



NEPC, LLC

YOU DEMAND MORE. So do we.SM



City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis For the period ending March 31, 2014

June 5, 2014

Dan LeBeau, Consultant
Allan Martin, Partner
Michael 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

	<u>Page</u>
Market Environment	2
Total Fund Performance	20
Total Fund Performance - Net of Fees	54
Manager Due Diligence	65
Appendix: Policy Benchmark History; Performance Disclosures	74
Appendix: Market Environment	79

Market Environment

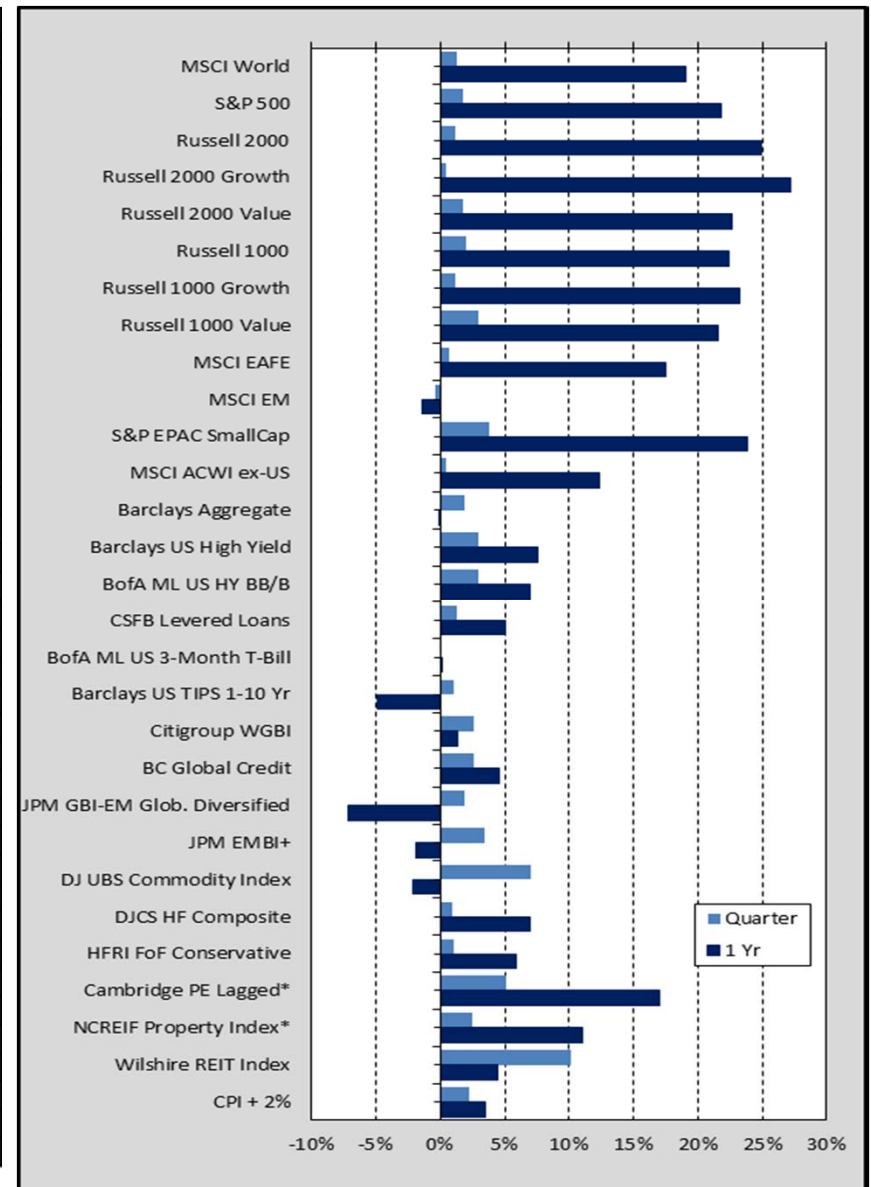
- **First quarter GDP growth was slower at 0.1% principally due to severe winter weather. Potential for second quarter rebound in growth?**
 - Retail sales (ended March) rose to 2.2% on a year-over-year growth rate basis.
 - The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.31% in February.
 - Corporate profits as a percent of GDP remained near secular highs at 12.7% at the end of Q4 2013.
 - The trade deficit increased in February.
- **The unemployment rate stayed flat at 6.7% in March; U-6, a broader measure of unemployment, rose to 12.7% during the first quarter.**
 - JP Morgan has stated that sustained GDP growth of 1.5% is needed for positive job creation, and closer to 3% growth is needed to decrease the unemployment rate.
- **Consumer confidence fell to 82.3 in March; the Case-Schiller Home Price Index (as of 12/31) dipped slightly to 150.39 from its highest level (150.92) since the financial crisis.**
- **Rolling 12-month CPI increased to 1.5% at the end of March; Capacity Utilization rose slightly to 79.2% in the month.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished March at 2.72%.**
- **Fed balance sheets increased in early 2014, while European Central Bank balance sheets decreased.**
 - Large economies continue easing (Japan to the extreme), while the ECB tightens.
- **S&P valuations rose in March and remained above the 10-year and long-term averages, which are nearly equal at 16.4x, using current price/earnings ratios.**
 - Cyclically adjusted Shiller PE ratios, however, are well above the long-term average of 17.6x and above the 10-year average of 23.0x.

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Q1 2014 Performance Summary

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI World	World	1.3%	19.1%	10.2%	18.3%	6.8%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	1.8%	21.9%	14.7%	21.2%	7.4%
Russell 2000	Small Core	1.1%	24.9%	13.2%	24.3%	8.5%
Russell 2000 Growth	Small Growth	0.5%	27.2%	13.6%	25.2%	8.9%
Russell 2000 Value	Small Value	1.8%	22.6%	12.7%	23.3%	8.1%
Russell 1000	Large Core	2.0%	22.4%	14.7%	21.7%	7.8%
Russell 1000 Growth	Large Growth	1.1%	23.2%	14.6%	21.7%	7.9%
Russell 1000 Value	Large Value	3.0%	21.6%	14.8%	21.8%	7.6%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI EAFE	International Developed	0.7%	17.6%	7.2%	16.0%	6.5%
MSCI EM	Emerging Equity	-0.4%	-1.4%	-2.9%	14.5%	10.1%
S&P EPAC SmallCap	Small Cap Int'l	3.8%	23.9%	9.6%	21.2%	9.4%
MSCI ACWI ex-US	World ex-US	0.5%	12.3%	4.1%	15.5%	7.1%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	1.8%	-0.1%	3.7%	4.8%	4.5%
Barclays US High Yield	High Yield	3.0%	7.5%	9.0%	18.2%	8.7%
BofA ML US HY BB/B	High Yield	3.0%	7.0%	8.5%	15.8%	7.9%
CSFB Levered Loans	Bank Loans	1.3%	5.0%	5.3%	12.2%	5.0%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.1%	0.1%	0.1%	1.7%
Barclays US TIPS 1-10 Yr	Inflation	1.0%	-4.9%	2.2%	4.0%	4.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	2.7%	1.4%	1.9%	3.8%	4.2%
BC Global Credit	Global Bonds	2.6%	4.6%	5.8%	9.9%	5.6%
JPM GBI-EM Glob. Div.	Em. Mkt. Bonds (Local)	1.9%	-7.1%	1.1%	9.8%	9.3%
JPM EMBI+	Em. Mkt. Bonds	3.5%	-1.9%	6.7%	10.9%	8.3%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
DJ UBS Commodity Index	Commodity	7.0%	-2.1%	-7.4%	4.2%	0.4%
DJCS HF Composite	Hedge Fund	0.9%	7.0%	4.4%	8.7%	6.1%
HFRI FoF Conservative	Fund of Funds	1.1%	5.9%	2.7%	4.6%	2.6%
Cambridge PE Lagged*	Private Equity	5.1%	17.0%	15.5%	10.6%	15.2%
NCREIF Property Index*	Real Estate	2.5%	11.0%	11.9%	5.7%	8.4%
Wilshire REIT Index	REIT	10.1%	4.4%	10.5%	29.2%	8.2%
CPI + 2%	Inflation/Real Assets	2.3%	3.5%	3.9%	4.2%	4.6%

*As of 12/31/2013



Positives

- **Continued slow and steady economic growth**
 - A bit slower in the first quarter due to weather (maybe offset in Q2?)
 - Deleveraging continuing
- **Early stages of Taper generally accepted by marketplace**
 - Though priced in, “normalization” of rates appears optimistic
- **Developed world inflation is low**
 - Allows Fed continued flexibility to work through Taper
- **Emerging markets made some progress on adjustments**
 - Finally experiencing positive flows and early signs of positive performance
- **Volatility remains subdued and markets relatively stable**

Negatives

- **Potential geopolitical instability**
 - Russian invasion of Crimea has minimal economic impact
 - But tensions between Russia and West could have spillover effects
- **Benign market environment in Europe obscures challenging underlying economic conditions**
- **Inflation is low... maybe too low**
 - Global monetary stimulation has offset deflationary pressures
- **Continued slowing growth in China has global implications**
 - Could bring Chinese credit issues to forefront
- **Valuations beginning to stretch above long-term averages**
 - Developed Equity P/Es above median
 - Credit spreads approaching 2006-07 levels

Market Environment

Global Equity

- U.S. stocks oscillated back and forth in the first quarter amid further guidance from the Federal Reserve.
- The S&P 500 Index rose 1.8%, while the Russell 2000 gained a modest 1.1%.
- International equities lagged U.S. markets, returning 0.7%, as measured by the MSCI ACWI ex-U.S. Index.
 - Developed markets returned 0.7% as measured by the MSCI EAFE Index
 - Emerging markets returned -0.4% as measured by the MSCI Emerging Markets Index
- Europe led non-U.S. equities as France and peripheral countries recorded robust gains. Italy and Ireland were two of the best markets for the quarter, with stocks returning roughly 14% so far this year.
- Despite rallying in March, emerging markets ended the quarter down 0.4% following Russia's takeover of Crimea and the continuing economic slowdown in China. Russia was the worst performing market with a -14.4% return, while Indonesia gained a hefty 21.3%.

Private Equity

- Private equity fund raising got off to a strong start in the first quarter with new commitments—at around \$75.6 billion—keeping pace with commitments made in 2013.
- Asian fundraising totaled \$10.8 billion in the first quarter, getting a shot in the arm as three firms raised over \$1.0 billion each; Europe saw \$12.0 billion of new commitments, of which 60% is to be invested in buyout and growth equity funds.
- Globally, buyout and growth equity commitments totaled \$33.3 billion during the quarter, representing 44% of all funds raised so far this year, while energy, natural resources and infrastructure accounted for 19%.
- Venture capital fundraising hit \$13.2 billion powered by five firms raising over \$5 billion.
- Mezzanine funds, at \$3.2 billion, accounted for only 4% of all new capital raised.
- Secondary funds raised only \$3.1 billion in the first quarter, but we expect this number to increase to more than \$20 billion as the year progresses with several large funds coming to market.

Market Environment

Fixed Income

- Bond markets rallied in the first quarter as investors snapped up safer, higher quality assets amid concerns around the crisis in Ukraine, an economic slowdown in China, and the unseasonably harsh winter in the U.S.
- The 10-year U.S. Treasury yield decreased 31 basis points to end the first quarter at 2.72%.
- The U.S. Credit Index gained 2.9% and the Long Duration Credit Index returned 6.3% in the first quarter. High yield bonds returned 3.0%.
- Investment grade credit spreads narrowed to 103 basis points, the lowest they have been since before the financial crisis. The yield spread on high yield bonds over Treasuries fell to a near record low of 3.58%.
- Intermediate-term Treasury Inflation-Protected Securities, or TIPS, gained 1.0% during the quarter.
- The Credit Suisse Leveraged Loan Index gained 1.3% during the first quarter.
- Local currency debt, as measured by the JP Morgan GBI-EM Index, gained 1.9%. Hard currency debt, boosted by declining Treasury yields, outperformed local currency debt during the quarter, posting returns of 3.5%.

Market Environment

Commodities

- Commodities started the year with a bang, with the DJ-UBS Index returning 7.2% in the first quarter.
- Fears of a grain shortage following Russia's invasion of Ukraine powered returns of 8.4% in the grain sector.
- Heating oil rallied early in the quarter on the heels of unseasonably cold weather but subsequently retreated in March as temperatures returned to more normal levels, resulting in losses of 1.8% for energy.
- Precious metals declined 4% as copper prices fell amid the slowdown in China.

Real Estate

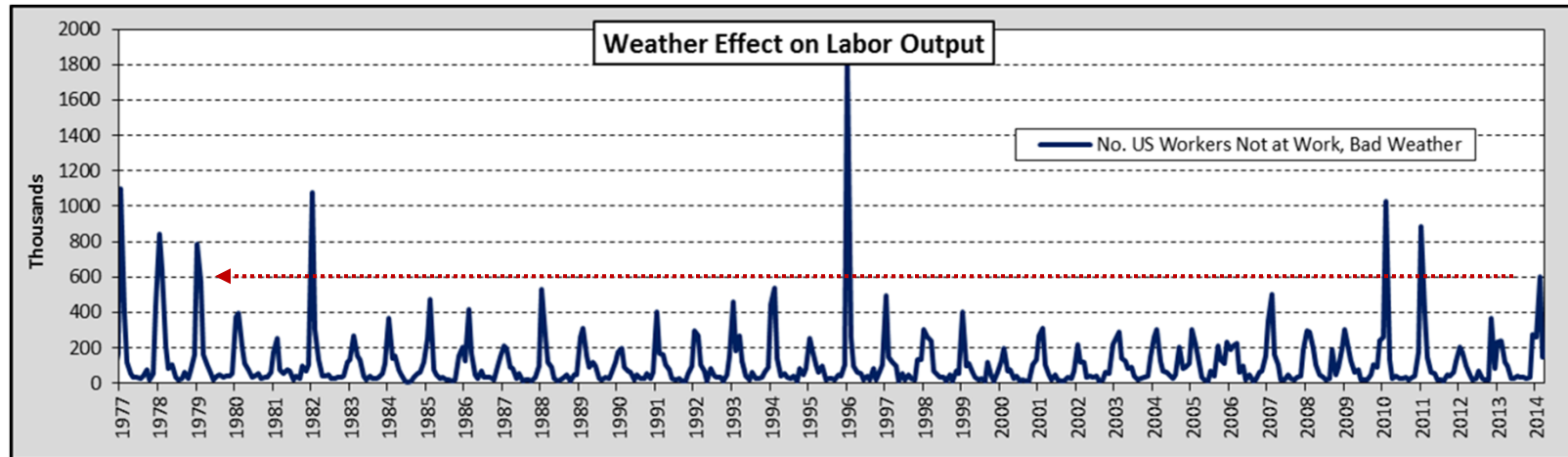
- NEPC continues to be neutral on core real estate in the U.S. and remains positive on non-core real estate, that is, value-add and opportunistic strategies, particularly in Europe.
- Within U.S. core real estate, fundamentals continue to improve with decreasing vacancy rates, increasing rents, limited new construction (outside of the apartment sector), and still attractive if narrowing income spreads relative to interest rates.
- In Europe, undervalued non-core properties and capital structure distress remain, creating more appealing prospects than in the U.S.
- Real estate debt strategies are appealing, particularly in Europe's distressed lending environment, although currency risk is a potential consideration.

Real Assets/Inflation-Linked Assets

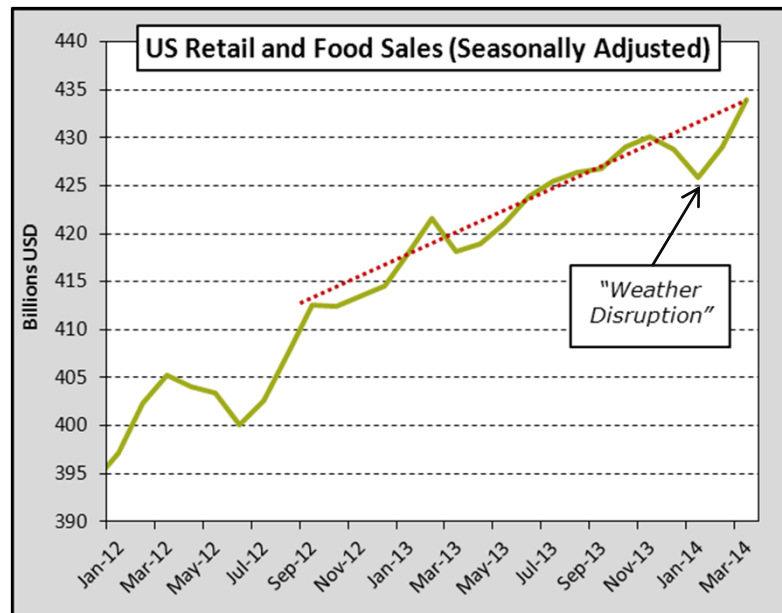
- NEPC believes that energy, specifically in North America, represents an attractive opportunity in the up-stream and mid-stream parts of the energy value chain.
- Agriculture and metals/mining opportunities seem appealing based on long-term demographic trends despite a less certain short-term outlook.
- Timber is an area of portfolios where we would recommend underweight positions as total return targets are low with a relatively small market opportunity and managers seeking deals outside the U.S.



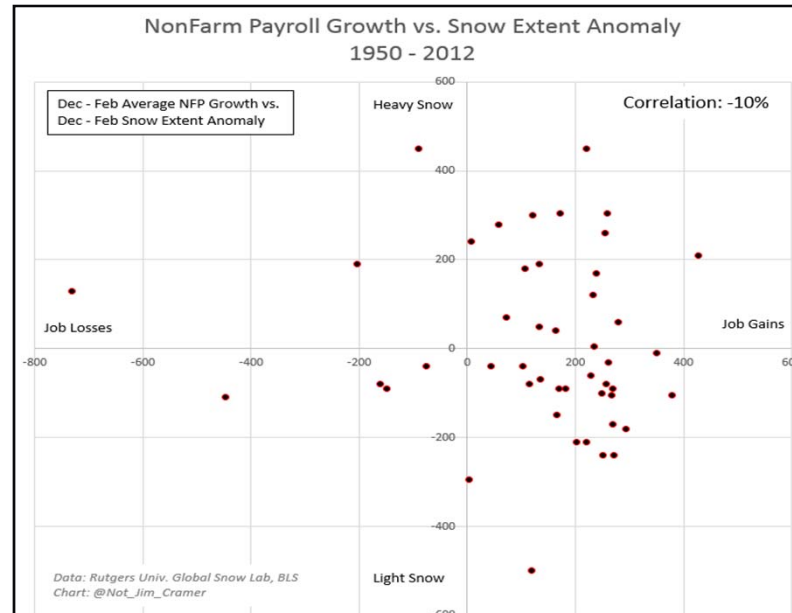
The "Weather Effect" – Likely a Short-Term Blip



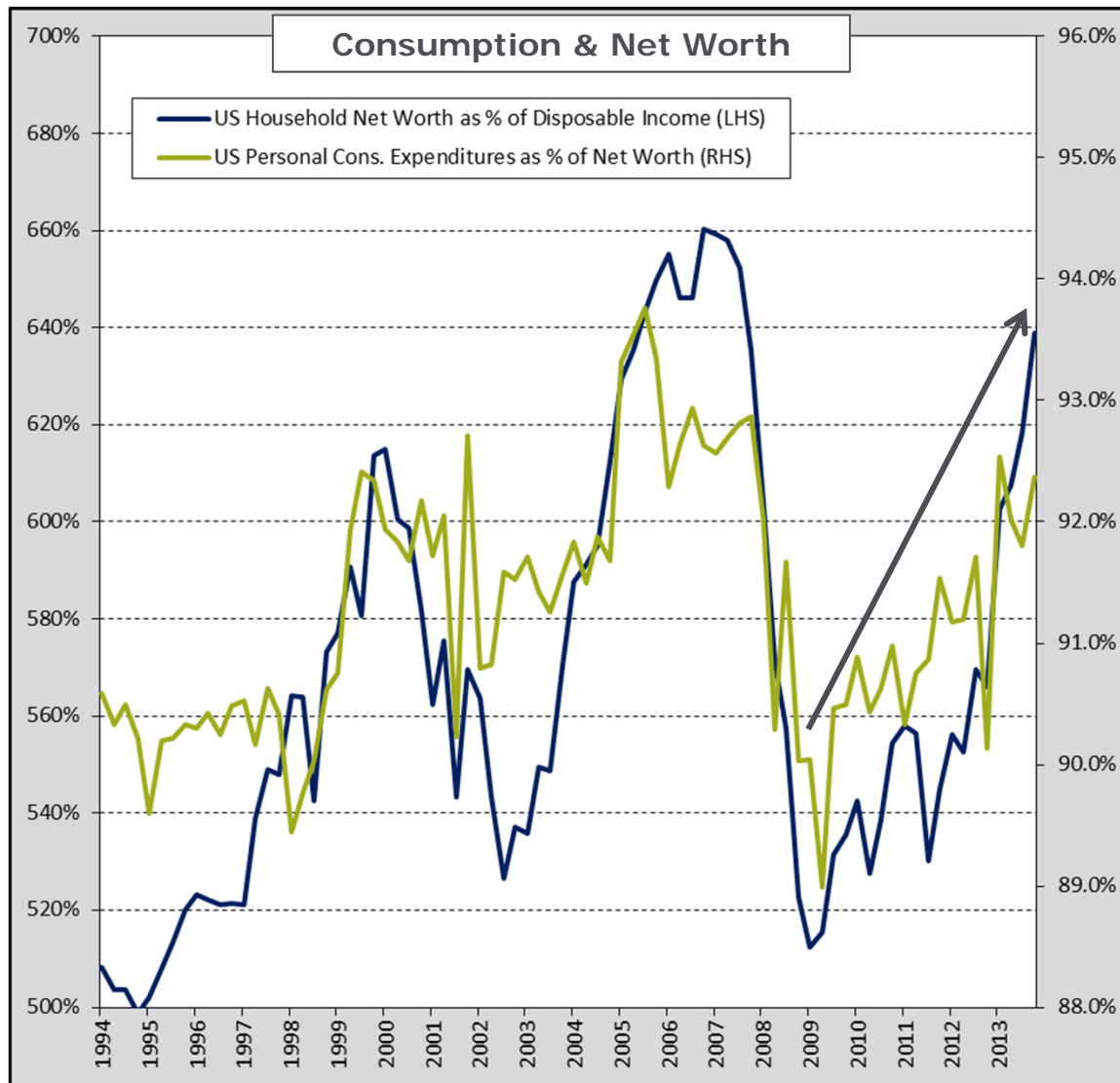
Source: Bloomberg as of 3/31



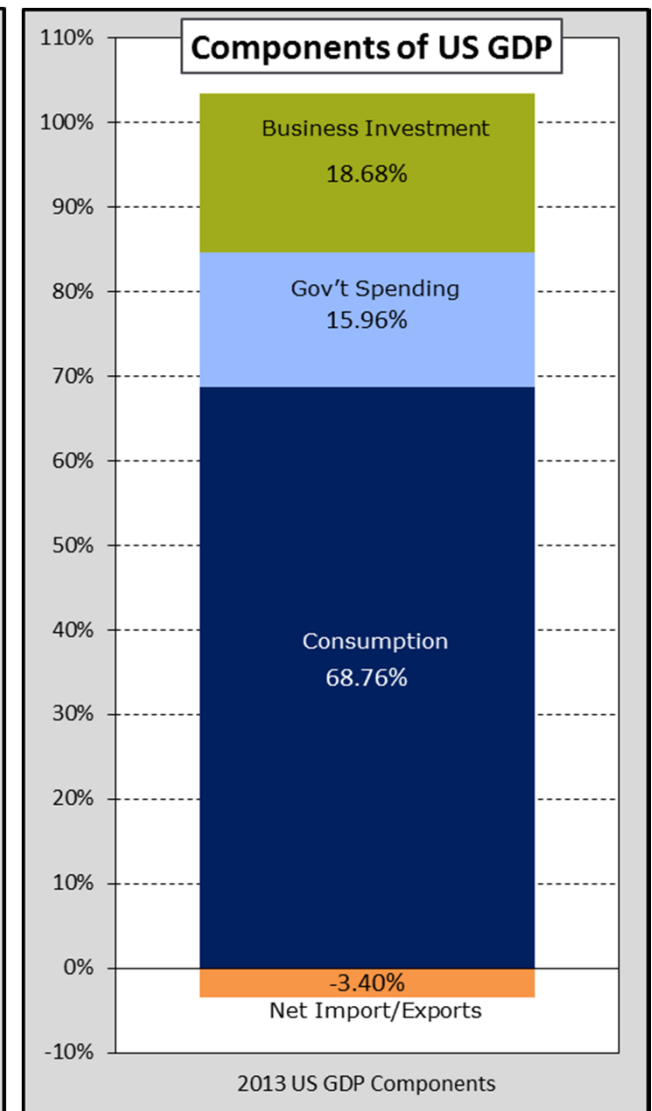
Source: Capital Economics, Bloomberg as of 3/31



Wealth Effect from Quantitative Easing Having Positive Impact...

