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City of San Jose Police and Fire Department Retirement Plan

Investment Performance Analysis For the period ending June 30, 2016

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Market Environment Update and Outlook

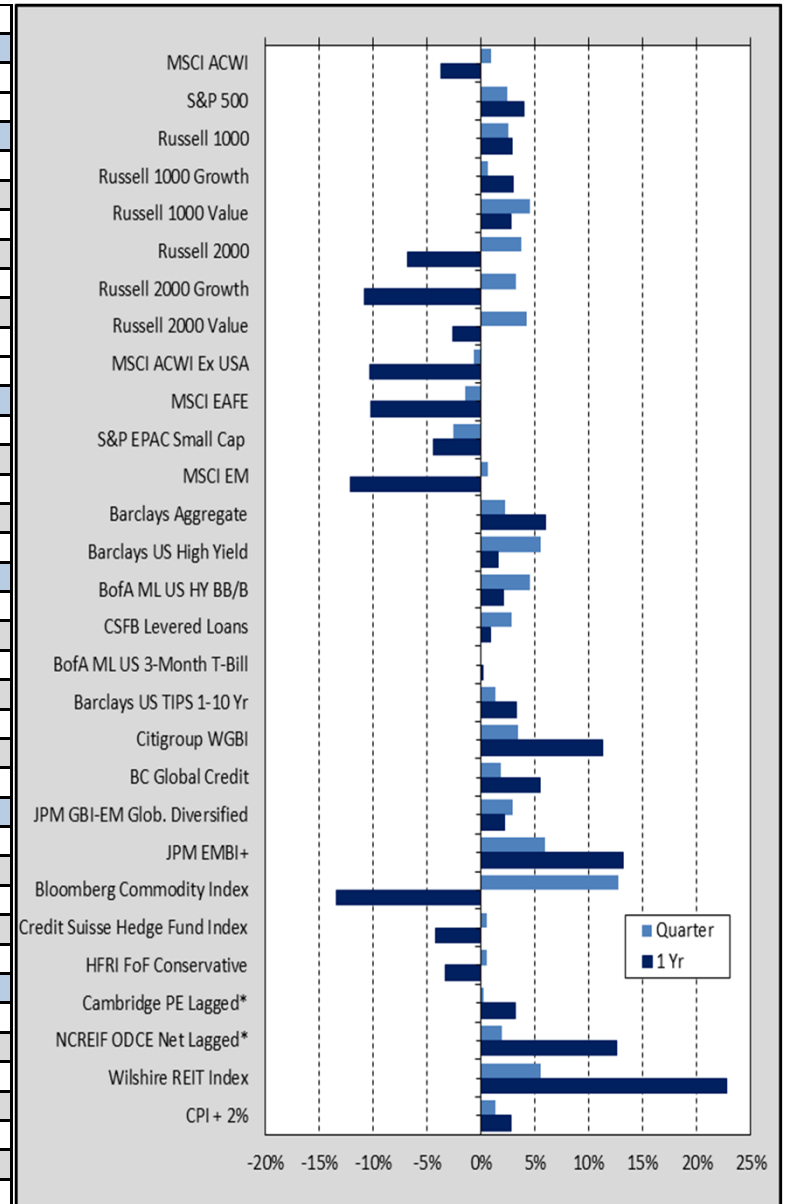


- **Second quarter GDP growth rate (first estimate) printed at a modest 1.2%.**
 - Retail sales ended May at +1.8% on a year-over-year basis. Over the same period last year, the YoY growth rate was 1.6%.
 - The inventory-to-sales ratio ended May flat at 1.4 and has remained relatively flat since early 2010.
 - Corporate profits (ended January) as a percent of GDP increased slightly to 9.3% from 9.9% (in September) and remain elevated relative to historical levels.
 - The U.S. trade deficit widened ending May due to a strong dollar and higher oil prices.
- **The unemployment rate decreased 0.1% to 4.9% in Q2; U-6, a broader measure of unemployment, fell to 9.6% during the second quarter.**
- **The Case-Shiller Home Price Index (ended May) increased to 180.7 from 176.9 in March and is at levels higher than that of pre-financial crisis levels of 150.9.**
- **Rolling 12-month seasonally adjusted CPI saw a meager uptick to 0.8% at the end of June; Capacity Utilization increased to 75.4% in Q2 from 74.8% in Q1.**
- **Fed Funds rate was unchanged at 0.50%. The 10-year Treasury Yield (constant maturity) finished Q2 at 1.6% down from 1.9% in Q1.**
- **The Fed balance sheet decreased slightly during Q2 2016, while the European Central Bank balance sheet continues to increase.**
 - ECB held its benchmark refinance rate at 0%, deposit rates -0.4% and asset purchases at €80 billion per month.
- **S&P valuations increased slightly in Q2 remaining above the 10-year and long-term averages.**
 - Cyclically adjusted Shiller PE ratio (25.83x) is above the long-term average of 16.67x and above the 10-year average of 22.88x.

City of San Jose Police and Fire Department Retirement Plan

Market Environment – Q2 2016 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI	World	1.0%	-3.7%	6.0%	5.4%	4.3%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	2.5%	4.0%	11.7%	12.1%	7.4%
Russell 1000	Large Core	2.5%	2.9%	11.5%	11.9%	7.5%
Russell 1000 Growth	Large Growth	0.6%	3.0%	13.1%	12.3%	8.8%
Russell 1000 Value	Large Value	4.6%	2.9%	9.9%	11.4%	6.1%
Russell 2000	Small Core	3.8%	-6.7%	7.1%	8.4%	6.2%
Russell 2000 Growth	Small Growth	3.2%	-10.8%	7.7%	8.5%	7.1%
Russell 2000 Value	Small Value	4.3%	-2.6%	6.4%	8.1%	5.2%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	-0.6%	-10.2%	1.2%	0.1%	1.9%
MSCI EAFE	Int'l Developed	-1.5%	-10.2%	2.1%	1.7%	1.6%
S&P EPAC Small Cap	Small Cap Int'l	-2.6%	-4.4%	7.6%	5.0%	4.3%
MSCI EM	Emerging Equity	0.7%	-12.1%	-1.6%	-3.8%	3.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	2.2%	6.0%	4.1%	3.8%	5.1%
Barclays US High Yield	High Yield	5.5%	1.6%	4.2%	5.8%	7.6%
BofA ML US HY BB/B	High Yield	4.6%	2.1%	4.6%	5.9%	7.0%
CSFB Levered Loans	Bank Loans	2.9%	0.9%	3.0%	4.0%	4.2%
BofA ML US 3-Month T-Bill	Cash	0.1%	0.2%	0.1%	0.1%	1.0%
Barclays US TIPS 1-10 Yr	Inflation	1.3%	3.3%	1.6%	1.6%	4.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	3.4%	11.3%	2.6%	1.2%	4.2%
BC Global Credit	Global Bonds	1.9%	5.5%	3.2%	3.1%	4.7%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	3.0%	2.2%	-3.5%	-2.2%	5.7%
JPM EMBI+	Em. Mkt. Bonds	6.0%	13.2%	7.1%	6.4%	8.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
Bloomberg Commodity Index	Commodity	12.7%	-13.4%	-10.6%	-10.8%	-5.6%
Credit Suisse Hedge Fund Index	Hedge Fund	0.6%	-4.2%	2.5%	2.9%	4.2%
HFRI FoF Conservative	Fund of Funds	0.5%	-3.3%	1.9%	1.9%	1.4%
Cambridge PE Lagged*	Private Equity	0.3%	3.2%	10.9%	11.4%	10.8%
NCREIF ODCE Net Lagged*	Real Estate	2.0%	12.6%	12.6%	12.2%	5.4%
Wilshire REIT Index	REIT	5.6%	22.8%	13.6%	12.5%	7.0%
CPI + 2%	Inflation/Real Assets	1.3%	2.8%	3.0%	3.3%	3.8%



* As of 3/31/2016

Market Environment

Global Equity

- **U.S. equities posted modest gains in the second quarter (+2.5%) amid volatile trading at the end of the quarter as market participants digested news of the Brexit vote.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning 3.8% and the Russell 1000 Index returning 2.5%.**
- **International equities trailed U.S. markets during the quarter, returning -0.6%, as measured by the MSCI ACWI ex-U.S. Index. Emerging markets returned 0.7% as measured by the MSCI Emerging Markets Index in U.S. dollar terms.**
 - Developed international markets returned -1.5% as measured by the MSCI EAFE Index.
- **Strength of U.S. Dollar in recent years has negatively impacted performance of non-U.S. equity allocations.**

	One Year	Three Year	Five Year	Ten Year
MSCI EAFE	-10.2%	2.1%	1.7%	1.6%
MSCI EAFE (Local)	<u>-9.8%</u>	<u>6.3%</u>	<u>6.7%</u>	<u>2.6%</u>
Over/Under	-0.4%	-4.2%	-5.0%	-1.0%
MSCI EAFE Small Cap	-3.7%	7.3%	4.8%	3.6%
MSCI EAFE Small Cap (Local)	<u>-4.9%</u>	<u>11.2%</u>	<u>9.8%</u>	<u>4.3%</u>
Over/Under	1.2%	-3.9%	-5.0%	-0.7%
MSCI Emerging Markets	-12.1%	-1.6%	-3.8%	3.5%
MSCI Emerging Markets (Local)	<u>-7.7%</u>	<u>3.7%</u>	<u>2.0%</u>	<u>5.7%</u>
Over/Under	-4.4%	-5.3%	-5.8%	-2.2%

Private Equity

- **Private equity fundraising totaled \$104 billion in Q2 2016.**
- **Buyout and Special Situations fundraising totaled \$88 billion in Q2 2016, more than twice the amount contracted in Q1.**
 - While exit volume also increased over the first quarter, the first half total for 2016 is down 33% from the prior year period. The primary driver of slower exit volume is a sharp decrease in IPOs that occurred during the first quarter, which was the slowest quarter for IPOs since 2009.
- **Venture capital fundraising totaled \$16.9 billion.**
 - VC fundraising as a percent of total new PE funds is in line with historical post-dot com levels.
- **Fund of fund and multi-manager co-investment fundraising totaled \$5.6 billion.**
- **Growth equity fundraising totaled \$3.4 billion.**

Market Environment

Fixed Income

- **The yield curve shifted down for maturities greater than 6 months. Intermediate yields decreased 20-29 basis points and long duration yields decreased 31-34 basis points.**
- **The spread between two and 10-year rates decreased to 91 basis points from 105 basis points ended June. Treasury Inflation-Protected Securities, or TIPS, returned +1.3% during the quarter, as measured by the Barclays U.S. TIPS 1-10 Yr Index.**
- **The Barclays Long Duration Credit Index gained +6.65% as the long end of the curve ended the quarter 31 basis points lower.**
- **Long Treasuries gained +6.44% and investment-grade U.S. corporate debt gained 2.21%.**
- **The Barclays 1-3 year Government/ Credit Index returned +0.67%. U.S. high yield bonds gained +5.52% driven by Energy names.**
- **Emerging markets debt gained broadly reversing trend with US denominated issuances gaining relative to Local Currency denominated debt.**
 - U.S. dollar-denominated debt, as measured by the JP Morgan EMBI Index, gained 6.0%; local currency debt gained +3.0%, according to the JP Morgan GBI-EM Index.

Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
 - Seek inflation sensitive asset classes that offer positive yield.
 - Oil prices stabilizing and remain low.
 - Private equity and private debt opportunities may be relatively attractive.
 - Potential for public stressed/distressed credit, equity and commodity plays.

- **Select infrastructure opportunities showing signs of being attractive.**
 - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations.
 - Secular opportunities may exist within the shipping industry as traditional financing sources (both debt and equity) are less abundant.

- **Timber opportunities remain elusive.**
 - Income yields (net) are low as assets are predominantly traded between like-minded institutions.
 - Private strategies are illiquid and constrain quick entrance/exit (i.e. long-term lock-up).
 - Liquid strategies have limited pure timber exposure (and limited active-play options).

- **Metals & Mining; weakened commodity prices may be the new norm as China growth shifts.**

- **Agriculture; outlook supported by strong demographic trends.**

Market Environment

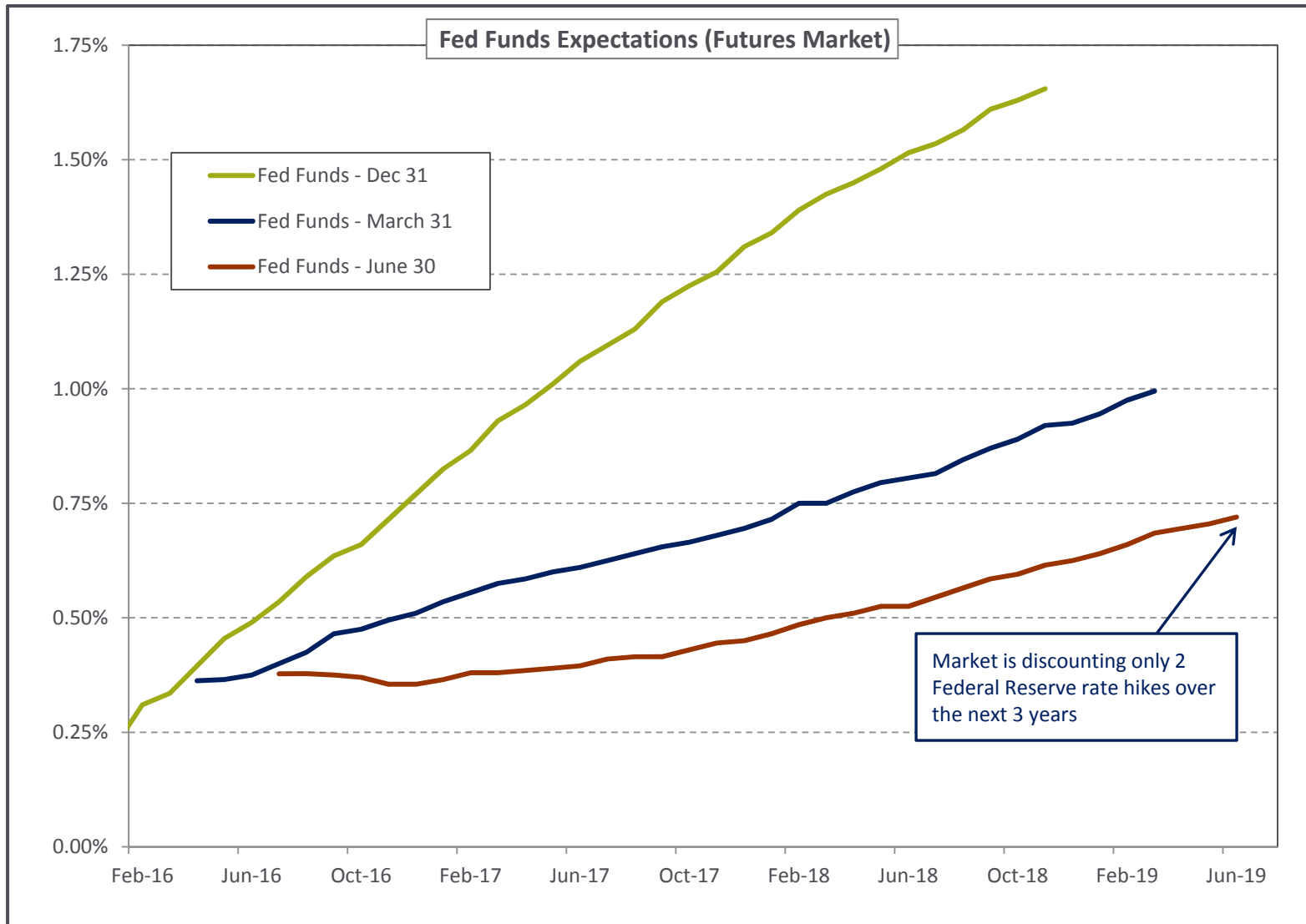
Commodities

- **Commodities ended quarter with a solid +12.7% as measured by the Bloomberg Commodity Index.**
 - Despite an increase in the value of the U.S. Dollar, commodity prices posted strong gains led by a 26% gain in oil.
 - Gold gained 7% in the second quarter and YTD has gained 24%.

Real Estate

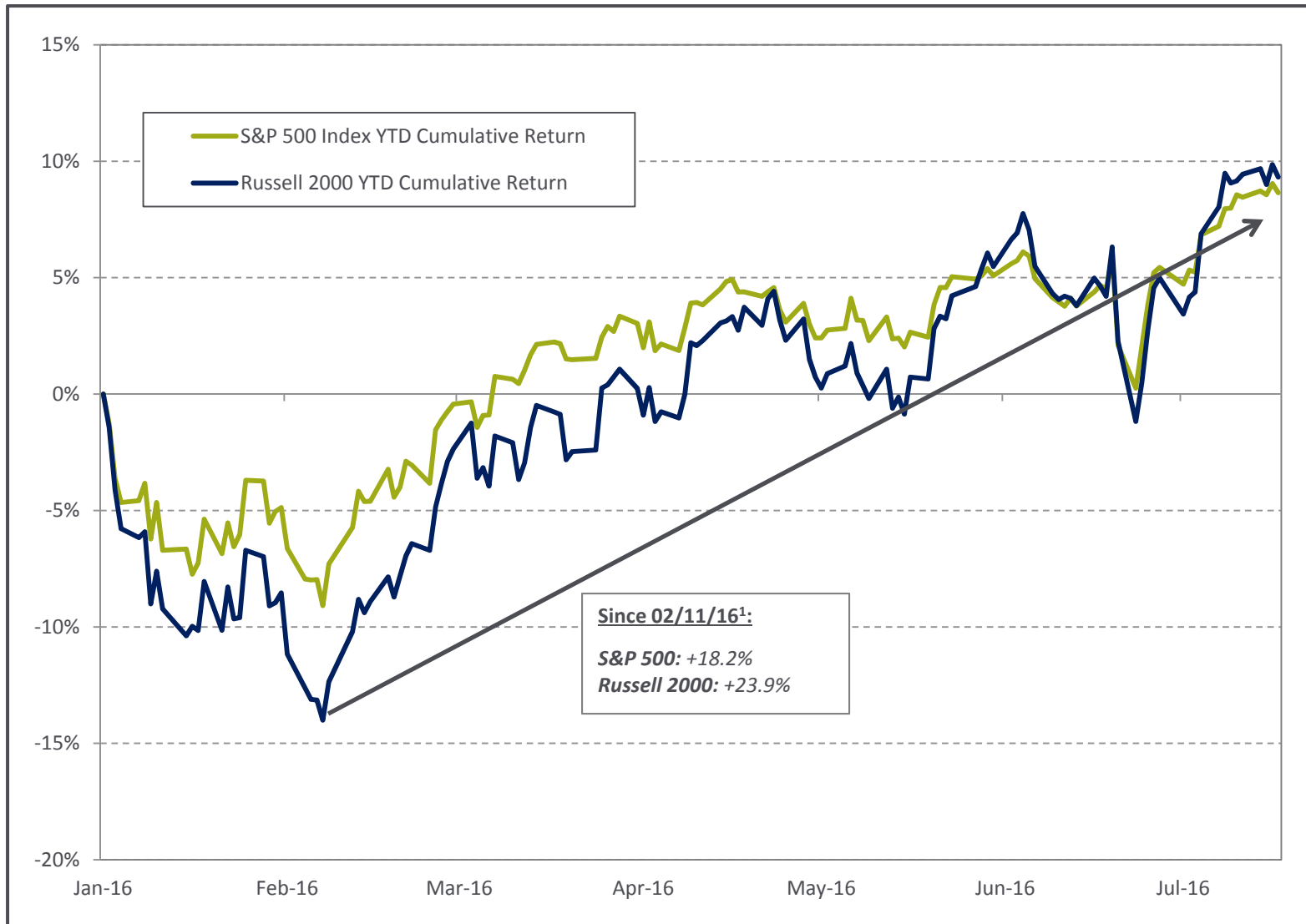
- **NEPC continues to be neutral on core real estate in the U.S. and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
 - Real estate fundamentals and debt terms are attractive; however, valuations are high and the possibility of rising interest rates and the impact on cap rates causes concern.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **REIT sector has snapped back to NAV (closing out longest time trading below NAV since the Global Financial Crisis) but remain at high FFO multiples.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
 - Current U.S. dollar denominated investors with currency exposure will feel near-term impact of Brexit, but new investors may benefit from a strong U.S. dollar. Long-term Brexit implications, however, are unclear.

An Uptick in Fed Funds Expectations of Current Lows is Likely to Fuel Dollar Strength



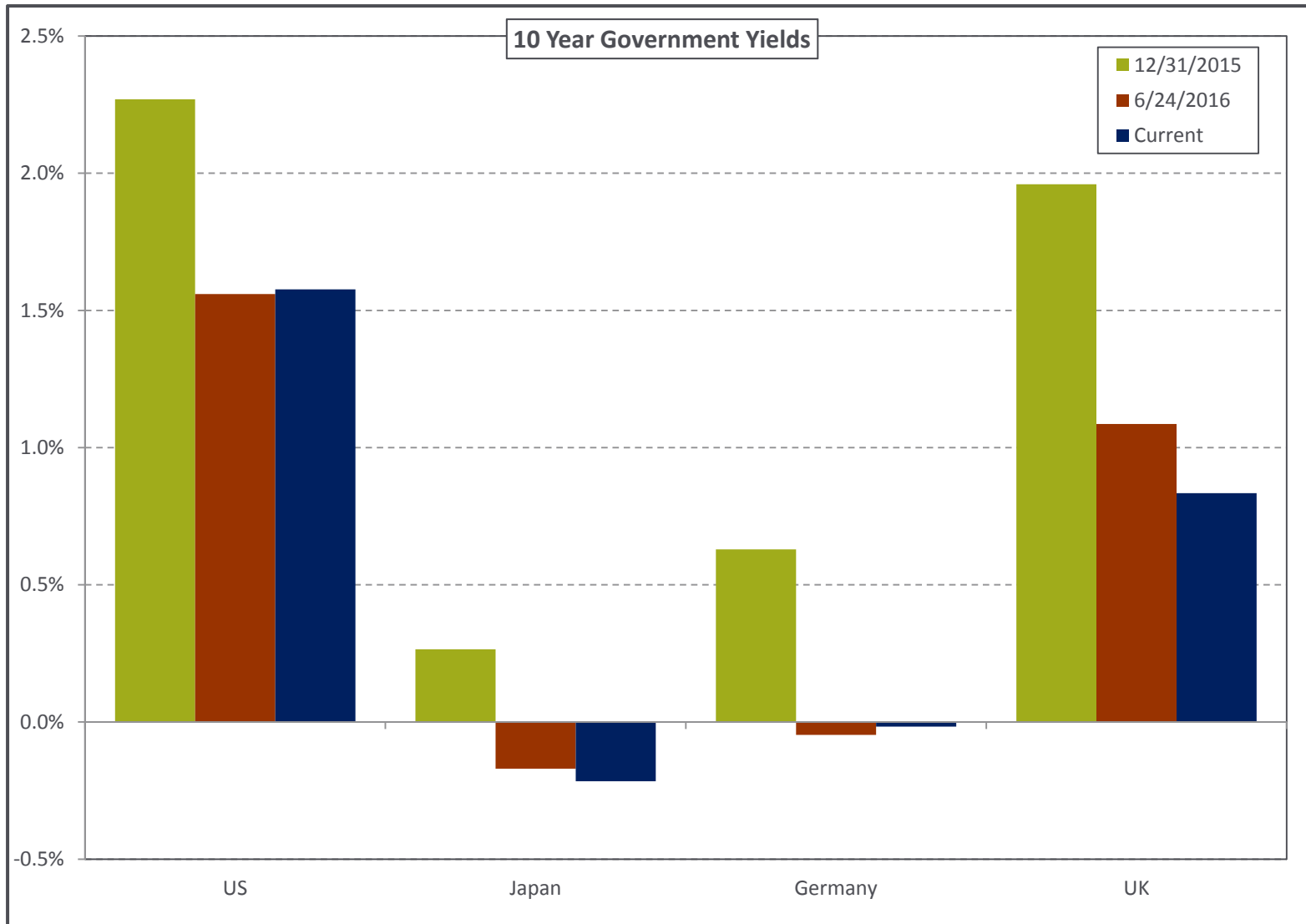
Source: Bloomberg

Significant U.S. Equity Gains From February Lows – Remain Disciplined in Rebalancing



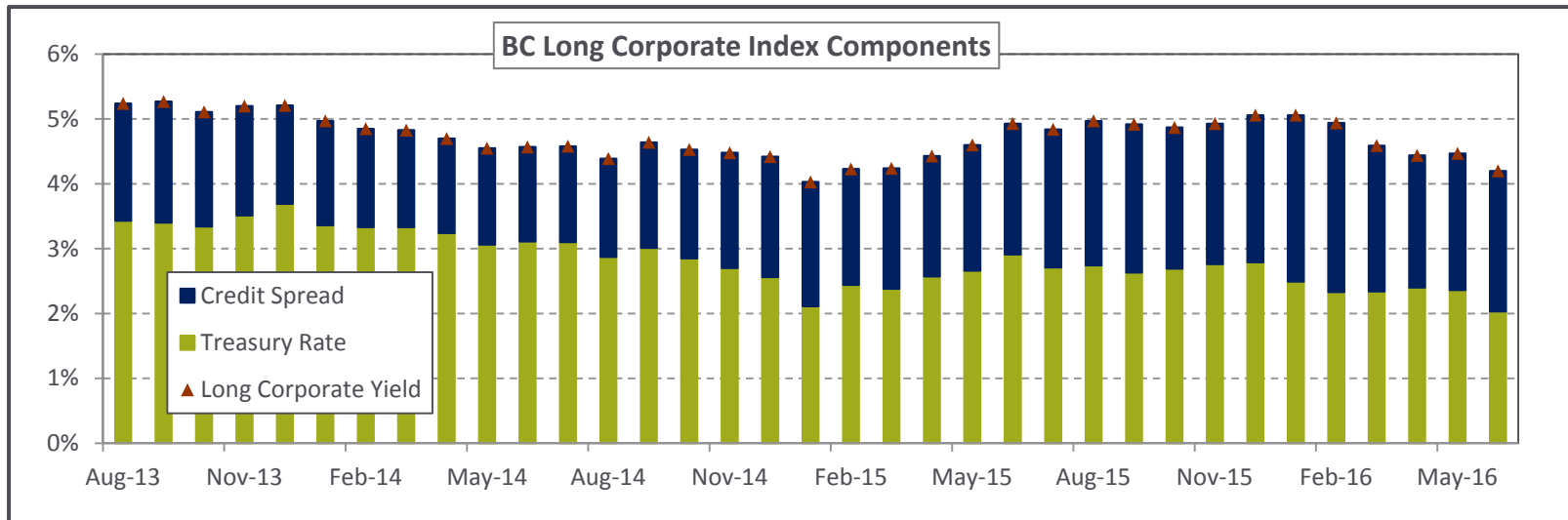
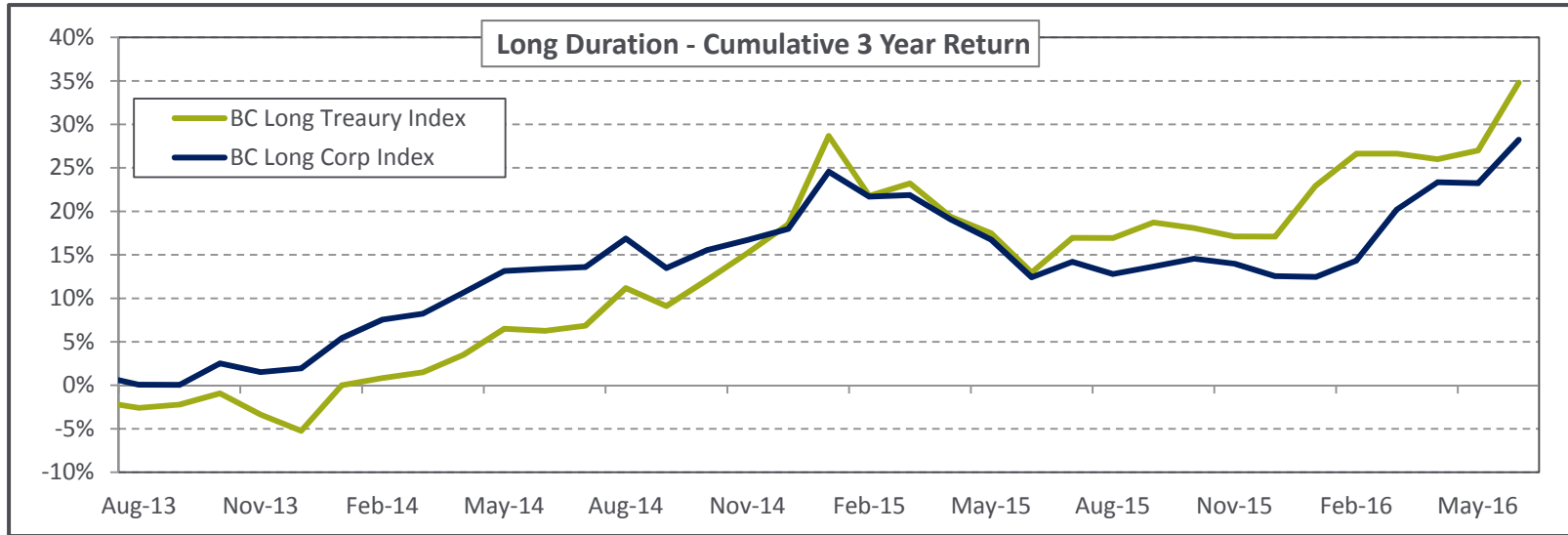
Source: Bloomberg
¹As of July 22, 2016

Global Bond Yields at Record Lows; Re-Evaluate WGBI Exposure



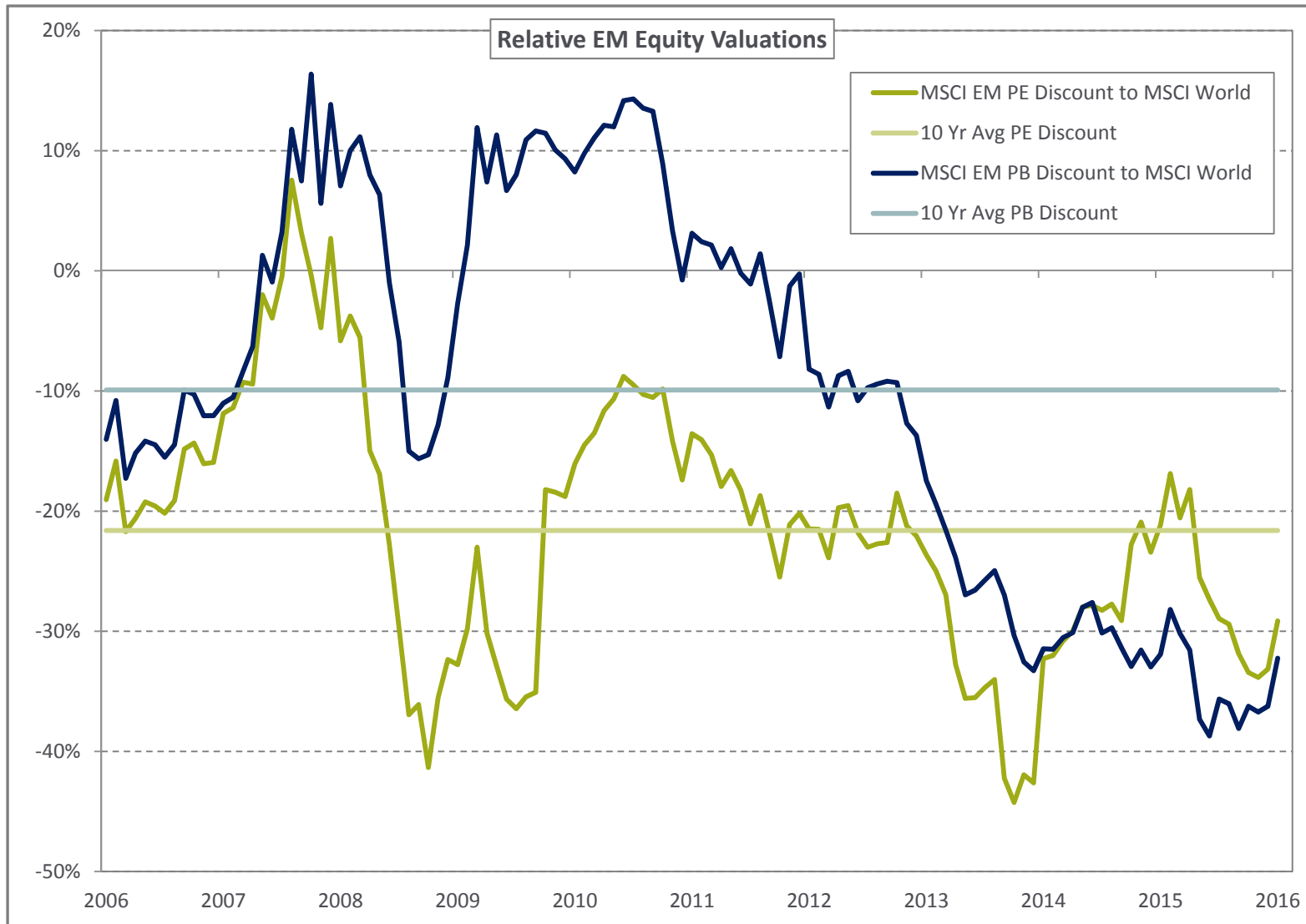
Source: Bloomberg
Results of Brexit vote announced on 06/24/2016

Treasury Exposure Provided Significant Gains – Opportunities for Profit Taking in Long Bonds



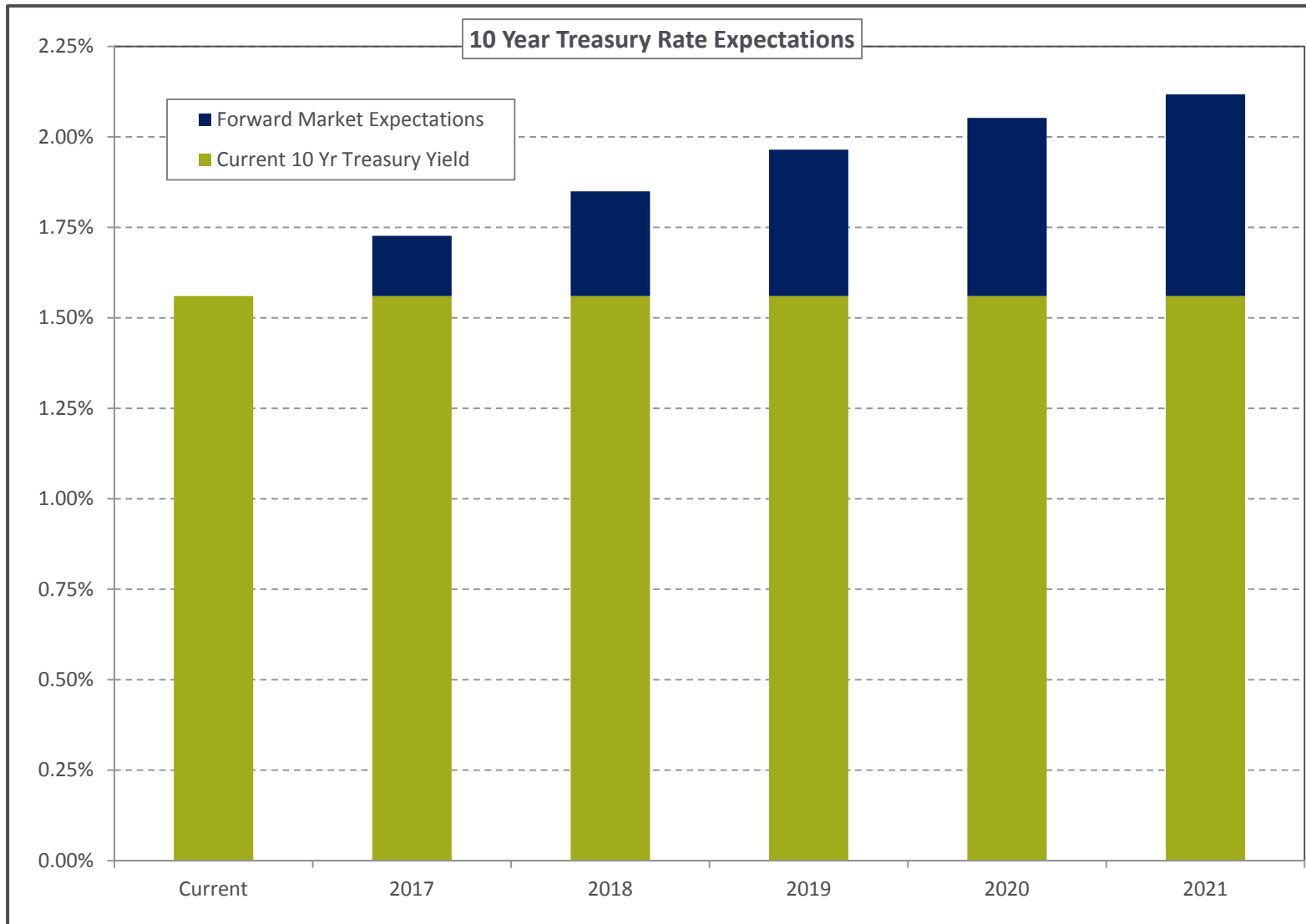
Source: Bloomberg

Emerging Markets Continue to Offer Reasonable Equity Valuations



Source: Bloomberg

Muted Forward Market Expectations Provide Limited Cushion Should Rates Rise More Rapidly



Source: Bloomberg

General Actions for Clients

- **Trim U.S. equity exposure as U.S. markets have rebounded significantly**
 - Remain disciplined and look for rebalancing opportunities should equity markets decline
 - Look to capture pockets of value in U.S. high yield with credit spreads in-line with averages
- **Maintain overweight exposure to non-U.S. developed market equities**
 - Central bank support and dollar strength provide a positive economic backdrop
 - A more dramatic expansion of political risk may soften our overweight view
 - Small cap equity and global equity are preferred implementation approaches
 - These strategies offer the best opportunity to exploit valuation discrepancies among individual stocks that may result from elevated volatility levels
- **Recommend investors continue to hedge developed market currencies**
 - 50% hedge ratio remains an ideal neutral point for developed currency exposure
 - Current U.S. Dollar valuation hovers within a neutral band; opportunities to tactically adjust currency hedge ratios may arise should the U.S. Dollar significantly strengthen or weaken
- **Recent strength validates commitment to emerging market equities**
 - Valuations and long-term fundamentals suggest an overweight
 - China uncertainty, dollar pressure and idiosyncratic country risks temper excitement
 - Overweight small cap and consumer-focused strategies relative to broad mandates
- **Developed market duration exposure is generally unattractive**
 - Preserve U.S. duration exposure with a bias towards TIPS over core bonds
 - Rebalance long Treasuries, long credit, and risk parity following recent outsized gains
 - Look to eliminate WGBI focused global bond strategies with yields at historic lows

NEPC Updates

June 30, 2016

Highlights of Second Quarter Happenings at NEPC

NEPC Research

Recent White Papers

- "Thinking Ahead to Stay Ahead: Strategic Private Equity Investing in Healthcare" (April 2016)
- Market Chatter: "Implications of Brexit" (June 2016)
- Market Chatter: "Brexit... What Now?" (June 2016)
- "The Disease of Doubt" (July 2016)

Webinar

- "Brexit - A Vote for Volatility" (June 2016); Panel provides perspectives on the EU Referendum.



