

FUND EVALUATION REPORT

San Jose Federated City Employees' Retirement System

Quarterly Review
March 31, 2012



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Executive Summary
As of March 31, 2012

Conditions as of March 31, 2012¹

Earnings		At quarter-end, S&P 500 trailing one-year earnings were \$94.89, a level above the highs reached in late 2007 mainly due to productivity gains (e.g., via cost cutting) by companies. Going forward, little room remains for companies to further reduce costs, suggesting that continued profitability growth will need to come from capital investment. Earnings for companies in the EAFE index declined in the first quarter by over 4%, while earnings for companies in the emerging markets index increased.
Credit Spreads		For the second consecutive quarter, credit spreads compressed as investors continued to prefer riskier assets. In domestic markets, high yield bond spreads fell the most (-1.2%), to 5.8%, a level close to the ten-year average and 2.3% below the recent September high. Spreads for developed international and emerging markets bonds compressed as well, but more dramatically in emerging markets.
Commodities		In the first quarter, the majority of commodities increased, with silver (+16.3%) and soybeans (+16.1%) leading the way. Gold recovered from its fourth quarter decline, up 6.7%. Energy commodities posted mixed results in the first quarter; crude oil rose by over 4% to \$103/barrel, while natural gas declined by close to 30% due to increased supply from fracking and an unusually warm winter in the U.S.
Currencies		The dollar declined in the first quarter versus a trade-weighted basket of currencies, but remains well above early 2011 lows. The Euro rose 3.1% mainly due to the European Central Bank's second round of three-year loans to European banks totaling €529.5 billion, bringing the total to date to over €1.0 trillion. After recently reaching a post-World War II high against the dollar, the yen declined 7.2% during the quarter as deflationary pressures persist in Japan and hopes for a more rapid recovery in the U.S. gain momentum.

¹ Sources: FactSet, U.S. Treasury. Data is as of March 31, 2012, unless otherwise noted.

The value of the San Jose Federated City Employee' Retirement System assets was \$1.884 billion on March 31, 2012, up approximately \$87.7 million since the end of the previous quarter.

- First quarter performance for the Retirement System was 6.9% net of fees, bringing the fiscal year-to-date return to 0.7%, and the trailing one-year return to 1.6%, net of fees.
- Net outflows during the fourth quarter totaled approximately \$32.4 million.
- The Retirement System outperformed the Policy Benchmark by 1.2% during the first quarter.
 - Portfolio allocation contributed approximately 1.3% to total performance during the first quarter. The first quarter allocation effect is measured by subtracting the Policy Benchmark return of 5.7% from the Custom Benchmark return of 7.0%. The overweight to global equities contributed to the positive effect during the quarter.
 - During the first quarter, active management detracted approximately 0.1% from total performance. This contribution is the difference between the Total Fund return of 6.9% and the Custom Benchmark return of 7.0%.
- At the end of the fourth quarter of 2011, the Board adopted a new asset allocation policy for the System. Russell Investments is managing an overlay program while the System transitions to the new policy. The new policy and new policy benchmarks are reflected within this report.

Manager Highlights

- The Retirement System's global equity managers generally posted strong, double-digit returns during the first quarter. Eagle Small-Cap Growth significantly outperformed the Russell 2000 Growth Index, with a return of 17.3%, compared to 13.3% for the index and 13.7% for the peer universe. Eagle's stock selection in the energy, information technology, consumer staples, and consumer discretionary sectors was positive for relative performance. The strategy's top-performing stocks included OYO Geospace, which makes seismic instruments used in monitoring oil and natural gas reserves, Lufkin Industries, which manufactures pump jacks, and Shuffle Master, which develops and manufactures technology-based products for the gaming industry.
- The Tradewinds Global All Cap strategy, which was liquidated at the end of April, posted poor performance for the first quarter, with a return of 2.4%, compared to 10.5% for the MSCI ACWI Value Index. Tradewinds' holdings in the energy and metals and mining sector were the primary detractors from relative performance.
- Risk parity commodity manager First Quadrant underperformed both the custom risk parity benchmark and the broad commodity market, as proxied by the Dow Jones-UBS Commodity Index, during the first quarter. First Quadrant returned 0.3%, while the custom benchmark returned 1.6% and the Dow Jones-UBS Commodity Index returned 0.9%. First Quadrant's worst performing sector for the quarter was livestock, and First Quadrant's larger exposure to gold also caused it to underperform. Since inception one year ago, First Quadrant has significantly outperformed the broad commodities market and slightly underperformed the custom risk parity benchmark.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation	Comments
Tradewinds	Global Value	Yes	---	Terminate	
Artisan	Global Value	---	---	---	
Calamos	Global Convertibles	---	---	---	
Eagle	U.S. Small Cap Growth	Yes	---	Hold	
RS Investments	U.S. Small Cap Value	Yes	---	Hold	
MacKay Shields	High Yield Bonds	---	---	---	Self-liquidating
Seix	Bank Loans	---	---	---	Self-liquidating
First Quadrant	Commodities	---	---	---	
Credit Suisse	Commodities	---	---	---	
Medley	Opportunistic Debt	Yes	---	Hold	
White Oak	Opportunistic Debt	---	---	---	
GSO	Opportunistic Debt	---	---	---	

- The Meketa Investment Group recommendations above reflect recommendations based on organizational or resource changes at each manager. The manager roster will soon be modified based on asset allocation-related changes resulting from the recently adopted asset allocation. Asset allocation-related recommendations are not reflected in this report.

Tradewinds

- On March 12, 2012, Tradewinds Global Investors notified Meketa Investment Group that Dave Iben, Chief Investment Officer and Portfolio Manager of the Tradewinds Global All Cap strategy, will be leaving the firm at the end of June. Mr. Iben has served as Chief Investment Officer and Co-President of Tradewinds Global Investors since the firm was split from NWQ Investment Management in 2006, and has served as Portfolio Manager of the Global All Cap strategy since its inception in 2005. Mr. Iben will officially leave the firm at the end of June 2012 to join hedge fund Vinik Asset Management.
- Effective immediately, Emily Alejos and Drew Thelen have been appointed Co-Chief Investment Officers and Co-Portfolio Managers of the Global All Cap strategy. Ms. Alejos joined Tradewinds in 2007 and serves as Portfolio Manager on the Tradewinds Emerging Markets Equity strategy, as well as the team's agribusiness and food analyst. Mr. Thelen joined the firm in 2006 and serves as Portfolio Manager of the Tradewinds Global Small Cap strategy, as well as the team's chemicals and services analyst.
- Meketa Investment Group recommended terminating the Tradewinds Global All Cap strategy and transferring the proceeds to the State Street Global Advisors MSCI ACWI IMI passive strategy until a replacement search is completed. The Board of Trustees approved the recommendation in April and the termination took place in early May.

Eagle

- Chief Executive Officer Richard Riess retired on January 31, 2012, and Co-Chief Operating Officers Richard Rossi and Cooper Abbott assumed leadership of the firm. Mr. Riess will continue to work on special projects until the end of 2012. There will be no material change to the firm's investment management as a result of the transition.
- Research analyst Jay Daniel, who covered financials, left Eagle at the end of March to pursue other opportunities. Andy Adebonojo, who joined Eagle in 2011 for additional coverage of healthcare industries, will take over Mr. Daniel's coverage of financials.

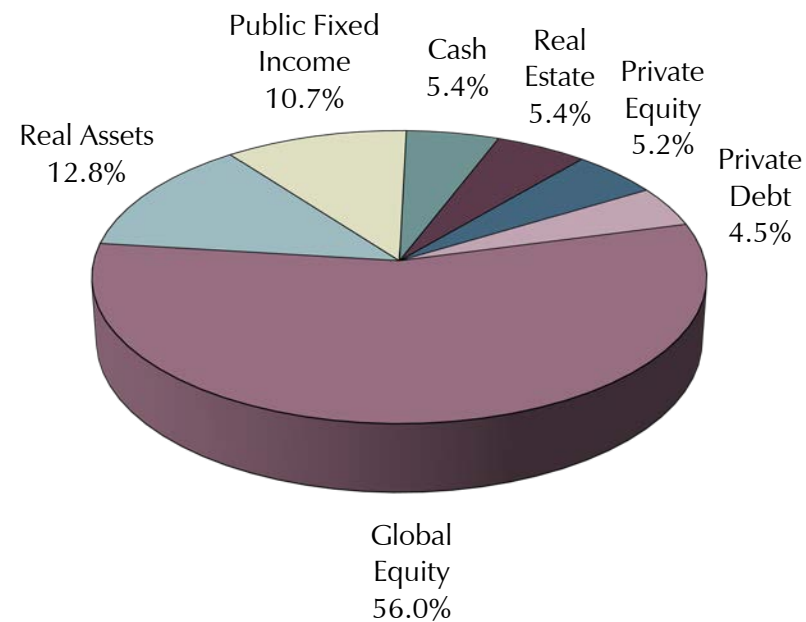
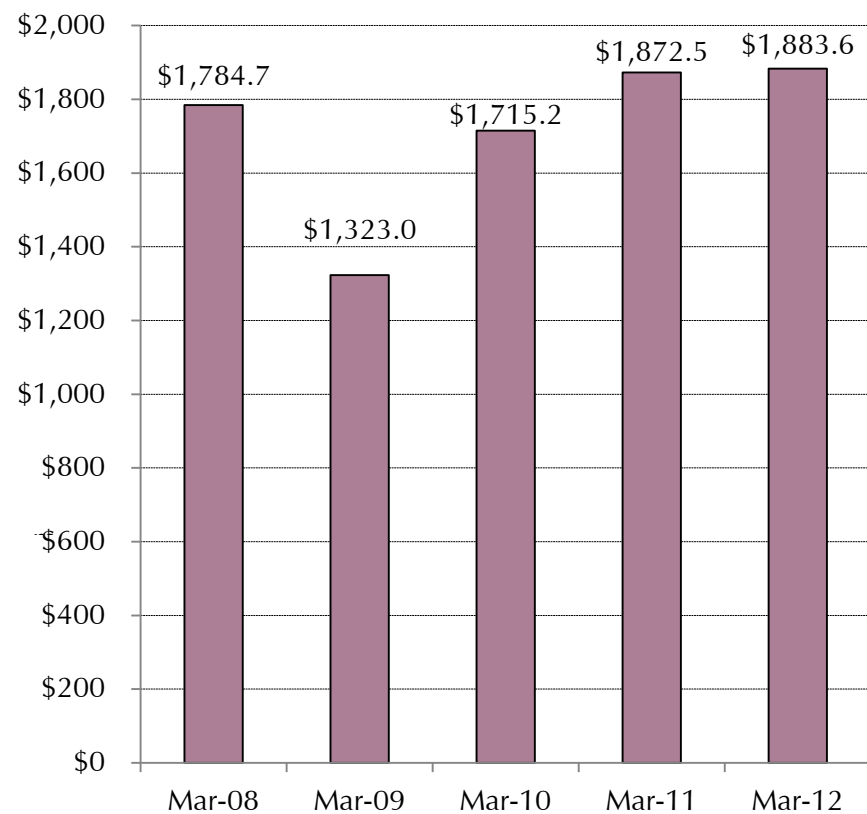
RS Investments

- Analyst Joe Wolf transitioned from the investment team to a management role effective May 1, 2012. Mr. Wolf will be working closely with new firm CEO Matthew Scanlan on day-to-day management of the overall business such as developing new investment products, acquiring new investment teams, and hiring individuals. Mr. Wolf had been part of the value investment team for ten years and had previously transitioned his role as “pod leader” of the investment team to David Kelley. The value investment team now consists of 15 investment professionals, 13 of whom have over ten years of experience.
- During the first quarter, RS Investments hired Bryan Tutor as Chief Operating Officer. Mr. Tutor has over 20 years of experience in the financial services industry, and most recently was Senior Vice President of Strategy, Finance, and Operations at the Guardian Life Insurance Company. His background also includes work as an actuary. In addition, General Counsel Ben Douglas resigned in March 2012 and was replaced by Margherita DiManni, who had previously worked with RS Investments on corporate and transactional legal matters for six years as a Vice President with the Guardian Life Insurance Company.

Medley

- Medley Opportunity Fund made several changes to its Limited Partnership Agreement in connection with its third closing in April 2012. These changes were generally beneficial to current investors. One of the changes was that the General Partner agreed to amend the Partnership Agreement to provide for a management fee offset of 50% of all loan origination fees, upfront fees, and commitment fees. Previously the Fund had paid 100% of these fees.

Plan Summary
As of March 31, 2012



San Jose Federated City Employees' Retirement System

Aggregate Assets Asset Summary as of 3/31/12

	Market Value 3/31/12 (\$ mm)	% of Retirement System	Russell Overlay Net Position ¹ (%)	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 (\$ mm)
Total Fund Aggregate	1,883.6	100.0	100.0	NA	NA	1,795.9
Equity and Real Estate Assets	1,254.5	66.6	61.3	45	38-52	1,142.2
Global Equity Assets	1,054.9	56.0	50.0	31	NA	949.5
Private Equity	97.9	5.2	4.8	9	NA	94.0
Real Estate	101.7	5.4	6.5	5	NA	98.8
Fixed Income Assets	286.5	15.2	12.5	10	5-20	310.3
Public Fixed Income	201.2	10.7	8.1	5	NA	240.8
Private Debt Assets	85.3	4.5	4.4	5	NA	69.5
Real Assets	240.2	12.8	26.0	20	15-25	234.0
Hedge Funds Assets	0.0	0.0	0.0	25	20-30	0.0
Cash ²	102.4	5.4	0.4	NA	NA	109.3

¹ Data in the column titled "Russell Overlay Net Position" is provided by Russell Investments.

² Cash includes the cash account, cash equitized in the Russell Investments Overlay program, and residuals from the Terminated Manager Account. As of 3/31/12, Russell Investments Overlay equitized \$119.9 million in cash. Total cash for the Fund, including cash at managers, totaled \$126.8 million.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/12

	Market Value 3/31/12 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 (\$ mm)
Total Fund Aggregate	1,883.6	NA	100.0	NA	NA	1,795.9
Equity and Real Estate Assets	1,254.5	NA	66.6	45	38-52	1,142.2
Global Equity Assets	1,054.9	100.0	56.0	31	NA	949.5
Northern Trust MSCI ACWI Index ¹	333.3	31.6	17.7			297.6
Tradewinds Global All Cap	99.3	9.4	5.3			97.1
Russell Investments MSCI EAFE Small Cap	96.8	9.2	5.1			84.1
Northern Trust MSCI Emerging Markets Index	93.4	8.9	5.0			82.0
Artisan Global Value	93.2	8.8	5.0			85.0
Northern Trust Russell 3000 Index	91.4	8.7	4.9			81.0
Eagle Small-Cap Growth	64.8	6.1	3.4			55.2
Russell Investments MSCI EAFE Growth	62.7	5.9	3.3			56.1
RS Investments Small Cap Value	60.1	5.7	3.2			54.0
Calamos Global Convertibles	60.0	5.7	3.2			57.4

¹ Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/12

	Market Value 3/31/12 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 (\$ mm)
Equity and Real Estate Assets (continued)						
Private Equity¹	97.9	100.0	5.2	9	NA	94.0
Pathway Private Equity Fund VIII	30.3	30.6	1.6			28.7
Pantheon Global Secondary Fund III	27.8	29.2	1.5			27.5
Pantheon USA Fund VII	27.6	27.6	1.4			25.9
Partners Group Secondary 2008	9.2	9.9	< 1			9.3
Great Hill Equity Partners IV	3.1	2.7	< 1			2.5
Real Estate	101.7	100.0	5.4	5	NA	98.8
Private Real Estate¹	54.6	53.7	2.9			53.0
DRA Growth & Income Fund V	17.2	16.9	< 1			17.0
Fidelity Real Estate Growth Fund III, L.P.	12.7	12.5	< 1			11.9
Milpitas Warehouse	10.6	10.4	< 1			10.7
DRA Growth & Income Fund VI	9.0	8.8	< 1			9.0
GEAM Value Add Realty Partners, L.P.	4.1	4.0	< 1			4.1
DRA Growth & Income Fund VII	1.1	1.1	< 1			0.4
Core Real Estate	47.1	46.3	2.5			45.8
PRISA I	29.2	28.7	1.5			28.3
American Core Realty Fund, LLC	17.9	17.6	1.0			17.4

¹ Fair values are based on reported value as of 12/31/11, adjusted for cash flows through 3/31/12.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/12

	Market Value 3/31/12 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 (\$ mm)
Fixed Income Assets	286.5	NA	15.2	10	5-20	310.3
Public Fixed Income	201.2	100.0	10.7	5	NA	240.8
Russell Investments Barclays U.S. TIPS	124.9	62.1	6.6			154.1
MacKay Shields High Yield Active Core	29.0	14.4	1.5			34.4
Northern Trust Long Term Credit Bond Index	28.0	13.9	1.5			27.8
Seix Credit Dislocation	19.2	9.6	1.0			24.1
Russell Investments Barclays Int. Gov't Bond	0.0	< 1	< 1			0.4
Private Debt Assets	85.3	100.0	4.5	5	NA	69.5
Medley Opportunity Fund II	34.5	40.5	1.8			31.4
GSO Direct Lending Account	27.0	31.7	1.4			15.0
White Oak Direct Lending Account	23.7	27.8	1.3			23.1
Real Assets	240.2	100.0	12.8	20	15-25	234.0
CS Compound Risk Parity Commodity Index	82.6	34.4	4.4			81.4
First Quadrant Risk Parity Commodity Index	81.8	34.1	4.3			81.6
Russell Investments S&P Global Infrastructure	75.7	31.5	4.0			71.0



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 3/31/12

	Market Value 3/31/12 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 (\$ mm)
Cash¹	102.4	100.0	5.4	NA	NA	109.3
Russell Investments Overlay	74.8	73.0	4.0			75.3
Internal Cash Account	27.4	26.7	1.5			33.7
Terminated Manager Residual Cash	0.3	< 1	< 1			0.4
<i>Total Cash (Including Cash at Managers)</i>	<i>126.8</i>		<i>6.7</i>			<i>139.3</i>
<i>Russell Investments Overlay Equitized Cash</i>	<i>119.9</i>		<i>6.4</i>			<i>132.3</i>

¹ Cash includes the cash account, cash equitized in the Russell Investments Overlay program, and residuals from the Terminated Manager Account. As of 3/31/12, Russell Investments Overlay equitized \$119.9 million in cash. Total cash for the Fund, including cash at managers, totaled \$126.8 million.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/12

	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Fund Aggregate²	6.9	0.8	1.8	14.8	2.9	6.5	1/1/94	7.7
Net of Fees	6.9	0.7	1.6	14.6	2.6	6.2		7.4
Total Fund Aggregate with Overlay³	6.7	0.6	1.5	14.7	2.8	6.4	1/1/94	7.6
Net of Fees with Overlay	6.7	0.5	1.4	14.5	2.6	6.1		7.4
<i>CPI (inflation)</i>	1.6	1.6	2.7	2.5	2.2	2.5		2.5
<i>San Jose FCERS Policy Benchmark⁴</i>	5.7	-0.5	0.1	15.0	3.0	6.0		7.5
<i>San Jose FCERS Custom Benchmark⁵</i>	7.0	0.1	0.7	NA	NA	NA		NA
<i>Master Trust Public Funds > \$1 billion (Median)</i>	7.6	3.0	4.3	16.4	3.2	6.3		NA

¹ Fiscal Year ends June 30.

