

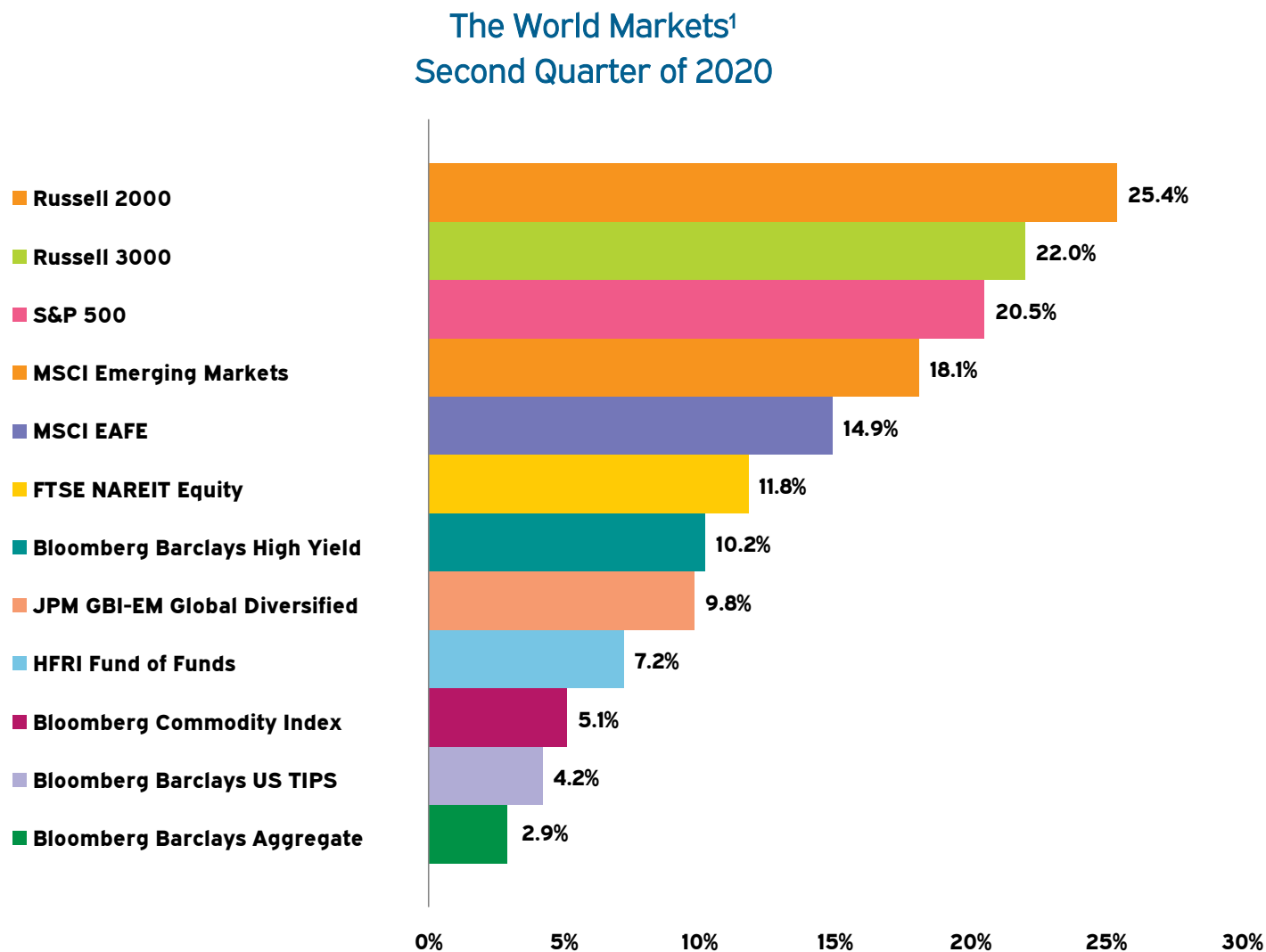
# City of San Jose Police and Fire Department Retirement Plan Health Care Trust

As of June 30, 2020

Quarterly Review

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## **The World Markets Second Quarter of 2020**



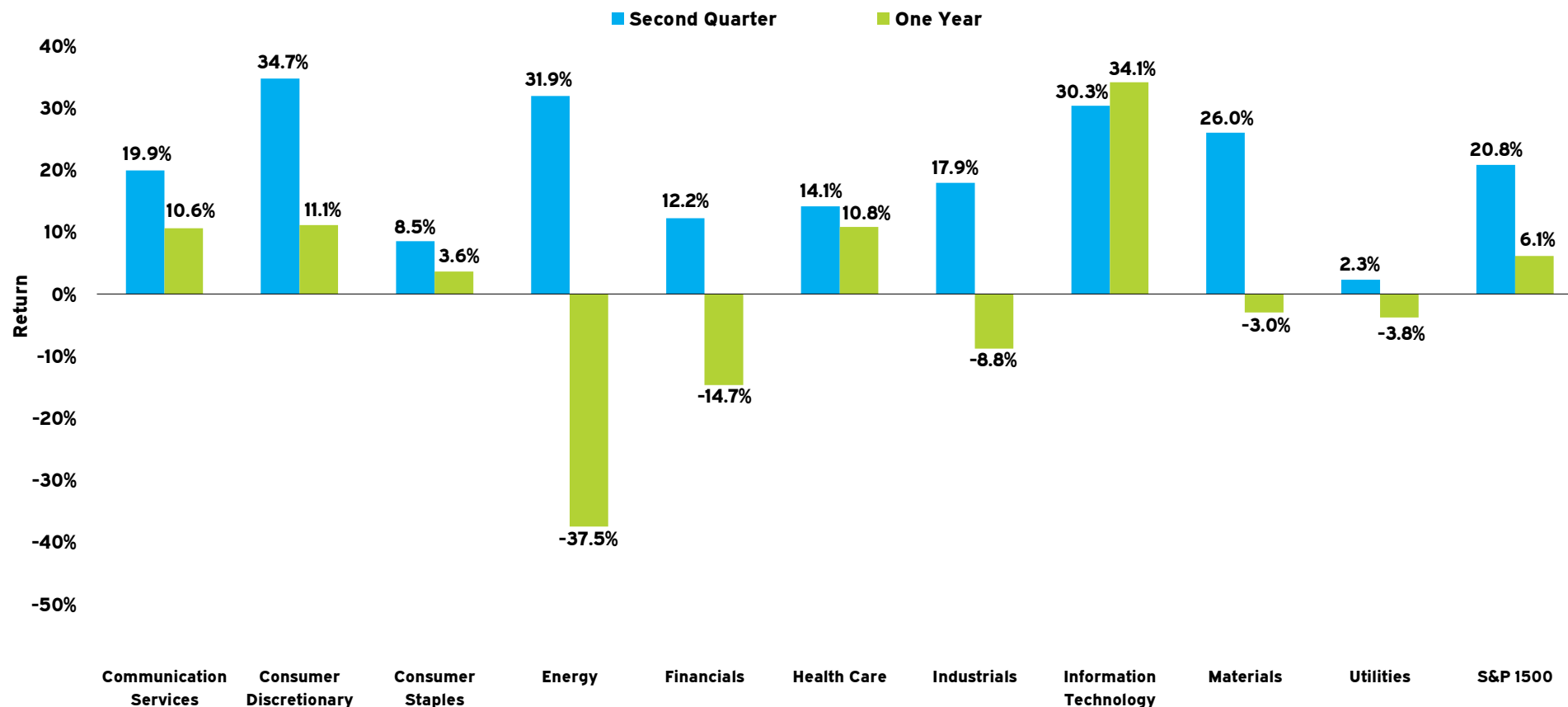
<sup>1</sup> Source: InvestorForce.

## Index Returns<sup>1</sup>

	2Q20 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Domestic Equity</b>						
S&P 500	20.5	-3.1	7.5	10.7	10.7	14.0
Russell 3000	22.0	-3.5	6.5	10.0	10.0	13.7
Russell 1000	21.8	-2.8	7.5	10.6	10.5	14.0
Russell 1000 Growth	27.8	9.8	23.3	19.0	15.9	17.2
Russell 1000 Value	14.3	-16.3	-8.8	1.8	4.6	10.4
Russell MidCap	24.6	-9.1	-2.2	5.8	6.8	12.3
Russell MidCap Growth	30.3	4.2	11.9	14.8	11.6	15.1
Russell MidCap Value	19.9	-18.1	-11.8	-0.5	3.3	10.3
Russell 2000	25.4	-13.0	-6.6	2.0	4.3	10.5
Russell 2000 Growth	30.6	-3.1	3.5	7.9	6.9	12.9
Russell 2000 Value	18.9	-23.5	-17.5	-4.3	1.3	7.8
<b>Foreign Equity</b>						
MSCI ACWI (ex. US)	16.1	-11.0	-4.8	1.1	2.3	5.0
MSCI EAFE	14.9	-11.3	-5.1	0.8	2.1	5.7
MSCI EAFE (Local Currency)	12.6	-10.5	-4.2	1.3	2.6	6.9
MSCI EAFE Small Cap	19.9	-13.1	-3.5	0.5	3.8	8.0
MSCI Emerging Markets	18.1	-9.8	-3.4	1.9	2.9	3.3
MSCI Emerging Markets (Local Currency)	16.7	-5.5	1.4	4.5	5.1	6.0
<b>Fixed Income</b>						
Bloomberg Barclays Universal	3.8	5.2	7.9	5.2	4.4	4.1
Bloomberg Barclays Aggregate	2.9	6.1	8.7	5.3	4.3	3.8
Bloomberg Barclays US TIPS	4.2	6.0	8.3	5.0	3.7	3.5
Bloomberg Barclays High Yield	10.2	-3.8	0.0	3.3	4.8	6.7
JPM GBI-EM Global Diversified	9.8	-6.9	-2.8	1.1	2.3	1.6
<b>Other</b>						
FTSE NAREIT Equity	11.8	-18.7	-13.0	0.0	4.1	9.1
Bloomberg Commodity Index	5.1	-19.4	-17.4	-6.1	-7.7	-5.8
HFRI Fund of Funds	7.2	-2.2	-0.2	2.0	1.4	2.7

