

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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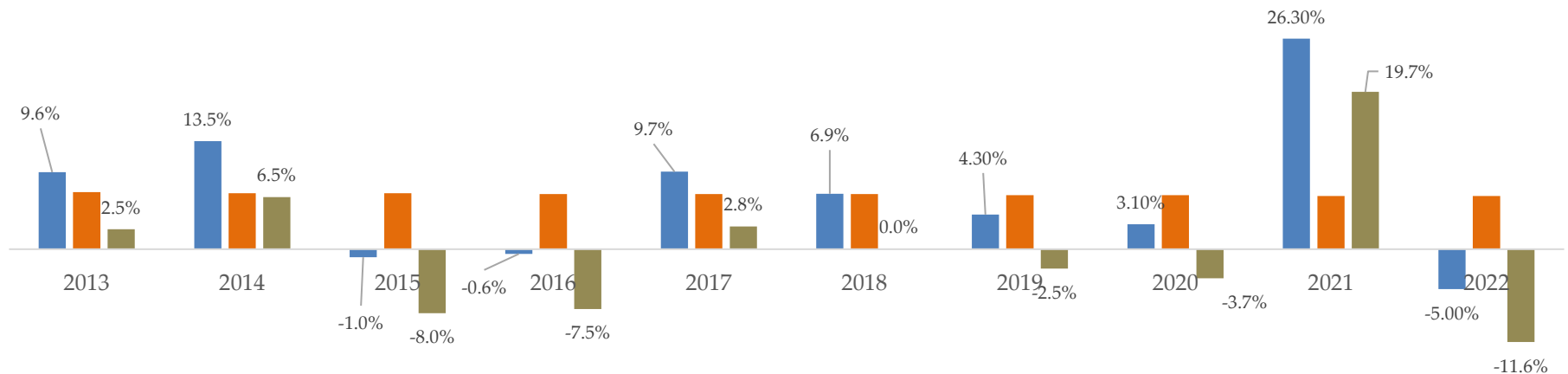
Police and Fire Discount Rate History

Investment Section as of
June 30, 2022

<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%
* Fiscal Year Ends 6/30. Returns are net of fund management fees.					

Plan Return versus Discount Rate

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

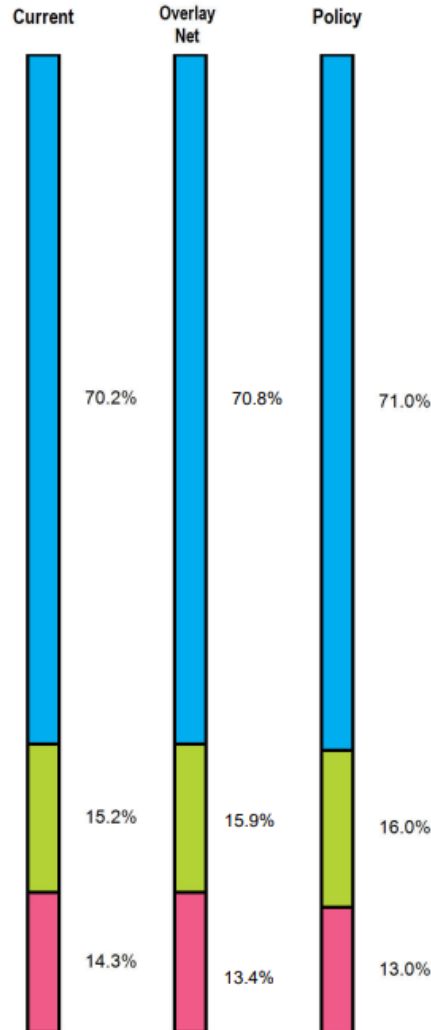


INVESTMENT METRICS



City of San Jose Police and Fire Department Retirement Plan

Total Fund | As of 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%

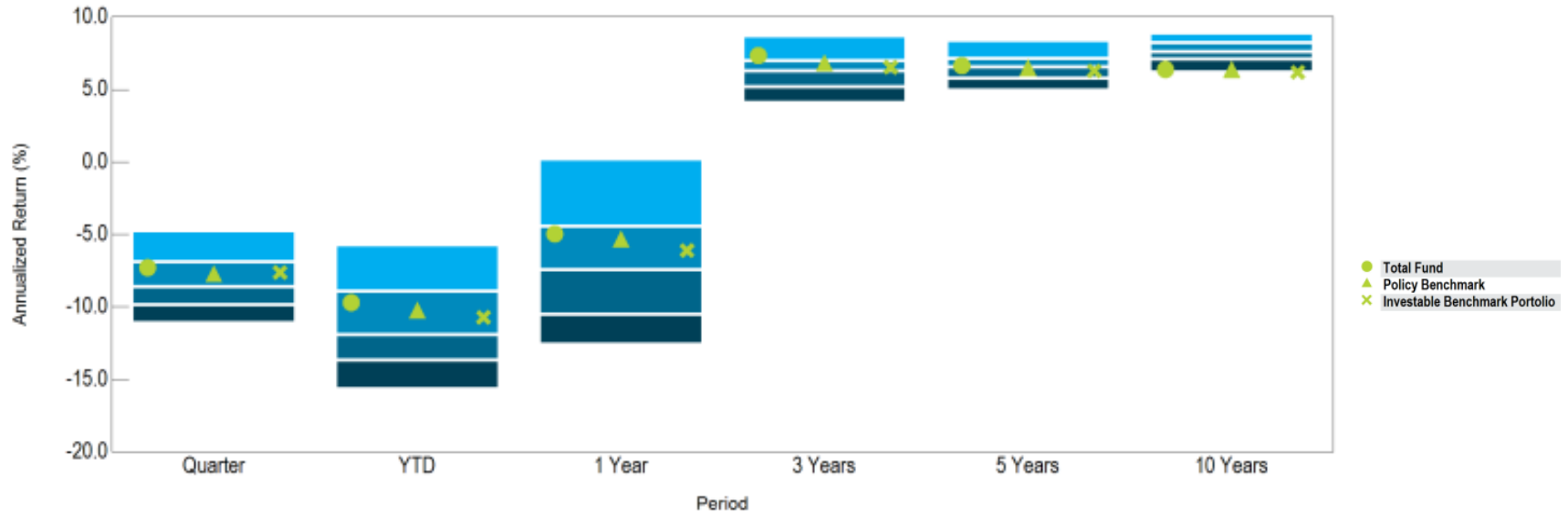
¹ Data in the column titled "Russel Overlay Net Position" is based on physical exposures, adjusted for synthetic positions provided by Russell Investments.

