



San Jose Federated City Employees' Retirement System Quarterly Report

June 30, 2018



Confidential Presentation

FCERS 12-20-18

San Jose Federated City Employees' Retirement System

As of June 30, 2018

Fund Overview	San Jose Federated City Employees' Retirement System ("Legacy")	SJFED Private Equity Strategic Partnership, L.P. ("NB")	Combined Funds
Fund Close:	July 2004	May 2017	Various
Total Fund Size:	\$174.3 million	\$225.5 million	\$399.8 million
# Primary Investments:	8	9	17
# Secondary Investments:	-	1	1
# Co-Investment Investments:	-	9	9

Net Performance	San Jose Federated City Employees' Retirement System ("Legacy")	SJFED Private Equity Strategic Partnership, L.P. ("NB")	Combined Funds
Commitment - Fund Level	N/A	\$225.5 million	\$225.5 million
Commitment - Underlying Investments	\$174.3 million	\$75.8 million	\$250.1 million
Commitment - Remaining	N/A	\$149.7 million	\$149.7 million
Contributed Capital - Net*	\$148.1 million	\$20.8 million	\$168.9 million
Total Partners' Capital (NAV)	\$52.8 million	\$21.5 million	\$74.3 million
Distributions - Net	\$166.0 million	-	\$166.0 million
Total Value - Net	\$218.8 million	\$21.5 million	\$240.3 million
Net Multiple	1.5x	1.0x	1.4x
Net IRR	7.6%	NM	7.7%

Note: Key Metrics are based on the Limited Partner, net of fees and carry.

**Amount includes capital contributions for management fees and expenses*

San Jose Federated City Employees' Retirement System ("Legacy")

Primary Fund Performance vs. Benchmarks

As of June 30, 2018

Investments	Benchmark	Vintage	Commitment	IRR	MOIC	IRR & MOIC Quartiles		
Pathway Private Equity Fund VIII	Fund of Funds Index	2004	\$ 40,000,000	6.8%	1.47x			
				1st Quartile	7.7%	1.60x		
				Median	6.2%	1.50x	2nd	3rd
				3rd Quartile	5.6%	1.38x		
Pantheon Global Secondary Fund III 'B'	Fund of Funds and Secondary Funds Index	2006	\$ 40,000,000	2.1%	1.12x			
				1st Quartile	10.5%	0.61x		
				Median	7.8%	0.36x	4th	1st
				3rd Quartile	5.9%	0.26x		
Pantheon USA Fund VII	Fund of Funds Index	2006	\$ 40,000,000	10.3%	1.75x			
				1st Quartile	10.5%	1.78x		
				Median	7.8%	1.54x	2nd	2nd
				3rd Quartile	5.9%	1.39x		
Great Hill Equity Partners IV	Private Equity Index	2008	\$ 5,000,000	22.5%	2.17x			
				1st Quartile	15.8%	1.87x		
				Median	9.8%	1.51x	1st	1st
				3rd Quartile	4.8%	1.25x		
Partners Group Secondary 2008	Fund of Funds and Secondary Funds Index	2008	\$ 9,522,344	9.2%	1.45x			
				1st Quartile	13.6%	1.07x		
				Median	12.0%	0.73x	3rd	1st
				3rd Quartile	9.1%	0.42x		
Partners Group Secondary 2011, L.P.	Fund of Funds and Secondary Funds Index	2011	\$ 20,000,000	19.1%	1.70x			
				1st Quartile	15.6%	1.30x		
				Median	12.7%	1.11x	1st	1st
				3rd Quartile	10.0%	0.87x		
Crestline Portfolio Financing Fund, L.P.	Private Equity Index	2018	\$ 15,000,000	N/M ²	1.00x		N/M ¹	
Innovation Endeavors III, L.P.	Private Equity Index	2018	\$ 4,800,000	N/M ²	0.80x		N/M ¹	

Source: Cambridge Associates Pooled Return as of 3/31/18.

¹ Benchmark performance for vintage years 2017 and later are not available.

² Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. The Gross IRR of private equity investments is not meaningful (NM) in the early years.