² Represents performance which is gross of fees for public market managers and net of fees for private market managers.

³ According to Russell Investments, the overlay detracted 19 basis points to the Fund's total return for the Fiscal 3Q12, and detracted 24 basis points since the program began in November 2011.

⁴ Please see page 24 of the Plan Summary for the complete Policy Benchmark footnote.

⁵ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted according to actual allocations and re-adjusted monthly.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/12

	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Fund Aggregate								
Equity and Real Estate Assets	9.6	NA	NA	NA	NA	NA	1/1/12	9.6
Global Equity Assets	11.1	-1.6	-1.2	NA	NA	NA	5/1/10	7.4
<i>MSCI ACWI IMI</i>	12.1	-1.3	-1.2	21.7	0.1	6.0		6.7
<i>MSCI ACWI</i>	11.9	-1.0	-0.7	20.8	-0.2	5.3		6.6
Private Equity ²	2.0	5.4	11.2	7.8	4.2	NA	1/1/06	3.1
<i>Venture Economics PE Composite (lagged one qtr.)</i>	4.6	4.1	9.4	14.2	6.6	9.8		9.7
Real Estate ^{2, 3}	2.4	9.7	13.0	-4.7	-3.6	7.0	1/1/94	8.1
<i>NCREIF Property (lagged one qtr.)</i>	3.0	10.5	14.3	2.4	3.1	8.1		5.5
Fixed Income Assets	1.6	NA	NA	NA	NA	NA	1/1/12	1.6
Public Fixed Income	2.0	6.6	9.3	11.4	7.4	7.1	1/1/94	6.6
<i>Barclays Intermediate Gov't Bond Index</i>	-0.4	3.5	5.7	3.4	5.5	4.9		5.5
<i>TIPS Blended Benchmark⁴</i>	1.2	5.1	8.0	7.1	6.5	NA		NA
Private Debt Assets ⁵	0.1	4.0	4.5	NA	NA	NA	12/1/10	2.9
<i>3 Month Libor + 5%</i>	1.4	4.0	5.4	5.5	6.9	NA		5.4

¹ Fiscal Year ends June 30.

² Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.

³ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

⁴ TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS Index and 50% Barclays U.S. TIPS 1-5 Year Index.

⁵ Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.



	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Fund Aggregate (continued)								
Real Assets	2.6	-5.3	-7.7	NA	NA	NA	5/1/10	5.1
<i>Custom Risk Parity Benchmark²</i>	1.6	-5.5	-10.5	NA	NA	NA		NA
<i>CPI-U + 5%</i>	1.2	5.4	7.8	7.7	7.3	7.7		7.8
<i>S&P Global Infrastructure Index</i>	6.9	-1.9	1.2	18.8	-0.1	NA		7.4
<i>Dow Jones-Commodity U.S. Index</i>	0.9	-10.3	-16.3	8.9	-3.8	4.3		2.8

¹ Fiscal Year ends June 30.

² Risk Parity Benchmark returns provided by Staff.



	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Equity and Real Estate Assets	9.6	NA	NA	NA	NA	NA	1/1/12	9.6
Global Equity Assets	11.1	-1.6	-1.2	NA	NA	NA	5/1/10	7.4
Northern Trust MSCI ACWI Index ²	11.9	-1.3	-0.7	NA	NA	NA	6/1/10	13.3
Net of Fees	11.9	-1.3	-0.8	NA	NA	NA		13.2
<i>MSCI ACWI</i>	11.9	-1.0	-0.7	20.8	-0.2	5.3		12.9
Tradewinds Global All Cap	2.4	-6.9	-8.0	NA	NA	NA	4/1/11	-8.0
Net of Fees	2.2	-7.3	-8.6	NA	NA	NA		-8.6
<i>MSCI ACWI Value</i>	10.5	-2.5	-2.9	20.2	-1.9	5.4		-2.9
<i>Peer Global Equity</i>	13.9	-0.2	0.6	22.5	NA	NA		0.6
<i>Peer Ranking (percentile)</i>	99	95	95	NA	NA	NA		95
Russell Investments MSCI EAFE Small Cap	15.1	-4.2	-3.4	NA	NA	NA	6/1/10	14.2
Net of Fees	15.1	-4.3	-3.4	NA	NA	NA		14.1
<i>MSCI EAFE Small Cap</i>	14.9	-7.0	-6.2	24.1	-2.8	9.9		13.6
Northern Trust MSCI Emerging Markets Index	13.9	-8.0	-9.2	NA	NA	NA	5/1/10	3.1
Net of Fees	13.9	-8.1	-9.3	NA	NA	NA		2.9
<i>MSCI Emerging Markets</i>	14.1	-7.8	-8.8	25.1	4.7	14.1		3.5

¹ Fiscal Year ends June 30.

² Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.



	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Artisan Global Value	9.7	6.1	9.5	NA	NA	NA	3/1/11	8.8
Net of Fees	9.5	5.5	8.7	NA	NA	NA		8.0
<i>MSCI ACWI Value</i>	10.5	-2.5	-2.9	20.2	-1.9	5.4		-3.2
<i>Peer Global Equity</i>	13.9	-0.2	0.6	22.5	NA	NA		0.7
<i>Peer Ranking (percentile)</i>	90	10	9	NA	NA	NA		9
Northern Trust Russell 3000 Index	12.9	7.3	7.3	24.5	2.4	4.8	9/1/99	3.3
Net of Fees	12.9	7.2	7.2	24.5	2.3	4.8		3.3
<i>Russell 3000</i>	12.9	7.2	7.2	24.3	2.2	4.7		3.2
Eagle Small-Cap Growth	17.3	0.1	4.6	34.7	8.3	9.5	6/1/98	7.5
Net of Fees	17.3	-0.3	4.1	33.9	7.7	8.9		6.8
<i>Russell 2000 Growth</i>	13.3	1.3	0.7	28.4	4.2	6.0		4.0
<i>Peer Small Cap Growth</i>	13.7	1.8	2.4	28.6	5.2	7.5		8.1
<i>Peer Ranking (percentile)</i>	12	76	29	7	9	10		68
Russell Investments MSCI EAFE Growth	11.8	-5.1	-2.6	NA	NA	NA	6/1/10	12.4
Net of Fees	11.7	-5.1	-2.6	NA	NA	NA		12.3
<i>MSCI EAFE Growth</i>	12.0	-5.7	-3.7	17.7	-1.9	5.5		12.3

¹ Fiscal Year ends June 30.



	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
RS Investments Small Cap Value	11.2	-1.7	-4.1	NA	NA	NA	8/1/10	15.7
Net of Fees	11.0	-2.3	-4.9	NA	NA	NA		14.8
<i>Russell 2000 Value</i>	11.6	1.6	-1.1	25.4	0.0	6.6		14.1
<i>Peer Small Cap Value</i>	12.2	3.2	1.8	29.5	3.7	9.0		17.1
<i>Peer Ranking (percentile)</i>	67	99	97	NA	NA	NA		74
Calamos Global Convertibles	4.5	1.5	-0.6	NA	NA	NA	11/1/09	8.0
Net of Fees	4.4	1.1	-1.1	NA	NA	NA		7.5
<i>Merrill Lynch Global 300 Convertible Index</i>	8.1	-0.9	-1.5	15.2	2.6	NA		7.8
Private Equity²	0.7	4.0	9.8	7.4	3.9	NA	1/1/06	2.9
<i>Venture Economics PE Composite (lagged one qtr.)</i>	4.6	4.1	9.4	14.2	6.6	9.8		9.7
Real Estate³	1.9	9.2	12.5	-4.8	-3.6	7.0	1/1/94	8.1
Private Real Estate ⁴	1.9	9.8	12.1	NA	NA	NA	7/1/09	-7.8
<i>NCREIF Property (lagged one qtr.)</i>	3.0	10.5	14.3	2.4	3.1	8.1		5.5
Core Real Estate	1.9	8.4	13.0	NA	NA	NA	7/1/09	6.5
<i>NCREIF Property</i>	2.9	9.4	13.7	6.1	2.9	8.2		8.7

¹ Fiscal Year ends June 30.

² Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.

³ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

⁴ Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 3/31/12

	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Fixed Income Assets	1.6	NA	NA	NA	NA	NA	1/1/12	1.6
Public Fixed Income	2.0	6.6	9.3	11.4	7.4	7.1	1/1/94	6.6
Russell Investments Barclays U.S. TIPS	1.2	6.3	10.2	NA	NA	NA	5/1/10	8.2
Net of Fees	1.2	6.3	10.2	NA	NA	NA		7.9
<i>TIPS Blended Benchmark²</i>	1.2	5.1	8.0	7.1	6.5	NA		6.8
<i>Barclays U.S. TIPS</i>	0.9	8.2	12.2	8.7	7.6	7.5		9.2
<i>Barclays U.S. TIPS 1-5 Year</i>	1.5	2.1	3.9	5.4	5.3	NA		4.4
MacKay Shields High Yield Active Core	5.1	6.1	7.0	NA	NA	NA	5/1/09	15.1
Net of Fees	5.1	5.9	6.7	NA	NA	NA		14.6
<i>Merrill Lynch U.S. High Yield BB/B</i>	4.4	5.0	6.2	20.1	7.1	8.0		17.2
<i>Barclays High Yield</i>	5.3	5.3	6.5	23.9	8.1	9.2		19.8
<i>Peer High Yield</i>	5.6	5.3	6.2	22.0	7.5	8.9		18.9
<i>Peer Ranking (percentile)</i>	72	25	28	NA	NA	NA		91
Northern Trust Long Term Credit Bond Index	0.6	13.4	17.2	NA	NA	NA	5/1/10	12.0
Net of Fees	0.6	13.3	17.2	NA	NA	NA		11.9
<i>Barclays Long U.S. Credit</i>	0.8	13.5	17.3	17.9	8.5	8.3		11.9
Seix Credit Dislocation	3.6	2.7	2.7	NA	NA	NA	5/1/09	8.0
Net of Fees	3.6	2.5	2.5	NA	NA	NA		7.7
<i>CSFB Leveraged Loan</i>	3.5	2.3	2.6	16.1	3.6	4.9		13.6

¹ Fiscal Year ends June 30.

² TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS Index and 50% Barclays U.S. TIPS 1-5 Year Index.



	1Q12 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Fixed Income (continued)								
Private Debt Assets²	0.1	4.0	4.5	NA	NA	NA	12/1/10	2.9
3 Month Libor + 5%	1.4	4.0	5.4	5.5	6.9	NA		5.4
Real Assets	2.6	-5.3	-7.7	NA	NA	NA	5/1/10	5.1
Credit Suisse Compound Risk Parity Commodity Index ³	1.5	-5.9	-10.6	NA	NA	NA	4/1/11	-10.6
Custom Risk Parity Benchmark ⁴	1.6	-5.5	-10.5	NA	NA	NA		-10.5
Dow Jones-Commodity U.S. Index	0.9	-10.3	-16.3	8.9	-3.8	4.3		-16.3
First Quadrant Risk Parity Commodity Index ³	0.3	-6.6	-11.4	NA	NA	NA	4/1/11	-11.4
Custom Risk Parity Benchmark ⁴	1.6	-5.5	-10.5	NA	NA	NA		-10.5
Dow Jones-Commodity U.S. Index	0.9	-10.3	-16.3	8.9	-3.8	4.3		-16.3
Russell Investments S&P Global Infrastructure	6.7	-2.4	0.5	NA	NA	NA	5/1/10	6.8
Net of Fees	6.7	-2.5	0.4	NA	NA	NA		6.8
S&P Global Infrastructure Index	6.9	-1.9	1.2	18.8	-0.1	NA		7.4
CPI-U + 5%	1.2	5.4	7.8	7.7	7.3	7.7		7.8

¹ Fiscal Year ends June 30.

² Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.

³ Performance is net of fees.

⁴ Risk Parity Benchmark returns provided by Staff.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Total Fund Aggregate¹	-1.5	12.9	19.4	-23.8	8.8	13.0	6.7	11.4	24.4	-3.9
Net of Fees	-1.6	12.8	19.1	-24.0	8.5	12.7	6.4	11.1	24.0	-4.2
Total Fund Aggregate with Overlay²	-1.5	12.9	19.4	-23.8	8.8	13.0	6.7	11.4	24.4	-3.9
Net of Fees with Overlay	-1.7	12.8	19.1	-24.0	8.5	12.7	6.4	11.1	24.0	-4.2
<i>CPI (inflation)</i>	3.0	1.5	2.7	0.1	4.1	2.5	3.4	3.3	1.9	2.4
<i>San Jose FCERS Policy Benchmark³</i>	-1.7	14.4	19.0	-22.8	8.2	13.5	6.7	10.8	20.6	-5.9
<i>San Jose FCERS Custom Benchmark⁴</i>	-2.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Master Trust Public Funds > \$1 billion (Median)</i>	0.7	12.5	19.4	-24.2	7.9	NA	NA	NA	NA	NA

¹ Represents performance which is gross of fees for public market managers and net of fees for private market managers.

² According to Russell Investments, the overlay program, which began in November 2011, detracted 5 basis points to the Fund's total return in 2011.

³ Please see page 24 of the Plan Summary for the complete Policy Benchmark footnote.

⁴ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted according to actual allocations and re-adjusted monthly.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Total Fund Aggregate										
Equity and Real Estate Assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Global Equity Assets	-6.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI IMI</i>	-7.9	14.3	36.4	-42.3	11.2	20.9	11.5	16.4	35.5	-17.6
<i>MSCI ACWI</i>	-7.3	12.7	34.6	-42.2	11.7	21.0	10.8	15.2	34.0	-19.3
Private Equity ¹	15.6	11.0	-13.5	-4.0	15.5	-3.5	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	12.1	15.8	-6.7	-7.3	28.4	17.8	29.0	15.9	8.9	-14.7
Real Estate ^{1, 2}	15.1	7.2	-37.4	-5.4	23.4	13.2	22.9	10.3	28.7	10.7
<i>NCREIF Property (lagged one qtr.)</i>	16.1	5.8	-22.1	5.3	17.3	17.6	19.2	12.4	7.8	5.7
Fixed Income Assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Public Fixed Income	8.6	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0	10.5
<i>Barclays Intermediate Gov't Bond Index</i>	6.1	5.0	-0.3	10.4	8.5	3.8	1.7	2.3	2.3	9.6
<i>TIPS Blended Benchmark³</i>	9.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Private Debt Assets ⁴	4.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.4	5.3	5.9	8.7	10.7	10.5	8.6	NA	NA	NA

¹ Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.

² All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

³ TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS Index and 50% Barclays U.S. TIPS 1-5 Year Index.

⁴ Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Total Fund Aggregate (continued)										
Real Assets	-6.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Benchmark¹</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>CPI-U + 5%</i>	8.1	6.6	7.8	5.1	9.3	7.7	8.7	8.5	7.1	7.6
<i>S&P Global Infrastructure Index</i>	-0.4	5.8	25.3	-39.0	23.2	NA	NA	NA	NA	NA
<i>Dow Jones-Commodity U.S. Index</i>	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9	25.9

¹ Risk Parity Benchmark returns provided by Staff.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Equity and Real Estate Assets (continued)										
Global Equity	-6.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Northern Trust MSCI ACWI Index ¹	-7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI</i>	-7.3	12.7	34.6	-42.2	11.7	21.0	10.8	15.2	34.0	-19.3
Russell Investments MSCI EAFE Small Cap	-13.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-13.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE Small Cap</i>	-15.9	22.0	46.8	-47.0	1.4	19.3	26.2	30.8	61.3	-7.8
Northern Trust MSCI Emerging Markets Index	-18.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-18.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0	25.6	55.8	-6.2
Artisan Global Value	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI ACWI Value</i>	-7.3	10.2	31.7	-41.5	6.7	25.6	10.8	19.1	39.0	-19.3
Northern Trust Russell 3000 Index	1.1	17.2	28.9	-37.3	5.3	15.8	6.2	12.0	31.2	-21.4
Net of Fees	1.1	17.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>Russell 3000</i>	1.0	16.9	28.3	-37.3	5.1	15.7	6.1	11.9	31.1	-21.5

¹ Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Equity and Real Estate Assets (continued)										
Eagle Small-Cap Growth	-2.3	34.4	41.3	-35.8	12.7	21.4	4.2	20.8	44.7	-22.5
Net of Fees	-2.9	33.7	39.5	-36.1	12.0	20.7	3.6	20.0	43.8	-23.0
<i>Russell 2000 Growth</i>	-2.9	29.1	34.5	-38.5	7.0	13.3	4.2	14.3	48.5	-30.3
Russell Investments MSCI EAFE Growth	-10.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-10.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE Growth</i>	-12.1	12.2	29.4	-42.7	16.5	22.3	13.3	16.1	32.0	-16.0
RS Investments Small Cap Value	-7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-7.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Russell 2000 Value</i>	-5.5	24.5	20.6	-28.9	-9.8	23.5	4.7	22.2	46.0	-11.4
Calamos Global Convertibles	-1.3	11.5	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-1.8	11.0	NA	NA	NA	NA	NA	NA	NA	NA
<i>Merrill Lynch Global 300 Convertible Index</i>	-5.7	11.7	36.3	-29.3	6.5	12.8	6.0	NA	NA	NA
Private Equity^{1,2}	15.6	11.0	-13.5	-4.0	15.5	-3.5	NA	NA	NA	NA
<i>Venture Economics PE Composite (lagged one qtr.)</i>	12.1	15.8	-6.7	-7.3	28.4	17.8	29.0	15.9	8.9	-14.7

¹ Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.

² All manager returns are presented one quarter lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Equity and Real Estate Assets (continued)										
Real Estate¹	15.1	7.2	-37.4	-5.4	23.4	13.2	22.9	10.3	28.7	10.7
Private Real Estate ²	14.0	0.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF Property (lagged one qtr.)</i>	16.1	5.8	-22.1	5.3	17.3	17.6	19.2	12.4	7.8	5.7
Core Real Estate	16.3	14.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF Property</i>	14.3	13.1	-16.9	-6.5	15.8	16.6	20.1	14.5	9.0	6.7

¹ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

² Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Fixed Income										
Public Fixed Income	8.6	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0	10.5
Russell Investments Barclays U.S. TIPS	11.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	11.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>TIPS Blended Benchmark¹</i>	9.2	5.1	11.5	-2.4	11.0	1.4	2.2	NA	NA	NA
<i>Barclays U.S. TIPS</i>	13.6	6.3	11.4	-2.4	11.6	0.4	2.8	8.5	8.4	16.6
<i>Barclays U.S. TIPS 1-5 Year</i>	4.9	3.9	11.5	-2.5	10.3	2.4	1.6	NA	NA	NA
MacKay Shields High Yield Active Core	4.8	13.7	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	4.3	13.2	NA	NA	NA	NA	NA	NA	NA	NA
<i>Merrill Lynch U.S. High Yield BB/B</i>	5.4	14.5	46.1	-23.7	2.7	10.7	3.4	9.9	23.0	-1.3
<i>Barclays High Yield</i>	5.0	15.1	58.2	-26.2	1.9	11.8	2.7	11.1	29.0	-1.4
Northern Trust Long Term Credit Bond Index	16.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	16.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays Long U.S. Credit</i>	17.1	10.7	16.8	-3.9	3.6	3.5	3.8	9.4	10.4	11.9
Seix Credit Dislocation	1.0	7.8	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.7	7.5	NA	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	1.8	10.0	44.9	-28.8	1.9	7.2	5.7	5.6	11.0	1.1
Private Debt Assets²	4.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>3 Month Libor + 5%</i>	5.4	5.3	5.9	8.7	10.7	10.5	8.6	NA	NA	NA

¹ TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS Index and 50% Barclays U.S. TIPS 1-5 Year Index.

² Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

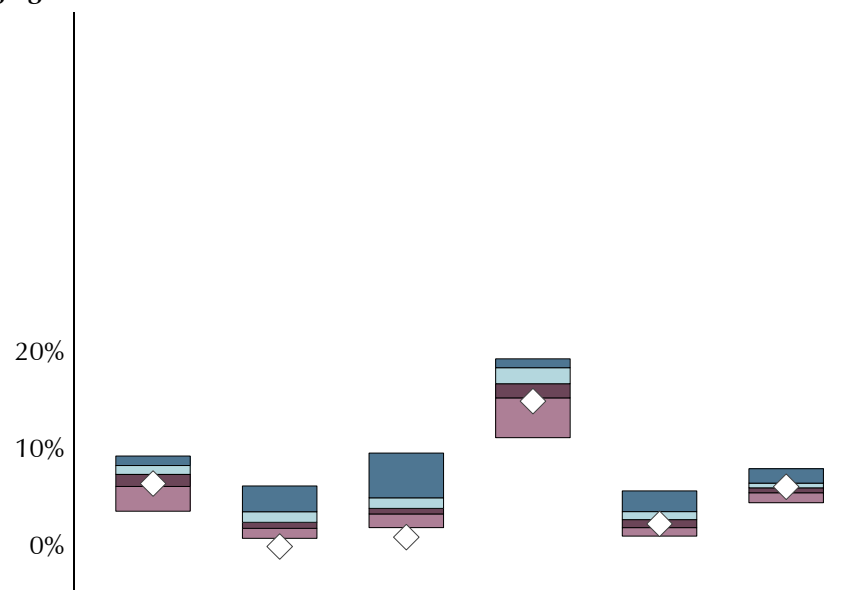
	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Real Assets	-6.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Credit Suisse Compound Risk Parity Commodity Index ¹	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Benchmark</i> ²	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Dow Jones-Commodity U.S. Index</i>	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9	25.9
First Quadrant Risk Parity Commodity Index ¹	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Custom Risk Parity Benchmark</i> ²	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Dow Jones-Commodity U.S. Index</i>	-13.4	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9	25.9
Russell Investments S&P Global Infrastructure	-1.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-1.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>S&P Global Infrastructure Index</i>	-0.4	5.8	25.3	-39.0	23.2	NA	NA	NA	NA	NA
<i>CPI-U + 5%</i>	8.1	6.6	7.8	5.1	9.3	7.7	8.7	8.5	7.1	7.6

¹ Performance is net of fees.

² Risk Parity Benchmark returns provided by Staff.



Total Fund Aggregate¹ vs. Public Funds >\$1 billion¹



	1Q12 (%)	Fiscal YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Total Fund Aggregate with Overlay¹	6.7	0.6	1.5	14.7	2.8	6.4
25th percentile	8.5	4.0	5.3	18.0	4.0	6.8
Median	7.6	3.0	4.3	16.4	3.2	6.3
75 Percentile	6.4	2.4	3.8	15.0	2.4	5.8

¹ Universe data provided by InvestMetrics.

San Jose Federated City Employees' Retirement System

Policy Benchmark Description

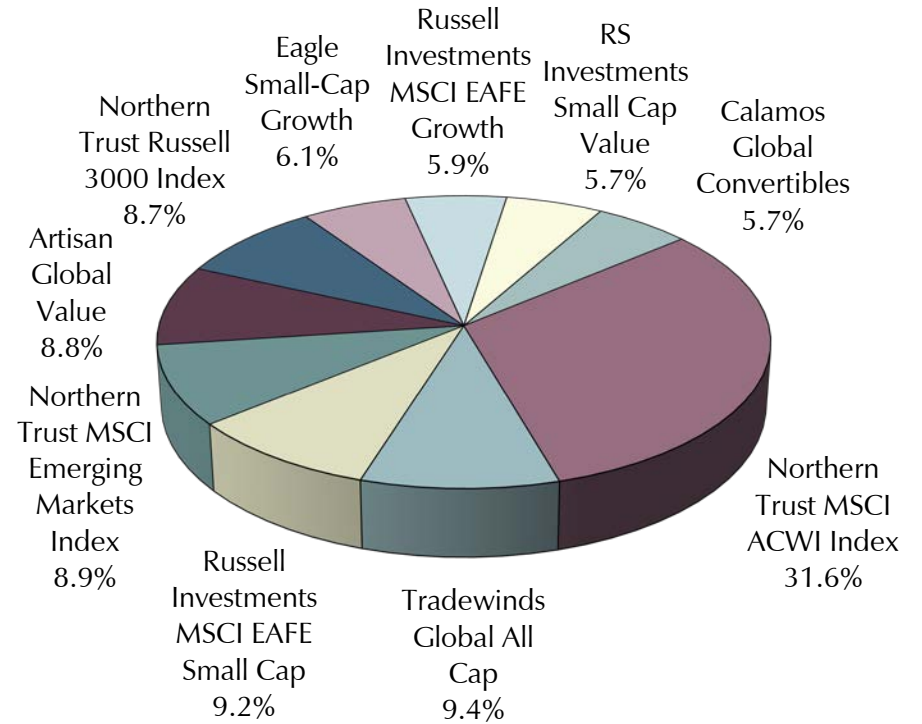
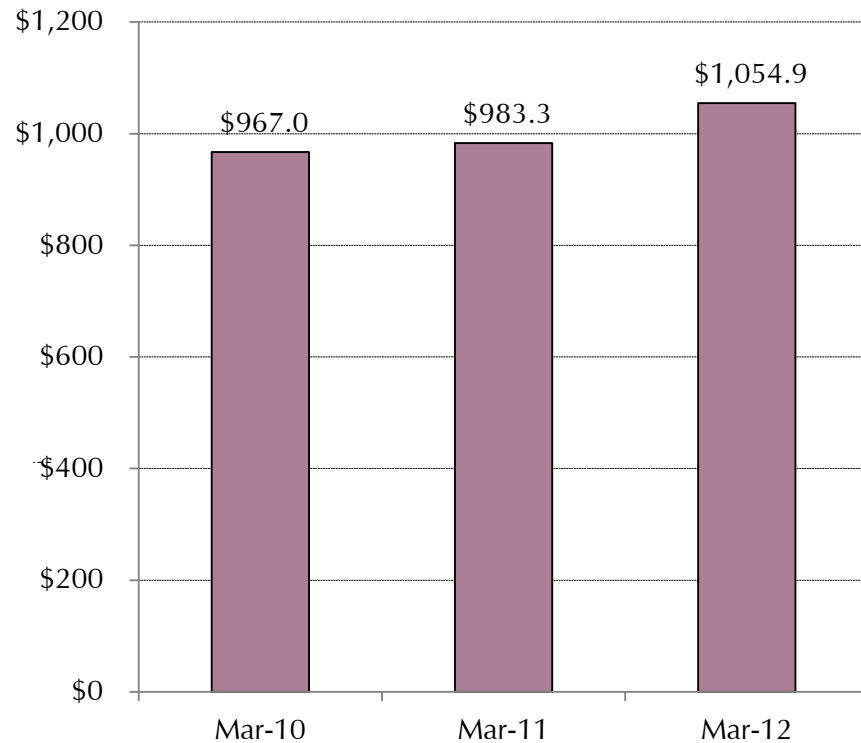
Time Period	Composition	
3/31/2011-12/31/2011	31%	MSCI ACWI IMI
	9	Venture Economics Private Equity
	5	NCREIF Property
	2.5	Barclays Intermediate Government
	1.25	Barclays U.S. TIPS
	1.25	Barclays U.S. TIPS 0-5 Years
	5	3-Month LIBOR + 5%
	10	Risk Parity Commodities
	10	CPI-U + 5%
	25	HFRI Fund of Funds Composite
3/31/2011-12/31/2011	16%	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI
	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Custom Risk Parity Benchmark
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%

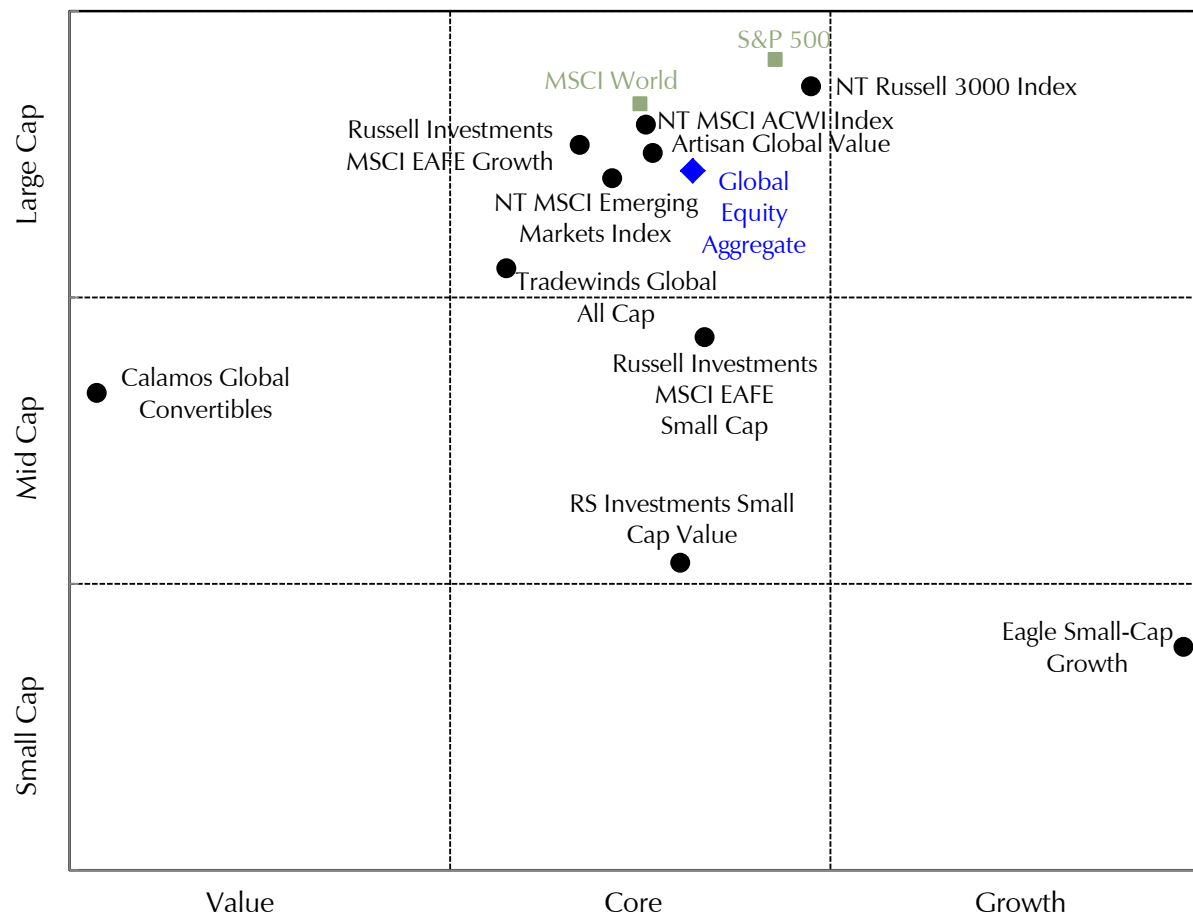
Time Period	Composition	
3/31/2010-3/31/2011	16%	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI
	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Dow-Jones UBS Commodities
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%
Inception – April 2010	34%	Russell 1000
	9	Russell 2000
	29	Barclays Aggregate
	7	S&P Citigroup WGBI
	15	MSCI ACWI ex U.S.
	6	NCREIF Property



Plan Detail

Global Equity Assets As of March 31, 2012

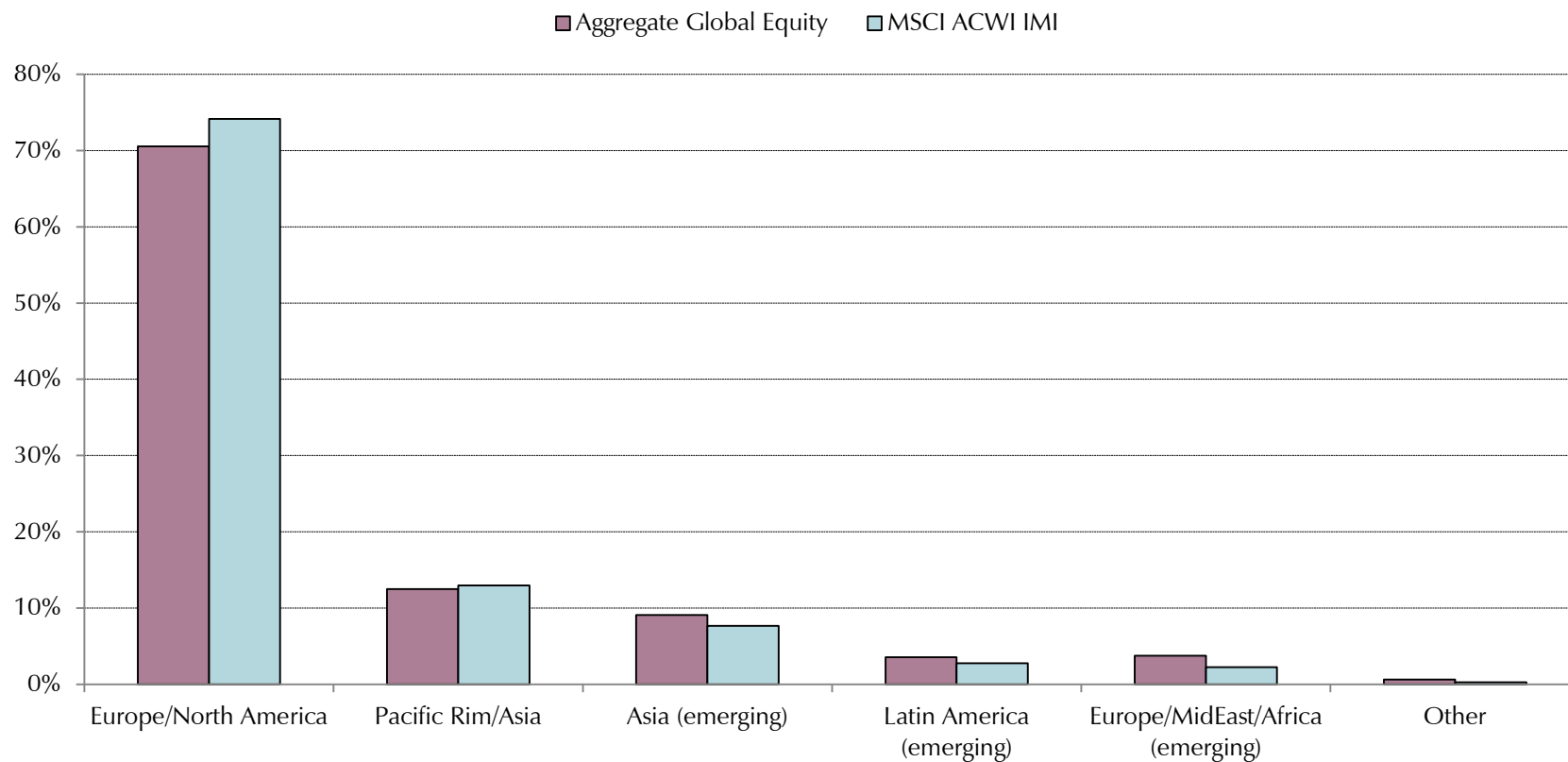




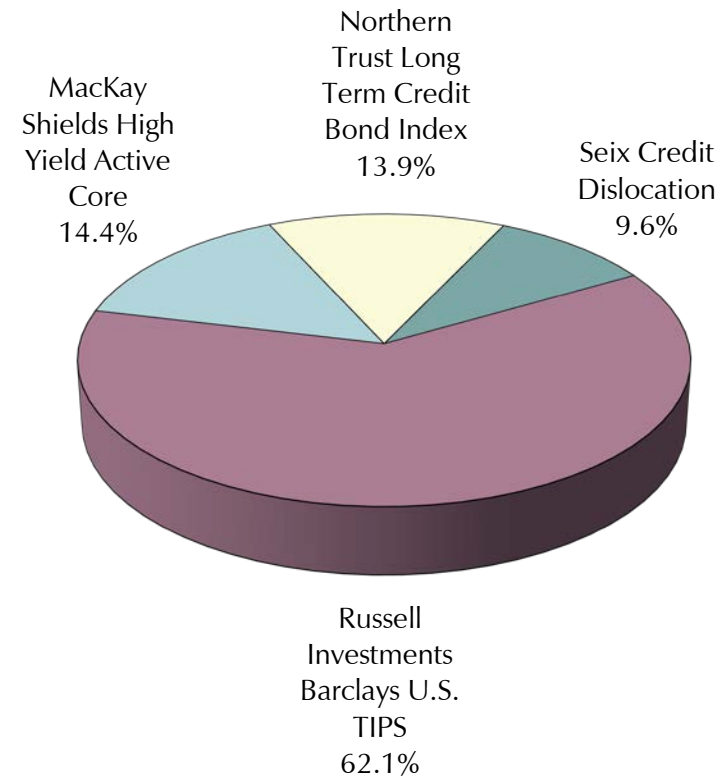
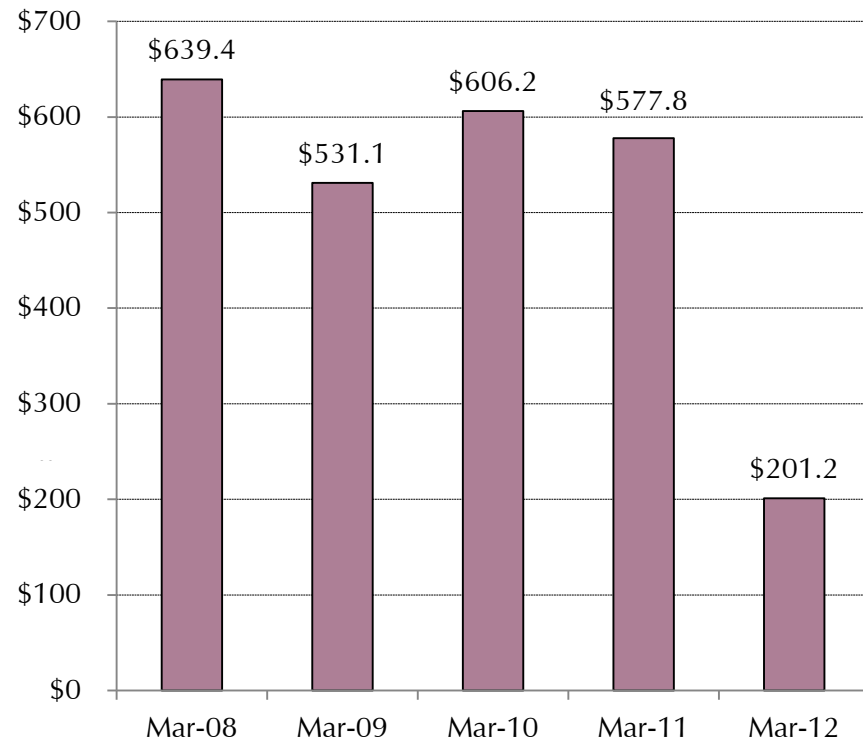
	Aggregate Global Equity 3/31/12	MSCI ACWI IMI 3/31/12	Aggregate Global Equity 12/31/11
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	49.9	66.8	45.1
Median Market Cap. (US\$ billion)	2.4	1.0	2.4
Large (% over US\$10 billion)	61	71	58
Medium (% US\$2 billion to US\$10 billion)	25	21	27
Small (% under US\$2 billion)	14	8	15
Fundamental Structure:			
Price-Earnings Ratio	19	19	17
Price-Book Value Ratio	2.8	3.0	2.6
Dividend Yield (%)	2.4	2.5	2.6
Historical Earnings Growth Rate (%)	8	7	8
Projected Earnings Growth Rate (%)	12	12	11

