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City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis For the period ending June 30, 2015

August 25, 2015

Dan LeBeau, Consultant
Allan Martin, Partner
Mike Malchenko, Senior Analyst

One Main Street, Cambridge, MA 02142 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com
CAMBRIDGE | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

Market Environment Update and Outlook



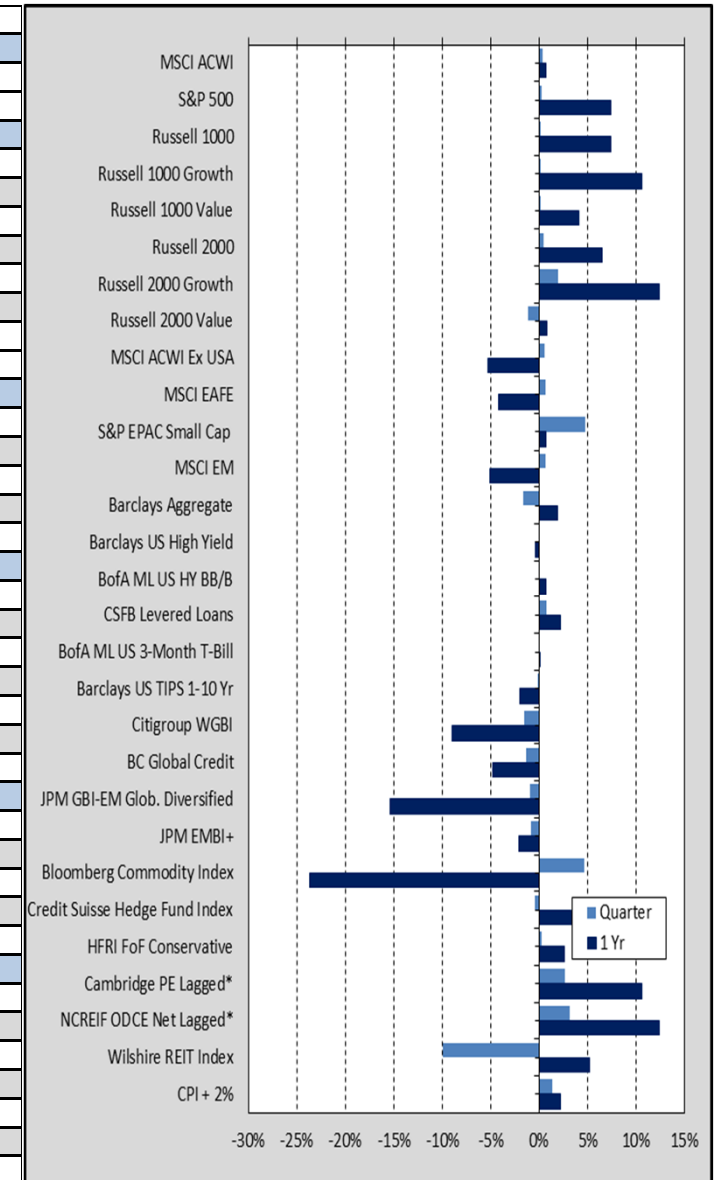
Economic Environment

- **Second quarter GDP growth rate printed at +2.3%.**
 - Retail sales (ended May) at +1.6% on a year-over-year growth rate basis.
 - The inventory-to-sales ratio at May 31 was flat at 1.4 and has remained relatively flat since early 2010.
 - Corporate profits as a percent of GDP increased in the first quarter to 10.7% from 10.4% in the fourth quarter and remain elevated relative to historical levels.
 - The U.S. trade deficit widened slightly during May.
- **The unemployment rate fell to 5.3% in Q2 from 5.5% in Q1 2014; U-6, a broader measure of unemployment, fell to 10.5% during the second quarter.**
- **The Case-Shiller Home Price Index (as of 4/30) increased slightly to 170.0 from first quarter levels (168.2) and is at levels higher than that of pre-financial crisis levels of 150.92.**
- **Rolling 12-month seasonally adjusted CPI increased to +0.2% from -0.02% at the end of March; Capacity Utilization increased slightly to 77.8% in June.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished Q2 at 2.4% up 50 basis points from Q1.**
- **The Fed balance sheet declined slightly in Q2 2015, while the European Central Bank balance sheet increased in the same period.**
 - ECB continues asset purchases of €60 billion per month.
- **S&P valuations increased in June remaining above the 10-year and long-term averages**
 - Cyclically adjusted Shiller PE ratio (26.6x) is above the long-term average of 16.4x and above the 10-year average of 22.9x.
- **The U.S. Dollar continues to strengthen against a basket of major currencies as the Fed ends its quantitative easing program and the ECB ramps up easing.**
 - Currency volatility has seen a sustained uptick since Q1.

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Q2 2015 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI	World	0.3%	0.7%	13.0%	11.9%	6.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	0.3%	7.4%	17.3%	17.3%	7.9%
Russell 1000	Large Core	0.1%	7.4%	17.7%	17.6%	8.1%
Russell 1000 Growth	Large Growth	0.1%	10.6%	18.0%	18.6%	9.1%
Russell 1000 Value	Large Value	0.1%	4.1%	17.3%	16.5%	7.0%
Russell 2000	Small Core	0.4%	6.5%	17.8%	17.1%	8.4%
Russell 2000 Growth	Small Growth	2.0%	12.3%	20.1%	19.3%	9.9%
Russell 2000 Value	Small Value	-1.2%	0.8%	15.5%	14.8%	6.9%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	0.5%	-5.3%	9.4%	7.8%	5.5%
MSCI EAFE	Int'l Developed	0.6%	-4.2%	12.0%	9.5%	5.1%
S&P EPAC Small Cap	Small Cap Int'l	4.7%	0.7%	16.3%	12.9%	7.7%
MSCI EM	Emerging Equity	0.7%	-5.1%	3.7%	3.7%	8.1%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	-1.7%	1.9%	1.8%	3.3%	4.4%
Barclays US High Yield	High Yield	0.0%	-0.4%	6.8%	8.6%	7.9%
BofA ML US HY BB/B	High Yield	0.0%	0.7%	6.8%	8.4%	7.2%
CSFB Levered Loans	Bank Loans	0.8%	2.2%	5.3%	5.7%	4.8%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	1.4%
Barclays US TIPS 1-10 Yr	Inflation	-0.1%	-1.9%	-0.5%	2.4%	3.7%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	-1.5%	-9.0%	-2.4%	1.0%	3.1%
BC Global Credit	Global Bonds	-1.3%	-4.8%	2.2%	4.3%	4.2%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-1.0%	-15.4%	-3.8%	0.9%	5.9%
JPM EMBI+	Em. Mkt. Bonds	-0.9%	-2.1%	2.8%	6.2%	7.2%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
Bloomberg Commodity Index	Commodity	4.7%	-23.7%	-8.8%	-3.9%	-2.6%
Credit Suisse Hedge Fund Index	Hedge Fund	-0.5%	3.3%	7.1%	6.2%	5.9%
HFRI FoF Conservative	Fund of Funds	0.2%	2.6%	5.5%	3.6%	2.6%
Cambridge PE Lagged*	Private Equity	2.6%	10.5%	14.4%	15.1%	13.7%
NCREIF ODCE Net Lagged*	Real Estate	3.2%	12.4%	11.6%	13.4%	6.0%
Wilshire REIT Index	REIT	-9.9%	5.2%	9.0%	14.7%	6.9%
CPI + 2%	Inflation/Real Assets	1.4%	2.2%	3.3%	3.9%	4.1%



* As of 3/31/2015

Positives

- **Divergence in monetary policies signaling different investment environments globally**
- **US Economy shows strength relative to other developed markets**
- **ECB monetary easing continues with €60 billion in monthly asset purchases**
 - ECB commits €1.3 trillion in asset purchases in the Eurozone
 - Global risk assets responding positively
 - Negative short dated interest rates in Eurozone
- **Contagion risk from Greece's Euro exit is largely contained**
 - Greece represents only 1.7% of total Eurozone GDP
- **Developed world inflation is low**
 - In US, CPI for all Urban Consumers on a seasonally adjusted basis bounced back to positive territory after posting negative results in Q1

Negatives

- **Geopolitical instability continues to drive volatility**
 - Instability in the Mid-East, Eastern Europe, Greece, China
- **Slowing economic growth in China may have broad implications for many emerging economies**
 - Commodity producers impacted
- **Fed rate hike uncertainty contributed to volatility in domestic markets**
 - Market expecting a slow pace to rate increases
- **Valuations remain above 10 year and long term averages**
 - Developed Equity P/Es above median

Market Environment

Global Equity

- **U.S. equities posted modest gains in the second quarter as global monetary accommodation ramped up.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning 0.4% and the Russell 1000 Index returning 0.1%.**
- **International equities outperformed U.S. markets during the quarter, returning 0.5%, as measured by the MSCI ACWI ex-U.S. Index.**
 - Developed markets returned 0.6% as measured by the MSCI EAFE Index. Relatively strong returns were posted by Hong Kong and Japan at +5.6% and +3.1% respectively.
 - Emerging markets returned +0.7% as measured by the MSCI Emerging Markets Index in U.S. dollar terms. Russia and China bolstered the quarter returning +7.6% and +6.0% respectively.

Private Equity

- **New private equity commitments totaled \$101.5 billion in Q2 2015.**
 - Rapid fundraising pace continues for high demand managers.
- **Buyout and growth equity funds raised \$57 billion in Q2 2015.**
 - Very strong Q2 totals driven by one fund which raised \$17 billion.
- **Venture capital raised \$24.6 billion ended June.**
 - At 13% of total private equity raised, commitments are just below the 10-year historic relative average and are buoyed by strong IPO and M&A environment.
- **Energy funds raised \$30.1 billion representing 16% of capital raised in Q2.**
 - Investors are opportunistically approaching the energy market dislocation.
- **Asian private equity commitments slowed to total 6% of total funds raised down from 10% in 2014.**
- **European commitments comprised 17% of all new PE commitments in Q2 2015.**
 - 70% of European funds raised were based in the United Kingdom.

Market Environment

Fixed Income

- **The yield curve steepened amid global financial instability in the Eurozone and the Fed's rate hike signaling.**
- **The spread between two and 10-year rates increased to 176 basis points from 138 basis points ended March. Treasury Inflation-Protected Securities, or TIPS, returned -1.1% during the quarter, as measured by the Barclays US TIPS Index.**
- **The Barclays Long Duration Credit Index lost -7.3% as the long end of the curve ended the quarter 57 basis points higher.**
- **Long Treasuries fell -8.3% and investment-grade corporate debt lost -2.9%.**
 - Despite strong earnings and credit fundamentals, the overall performance of US high-grade corporate bonds was hindered by record new issuance, which contributed to 16 basis points of spread widening in the quarter. Issuance has totaled almost \$650 billion year-to-date (with a record issuance of \$155 billion in May). This issuance is over 20% higher than in the first half of 2014.
- **The Barclays 1-3 year Government/ Credit Index returned 0.1% and US high yield bonds were flat returning 0%.**
- **Emerging markets debt continued to slow in local and external currency as yields increased globally.**
 - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, fell 34 basis points; local currency debt fell 96 basis points, according to the JP Morgan GBI-EM Index.
 - Emerging market currencies—in particular, the Mexican peso, Thai baht and Turkish Lira—weakened against the US dollar.

Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
 - Oil prices trending lower.
 - Private equity and private debt opportunities attractive.
 - Potential for public stressed/distressed credit, equity and commodity plays.
- **OPEC and Saudi Arabia have indicated a willingness to allow lower oil prices to persist in efforts to cement market share and reduce marginal supply.**
- **Select infrastructure opportunities are attractive.**
 - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations.
- **NEPC continues to believe in the long-term demand drivers in agriculture.**
 - Long-term commodity prices driven by growing emerging market demand.
 - Softness in commodity prices may provide attractive entry point.
- **Timber opportunity set limited but warrants further review**
 - 45% increase in housing starts forecasted; timber prices highly correlated

Commodities

- **Commodities broke their three quarter losing streak with the Bloomberg Commodity Index posting a 4.7% gain.**
 - Energy and agriculture led the way, while industrial metals, precious metals and livestock declined.
 - The Bloomberg WTI Crude Oil Index gained 17.5% for the quarter amid continued declines in rig counts and announced project deferrals, expectations of demand rebounding and lower US output.

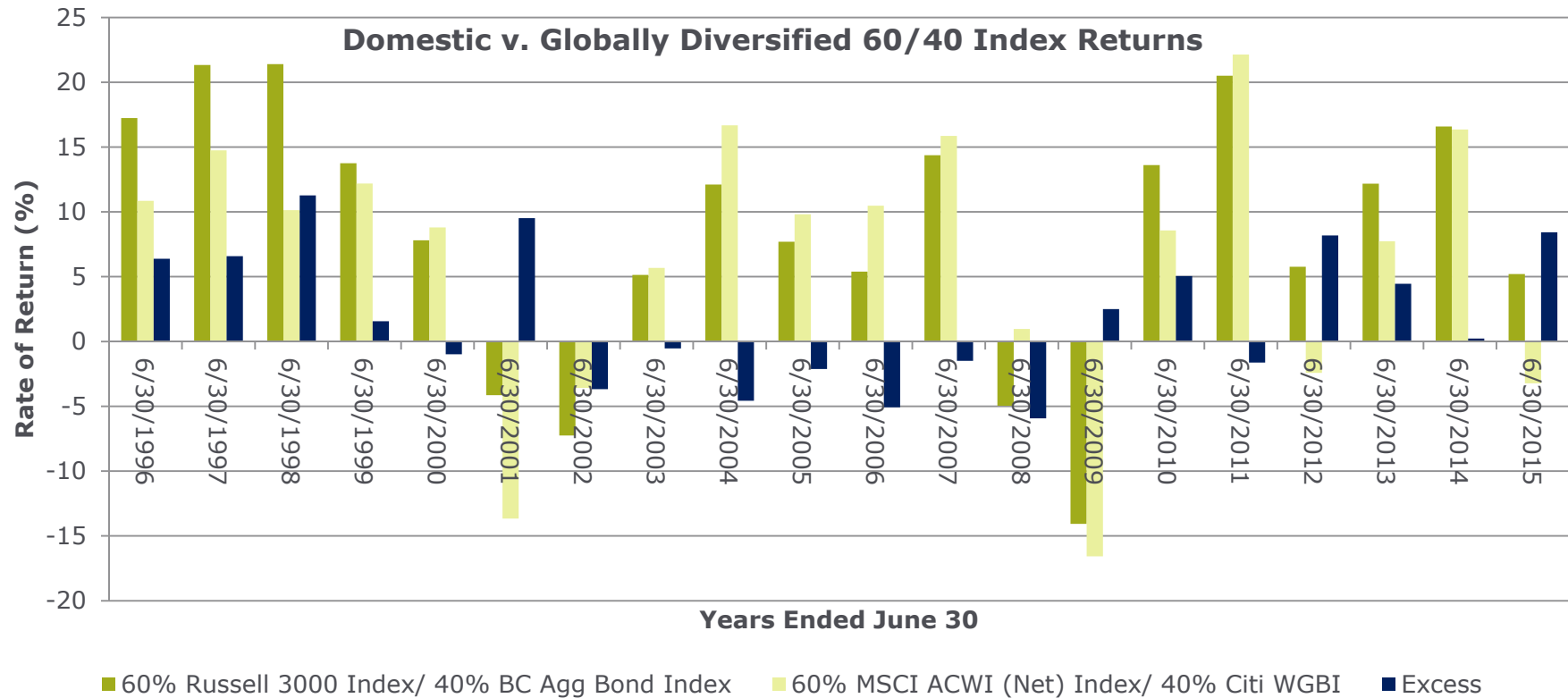
Real Estate

- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
 - Real estate fundamentals and debt terms are attractive, however valuations are high and the possibility of rising interest rates and the impact on cap rates causes concern.
- **U.S. REITs posted a very weak quarter with a -9.9% return.**
 - FFO multiples are high, at approximately 15x but are decreasing.
 - REITs are trading at a discount to NAV.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
 - Europe is emerging from multi-year recession, but recovery is slow and uneven with global markets experiencing large capital inflows.
 - Banks in EU are still overleveraged and have significant real estate exposure to jettison.

- **Be judicious with risk**
 - Avoid chasing risk for only marginal return enhancements
 - Less liquid opportunities may provide the best risk-adjusted approach, but liquidity needs should be incorporated (e.g., substituting direct lending for high yield)
- **Catalysts are present to drive international equity markets above pre-financial crisis highs**
 - Encourage an equal weight exposure to international developed and US equities
 - If currency hedged, encourage larger international developed equity exposure relative to US equities
- **Question the “traditional” approach; different investment environments require different perspectives of risk and return**
 - A low-return environment may require a fresh perspective
 - Continue to remove traditional portfolio constraints by adding active managers with skill to exploit inefficiencies within and across asset classes (e.g., flexible global equity, global asset allocation, absolute return fixed income)
- **Rethink fixed income portfolio structure in light of current market environment**
 - Use of an unconstrained/multi-sector fixed income portfolio may provide sound diversification and enhanced liquidity
 - Examine if alternatives are available to traditional portfolio positions (e.g., combining cash and long treasuries vs. holding core bond portfolio)

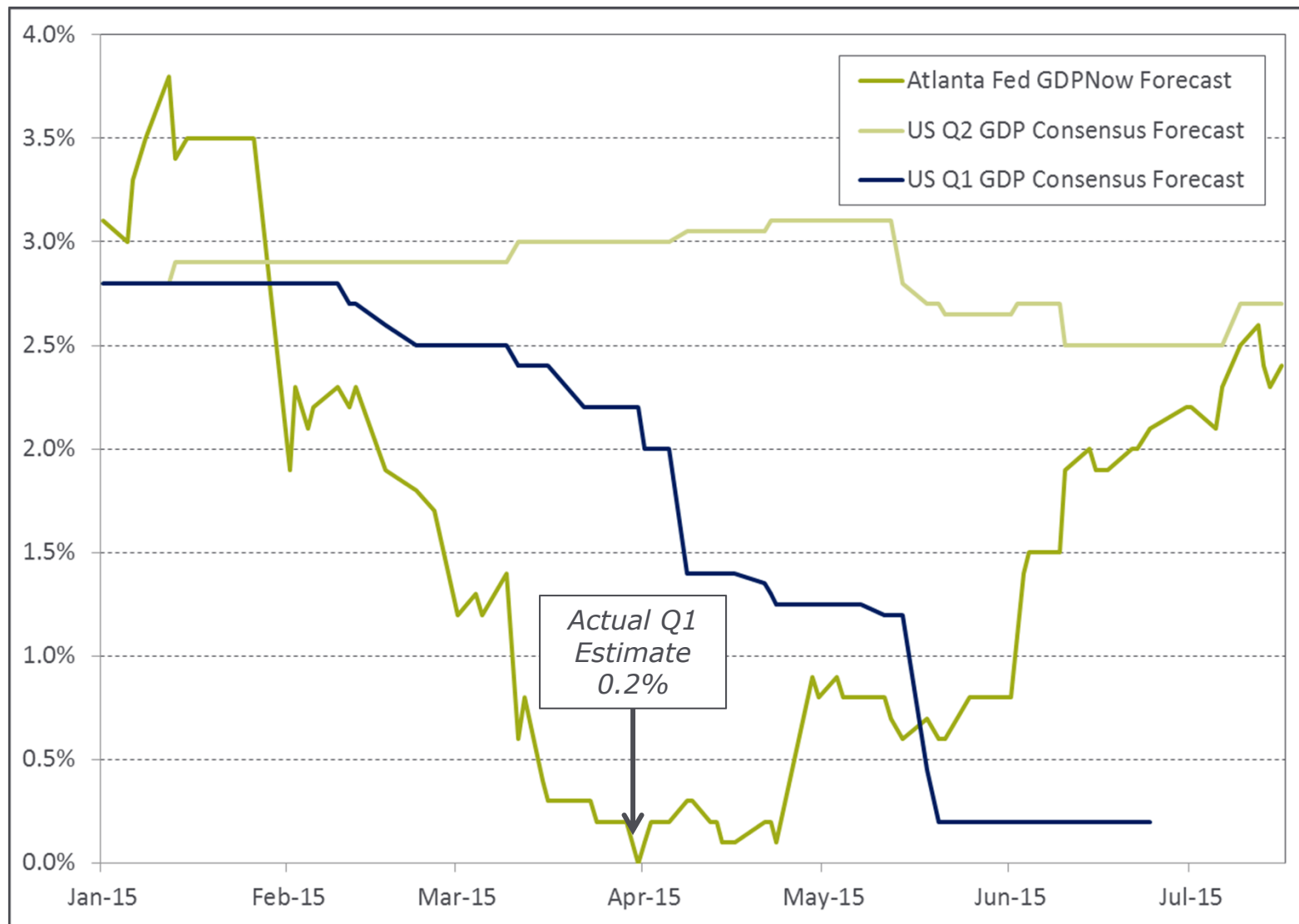
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Domestic vs. Internationally Diversified Index Returns



- In the past 20 years domestic focused portfolios have only experienced two periods of greater outperformance; 1998 and 2001

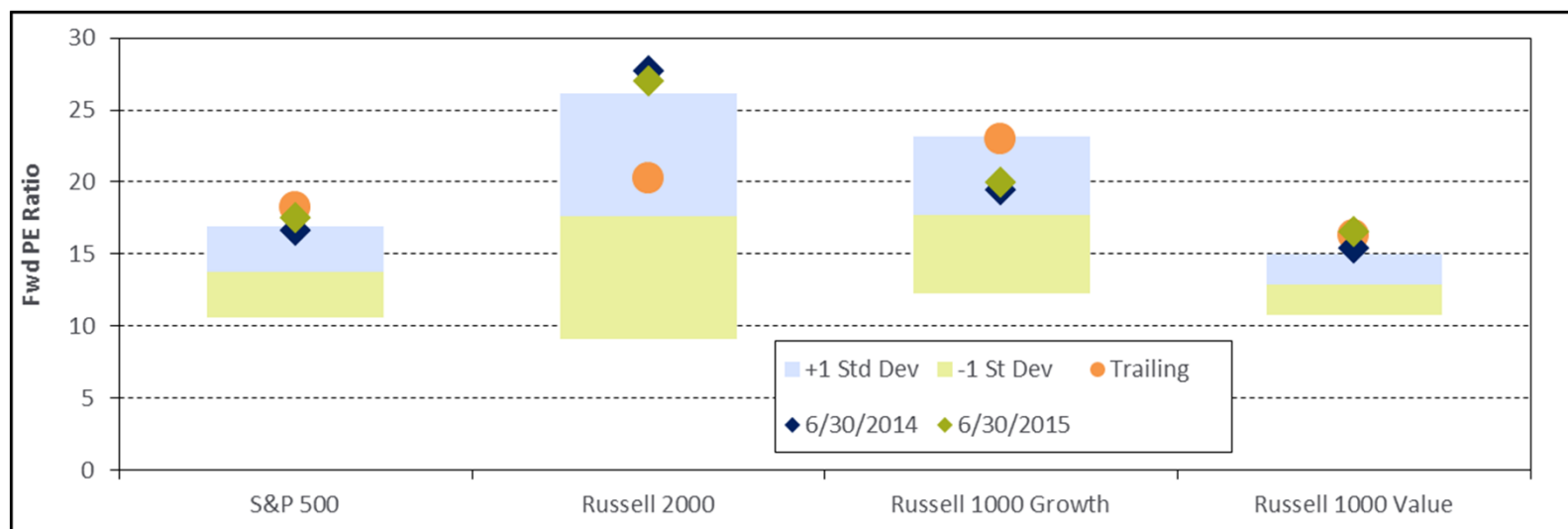
US Economy Appears Poised to Rebound After Lackluster First Quarter



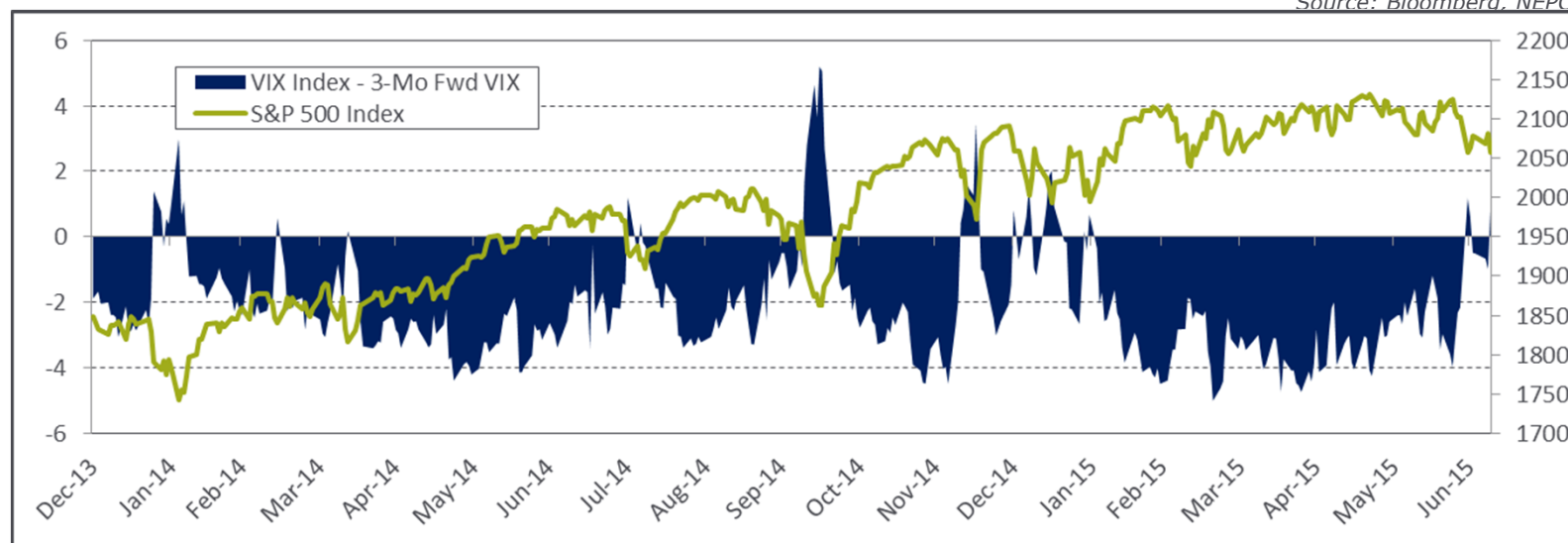
Source: Atlanta Fed, Bloomberg

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Higher Valuations Supported by Expectations of Low Volatility



Source: Bloomberg, NEPC



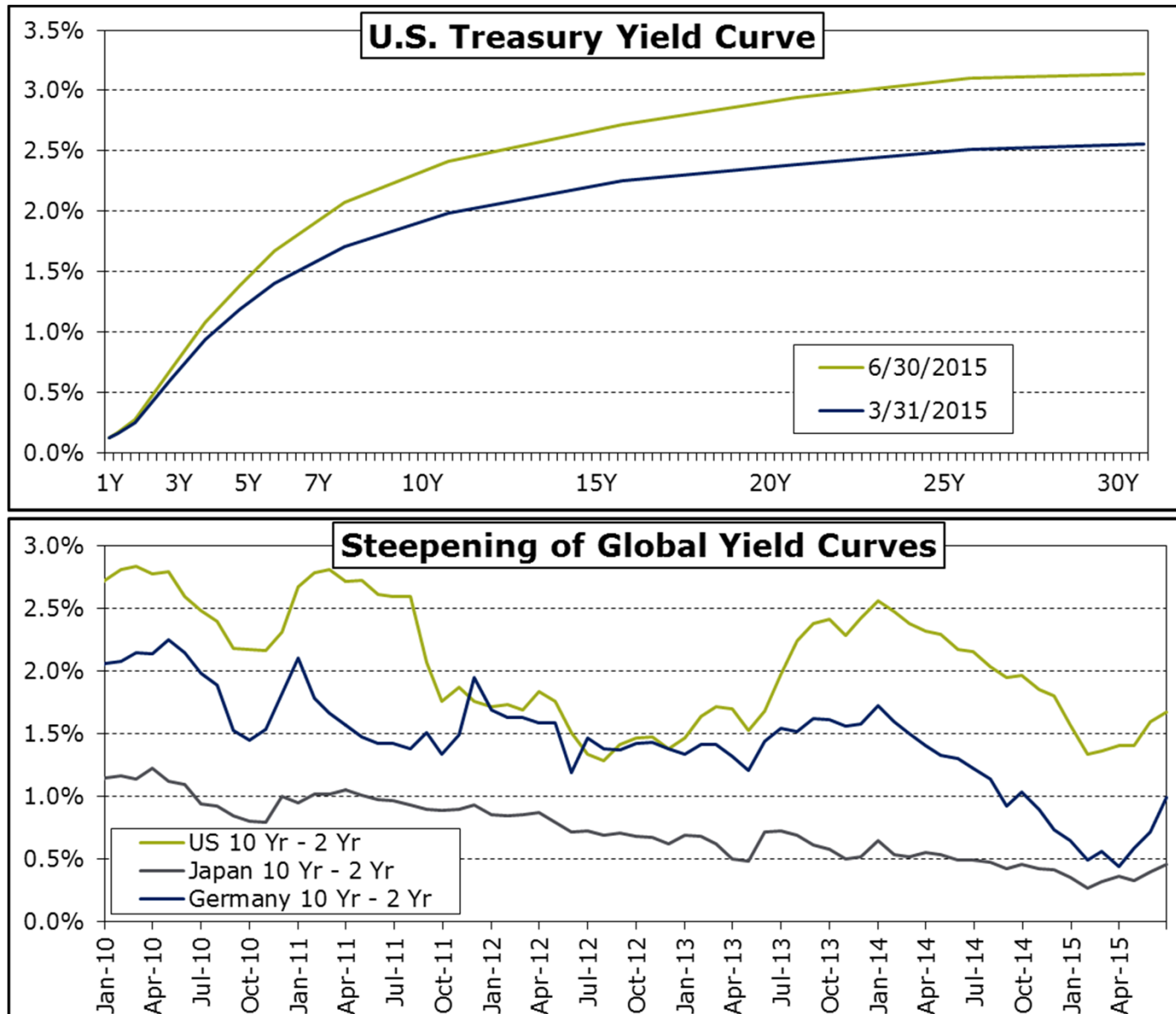
Source: Chicago Board Options Exchange, Bloomberg



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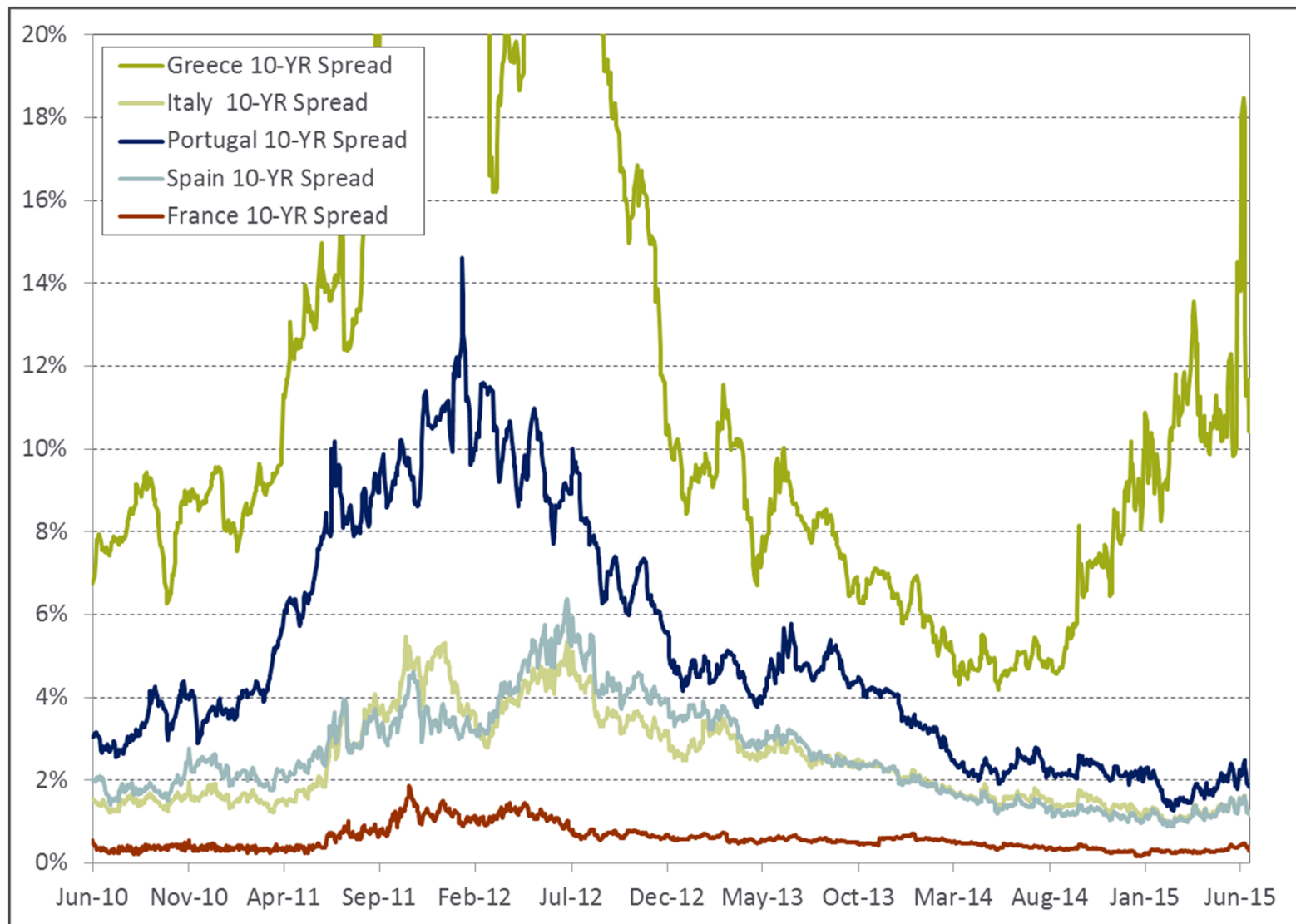
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Source: Bloomberg, as of 6/30/2015

Contagion Risks Appear Contained – Spread Over German Yields Relatively Unchanged



Source: Bloomberg, NEPC

- **US equities face headwinds but without major concerns**
 - Cautiously optimistic on US economy but Fed rate hike remains on the horizon
 - Dollar strength likely to slow earnings growth and valuations above average
- **Recommend an overweight exposure to developed market equities**
 - Suggest investors opportunistically exploit future volatility to add to the overweight
 - Long-term opportunity remains as earnings improve off cyclical lows in Europe/Japan
 - We continue to recommend a 50% hedge for developed market currency exposure
- **Recommend investors maintain a benchmark neutral weight in emerging market equities**
 - Long-term EM fundamentals remain attractive but risks and divergences across countries are significant
 - Encourage the use of benchmark agnostic investment strategies with a bias towards emerging market countries undertaking both economic and political reforms
- **Encourage investors to shift from benchmark-focused global bond strategies to US duration exposures**
 - Global interest rate volatility enhanced by QE programs and central bank activity
 - Consider a small allocation to long duration treasuries, long gov/credit, or long TIPS to fill US duration exposure
- **Encourage investors to be patient with evolving opportunities in commodity markets as volatility is high**
 - Limited distress so far but credit conditions likely to weaken

NEPC Updates

June 30, 2015

Highlights of Second Quarter Happenings at NEPC

NEPC Research Recent White Papers

- 2015 2nd Quarter Market Thoughts
- *Rising Rates and Implications for Credit Investors* (April 2015) – Seth Bancroft, Senior Research Analyst, Traditional Research
- *Socially Responsible Investing in Action* (May 2015) – Sheila Healy Berube, CFA, Senior Consultant.
- *A Dynamic Approach to Pension Glide Paths* (May 2015) - Christopher A. Levell, ASA, CFA, CAIA, Partner, Client Strategy



NEPC Client Recognitions

- NEPC is pleased to announce that two of our clients recently won *Institutional Investor Intelligence Awards*. Ruth Ryerson, Executive Director at Wyoming Retirement System, was a co-winner of the Executive Director of the Year award, along with Steve Yoakum from Public School and Education Employee Retirement Systems of Missouri. Dave Underwood, Deputy CIO and Portfolio Manager – Equities at Arizona State Retirement System, won the *Institutional Investor Intelligence Award: Innovator*.

