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

**Investment Performance Analysis
For the period ending September 30, 2013**

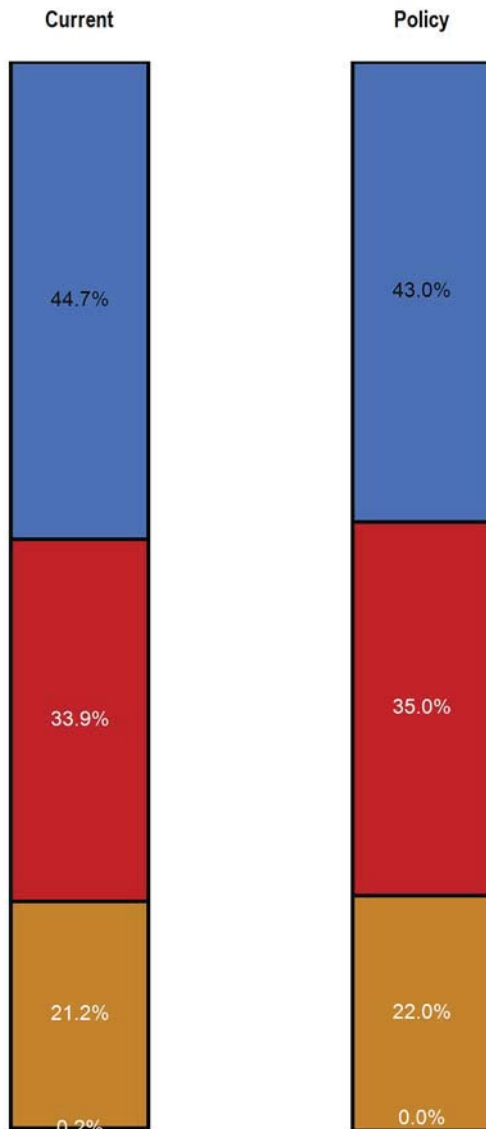
December 2013

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Total Fund Asset Allocation vs Policy Targets