NEPC's 21st Annual Investment Conference

"Excellent breadth of materials, plenty of concurrent sessions, and the speakers were vibrant and humorous!" is just one of many positive reviews from attendees. The conference attracted more than 200 people to the Hynes Convention Center in Boston on May 10-11, 2016.

News from NEPC

We are excited to announce NEPC's active presence on five social media channels: Facebook, Google+, LinkedIn, Twitter and YouTube, and we will continue to post on the Endowments and Foundations Twitter. We will be using these online channels to share company news, information and articles throughout the industry. Those interested in keeping up with the latest news from NEPC can follow our accounts. Company news and industry insights will continue to be available on our website, which has been updated with a new optimized search feature.



Upcoming Events

NEPC's 22nd Annual Investment Conference will be held on May 9-10, 2017 at the InterContinental Hotel in Boston, MA.

MARK YOUR CALENDAR!

NEPC Client Recognitions

We are pleased to announce that three of NEPC's public fund clients won Institutional Investor (II) Awards.

- **Arn Andrews**, CIO of San Jose Police & Fire, won the award for Chief Investment Officer of the Year.
- **Sam Masoudi**, CIO of Wyoming Retirement System, won the award for Opportunistic Investment Strategies Award.
- **Bob Jacksha**, CIO of New Mexico Employees Retirement Board, won the award for Portfolio Construction.

We are also pleased to announce that two NEPC clients, **San Bernardino County Employees' Retirement System** and **Arizona Public Safety Personnel Retirement System**, were nominated for Institutional Investor magazine's 14th Annual Hedge Fund Industry Awards in the "Public Plan of the Year, Small" category.

Total Fund Performance

Note: All of the data shown on the following pages is as of June 30, 2016 and reflects the deduction of investment manager fees, unless otherwise noted.



City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance (Gross of Fees)

	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	\$3,073,587,468	1.5%	70	2.5%	72	-0.4%	71	4.1%	96	4.4%	96	4.5%	96	5.8%	69	6.8%	68	7.8%	72	8.5%	Mar-71
<i>Policy Benchmark</i>		2.2%	21	4.5%	4	0.3%	48	4.4%	94	4.5%	96	4.4%	97	5.6%	82	6.6%	78	--	--	--	Mar-71
<i>Allocation Index</i>		2.0%	28	3.9%	15	0.5%	46	4.5%	94	4.2%	98	4.6%	94	5.4%	85	--	--	--	--	--	Mar-71
<i>60% MSCI ACWI IMI (net)/40% CITI WGBI</i>		2.0%	29	5.2%	2	2.2%	12	4.9%	93	3.9%	98	4.7%	93	5.9%	62	5.7%	99	--	--	--	Mar-71
<i>InvestorForce Public DB > \$1B Gross Median</i>		1.8%		2.9%		0.3%		6.8%		6.8%		5.7%		6.1%		7.0%		8.1%		--	Mar-71

For the five-year period ending June 30, 2016, the Fund returned 4.4%, trailing the policy benchmark by 0.1% and ranking in the 96th percentile of the InvestorForce Public Funds > \$1 Billion Universe. The Fund's volatility ranks in the 17th percentile over this period, meaning that the Fund has been less volatile than 83% of its peers.

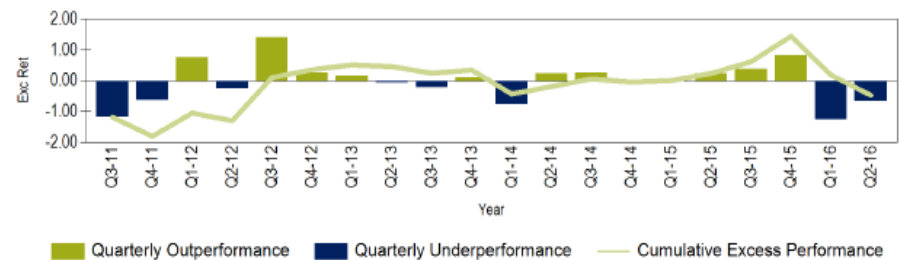
For the three-year period ending June 30, 2016, the Fund returned 4.1%, trailing the policy benchmark by 0.3% and ranking in the 96th percentile of its peers. The Fund's volatility ranks in the 9th percentile of its peers over this period.

For the one-year period ending June 30, 2016, the Fund produced a net investment loss of \$19.9 million, which includes a net investment gain of \$45.9 million during the second calendar quarter. Assets decreased from \$3.15 billion one year ago to \$3.07 billion on June 30, 2016, with \$57.5 million in net distributions during the year.

For the one-year period ending June 30, 2016, the Fund returned -0.4%, trailing the policy benchmark by 0.7% and ranking in the 71st percentile of its peers.

Please see the appendix for additional performance disclosures.

Quarterly and Cumulative Excess Performance



3 Years Ending June 30, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	4.1%	96	5.4%	9	0.8	89	1.6	62
Policy Benchmark	4.4%	94	5.8%	15	0.7	92	1.6	61
InvestorForce Public DB > \$1B Gross Median	6.8%	--	6.8%	--	1.0	--	1.7	--

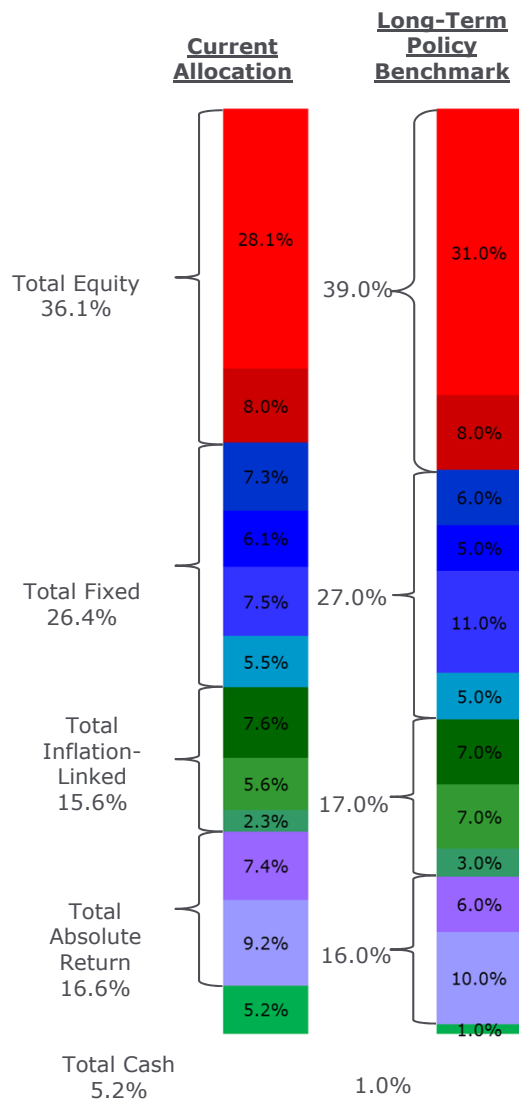
5 Years Ending June 30, 2016

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	4.4%	96	6.7%	17	0.6	95	1.0	90
Policy Benchmark	4.5%	96	6.6%	11	0.7	95	1.1	74
InvestorForce Public DB > \$1B Gross Median	6.8%	--	7.6%	--	0.8	--	1.3	--

*InvestorForce Public DB > \$1B includes 95 observations and total assets of \$1.9 Trillion.

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	\$864,023,581	28.1%	31.0%	-2.9%		
Global Equity ²	\$209,227,280	6.8%				
U.S. Equity ³	\$204,698,255	6.7%				
U.S. Large Cap	\$154,548,466	5.0%				
U.S. Small Cap	\$50,149,789	1.6%				
Non-U.S. Equity	\$362,045,595	11.8%				
Non-U.S. Developed Markets ⁴	\$314,336,403	10.2%				
Non-U.S. Emerging Markets	\$47,709,191	1.6%				
Alternative Equity	\$88,052,451	2.9%				
Private Equity	\$245,889,983	8.0%	8.0%	0.0%		
Total Equity	\$1,109,913,563	36.1%	39.0%	-2.9%	25% - 50%	Yes
Fixed Income						
Global Core	\$224,730,286	7.3%	6.0%	1.3%		
Non-Investment Grade Credit	\$186,464,786	6.1%	5.0%	1.1%		
Opportunistic/Private Debt	\$231,874,131	7.5%	11.0%	-3.5%		
Emerging Market Debt ⁶	\$169,369,108	5.5%	5.0%	0.5%		
Total Fixed Income⁵	\$812,438,311	26.4%	27.0%	-0.6%	20% - 40%	Yes
Inflation-Linked Assets						
Real Estate	\$234,969,486	7.6%	7.0%	0.6%		
Commodities	\$172,158,888	5.6%	7.0%	-1.4%		
Multi-Asset Inflation-Linked Assets	\$71,876,712	2.3%	3.0%	-0.7%		
Total Inflation-Linked Assets	\$479,005,086	15.6%	17.0%	-1.4%	12% - 25%	Yes
Absolute Return						
Hedge Funds	\$227,949,751	7.4%	6.0%	1.4%		
Global Asset Allocation	\$283,752,404	9.2%	10.0%	-0.8%		
Total Absolute Return	\$511,702,155	16.6%	16.0%	0.6%	5% - 25%	Yes
Cash⁶	\$160,528,353	5.2%	1.0%	4.2%	0% - 5%	No
Total	\$3,073,587,468	100.0%	100.0%	0.0%		

Please see appendix for details regarding footnotes.

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

Totals may not add to 100% due to rounding.

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

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Public Equity

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2016		Ending Market Value
			Net Investment Change		
Artisan Global Opportunities	\$99,461,739	-\$214,969	\$1,130,462		\$100,377,232
Artisan Global Value	\$109,411,278	\$0	-\$561,229		\$108,850,048
Liquidating - Russell MSCI ACWI	\$4,299	\$0	-\$4,299		\$0
Equity Transition	\$2,198	-\$2,197	-\$1		\$0
Global Equity Composite	\$208,879,514	-\$217,166	\$564,933		\$209,227,280
NT Russell 1000 Index Fund	\$175,728,051	-\$25,005,754	\$3,826,169		\$154,548,466
Transition Account #1	\$3,288	-\$3,322	\$34		\$0
RBC Small Cap Core	\$48,237,199	\$0	\$1,912,590		\$50,149,789
U.S. Equity Composite	\$223,968,538	-\$25,009,076	\$5,738,793		\$204,698,255
Liquidating - Russell MSCI EAFE + CAD	\$72,472	\$0	-\$1,220		\$71,252
NT Russell MSCI World ex US Index Fund	\$263,875,267	-\$26,799	-\$2,206,087		\$261,642,380
Liquidating - Brandes Int'l Equity	\$10,526	-\$7,738	-\$92		\$2,695
Liquidating - Russell MSCI EAFE + CAD Small Cap Index	\$1,116	\$0	-\$28		\$1,088
Oberweis	\$51,169,640	\$0	\$332,941		\$51,502,581
MSCI Emerging Markets ETF (ticker: EEM)	\$3,001	-\$3,004	\$4		\$1
Vontobel Emerging Markets	\$77,279,148	-\$77,279,148	\$0		\$0
Dimensional Fund Advisors	\$29,146,369	-\$40,079	\$414,031		\$29,520,321
Aberdeen Frontier Markets	\$18,246,624	\$0	-\$57,755		\$18,188,869
Russell Currency Hedging	-\$541,559	\$1,290,000	\$367,966		\$1,116,407
International Equity Composite	\$439,262,604	-\$76,066,768	-\$1,150,240		\$362,045,594
Marshall Wace	\$21,057,732	\$0	\$496,153		\$21,553,885
Horizon	\$27,410,371	\$0	\$369,048		\$27,779,419
Sandler	\$17,523,483	\$0	\$271,497		\$17,794,980
Senator	\$20,804,558	\$0	\$119,609		\$20,924,167
Alternative Equity Composite	\$86,796,144	\$0	\$1,256,307		\$88,052,451
Total Equity Composite	\$958,906,800	-\$101,293,010	\$6,409,793		\$864,023,580

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Private Equity

	Beginning Market Value	Quarter Ending June 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
57 Stars Global Opportunity Fund 3	\$14,304,591	\$1,213,790	\$559,534	\$16,077,915
TCW/Crescent Mezzanine Partners V	\$4,657,634	-\$1,063,584	\$118,828	\$3,712,878
CCMP Capital Investors III	\$10,037,564	\$0	\$550,595	\$10,588,159
Crescent Mezzanine Partners VI	\$15,834,536	-\$171,230	\$394,076	\$16,057,382
Francisco Partners IV	\$4,385,619	\$712,500	\$42,856	\$5,140,975
HarbourVest (Fund VII - Buyout; Fund VIII - Venture; Fund VIII - Buyout)	\$25,079,236	-\$1,118,628	-\$311,368	\$23,649,240
Industry Ventures III	\$9,929,898	\$1,041,774	\$253,025	\$11,224,697
KSL Capital Partners IV	\$1,089,807	\$0	-\$181,319	\$908,488
Pantheon USA Fund VI	\$20,039,557	-\$520,000	-\$289,532	\$19,230,025
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Situations)	\$9,187,768	-\$865,600	-\$13,200	\$8,308,968
Siguler Guff DOF III	\$12,087,520	-\$1,191,689	-\$141,705	\$10,754,126
TPG Opportunity Partners II	\$7,089,852	-\$590,940	\$251,542	\$6,750,454
TPG Opportunity Partners III	\$3,653,193	\$2,237,286	\$121,331	\$6,011,810
Warburg Pincus Private Equity XI	\$19,239,325	\$350,000	-\$153,430	\$19,435,895
NT Russell 3000 Index Fund	\$86,663,071	-\$6,623	\$2,291,010	\$88,947,458
Total Private Equity Composite	\$243,279,171	\$27,056	\$3,492,243	\$246,798,470
Total Private Equity Composite ex-Interim Exposure	\$156,616,100	\$33,679	\$1,201,233	\$157,851,012

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Fixed Income

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2016	
			Net Investment Change	Ending Market Value
Claren Road	\$7,565,514	-\$378,276	\$164,732	\$7,351,971
Colchester Global Fixed Income	\$91,242,309	-\$20,099,696	\$1,567,217	\$72,709,830
Franklin Templeton Global Multi-Sector Plus	\$67,623,138	-\$20,000,000	\$565,381	\$48,188,518
Global Fixed Income Composite	\$166,430,961	-\$40,477,972	\$2,297,330	\$128,250,319
Beach Point Total Return	\$77,126,759	\$0	\$2,558,428	\$79,685,187
Symphony L/S Credit Fund	\$75,767,811	\$0	\$109,381	\$75,877,192
Voya	\$60,353,092	\$0	\$1,591,003	\$61,944,095
BlackRock Long Government	\$0	\$40,000,000	\$1,887,842	\$41,887,842
Corporate Credit Composite	\$213,247,662	\$40,000,000	\$6,146,654	\$259,394,316
Davidson Kempner	\$23,061,480	\$0	\$488,957	\$23,550,437
Marathon European Credit Opportunity Fund	\$8,493,210	-\$1,259,427	\$234,794	\$7,468,577
GSO Direct Lending Fund	\$17,029,034	-\$1,759,496	-\$561,098	\$14,708,440
Medley Opportunity Fund II	\$46,462,679	\$0	-\$190,274	\$46,272,406
White Oak Direct Lending Fund	\$35,280,196	-\$3,539,193	-\$827,299	\$30,913,705
Cross Ocean	\$56,236,004	-\$32,233	\$1,899,578	\$58,103,350
Cross Ocean II	\$0	\$15,000,000	\$0	\$15,000,000
Park Square	\$36,984,530	-\$505,616	\$261,126	\$36,740,040
Shoreline China Value III	\$18,696,942	\$3,652,899	\$317,772	\$22,667,613
Opportunistic Credit Composite	\$242,244,075	\$11,556,934	\$1,623,556	\$255,424,568
BlueBay Emerging Market Select Debt	\$105,897,131	-\$204,267	\$4,090,725	\$109,783,589
Iguazu Partners	\$58,187,685	\$0	\$1,397,834	\$59,585,519
Emerging Market Debt Composite	\$164,084,816	-\$204,267	\$5,488,559	\$169,369,108
Total Fixed Income Composite	\$786,007,514	\$10,874,695	\$15,556,099	\$812,438,312

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Inflation-Linked Assets

	Beginning Market Value	Quarter Ending June 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
American Realty Separate Account	\$7,020,010	\$0	-\$608,375	\$6,411,635
American Realty Core Fund	\$136,768,733	-\$11,772,676	\$3,318,182	\$128,314,239
BlackStone Real Estate Debt Strategies II	\$5,480,058	-\$103,218	\$124,516	\$5,501,356
Brookfield Strategic Real Estate Partners	\$10,336,658	-\$542,084	\$784,342	\$10,578,916
Brookfield II	\$0	\$6,453,594	\$0	\$6,453,594
Och Ziff Real Estate	\$4,241,039	\$251,757	\$230,649	\$4,723,445
Orion European Real Estate Fund IV	\$2,764,125	-\$299,426	\$105,406	\$2,570,105
TA Realty Fund X	\$10,653,951	-\$895,206	\$221,833	\$9,980,578
Tristan EPISO 3	\$6,568,088	\$950,346	\$85,506	\$7,603,940
Tristan IV	\$1,819,805	\$869,039	\$38,147	\$2,726,991
Russell Real Estate	\$46,890,749	\$0	\$711,752	\$47,602,501
Total Real Estate Composite	\$232,543,216	-\$5,087,874	\$5,011,958	\$232,467,300
Total Real Estate Composite ex-Interim Exposure	\$185,652,467	-\$5,087,874	\$4,300,206	\$184,864,799
Brookfield III	\$0	\$1,593,697	\$0	\$1,593,697
Infrastructure	\$0	\$1,593,697	\$0	\$1,593,697
Credit Suisse Balanced Risk Commodity Index	\$99,123,387	-\$102,444	\$8,312,592	\$107,333,535
Pinnacle Natural Resources	\$66,314,879	\$0	-\$1,489,526	\$64,825,353
Total Commodities Composite	\$165,438,266	-\$102,444	\$6,823,066	\$172,158,888
Wellington Diversified Inflation Hedges	\$67,371,432	-\$1,644,672	\$6,149,952	\$71,876,712
Total Multi-Asset Inflation-Linked Assets	\$67,371,432	-\$1,644,672	\$6,149,952	\$71,876,712

City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Absolute Return

	Beginning Market Value	Net Cash Flow	Quarter Ending June 30, 2016	
			Net Investment Change	Ending Market Value
AHL Partners		\$10,000,000	\$0	\$10,000,000
Arrowgrass	\$24,391,801	\$0	-\$249,156	\$24,142,645
BlueTrend	\$18,662,739	\$0	-\$1,309,386	\$17,353,353
Brevan Howard Limited	\$15,189,669	\$5,153,516	-\$18,108	\$20,325,077
Brevan Howard Multi-Strategy	\$5,153,516	-\$5,153,516	\$0	--
DE Shaw	\$29,555,687	\$0	\$95,781	\$29,651,468
Dymon Asia	\$21,866,790	\$0	\$402,010	\$22,268,800
Hudson Bay	\$20,139,655	-\$5,034,914	\$141,797	\$15,246,539
Kepos	\$18,182,659	\$0	-\$972,700	\$17,209,959
MKP Opportunity Fund	\$9,574,973	\$0	\$12,851	\$9,587,824
Pharo Asset Management	\$20,000,000	\$0	\$1,024,155	\$21,024,155
Pine River	\$21,202,553	\$0	\$472,179	\$21,674,732
Russell Hedge Funds	\$131	-\$131	\$0	
Wadhvani	\$20,340,200	\$0	-\$875,000	\$19,465,200
Total Hedge Funds	\$224,260,373	\$4,964,955	-\$1,275,577	\$227,949,753
Total Hedge Funds ex-Interim Exposure	\$224,260,242	\$4,965,086	-\$1,275,577	\$227,949,753
GMO Benchmark-Free Allocation Fund	\$84,160,825	\$0	\$722,558	\$84,883,383
PIMCO All Asset All Authority Fund	\$88,783,264	\$0	\$4,038,591	\$92,821,854
Standard Life GARS Fund	\$116,897,062	-\$10,000,000	-\$849,895	\$106,047,167
Total Global Asset Allocation	\$289,841,151	-\$10,000,000	\$3,911,254	\$283,752,403

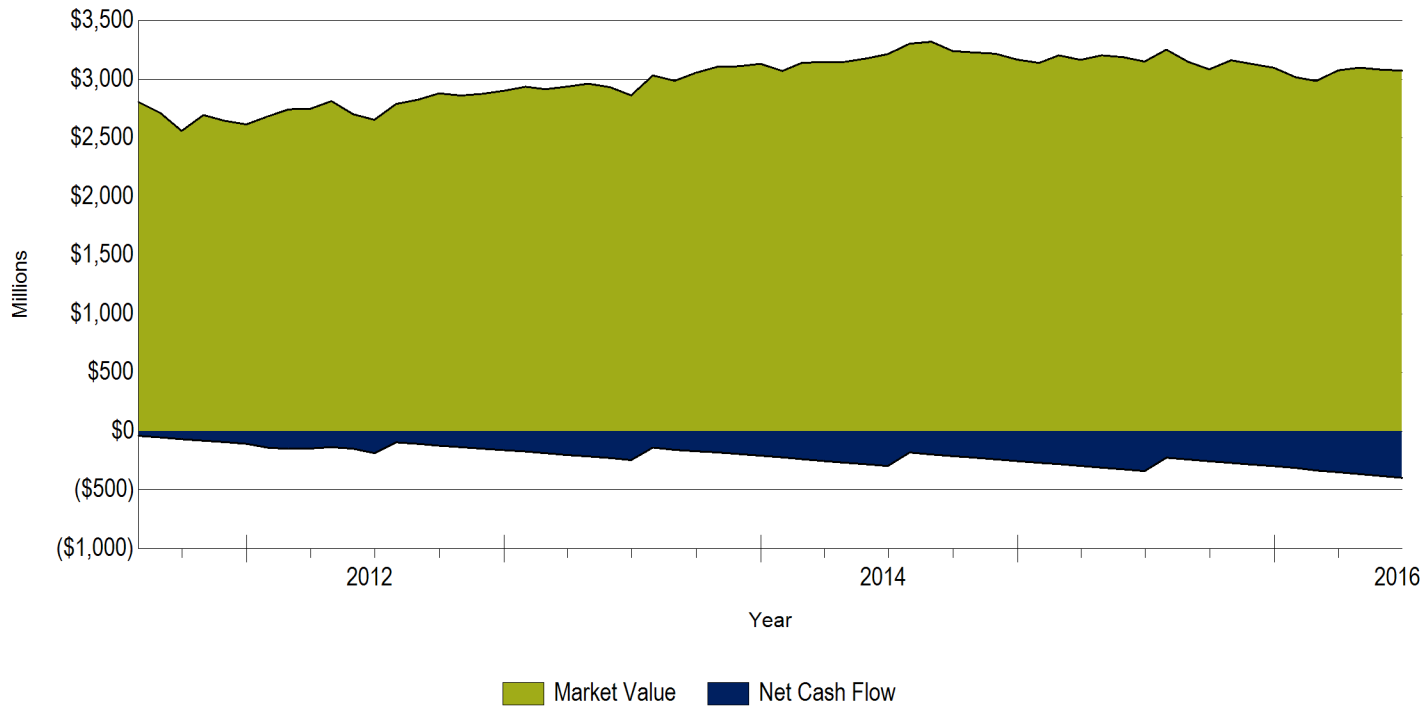
City of San Jose Police and Fire Department Retirement Plan

Asset Growth Summary Detail – Cash & Overlay

	Beginning Market Value	Quarter Ending June 30, 2016		Ending Market Value
		Net Cash Flow	Net Investment Change	
Cash	\$36,565,210	\$52,841,164	-\$8,122	\$89,398,251
Russell Overlay	\$71,328,435	\$0	-\$198,332	\$71,130,102
Total Cash and Overlay	\$107,893,645	\$52,841,164	-\$206,454	\$160,528,352

Total Fund Asset Growth Summary

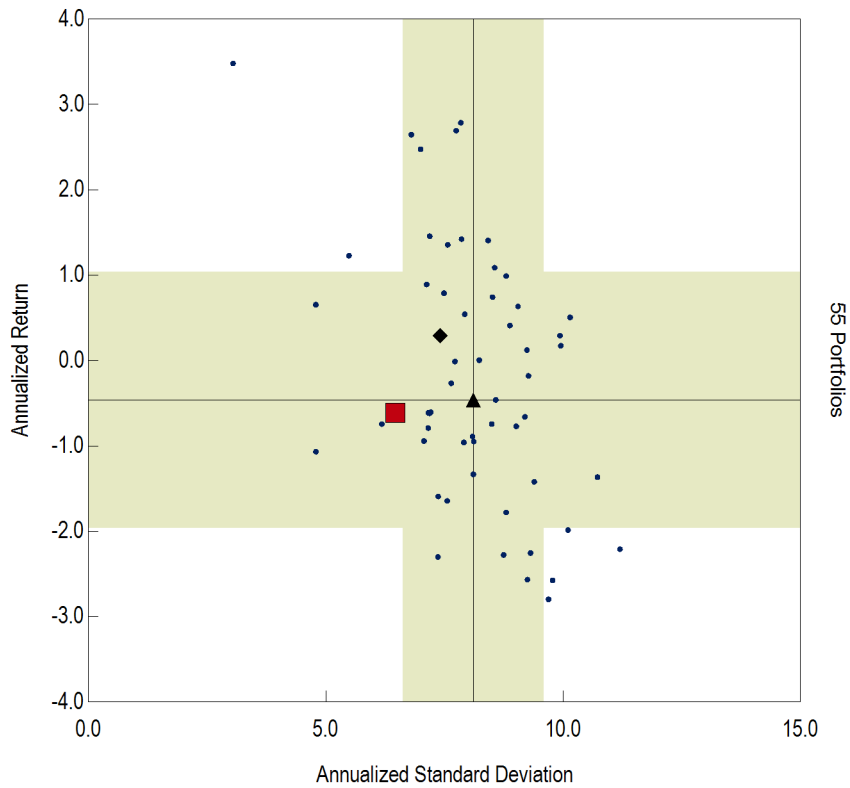
Market Value History
 Since NEPC began tracking performance, April 1, 2008 thru June 30, 2016



	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Since 4/1/08
Beginning Market Value	\$3,075,541,568	\$3,097,687,678	\$3,150,974,140	\$2,862,786,701	\$2,682,332,482	\$2,583,363,926
Net Cash Flow	-\$47,826,432	-\$99,701,326	-\$57,451,767	-\$151,298,934	-\$230,676,758	-\$398,166,294
Net Investment Change	\$45,872,332	\$75,601,116	-\$19,934,905	\$362,099,701	\$621,931,744	\$888,389,836
Ending Market Value	\$3,073,587,468	\$3,073,587,468	\$3,073,587,468	\$3,073,587,468	\$3,073,587,468	\$3,073,587,468

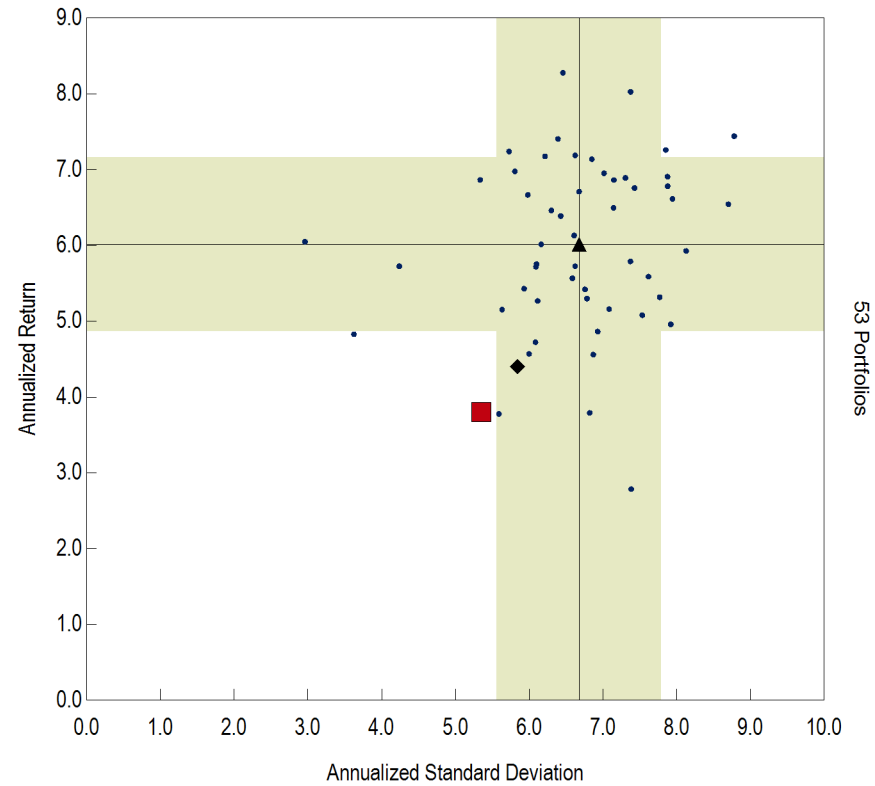
Total Fund Risk/Return

1 Year Ending June 30, 2016



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

3 Years Ending June 30, 2016

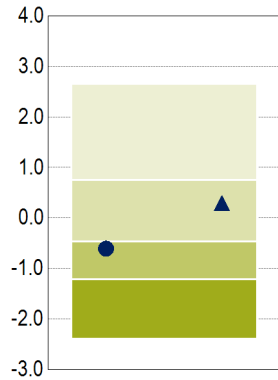


- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

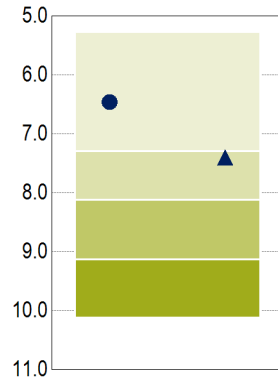
Total Fund Risk Statistics vs. Peer Universe

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

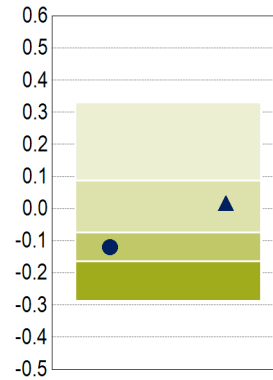
Anlzd Return



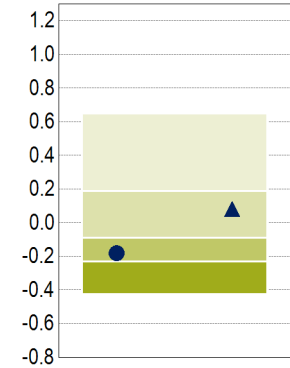
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	-0.6
%tile	54
▲ Policy Benchmark	
Value	0.3
%tile	38
Universe	
5th %tile	2.7
25th %tile	0.8
Median	-0.5
75th %tile	-1.2
95th %tile	-2.4

● Total Fund	
Value	6.5
%tile	9
▲ Policy Benchmark	
Value	7.4
%tile	29
Universe	
5th %tile	5.3
25th %tile	7.3
Median	8.1
75th %tile	9.1
95th %tile	10.1

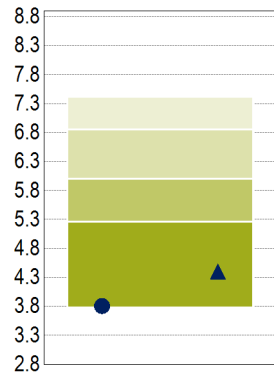
● Total Fund	
Value	-0.1
%tile	63
▲ Policy Benchmark	
Value	0.0
%tile	37
Universe	
5th %tile	0.3
25th %tile	0.1
Median	-0.1
75th %tile	-0.2
95th %tile	-0.3

● Total Fund	
Value	-0.2
%tile	66
▲ Policy Benchmark	
Value	0.1
%tile	35
Universe	
5th %tile	0.7
25th %tile	0.2
Median	-0.1
75th %tile	-0.2
95th %tile	-0.4

