

# 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”.**



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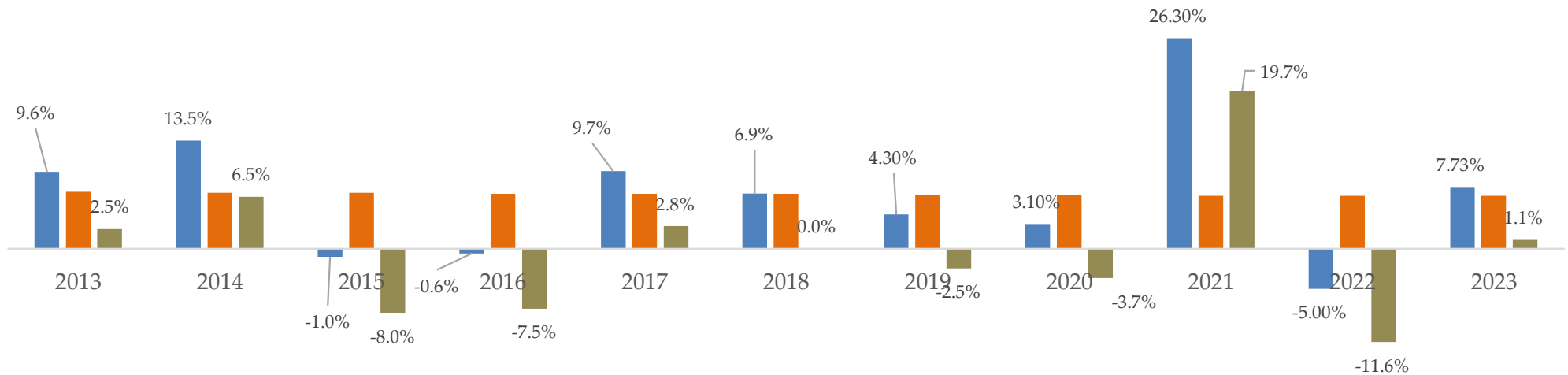
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# Police and Fire Discount Rate History

<u>YEARS</u>	<u>FISCAL YEAR</u>	<u>10 YEAR US TREASURY RATE</u>	<u>DISCOUNT RATE</u>	<u>FISCAL YEAR RETURN*</u>	<u>EXCESS TO DISCOUNT RATE</u>
	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%
11	2023	3.84%	6.63%	7.7%	1.1%

## Plan Return versus Discount Rate

■ FISCAL RETURN    ■ BEGINNING OF YEAR DISCOUNT RATE    ■ EXCESS RETURN





## INVESTMENT METRICS

### City of San Jose Police and Fire Department Retirement Plan

Total Fund | As of March 31, 2024



	Current Balance (\$)	Current Allocation (%)	Russell Overlay Net position (%)	Policy (%)
<b>Growth</b>	3,673,349,283	72.8%	72.1%	71.0
Public Equity	2,203,048,082	43.6%	43.0%	42.0
Private Markets	1,267,552,401	25.1%	25.1%	25.0
Emerging Markets Debt	99,973,023	2.0%	2.0%	2.0
High Yield Bonds	102,775,776	2.0%	2.0%	2.0
<b>Low Beta</b>	744,294,861	14.7%	14.9%	16.0
Market Neutral Strategies	144,731,946	2.9%	2.9%	3.0
Immunized Cash Flows	606,103,075	12.0%	12.0%	13.0
Cash	-6,540,160	-0.1%	0.0%	0.0
<b>Other</b>	630,903,686	12.5%	13.0%	13.0
Core Real Estate	247,155,305	4.9%	4.9%	5.0
TIPS	100,502,542	2.0%	2.0%	2.0
Investment Grade Bonds	213,228,912	4.2%	4.6%	4.5
Long Term Govt Bonds	70,016,927	1.4%	1.5%	1.5
<b>Total</b>	<b>5,048,547,830</b>	<b>100%</b>	<b>100%</b>	<b>100.0</b>

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 3/31/2024. Data on subsequent pages is from the custodian and may not reflect all trades made on or before 3/31/2024 depending on the settlement date of transaction.

