



San Jose Federated City Employees' Retirement System

Quarterly Report

September 30, 2018

Confidential Presentation

FCERS 4-18-19

San Jose Federated City Employees' Retirement System

As of September 30, 2018

Fund Overview	San Jose Federated City Employees' Retirement System ("Legacy")	SJFED Private Equity Strategic Partnership, L.P. ("NB")	Combined Funds
Fund Close:	July 2004	May 2017	Various
Total Fund Size:	\$174.3 million	\$225.5 million	\$399.8 million
# Primary Investments:	8	14	22
# Secondary Investments:	-	1	1
# Co-Investment Investments:	-	11	11

Net Performance	San Jose Federated City Employees' Retirement System ("Legacy")	SJFED Private Equity Strategic Partnership, L.P. ("NB")	Combined Funds
Commitment - Fund Level	N/A	\$225.5 million	\$225.5 million
Commitment - Underlying Investments	\$174.3 million	\$90.4 million	\$264.7 million
Commitment - Remaining	N/A	\$135.1 million	\$135.1 million
Contributed Capital - Net*	\$148.1 million	\$25.4 million	\$172.9 million
Total Partners' Capital (NAV)	\$51.6 million	\$28.7 million	\$80.3 million
Distributions - Net	\$169.4 million	-	\$169.4 million
Total Value - Net	\$221.0 million	\$24.8 million	\$245.8 million
Net Multiple	1.5x	1.2x	1.4x
Net IRR	7.7%	NM	7.9%

Note: Key Metrics are based on the Limited Partner, net of fees and carry.

**Amount includes capital contributions for management fees and expenses*

San Jose Federated City Employees' Retirement System ("Legacy")

Primary Fund Performance vs. Benchmarks

As of September 30, 2018

Investments	Benchmark	Vintage	Commitment	IRR ²	MOIC	IRR & MOIC Quartiles ¹	
Pathway Private Equity Fund VIII	Fund of Funds Index	2004	\$ 40,000,000	6.8%	1.47x	2nd	3rd
			1st Quartile	7.7%	1.63x		
			Median	6.2%	1.51x		
			3rd Quartile	5.5%	1.36x		
Pantheon Global Secondary Fund III 'B'	Fund of Funds and Secondary Funds Index	2006	\$ 40,000,000	2.2%	1.13x	4th	1st
			1st Quartile	10.7%	0.52x		
			Median	7.8%	0.29x		
			3rd Quartile	5.8%	0.22x		
Pantheon USA Fund VII	Fund of Funds Index	2006	\$ 40,000,000	10.3%	1.77x	2nd	2nd
			1st Quartile	10.7%	1.80x		
			Median	7.8%	1.55x		
			3rd Quartile	5.8%	1.38x		
Great Hill Equity Partners IV	Private Equity Index	2008	\$ 5,000,000	23.9%	2.39x	1st	1st
			1st Quartile	15.7%	1.88x		
			Median	9.6%	1.52x		
			3rd Quartile	4.3%	1.24x		
Partners Group Secondary 2008	Fund of Funds and Secondary Funds Index	2008	\$ 9,522,344	9.2%	1.45x	3rd	1st
			1st Quartile	14.0%	1.02x		
			Median	11.6%	0.69x		
			3rd Quartile	8.3%	0.34x		
Partners Group Secondary 2011, L.P.	Fund of Funds and Secondary Funds Index	2011	\$ 20,000,000	18.5%	1.70x	1st	1st
			1st Quartile	16.7%	1.27x		
			Median	14.0%	1.11x		
			3rd Quartile	11.5%	0.78x		
Crestline Portfolio Financing Fund, L.P.	Private Equity Index	2018	\$ 15,000,000	NM	1.05x	NM	
Innovation Endeavors III, L.P.	Private Equity Index	2018	\$ 4,800,000	NM	0.71x	NM	

Source: Cambridge Associates Pooled Return as of 9/30/18.

¹ Benchmark performance for vintage years 2017 and later are not available.

² Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. The Gross IRR of private equity investments is not meaningful (NM) in the early years.

