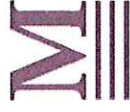


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FUND EVALUATION REPORT

San Jose Federated City Employees' Retirement System

Quarterly Review
June 30, 2011



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- 1. Executive Summary**
 - Broad Market Overview
 - Aggregate Plan Overview
 - Manager Highlights
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 - The World Markets in the Second Quarter of 2011
 - Glossary and Notes

Executive Summary
As of June 30, 2011

Concerns over the future of the global economic recovery weighed on riskier asset classes in the second quarter.

- The Fed's second round of quantitative easing ("QE2") ended in June, as scheduled. In an effort to maintain the size of its balance sheet, the Fed plans to reinvest the proceeds of maturing government securities in its portfolio.
- During the second quarter, policy makers debated without a resolution various means of reducing the U.S. budget deficit as a prerequisite to raise the U.S. Treasury's debt ceiling.
- In June, Greece passed a package of austerity measures fending off bankruptcy for now and qualifying for additional loans from the IMF and other European nations.
- In the second quarter, the U.S. unemployment rate rose 0.4%, to 9.2%. The number of unemployed people rose by 545,000, reaching 14.1 million by quarter-end.

It was a volatile quarter for stocks globally, due to weak economic data and continued concerns over sovereign debt issues in the Eurozone.

- International equities beat U.S. equities in the second quarter, despite the sovereign debt concerns in the region. The developed international equity market, as proxied by the MSCI EAFE index, advanced 1.6%, while the domestic equity market, as proxied by the Russell 3000 index, was flat.
- After strong outperformance in 2009 and 2010, emerging market equities lagged developed market equities in the first half of 2011.
- Large cap stocks led small cap stocks both domestically and abroad.

Within the domestic fixed income market, government bonds outpaced spread sectors, as risk aversion returned to the market in light of economic uncertainty.

- Emerging market debt was the highest performing fixed income sector for the quarter, up 3.9%. Investors were attracted to the sector due to higher yields and strong growth expectations.
- In a difficult quarter for risky assets, the Barclays TIPS and Aggregate indexes gained 3.7% and 2.3%, respectively.
- High yield corporate debt rose 1.1% for the quarter, but trailed the broad domestic fixed income market.

The value of the San Jose Federated City Employees' Retirement System assets was \$1.883 billion on June 30, 2011, up approximately \$11.3 million since the end of the previous quarter.

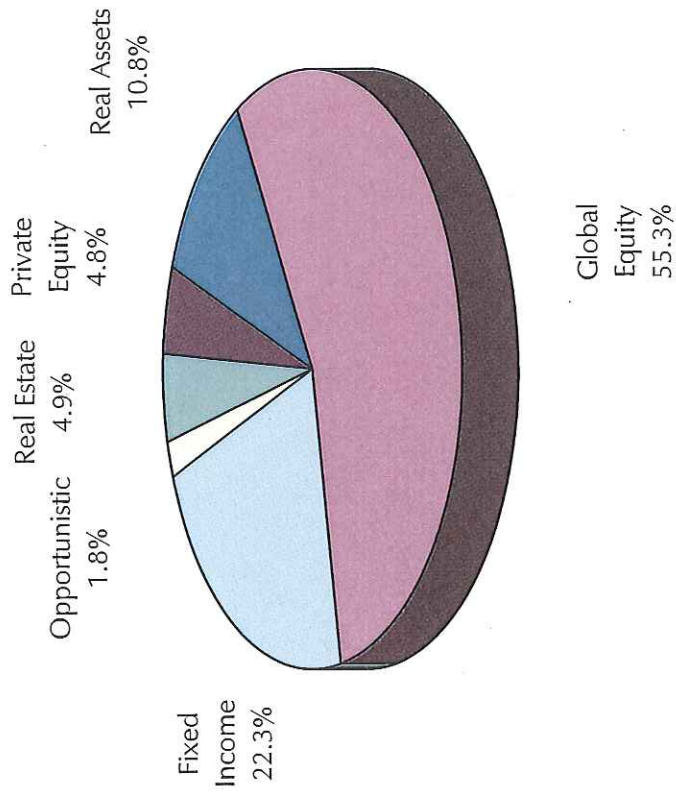
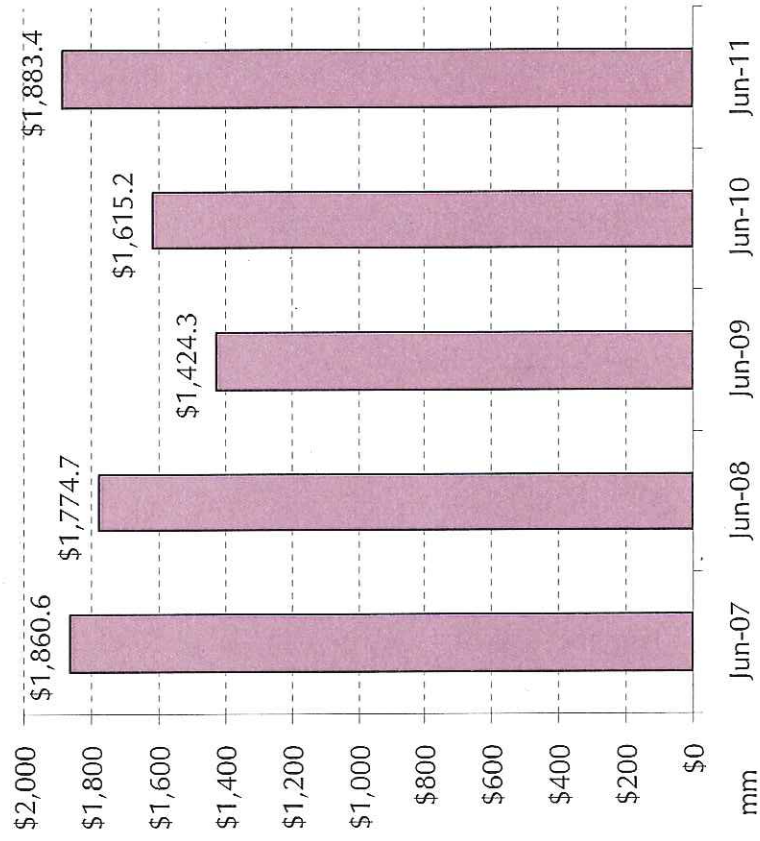
- Second quarter performance for the Retirement System was 0.8% net of fees, while the U.S. equity market was flat during the quarter.
- The Retirement System outperformed its two benchmarks during the second quarter. Benchmark returns were 0.7% for the policy benchmark and 0.6% for the custom benchmark. The policy benchmark shows how a passive portfolio would perform if allocated according to the System's target allocations, and the custom benchmark shows how a passive portfolio would perform as the System is actually allocated in terms of specific manager benchmarks.
- Prior to the second quarter, assets reserved for future investments in alternative assets were housed in fixed income. During the second quarter, the Trustees voted to allocate these assets pro-rata to the System's public markets asset classes.
 - Based on pro rata asset allocation targets, all asset class allocations fell within their target ranges at the end of the second quarter.
- Global All Capitalization value equity manager Tradewinds was funded from the MSCI ACWI Value portfolio at the beginning of the quarter.

- New manager Artisan Global Value, which was funded during the first quarter, returned 3.2% during the second quarter, compared to -0.4% for the MSCI ACWI Value benchmark. The outperformance was attributable in part to strong stock selection within the information technology, energy, and industrials sectors.
- The Retirement System's other new global value manager, Tradewinds, which was funded at the beginning of the second quarter, underperformed the MSCI ACWI Value benchmark for the second quarter. Tradewinds was down 1.3%, compared to a -0.4% return for the MSCI ACWI Value. Precious metals were the primary detractors from returns during the quarter, due to rising costs of production, while healthcare holdings contributed positively to performance.
- Risk parity commodities managers First Quadrant and Credit Suisse both outperformed the custom risk parity commodities benchmark through their tactical sector weightings, though returns were negative for the quarter. First Quadrant returned -5.1% and Credit Suisse returned -5.0%, compared to -5.4% for the custom benchmark. Within the real assets asset class, the S&P Global Infrastructure swap contributed positively to returns. The swap earned a return of 2.9% for the quarter, compared to 3.1% for the S&P Global Infrastructure Index.

**Plan Summary
As of June 30, 2011**

San Jose Federated City Employees' Retirement System

Aggregate Assets as of 6/30/11



San Jose Federated City Employees' Retirement System

Aggregate Assets Asset Summary as of 6/30/11

	Market Value 6/30/11 (\$ mm)	% of Retirement System	Pro-Rata Target Allocation (%)	Target Allocation (%)	Target Range (%)	Market Value 3/31/11 (\$ mm)
Total Fund Aggregate	1,883.4	100.0	100	NA	NA	1,872.1
Global Equity Assets	1,042.2	55.3	55	49	43-55	983.3
Fixed Income Assets	419.2	22.3	22	20	15-25	577.8
Alternative Assets	419.9	22.3	23	31	26-36	306.9
Real Assets	204.7	10.8	11	10	0-15	112.6
Private Equity Assets	89.9	4.8	5	6	0-9	89.6
Real Estate Assets	92.1	4.9	5	5	0-8	85.5
Opportunistic Assets	33.1	1.8	2	5	0-8	19.2
Hedge Funds Assets	0.0	0.0	0	5	0-8	0.0
Cash	2.1	0.1	0	0	NA	4.1



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 6/30/11

	Market Value 6/30/11 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/11 (\$ mm)
Total Fund Aggregate	1,883.4	NA	100.0	NA	NA	1,872.1
Global Equity Assets	1,042.2	100.0	55.3	49	43-55	983.3
Northern Trust MSCI ACWI Index ¹	318.8	30.6	16.9			279.5
Tradewinds Global All Cap	102.0	9.8	5.4			0.0
MSCI EAFE Small Cap	100.5	9.6	5.3			99.7
Northern Trust MSCI Emerging Markets Index	95.9	9.2	5.1			97.1
Artisan Global Value	82.7	7.9	4.4			80.2
Northern Trust Russell 3000 Index	81.9	7.9	4.3			81.9
Eagle Small-Cap Growth	80.3	7.7	4.3			76.8
MSCI EAFE Growth	62.6	6.0	3.3			61.0
Calamos Global Convertibles	59.1	5.7	3.1			60.3
RS Investments Small Cap Value	58.4	5.6	3.1			59.8
MSCI All Country World Value	0.0	0.0	0.0			87.0

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



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 6/30/11

	Market Value 6/30/11 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/11 (\$ mm)
Fixed Income Assets	419.2	100.0	22.3	20	15-25	577.8
Barclays U.S. TIPS	199.0	47.5	10.6			266.7
Barclays Intermediate Government Bond	129.9	31.0	6.9			202.7
MacKay Shields High Yield Active Core	40.5	9.7	2.2			48.8
Seix Credit Dislocation	28.3	6.8	1.5			38.9
Northern Trust Long Term Credit Bond Index	21.4	5.0	1.1			20.7
Real Assets	204.7	100.0	10.8	10	0-15	112.6
CS Compound Risk Parity Commodity Index	83.4	40.7	4.4			37.5
First Quadrant Risk Parity Commodity Index	82.3	40.2	4.4			37.5
S&P Global Infrastructure	39.0	19.1	2.0			37.6
Private Equity Assets¹	89.9	100.0	4.8	6	0-9	89.6
Pantheon Global Secondary Fund III	28.7	31.9	1.5			29.4
Pathway Private Equity Fund VIII	28.5	31.7	1.5			30.5
Pantheon USA Fund VII	22.3	24.8	1.2			20.9
Partners Group Secondary 2008	8.6	9.6	0.5			7.2
Great Hill Equity Partners IV	1.8	2.0	0.1			1.6

¹ Fair values are based on reported values as of 3/31/11, adjusted for cash flows through 6/30/11.



San Jose Federated City Employees' Retirement System

Aggregate Assets Portfolio Roster as of 6/30/11

	Market Value 6/30/11 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/11 (\$ mm)
Real Estate Assets	92.1	100.0	4.9	5	0-8	85.5
Private Real Estate¹	49.1	53.3	2.6			44.3
DRA Growth & Income Fund V	18.0	19.5	1.0			16.6
Fidelity Real Estate Growth Fund III, L.P.	8.8	9.6	0.5			6.0
Milpitas Warehouse	8.6	9.3	0.5			8.6
DRA Growth & Income Fund VI	7.2	7.8	0.4			7.1
GEAM Value Add Realty Partners, L.P.	6.5	7.1	0.3			6.1
Core Real Estate²	43.0	46.7	2.3			41.3
PRISA I	26.5	28.8	1.4			25.3
American Core Realty Fund, LLC	16.5	17.9	0.9			16.0
Opportunistic Assets	33.1	100.0	1.8	5	0-8	19.2
Medley Opportunity Fund II ¹	16.5	49.8	0.9			2.2
White Oak Direct Lending Account ²	9.2	27.8	0.5			9.8
GSO Direct Lending Account ²	7.4	22.4	0.4			7.2
Cash	2.1	100.0	0.1	0	NA	4.1
Internal Cash Account	2.1	100.0	0.1			4.0

¹ Fair values are based on reported values as of 3/31/11, adjusted for cash flows through 6/30/11.

² Fair values are based on reported values as of 6/30/11.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Fund Aggregate¹	0.9	4.4	19.0	4.1	4.9	6.5	1/1/94	7.9
Net of Fees	0.8	4.3	18.8	3.9	4.6	6.2		7.7
CPI (inflation)	1.0	3.0	3.6	1.0	2.2	2.4		2.5
San Jose FCERS Policy Benchmark ²	0.7	4.3	21.8	5.0	5.4	6.0		7.8
San Jose FCERS Custom Benchmark ³	0.6	4.2	19.2	NA	NA	NA		NA
Master Trust Public Funds > \$1 billion (Median)	1.4	5.4	22.0	4.3	4.9	5.9		8.0
Global Equity	0.4	5.2	31.7	NA	NA	NA	5/1/10	14.1
MSCI ACWI IMI	0.1	4.7	31.0	1.7	3.5	5.5		12.5
MSCI ACWI	0.2	4.7	30.1	0.9	3.2	4.8		12.0
Global Equity Policy Benchmark ⁴	-0.1	4.4	30.3	NA	NA	NA		12.6
Fixed Income	2.6	3.9	6.3	8.0	7.3	6.8	1/1/94	6.5
Barclays Universal	2.2	2.9	4.8	6.7	6.6	6.0		6.3
Fixed Income Policy Benchmark ⁵	2.5	4.2	7.4	7.3	7.0	6.0		6.3

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

² Policy Benchmark consists of 16% MSCI ACWI, 9% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Custom Risk Parity Benchmark, 2% S&P Global Infrastructure Index, and 5% 3-Month Libor +5%. Prior to April 2011, the Policy Benchmark consisted of 16% MSCI ACWI, 9% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Dow Jones - UBS Commodities, 2% S&P Global Infrastructure Index, and 5% 3-Month Libor +5%. Prior to April 2010, the Policy Benchmark consisted of 34% Russell 1000/9% Russell 2000/ 29% Barclays Aggregate/ 7% S&P Citigroup WGBI/ 15% MSCI ACWI-ex US/ 6% NCREIF Property.

³ Custom Benchmark consists of the individual benchmarks that comprise of the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁴ The Global Equity Policy Benchmark consists of 33% MSCI ACWI, 18% MSCI ACWI Value, 10% MSCI Emerging Markets, 10% MSCI EAFE Small Cap, 6% MSCI EAFE Growth, 6% Russell 3000, 5% Russell 2000 Growth, 5% Russell 2000 Value, and 6% ML 300 Global Convertibles.

⁵ The FI Policy Benchmark consists of 37.5% Barclays U.S. TIPS, 25% Barclays Int. Govt., 12.5% Barclays Long U.S. Credit, 12.5% Merrill Lynch High Yield BB/B, 12.5% CSFB Leveraged Loan Index. Prior to April 2010 is 100% Barclays Aggregate.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

Total Fund Aggregate (continued)	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Real Assets								
Custom Risk Parity Benchmark ¹	-2.4	1.5	27.5	NA	NA	NA	5/1/10	13.6
S&P Global Infrastructure Index	-5.4	NA	NA	NA	NA	NA		-5.4
Dow Jones - UBS Commodities	3.1	8.5	32.0	-1.3	NA	NA		14.4
Real Assets Policy Benchmark ²	-6.7	-2.6	25.8	-12.1	-1.8	5.4		14.7
	-3.7	0.7	28.6	NA	NA	NA		15.9
Private Equity ^{3,4}								
Venture Economics PE Composite (lagged one qtr.)	2.5	8.8	14.0	-0.7	2.8	NA	1/1/06	2.0
	6.7	11.7	17.0	1.8	8.7	6.4		10.3
Real Estate ^{3,5}	4.4	8.8	16.7	-12.1	-1.8	6.7	1/1/94	8.0
NCREIF Property (lagged one qtr.)	3.4	8.1	16.0	-3.6	3.5	7.5		8.8
Opportunistic Assets ^{3,6}	-1.8	-1.3	NA	NA	NA	NA	12/1/10	0.9
3-Month LIBOR +5%	1.3	2.7	NA	NA	NA	NA		3.1

¹ Risk Parity Benchmark returns provided by Staff.

² The Real Assets Policy Benchmark consists of 80% Custom Risk Parity Benchmark and 20% S&P Global Infrastructure Index. Prior to April 2011, the Real Assets Policy Benchmark consisted of 80% Dow Jones - UBS Commodities and 20% S&P Global Infrastructure Index.

³ Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.

⁴ All manager returns are presented one quarter lagged.

⁵ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

⁶ Manager returns for Medley are lagged one quarter; returns for White Oak and CSO are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Fund Aggregate	0.9	4.4	19.0	4.1	4.9	6.5	1/1/94	7.9
Net of Fees	0.8	4.3	18.8	3.9	4.6	6.2		7.7
CPI (inflation)	1.0	3.0	3.6	1.0	2.2	2.4		2.5
San Jose FCERS Policy Benchmark ¹	0.7	4.3	21.8	5.0	5.4	6.0		7.8
San Jose FCERS Custom Benchmark ²	0.6	4.2	19.2	NA	NA	NA		NA
Master Trust Public Funds > \$1 billion (Median)	1.4	5.4	22.0	4.3	4.9	5.9		8.0
Global Equity	0.4	5.2	31.7	NA	NA	NA	5/1/10	14.1
Northern Trust MSCI ACWI Index ³	0.6	5.4	31.5	NA	NA	NA	6/1/10	25.0
Net of Fees	0.6	5.3	31.4	NA	NA	NA		25.0
MSCI ACWI	0.2	4.7	30.1	0.9	3.2	4.8		23.9
Tradewinds Global All Cap ⁴	-1.3	NA	NA	NA	NA	NA	4/1/11	-1.3
MSCI ACWI Value	-0.4	5.1	28.2	1.1	2.0	4.9		-0.4
Peer Global Equity	1.3	NA	NA	NA	NA	NA		1.3
Peer Ranking (percentile)	91	NA	NA	NA	NA	NA		91

¹ Policy Benchmark consists of 16% MSCI ACWI, 9% MSCI ACWI Value, 5% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Custom Risk Parity Benchmark, 2% S&P Global Infrastructure Index, and 5% 3-Month Libor +5%. Prior to April 2011, the Policy Benchmark consisted of 16% MSCI ACWI, 9% MSCI ACWI Value, 5% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Dow Jones - UBS Commodities, 2% S&P Citigroup WGBI/15% MSCI ACWI-ex US/6% NCREIF Property.

² Custom Benchmark consists of the individual benchmarks that comprise of the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

³ Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.

⁴ Performance is net of fees.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

Global Equity (continued)	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
MSCI EAFE Small Cap ¹	0.9	4.2	34.7	NA	NA	NA	6/1/10	30.2
MSCI EAFE Small Cap	0.8	3.8	36.4	3.3	2.3	10.1		32.7
Northern Trust MSCI Emerging Markets Index	-1.3	0.7	27.3	NA	NA	NA	5/1/10	12.9
Net of Fees	-1.3	0.6	27.1	NA	NA	NA		12.7
MSCI Emerging Markets	-1.1	0.9	27.8	4.2	11.4	16.2		13.3
Artisan Global Value	3.2	NA	NA	NA	NA	NA	3/1/11	3.3
Net of Fees	3.0	NA	NA	NA	NA	NA		3.0
MSCI ACWI Value	-0.4	5.1	28.2	1.1	2.0	4.9		-0.9
Peer Global Equity	1.3	6.0	32.7	NA	NA	NA		1.3
Peer Ranking (percentile)	13	NA	NA	NA	NA	NA		22
Northern Trust Russell 3000 Index	0.0	6.4	32.5	4.2	3.5	3.6	9/1/99	2.9
Net of Fees	0.0	6.4	32.5	4.2	3.5	3.6		2.9
Russell 3000	0.0	6.4	32.4	4.0	3.4	3.4		2.8

¹ Assets managed by Russell Investments are aggregated for fee calculations.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

Global Equity (continued)	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Eagle Small-Cap Growth	4.5	14.5	51.7	14.1	11.9	10.6	6/1/98	7.9
Net of Fees	4.3	14.2	50.9	13.4	11.2	9.9		7.3
Russell 2000 Growth	-0.6	8.6	43.5	8.4	5.8	4.6		4.1
Peer Small Cap Growth	0.6	10.3	44.2	9.4	7.1	6.7		8.4
Peer Ranking (percentile)	2	7	14	9	1	5		64
MSCI EAFE Growth ¹	2.7	5.5	30.8	NA	NA	NA	6/1/10	27.9
MSCI EAFE Growth	2.1	4.4	31.3	-1.8	2.5	5.3		28.5
Calamos Global Convertibles	-2.1	1.6	15.1	NA	NA	NA	11/1/09	10.8
Net of Fees	-2.2	1.4	14.6	NA	NA	NA		10.3
Merrill Lynch Global 300 Convertible Index	-0.5	3.0	16.3	5.7	5.0	NA		12.1
RS Investments Small Cap Value	-2.4	5.1	NA	NA	NA	NA	8/1/10	29.4
Net of Fees	-2.6	4.7	NA	NA	NA	NA		28.6
Russell 2000 Value	-2.6	3.8	31.4	7.1	2.2	7.5		22.6
Peer Small Cap Value	-1.6	5.6	35.1	10.2	5.3	9.9		26.5
Peer Ranking (percentile)	65	64	NA	NA	NA	NA		12

¹ Assets managed by Russell Investments are aggregated for fee calculations.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Fixed Income	2.6	3.9	6.3	8.0	7.3	6.8	1/1/94	6.5
Barclays U.S. TIPS ¹	3.6	5.9	7.5	NA	NA	NA	6/1/10	8.4
Barclays U.S. TIPS	3.7	5.8	7.7	5.3	6.9	7.0		8.5
Barclays Intermediate Government Bond ¹	2.0	2.0	2.8	NA	NA	NA	6/1/10	3.9
Barclays IT Gov't	2.1	2.1	2.7	4.9	5.9	5.0		3.7
MacKay Shields High Yield Active Core	0.9	3.8	13.4	NA	NA	NA	5/1/09	17.5
Net of Fees	0.7	3.5	12.9	NA	NA	NA		17.1
Barclays High Yield	1.1	5.0	15.6	12.7	9.3	9.0		24.6
Merrill Lynch High Yield BB/B	1.1	4.8	14.7	10.5	8.2	7.9		21.0
Peer High Yield	0.9	4.9	16.2	11.3	8.8	8.7		23.4
Peer Ranking (percentile)	56	94	88	NA	NA	NA		90
Seix Credit Dislocation	0.0	1.9	7.9	NA	NA	NA	5/1/09	9.6
Net of Fees	-0.1	1.7	7.5	NA	NA	NA		9.2
CSFB Leveraged Loan Index	0.3	3.0	9.7	6.0	4.3	4.8		17.5
Northern Trust Long Term Credit Bond Index	3.4	3.7	6.1	NA	NA	NA	5/1/10	8.1
Net of Fees	3.4	3.7	6.1	NA	NA	NA		8.1
Barclays Long U.S. Credit	3.3	4.0	6.5	9.9	7.8	7.4		7.9

¹ Assets managed by Russell Investments are aggregated for fee calculations.