NEPC Recognitions

- We are pleased to announce that **NEPC has won two Alternative Investment Awards for 2015** from *Wealth & Finance International*, one for Sustained Excellence in Client Investment Management and the other for Macro Strategy Specialist of the Year – USA. Awards Coordinator Peter Rujvev commented, "The caliber of the 2015 nominees was simply outstanding and this ensured that the judging process was more than a little demanding. Put simply, our winners represent the very best of the best and with such a tremendous amount of competition, it is an honor to acknowledge them and wish them well for another award winning year ahead."

News from NEPC

- **Doris Ewing honored by the NASP.** Please join us in congratulating retired NEPC Partner, Doris Ewing, who was honored as the first female African-American Partner of an Investment Consulting Firm at the NASP Women's Legends Tea on June 14 in Chicago. Congratulations Doris!

Recent Events

- **NEPC Clients Invited to the White House.** A diverse group of NEPC clients were invited to the White House on June 16 for the Clean Energy Investment Summit. The goal of the event was to help address the fundraising gap for scalable investments in clean energy and catalyze more institutional investment. Attendees engaged with senior members of the Administration to discuss recent or potential clean energy investments.



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Total Fund Performance



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Summary (Gross of Fees)

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	25 Yrs Rank	Return Since										
Total Fund	\$3,144,799,209	0.7%	23	2.0%	89	-0.8%	98	7.5%	96	8.0%	96	5.7%	93	5.8%	41	7.6%	74	8.2%	65	8.7%	Mar-71
Policy Benchmark		0.7%	24	1.9%	90	-1.0%	99	7.0%	98	8.4%	95	5.6%	93	5.3%	79	7.3%	88	--	--	--	Mar-71
Allocation Index		0.8%	19	1.9%	90	-0.8%	99	7.1%	97	7.9%	96	5.8%	91	5.5%	66	--	--	--	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI		-0.3%	92	0.3%	99	-3.2%	99	6.8%	99	7.8%	96	5.6%	94	4.7%	97	6.1%	97	--	--	--	Mar-71
InvestorForce Public DB > \$1B Gross Median		0.4%		2.6%		3.2%		10.8%		10.9%		6.8%		5.7%		7.9%		8.3%		--	Mar-71

For the five-year period ending June 30, 2015, the Fund returned 8.0%, trailing the policy benchmark by 0.4%, outperforming the plan's actuarial assumed rate, and ranking in the 96th percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 26th percentile over the five-year period.

For the three-year period ending June 30, 2015, the Fund returned 7.5%, outperforming the policy benchmark by 0.5%, outperforming the actuarial assumed rate and ranking in the 96th percentile of its peers. The Fund's volatility ranks in the top quartile of its peer group for the period.

For the one year ending June 30, 2015, the Fund produced a net investment loss of \$26.5 million, which includes a net investment gain of \$23.3 million in the second calendar quarter. Assets decreased from \$3.21 billion one year ago to \$3.14 billion on June 30, 2015, with \$43.4 million in net distributions during the year.

For the one-year period ending June 30, 2015, the Fund returned -0.8%, outperforming the policy benchmark by 0.2%.

Please see the appendix for additional performance disclosures.

Quarterly and Cumulative Excess Performance



5 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	8.0%	96	7.0%	26	1.1	97	1.9	88
Policy Benchmark	8.4%	95	6.9%	23	1.2	93	2.2	49
InvestorForce Public DB > \$1B Gross Median	10.9%	--	7.6%	--	1.4	--	2.2	--

3 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	7.5%	96	4.5%	15	1.6	95	3.7	77
Policy Benchmark	7.0%	98	4.6%	19	1.5	97	3.6	80
InvestorForce Public DB > \$1B Gross Median	10.8%	--	5.2%	--	2.1	--	4.5	--



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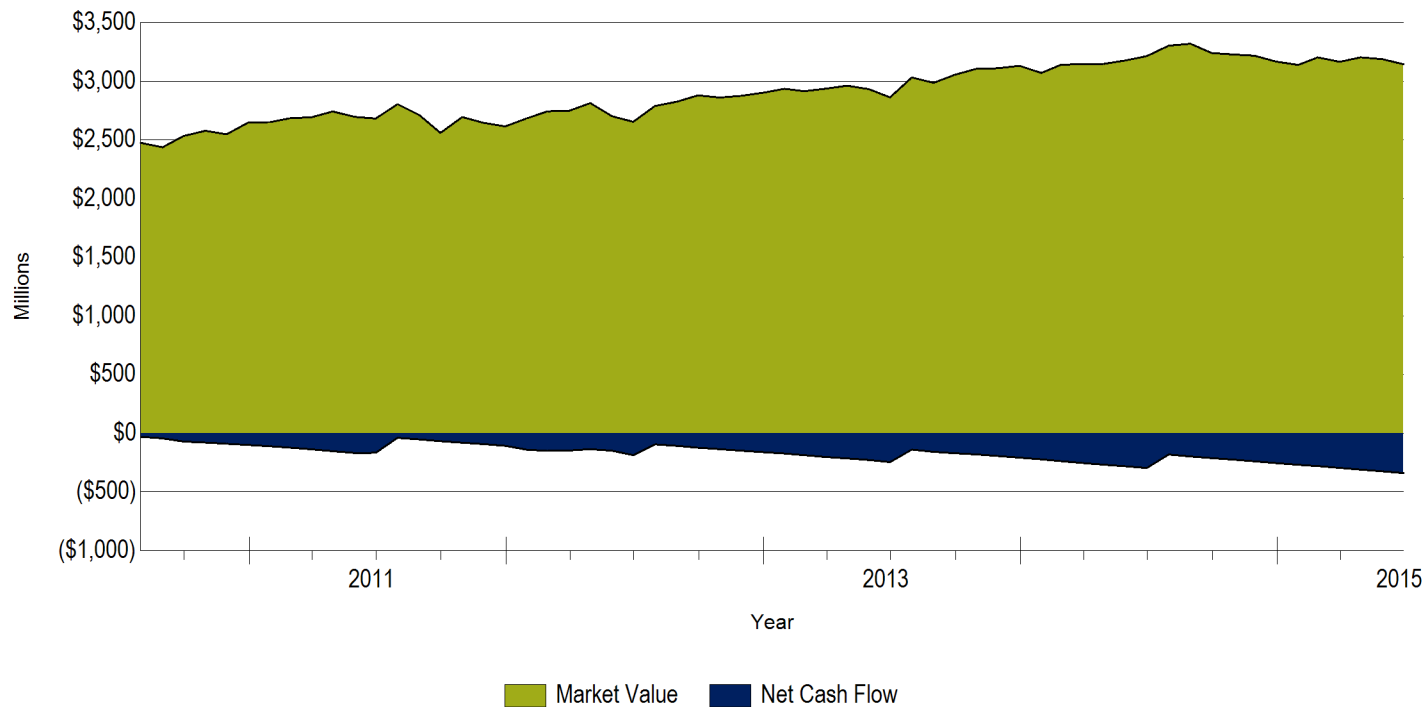
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Total Fund Asset Growth Summary

Market Value History
Since NEPC began tracking performance, April 1, 2008 thru June 30, 2015



Sources of Portfolio Growth	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Since 4/1/08
Beginning Market Value	\$3,165,755,146	\$3,167,511,835	\$3,214,627,471	\$2,654,365,686	\$2,306,035,512	\$2,583,363,926
Net Additions/Withdrawals	-\$44,249,754	-\$85,115,647	-\$43,358,700	-\$152,808,656	-\$232,151,792	-\$340,649,408
Investment Earnings	\$23,293,816	\$62,403,021	-\$26,469,563	\$643,242,178	\$1,070,915,488	\$902,084,690
Ending Market Value	\$3,144,799,209	\$3,144,799,209	\$3,144,799,209	\$3,144,799,209	\$3,144,799,209	\$3,144,799,209



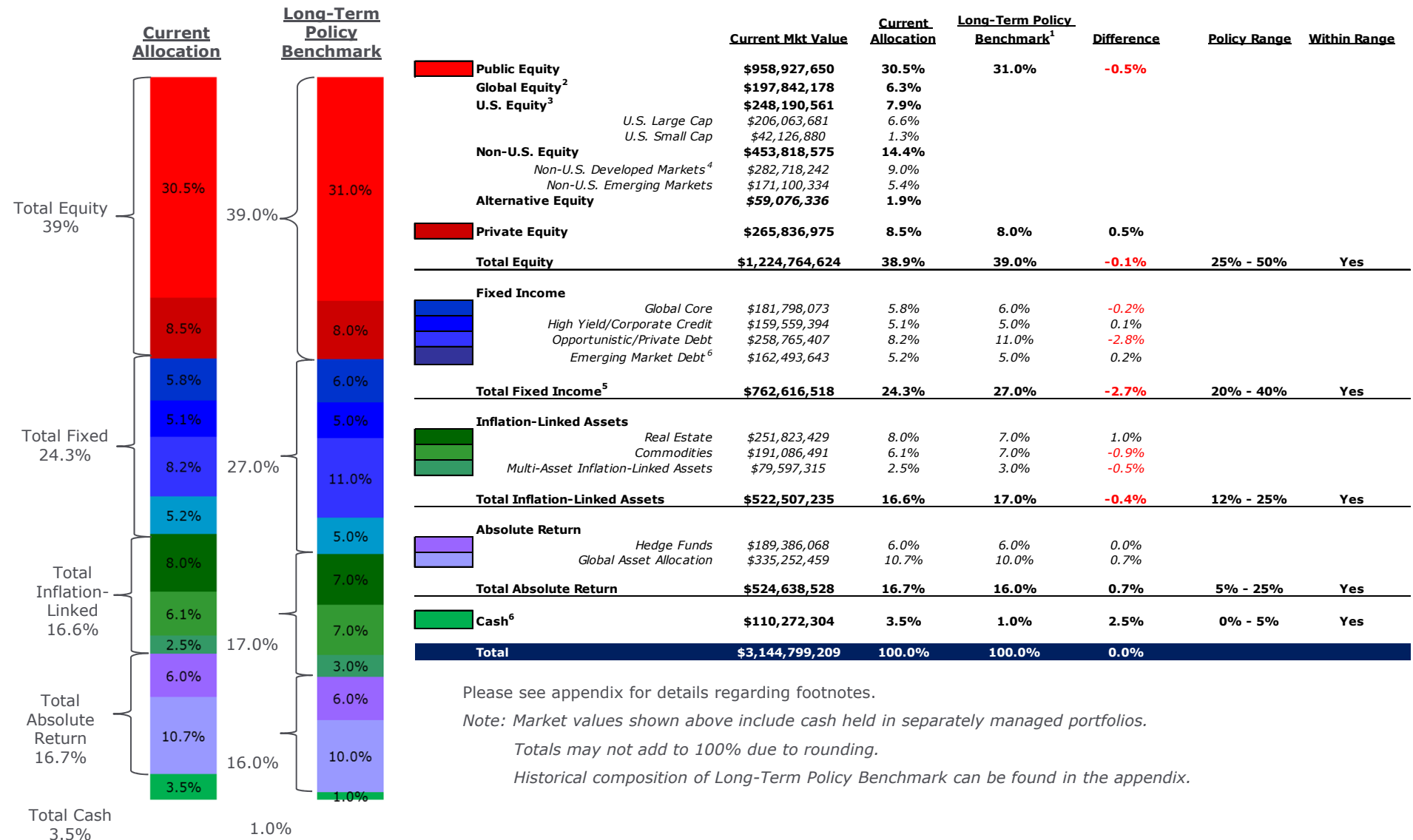
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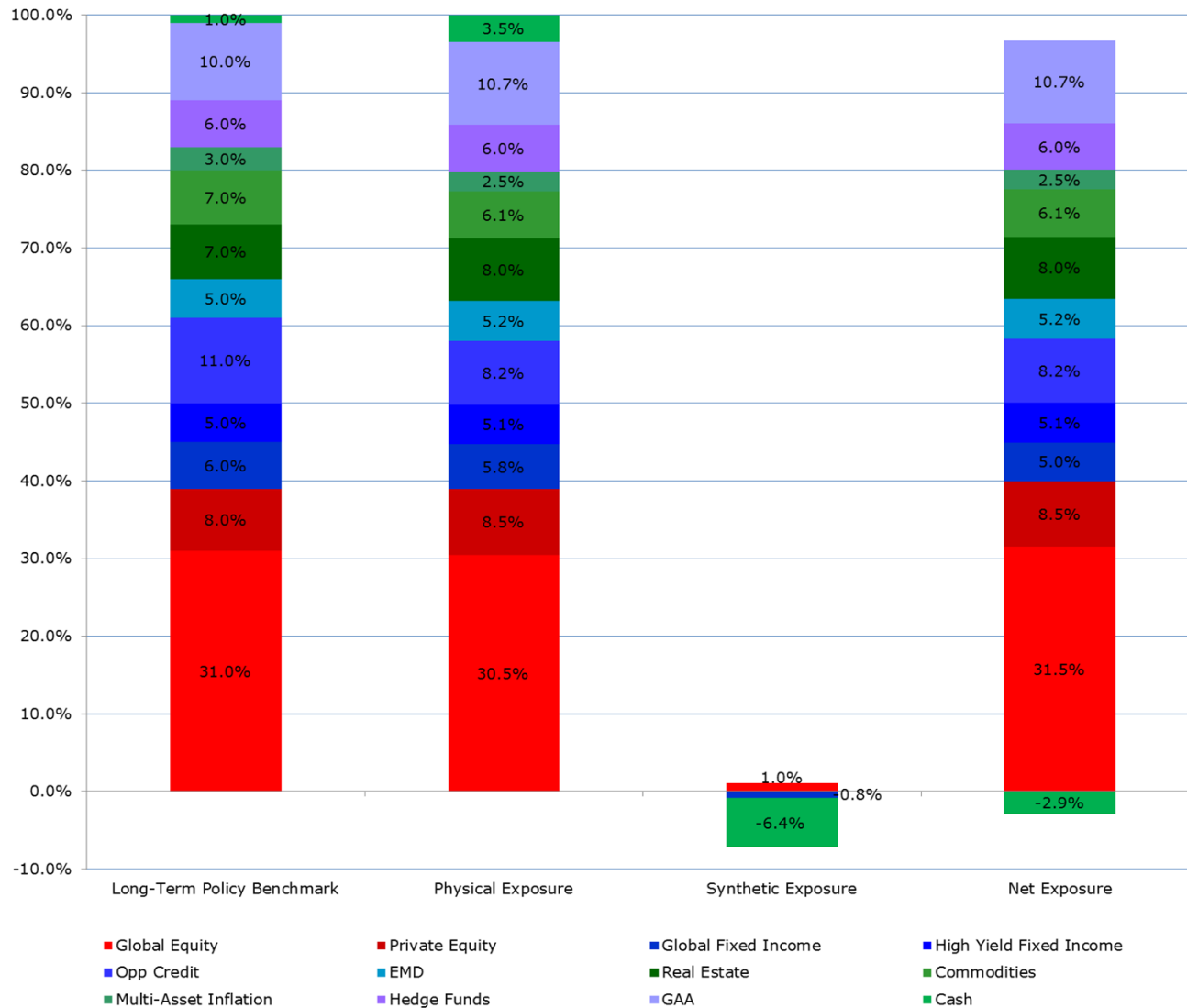
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Total Fund Asset Allocation vs. Policy Targets



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Total Fund Asset Allocation vs. Policy Targets (with detailed Overlay exposure)



Note: Long-Term Policy Benchmark and Physical Exposure matches prior page. Synthetic Exposure provided by Russell as of 12/31/2014 based on unaudited month-end valuations. Exposure shown above is intended to provide a snapshot of exposure as of month-end. Negative cash reflects gross notional exposure taken in the Russell Overlay account.



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Asset Growth Summary Detail – Public Equity

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2015		Ending Market Value
			Net Investment Change		
Artisan Global Opportunities	\$97,107,615	-\$215,710	\$4,793,174		\$101,685,078
Artisan Global Value	\$95,325,621	\$0	\$824,862		\$96,150,484
Liquidating - Russell MSCI ACWI	\$4,299	\$0	\$0		\$4,299
Liquidating - Russell MSCI ACWI Value	\$151	\$0	\$6		\$157
Equity Transition	\$202	\$0	\$1,958		\$2,160
Global Equity Composite	\$192,437,888	-\$215,710	\$5,620,000		\$197,842,178
NT Russell 1000 Index Fund	\$230,273,971	-\$25,008,099	\$797,809		\$206,063,681
Liquidating - Robeco/Boston Partners Large Cap Value	\$2,690	-\$2,690	\$0		\$0
Transition Account #1	\$3,162	\$0	\$46		\$3,208
RBC Small Cap Core	\$42,179,171	\$0	-\$55,499		\$42,123,672
U.S. Equity Composite	\$272,458,994	-\$25,010,789	\$742,356		\$248,190,561
Liquidating - Russell MSCI EAFE + CAD	\$76,425	-\$30	\$3,025		\$79,421
NT Russell MSCI World ex US Index Fund	\$231,146,668	-\$23,778	\$1,512,939		\$232,635,829
Liquidating - Brandes Int'l Equity	\$2,605	\$0	\$98		\$2,703
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$1,276	-\$120	\$44		\$1,199
Oberweis	\$42,751,710	\$5,000,000	\$2,247,381		\$49,999,090
MSCI Emerging Markets ETF (ticker: EEM)	\$33,536,345	\$0	\$509,112		\$34,045,457
Vontobel Emerging Markets	\$63,816,349	\$19,849,968	-\$724,969		\$82,941,348
Dimensional Fund Advisors	\$0	\$34,000,000	-\$550,245		\$33,449,755
Aberdeen Frontier Markets	\$20,276,489	\$0	\$387,284		\$20,663,773
International Equity Composite	\$391,607,867	\$58,826,040	\$3,384,669		\$453,818,575
Amici	\$10,767,965	\$0	-\$105,765		\$10,662,201
Marshall Wace	\$11,421,375	\$0	\$351,196		\$11,772,571
Horizon	\$11,532,066	\$0	\$225,313		\$11,757,379
Sandler	\$12,161,356	\$0	-\$312,630		\$11,848,726
Senator	\$12,852,566	\$0	\$182,894		\$13,035,459
Alternative Equity Composite	\$58,735,328	\$0	\$341,008		\$59,076,336
Total Equity Composite	\$915,240,077	\$33,599,541	\$10,088,033		\$958,927,650



City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending June 30, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$9,573,429	\$2,034,860	-\$18,284	\$11,590,005
TCW/Crescent Mezzanine Partners V	\$6,349,222	-\$498,434	\$137,631	\$5,988,419
CCMP Capital Investors III	\$7,945,104	\$0	\$237,855	\$8,182,959
Crescent Mezzanine Partners VI	\$12,581,965	\$125,128	\$243,733	\$12,950,826
Francisco Partners IV	\$0	\$2,887,500	\$0	\$2,887,500
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$29,198,615	-\$2,629,796	\$2,106,933	\$28,675,752
Industry Ventures III	\$5,187,043	\$1,499,712	\$51,991	\$6,738,746
Pantheon USA Fund VI	\$26,891,023	-\$1,760,000	\$10,764	\$25,141,787
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Situations)	\$12,041,521	-\$916,112	\$456,528	\$11,581,937
Siguler Guff DOF III	\$15,221,153	-\$965,875	\$523,839	\$14,779,117
TPG Opportunity Partners II	\$12,987,497	-\$1,399,479	\$599,747	\$12,187,765
TPG Opportunity Partners III	\$2,481,309	\$0	\$9,435	\$2,490,744
Warburg Pincus Private Equity XI	\$13,662,863	\$1,068,000	\$777,239	\$15,508,102
NT Russell 3000 Index Fund	\$106,931,617	-\$8,087	\$209,785	\$107,133,316
Total Private Equity Composite	\$261,052,361	-\$562,583	\$5,347,196	\$265,836,975
Total Private Equity Composite ex-Interim Exposure	\$154,120,744	-\$554,496	\$5,137,411	\$158,703,659



City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Fixed Income

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2015		Ending Market Value
			Net Investment Change		
Claren Road	\$26,628,087	\$0	-\$1,595,131		\$25,032,956
Colchester Global Fixed Income	\$87,729,787	-\$101,693	-\$935,018		\$86,693,076
Franklin Templeton Global Multi-Sector Plus	\$70,127,698	\$0	-\$55,657		\$70,072,041
Global Fixed Income Composite	\$184,485,572	-\$101,693	-\$2,585,806		\$181,798,073
Beach Point Total Return	\$79,106,853	\$0	\$826,610		\$79,933,463
Symphony L/S Credit Fund	\$78,993,786	\$0	\$632,145		\$79,625,931
Liquidating - Seix Bank Loans	\$4,469	-\$4,469	\$0		\$0
Corporate Credit Composite	\$158,105,108	-\$4,469	\$1,458,755		\$159,559,394
Davidson Kempner	\$22,818,823	\$0	\$122,144		\$22,940,967
Marathon European Credit Opportunity Fund	\$13,211,222	-\$1,511,140	\$206,775		\$11,906,856
GSO Direct Lending Fund	\$19,806,638	\$218,346	-\$1,460,551		\$18,564,433
Medley Opportunity Fund II	\$52,732,572	\$0	\$1,643,886		\$54,376,459
White Oak Direct Lending Fund	\$40,793,006	-\$2,100,782	\$2,636,352		\$41,328,576
Capula European Special Situations Fund	\$74,460,630	-\$476,456	\$791,994		\$74,776,169
Park Square	\$12,855,429	\$6,184,575	-\$449,161		\$18,590,842
Shoreline China Value III	\$0	\$16,393,605	-\$112,500		\$16,281,105
Opportunistic Credit Composite	\$236,678,320	\$18,708,148	\$3,378,939		\$258,765,407
BlueBay Emerging Market Select Debt	\$109,952,966	-\$207,511	-\$2,642,339		\$107,103,115
Iguazu Partners	\$54,901,859	\$0	\$488,669		\$55,390,528
Emerging Market Debt Composite	\$164,854,825	-\$207,511	-\$2,153,670		\$162,493,643
Total Fixed Income Composite	\$744,123,825	\$18,394,475	\$98,218		\$762,616,518

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Inflation-Linked Assets

	Beginning Market Value	Quarter Ending June 30, 2015		Ending Market Value
		Net Cash Flow	Net Investment Change	
American Realty Separate Account	\$24,547,257	-\$753,750	\$752,490	\$24,545,997
American Realty Core Fund	\$125,643,189	-\$1,626,580	\$5,389,967	\$129,406,576
BlackStone Real Estate Debt Strategies II	\$4,290,069	\$236,142	\$104,453	\$4,630,664
Brookfield Strategic Real Estate Partners	\$9,395,157	-\$233,829	\$283,843	\$9,445,171
Och Ziff Real Estate	\$1,085,893	\$1,213,208	-\$1,785	\$2,297,316
Orion European Real Estate Fund IV	\$4,326,310	\$570,102	-\$661,410	\$4,235,002
TA Realty Fund X	\$9,890,311	\$161,123	\$297,432	\$10,348,866
Tristan EPISO 3	\$4,099,011	\$1,288,519	-\$325,900	\$5,061,630
Russell Real Estate	\$62,260,208	\$0	-\$408,000	\$61,852,207
Total Real Estate Composite	\$245,537,405	\$854,935	\$5,431,090	\$251,823,429
Total Real Estate Composite ex-Interim Exposure	\$183,277,197	\$854,935	\$5,839,090	\$189,971,222
Credit Suisse Balanced Risk Commodity Index	\$185,626,258	-\$121,107	\$5,581,340	\$191,086,491
Total Commodities Composite	\$185,626,258	-\$121,107	\$5,581,340	\$191,086,491
Wellington Diversified Inflation Hedges	\$79,106,399	-\$180,950	\$671,866	\$79,597,315
Total Multi-Asset Inflation-Linked Assets	\$79,106,399	-\$180,950	\$671,866	\$79,597,315



City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2015		Ending Market Value
			Net	Investment Change	
Arrowgrass	\$23,910,166	\$0	\$235,805		\$24,145,971
BlueTrend	\$10,599,944	\$0	-\$1,389,960		\$9,209,984
Brevan Howard	\$21,539,002	\$0	-\$373,400		\$21,165,602
DE Shaw	\$26,744,213	\$0	\$429,076		\$27,173,289
Hudson Bay	\$20,811,028	\$0	-\$240,909		\$20,570,119
Kepos	\$5,333,580	\$7,000,000	-\$592,246		\$11,741,334
Pine River	\$23,484,019	\$0	\$525,757		\$24,009,776
Russell Hedge Funds	\$101,202,288	-\$50,000,000	\$167,704		\$51,369,992
Total Hedge Funds	\$233,624,240	-\$43,000,000	-\$1,238,173		\$189,386,068
Total Hedge Funds ex-Interim Exposure	\$132,421,952	\$7,000,000	-\$1,405,877		\$138,016,076
GMO Benchmark-Free Allocation Fund	\$99,563,275	\$0	-\$339,678		\$99,223,598
PIMCO All Asset All Authority Fund	\$94,981,512	\$0	-\$205,828		\$94,775,684
Standard Life GARS Fund	\$143,226,897	\$0	-\$1,973,719		\$141,253,178
Total Global Asset Allocation	\$337,771,684	\$0	-\$2,519,225		\$335,252,459



City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Cash & Overlay

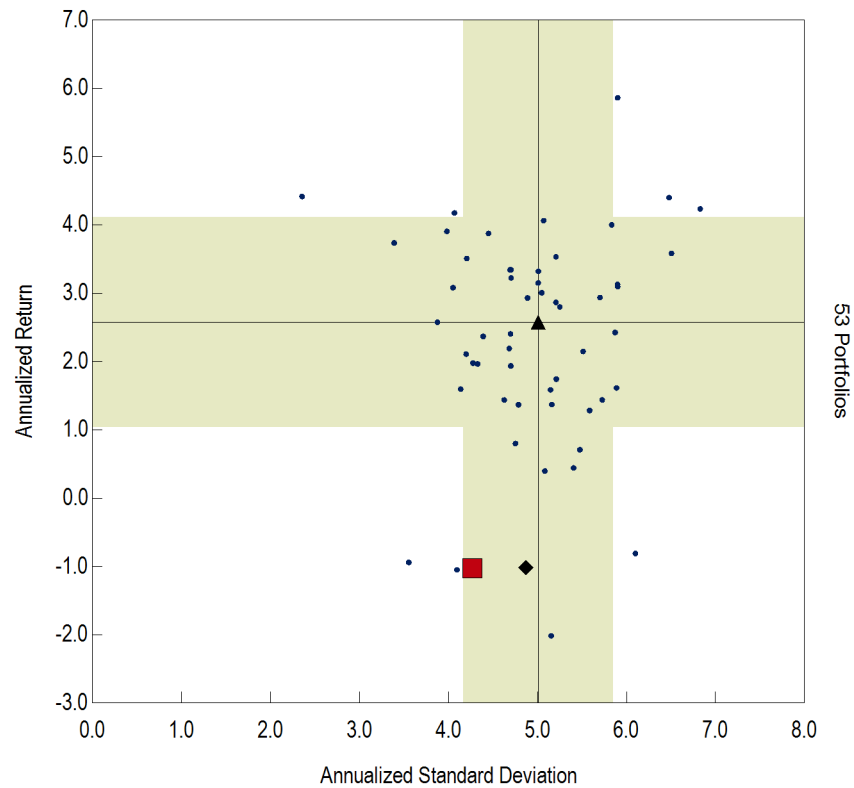
	Quarter Ending June 30, 2015			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$94,349,788	-\$53,234,064	-\$1	\$41,115,723
Russell Overlay	\$69,323,111	\$0	-\$166,529	\$69,156,581
Total Cash and Overlay	\$163,672,899	-\$53,234,064	-\$166,530	\$110,272,303



