CERITY PARTNERS®

Investment Committee

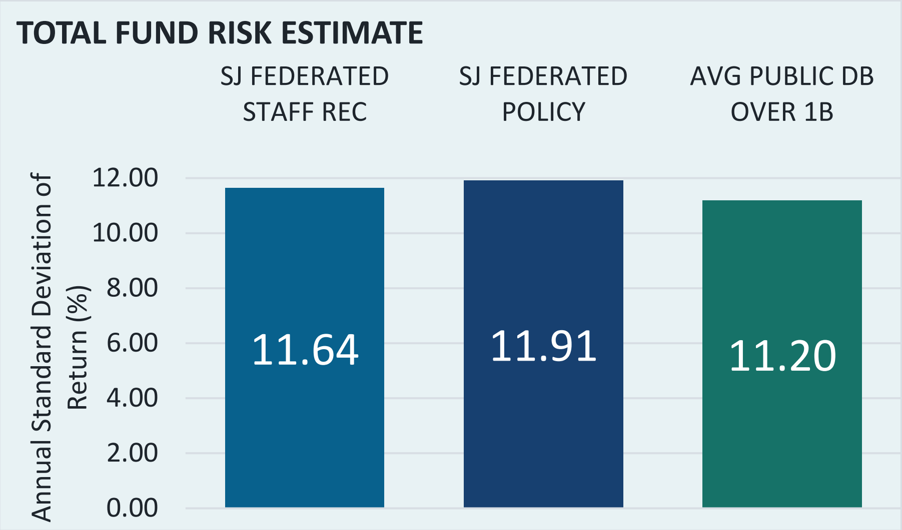
San Jose Federated Employees Retirement Plan

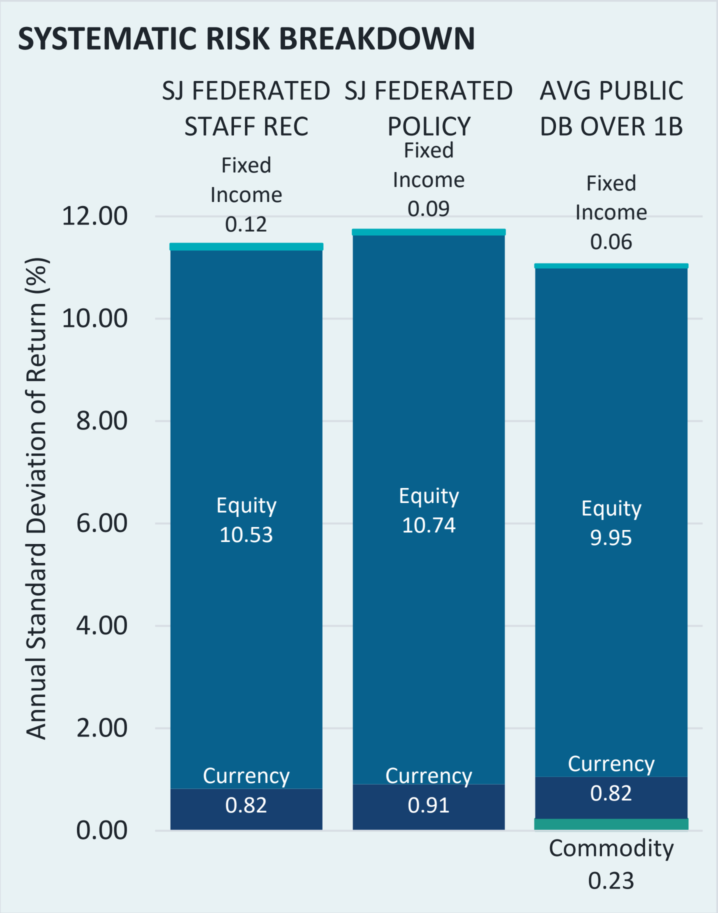
Asset Mixes Risk Analysis

August 2026 (Analysis Date 6/30/26)

Total Fund Volatility (Recommended Mix)

- The factor model confirms the recommended mix represents only a marginal reduction in expected total fund volatility
- Equity factors continue to be the primary sources of total fund volatility





Historical Scenarios (Recommended Mix)

The staff recommended mix is expected to do slightly better than the policy index in almost all these historical drawdown scenarios

The recommended mix is expected to capture almost as much upside in strong equity market scenarios

