

FUND EVALUATION REPORT

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

Quarterly Review
March 31, 2018



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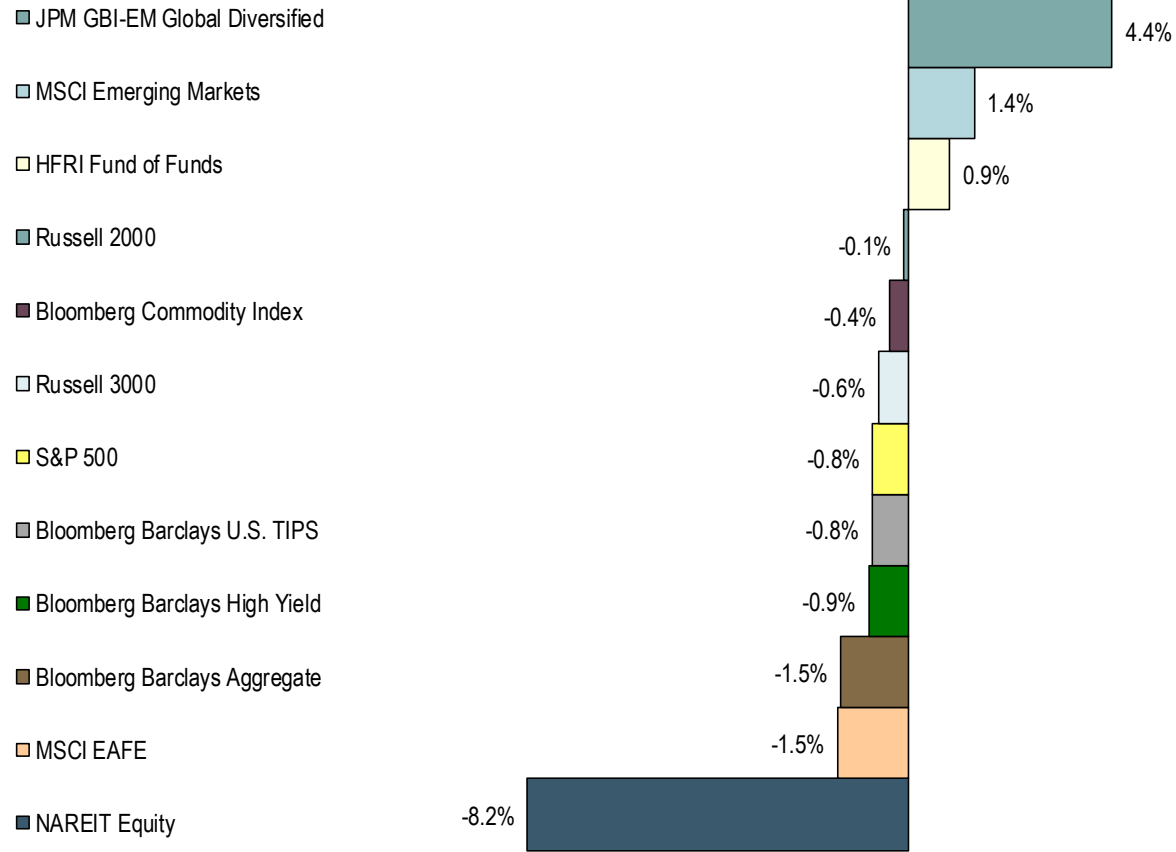
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**The World Markets
First Quarter of 2018**

The World Markets¹ First Quarter of 2018



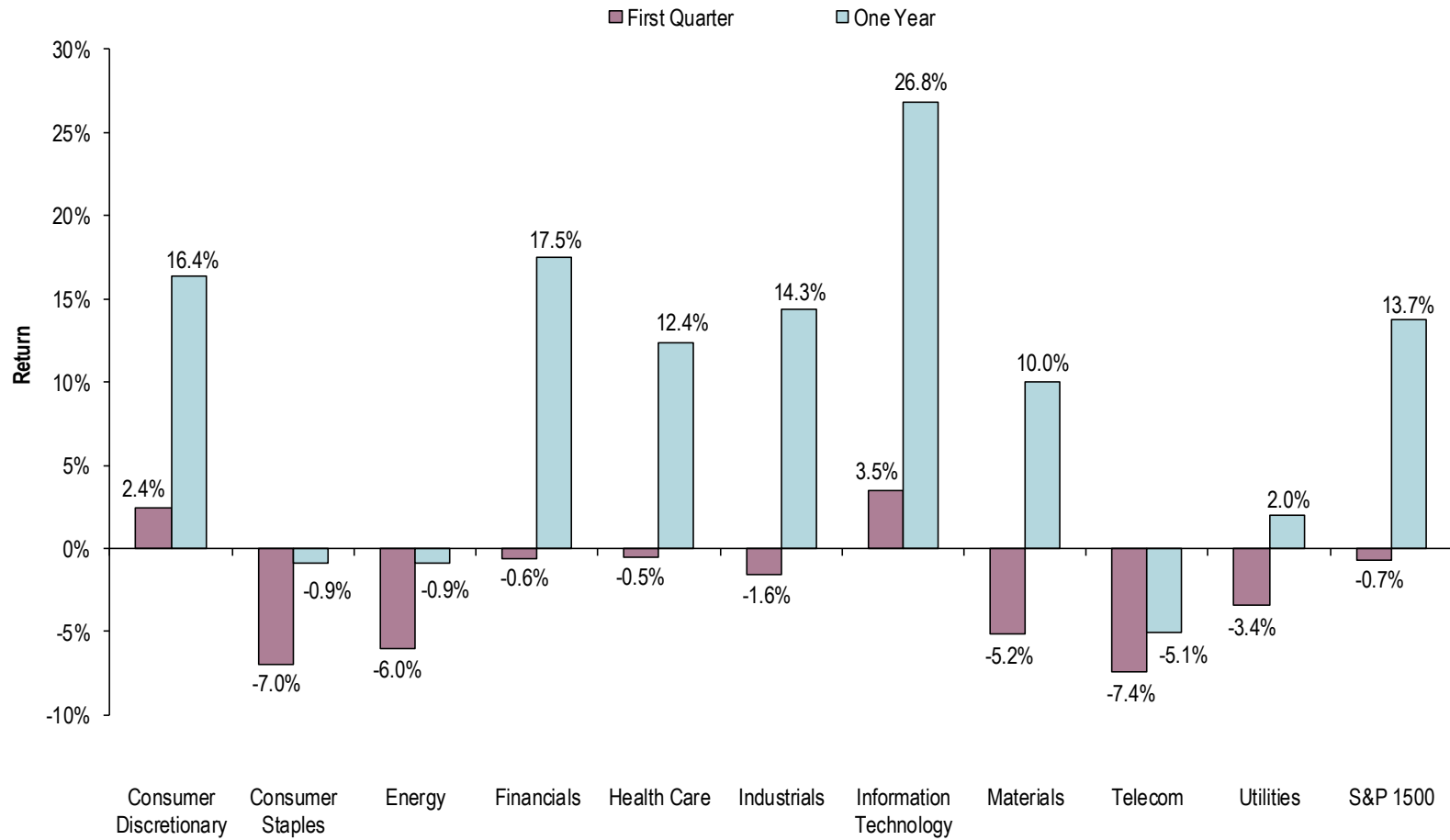
¹ Source: InvestorForce.

Index Returns¹

	1Q18 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	-0.6	13.8	10.2	13.0	9.6
Russell 1000	-0.7	14.0	10.4	13.2	9.6
Russell 1000 Growth	1.4	21.3	12.9	15.5	11.3
Russell 1000 Value	-2.8	6.9	7.9	10.8	7.8
Russell MidCap	-0.5	12.2	8.0	12.1	10.2
Russell MidCap Growth	2.2	19.7	9.2	13.3	10.6
Russell MidCap Value	-2.5	6.5	7.2	11.1	9.8
Russell 2000	-0.1	11.8	8.4	11.5	9.8
Russell 2000 Growth	2.3	18.6	8.8	12.9	11.0
Russell 2000 Value	-2.6	5.1	7.9	10.0	8.6
Foreign Equity					
MSCI ACWI (ex. U.S.)	-1.2	16.5	6.2	5.9	2.7
MSCI EAFE	-1.5	14.8	5.6	6.5	2.7
MSCI EAFE (Local Currency)	-4.3	5.3	3.4	8.5	4.5
MSCI EAFE Small Cap	0.2	23.5	12.3	11.1	6.5
MSCI Emerging Markets	1.4	24.9	8.8	5.0	3.0
MSCI Emerging Markets (Local Currency)	0.7	22.0	9.0	8.3	5.4
Fixed Income					
Bloomberg Barclays Universal	-1.4	1.5	1.7	2.2	4.0
Bloomberg Barclays Aggregate	-1.5	1.2	1.2	1.8	3.6
Bloomberg Barclays U.S. TIPS	-0.8	0.9	1.3	0.0	2.9
Bloomberg Barclays High Yield	-0.9	3.8	5.2	5.0	8.3
JPM GBI-EM Global Diversified	4.4	12.9	5.4	-0.7	3.7
Other					
NAREIT Equity	-8.2	-4.5	1.1	5.9	6.4
Bloomberg Commodity Index	-0.4	3.7	-3.2	-8.3	-7.7
HFRI Fund of Funds	0.9	6.2	2.1	3.5	1.6

¹ Source: InvestorForce.