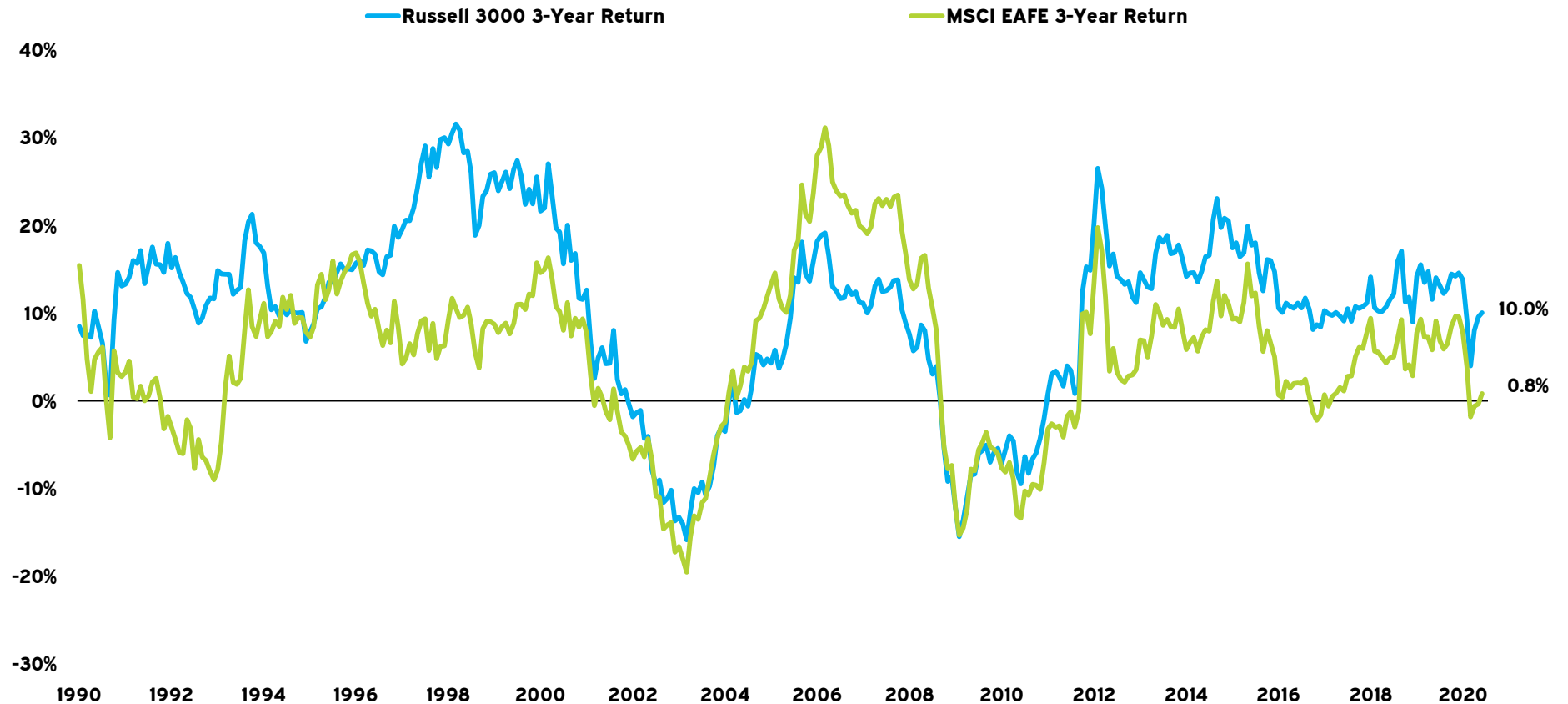
<sup>1</sup> Source: InvestorForce.

### S&P Sector Returns<sup>1</sup>



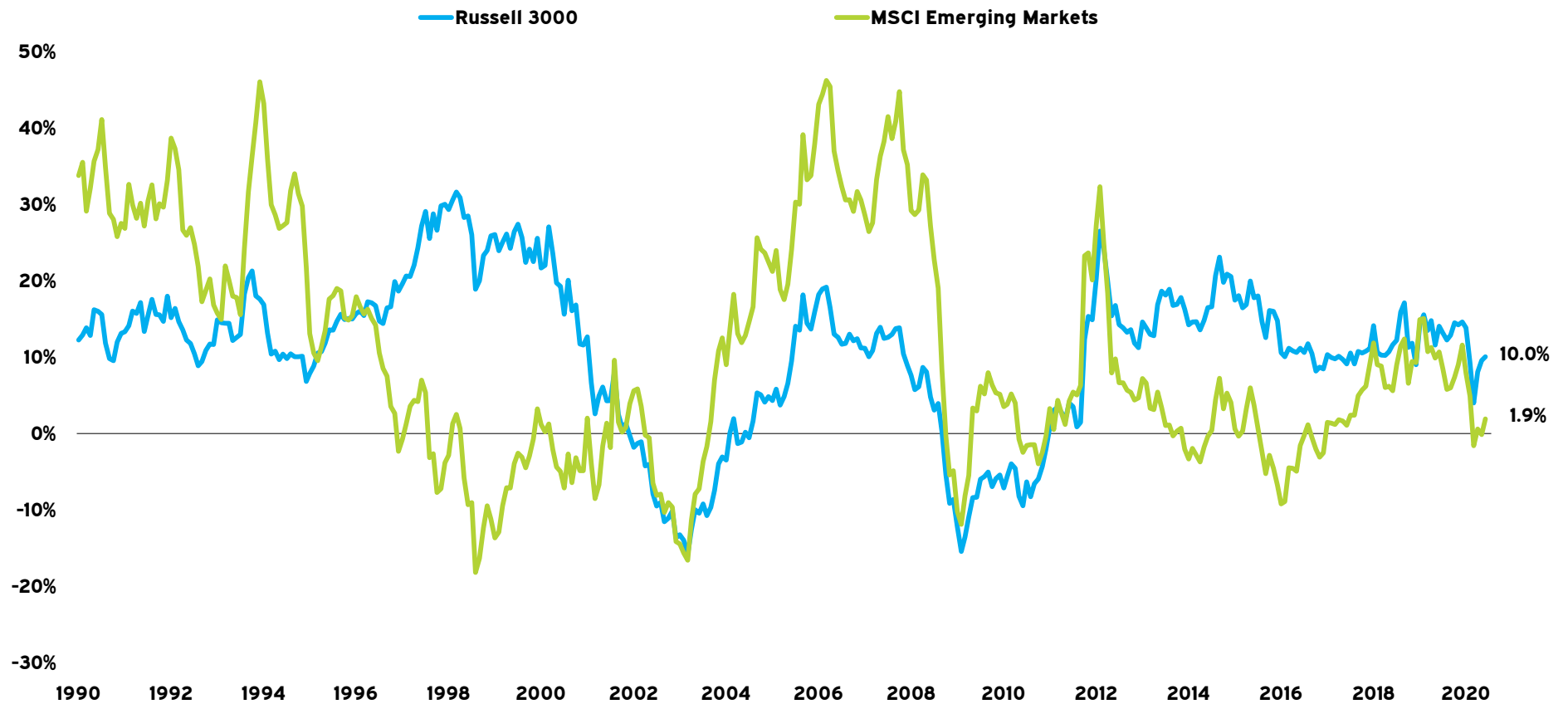
<sup>1</sup> Source: InvestorForce. Represents S&P 1500 (All Cap) data.

### US and Developed Market Foreign Equity Rolling Three-Year Returns<sup>1</sup>



<sup>1</sup> Source: InvestorForce.

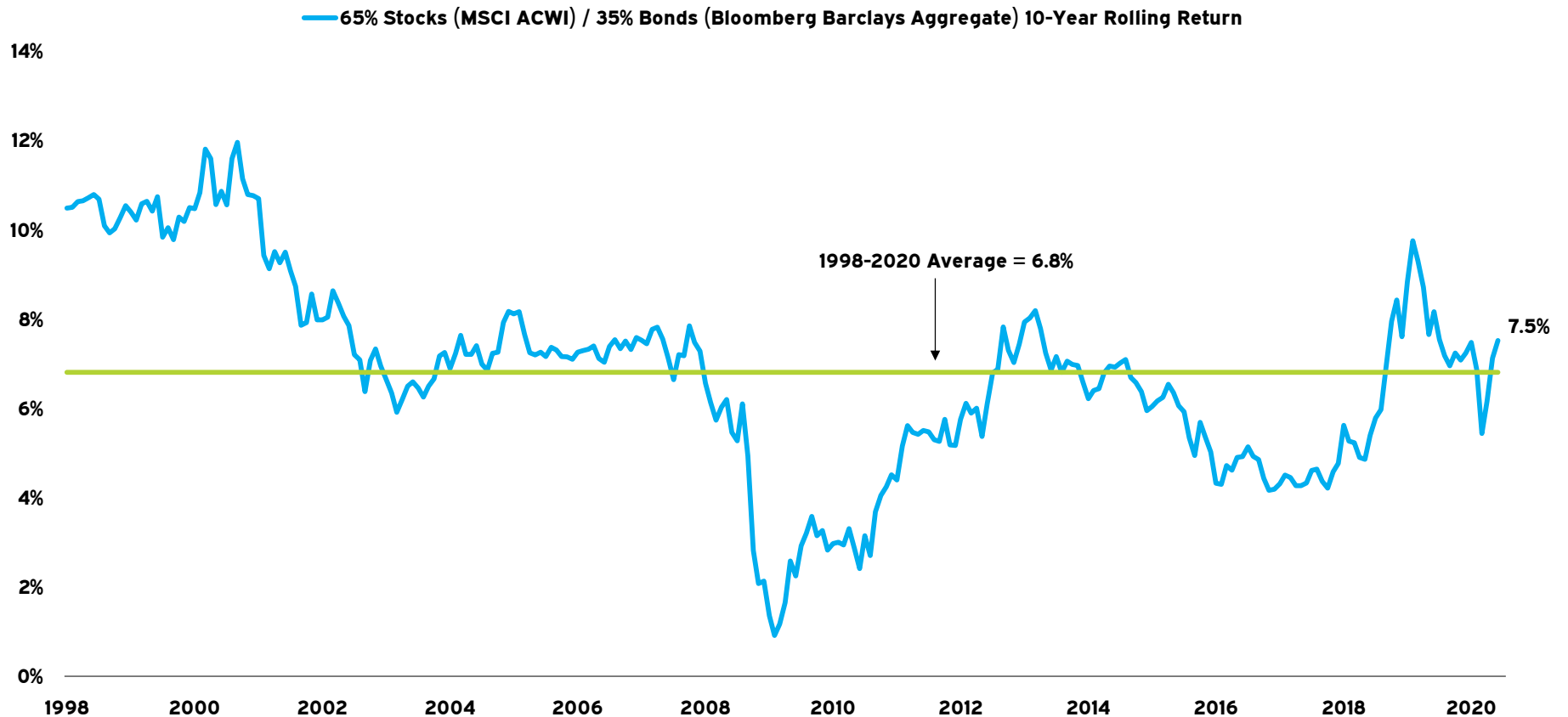
### US and Emerging Market Equity Rolling Three-Year Returns<sup>1</sup>



<sup>1</sup> Source: InvestorForce.