City of San Jose Police and Fire Department Retirement Plan

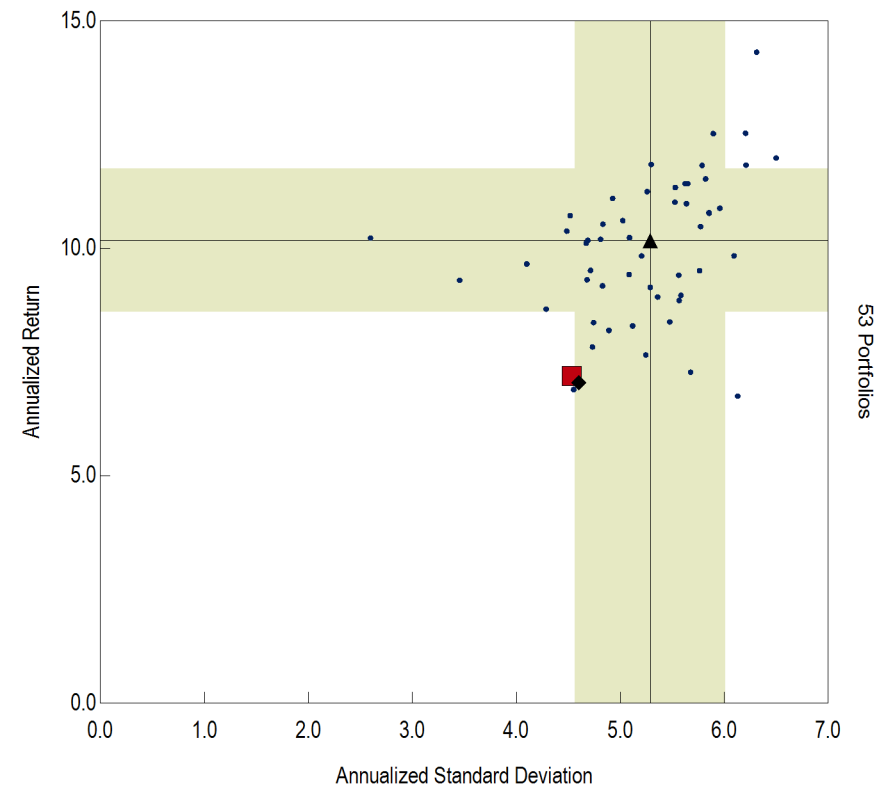
Total Fund Risk/Return

1 Year Ending June 30, 2015



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

3 Years Ending June 30, 2015



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net



NEPC, LLC

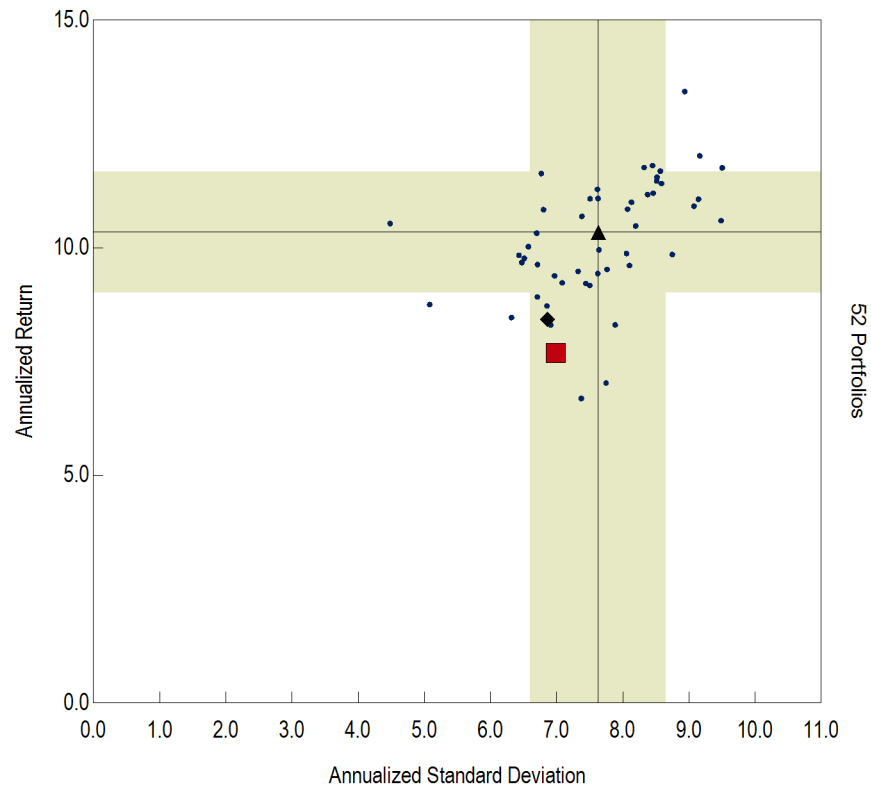
June 30, 2015

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City of San Jose Police and Fire Department Retirement Plan

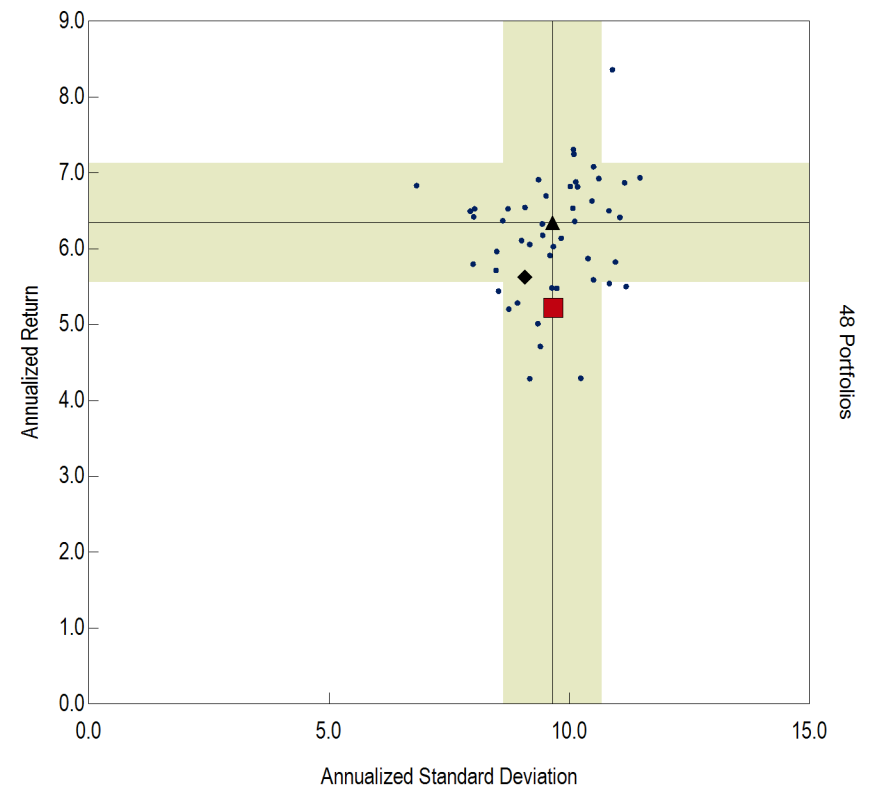
Total Fund Risk/Return

5 Years Ending June 30, 2015



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

10 Years Ending June 30, 2015



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net



NEPC, LLC

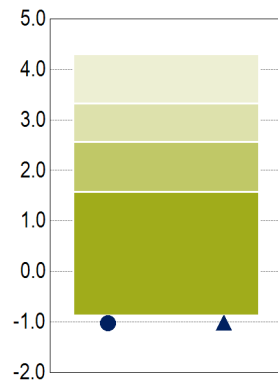
June 30, 2015

8-25-2015 JOINT IC PF #3

Total Fund Risk Statistics vs. Peer Universe

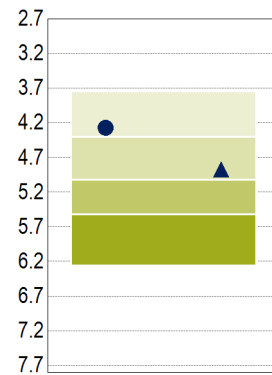
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 1 Year

Anlzd Return



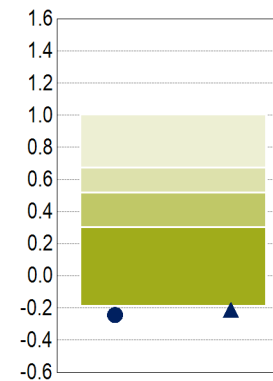
● Total Fund	
Value	-1.0
%tile	98
▲ Policy Benchmark	
Value	-1.0
%tile	98
Universe	
5th %tile	4.3
25th %tile	3.3
Median	2.6
75th %tile	1.6
95th %tile	-0.9

Anlzd Standard Deviation



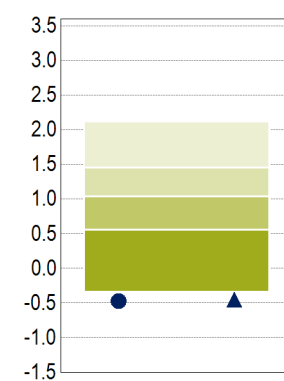
● Total Fund	
Value	4.3
%tile	22
▲ Policy Benchmark	
Value	4.9
%tile	46
Universe	
5th %tile	3.7
25th %tile	4.4
Median	5.0
75th %tile	5.5
95th %tile	6.3

Sharpe Ratio



● Total Fund	
Value	-0.2
%tile	96
▲ Policy Benchmark	
Value	-0.2
%tile	96
Universe	
5th %tile	1.0
25th %tile	0.7
Median	0.5
75th %tile	0.3
95th %tile	-0.2

Sortino Ratio

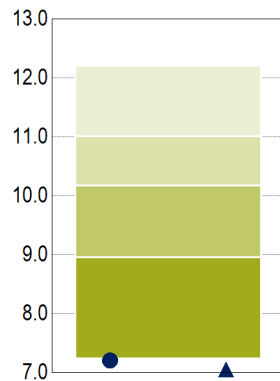


● Total Fund	
Value	-0.5
%tile	97
▲ Policy Benchmark	
Value	-0.5
%tile	96
Universe	
5th %tile	2.1
25th %tile	1.5
Median	1.0
75th %tile	0.6
95th %tile	-0.3

Total Fund Risk Statistics vs. Peer Universe

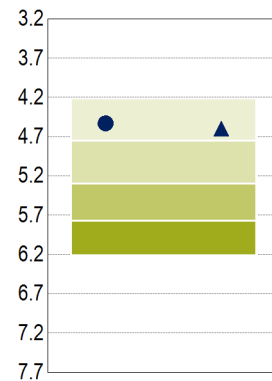
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 3 Years

Anlzd Return



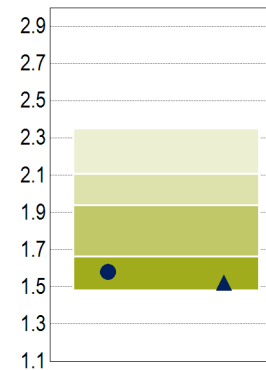
● Total Fund	
Value	7.2
%tile	96
▲ Policy Benchmark	
Value	7.0
%tile	98
Universe	
5th %tile	12.2
25th %tile	11.0
Median	10.2
75th %tile	9.0
95th %tile	7.2

Anlzd Standard Deviation



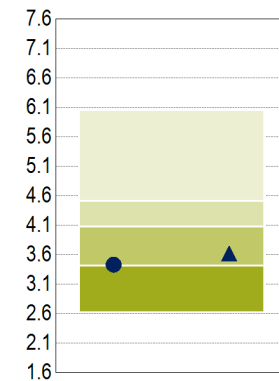
● Total Fund	
Value	4.5
%tile	13
▲ Policy Benchmark	
Value	4.6
%tile	15
Universe	
5th %tile	4.2
25th %tile	4.7
Median	5.3
75th %tile	5.8
95th %tile	6.2

Sharpe Ratio



● Total Fund	
Value	1.6
%tile	91
▲ Policy Benchmark	
Value	1.5
%tile	93
Universe	
5th %tile	2.4
25th %tile	2.1
Median	1.9
75th %tile	1.7
95th %tile	1.5

Sortino Ratio

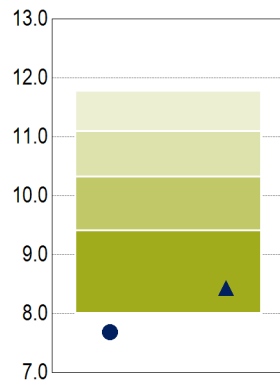


● Total Fund	
Value	3.4
%tile	74
▲ Policy Benchmark	
Value	3.6
%tile	67
Universe	
5th %tile	6.1
25th %tile	4.5
Median	4.1
75th %tile	3.4
95th %tile	2.6

Total Fund Risk Statistics vs. Peer Universe

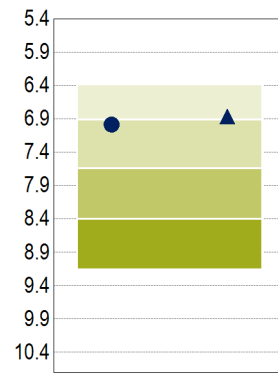
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 5 Years

Anlzd Return



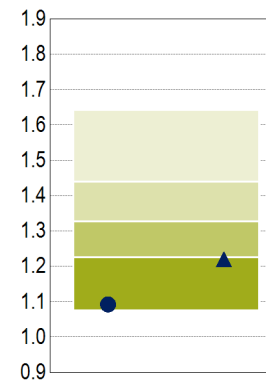
● Total Fund	
Value	7.7
%tile	97
▲ Policy Benchmark	
Value	8.4
%tile	91
Universe	
5th %tile	11.8
25th %tile	11.1
Median	10.3
75th %tile	9.4
95th %tile	8.0

Anlzd Standard Deviation



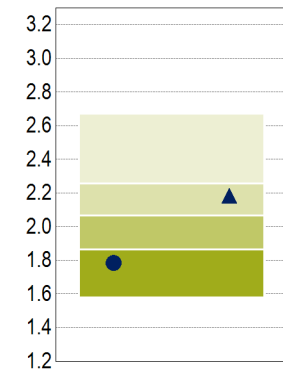
● Total Fund	
Value	7.0
%tile	30
▲ Policy Benchmark	
Value	6.9
%tile	24
Universe	
5th %tile	6.4
25th %tile	6.9
Median	7.6
75th %tile	8.4
95th %tile	9.2

Sharpe Ratio



● Total Fund	
Value	1.1
%tile	95
▲ Policy Benchmark	
Value	1.2
%tile	77
Universe	
5th %tile	1.6
25th %tile	1.4
Median	1.3
75th %tile	1.2
95th %tile	1.1

Sortino Ratio

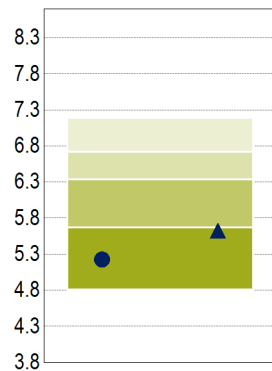


● Total Fund	
Value	1.8
%tile	81
▲ Policy Benchmark	
Value	2.2
%tile	35
Universe	
5th %tile	2.7
25th %tile	2.3
Median	2.1
75th %tile	1.9
95th %tile	1.6

Total Fund Risk Statistics vs. Peer Universe

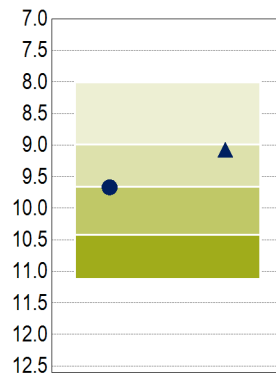
Total Fund vs. InvestorForce Public DB > \$1B Net (USD) 10 Years

Anlzd Return



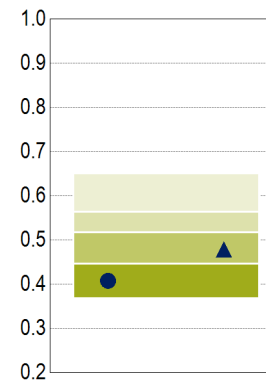
● Total Fund	
Value	5.2
%tile	91
▲ Policy Benchmark	
Value	5.6
%tile	77
Universe	
5th %tile	7.2
25th %tile	6.7
Median	6.3
75th %tile	5.7
95th %tile	4.8

Anlzd Standard Deviation



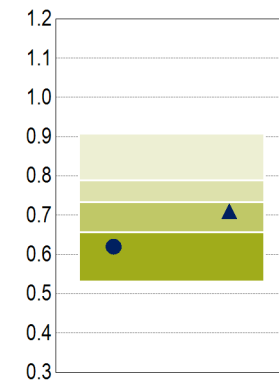
● Total Fund	
Value	9.7
%tile	52
▲ Policy Benchmark	
Value	9.1
%tile	28
Universe	
5th %tile	8.0
25th %tile	9.0
Median	9.7
75th %tile	10.4
95th %tile	11.1

Sharpe Ratio



● Total Fund	
Value	0.4
%tile	88
▲ Policy Benchmark	
Value	0.5
%tile	71
Universe	
5th %tile	0.7
25th %tile	0.6
Median	0.5
75th %tile	0.4
95th %tile	0.4

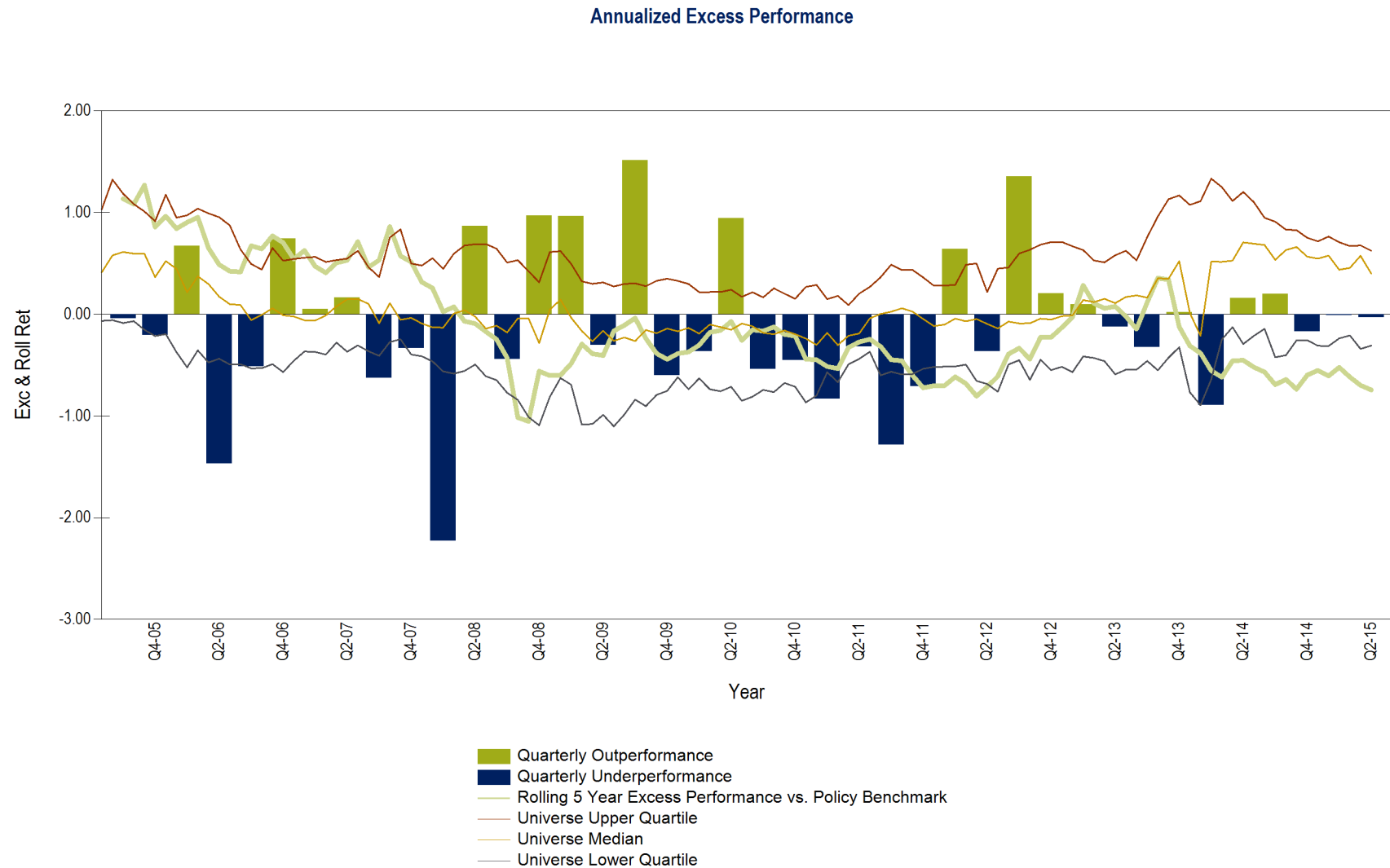
Sortino Ratio



● Total Fund	
Value	0.6
%tile	83
▲ Policy Benchmark	
Value	0.7
%tile	59
Universe	
5th %tile	0.9
25th %tile	0.8
Median	0.7
75th %tile	0.7
95th %tile	0.5

City of San Jose Police and Fire Department Retirement Plan

Total Fund Rolling 5-Year Excess Returns



Note: Performance shown is net of fees.



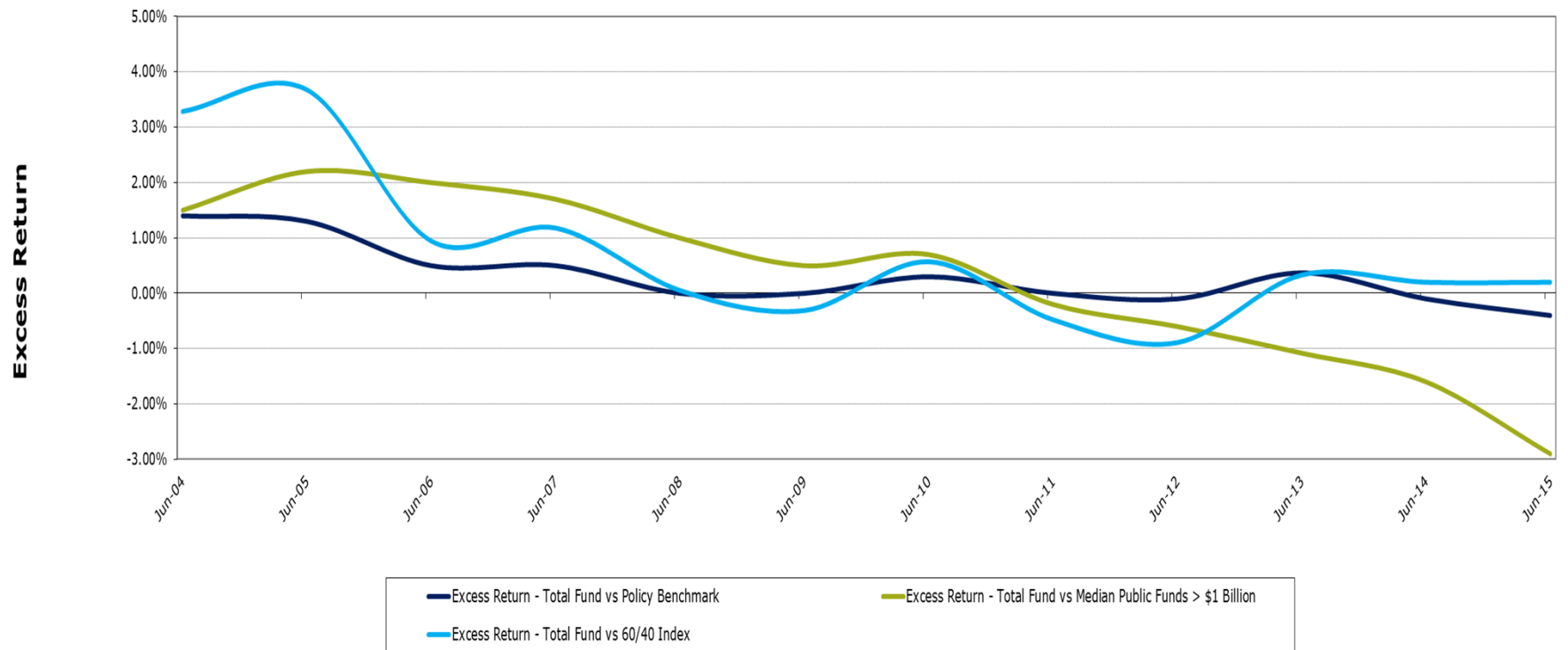
NEPC, LLC

June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

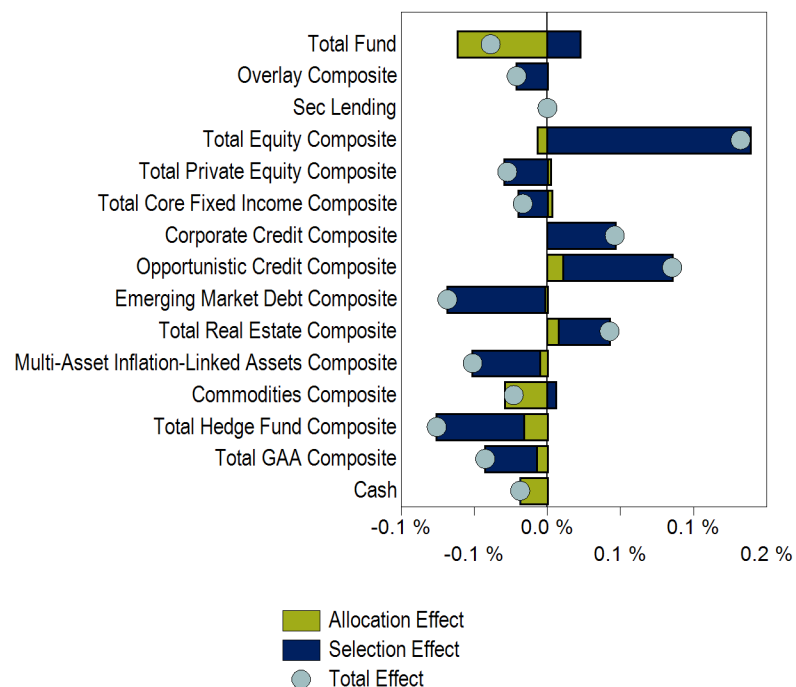
Total Fund Rolling 5-Year Excess Returns



City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
3 Months Ending June 30, 2015



Attribution Summary
3 Months Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	-0.2%	0.7%	-0.9%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--
Total Equity Composite	1.0%	0.5%	0.5%	0.1%	0.0%	0.1%
Total Private Equity Composite	2.0%	2.4%	-0.3%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	-1.5%	-1.2%	-0.3%	0.0%	0.0%	0.0%
Corporate Credit Composite	0.9%	0.0%	0.9%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	1.4%	0.4%	1.0%	0.1%	0.0%	0.1%
Emerging Market Debt Composite	-1.4%	-0.2%	-1.3%	-0.1%	0.0%	-0.1%
Total Real Estate Composite	2.2%	1.8%	0.4%	0.0%	0.0%	0.0%
Multi-Asset Inflation- Linked Assets Composite	0.6%	2.3%	-1.7%	0.0%	0.0%	-0.1%
Commodities Composite	2.9%	2.8%	0.1%	0.0%	0.0%	0.0%
Total Hedge Fund Composite	-0.8%	0.1%	-0.9%	-0.1%	0.0%	-0.1%
Total GAA Composite	-0.7%	-0.4%	-0.3%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.7%	0.7%	0.0%	0.0%	-0.1%	0.0%

Note: Performance shown is net of fees.



NEPC, LLC

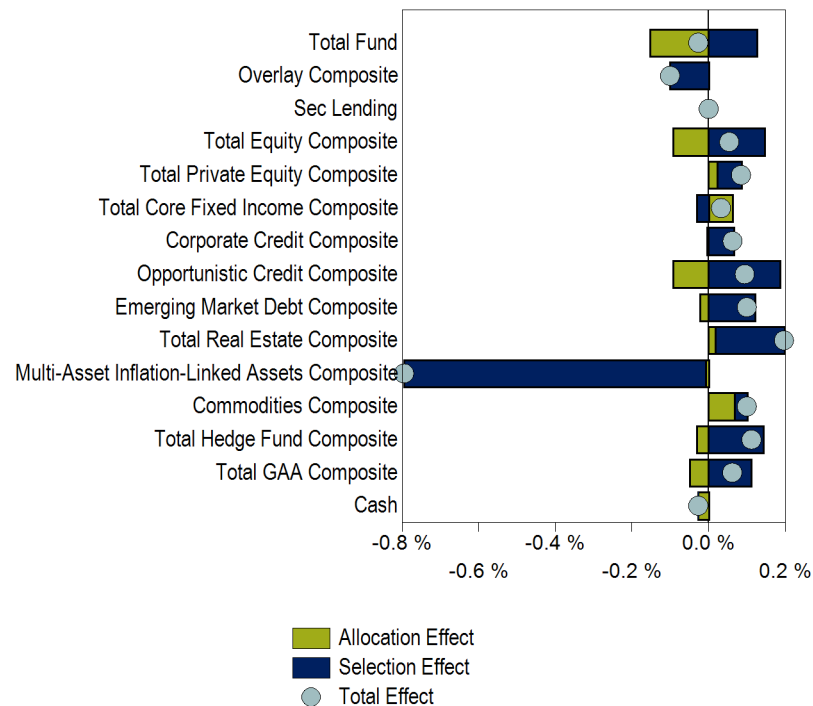
June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
YTD Ending June 30, 2015



Attribution Summary
YTD Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	3.2%	1.9%	1.3%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--
Total Equity Composite	3.8%	3.1%	0.7%	0.2%	-0.1%	0.1%
Total Private Equity Composite	4.5%	4.9%	-0.4%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	-1.9%	-3.1%	1.2%	0.1%	0.0%	0.1%
Corporate Credit Composite	2.6%	2.5%	0.1%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	1.1%	2.8%	-1.7%	-0.1%	0.0%	-0.2%
Emerging Market Debt Composite	-1.7%	-1.1%	-0.7%	0.0%	0.0%	0.0%
Total Real Estate Composite	4.0%	3.9%	0.1%	0.0%	0.0%	0.0%
Multi-Asset Inflation- Linked Assets Composite	-2.2%	4.1%	-6.3%	-0.2%	0.0%	-0.2%
Commodities Composite	-2.4%	-2.4%	0.0%	0.0%	0.0%	0.0%
Total Hedge Fund Composite	1.3%	1.2%	0.2%	0.0%	0.0%	0.0%
Total GAA Composite	1.1%	0.0%	1.1%	0.1%	0.0%	0.1%
Cash	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Total	1.8%	1.9%	-0.1%	0.1%	-0.1%	-0.1%

Note: Performance shown is net of fees.



NEPC, LLC

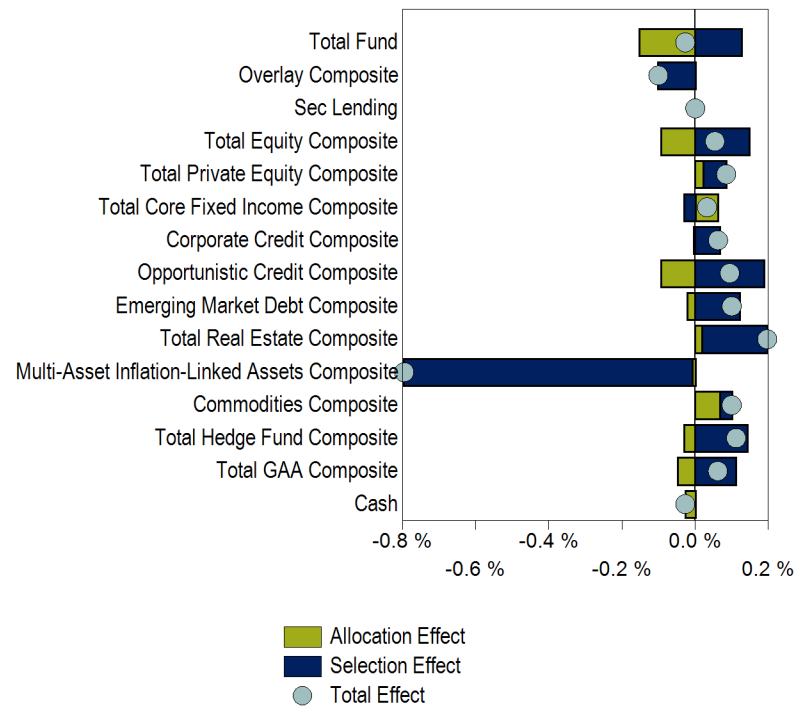
June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
1 Year Ending June 30, 2015



Attribution Summary
1 Year Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	-5.0%	-1.0%	-4.0%	-0.1%	0.0%	-0.1%
Sec Lending	--	--	--	--	0.0%	--
Total Equity Composite	1.3%	0.8%	0.5%	0.1%	-0.1%	0.1%
Total Private Equity Composite	8.7%	7.8%	1.0%	0.1%	0.0%	0.1%
Total Core Fixed Income Composite	-7.4%	-7.1%	-0.3%	0.0%	0.1%	0.0%
Corporate Credit Composite	1.0%	-0.4%	1.4%	0.1%	0.0%	0.1%
Opportunistic Credit Composite	4.3%	1.4%	2.9%	0.2%	-0.1%	0.1%
Emerging Market Debt Composite	-5.3%	-7.5%	2.2%	0.1%	0.0%	0.1%
Total Real Estate Composite	7.1%	4.5%	2.6%	0.2%	0.0%	0.2%
Multi-Asset Inflation-Linked Assets Composite	-21.3%	5.1%	-26.4%	-0.8%	0.0%	-0.8%
Commodities Composite	-19.7%	-20.1%	0.4%	0.0%	0.1%	0.1%
Total Hedge Fund Composite	2.4%	0.4%	2.0%	0.1%	0.0%	0.1%
Total GAA Composite	-1.7%	-2.8%	1.1%	0.1%	0.0%	0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-1.0%	-1.0%	0.0%	0.1%	-0.2%	0.0%

Note: Performance shown is net of fees.



