

FUND EVALUATION REPORT

San Jose Federated Retiree Health Care 115 Trust

Quarterly Review
June 30, 2017



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1. The World Markets in the Second Quarter of 2017

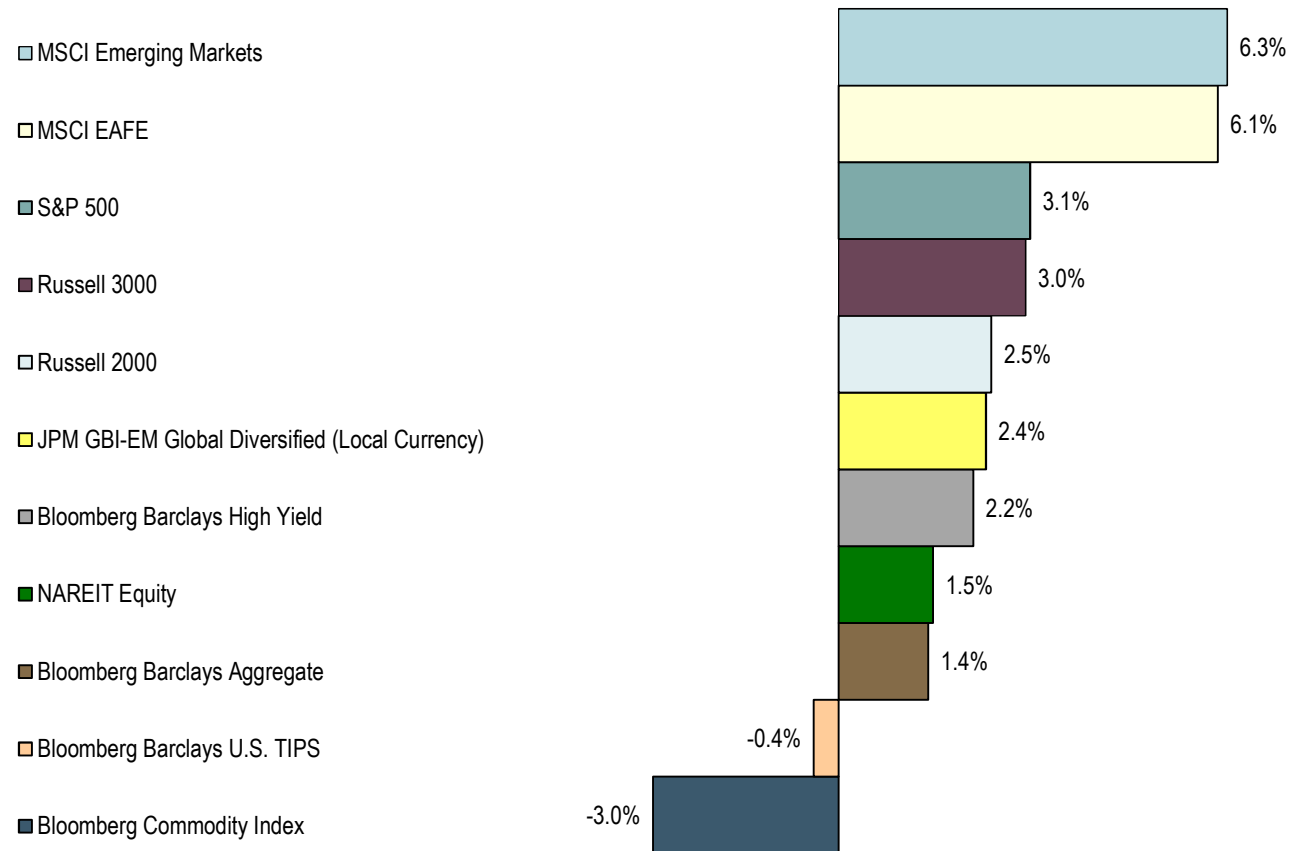
2. Executive Summary

- Aggregate Fund Overview
- Manager Highlights
- Second Quarter Manager Summary
- Market Environment – 2Q17 Overview

3. 2Q17 Review

The World Markets Second Quarter of 2017

The World Markets¹ Second Quarter of 2017



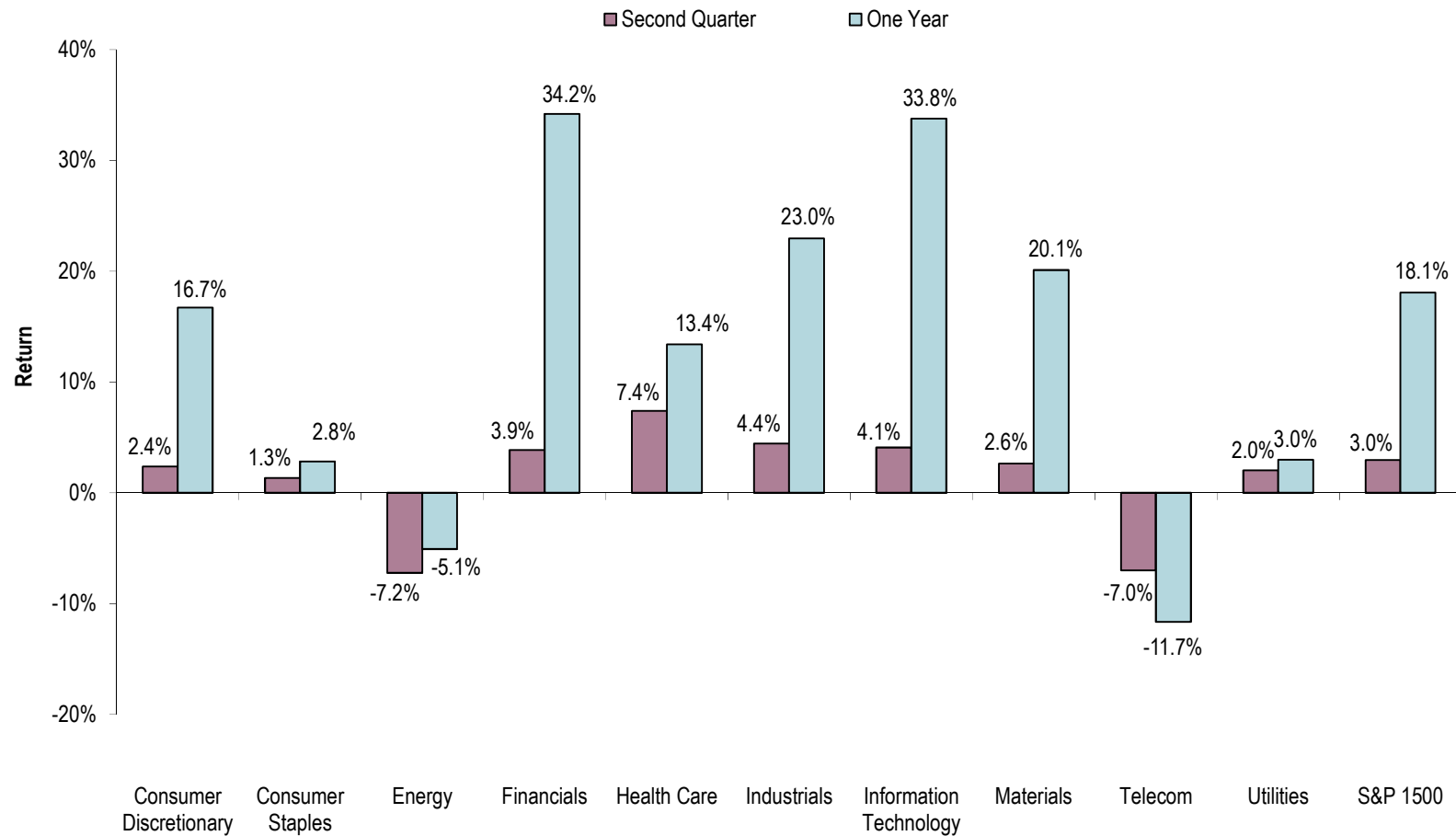
¹ Source: Thomson Reuters.

Index Returns¹

	2Q17 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	3.0	18.5	9.1	14.6	7.3
Russell 1000	3.1	18.0	9.3	14.7	7.3
Russell 1000 Growth	4.7	20.4	11.1	15.3	8.9
Russell 1000 Value	1.3	15.5	7.4	13.9	5.6
Russell MidCap	2.7	16.5	7.7	14.7	7.7
Russell MidCap Growth	4.2	17.0	7.8	14.2	7.9
Russell MidCap Value	1.4	15.9	7.5	15.1	7.2
Russell 2000	2.5	24.6	7.4	13.7	6.9
Russell 2000 Growth	4.4	24.4	7.6	14.0	7.8
Russell 2000 Value	0.7	24.9	7.0	13.4	5.9
Foreign Equity					
MSCI ACWI (ex. U.S.)	5.8	20.5	0.8	7.2	1.1
MSCI EAFE	6.1	20.3	1.1	8.7	1.0
MSCI EAFE (Local Currency)	2.7	22.1	7.0	12.5	2.0
MSCI EAFE Small Cap	8.1	23.2	5.6	12.9	3.4
MSCI Emerging Markets	6.3	23.7	1.1	4.0	1.9
MSCI Emerging Markets (Local Currency)	6.6	21.8	6.1	7.6	4.3
Fixed Income					
Bloomberg Barclays Universal	1.5	0.9	2.8	2.7	4.7
Bloomberg Barclays Aggregate	1.4	-0.3	2.5	2.2	4.5
Bloomberg Barclays U.S. TIPS	-0.4	-0.6	0.6	0.3	4.3
Bloomberg Barclays High Yield	2.2	12.7	4.5	6.9	7.7
JPM GBI-EM Global Diversified (Local Currency)	2.4	6.7	7.0	6.6	8.2
Other					
NAREIT Equity	1.5	-1.7	8.4	9.5	6.0
Bloomberg Commodity Index	-3.0	-6.5	-14.8	-9.2	-6.5
HFRI Fund of Funds	0.8	6.5	1.5	3.9	0.9

