



Investment Program

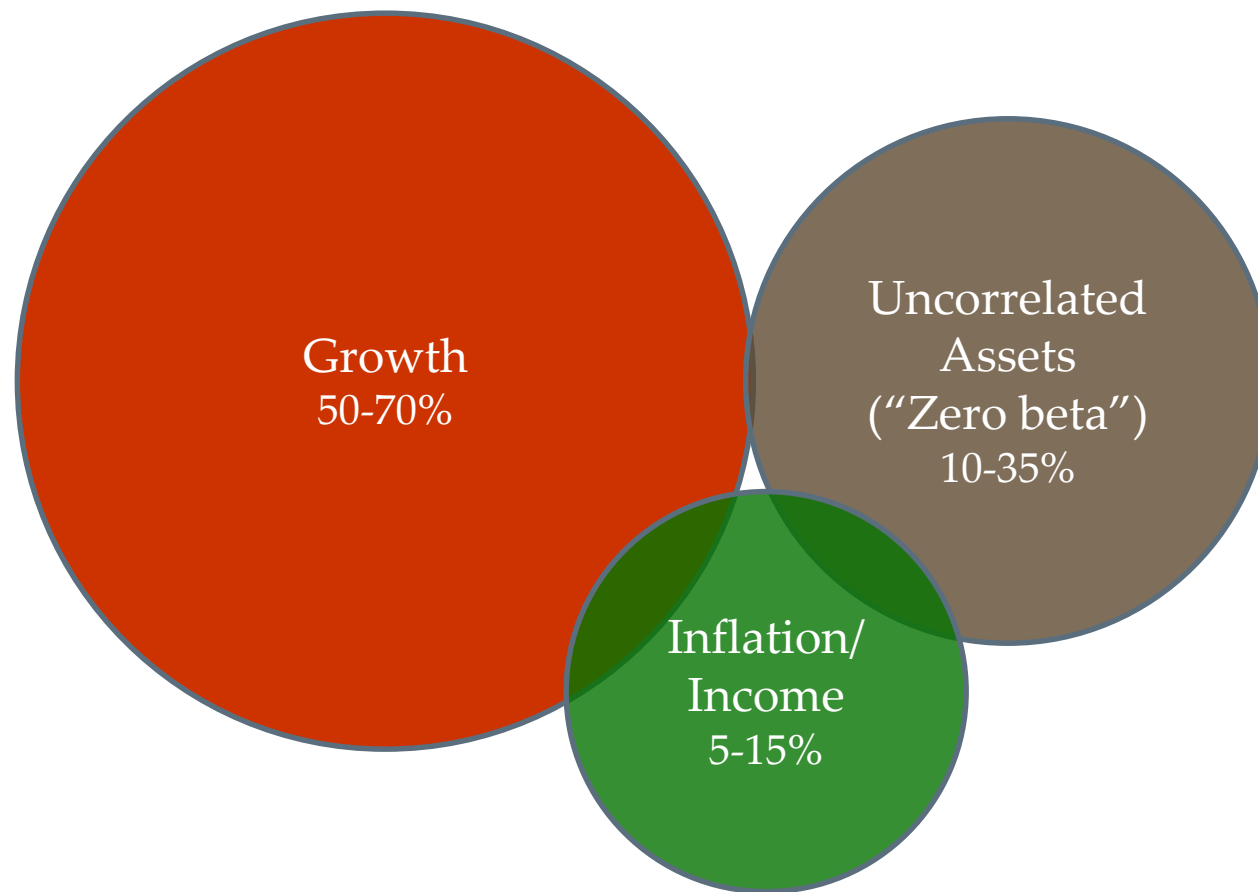
ASSET ALLOCATION

Office of Retirement Services

1737 N. 1st Street, Suite 600

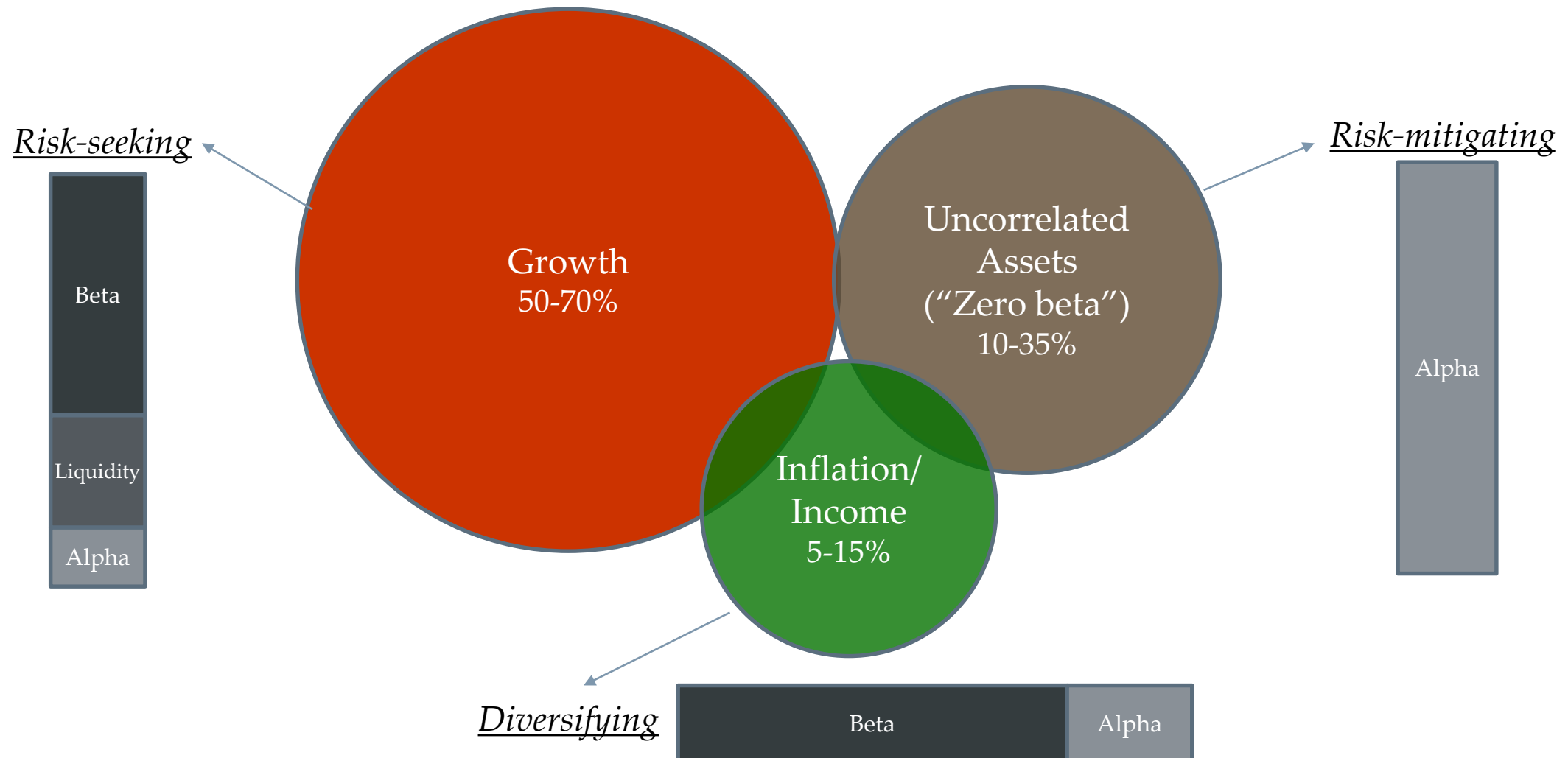
San Jose, CA 95112

A Functional Approach to Asset Allocation

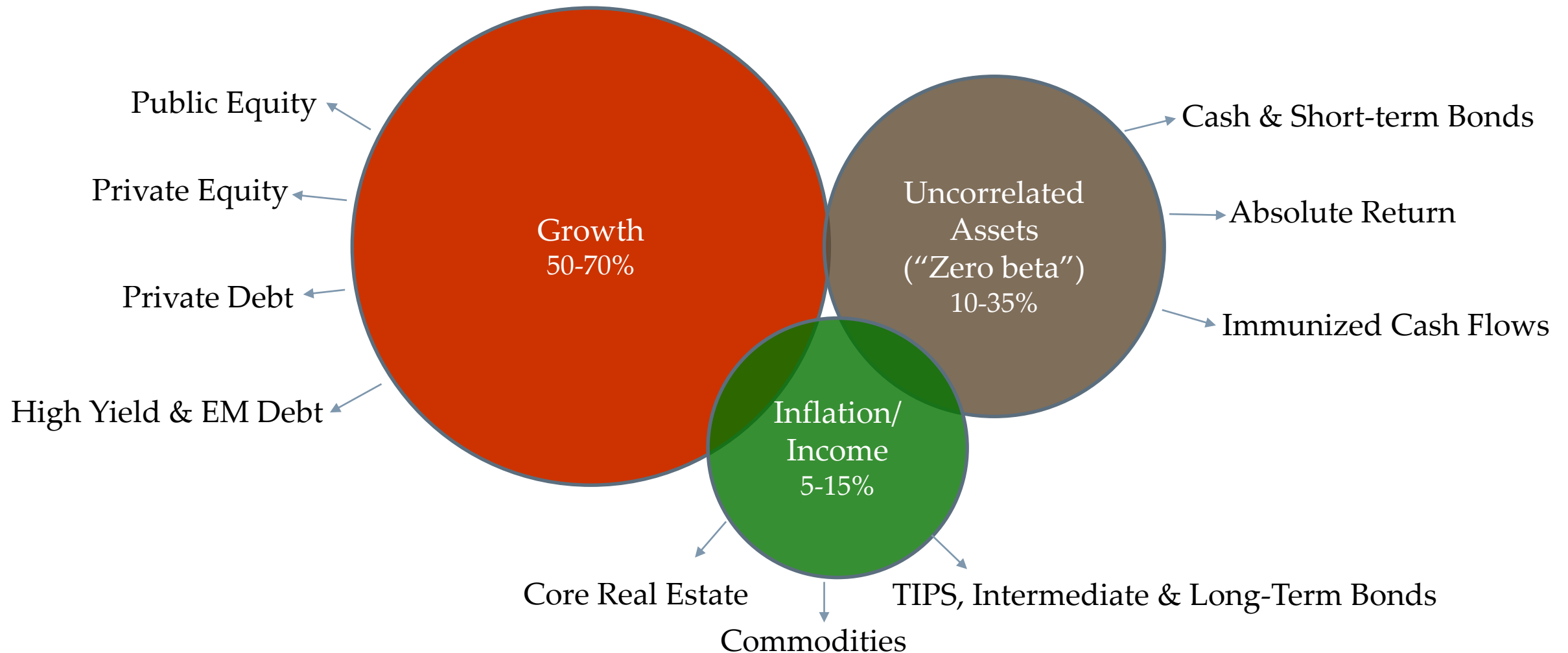


A Functional Approach to Asset Allocation

Expected Sources of Return and Risk



A Functional Approach to Asset Allocation