NEPC, LLC

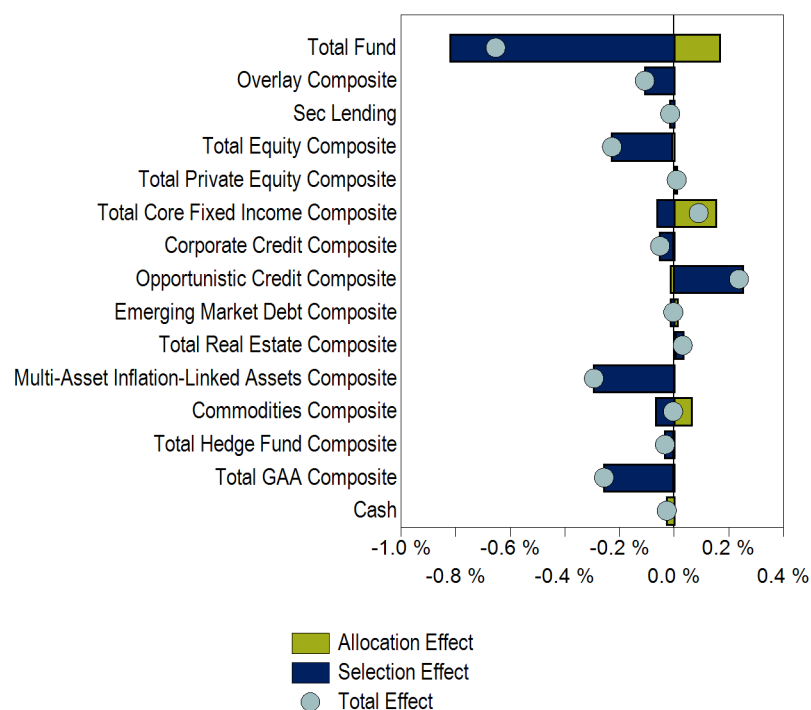
June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

Total Fund

**Attribution Effects
Beginning 1/1/2013**



**Attribution Summary
Beginning 1/1/2013**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	457.4%	5.2%	452.2%	-0.1%	0.0%	-0.1%
Sec Lending	--	--	--	0.0%	0.0%	0.0%
Total Equity Composite	11.1%	11.8%	-0.7%	-0.2%	0.0%	-0.2%
Total Private Equity Composite	15.5%	15.3%	0.1%	0.0%	0.0%	0.0%
Total Core Fixed Income Composite	-1.9%	-1.2%	-0.7%	-0.1%	0.2%	0.1%
Corporate Credit Composite	4.2%	5.0%	-0.8%	0.0%	0.0%	-0.1%
Opportunistic Credit Composite	7.8%	4.7%	3.0%	0.3%	0.0%	0.2%
Emerging Market Debt Composite	-4.4%	-4.2%	-0.3%	0.0%	0.0%	0.0%
Total Real Estate Composite	9.8%	9.5%	0.4%	0.0%	0.0%	0.0%
Multi-Asset Inflation- Linked Assets Composite	--	--	--	-0.3%	0.0%	-0.3%
Commodities Composite	-8.8%	-8.1%	-0.7%	-0.1%	0.1%	0.0%
Total Hedge Fund Composite	3.1%	3.2%	-0.1%	0.0%	0.0%	0.0%
Total GAA Composite	2.9%	6.4%	-3.4%	-0.3%	0.0%	-0.3%
Cash	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	5.2%	5.8%	-0.7%	-0.8%	0.2%	-0.7%

Note: Performance shown is net of fees.



NEPC, LLC

June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics

3 Years Ending June 30, 2015

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Equity Composite	30.5%	13.0%	60	8.5%	16	0.1%	67	1.2%	1	-0.4	N/A	1.0	1.5
San Jose Custom Total Equity Benchmark	--	13.5%	54	8.8%	34	0.0%	69	0.0%	1	--	--	1.0	1.5
Global Equity Composite	6.3%	12.9%	60	9.1%	41	1.6%	47	5.3%	69	-0.1	N/A	0.8	1.4
MSCI ACWI IMI (Net)	--	13.3%	56	8.7%	32	0.0%	68	0.0%	1	--	--	1.0	1.5
U.S. Large Cap Equity Composite	6.6%	16.9%	67	8.6%	23	-0.8%	70	0.7%	1	-1.2	N/A	1.0	2.0
Russell 1000	--	17.7%	53	8.6%	22	0.0%	54	0.0%	1	--	--	1.0	2.1
U.S. Small Cap Equity Composite	1.3%	17.0%	70	12.7%	88	3.2%	80	8.6%	80	-0.1	N/A	0.8	1.3
Russell 2000	--	17.8%	58	12.5%	86	0.0%	94	0.0%	1	--	--	1.0	1.4
Developed International Equity Composite	9.0%	11.0%	77	10.2%	48	0.2%	79	1.9%	6	-0.2	N/A	0.9	1.1
San Jose Custom MSCI World ex US Benchmark	--	11.4%	69	10.7%	71	0.0%	83	0.0%	1	--	--	1.0	1.1
Emerging Markets Equity Composite	5.4%	1.7%	87	11.8%	38	-1.6%	85	4.5%	51	-0.5	N/A	0.9	0.1
MSCI Emerging Markets	--	3.7%	65	12.5%	64	0.0%	67	0.0%	1	--	--	1.0	0.3
Total Fixed Income Composite	24.2%	4.1%	26	3.3%	65	2.3%	27	1.7%	1	1.1	N/A	0.8	1.2
Fixed Income Blended Benchmark	--	2.2%	56	3.6%	69	0.0%	92	0.0%	1	--	--	1.0	0.6
Corporate Credit Composite	5.1%	5.0%	--	3.6%	--	1.0%	--	2.9%	--	-0.5	--	0.6	1.4
Blended Domestic Credit Index	--	6.4%	--	4.3%	--	0.0%	--	0.0%	--	--	--	1.0	1.5
Opportunistic Credit Composite	8.2%	14.4%	--	5.6%	--	9.8%	--	5.2%	--	1.6	--	0.8	2.6
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	6.0%	--	2.8%	--	0.0%	--	0.0%	--	--	--	1.0	2.1
U.S. Direct Lending	3.6%	9.7%	--	3.6%	--	-480.7%	--	3.6%	--	1.2	--	93.3	2.6
3-Month LIBOR + 5%	--	5.3%	--	0.0%	--	0.0%	--	0.0%	--	--	--	1.0	298.9
Inflation-Linked Assets Composite	8.6%	-6.6%	--	10.0%	--	-2.6%	--	2.7%	--	-1.2	--	1.2	-0.7
San Jose Custom Inflation-Linked Assets Benchmark	--	-3.3%	--	8.0%	--	0.0%	--	0.0%	--	--	--	1.0	-0.4
Commodities Composite	6.1%	-6.4%	--	9.9%	--	-0.8%	--	1.0%	--	-0.8	--	1.0	-0.6
Custom Commodity Risk Parity Index	--	-5.5%	--	9.8%	--	0.0%	--	0.0%	--	--	--	1.0	-0.6

Note: Performance shown is net of fees.



NEPC, LLC

June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics

5 Years Ending June 30, 2015

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ RK	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Equity Composite	30.5%	11.9%	69	13.1%	31	0.0%	69	1.3%	1	-0.6	N/A	0.9	0.9
San Jose Custom Total Equity Benchmark	--	12.6%	58	13.9%	47	0.0%	68	0.0%	1	--	--	1.0	0.9
U.S. Large Cap Equity Composite	6.6%	17.5%	50	12.3%	37	-0.2%	51	1.2%	1	-0.1	N/A	1.0	1.4
Russell 1000	--	17.6%	48	12.2%	33	0.0%	48	0.0%	1	--	--	1.0	1.4
U.S. Small Cap Equity Composite	1.3%	15.2%	87	16.2%	78	0.2%	91	7.2%	47	-0.3	N/A	0.9	0.9
Russell 2000	--	17.1%	64	16.8%	85	0.0%	92	0.0%	1	--	--	1.0	1.0
Developed International Equity Composite	9.0%	9.5%	69	14.7%	20	1.1%	63	3.0%	23	0.1	69	0.9	0.6
San Jose Custom MSCI World ex US Benchmark	--	9.2%	75	15.8%	64	0.0%	81	0.0%	1	--	--	1.0	0.6
Emerging Markets Equity Composite	5.4%	1.2%	90	18.0%	54	-2.3%	91	4.0%	30	-0.6	N/A	1.0	0.1
MSCI Emerging Markets	--	3.7%	68	18.1%	55	0.0%	70	0.0%	1	--	--	1.0	0.2
Total Fixed Income Composite	24.2%	5.9%	28	3.1%	57	2.1%	26	1.6%	1	0.6	14	0.8	1.9
Fixed Income Blended Benchmark	--	4.9%	39	3.6%	67	0.0%	90	0.0%	1	--	--	1.0	1.3
Corporate Credit Composite	5.1%	6.1%	--	4.0%	--	0.7%	--	2.4%	--	-0.5	--	0.7	1.5
Blended Domestic Credit Index	--	7.3%	--	4.7%	--	0.0%	--	0.0%	--	--	--	1.0	1.5
Opportunistic Credit Composite	8.2%	11.5%	--	8.3%	--	8.2%	--	8.4%	--	0.5	--	0.5	1.4
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	7.0%	--	4.0%	--	0.0%	--	0.0%	--	--	--	1.0	1.7

Note: Performance shown is net of fees.



NEPC, LLC

June 30, 2015

8-25-2015 JOINT IC PF #3

Total Fund Performance (Net of Fees)



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fund	3,144,799,209	100.0	0.7	--	1.8	--	-1.0	--	7.2	--	7.7	--	4.3	--	5.2	--	8.6	Mar-71
Policy Benchmark			<u>0.7</u>	--	<u>1.9</u>	--	<u>-1.0</u>	--	<u>7.0</u>	--	<u>8.4</u>	--	<u>4.4</u>	--	<u>5.6</u>	--	--	Mar-71
Over/Under			0.0		-0.1		0.0		0.2		-0.7		-0.1		-0.4		--	
Allocation Index			0.8	--	1.9	--	-0.8	--	7.1	--	7.9	--	4.6	--	5.8	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI			-0.3	--	0.3	--	-3.2	--	6.8	--	7.8	--	4.2	--	5.6	--	--	Mar-71
Total Equity Composite	958,927,650	30.5	1.0	35	3.8	40	1.3	55	13.0	60	11.9	69	5.4	63	--	--	5.1	Apr-08
San Jose Custom Total Equity Benchmark			<u>0.5</u>	48	<u>3.1</u>	51	<u>0.8</u>	61	<u>13.5</u>	54	<u>12.6</u>	58	<u>5.9</u>	52	--	--	<u>5.3</u>	Apr-08
Over/Under			0.5		0.7		0.5		-0.5		-0.7		-0.5				-0.2	
eA All Global Equity Net Median			0.4		3.2		1.8		13.8		13.1		6.0		7.2		5.5	Apr-08
Global Equity Composite	197,842,178	6.3	2.7	10	5.4	23	4.5	26	--	--	--	--	--	--	--	--	13.7	Mar-13
MSCI ACWI IMI (Net)			<u>0.5</u>	48	<u>3.1</u>	51	<u>0.8</u>	61	<u>13.3</u>	56	<u>12.2</u>	63	<u>5.2</u>	65	<u>6.7</u>	59	<u>10.5</u>	Mar-13
Over/Under			2.2		2.3		3.7										3.2	
eA All Global Equity Net Median			0.4		3.2		1.8		13.8		13.1		6.0		7.2		11.3	Mar-13
Artisan Global Opportunities	101,685,078	3.2	4.7	2	10.0	4	8.4	7	--	--	--	--	--	--	--	--	12.5	May-13
MSCI ACWI IMI (Net)			<u>0.5</u>	48	<u>3.1</u>	51	<u>0.8</u>	61	<u>13.3</u>	56	<u>12.2</u>	63	<u>5.2</u>	65	<u>6.7</u>	59	<u>9.0</u>	May-13
Over/Under			4.2		6.9		7.6										3.5	
eA All Global Equity Net Median			0.4		3.2		1.8		13.8		13.1		6.0		7.2		9.7	May-13
Artisan Global Value	96,150,484	3.1	0.7	41	1.0	78	0.6	62	--	--	--	--	--	--	--	--	13.0	Mar-13
MSCI ACWI IMI (Net)			<u>0.5</u>	48	<u>3.1</u>	51	<u>0.8</u>	61	<u>13.3</u>	56	<u>12.2</u>	63	<u>5.2</u>	65	<u>6.7</u>	59	<u>10.5</u>	Mar-13
Over/Under			0.2		-2.1		-0.2										2.5	
eA All Global Equity Net Median			0.4		3.2		1.8		13.8		13.1		6.0		7.2		11.3	Mar-13
U.S. Equity Composite	248,190,561	7.9	0.1	51	2.1	61	7.2	47	19.7	24	18.2	32	9.9	49	8.0	65	9.4	Jun-95
Russell 3000			<u>0.1</u>	51	<u>1.9</u>	64	<u>7.3</u>	46	<u>17.7</u>	50	<u>17.5</u>	42	<u>9.7</u>	54	<u>8.2</u>	62	<u>9.2</u>	Jun-95
Over/Under			0.0		0.2		-0.1		2.0		0.7		0.2		-0.2		0.2	
eA All US Equity Net Median			0.2		3.0		6.8		17.7		17.1		9.8		8.5		10.7	Jun-95
NT Russell 1000 Index Fund	206,063,681	6.6	0.2	52	1.8	54	7.6	48	--	--	--	--	--	--	--	--	10.3	Apr-14
Russell 1000			<u>0.1</u>	54	<u>1.7</u>	54	<u>7.4</u>	49	<u>17.7</u>	45	<u>17.6</u>	36	<u>9.6</u>	42	<u>8.1</u>	52	<u>10.2</u>	Apr-14
Over/Under			0.1		0.1		0.2										0.1	
eA US Large Cap Equity Net Median			0.2		2.0		7.3		17.4		16.9		9.3		8.2		9.5	Apr-14
RBC Small Cap Core	42,123,672	1.3	-0.3	68	3.8	59	4.4	61	--	--	--	--	--	--	--	--	4.4	Jul-14
Russell 2000			<u>0.4</u>	53	<u>4.8</u>	49	<u>6.5</u>	46	<u>17.8</u>	56	<u>17.1</u>	55	<u>10.4</u>	58	<u>8.4</u>	63	<u>6.5</u>	Jul-14
Over/Under			-0.7		-1.0		-2.1										-2.1	
eA US Small Cap Equity Net Median			0.6		4.6		6.0		18.4		17.4		11.0		8.8		6.0	Jul-14

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
International Equity Composite	453,818,575	14.4	1.0	63	4.3	78	-4.5	72	7.8	93	6.6	96	1.3	85	5.5	84	8.7	Jun-95
MSCI AC WORLD ex US (NET)			<u>0.5</u>	75	<u>4.0</u>	81	<u>-5.3</u>	77	<u>9.4</u>	80	<u>7.8</u>	88	<u>1.5</u>	83	<u>5.5</u>	82	--	Jun-95
Over/Under			0.5		0.3		0.8		-1.6		-1.2		-0.2		0.0			
eA All ACWI ex-US Equity Net Median			1.4		5.9		-2.3		11.7		10.1		3.3		6.8		8.2	Jun-95
Developed International Equity Composite	282,718,242	9.0	1.4	58	5.9	71	-4.1	75	11.0	77	9.5	69	2.8	59	6.0	55	8.1	Jun-95
San Jose Custom MSCI World ex US Benchmark			<u>0.5</u>	83	<u>4.3</u>	87	<u>-5.6</u>	87	<u>11.4</u>	69	<u>9.2</u>	75	<u>1.8</u>	79	<u>5.0</u>	82	<u>5.0</u>	Jun-95
Over/Under			0.9		1.6		1.5		-0.4		0.3		1.0		1.0		3.1	
eA All EAFE Equity Net Median			1.6		6.7		-2.0		12.8		10.7		3.3		6.3		7.1	Jun-95
NT Russell MSCI World ex US Index Fund	232,635,829	7.4	0.6	80	4.6	84	-5.3	85	--	--	--	--	--	--	--	--	-0.8	Apr-14
MSCI World ex USA			<u>0.5</u>	83	<u>4.3</u>	87	<u>-5.3</u>	85	<u>11.1</u>	74	<u>9.0</u>	78	<u>1.7</u>	80	<u>5.2</u>	74	<u>-0.7</u>	Apr-14
Over/Under			0.1		0.3		0.0										-0.1	
eA All EAFE Equity Net Median			1.6		6.7		-2.0		12.8		10.7		3.3		6.3		1.1	Apr-14
Oberweis	49,999,090	1.6	5.1	70	12.3	51	2.6	51	--	--	--	--	--	--	--	--	2.1	Mar-14
MSCI World ex US Small Cap Growth (Net)			<u>5.3</u>	55	<u>9.9</u>	91	<u>-1.4</u>	99	<u>13.1</u>	99	<u>11.6</u>	99	<u>4.0</u>	90	<u>6.8</u>	99	<u>0.6</u>	Mar-14
Over/Under			-0.2		2.4		4.0										1.5	
eA EAFE Small Cap Growth Net Median			5.5		12.4		2.6		19.2		15.4		6.1		10.3		3.2	Mar-14
Emerging Markets Equity Composite	171,100,334	5.4	-0.2	76	0.7	76	-4.9	53	1.7	87	1.2	90	-0.6	82	6.1	96	10.7	Sep-01
MSCI Emerging Markets			<u>0.7</u>	56	<u>2.9</u>	38	<u>-5.1</u>	55	<u>3.7</u>	65	<u>3.7</u>	68	<u>0.9</u>	62	<u>8.1</u>	76	<u>11.6</u>	Sep-01
Over/Under			-0.9		-2.2		0.2		-2.0		-2.5		-1.5		-2.0		-0.9	
eA Emg Mkts Equity Net Median			0.8		2.2		-4.4		4.9		4.8		1.2		8.8		12.8	Sep-01
Russell Emerging Markets	34,045,457	1.1	1.5	34	3.7	26	-4.5	51	2.4	84	--	--	--	--	--	--	0.7	Nov-11
MSCI Emerging Markets			<u>0.7</u>	56	<u>2.9</u>	38	<u>-5.1</u>	55	<u>3.7</u>	65	<u>3.7</u>	68	<u>0.9</u>	62	<u>8.1</u>	76	<u>1.8</u>	Nov-11
Over/Under			0.8		0.8		0.6		-1.3								-1.1	
eA Emg Mkts Equity Net Median			0.8		2.2		-4.4		4.9		4.8		1.2		8.8		3.2	Nov-11
Vontobel	82,941,348	2.6	-1.1	87	0.4	80	-3.3	42	--	--	--	--	--	--	--	--	2.5	Jul-13
MSCI Emerging Markets			<u>0.7</u>	56	<u>2.9</u>	38	<u>-5.1</u>	55	<u>3.7</u>	65	<u>3.7</u>	68	<u>0.9</u>	62	<u>8.1</u>	76	<u>4.1</u>	Jul-13
Over/Under			-1.8		-2.5		1.8										-1.6	
eA Emg Mkts Equity Net Median			0.8		2.2		-4.4		4.9		4.8		1.2		8.8		4.1	Jul-13
Dimensional Fund Advisors	33,449,755	1.1																
MSCI Emerging Markets																		
Over/Under																		

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Aberdeen	20,663,773	0.7	1.5	33	-1.6	94	-9.0	82	--	--	--	--	--	--	--	--	2.7	Jul-13
MSCI Frontier Markets			<u>0.0</u>	74	<u>-3.2</u>	98	<u>-13.9</u>	97	<u>13.0</u>	4	<u>7.3</u>	12	<u>-4.4</u>	99	<u>0.3</u>	99	<u>8.3</u>	Jul-13
Over/Under			1.5		1.6		4.9										-5.6	
eA Emg Mkts Equity Net Median			0.8		2.2		-4.4		4.9		4.8		1.2		8.8		4.1	Jul-13
Alternative Equity Composite	59,076,336	1.9	0.6	--	4.9	--	--	--	--	--	--	--	--	--	--	--	9.4	Oct-14
HFRI Equity Hedge (Total) Index			<u>1.9</u>	--	<u>3.9</u>	--	<u>2.4</u>	--	<u>8.4</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>4.9</u>	--	<u>3.8</u>	Oct-14
Over/Under			-1.3		1.0												5.6	
Amici	10,662,201	0.3	-1.0	--	4.5	--	1.8	--	--	--	--	--	--	--	--	--	2.8	Mar-13
HFRI Equity Hedge (Total) Index			<u>1.9</u>	--	<u>3.9</u>	--	<u>2.4</u>	--	<u>8.4</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>4.9</u>	--	<u>6.8</u>	Mar-13
Over/Under			-2.9		0.6		-0.6										-4.0	
Marshall Wace	11,772,571	0.4	3.1	--	8.1	--	17.2	--	--	--	--	--	--	--	--	--	13.9	Apr-14
HFRI Equity Hedge (Total) Index			<u>1.9</u>	--	<u>3.9</u>	--	<u>2.4</u>	--	<u>8.4</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>4.9</u>	--	<u>3.6</u>	Apr-14
Over/Under			1.2		4.2		14.8										10.3	
Horizon	11,757,379	0.4	2.0	--	1.5	--	7.0	--	--	--	--	--	--	--	--	--	8.4	Jul-13
HFRI Equity Hedge (Total) Index			<u>1.9</u>	--	<u>3.9</u>	--	<u>2.4</u>	--	<u>8.4</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>4.9</u>	--	<u>7.3</u>	Jul-13
Over/Under			0.1		-2.4		4.6										1.1	
Sandler	11,848,726	0.4	-2.6	--	5.8	--	16.6	--	--	--	--	--	--	--	--	--	8.1	May-13
HFRI Equity Hedge (Total) Index			<u>1.9</u>	--	<u>3.9</u>	--	<u>2.4</u>	--	<u>8.4</u>	--	<u>6.0</u>	--	<u>3.2</u>	--	<u>4.9</u>	--	<u>6.5</u>	May-13
Over/Under			-4.5		1.9		14.2										1.6	
Senator	13,035,459	0.4	1.4	--	4.9	--	9.0	--	--	--	--	--	--	--	--	--	12.5	Apr-13
HFRI Event-Driven (Total) Index			<u>0.6</u>	--	<u>2.4</u>	--	<u>-0.8</u>	--	<u>7.4</u>	--	<u>6.0</u>	--	<u>4.7</u>	--	<u>5.7</u>	--	<u>5.3</u>	Apr-13
Over/Under			0.8		2.5		9.8										7.2	

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NEPC, LLC

June 30, 2015

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City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity Composite	265,836,975	8.5	2.0	--	4.5	--	8.7	--	13.9	--	12.5	--	8.3	--	--	--	9.5	Oct-05
<i>San Jose Custom Total Private Equity Index</i>			<u>2.4</u>	--	<u>4.9</u>	--	<u>7.8</u>	--	--	--	--	--	--	--	--	--	--	<i>Oct-05</i>
<i>Over/Under</i>			-0.4		-0.4		0.9											
<i>San Jose Custom Blended Private Equity Benchmark</i>			2.6	--	3.5	--	4.9	--	11.7	--	12.8	--	5.9	--	11.6	--	11.1	<i>Oct-05</i>
<i>Russell 3000 Qtr Lag</i>			1.8	--	7.1	--	12.4	--	16.4	--	14.7	--	9.4	--	8.4	--	8.4	<i>Oct-05</i>
Total Private Equity ex Russell R3000	158,703,659	5.0	3.3	--	6.3	--	9.4	--	11.8	--	11.2	--	7.4	--	--	--	8.9	Oct-05
<i>San Jose Custom Private Equity Benchmark</i>			<u>2.6</u>	--	<u>3.5</u>	--	<u>4.9</u>	--	<u>12.4</u>	--	<u>13.9</u>	--	<u>8.8</u>	--	<u>13.1</u>	--	<u>12.5</u>	<i>Oct-05</i>
<i>Over/Under</i>			0.7		2.8		4.5		-0.6		-2.7		-1.4				-3.6	
<i>San Jose Custom Blended Private Equity Benchmark</i>			2.6	--	3.5	--	4.9	--	11.7	--	12.8	--	5.9	--	11.6	--	11.1	<i>Oct-05</i>

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NEPC, LLC

June 30, 2015

8-25-2015 JOINT IC PF #3

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Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fixed Income Composite	762,616,518	24.3	0.0	34	0.1	73	-1.7	95	4.1	26	5.9	28	7.0	23	--	--	6.6	Apr-08
Fixed Income Blended Benchmark			-0.3	40	0.1	69	-3.3	99	2.2	56	4.9	39	5.9	33	5.3	32	5.5	Apr-08
Over/Under			0.3		0.0		1.6		1.9		1.0		1.1				1.1	
Barclays Aggregate			-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.6	58	4.4	54	4.3	Apr-08
eA All US Fixed Inc Net Median			-0.6		0.5		1.2		2.4		3.9		4.9		4.5		4.7	Apr-08
Global Fixed Income Composite	181,798,073	5.8	-1.5	36	-1.9	43	-7.4	87	--	--	--	--	--	--	--	--	-2.1	Dec-13
Barclays Global Aggregate			-1.2	27	-3.1	73	-7.1	83	-0.8	79	2.1	85	2.6	81	3.5	83	-1.7	Dec-13
Over/Under			-0.3		1.2		-0.3										-0.4	
eA Global Agg Fixed Inc Net Median			-1.8		-2.3		-5.3		0.9		3.0		3.8		4.2		-0.2	Dec-13
Claren Road	25,032,956	0.8	-6.0	--	-4.9	--	-16.9	--	--	--	--	--	--	--	--	--	-8.3	Jul-13
Barclays Global Aggregate			-1.2	--	-3.1	--	-7.1	--	-0.8	--	2.1	--	2.6	--	3.5	--	-0.1	Jul-13
Over/Under			-4.8		-1.8		-9.8										-8.2	
HFRI RV: Fixed Income-Corporate Index			0.3	--	1.8	--	-1.5	--	5.0	--	5.4	--	4.9	--	4.4	--	3.6	Jul-13
Colchester	86,693,076	2.8	-1.2	27	-2.7	61	-8.0	89	--	--	--	--	--	--	--	--	-2.0	Jan-14
Barclays Global Aggregate			-1.2	27	-3.1	73	-7.1	83	-0.8	79	2.1	85	2.6	81	3.5	83	-1.7	Jan-14
Over/Under			0.0		0.4		-0.9										-0.3	
eA Global Agg Fixed Inc Net Median			-1.8		-2.3		-5.3		0.9		3.0		3.8		4.2		-0.2	Jan-14
Franklin Templeton	70,072,041	2.2	-0.2	6	0.3	14	-2.6	37	--	--	--	--	--	--	--	--	0.5	Jan-14
Barclays Global Aggregate			-1.2	27	-3.1	73	-7.1	83	-0.8	79	2.1	85	2.6	81	3.5	83	-1.7	Jan-14
Over/Under			1.0		3.4		4.5										2.2	
eA Global Agg Fixed Inc Net Median			-1.8		-2.3		-5.3		0.9		3.0		3.8		4.2		-0.2	Jan-14
Total Credit Composite	418,324,801	13.3	1.2	--	1.7	--	2.9	--	11.6	--	10.1	--	9.6	--	--	--	9.6	Jul-08
50% Credit Suisse Leveraged Loan Index /																		
50% BofA ML US HY BB-B Rated			0.4	--	2.8	--	1.4	--	6.0	--	7.0	--	6.9	--	6.0	--	6.9	Jul-08
Constrained Index																		
Over/Under			0.8		-1.1		1.5		5.6		3.1		2.7				2.7	
Corporate Credit Composite	159,559,394	5.1	0.9	--	2.6	--	1.0	--	5.0	--	6.1	--	--	--	--	--	7.8	Apr-09
Blended Domestic Credit Index			0.0	--	2.5	--	-0.4	--	6.4	--	7.3	--	7.0	--	6.1	--	11.8	Apr-09
Over/Under			0.9		0.1		1.4		-1.4		-1.2						-4.0	
Beach Point	79,933,463	2.5	1.0	15	3.7	8	-0.7	63	--	--	--	--	--	--	--	--	3.7	Oct-13
Barclays High Yield			0.0	69	2.5	62	-0.4	53	6.8	38	8.6	32	9.4	13	7.9	17	4.9	Oct-13
Over/Under			1.0		1.2		-0.3										-1.2	
eA US High Yield Fixed Inc Net Median			0.3		2.7		-0.2		6.5		8.2		8.4		7.4		4.8	Oct-13

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City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Symphony	79,625,931	2.5	0.8	21	1.5	90	2.7	4	--	--	--	--	--	--	--	--	4.3	Feb-14
Barclays High Yield			0.0	69	2.5	62	-0.4	53	6.8	38	8.6	32	9.4	13	7.9	17	3.0	Feb-14
Over/Under			0.8		-1.0		3.1										1.3	
eA US High Yield Fixed Inc Net Median			0.3		2.7		-0.2		6.5		8.2		8.4		7.4		3.1	Feb-14
Opportunistic Credit Composite	258,765,407	8.2	1.4	--	1.2	--	4.3	--	14.4	--	11.5	--	13.0	--	--	--	13.0	Jul-08
50% Credit Suisse Leveraged Loan Index			0.4	--	2.8	--	1.4	--	6.0	--	7.0	--	6.9	--	6.0	--	6.9	Jul-08
/ 50% BofA ML US HY BB-B Rated																		
Constrained Index			1.0		-1.6		2.9		8.4		4.5		6.1				6.1	
Over/Under			0.5	--	1.6	--	0.3	--	--	--	--	--	--	--	--	--	5.8	Feb-13
Davidson Kempner	22,940,967	0.7	0.6	--	2.4	--	-0.8	--	7.4	--	6.0	--	4.7	--	5.7	--	5.5	Feb-13
HFRI Event-Driven (Total) Index			-0.1		-0.8		1.1										0.3	
Over/Under			1.8	--	2.1	--	1.8	--	--	--	--	--	--	--	--	--	7.7	Oct-12
Marathon	11,906,856	0.4	2.5	--	-6.3	--	-17.1	--	5.7	--	7.7	--	5.6	--	7.3	--	3.1	Oct-12
BofA ML Euro HY Constrained			-0.7		8.4		18.9										4.6	
Over/Under			1.5	--	1.1	--	5.1	--	9.3	--	--	--	--	--	--	--	6.7	Nov-10
Direct Lending Composite	223,917,583	7.1	1.3	--	2.6	--	5.3	--	5.3	--	5.3	--	5.6	--	6.9	--	5.3	Nov-10
3-Month LIBOR + 5%			0.2		-1.5		-0.2		4.0								1.4	
Over/Under			2.4	--	1.3	--	7.0	--	9.7	--	--	--	--	--	--	--	6.9	Nov-10
U.S. Direct Lending	114,269,467	3.6	1.3	--	2.6	--	5.3	--	5.3	--	5.3	--	5.6	--	6.9	--	5.3	Nov-10
3-Month LIBOR + 5%			1.1		-1.3		1.7		4.4								1.6	
Over/Under			-7.3	--	-7.8	--	-1.5	--	6.1	--	--	--	--	--	--	--	11.2	Dec-10
GSO	18,564,433	0.6	1.3	--	2.6	--	5.3	--	5.3	--	5.3	--	5.6	--	6.9	--	5.3	Dec-10
3-Month LIBOR + 5%			-8.6		-10.4		-6.8		0.8								5.9	
Over/Under			3.1	--	4.7	--	8.3	--	11.7	--	--	--	--	--	--	--	7.5	Mar-11
Medley Capital	54,376,459	1.7	1.3	--	2.6	--	5.3	--	5.3	--	5.3	--	5.6	--	6.9	--	5.3	Mar-11
3-Month LIBOR + 5%			1.8		2.1		3.0		6.4								2.2	
Over/Under			6.2	--	1.4	--	8.5	--	9.6	--	--	--	--	--	--	--	5.1	Nov-10
White Oak	41,328,576	1.3	1.3	--	2.6	--	5.3	--	5.3	--	5.3	--	5.6	--	6.9	--	5.3	Nov-10
3-Month LIBOR + 5%			4.9		-1.2		3.2		4.3								-0.2	
Over/Under																		