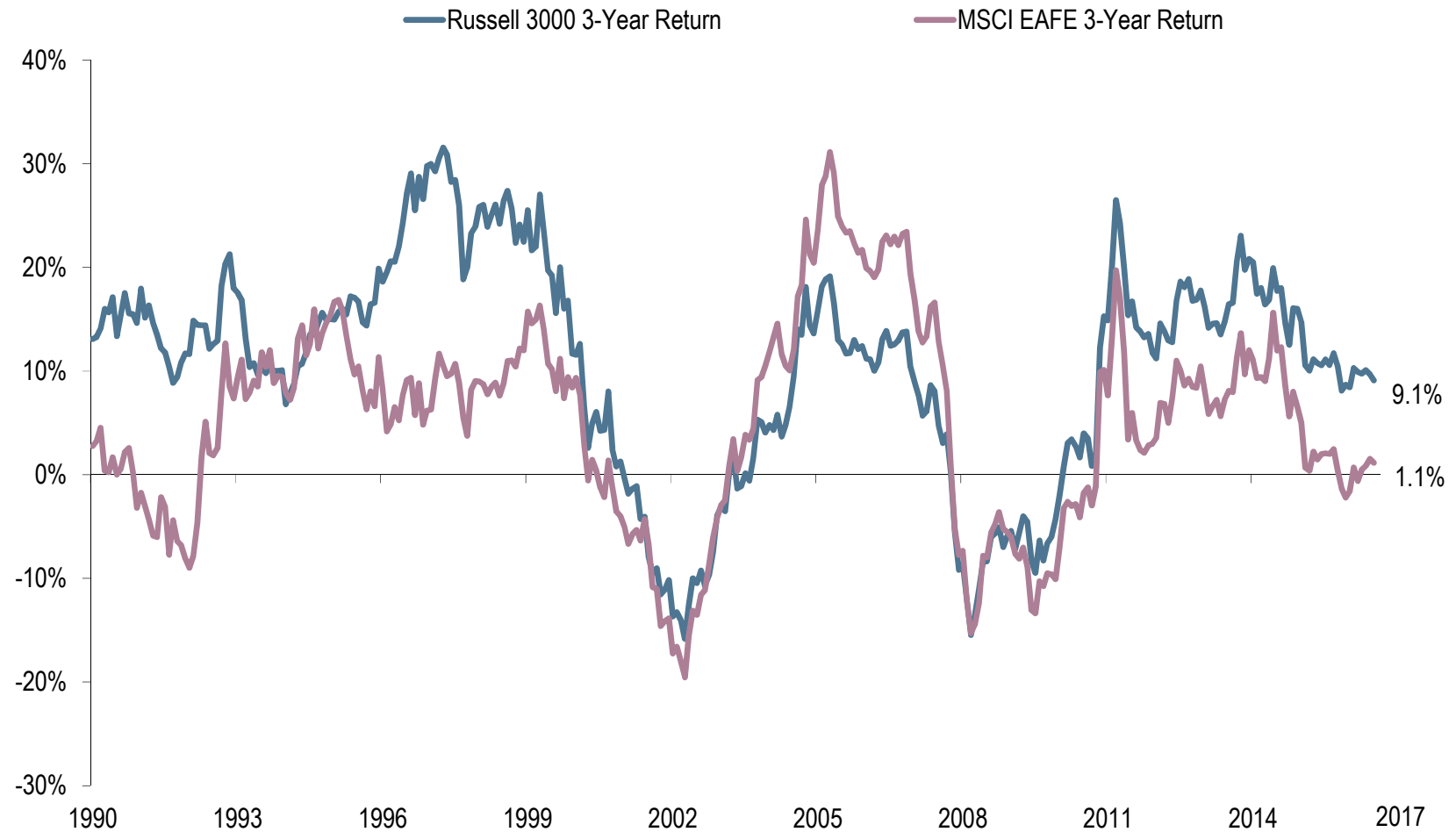
¹ Source: Thomson Reuters.

S&P Sector Returns¹



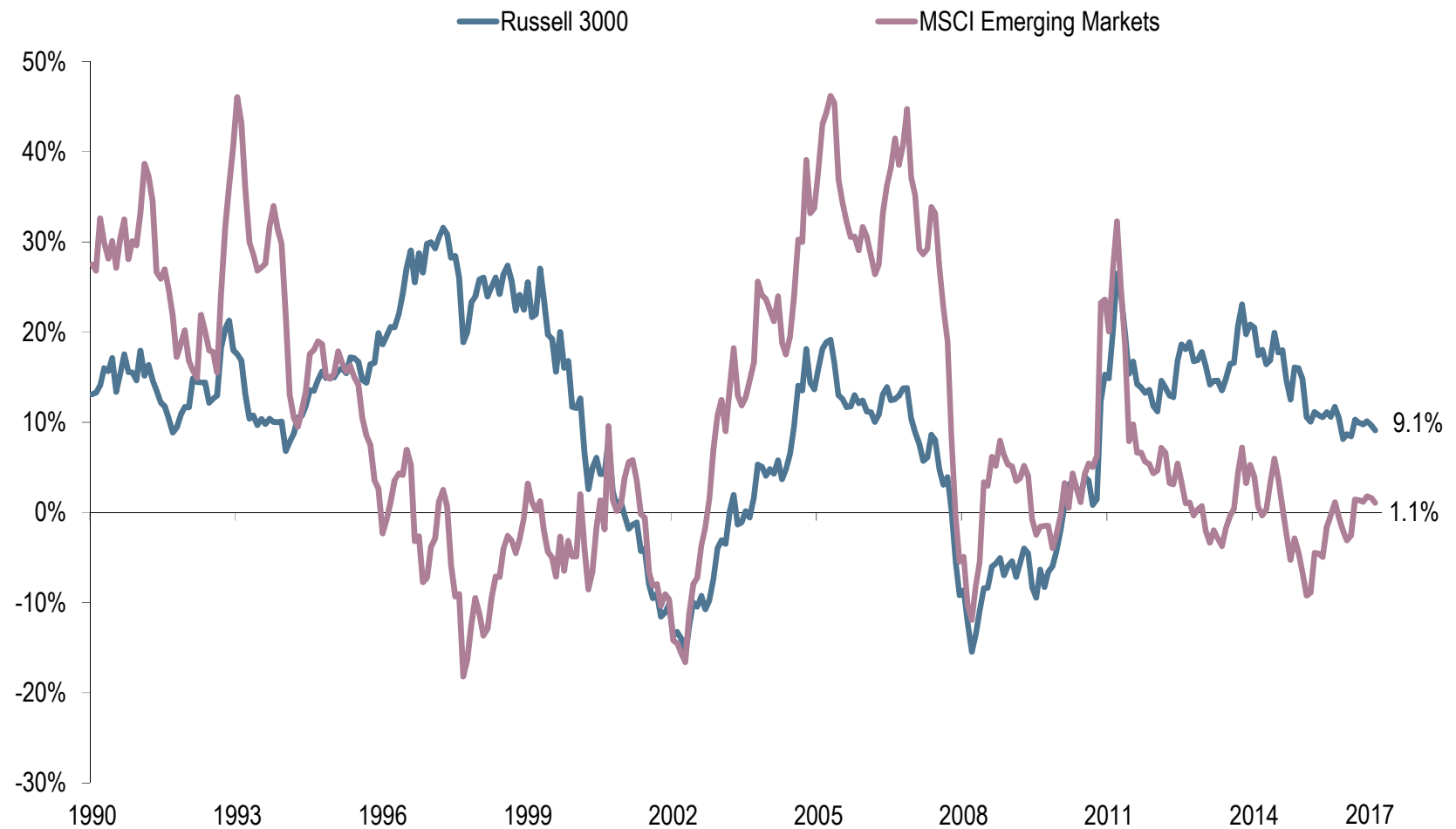
¹ Source: Thomson Reuters. Represents S&P 1500 (All Cap) data.

U.S. and Developed Market Foreign Equity Rolling Three-Year Returns¹



¹ Source: Thomson Reuters.

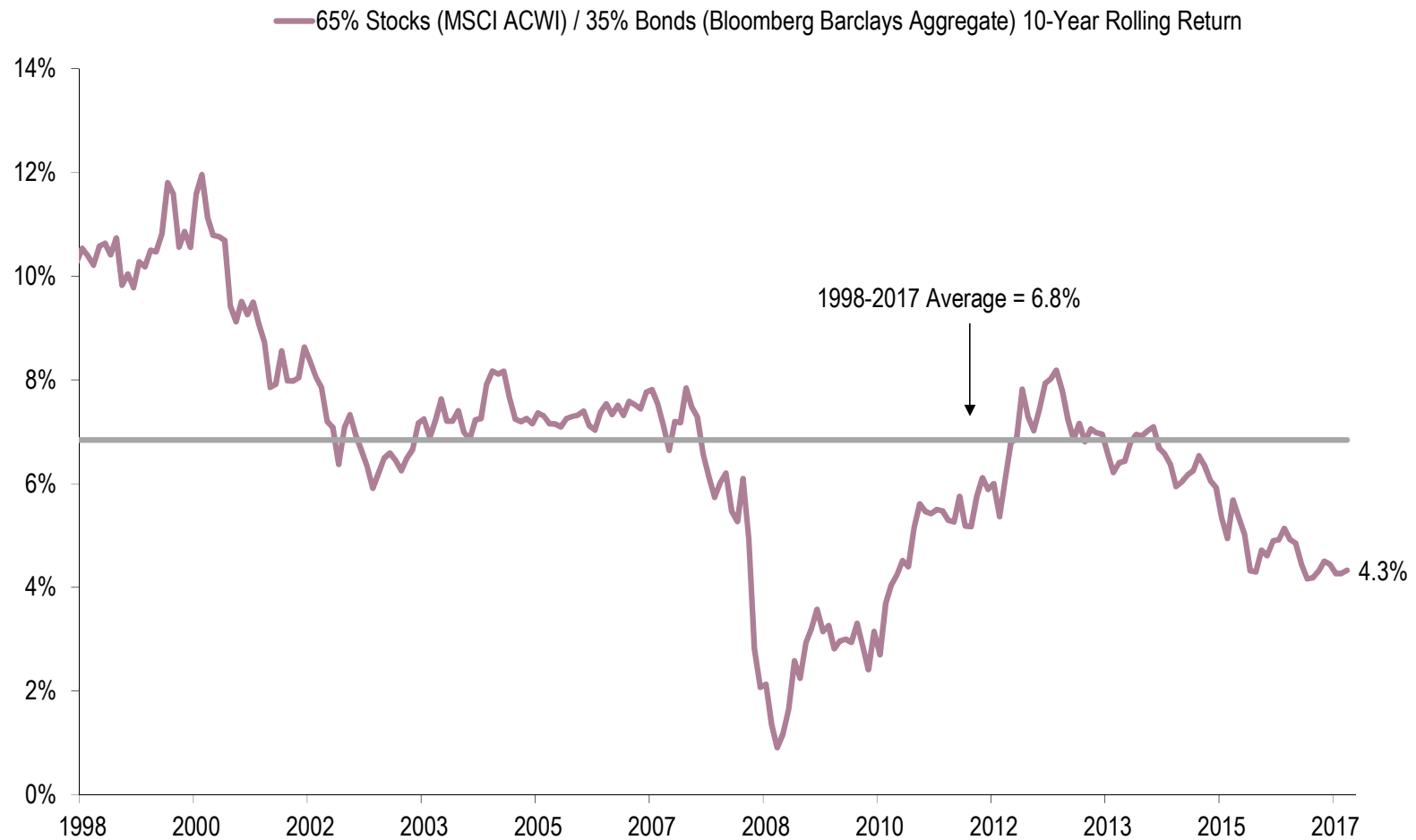
U.S. and Emerging Market Equity Rolling Three-Year Returns¹



¹ Source: Thomson Reuters.