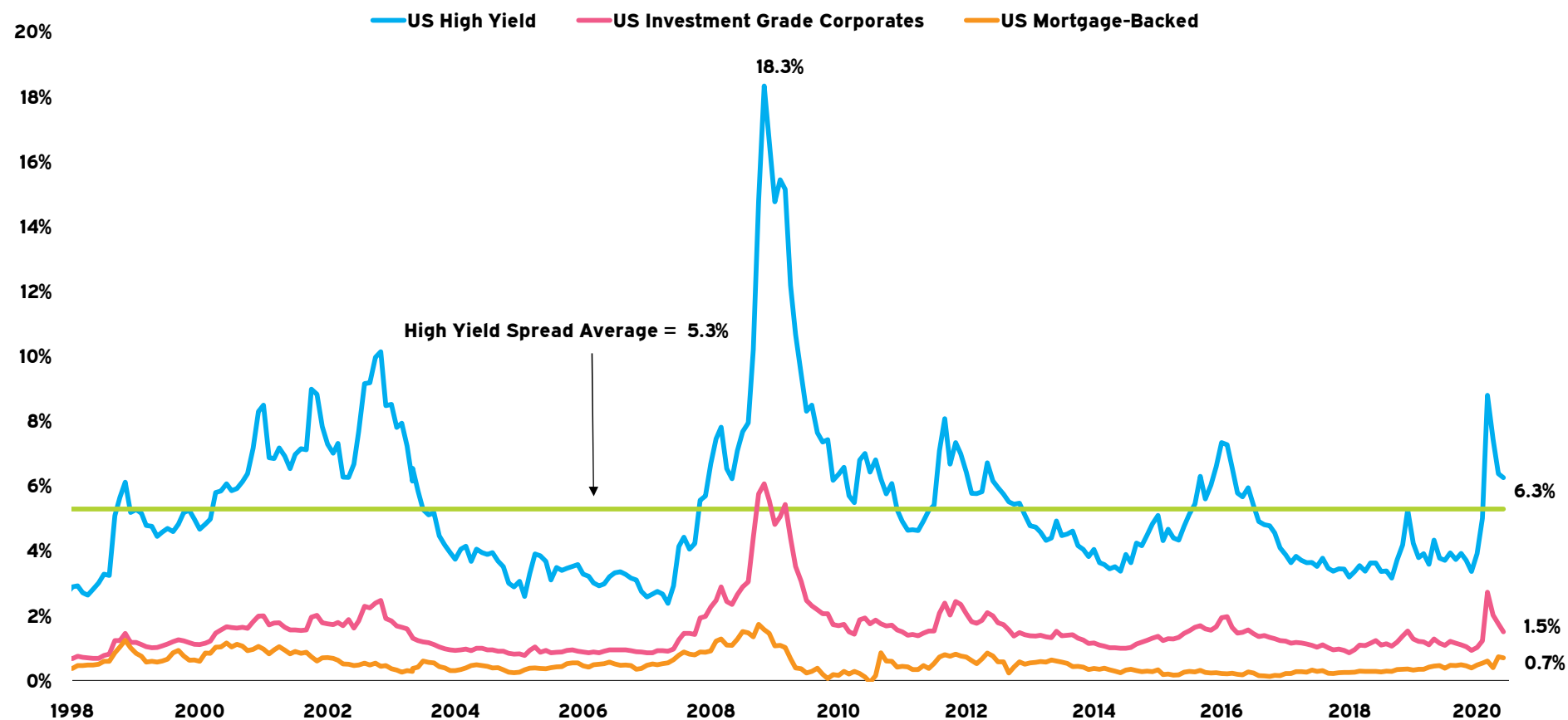


### Rolling Ten-Year Returns: 65% Stocks and 35% Bonds<sup>1</sup>



<sup>1</sup> Source: InvestorForce.

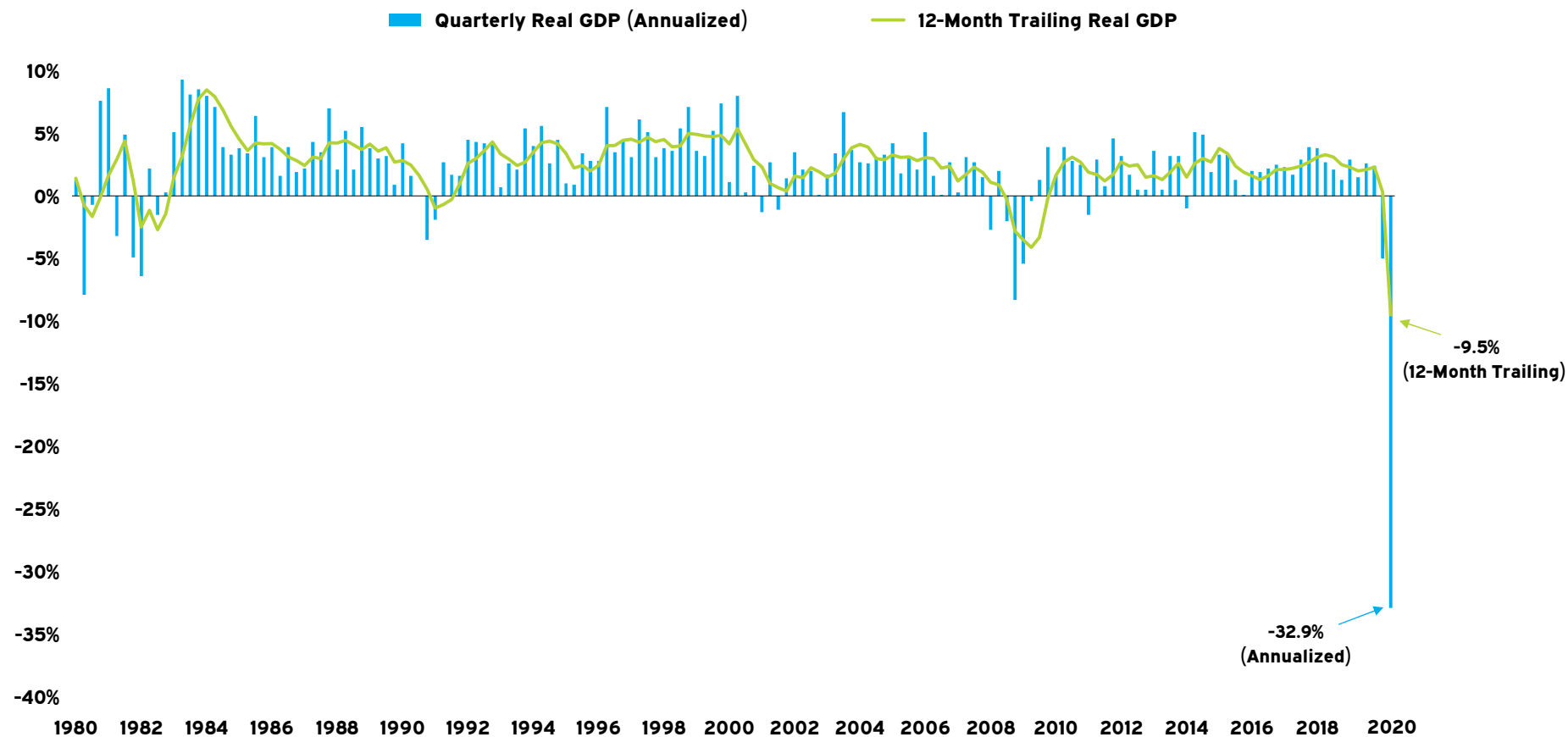
### Credit Spreads vs. US Treasury Bonds<sup>1,2</sup>



<sup>1</sup> Source: Barclays Live. Data represents the OAS.

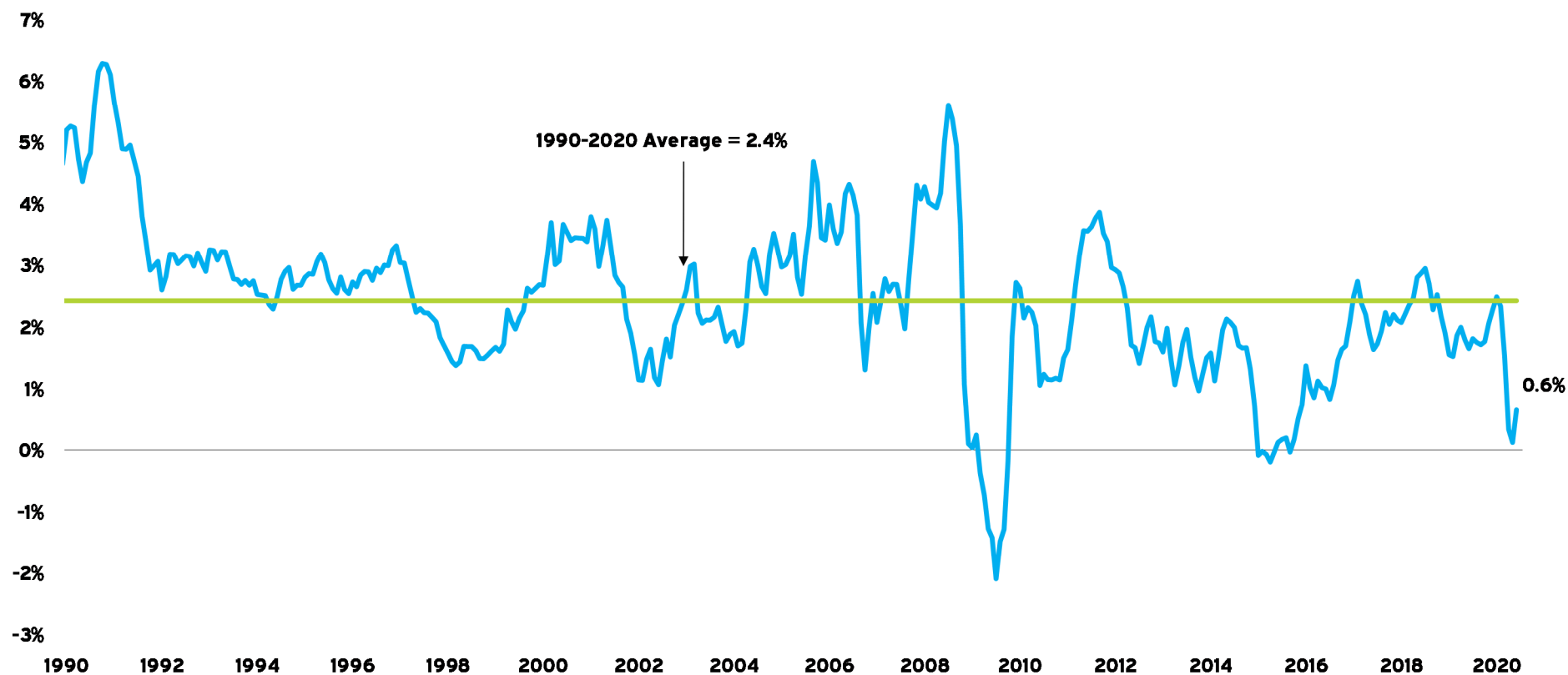
<sup>2</sup> The median high yield spread was 4.8% from 1997-2020.