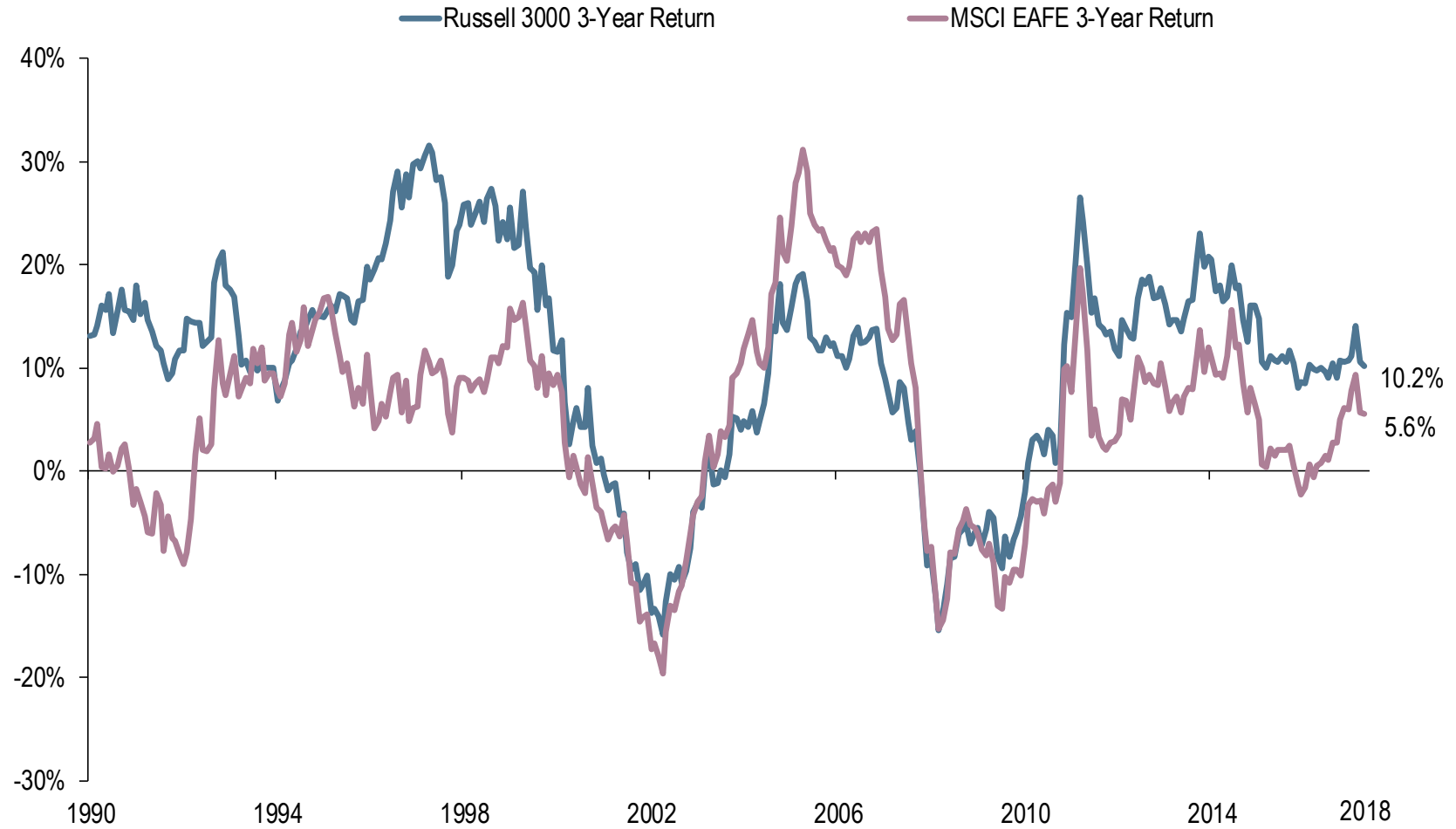
S&P Sector Returns¹



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



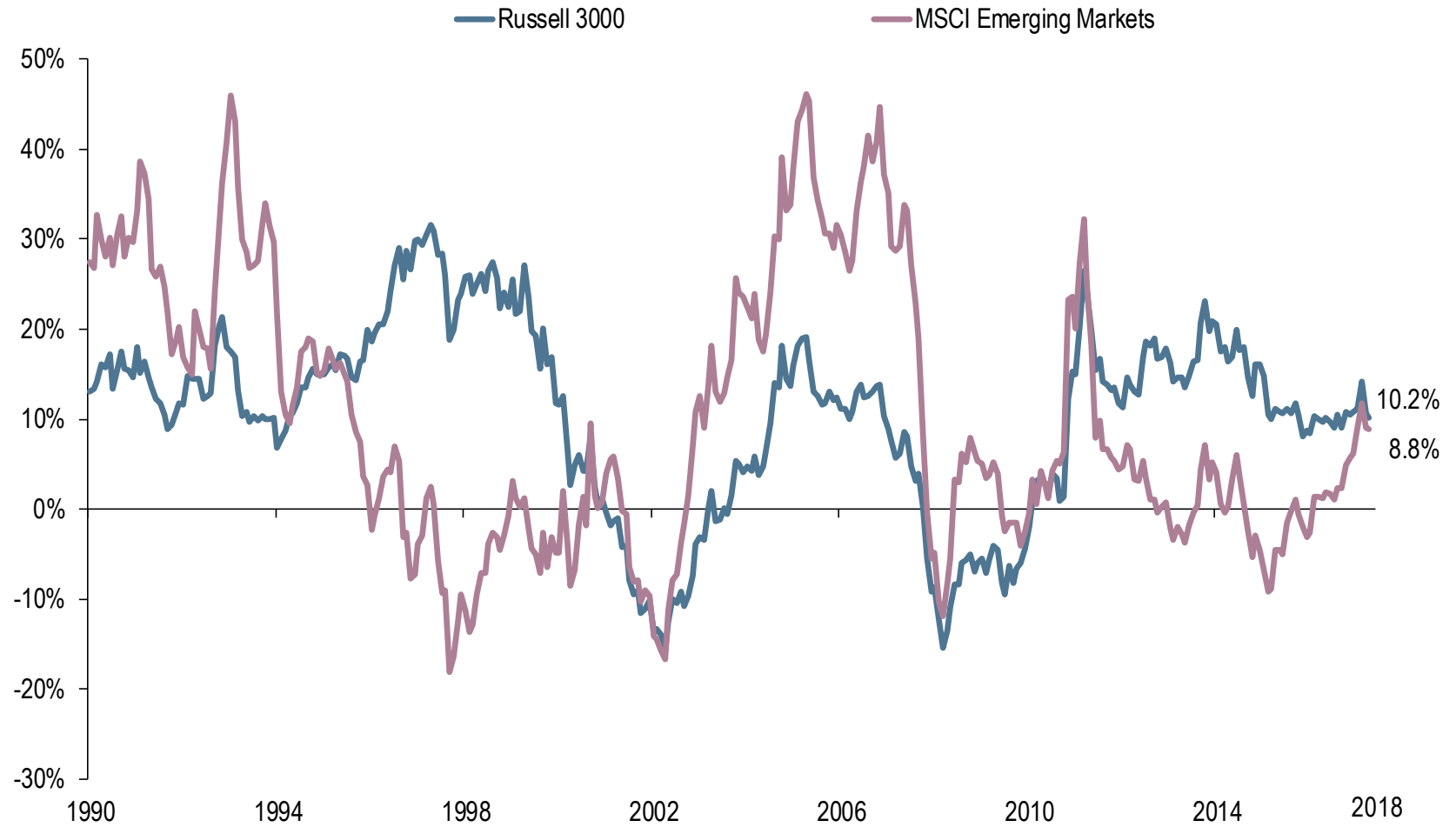
U.S. and Developed Market Foreign Equity Rolling Three-Year Returns¹



¹ Source: InvestorForce.



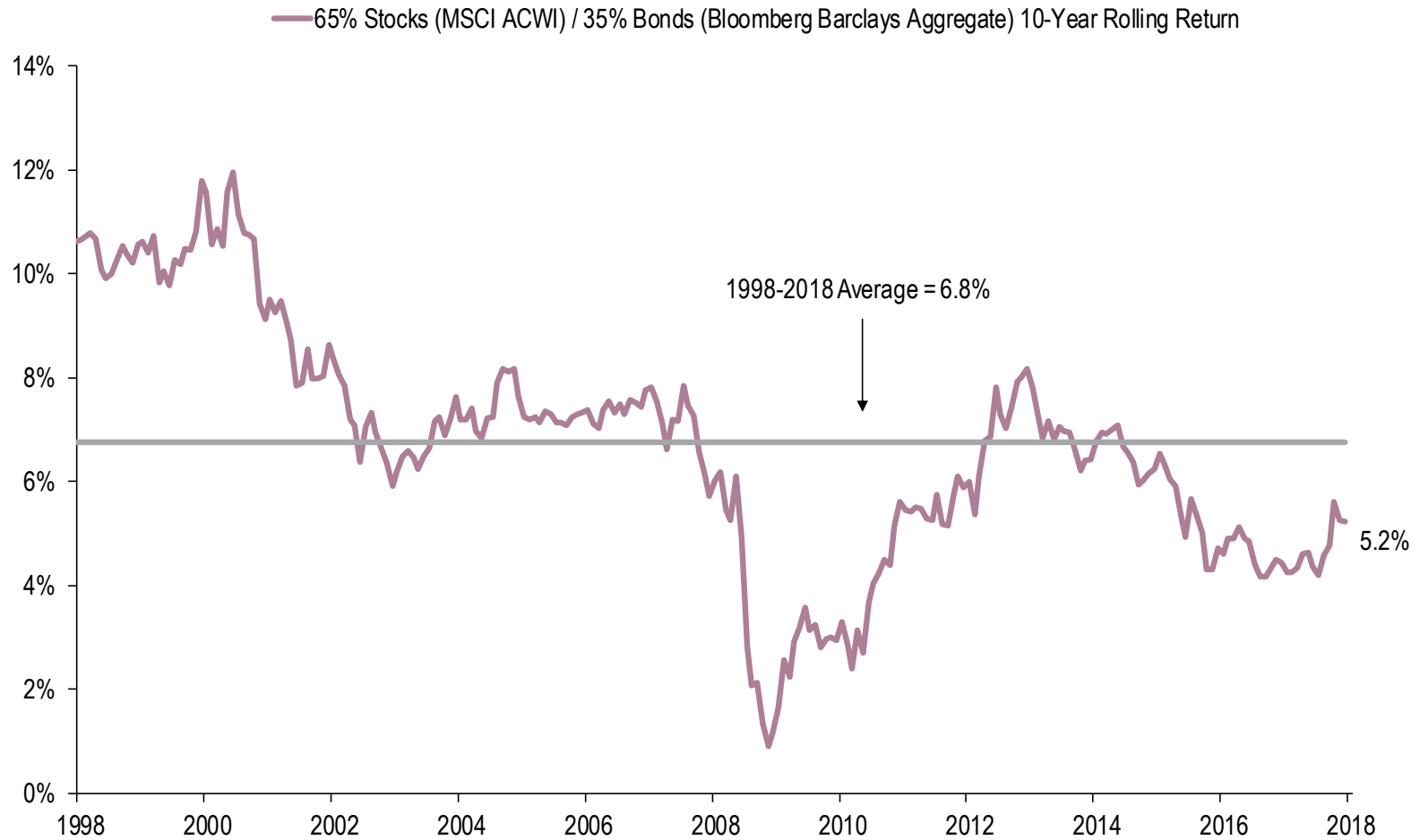
U.S. and Emerging Market Equity Rolling Three-Year Returns¹



¹ Source: InvestorForce.