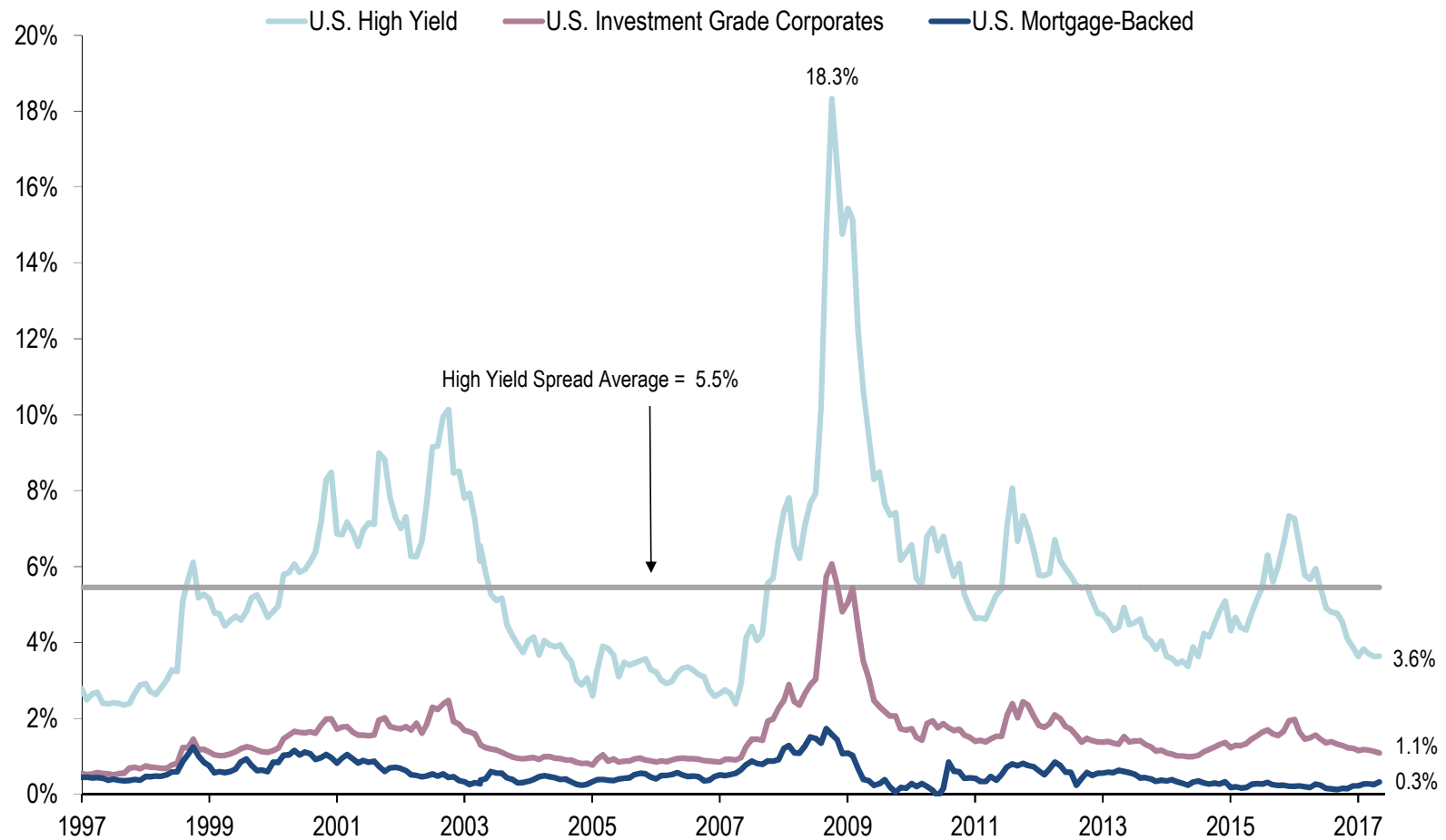


Rolling Ten-Year Returns: 65% Stocks and 35% Bonds¹



¹ Source: Thomson Reuters.

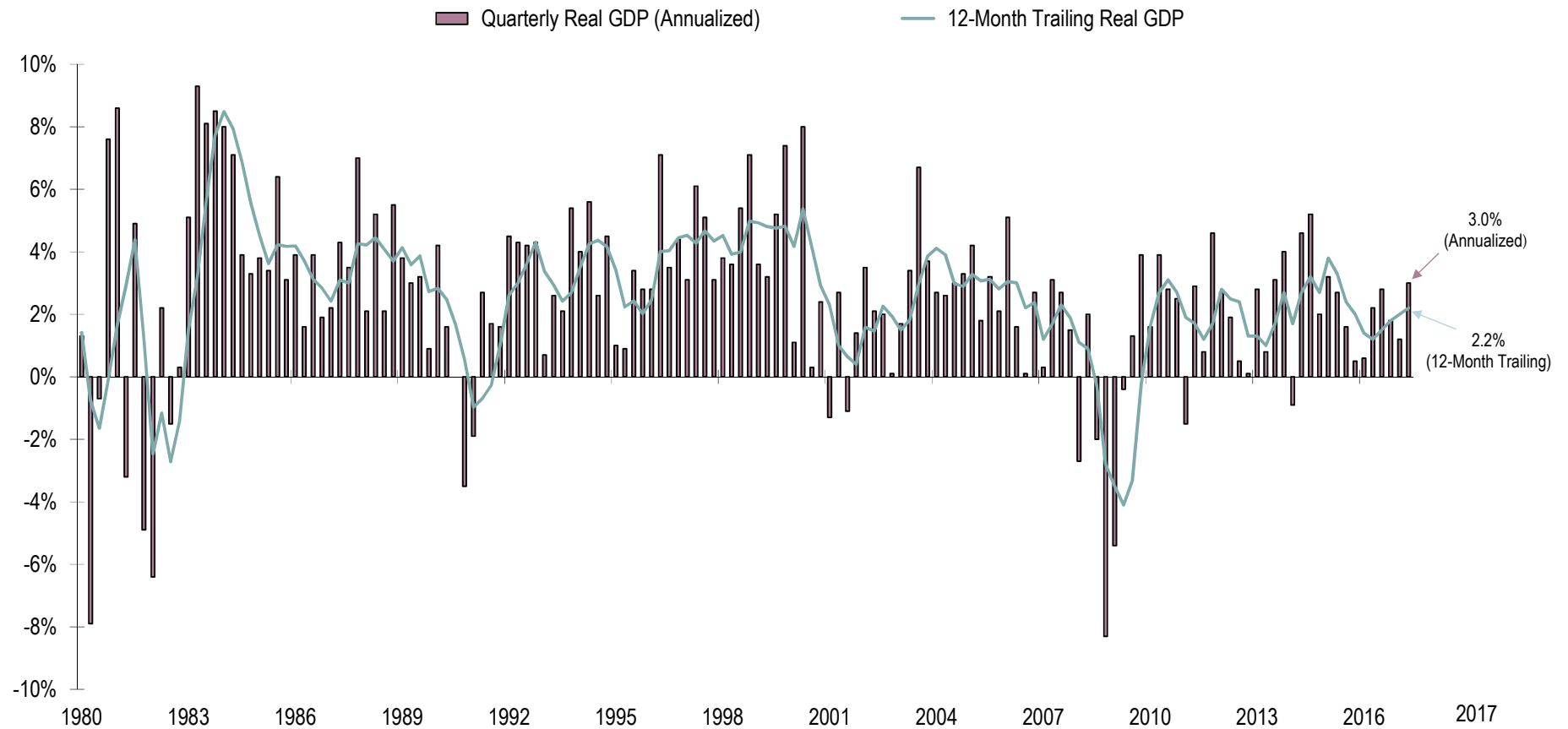
Credit Spreads vs. U.S. Treasury Bonds^{1,2}



¹ Source: Barclays Live.

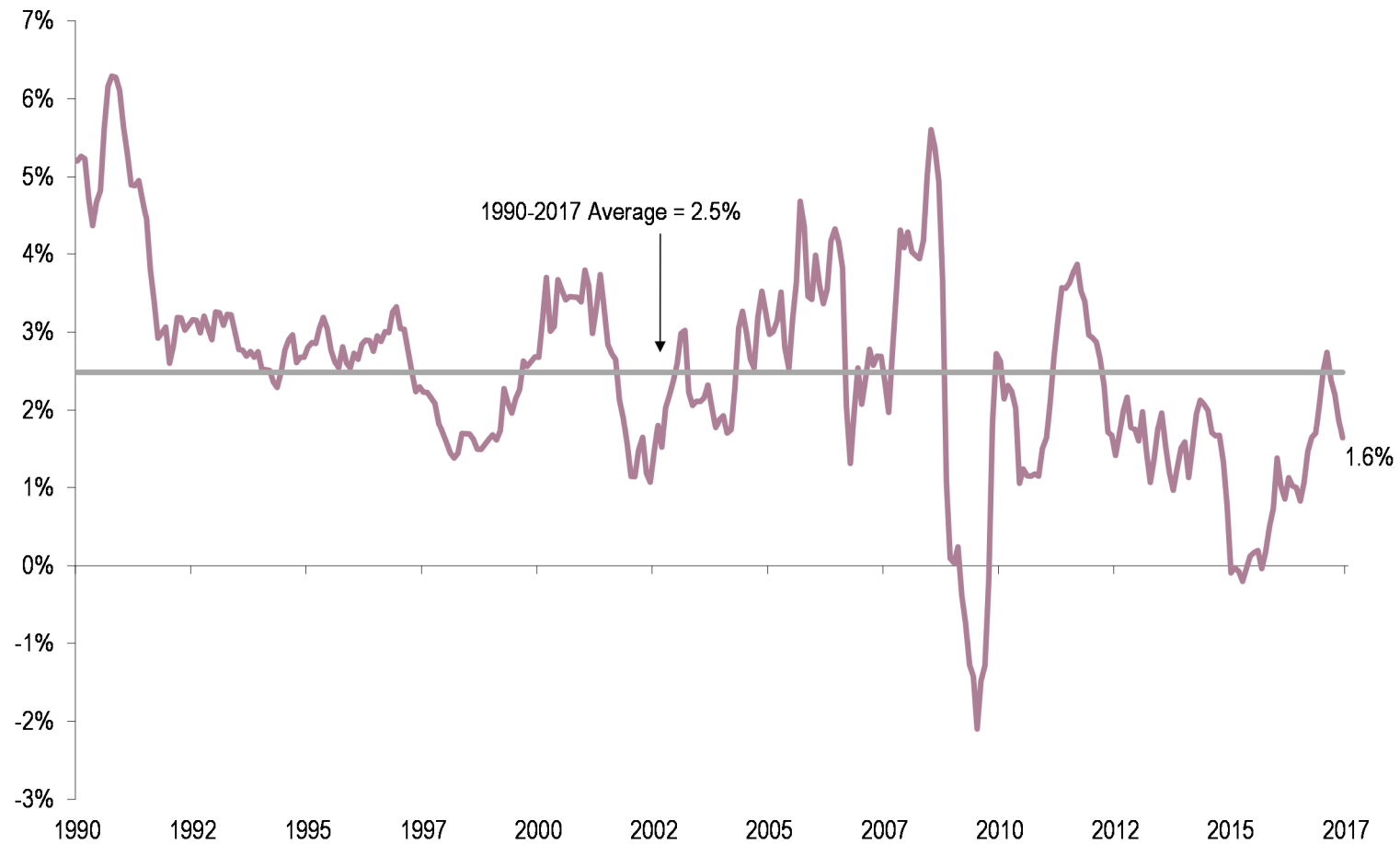
² The median high yield spread was 5.0% from 1997-2017.

