

P&F 3rd Q 2006

San Jose Police and Fire Retirement System
Performance Summary

Period Ending September 30, 2006

	Market Value	% of Total Fund	Annualized					Inception to Date
			Quarter	YTD	1 Year	3 Years	5 Years	
Total Fund								
Rank vs. Total Funds Billion Dollar - Public	\$ 2,396.5	100.0 %	3.9 %	7.7 %	10.8 %	13.1 %	10.5 %	9.8 %
Total Funds Billion Dollar - Public Med								
Total Fund Benchmark			4.0	8.1	10.6	13.5	10.2	--
			4.5	9.2	12.2	12.9	9.8	--
Total Domestic Equity Fund	910.7	38.0	3.3	6.8	9.3	13.9	9.1	11.8
Rank vs. Mercer US Equity Combined Universe								
Rank vs. Mercer US Equity Combined Universe Med			2.4	6.6	9.1	14.7	11.0	--
S&P 500 Index-Total Return Index (S&P Calc)			5.7	8.5	10.8	12.3	7.0	12.3
Index Equity								
Rhumbline Advisers - Large Cap Index Equity								
Rank vs. Mercer US Equity Combined Universe	205.0	8.6	5.6	8.5	10.8	12.3	7.0	11.0
Rank vs. Mercer US Equity Combined Universe Med			5.6	8.4	10.7	12.2	7.0	11.0
S&P 500 Index-Total Return Index (S&P Calc)			2.4	6.6	9.1	14.7	11.0	--
			5.7	8.5	10.8	12.3	7.0	10.7
Growth Equity								
GLOBALT, Inc. - Large Cap Growth Equity								
Rank vs. Mercer US Equity Large Cap Growth Universe	40.6	1.7	3.2	49	1.6	88	4.1	76
Rank vs. Mercer US Equity Large Cap Growth Universe Med			3.1	(1.2)	1.2	8.0	3.6	(1.2)
Russell 1000 Growth Index				(1.5)				(1.6)
Russell 1000 Growth + 1%			3.1	2.6	6.0	10.0	6.1	--
			3.9	3.0	6.0	8.4	4.4	0.3
			4.2	3.7	7.0	9.4	5.4	1.3
INTECH - Large Cap Growth Equity								
Rank vs. Mercer US Equity Large Cap Growth Universe	43.9	1.8	2.7	57	6.1	49	--	11.6
Rank vs. Mercer US Equity Large Cap Growth Universe Med			2.6	1.6	5.5	11.0	--	11.0
Russell 1000 Growth Index			3.1	2.6	6.0	10.0	6.1	--
Russell 1000 Growth + 1%			3.9	3.0	6.0	8.4	4.4	0.3
			4.2	3.7	7.0	9.4	5.4	1.3
New Amsterdam Partners - Large Cap Growth Equity								
Rank vs. Mercer US Equity Large Cap Growth Universe	145.3	6.1	2.0	68	5.0	63	9.9	10
Rank vs. Mercer US Equity Large Cap Growth Universe Med			1.9	3.0	4.7	12.8	9.5	13.6
S&P 500 Index-Total Return Index (S&P Calc)			3.1	2.6	6.0	10.0	6.1	--
			5.7	8.5	10.8	12.3	7.0	11.4
			5.9	9.3	11.8	13.3	8.0	12.4

