Police and Fire Retirement Plan Dashboard

"OUR MISSION IS TO ENSURE PROMPT DELIVERY OF SERVICES AND BENEFITS TO OUR MEMBERS, AND TO COLLECT, INVEST, AND EXPEND SYSTEM ASSETS IN A PRUDENT, FAIR, AND TIMELY MANNER".

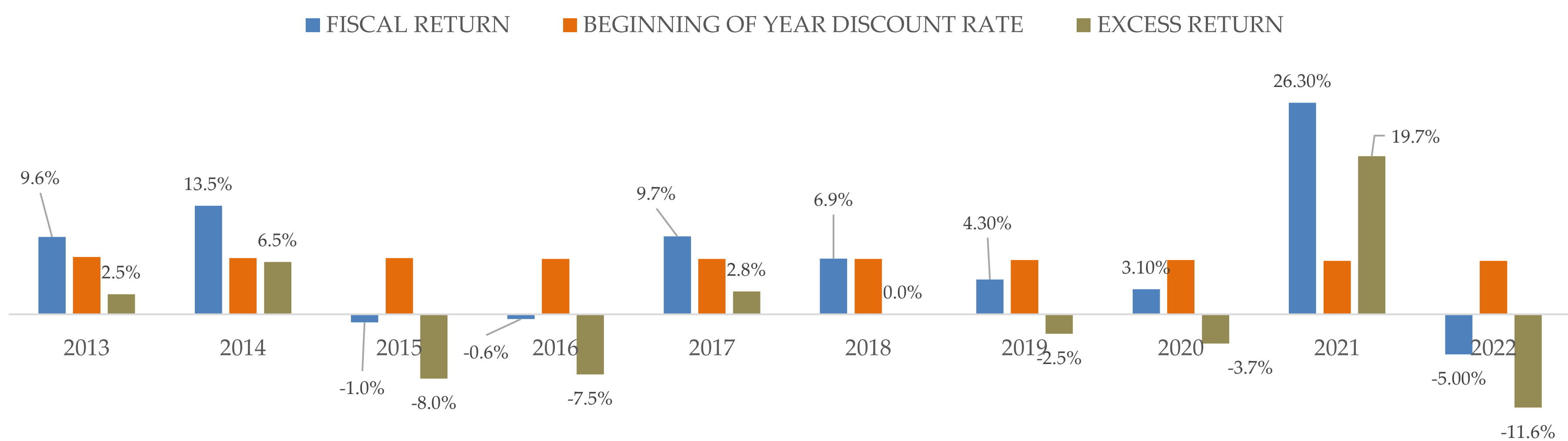
Contents

Police and Fire Discount Rate History

Investment Section as of June 30, 2022

YEARS	FISCAL YEAR	10 YEAR US TREASURY RATE	DISCOUNT RATE	FISCAL YEAR RETURN*	EXCESS TO DISCOUNT RATE
	1997	6.51%	8.00%		
1	2013	2.52%	7.125%	9.6%	2.5%
2	2014	2.53%	7.00%	13.5%	6.5%
3	2015	2.35%	7.00%	-1.0%	-8.0%
4	2016	1.49%	6.875%	-0.6%	-7.5%
5	2017	2.31%	6.875%	9.7%	2.8%
6	2018	2.85%	6.875%	6.9%	0.0%
7	2019	2.01%	6.75%	4.3%	-2.5%
8	2020	0.66%	6.75%	3.1%	**-3.7%**
9	2021	1.47%	6.63%	26.3%	19.7%
10	2022	3.01%	6.63%	-5.0%	**-11.6%**
	** Fiscal Year Ends 6/30. Returns are net of fund management fees.*				

Plan Return versus Discount Rate



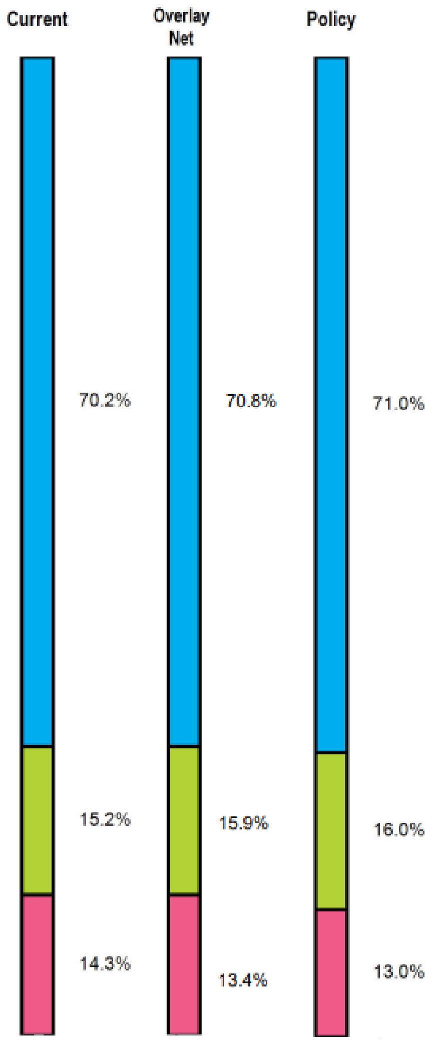
Source: Meketa. Annually updated.

INVESTMENT METRICS

MEKETA

City of San Jose Police and Fire Department Retirement Plan

Total Fund | As of June 30, 2022



Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Russell Overlay Net Position	Policy
Growth	**$3,274,402,427**	**71.2%**	**70.8%**	**71.0%**
Public Equity	$1,939,487,590	42.1%	41.8%	42.0%
Private Markets	$1,155,775,801	25.1%	25.1%	25.0%
Emerging Markets Debt	$92,785,607	2.0%	2.0%	2.0%
High Yield Bonds	$86,353,429	1.9%	1.9%	2.0%
Low Beta	**$717,055,440**	**15.6%**	**15.9%**	**16.0%**
Market Neutral Strategies	$136,295,142	3.0%	3.0%	3.0%
Immunized Cash Flows	$593,972,359	12.9%	12.9%	13.0%
Cash	$-13,212,060	-0.3%	0.0%	0.0%
Other	**$611,456,612**	**13.3%**	**13.4%**	**13.0%**
Core Real Estate	$250,365,613	5.4%	5.4%	5.0%
TIPS	$90,708,534	2.0%	2.0%	2.0%
Investment Grade Bonds	$200,983,744	4.4%	4.5%	4.5%
Long Term Govt Bonds	$69,398,721	1.5%	1.5%	1.5%
Total	$4,602,914,480	100.0%	100.0%	100.0%

[1] Data in the column titled "Russel Overlay Net Position" is based on physical exposures, adjusted for synthetic positions provided by Russell Investments.