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.

INVESTMENT METRICS

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



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

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
	Period					
	Return (Rank)					
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

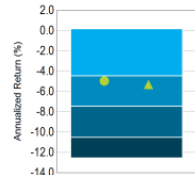
Quarterly Cumulative Excess Performance



INVESTMENT METRICS

Risk Adjusted Performance – 1 Year

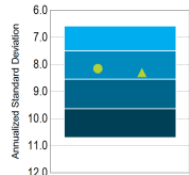
Annualized Return (%)
vs. InvMetrics Public DB > \$1B Net



● Total Fund	
Value	-5.0
Rank	31
▲ Policy Benchmark	
Value	-5.3
Rank	35

Universe	0.2
5th %tile	-4.4
25th %tile	-7.4
Median	-10.5
75th %tile	-12.5
95th %tile	

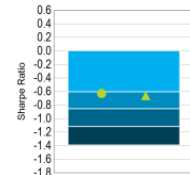
Annualized Standard Deviation
vs. InvMetrics Public DB > \$1B Net



● Total Fund	8.2
Rank	41
▲ Policy Benchmark	8.3
Rank	45

Universe	6.6
5th %tile	7.5
25th %tile	8.5
Median	9.6
75th %tile	10.7
95th %tile	

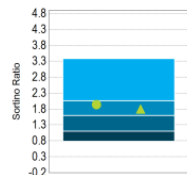
Sharpe Ratio
vs. InvMetrics Public DB > \$1B Net



● Total Fund	-0.6
Rank	30
▲ Policy Benchmark	-0.7
Rank	33

Universe	0.0
5th %tile	-0.6
25th %tile	-0.9
Median	-1.1
75th %tile	-1.4
95th %tile	

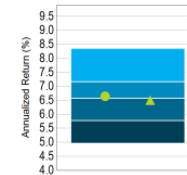
Sortino Ratio
vs. InvMetrics Public DB > \$1B Net



● Total Fund	1.9
Rank	34
▲ Policy Benchmark	1.8
Rank	40

Universe	3.4
5th %tile	2.1
25th %tile	1.6
Median	1.1
75th %tile	0.8
95th %tile	

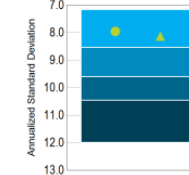
Annualized Return (%)
vs. InvMetrics Public DB > \$1B Net



● Total Fund	6.6
Rank	50
▲ Policy Benchmark	6.5
Rank	51

Universe	8.4
5th %tile	7.2
25th %tile	6.6
Median	5.8
75th %tile	5.0
95th %tile	

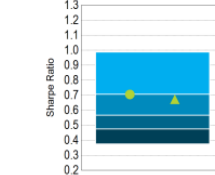
Annualized Standard Deviation
vs. InvMetrics Public DB > \$1B Net



● Total Fund	8.0
Rank	19
▲ Policy Benchmark	8.1
Rank	21

Universe	7.2
5th %tile	8.5
25th %tile	9.6
Median	10.4
75th %tile	12.0
95th %tile	

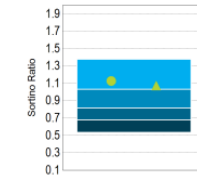
Sharpe Ratio
vs. InvMetrics Public DB > \$1B Net



● Total Fund	0.7
Rank	26
▲ Policy Benchmark	0.7
Rank	30

Universe	1.0
5th %tile	0.7
25th %tile	0.6
Median	0.5
75th %tile	0.4
95th %tile	

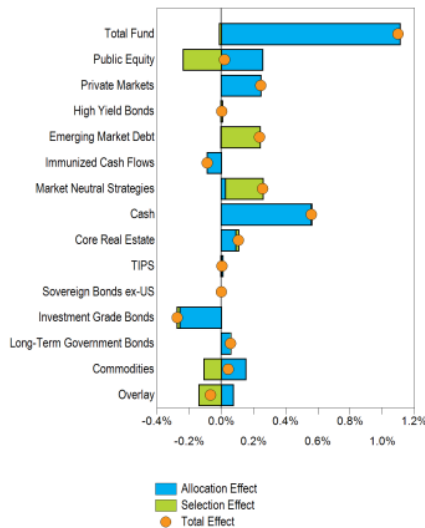
Sortino Ratio
vs. InvMetrics Public DB > \$1B Net



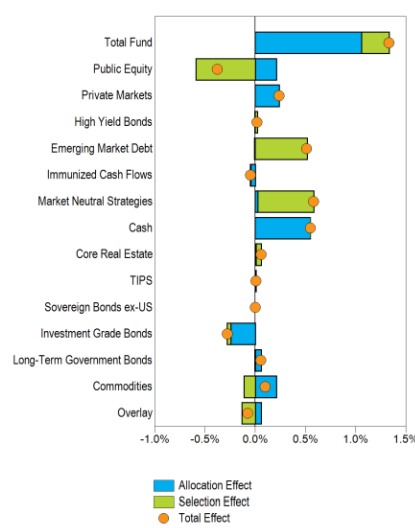
● Total Fund	1.1
Rank	17
▲ Policy Benchmark	1.1
Rank	19