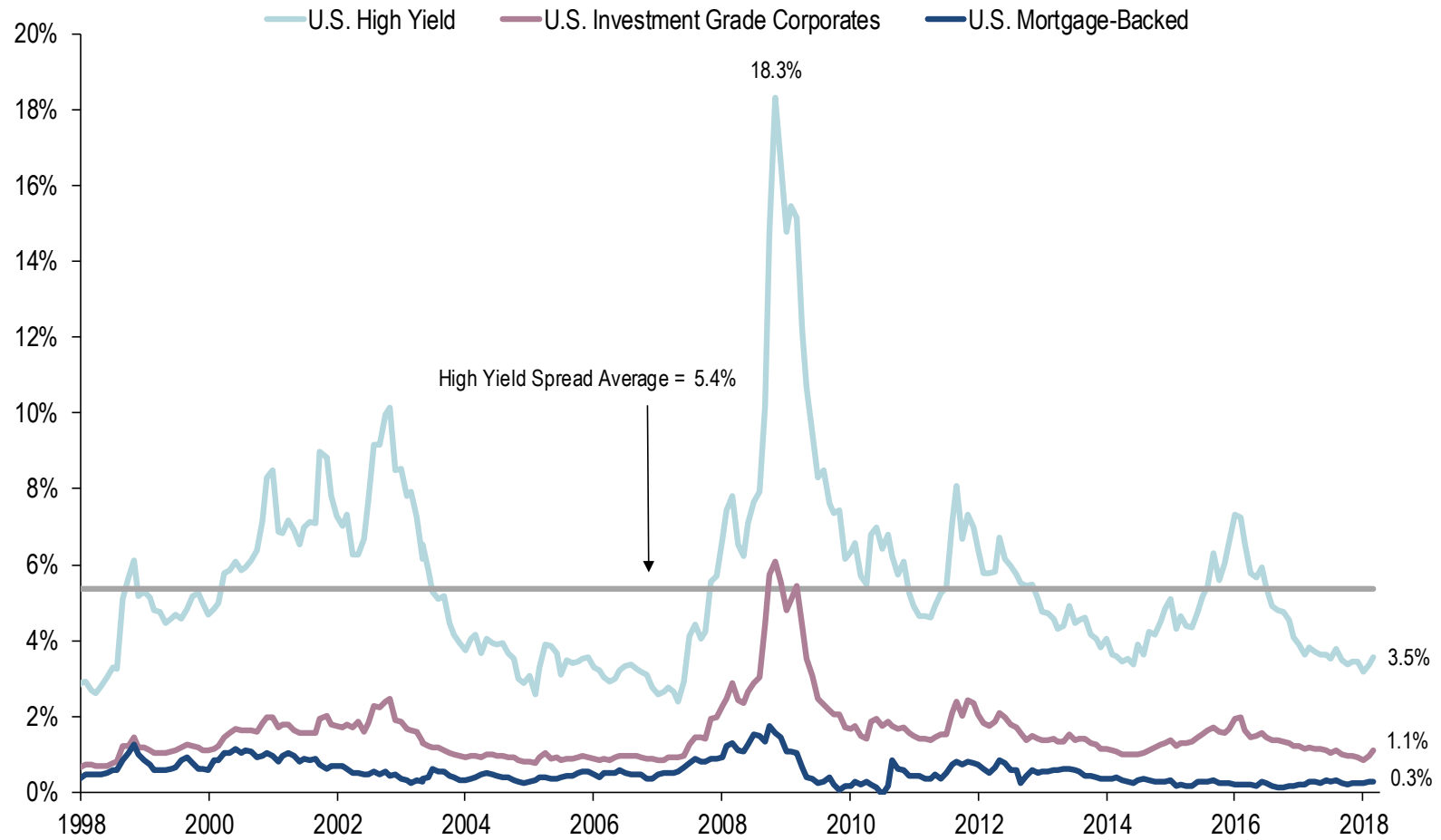
Rolling Ten-Year Returns: 65% Stocks and 35% Bonds¹



¹ Source: InvestorForce.



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

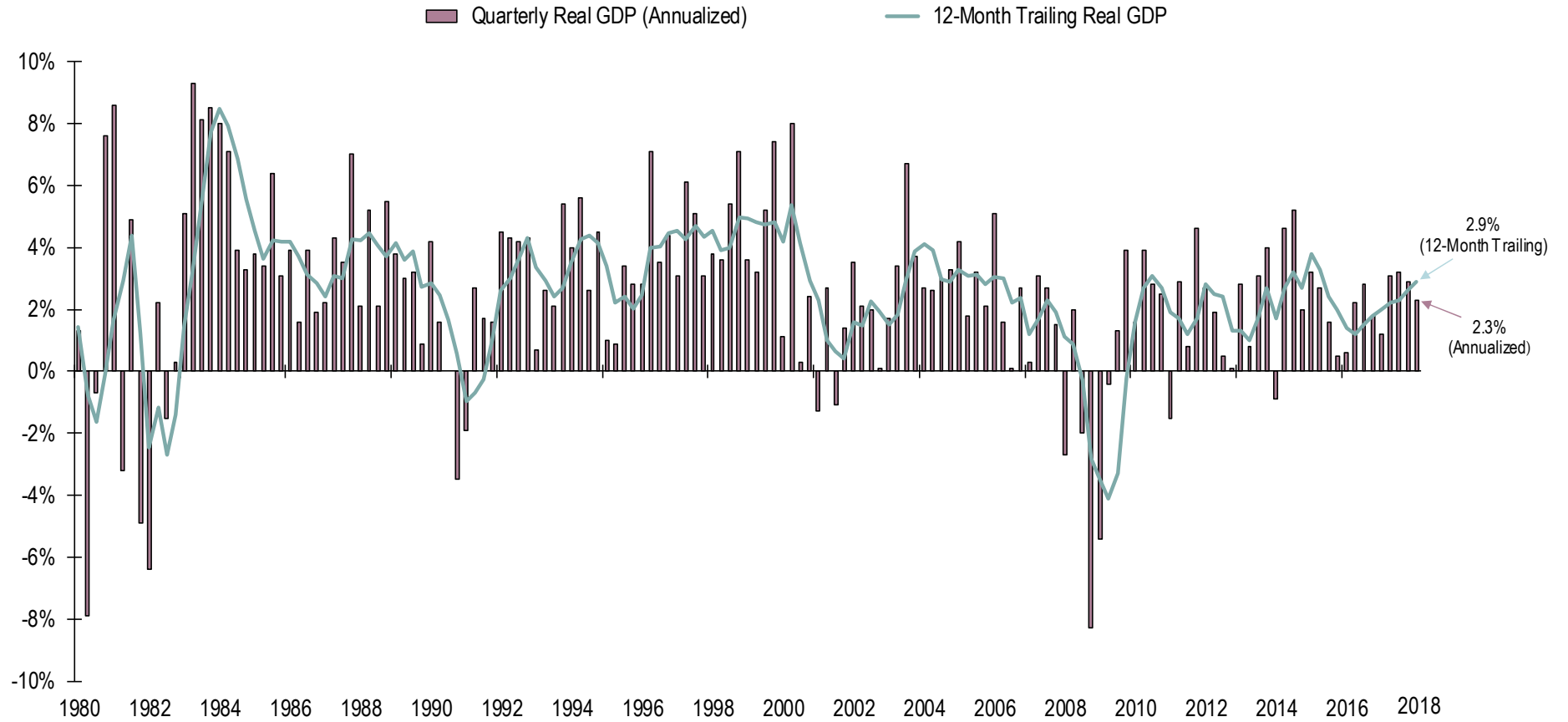


¹ Source: Barclays Live.

² The median high yield spread was 4.9% from 1997-2018.



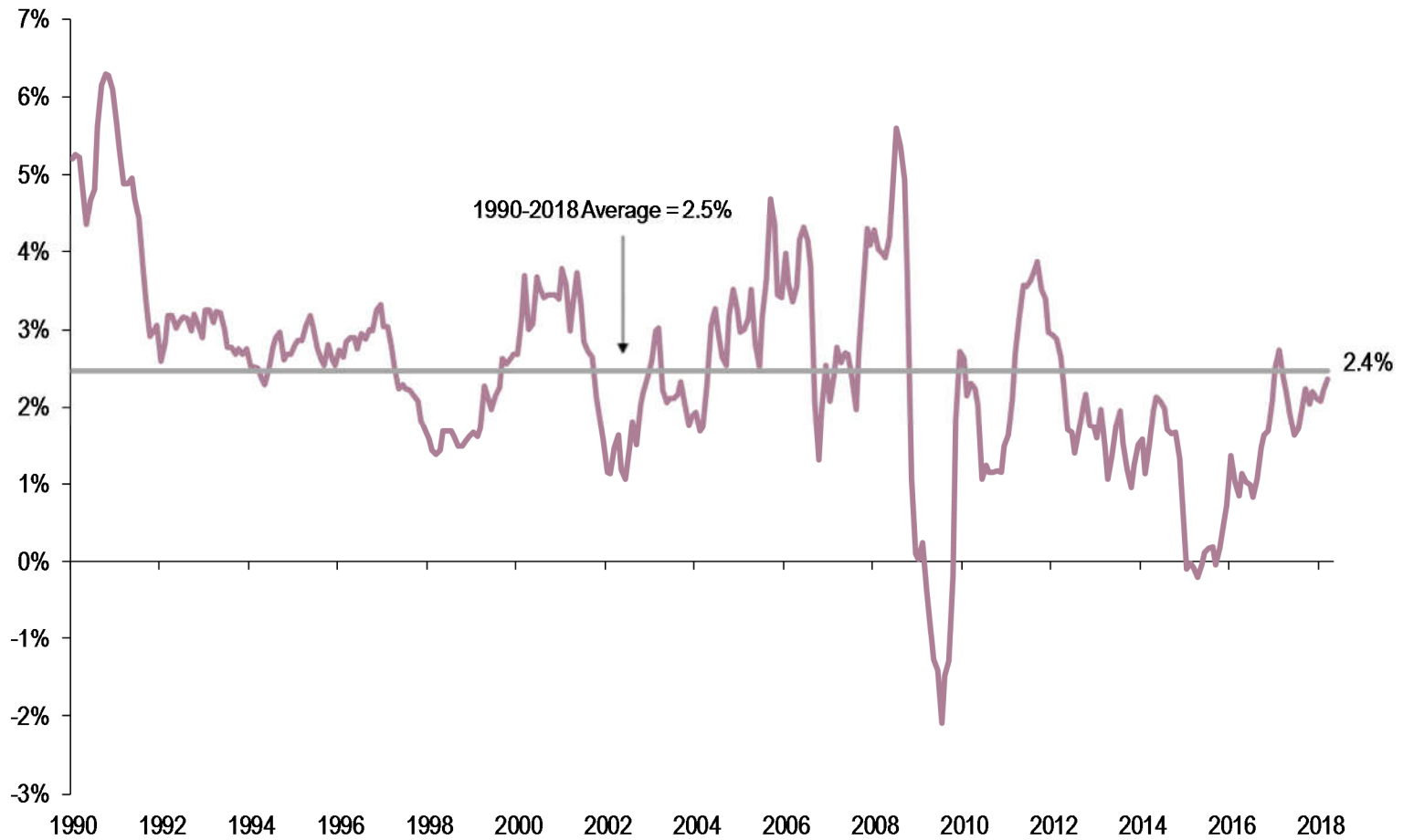
U.S. Real Gross Domestic Product (GDP) Growth¹