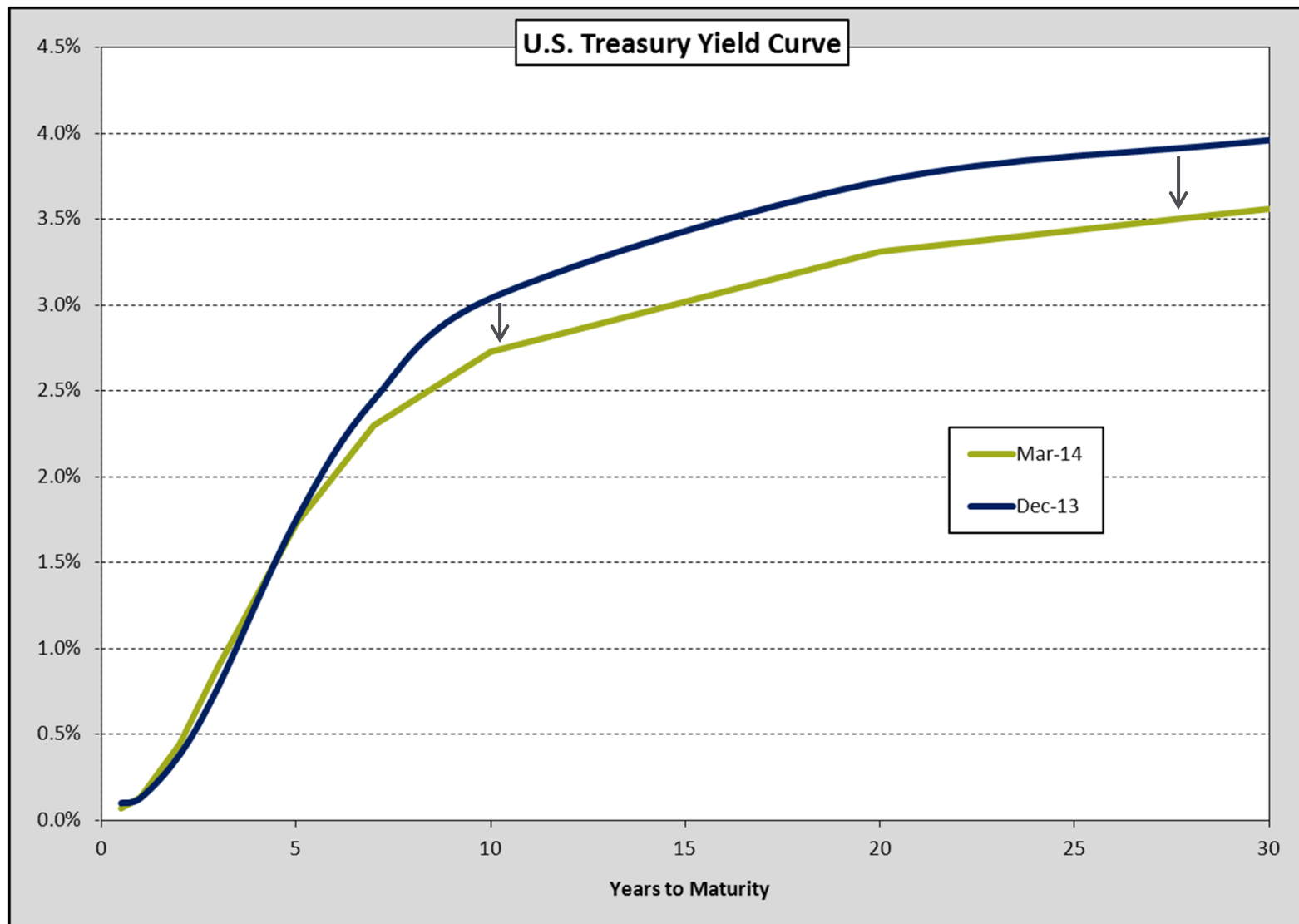


Source: St. Louis Fed as of 12/31



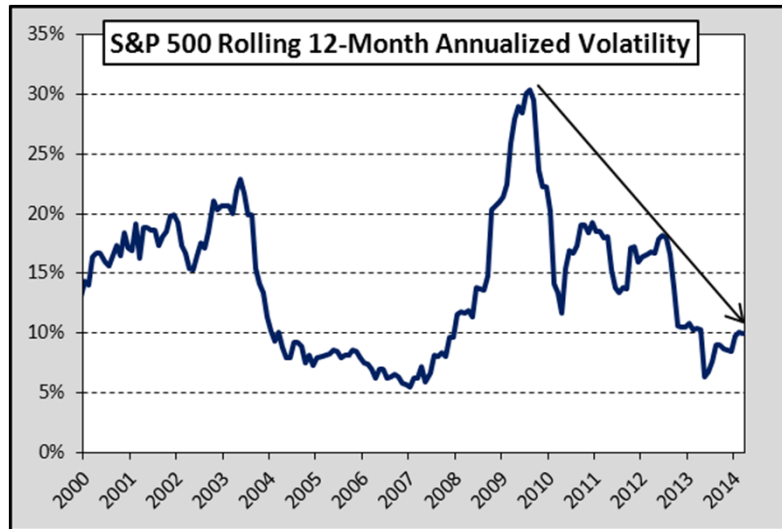
Source: BEA as of 12/31

Treasury Yields Decreased Across the Curve

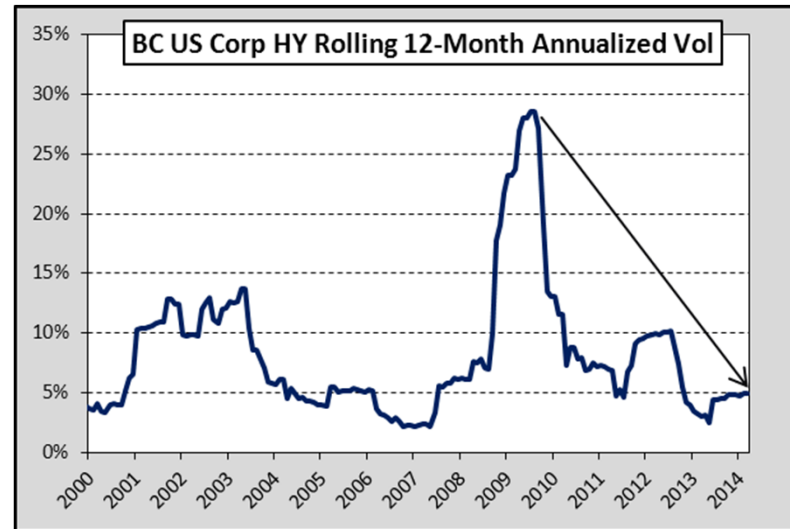


Source: Bloomberg as of 3/31

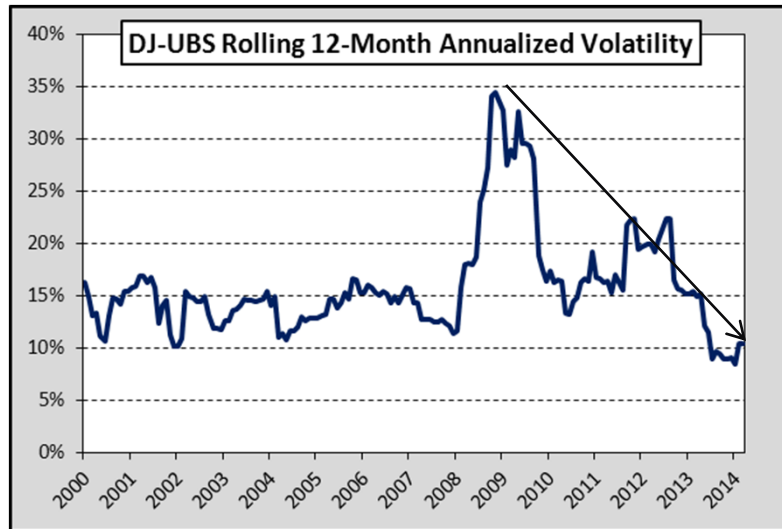
Volatility Remains Subdued



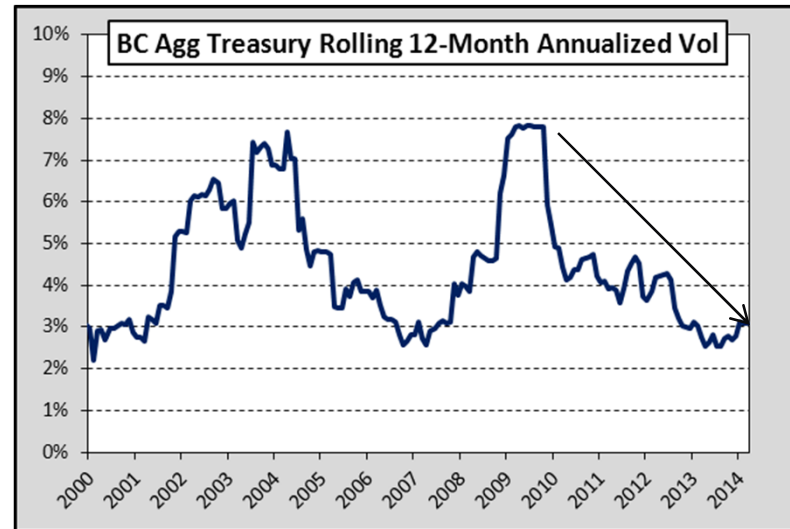
Source: Bloomberg as of 3/31



Source: Bloomberg as of 3/31

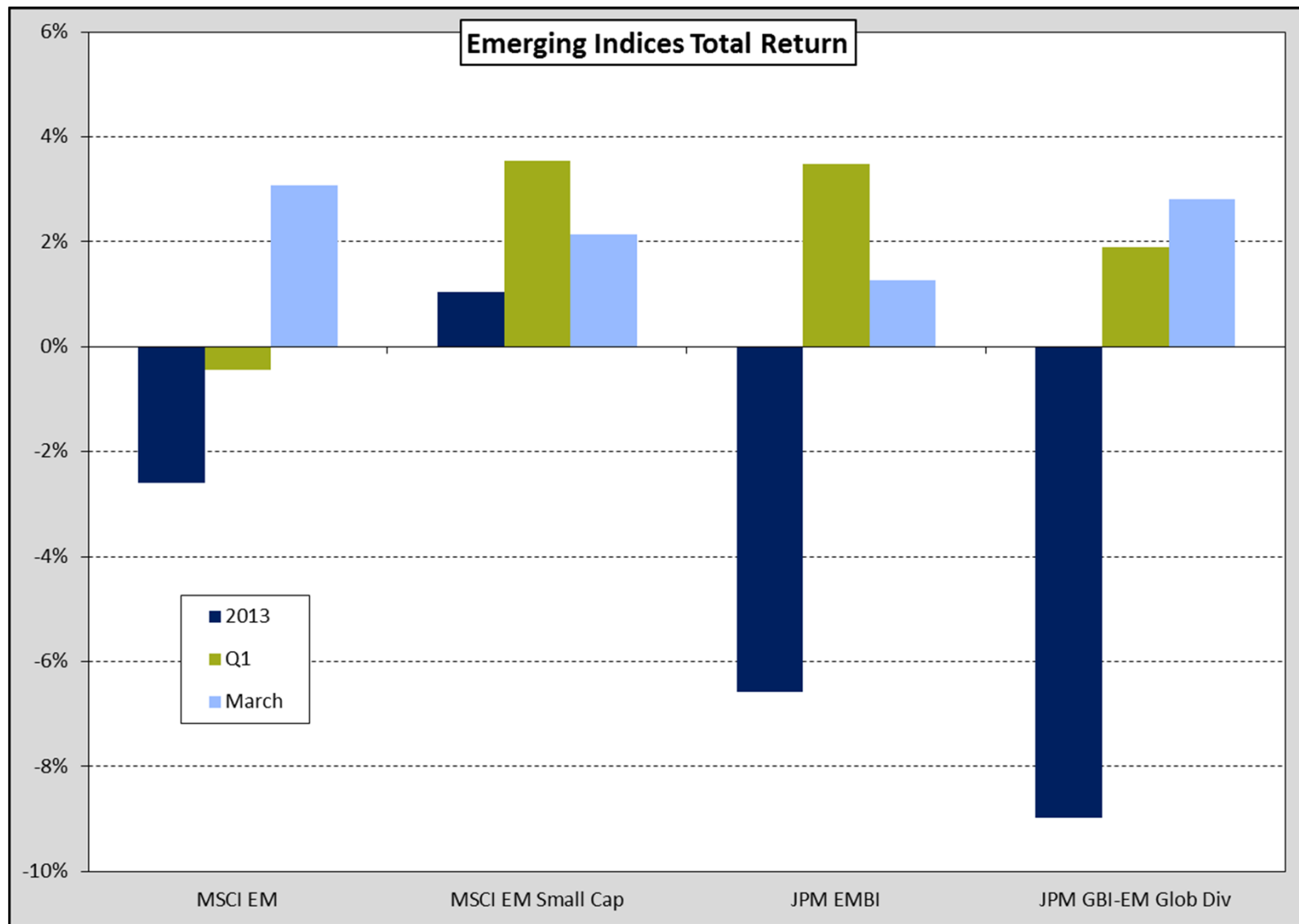


Source: Bloomberg as of 3/31



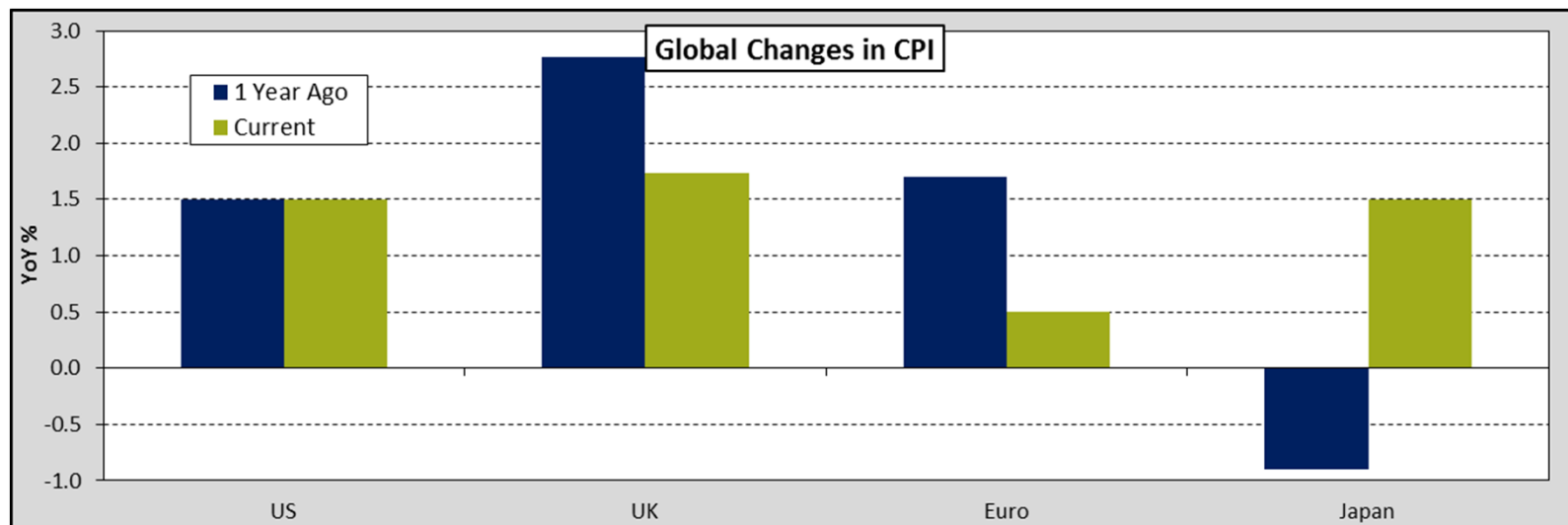
Source: Bloomberg as of 3/31

Emerging Market Returns Have Been Lackluster But Have Seen Some Recent Reversals

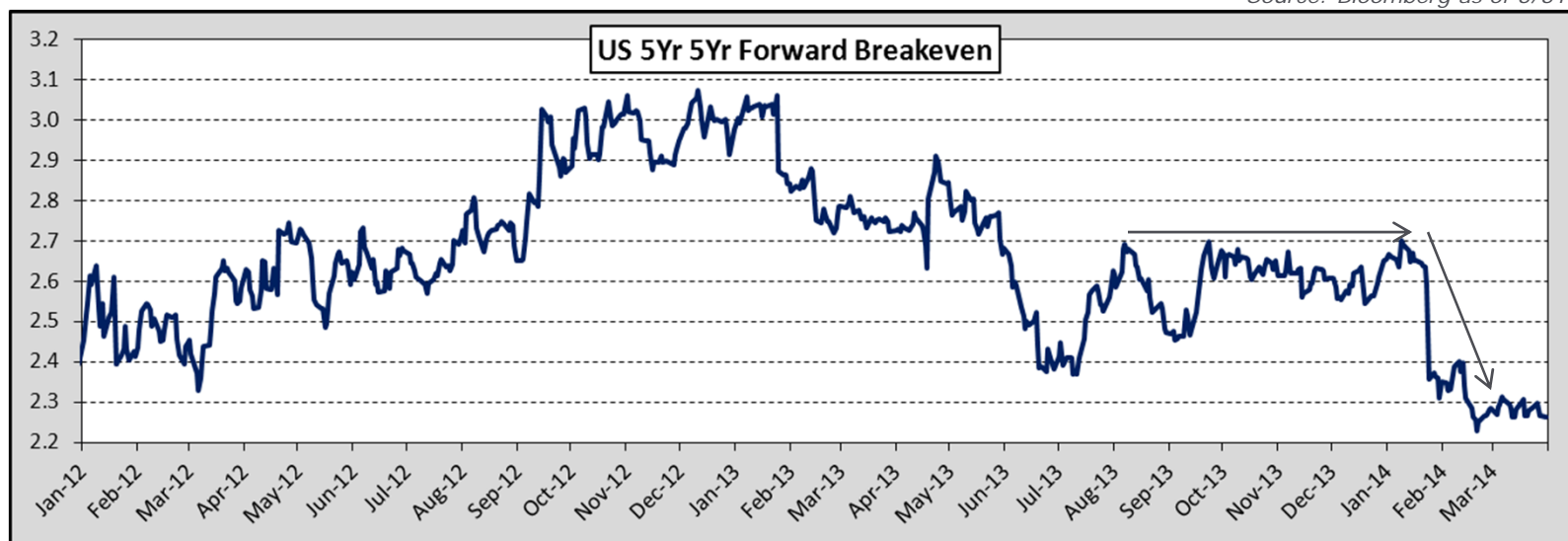


Source: Bloomberg as of 3/31

Inflation and Near Term Inflation Expectations Remain Low

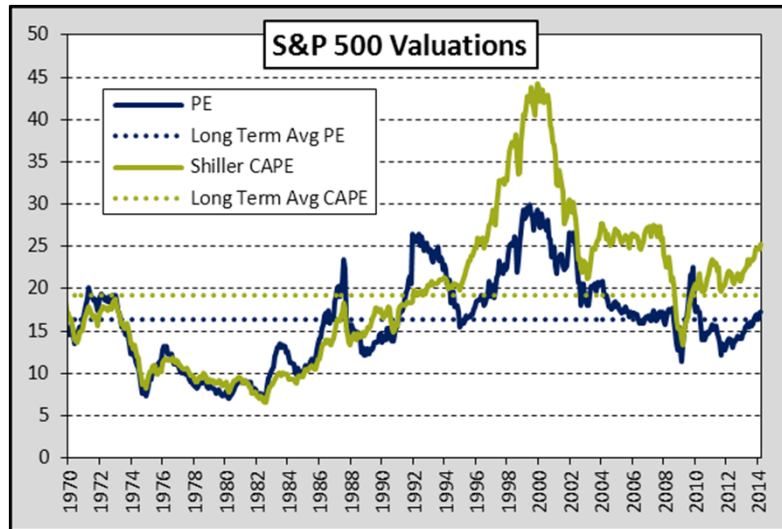


Source: Bloomberg as of 3/31

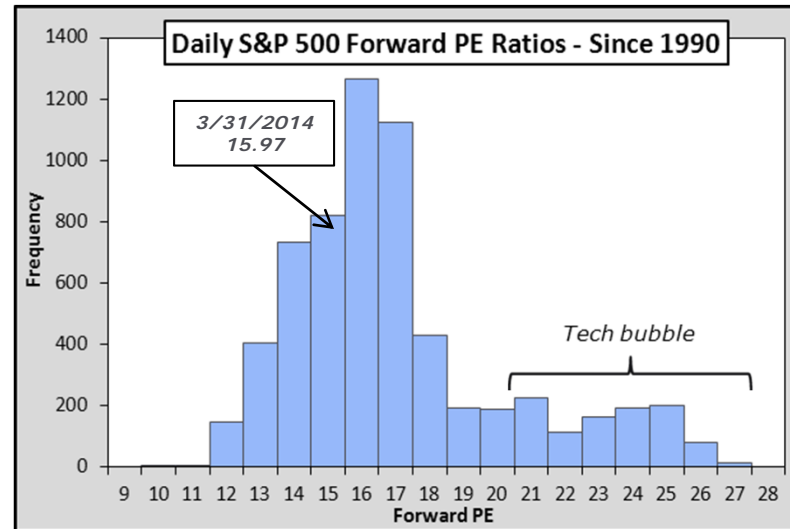


Source: Bloomberg as of 3/31

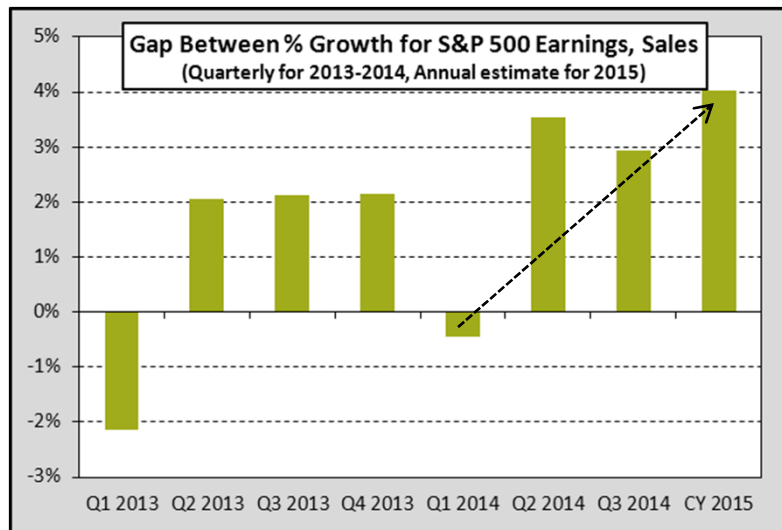
U.S. Equity Markets: Poised to Continue or Overly Optimistic



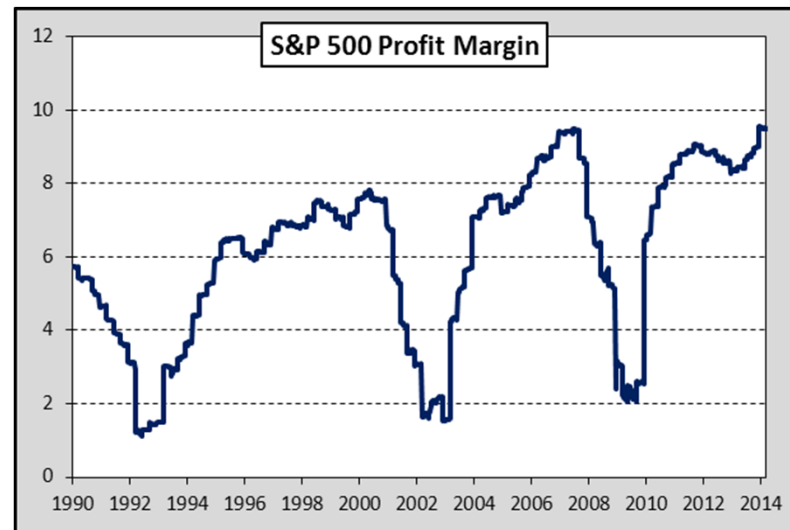
Source: Bloomberg as of 3/31, Long-term averages since 1954



Source: Bloomberg as of 3/31

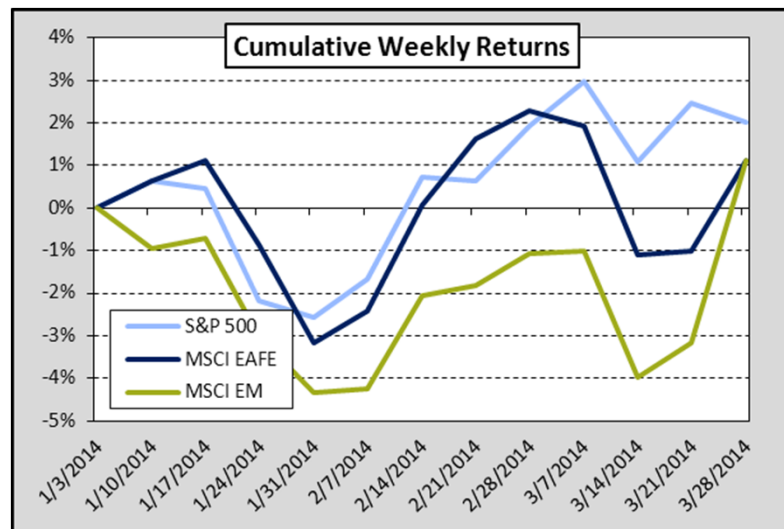


Source: Bloomberg as of 3/31

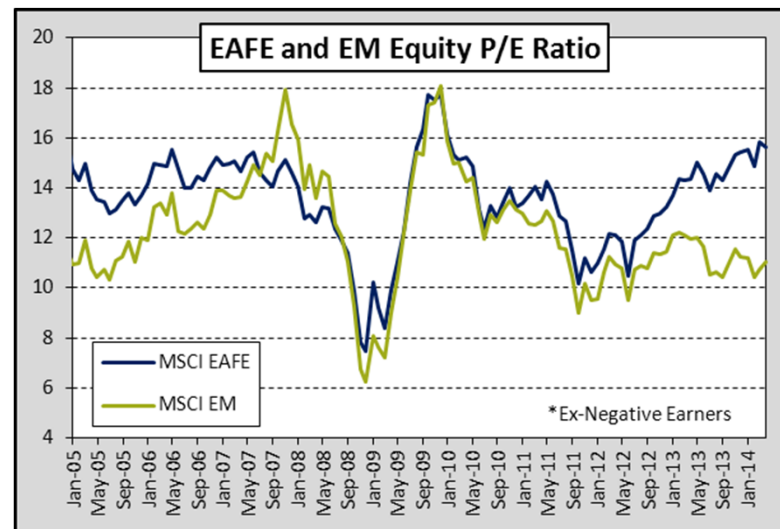


Source: Bloomberg as of 3/31

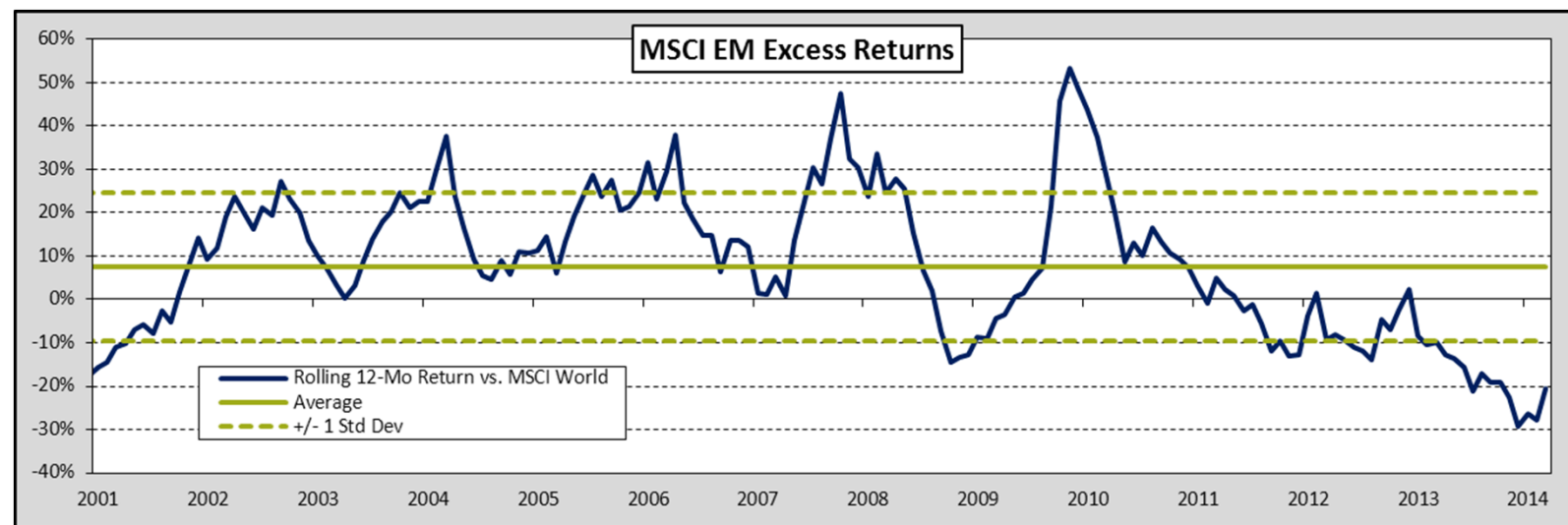
Global Equity Markets: EM Still Lagging, But Weathering Macro Concerns



Source: Bloomberg as of 3/31

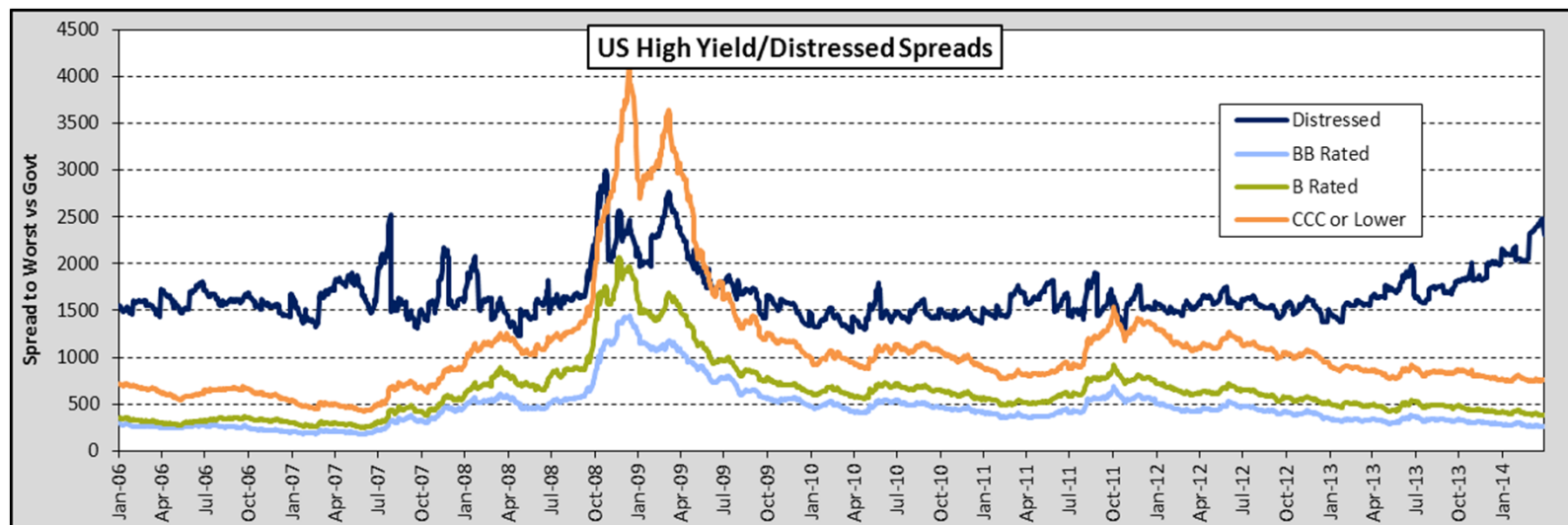


Source: Bloomberg as of 3/31

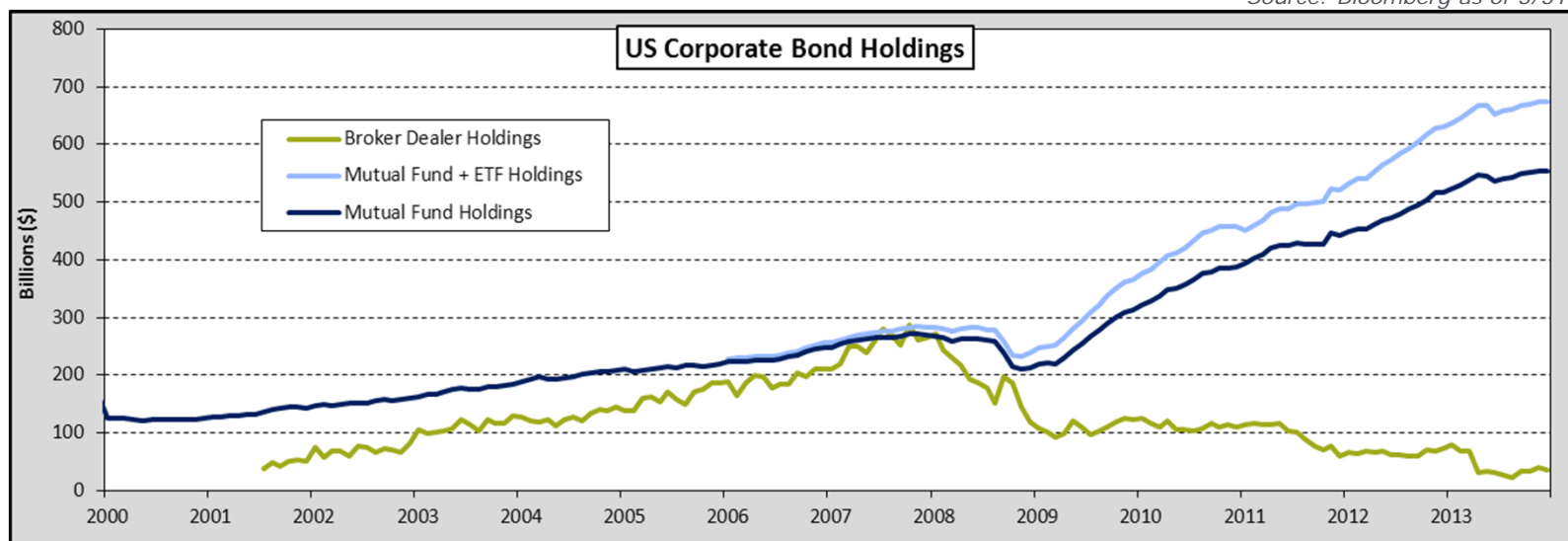


Source: Bloomberg as of 3/31

Spreads Have Tightened as Retail Investors Flocked to Yield



Source: Bloomberg as of 3/31



Source: Bloomberg as of 12/31

Outlook

- **Markets have generally shown resiliency so far in 2014**
 - Withstood adjustments in balance of payment challenged EM countries
 - Limited market reaction to Russia/Ukraine issues
- **U.S. taper has generally been accepted by markets**
 - Already reduced from \$85 billion to \$55 billion in monthly purchases
 - Rates remain low and accommodating
- **Slow and steady economic growth continues**
 - Inflation remains subdued
- **Continued low volatility may obscure underlying economic challenges**
 - European peripheral countries continue to face high unemployment
 - Many EM countries face further balance of payment adjustments
 - China faces slowing growth and potential credit issues
- **Valuations beginning to move beyond fair value**
 - While not stretched, equity P-E ratios are now above long-term averages
 - Credit spreads continue to move tighter
 - Ex: European peripheral debt
- **NEPC themes remain consistent**
 - Rebalance – remain diversified and balanced
 - Look for opportunities to be dynamic – particularly in credit
 - Allocate to emerging markets and private markets for higher returns in low return world

Highlights of First Quarter Happenings at NEPC

NEPC Research

Recent White Papers Posted

- *4Q Market Thoughts — “1997, 2007, or Something Else Altogether?”* (January 2014)
- *Moving in Different Directions: NEPC’s 2014 Asset Allocation Letter* (January 2014), NEPC’s Asset Allocation Committee
- *Annual Chairman’s Letter* (March 2014), Richard M. Charlton, Chairman
- *Overlay Strategies: Increasing Portfolio Diversification Through Derivatives* (March 2014), Brian Roberts, CAIA, Senior Consultant
- *The Alternative Route: A Smoother Ride for Defined Contribution Plans* (April 2014), Rob J. Fishman, CFA, Partner; Aaron S. Keel, CFA, Senior Analyst; Deirdre L. Pomerleau, Analyst



Professional Staff Updates

- Tim McCusker, CFA, CAIA, FSA named Chief Investment Officer



NEPC’s 19th Annual Client Conference

- May 13 and May 14, 2014
- Boston Convention Center
- Headline Speakers:
 - David M. Rubenstein, Co-Founder and Co-CEO, The Carlyle Group
 - Perry M. Traquina, CFA, Chairman and CEO, Managing Partner, Wellington Management Company

Total Fund Performance

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Summary

	Market Value	3 Mo Rank	Fiscal 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	\$3,146,461,535	1.9%	40	10.0%	88	8.9%	83	6.7%	94	12.7%	80	6.4%	74	6.7%	13	8.1%	43	8.8%	42	8.9%	Mar-71
Policy Benchmark		2.7%	2	11.0%	68	10.0%	75	7.1%	91	12.9%	79	6.4%	72	6.3%	42	--	--	--	--	--	Mar-71
Allocation Index		2.6%	3	11.1%	67	9.9%	75	6.4%	96	12.8%	80	6.6%	63	--	--	--	--	--	--	--	Mar-71
60% MSCI World (Gross) / 40% CITI WGBI		1.9%	34	12.9%	32	12.2%	39	7.4%	85	13.0%	78	6.5%	72	5.6%	94	7.3%	93	--	--	--	Mar-71
InvestorForce Public DB > \$1B Gross Median		1.8%		12.1%		11.7%		8.8%		14.4%		6.9%		6.2%		8.0%		8.7%		--	Mar-71

For the one year period ending March 31, 2014, the Fund produced a net investment gain of \$260.8 million, which includes a net investment gain of \$60.4 million in the first calendar quarter. Assets increased from \$2.94 billion one year ago to \$3.15 billion on March 31, 2014, with \$51.7 million in net distributions during the year.

For the five-year period ending March 31, 2014, the Fund returned 12.7%, underperforming the policy benchmark by 0.2% and ranking in the 80th percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 43rd percentile over the five-year period, resulting in a strong Sharpe Ratio on an absolute basis.

For the three-year period ending March 31, 2014, the Fund returned 6.7%, trailing the policy benchmark by 0.4% and ranking in the 94th percentile of its peers. The Fund's volatility ranks near the top of its peer group over the three year period.

For the one-year period ending March 31, 2014, the Fund returned 8.9%, underperforming the policy benchmark by 1.1%. The Fund's volatility ranks in the top quartile of its peers, resulting in a strong Sharpe Ratio on an absolute basis.

Please see the appendix for additional performance disclosures. Performance is reported gross of fees.

5 Years Ending March 31, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	12.7%	80	8.3%	43	1.5	76	2.6	46
Policy Benchmark	12.9%	79	8.1%	33	1.6	60	2.8	24
InvestorForce Public DB > \$1B Gross Median	14.4%	--	8.7%	--	1.6	--	2.6	--

3 Years Ending March 31, 2014

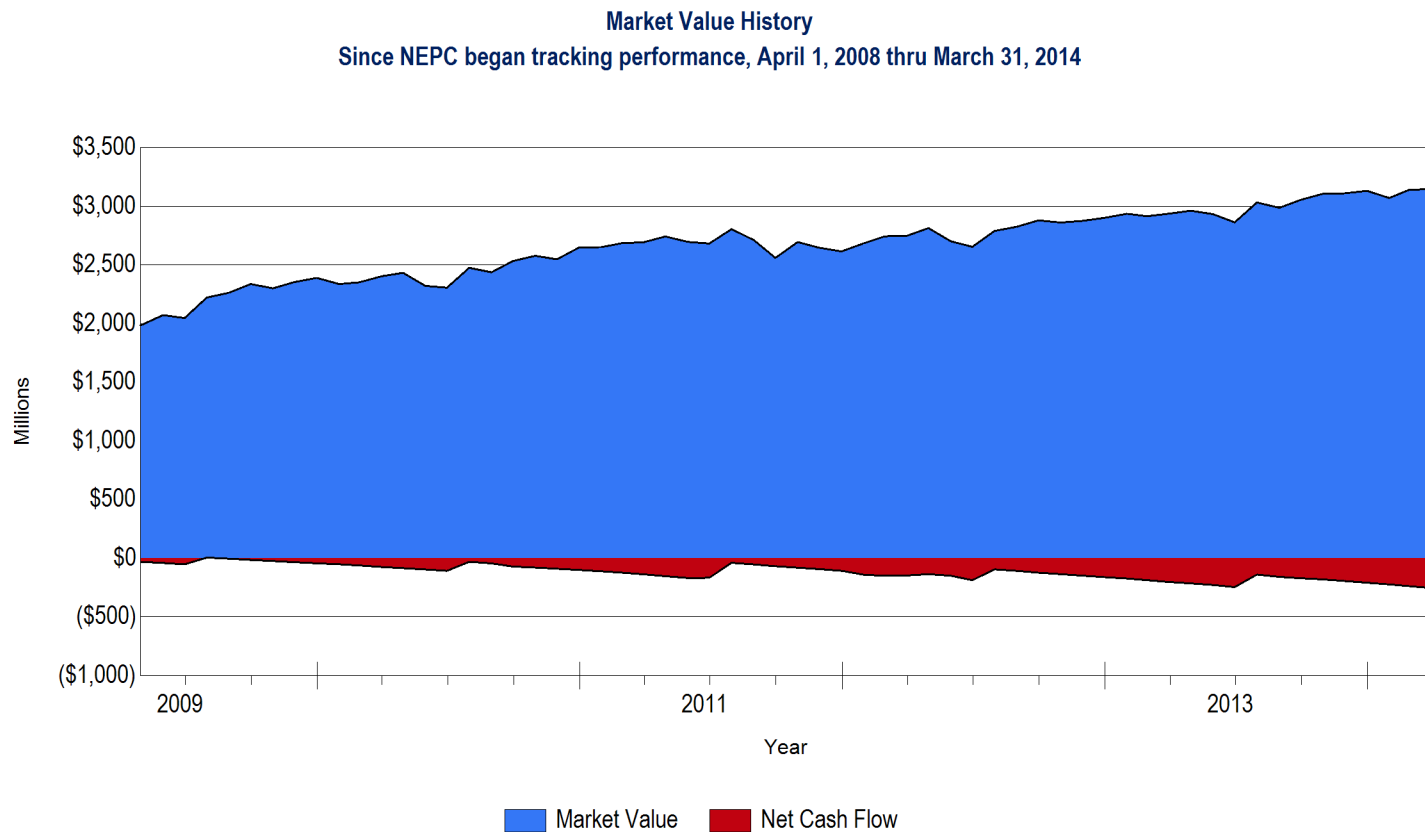
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	6.7%	94	7.5%	35	0.9	92	1.3	83
Policy Benchmark	7.1%	91	6.9%	16	1.0	73	1.5	54
InvestorForce Public DB > \$1B Gross Median	8.8%	--	7.7%	--	1.1	--	1.5	--

1 Year Ending March 31, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	8.9%	83	5.4%	12	1.6	67	4.8	55
Policy Benchmark	10.0%	75	5.3%	12	1.9	52	6.9	34
InvestorForce Public DB > \$1B Gross Median	11.7%	--	6.4%	--	1.9	--	4.9	--

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Growth Summary

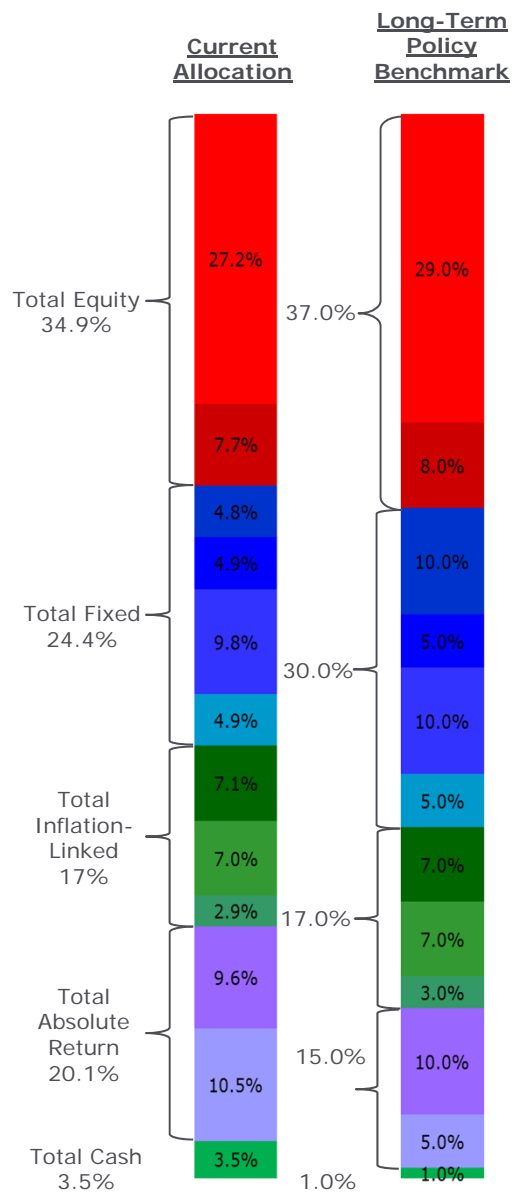


Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date	One Year	Three Years	Five Years	Inputted Date 4/1/08
Beginning Market Value	\$3,131,760,714	\$2,862,786,701	\$2,937,371,855	\$2,692,409,721	\$1,862,782,504	\$2,583,363,926
Net Additions/Withdrawals	-\$45,742,233	-\$8,387,626	-\$51,678,456	-\$117,125,214	-\$232,150,248	-\$255,254,986
Investment Earnings	\$60,443,053	\$292,062,459	\$260,768,136	\$571,177,028	\$1,515,829,278	\$818,352,594
Ending Market Value	\$3,146,461,535	\$3,146,461,535	\$3,146,461,535	\$3,146,461,535	\$3,146,461,535	\$3,146,461,535



City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Allocation vs. Policy Targets



	Current Mkt Value	Current Allocation	Long-Term Policy Benchmark ¹	Difference	Policy Range	Within Range
Public Equity						
Global Equity ²	\$856,170,340	27.2%	29.0%	-1.8%		
U.S. Equity ³	\$180,770,719	5.7%				
U.S. Large Cap	\$259,896,654	8.3%				
U.S. Small Cap	\$259,825,059	8.3%				
Non-U.S. Equity	\$71,596	0.0%				
Non-U.S. Developed Markets ⁴	\$415,502,967	13.2%				
Non-U.S. Emerging Markets	\$299,932,478	9.5%				
Non-U.S. Emerging Markets	\$115,570,488	3.7%				
Private Equity	\$242,160,623	7.7%	8.0%	-0.3%		
Total Equity	\$1,098,330,963	34.9%	37.0%	-2.1%	25% - 50%	Yes
Fixed Income						
Global Core	\$152,578,877	4.8%	10.0%	-5.2%		
High Yield/Corporate Credit	\$155,396,993	4.9%	5.0%	-0.1%		
Opportunistic/Private Debt	\$307,862,059	9.8%	10.0%	-0.2%		
Emerging Market Debt ⁶	\$152,888,326	4.9%	5.0%	-0.1%		
Total Fixed Income⁵	\$768,726,332	24.4%	30.0%	-5.6%	20% - 40%	Yes
Inflation-Linked Assets						
Real Estate	\$223,290,319	7.1%	7.0%	0.1%		
Commodities	\$219,012,764	7.0%	7.0%	0.0%		
Multi-Asset Inflation-Linked Assets	\$92,387,374	2.9%	3.0%	-0.1%		
Total Inflation-Linked Assets	\$534,690,457	17.0%	17.0%	0.0%	12% - 25%	Yes
Absolute Return						
Hedge Funds	\$301,964,399	9.6%	10.0%	-0.4%		
Global Asset Allocation	\$331,445,436	10.5%	5.0%	5.5%		
Total Absolute Return	\$633,409,835	20.1%	15.0%	5.1%	5% - 25%	Yes
Cash⁶	\$111,303,947	3.5%	1.0%	2.5%	0% - 5%	Yes
Total	\$3,146,461,535	100.0%	100.0%	0.0%		

Please see appendix for details regarding footnotes.

