred	---	---	---	---	---
	Other	14 3.06%	69 3.94%	11 2.55%	7 1.49%	75 6.79%
	Non US	---	---	---	---	---
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	6 12.32%	8 16.92%	7 26.15%	9 26.90%	13 29.51%
	Agency	47 39.16%	55 35.46%	59 35.98%	49 46.36%	53 45.08%
	Aaa	56 18.36%	43 14.80%	34 13.09%	15 5.16%	11 2.79%
	Aa1-Aa3	29 7.50%	19 4.89%	18 4.75%	14 3.07%	14 3.37%
	A1-A3	44 8.97%	41 8.01%	25 4.32%	19 2.98%	18 3.93%
	Baa1-Baa3	39 6.45%	48 6.16%	32 5.56%	33 5.69%	41 5.13%
	Ba1-Ba3	2 0.44%	57 1.06%	4 0.83%	5 0.75%	74 2.66%
	B1-B3	---	110 1.31%	---	---	120 2.92%
	Caa1-Caa3	---	8 0.11%	---	---	1 0.07%
	Ca	---	---	---	---	---
	C	---	---	---	---	---
	Other	---	---	---	---	---
	Not Rated	19 6.79%	34 11.28%	28 9.32%	22 9.09%	28 4.54%
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	---	3 0.02%	---	1 0.90%	5 5.05%
	1 - 3 Years	3 1.01%	15 10.19%	4 12.15%	3 12.76%	14 13.86%
	3 - 5 Years	44 20.95%	51 11.85%	18 16.89%	18 6.06%	43 5.99%
	5 - 7 Years	13 2.85%	80 4.06%	11 2.40%	10 7.12%	66 9.78%
	7 - 10 Years	35 8.71%	112 8.87%	20 4.87%	22 7.56%	113 13.39%
	10 - 15 Years	20 15.16%	23 9.91%	22 8.49%	9 4.86%	27 6.19%
	15 - 20 Years	8 4.81%	9 1.59%	5 1.29%	2 0.41%	5 0.58%
	20 Yrs And Above	116 46.02%	123 49.94%	124 52.71%	96 57.26%	96 44.41%
	Not Rated/Cash	3 0.48%	7 3.58%	3 1.19%	5 3.06%	4 0.75%

San Jose Police and Fire Retirement System
Fixed Income Characteristics - Sequential
Western Asset Management

		March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Summary Statistics	Total Portfolio Size (\$MM)	\$273.36	\$280.98	\$276.96	\$270.61	\$260.23
	Average Quality	AA1	AA1	AA1	AA1	AA1
	Average Coupon	5.03%	5.47%	5.55%	5.43%	5.41%
	Opt. Adj. Duration	3.99	3.80	3.75	4.14	3.53
	Yield To Maturity	6.87%	6.21%	5.92%	5.62%	5.26%
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	14 2.43%	13 2.60%	16 2.33%	25 11.78%	29 17.39%
	Corporate	179 17.75%	170 15.39%	152 14.09%	386 15.85%	137 15.17%
	Mortgage - Related	111 61.81%	114 64.42%	99 63.88%	85 53.54%	83 52.74%
	Asset - Backed	20 2.68%	20 3.23%	20 4.06%	21 3.50%	17 2.03%
	Muni	---	---	---	---	---
	Preferred	---	---	---	---	---
	Other	59 15.32%	61 14.36%	63 15.64%	125 15.25%	50 12.67%
	Non US	---	---	---	10 0.07%	---
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	10 4.27%	9 4.10%	11 5.16%	16 14.57%	19 20.86%
	Agency	67 54.95%	70 58.55%	57 60.24%	59 46.47%	58 46.60%
	Aaa	79 24.18%	79 26.56%	76 25.64%	71 22.01%	63 21.89%
	Aa1-Aa3	19 2.41%	20 2.87%	15 2.05%	20 2.10%	16 1.69%
	A1-A3	47 5.22%	36 3.11%	23 2.10%	30 2.72%	26 3.26%
	Baa1-Baa3	88 8.83%	84 8.37%	77 8.13%	79 7.73%	65 8.17%
	Ba1-Ba3	12 1.87%	23 3.55%	26 3.53%	119 3.34%	20 2.93%
	B1-B3	30 4.15%	16 2.19%	20 2.66%	154 3.41%	18 2.97%
	Caa1-Caa3	17 1.32%	17 1.37%	13 0.90%	46 1.01%	13 0.94%
	Ca	4 0.08%	4 0.08%	4 0.12%	4 0.15%	4 0.15%
	C	---	---	---	---	---
	Other	---	---	---	---	---
	Not Rated	16 -7.29%	27 -10.75%	35 -10.54%	76 -3.51%	20 -9.45%
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	16 3.13%	14 2.20%	13 1.61%	20 1.83%	15 2.31%
	1 - 3 Years	31 3.76%	26 3.69%	27 3.78%	39 3.41%	27 4.13%
	3 - 5 Years	45 6.00%	48 6.01%	47 6.88%	109 15.47%	46 21.58%
	5 - 7 Years	25 3.27%	25 2.56%	30 4.11%	93 3.58%	30 3.69%
	7 - 10 Years	51 5.49%	47 5.03%	43 4.75%	180 5.65%	41 4.59%
	10 - 15 Years	11 1.20%	12 1.29%	10 1.23%	30 1.46%	9 5.00%
	15 - 20 Years	12 6.97%	12 6.36%	11 6.18%	17 6.99%	10 3.78%
	20 Yrs And Above	190 82.24%	188 89.90%	166 91.96%	156 70.55%	134 68.10%
	Not Rated/Cash	8 -12.06%	13 -17.03%	10 -20.50%	30 -8.93%	10 -13.16%

San Jose Police and Fire Retirement System
Fixed Income Characteristics - Sequential
LB Aggregate Bond Index

		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Summary Statistics	Total Portfolio Size (\$MM)	\$10,215.82		\$9,870.88		\$9,462.17		\$9,095.09		\$9,091.31	
	Average Quality	AAA		AAA		AAA		AAA		AAA	
	Average Coupon	5.46%		5.51%		5.50%		5.46%		5.44%	
	Opt. Adj. Duration	4.63		4.63		4.79		4.85		4.47	
	Yield To Maturity	4.45%		4.90%		5.33%		5.69%		5.28%	
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	1075	33.03%	1029	32.69%	1046	33.76%	1020	34.42%	863	34.59%
	Corporate	3243	22.47%	3182	22.38%	3106	21.97%	3037	21.76%	2969	21.71%
	Mortgage - Related	27	43.27%	29	43.37%	29	42.79%	30	42.23%	29	42.18%
	Asset - Backed	504	0.80%	498	0.87%	521	0.91%	505	1.00%	507	1.14%
	Muni	23	0.18%	20	0.16%	19	0.16%	16	0.15%	---	---
	Preferred	---	---	---	---	---	---	---	---	---	---
	Other	47	0.25%	89	0.52%	71	0.40%	68	0.44%	53	0.37%
	Non US	---	---	---	---	---	---	---	---	---	---
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	141	23.29%	140	23.02%	142	23.65%	141	23.88%	138	24.44%
	Agency	902	52.64%	878	52.75%	886	52.59%	847	52.37%	702	51.97%
	Aaa	634	3.54%	664	3.37%	618	3.15%	626	3.29%	614	3.41%
	Aa1-Aa3	563	5.15%	569	5.14%	545	4.83%	550	4.93%	527	4.86%
	A1-A3	1166	7.04%	1110	7.19%	1071	6.69%	1090	6.81%	1115	7.01%
	Baa1-Baa3	1398	7.65%	1353	7.64%	1328	7.85%	1244	7.58%	1178	7.24%
	Ba1-Ba3	43	0.20%	61	0.32%	39	0.21%	17	0.08%	14	0.07%
	B1-B3	---	---	---	---	---	---	---	---	---	---
	Caa1-Caa3	---	---	---	---	1	0.00%	1	0.00%	1	0.00%
	Ca	---	---	---	---	---	---	---	---	---	---
	C	---	---	---	---	---	---	---	---	---	---
	Other	---	---	---	---	---	---	---	---	---	---
	Not Rated	72	0.48%	72	0.56%	162	1.02%	160	1.06%	132	0.98%
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	---	---	---	---	---	---	---	---	---	---
	1 - 3 Years	929	16.17%	865	15.36%	949	16.73%	941	17.28%	910	18.02%
	3 - 5 Years	1017	11.92%	992	12.10%	974	12.09%	943	12.40%	874	12.01%
	5 - 7 Years	593	6.25%	594	6.26%	573	6.27%	573	6.32%	576	6.18%
	7 - 10 Years	896	10.51%	902	10.48%	872	10.41%	830	10.12%	757	9.87%
	10 - 15 Years	237	3.18%	238	3.07%	226	2.89%	227	2.90%	222	3.18%
	15 - 20 Years	201	2.21%	183	2.40%	177	2.24%	160	2.26%	148	2.24%
	20 Yrs And Above	1021	6.46%	1014	6.52%	979	6.54%	943	6.39%	877	6.18%
	Not Rated/Cash	25	43.29%	59	43.82%	42	42.83%	59	42.33%	57	42.31%

San Jose Police and Fire Retirement System
Fixed Income Characteristics
As of March 31, 2008

		Income Research & Mgmt., Inc. Long Duration	Lehman Brothers U.S. Gov/Credit-Long Term			
Summary Statistics	Total Portfolio Size (\$MM)	\$109.74	\$1,166.26			
	Average Quality	AA2	AA2			
	Average Coupon	6.11%	6.76%			
	Opt. Adj. Duration	10.27	11.43			
	Yield To Maturity	5.56%	5.46%			
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	7 26.88%	165 50.30%			
	Corporate	52 57.42%	927 47.56%			
	Mortgage - Related	9 10.88%	--- ---			
	Asset - Backed	1 1.74%	9 0.28%			
	Muni	2 1.18%	15 1.29%			
	Preferred	--- ---	--- ---			
	Other	1 1.91%	11 0.57%			
	Non US	--- ---	--- ---			
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	6 26.20%	34 42.07%			
	Agency	3 4.26%	123 7.48%			
	Aaa	9 10.90%	47 3.47%			
	Aa1-Aa3	16 16.81%	129 8.00%			
	A1-A3	22 24.96%	352 17.33%			
	Baa1-Baa3	12 11.49%	421 20.81%			
	Ba1-Ba3	--- ---	11 0.40%			
	B1-B3	--- ---	--- ---			
	Caa1-Caa3	--- ---	--- ---			
	Ca	--- ---	--- ---			
	C	--- ---	--- ---			
	Other	--- ---	--- ---			
	Not Rated	6 5.38%	10 0.43%			
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	--- ---	--- ---			
	1 - 3 Years	--- ---	--- ---			
	3 - 5 Years	--- ---	--- ---			
	5 - 7 Years	--- ---	--- ---			
	7 - 10 Years	3 4.56%	2 0.06%			
	10 - 15 Years	3 1.70%	220 27.20%			
	15 - 20 Years	25 44.18%	197 19.32%			
	20 Yrs And Above	41 48.99%	707 53.38%			
	Not Rated/Cash	2 0.57%	1 0.04%			

San Jose Police and Fire Retirement System
Fixed Income Characteristics - Sequential
Income Research & Mgmt., Inc. Long Duration

		March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Summary Statistics	Total Portfolio Size (\$MM)	\$109.74	\$108.13	\$104.40	\$100.25	\$95.32
	Average Quality	AA2	AA1	AA1	AA1	AA2
	Average Coupon	6.11%	6.43%	6.54%	6.49%	6.71%
	Opt. Adj. Duration	10.27	10.26	10.29	10.36	10.19
	Yield To Maturity	5.56%	5.35%	5.48%	5.67%	5.45%
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	7 26.88%	4 36.41%	6 45.97%	5 41.71%	6 36.49%
	Corporate	52 57.42%	46 49.84%	41 43.28%	41 45.13%	44 54.17%
	Mortgage - Related	9 10.88%	6 8.97%	3 5.81%	3 5.97%	2 4.35%
	Asset - Backed	1 1.74%	1 1.83%	1 1.91%	1 1.98%	---
	Muni	2 1.18%	2 1.16%	2 1.19%	4 3.57%	4 3.88%
	Preferred	---	---	---	---	---
	Other	1 1.91%	1 1.79%	1 1.85%	1 1.64%	1 1.11%
	Non US	---	---	---	---	---
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	6 26.20%	4 37.49%	5 45.16%	5 41.34%	6 36.30%
	Agency	3 4.26%	5 6.96%	4 6.29%	3 5.92%	2 4.33%
	Aaa	9 10.90%	5 6.23%	4 4.96%	5 7.20%	5 7.29%
	Aa1-Aa3	16 16.81%	17 18.89%	17 19.31%	19 21.07%	18 20.65%
	A1-A3	22 24.96%	18 19.46%	13 13.20%	12 12.99%	14 18.34%
	Baa1-Baa3	12 11.49%	11 10.90%	11 10.44%	11 10.59%	12 12.59%
	Ba1-Ba3	---	---	---	---	---
	B1-B3	---	---	---	---	---
	Caa1-Caa3	---	---	---	---	---
	Ca	---	---	---	---	---
	C	---	---	---	---	---
	Other	---	---	---	---	---
	Not Rated	6 5.38%	1 0.07%	2 0.65%	2 0.90%	2 0.50%
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	---	---	---	---	---
	1 - 3 Years	---	---	---	---	---
	3 - 5 Years	---	---	---	---	---
	5 - 7 Years	---	---	---	---	---
	7 - 10 Years	3 4.56%	4 5.82%	4 6.83%	4 6.98%	3 8.90%
	10 - 15 Years	3 1.70%	4 3.56%	5 5.71%	4 6.15%	5 13.65%
	15 - 20 Years	25 44.18%	21 50.89%	17 50.50%	16 44.51%	15 34.76%
	20 Yrs And Above	41 48.99%	31 39.65%	28 36.31%	31 41.46%	34 42.19%
	Not Rated/Cash	2 0.57%	1 0.07%	2 0.65%	2 0.90%	2 0.50%