Sector Allocation (%):	Aggregate Global Equity 3/31/12	MSCI ACWI IMI 3/31/12	Aggregate Global Equity 12/31/11
Information Technology	14	13	14
Consumer Discretionary	12	11	12
Industrials	13	11	13
Materials	9	8	10
Health Care	8	9	9
Utilities	4	4	4
Telecom	4	4	4
Consumer Staples	9	9	9
Energy	9	11	10
Financials	18	20	17

	Aggregate Global Equity 3/31/12 (%)	MSCI ACWI IMI 3/31/12 (%)
Europe/North America	70.5	74.1
United States	45.1	46.8
France	3.3	3.1
Switzerland	2.9	2.9
Germany	2.0	3.0
Canada	3.5	4.4
United Kingdom	7.8	8.0
Pacific Rim/Asia	12.5	13.0
Japan	8.6	8.1
Australia	2.5	3.1
Asia (emerging)	9.1	7.6
South Korea	0.4	0.0
China	2.5	2.1
Taiwan	1.6	1.5
Latin America (emerging)	3.5	2.8
Brazil	2.4	1.8
Europe/MidEast/Africa (emerging)	3.7	2.2
Russia	1.3	0.8
South Africa	1.5	1.0
Other	0.6	0.2



**Public Fixed Income Assets
As of March 31, 2012**



Risk: (sixty months)	Aggregate Public Fixed Income 3/31/12	Barclays Universal 3/31/12
Annualized Return (%)	7.4	6.2
Standard Deviation (%)	5.0	4.0
Best Monthly Return (%)	4.8	3.8
Worst Monthly Return (%)	-3.8	-3.6
Beta	1.11	1.00
Correlation (R ²) to Index	0.90	1.00
Correlation to Total Fund Return	0.63	NA
Sharpe Measure (risk-adjusted return)	1.24	1.26
Information Ratio	0.54	NA

Duration & Yield:

Average Effective Duration (years)

Yield to Maturity (%)

Aggregate Public
Fixed Income
3/31/12

Barclays Universal
3/31/12

Aggregate Public
Fixed Income
12/31/11

4.6

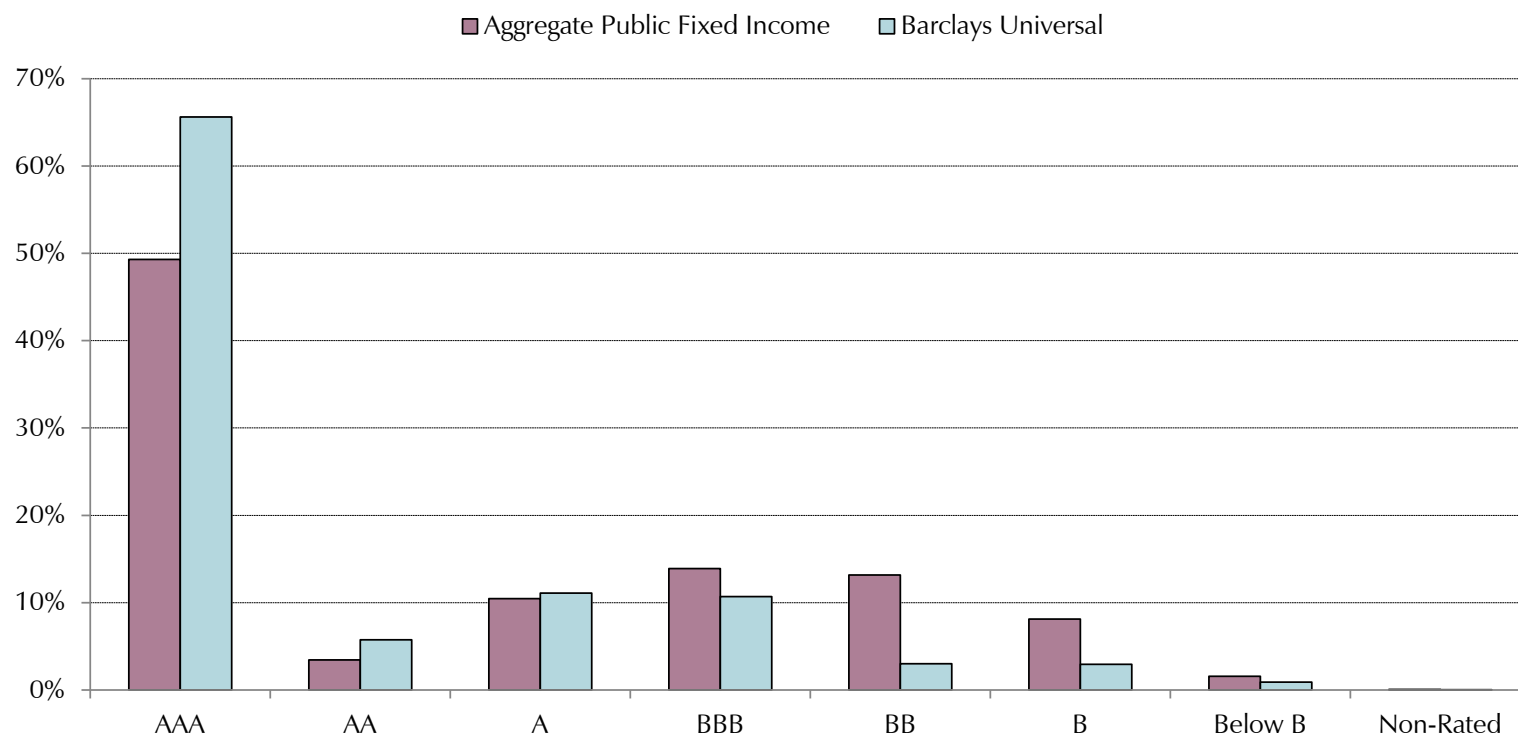
5.0

4.5

3.0

2.7

3.4



	Aggregate Public Fixed Income 3/31/12	Barclays Universal 3/31/12	Aggregate Public Fixed Income 12/31/11
Market Allocation (%):			
United States	87	85	90
Foreign (developed markets)	12	12	9
Foreign (emerging markets)	1	3	1
Currency Allocation (%):			
Non-U.S. Dollar Exposure	5	0	3
Sector Allocation (%):			
U.S. Treasury-Nominal	0	31	0
U.S. Treasury-TIPS	48	0	52
U.S. Agency	0	8	0
Mortgage Backed	0	27	0
Corporate	20	27	19
Bank Loans	6	0	6
Local & Provincial Government	1	1	1
Sovereign & Supranational	1	4	1
Commercial Mortgage Backed	0	2	0
Asset Backed	0	0	0
Cash Equivalent	2	0	4
Other ¹	22	0	18

¹ For the purpose of portfolio characteristics, the convertible bond mandate is included in Public Fixed Income Assets.

Portfolio Reviews
As of March 31, 2012

Global Equity Portfolio Reviews As of March 31, 2012

San Jose Federated City Employees' Retirement System

Northern Trust MSCI ACWI Index Portfolio Detail as of 3/31/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$333.3 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 6/1/2010
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.05% on all assets

Liquidity Constraints:
Daily

Strategy:

The Northern Trust All Country World Index (ACWI) strategy seeks to match, as closely as possible, the performance of the Morgan Stanley Capital International All Country World (ex. U.S.) Index. This passive strategy gives low cost, broad exposure to developed and emerging equity markets.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 6/1/10
Northern Trust MSCI ACWI Index¹	11.9	-1.3	-0.7	13.3
Net of Fees	11.9	-1.3	-0.8	13.2
MSCI ACWI	11.9	-1.0	-0.7	12.9

	3/31/12		12/31/11	
Capitalization Structure:	NT MSCI ACWI	MSCI ACWI	NT MSCI ACWI	MSCI ACWI
Weighted Average Market Cap. (US\$ billion)	69.6	76.8	62.2	68.6
Median Market Cap. (US\$ billion)	2.7	7.3	2.7	6.5
Large (% over US\$10 billion)	76	82	74	80
Medium (% US\$2 billion to US\$10 billion)	20	17	22	20
Small (% under US\$2 billion)	4	1	4	1

Fundamental Structure:

Price-Earnings Ratio	19	18	16	16
Price-Book Value Ratio	3.0	3.0	2.7	2.8
Dividend Yield (%)	2.7	2.6	2.9	2.7
Historical Earnings Growth Rate (%)	7	7	7	7
Projected Earnings Growth Rate (%)	11	11	10	10

Sector Allocation (%):

Financials	20	20	19	18
Information Technology	13	13	12	12
Industrials	11	11	11	10
Energy	11	11	12	12
Consumer Discretionary	11	10	10	10
Consumer Staples	10	10	10	11
Health Care	9	9	9	9
Materials	8	8	8	8
Telecom	4	4	5	5
Utilities	4	4	4	4

Diversification:

Number of Holdings	4,760	2,429	4,501	2,433
% in 5 largest holdings	5	6	5	5
% in 10 largest holdings	8	9	8	9

Region Allocation (%):

Europe/North America	74	74	74	74
Pacific Rim/Asia	13	13	13	13
Asia (emerging)	8	8	7	7
Latin America (emerging)	3	3	3	3
Europe/MidEast/Africa (emerging)	2	2	2	2
Other	0	0	0	0

Largest Five Holdings:

		Industry
Apple Computer	1.6	Technology Hardware
ExxonMobil	1.3	Energy
IBM	0.7	Software & Services
Nestle	0.7	Food Beverage & Tobacco
Microsoft	0.7	Software & Services

¹ Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.



San Jose Federated City Employees' Retirement System

Tradewinds Global All Cap Portfolio Detail as of 3/31/12

Mandate: Global Equities
Active/Passive: Active
Market Value: \$99.3 million
Portfolio Manager: Dave Iben, CFA
Location: Los Angeles, California
Inception Date: 4/1/2011
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.75% on first \$10 mm; 0.65% on next \$30 mm; 0.55% on next \$160 mm; 0.525% thereafter

Liquidity Constraints:

Monthly

Strategy:

Tradewinds believes that markets are not always efficient and they seek to take advantage of occasional material mis-pricings anywhere in the world regardless of geography or market capitalization. While remaining flexible and opportunistic in terms of where they source investment ideas, Tradewinds is very disciplined in the valuation they are willing to pay. The team looks for companies that trade at attractive absolute valuations, offer good downside protection and possess strong franchise quality.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 4/1/11
Tradewinds Global All Cap	2.4	-6.9	-8.0	-8.0
Net of Fees	2.2	-7.3	-8.6	-8.6
MSCI ACWI Value	10.5	-2.5	-2.9	-2.9
Peer Global Equity	13.9	-0.2	0.6	0.6
Peer Ranking (percentile)	99	95	95	95

	3/31/12		12/31/11	
	Tradewinds Global All Cap	MSCI ACWI Value	Tradewinds Global All Cap	MSCI ACWI Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	24.6	78.8	25.4	77.0
Median Market Cap. (US\$ billion)	5.7	6.6	5.3	5.8
Large (% over US\$10 billion)	51	83	49	82
Medium (% US\$2 billion to US\$10 billion)	31	16	35	18
Small (% under US\$2 billion)	18	1	16	1

Fundamental Structure:

Price-Earnings Ratio	19	15	15	13
Price-Book Value Ratio	1.5	1.9	1.5	1.8
Dividend Yield (%)	3.1	3.4	3.0	3.5
Historical Earnings Growth Rate (%)	2	1	6	1
Projected Earnings Growth Rate (%)	12	8	11	7

Sector Allocation (%):

Materials	21	6	22	6
Industrials	17	8	16	8
Telecom	11	7	10	8
Utilities	9	6	9	6
Information Technology	8	5	9	5
Consumer Discretionary	5	6	5	6
Consumer Staples	3	6	3	6
Energy	10	15	10	16
Health Care	5	10	6	11
Financials	9	30	10	28

Diversification:

Number of Holdings	88	1,319	86	1,321
% in 5 largest holdings	17	9	18	9
% in 10 largest holdings	29	15	32	15

Region Allocation (%):

Americas	40	51	39	51
Europe	16	23	15	24
Pacific Rim	18	13	21	13
Other	25	13	25	13

Largest Five Holdings:

		Industry
Newmont Mining	4.4	Materials
Cameco	3.5	Materials
Barrick Gold	3.1	Materials
Eli Lilly & Company	2.9	Pharmaceuticals & Biotech
EDF	2.8	Utilities



San Jose Federated City Employees' Retirement System

Russell Investments MSCI EAFE Small Cap Portfolio Detail as of 3/31/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$96.8 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 6/1/2010
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

Base fee of \$50,000. In addition 0.05% on first \$200 mm; 0.03% on next \$200 mm; 0.015% thereafter. Fee applies to aggregated Russell Investment accounts.

Liquidity Constraints:

Daily

Strategy:

Russell Investments manages an optimized portfolio with a Tracking Error target of 2.0% to the MSCI EAFE Small Cap Index.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 6/1/10
Russell Investments MSCI EAFE Small Cap	15.1	-4.2	-3.4	14.2
Net of Fees	15.1	-4.3	-3.4	14.1
MSCI EAFE Small Cap	14.9	-7.0	-6.2	13.6

	3/31/12 MSCI EAFE Small Cap	3/31/12 MSCI EAFE Small Cap	12/31/11 MSCI EAFE Small Cap	12/31/11 MSCI EAFE Small Cap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	15.0	1.6	13.9	1.4
Median Market Cap. (US\$ million)	900.3	650.3	794.5	569.1
Large (% over US\$10 billion)	35	0	33	0
Medium (% US\$2 billion to US\$10 billion)	28	30	28	22
Small (% under US\$2 billion)	36	70	39	78

Fundamental Structure:

Price-Earnings Ratio	20	20	16	17
Price-Book Value Ratio	2.3	2.2	2.1	1.9
Dividend Yield (%)	2.8	3.0	3.1	3.3
Historical Earnings Growth Rate (%)	5	4	3	5
Projected Earnings Growth Rate (%)	14	15	12	12

Sector Allocation (%):

Industrials	26	23	26	23
Consumer Discretionary	17	18	16	18
Financials	13	19	13	20
Materials	11	11	11	11
Information Technology	10	9	9	9
Consumer Staples	7	6	8	7
Health Care	6	5	6	6
Energy	5	5	6	5
Telecom	3	1	3	1
Utilities	2	2	2	2

Diversification:

Number of Holdings	468	2,343	466	2,362
% in 5 largest holdings	6	2	6	2
% in 10 largest holdings	11	3	10	3

Region Allocation (%):

Americas	2	0	2	0
Europe	56	56	56	54
Pacific Rim	41	44	41	46
Other	1	0	1	0

Largest Five Holdings:

		Industry
Dassault Systems	1.6	Software & Services
WPP Plc	1.1	Media
Shire	1.1	Pharmaceuticals & Biotech
Rolls Royce	1.1	Capital Goods
JGC	1.0	Capital Goods



San Jose Federated City Employees' Retirement System

Northern Trust MSCI Emerging Markets Index Portfolio Detail as of 3/31/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$93.4 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 5/1/2010
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.15% on all assets

Liquidity Constraints:
 Daily

Strategy:

The Northern Trust Strategy seeks to replicate the return of the MSCI Emerging Markets Index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 5/1/10
Northern Trust MSCI Emerging Markets Index	13.9	-8.0	-9.2	3.1
Net of Fees	13.9	-8.1	-9.3	2.9
MSCI Emerging Markets	14.1	-7.8	-8.8	3.5

	3/31/12		12/31/11	
Capitalization Structure:	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Weighted Average Market Cap. (US\$ billion)	47.2	47.1	41.6	41.9
Median Market Cap. (US\$ billion)	5.0	5.0	4.4	4.4
Large (% over US\$10 billion)	67	67	63	64
Medium (% US\$2 billion to US\$10 billion)	30	30	32	32
Small (% under US\$2 billion)	3	3	4	4

Fundamental Structure:	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Price-Earnings Ratio	16	15	14	14
Price-Book Value Ratio	2.7	2.8	2.5	2.5
Dividend Yield (%)	3.0	2.8	3.0	3.0
Historical Earnings Growth Rate (%)	15	15	15	15
Projected Earnings Growth Rate (%)	12	13	11	11

Sector Allocation (%):	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Financials	24	24	24	24
Information Technology	14	14	13	13
Energy	14	14	14	14
Materials	13	13	13	13
Consumer Discretionary	8	8	8	8
Consumer Staples	8	8	8	8
Telecom	8	8	8	9
Industrials	7	7	6	6
Utilities	4	4	4	4
Health Care	1	1	1	1

Diversification:	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Number of Holdings	809	819	869	820
% in 5 largest holdings	10	10	10	10
% in 10 largest holdings	17	16	16	16

Region Allocation (%):	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Asia	59	59	59	59
Latin America	24	23	23	23
Europe, Middle East and Africa	17	18	18	18
Canada	0	0	0	0
Other	0	0	0	0

Largest Five Holdings:	Industry
Samsung	Semiconductors
Taiwan Semiconductor	Semiconductors
China Mobile	Telecommunication Services
Gazprom	Energy
Petrol Brasileiros	Energy



San Jose Federated City Employees' Retirement System

Artisan Global Value Portfolio Detail as of 3/31/12

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$93.2 million

Portfolio Manager: David Samra
Dan O'Keefe

Location: San Francisco, California

Inception Date: 3/1/2011

Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.80% on first \$50 mm; 0.60% on next \$50 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

Artisan employs a bottom-up investment approach seeking to identify undervalued quality businesses that offer the potential for superior risk/reward outcomes. Artisan runs a somewhat concentrated portfolio of 40 to 60 stocks. They are benchmark-agnostic, and willing to have exposures that are materially different than the benchmark.

