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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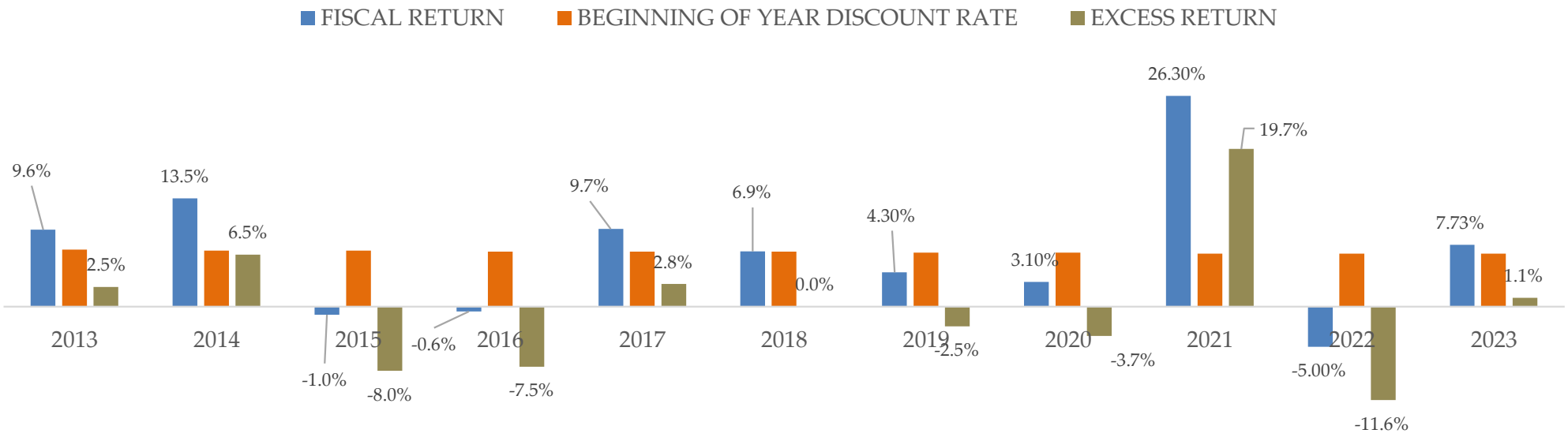
Police and Fire Discount Rate History

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%
11	2023	3.84%	6.63%	7.7%	1.1%

Plan Return versus Discount Rate



Source: Mellon Nexen.

MEKETA

City of San Jose Police and Fire Department Retirement Plan

Total Fund | As of September 30, 2023

	Current Balance ($)	Current Allocation (%)	Russell Overlay Net position (%)	Policy (%)
Growth	3,323,876,602	69.7%	70.6%	71.0
Public Equity	1,942,663,794	40.7%	41.6%	42.0
Private Markets	1,198,576,408	25.1%	25.1%	25.0
Emerging Markets Debt	87,603,845	1.8%	1.8%	2.0
High Yield Bonds	95,032,556	2.0%	2.0%	2.0
Low Beta	820,009,940	17.2%	15.9%	16.0
Market Neutral Strategies	145,029,485	3.0%	3.0%	3.0
Immunized Cash Flows	612,361,864	12.8%	12.8%	13.0
Cash	62,618,591	1.3%	0.0%	0.0
Other	625,058,938	13.1%	13.5%	13.0
Core Real Estate	263,338,747	5.5%	5.5%	5.0
TIPS	97,187,517	2.0%	2.0%	2.0
Investment Grade Bonds	200,345,732	4.2%	4.5%	4.5
Long Term Govt Bonds	64,186,942	1.3%	1.5%	1.5
Total	4,768,945,480	100%	100%	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 6/30/2023. Data on subsequent pages is from the custodian and may not reflect all trades made on or before 6/30/2023 depending on the settlement date of transaction.

Source: Meketa. Quarterly updated.