San Jose Police and Fire Retirement System
Fixed Income Characteristics - Sequential
Lehman Brothers U.S. Gov/Credit-Long Term

		March 31, 2008		December 31, 2007		September 30, 2007		June 30, 2007		March 31, 2007	
Summary Statistics	Total Portfolio Size (\$MM)	\$1,166.26		\$1,146.38		\$1,064.53		\$1,017.06		\$1,016.52	
	Average Quality	AA2		AA2		AA2		AA2		AA2	
	Average Coupon	6.76%		6.78%		6.83%		6.87%		6.96%	
	Opt. Adj. Duration	11.43		11.32		11.18		10.92		11.04	
	Yield To Maturity	5.46%		5.44%		5.65%		5.84%		5.52%	
Sector Breakdown - % Market Value (Fixed)	Treasury/Agency	165	50.30%	155	48.90%	139	49.34%	135	49.95%	109	51.69%
	Corporate	927	47.56%	913	48.39%	871	48.10%	839	47.59%	817	47.22%
	Mortgage - Related	---	---	---	---	---	---	---	---	---	---
	Asset - Backed	9	0.28%	8	0.27%	8	0.29%	8	0.30%	7	0.26%
	Muni	15	1.29%	12	1.12%	12	1.21%	10	1.11%	---	---
	Preferred	---	---	---	---	---	---	---	---	---	---
	Other	11	0.57%	26	1.32%	20	1.07%	19	1.05%	18	0.83%
	Non US	---	---	---	---	---	---	---	---	---	---
Quality Breakdown - % Market Value (Fixed, Conv., Cash)	US Treasuries	34	42.07%	33	40.86%	33	41.68%	33	42.39%	34	44.69%
	Agency	123	7.48%	117	7.39%	100	7.12%	95	6.99%	75	6.90%
	Aaa	47	3.47%	46	3.20%	47	3.38%	44	3.10%	35	2.57%
	Aa1-Aa3	129	8.00%	130	8.12%	114	8.04%	114	8.29%	105	7.58%
	A1-A3	352	17.33%	335	17.24%	327	16.34%	323	16.69%	319	16.12%
	Baa1-Baa3	421	20.81%	424	21.72%	390	21.55%	368	20.54%	358	20.46%
	Ba1-Ba3	11	0.40%	13	0.76%	9	0.30%	2	0.05%	4	0.12%
	B1-B3	---	---	---	---	---	---	---	---	---	---
	Caa1-Caa3	---	---	---	---	---	---	---	---	---	---
	Ca	---	---	---	---	---	---	---	---	---	---
	C	---	---	---	---	---	---	---	---	---	---
	Other	---	---	---	---	---	---	---	---	---	---
	Not Rated	10	0.43%	16	0.71%	30	1.60%	32	1.94%	21	1.56%
Maturity Breakdown - % Market Value (Fixed, Conv., Cash)	Less Than 1 Year	---	---	---	---	---	---	---	---	---	---
	1 - 3 Years	---	---	---	---	---	---	---	---	---	---
	3 - 5 Years	---	---	---	---	---	---	---	---	---	---
	5 - 7 Years	---	---	---	---	---	---	---	---	---	---
	7 - 10 Years	2	0.06%	1	0.04%	1	0.04%	1	0.49%	---	---
	10 - 15 Years	220	27.20%	219	25.77%	202	25.14%	201	25.58%	196	27.88%
	15 - 20 Years	197	19.32%	179	20.61%	168	19.85%	156	20.07%	143	19.95%
	20 Yrs And Above	707	53.38%	700	52.47%	677	54.89%	650	53.75%	609	52.09%
	Not Rated/Cash	1	0.04%	15	1.12%	2	0.08%	3	0.10%	3	0.08%

Investment Policy Compliance

San Jose Police and Fire Retirement System
Compliance Summary
Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Total Fund	\$ 2,583.4	100.0 %				
<i>Rank vs. Total Funds Billion Dollar - Public</i>						
<i>Total Funds Billion Dollar - Public Med</i>			No	No	No	No
<i>Total Fund Benchmark</i>			No	No	No	Yes
Total Domestic Equity Fund	924.6	35.8				
<i>Rank vs. Mercer US Equity Combined Universe</i>						
<i>Mercer US Equity Combined Universe Med</i>			No	No	No	No
<i>S&P 500 - Total Return Index</i>			No	No	No	Yes
Index Equity						
<i>RhumbLine Advisers - Large Cap Index Equity</i>	223.2	8.6				
<i>Rank vs. Mercer US Equity Combined Universe</i>						
<i>Mercer US Equity Combined Universe Med</i>			Yes	Yes	No	No
<i>S&P 500 - Total Return Index</i>			Yes	No	No	No
<i>RhumbLine Advisers - Large Cap Index Equity-Net</i>	223.2	8.6				
<i>Rank vs. Mercer US Equity Combined Universe</i>						
<i>Mercer US Equity Combined Universe Med</i>			Yes	Yes	No	No
<i>S&P 500 - Total Return Index</i>			Yes	No	No	No
Growth Equity						
<i>State Street Corp Global Markets - Formerly Globalt</i>	43.4	1.7				
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>						
<i>Mercer US Equity Large Cap Growth Universe Med</i>			Yes	No	No	No
<i>Russell 1000 Growth Index</i>			Yes	Yes	No	Yes
<i>Russell 1000 Growth + 1%</i>			Yes	Yes	No	No
<i>State Street Corp Global Markets - Formerly Globalt-Net</i>	43.4	1.7				
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>						
<i>Mercer US Equity Large Cap Growth Universe Med</i>			Yes	No	No	No
<i>Russell 1000 Growth Index</i>			Yes	Yes	No	No
<i>Russell 1000 Growth + 1%</i>			Yes	No	No	No

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
INTECH - Large Cap Growth Equity	\$ 50.7	2.0 %				
Rank vs. Mercer US Equity Large Cap Growth Universe						
Mercer US Equity Large Cap Growth Universe Med			No	No	No	
Russell 1000 Growth Index			No	No	No	
Russell 1000 Growth + 1%			No	No	No	
INTECH - Large Cap Growth Equity-Net	50.7	2.0				
Rank vs. Mercer US Equity Large Cap Growth Universe						
Mercer US Equity Large Cap Growth Universe Med			No	No	No	
Russell 1000 Growth Index			No	No	No	
Russell 1000 Growth + 1%			No	No	No	
New Amsterdam Partners - Large Cap Growth Equity	150.3	5.8				
Rank vs. Mercer US Equity Large Cap Growth Universe						
Mercer US Equity Large Cap Growth Universe Med			No	No	No	No
S&P 500 - Total Return Index			No	No	No	Yes
S&P 500 + 1.0%			No	No	No	No
New Amsterdam Partners - Large Cap Growth Equity-Net	150.3	5.8				
Rank vs. Mercer US Equity Large Cap Growth Universe						
Mercer US Equity Large Cap Growth Universe Med			No	No	No	No
S&P 500 - Total Return Index			No	No	No	No
S&P 500 + 1.0%			No	No	No	No
UBS Global Asset Management - Large Cap Value Equity	120.5	4.7				
Rank vs. Mercer US Equity Large Cap Value Universe						
Mercer US Equity Large Cap Value Universe Med			No	No	No	No
Russell 3000 Index			No	No	No	Yes
Russell 3000 + 1%			No	No	No	No
UBS Global Asset Management - Large Cap Value Equity-Net	120.5	4.7				
Rank vs. Mercer US Equity Large Cap Value Universe						
Mercer US Equity Large Cap Value Universe Med			No	No	No	No
Russell 3000 Index			No	No	No	Yes
Russell 3000 + 1%			No	No	No	No

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Value Equity						
Boston Partners Asset Mgmt. - Large Cap Value Equity	\$ 128.7	5.0 %				
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>						
<i>Mercer US Equity Large Cap Value Universe Med</i>			No	No	Yes	No
<i>Russell 1000 Value Index</i>			No	Yes	Yes	Yes
<i>Russell 1000 Value + 1.0%</i>			No	Yes	Yes	No
 Boston Partners Asset Mgmt. - Large Cap Value Equity-Net	 128.7	 5.0				
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>						
<i>Mercer US Equity Large Cap Value Universe Med</i>			No	No	Yes	No
<i>Russell 1000 Value Index</i>			No	Yes	Yes	No
<i>Russell 1000 Value + 1.0%</i>			No	Yes	Yes	No
 Provident Investment Counsel - Small Cap Growth Equity	 62.0	 2.4				
<i>Rank vs. Mercer US Equity Small Cap Growth Universe</i>						
<i>Mercer US Equity Small Cap Growth Universe Med</i>			No	No	No	No
<i>Russell 2000 Growth Index</i>			No	No	No	No
<i>Russell 2000 Growth + 2%</i>			No	No	No	No
 Provident Investment Counsel - Small Cap Growth Equity-Net	 62.0	 2.4				
<i>Rank vs. Mercer US Equity Small Cap Growth Universe</i>						
<i>Mercer US Equity Small Cap Growth Universe Med</i>			No	No	No	No
<i>Russell 2000 Growth Index</i>			No	No	No	No
<i>Russell 2000 Growth + 2%</i>			No	No	No	No
 RhumbLine Advisers	 89.2	 3.5				
<i>Rank vs. Mercer US Equity Small Cap Core Universe</i>						
<i>Mercer US Equity Small Cap Core Universe Med</i>			Yes	Yes	No	
<i>Russell 2000 Index</i>			No	Yes	Yes	
 RhumbLine Advisers-Net	 89.2	 3.5				
<i>Rank vs. Mercer US Equity Small Cap Core Universe</i>						
<i>Mercer US Equity Small Cap Core Universe Med</i>			Yes	Yes	No	
<i>Russell 2000 Index</i>			No	Yes	Yes	

San Jose Police and Fire Retirement System
Compliance Summary
Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Small Cap Value						
State Street Corp - Formerly TCW	\$ 56.7	2.2 %				
Rank vs. Mercer US Equity Small Cap Value Universe						
Mercer US Equity Small Cap Value Universe Med			No	No	No	No
Russell 2000 Index			No	No	No	No
Russell 2000 + 2.0%			No	No	No	No
 State Street Corp - Formerly TCW-Net	 56.7	 2.2				
Rank vs. Mercer US Equity Small Cap Value Universe						
Mercer US Equity Small Cap Value Universe Med			No	No	No	No
Russell 2000 Index			No	No	No	No
Russell 2000 + 2.0%			No	No	No	No
Total Intl Equity - Established Markets	552.2	21.4				
Rank vs. Mercer Intl Equity Universe						
Mercer Intl Equity Universe Med			No	No	No	Yes
MSCI EAFE Net Dividend Index			No	No	Yes	Yes
 AQR Capital Management, LLC International Equity	 108.6	 4.2				
Rank vs. Mercer Intl Equity Universe						
Mercer Intl Equity Universe Med			Yes	No		
MSCI EAFE Net Dividend Index			Yes	No		
MSCI EAFE NET +1.5%			No	No		
 AQR Capital Management, LLC International Equity-Net	 108.6	 4.2				
Rank vs. Mercer Intl Equity Universe						
Mercer Intl Equity Universe Med			No	No		
MSCI EAFE Net Dividend Index			Yes	No		
MSCI EAFE NET +1.5%			No	No		

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Brandes Investment Partners - International Equity	\$ 211.5	8.2 %				
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>			No	No	No	Yes
<i>MSCI EAFE Net Dividend Index</i>			No	No	No	Yes
<i>MSCI EAFE NET +1.5%</i>			No	No	No	Yes
Brandes Investment Partners - International Equity-Net	211.5	8.2				
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>			No	No	No	Yes
<i>MSCI EAFE Net Dividend Index</i>			No	No	No	Yes
<i>MSCI EAFE NET +1.5%</i>			No	No	No	Yes
William Blair & Company - International Equity	232.1	9.0				
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>			No	Yes	Yes	Yes
<i>MSCI All Country World Ex United States Net Index</i>			No	Yes	Yes	Yes
<i>MSCI AC World x US Net + 1.5%</i>			No	No	Yes	No
William Blair & Company - International Equity-Net	232.1	9.0				
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>			No	Yes	Yes	Yes
<i>MSCI All Country World Ex United States Net Index</i>			No	Yes	Yes	Yes
<i>MSCI AC World x US Net + 1.5%</i>			No	No	Yes	No
Total Intl Equity - Emerging Markets	160.4	6.2				
<i>Rank vs. Mercer Emerging Markets Equity Universe</i>						
<i>Mercer Emerging Markets Equity Universe Med</i>			Yes	No	No	No
<i>MSCI Emerging Markets Index</i>			Yes	No	No	No

