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City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis
For the period ending June 30, 2013

August 28, 2013

Dan LeBeau, Consultant
Allan Martin, Partner

One Main Street, Cambridge, MA 02142 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

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Market Environment

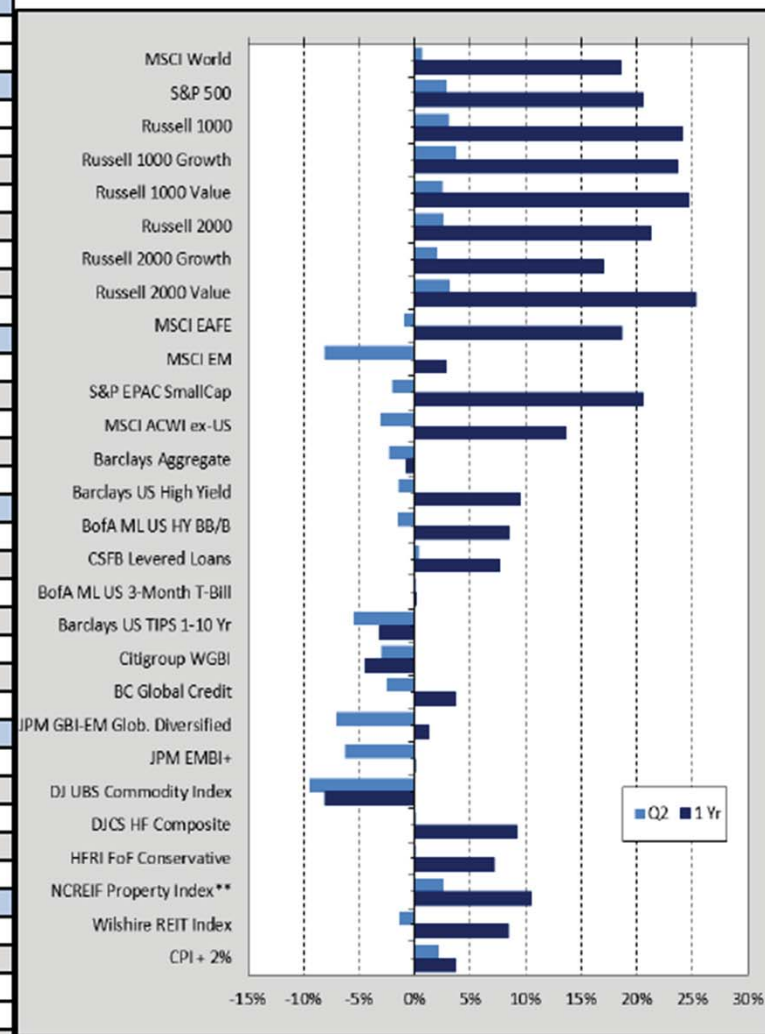


- **Advance estimate of second quarter 2013 GDP growth is 1.7%. First quarter 2013 GDP growth was revised down to 1.8%, after being originally estimated at 2.5%.**
 - Retail sales rose to a 4.5% year-over-year growth rate in June 2013.
 - The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.29 in May 2013 after reaching its highest level since October 2009 in April.
 - Corporate profits as a percent of GDP fell slightly but remained near secular highs at 12.1% at the end of Q2 2013.
 - The trade deficit increased in May 2013.
- **The unemployment rate remained flat at 7.6% in June, its lowest level since 2008; U-6, a broader measure of unemployment, increased to 14.3% during the second quarter.**
 - JP Morgan has stated that sustained GDP growth of 1.5% is needed for positive job creation, and closer to 3% growth is needed to decrease the unemployment rate.
- **Consumer confidence jumped to 81.4 in June, its highest level since January 2008; the Case-Schiller Home Price Index (as of 3/31) rose slightly through the first quarter.**
- **Rolling 12-month CPI increased to 1.8% at the end of June; Capacity Utilization increased slightly to 77.8% in the month.**
- **Fed Funds rate remains at 0.25% while the 10-year Treasury Yield finished June at 2.5%.**
 - Represents more than a 35% increase.
- **Fed balance sheets have increased in 2013, while European Central Bank balance sheets have decreased significantly.**
- **Both U.S. and non-U.S. equities appear cheap relative to long-term averages.**

City of San Jose Police and Fire Department Retirement Plan

Market Environment - Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI World	World	0.7%	18.6%	13.7%	2.7%	7.3%
Domestic Equity Benchmarks						
S&P 500	Large Core	2.9%	20.6%	18.5%	7.0%	7.3%
Russell 1000	Large Core	2.7%	21.2%	18.6%	7.1%	7.7%
Russell 1000 Growth	Large Growth	2.1%	17.1%	18.7%	7.5%	7.4%
Russell 1000 Value	Large Value	3.2%	25.3%	18.5%	6.7%	7.8%
Russell 2000	Small Core	3.1%	24.2%	18.7%	8.8%	9.5%
Russell 2000 Growth	Small Growth	3.7%	23.7%	20.0%	8.9%	9.6%
Russell 2000 Value	Small Value	2.5%	24.8%	17.3%	8.6%	9.3%
International Equity Benchmarks						
MSCI EAFE	International Developed	-1.0%	18.6%	10.0%	-0.6%	7.7%
MSCI EM	Emerging Equity	-8.1%	2.9%	3.4%	-0.4%	13.7%
S&P EPAC SmallCap	Small Cap Int'l	-2.0%	20.6%	12.0%	1.8%	10.8%
MSCI ACWI ex-US	World ex-US	-3.1%	13.6%	8.0%	-0.8%	8.6%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	-2.3%	-0.7%	3.5%	5.2%	4.5%
Barclays US High Yield	High Yield	-1.4%	9.5%	10.7%	10.9%	8.9%
BofA ML US HY BB/B	High Yield	-1.6%	8.5%	10.1%	9.4%	8.0%
CSFB Levered Loans	Bank Loans	0.4%	7.6%	6.9%	5.8%	5.2%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.1%	0.1%	0.3%	1.7%
Barclays US TIPS 1-10 Yr	Inflation	-5.5%	-3.1%	3.4%	3.3%	4.5%
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	-3.0%	-4.5%	2.7%	3.0%	4.7%
BC Global Credit	Global Bonds	-2.5%	3.7%	6.6%	5.5%	5.7%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-7.0%	1.3%	6.0%	6.7%	10.3%
JPM EMBI+	Em. Mkt. Bonds	-6.3%	0.1%	7.5%	8.4%	9.0%
Alternative Benchmarks						
DJ UBS Commodity Index	Commodity	-9.5%	-8.0%	-0.3%	-11.6%	2.4%
DJCS HF Composite	Hedge Fund	0.1%	9.2%	6.3%	2.9%	6.5%
HFRI FoF Conservative	Fund of Funds	0.0%	7.2%	3.0%	-0.6%	3.4%
NCREIF Property Index**	Real Estate	2.6%	10.5%	13.3%	2.3%	8.5%
Wilshire REIT Index	REIT	-1.4%	8.4%	18.5%	7.2%	10.8%
CPI + 2%	Inflation/Real Assets	2.3%	3.8%	4.4%	3.4%	4.7%



Note: NCREIF Property Index is lagged by one quarter. Performance shown as of March 31, 2012.

Domestic and International Equity

- **Starting in May, global equities trended downward, finishing the quarter with a return of -0.4% according to the MSCI ACWI.**
- **Domestic Equity (S&P 500) outperformed International Equity (MSCI ACWI ex-U.S.) in the second quarter (+6.0%).**
 - In the U.S., equities proved to be more resilient than other asset classes, finishing the quarter with positive results. Performance was boosted by robust returns from stocks in the financial and consumer sectors amidst strong economic sentiment, healthy corporate earnings and continued strengthening in the housing market. Small cap stocks modestly outperformed large cap stocks, and growth outperformed value in small and mid-cap stocks, but value outperformed growth in the large cap segment. So far this year, U.S. equity markets have advanced more than 13%.
 - Developed non-U.S. markets posted a -1.0% during the quarter as measured by the MSCI EAFE Index. News out of Europe and China indicated weakness, while news from the U.S. and Japan indicated improvement. In Europe, economic data signaling contraction led the ECB to cut interest rates from 0.75% to 0.5%. In Japan, investors continued to show a positive reaction to Abenomics' "three arrows" and have begun to look for developments in the areas of structural reform.
 - Emerging markets were driven lower by political unrest in Egypt, a credit crunch among Chinese banks and higher yields in the U.S. market. While emerging markets stocks rebounded in June, they ended the quarter down 8.1%. Within emerging markets, the small cap (-7.4%) and consumer sectors (staples -3.7%; discretionary -3.0%) continue to outperform the broader emerging markets.

Private Equity

- **Private equity fundraising during the first half of 2013 totaled \$136 billion – 51% of the amount raised in 2012 – pointing to an expected modest increase for 2013.**
 - Investor commitments suggest economic optimism with 60% of commitments going to buyout and growth equity funds.
 - Venture capital continues to contract as fundraising fell to 8% of this year's total, well below its 10-year average of 17% of all new funds raised.
 - We remain guarded on the large buyout sector in the U.S. even as some industry data suggest that the capital overhang is declining. High transaction prices leave little room for operational missteps and do not provide protection in the event of a prolonged recession.
 - On the opportunistic side, private direct lending is an attractive fixed income alternative for investors and is competing with mezzanine funds by providing uni-tranche financing to lower- and middle-market businesses at attractive yields with lower fee structures.
- **With the dust yet to settle on the near-term economic outlook, we believe a blend of growth- and value-oriented strategies is vital to balance the macroeconomic risk in a private equity program. We find secondary, turnaround/special situation, and direct lending strategies particularly attractive as they benefit from corporate restructurings and tighter regulation of the global banking industry.**

Market Environment

Fixed Income

- **Nearly all global fixed income sectors posted negative returns in the second quarter of 2013. The sharp sell-off, triggered by indications that the Fed could taper its quantitative easing as early as September, was quick and painful as the search for yield turned into a quest for liquidity and longer duration corporates and emerging market debt dropped dramatically.**
- **Global fixed income performance during the quarter may be best explained by the increase in the yield of 10-year Treasuries during the period.**
 - Beginning the quarter at 1.87%, 10-year Treasuries were yielding 2.52% at the end of June – an increase of 0.65%.
 - Longer-dated portions of the yield curve experienced similar increases, with 30-year Treasuries increasing 0.42% to finish the quarter at 3.53%.
- **The increase in yields resulted in the Barclays Capital U.S. Aggregate Bond Index returning -2.3% in the quarter, bringing year-to-date performance to -2.4%.**
 - Investment grade credit and mortgage-backed securities, the two largest non-government related components of the index, returned -3.4% and -2.0%, respectively.
- **Non-investment grade debt led global fixed income performance, but were still negative.**
 - The Barclays Capital High Yield Index returned -1.4% during the quarter, and the yield on the index jumped nearly 100 basis points to 6.7%.
 - Leveraged loans, as measured by the S&P/LSTA Leveraged Loan Index, were the only major fixed income asset class to post a positive return, albeit small at 0.2%.
- **Weakness in Treasuries fueled losses in emerging market debt. Higher quality issues were most impacted since creditworthy borrowers are typically able to issue long-dated bonds, which are more interest rate sensitive.**
 - Large sovereigns such as Mexico, Brazil and Uruguay often drive performance of the EMBI Index, which measures emerging market debt denominated in external currencies. The index returned -6.1% in the quarter and is down 8.2% so far in 2013.
 - Emerging market debt denominated in local currency also struggled in the period, returning -7.0% for the quarter, which brings year-to-date performance for the category to -7.2%.

Market Environment

Commodities

- **Commodities were the worst performing segment of the market, down 9.5% in the second quarter according to the DJ/UBS Commodity Index.**
 - Oil has been the outlier among commodities, which have mostly experienced downward pressure from slowing emerging markets growth forecasts.
 - Precious metals were hit the hardest, trading off nearly 25% as both gold and silver fell during the quarter.
 - Agriculture and livestock was the best performing segment, aided by strong hog prices.
- **Macroeconomic data surprised investors, mostly on the downside, as slower emerging markets forecasts, particularly in China, impacted demand for commodities. In addition, speculation of the Fed's shift in monetary policy, including tapering the quantitative easing program later in the year, negatively impacted gold prices. Recent selling pressure, along with a possible overreaction to negative news in emerging markets, has created what appears to be a more favorable environment for commodities going forward.**
 - However, future curtailing of growth forecasts or continued negative gold momentum could pose as significant headwinds.

Real Estate

- **NEPC remains positive about opportunities in non-core markets, particularly in Europe. In the U.S., select opportunities exist in non-core real estate for skilled firms with a proven ability to identify undervalued assets, buy right, and create value.**
 - That said, the significant operating and capital structure distress that followed the financial crisis has abated.
- **In Europe, non-core properties are still undervalued relative to core, and significant capital structure distress remains and is compounded by macroeconomic and structural uncertainty.**
 - Bank deleveraging has also contributed to continued capital structure weakness and has provided opportunities for buyers.
 - Banks in Europe historically provided over 90% of real estate lending compared to roughly 50% in the U.S.
 - Opportunity is still in the nascent stages.
 - Real estate debt strategies remain attractive in Europe as well given the distressed lending environment. Consideration should be given to hedging currency risk, when possible.

- **After strong performance across most asset classes in the 1st quarter, markets were roiled by...**
 - Indications the Fed would taper its stimulative policy earlier than expected
 - Concern that growth is slowing in China and across the emerging markets

- **The higher volatility environment has been challenging**
 - Treasury yields spiked on expectations of tapering and continued to rise through June
 - Virtually all markets were down in May and June, leaving investors no place to hide
 - Traditional hedging assets, such as Treasuries, have not worked
 - Emerging markets equity and debt have struggled

- **However...**

- **Despite the turbulent quarter many positives remain:**
 - U.S. equities have posted strong gains through the first half of 2013
 - Interest rates remain low relative to historic levels and stimulation remains in place for now
 - The U.S. economy is recovering and the fiscal deficit has been declining
 - Growth in emerging markets, while slowing, remains higher than developed markets
- **The long-term investment thesis for emerging markets remains intact and valuations remain attractive**
- **Inflation prospects remain muted in the near-term, however, the risk of rising inflation resulting from monetary expansion persists**
- **Illiquid strategies, particular direct lending funds, offer a compelling risk-return profile**
- **Risk parity continues to represent a strong foundation for asset allocation**
- **We expect market volatility to remain elevated in coming months; investors can move at a measured pace to allocate to more attractive asset categories**

- **NEPC research**

- White Papers recently posted to <http://www.nepc.com/research/>
 - *Absolute Tracking: Moving Past Absolute Return for Hedge Fund Benchmarking* – May 2013
 - *Target Date Funds - Tips for ERISA Plan Fiduciaries From the Department of Labor* – April 2013
- Case Study
 - *A Discussion of Defined Contribution Plan Fees, One Plan Sponsor's Perspective* – May 2013
- First Quarter 2013 Market Thoughts
- Second Quarter 2013 Market Thoughts
- NEPC helped write a chapter for the new *Claritas Investment Certificate* textbook

- **Consultant Spotlight**

- Jeffrey H. Mitchell, CFA, CAIA, Senior Consultant
 - Featured in *Money Management Intelligence's* Consultant Spotlight article: "Traditional Beta, Alternative Beta, and Alpha" – May 2013

- **Professional staff hires**

- Chris Hill, Research Consultant, Alternatives
 - Joined NEPC from the Louisiana State Employees' Retirement System (LASERS)

- **Recent events**

- NEPC's 18th Annual Client Conference – May 14-15, 2013 in Boston

- **NEPC's Cambridge office is moving effective September 9, 2013**
 - New Address
 - 255 State Street
 - Boston, MA 02109
 - Our phone number and fax number will remain the same
 - Phone: 617.374.1300
 - Fax: 617.374.1313



Total Fund Performance



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank	15 Yrs Rank	20 Yrs Rank	25 Yrs Rank	Return	Since									
Total Fund	\$2,862,887,676	-1.0%	82	1.6%	92	9.9%	83	9.1%	93	4.0%	83	7.1%	51	6.7%	13	8.1%	43	8.8%	42	8.8%	Mar-71
<i>Policy Benchmark</i>		-0.9%	80	1.5%	92	8.1%	93	9.7%	87	3.6%	86	6.8%	68	6.3%	42	--	--	--	--	--	Mar-71
<i>Allocation Index</i>		-1.0%	82	1.2%	94	7.8%	95	8.7%	96	3.8%	85	7.2%	46	--	--	--	--	--	--	--	Mar-71
<i>60% MSCI World (Gross) / 40% CITI WGBI</i>		-0.7%	74	2.8%	80	9.2%	87	9.8%	86	3.6%	86	6.9%	63	5.6%	94	7.3%	93	--	--	--	Mar-71
<i>IFx Public DB > \$1B Gross Median</i>		-0.1%		5.0%	12.0%	11.3%		5.0%		7.1%		6.2%		8.0%		8.7%				--	Mar-71

For the fiscal year ending June 30, 2013, the Fund experienced a net investment gain of \$266.9 million, which includes a net investment loss of \$31.3 million in the second calendar quarter. Plan assets increased from \$2.65 billion twelve months ago to \$2.86 billion on June 30, 2013, with \$58.4 million in net distributions during the year.

The Fund returned 9.9% for the fiscal year ending June 30, 2013, outperforming the actuarial assumed rate of return of 7.25% by 2.4% after accounting for investment management fees. The Fund outperformed the policy benchmark by 1.8% for the year, but ranked in the bottom quartile of its peer group due in large part to the Plan's overweight to commodities relative to peers in a period when the DJ/UBS Commodity Index was down 8.0%. The Fund's volatility ranks slightly below median, resulting in a strong risk-adjusted return on an absolute basis. In addition, the Fund's Sortino Ratio, which is a risk-adjusted measure of performance that accounts for downside volatility only, ranks slightly better than median, meaning the Fund's performance holds up in down markets about as well as the median fund.

Over the past three years, the Fund returned 9.1% per annum, trailing the policy benchmark by 0.6% and ranking in the bottom quartile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility was 8.2%, resulting in a Sharpe Ratio of 1.1.

For the five-year period ending June 30, 2013, the Fund returned 4.0%, outperforming the policy benchmark by 0.4%.

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

5 Years Ending June 30, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	4.0%	83	11.8%	45	0.3	81	0.4	76
Policy Benchmark	3.6%	86	11.3%	32	0.3	87	0.4	83
IFx Public DB > \$1B Gross Median	5.0%	--	12.0%	--	0.4	--	0.5	--

3 Years Ending June 30, 2013

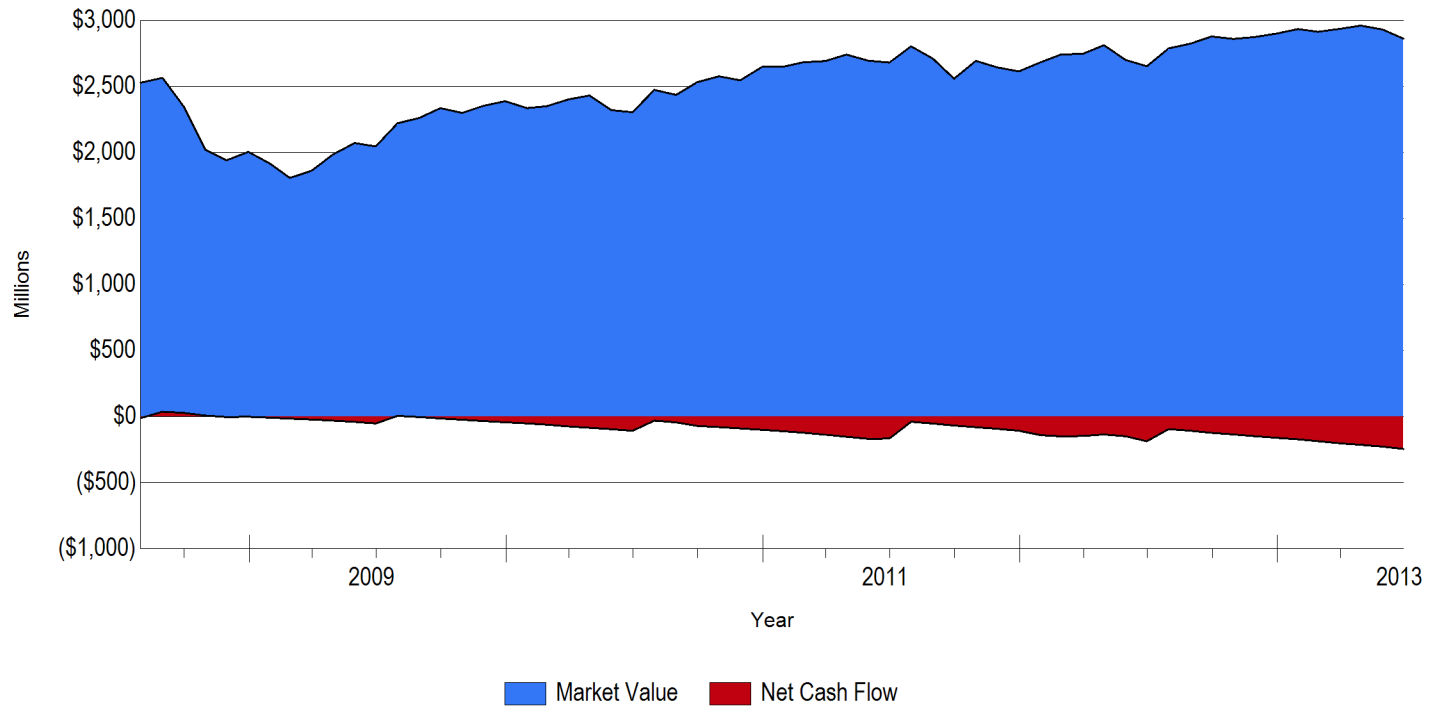
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	9.1%	93	8.2%	41	1.1	98	1.8	79
Policy Benchmark	9.7%	87	7.9%	32	1.2	76	2.1	25
IFx Public DB > \$1B Gross Median	11.3%	--	8.5%	--	1.3	--	1.9	--

1 Year Ending June 30, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	9.9%	83	4.2%	39	2.3	79	4.0	40
Policy Benchmark	8.1%	93	4.0%	31	2.0	88	4.0	40
IFx Public DB > \$1B Gross Median	12.0%	--	4.3%	--	3.0	--	3.6	--

Total Fund Asset Growth Summary

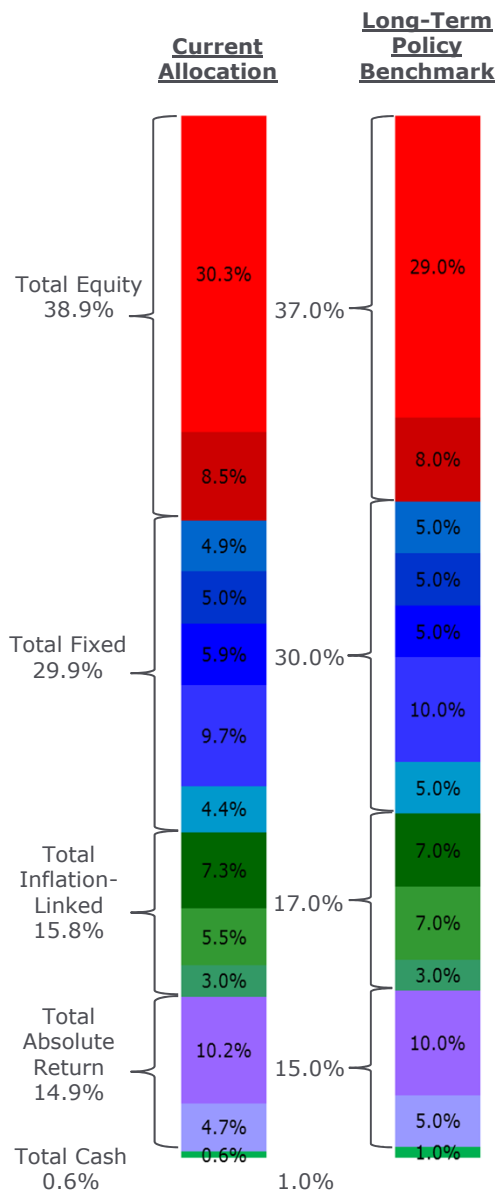
Market Value History
 Since NEPC began tracking performance, April 1, 2008 thru June 30, 2013



Sources of Portfolio Growth	Last Three Months	Year-To-Date	One Year	Three Years	Inception Date
Beginning Market Value	\$2,937,371,855	\$2,901,575,300	\$2,654,365,686	\$2,306,035,512	\$2,583,363,926
Net Additions/Withdrawals	-\$43,135,855	-\$84,655,663	-\$58,417,286	-\$137,760,423	-\$246,258,038
Investment Earnings	-\$31,348,324	\$45,968,039	\$266,939,276	\$694,612,587	\$525,781,789
Ending Market Value	\$2,862,887,676	\$2,862,887,676	\$2,862,887,676	\$2,862,887,676	\$2,862,887,676

City of San Jose Police and Fire Department Retirement Plan

Total Fund Asset Allocation vs. Policy Targets



	Current Mkt Value	Current Allocation	Long-Term Policy Benchmark ¹	Difference	Policy Range	Within Range
Public Equity	\$868,498,675	30.3%	29.0%	1.3%		
Global Equity²	\$102,782,975	3.6%				
U.S. Equity³	\$355,334,871	12.4%				
U.S. Large Cap	\$249,537,306	8.7%				
U.S. Small Cap	\$105,791,942	3.7%				
Non-U.S. Equity⁴	\$410,380,829	14.3%				
Non-U.S. Developed Markets	\$287,431,234	10.0%				
Non-U.S. Emerging Markets	\$122,667,915	4.3%				
Private Equity	\$244,119,289	8.5%	8.0%	0.5%		
Total Equity	\$1,112,617,964	38.9%	37.0%	1.9%	25% - 50%	Yes
Fixed Income						
U.S. Core	\$139,823,924	4.9%	5.0%	-0.1%		
Non-U.S. Core	\$142,728,429	5.0%	5.0%	0.0%		
High Yield/Multi-Strat Corp. Credit ⁵	\$169,148,459	5.9%	5.0%	0.9%		
Opportunistic/Private Debt	\$277,875,503	9.7%	10.0%	-0.3%		
Emerging Market Debt	\$127,373,744	4.4%	5.0%	-0.6%		
Total Fixed Income	\$856,950,059	29.9%	30.0%	-0.1%	20% - 40%	Yes
Inflation-Linked Assets						
Real Estate	\$208,587,574	7.3%	7.0%	0.3%		
Commodities ⁶	\$156,927,969	5.5%	7.0%	-1.5%		
Illiquid Inflation-Linked Assets ⁶	\$85,789,752	3.0%	3.0%	0.0%		
Total Inflation-Linked Assets	\$451,305,295	15.8%	17.0%	-1.2%	12% - 25%	Yes
Absolute Return						
Hedge Funds	\$292,599,445	10.2%	10.0%	0.2%		
Global Asset Allocation	\$133,575,474	4.7%	5.0%	-0.3%		
Total Absolute Return	\$426,174,919	14.9%	15.0%	-0.1%	5% - 25%	Yes
Cash⁷	\$15,839,438	0.6%	1.0%	-0.4%	0% - 5%	Yes
Total	\$2,862,887,675	100.0%	100.0%	0.0%		

Please see appendix for details regarding footnotes.

