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

**Investment Performance Analysis
For the period ending December 31, 2012**

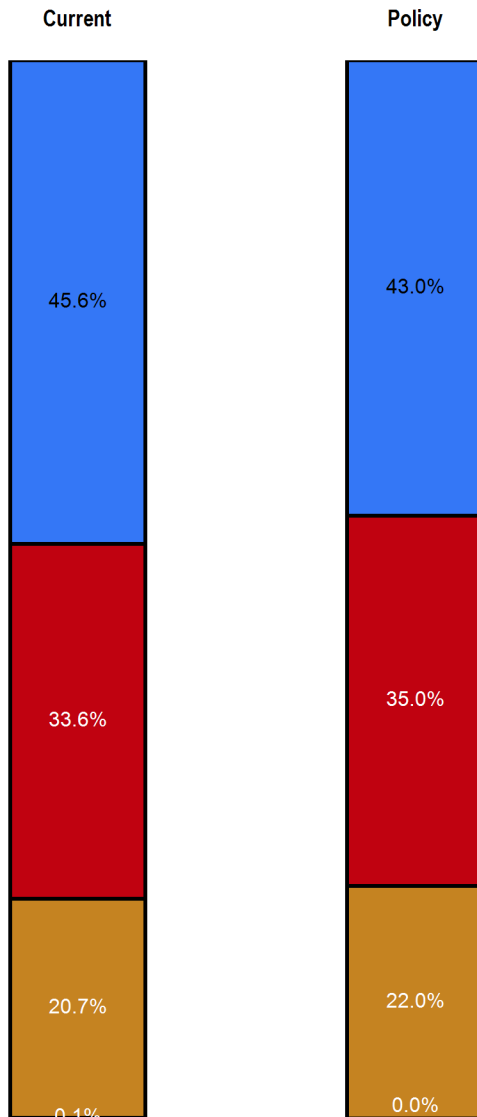
February 2013

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Total Fund Asset Allocation vs. Policy Targets