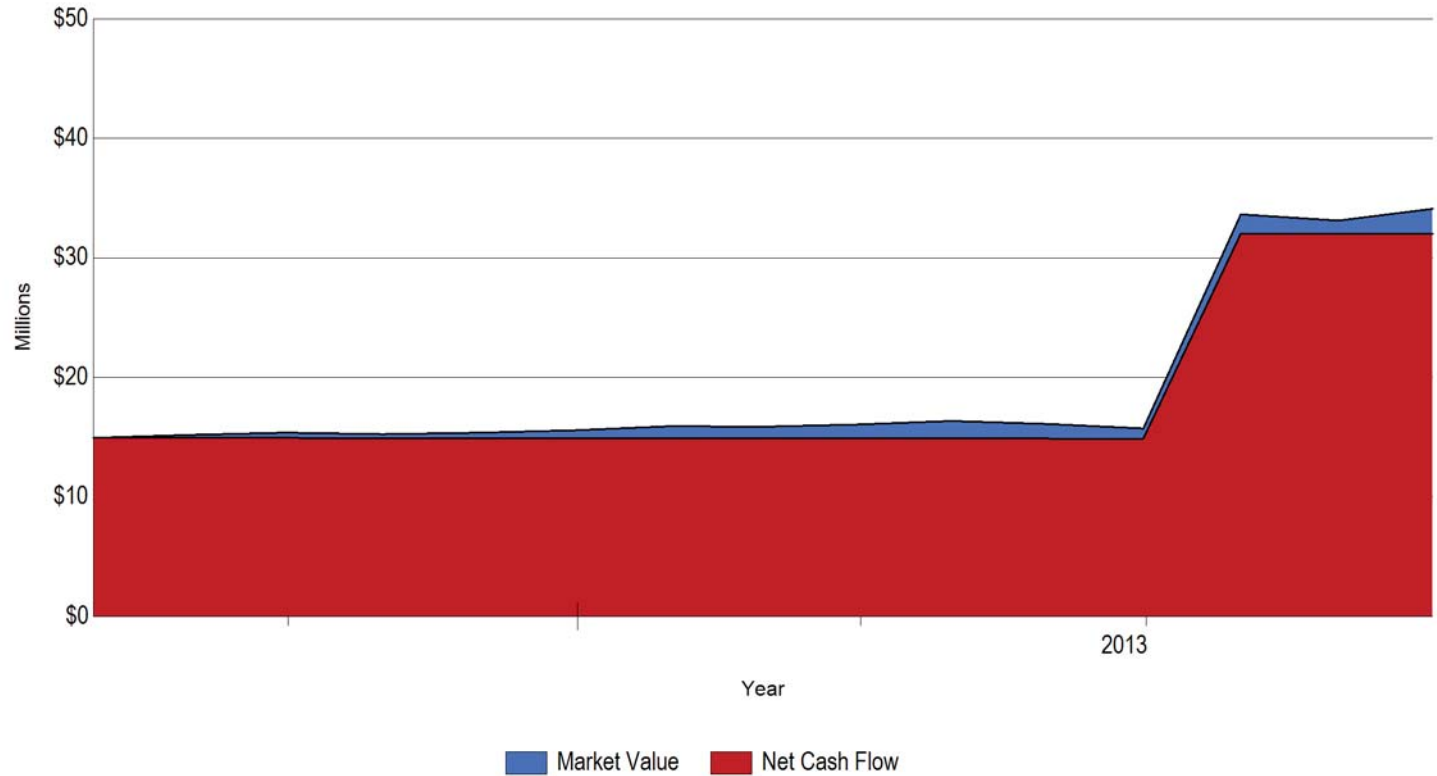
Asset Allocation vs. Target

	Current Balance	Current Allocation	Policy	Difference *	Policy Range	Within IPS Range?
Equities	\$15,231,094	44.7%	43.0%	1.7%	25.0% - 50.0%	Yes
Fixed Income	\$11,556,118	33.9%	35.0%	-1.1%	20.0% - 40.0%	Yes
Inflation-Linked	\$7,239,273	21.2%	22.0%	-0.8%	12.0% - 25.0%	Yes
Cash	\$78,981	0.2%	0.0%	0.2%	0.0% - 5.0%	Yes
Total	\$34,105,466	100.0%	100.0%			

*Difference between Policy and Current Allocation

Health Care Trust Asset Growth Summary

1 Year 3 Months Ending September 30, 2013



Sources of Portfolio Growth	Last Three Months	Year-To-Date	One Year	Inception 7/1/12
Beginning Market Value	\$15,724,043	\$15,569,862	\$15,374,708	\$0
Net Additions/Withdrawals	\$17,142,433	\$17,130,028	\$17,080,745	\$32,016,129
Investment Earnings	\$1,238,991	\$1,405,576	\$1,650,013	\$2,089,337
Ending Market Value	\$34,105,466	\$34,105,466	\$34,105,466	\$34,105,466