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Alliance Capital Mgmt Emerging Markets Equity	\$ 82.7	3.2 %				
Rank vs. Mercer Emerging Markets Equity Universe						
Mercer Emerging Markets Equity Universe Med			No	No	No	No
MSCI Emerging Markets Index			Yes	No	No	Yes
MSCI Emerging Markets + 2%			No	No	No	No
Alliance Capital Mgmt Emerging Markets Equity-Net	82.7	3.2				
Rank vs. Mercer Emerging Markets Equity Universe						
Mercer Emerging Markets Equity Universe Med			No	No	No	No
MSCI Emerging Markets Index			No	No	No	No
MSCI Emerging Markets + 2%			No	No	No	No
Boston Company Asset Mgmt. Emerging Markets Equity	77.8	3.0				
Rank vs. Mercer Emerging Markets Equity Universe						
Mercer Emerging Markets Equity Universe Med			Yes	No	No	No
MSCI Emerging Markets Index			Yes	No	No	No
MSCI Emerging Markets + 2%			Yes	No	No	No
Boston Company Asset Mgmt. Emerging Markets Equity-Net	77.8	3.0				
Rank vs. Mercer Emerging Markets Equity Universe						
Mercer Emerging Markets Equity Universe Med			Yes	No	No	No
MSCI Emerging Markets Index			Yes	No	No	No
MSCI Emerging Markets + 2%			Yes	No	No	No
Total Domestic Core Fixed Income Fund	556.4	21.5				
Rank vs. Mercer US Fixed Core Universe						
Mercer US Fixed Core Universe Med			No	No	No	Yes
Lehman Brothers Aggregate Bond			No	No	No	Yes

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Seix Investment Advisors, Inc - Fixed Income	\$ 281.0	10.9 %				
<i>Rank vs. Mercer US Fixed Core Universe</i>						
<i>Mercer US Fixed Core Universe Med</i>			No	Yes	No	Yes
<i>LB Aggregate + 0.5%</i>			No	No	No	No
Seix Investment Advisors, Inc - Fixed Income-Net	281.0	10.9				
<i>Rank vs. Mercer US Fixed Core Universe</i>						
<i>Mercer US Fixed Core Universe Med</i>			No	Yes	No	Yes
<i>LB Aggregate + 0.5%</i>			No	No	No	No

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Western Asset Management Company	\$ 275.4	10.7 %				
<i>Rank vs. Mercer US Fixed Core Universe</i>						
<i>Mercer US Fixed Core Universe Med</i>			No	No	No	Yes
<i>Lehman Brothers Aggregate Bond</i>			No	No	No	Yes
<i>LB Aggregate + 0.5%</i>			No	No	No	No
Western Asset Management Company-Net	275.4	10.7				
<i>Rank vs. Mercer US Fixed Core Universe</i>						
<i>Mercer US Fixed Core Universe Med</i>			No	No	No	Yes
<i>Lehman Brothers Aggregate Bond</i>			No	No	No	Yes
<i>LB Aggregate + 0.5%</i>			No	No	No	No
Income Research & Mgmt., Inc. Long Duration	111.2	4.3				
<i>Rank vs. Mercer US Fixed Long Duration Universe</i>						
<i>Mercer US Fixed Long Duration Universe Med</i>			Yes	Yes	No	
<i>Lehman Brothers U.S. Gov/Credit-Long Term</i>			Yes	Yes	No	
<i>Lehman Brothers U.S. Gov/Credit-Long Term +0.5%</i>			Yes	Yes	No	
Income Research & Mgmt., Inc. Long Duration-Net	111.2	4.3				
<i>Rank vs. Mercer US Fixed Long Duration Universe</i>						
<i>Mercer US Fixed Long Duration Universe Med</i>			Yes	Yes	No	
<i>Lehman Brothers U.S. Gov/Credit-Long Term</i>			Yes	Yes	No	
<i>Lehman Brothers U.S. Gov/Credit-Long Term +0.5%</i>			Yes	No	No	
Total Real Estate Fund	218.5	8.5				
<i>Rank vs. Mercer US Real Estate Open End Universe</i>						
<i>Mercer US Real Estate Open End Universe Med</i>			No	No	No	No
<i>NCREIF Property Index - EWB Calc</i>			No	No	No	No

San Jose Police and Fire Retirement System

Compliance Summary

Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
MIG Realty Advisors - Real Estate	\$ 50.6	2.0 %				
Rank vs. Mercer US Real Estate Open End Universe						
Mercer US Real Estate Open End Universe Med			No	No	No	No
NCREIF Property Index - EWB Calc			No	No	No	No
NCREIF PROPERTY + 1.5%			No	No	No	No
MIG Realty Advisors - Real Estate-Net	50.6	2.0				
Rank vs. Mercer US Real Estate Open End Universe						
Mercer US Real Estate Open End Universe Med			No	No	No	No
NCREIF Property Index - EWB Calc			No	No	No	No
NCREIF PROPERTY + 1.5%			No	No	No	No
Kennedy Associate Real Estate - Real Estate	105.6	4.1				
Rank vs. Mercer US Real Estate Open End Universe						
Mercer US Real Estate Open End Universe Med			No	Yes	No	
NCREIF Property Index - EWB Calc			No	Yes	No	
NCREIF PROPERTY + 1.5%			No	Yes	No	
Kennedy Associate Real Estate - Real Estate-Net	105.6	4.1				
Rank vs. Mercer US Real Estate Open End Universe						
Mercer US Real Estate Open End Universe Med			No	Yes	No	
NCREIF Property Index - EWB Calc			No	Yes	No	
NCREIF PROPERTY + 1.5%			No	Yes	No	
MEPT	62.3	2.4				
Rank vs. Mercer US Real Estate Open End Universe						
Mercer US Real Estate Open End Universe Med			Yes	Yes		
NCREIF Property Index - EWB Calc			Yes	No		
NCREIF PROPERTY + 1.5%			No	No		
MEPT-Net	62.3	2.4				
Rank vs. Mercer US Real Estate Open End Universe						
Mercer US Real Estate Open End Universe Med			Yes	No		
NCREIF Property Index - EWB Calc			No	No		
NCREIF PROPERTY + 1.5%			No	No		

San Jose Police and Fire Retirement System
Compliance Summary
Period Ending March 31, 2008

	Market Value	% of Total Fund	Quarter	Annualized		
				1 Year	3 Years	5 Years
Pantheon Ventures <i>S&P 500 + 3%</i>	\$ 23.0	0.9 %	Yes	Yes		
Pantheon Ventures-Net <i>S&P 500 + 3%</i>	23.0	0.9	Yes	Yes		
Portfolio Advisors <i>S&P 500 + 3%</i>	20.3	0.8	Yes	Yes		
Portfolio Advisors-Net <i>S&P 500 + 3%</i>	20.3	0.8	Yes	Yes		
HarbourVest Partners, LLC <i>S&P 500 + 3%</i>	16.2	0.6	Yes	Yes		
HarbourVest Partners, LLC-Net <i>S&P 500 + 3%</i>	16.2	0.6	Yes	Yes		

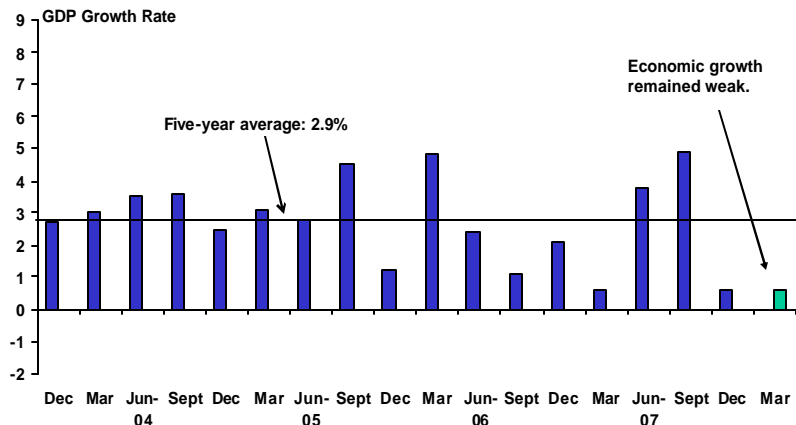
Appendix

Economic Environment

For Periods Ending March 2008

Economic Profile

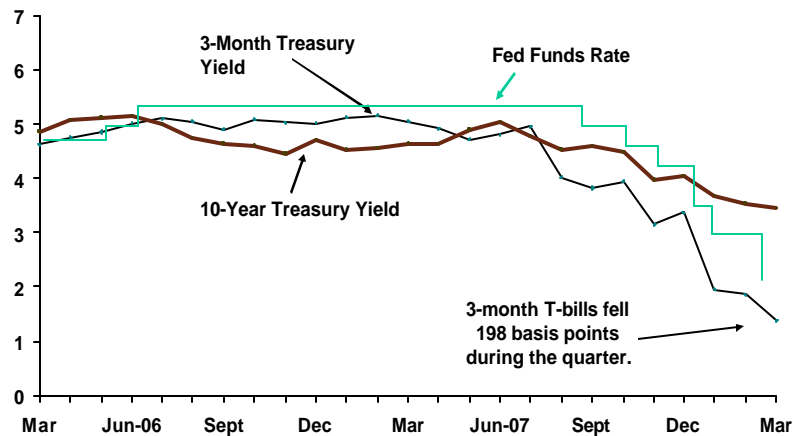
GDP Growth Rate



- The economy edged closer to recession during the quarter amid rising unemployment, weak consumer spending and the ongoing housing slump. The initial government estimate of first-quarter GDP growth was 0.6%.
- Payroll employment declined for the third consecutive month in March, pushing the unemployment rate to nearly a 3-year high of 5.1%. Job losses totaled 232,000 during the quarter.
- Consumer confidence sank to a 5-year low in March amid concerns over rising prices and a bleak job market. Retail sales fell in February as consumers curtailed spending. On an annual basis, the retail sales growth rate slowed to 2.6%.
- The housing market worsened as home foreclosures and delinquency rates continued to rise. New home sales fell to their lowest level in 13 years in February, despite a record drop in prices.

Interest Rates and Inflation

Treasury Yields



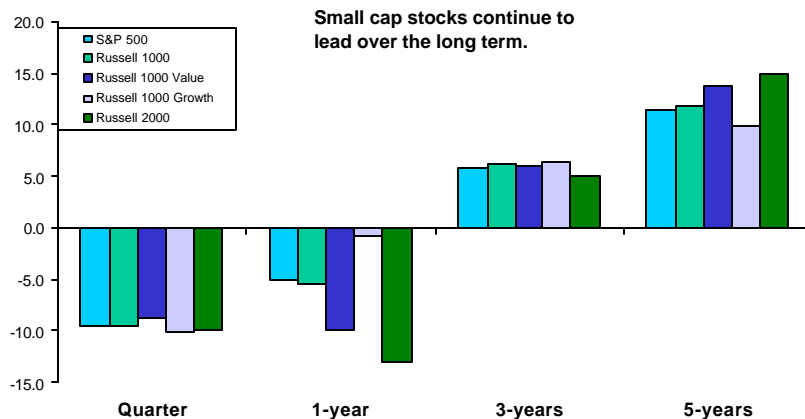
- The Fed slashed short-term interest rates a total of 200 basis points during the quarter, bringing the federal funds rate to 2.25%.
- Rates fell across the yield curve as investors fled to the safety of U.S. Treasuries. The 2-year Treasury yield fell 143 basis points to 1.62% and the 10-year Treasury yield fell 59 basis points to 3.45%. The 2- to 10-year yield slope steepened by 84 basis points.
- Over the quarter, the 3-month T-bill yield decreased 198 basis points to 1.38%, while the yield on 30-year Treasuries fell 15 basis points to 4.30%.
- Consumer prices held steady in February, but rose 0.8% for the quarter and increased 4.0% on a year-over-year basis. Core CPI was up 2.4% from a year ago.

Equity Market Performance

For Periods Ending March 2008

Domestic Equity Market Performance

Market Index Performance



- The stock market suffered losses during the first quarter amid concerns over negative corporate earnings and the credit and financial system crises. The S&P 500 Index was down 9.4%, its worst quarterly return in 5½ years, while the Russell 1000 Index lost 9.5%.
- Small cap stocks, as measured by the Russell 2000 Index, underperformed large cap stocks by a small margin, losing 9.9%.
- Growth underperformed value across all market capitalizations during the quarter. Large cap growth stocks were down 10.2%, while large cap value stocks lost 8.7%. Small cap growth stocks, down 12.8%, were the weakest performers.
- The technology, telecommunication and financial sectors suffered the largest losses during the quarter. Losses were least severe in the consumer staples and materials sectors.