SJFED Private Equity Strategic Partnership, L.P. ("NB")
Primary Fund Performance vs. Benchmarks
As of June 30, 2018

Investments	Benchmark	Vintage	Commitment	IRR ¹	MOIC	IRR & MOIC Quartiles	
Investment 1	Private Equity Index	2016	\$ 9,000,000	93.9%	1.14x		
			<i>1st Quartile</i>	<i>9.4%</i>	<i>1.07x</i>		
			<i>Median</i>	<i>0.6%</i>	<i>1.00x</i>	1st	1st
			<i>3rd Quartile</i>	<i>-11.0%</i>	<i>0.92x</i>		
Investment 3	Private Equity Index	2017	\$ 1,768,837	N/M ³	1.18x		N/M ²
Investment 16	Private Equity Index	2017	\$ 7,940,000	N/M ³	-		N/M ²
Investment 17	Private Equity Index	2018	\$ 7,900,000	N/M ³	-		N/M ²
Investment 5	Private Equity Index	2018	\$ 8,680,000	N/M ³	-		N/M ²
Investment 12	Venture Index	2018	\$ 4,760,000	N/M ³	0.92x		N/M ²
Investment 13	Venture Index	2018	\$ 4,760,000	N/M ³	0.91x		N/M ²
Investment 14	Venture Index	2018	\$ 4,800,000	N/M ³	0.96x		N/M ²
Investment 8	Private Equity Index	2018	\$ 10,468,350	N/M ³	-		N/M ²
Investment 9	Private Equity Index	2018	\$ 4,240,000	N/M ³	1.00x		N/M ²

Source: Cambridge Associates Pooled Return as of 3/31/18. Benchmark performance for vintage years 2017 and later are not available as the information is not meaningful.

¹ Fund IRR performance is gross of NB management fees and other expenses.

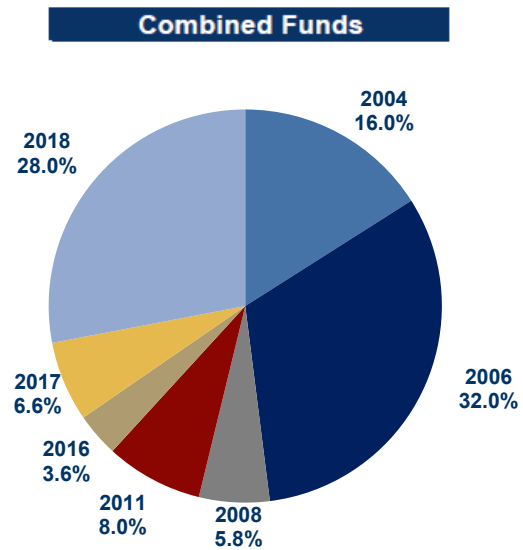
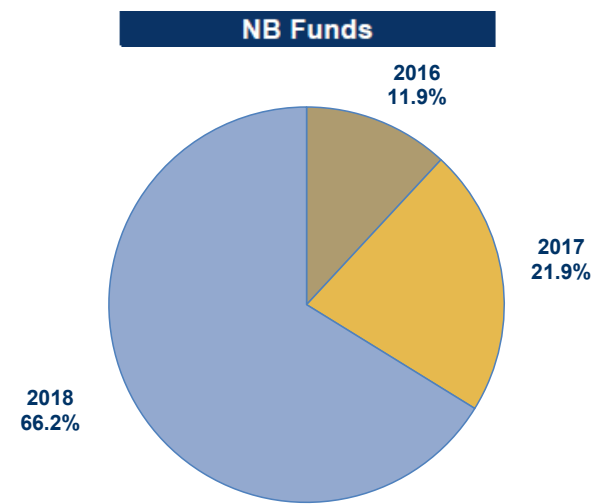
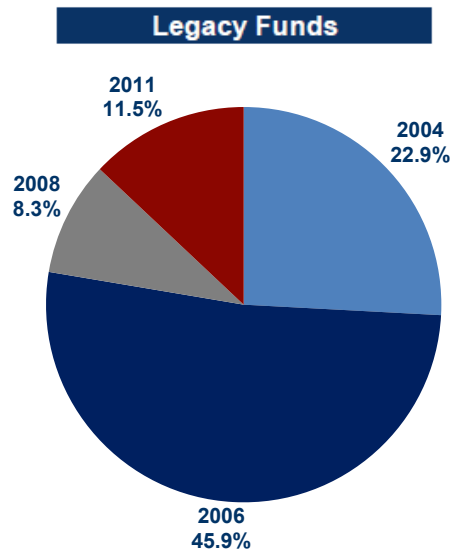
² Benchmark performance for vintage years 2017 and later are not available.

³ Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. The Gross IRR of private equity investments is not meaningful (NM) in the early years.