### US Real Gross Domestic Product (GDP) Growth<sup>1</sup>



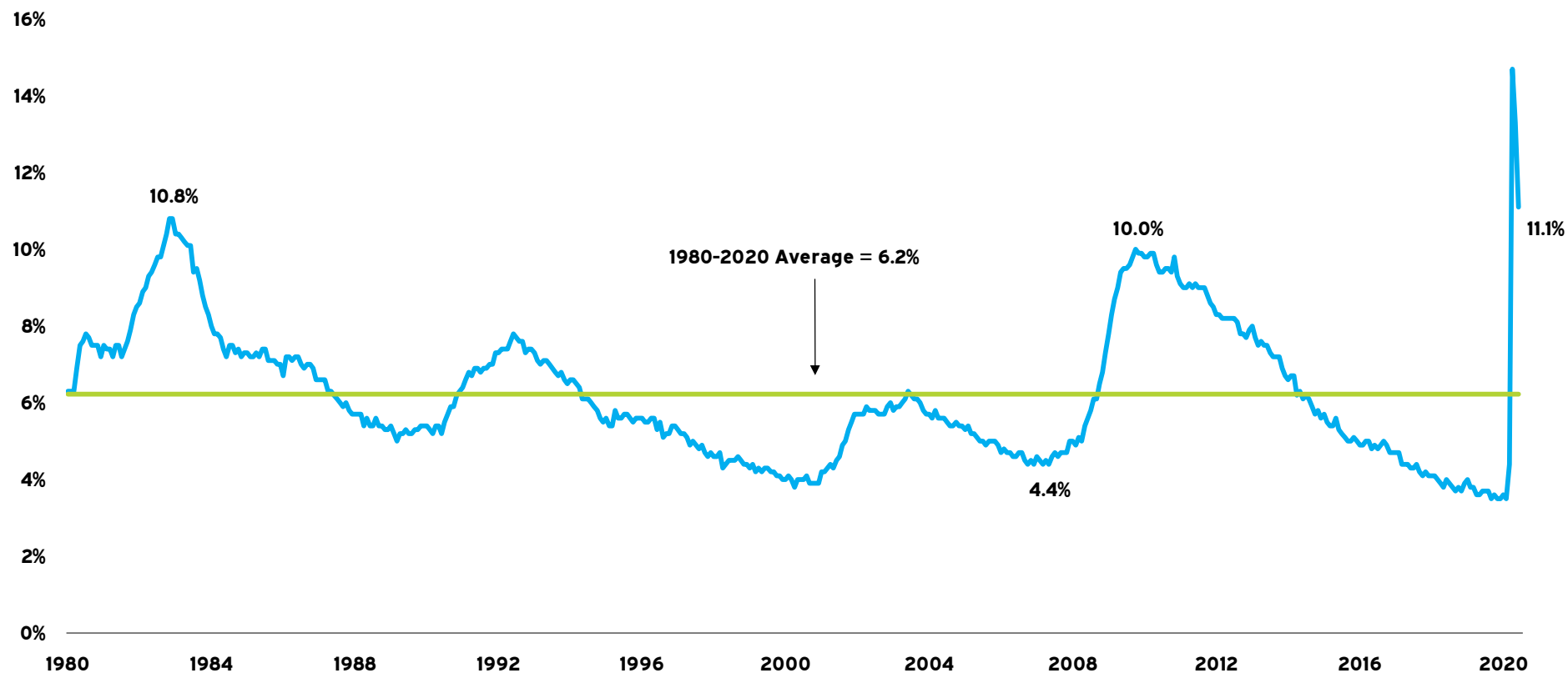
<sup>1</sup> Source: Bureau of Economic Analysis. Data is as of Q2 2020 and represents the first estimate.

### US Inflation (CPI) Trailing Twelve Months<sup>1</sup>



<sup>1</sup> Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of June 30, 2020.

### US Unemployment<sup>1</sup>



<sup>1</sup> Source: Bureau of Labor Statistics. Data is as of June 30, 2020.

## **Executive Summary**

### **As of June 30, 2020**

The value of the City of San Jose Police and Fire Department Retirement Plan Health Care Trust's assets was \$178.0 million on June 30, 2020, an increase of \$23.2 million from the end of the prior quarter. The Trust had net cash inflows of \$5.5 million during the quarter.

- The Health Care Trust's net of fees performance was +11.5%, compared to the Policy Benchmark return (+10.7%). Over the trailing one-year period, the Trust returned +2.2%, compared to the Policy Benchmark return of +1.6%.
  - Growth returned +19.4% for the quarter and +1.1% over the trailing one-year period. Growth was roughly in-line with the Public Equity Benchmark over both periods.
  - Low Beta returned +0.0% for the quarter and +1.7% over the trailing one-year period, in-line with the ICE Bank of America Merrill Lynch 91 Days T-Bill TR benchmark over both periods.
  - Other returned +4.1% for the quarter and -1.0% over the trailing one-year period, versus the Other Benchmark returns of +0.7% and -4.7% over the same time periods, respectively.
- The Health Care Trust terminated Vanguard REIT Index (Core Real Estate) during the quarter.



Investment Manager	Asset Class	Changes/ Announcements	Meketa Recommendation <sup>1</sup>	Comments
Credit Suisse Risk Parity	Commodities	---	---	---

<sup>1</sup> The Meketa Investment Group recommendations are based on organizational or resource changes at each manager.



Watch List<sup>1,2</sup>

Investment Manager	Asset Class	Watch List Status	Comments
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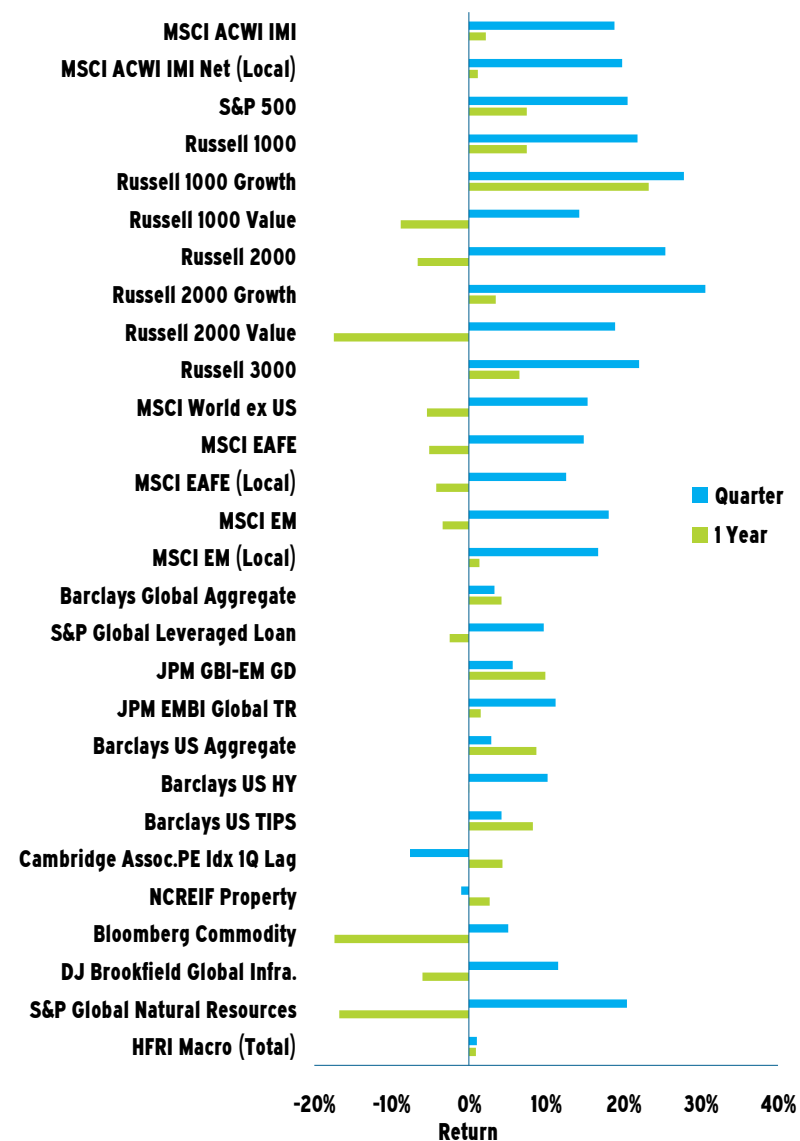
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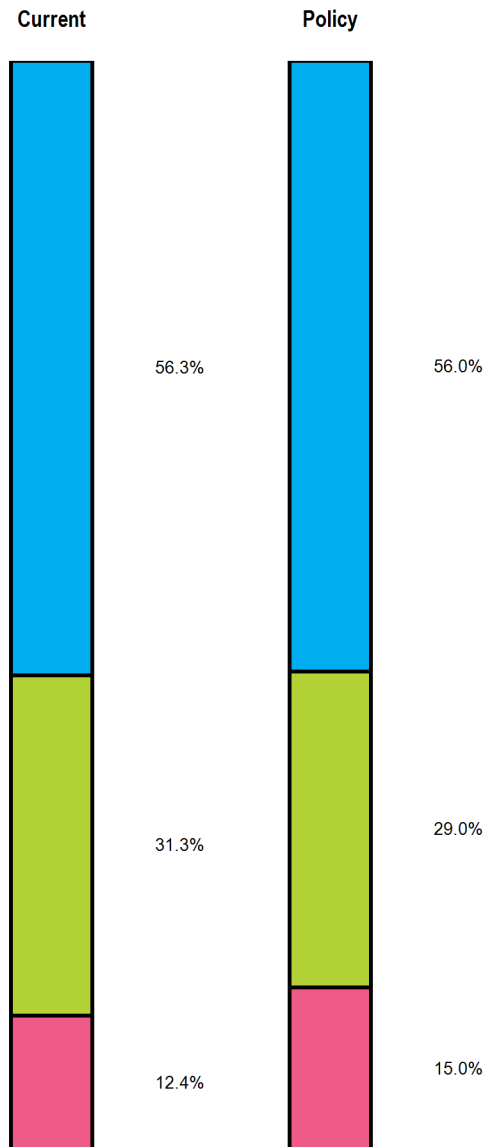
<sup>1</sup> Watch List excludes Private Markets and Passive Funds.  
<sup>2</sup> Placement on the Watch List includes qualitative reasons and manager underperformance versus the appropriate benchmark over a three and or five year period as outlined in the Investment Policy Statement.