Universe	1.4
5th %tile	1.0
25th %tile	0.8
Median	0.7
75th %tile	0.5
95th %tile	

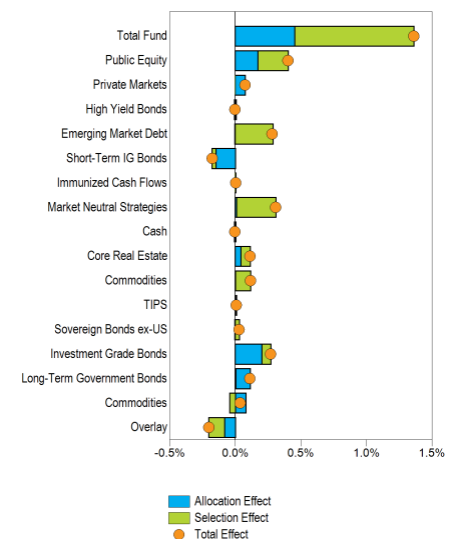
Attribution Effects – 3 Months



Attribution Effects – 1 Year

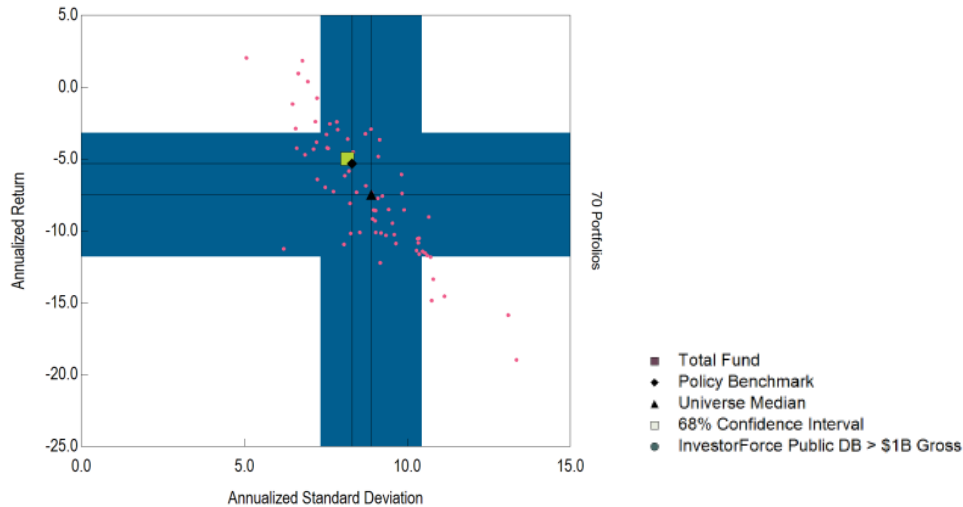


Attribution Effects – 3 Years

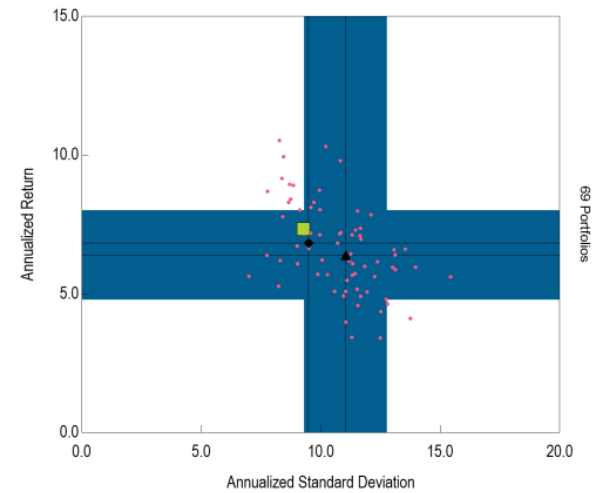


INVESTMENT METRICS

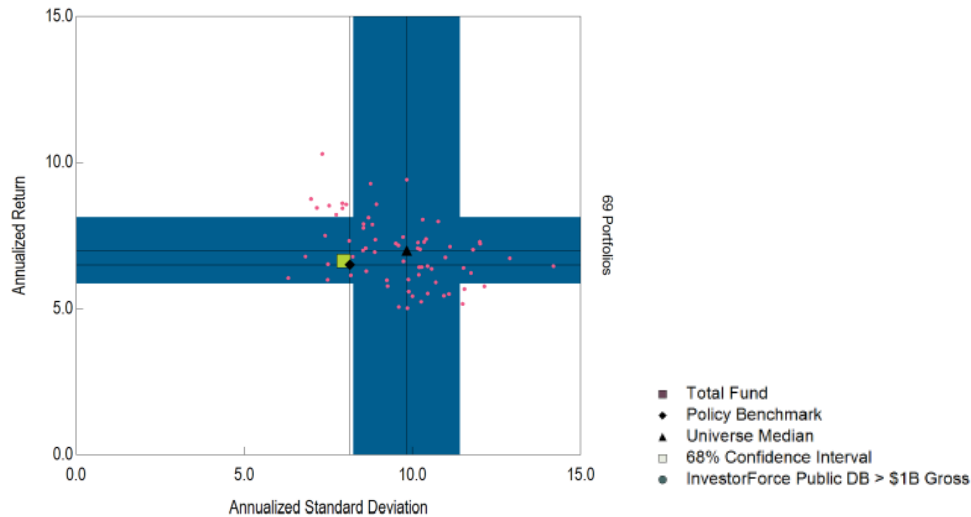