San Jose Federated City Employees' Retirement System

Vintage Year⁷ - Commitment

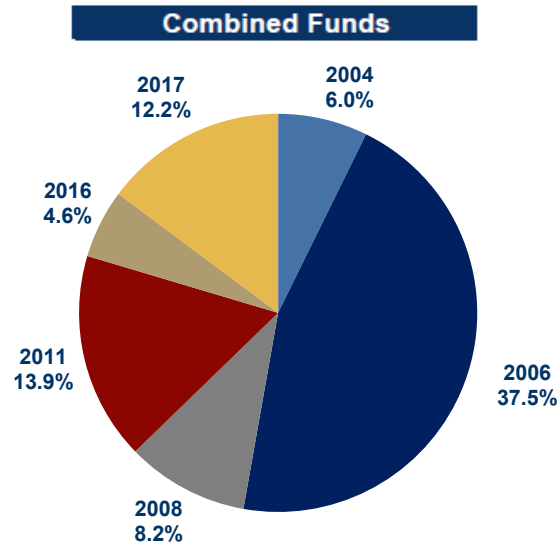
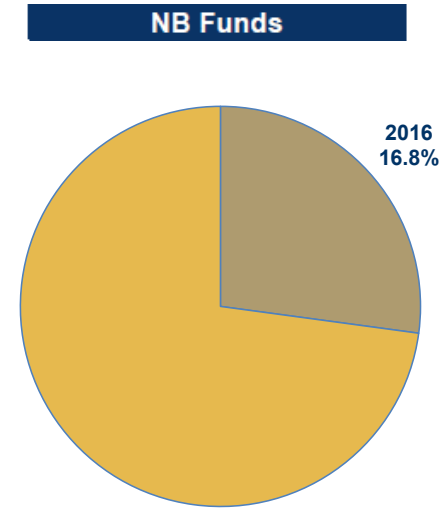
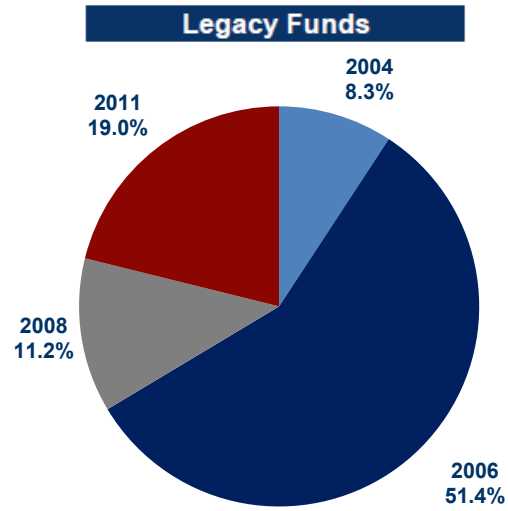
As of June 30, 2018



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Vintage Year⁷ - Net Asset Value

As of June 30, 2018

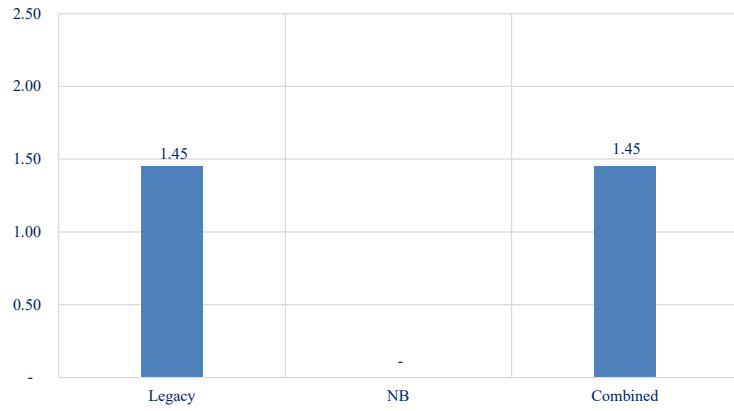


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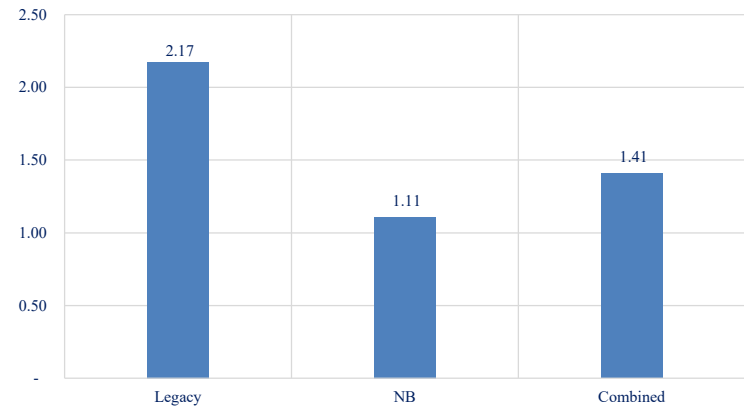
Private Equity Asset Class MOIC Performance