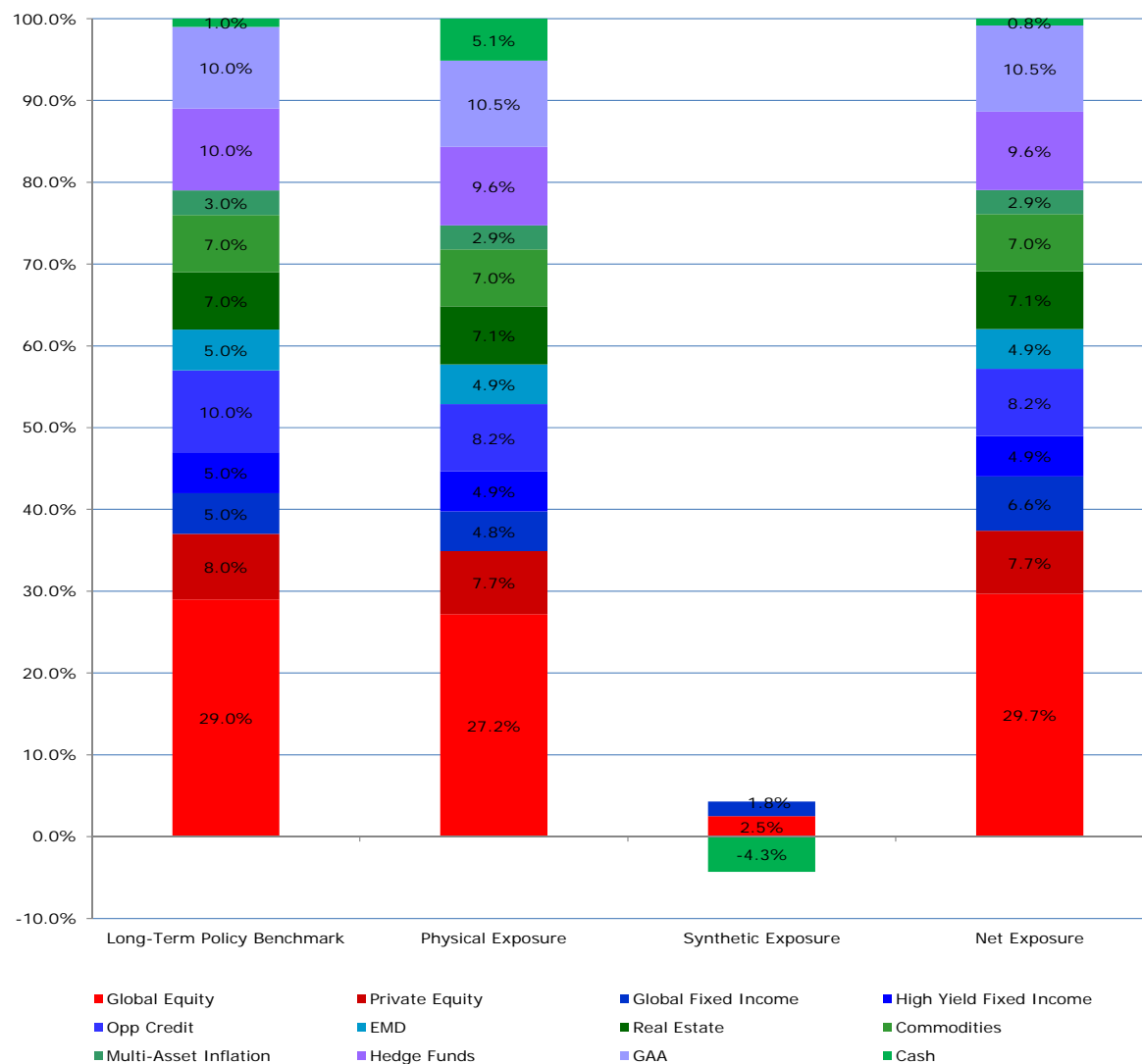
Note: Market values shown above include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding.

Historical composition of Long-Term Policy Benchmark can be found in the appendix.

City of San Jose Police and Fire Department Retirement Plan

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 3/31/2014 based on unaudited month-end valuations. Exposure shown above is intended to provide a snapshot of exposure as of month-end.

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Public Equity

	Quarter Ending March 31, 2014			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Artisan Global Opportunities	\$89,652,889	-\$191,161	\$321,946	\$89,783,674
Artisan Global Value	\$89,340,933	\$0	\$1,537,658	\$90,878,591
Liquidating - Russell MSCI ACWI Index	\$144,177	-\$131,143	-\$3,899	\$9,135
Liquidating - Russell MSCI ACWI Value Index	\$96,916	\$0	-\$576	\$96,339
Equity Transition	\$295,981	-\$289,211	-\$3,791	\$2,979
Global Equity Composite	\$179,530,896	-\$611,515	\$1,851,338	\$180,770,718
Russell 1000 Index	\$254,674,698	\$0	\$5,148,883	\$259,823,582
Liquidating - Robeco/Boston Partners Large Cap Value	\$5,449	-\$5,013	\$1,041	\$1,477
Transition Account #1	\$30	-\$47,850	\$91,687	\$43,866
Liquidating - RS Small Cap Value	\$63,578,682	-\$63,505,430	-\$45,523	\$27,729
U.S. Equity Composite	\$318,258,859	-\$63,558,293	\$5,196,088	\$259,896,654
Russell MSCI EAFE + CAD Index	\$237,060,028	-\$85,087	-\$196,085	\$236,778,856
Liquidating - Brandes Int'l Equity	\$146,430	\$0	-\$4,607	\$141,823
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$69,578,010	-\$67,416,988	-\$2,004,907	\$156,115
Transition Account #2	\$0	-\$150,616	\$150,616	\$0
Oberweis Int'l Opportunities	\$0	\$62,834,760	\$20,923	\$62,855,684
MSCI Emerging Markets ETF (ticker: EEM)	\$66,222,634	-\$30,022,660	-\$2,655,693	\$33,544,281
Vontobel Emerging Markets	\$59,453,922	-\$126,070	\$1,354,481	\$60,682,333
Aberdeen Frontier Markets	\$21,345,937	\$0	-\$2,063	\$21,343,874
International Equity Composite	\$453,806,961	-\$34,966,661	-\$3,337,335	\$415,502,966
Total Equity Composite	\$951,596,716	-\$99,136,469	\$3,710,091	\$856,170,340

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending March 31, 2014		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$0	\$6,037,102	\$0	\$6,037,102
TCW/Crescent Mezzanine Partners V	\$9,980,302	-\$906,659	\$361,360	\$9,435,002
Crescent Mezzanine Partners VI	\$4,603,003	\$1,737,266	\$104,223	\$6,444,491
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$32,965,332	-\$1,446,177	\$1,372,150	\$32,891,306
Pantheon USA Fund VI	\$29,716,682	-\$1,600,009	\$1,452,341	\$29,569,014
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Situations)	\$14,125,381	-\$751,414	\$712,422	\$14,086,389
Siguler Guff DOF III	\$22,663,647	-\$1,650,000	\$1,019,192	\$22,032,840
TPG Opportunity Partners II	\$11,712,610	\$0	\$573,937	\$12,286,547
TPG Opportunity Partners III	\$0	\$129,967	\$0	\$129,967
Warburg Pincus Private Equity XI	\$6,019,482	\$196,060	\$533,940	\$6,749,482
Russell 3000 Index	\$110,509,330	-\$10,000,000	\$1,989,152	\$102,498,483
Total Private Equity Composite	\$242,295,769	-\$8,253,864	\$8,118,717	\$242,160,623
Total Private Equity Composite ex-Interim Exposure	\$131,786,439	\$1,746,136	\$6,129,565	\$139,662,140

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Fixed Income

	Quarter Ending March 31, 2014			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Colchester Global Fixed Income	\$0	\$84,899,537	\$2,048,782	\$86,948,319
Franklin Templeton Global Multi-Sector Plus	\$65,262,732	\$0	\$367,826	\$65,630,558
Global Fixed Income Composite	\$65,262,732	\$84,899,537	\$2,416,608	\$152,578,877
Beach Point Total Return	\$77,447,594	\$0	\$1,431,789	\$78,879,383
Symphony L/S Credit Fund	\$0	\$75,000,000	\$1,512,825	\$76,512,825
Liquidating - BC High Yield Index ETF	\$80,917,702	-\$81,207,317	\$289,931	\$316
Liquidating - Seix Bank Loans	\$4,469	\$0	\$0	\$4,469
Corporate Credit Composite	\$158,369,765	-\$6,207,317	\$3,234,545	\$155,396,993
PIMCO DiSCO II	\$162,150,615	-\$50,257,839	\$4,013,124	\$115,905,900
Marathon European Credit Opportunity Fund	\$23,563,086	\$1,875,000	\$345,961	\$25,784,047
GSO Direct Lending Fund	\$33,502,326	\$3,559,557	\$431,351	\$37,493,234
Medley Opportunity Fund II	\$37,123,265	\$7,506,401	\$718,133	\$45,347,799
White Oak Direct Lending Fund	\$45,303,937	-\$866,048	\$2,771,227	\$47,209,116
Capula European Special Situations Fund	\$0	\$36,121,963	\$0	\$36,121,963
Opportunistic Credit Composite	\$301,643,229	-\$2,060,966	\$8,279,796	\$307,862,059
BlueBay Emerging Market Select Debt	\$140,486,041	-\$39,957,140	\$1,451,472	\$101,980,374
Iguazu Partners	\$0	\$50,000,000	\$907,952	\$50,907,952
Liquidating: JPM EMBI Plus ETF	\$147	-\$147	\$0	\$0
Emerging Market Debt Composite	\$140,486,188	\$10,042,713	\$2,359,424	\$152,888,326
Liquidating - Seix Core Fixed Income	\$75,147,196	-\$75,151,159	\$4,041	\$78
Total Fixed Income Composite	\$740,909,110	\$11,522,808	\$16,294,414	\$768,726,332

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Inflation-Linked Assets

	Quarter Ending March 31, 2014			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
American Realty Separate Account	\$21,339,041	-\$313,775	\$1,479,972	\$22,505,238
American Realty Core Fund	\$120,930,724	-\$1,798,775	\$3,856,935	\$122,988,883
BlackStone Real Estate Debt Strategies II	\$2,886,455	\$711,314	\$80,017	\$3,677,786
Brookfield Strategic Real Estate Partners	\$4,211,000	\$1,578,991	\$0	\$5,789,991
Orion European Real Estate Fund IV	\$0	\$288,684	\$0	\$288,684
TA Realty Fund X	\$5,058,463	\$0	\$0	\$5,058,463
Tristan EPIISO 3	\$631,320	-\$235,027	-\$44,339	\$351,954
Russell Real Estate	\$64,224,995	-\$2,353,008	\$757,333	\$62,629,320
Total Real Estate Composite	\$219,281,998	-\$2,121,596	\$6,129,918	\$223,290,319
Total Real Estate Composite ex-Interim Exposure	\$155,057,003	\$231,412	\$5,372,585	\$160,660,999
Credit Suisse Balanced Risk Commodity Index	\$205,364,917	-\$200,787	\$13,848,634	\$219,012,764
Total Commodities Composite	\$205,364,917	-\$200,787	\$13,848,634	\$219,012,764
Wellington Diversified Inflation Hedges	\$90,275,437	-\$216,027	\$2,327,964	\$92,387,374
Total Multi-Asset Inflation-Linked Assets	\$90,275,437	-\$216,027	\$2,327,964	\$92,387,374

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Beginning Market Value	Quarter Ending March 31, 2014		Ending Market Value
		Net Cash Flow	Net Investment Change	
Amici	\$10,221,505	\$0	-\$230,129	\$9,991,376
Arrowgrass	\$22,216,887	\$0	\$488,222	\$22,705,109
BlackRock	\$10,159,644	\$0	-\$966,726	\$9,192,918
BlueTrend	\$8,422,297	\$0	-\$313,711	\$8,108,586
Brevan Howard	\$20,548,678	\$0	-\$306,297	\$20,242,381
Cantab	\$7,342,873	\$0	-\$489,285	\$6,853,588
Claren Road	\$9,866,402	\$0	\$297,952	\$10,164,354
Davidson Kempner	\$21,602,700	\$0	\$601,661	\$22,204,361
DE Shaw	\$21,539,177	\$0	\$1,007,483	\$22,546,660
Horizon	\$10,598,353	\$0	\$179,015	\$10,777,368
Hudson Bay	\$20,837,830	\$0	\$211,268	\$21,049,098
Kepos	\$4,704,738	\$0	-\$352,236	\$4,352,502
Marshall Wace	\$0	\$10,000,000	\$0	\$10,000,000
Pine River	\$22,012,173	\$0	\$526,255	\$22,538,428
Sandler	\$10,596,044	\$0	\$37,479	\$10,633,523
Senator	\$11,547,250	\$0	\$34,743	\$11,581,993
Russell Hedge Funds	\$88,659,905	-\$10,000,000	\$362,249	\$79,022,154
Total Hedge Funds	\$300,876,456	\$0	\$1,087,943	\$301,964,399
Total Hedge Funds ex-Interim Exposure	\$212,216,551	\$10,000,000	\$725,694	\$222,942,245
GMO Benchmark-Free Allocation Fund	\$125,876,073	\$0	\$1,309,206	\$127,185,279
PIMCO All Asset All Authority Fund	\$97,578,964	\$0	\$2,190,492	\$99,769,457
Standard Life GARS Fund	\$104,375,027	\$0	\$115,674	\$104,490,701
Total Global Asset Allocation	\$327,830,064	\$0	\$3,615,372	\$331,445,436

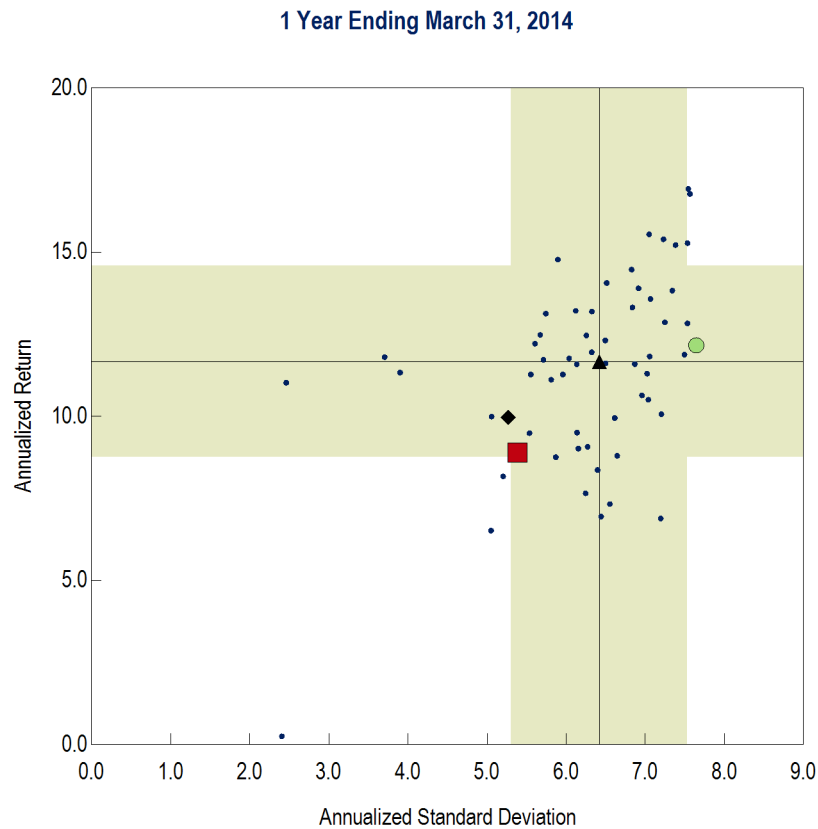
City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Cash & Overlay

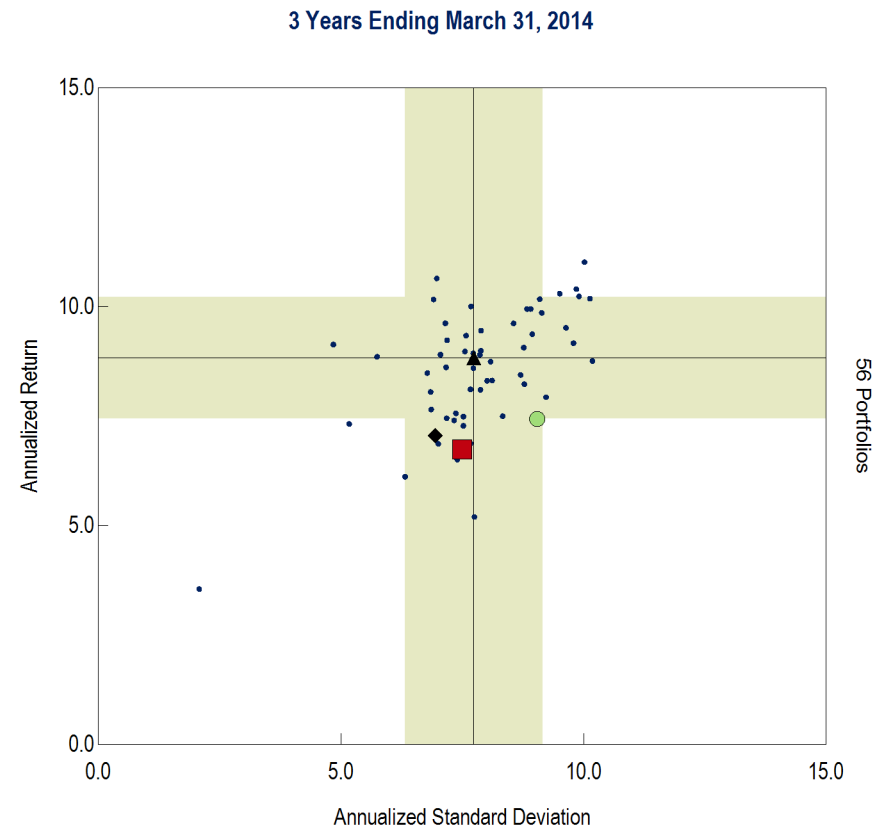
	Beginning Market Value	Quarter Ending March 31, 2014		Ending Market Value
		Net Cash Flow	Net Investment Change	
Cash	\$30,388,362	-\$10,998,643	\$3,368	\$19,393,087
Russell Overlay	\$22,941,887	\$63,662,343	\$5,306,630	\$91,910,860
Total Cash and Overlay	\$53,330,249	\$52,663,700	\$5,309,998	\$111,303,947

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk/Return



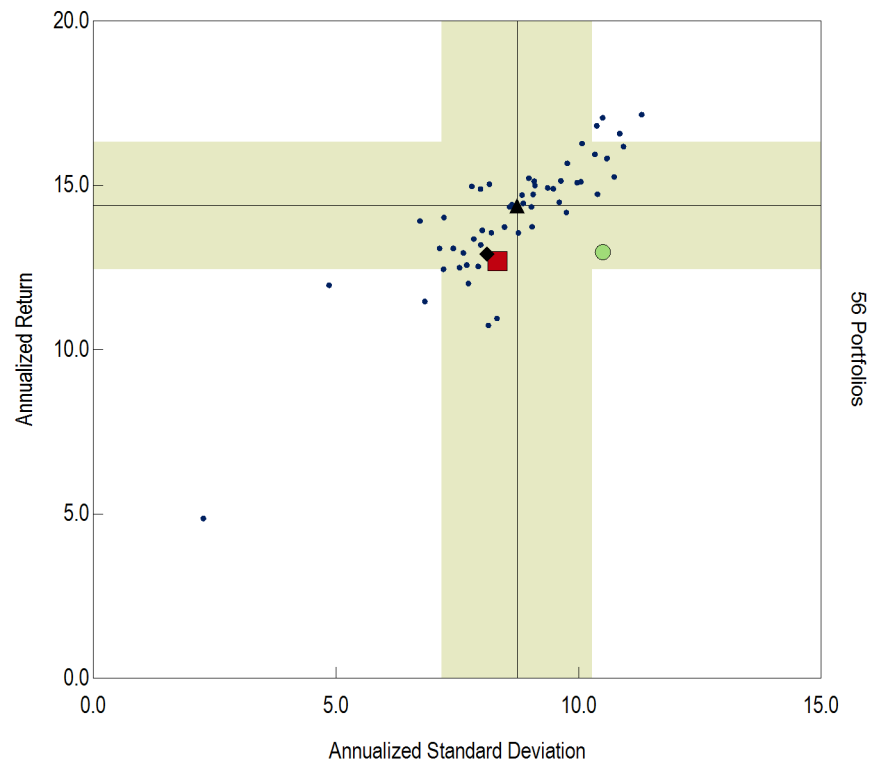
- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross



- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

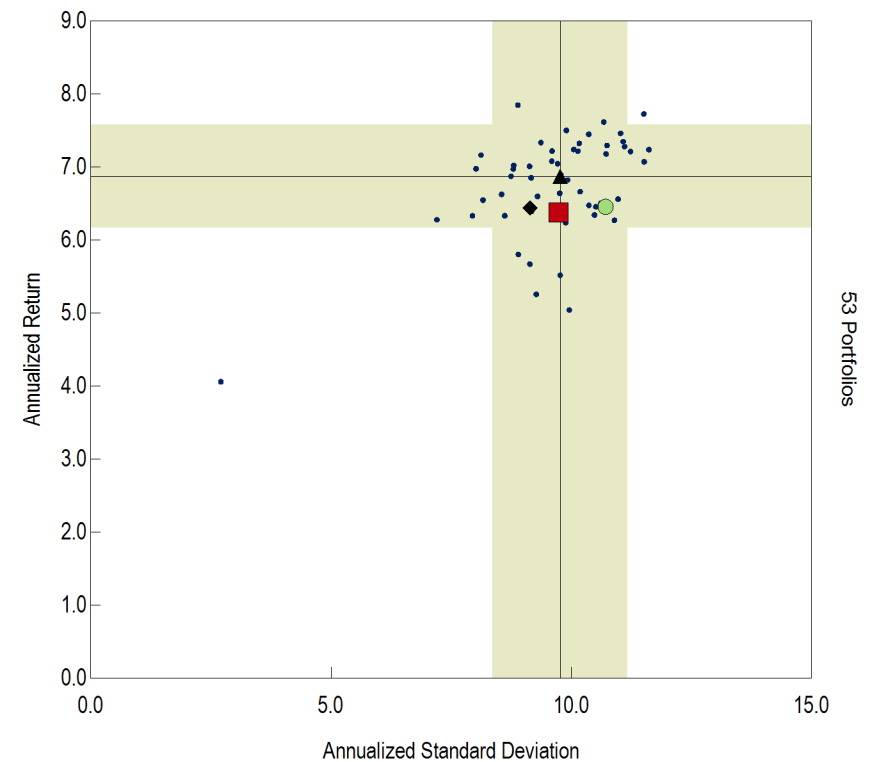
Total Fund Risk/Return

5 Years Ending March 31, 2014



- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

10 Years Ending March 31, 2014

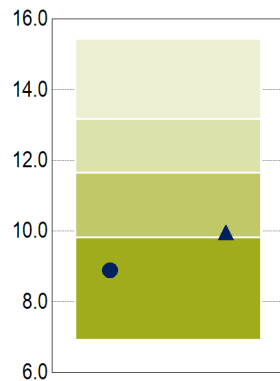


- Total Fund
- ◆ Policy Benchmark
- 60% MSCI World (Gross) / 40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

Total Fund Risk Statistics vs. Peer Universe

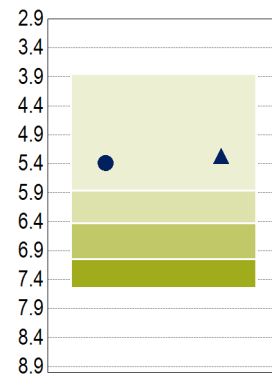
Total Fund vs. IFx Public DB > \$1B Gross (USD) 1 Year

Anlzd Return



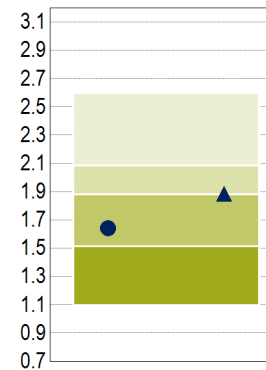
● Total Fund	
Value	8.9
%tile	83
▲ Policy Benchmark	
Value	10.0
%tile	75
Universe	
5th %tile	15.4
25th %tile	13.2
Median	11.7
75th %tile	9.8
95th %tile	6.9

Anlzd Standard Deviation



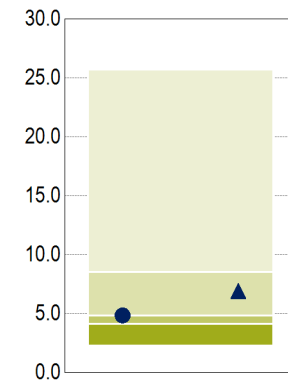
● Total Fund	
Value	5.4
%tile	12
▲ Policy Benchmark	
Value	5.3
%tile	12
Universe	
5th %tile	3.9
25th %tile	5.9
Median	6.4
75th %tile	7.0
95th %tile	7.5

Sharpe Ratio



● Total Fund	
Value	1.6
%tile	67
▲ Policy Benchmark	
Value	1.9
%tile	52
Universe	
5th %tile	2.6
25th %tile	2.1
Median	1.9
75th %tile	1.5
95th %tile	1.1

Sortino Ratio

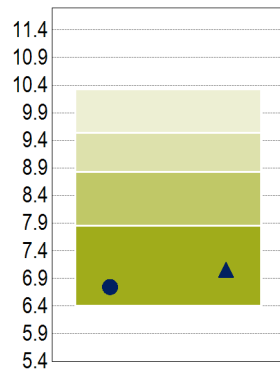


● Total Fund	
Value	4.8
%tile	55
▲ Policy Benchmark	
Value	6.9
%tile	34
Universe	
5th %tile	25.7
25th %tile	8.6
Median	4.9
75th %tile	4.1
95th %tile	2.3

Total Fund Risk Statistics vs. Peer Universe

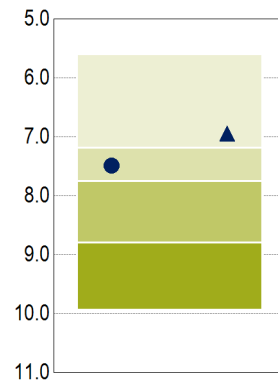
Total Fund vs. IFx Public DB > \$1B Gross (USD) 3 Years

Anlzd Return



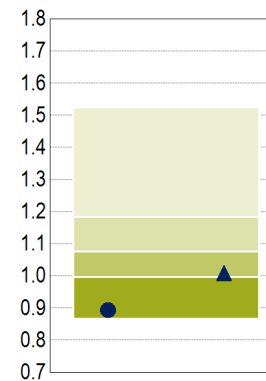
● Total Fund	
Value	6.7
%tile	94
▲ Policy Benchmark	
Value	7.1
%tile	91
Universe	
5th %tile	10.3
25th %tile	9.5
Median	8.8
75th %tile	7.9
95th %tile	6.4

Anlzd Standard Deviation



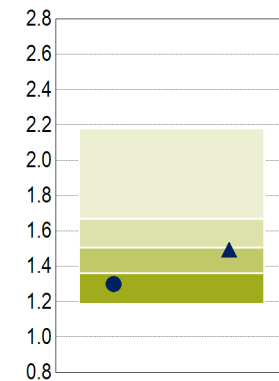
● Total Fund	
Value	7.5
%tile	35
▲ Policy Benchmark	
Value	6.9
%tile	16
Universe	
5th %tile	5.6
25th %tile	7.2
Median	7.7
75th %tile	8.8
95th %tile	9.9

Sharpe Ratio



● Total Fund	
Value	0.9
%tile	92
▲ Policy Benchmark	
Value	1.0
%tile	73
Universe	
5th %tile	1.5
25th %tile	1.2
Median	1.1
75th %tile	1.0
95th %tile	0.9

Sortino Ratio

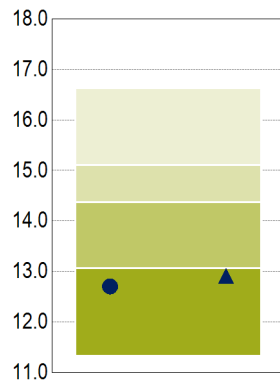


● Total Fund	
Value	1.3
%tile	83
▲ Policy Benchmark	
Value	1.5
%tile	54
Universe	
5th %tile	2.2
25th %tile	1.7
Median	1.5
75th %tile	1.4
95th %tile	1.2

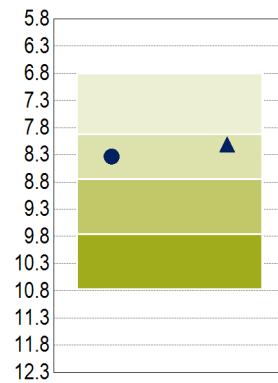
Total Fund Risk Statistics vs. Peer Universe

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

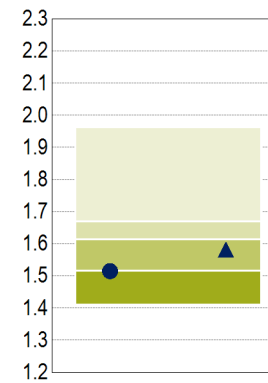
Anlzd Return



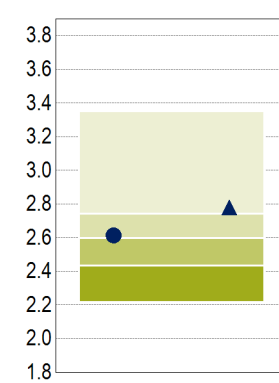
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	12.7
%tile	80
▲ Policy Benchmark	
Value	12.9
%tile	79
Universe	
5th %tile	16.6
25th %tile	15.1
Median	14.4
75th %tile	13.1
95th %tile	11.3

● Total Fund	
Value	8.3
%tile	43
▲ Policy Benchmark	
Value	8.1
%tile	33
Universe	
5th %tile	6.8
25th %tile	7.9
Median	8.7
75th %tile	9.7
95th %tile	10.8

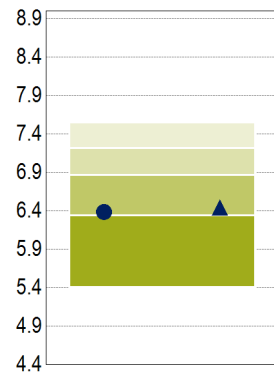
● Total Fund	
Value	1.5
%tile	76
▲ Policy Benchmark	
Value	1.6
%tile	60
Universe	
5th %tile	2.0
25th %tile	1.7
Median	1.6
75th %tile	1.5
95th %tile	1.4

● Total Fund	
Value	2.6
%tile	46
▲ Policy Benchmark	
Value	2.8
%tile	24
Universe	
5th %tile	3.3
25th %tile	2.7
Median	2.6
75th %tile	2.4
95th %tile	2.2

Total Fund Risk Statistics vs. Peer Universe

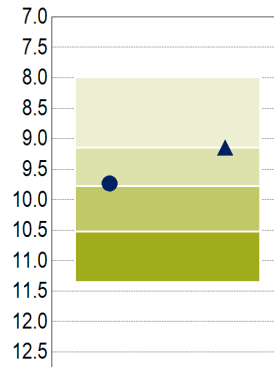
Total Fund vs. IFx Public DB > \$1B Gross (USD) 10 Years

Anlzd Return



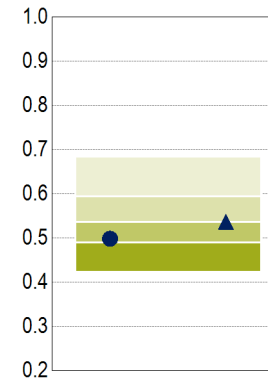
● Total Fund	
Value	6.4
%tile	74
▲ Policy Benchmark	
Value	6.4
%tile	72
Universe	
5th %tile	7.5
25th %tile	7.2
Median	6.9
75th %tile	6.3
95th %tile	5.4

Anlzd Standard Deviation



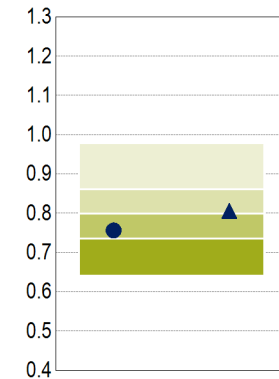
● Total Fund	
Value	9.7
%tile	47
▲ Policy Benchmark	
Value	9.1
%tile	28
Universe	
5th %tile	8.0
25th %tile	9.1
Median	9.8
75th %tile	10.5
95th %tile	11.3

Sharpe Ratio



● Total Fund	
Value	0.5
%tile	71
▲ Policy Benchmark	
Value	0.5
%tile	54
Universe	
5th %tile	0.7
25th %tile	0.6
Median	0.5
75th %tile	0.5
95th %tile	0.4