U.S. Real Gross Domestic Product (GDP) Growth¹



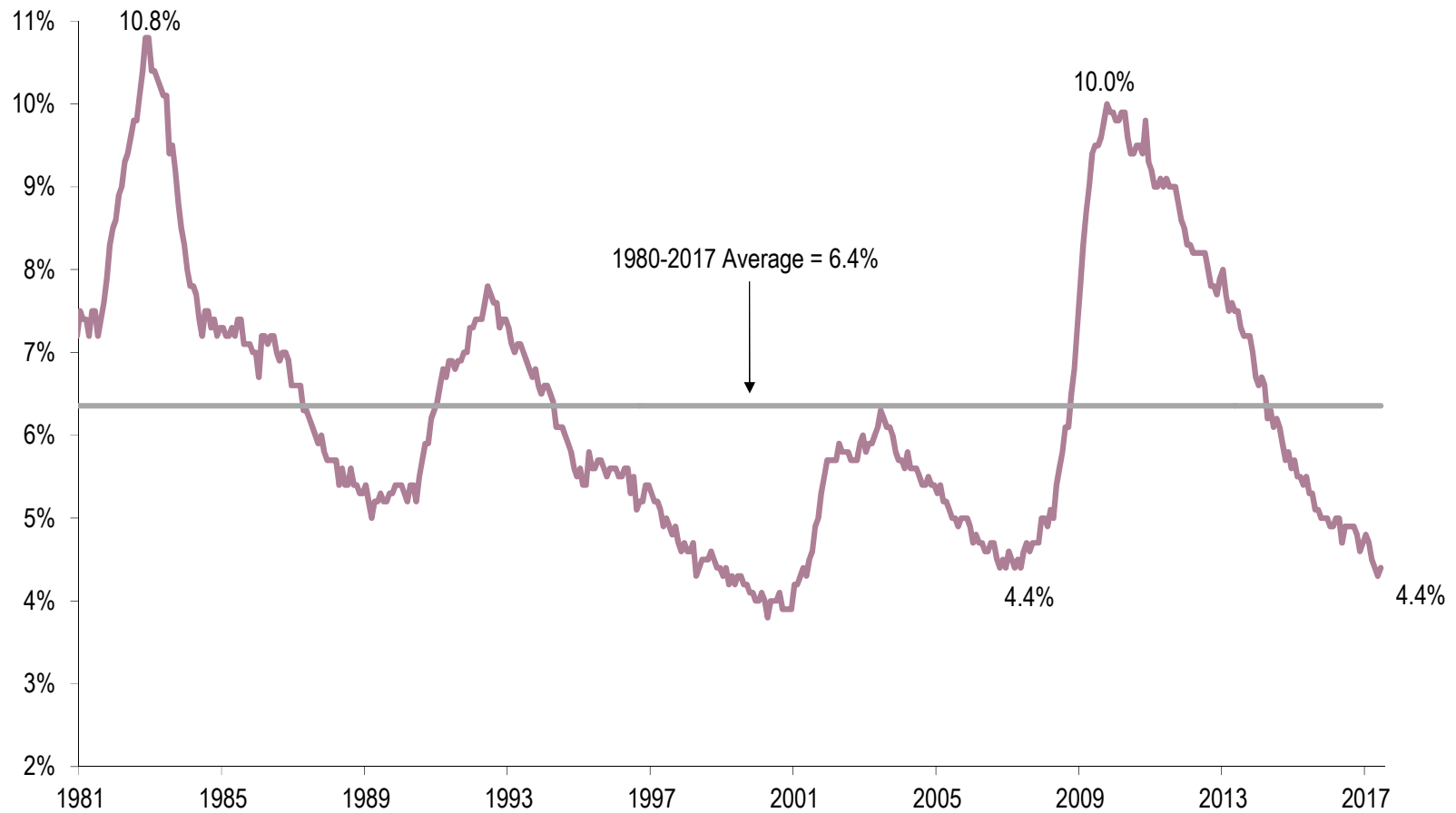
¹ Source: Bureau of Economic Analysis. Data is as of the second quarter of 2017 and represents the second estimate.

U.S. Inflation (CPI) Trailing Twelve Months¹



¹ Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of June 30, 2017.

U.S. Unemployment¹



¹ Source: Bureau of Labor Statistics. Data is as of June 30, 2017.

Executive Summary As of June 30, 2017

The value of the San Jose Federated Retiree Health Care Trust's assets was \$219.7 million on June 30, 2017, an increase of \$11.6 million from the end of the prior quarter. The Trust had \$4.3 million of net cash inflows for the quarter.

- The Health Care Trust's net of fees performance was +2.3% for the quarter, slightly trailing the Policy and Custom Benchmark returns of +2.8% and +2.4%, respectively. For the year-to-date and fiscal year periods, the Trust returned +5.9% and +8.7%, respectively.
- The Health Care Trust's equity allocation ended the quarter slightly outside of its target range before rounding (39.96% vs. target range of 40%-54%), and the cash allocation ended the quarter outside of its target range (17.0% vs. target range of 0%-5%).
- On an absolute basis, all broad asset classes had positive returns for the quarter and fiscal year periods. Relative to benchmarks, broad asset class returns were mixed.
 - Total Global Equity returned +5.1% for the quarter and +20.3% for the fiscal year. Total Global Equity performance was strong, outperforming the MSCI ACWI IMI by 90 basis points and 113 basis points over the same periods, respectively. For the quarter, the returns for subcomponents of the composite were all positive: Global Equity (+5.4%), U.S. Equity (+2.9%), International Equity (+6.2%), and Emerging Markets Equity (+4.4%).
 - Global Fixed Income trailed the BBgBarc Global Aggregate for the quarter (+0.7% vs. +2.6%), but outperformed for the fiscal year (-0.2% vs. -2.2%).
 - Real Assets returned +0.6% for the quarter and +5.3% over the one-year period. Real Asset subcomponents were mixed for the quarter: Real Estate (+1.7%), Commodities (-0.4%), Infrastructure (+3.9%), and Natural Resources (-2.9%).
- The Health Care Trust did not add any additional investment managers during the quarter.

Artisan

- Artisan Global Value returned +5.4% for the quarter and 21.9% of the fiscal year period, outperforming the MSCI ACWI Value by 250 and 290 basis points over the same periods, respectively. For the quarter, all but eight portfolio stocks in the Global Value Fund were positive. The top contributors for the quarter were Samsung Electronics (+13%), Citigroup (+12%), and Oracle (+13%).

Cove Street

- Cove Street Small Cap Value outperformed the Russell 2000 Value for the quarter (+2.3% vs. +0.7%). Over the fiscal year period, Cove Street had strong absolute performance, (+18.7%), but underperformed the benchmark (+24.9%). The bulk of the longer term underperformance was concentrated in the fourth quarter of 2016 due to the lack of bank stocks that rallied post-election.

Aberdeen

- Aberdeen Frontier Markets Equity returned 7.8% for the quarter and +16.4% over the fiscal year period, outperforming the MSCI Frontier Markets' Equity index in the quarter (+6.1%) but underperforming over the fiscal year period (+19.2%), despite strong absolute performance. For the quarter, Aberdeen's overweight allocation to India (16.1% vs. 10.6%) contributed 1,000 basis points to performance and the portfolio's top contributors were Hangzhou Hikvision Digital (+58.2%), Yum China (+45.0%), and AIA Group (+17.3%).

Credit Suisse

- Credit Suisse Risk Parity Commodity Fund returned -0.6% for the quarter and +1.4 over the fiscal year, outperforming the Bloomberg Commodity Index by 240 and 790 basis points over the same periods, respectively. The fund seeks to outperform the benchmark through active management of the roll process which contributed all excess returns in the quarter despite a challenging commodity environment in which fifteen out of the twenty-two commodity index constituents posted losses.

¹ All returns calculated by the Trust's Custodian and are shown net of fees.



Second Quarter Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Artisan Global Value	Global Equity	Yes	---	Hold	Personnel Changes
Aberdeen Frontier Markets Equity	Frontier Markets Equity	Yes	---	Hold	Personnel Changes, Proposed Merger
Cove Street Small Cap Value	Small Cap Equity	Yes	---	Hold	AUM reduction
American Core Realty Fund, LLC	Core Real Estate	---	---	---	---
PRISA I	Core Real Estate	---	---	---	---
Credit Suisse Risk Parity Commodity	Commodities	Yes	---	Hold	Restructuring Transition
Pinnacle Natural Resources	Commodities	---	Yes	Hold	Significant Underperformance

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



Artisan

- During the quarter, the Global Value team added one research associate and one analyst.

Aberdeen

- During the quarter, the Global Emerging Markets Equity team added three analysts and had one investment manager departure.
- Subsequent to the end of the second quarter, the merger of Aberdeen and Standard Life was successfully completed. The merged firm will be called Aberdeen Standard Investments.

Cove Street

- During the quarter, Cove Street Capital's Value Small Cap strategy lost \$140 million in assets under management. As of June 30, 2017, the strategy had \$710 million in assets, down from \$830 million at the end of the prior quarter.

Credit Suisse

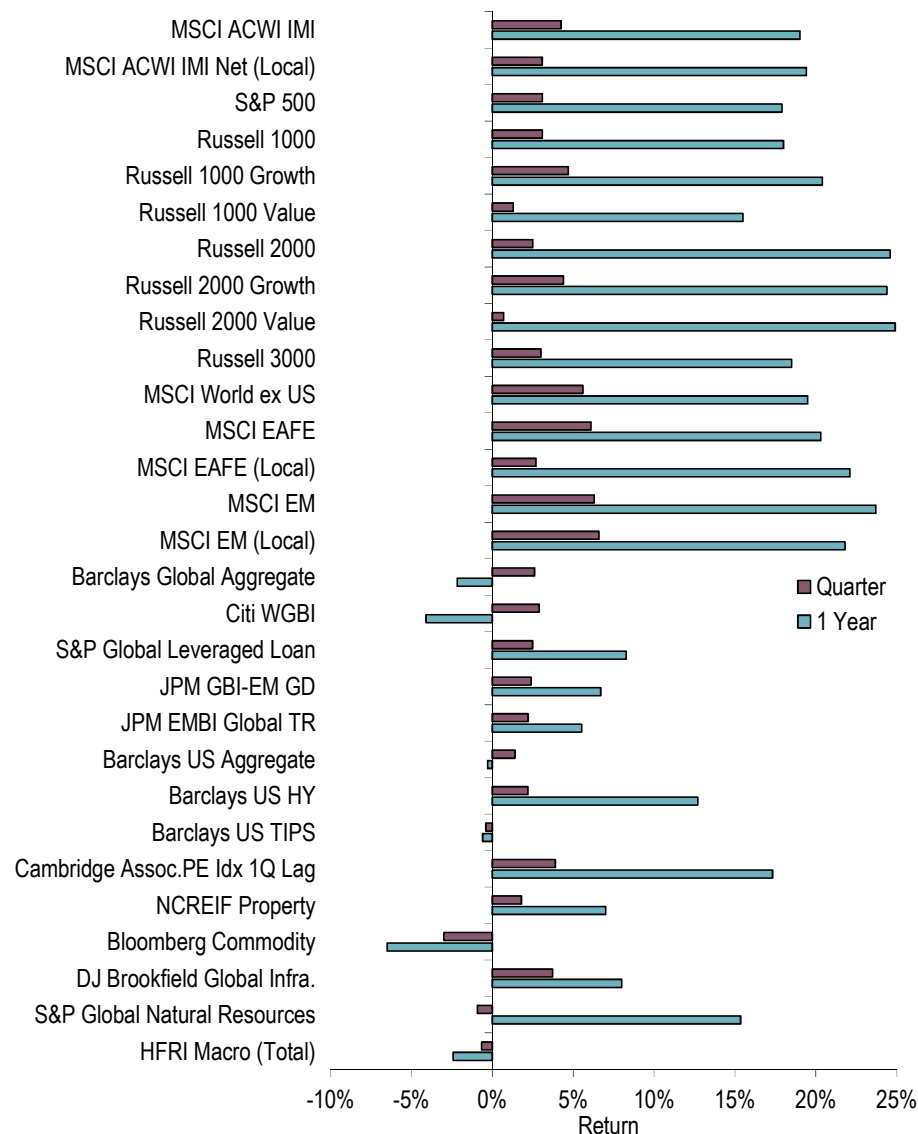
- In April 2017, Credit Suisse Asset Management ("CSAM") announced that the Volaris business, which employed an options-based volatility strategy, had spun off into an independent advisory firm, Volaris Capital Management LLC.
- In June 2017, a Cooperation was formed between CSAM and River and Mercantile Group PLC (RMG) whereby the Emerging Markets ILC equities team became part of the Asset Management division of RMG. The transition of the ILC team resulted in assets being transferred initially under an investment advisor agreement, and subject to regulatory approval, the Luxembourg UCITS funds will be transferred and renamed to RMG.

Pinnacle

- Pinnacle Natural Resources outperformed by 330 basis points for the quarter, but remained 1,190 basis points behind the benchmark since inception in January 2016.