As of June 30, 2018

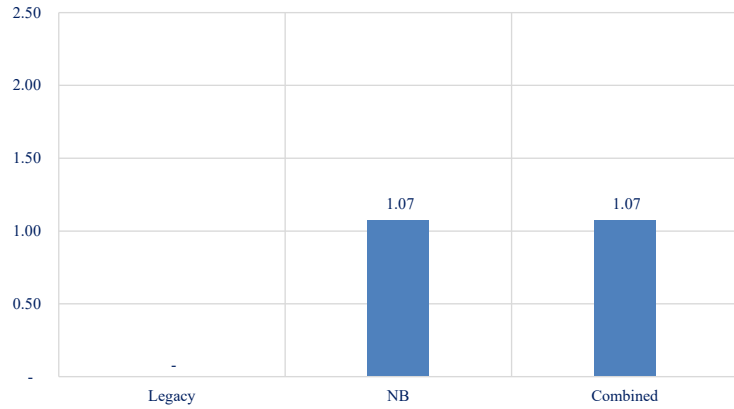
Diversified



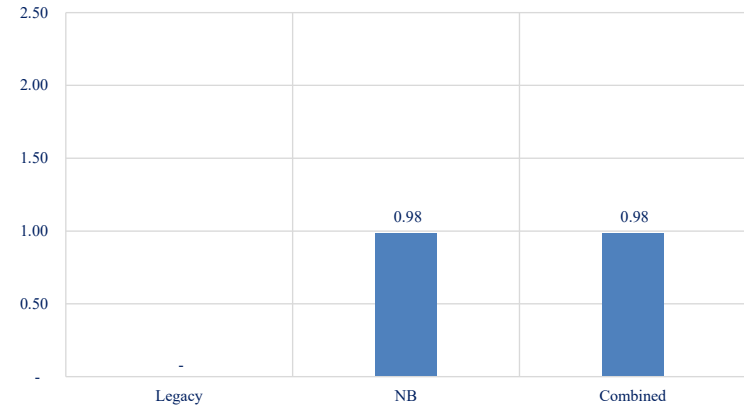
Mid-cap Buyout



Large-cap Buyout



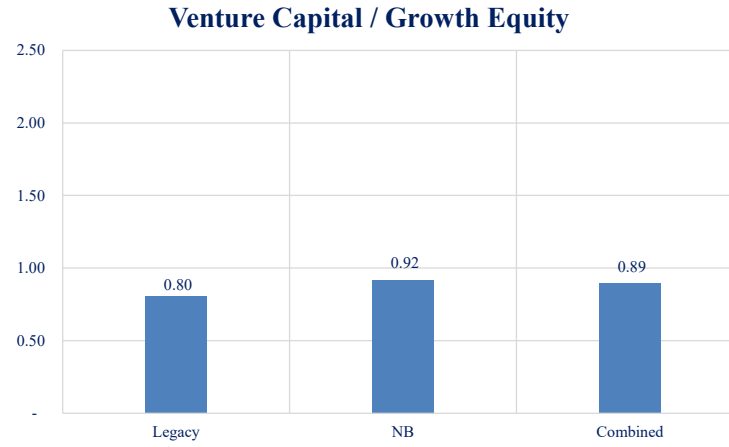
Special Situations



San Jose Federated City Employees' Retirement System

Private Equity Asset Class MOIC Performance

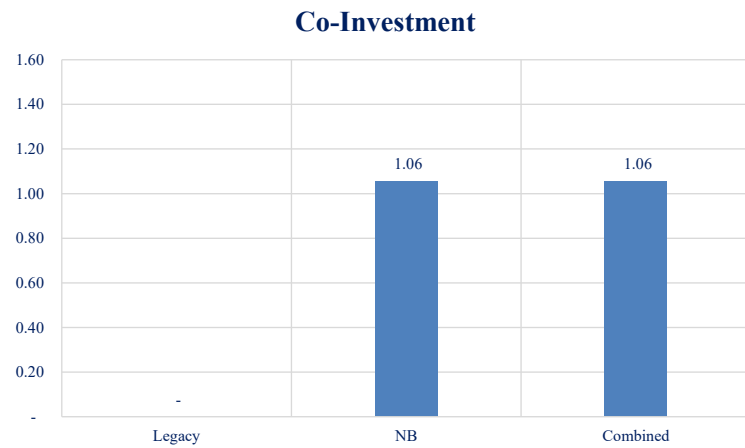
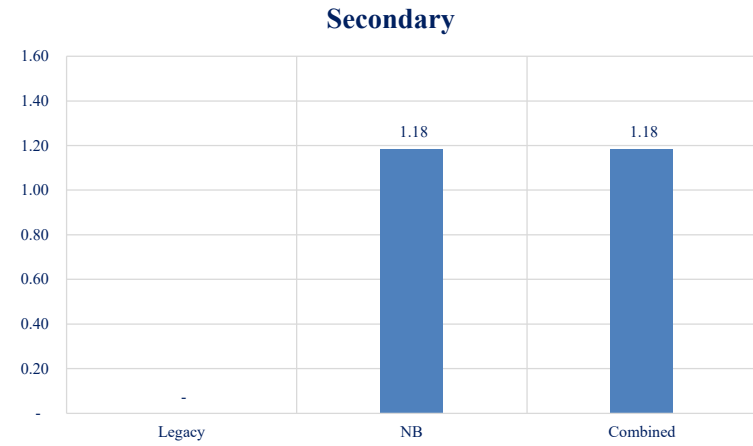