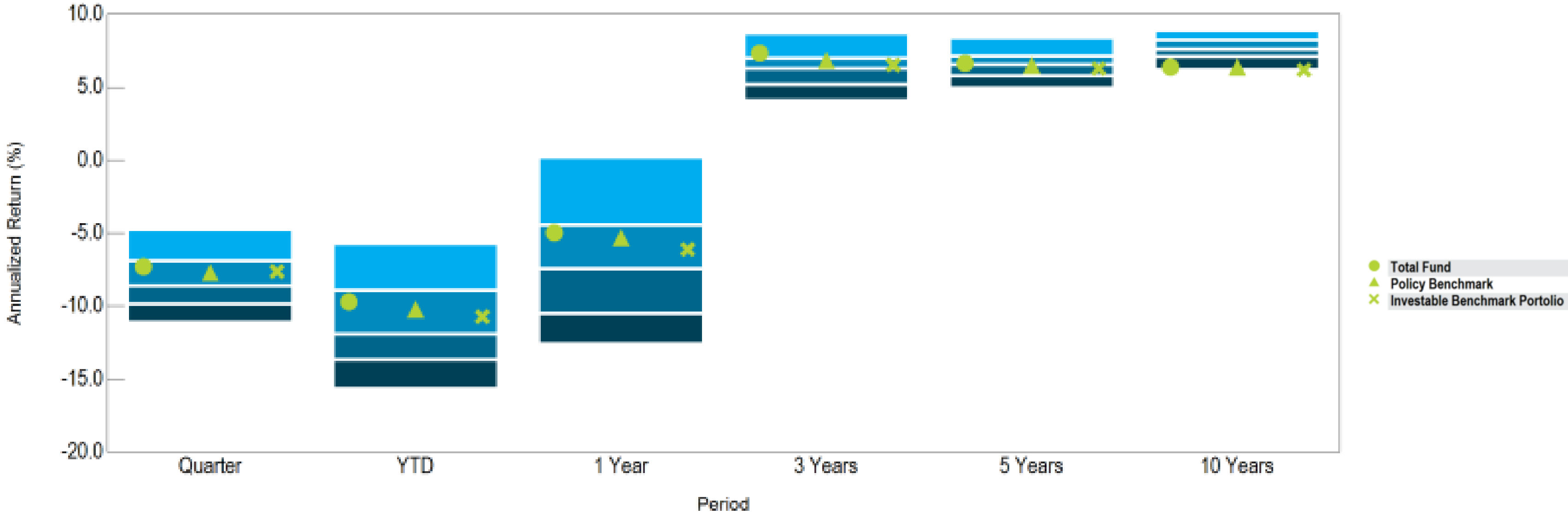
[2] Policy Targets represent approved asset allocation from March of 2022.

[3] All data on this page is from Russell Investments and reflects trades made on or before 6/30/2022. Data on subsequent pages is from the custodian and may not reflect all trades made on or before 6/30/2022 depending on the settlement date of transaction.

Source: Meketa. Quarterly updated.

INVESTMENT METRICS

Performance vs. InvestorForce Public DB > $1B Net (Annualized Return)



Performance vs. InvestorForce Public DB > $1B Net (Ranking)

Return (Rank)	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	-4.8	-5.7	0.2	8.7	8.4	8.9
25th Percentile	-6.9	-8.9	-4.4	7.0	7.2	8.2
Median	-8.6	-11.9	-7.4	6.3	6.6	7.6
75th Percentile	-9.8	-13.6	-10.5	5.2	5.8	7.1
95th Percentile	-11.1	-15.6	-12.5	4.1	5.0	6.2
# of Portfolios	64	64	63	62	62	57

Period

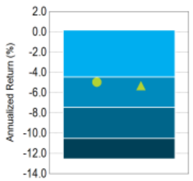
Quarterly Cumulative Excess Performance

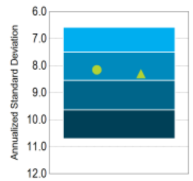
Source: Meketa. Quarterly updated.

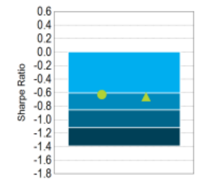
INVESTMENT METRICS

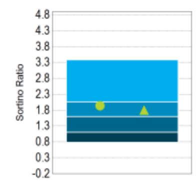
Risk Adjusted Performance – 1 Year

	Annualized Return (%) vs. InvMetrics Public DB > $1B Net	Annualized Standard Deviation vs. InvMetrics Public DB > $1B Net	Sharpe Ratio vs. InvMetrics Public DB > $1B Net	Sortino Ratio vs. InvMetrics Public DB > $1B Net





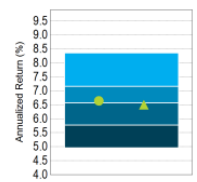


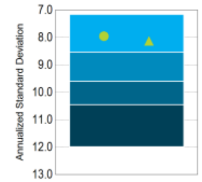


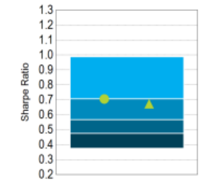
	Annualized Return (%)	Annualized Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Fund				
Value	-5.0	8.2	-0.6	1.9
Rank	31	41	30	34
Policy Benchmark				
Value	-5.3	8.3	-0.7	1.8
Rank	35	45	33	40
Universe				
5th %tile	0.2	6.6	0.0	3.4
25th %tile	-4.4	7.5	-0.6	2.1
Median	-7.4	8.5	-0.9	1.6
75th %tile	-10.5	9.6	-1.1	1.1
95th %tile	-12.5	10.7	-1.4	0.8

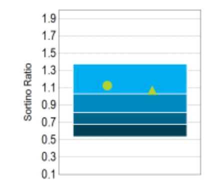
Risk Adjusted Performance – 5 Years

	Annualized Return (%) vs. InvMetrics Public DB > $1B Net	Annualized Standard Deviation vs. InvMetrics Public DB > $1B Net	Sharpe Ratio vs. InvMetrics Public DB > $1B Net	Sortino Ratio vs. InvMetrics Public DB > $1B Net