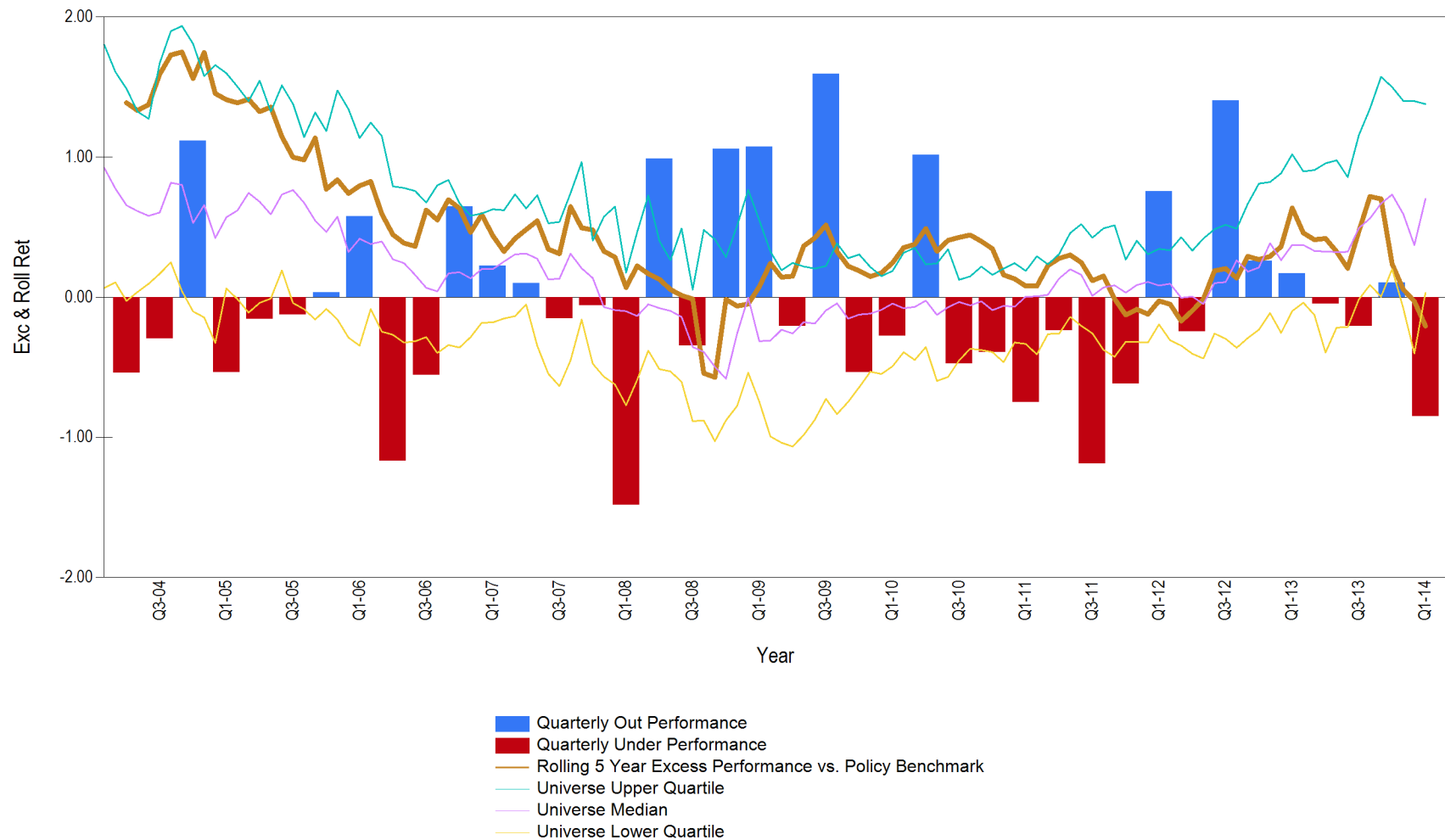
Sortino Ratio



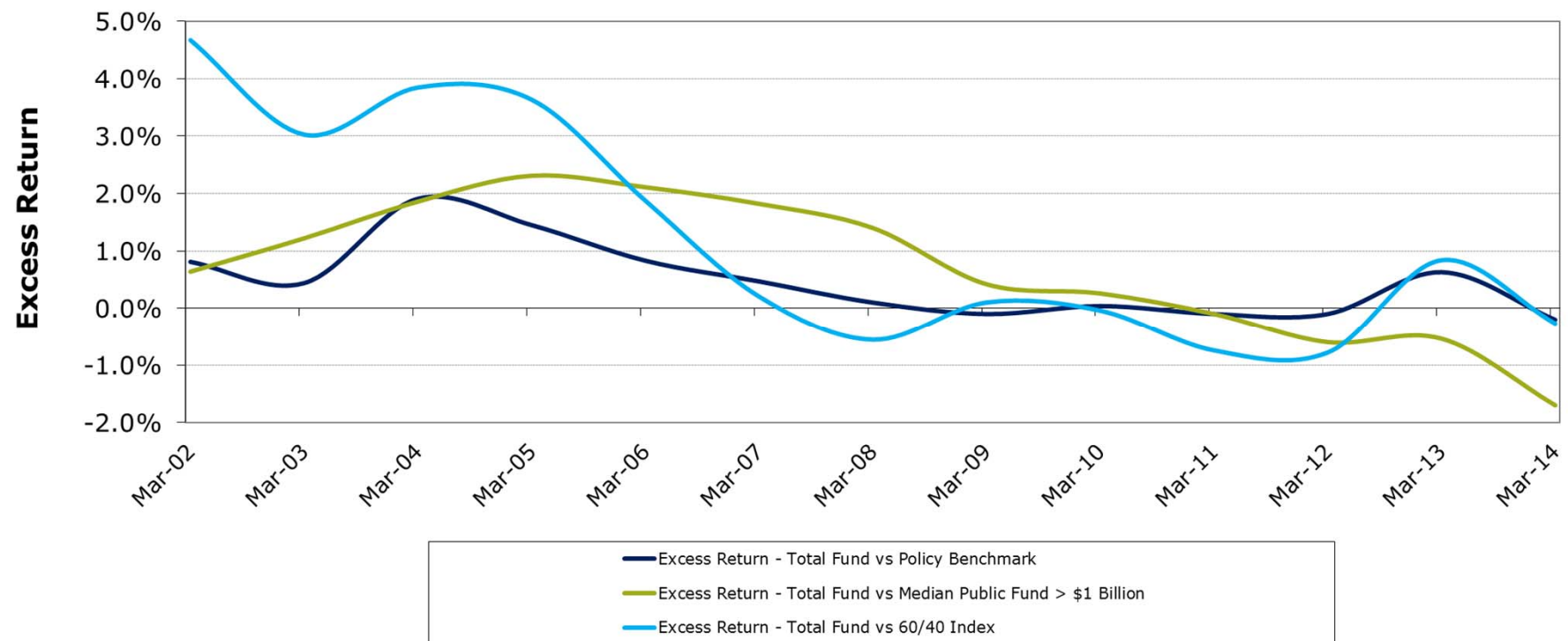
● Total Fund	
Value	0.8
%tile	68
▲ Policy Benchmark	
Value	0.8
%tile	48
Universe	
5th %tile	1.0
25th %tile	0.9
Median	0.8
75th %tile	0.7
95th %tile	0.6

Total Fund Rolling 5-Year Excess Returns

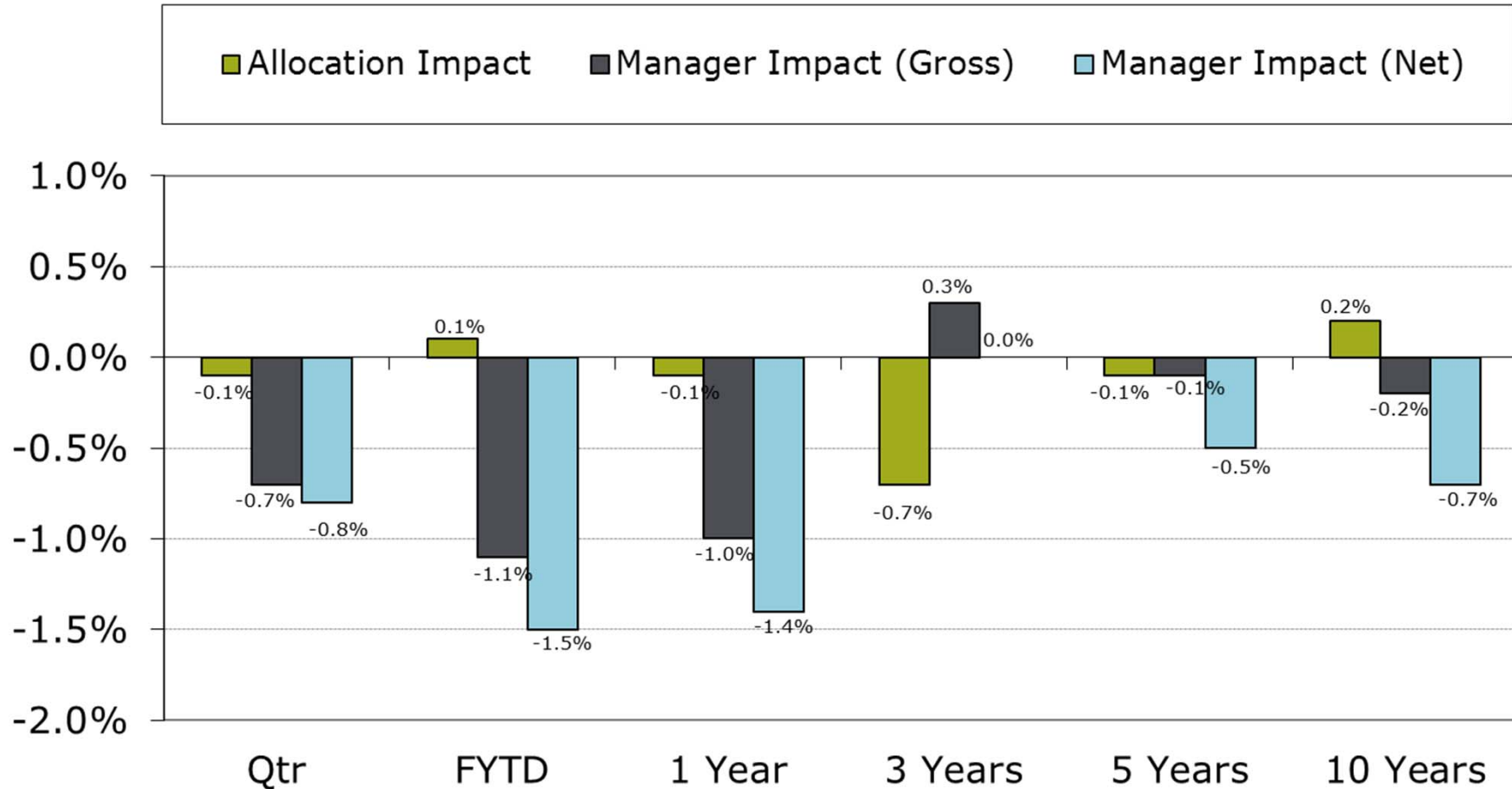
Annualized Excess Performance



Total Fund Rolling 5-Year Excess Returns



Total Fund Performance Attribution

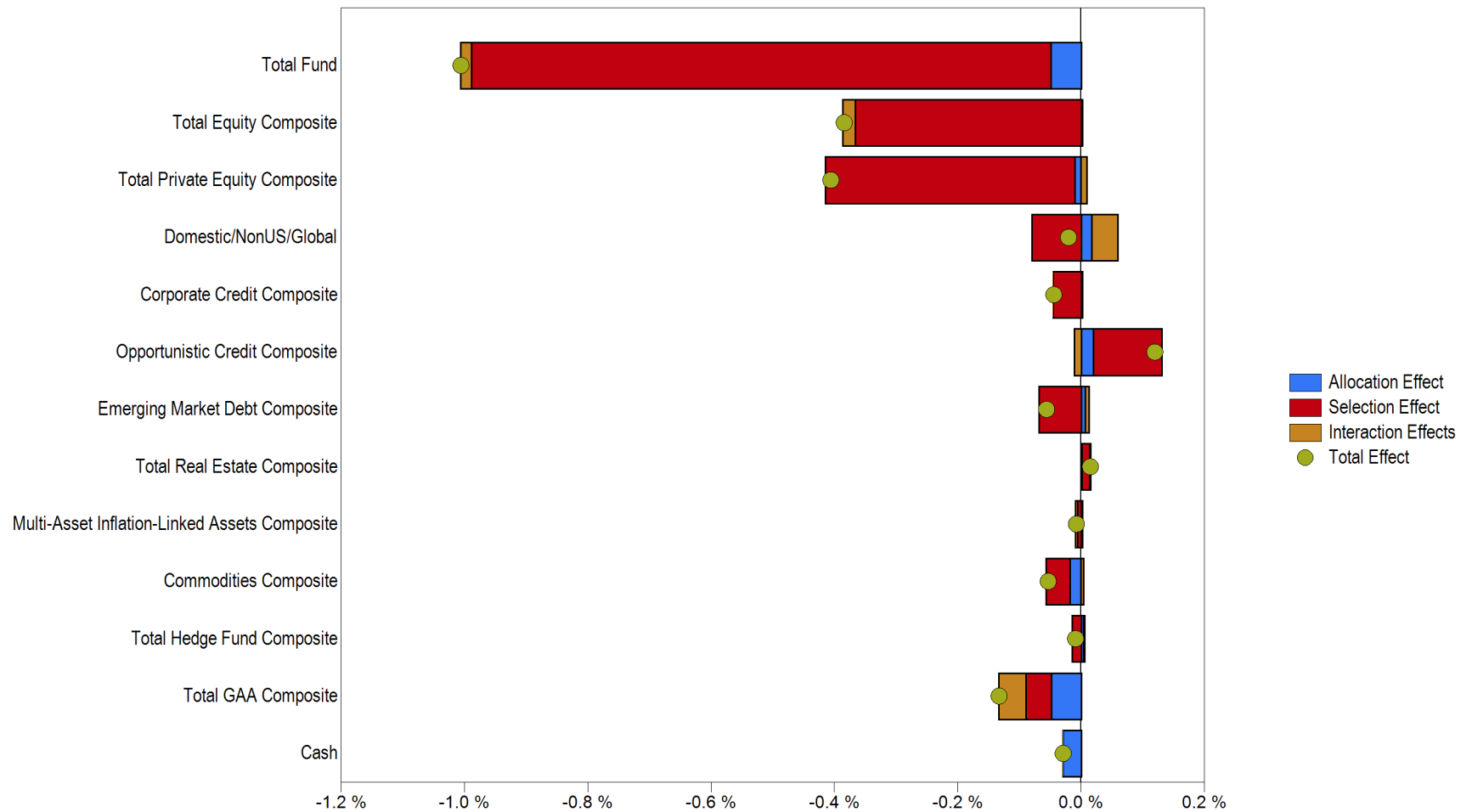


Allocation Impact: The allocation index is calculated by multiplying the actual asset class weights times the return of the respective passive benchmark. When the policy index is subtracted from the allocation index, the result measures the impact of deviating from the target weights.

Manager Impact: The Composite is calculated by multiplying the actual asset class weights times the actual manager return. The allocation index is then subtracted from the Composite. The result, manager impact, measures the contribution of active management.

Total Fund Performance Attribution

Attribution Effects
3 Months Ending March 31, 2014



City of San Jose Police and Fire Department Retirement Plan

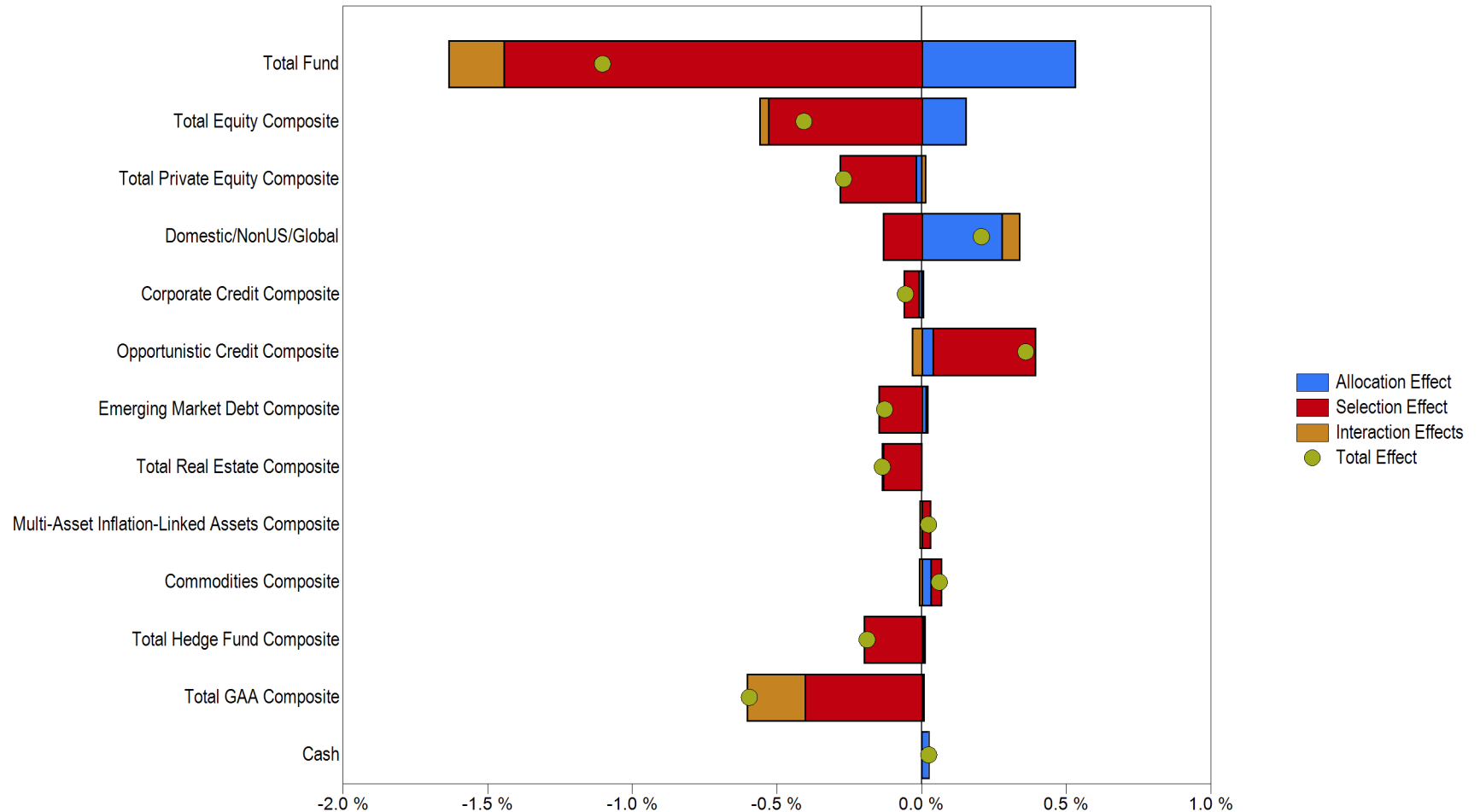
Total Fund Performance Attribution

Attribution Summary 3 Months Ending March 31, 2014

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity Composite	0.1%	1.3%	-1.2%	-0.4%	0.0%	0.0%	-0.4%
Total Private Equity Composite	3.3%	8.4%	-5.1%	-0.4%	0.0%	0.0%	-0.4%
Domestic/NonUS/Global	1.6%	2.4%	-0.8%	-0.1%	0.0%	0.0%	0.0%
Corporate Credit Composite	2.1%	3.0%	-0.9%	0.0%	0.0%	0.0%	0.0%
Opportunistic Credit Composite	3.2%	2.1%	1.1%	0.1%	0.0%	0.0%	0.1%
Emerging Market Debt Composite	1.2%	2.5%	-1.3%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate Composite	2.8%	2.7%	0.2%	0.0%	0.0%	0.0%	0.0%
Multi-Asset Inflation-Linked Assets Composite	2.3%	2.6%	-0.3%	0.0%	0.0%	0.0%	0.0%
Commodities Composite	6.7%	7.3%	-0.6%	0.0%	0.0%	0.0%	-0.1%
Total Hedge Fund Composite	0.4%	0.5%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total GAA Composite	1.1%	1.9%	-0.8%	0.0%	0.0%	0.0%	-0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.7%	2.7%	-1.0%	-0.9%	0.0%	0.0%	-1.0%

Total Fund Performance Attribution

Attribution Effects
9 Months Ending March 31, 2014



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Attribution

Attribution Summary 9 Months Ending March 31, 2014

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity Composite	15.7%	17.7%	-1.9%	-0.5%	0.2%	0.0%	-0.4%
Total Private Equity Composite	14.5%	17.8%	-3.3%	-0.3%	0.0%	0.0%	-0.3%
Domestic/NonUS/Global	2.1%	3.3%	-1.2%	-0.1%	0.3%	0.1%	0.2%
Corporate Credit Composite	8.1%	9.1%	-1.0%	0.0%	0.0%	0.0%	-0.1%
Opportunistic Credit Composite	10.1%	6.6%	3.5%	0.4%	0.0%	0.0%	0.4%
Emerging Market Debt Composite	0.2%	3.0%	-2.8%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate Composite	9.9%	11.8%	-1.9%	-0.1%	0.0%	0.0%	-0.1%
Multi-Asset Inflation-Linked Assets Composite	--	--	--	0.0%	0.0%	0.0%	0.0%
Commodities Composite	10.1%	10.0%	0.1%	0.0%	0.0%	0.0%	0.1%
Total Hedge Fund Composite	3.2%	5.1%	-1.9%	-0.2%	0.0%	0.0%	-0.2%
Total GAA Composite	4.9%	12.7%	-7.8%	-0.4%	0.0%	-0.2%	-0.6%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	9.8%	10.9%	-1.1%	-1.4%	0.5%	-0.2%	-1.1%

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Equity Composite¹	856,170,340	27.2	0.1	84	15.7	74	15.3	73	8.6	73	18.3	68	--	--	--	--	5.4	Apr-08
<i>San Jose Custom Total Equity Benchmark²</i>			<u>1.3</u>	57	<u>17.7</u>	57	<u>17.1</u>	64	<u>9.2</u>	67	<u>18.9</u>	58	--	--	--	--	<u>5.5</u>	<i>Apr-08</i>
Over/Under			-1.2		-2.0		-1.8		-0.6		-0.6						-0.1	
<i>eA All Global Equity Gross Median</i>			1.7		18.3		19.1		10.6		19.5		5.0		8.7		6.1	<i>Apr-08</i>
Global Equity Composite³	180,770,719	5.7	1.0	65	18.4	49	21.2	36	--	--	--	--	--	--	--	--	22.3	Mar-13
<i>MSCI ACWI IMI (Net)</i>			<u>1.3</u>	57	<u>17.7</u>	57	<u>17.1</u>	64	<u>8.7</u>	72	<u>18.5</u>	63	<u>3.9</u>	73	<u>7.3</u>	82	<u>17.8</u>	<i>Mar-13</i>
Over/Under			-0.3		0.7		4.1										4.5	
<i>eA All Global Equity Gross Median</i>			1.7		18.3		19.1		10.6		19.5		5.0		8.7		20.1	<i>Mar-13</i>
Artisan Global Opportunities	89,783,674	2.9	0.4	78	17.8	56	--	--	--	--	--	--	--	--	--	--	14.9	May-13
<i>MSCI ACWI IMI (Net)</i>			<u>1.3</u>	57	<u>17.7</u>	57	<u>17.1</u>	64	<u>8.7</u>	72	<u>18.5</u>	63	<u>3.9</u>	73	<u>7.3</u>	82	<u>14.1</u>	<i>May-13</i>
Over/Under			-0.9		0.1												0.8	
<i>eA All Global Equity Gross Median</i>			1.7		18.3		19.1		10.6		19.5		5.0		8.7		16.0	<i>May-13</i>
Artisan Global Value	90,878,591	2.9	1.7	50	19.3	42	23.9	21	--	--	--	--	--	--	--	--	24.9	Mar-13
<i>MSCI ACWI IMI (Net)</i>			<u>1.3</u>	57	<u>17.7</u>	57	<u>17.1</u>	64	<u>8.7</u>	72	<u>18.5</u>	63	<u>3.9</u>	73	<u>7.3</u>	82	<u>17.8</u>	<i>Mar-13</i>
Over/Under			0.4		1.6		6.8										7.1	
<i>eA All Global Equity Gross Median</i>			1.7		18.3		19.1		10.6		19.5		5.0		8.7		20.1	<i>Mar-13</i>
U.S. Equity Composite⁴	259,896,654	8.3	1.7	58	19.7	62	23.9	54	15.3	37	22.4	57	6.8	71	8.0	80	9.6	Jun-95
<i>Russell 3000</i>			<u>2.0</u>	50	<u>19.4</u>	65	<u>22.6</u>	65	<u>14.6</u>	48	<u>21.9</u>	62	<u>6.6</u>	75	<u>7.9</u>	83	<u>9.2</u>	<i>Jun-95</i>
Over/Under			-0.3		0.3		1.3		0.7		0.5		0.2		0.1		0.4	
<i>eA All US Equity Gross Median</i>			1.9		20.7		24.3		14.5		23.0		7.9		9.3		11.1	<i>Jun-95</i>
Russell R1000	259,823,582	8.3	2.0	50	19.0	60	22.1	63	--	--	--	--	--	--	--	--	27.5	Jan-13
<i>Russell 1000</i>			<u>2.0</u>	49	<u>19.3</u>	58	<u>22.4</u>	61	<u>14.7</u>	47	<u>21.7</u>	36	<u>6.6</u>	69	<u>7.8</u>	72	<u>27.8</u>	<i>Jan-13</i>
Over/Under			0.0		-0.3		-0.3										-0.3	
<i>eA US Large Cap Equity Gross Median</i>			2.0		19.8		23.3		14.5		21.0		7.2		8.5		28.1	<i>Jan-13</i>

Note: Performance shown is gross 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
International Equity Composite¹	415,502,967	13.2	-1.2	87	12.3	95	7.6	97	3.2	95	15.2	90	1.6	90	7.3	81	9.6	Jun-95
MSCI AC WORLD ex US (NET)			<u>0.5</u>	56	<u>15.9</u>	69	<u>12.3</u>	84	<u>4.1</u>	88	<u>15.5</u>	82	<u>1.7</u>	90	<u>7.1</u>	82	--	Jun-95
Over/Under			-1.7		-3.6		-4.7		-0.9		-0.3		-0.1		0.2			
eA All ACWI ex-US Equity Gross Median			0.8		17.4		15.4		7.3		17.7		3.6		8.9		9.3	Jun-95
Developed International Equity Composite¹	299,932,478	9.5	-1.7	95	15.6	85	13.5	88	8.1	63	17.4	62	2.4	70	7.5	74	8.9	Jun-95
MSCI EAFE (Net)			<u>0.7</u>	59	<u>18.7</u>	61	<u>17.6</u>	66	<u>7.2</u>	74	<u>16.0</u>	80	<u>1.3</u>	86	<u>6.5</u>	92	<u>5.4</u>	Jun-95
Over/Under			-2.4		-3.1		-4.1		0.9		1.4		1.1		1.0		3.5	
eA All EAFE Equity Gross Median			1.1		19.9		19.9		9.0		18.1		3.0		8.2		8.1	Jun-95
Russell MSCI EAFE + CAD	236,778,856	7.5	-0.1	74	17.1	74	15.5	78	--	--	--	--	--	--	--	--	16.6	Jan-13
MSCI EAFE + CAD			<u>0.1</u>	72	<u>16.5</u>	79	<u>13.4</u>	88	<u>3.2</u>	98	<u>12.6</u>	98	<u>-1.4</u>	98	<u>3.9</u>	99	<u>14.1</u>	Jan-13
Over/Under			-0.2		0.6		2.1										2.5	
eA All EAFE Equity Gross Median			1.1		19.9		19.9		9.0		18.1		3.0		8.2		20.2	Jan-13
Oberweis	62,855,684	2.0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	-3.6	Mar-14
MSCI World ex US Small Cap Growth (Net)			<u>2.9</u>	--	<u>24.4</u>	--	<u>19.4</u>	--	<u>6.7</u>	--	<u>21.0</u>	--	<u>2.6</u>	--	<u>8.2</u>	--	<u>-0.9</u>	Mar-14
Over/Under																	-2.7	
Emerging Markets Equity Composite	115,570,488	3.7	0.2	32	5.1	81	-5.1	90	-5.7	95	12.1	95	2.0	86	9.0	96	12.5	Sep-01
MSCI Emerging Markets			<u>-0.4</u>	47	<u>7.2</u>	60	<u>-1.4</u>	64	<u>-2.9</u>	79	<u>14.5</u>	79	<u>3.4</u>	72	<u>10.1</u>	78	<u>12.7</u>	Sep-01
Over/Under			0.6		-2.1		-3.7		-2.8		-2.4		-1.4		-1.1		-0.2	
eA Emg Mkts Equity Gross Median			-0.6		8.0		-0.4		-0.8		16.8		4.6		11.5		14.5	Sep-01
Russell Emerging Markets	33,544,281	1.1	-1.7	77	7.3	59	-3.5	83	--	--	--	--	--	--	--	--	0.5	Nov-11
MSCI Emerging Markets			<u>-0.4</u>	47	<u>7.2</u>	60	<u>-1.4</u>	64	<u>-2.9</u>	79	<u>14.5</u>	79	<u>3.4</u>	72	<u>10.1</u>	78	<u>2.3</u>	Nov-11
Over/Under			-1.3		0.1		-2.1										-1.8	
eA Emg Mkts Equity Gross Median			-0.6		8.0		-0.4		-0.8		16.8		4.6		11.5		5.0	Nov-11
Vontobel	60,682,333	1.9	2.3	10	1.8	96	--	--	--	--	--	--	--	--	--	--	1.8	Jul-13
MSCI Emerging Markets			<u>-0.4</u>	47	<u>7.2</u>	60	<u>-1.4</u>	64	<u>-2.9</u>	79	<u>14.5</u>	79	<u>3.4</u>	72	<u>10.1</u>	78	<u>7.2</u>	Jul-13
Over/Under			2.7		-5.4												-5.4	
eA Emg Mkts Equity Gross Median			-0.6		8.0		-0.4		-0.8		16.8		4.6		11.5		8.0	Jul-13
Aberdeen	21,343,874	0.7	0.0	36	11.2	16	--	--	--	--	--	--	--	--	--	--	11.2	Jul-13
MSCI Frontier Markets			<u>7.4</u>	1	<u>21.7</u>	1	<u>25.0</u>	1	<u>8.2</u>	2	<u>14.9</u>	76	<u>-0.1</u>	99	<u>7.7</u>	99	<u>21.7</u>	Jul-13
Over/Under			-7.4		-10.5												-10.5	
eA Emg Mkts Equity Gross Median			-0.6		8.0		-0.4		-0.8		16.8		4.6		11.5		8.0	Jul-13

Note: Performance shown is gross 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity Composite¹	242,160,623	7.7	3.3	--	14.5	--	19.1	--	15.2	--	12.3	--	10.9	--	--	--	9.9	Oct-05
Cambridge PE 1 Qtr Lag			<u>7.3</u>	--	<u>16.1</u>	--	<u>21.3</u>	--	<u>15.1</u>	--	<u>15.9</u>	--	<u>10.0</u>	--	<u>15.0</u>	--	<u>13.4</u>	Oct-05
Over/Under			-4.0		-1.6		-2.2		0.1		-3.6		0.9				-3.5	
Thomson One All Private Equity Lag			7.1	--	15.3	--	20.6	--	14.3	--	9.9	--	8.1	--	13.8	--	11.8	Oct-05
Russell 3000 Qtr Lag			10.1	--	20.2	--	33.6	--	16.2	--	18.7	--	6.5	--	7.9	--	7.9	Oct-05
Total Private Equity ex Russell R3000	139,662,140	4.4	4.2	--	10.4	--	15.9	--	13.0	--	11.0	--	10.0	--	--	--	9.2	Oct-05
Cambridge PE 1 Qtr Lag			<u>7.3</u>	--	<u>16.1</u>	--	<u>21.3</u>	--	<u>15.1</u>	--	<u>15.9</u>	--	<u>10.0</u>	--	<u>15.0</u>	--	<u>13.4</u>	Oct-05
Over/Under			-3.1		-5.7		-5.4		-2.1		-4.9		0.0				-4.2	
Thomson One All Private Equity Lag			7.1	--	15.3	--	20.6	--	14.3	--	9.9	--	8.1	--	13.8	--	11.8	Oct-05

Note: Performance shown is gross 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fixed Income Composite¹	768,726,332	24.4	2.4	31	6.1	20	4.5	16	8.4	16	10.3	24	--	--	--	--	8.3	Apr-08
Barclays Aggregate			<u>1.8</u>	51	<u>2.3</u>	62	<u>-0.1</u>	83	<u>3.7</u>	63	<u>4.8</u>	66	<u>5.0</u>	62	<u>4.5</u>	62	<u>4.5</u>	Apr-08
Over/Under			0.6		3.8		4.6		4.7		5.5						3.8	
eA All US Fixed Inc Gross Median			1.8		2.8		0.7		4.4		5.9		5.3		4.8		5.1	Apr-08
Global Fixed Income Composite	152,578,877	4.8	1.6	97	--	--	--	--	--	--	--	--	--	--	--	--	1.6	Dec-13
Barclays Global Aggregate			<u>2.4</u>	62	<u>4.8</u>	52	<u>1.9</u>	50	<u>2.8</u>	88	<u>5.1</u>	97	<u>5.0</u>	90	<u>4.5</u>	97	<u>2.4</u>	Dec-13
Over/Under			-0.8														-0.8	
eA Global Agg Fixed Inc Gross Median			2.5		5.0		1.9		4.0		6.7		5.9		5.5		2.5	Dec-13
Colchester	86,948,319	2.8	<u>2.4</u>	62	--	--	--	--	--	--	--	--	--	--	--	--	<u>2.4</u>	Jan-14
Barclays Global Aggregate			<u>2.4</u>	62	<u>4.8</u>	52	<u>1.9</u>	50	<u>2.8</u>	88	<u>5.1</u>	97	<u>5.0</u>	90	<u>4.5</u>	97	<u>2.4</u>	Jan-14
Over/Under			0.0														0.0	
eA Global Agg Fixed Inc Gross Median			2.5		5.0		1.9		4.0		6.7		5.9		5.5		2.5	Jan-14
Franklin Templeton	65,630,558	2.1	<u>0.6</u>	99	--	--	--	--	--	--	--	--	--	--	--	--	<u>0.6</u>	Jan-14
Barclays Global Aggregate			<u>2.4</u>	62	<u>4.8</u>	52	<u>1.9</u>	50	<u>2.8</u>	88	<u>5.1</u>	97	<u>5.0</u>	90	<u>4.5</u>	97	<u>2.4</u>	Jan-14
Over/Under			-1.8														-1.8	
eA Global Agg Fixed Inc Gross Median			2.5		5.0		1.9		4.0		6.7		5.9		5.5		2.5	Jan-14
Total Credit Composite^{2,3}	463,259,052	14.7	2.8	--	9.4	--	9.8	--	12.5	--	15.9	--	--	--	--	--	11.8	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.1</u>	--	<u>6.6</u>	--	<u>6.0</u>	--	<u>6.9</u>	--	<u>14.0</u>	--	<u>6.2</u>	--	<u>6.4</u>	--	<u>7.8</u>	Jul-08
Over/Under			0.7		2.8		3.8		5.6		1.9						4.0	
Corporate Credit Composite³	155,396,993	4.9	2.1	--	8.1	--	5.8	--	6.1	--	9.5	--	--	--	--	--	9.5	Apr-09
Blended Domestic Credit Index ⁴			<u>3.0</u>	--	<u>9.1</u>	--	<u>7.5</u>	--	<u>7.8</u>	--	<u>14.6</u>	--	<u>6.6</u>	--	<u>6.7</u>	--	<u>14.6</u>	Apr-09
Over/Under			-0.9		-1.0		-1.7		-1.7		-5.1						-5.1	
Beach Point	78,879,383	2.5	<u>1.8</u>	90	--	--	--	--	--	--	--	--	--	--	--	--	<u>5.2</u>	Oct-13
Barclays High Yield			<u>3.0</u>	52	<u>9.1</u>	44	<u>7.5</u>	51	<u>9.0</u>	46	<u>18.2</u>	27	<u>8.7</u>	37	<u>8.7</u>	43	<u>6.7</u>	Oct-13
Over/Under			-1.2														-1.5	
eA US High Yield Fixed Inc Gross Median			3.0		8.9		7.6		8.9		16.7		8.5		8.5		6.6	Oct-13
Symphony	76,512,825	2.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	<u>2.0</u>	Feb-14
Barclays High Yield			<u>3.0</u>	--	<u>9.1</u>	--	<u>7.5</u>	--	<u>9.0</u>	--	<u>18.2</u>	--	<u>8.7</u>	--	<u>8.7</u>	--	<u>2.3</u>	Feb-14
Over/Under																	-0.3	