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Real Assets	-2.4	1.5	27.5	NA	NA	NA	5/1/10	13.6
Credit Suisse Compound Risk Parity Commodity Index	-5.0	NA	NA	NA	NA	NA	4/1/11	-5.0
Net of Fees	-5.1	NA	NA	NA	NA	NA		-5.1
Custom Risk Parity Benchmark ¹	-5.4	NA	NA	NA	NA	NA		-5.4
Dow Jones - UBS Commodities	-6.7	-2.6	25.8	-12.1	-1.8	5.4		-6.7
First Quadrant Risk Parity Commodity Index ²	-5.1	NA	NA	NA	NA	NA	4/1/11	-5.1
Custom Risk Parity Benchmark ¹	-5.4	NA	NA	NA	NA	NA		-5.4
Dow Jones - UBS Commodities	-6.7	-2.6	25.8	-12.1	-1.8	5.4		-6.7
S&P Global Infrastructure	2.9	8.2	31.1	NA	NA	NA	5/1/10	13.7
S&P Global Infrastructure Index	3.1	8.5	32.0	-1.3	NA	NA		14.4
Private Equity^{3,4}	2.5	8.8	14.0	-0.7	2.8	NA	1/1/06	2.0
Venture Economics PE Composite (lagged one qtr.)	6.7	11.7	17.0	1.8	8.7	6.4		10.3

¹ Risk Parity Benchmark returns provided by Staff.

² Performance is net of fees.

³ All manager returns are presented one quarter lagged.

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



San Jose Federated City Employees' Retirement System

Aggregate Assets Performance as of 6/30/11

	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Real Estate¹	4.4	8.8	16.7	-12.1	-1.8	6.7	1/1/94	8.0
Private Real Estate²	4.5	8.4	14.6	NA	NA	NA	7/1/09	-13.6
NCREIF Property (lagged one qtr.)	3.4	8.1	16.0	-3.6	3.5	7.5		4.8
Core Real Estate	4.2	9.3	18.9	NA	NA	NA	7/1/09	4.8
PRISA I	4.9	10.7	21.8	-9.5	-1.1	NA	7/1/04	4.3
Net of Fees	4.6	10.2	20.5	-10.5	-2.0	NA		3.3
NCREIF Property	3.9	7.4	16.7	-2.6	3.4	7.6		2.0
American Core Realty Fund, LLC	3.8	8.5	17.6	-8.0	NA	NA	1/1/07	-1.4
Net of Fees	3.5	7.9	16.5	-9.0	NA	NA		-2.4
NCREIF Property	3.9	7.4	16.7	-2.6	3.4	7.6		2.0
Opportunistic Assets^{2, 3}	-1.8	-1.3	NA	NA	NA	NA	12/1/10	0.9
3-Month LIBOR + 5%	1.3	2.7	NA	NA	NA	NA		3.1

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

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

³ Manager returns for Medley are lagged one quarter; returns for White Oak and CSO are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
Total Fund Aggregate¹	12.9	19.4	-23.8	8.8	13.0	6.7	11.4	24.4	-3.9	-1.0
Net of Fees	12.7	19.1	-24.0	8.5	12.7	6.4	11.1	24.0	-4.2	-1.3
CPI (inflation)	1.5	2.7	0.1	4.1	2.5	3.4	3.3	1.9	2.4	1.6
San Jose FCERS Policy Benchmark ²	14.5	19.0	-22.8	8.2	13.5	6.7	10.8	20.6	-5.9	-2.5
San Jose FCERS Custom Benchmark ³	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Master Trust (Median)	12.5	19.4	-24.2	7.9	NA	NA	NA	NA	NA	NA
Global Equity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI IMI	14.3	36.4	-42.3	11.2	20.9	11.5	16.4	35.5	-17.6	-15.6
MSCI ACWI	12.7	34.6	-42.2	11.7	21.0	10.8	15.2	34.0	-19.3	-16.2
Global Equity Policy Benchmark ⁴	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Domestic Equity	NA	30.7	-37.3	6.2	14.9	6.5	12.7	32.0	-19.6	-6.6
Russell 3000	16.9	28.3	-37.3	5.1	15.7	6.1	11.9	31.1	-21.5	-11.5

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

² Policy Benchmark consists of 16% MSCI ACWI, 9% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Custom Risk Parity Benchmark, 2% S&P Global Infrastructure Index, and 5% 3-Month Libor +5%. Prior to April 2011, the Policy Benchmark consisted of 16% MSCI ACWI, 9% MSCI ACWI Value, 5% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Dow Jones - UBS Commodities, 2% S&P Citigroup WGBI/ 15% MSCI ACWI-ex US/ 6% NCREIF Property.

³ Custom Benchmark consists of the individual benchmarks that comprise of the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁴ The Global Equity Policy Benchmark consists of 33% MSCI ACWI, 18% MSCI ACWI Value, 10% MSCI Emerging Markets, 10% MSCI EAFE Small Cap, 6% MSCI EAFE Growth, 6% Russell 3000, 5% Russell 2000 Growth, 5% Russell 2000 Value, and 6% ML 300 Global Convertibles.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

Total Fund Aggregate (continued)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
International Equity	NA	37.6	-45.0	14.8	22.6	17.0	19.9	34.6	-17.9	-19.0
MSCI ACWI (ex. U.S.)	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8	-14.9	-19.7
Fixed Income	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0	10.5	6.5
Barclays Universal	7.2	8.6	2.4	6.5	5.0	2.7	5.0	5.8	9.8	8.1
Fixed Income Policy Benchmark ¹	8.0	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3	8.4
Real Assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
S&P Global Infrastructure Index	5.8	25.3	-39.0	23.2	NA	NA	NA	NA	NA	NA
Dow Jones - UBS Commodities	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9	25.9	-19.5
Real Assets Policy Benchmark ²	14.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Private Equity ^{3,4}	10.9	-13.5	-4.0	15.5	-3.5	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	14.8	-7.4	-6.4	28.4	17.8	29.0	15.9	8.9	-14.7	-26.2
Real Estate ^{3,5}	7.2	-37.4	-5.4	23.4	13.2	22.9	10.3	28.7	10.7	7.5
NCREIF Property (lagged one qtr.)	5.8	-22.1	5.3	17.3	17.6	19.2	12.4	7.8	5.7	10.1

¹ The FI Policy Benchmark consists of 37.5% Barclays U.S. TIPS, 25% Barclays Int. Govt., 12.5% Barclays Long U.S. Credit, 12.5% Merrill Lynch High Yield BB/B, 12.5% CSFB Leveraged Loan Index. Prior to April 2010 is 100% Barclays Aggregate.

² The Real Assets Policy Benchmark consists of 80% Custom Risk Parity Benchmark and 20% S&P Global Infrastructure Index. Prior to April 2011, the Real Assets Policy Benchmark consisted of 80% Dow Jones - UBS Commodities and 20% S&P Global Infrastructure Index.

³ Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.

⁴ All manager returns are presented one quarter lagged.

⁵ All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
Total Fund Aggregate¹	12.9	19.4	-23.8	8.8	13.0	6.7	11.4	24.4	-3.9	-1.0
Net of Fees	12.7	19.1	-24.0	8.5	12.7	6.4	11.1	24.0	-4.2	-1.3
CPI (inflation)	1.5	2.7	0.1	4.1	2.5	3.4	3.3	1.9	2.4	1.6
San Jose FCERS Policy Benchmark ²	14.5	19.0	-22.8	8.2	13.5	6.7	10.8	20.6	-5.9	-2.5
San Jose FCERS Custom Benchmark ³	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Master Trust (Median)	12.5	19.4	-24.2	7.9	NA	NA	NA	NA	NA	NA

Global Equity

Northern Trust MSCI ACWI Index ⁴	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI	12.7	34.6	-42.2	11.7	21.0	10.8	15.2	34.0	-19.3	-16.2
Tradewinds Global All Cap	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI Value	10.2	31.7	-41.5	6.7	25.6	10.8	19.1	39.0	-19.3	-14.3
MSCI EAFE Small Cap	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI EAFE Small Cap	22.0	46.8	-47.0	1.4	19.3	26.2	30.8	61.3	-7.8	-12.5

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

² Policy Benchmark consists of 16% MSCI ACWI, 9% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Custom Risk Parity Benchmark, 2% S&P Global Infrastructure Index, and 5% 3-Month Libor +5%. Prior to April 2011, the Policy Benchmark consisted of 16% MSCI ACWI, 9% MSCI Emerging Markets, 5% MSCI EAFE Small Cap, 3% MSCI EAFE Growth, 3% Russell 3000, 2.5% Russell 2000 Growth, 2.5% Russell 2000 Value, 7.5% Barclays U.S. TIPS, 5% Barclays Int. Govt., 2.5% Barclays Long U.S. Credit, 2.5% Merrill Lynch High Yield BB/B, 2.5% CSFB Leveraged Loan, 3% ML 300 Global Convertibles, 5% HFRI, 5% NCREIF Property, 6% Venture Economics Private Equity, 8% Dow Jones - UBS Commodities, 2% S&P Global Infrastructure Index, and 5% 3-Month Libor +5%. Prior to April 2010, the Policy Benchmark consisted of 34% Russell 1000/9% Russell 2000/29% Barclays Aggregate/7% S&P Citigroup WGBI/15% MSCI ACWI-ex US/6% NCREIF Property.

³ Custom Benchmark consists of the individual benchmarks that comprise of the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

⁴ Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
Global Equity (continued)										
Northern Trust MSCI Emerging Markets Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI Emerging Markets	18.9	78.5	-53.3	39.4	32.2	34.0	25.6	55.8	-6.2	-2.6
Artisan Global Value	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI Value	10.2	31.7	-41.5	6.7	25.6	10.8	19.1	39.0	-19.3	-14.3
Northern Trust Russell 3000 Index	17.2	28.9	-37.3	5.3	15.8	6.2	12.0	31.2	-21.4	-11.3
Net of Fees	17.2	28.9	-37.3	5.2	15.8	6.2	12.0	31.1	-21.5	-11.3
Russell 3000	16.9	28.3	-37.3	5.1	15.7	6.1	11.9	31.1	-21.5	-11.5
Eagle Small-Cap Growth	34.4	41.3	-35.8	12.7	21.4	4.2	20.8	44.7	-22.5	14.5
Net of Fees	33.7	39.5	-36.1	12.0	20.7	3.6	20.0	43.8	-23.0	13.7
Russell 2000 Growth	29.1	34.5	-38.5	7.0	13.3	4.2	14.3	48.5	-30.3	-9.2
MSCI EAFE Growth	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI EAFE Growth	12.2	29.4	-42.7	16.5	22.3	13.3	16.1	32.0	-16.0	-24.6
Calamos Global Convertibles	11.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	11.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Merrill Lynch Global 300 Convertible Index	11.7	36.3	-29.3	6.5	12.8	6.0	NA	NA	NA	NA



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

Global Equity (continued)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
RS Investments Small Cap Value	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Russell 2000 Value	24.5	20.6	-28.9	-9.8	23.5	4.7	22.2	46.0	-11.4	14.0
Fixed Income	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0	10.5	6.5
Barclays U.S. TIPS	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. TIPS	6.3	11.4	-2.4	11.6	0.4	2.8	8.5	8.4	16.6	8.2
Barclays Intermediate Government Bond	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Barclays IT Gov't	5.0	-0.3	10.4	8.5	3.8	1.7	2.3	2.3	9.6	8.4
Mackay Shields High Yield Active Core	13.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	13.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Barclays High Yield	15.1	58.2	-26.2	1.9	11.8	2.7	11.1	29.0	-1.4	5.3
Merrill Lynch High Yield BB/B	14.5	46.1	-23.7	2.7	10.7	3.4	9.9	23.0	-1.3	5.5
Seix Credit Dislocation	7.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	7.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
CSFB Leveraged Loan Index	10.0	44.9	-28.8	1.9	7.2	5.7	5.6	11.0	1.1	2.6
Northern Trust Long Term Credit Bond Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Barclays Long U.S. Credit	10.7	16.8	-3.9	3.6	3.5	3.8	9.4	10.4	11.9	12.2



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

Real Assets	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
Credit Suisse Compound Risk Parity Commodity Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Custom Risk Parity Benchmark ¹	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dow Jones - UBS Commodities	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9	NA	NA
First Quadrant Risk Parity Commodity Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Custom Risk Parity Benchmark ¹	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dow Jones - UBS Commodities	16.7	18.7	-36.6	11.1	-2.7	21.4	9.1	23.9	NA	NA
S&P Global Infrastructure	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
S&P Global Infrastructure Index	5.8	25.3	-39.0	23.2	NA	NA	NA	NA	NA	NA
Private Equity^{2,3}	10.9	-13.5	-4.0	15.5	-3.5	NA	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	14.8	-7.4	-6.4	28.4	17.8	29.0	15.9	8.9	-14.7	-26.2

¹ Risk Parity Benchmark returns provided by Staff.

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

³ All manager returns are presented one quarter lagged.



San Jose Federated City Employees' Retirement System

Aggregate Assets Calendar Year Performance

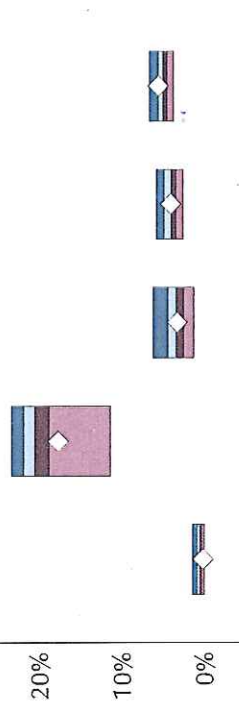
	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)	2001 (%)
Real Estate¹	7.2	-37.4	-5.4	23.4	13.2	22.9	10.3	28.7	10.7	7.5
Private Real Estate²	0.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
NCREIF Property (lagged one qtr.)	5.8	-22.1	5.3	17.3	17.6	19.2	12.4	7.8	5.7	10.1
Core Real Estate	14.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
PRISA I	18.4	-34.2	-13.0	17.5	16.2	23.3	NA	NA	NA	NA
Net of Fees	13.2	-34.8	-13.6	16.7	15.2	22.2	NA	NA	NA	NA
NCREIF Property	13.1	-16.9	-6.5	15.8	16.6	20.1	14.5	9.0	6.7	7.3
American Core Realty Fund, LLC	11.2	-30.0	-5.3	NA	NA	NA	NA	NA	NA	NA
Net of Fees	10.1	-30.7	-6.2	NA	NA	NA	NA	NA	NA	NA
NCREIF Property	13.1	-16.9	-6.5	15.8	16.6	20.1	14.5	9.0	6.7	7.3

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

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



Total Fund Aggregate vs. Public Pensions > \$1 billion¹



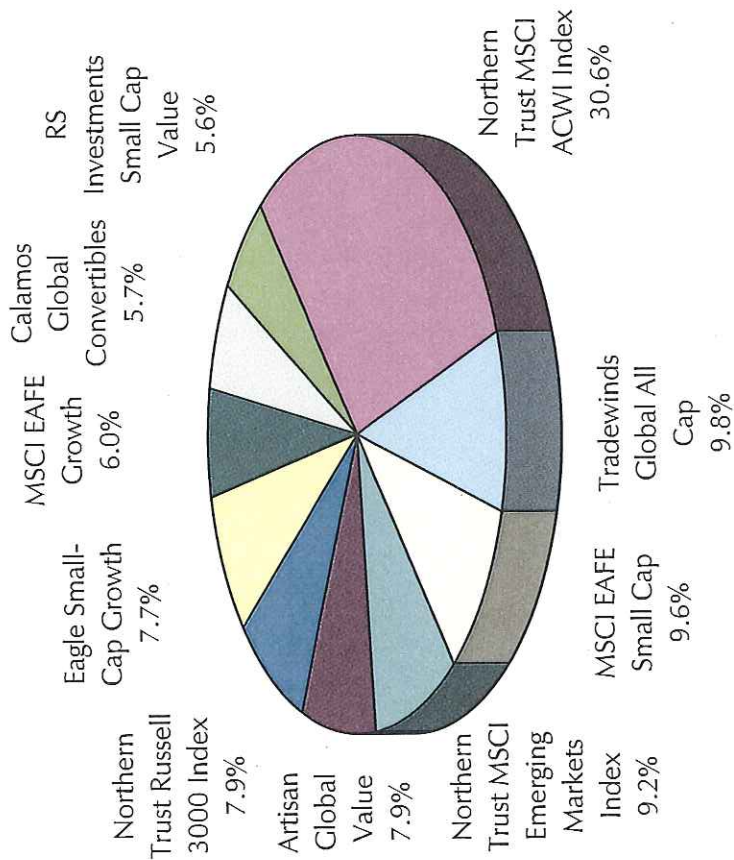
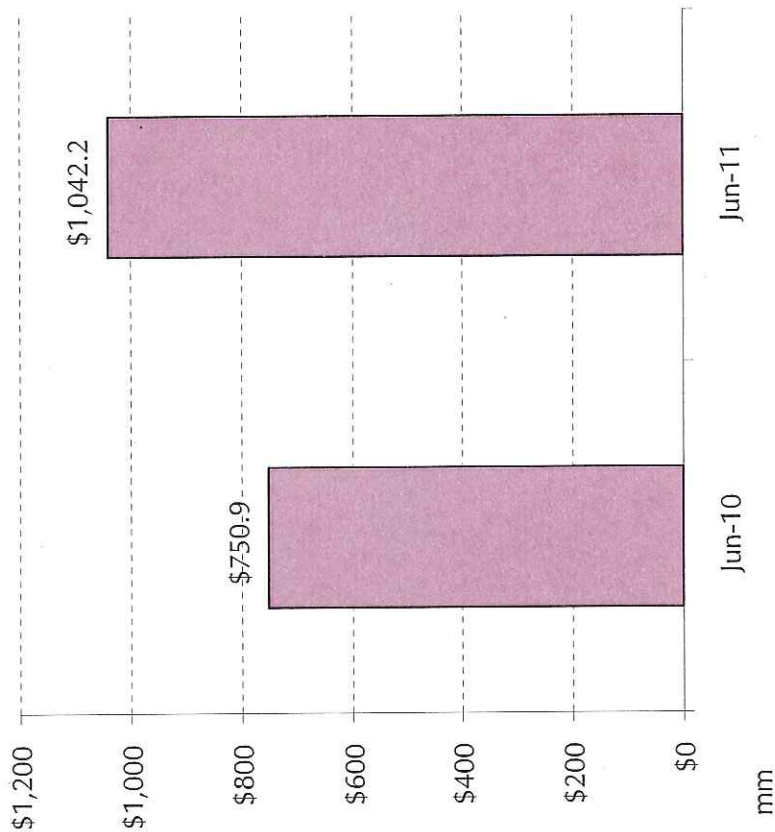
Total Fund Aggregate

	2Q11 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
25th percentile	1.6	23.3	5.3	5.7	6.5
Median	1.4	22.0	4.3	4.9	5.9
75 Percentile	1.0	20.2	3.3	4.3	5.4

¹ Universe data provided by InvestMetrics.