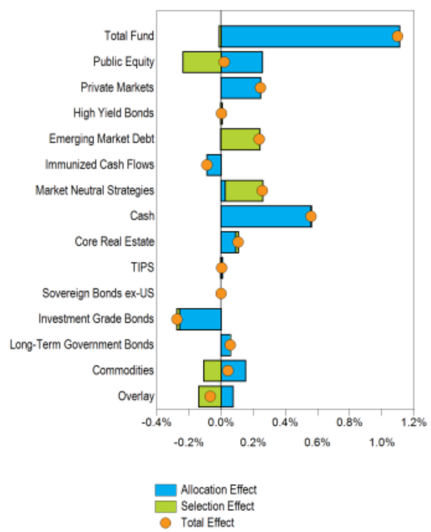




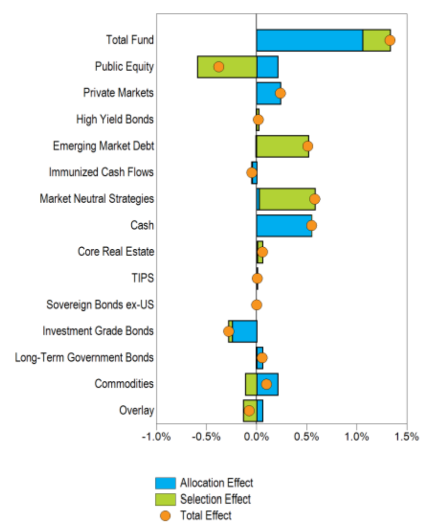


	Annualized Return (%)	Annualized Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Fund				
Value	6.6	8.0	0.7	1.1
Rank	50	19	26	17
Policy Benchmark				
Value	6.5	8.1	0.7	1.1
Rank	51	21	30	19
Universe				
5th %tile	8.4	7.2	1.0	1.4
25th %tile	7.2	8.5	0.7	1.0
Median	6.6	9.6	0.6	0.8
75th %tile	5.8	10.4	0.5	0.7
95th %tile	5.0	12.0	0.4	0.5

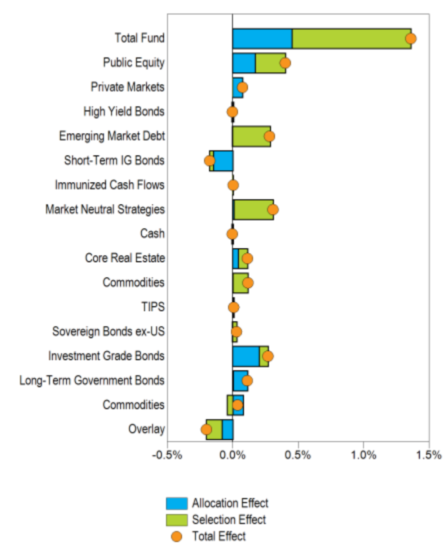
Attribution Effects – 3 Months



Attribution Effects – 1 Year



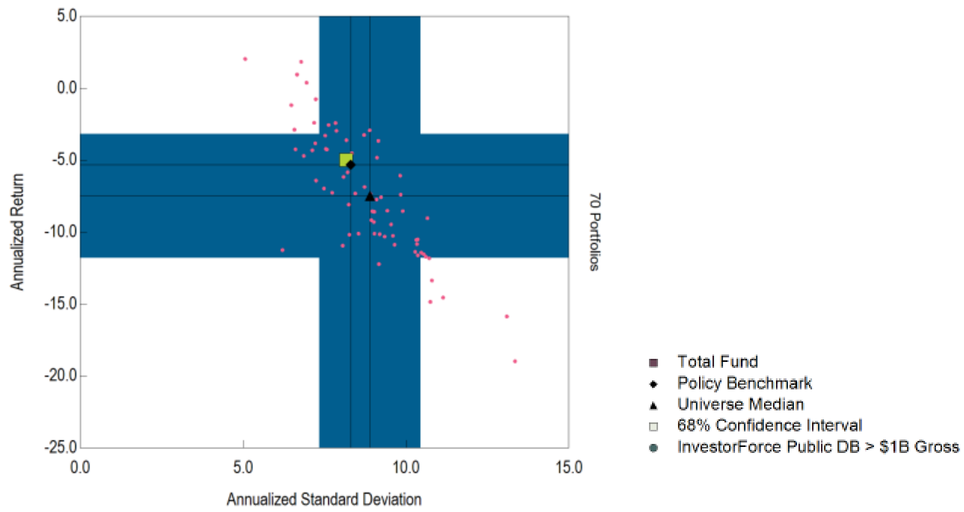
Attribution Effects – 3 Years



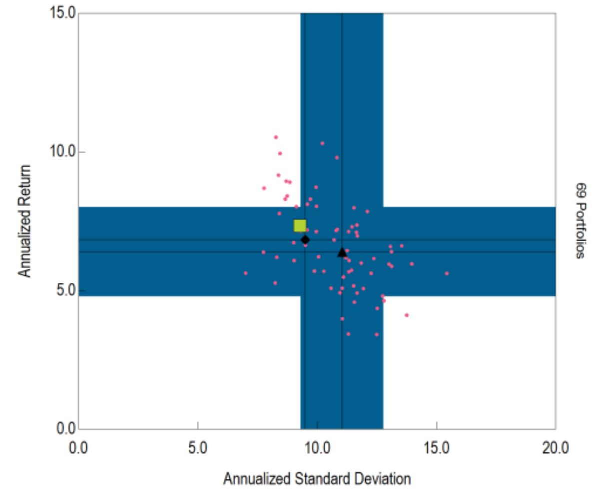
Source: Meketa. Quarterly updated.

