

# The City of San Jose

## Private Equity Update

August 2018



## Commitment Plan Overview

The City of San Jose's projected commitment plan is below

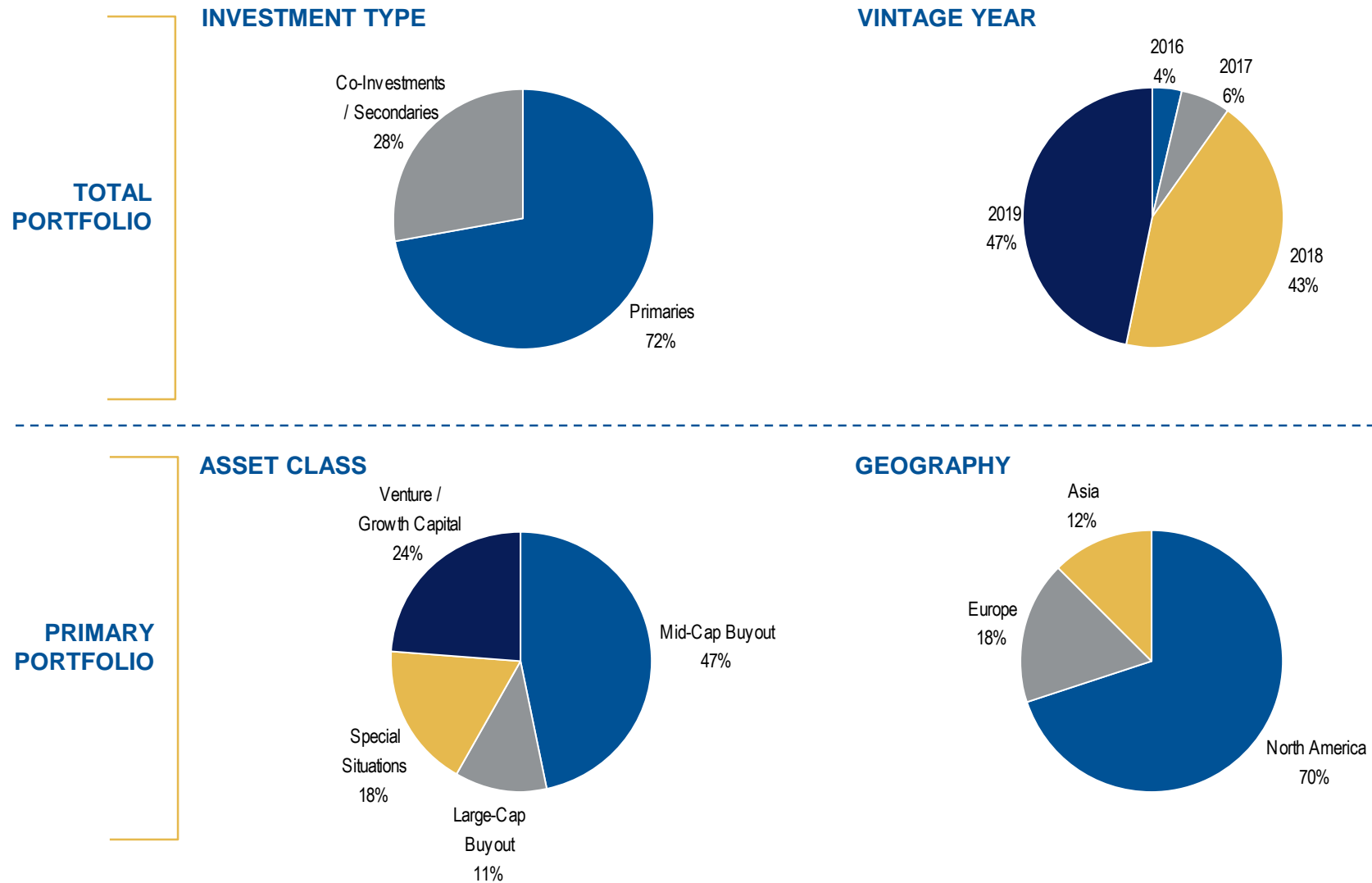
(\$ in millions)

	SJ PF				SJ FED				Total San Jose Program		
	Previous Plan	New Plan	Additional Commitments		Previous Plan	New Plan	Additional Commitments		Previous Plan	New Plan	Additional Commitments
Year 1	60	60	-		68	68	-		128	128	-
Year 2	53	118	-		59	107	-		112	225	-
Year 3	39	113	92		44	97	46		83	210	138
Year 4	27	111	111		30	89	89		57	200	200
Year 5	21	103	103		24	77	77		45	180	180
<b>Subtotal - Yrs. 1-5</b>	<b>200</b>	<b>506</b>	<b>306</b>		<b>225</b>	<b>437</b>	<b>212</b>		<b>425</b>	<b>943</b>	<b>518</b>
Year 6	n.a.	90	90		n.a.	60	60		n.a.	150	150
Year 7	n.a.	90	90		n.a.	60	60		n.a.	150	150
Year 8	n.a.	90	90		n.a.	60	60		n.a.	150	150
Year 9	n.a.	90	90		n.a.	60	60		n.a.	150	150
Year 10	n.a.	90	90		n.a.	60	60		n.a.	150	150

Note: As of August 2018.