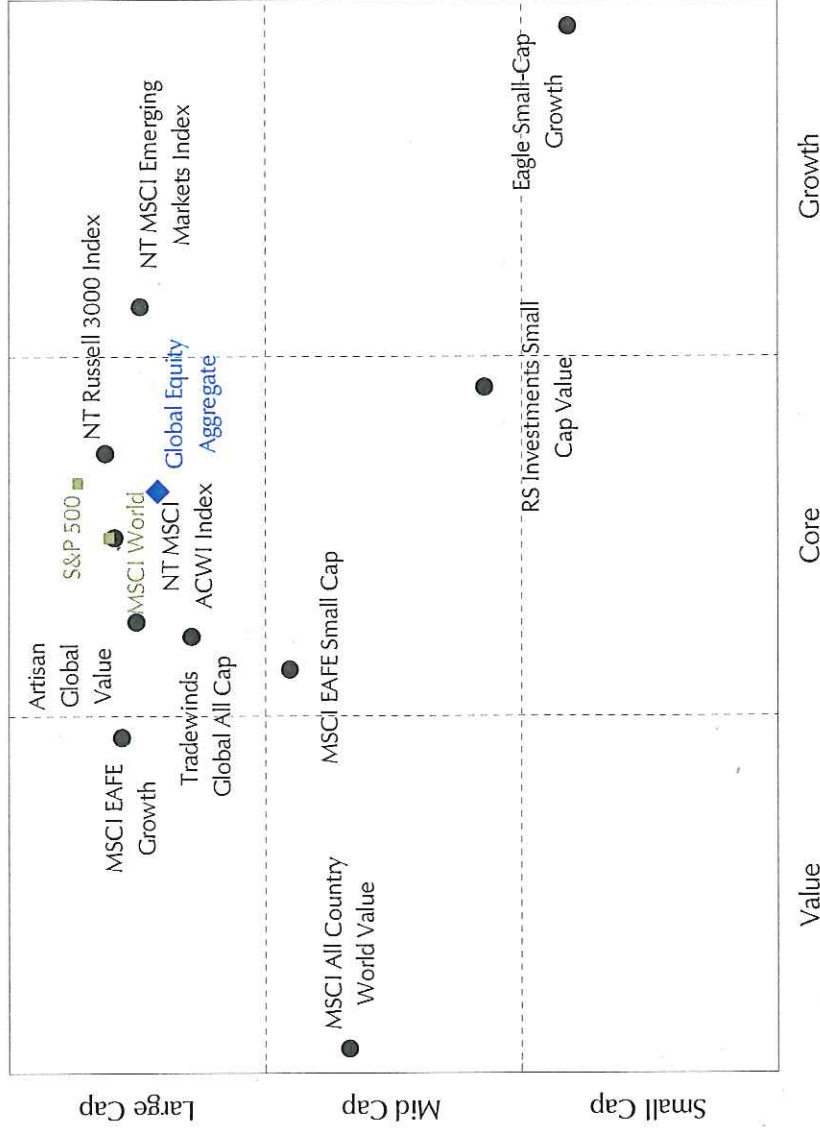
Plan Detail

Global Equity Assets As of June 30, 2011



Global Equity Assets Style as of 6/30/11

San Jose Federated City Employees' Retirement System



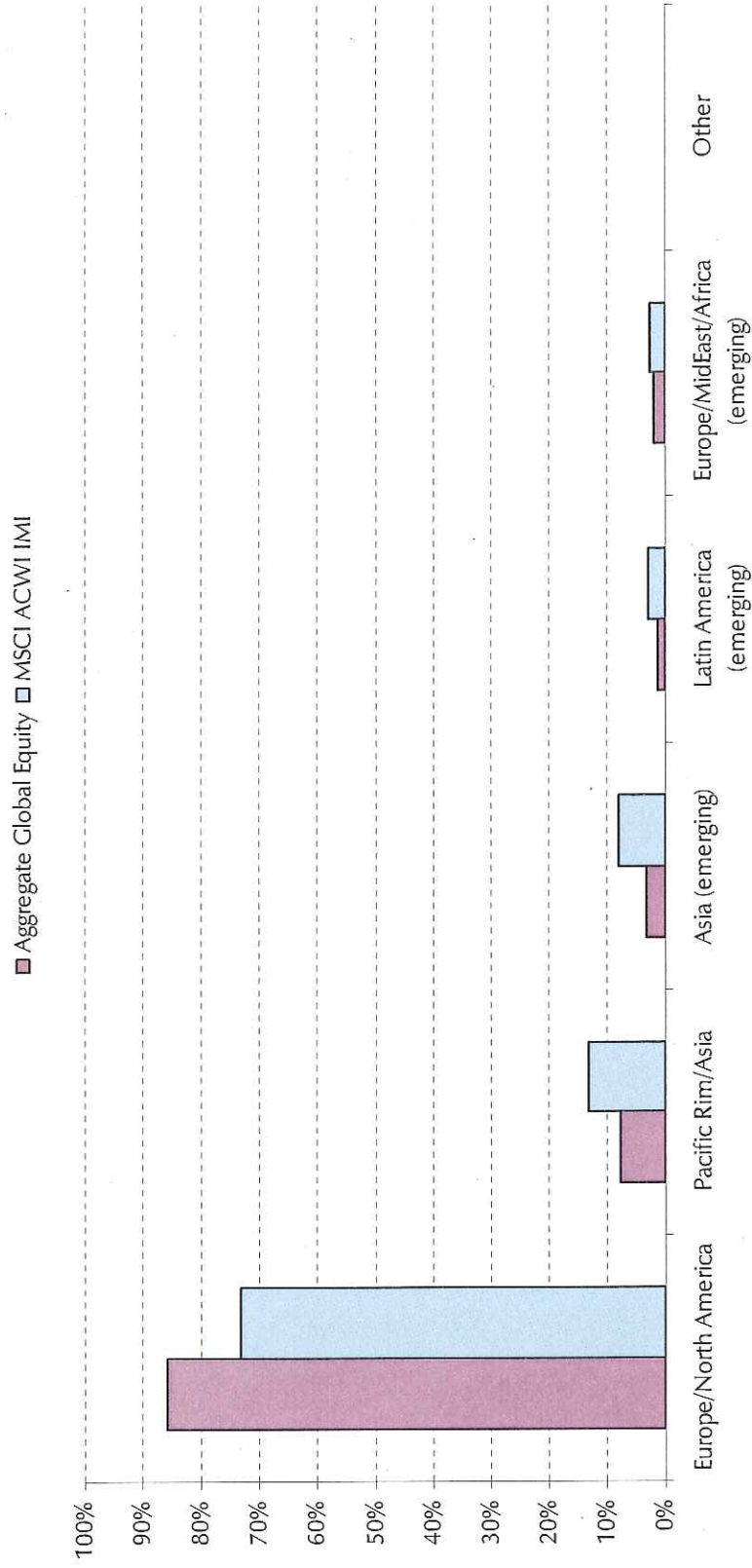
	Aggregate Global Equity 6/30/11	MSCI ACWI IMI 6/30/11	Aggregate Global Equity 3/31/11
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	47.9	58.8	67.1
Median Market Cap. (US\$ billion)	3.0	1.0	7.6
Large (% over US\$10 billion)	64	70	82
Medium (% US\$2 billion to US\$10 billion)	22	21	18
Small (% under US\$2 billion)	14	8	0
Fundamental Structure:			
Price-Earnings Ratio	21	19	18
Price-Book Value Ratio	2.9	2.9	2.8
Dividend Yield (%)	2.3	2.3	2.4
Historical Earnings Growth Rate (%)	8	7	6
Projected Earnings Growth Rate (%)	11	12	12

Sector Allocation (%):	Aggregate Global Equity 6/30/11	MSCI ACWI IMI 6/30/11	Aggregate Global Equity 3/31/11
Industrials	21	12	11
Information Technology	13	12	11
Health Care	9	9	8
Utilities	4	4	4
Consumer Discretionary	10	11	10
Materials	9	9	7
Telecom	3	4	4
Consumer Staples	7	9	9
Energy	8	11	12
Financials	16	20	24

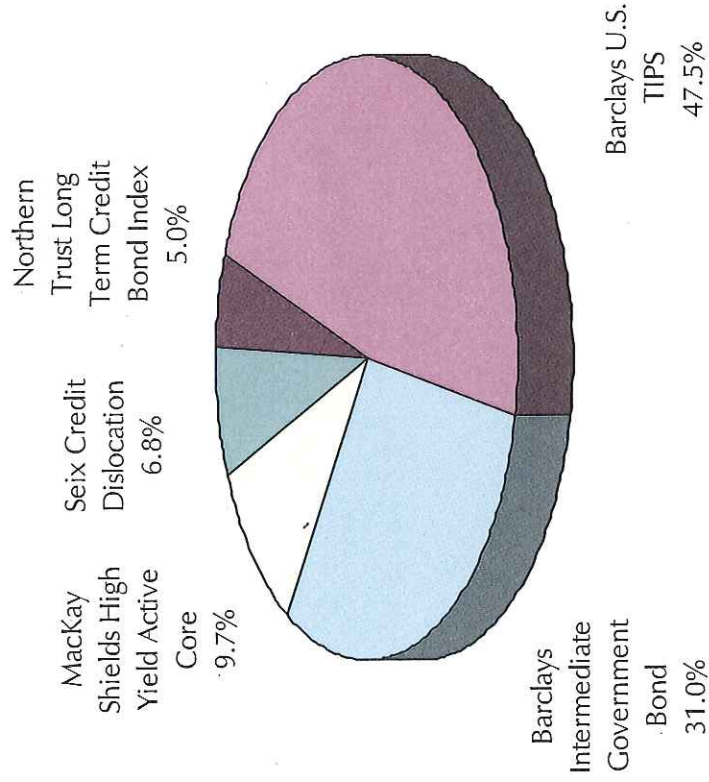
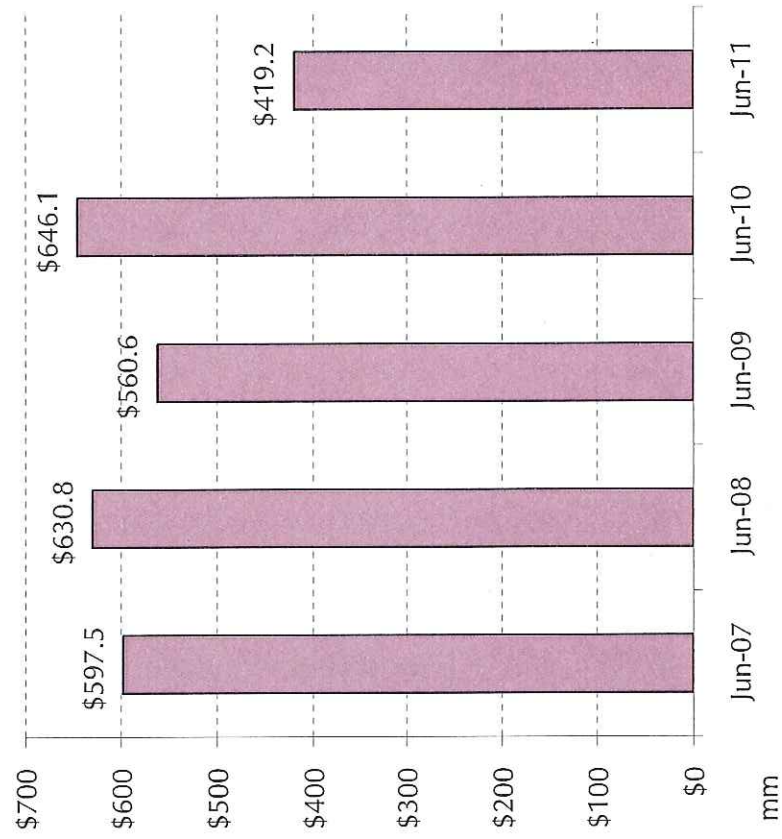
	Aggregate Global Equity 6/30/11 (%)	MSCI ACWI IMI 6/30/11 (%)
Europe/North America	80.0	73.3
Switzerland	11.3	3.0
United States	47.7	43.6
Italy	1.0	1.1
France	3.1	3.8
Canada	3.6	4.7
Germany	1.9	3.3
United Kingdom	5.8	8.1
Pacific Rim/Asia	12.5	13.1
Japan	8.6	7.9
Australia	2.6	3.3
Asia (emerging)	3.7	8.0
South Korea	1.2	2.0
China	1.0	2.3
Latin America (emerging)	1.5	2.8
Brazil	1.0	1.9
Europe/MidEast/Africa (emerging)	2.3	2.7

San Jose Federated City Employees' Retirement System

Global Equity Assets
Region Breakdown as of 6/30/11



Fixed Income Assets
As of June 30, 2011



	Aggregate Fixed Income 6/30/11	Barclays Universal 6/30/11
Risk: (sixty months)		
Annualized Return (%)	7.3	6.6
Standard Deviation (%)	4.9	4.0
Best Monthly Return (%)	4.8	3.8
Worst Monthly Return (%)	-3.8	-3.6
Beta	1.11	1.00
Correlation (R ²) to Index	0.90	1.00
Correlation to Total Fund Return	0.64	NA
Sharpe Measure (risk-adjusted return)	1.10	1.16
Information Ratio	0.36	NA

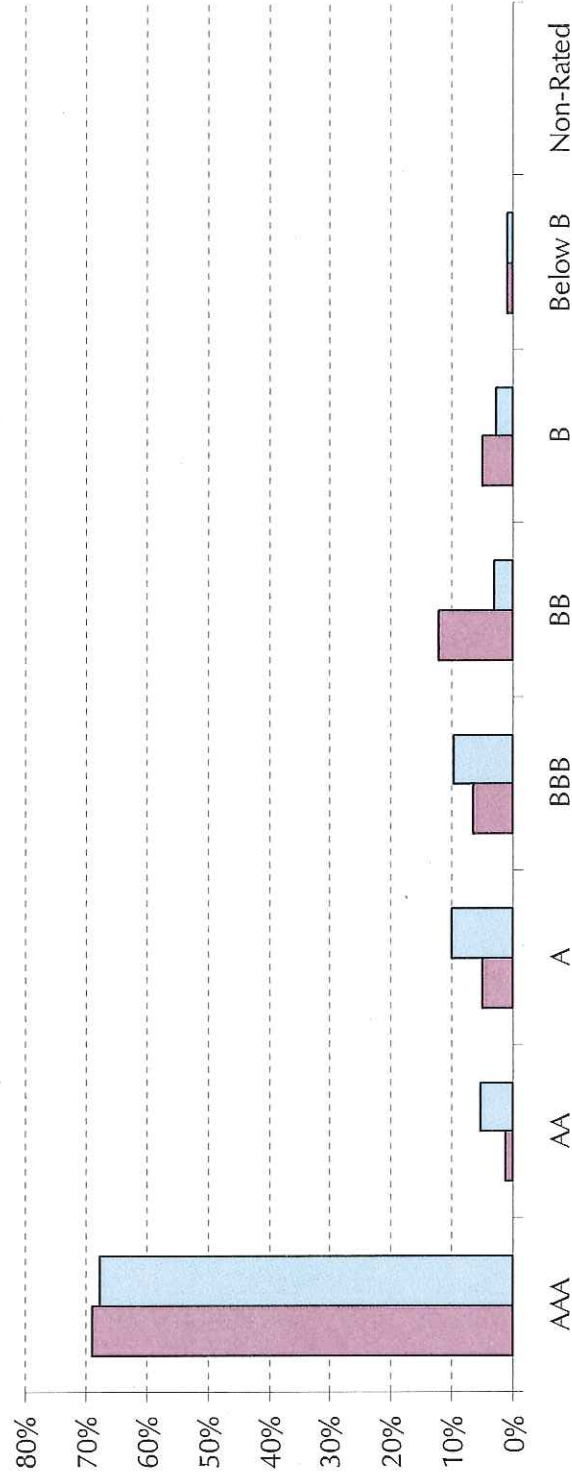
Duration & Yield:

Average Effective Duration (years)

Yield to Maturity (%)

Aggregate Fixed Income 6/30/11	Barclays Universal 6/30/11	Aggregate Fixed Income 3/31/11
3.9	5.1	3.7
2.4	3.2	2.3

■ Aggregate Fixed Income ■ Barclays Universal



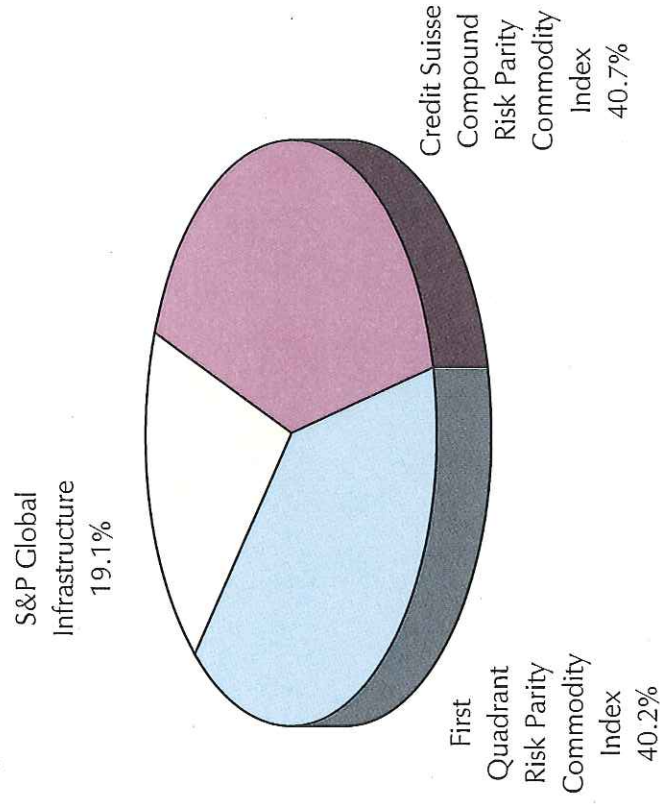
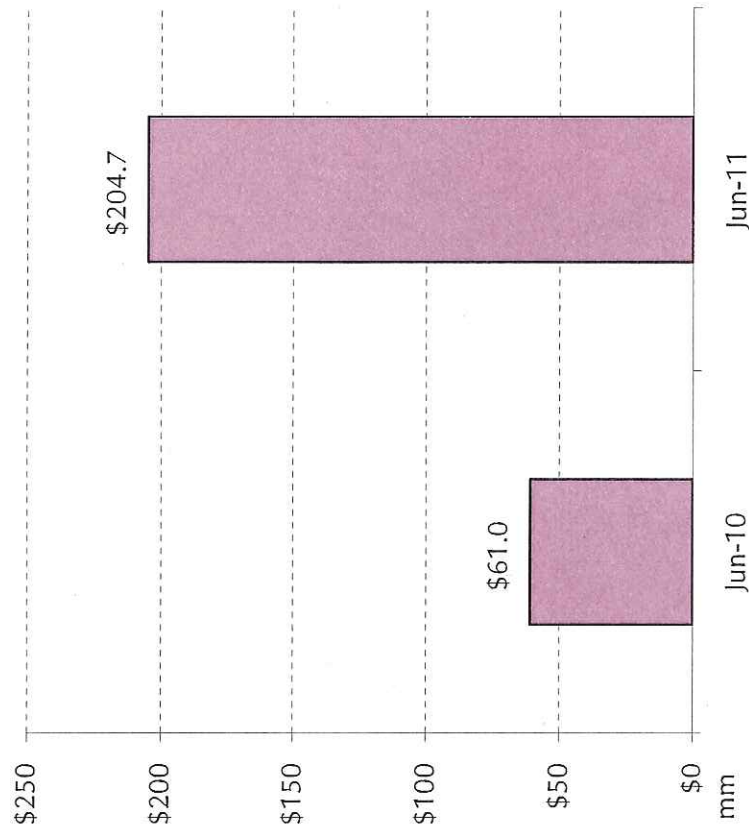
Market Allocation (%):	Aggregate Fixed Income 6/30/11	Barclays Universal 6/30/11	Aggregate Fixed Income 3/31/11
United States	94	85	95
Foreign (developed markets)	5	12	4
Foreign (emerging markets)	1	3	1
Currency Allocation (%):			
Non-U.S. Dollar Exposure	2	0	2
Sector Allocation (%):			
U.S. Treasury-Nominal	23	29	26
U.S. Treasury-TIPS	42	0	42
U.S. Agency	5	9	6
Mortgage Backed	0	29	0
Corporate	13	26	10
Bank Loans	5	0	4
Local & Provincial Government	1	1	0
Sovereign & Supranational	0	4	0
Commercial Mortgage Backed	0	2	0
Asset Backed	0	0	0
Cash Equivalent	1	0	2
Other	12	0	9

**Real Return Assets
as of 6/30/11**

San Jose Federated City Employees' Retirement System

**Real Return Assets
As of June 30, 2011**





**Portfolio Reviews
As of June 30, 2011**

Global Equity Portfolios Reviews As of June 30, 2011

San Jose Federated City Employees' Retirement System

Northern Trust MSCI ACWI Index Portfolio Detail as of 6/30/11

Mandate: Global Equities
Active/Passive: Passive
Market Value: \$318.8 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 6/1/2010
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) Index and the Russell 3000 Index to simulate MSCI ACWI exposure. The MSCI ACWI (ex. U.S.) Index assets have a fee of 0.07%, and the Russell 3000 Index assets have a fee of 0.02%.

Liquidity Constraints:

Daily

Strategy:

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

Performance (%):

	2Q11	YTD	1 YR	Since 6/1/10
Northern Trust MSCI ACWI Index ¹	0.6	5.4	31.5	25.0
Net of Fees	0.6	5.3	31.4	25.0
MSCI ACWI	0.2	4.7	30.1	23.9

	6/30/11		3/31/11	
Capitalization Structure:	NT	MSCI ACWI	NT	MSCI ACWI
Weighted Average Market Cap. (US\$ billion)	67.7	67.8	69.5	69.5
Median Market Cap. (US\$ billion)	7.7	7.7	7.7	7.7
Large (% over US\$10 billion)	82	82	82	82
Medium (% US\$2 billion to US\$10 billion)	18	18	18	18
Small (% under US\$2 billion)	0	0	1	1

Fundamental Structure:

Price-Earnings Ratio	18	19	19	19
Price-Book Value Ratio	2.9	2.9	3.0	3.0
Dividend Yield (%)	2.4	2.3	2.4	2.4
Historical Earnings Growth Rate (%)	7	7	6	6
Projected Earnings Growth Rate (%)	12	12	13	13

Sector Allocation (%):

Financials	20	20	21	21
Energy	12	12	13	13
Information Technology	11	11	12	12
Industrials	11	11	11	11
Consumer Discretionary	10	10	10	10
Consumer Staples	9	9	9	9
Materials	9	9	9	9
Health Care	9	9	8	8
Telecom	5	5	5	5
Utilities	4	4	4	4

Diversification:

Number of Holdings	2,459	2,459	2,467	2,467
% in 5 largest holdings	5	5	5	5
% in 10 largest holdings	8	8	8	8

Region Allocation (%):

Europe/North America	73	73	73	73
Pacific Rim/Asia	13	13	13	13
Asia (emerging)	8	8	8	8
Latin America (emerging)	3	3	3	3
Europe/MidEast/Africa (emerging)	3	3	3	3

Largest Five Holdings:

		Industry
ExxonMobil	1.4	Energy
Apple	1.1	Technology Hardware
Nestle	0.7	Food Beverage & Tobacco
IBM	0.7	Software & Services
Chevron	0.7	Energy

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



San Jose Federated City Employees' Retirement System

Tradewinds Global All Cap Portfolio Detail as of 6/30/11

Mandate:	Global Equities			
Active/Passive:	Active			
Market Value:	\$102.0 million			
Portfolio Manager:	Dave Iben, CFA			
Location:	Los Angeles, California			
Inception Date:	4/1/2011			
Account Type:	Commingled Fund			

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.75% on first \$10 mm; 0.65% on next \$40 mm; 0.55% on next \$200 mm; 0.525% thereafter

Liquidity Constraints:
Monthly

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

Performance (%):	2Q11	YTD	Since 4/1/11
Tradewinds Global All Cap	-1.3	NA	-1.3
MSCI ACWI Value	-0.4	5.1	-0.4
Peer Global Equity	1.3	6.0	1.3
Peer Ranking (percentile)	91	NA	91

	6/30/11	MSCI ACWI Value
Tradewinds Global All Cap	36.1	77.2
Weighted Average Market Cap. (US\$ billion)	8.0	7.1
Median Market Cap. (US\$ billion)		
Large (% over US\$10 billion)	73	83
Medium (% US\$2 billion to US\$10 billion)	18	16
Small (% under US\$2 billion)	9	1

Capitalization Structure:	
Price-Earnings Ratio	21
Price-Book Value Ratio	2.1
Dividend Yield (%)	3.1
Historical Earnings Growth Rate (%)	5
Projected Earnings Growth Rate (%)	10

Fundamental Structure:	
Price-Earnings Ratio	21
Price-Book Value Ratio	2.1
Dividend Yield (%)	3.1
Historical Earnings Growth Rate (%)	5
Projected Earnings Growth Rate (%)	10

Sector Allocation (%):	
Materials	22
Industrials	16
Utilities	14
Telecom	10
Consumer Staples	5
Information Technology	5
Health Care	7
Consumer Discretionary	4
Energy	7
Financials	9

Diversification:	
Number of Holdings	83
% in 5 largest holdings	22
% in 10 largest holdings	39

Region Allocation (%):	
Americas	43
Europe	12
Pacific Rim	26
Other	19

Largest Five Holdings:	
Lilly (Eli)	5.1
Newmont Mining	5.0
EDF	4.2
Barrick Gold	4.2
Microsoft	4.0



San Jose Federated City Employees' Retirement System

MSCI EAFE Small Cap Portfolio Detail as of 6/30/11

Mandate:	Global Equities				
Active/Passive:	Passive				
Market Value:	\$100.5 million				
Portfolio Manager:	Russell Investments (Transition Manager)				
Location:	Tacoma, Washington				
Inception Date:	6/1/2010				
Account Type:	Separately Managed				

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

Liquidity Constraints:
Daily

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

Performance (%):					
MSCI EAFE Small Cap					
MSCI EAFE Small Cap	2Q11	YTD	1 YR	Since 6/1/10	
	0.9	4.2	34.7	30.2	
	0.8	3.8	36.4	32.7	

Capitalization Structure:	6/30/11	3/31/11
Weighted Average Market Cap. (US\$ billion)	MSCI EAFE SC	MSCI EAFE Small Cap
Median Market Cap. (US\$ billion)	16.4	15.6
Large (% over US\$10 billion)	1.3	1.4
Medium (% US\$2 billion to US\$10 billion)	38	37
Small (% under US\$2 billion)	31	63

Fundamental Structure:	6/30/11	3/31/11
Price-Earnings Ratio	19	20
Price-Book Value Ratio	2.5	2.5
Dividend Yield (%)	2.7	2.5
Historical Earnings Growth Rate (%)	3	3
Projected Earnings Growth Rate (%)	9	15

Sector Allocation (%):	6/30/11	3/31/11
Industrials	27	27
Consumer Discretionary	16	16
Financials	13	13
Materials	12	11
Information Technology	10	11
Consumer Staples	7	6
Health Care	5	5
Energy	5	5
Utilities	2	2
Telecom	2	2