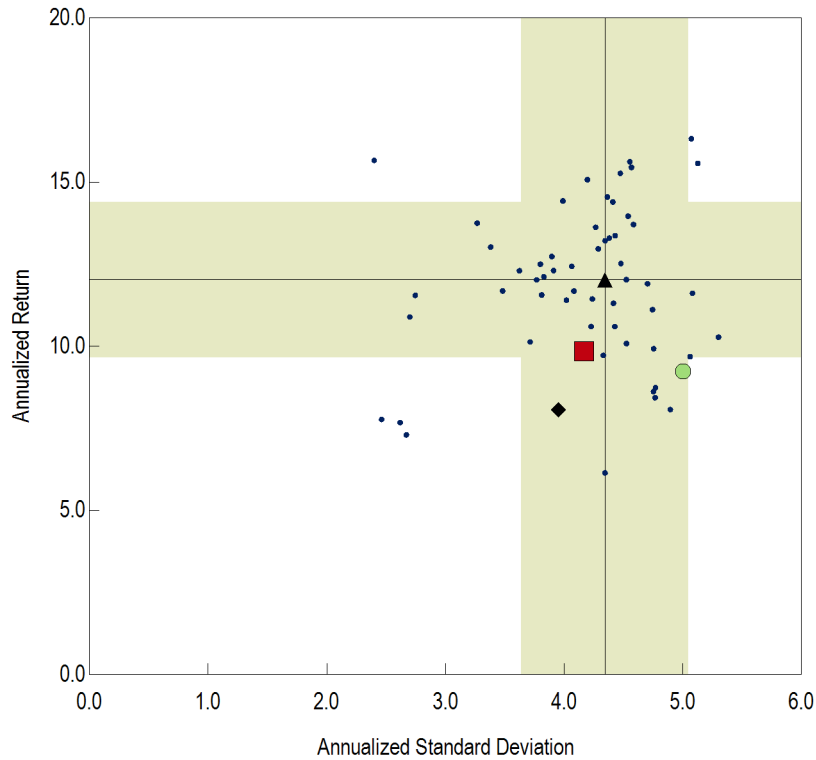
Note: Market values shown above include cash held in separately managed portfolios.

Totals may not add to 100% due to rounding.

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

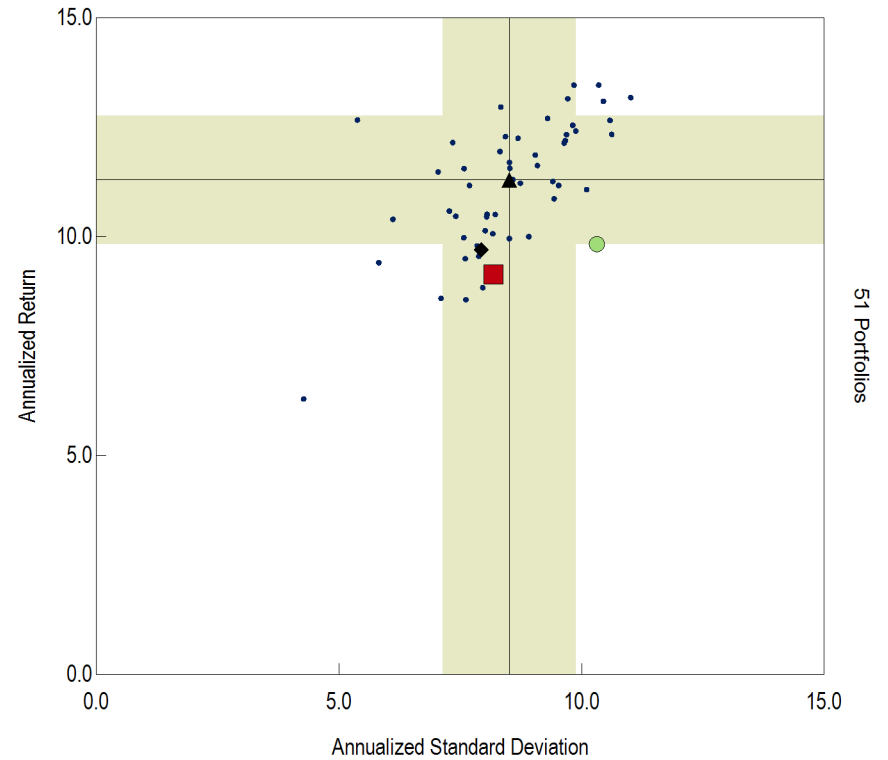
Total Fund Risk/Return

1 Year Ending June 30, 2013



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

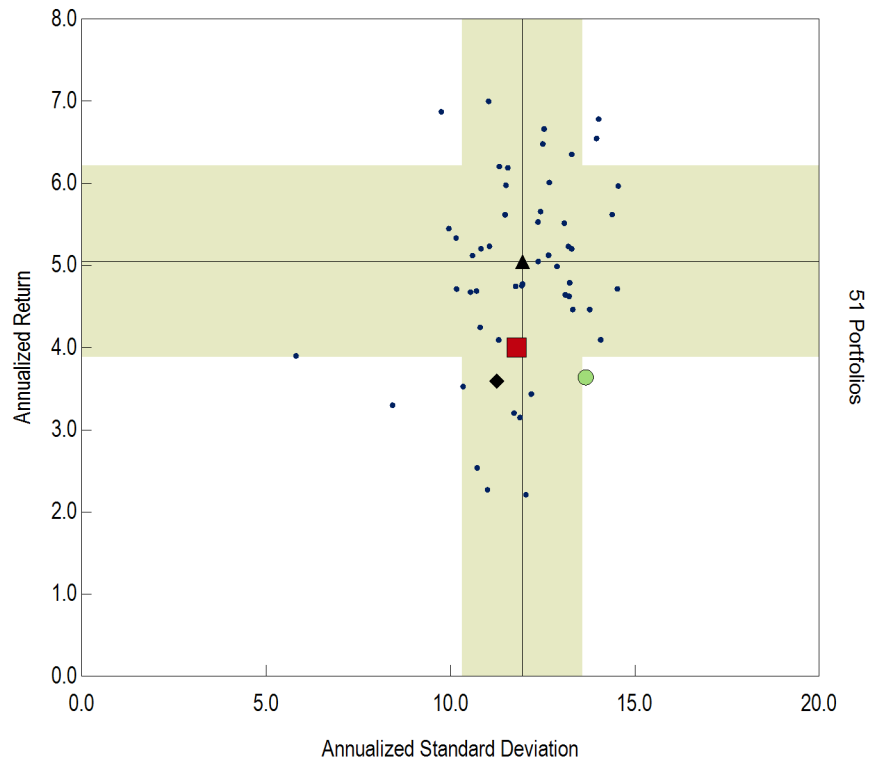
3 Years Ending June 30, 2013



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

Total Fund Risk/Return

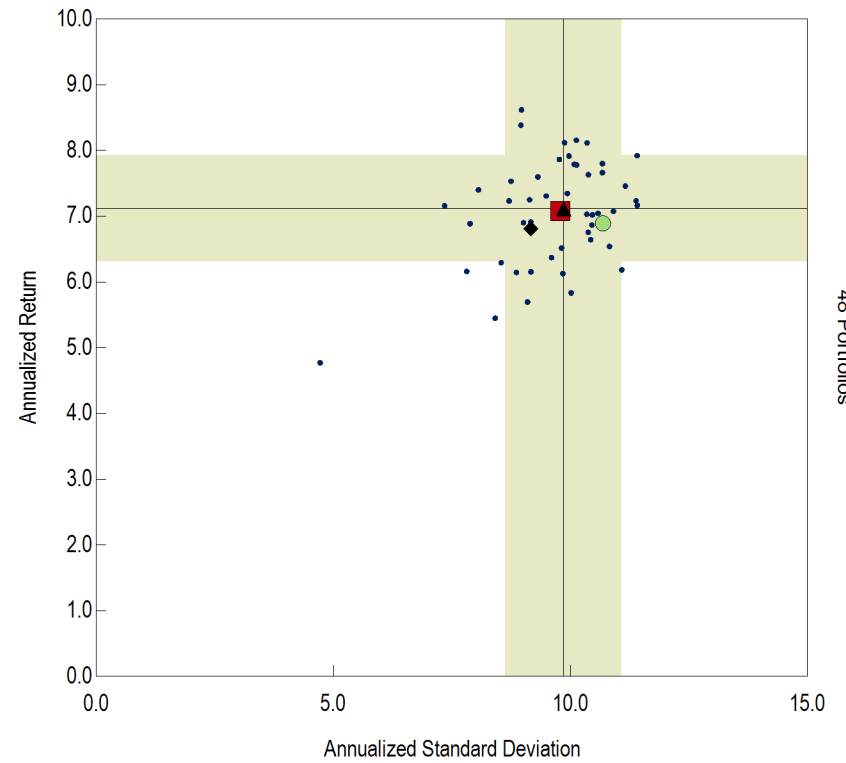
5 Years Ending June 30, 2013



51 Portfolios

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

10 Years Ending June 30, 2013



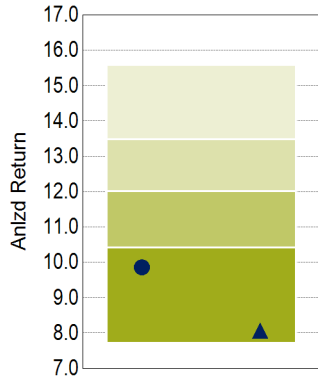
48 Portfolios

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

Total Fund Risk Statistics vs. Peer Universe

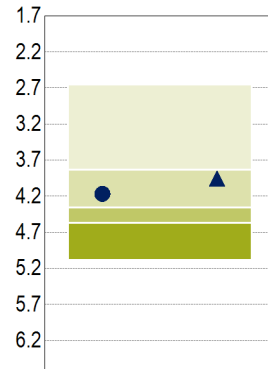
**Total Fund vs. IFx Public DB > \$1B Gross (USD)
1 Year**

Anlzd Return



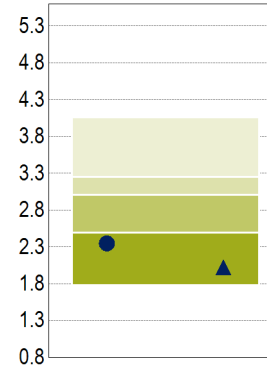
● Total Fund	
Value	9.9
%tile	83
▲ Policy Benchmark	
Value	8.1
%tile	93
Universe	
5th %tile	15.6
25th %tile	13.5
Median	12.0
75th %tile	10.4
95th %tile	7.7

Anlzd Standard Deviation



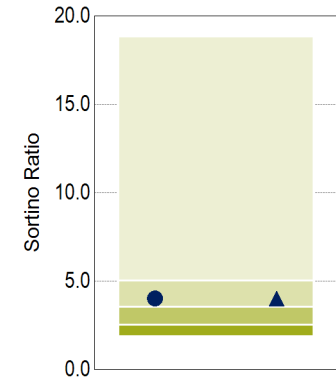
● Total Fund	
Value	4.2
%tile	39
▲ Policy Benchmark	
Value	4.0
%tile	31
Universe	
5th %tile	2.7
25th %tile	3.8
Median	4.3
75th %tile	4.6
95th %tile	5.1

Sharpe Ratio



● Total Fund	
Value	2.3
%tile	79
▲ Policy Benchmark	
Value	2.0
%tile	88
Universe	
5th %tile	4.1
25th %tile	3.3
Median	3.0
75th %tile	2.5
95th %tile	1.8

Sortino Ratio

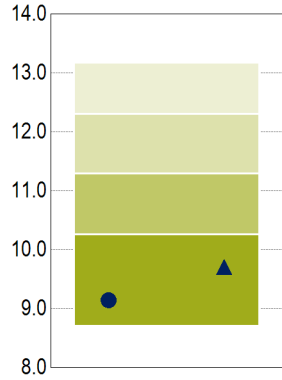


● Total Fund	
Value	4.0
%tile	40
▲ Policy Benchmark	
Value	4.0
%tile	40
Universe	
5th %tile	18.8
25th %tile	5.1
Median	3.6
75th %tile	2.6
95th %tile	1.9

Total Fund Risk Statistics vs. Peer Universe

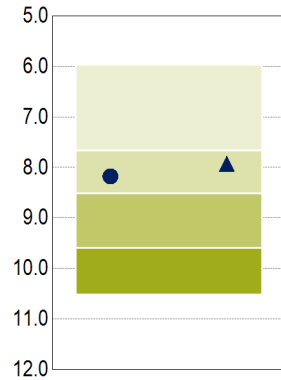
**Total Fund vs. IFx Public DB > \$1B Gross (USD)
3 Years**

Anlzd Return



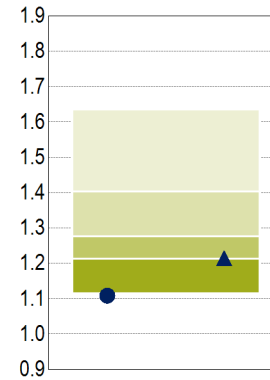
● Total Fund	
Value	9.1
%tile	93
▲ Policy Benchmark	
Value	9.7
%tile	87
Universe	
5th %tile	13.2
25th %tile	12.3
Median	11.3
75th %tile	10.3
95th %tile	8.7

Anlzd Standard Deviation



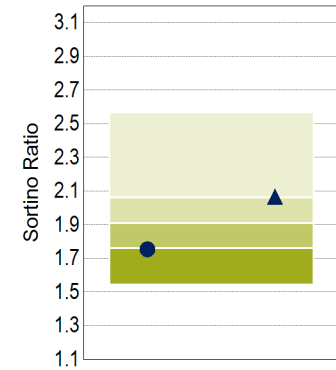
● Total Fund	
Value	8.2
%tile	41
▲ Policy Benchmark	
Value	7.9
%tile	32
Universe	
5th %tile	6.0
25th %tile	7.7
Median	8.5
75th %tile	9.6
95th %tile	10.5

Sharpe Ratio



● Total Fund	
Value	1.1
%tile	98
▲ Policy Benchmark	
Value	1.2
%tile	76
Universe	
5th %tile	1.6
25th %tile	1.4
Median	1.3
75th %tile	1.2
95th %tile	1.1

Sortino Ratio

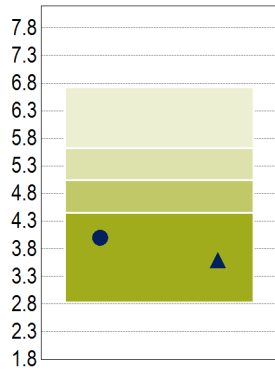


● Total Fund	
Value	1.8
%tile	79
▲ Policy Benchmark	
Value	2.1
%tile	25
Universe	
5th %tile	2.6
25th %tile	2.1
Median	1.9
75th %tile	1.8
95th %tile	1.5

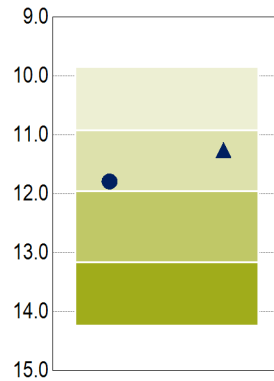
Total Fund Risk Statistics vs. Peer Universe

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

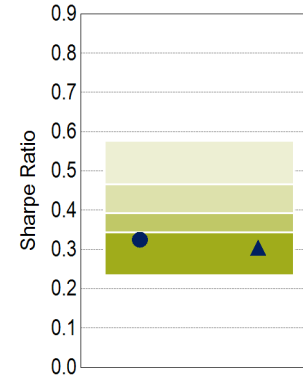
Anlzd Return



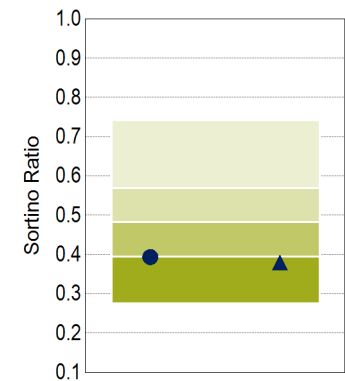
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	4.0
%tile	83
▲ Policy Benchmark	
Value	3.6
%tile	86
Universe	
5th %tile	6.7
25th %tile	5.6
Median	5.0
75th %tile	4.5
95th %tile	2.8

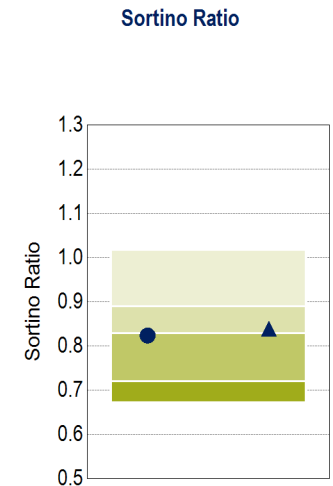
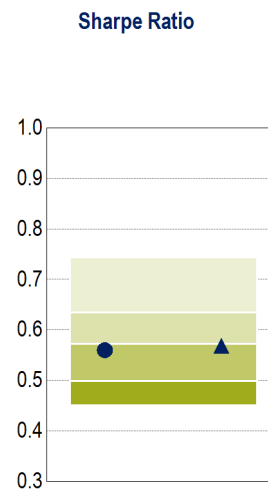
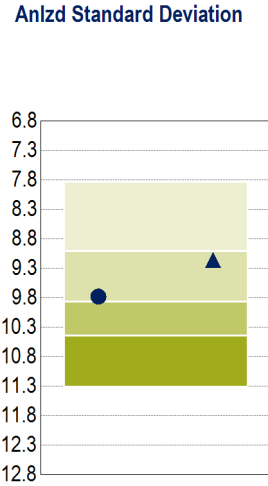
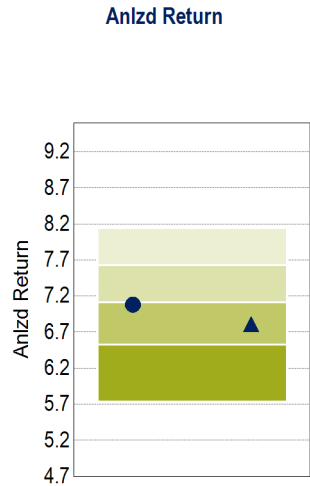
● Total Fund	
Value	11.8
%tile	45
▲ Policy Benchmark	
Value	11.3
%tile	32
Universe	
5th %tile	9.9
25th %tile	10.9
Median	12.0
75th %tile	13.2
95th %tile	14.2

● Total Fund	
Value	0.3
%tile	81
▲ Policy Benchmark	
Value	0.3
%tile	87
Universe	
5th %tile	0.6
25th %tile	0.5
Median	0.4
75th %tile	0.3
95th %tile	0.2

● Total Fund	
Value	0.4
%tile	76
▲ Policy Benchmark	
Value	0.4
%tile	83
Universe	
5th %tile	0.7
25th %tile	0.6
Median	0.5
75th %tile	0.4
95th %tile	0.3

Total Fund Risk Statistics vs. Peer Universe

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



● Total Fund	
Value	7.1
%tile	51
▲ Policy Benchmark	
Value	6.8
%tile	68
Universe	
5th %tile	8.1
25th %tile	7.6
Median	7.1
75th %tile	6.5
95th %tile	5.7

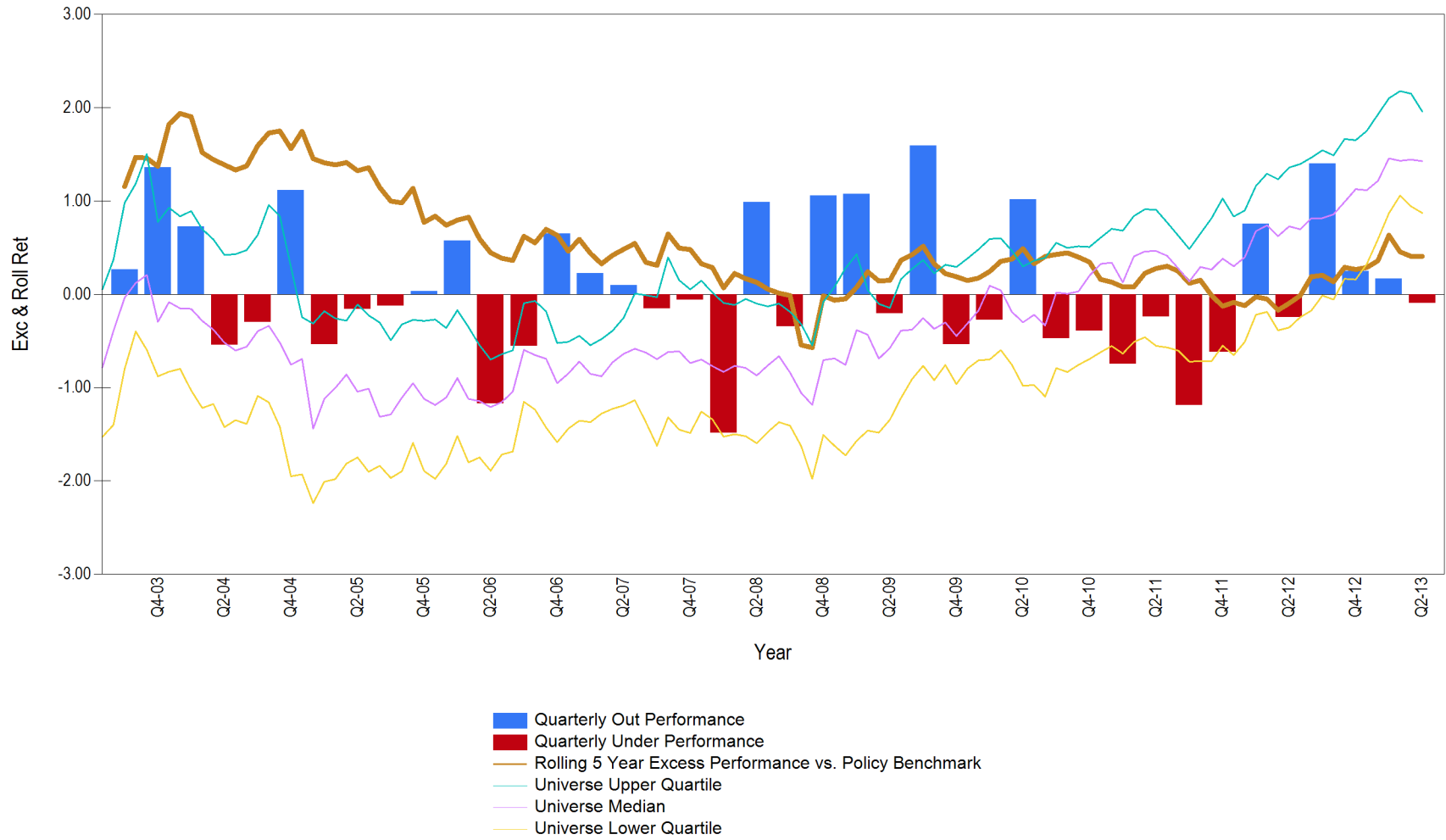
● Total Fund	
Value	9.8
%tile	46
▲ Policy Benchmark	
Value	9.2
%tile	35
Universe	
5th %tile	7.8
25th %tile	9.0
Median	9.9
75th %tile	10.4
95th %tile	11.3