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

Health Care Trust Performance Flash Report - Gross of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Return (%)	Since
Health Care Trust	34,105,466	100.0	3.9	20	5.0	35	6.7	27	--	--	--	--	7.3	Jul-12
<i>Policy Benchmark</i>			<u>3.9</u>	19	<u>5.1</u>	34	<u>6.4</u>	29	--	--	--	--	<u>7.5</u>	<i>Jul-12</i>
Over/Under			0.0		-0.1		0.3						-0.2	
<i>Allocation Index</i>			4.1	18	5.7	27	7.2	25	--	--	--	--	7.7	<i>Jul-12</i>
<i>IFx Health & Welfare Gross Median</i>			2.0		3.4		3.9		5.2		5.8		5.6	<i>Jul-12</i>
Equity Composite	15,231,094	44.7	8.3	51	14.8	66	19.1	60	--	--	--	--	22.0	Aug-12
Vanguard Total World Stock Index Fund	15,231,094	44.7	8.3	51	14.8	66	19.1	60	--	--	--	--	22.0	Aug-12
<i>MSCI ACWI IMI (Net)</i>			<u>8.3</u>	51	<u>15.2</u>	64	<u>18.6</u>	63	<u>10.5</u>	70	<u>8.3</u>	66	<u>21.3</u>	<i>Aug-12</i>
Over/Under			0.0		-0.4		0.5						0.7	
<i>eA All Global Equity Gross Median</i>			8.3		17.0		20.2		12.2		9.3		22.5	<i>Aug-12</i>
Fixed Income Composite	11,556,118	33.9	0.6	64	-1.9	78	-1.7	82	--	--	--	--	-1.4	Aug-12
Vanguard Total Bond Market Index Fund	11,556,118	33.9	0.6	64	-1.9	78	-1.7	82	--	--	--	--	-1.4	Aug-12
<i>Barclays Aggregate</i>			<u>0.6</u>	64	<u>-1.9</u>	78	<u>-1.7</u>	82	<u>2.9</u>	68	<u>5.4</u>	66	<u>-1.3</u>	<i>Aug-12</i>
Over/Under			0.0		0.0		0.0						-0.1	
<i>eA All US Fixed Inc Gross Median</i>			0.7		-0.8		-0.3		3.6		6.2		0.3	<i>Aug-12</i>
Inflation-Linked Composite	7,239,273	21.2	1.0	--	-3.3	--	-4.0	--	--	--	--	--	-5.0	Aug-12
Real Estate Composite	3,202,346	9.4	-2.9	88	3.3	33	5.9	35	--	--	--	--	3.2	Aug-12
Vanguard REIT Index Fund	3,202,346	9.4	-2.9	88	3.3	33	5.9	35	--	--	--	--	3.2	Aug-12
<i>MSCI US REIT Gross</i>			<u>-3.0</u>	94	<u>3.2</u>	36	<u>5.8</u>	36	<u>12.4</u>	68	<u>5.9</u>	89	<u>3.2</u>	<i>Aug-12</i>
Over/Under			0.1		0.1		0.1						0.0	
<i>eA US REIT Gross Median</i>			-2.4		2.8		5.3		12.9		6.9		3.1	<i>Aug-12</i>
Commodities Composite	4,036,927	11.8	4.3	--	-9.8	--	-12.8	--	--	--	--	--	-12.8	Oct-12
<i>Custom Commodity Risk Parity Index</i>			<u>4.1</u>	--	<u>-7.7</u>	--	<u>-10.5</u>	--	--	--	--	--	<u>-10.5</u>	<i>Oct-12</i>
Over/Under			0.2		-2.1		-2.3						-2.3	
Credit Suisse	3,543,066	10.4	4.3	--	-7.4	--	--	--	--	--	--	--	-7.2	Nov-12
<i>Custom Commodity Risk Parity Index</i>			<u>4.1</u>	--	<u>-7.7</u>	--	--	--	--	--	--	--	<u>-7.7</u>	<i>Nov-12</i>
Over/Under			0.2		0.3								0.5	
First Quadrant	493,861	1.4	4.3	--	-12.7	--	-16.9	--	--	--	--	--	-16.9	Oct-12
<i>Custom Commodity Risk Parity Index</i>			<u>4.1</u>	--	<u>-7.7</u>	--	<u>-10.5</u>	--	--	--	--	--	<u>-10.5</u>	<i>Oct-12</i>
Over/Under			0.2		-5.0		-6.4						-6.4	
Cash	78,981	0.2	0.0	--	0.0	--	0.0	--	--	--	--	--	0.0	Jul-12
Cash	78,981	0.2	0.0	--	0.0	--	0.0	--	--	--	--	--	0.0	Jul-12
<i>91 Day T-Bills</i>			<u>0.0</u>	--	<u>0.0</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.1</u>	<i>Jul-12</i>
Over/Under			0.0		0.0		-0.1						-0.1	

Note: Composition of the Policy Benchmark can be found on page 9.