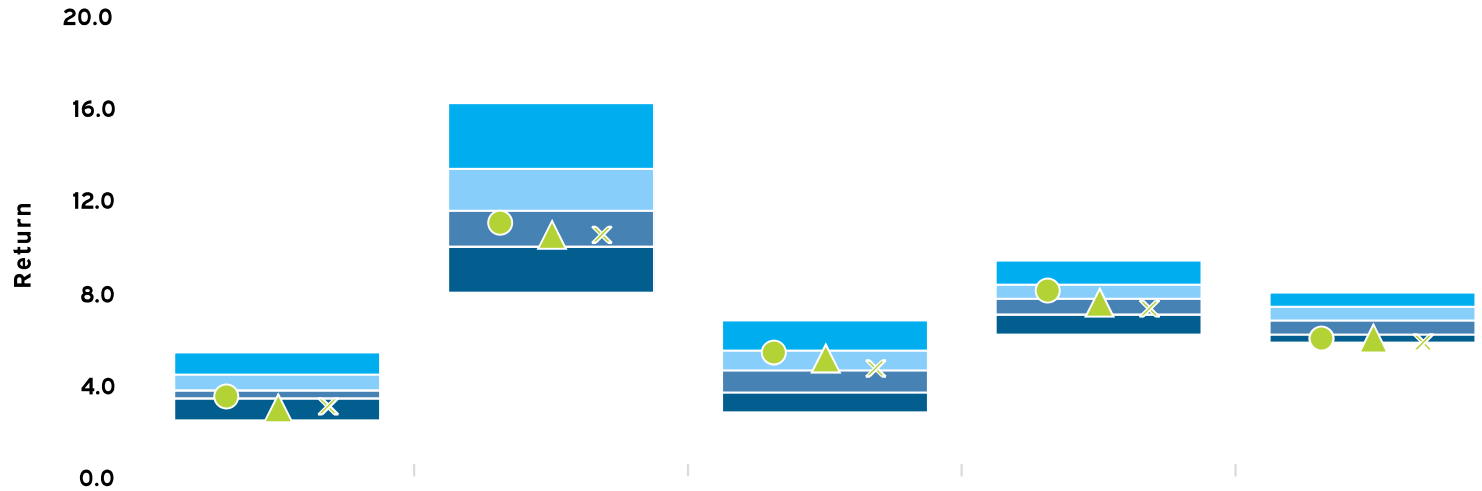


## INVESTMENT METRICS

### City of San Jose Police and Fire Department Retirement Plan

Total Fund | As of March 31, 2024

#### InvMetrics All Public DB Plans > \$1B Net Return Comparison Ending March 31, 2024



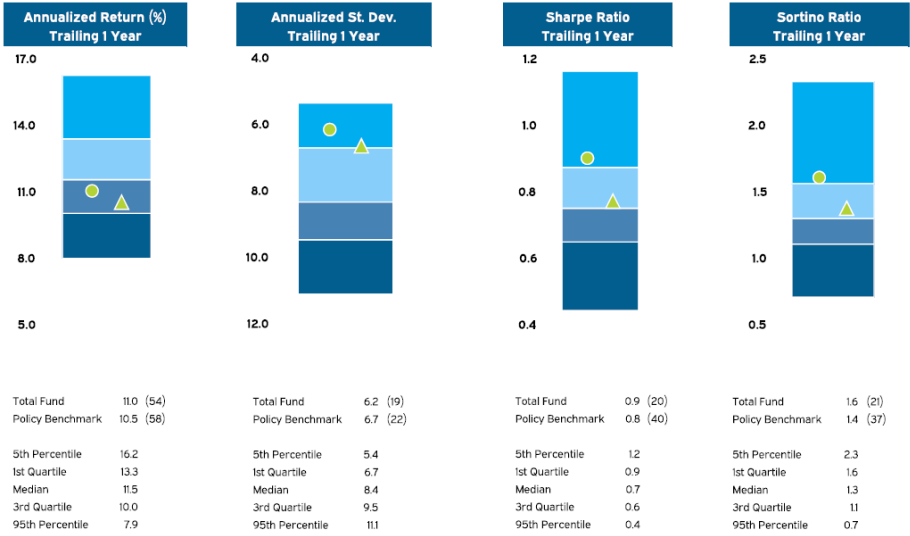
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● Total Fund	3.5 (70)	11.0 (54)	5.4 (27)	8.1 (39)	6.0 (84)
▲ Policy Benchmark	2.9 (85)	10.5 (58)	5.1 (34)	7.6 (62)	6.0 (84)
× Investable Benchmark Portfolio	3.0 (83)	10.5 (58)	4.7 (49)	7.3 (69)	5.8 (100)
5th Percentile	5.4	16.2	6.7	9.3	8.0
1st Quartile	4.5	13.3	5.5	8.3	7.4
Median	3.7	11.5	4.6	7.7	6.8
3rd Quartile	3.3	10.0	3.6	7.0	6.1
95th Percentile	2.5	7.9	2.7	6.1	5.8
Population	91	49	43	41	36

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity. Fiscal Year begins July 1.