Russell 1000 Sector Returns

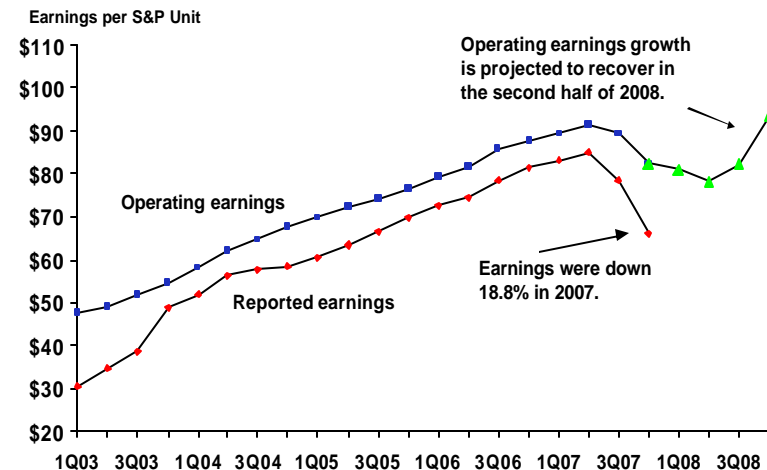
Sector	Qtr Return	Weight
Energy	-6.7	12.9
Materials	-2.8	4.0
Consumer Discretionary	-7.7	9.3
Consumer Staples	-2.5	10.3
Health Care	-10.9	11.6
Financials	-13.3	16.8
Information Technology	-15.0	15.5
Telecommunication Services	-14.5	3.3
Utilities	-9.7	3.9
Industrials	-5.2	12.4

Source: Returns and security data for the Russell indices are provided by Russell/Mellon Analytical Services.

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S&P 500 Trailing 4-Quarter Earnings per Unit



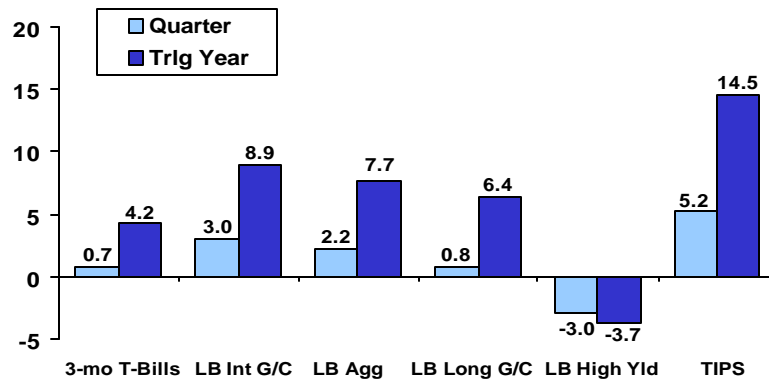
Source: Standard & Poor's

Fixed Income Market Performance

For Periods Ending March 2008

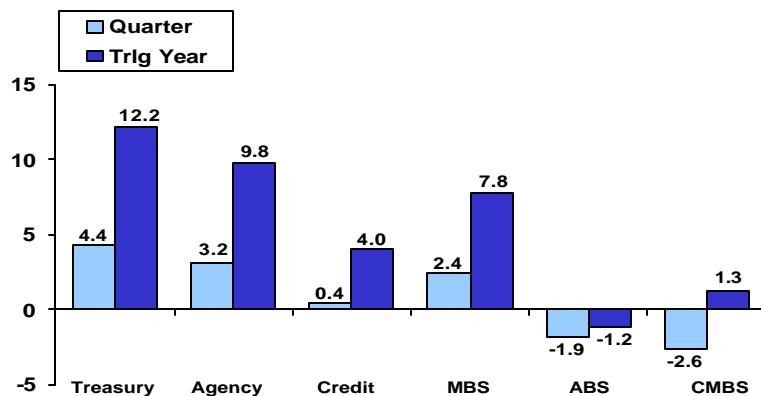
Fixed Income Market Performance

Performance by Maturity and Sector

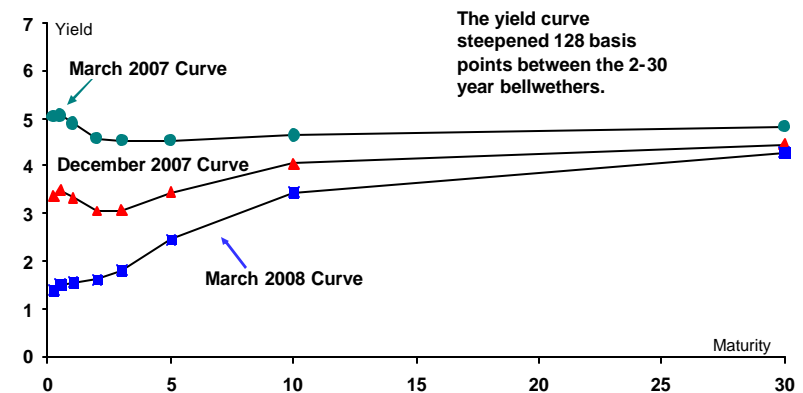


- The investment-grade bond market posted positive results during the first quarter due primarily to strong non-spread bond performance. The Lehman Brothers Aggregate Bond Index advanced 2.2%.
- Treasuries outperformed all spread sectors, gaining 4.4% for the quarter. Intermediate-term Treasuries outperformed both short- and longer-maturity Treasuries.
- The Lehman Brothers Credit Index edged up 0.4% during the quarter. In general, intermediate-term bonds outperformed long-term maturity issues. High-quality outperformed lower-rated debt as Aaa-rated issues returned 3.4% while Baa-rated bonds lost 1.1%. On average, credit spreads widened 96 basis points during the quarter.
- The Lehman Brothers MBS Index gained 2.4% for the quarter. CMBS and ABS were the worst performers in the investment grade index, losing 2.6% and 1.9% respectively.

Performance by Issuer



Treasury Yield Curves

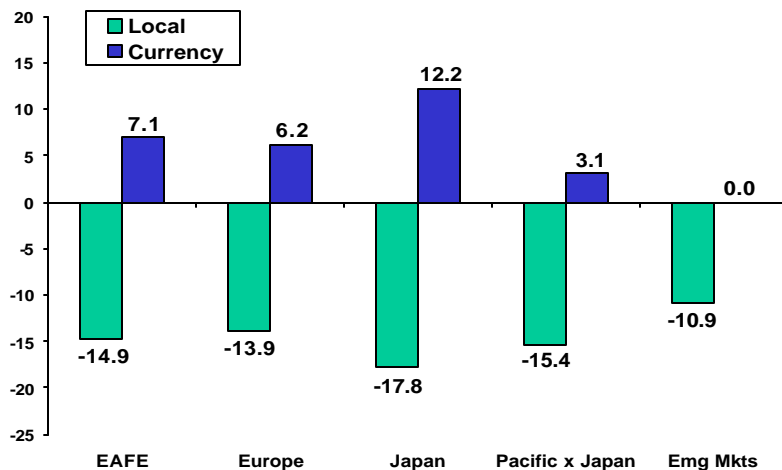


Other Markets

For Periods Ending March 2008

International Equity Market Performance

Regional Performance for the Quarter



- The international equity markets suffered widespread losses during the quarter, as the MSCI EAFE Index fell 8.8% in U.S. dollar terms. In local currency terms, the Index was down 14.9%.
- The dollar continued to fall, reaching a record low versus the euro and a 12-year low versus the yen in March.
- The Pacific region was down 9.5% for the quarter. The Pacific ex-Japan region declined 12.8% because of weak performance in Hong Kong, which posted an 18.9% loss.
- The European region declined 8.6% during the quarter. Germany was down 11.7%, while the U.K. and France lost 10.5% and 8.3% respectively.
- Stocks in the developing markets retreated as the MSCI EM Index fell 10.9% in dollar terms for the quarter. EM Asia and EM Europe were the weakest-performing regions, losing 14.1% and 13.3% respectively. The EM Latin America region held up best, losing 1.4%.

Other Asset Classes

High Yield Bonds

- The Lehman Brothers High Yield Bond Index was down 3.0% for the quarter, its worst quarterly return since June 2002. The average yield spread versus Treasuries widened 222 basis points during the quarter.
- Long-term bonds underperformed intermediate-term issues. By quality, lower-rated bonds underperformed higher-rated bonds by a wide margin. Ba-rated issues lost 1.2%, while Ca-D bonds fell 20.3%.

Real Estate

- Equity REITS, as measured by the FTSE NAREIT Index, returned 1.4% during the quarter.
- The latest data available for the private real estate market showed a fourth-quarter gain of 3.2% for the NCREIF Property Index.

Mercer

Inflation Indexed Bonds

- Treasury Inflation Protected Securities (TIPS) were up 5.2% for the quarter, outperforming Treasuries by 75 basis points.

Commodities

- The S&P GSCI Index declined in March, but gained 9.9% for the quarter. Industrial metals, up 20.7%, was the top-performing sector, followed by energy, which gained 10.9%.

International Bonds

- The Citigroup Non-U.S. Government Bond Index returned 10.9% in U.S. dollar terms during the quarter, with most countries reporting double-digit gains.
- The Lehman Brothers Emerging Markets Index edged up 0.2% in the first quarter. The Emerging Americas gave up 0.3%, while the remaining regions saw modest gains.

Domestic Equity – Largest Positive & Negative Contributors to S&P 500

For First Quarter 2008

Domestic Equity - Largest Positive & Negative Contributors to S&P 500 For Periods Ending March 31, 2008

S&P 500 Quarterly Return = -9.44%

25 Largest Positive Contributors

Stock	Return (%)	End of Quart Weight	Cap Rank
WAL MART STORES INC COM	11.33%	1.09%	14
IBM CORP COM	6.89%	1.40%	9
EOG RES INC COM	34.59%	0.26%	93
YAHOO INC	24.38%	0.34%	71
DEVON ENERGY CORP NEW COM	17.52%	0.41%	56
CELGENE CORP	32.63%	0.23%	103
XTO ENERGY INC COM	20.68%	0.28%	88
GILEAD SCIENCES INC COM	12.00%	0.42%	51
CSX CORP COM	27.88%	0.20%	122
APACHE CORP COM	12.62%	0.35%	68
CATERPILLAR INC	8.44%	0.43%	50
COMCAST CORP NEW CL A	6.26%	0.51%	37
CHESAPEAKE ENERGY CORP COM	17.90%	0.19%	130
QUALCOMM INC	4.54%	0.58%	31
UNITED PARCEL SVC INC CL B	3.91%	0.66%	29
GENERAL ELEC CO COM	0.77%	3.24%	2
DU PONT E I DE NEMOURS & CO	6.99%	0.37%	64
BURLINGTON NORTH SANTA FE CORP	11.19%	0.24%	99
ZIMMER HLDGS INC COM	17.70%	0.16%	158
NUCOR CORP	15.27%	0.17%	147
APPLIED MATLS INC COM	10.20%	0.23%	105
TYCO INTERNATIONAL LTD BERMUDA	11.48%	0.19%	128
HOME DEPOT INC COM	4.66%	0.41%	54
PUBLIC STORAGE COM	21.47%	0.10%	244
TJX COS INC NEW COM	15.43%	0.13%	196

25 Largest Negative Contributors

Stock	Return (%)	End of Quarter Weight	Cap Rank
GOOGLE INC CL A	-36.30%	0.90%	24
MICROSOFT CORP COM	-19.96%	1.99%	4
APPLE INC	-27.55%	1.11%	13
EXXON MOBIL CORP	-9.36%	3.97%	1
MERCK & CO INC COM	-34.04%	0.72%	27
CITIGROUP INC COM	-26.42%	0.98%	20
AMERICAN INTL GROUP INC COM	-25.47%	0.96%	21
ALTRIA GROUP INC	-69.63%	0.41%	55
INTEL CORP	-20.05%	1.08%	15
UNITEDHEALTH GROUP INC COM	-40.91%	0.38%	60
WELLPOINT INC	-49.70%	0.21%	116
WACHOVIA CORP NEW COM	-27.52%	0.47%	45
SCHERING PLOUGH CORP COM	-45.73%	0.20%	120
VERIZON COMMUNICATIONS COM	-15.65%	0.92%	22
GOLDMAN SACHS GROUP INC COM	-22.96%	0.57%	32
SPRINT NEXTEL CORP COM SER 1	-49.05%	0.17%	152
CONOCOPHILLIPS	-13.20%	1.04%	17
CISCO SYS INC COM	-11.01%	1.26%	11
AT & T INC COM	-6.89%	2.03%	3
CHEVRON CORPORATION COM	-7.93%	1.55%	7
MOTOROLA INC COM	-41.71%	0.18%	131
LEHMAN BROS HLDGS INC COM	-42.29%	0.18%	144
SCHLUMBERGER LTD COM	-11.34%	0.91%	23
FANNIE MAE	-33.49%	0.23%	110
MERRILL LYNCH & CO INC	-23.57%	0.35%	70

Data Source: Compustat

Report Date: April 22, 2008

GLOSSARY OF TERMS

ADR American Depository Receipt is a receipt for shares of a foreign company held by a U.S. bank, facilitating receipt of dividends and simulating purchase of the stock.

Agency Bonds Debt obligations issued by government sponsored organisations such as the Federal Home Loan Bank and the Federal Land Bank. After Treasuries, agency bonds are considered to be the next highest quality securities in the domestic fixed income market.

Alpha A measure of value added provided by the manager. Specifically, alpha is the excess portfolio return compared to the risk-adjusted benchmark.

Asset Allocation The combination of assets in a portfolio to different asset types such as common stocks, bonds, cash, real estate, venture capital, etc. Different approaches to the asset allocation decision are employed such as strategic, dynamic or tactical.