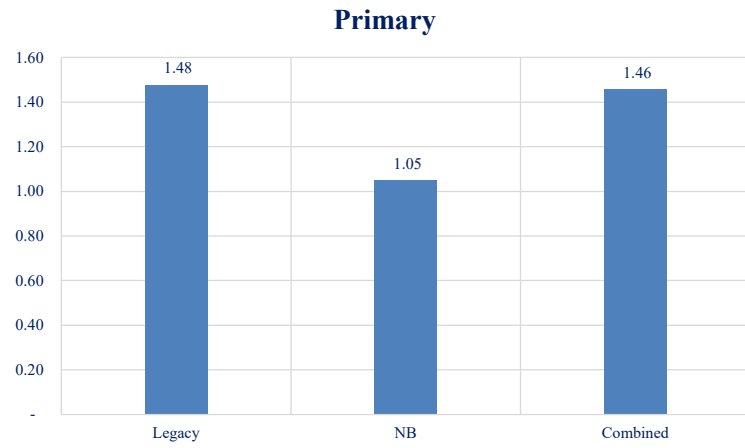
As of June 30, 2018



San Jose Federated City Employees' Retirement System

Private Equity Investment Type MOIC Performance

As of June 30, 2018

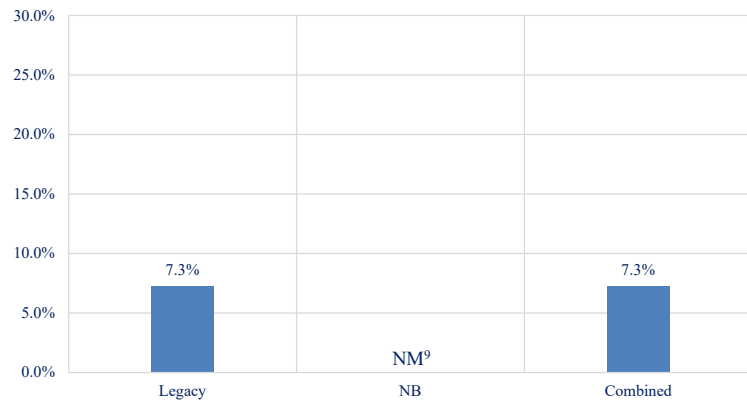


San Jose Federated City Employees' Retirement System

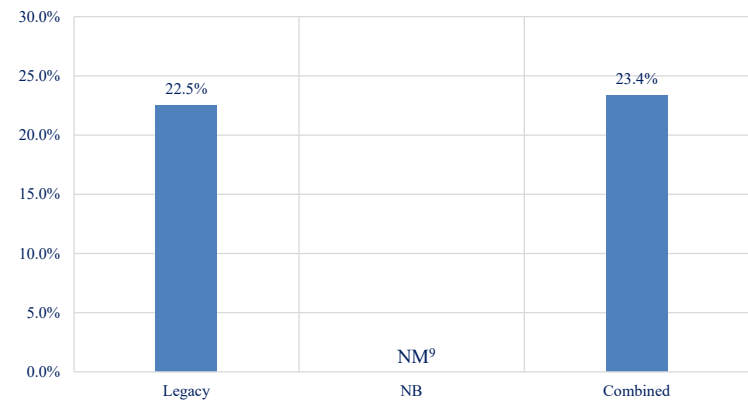
Private Equity Asset Class IRR Performance