Market Environment – 2Q17 Overview

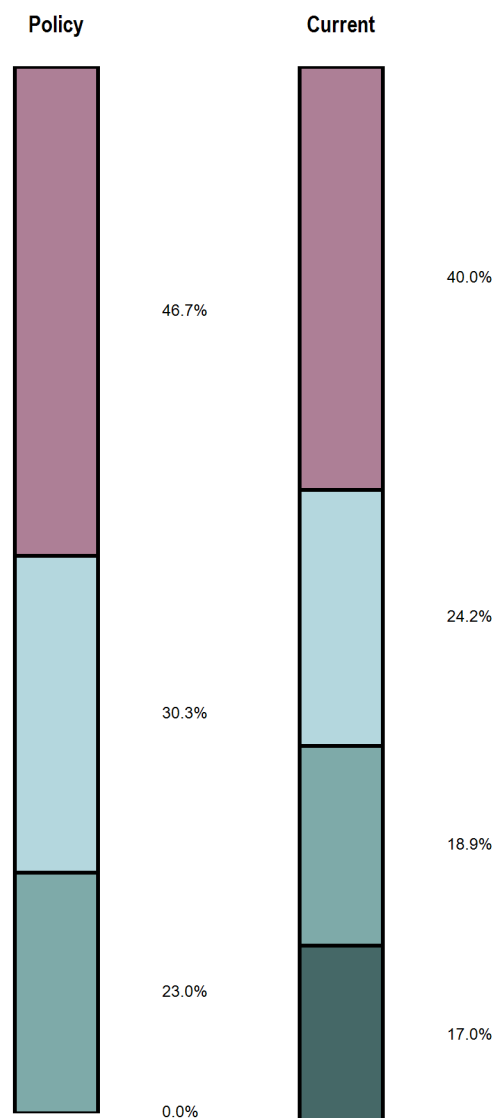
Benchmark	Scope	2Q17 (%)	1 YR (%)	3 YR (%)	5YR (%)	10 YR (%)
Global Equity						
MSCI ACWI IMI	World	4.2	19.0	4.9	10.7	3.9
MSCI ACWI IMI Net (Local)	World (Local)	3.1	19.4	7.7	12.7	4.5
Domestic Equity						
S&P 500	Large Core	3.1	17.9	9.6	14.6	7.2
Russell 1000	Large Core	3.1	18.0	9.3	14.7	7.3
Russell 1000 Growth	Large Growth	4.7	20.4	11.1	15.3	8.9
Russell 1000 Value	Large Value	1.3	15.5	7.4	13.9	5.6
Russell 2000	Small Core	2.5	24.6	7.4	13.7	6.9
Russell 2000 Growth	Small Growth	4.4	24.4	7.6	14.0	7.8
Russell 2000 Value	Small Value	0.7	24.9	7.0	13.4	5.9
Russell 3000	All Cap Core	3.0	18.5	9.1	14.6	7.3
International Equity						
MSCI World ex. U.S.	World ex. U.S.	5.6	19.5	0.7	8.1	1.0
MSCI EAFE	Int'l Developed	6.1	20.3	1.1	8.7	1.0
MSCI EAFE (Local)	Int'l Developed (Local)	2.7	22.1	7.0	12.5	2.0
MSCI Emerging Markets	Emerg. Markets	6.3	23.7	1.1	4.0	1.9
MSCI Emerging Markets (Local)	Emerg. Markets (Local)	6.6	21.8	6.1	7.6	4.3
Global Fixed Income						
Barclays Global Aggregate	Global Core Bonds	2.6	-2.2	-0.4	0.8	3.7
Citi WGBI	World Gov. Bonds	2.9	-4.1	-1.0	-0.2	3.5
S&P Global Leveraged Loan	Bank Loans	2.5	8.3	2.3	4.3	4.1
JPM GBI-EM GD	Emerg. Bonds (Local)	2.4	6.7	7.0	6.6	8.2
JPM EMBI Global TR	Emerg. Bonds	2.2	5.5	4.6	5.2	7.3
Domestic Fixed Income						
Barclays U.S. Aggregate	Core Bonds	1.4	-0.3	2.5	2.2	4.5
Barclays U.S. High Yield	High Yield	2.2	12.7	4.5	6.9	7.7
Barclays U.S. TIPS	Inflation	-0.4	-0.6	0.6	0.3	4.3
Other						
Cambridge Assoc. PE Index (1Q-Lag)	Private Equity	3.9	17.3	10.2	12.4	9.7
NCREIF Property	Real Estate	1.8	7.0	10.2	10.5	6.4
Bloomberg Commodities	Commodities	-3.0	-6.5	-14.8	-9.2	-6.5
DJ Brookfield Global Infrastructure	Infrastructure	3.7	8.0	2.4	9.6	7.0
S&P Global Natural Resources	Natural Resources	-0.9	15.3	-4.7	0.5	-0.5
HFRI Macro (Total)	Hedge Funds	-0.7	-2.4	1.1	1.0	2.2



2Q17 Review

Total Fund Aggregate

As of June 30, 2017



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
Total Global Equity	\$87,790,532	40.0%	46.7%	-6.7%	40.0% - 54.0%	No	
Global Fixed Income	\$53,060,787	24.2%	30.3%	-6.1%	20.0% - 40.0%	Yes	
Real Assets	\$41,565,222	18.9%	23.0%	-4.1%	15.0% - 30.0%	Yes	
Cash	\$37,285,855	17.0%	0.0%	17.0%	0.0% - 5.0%	No	
Total	\$219,702,395	100.0%	100.0%				

¹ Total Global Equity actual allocation is 39.97%.

Total Fund Aggregate

As of June 30, 2017

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund Aggregate	219,702,395	100.0	2.3	5.9	8.7	8.7	0.9	5.4	--	4.6	Jul-11
Consumer Price Index			0.5	1.5	1.6	1.6	0.9	1.3	--	1.4	Jul-11
San Jose Healthcare Policy Benchmark			2.8	7.1	9.2	9.2	2.0	6.1	--	4.7	Jul-11
San Jose Healthcare Custom Benchmark			2.4	6.1	7.5	7.5	0.6	5.3	--	4.7	Jul-11
InvestorForce Health & Welfare \$50mm - \$250mm Gross Median			1.8	4.3	6.3	6.3	3.8	5.2	4.9	5.3	Jul-11
InvestorForce Health & Welfare \$50mm - \$250mm Gross Rank			36	33	35	35	98	41	--	65	Jul-11
Total Global Equity	87,790,532	40.0	5.1	12.2	20.3	20.3	5.0	11.2	--	11.0	Dec-11
MSCI ACWI IMI Net USD			4.2	11.3	19.0	19.0	4.9	10.7	--	10.6	Dec-11
Global Fixed Income	53,060,787	24.2	0.7	1.5	-0.2	-0.2	1.6	1.2	--	1.8	Dec-11
BBgBarc Global Aggregate TR			2.6	4.4	-2.2	-2.2	-0.4	0.8	--	1.1	Dec-11
Real Assets	41,565,222	18.9	0.6	3.4	5.3	5.3	-8.8	-5.0	--	-6.7	Aug-11
NCREIF ODCE Equal Weighted (net)			1.5	3.1	7.2	7.2	10.7	10.8	--	11.1	Aug-11
Bloomberg Commodity Index TR USD			-3.0	-5.3	-6.5	-6.5	-14.8	-9.2	--	-10.7	Aug-11
DJ Brookfield Global Infrastructure Net TR USD			3.7	11.5	8.0	8.0	2.4	--	--	--	Aug-11
S&P Global Natural Resources Index TR USD			-0.9	2.0	15.3	15.3	-4.7	0.5	--	-2.8	Aug-11
Cash	37,285,855	17.0									
91 Day T-Bills											

¹ Fiscal Year begins July 1.² Please see the Appendix for composition of the San Jose Health Care 115 Trust Policy Benchmark.³ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

Total Fund Aggregate

As of June 30, 2017

Trailing Net Performance

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Global Equity	87,790,532	40.0	5.1	12.2	20.3	20.3	5.0	11.2	--	11.0	Dec-11
MSCI ACWI IMI Net USD			4.2	11.3	19.0	19.0	4.9	10.7	--	10.6	Dec-11
Global Equity	33,428,529	15.2	5.4	11.5	21.9	21.9	--	--	--	8.8	Jul-15
MSCI ACWI IMI Net USD			4.2	11.3	19.0	19.0	--	--	--	7.0	Jul-15
Artisan Global Value	33,428,529	15.2	5.4	11.5	21.9	21.9	--	--	--	7.4	Jun-15
MSCI ACWI Value NR USD			2.9	7.8	19.0	19.0	--	--	--	4.7	Jun-15
eA Global Value Equity Net Median			4.1	9.9	19.3	19.3	4.2	10.7	3.9	5.2	Jun-15
eA Global Value Equity Net Rank			18	29	37	37	--	--	--	22	Jun-15
U.S. Equity	14,854,100	6.8	2.9	8.2	18.6	18.6	--	--	--	9.8	Jul-15
Russell 3000			3.0	8.9	18.5	18.5	--	--	--	10.0	Jul-15
Northern Trust Russell 3000	12,853,002	5.9	3.0	8.9	18.5	18.5	--	--	--	8.9	Jun-15
Russell 3000			3.0	8.9	18.5	18.5	--	--	--	8.7	Jun-15
Cove Street Small Cap Value	2,001,098	0.9	2.3	3.8	18.7	18.7	--	--	--	7.1	Jun-15
Russell 2000 Value			0.7	0.5	24.9	24.9	--	--	--	9.9	Jun-15
eA US Small Cap Value Equity Net Median			0.9	1.7	22.3	22.3	6.7	14.0	6.9	8.4	Jun-15
eA US Small Cap Value Equity Net Rank			21	23	82	82	--	--	--	69	Jun-15
International Equity	28,618,852	13.0	6.2	14.2	20.4	20.4	--	--	--	4.3	Jul-15
MSCI EAFE			6.1	13.8	20.3	20.3	--	--	--	3.9	Jul-15
Northern Trust EAFE Index	22,327,053	10.2	6.2	14.0	20.5	20.5	--	--	--	4.1	Jul-15
MSCI EAFE			6.1	13.8	20.3	20.3	--	--	--	3.9	Jul-15

¹ Fiscal Year begins July 1.² Vanguard international equity strategies may temporarily differ from the benchmark due to fair value pricing. Fair value pricing is an adjustment made to prices in the index after the markets close for securities that trade on foreign exchanges.³ The Vanguard Spliced Developed Markets Index reflects the performance of the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.