Diversification:	6/30/11	3/31/11
Number of Holdings	404	401
% in 5 largest holdings	6	5
% in 10 largest holdings	10	9

Region Allocation (%):	6/30/11	3/31/11
Americas	2	0
Europe	59	59
Pacific Rim	38	41
Other	1	1

Largest Five Holdings:	6/30/11	3/31/11
Dassault Systemes	1.4	Software & Services
Adecco	1.1	Commercial & Professional Services
Shire	1.1	Pharmaceuticals & Biotech
Swatch Group	1.0	Consumer Durable & Apparel
WPP Plc	1.0	Media



Mandate:	Global Equities
Active/Passive:	Passive
Market Value:	\$95.9 million
Portfolio Manager:	Team
Location:	Chicago, Illinois
Inception Date:	5/1/2010
Account Type:	Commingled Fund

Fee Schedule:
0.15% on all assets

Liquidity Constraints:
Daily

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

Performance (%)	2Q11	YTD	1 YR	Since 5/1/10
Northern Trust MSCI Emerging Markets Index	-1.3	0.7	27.3	12.9
Net of Fees	-1.3	0.6	27.1	12.7
MSCI Emerging Markets	-1.1	0.9	27.8	13.3

Capitalization Structure:	6/30/11		3/31/11	
	NT MSCI EM	MSCI Emerging Markets	NT MSCI EM	MSCI Emerging Markets
Weighted Average Market Cap. (US\$ billion)	54.6	49.0	53.4	54.8
Median Market Cap. (US\$ billion)	5.7	5.7	5.6	5.6
Large (% over US\$10 billion)	67	67	69	69
Medium (% US\$2 billion to US\$10 billion)	30	30	28	28
Small (% under US\$2 billion)	3	2	3	3

Fundamental Structure:

Price-Earnings Ratio	17	18	18	18
Price-Book Value Ratio	3.0	3.0	3.1	3.1
Dividend Yield (%)	2.3	2.2	2.2	2.2
Historical Earnings Growth Rate (%)	16	16	16	15
Projected Earnings Growth Rate (%)	17	18	21	21

Sector Allocation (%):

Financials	23	25	25	25
Materials	14	15	15	15
Energy	14	15	16	16
Information Technology	11	12	13	13
Consumer Discretionary	10	8	7	7
Industrials	7	7	7	7
Telecom	7	7	7	7
Consumer Staples	6	7	6	6
Utilities	6	4	3	3
Health Care	1	1	1	1

Diversification:

Number of Holdings	871	824	855	810
% in 5 largest holdings	10	9	9	9
% in 10 largest holdings	17	15	16	16

Region Allocation (%):

Asia	61	59	58	58
Latin America	22	23	23	23
Europe, Middle East and Africa	17	19	19	19
Canada	0	0	0	0
Other	0	0	0	0

Largest Five Holdings:

	Industry
BEC World	Media
Glow Energy	Utilities
Samsung	Semiconductors
Petrol Brasileiro	Energy
Taiwan Semiconductor	Semiconductors



San Jose Federated City Employees' Retirement System

Artisan Global Value Portfolio Detail as of 6/30/11

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$82.7 million

Portfolio Manager: David Samra
Dan O'Keefe

Location: San Francisco, California

Inception Date: 3/1/2011

Account Type: Separately Managed

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

Liquidity Constraints:
Daily

Strategy:

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

Guidelines:

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

Performance (%):

Artisan Global Value	2Q11	YTD	Since 3/1/11
Net of Fees	3.2	NA	3.3
	3.0	NA	3.0
MSCI ACWI Value	-0.4	5.1	-0.9
Peer Global Equity	1.3	6.0	1.3
Peer Ranking (percentile)	13	NA	22

Capitalization Structure:	Artisan Global Value	MSCI ACWI Value	Artisan Global Value	MSCI ACWI Value
Weighted Average Market Cap. (US\$ billion)	23.3	77.2	44.4	79.0
Median Market Cap. (US\$ billion)	31.6	7.1	17.6	7.2
Large (% over US\$10 billion)	95	83	80	83
Medium (% US\$2 billion to US\$10 billion)	5	16	20	16
Small (% under US\$2 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	17	15	16	16
Price-Book Value Ratio	2.6	1.9	2.9	2.0
Dividend Yield (%)	1.7	3.1	2.1	3.0
Historical Earnings Growth Rate (%)	-22	1	12	1
Projected Earnings Growth Rate (%)	10	9	14	9

Sector Allocation (%):

Industrials	77	8	13	8
Utilities	0	7	0	6
Telecom	0	8	0	8
Information Technology	5	5	13	5
Health Care	3	10	8	9
Consumer Staples	3	5	14	5
Consumer Discretionary	3	7	18	6
Materials	0	6	1	6
Financials	10	31	29	31
Energy	0	14	2	17

Diversification:

Number of Holdings	31	1,327	41	1,338
% in 5 largest holdings	81	8	21	8
% in 10 largest holdings	87	13	39	14

Region Allocation (%):

Americas	19	47	53	48
Europe	79	26	40	25
Pacific Rim	2	13	7	13
Other	0	14	0	14

Largest Five Holdings:

	Industry
MasterCard	Software & Services
Signet Jewelers	Retailing
TE Connectivity	Technology Hardware
Marsh & McLennan	Insurance
GPE Bruxelles lam	Financials



San Jose Federated City Employees' Retirement System

Northern Trust Russell 3000 Index Portfolio Detail as of 6/30/11

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$81.9 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 9/1/1999
Account Type: Commingled Fund

Fee Schedule:
 0.02% on all assets
Liquidity Constraints:
 Daily

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

	Value	Core	Growth
Large			
Medium			
Small			

Performance (%):	2Q11	YTD	1 YR	3 YR	5 YR	Since 9/1/99
Northern Trust Russell 3000 Index	0.0	6.4	32.5	4.2	3.5	2.9
Russell 3000	0.0	6.4	32.4	4.0	3.4	2.8

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 3000 Index	19.6%	1.00	0.08	NA	1.00
Russell 3000	19.5	1.00	0.07	NA	1.00

Capitalization Structure:	6/30/11		3/31/11	
	NT	Russell 3000	NT	Russell 3000
Weighted Average Market Cap. (US\$ billion)	72.4	72.6	75.9	75.7
Median Market Cap. (US\$ billion)	1.3	1.0	1.3	1.1
Large (% over US\$10 billion)	73	73	74	73
Medium (% US\$2 billion to US\$10 billion)	20	20	20	20
Small (% under US\$2 billion)	7	7	6	7

Fundamental Structure:

Price-Earnings Ratio	20	21	21	22
Price-Book Value Ratio	3.3	3.4	3.4	3.4
Dividend Yield (%)	1.7	1.7	1.7	1.7
Historical Earnings Growth Rate (%)	7	7	7	7
Projected Earnings Growth Rate (%)	11	11	11	11

Sector Allocation (%):

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

Diversification:

Number of Holdings	2,661	2,970	2,684	2,921
% in 5 largest holdings	9	9	9	9
% in 10 largest holdings	15	15	15	15

Largest Ten Holdings:

		Industry
ExxonMobil	2.7	Energy
Apple	2.1	Technology Hardware
IBM	1.4	Software & Services
Chevron	1.4	Energy
General Electric	1.3	Capital Goods
Microsoft	1.3	Software & Services
AT&T	1.2	Telecommunications Services
Johnson & Johnson	1.2	Pharmaceuticals & Biotech
Procter & Gamble	1.2	Household/Personal Products
Pfizer	1.1	Pharmaceuticals & Biotech



Mandate:	Domestic Equities	Growth		
Active/Passive:	Active	Core		
Market Value:	\$80.3 million	Value		
Portfolio Manager:	Bert L. Boksen, CFA	Large		
Location:	St. Petersburg, Florida	Medium		
Inception Date:	6/1/1998	Small		
Account Type:	Separately Managed			

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

Liquidity Constraints:
Daily

Strategy:
Eagle Asset Management seeks to capture the significant long-term capital appreciation potential of small, rapidly growing, under-researched companies. The market capitalization of these companies ranges between \$100 million and \$1.5 billion at the time of purchase. Since the small company sector historically has been less efficient than the large capitalization sector, they believe that conducting extensive proprietary research on companies that are not widely followed or owned institutionally should enable Eagle to capitalize on market inefficiencies and thus outperform the Russell 2000 Growth Index.

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

Performance (%)	2Q11	YTD	1 YR	3 YR	5 YR	Since 6/1/98
Eagle Small-Cap Growth	4.5	14.5	51.7	14.1	11.9	7.9
Net of Fees	4.3	14.2	50.9	13.4	11.2	7.3
Russell 2000 Growth	-0.6	8.6	43.5	8.4	5.8	4.1
Peer Small Cap Growth	0.6	10.3	44.2	9.4	7.1	8.4
Peer Ranking (percentile)	2	7	14	9	1	64
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index	
Eagle Small-Cap Growth	25.8%	0.96	0.38	1.13	0.98	
Russell 2000 Growth	25.0	1.00	0.15	NA	1.00	

Capitalization Structure:	6/30/11	Russell 2000	Eagle	Russell 2000	Eagle	3/31/11	Russell 2000
Weighted Average Market Cap. (US\$ billion)	1.7	1.4	1.8	1.6			
Median Market Cap. (US\$ billion)	1.2	0.6	1.3	0.6			
Large (% over US\$10 billion)	0	0	0	0			
Medium (% US\$2 billion to US\$10 billion)	28	27	31	30			
Small (% under US\$2 billion)	72	73	69	70			
Fundamental Structure:							
Price-Earnings Ratio	33	33	37	34			
Price-Book Value Ratio	3.8	4.5	3.9	4.7			
Dividend Yield (%)	0.3	0.6	0.3	0.5			
Historical Earnings Growth Rate (%)	9	10	9	11			
Projected Earnings Growth Rate (%)	18	17	17	18			
Sector Allocation (%):							
Consumer Discretionary	20	15	17	16			
Information Technology	26	25	28	29			
Materials	6	5	6	5			
Industrials	16	16	17	17			
Utilities	0	0	0	0			
Energy	8	8	10	6			
Telecom	0	1	0	1			
Consumer Staples	2	4	1	3			
Health Care	17	19	17	18			
Financials	5	7	5	5			
Diversification:							
Number of Holdings	88	1,161	84	1,252			
% in 5 largest holdings	15	2	14	3			
% in 10 largest holdings	25	4	25	6			
Largest Ten Holdings:		Industry					
Genesco	3.9	Retailing					
Lufkin Industries	3.6	Energy					
Vitamin Shoppe	2.9	Retailing					
BJ's Restaurants	2.4	Consumer Services					
Sirona Dental Systems	2.3	Health Equipment & Services					
RTI Intl Metals	2.2	Materials					
Robbins & Myers	2.2	Capital Goods					
Informatica	2.0	Software & Services					
OYO Geospace	2.0	Energy					
Coherent	1.9	Technology Hardware					



San Jose Federated City Employees' Retirement System

MSCI EAFE Growth Portfolio Detail as of 6/30/11

Mandate:	Global Equities			
Active/Passive:	Passive			
Market Value:	\$62.6 million			
Portfolio Manager:	Russell Investments (Transition Manager)			
Location:	Tacoma, Washington			
Inception Date:	6/1/2010			
Account Type:	Separately Managed			

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

Liquidity Constraints:

Daily

Strategy:

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

Performance (%):				
MSCI EAFE Growth	2Q11	YTD	1 YR	Since 6/1/10
	2.7	5.5	30.8	27.9
MSCI EAFE Growth	2.1	4.4	31.3	28.5

Capitalization Structure:	6/30/11	3/31/11
Weighted Average Market Cap. (US\$ billion)	63.6	62.6
Median Market Cap. (US\$ billion)	18.3	15.6
Large (% over US\$10 billion)	98	83
Medium (% US\$2 billion to US\$10 billion)	2	16
Small (% under US\$2 billion)	0	2

Fundamental Structure:

Price-Earnings Ratio	18	20
Price-Book Value Ratio	3.7	3.3
Dividend Yield (%)	2.4	2.1
Historical Earnings Growth Rate (%)	17	6
Projected Earnings Growth Rate (%)	3	15

Sector Allocation (%):

Industrials	81	19
Consumer Staples	5	18
Health Care	4	7
Financials	3	13
Consumer Discretionary	2	13
Materials	1	16
Telecom	1	3
Information Technology	1	7
Energy	1	5
Utilities	0	2

Diversification:

Number of Holdings	100	542
% in 5 largest holdings	85	12
% in 10 largest holdings	88	19

Region Allocation (%):

Americas	1	0
Europe	94	66
Pacific Rim	5	32
Other	0	0

Largest Five Holdings:

		Industry
ABB	79.4	Capital Goods
Nestle	2.5	Food Beverage & Tobacco
GlaxoSmithKline	1.0	Pharmaceuticals & Biotech
Daimler Ag	0.9	Automobiles & Components
Novo-Nordisk	0.8	Pharmaceuticals & Biotech



San Jose Federated City Employees' Retirement System

Calamos Global Convertibles Portfolio Detail as of 6/30/11

Mandate:	Fixed Income			
Active/Passive:	Active			
Market Value:	\$59.1 million			
Portfolio Manager:	John P Calamos/ Nick P Calamos			
Location:	Naperville, Illinois			
Inception Date:	11/1/2009			
Account Type:	Separately Managed			

Fee Schedule:

0.50% on all assets

Liquidity Constraints:

Daily

Strategy:

Calamos seeks to leverage their capital structure research by investing in global convertible securities, in order to generate consistent alpha and manage downside volatility. The portfolio construction process incorporates top-down and bottom-up analysis. Top-down considerations focus on the global macroeconomic environment, sectors and the identification of long-term secular themes that they believe will influence growth opportunities for decades to come. For bottom-up research, they first determine the intrinsic value of the company and then utilize quantitative and qualitative analysis to value the securities within the company's capital structure.

Guidelines:

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

Performance (%)	2Q11	YTD	1 YR	Since 11/1/09
Calamos Global Convertibles	-2.1	1.6	15.1	10.8
Net of Fees	-2.2	1.4	14.6	10.3
Merrill Lynch Global 300 Convertible Index	-0.5	3.0	16.3	12.1

Duration & Yield:	6/30/11		3/31/11	
	Calamos	ML Global 300 Convertible	Calamos	ML Global 300 Convertible
Average Effective Duration (years)	2.4	2.6	2.7	2.5
Yield to Maturity (%)	0.2	1.8	0.3	1.8

Quality Structure (%):

Average Quality
AAA (includes Treasuries and Agencies)
AA

A

BBB

BB

B

Below B

Non-Rated

BBB-

BBB

BBB+

0

5

25

29

38

3

0

0

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Sector Allocation (%):

U.S. Treasury-Nominal

U.S. Treasury-TIPS

U.S. Agency

Mortgage Backed

Corporate

Bank Loans

Local & Provincial Government

Sovereign & Supranational

Commercial Mortgage Backed

Asset Backed

Cash Equivalent

Other

0

0

0

0

0

0

0

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Market Allocation (%):

United States

Foreign (developed markets)

Foreign (emerging markets)

62

31

7

48

44

8

63

30

6

49

44

8

97

100

100

100

100

100

100

100

100

100

100

Currency Allocation (%):

Non-U.S. Dollar Exposure

17

36

16

36



San Jose Federated City Employees' Retirement System

RS Investments Small Cap Value Portfolio Detail as of 6/30/11

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$58.4 million
Portfolio Manager: Team
Location: San Francisco, California
Inception Date: 8/1/2010
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$30 mm; 0.80% on next \$20 mm; 0.60% thereafter. Fees are based on aggregated assets of the Federated and Police & Fire plans.

Liquidity Constraints:

Daily

Strategy:

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

Guidelines:

Position size <9%, industry exposure <25%, maximum 10% non U.S.

Performance (%):

	2Q11	YTD	Since 8/1/10
RS Investments Small Cap Value	-2.4	5.1	29.4
Net of Fees	-2.6	4.7	28.6
Russell 2000 Value	-2.6	3.8	22.6
Peer Small Cap Value	-1.6	5.6	26.5
Peer Ranking (percentile)	65	64	12

Capitalization Structure:	6/30/11 RS SCV	Russell 2000 Value	3/31/11 RS SCV	Russell 2000 Value
Weighted Average Market Cap. (US\$ billion)	3.4	1.1	3.7	1.2
Median Market Cap. (US\$ billion)	2.5	0.5	2.7	0.5
Large (% over US\$10 billion)	0	0	5	0
Medium (% US\$2 billion to US\$10 billion)	71	11	68	16
Small (% under US\$2 billion)	29	89	28	84

Fundamental Structure:

Price-Earnings Ratio	24	22	27	27
Price-Book Value Ratio	2.4	1.5	2.7	1.8
Dividend Yield (%)	0.7	1.9	0.6	1.8
Historical Earnings Growth Rate (%)	7	0	10	0
Projected Earnings Growth Rate (%)	14	11	14	10

Sector Allocation (%):

Information Technology	25	12	24	10
Energy	11	5	13	8
Health Care	9	6	9	6
Materials	8	5	9	7
Consumer Discretionary	13	12	10	9
Utilities	6	6	6	6
Telecom	0	1	0	1
Consumer Staples	0	3	0	3
Financials	26	34	27	36
Industrials	2	16	2	15

Diversification:

Number of Holdings	39	1,364	38	1,279
% in 5 largest holdings	21	2	23	2
% in 10 largest holdings	39	4	43	4

Largest Ten Holdings:

		Industry
Canastop	5.0	Retailing
Atmel	4.5	Semiconductors
Compass Minerals Intl	4.1	Materials
Key Energy Services	3.9	Energy
Calpine	3.9	Utilities
Groupe Aeroplan	3.7	Media
Denbury Resources	3.7	Energy
Associated Banc-Corp	3.6	Banks
New Gold	3.5	Materials
Myriad Genetics	3.4	Pharmaceuticals & Biotech



Fixed Income Portfolio Reviews
As of June 30, 2011

Mandate: Fixed Income

Active/Passive: Passive

Market Value: \$199.0 million

Portfolio Manager: Russell Investments (Transition Manager)

Location: Tacoma, Washington

Inception Date: 6/1/2010

Account Type: Separately Managed

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

Liquidity Constraints:
Daily

Strategy:
Russell Investments seeks to replicate the performance of the Barclays U.S. TIPS Index.

	Long	
	Int.	
	Short	
High		
Medium		
Low		

Performance (%)	2Q11	YTD	1 YR	Since 6/1/10
Barclays U.S. TIPS	3.6	5.9	7.5	8.4
Barclays U.S. TIPS	3.7	5.8	7.7	8.5

Quality Structure (%):	6/30/11		3/31/11	
	Barclays US TIPS	Barclays TIPS	Barclays US TIPS	Barclays TIPS
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$129.9 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 6/1/2010
Account Type: Separately Managed

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

Liquidity Constraints:
 Daily

	Short	Int.	Long
High			
Medium			
Low			

Strategy:
 Russell Investments manages an optimized portfolio to the Barclays Intermediate Government Index.

Performance (%):

	2Q11	YTD	1 YR	Since 6/1/10
Barclays Intermediate Government Bond	2.0	2.0	2.8	3.9
Barclays IT Gov't	2.1	2.1	2.7	3.7

Duration & Yield:	6/30/11		3/31/11	
Average Effective Duration (years)	Barclays Int Gov't Bond	3.7	Barclays Int Gov't Bond	3.7
Yield to Maturity (%)	Barclays IT Gov't	1.3	Barclays IT Gov't	1.7
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	83	83	81	83
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	17	17	19	17
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



Mandate:	High Yield			
Active/Passive:	Active			
Market Value:	\$40.5 million			
Portfolio Manager:	Dan Roberts, Ph.D.			
Location:	New York, New York			
Inception Date:	5/1/2009			
Account Type:	Separately Managed			

Fee Schedule:
0.425% on all assets

Liquidity Constraints:
Daily

Strategy:
The High Yield Active Core Investment Team believes that attractive risk-adjusted returns and, ultimately, attractive absolute returns are generated by a strategy of yield capture and error avoidance. Based on the observation that bonds, even high yield bonds, have a limited upside, but a 100% downside potential, this simple observation leads to the most fundamental element of the High Yield Active Core investment philosophy: the high yield market does not reward inappropriately high levels of risk. This view is considered in combination with the observation that, over any given cycle, total return is driven almost entirely by income.

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

Performance (%)					
	2Q11	YTD	1 YR	Since 5/1/09	
Mackay Shields High Yield Active Core	0.9	3.8	13.4	17.5	
Net of Fees	0.7	3.5	12.9	17.1	
Barclays High Yield	1.1	5.0	15.6	24.6	
Merrill Lynch High Yield BB/B	1.1	4.8	14.7	21.0	
Peer High Yield	0.9	4.9	16.2	23.4	
Peer Ranking (percentile)	56	94	88	90	

Duration & Yield:	6/30/11		3/31/11	
Average Effective Duration (years)	Mackay High Yield	ML High Yield BB/B	Mackay High Yield	ML High Yield BB/B
Yield to Maturity (%)	3.5	4.7	3.1	4.5
	6.1	6.8	5.3	6.5

Quality Structure (%):

Average Quality	BB-	B+	BB	B+
AAA (includes Treasuries and Agencies)	1	0	13	0
AA	0	0	0	0
A	0	0	0	0
BBB	8	0	5	0
BB	42	55	38	51
B	36	45	33	49
Below B	10	0	9	0
Non-Rated	2	0	1	0

Sector Allocation (%):

U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	96	100	79	100
Bank Loans	2	0	3	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	5	0
Cash Equivalent	1	0	13	0
Other	1	0	0	0

Market Allocation (%):

United States	96	81	95	82
Foreign (developed markets)	3	6	4	7
Foreign (emerging markets)	1	13	1	11

Currency Allocation (%):

Non-U.S. Dollar Exposure	0	0	0	0
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San Jose Federated City Employees' Retirement System

Seix Credit Dislocation Portfolio Detail as of 6/30/11

Mandate:	High Yield	Long
Active/Passive:	Active	Int.
Market Value:	\$28.3 million	Short
Portfolio Manager:	Michael McEachern, CFA	High
Location:	Upper Saddle River, New Jersey	Medium
Inception Date:	5/1/2009	Low
Account Type:	Separately Managed	

Fee Schedule:

0.30% on all assets

Liquidity Constraints:

Daily

Strategy:

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

Guidelines:

Average Credit quality of BB- or better. Maximum of 20% high yield bonds, and maximum of 5% rated C or lower. Gains are harvested from the portfolio.