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Value Equity								
UBS Global Asset Management - Large Cap Value Equity	\$ 124.6	5.2 %	5.8 %	7.7 %	12.3 %	15.5 %	11.4 %	11.9 %
UBS Global Asset Management - Large Cap Value Equity-Net			5.7	7.4	11.9	15.2	11.1	11.6
Rank vs. Mercer US Equity Large Cap Value Universe								
Mercer US Equity Large Cap Value Universe Med			5.5	10.5	12.8	16.5	10.9	--
Russell 3000 Index			4.6	8.0	10.2	13.0	8.1	10.4
Russell 3000 + 1%			5.0	8.9	11.2	14.0	9.1	11.4
Boston Partners Asset Mgmt. - Large Cap Value Equity								
Boston Partners Asset Mgmt. - Large Cap Value Equity-Net	130.5	5.4	5.5	10.3	12.9	18.0	10.5	11.3
Rank vs. Mercer US Equity Large Cap Value Universe			5.5	10.0	12.6	17.7	10.1	10.9
Mercer US Equity Large Cap Value Universe Med			5.5	10.5	12.8	16.5	10.9	--
Russell 1000 Value Index			6.2	13.2	14.6	17.2	10.7	11.2
Russell 1000 Value + 1%			6.5	14.0	15.6	18.2	11.7	12.2
Small Cap Growth								
Provident Investment Counsel - Small Cap Growth Equity	62.5	2.6	(4.9)	3.8	4.1	9.5	9.2	7.4
Provident Investment Counsel - Small Cap Growth Equity-Net			(5.1)	3.0	3.1	8.4	8.1	6.3
Rank vs. Mercer US Equity Small Cap Growth Universe			(2.8)	3.5	6.4	13.2	11.7	--
Mercer US Equity Small Cap Growth Universe Med			(1.8)	4.2	5.9	11.8	10.1	3.1
Russell 2000 Growth Index			(1.3)	6.3	7.9	13.8	12.2	5.3
Russell 2000 Growth + 2%								
Small Cap Core								
Rhumbline Advisers	93.1	3.9	0.5	8.7	10.0	--	--	9.3
Rhumbline Advisers-Net			0.4	8.7	10.0	--	--	9.3
Rank vs. Mercer US Equity Small Cap Core Universe			(0.4)	6.7	8.6	16.2	15.4	--
Mercer US Equity Small Cap Core Universe Med			0.4	8.7	9.9	15.5	13.8	8.9
Russell 2000 Index								
Small Cap Value								
TCW Group - Small Cap Value Equity	65.0	2.7	2.3	9.8	12.7	11.8	--	10.7
TCW Group - Small Cap Value Equity-Net			2.1	9.2	11.8	10.8	--	9.7
Rank vs. Mercer US Equity Small Cap Value Universe			0.5	8.7	10.3	19.1	17.6	--
Mercer US Equity Small Cap Value Universe Med			0.4	8.7	9.9	15.5	13.8	12.7
Russell 2000 Index			0.9	10.2	11.9	17.5	15.8	14.8
Russell 2000 + 2%								

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Total Intl Equity - Established Markets												
Rank vs. Mercer Intl Equity Universe												
Mercer Intl Equity Universe Med												
MSCI EAFE Net Dividend Index												
AQR Capital Management, LLC International Equity												
AQR Capital Management, LLC International Equity-Net												
Rank vs. Mercer Intl Equity Universe												
Mercer Intl Equity Universe Med												
MSCI EAFE Net Dividend Index												
MSCI EAFE NET +1.5%												
Brandes Investment Partners - International Equity												
Brandes Investment Partners - International Equity-Net												
Rank vs. Mercer Intl Equity Universe												
Mercer Intl Equity Universe Med												
MSCI EAFE Net Dividend Index												
MSCI EAFE NET +1.5%												
William Blair & Company - International Equity												
William Blair & Company - International Equity-Net												
Rank vs. Mercer Intl Equity Universe												
Mercer Intl Equity Universe Med												
MSCI All Country World Ex United States Net Index												
MSCI AC World x US Net + 1.5%												
Total Intl Equity - Emerging Markets												
Alliance Capital Mgmt Emerging Markets Equity												
Alliance Capital Mgmt Emerging Markets Equity-Net												
Boston Company Asset Mgmt. Emerging Markets Equity												
Boston Company Asset Mgmt. Emerging Markets Equity-Net												
Rank vs. Mercer Emerging Markets Equity Universe												
Mercer Emerging Markets Equity Universe Med												
MSCI Emerging Markets Index												
MSCI Emerging Markets + 2%												