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

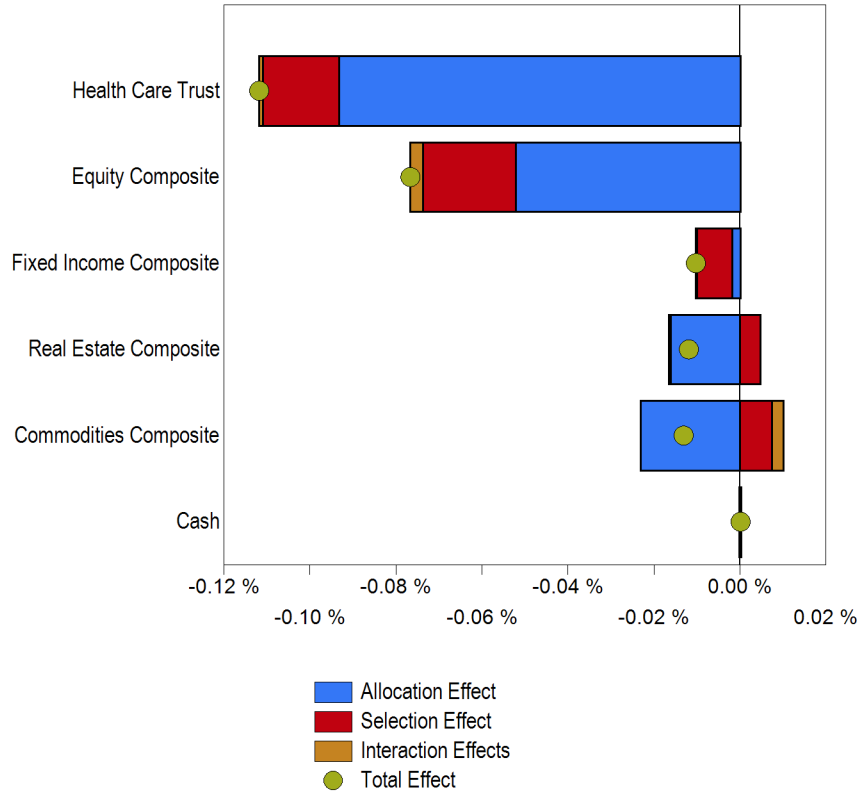
Health Care Trust Performance Flash Report - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Return (%)	Since
Health Care Trust	34,105,466	100.0	3.8	4.8	6.5	--	--	7.1	Jul-12
Policy Benchmark			3.9	5.1	6.4	--	--	7.5	Jul-12
Over/Under			-0.1	-0.3	0.1			-0.4	
Allocation Index			4.1	5.7	7.2	--	--	7.7	Jul-12
Equity Composite	15,231,094	44.7	8.2	14.6	18.9	--	--	21.8	Aug-12
Vanguard Total World Stock Index Fund	15,231,094	44.7	8.2	14.6	18.9	--	--	21.8	Aug-12
MSCI ACWI IMI (Net)			8.3	15.2	18.6	10.5	8.3	21.3	Aug-12
Over/Under			-0.1	-0.6	0.3			0.5	
Fixed Income Composite	11,556,118	33.9	0.5	-1.9	-1.8	--	--	-1.4	Aug-12
Vanguard Total Bond Market Index Fund	11,556,118	33.9	0.5	-1.9	-1.8	--	--	-1.4	Aug-12
Barclays Aggregate			0.6	-1.9	-1.7	2.9	5.4	-1.3	Aug-12
Over/Under			-0.1	0.0	-0.1			-0.1	
Inflation-Linked Composite	7,239,273	21.2	0.9	-3.5	-4.2	--	--	-5.2	Aug-12
Real Estate Composite	3,202,346	9.4	-3.0	3.2	5.7	--	--	3.1	Aug-12
Vanguard REIT Index Fund	3,202,346	9.4	-3.0	3.2	5.7	--	--	3.1	Aug-12
MSCI US REIT Gross			-3.0	3.2	5.8	12.4	5.9	3.2	Aug-12
Over/Under			0.0	0.0	-0.1			-0.1	
Commodities Composite	4,036,927	11.8	4.2	-10.0	-13.1	--	--	-13.1	Oct-12
Custom Commodity Risk Parity Index			4.1	-7.7	-10.5	--	--	-10.5	Oct-12
Over/Under			0.1	-2.3	-2.6			-2.6	
Credit Suisse	3,543,066	10.4	4.2	-7.7	--	--	--	-7.5	Nov-12
Custom Commodity Risk Parity Index			4.1	-7.7	--	--	--	-7.7	Nov-12
Over/Under			0.1	0.0				0.2	
First Quadrant	493,861	1.4	4.3	-13.0	-17.2	--	--	-17.2	Oct-12
Custom Commodity Risk Parity Index			4.1	-7.7	-10.5	--	--	-10.5	Oct-12
Over/Under			0.2	-5.3	-6.7			-6.7	
Cash	78,981	0.2	0.0	0.0	0.0	--	--	0.0	Jul-12
Cash	78,981	0.2	0.0	0.0	0.0	--	--	0.0	Jul-12
91 Day T-Bills			0.0	0.0	0.1	0.1	0.1	0.1	Jul-12
Over/Under			0.0	0.0	-0.1			-0.1	

Note: Composition of the Policy Benchmark can be found on page 9.