● Total Fund	
Value	0.6
%tile	55
▲ Policy Benchmark	
Value	0.6
%tile	54
Universe	
5th %tile	0.7
25th %tile	0.6
Median	0.6
75th %tile	0.5
95th %tile	0.5

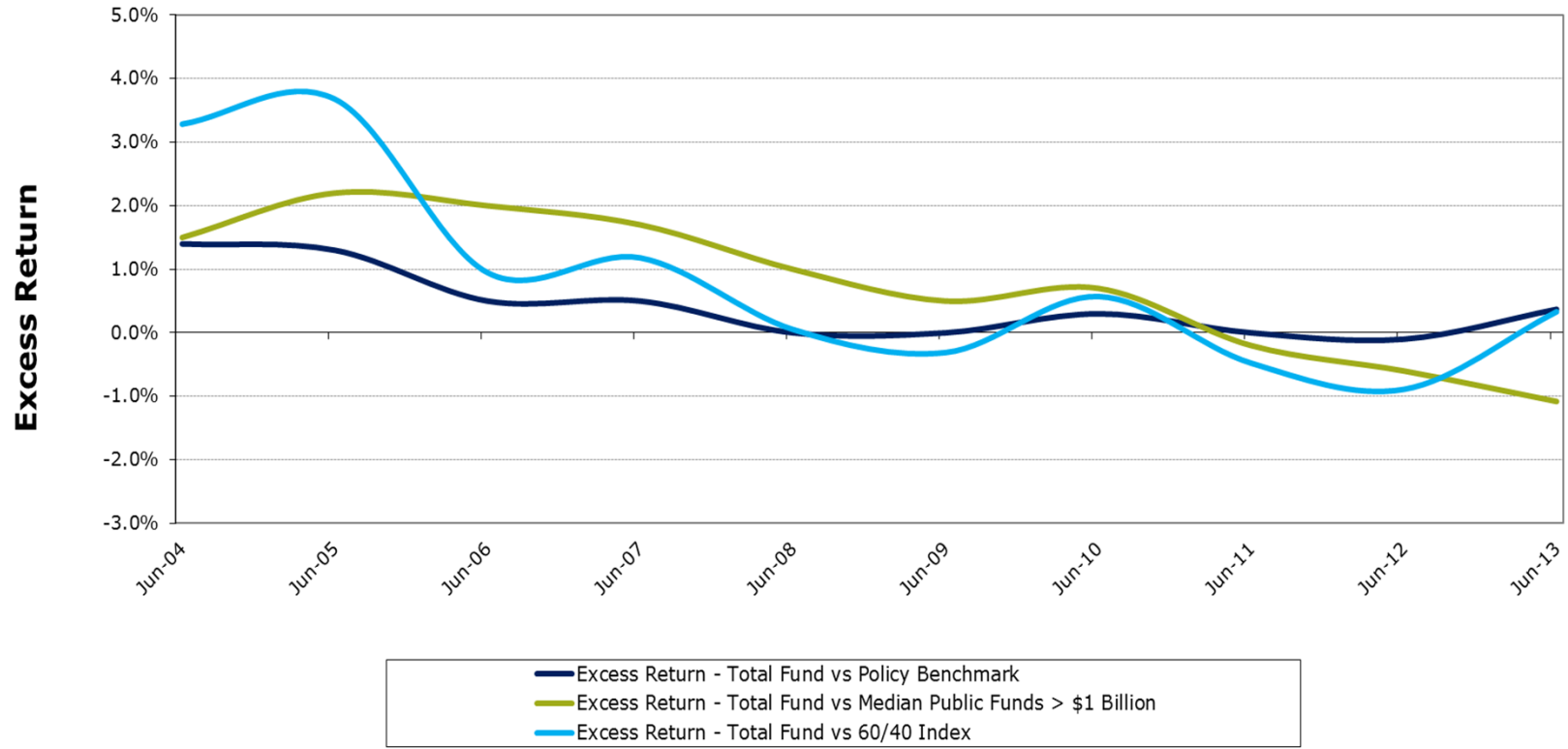
● Total Fund	
Value	0.8
%tile	53
▲ Policy Benchmark	
Value	0.8
%tile	46
Universe	
5th %tile	1.0
25th %tile	0.9
Median	0.8
75th %tile	0.7
95th %tile	0.7

Total Fund Rolling 5-Year Excess Returns

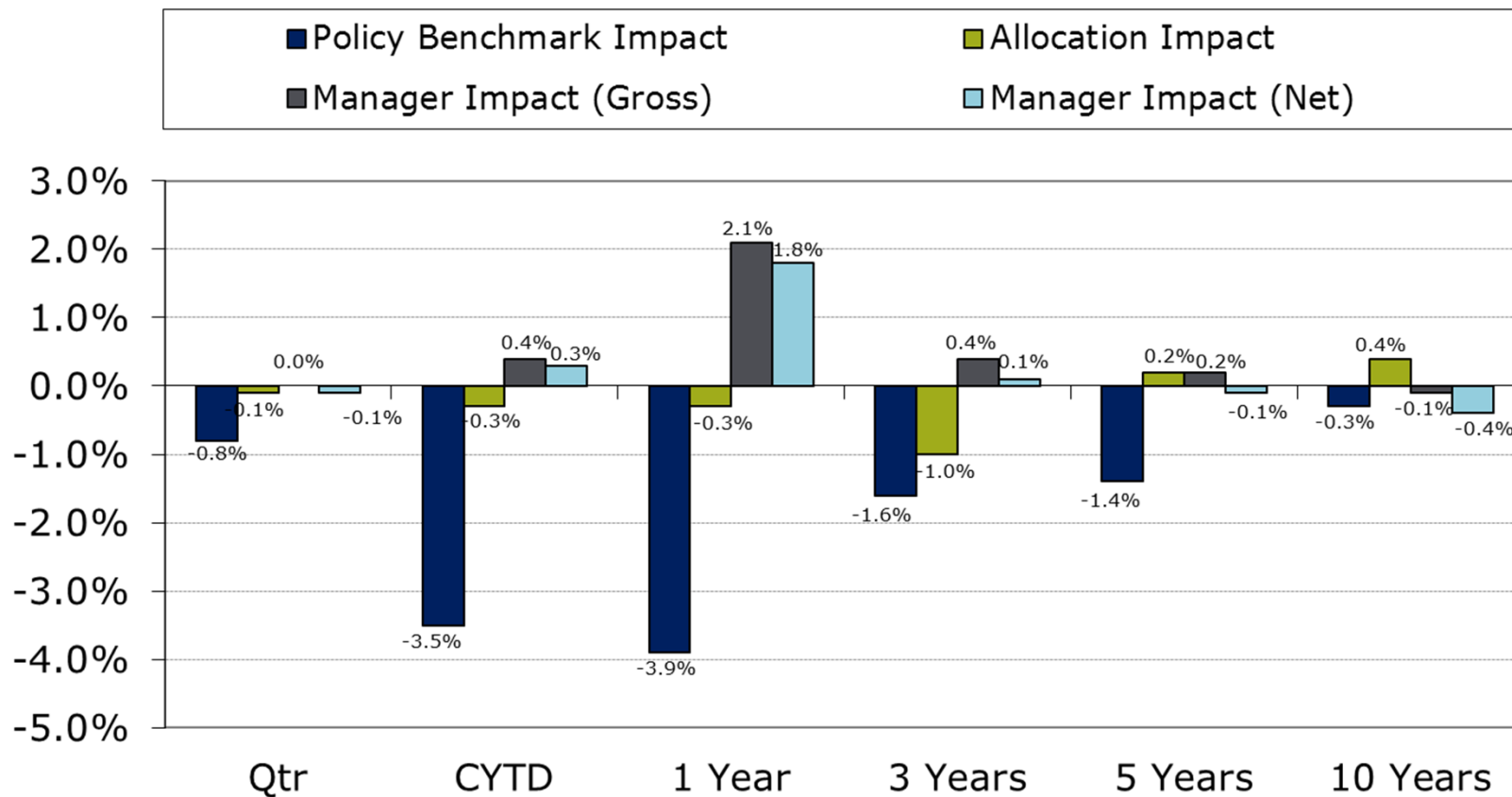
Annualized Excess Performance



Total Fund Rolling 5-Year Excess Returns



Total Fund Performance Attribution



Policy Impact: The policy index is calculated by multiplying the target asset class weights times the return of the respective passive benchmark (re-balanced monthly). The policy impact, which is the difference between the policy index and the median fund's performance, measures the effectiveness of Plan Structure.

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

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Equity Composite¹	868,498,675	30.3	-0.5	63	5.7	68	17.2	62	12.7	72	3.6	56	--	--	--	--	3.3	Apr-08
MSCI ACWI IMI (Net)			-0.5	63	6.4	64	17.1	62	12.6	72	2.8	67	3.8	73	8.0	83	2.4	Apr-08
Over/Under			0.0		-0.7		0.1		0.1		0.8						0.9	
eA All Global Equity Gross Median			0.3		7.9		18.6		14.3		3.9		4.7		9.6		3.7	Apr-08
Global Equity Composite²	102,782,975	3.6	2.3	17	--	--	--	--	--	--	--	--	--	--	--	--	5.0	Mar-13
MSCI ACWI IMI (Net)			-0.5	63	6.4	64	17.1	62	12.6	72	2.8	67	3.8	73	8.0	83	1.5	Mar-13
Over/Under			2.8														3.5	
eA All Global Equity Gross Median			0.3		7.9		18.6		14.3		3.9		4.7		9.6		2.6	Mar-13
Artisan Global Opportunities ³	48,916,667	1.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	-2.4	May-13
MSCI ACWI IMI (Net)			-0.5	63	6.4	64	17.1	62	12.6	72	2.8	67	3.8	73	8.0	83	-3.0	May-13
Over/Under																	0.6	
eA All Global Equity Gross Median			0.3		7.9		18.6		14.3		3.9		4.7		9.6		-2.3	May-13
Artisan Global Value ⁴	53,344,127	1.9	3.8	7	--	--	--	--	--	--	--	--	--	--	--	--	6.7	Mar-13
MSCI ACWI IMI (Net)			-0.5	63	6.4	64	17.1	62	12.6	72	2.8	67	3.8	73	8.0	83	1.5	Mar-13
Over/Under			4.3														5.2	
eA All Global Equity Gross Median			0.3		7.9		18.6		14.3		3.9		4.7		9.6		2.6	Mar-13
U.S. Equity Composite⁵	355,334,871	12.4	3.6	36	15.6	40	28.1	20	20.0	31	7.8	54	5.9	69	8.4	71	8.9	Jun-95
Russell 3000			2.7	55	14.1	58	21.5	59	18.6	52	7.2	65	5.8	71	7.8	80	8.5	Jun-95
Over/Under			0.9		1.5		6.6		1.4		0.6		0.1		0.6		0.4	
eA All US Equity Gross Median			2.9		14.6		22.8		18.7		8.1		6.7		9.7		10.4	Jun-95
Russell R1000 ⁶	249,537,306	8.7	2.7	54	13.9	46	--	--	--	--	--	--	--	--	--	--	13.9	Jan-13
Russell 1000			2.7	55	13.9	46	21.2	47	18.6	36	7.1	51	5.8	62	7.7	68	13.9	Jan-13
Over/Under			0.0		0.0												0.0	
eA US Large Cap Equity Gross Median			2.8		13.6		20.8		17.9		7.2		6.3		8.3		13.6	Jan-13
RS Investments	105,791,942	3.7	5.7	9	19.7	13	36.4	6	--	--	--	--	--	--	--	--	19.0	Aug-10
Russell 2000 Value			2.5	61	14.4	67	24.8	67	17.3	76	8.6	79	4.6	91	9.3	94	15.1	Aug-10
Over/Under			3.2		5.3		11.6										3.9	
eA US Small Cap Value Equity Gross Median			2.9		15.7		26.9		19.2		10.5		7.5		11.7		17.2	Aug-10
International Equity Composite⁷	410,380,829	14.4	-4.3	89	-2.2	93	10.5	96	7.0	99	-0.2	78	2.9	73	9.7	77	9.3	Jun-95
MSCI AC WORLD ex US (NET)			-3.1	71	0.0	81	13.6	80	8.0	94	-0.8	91	2.2	89	8.6	96	--	Jun-95
Over/Under			-1.2		-2.2		-3.1		-1.0		0.6		0.7		1.1			
eA ACWI ex-US All Cap Equity Gross Median			-1.7		2.8		16.7		11.3		1.4		3.7		10.6		8.7	Jun-95

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Developed International Equity Composite¹	287,712,914	10.0	-1.8	79	2.9	77	17.2	80	10.9	71	1.2	50	3.2	45	9.4	46	8.4	Jun-95
MSCI EAFE (Net)			-1.0	65	4.1	66	18.6	66	10.0	80	-0.6	83	1.4	85	7.7	88	4.7	Jun-95
Over/Under			-0.8		-1.2		-1.4		0.9		1.8		1.8		1.7		3.7	
eA All EAFE Equity Gross Median			-0.3		5.3		20.2		12.1		1.1		2.9		9.2		7.4	Jun-95
Russell MSCI EAFE + CAD ²	229,010,204	8.0	-1.4	71	3.4	75	--	--	--	--	--	--	--	--	--	--	3.4	Jan-13
MSCI EAFE + CAD			-2.7	88	1.2	87	13.7	93	6.2	97	-3.7	97	-1.3	99	5.1	99	1.2	Jan-13
Over/Under			1.3		2.2												2.2	
eA All EAFE Equity Gross Median			-0.3		5.3		20.2		12.1		1.1		2.9		9.2		5.3	Jan-13
Russell MSCI EAFE + CAD Small Cap	58,421,030	2.0	-3.4	95	0.7	99	18.4	91	--	--	--	--	--	--	--	--	13.2	Dec-11
MSCI EAFE + CAD Small Cap			-3.5	96	3.5	93	17.8	92	10.8	99	2.1	81	2.1	92	10.3	93	11.7	Dec-11
Over/Under			0.1		-2.8		0.6										1.5	
eA EAFE Small Cap Equity Gross Median			-1.1		8.0		24.9		15.4		4.0		5.1		12.7		18.6	Dec-11
Emerging Markets Equity Composite	122,667,915	4.3	-9.8	88	-12.9	95	-1.0	95	0.4	92	-1.4	78	4.6	87	12.7	95	12.9	Sep-01
MSCI Emg Mkts Free (Net)			-8.1	61	-9.6	75	2.9	79	3.4	72	-0.4	67	5.8	68	13.7	76	12.9	Sep-01
Over/Under			-1.7		-3.3		-3.9		-3.0		-1.0		-1.2		-1.0		0.0	
eA Emg Mkts Equity Gross Median			-7.7		-7.3		6.2		5.5		0.8		6.9		15.3		14.3	Sep-01
Russell Emerging Markets	60,694,218	2.1	-10.1	91	-13.2	96	-1.4	95	--	--	--	--	--	--	--	--	-3.4	Nov-11
MSCI Emg Mkts Free (Net)			-8.1	61	-9.6	75	2.9	79	3.4	72	-0.4	67	5.8	68	13.7	76	-0.8	Nov-11
Over/Under			-2.0		-3.6		-4.3										-2.6	
eA Emg Mkts Equity Gross Median			-7.7		-7.3		6.2		5.5		0.8		6.9		15.3		2.7	Nov-11
Aberdeen ³	1,973,697	0.1																
Vontobel ³	60,000,000	2.1																

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity Composite¹	244,119,289	8.5	3.9	--	10.0	--	13.6	--	12.0	--	6.9	--	8.9	--	--	--	9.0	Oct-05
Cambridge PE 1 Qtr Lag			4.5	--	8.1	--	12.8	--	15.1	--	7.5	--	10.7	--	15.7	--	12.6	Oct-05
Over/Under			-0.6		1.9		0.8		-3.1		-0.6		-1.8				-3.6	
Venture Economics All Private Equity Lag			4.9	--	8.4	--	12.7	--	13.7	--	3.8	--	8.7	--	13.7	--	11.0	Oct-05
Russell 3000 Qtr Lag			11.1	--	11.4	--	14.6	--	13.0	--	6.3	--	5.1	--	9.2	--	6.1	Oct-05
Total Fixed Income Composite²	856,950,059	29.9	-1.5	34	-0.4	32	6.7	13	8.1	18	8.9	18	--	--	--	--	8.3	Apr-08
Barclays Aggregate			-2.3	63	-2.4	75	-0.7	86	3.5	67	5.2	65	5.6	61	4.5	63	4.7	Apr-08
Over/Under			0.8		2.0		7.4		4.6		3.7						3.6	
eA All US Fixed Inc Gross Median			-1.9		-1.5		0.8		4.4		5.8		5.9		4.9		5.3	Apr-08
Domestic Core Fixed Income Composite	139,823,924	4.9	-2.4	51	-2.4	64	-0.4	80	4.6	36	5.8	65	5.6	83	5.0	52	6.0	Jun-95
Barclays Aggregate			-2.3	38	-2.4	66	-0.7	87	3.5	88	5.2	90	5.6	84	4.5	87	5.9	Jun-95
Over/Under			-0.1		0.0		0.3		1.1		0.6		0.0		0.5		0.1	
eA US Core Fixed Inc Gross Median			-2.4		-2.3		0.3		4.3		6.1		6.2		5.0		6.3	Jun-95
Seix Core Fixed Income	139,823,924	4.9	-2.4	51	-2.4	64	-0.4	80	4.6	36	6.7	22	6.7	21	5.5	18	6.4	Oct-99
Barclays Aggregate			-2.3	38	-2.4	66	-0.7	87	3.5	88	5.2	90	5.6	84	4.5	87	5.7	Oct-99
Over/Under			-0.1		0.0		0.3		1.1		1.5		1.1		1.0		0.7	
eA US Core Fixed Inc Gross Median			-2.4		-2.3		0.3		4.3		6.1		6.2		5.0		6.2	Oct-99

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Non-U.S. Core Fixed Income Composite	142,728,429	5.0	-2.5	66	-1.6	47	--	--	--	--	--	--	--	--	--	--	-1.6	Jan-13
<i>Barclays Global Aggregate ex US Hedged</i>			<i>-1.2</i>	<i>28</i>	<i>-0.2</i>	<i>25</i>	<i>3.3</i>	<i>50</i>	<i>3.4</i>	<i>90</i>	<i>4.8</i>	<i>68</i>	<i>4.5</i>	<i>86</i>	<i>4.1</i>	<i>93</i>	<i>-0.2</i>	<i>Jan-13</i>
Over/Under			<i>-1.3</i>		<i>-1.4</i>												<i>-1.4</i>	
<i>eA Global Fixed Inc Hedged Gross Median</i>			<i>-2.0</i>		<i>-1.8</i>		<i>3.2</i>		<i>5.5</i>		<i>5.7</i>		<i>5.9</i>		<i>5.7</i>		<i>-1.8</i>	<i>Jan-13</i>
Russell BC Global Agg ex-U.S. ¹	142,728,429	5.0	-2.5	66	-1.6	47	--	--	--	--	--	--	--	--	--	--	-1.6	Jan-13
<i>Barclays Global Aggregate ex US Hedged</i>			<i>-1.2</i>	<i>28</i>	<i>-0.2</i>	<i>25</i>	<i>3.3</i>	<i>50</i>	<i>3.4</i>	<i>90</i>	<i>4.8</i>	<i>68</i>	<i>4.5</i>	<i>86</i>	<i>4.1</i>	<i>93</i>	<i>-0.2</i>	<i>Jan-13</i>
Over/Under			<i>-1.3</i>		<i>-1.4</i>												<i>-1.4</i>	
<i>eA Global Fixed Inc Hedged Gross Median</i>			<i>-2.0</i>		<i>-1.8</i>		<i>3.2</i>		<i>5.5</i>		<i>5.7</i>		<i>5.9</i>		<i>5.7</i>		<i>-1.8</i>	<i>Jan-13</i>
Total Credit Composite^{2,6}	447,023,962	15.6	0.4	--	3.5	--	23.7	--	13.5	--	11.6	--	--	--	--	--	11.6	Jul-08
<i>50% Credit Suisse Leveraged Loan Index /</i>																		
<i>50% BofA ML US HY BB-B Rated</i>			<i>-0.6</i>	<i>--</i>	<i>1.8</i>	<i>--</i>	<i>8.1</i>	<i>--</i>	<i>8.4</i>	<i>--</i>	<i>7.6</i>	<i>--</i>	<i>6.4</i>	<i>--</i>	<i>6.6</i>	<i>--</i>	<i>7.6</i>	<i>Jul-08</i>
Constrained Index																		
Over/Under			<i>1.0</i>		<i>1.7</i>		<i>15.6</i>		<i>5.1</i>		<i>4.0</i>						<i>4.0</i>	
Domestic Credit Composite²	169,148,459	5.9	-2.2	--	-0.1	--	4.6	--	6.9	--	--	--	--	--	--	--	9.2	Apr-09
<i>Blended Domestic Credit Index³</i>			<i>-1.4</i>	<i>--</i>	<i>1.4</i>	<i>--</i>	<i>8.2</i>	<i>--</i>	<i>8.5</i>	<i>--</i>	<i>7.7</i>	<i>--</i>	<i>6.4</i>	<i>--</i>	<i>6.6</i>	<i>--</i>	<i>15.0</i>	<i>Apr-09</i>
Over/Under			<i>-0.8</i>		<i>-1.5</i>		<i>-3.6</i>		<i>-1.6</i>								<i>-5.8</i>	
Russell BC High Yield ⁴	169,143,990	5.9	-2.2	--	-0.1	--	--	--	--	--	--	--	--	--	--	--	-0.1	Jan-13
<i>Barclays High Yield</i>			<i>-1.4</i>	<i>--</i>	<i>1.4</i>	<i>--</i>	<i>9.5</i>	<i>--</i>	<i>10.7</i>	<i>--</i>	<i>10.9</i>	<i>--</i>	<i>9.0</i>	<i>--</i>	<i>8.9</i>	<i>--</i>	<i>1.4</i>	<i>Jan-13</i>
Over/Under			<i>-0.8</i>		<i>-1.5</i>												<i>-1.5</i>	
Opportunistic Credit Composite⁶	277,875,503	9.7	2.0	--	5.7	--	31.9	--	15.6	--	16.6	--	--	--	--	--	16.6	Jul-08
<i>50% Credit Suisse Leveraged Loan Index /</i>																		
<i>50% BofA ML US HY BB-B Rated</i>			<i>-0.6</i>	<i>--</i>	<i>1.8</i>	<i>--</i>	<i>8.1</i>	<i>--</i>	<i>8.4</i>	<i>--</i>	<i>7.6</i>	<i>--</i>	<i>6.4</i>	<i>--</i>	<i>6.6</i>	<i>--</i>	<i>7.6</i>	<i>Jul-08</i>
Constrained Index																		
Over/Under			<i>2.6</i>		<i>3.9</i>		<i>23.8</i>		<i>7.2</i>		<i>9.0</i>						<i>9.0</i>	
Pimco Disco II	152,694,484	5.3	1.0	--	6.3	--	34.3	--	--	--	--	--	--	--	--	--	30.9	Nov-11
<i>BofA Merrill Lynch US High Yield BB-B</i>			<i>-1.6</i>	<i>--</i>	<i>0.8</i>	<i>--</i>	<i>8.5</i>	<i>--</i>	<i>10.0</i>	<i>--</i>	<i>9.4</i>	<i>--</i>	<i>8.1</i>	<i>--</i>	<i>7.9</i>	<i>--</i>	<i>9.4</i>	<i>Nov-11</i>
Rated Constrained Index																		
Over/Under			<i>2.6</i>		<i>5.5</i>		<i>25.8</i>										<i>21.5</i>	
Marathon ⁵	18,555,608	0.6	1.2	--	5.0	--	--	--	--	--	--	--	--	--	--	--	9.3	Oct-12
<i>BofA ML Euro HY Constrained</i>			<i>1.8</i>	<i>--</i>	<i>0.7</i>	<i>--</i>	<i>19.4</i>	<i>--</i>	<i>13.5</i>	<i>--</i>	<i>8.1</i>	<i>--</i>	<i>8.8</i>	<i>--</i>	<i>10.5</i>	<i>--</i>	<i>9.8</i>	<i>Oct-12</i>
Over/Under			<i>-0.6</i>		<i>4.3</i>												<i>-0.5</i>	