¹ Source: Bureau of Economic Analysis. Data is as of Q1 2018 and represents the first estimate.



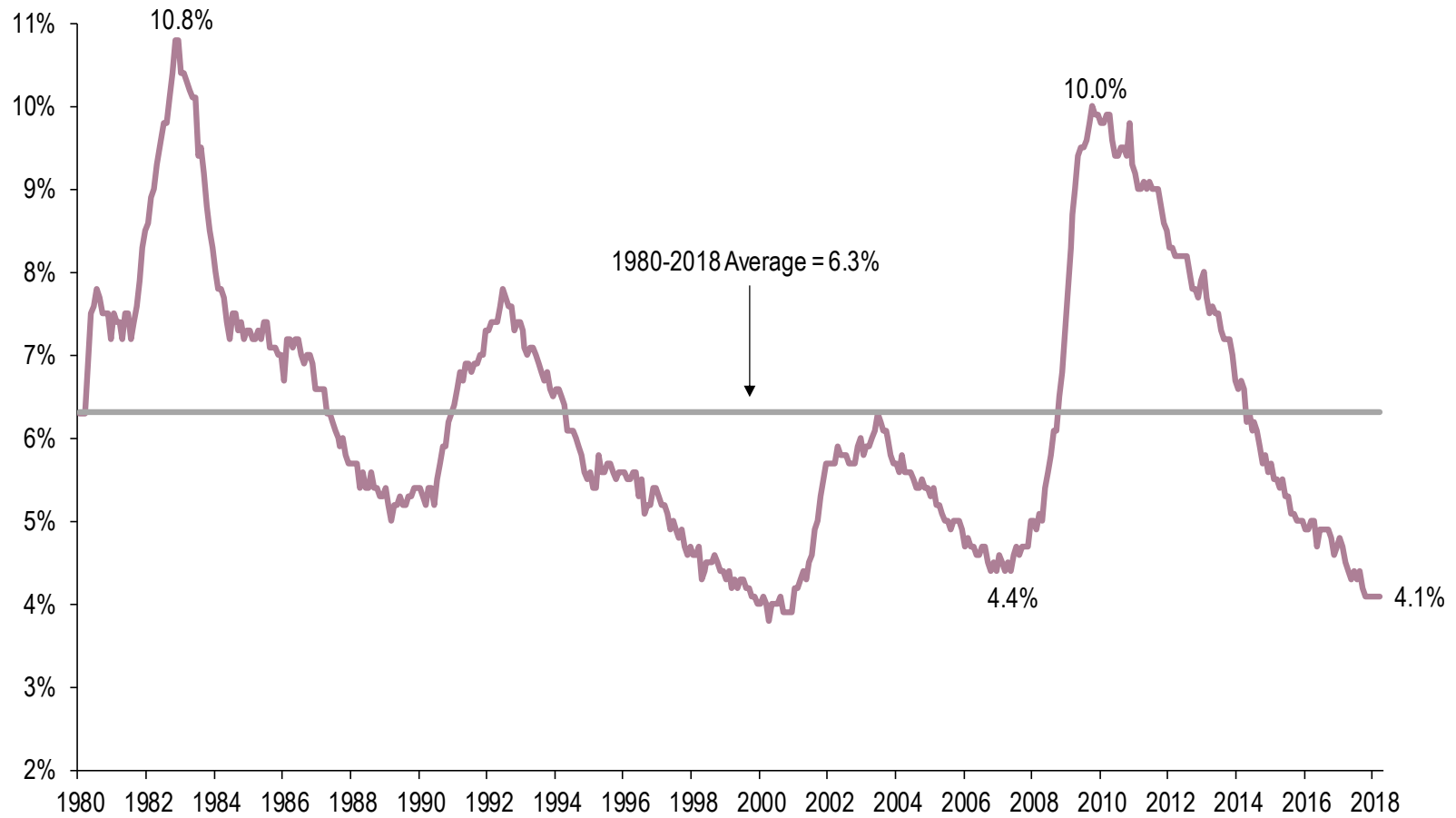
U.S. Inflation (CPI) Trailing Twelve Months¹



¹ Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of March 31, 2018.



U.S. Unemployment¹



¹ Source: Bureau of Labor Statistics. Data is as of March 31, 2018.



**Executive Summary
As of March 31, 2018**

The value of the City of San Jose Police and Fire Department Retirement Plan – Health Care Trust’s assets was \$125.8 million on March 31, 2018, a decrease of \$1.4 million from the end of the prior quarter. The Trust had \$0.8 million in net cash inflows for the quarter.

- The Health Care Trust’s net of fees performance was -1.6% for the quarter, underperforming the Policy Benchmark of -1.5% and the Allocation Index return of -1.3%. Over the one-year period the Trust returned +8.8%.
 - Underperformance vs. the Policy Benchmark was primarily attributable to active GTAA manager underperformance, and a below policy weight allocation to Global Equity, which has since been moved closer to policy targets.
- The Health Care Trust’s Total Global Fixed Income allocation ended the quarter just outside of its target range (26.4% vs. target range of 5.0 – 25.0%) and the Cash allocation ended the quarter outside of its target range (7.4% vs. target range of 0.0 – 5.0%).
- All broad asset classes were negative for the quarter and mixed in the one-year period.
 - Global Equity returned -0.5% for the quarter and +15.4% over the one-year period, outperforming the MSCI ACWI IMI’s quarterly return of -0.9% for the quarter and outperforming by 40 basis points over the one-year period.
 - Global Fixed Income returned -1.5% for the quarter and +1.2% over the one-year period, in-line with the BBgBarc US Aggregate in both periods.
 - Real Assets returned -4.9% for the quarter and +0.3% over the one-year period, underperforming the Real Assets Custom Benchmark return of -4.5% for the quarter and outperforming by 40 basis points over the one-year period. For the quarter, Credit Suisse (-1.9%) underperformed the Bloomberg Commodities Index (-0.4%), Vanguard REIT (-8.1%) performed in-line with the MSCI US REIT Index, and Rhumblin Brookfield Global Infrastructure (-5.1%) outperformed the DJ Brookfield Global Infrastructure Net TR USD (-5.3%).
 - GTAA returned -0.5% for the quarter, underperforming the 60% MSCI World/40% Citi WGBI by 80 basis points. For the quarter, GMO Benchmark Free Allocation (+0.8%) outperformed the benchmark, while PIMCO All Asset All Authority (+0.1%) and Standard Life GARS (-1.8%) both underperformed.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Credit Suisse Risk Parity Commodity	Commodities	Yes	---	Hold	Personnel Changes
GMO Benchmark Free Allocation Fund	GTAA	Yes	---	GTAA Class Eliminated	Personnel Change

Credit Suisse

- In the first quarter, the CEO of CSAM LLC left the firm and the position was filled internally.

GMO

- In the first quarter, a portfolio strategist left the firm.

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



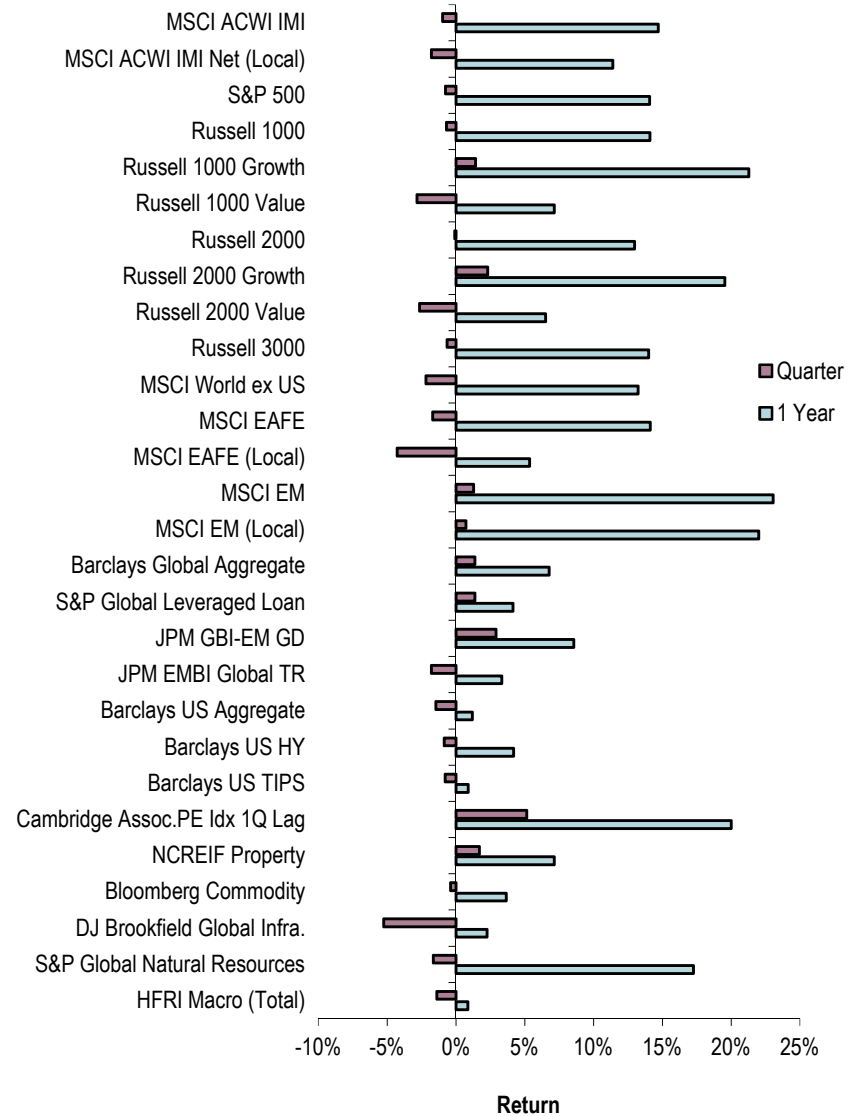
Watch List¹

Investment Manager	Asset Class	Watch List Status	Comments

¹ Watch List excludes Private Markets Funds.