SJFED Private Equity Strategic Partnership, L.P. ("NB")
Primary Fund Performance vs. Benchmarks
As of September 30, 2018

Investments	Benchmark	Vintage	Commitment	IRR ^{1,3}	MOIC	IRR & MOIC Quartiles ²	
Investment 1	Private Equity Index	2016	\$ 9,000,000	75.9%	1.21x	1st	1st
			1st Quartile	18.0%	1.17x		
			Median	6.6%	1.06x		
			3rd Quartile	-4.1%	0.97x		
Investment 3	Private Equity Index	2017	\$ 1,768,837	NM	1.43x		NM
Investment 23	Private Equity Index	2017	\$ 7,940,000	NM	0.01x		NM
Investment 24	Private Equity Index	2018	\$ 7,900,000	NM	-		NM
Investment 5	Private Equity Index	2018	\$ 8,680,000	NM	0.92x		NM
Investment 15	Venture Index	2018	\$ 4,760,000	NM	0.96x		NM
Investment 19	Venture Index	2018	\$ 2,500,000	NM	-		NM
Investment 20	Venture Index	2018	\$ 625,000	NM	-		NM
Investment 21	Venture Index	2018	\$ 1,640,000	NM	-		NM
Investment 16	Venture Index	2018	\$ 4,760,000	NM	1.01x		NM
Investment 17	Venture Index	2018	\$ 4,760,000	NM	-		NM
Investment 18	Venture Index	2018	\$ 4,800,000	NM	0.94x		NM
Investment 8	Private Equity Index	2018	\$ 10,468,350	NM	0.00x		NM
Investment 9	Private Equity Index	2018	\$ 4,240,000	NM	0.99x		NM
Investment 10	Private Equity Index	2018	\$ 1,935,000	NM	1.00x		NM

Source: Cambridge Associates Pooled Return as of 9/30/18. Benchmark performance for vintage years 2017 and later are not available as the information is not meaningful.

¹ Fund IRR performance is gross of NB management fees and other expenses.

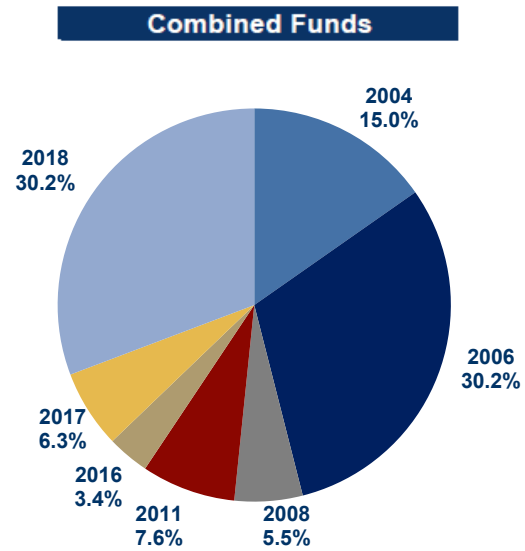
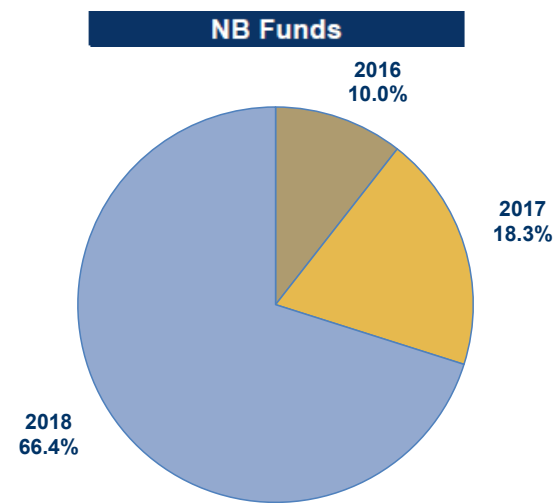
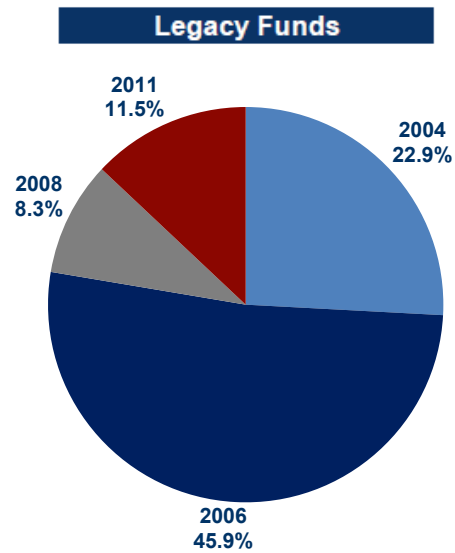
² Benchmark performance for vintage years 2017 and later are not available.

³ Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. The Gross IRR of private equity investments is not meaningful (NM) in the early years.

San Jose Federated City Employees' Retirement System

Vintage Year⁷ - Commitment

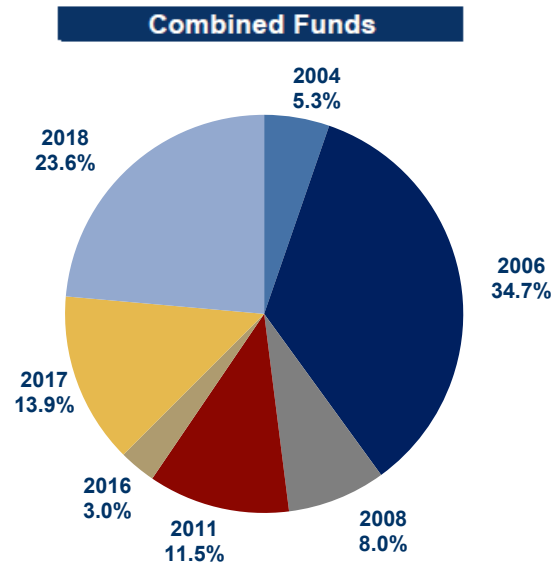
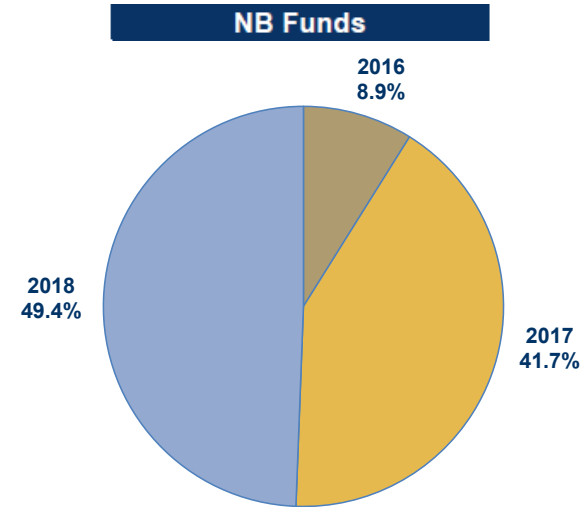
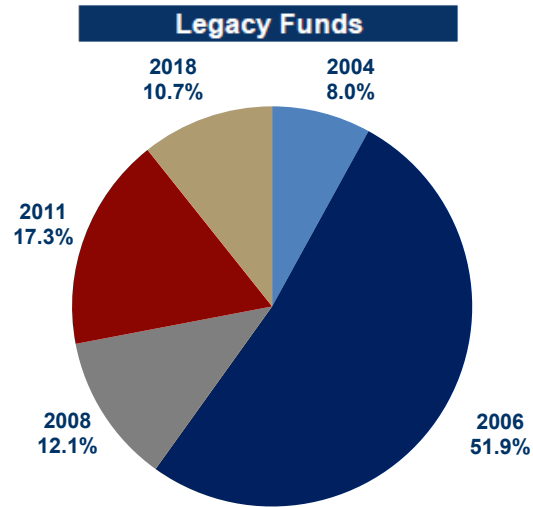
As of September 30, 2018