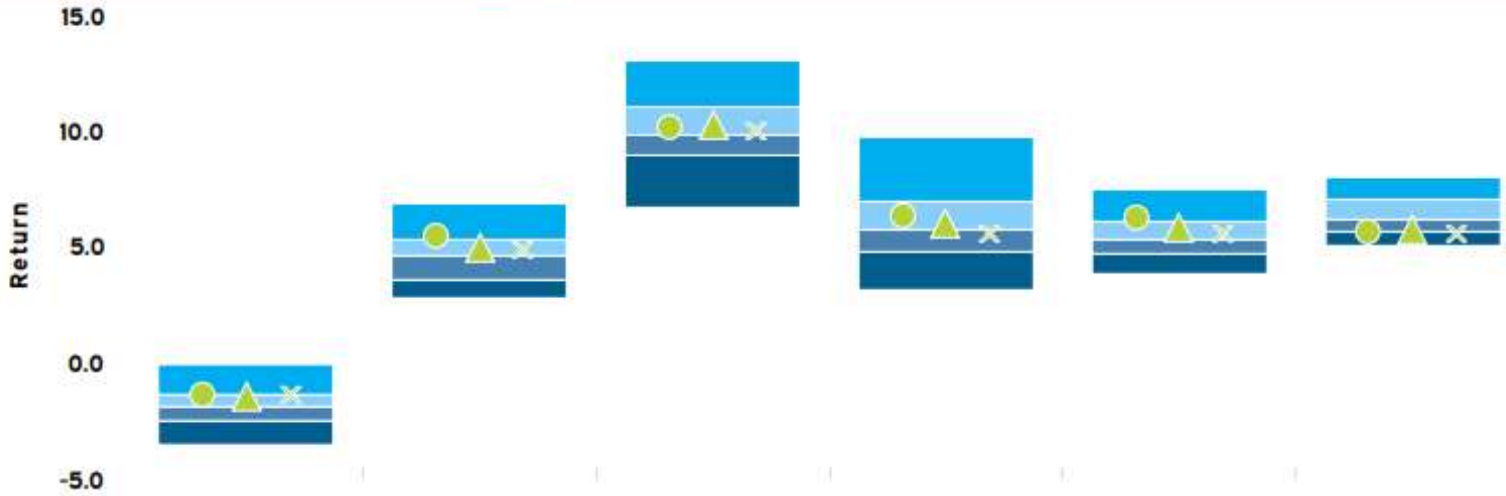
INVESTMENT METRICS

MEKETA

City of San Jose Police and Fire Department Retirement Plan

Total Fund | As of September 30, 2023

InvMetrics All Public DB Plans > $1B Net Return Comparison
Ending September 30, 2023



	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	-1.3 (25)	5.5 (20)	10.1 (44)	6.3 (35)	6.2 (23)	5.6 (76)
Policy Benchmark	-1.4 (27)	5.0 (34)	10.3 (39)	6.0 (43)	5.8 (32)	5.7 (74)
Investable Benchmark Portolio	-1.3 (25)	4.9 (38)	10.0 (48)	5.6 (55)	5.6 (36)	5.5 (82)
5th Percentile	-0.1	6.9	13.0	9.7	7.4	8.0
1st Quartile	-1.3	5.3	11.0	6.9	6.1	7.0
Median	-1.9	4.6	9.8	5.7	5.3	6.2
3rd Quartile	-2.5	3.5	8.9	4.8	4.7	5.7
95th Percentile	-3.5	2.8	6.7	3.1	3.8	5.1
Population	79	73	73	63	61	54

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

Source: Meketa. Quarterly updated.

INVESTMENT METRICS

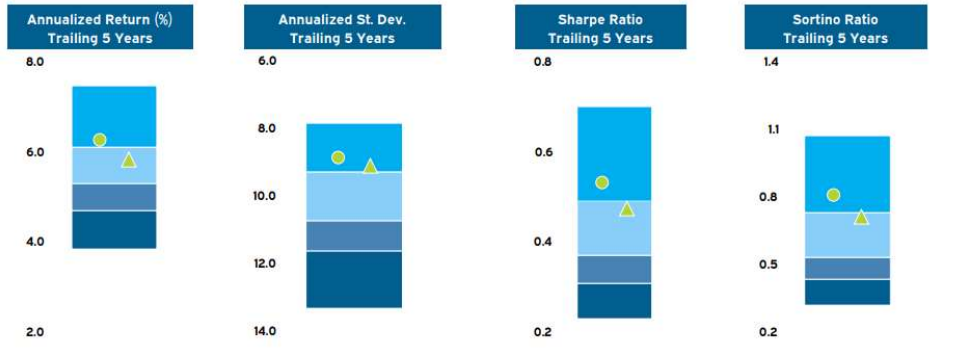
Risk Adjusted Performance – 1 Year

Total Fund | One Year As of September 30, 2023

	Annualized Return (%) Trailing 1 Year	Annualized St. Dev. Trailing 1 Year	Sharpe Ratio Trailing 1 Year	Sortino Ratio Trailing 1 Year
Total Fund	10.1 (44)	7.2 (23)	0.8 (28)	1.3 (30)
Policy Benchmark	10.3 (39)	7.5 (30)	0.7 (29)	1.3 (32)
5th Percentile	13.0	4.5	1.0	1.9
1st Quartile	11.0	7.2	0.8	1.4
Median	9.8	8.0	0.7	1.2
3rd Quartile	8.9	9.5	0.5	0.9
95th Percentile	6.7	11.5	0.3	0.4