### Market Environment – 2Q20 Overview

Benchmark	Scope	2Q20 (%)	1 YR (%)	3 YR (%)	5YR (%)	10 YR (%)
<b>Global Equity</b>						
MSCI ACWI IMI	World	19.8	12	5.5	6.1	9.1
MSCI ACWI IMI Net (Local)	World (Local Currency)	18.9	2.2	6.1	6.6	9.8
<b>Domestic Equity</b>						
S&P 500	Large Core	20.5	7.5	10.7	10.7	14.0
Russell 1000	Large Core	21.8	7.5	10.6	10.5	14.0
Russell 1000 Growth	Large Growth	27.8	23.3	19.0	15.9	17.2
Russell 1000 Value	Large Value	14.3	-8.8	1.8	4.6	10.4
Russell 2000	Small Core	25.4	-6.6	2.0	4.3	10.5
Russell 2000 Growth	Small Growth	30.6	3.5	7.9	6.9	12.9
Russell 2000 Value	Small Value	18.9	-17.5	-4.3	1.3	7.8
Russell 3000	All Cap Core	22.0	6.5	10.0	10.0	13.7
<b>International Equity</b>						
MSCI World ex US	World ex-US	15.3	-5.4	0.8	2.0	5.4
MSCI EAFE	International Developed	14.9	-5.1	0.8	2.1	5.7
MSCI EAFE (Local)	International Developed (Local Currency)	12.6	-4.2	1.3	2.6	6.9
MSCI EM	Emerging Markets	18.1	-3.4	1.9	2.9	3.3
MSCI EM (Local)	Emerging Markets (Local Currency)	16.7	1.4	4.5	5.1	6.0
<b>Global Fixed Income</b>						
Barclays Global Aggregate	Global Core Bonds	3.3	4.2	3.8	3.6	2.8
S&P Global Leveraged Loan	Bank Loans	9.7	-2.5	1.6	2.7	3.9
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	5.7	9.9	7.9	8.0	7.6
JPM EMBI Global TR	Emerging Market Bonds	11.2	1.5	3.3	5.1	5.8
<b>Domestic Fixed Income</b>						
Barclays US Aggregate	Core Bonds	2.9	8.7	5.3	4.3	3.8
Barclays US HY	High Yield	10.2	0.0	3.3	4.8	6.7
Barclays US TIPS	Inflation	4.2	8.3	5.0	3.7	3.5
<b>Other</b>						
Cambridge Associates PE Index 1Qtr Lag	Private Equity	-7.6	4.4	13.4	12.5	13.9
NCREIF Property	Real Estate	-1.0	2.7	5.4	6.8	9.7
Bloomberg Commodity	Commodities	5.1	-17.4	-6.1	-7.7	-5.8
DJ Brookfield Global Infrastructure	Infrastructure	11.6	-6.0	2.8	3.9	9.7
S&P Global Natural Resources	Natural Resources	20.5	-16.8	-0.1	0.9	1.5
HFRI Macro	Hedge Funds	1.0	0.9	1.5	0.8	1.3



## **2Q20 Review**



Allocation vs. Targets and Policy			
	Current Balance	Current Allocation	Policy
<b>Growth</b>	<b>\$100,208,010</b>	<b>56.3%</b>	<b>56.0%</b>
Public Equity	\$100,208,010	56.3%	56.0%
<b>Low Beta</b>	<b>\$55,673,582</b>	<b>31.3%</b>	<b>29.0%</b>
Short-Term IG Bonds	\$51,532,151	29.0%	29.0%
Cash	\$4,141,431	2.3%	0.0%
<b>Other</b>	<b>\$22,090,128</b>	<b>12.4%</b>	<b>15.0%</b>
Core Real Estate	\$13,023,005	7.3%	10.0%
Commodities	\$9,067,123	5.1%	5.0%
<b>Total</b>	<b>\$177,971,719</b>	<b>100.0%</b>	<b>100.0%</b>

### Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Health Care Trust</b>	<b>177,971,719</b>	<b>100.0</b>	<b>11.5</b>	<b>-3.3</b>	<b>2.2</b>	<b>2.2</b>	<b>3.5</b>	<b>3.6</b>	<b>--</b>	<b>4.4</b>	<b>Jul-12</b>
Policy Benchmark			10.7	-4.4	1.6	1.6	4.5	4.8	--	5.3	Jul-12
InvMetrics Health & Welfare \$50mm - \$250mm Net Median			8.2	0.1	3.9	3.9	4.9	4.6	5.3	4.9	Jul-12
InvMetrics Health & Welfare \$50mm - \$250mm Net Rank			20	92	85	85	88	86	--	65	Jul-12
<b>Growth</b>	<b>100,208,010</b>	<b>56.3</b>	<b>19.4</b>	<b>-7.0</b>	<b>1.1</b>	<b>1.1</b>	<b>6.1</b>	<b>6.6</b>	<b>--</b>	<b>9.1</b>	<b>Aug-12</b>
Public Equity Benchmark			19.4	-7.0	1.2	1.2	5.8	6.3	--	8.8	Aug-12
<b>Public Equity</b>	<b>100,208,010</b>	<b>56.3</b>	<b>19.4</b>	<b>-7.0</b>	<b>1.1</b>	<b>1.1</b>	<b>6.1</b>	<b>6.6</b>	<b>--</b>	<b>9.1</b>	<b>Aug-12</b>
Public Equity Benchmark			19.4	-7.0	1.2	1.2	5.8	6.3	--	8.8	Aug-12
<b>US Equity</b>	<b>51,291,184</b>	<b>28.8</b>	<b>21.9</b>	<b>-3.5</b>	<b>6.5</b>	<b>6.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.6</b>	<b>Jul-18</b>
Russell 3000			22.0	-3.5	6.5	6.5	--	--	--	7.7	Jul-18
<b>International Equity</b>	<b>24,411,595</b>	<b>13.7</b>	<b>14.9</b>	<b>-11.1</b>	<b>-4.8</b>	<b>-4.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-1.1</b>	<b>Jul-18</b>
MSCI EAFE			14.9	-11.3	-5.1	-5.1	--	--	--	-2.1	Jul-18
<b>Emerging Markets Equity</b>	<b>24,505,231</b>	<b>13.8</b>	<b>18.9</b>	<b>-9.6</b>	<b>-3.1</b>	<b>-3.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-0.5</b>	<b>Jul-18</b>
MSCI Emerging Markets			18.1	-9.8	-3.4	-3.4	--	--	--	-1.1	Jul-18
<b>Low Beta</b>	<b>55,673,582</b>	<b>31.3</b>	<b>0.0</b>	<b>0.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.1</b>	<b>--</b>	<b>0.7</b>	<b>Jul-12</b>
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	1.8	1.2	--	0.8	Jul-12
<b>Short-Term IG Bonds</b>	<b>51,532,151</b>	<b>29.0</b>	<b>0.0</b>	<b>0.6</b>	<b>1.7</b>	<b>1.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.0</b>	<b>Nov-18</b>
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	--	--	--	2.0	Nov-18

<sup>1</sup> Fiscal Year begins July 1.

<sup>2</sup> Please see the final page of the performance report for composition of the Policy Benchmark and Public Equity Benchmark.

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Cash</b>	<b>4,141,431</b>	<b>2.3</b>	<b>0.0</b>	<b>0.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.0</b>	--	<b>0.6</b>	<b>Jul-12</b>
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	1.8	1.2	--	0.8	Jul-12
<b>Other</b>	<b>22,090,128</b>	<b>12.4</b>	<b>4.1</b>	<b>-4.8</b>	<b>-1.0</b>	<b>-1.0</b>	<b>1.8</b>	<b>2.2</b>	--	<b>1.3</b>	<b>Aug-12</b>
Other Benchmark			0.7	-7.1	-4.7	-4.7	1.4	2.2	--	2.5	Aug-12
<b>Core Real Estate</b>	<b>13,023,005</b>	<b>7.3</b>	<b>0.3</b>	<b>-1.5</b>	<b>2.1</b>	<b>2.1</b>	<b>5.0</b>	<b>7.0</b>	--	<b>7.5</b>	<b>Aug-12</b>
Core Real Estate Benchmark			-1.5	-0.8	1.7	1.7	5.4	7.3	--	7.7	Aug-12
<b>Commodities</b>	<b>9,067,123</b>	<b>5.1</b>	<b>12.6</b>	<b>-11.7</b>	<b>-7.6</b>	<b>-7.6</b>	<b>-2.0</b>	<b>-3.3</b>	--	<b>-5.5</b>	<b>Oct-12</b>
Bloomberg Commodity Index TR USD			5.1	-19.4	-17.4	-17.4	-6.1	-7.7	--	-9.4	Oct-12

<sup>1</sup> Please see the final page of the performance report for composition of the Policy Benchmark and Public Equity Benchmark,