Guidelines:

Benchmark = MSCI ACWI; Max. % per country other than U.S. = 35%; Max. % per industry = 25%; Max. % in debt securities = 10%; Max % outside developed markets = 10% above benchmark weighting

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 3/1/11
Artisan Global Value	9.7	6.1	9.5	8.8
Net of Fees	9.5	5.5	8.7	8.0
MSCI ACWI Value	10.5	-2.5	-2.9	-3.2
Peer Global Equity	13.9	-0.2	0.6	0.7
Peer Ranking (percentile)	90	10	9	9

	3/31/12 Artisan Global Value	MSCI ACWI Value	12/31/11 Artisan Global Value	MSCI ACWI Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	56.8	78.8	54.9	77.0
Median Market Cap. (US\$ billion)	19.9	6.6	24.1	5.8
Large (% over US\$10 billion)	85	83	78	82
Medium (% US\$2 billion to US\$10 billion)	15	16	22	18
Small (% under US\$2 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	17	15	15	13
Price-Book Value Ratio	3.0	1.9	2.8	1.8
Dividend Yield (%)	2.1	3.4	2.1	3.5
Historical Earnings Growth Rate (%)	7	1	7	1
Projected Earnings Growth Rate (%)	11	8	11	7

Sector Allocation (%):

Information Technology	19	5	18	5
Consumer Discretionary	16	6	20	6
Consumer Staples	15	6	14	6
Industrials	8	8	9	8
Financials	29	30	27	28
Health Care	8	10	8	11
Materials	2	6	2	6
Utilities	0	6	0	6
Telecom	0	7	0	8
Energy	2	15	3	16

Diversification:

Number of Holdings	41	1,319	41	1,321
% in 5 largest holdings	22	9	23	9
% in 10 largest holdings	40	15	41	15

Region Allocation (%):

Americas	63	51	63	51
Europe	32	23	30	24
Pacific Rim	5	13	6	13
Other	0	13	0	13

Largest Five Holdings:

		Industry
Compass Group	4.9	Consumer Services
MasterCard	4.7	Software & Services
TE Connectivity	4.3	Technology Hardware
Google	4.2	Software & Services
Signet Jewelers	3.9	Retailing



San Jose Federated City Employees' Retirement System

Northern Trust Russell 3000 Index Portfolio Detail as of 3/31/12

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$91.4 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 9/1/1999
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.02% on all assets

Liquidity Constraints:
 Daily

Strategy:

The Northern Trust strategy seeks to replicate the return of the Russell 3000 Index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	1Q12	Fiscal YTD	1 YR	3 YR	5 YR	Since 9/1/99
Northern Trust Russell 3000 Index	12.9	7.3	7.3	24.5	2.4	3.3
Net of Fees	12.9	7.2	7.2	24.5	2.3	3.3
Russell 3000	12.9	7.2	7.2	24.3	2.2	3.2

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 3000 Index	20.8%	1.00	0.06	NA	1.00
Russell 3000	20.8	1.00	0.05	NA	1.00

	3/31/12		12/31/11	
Capitalization Structure:	NT Russell 3000	Russell 3000	NT Russell 3000	Russell 3000
Weighted Average Market Cap. (US\$ billion)	92.0	92.0	78.3	78.5
Median Market Cap. (US\$ billion)	1.3	1.0	1.1	0.9
Large (% over US\$10 billion)	75	75	73	73
Medium (% US\$2 billion to US\$10 billion)	18	18	20	19
Small (% under US\$2 billion)	7	7	7	7

Fundamental Structure:

Price-Earnings Ratio	20	20	18	18
Price-Book Value Ratio	3.5	3.6	3.2	3.2
Dividend Yield (%)	1.8	1.8	2.0	2.0
Historical Earnings Growth Rate (%)	9	9	8	8
Projected Earnings Growth Rate (%)	12	12	11	11

Sector Allocation (%):

Information Technology	20	20	18	18
Financials	16	16	15	15
Consumer Discretionary	12	12	12	12
Health Care	11	11	12	12
Industrials	11	11	11	11
Energy	10	10	11	11
Consumer Staples	9	9	10	10
Materials	4	4	4	4
Utilities	3	3	4	4
Telecom	2	2	3	3

Diversification:

Number of Holdings	2,653	2,918	2,676	2,946
% in 5 largest holdings	11	11	10	10
% in 10 largest holdings	17	17	17	17

Largest Ten Holdings:

		Industry
Apple Computer	3.5	Technology Hardware
ExxonMobil	2.7	Energy
IBM	1.6	Software & Services
Microsoft	1.5	Software & Services
Chevron	1.4	Energy
General Electric	1.4	Capital Goods
Procter & Gamble	1.2	Household/Personal Products
AT&T	1.2	Telecommunication Services
JPMorgan	1.2	Diversified Financials
Johnson & Johnson	1.2	Pharmaceuticals & Biotech



San Jose Federated City Employees' Retirement System

Eagle Small-Cap Growth Portfolio Detail as of 3/31/12

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$64.8 million
Portfolio Manager: Bert L. Boksen, CFA
Location: St. Petersburg, Florida
Inception Date: 6/1/1998
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.75% on first \$3 mm; 0.70% on next \$7 mm; 0.60% on next \$40 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

Eagle Asset Management seeks to capture the significant long-term capital appreciation potential of small, rapidly growing, under-researched companies. The market capitalization of these companies falls within the market cap range of the Russell 2000 Index at the time of purchase. Since the small company sector historically has been less efficient than the large capitalization sector, they believe that conducting extensive proprietary research on companies that are not widely followed or owned institutionally should enable Eagle to capitalize on market inefficiencies and thus outperform the Russell 2000 Growth Index.

Guidelines:

Maximum of 5% in one issuer, and maximum of 5% preferred stock.

Performance (%):	1Q12	Fiscal YTD	1 YR	3 YR	5 YR	Since 6/1/98
Eagle Small-Cap Growth	17.3	0.1	4.6	34.7	8.3	7.5
Net of Fees	17.3	-0.3	4.1	33.9	7.7	6.8
Russell 2000 Growth	13.3	1.3	0.7	28.4	4.2	4.0
Peer Small Cap Growth	13.7	1.8	2.4	28.6	5.2	8.1
Peer Ranking (percentile)	12	76	29	7	9	68
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index	
Eagle Small-Cap Growth	27.5%	0.97	0.26	0.82	0.98	
Russell 2000 Growth	26.9	1.00	0.11	NA	1.00	

	3/31/12	12/31/11
Capitalization Structure:	Eagle	Russell 2000 Growth
Weighted Average Market Cap. (US\$ billion)	1.6	1.5
Median Market Cap. (US\$ billion)	1.4	0.6
Large (% over US\$10 billion)	0	0
Medium (% US\$2 billion to US\$10 billion)	27	31
Small (% under US\$2 billion)	73	69

Fundamental Structure:

Price-Earnings Ratio	31	30	28	29
Price-Book Value Ratio	3.6	4.3	3.1	4.0
Dividend Yield (%)	0.5	0.7	0.4	0.7
Historical Earnings Growth Rate (%)	12	11	11	11
Projected Earnings Growth Rate (%)	19	18	18	18

Sector Allocation (%):

Materials	5	4	6	4
Information Technology	24	23	22	23
Consumer Discretionary	16	15	17	14
Energy	9	8	8	9
Utilities	0	0	0	0
Industrials	17	17	18	17
Health Care	20	20	19	20
Financials	7	8	6	8
Telecom	0	1	0	1
Consumer Staples	3	4	3	4

Diversification:

Number of Holdings	91	1,145	92	1,162
% in 5 largest holdings	14	3	15	3
% in 10 largest holdings	24	5	26	5

Largest Ten Holdings:

	Industry
Genesco	Retailing
Lufkin Industries	Energy
Centene	Health Equipment & Services
Quality Systems	Health Equipment & Services
Sirona Dental Systems	Health Equipment & Services
Vitamin Shoppe	Retailing
Huron Consulting Group	Commercial & Professional Services
Oyo Geospace	Energy
Obagi Medical Products	Pharmaceuticals & Biotech
Coherent	Technology Hardware



San Jose Federated City Employees' Retirement System

Russell Investments MSCI EAFE Growth Portfolio Detail as of 3/31/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$62.7 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 6/1/2010
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

Base fee of \$50,000. In addition 0.05% on first \$200 mm; 0.03% on next \$200 mm; 0.015% thereafter. Fee applies to aggregated Russell Investment accounts.

Liquidity Constraints:

Daily

Strategy:

Russell Investments manages an optimized portfolio with a Tracking Error target of 1.25% to the MSCI EAFE Growth Index.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 6/1/10
Russell Investments MSCI EAFE Growth	11.8	-5.1	-2.6	12.4
Net of Fees	11.7	-5.1	-2.6	12.3
MSCI EAFE Growth	12.0	-5.7	-3.7	12.3

	3/31/12		12/31/11	
Capitalization Structure:	MSCI EAFE Growth	MSCI EAFE Growth	MSCI EAFE Growth	MSCI EAFE Growth
Weighted Average Market Cap. (US\$ billion)	60.2	49.0	56.9	45.7
Median Market Cap. (US\$ billion)	13.5	7.4	11.8	6.6
Large (% over US\$10 billion)	83	78	81	75
Medium (% US\$2 billion to US\$10 billion)	15	22	17	25
Small (% under US\$2 billion)	2	0	2	0

Fundamental Structure:

Price-Earnings Ratio	19	20	16	18
Price-Book Value Ratio	3.0	3.3	2.9	3.1
Dividend Yield (%)	3.0	2.6	3.0	2.5
Historical Earnings Growth Rate (%)	5	6	4	6
Projected Earnings Growth Rate (%)	9	11	8	10

Sector Allocation (%):

Consumer Staples	18	20	19	20
Industrials	15	17	14	17
Materials	14	14	15	14
Financials	14	9	13	9
Consumer Discretionary	11	14	10	14
Health Care	11	9	12	10
Information Technology	7	7	7	7
Energy	5	5	5	5
Telecom	3	2	3	2
Utilities	2	2	2	2

Diversification:

Number of Holdings	319	555	317	555
% in 5 largest holdings	13	11	13	11
% in 10 largest holdings	20	18	21	18

Region Allocation (%):

Americas	1	0	1	0
Europe	66	66	66	66
Pacific Rim	32	34	32	34
Other	0	0	0	0

Largest Five Holdings:

		Industry
Nestle	4.2	Food Beverage & Tobacco
British American Tobacco	2.3	Food Beverage & Tobacco
Roche	2.3	Pharmaceuticals & Biotech
HSBC Holdings Plc	2.1	Banks
GlaxoSmithKline	1.7	Pharmaceuticals & Biotech



San Jose Federated City Employees' Retirement System

RS Investments Small Cap Value Portfolio Detail as of 3/31/12

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$60.1 million
Portfolio Manager: Team
Location: San Francisco, California
Inception Date: 8/1/2010
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$30 mm; 0.80% on next \$20 mm; 0.60% thereafter

Liquidity Constraints:

Daily

Strategy:

RS employs a bottom-up, fundamental stock picking approach to portfolio management. The investment team seeks to optimize risk-adjusted returns through deep company-specific fundamental research. When evaluating investments for the strategy, RS Investments employs a return-on-capital analysis, combining balance sheet and cash flow analysis. RS believes that stock price performance is more highly correlated to improving returns on capital than it is to traditional valuation measurements like price-to-earnings, price-to-sales or price to book value. The strategy typically invests most of its assets in securities of U.S. companies but may also invest up to 15% of its assets in foreign securities.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 8/1/10
RS Investments Small Cap Value	11.2	-1.7	-4.1	15.7
Net of Fees	11.0	-2.3	-4.9	14.8
Russell 2000 Value	11.6	1.6	-1.1	14.1
Peer Small Cap Value	12.2	3.2	1.8	17.1
Peer Ranking (percentile)	67	99	97	74

	3/31/12 RS SCV	Russell 2000 Value	12/31/11 RS SCV	Russell 2000 Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.0	1.2	3.0	1.1
Median Market Cap. (US\$ billion)	2.4	0.5	2.1	0.4
Large (% over US\$10 billion)	0	0	0	0
Medium (% US\$2 billion to US\$10 billion)	71	15	65	12
Small (% under US\$2 billion)	29	85	35	88

Fundamental Structure:

Price-Earnings Ratio	24	23	19	21
Price-Book Value Ratio	2.1	1.7	2.1	1.5
Dividend Yield (%)	1.0	2.1	1.1	2.2
Historical Earnings Growth Rate (%)	5	0	15	0
Projected Earnings Growth Rate (%)	13	19	12	11

Sector Allocation (%):

Information Technology	27	11	24	11
Health Care	10	5	11	5
Materials	9	5	8	5
Energy	7	4	10	5
Utilities	8	6	8	7
Consumer Discretionary	12	12	17	12
Telecom	0	1	0	1
Consumer Staples	1	3	0	3
Industrials	6	15	3	15
Financials	20	37	19	37

Diversification:

Number of Holdings	36	1,339	36	1,354
% in 5 largest holdings	24	2	23	2
% in 10 largest holdings	44	4	41	4

Largest Ten Holdings:

		Industry
GameStop	5.5	Retailing
AOL	4.9	Software & Services
Calpine	4.6	Utilities
Compass Minerals	4.6	Materials
Acxiom	4.6	Software & Services
Torchmark	4.3	Insurance
StanCorp Financial	3.9	Insurance
First Horizon National	3.9	Banks
Peyto Exploration & Developmt	3.9	Energy
Integrated Device Technology	3.8	Semiconductors



San Jose Federated City Employees' Retirement System

Mandate: Global Equities
Active/Passive: Active
Market Value: \$60.0 million
Portfolio Manager: John P Calamos/ Nick P Calamos
Location: Naperville, Illinois
Inception Date: 11/1/2009
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.50% on all assets

Liquidity Constraints:
Daily

Strategy:

Calamos seeks to leverage their capital structure research by investing in global convertible securities, in order to generate consistent alpha and manage downside volatility. The portfolio construction process incorporates top-down and bottom-up analysis. Top-down considerations focus on the global macroeconomic environment, sectors and the identification of long-term secular themes that they believe will influence growth opportunities for decades to come. For bottom-up research, they first determine the intrinsic value of the company and then utilize quantitative and qualitative analysis to value the securities within the company's capital structure. Investment candidates emerge from the intersection of the top-down and bottom-up considerations. These investments are vetted more extensively within the context of the overall portfolio. Calamos continually monitors risk characteristics to ensure that the strategy maintains appropriate diversification and risk/reward characteristics.

Guidelines:

<5% in single issuer. Investments in minimum of five countries. Allocation to single sector <1.5x sector weight of benchmark.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 11/1/09
Calamos Global Convertibles	4.5	1.5	-0.6	8.0
Net of Fees	4.4	1.1	-1.1	7.5
Merrill Lynch Global 300 Convertible Index	8.1	-0.9	-1.5	7.8

Calamos Global Convertibles Portfolio Detail as of 3/31/12

	3/31/12		12/31/11	
	Calamos	ML Global 300 Convertible	Calamos	ML Global 300 Convertible
Duration & Yield:				
Average Effective Duration (years)	0.0	2.9	2.5	0.0
Yield to Maturity (%)	0.0	2.2	0.5	0.0
Quality Structure (%):				
Average Quality	BBB	BB+	BBB	BB+
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	8	4	9	4
A	27	17	21	17
BBB	36	29	34	29
BB	25	33	34	33
B	4	15	3	15
Below B	0	3	0	3
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	4	0	8	0
Other	96	100	92	100
Market Allocation (%):				
United States	58	58	62	58
Foreign (developed markets)	38	38	35	38
Foreign (emerging markets)	4	4	3	4
Currency Allocation (%):				
Non-U.S. Dollar Exposure	21	33	18	33



Fixed Income Portfolio Reviews As of March 31, 2012

San Jose Federated City Employees' Retirement System

Russell Investments Barclays U.S. TIPS Portfolio Detail as of 3/31/12

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$124.9 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 5/1/2010
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

Base fee of \$50,000. In addition 0.05% on first \$200 mm; 0.03% on next \$200 mm; 0.015% thereafter. Fee applies to aggregated Russell Investment accounts.

Liquidity Constraints:

Daily

Strategy:

Russell Investments seeks to construct a portfolio of U.S. TIPS securities subject to staff's guidelines.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 5/1/10
Russell Investments Barclays U.S. TIPS	1.2	6.3	10.2	8.2
Net of Fees	1.2	6.3	10.2	7.9
TIPS Blended Benchmark ¹	1.2	5.1	8.0	6.8
Barclays U.S. TIPS	0.9	8.2	12.2	9.2
Barclays U.S. TIPS 1-5 yr	1.5	2.1	3.9	4.4

	3/31/12		9/30/11	
Quality Structure (%):	Barclays U.S. TIPS	Barclays TIPS	Barclays U.S. TIPS	Barclays TIPS
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS Index and 50% Barclays U.S. TIPS 1-5 Year Index.



San Jose Federated City Employees' Retirement System

Mandate: High Yield
Active/Passive: Active
Market Value: \$29.0 million
Portfolio Manager: Dan Roberts, Ph.D.
Location: New York, New York
Inception Date: 5/1/2009
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.425% on all assets

Liquidity Constraints:
Daily

Strategy:

The High Yield Active Core Investment Team believes that attractive risk-adjusted returns and, ultimately, attractive absolute returns are generated by a strategy of yield capture and error avoidance. Based on the observation that bonds, even high yield bonds, have a limited upside, but a 100% downside potential, this simple observation leads to the most fundamental element of the High Yield Active Core investment philosophy: the high yield market does not reward inappropriately high levels of risk. When this view is considered in combination with the observation that, over any given cycle, total return is driven almost entirely by income, this is the team's goal: capture the yield offered by the market by investing in stable, quality credits; aggressively protect this yield through a variety of risk control measures; resist the temptation to augment returns by "stretching" for the yield offered by the market's riskiest credits; and manage risk relative to the client's benchmark.