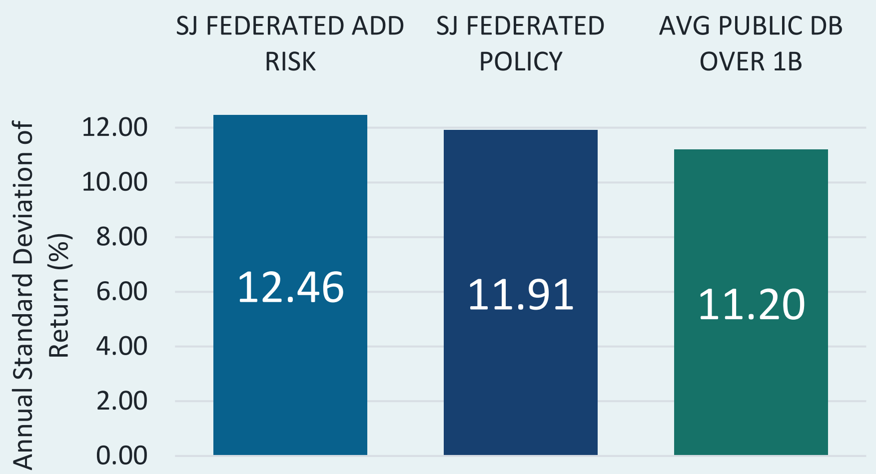
HISTORICAL FACTOR MODEL SCENARIOS

	2007-2009 Credit Crisis	Dot-com Slowdown	1987 Black Monday - current correlations	1990-1991 Economic Slowdown - current correlations	COVID-19 Scenario	September 11th 2001	2007-2008 Oil Price Run-up	Taper Tantrum	Equity Markets Rebound in 2009
SJ FEDERATED STAFF REC	-37.3	-25.2	-15.2	-13.4	-12.5	-8.7	-6.6	4.0	30.8
SJ FEDERATED POLICY	-37.4	-26.2	-15.5	-13.6	-12.6	-9.0	-6.1	4.2	32.1
AVG PUBLIC DB OVER 1B	-35.2	-23.2	-14.6	-12.9	-11.9	-8.1	-4.3	4.1	29.6

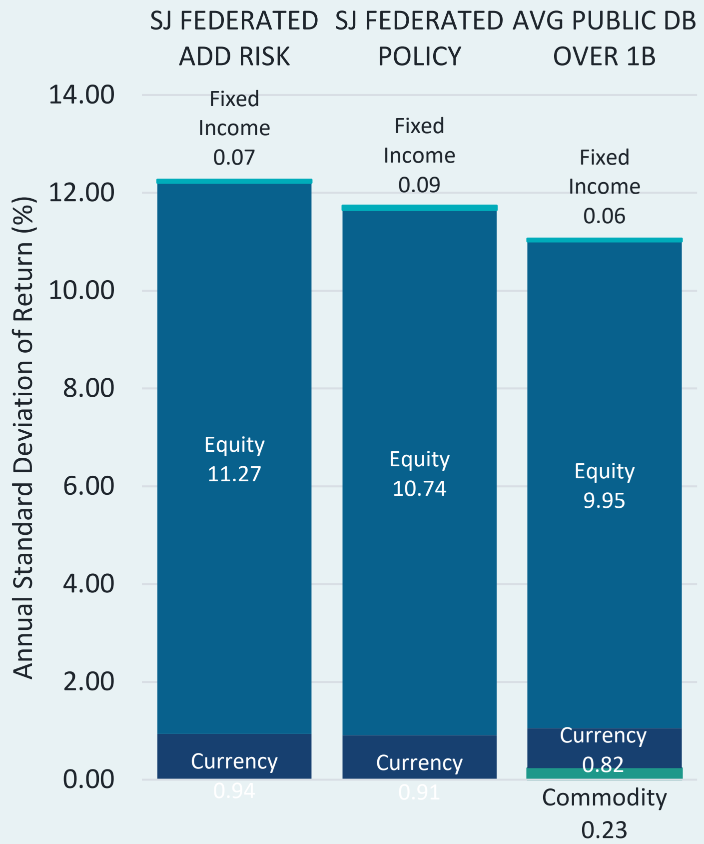
Total Fund Volatility (Add Risk)

- The factor model confirms the Add Risk mix represents a meaningful increase in expected total fund volatility
- Equity factors continue to be the primary sources of total fund volatility

TOTAL FUND RISK ESTIMATE



SYSTEMATIC RISK BREAKDOWN

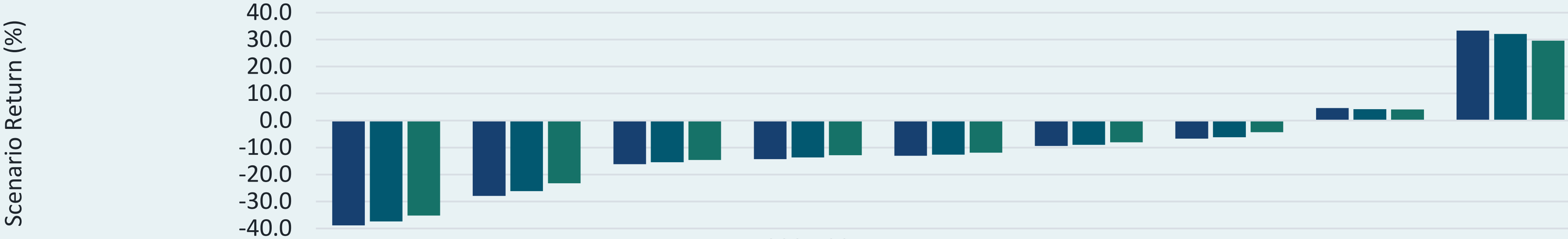


Historical Scenarios (Add Risk)

The Add Risk mix is expected to draw down a bit more than the current policy in these historical drawdown scenarios

The Add Risk mix is expected to capture more upside in strong equity market scenarios

HISTORICAL FACTOR MODEL SCENARIOS



	2007-2009 Credit Crisis	Dot-com Slowdown	1987 Black Monday - current correlations	1990-1991 Economic Slowdown - current correlations	COVID-19 Scenario	September 11th 2001	2007-2008 Oil Price Run-up	Taper Tantrum	Equity Markets Rebound in 2009
SJ FEDERATED ADD RISK	-38.9	-27.9	-16.2	-14.3	-13.1	-9.4	-6.7	4.6	33.3
SJ FEDERATED POLICY	-37.4	-26.2	-15.5	-13.6	-12.6	-9.0	-6.1	4.2	32.1
AVG PUBLIC DB OVER 1B	-35.2	-23.2	-14.6	-12.9	-11.9	-8.1	-4.3	4.1	29.6