As of June 30, 2018

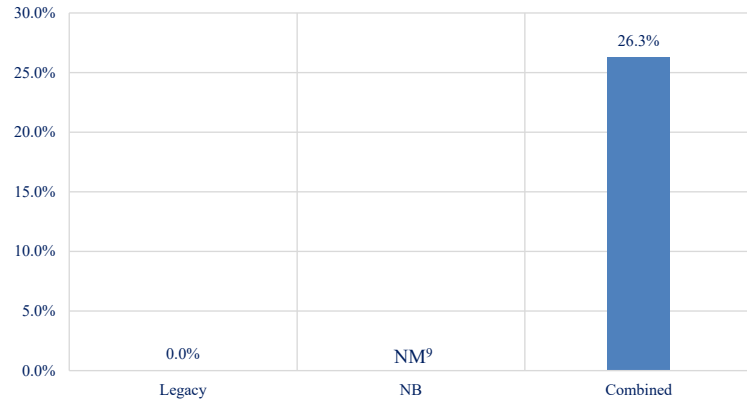
Diversified



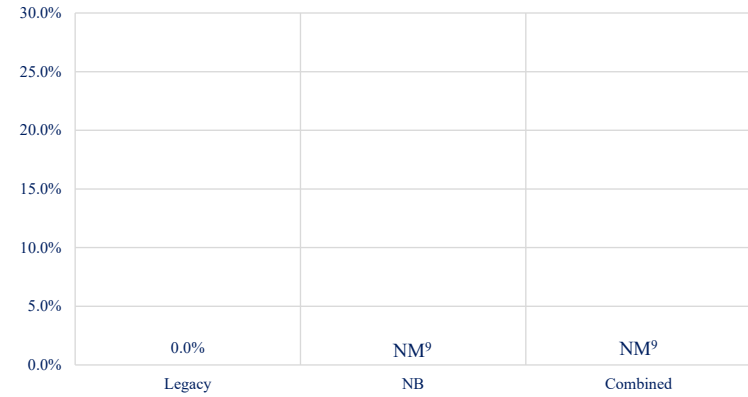
Mid-cap Buyout



Large-cap Buyout



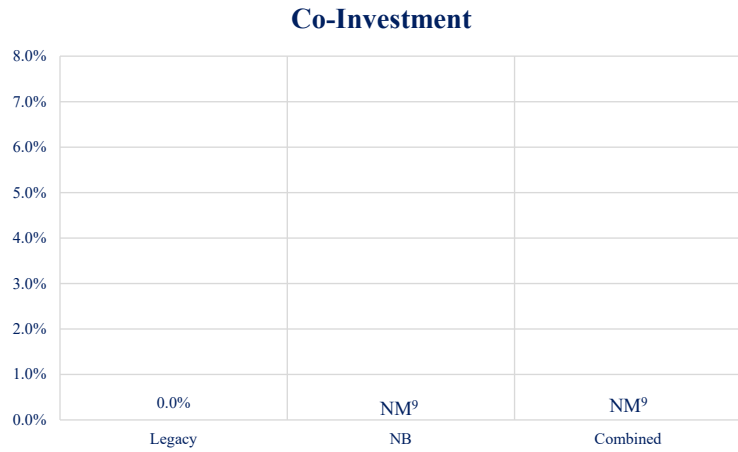
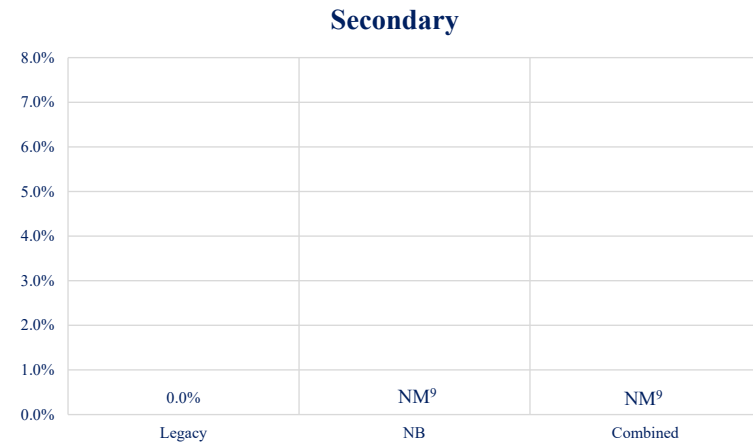
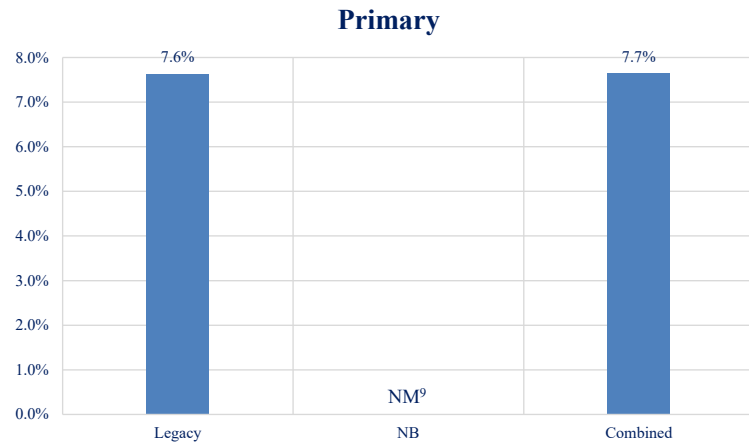
Special Situations