Guidelines:

Average rating of BB- or better. Maximum of 20% bank loans, and maximum of 5% CCC. Gains are harvested from the portfolio.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 5/1/09
Mackay Shields High Yield Active Core	5.1	6.1	7.0	15.1
Net of Fees	5.1	5.9	6.7	14.6
Merrill Lynch U.S. High Yield BB/B	4.4	5.0	6.2	17.2
Barclays High Yield	5.3	5.3	6.5	19.8
Peer High Yield	5.6	5.3	6.2	18.9
Peer Ranking (percentile)	72	25	28	91

Mackay Shields High Yield Active Core Portfolio Detail as of 3/31/12

	3/31/2012		12/31/2011	
	Mackay High Yield	Merrill Lynch U.S. High Yield BB/B	Mackay High Yield	Merrill Lynch U.S. High Yield BB/B
Duration & Yield:				
Average Effective Duration (years)	3.1	4.4	3.0	4.7
Yield to Maturity (%)	6.0	6.3	6.8	7.2
Quality Structure (%):				
Average Quality	B+	B+	BB-	B+
AAA (includes Treasuries and Agencies)	2	0	4	0
AA	0	0	0	0
A	0	0	0	0
BBB	10	0	10	0
BB	47	53	41	53
B	26	47	31	47
Below B	14	0	13	0
Non-Rated	1	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	95	100	93	100
Bank Loans	2	0	2	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	2	0	4	0
Other	1	0	0	0
Market Allocation (%):				
United States	95	89	96	90
Foreign (developed markets)	4	11	4	10
Foreign (emerging markets)	1	0	1	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



San Jose Federated City Employees' Retirement System

Northern Trust Long Term Credit Bond Index Portfolio Detail as of 3/31/12

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$28.0 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 5/1/2010
Account Type: Commingled Fund

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.04% on all assets

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust Long Term Credit Bond Index strategy seeks to replicate the returns of the Barclays Long Term Credit Index. The Fund is passively managed, employing statistical methods to replicate performance and composition of the index.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 5/1/10
Northern Trust Long Term Credit Bond Index	0.6	13.4	17.2	12.0
Net of Fees	0.6	13.3	17.2	11.9
Barclays Long U.S. Credit	0.8	13.5	17.3	11.9

	3/31/12		12/31/11	
	NT Barclays LT Credit	Barclays Long U.S. Credit	NT Barclays LT Credit	Barclays Long U.S. Credit
Duration & Yield:				
Average Effective Duration (years)	13.1	13.1	13.1	13.1
Yield to Maturity (%)	5.0	5.0	5.0	5.0
Quality Structure (%):				
Average Quality	A	A	A	A
AAA (includes Treasuries and Agencies)	3	3	3	3
AA	15	15	15	15
A	40	40	41	41
BBB	43	43	42	42
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	2	2	1	1
Mortgage Backed	0	0	0	0
Corporate	78	78	78	78
Bank Loans	0	0	0	0
Local & Provincial Government	13	13	13	13
Sovereign & Supranational	8	8	7	7
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	78	78	78	78
Foreign (developed markets)	22	22	21	21
Foreign (emerging markets)	1	1	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



San Jose Federated City Employees' Retirement System

Mandate: High Yield
Active/Passive: Active
Market Value: \$19.2 million
Portfolio Manager: Michael McEachern, CFA
Location: Upper Saddle River, New Jersey
Inception Date: 5/1/2009
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.30% on all assets

Liquidity Constraints:
Daily

Strategy:

Seix manages a diversified credit portfolio employing primarily a buy and hold strategy to generate attractive absolute returns as acceptable risk levels. Sales or exchanges occur due to credit impaired assets or defaults. The portfolio will be comprised primarily of high yield floating rate bank loans, with a maximum of 20% in high yield corporate bonds.

Guidelines:

Average Credit quality of BB- or better. Maximum of 20% high yield bonds, and maximum of 5% rated C or lower

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 5/1/09
Seix Credit Dislocation	3.6	2.7	2.7	8.0
Net of Fees	3.6	2.5	2.5	7.7
CSFB Leveraged Loan	3.5	2.3	2.6	13.6

Seix Credit Dislocation Portfolio Detail as of 3/31/12

	3/31/12		12/31/11	
	Seix	CSFB Leveraged Loan	Seix	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	0.4	0.3	1.5	0.3
Yield to Maturity (%)	3.6	5.0	3.8	5.0
Quality Structure (%):				
Average Quality	BB	B	BB	B
AAA (includes Treasuries and Agencies)	13	0	19	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	2	0
BB	28	38	28	38
B	59	51	51	51
Below B	0	4	0	4
Non-Rated	0	7	0	7
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	9	0	8	0
Bank Loans	79	100	72	100
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	13	0	19	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



Real Assets Portfolio Reviews As of March 31, 2012

San Jose Federated City Employees' Retirement System

Credit Suisse Compound Risk Parity Commodity Index Portfolio Detail as of 3/31/12

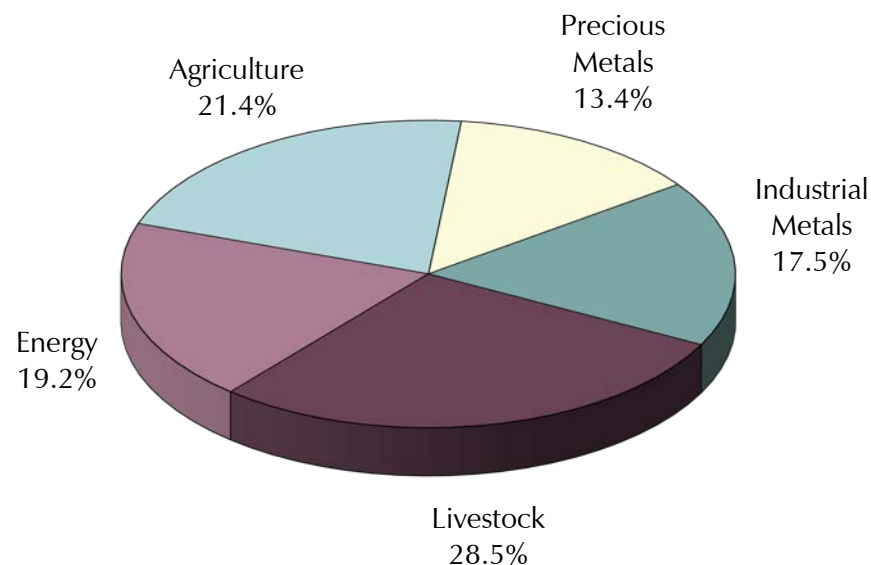
Mandate: Commodity
Active/Passive: Active
Market Value: \$82.6 million
Portfolio Manager: Christopher Burton
Location: New York, New York
Inception Date: 4/1/2011
Account Type: Commingled Fund

Fee Schedule:
 0.42% on first \$100 mm; 0.37% thereafter

Liquidity Constraints:
 Daily

Strategy:
 Credit Suisse Asset Management (CSAM) seeks to provide a commodity-based investment return with reduced risk, measured by standard deviation, versus traditional commodity indices. The team aims to capture the spot return of commodities while employing active management techniques to exploit commodity market inefficiencies. The commodities team at CSAM utilizes futures to replicate the risk-based index. The portfolio consists of five commodity complexes (energy, industrial metals, precious metals, agriculture, and livestock) and 24 commodities included in the S&P- Goldman Sachs Commodities Index. CSAM allocates 20% of capital to each of the commodity complexes. Within each commodity complex, the strategy equal weights the specific commodities. The portfolio is rebalanced on a monthly basis. Active strategies used by CSAM seek to exploit the time period (roll date) the fund purchases commodities, using a quantitative and qualitative assessment. Collateral for the fund is actively managed and invested in U.S. Treasuries and agency securities.

Current Risk Allocation:



Performance (%):	1Q12	Fiscal YTD	1 YR	Since 4/1/11
Credit Suisse Compound Risk Parity Commodity Index ¹	1.5	-5.9	-10.6	-10.6
Custom Risk Parity Benchmark ²	1.6	-5.5	-10.5	-10.5
Dow Jones-Commodity U.S. Index	0.9	-10.3	-16.3	-16.3

¹ Performance is net of fees.

² Risk Parity benchmark returns provided by staff.



San Jose Federated City Employees' Retirement System

First Quadrant Risk Parity Commodity Index Portfolio Detail as of 3/31/12

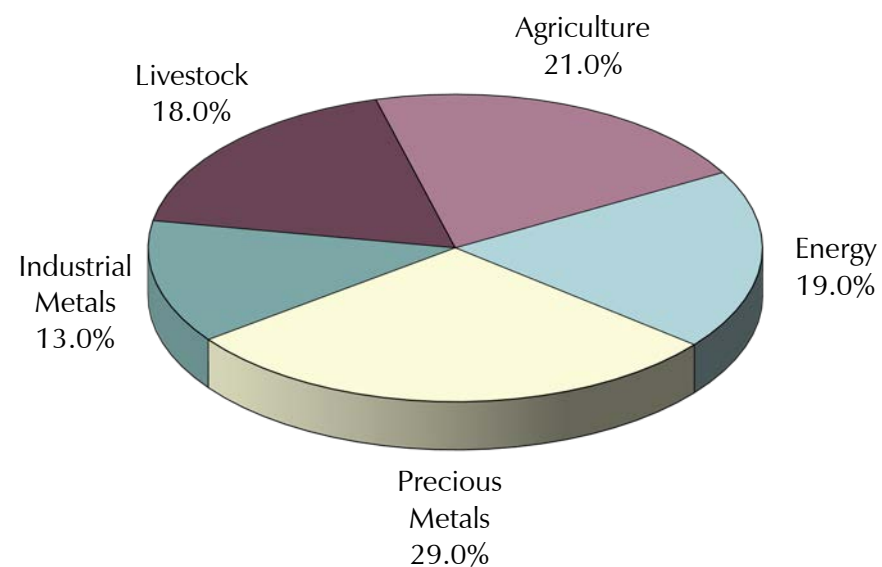
Mandate: Commodity
Active/Passive: Active
Market Value: \$81.8 million
Portfolio Manager: Team
Location: Pasadena, California
Inception Date: 4/1/2011
Account Type: Separately Managed

Fee Schedule:
 0.50% on first \$100 mm; 0.30% thereafter

Liquidity Constraints:
 Daily

Strategy:
 First Quadrant believes that there are inherent flaws to commodity indices, and they seek to produce a strategy which providing investors a higher correlation to inflation over the long run. First Quadrant utilizes futures and swaps to gain exposure to five commodity complexes, representing twenty specific commodities, and targets 20% risk to each of the commodity complexes. The complexes are energy, industrial metals, precious metals, agriculture, and livestock. The firm employs a quantitative methodology and uses risk as the weighting for each commodity product, making adjustments to the allocations depending upon the perceived volatility environment (high risk, low risk, or moderate risk). The firm will modify the investment exposure based upon the predicted environment ranging from 88% (in a high volatility environment) to 146% (in a low volatility environment). Collateral for the portfolio is actively managed and invested in U.S. Treasuries and agency securities.

Current Risk Allocation:



Performance (%):	1Q12	Fiscal YTD	1 YR	Since 4/1/11
First Quadrant Risk Parity Commodity Index¹	0.3	-6.6	-11.4	-11.4
Custom Risk Parity Benchmark ²	1.6	-5.5	-10.5	-10.5
Dow Jones-Commodity U.S. Index	0.9	-10.3	-16.3	-16.3

¹ Performance is net of fees.

² Risk Parity benchmark returns provided by staff.



San Jose Federated City Employees' Retirement System

Russell Investments S&P Global Infrastructure Portfolio Detail as of 3/31/12

Mandate: Infrastructure
Active/Passive: Passive
Market Value: \$75.7 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 5/1/2010
Account Type: SWAP

Fee Schedule:
 0.05% on first \$200 mm; 0.03% on next \$200 mm; 0.015% thereafter

Liquidity Constraints:
 Monthly

Strategy:
 The S&P Global Infrastructure swap seeks to replicate the performance of the Standard & Poor's Global Infrastructure Index. 50% of swap value is held as collateral in Treasury Bills.

Performance (%):	1Q12	Fiscal YTD	1 YR	Since 5/1/10
Russell Investments S&P Global Infrastructure	6.7	-2.4	0.5	6.8
Net of Fees	6.7	-2.5	0.4	6.8
S&P Global Infrastructure Index	6.9	-1.9	1.2	7.4
CPI-U + 5%	1.2	5.4	0.4	6.8

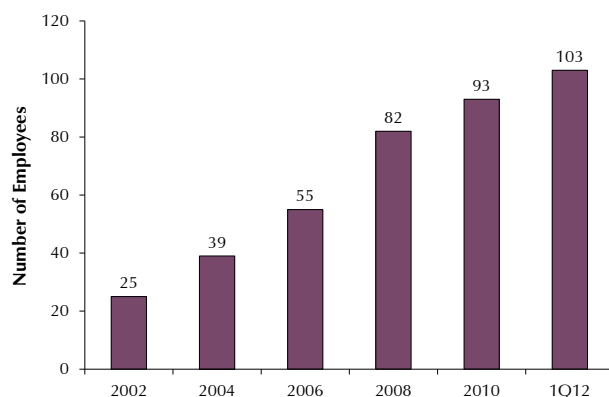
Sector Allocation (%):	3/31/12 S&P Global Infrastructure
Airport Services	11.4
Alternative Energy	0.4
Electric Transmission	2.5
Electric Utilities	27.1
Gas Utilities	6.5
Logistics	1.3
Pipelines	24.2
Ports	8.3
Rail	2.8
Shipping/Tanker	0.7
Toll Roads	14.6
Water Utilities	0.3
Country Weights (%):	
United States	26.5
Canada	10.3
Hong Kong	3.9
Australia	7.6
Spain	5.4
UK	6.8
Italy	5.8
Singapore	4.1
France	7.4
Brazil	2.6



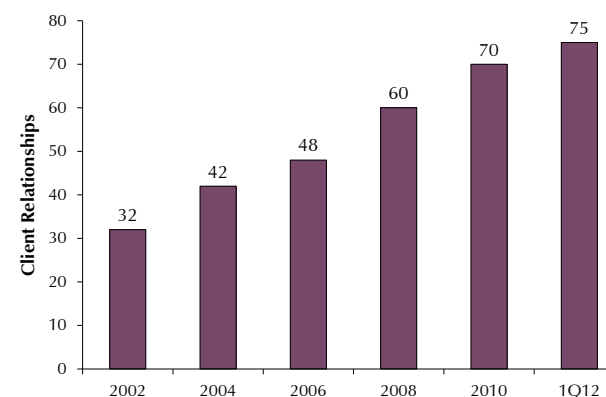
Meketa Investment Group Corporate Update

- Staff of 103, including 60 investment professionals and 17 CFA charterholders
- 75 clients, with over 150 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Miami, and San Diego
- Clients have aggregate assets of approximately \$300 billion
 - Over \$20 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Employee Growth



Client Growth



Meketa Investment Group is proud to work for 3.2 million American families everyday



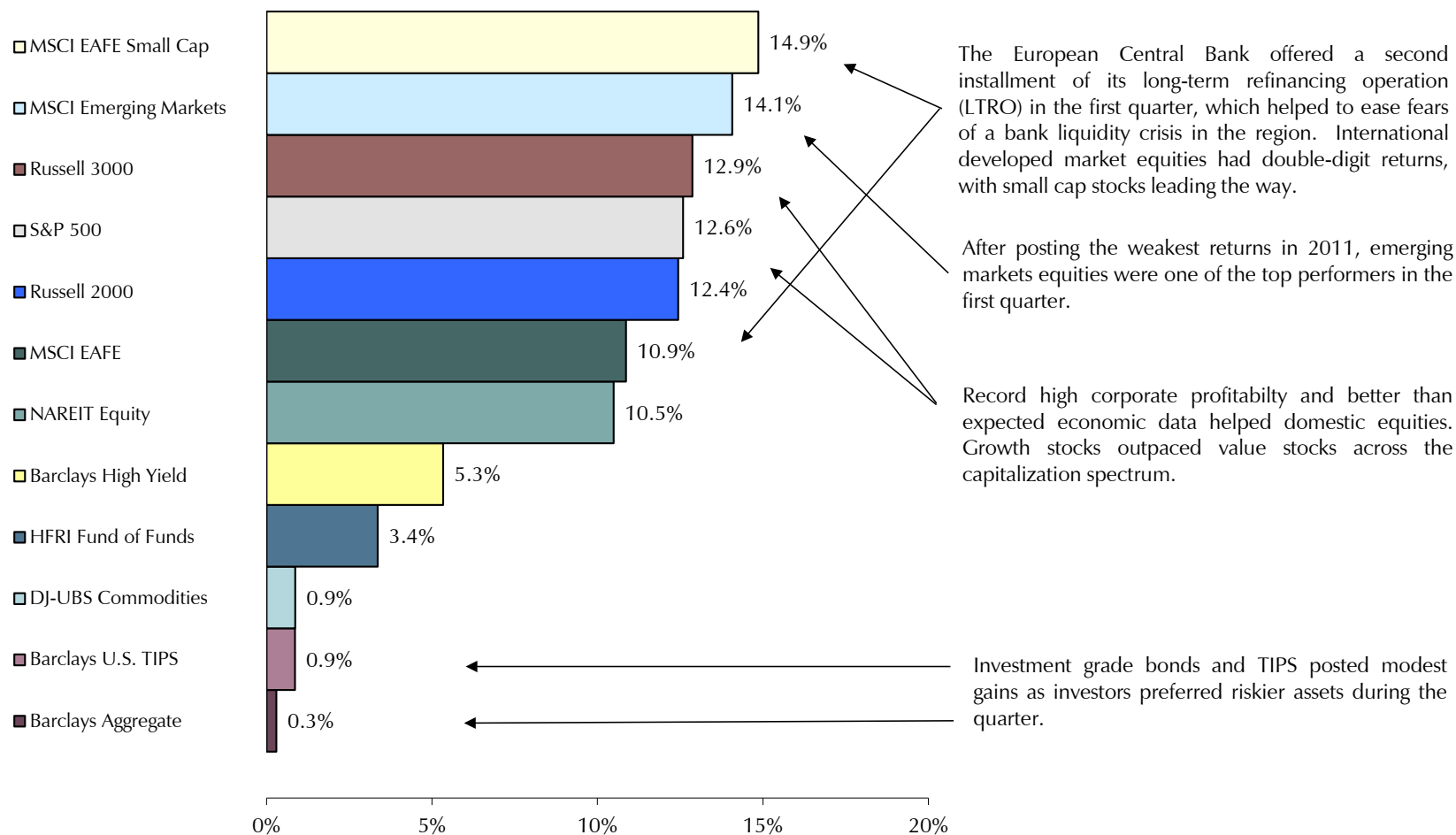
Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> - Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30 	<ul style="list-style-type: none"> - Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets 	<ul style="list-style-type: none"> - Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds 	<ul style="list-style-type: none"> - Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities 	<ul style="list-style-type: none"> - Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets 	<ul style="list-style-type: none"> - Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