San Jose Federated City Employees' Retirement System

Vintage Year⁷ - Net Asset Value

As of September 30, 2018

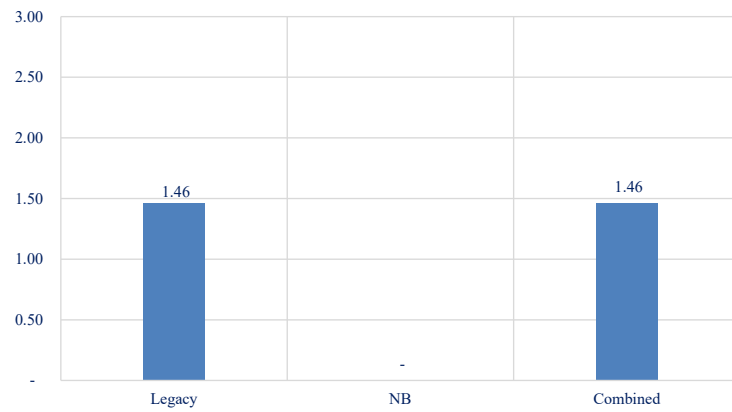


San Jose Federated City Employees' Retirement System

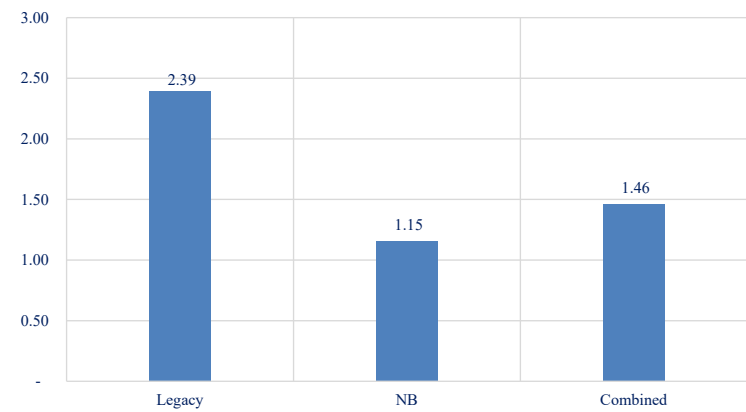
Private Equity Asset Class MOIC Performance