# INVESTMENT METRICS

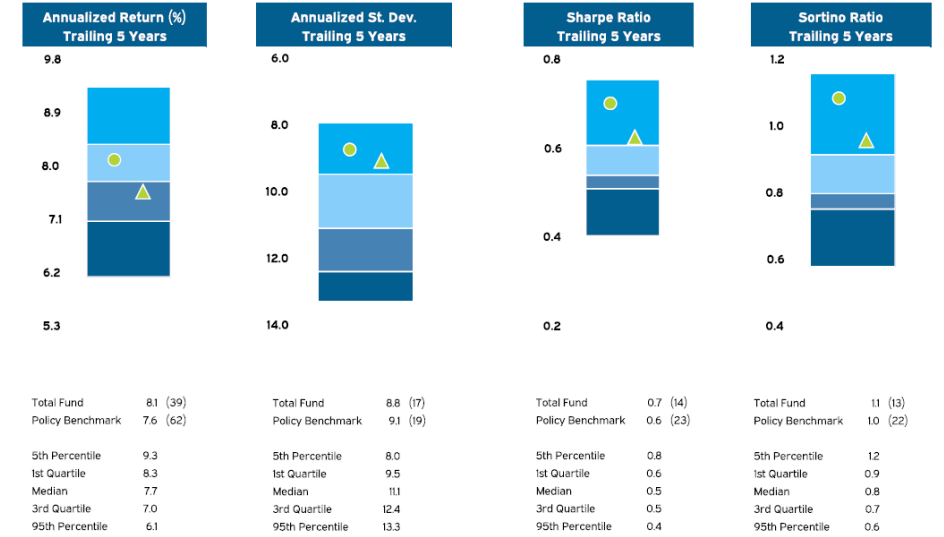
## Risk Adjusted Performance – 1 Year

Total Fund | One Year As of March 31, 2024



## Risk Adjusted Performance – 5 Years

Total Fund | Five Years As of March 31, 2024



## Attribution Effects – 3 Months

## Attribution Effects – 1 Year

## Attribution Effects – 3 Years

- Total Fund
- Public Equity
- Private Markets
- High Yield Bonds
- Emerging Market Debt
- Immune Cash Flows
- Market Neutral Strategies
- Cash
- Core Real Estate
- TIPS
- Investment Grade Bonds
- Long-Term Government Bonds
- Overlay

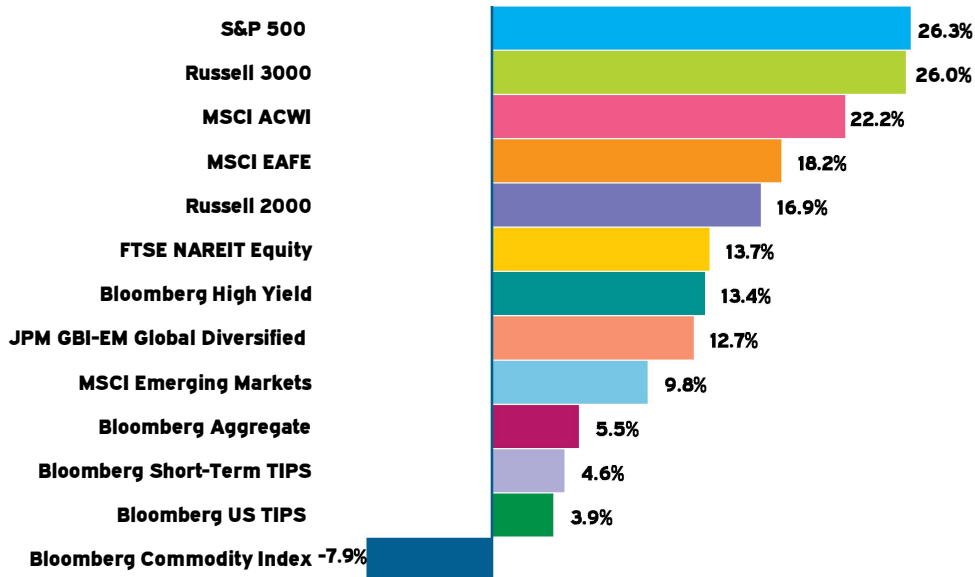


Source: Meketa. Quarterly updated.

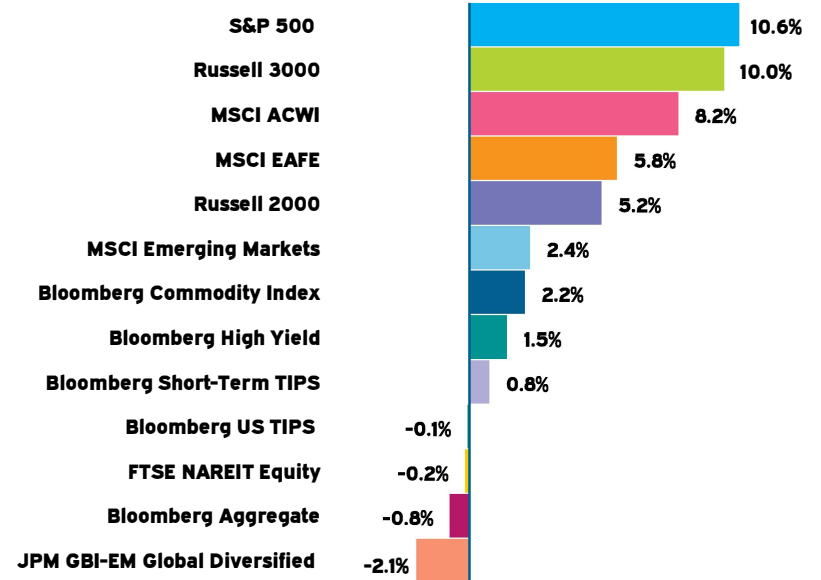
# CAPITAL MARKET OVERVIEW

## Index Returns<sup>1</sup>

2023



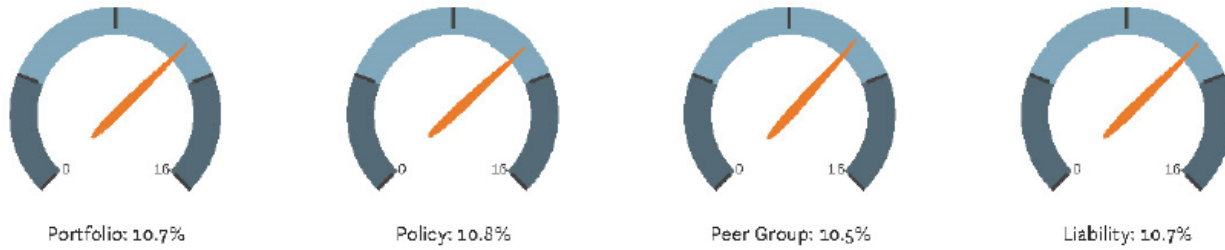
Q1 2024



- In the first quarter, global equity markets continued their strong performance from 2023 with the US leading the way.
- Resilient economic data weighed on bond markets domestically and dashed hopes of a near-term cut in interest rates.