Trailing Net Performance											
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Health Care Trust</b>	<b>177,971,719</b>	<b>100.0</b>	<b>11.5</b>	<b>-3.3</b>	<b>2.2</b>	<b>2.2</b>	<b>3.5</b>	<b>3.6</b>	<b>--</b>	<b>4.4</b>	<b>Jul-12</b>
Policy Benchmark			10.7	-4.4	1.6	1.6	4.5	4.8	--	5.3	Jul-12
InvMetrics Health & Welfare \$50mm - \$250mm Net Median			8.2	0.1	3.9	3.9	4.9	4.6	5.3	4.9	Jul-12
InvMetrics Health & Welfare \$50mm - \$250mm Net Rank			20	92	85	85	88	86	--	65	Jul-12
<b>Growth</b>	<b>100,208,010</b>	<b>56.3</b>	<b>19.4</b>	<b>-7.0</b>	<b>1.1</b>	<b>1.1</b>	<b>6.1</b>	<b>6.6</b>	<b>--</b>	<b>9.1</b>	<b>Aug-12</b>
Public Equity Benchmark			19.4	-7.0	1.2	1.2	5.8	6.3	--	8.8	Aug-12
<b>Public Equity</b>	<b>100,208,010</b>	<b>56.3</b>	<b>19.4</b>	<b>-7.0</b>	<b>1.1</b>	<b>1.1</b>	<b>6.1</b>	<b>6.6</b>	<b>--</b>	<b>9.1</b>	<b>Aug-12</b>
Public Equity Benchmark			19.4	-7.0	1.2	1.2	5.8	6.3	--	8.8	Aug-12
<b>US Equity</b>	<b>51,291,184</b>	<b>28.8</b>	<b>21.9</b>	<b>-3.5</b>	<b>6.5</b>	<b>6.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.6</b>	<b>Jul-18</b>
Russell 3000			22.0	-3.5	6.5	6.5	--	--	--	7.7	Jul-18
Northern Trust Russell 3000	51,291,184	28.8	21.9	-3.5	6.5	6.5	--	--	--	7.6	Jul-18
Russell 3000			22.0	-3.5	6.5	6.5	--	--	--	7.7	Jul-18
<b>International Equity</b>	<b>24,411,595</b>	<b>13.7</b>	<b>14.9</b>	<b>-11.1</b>	<b>-4.8</b>	<b>-4.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-1.1</b>	<b>Jul-18</b>
MSCI EAFE			14.9	-11.3	-5.1	-5.1	--	--	--	-2.1	Jul-18
Northern Trust MSCI EAFE	24,411,595	13.7	14.9	-11.1	-4.9	-4.9	--	--	--	-1.1	Jul-18
MSCI EAFE			14.9	-11.3	-5.1	-5.1	--	--	--	-2.1	Jul-18
<b>Emerging Markets Equity</b>	<b>24,505,231</b>	<b>13.8</b>	<b>18.9</b>	<b>-9.6</b>	<b>-3.1</b>	<b>-3.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-0.5</b>	<b>Jul-18</b>
MSCI Emerging Markets			18.1	-9.8	-3.4	-3.4	--	--	--	-1.1	Jul-18
Northern Trust MSCI EM	24,505,231	13.8	18.9	-9.6	-3.3	-3.3	--	--	--	-0.6	Jul-18
MSCI Emerging Markets			18.1	-9.8	-3.4	-3.4	--	--	--	-1.1	Jul-18

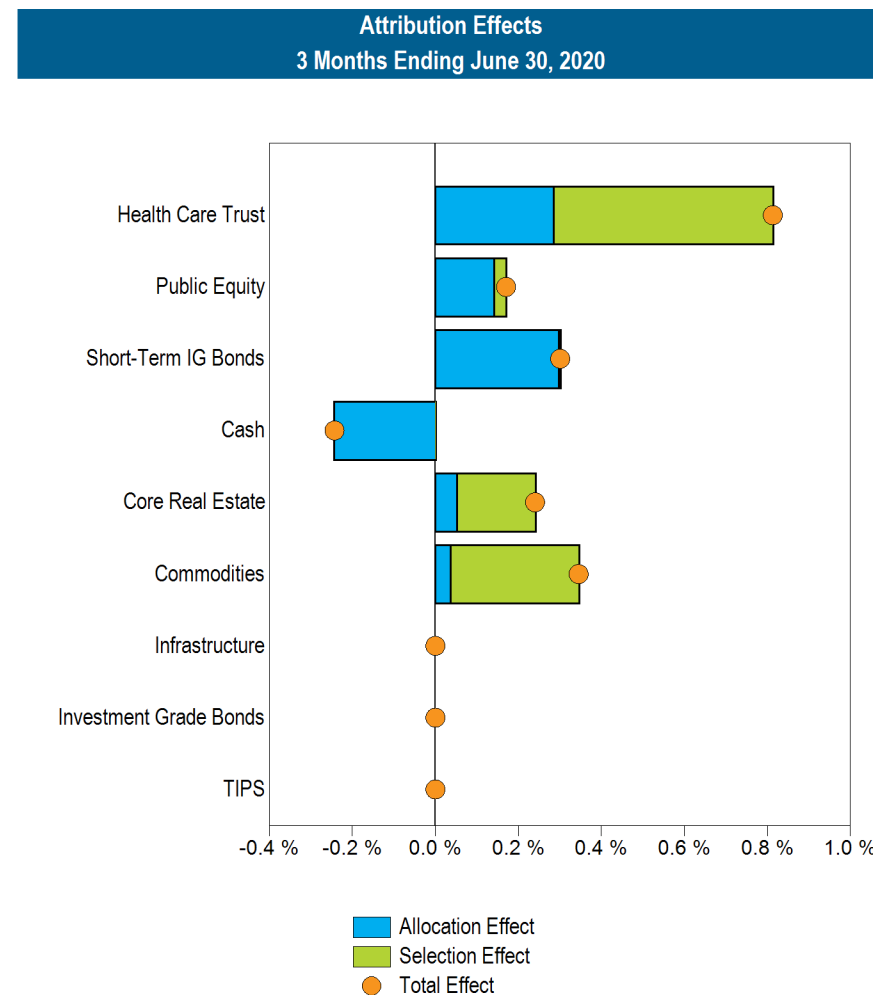
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Low Beta</b>	<b>55,673,582</b>	<b>31.3</b>	<b>0.0</b>	<b>0.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.1</b>	<b>--</b>	<b>0.7</b>	<b>Jul-12</b>
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	1.8	1.2	--	0.8	Jul-12
<b>Short-Term IG Bonds</b>	<b>51,532,151</b>	<b>29.0</b>	<b>0.0</b>	<b>0.6</b>	<b>1.7</b>	<b>1.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.0</b>	<b>Nov-18</b>
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	--	--	--	2.0	Nov-18
BlackRock 3-Month T-Bill	51,532,151	29.0	0.0	0.6	1.7	1.7	--	--	--	2.0	Nov-18
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	--	--	--	2.0	Nov-18
<b>Cash</b>	<b>4,141,431</b>	<b>2.3</b>	<b>0.0</b>	<b>0.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.0</b>	<b>--</b>	<b>0.6</b>	<b>Jul-12</b>
ICE BofA 91 Days T-Bills TR			0.0	0.6	1.6	1.6	1.8	1.2	--	0.8	Jul-12
<b>Other</b>	<b>22,090,128</b>	<b>12.4</b>	<b>4.1</b>	<b>-4.8</b>	<b>-1.0</b>	<b>-1.0</b>	<b>1.8</b>	<b>2.2</b>	<b>--</b>	<b>1.3</b>	<b>Aug-12</b>
Other Benchmark			0.7	-7.1	-4.7	-4.7	1.4	2.2	--	2.5	Aug-12
<b>Core Real Estate</b>	<b>13,023,005</b>	<b>7.3</b>	<b>0.3</b>	<b>-1.5</b>	<b>2.1</b>	<b>2.1</b>	<b>5.0</b>	<b>7.0</b>	<b>--</b>	<b>7.5</b>	<b>Aug-12</b>
Core Real Estate Benchmark			-1.5	-0.8	1.7	1.7	5.4	7.3	--	7.7	Aug-12
BlackRock Core Property Fund	4,997,360	2.8	-0.6	2.5	3.7	3.7	--	--	--	4.3	Feb-19
NCREIF ODCE Equal-Weighted			-1.5	-0.8	1.7	1.7	--	--	--	2.7	Feb-19
NCREIF ODCE Value-Weighted			-1.8	-1.0	1.3	1.3	--	--	--	2.1	Feb-19
Clarion Lion Properties Fund	8,025,645	4.5	-2.2	0.7	2.2	2.2	--	--	--	3.6	Mar-19
NCREIF ODCE Equal-Weighted			-1.5	-0.8	1.7	1.7	--	--	--	2.9	Mar-19
NCREIF ODCE Value-Weighted			-1.8	-1.0	1.3	1.3	--	--	--	2.2	Mar-19



	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Commodities</b>	<b>9,067,123</b>	<b>5.1</b>	<b>12.6</b>	<b>-11.7</b>	<b>-7.6</b>	<b>-7.6</b>	<b>-2.0</b>	<b>-3.3</b>	<b>--</b>	<b>-5.5</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index TR USD</i>			<i>5.1</i>	<i>-19.4</i>	<i>-17.4</i>	<i>-17.4</i>	<i>-6.1</i>	<i>-7.7</i>	<i>--</i>	<i>-9.4</i>	<i>Oct-12</i>
Credit Suisse Risk Parity Commodity Fund	9,067,123	5.1	12.6	-11.7	-7.6	-7.6	-2.0	-3.3	--	-4.8	Nov-12
<i>Bloomberg Commodity Index TR USD</i>			<i>5.1</i>	<i>-19.4</i>	<i>-17.4</i>	<i>-17.4</i>	<i>-6.1</i>	<i>-7.7</i>	<i>--</i>	<i>-9.1</i>	<i>Nov-12</i>