Asset-Backed Security A collateralised fixed-income security which is supported by instalment loans (autos, mobile homes, boats, etc.) or revolving lines of credit (credit cards). Asset-backed securities generally have AAA ratings based on recourse provisions or third-party credit enhancements. Most collateral behind asset-backed securities is subject to prepayment. However, unlike mortgage-backed securities, prepayments are virtually unaffected by changing market interest rate levels.

Association for Investment Manager Research (AIMR) An international, non-profit organization whose mission is to serve its members and investors as a global leader in educating and examining investment managers and analysts and sustaining high standards of professional conduct. AIMR's membership is global in scope, and its activities are worldwide.

AIMR Level I Verification Independent attestation that the requirements of the AIMR Performance Presentation Standards (PPS) have been met on a firm-wide basis.

AIMR Level II Verification Independent attestation that the performance results of specific composites have been calculated according to the AIMR-PPS standards, and that the requirements of the AIMR Performance Presentation Standards (PPS) have been met on a firm-wide basis.

Balanced (asset class) Investments in common stock, preferred stock and bonds which are combined in an effort to obtain the highest return consistent with a low-risk strategy. A balanced portfolio typically offers a higher yield than a pure stock fund and performs better than such a fund when stocks are falling. In a rising market, however, a balanced portfolio usually will not keep pace with an all-equity portfolio.

Base Currency The currency of an investor's home country.

Basic Industry A sector classification which includes securities of firms that convert raw materials into unfinished products.

Basis Point 1/100th of 1.0%, or 0.01%.

Blend An evaluation of securities using a combination of fundamental and quantitative methods.

Bottom-up A money-management style which begins with security selection.

Callable Bond A bond which can be "called" (i.e., redeemed) by the issuer at a date prior to maturity. If interest rates drop significantly below a callable bond's coupon, the issuer can call the bond and refinance it at a lower rate. From a bond investor's perspective, the proceeds received when the bond is called will have to be reinvested at a lower rate. Thus, callable bonds expose bondholders to reinvestment risk. The bond investor receives compensation for this disadvantage in the form of a higher yield.

Capital Goods A sector classification which include securities of firms that are involved in the production of other goods--industrial buildings, machinery, equipment--as well as highways, office buildings, government installations. In the aggregate such goods form a country's productive capacity.

Capitalization Market value times shares outstanding (common stock).

Cash Equivalents All fixed income securities that are highly liquid, with a known market value and a maturity, when acquired, of less than three months.

CMO Collateralised Mortgage Obligation is a security which groups mortgage pass-through bonds together and partitions the cash flows into successive maturity groups called tranches. CMOs attempt to mitigate prepayment risk by transferring

the various degrees of prepayment risk among different tranches; thus, each tranche has different risk and return characteristics.

Commingled Fund An investment fund in which the manager pools the assets of several accounts to permit more efficient management and to reduce administrative cost. Also called collective investment funds, common funds or pooled funds.

Confidence Level The degree of certainty associated with a statistical measure, such as a t-statistic. In the context of this report, the confidence level provides insight into whether the manager's results were due to skill or luck. For example, with 20 or more observations, a t-statistic of 1.73 generally implies a confidence level of at least 95%; this means that there is only a 5% chance that the result was due to blind luck.

Consumer Durables A sector classification which includes securities of firms whose products, bought by consumers, are expected to last three years or more. These include automobiles, appliances, boats, and furniture. Economists look at the trend in consumer expenditure on durables as an important indicator of the strength of the economy, since consumers need confidence to make such large and expensive purchases.

Consumer Non-Durables A sector classification which includes securities of firms that provide consumable products such as food or drugs.

Consumer Services A sector classification which includes securities of firms that provide a service to the consumer rather than a product.

Convertible Securities These obligations include bonds, debentures, or preferred stock which may be exchanged by their owners for common stock -- usually in the same corporation. The terms which must be met to exercise this right of exchange are usually specified for each issue.

Convexity A measure of interest rate sensitivity. To demonstrate the concept, if bonds A and B have the same duration, but bond B has greater convexity, then the price of bond B will increase more than bond A if interest rates fall. Similarly, if rates increase, the price of bond B will fall less than the price of bond A. Investors who buy the price of bonds with a high degree of convexity will have to pay for convexity in the form of accepting a lower yield.

Core Style A strategy with investments in a large number of securities within a market capitalisation range. Unlike an index strategy, a core strategy does try to exceed the return of the target index.

Corporates Debt obligations issued by private corporations. This type of debt instrument varies greatly in quality and liquidity as the terms of the obligation and the financial health of the issuer are factored in by the market.

Correlation Coefficient A statistical measure of the degree to which the movements of two variables are related. A correlation of 1.0 indicates that the two variables move perfectly in tandem. A correlation of 0.0 indicates a random relationship between the variables, and a correlation of -1.0 indicates perfect negative correlation (perfect tandem but in opposite directions). Combining assets in a portfolio with negative correlations or with positive correlations less than 1.0 will reduce total portfolio volatility.

County Weighting The percentage exposure a portfolio has to the securities of a given country.

Coupon The annual rate of interest that the bond issuer promises to pay the bondholder.

CPI Consumer Price Index is a measure of the cost of a basket of consumer items. Changes in the index are generally accepted as a proxy for inflation.

Cross Hedging A cross hedge occurs when a foreign currency is hedged to another foreign currency instead of into the base currency (the U.S. dollar for U.S. investors). Managers may cross hedge when they want added currency exposure to a country.

Cross-Sectional Beta Beta is a measure of a portfolio's return volatility relative to the market (benchmark index). An estimate of the cross-sectional beta of a portfolio is a weighted average of the betas of the portfolio's component assets. A beta of 1.00 means a stock has exhibited the same volatility as the market over the period measured. A beta of 0.85 means, in general, a stock is less volatile than the market (moves 0.85% for each 1.00% move in the market) where a beta of 1.15 means a stock is more volatile than the market (moves 1.15% for each 1.00% move in the market).

Currency Hedging International managers may use currency hedges to minimise the effect of currency fluctuation against the U.S. dollar. A 100% hedge will neutralise the effect while a partial hedge will reduce the effect.

Current Yield A bond's coupon rate divided by the bond's current price.

Debt to Equity The ratio of long-term debt to total common equity.

Derivative A financial instrument whose value is “derived” from or based upon the value of other financial instruments or the level of a financial index. Also refers to financial instruments which have complex structures with option-like features. Futures, options and currency forward contracts are examples of derivatives.

Diversification The reduction in risk that is sought by investing in assets which are not perfectly positively correlated. Diversification is the spreading of risk among a number of different investment opportunities. Since the assets are not perfectly correlated, losses of any one asset tend to be offset by gains on other assets.

Dividend A payment to owners of common or preferred stock. Dividends are usually paid out of the current earnings of a corporation. On preferred stock shares, the dividend is usually a fixed amount. On common stock shares, the dividend will vary with the fortunes of the corporation. Dividends are usually declared and paid quarterly.

Dividend Yield The current dividend per share of a stock divided by its current price per share. For example, a stock with a price of \$100 per share paying a dividend of \$5 per share would have a dividend yield of $\$5/\$100=5\%$.

Down Market A quarter in which the market return is negative.

Duration A measure of a bond’s price volatility relative to a change in the general level of interest rates, measured in years. It is a measure of the number of years until the average dollar, in present value terms, is received from coupon and principal payments. In general, bonds with longer durations have greater sensitivity to interest rates and vice versa.

Duration - Active Average portfolio duration is allowed to vary outside of a 20% range around the benchmark’s duration.

Duration - Controlled Average portfolio duration is maintained within a 20% range around the benchmark’s duration.

Duration - Neutral Average portfolio duration is maintained close to the benchmark’s duration.

Duration - Tightly Controlled Average portfolio duration is maintained within a 10% range around the benchmark’s duration.

Dynamic Asset Allocation An approach (such as portfolio insurance) where are investments hedged through the use of derivatives to theoretically limit any losses beyond a floor level.

Earnings Per Share (EPS) That portion of a company’s profit allocated to each outstanding share of common stock.

Earnings Per Share Growth Rate The rate at which the earnings per share grows over various time periods.

Economic Risk The probability that economic conditions will deteriorate and thereby affect the safety of a company.

Effective Asset Allocation Tool to discern style orientation of a portfolio. The concept of effective asset allocation was introduced by Professor William F. Sharpe in 1988. Mercer has applied Sharpe’s concept by developing its own version of effective asset allocation. Mercer’s model regresses a minimum of five years of quarterly returns on a maximum of five various style indices. The coefficients of the linear combination are fitted using a quadratic rather than a linear program in order for the coefficients to lie within a specified range. These coefficients must sum to one, but lie between zero and one. In addition, the constant term (alpha) is omitted. The resulting coefficients are interpreted as the “effective asset allocation” of the manager’s investment style. With this model, we can distinguish the investment styles of both equity and fixed income managers.

Effective Duration Also known as option-adjusted duration, a measure of how sensitive a bond’s price is to interest rate changes with the option and structural characteristics of the bond taken into account.

Energy A sector classification which includes securities of firms that produce and/or sell oil, oil service, gas, solar energy, coal companies and makers of energy saving devices.

Equity Investment or ownership interest possessed by shareholders in a corporation -- stock as opposed to bonds.

Eurodollar Bonds A U.S. dollar denominated bond issued and traded outside the jurisdiction of the United States.

Finance A sector classification which includes securities of firms that engage in making loans to individuals or businesses.

Fixed Income Debt instruments issued by corporations, governments or government agencies characterised by a fixed interest rate and stated maturity date. These represent the terms of the arrangement between someone who borrows money and someone who lends it.

Foreign Exchange Transactions involving the purchase and sale of currencies.

Forward Market A market in which participants agree to trade some commodity, security, or foreign exchange at a fixed price at some future date.

Forward Rate The rate at which forward transactions in some specific maturity are being made, e.g., the dollar price at which Deutschmarks can be bought for delivery three months hence.

Fundamental A qualitative method of evaluating securities by attempting to measure the underlying value of a particular stock using traditional security analysis.

Growth at a Reasonable Price Style An investment style employed by investment managers who invest in companies which have superior growth prospects. However, security selection techniques try to identify those companies that are underpriced relative to other companies in the same industry or sector.

Growth Style An investment style employed by investment managers who invest in companies that have superior growth prospects. Generally, these companies have higher price to earnings and price to book ratios and lower dividend yields.

Health Services A sector classification which includes securities of firms that provide health related services or products.

Hedging Strategy used to offset investment risk.

High Yield Bonds rated BB (Ba) or lower by Standard & Poor's Corporation and Moody's Investor Service. High yield bonds are lower quality than investment grade bonds and have greater credit risk.

Historical Beta Beta is a measure of a stock's (or portfolio) return volatility relative to the market (benchmark index). A beta of 1.00 means a stock has exhibited the same volatility as the market over the period measured. A beta of 0.85 means, in general, a stock is less volatile than the market (moves 0.85% for each 1.00% move in the market) where a beta of 1.15 means a stock is more volatile than the market (moves 1.15% for each 1.00% move in the market). An estimate of the historical beta of a portfolio is based on a simple linear regression of the portfolio returns.

Information Ratio A measure of the consistency of value added by an investment manager. Specifically, the information ratio is the average alpha divided by the variability of alpha.

Intermediate-Term Bond Bonds with a maturity between three and ten years.

Investment Grade Bonds rated BBB (Baa) or higher by Standard & Poor's Corporation and Moody's Investment Services. Investment grade bonds are higher quality than high yield bonds and have lower credit risk.

Kurtosis A measure of the relative peakedness or flatness of a distribution compared to the normal distribution. Positive kurtosis indicates a relatively peaked distribution. Negative kurtosis indicates a relatively flat distribution.

Limited Partnership An organisation made up of a general partner, who manages a project, and limited partners, who invest money but have limited liability, are not involved in day-to-day management, and usually cannot lose more than their capital contribution. Typically, public limited partnerships are sold through brokerage firms, for minimum investments of \$5,000, whereas private limited partnerships are put together with fewer than 35 limited partners who invest more than \$20,000 each.

Local Currency The currency of the same country as a security or index.

Long-Term Bond A bond with a maturity of ten years or more.

Market Average Capitalization The average market (equity) capitalisation of an aggregate portfolio of equity securities weighted by the proportion of each security to the total portfolio.

Market Timing A practice whereby a manager shifts between asset classes depending on the expected performance of each class. Can include timing between stocks and cash, or an unlimited number of asset classes. (see Tactical Asset Allocation.)

Maturity The date on which the principal or stated value of a bond becomes due and payable in full to the bondholder.

Maturity Structure The distribution of bonds in a portfolio across the maturity spectrum.

Maturity Structure - Actively Managed The portfolio's distribution of bonds by maturity will vary over time in order to benefit from temporary valuation differences among maturity ranges or expected shifts in the yield curve.

Maturity Structure - Laddered Bonds held in a portfolio are evenly distributed across the maturity spectrum.

Maturity Structure - Neutral The distribution of bonds by maturity in a portfolio is similar to the benchmark.

Median Market Capitalization The middle market value in a distribution of stock holdings.