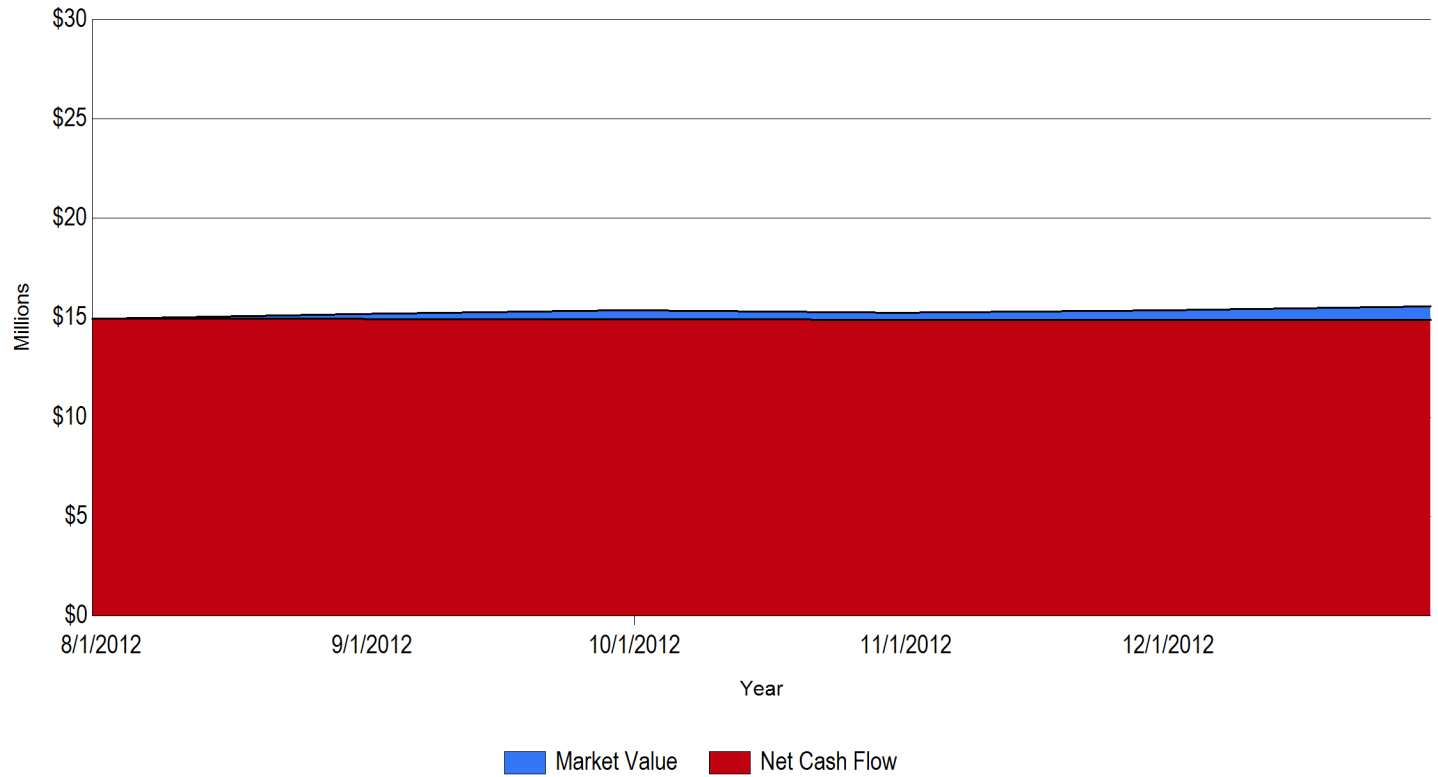
Asset Allocation vs. Target

	Current	Current	Policy	Difference *	Policy Range	Within Range
Equities	\$7,105,894	45.6%	43.0%	2.6%	25.0% - 50.0%	Yes
Fixed Income	\$5,229,551	33.6%	35.0%	-1.4%	20.0% - 40.0%	Yes
Inflation-Linked	\$3,220,645	20.7%	22.0%	-1.3%	12.0% - 25.0%	Yes
Cash	\$13,772	0.1%	0.0%	0.1%	0.0% - 5.0%	Yes
Total	\$15,569,862	100.0%	100.0%			

*Difference between Policy and Current Allocation

Total Fund Asset Growth Summary

Fiscal YTD Ending December 31, 2012



Sources of Portfolio Growth	Last Three Months	Fiscal Year-To-Date
Beginning Market Value	\$15,374,708	\$0
Net Additions/Withdrawals	-\$49,283	\$14,886,101
Investment Earnings	\$244,437	\$683,761
Ending Market Value	\$15,569,862	\$15,569,862