Note: Performance shown is gross of fees with the exception of Beach Point and Symphony, which are reported 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Opportunistic Credit Composite¹	307,862,059	9.8	3.2	--	10.1	--	12.2	--	14.3	--	21.2	--	--	--	--	--	16.2	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.1</u>	--	<u>6.6</u>	--	<u>6.0</u>	--	<u>6.9</u>	--	<u>14.0</u>	--	<u>6.2</u>	--	<u>6.4</u>	--	<u>7.8</u>	Jul-08
Over/Under			1.1		3.5		6.2		7.4		7.2						8.4	
Pimco Disco II	115,905,900	3.7	3.6	--	10.5	--	11.6	--	--	--	--	--	--	--	--	--	25.5	Nov-11
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index			<u>3.0</u>	--	<u>8.6</u>	--	<u>6.9</u>	--	<u>8.4</u>	--	<u>15.7</u>	--	<u>7.9</u>	--	<u>7.8</u>	--	<u>10.1</u>	Nov-11
Over/Under			0.6		1.9		4.7										15.4	
Marathon	25,784,047	0.8	1.4	--	7.5	--	8.8	--	--	--	--	--	--	--	--	--	11.4	Oct-12
BofA ML Euro HY Constrained Over/Under			<u>3.0</u>	--	<u>17.7</u>	--	<u>19.9</u>	--	<u>9.5</u>	--	<u>22.5</u>	--	<u>9.5</u>	--	<u>10.3</u>	--	<u>18.7</u>	Oct-12
			-1.6		-10.2		-11.1										-7.3	
Direct Lending Composite¹	166,172,112	5.3	3.1	--	9.9	--	13.9	--	11.2	--	--	--	--	--	--	--	9.4	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	<u>5.4</u>	Nov-10
Over/Under			1.8		6.0		8.6		5.8								4.0	
U.S. Direct Lending	130,050,149	4.1	3.3	--	10.1	--	14.1	--	11.2	--	--	--	--	--	--	--	9.4	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	<u>5.4</u>	Nov-10
Over/Under			2.0		6.2		8.8		5.8								4.0	
GSO	37,493,234	1.2	1.3	--	3.2	--	8.8	--	17.1	--	--	--	--	--	--	--	16.3	Dec-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	<u>5.4</u>	Dec-10
Over/Under			0.0		-0.7		3.5		11.7								10.9	
Medley Capital	45,347,799	1.4	1.8	--	9.1	--	13.9	--	8.6	--	--	--	--	--	--	--	8.3	Mar-11
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	<u>5.4</u>	Mar-11
Over/Under			0.5		5.2		8.6		3.2								2.9	
White Oak	47,209,116	1.5	6.1	--	17.0	--	19.1	--	11.5	--	--	--	--	--	--	--	9.1	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	<u>5.4</u>	Nov-10
Over/Under			4.8		13.1		13.8		6.1								3.7	
European Direct Lending	36,121,963	1.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Apr-14
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	--	Apr-14
Over/Under																		
Capula ²	36,121,963	1.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Apr-14
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>3.9</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.3</u>	--	<u>7.1</u>	--	--	Apr-14
Over/Under																		

Note: Performance shown is gross of fees with the exception of Marathon, which is reported 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Emerging Market Debt Composite	152,888,326	4.9	1.2	90	0.2	84	-5.5	74	--	--	--	--	--	--	--	--	-7.2	Jan-13
San Jose Custom EMD Benchmark ¹			<u>2.5</u>	59	<u>3.0</u>	65	<u>-3.5</u>	65	--	--	--	--	--	--	--	--	<u>-5.4</u>	Jan-13
Over/Under			-1.3		-2.8		-2.0										-1.8	
eA All Emg Mkts Fixed Inc Gross Median			2.7		4.7		-2.0		6.0		12.8		7.8		9.4		-2.2	Jan-13
BlueBay	101,980,374	3.2	2.1	69	--	--	--	--	--	--	--	--	--	--	--	--	1.5	Aug-13
JP Morgan Blended EMD Benchmark ²			<u>2.5</u>	59	<u>3.0</u>	65	<u>-3.3</u>	64	--	--	--	--	--	--	--	--	<u>2.7</u>	Aug-13
Over/Under			-0.4														-1.2	
eA All Emg Mkts Fixed Inc Gross Median			2.7		4.7		-2.0		6.0		12.8		7.8		9.4		3.8	Aug-13
Iguazu	50,907,952	1.6	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.8	Feb-14
JP Morgan Blended EMD Benchmark ²			<u>2.5</u>	--	<u>3.0</u>	--	<u>-3.3</u>	--	--	--	--	--	--	--	--	--	<u>5.0</u>	Feb-14
Over/Under																	-3.2	

Note: Performance shown is gross of fees with the exception of Iguazu, which is reported net of fees. Please see appendix for details regarding the footnotes.



NEPC, LLC

March 31, 2014

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate Composite¹	223,290,319	7.1	2.8	--	9.9	--	12.0	--	9.6	--	7.2	--	6.0	--	8.0	--	8.3	Jun-95
NCREIF Property Index			<u>2.7</u>	--	<u>8.1</u>	--	<u>11.2</u>	--	<u>11.7</u>	--	<u>7.9</u>	--	<u>5.1</u>	--	<u>8.7</u>	--	<u>9.6</u>	Jun-95
Over/Under			0.1		1.8		0.8		-2.1		-0.7		0.9		-0.7		-1.3	
Total Real Estate Ex Russell Real Estate	160,660,999	5.1	3.5	--	10.0	--	13.7	--	--	--	--	--	--	--	--	--	14.5	Dec-12
NCREIF Property Index			<u>2.7</u>	--	<u>8.1</u>	--	<u>11.2</u>	--	<u>11.7</u>	--	<u>7.9</u>	--	<u>5.1</u>	--	<u>8.7</u>	--	<u>12.4</u>	Dec-12
Over/Under			0.8		1.9		2.5										2.1	
Inflation-Linked Assets Composite	311,400,138	9.9	5.4	--	9.2	--	-0.4	--	-6.0	--	--	--	--	--	--	--	-6.0	Apr-11
San Jose Custom Inflation-Linked Assets Benchmark ²			<u>5.9</u>	--	<u>9.1</u>	--	<u>1.0</u>	--	<u>-4.8</u>	--	--	--	--	--	--	--	<u>-4.8</u>	Apr-11
Over/Under			-0.5		0.1		-1.4		-1.2								-1.2	
Multi-Asset Inflation-Linked Assets Composite	92,387,374	2.9	2.3	--	--	--	--	--	--	--	--	--	--	--	--	--	2.7	Nov-13
CPI + 5% (Unadjusted)			<u>2.6</u>	--	<u>5.0</u>	--	<u>6.6</u>	--	<u>7.0</u>	--	<u>7.2</u>	--	<u>7.1</u>	--	<u>7.5</u>	--	<u>3.2</u>	Nov-13
Over/Under			-0.3														-0.5	
Wellington	92,387,374	2.9	2.3	--	--	--	--	--	--	--	--	--	--	--	--	--	2.7	Nov-13
CPI + 5% (Unadjusted)			<u>2.6</u>	--	<u>5.0</u>	--	<u>6.6</u>	--	<u>7.0</u>	--	<u>7.2</u>	--	<u>7.1</u>	--	<u>7.5</u>	--	<u>3.2</u>	Nov-13
Over/Under			-0.3														-0.5	
Commodities Composite	219,012,764	7.0	6.7	--	10.1	--	0.5	--	-5.7	--	--	--	--	--	--	--	-5.7	Apr-11
Custom Commodity Risk Parity Index			<u>7.3</u>	--	<u>10.0</u>	--	<u>1.8</u>	--	<u>-4.6</u>	--	--	--	--	--	--	--	<u>-4.6</u>	Apr-11
Over/Under			-0.6		0.1		-1.3		-1.1								-1.1	
Dow Jones-UBS Commodity Index TR			7.0	--	8.1	--	-2.1	--	-7.4	--	4.2	--	-2.7	--	0.4	--	-7.4	Apr-11
Credit Suisse	219,012,764	7.0	6.7	--	10.1	--	2.0	--	-4.1	--	--	--	--	--	--	--	-4.1	Apr-11
Custom Commodity Risk Parity Index			<u>7.3</u>	--	<u>10.0</u>	--	<u>1.8</u>	--	<u>-4.6</u>	--	--	--	--	--	--	--	<u>-4.6</u>	Apr-11
Over/Under			-0.6		0.1		0.2		0.5								0.5	
Dow Jones-UBS Commodity Index TR			7.0	--	8.1	--	-2.1	--	-7.4	--	4.2	--	-2.7	--	0.4	--	-7.4	Apr-11

Note: Performance shown is gross 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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Hedge Fund Composite	301,964,399	9.6	0.4	--	3.2	--	2.1	--	--	--	--	--	--	--	--	--	2.9	Nov-12
San Jose Custom Hedge Fund Benchmark ¹			<u>0.5</u>	--	<u>5.1</u>	--	<u>4.8</u>	--	--	--	--	--	--	--	--	--	<u>4.6</u>	Nov-12
Over/Under			-0.1		-1.9		-2.7										-1.7	
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>7.8</u>	Nov-12
Russell Hedge Funds	79,022,154	2.5	<u>0.4</u>	--	<u>3.0</u>	--	<u>2.7</u>	--	--	--	--	--	--	--	--	--	<u>2.7</u>	Dec-12
Russell Hedge Index ²			<u>0.6</u>	--	<u>3.2</u>	--	<u>2.7</u>	--	<u>1.8</u>	--	<u>3.5</u>	--	<u>2.0</u>	--	<u>3.0</u>	--	<u>2.8</u>	Dec-12
Over/Under			-0.2		-0.2		0.0										-0.1	
Total Hedge Fund Composite ex-Interim	222,942,245	7.1	0.3	--	3.3	--	1.6	--	--	--	--	--	--	--	--	--	5.4	Nov-12
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>7.8</u>	Nov-12
Over/Under			-0.2		-2.6		-4.3										-2.4	
Amici	9,991,376	0.3	-2.3	--	2.4	--	-1.8	--	--	--	--	--	--	--	--	--	-0.1	Mar-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>6.3</u>	Mar-13
Over/Under			-2.8		-3.5		-7.7										-6.4	
Arrowgrass	22,705,109	0.7	2.2	--	5.6	--	7.7	--	--	--	--	--	--	--	--	--	9.4	Nov-12
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>7.8</u>	Nov-12
Over/Under			1.7		-0.3		1.8										1.6	
BlackRock	9,192,918	0.3	-9.5	--	-7.5	--	-10.0	--	--	--	--	--	--	--	--	--	-7.5	Mar-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>6.3</u>	Mar-13
Over/Under			-10.0		-13.4		-15.9										-13.8	
BlueTrend	8,108,586	0.3	-3.7	--	-4.9	--	-18.9	--	--	--	--	--	--	--	--	--	-18.9	Apr-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Apr-13
Over/Under			-4.2		-10.8		-24.8										-24.8	
Brevan Howard	20,242,381	0.6	-1.5	--	-1.2	--	-2.2	--	--	--	--	--	--	--	--	--	0.9	Dec-12
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>8.0</u>	Dec-12
Over/Under			-2.0		-7.1		-8.1										-7.1	
Cantab	6,853,588	0.2	-6.7	--	-16.8	--	-31.5	--	--	--	--	--	--	--	--	--	-31.5	Apr-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Apr-13
Over/Under			-7.2		-22.7		-37.4										-37.4	
Claren Road	10,164,354	0.3	3.0	--	1.6	--	--	--	--	--	--	--	--	--	--	--	1.6	Jul-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Jul-13
Over/Under			2.5		-4.3												-4.3	

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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Davidson Kempner	22,204,361	0.7	2.8	--	6.7	--	9.1	--	--	--	--	--	--	--	--	--	9.4	Feb-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>6.1</u>	Feb-13
Over/Under			2.3		0.8		3.2										3.3	
DE Shaw	22,546,660	0.7	4.7	--	8.5	--	12.7	--	--	--	--	--	--	--	--	--	12.7	Apr-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Apr-13
Over/Under			4.2		2.6		6.8										6.8	
Horizon	10,777,368	0.3	1.7	--	7.8	--	--	--	--	--	--	--	--	--	--	--	7.8	Jul-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Jul-13
Over/Under			1.2		1.9												1.9	
Hudson Bay	21,049,098	0.7	1.0	--	5.2	--	--	--	--	--	--	--	--	--	--	--	5.2	Jul-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Jul-13
Over/Under			0.5		-0.7												-0.7	
Kepos	4,352,502	0.1	-7.5	--	-3.4	--	-15.3	--	--	--	--	--	--	--	--	--	-12.0	Mar-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>6.3</u>	Mar-13
Over/Under			-8.0		-9.3		-21.2										-18.3	
Marshall Wace	10,000,000	0.3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Apr-14
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	--	Apr-14
Over/Under																		
Pine River	22,538,428	0.7	2.4	--	5.3	--	5.9	--	--	--	--	--	--	--	--	--	10.0	Jan-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>7.5</u>	Jan-13
Over/Under			1.9		-0.6		0.0										2.5	
Sandler	10,633,523	0.3	0.4	--	7.7	--	--	--	--	--	--	--	--	--	--	--	6.3	May-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.1</u>	May-13
Over/Under			-0.1		1.8												1.2	
Senator	11,581,993	0.4	0.3	--	11.9	--	15.8	--	--	--	--	--	--	--	--	--	15.8	Apr-13
HFRI.FOF.Comp			<u>0.5</u>	--	<u>5.9</u>	--	<u>5.9</u>	--	<u>2.3</u>	--	<u>4.9</u>	--	<u>1.0</u>	--	<u>3.1</u>	--	<u>5.9</u>	Apr-13
Over/Under			-0.2		6.0		9.9										9.9	

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	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total GAA Composite	331,445,436	10.5	1.1	--	4.9	--	2.8	--	--	--	--	--	--	--	--	--	5.0	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	--	<u>12.7</u>	--	<u>11.8</u>	--	<u>7.1</u>	--	<u>12.6</u>	--	<u>4.6</u>	--	<u>6.1</u>	--	<u>12.3</u>	Jan-13
Over/Under			-0.8		-7.8		-9.0										-7.3	
GMO	127,185,279	4.0	1.0	--	7.4	--	7.7	--	--	--	--	--	--	--	--	--	8.1	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	--	<u>12.7</u>	--	<u>11.8</u>	--	<u>7.1</u>	--	<u>12.6</u>	--	<u>4.6</u>	--	<u>6.1</u>	--	<u>10.9</u>	Feb-13
Over/Under			-0.9		-5.3		-4.1										-2.8	
PIMCO	99,769,457	3.2	2.2	--	3.1	--	-2.8	--	--	--	--	--	--	--	--	--	-3.1	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	--	<u>12.7</u>	--	<u>11.8</u>	--	<u>7.1</u>	--	<u>12.6</u>	--	<u>4.6</u>	--	<u>6.1</u>	--	<u>10.9</u>	Feb-13
Over/Under			0.3		-9.6		-14.6										-14.0	
Standard Life	104,490,701	3.3	0.1	--	3.6	--	3.2	--	--	--	--	--	--	--	--	--	4.6	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	--	<u>12.7</u>	--	<u>11.8</u>	--	<u>7.1</u>	--	<u>12.6</u>	--	<u>4.6</u>	--	<u>6.1</u>	--	<u>10.9</u>	Feb-13
Over/Under			-1.8		-9.1		-8.6										-6.3	
Cash																		
Cash ¹	19,393,087	0.6	0.0	--	0.1	--	0.1	--	0.1	--	0.7	--	--	--	--	--	0.8	Apr-08
91 Day T-Bills			<u>0.0</u>	--	<u>0.0</u>	--	<u>0.0</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.7</u>	--	<u>1.5</u>	--	<u>0.2</u>	Apr-08
Over/Under			0.0		0.1		0.1		0.0		0.6						0.6	

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

Total Fund Performance - Net of Fees



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	3,146,461,535	100.0	1.8	9.6	8.5	6.4	12.3	3.7	5.9	8.8	Mar-71
Policy Benchmark			2.7	11.0	10.0	7.1	12.9	4.1	6.4	--	Mar-71
Over/Under			-0.9	-1.4	-1.5	-0.7	-0.6	-0.4	-0.5		
Allocation Index			2.6	11.1	9.9	6.4	12.8	4.3	6.6	--	Mar-71
60% MSCI World (Gross) / 40% CITI WGBI			1.9	12.9	12.2	7.4	13.0	4.9	6.5	--	Mar-71
Total Equity Composite¹	856,170,340	27.2	0.0	15.5	15.0	8.3	17.9	--	--	5.1	Apr-08
San Jose Custom Total Equity Benchmark ²			1.3	17.7	17.1	9.2	18.9	--	--	5.5	Apr-08
Over/Under			-1.3	-2.2	-2.1	-0.9	-1.0			-0.4	
Global Equity Composite³	180,770,719	5.7	0.9	17.9	20.5	--	--	--	--	21.6	Mar-13
MSCI ACWI IMI (Net)			1.3	17.7	17.1	8.7	18.5	3.9	7.3	17.8	Mar-13
Over/Under			-0.4	0.2	3.4					3.8	
Artisan Global Opportunities	89,783,674	2.9	0.1	16.9	--	--	--	--	--	13.9	May-13
MSCI ACWI IMI (Net)			1.3	17.7	17.1	8.7	18.5	3.9	7.3	14.1	May-13
Over/Under			-1.2	-0.8						-0.2	
Artisan Global Value	90,878,591	2.9	1.6	18.9	23.4	--	--	--	--	24.5	Mar-13
MSCI ACWI IMI (Net)			1.3	17.7	17.1	8.7	18.5	3.9	7.3	17.8	Mar-13
Over/Under			0.3	1.2	6.3					6.7	
U.S. Equity Composite⁴	259,896,654	8.3	1.6	19.4	23.6	15.0	22.2	6.6	7.7	9.4	Jun-95
Russell 3000			2.0	19.4	22.6	14.6	21.9	6.6	7.9	9.2	Jun-95
Over/Under			-0.4	0.0	1.0	0.4	0.3	0.0	-0.2	0.2	
Russell R1000	259,823,582	8.3	2.0	18.9	22.0	--	--	--	--	27.4	Jan-13
Russell 1000			2.0	19.3	22.4	14.7	21.7	6.6	7.8	27.8	Jan-13
Over/Under			0.0	-0.4	-0.4					-0.4	

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
International Equity Composite¹	415,502,967	13.2	-1.3	12.1	7.4	3.0	14.7	1.2	6.8	9.2	Jun-95
MSCI AC WORLD ex US (NET)			0.5	15.9	12.3	4.1	15.5	1.7	7.1	--	Jun-95
Over/Under			-1.8	-3.8	-4.9	-1.1	-0.8	-0.5	-0.3		
Developed International Equity Composite¹	299,932,478	9.5	-1.8	15.5	13.4	8.0	17.1	2.0	7.0	8.6	Jun-95
MSCI EAFE (Net)			0.7	18.7	17.6	7.2	16.0	1.3	6.5	5.4	Jun-95
Over/Under			-2.5	-3.2	-4.2	0.8	1.1	0.7	0.5	3.2	
Russell MSCI EAFE + CAD	236,778,856	7.5	-0.1	17.0	15.4	--	--	--	--	16.4	Jan-13
MSCI EAFE + CAD			0.1	16.5	13.4	3.2	12.6	-1.4	3.9	14.1	Jan-13
Over/Under			-0.2	0.5	2.0					2.3	
Oberweis	62,855,684	2.0	--	--	--	--	--	--	--	-3.6	Mar-14
MSCI World ex US Small Cap Growth (Net)			2.9	24.4	19.4	6.7	21.0	2.6	8.2	-0.9	Mar-14
Over/Under										-2.7	
Emerging Markets Equity Composite	115,570,488	3.7	0.0	4.7	-5.4	-6.0	11.5	1.3	8.1	11.7	Sep-01
MSCI Emerging Markets			-0.4	7.2	-1.4	-2.9	14.5	3.4	10.1	12.7	Sep-01
Over/Under			0.4	-2.5	-4.0	-3.1	-3.0	-2.1	-2.0	-1.0	
Russell Emerging Markets	33,544,281	1.1	-1.7	7.2	-3.6	--	--	--	--	0.4	Nov-11
MSCI Emerging Markets			-0.4	7.2	-1.4	-2.9	14.5	3.4	10.1	2.3	Nov-11
Over/Under			-1.3	0.0	-2.2					-1.9	
Vontobel	60,682,333	1.9	2.1	1.1	--	--	--	--	--	1.1	Jul-13
MSCI Emerging Markets			-0.4	7.2	-1.4	-2.9	14.5	3.4	10.1	7.2	Jul-13
Over/Under			2.5	-6.1						-6.1	
Aberdeen	21,343,874	0.7	-0.1	10.6	--	--	--	--	--	10.6	Jul-13
MSCI Frontier Markets			7.4	21.7	25.0	8.2	14.9	-0.1	7.7	21.7	Jul-13
Over/Under			-7.5	-11.1						-11.1	

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Private Equity Composite¹	242,160,623	7.7	3.3	14.3	18.7	14.6	11.6	10.2	--	9.3	Oct-05
Cambridge PE 1 Qtr Lag			<u>7.3</u>	<u>16.1</u>	<u>21.3</u>	<u>15.1</u>	<u>15.9</u>	<u>10.0</u>	<u>15.0</u>	<u>13.4</u>	Oct-05
Over/Under			-4.0	-1.8	-2.6	-0.5	-4.3	0.2		-4.1	
Thomson One All Private Equity Lag			7.1	15.3	20.6	14.3	9.9	8.1	13.8	11.8	Oct-05
Russell 3000 Qtr Lag			10.1	20.2	33.6	16.2	18.7	6.5	7.9	7.9	Oct-05
Total Private Equity ex Russell R3000	139,662,140	4.4	4.1	9.9	15.2	12.3	10.2	9.2	--	8.5	Oct-05
Cambridge PE 1 Qtr Lag			<u>7.3</u>	<u>16.1</u>	<u>21.3</u>	<u>15.1</u>	<u>15.9</u>	<u>10.0</u>	<u>15.0</u>	<u>13.4</u>	Oct-05
Over/Under			-3.2	-6.2	-6.1	-2.8	-5.7	-0.8		-4.9	
Thomson One All Private Equity Lag			7.1	15.3	20.6	14.3	9.9	8.1	13.8	11.8	Oct-05

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fixed Income Composite¹	768,726,332	24.4	2.1	5.4	3.8	8.0	10.0	--	--	7.9	Apr-08
Barclays Aggregate			<u>1.8</u>	<u>2.3</u>	<u>-0.1</u>	<u>3.7</u>	<u>4.8</u>	<u>5.0</u>	<u>4.5</u>	<u>4.5</u>	<u>Apr-08</u>
Over/Under			0.3	3.1	3.9	4.3	5.2			3.4	
Global Fixed Income Composite	152,578,877	4.8	1.5	--	--	--	--	--	--	1.5	Dec-13
Barclays Global Aggregate			<u>2.4</u>	<u>4.8</u>	<u>1.9</u>	<u>2.8</u>	<u>5.1</u>	<u>5.0</u>	<u>4.5</u>	<u>2.4</u>	<u>Dec-13</u>
Over/Under			-0.9							-0.9	
Colchester	86,948,319	2.8	2.3	--	--	--	--	--	--	2.3	Jan-14
Barclays Global Aggregate			<u>2.4</u>	<u>4.8</u>	<u>1.9</u>	<u>2.8</u>	<u>5.1</u>	<u>5.0</u>	<u>4.5</u>	<u>2.4</u>	<u>Jan-14</u>
Over/Under			-0.1							-0.1	
Franklin Templeton	65,630,558	2.1	0.6	--	--	--	--	--	--	0.6	Jan-14
Barclays Global Aggregate			<u>2.4</u>	<u>4.8</u>	<u>1.9</u>	<u>2.8</u>	<u>5.1</u>	<u>5.0</u>	<u>4.5</u>	<u>2.4</u>	<u>Jan-14</u>
Over/Under			-1.8							-1.8	
Total Credit Composite^{2,3}	463,259,052	14.7	2.4	8.4	8.6	11.5	15.1	--	--	11.0	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.1</u>	<u>6.6</u>	<u>6.0</u>	<u>6.9</u>	<u>14.0</u>	<u>6.2</u>	<u>6.4</u>	<u>7.8</u>	<u>Jul-08</u>
Over/Under			0.3	1.8	2.6	4.6	1.1			3.2	
Corporate Credit Composite³	155,396,993	4.9	2.1	8.1	5.7	5.8	9.3	--	--	9.3	Apr-09
Blended Domestic Credit Index ⁴			<u>3.0</u>	<u>9.1</u>	<u>7.5</u>	<u>7.8</u>	<u>14.6</u>	<u>6.6</u>	<u>6.7</u>	<u>14.6</u>	<u>Apr-09</u>
Over/Under			-0.9	-1.0	-1.8	-2.0	-5.3			-5.3	
Beach Point	78,879,383	2.5	1.8	--	--	--	--	--	--	5.2	Oct-13
Barclays High Yield			<u>3.0</u>	<u>9.1</u>	<u>7.5</u>	<u>9.0</u>	<u>18.2</u>	<u>8.7</u>	<u>8.7</u>	<u>6.7</u>	<u>Oct-13</u>
Over/Under			-1.2							-1.5	
Symphony	76,512,825	2.4	--	--	--	--	--	--	--	2.0	Feb-14
Barclays High Yield			<u>3.0</u>	<u>9.1</u>	<u>7.5</u>	<u>9.0</u>	<u>18.2</u>	<u>8.7</u>	<u>8.7</u>	<u>2.3</u>	<u>Feb-14</u>
Over/Under										-0.3	

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Opportunistic Credit Composite¹	307,862,059	9.8	2.6	8.5	10.5	12.9	19.9	--	--	15.0	Jul-08
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index			<u>2.1</u>	<u>6.6</u>	<u>6.0</u>	<u>6.9</u>	<u>14.0</u>	<u>6.2</u>	<u>6.4</u>	<u>7.8</u>	Jul-08
Over/Under			0.5	1.9	4.5	6.0	5.9			7.2	
Pimco Disco II	115,905,900	3.7	3.3	9.7	10.6	--	--	--	--	24.3	Nov-11
BofA Merrill Lynch US High Yield BB-B Rated Constrained Index			<u>3.0</u>	<u>8.6</u>	<u>6.9</u>	<u>8.4</u>	<u>15.7</u>	<u>7.9</u>	<u>7.8</u>	<u>10.1</u>	Nov-11
Over/Under			0.3	1.1	3.7					14.2	
Marathon	25,784,047	0.8	1.4	7.5	8.8	--	--	--	--	11.4	Oct-12
BofA ML Euro HY Constrained			<u>3.0</u>	<u>17.7</u>	<u>19.9</u>	<u>9.5</u>	<u>22.5</u>	<u>9.5</u>	<u>10.3</u>	<u>18.7</u>	Oct-12
Over/Under			-1.6	-10.2	-11.1					-7.3	
Direct Lending Composite¹	166,172,112	5.3	2.0	7.3	10.9	9.0	--	--	--	7.5	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	<u>5.4</u>	Nov-10
Over/Under			0.7	3.4	5.6	3.6				2.1	
U.S. Direct Lending	130,050,149	4.1	2.2	7.4	11.1	9.1	--	--	--	7.6	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	<u>5.4</u>	Nov-10
Over/Under			0.9	3.5	5.8	3.7				2.2	
GSO	37,493,234	1.2	1.3	3.2	8.8	17.1	--	--	--	16.3	Dec-10
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	<u>5.4</u>	Dec-10
Over/Under			0.0	-0.7	3.5	11.7				10.9	
Medley Capital	45,347,799	1.4	1.8	7.5	12.1	7.1	--	--	--	6.9	Mar-11
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	<u>5.4</u>	Mar-11
Over/Under			0.5	3.6	6.8	1.7				1.5	
White Oak	47,209,116	1.5	3.1	11.0	12.3	7.4	--	--	--	5.6	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	<u>5.4</u>	Nov-10
Over/Under			1.8	7.1	7.0	2.0				0.2	
European Direct Lending	36,121,963	1.1	--	--	--	--	--	--	--	--	Apr-14
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	--	Apr-14
Over/Under											
Capula ²	36,121,963	1.1	--	--	--	--	--	--	--	--	Apr-14
3 Months LIBOR + 5%			<u>1.3</u>	<u>3.9</u>	<u>5.3</u>	<u>5.4</u>	<u>5.4</u>	<u>6.3</u>	<u>7.1</u>	--	Apr-14
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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Emerging Market Debt Composite	152,888,326	4.9	1.0	-0.2	-6.0	--	--	--	--	-7.6	Jan-13
San Jose Custom EMD Benchmark ¹			<u>2.5</u>	<u>3.0</u>	<u>-3.5</u>	--	--	--	--	<u>-5.4</u>	Jan-13
Over/Under			-1.5	-3.2	-2.5					-2.2	
BlueBay	101,980,374	3.2	1.9	--	--	--	--	--	--	1.0	Aug-13
JP Morgan Blended EMD Benchmark ²			<u>2.5</u>	<u>3.0</u>	<u>-3.3</u>	--	--	--	--	<u>2.7</u>	Aug-13
Over/Under			-0.6							-1.7	
Iguazu	50,907,952	1.6	--	--	--	--	--	--	--	1.8	Feb-14
JP Morgan Blended EMD Benchmark ²			<u>2.5</u>	<u>3.0</u>	<u>-3.3</u>	--	--	--	--	<u>5.0</u>	Feb-14
Over/Under										-3.2	

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



NEPC, LLC

March 31, 2014

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate Composite¹	223,290,319	7.1	2.7	9.4	11.4	8.9	6.6	5.4	7.6	8.1	Jun-95
NCREIF Property Index			<u>2.7</u>	<u>8.1</u>	<u>11.2</u>	<u>11.7</u>	<u>7.9</u>	<u>5.1</u>	<u>8.7</u>	<u>9.6</u>	<i>Jun-95</i>
Over/Under			0.0	1.3	0.2	-2.8	-1.3	0.3	-1.1	-1.5	
Total Real Estate Ex Russell Real Estate	160,660,999	5.1	3.3	9.4	12.9	--	--	--	--	13.5	Dec-12
NCREIF Property Index			<u>2.7</u>	<u>8.1</u>	<u>11.2</u>	<u>11.7</u>	<u>7.9</u>	<u>5.1</u>	<u>8.7</u>	<u>12.4</u>	<i>Dec-12</i>
Over/Under			0.6	1.3	1.7	--	--	--	--	1.1	
Inflation-Linked Assets Composite	311,400,138	9.9	5.3	8.8	-0.8	-6.4	--	--	--	-6.4	Apr-11
San Jose Custom Inflation-Linked Assets Benchmark ²			<u>5.9</u>	<u>9.1</u>	<u>1.0</u>	<u>-4.8</u>	--	--	--	<u>-4.8</u>	<i>Apr-11</i>
Over/Under			-0.6	-0.3	-1.8	-1.6	--	--	--	-1.6	
Multi-Asset Inflation-Linked Assets Composite	92,387,374	2.9	2.1	--	--	--	--	--	--	2.2	Nov-13
CPI + 5% (Unadjusted)			<u>2.6</u>	<u>5.0</u>	<u>6.6</u>	<u>7.0</u>	<u>7.2</u>	<u>7.1</u>	<u>7.5</u>	<u>3.2</u>	<i>Nov-13</i>
Over/Under			-0.5	--	--	--	--	--	--	-1.0	
Wellington	92,387,374	2.9	2.1	--	--	--	--	--	--	2.2	Nov-13
CPI + 5% (Unadjusted)			<u>2.6</u>	<u>5.0</u>	<u>6.6</u>	<u>7.0</u>	<u>7.2</u>	<u>7.1</u>	<u>7.5</u>	<u>3.2</u>	<i>Nov-13</i>
Over/Under			-0.5	--	--	--	--	--	--	-1.0	
Commodities Composite	219,012,764	7.0	6.6	9.8	0.1	-6.1	--	--	--	-6.1	Apr-11
Custom Commodity Risk Parity Index			<u>7.3</u>	<u>10.0</u>	<u>1.8</u>	<u>-4.6</u>	--	--	--	<u>-4.6</u>	<i>Apr-11</i>
Over/Under			-0.7	-0.2	-1.7	-1.5	--	--	--	-1.5	
Dow Jones-UBS Commodity Index TR			7.0	8.1	-2.1	-7.4	4.2	-2.7	0.4	-7.4	<i>Apr-11</i>
Credit Suisse	219,012,764	7.0	6.6	9.7	1.6	-4.5	--	--	--	-4.5	Apr-11
Custom Commodity Risk Parity Index			<u>7.3</u>	<u>10.0</u>	<u>1.8</u>	<u>-4.6</u>	--	--	--	<u>-4.6</u>	<i>Apr-11</i>
Over/Under			-0.7	-0.3	-0.2	0.1	--	--	--	0.1	
Dow Jones-UBS Commodity Index TR			7.0	8.1	-2.1	-7.4	4.2	-2.7	0.4	-7.4	<i>Apr-11</i>

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Hedge Fund Composite	301,964,399	9.6	0.4	3.2	2.1	--	--	--	--	2.9	Nov-12
<i>San Jose Custom Hedge Fund Benchmark¹</i>			<u>0.5</u>	<u>5.1</u>	<u>4.8</u>	--	--	--	--	<u>4.6</u>	Nov-12
Over/Under			-0.1	-1.9	-2.7					-1.7	
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	7.8	Nov-12
Russell Hedge Funds	79,022,154	2.5	0.4	3.0	2.7	--	--	--	--	2.7	Dec-12
<i>Russell Hedge Index²</i>			<u>0.6</u>	<u>3.2</u>	<u>2.7</u>	<u>1.8</u>	<u>3.5</u>	<u>2.0</u>	<u>3.0</u>	<u>2.8</u>	Dec-12
Over/Under			-0.2	-0.2	0.0					-0.1	
Total Hedge Fund Composite ex-Interim	222,942,245	7.1	0.3	3.3	1.6	--	--	--	--	5.4	Nov-12
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	7.8	Nov-12
Over/Under			-0.2	-2.6	-4.3					-2.4	
Amici	9,991,376	0.3	-2.3	2.4	-1.8	--	--	--	--	-0.1	Mar-13
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	6.3	Mar-13
Over/Under			-2.8	-3.5	-7.7					-6.4	
Arrowgrass	22,705,109	0.7	2.2	5.6	7.7	--	--	--	--	9.4	Nov-12
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	7.8	Nov-12
Over/Under			1.7	-0.3	1.8					1.6	
BlackRock	9,192,918	0.3	-9.5	-7.5	-10.0	--	--	--	--	-7.5	Mar-13
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	6.3	Mar-13
Over/Under			-10.0	-13.4	-15.9					-13.8	
BlueTrend	8,108,586	0.3	-3.7	-4.9	-18.9	--	--	--	--	-18.9	Apr-13
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	5.9	Apr-13
Over/Under			-4.2	-10.8	-24.8					-24.8	
Brevan Howard	20,242,381	0.6	-1.5	-1.2	-2.2	--	--	--	--	0.9	Dec-12
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	8.0	Dec-12
Over/Under			-2.0	-7.1	-8.1					-7.1	
Cantab	6,853,588	0.2	-6.7	-16.8	-31.5	--	--	--	--	-31.5	Apr-13
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	5.9	Apr-13
Over/Under			-7.2	-22.7	-37.4					-37.4	
Claren Road	10,164,354	0.3	3.0	1.6	--	--	--	--	--	1.6	Jul-13
<i>HFRI.FOF.Comp</i>			0.5	5.9	5.9	2.3	4.9	1.0	3.1	5.9	Jul-13
Over/Under			2.5	-4.3						-4.3	

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Davidson Kempner	22,204,361	0.7	2.8	6.7	9.1	--	--	--	--	9.4	Feb-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>6.1</u>	Feb-13
Over/Under			2.3	0.8	3.2					3.3	
DE Shaw	22,546,660	0.7	4.7	8.5	12.7	--	--	--	--	12.7	Apr-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>5.9</u>	Apr-13
Over/Under			4.2	2.6	6.8					6.8	
Horizon	10,777,368	0.3	1.7	7.8	--	--	--	--	--	7.8	Jul-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>5.9</u>	Jul-13
Over/Under			1.2	1.9						1.9	
Hudson Bay	21,049,098	0.7	1.0	5.2	--	--	--	--	--	5.2	Jul-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>5.9</u>	Jul-13
Over/Under			0.5	-0.7						-0.7	
Kepos	4,352,502	0.1	-7.5	-3.4	-15.3	--	--	--	--	-12.0	Mar-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>6.3</u>	Mar-13
Over/Under			-8.0	-9.3	-21.2					-18.3	
Marshall Wace	10,000,000	0.3	--	--	--	--	--	--	--	--	Apr-14
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	--	Apr-14
Over/Under											
Pine River	22,538,428	0.7	2.4	5.3	5.9	--	--	--	--	10.0	Jan-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>7.5</u>	Jan-13
Over/Under			1.9	-0.6	0.0					2.5	
Sandler	10,633,523	0.3	0.4	7.7	--	--	--	--	--	6.3	May-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>5.1</u>	May-13
Over/Under			-0.1	1.8						1.2	
Senator	11,581,993	0.4	0.3	11.9	15.8	--	--	--	--	15.8	Apr-13
HFRI.FOF.Comp			<u>0.5</u>	<u>5.9</u>	<u>5.9</u>	<u>2.3</u>	<u>4.9</u>	<u>1.0</u>	<u>3.1</u>	<u>5.9</u>	Apr-13
Over/Under			-0.2	6.0	9.9					9.9	

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 - Net of Fees

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total GAA Composite	331,445,436	10.5	1.1	4.9	2.8	--	--	--	--	5.0	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	<u>12.7</u>	<u>11.8</u>	<u>7.1</u>	<u>12.6</u>	<u>4.6</u>	<u>6.1</u>	<u>12.3</u>	Jan-13
Over/Under			-0.8	-7.8	-9.0					-7.3	
GMO	127,185,279	4.0	1.0	7.4	7.7	--	--	--	--	8.1	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	<u>12.7</u>	<u>11.8</u>	<u>7.1</u>	<u>12.6</u>	<u>4.6</u>	<u>6.1</u>	<u>10.9</u>	Feb-13
Over/Under			-0.9	-5.3	-4.1					-2.8	
PIMCO	99,769,457	3.2	2.2	3.1	-2.8	--	--	--	--	-3.1	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	<u>12.7</u>	<u>11.8</u>	<u>7.1</u>	<u>12.6</u>	<u>4.6</u>	<u>6.1</u>	<u>10.9</u>	Feb-13
Over/Under			0.3	-9.6	-14.6					-14.0	
Standard Life	104,490,701	3.3	0.1	3.6	3.2	--	--	--	--	4.6	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			<u>1.9</u>	<u>12.7</u>	<u>11.8</u>	<u>7.1</u>	<u>12.6</u>	<u>4.6</u>	<u>6.1</u>	<u>10.9</u>	Feb-13
Over/Under			-1.8	-9.1	-8.6					-6.3	
Cash											
Cash ¹	19,393,087	0.6	0.0	0.1	0.1	0.1	0.7	--	--	1.1	Apr-08
91 Day T-Bills			<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.7</u>	<u>1.5</u>	<u>0.2</u>	Apr-08
Over/Under			0.0	0.1	0.1	0.0	0.6			0.9	

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

Manager Due Diligence

City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

The items below summarize the recent quarter's performance and any changes or announcements from the Plan's managers/products. A "-" indicates there were no material announcements. A "Yes" indicates there was an announcement and a brief summary is provided on the following pages. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determine if any action should be taken (by NEPC and/or by our clients). Events are rated: No Action, Watch, Hold, Client Review or Terminate. NEPC's recommendation in view of the recent quarter's developments (performance, manager events, and any of the longer-term trending data) is refreshed quarterly.