Performance (%)	2Q11	YTD	1 YR	Since 5/1/09
Seix Credit Dislocation	0.0	1.9	7.9	9.6
Net of Fees	-0.1	1.7	7.5	9.2
CSFB Leveraged Loan Index	0.3	3.0	9.7	17.5

Duration & Yield:	6/30/11	3/31/11
Average Effective Duration (years)	1.8	1.6
Yield to Maturity (%)	4.0	3.3
CSFB Lev Loan	0.3	0.3
CSFB Lev Loan	4.6	4.3
Quality Structure (%):		
Average Quality	BB	BB
AAA (includes Treasuries and Agencies)	2	13
AA	0	0
A	0	0
BBB	7	4
BB	64	45
B	27	38
Below B	0	3
Non-Rated	0	13

Sector Allocation (%):

U.S. Treasury-Nominal	0	0
U.S. Treasury-TIPS	0	0
U.S. Agency	0	0
Mortgage Backed	0	0
Corporate	18	17
Bank Loans	80	70
Local & Provincial Government	0	0
Sovereign & Supranational	0	0
Commercial Mortgage Backed	0	0
Asset Backed	0	0
Cash Equivalent	2	13
Other	0	0

Market Allocation (%):

United States	100	100
Foreign (developed markets)	0	0
Foreign (emerging markets)	0	0

Currency Allocation (%):

Non-U.S. Dollar Exposure	0	0
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Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$21.4 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 5/1/2010
Account Type: Commingled Fund

Fee Schedule:
0.04% on all assets
Liquidity Constraints:
Daily

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

	Short	Int.	Long
High			
Medium			
Low			

Performance (%):	2Q11	YTD	1 YR	Since 5/1/10
Northern Trust Long Term Credit Bond Index	3.4	3.7	6.1	8.1
Net of Fees	3.4	3.7	6.1	8.1
Barclays Long U.S. Credit	3.3	4.0	6.5	7.9

Duration & Yield:	6/30/11		3/31/11	
	NT Barclays LT Credit	Barclays Long U.S. Credit	NT Barclays LT Credit	Barclays Long U.S. Credit
Average Effective Duration (years)	12.5	12.5	12.3	12.3
Yield to Maturity (%)	5.8	5.8	5.9	5.9
Quality Structure (%):				
Average Quality	A	A	A	A
AAA (includes Treasuries and Agencies)	3	3	3	3
AA	17	17	17	17
A	40	40	39	40
BBB	41	41	41	41
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	1	1	1	1
Mortgage Backed	0	0	0	0
Corporate	78	78	79	78
Bank Loans	0	0	0	0
Local & Provincial Government	13	13	13	13
Sovereign & Supranational	8	8	7	8
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	78	78	78	78
Foreign (developed markets)	22	22	14	22
Foreign (emerging markets)	0	0	8	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

Real Assets Portfolio Reviews As of June 30, 2011

Credit Suisse Compound Risk Parity Commodity Index Portfolio Detail as of 6/30/11

San Jose Federated City Employees' Retirement System

Mandate: Commodity
Active/Passive: Active
Market Value: \$83.4 million
Portfolio Manager: Christopher Burton
Location: New York, New York
Inception Date: 4/1/2011
Account Type: Commingled Fund

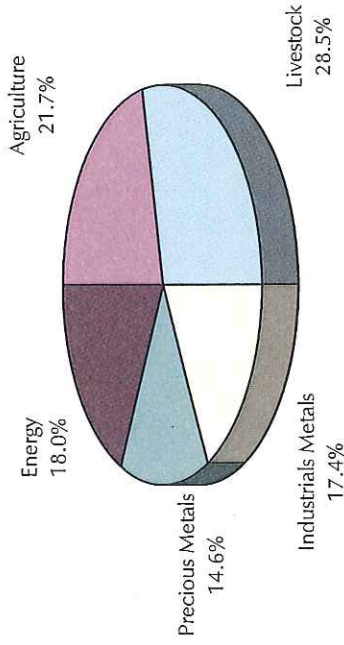
Fee Schedule:
0.42% on first \$100 mm; 0.37% thereafter. Fees are based on aggregated assets of the Federated and Police & Fire plans.

Liquidity Constraints:
Daily

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

Performance (%):	2Q11	YTD	Since 4/1/11
Credit Suisse Compound Risk Parity Commodity Index	-5.0	NA	-5.0
Net of Fees	-5.1	NA	-5.1
Custom Risk Parity Benchmark ¹	-5.4	NA	-5.4
Dow Jones - UBS Commodities	-6.7	-2.6	-6.7

Current Risk Allocation:



¹ Risk Parity benchmark returns provided by Staff.



Mandate: Commodity
Active/Passive: Active
Market Value: \$82.3 million
Portfolio Manager: Team
Location: Pasadena, California
Inception Date: 4/1/2011
Account Type: Commingled Funds

Fee Schedule:
0.35% on all assets

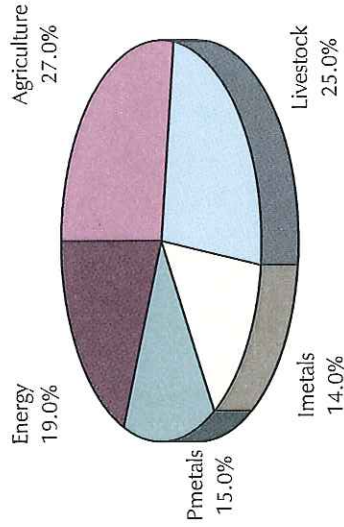
Liquidity Constraints:
Daily

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

Performance (%):

	Since 4/1/11	YTD	2Q11
First Quadrant Risk Parity Commodity Index	-5.1	NA	-5.1
Custom Risk Parity Benchmark ¹	-5.4	NA	-5.4
Dow Jones - UBS Commodities	-6.7	-2.6	-6.7

Current Risk Allocation:



¹ Risk Parity benchmark returns provided by Staff.



San Jose Federated City Employees' Retirement System

S&P Global Infrastructure Portfolio Detail as of 6/30/11

Mandate: Infrastructure

Active/Passive: Passive

Market Value: \$39.0 million

Portfolio Manager: Russell Investments (Transition Manager)

Location: Tacoma, Washington

Inception Date: 5/1/2010

Account Type: Separately Managed

Fee Schedule:
0.25% on all assets, which is typically offset by earnings on swap collateral

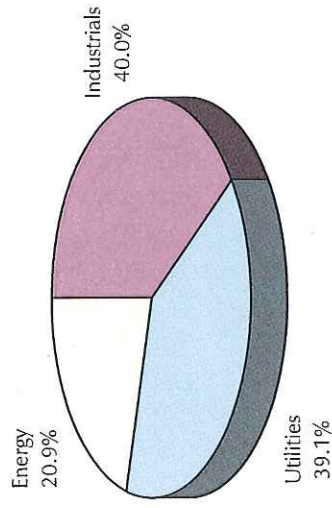
Liquidity Constraints:
Monthly

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

Performance (%):

	2Q11	YTD	1 YR	Since 5/1/10
S&P Global Infrastructure	2.9	8.2	31.1	13.7
S&P Global Infrastructure Index	3.1	8.5	32.0	14.4

Current Risk Allocation:

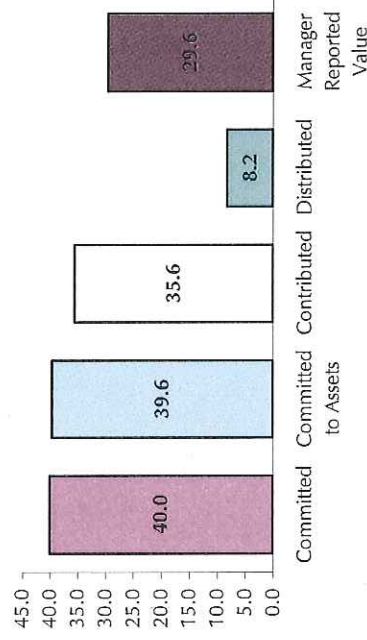


Private Equity Portfolio Reviews
As of March 31, 2011

San Jose Federated City Employees' Retirement System

Pathway Private Equity Fund VIII as of 3/31/11

General Partner	Pathway Capital Management, LLC	Commitment	\$40.0 million
Location	Irvine, CA	Number of Investments	17
Auditor	KPMG	Capital Contributions	\$35.6 million
Strategy	Fund of Funds	Realized Proceeds	\$8.2 million
Vintage Year	2004	Manager Reported Value	\$29.6 million
Fund Size	\$40.0 million	Total Value	\$37.8 million
Fund Duration	15 Years	% of Program¹	34.2%
Fee Schedule	0.8% of commitments	Net IRR	3.9%
		ThomsonOne Median IRR²	4.7%



Investment Strategy

Pathway Capital Management is 100% employee owned and operated and focuses exclusively on direct fund investments. As a pure Fund of Funds, Pathway's investment philosophy centers entirely on manager selection, diversification across both industry and geography, and an opportunistic approach to prevailing markets.

Portfolio Review

The Partnership called \$0.6 million in aggregate during the period, to fund existing commitments. The Partnership concluded its investment period during the third quarter of 2007 and as such no new fund investments were made.

The Partnership distributed \$1.2 million of proceeds from underlying partnerships during the period.

As of March 31, 2011, the General Partner had committed \$39.6 million to 17 partnership investments and called \$36.1 million towards these investments, representing 91.3% of the commitment total. The Partnership was diversified across 12 major industries by the end of the period, with no single industry representing more than 20% of the total portfolio. Additionally, 73% of the portfolio was invested in North America, while the remaining 27% was invested across various countries, the majority of which were located in Western Europe.

Portfolio Performance

During the three month period ended March 31, 2011, the Partnership's net IRR increased 120 basis points, from 2.7% to 3.9%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 5.7%.

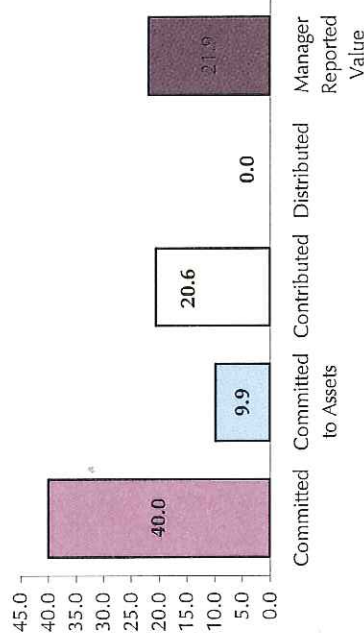
¹ The percentage of the Retirement System's total portfolio represented by this fund, based on reported fair value as of 3/31/11. Throughout this report, manager reported value is used for the "% of Program" calculation.
² The Benchmark for all funds in the Private Equity Program is the ThomsonOne U.S. All Private Equity Median Quartile IRR as of 3/31/11, unless otherwise noted.



San Jose Federated City Employees' Retirement System

Pantheon USA Fund VII as of 3/31/11

General Partner	Pantheon Ventures, Inc.	Commitment	\$40.0 million
Location	San Francisco, CA	Number of Investments	66
Auditor	PriceWaterhouseCoopers	Capital Contributions	\$20.6 million
Strategy	Fund of Funds	Realized Proceeds	\$0.0 million
Vintage Year	2006	Manager Reported Value	\$21.9 million
Fund Size	\$2,254.8 million	Total Value	\$21.9 million
Fund Duration	13 years	% of Program	23.2%
		Net IRR	2.8%
		ThomsonOne Median IRR	2.7%



Investment Strategy

Pantheon is a global private equity primary and secondary fund-of-funds manager. Pantheon USA Fund VII will invest mainly in new private equity funds within the U.S. Up to 20% of the Fund may be invested in secondary transactions; however such transactions will be undertaken on an opportunistic basis only and will likely comprise a small minority of the total Fund.

Portfolio Review

The Partnership called \$1.6 million in aggregate during the quarter to fund existing investments.

The Partnership did not receive any distributions during the period.

As of March 31, 2011, the Partnership was 104.8% committed to deals with 51.5% drawn from investors. At the end of the period the portfolio was comprised of 60 primary funds and six secondary transactions. At the portfolio level, the Partnership had called \$1,179.1 million and distributed \$138.0 million by March 31, 2011. In terms of strategy diversification, 62% of the Partnership was invested in buyouts, 25% in venture capital, 11% in special situations, and 2% in other strategies.

Portfolio Performance

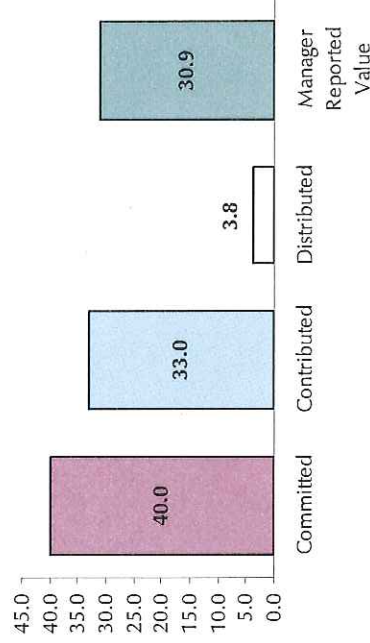
During the three month period ended March 31, 2011 the Partnership's net IRR increased by 150 basis points, from 1.3% to 2.8%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 3.8%.



San Jose Federated City Employees' Retirement System

Pantheon Global Secondary Fund III 'B' as of 3/31/11

General Partner	Pantheon Ventures, Inc.	Commitment	\$40.0 million
Location	San Francisco, CA	Number of Investments	44
Auditor	KPMG London	Capital Contributions	\$33.0 million
Strategy	Secondary	Realized Proceeds	\$3.8 million
Vintage Year	2006	Manager Reported Value	\$30.9 million
Fund Size	\$589.9 million ¹	Total Value	\$34.7 million
Fund Duration	13 years	% of Program	32.8%
		Net IRR	1.9%
		ThomsonOne Median IRR²	1.2%



Investment Strategy

Pantheon is a global private equity primary and secondary fund-of-funds manager. Pantheon Global Secondary Fund III B targets a range of secondary transactions including single fund interests, large portfolios of fund interests and, to a lesser extent, portfolios of direct company interests in addition to complex and structured global deals with hybrid portfolios (funds and direct).

Portfolio Review

The Partnership did not call any capital during the period.

The Partnership did not distribute any capital during the period.

As of March 31, 2011, the Partnership was 99.1% committed to deals with 82.5% drawn from investors. There were 230 underlying holdings including funds, direct, and secondary direct, spread across 44 separate investments. At the portfolio level, the Partnership had called \$510.8 million and distributed \$123.8 million by the end of the period. In terms of strategy diversification, 52% of the Partnership was invested in buyouts, 31% in venture capital, 6% in special situations, and 11% in other strategies. In terms of geography, 58% of the Partnership was invested in North America, 38% in Western Europe, and 4% in the Asia-Pacific region.

Portfolio Performance

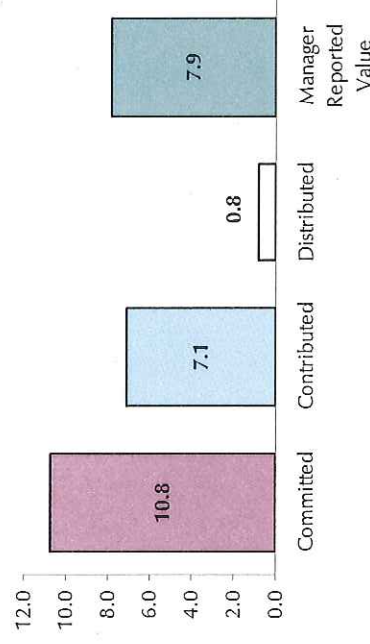
During the three month period ended March 31, 2011 the Partnership's net IRR increased by 170 basis points, from 0.2% to 1.9%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 5.4%.

¹ Pantheon Global Secondary Fund is comprised of two vehicles, labeled as "A" and "B". The Retirement System is committed entirely to the "B" vehicle, which contains \$589.9 million in commitments. The "A" vehicle has an additional \$1.4 billion in commitments, making the total amount committed to Pantheon Global Secondary Fund III equal to \$2.0 billion.

² The Benchmark is the ThomsonOne All Regions All Private Equity Median Quantile IRR as of 3/31/11.



General Partner	Partners Group - PE	Commitment	\$10.8 million
Location	Switzerland	Number of Investments	138
Auditor	PriceWaterhouseCoopers	Capital Contributions	\$7.1 million
Strategy	Secondary	Realized Proceeds	\$0.8 million
Vintage Year	2008	Manager Reported Value	\$7.9 million
Fund Size	€2,500.0 million	Total Value	\$8.7 million
Fund Duration	12 years	% of Program	8.3%
Fee Schedule	1.3% of commitments 8.0% preferred return 10.0% carried interest	Net IRR	18.7%
		ThomsonOne Median IRR¹	-0.8%



Investment Strategy

Partners Group Secondary 2008 was formed to develop a global opportunistic portfolio comprised primarily of secondary interests in private equity partnerships. The General Partner classifies secondary transactions as either "manager secondaries" or "financial secondaries." Manager secondaries represent secondary purchases of direct LP fund interests where the transaction is driven primarily by the perceived quality of the manager as well as discounts to intrinsic value. Financial secondaries also represent purchases of LP interests and the transaction is driven primarily by a perceived discount to intrinsic value. As such, financial secondary transactions tend to be more mature and heavily funded at the time of acquisition. Historically, Partners Group has invested 28% of fund capital in transactions deemed "financial secondaries" and 72% in transactions deemed "manager secondaries." This mix has led to a portfolio of secondary investments where the LP fund interests are approximately 60% funded, on average, at the time of acquisition.

Portfolio Review

The Partnership called an aggregate of \$0.8 million during the period to fund investments in 15 new secondary interests.

The Partnership received \$0.3 million of distributions during the period from its underlying portfolio investments.

At the end of the period the portfolio was comprised of 138 positions. In terms of strategy, the Partnership consisted of positions with the following focus: 82% buyout, 10% venture capital, 7% special situations, and 1% real estate. In terms of geography the Partnership was exposed to the following regions: 51% North America, 33% Western Europe, 14% Asia-Pacific, and 2% Rest of World.

Portfolio Performance

During the three month period ended March 31, 2011 the Partnership's net IRR increased by 590 basis points, from 12.8% to 18.7%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 10.0%. This marks the third consecutive quarter that the portfolio experienced a substantial increase in valuation.

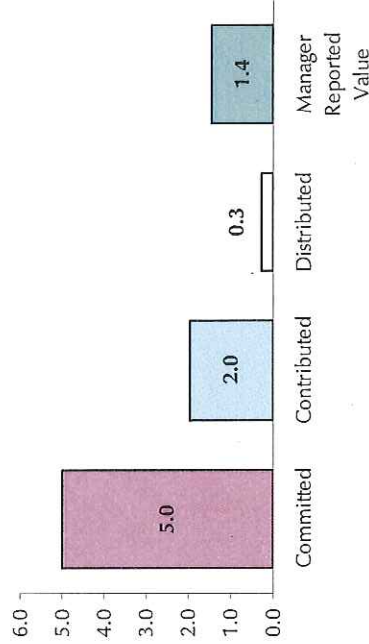
¹ The Benchmark is the ThomsonOne All Regions All Private Equity Median Quantile IRR as of 3/31/11.



San Jose Federated City Employees' Retirement System

Great Hill Equity Partners IV as of 3/31/11

General Partner	Great Hill Partners LLC	Commitment	\$5.0 million
Location	Boston, MA	Number of Investments	9
Auditor	Ernst & Young LLP	Capital Contributions	\$2.0 million
Strategy	Buyout	Realized Proceeds	\$0.3 million
Vintage Year	2008	Manager Reported Value	\$1.4 million
Fund Size	\$1,100.0 million	Total Value	\$1.7 million
Fund Duration	10 Years	% of Program	1.5%
		Net IRR	-11.7%
		ThomsonOne Median IRR	7.3%



Investment Strategy

Great Hill Equity Partners IV will make equity investments ranging in size from \$50 million to \$150 million, to finance the acquisition and expansion of middle market companies. The Fund is the fourth generation of private equity funds managed by the Great Hill Partners team and represents a continuation of the strategic approach employed by the team in previous Great Hill funds. The Partnership focuses on middle market growth companies operating in a variety of sectors within the Business Services and Consumer Services segments of the economy.

Portfolio Performance

During the three month period ended March 31, 2011 the Partnership's net IRR decreased by 740 basis points, from -4.3% to -11.7%. During the same period, the Partnership experienced a valuation decrease¹, net of cash flows, of 10.0%.

¹ The performance and valuation decreases are largely attributable to a substantial amount of cash currently being held on the Partnership's balance sheet, which is not counted in the Partnership's fair market value. If the cash balance was included in the Partnership's fair market value both performance and valuation, net of cash flows, would remain relatively unchanged.



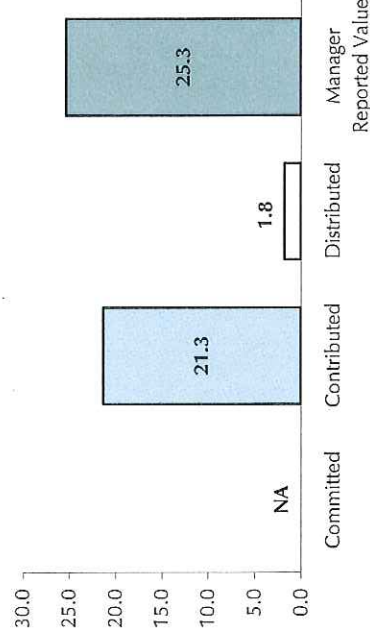
**Real Estate Portfolio Reviews
As of March 31, 2011**



San Jose Federated City Employees' Retirement System

PRISA I
as of 3/31/11

General Partner	Prudential Real Estate Investors	Commitment	NA
Location	San Francisco, CA	Number of Investments	231
Auditor	PriceWaterhouseCoopers	Capital Contributions	\$21.3 million
Strategy	Core	Realized Proceeds	\$1.8 million
Vintage Year	2004	Manager Reported Value	\$25.3 million
Fund Size	\$11,699.9 million	Total Value	\$27.0 million
Fund Duration	Open-ended	% of Program¹	32.2%
Fee Schedule	1.2% of invested capital	Net IRR	3.8%
		Preqin Median IRR²	3.9%



Investment Strategy

PRISA I ("The Fund") will invest primarily in existing, income-producing properties with strong cash flows that are expected to increase over time and thereby provide the potential for capital appreciation. The Fund will make investments primarily in office, retail, industrial, apartment, and hotel properties. Investments may be made through direct property ownership, or indirectly through such vehicles as joint ventures, general or limited partnerships, limited liability companies, mortgage loans and other loan types.

Portfolio Review

The Retirement System did not contribute any capital to the Fund during the period.

The Retirement System received \$0.1 million of income from the Fund's existing properties during the period.

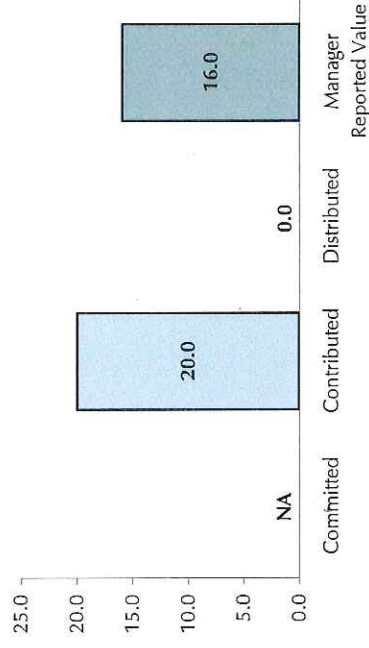
Portfolio Performance

During the three month period ended March 31, 2011, the Fund's net IRR increased 70 basis points, from 3.1% to 3.8%. During the same period, the Fund experienced a valuation increase, net of cash flows, of 5.6%.

¹ The percentage of the Retirement System's total portfolio represented by this fund, based on reported fair value as of 12/31/10. Throughout this report, manager reported value is used for the "of program" calculation.
² The Benchmark for all funds in the Private Real Estate Program is the Preqin Performance Analyst All Regions Real Estate Median Quartile IRR as of 3/31/11.