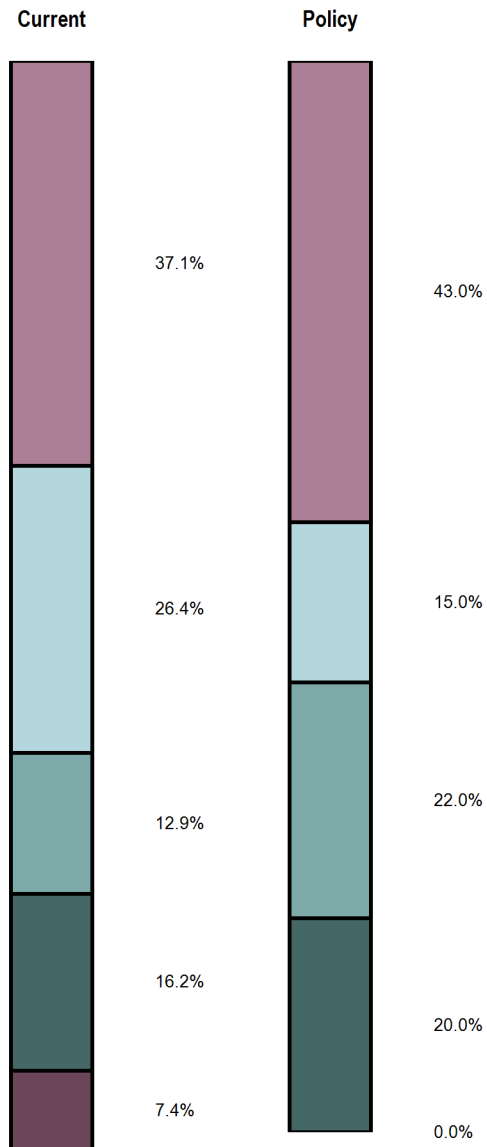
Benchmark	Scope	1Q18 (%)	1 YR (%)	3 YR (%)	5YR (%)	10 YR (%)
Global Equity						
MSCI ACWI IMI	World	-1.0	14.7	8.3	9.3	5.9
MSCI ACWI IMI Net (Local)	World (Local Currency)	-1.8	11.4	7.5	10.5	6.9
Domestic Equity						
S&P 500	Large Core	-0.8	14.1	10.9	13.3	9.6
Russell 1000	Large Core	-0.7	14.1	10.5	13.2	9.7
Russell 1000 Growth	Large Growth	1.4	21.3	12.3	15.5	11.4
Russell 1000 Value	Large Value	-2.8	7.1	8.1	10.8	7.9
Russell 2000	Small Core	-0.1	13.0	8.8	11.5	9.9
Russell 2000 Growth	Small Growth	2.3	19.5	9.1	12.9	11.0
Russell 2000 Value	Small Value	-2.6	6.5	8.2	10.0	8.7
Russell 3000	All Cap Core	-0.6	14.0	10.4	13.0	9.7
International Equity						
MSCI World ex US	World ex-US	-2.2	13.2	4.9	6.0	2.5
MSCI EAFE	International Developed	-1.7	14.1	5.1	6.5	2.7
MSCI EAFE (Local)	International Developed (Local Currency)	-4.3	5.3	3.4	8.5	4.5
MSCI EM	Emerging Markets	1.3	23.1	9.4	5.0	2.9
MSCI EM (Local)	Emerging Markets (Local Currency)	0.7	22.0	9.0	8.3	5.4
Global Fixed Income						
Barclays Global Aggregate	Global Core Bonds	1.4	6.8	3.0	1.5	2.6
S&P Global Leveraged Loan	Bank Loans	1.4	4.1	3.5	3.2	5.4
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	4.4	12.5	5.4	-0.7	3.8
JPM EMBI Global TR	Emerging Market Bonds	-1.8	3.3	5.5	3.9	6.8
Domestic Fixed Income						
Barclays US Aggregate	Core Bonds	-1.5	1.2	1.2	1.8	3.7
Barclays US HY	High Yield	-0.9	4.2	5.2	5.0	8.2
Barclays US TIPS	Inflation	-0.8	1.0	1.3	0.1	3.0
Other						
Cambridge Associates PE Index 1Qtr Lag	Private Equity	5.1	20.0	12.8	14.4	9.1
NCREIF Property	Real Estate	-1.4	7.1	8.7	10.0	6.1
Bloomberg Commodity	Commodities	-0.4	3.7	-3.6	-8.3	-7.9
DJ Brookfield Global Infrastructure	Infrastructure	-5.3	2.3	2.2	5.7	7.1
S&P Global Natural Resources	Natural Resources	-1.7	17.3	7.5	2.5	0.4
HFRI Macro	Hedge Funds	-1.4	0.9	-0.9	0.9	1.4



1Q18 Review

Total Fund Aggregate

As of March 31, 2018



Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Total Global Equity	\$46,633,139	37.1%	43.0%	-5.9%	25.0% - 50.0%	Yes
Total Global Fixed Income	\$33,206,465	26.4%	15.0%	11.4%	5.0% - 25.0%	No
Total Real Assets	\$16,227,328	12.9%	22.0%	-9.1%	12.0% - 25.0%	Yes
Total GTAA	\$20,426,634	16.2%	20.0%	-3.8%	0.0% - 25.0%	Yes
Total Cash	\$9,293,728	7.4%	0.0%	7.4%	0.0% - 5.0%	No
Total	\$125,787,294	100.0%	100.0%			

As of March 31, 2018

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Health Care Trust	125,787,294	100.0	-1.6	3.2	5.3	3.1	4.1	--	4.8	Jul-12
Policy Benchmark			-1.5	5.9	8.8	5.2	5.4	--	6.0	Jul-12
Allocation Index			-1.3	3.7	5.6	4.1	5.0	--	5.7	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Median			-0.5	3.4	5.0	4.0	4.6	5.1	5.1	Jul-12
InvestorForce Health & Welfare \$50mm - \$250mm Gross Rank			94	55	49	77	59	--	55	Jul-12
Global Equity Composite	46,633,139	37.1	-0.5	10.6	15.4	8.6	9.7	--	11.5	Aug-12
MSCI ACWI IMI (Net)			-0.9	10.3	15.0	8.3	9.3	--	11.1	Aug-12
eV All Global Equity Net Median			-1.0	9.4	14.2	7.7	9.4	6.3	11.1	Aug-12
eV All Global Equity Net Rank			40	41	43	35	46	--	45	Aug-12
Global Fixed Income Composite	33,206,465	26.4	-1.5	-0.3	1.2	1.2	1.8	--	1.6	Aug-12
BBgBarc US Aggregate TR			-1.5	-0.2	1.2	1.2	1.8	--	1.7	Aug-12
eV All US Fixed Inc Net Median			-0.9	0.4	1.7	1.7	2.1	4.0	2.2	Aug-12
eV All US Fixed Inc Net Rank			77	80	63	67	58	--	64	Aug-12
Real Assets	16,227,328	12.9	-4.9	0.1	0.3	--	--	--	2.5	Jul-15
Real Assets Custom Benchmark			-4.5	-0.1	-0.1	--	--	--	2.1	Jul-15
Real Estate Composite	6,562,035	5.2	-8.1	-6.0	-4.5	0.8	5.8	--	6.6	Aug-12
MSCI US REIT Gross			-8.1	-5.9	-4.4	0.9	5.9	--	6.7	Aug-12
eV US REIT Net Median			-6.9	-3.6	-2.3	1.6	6.6	7.0	7.1	Aug-12
eV US REIT Net Rank			88	84	83	70	77	--	68	Aug-12
Commodities Composite	7,755,695	6.2	-1.9	5.7	5.1	-0.8	-4.6	--	-5.7	Oct-12
Bloomberg Commodity Index TR USD			-0.4	6.9	3.7	-3.2	-8.3	--	-8.9	Oct-12

¹ Fiscal Year begins July 1.² Please see the final page of the performance report for composition of the Policy Benchmark.³ Allocation Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

Total Fund Aggregate

As of March 31, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Infrastructure Composite	1,909,598	1.5	-5.1	1.9	-1.3	-0.9	--	--	-4.3	Jan-14
<i>DJ Brookfield Global Infrastructure Net TR USD</i>			-5.3	-1.6	2.0	2.2	--	--	5.0	Jan-14
GTAA Composite	20,426,634	16.2	-0.5	3.5	5.1	2.2	--	--	0.6	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			0.3	7.8	11.6	6.3	--	--	4.5	Sep-14
Cash	9,293,728	7.4								
<i>91 Day T-Bills</i>										