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Russell Overlay	N/A	Yes	No Action	No Action	
Artisan Global Opps	Bottom Quartile	-	-		
Artisan Global Value	-	-	-		
NT Russell 1000 Index	-	-	-		Funded 4/2014
NT MSCI World ex-U.S. Index	-	-	-		Funded 4/2014
Oberweis International Opportunities	-	Yes	No Action	No Action	Funded 2/2014
MSCI Emerging Markets ETF (ticker: EEM)	Bottom Quartile	-	-		
Vontobel Emerging Markets Equity	Top Decile	Yes	No Action	No Action	
Aberdeen Frontier Markets Equity	-	Yes	No Action	No Action	
NT Russell 3000 Index Fund	N/A	-	-		Funded 4/2014
57 Stars Global Opportunity Fund 3	N/A	-	-		Funded 1/2014
Crescent Mezzanine Partners (Fund V; Fund VI)	N/A	-	-		
HarbourVest Partners (Fund VII - 2005 Buyout; VIII Venture; VIII Buyout)	N/A	-	-		
Pantheon USA Fund VI	N/A	-	-		
Portfolio Advisors Private Equity Fund III (A – Buyout; B – Venture; C – Special Sits)	N/A	-	-		
Siguler Guff Distressed Opportunities Fund III	N/A	-	-		
TPG Opportunities Partners (Fund II; Fund III)	N/A	-	-		Fund III Funded 2/2014
Warburg Pincus Private Equity XI	N/A	-	-		



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Colchester Global Fixed Income	-	Yes	No Action	No Action	Funded 1/2014
Franklin Templeton Global Multi-Sector Plus	Bottom Decile	-	-		
Beach Point Total Return Fund	Bottom Decile	-	-		
Symphony L/S Credit Fund	-	Yes	No Action	No Action	Funded 2/2014
PIMCO DiSCO II	N/A	Yes	Watch	No Action	
Marathon European Credit Opportunity Fund	N/A	-	-		
GSO Direct Lending Fund	N/A	-	-		
Medley Opportunity Fund II	N/A	-	-		
White Oak Direct Lending Fund	N/A	-	-		
Capula European Special Situations Fund	N/A	-	-		Funded 3/2014
Park Square Credit Opportunities Fund II	N/A	-	-		
BlueBay Emerging Market Select Debt	-	-	-		
Iguazu Partners	-	Yes	No Action	No Action	Strategy is closed to new investors; Funded 2/2014
Credit Suisse	N/A	-	-		
Wellington Diversified Inflation Hedges	N/A	-	-		
Russell Real Estate	N/A	Yes	No Action	No Action	Interim Real Estate Exposure
American Realty Separate Account	N/A	-	-		
American Realty Core Fund	N/A	-	-		
Blackstone Real Estate Debt Strategies II	N/A	-	-		
Brookfield Strategic Real Estate Partners	N/A	-	-		
Orion European Real Estate Fund IV	N/A	-	-		Funded 3/2014
TA Realty Fund X	N/A	-	-		
Tristan EPISO 3	N/A	-	-		



NEPC, LLC

March 31, 2014

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Russell Hedge Funds	N/A	Yes	No Action	No Action	Interim Hedge Fund Exposure
GMO Benchmark-Free Allocation	N/A	Yes	No Action	No Action	
PIMCO All Asset All Authority	N/A	Yes	Watch	No Action	
Standard Life Global Absolute Return Strategy (GTAA)	N/A	Yes	Watch	No Action	

Note: Hedge Funds are excluded from the Due Diligence Monitor as NEPC does not provide the Plan with hedge fund advisory services.

NEPC Due Diligence Committee Recommendation Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot participate in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with an Investment Manager; manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to replace the manager.



Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Russell Investments (Overlay, Interim Real Estate and Hedge Fund Exposure)

- On January 28, 2014, news began to circulate that Northwestern Mutual Life Insurance Co. ("Northwestern Mutual"), the parent company of Russell Investments, is beginning to explore 'strategic alternatives', including a potential sale, for its majority ownership stake in the investment and consulting firm based out of Seattle, Washington. Russell's business has experienced significant growth over the past several years, and Northwestern Mutual believes this is a prime spot in which to seek out alternatives. When reached for comment, Russell would not specify what other 'strategic alternatives' would be explored other than a potential sale and also stated that there would be no additional comment beyond the news that was released.
- While it is difficult to provide a definitive opinion without knowing the ultimate outcome, we do not anticipate any impact on the day-to-day management of the Plan's assets. In addition, Northwestern Mutual clients currently have approximately \$9 billion invested in funds managed by Russell, insuring that Northwestern Mutual will continue to be concerned with the future success of Russell as an organization.
- As of March 31, 2014, the Plan had approximately \$171 million, or approximately 5.4% of Plan assets, managed by Russell in the Plan's overlay portfolio and interim exposure to real estate and hedge funds. Russell is a Preferred manager in the overlay space.
- ***No Client Action is Recommended.***

Oberweis International Opportunities

- On March 8, 2014, Oberweis announced the launch of a new mutual fund, the Oberweis International Opportunities Institutional Fund (ticker: OBIIX). The fund is anticipated to mirror the risk/return profile of the Oberweis International Opportunities Fund (ticker: OBIOX) with an overall expense ratio of 1.10%. The new fund represents Oberweis' efforts to provide an institutional commingled investment vehicle for investors to access the international small cap team.
- In February 2014, the Plan invested approximately \$65 million, or approximately 2% of Plan assets, in a separately managed account for a fee of approximately 0.98% per annum. Oberweis International Opportunities is a Preferred strategy in the international small cap equity space.
- ***No Client Action is Recommended.***

Vontobel Emerging Markets

- On March 18, 2014, Vontobel announced the promotion of Rajiv Jain, CIO and a 20-year veteran of the firm, and the addition of Dr. Phillip Hensler, former CEO of Oppenheimer Funds Distributors Inc., as co-CEOs of the firm. This change will be effective July 1, 2014. The co-CEO structure will separate the business and investment management functions, with Mr. Jain continuing his duties as CIO while Dr. Hensler takes responsibility for the aspects of the business that are not directly related to investment management, including client service, operations, finance, legal and compliance. Current CEO, Heinrich Schlegel, will become Chairman of the Board of Directors. In addition to his duties and responsibilities as Chairman, Mr. Schlegel will continue to share his extensive industry knowledge for the benefit of other boutiques within the Vontobel Group.
- As of March 31, 2014, the Plan had approximately \$61 million, or approximately 1.9% of Plan assets, invested in the Vontobel Emerging Markets Equity Fund.
- ***No Client Action is Recommended.***

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Aberdeen Frontier Markets

- On May 8, 2014, Aberdeen announced that David Steyn had resigned as the firm's head of the Americas for "family-related reasons". He will continue to advise Aberdeen on its U.S. strategy, but will remain based in the U.K. Mr. Steyn had recently joined Aberdeen in its Philadelphia office to take over the firm's North American operations. Mr. Steyn was formerly the Chief Operating Officer at AllianceBernstein Holding.
- As of March 31, 2014, the Plan had approximately \$21 million, or approximately 0.7% of Plan assets, invested in the Aberdeen Frontier Markets Equity Fund.
- ***No Client Action is Recommended.***

Colchester Global Fixed Income

- On May 7, 2014, Colchester Global Investors announced several changes to the senior management team.
 - Appointment of Jeff Pritchard as Chief Operating Officer with oversight of the Operations, Compliance and Finance teams at Colchester. As Colchester's business has become more complex and global in nature, they felt it was necessary to add a COO position. Mr. Pritchard will also serve as the Chief Risk Officer. Prior to joining Colchester, Mr. Pritchard had done some risk management work with the firm on a consulting basis.
 - Liz Pritchard, who is married to Jeff Pritchard, will step down as Chief Financial Officer but will continue in her role as the Chief Compliance Officer. Given the simplicity of Colchester's balance sheet, they decided that the CFO position was not necessary. This will allow Mrs. Pritchard to focus entire on compliance.
 - Michele Connell has been appointed the Global Head of Legal. Ms. Connell has been with the firm since 2012 and has 18 years of legal experience in investment management.
 - Kieran Madigan, Joint Head of Operations, will be leaving the firm at the end of June. The other Joint Head of Operations, Paul Bowell, will assume sole responsibility of the role going forward and will report to Jeff Pritchard.
- Given the relationship between Jeff and Liz Pritchard, the appointment of Mr. Pritchard as COO creates a potential conflict of interest. We will be following up with Colchester to determine how they plan to address this potential conflict of interest.
- As of March 31, 2014, the Plan had approximately \$87 million, or approximately 2.8% of Plan assets, invested in the Colchester Global Fixed Income Fund. Colchester Global Fixed Income is a Preferred strategy in the global fixed income space.
- ***No Client Action is Recommended.***

Symphony Long/Short Credit Fund

- On April 13, 2014, Symphony Asset Management, which is 100% owned by Nuveen Investments, announced that Nuveen will be sold by Madison Dearborn Partners, a private equity firm that bought Nuveen in 2007, to TIAA-CREF. The deal is expected to close by the end of the year and is expected to have very little impact on Symphony as a firm.
- We anticipated that Madison Dearborn would exit its investment in Nuveen at some point and asked Symphony a number of questions related to ownership structure during the due diligence process. At the time, Symphony stated that all employment contracts and compensation arrangements, including the rights of shadow equity stakes in Symphony held by Symphony employees, would not change as a result of a potential change in ownership of Nuveen, and that will be the case with TIAA-CREF. Additionally, the revenue sharing arrangement between Symphony and Nuveen will not change.
- In February 2014, the Plan invested \$75 million, or approximately 2.5% of Plan assets, in the Symphony Long/Short Credit Fund. Symphony Long/Short Credit Fund is a Preferred strategy in the long/short high yield fixed income space.
- ***No Client Action is Recommended.***

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Iguazu Partners

- On March 19, 2014, Wellington announced the addition of a new portfolio manager for their emerging markets local debt team to fill the vacancy resulting from Ricardo Adroque's departure in April 2013. The new portfolio manager, Michael Henry, will not be a named portfolio manager on any of Wellington's emerging market debt strategies and Jim Valone will remain lead portfolio manager. Mr. Henry will focus on local rates and currency opportunities in the emerging markets for all of Wellington's strategies, including Opportunities Emerging Market Debt, Local Currency Emerging Market Debt, Iguazu and various other strategies. There is no stated timetable as to when Mr. Henry will be named a lead or back-up portfolio manager for any of Wellington's emerging market debt strategies, but it would not be a surprise if he was a named portfolio manager on the emerging markets local debt team within the next 18 to 36 months.
- In February 2014, the Plan invested \$50 million, or approximately 1.5% of Plan assets, in Iguazu Partners, LP, a hedged emerging market debt strategy. Iguazu Partners is a Preferred strategy in the hedged emerging market debt space.
- ***No Client Action is Recommended.***

GMO Benchmark-Free Allocation Fund

- On May 19, 2014, GMO announced that Nick Nanda, a member of the GMO Asset Allocation Team, will be leaving on June 30 to pursue other opportunities. It was Mr. Nanda's decision to leave GMO and at this time we have been told that he does not have any immediate plans to join another firm. Mr. Nanda focused on fixed income research within the Asset Allocation Team and with the addition of Marc Seidner, who will oversee all of GMO's fixed income efforts, Mr. Nanda's role within fixed income would have been reduced. Although Mr. Nanda was a longstanding member of the Asset Allocation Team and part of its growth over the years, he expressed a desire to work in a smaller, more entrepreneurial group.
- GMO has no plans to replace Mr. Nanda on the Asset Allocation Team and his existing responsibilities have been reassigned. Other than fixed income research, Mr. Nanda's primary responsibility was to oversee the GMO Mean-Reversion Fund, which has been transitioned to another member of the Asset Allocation Team.
- On January 30, 2014, GMO announced that Marc Seidner, formerly a senior portfolio manager at PIMCO, would join GMO in March as head of the Fixed Income Team. GMO's search for a head of fixed income began nearly 12 months ago as the prior head, Tom Cooper, expressed a desire to focus portfolio management responsibilities on emerging market debt strategies.
- We view the addition of Marc Seidner as a positive event for GMO as they look to expand their capabilities beyond global and emerging market debt strategies.
- As of March 31, 2014, the Plan had approximately \$127 million, or approximately 4.0% of Plan assets, invested in the GMO Benchmark-Free Allocation Fund. GMO Benchmark-Free Allocation is a Preferred strategy in the global asset allocation space.
- ***No Client Action is Recommended.***

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

PIMCO (DiSCO II and All Asset All Authority Fund)

- In mid-January 2014, PIMCO announced that Mohamed El-Erian, co-CIO and CEO, would resign from the Firm effective mid-March. Mr. El-Erian continued to work alongside team members to aide in the transition of responsibilities until that time. Following his departure in March, he will retain a role with PIMCO parent Allianz as a member of the International Executive Committee and will advise the Management Board on global economic and policy issues.
- In addition to the announcement regarding Mr. El-Erian's departure, PIMCO announced the following changes:
 - PIMCO founder Bill Gross continues to serve as the firm's CIO
 - Andrew Balls has been appointed to Deputy CIO
 - Dan Ivascyn has been appointed to Deputy CIO
 - Mark Kiesel has been appointed to Deputy CIO (Credit)
 - Virginie Maisonneuve has been appointed to Deputy CIO (Head of Global Equities)
 - Scott Mather has been appointed to Deputy CIO (Head of Global Portfolio Management)
 - Mihir Worah has been appointed to Deputy CIO (Head of Real Return Portfolio Management)
 - Doug Hodge has been appointed CEO. Mr. Hodge was previously the COO of PIMCO
 - Jay Jacobs has been appointed President of PIMCO, which is a newly created position
 - Craig Dawson has been appointed Head of Strategic Business Management
 - Kim Stafford succeeds Jay Jacobs as Head of Talent Management
- PIMCO also announced several Investment Committee Changes:
 - Marc Seidner resigned to take a role outside of PIMCO
 - Existing members Bill Gross, Saumil Parikh, Andrew Balls, and Christian Stracke remain on the IC
 - New IC members include new named Deputy CIOs and Tony Crescenzi
 - Mhoit Mittal and Qi Wang remain as rotating IC members. A third rotating member will be named in the near future
- PIMCO indicated that this decision by Mr. El-Erian was made for personal reasons and we have no reason at this time to believe otherwise. In the near term, we believe the recent changes will not degrade PIMCO's investment process and capabilities. However, concerns arise due to the turnover at the highest levels of PIMCO's leadership and the potential impact that may have on the Firm's culture and the long-term succession plan for CIO, Bill Gross. Mr. Gross has stated that he will remain at PIMCO for the foreseeable future and announced that "I'm Ready to Go for Another 40 Years". While we do not question Mr. Gross' commitment to PIMCO, we had always viewed Mr. El-Erian as a potential successor. Following his departure, there is less clarity around leadership succession and we believe this has led to an increased "key person" risk associated with Mr. Gross and PIMCO.
- As of March 31, 2014, the Plan had approximately \$216 million, or approximately 6.8% of Plan assets, invested in the PIMCO DiSCO II (\$116 million) and All Asset All Authority Fund (\$100 million). PIMCO DiSCO II and All Asset All Authority are Preferred strategies in the opportunistic credit and global asset allocation space, respectively.
- ***NEPC has changed the due diligence status for all PIMCO strategies to WATCH as a result of the recent organizational changes.***
- ***No Client Action is Recommended.***

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Standard Life Global Absolute Return Strategy (GARS) GTAA

- On May 15, 2014, Standard Life Investments announced the departure of Ian Pizer from the Multi-Asset Team. Mr. Pizer's primary responsibility was to oversee government and interest rate markets. In addition, he was a member of the Multi-Asset Team's Investment Committee, was Chairman of the Bond Investment Group within Standard Life and was a portfolio manager on the Global Absolute Return Strategy (GARS). Mr. Pizer will be replaced by Sebastian Mackay, who is a member of Standard Life's Bond Investment Group, with a focus on global bond strategies. Mr. Mackay is a senior member of the Multi-Asset Team and is a key member of the Absolute Return Bond Strategy, which is a fixed income version of the overall GARS strategy. Standard Life expects that Mr. Mackay's assumption of Mr. Pizer's responsibilities will be a seamless transition.
- Mr. Pizer will be joining Aviva Life to head their global rates and fixed income multi-asset efforts. He will be joining Euan Munro, who created the GARS strategy and was the previous Head of the Multi-Asset and Fixed Income Teams at Standard Life. Mr. Munro departed Standard Life in June of 2013 to head Aviva's investment division, and his departure was an amicable one. At the time of his departure, Mr. Munro provided assurances to Standard Life that he would not look to re-create GARS at Aviva by hiring his former employees. Since that time, Mr. Munro's leadership of Aviva Investments has been difficult, as they have experienced a high level of turnover and asset outflows. Recently, Mr. Munro approached Mr. Pizer to provide much needed investment capability and stability for the Aviva fixed income team. Mr. Munro discussed the possibility of hiring Mr. Pizer with senior executives at Standard Life and sought their pre-approval. Overall this was a unique situation and was an amicable transition for all parties. Based on our conversations with Standard Life and statements from the Firm's leadership, we believe Mr. Pizer's departure is an isolated incident and additional Standard Life personnel moves to Aviva appear unlikely.
- Although there are no other announced changes to the team, there is some concern regarding the heightened level of turnover following the departure of team head Euan Munro in June 2013. NEPC will continue to monitor personnel updates at Standard Life and will follow up with any additional news as quickly as the facts are determined. The Standard Life GARS strategy remains a preferred option for Global Asset Allocation (GAA) mandates.
- On March 26, 2014, Standard Life announced that it had entered into an agreement with Phoenix Group Holdings to acquire its investment management business, Ignis Asset Management. Standard Life believes that the acquisition of Ignis will complement its existing investment capabilities. The transaction is subject to FCA approval and expected to close in June 2014.
- As of March 31, 2014, NEPC had approximately \$104 million, or approximately 3.3% of Plan assets, invested in the Standard Life GARS Fund. Standard Life GARS is a Preferred strategy in the global asset allocation space.
- ***NEPC has changed the due diligence status for the Standard Life GARS strategy to WATCH as a result of the recent organizational changes.***
- ***No Client Action is Recommended.***

Appendix: Policy Benchmark History; Performance Disclosures



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
- **1/1/2014 – present** – 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/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

City of San Jose Police and Fire Department Retirement Plan

Additional Performance Disclosures and Footnote Detail

Note: All performance, ranks, asset allocation and asset growth detailed throughout this report is gross of fees and is as of December 31, 2013, unless otherwise noted.

Page 23

- 1 – Long-Term Policy Benchmark adopted by the Board of Administration at the August 2, 2012 meeting.
- 2 – Global Equity Composite market value includes \$108,454 of residual assets remaining in the equity transition account and terminated manager accounts.
- 3 – U.S. Equity market value includes \$73,072 of residual assets remaining in terminated manager accounts.
- 4 – International Equity Composite and Developed International Equity Composite market values include \$297,938 of residual assets remaining in terminated manager accounts.
- 5 – Total Fixed Income market value includes \$4,863 of residual assets remaining in terminated manager accounts.
- 6 – Cash market value includes Russell Overlay account.

Page 44

- 1 – Total Equity Composite market value includes \$479,464 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – San Jose Custom Total Equity Benchmark comprised of: 50% S&P 500/8% Russell 2000/34% MSCI EAFE (Net)/8% MSCI Emerging Markets (Net) from 4/1/2008 – 6/30/2008; 45% S&P 500/10% Russell 2000/35% MSCI EAFE (Net)/10% MSCI Emerging Markets (Net) from 7/1/2008 – 12/31/2009; 45% Russell 1000/12.5% Russell 2000/30% MSCI EAFE(Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2010 – 12/31/2011; 30% MSCI ACWI (Net)/37.5% MSCI ACWI Value (Net)/5% Russell 3000/7.5% Russell 2000/7.5% MSCI World ex-U.S. Small Cap (Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2012 – 12/31/2012; 100% MSCI ACWI IMI (Net) from 1/1/2013 – forward.
- 3 – Global Equity Composite market value includes \$108,454 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund and related composites from December 2012 – February 2013.
- 4 – U.S. Equity Composite market value includes \$73,072 of residual assets remaining in terminated manager accounts.

Page 45

- 1 – International Equity Composite and Developed International Equity Composite market values include \$297,938 of residual assets remaining in terminated manager accounts.

Page 46

- 1 – Total Private Equity Composite includes investments that have been funded through 3/31/2014 as well as \$102.5 million in interim exposure managed by Russell.

Page 47

- 1 – Total Fixed Income Composite market value includes \$4,863 of residual assets remaining in terminated manager accounts.
- 2 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Total Credit Composite.
- 3 – Total Credit and Corporate Credit Composite market value includes \$4,785 of residual assets remaining in terminated manager accounts.
- 4 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.

Additional Performance Disclosures and Footnote Detail

Page 48

- 1 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Opportunistic Credit Composite.
- 2 – Capula was funded in March 2014. Inception date for performance reporting purposes is April 1, 2014.

Page 49

- 1 – San Jose Custom EMD Index comprised of JP Morgan EMBI+ from 1/1/2013 – 6/30/2013; JP Morgan Blended EMD Index thereafter.
- 2 – JP Morgan Blended EMD Index comprised of 50% JP Morgan GBI EM Global Diversified, 25% JP Morgan EMBI Global Diversified, 25% JP Morgan Corporate Broad EMBI.

Page 50

- 1 – Total Real Estate Composite includes investments that have been funded through 3/31/2014 as well as \$62.6 million in interim exposure managed by Russell.
- 2 – San Jose Custom Inflation-Linked Assets Benchmark comprised of 100% Custom Commodity Risk Parity Index from 4/1/2011 – 10/31/2013; 70% Custom Commodity Risk Parity Index, 30% CPI + 5% (Unadjusted) from 11/1/2013 – forward.

Page 51

- 1 – San Jose Custom Hedge Fund Benchmark comprised of 100% Russell Hedge Index from 11/1/2012 – 12/31/2012; 80% Russell Hedge Index, 20% HFRI FoF Composite from 1/1/2013 – 3/31/2013; 60% Russell Hedge Index, 40% HFRI FoF Composite from 4/1/2013 – 6/30/2013; 40% Russell Hedge Index, 60% HFRI FoF Composite from 7/1/2013 – 9/30/2013; 30% Russell Hedge Index, 70% HFRI FoF Composite from 10/1/2013 – forward.
- 2 – Russell Hedge Index comprised of 15% MSCI ACWI, 15% Barclays Capital Global Aggregate (Unhedged), 70% 90 day T-bills. The Russell Hedge Index is being used as a proxy for the Plan's allocation to hedge funds while searches are completed to fill the 10% target allocation.

Page 53

- 1 – NEPC began calculating cash returns as of April 1, 2008.

Page 55

- 1 – Total Equity Composite market value includes \$479,464 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – San Jose Custom Total Equity Benchmark comprised of: 50% S&P 500/8% Russell 2000/34% MSCI EAFE (Net)/8% MSCI Emerging Markets (Net) from 4/1/2008 – 6/30/2008; 45% S&P 500/10% Russell 2000/35% MSCI EAFE (Net)/10% MSCI Emerging Markets (Net) from 7/1/2008 – 12/31/2009; 45% Russell 1000/12.5% Russell 2000/30% MSCI EAFE(Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2010 – 12/31/2011; 30% MSCI ACWI (Net)/37.5% MSCI ACWI Value (Net)/5% Russell 3000/7.5% Russell 2000/7.5% MSCI World ex-U.S. Small Cap (Net)/12.5% MSCI Emerging Markets (Net) from 1/1/2012 – 12/31/2012; 100% MSCI ACWI IMI (Net) from 1/1/2013 – forward.
- 3 – Global Equity Composite market value includes \$108,454 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund from December 2012 – February 2013.
- 4 – U.S. Equity Composite market value includes \$73,072 of residual assets remaining in terminated manager accounts.

Page 56

- 1 – International Equity Composite and Developed International Equity Composite market values include \$297,938 of residual assets remaining in terminated manager accounts.

Page 57

- 1 – Total Private Equity Composite includes investments that have been funded through 3/31/2014 as well as \$102.5 million in interim exposure managed by Russell.

Page 58

- 1 – Total Fixed Income Composite market value includes \$4,863 of residual assets remaining in terminated manager accounts.
- 2 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Total Credit Composite.
- 3 – Total Credit and Corporate Credit Composite market value includes \$4,785 of residual assets remaining in terminated manager accounts.
- 4 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.

Page 59

- 1 – Effective 12/1/2012, the Plan's allocation to direct lending strategies will be included in the Opportunistic Credit Composite.
- 2 – Capula was funded in March 2014. Inception date for performance reporting purposes is April 1, 2014.

Page 60

- 1 – San Jose Custom EMD Index comprised of JP Morgan EMBI+ from 1/1/2013 – 6/30/2013; JP Morgan Blended EMD Index thereafter.
- 2 – JP Morgan Blended EMD Index comprised of 50% JP Morgan GBI EM Global Diversified, 25% JP Morgan EMBI Global Diversified, 25% JP Morgan Corporate Broad EMBI

Page 61

- 1 – Total Real Estate Composite includes investments that have been funded through 3/31/2014 as well as \$62.6 million in interim exposure managed by Russell.
- 2- San Jose Custom Inflation-Linked Assets Benchmark comprised of 100% Custom Commodity Risk Parity Index from 4/1/2011 – 10/31/2013; 70% Custom Commodity Risk Parity Index, 30% CPI + 5% (Unadjusted) from 11/1/2013 – forward.

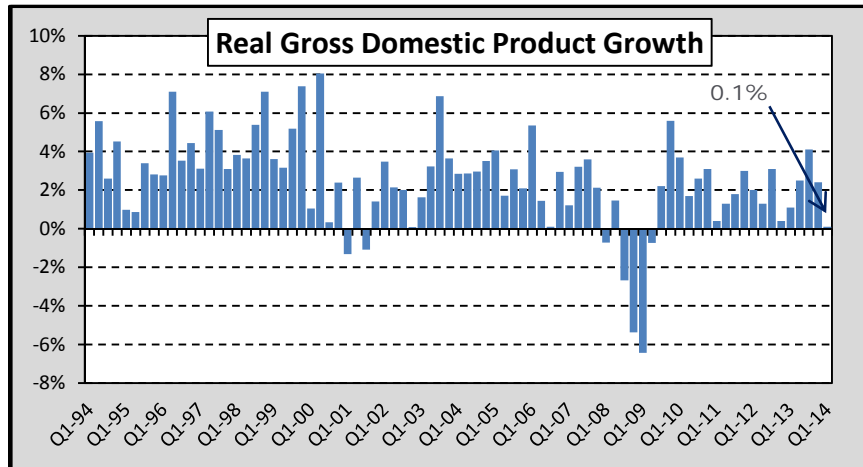
Page 62

- 1 – San Jose Custom Hedge Fund Benchmark comprised of 100% Russell Hedge Index from 11/1/2012 – 12/31/2012; 80% Russell Hedge Index, 20% HFRI FoF Composite from 1/1/2013 – 3/31/2013; 60% Russell Hedge Index, 40% HFRI FoF Composite from 4/1/2013 – 6/30/2013; 40% Russell Hedge Index, 60% HFRI FoF Composite from 7/1/2013 – 9/30/2013; 30% Russell Hedge Index, 70% HFRI FoF Composite from 10/1/2013 - forward.
- 2 – Russell Hedge Index comprised of 15% MSCI ACWI, 15% Barclays Capital Global Aggregate (Unhedged), 70% 90 day T-bills. The Russell Hedge Index is being used as a proxy for the Plan's allocation to hedge funds while searches are completed to fill the 10% target allocation.

Page 64

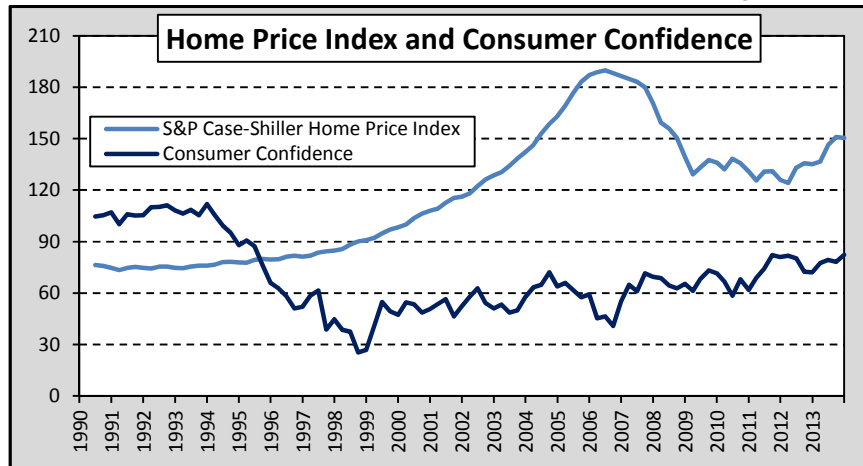
- 1 – NEPC began calculating cash returns as of April 1, 2008.