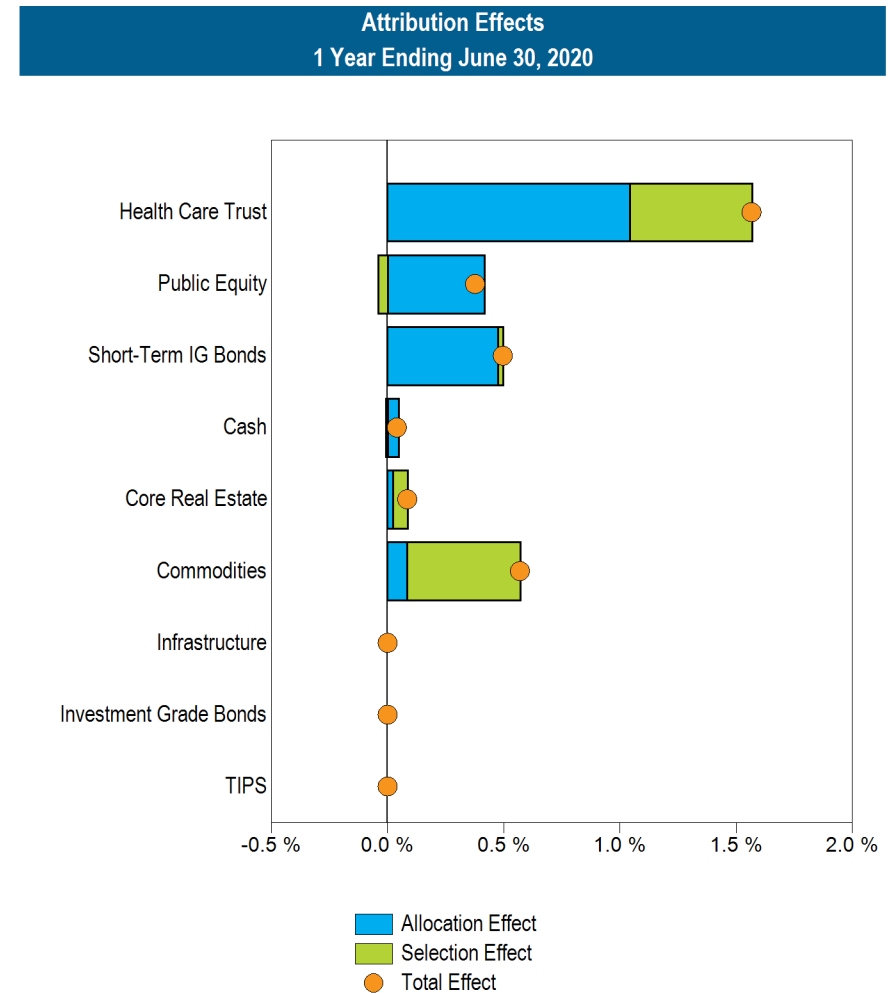
Cash Flow Summary						
QTD Ending June 30, 2020						
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
BlackRock 3-Month T-Bill	\$42,316,975	\$9,200,000	\$0	\$9,200,000	\$15,176	\$51,532,151
BlackRock Core Property Fund	\$5,080,009	\$0	-\$55,764	-\$55,764	-\$26,885	\$4,997,360
Cash	\$2,351,100	\$13,063,859	-\$11,275,438	\$1,788,421	\$1,910	\$4,141,431
Clarion Lion Properties Fund	\$8,266,626	\$0	-\$76,013	-\$76,013	-\$164,968	\$8,025,645
Credit Suisse Risk Parity Commodity Fund	\$6,542,846	\$2,000,000	-\$7,150	\$1,992,850	\$531,427	\$9,067,123
Northern Trust MSCI EAFE	\$21,252,408	\$0	\$0	\$0	\$3,159,187	\$24,411,595
Northern Trust MSCI EM	\$23,135,985	\$0	-\$3,000,000	-\$3,000,000	\$4,369,246	\$24,505,231
Northern Trust Russell 3000	\$43,716,743	\$0	-\$2,000,000	-\$2,000,000	\$9,574,441	\$51,291,184
Vanguard REIT Index Fund	\$2,125,066	\$0	-\$2,380,832	-\$2,380,832	\$255,766	\$0
<b>Total</b>	<b>\$154,787,757</b>	<b>\$24,263,859</b>	<b>-\$18,795,197</b>	<b>\$5,468,662</b>	<b>\$17,715,300</b>	<b>\$177,971,719</b>

Attribution Summary						
3 Months Ending June 30, 2020						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Public Equity	19.4%	19.4%	0.1%	0.0%	0.1%	0.2%
Short-Term IG Bonds	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%
Cash	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%
Core Real Estate	0.3%	-1.5%	1.7%	0.2%	0.1%	0.2%
Commodities	12.6%	5.1%	7.5%	0.3%	0.0%	0.3%
Infrastructure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment Grade Bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TIPS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>11.5%</b>	<b>10.7%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.8%</b>



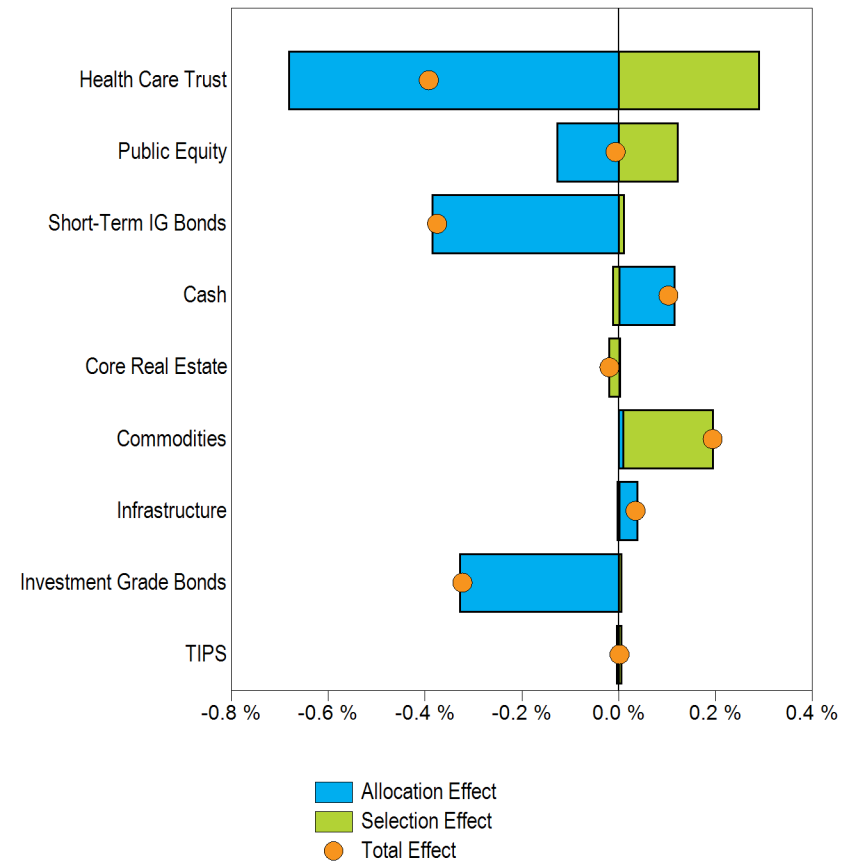
<sup>1</sup> Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

Attribution Summary						
1 Year Ending June 30, 2020						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Public Equity	1.1%	1.2%	-0.1%	0.0%	0.4%	0.4%
Short-Term IG Bonds	1.7%	1.6%	0.1%	0.0%	0.5%	0.5%
Cash	1.5%	1.6%	-0.2%	0.0%	0.0%	0.0%
Core Real Estate	2.1%	1.7%	0.4%	0.1%	0.0%	0.1%
Commodities	-7.6%	-17.4%	9.8%	0.5%	0.1%	0.6%
Infrastructure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment Grade Bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TIPS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>2.5%</b>	<b>0.9%</b>	<b>1.6%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>1.6%</b>

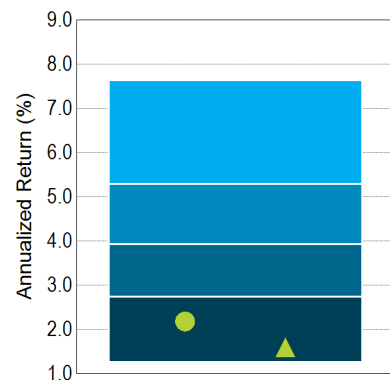


Attribution Summary						
3 Years Ending June 30, 2020						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Public Equity	6.1%	5.8%	0.2%	0.1%	-0.1%	0.0%
Short-Term IG Bonds	1.1%	1.1%	0.0%	0.0%	-0.4%	-0.4%
Cash	1.5%	1.8%	-0.3%	0.0%	0.1%	0.1%
Core Real Estate	5.0%	5.4%	-0.4%	0.0%	0.0%	0.0%
Commodities	-2.0%	-6.1%	4.1%	0.2%	0.0%	0.2%
Infrastructure	1.1%	4.9%	-3.8%	0.0%	0.0%	0.0%
Investment Grade Bonds	0.1%	2.4%	-2.3%	0.0%	-0.3%	-0.3%
TIPS	0.2%	1.1%	-0.8%	0.0%	0.0%	0.0%
<b>Total</b>	<b>3.8%</b>	<b>4.2%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>-0.7%</b>	<b>-0.4%</b>

### Attribution Effects 3 Years Ending June 30, 2020

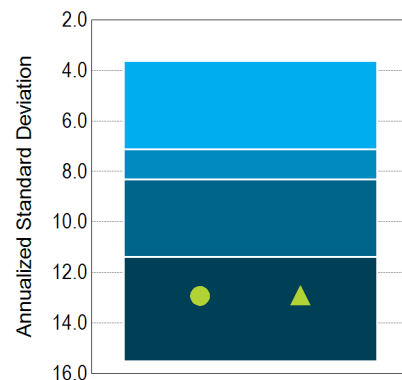


**Annualized Return (%)**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



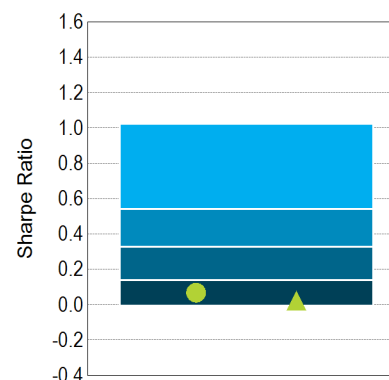
● Health Care Trust	
Value	2.2
Rank	85
▲ Policy Benchmark	
Value	1.6
Rank	94
Universe	
5th %tile	7.6
25th %tile	5.3
Median	3.9
75th %tile	2.7
95th %tile	1.3