As of September 30, 2018

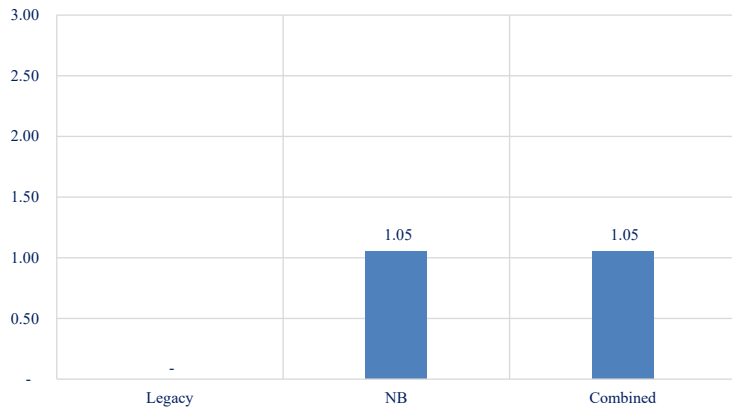
Diversified



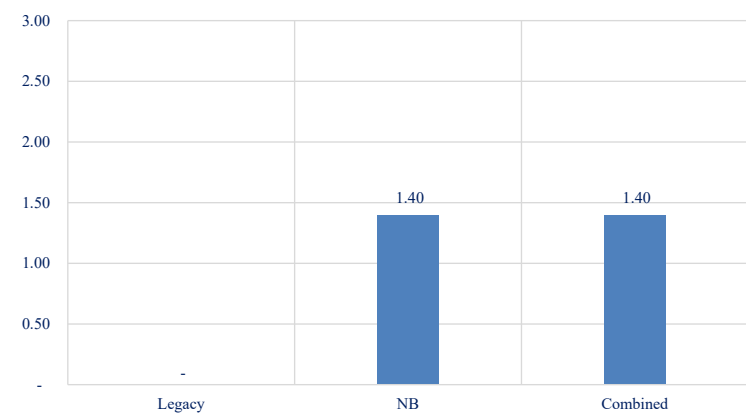
Mid-cap Buyout



Large-cap Buyout



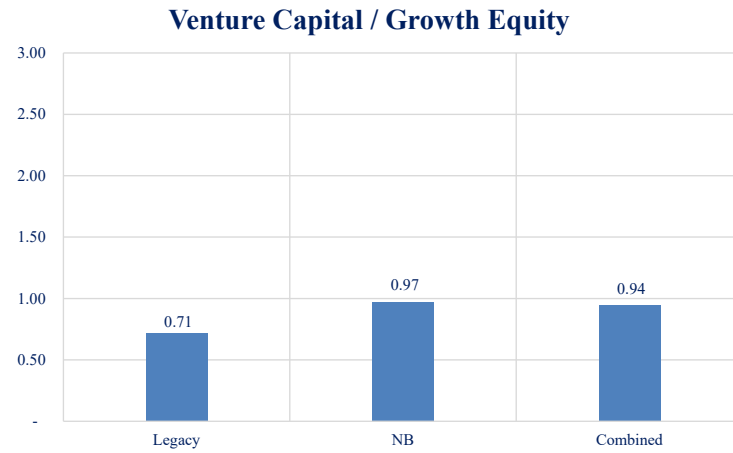
Special Situations



San Jose Federated City Employees' Retirement System

Private Equity Asset Class MOIC Performance

As of September 30, 2018

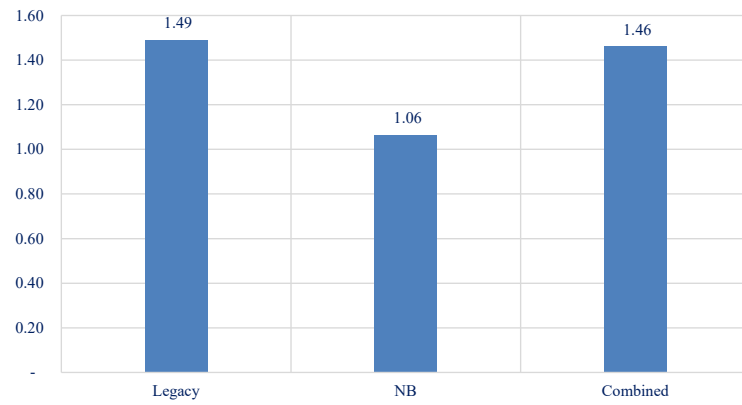


San Jose Federated City Employees' Retirement System

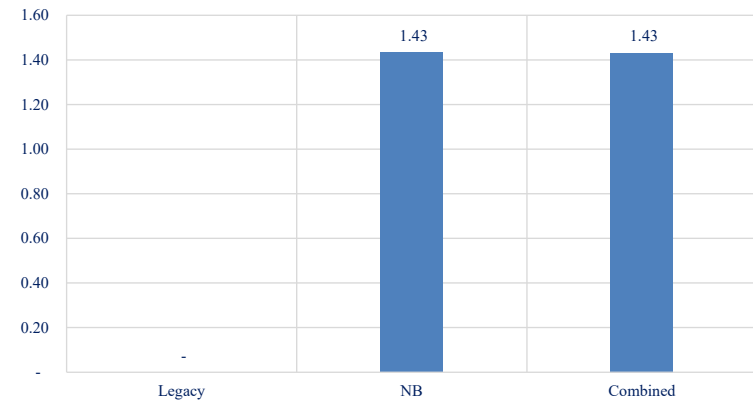
Private Equity Investment Type MOIC Performance