Appendix: Market Environment



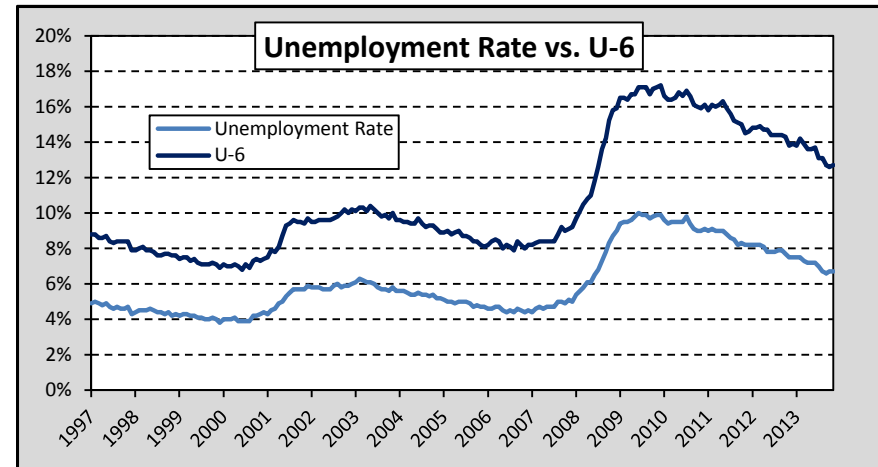
GDP growth was revised downward in the first quarter, to 0.1%

Source: Bloomberg as of 3/31



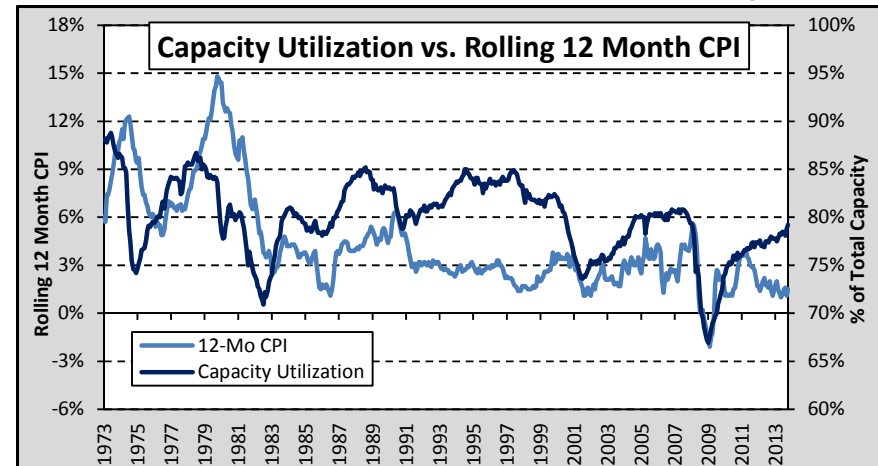
Consumer confidence fell to 82.3 in March; the Case-Shiller home price index (as of 12/31) dipped slightly to 150.39 from its highest level (150.92) since the financial crisis

Source: Bloomberg as of 3/31



Unemployment stayed flat at 6.7% in March; U-6 rose to 12.7%

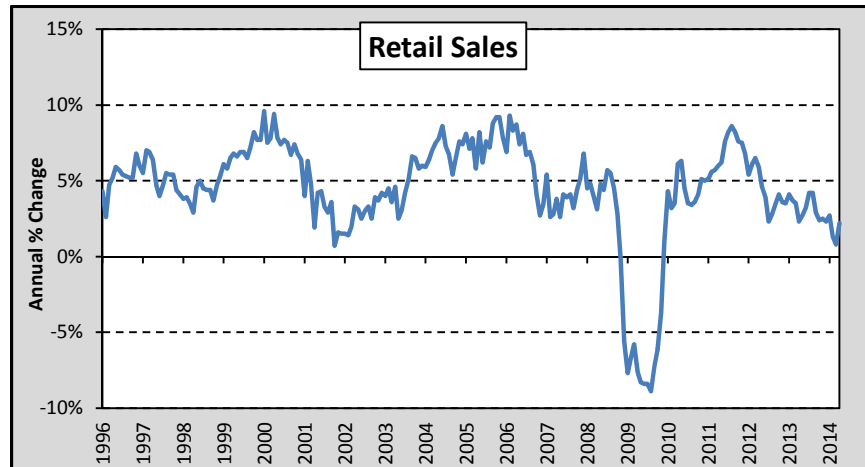
Source: Bloomberg as of 3/31



Rolling 12 month CPI rose to 1.5% at the end of March; capacity utilization rose slightly to 79.2% in the month

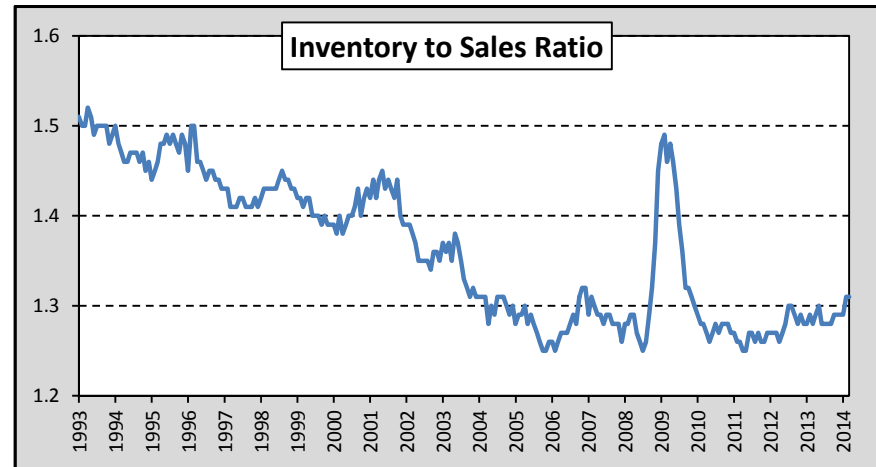
Source: Bloomberg as of 3/31

Components of GDP



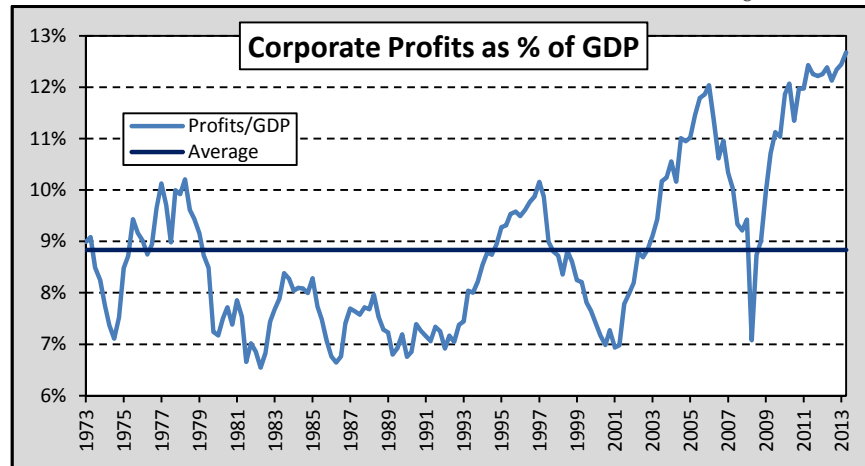
Retail sales rose to a 2.2% year-over-year growth rate in March

Source: Bloomberg as of 3/31



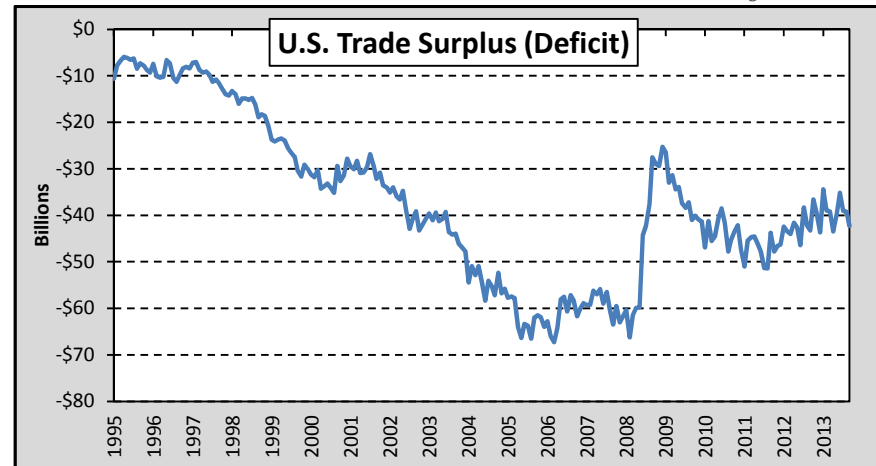
The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.31 in February

Source: Bloomberg as of 2/28



Corporate Profits as a percent of GDP remained near secular highs at 12.7% at the end of the fourth quarter

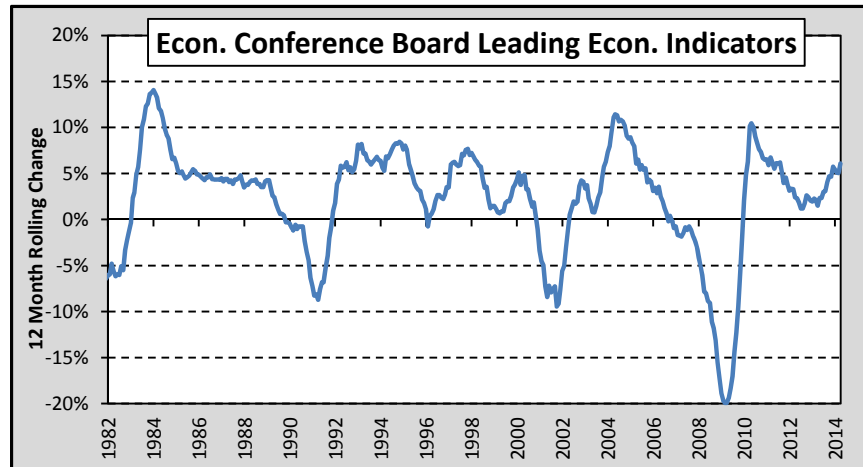
Source: Bloomberg as of 12/31



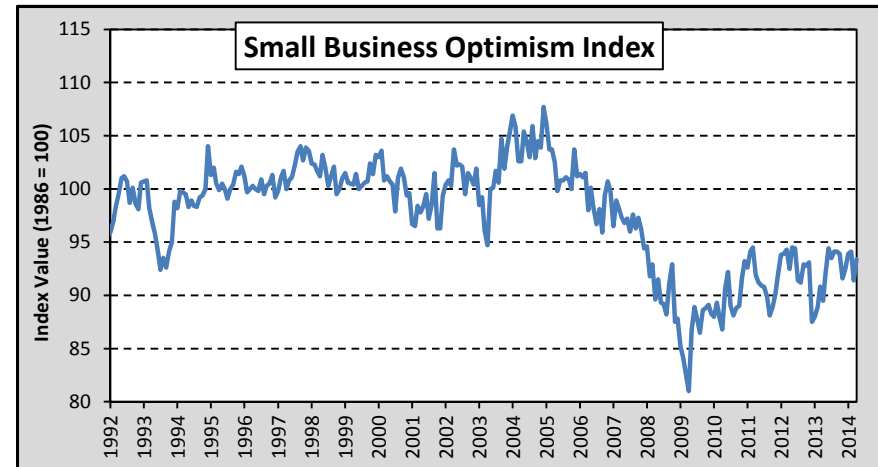
The trade deficit increased in February

Source: Bloomberg as of 2/28

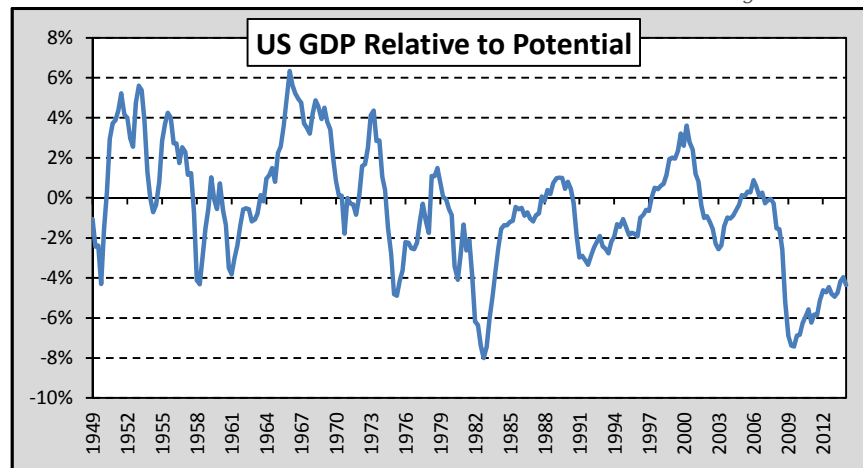
Key Economic Indicators



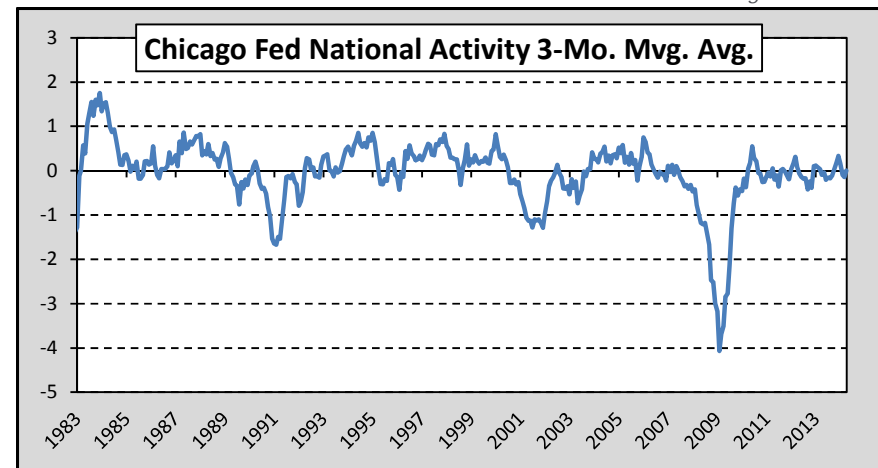
The rolling percentage change in the Leading Economic Indicators index decreased to 6.10% through March



The small business optimism index increased to 93.4 through March



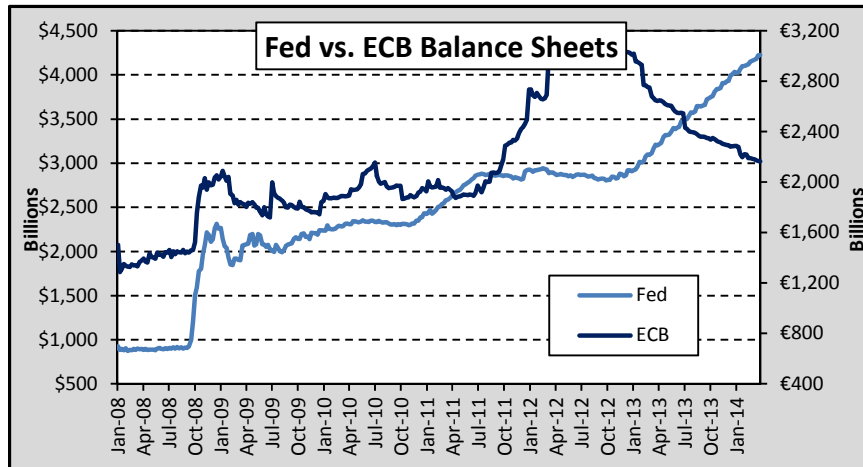
U.S. GDP relative to potential GDP decreased slightly through 2013 Q4 and remained near historic lows



Chicago Fed National Activity 3 Month moving average was neutral through March; indicating below average

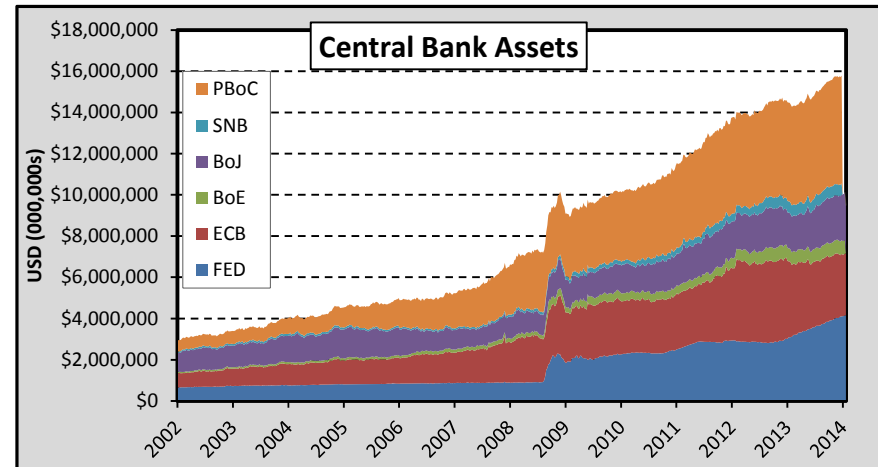
City of San Jose Police and Fire Department Retirement Plan

Economic Environment – Monetary Policy and Banks



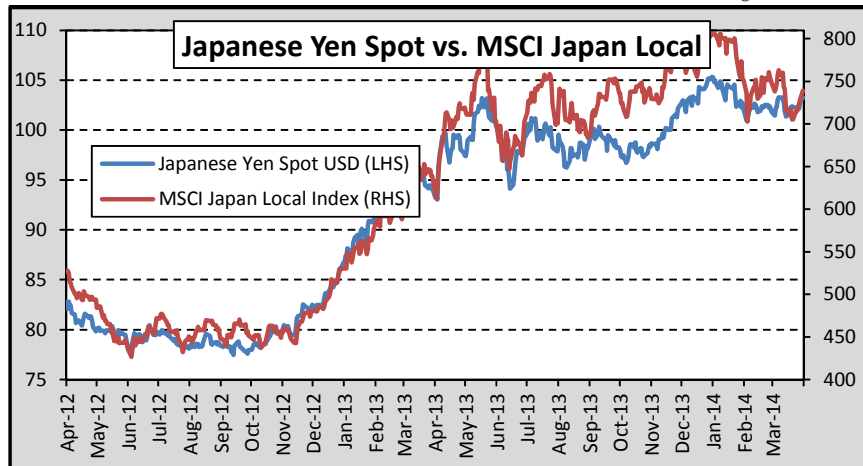
The Federal Reserve Bank balance sheet increased in early 2014 while the European Central Bank balance sheet decreased

Source: Bloomberg as of 3/31



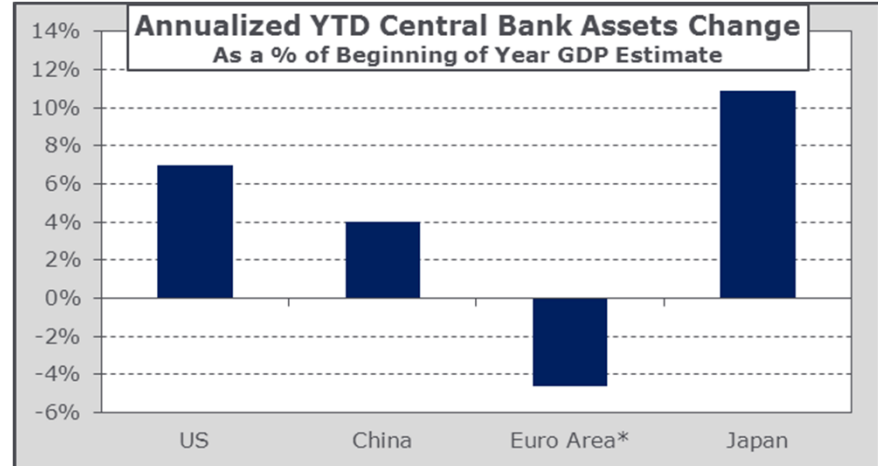
Central bank assets worldwide have risen significantly since 2008

Source: Bloomberg as of 3/31



The Japanese Yen has strengthened 1.9% relative to the U.S. dollar in 2014; while the MSCI Japan TR Net Local Index returned (8.0)%

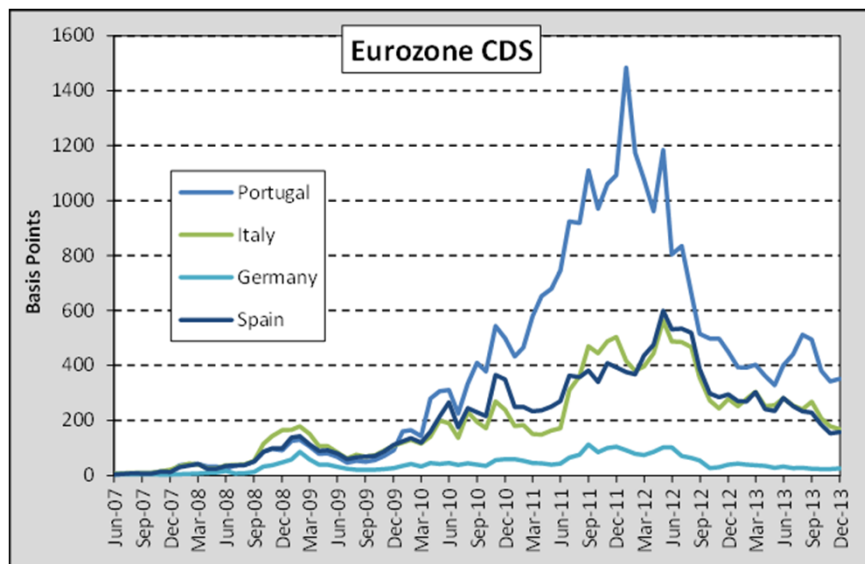
Source: Bloomberg as of 3/31



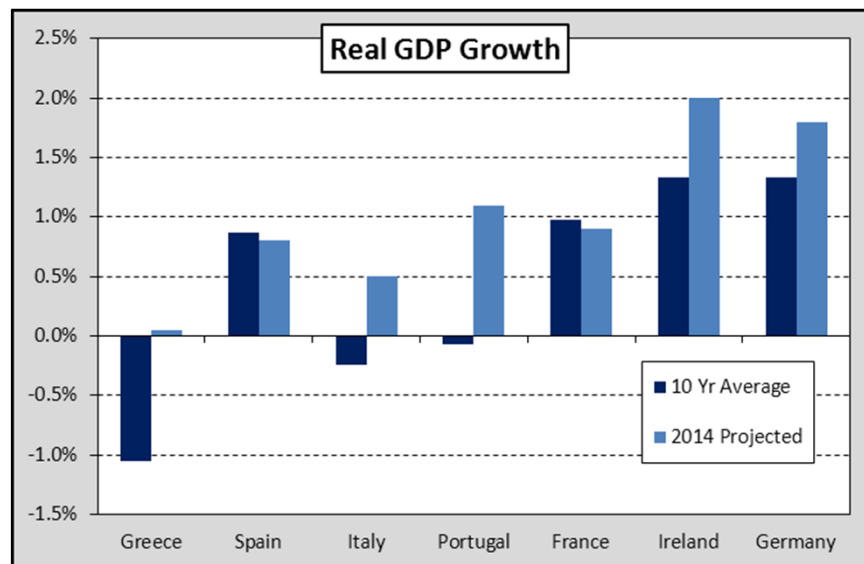
Large economies continue easing, Japan to the extreme, while the ECB tightens

Source: Bloomberg as of 9/30; All calculations converted to USD *GDP figure reflects World Bank Euro Area GDP

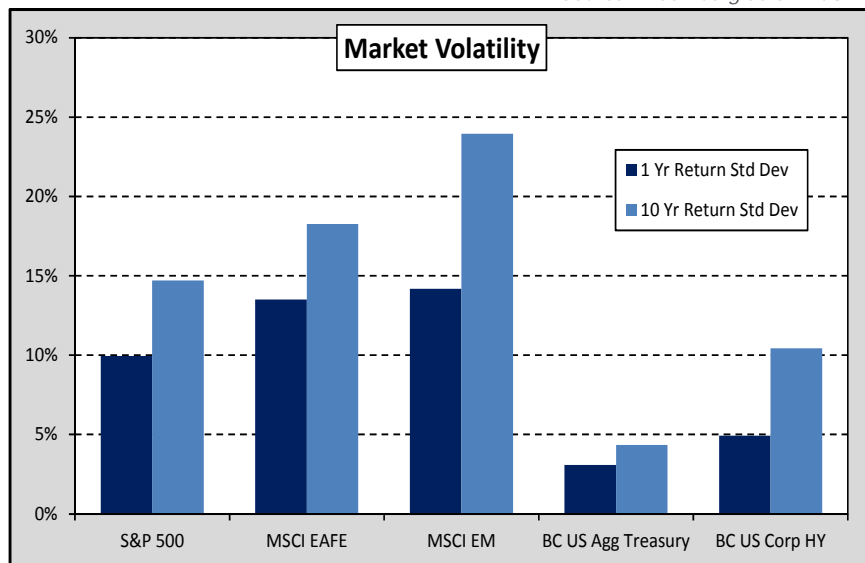
Looming Macro Uncertainties



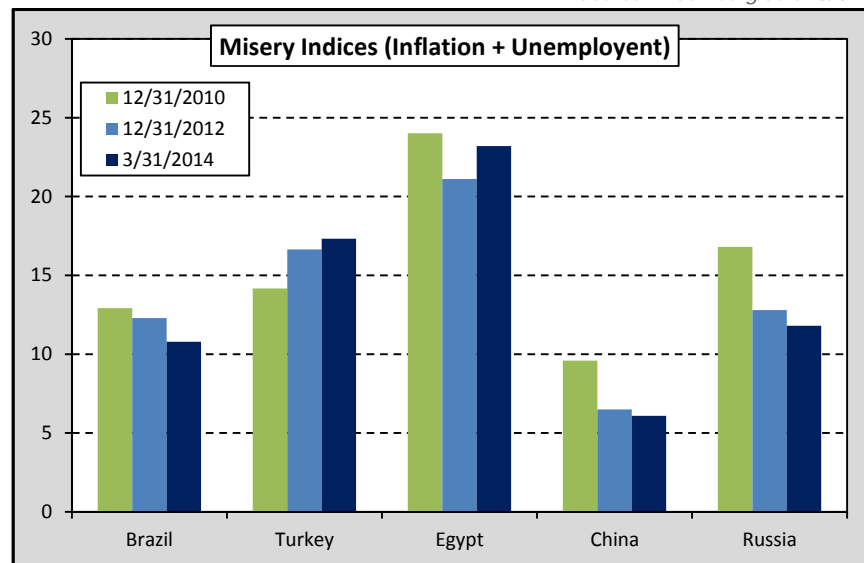
Source: Bloomberg as of 12/31



Source: Bloomberg as of 3/31

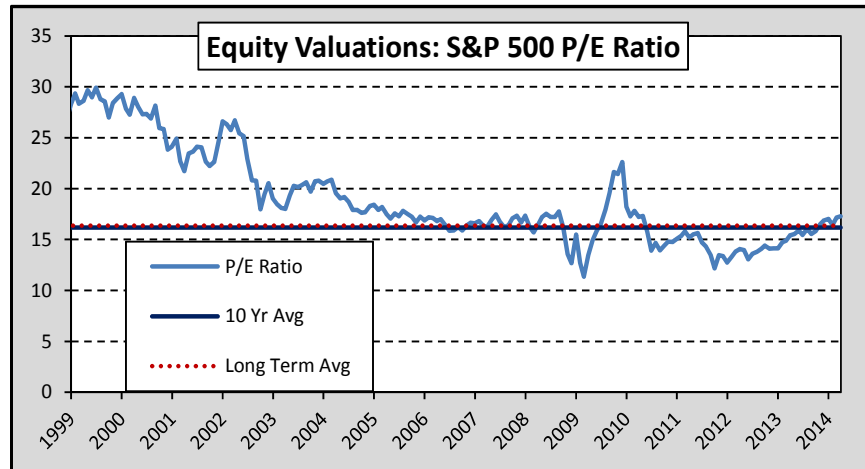


Source: Morningstar as of 3/31



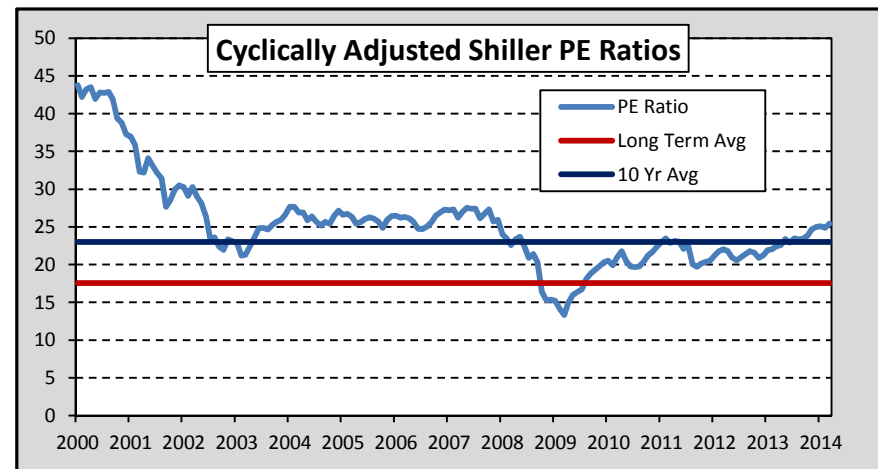
Source: Bloomberg as of 3/31

Market Environment – U.S. Equity



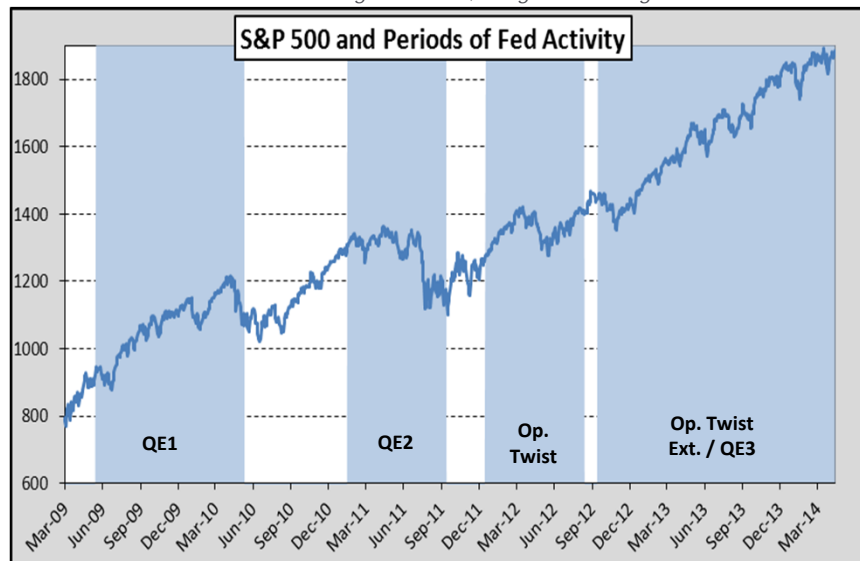
S&P valuations rose in March and remained above the 10-year and long-term averages, which are nearly equal at 16.35x...

Source: Bloomberg as of 3/31; Long term average dates to 1/29/1954

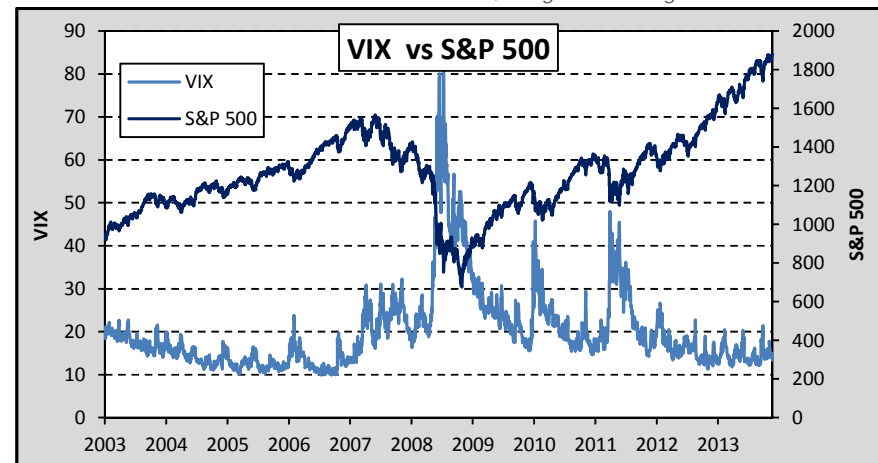


...The cyclically adjusted Shiller PE Ratio, however, is above the long-term average of 17.57 and slightly above the 10-year average of 22.99

Source: Shiller Data as of 3/31; Long term average dates to 1/1/1926



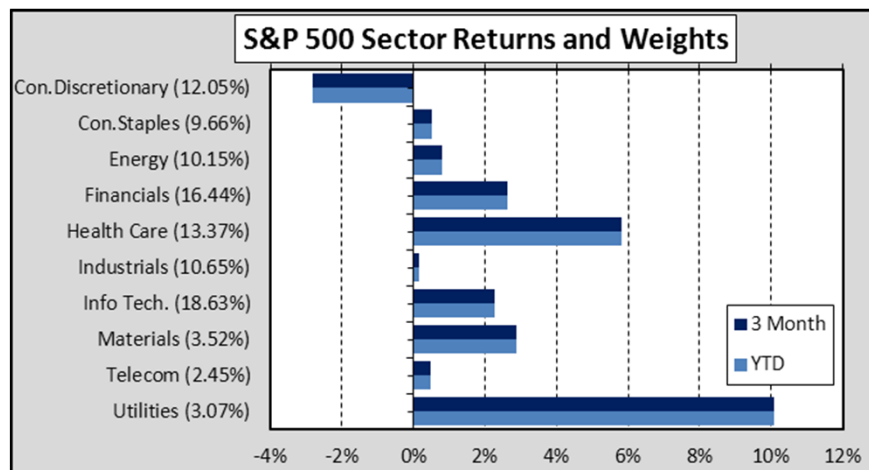
Source: Bloomberg as of 3/31



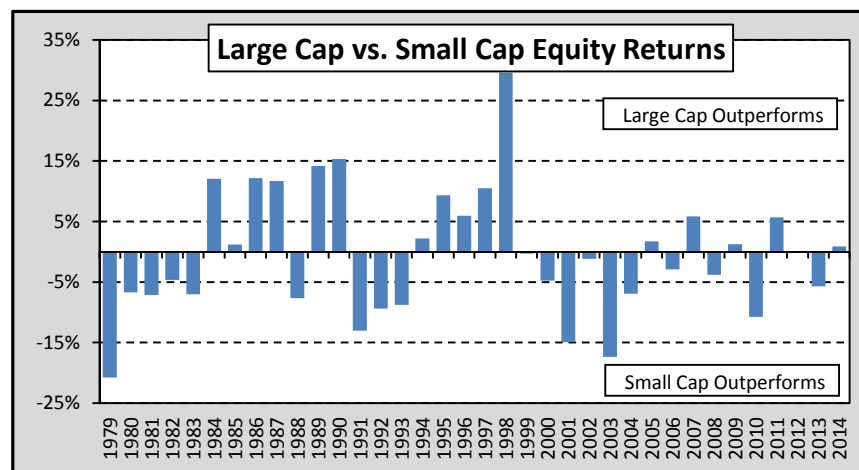
The VIX remained near historically low levels in March; the S&P 500 rose 0.8% on the month

Source: Bloomberg as of 3/31

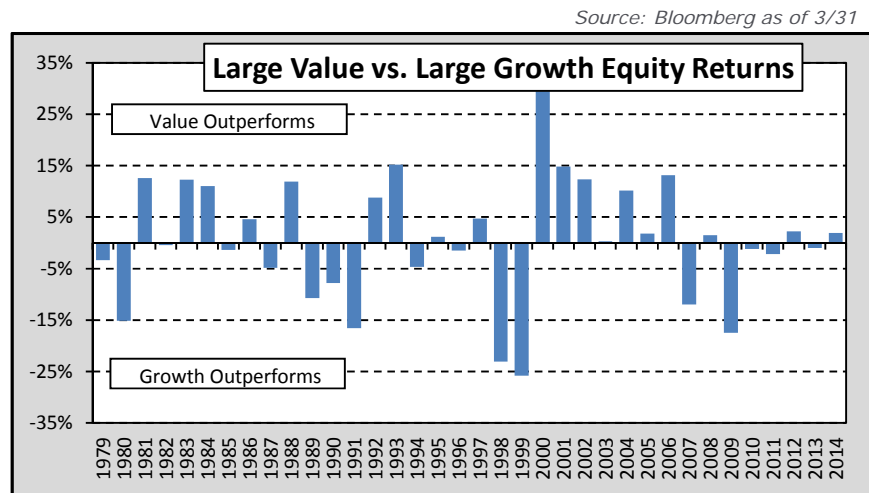
U.S. Equity Performance



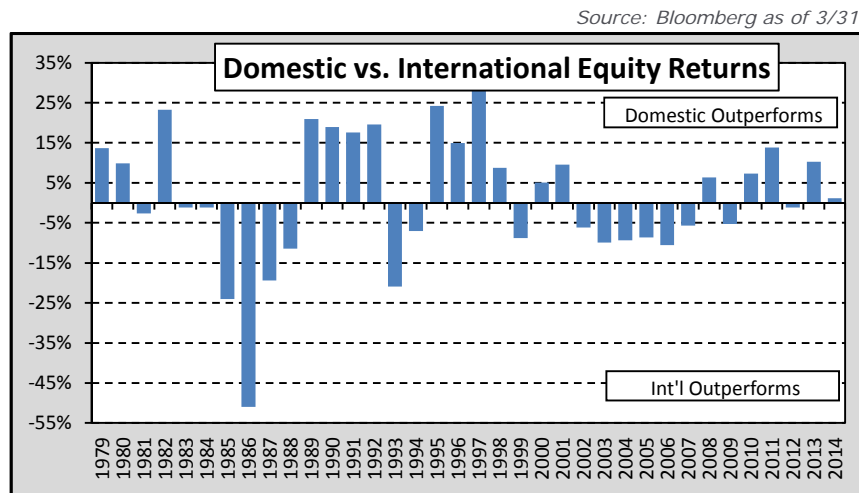
All sectors are positive to start 2014 except for Consumer Discretionary