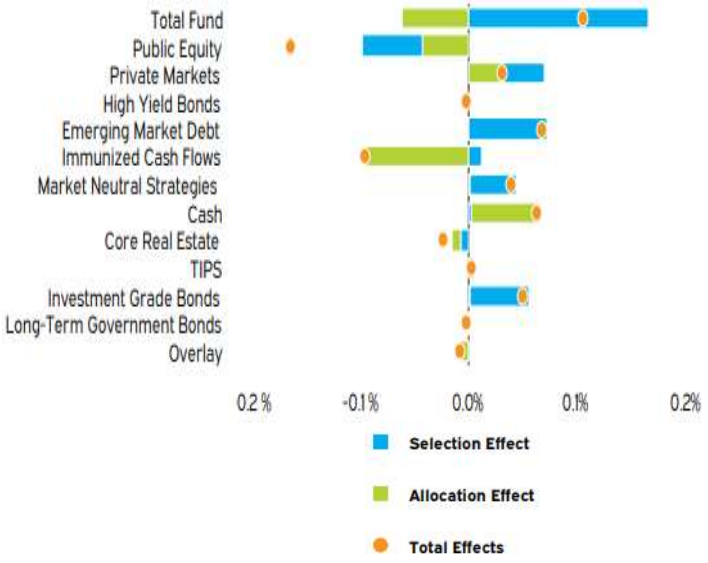
Risk Adjusted Performance – 5 Years

Total Fund | Five Years As of September 30, 2023

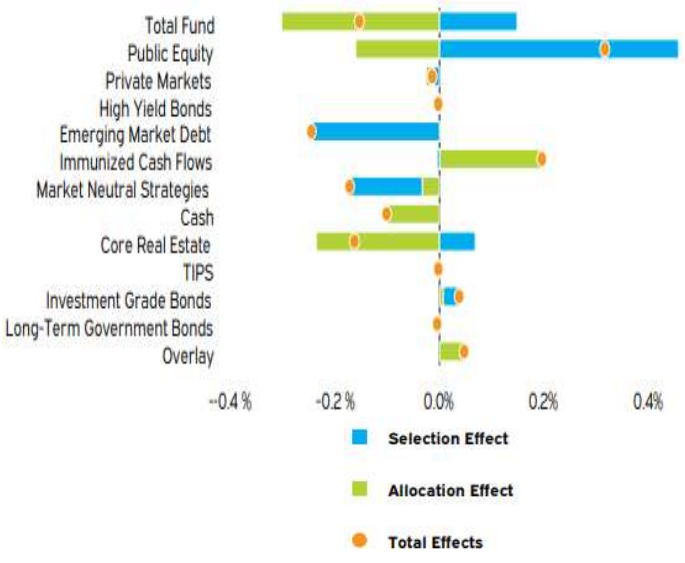


	Annualized Return (%) Trailing 5 Years	Annualized St. Dev. Trailing 5 Years	Sharpe Ratio Trailing 5 Years	Sortino Ratio Trailing 5 Years
Total Fund	6.2 (23)	8.9 (19)	0.5 (21)	0.8 (21)
Policy Benchmark	5.8 (32)	9.1 (23)	0.5 (27)	0.7 (27)
5th Percentile	7.4	7.9	0.7	1.1
1st Quartile	6.1	9.3	0.5	0.7
Median	5.3	10.8	0.4	0.5
3rd Quartile	4.7	11.7	0.3	0.4
95th Percentile	3.8	13.4	0.2	0.3

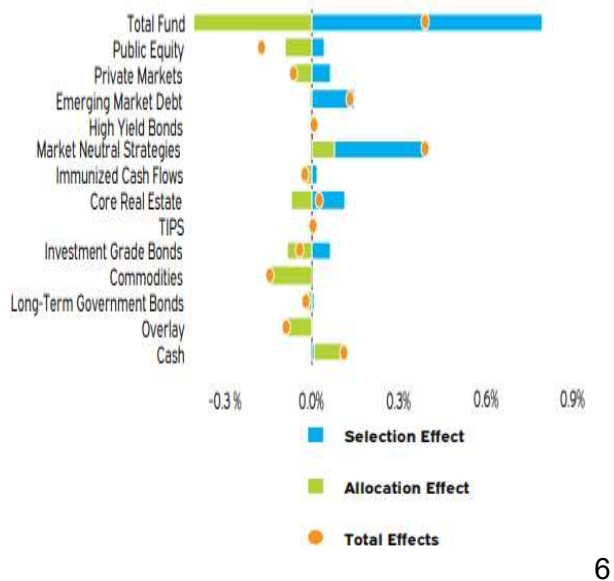
Attribution Effects – 3 Months



Attribution Effects – 1 Year



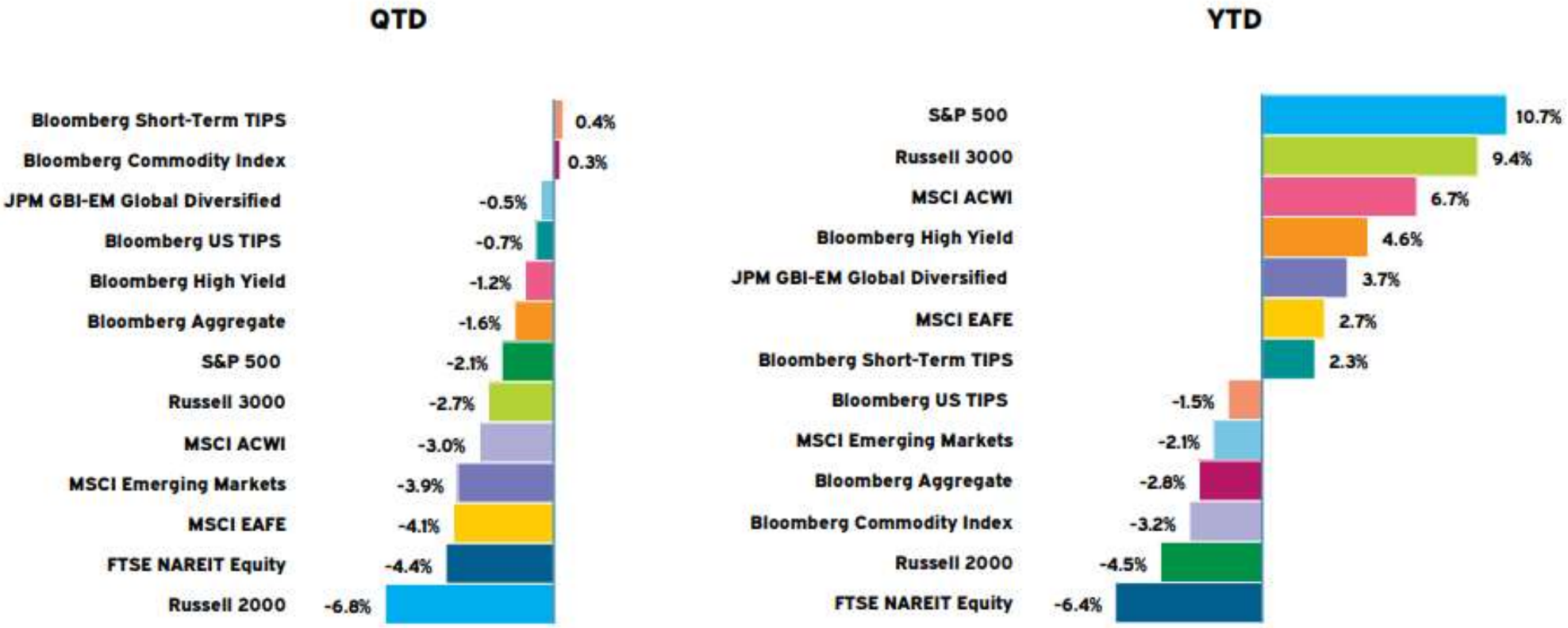
Attribution Effects – 3 Years



Source: Meketa. Quarterly updated.