Total Fund Aggregate

As of March 31, 2018

Trailing Net Performance

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Global Equity Composite	46,633,139	37.1	-0.5	10.6	15.4	8.6	9.7	--	11.5	Aug-12
MSCI ACWI IMI (Net)			-0.9	10.3	15.0	8.3	9.3	--	11.1	Aug-12
eV All Global Equity Net Median			-1.0	9.4	14.2	7.7	9.4	6.3	11.1	Aug-12
eV All Global Equity Net Rank			40	41	43	35	46	--	45	Aug-12
Vanguard Total World Stock Index Fund	46,633,139	37.1	-0.5	10.6	15.4	8.6	9.7	--	11.5	Aug-12
FTSE Global All Cap TR USD			-0.8	10.6	15.4	7.0	7.7	--	9.4	Aug-12
Global Fixed Income Composite	33,206,465	26.4	-1.5	-0.3	1.2	1.2	1.8	--	1.6	Aug-12
BBgBarc US Aggregate TR			-1.5	-0.2	1.2	1.2	1.8	--	1.7	Aug-12
eV All US Fixed Inc Net Median			-0.9	0.4	1.7	1.7	2.1	4.0	2.2	Aug-12
eV All US Fixed Inc Net Rank			77	80	63	67	58	--	64	Aug-12
Vanguard Total Bond Market Index Fund	33,206,465	26.4	-1.5	-0.3	1.2	1.2	1.8	--	1.6	Aug-12
BBgBarc US Aggregate TR			-1.5	-0.2	1.2	1.2	1.8	--	1.7	Aug-12
Real Assets	16,227,328	12.9	-4.9	0.1	0.3	--	--	--	2.5	Jul-15
Real Assets Custom Benchmark			-4.5	-0.1	-0.1	--	--	--	2.1	Jul-15
Real Estate Composite	6,562,035	5.2	-8.1	-6.0	-4.5	0.8	5.8	--	6.6	Aug-12
MSCI US REIT Gross			-8.1	-5.9	-4.4	0.9	5.9	--	6.7	Aug-12
eV US REIT Net Median			-6.9	-3.6	-2.3	1.6	6.6	7.0	7.1	Aug-12
eV US REIT Net Rank			88	84	83	70	77	--	68	Aug-12
Vanguard REIT Index Fund	6,562,035	5.2	-8.1	-6.0	-4.5	0.8	5.8	--	6.6	Aug-12
Vanguard REIT Index Fund Custom Benchmark			-8.1	-5.9	-4.4	0.9	5.9	--	6.7	Aug-12

As of March 31, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Commodities Composite	7,755,695	6.2	-1.9	5.7	5.1	-0.8	-4.6	--	-5.7	Oct-12
<i>Bloomberg Commodity Index TR USD</i>			-0.4	6.9	3.7	-3.2	-8.3	--	-8.9	Oct-12
Credit Suisse	7,755,695	6.2	-1.9	5.7	5.1	-0.8	-4.3	--	-4.7	Nov-12
<i>Bloomberg Commodity Index TR USD</i>			-0.4	6.9	3.7	-3.2	-8.3	--	-8.3	Nov-12
Infrastructure Composite	1,909,598	1.5	-5.1	1.9	-1.3	-0.9	--	--	-4.3	Jan-14
<i>DJ Brookfield Global Infrastructure Net TR USD</i>			-5.3	-1.6	2.0	2.2	--	--	5.0	Jan-14
Rhumblin Brookfield Global Infrastructure	1,909,598	1.5	-5.1	--	--	--	--	--	-4.5	Nov-17
<i>DJ Brookfield Global Infrastructure Net TR USD</i>			-5.3	--	--	--	--	--	-4.6	Nov-17
GTAA Composite	20,426,634	16.2	-0.5	3.5	5.1	2.2	--	--	0.6	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			0.3	7.8	11.6	6.3	--	--	4.5	Sep-14
GMO	3,633,931	2.9	0.8	5.9	8.8	3.6	--	--	2.6	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			0.3	7.8	11.6	6.3	--	--	4.5	Sep-14
<i>eV Global TAA Net Median</i>			-0.7	6.1	8.7	3.9	4.1	5.2	3.1	Sep-14
<i>eV Global TAA Net Rank</i>			12	55	49	55	--	--	61	Sep-14
PIMCO	8,912,203	7.1	0.1	5.5	7.3	4.1	--	--	0.9	Sep-14
<i>CPI + 6.5% (Seasonally Adjusted)</i>			2.2	7.2	9.0	8.5	--	--	8.0	Sep-14
<i>60% MSCI World & 40% Citigroup WGBI</i>			0.3	7.8	11.6	6.3	--	--	4.5	Sep-14
<i>eV Global TAA Net Median</i>			-0.7	6.1	8.7	3.9	4.1	5.2	3.1	Sep-14
<i>eV Global TAA Net Rank</i>			28	62	64	48	--	--	79	Sep-14

¹ Vanguard REIT Custom Benchmark is comprised of the MSCI US REIT Index adjusted to include a 2% cash position through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investible Market Real Estate 25/50 Transition Index thereafter.



Total Fund Aggregate

As of March 31, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Standard Life	7,880,500	6.3	-1.8	0.4	1.3	-0.4	--	--	0.2	Feb-15
91-Day T-Bills + 5%			1.6	4.7	6.2	5.6	--	--	5.5	Feb-15
60% MSCI World & 40% Citigroup WGBI			0.3	7.8	11.6	6.3	--	--	6.5	Feb-15
eV Global TAA Net Median			-0.7	6.1	8.7	3.9	4.1	5.2	4.3	Feb-15
eV Global TAA Net Rank			88	93	96	90	--	--	90	Feb-15
Cash	9,293,728	7.4								
91 Day T-Bills										
Cash	9,293,728	7.4								
91 Day T-Bills										

Total Fund Aggregate

As of March 31, 2018

Cash Flow Summary

Quarter Ending March 31, 2018

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$18,474,246	\$796,554	-\$10,013,791	-\$9,217,236	\$36,718	\$9,293,728
Credit Suisse	\$7,907,164	\$0	-\$7,358	-\$7,358	-\$144,112	\$7,755,695
GMO	\$3,606,322	\$0	\$0	\$0	\$27,609	\$3,633,931
PIMCO	\$8,901,323	\$0	\$0	\$0	\$10,880	\$8,912,203
Rhumblin Brookfield Global Infrastructure	\$2,011,925	\$22,177	-\$22,177	\$0	-\$102,327	\$1,909,598
Standard Life	\$8,028,645	\$0	-\$14,748	-\$14,748	-\$133,397	\$7,880,500
Vanguard REIT Index Fund	\$7,141,534	\$0	\$0	\$0	-\$579,499	\$6,562,035
Vanguard Total Bond Market Index Fund	\$33,702,194	\$0	\$0	\$0	-\$495,728	\$33,206,465
Vanguard Total World Stock Index Fund	\$37,471,683	\$10,000,000	\$0	\$10,000,000	-\$838,544	\$46,633,139

Cash Flow Summary

Fiscal YTD Ending March 31, 2018

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$17,636,296	\$20,631,153	-\$29,100,136	-\$8,468,983	\$126,415	\$9,293,728
Credit Suisse	\$7,337,802	\$0	-\$22,178	-\$22,178	\$440,071	\$7,755,695
GMO	\$3,432,850	\$0	\$0	\$0	\$201,081	\$3,633,931
PIMCO	\$8,451,037	\$0	\$0	\$0	\$461,166	\$8,912,203
Rhumblin Brookfield Global Infrastructure	--	\$3,117,008	-\$1,117,008	\$2,000,000	-\$90,402	\$1,909,598
Standard Life	\$7,848,305	\$0	-\$39,683	-\$39,683	\$71,877	\$7,880,500
Vanguard REIT Index Fund	\$6,981,720	\$0	\$0	\$0	-\$419,685	\$6,562,035
Vanguard Total Bond Market Index Fund	\$16,296,768	\$17,000,000	\$0	\$17,000,000	-\$90,303	\$33,206,465
Vanguard Total World Stock Index Fund	\$33,700,142	\$10,000,000	\$0	\$10,000,000	\$2,932,997	\$46,633,139
Wellington	\$1,252,917	\$0	-\$1,343,264	-\$1,343,264	\$90,347	--



Total Fund Aggregate

As of March 31, 2018

Cash Flow Summary

1 Year Ending March 31, 2018

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$17,221,081	\$21,138,061	-\$29,223,167	-\$8,085,106	\$157,752	\$9,293,728
Credit Suisse	\$7,380,373	\$0	-\$29,269	-\$29,269	\$404,591	\$7,755,695
GMO	\$3,340,418	\$0	\$0	\$0	\$293,514	\$3,633,931
PIMCO	\$8,307,205	\$0	\$0	\$0	\$604,998	\$8,912,203
Rhumblin Brookfield Global Infrastructure	--	\$3,117,008	-\$1,117,008	\$2,000,000	-\$90,402	\$1,909,598
Standard Life	\$7,782,499	\$0	-\$54,319	-\$54,319	\$152,321	\$7,880,500
Vanguard REIT Index Fund	\$6,871,059	\$0	\$0	\$0	-\$309,024	\$6,562,035
Vanguard Total Bond Market Index Fund	\$16,059,101	\$17,000,000	\$0	\$17,000,000	\$147,365	\$33,206,465
Vanguard Total World Stock Index Fund	\$32,312,069	\$10,000,000	\$0	\$10,000,000	\$4,321,070	\$46,633,139
Wellington	\$1,293,504	\$0	-\$1,346,202	-\$1,346,202	\$52,698	--