General Partner	American Realty Advisors	Commitment	NA
Location	Glendale, CA	Number of Investments	54
Auditor	PriceWaterhouseCoopers	Capital Contributions	\$20.0 million
Strategy	Core	Realized Proceeds	\$0.0 million
Vintage Year	2007	Manager Reported Value	\$16.0 million
Fund Size	\$1,334.1 million	Total Value	\$16.0 million
Fund Duration	Open-ended	% of Program	20.3%
Fee Schedule	1.1% of invested capital	Net IRR	-5.8%
		Preqin Median IRR	-14.1%



Investment Strategy

The American Core Realty Fund ("The Fund") is an open-ended, diversified, core real estate commingled fund that is intended to produce stable income and long-term market appreciation. The strategy primarily invests in office, retail, industrial and multi-family properties located throughout the United States that are valued below \$100.0 million.

Portfolio Review

The Private Real Estate Program did not contribute any capital to the Fund during the period.

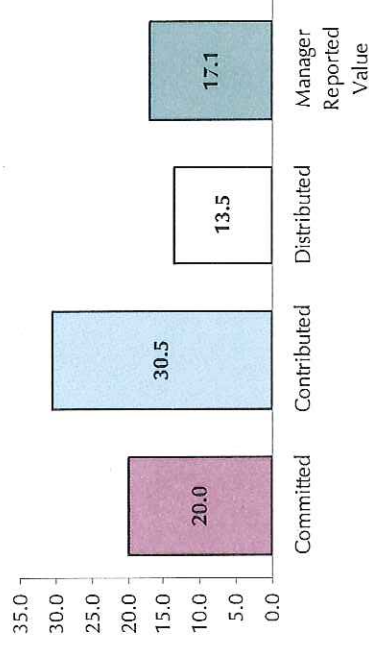
The Fund did not distribute any capital during the period.

During the fourth quarter the Fund had one realization. selling 4301 Empire, a 171,065 square foot industrial building located in the Dallas/Fort Worth, TX area. The Fund also made one acquisition, purchasing The Shops at Waterford, a 124,826 square foot grocery-anchored shopping center in Dublin, California. In terms of property type, the Fund was comprised of 19.2% industrial, 26.1% multi-family, 22.9% retail and 31.8% office, by fair market value as of March 31, 2011. Geographically, the Fund is invested entirely in the United States, but is diversified by region, with 35.2% in the East, 9.4% in the Midwest, 24.5% in the South and 30.9% in the West, by fair market value.

Portfolio Performance

During the three month period ended March 31, 2011, the Fund's net IRR increased 160 basis points, from -7.4% to -5.8%. During the same period, the Fund experienced a valuation increase, net of cash flows, of 4.2%.

General Partner	DRA Advisors	Commitment	\$20.0 million
Location	New York, NY	Number of Investments	17
Auditor	Weiser/Mazars LLC	Capital Contributions	\$30.5 million
Strategy	Value Added	Realized Proceeds	\$13.5 million
Vintage Year	2005	Manager Reported Value	\$17.1 million
Fund Size	\$1,000.0 million	Total Value	\$30.6 million
Fund Duration	10 years	% of Program	21.8%
Fee Schedule	0.9% of invested 7.0% + CPI preferred return 15.0% carried interest	Net IRR	0.2%
		Preqin Median IRR	-6.3%



Investment Strategy

DRA Growth and Income Fund V will make direct investments in institutional level properties located in the United States that are in need of pre-leased development, lease-up, or rehabilitation. The Partnership will consider office, retail, multi-family and industrial properties with a minimum value of \$20 million, using up to 70% leverage. Potential investments can be structured as portfolios or single-assets and may consist of property or partnership recapitalizations, outright acquisitions, or joint ventures.

Portfolio Review

The Partnership called \$1.0 million during the period, which was used to refinance the term loan for the CARS Portfolio. This Partnership is now 100% drawn.

The Partnership did not distribute any capital during the period.

As of March 31, 2011, the Partnership held 378 properties at a gross market value of \$5.5 billion including joint venture interests. Ten property transactions had been fully realized by the end of the period. In terms of sector exposure, as of March 31, 2011, the Partnership had invested 55% in retail properties, 16% in residential properties, and 27% in office properties, while holding 2% in cash, by fair market value.

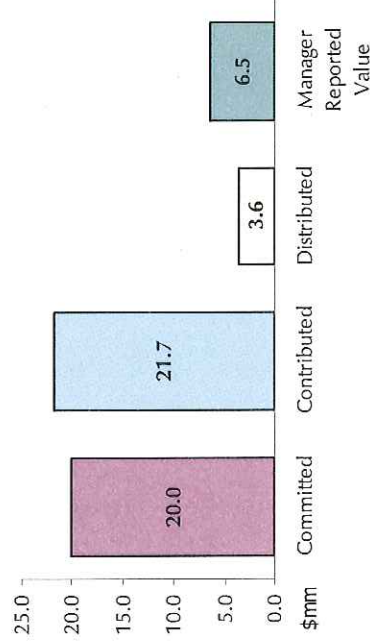
Portfolio Performance

During the three month period ended March 31, 2011, the Partnership's net IRR increased 70 basis points, from -0.5% to 0.2%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 3.3%.

San Jose Federated City Employees' Retirement System

GEAM Value Add Realty Partners, L.P. as of 3/31/11

General Partner	GE Asset Management Incorporated	Commitment	\$20.0 million
Location	Stamford, CT	Number of Investments	14
Auditor	KPMG	Capital Contributions	\$21.7 million
Strategy	Value Added	Realized Proceeds	\$3.6 million
Vintage Year	2006	Manager Reported Value	\$6.5 million
Fund Size	\$380.8 million	Total Value	\$10.1 million
Fund Duration	8 Years	% of Program	8.2%
Fee Schedule	1.0% of commitments 10.0% preferred return 20.0% carried interest	Net IRR	-25.2%
		Preqin Median IRR	-13.4%



Investment Strategy

GEAM Value Add Realty Partners will make direct investments in U.S.-based commercial and residential properties in need of development, financial restructuring, or repositioning.

Portfolio Review

The Partnership did not call any capital during the period.

The Partnership did not distribute any capital during the period.

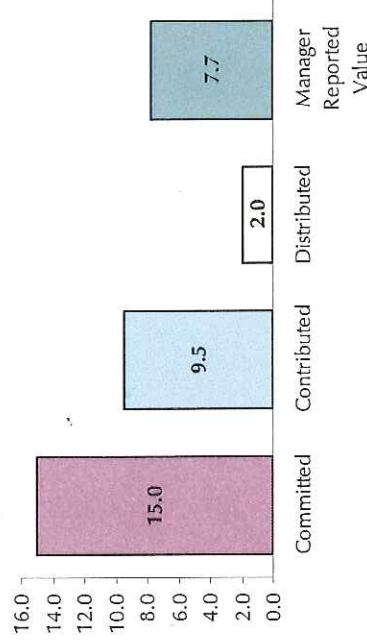
As of March 31, 2011, the Partnership had acquired 14 properties. In terms of sector exposure, as of March 31, 2011, the Partnership had invested 59% in multi-family properties, 27% in office properties, 10% in mixed-use properties and 4% in land, by fair market value. Geographically, all investments were made in the U.S., but were diversified by region, with 16% in the Northeast, 23% in the Northwest, 19% in the Midwest, 36% in the Southeast, and 6% in the Southwest, by fair market value.

Portfolio Performance

During the three month period ended March 31, 2011, the Partnership's net IRR increased 310 basis points, from -28.3% to -25.2%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 6.4%.



General Partner	DRA Advisors	Commitment	\$15.0 million
Location	New York, NY	Number of Investments	10
Auditor	WeiserMazars LLC	Capital Contributions	\$9.5 million
Strategy	Value Added	Realized Proceeds	\$2.0 million
Vintage Year	2007	Manager Reported Value	\$7.7 million
Fund Size	\$1,250.0 million	Total Value	\$9.7 million
Fund Duration	10 years	% of Program	9.8%
Fee Schedule	0.9% of commitments 8.0% preferred return 15.0% carried interest	Net IRR	0.8%
		Preqin Median IRR	-14.1%



Investment Strategy

DRA Growth and Income Fund VI, is a continuation of the DRA Growth and Income Fund V value-added investment strategy. As such the Partnership will make direct investments in institutional level properties located in the United States that are in need of pre-leased development, lease-up, or rehabilitation. The Partnership will consider office, retail, multi-family and industrial properties with a minimum value of \$20 million, using up to 70% leverage. Potential investments can be structured as portfolios or single-assets and may consist of property or partnership recapitalizations, outright acquisitions, or joint ventures.

Portfolio Review

The Partnership called \$1.0 million during the period, to fund the acquisitions of Northwoods Marketplace, a retail property in North Charleston, SC, and The Enclave at Adobe Creek, a multi-family property in Petaluma, CA.

The Retirement System received \$0.1 million of income from the Partnership's existing properties during the period.

As of March 31, 2011, the Partnership had acquired 135 properties including joint venture interests. The Partnership's acquisition period expired on March 7, 2011. Capital may be called to fund existing investments and acquisitions that had previously been committed to by the Fund, but no new acquisitions will be made. In terms of sector exposure, as of March 31, 2011, the Partnership had invested 58% of Fund capital in 82 residential properties, 31% in 46 office properties, 7% in 6 retail properties, and 4% in 1 industrial property, by fair market value.

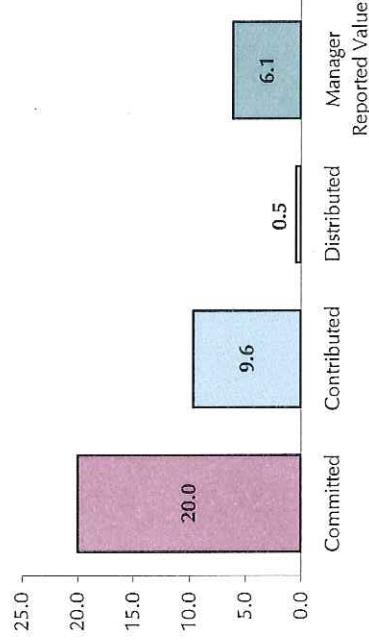
Portfolio Performance

During the three month period ended March 31, 2011, the Partnership's net IRR increased 380 basis points, from -3.0% to 0.8%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 8.7%.

San Jose Federated City Employees' Retirement System

Fidelity Real Estate Growth Fund III as of 3/31/11

General Partner	Long Wharf Real Estate Partners, LLC ¹	Commitment	\$20.0 million
Location	Boston, MA	Number of Investments	21
Auditor	PriceWaterhouseCoopers	Capital Contributions	\$9.6 million
Strategy	Value Added	Realized Proceeds	\$0.5 million
Vintage Year	2007	Manager Reported Value	\$6.1 million
Fund Size	\$875.0 million	Total Value	\$6.5 million
Fund Duration	8 Years	% of Program	7.8%
Fee Schedule	1.0% of commitments 10.0% preferred return 17.5% carried interest	Net IRR	-21.6%
		Preqin Median IRR	-14.1%



Investment Strategy

Fidelity Real Estate Growth Fund III will make direct investments in properties located in the United States in need of development, lease-up, refinancing or rehabilitation. The Partnership will consider commercial and residential properties with investments in the range of \$10 million to \$50 million and leverage in the range of 50% to 75%. Potential investments can be structured as joint ventures, preferred equity, fixed-rate mezzanine debt, participating mezzanine debt, or discounted senior debt. Investments will have an expected holding period of three to five years.

Portfolio Review

The Partnership called \$0.9 million in during the period, to fund the acquisition of a 380,000 square foot retail center in Dallas, TX. The Partnership distributed \$0.5 million during the period, which was principally derived from the sale of the apartment portion of the Pacific Station mixed-use investment.

Portfolio Performance

During the three month period ended March 31, 2011, the Partnership's net IRR increased 450 basis points, from -26.2% to -21.6%. During the same period, the Partnership experienced a valuation increase, net of cash flows, of 2.0%.

¹ On July 5, 2011, the team that comprised the Fidelity Real Estate Group and managed Fidelity Real Estate Growth Fund III became Long Wharf Real Estate Partners. Although the name of the General Partner has changed, the Fund will continue to be known as Fidelity Real Estate Growth Fund III.



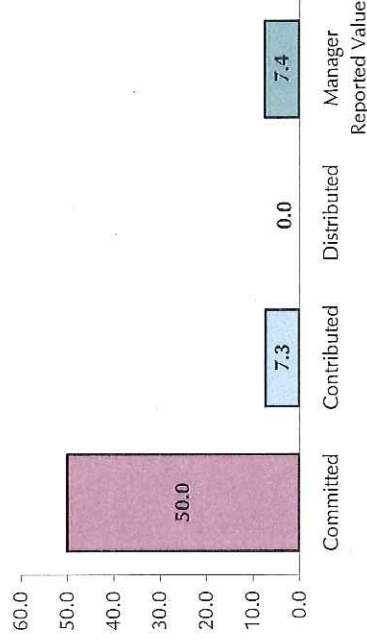
Private & Opportunistic Debt Portfolio Reviews
As of March 31, 2011



San Jose Federated City Employees' Retirement System

GSO Direct Lending as of 3/31/11

General Partner	GSO Capital Partners	Commitment	\$50.0 million
Location	New York, NY	Number of Investments	3
Auditor	Deloitte & Touche LLP	Capital Contributions	\$7.3 million
Strategy	Opportunistic Debt	Realized Proceeds	\$0.0 million
Vintage Year	2010	Manager Reported Value	\$7.4 million
Fund Size	\$50.0 million	Total Value	\$7.4 million
Fund Duration	7 years	% of Program	38.7%
Fee Schedule	1.5% of invested capital 8.0% preferred return 20.0% carried interest	Net IRR	NM
		ThomsonOne Median IRR¹	-0.4%



Investment Strategy

GSO Direct Lending will provide originated direct loans, with a focus on senior secured loans, to middle and upper-middle market companies. The Partnership will seek to create a diversified portfolio with average position sizes of 5% to 7%, with a limit of 10% per position and an industry concentration limit of 20% per industry.

Portfolio Review

The Partnership called \$2.3 million in aggregate during the quarter to fund an existing investment in a natural resources holding company. The Partnership did not receive any distributions during the period.

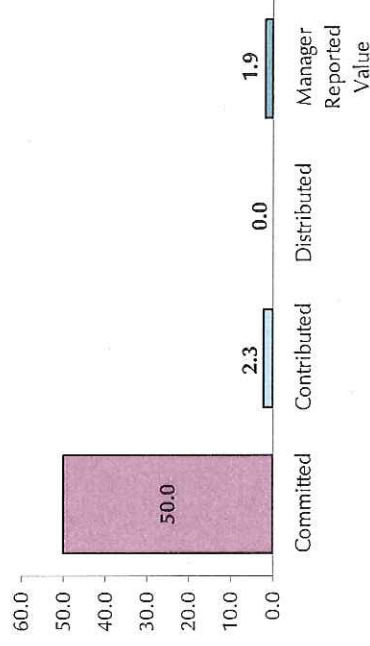
Portfolio Performance

The Partnership is at an early stage in its life and, therefore, performance calculation is not yet meaningful.

¹ The Benchmark for all funds in the Private Equity Program is the ThomsonOne U.S. All Private Equity Median Quartile IRR as of 3/31/11.



General Partner	Medley Capital	Commitment	\$50.0 million
Location	New York, NY	Number of Investments	2
Auditor	Deloitte & Touche LLP	Capital Contributions	\$2.3 million
Strategy	Opportunistic Debt	Realized Proceeds	\$0.0 million
Vintage Year	2010	Manager Reported Value	\$1.9 million
Fund Size	\$220.0 million	Total Value	\$1.9 million
Fund Duration	7 years	% of Program	10.1%
Fee Schedule	2.0% of commitments 8.0% preferred return 20.0% carried interest	Net IRR	NM
		ThomsonOne Median IRR	-0.4%



Investment Strategy

Medley will invest in stable or growing businesses that often cannot access more traditional senior bank loans due to balance sheet issues and/or other complexities. The Partnership may purchase securities associated with special situations including bankruptcies and restructurings. These situations may include companies in out-of-favor sectors; companies undergoing reorganizations under bankruptcy law; companies initiating a debt restructuring, reorganization, or liquidation outside of bankruptcy; and companies facing a broad range of liquidity issues.

Portfolio Review

The Partnership called \$2.3 million in aggregate during the quarter to fund debt and equity investments in a financial services company. These are the first investments made by the Partnership.

The Partnership did not receive any distributions during the period.

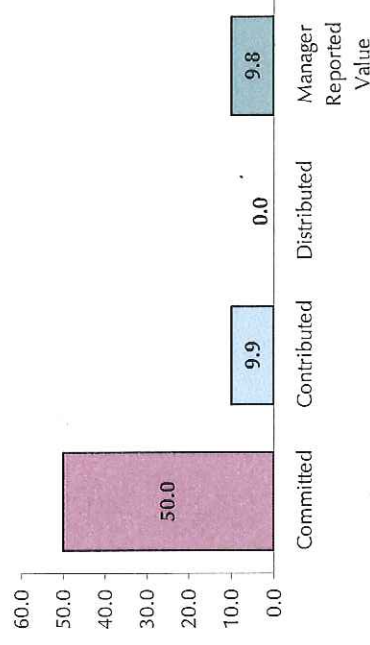
Portfolio Performance

The Partnership is at an early stage in its life and, therefore, performance calculation is not yet meaningful.

San Jose Federated City Employees' Retirement System

White Oak Direct Lending as of 3/31/11

General Partner	White Oak Global Advisors	Commitment	\$50.0 million
Location	San Francisco, CA	Number of Investments	2
Auditor	Harb, Levy & Weiland LLP	Capital Contributions	\$9.9 million
Strategy	Opportunistic Debt	Realized Proceeds	\$0.0 million
Vintage Year	2010	Manager Reported Value	\$9.8 million
Fund Size	\$50.0 million	Total Value	\$9.8 million
Fund Duration	5 years	% of Program	51.2%
Fee Schedule	1.75% of fair market value 8.0% preferred return 20.0% carried interest	Net IRR	NM
		ThomsonOne Median IRR	-0.4%



Investment Strategy

White Oak Direct Lending will underwrite and monitor a portfolio of private loans to small and middle market businesses. Use of the proceeds by borrowers may include business growth and acquisition financing, capital structure optimization and refinancing, corporate asset utilization, and rescue and restructuring financings. The Partnership will strive to underwrite loans that are senior secured in the capital tranche of the borrower and will focus on shorter tenor loans that have an expected life of two to three years at the time of underwriting.

Portfolio Review

The Partnership called \$6.2 million in aggregate during the quarter. All \$6.2 million was called at the end of the quarter, and was used to support loans to a financial services company, and to support additional loans made in the following quarter.

The Partnership did not receive any distributions during the period.

Portfolio Performance

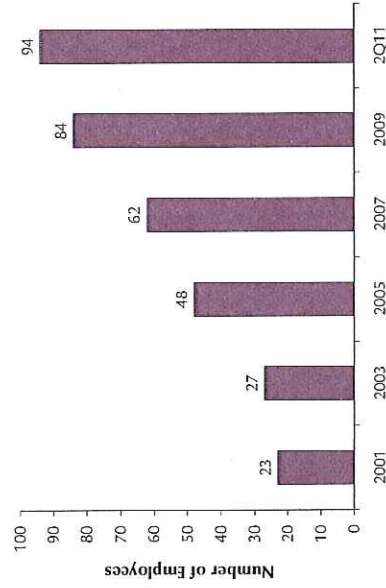
The Partnership is at an early stage in its life and, therefore, performance calculation is not yet meaningful.



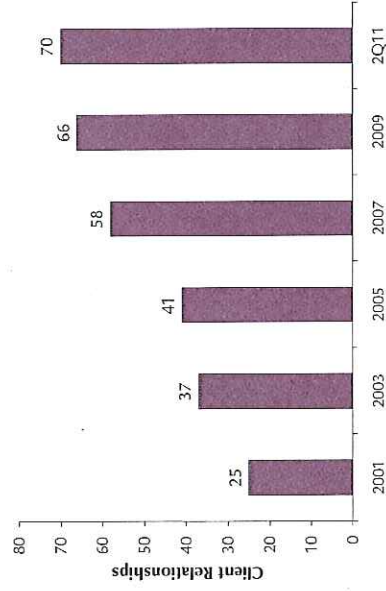
Meketa Investment Group Corporate Update

- Staff of 94, including 57 investment professionals and 17 CFA charterholders
- 70 clients, with over 140 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Miami, and San Diego
- Clients have aggregate assets of over \$280 billion
 - Over \$20 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Employee Growth



Client Growth



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



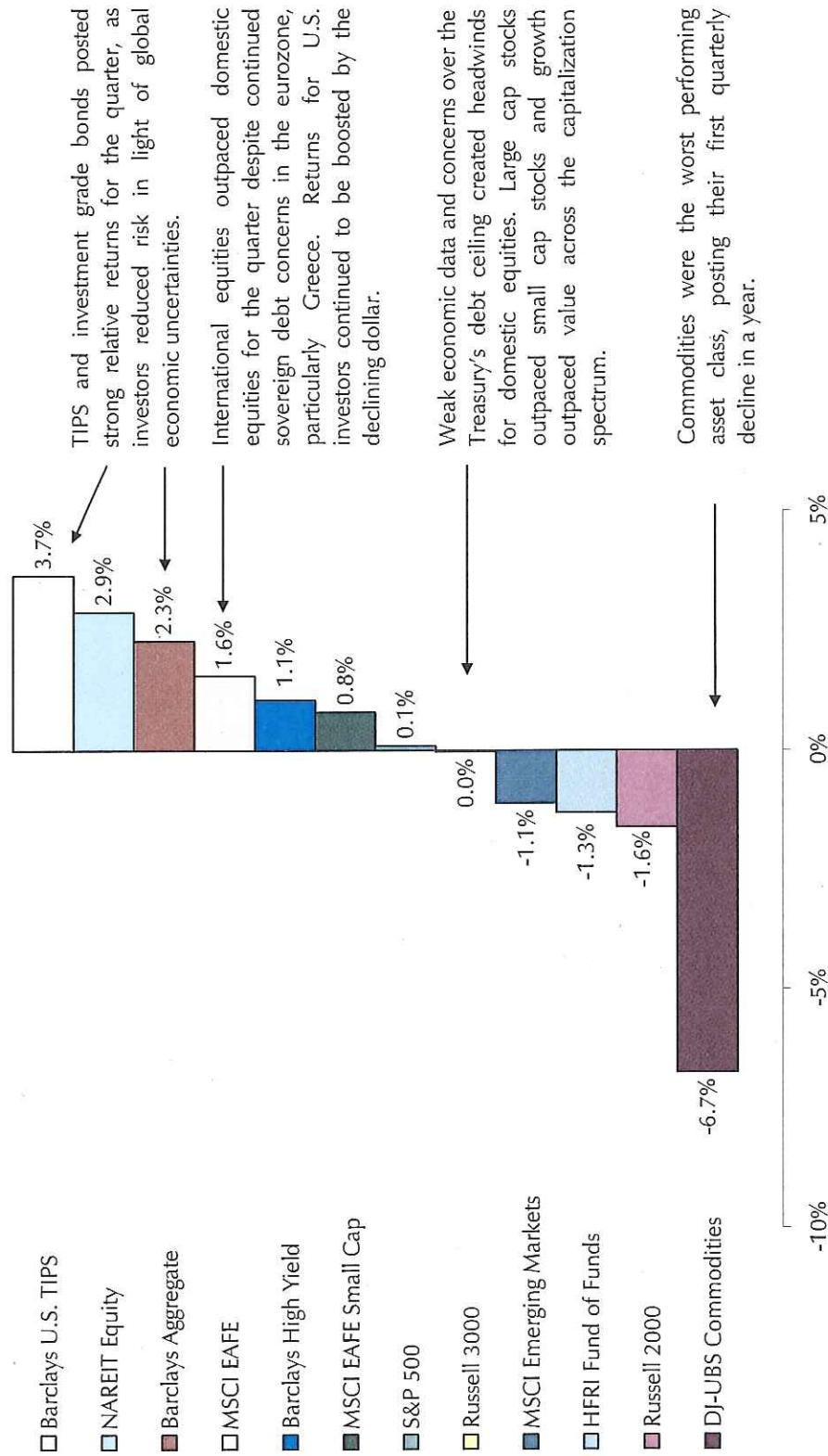
Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
- Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30	- Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets	- Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds	- Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities	- Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets	- Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