INVESTMENT METRICS

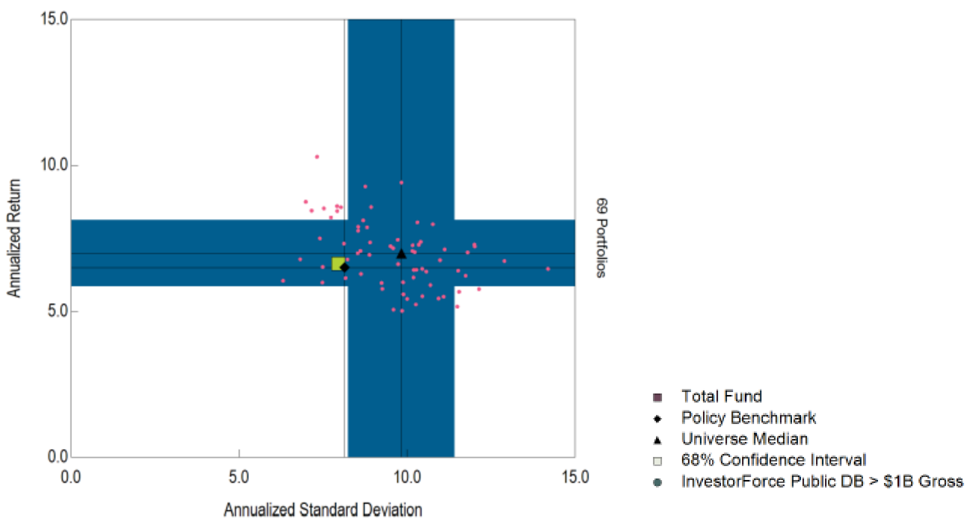
Plan Risk vs. Return – 1 Year



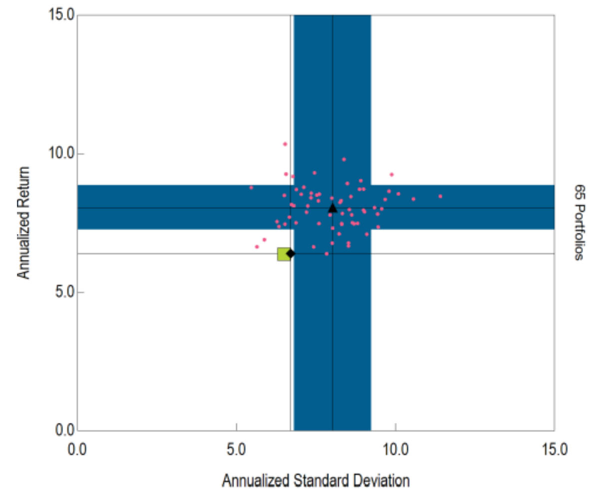
Plan Risk vs. Return – 3 Years



Plan Risk vs. Return – 5 Years



Plan Risk vs. Return – 10 Years

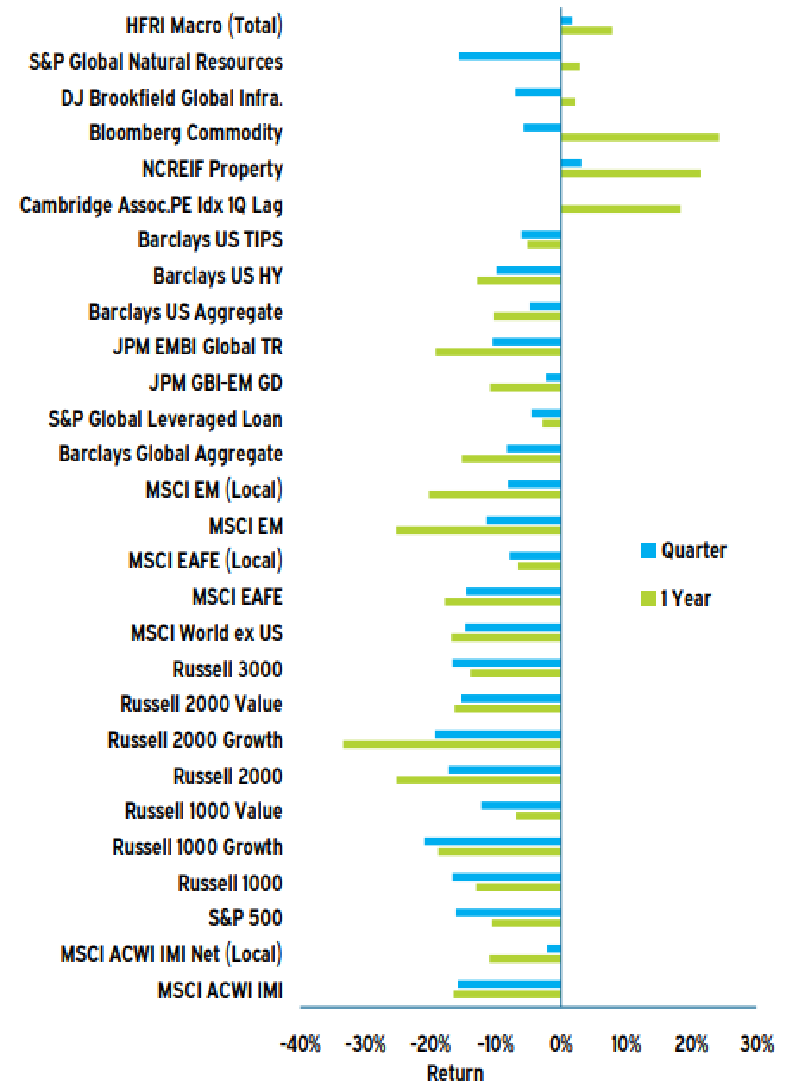


Source: Meketa. Quarterly updated.

CAPITAL MARKET OVERVIEW

Benchmark	Scope	2Q22 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Global Equity						
MSCI ACWI IMI	World	-15.8	-16.5	6.0	6.7	8.7
MSCI ACWI IMI Net (Local)	World (Local Currency)	-2.0	-11.0	8.3	7.6	9.3
Domestic Equity						
S&P 500	Large Core	-16.1	-10.6	10.6	11.3	13.0
Russell 1000	Large Core	-16.7	-13.0	10.2	11.0	12.8
Russell 1000 Growth	Large Growth	-20.9	-18.8	12.6	14.3	14.8
Russell 1000 Value	Large Value	-12.2	-6.8	6.9	7.2	10.5
Russell 2000	Small Core	-17.2	-25.2	4.2	5.2	9.4
Russell 2000 Growth	Small Growth	-19.3	-33.4	1.4	4.8	9.3
Russell 2000 Value	Small Value	-15.3	-16.3	6.2	4.9	9.1
Russell 3000	All Cap Core	-16.7	-13.9	9.8	10.6	12.6
International Equity						
MSCI World ex US	World ex-US	-14.7	-16.8	1.7	2.7	5.4
MSCI EAFE	International Developed	-14.5	-17.8	1.1	2.2	5.4
MSCI EAFE (Local)	International Developed (Local Currency)	-7.8	-6.6	4.4	4.3	8.3
MSCI EM	Emerging Markets	-11.4	-25.3	0.6	2.2	3.1
MSCI EM (Local)	Emerging Markets (Local Currency)	-8.1	-20.2	3.3	4.4	6.0
Global Fixed Income						
Barclays Global Aggregate	Global Core Bonds	-8.3	-15.2	-3.2	-0.6	0.1
S&P Global Leveraged Loan	Bank Loans	-4.5	-2.8	1.9	2.6	3.4
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	-2.3	-10.9	-0.1	2.6	4.6
JPM EMBI Global TR	Emerging Market Bonds	-10.5	-19.2	-4.3	-1.0	2.1
Domestic Fixed Income						
Barclays US Aggregate	Core Bonds	-4.7	-10.3	-0.9	0.9	1.5
Barclays US HY	High Yield	-9.8	-12.8	0.2	2.1	4.5
Barclays US TIPS	Inflation	-6.1	-5.1	3.0	3.2	1.7
Other						
Cambridge AssociatesPE Index 1Qtr Lag	Private Equity	0.0	18.4	27.0	23.3	18.0
NCREIF Property	Real Estate	3.2	21.5	10.2	8.9	9.7
Bloomberg Commodity	Commodities	-5.7	24.3	14.3	8.4	-0.8
DJ Brookfield Global Infrastructure	Infrastructure	-7.0	2.2	4.5	5.7	7.6
S&P Global Natural Resources	Natural Resources	-15.6	2.9	8.6	8.9	4.6
HFRI Macro	Hedge Funds	1.7	7.9	7.7	5.3	3.1

Market Environment – 2Q22 Overview



Source: Meketa, Quarterly updated.