Total Fund Aggregate

As of June 30, 2017

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Vanguard Developed Markets Index	6,291,799	2.9	6.4	14.7	20.2	20.2	1.9	9.1	--	8.4	Dec-11
<i>Spliced Developed (ex. U.S.) Index</i>			6.2	13.9	20.5	20.5	1.8	9.1	--	8.5	Dec-11
Emerging Markets Equity	10,889,051	5.0	4.4	14.5	18.4	18.4	--	--	--	5.1	Jul-15
<i>MSCI Emerging Markets</i>			6.3	18.4	23.7	23.7	--	--	--	4.3	Jul-15
Vanguard Emerging Markets Stock Index	8,519,341	3.9	3.5	14.8	18.9	18.9	--	--	--	17.0	Apr-16
<i>Spliced Emerging Markets Index</i>			3.7	14.2	19.4	19.4	--	--	--	16.5	Apr-16
Aberdeen Frontier Markets Equity	2,369,710	1.1	7.8	13.8	16.4	16.4	--	--	--	1.2	Jul-15
<i>MSCI Frontier Markets</i>			6.1	15.6	19.2	19.2	--	--	--	2.4	Jul-15
Global Fixed Income	53,060,787	24.2	0.7	1.5	-0.2	-0.2	1.6	1.2	--	1.8	Dec-11
<i>BBgBarc Global Aggregate TR</i>			2.6	4.4	-2.2	-2.2	-0.4	0.8	--	1.1	Dec-11
Global Core	53,060,787	24.2	0.7	1.5	-0.2	-0.2	--	--	--	2.0	Jul-15
<i>BBgBarc Global Aggregate TR</i>			2.6	4.4	-2.2	-2.2	--	--	--	3.2	Jul-15
Northern Trust Barclays Aggregate	31,627,170	14.4	1.5	2.5	-0.4	-0.4	--	--	--	2.2	Jun-15
<i>BBgBarc US Aggregate TR</i>			1.4	2.3	-0.3	-0.3	--	--	--	2.1	Jun-15
Vanguard Short-Term Inflation-Protected Securities	21,433,617	9.8	-0.5	0.2	0.3	0.3	--	--	--	0.9	Mar-15
<i>BBgBarc US Treasury TIPS 0-5 Yr TR</i>			-0.5	0.2	0.3	0.3	--	--	--	1.0	Mar-15

¹ Fiscal Year begins July 1.² Vanguard international equity strategies may temporarily differ from the benchmark due to fair value pricing. Fair value pricing is an adjustment made to prices in the index after the markets close for securities that trade on foreign exchanges.³ The Vanguard Spliced Emerging Markets Index reflects performance of the Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; FTSE Emerging Markets All Cap China A Transition Index through September 18, 2016; and FTSE Emerging Markets All Cap China A Inclusion Index thereafter. Benchmark returns are adjusted for withholding taxes.

Total Fund Aggregate

As of June 30, 2017

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Real Assets	41,565,222	18.9	0.6	3.4	5.3	5.3	-8.8	-5.0	--	-6.7	Aug-11
NCREIF ODCE Equal Weighted (net)			1.5	3.1	7.2	7.2	10.7	10.8	--	11.1	Aug-11
Bloomberg Commodity Index TR USD			-3.0	-5.3	-6.5	-6.5	-14.8	-9.2	--	-10.7	Aug-11
DJ Brookfield Global Infrastructure Net TR USD			3.7	11.5	8.0	8.0	2.4	--	--	--	Aug-11
S&P Global Natural Resources Index TR USD			-0.9	2.0	15.3	15.3	-4.7	0.5	--	-2.8	Aug-11
Real Estate	10,990,592	5.0	1.7	3.7	6.2	6.2	--	--	--	6.9	Jul-15
NCREIF ODCE Equal Weighted (net)			1.5	3.1	7.2	7.2	--	--	--	9.2	Jul-15
American Core Realty Fund, LLC	6,694,456	3.0	2.0	2.9	5.5	5.5	--	--	--	6.6	Jul-15
NCREIF ODCE Equal Weighted (net)			1.5	3.1	7.2	7.2	--	--	--	9.2	Jul-15
PRISA	4,296,136	2.0	1.3	4.9	7.4	7.4	--	--	--	5.9	Apr-16
NCREIF ODCE Equal Weighted (net)			1.5	3.1	7.2	7.2	--	--	--	7.4	Apr-16
Commodities	11,008,945	5.0	-0.4	-0.6	-1.5	-1.5	--	--	--	-8.2	Jan-15
Bloomberg Commodity Index TR USD			-3.0	-5.3	-6.5	-6.5	--	--	--	-8.6	Jan-15
Credit Suisse Risk Parity Commodity Fund	8,359,261	3.8	-0.6	1.6	1.4	1.4	-10.3	-5.3	--	-6.6	Aug-11
Bloomberg Commodity Index TR USD			-3.0	-5.3	-6.5	-6.5	-14.8	-9.2	--	-10.7	Aug-11
Pinnacle Natural Resources, L.P.	2,649,684	1.2	0.3	-6.9	-9.7	-9.7	--	--	--	-7.9	Jan-16
Bloomberg Commodity Index TR USD			-3.0	-5.3	-6.5	-6.5	--	--	--	3.9	Jan-16
Infrastructure	10,251,247	4.7	3.9	12.0	8.9	8.9	--	--	--	4.5	Jun-15
DJ Brookfield Global Infrastructure Net TR USD			3.7	11.5	8.0	8.0	--	--	--	3.3	Jun-15
Rhumblin DJ Brookfield Infrastructure	10,251,247	4.7	3.9	12.0	8.9	8.9	--	--	--	4.5	Jun-15
DJ Brookfield Global Infrastructure Net TR USD			3.7	11.5	8.0	8.0	--	--	--	3.3	Jun-15

¹ Fiscal Year begins July 1.² Infrastructure tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.

Total Fund Aggregate

As of June 30, 2017

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Public Natural Resources	9,314,439	4.2	-2.9	-0.7	8.9	8.9	--	--	--	-2.9	Jun-15
<i>S&P Global Natural Resources Index TR USD</i>			-0.9	2.0	15.3	15.3	--	--	--	0.0	Jun-15
Rhumblin Global LargeMid Natural Resources	9,314,439	4.2	-2.9	-0.7	8.9	8.9	--	--	--	-2.9	Jun-15
<i>S&P Global Lrg MidCap Commo Resource NET</i>			-3.1	-1.0	8.3	8.3	--	--	--	-3.7	Jun-15
Cash	37,285,855	17.0									
<i>91 Day T-Bills</i>											

Total Fund Aggregate

As of June 30, 2017

Fiscal Year Performance

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
Total Fund Aggregate	8.7	-2.7	-2.7	16.2	9.0
Consumer Price Index	1.6	1.0	0.1	2.1	1.8
San Jose Healthcare Policy Benchmark	9.2	0.7	-3.4	16.8	8.7
San Jose Healthcare Custom Benchmark	7.5	-0.7	-4.4	16.3	9.2
Total Global Equity	20.3	-5.5	1.8	23.1	19.1
MSCI ACWI IMI Net USD	19.0	-3.9	0.8	23.4	17.1
Global Equity	21.9	-2.8	--	--	--
MSCI ACWI IMI Net USD	19.0	-3.9	--	--	--
Artisan Global Value	21.9	-2.8	--	--	--
MSCI ACWI Value NR USD	19.0	-4.8	--	--	--
U.S. Equity	18.6	1.7	--	--	--
Russell 3000	18.5	2.1	--	--	--
Northern Trust Russell 3000	18.5	2.5	--	--	--
Russell 3000	18.5	2.1	--	--	--
Cove Street Small Cap Value	18.7	-1.1	--	--	--
Russell 2000 Value	24.9	-2.6	--	--	--

¹ Fiscal Year begins July 1.² Please see the Appendix for composition of the San Jose Health Care 115 Trust Policy Benchmark.³ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.⁴ Vanguard international equity strategies may temporarily differ from the benchmark due to fair value pricing. Fair value pricing is an adjustment made to prices in the index after the markets close for securities that trade on foreign exchanges.⁵ The Vanguard Spliced Developed Markets Index reflects the performance of the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.

Total Fund Aggregate

As of June 30, 2017

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
International Equity	20.4	-9.6	--	--	--
<i>MSCI EAFE</i>	20.3	-10.2	--	--	--
Northern Trust EAFE Index	20.5	-10.0	--	--	--
<i>MSCI EAFE</i>	20.3	-10.2	--	--	--
Vanguard Developed Markets Index	20.2	-8.4	-4.0	23.6	18.4
<i>Spliced Developed (ex. U.S.) Index</i>	20.5	-8.9	-3.9	23.7	18.6
Emerging Markets Equity	18.4	-6.7	--	--	--
<i>MSCI Emerging Markets</i>	23.7	-12.1	--	--	--
Vanguard Emerging Markets Stock Index	18.9	--	--	--	--
<i>Spliced Emerging Markets Index</i>	19.4	--	--	--	--
Aberdeen Frontier Markets Equity	16.4	-12.0	--	--	--
<i>MSCI Frontier Markets</i>	19.2	-12.1	--	--	--
Global Fixed Income	-0.2	4.3	0.8	4.3	-2.8
<i>BBgBarc Global Aggregate TR</i>	-2.2	8.9	-7.1	7.4	-2.2
Global Core	-0.2	4.3	--	--	--
<i>BBgBarc Global Aggregate TR</i>	-2.2	8.9	--	--	--
Northern Trust Barclays Aggregate	-0.4	6.2	--	--	--
<i>BBgBarc US Aggregate TR</i>	-0.3	6.0	--	--	--
Vanguard Short-Term Inflation-Protected Securities	0.3	1.7	--	--	--
<i>BBgBarc US Treasury TIPS 0-5 Yr TR</i>	0.3	1.7	--	--	--

¹ Fiscal Year begins July 1.² Vanguard international equity strategies may temporarily differ from the benchmark due to fair value pricing. Fair value pricing is an adjustment made to prices in the index after the markets close for securities that trade on foreign exchanges.³ The Vanguard Spliced Emerging Markets Index reflects performance of the Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; FTSE Emerging Markets All Cap China A Transition Index through September 18, 2016; and FTSE Emerging Markets All Cap China A Inclusion Index thereafter. Benchmark returns are adjusted for withholding taxes.

Total Fund Aggregate

As of June 30, 2017

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
Real Assets	5.3	-6.7	-22.7	14.8	-11.2
<i>NCREIF ODCE Equal Weighted (net)</i>	7.2	11.2	13.6	11.4	10.8
<i>Bloomberg Commodity Index TR USD</i>	-6.5	-13.3	-23.7	8.2	-8.0
<i>DJ Brookfield Global Infrastructure Net TR USD</i>	8.0	3.2	-3.7	28.3	--
<i>S&P Global Natural Resources Index TR USD</i>	15.3	-8.9	-17.6	21.7	-2.6
Real Estate	6.2	7.6	--	--	--
<i>NCREIF ODCE Equal Weighted (net)</i>	7.2	11.2	--	--	--
American Core Realty Fund, LLC	5.5	7.8	--	--	--
<i>NCREIF ODCE Equal Weighted (net)</i>	7.2	11.2	--	--	--
PRISA	7.4	--	--	--	--
<i>NCREIF ODCE Equal Weighted (net)</i>	7.2	--	--	--	--
Commodities	-1.5	-14.7	--	--	--
<i>Bloomberg Commodity Index TR USD</i>	-6.5	-13.3	--	--	--
Credit Suisse Risk Parity Commodity Fund	1.4	-11.4	-19.7	13.9	-7.4
<i>Bloomberg Commodity Index TR USD</i>	-6.5	-13.3	-23.7	8.2	-8.0
Pinnacle Natural Resources, L.P.	-9.7	--	--	--	--
<i>Bloomberg Commodity Index TR USD</i>	-6.5	--	--	--	--
Infrastructure	8.9	3.3	--	--	--
<i>DJ Brookfield Global Infrastructure Net TR USD</i>	8.0	3.2	--	--	--
Rhumblin DJ Brookfield Infrastructure	8.9	3.3	--	--	--
<i>DJ Brookfield Global Infrastructure Net TR USD</i>	8.0	3.2	--	--	--

¹ Fiscal Year begins July 1.² Infrastructure tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.

Total Fund Aggregate

As of June 30, 2017

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
Public Natural Resources	8.9	-9.9	--	--	--
<i>S&P Global Natural Resources Index TR USD</i>	15.3	-8.9	--	--	--
Rhumblin Global LargeMid Natural Resources	8.9	-9.9	--	--	--
<i>S&P Global Lrg MidCap Commo Resource NET</i>	8.3	-9.7	--	--	--
Cash					
<i>91 Day T-Bills</i>					

¹ Fiscal Year begins July 1.