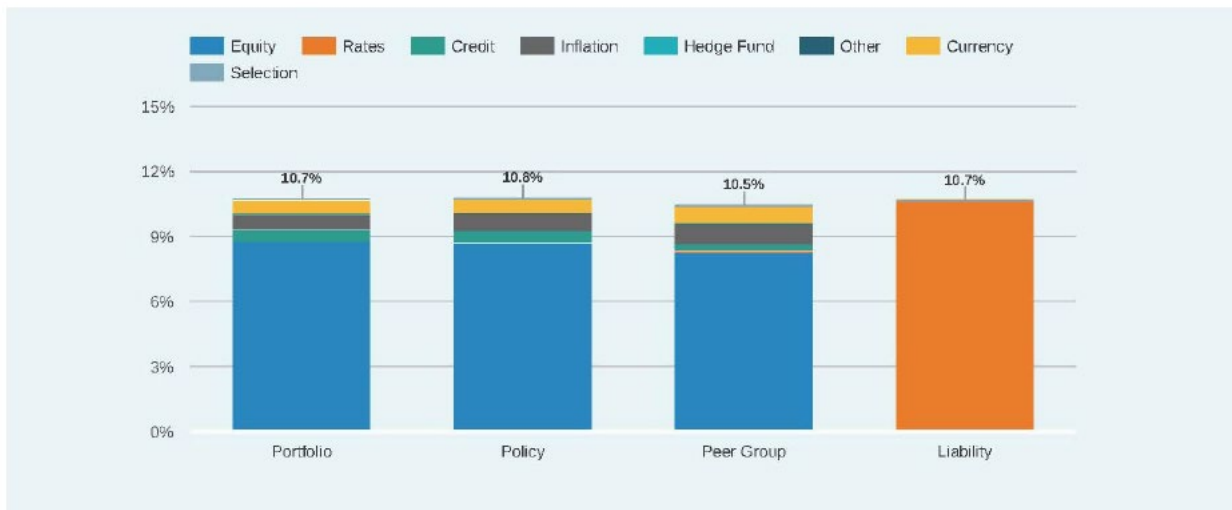
# RISK METRICS

## Portfolio Volatility

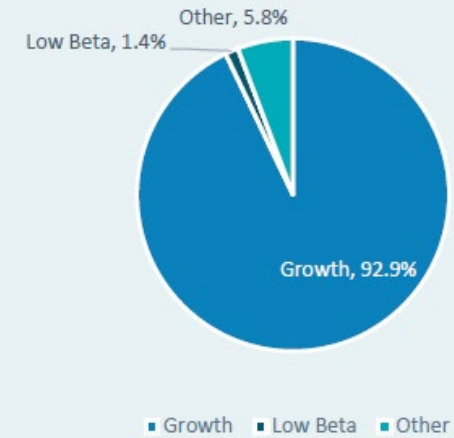


June 30, 2024

## Risk Factor Decomposition



## Total Risk contribution





# RISK METRICS