As of September 30, 2018

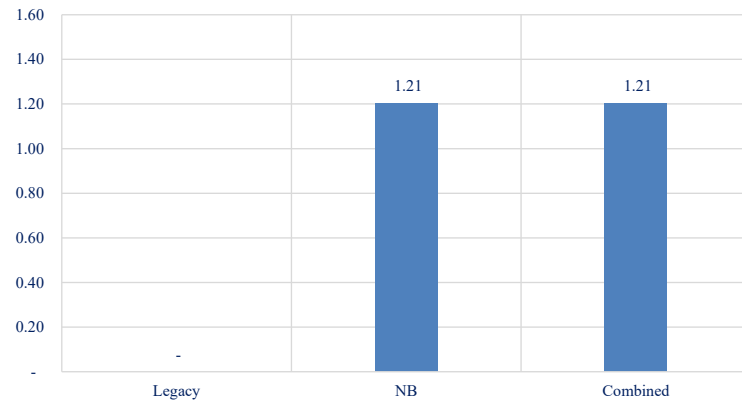
Primary



Secondary



Co-Investment

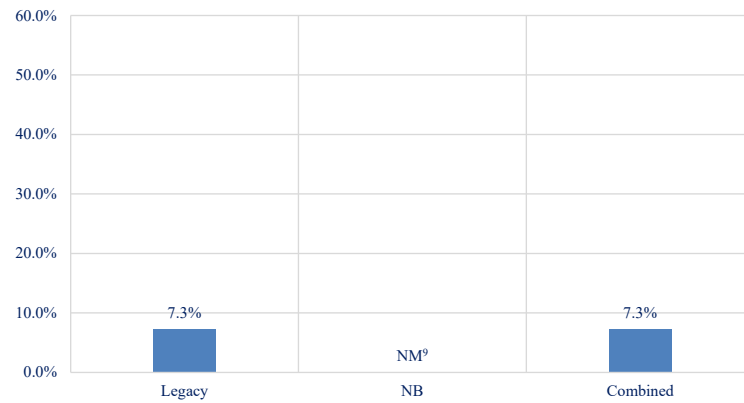


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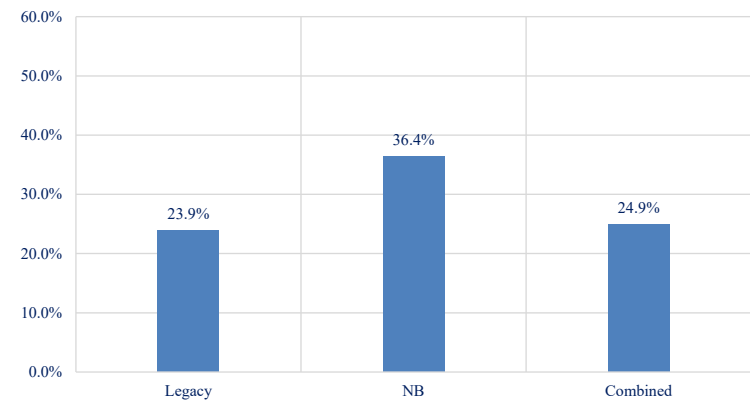
Private Equity Asset Class IRR Performance