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

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Health Care Trust	15,569,862	100.0	1.6	10	4.0	39	--	--	--	--	--	--	--	--	4.0	Jul-12
Policy Benchmark			1.2	24	4.1	38	--	--	--	--	--	--	--	--	4.1	Jul-12
Over/Under			0.4		-0.1										-0.1	
Allocation Index			1.5	14	3.8	41	--	--	--	--	--	--	--	--	3.8	Jul-12
IF Health & Welfare Gross Median			0.6		3.2		7.1		6.4		4.3		5.0		3.2	Jul-12
Equity Composite	7,105,894	45.6	3.8	16	--	--	--	--	--	--	--	--	--	--	9.9	Aug-12
Vanguard Total Stock Market Index Institutional	7,105,894	45.6	3.8	16	--	--	--	--	--	--	--	--	--	--	9.9	Aug-12
MSCI ACWI IMI (Net)			3.0	24	10.0	16	16.4	46	7.0	96	-0.7	95	8.6	65	8.8	Aug-12
Over/Under			0.8												1.1	
eA All US Equity Gross Median			1.1		7.0		16.0		11.7		3.2		9.6		6.7	Aug-12
Fixed Income Composite	5,229,551	33.6	0.2	82	--	--	--	--	--	--	--	--	--	--	0.3	Aug-12
Vanguard Total Bond Market Index Fund Institutional	5,229,551	33.6	0.2	82	--	--	--	--	--	--	--	--	--	--	0.3	Aug-12
Barclays Aggregate			0.2	76	1.8	72	4.2	70	6.2	62	5.9	63	5.2	63	0.4	Aug-12
Over/Under			0.0												-0.1	
eA All US Fixed Inc Gross Median			0.6		2.7		6.1		7.0		6.5		5.6		1.2	Aug-12
Inflation-Linked Composite	3,220,645	20.7	-0.7	--	--	--	--	--	--	--	--	--	--	--	-2.5	Aug-12
Real Estate Composite	1,500,060	9.6	2.5	--	--	--	--	--	--	--	--	--	--	--	0.5	Aug-12
Vanguard REIT Index Fund Signal	1,500,060	9.6	2.5	50	--	--	--	--	--	--	--	--	--	--	0.5	Aug-12
MSCI US REIT Gross			2.5	51	2.5	59	17.8	59	18.0	87	5.6	85	--	--	0.5	Aug-12
Over/Under			0.0												0.0	
eA US REIT Gross Median			2.5		2.8		17.9		19.0		7.0		13.3		0.9	Aug-12
Commodities Composite	1,720,585	11.1	-3.3	--	--	--	--	--	--	--	--	--	--	--	-3.3	Oct-12
Custom Commodity Risk Parity Index			-3.0	--	4.1	--	1.3	--	--	--	--	--	--	--	-3.0	Oct-12
Over/Under			-0.3												-0.3	
First Quadrant	846,711	5.4	-4.8	--	--	--	--	--	--	--	--	--	--	--	-4.8	Oct-12
Custom Commodity Risk Parity Index			-3.0	--	4.1	--	1.3	--	--	--	--	--	--	--	-3.0	Oct-12
Over/Under			-1.8												-1.8	
Credit Suisse	873,874	5.6	--	--	--	--	--	--	--	--	--	--	--	--	0.2	Nov-12
Custom Commodity Risk Parity Index			-3.0	--	4.1	--	1.3	--	--	--	--	--	--	--	0.0	Nov-12
Over/Under															0.2	
Cash	13,772	0.1	0.0	--	0.0	--	--	--	--	--	--	--	--	--	0.0	Jul-12
Cash	13,772	0.1	0.0	--	0.0	--	--	--	--	--	--	--	--	--	0.0	Jul-12
91 Day T-Bills			0.0	--	0.0	--	0.1	--	0.1	--	0.3	--	1.7	--	0.0	Jul-12
Over/Under			0.0		0.0										0.0	

Note: Performance shown is gross of fees.