RISK METRICS

1 Portfolio risk

Portfolio: 11.3% | Policy: 11.2% | Peer Group: 10.8% | Liability: 10.2%

2 Portfolio equity beta

Portfolio: 0.66 | Policy: 0.65 | Peer Group: 0.64

3 Portfolio interest rate risk - Duration

Portfolio: 0.9 | Policy: 0.9 | Peer Group: 1.6 | Liability: 13.7

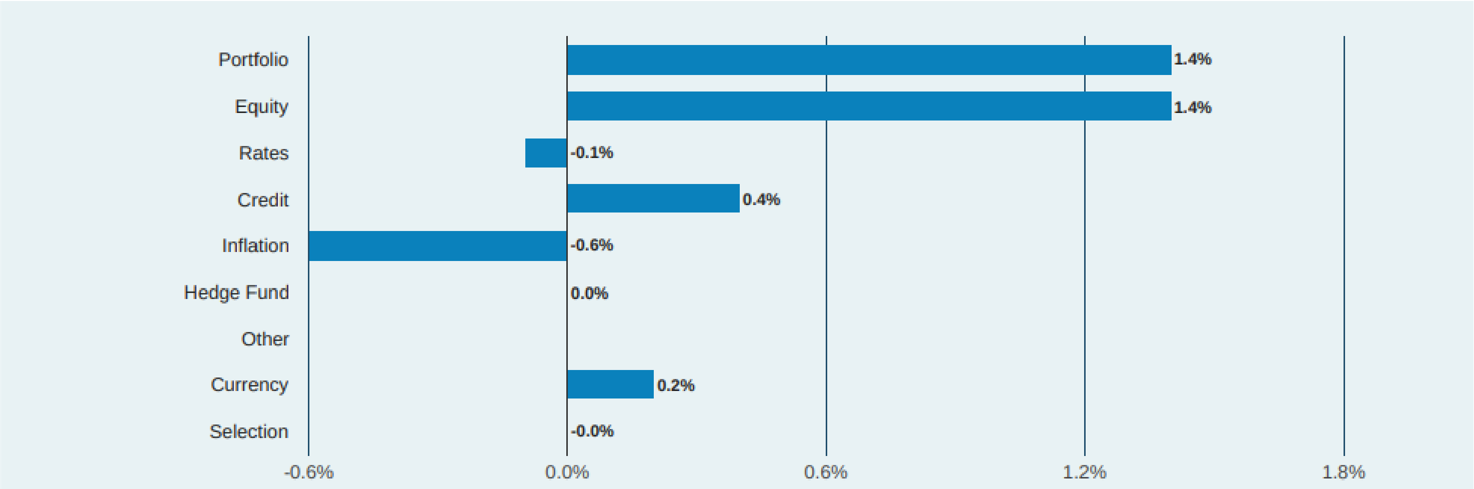
4 Portfolio credit risk - Spread duration

Portfolio: 0.5 | Policy: 0.5 | Peer Group: 1.0

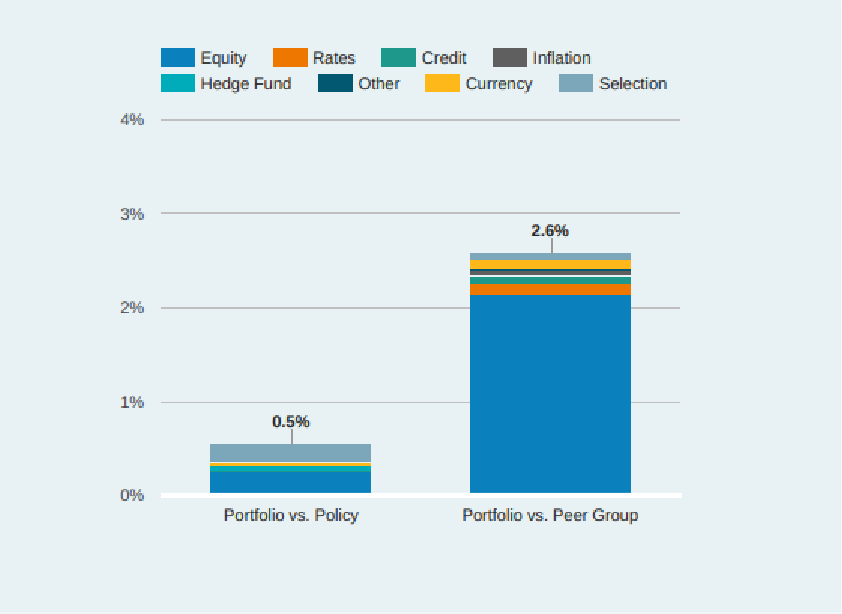
Source: Verus

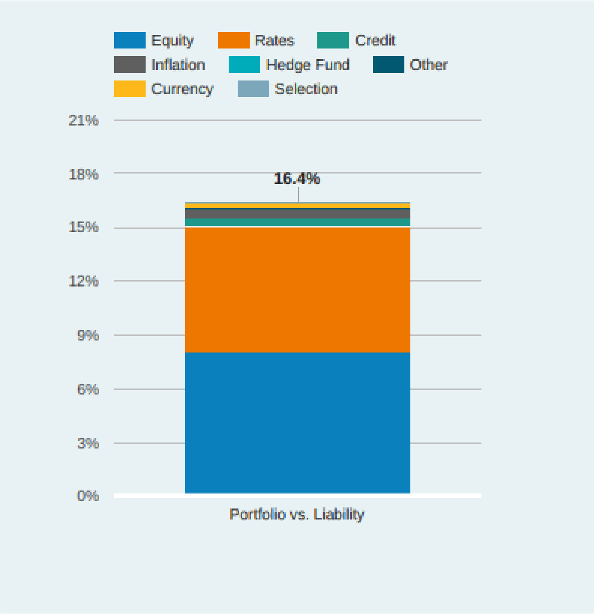
RISK METRICS

7 Risk factor weight relative to target



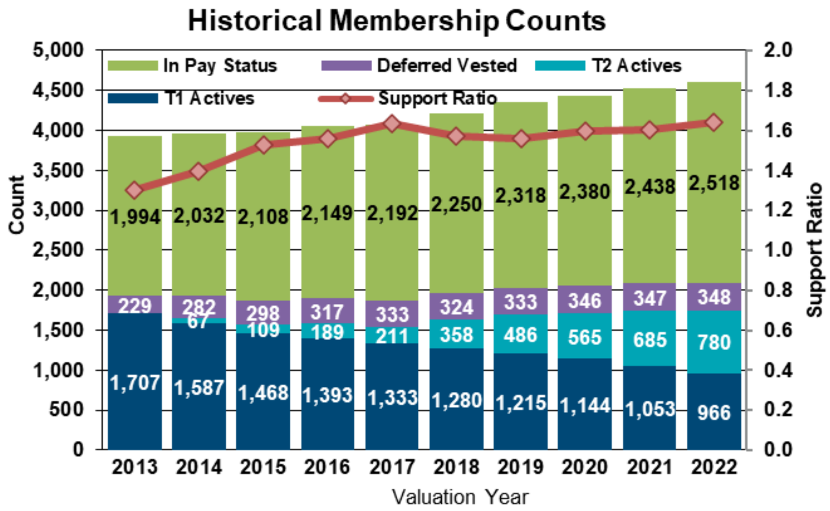
11 Active risk contribution by risk factor