Plan Risk vs. Return – 1 Year



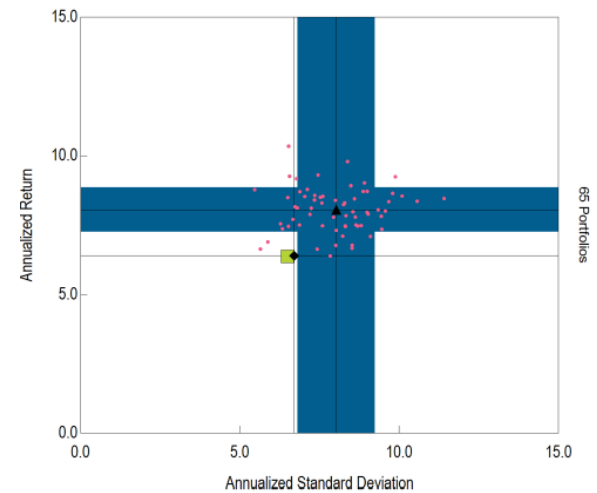
Plan Risk vs. Return – 3 Years



Plan Risk vs. Return – 5 Years



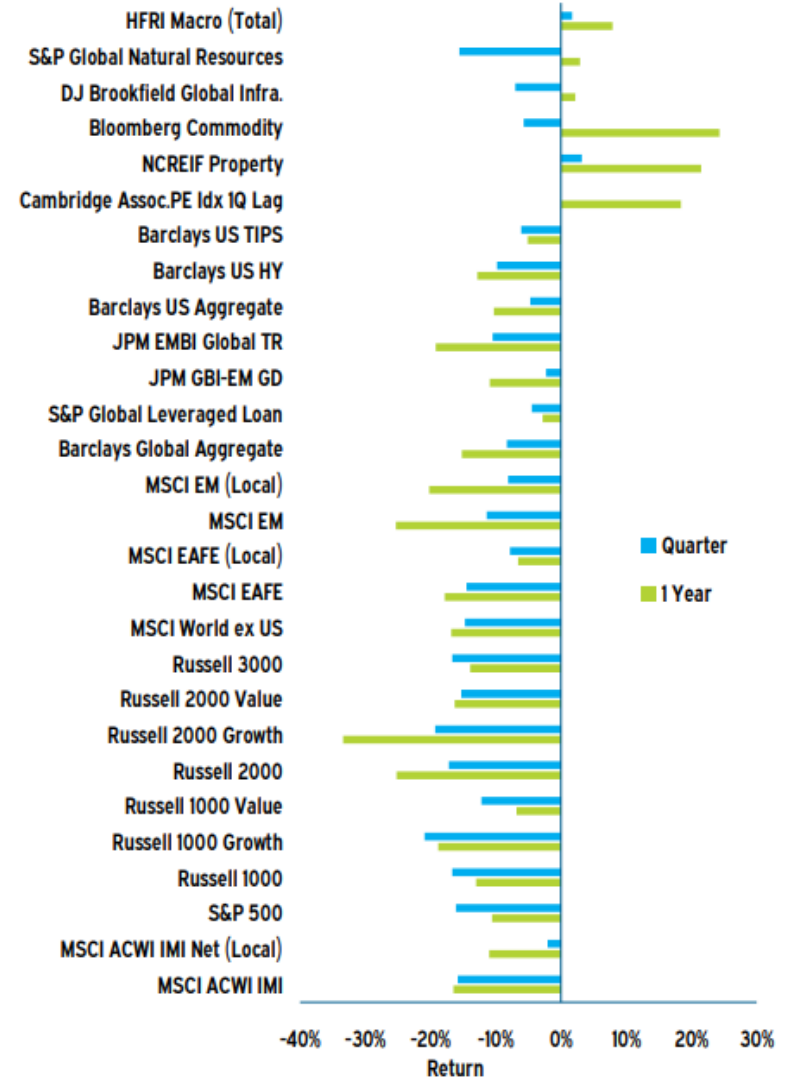
Plan Risk vs. Return – 10 Years



CAPITAL MARKET OVERVIEW

Market Environment – 2Q22 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 Associates PE 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