As of September 30, 2018

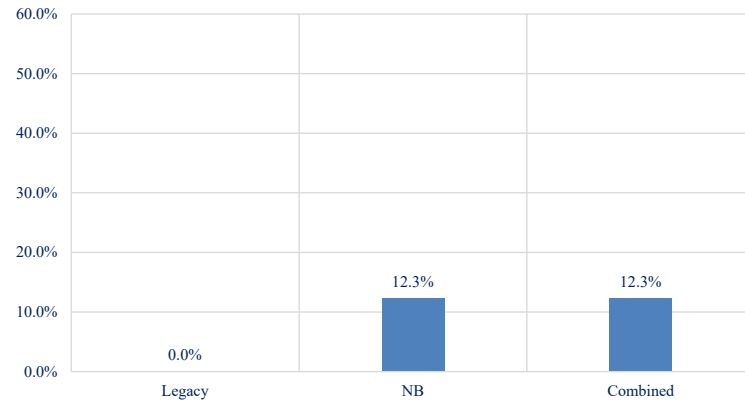
Diversified



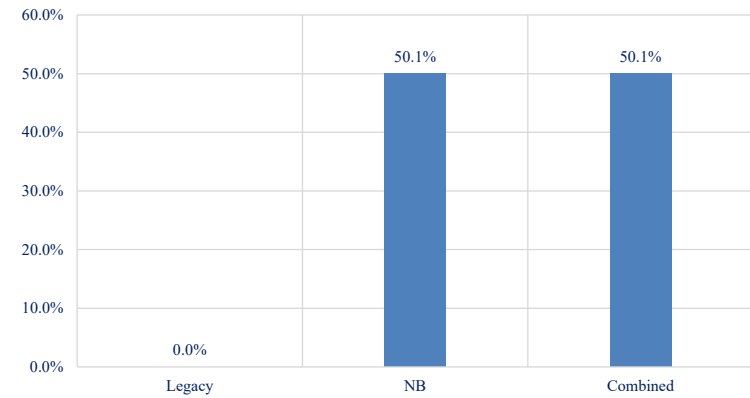
Mid-cap Buyout



Large-cap Buyout



Special Situations

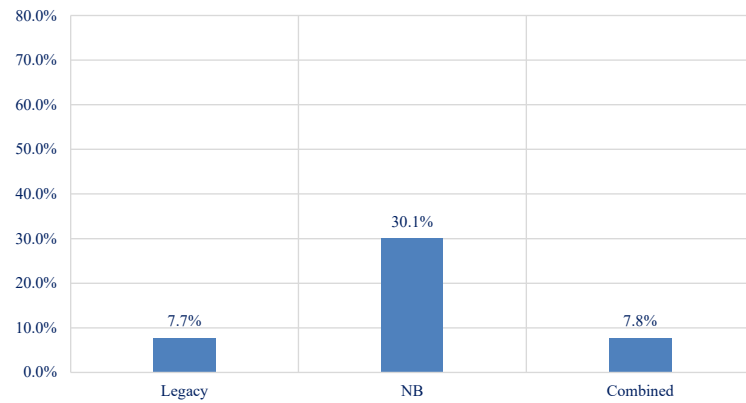


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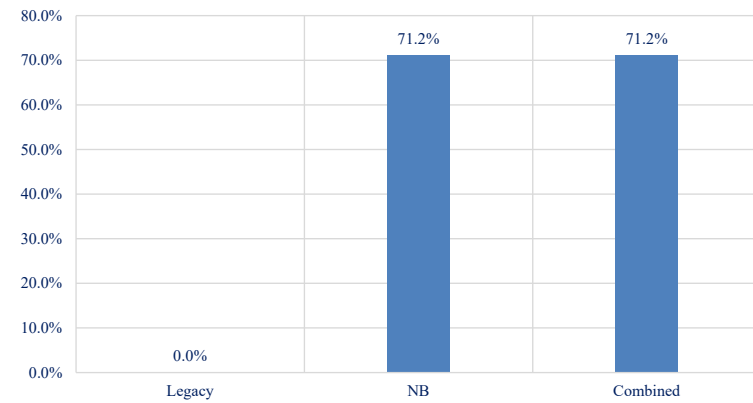
Private Equity Investment Type IRR Performance

As of September 30, 2018

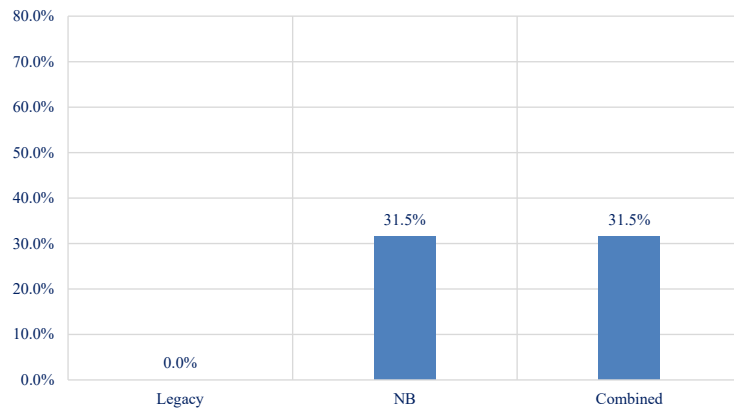
Primary



Secondary



Co-Investment



San Jose Federated City Employees' Retirement System
Status of the Portfolio
As of September 30, 2018