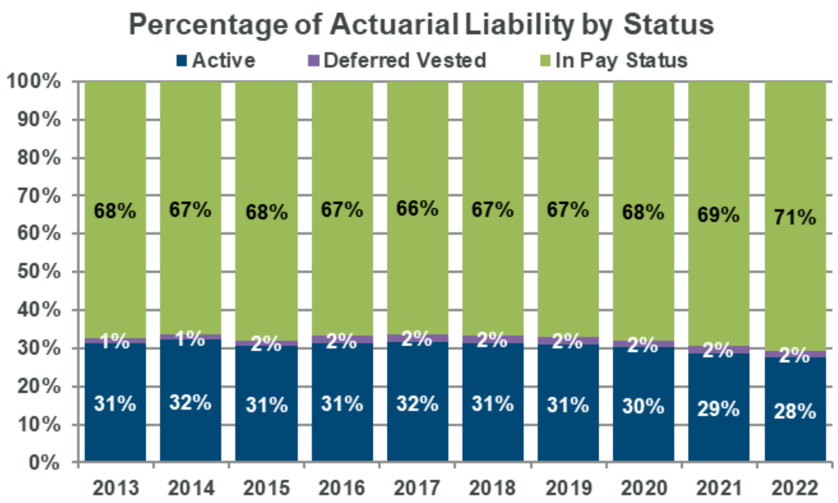


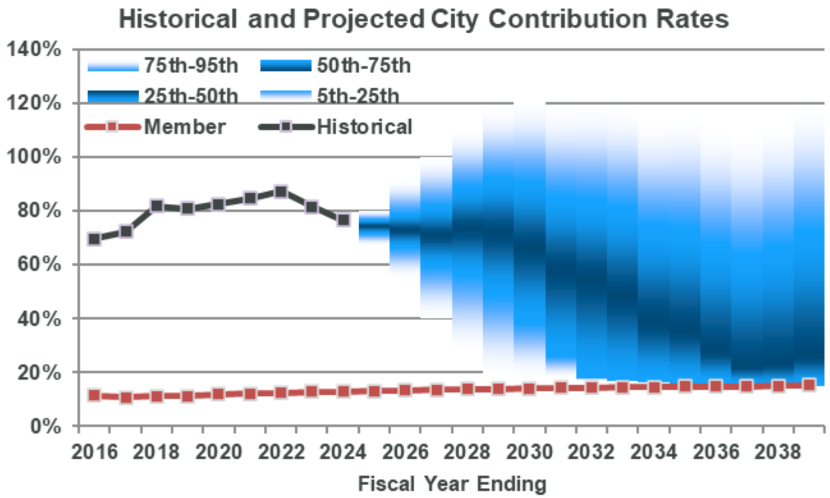


Source: Verus

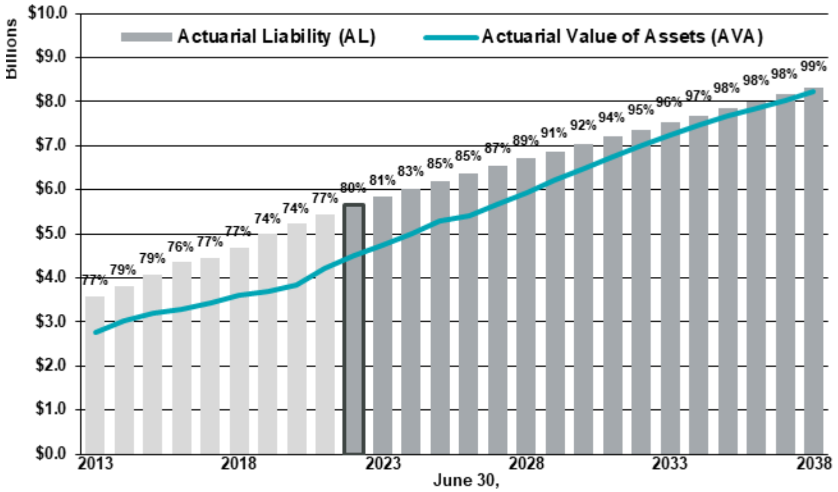
Actuarial Metrics

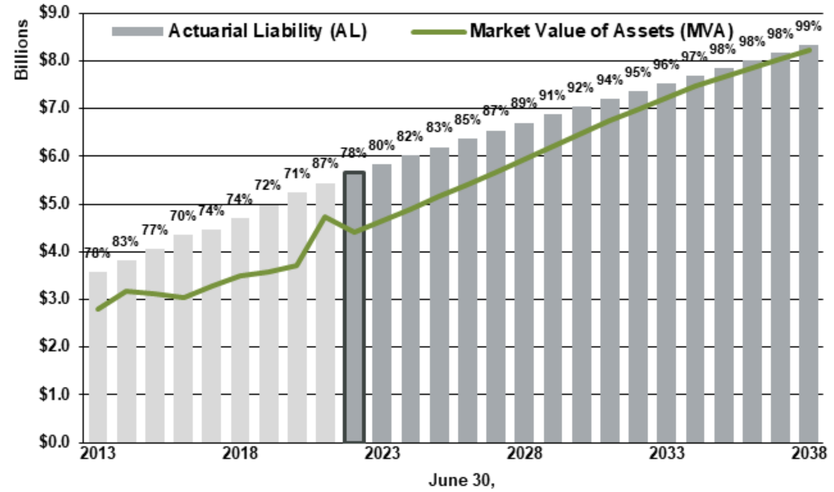


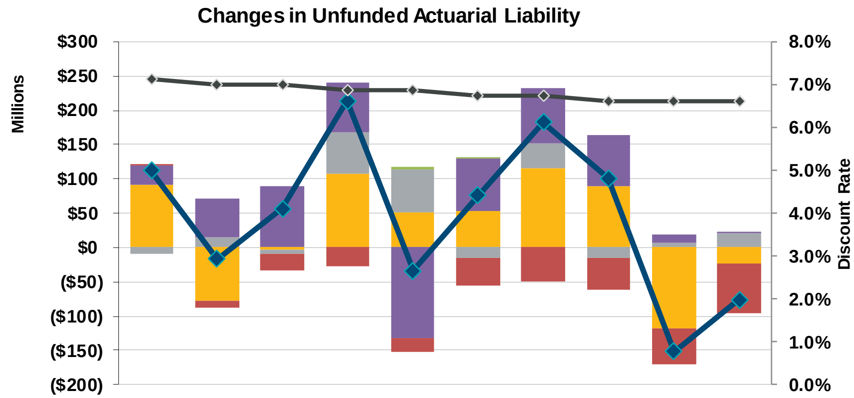




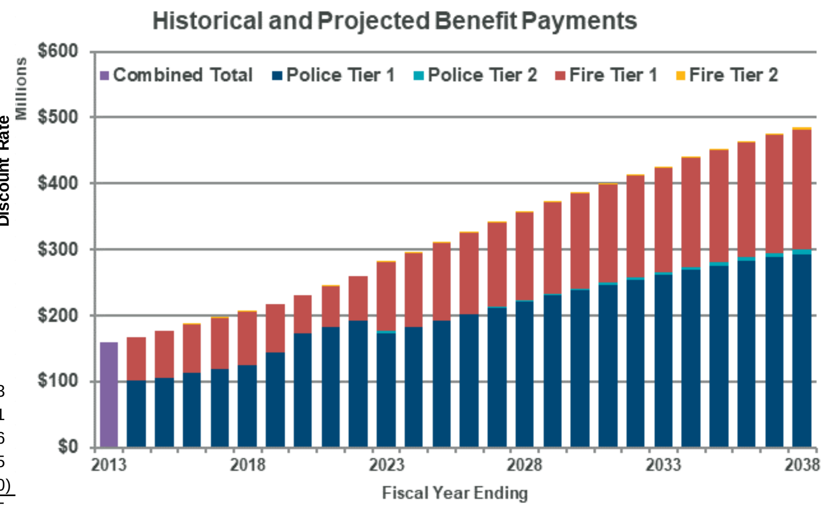
Actuarial Metrics



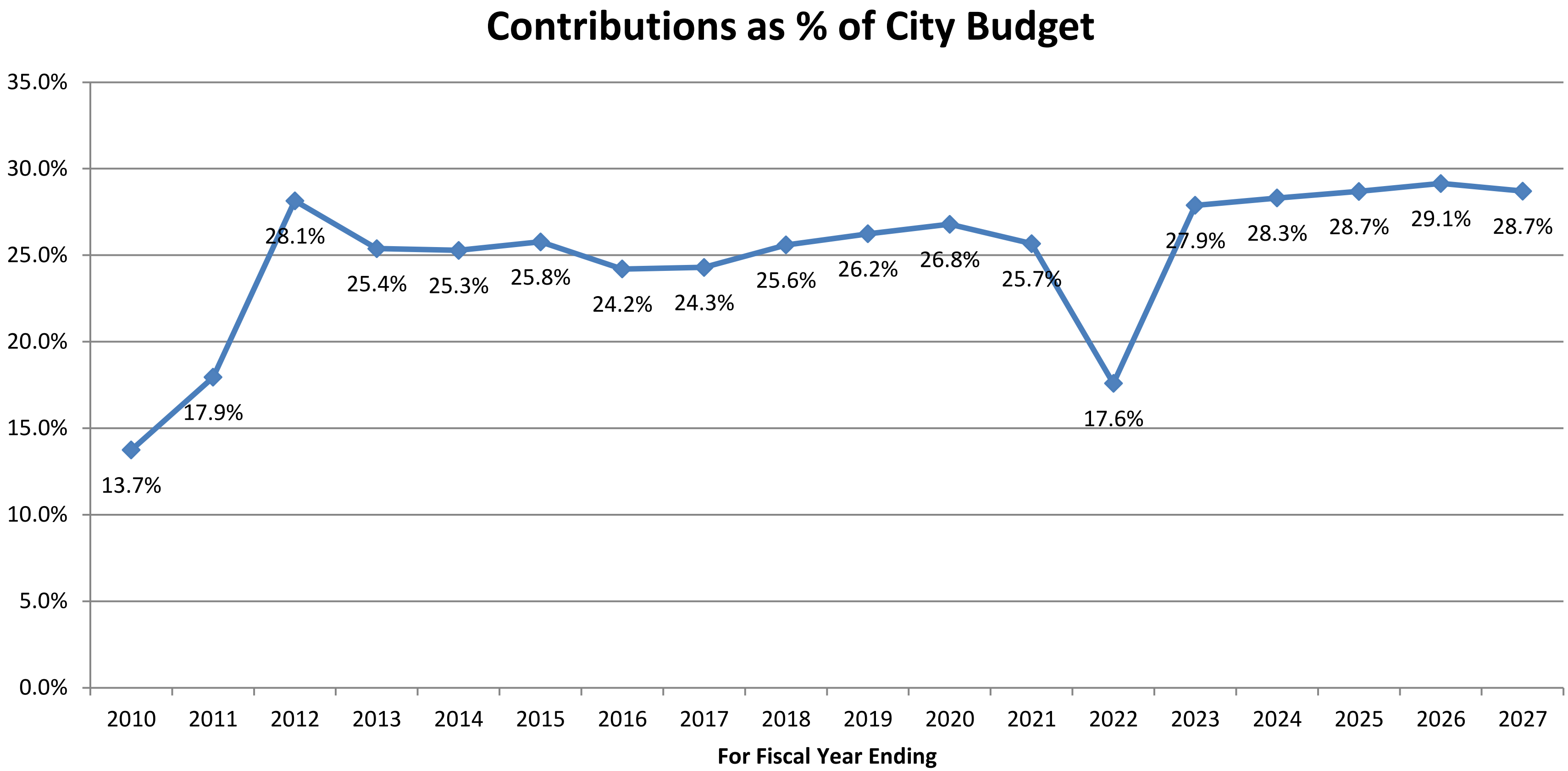




	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
AVA Investment (G)/L	91.3	(78.5)	(2.8)	106.8	50.9	53.6	116.2	89.5	(117.2)	(22.5)	287.3
Liability (G)/L	(9.9)	14.7	(7.3)	61.3	61.8	(15.1)	35.1	(15.4)	6.7	20.3	152.1
Assumption Changes	28.2	56.3	90.0	72.7	(131.8)	76.4	80.9	73.5	12.4	0.1	358.6
Benefit Changes	0.0	0.0	0.0	0.0	4.3	0.2	0.0	0.0	0.0	0.0	4.5
Contributions	2.2	(9.9)	(23.0)	(27.4)	(19.6)	(39.7)	(49.8)	(46.5)	(54.1)	(74.2)	(342.0)
Net Change	111.9	(17.4)	56.9	213.3	(34.4)	75.4	182.3	101.3	(152.2)	(76.4)	460.5
Discount Rate	7.125%	7.00%	7.00%	6.875%	6.875%	6.75%	6.75%	6.625%	6.625%	6.625%	