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



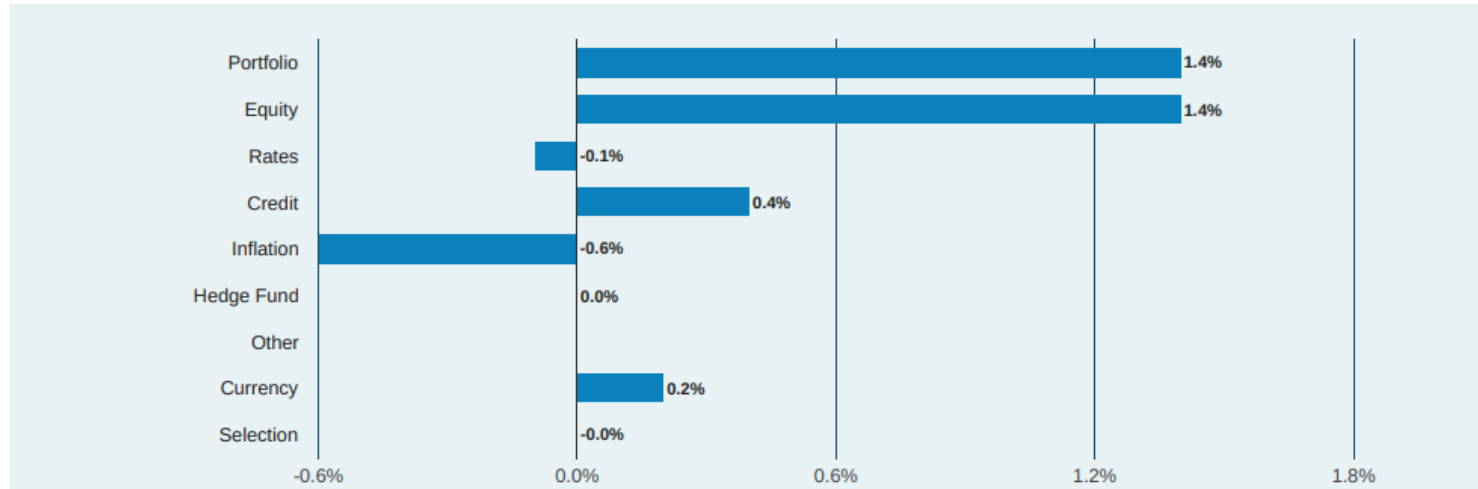
Policy: 0.5



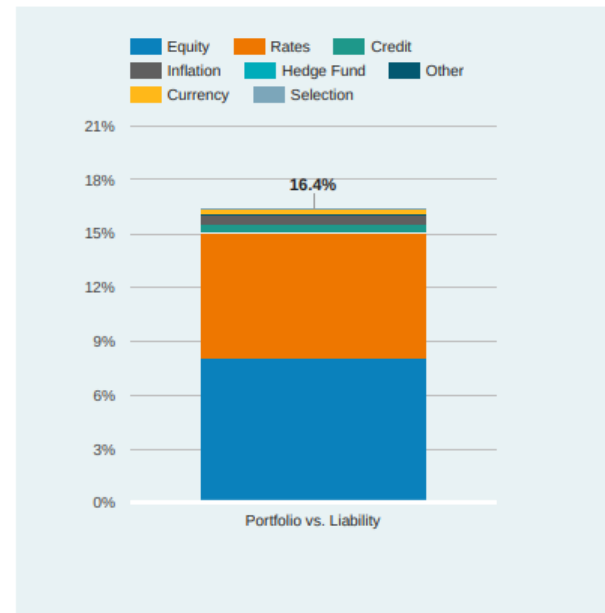
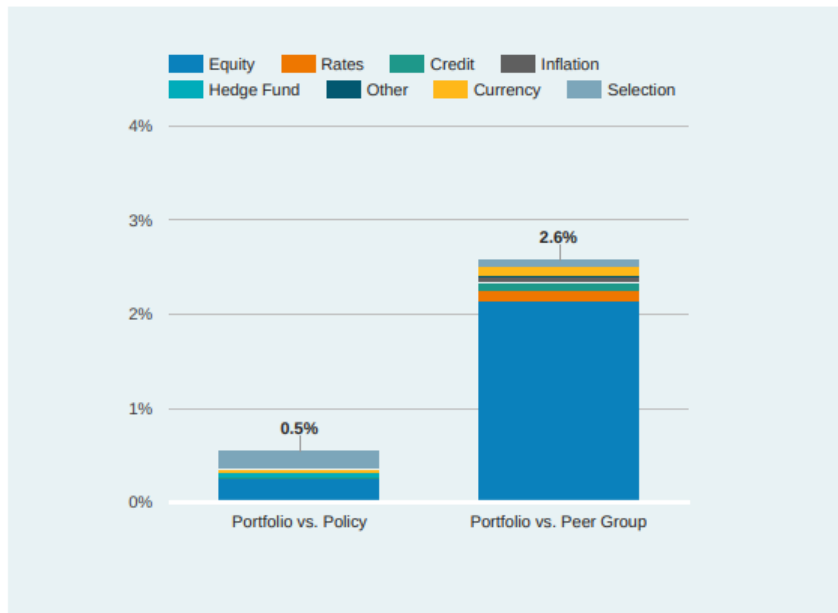
Peer Group: 1.0

RISK METRICS

7 Risk factor weight relative to target



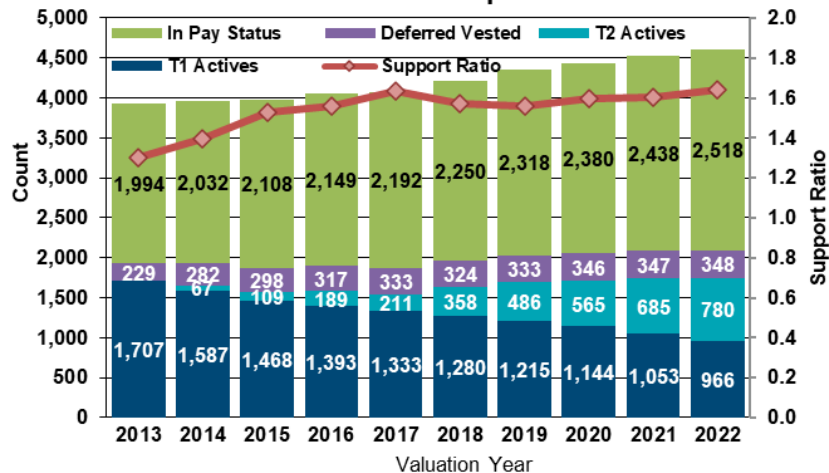
11 Active risk contribution by risk factor