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Direct Lending Composite¹	106,625,411	3.7	3.6	--	5.4	--	16.4	--	--	--	--	--	--	--	--	--	8.3	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Nov-10
Over/Under			2.3		2.8		11.0										2.9	
White Oak	42,039,623	1.5	1.8	--	4.8	--	15.5	--	--	--	--	--	--	--	--	--	5.5	Nov-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Nov-10
Over/Under			0.5		2.2		10.1										0.1	
GSO	33,458,018	1.2	5.5	--	7.3	--	17.7	--	--	--	--	--	--	--	--	--	20.0	Dec-10
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Dec-10
Over/Under			4.2		4.7		12.3										14.6	
Medley Capital	31,127,770	1.1	4.3	--	4.3	--	17.0	--	--	--	--	--	--	--	--	--	7.0	Mar-11
3 Months LIBOR + 5%			<u>1.3</u>	--	<u>2.6</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>5.7</u>	--	<u>6.9</u>	--	<u>7.2</u>	--	<u>5.4</u>	Mar-11
Over/Under			3.0		1.7		11.6										1.6	
Emerging Market Debt Composite	127,373,744	4.4	-5.8	36	-9.2	97	--	--	--	--	--	--	--	--	--	--	-9.2	Jan-13
JP Morgan EMBI+ TR			<u>-6.3</u>	49	<u>-9.4</u>	98	<u>0.1</u>	95	<u>7.5</u>	54	<u>8.4</u>	50	<u>8.4</u>	76	<u>8.9</u>	84	<u>-9.4</u>	Jan-13
Over/Under			0.5		0.2												0.2	
eA All Emg Mkts Fixed Inc Gross Median			-6.3		-7.2		3.0		7.7		8.3		9.3		10.1		-7.2	Jan-13
Russell JPM EMBI Plus ²	127,373,744	4.4	-5.8	36	-9.2	97	--	--	--	--	--	--	--	--	--	--	-9.2	Jan-13
JP Morgan EMBI+ TR			<u>-6.3</u>	49	<u>-9.4</u>	98	<u>0.1</u>	95	<u>7.5</u>	54	<u>8.4</u>	50	<u>8.4</u>	76	<u>8.9</u>	84	<u>-9.4</u>	Jan-13
Over/Under			0.5		0.2												0.2	
eA All Emg Mkts Fixed Inc Gross Median			-6.3		-7.2		3.0		7.7		8.3		9.3		10.1		-7.2	Jan-13

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate Composite¹	208,587,574	7.3	2.0	--	4.8	--	10.1	--	10.8	--	3.7	--	6.0	--	6.6	--	8.1	Jun-95
NCREIF Property Index			2.9	--	5.5	--	10.7	--	13.1	--	2.8	--	5.6	--	8.6	--	9.6	Jun-95
Over/Under			-0.9		-0.7		-0.6		-2.3		0.9		0.4		-2.0		-1.5	
American Realty/Kennedy Combined	20,157,064	0.7	4.0	--	7.4	--	15.9	--	12.8	--	7.2	--	9.1	--	--	--	10.0	Oct-03
NCREIF Property Index			2.9	--	5.5	--	10.7	--	13.1	--	2.8	--	5.6	--	8.6	--	8.6	Oct-03
Over/Under			1.1		1.9		5.2		-0.3		4.4		3.5				1.4	
American Realty Core Realty Fund	112,470,795	3.9	3.4	--	5.9	--	11.4	--	--	--	--	--	--	--	--	--	11.6	Sep-11
NCREIF Property Index			2.9	--	5.5	--	10.7	--	13.1	--	2.8	--	5.6	--	8.6	--	12.5	Sep-11
Over/Under			0.5		0.4		0.7										-0.9	
TA Realty ²	2,013,786	0.1	0.7	--	--	--	--	--	--	--	--	--	--	--	--	--	0.7	Mar-13
NCREIF Property Index			2.9	--	5.5	--	10.7	--	13.1	--	2.8	--	5.6	--	8.6	--	5.5	Mar-13
Over/Under			-2.2														-4.8	
Russell Real Estate	73,945,929	2.6	-0.6	--	2.6	--	--	--	--	--	--	--	--	--	--	--	3.1	Dec-12
50% MSCI ACWI (Net) / 50% BC Global Aggregate			-1.6	--	0.5	--	6.9	--	8.1	--	3.4	--	4.7	--	6.5	--	1.5	Dec-12
Over/Under			1.0		2.1												1.6	
Inflation-Linked Assets Composite	242,717,721	8.5	-8.8	--	-13.2	--	-10.3	--	0.3	--	--	--	--	--	--	--	-2.5	Jan-10
Custom Commodity Risk Parity Index			-7.5	--	-11.4	--	-7.8	--	--	--	--	--	--	--	--	--	--	Jan-10
Over/Under			-1.3		-1.8		-2.5											
Dow Jones-UBS Commodity Index TR			-9.5	--	-10.5	--	-8.0	--	-0.3	--	-11.6	--	-3.4	--	2.4	--	-3.1	Jan-10
Credit Suisse	196,430,634	6.9	-7.4	--	-11.3	--	-7.1	--	--	--	--	--	--	--	--	--	-9.5	Apr-11
Custom Commodity Risk Parity Index			-7.5	--	-11.4	--	-7.8	--	--	--	--	--	--	--	--	--	-9.9	Apr-11
Over/Under			0.1		0.1		0.7										0.4	
Dow Jones-UBS Commodity Index TR			-9.5	--	-10.5	--	-8.0	--	-0.3	--	-11.6	--	-3.4	--	2.4	--	-12.8	Apr-11
First Quadrant	46,287,086	1.6	-11.7	--	-16.5	--	-15.1	--	--	--	--	--	--	--	--	--	-14.3	Apr-11
Custom Commodity Risk Parity Index			-7.5	--	-11.4	--	-7.8	--	--	--	--	--	--	--	--	--	-9.9	Apr-11
Over/Under			-4.2		-5.1		-7.3										-4.4	
Dow Jones-UBS Commodity Index TR			-9.5	--	-10.5	--	-8.0	--	-0.3	--	-11.6	--	-3.4	--	2.4	--	-12.8	Apr-11

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Hedge Fund Composite	292,599,445	10.2	-1.0	--	0.5	--	--	--	--	--	--	--	--	--	--	--	1.0	Dec-12
<i>San Jose Custom Hedge Fund Index¹</i>			<u>-0.3</u>	--	<u>0.9</u>	--	--	--	--	--	--	--	--	--	--	--	<u>1.2</u>	<i>Dec-12</i>
Over/Under			-0.7		-0.4												-0.2	
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	4.6	<i>Dec-12</i>
Russell Hedge Funds	126,443,216	4.4	-0.3	--	0.3	--	--	--	--	--	--	--	--	--	--	--	0.6	Dec-12
<i>Russell Hedge Index²</i>			<u>-0.5</u>	--	<u>0.2</u>	--	<u>2.1</u>	--	<u>2.5</u>	--	<u>1.3</u>	--	<u>2.4</u>	--	<u>3.2</u>	--	<u>0.5</u>	<i>Dec-12</i>
Over/Under			0.2		0.1												0.1	
Total Hedge Fund Composite ex-Interim	166,156,229	5.8	-1.6	--	2.6	--	--	--	--	--	--	--	--	--	--	--	2.6	Dec-12
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	3.4	<i>Dec-12</i>
Over/Under			-1.6		-0.8												-0.8	
Amici	9,759,521	0.3	-4.1	--	--	--	--	--	--	--	--	--	--	--	--	--	-2.4	Mar-13
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	0.9	<i>Mar-13</i>
Over/Under			-4.1														-3.3	
Arrowgrass	21,496,661	0.8	2.0	--	5.4	--	--	--	--	--	--	--	--	--	--	--	7.5	Nov-12
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	5.0	<i>Nov-12</i>
Over/Under			2.0		2.0												2.5	
BlackRock	9,936,372	0.3	-2.8	--	--	--	--	--	--	--	--	--	--	--	--	--	-0.6	Mar-13
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	0.9	<i>Mar-13</i>
Over/Under			-2.8														-1.5	
BlueTrend	8,525,425	0.3	-14.7	--	--	--	--	--	--	--	--	--	--	--	--	--	-14.7	Apr-13
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	0.0	<i>Apr-13</i>
Over/Under			-14.7														-14.7	
Brevan Howard	20,489,173	0.7	-1.0	--	1.1	--	--	--	--	--	--	--	--	--	--	--	2.4	Dec-12
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	4.6	<i>Dec-12</i>
Over/Under			-1.0		-2.3												-2.2	
Cantab	8,233,031	0.3	-17.7	--	--	--	--	--	--	--	--	--	--	--	--	--	-17.7	Apr-13
<i>HFRI.FOF.Comp</i>			0.0	--	3.4	--	7.3	--	3.0	--	-0.6	--	1.4	--	3.4	--	0.0	<i>Apr-13</i>
Over/Under			-17.7														-17.7	

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Davidson Kempner	20,806,521	0.7	2.2	--	4.0	--	--	--	--	--	--	--	--	--	--	--	4.0	Feb-13
HFRI.FOF.Comp			<u>0.0</u>	--	<u>3.4</u>	--	<u>7.3</u>	--	<u>3.0</u>	--	<u>-0.6</u>	--	<u>1.4</u>	--	<u>3.4</u>	--	<u>1.2</u>	Feb-13
Over/Under			2.2		0.6												2.8	
DE Shaw	20,778,184	0.7	3.9	--	--	--	--	--	--	--	--	--	--	--	--	--	3.9	Apr-13
HFRI.FOF.Comp			<u>0.0</u>	--	<u>3.4</u>	--	<u>7.3</u>	--	<u>3.0</u>	--	<u>-0.6</u>	--	<u>1.4</u>	--	<u>3.4</u>	--	<u>0.0</u>	Apr-13
Over/Under			3.9														3.9	
Kepos	4,503,545	0.2	-12.4	--	--	--	--	--	--	--	--	--	--	--	--	--	-9.9	Mar-13
HFRI.FOF.Comp			<u>0.0</u>	--	<u>3.4</u>	--	<u>7.3</u>	--	<u>3.0</u>	--	<u>-0.6</u>	--	<u>1.4</u>	--	<u>3.4</u>	--	<u>0.9</u>	Mar-13
Over/Under			-12.4														-10.8	
Pine River	21,408,238	0.7	0.6	--	7.0	--	--	--	--	--	--	--	--	--	--	--	7.0	Jan-13
HFRI.FOF.Comp			<u>0.0</u>	--	<u>3.4</u>	--	<u>7.3</u>	--	<u>3.0</u>	--	<u>-0.6</u>	--	<u>1.4</u>	--	<u>3.4</u>	--	<u>3.4</u>	Jan-13
Over/Under			0.6		3.6												3.6	
Sandler	9,871,030	0.3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	-1.3	May-13
HFRI.FOF.Comp			<u>0.0</u>	--	<u>3.4</u>	--	<u>7.3</u>	--	<u>3.0</u>	--	<u>-0.6</u>	--	<u>1.4</u>	--	<u>3.4</u>	--	<u>-0.8</u>	May-13
Over/Under																	-0.5	
Senator	10,348,528	0.4	3.5	--	--	--	--	--	--	--	--	--	--	--	--	--	3.5	Apr-13
HFRI.FOF.Comp			<u>0.0</u>	--	<u>3.4</u>	--	<u>7.3</u>	--	<u>3.0</u>	--	<u>-0.6</u>	--	<u>1.4</u>	--	<u>3.4</u>	--	<u>0.0</u>	Apr-13
Over/Under			3.5														3.5	

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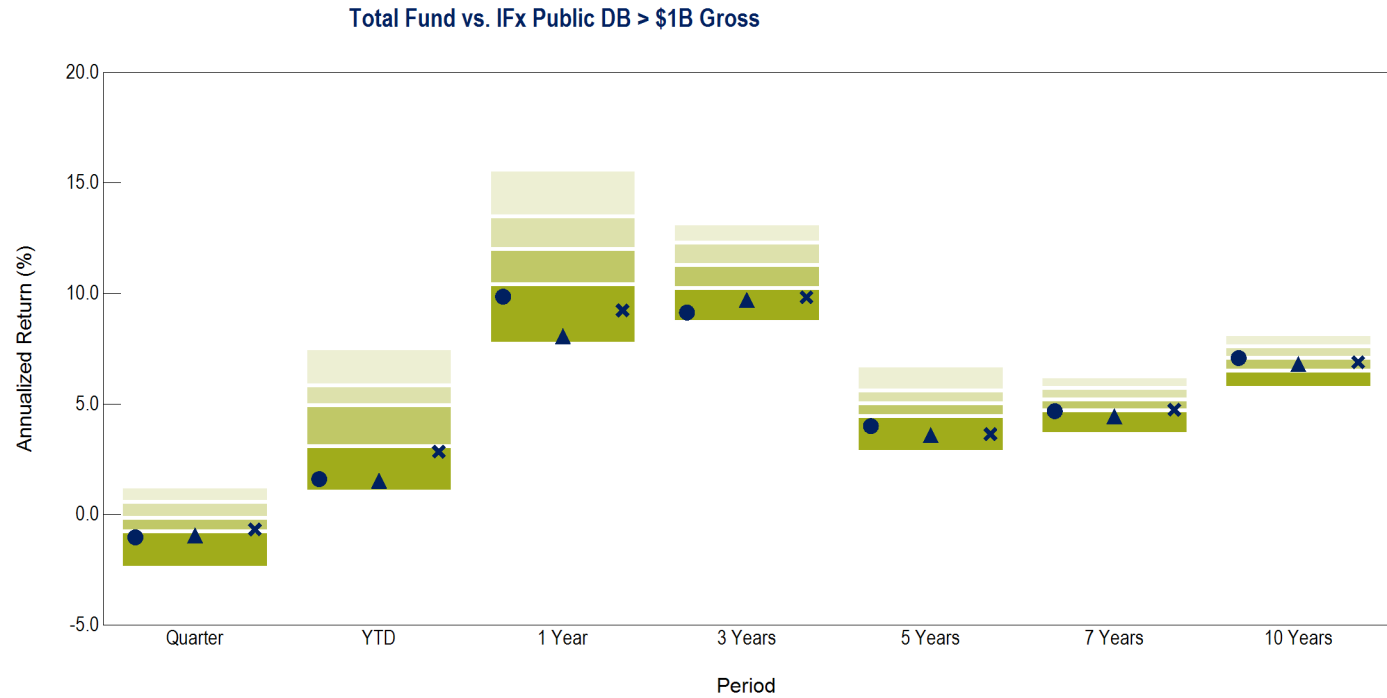
City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total GAA Composite	133,575,475	4.7	-1.9	--	1.5	--	--	--	--	--	--	--	--	--	--	--	1.5	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			-0.8	--	2.6	--	8.9	--	9.5	--	3.3	--	4.4	--	6.5	--	2.6	Jan-13
Over/Under			-1.1		-1.1												-1.1	
GMO ¹	45,933,049	1.6	0.2	--	--	--	--	--	--	--	--	--	--	--	--	--	1.9	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			-0.8	--	2.6	--	8.9	--	9.5	--	3.3	--	4.4	--	6.5	--	0.1	Feb-13
Over/Under			1.0														1.8	
PIMCO All Asset	41,836,808	1.5	-5.7	--	--	--	--	--	--	--	--	--	--	--	--	--	-6.5	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			-0.8	--	2.6	--	8.9	--	9.5	--	3.3	--	4.4	--	6.5	--	0.1	Feb-13
Over/Under			-4.9														-6.6	
Standard Life GARS	45,805,617	1.6	-0.1	--	--	--	--	--	--	--	--	--	--	--	--	--	2.2	Feb-13
60% MSCI World (Net) / 40% CITI WGBI			-0.8	--	2.6	--	8.9	--	9.5	--	3.3	--	4.4	--	6.5	--	0.1	Feb-13
Over/Under			0.7														2.1	
Cash																		
Cash ²	16,746,184	0.6	0.0	--	0.1	--	0.1	--	0.3	--	0.9	--	--	--	--	--	--	Jul-02
91 Day T-Bills			0.0	--	0.0	--	0.1	--	0.1	--	0.2	--	1.2	--	1.6	--	1.6	Jul-02
Over/Under			0.0		0.1		0.0		0.2		0.7							

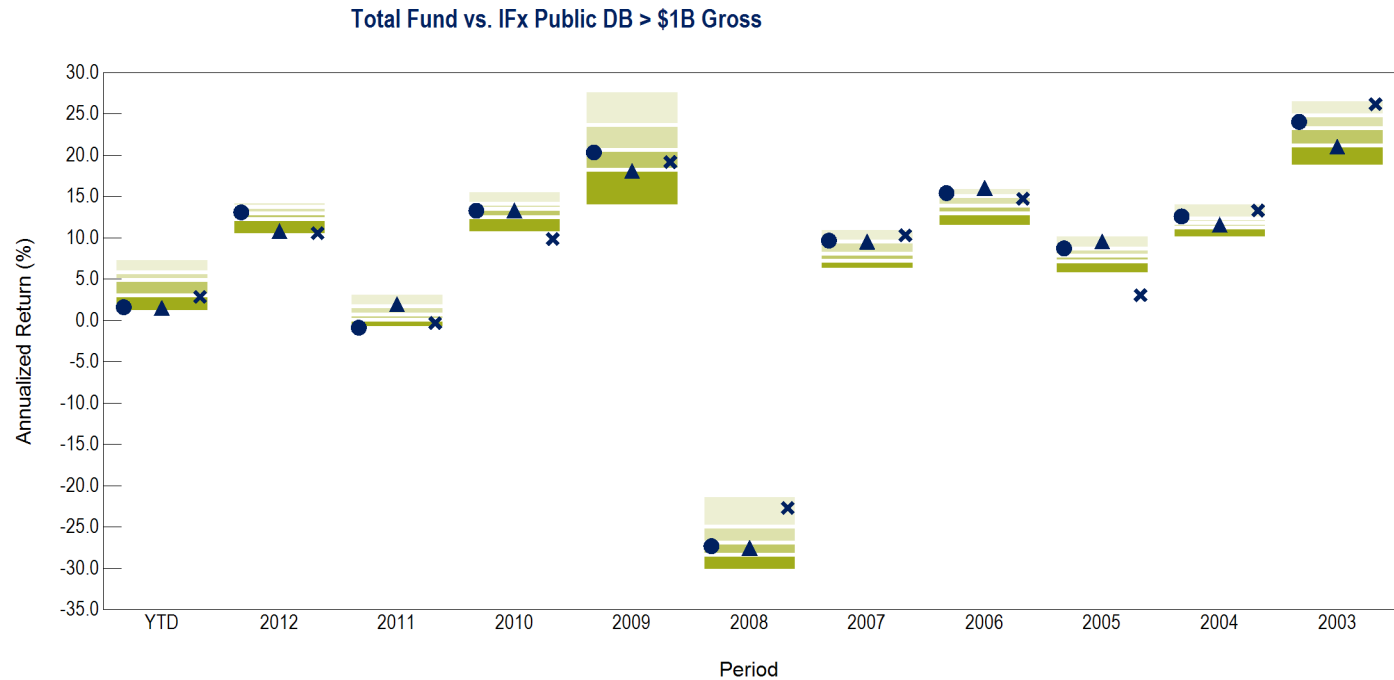
Note: Performance shown is gross of fees. Please see appendix for details regarding the footnotes

Total Fund Return Summary vs. Peer Universe



	Return (Rank)													
5th Percentile	1.2		7.5		15.6		13.2		6.7		6.2		8.1	
25th Percentile	0.6		5.9		13.5		12.3		5.6		5.7		7.6	
Median	-0.1		5.0		12.0		11.3		5.0		5.2		7.1	
75th Percentile	-0.8		3.1		10.4		10.3		4.5		4.7		6.5	
95th Percentile	-2.4		1.1		7.7		8.7		2.8		3.7		5.7	
# of Portfolios	58		57		55		51		51		50		48	
● Total Fund	-1.0	(82)	1.6	(92)	9.9	(83)	9.1	(93)	4.0	(83)	4.7	(78)	7.1	(51)
▲ Policy Benchmark	-0.9	(80)	1.5	(92)	8.1	(93)	9.7	(87)	3.6	(86)	4.4	(82)	6.8	(68)
× 60% MSCI World (Gross) / 40% CITI WGBI	-0.7	(74)	2.8	(80)	9.2	(87)	9.8	(86)	3.6	(86)	4.7	(73)	6.9	(63)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)										
	YTD	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
5th Percentile	7.5	14.4	3.3	15.7	27.8	-21.2	11.1	16.1	10.4	14.3	26.7
25th Percentile	5.9	13.8	1.8	14.2	23.7	-24.9	9.6	15.1	8.8	12.4	24.8
Median	5.0	13.0	0.8	13.5	20.7	-26.8	8.1	13.9	7.9	11.8	23.3
75th Percentile	3.1	12.3	0.1	12.5	18.3	-28.3	7.2	13.0	7.2	11.3	21.2
95th Percentile	1.1	10.4	-0.9	10.6	13.9	-30.2	6.2	11.4	5.6	10.0	18.6
# of Portfolios	57	51	49	49	49	48	47	41	41	39	39
● Total Fund	1.6 (92)	13.1 (44)	-0.9 (96)	13.3 (59)	20.3 (55)	-27.3 (56)	9.7 (24)	15.4 (20)	8.7 (31)	12.6 (14)	24.0 (32)
▲ Policy Benchmark	1.5 (92)	10.8 (94)	2.0 (24)	13.3 (57)	18.1 (76)	-27.5 (62)	9.5 (26)	16.1 (7)	9.6 (10)	11.6 (62)	21.0 (78)
× 60% MSCI World (Gross) / 40% CITI WGBI	2.8 (80)	10.6 (94)	-0.3 (82)	9.8 (99)	19.2 (61)	-22.7 (10)	10.3 (18)	14.7 (34)	3.1 (99)	13.3 (11)	26.2 (12)

Appendix: Net of Fees Performance



City of San Jose Police and Fire Department Retirement Plan

Preliminary Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	2,862,887,676	100.0	-1.1	1.5	9.6	8.8	3.7	4.2	6.8	8.8	Mar-71
Policy Benchmark			<u>-0.9</u>	<u>1.5</u>	<u>8.1</u>	<u>9.7</u>	<u>3.6</u>	<u>4.4</u>	<u>6.8</u>	--	Mar-71
Over/Under			-0.2	0.0	1.5	-0.9	0.1	-0.2	0.0		
Allocation Index			-1.0	1.2	7.8	8.7	3.8	4.7	7.2	--	Mar-71
60% MSCI World (Gross) / 40% CITI WGBI			-0.7	2.8	9.2	9.8	3.6	4.7	6.9	--	Mar-71
Total Equity Composite¹	868,498,675	30.3	-0.5	5.6	17.1	12.5	3.2	--	--	3.0	Apr-08
MSCI ACWI IMI (Net)			<u>-0.5</u>	<u>6.4</u>	<u>17.1</u>	<u>12.6</u>	<u>2.8</u>	<u>3.8</u>	<u>8.0</u>	<u>2.4</u>	Apr-08
Over/Under			0.0	-0.8	0.0	-0.1	0.4			0.6	
Global Equity Composite²	102,782,975	3.6	2.2	--	--	--	--	--	--	4.9	Mar-13
MSCI ACWI IMI (Net)			<u>-0.5</u>	<u>6.4</u>	<u>17.1</u>	<u>12.6</u>	<u>2.8</u>	<u>3.8</u>	<u>8.0</u>	<u>1.5</u>	Mar-13
Over/Under			2.7							3.4	
Artisan Global Opportunities ³	48,916,667	1.7	--	--	--	--	--	--	--	-2.6	May-13
MSCI ACWI IMI (Net)			<u>-0.5</u>	<u>6.4</u>	<u>17.1</u>	<u>12.6</u>	<u>2.8</u>	<u>3.8</u>	<u>8.0</u>	<u>-3.0</u>	May-13
Over/Under										0.4	
Artisan Global Value ⁴	53,344,127	1.9	3.8	--	--	--	--	--	--	6.6	Mar-13
MSCI ACWI IMI (Net)			<u>-0.5</u>	<u>6.4</u>	<u>17.1</u>	<u>12.6</u>	<u>2.8</u>	<u>3.8</u>	<u>8.0</u>	<u>1.5</u>	Mar-13
Over/Under U.S.			4.3							5.1	
Equity Composite⁵	355,334,871	12.4	3.5	15.5	27.8	19.7	7.6	5.7	8.1	8.8	Jun-95
Russell 3000			<u>2.7</u>	<u>14.1</u>	<u>21.5</u>	<u>18.6</u>	<u>7.2</u>	<u>5.8</u>	<u>7.8</u>	<u>8.5</u>	Jun-95
Over/Under			0.8	1.4	6.3	1.1	0.4	-0.1	0.3	0.3	
Russell R1000 ⁶	249,537,306	8.7	2.7	13.9	--	--	--	--	--	13.9	Jan-13
Russell 1000			<u>2.7</u>	<u>13.9</u>	<u>21.2</u>	<u>18.6</u>	<u>7.1</u>	<u>5.8</u>	<u>7.7</u>	<u>13.9</u>	Jan-13
Over/Under			0.0	0.0						0.0	
RS Investments	105,791,942	3.7	5.6	19.3	35.7	--	--	--	--	18.3	Aug-10
Russell 2000 Value			<u>2.5</u>	<u>14.4</u>	<u>24.8</u>	<u>17.3</u>	<u>8.6</u>	<u>4.6</u>	<u>9.3</u>	<u>15.1</u>	Aug-10
Over/Under			3.1	4.9	10.9					3.2	