Total Fund Aggregate

As of June 30, 2017

Cash Flow Summary

QTD Ending June 30, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Investment Change	Ending Market Value	Period Return
Aberdeen Frontier Markets Equity	\$2,197,979	\$0	-\$5,780	\$177,511	\$2,369,710	7.8%
American Core Realty Fund, LLC	\$6,564,064	\$0	-\$12,273	\$142,664	\$6,694,456	2.0%
Artisan Global Value	\$31,718,781	\$0	-\$58,432	\$1,768,181	\$33,428,529	5.4%
Cove Street Small Cap Value	\$1,955,173	\$0	-\$2,666	\$48,591	\$2,001,098	2.3%
Credit Suisse Risk Parity Commodity Fund	\$8,407,759	\$0	-\$5,861	-\$42,638	\$8,359,261	-0.6%
Internal Cash Account	\$30,718,607	\$4,387,377	\$0	\$2,179,871	\$37,285,855	0.2%
Northern Trust Barclays Aggregate	\$31,172,246	\$0	-\$1,576	\$456,500	\$31,627,170	1.5%
Northern Trust EAFE Index	\$21,022,804	\$0	-\$1,829	\$1,306,078	\$22,327,053	6.2%
Northern Trust Russell 3000	\$12,476,060	\$0	-\$637	\$377,578	\$12,853,002	3.0%
Pinnacle Natural Resources, L.P.	\$2,641,653	\$0	-\$4,986	\$13,017	\$2,649,684	0.3%
PRISA	\$4,241,828	\$0	-\$7,115	\$61,423	\$4,296,136	1.3%
Rhumblin DJ Brookfield Infrastructure	\$9,867,893	\$0	-\$1,689	\$385,043	\$10,251,247	3.9%
Rhumblin Global LargeMid Natural Resources	\$9,596,593	\$0	-\$753	-\$281,401	\$9,314,439	-2.9%
Vanguard Developed Markets Index	\$5,914,267	\$0	-\$720	\$378,252	\$6,291,799	6.4%
Vanguard Emerging Markets Stock Index	\$8,232,322	\$0	-\$2,109	\$289,128	\$8,519,341	3.5%
Vanguard Short-Term Inflation-Protected Securities	\$21,537,748	\$0	-\$2,506	-\$101,625	\$21,433,617	-0.5%
Total	\$208,265,778	\$4,387,377	-\$108,932	\$7,158,173	\$219,702,395	2.3%

¹ Fiscal Year begins July 1.

Total Fund Aggregate

As of June 30, 2017

Cash Flow Summary

Fiscal YTD Ending June 30, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Investment Change	Ending Market Value	Period Return
Aberdeen Frontier Markets Equity	\$2,035,057	\$0	-\$18,927	\$353,581	\$2,369,710	16.44%
American Core Realty Fund, LLC	\$5,998,139	\$696,000	-\$41,811	\$42,128	\$6,694,456	5.49%
Artisan Global Value	\$18,934,751	\$9,000,000	-\$111,486	\$5,605,264	\$33,428,529	21.89%
Cove Street Small Cap Value	\$1,685,223	\$0	-\$8,716	\$324,590	\$2,001,098	18.74%
Credit Suisse Risk Parity Commodity Fund	\$6,746,366	\$3,000,000	-\$19,895	-\$1,367,210	\$8,359,261	1.37%
Internal Cash Account	\$20,346,996	\$41,750,149	-\$27,128,344	\$2,317,053	\$37,285,855	0.42%
Northern Trust Barclays Aggregate	\$25,297,530	\$13,000,000	-\$5,536	-\$6,664,824	\$31,627,170	-0.45%
Northern Trust EAFE Index	\$18,533,514	\$0	-\$5,869	\$3,799,408	\$22,327,053	20.47%
Northern Trust Russell 3000	\$10,843,368	\$0	-\$2,050	\$2,011,684	\$12,853,002	18.53%
Pinnacle Natural Resources, L.P.	\$2,934,915	\$0	-\$17,018	-\$268,213	\$2,649,684	-9.72%
PRISA	\$1,497,447	\$2,502,553	-\$23,942	\$320,078	\$4,296,136	7.40%
Rhumblin DJ Brookfield Infrastructure	\$7,910,576	\$1,500,000	-\$5,592	\$846,263	\$10,251,247	8.93%
Rhumblin Global LargeMid Natural Resources	\$7,052,937	\$1,500,000	-\$2,537	\$764,039	\$9,314,439	8.90%
Vanguard Developed Markets Index	\$5,235,539	\$0	-\$2,313	\$1,058,573	\$6,291,799	20.17%
Vanguard Emerging Markets Stock Index	\$7,163,183	\$0	-\$6,865	\$1,363,023	\$8,519,341	18.93%
Vanguard Short-Term Inflation-Protected Securities	\$17,379,284	\$8,000,000	-\$8,737	-\$3,936,930	\$21,433,617	0.28%
Total	\$159,594,826	\$80,948,702	-\$27,409,637	\$6,568,504	\$219,702,395	8.67%

¹ Fiscal Year begins July 1.

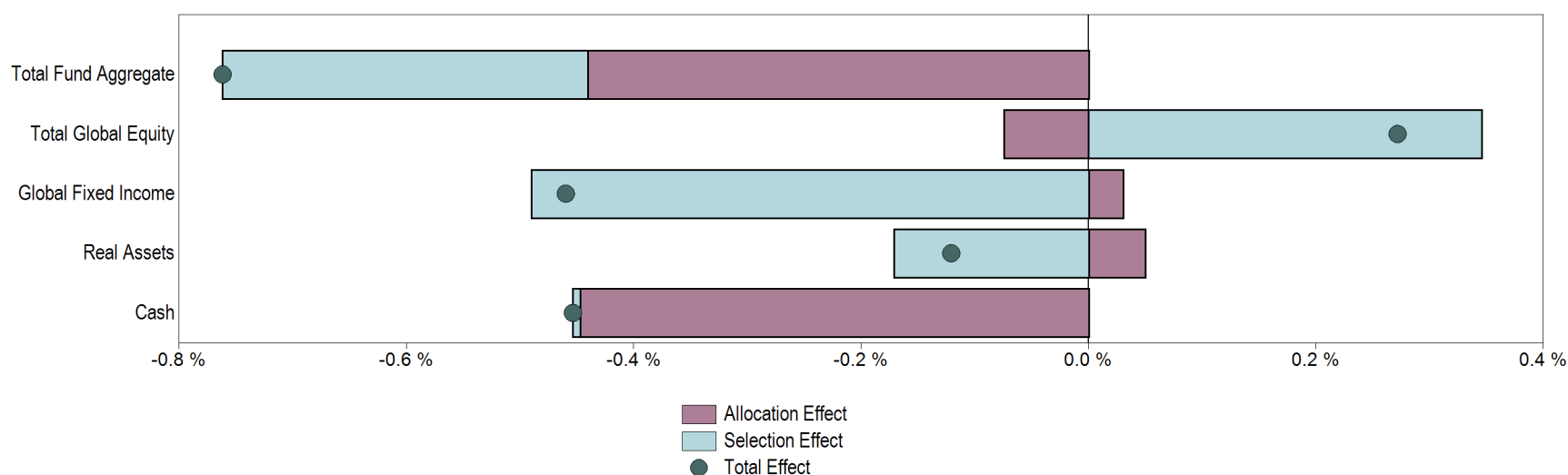
Total Fund Aggregate

As of June 30, 2017

Attribution Summary
QTD Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Total Global Equity	5.1%	4.2%	0.9%	0.3%	-0.1%	0.3%
Global Fixed Income	0.7%	2.6%	-1.9%	-0.5%	0.0%	-0.5%
Real Assets	0.6%	1.5%	-0.9%	-0.2%	0.0%	-0.1%
Cash	0.2%	0.2%	0.0%	0.0%	-0.4%	-0.5%
Total	2.4%	3.1%	-0.8%	-0.3%	-0.4%	-0.8%

Attribution Effects
QTD Ending June 30, 2017



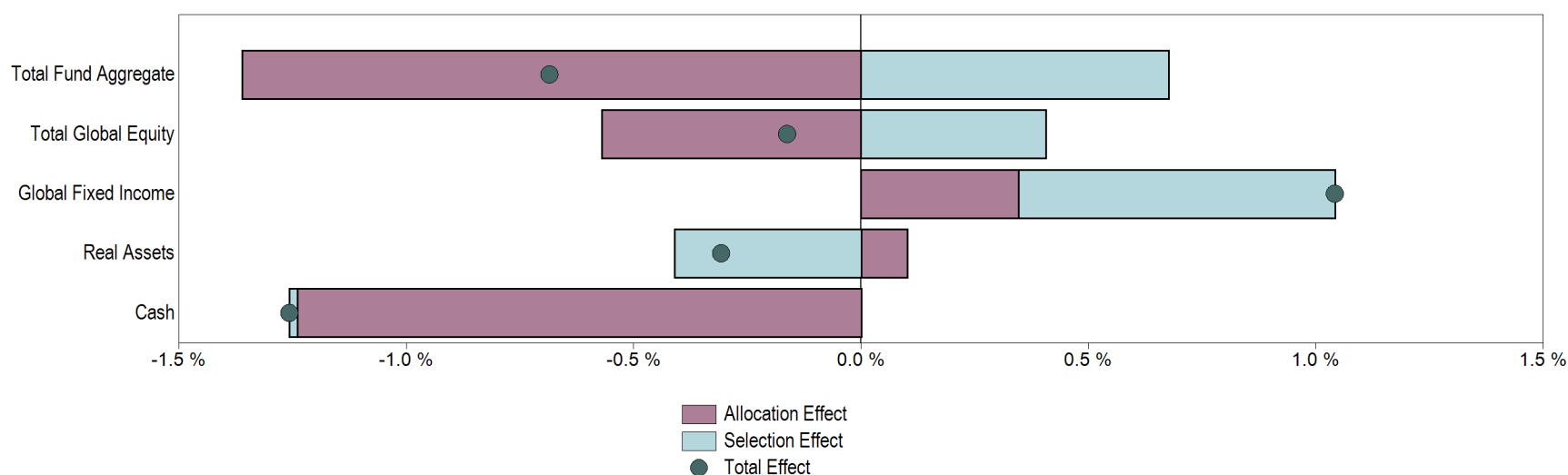
Total Fund Aggregate

As of June 30, 2017

Attribution Summary
1 Year Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Total Global Equity	20.3%	19.0%	1.3%	0.4%	-0.6%	-0.2%
Global Fixed Income	-0.2%	-2.2%	2.0%	0.7%	0.3%	1.0%
Real Assets	5.3%	7.2%	-2.0%	-0.4%	0.1%	-0.3%
Cash	0.4%	0.5%	-0.1%	0.0%	-1.2%	-1.3%
Total	8.9%	9.6%	-0.7%	0.7%	-1.4%	-0.7%