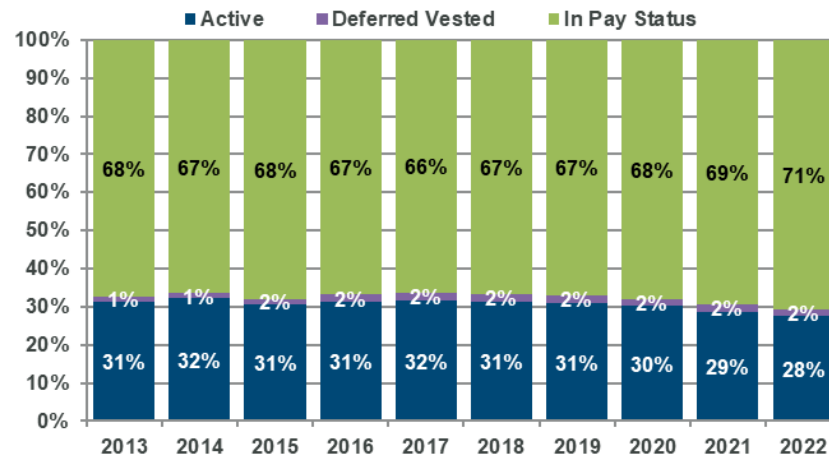
Actuarial Metrics



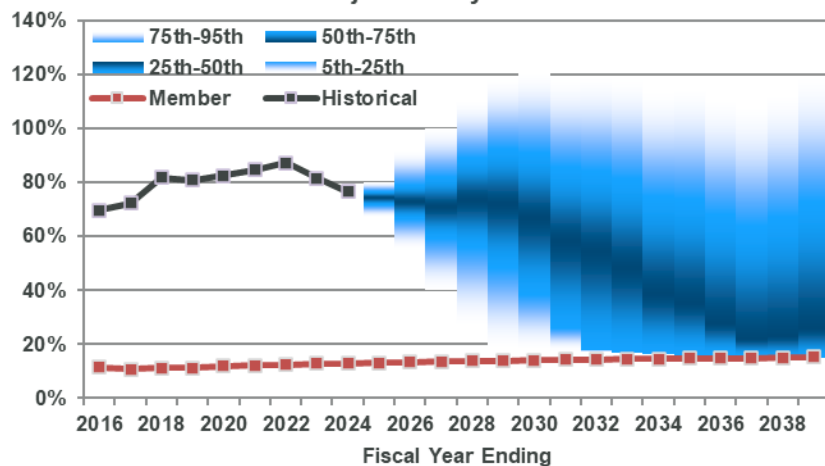
Historical Membership Counts



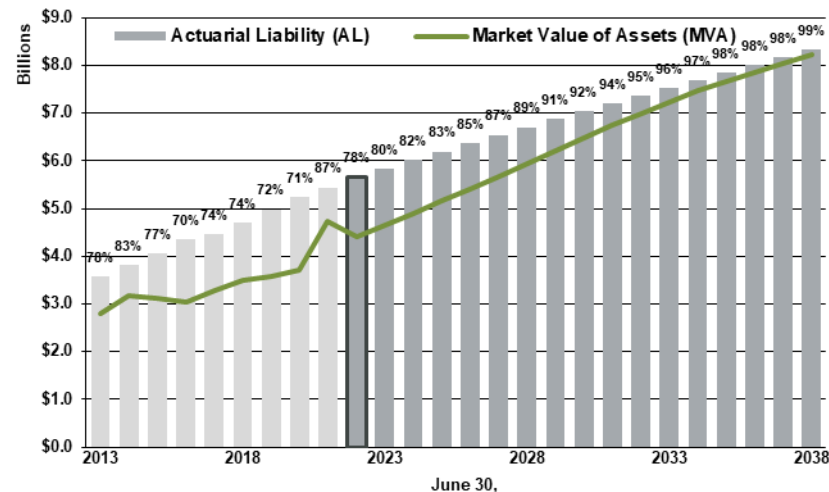
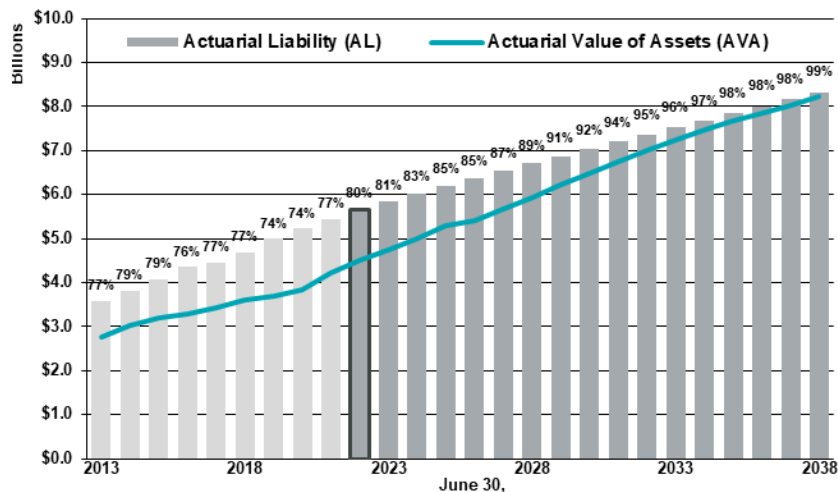
Percentage of Actuarial Liability by Status



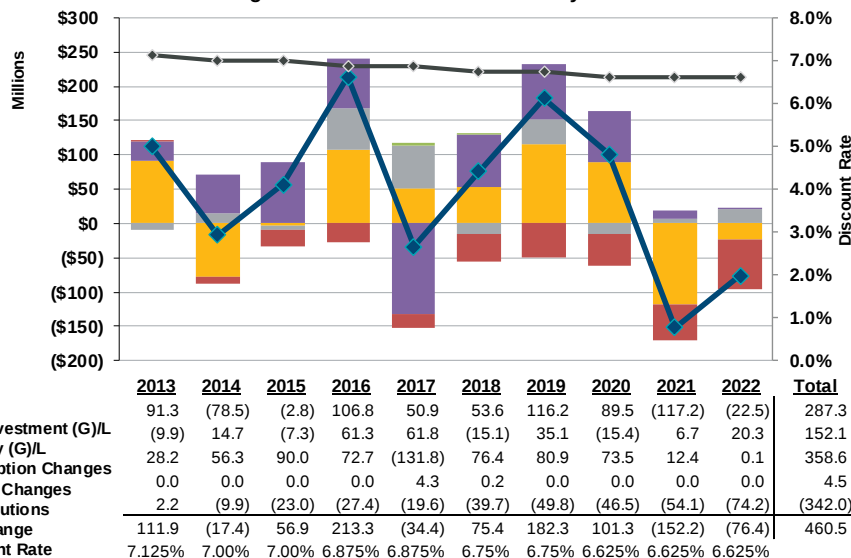
Historical and Projected City Contribution Rates