Total Fund Risk Statistics vs. Peer Universe

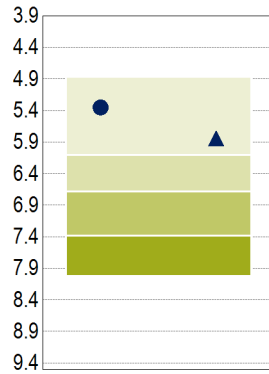
**Total Fund vs. InvestorForce Public DB > \$1B Net (USD)
3 Years**

Anlzd Return



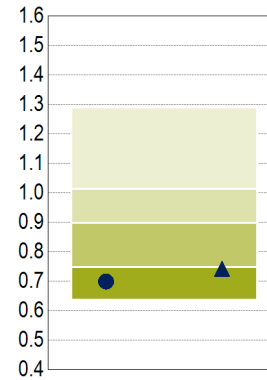
● Total Fund	
Value	3.8
%tile	95
▲ Policy Benchmark	
Value	4.4
%tile	93
Universe	
5th %tile	7.4
25th %tile	6.9
Median	6.0
75th %tile	5.3
95th %tile	3.8

Anlzd Standard Deviation



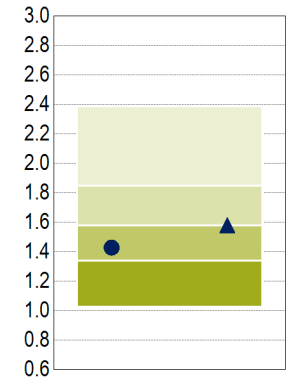
● Total Fund	
Value	5.4
%tile	8
▲ Policy Benchmark	
Value	5.8
%tile	16
Universe	
5th %tile	4.9
25th %tile	6.1
Median	6.7
75th %tile	7.4
95th %tile	8.0

Sharpe Ratio



● Total Fund	
Value	0.7
%tile	85
▲ Policy Benchmark	
Value	0.7
%tile	78
Universe	
5th %tile	1.3
25th %tile	1.0
Median	0.9
75th %tile	0.8
95th %tile	0.6

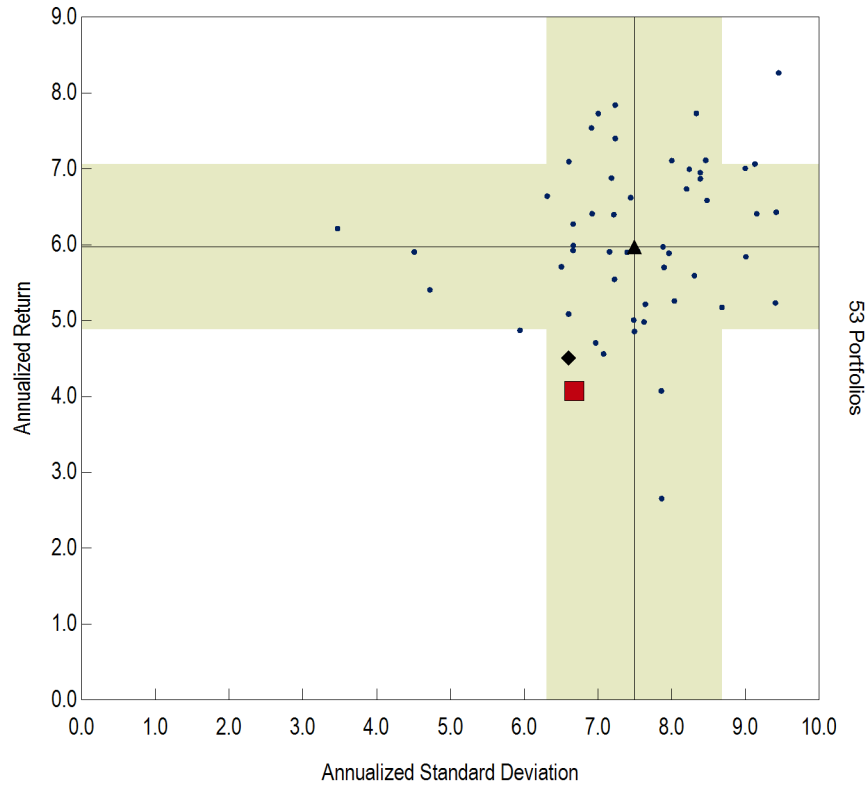
Sortino Ratio



● Total Fund	
Value	1.4
%tile	65
▲ Policy Benchmark	
Value	1.6
%tile	51
Universe	
5th %tile	2.4
25th %tile	1.9
Median	1.6
75th %tile	1.3
95th %tile	1.0

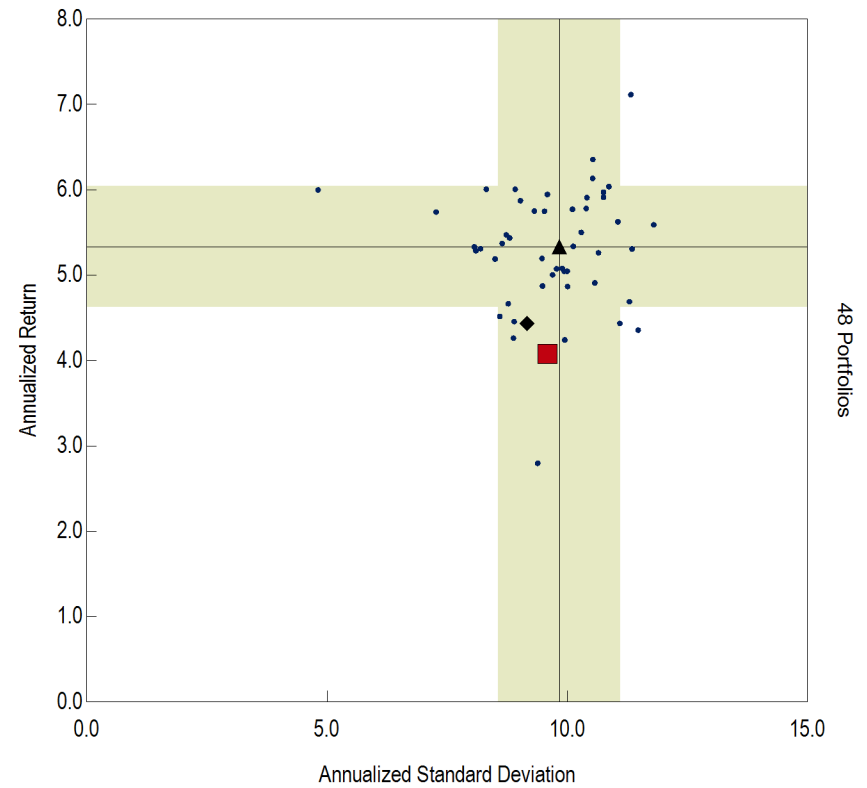
Total Fund Risk/Return

5 Years Ending June 30, 2016



- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

10 Years Ending June 30, 2016

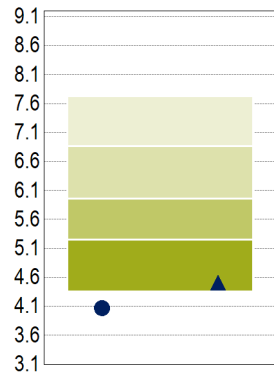


- Total Fund
- ◆ Policy Benchmark
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

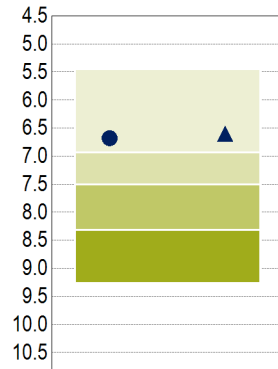
Total Fund Risk Statistics vs. Peer Universe

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

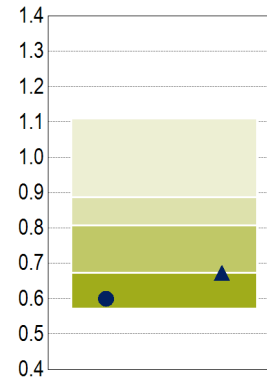
Anlzd Return



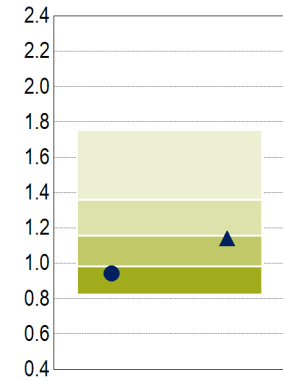
Anlzd Standard Deviation



Sharpe Ratio



Sortino Ratio



● Total Fund	
Value	4.1
%tile	97
▲ Policy Benchmark	
Value	4.5
%tile	95

● Total Fund	
Value	6.7
%tile	22
▲ Policy Benchmark	
Value	6.6
%tile	13

● Total Fund	
Value	0.6
%tile	93
▲ Policy Benchmark	
Value	0.7
%tile	76

● Total Fund	
Value	0.9
%tile	84
▲ Policy Benchmark	
Value	1.1
%tile	55

Universe	
5th %tile	7.7
25th %tile	6.9
Median	6.0
75th %tile	5.3
95th %tile	4.4

Universe	
5th %tile	5.5
25th %tile	6.9
Median	7.5
75th %tile	8.3
95th %tile	9.3

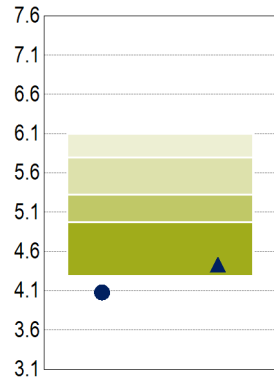
Universe	
5th %tile	1.1
25th %tile	0.9
Median	0.8
75th %tile	0.7
95th %tile	0.6

Universe	
5th %tile	1.8
25th %tile	1.4
Median	1.2
75th %tile	1.0
95th %tile	0.8

Total Fund Risk Statistics vs. Peer Universe

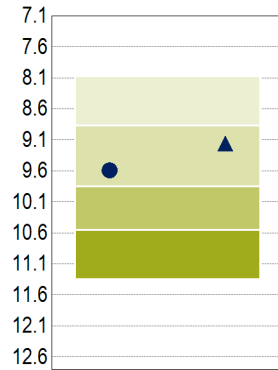
**Total Fund vs. InvestorForce Public DB > \$1B Net (USD)
10 Years**

Anlzd Return



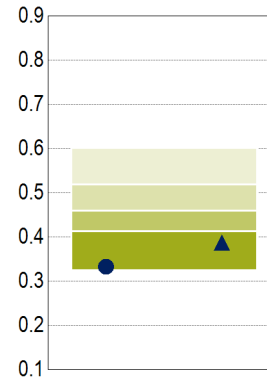
● Total Fund	
Value	4.1
%tile	99
▲ Policy Benchmark	
Value	4.4
%tile	92
Universe	
5th %tile	6.1
25th %tile	5.8
Median	5.3
75th %tile	5.0
95th %tile	4.3

Anlzd Standard Deviation



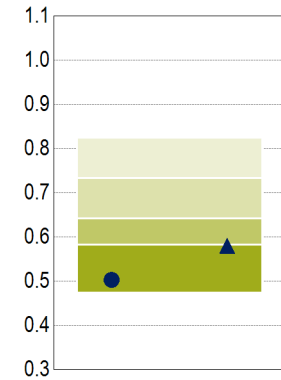
● Total Fund	
Value	9.6
%tile	45
▲ Policy Benchmark	
Value	9.2
%tile	33
Universe	
5th %tile	8.1
25th %tile	8.9
Median	9.8
75th %tile	10.5
95th %tile	11.3

Sharpe Ratio



● Total Fund	
Value	0.3
%tile	95
▲ Policy Benchmark	
Value	0.4
%tile	86
Universe	
5th %tile	0.6
25th %tile	0.5
Median	0.5
75th %tile	0.4
95th %tile	0.3

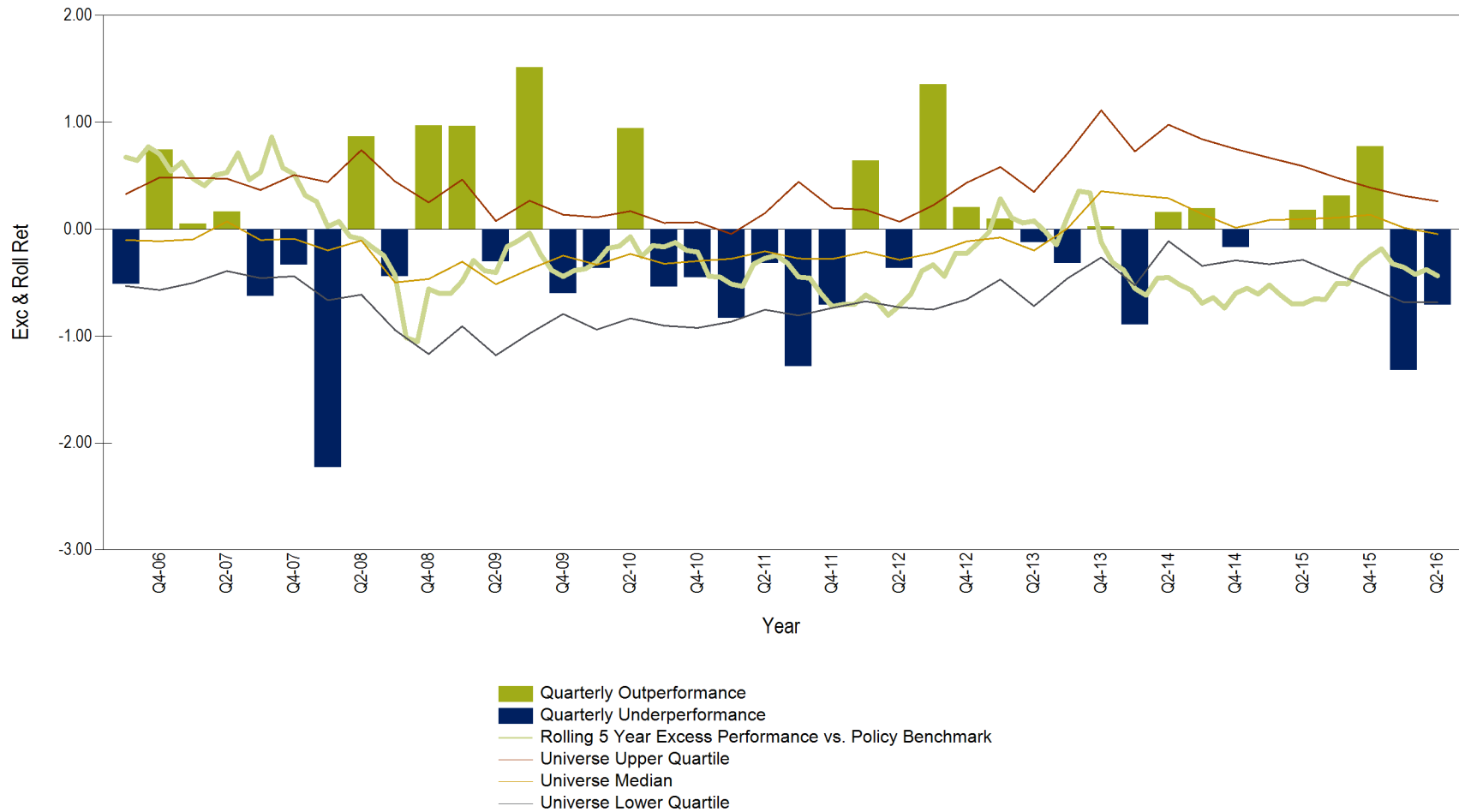
Sortino Ratio



● Total Fund	
Value	0.5
%tile	92
▲ Policy Benchmark	
Value	0.6
%tile	76
Universe	
5th %tile	0.8
25th %tile	0.7
Median	0.6
75th %tile	0.6
95th %tile	0.5

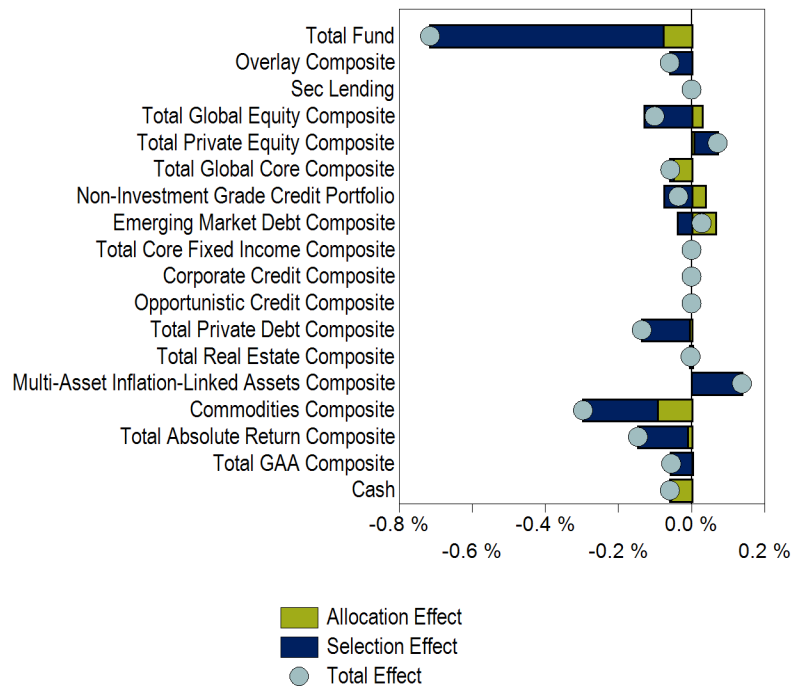
Total Fund Rolling 5-Year Excess Returns

Rolling Annualized Excess Performance



Total Fund

**Attribution Effects
3 Months Ending June 30, 2016**

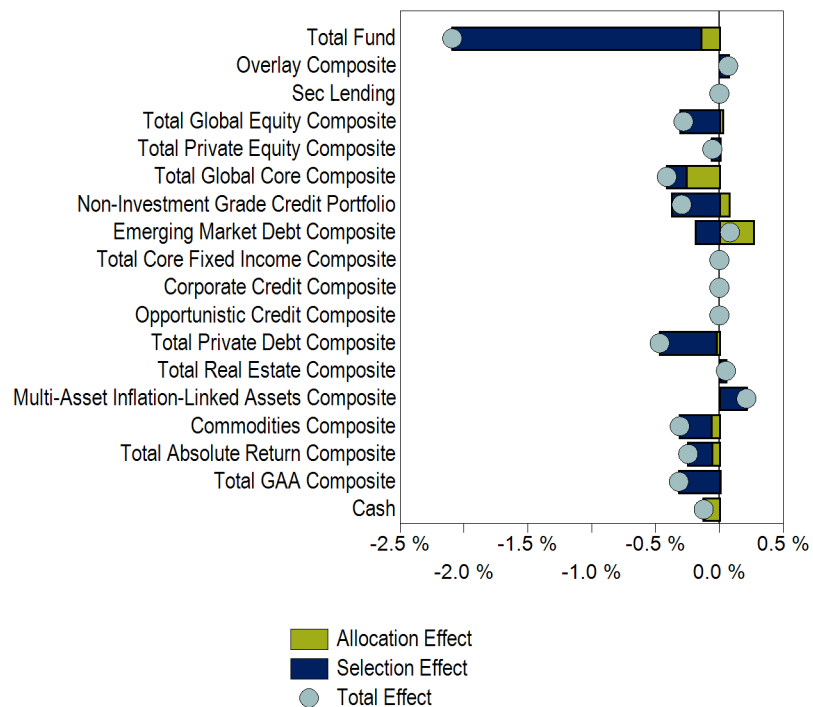


**Attribution Summary
3 Months Ending June 30, 2016**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	-0.4%	2.2%	-2.6%	-0.1%	0.0%	-0.1%
Sec Lending	--	--	--	--	0.0%	--
Total Global Equity Composite	0.6%	1.1%	-0.4%	-0.1%	0.0%	-0.1%
Total Private Equity Composite	1.5%	0.6%	0.9%	0.1%	0.0%	0.1%
Total Global Core Composite	2.8%	2.9%	-0.1%	0.0%	-0.1%	-0.1%
Non-Investment Grade Credit Portfolio	1.8%	3.1%	-1.3%	-0.1%	0.0%	0.0%
Emerging Market Debt Composite	3.2%	3.9%	-0.7%	0.0%	0.1%	0.0%
Total Core Fixed Income Composite	--	--	--	--	0.0%	--
Corporate Credit Composite	--	--	--	--	0.0%	--
Opportunistic Credit Composite	--	--	--	--	0.0%	--
Total Private Debt Composite	0.5%	2.2%	-1.8%	-0.1%	0.0%	-0.1%
Total Real Estate Composite	2.0%	2.1%	-0.1%	0.0%	0.0%	0.0%
Multi-Asset Inflation-Linked Assets Composite	9.0%	2.5%	6.5%	0.1%	0.0%	0.1%
Commodities Composite	4.1%	7.9%	-3.8%	-0.2%	-0.1%	-0.3%
Total Absolute Return Composite	-0.6%	1.3%	-1.8%	-0.1%	0.0%	-0.1%
Total GAA Composite	1.4%	2.0%	-0.6%	-0.1%	0.0%	-0.1%
Cash	0.0%	0.1%	-0.1%	0.0%	-0.1%	-0.1%
Total	1.5%	2.2%	-0.7%	-0.6%	-0.1%	-0.7%

Total Fund

**Attribution Effects
YTD Ending June 30, 2016**



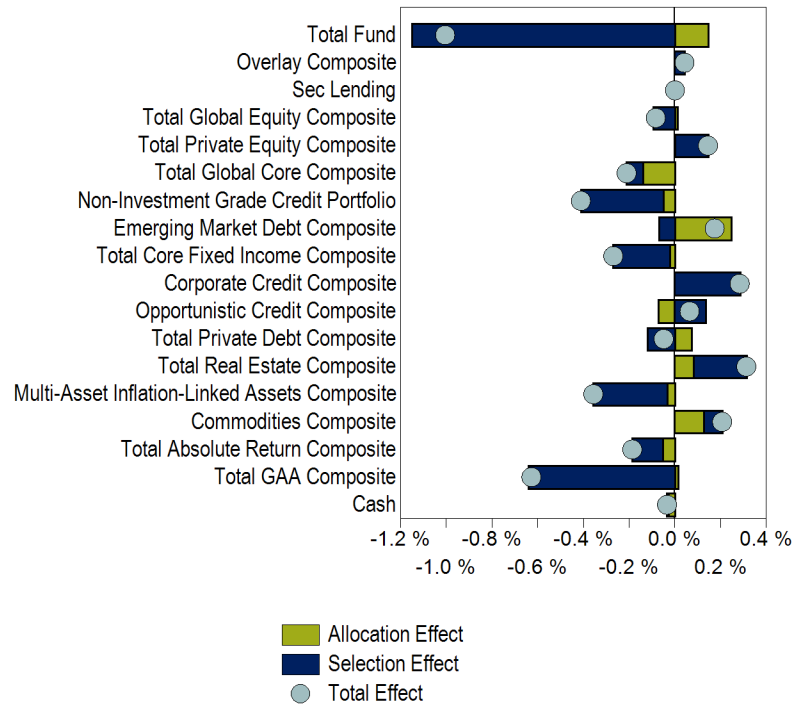
**Attribution Summary
YTD Ending June 30, 2016**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	7.8%	4.5%	3.3%	0.1%	0.0%	0.1%
Sec Lending	--	--	--	--	0.0%	--
Total Global Equity Composite	0.4%	1.4%	-1.0%	-0.3%	0.0%	-0.3%
Total Private Equity Composite	2.6%	3.3%	-0.7%	-0.1%	0.0%	-0.1%
Total Global Core Composite	6.7%	9.0%	-2.3%	-0.1%	-0.3%	-0.4%
Non-Investment Grade Credit Portfolio	0.2%	6.3%	-6.1%	-0.4%	0.1%	-0.3%
Emerging Market Debt Composite	8.6%	12.2%	-3.7%	-0.2%	0.3%	0.1%
Total Core Fixed Income Composite	--	--	--	--	0.0%	--
Corporate Credit Composite	--	--	--	--	0.0%	--
Opportunistic Credit Composite	--	--	--	--	0.0%	--
Total Private Debt Composite	-0.8%	5.0%	-5.8%	-0.4%	0.0%	-0.5%
Total Real Estate Composite	5.7%	5.2%	0.4%	0.0%	0.0%	0.1%
Multi-Asset Inflation-Linked Assets Composite	14.4%	4.4%	9.9%	0.2%	0.0%	0.2%
Commodities Composite	3.9%	8.4%	-4.5%	-0.2%	-0.1%	-0.3%
Total Absolute Return Composite	0.1%	2.8%	-2.7%	-0.2%	-0.1%	-0.2%
Total GAA Composite	1.6%	4.7%	-3.1%	-0.3%	0.0%	-0.3%
Cash	0.0%	0.1%	-0.1%	0.0%	-0.1%	-0.1%
Total	2.4%	4.5%	-2.1%	-1.9%	-0.1%	-2.1%

City of San Jose Police and Fire Department Retirement Plan

Total Fund

Attribution Effects
1 Year Ending June 30, 2016

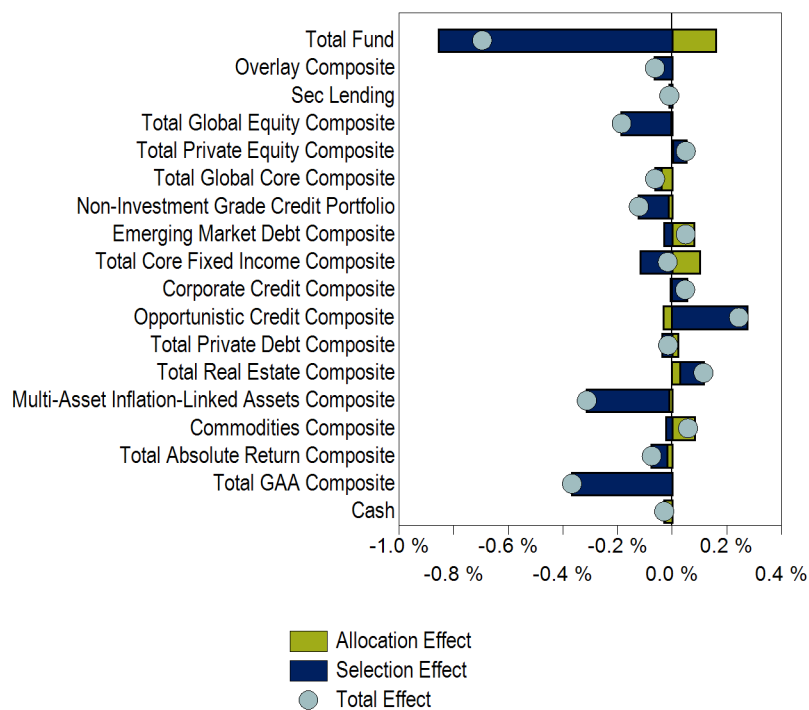


Attribution Summary
1 Year Ending June 30, 2016

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	2.4%	0.3%	2.1%	0.0%	0.0%	0.0%
Sec Lending	--	--	--	--	0.0%	--
Total Global Equity Composite	-4.1%	-3.9%	-0.2%	-0.1%	0.0%	-0.1%
Total Private Equity Composite	3.7%	2.1%	1.7%	0.1%	0.0%	0.1%
Total Global Core Composite	--	--	--	-0.1%	-0.1%	-0.2%
Non-Investment Grade Credit Portfolio	--	--	--	-0.4%	-0.1%	-0.4%
Emerging Market Debt Composite	4.2%	5.4%	-1.2%	-0.1%	0.2%	0.2%
Total Core Fixed Income Composite	--	1.1%	--	-0.2%	0.0%	-0.3%
Corporate Credit Composite	--	-2.2%	--	0.3%	0.0%	0.3%
Opportunistic Credit Composite	--	-2.8%	--	0.1%	-0.1%	0.1%
Total Private Debt Composite	--	--	--	-0.1%	0.1%	0.0%
Total Real Estate Composite	12.1%	9.1%	3.1%	0.2%	0.1%	0.3%
Multi-Asset Inflation-Linked Assets Composite	-7.8%	6.1%	-13.8%	-0.3%	0.0%	-0.4%
Commodities Composite	-10.2%	-11.7%	1.5%	0.1%	0.1%	0.2%
Total Absolute Return Composite	0.0%	1.9%	-1.8%	-0.1%	-0.1%	-0.2%
Total GAA Composite	-3.2%	2.9%	-6.2%	-0.6%	0.0%	-0.6%
Cash	0.0%	0.2%	-0.2%	0.0%	0.0%	0.0%
Total	-0.6%	0.3%	-1.0%	-1.1%	0.1%	-1.0%

Total Fund

**Attribution Effects
Beginning 1/1/2013**



**Attribution Summary
Beginning 1/1/2013**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Overlay Composite	243.5%	3.7%	239.7%	-0.1%	0.0%	-0.1%
Sec Lending	--	--	--	0.0%	0.0%	0.0%
Total Global Equity Composite	6.5%	7.1%	-0.6%	-0.2%	0.0%	-0.2%
Total Private Equity Composite	12.0%	11.4%	0.6%	0.0%	0.0%	0.0%
Total Global Core Composite	--	--	--	0.0%	0.0%	-0.1%
Non-Investment Grade Credit Portfolio	--	--	--	-0.1%	0.0%	-0.1%
Emerging Market Debt Composite	-2.0%	-1.5%	-0.5%	0.0%	0.1%	0.0%
Total Core Fixed Income Composite	--	-0.5%	--	-0.1%	0.1%	0.0%
Corporate Credit Composite	--	2.8%	--	0.1%	0.0%	0.0%
Opportunistic Credit Composite	--	2.5%	--	0.3%	0.0%	0.2%
Total Private Debt Composite	--	--	--	0.0%	0.0%	0.0%
Total Real Estate Composite	10.5%	9.3%	1.1%	0.1%	0.0%	0.1%
Multi-Asset Inflation-Linked Assets Composite	--	--	--	-0.3%	0.0%	-0.3%
Commodities Composite	-9.2%	-9.1%	-0.1%	0.0%	0.1%	0.1%
Total Absolute Return Composite	2.2%	2.7%	-0.5%	-0.1%	0.0%	-0.1%
Total GAA Composite	1.1%	5.4%	-4.2%	-0.4%	0.0%	-0.4%
Cash	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Total	3.5%	4.2%	-0.7%	-0.9%	0.2%	-0.7%

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics (Net of Fees)

3 Years Ending June 30, 2016

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Global Equity Composite	28.1%	5.7%	67	11.0%	19	0.1%	64	1.6%	1	-0.3	--	0.9	0.5
San Jose Custom Total Equity Benchmark	--	6.1%	61	11.8%	44	0.0%	65	0.0%	1	--	--	1.0	0.5
Global Equity Composite	6.8%	8.0%	35	12.1%	54	1.9%	41	3.0%	17	0.6	20	1.0	0.7
MSCI ACWI IMI (Net)	--	6.1%	61	11.8%	44	0.0%	65	0.0%	1	--	--	1.0	0.5
U.S. Large Cap Equity Composite	5.0%	11.4%	40	11.3%	32	0.0%	42	0.1%	1	-0.4	--	1.0	1.0
Russell 1000	--	11.5%	40	11.3%	33	0.0%	42	0.0%	1	--	--	1.0	1.0
U.S. Small Cap Equity Composite	1.6%	3.7%	96	15.7%	92	-2.6%	96	8.1%	54	-0.4	--	0.9	0.2
Russell 2000	--	7.1%	84	15.2%	89	0.0%	89	0.0%	1	--	--	1.0	0.5
International Equity Composite	10.2%	2.5%	59	12.3%	30	1.0%	59	2.0%	4	0.4	46	0.9	0.2
San Jose Custom MSCI World ex US Benchmark	--	1.7%	77	13.3%	78	0.0%	77	0.0%	1	--	--	1.0	0.1
Emerging Markets Equity Composite	1.6%	-1.3%	63	13.3%	13	-0.1%	65	5.8%	73	0.1	63	0.8	-0.1
MSCI Emerging Markets	--	-1.6%	69	16.5%	76	0.0%	64	0.0%	1	--	--	1.0	-0.1
Total Global Fixed Income Composite	18.9%	3.0%	62	3.4%	72	0.9%	81	2.4%	1	-0.1	--	0.7	0.9
Fixed Income Blended Benchmark	--	3.3%	57	4.3%	80	0.0%	95	0.0%	1	--	--	1.0	0.7
Corporate Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
Blended Domestic Credit Index	--	4.2%	--	6.0%	--	0.0%	--	0.0%	--	--	--	1.0	0.7
Opportunistic Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	3.8%	--	3.9%	--	0.0%	--	0.0%	--	--	--	1.0	1.0
U.S. Direct Lending	--	--	--	--	--	--	--	--	--	--	--	--	--
3-Month LIBOR + 5%	--	5.3%	--	0.0%	--	0.0%	--	0.0%	--	--	--	1.0	121.7
Inflation-Linked Assets Composite	7.9%	-6.3%	--	10.6%	--	-2.7%	--	3.3%	--	-1.0	--	1.2	-0.6
San Jose Custom Inflation-Linked Assets Benchmark	--	-2.8%	--	8.3%	--	0.0%	--	0.0%	--	--	--	1.0	-0.4
Commodities Composite	5.6%	-6.3%	--	10.1%	--	-0.4%	--	2.9%	--	0.2	--	0.9	-0.6
Custom Commodity Risk Parity Index	--	-6.9%	--	11.4%	--	0.0%	--	0.0%	--	--	--	1.0	-0.6

City of San Jose Police and Fire Department Retirement Plan

Total Fund Risk Statistics (Net of Fees)

5 Years Ending June 30, 2016

	% of Tot	Anlzd Ret	Anlzd Ret Rk	Anlzd Std Dev	Anlzd Std Dev Rk	Anlzd AJ	Anlzd AJ Rk	Tracking Error	Tracking Error Rank	Info Ratio	Info Ratio Rk	Beta	Sharpe Ratio
Total Global Equity Composite	28.1%	5.4%	67	12.9%	26	0.1%	65	1.5%	1	-0.2	--	0.9	0.4
San Jose Custom Total Equity Benchmark	--	5.7%	63	13.8%	43	0.0%	66	0.0%	1	--	--	1.0	0.4
U.S. Large Cap Equity Composite	5.0%	11.8%	37	12.4%	35	-0.1%	37	1.2%	1	-0.1	--	1.0	0.9
Russell 1000	--	11.9%	36	12.3%	35	0.0%	36	0.0%	1	--	--	1.0	1.0
U.S. Small Cap Equity Composite	1.6%	6.4%	94	16.3%	80	-1.0%	94	7.3%	48	-0.3	--	0.9	0.4
Russell 2000	--	8.4%	84	16.6%	84	0.0%	89	0.0%	1	--	--	1.0	0.5
International Equity Composite	10.2%	2.9%	44	14.3%	24	1.6%	44	2.9%	16	0.5	40	0.9	0.2
San Jose Custom MSCI World ex US Benchmark	--	1.5%	78	15.4%	69	0.0%	78	0.0%	1	--	--	1.0	0.1
Emerging Markets Equity Composite	1.6%	-4.8%	89	17.7%	40	-1.4%	97	5.2%	59	-0.2	--	0.9	-0.3
MSCI Emerging Markets	--	-3.8%	77	18.8%	65	0.0%	78	0.0%	1	--	--	1.0	-0.2
Total Global Fixed Income Composite	18.9%	5.0%	28	3.4%	65	1.9%	44	2.2%	1	0.3	23	0.7	1.5
Fixed Income Blended Benchmark	--	4.4%	38	4.1%	73	0.0%	97	0.0%	1	--	--	1.0	1.1
Corporate Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
Blended Domestic Credit Index	--	5.2%	--	5.8%	--	0.0%	--	0.0%	--	--	--	1.0	0.9
Opportunistic Credit Composite	--	--	--	--	--	--	--	--	--	--	--	--	--
50% Credit Suisse Leveraged Loan Index / 50% BofA ML US HY BB-B Rated Constrained Index	--	5.0%	--	4.4%	--	0.0%	--	0.0%	--	--	--	1.0	1.1