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

City of San Jose Police and Fire Department Retirement Plan

Preliminary Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
International Equity Composite¹	410,380,829	14.3	-4.3	-2.2	10.5	6.7	-0.6	2.4	9.1	9.0	Jun-95
<i>MSCI AC WORLD ex US (NET)</i>			<u>-3.1</u>	<u>0.0</u>	<u>13.6</u>	<u>8.0</u>	<u>-0.8</u>	<u>2.2</u>	<u>8.6</u>	--	<i>Jun-95</i>
Over/Under			-1.2	-2.2	-3.1	-1.3	0.2	0.2	0.5		
Developed International Equity Composite²	287,712,914	10.0	-1.8	2.9	17.2	10.6	0.8	2.7	8.9	8.1	Jun-95
<i>MSCI EAFE (Net)</i>			<u>-1.0</u>	<u>4.1</u>	<u>18.6</u>	<u>10.0</u>	<u>-0.6</u>	<u>1.4</u>	<u>7.7</u>	<u>4.7</u>	<i>Jun-95</i>
Over/Under			-0.8	-1.2	-1.4	0.6	1.4	1.3	1.2	3.4	
Russell MSCI EAFE + CAD ³	229,010,204	8.0	-1.4	3.4	--	--	--	--	--	3.4	Jan-13
<i>MSCI EAFE + CAD</i>			<u>-2.7</u>	<u>1.2</u>	<u>13.7</u>	<u>6.2</u>	<u>-3.7</u>	<u>-1.3</u>	<u>5.1</u>	<u>1.2</u>	<i>Jan-13</i>
Over/Under			1.3	2.2						2.2	
Russell MSCI EAFE + CAD Small Cap	58,421,030	2.0	-3.4	0.6	18.3	--	--	--	--	13.1	Dec-11
<i>MSCI EAFE + CAD Small Cap</i>			<u>-3.5</u>	<u>3.5</u>	<u>17.8</u>	<u>10.8</u>	<u>2.1</u>	<u>2.1</u>	<u>10.3</u>	<u>11.7</u>	<i>Dec-11</i>
Over/Under			0.1	-2.9	0.5					1.4	
Emerging Markets Equity Composite	122,667,915	4.3	-9.8	-13.0	-1.1	0.0	-2.0	3.8	11.7	12.0	Sep-01
<i>MSCI Emg Mkts Free (Net)</i>			<u>-8.1</u>	<u>-9.6</u>	<u>2.9</u>	<u>3.4</u>	<u>-0.4</u>	<u>5.8</u>	<u>13.7</u>	<u>12.9</u>	<i>Sep-01</i>
Over/Under			-1.7	-3.4	-4.0	-3.4	-1.6	-2.0	-2.0	-0.9	
Russell Emerging Markets	60,694,218	2.1	-10.1	-13.2	-1.4	--	--	--	--	-3.5	Nov-11
<i>MSCI Emg Mkts Free (Net)</i>			<u>-8.1</u>	<u>-9.6</u>	<u>2.9</u>	<u>3.4</u>	<u>-0.4</u>	<u>5.8</u>	<u>13.7</u>	<u>-0.8</u>	<i>Nov-11</i>
Over/Under			-2.0	-3.6	-4.3					-2.7	
Vontobel ⁴	60,000,000	2.1	--	--	--	--	--	--	--	--	Jul-13
Aberdeen ⁴	1,973,697	0.1	--	--	--	--	--	--	--	--	Jul-13
Total Private Equity Composite⁵	244,119,289	8.5	3.8	9.9	13.4	11.3	6.0	8.2	--	8.4	Oct-05
<i>Cambridge PE 1 Qtr Lag</i>			<u>4.5</u>	<u>8.1</u>	<u>12.8</u>	<u>15.1</u>	<u>7.5</u>	<u>10.7</u>	<u>15.7</u>	<u>12.6</u>	<i>Oct-05</i>
Over/Under			-0.7	1.8	0.6	-3.8	-1.5	-2.5		-4.2	
<i>Venture Economics All Private Equity Lag</i>			4.9	8.4	12.7	13.7	3.8	8.7	13.7	11.0	<i>Oct-05</i>
<i>Russell 3000 Qtr Lag</i>			11.1	11.4	14.6	13.0	6.3	5.1	9.2	6.1	<i>Oct-05</i>

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

City of San Jose Police and Fire Department Retirement Plan

Preliminary Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fixed Income Composite¹	856,950,059	29.9	-1.6	-0.6	6.4	7.8	8.6	--	--	8.0	Apr-08
<i>Barclays Aggregate</i>			<u>-2.3</u>	<u>-2.4</u>	<u>-0.7</u>	<u>3.5</u>	<u>5.2</u>	<u>5.6</u>	<u>4.5</u>	<u>4.7</u>	<i>Apr-08</i>
Over/Under			0.7	1.8	7.1	4.3	3.4			3.3	
Domestic Core Fixed Income Composite	139,823,924	4.9	-2.4	-2.5	-0.5	4.5	5.7	5.5	4.8	5.9	Jun-95
<i>Barclays Aggregate²</i>			<u>-2.3</u>	<u>-2.4</u>	<u>-0.7</u>	<u>3.5</u>	<u>5.2</u>	<u>5.6</u>	<u>4.5</u>	<u>5.9</u>	<i>Jun-95</i>
Over/Under			-0.1	-0.1	0.2	1.0	0.5	-0.1	0.3	0.0	
Seix Core Fixed Income	139,823,924	4.9	-2.4	-2.5	-0.5	4.5	6.6	6.5	5.3	6.2	Oct-99
<i>Barclays Aggregate</i>			<u>-2.3</u>	<u>-2.4</u>	<u>-0.7</u>	<u>3.5</u>	<u>5.2</u>	<u>5.6</u>	<u>4.5</u>	<u>5.7</u>	<i>Oct-99</i>
Over/Under			-0.1	-0.1	0.2	1.0	1.4	0.9	0.8	0.5	
Non-U.S. Core Fixed Income Composite	142,728,429	5.0	-2.5	-1.7	--	--	--	--	--	-1.7	Jan-13
<i>Barclays Global Aggregate ex US Hedged</i>			<u>-1.2</u>	<u>-0.2</u>	<u>3.3</u>	<u>3.4</u>	<u>4.8</u>	<u>4.5</u>	<u>4.1</u>	<u>-0.2</u>	<i>Jan-13</i>
Over/Under			-1.3	-1.5						-1.5	
Russell BC Global Agg ex-U.S.	142,728,429	5.0	-2.5	-1.7	--	--	--	--	--	-1.7	Jan-13
<i>Barclays Global Aggregate ex US Hedged</i>			<u>-1.2</u>	<u>-0.2</u>	<u>3.3</u>	<u>3.4</u>	<u>4.8</u>	<u>4.5</u>	<u>4.1</u>	<u>-0.2</u>	<i>Jan-13</i>
Over/Under Total			-1.3	-1.5						-1.5	
Credit Composite^{3,6}	447,023,962	15.6	0.3	3.2	22.9	12.7	10.9	--	--	10.9	Jul-08
<i>50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index</i>			<u>-0.6</u>	<u>1.8</u>	<u>8.1</u>	<u>8.4</u>	<u>7.6</u>	<u>6.4</u>	<u>6.6</u>	<u>7.6</u>	<i>Jul-08</i>
Over/Under			0.9	1.4	14.8	4.3	3.3			3.3	
Domestic Credit Composite³	169,148,459	5.9	-2.2	-0.2	4.5	6.6	--	--	--	9.0	Apr-09
<i>Blended Domestic Credit Index⁴</i>			<u>-1.4</u>	<u>1.4</u>	<u>8.2</u>	<u>8.5</u>	<u>7.7</u>	<u>6.4</u>	<u>6.6</u>	<u>15.0</u>	<i>Apr-09</i>
Over/Under			-0.8	-1.6	-3.7	-1.9				-6.0	
Russell BC High Yield	169,143,990	5.9	-2.2	-0.1	--	--	--	--	--	-0.1	Jan-13
<i>Barclays High Yield</i>			<u>-1.4</u>	<u>1.4</u>	<u>9.5</u>	<u>10.7</u>	<u>10.9</u>	<u>9.0</u>	<u>8.9</u>	<u>1.4</u>	<i>Jan-13</i>
Over/Under			-0.8	-1.5						-1.5	

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

City of San Jose Police and Fire Department Retirement Plan

Preliminary Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Opportunistic Credit Composite¹	277,875,503	9.7	1.8	5.3	30.7	14.5	15.5	--	--	15.5	Jul-08
<i>50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index</i>			<i>-0.6</i>	<i>1.8</i>	<i>8.1</i>	<i>8.4</i>	<i>7.6</i>	<i>6.4</i>	<i>6.6</i>	<i>7.6</i>	<i>Jul-08</i>
Over/Under			2.4	3.5	22.6	6.1	7.9			7.9	
Pimco Disco II	152,694,484	5.3	0.8	5.8	33.0	--	--	--	--	29.7	Nov-11
<i>BofA Merrill Lynch US High Yield BB-B Rated Constrained Index</i>			<i>-1.6</i>	<i>0.8</i>	<i>8.5</i>	<i>10.0</i>	<i>9.4</i>	<i>8.1</i>	<i>7.9</i>	<i>9.4</i>	<i>Nov-11</i>
Over/Under			2.4	5.0	24.5					20.3	
Marathon	18,555,608	0.6	1.2	5.0	--	--	--	--	--	9.3	Oct-12
<i>BofA ML Euro HY Constrained</i>			<i>1.8</i>	<i>0.7</i>	<i>19.4</i>	<i>13.5</i>	<i>8.1</i>	<i>8.8</i>	<i>10.5</i>	<i>9.8</i>	<i>Oct-12</i>
Over/Under			-0.6	4.3						-0.5	
Direct Lending Composite¹	106,625,411	3.7	3.4	4.9	15.4	--	--	--	--	6.9	Nov-10
<i>3 Months LIBOR + 5%</i>			<i>1.3</i>	<i>2.6</i>	<i>5.4</i>	<i>5.4</i>	<i>5.7</i>	<i>6.9</i>	<i>7.2</i>	<i>5.4</i>	<i>Nov-10</i>
Over/Under			2.1	2.3	10.0					1.5	
White Oak	42,039,623	1.5	1.2	3.5	13.3	--	--	--	--	3.1	Nov-10
<i>3 Months LIBOR + 5%</i>			<i>1.3</i>	<i>2.6</i>	<i>5.4</i>	<i>5.4</i>	<i>5.7</i>	<i>6.9</i>	<i>7.2</i>	<i>5.4</i>	<i>Nov-10</i>
Over/Under			-0.1	0.9	7.9					-2.3	
GSO	33,458,018	1.2	5.5	7.3	17.7	--	--	--	--	20.0	Dec-10
<i>3 Months LIBOR + 5%</i>			<i>1.3</i>	<i>2.6</i>	<i>5.4</i>	<i>5.4</i>	<i>5.7</i>	<i>6.9</i>	<i>7.2</i>	<i>5.4</i>	<i>Dec-10</i>
Over/Under			4.2	4.7	12.3					14.6	
Medley Capital	31,127,770	1.1	4.3	4.3	16.6	--	--	--	--	6.0	Mar-11
<i>3 Months LIBOR + 5%</i>			<i>1.3</i>	<i>2.6</i>	<i>5.4</i>	<i>5.4</i>	<i>5.7</i>	<i>6.9</i>	<i>7.2</i>	<i>5.4</i>	<i>Mar-11</i>
Over/Under			3.0	1.7	11.2					0.6	
Emerging Market Debt Composite	127,373,744	4.4	-5.8	-9.2	--	--	--	--	--	-9.2	Jan-13
<i>JP Morgan EMBI+ TR</i>			<i>-6.3</i>	<i>-9.4</i>	<i>0.1</i>	<i>7.5</i>	<i>8.4</i>	<i>8.4</i>	<i>8.9</i>	<i>-9.4</i>	<i>Jan-13</i>
Over/Under			0.5	0.2						0.2	
Russell JPM EMBI Plus ³	127,373,744	4.4	-5.8	-9.2	--	--	--	--	--	-9.2	Jan-13
<i>JP Morgan EMBI+ TR</i>			<i>-6.3</i>	<i>-9.4</i>	<i>0.1</i>	<i>7.5</i>	<i>8.4</i>	<i>8.4</i>	<i>8.9</i>	<i>-9.4</i>	<i>Jan-13</i>
Over/Under			0.5	0.2						0.2	

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

City of San Jose Police and Fire Department Retirement Plan

Preliminary Total Fund Performance Detail - Net of Fee

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate Composite¹	208,587,574	7.3	1.8	4.6	9.4	10.1	3.1	5.5	6.2	7.9	Jun-95
NCREIF Property Index			<u>2.9</u>	<u>5.5</u>	<u>10.7</u>	<u>13.1</u>	<u>2.8</u>	<u>5.6</u>	<u>8.6</u>	<u>9.6</u>	<i>Jun-95</i>
Over/Under			-1.1	-0.9	-1.3	-3.0	0.3	-0.1	-2.4	-1.7	
American Realty/Kennedy Combined	20,157,064	0.7	3.8	7.0	15.0	12.0	6.7	8.6	--	9.4	Oct-03
NCREIF Property Index			<u>2.9</u>	<u>5.5</u>	<u>10.7</u>	<u>13.1</u>	<u>2.8</u>	<u>5.6</u>	<u>8.6</u>	<u>8.6</u>	<i>Oct-03</i>
Over/Under			0.9	1.5	4.3	-1.1	3.9	3.0	--	0.8	
American Realty Core Realty Fund	112,470,795	3.9	3.1	5.5	10.4	--	--	--	--	10.6	Sep-11
NCREIF Property Index			<u>2.9</u>	<u>5.5</u>	<u>10.7</u>	<u>13.1</u>	<u>2.8</u>	<u>5.6</u>	<u>8.6</u>	<u>12.5</u>	<i>Sep-11</i>
Over/Under			0.2	0.0	-0.3	--	--	--	--	-1.9	
TA Realty ²	2,013,786	0.1	0.7	--	--	--	--	--	--	0.7	Mar-13
NCREIF Property Index			<u>2.9</u>	<u>5.5</u>	<u>10.7</u>	<u>13.1</u>	<u>2.8</u>	<u>5.6</u>	<u>8.6</u>	<u>5.5</u>	<i>Mar-13</i>
Over/Under			-2.2	--	--	--	--	--	--	-4.8	
Russell Real Estate	73,945,929	2.6	-0.6	2.6	--	--	--	--	--	3.1	Dec-12
50% MSCI ACWI (Net) / 50% BC Global Aggregate			<u>-1.6</u>	<u>0.5</u>	<u>6.9</u>	<u>8.1</u>	<u>3.4</u>	<u>4.7</u>	<u>6.5</u>	<u>1.5</u>	<i>Dec-12</i>
Over/Under			1.0	2.1	--	--	--	--	--	1.6	
Inflation-Linked Assets Composite	242,717,721	8.5	-8.8	-13.2	-10.4	0.0	--	--	--	-2.7	Jan-10
Custom Commodity Risk Parity Index			<u>-7.5</u>	<u>-11.4</u>	<u>-7.8</u>	--	--	--	--	--	<i>Jan-10</i>
Over/Under			-1.3	-1.8	-2.6	--	--	--	--	--	
Dow Jones-UBS Commodity Index TR			-9.5	-10.5	-8.0	-0.3	-11.6	-3.4	2.4	-3.1	<i>Jan-10</i>
Credit Suisse	196,430,634	6.9	-7.4	-11.4	-7.4	--	--	--	--	-9.8	Apr-11
Custom Commodity Risk Parity Index			<u>-7.5</u>	<u>-11.4</u>	<u>-7.8</u>	--	--	--	--	<u>-9.9</u>	<i>Apr-11</i>
Over/Under			0.1	0.0	0.4	--	--	--	--	0.1	
Dow Jones-UBS Commodity Index TR			-9.5	-10.5	-8.0	-0.3	-11.6	-3.4	2.4	-12.8	<i>Apr-11</i>
First Quadrant	46,287,086	1.6	-11.7	-16.5	-15.1	--	--	--	--	-14.5	Apr-11
Custom Commodity Risk Parity Index			<u>-7.5</u>	<u>-11.4</u>	<u>-7.8</u>	--	--	--	--	<u>-9.9</u>	<i>Apr-11</i>
Over/Under			-4.2	-5.1	-7.3	--	--	--	--	-4.6	
Dow Jones-UBS Commodity Index TR			-9.5	-10.5	-8.0	-0.3	-11.6	-3.4	2.4	-12.8	<i>Apr-11</i>

Real Estate valued quarterly

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



Appendix: Policy Benchmark History; Performance Disclosures



Policy Benchmark History

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

Additional Performance Disclosures and Footnote Details

Note: All performance, ranks, asset allocation and asset growth detailed throughout this report is gross of fees and is as of June 30, 2013, unless otherwise noted. Total Fund performance calculations take into account an unrealized loss of \$906,746 in the Fund's securities lending cash collateral reinvestment pool. The unrealized loss was accounted for in June 2009 performance calculations, which negatively impacted performance by 51 basis points at the Total Fund level for the month. This impact will be negated over time as market conditions improve and pricing of fixed income assets becomes more normalized, assuming there are no impairments or defaults in the pool. To date, State Street (who manages the Fund's securities lending program), has not experienced any impairments or defaults in the Fund's securities lending cash collateral reinvestment pool. Performance results are reported gross of fees.

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- 1 – Long-Term Policy Benchmark adopted by the Board of Administration at the August 2, 2012 meeting.
- 2 – Global Equity market value includes \$522,181 of residual assets remaining in the equity transition account and terminated manager accounts.
- 3 – U.S. Equity market value includes \$5,623 of residual assets remaining in terminated manager accounts.
- 4 – Non-U.S. Equity market value includes \$281,680 of residual assets remaining in terminated manager accounts.
- 5 – High Yield market value includes \$4,469 of residual assets remaining in terminated manager accounts.
- 6 – Commodities market value has been split to account for interim exposure to illiquid inflation-linked assets for asset allocation purposes.
- 7 – Cash market value includes unrealized loss in the Fund's securities lending cash collateral reinvestment pool, transition account and Russell Overlay.

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- 1 – Total Equity Composite market value includes \$809,484 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – Global Equity Composite market value includes \$522,181 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund from December 2012 – February 2013.
- 3 – Artisan Global Value portfolio was funded 2/22/2013. Inception date for performance reporting purposes is March 1, 2013.
- 4 – Artisan Global Opportunities portfolio was funded 4/30/2013. Inception date for performance reporting purposes is May 1, 2013.
- 5 – U.S. Equity Composite market value includes \$5,623 of residual assets remaining in terminated manager accounts.
- 6 – Russell 1000 Index portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 7 – International Equity Composite market value includes \$281,680 of residual assets remaining in terminated manager accounts.

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- 1 – Developed International Equity Composite market value includes \$281,680 of residual assets remaining in terminated manager accounts.
- 2 – MSCI EAFE + CAD portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 3 – Vontobel Emerging Markets Equity and Aberdeen Frontier Markets Equity were funded on June 30, 2013.

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- 1 – Total Private Equity Composite includes investments that have been funded through 6/30/2013 as well as \$113.2 million in interim exposure managed by Russell.
- 2 – Total Fixed Income Composite market value includes \$4,947 of residual assets remaining in the fixed income transition account and terminated manager accounts.

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- 1 – BC Global Agg ex-U.S. exposure is captured within the overlay account. Inception date for performance reporting purposes is January 1, 2013.
- 2 – Total Credit and Domestic Credit Composite market value includes \$4,947 of residual assets remaining in terminated manager accounts.
- 3 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.
- 4 – Barclays Capital High Yield portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 5 – Marathon performance is reported net of fees.
- 6 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.

Additional Performance Disclosures and Footnote Details

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- 1 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.
- 2 – JP Morgan EMBI + portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – Total Real Estate Composite includes investments that have been funded through 6/30/2013 as well as \$73.9 million in interim exposure managed by Russell.
- 2 – TA Realty Fund X was funded 3/11/2013.

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

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- 1 – GMO and PIMCO were funded on 1/22/2013 and Standard Life was funded on 1/30/2013. Inception date for performance reporting purposes is February 1, 2013.
- 2 – NEPC began calculated cash returns as of April 1, 2008 due to inconsistent historical data received from the Fund's prior investment consultant.

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- 1 – Total Equity Composite market value includes \$809,484 of residual assets remaining in the equity transition account and terminated manager accounts.
- 2 – Global Equity Composite market value includes \$522,181 of residual assets remaining in the equity transition account and terminated manager accounts. Inception date for performance shown is March 1, 2013 to be consistent with the inception of the global equity portfolio managed by Artisan. Historically, the global equity composite was comprised of the MSCI ACWI and MSCI ACWI Value mandates that were managed by Russell from November 2011 – November 2012. Performance of the global equity composite and underlying managers is included in the performance of the Total Fund from December 2012 – February 2013.
- 3 – Artisan Global Value portfolio was funded 2/22/2013. Inception date for performance reporting purposes is March 1, 2013.
- 4 – Artisan Global Opportunities portfolio was funded 4/30/2013. Inception date for performance reporting purposes is May 1, 2013.
- 5 – U.S. Equity Composite market value includes \$5,623 of residual assets remaining in terminated manager accounts.
- 6 – Russell 1000 Index portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – International Equity Composite market value includes \$281,680 of residual assets remaining in terminated manager accounts.
- 2 – Developed International Equity Composite market value includes \$281,680 of residual assets remaining in terminated manager accounts.
- 3 – MSCI EAFE + CAD portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 4 – Vontobel Emerging Markets Equity and Aberdeen Frontier Markets Equity were funded on June 30, 2013.
- 5 – Total Private Equity Composite includes investments that have been funded through 6/30/2013 as well as \$113.2 million in interim exposure managed by Russell.

Page 39

- 1 – Total Fixed Income Composite market value includes \$4,947 of residual assets remaining in the fixed income transition account and terminated manager accounts.
- 2 – BC Global Agg ex-U.S. exposure is captured within the overlay account. Inception date for performance reporting purposes is January 1, 2013.
- 3 – Total Credit and Domestic Credit Composite market value includes \$4,947 of residual assets remaining in terminated manager accounts.
- 4 – Blended Domestic Credit Index comprised of 50% DLJ Leveraged Loan Index/50% BofA ML U.S. HY BB-B through 11/30/2012; Barclays Capital High Yield Index thereafter.
- 5 – Barclays Capital High Yield portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.
- 6 – Effective 12/1/2012, the Fund's allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.

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- 1 – Effective 12/1/2012, the Fund’s allocation to direct lending strategies will be included in the Total Credit and Opportunistic Credit Composites.
- 2 – Marathon performance is reported net of fees.
- 3 – JP Morgan EMBI + portfolio was funded 12/12/2012. Inception date for performance reporting purposes is January 1, 2013.

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- 1 – Total Real Estate Composite includes investments that have been funded through 6/30/2013 as well as \$73.9 million in interim exposure managed by Russell.
- 2 – TA Realty Fund X was funded 3/11/2013.