Mortgage-Backed Security A collateralised fixed income security in which a group of mortgages are pooled together and act as collateral for the issuance of the security. Depending on the specific structure of the security, some combination of principal and interest payments of the underlying mortgages are “passed through” to the security holder. Types of mortgages that serve as collateral include: level payment fixed rate mortgages, adjustable rate mortgages, balloon mortgages, and graduated payment mortgages. The majority of these securities are issued and/or guaranteed by government agencies such as GNMA (Government National Mortgage Association - “Ginnie Mae”), FNMA (Federal National Mortgage Association - “Fannie Mae”), and FHLMC (Federal Home Loan Mortgage Corporation - “Freddie Mac”). Only GNMA is an arm of the US government and as such, is backed by the full faith and credit of the US government. FNMA and FHLMC, which are government-sponsored entities, are generally recognised as AAA quality due to their close ties to the US government.

Municipal Bonds Bonds issued by a state or local government or one of its agencies to supplement tax revenues for use in operating or capital expenditures. These debt instruments come in one of two forms, general obligation bonds and revenue bonds. Typically these bonds are exempt from federal and sometimes state and local taxes.

Mutual Fund An investment fund in which the investment company raises money from shareholders and invests in stocks, bonds, options, futures, currencies, or money market securities. These funds offer investors the advantages of diversification and professional management.

Non-U.S. Dollar Bonds Bonds issued by foreign governments, corporations or other entities whose value is denominated in a currency other than the U.S. dollar. Non-U.S. dollar bonds incur currency risk to a U.S. based investor.

Peer Group A narrowly defined group of investment managers who use a similar investment style, such as value investment managers.

Percentile Rank Time-weighted rates of return are ranked against Mercer universes or peer groups. For example, an investment manager’s return may rank at the 20th percentile of a particular Mercer universe or peer group. This indicates that 80% of the investment managers in the sample had lower performance. The highest percentile rank is 1 and the lowest is 100. Bars in graphic displays are divided by

percentiles with the top of each bar denoting the 5th percentile followed by lines for the 25th, 50th (median), 75th, and 95th percentiles.

Political Risk The probability that a company will be affected by political actions.

Portfolio Turnover Volume of shares traded as a percentage of total shares currently held in the portfolio during a given period of time.

Price to Book Ratio (P/B) The current price of a stock divided by its book value per share. For instance a stock selling for \$20 a share whose book value is \$5 per share has a P/B of 4.

Price to Earnings Ratio (P/E) The current price of a stock divided by its earnings per share. For instance, a stock selling for \$20 a share that earned \$2 per share in the last 12 months has a P/E ratio of 10. Mercer excludes companies with negative earnings in its calculation.

Quality Rating A measure of a bond issuer’s credit quality, or its ability to meet future contractual obligations. Two widely used bond rating systems are those of Moody’s Investor Service and Standard & Poor’s Corporation.

Quantitative A systematic method of evaluating securities using a model composed of ranking or rating tools.

Quartile Represents a range of twenty-five percent of the outcomes. A first quartile rank means that the manager performed in the top twenty-five percent of its peer group or universe.

Return on Equity (ROE) An amount, expressed as a percentage, earned on a company’s common stock investment for a given period of time. It is calculated by dividing net income for the accounting period by common stock equity (net worth) at the beginning of the period.

Return/Risk Comparison Analysis that presents the rate of return in relation to the volatility of those returns as measured by the annualized standard deviation of quarterly returns.

Sector Biased The portfolio tends to have a concentration in a particular sector or maintains sector weightings which are significantly greater than or less than those of the benchmark’s over all market environments.

Sector Neutral The portfolio’s allocation among sectors is similar to that of the market.

Sector Rotation A portfolio's sector distribution will vary over time according to perceived valuation differences among different sectors and subsectors.

Semi Standard Deviation A measure of the downside volatility of returns.

Separate Account A single portfolio managed for a client.

Short-Term Bond A bond with a maturity less than three years.

Skewness A measure of the degree of asymmetry of a distribution around its mean. Positive skewness indicates a distribution of excess return over the benchmark with an asymmetric tail extending towards more positive values. Negative skewness indicates a distribution of excess return over the benchmark with an asymmetric tail extending towards more negative values.

Spot Market Market for immediate delivery (as opposed to future delivery). In the spot market for foreign exchange, settlement is two business days ahead.

Spot Price The current market price.

Standard Deviation A measure of the dispersion of a set of numbers around the average. In a regression analysis (which assumes a normal distribution), 68% of the data points fall between 1 standard deviation below the average and 1 standard deviation above.) Standard deviation is frequently used as a measure of risk (see Return/Risk Comparison).

Strategic Asset Allocation An approach where an asset allocation policy is established for the long run and the portfolio is invested at that static mix.

Systematic Risk The component of return that is associated with the broad-based market. Systematic risk is the volatility of rates of return on stocks or portfolios associated with changes in rates of return on the market as a whole.

T-Statistic Used to measure statistical significance, a t-statistic is a standardised ratio which measures how significantly far apart two measures are. To calculate the t-statistic of excess returns versus a benchmark, three measures are required: the average quarterly excess return over the benchmark, the standard deviation of quarterly excess returns and the square root of the number of observations. Divide the average excess return by the standard deviation, then multiply this ratio by the square root of one less than the number of observations.

Tactical Asset Allocation An approach where the weighting to different asset classes is changed frequently - up to several times per year - as a function of the expected performance from each asset class in the short run (see Market Timing).

Target Index Return The return derived from a portfolio invested in benchmark indices and weighted according to policy asset allocation targets.

Technology A sector classification which includes securities of firms that provide technology related services or products.

Time-Weighted Rate of Return A rate of return calculation. The time-weighted method minimises the impact of cash flows on rate of return calculations. Time-weighted returns are an appropriate measure of an investment manager's performance, since investment managers may not have direct control over the timing or amount of cash flows directed to them.

Top-Down A money management style which begins with an assessment of the economy as a whole.

Tracking Error A measure of how much a return series deviates from its benchmark. Mercer measures the tracking error by the annualized standard deviation of quarterly excess returns.

Transportation A sector classification which includes securities of firms that provide transportation related services or products.

Treasury Securities Bonds which are direct debt obligations of the U.S. government issued by the U.S. Treasury. Backed by the "full faith and credit" of the United States, these bonds are considered among the safest of investments carrying AAA/Aaa ratings. Treasury Bills are short-term securities issued with three-month, six-month, and one-year maturities. Notes are intermediate-term obligations available in maturities of one to ten years. Bonds are long-term obligations with maturities greater than ten years.

Universe A broadly defined group of investment managers. For example, a group of equity investment managers.

Unsystematic Risk The variability not explained by general market movements.

Up Market A quarter in which the market return is positive.

Utilities A sector classification which includes securities of firms that own or operate facilities used for the generation, transmission, or distribution of electric

energy. Utilities distribute electricity, gas and water to their customers. Utility stocks usually offer above-average dividend yields to investors, but less capital appreciation potential than growth stocks. Utility stocks are also very sensitive to the direction of interest rates. Rising interest rates tend to harm the value of utility shares because higher rates provide a more attractive alternative to investors. In addition, utilities tend to be heavy borrowers, so higher interest rates add to their borrowing costs. Conversely, falling interest rates tend to buoy the value of utility stocks because utility dividends look more attractive and because the companies' borrowing costs will be reduced.

Value Style An investment style employed by investment managers who invest in companies that appear to be undervalued relative to the market. Generally, these companies have lower price to earnings and price to book ratios and higher dividend yields.

Yankee Bonds A U.S. dollar-denominated bond issued by foreign banks and corporations in the U.S. market.

Yield Curve A graph showing the relationship between yield and maturity for a set of similar securities.

Yield to Maturity Internal rate of return on a bond bought at the current price and held to maturity. This assumes that coupon income is reinvested at the yield to maturity.

Yield to Worst The yield to maturity under the least desirable of all possible bond repayment patterns under the assumption that market yields are unchanged. If market yields are higher than the coupon, the yield to worst would assume no prepayment. If market yields are below the coupon, yield to worst would assume prepayment at the earliest call date.

DESCRIPTION OF INDICES

American Stock Exchange The American Stock Exchange Index (AMEX) includes approximately 870 medium and smaller-sized companies, representing less than 5% of the market value of all U.S. stocks. The index represents all major industry groups and includes American Depository Receipts and warrants. The index is market value-weighted and calculated on price change only, excluding dividends.

Consumer Price Index (CPI-U) The Consumer Price Index (CPI-U) is published by the United States Department of Labor, Bureau of Labor Statistics. The index measures the average change in prices over time of a fixed basket of goods and services. The CPI-U calculates this price change for all urban consumers.

All urban consumers is defined as all wage earners, clerical workers, professional, managerial and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. The index does not include persons in the military services, institutions or people outside the urban area. The CPI-U covers approximately 80% of the total noninstitutional civilian population.

The Consumer Price Index (CPI-U) is based on prices of food, clothing, shelter, fuels, transportation fares, medical fees drugs, and other day-to-day living expenses. Prices are collected in 88 urban areas across the United States from about 57,000 housing units and 19,000 department stores, supermarkets, hospitals, gas stations and other stores and service establishments.

The index is created by calculating price changes for the various items in each location. These price changes are averaged together with weights which represent the importance in the spending of the appropriate population group. The local data is then combined to obtain the U.S. city average.

CRSP 9-10 The CRSP 9-10 Index, a small company index, was developed by the University of Chicago's Center for Research in Security Prices in conjunction with Dimensional Fund Advisors. Decile breakouts are determined by ranking all NYSE stocks by market capitalisation and forming ten groups which contain an equal number of stocks. Equivalently sized firms on the AMEX and NASDAQ are then placed into these ten groups.

The CRSP Dimensional 9-10 consists of nearly all NYSE, AMEX, and NASDAQ/NMS stocks which fall in the bottom two deciles. The CRSP Dimensional 9-10 deciles are equivalent to the bottom 20% of the NYSE. The market capitalization range is approximately \$1.0 million to \$172 million.

Returns include dividends and are adjusted for any splits. The index is market value-

weighted and rebalanced quarterly.

Donoghue Money Market Tax-Free Institutional-Only Funds The Donoghue Money Market Index (Tax-Free Institutional-Only Funds) was created by the Donoghue Organization. The index consists of 66 tax-free money market mutual funds that only accept institutional shareholders. The funds invest in tax-exempt securities. The index return is based on monthly averages of 30 day yields.

Dow Jones Industrial Average The Dow Jones Industrial Average (DJIA) contains 30 actively traded blue-chip stocks listed on the New York Stock Exchange. The DJIA consists of industrial stocks with the exception of American Express Company and American Telephone and Telegraph Company. Approximately 15% to 20% of the NYSE market capitalization is represented in the Dow average. The Dow is a price-weighted arithmetic average.

First Boston Convertible Securities The First Boston Convertible Securities Index consists of 348 of the largest convertible issues. Convertible preferreds and Euro-convertibles are included in the index. All issues must have a minimum S&P rating of B-. Convertible bonds must have a minimum size of \$50 million. Convertible preferreds must have a minimum size of \$50 million and at least 500,000 shares outstanding. Euro-Convertibles must be issued by US-domiciled companies and have a minimum size of \$100 million. Issues falling below minimum criteria are carried until year-end. Issues called for redemption are carried through the month-end in which redemption date expires. If the redemption falls in the first ten days of the month, issues are deleted at the prior month-end. The index is calculated monthly on a market value-weighted basis.

Froley Revy Convertible Bond The Froley Revy Convertible Bond Index consists of 30 convertibles bonds. Convertible preferreds and Euro-convertibles are excluded. Bonds must have a premium less than 66.7% and a price below par to be included in the index. The S&P ratings for the bonds range from A to CCC+. Bonds are removed if the bonds are trading above 130% of par or the premium goes above 66.7%. As the bonds included in the index convert, they are replaced with bonds from the same sector. This is the only decision rule for replacement. The index is priced monthly and equal-weighted.

Goldman Sachs Convertible 100 The Goldman Sachs Convertible 100 Index is an equal-weighted index which measures the performance of the convertible market. The index includes 100 issues of large, actively traded convertible bonds and convertible preferreds. There are currently 67 bonds and 33 preferreds. Euro-convertibles are excluded. The S&P ratings for the issues range from AAA to C. Approximately 60% of the issues fall between BBB+ to B+. When an issue is called or expires it is

replaced with a similar issue. The index is priced monthly.

Lehman Brothers 1-3 Year Government The Lehman Brothers 1-3 Year Government Index consists of those issues within the Government Bond Index which have a maturity greater than or equal to one year and less than or equal to three years. When an issue no longer meets the maturity criterion it is dropped from the index. All issues must have an outstanding par value greater than \$100 million.

Treasury bonds (public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) constitute approximately 90% of the index market value and Agency bonds (publicly issued debt of U.S. Government agencies and quasi-federal corporations, and corporate debt guaranteed by the U.S. Government) account for the remaining 10%. Issues with a maturity of less than two years represent 55% of the index market value. Inception is 12/31/75.

Lehman Brothers Aggregate Bond Index The Lehman Brothers Aggregate Bond Index provides a broad measure of the performance and characteristics of the domestic bond market. The Lehman Aggregate Index combines the Lehman Government Bond Index (U.S. Treasury and Agency bonds), Credit Bond Index (investment grade credits with a maturity of at least one year), Mortgage-Backed Securities Index (GNMA, FNMA, FHLMC bonds) and the Asset-Backed Securities Index (credit card, auto and fixed-rate home equity loans). Inception is 12/31/75.