Total Fund Performance (Net of Fees)



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 Fund	3,073,587,468	100.0	1.5	--	2.4	--	-0.6	--	3.8	--	4.1	--	7.3	--	4.1	--	8.4	Mar-71
Policy Benchmark			<u>2.2</u>	--	<u>4.5</u>	--	<u>0.3</u>	--	<u>4.4</u>	--	<u>4.5</u>	--	<u>7.8</u>	--	<u>4.4</u>	--	--	Mar-71
Over/Under			-0.7		-2.1		-0.9		-0.6		-0.4		-0.5		-0.3			
Allocation Index			2.0	--	3.9	--	0.5	--	4.5	--	4.2	--	7.5	--	4.6	--	--	Mar-71
60% MSCI ACWI IMI (net)/40% CITI WGBI			2.0	--	5.2	--	2.2	--	4.9	--	3.9	--	7.2	--	4.7	--	--	Mar-71
Total Global Equity Composite	864,023,581	28.1	0.6	58	0.4	53	-4.1	53	5.7	67	5.4	67	9.8	64	--	--	4.0	Apr-08
San Jose Custom Total Equity Benchmark			<u>1.1</u>	49	<u>1.4</u>	46	<u>-3.9</u>	51	<u>6.1</u>	61	<u>5.7</u>	63	<u>10.3</u>	59	--	--	<u>4.2</u>	Apr-08
Over/Under			-0.5		-1.0		-0.2		-0.4		-0.3		-0.5				-0.2	
eA All Global Equity Net Median			1.0		0.7		-3.8		7.0		6.5		10.7		4.7		4.6	Apr-08
Global Equity Composite	209,227,280	6.8	0.1	65	0.6	51	-2.0	42	8.0	35	--	--	--	--	--	--	8.7	Mar-13
MSCI ACWI IMI (Net)			<u>1.1</u>	49	<u>1.4</u>	46	<u>-3.9</u>	51	<u>6.1</u>	61	<u>5.4</u>	67	<u>9.8</u>	64	<u>4.5</u>	58	<u>6.0</u>	Mar-13
Over/Under			-1.0		-0.8		1.9		1.9								2.7	
eA All Global Equity Net Median			1.0		0.7		-3.8		7.0		6.5		10.7		4.7		7.1	Mar-13
Artisan Global Opportunities	100,377,232	3.3	0.9	53	0.3	53	-1.3	38	9.3	19	--	--	--	--	--	--	7.9	May-13
MSCI ACWI IMI (Net)			<u>1.1</u>	49	<u>1.4</u>	46	<u>-3.9</u>	51	<u>6.1</u>	61	<u>5.4</u>	67	<u>9.8</u>	64	<u>4.5</u>	58	<u>4.8</u>	May-13
Over/Under			-0.2		-1.1		2.6		3.2								3.1	
eA All Global Equity Net Median			1.0		0.7		-3.8		7.0		6.5		10.7		4.7		5.6	May-13
Artisan Global Value	108,850,048	3.5	-0.6	77	0.9	49	-2.6	45	6.7	55	--	--	--	--	--	--	8.1	Mar-13
MSCI ACWI IMI (Net)			<u>1.1</u>	49	<u>1.4</u>	46	<u>-3.9</u>	51	<u>6.1</u>	61	<u>5.4</u>	67	<u>9.8</u>	64	<u>4.5</u>	58	<u>6.0</u>	Mar-13
Over/Under			-1.7		-0.5		1.3		0.6								2.1	
eA All Global Equity Net Median			1.0		0.7		-3.8		7.0		6.5		10.7		4.7		7.1	Mar-13
U.S. Equity Composite	204,698,255	6.7	2.8	37	3.9	30	1.4	25	10.9	27	11.8	19	15.0	32	7.2	50	9.0	Jun-95
Russell 3000			<u>2.6</u>	40	<u>3.6</u>	33	<u>2.1</u>	20	<u>11.1</u>	24	<u>11.6</u>	21	<u>14.9</u>	33	<u>7.4</u>	44	<u>8.9</u>	Jun-95
Over/Under			0.2		0.3		-0.7		-0.2		0.2		0.1		-0.2		0.1	
eA All US Equity Net Median			2.1		1.7		-2.7		9.1		9.8		14.2		7.1		9.9	Jun-95
NT Russell 1000 Index Fund	154,548,466	5.0	2.5	29	3.8	26	3.0	20	--	--	--	--	--	--	--	--	7.0	Apr-14
Russell 1000			<u>2.5</u>	29	<u>3.7</u>	26	<u>2.9</u>	21	<u>11.5</u>	27	<u>11.9</u>	20	<u>15.0</u>	18	<u>7.5</u>	40	<u>6.9</u>	Apr-14
Over/Under			0.0		0.1		0.1										0.1	
eA US Large Cap Equity Net Median			1.4		1.0		-1.1		10.1		10.4		13.8		7.0		4.8	Apr-14
RBC Small Cap Core	50,149,789	1.6	3.8	34	4.2	33	-6.4	57	--	--	--	--	--	--	--	--	-1.2	Jul-14
Russell 2000			<u>3.8</u>	34	<u>2.2</u>	51	<u>-6.7</u>	60	<u>7.1</u>	56	<u>8.4</u>	56	<u>13.9</u>	62	<u>6.2</u>	63	<u>-0.3</u>	Jul-14
Over/Under			0.0		2.0		0.3										-0.9	
eA US Small Cap Equity Net Median			2.7		2.3		-5.6		7.4		8.8		14.7		6.8		0.2	Jul-14

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	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
International Equity Composite	314,336,403	10.2	-0.5	28	-3.2	38	-7.6	40	2.5	59	2.9	44	7.2	55	2.7	50	7.3	Jun-95
<i>San Jose Custom MSCI World ex US Benchmark</i>			<i>-1.1</i>	<i>36</i>	<i>-3.0</i>	<i>38</i>	<i>-9.8</i>	<i>59</i>	<i>1.7</i>	<i>77</i>	<i>1.5</i>	<i>78</i>	<i>5.8</i>	<i>82</i>	<i>1.5</i>	<i>78</i>	<i>4.2</i>	<i>Jun-95</i>
<i>Over/Under</i>			<i>0.6</i>		<i>-0.2</i>		<i>2.2</i>		<i>0.8</i>		<i>1.4</i>		<i>1.4</i>		<i>1.2</i>		<i>3.1</i>	
<i>eA All EAFE Equity Net Median</i>			<i>-1.8</i>		<i>-4.0</i>		<i>-8.8</i>		<i>3.0</i>		<i>2.7</i>		<i>7.6</i>		<i>2.5</i>		<i>6.5</i>	<i>Jun-95</i>
NT Russell MSCI World ex US Index Fund	261,642,380	8.5	-0.8	33	-2.7	35	-9.5	57	--	--	--	--	--	--	--	--	-4.8	Apr-14
<i>MSCI World ex USA</i>			<i>-1.1</i>	<i>36</i>	<i>-3.0</i>	<i>38</i>	<i>-9.8</i>	<i>59</i>	<i>1.9</i>	<i>74</i>	<i>1.2</i>	<i>79</i>	<i>5.8</i>	<i>83</i>	<i>1.6</i>	<i>76</i>	<i>-4.9</i>	<i>Apr-14</i>
<i>Over/Under</i>			<i>0.3</i>		<i>0.3</i>		<i>0.3</i>										<i>0.1</i>	
<i>eA All EAFE Equity Net Median</i>			<i>-1.8</i>		<i>-4.0</i>		<i>-8.8</i>		<i>3.0</i>		<i>2.7</i>		<i>7.6</i>		<i>2.5</i>		<i>-3.2</i>	<i>Apr-14</i>
Oberweis	51,502,581	1.7	0.4	21	-1.4	37	2.0	25	--	--	--	--	--	--	--	--	2.0	Mar-14
<i>MSCI World ex US Small Cap Growth (Net)</i>			<i>-0.7</i>	<i>35</i>	<i>-0.7</i>	<i>24</i>	<i>-0.7</i>	<i>59</i>	<i>7.9</i>	<i>56</i>	<i>4.1</i>	<i>99</i>	<i>10.4</i>	<i>96</i>	<i>3.9</i>	<i>99</i>	<i>0.0</i>	<i>Mar-14</i>
<i>Over/Under</i>			<i>1.1</i>		<i>-0.7</i>		<i>2.7</i>										<i>2.0</i>	
<i>eA EAFE Small Cap Growth Net Median</i>			<i>-2.2</i>		<i>-2.6</i>		<i>1.2</i>		<i>8.6</i>		<i>7.9</i>		<i>12.1</i>		<i>6.2</i>		<i>1.8</i>	<i>Mar-14</i>
Emerging Markets Equity Composite	47,709,191	1.6	-0.6	95	2.2	89	-9.3	47	-1.3	63	-4.8	89	2.4	95	2.2	93	9.2	Sep-01
<i>MSCI Emerging Markets</i>			<i>0.7</i>	<i>75</i>	<i>6.4</i>	<i>44</i>	<i>-12.1</i>	<i>72</i>	<i>-1.6</i>	<i>69</i>	<i>-3.8</i>	<i>77</i>	<i>3.8</i>	<i>74</i>	<i>3.5</i>	<i>72</i>	<i>9.8</i>	<i>Sep-01</i>
<i>Over/Under</i>			<i>-1.3</i>		<i>-4.2</i>		<i>2.8</i>		<i>0.3</i>		<i>-1.0</i>		<i>-1.4</i>		<i>-1.3</i>		<i>-0.6</i>	
<i>eA Emg Mkts Equity Net Median</i>			<i>1.8</i>		<i>5.9</i>		<i>-9.7</i>		<i>-0.8</i>		<i>-2.3</i>		<i>5.3</i>		<i>4.5</i>		<i>11.1</i>	<i>Sep-01</i>
Dimensional Fund Advisors	29,520,321	1.0	1.3	61	10.3	13	-11.7	68	--	--	--	--	--	--	--	--	-11.7	Jul-15
<i>MSCI Emerging Markets</i>			<i>0.7</i>	<i>75</i>	<i>6.4</i>	<i>44</i>	<i>-12.1</i>	<i>72</i>	<i>-1.6</i>	<i>69</i>	<i>-3.8</i>	<i>77</i>	<i>3.8</i>	<i>74</i>	<i>3.5</i>	<i>72</i>	<i>-12.1</i>	<i>Jul-15</i>
<i>Over/Under</i>			<i>0.6</i>		<i>3.9</i>		<i>0.4</i>										<i>0.4</i>	
<i>eA Emg Mkts Equity Net Median</i>			<i>1.8</i>		<i>5.9</i>		<i>-9.7</i>		<i>-0.8</i>		<i>-2.3</i>		<i>5.3</i>		<i>4.5</i>		<i>-9.7</i>	<i>Jul-15</i>
Aberdeen	18,188,869	0.6	-0.7	95	-4.0	99	-13.3	83	-2.9	92	--	--	--	--	--	--	-2.9	Jul-13
<i>MSCI Frontier Markets</i>			<i>0.5</i>	<i>81</i>	<i>-0.5</i>	<i>98</i>	<i>-12.1</i>	<i>73</i>	<i>1.0</i>	<i>24</i>	<i>1.5</i>	<i>8</i>	<i>3.3</i>	<i>82</i>	<i>0.2</i>	<i>99</i>	<i>1.0</i>	<i>Jul-13</i>
<i>Over/Under</i>			<i>-1.2</i>		<i>-3.5</i>		<i>-1.2</i>		<i>-3.9</i>								<i>-3.9</i>	
<i>eA Emg Mkts Equity Net Median</i>			<i>1.8</i>		<i>5.9</i>		<i>-9.7</i>		<i>-0.8</i>		<i>-2.3</i>		<i>5.3</i>		<i>4.5</i>		<i>-0.8</i>	<i>Jul-13</i>

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	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
Marketable Alternative Equity Composite	88,052,451	2.9	1.4	--	-0.6	--	-1.2	--	--	--	--	--	--	--	--	--	4.5	Oct-14
<i>HFRI Equity Hedge (Total) Index</i>			<u>1.3</u>	--	<u>-0.5</u>	--	<u>-5.1</u>	--	<u>3.0</u>	--	<u>2.2</u>	--	<u>4.8</u>	--	<u>2.9</u>	--	<u>-0.8</u>	<i>Oct-14</i>
Over/Under			0.1		-0.1		3.9										5.3	
Horizon	27,779,419	0.9	1.3	--	2.1	--	4.4	--	7.1	--	--	--	--	--	--	--	7.1	Jul-13
<i>HFRI Equity Hedge (Total) Index</i>			<u>1.3</u>	--	<u>-0.5</u>	--	<u>-5.1</u>	--	<u>3.0</u>	--	<u>2.2</u>	--	<u>4.8</u>	--	<u>2.9</u>	--	<u>3.0</u>	<i>Jul-13</i>
Over/Under			0.0		2.6		9.5		4.1								4.1	
Marshall Wace	21,553,885	0.7	2.4	--	-3.0	--	0.3	--	--	--	--	--	--	--	--	--	7.6	Apr-14
<i>HFRI Equity Hedge (Total) Index</i>			<u>1.3</u>	--	<u>-0.5</u>	--	<u>-5.1</u>	--	<u>3.0</u>	--	<u>2.2</u>	--	<u>4.8</u>	--	<u>2.9</u>	--	<u>-0.3</u>	<i>Apr-14</i>
Over/Under			1.1		-2.5		5.4										7.9	
Sandler	17,794,980	0.6	1.5	--	0.0	--	6.7	--	8.6	--	--	--	--	--	--	--	7.7	May-13
<i>HFRI Equity Hedge (Total) Index</i>			<u>1.3</u>	--	<u>-0.5</u>	--	<u>-5.1</u>	--	<u>3.0</u>	--	<u>2.2</u>	--	<u>4.8</u>	--	<u>2.9</u>	--	<u>2.7</u>	<i>May-13</i>
Over/Under			0.2		0.5		11.8		5.6								5.0	
Senator	20,924,167	0.7	0.6	--	-2.1	--	-9.3	--	4.5	--	--	--	--	--	--	--	5.3	Apr-13
<i>HFRI Event-Driven (Total) Index</i>			<u>2.9</u>	--	<u>2.2</u>	--	<u>-3.8</u>	--	<u>2.0</u>	--	<u>2.7</u>	--	<u>6.0</u>	--	<u>3.9</u>	--	<u>2.4</u>	<i>Apr-13</i>
Over/Under			-2.3		-4.3		-5.5		2.5								2.9	

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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 Private Equity Composite	245,889,983	8.0	1.5	--	2.6	--	3.7	--	10.6	--	9.4	--	11.6	--	8.9	--	9.0	Oct-05
<i>San Jose Custom Total Private Equity Index</i>			<u>0.6</u>	--	<u>3.3</u>	--	<u>2.1</u>	--	<u>10.0</u>	--	--	--	--	--	--	--	--	Oct-05
Over/Under			0.9		-0.7		1.6		0.6									
<i>San Jose Custom Blended Private Equity Benchmark</i>			0.2	--	0.7	--	3.1	--	8.8	--	9.7	--	9.0	--	8.7	--	10.4	Oct-05
<i>Russell 3000 Qtr Lag</i>			1.0	--	7.3	--	-0.3	--	11.1	--	11.0	--	17.1	--	6.9	--	7.5	Oct-05
Total Private Equity ex Russell R3000	156,942,524	5.1	0.9	26	2.0	37	4.7	40	9.7	67	8.4	67	10.8	52	8.4	60	8.5	Oct-05
<i>San Jose Custom Private Equity Benchmark</i>			<u>0.2</u>	45	<u>0.7</u>	61	<u>3.1</u>	58	<u>8.9</u>	73	<u>10.3</u>	39	<u>13.5</u>	21	<u>10.2</u>	42	<u>11.6</u>	Oct-05
Over/Under			0.7		1.3		1.6		0.8		-1.9		-2.7		-1.8		-3.1	
<i>San Jose Custom Blended Private Equity Benchmark</i>			0.2	45	0.7	61	3.1	58	8.8	73	9.7	49	9.0	79	8.7	58	10.4	Oct-05
<i>InvestorForce Public DB Private Eq Net Median</i>			0.2		1.3		3.7		11.1		9.5		11.0		9.4		10.5	Oct-05

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	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 Global Fixed Income Composite	580,564,180	18.9	2.6	38	5.0	45	2.3	68	3.0	62	5.0	28	6.7	33	--	--	6.2	Apr-08
Fixed Income Blended Benchmark			3.0	30	9.0	11	5.3	33	3.3	57	4.4	38	6.1	38	6.0	28	5.5	Apr-08
Over/Under			-0.4		-4.0		-3.0		-0.3		0.6		0.6				0.7	
Barclays Aggregate			2.2	49	5.3	38	6.0	27	4.1	39	3.8	52	4.6	59	5.1	47	4.5	Apr-08
eA All US Fixed Inc Net Median			2.2		4.5		4.0		3.6		3.9		5.1		5.0		4.7	Apr-08
Total Global Core Composite	224,730,286	7.3	2.8	--	6.7	--	--	--	--	--	--	--	--	--	--	--	6.8	Oct-15
Barclays Global Aggregate			2.9	--	9.0	--	8.9	--	2.8	--	1.8	--	3.4	--	4.4	--	8.0	Oct-15
Over/Under			-0.1		-2.3												-1.2	
Colchester	72,709,830	2.4	2.4	--	11.5	--	7.8	--	--	--	--	--	--	--	--	--	1.8	Jan-14
Barclays Global Aggregate			2.9	--	9.0	--	8.9	--	2.8	--	1.8	--	3.4	--	4.4	--	2.4	Jan-14
Over/Under			-0.5		2.5		-1.1										-0.6	
Franklin Templeton	48,188,518	1.6	1.2	--	1.7	--	-2.7	--	--	--	--	--	--	--	--	--	-0.8	Jan-14
Barclays Global Aggregate			2.9	--	9.0	--	8.9	--	2.8	--	1.8	--	3.4	--	4.4	--	2.4	Jan-14
Over/Under			-1.7		-7.3		-11.6										-3.2	
Voya	61,944,095	2.0	2.4	--	2.9	--	2.9	--	--	--	--	--	--	--	--	--	2.9	Jul-15
Barclays Global Aggregate - Securitized			0.6	--	3.4	--	4.3	--	2.9	--	--	--	--	--	--	--	4.3	Jul-15
Over/Under			1.8		-0.5		-1.4										-1.4	
BlackRock Long Government	41,887,842	1.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	6.1	Jun-16
Barclays Government			2.0	--	5.2	--	6.0	--	3.4	--	3.4	--	3.7	--	4.7	--	2.1	Jun-16
Over/Under																	4.0	
Non-Investment Grade Credit Portfolio	186,464,786	6.1	1.8	--	0.2	--	--	--	--	--	--	--	--	--	--	--	-1.5	Oct-15
50% Bofa Global HY/50% S&P Global Leveraged Loan			3.1	--	6.3	--	--	--	--	--	--	--	--	--	--	--	4.5	Oct-15
Over/Under			-1.3		-6.1												-6.0	
Davidson Kempner	23,550,437	0.8	2.1	--	2.8	--	2.7	--	4.2	--	--	--	--	--	--	--	4.9	Feb-13
HFRI Event-Driven (Total) Index			2.9	--	2.2	--	-3.8	--	2.0	--	2.7	--	6.0	--	3.9	--	2.7	Feb-13
Over/Under			-0.8		0.6		6.5		2.2								2.2	
Beach Point	79,685,187	2.6	3.3	--	5.4	--	-0.3	--	--	--	--	--	--	--	--	--	2.2	Oct-13
Barclays High Yield			5.5	--	9.1	--	1.6	--	4.2	--	5.8	--	10.0	--	7.6	--	3.7	Oct-13
Over/Under			-2.2		-3.7		-1.9										-1.5	
Claren Road	7,351,971	0.2	2.2	--	-2.0	--	-9.9	--	-8.8	--	--	--	--	--	--	--	-8.8	Jul-13
Barclays Global Aggregate			2.9	--	9.0	--	8.9	--	2.8	--	1.8	--	3.4	--	4.4	--	2.8	Jul-13
Over/Under			-0.7		-11.0		-18.8		-11.6								-11.6	
HFRI RV: Fixed Income-Corporate Index			3.8	--	4.7	--	0.9	--	2.7	--	3.4	--	6.8	--	3.6	--	2.7	Jul-13

BlackRock Long Government funded as of 5/3/2016.

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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
Symphony	75,877,192	2.5	0.1	--	-5.2	--	-4.7	--	--	--	--	--	--	--	--	--	0.5	Feb-14
Barclays High Yield			5.5	--	9.1	--	1.6	--	4.2	--	5.8	--	10.0	--	7.6	--	2.4	Feb-14
Over/Under			-5.4		-14.3		-6.3										-1.9	
Emerging Market Debt Composite	169,369,108	5.5	3.2	75	8.6	83	4.2	60	0.8	63	--	--	--	--	--	--	-2.0	Jan-13
San Jose Custom EMD Benchmark			3.9	59	12.2	31	5.4	45	1.5	60	--	--	--	--	--	--	-1.5	Jan-13
Over/Under			-0.7		-3.6		-1.2		-0.7								-0.5	
eA All Emg Mkts Fixed Inc Net Median			4.3		11.0		5.1		3.6		3.6		7.5		7.6		0.7	Jan-13
BlueBay	109,783,589	3.6	3.7	66	9.6	74	2.5	74	--	--	--	--	--	--	--	--	-1.0	Aug-13
JP Morgan Blended EMD Benchmark			3.9	59	12.2	31	5.4	45	1.5	60	--	--	--	--	--	--	1.5	Aug-13
Over/Under			-0.2		-2.6		-2.9										-2.5	
eA All Emg Mkts Fixed Inc Net Median			4.3		11.0		5.1		3.6		3.6		7.5		7.6		3.6	Aug-13
Iguazu	59,585,519	1.9	2.4	92	6.6	95	7.6	23	--	--	--	--	--	--	--	--	7.5	Feb-14
JP Morgan Blended EMD Benchmark			3.9	59	12.2	31	5.4	45	1.5	60	--	--	--	--	--	--	2.7	Feb-14
Over/Under			-1.5		-5.6		2.2										4.8	
eA All Emg Mkts Fixed Inc Net Median			4.3		11.0		5.1		3.6		3.6		7.5		7.6		4.9	Feb-14
Total Private Debt Composite	231,874,131	7.5	0.5	--	-0.8	--	--	--	--	--	--	--	--	--	--	--	2.0	Oct-15
S&P Global Leveraged Loan + 2%			2.2	--	5.0	--	--	--	--	--	--	--	--	--	--	--	3.4	Oct-15
Over/Under			-1.7		-5.8												-1.4	
Marathon	7,468,577	0.2	2.8	--	4.0	--	9.4	--	7.0	--	--	--	--	--	--	--	8.1	Oct-12
BofA Merrill Lynch Euro High Yield Constrained			-0.8	--	5.9	--	2.2	--	0.4	--	1.9	--	8.2	--	6.2	--	2.9	Oct-12
Over/Under			3.6		-1.9		7.2		6.6								5.2	
GSO	14,708,440	0.5	-3.0	--	-12.0	--	-15.0	--	-1.9	--	6.8	--	--	--	--	--	7.7	Dec-10
3-Month LIBOR + 5%			1.4	--	2.8	--	5.5	--	5.3	--	5.4	--	5.4	--	6.4	--	5.4	Dec-10
Over/Under			-4.4		-14.8		-20.5		-7.2		1.4						2.3	
Medley Capital	46,272,406	1.5	-0.4	--	-0.6	--	2.6	--	7.0	--	7.0	--	--	--	--	--	6.6	Mar-11
3-Month LIBOR + 5%			1.4	--	2.8	--	5.5	--	5.3	--	5.4	--	5.4	--	6.4	--	5.4	Mar-11
Over/Under			-1.8		-3.4		-2.9		1.7		1.6						1.2	
White Oak	30,913,705	1.0	-2.9	--	-1.8	--	2.0	--	5.8	--	5.3	--	--	--	--	--	4.5	Nov-10
3-Month LIBOR + 5%			1.4	--	2.8	--	5.5	--	5.3	--	5.4	--	5.4	--	6.4	--	5.4	Nov-10
Over/Under			-4.3		-4.6		-3.5		0.5		-0.1						-0.9	
Cross Ocean	58,103,350	1.9	3.4	--	1.1	--	0.5	--	--	--	--	--	--	--	--	--	4.8	Apr-14
3-Month LIBOR + 5%			1.4	--	2.8	--	5.5	--	5.3	--	5.4	--	5.4	--	6.4	--	5.4	Apr-14
Over/Under			2.0		-1.7		-5.0										-0.6	

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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
Cross Ocean II	15,000,000	0.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.0	May-16
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>2.8</u>	--	<u>5.5</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>0.9</u>	May-16
Over/Under																	-0.9	
Park Square	36,740,040	1.2	0.7	--	-1.8	--	-0.8	--	--	--	--	--	--	--	--	--	-0.2	Nov-14
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>2.8</u>	--	<u>5.5</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.4</u>	--	<u>5.4</u>	Nov-14
Over/Under			-0.7		-4.6		-6.3										-5.6	
Shoreline China Value III	22,667,613	0.7	1.7	--	5.9	--	11.7	--	--	--	--	--	--	--	--	--	11.7	Jul-15
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>2.8</u>	--	<u>5.5</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.4</u>	--	<u>5.5</u>	Jul-15
Over/Under			0.3		3.1		6.2										6.2	
Total Real Assets	479,005,086	15.6	3.7	--	6.3	--	1.2	--	--	--	--	--	--	--	--	--	1.2	Jul-15
Total Real Estate Composite	233,375,788	7.6	2.0	--	5.7	--	12.1	--	10.7	--	10.1	--	8.8	--	7.1	--	8.3	Jun-95
San Jose Custom Total Real Estate BM			<u>2.1</u>	--	<u>5.2</u>	--	<u>9.1</u>	--	<u>9.5</u>	--	--	--	--	--	--	--	--	Jun-95
Over/Under			-0.1		0.5		3.0		1.2									
Total Real Estate Ex Russell Real Estate	185,773,287	6.0	2.2	58	6.3	23	15.2	10	12.2	53	--	--	--	--	--	--	12.6	Dec-12
San Jose Custom Real Estate Benchmark			<u>2.2</u>	58	<u>5.6</u>	29	<u>13.7</u>	20	<u>12.5</u>	32	<u>12.6</u>	14	<u>8.6</u>	77	<u>6.1</u>	29	<u>12.8</u>	Dec-12
Over/Under			0.0		0.7		1.5		-0.3								-0.2	
InvestorForce Public DB Real Estate			2.3		4.7		11.6		12.2		11.9		9.9		5.1		12.6	Dec-12
Pub+Priv Net Median																		
Infrastructure	1,593,697	0.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.0	Jun-16
Dow Jones Brookfield Global Infrastructure Index			<u>7.4</u>	--	<u>16.2</u>	--	<u>3.2</u>	--	<u>8.5</u>	--	<u>9.6</u>	--	<u>14.1</u>	--	<u>9.1</u>	--	<u>5.1</u>	Jun-16
Over/Under																	-5.1	

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	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
Inflation-Linked Assets Composite	244,035,600	7.9	5.5	--	6.8	--	-9.4	--	-6.3	--	-8.1	--	--	--	--	--	-8.7	Apr-11
<i>San Jose Custom Inflation-Linked Assets Benchmark</i>			<u>6.3</u>	--	<u>7.3</u>	--	<u>-6.5</u>	--	<u>-2.8</u>	--	<u>-5.2</u>	--	--	--	--	--	<u>-5.9</u>	<i>Apr-11</i>
Over/Under			-0.8		-0.5		-2.9		-3.5		-2.9						-2.8	
Multi-Asset Inflation-Linked Assets Composite	71,876,712	2.3	9.0	--	14.4	--	-7.8	--	--	--	--	--	--	--	--	--	-8.5	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>2.5</u>	--	<u>4.4</u>	--	<u>6.1</u>	--	<u>6.1</u>	--	<u>6.4</u>	--	<u>6.7</u>	--	<u>6.8</u>	--	<u>6.2</u>	<i>Nov-13</i>
Over/Under			6.5		10.0		-13.9										-14.7	
Wellington	71,876,712	2.3	9.0	--	14.4	--	-7.8	--	--	--	--	--	--	--	--	--	-8.5	Nov-13
<i>CPI + 5% (Unadjusted)</i>			<u>2.5</u>	--	<u>4.4</u>	--	<u>6.1</u>	--	<u>6.1</u>	--	<u>6.4</u>	--	<u>6.7</u>	--	<u>6.8</u>	--	<u>6.2</u>	<i>Nov-13</i>
Over/Under			6.5		10.0		-13.9										-14.7	
Commodities Composite	172,158,888	5.6	4.1	--	3.9	--	-10.2	--	-6.3	--	-8.1	--	--	--	--	--	-8.7	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>7.9</u>	--	<u>8.4</u>	--	<u>-11.7</u>	--	<u>-6.9</u>	--	<u>-7.6</u>	--	--	--	--	--	<u>-8.2</u>	<i>Apr-11</i>
Over/Under			-3.8		-4.5		1.5		0.6		-0.5						-0.5	
<i>Bloomberg Commodity Index</i>			12.8	--	13.3	--	-13.3	--	-10.6	--	-10.8	--	-4.4	--	-5.6	--	-11.5	<i>Apr-11</i>
Credit Suisse	107,333,535	3.5	8.3	--	9.2	--	-11.4	--	-6.7	--	-7.5	--	--	--	--	--	-8.1	Apr-11
<i>Custom Commodity Risk Parity Index</i>			<u>7.9</u>	--	<u>8.4</u>	--	<u>-11.7</u>	--	<u>-6.9</u>	--	<u>-7.6</u>	--	--	--	--	--	<u>-8.2</u>	<i>Apr-11</i>
Over/Under			0.4		0.8		0.3		0.2		0.1						0.1	
<i>Bloomberg Commodity Index</i>			12.8	--	13.3	--	-13.3	--	-10.6	--	-10.8	--	-4.4	--	-5.6	--	-11.5	<i>Apr-11</i>
Pinnacle Natural Resources	64,825,353	2.1	-2.2	--	-3.7	--	--	--	--	--	--	--	--	--	--	--	-0.2	Aug-15
<i>Bloomberg Commodity Index</i>			<u>12.8</u>	--	<u>13.3</u>	--	<u>-13.3</u>	--	<u>-10.6</u>	--	<u>-10.8</u>	--	<u>-4.4</u>	--	<u>-5.6</u>	--	<u>-3.0</u>	<i>Aug-15</i>
Over/Under			-15.0		-17.0												2.8	

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	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 Absolute Return Composite	227,949,751	7.4	-0.6	--	0.1	--	0.0	--	2.4	--	--	--	--	--	--	--	2.2	Nov-12
<i>San Jose Custom Absolute Return Benchmark</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>2.9</u>	--	--	--	--	--	--	--	<u>2.7</u>	Nov-12
Over/Under			-1.9		-2.7		-1.9		-0.5								-0.5	
<i>Absolute Return ex-Interim Benchmark</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>3.4</u>	--	<u>2.5</u>	--	<u>3.4</u>	--	<u>2.0</u>	--	<u>4.2</u>	Nov-12
Total Absolute Return Composite ex-Interim	227,949,751	7.4	-0.6	--	0.1	--	0.3	--	3.4	--	--	--	--	--	--	--	4.0	Nov-12
<i>Absolute Return ex-Interim Benchmark</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>3.4</u>	--	<u>2.5</u>	--	<u>3.4</u>	--	<u>2.0</u>	--	<u>4.2</u>	Nov-12
Over/Under			-1.9		-2.7		-1.6		0.0								-0.2	
3-Month LIBOR + 5%			<u>1.4</u>	--	<u>2.8</u>	--	<u>5.5</u>	--	<u>5.3</u>	--	<u>5.4</u>	--	<u>5.4</u>	--	<u>6.5</u>	--	<u>5.3</u>	Nov-12
Macro Composite	137,234,368	4.5	-1.4	--	0.6	--	1.9	--	--	--	--	--	--	--	--	--	1.9	Jul-15
BlueTrend	17,353,353	0.6	-7.0	--	0.0	--	6.4	--	4.8	--	--	--	--	--	--	--	-0.6	Apr-13
<i>Barclay BTOP50 Index</i>			<u>-1.6</u>	--	<u>0.5</u>	--	<u>2.9</u>	--	<u>4.1</u>	--	<u>2.0</u>	--	<u>1.7</u>	--	<u>3.1</u>	--	<u>3.3</u>	Apr-13
Over/Under			-5.4		-0.5		3.5		0.7								-3.9	
Brevan Howard Limited	20,325,077	0.7	-0.1	--	-0.9	--	-4.1	--	--	--	--	--	--	--	--	--	-4.1	Jul-15
<i>HFRI Macro (Total) Index</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>2.5</u>	--	<u>0.9</u>	--	<u>1.8</u>	--	<u>3.4</u>	--	<u>1.9</u>	Jul-15
Over/Under			-1.4		-3.7		-6.0										-6.0	
Dymon Asia	22,268,800	0.7	1.8	--	1.8	--	--	--	--	--	--	--	--	--	--	--	0.9	Sep-15
<i>HFRI Macro (Total) Index</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>2.5</u>	--	<u>0.9</u>	--	<u>1.8</u>	--	<u>3.4</u>	--	<u>2.7</u>	Sep-15
Over/Under			0.5		-1.0												-1.8	
Kepos	17,209,959	0.6	-5.3	--	-0.1	--	6.4	--	5.3	--	--	--	--	--	--	--	1.5	Mar-13
<i>HFRI Macro: Systematic Diversified Index</i>			<u>0.9</u>	--	<u>3.9</u>	--	<u>3.2</u>	--	<u>4.0</u>	--	<u>1.6</u>	--	<u>2.2</u>	--	<u>4.9</u>	--	<u>3.1</u>	Mar-13
Over/Under			-6.2		-4.0		3.2		1.3								-1.6	
MKP Opportunity Fund	9,587,824	0.3	0.1	--	-2.0	--	-6.5	--	--	--	--	--	--	--	--	--	-6.5	Jul-15
<i>HFRI Macro (Total) Index</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>2.5</u>	--	<u>0.9</u>	--	<u>1.8</u>	--	<u>3.4</u>	--	<u>1.9</u>	Jul-15
Over/Under			-1.2		-4.8		-8.4										-8.4	
Wadhvani	19,465,200	0.6	-4.3	--	-2.7	--	--	--	--	--	--	--	--	--	--	--	-2.7	Jan-16
<i>Barclay BTOP50 Index</i>			<u>-1.6</u>	--	<u>0.5</u>	--	<u>2.9</u>	--	<u>4.1</u>	--	<u>2.0</u>	--	<u>1.7</u>	--	<u>3.1</u>	--	<u>0.5</u>	Jan-16
Over/Under			-2.7		-3.2												-3.2	
Pharo Management	21,024,155	0.7	5.1	--	--	--	--	--	--	--	--	--	--	--	--	--	5.1	Apr-16
<i>HFRI Macro (Total) Index</i>			<u>1.3</u>	--	<u>2.8</u>	--	<u>1.9</u>	--	<u>2.5</u>	--	<u>0.9</u>	--	<u>1.8</u>	--	<u>3.4</u>	--	<u>1.3</u>	Apr-16
Over/Under			3.8														3.8	
AHL Partners	10,000,000	0.3																

AHL Partners funded as of 6/29/2016.