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City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Non-U.S. Direct Lending	109,648,116	3.5	0.6	--	1.0	--	2.0	--	--	--	--	--	--	--	--	--	4.0	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.6</u>	--	<u>6.9</u>	--	<u>5.3</u>	Apr-14
Over/Under			-0.7		-1.6		-3.3										-1.3	
Capula	74,776,169	2.4	1.1	--	2.9	--	3.9	--	--	--	--	--	--	--	--	--	5.6	Apr-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.6</u>	--	<u>6.9</u>	--	<u>5.3</u>	Apr-14
Over/Under			-0.2		0.3		-1.4										0.3	
Park Square	18,590,842	0.6	-2.8	--	-9.8	--	--	--	--	--	--	--	--	--	--	--	-9.8	Nov-14
3-Month LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.3</u>	--	<u>5.6</u>	--	<u>6.9</u>	--	<u>3.5</u>	Nov-14
Over/Under			-4.1		-12.4												-13.3	
Shoreline China Value III	16,281,105	0.5																
3-Month LIBOR + 5%																		
Over/Under																		
Emerging Market Debt Composite	162,493,643	5.2	-1.4	90	-1.7	63	-5.3	47	--	--	--	--	--	--	--	--	-4.4	Jan-13
San Jose Custom EMD Benchmark			-0.2	46	-1.1	58	-7.5	55	-0.2	58	--	--	--	--	--	--	-4.2	Jan-13
Over/Under			-1.2		-0.6		2.2										-0.2	
eA All Emg Mkts Fixed Inc Net Median			-0.2		0.0		-6.0		1.9		5.3		6.3		7.5		-1.7	Jan-13
BlueBay	107,103,115	3.4	-2.6	99	-3.9	71	-9.6	62	--	--	--	--	--	--	--	--	-2.7	Aug-13
JP Morgan Blended EMD Benchmark			-0.2	46	-1.1	58	-7.5	55	0.3	57	--	--	--	--	--	--	-0.5	Aug-13
Over/Under			-2.4		-2.8		-2.1										-2.2	
eA All Emg Mkts Fixed Inc Net Median			-0.2		0.0		-6.0		1.9		5.3		6.3		7.5		1.3	Aug-13
Iguazu	55,390,528	1.8	0.9	15	2.8	13	4.2	1	--	--	--	--	--	--	--	--	7.5	Feb-14
JP Morgan Blended EMD Benchmark			-0.2	46	-1.1	58	-7.5	55	0.3	57	--	--	--	--	--	--	0.8	Feb-14
Over/Under			1.1		3.9		11.7										6.7	
eA All Emg Mkts Fixed Inc Net Median			-0.2		0.0		-6.0		1.9		5.3		6.3		7.5		1.6	Feb-14

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	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate Composite	251,823,429	8.0	2.2	--	4.0	--	7.1	--	9.7	--	10.0	--	5.0	--	7.3	--	8.1	Jun-95
San Jose Custom Total Real Estate BM			<u>1.8</u>	--	<u>3.9</u>	--	<u>4.5</u>	--	--	--	--	--	--	--	--	--	--	Jun-95
Over/Under			0.4		0.1		2.6											
Total Real Estate Ex Russell Real Estate	189,971,222	6.0	3.2	--	4.9	--	8.8	--	--	--	--	--	--	--	--	--	11.5	Dec-12
San Jose Custom Real Estate Benchmark			<u>3.4</u>	--	<u>6.8</u>	--	<u>10.2</u>	--	<u>11.6</u>	--	<u>13.9</u>	--	<u>2.7</u>	--	<u>6.7</u>	--	<u>12.5</u>	Dec-12
Over/Under			-0.2		-1.9		-1.4										-1.0	
Inflation-Linked Assets Composite	270,683,806	8.6	2.2	--	-2.3	--	-20.2	--	-6.6	--	--	--	--	--	--	--	-8.5	Apr-11
San Jose Custom Inflation-Linked Assets Benchmark			<u>2.7</u>	--	<u>-0.4</u>	--	<u>-13.1</u>	--	<u>-3.3</u>	--	--	--	--	--	--	--	<u>-5.8</u>	Apr-11
Over/Under			-0.5		-1.9		-7.1		-3.3								-2.7	
Multi-Asset Inflation-Linked Assets Composite	79,597,315	2.5	0.6	--	-2.2	--	-21.3	--	--	--	--	--	--	--	--	--	-8.9	Nov-13
CPI + 5% (Unadjusted)			<u>2.3</u>	--	<u>4.1</u>	--	<u>5.1</u>	--	<u>6.4</u>	--	<u>6.9</u>	--	<u>6.3</u>	--	<u>7.2</u>	--	<u>6.4</u>	Nov-13
Over/Under			-1.7		-6.3		-26.4										-15.3	
Wellington	79,597,315	2.5	0.6	--	-2.2	--	-21.3	--	--	--	--	--	--	--	--	--	-8.9	Nov-13
CPI + 5% (Unadjusted)			<u>2.3</u>	--	<u>4.1</u>	--	<u>5.1</u>	--	<u>6.4</u>	--	<u>6.9</u>	--	<u>6.3</u>	--	<u>7.2</u>	--	<u>6.4</u>	Nov-13
Over/Under			-1.7		-6.3		-26.4										-15.3	
Commodities Composite	191,086,491	6.1	2.9	--	-2.4	--	-19.7	--	-6.4	--	--	--	--	--	--	--	-8.4	Apr-11
Custom Commodity Risk Parity Index			<u>2.8</u>	--	<u>-2.4</u>	--	<u>-20.1</u>	--	<u>-5.5</u>	--	--	--	--	--	--	--	<u>-7.4</u>	Apr-11
Over/Under			0.1		0.0		0.4		-0.9								-1.0	
Bloomberg Commodity Index			4.7	--	-1.6	--	-23.7	--	-8.8	--	-3.9	--	-10.9	--	-2.6	--	-11.1	Apr-11
Credit Suisse	191,086,491	6.1	2.9	--	-2.4	--	-19.7	--	-5.4	--	--	--	--	--	--	--	-7.3	Apr-11
Custom Commodity Risk Parity Index			<u>2.8</u>	--	<u>-2.4</u>	--	<u>-20.1</u>	--	<u>-5.5</u>	--	--	--	--	--	--	--	<u>-7.4</u>	Apr-11
Over/Under			0.1		0.0		0.4		0.1								0.1	
Bloomberg Commodity Index			4.7	--	-1.6	--	-23.7	--	-8.8	--	-3.9	--	-10.9	--	-2.6	--	-11.1	Apr-11

Note: Performance shown is net of fees. Please see appendix for details regarding the footnotes.



NEPC, LLC

June 30, 2015

8-25-2015 JOINT IC PF #3

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Hedge Fund Composite	189,386,068	6.0	-0.8	--	1.3	--	2.4	--	--	--	--	--	--	--	--	--	3.1	Nov-12
San Jose Custom Hedge Fund Benchmark			<u>0.1</u>	--	<u>1.2</u>	--	<u>0.4</u>	--	--	--	--	--	--	--	--	--	<u>3.2</u>	Nov-12
Over/Under			-0.9		0.1		2.0										-0.1	
HFRI Macro: Discretionary Index ;Prior to 10/1/2014 HFRI.FOF.Comp			0.4	--	2.4	--	1.4	--	5.4	--	3.6	--	0.8	--	3.0	--	5.2	Nov-12
Russell Hedge Funds	51,369,992	1.6	-0.1	--	-0.1	--	-0.7	--	--	--	--	--	--	--	--	--	1.5	Dec-12
Russell Hedge Index			<u>-0.1</u>	--	<u>0.0</u>	--	<u>-0.9</u>	--	<u>1.8</u>	--	<u>2.2</u>	--	<u>1.4</u>	--	<u>2.6</u>	--	<u>1.5</u>	Dec-12
Over/Under			0.0		-0.1		0.2										0.0	
Total Hedge Fund Composite ex-Interim	138,016,076	4.4	-1.0	--	2.7	--	4.8	--	--	--	--	--	--	--	--	--	5.4	Nov-12
HFRI Macro: Discretionary Index ;Prior to 10/1/2014 HFRI.FOF.Comp			<u>0.4</u>	--	<u>2.4</u>	--	<u>1.4</u>	--	<u>5.4</u>	--	<u>3.6</u>	--	<u>0.8</u>	--	<u>3.0</u>	--	<u>5.2</u>	Nov-12
Over/Under			-1.4		0.3		3.4										0.2	
3-Month LIBOR + 5%			1.3	--	2.6	--	5.3	--	5.3	--	5.3	--	5.6	--	6.9	--	5.3	Nov-12
Arrowgrass	24,145,971	0.8	1.0	--	5.1	--	5.6	--	--	--	--	--	--	--	--	--	7.3	Nov-12
HFRI Relative Value (Total) Index			<u>0.7</u>	--	<u>2.6</u>	--	<u>1.8</u>	--	<u>6.6</u>	--	<u>6.3</u>	--	<u>5.7</u>	--	<u>6.5</u>	--	<u>5.8</u>	Nov-12
Over/Under			0.3		2.5		3.8										1.5	
BlueTrend	9,209,984	0.3	-13.1	--	-2.9	--	3.0	--	--	--	--	--	--	--	--	--	-3.6	Apr-13
Barclay BTOP50 Index			<u>-7.7</u>	--	<u>-3.2</u>	--	<u>8.3</u>	--	<u>2.6</u>	--	<u>2.1</u>	--	--	--	--	--	<u>3.3</u>	Apr-13
Over/Under			-5.4		0.3		-5.3										-6.9	
Brevan Howard	21,165,602	0.7	-1.7	--	1.4	--	4.1	--	--	--	--	--	--	--	--	--	2.2	Dec-12
HFRI Macro (Total) Index			<u>-3.5</u>	--	<u>-0.4</u>	--	<u>4.1</u>	--	<u>1.8</u>	--	<u>1.8</u>	--	<u>1.5</u>	--	<u>4.2</u>	--	<u>2.2</u>	Dec-12
Over/Under			1.8		1.8		0.0										0.0	
DE Shaw	27,173,289	0.9	1.6	--	8.4	--	15.1	--	--	--	--	--	--	--	--	--	14.6	Apr-13
HFRI Fund Weighted Composite Index			<u>0.3</u>	--	<u>2.5</u>	--	<u>2.3</u>	--	<u>6.4</u>	--	<u>5.1</u>	--	<u>3.4</u>	--	<u>5.2</u>	--	<u>4.8</u>	Apr-13
Over/Under			1.3		5.9		12.8										9.8	
Hudson Bay	20,570,119	0.7	-1.2	--	0.8	--	-2.9	--	--	--	--	--	--	--	--	--	1.4	Jul-13
HFRI Relative Value (Total) Index			<u>0.7</u>	--	<u>2.6</u>	--	<u>1.8</u>	--	<u>6.6</u>	--	<u>6.3</u>	--	<u>5.7</u>	--	<u>6.5</u>	--	<u>5.3</u>	Jul-13
Over/Under			-1.9		-1.8		-4.7										-3.9	
Kepos	11,741,334	0.4	-7.3	--	-14.1	--	4.6	--	--	--	--	--	--	--	--	--	-0.5	Mar-13
HFRI Macro: Systematic Diversified Index			<u>-6.2</u>	--	<u>-1.7</u>	--	<u>8.6</u>	--	<u>2.0</u>	--	<u>2.4</u>	--	<u>2.1</u>	--	<u>6.4</u>	--	<u>3.1</u>	Mar-13
Over/Under			-1.1		-12.4		-4.0										-3.6	
Pine River	24,009,776	0.8	2.2	--	4.1	--	7.4	--	--	--	--	--	--	--	--	--	7.6	Jan-13
HFRI Relative Value (Total) Index			<u>0.7</u>	--	<u>2.6</u>	--	<u>1.8</u>	--	<u>6.6</u>	--	<u>6.3</u>	--	<u>5.7</u>	--	<u>6.5</u>	--	<u>5.5</u>	Jan-13
Over/Under			1.5		1.5		5.6										2.1	

Note: Performance of Total Hedge Fund Composite, underlying sub-composites and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

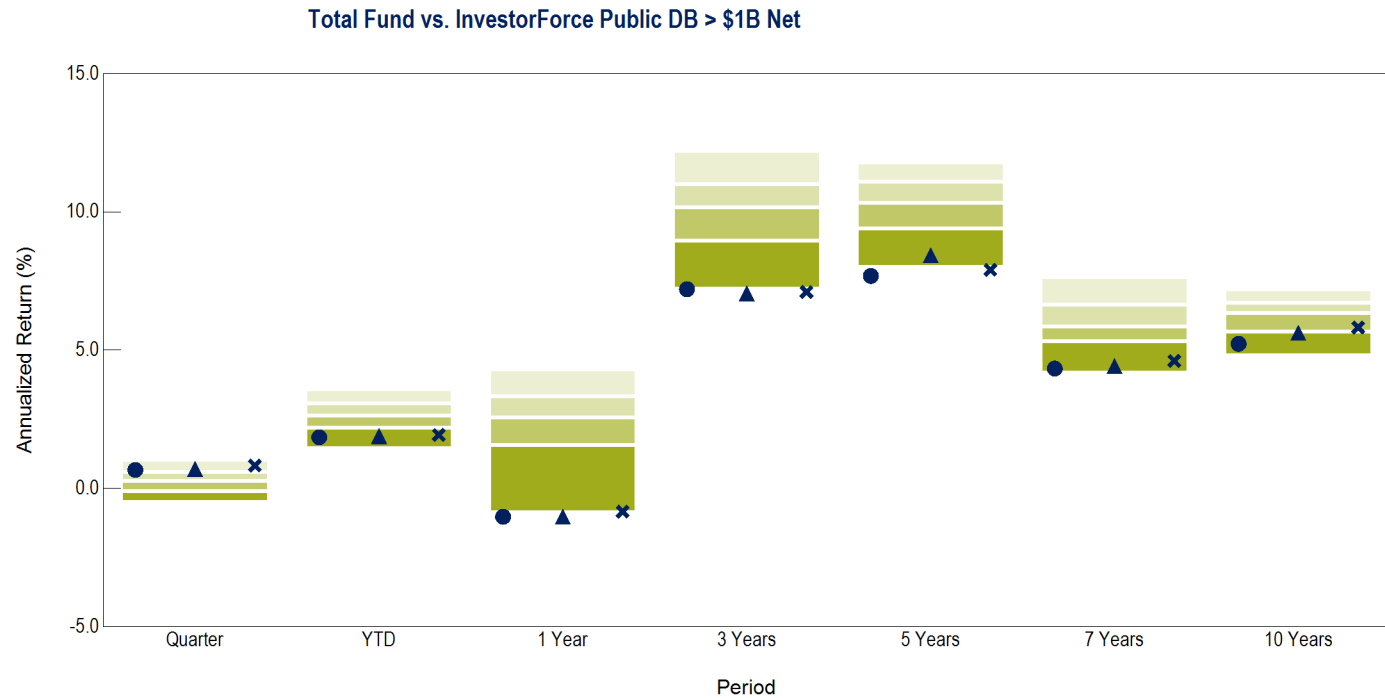
Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total GAA Composite	335,252,459	10.7	-0.7	--	1.1	--	-1.7	--	--	--	--	--	--	--	--	--	2.9	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>-0.4</u>	--	<u>0.0</u>	--	<u>-2.8</u>	--	<u>7.4</u>	--	<u>8.3</u>	--	<u>4.2</u>	--	<u>5.4</u>	--	<u>6.4</u>	Jan-13
Over/Under			-0.3		1.1		1.1										-3.5	
GMO	99,223,598	3.2	-0.3	--	1.1	--	-2.2	--	--	--	--	--	--	--	--	--	4.4	Feb-13
CPI + 5% (Seasonally Adjusted)			<u>2.1</u>	--	<u>3.1</u>	--	<u>5.2</u>	--	<u>6.4</u>	--	<u>6.9</u>	--	<u>6.3</u>	--	<u>7.2</u>	--	<u>6.2</u>	Feb-13
Over/Under			-2.4		-2.0		-7.4										-1.8	
60% MSCI World (Net) / 40% CITI WGBI			-0.4	--	0.0	--	-2.8	--	7.4	--	8.3	--	4.2	--	5.4	--	5.5	Feb-13
PIMCO	94,775,684	3.0	-0.2	--	-0.5	--	-8.6	--	--	--	--	--	--	--	--	--	-3.6	Feb-13
CPI + 6.5% (Seasonally Adjusted)			<u>2.5</u>	--	<u>3.9</u>	--	<u>6.7</u>	--	<u>7.9</u>	--	<u>8.4</u>	--	<u>7.9</u>	--	<u>8.7</u>	--	<u>7.7</u>	Feb-13
Over/Under			-2.7		-4.4		-15.3										-11.3	
60% MSCI World (Net) / 40% CITI WGBI			-0.4	--	0.0	--	-2.8	--	7.4	--	8.3	--	4.2	--	5.4	--	5.5	Feb-13
Standard Life	141,253,178	4.5	-1.4	--	2.4	--	5.6	--	--	--	--	--	--	--	--	--	5.1	Feb-13
91 Day T-Bill + 5%			<u>1.2</u>	--	<u>2.5</u>	--	<u>5.0</u>	--	<u>5.0</u>	--	<u>5.1</u>	--	<u>5.1</u>	--	<u>6.3</u>	--	<u>5.0</u>	Feb-13
Over/Under			-2.6		-0.1		0.6										0.1	
60% MSCI World (Net) / 40% CITI WGBI			-0.4	--	0.0	--	-2.8	--	7.4	--	8.3	--	4.2	--	5.4	--	5.5	Feb-13
Cash																		
Cash	41,115,723	1.3	0.0	--	0.0	--	0.0	--	0.1	--	0.2	--	0.7	--	--	--	0.9	Apr-08
91 Day T-Bills			<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>1.3</u>	--	<u>0.2</u>	Apr-08
Over/Under			0.0		0.0		0.0		0.1		0.1		0.6				0.7	

Note: Performance of Total GAA Composite and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

City of San Jose Police and Fire Department Retirement Plan

Total Fund Return Summary vs. Peer Universe

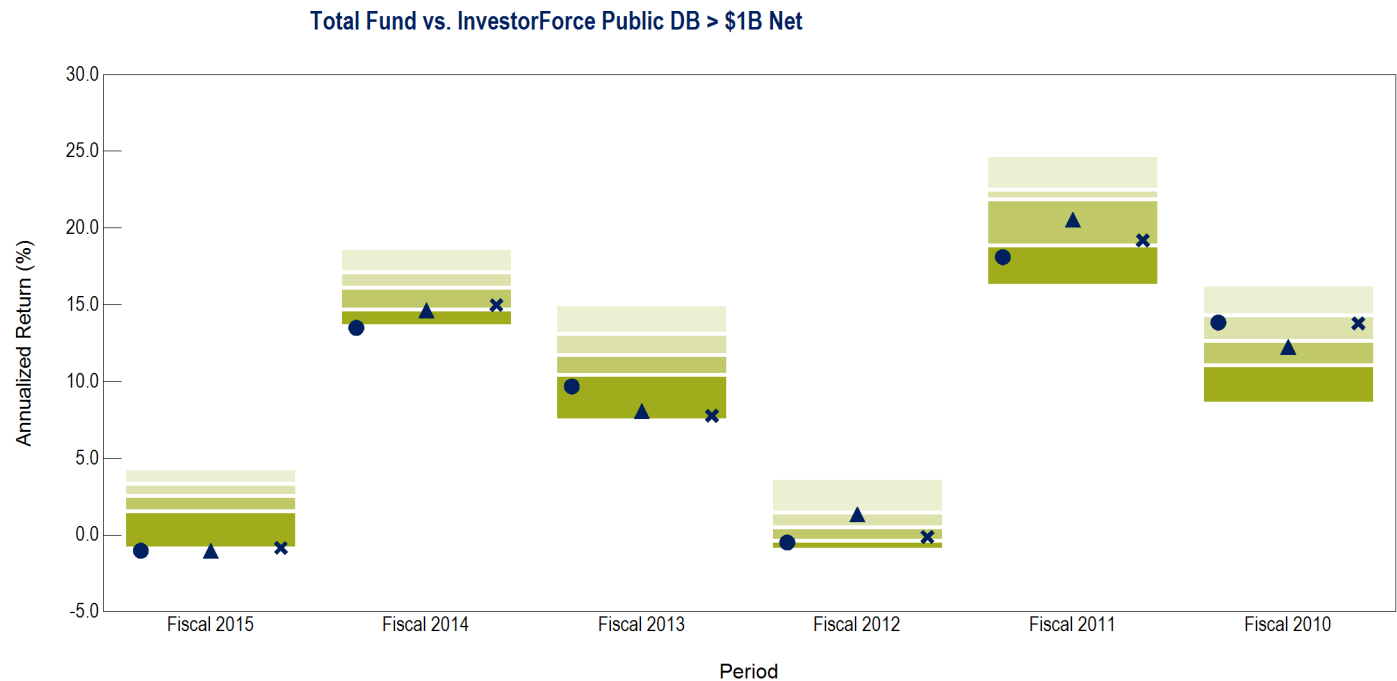


	Return (Rank)						
5th Percentile	1.0	3.6	4.3	12.2	11.8	7.6	7.2
25th Percentile	0.6	3.1	3.3	11.0	11.1	6.6	6.7
Median	0.3	2.7	2.6	10.2	10.3	5.9	6.3
75th Percentile	-0.1	2.2	1.6	9.0	9.4	5.3	5.7
95th Percentile	-0.5	1.5	-0.9	7.2	8.0	4.2	4.8
# of Portfolios	53	53	53	53	52	50	48
● Total Fund	0.7 (18)	1.8 (90)	-1.0 (98)	7.2 (96)	7.7 (97)	4.3 (94)	5.2 (91)
▲ Policy Benchmark	0.7 (17)	1.9 (89)	-1.0 (98)	7.0 (98)	8.4 (91)	4.4 (92)	5.6 (77)
✕ Allocation Index	0.8 (13)	1.9 (89)	-0.8 (95)	7.1 (97)	7.9 (96)	4.6 (91)	5.8 (71)



City of San Jose Police and Fire Department Retirement Plan

Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	4.3		18.7		15.0		3.7		24.7		16.3	
25th Percentile	3.3		17.2		13.1		1.5		22.5		14.4	
Median	2.6		16.1		11.8		0.5		21.9		12.7	
75th Percentile	1.6		14.7		10.5		-0.3		18.9		11.1	
95th Percentile	-0.9		13.6		7.5		-0.9		16.3		8.6	
# of Portfolios	53		43		56		41		42		41	
● Total Fund	-1.0	(98)	13.5	(98)	9.7	(83)	-0.5	(85)	18.1	(86)	13.8	(33)
▲ Policy Benchmark	-1.0	(98)	14.6	(76)	8.1	(92)	1.3	(27)	20.5	(57)	12.3	(57)
✖ Allocation Index	-0.8	(95)	15.0	(73)	7.8	(93)	-0.1	(75)	19.2	(66)	13.8	(33)

Appendix: Policy Benchmark History



City of San Jose Police and Fire Department Retirement Plan

Policy Benchmark History

- **6/1/95 – 9/30/01** – 35% S&P 500/10% MSCI EAFE/35% BC Aggregate/10% Citigroup WGBI/10% NCREIF Property
- **10/1/01 – 12/31/04** – 35% S&P 500/15% MSCI EAFE/5% MSCI Emg Mkts/28% BC Aggregate/5% Citigroup WGBI/12% NCREIF Property
- **1/1/05 – 3/31/08** – 34% S&P 500/20% MSCI EAFE/5% MSCI Emg Mkts/20% BC Aggregate/4% BC Long Gov't/Credit/12% NCREIF Property/5% Russell 2000
- **4/1/08 – 6/30/08** – 29% S&P 500/5% Russell 2000/20% MSCI EAFE/5% MSCI Emg Mkts/20% BC Aggregate/4% BC Long Gov't/Credit/12% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)
- **7/1/08 – 12/31/09** – 22% S&P 500/5% Russell 2000/17% MSCI EAFE/5% MSCI Emg Mkts/18% BC Aggregate/5% ML US HY BB-B Constrained/10% NCREIF Property/8% Cambridge Private Equity (lagged 1 quarter)/5% DJ/UBS Commodities Index/5% HFRI FoF: Conservative
- **1/1/10 – 3/31/11** – 18% Russell 1000/5% Russell 2000/12% MSCI EAFE/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% DJ/UBS Commodities Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **4/1/11 – 12/31/2011** – 18% Russell 1000/5% Russell 2000/12% MSCI EAFE/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% San Jose P&F Custom Commodity Risk Parity Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **1/1/12 – 12/31/2012** – 12% MSCI All Country World Index/15% MSCI All Country World Index Value/2% Russell 3000/3% Russell 2000/3% MSCI EAFE + CAD Small Cap/5% MSCI Emg Mkts/5% BC Aggregate/10% TIPS/5% BC Long Gov't/Credit/5% ML US HY BB-B Constrained/10% NCREIF Property/5% Cambridge Private Equity (lagged 1 quarter)/10% San Jose P&F Custom Commodity Risk Parity Index/5% HFRI FoF: Conservative/5% 3-Month LIBOR +5%
- **1/1/2013 – 10/31/2013** - 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/10% San Jose Custom Inflation-Linked Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **11/1/2013 – 12/31/2013** - 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked/3% CPI+5%/ Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **1/1/2014 – 9/30/2014** – 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/10% Barclays Capital Global Aggregate/5% BC High Yield/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills



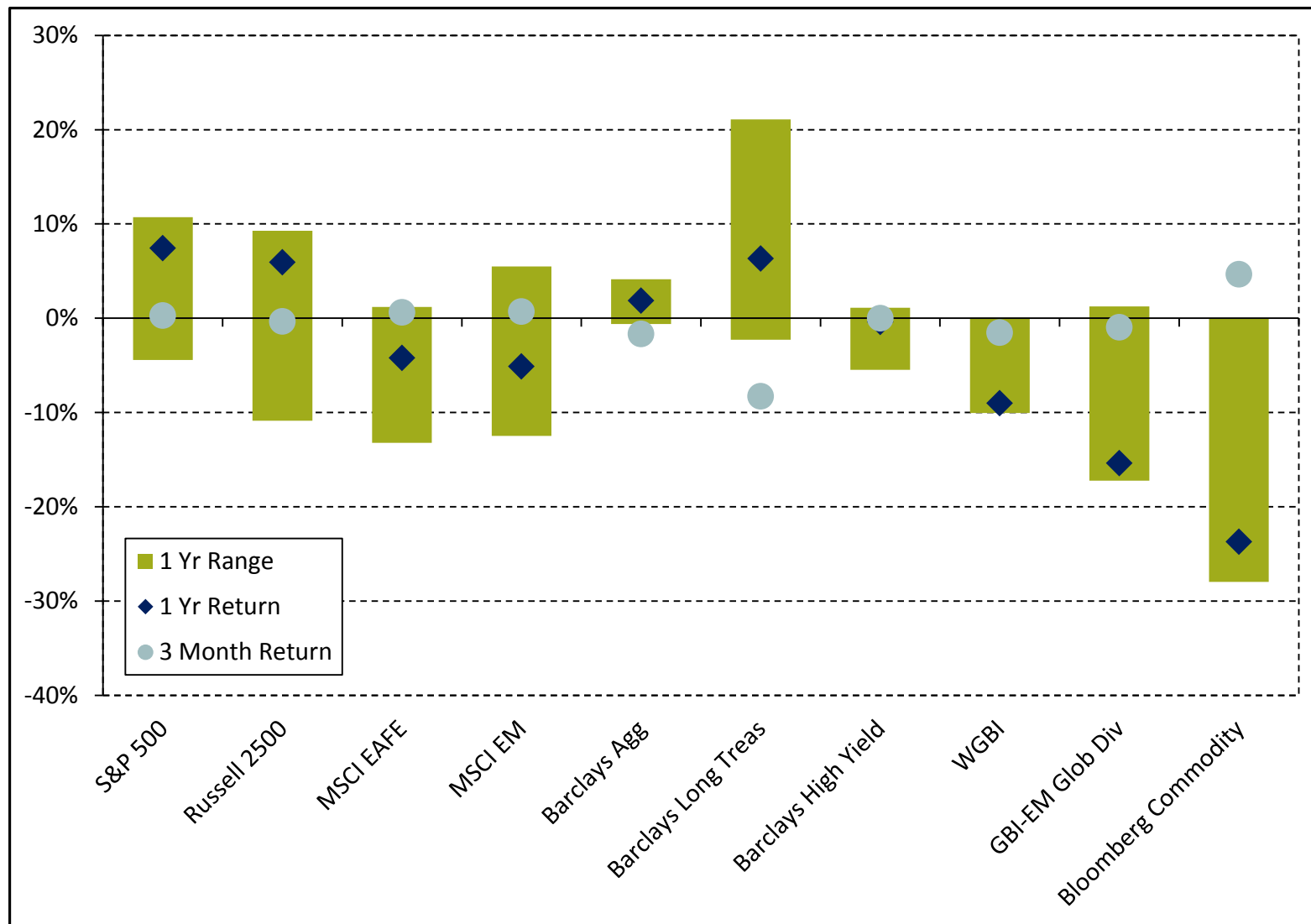
Policy Benchmark History

- **10/1/2014 – present** – 31% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/6% Barclays Capital Global Aggregate/5% BC High Yield/11% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/6% San Jose Custom Hedge Fund Index/10% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills

Appendix: Market Environment

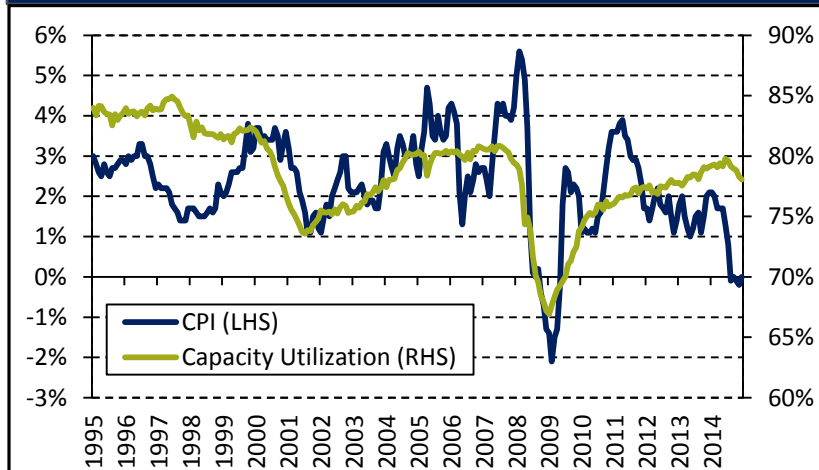


Broad Market Performance Summary as of 6/30/2015



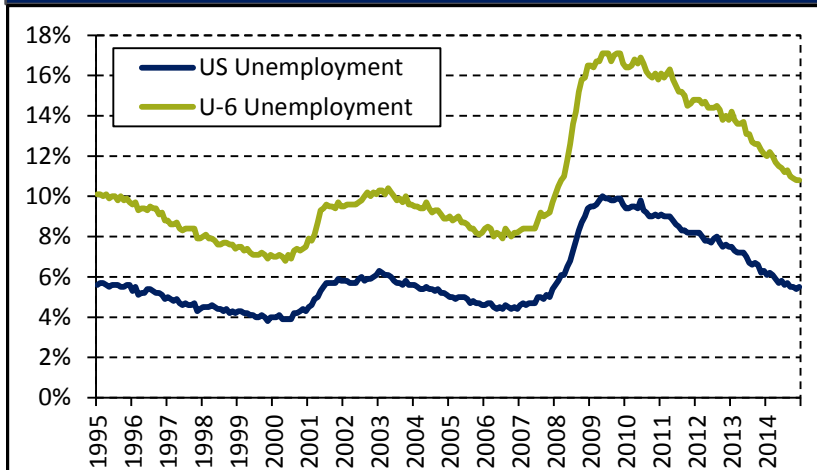
Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan
 *1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