Appendices

The World Markets Second Quarter of 2011

The World Markets Second Quarter of 2011

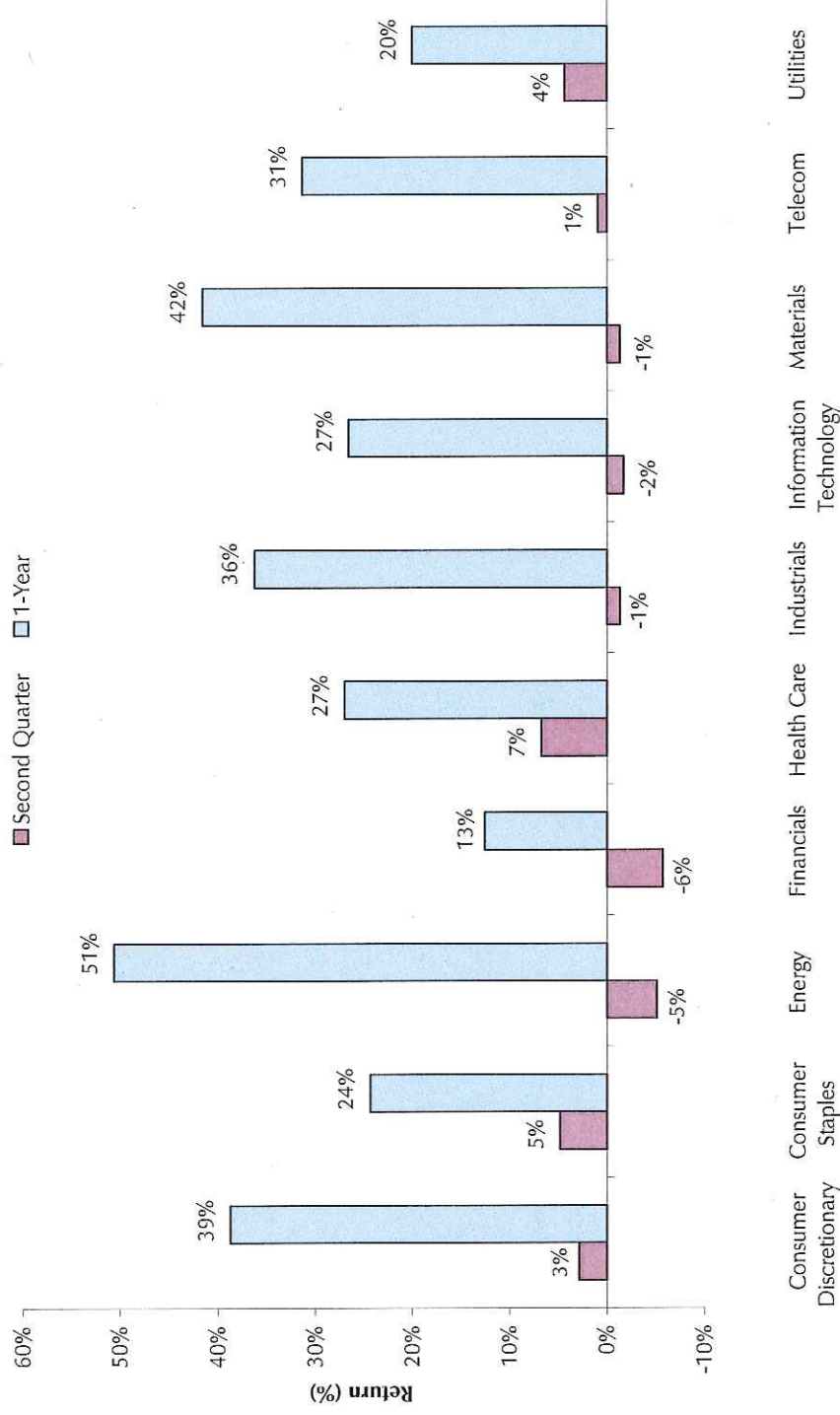


Index Returns

	2Q11 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity						
Russell 3000	0.0	6.4	32.4	4.0	3.4	3.4
Russell 1000 Growth	0.8	6.8	35.0	5.0	5.3	2.2
Russell 1000	0.1	6.4	31.9	3.7	3.3	3.2
Russell 1000 Value	-0.5	5.9	28.9	2.3	1.2	4.0
Russell MidCap Growth	1.6	9.6	43.2	6.6	6.3	5.5
Russell MidCap	0.4	8.1	38.5	6.5	5.3	7.6
Russell MidCap Value	-0.7	6.7	34.3	6.3	4.0	8.4
Russell 2000 Growth	-0.6	8.6	43.5	8.4	5.8	4.6
Russell 2000	-1.6	6.2	37.4	7.8	4.1	6.3
Russell 2000 Value	-2.6	3.8	31.4	7.1	2.2	7.5
Foreign Equity						
MSCI ACWI (ex. U.S.)	0.4	3.8	29.7	-0.3	3.7	7.5
MSCI EAFE	1.6	5.0	30.4	-1.8	1.5	5.7
MSCI EAFE Small Cap	0.8	3.8	36.4	3.3	2.3	10.1
MSCI Emerging Markets	-1.1	0.9	27.8	4.2	11.4	16.2
Fixed Income						
Barclays Universal	2.2	2.9	4.8	6.7	6.6	6.0
Barclays Aggregate	2.3	2.7	3.9	6.5	6.5	5.7
Barclays U.S. TIPS	3.7	5.8	7.7	5.3	6.9	7.0
Barclays High Yield	1.1	5.0	15.6	12.7	9.3	9.0
JPMorgan GBI-EM Global Diversified	3.9	6.9	19.7	11.6	14.3	NA
Other						
NAREIT Equity	2.9	10.6	34.1	5.4	2.6	10.7
DJ-UBS Commodities	-6.7	-2.6	25.8	-12.1	-1.8	5.4
HFRI Fund of Funds	-1.3	-0.4	6.5	-1.9	1.5	3.9

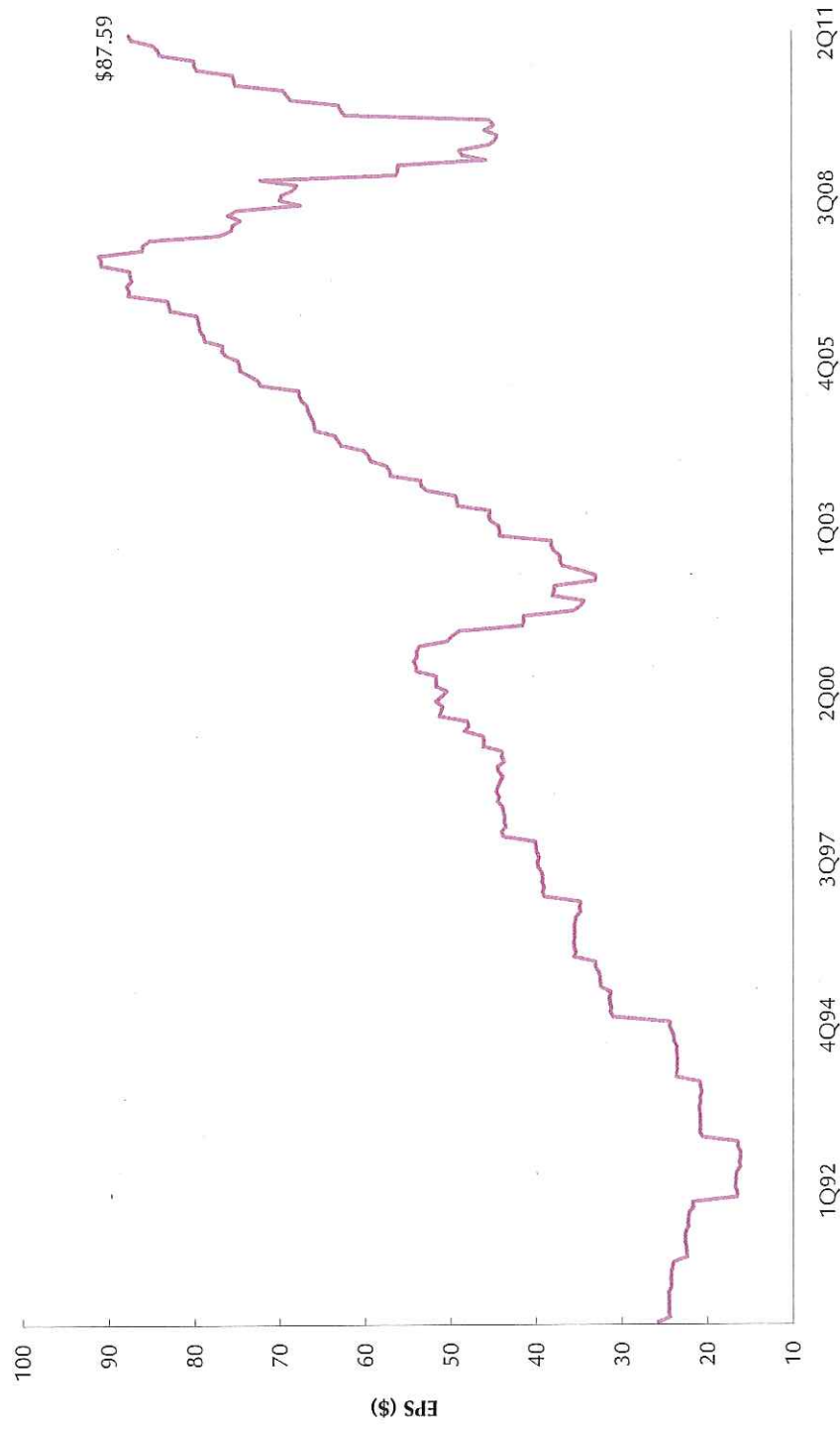
S&P Sector Returns

After three quarters of gains for all sectors in the S&P 1500 index, half of the sectors declined in the second quarter. Health care (+7%), consumer staples (+5%), and utilities (+4%), the traditionally defensive sectors, led the way for the quarter. All sectors posted positive returns for the trailing year, with energy (+51%) producing the largest gains.



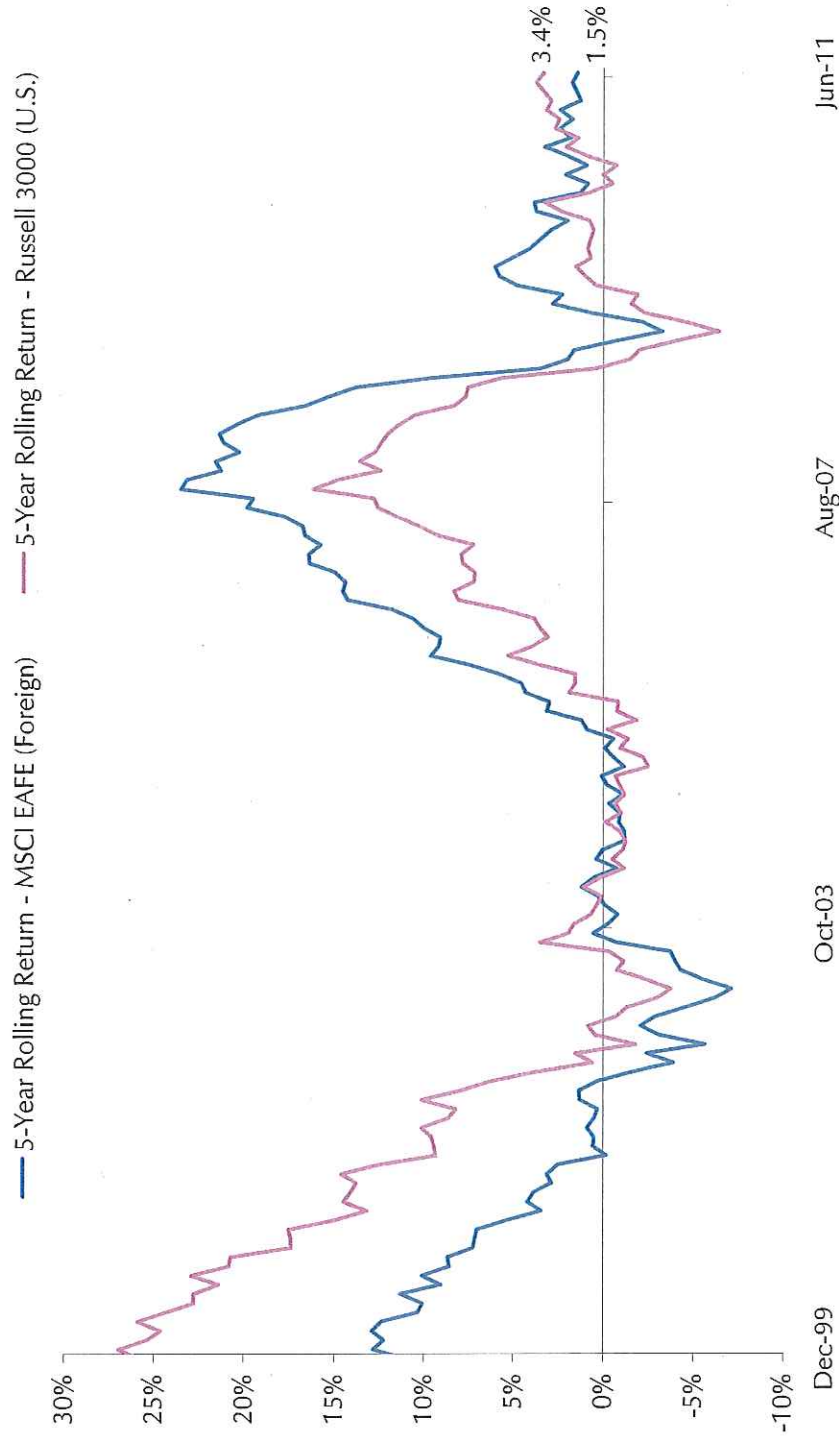
S&P 500 Earnings Per Share

Corporate profitability grew again, as companies continued to keep costs low. S&P 500 trailing one-year earnings were \$87.59 per share as of quarter-end up 26.9% over the last year, a level close to the highs reached at the end of 2007.



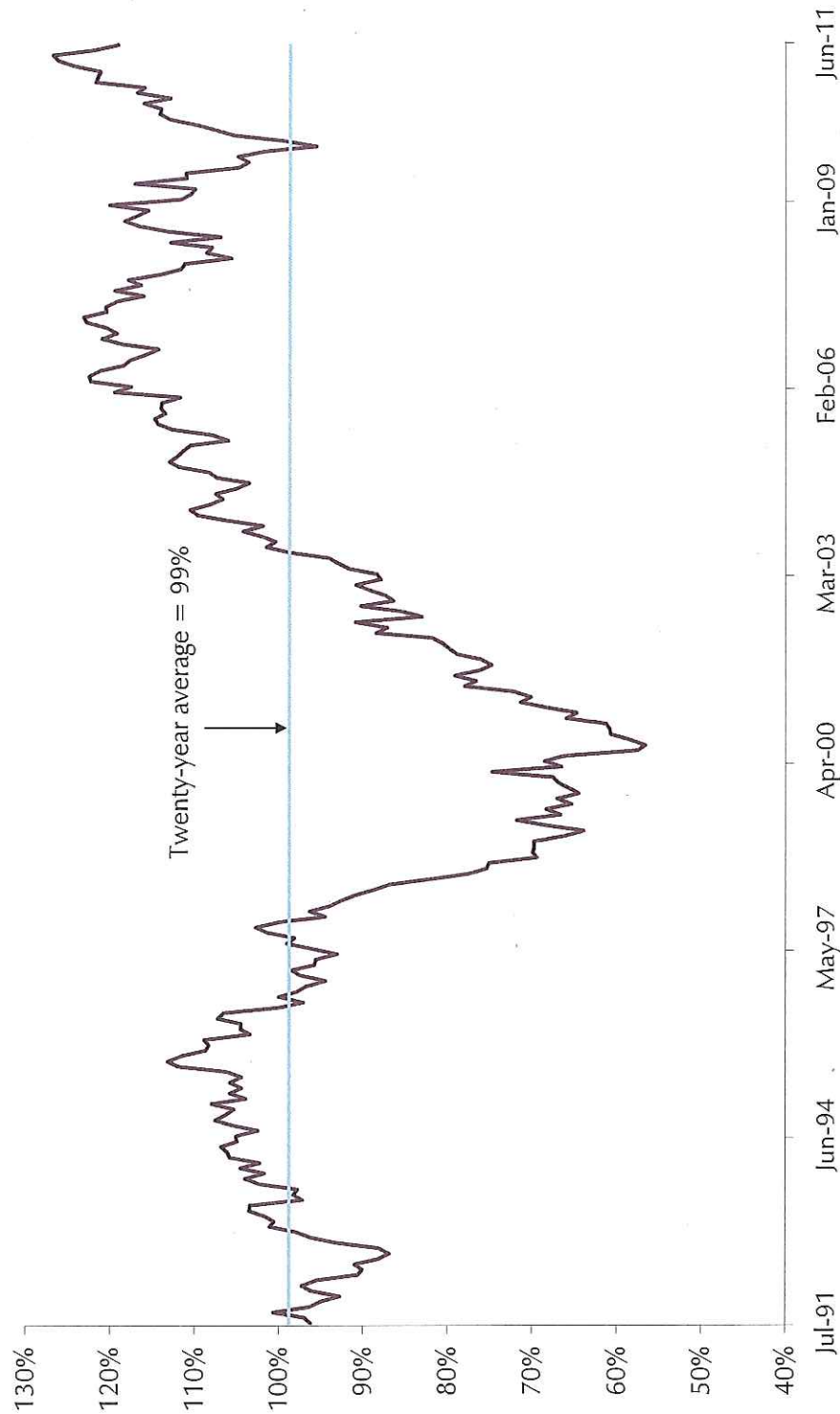
Equity Markets

The developed international equity market advanced 1.6% for the quarter, while the broad domestic equity market was flat. For the five-year period ending June 30, domestic equities outperformed developed international equities by 1.9% per year due in part to recent sovereign debt concerns in the Eurozone.



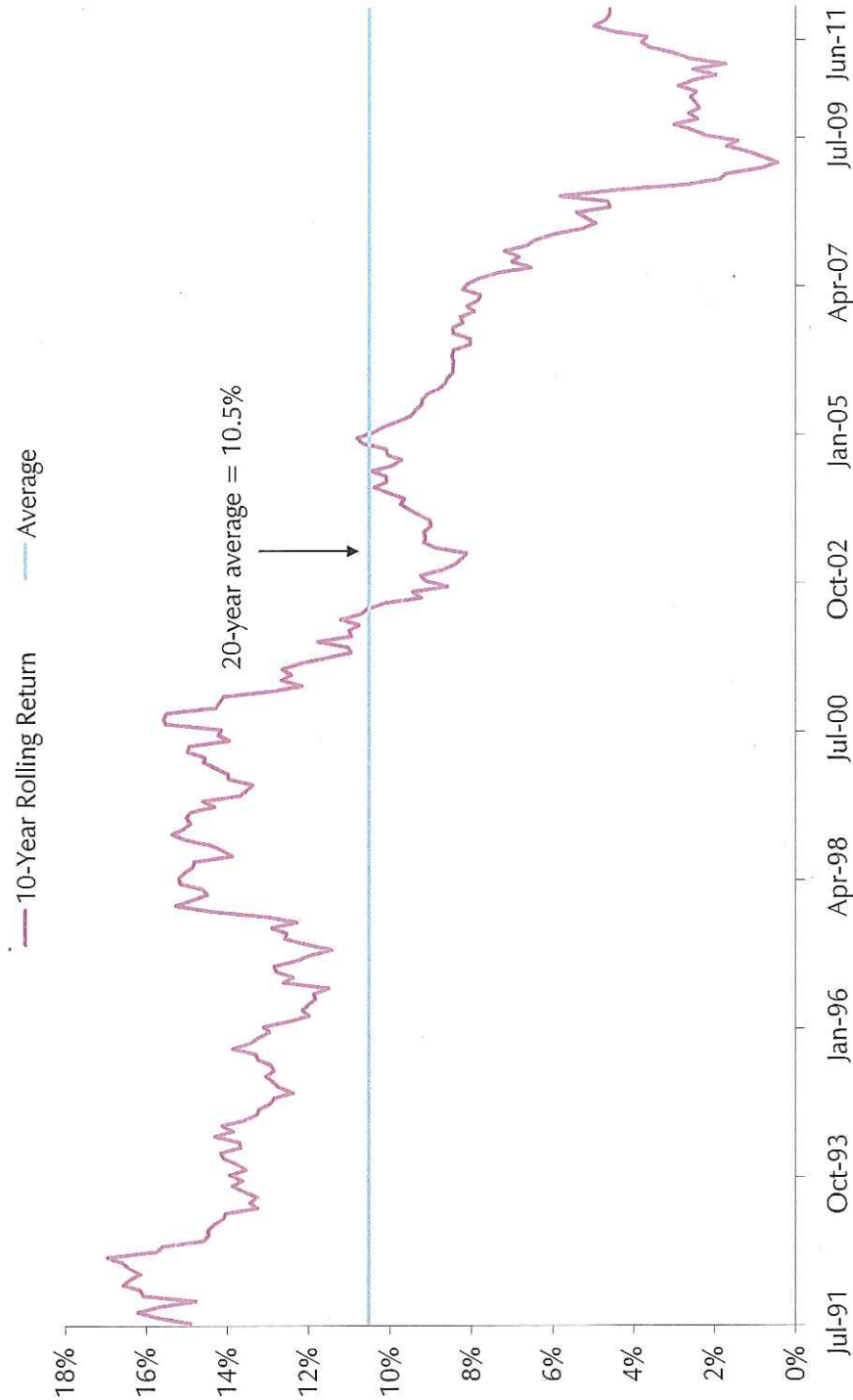
Russell 2000 P/E (Small Cap) vs. Russell 1000 P/E (Large Cap)

After reaching a twenty-year high in April, the ratio of small cap (Russell 2000) P/Es to large cap (Russell 1000) P/Es declined. Large cap stocks advanced slightly during the quarter (+0.1%), while small cap stocks declined (-1.6%).