## Portfolio Construction – Diversification Analysis

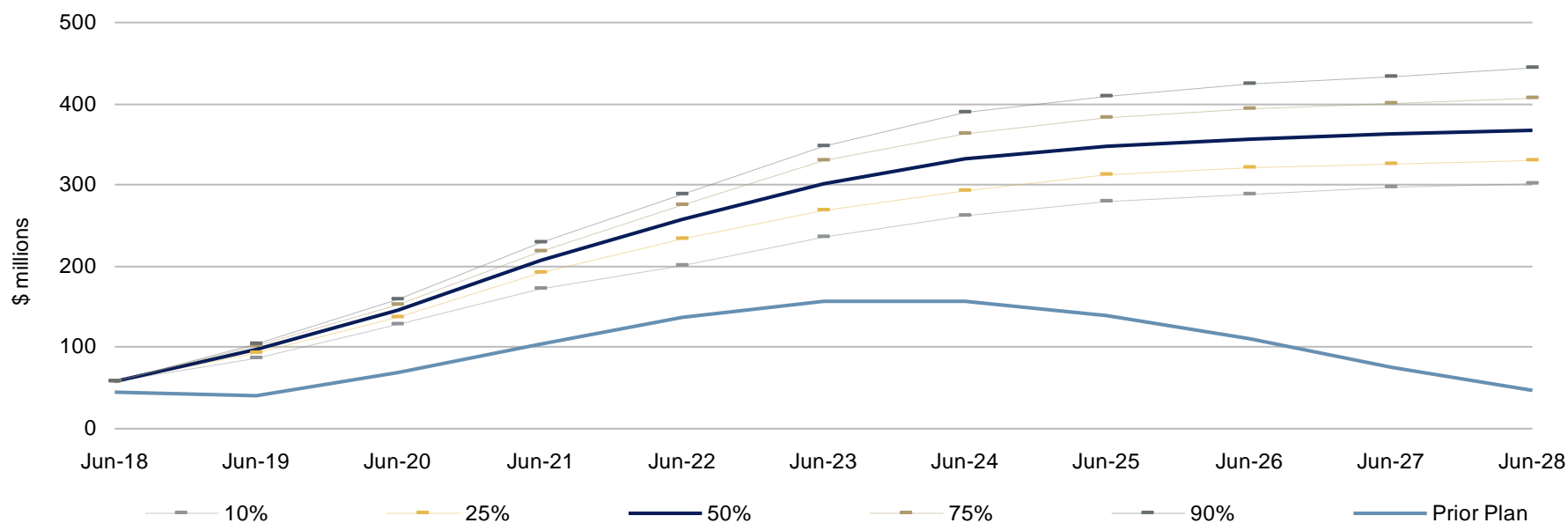
The City of San Jose portfolio is expected to be well diversified across asset class and vintage year



Note: As of August 2018. Estimates based on the 3 year model portfolio expected commitment pacing. The model portfolio is provided for illustrative purposes only and is not intended as a promise or prediction of the final portfolio.