Appendices

The World Markets First Quarter of 2012

The World Markets
First Quarter of 2012

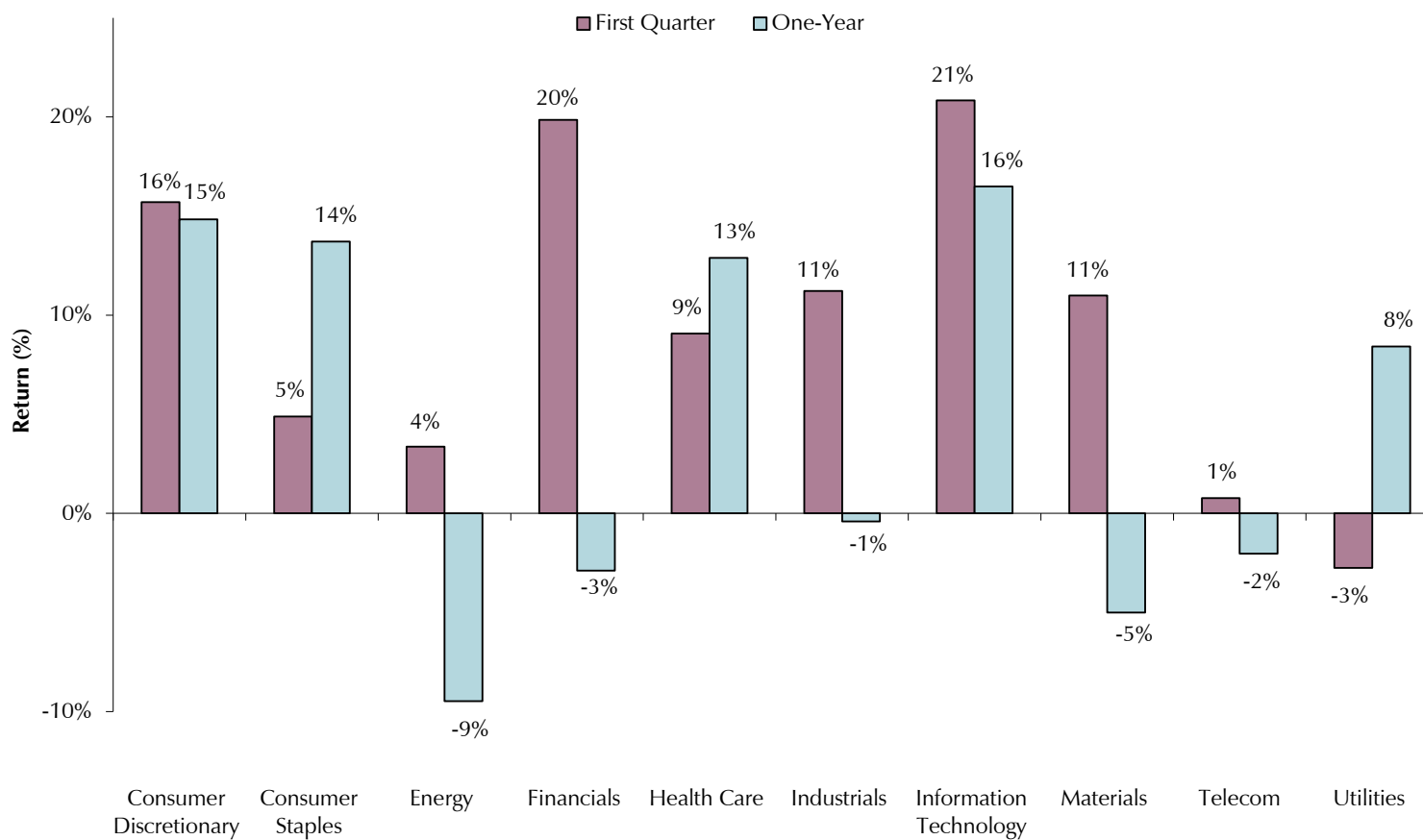


Index Returns

	1Q12 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	12.9	7.2	24.3	2.2	4.7
Russell 1000	12.9	7.9	24.0	2.2	4.5
Russell 1000 Growth	14.7	11.0	25.3	5.1	4.3
Russell 1000 Value	11.1	4.8	22.8	-0.8	4.6
Russell MidCap	12.9	3.3	29.1	3.0	7.9
Russell MidCap Growth	14.5	4.4	29.2	4.4	6.9
Russell MidCap Value	11.4	2.3	29.2	1.3	8.0
Russell 2000	12.4	-0.2	26.9	2.1	6.4
Russell 2000 Growth	13.3	0.7	28.4	4.2	6.0
Russell 2000 Value	11.6	-1.1	25.4	0.0	6.6
Foreign Equity					
MSCI ACWI (ex. U.S.)	11.2	-7.2	19.1	-1.6	7.3
MSCI EAFE	10.9	-5.8	17.1	-3.5	5.7
MSCI EAFE (local currency)	10.2	-4.1	12.1	-5.4	1.5
MSCI EAFE Small Cap	14.9	-6.2	24.1	-2.8	9.9
MSCI Emerging Markets	14.1	-8.8	25.1	4.7	14.1
MSCI Emerging Markets (local currency)	10.7	-4.0	19.8	4.7	12.2
Fixed Income					
Barclays Universal	0.9	7.6	7.9	6.2	6.1
Barclays Aggregate	0.3	7.7	6.8	6.2	5.8
Barclays U.S. TIPS	0.9	12.2	8.7	7.6	7.5
Barclays High Yield	5.3	6.5	23.9	8.1	9.2
JPMorgan GBI-EM Global Diversified	8.3	3.4	16.8	10.1	NA
Other					
NAREIT Equity	10.5	11.3	42.2	-0.1	10.4
DJ-UBS Commodities	0.9	-16.3	8.9	-3.8	4.3
HFRI Fund of Funds	3.4	-3.4	4.6	-0.7	3.5

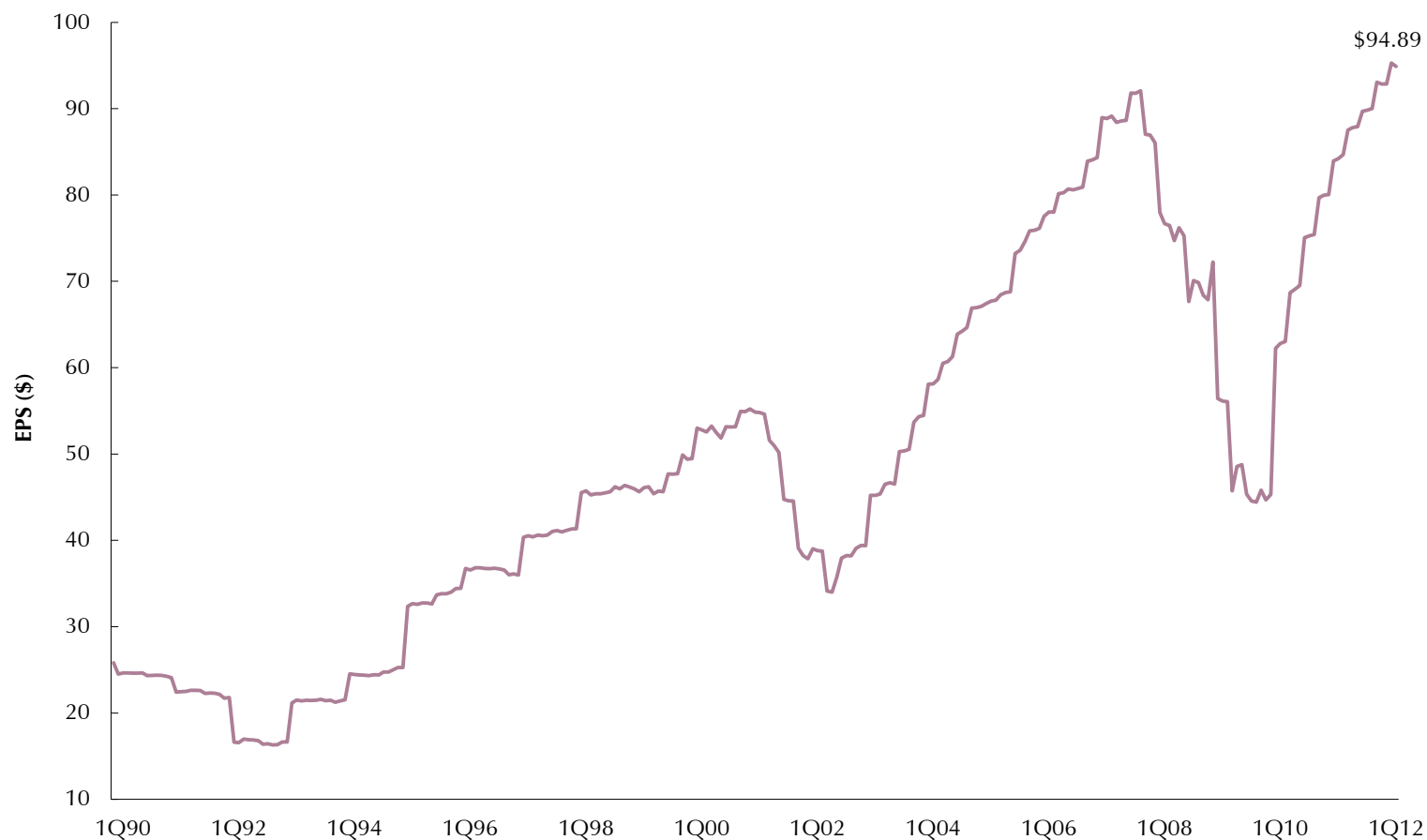
S&P Sector Returns

Positive performance continued from the fourth quarter as all ten sectors of the S&P 1500, with the exception of utilities, posted gains in the first quarter. Information technology (+21%) and financial services (+20%) were the top performing sectors.



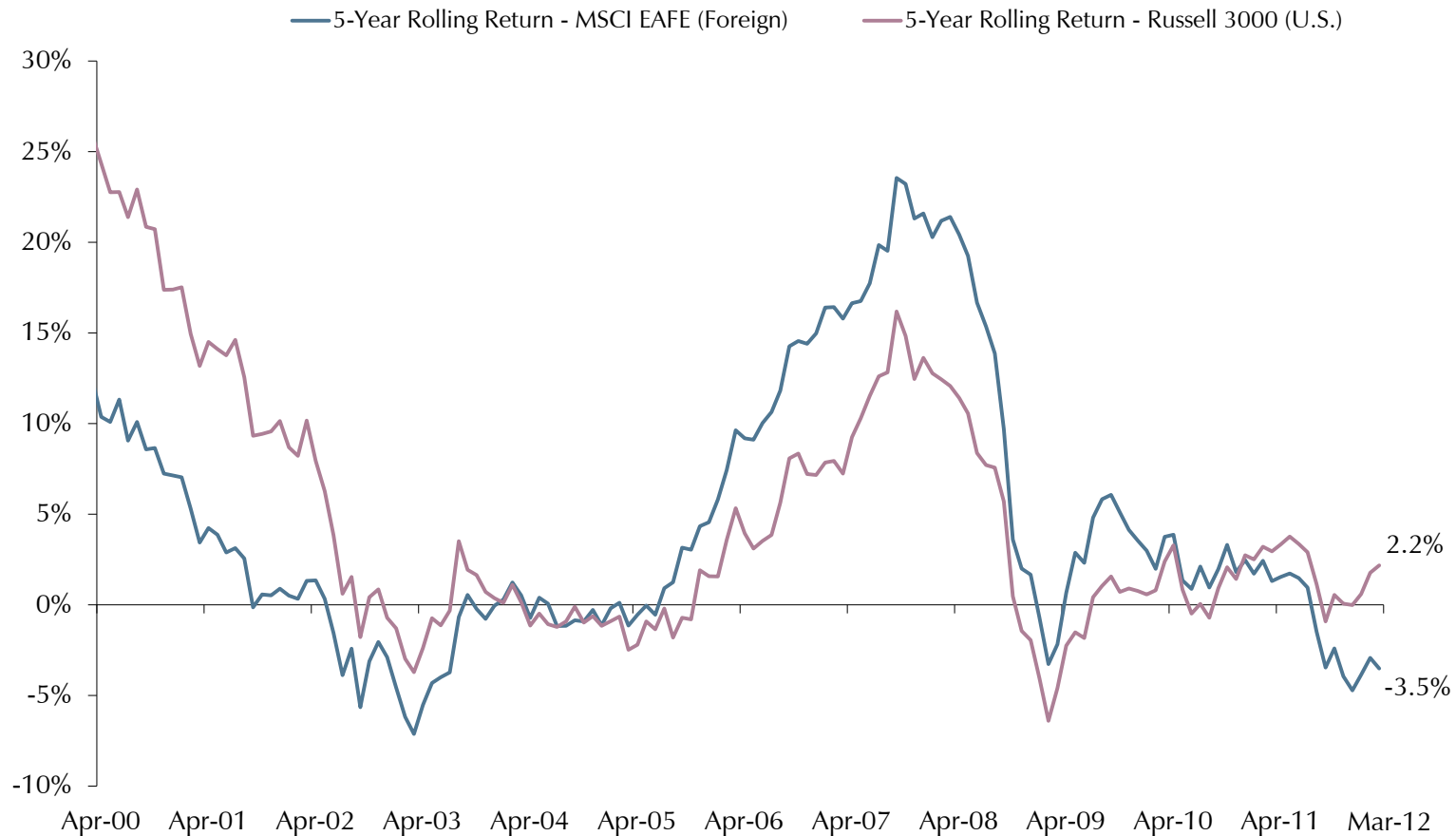
S&P 500 Earnings Per Share

In the first quarter, corporate profitability grew for the tenth straight quarter. S&P 500 twelve-month trailing earnings were \$94.89 at the end of March, near the all-time high made in February.



Equity Markets

The domestic equity market (+12.9%) outpaced international developed market equities (+10.9%) in the first quarter. The five-year performance spread between domestic and international equities expanded by 1.0% to 5.7%, the largest spread differential since August 2008.



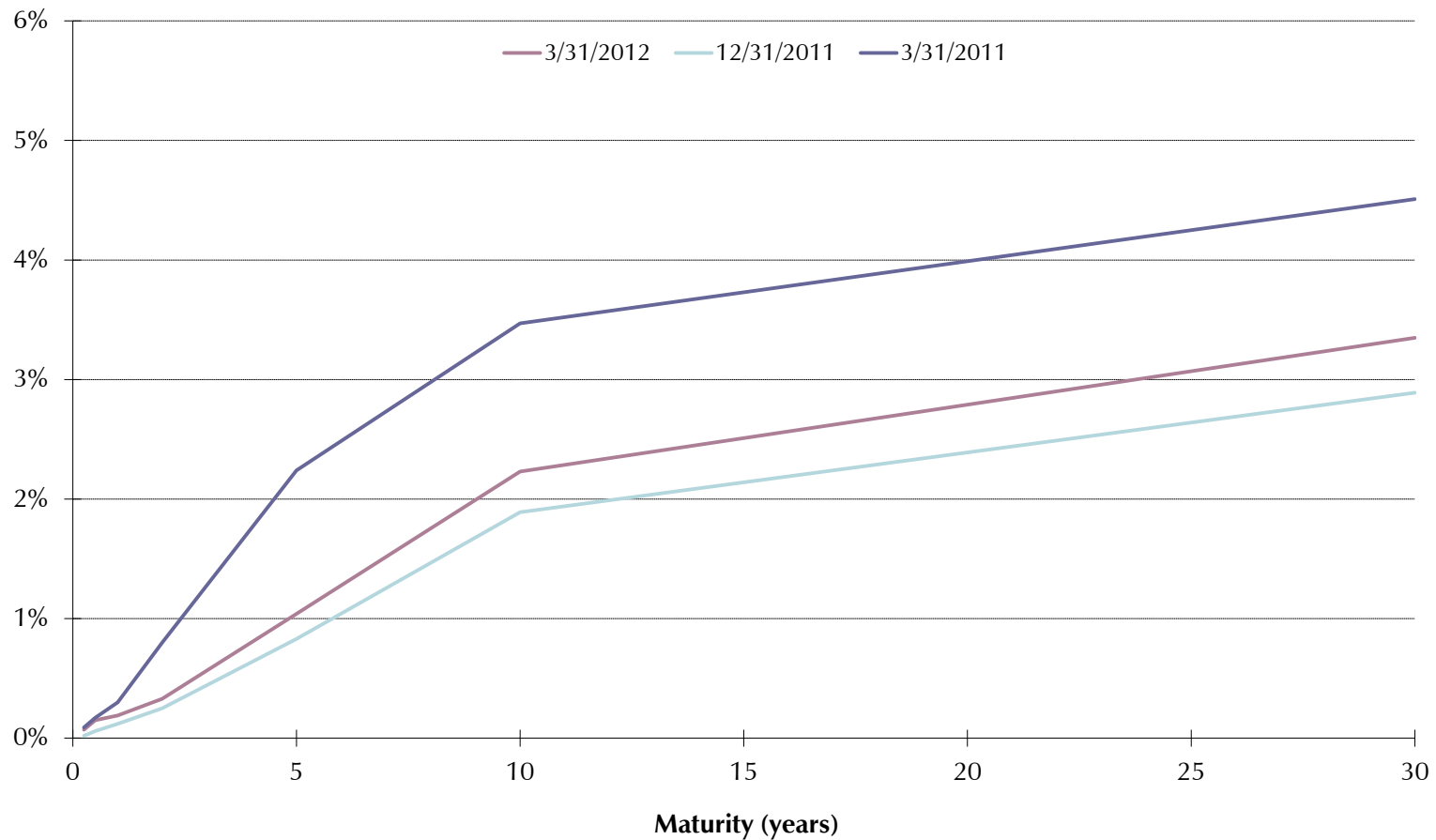
Rolling Ten-Year Returns: 65% Stocks and 35% Bonds

At the end of the first quarter, the ten-year annual return of a portfolio comprised of 65% domestic stocks (Russell 3000) and 35% investment grade bonds (Barclays Aggregate) was 5.4%. The return is just over half of the twenty-year average.