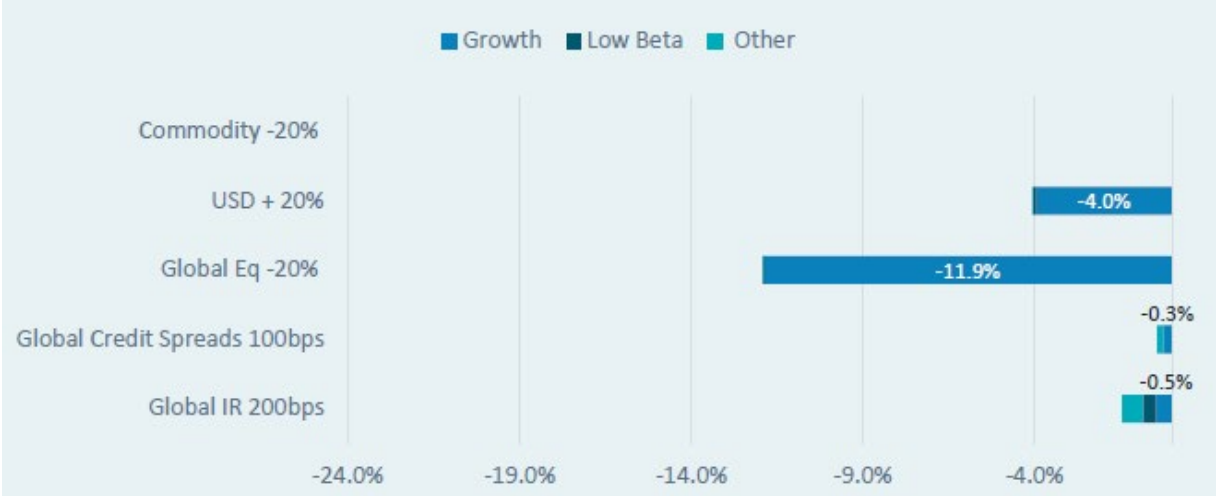
## Active Risk Factor Decomposition



June 30, 2024

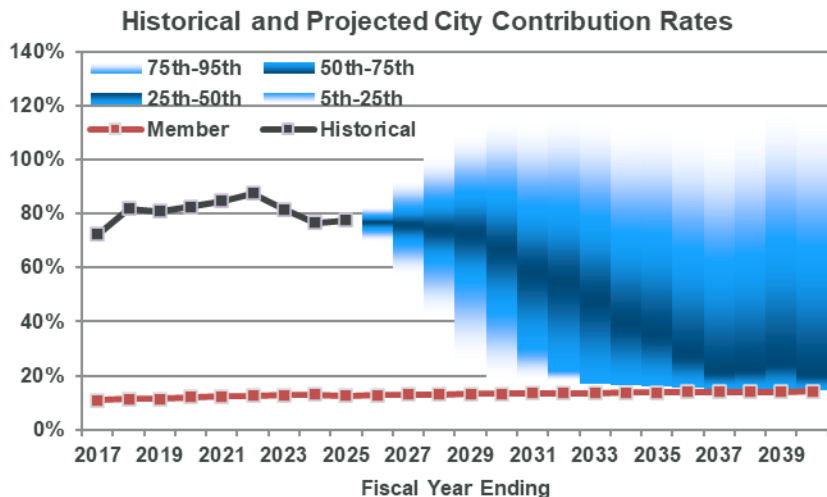
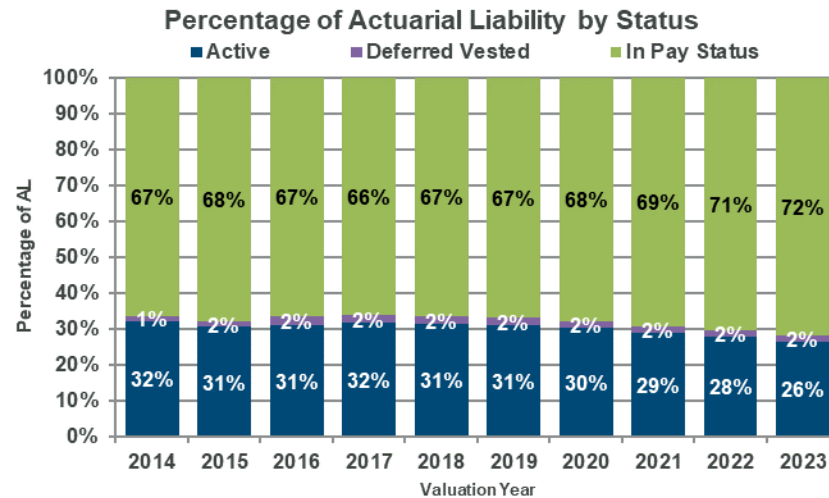
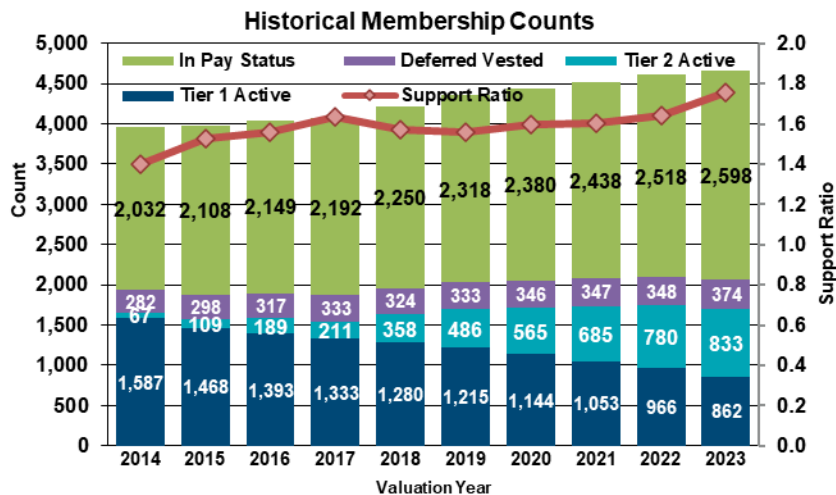