Appendix: Market Environment



City of San Jose Police and Fire Department Retirement Plan

Investment Market Update: As of June 30, 2013

Domestic Equity Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Large Core	S&P 500	2.9%	20.6%	18.5%	7.0%	7.3%
Small Core	Russell 2000	3.1%	24.2%	18.7%	8.8%	9.5%
Small Growth	Russell 2000 Growth	3.7%	23.7%	20.0%	8.9%	9.6%
Small Value	Russell 2000 Value	2.5%	24.8%	17.3%	8.6%	9.3%
Large Core	Russell 1000	2.7%	21.2%	18.6%	7.1%	7.7%
Large Growth	Russell 1000 Growth	2.1%	17.1%	18.7%	7.5%	7.4%
Large Value	Russell 1000 Value	3.2%	25.3%	18.5%	6.7%	7.8%
Mid Core	S&P Mid Cap 400	1.0%	25.2%	19.5%	8.9%	10.7%
REIT	NAREIT Composite	2.3%	25.6%	19.6%	9.2%	10.3%
Int'l Equity Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Developed	MSCI EAFE	-1.0%	18.6%	10.0%	-0.6%	7.7%
Emerging Equity	MSCI EM	-8.1%	2.9%	3.4%	-0.4%	13.7%
Small Cap Int'l	S&P EPAC SmallCap	-2.0%	20.6%	12.0%	1.8%	10.8%
World ex-US	MSCI ACWI ex-US	-3.1%	13.6%	8.0%	-0.8%	8.6%
Domestic FI Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Core Bonds	Barclays Aggregate	-2.3%	-0.7%	3.5%	5.2%	4.5%
Municipal Bond	Barclays Municipal	-3.0%	0.2%	4.5%	5.3%	4.4%
High Yield	Barclays US High Yield	-1.4%	9.5%	10.7%	10.9%	8.9%
Intermediate Gov/Credit	Barclays Intern. Gov/Credit	-1.7%	0.3%	3.1%	4.6%	4.0%
Long Gov/Credit	Barclays Long Gov/Credit	-6.1%	-4.7%	7.0%	8.5%	6.2%
Long Credit	Barclays Long Credit	-6.3%	-2.0%	7.6%	9.2%	6.2%
Long Treasuries	Barclays US 20+ Yr Treas	-5.8%	-9.3%	6.4%	7.6%	6.2%
Cash	BofA ML US 3-Month T-Bill	0.0%	0.1%	0.1%	0.3%	1.7%
Inflation	Barclays US TIPS 1-10 Yr	-5.5%	-3.1%	3.4%	3.3%	4.5%
Global Inflation	Barclays Global ILB	-5.8%	-1.1%	6.1%	2.5%	5.7%
STRIPS	Barclays 20+ Yr STRIPS	-7.6%	-14.5%	8.8%	10.2%	N/A
Global FI Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Gov. Bonds	Citigroup WGBI	-3.0%	-4.5%	2.7%	3.0%	4.7%
Em. Mkt. Bonds (Local)	JPM GBI-EM Glob. Div.	-7.0%	1.3%	6.0%	6.7%	10.3%
Diversified Benchmark		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Diversified	Diversified*	0.1%	13.3%	12.2%	5.7%	7.2%
Alternative Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Commodities	DJ UBS Commodity Index	-9.5%	-8.0%	-0.3%	-11.6%	2.4%
Fund of Funds	HFRI Fund of Funds	0.0%	7.2%	3.0%	-0.6%	3.4%
Hedge Fund	DJCS HF Composite	0.1%	9.2%	6.3%	2.9%	6.5%
Hedge Fund	DJCS Equity Market Neutral	2.0%	5.1%	4.0%	-8.5%	-0.5%
Hedge Fund	DJCS Event Driven	2.1%	14.5%	6.0%	4.0%	7.8%
Hedge Fund	DJCS Long-Short	1.8%	13.3%	6.6%	2.5%	6.9%
Real Estate	NCREIF Property Index**	2.6%	10.5%	13.3%	2.3%	8.5%

* 35% LC, 10% SC, 12% Int'l, 3% Emerging, 25% FI, 5% HY, 5% Global FI, 5% REITS

**As of 3/31/2013

City of San Jose Police and Fire Department Retirement Plan

Investment Market Update: As of June 30, 2013

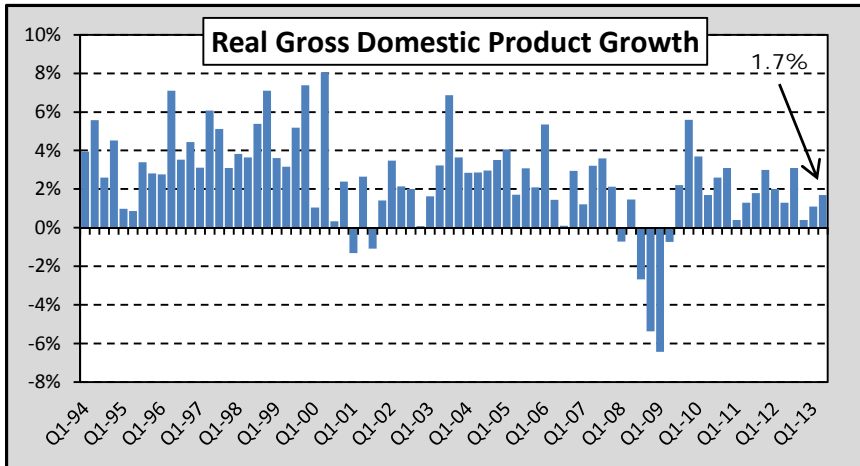
PERFORMANCE THROUGH 6/30/2013

Sector	Index	2008	2009	2010	2011	2012	Q1	APR	MAY	JUN	Q2	2013
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	13.2%	-0.7%	5.1%	-0.6%	3.7%	17.4%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	12.3%	1.5%	2.6%	-0.9%	3.2%	15.9%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	12.4%	-0.4%	4.0%	-0.5%	3.1%	15.9%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	12.8%	0.3%	3.1%	-1.1%	2.3%	15.4%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	11.6%	-0.1%	3.0%	-0.4%	2.5%	14.4%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	11.0%	1.8%	2.2%	-1.4%	2.7%	13.9%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	10.6%	1.9%	2.3%	-1.3%	2.9%	13.8%
Large Cape Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	9.5%	2.1%	1.9%	-1.9%	2.1%	11.8%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	5.9%	2.0%	-0.1%	-1.8%	0.1%	6.1%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	7.4%	6.6%	-5.9%	-1.7%	-1.4%	5.9%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	5.1%	5.2%	-2.4%	-3.6%	-1.0%	4.1%
High Yield	Barclays US High Yield	-26.2%	58.2%	15.1%	5.0%	15.8%	2.9%	1.8%	-0.6%	-2.6%	-1.4%	1.4%
Govt/Credit	Barclays US Govt/Credit 1-3	5.0%	3.8%	2.8%	1.6%	1.3%	0.2%	0.1%	-0.1%	-0.1%	-0.1%	0.1%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	0.3%	-0.5%	-0.6%	-0.7%	-0.5%
Interm Govt/Credit	Barclays US Govt/Credit Inte	5.1%	5.2%	5.9%	5.8%	3.9%	0.3%	0.6%	-1.1%	-1.2%	-1.7%	-1.4%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	0.2%	0.6%	-1.3%	-1.1%	-1.8%	-1.6%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-0.1%	1.0%	-1.8%	-1.5%	-2.3%	-2.4%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	0.3%	1.1%	-1.2%	-2.8%	-3.0%	-2.7%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-2.8%	1.1%	-3.4%	-0.6%	-3.0%	-5.7%
EMD External	Barclays EM USD	-14.7%	34.2%	12.8%	7.0%	17.9%	-1.5%	2.0%	-2.7%	-4.5%	-5.1%	-6.5%
EMD Local	JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-0.1%	3.4%	-6.3%	-4.1%	-7.0%	-7.2%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-2.0%	3.9%	-5.4%	-4.5%	-6.1%	-8.0%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-1.8%	4.0%	-4.9%	-5.3%	-6.3%	-8.0%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-1.6%	0.8%	-2.6%	-6.4%	-8.1%	-9.6%
Commodities	DJ UBS Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-1.1%	-2.8%	-2.2%	-4.7%	-9.5%	-10.5%
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-5.4%	7.2%	-10.0%	-4.2%	-7.6%	-12.6%

* 35% LC, 10% SC, 12% Intl Equity, 3% Emerging Equity, 25% Core Bonds, 5% HY, 5% Global Bonds, 5% REITS

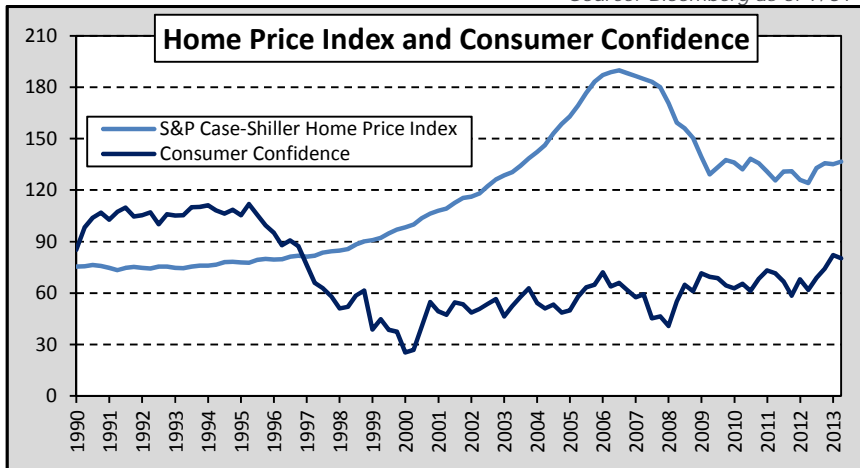
Sources: Barclays, Bloomberg, Wilshire

US Economic Environment



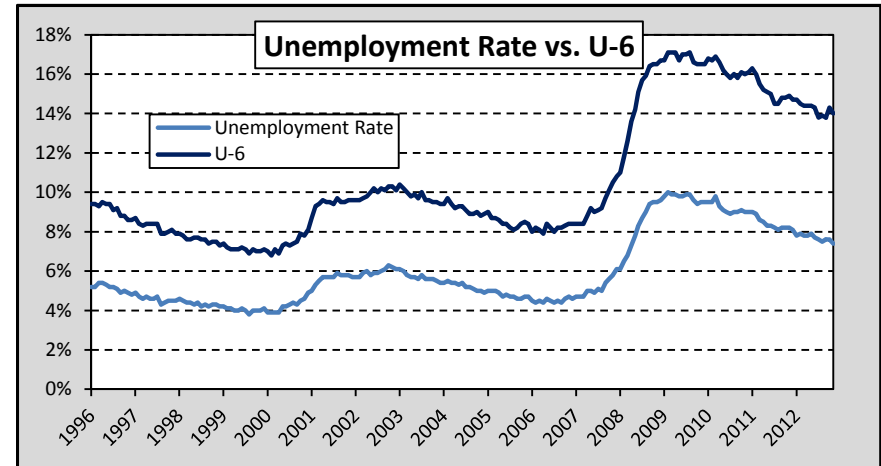
GDP growth accelerated in the second quarter, with initial estimates at 1.7%

Source: Bloomberg as of 7/31



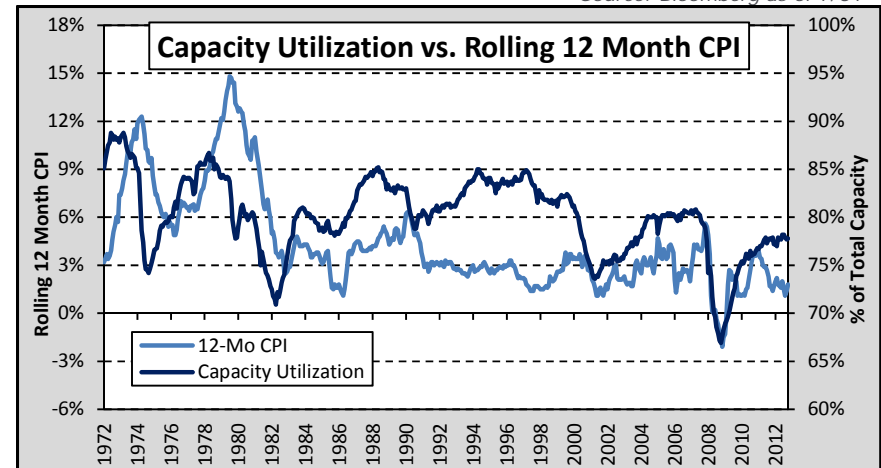
Consumer receded slightly to 80.3 in July; the Case-Shiller home price index (as of 3/31) rose slightly through March

Source: Bloomberg as of 7/31



Unemployment fell to 7.4% in July; U-6 also decreased, to 14.0%

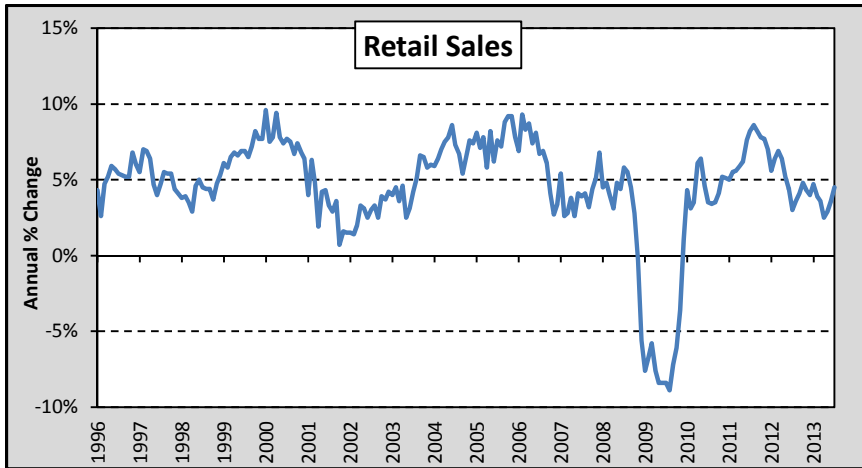
Source: Bloomberg as of 7/31



Rolling 12 month CPI increased to 1.8% at June end; capacity utilization increased to 77.8% in the month

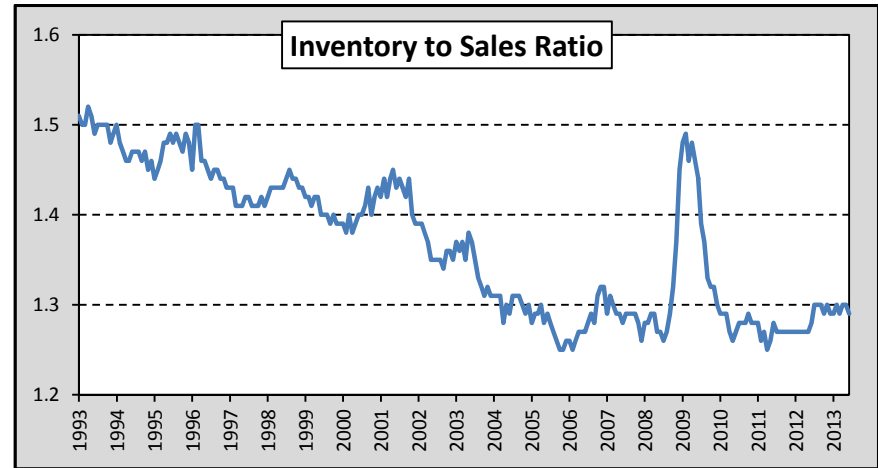
Source: Bloomberg as of 6/30

Components of GDP



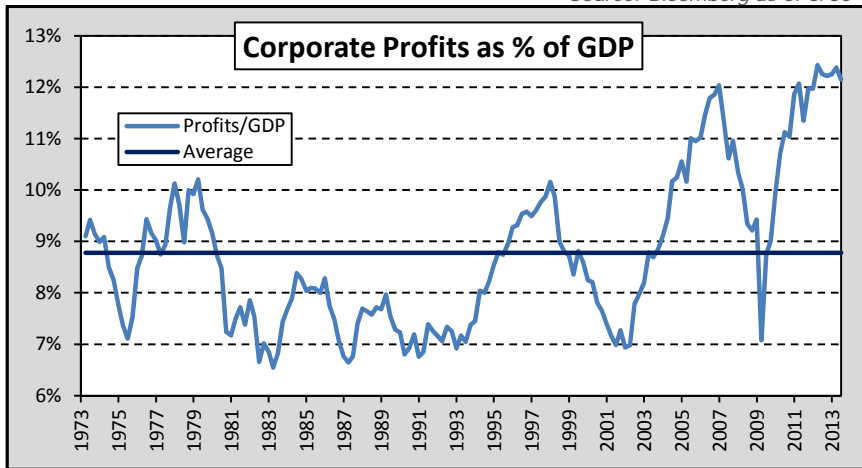
Retail sales rose to a 4.5% year-over-year growth rate in June

Source: Bloomberg as of 6/30



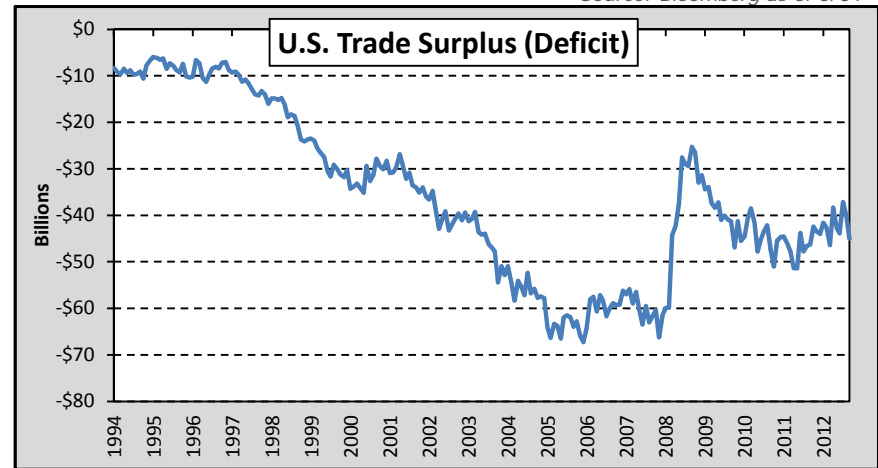
The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.29 in May

Source: Bloomberg as of 5/31



Corporate Profits as a percent of GDP fell slightly but remained near secular highs at 12.1% at Q2 end

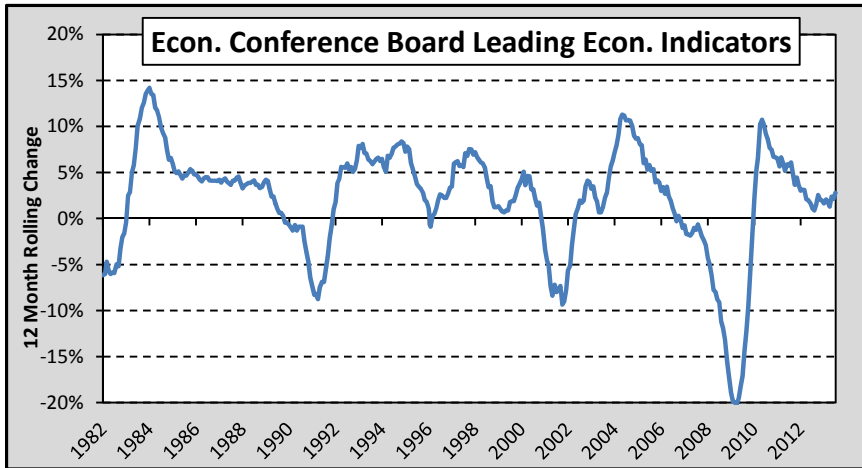
Source: Bloomberg as of 6/30



The trade deficit increased through May

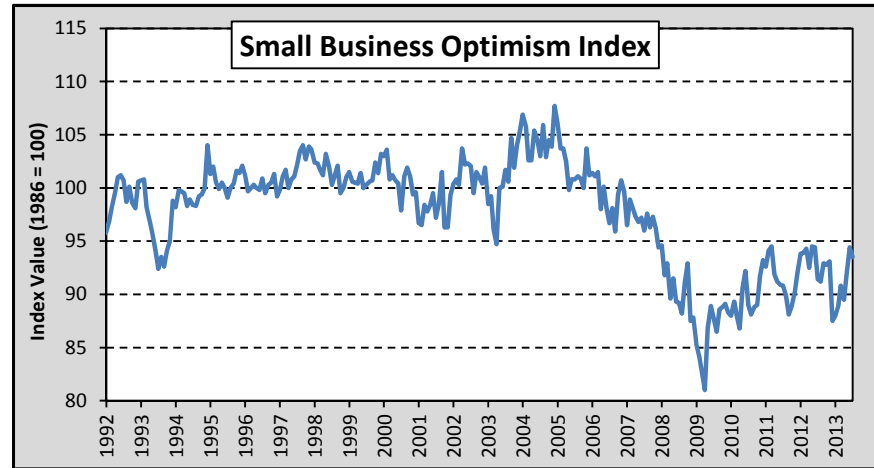
Source: Bloomberg as of 5/31

Key Economic Indicators



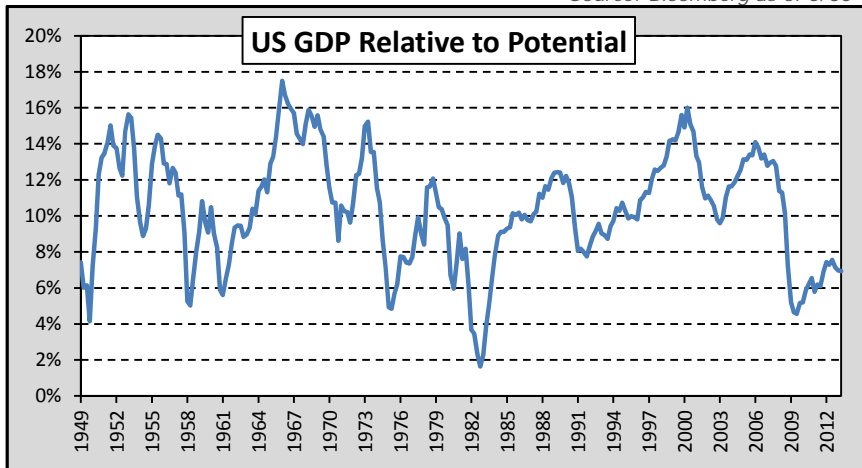
The rolling percentage change in the Leading Economic Indicators index rose to 2.8% through June

Source: Bloomberg as of 6/30



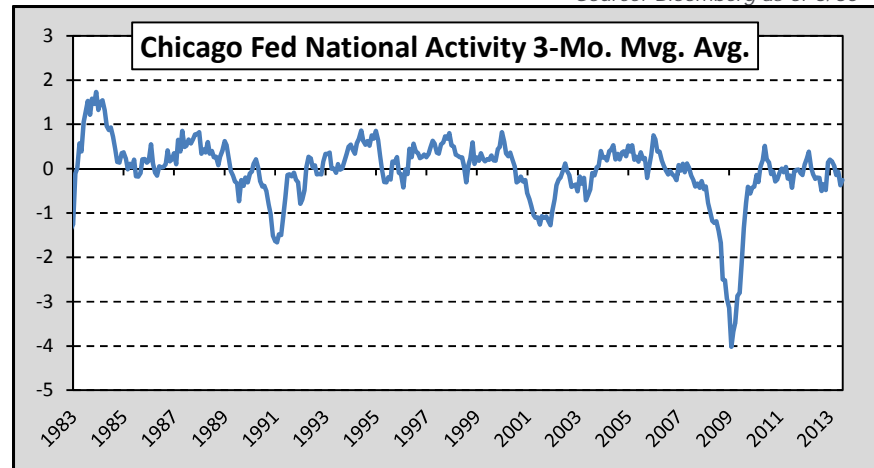
The small business optimism index decreased slightly to 93.5 through June, still up from 88.0 at year end

Source: Bloomberg as of 6/30



US GDP relative to potential GDP fell slightly through Q1 and remains near historic lows

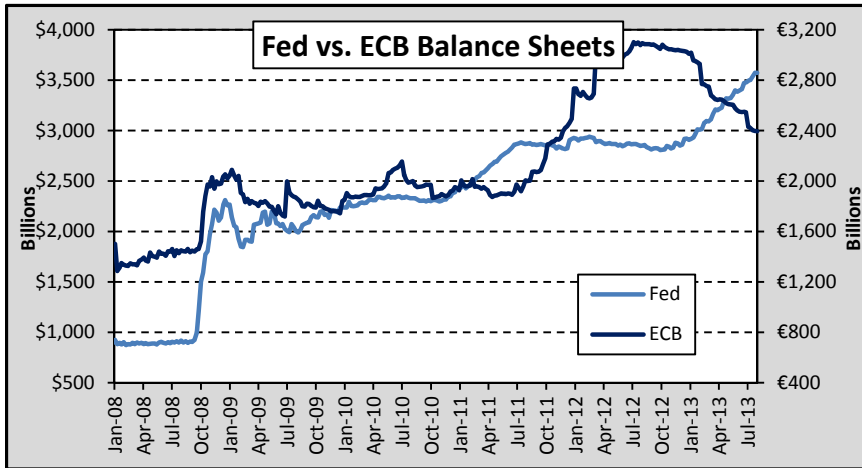
Source: Bureau of Economic Analysis, Congressional Budget Office as of 4/1



Chicago Fed National Activity 3 Month moving average remained negative through June

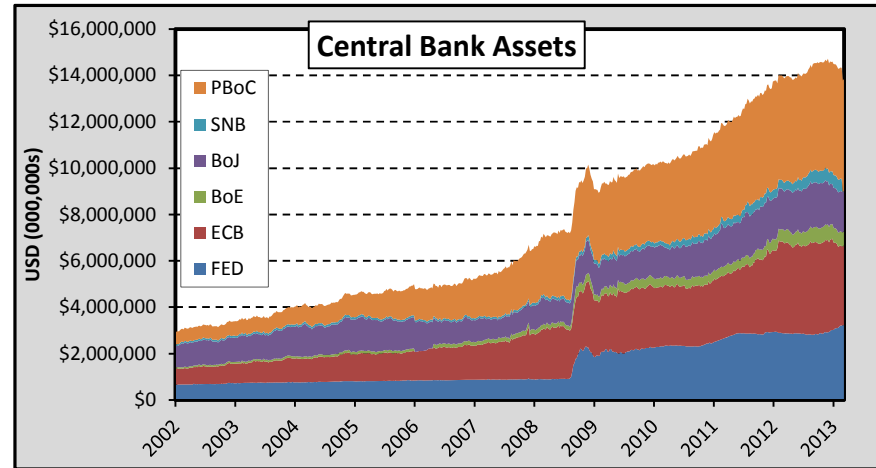
Source: Bloomberg as of 6/30

City of San Jose Police and Fire Department Retirement Plan
Economic Environment – Monetary Policy and Banks