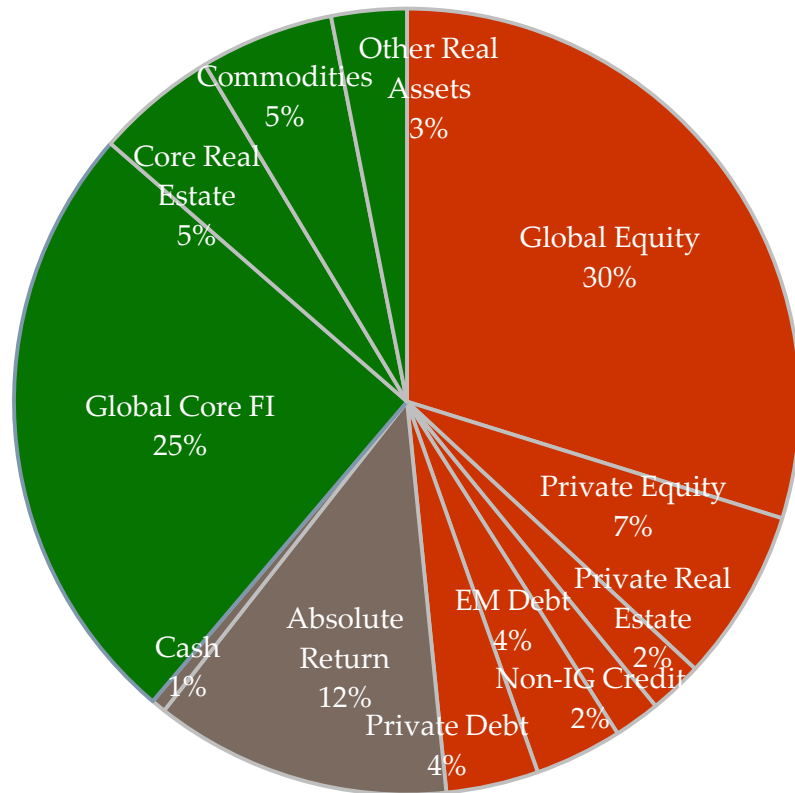
Asset Class Objectives

	<u>Asset Class</u>	<u>Primary Objective</u>	<u>Secondary Objectives</u>
Growth	Public Equity	<i>Growth</i>	<i>Inflation Protection, Income</i>
	Private Equity	<i>Growth</i>	<i>Inflation Protection, Income</i>
	Private Debt	<i>Growth</i>	<i>Income</i>
	High Yield & EM Debt	<i>Growth</i>	<i>Income</i>
Uncorrelated ("Zero beta")	Cash & Short-Term Bonds	<i>Diversification</i>	<i>Income</i>
	Absolute Return	<i>Diversification</i>	<i>Growth</i>
	Immunized Cash Flows	<i>Immunization</i>	<i>Income</i>
Inflation/ Income	Core Real Estate	<i>Inflation Protection</i>	<i>Income, Diversification, Growth</i>
	Commodities	<i>Inflation Protection</i>	<i>Growth, Diversification</i>
	TIPS, Int- & Long-Term Bonds	<i>Income</i>	<i>Diversification</i>

Current Exposures

Pension Plan as of 4/30/2018

Asset Class



Functional