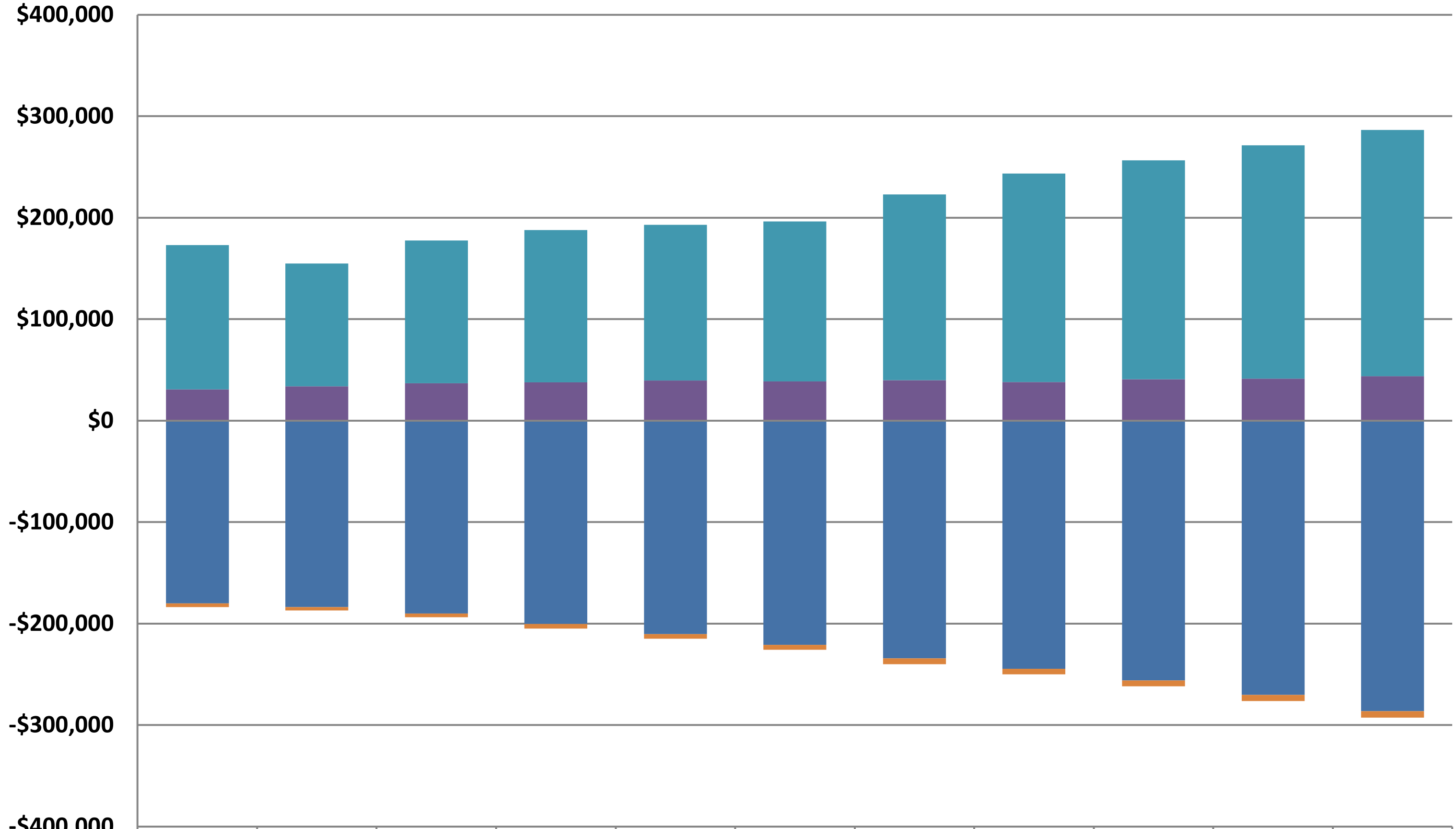
Changes as of 10/14/22



Contribution amounts represent the combined amounts for Federated and Police and Fire. Fiscal years 2023-2027 are the projected contributions and City budget based on the City's 5-Year Forecast and Revenue Projections (General Fund Forecast Expenditure Summary I-26)

Changes as of 10/19/21

Net Cash Flow / Total Additions and Deductions Before Investment Income/Expense
(In Thousands)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative Expenses	(3,643)	(3,501)	(3,734)	(4,314)	(4,393)	(4,817)	(5,623)	(5,495)	(5,727)	(5,874)	(6,205)
Benefits	(180,199)	(183,636)	(189,907)	(200,458)	(210,389)	(220,831)	(234,316)	(244,411)	(256,039)	(270,284)	(286,334)
Employer Contributions	142,214	121,042	140,850	150,189	153,545	157,624	183,094	205,362	215,831	229,767	242,809
Employee Contributions	30,819	33,725	36,789	37,764	39,515	38,696	39,968	38,126	40,780	41,508	43,769

POLICE AND FIRE
2021 QUARTERLY DISABILITY STATISTICS

QUARTERLY STATISTICS	NEW APPS. Add	Interim Non Service-Connected (NSCD) APPROVALS SCD APPLICATON REMAINS PENDING, No Change in Census Numbers	COMPLETED APPS. Subtract	TOTAL OUTSTANDING APPS.	BREAKOUT DETAIL OF "TOTAL OUTSTANDING APPS." APPS. DEFERRED BY ATTORNEY OR APPLICANT	APPS. THAT ARE NOT MMI AND ARE NOT READY TO PROCEED	APPS. THAT ARE MMI AND ARE READY FOR INDEPENDENT MEDICAL EVALUATION (IME)	APPS. FOR WHICH IME EXAM IS DONE, IME REPORT IS REC'D. AND READY FOR BOARD MEDICAL ADVISOR REPORT	APPS. FOR WHICH BOARD MEDICAL ADVISOR REPORT WAS REC'D. AND ARE READY FOR COMMITTEE MEETING	APPS. FOR WHICH COMMITTEE DECISION WAS RENDERED AND READY TO GO TO THE BOARD	TOTAL OUTSTANDING APPS.
2020 QTR 4	10	2	6*	120	25	89	5	1	0	0	120
2021 QTR 1	7	0	2	125	25	96	2	0	2	0	125
2021 QTR 2	7	0	2*	130	25	96	7	0	1	1	130
2021 QTR 3											
2021 QTR 4											

SOURCE: QUARTERLY STATISTICS REPORT

***Includes 1 Application Withdrawn**

April - June 2021
Completed Applications Processing Times

Month of Board Approval	Fire or Police	Service Connected Disability Retirement (SCD) or Non-Service-Connected Disability Retirement (NSCD)	Change of Status (COS) From Service Ret. to Disability Ret.	Days From App. Rec'd. to MMI	Days From MMI to IME Appt.	Days From IME Appt. to Med. Advisor Report	Days From Med. Advisor Report to Committee	Days From First Agenda Date too Final Board Date	Days From App. To Final Board	Approved or Denied	Name	Notes
May, 2021	Fire	SCD	NO	0	119	19	22	31	191	Approved or	K. Spillner	MMI at time of application

SOURCE: DETAILED QUARTERLY STATISTICS REPORT

Appendix

- Investment Dashboard – Updated Quarterly
- Actuarial Dashboard – Updated Annually
- Accounting Dashboard – Updated Annually
- Benefits Dashboard – Updated Quarterly