Attribution Effects
1 Year Ending June 30, 2017



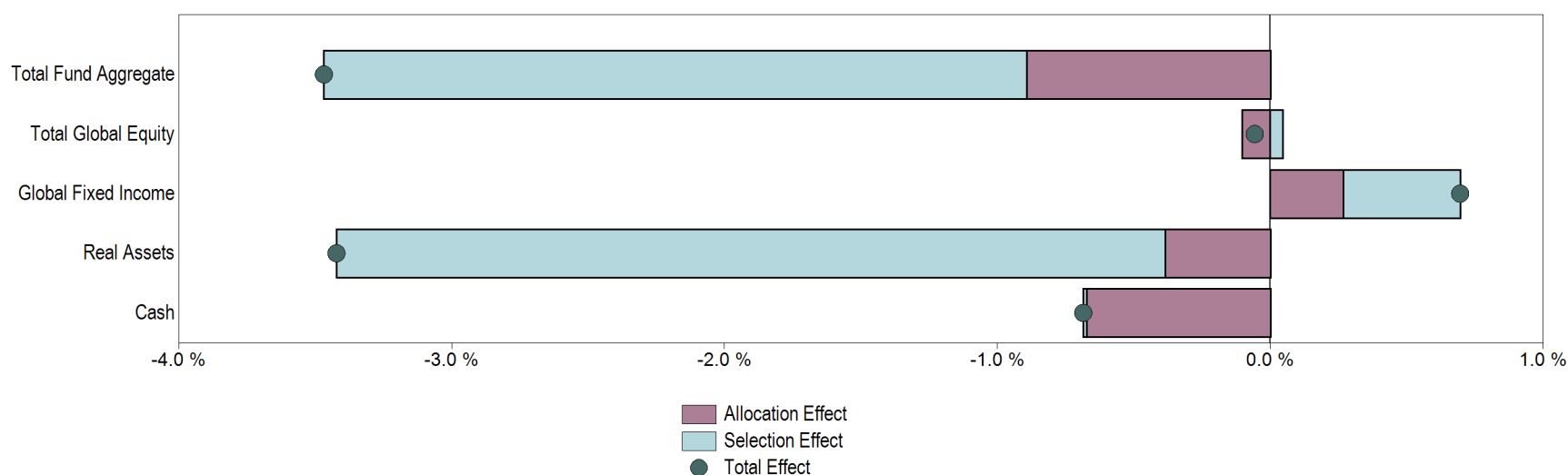
Total Fund Aggregate

As of June 30, 2017

Attribution Summary
3 Years Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Total Global Equity	5.0%	4.9%	0.1%	0.0%	-0.1%	-0.1%
Global Fixed Income	1.6%	-0.4%	2.0%	0.4%	0.3%	0.7%
Real Assets	-8.8%	10.7%	-19.4%	-3.0%	-0.4%	-3.4%
Cash	0.1%	0.2%	-0.1%	0.0%	-0.7%	-0.7%
Total	1.3%	4.7%	-3.5%	-2.6%	-0.9%	-3.5%

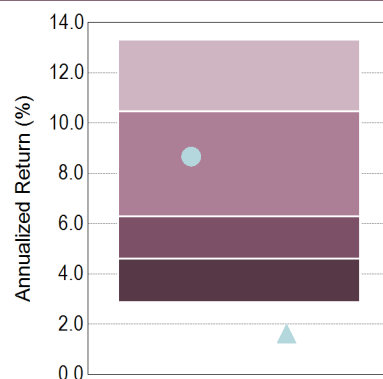
Attribution Effects
3 Years Ending June 30, 2017



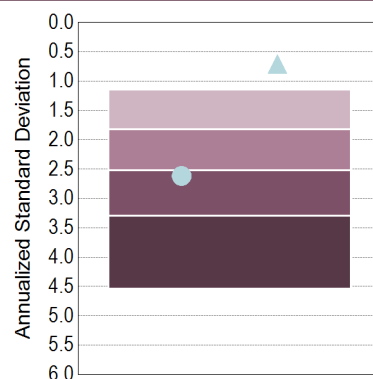
Total Fund Risk Statistics vs. Peer Universe (Trailing 1 Year)

As of June 30, 2017

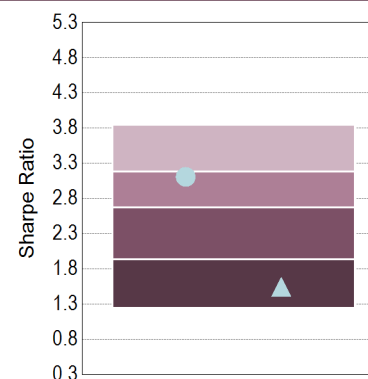
Annualized Return (%)
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



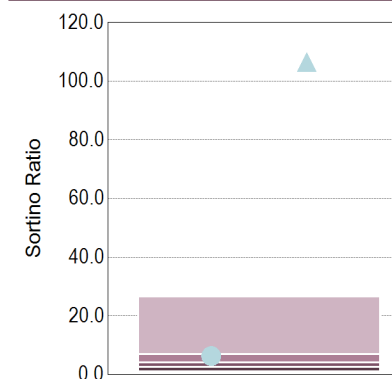
Annualized Standard Deviation
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



Sortino Ratio
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



● Total Fund Aggregate

Value	8.7
Rank	35
▲ Consumer Price Index	
Value	1.6
Rank	98

Universe	
5th %tile	13.3
25th %tile	10.5
Median	6.3
75th %tile	4.6
95th %tile	2.9

● Total Fund Aggregate

Value	2.6
Rank	56
▲ Consumer Price Index	
Value	0.7
Rank	2

Universe	
5th %tile	1.1
25th %tile	1.8
Median	2.5
75th %tile	3.3
95th %tile	4.5

● Total Fund Aggregate

Value	3.1
Rank	30
▲ Consumer Price Index	
Value	1.5
Rank	91

Universe	
5th %tile	3.8
25th %tile	3.2
Median	2.7
75th %tile	1.9
95th %tile	1.3

● Total Fund Aggregate

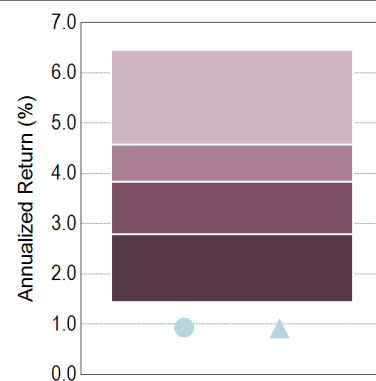
Value	6.3
Rank	38
▲ Consumer Price Index	
Value	106.4
Rank	1

Universe	
5th %tile	26.6
25th %tile	7.3
Median	4.3
75th %tile	2.9
95th %tile	1.3

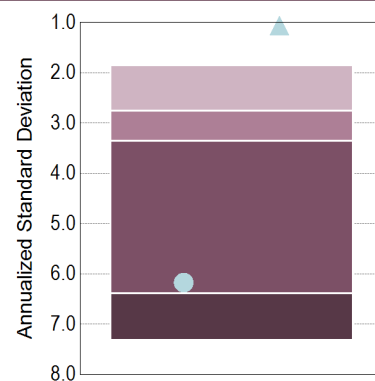
Total Fund Risk Statistics vs. Peer Universe (Trailing 3 Years)

As of June 30, 2017

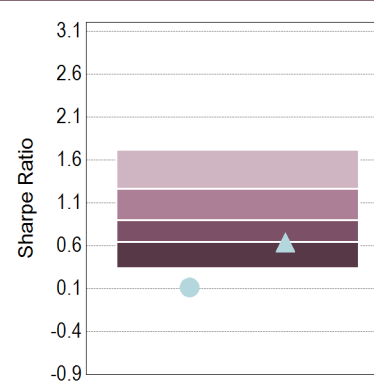
Annualized Return (%)
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



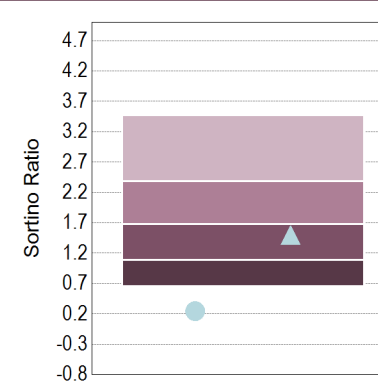
Annualized Standard Deviation
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



Sortino Ratio
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



● Total Fund Aggregate

Value	0.9
Rank	98
▲ Consumer Price Index	
Value	0.9
Rank	98

Universe	
5th %tile	6.5
25th %tile	4.6
Median	3.8
75th %tile	2.8
95th %tile	1.4

● Total Fund Aggregate

Value	6.2
Rank	74
▲ Consumer Price Index	
Value	1.1
Rank	1

Universe	
5th %tile	1.9
25th %tile	2.7
Median	3.3
75th %tile	6.4
95th %tile	7.3

● Total Fund Aggregate

Value	0.1
Rank	99
▲ Consumer Price Index	
Value	0.6
Rank	77

Universe	
5th %tile	1.7
25th %tile	1.3
Median	0.9
75th %tile	0.7
95th %tile	0.3

● Total Fund Aggregate

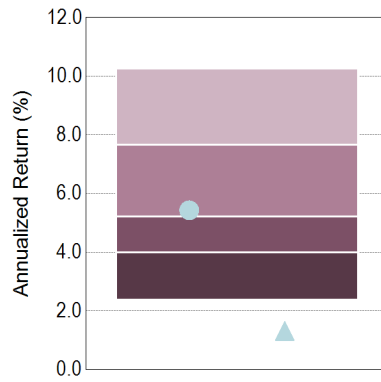
Value	0.2
Rank	99
▲ Consumer Price Index	
Value	1.5
Rank	61

Universe	
5th %tile	3.5
25th %tile	2.4
Median	1.7
75th %tile	1.1
95th %tile	0.7

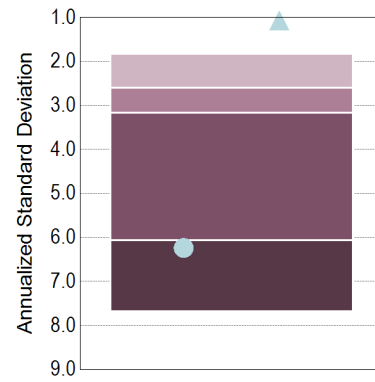
Total Fund Risk Statistics vs. Peer Universe (Trailing 5 Years)

As of June 30, 2017

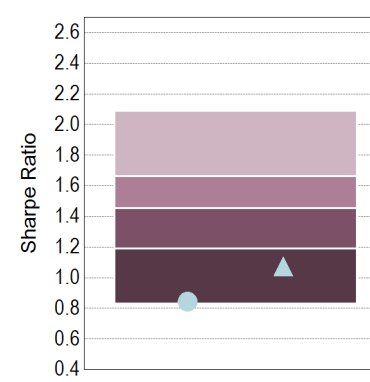
Annualized Return (%)
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



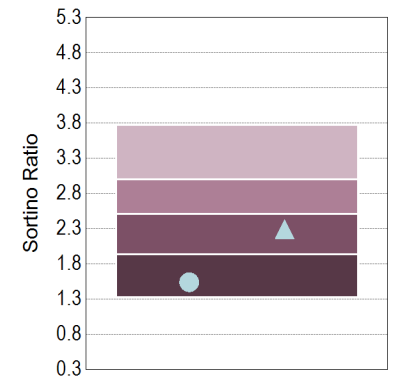
Annualized Standard Deviation
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



Sortino Ratio
vs. InvestorForce Health & Welfare
\$50mm - \$250mm Gross



● Total Fund Aggregate

Value 5.4
Rank 41

▲ Consumer Price Index

Value 1.3
Rank 99

Universe

5th %tile 10.3
25th %tile 7.7
Median 5.2
75th %tile 4.0
95th %tile 2.4

● Total Fund Aggregate

Value 6.2
Rank 80

▲ Consumer Price Index

Value 1.1
Rank 1

Universe

5th %tile 1.8
25th %tile 2.6
Median 3.1
75th %tile 6.0
95th %tile 7.7

● Total Fund Aggregate

Value 0.8
Rank 95

▲ Consumer Price Index

Value 1.1
Rank 85

Universe

5th %tile 2.1
25th %tile 1.7
Median 1.5
75th %tile 1.2
95th %tile 0.8

● Total Fund Aggregate

Value 1.5
Rank 91

▲ Consumer Price Index

Value 2.3
Rank 57

Universe

5th %tile 3.8
25th %tile 3.0
Median 2.5
75th %tile 1.9
95th %tile 1.3