Large cap has marginally outperformed small cap in 2014



Large value stocks have marginally outperformed large growth in 2014



Domestic equity has marginally outperformed international equity in 2014

Source: Bloomberg as of 3/31

Source: Bloomberg as of 3/31

City of San Jose Police and Fire Department Retirement Plan

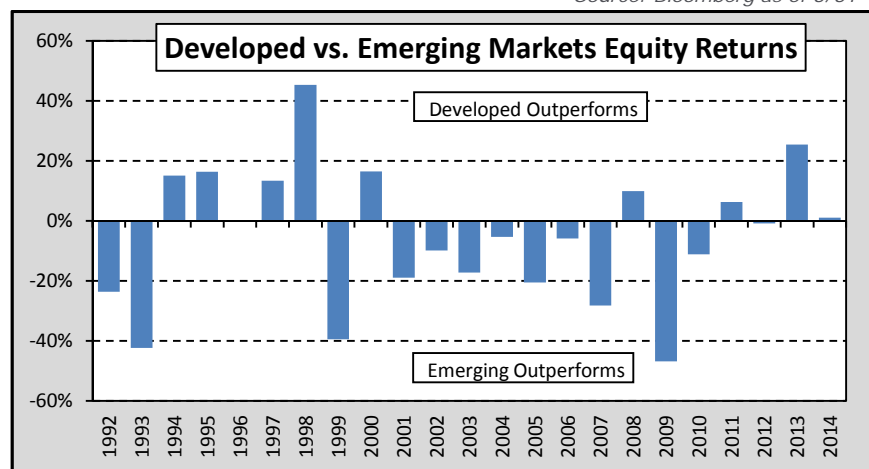
Non-U.S. Developed Markets Equity Performance

Developed Market Equity Returns (U.S. Dollars)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Europe ex UK	3.1%	3.1%	25.4%	5.0%
United Kingdom	-1.8%	-1.8%	12.5%	4.9%
Japan	-6.3%	-6.3%	5.7%	3.3%
Pacific Ex Japan	2.0%	2.0%	-2.4%	0.5%
Canada	1.0%	1.0%	4.0%	-3.9%
USA	1.3%	1.3%	19.5%	12.3%

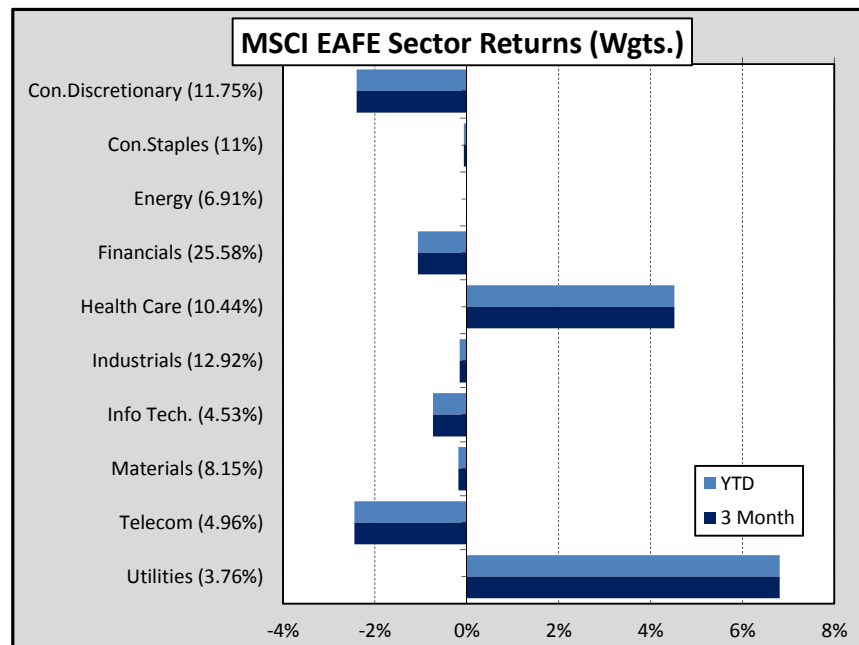
US Dollar Return vs. Major Foreign Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Euro	-0.2%	-0.2%	-7.4%	0.9%
Japanese Yen	-2.0%	-2.0%	8.7%	7.0%
British Pound	-0.6%	-0.6%	-9.6%	-1.3%
Canada	3.9%	3.9%	7.9%	4.2%
Australia	-3.9%	-3.9%	11.1%	3.6%

Currency Impact on Developed Mkt. Returns				
(Negative = Currency Hurt, Positive = Currency Helped)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	-0.3%	-0.3%	15.4%	8.9%
MSCI EAFE (USD)	0.7%	0.7%	17.6%	7.2%
Currency Impact	0.9%	0.9%	2.2%	-1.7%

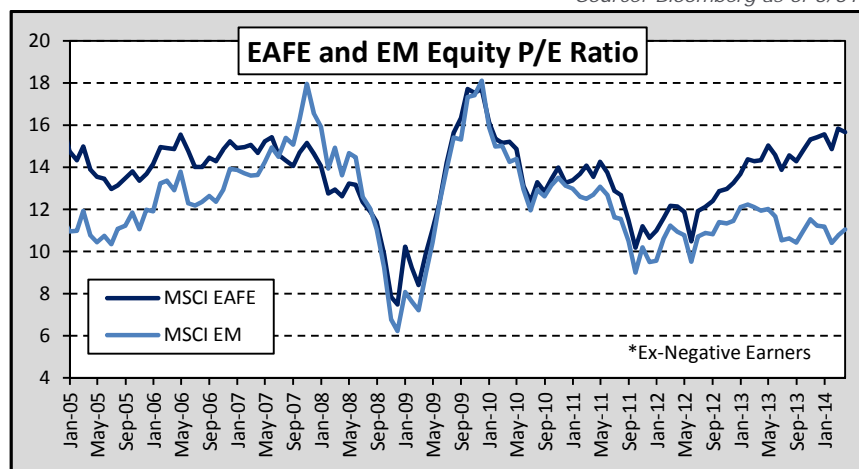
Source: Bloomberg as of 3/31



Source: Bloomberg as of 3/31

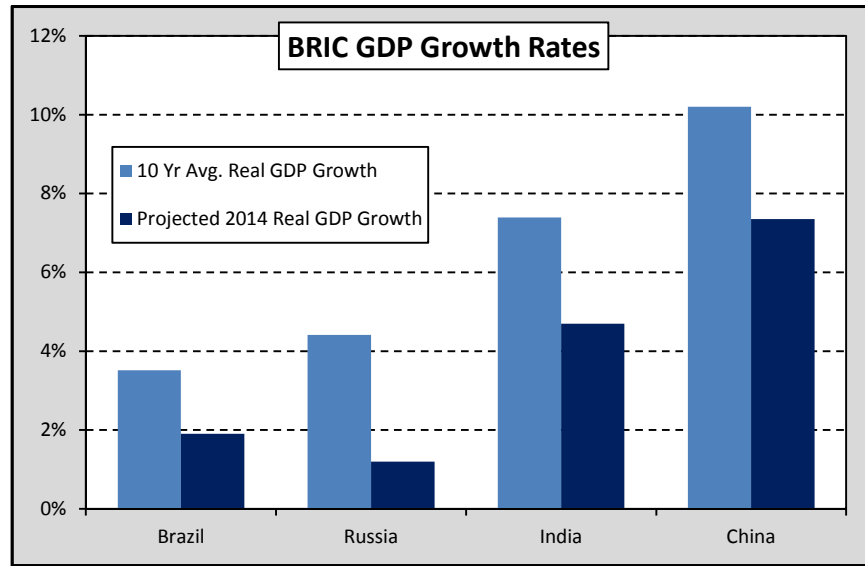


Source: Bloomberg as of 3/31

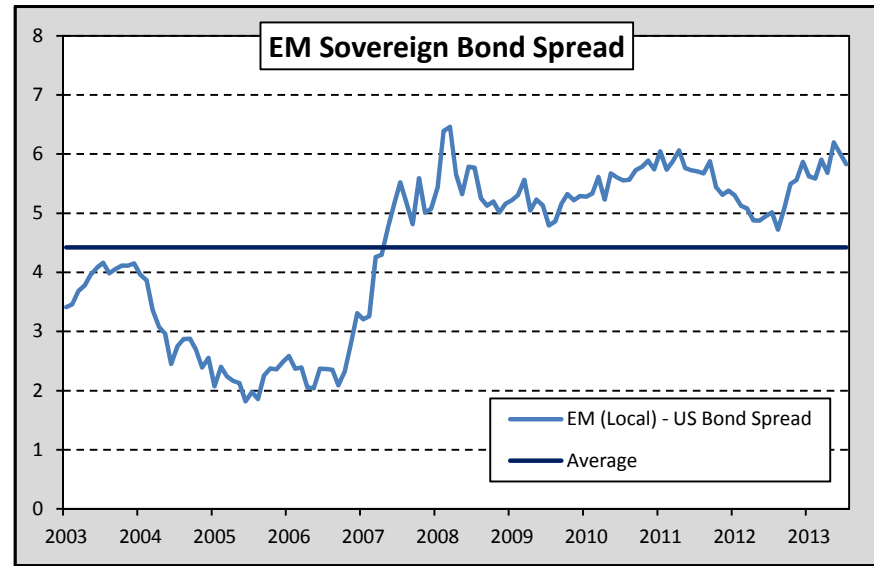


Source: Bloomberg as of 3/31

Emerging Markets Equity Performance



Source: Bloomberg as of 3/31



Source: Bloomberg as of 3/31

Emerging Markets Valuation		
	MSCI EM	MSCI EM Small Cap
PE Ratio	11.87	21.10
PE Historical Avg	14.43	18.22
PB Ratio	1.49	1.32
Historical Avg	1.53	1.27
PS Ratio	1.02	0.77
Historical Avg	1.12	0.71

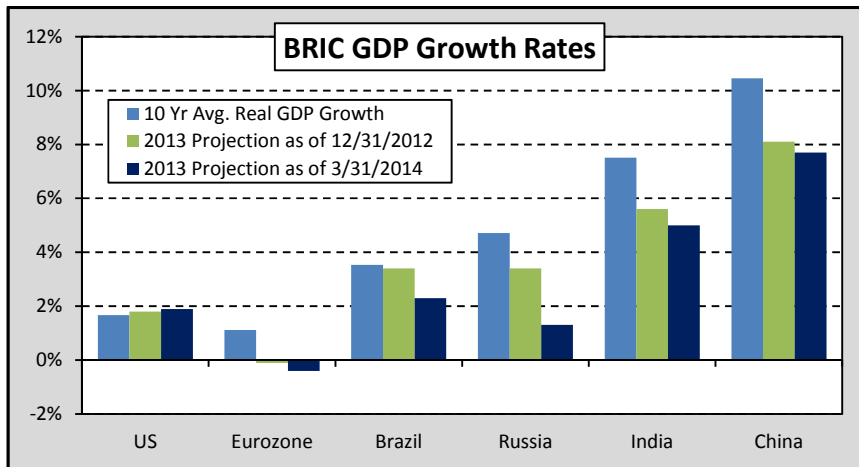
- MSCI EM PE, PB, and PS Ratios are below historical averages
- MSCI EM Small Cap PE, PB, and PS are all above historical averages

Source: Bloomberg as of 3/31

US Dollar Return vs. Major EM Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Brazilian Real	-4.1%	-4.1%	11.0%	10.4%
Russian Ruble	6.2%	6.2%	11.4%	6.8%
Indian Rupee	-3.3%	-3.3%	9.0%	9.4%
Chinese Renminbi	2.6%	2.6%	0.1%	-1.7%
Singapore Dollar	-0.2%	-0.2%	-0.9%	-0.9%
Hungarian Forint	3.0%	3.0%	-6.4%	5.6%
Turkish Lira	-0.3%	-0.3%	15.5%	10.3%
Mexican Peso	0.2%	0.2%	5.7%	3.0%
So. African Rand	0.3%	0.3%	12.3%	13.7%
So. Korean Won	1.1%	1.1%	-4.5%	-1.1%

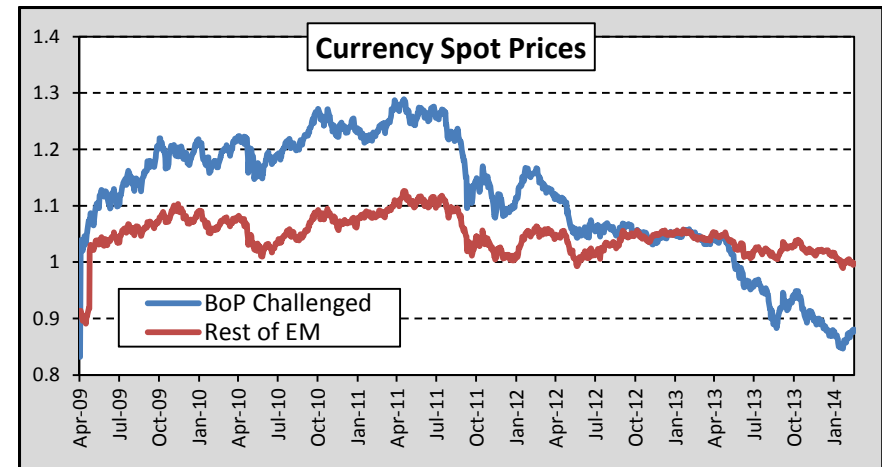
Source: Bloomberg as of 3/31

Market Environment – Emerging Markets



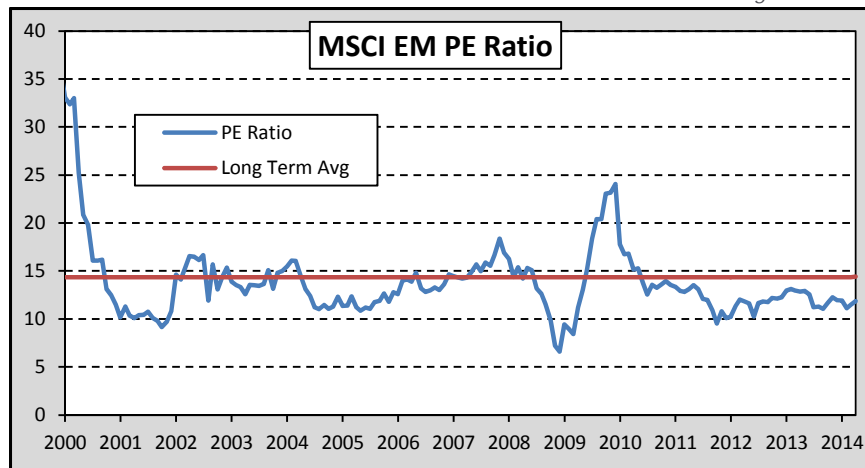
Projected GDP growth rates have continued to decline in emerging market countries

Source: Bloomberg as of 3/31



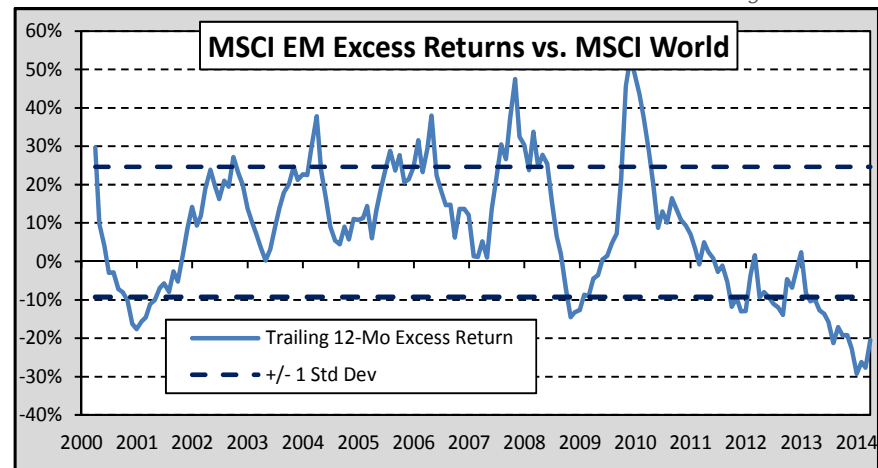
Currencies of BoP challenged countries (Brazil, India, Indonesia, Turkey, and South Africa) have depreciated significantly relative to currencies of other EM countries

Source: Bloomberg as of 3/31



The MSCI EM PE Ratio remains below its long term average

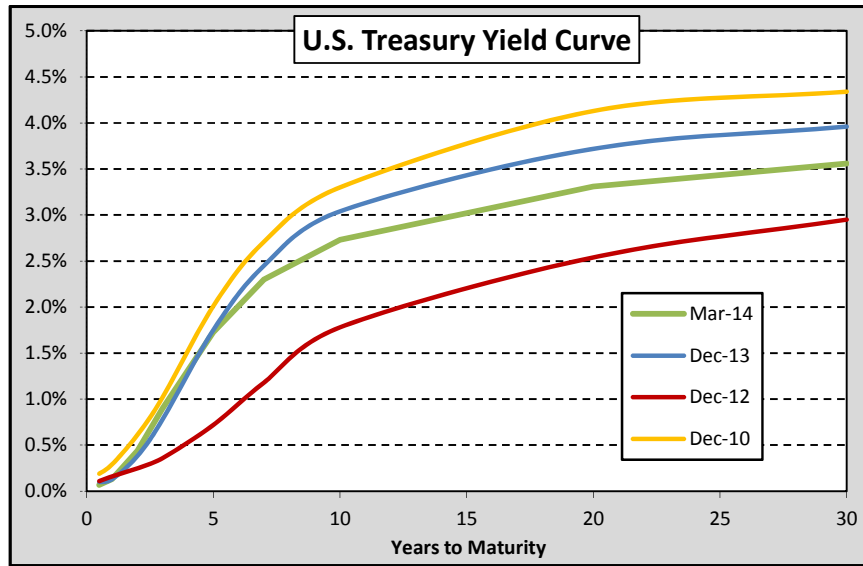
Source: Bloomberg as of 3/31



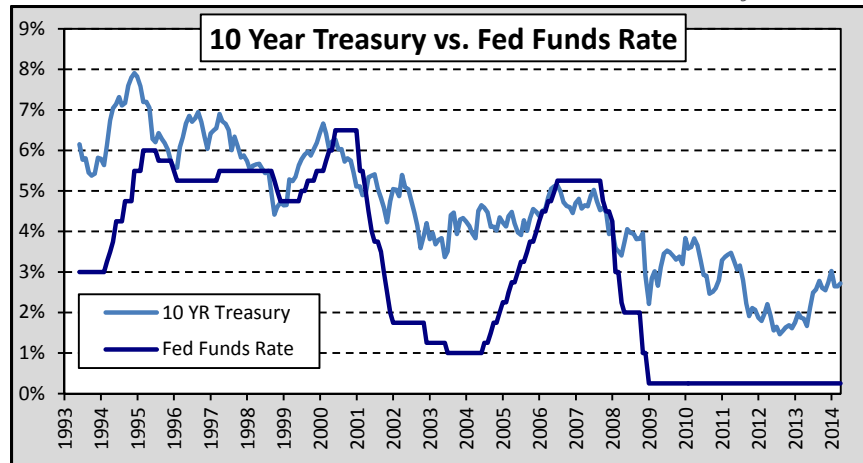
MSCI EM Rolling 12-Month excess returns relative to MSCI World are at below the lower bound of the historical range

Source: Bloomberg as of 3/31

Market Environment – Interest Rates

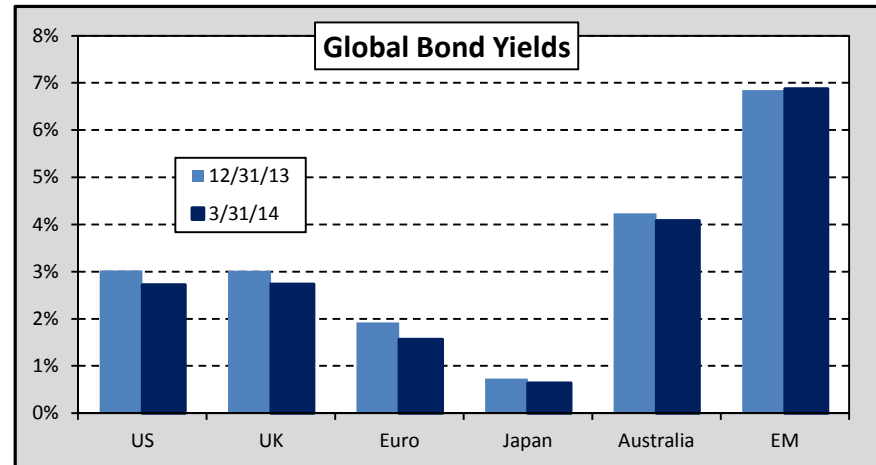


Source: US Treasury as of 3/31



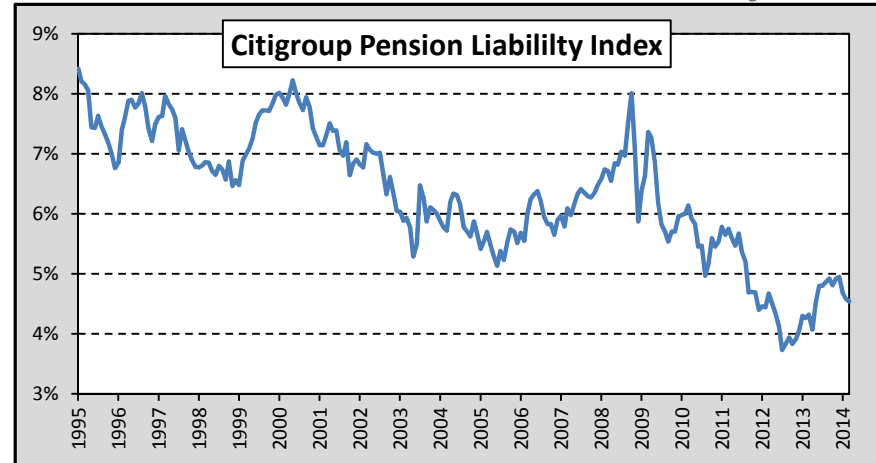
Fed Funds rate remains at 0.25% while the 10-year Treasury Yield finished March at 2.72%

Source: Bloomberg as of 3/31



Bond yields across the globe have mostly declined in 2014

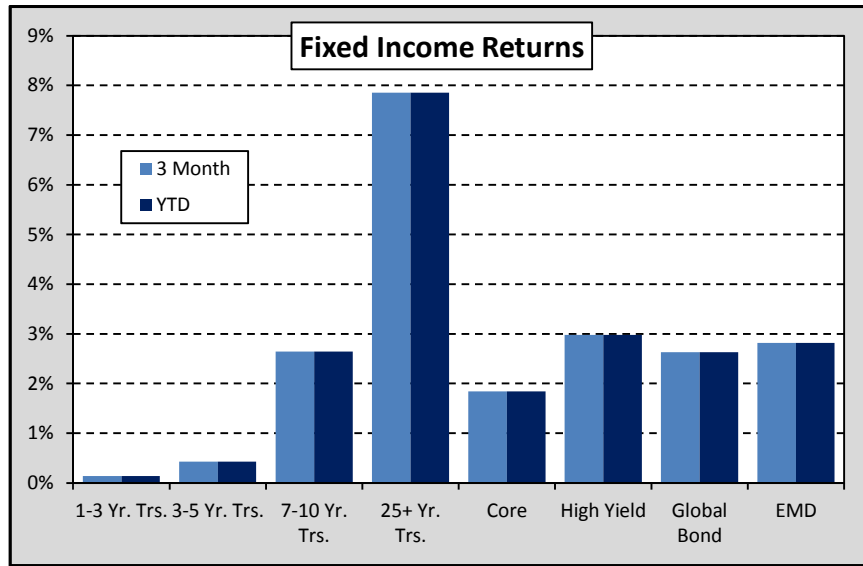
Source: Bloomberg as of 3/31



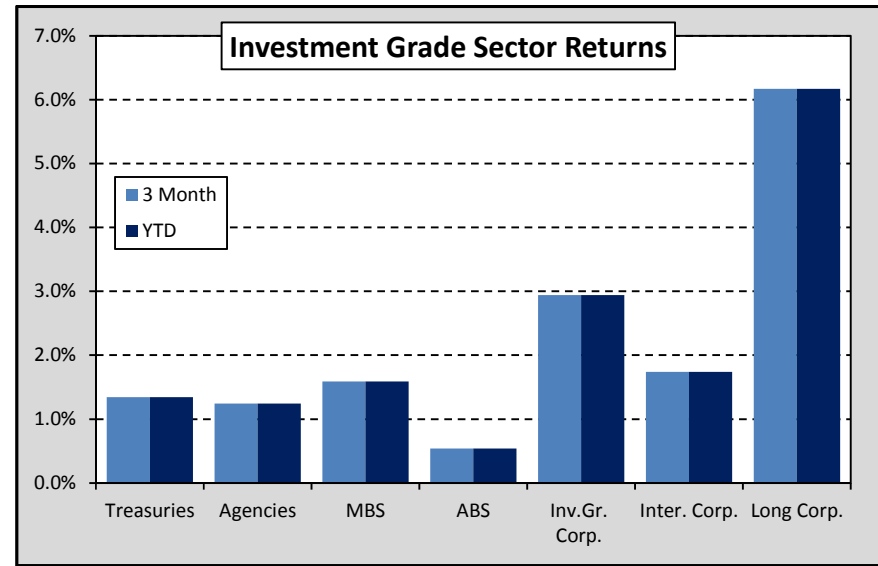
The Citi Pension discount rate fell to 4.54% through March

Source: Citigroup as of 3/31

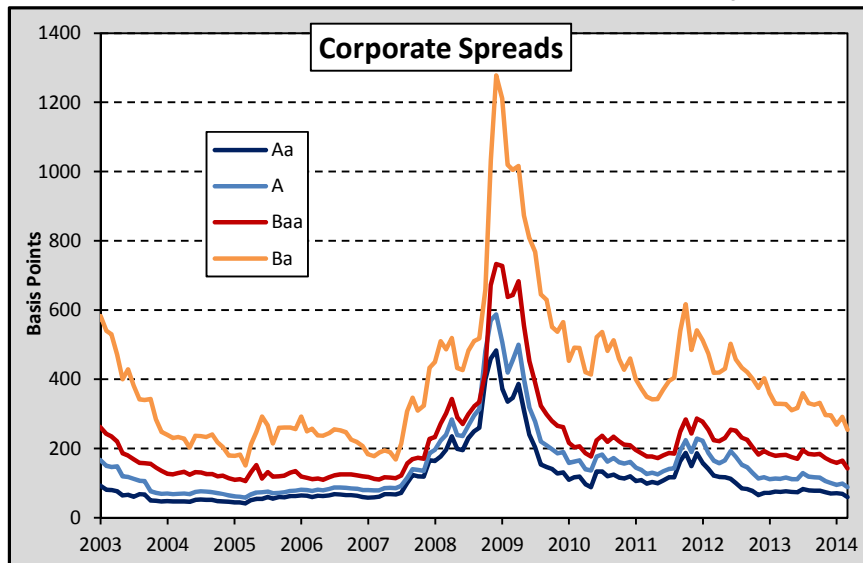
Fixed Income Performance



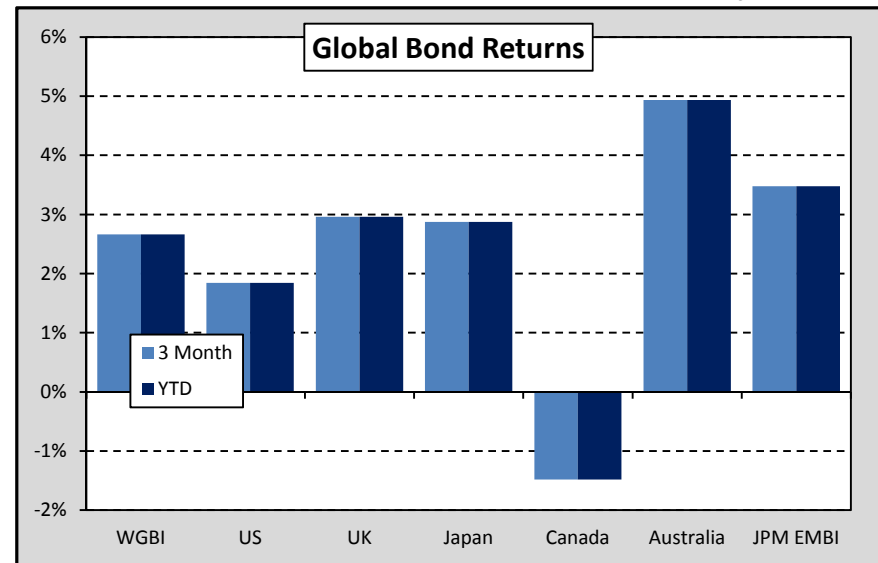
Source: Barclays as of 3/31



Source: Barclays as of 3/31

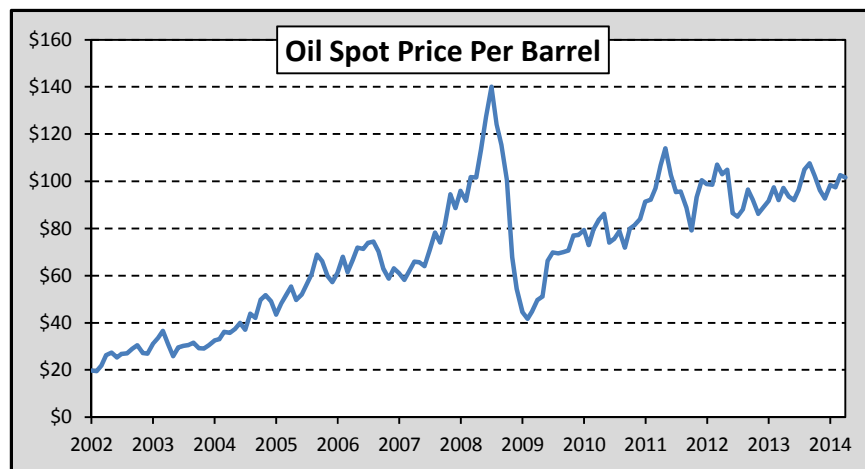


Source: Barclays as of 3/31

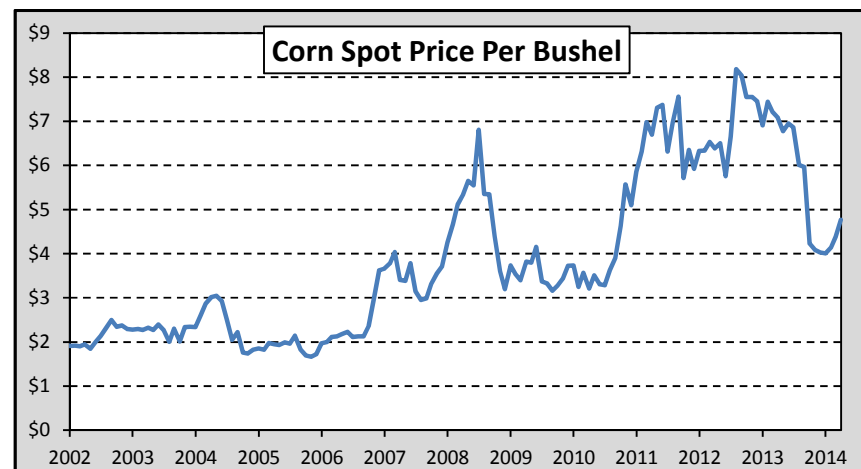


Source: Barclays, Bloomberg as of 3/31

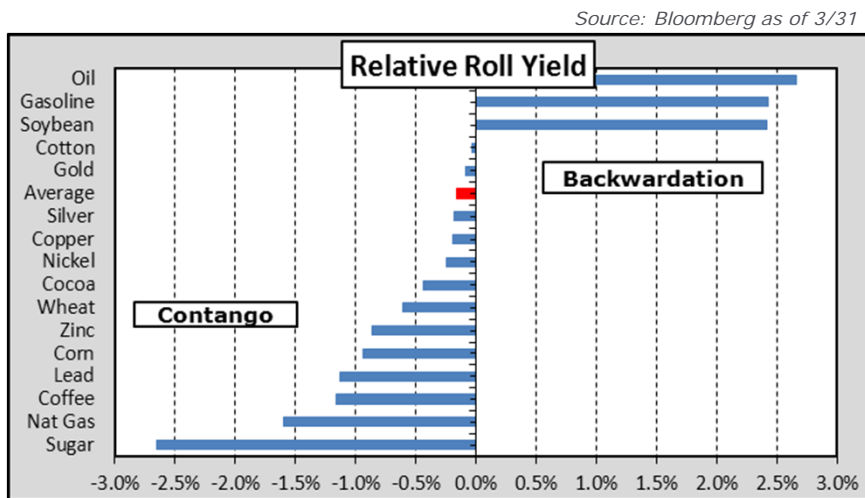
Market Environment – Commodities



Oil prices finished March down at \$101.58 per barrel

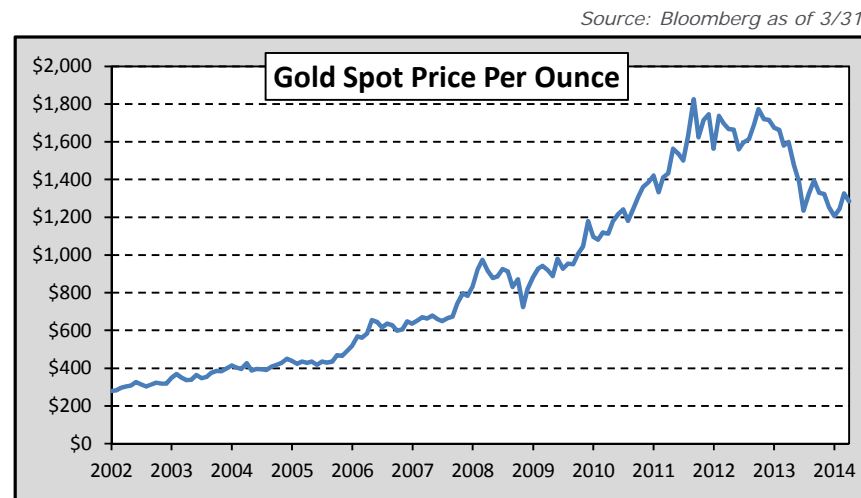


Corn prices finished March up at \$4.77 per bushel



Many commodity futures' prices are 'contangoed', meaning a higher forward price is expected relative to the current spot

Source: Bloomberg as of 3/31



Gold prices finished March down at \$1284.01 per ounce

Source: Bloomberg as of 3/31

Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of Return are annualized when the time period is longer than a year. Performance is presented gross and/or net of fees as indicated.
- For managers funded in the middle of a month, the 'since inception' return will start with the first full month, although actual inception dates and cash flows are included in all respective Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

Information Disclaimer

- **Past performance is no guarantee of future results.**
- **All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.**
- **Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may not be available from the source or may be preliminary and subject to change.**
- **NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the Plan's custodian bank. Information on market indices and security characteristics is received from other 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 herein.**
- **This report is provided as a management aid for the client's internal use only. Performance in this report does not constitute a recommendation by NEPC.**
- **This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.**