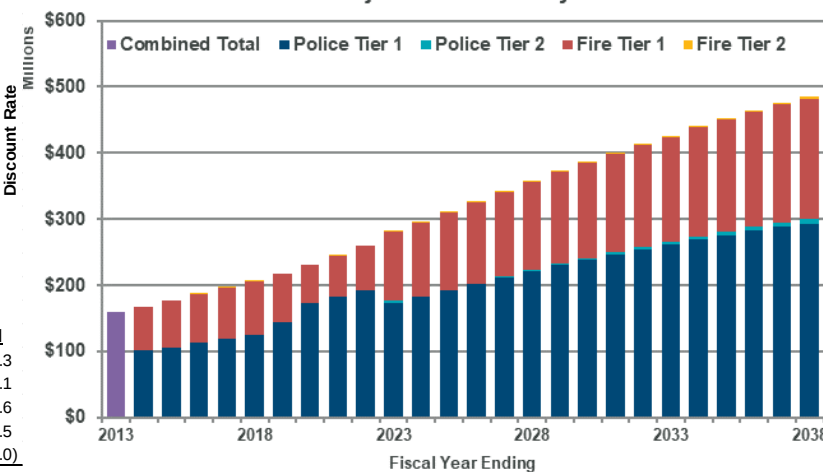
Actuarial Metrics



Changes in Unfunded Actuarial Liability



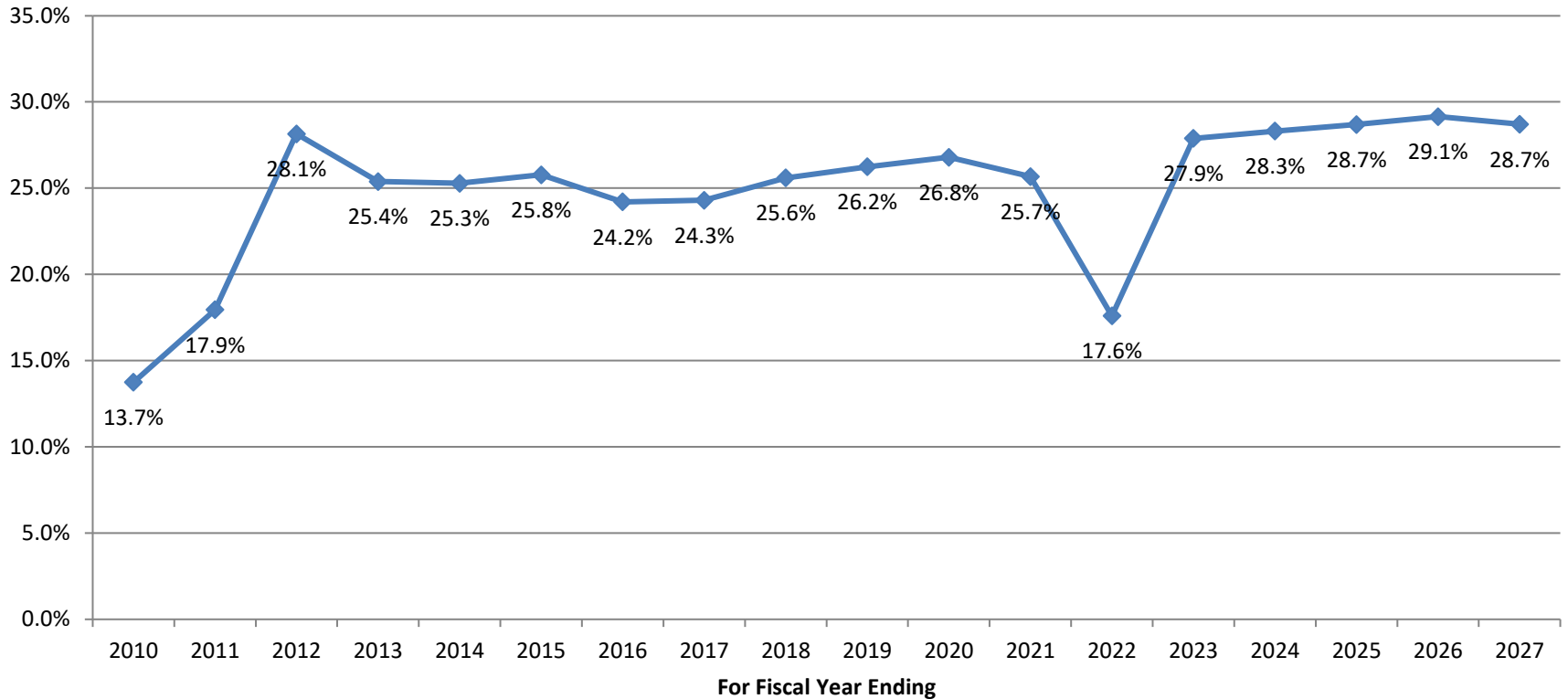
Historical and Projected Benefit Payments