Health Care Trust Attribution Analysis - Net of Fees

Attribution Effects
3 Months Ending September 30, 2013

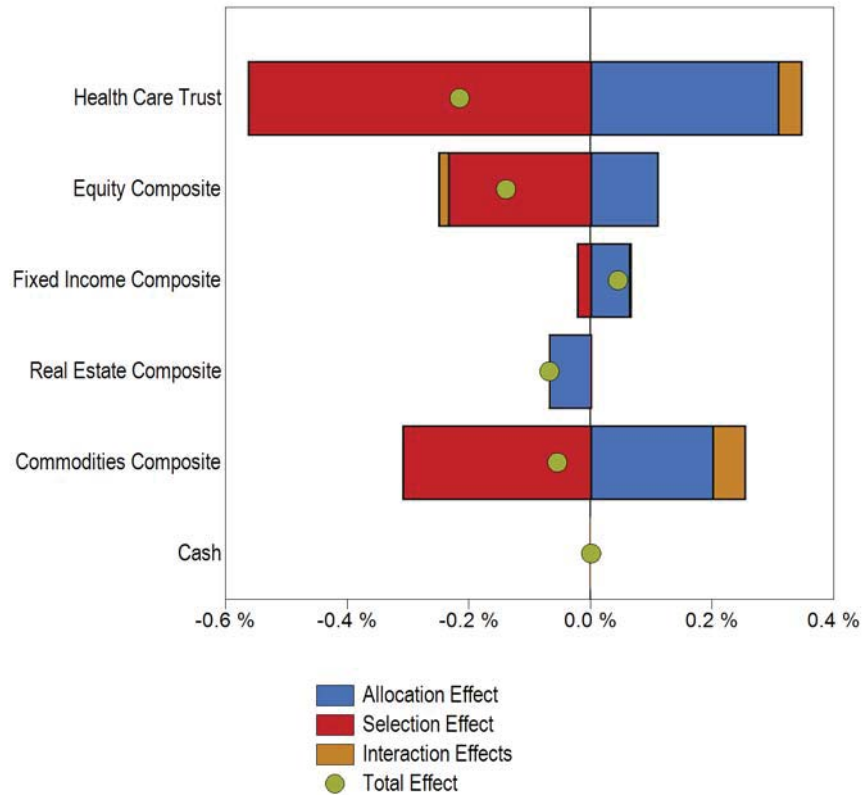


Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	8.2%	8.3%	-0.1%	0.0%	-0.1%	0.0%	-0.1%
Fixed Income Composite	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Real Estate Composite	-3.0%	-3.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commodities Composite	4.2%	4.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.8%	3.9%	-0.1%	0.0%	-0.1%	0.0%	-0.1%