Cash Flow Summary Since Inception

Ending March 31, 2018

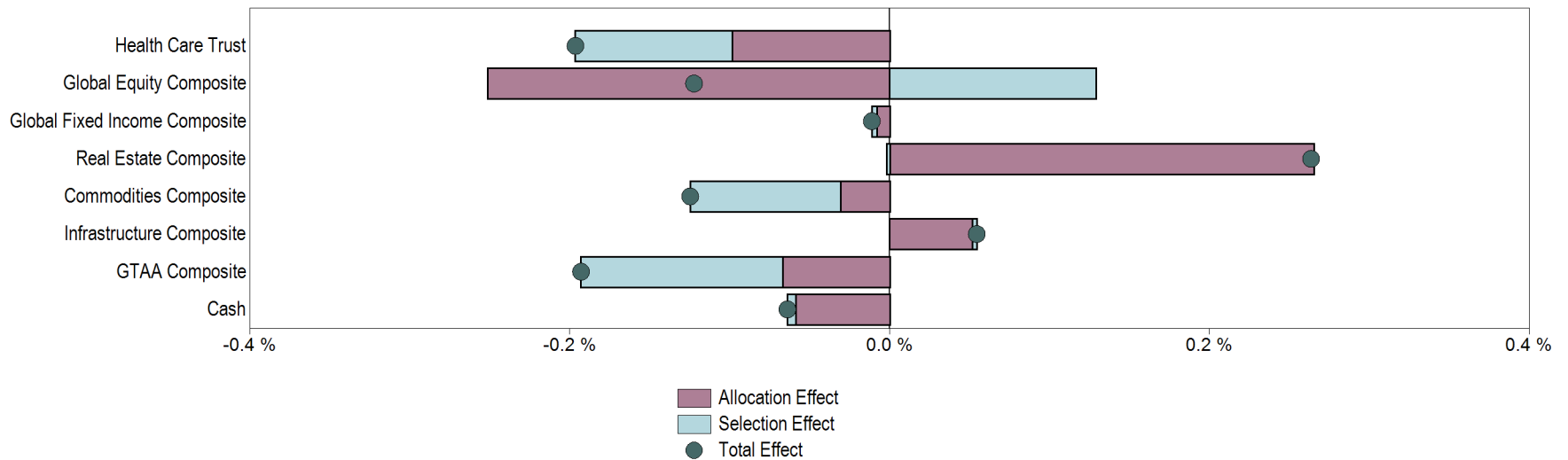
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$0	\$118,458,836	-\$109,356,341	\$9,102,495	\$191,232	\$9,293,728
Credit Suisse	--	\$8,800,000	-\$598,400	\$8,201,600	-\$445,905	\$7,755,695
First Quadrant	--	\$890,000	-\$742,610	\$147,390	-\$147,390	--
GMO	--	\$3,950,000	-\$704,232	\$3,245,768	\$388,163	\$3,633,931
PIMCO	--	\$8,150,000	-\$73,188	\$8,076,812	\$835,391	\$8,912,203
Rhumblin Brookfield Global Infrastructure	--	\$3,117,008	-\$1,117,008	\$2,000,000	-\$90,402	\$1,909,598
Standard Life	--	\$7,800,000	-\$76,678	\$7,723,322	\$157,177	\$7,880,500
Vanguard REIT Index Fund	--	\$4,988,695	-\$16,554	\$4,972,141	\$1,589,894	\$6,562,035
Vanguard Total Bond Market Index Fund	--	\$36,110,434	-\$4,227,831	\$31,882,603	\$1,323,863	\$33,206,465
Vanguard Total World Stock Index Fund	--	\$34,671,390	-\$121,989	\$34,549,401	\$12,083,738	\$46,633,139
Wellington	--	\$1,590,000	-\$1,379,686	\$210,314	-\$210,314	--



Attribution Summary
3 Months Ending March 31, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	-0.5%	-0.9%	0.4%	0.1%	-0.3%	-0.1%
Global Fixed Income Composite	-1.5%	-1.5%	0.0%	0.0%	0.0%	0.0%
Real Estate Composite	-8.1%	-8.1%	0.0%	0.0%	0.3%	0.3%
Commodities Composite	-1.9%	-0.4%	-1.5%	-0.1%	0.0%	-0.1%
Infrastructure Composite	-5.1%	-5.3%	0.2%	0.0%	0.1%	0.1%
GTAA Composite	-0.5%	0.3%	-0.8%	-0.1%	-0.1%	-0.2%
Cash	0.3%	0.4%	-0.1%	0.0%	-0.1%	-0.1%
Total	-1.7%	-1.5%	-0.2%	-0.1%	-0.1%	-0.2%

Attribution Effects
3 Months Ending March 31, 2018

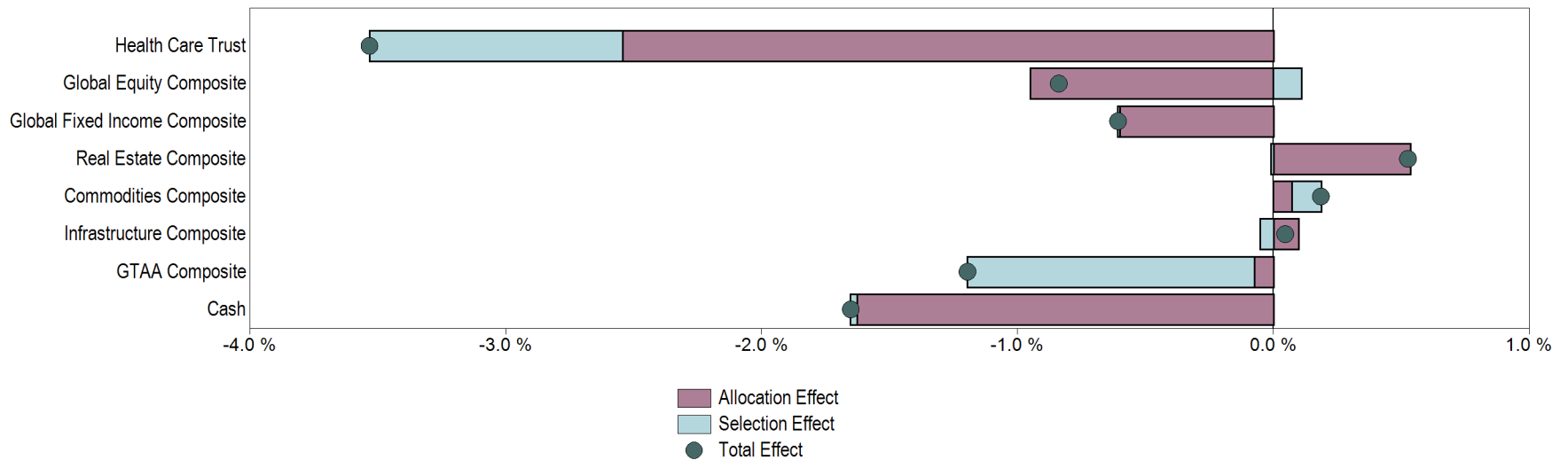


¹ Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

Attribution Summary
1 Year Ending March 31, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	15.4%	15.0%	0.3%	0.1%	-0.9%	-0.8%
Global Fixed Income Composite	1.2%	1.2%	0.0%	0.0%	-0.6%	-0.6%
Real Estate Composite	-4.5%	-4.4%	-0.1%	0.0%	0.5%	0.5%
Commodities Composite	5.1%	3.7%	1.4%	0.1%	0.1%	0.2%
Infrastructure Composite	-1.3%	2.0%	-3.3%	-0.1%	0.1%	0.0%
GTAA Composite	5.1%	11.6%	-6.5%	-1.1%	-0.1%	-1.2%
Cash	1.0%	1.2%	-0.2%	0.0%	-1.6%	-1.7%
Total	5.3%	8.8%	-3.5%	-1.0%	-2.5%	-3.5%

Attribution Effects
1 Year Ending March 31, 2018

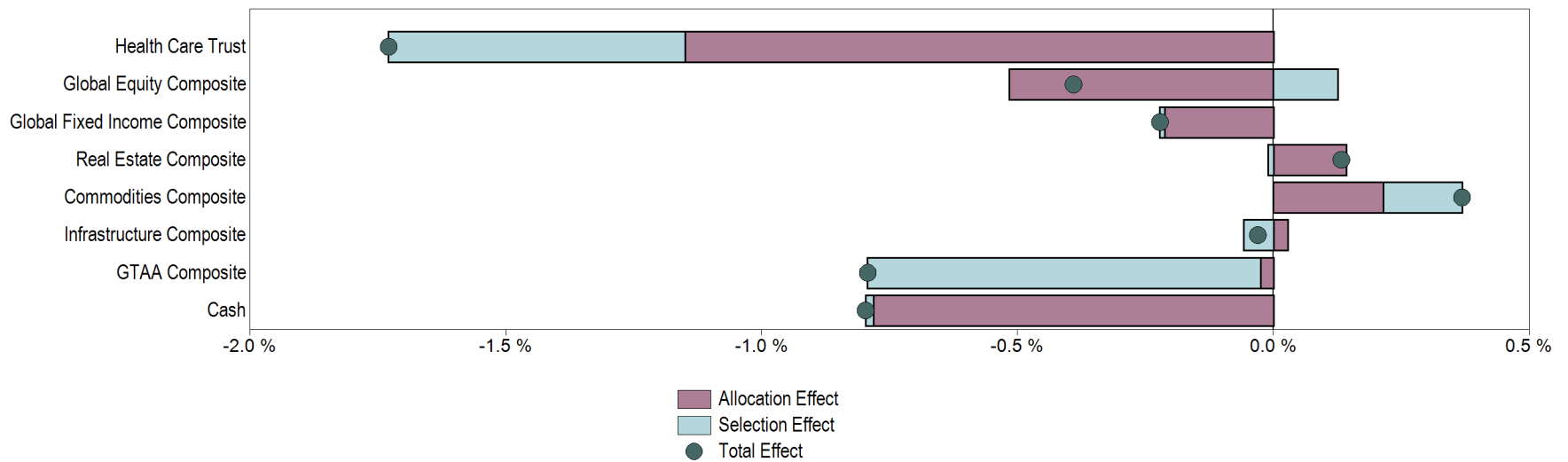


¹ Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

Attribution Summary
3 Years Ending March 31, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Global Equity Composite	8.6%	8.3%	0.4%	0.1%	-0.5%	-0.4%
Global Fixed Income Composite	1.2%	1.2%	0.0%	0.0%	-0.2%	-0.2%
Real Estate Composite	0.8%	0.9%	-0.1%	0.0%	0.1%	0.1%
Commodities Composite	-0.8%	-3.2%	2.4%	0.2%	0.2%	0.4%
Infrastructure Composite	-0.9%	2.2%	-3.1%	-0.1%	0.0%	0.0%
GTAA Composite	2.2%	6.3%	-4.1%	-0.8%	0.0%	-0.8%
Cash	0.4%	0.5%	-0.1%	0.0%	-0.8%	-0.8%
Total	3.3%	5.0%	-1.7%	-0.6%	-1.2%	-1.7%

Attribution Effects
3 Years Ending March 31, 2018

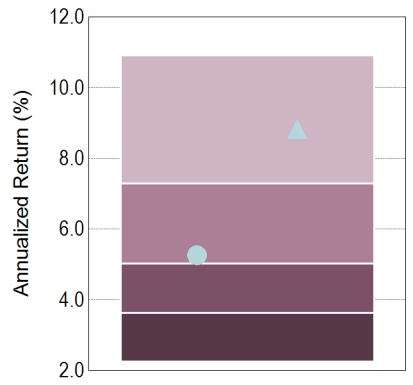


¹ Differences in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

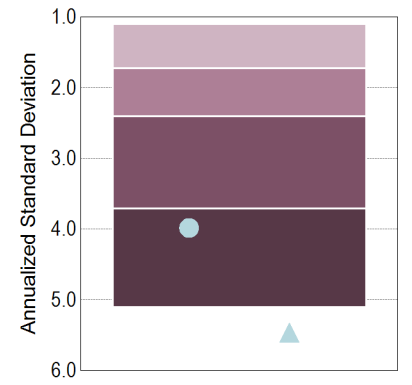
Total Fund Risk Statistics vs. Peer Universe (Trailing 1 Year)