CAPITAL MARKET OVERVIEW

Index Returns[1]



Source: Meketa, Quarterly updated.

RISK METRICS

San Jose Police and Fire

Portfolio Risk Report

September 30, 2023

1 Portfolio risk

Portfolio: 10.7%

Policy: 11.0%

Peer Group: 10.9%

Liability: 10.3%

2 Portfolio equity beta

3 Portfolio interest rate risk - Duration

Liability: 13.1

4 Portfolio credit risk - Spread duration

Portfolio: 0.5

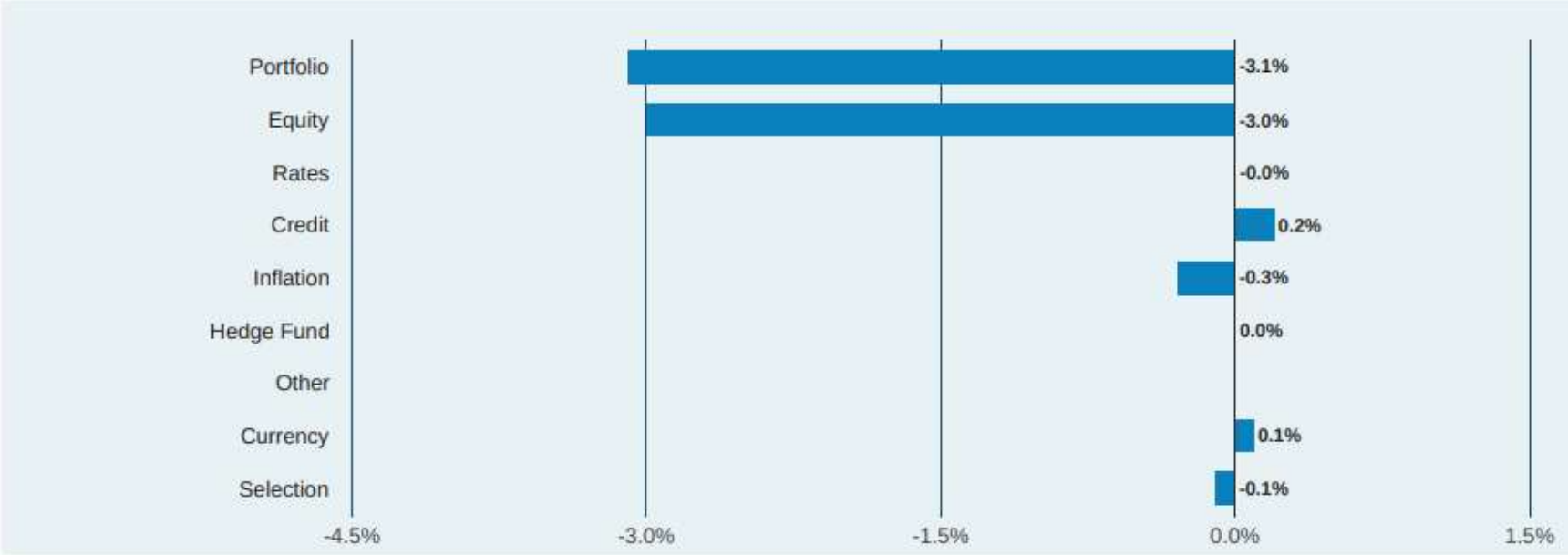
Policy: 0.5

Peer Group: 0.9

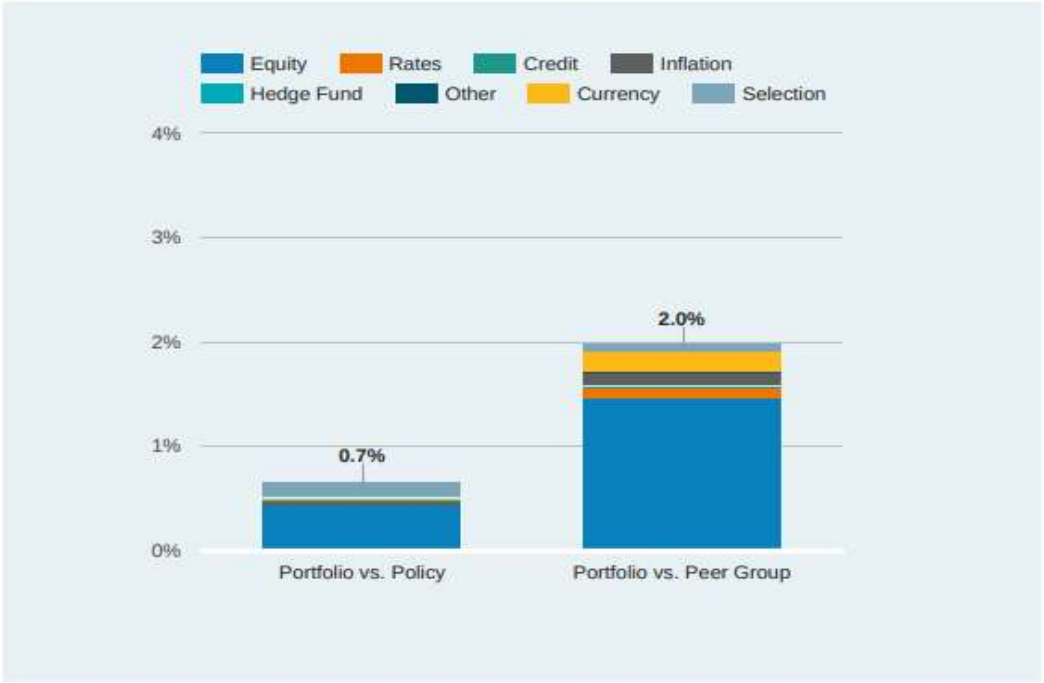
Source: Verus

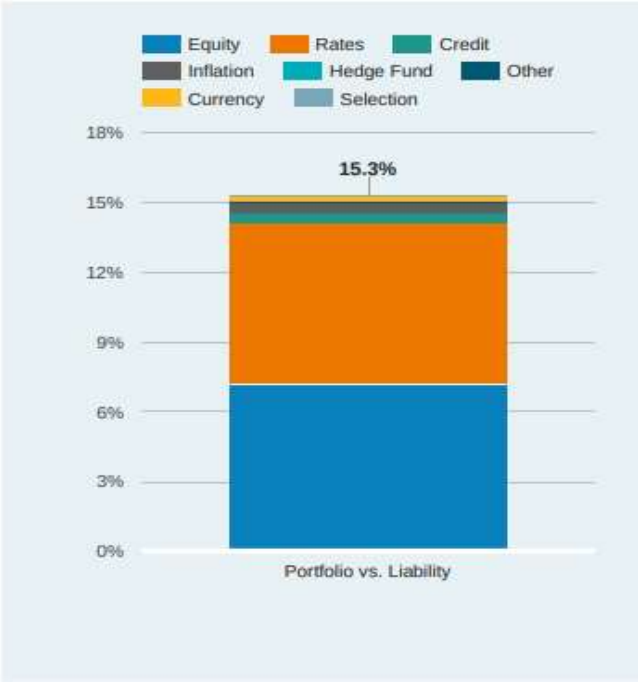
RISK METRICS

7 Risk factor weight relative to target



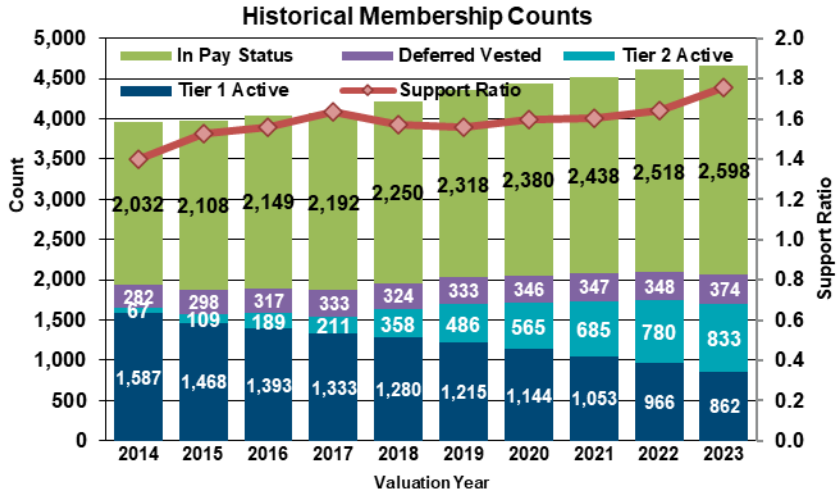
11 Active risk contribution by risk factor