Health Care Trust Attribution Analysis - Net of Fees

Attribution Effects
9 Months Ending September 30, 2013

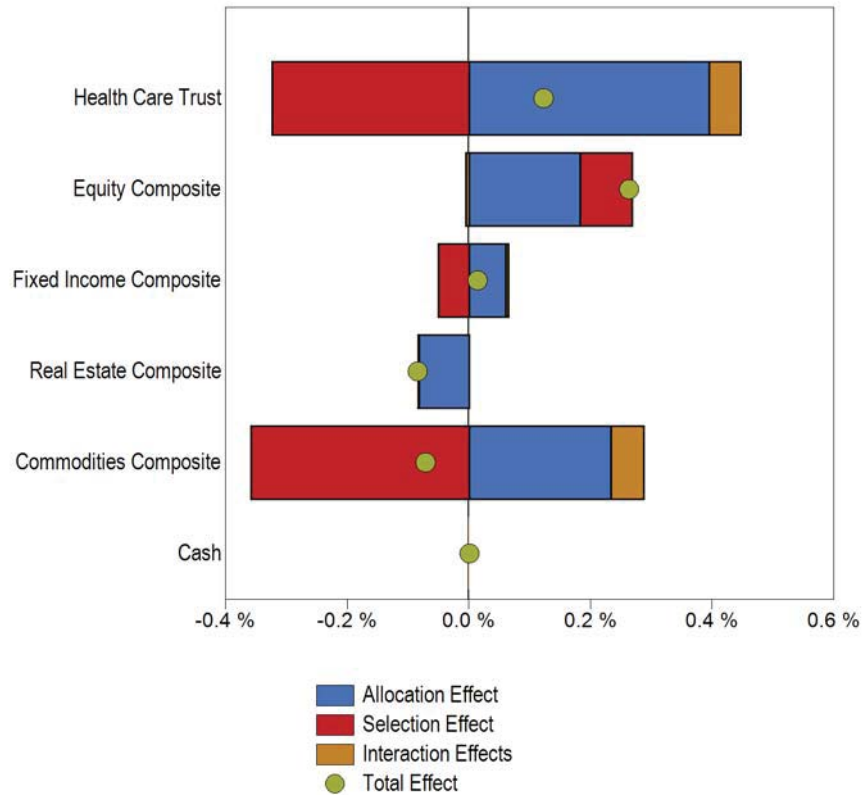


Attribution Summary
9 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	14.6%	15.2%	-0.6%	-0.2%	0.1%	0.0%	-0.1%
Fixed Income Composite	-1.9%	-1.9%	-0.1%	0.0%	0.1%	0.0%	0.0%
Real Estate Composite	3.2%	3.2%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Commodities Composite	-10.0%	-7.7%	-2.3%	-0.3%	0.2%	0.1%	-0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	4.8%	5.1%	-0.2%	-0.6%	0.3%	0.0%	-0.2%

Health Care Trust Attribution Analysis - Net of Fees

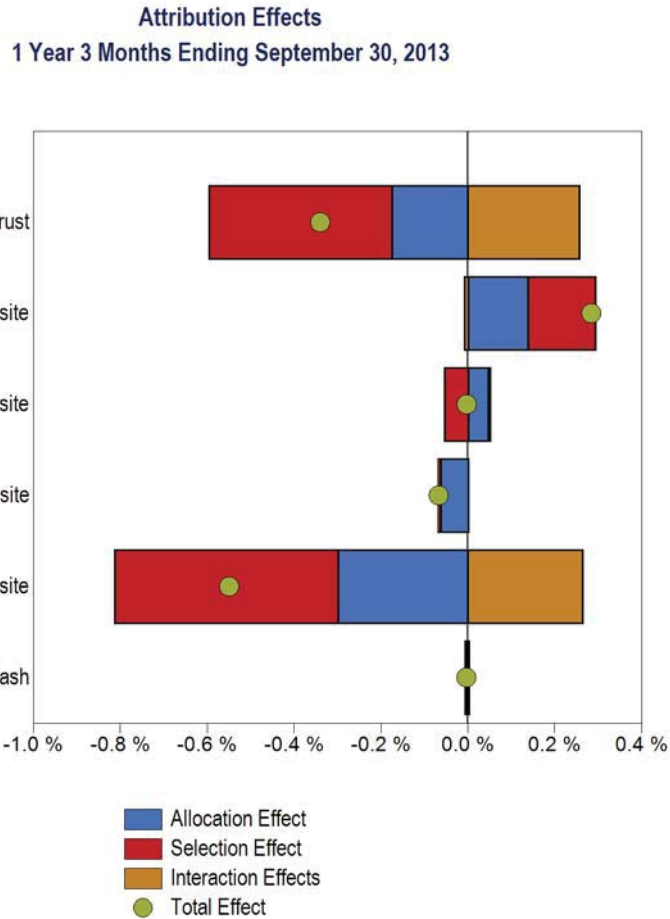
Attribution Effects
1 Year Ending September 30, 2013



Attribution Summary
1 Year Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	18.9%	18.6%	0.2%	0.1%	0.2%	0.0%	0.3%
Fixed Income Composite	-1.8%	-1.7%	-0.1%	0.0%	0.1%	0.0%	0.0%
Real Estate Composite	5.7%	5.8%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Commodities Composite	-13.1%	-10.5%	-2.5%	-0.4%	0.2%	0.1%	-0.1%
Cash	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	6.5%	6.4%	0.1%	-0.3%	0.4%	0.1%	0.1%

Health Care Trust Attribution Analysis - Net of Fees



Attribution Summary
1 Year 3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity Composite	--	19.8%	--	0.2%	0.1%	0.0%	0.3%
Fixed Income Composite	--	-1.2%	--	-0.1%	0.0%	0.0%	0.0%
Real Estate Composite	--	3.0%	--	0.0%	-0.1%	0.0%	-0.1%
Commodities Composite	--	-6.9%	--	-0.5%	-0.3%	0.3%	-0.5%
Cash	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	7.1%	7.5%	-0.3%	-0.4%	-0.2%	0.3%	-0.3%

Policy Benchmark History

- **7/1/12 – 7/31/12:** 90 day T-Bills
- **8/1/12 – Present:** 43% MSCI ACWI IMI (Net)/35% Barclays Capital U.S. Aggregate/10% MSCI U.S. REIT/12% Custom Commodity Risk Parity Index

Information Disclosure

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