San Jose Federated City Employees' Retirement System

Private Equity Investment Type IRR Performance

As of June 30, 2018



San Jose Federated City Employees' Retirement System
Status of the Portfolio
As of June 30, 2018

Investments	Fund	Vintage Year ¹	Exposure Commitment ¹	% of Total	Cumulative Contributions ²	Unfunded Commitment ³	Cumulative Distributions ³	Cost ³	Fair Value ⁴	Total Value ⁵	Gross IRR ⁶	Gross MOIC ^{7U}
Diversified												
Pathway Private Equity Fund VIII	Legacy	2004	\$ 40,000,000	16.0%	\$ 39,735,785	\$ 4,075,881	\$ 54,080,512	\$ 1,912,139	\$ 4,395,049	\$ 58,475,561	6.8%	1.47x
Pantheon Global Secondary Fund III 'B'	Legacy	2006	40,000,000	16.0%	37,840,000	2,160,000	36,760,000	899,419	5,728,929	42,488,929	2.1%	1.12x
Pantheon USA Fund VII	Legacy	2006	40,000,000	16.0%	36,960,000	3,040,000	43,301,259	-	21,403,760	64,705,019	10.3%	1.75x
Partners Group Secondary 2008	Legacy	2008	9,522,344	3.8%	10,123,420	1,209,579	13,066,757	-	1,602,648	14,669,405	9.2%	1.45x
Partners Group Secondary 2011, L.P.	Legacy	2011	20,000,000	8.0%	13,053,192	7,393,985	12,193,442	564,409	10,026,812	22,220,254	19.1%	1.70x
Crestline Portfolio Financing Fund, L.P.	Legacy	2018	15,000,000	6.0%	4,970,014	10,042,692	-	4,957,308	4,957,308	4,957,308	NM	1.00x
Total Diversified			\$ 164,522,344	65.8%	\$ 142,682,411	\$ 27,922,137	\$ 159,401,970	\$ 8,333,275	\$ 48,114,506	\$ 207,516,476	7.3%	1.45x
Mid-cap Buyout												
Great Hill Equity Partners IV	Legacy	2008	\$ 5,000,000	2.0%	\$ 4,995,000	\$ 5,000	\$ 6,553,682	\$ 1,224,818	\$ 4,308,569	\$ 10,862,251	22.5%	2.17x
Investment 1	NB	2016	9,000,000	3.6%	3,988,064	6,271,873	1,248,416	1,970,000	3,291,670	4,540,086	NM	1.14x
Investment 2	NB	2017	1,175,000	0.5%	1,179,698	-	-	1,175,000	1,174,714	1,174,714	NM	1.00x
Investment 3	NB	2017	1,768,837	0.7%	1,878,381	-	777,133	1,101,248	1,448,387	2,225,520	NM	1.18x
Investment 4	NB	2017	2,120,000	0.8%	2,120,000	-	-	2,132,099	2,662,099	2,662,099	NM	1.26x
Investment 5	NB	2018	8,680,000	3.5%	-	7,720,000	-	-	-	-	NM	-
Investment 6	NB	2018	690,000	0.3%	690,000	-	-	690,000	690,016	690,016	NM	1.00x
Investment 7	NB	2018	1,270,000	0.5%	1,271,732	-	-	1,270,000	1,223,361	1,223,361	NM	0.96x
Investment 8	NB	2018	10,468,350	4.2%	-	10,040,930	-	-	-	-	NM	-
Investment 9	NB	2018	4,240,000	1.7%	1,666,912	2,573,088	-	1,666,911	1,666,912	1,666,912	NM	1.00x
Total Mid-cap Buyout			\$ 44,412,187	17.8%	\$ 17,789,787	\$ 26,610,891	\$ 8,579,231	\$ 11,230,076	\$ 16,465,728	\$ 25,044,959	23.4%	1.41x
Large-cap Buyout												
Investment 10	NB	2017	\$ 931,000	0.4%	\$ 931,000	\$ -	\$ -	\$ 931,000	\$ 1,089,270	\$ 1,089,270	NM	1.17x
Investment 11	NB	2018	1,170,000	0.5%	1,172,035	-	-	1,171,361	1,171,361	1,171,361	NM	1.00x
Total Large-cap Buyout			\$ 2,101,000	0.8%	\$ 2,103,035	\$ -	\$ -	\$ 2,102,361	\$ 2,260,631	\$ 2,260,631	26.3%	1.07x
Venture Capital / Growth Equity												
Investment 12	NB	2018	\$ 4,760,000	1.9%	\$ 666,400	\$ 4,093,600	\$ -	\$ 610,074	\$ 610,074	\$ 610,074	NM	0.92x
Innovation Endeavors III, L.P.	Legacy	2018	4,800,000	1.9%	432,923	4,376,680	-	423,320	347,851	347,851	NM	0.80x
Investment 13	NB	2018	4,760,000	1.9%	523,600	4,236,400	-	439,900	476,414	476,414	NM	0.91x
Investment 14	NB	2018	4,800,000	1.9%	192,000	4,608,000	-	184,453	184,453	184,453	NM	0.96x
Total Venture Capital / Growth Equity			\$ 19,120,000	7.6%	\$ 1,814,923	\$ 17,314,680	\$ -	\$ 1,657,747	\$ 1,618,792	\$ 1,618,792	NM	0.89x
Special Situations												
Investment 15	NB	2017	\$ 2,650,000	1.1%	\$ 2,651,669	\$ -	\$ 265,757	\$ 2,435,979	\$ 2,440,335	\$ 2,706,092	NM	1.02x
Investment 16	NB	2017	7,940,000	3.2%	79,400	7,860,600	-	-	-	-	NM	-
Investment 17	NB	2018	7,900,000	3.2%	-	7,900,000	-	-	-	-	NM	-
Investment 18	NB	2018	790,000	0.3%	816,189	-	-	790,000	790,000	790,000	NM	0.97x
Investment 19	NB	2018	641,300	0.3%	660,539	-	-	641,300	641,300	641,300	NM	0.97x
Total Special Situations			\$ 19,921,300	8.0%	\$ 4,207,797	\$ 15,760,600	\$ 265,757	\$ 3,867,279	\$ 3,871,635	\$ 4,137,392	NM	0.98x
Legacy investments			\$ 174,322,344	69.7%	\$ 148,110,334	\$ 32,303,817	\$ 165,955,652	\$ 9,981,413	\$ 52,770,926	\$ 218,726,578	7.6%	1.48x
NB investments			\$ 75,754,487	30.3%	\$ 20,487,619	\$ 55,304,491	\$ 2,291,306	\$ 17,209,325	\$ 19,560,366	\$ 21,851,672	NM	1.07x
Total investments			\$ 250,076,831	100.0%	\$ 168,597,953	\$ 87,608,308	\$ 168,246,958	\$ 27,190,738	\$ 72,331,292	\$ 240,578,250	7.7%	1.43x