Lehman Brothers Asset-Backed The Lehman Brothers Asset-Backed Securities Index is composed of credit card, auto and fixed-rate home equity loans. The ABS Index does not include RVs, boats, privates or floaters. The index includes bullets (noncallable), pass-throughs and controlled amortization issues. Only senior tranches are included. All securities must have an average life of at least one year and a minimum outstanding of \$100 million per issue. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value-weighted inclusive of accrued income. Inception is 12/31/91.

Lehman Brothers Credit The Lehman Brothers Credit Bond Index is divided into four sectors: Financial, Industrial, Utility and Non Corporate.

The Corporate portion of the index (financial, industrial and utility sectors) is composed of all publicly issued, non-convertible, investment grade domestic corporate debt. Issues must have a minimum rating of Baa by Moody's Investor Service, BBB by Standard & Poor's Corporation or BBB by Fitch Investor Services. Collateralised Mortgage Obligations (CMO's) and Asset-Backed securities are not included. All issues must have a maturity of at least one year and a par amount outstanding of at least \$100 million.

The non corporate sector includes all U.S. dollar denominated, SEC registered, public

non-convertible debt issued or guaranteed by foreign sovereign governments, foreign municipalities, foreign governmental agencies or international agencies. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value weighted inclusive of accrued interest. Inception is 12/31/72.

Lehman Brothers Government/Credit The Lehman Brothers Government/Credit Bond Index combines the Government and Credit Bond Indices. Inception is 12/31/72.

Lehman Brothers Government Bond The Lehman Brothers Government Bond Index is made up of the Treasury Bond Index and the Agency Bond Index. The index consists of all publicly issued, nonconvertible, domestic debt of the U.S. government or any governmental agency, quasi-federal corporations, or corporate debt guaranteed by the U.S. government. Flower bonds and foreign-targeted issues are excluded. The index is rebalanced monthly by market capitalization. All issues must have an outstanding par value of at least \$100 million. Price, coupon and total return are reported for all sectors on a month-end to month-end basis. All returns are market value-weighted inclusive of accrued interest. Inception is 12/31/72.

Lehman Brothers High Yield The Lehman Brothers High Yield Bond Index includes fixed rate, public nonconvertible issues that are rated Ba1 or lower by Moody's Investors Service. If a Moody's rating is unavailable, the bonds must be rated BB+ or lower by Standard & Poor's, or by Fitch if an S&P rating is unavailable. The securities must have a minimum outstanding of \$100 million and a maturity of at least 1 year. PIKs and Eurobonds are excluded. The inception date is 12/31/82.

Lehman Brothers Intermediate Credit The Lehman Brothers Intermediate Credit Index includes all those bonds in the Credit Bond Index which have a maturity between one and ten years.

Lehman Brothers Long Credit The Lehman Brothers Long Credit Index includes all those bonds in the Credit Bond Index which have a maturity of ten years or longer.

Lehman Brothers Mortgage Backed The Lehman Brothers Mortgage Backed Securities Index is composed of all 15- and 30-year fixed rate security issues backed by mortgage pools of the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC). The index is broken out into eight sectors: GNMA 15 Year, GNMA 30 Year, FNMA 15 Year, FNMA 30 Year, FNMA Balloon, FHLMC 15 Year, FHLMC 30 Year and FHLMC Balloon.

Graduated payment mortgages (GPMs) and balloons are included in the index; buydowns, manufactured homes and graduated equity mortgages (GEMs) are not. Issues must have a minimum outstanding of \$100 million per annual generic issue.

Merrill Lynch 1-3 Year Treasury The Merrill Lynch 1-3 Year Treasury Index consists of those issues within the Treasury Master Index which have a maturity greater than or equal to one year and less than or equal to three years. When an issue no longer meets the maturity criterion it is dropped from the index.

Merrill Lynch Corporate 1-3 Year The Merrill Lynch 1-3 Year Corporate Bond Index consists of all those issues in the Corporate Master Index with a maturity greater than or equal to one year and less than or equal to three years. When an issue no longer meets the maturity criterion it is dropped from the index.

Merrill Lynch High Yield Master The Merrill Lynch High Yield Master Index consists of Industrial, Transportation, Utility and Financial bonds which are rated less than BBB by Standard & Poor's or Baa by Moody's Investors Service but which are not in default (DDD1 or less). The issues must be publicly traded, nonconvertible and coupon-bearing. The issues must have a minimum maturity of 1 year and a par amount outstanding of at least \$100 million at the start and close of the performance measurement period. The index excludes floating rate debt, equipment trust certificates, foreign debt and Title 11 securities.

Merrill Lynch Investment Grade Convertible The Merrill Lynch Investment Grade Convertible Index is a market value-weighted index which measures the performance of the high quality convertible market. The index includes convertible bonds, convertible preferred stocks, Euro-convertibles, and liquid yield option notes (LYONs). Preferred equity redemption stocks are excluded. The S&P ratings for the issues range from BBB3 to AAA. The average quality is BBB1. The issues must have a par amount outstanding greater than or equal to \$25 million at the start and close of the performance measurement period. The issues must have a maturity of at least one year. Securities are dropped from the index when the component bonds convert into common stock. Pricing is done daily by Merrill Lynch traders.

Morgan Stanley Capital International EAFE The Morgan Stanley Capital International (MSCI) Europe, Australia and the Far East (EAFE) Index is an international equity index which consists of approximately 1035 securities from the following 20 countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and United Kingdom.

MSCI's goal is to accurately represent the buyable opportunities in the markets covered. An independent group of country specialists employed by Capital International Perspectives S.A. in Geneva is responsible for the index stock selection.

This group regularly monitors the index constituents and adds or deletes companies to maintain representativeness.

The index represents approximately 60% of the combined market capitalization of the 20 countries. The index attempts to replicate the industry composition of each local market and includes a representative sampling of large, medium and small capitalization companies. The index is market value-weighted and calculated both with net and gross dividends reinvested. The net return index reinvests dividends after foreign taxes have been withheld and the gross return index reinvests dividends before payment of foreign taxes.

Morgan Stanley Capital International EAFE (GDP-Weighted) The Morgan Stanley Capital International Europe, Australia and the Far East (EAFE) Index on a GDP-Weighted basis weights by each countries' gross domestic product. This has the effect of shifting the heavy weighting (on a market capitalization weighted basis) of Japan to the economies of France, Germany and Italy.

Morgan Stanley Capital International EAFE Hedged The Morgan Stanley Capital International EAFE Hedged Index neutralizes the effect of currency fluctuation against the U.S. dollar. A 30-day forward rate is used to construct the hedge. The performance of the index is calculated by actually reinvesting the gains or losses resulting from currency fluctuations.

Morgan Stanley Capital International Emerging Markets Free The Morgan Stanley Capital International Emerging Markets Free Index covers the following 24 countries: Argentina, Brazil, Chile, China Free, Colombia, Greece, India, Indonesia, Israel, Jordan, Korea (at 20%), Malaysia, Mexico Free, Pakistan, Peru, Philippines Free, Poland, Portugal, Sri Lanka, South Africa, Taiwan, Thailand, Turkey and Venezuela Free.

Morgan Stanley uses the following criteria in defining emerging markets: 1) A Gross Domestic Product (GDP) Per Capita substantially below the average for developed economies. The average emerging market covered by MSCI has a GDP Per Capita of \$3100, in contrast to \$20535 for the developed markets covered by MSCI; 2) Substantially greater government regulation limiting or banning foreign ownership in industries or companies; 3) A lax regulatory environment, irregular trading hours, and/or less sophisticated back office operations, including clearing and settlement capabilities; 4) Restrictions on repatriation of initial capital, dividends, interest and/or capital gains; 5) Greater perceived investment risk than in developed markets; and 6) A general perception by the investment community that the country should be considered emerging.

Morgan Stanley Capital International Europe The Morgan Stanley Capital International Europe Index consists of approximately 620 securities from the following

14 countries: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom. The index represents approximately 60% of the combined capitalization of the 14 countries. The index is market-value weighted.

Morgan Stanley Capital International Japan The Morgan Stanley Capital International Japan Index represents approximately 60% of the stock market capitalization of Japan.

Morgan Stanley Capital Pacific The Morgan Stanley Capital International Pacific Index consists of approximately 420 securities from the following 6 countries: Australia, Hong Kong, Japan, Malaysia, New Zealand and Singapore. The index represents approximately 60% of the combined capitalization of the 5 countries. The index is market capitalization-weighted.

Morgan Stanley Capital World Index The Morgan Stanley Capital International (MSCI) World Index is a global index which measures the performance of stock markets in the United States, Europe, Canada, Australia, New Zealand and the Far East. The index currently consists of 1472 securities from the following 22 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, Switzerland, United Kingdom and United States.

MSCI's goal is to accurately represent the buyable opportunities in the markets covered. An independent group of country specialists employed by Capital International Perspectives S.A. in Geneva is responsible for the index stock selection. This group regularly monitors the index constituents and adds or deletes companies to maintain representativeness.

The index represents approximately 60% of the combined market capitalization of the 23 countries. The index attempts to replicate the industry composition of each local market and includes a representative sampling of large, medium and small capitalization companies. The index is market value-weighted and calculated both with net and gross dividends reinvested. The net return index reinvests dividends after foreign taxes have been withheld and the gross return index reinvests dividends before payment of foreign taxes.

NAREIT The National Association of Real Estate Investment Trusts (NAREIT), measures the performance of tax qualified equity REITs listed on the New York Stock Exchange, American Stock Exchange and the NASDAQ National Market System. The total return is market-value weighted and does include dividends.

NASDAQ Composite The National Association of Securities Dealers, a network of brokers, sponsors the NASDAQ (National Association of Securities Dealers

Automated Quotation system). It is often called the OTC (over-the-counter) market. Unlike the NYSE and AMEX, the OTC has no trading floor and no auction market. It is a dealer to dealer market that operates via an electronic network.

There are currently 512 active marketmakers nationwide. These marketmakers trade 5955 issues for 5122 companies which have a total market capitalization of \$1,171 billion. A subset of the total NASDAQ companies is what is called the National Market System (NMS). The National Market System consists of 3778 companies which trade 4023 issues. The NMS are the "blue chip" stocks of NASDAQ. In order to be on the NMS, the companies must comply with stricter quantitative and qualitative standards.

The NASDAQ OTC Composite Index represents 4998 of the NASDAQ companies. These companies trade 5171 issues. With the exception of warrants and rights, all of the NMS companies are included in the NASDAQ Composite Index. Approximately 280 foreign companies and 115 ADR's are currently held in the index. The composite is a market value-weighted index calculated on a total return basis including dividends. The index represents many small company stocks but is heavily influenced by about 100 of the largest NASDAQ issues.

NCREIF Classic Property Index The NCREIF Classic Property Index was jointly developed by the National Council of Real Estate Investment Fiduciaries (NCREIF) and the Frank Russell Company. NCREIF is a non-profit association which represents the institutional real estate industry. There are currently 73 NCREIF contributors including banks, insurance companies and independent advisors. Beginning with the first quarter of 1995, NCREIF has produced the index entirely on its own.

The purpose of the index is to serve as a benchmark for performance measurement of real estate owned by tax-exempt institutions and held in a fiduciary environment. The index tracks the income, appreciation and total return for a portfolio of unleveraged, institutional quality property. Subindices track the performance of five different property types (office, retail, research & development/office, warehouse and apartment) within four geographical areas (east, west, south and midwest).

The property in the index must be investment grade, non- agricultural, income-producing property. Developmental property is excluded. Qualifying properties are added to the database quarterly. Properties which are sold are deleted during the quarter in which the sale takes place (historical data remains). Returns are calculated quarterly on a pre-management fee basis. Each property return is weighted by its market value. The property market value is determined by real estate appraisal methodology, consistently applied. Inception of the index is December 31, 1977.

NCREIF Classic Property Pacific Index The NCREIF Classic Property Pacific Index was jointly developed by the National Council of Real Estate Investment

Fiduciaries (NCREIF) and the Frank Russell Company. NCREIF is a non-profit association which represents the institutional real estate industry. There are currently 73 NCREIF contributors including banks, insurance companies and independent advisors. Beginning with the first quarter of 1995, NCREIF has produced the index entirely on its own.

The index tracks the income, appreciation and total return for a portfolio of unleveraged, institutional quality property. The Pacific Property index covers the properties in the NCREIF Classic Property index which are located in Alaska, California, Hawaii, Oregon, and Washington.

The property in the index must be investment grade, non- agricultural, income-producing property. Developmental property is excluded. Qualifying properties are added to the database quarterly. Properties which are sold are deleted during the quarter in which the sale takes place (historical data remains). Returns are calculated quarterly on a pre-management fee basis. Each property return is weighted by its market value. The property market value is determined by real estate appraisal methodology, consistently applied. Inception of the index is December 31, 1977.