## SJ Federated: Projected NAV Development

### UNDERLYING PORTFOLIO NAV (\$ MILLIONS)



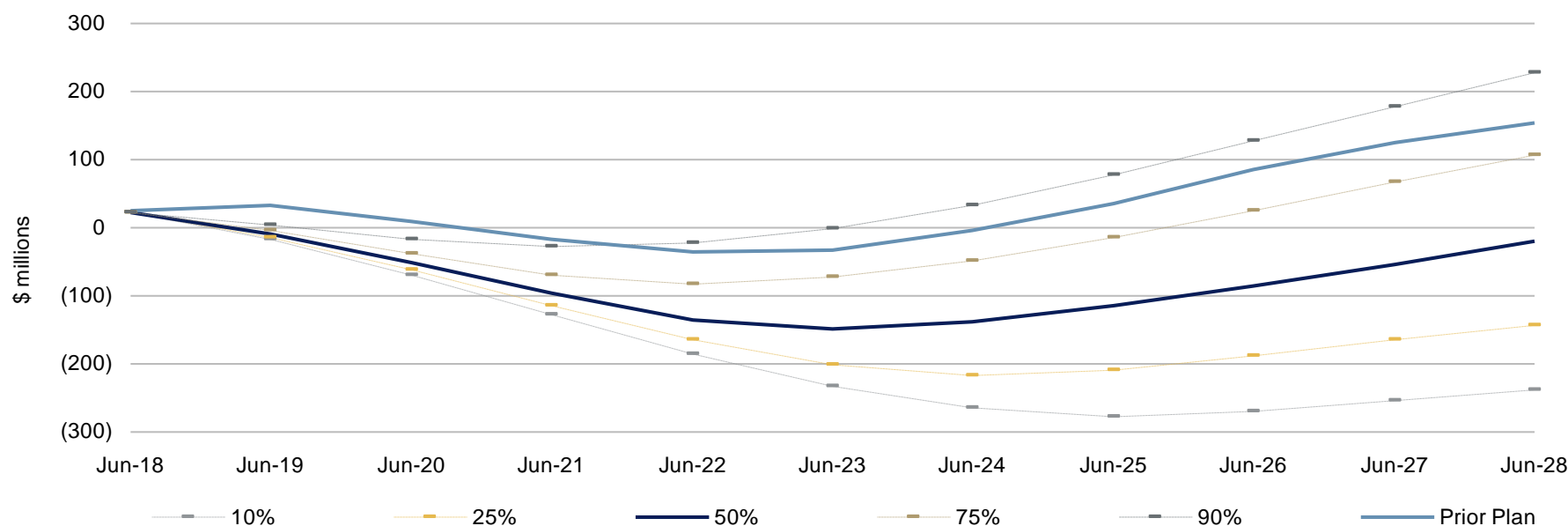
	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28
10%	57.6	85.9	126.3	171.0	200.3	234.5	260.9	278.3	287.4	295.0	301.0
25%	57.6	92.0	135.9	190.8	232.6	268.5	292.5	310.7	320.3	324.8	329.3
50%	57.6	96.2	144.2	205.6	256.7	301.2	330.6	347.0	355.3	362.0	365.9
75%	57.6	99.9	151.7	217.2	274.8	329.1	362.2	381.8	392.4	398.1	405.4
90%	57.6	103.3	157.9	227.0	287.7	347.4	387.8	407.9	422.2	432.5	441.9
Prior Plan <sup>(1)</sup>	43.0	40.4	68.8	102.4	136.4	156.7	156.1	138.9	109.2	74.7	46.8

**Limitations of Target Returns:** Target returns are based on statistical analysis of information. The target returns presented are not an economic prediction and are the views of Neuberger Berman as of the date hereof and are subject to change. Investors should keep in mind that the securities markets are volatile and unpredictable. Actual results may be significantly different than any target results and the team's history of achieving returns has no impact on the likelihood of a team achieving target statistics in the future. There are no guarantees that the historical performance of an investment, portfolio, or asset class will have a direct correlation with its future performance. Neuberger Berman does not make any representation as to the reasonableness of the assumptions or that all the assumptions used in calculating the target returns have been stated or fully considered. Changes in the assumptions may have a material impact on the target returns presented. For illustrative purposes only. Please see endnotes for certain information regarding the Stochastic Model and underlying assumptions. Please see the Disclosures at the end of this presentation, which include important disclosures relating to these target returns.

1. Based on December 2017 cash flow modeling and analysis of initial pacing plan.

# SJ Federated: Projected Cumulative Net Cash Flows

## CUMULATIVE UNDERLYING PORTFOLIO NET CASH FLOWS (\$ MILLIONS)



	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28
10%	21.9	(18.5)	(70.4)	(128.5)	(186.8)	(234.1)	(265.7)	(279.0)	(270.4)	(254.8)	(240.1)
25%	21.9	(15.1)	(62.7)	(115.9)	(167.1)	(203.7)	(219.6)	(210.7)	(190.4)	(166.5)	(143.9)
50%	21.9	(10.9)	(53.3)	(98.0)	(136.5)	(149.6)	(139.7)	(116.4)	(86.2)	(54.0)	(22.2)
75%	21.9	(5.3)	(39.3)	(71.8)	(83.5)	(74.3)	(50.4)	(16.5)	23.5	64.9	105.9
90%	21.9	2.9	(19.4)	(27.7)	(23.7)	(2.5)	32.4	76.0	125.3	175.8	226.1
Prior Plan <sup>(1)</sup>	24.9	31.6	7.8	(19.5)	(38.0)	(33.1)	(5.7)	35.4	83.3	124.8	152.6

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