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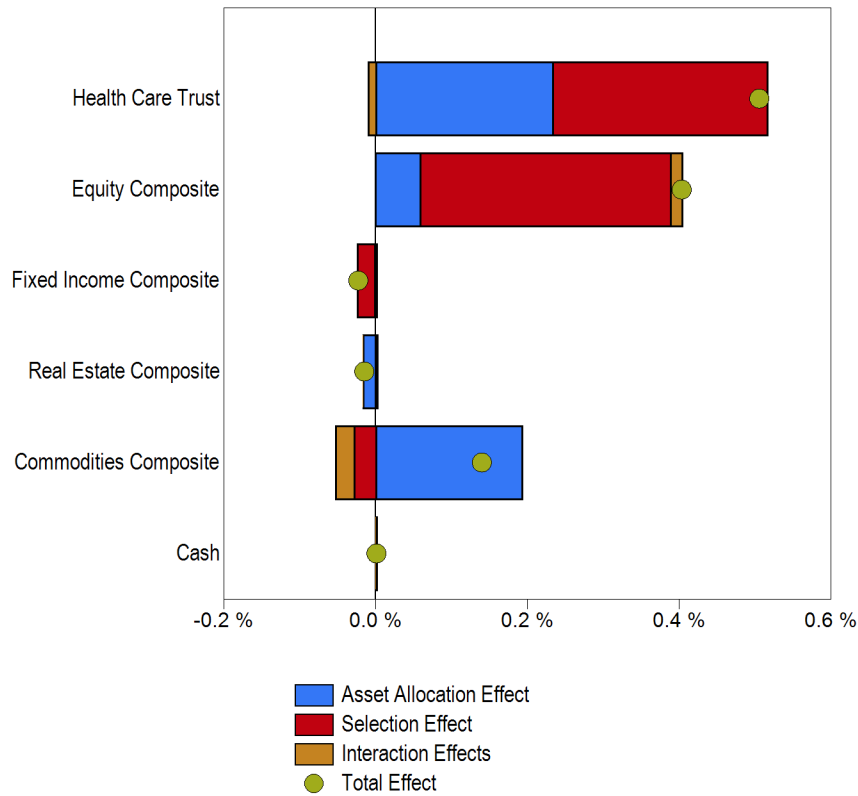
Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Health Care Trust	15,569,862	100.0	1.6	3.9	--	--	--	--	3.9	Jul-12
Policy Benchmark			1.2	4.1	--	--	--	--	4.1	Jul-12
Over/Under			0.4	-0.2					-0.2	
Allocation Index			1.5	3.8	--	--	--	--	3.8	Jul-12
Equity Composite	7,105,894	45.6	3.7	--	--	--	--	--	9.8	Aug-12
Vanguard Total Stock Market Index Institutional	7,105,894	45.6	3.7	--	--	--	--	--	9.8	Aug-12
MSCI ACWI IMI (Net)			3.0	10.0	16.4	7.0	-0.7	8.6	8.8	Aug-12
Over/Under			0.7						1.0	
Fixed Income Composite	5,229,551	33.6	0.1	--	--	--	--	--	0.3	Aug-12
Vanguard Total Bond Market Index Fund Institutional	5,229,551	33.6	0.1	--	--	--	--	--	0.3	Aug-12
Barclays Aggregate			0.2	1.8	4.2	6.2	5.9	5.2	0.4	Aug-12
Over/Under			-0.1						-0.1	
Inflation-Linked Composite	3,220,645	20.7	-0.7	--	--	--	--	--	-2.6	Aug-12
Real Estate Composite	1,500,060	9.6	2.5	--	--	--	--	--	0.5	Aug-12
Vanguard REIT Index Fund Signal	1,500,060	9.6	2.5	--	--	--	--	--	0.5	Aug-12
MSCI US REIT Gross			2.5	2.5	17.8	18.0	5.6	--	0.5	Aug-12
Over/Under			0.0						0.0	
Commodities Composite	1,720,585	11.1	-3.3	--	--	--	--	--	-3.3	Oct-12
Custom Commodity Risk Parity Index			-3.0	4.1	1.3	--	--	--	-3.0	Oct-12
Over/Under			-0.3						-0.3	
First Quadrant	846,711	5.4	-4.9	--	--	--	--	--	-4.9	Oct-12
Custom Commodity Risk Parity Index			-3.0	4.1	1.3	--	--	--	-3.0	Oct-12
Over/Under			-1.9						-1.9	
Credit Suisse	873,874	5.6	--	--	--	--	--	--	0.2	Nov-12
Custom Commodity Risk Parity Index			-3.0	4.1	1.3	--	--	--	0.0	Nov-12
Over/Under									0.2	
Cash	13,772	0.1	0.0	0.0	--	--	--	--	0.0	Jul-12
Cash	13,772	0.1	0.0	0.0	--	--	--	--	0.0	Jul-12
91 Day T-Bills			0.0	0.0	0.1	0.1	0.3	1.7	0.0	Jul-12
Over/Under			0.0	0.0					0.0	

Note: Performance shown is net of fees.

Total Fund Attribution Analysis

**Attribution Effects Relative to
3 Months Ending December 31, 2012**



**Attribution Summary
3 Months Ending December 31, 2012**

	Actual Return	Target Return	Relative Return	Selection Effect	Asset Allocation Effect	Interaction Effects	Total Effects
Equity Composite	3.8%	3.0%	0.8%	0.3%	0.1%	0.0%	0.4%
Fixed Income Composite	0.2%	0.2%	-0.1%	0.0%	0.0%	0.0%	0.0%
Real Estate Composite	2.5%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Commodities Composite	-3.3%	-3.0%	-0.2%	0.0%	0.2%	0.0%	0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.8%	1.2%	0.5%	0.3%	0.2%	0.0%	0.5%

Policy Benchmark History

- **7/1/12 –Present** – 43% MSCI ACWI IMI (Net)/35% BC Aggregate/10% MSCI U.S. REIT/12% Credit Suisse Custom Risk Parity Commodity Index

Information Disclosure

- **NEPC uses, as its data source, the plan’s custodian bank or fund service company, and NEPC relies on those sources for security pricing, calculation of accruals, and all transactions, including income payments, splits, and distributions. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
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