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					1 Year	3 Years	5 Years			
	\$ 485.0	20.2 %	3.9 % 35	3.3 % 47	4.0 % 50	4.7 % 9	5.5 % 28			8.8 %
Total Domestic Core Fixed Income Fund										
Rank vs. Mercer US Fixed Core Universe										--
Mercer US Fixed Core Universe Med			3.8	3.3	4.0	3.8	5.2			--
Lehman Brothers Aggregate Bond			3.8	3.1	3.7	3.4	4.8			--
Seix Investment Advisors, Inc - Fixed Income										
Seix Investment Advisors, Inc - Fixed Income-Net										
Rank vs. Mercer US Fixed Core Universe										--
Mercer US Fixed Core Universe Med			3.8	3.3	4.0	3.8	5.2			6.2
Lehman Brothers Aggregate Bond			3.8	3.1	3.7	3.4	4.8			6.7
LB Aggregate + 0.5%			3.9	3.4	4.2	3.9	5.3			6.4
Western Asset Management Company										
Western Asset Management Company-Net										
Rank vs. Mercer US Fixed Core Universe										7.4
Mercer US Fixed Core Universe Med			4.2	3.8	4.4	5.3	5			7.1
Lehman Brothers Aggregate Bond			4.1	3.6	4.1	5.1	--			--
LB Aggregate + 0.5%										--
Long Duration Fixed Income										
Income Research & Mgmt., Inc. Long Duration										
Income Research & Mgmt., Inc. Long Duration-Net										
Rank vs. Mercer US Fixed Long Duration Universe										3.3
Mercer US Fixed Long Duration Universe Med			6.3	1.7	2.3	--	--			3.3
Lehman Brothers U.S. Gov/Credit-Long Term			6.3*	1.7	2.3	--	--			3.0
Lehman Brothers U.S. Gov/Credit-Long Term +0.5%			6.2	1.5	2.0	--	--			--
Long Duration Fixed Income										
Income Research & Mgmt., Inc. Long Duration										
Income Research & Mgmt., Inc. Long Duration-Net										
Rank vs. Mercer US Fixed Long Duration Universe										4.0
Mercer US Fixed Long Duration Universe Med			6.7	1.8	2.8	5.5	7.6			4.5
Lehman Brothers U.S. Gov/Credit-Long Term			6.8	1.7	2.6	5.0	7.1			4.5
Lehman Brothers U.S. Gov/Credit-Long Term +0.5%			6.9	2.1	3.1	5.5	7.6			4.5

* For the third quarter of 2006, Income Research & Management calculated 6.8% return and Mercer calculated 6.3% return. The discrepancy is due to price differences.

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Total Real Estate Fund										
Rank vs. Mercer US Real Estate Open End Universe					11.5 %	11.2 %	7.5 %	100		7.3 %
Mercer US Real Estate Open End Universe Med	\$ 186.4	7.8 %	2.3 %	93	6.2 %	100				
NCREIF Property (1 Qtr in Arrears)			3.7	13.2	20.1	17.4	13.0			--
			4.0	13.6	18.7	15.8	12.0			8.2
MIG Realty Advisors - Real Estate										
Rank vs. Mercer US Real Estate Open End Universe					5.7	10.5	10.3	88		8.1
MIG Realty Advisors - Real Estate-Net	46.8	2.0	1.6	96	5.2	10.0	9.8			7.2
Mercer US Real Estate Open End Universe Med			1.5	3.6						
NCREIF Property (1 Qtr in Arrears)			3.7	13.2	20.1	17.4	13.0			--
NCREIF (1 QTR IN ARREARS) + 1.5%			4.0	13.6	18.7	15.8	12.0			8.3
			4.3	14.7	20.2	17.3	13.5			9.8
Kennedy Associate Real Estate - Real Estate										
Rank vs. Mercer US Real Estate Open End Universe					14.1	11.2	--			11.2
Kennedy Associate Real Estate - Real Estate-Net	89.5	3.7	1.9	95	13.4	10.5	--			10.5
Mercer US Real Estate Open End Universe Med			3.7	13.2	20.1	17.4	13.0			--
NCREIF Property (1 Qtr in Arrears)			4.0	13.6	18.7	15.8	12.0			15.8
NCREIF (1 QTR IN ARREARS) + 1.5%			4.3	14.7	20.2	17.3	13.5			17.3
Multi-Employer Property Trust										
Rank vs. Mercer US Real Estate Open End Universe					--	--	--			3.8
Multi-Employer Property Trust - Net	50.1	2.1	3.8	44	--	--	--			3.6
Mercer US Real Estate Open End Universe Med			3.6	--						
NCREIF Property (1 Qtr in Arrears)			3.7	13.2	20.1	17.4	13.0			--
NCREIF (1 QTR IN ARREARS) + 1.5%			4.0	13.6	18.7	15.8	12.0			5.3
			4.3	14.7	20.2	17.3	13.5			5.7
Total Private Equity										
Pantheon Ventures	15.2	0.6								
S&P 500 + 3%	6.1	0.3								
Portfolio Advisors										
S&P 500 + 3%	8.1	0.3								
HarbourVest Partners, LLC										
S&P 500 + 3%	1.0	0.0								