## Stress Test Scenarios



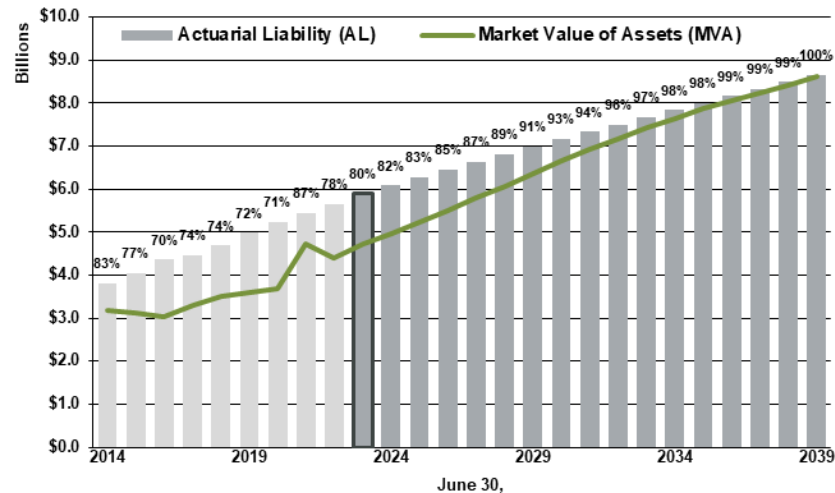
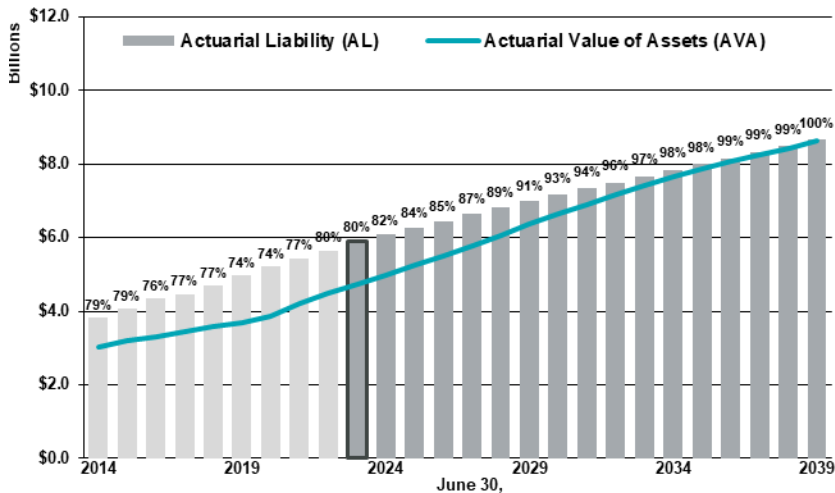
Source: Verus.