Inflation has stayed low



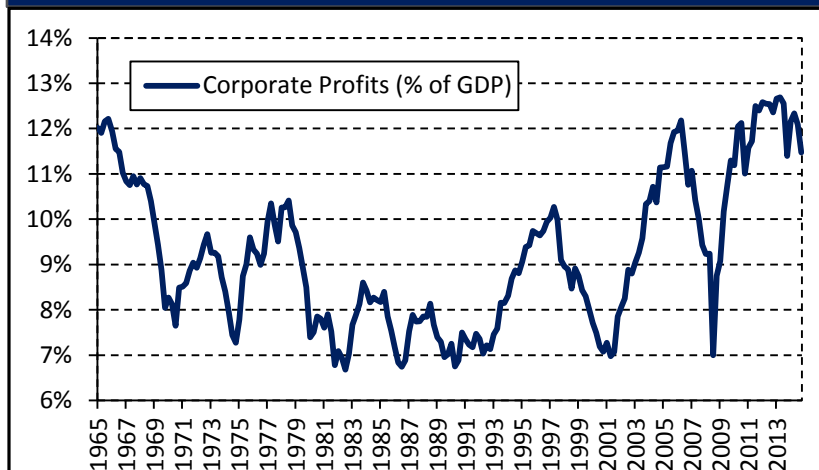
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment steadily improving



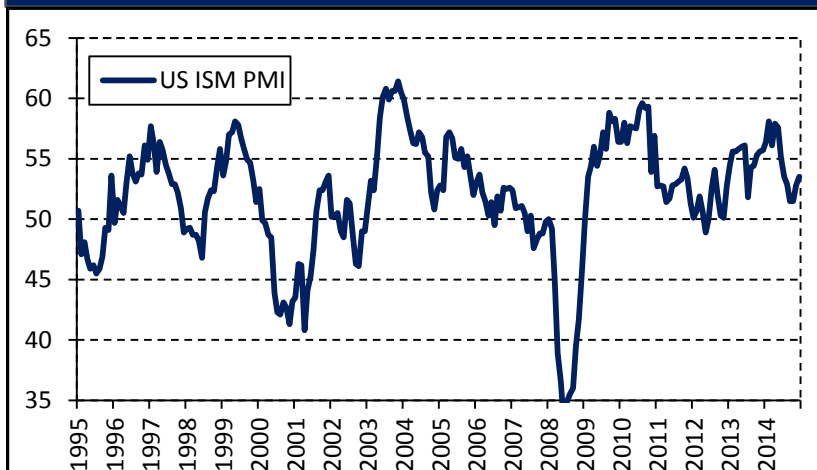
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits at secular highs



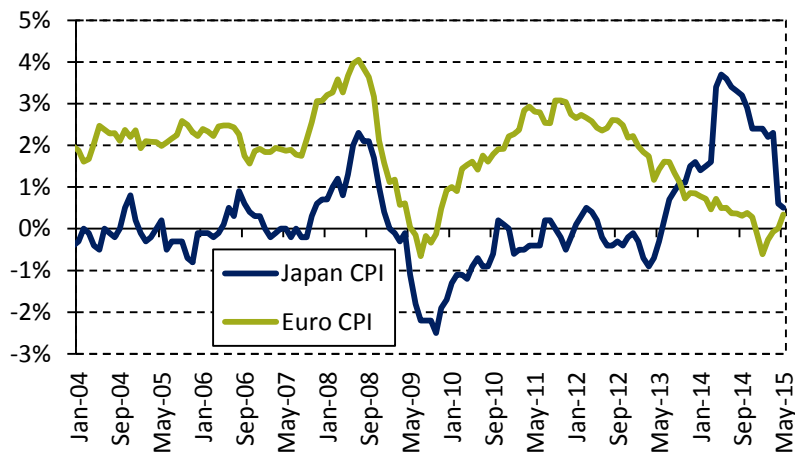
Source: Bloomberg, Bureau of Economic Analysis

Manufacturing above average but trending lower



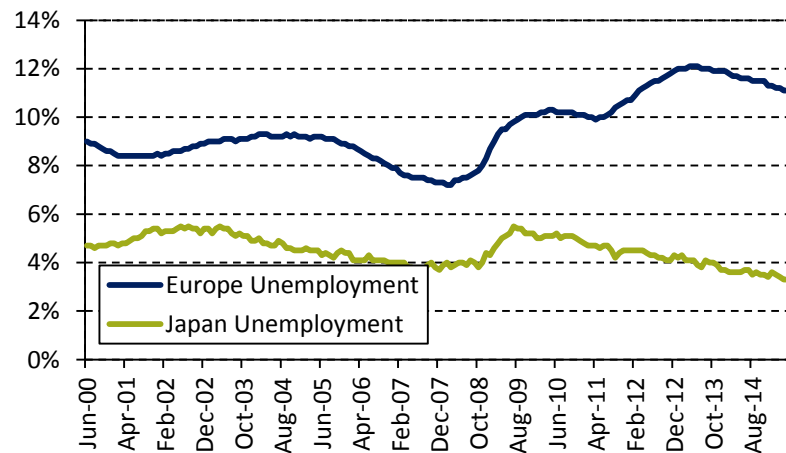
Source: Bloomberg, Institute for Supply Management

Inflation outlook slowly improving



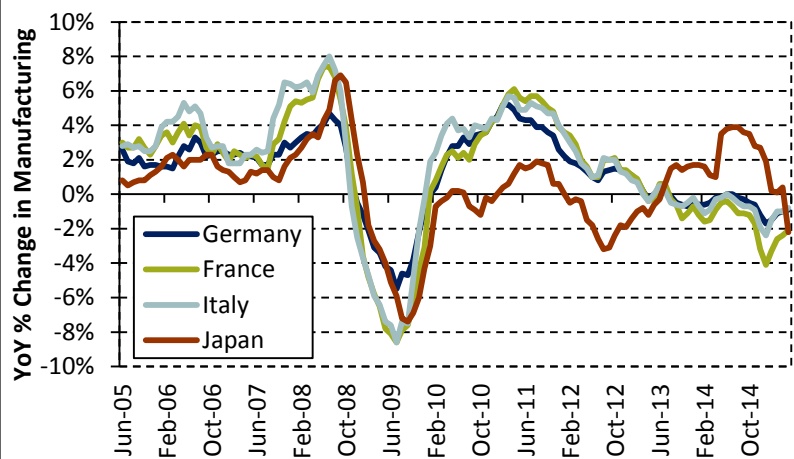
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe employment recovery lagging



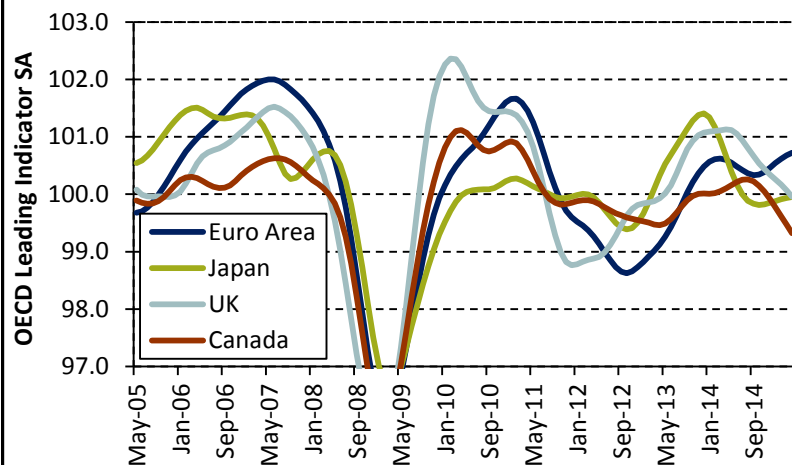
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing in Japan has lagged



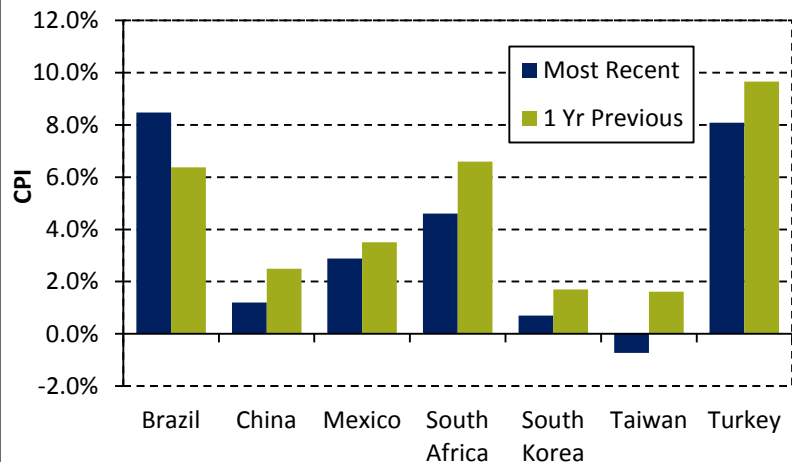
Source: Bloomberg, OECD, Eurostat

Leading indicators neutral to positive



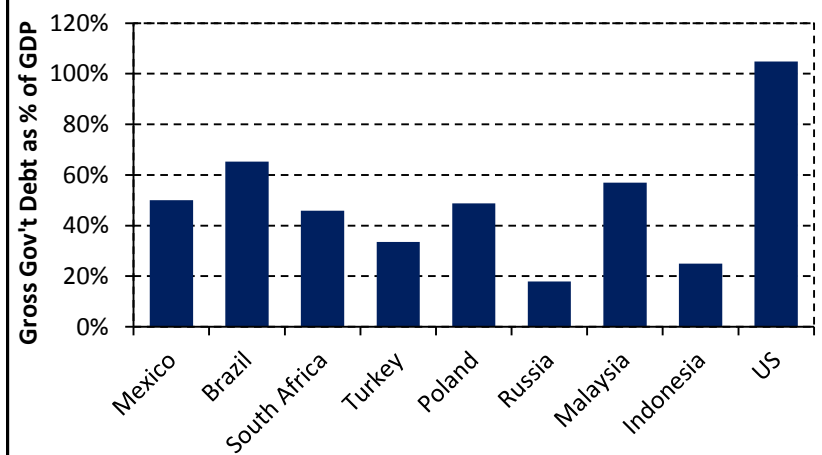
Source: Bloomberg, OECD

EM inflation is varied by country



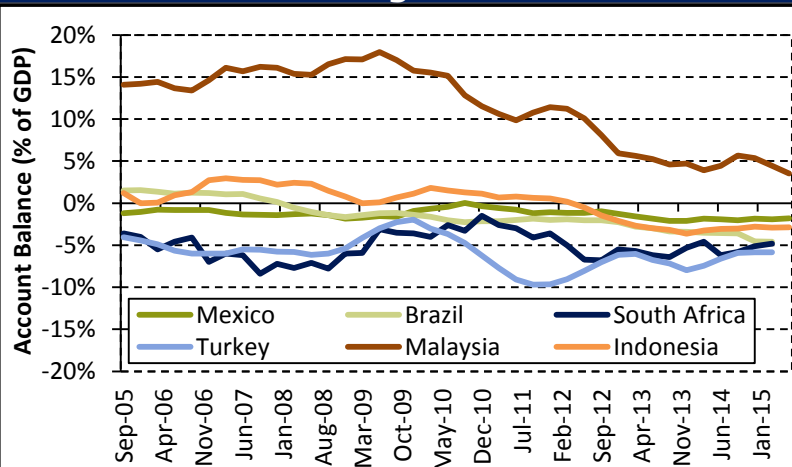
Source: Bloomberg

Relatively healthy Debt/GDP ratios



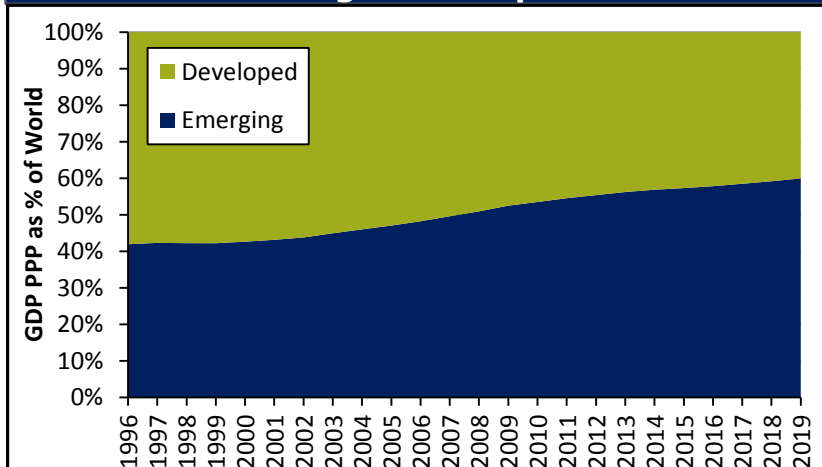
Source: Bloomberg, IMF

Some improvement in account balance challenged countries



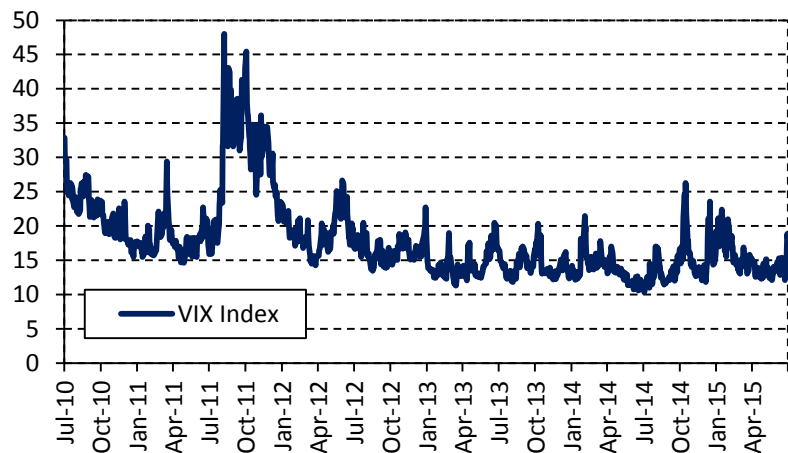
Source: Bloomberg

Emerging economies make up >50% of global output



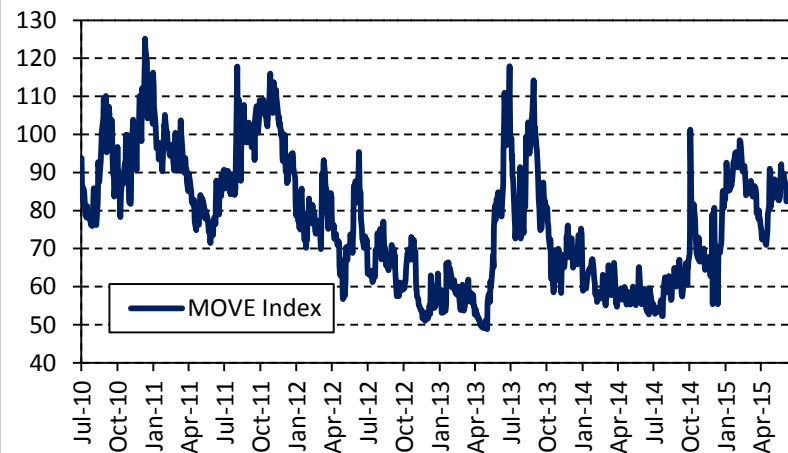
Source: Bloomberg, IMF

Equity volatility remains low



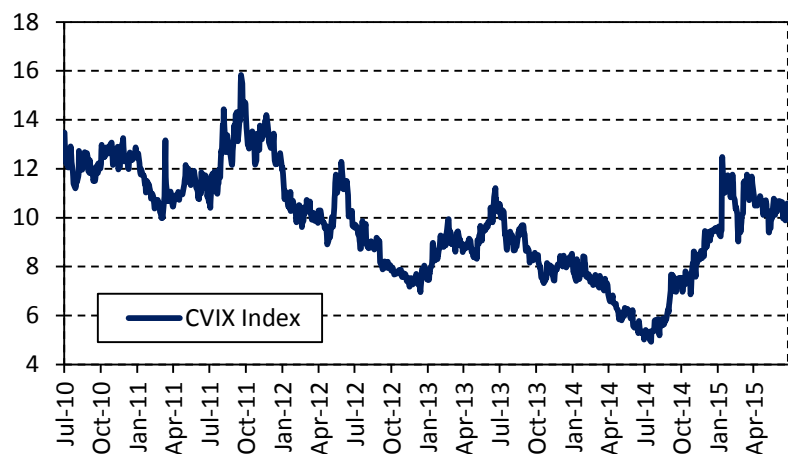
Source: Bloomberg, CBOE

Treasury rates experiencing periods of higher volatility



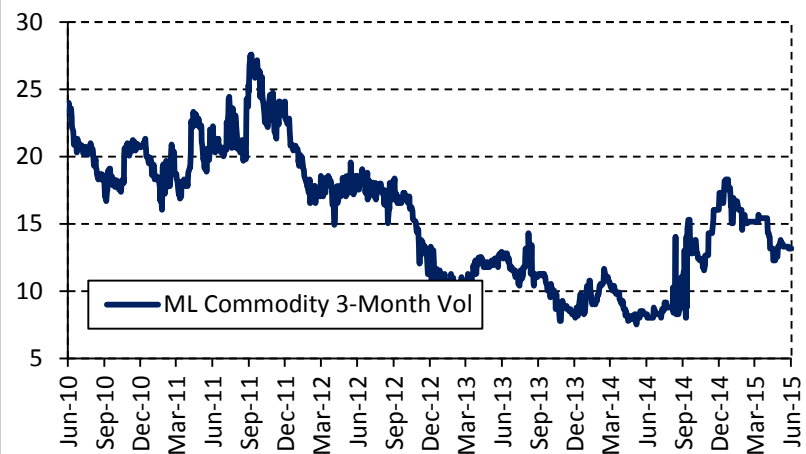
Source: Bloomberg, Merrill Lynch

Sustained uptick in currency volatilities



Source: Bloomberg, Deutsche Bank

Commodity pricing volatility has moderated

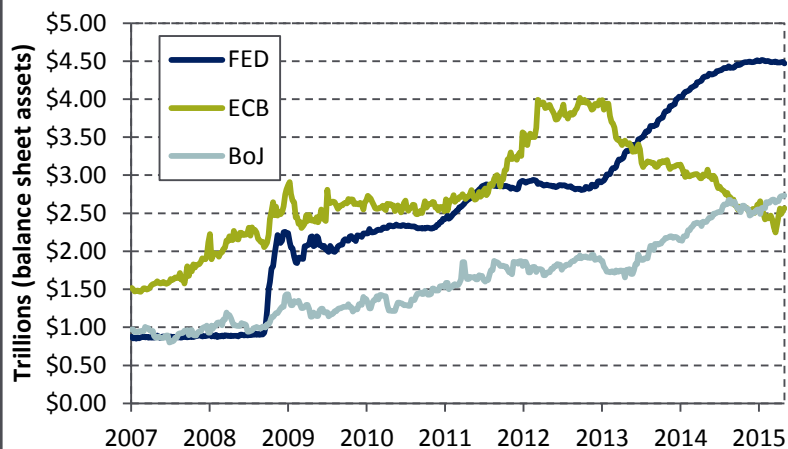


Source: Bloomberg, Merrill Lynch

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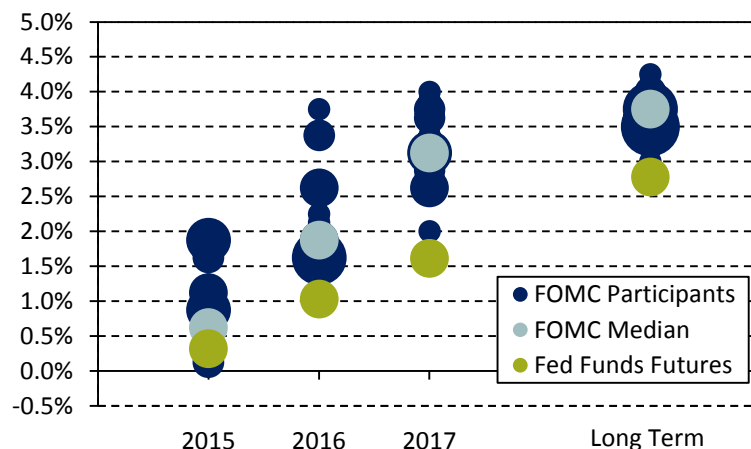
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Major central bank policy divergence



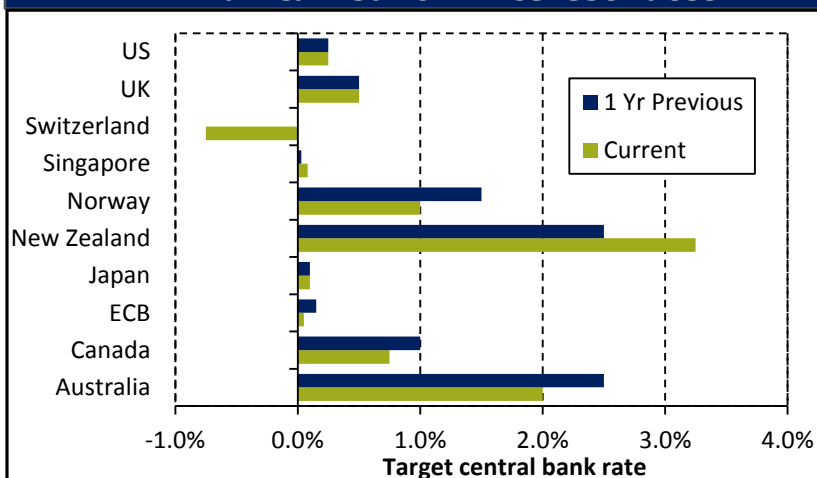
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Fed's ideal rate of policy firming above market expectations



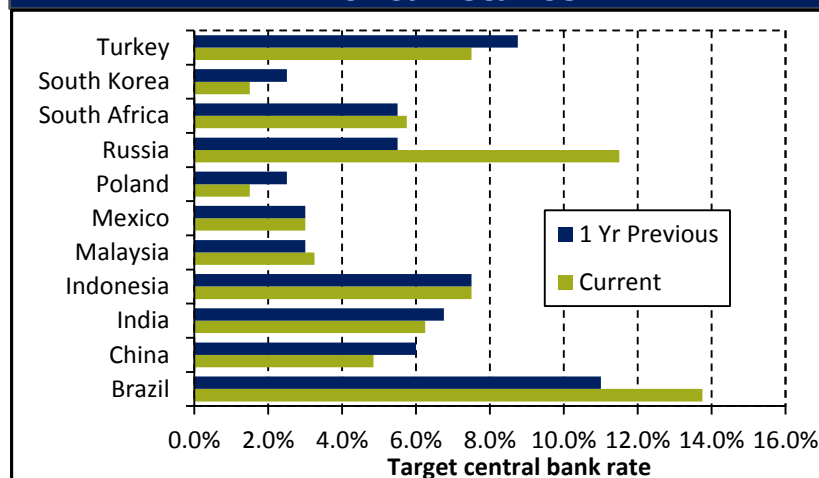
Source: Bloomberg, Federal Reserve, NEPC

Many developed central banks have maintained low interest rates



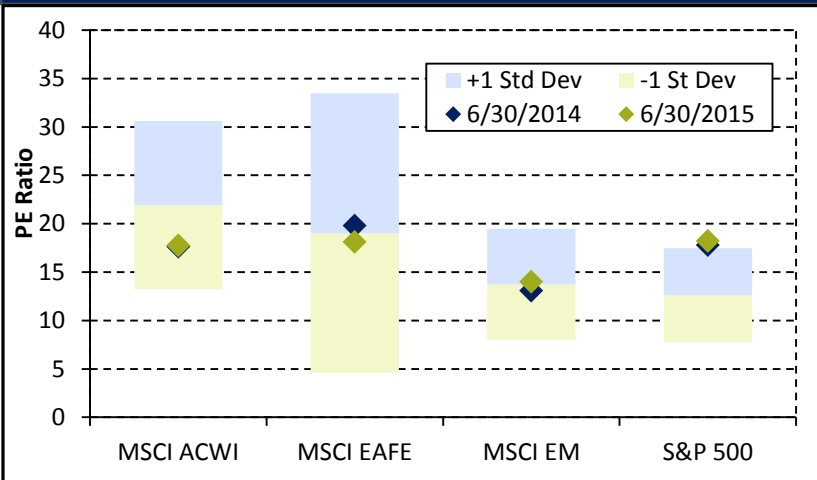
Source: Bloomberg

EM central bank policies have varied by circumstance



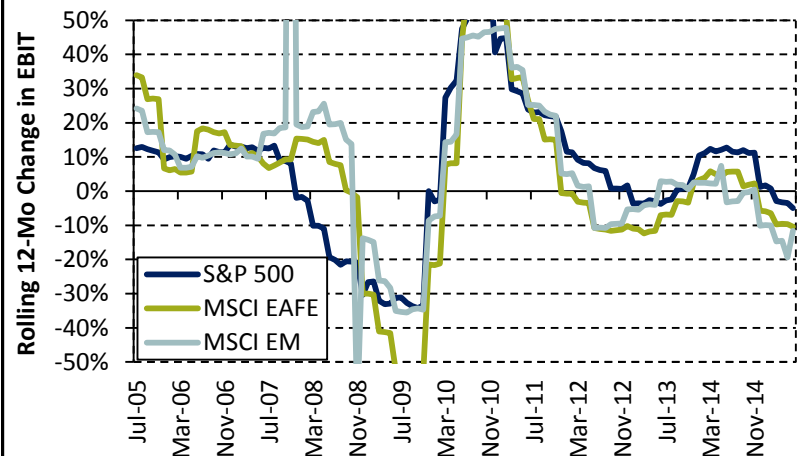
Source: Bloomberg

Global valuations are mixed



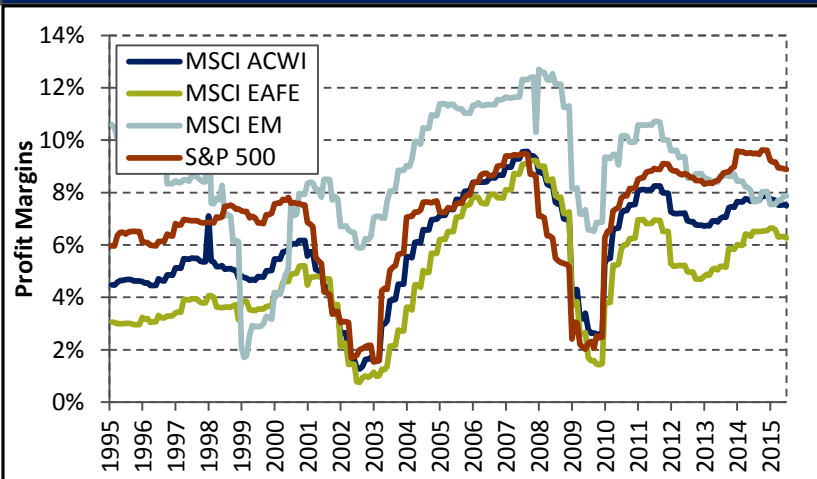
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom

Earnings growth trending lower



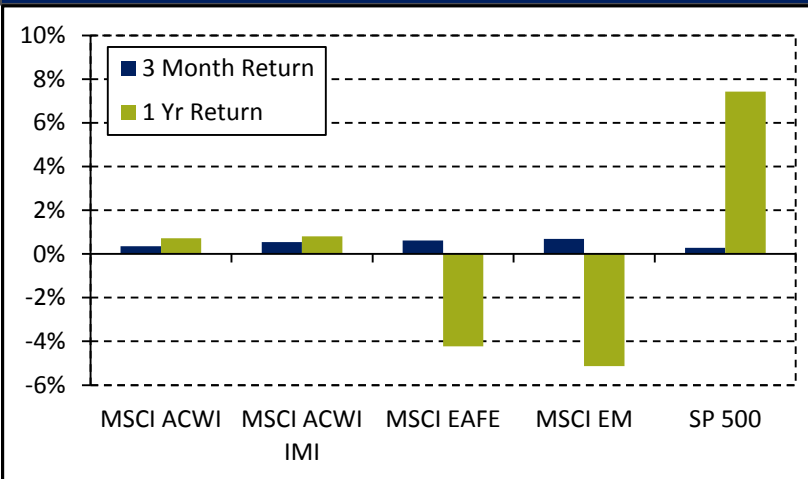
Source: Bloomberg, Standard and Poors, MSCI

Margins elevated, but largely a US story



Source: Bloomberg, MSCI

Significant global variance in returns

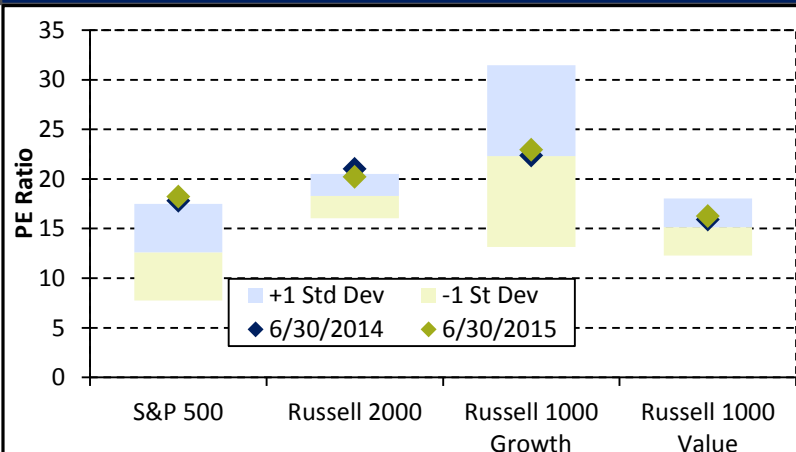


Source: Bloomberg, MSCI

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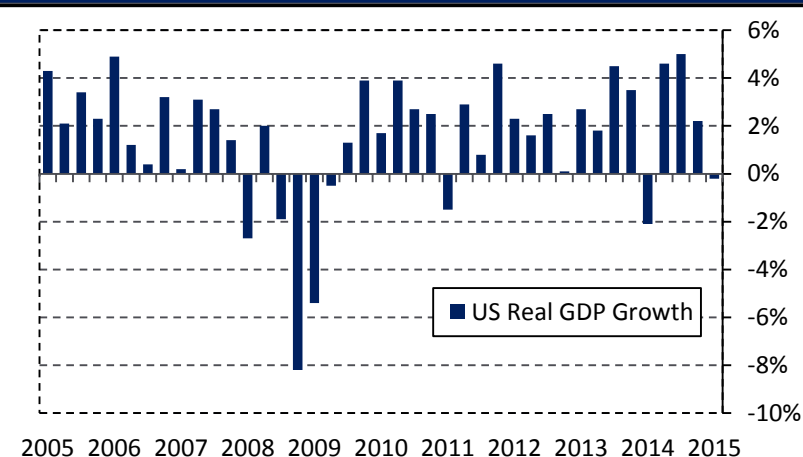
June 30, 2015

Valuations near or above historical norms



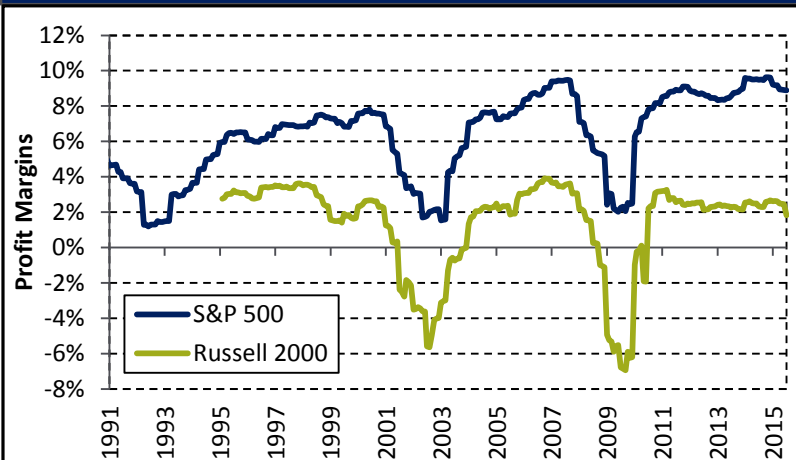
Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive

Growth recovery marked by inconsistency



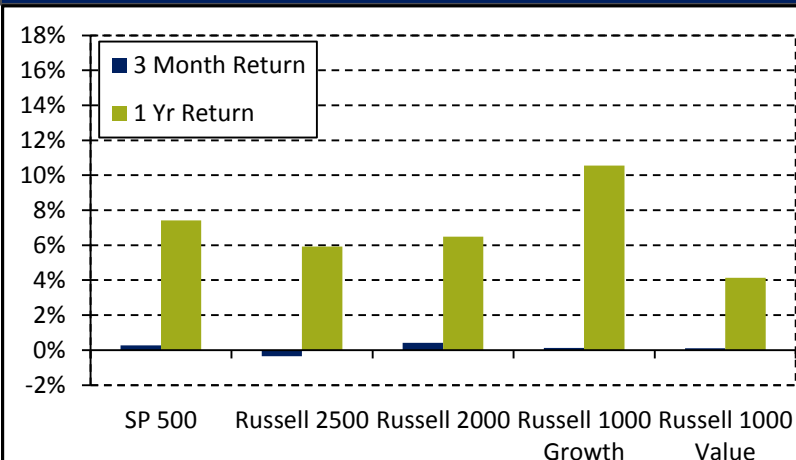
Source: Bloomberg, Bureau of Economic Analysis

Profit margins remain elevated



Source: Bloomberg, Standard and Poors, Russell

Trailing performance is positive

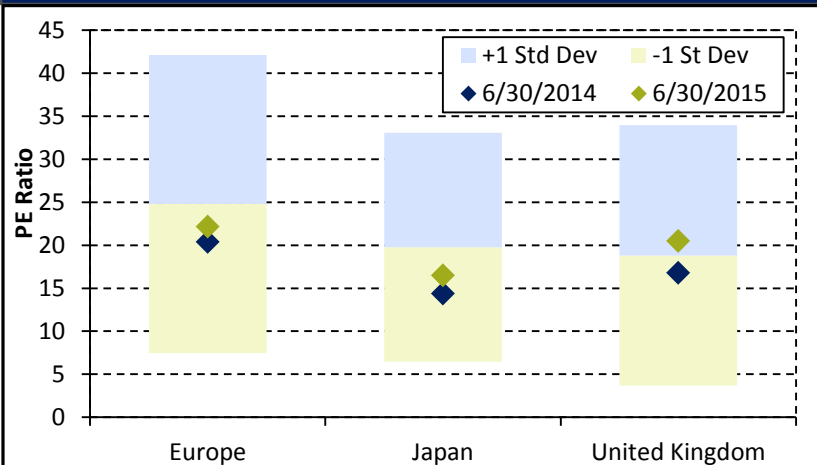


Source: Bloomberg, Standard and Poors, Russell

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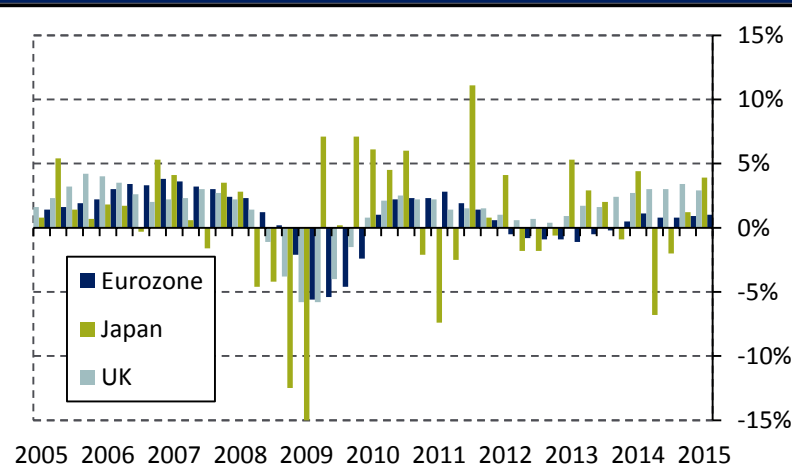
June 30, 2015

PEs near historical medians



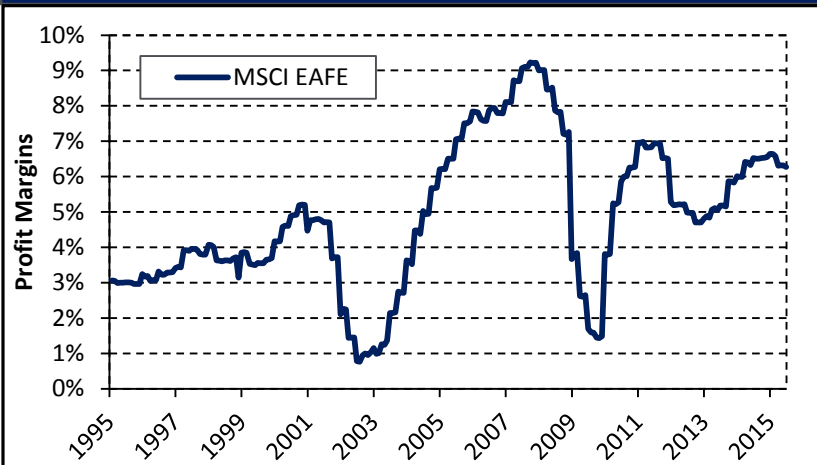
Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

Slow Global Growth



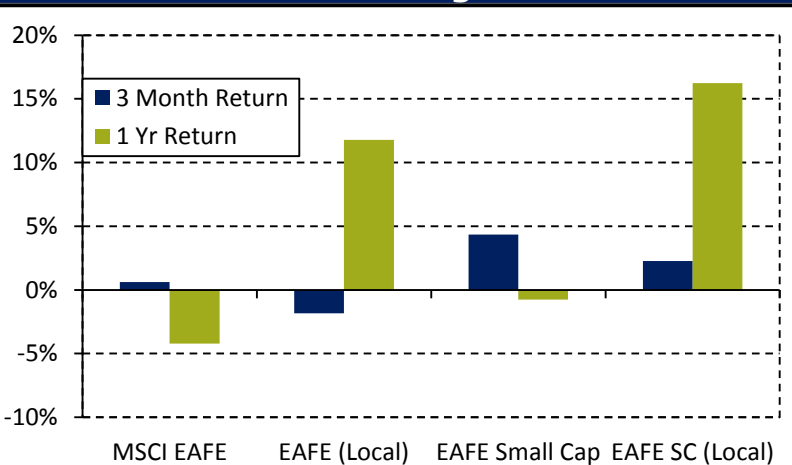
Source: Bloomberg

Margins elevated but not at extremes



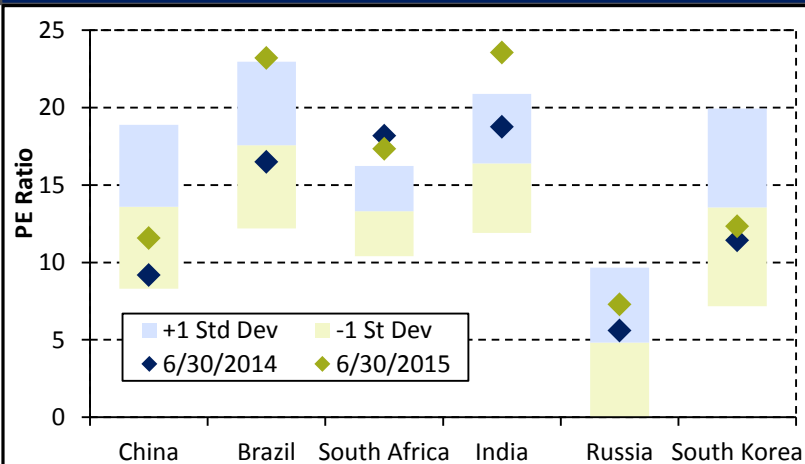
Source: Bloomberg, MSCI

Positive performance muted by dollar strength



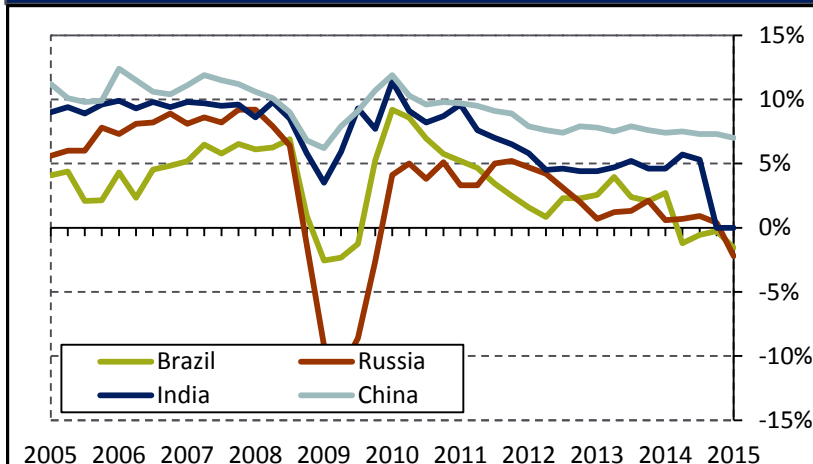
Source: Bloomberg, MSCI

Regional valuations show divergence



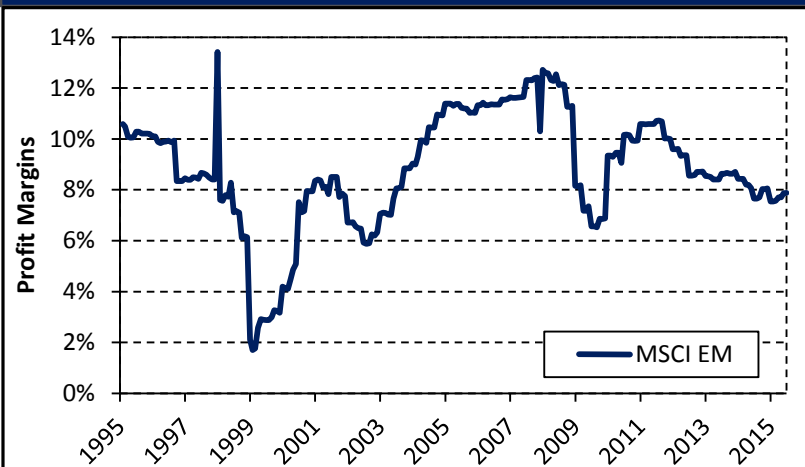
Source: Bloomberg, MSCI

Slowing growth in major economies



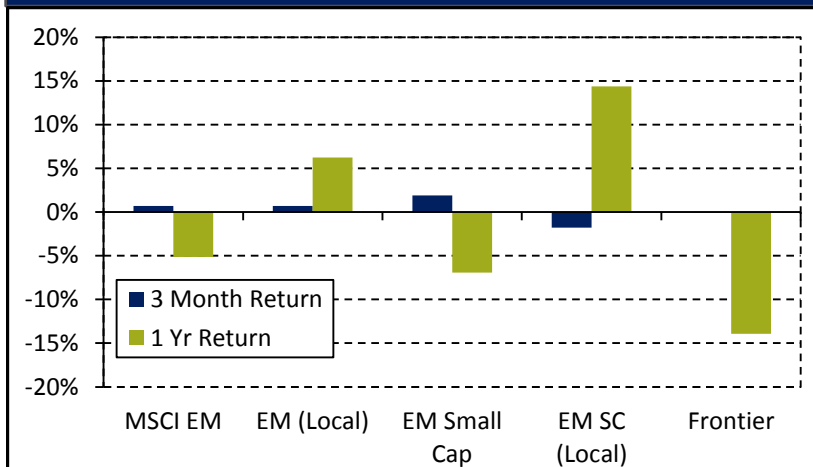
Source: Bloomberg

Profit margins in line with history



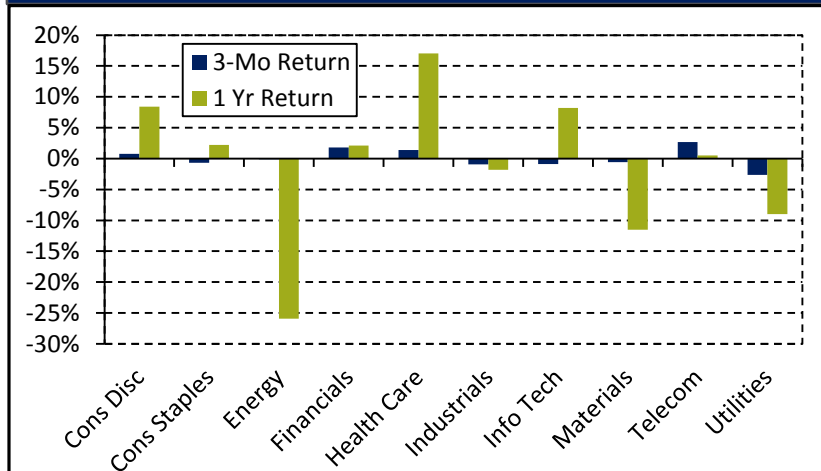
Source: Bloomberg, MSCI

Dollar strength has detracted



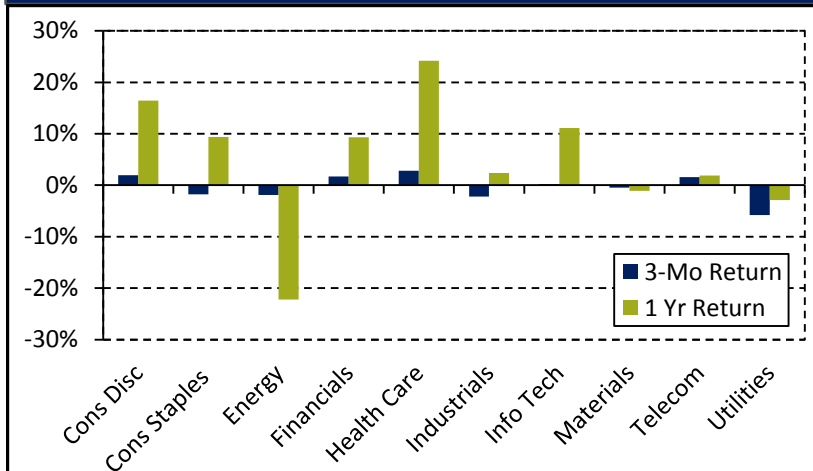
Source: Bloomberg, MSCI

MSCI ACWI returns led by health care rally



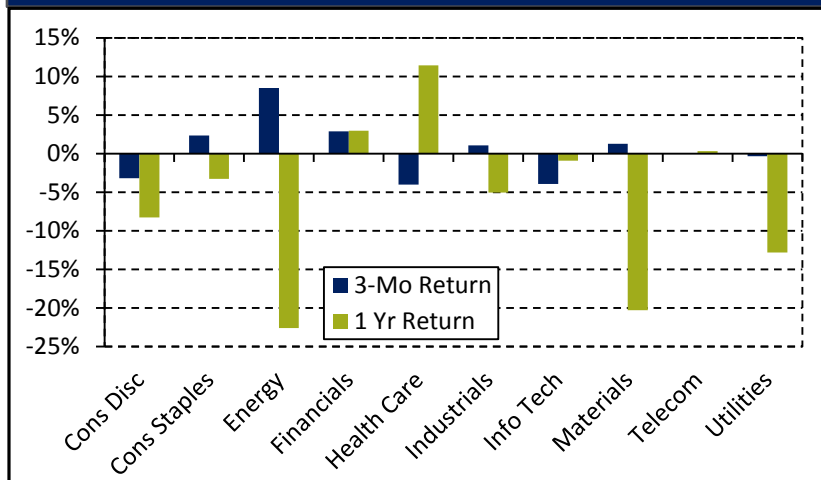
Source: Bloomberg, MSCI

S&P 500 sector returns vary



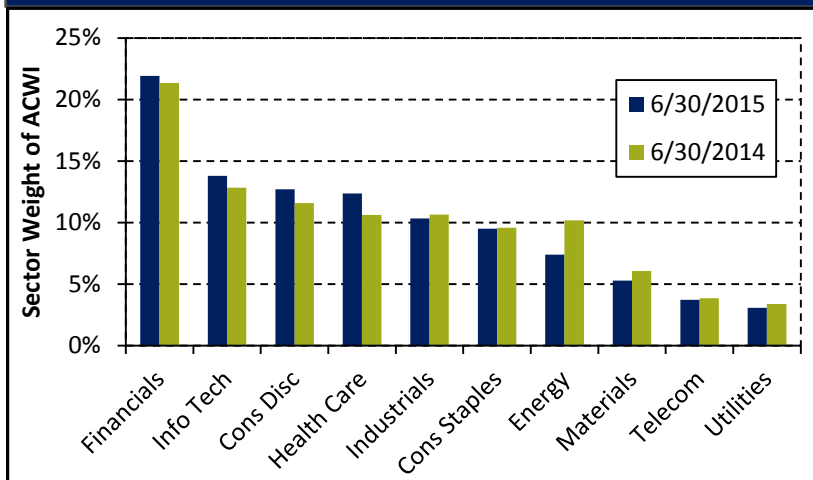
Source: Bloomberg, Standard and Poors

Energy sensitivity especially pronounced in EM



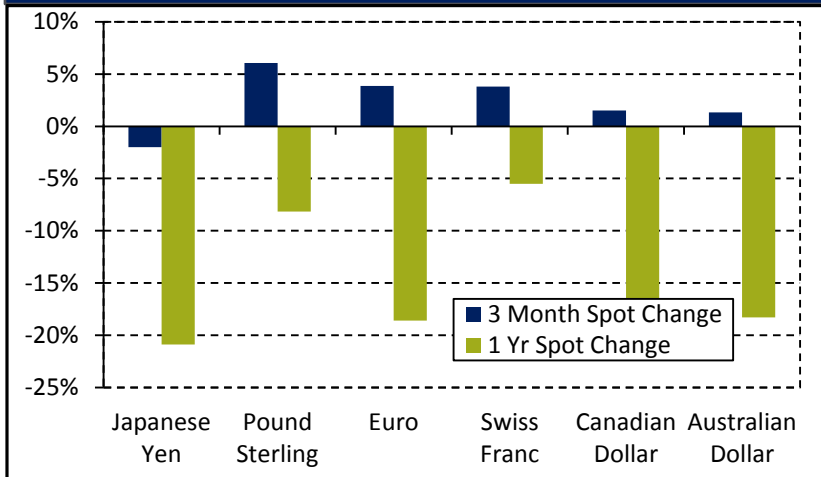
Source: Bloomberg, MSCI

Global energy sector weight has fallen



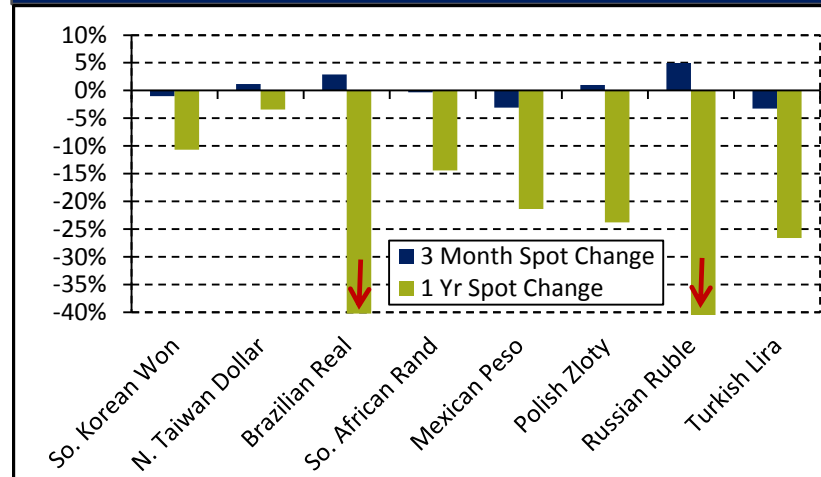
Source: Bloomberg, MSCI

Developed currencies showing recent signs of stabilization versus the dollar



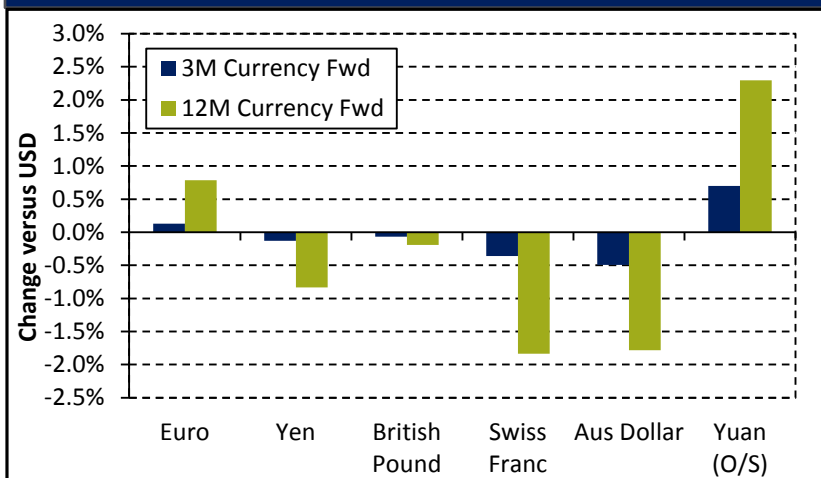
Source: Bloomberg

EM currencies have suffered in unique fashions



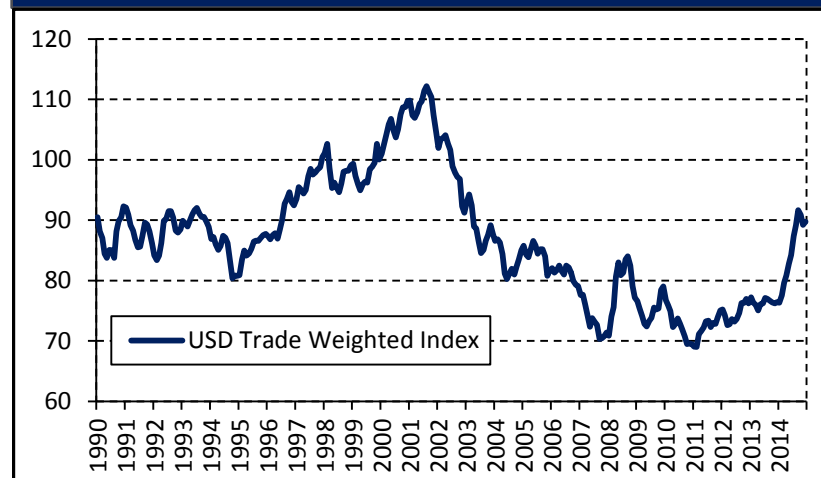
Source: Bloomberg

Yen and GBP expect to decline versus USD



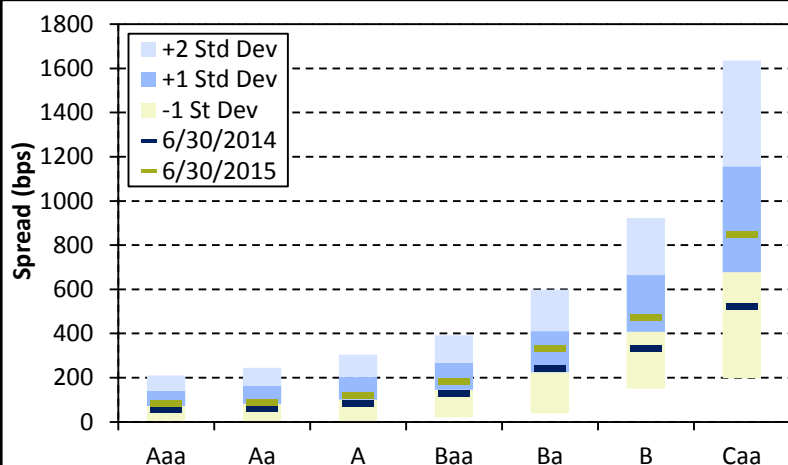
Source: Bloomberg

Recent dollar strength pronounced



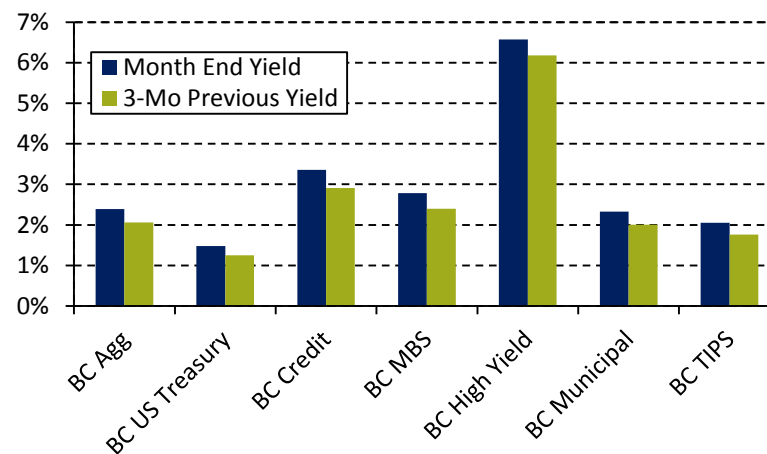
Source: Bloomberg, Federal Reserve

Spreads levels in line with history



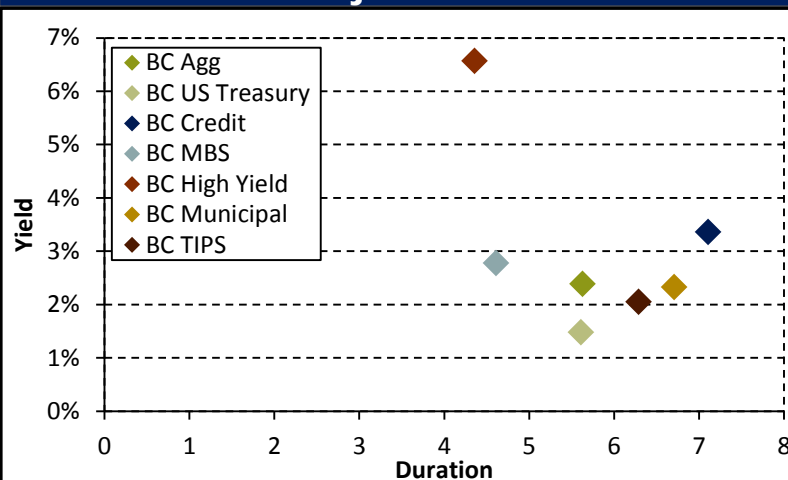
Source: Bloomberg, Barclays

Yields have stayed mostly flat



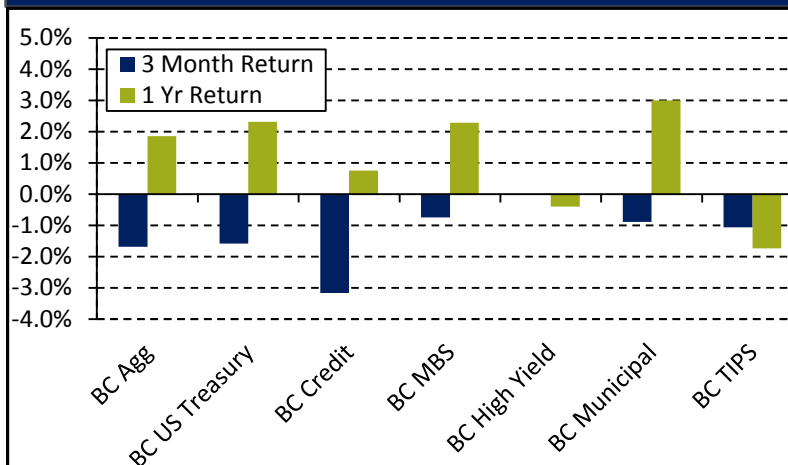
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



Source: Bloomberg, Barclays

Recent performance muting trailing returns

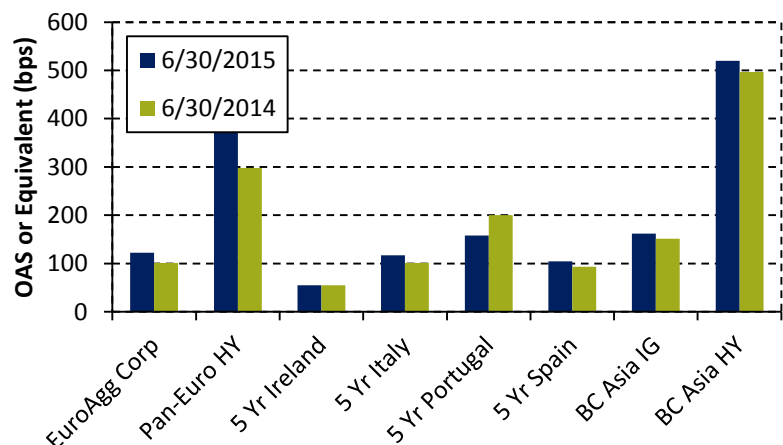


Source: Bloomberg, Barclays

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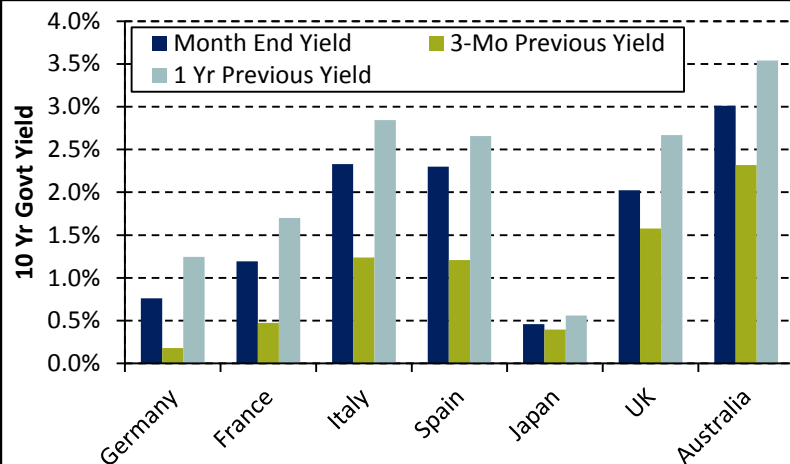
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European periphery yields relatively lower versus Germany



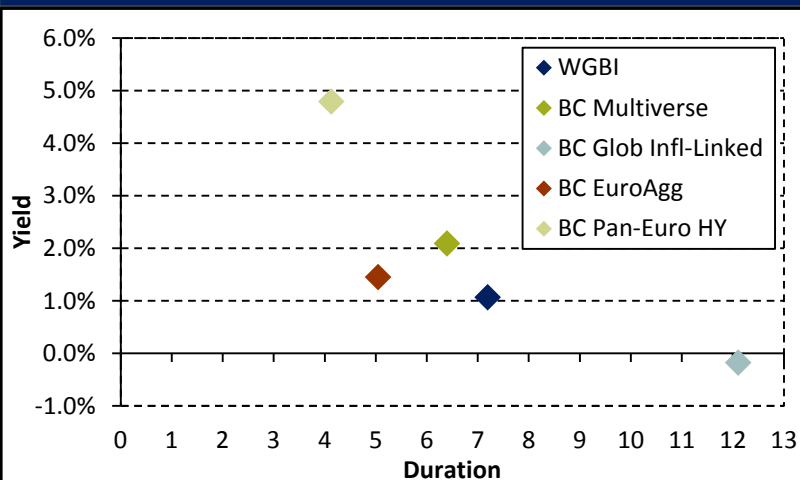
Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund

Global yields are at or near historic lows despite recent uptick



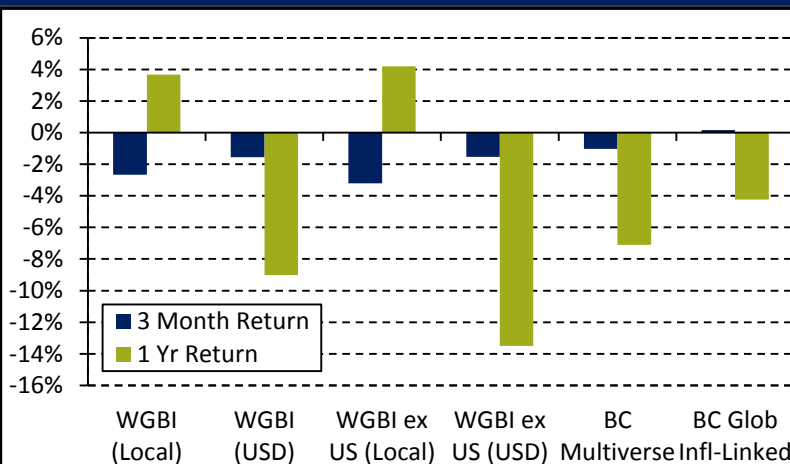
Source: Bloomberg

Low global yields relative to duration



Source: Bloomberg, Citigroup, Barclays

Global bonds negative in USD terms

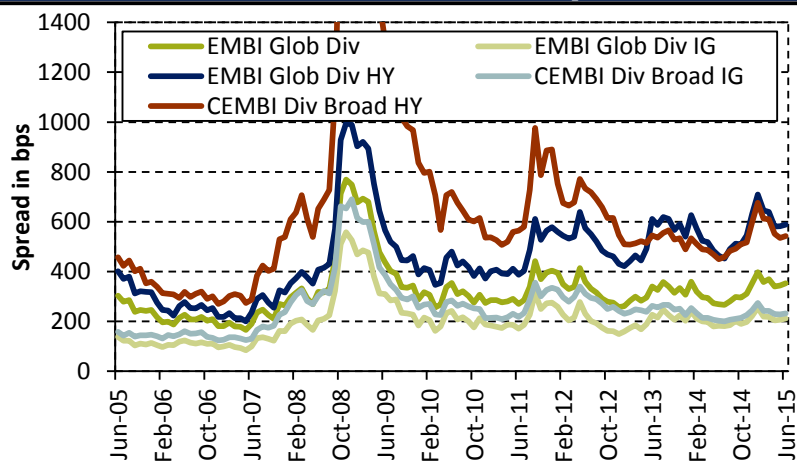


Source: Bloomberg, Citigroup, Barclays

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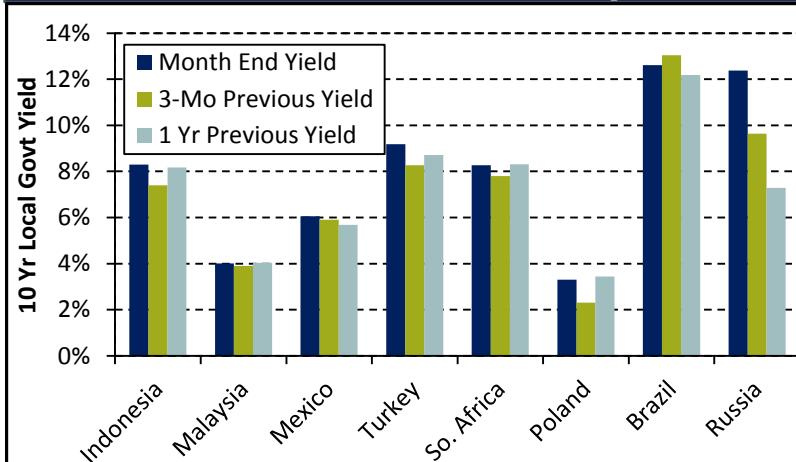
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Spreads have compressed slightly, still in line with history



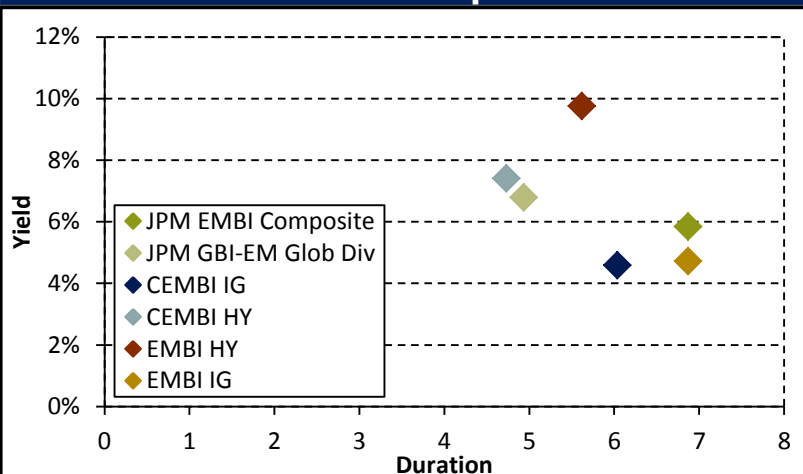
Source: Bloomberg, JP Morgan

Emerging market bond yield changes have varied directionally



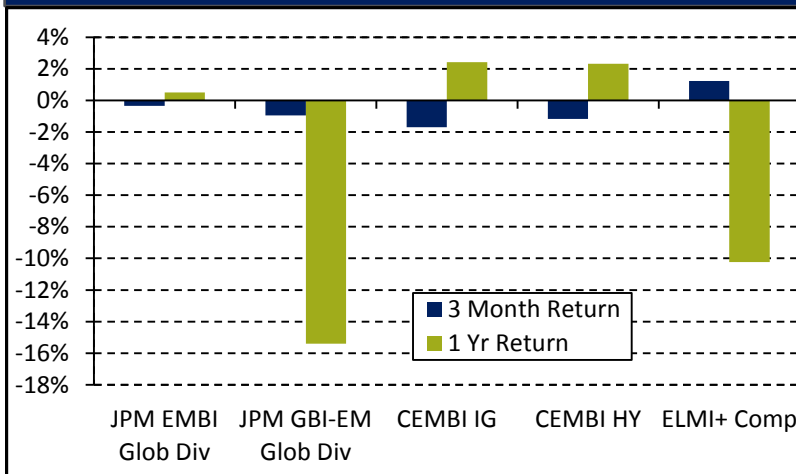
Source: Bloomberg

EM yields higher versus global counterparts



Source: Bloomberg, JP Morgan

Currency effect pronounced in EMD returns

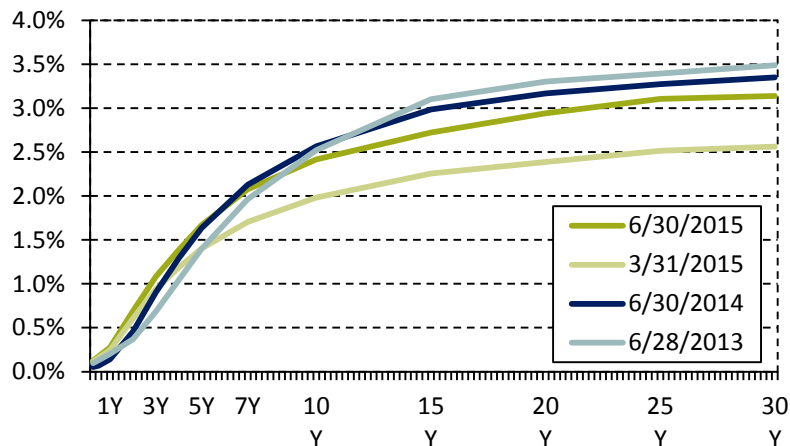


Source: Bloomberg, JP Morgan

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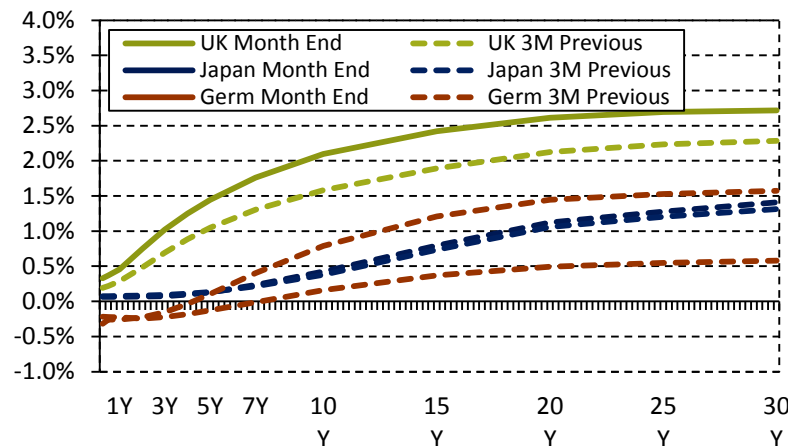
June 30, 2015

Treasury yield curve moderately higher during the year



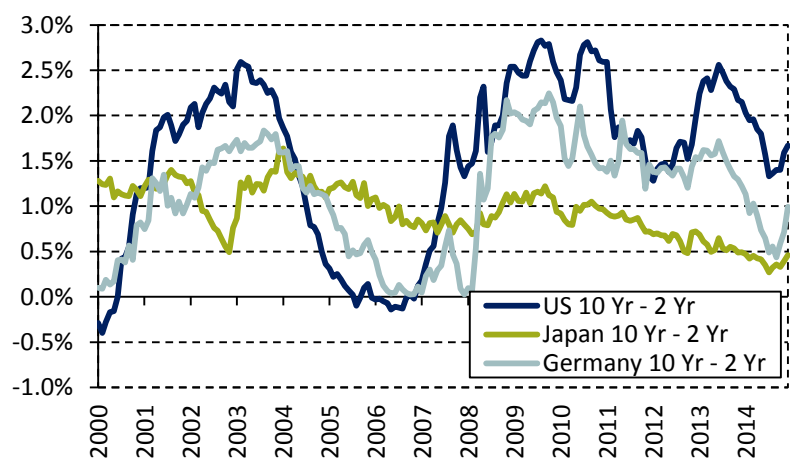
Source: Bloomberg

German and UK curves have shifted upwards



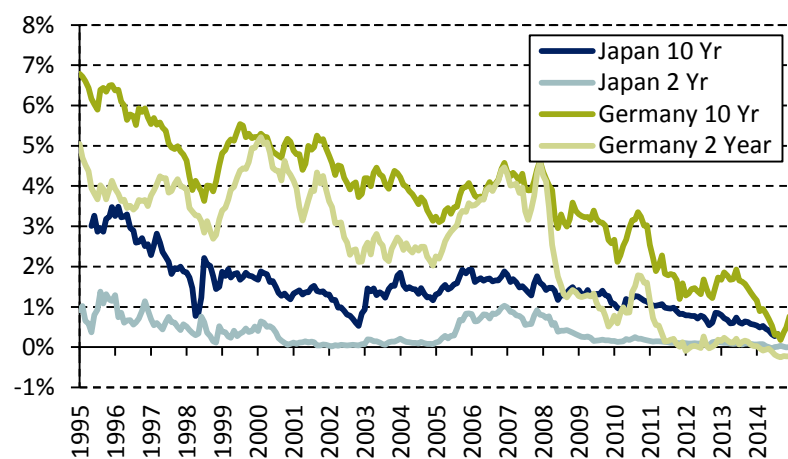
Source: Bloomberg

Global yield curves have flattened



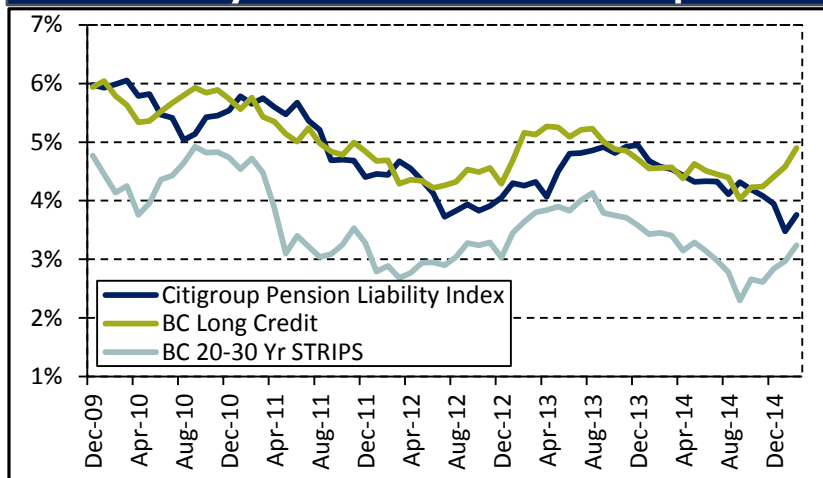
Source: Bloomberg

Global yields have trended lower over long term



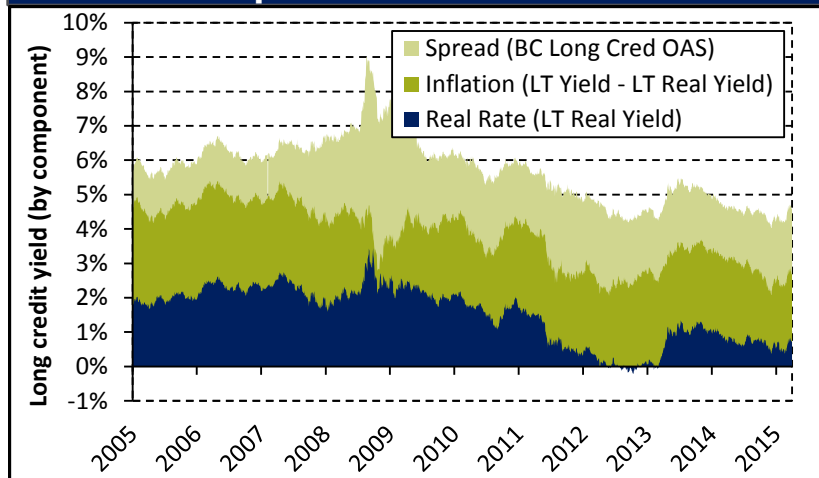
Source: Bloomberg

Long duration yields have fallen over last few years even with recent uptick



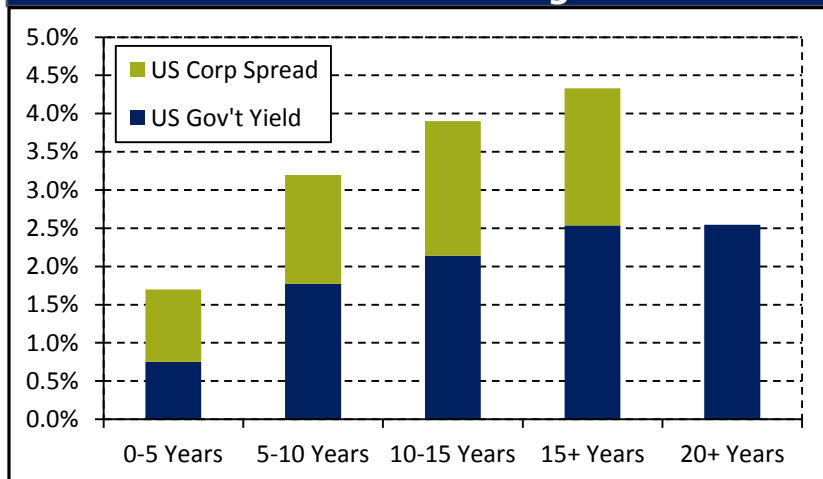
Source: Bloomberg, Citigroup, Barclays

Lower yields driven by low inflation expectations and real rates



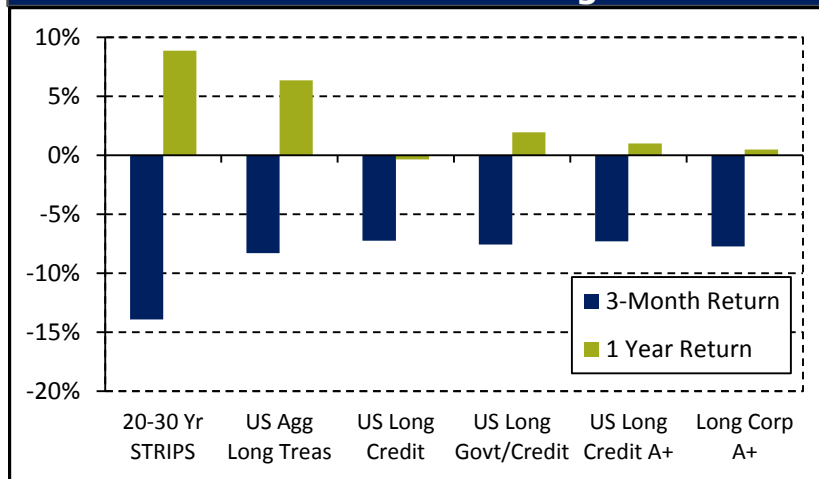
Source: Bloomberg, US Treasury, Barclays, NEPC

Yields are low but spreads remain near historic averages



Source: Bloomberg, BofA Merrill Lynch, Barclays *No index for 20+ year corporate

Recent rise in rates have pushed long duration returns negative

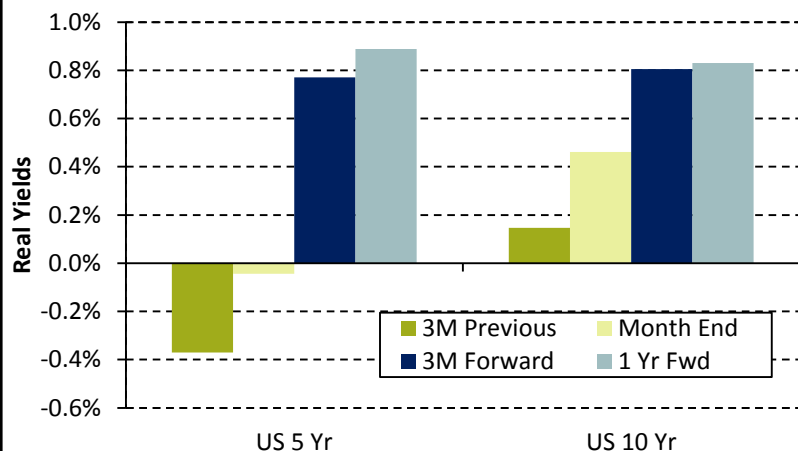


Source: Bloomberg, Barclays

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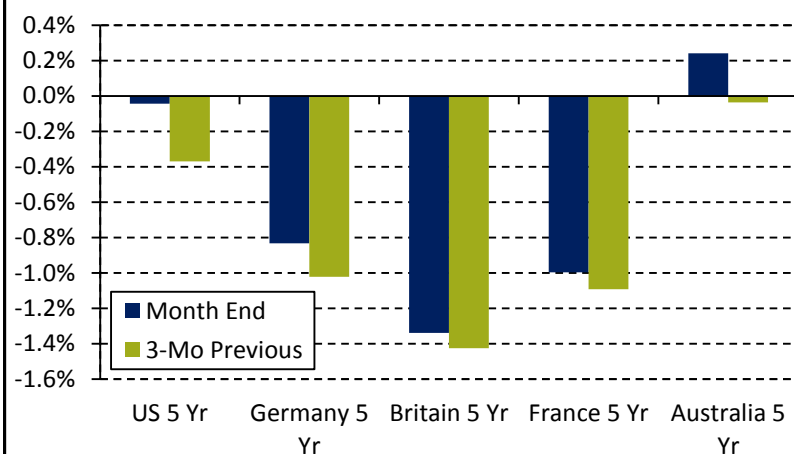
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US real yields have risen slightly



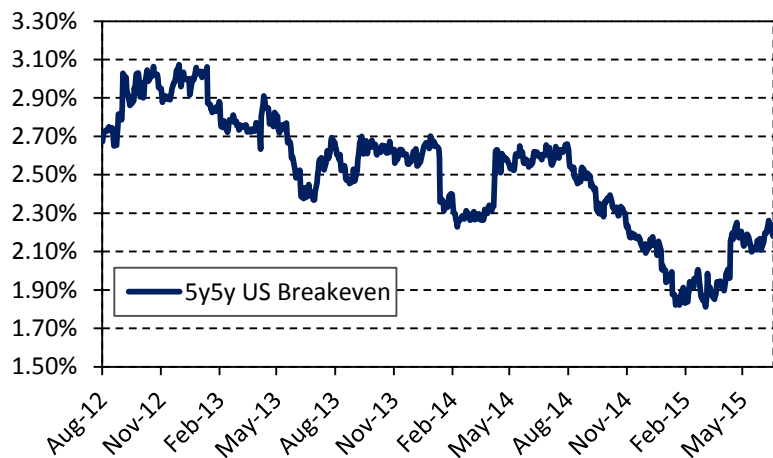
Source: Bloomberg

Global real yields are flat to negative



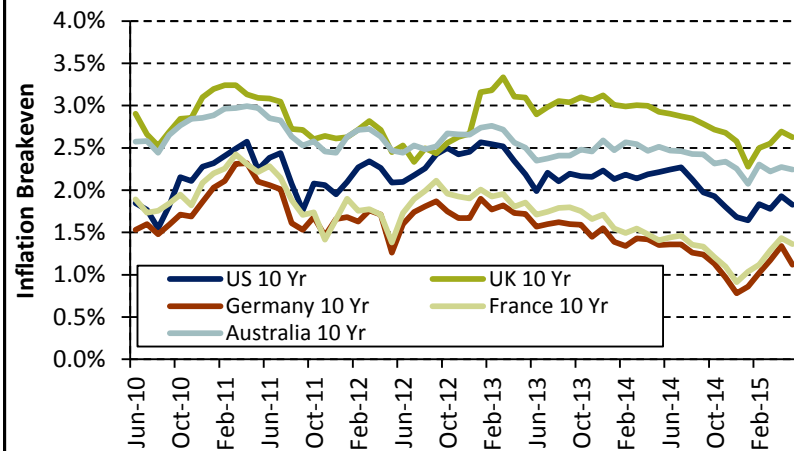
Source: Bloomberg

US inflation expectations on downward trend



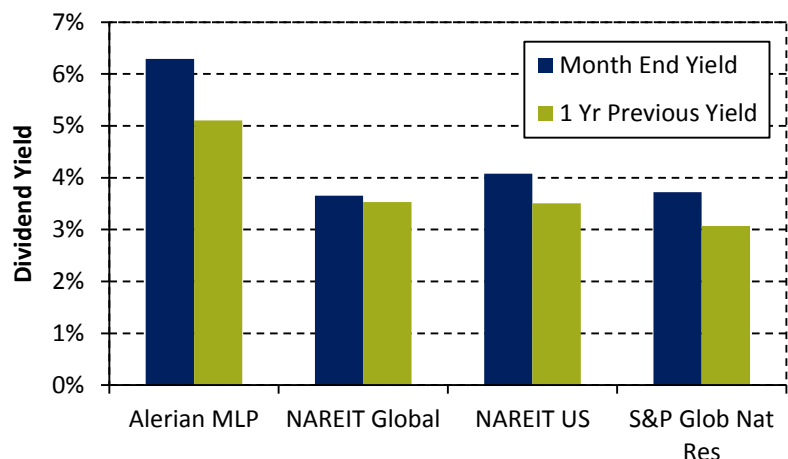
Source: Bloomberg

Global inflation expectations remain subdued



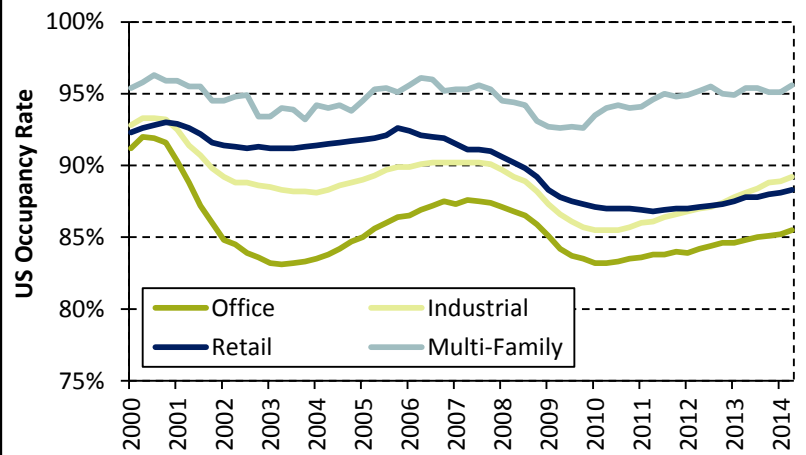
Source: Bloomberg

Yields slightly higher relative to last year



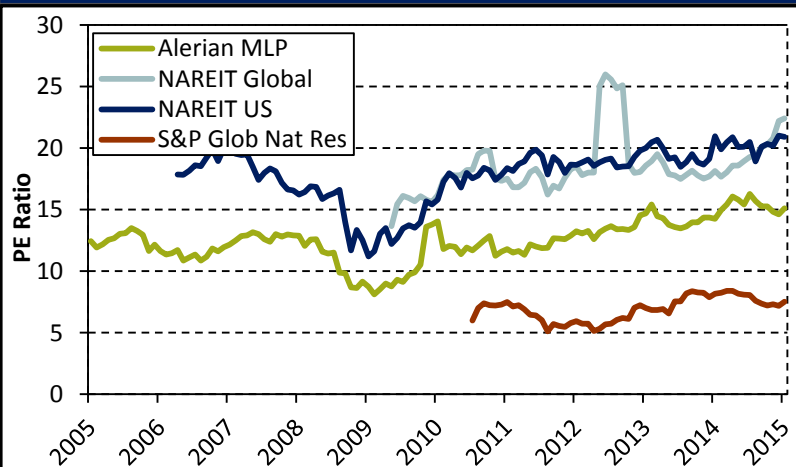
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Gradual recovery in occupancy rates



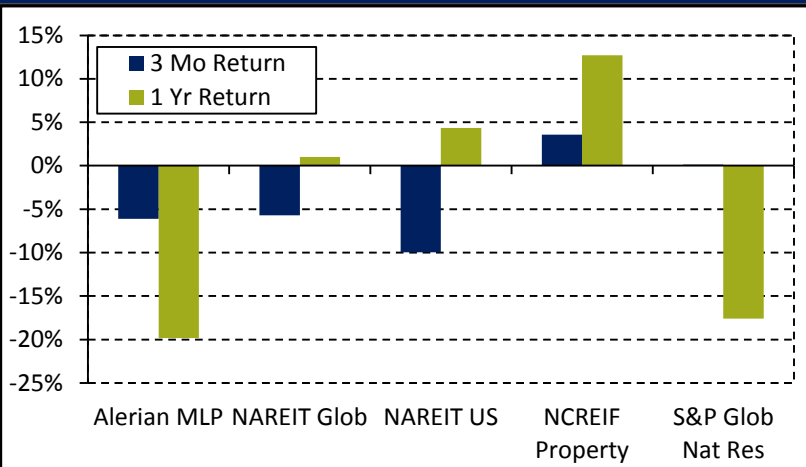
Source: Bloomberg, CB Richard Ellis

PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

Recent REIT selloff has cut into long rally

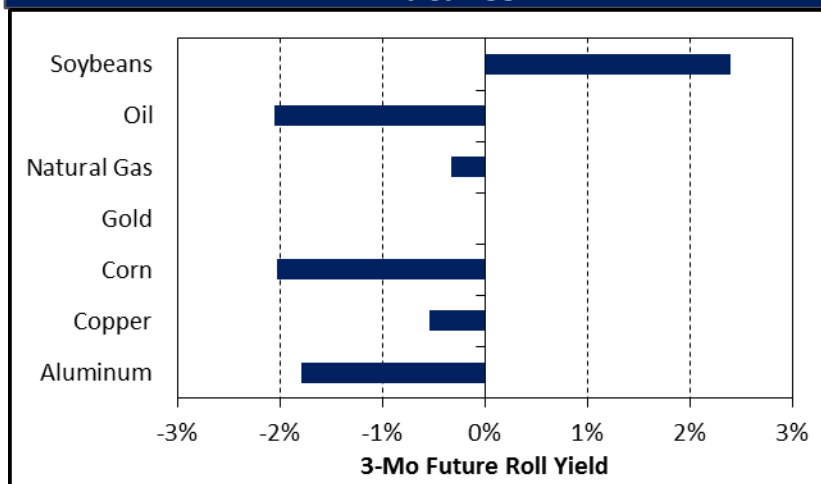


Source: Bloomberg, Alerian, Nareit, Standard and Poors

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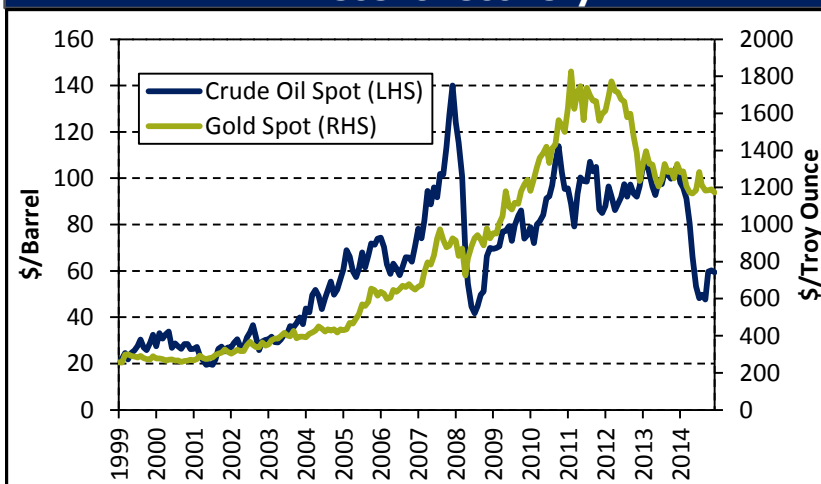
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Negative roll yields in major commodity futures



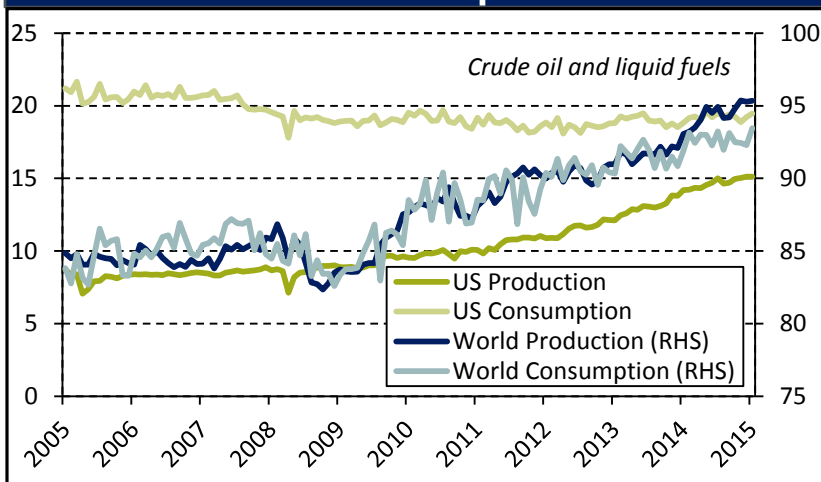
Source: Bloomberg

Precipitous fall in oil prices with slight recent recovery



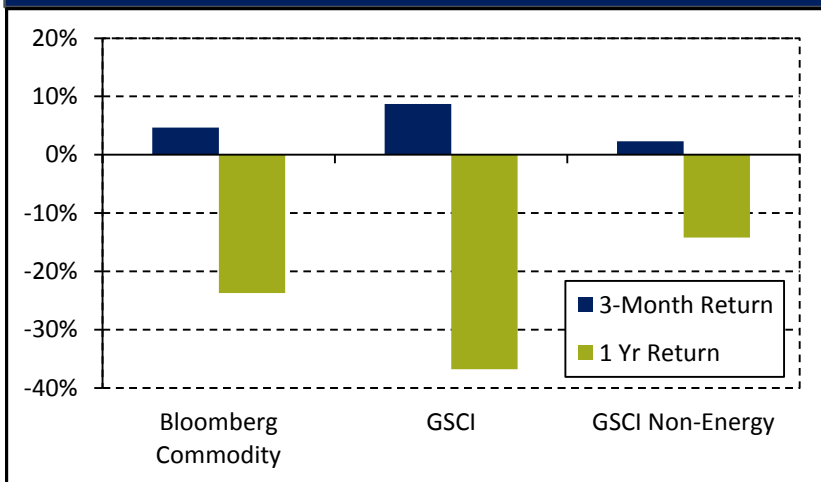
Source: Bloomberg

US fuel production closing gap with consumption



Source: Bloomberg, US Department of Energy *Crude oil and liquid fuels

Commodity indices flat recently after oil-induced decline



Source: Bloomberg, Standard and Poors

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- **Past performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
- **Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
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