New York Stock Exchange The New York Stock Exchange Index (NYSE) includes or covers all the 2678 stocks listed on the exchange. The NYSE has the most stringent listing requirements of any stock exchange in the United States. The two most important requirements are that a corporation must have a minimum aggregate market value of \$18 million and an annual net income greater than \$2.5 million before Federal income taxes. Because of the Exchange listing requirements, the stocks tend to be larger, well established companies.

The NYSE uses a specialist system of trading. The specialist brings buyers and sellers together on the Exchange floor and will buy or sell shares if there is an imbalance of orders.

The index is market value-weighted and calculated on a total return basis with dividends re-invested. As of March 31, 1996, the index had a total capitalization of \$5.6 trillion. The market capitalization range is \$0.1 million to \$130 billion.

Russell 1000 The Russell 1000 represents the top tier of the United States equity market. The index contains the 1000 largest capitalization stocks. This grouping is intended to represent the universe of stocks in which most active equity managers invest. The index is market value-weighted.

The index is restated annually based on May 31 market capitalization rankings. The May 31, 1995, initialization range was from approximately \$240 million to \$98 billion. As of March 31, 1996, the actual capitalization ranged from \$130 million to \$130 billion.

Russell 1000 Growth The Russell 1000 Growth Index is intended to be a benchmark for growth managers. The stocks are selected from the Russell 1000 Index, which contains the 1000 largest U.S. equity stocks by market capitalization. The index includes those stocks which have a high earnings per share growth rate, high dividends per share growth rate, high price earnings ratio, high price book ratio, and a low dividend yield relative to the market.

The Russell 1000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% growth are placed entirely in the growth index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of growth would have 80% of its available market cap in the growth index and 20% in the value index.

Russell 1000 Value The Russell 1000 Value Index is intended to be a benchmark for value managers. The securities are chosen from the Russell 1000 Index, which consists of the 1000 largest U.S. equity stocks by market capitalization. The index includes those stocks which have a low price to book ratio, low price earnings ratio, high dividend yield and a low earnings per share growth rate.

The Russell 1000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% value are placed entirely in the value index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of value would have 80% of its available market cap in the value index and 20% in the growth index. Inception is 12/31/83.

Russell 2000 The Russell 2000 is intended to be a small capitalization market proxy. The index consists of the 2000 smallest stocks in the Russell 3000, representing approximately 7% of the total U.S. equity market.

The index is restated annually based on May 31 market capitalization rankings. The May 31, 1995 the initialization range was from \$9 million to \$1.7 billion. As of March 31, 1996, the actual market capitalization ranged from \$20 million to \$2.2 billion. As

many as 25% of the companies in the Russell 2000 change each year when the index is rebalanced.

Russell 2000 Growth The Russell 2000 Growth Index contains those Russell 2000 securities which have a greater-than-average growth orientation. These securities generally have higher price-to-book and price-earnings ratios than those securities in the Russell 2000 Value Index.

The Russell 2000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% growth are placed entirely in the growth index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of growth would have 80% of its available market cap in the growth index and 20% in the value index. Inception is 12/31/83.

Russell 2000 Value The Russell 2000 Value Index contains those Russell 2000 securities which have a less-than-average growth orientation. These securities generally have lower price-to-book and price-earnings ratios than those securities in the Russell 2000 Growth Index.

The Russell 2000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% value are placed entirely in the value index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of value would have 80% of its available market cap in the value index and 20% in the growth index. Inception is 12/31/83.

Russell 2500 The Russell 2500 Index measures the performance of the 2500 smallest companies in the Russell 3000 Index, which represents approximately 17% of the total market capitalization of the Russell 3000 Index. The index is reconstituted annually based on May 31 market capitalization rankings. The total market capitalization is \$1.7 trillion.

Russell Midcap The Russell Midcap Index contains all medium and medium/small companies in the Russell 1000. The index is restated annually based on May 31 market capitalization rankings. The May 31, 1995 initialization range was from approximately \$240 million to \$18.1 billion. As of March 31, 1996, the market capitalization ranged from \$130 million to \$10.8 billion.

S&P Midcap Value & Growth The S&P Midcap Value and Growth indices were developed by Standard & Poor's in conjunction with BARRA using a method developed by William F. Sharpe of Stanford University.

The stocks in the S&P Midcap 400 are ranked from their lowest to highest price-to-book ratios. Then, starting with the company with the lowest price-to-book ratio, the market capitalization of each company is added until 50% of the total market capitalization of the S&P 400 has been reached. Those companies which fall into this group constitute the S&P Midcap Value and the remaining companies comprise the S&P Midcap Growth Index.

Each index is capitalization-weighted and rebalanced semi-annually on January 1 and July 1. The indices are adjusted each month to reflect changes in the S&P Midcap 400. Companies which are added to the S&P Midcap 400 are assigned to the Value or Growth Index based on where their price-to-book ratio would have ranked at the most recent cut-off period.

S&P Value & Growth The S&P Value and Growth indices were developed by Standard & Poor's in conjunction with BARRA using a method developed by William F. Sharpe of Stanford University.

The stocks in the S&P 500 are ranked from their lowest to highest price-to-book ratios. Then, starting with the company with the lowest price-to-book ratio, the market capitalization of each company is added until 50% of the total market capitalization of the S&P 500 has been reached. Those companies which fall into this group constitute the S&P Value Index and the remaining companies comprise the S&P Growth Index.

Each index is capitalization-weighted and rebalanced semi-annually on January 1 and July 1. The indices are adjusted each month to reflect changes in the S&P 500. Companies which are added to the S&P 500 are assigned to the Value or Growth Index based on where their price-to-book ratio would have ranked at the most recent cut-off period.

Salomon 3-Month Treasury Bill The Salomon 3-Month Treasury Bill Index is a monthly return equivalent of yield averages which are not marked to market. The calculation methodology is as follows: 1. Obtain discount yields for current month-end and two previous month-end dates. For example the January return requires the rates at the end of January, December and November; 2. Convert the discount rates to

bond-equivalent yields; 3. Compute the simple average of the bond-equivalent yields; and 4. Decompose to a monthly frequency using the actual number of days in the month in a 365-day year. Inception is 12/31/77.

Salomon Brady Bond The Salomon Brothers Brady Bond Index measures the performance of emerging market debt that has been restructured under the Brady Plan. Brady bonds are those bonds issued by developing countries under the mandates of the 1990 U.S. Department of the Treasury debt-restructuring program. The index includes only U.S. dollar-denominated issues with more than a \$500 million face amount outstanding. The index inception is March 31, 1990. The index includes bonds from the following 10 countries: Argentina, Brazil, Bulgaria, Costa Rica, Mexico, Nigeria, Philippines, Poland, Uruguay and Venezuela

Salomon Broad Investment Grade The Salomon Broad Investment Grade (BIG) Bond Index measures the monthly total rate-of-return performance of the investment-grade universe of bonds issued in the United States. The BIG index includes institutionally traded U.S. Treasury, Government-sponsored (agency and supranational), mortgage and corporate securities. For inclusion in the index, all issues must have fixed coupon rate and a minimum maturity of one year. Each issue is individually Salomon trader priced on the bid side at month-end.

U. S. Treasury issues and mortgage pass-throughs have a required entry and exit minimum amount outstanding of \$1 billion. Corporates and Government-sponsored securities must have a minimum amount outstanding of \$100 million to be included in the index and are dropped from the index if the amount outstanding falls to \$75 million. Corporate bonds must be rated BBB-/Baa3 or better by either S&P or Moody's.

The index is market value-weighted. Total returns include price change, principal payments, coupon payments, accrued income and reinvestment income on intra-money cash flows. Coupon interest is put into 30-day T-bills until month-end when it is re-invested in the same issues. The index is re-weighted monthly. The inception date is December 31, 1979.

Salomon Brothers 15-Year Mortgage The Salomon Brothers Mortgage Index comprises 15- year GNMA* FNMA and FHLMC pass-throughs and FNMA and FHLMC balloon mortgages. Only coupons with at least \$1 billion in aggregated face amount outstanding are included in the index.

The index accounts for all mortgage payments (principal plus interest) at the end of each month to reflect the monthly cash flows. The index assumes that cash flow is reinvested at the monthly average of the daily one-month Treasury-bill rate.

Salomon Non-U.S. Government Bond The Salomon Non-U.S. Government Bond

Index is designed to provide a measure of performance of fixed-rate securities in the international government bond market. Foreign and Eurobonds are excluded from the index. Government securities that are floating- or variable-rate bonds, securities aimed principally at noninstitutional investors or private placement-type securities are also excluded. All issues must have a maturity of at least 1 year.

The returns are calculated monthly in local currency, U.S. dollar terms and in non-base currency for each country and on a combined basis. The returns are also calculated on a hedged basis. The index includes bonds from the following 13 countries: Austria, Australia, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Spain, Sweden and United Kingdom

Salomon World Government Bond The Salomon World Government Bond Index is designed to provide a measure of performance of fixed-rate securities in the world government bond market. The index includes only Sovereign debt issued in the domestic market in the local currency. Foreign and Eurobonds are excluded from the index. Government securities that are floating- or variable-rate bonds, securities aimed principally at noninstitutional investors or private placement-type securities are also excluded from the index. All issues must have a maturity of at least 1 year.

The minimum amount outstanding required for index inclusion varies by each country since a local currency standard is used to determine eligibility. In the United States, the required minimum outstanding is \$1 billion. The returns are calculated monthly in local currency, U.S. dollar terms and in non-base currency for each country and on a combined basis. The index is also available on a hedged-basis. The index includes bonds from the following fourteen countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, United Kingdom and United States.

Salomon World Government Bond (Currency-Hedged) The Salomon World Government Bond (Currency-Hedged) Index is designed to provide a measure of performance of fixed-rate securities in the world government bond market. The index includes only Sovereign debt issued in the domestic market in the local currency. Foreign and Eurobonds are excluded from the index. Government securities that are floating- or variable-rate bonds, securities aimed principally at noninstitutional investors or private placement-type securities are also excluded from the index. All issues must have a maturity of at least 1 year.

The minimum amount outstanding required for index inclusion varies by each country since a local currency standard is used to determine eligibility. In the United States, the required minimum outstanding is \$1 billion. The returns are calculated by using a rolling one-month forward exchange contract as a hedging instrument. The index includes bonds from the following fourteen countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, United

States and United Kingdom.

Standard & Poor's 500 The Standard & Poor's 500 index contains a representative sample of common stocks that trade on the New York and American Stock Exchanges and some over-the-counter stocks. The index represents about 80% of the market value of all the issues traded on the NYSE. The 500 stocks had a total market value of approximately \$4.8 trillion as of March 31, 1996, which represents roughly two-thirds of the total U.S. equity market capitalization yet less than 10% of the stock population. The capitalization range is from \$351 million to \$130 billion.

The index does not contain the 500 largest stocks. It has many relatively small companies in it because it is constructed by industry groups. Standard & Poor's first identifies important industry categories and allocates a representative sample of stocks to each group. The companies chosen to be in the S&P 500 generally do have the largest market values within their industry group. The industry categories are grouped into four sectors: industrials, utilities, financials and transportation. The index is weighted by market capitalization and calculated on a total return basis with dividends reinvested.

Standard & Poor's Midcap 400 The Standard & Poor's Midcap 400 Index consists of 400 domestic stocks which are chosen by a committee at Standard & Poor's based on market capitalization, liquidity and industry group representation. The index is made up of 247 companies on the NYSE, 140 NASDAQ companies and 13 companies on the AMEX. None of the companies in the S&P Midcap overlap with those in the S&P 500 index. The index is market value-weighted. The capitalization range is approximately \$158 million to \$8.9 billion.

The index was introduced in June of 1991. Prior to this time, the data performance for the Midcap was calculated by taking the stocks currently in the index and tracking them backwards in time as long as there were prices reported. No attempt was made to determine what stocks "might have been" in the index five or ten years ago had it existed. Using this methodology, 230 companies were included in the index at inception (January 1981).

U.S. 91 Day Treasury Bill The U.S. 91 Day Treasury Bill Index is based on the monthly auction average yield of the 91-Day Treasury Bill reported in the Federal Reserve Bulletin.

Value Line Composite The Value Line Composite Index is an average of the price changes of approximately 1670 stocks. The index is equal-weighted. Dividends are not included. Stocks must have a retail interest and large institutional coverage to be included in the index. The stock capitalization range is from \$30 million to \$76 billion. Inception is 12/31/65. The index is calculated on a geometric and arithmetic basis.

Venture Capital 100 The Venture Capital 100 Index was developed by Venture Economics, Inc.. The purpose of the index is to show market price changes of publicly held companies which were developed with venture capital financing. The 100 companies are selected from their Initial Public Offerings based on industry representation. The selection process is arbitrary in that no standards are set regarding the size, growth prospects or financial condition of potential companies. Companies are removed from the index when they are no longer publicly traded or when they have traded ten or more years. The index inception is 3/31/73.

The value of the index is calculated as follows:

Current Month Stock Price at Month End

Last Month Stock Price at Month End = Co. Stock Ratio

All stock ratios are added and then:

Total Stock Ratios

$100 \times \text{Last Month's Index} = \text{Current Index}$

Wilshire Next 1750 The Wilshire Next 1750 Universe is a small company index which is derived from the Wilshire 2500. The Wilshire 2500 consists of the largest U.S. stocks by capitalization. The top 750 largest stocks are identified in this group and the remaining stocks become the Wilshire Next 1750.

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