June 30, 2022 Valuation

Changes as of 10/14/22

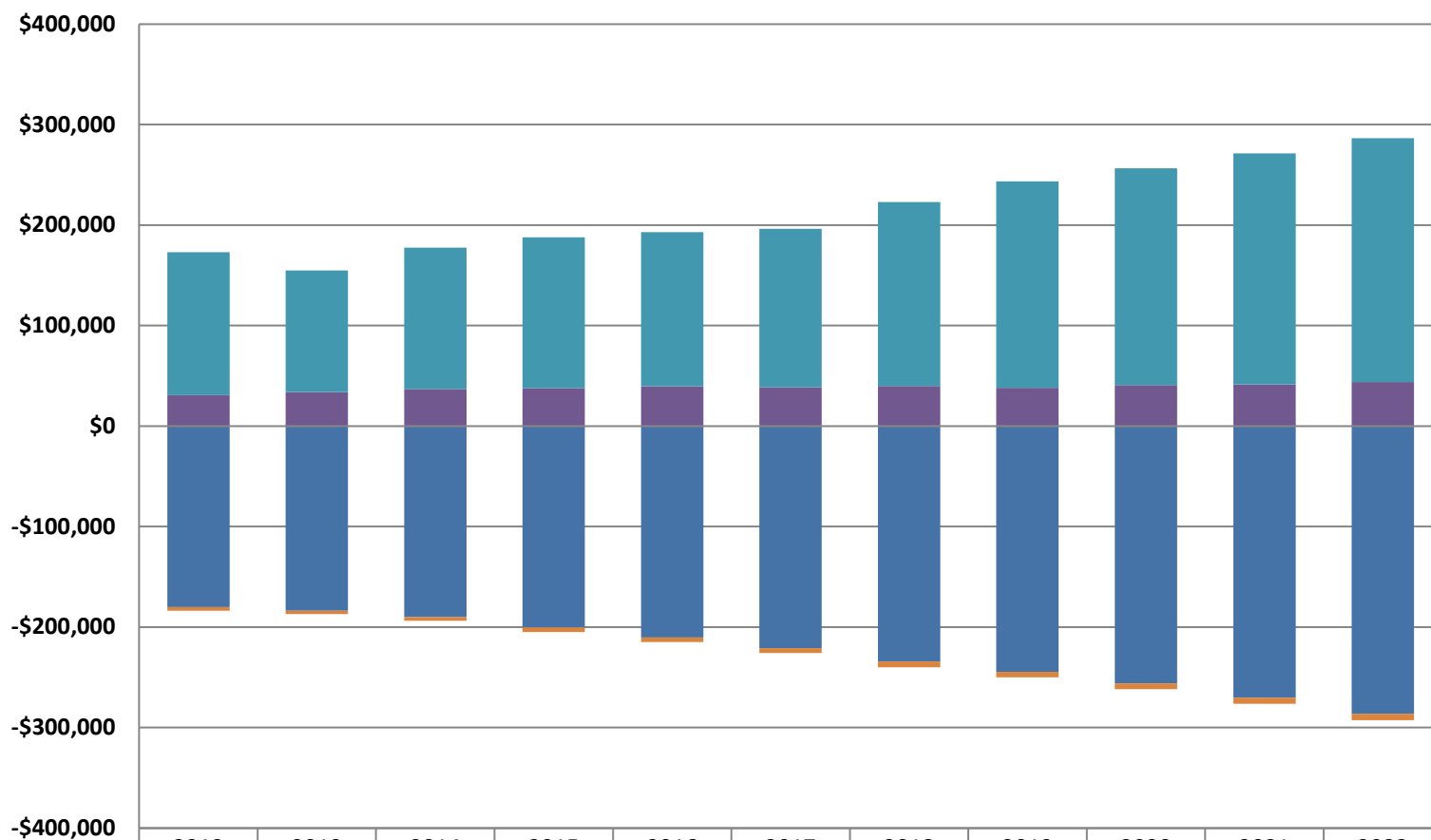
Contributions as % of City Budget



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)



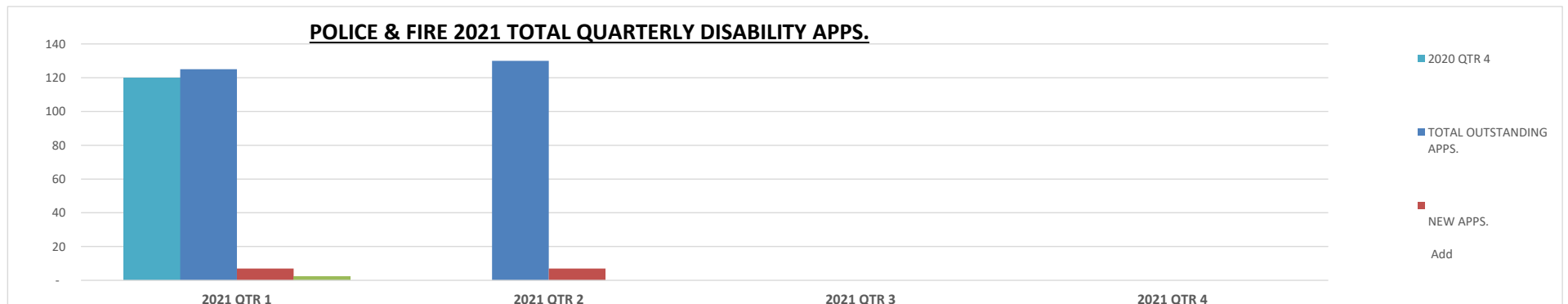
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative Expenses	(3,643)	(3,501)	(3,734)	(4,314)	(4,393)	(4,817)	(5,623)	(5,495)	(5,727)	(5,874)	(6,205)
Benefits	(180,199)	(183,636)	(189,907)	(200,458)	(210,389)	(220,831)	(234,316)	(244,411)	(256,039)	(270,284)	(286,334)
Employer Contributions	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

					<u>BREAKOUT DETAIL OF "TOTAL OUTSTANDING APPS."</u>						
<u>QUARTERLY STATISTICS</u>	<u>NEW APPS.</u> <u>Add</u>	<u>Interim Non Service-Connected (NSCD) APPROVALS</u> <u>SCD APPLICATION REMAINS PENDING,</u> <u>No Change in Census Numbers</u>	<u>COMPLETED APPS.</u> <u>Subtract</u>	<u>TOTAL OUTSTANDING APPS.</u>	<u>APPS. DEFERRED BY ATTORNEY OR APPLICANT</u>	<u>APPS. THAT ARE NOT MMI AND ARE NOT READY TO PROCEED</u>	<u>APPS. THAT ARE MMI AND ARE READY FOR INDEPENDENT MEDICAL EVALUATION (IME)</u>	<u>APPS. FOR WHICH IME EXAM IS DONE, IME REPORT IS REC'D. AND READY FOR BOARD MEDICAL ADVISOR REPORT</u>	<u>APPS. FOR WHICH BOARD MEDICAL ADVISOR REPORT WAS REC'D. AND ARE READY FOR COMMITTEE MEETING</u>	<u>APPS. FOR WHICH COMMITTEE DECISION WAS RENDERED AND READY TO GO TO THE BOARD</u>	<u>TOTAL OUTSTANDING APPS.</u>
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 to 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	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