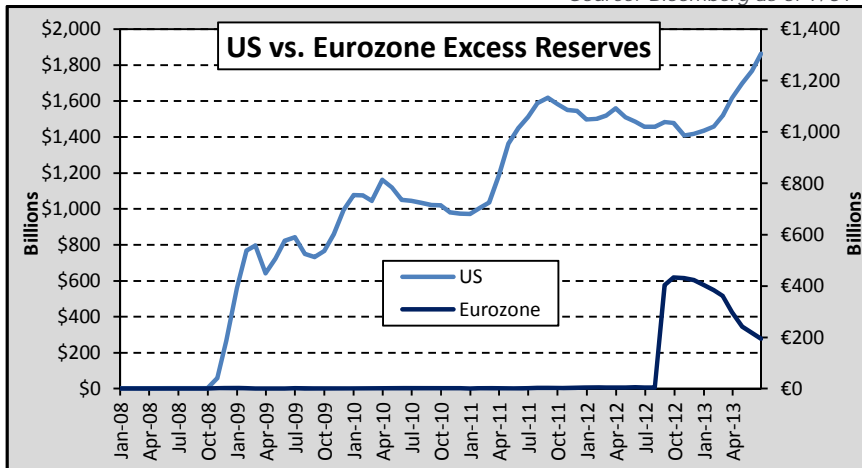
Federal Reserve Bank balance sheets have increased in 2013 while European Central Bank balance sheets have decreased significantly

Source: Bloomberg as of 7/31



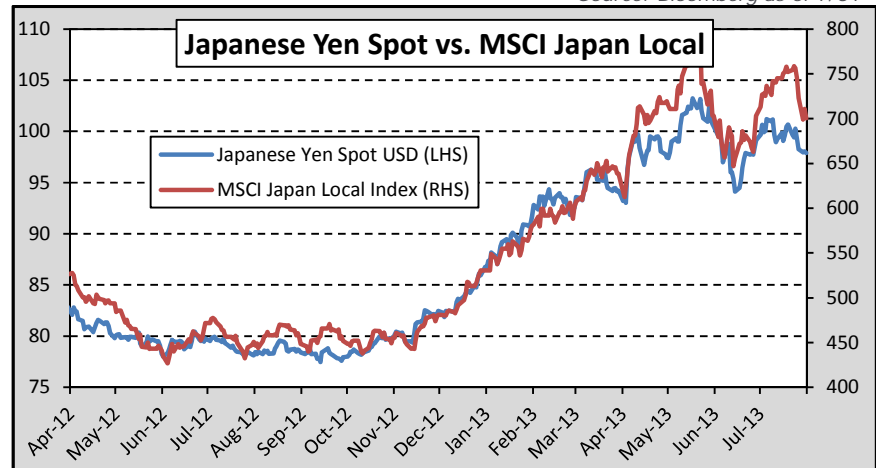
Central bank assets worldwide have risen significantly since 2008 but have experienced a recent slowdown outside of the Federal Reserve

Source: Bloomberg as of 7/31



After more dramatic movements in 2012 Eurozone excess reserves have steadily decreased as US excess reserves experienced a sharp increase through June

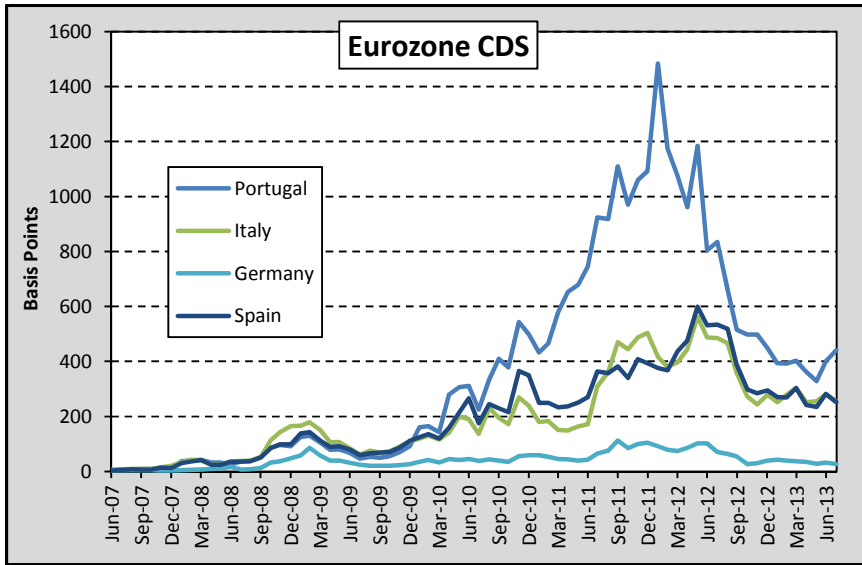
Source: Bloomberg as of 6/30



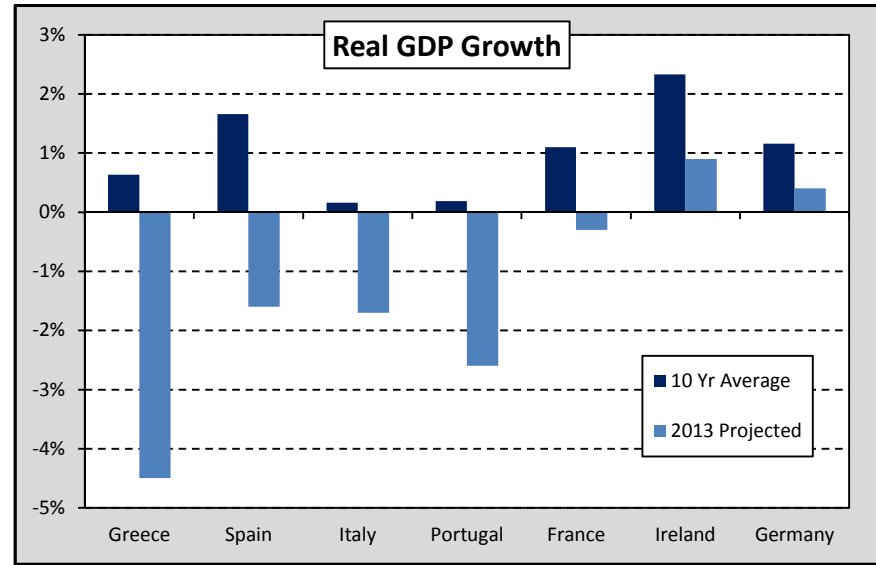
The Japanese Yen has weakened 12.8% relative to the US dollar in 2013; while the MSCI Japan TR Net Local Index returned 33.4%

Source: Bloomberg as of 7/31

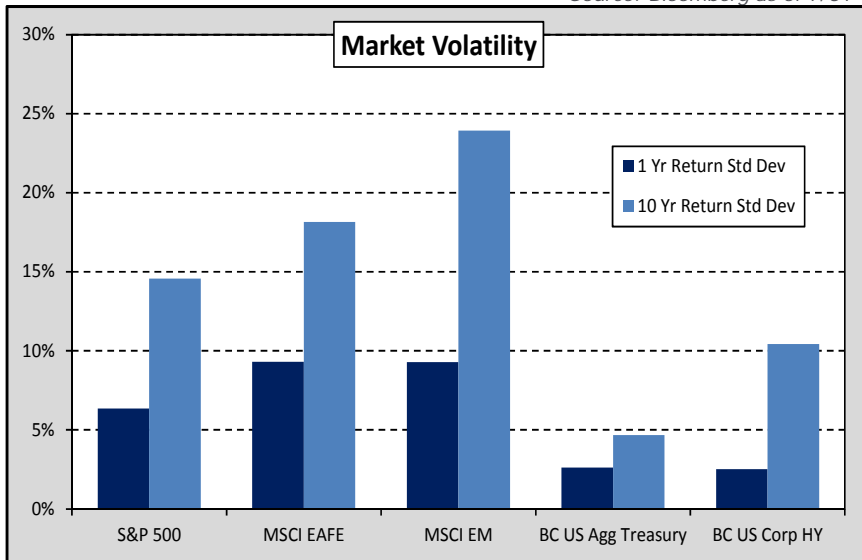
Looming Macro Uncertainties



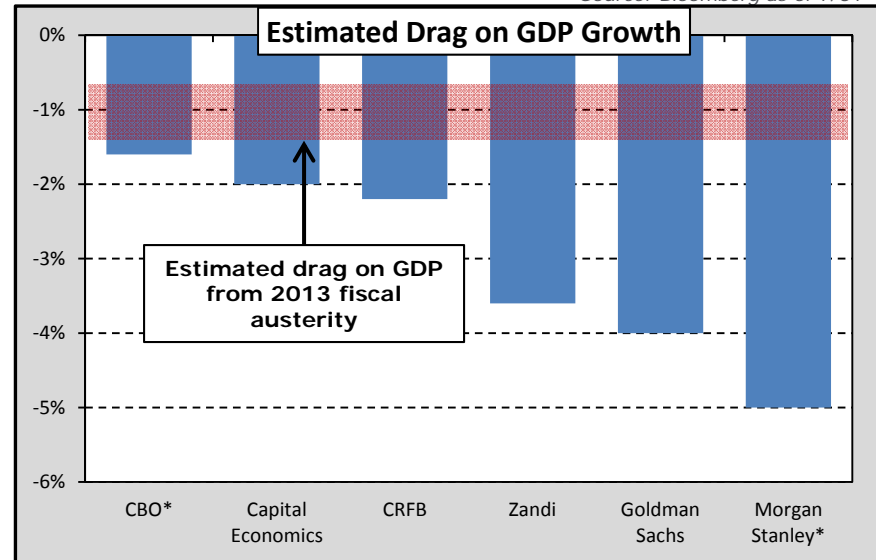
Source: Bloomberg as of 7/31



Source: Bloomberg as of 7/31

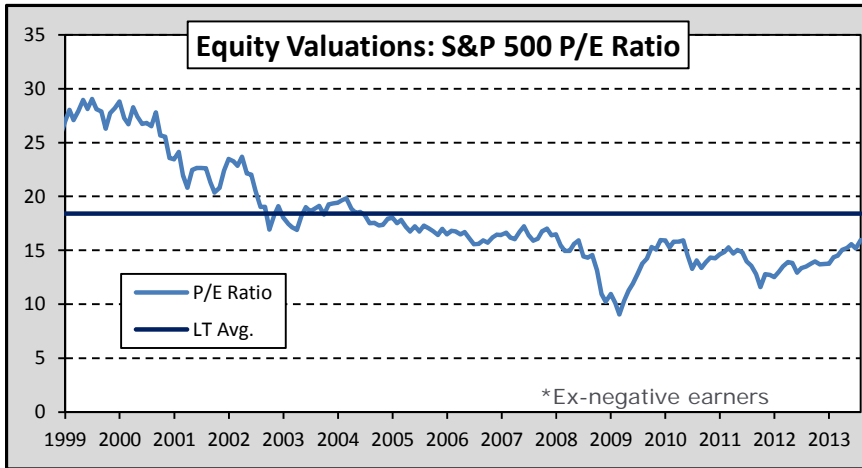


Source: Morningstar as of 6/30

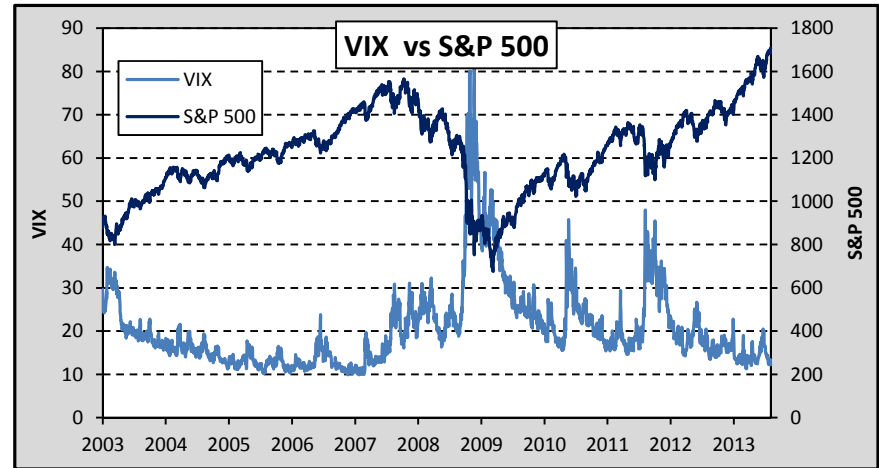


*Shown as the midpoint of a range; Source: CRFB, Capital Economics

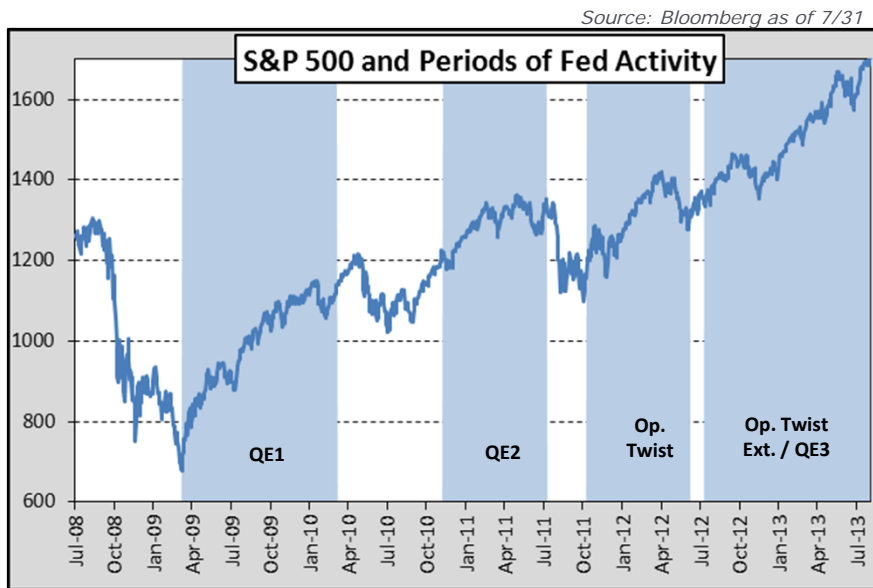
Market Environment – US Equity



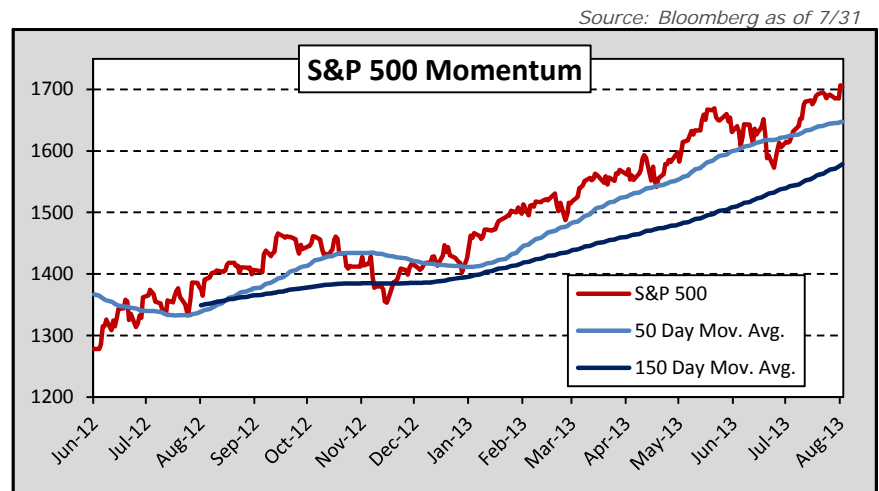
S&P valuations remain below the long-term average



The VIX fell 2.0% and the S&P 500 rose 5.1% in July



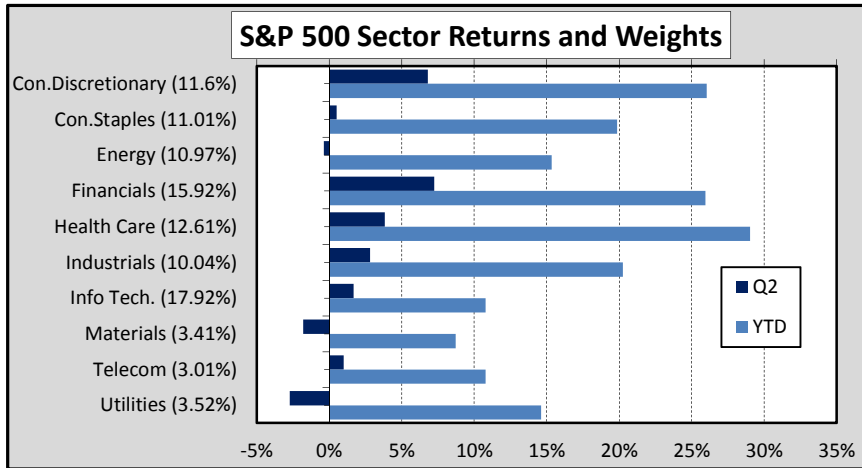
Source: Bloomberg as of 7/31



The S&P 500's 50-day moving average remained above its 150-day moving average in July

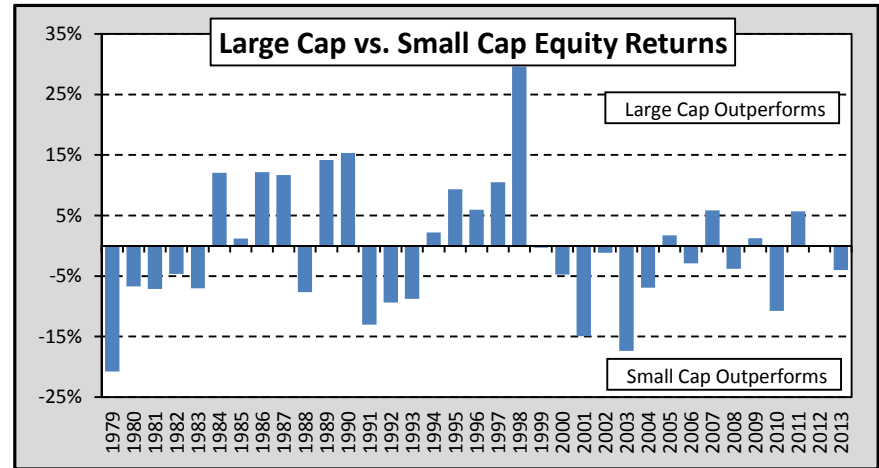
Source: Bloomberg as of 7/31

US Stock Market Performance



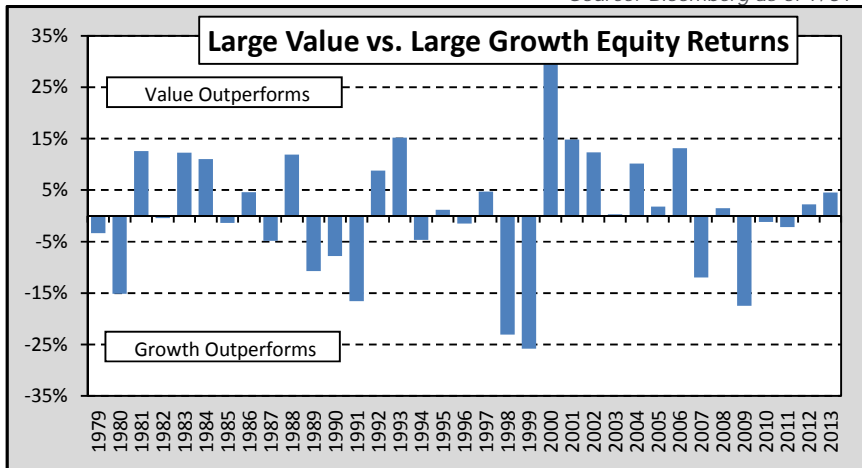
Healthcare lead all sectors through YTD as financials and consumer discretionary posted strong second quarters; Materials continued to lag

Source: Bloomberg as of 7/31



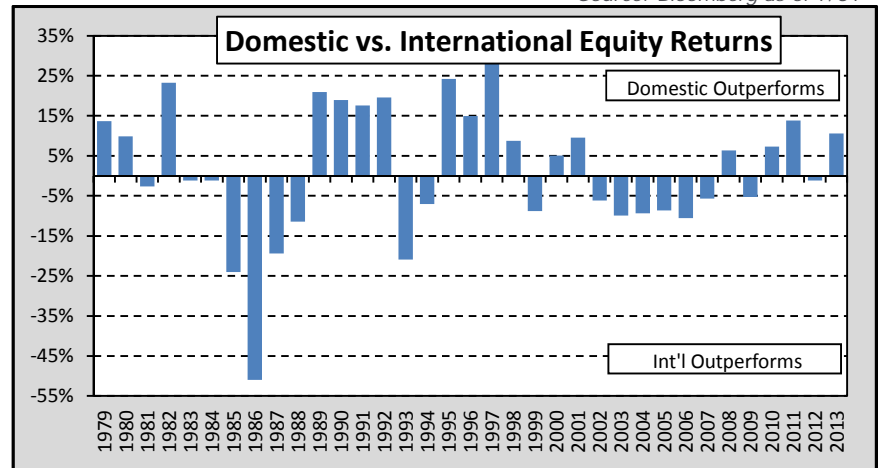
Small cap has outperformed large cap in 2013

Source: Bloomberg as of 7/31



Large value stocks have outperformed large growth in 2013

Source: Bloomberg as of 7/31



Domestic equity has outperformed international equity in 2013

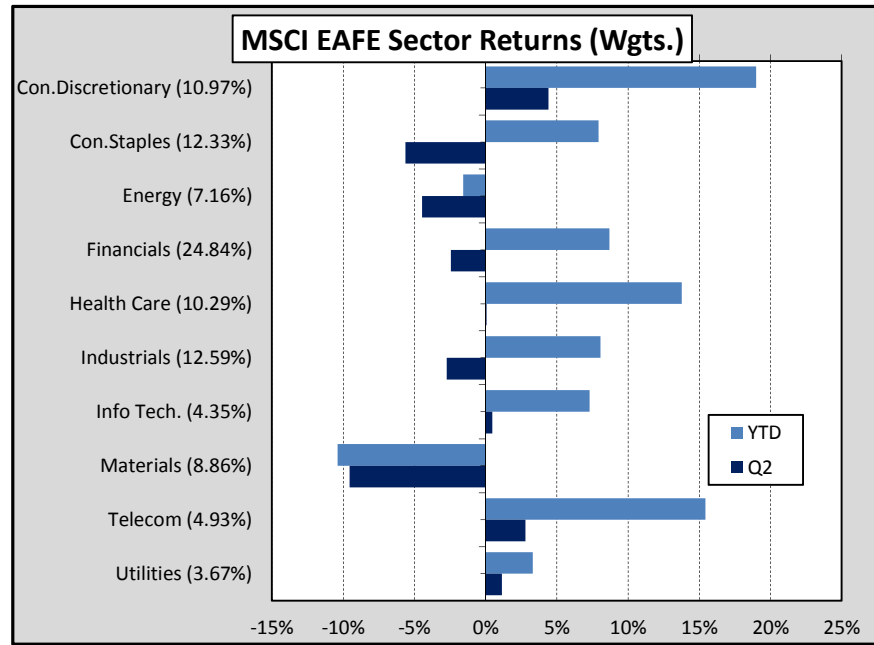
Source: Bloomberg as of 7/31

Non-US Stock Performance

Developed Market Equity Returns (U.S. Dollars)				
	YTD	Q2	1 Yr.	3 Yr. Ann.
Europe ex UK	8.8%	-1.4%	27.7%	5.5%
United Kingdom	4.5%	-3.3%	13.3%	7.2%
Japan	16.1%	4.2%	23.4%	5.6%
Pacific Ex Japan	-3.5%	-11.9%	4.4%	4.5%
Canada	-2.6%	-8.0%	5.0%	1.5%
USA	18.3%	2.2%	22.5%	17.9%

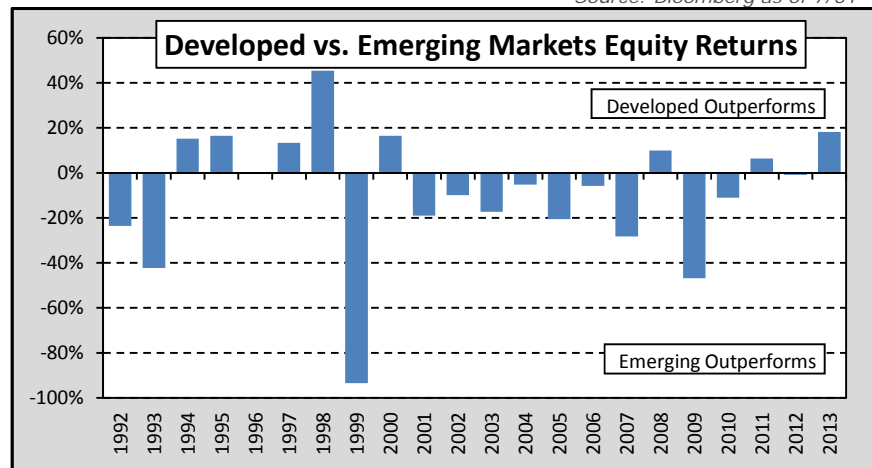
US Dollar Return vs. Major Foreign Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	Q2	1 Yr.	3 Yr. Ann.
Euro	-0.8%	-1.5%	-8.1%	-0.6%
Japanese Yen	11.4%	5.0%	20.2%	3.9%
British Pound	6.4%	-0.1%	3.0%	1.0%
Canada	3.5%	3.2%	2.4%	-0.1%
Australia	13.6%	12.3%	14.5%	0.2%