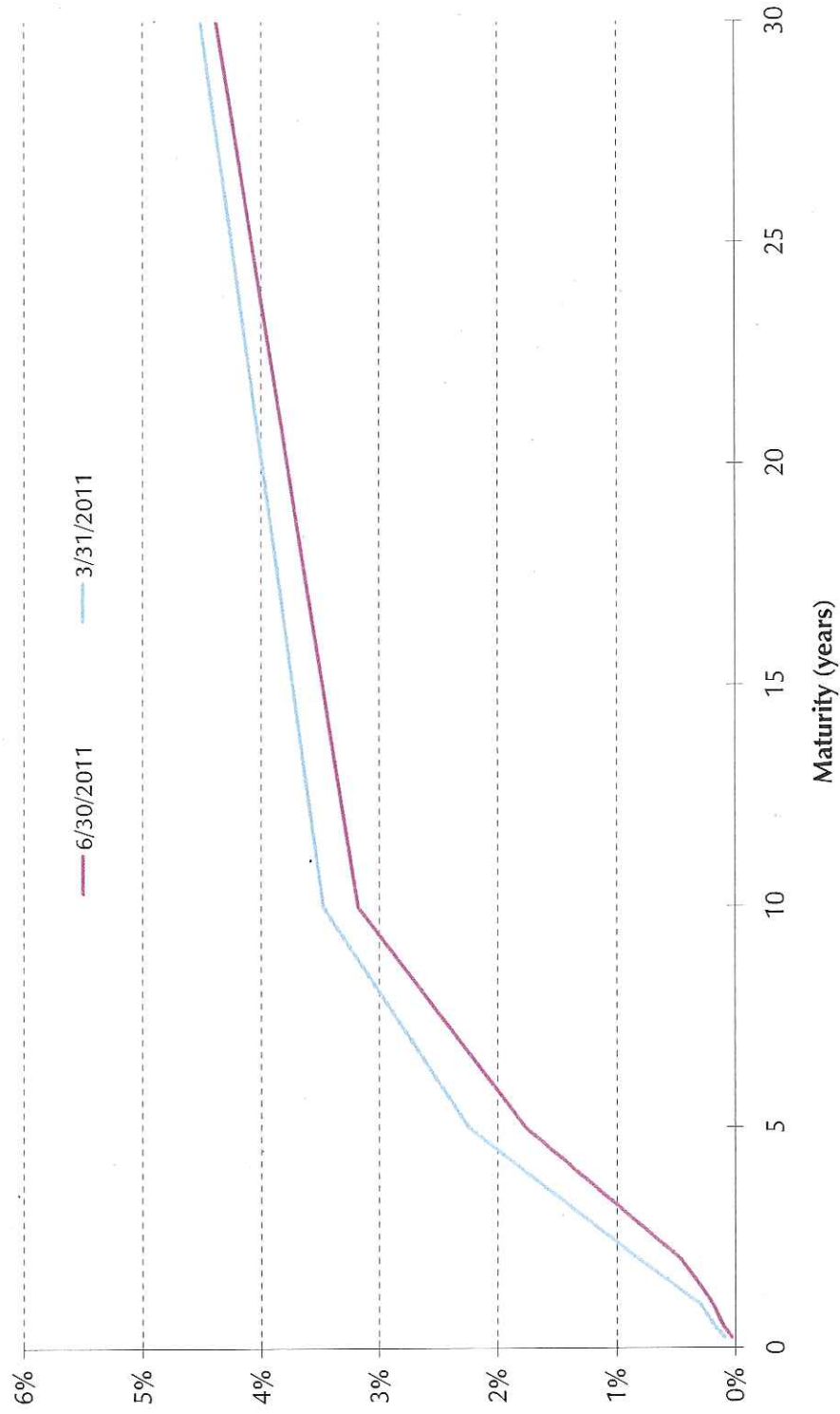
65% Stocks (Russell 3000) and 35% Bonds (Barclays Aggregate)

At mid-year, a portfolio comprised of 65% domestic stocks (Russell 3000) and 35% investment grade bonds (Barclays Aggregate) had produced a 4.6% ten-year annual return. From the lows of early 2009, the portfolio's ten-year annual return had increased sharply, but remained far below its twenty-year average.



Treasury Yields

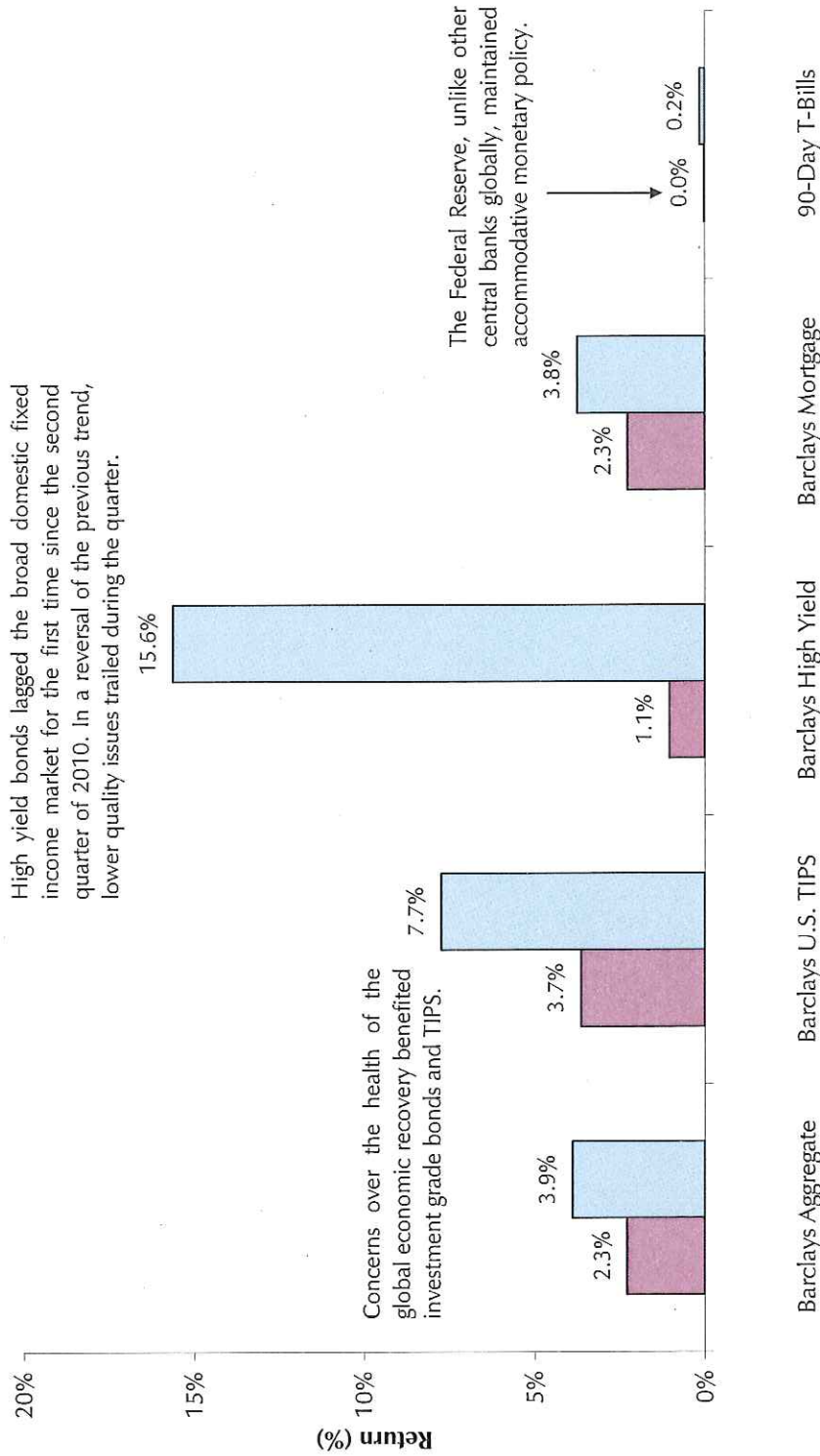
Investors sought the safety of U.S. Treasuries in the second quarter, due in part to concerns over the European debt crisis and weak economic data domestically. The yield on the ten-year Treasury declined 29 basis points during the quarter, to 3.18%.



U.S. Fixed Income Markets

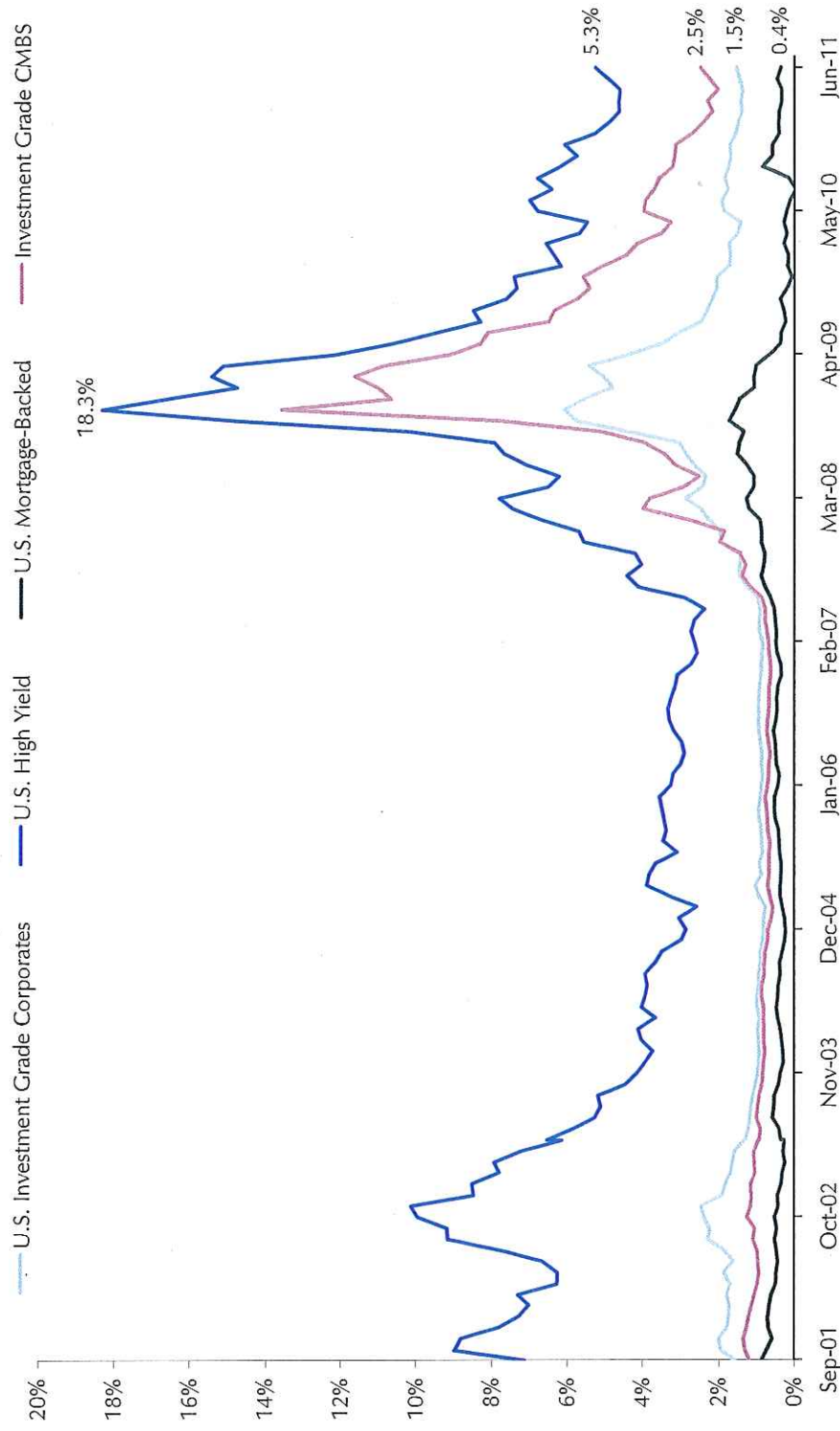
■ Second Quarter □ 1-Year

High yield bonds lagged the broad domestic fixed income market for the first time since the second quarter of 2010. In a reversal of the previous trend, lower quality issues trailed during the quarter.

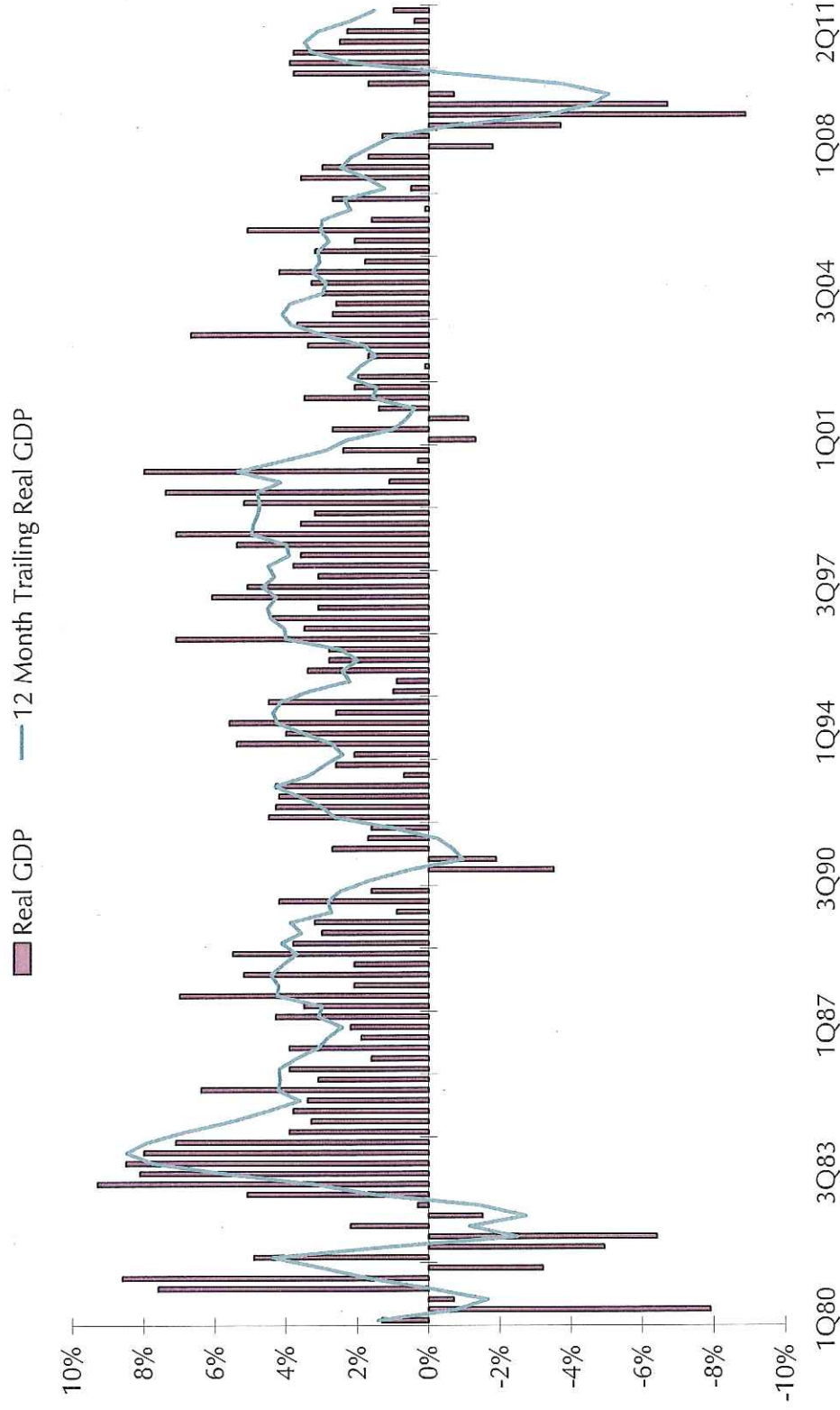


Credit Spreads vs. U.S. Treasury Bonds

Credit spreads expanded in all sectors, as investors sought the relative safety of Treasuries. High yield bond spreads rose 0.6%, to 5.3%, but remained below their ten-year average of 6.0%.

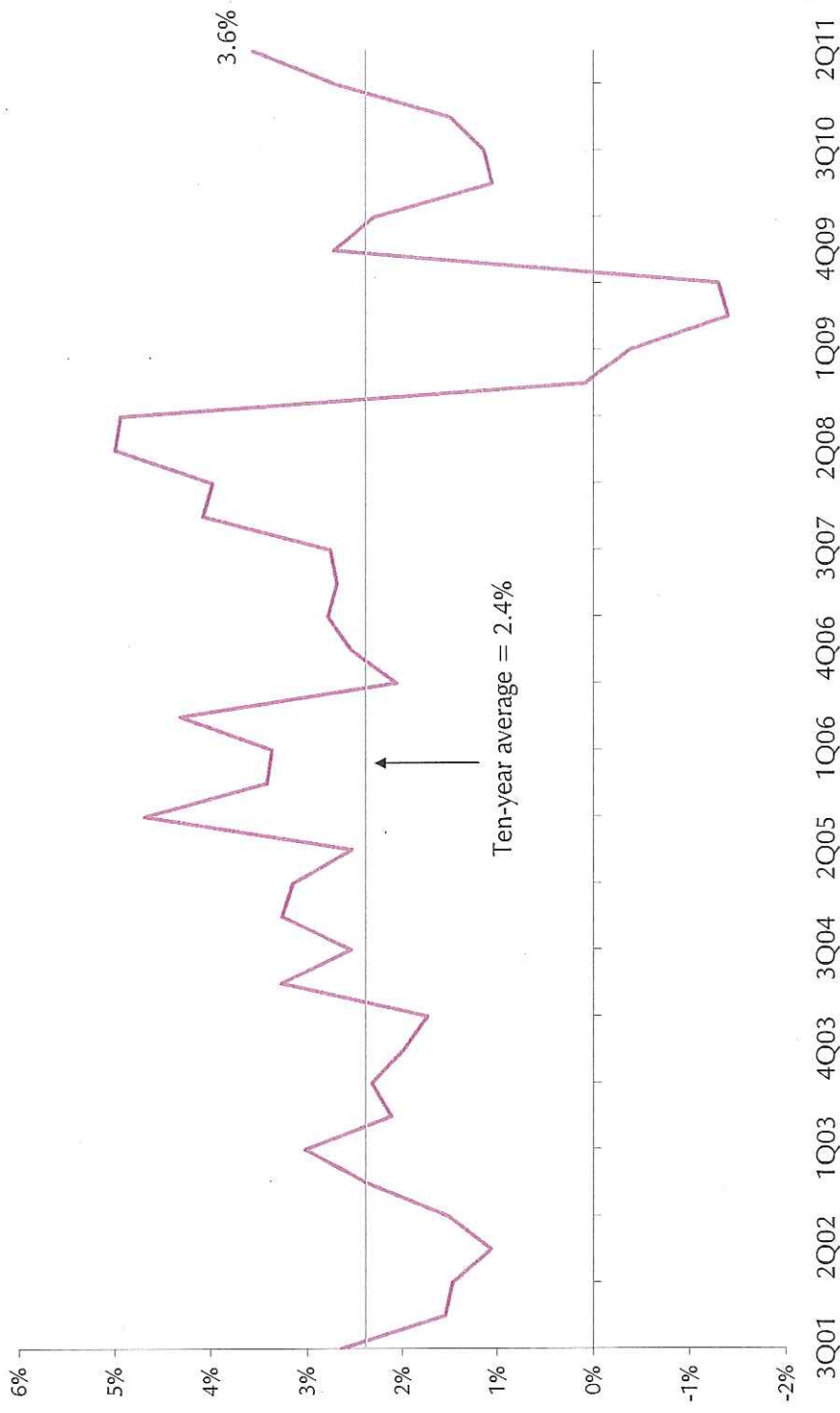


Real Gross Domestic Product (GDP) Growth



U.S. Inflation (CPI) Trailing Twelve Months¹

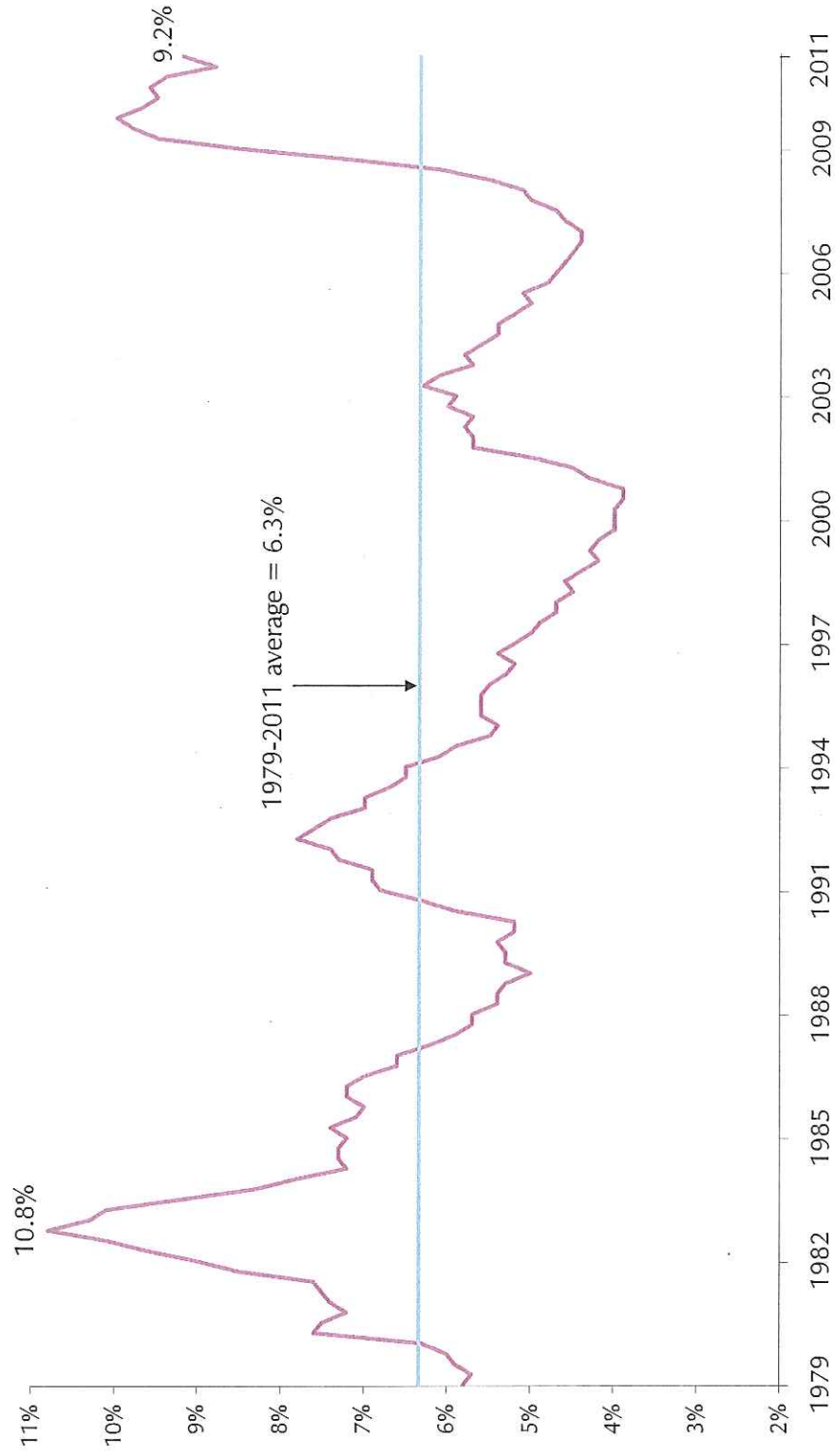
Trailing twelve-month CPI rose 0.9% to 3.6%, a level 1.2% above its ten-year average. During the last twelve months, the energy and food components of CPI increased 20.1% and 3.7%, respectively.



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

U.S. Unemployment

The unemployment rate increased 0.4% to 9.2% during the second quarter, as the number of unemployed persons rose 545,000. At quarter-end, approximately 14.1 million people were unemployed.



Glossary and Notes As of June 30, 2011

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

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

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

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

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

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

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

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

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit

above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

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

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

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

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

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

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

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

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

San Jose Federated City Employees' Retirement System

Notes

The Russell Indices ®, TM, SM are trademarks/service marks of the Frank Russell Company. 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.