San Jose Federated City Employees' Retirement System

Footnotes

- 1 For primary investments, exposure commitment is the commitment to the investment. For secondary and co-investments, exposure commitment is the purchase price paid plus unfunded commitment on the day of purchase.
 - 2 Cumulative Contributions represent all amounts funded to the investments, including amounts contributed for fees and expenses.
 - 3 The cost basis of the investments in private equity limited partnerships is determined utilizing the Partners' proportionate share of the cost basis of each limited partnership and their portfolio companies, as well as net other assets.
 - 4 We use the best information we have reasonably available to determine or estimate fair value. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or partnership, and considers subsequent transactions, such as capital contributions or distributions. The investments include adjustments based on information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events.
 - 5 Cumulative Distributions represents all amounts distributed by the investment and includes additional cash receipts.
 - 6 Total value equals Fair value plus Cumulative Distributions.
 - 7 Vintage year is based on the year of first investment with exception for the secondary investments of which it is the year of the purchase.
 - 8 Unfunded Commitment represents contributions applied to commitment less recallable distributions. This amount also includes payables to investments. Commitments denominated in foreign currency are translated into U.S. dollar equivalents using spot rates as of June 30, 2018.
 - 9 Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. IRR is presented net of underlying investment fees but gross of NB fees and carried interest. The Gross IRR of private equity investments is not meaningful (NM) in the early years.
 - 10 Gross multiple of invested capital (MOIC) is computed based on commencement-to-date distributions plus the current net asset value divided by commencement-to-date capital contributions. MOIC is presented net of underlying investment fees but gross of NB fees and carried interest.
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San Jose Federated City Employees' Retirement Fund

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