Currency Impact on Developed Mkt. Returns				
(Negative = Currency Hurt, Positive = Currency Helped)				
	YTD	Q2	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	15.7%	1.2%	28.3%	9.6%
MSCI EAFE (USD)	9.6%	-1.0%	23.5%	9.4%
Currency Impact	-6.1%	-2.2%	-4.9%	-0.3%

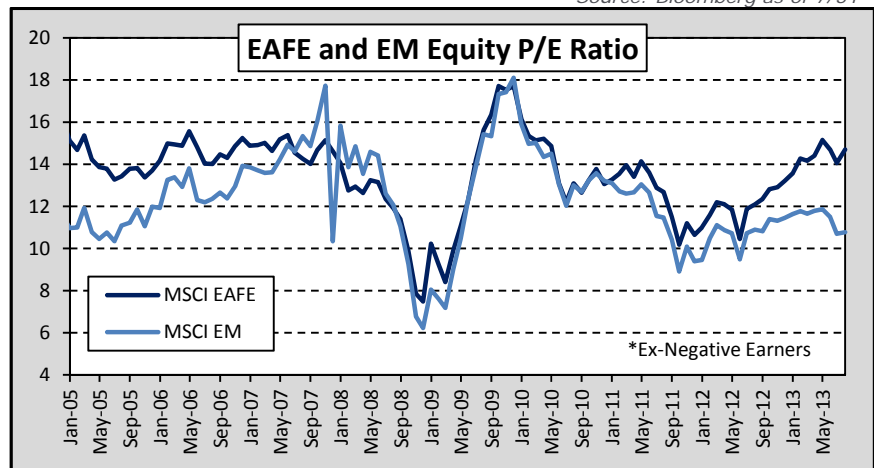


Source: Bloomberg as of 7/31

Source: Bloomberg as of 7/31

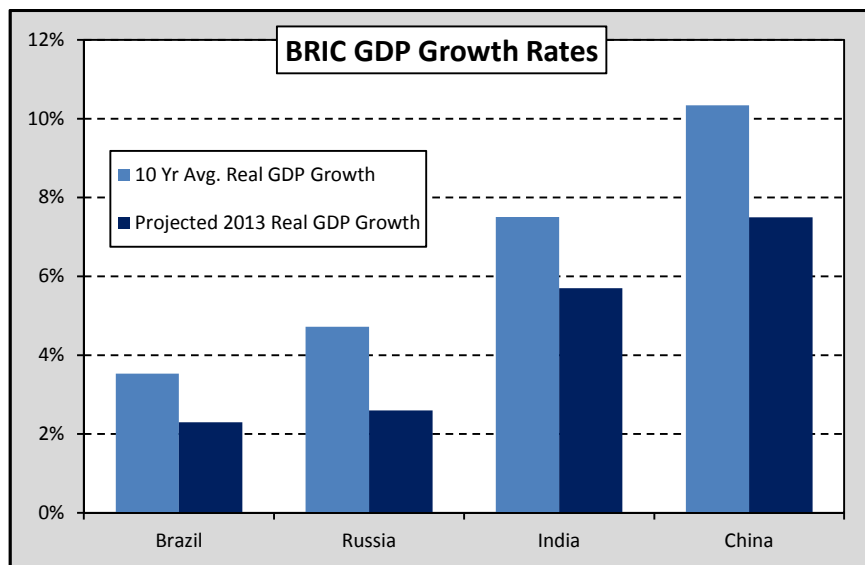


Source: Bloomberg as of 7/31

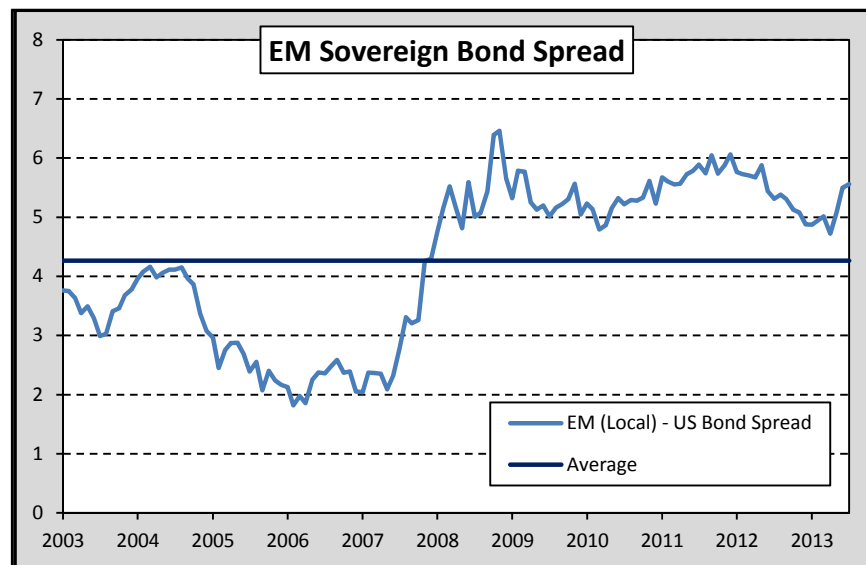


Source: Bloomberg as of 7/31

Emerging Markets



Source: Bloomberg as of 7/31



Source: Bloomberg as of 7/31

	MSCI EM	MSCI EM Small Cap
PE Ratio	11.42	20.56
PE Historical Avg	14.54	16.25
PB Ratio	1.45	1.20
Historical Avg	1.54	1.27
PS Ratio	0.97	0.67
Historical Avg	1.12	0.70

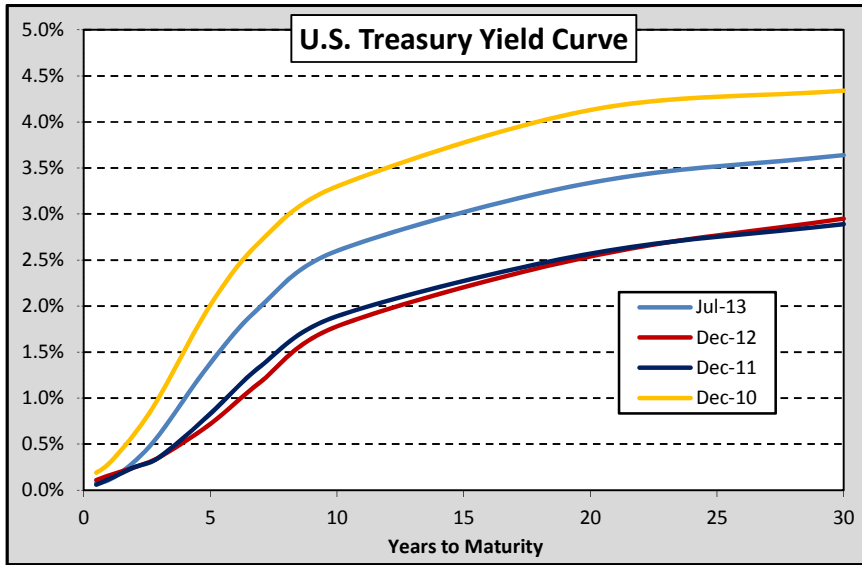
- MSCI EM PE Ratio is below its historical average
- MSCI EM PB and PS Ratios are below historical averages
- MSCI EM Small Cap PE Ratio is above its historical average
- MSCI EM Small Cap PB and PS Ratios are below historical averages

Source: Bloomberg as of 7/31

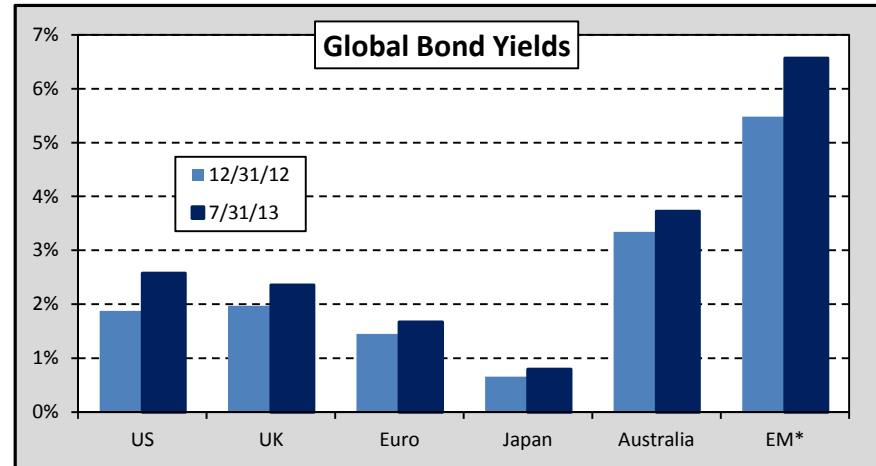
	YTD	Q2	1 Yr.	3 Yr. Ann.
Brazilian Real	9.9%	9.4%	9.6%	7.6%
Russian Ruble	7.3%	5.3%	2.2%	2.8%
Indian Rupee	9.6%	8.7%	8.1%	7.8%
Chinese Renminbi	-1.7%	-1.2%	-3.8%	-3.5%
Singapore Dollar	-0.5%	-0.2%	-0.9%	-0.9%
Hungarian Forint	1.8%	-4.8%	-1.8%	1.1%
Turkish Lira	7.8%	6.2%	7.2%	7.3%
Mexican Peso	-1.0%	4.9%	-4.7%	0.2%
So. African Rand	14.2%	6.6%	16.2%	8.7%
So. Korean Won	5.2%	2.6%	-0.7%	-1.8%

Source: Bloomberg as of 7/31

Market Environment – Interest Rates

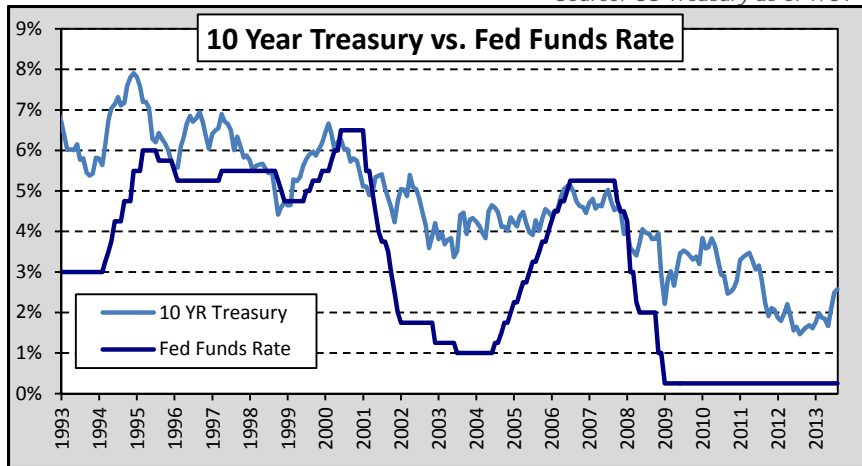


Source: US Treasury as of 7/31



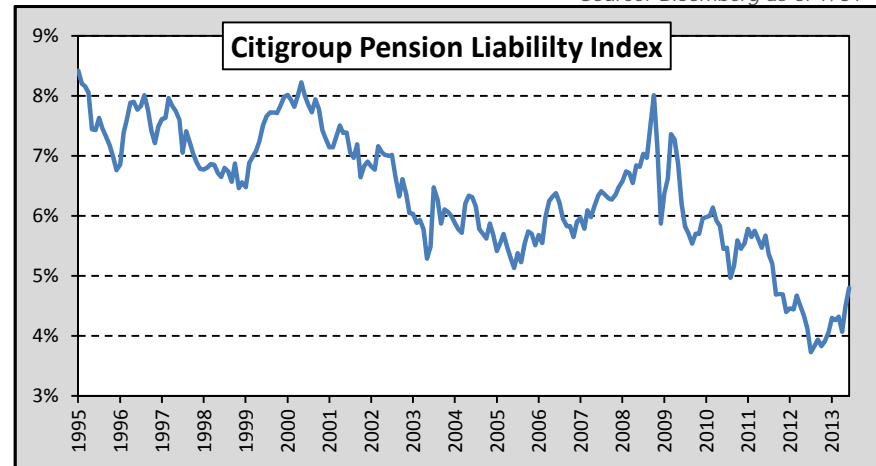
Bond yields across the globe have mostly risen in 2013

Source: Bloomberg as of 7/31



Fed Funds rate remained at 0.25% while the 10 Yr. Treasury Yield finished July at 2.6%

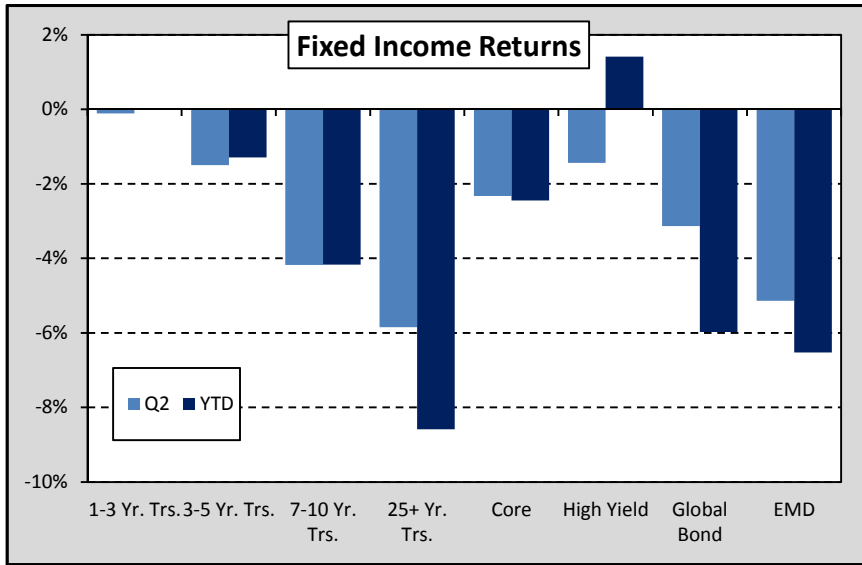
Source: Bloomberg as of 7/31



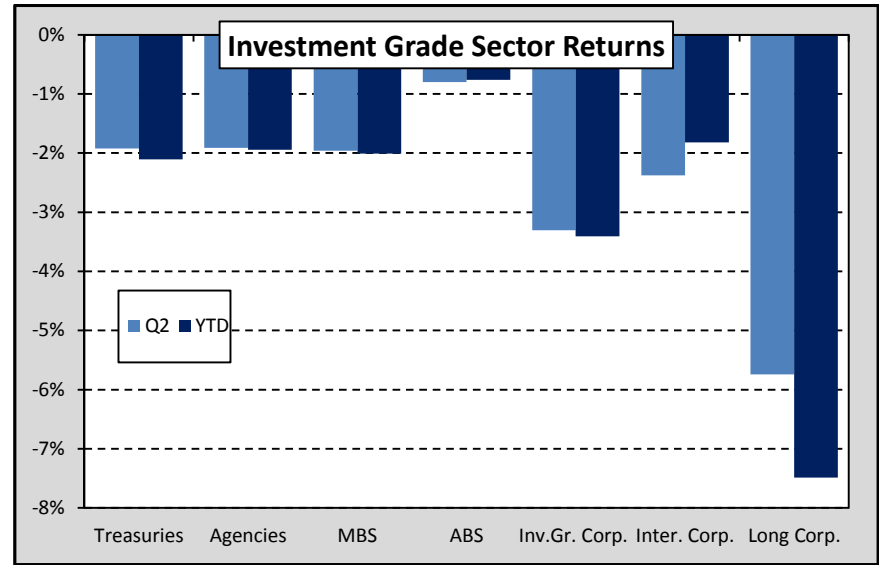
Citi Pension discount rose to 4.8% through July

Source: Citigroup as of 7/31

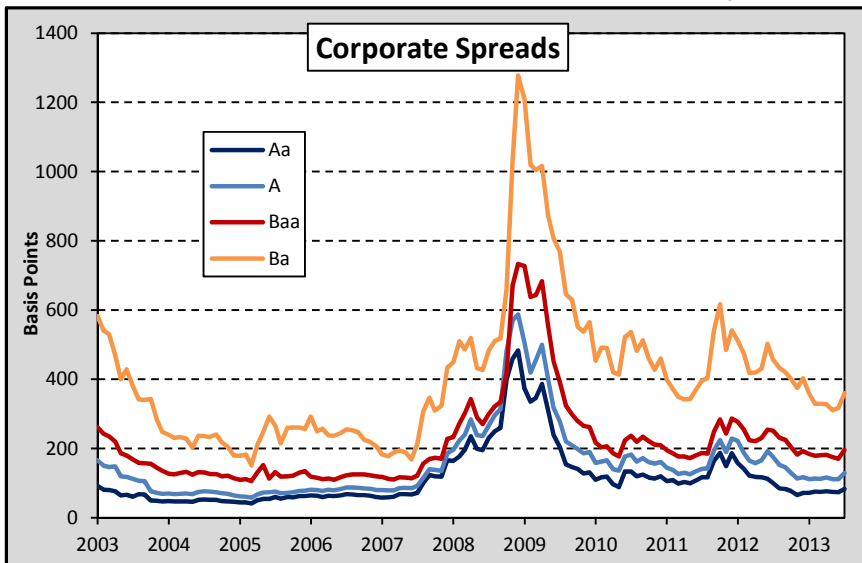
Fixed Income Performance



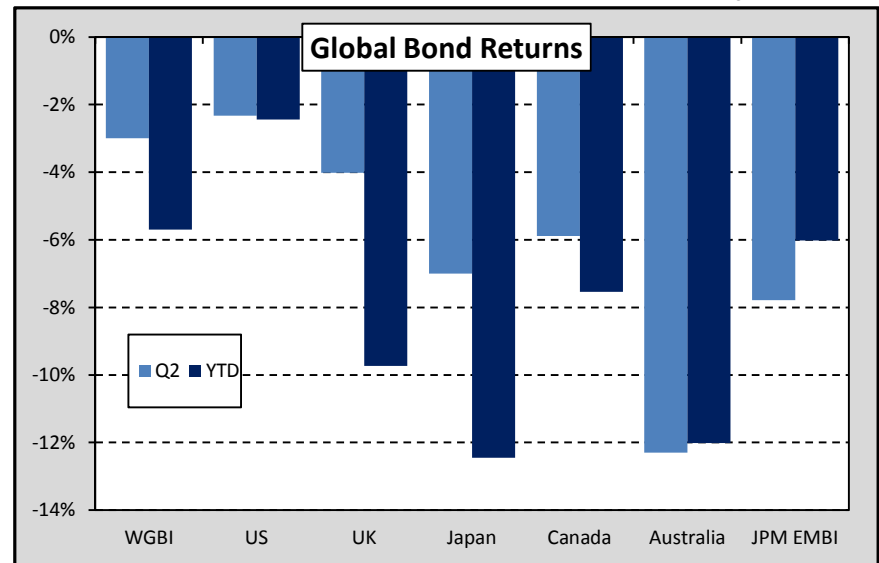
Source: Barclays as of 6/30



Source: Barclays as of 6/30

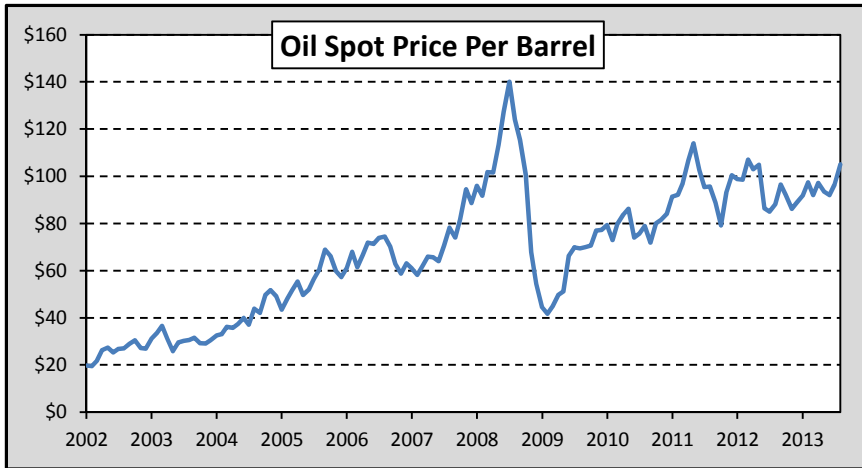


Source: Barclays as of 6/30

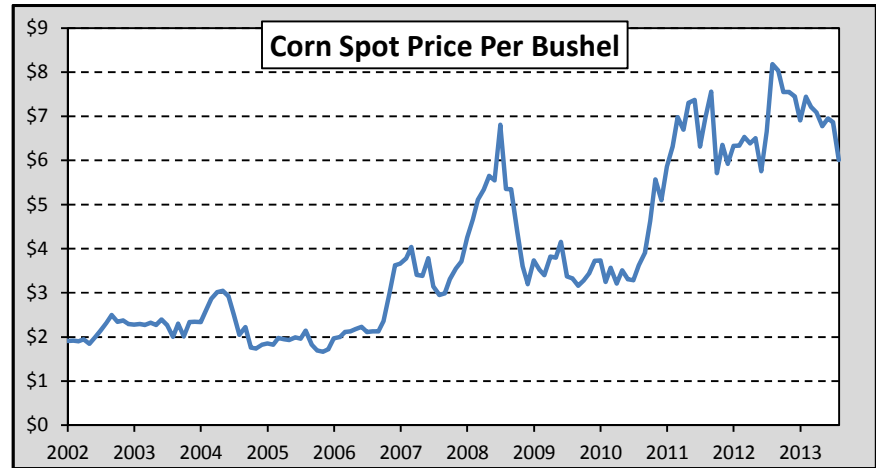


Source: Barclays, Bloomberg as of 6/30

Market Environment – Commodities



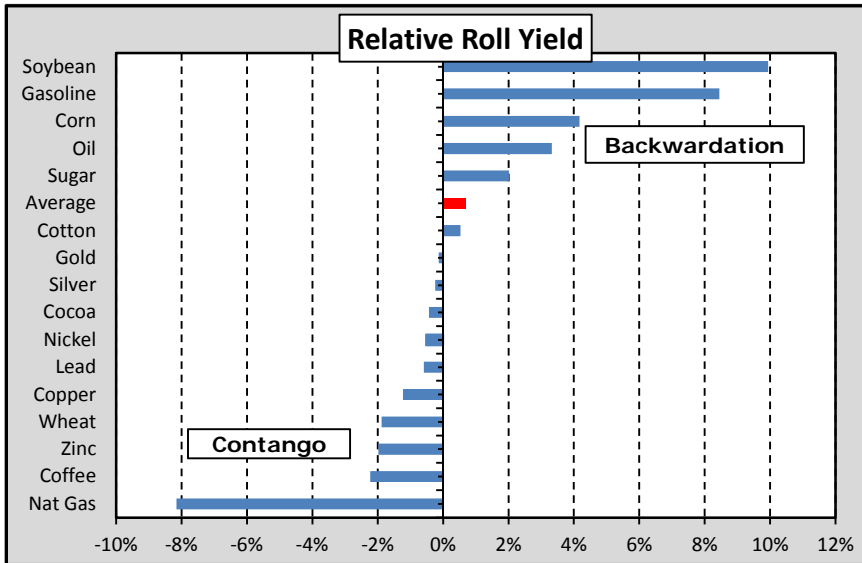
Oil prices finished July up at \$105.03 per barrel



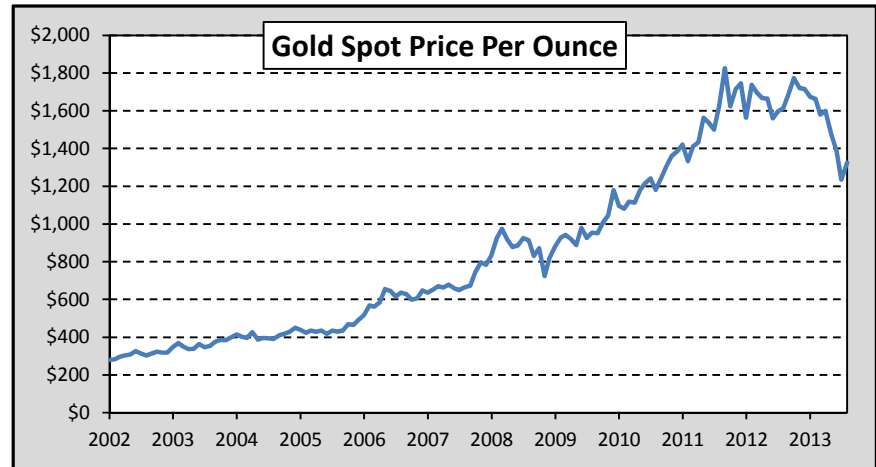
Corn prices finished July down at \$6.01 per bushel

Source: Bloomberg as of 7/31

Source: Bloomberg as of 7/31



Source: Bloomberg as of 7/31



Gold prices finished July at \$1325.25 per ounce

Source: Bloomberg as of 7/31

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