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

City of San Jose Police and Fire Department Retirement Plan

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Relative Value Composite	90,715,383	3.0	0.5	--	0.2	--	-0.1	--	--	--	--	--	--	--	--	--	-0.1	Jul-15
Arrowgrass	24,142,645	0.8	-1.0	--	-1.3	--	0.0	--	3.9	--	--	--	--	--	--	--	5.3	Nov-12
HFRI Relative Value (Total) Index			<u>2.9</u>	--	<u>2.6</u>	--	<u>-0.3</u>	--	<u>3.4</u>	--	<u>4.1</u>	--	<u>6.6</u>	--	<u>5.3</u>	--	<u>4.1</u>	Nov-12
Over/Under			-3.9		-3.9		0.3		0.5								1.2	
DE Shaw	29,651,468	1.0	0.3	--	3.2	--	9.1	--	12.6	--	--	--	--	--	--	--	12.9	Apr-13
HFRI Fund Weighted Composite Index			<u>1.8</u>	--	<u>1.2</u>	--	<u>-2.4</u>	--	<u>2.9</u>	--	<u>2.4</u>	--	<u>4.6</u>	--	<u>3.6</u>	--	<u>2.5</u>	Apr-13
Over/Under			-1.5		2.0		11.5		9.7								10.4	
Hudson Bay	15,246,539	0.5	0.9	--	1.6	--	-1.2	--	0.5	--	--	--	--	--	--	--	0.5	Jul-13
HFRI Relative Value (Total) Index			<u>2.9</u>	--	<u>2.6</u>	--	<u>-0.3</u>	--	<u>3.4</u>	--	<u>4.1</u>	--	<u>6.6</u>	--	<u>5.3</u>	--	<u>3.4</u>	Jul-13
Over/Under			-2.0		-1.0		-0.9		-2.9								-2.9	
Pine River	21,674,732	0.7	2.2	--	-3.3	--	-9.7	--	0.4	--	--	--	--	--	--	--	2.3	Jan-13
HFRI Relative Value (Total) Index			<u>2.9</u>	--	<u>2.6</u>	--	<u>-0.3</u>	--	<u>3.4</u>	--	<u>4.1</u>	--	<u>6.6</u>	--	<u>5.3</u>	--	<u>3.8</u>	Jan-13
Over/Under			-0.7		-5.9		-9.4		-3.0								-1.5	

Please see appendix for additional details regarding the footnotes.

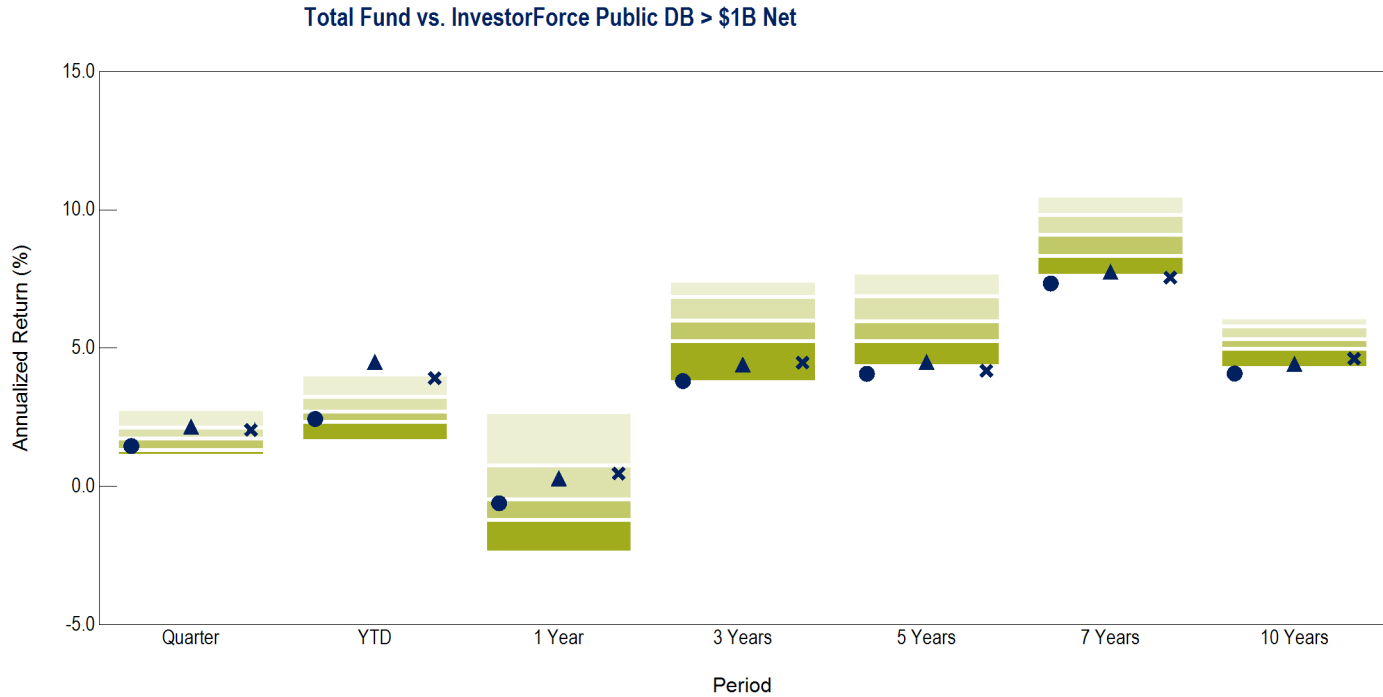
City of San Jose Police and Fire Department Retirement Plan

Total Fund

	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	283,752,404	9.2	1.4	78	1.6	78	-3.2	77	0.9	96	--	--	--	--	--	--	1.1	Jan-13
60% MSCI World (Net) / 40% CITI WGBI			<u>2.0</u>	73	<u>4.7</u>	53	<u>2.9</u>	2	<u>5.4</u>	5	<u>4.6</u>	17	<u>7.4</u>	74	<u>4.7</u>	55	<u>5.4</u>	Jan-13
Over/Under			-0.6		-3.1		-6.1		-4.5								-4.3	
InvestorForce Public DB Global Tactical Net Median			3.2		4.9		-1.4		3.1		3.9		7.8		5.0		2.1	Jan-13
GAA ex-Iterim	283,752,404	9.2	1.4	79	1.6	83	-3.2	94	0.9	96	--	--	--	--	--	--	0.3	Jan-13
InvestorForce Public DB Global Tactical Gross Median			3.4		5.6		-0.7		3.7		4.5		8.6		5.4		2.9	Jan-13
GMO	84,883,383	2.8	0.9	73	1.0	66	-4.3	67	1.4	82	--	--	--	--	--	--	1.8	Feb-13
CPI + 5% (Seasonally Adjusted)			<u>2.1</u>	43	<u>3.3</u>	33	<u>5.9</u>	3	<u>6.1</u>	6	<u>6.3</u>	2	<u>6.7</u>	47	<u>6.8</u>	1	<u>6.1</u>	Feb-13
Over/Under			-1.2		-2.3		-10.2		-4.7								-4.3	
60% MSCI World (Net) / 40% CITI WGBI			2.0	46	4.7	20	2.9	11	5.4	16	4.6	25	7.4	40	4.7	63	4.7	Feb-13
eA Global TAA Net Median			1.8		2.5		-1.2		3.5		3.4		6.6		5.0		2.6	Feb-13
PIMCO	92,821,854	3.0	4.5	5	10.4	2	-2.1	59	-1.4	96	--	--	--	--	--	--	-3.1	Feb-13
CPI + 6.5% (Seasonally Adjusted)			<u>2.4</u>	34	<u>4.0</u>	27	<u>7.4</u>	1	<u>7.6</u>	1	<u>7.9</u>	1	<u>8.2</u>	12	<u>8.3</u>	1	<u>7.6</u>	Feb-13
Over/Under			2.1		6.4		-9.5		-9.0								-10.7	
60% MSCI World (Net) / 40% CITI WGBI			2.0	46	4.7	20	2.9	11	5.4	16	4.6	25	7.4	40	4.7	63	4.7	Feb-13
eA Global TAA Net Median			1.8		2.5		-1.2		3.5		3.4		6.6		5.0		2.6	Feb-13
Standard Life	106,047,167	3.5	-0.8	96	-4.0	96	-3.9	64	2.1	73	--	--	--	--	--	--	2.3	Feb-13
91 Day T-Bill + 5%			<u>1.3</u>	61	<u>2.6</u>	44	<u>5.2</u>	6	<u>5.1</u>	18	<u>5.1</u>	12	<u>5.1</u>	81	<u>5.9</u>	12	<u>5.1</u>	Feb-13
Over/Under			-2.1		-6.6		-9.1		-3.0								-2.8	
60% MSCI World (Net) / 40% CITI WGBI			2.0	46	4.7	20	2.9	11	5.4	16	4.6	25	7.4	40	4.7	63	4.7	Feb-13
eA Global TAA Net Median			1.8		2.5		-1.2		3.5		3.4		6.6		5.0		2.6	Feb-13
Cash																		
Cash	89,398,251	2.9	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--	0.5	--	--	--	0.8	Apr-08
91 Day T-Bills			<u>0.1</u>	--	<u>0.1</u>	--	<u>0.2</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.1</u>	--	<u>0.9</u>	--	<u>0.2</u>	Apr-08
Over/Under			-0.1		-0.1		-0.2		-0.1		0.0		0.4				0.6	

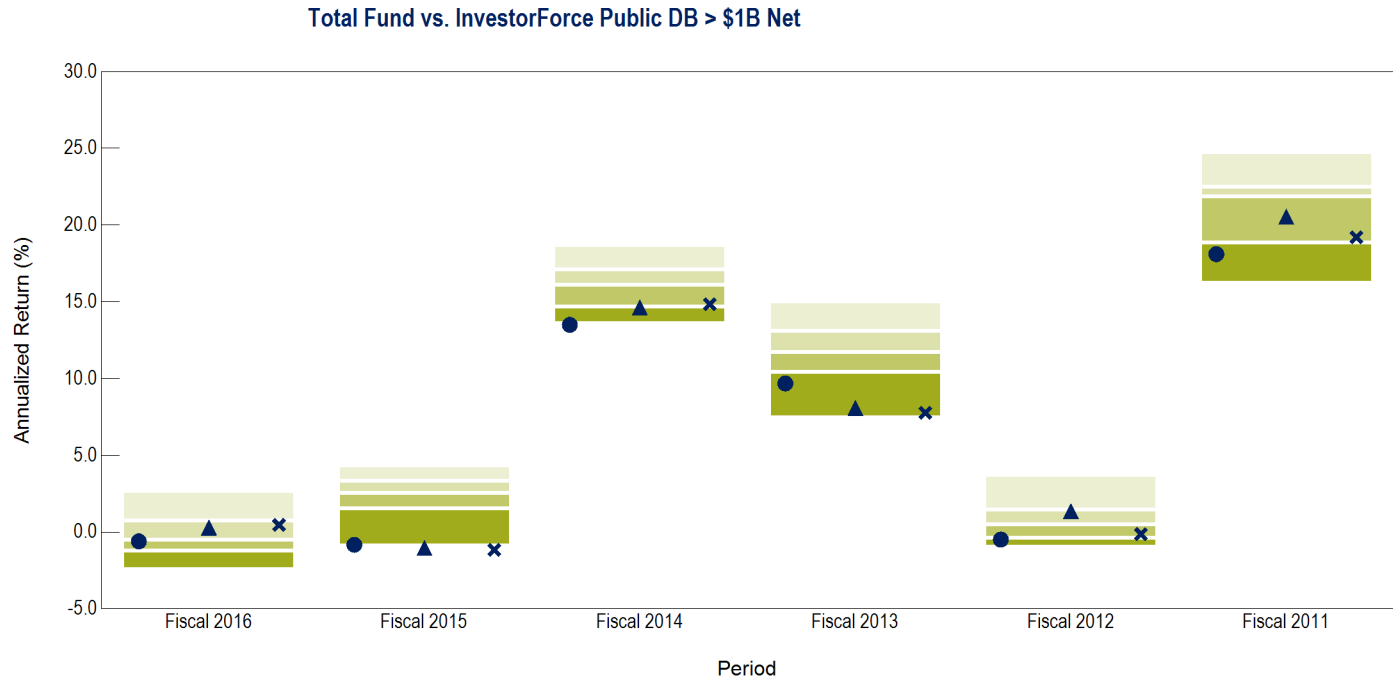
Note: Performance of Total GAA Composite and underlying investment managers is reported net of fees. Please see appendix for additional details regarding the footnotes.

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	2.8	4.0	2.7	7.4	7.7	10.5	6.1			
25th Percentile	2.1	3.2	0.8	6.9	6.9	9.8	5.8			
Median	1.7	2.7	-0.5	6.0	6.0	9.1	5.3			
75th Percentile	1.3	2.4	-1.2	5.3	5.3	8.3	5.0			
95th Percentile	1.1	1.6	-2.4	3.8	4.4	7.6	4.3			
# of Portfolios	55	55	55	53	53	52	48			
● Total Fund	1.5 (69)	2.4 (74)	-0.6 (54)	3.8 (95)	4.1 (97)	7.3 (98)	4.1 (99)			
▲ Policy Benchmark	2.2 (23)	4.5 (3)	0.3 (38)	4.4 (93)	4.5 (95)	7.8 (92)	4.4 (92)			
× Allocation Index	2.0 (29)	3.9 (7)	0.5 (35)	4.5 (93)	4.2 (96)	7.5 (97)	4.6 (86)			

Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	2.7		4.3		18.7		15.0		3.7		24.7	
25th Percentile	0.8		3.3		17.2		13.1		1.5		22.5	
Median	-0.5		2.6		16.1		11.8		0.5		21.9	
75th Percentile	-1.2		1.6		14.7		10.5		-0.3		18.9	
95th Percentile	-2.4		-0.9		13.6		7.5		-0.9		16.3	
# of Portfolios	55		53		43		56		41		42	
● Total Fund	-0.6	(54)	-0.8	(95)	13.5	(98)	9.7	(83)	-0.5	(85)	18.1	(86)
▲ Policy Benchmark	0.3	(38)	-1.0	(98)	14.6	(76)	8.1	(92)	1.3	(27)	20.5	(57)
× Allocation Index	0.5	(35)	-1.2	(99)	14.8	(74)	7.8	(93)	-0.1	(75)	19.2	(66)

Manager Due Diligence



City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

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

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Russell Overlay	N/A	-	Watch	No Action	Watch Status from Q2 2014
Artisan Global Opps	-	-	-	-	
Artisan Global Value	Bottom Quartile	-	-	-	
NT Russell 1000 Index	-	-	-	-	
RBC Small Cap	-	-	-	-	
NT MSCI World ex-U.S. Index	-	-	-	-	
Oberweis International Opportunities	Top Quartile	-	-	-	
Aberdeen Frontier Markets Equity	Bottom Decile	-	-	-	
Dimensional Fund Advisors	-	-	-	-	
NT Russell 3000 Index Fund	-	-	-	-	
57 Stars Global Opportunity Fund 3	N/A	-	-	-	
Crescent Mezzanine Partners (Fund V; Fund VI)	N/A	-	-	-	
HarbourVest Partners (Fund VII - 2005 Buyout; VIII Venture; VIII Buyout)	N/A	-	-	-	
Pantheon USA Fund VI	N/A	-	-	-	
Portfolio Advisors Private Equity Fund III (A - Buyout; B - Venture; C - Special Sits)	N/A	-	-	-	
Siguler Guff Distressed Opportunities Fund III	N/A	-	-	-	
TPG Opportunities Partners (Fund II; Fund III)	N/A	-	-	-	
Warburg Pincus Private Equity XI	N/A	-	-	-	

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Colchester Global Fixed Income	-	-	-	-	
Franklin Templeton Global Multi-Sector Plus	-	-	-	-	
Beach Point Total Return Fund	-	-	-	-	
Voya	-	-	-	-	
Symphony L/S Credit Fund	-	-	-	-	
Marathon European Credit Opportunity Fund	N/A	Yes	No Action	-	
GSO Direct Lending Fund	N/A	-	-	-	
Medley Opportunity Fund II	N/A	-	-	-	
White Oak Direct Lending Fund	N/A	-	-	-	
Cross Ocean	N/A	-	-	-	
Park Square Credit Opportunities Fund II	N/A	-	-	-	
Shoreline China Value III	N/A	Yes	No Action	-	
BlueBay Emerging Market Select Debt	-	-	-	-	Watch Status from Q1 2016
Iguazu Partners	Bottom Quartile	-	-	-	
Credit Suisse Risk Parity Commodity Fund	N/A	-	-	-	
Wellington Diversified Inflation Hedges	N/A	-	Watch	No Action	
Pinnacle Natural Resources	N/A	-	-	-	
Russell Real Estate	N/A	-	Watch	No Action	Watch Status from Q2 2014
American Realty Separate Account	N/A	-	-	-	
American Realty Core Fund	N/A	-	-	-	
Blackstone Real Estate Debt Strategies II	N/A	-	-	-	
Brookfield Strategic Real Estate Partners	N/A	-	-	-	
Orion European Real Estate Fund IV	N/A	-	-	-	
TA Realty Fund X	N/A	-	-	-	
Tristan EPISO 3	N/A	-	-	-	

City of San Jose Police and Fire Department Retirement Plan

Due Diligence Monitor

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Och-Ziff Real Estate Fund III	N/A	-	-	-	
Brookfield Infrastructure Partners	N/A	-	-	-	
GMO Benchmark-Free Allocation	N/A	-	Hold	No Action	
PIMCO All Asset All Authority	N/A	Yes	No Action	No Action	Upgrade from Watch Status Q2 2016
Standard Life Global Absolute Return Strategy (GTAA)	N/A	Yes	No Action	-	
Industry Ventures III	N/A	-	-	-	
CCMP Capital Investors III	N/A	-	-	-	
D.E. Shaw & Co., L.P.	N/A	-	-	-	
Marshall Wace Eureka Fund	N/A	-	Hold	No Action	
Horizon Portfolio I	N/A	-	-	-	
Sandler Plus Offshore Fund	N/A	-	-	-	
Senator Global Opp Offshore Fund	N/A	-	-	-	
Claren Road	N/A	-	-	-	
Davidson Kempner	N/A	-	-	-	

NEPC Due Diligence Committee Recommendation Key

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



Shoreline

In May, NEPC was informed that two of the three majority shareholders of Shoreline, Xiaolin Zhang and Jeffery Yang, who were also married, recently divorced - compelling Mr. Yang to retire from the business. While the third partner, Ben Fanger, would like the retiring partner's equity (~26%) to be returned to Shoreline for distribution among existing and future employees, Ms. Zhang wishes to acquire all of the retiring equity to gain a majority (~60% +) ownership of the firm. Also, Ms. Zhang wishes to grow the NPL business rapidly by raising large amounts of local RMB capital. Mr. Fanger is opposed to becoming an asset aggregator and would like Shoreline to continue as an institutionally sponsored (by US and European) business. As a testimony to her current thinking, Ms. Zhang has also (unilaterally) entered into a joint venture with a local listed company to raise RMB capital to run a business virtually in competition with Shoreline, which she presumably would operate if she is unable to gain control of Shoreline. Shoreline sought counsel from its advisory board (comprising key investors) who have asked Shoreline to present a proposal in two weeks. Among key things to consider, Shoreline would need to address if any of Ms. Zhang's actions could lead to her elimination as a manager for the fund triggering a "keyman/person clause". As a result, it is likely the investment period could be reduced from 5 to 3 years whereby no money would be allowed to be recycled but harvested over the remaining life of the 7 year fund and returned to LPs. There is no indication of any provision that would allow immediate liquidation of the Fund. Fund III is nearly fully invested with the portfolio consisting mainly of 3 NPL pools representing over 80% of the portfolio and 3 special situation loans constituting the rest. All investments are reportedly sound and performing well, aiming for a 20%+ IRR. Further to our 48- Hour letter dated June 13, 2016, NEPC has received feedback from Ropes and Gray post their onsite visit with Shoreline on June 29 in Guangzhou. Based on their feedback, NEPC believes that the situation at Shoreline is quite fluid and still evolving. As a result, it is prudent not to commit any further cash flows into new investments.

Thus NEPC advises that LPs vote "consents to the immediate termination of the Commitment Period".

Marathon

In June 2016, Marathon announced that Blackstone would be making a minority equity investment in Marathon Asset Management via a permanent capital vehicle within the Blackstone Alternative Asset Management group. This is the fourth transaction for Blackstone under a similar focus - previously seeding Senator, and purchasing stakes in Solus and Magnetar. The deal with Marathon represents a passive, non-voting, minority investment. Blackstone will receive a seat on Marathon's board but will not have voting authority. Decision-making authority remains with Marathon partners Lou Hanover (CIO), Bruce Richards (CEO), and Andrew Rabinowitz (COO and newly appointed President). Terms of the deal were not fully disclosed due to confidentiality agreements; however, Marathon was able to share the general structure. Blackstone will be purchasing a minority stake in the firm and cash proceeds will be distributed pro-rata among existing partners at Marathon following consideration for taxes. A number of partners were required to sign new contracts to remain with Marathon for a period of time. These terms were not fully disclosed but were stated as "longer than the current contracts that were in place." Additionally, the cash received must be re-invested in Marathon products and must remain invested in parallel with the new employment contract terms or for the duration of the fund life when invested in a closed-end fund. The deal was described to not be focused on growth but long-term strength in providing value to clients. All partners re-upped their contract with the exception of Richard Ronzetti (Global Head of Research) who will be retiring from the business. His leadership as Global Head of Research has been transitioning over time to Vijay Srinivasan, who had been leading the European corporate research efforts. Mr. Ronzetti's equity will be sunseting back into the business over time which offers Marathon the ability to provide equity to rising talent at the firm.

NEPC recommends a due diligence status of **No Action** at this time.

PIMCO

NEPC upgraded PIMCO at a firm level from Watch to No Action. Our decision is driven by increased comfort with the direction and stability of PIMCO as a firm. The dust has settled following the departure of Bill Gross more than 18 months ago and while there are still risks of additional personnel departures and other negative headlines; we do not think that these risks are outsized relative to any other firms in the industry and therefore do not think they warrant a Watch status going forward.

Standard Life

In May 2016, Standard Life announced the departure of Sebastian Mackay, an investment director on the multi-asset investing team who is involved in the management of the Global Absolute Return Strategy (GARS). Sebastian was one of 6 dedicated portfolio managers assigned to GARS and specialized in interest rate related strategies. While Sebastian was considered a senior investor on the team and Standard Life is disappointed to lose him, NEPC does not have major concerns with his departure. Standard Life is well stocked with experienced investors who specialize in interest rate strategies and Sebastian's impact from an underlying strategy perspective is relatively small. NEPC will continue to monitor the situation but believes the broad resources of Standard Life's multi-asset team allow them to weather the one-off departure of investment personnel. The team based investment approach and the focus on ensuring no one individual holds outsized influence over the investment process supports our due diligence recommendation of No Action.

NEPC recommends a due diligence status of **No Action** at this time.

Appendix: Market Environment



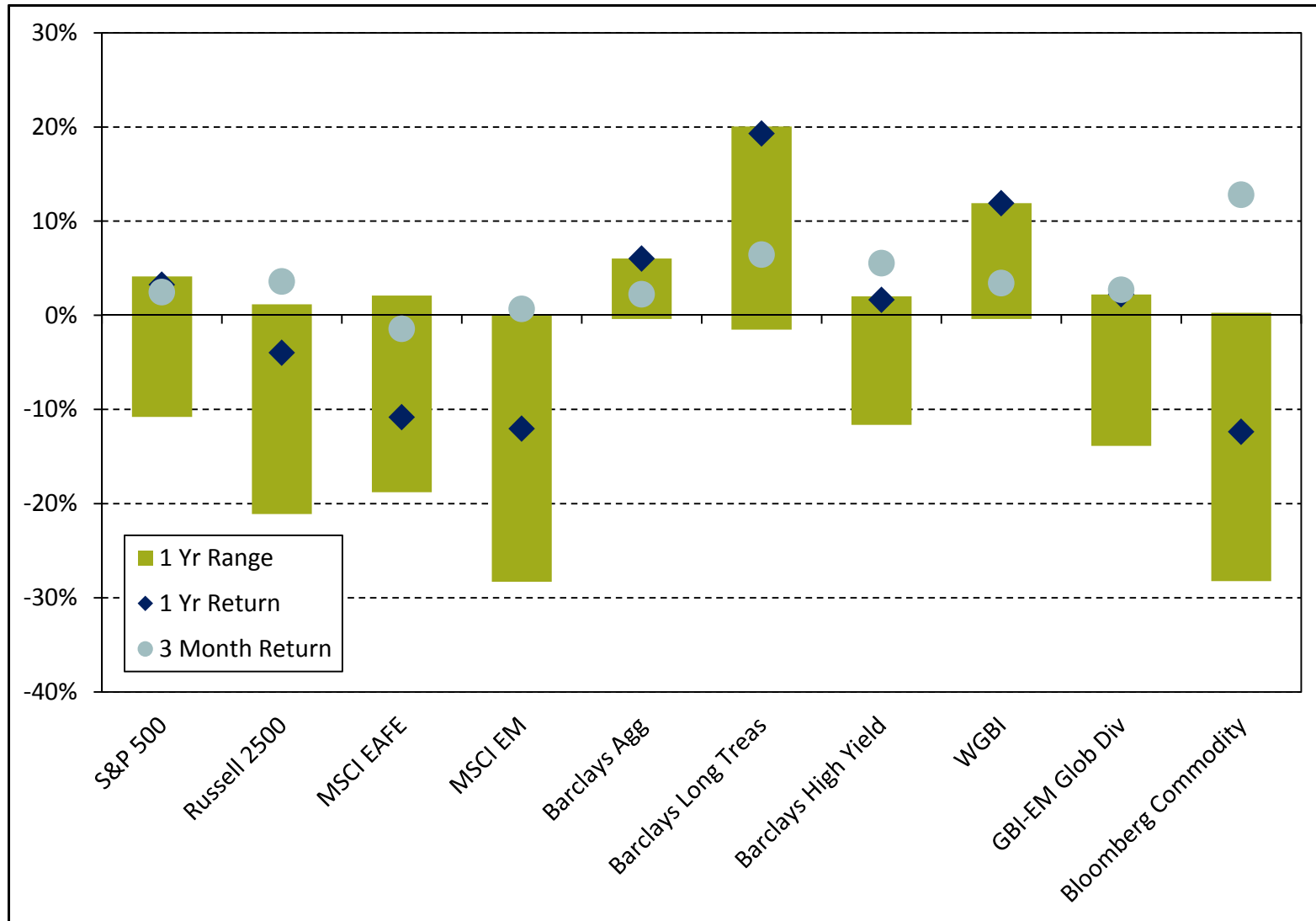
City of San Jose Police and Fire Department Retirement Plan

Index Performance Summary as of 6/30/2016

	2009	2010	2011	2012	2013	2014	2015	Q1	APRIL	MAY	JUNE	Q2	YTD
Barclays US STRIPS 20+ Yr	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	-3.7%	11.4%	-0.9%	1.5%	9.0%	9.6%	22.0%
Alerian MLP	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-32.6%	-4.2%	11.0%	2.5%	5.1%	19.7%	14.7%
Barclays US Govt/Credit Long	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	-3.3%	7.3%	1.2%	0.3%	4.9%	6.5%	14.3%
JPM GBI-EM Global Div	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-14.9%	11.0%	2.6%	-5.4%	5.9%	2.7%	14.0%
Barclays US Long Credit	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	-4.6%	6.8%	2.4%	0.0%	4.2%	6.7%	13.9%
FTSE NAREIT Equity REITs	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	3.2%	6.0%	-2.4%	2.4%	7.0%	7.0%	13.4%
Bloomberg Commodity	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-24.7%	0.4%	8.5%	-0.2%	4.1%	12.8%	13.3%
Citi WGBI USD	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-3.6%	7.1%	1.3%	-1.5%	3.7%	3.4%	10.7%
JPM EMBI Global Diversified	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	1.2%	5.0%	1.8%	-0.2%	3.4%	5.0%	10.3%
Barclays US Corporate HY	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	-4.5%	3.4%	3.9%	0.6%	0.9%	5.5%	9.1%
MSCI EM	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	-14.9%	5.7%	0.5%	-3.7%	4.0%	0.7%	6.4%
Barclays US Agg Bond	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.5%	3.0%	0.4%	0.0%	1.8%	2.2%	5.3%
Barclays Municipal	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	3.3%	1.7%	0.7%	0.3%	1.6%	2.6%	4.3%
Credit Suisse Leveraged Loan	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	-0.4%	1.3%	1.9%	0.9%	0.0%	2.9%	4.2%
Russell 2500	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	-2.9%	0.4%	1.5%	2.1%	0.0%	3.6%	4.0%
S&P 500	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	1.3%	0.4%	1.8%	0.3%	2.5%	3.8%
Barclays US Agg Interm	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.2%	2.3%	0.2%	0.0%	1.2%	1.4%	3.8%
Russell 1000	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	0.9%	1.2%	0.5%	1.8%	0.2%	2.5%	3.7%
Russell 2000	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	-4.4%	-1.5%	1.6%	2.3%	-0.1%	3.8%	2.2%
BC US Govt/Credit 1-3 Yr	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.7%	1.0%	0.1%	-0.1%	0.6%	0.7%	1.7%
MSCI ACWI	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	-2.4%	0.2%	1.5%	0.1%	-0.6%	1.0%	1.2%
Credit Suisse Hedge Fund	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	-0.7%	-2.2%	0.3%	0.4%	N/A	N/A	-1.5%
MSCI EAFE	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	-3.0%	2.9%	-0.9%	-3.4%	-1.5%	-4.4%

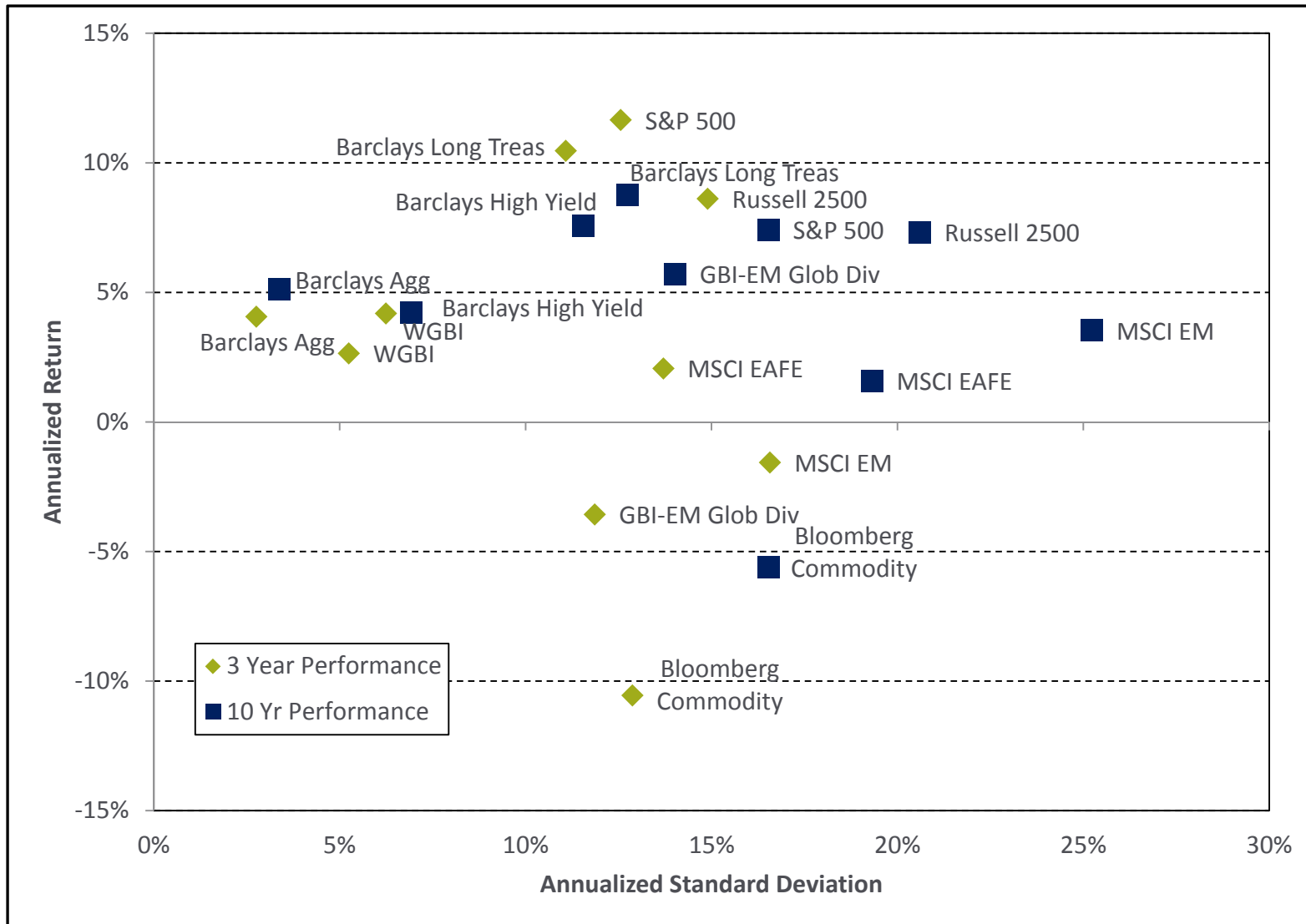
Source: Morningstar Direct

Near-Term Broad Market Performance Summary as of 6/30/2016



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan
 *1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

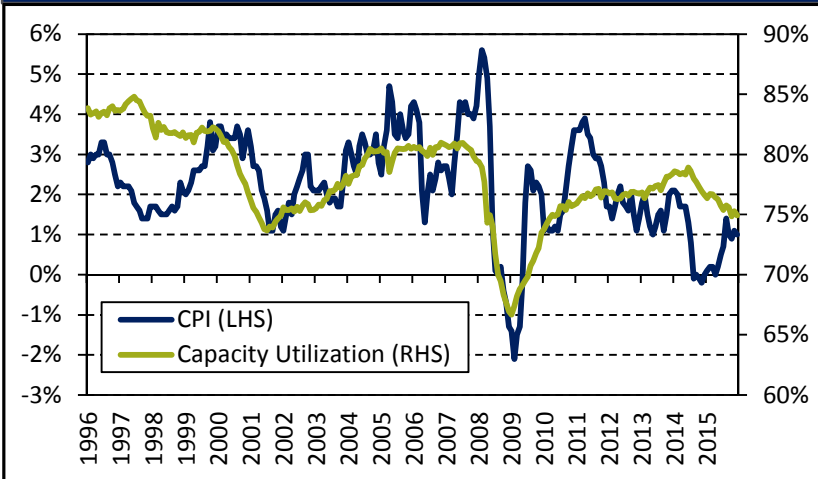
Long-Term Broad Market Performance Summary as of 6/30/2016



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan

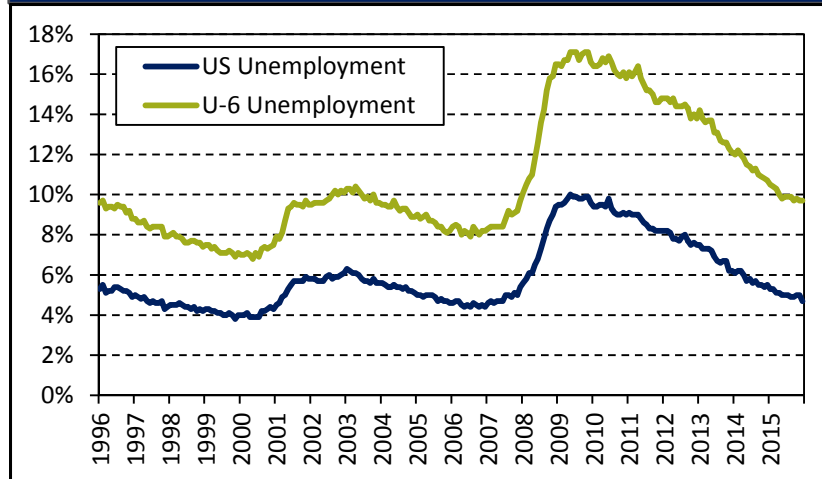
U.S. Economic Indicators

Inflation has increased off lows



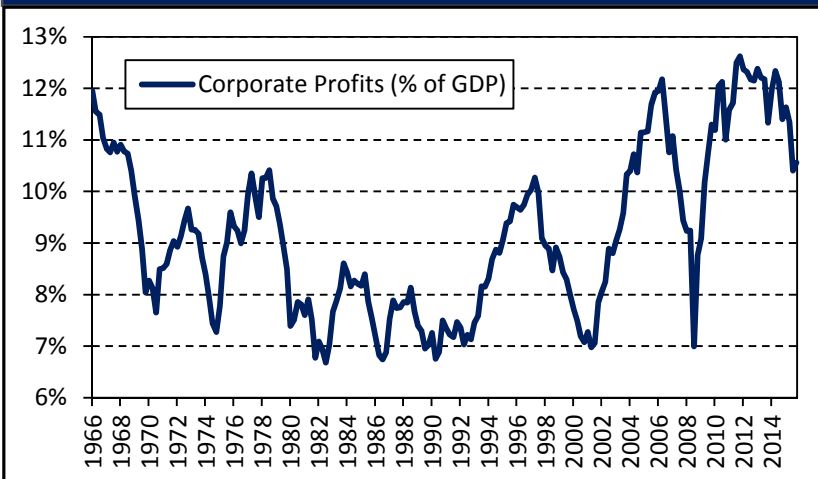
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment steadily improving