As of March 31, 2018

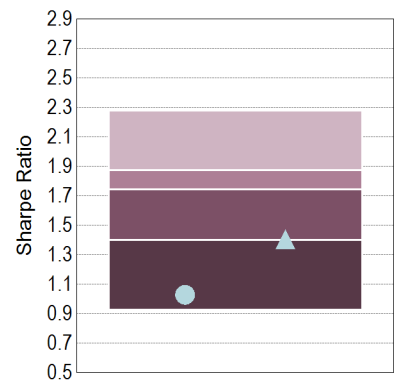
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



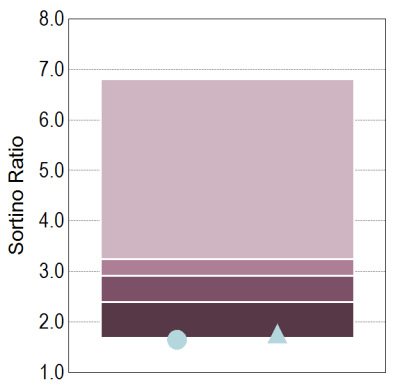
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



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



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



● Health Care Trust	
Value	5.3
Rank	49
▲ Policy Benchmark	
Value	8.8
Rank	23
Universe	
5th %tile	10.9
25th %tile	7.3
Median	5.0
75th %tile	3.6
95th %tile	2.3

● Health Care Trust	
Value	4.0
Rank	78
▲ Policy Benchmark	
Value	5.5
Rank	99
Universe	
5th %tile	1.1
25th %tile	1.7
Median	2.4
75th %tile	3.7
95th %tile	5.1

● Health Care Trust	
Value	1.0
Rank	90
▲ Policy Benchmark	
Value	1.4
Rank	75
Universe	
5th %tile	2.3
25th %tile	1.9
Median	1.7
75th %tile	1.4
95th %tile	0.9

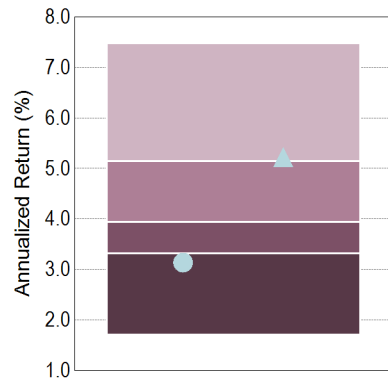
● Health Care Trust	
Value	1.6
Rank	96
▲ Policy Benchmark	
Value	1.8
Rank	94
Universe	
5th %tile	6.8
25th %tile	3.2
Median	2.9
75th %tile	2.4
95th %tile	1.7



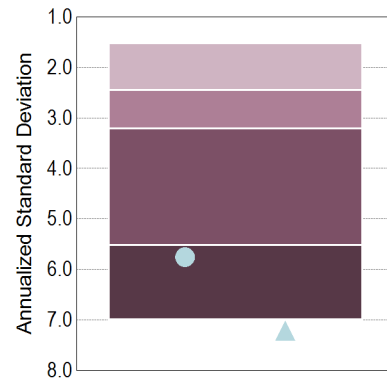
Total Fund Risk Statistics vs. Peer Universe (Trailing 3 Years)

As of March 31, 2018

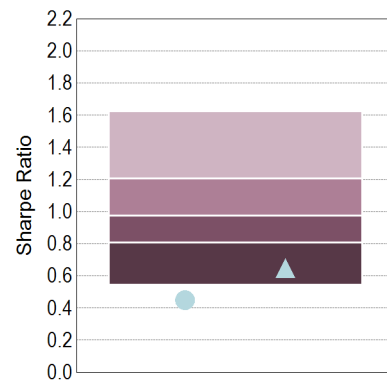
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



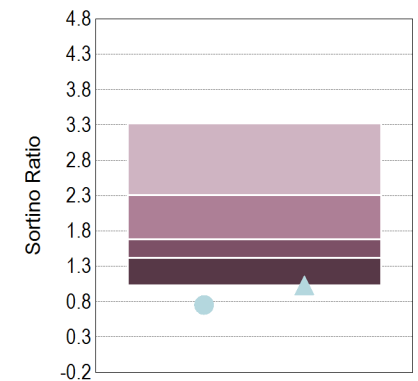
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



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



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



● Health Care Trust	
Value	3.1
Rank	77
▲ Policy Benchmark	
Value	5.2
Rank	25
Universe	
5th %tile	7.5
25th %tile	5.2
Median	4.0
75th %tile	3.3
95th %tile	1.7

● Health Care Trust	
Value	5.8
Rank	76
▲ Policy Benchmark	
Value	7.2
Rank	97
Universe	
5th %tile	1.5
25th %tile	2.4
Median	3.2
75th %tile	5.5
95th %tile	7.0

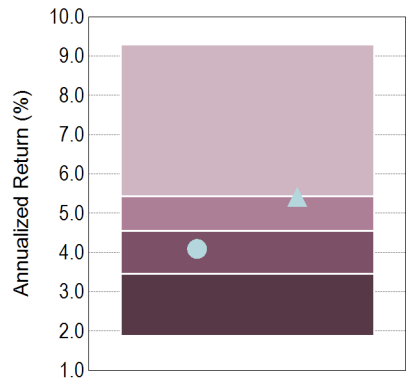
● Health Care Trust	
Value	0.4
Rank	97
▲ Policy Benchmark	
Value	0.6
Rank	93
Universe	
5th %tile	1.6
25th %tile	1.2
Median	1.0
75th %tile	0.8
95th %tile	0.5

● Health Care Trust	
Value	0.8
Rank	98
▲ Policy Benchmark	
Value	1.0
Rank	96
Universe	
5th %tile	3.3
25th %tile	2.3
Median	1.7
75th %tile	1.4
95th %tile	1.0

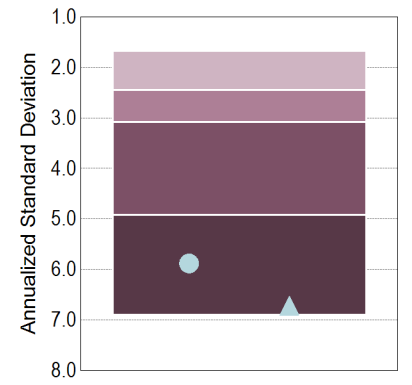
Total Fund Risk Statistics vs. Peer Universe (Trailing 5 Years)

As of March 31, 2018

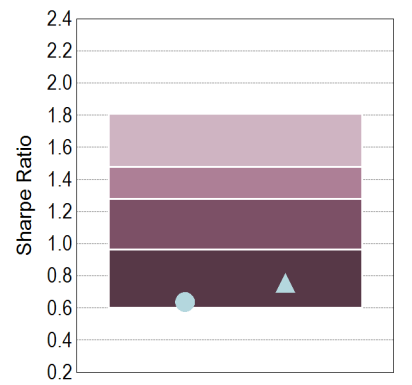
Annualized Return (%)
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



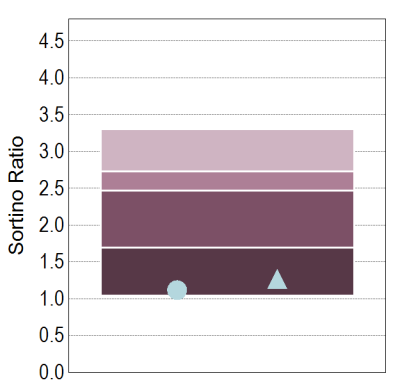
Annualized Standard Deviation
vs. InvestorForce Health & Welfare \$50mm
- \$250mm Gross



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



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



● Health Care Trust	
Value	4.1
Rank	59
▲ Policy Benchmark	
Value	5.4
Rank	26
Universe	
5th %tile	9.3
25th %tile	5.4
Median	4.6
75th %tile	3.5
95th %tile	1.9

● Health Care Trust	
Value	5.9
Rank	78
▲ Policy Benchmark	
Value	6.7
Rank	91
Universe	
5th %tile	1.7
25th %tile	2.4
Median	3.1
75th %tile	4.9
95th %tile	6.9

● Health Care Trust	
Value	0.6
Rank	95
▲ Policy Benchmark	
Value	0.8
Rank	90
Universe	
5th %tile	1.8
25th %tile	1.5
Median	1.3
75th %tile	1.0
95th %tile	0.6

● Health Care Trust	
Value	1.1
Rank	92
▲ Policy Benchmark	
Value	1.3
Rank	90
Universe	
5th %tile	3.3
25th %tile	2.7
Median	2.5
75th %tile	1.7
95th %tile	1.0



Benchmark History

As of March 31, 2018

Health Care Trust		
2/1/2017	Present	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Bloomberg Commodity Index TR USD / 3% DJ Brookfield Global Infrastructure Net TR USD / 20% 60% MSCI World & 40% Citigroup WGBI
9/1/2014	1/31/2017	43% MSCI ACWI IMI (Net) / 15% BBgBarc US Aggregate TR / 10% MSCI US REIT Gross / 9% Custom Commodity Risk Parity Index / 3% CPI + 5% (Unadjusted) / 20% 60% MSCI World & 40% Citigroup WGBI
Global Equity Composite		
8/1/2012	Present	MSCI ACWI IMI Net USD
Global Fixed Income Composite		
8/1/2012	Present	BBgBarc US Aggregate TR
Real Assets		
7/1/2015	Present	Real Assets Custom Benchmark
Real Estate Composite		
8/1/2012	Present	MSCI US REIT Gross
Commodities Composite		
10/1/2012	Present	Bloomberg Commodity Index TR USD
Infrastructure Composite		
1/1/2014	Present	DJ Brookfield Global Infrastructure Net TR USD
GTAA Composite		
9/1/2014	Present	60% MSCI World / 40% Citi WGBI
Cash		
7/1/2012	Present	91 Day T-Bills

Glossary and Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

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

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

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