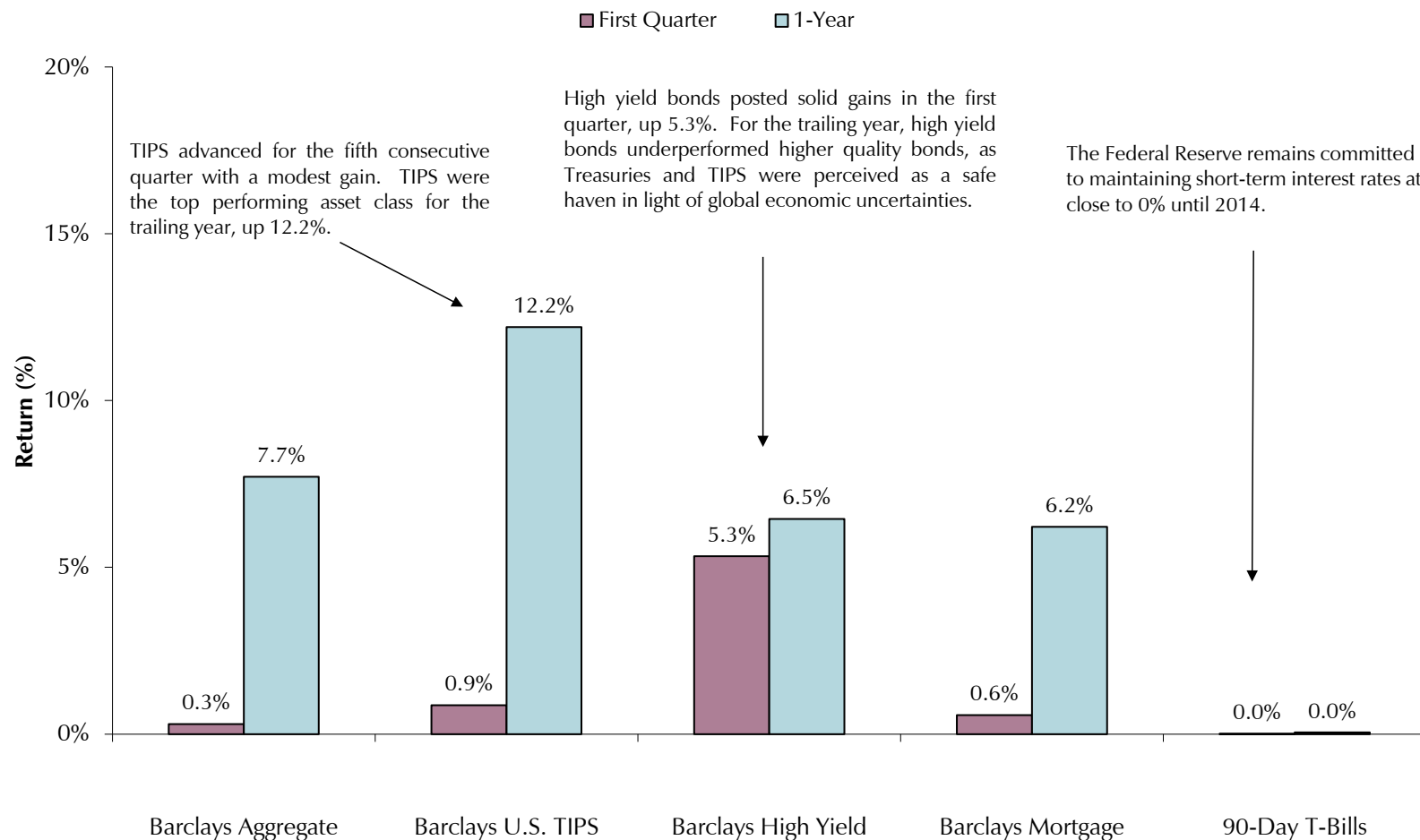


Treasury Yields

The Treasury yield curve ended the first quarter slightly higher than its position at the end of 2011. The yield on the ten-year Treasury was 2.2% as of quarter-end, a level 1.3% lower than a year prior.

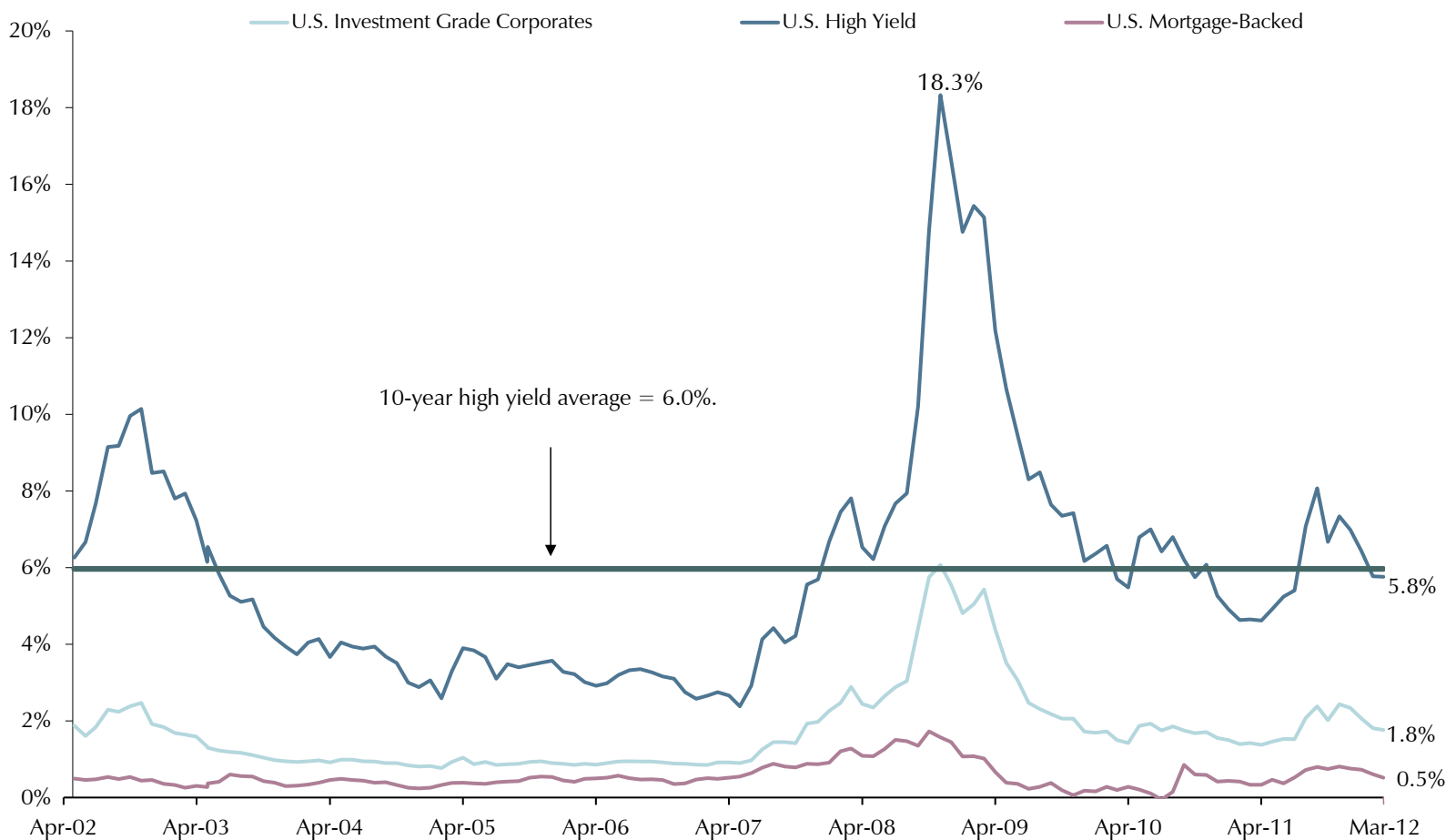


U.S. Fixed Income Markets



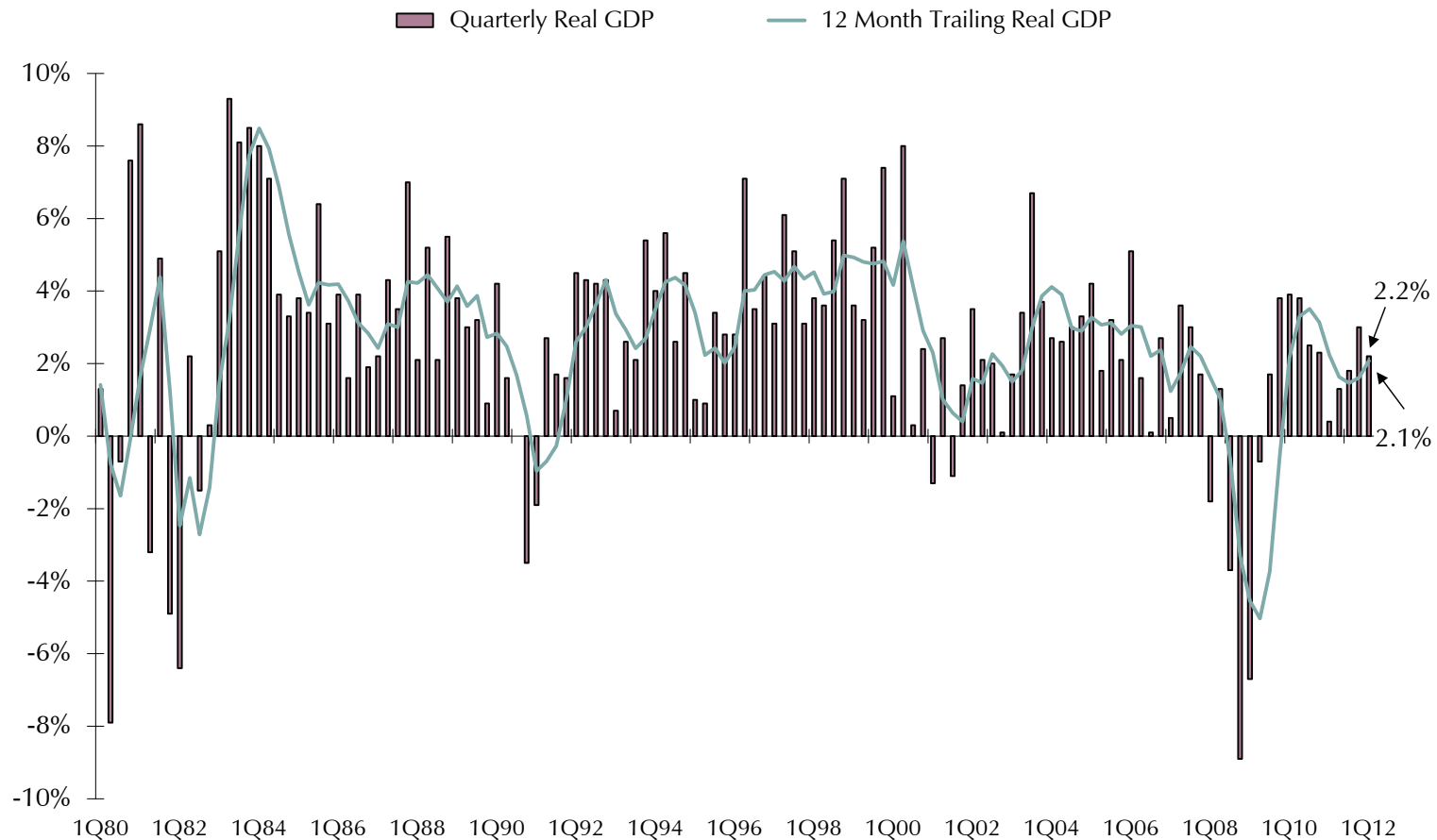
Credit Spreads vs. U.S. Treasury Bonds

Credit spreads continued their trend of the previous quarter and compressed across all sectors. High yield spreads declined the most (-1.2%), to 5.8%, a level just under the ten-year average.



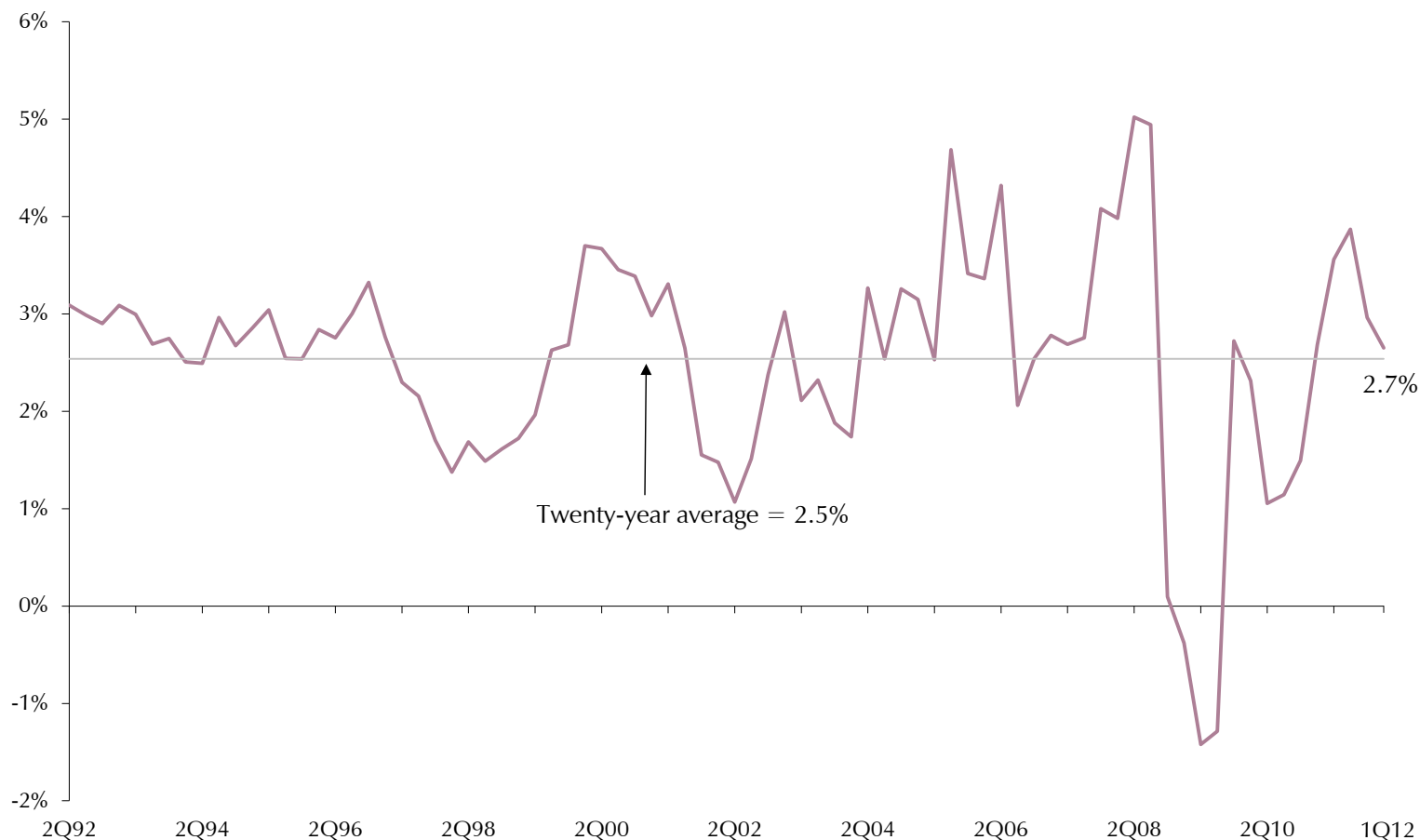
Real Gross Domestic Product (GDP) Growth

Real GDP growth in the first quarter was 2.2% on an annualized basis, a decrease of 0.8% from the prior quarter. The largest contributor to GDP was personal consumption, while government spending declined for the second consecutive quarter.



U.S. Inflation (CPI) Trailing Twelve Months¹

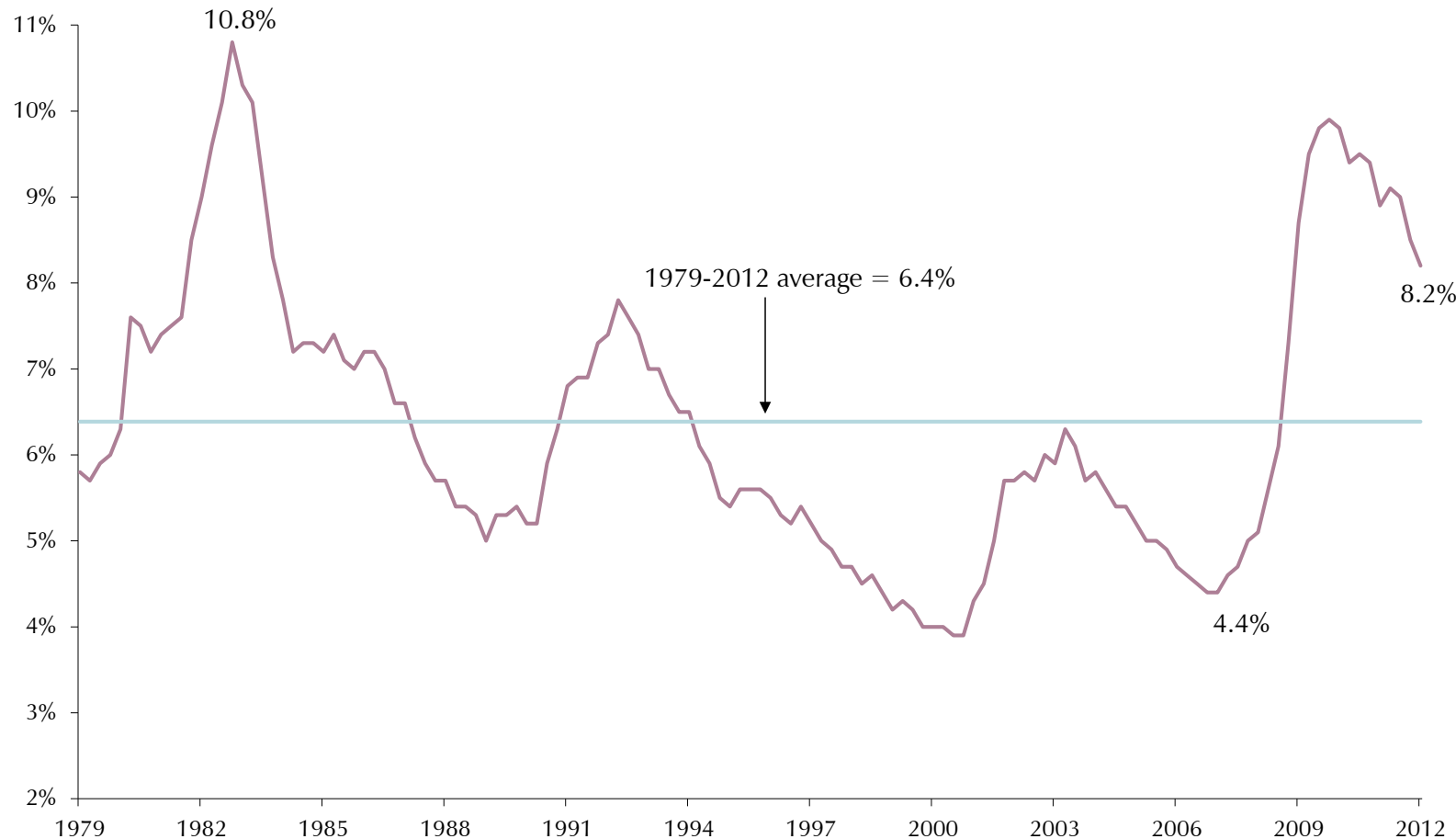
The trailing twelve-month CPI growth rate decreased 0.3% from the prior quarter to 2.7%. Cost increases slowed, especially for items other than food and energy (e.g. shelter, vehicles).



¹ Data is non-seasonally adjusted CPI, which may be volatile in the short-term.

U.S. Unemployment

The unemployment rate declined 0.3% during the first quarter to 8.2%, due in part to increases in manufacturing, professional, and business services jobs. During the quarter, employment rose by an average of 246,000 jobs per month. All jobs generated were in the private sector, while government employment was unchanged.



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As of March 31, 2012

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In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions ("Forward Statements"). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the Plan will receive a return of the amount invested.

In some cases Meketa Investment Group assists the Trustees in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the Trustees.

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.

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.

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.

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.

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.

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%.

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

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.