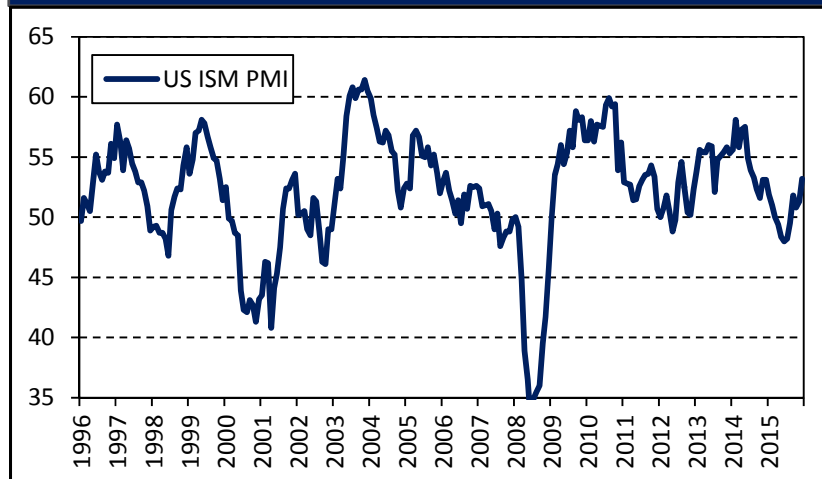
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits lower off cyclical highs



Source: Bloomberg, Bureau of Economic Analysis

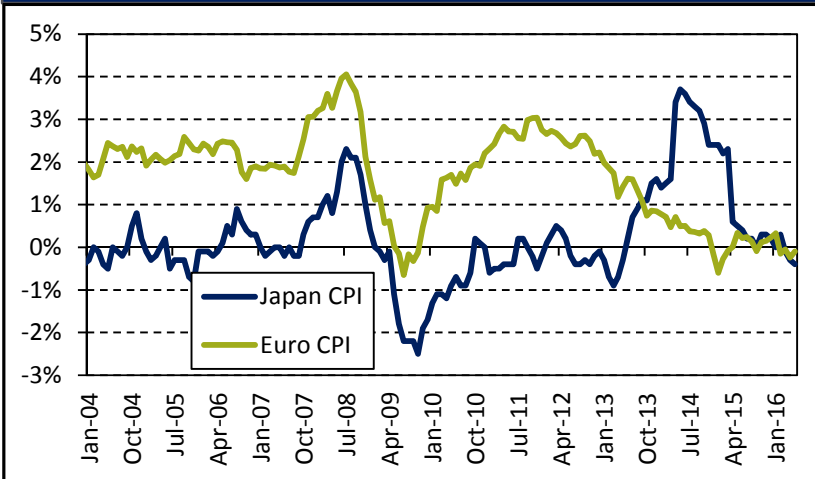
Manufacturing trending higher after dip



Source: Bloomberg, Institute for Supply Management

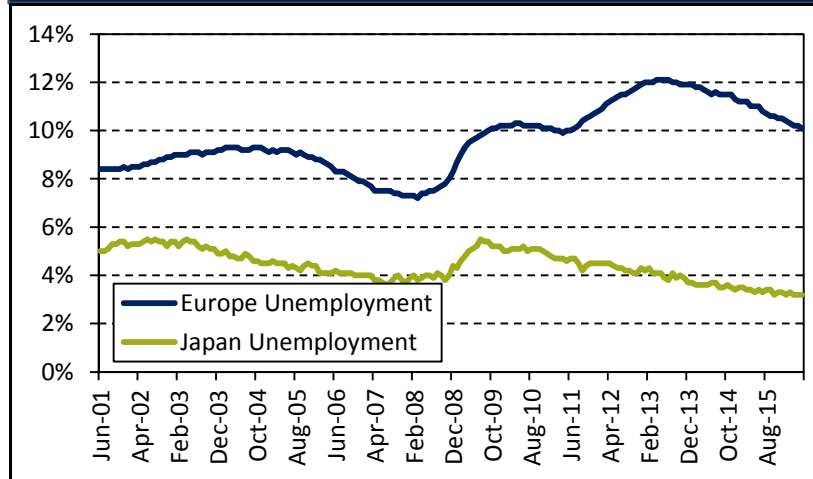
City of San Jose Police and Fire Department Retirement Plan
International Economic Indicators

Inflation remains muted



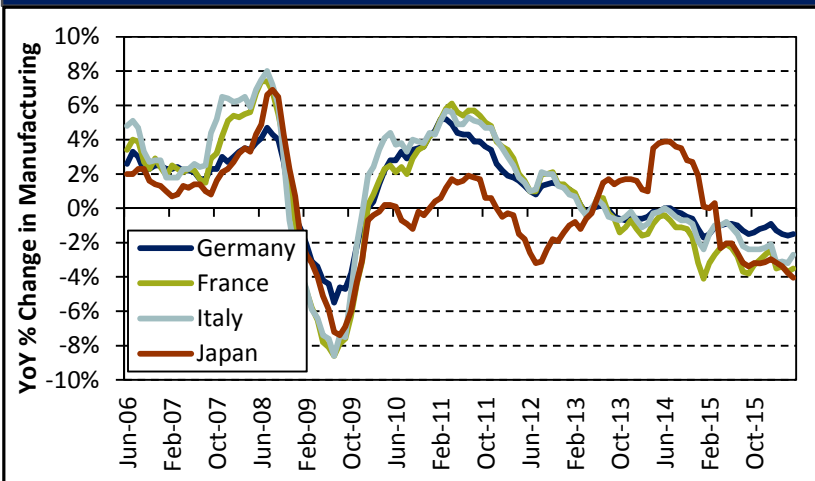
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe unemployment trending lower



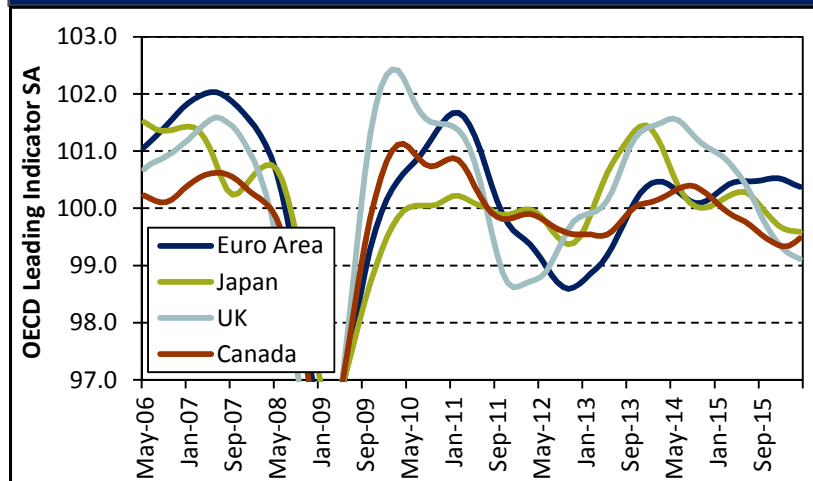
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing continues to lag



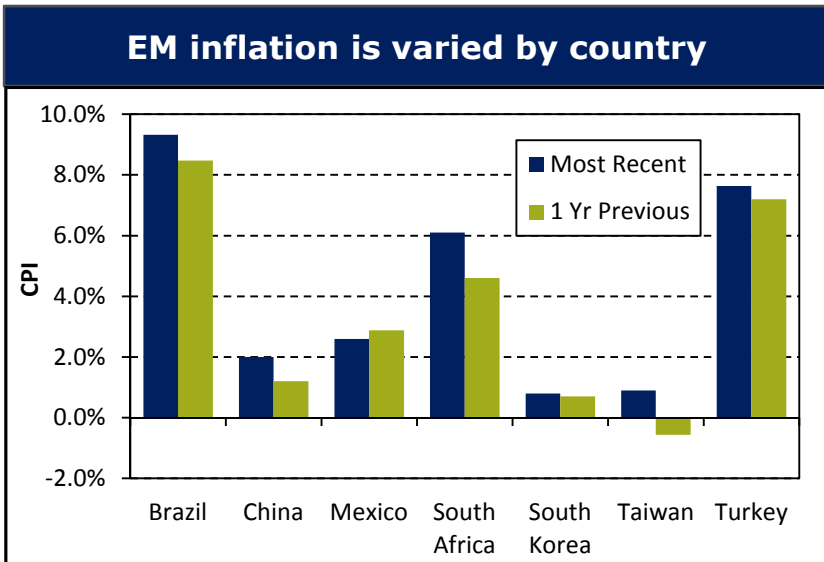
Source: Bloomberg, OECD, Eurostat

Leading indicators mostly neutral

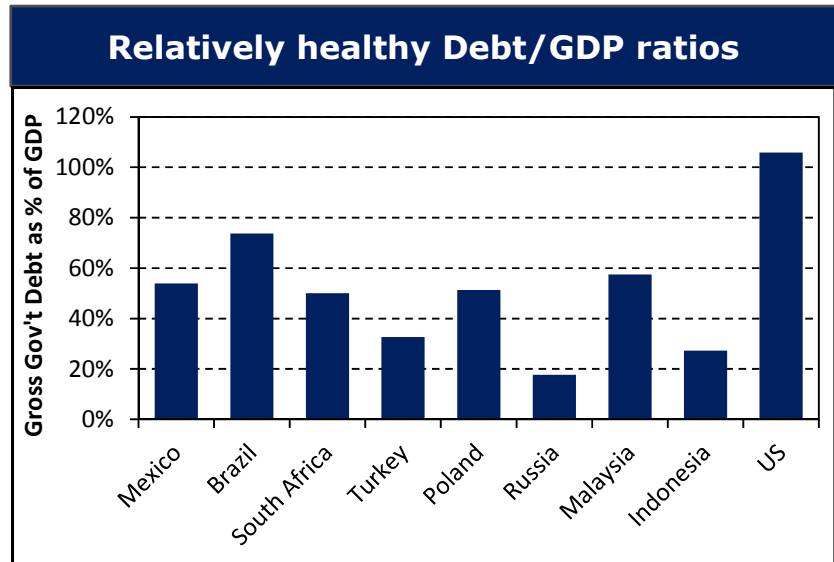


Source: Bloomberg, OECD

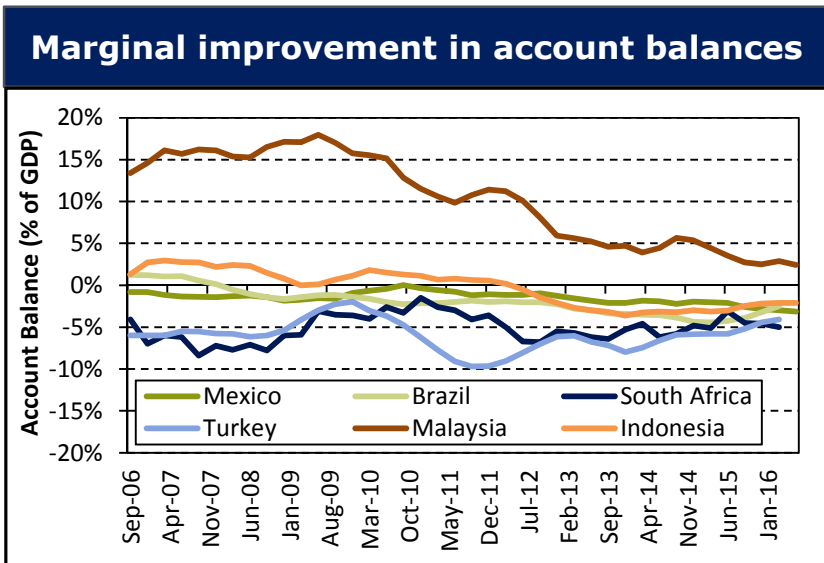
Emerging Market Economic Indicators



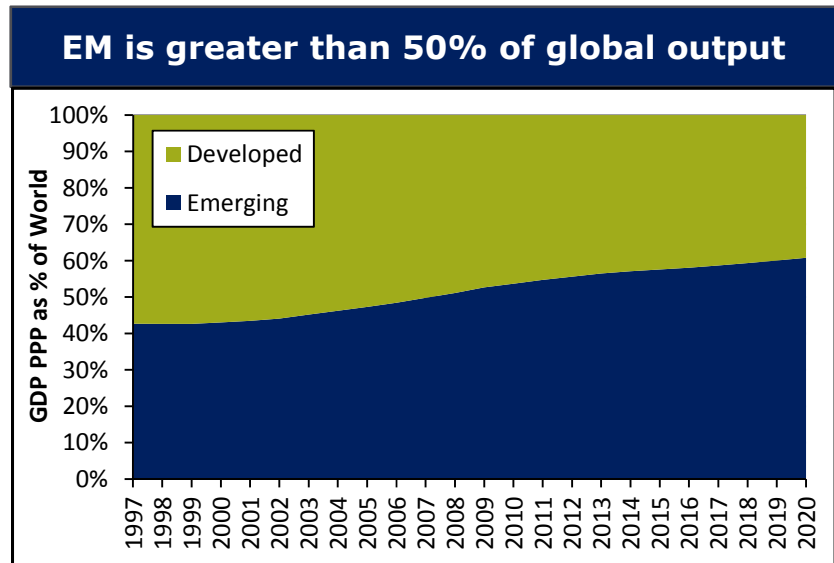
Source: Bloomberg



Source: Bloomberg, IMF



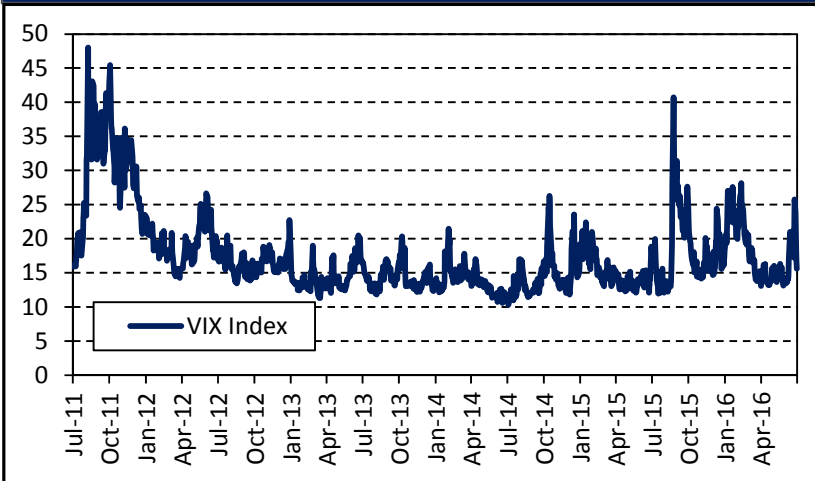
Source: Bloomberg



Source: Bloomberg, IMF

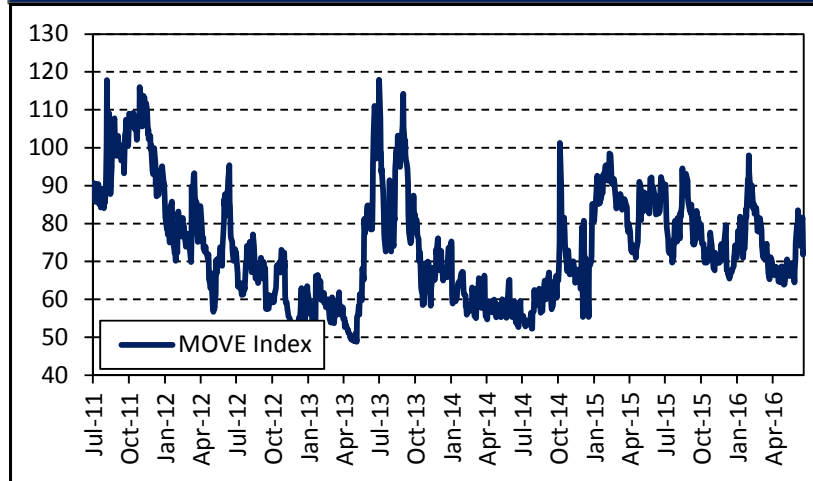
Volatility

Equity volatility seeing recent increase



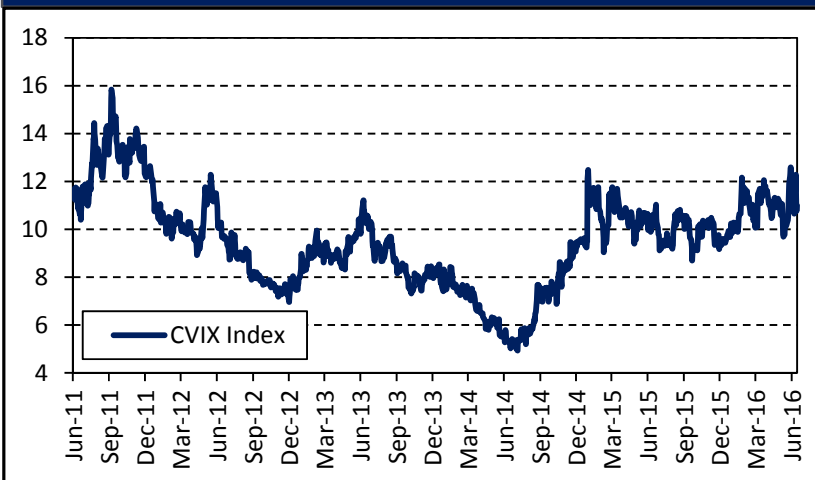
Source: Bloomberg, CBOE

Treasury volatility has increased recently



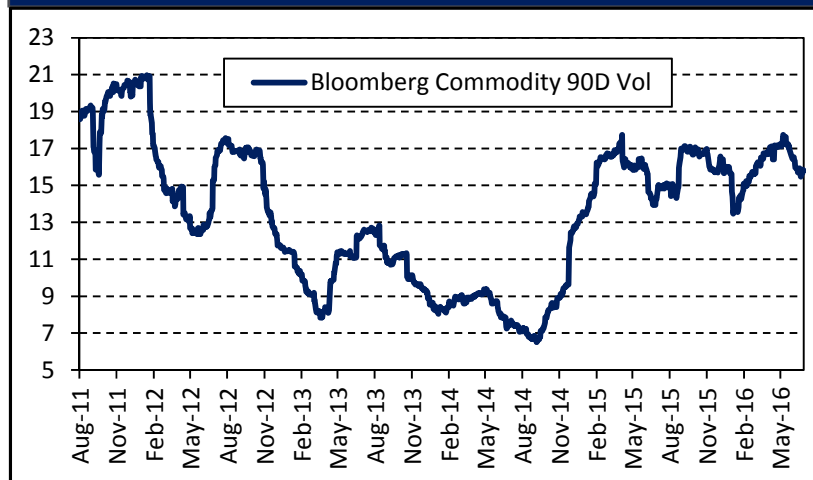
Source: Bloomberg, Merrill Lynch

Currency volatility remains elevated



Source: Bloomberg, Deutsche Bank

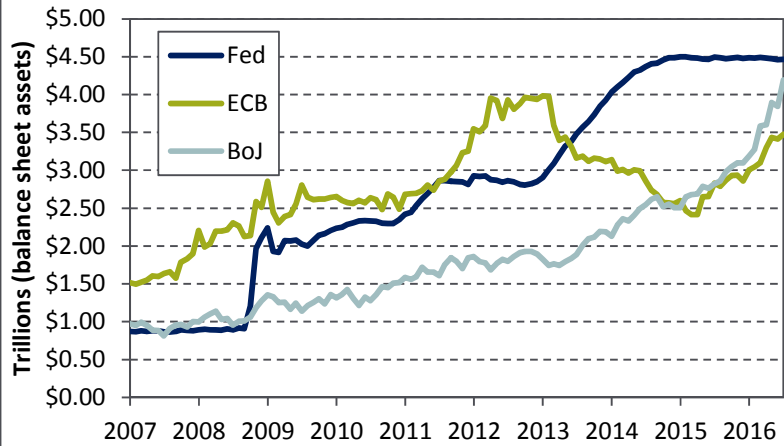
Commodity volatility remains elevated



Source: Bloomberg, Merrill Lynch

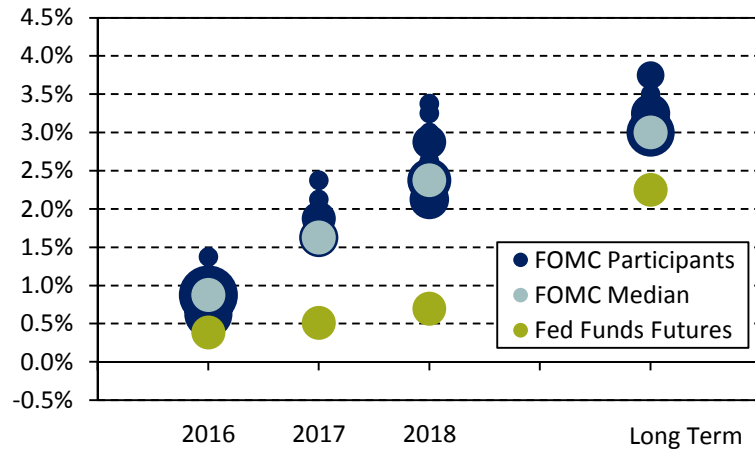
Central Banks

Major central bank policy divergence



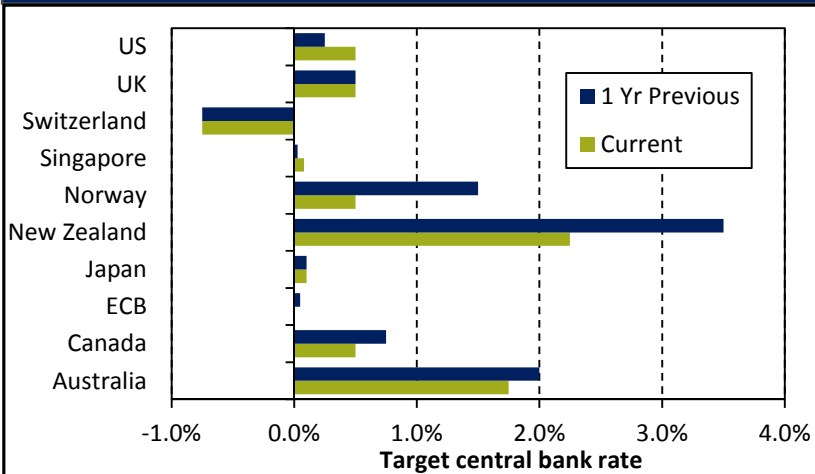
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Fed's projected policy rate firming above market expectations



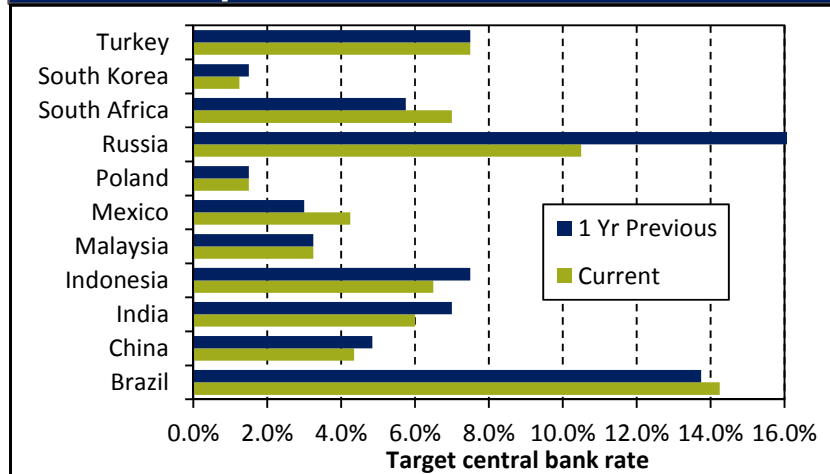
Source: Bloomberg, Federal Reserve, NEPC

Many developed central banks have maintained low interest rates



Source: Bloomberg

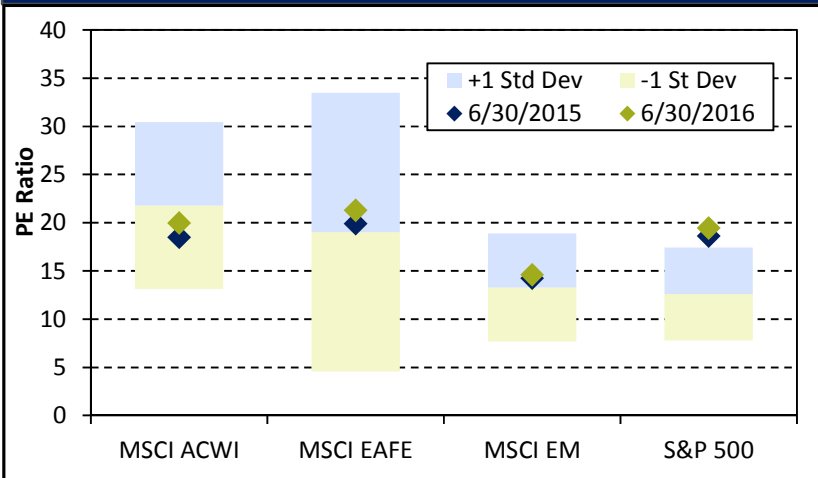
EM central bank policies vary by country-specific economic conditions



Source: Bloomberg

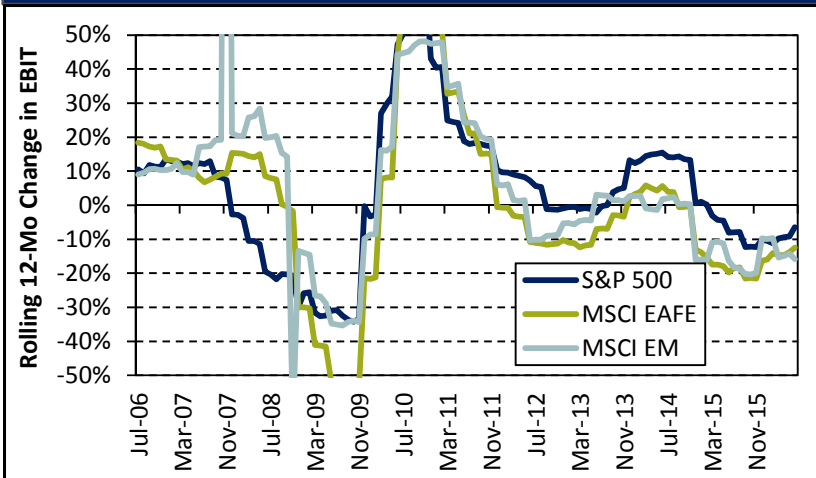
Global Equity

Global valuations are mixed



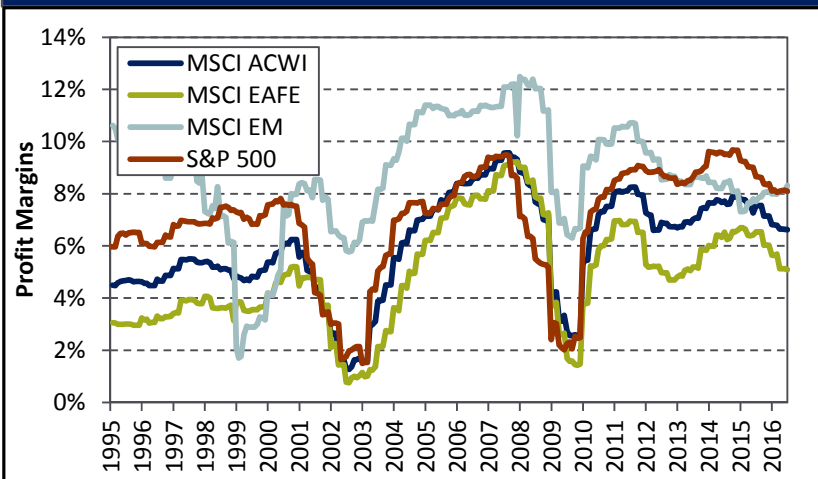
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom

Earnings growth has trended lower



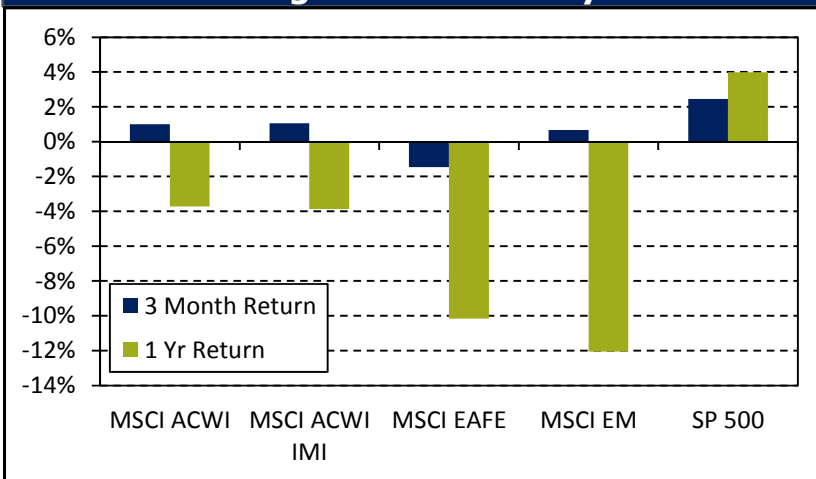
Source: Bloomberg, Standard and Poors, MSCI

Margins declining outside of EM



Source: Bloomberg, MSCI

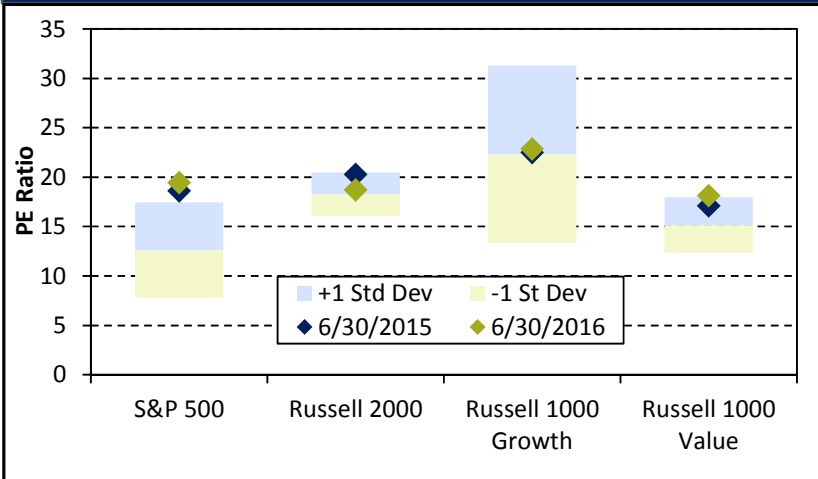
Global equity returns have been mostly negative over one year



Source: Bloomberg, MSCI

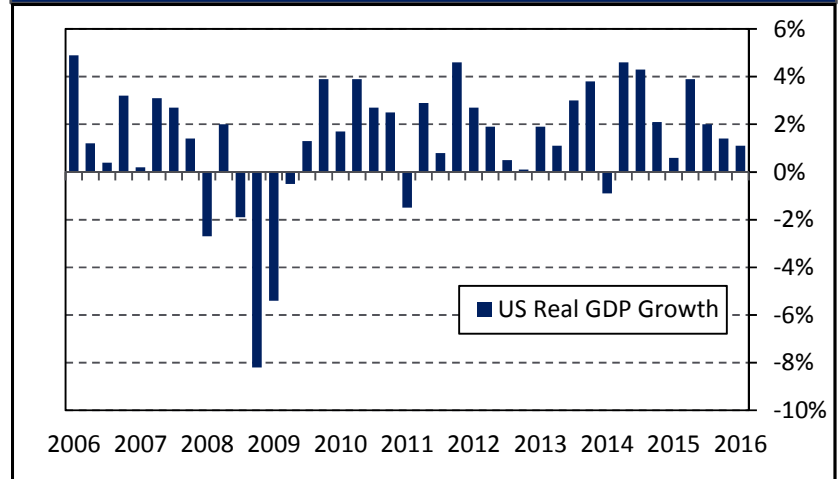
U.S. Equity

Valuations near or above historical norms



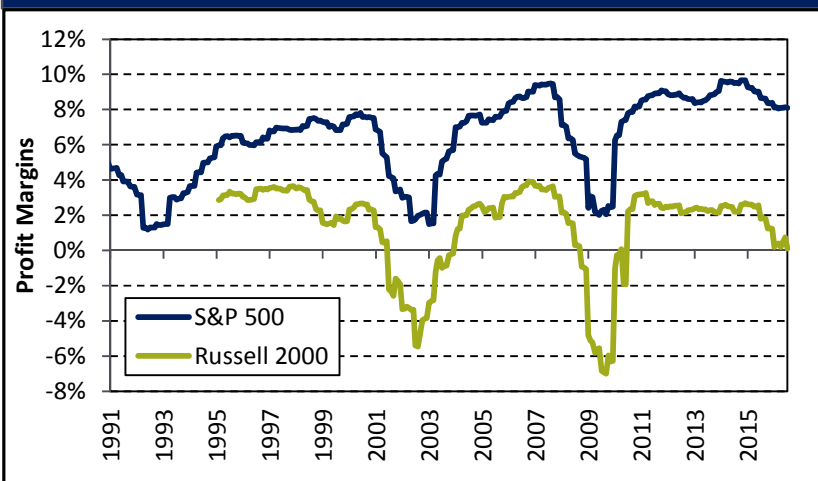
Source: Bloomberg, Standard and Pooers, Russell *Russell 2000 PE is index adjusted positive

Growth recovery marked by inconsistency



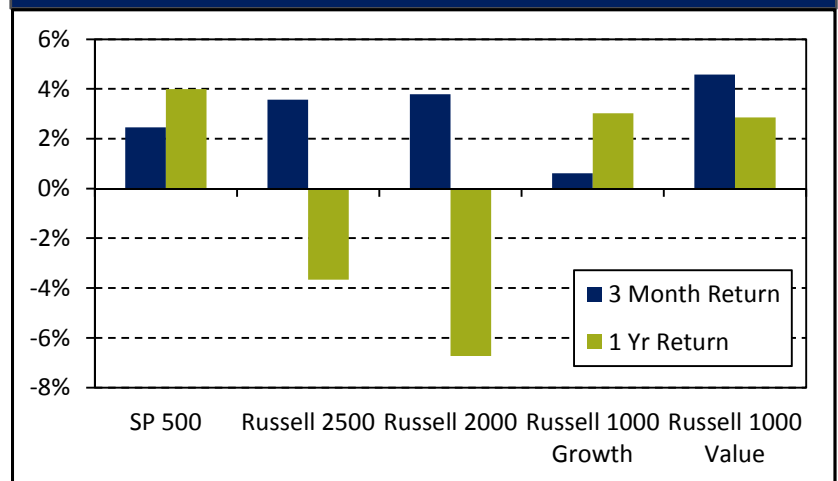
Source: Bloomberg, Bureau of Economic Analysis