# Actuarial Metrics

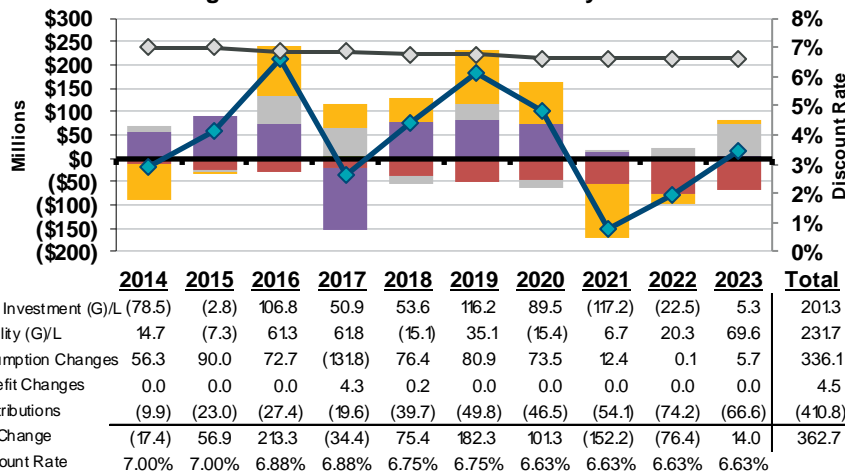


June 30, 2023 Valuation

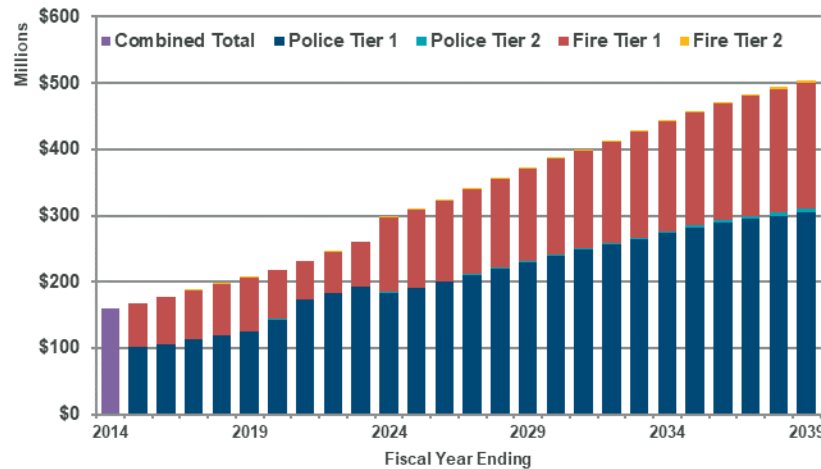
# Actuarial Metrics



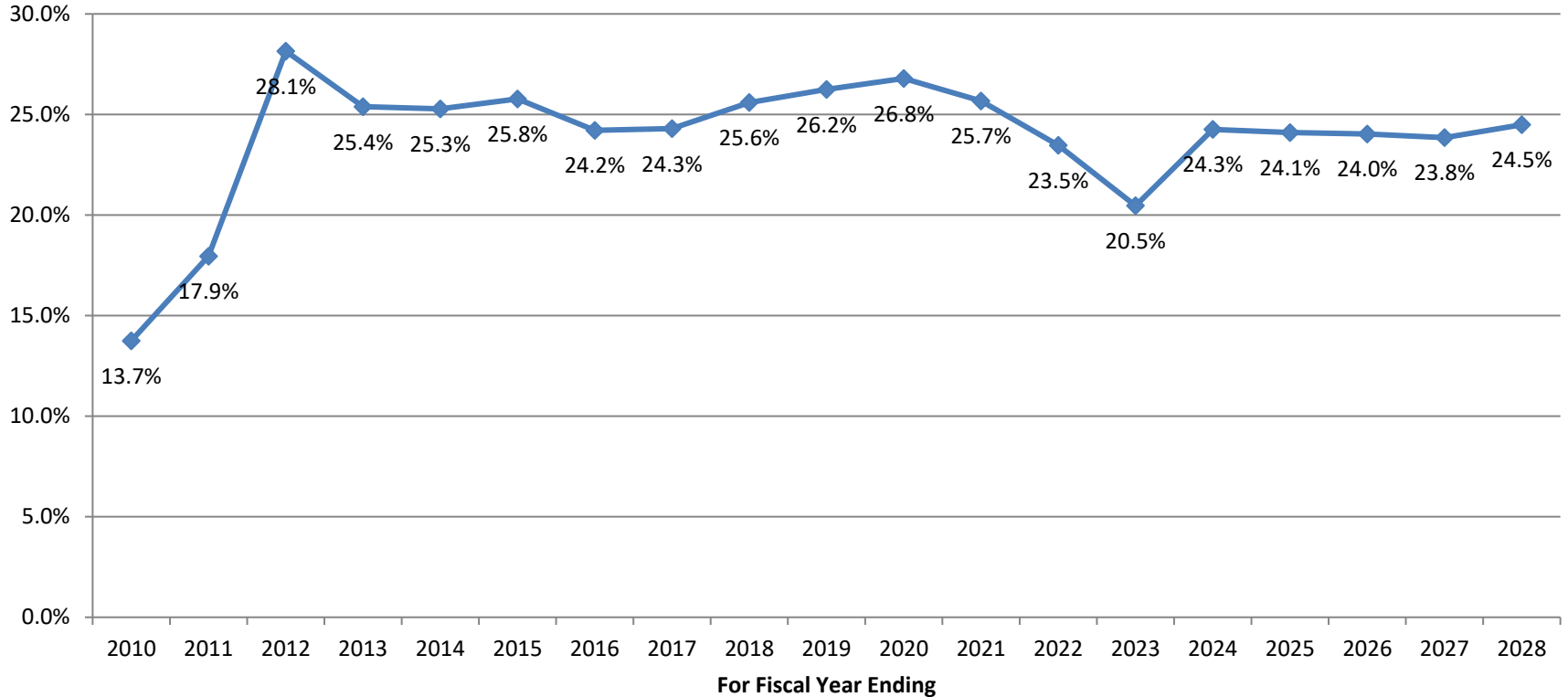
## Changes in Unfunded Actuarial Liability