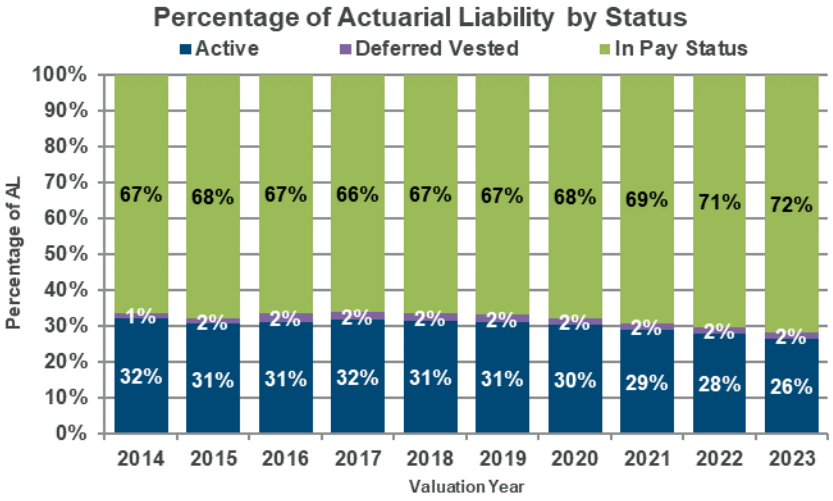


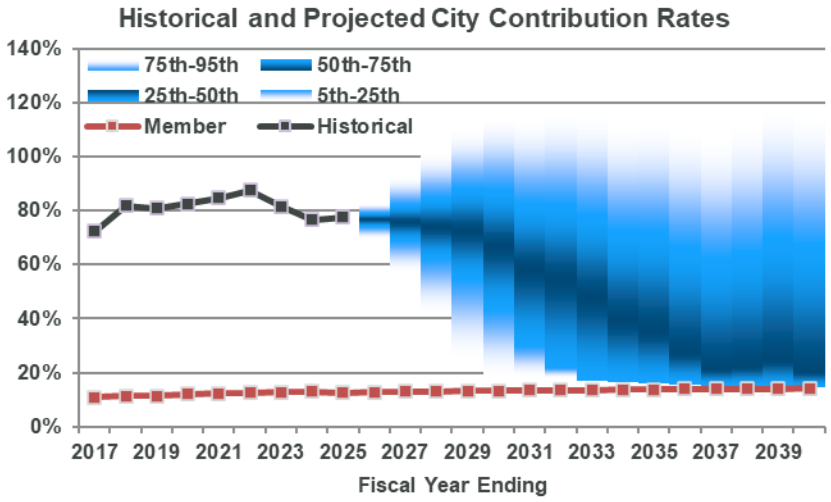


Source: Verus

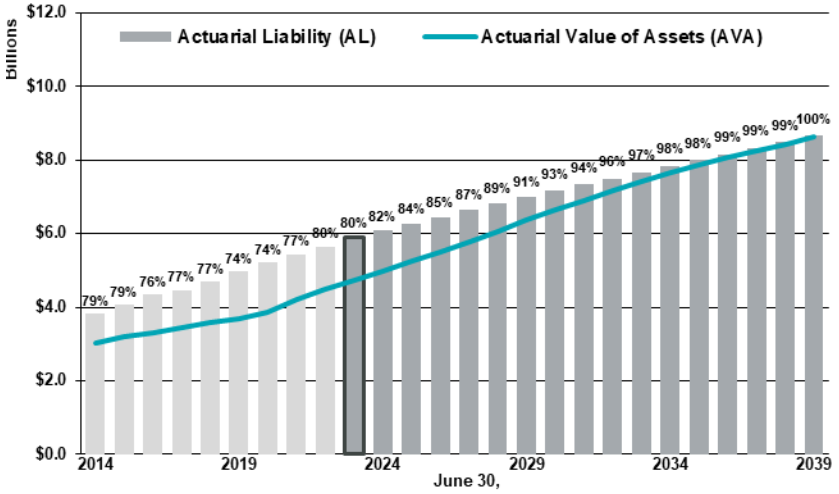
Actuarial Metrics

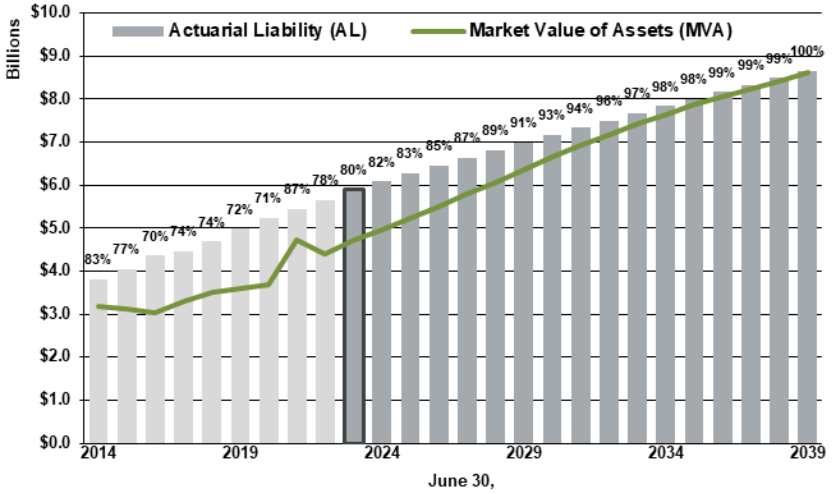




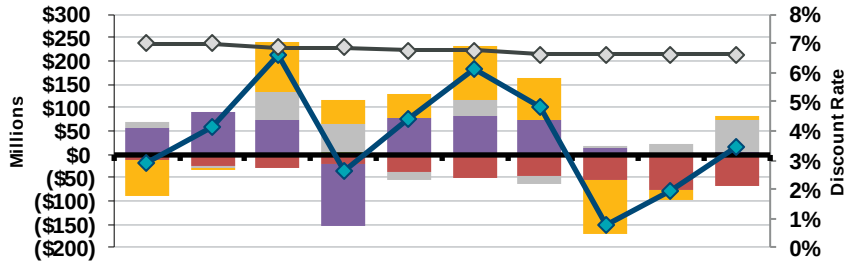


Actuarial Metrics



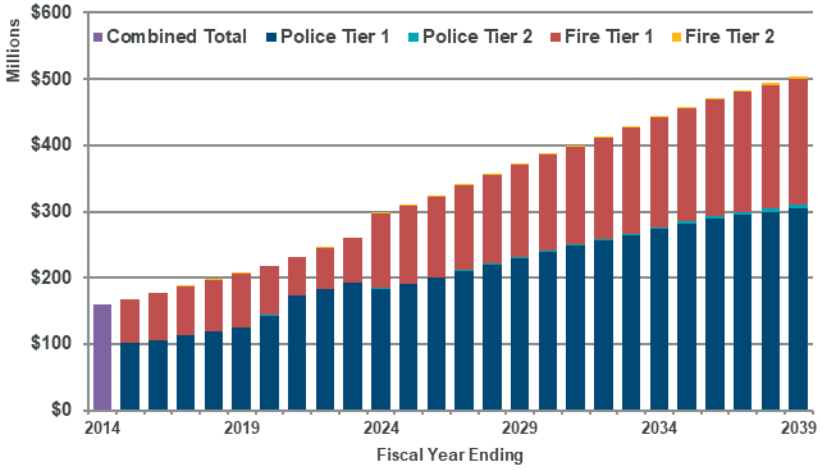


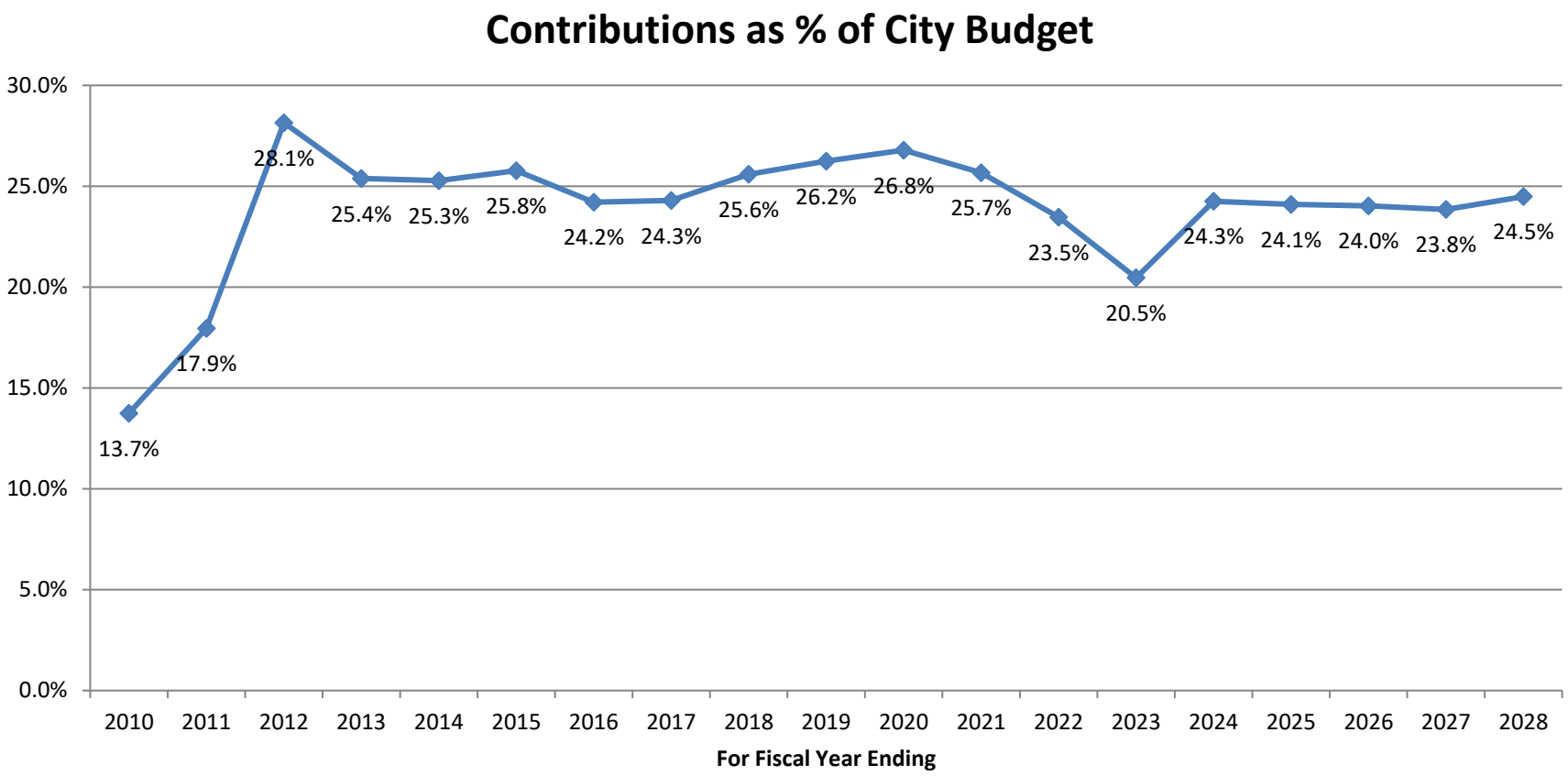
Changes in Unfunded Actuarial Liability



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
AVA Investment (G)/L	(78.5)	(2.8)	106.8	50.9	53.6	116.2	89.5	(117.2)	(22.5)	5.3	201.3
Liability (G)/L	14.7	(7.3)	61.3	61.8	(15.1)	35.1	(15.4)	6.7	20.3	69.6	231.7
Assumption Changes	56.3	90.0	72.7	(131.8)	76.4	80.9	73.5	12.4	0.1	5.7	336.1
Benefit Changes	0.0	0.0	0.0	4.3	0.2	0.0	0.0	0.0	0.0	0.0	4.5
Contributions	(9.9)	(23.0)	(27.4)	(19.6)	(39.7)	(49.8)	(46.5)	(54.1)	(74.2)	(66.6)	(410.8)
Net Change	(17.4)	56.9	213.3	(34.4)	75.4	182.3	101.3	(152.2)	(76.4)	14.0	362.7
Discount Rate	7.00%	7.00%	6.88%	6.88%	6.75%	6.75%	6.63%	6.63%	6.63%	6.63%	