**Annualized Standard Deviation**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



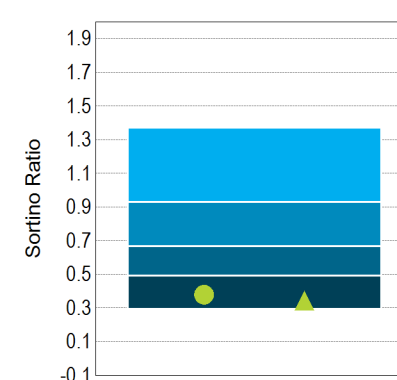
● Health Care Trust	
Value	12.9
Rank	85
▲ Policy Benchmark	
Value	12.9
Rank	85
Universe	
5th %tile	3.6
25th %tile	7.1
Median	8.3
75th %tile	11.4
95th %tile	15.5

**Sharpe Ratio**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



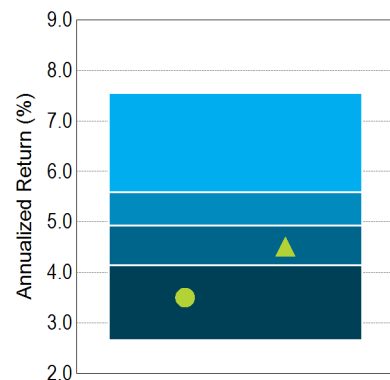
● Health Care Trust	
Value	0.1
Rank	87
▲ Policy Benchmark	
Value	0.0
Rank	94
Universe	
5th %tile	1.0
25th %tile	0.5
Median	0.3
75th %tile	0.1
95th %tile	0.0

**Sortino Ratio**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net

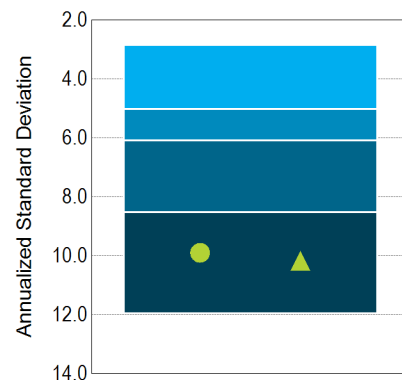


● Health Care Trust	
Value	0.4
Rank	87
▲ Policy Benchmark	
Value	0.3
Rank	90
Universe	
5th %tile	1.4
25th %tile	0.9
Median	0.7
75th %tile	0.5
95th %tile	0.3

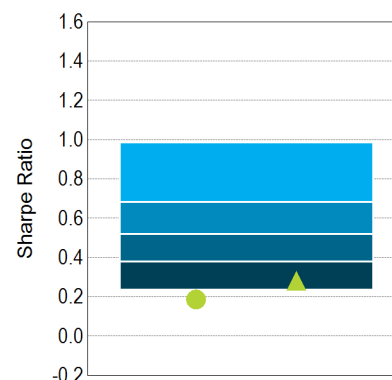
**Annualized Return (%)**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



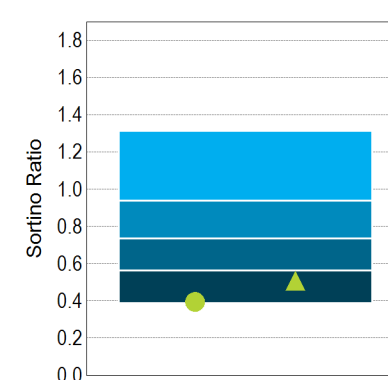
**Annualized Standard Deviation**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



**Sharpe Ratio**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



**Sortino Ratio**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



● Health Care Trust

Value 3.5  
Rank 88

▲ Policy Benchmark

Value 4.5  
Rank 64

Universe

5th %tile 7.6  
25th %tile 5.6  
Median 4.9  
75th %tile 4.2  
95th %tile 2.7

● Health Care Trust

Value 9.9  
Rank 86

▲ Policy Benchmark

Value 10.2  
Rank 88

Universe

5th %tile 2.9  
25th %tile 5.0  
Median 6.1  
75th %tile 8.5  
95th %tile 11.9

● Health Care Trust

Value 0.2  
Rank 98

▲ Policy Benchmark

Value 0.3  
Rank 94

Universe

5th %tile 1.0  
25th %tile 0.7  
Median 0.5  
75th %tile 0.4  
95th %tile 0.2

● Health Care Trust

Value 0.4  
Rank 95

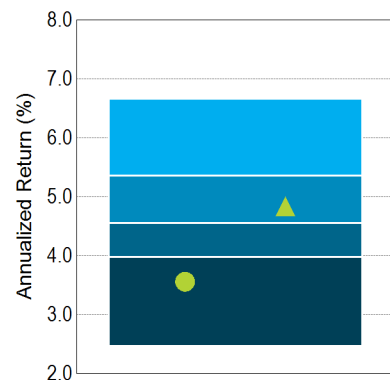
▲ Policy Benchmark

Value 0.5  
Rank 84

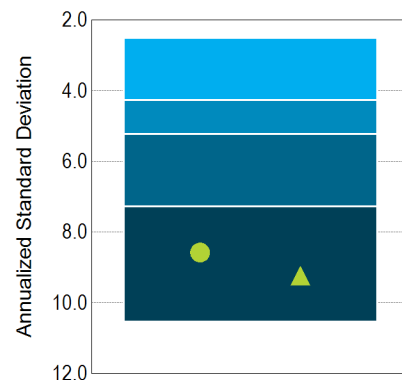
Universe

5th %tile 1.3  
25th %tile 0.9  
Median 0.7  
75th %tile 0.6  
95th %tile 0.4

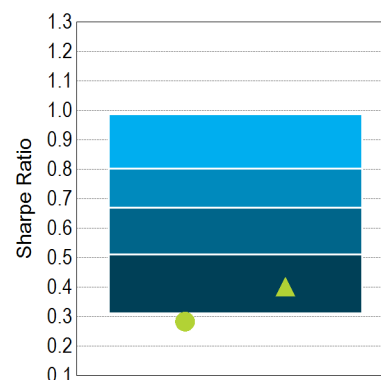
**Annualized Return (%)**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



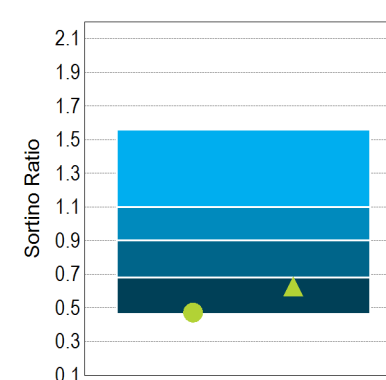
**Annualized Standard Deviation**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



**Sharpe Ratio**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



**Sortino Ratio**  
vs. InvMetrics Health & Welfare \$50mm - \$250mm Net



● Health Care Trust

Value 3.6  
Rank 86

▲ Policy Benchmark

Value 4.8  
Rank 40

Universe  
5th %tile 6.7  
25th %tile 5.4  
Median 4.6  
75th %tile 4.0  
95th %tile 2.5

● Health Care Trust

Value 8.6  
Rank 87

▲ Policy Benchmark

Value 9.2  
Rank 91

Universe  
5th %tile 2.5  
25th %tile 4.2  
Median 5.2  
75th %tile 7.3  
95th %tile 10.5

● Health Care Trust

Value 0.3  
Rank 97

▲ Policy Benchmark

Value 0.4  
Rank 92

Universe  
5th %tile 1.0  
25th %tile 0.8  
Median 0.7  
75th %tile 0.5  
95th %tile 0.3

● Health Care Trust

Value 0.5  
Rank 94

▲ Policy Benchmark

Value 0.6  
Rank 84

Universe  
5th %tile 1.6  
25th %tile 1.1  
Median 0.9  
75th %tile 0.7  
95th %tile 0.5



### Benchmark History

As of June 30, 2020

#### Health Care Trust

7/1/2019	Present	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
10/1/2018	6/30/2019	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% MSCI US REIT / 5% Bloomberg Commodity Index TR USD
7/1/2018	9/30/2018	57% MSCI ACWI IMI (Net) / 30% BBgBarc US Aggregate TR / 8% MSCI US REIT Gross / 5% Bloomberg Commodity Index TR USD
2/1/2017	6/30/2018	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Bloomberg Commodity Index TR USD / 3% DJ Brookfield Global Infrastructure Net TR USD / 20% 60% MSCI World & 40% Citigroup WGBI
9/1/2014	1/31/2017	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Custom Commodity Risk Parity Index / 3% CPI + 5% (Unadjusted) / 20% 60% MSCI World & 40% Citigroup WGBI

#### Growth

10/1/2018	Present	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
8/1/2012	9/30/2018	MSCI ACWI IMI Net USD

#### Public Equity

10/1/2018	Present	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
8/1/2012	9/30/2018	MSCI ACWI IMI Net USD

#### US Equity

7/1/2018	Present	Russell 3000
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#### International Equity

7/1/2018	Present	MSCI EAFE
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#### Emerging Markets Equity

7/1/2018	Present	MSCI Emerging Markets
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#### Low Beta

7/1/2012	Present	ICE BofA 91 Days T-Bills TR
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Short-Term IG Bonds		
11/1/2018	Present	ICE BofA 91 Days T-Bills TR
Cash		
7/1/2012	Present	ICE BofA 91 Days T-Bills TR
Other		
7/1/2019	Present	66.67% Core Real Estate Benchmark / 33.33% Bloomberg Commodity Index TR USD
10/1/2018	6/30/2019	66.67% MSCI US REIT / 33.33% Bloomberg Commodity Index TR USD
8/1/2012	9/30/2018	35.09% 60% MSCI World & 40% Citigroup WGBI / 26.32% BBgBarc US Aggregate TR / 17.54% MSCI US REIT / 15.79% Bloomberg Commodity Index TR USD / 5.26% DJ Brookfield Global Infrastructure Net TR USD
Core Real Estate		
7/1/2019	Present	NCREIF ODCE Equal-Weighted
8/1/2012	6/30/2019	MSCI US REIT Gross
Commodities		
10/1/2012	Present	Bloomberg Commodity Index TR USD
Infrastructure		
1/1/2014	Present	DJ Brookfield Global Infrastructure Net TR USD
Investment Grade Bonds		
8/1/2012	Present	BBgBarc Global Aggregate TR
TIPS		
7/1/2018	Present	100% BBgBarc US Treasury TIPS 0-5 Yr TR

## **Glossary and Notes**

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$ .

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.

The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.