## Historical and Projected Benefit Payments

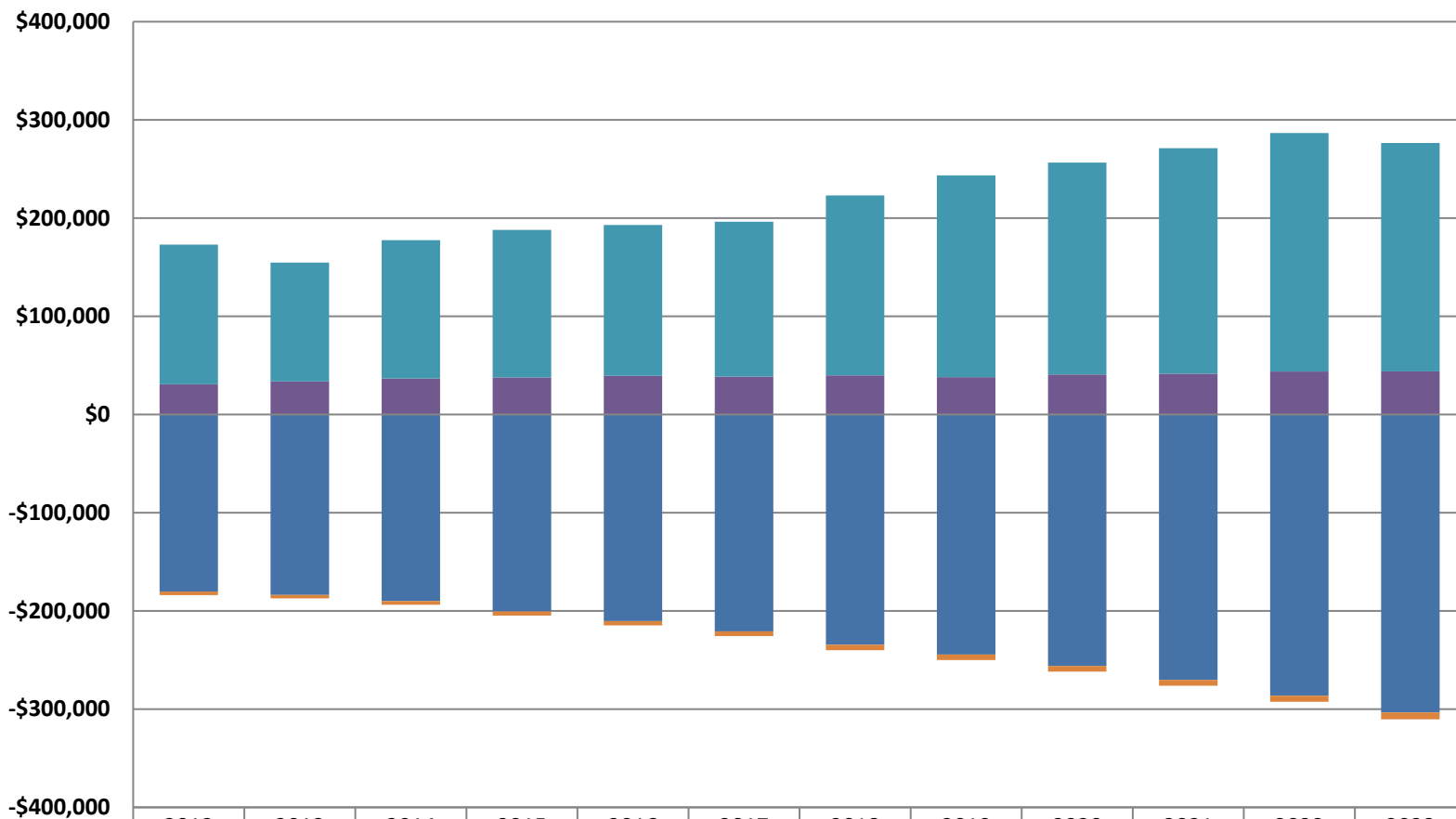


## Contributions as % of City Budget



*Contribution amounts represent the combined amounts for Federated and Police and Fire. Fiscal years 2024-2028 are the projected contributions and City budget based on the City's 5-Year Forecast and Revenue Projections (General Fund Forecast Expenditure Summary I-25)*

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



Administrative Expenses	(3,643)	(3,501)	(3,734)	(4,314)	(4,393)	(4,817)	(5,623)	(5,495)	(5,727)	(5,874)	(6,205)	(6,934)
Benefits	(180,199)	(183,636)	(189,907)	(200,458)	(210,389)	(220,831)	(234,316)	(244,411)	(256,039)	(270,284)	(286,334)	(303,352)
Employer Contributions	142,214	121,042	140,850	150,189	153,545	157,624	183,094	205,362	215,831	229,767	242,809	232,513
Employee Contributions	30,819	33,725	36,789	37,764	39,515	38,696	39,968	38,126	40,780	41,508	43,769	43,960

**POLICE AND FIRE RETIREMENT PLAN  
2024 DISABILITY RETIREMENT STATISTICS**

**DISABILITY RETIREMENT APPLICATION OVERVIEW BY QUARTER  
2024 (CALENDAR YEAR)**

QUARTER (CY)	BEGIN OF QTR. OUTSTANDING APPLICATIONS*	NEW APPLICATIONS RECEIVED**	APPROVED BY BOARD	DENIED BY BOARD	WITHDRAWN BY APPLICANT	DEFERRED BY APPLICANT (NEW)	END OF QTR. OUTSTANDING APPLICATIONS*	NET REDUCTION IN OUTSTANDING APPLICATIONS	TOTAL DEFERRED BY APPLICANT
1 (Jan-Mar)	135	7	15	0	2	11	114	21	25
2 (Apr-June)	114	10	17	0	3	6	98	16	27
3 (July-Sept)									
4 (Oct-Dec)									
<b>TOTAL</b>	---	17	32	0	5	17	---	37	---

\*Not Including Deferred Applications

\*\*Includes deferred applications that have been reactivated by applicant

**DISABILITY RETIREMENT APPLICATION PROCESSING TIME BY APPLICANT  
2024 QUARTER 2 (CALENDAR YEAR)**

Board Agenda	Dept	Type of Retirement	Type of Disability Retirement	Applicant Status	Board Action	Name	Total Days (App. To Board)
April	Police	Change of Status	Service-Connected	Service Retired	Approved	T. La Cap	2,016
April	Fire	Change of Status	Service-Connected	Service Retired	Approved	V. Polverino	1,605
April	Fire	Change of Status	Service-Connected	Service Retired	Approved	J. Welch	1,646
May	Fire	SCDR	Service-Connected	Separated	Approved	S. Fey	1,060
May	Fire	SCDR	Service-Connected	Separated	Approved	C. Loessberg	338
May	Police	Change of Status	Service-Connected	Service Retired	Approved	M. Archer	1,508
May	Fire	Change of Status	Service-Connected	Service Retired	Approved	C. Endicott	1,918
May	Fire	Change of Status	Service-Connected	Service Retired	Approved	R. Gutierrez	1,598
May	Police	Change of Status	Service-Connected	Service Retired	Approved	R. Magdaleno	1,484
May	Fire	Change of Status	Service-Connected	Service Retired	Approved	H. Morton	1,497
May	Police	Change of Status	Service-Connected	Service Retired	Approved	R. Nieves	1,488
June	Fire	SCDR	Service-Connected	Active	Approved	N. Wilder	226
June	Police	Change of Status	Service-Connected	Service Retired	Approved	P. Garcia	1,221
June	Police	Change of Status	Service-Connected	Service Retired	Approved	L. Lim	1,451
June	Fire	Change of Status	Service-Connected	Service Retired	Approved	M. Lomeli	1,430
June	Police	Change of Status	Service-Connected	Service Retired	Approved	T. Murray	1,275
June	Fire	Change of Status	Service-Connected	Service Retired	Approved	D. Wheeler	2,159
<b>Average Time to Process (Years)</b>							<b>3.85</b>

# Appendix



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