Profit margins lower off highs



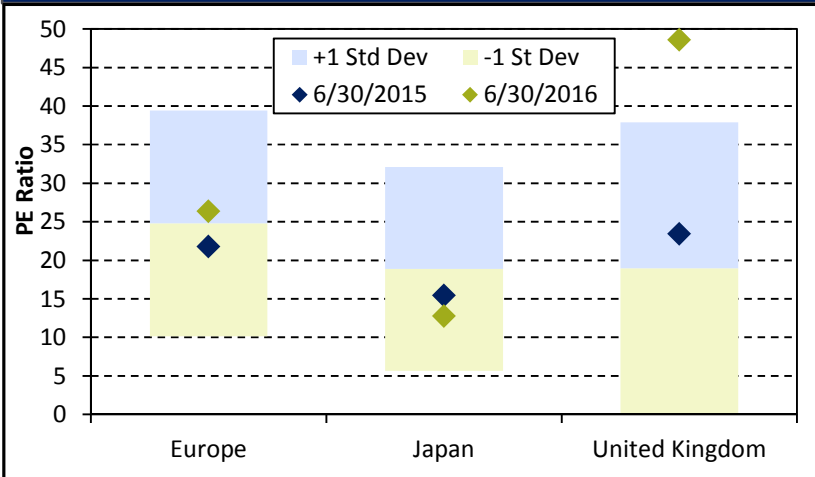
Source: Bloomberg, Standard and Pooers, Russell

Trailing performance has been mixed



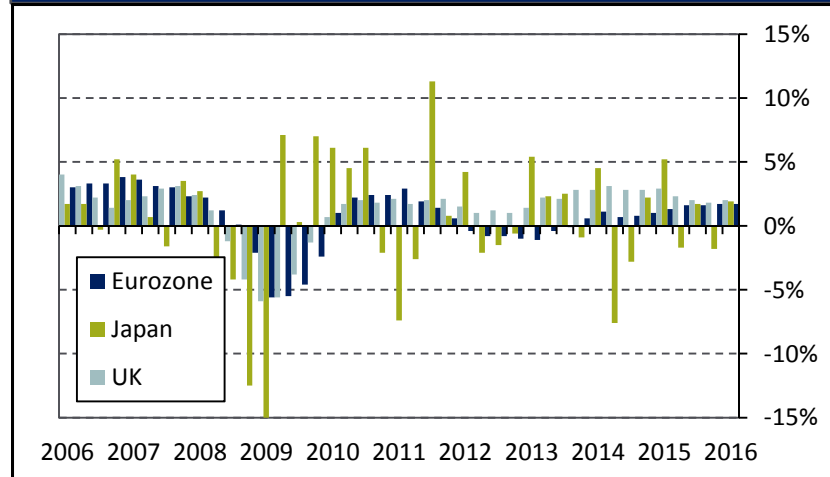
Source: Bloomberg, Standard and Pooers, Russell

PE levels varied by region/country



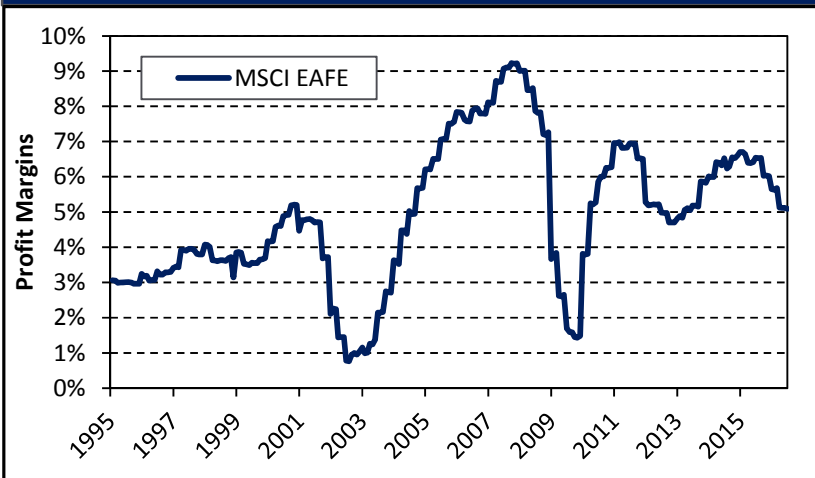
Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

Global growth remains subdued



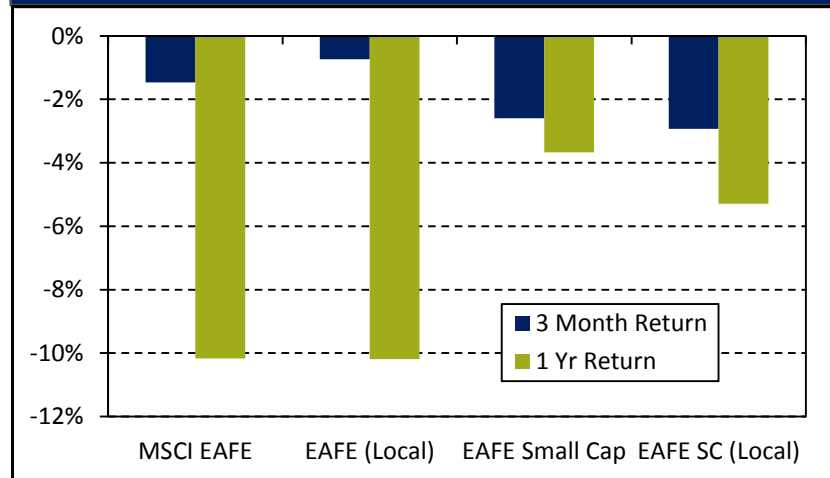
Source: Bloomberg

Margins recently declining



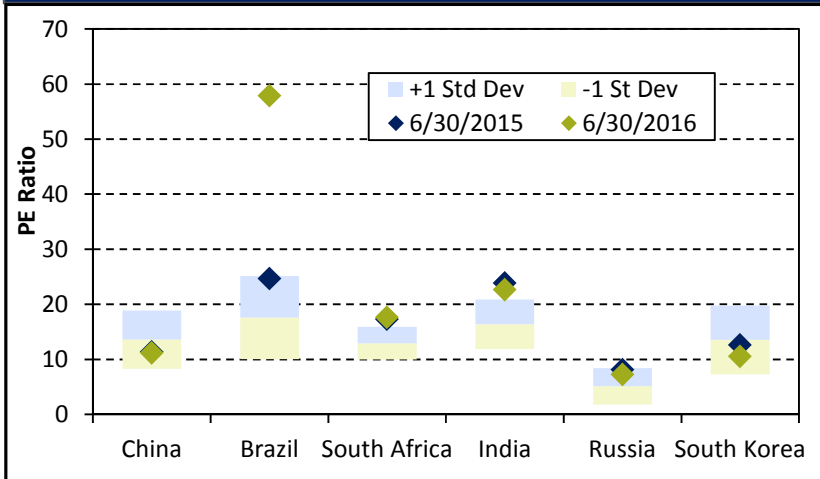
Source: Bloomberg, MSCI

Returns broadly negative



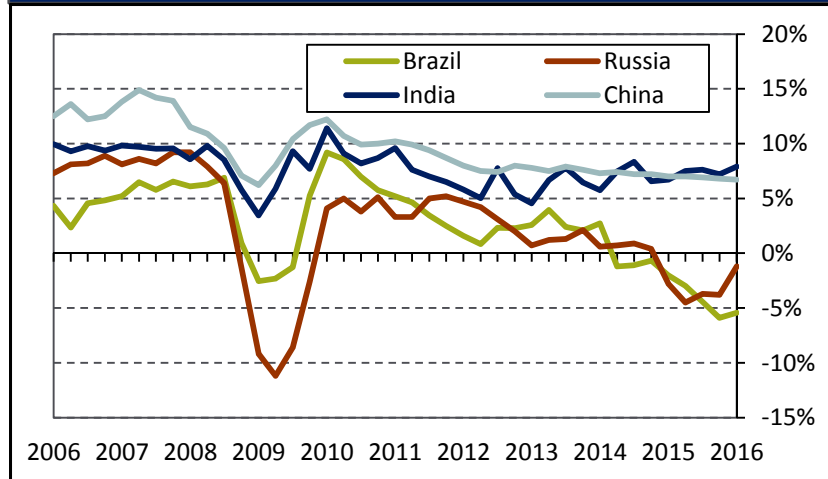
Source: Bloomberg, MSCI

Regional valuations show divergence



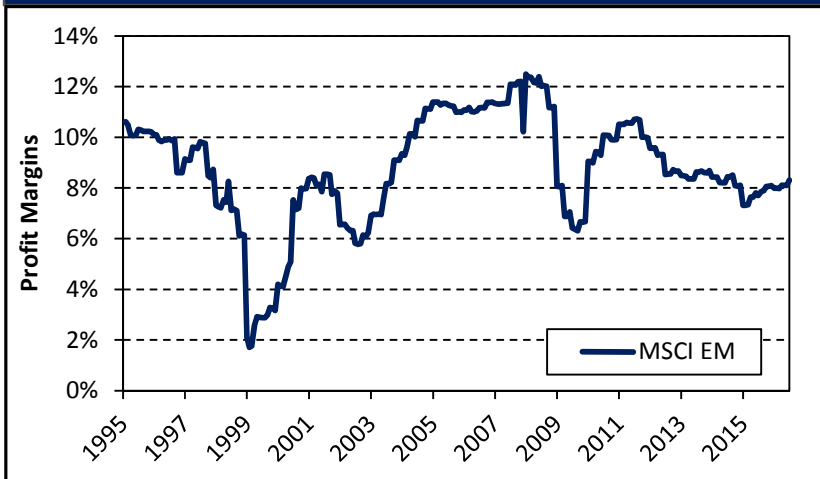
Source: Bloomberg, MSCI

Slowing growth in developed economies



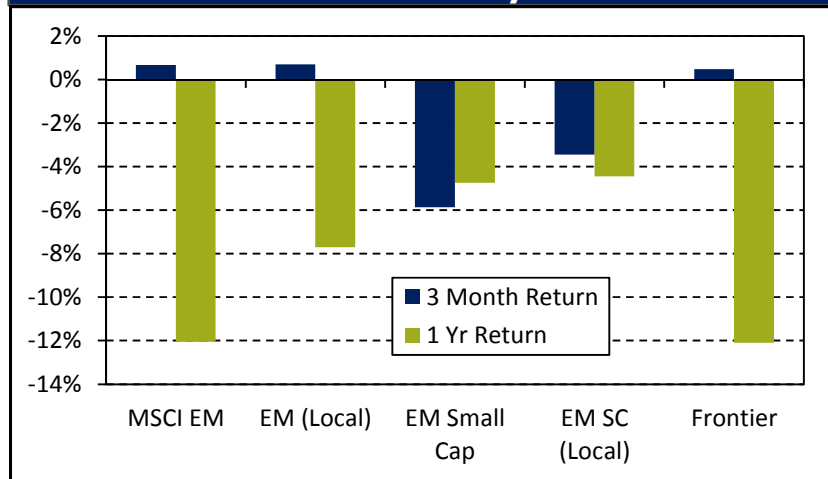
Source: Bloomberg

Profit margins in line with history



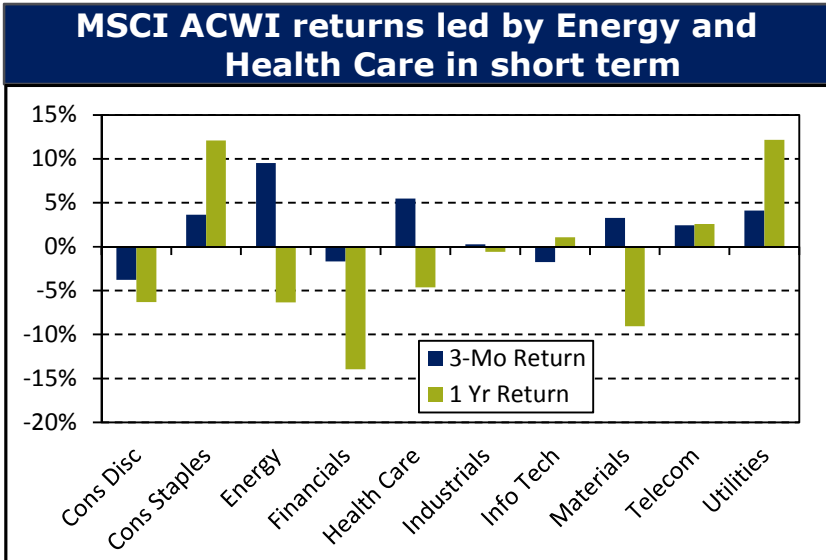
Source: Bloomberg, MSCI

Mixed short term returns with EM negative as of one year

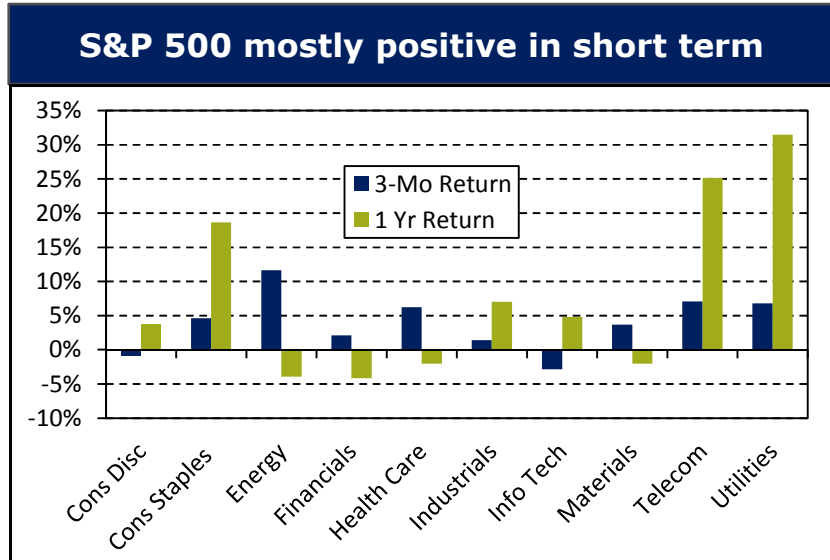


Source: Bloomberg, MSCI

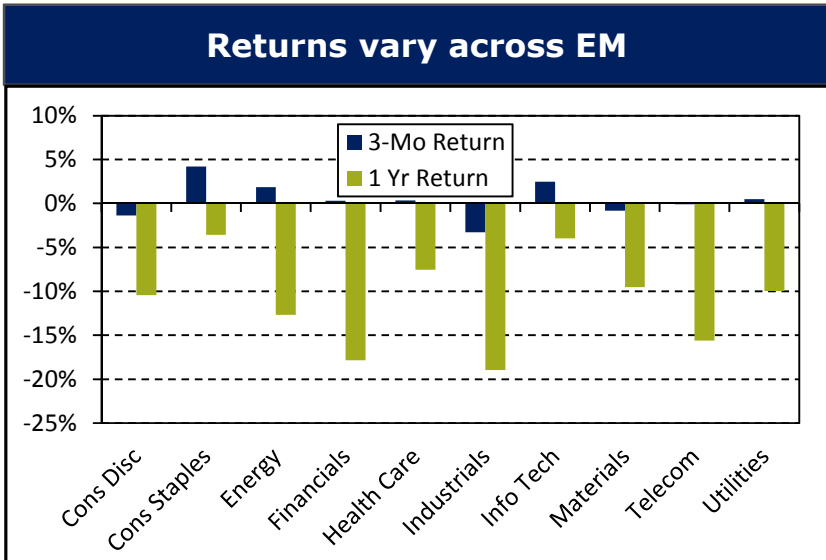
Global Equity by Sector



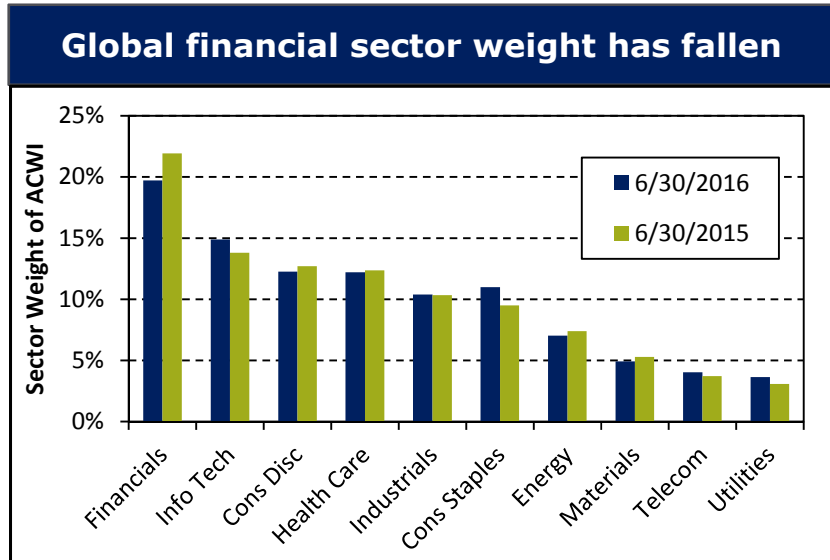
Source: Bloomberg, MSCI



Source: Bloomberg, Standard and Poors

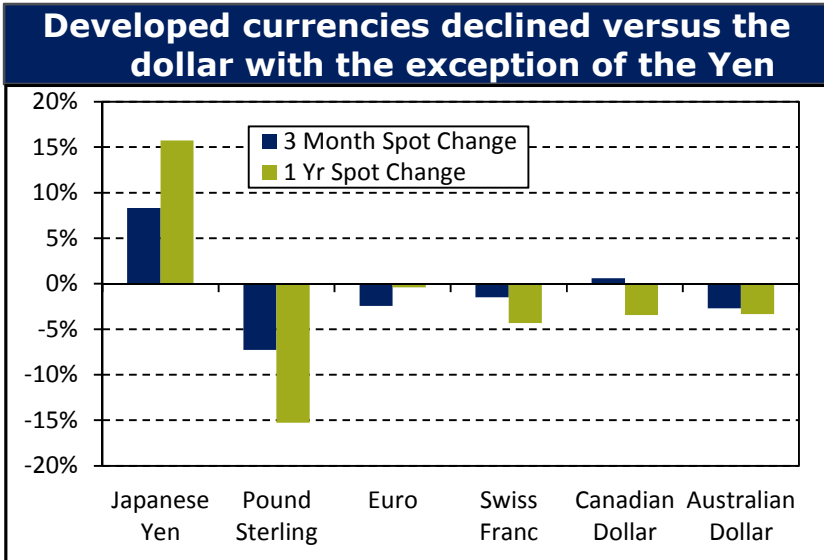


Source: Bloomberg, MSCI

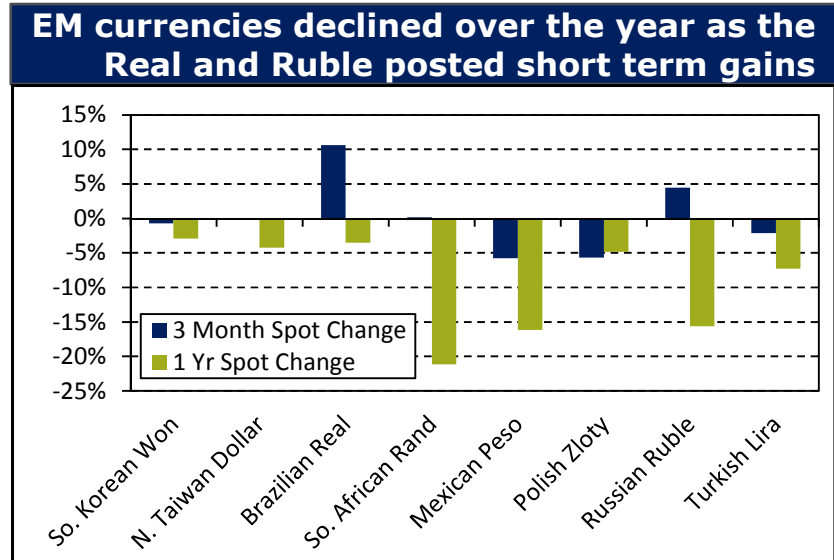


Source: Bloomberg, MSCI

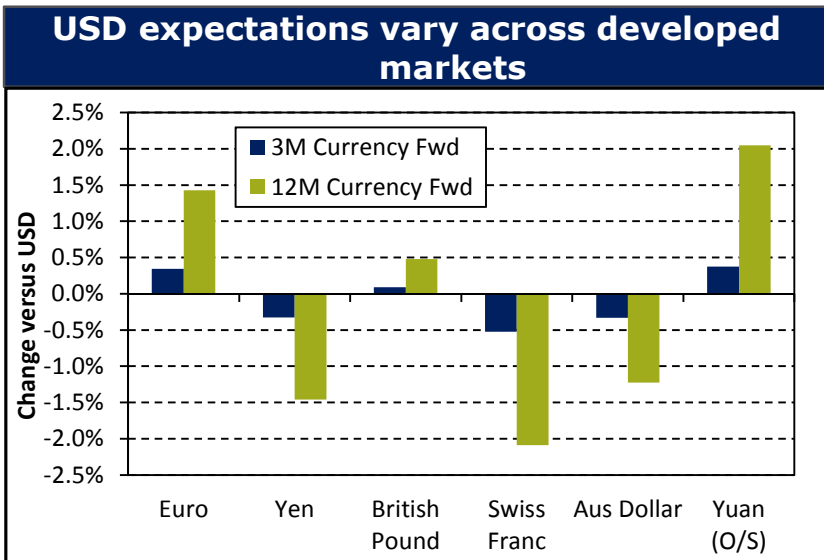
Currencies



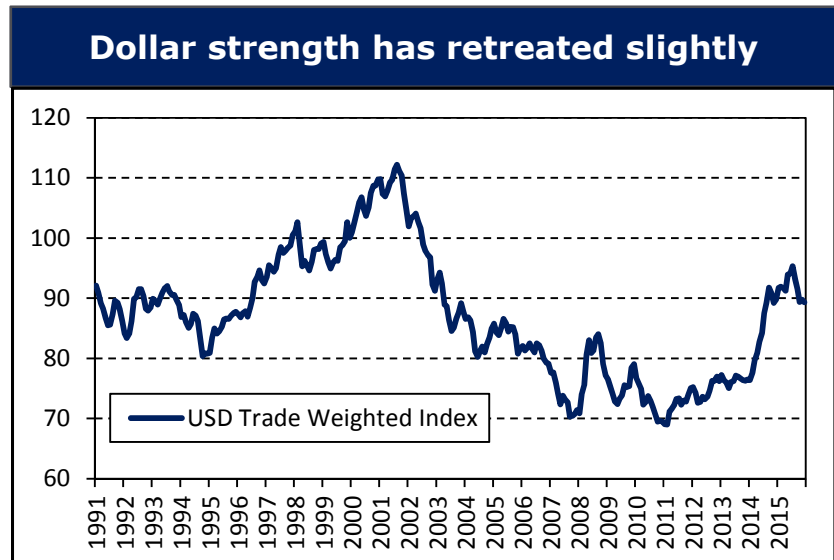
Source: Bloomberg



Source: Bloomberg

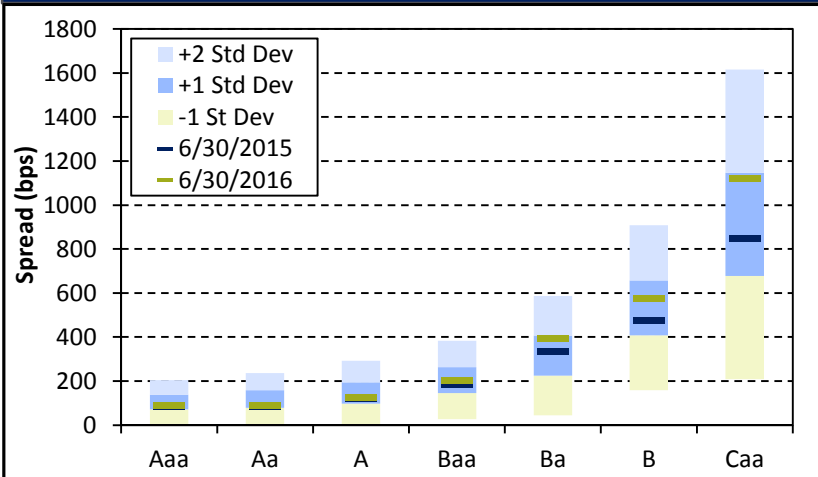


Source: Bloomberg



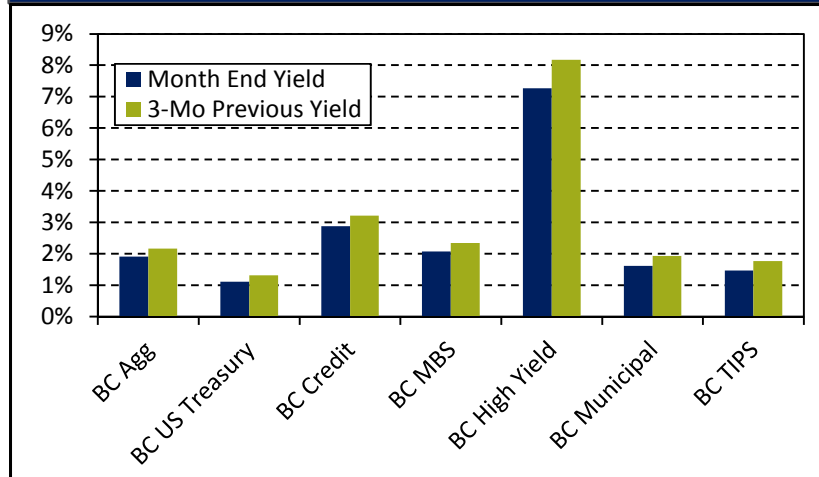
Source: Bloomberg, Federal Reserve

Spread levels above historical medians



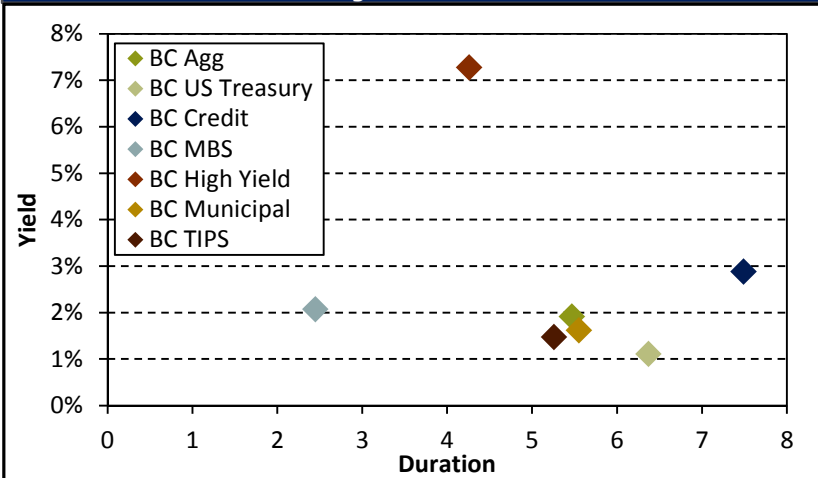
Source: Bloomberg, Barclays

Yields are declining month over month



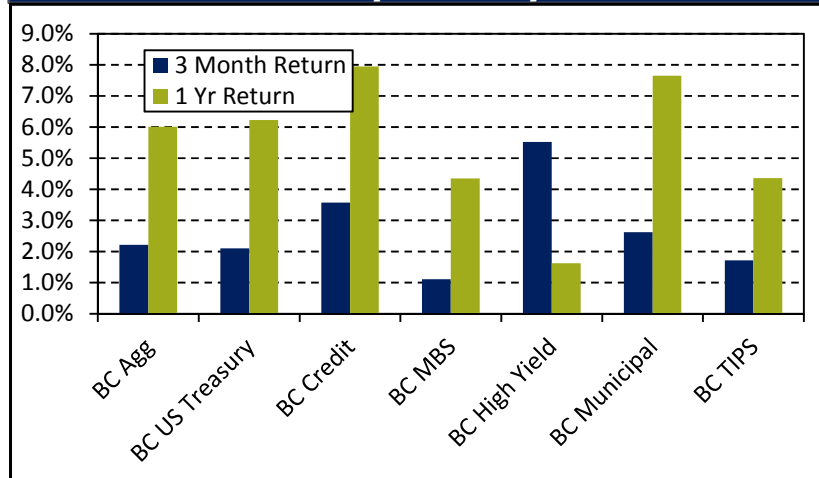
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



Source: Bloomberg, Barclays

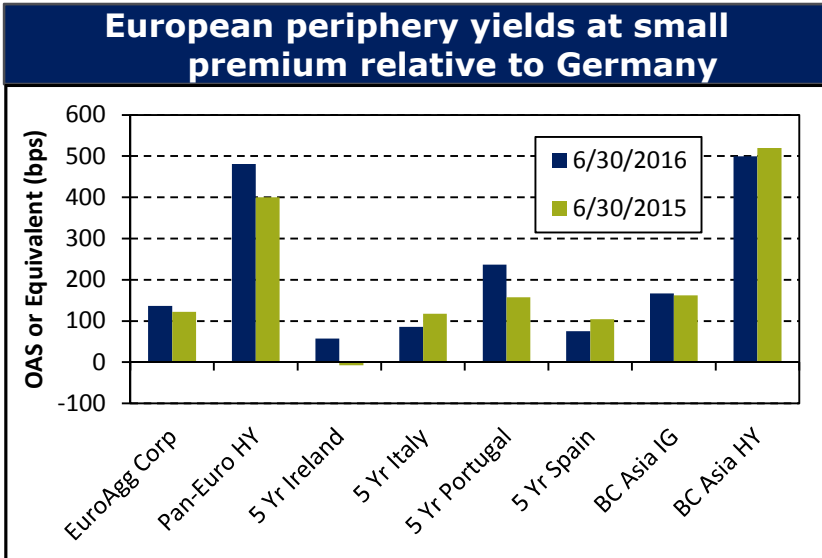
Returns marked by recent credit and high yield rally



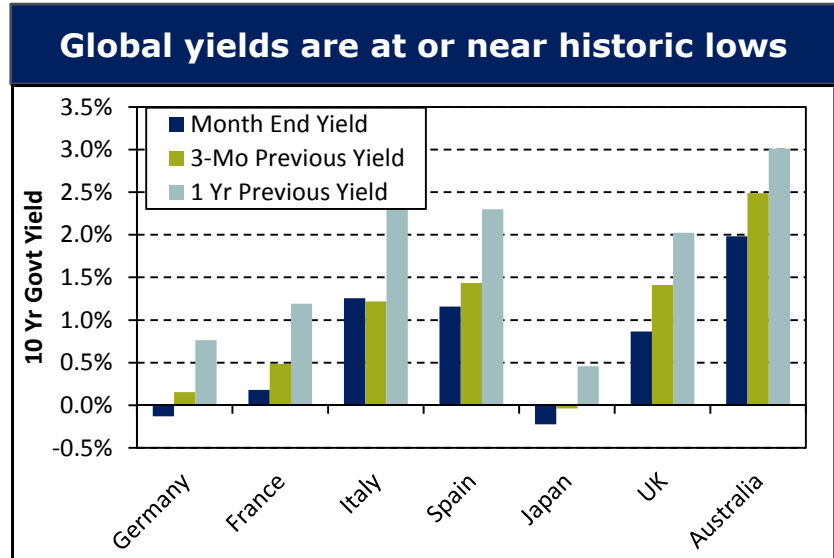
Source: Bloomberg, Barclays



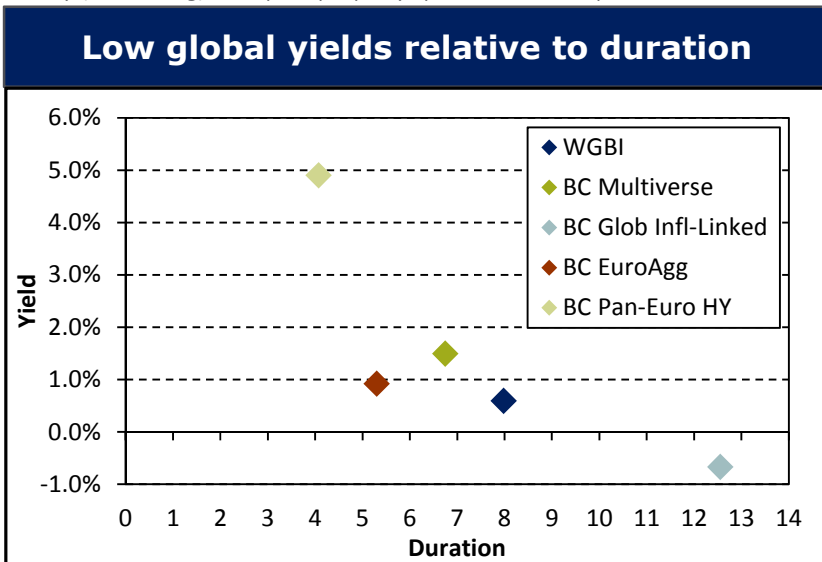
City of San Jose Police and Fire Department Retirement Plan
International Developed Fixed Income



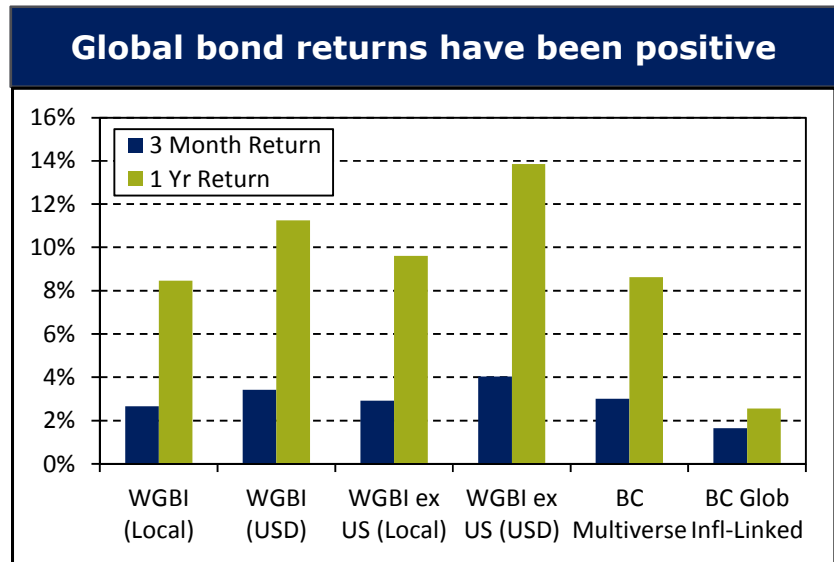
Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund



Source: Bloomberg

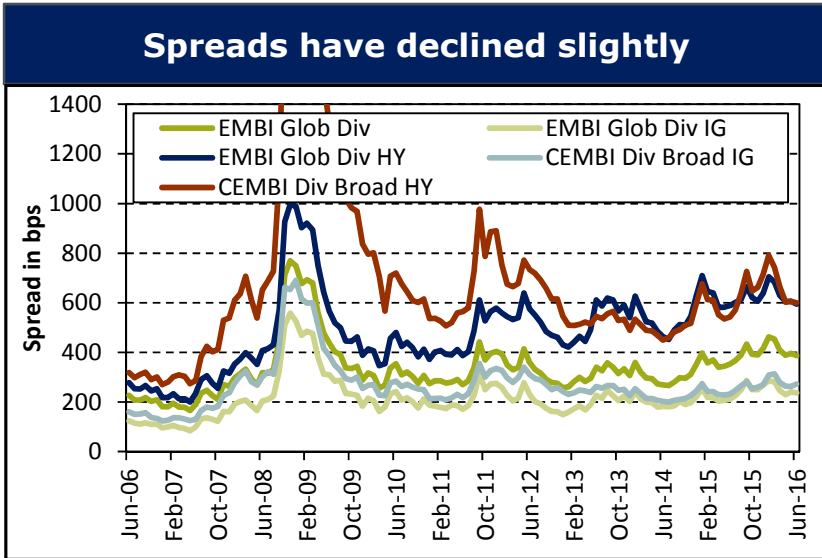


Source: Bloomberg, Citigroup, Barclays

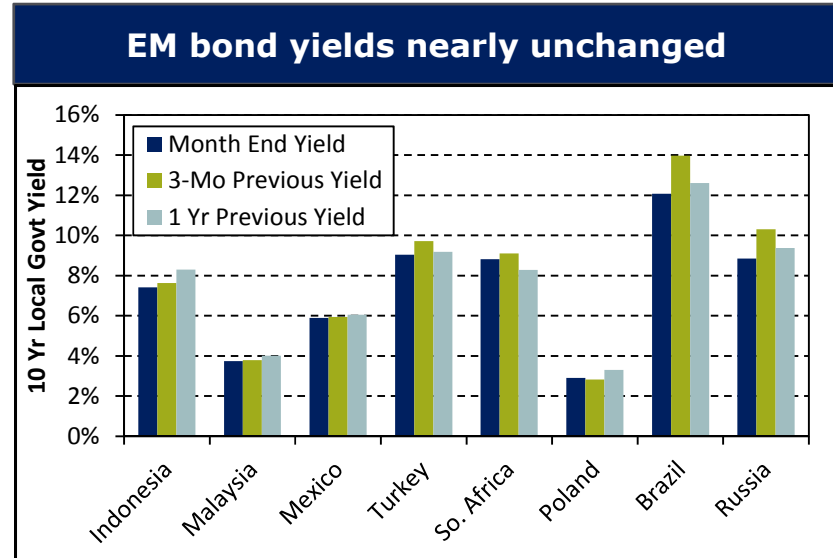


Source: Bloomberg, Citigroup, Barclays

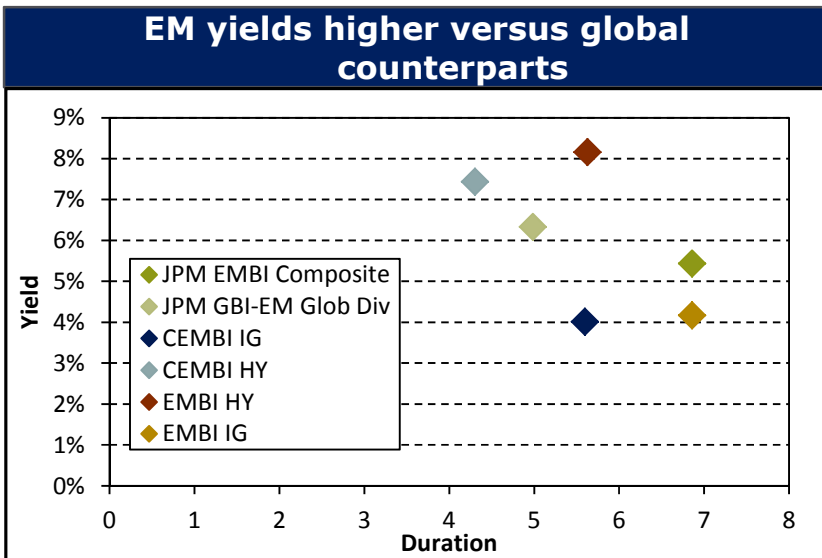
City of San Jose Police and Fire Department Retirement Plan
Emerging Markets Fixed Income



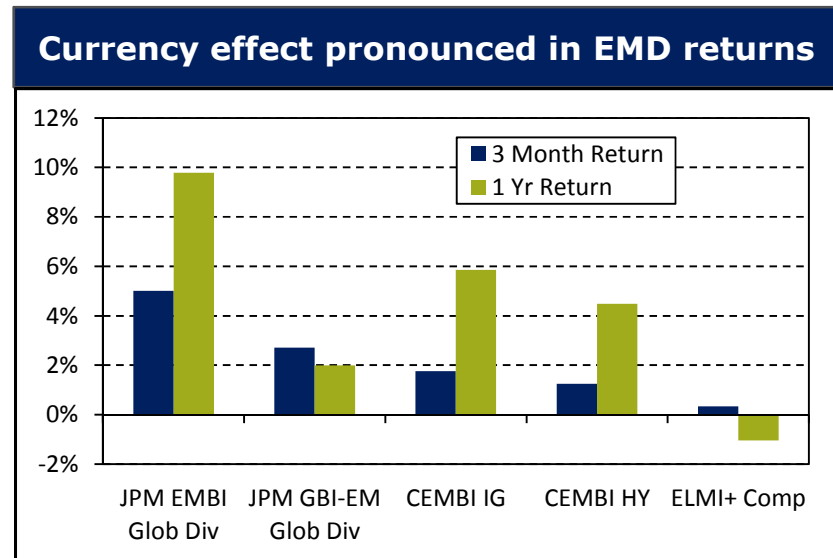
Source: Bloomberg, JP Morgan



Source: Bloomberg

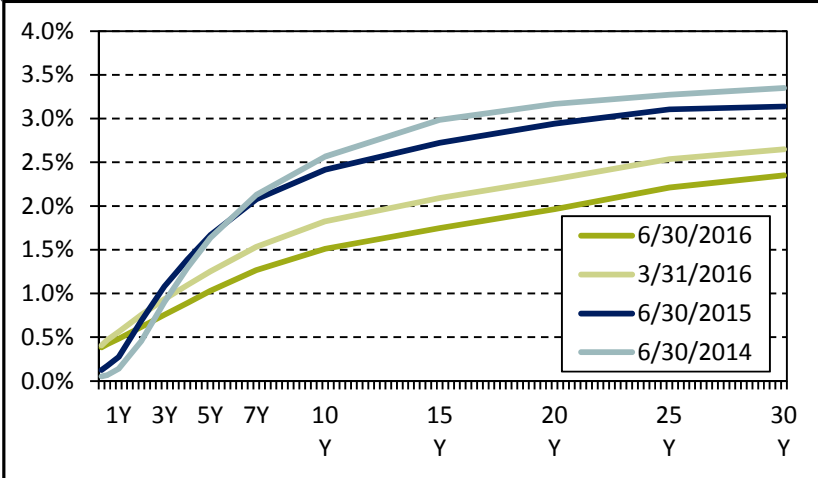


Source: Bloomberg, JP Morgan



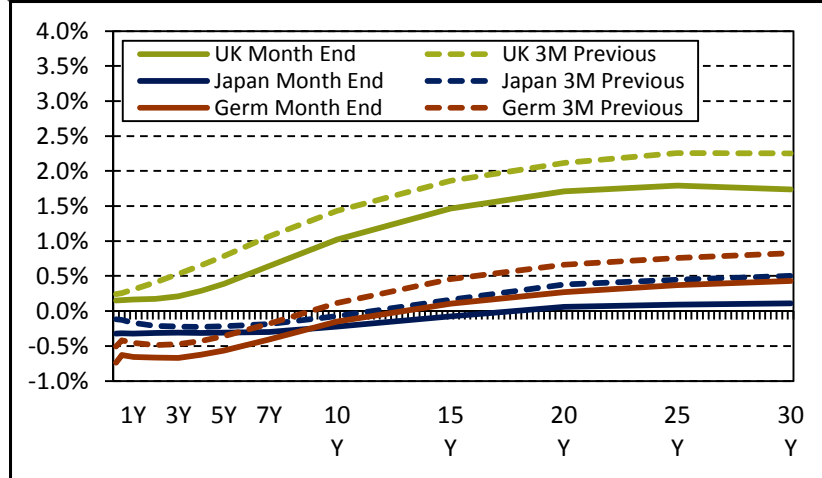
Source: Bloomberg, JP Morgan

Treasury yield curve declined with market uncertainty



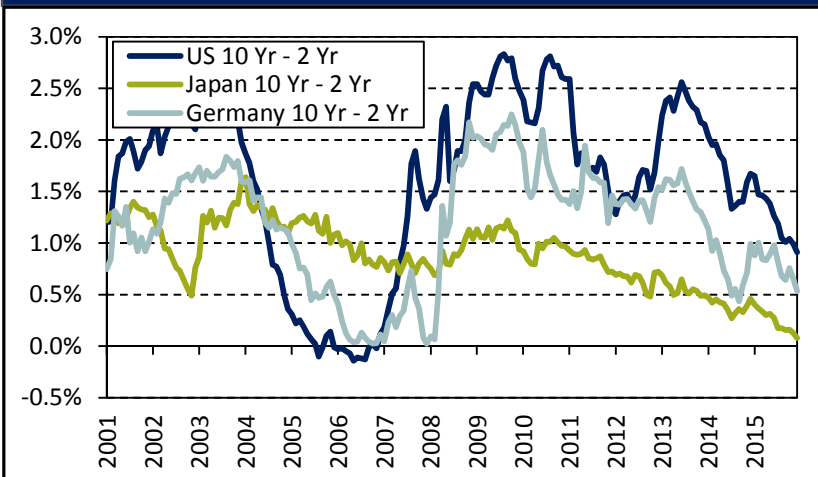
Source: Bloomberg

Lower yields across the board



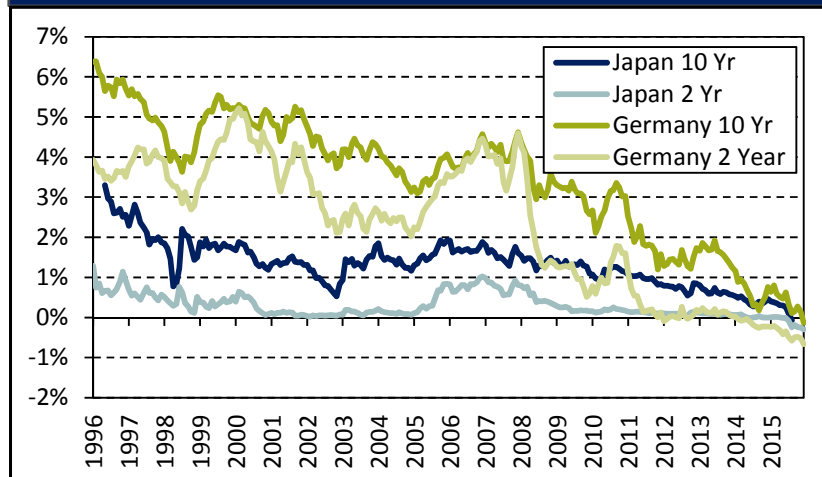
Source: Bloomberg

Global yields nearing lows



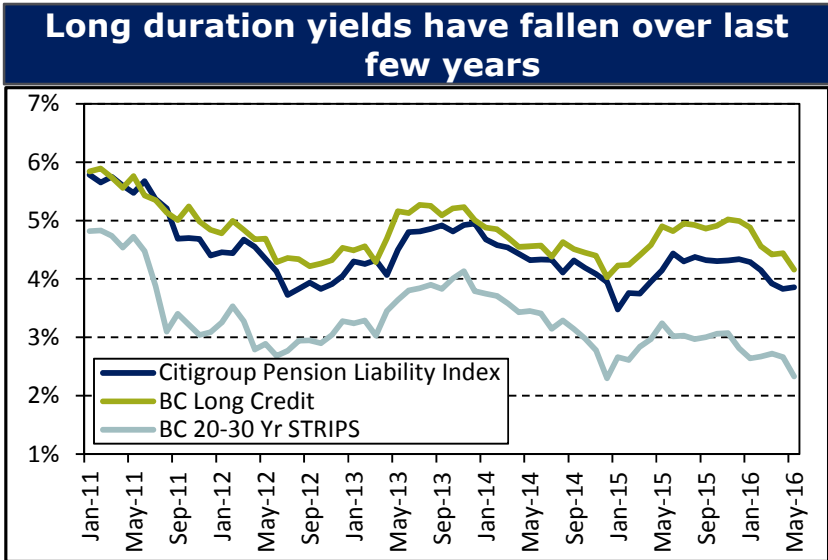
Source: Bloomberg

Global yields trending lower over long term

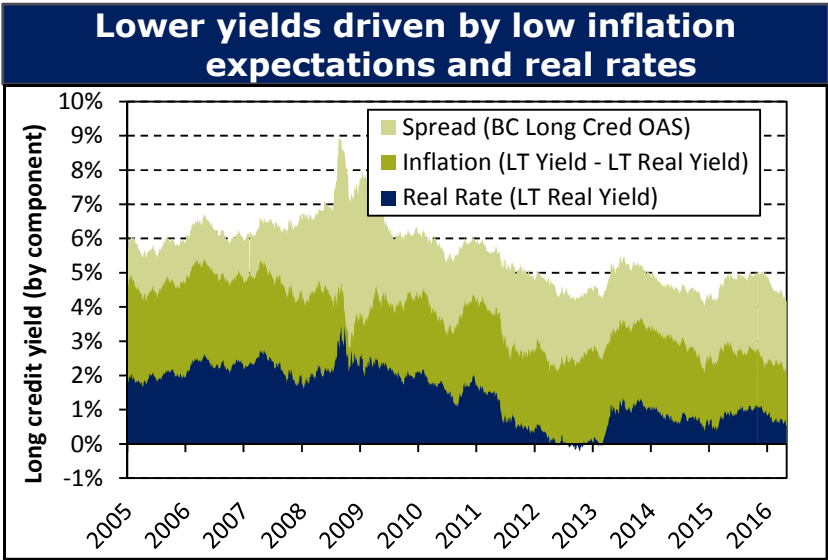


Source: Bloomberg

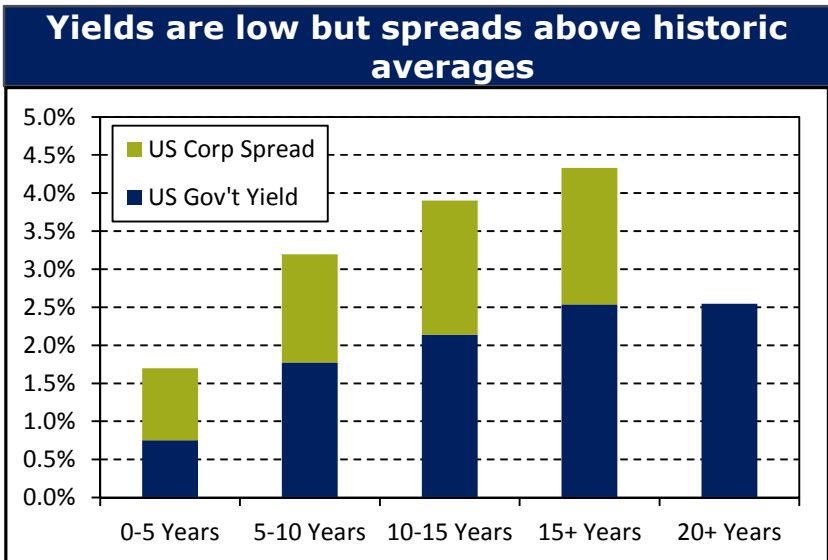
Long Rates and Liability



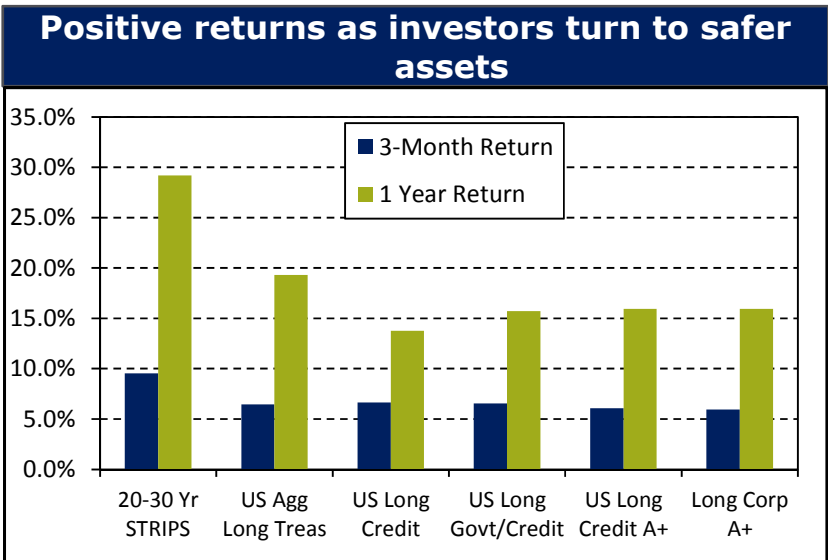
Source: Bloomberg, Citigroup, Barclays



Source: Bloomberg, US Treasury, Barclays, NEPC

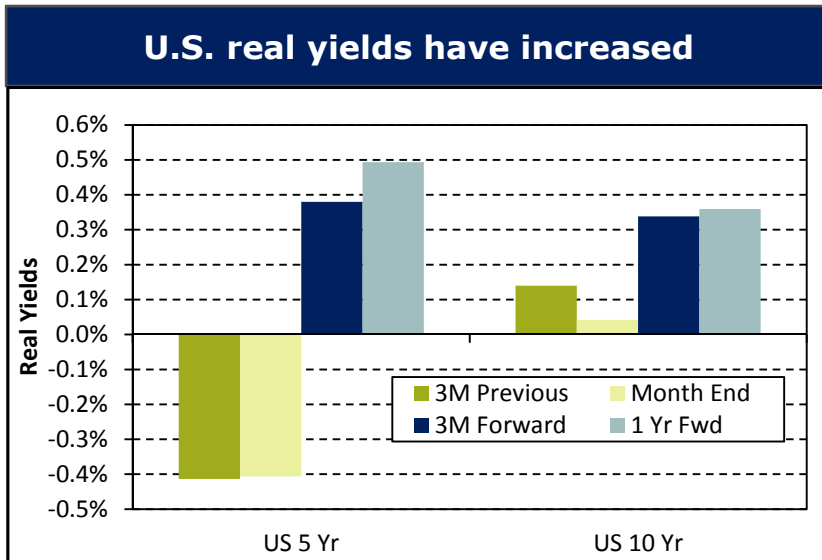


Source: Bloomberg, BofA Merrill Lynch, Barclays *No index for 20+ year corporate

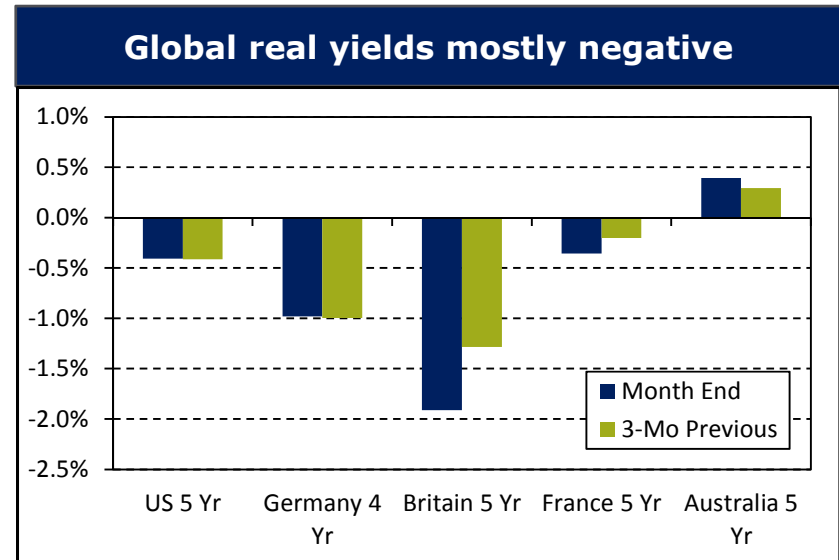


Source: Bloomberg, Barclays

Inflation and Real Rates

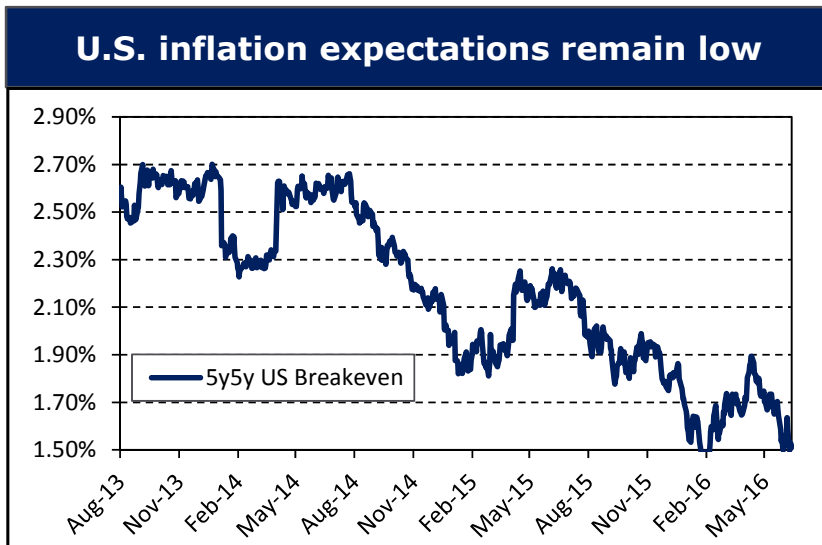


Source: Bloomberg

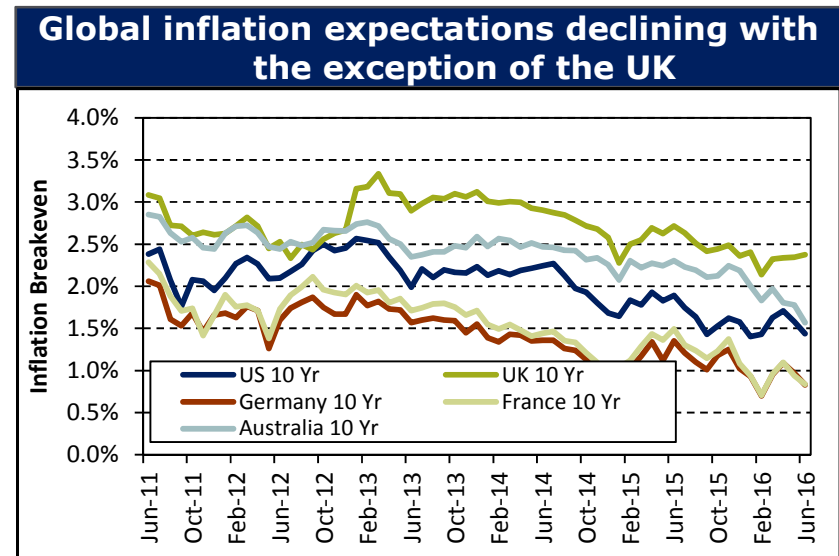


*3-Mo data not available for Germany 4 year rate

Source: Bloomberg



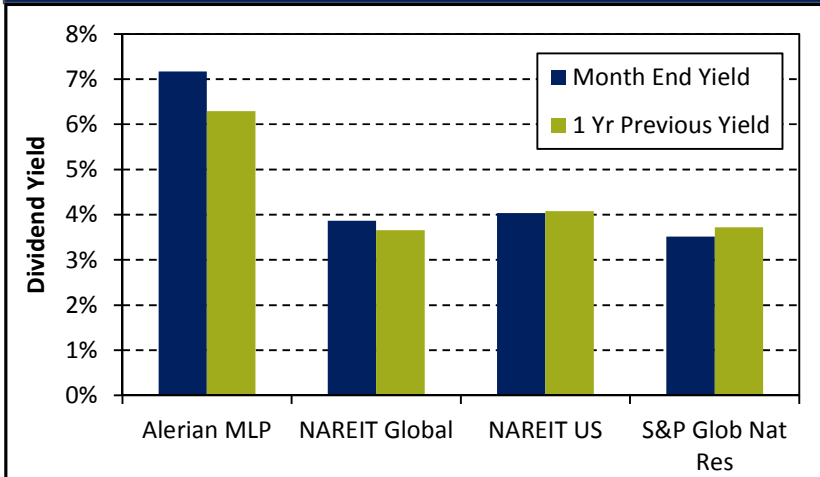
Source: Bloomberg



Source: Bloomberg

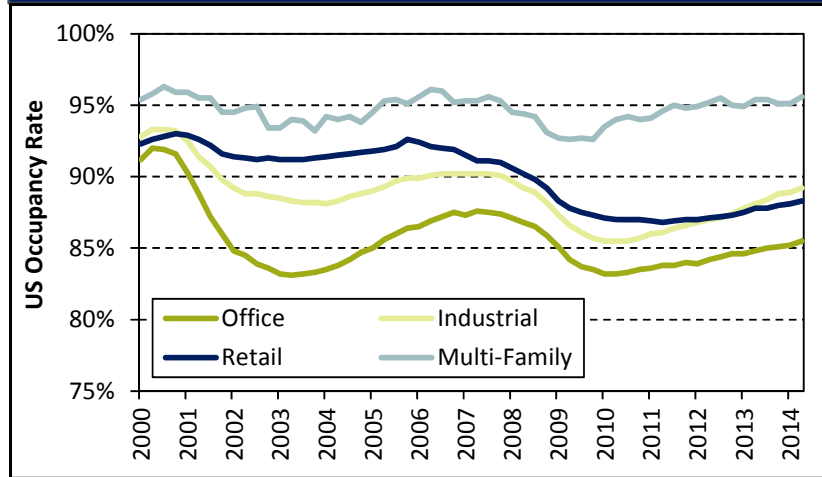
City of San Jose Police and Fire Department Retirement Plan
Inflation Sensitive Growth Assets

Similar yields over time



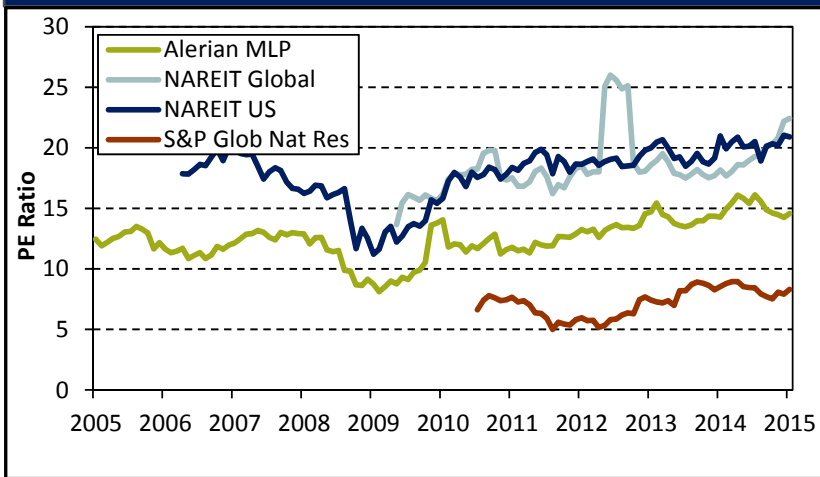
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Gradual recovery in occupancy rates



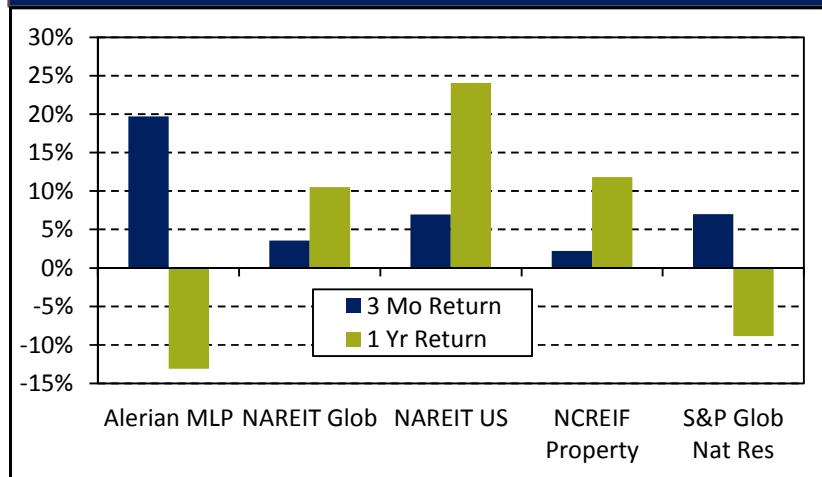
Source: Bloomberg, CB Richard Ellis

PE Ratios near or above averages



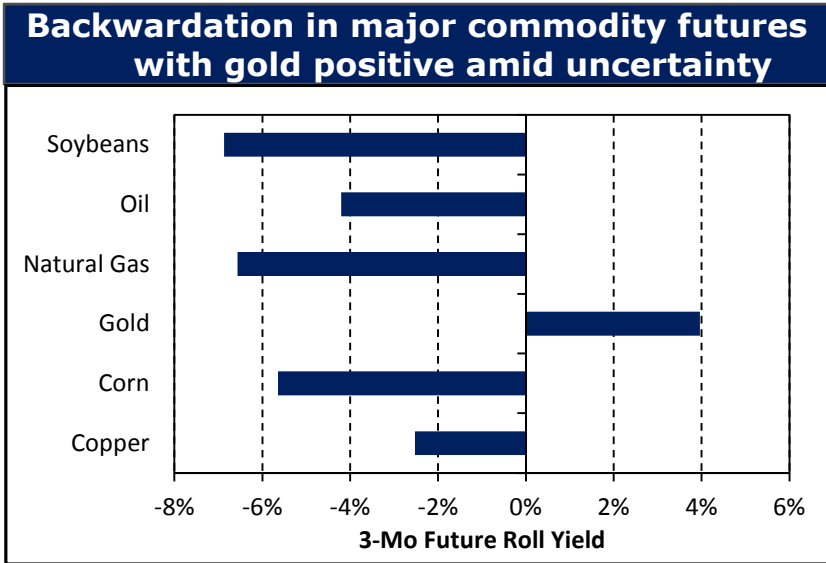
Source: Bloomberg, US Census Bureau

MLPs have rebounded after selloff

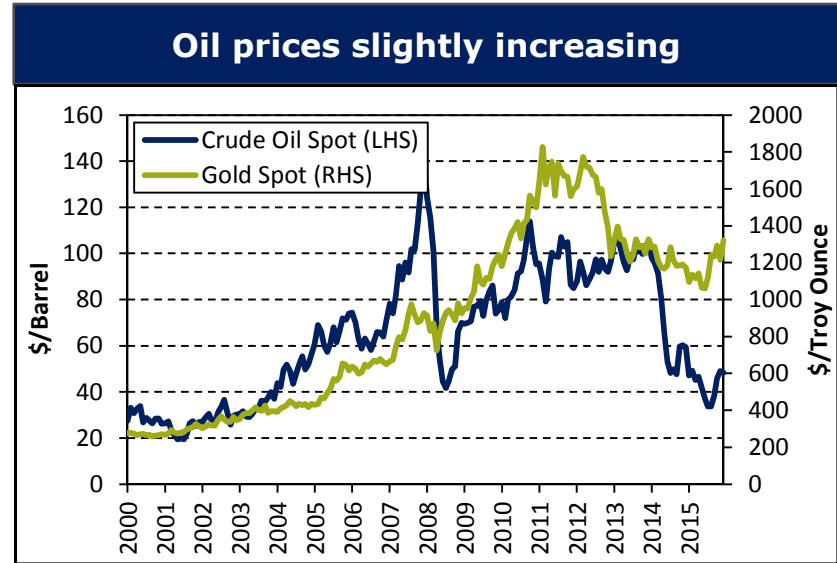


Source: Bloomberg, Alerian, Nareit, Standard and Poors

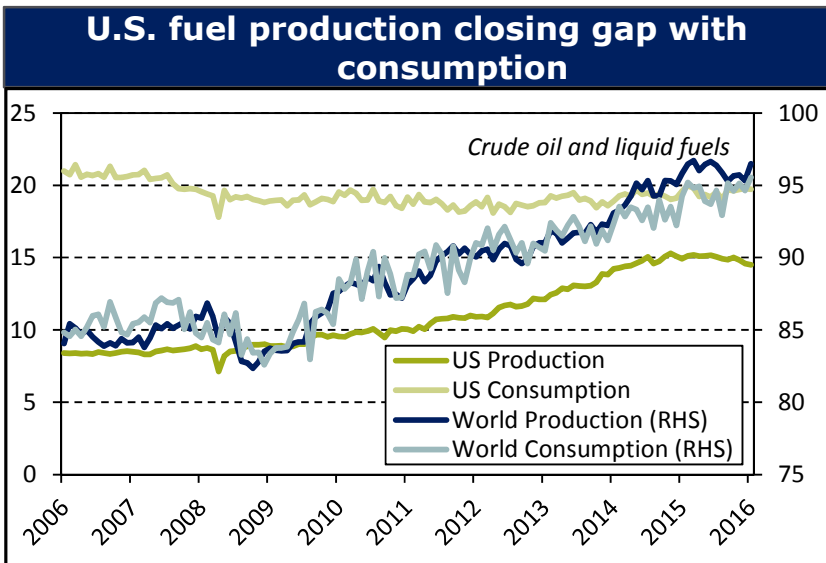
Commodities



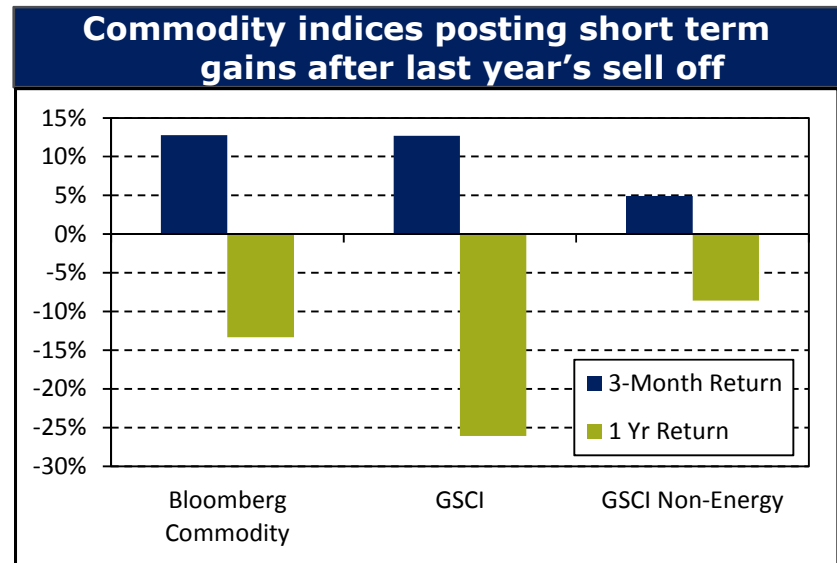
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg, US Department of Energy *Crude oil and liquid fuels



Source: Bloomberg, Standard and Poors

Appendix: Policy Benchmark History



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 – 10/31/2013** - 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/10% San Jose Custom Inflation-Linked Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **11/1/2013 – 12/31/2013** - 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/5% Barclays Capital Aggregate/5% BC High Yield/5% Barclays Capital Global Aggregate x US Hedged/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked/3% CPI+5%/ Assets Index/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills
- **1/1/2014 – 9/30/2014** – 29% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/10% Barclays Capital Global Aggregate/5% BC High Yield/10% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/10% San Jose Custom Hedge Fund Index/5% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills

Policy Benchmark History

- **10/1/2014 – present** – 31% MSCI All Country World Index IMI/5% Cambridge PE (lagged 1 quarter)/3% Russell 3000 (lagged 1 quarter)/6% Barclays Capital Global Aggregate/5% BC High Yield/11% 50/50 DLJ Levered Loan Index/ML US HY BB-B Constrained/5% San Jose Custom EMD Benchmark/4% NCREIF ODCE (lagged 1 quarter)/3% 60/40 MSCI ACWI IMI/BC Global Aggregate/7% San Jose Custom Inflation-Linked Assets Index/3% CPI+5%/6% San Jose Custom Hedge Fund Index/10% 60/40 MSCI World/Citi WGBI/1% 90 day T-bills

Disclaimer and Reporting Methodology

Information Disclaimer

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- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
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Reporting Methodology

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- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month of performance, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