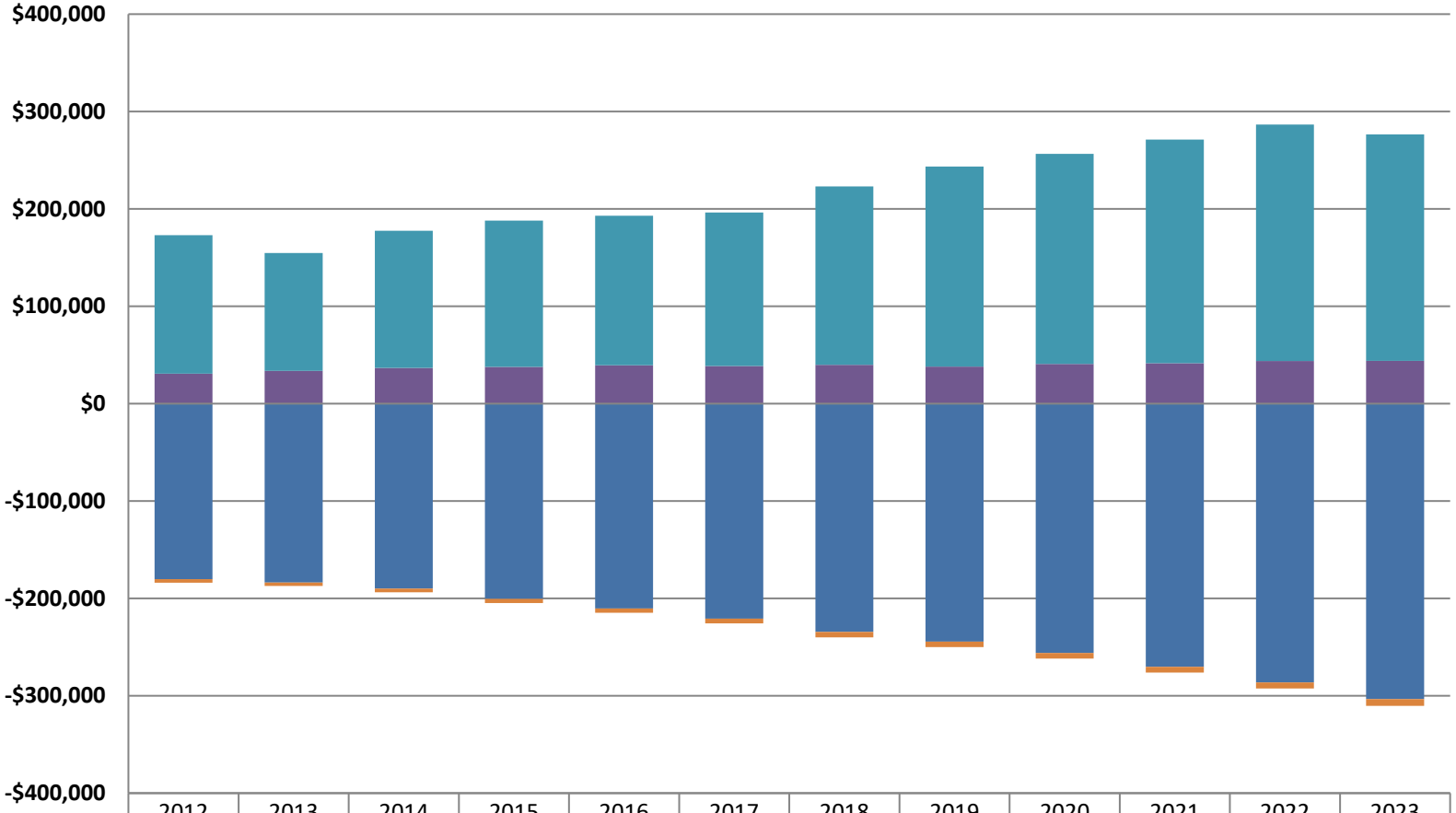
Historical and Projected Benefit Payments





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)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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 REVEIVED**	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)									
3 (July-Sept)									
4 (Oct-Dec)									
TOTAL	---	7	15	0	2	11	---	21	---

*Not Including Deferred Applications
**Includes deferred applications that have been reactivated by applicant

DISABILITY RETIREMENT APPLICATION PROCESSING TIME BY APPLICANT
2024 QUARTER 1 (CALENDAR YEAR)

Board Agenda	Dept	Type of Retirement	Type of Disability Retirement	Applicant Status	Board Action	Name	Total Days (App. To Board)
January	Police	SCDR	Service-Connected	Leave of Absence	Approved	A. Raghavan	**303**
January	Fire	Change of Status	Service-Connected	Service Retired	Approved	J. Abasolo	**1,476**
January	Fire	Change of Status	Service-Connected	Service Retired	Approved	B. Aquino	**1,813**
January	Fire	Change of Status	Service-Connected	Service Retired	Approved	D. Schmidt	**1,728**
January	Fire	Change of Status	Service-Connected	Service Retired	Approved	M Paiss	**1,865**
February	Fire	Change of Status	Service-Connected	Service Retired	Approved	C. Black	**338**
February	Fire	Change of Status	Service-Connected	Service Retired	Approved	T. Pedemonte	**1,353**
February	Police	Change of Status	Service-Connected	Service Retired	Approved	K. Fittreau	**1,536**
February	Police	Change of Status	Service-Connected	Service Retired	Approved	W. Becerra	**1,595**
March	Police	Change of Status	Service-Connected	Service Retired	Approved	A. Rodriguez	**1,675**
March	Fire	Change of Status	Service-Connected	Service Retired	Approved	C. Murphy	**1,504**
March	Police	Change of Status	Service-Connected	Service Retired	Approved	A. Valdes	**1,638**
March	Police	Change of Status	Service-Connected	Service Retired	Approved	T.Trujillo	**1,911**
March	Police	SCDR	Service-Connected	Leave of Absence	Approved	V. Brahimaj	**162**
March	Police	SCDR	Service-Connected	Leave of Absence	Approved	R. Paul	**896**
					Average Time to Process (Years)		**3.62**

Appendix

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