Investments	Fund	Vintage Year ¹	Exposure Commitment ¹	% of Total	Cumulative Contributions ²	Unfunded Commitment ³	Cumulative Distributions ³	Cost ³	Fair Value ⁴	Total Value ⁵	Gross IRR ⁶	Gross MOIC ¹⁰
Diversified												
Pathway Private Equity Fund VIII	Legacy	2004	\$ 40,000,000	15.1%	\$ 39,776,740	\$ 4,047,690	\$ 54,441,118	\$ 1,592,489	\$ 4,135,998	\$ 58,577,116	6.8%	1.47x
Pantheon Global Secondary Fund III 'B'	Legacy	2006	40,000,000	15.1%	37,840,000	2,160,000	37,040,000	559,885	5,692,238	42,732,238	2.2%	1.13x
Pantheon USA Fund VII	Legacy	2006	40,000,000	15.1%	36,960,000	3,040,000	44,141,259	-	21,119,969	65,261,228	10.3%	1.77x
Partners Group Secondary 2008	Legacy	2008	9,522,344	3.6%	10,123,420	1,203,312	13,251,954	-	1,462,841	14,714,795	9.2%	1.45x
Partners Group Secondary 2011, L.P.	Legacy	2011	20,000,000	7.6%	13,053,192	7,393,985	13,318,698	-	8,898,739	22,217,437	18.5%	1.70x
Crestline Portfolio Financing Fund, L.P.	Legacy	2018	15,000,000	5.7%	4,970,014	10,042,692	-	5,085,645	5,220,762	5,220,762	NM	1.05x
Total Diversified			\$ 164,522,344	62.1%	\$ 142,723,366	\$ 27,887,679	\$ 162,193,029	\$ 7,238,019	\$ 46,530,547	\$ 208,723,576	7.3%	1.46x
Mid-cap Buyout												
Great Hill Equity Partners IV	Legacy	2008	\$ 5,000,000	1.9%	\$ 5,000,000	\$ -	\$ 7,210,991	\$ 1,043,783	\$ 4,753,628	\$ 11,964,619	23.9%	2.39x
Investment 1	NB	2016	9,000,000	3.4%	3,988,064	6,171,899	2,517,098	1,732,218	2,307,980	4,825,078	75.9%	1.21x
Investment 2	NB	2017	1,175,000	0.4%	1,179,698	-	-	1,175,000	1,174,654	1,174,654	(0.4%)	1.00x
Investment 3	NB	2017	1,768,837	0.7%	1,916,337	-	1,184,902	731,435	1,559,368	2,744,270	NM	1.43x
Investment 4	NB	2017	2,120,000	0.8%	2,120,000	-	17,682	2,119,570	2,649,570	2,667,252	NM	1.26x
Investment 5	NB	2018	8,680,000	3.3%	809,074	7,870,926	-	747,622	747,622	747,622	NM	0.92x
Investment 6	NB	2018	690,000	0.3%	690,000	-	-	690,000	772,800	772,800	NM	1.12x
Investment 7	NB	2018	1,270,000	0.5%	1,271,732	-	-	1,269,765	1,177,705	1,177,705	NM	0.93x
Investment 8	NB	2018	10,468,350	4.0%	-	9,988,900	-	-	235,748	235,748	NM	0.00x
Investment 9	NB	2018	4,240,000	1.6%	2,022,695	2,213,318	-	1,995,902	1,994,254	1,994,254	NM	0.99x
Investment 10	NB	2018	1,935,000	0.7%	1,246,189	688,811	-	1,246,189	1,246,189	1,246,189	NM	1.00x
Total Mid-cap Buyout			\$ 46,347,187	17.5%	\$ 20,243,789	\$ 26,933,854	\$ 10,930,673	\$ 12,751,484	\$ 18,619,518	\$ 29,550,191	24.9%	1.46x
Large-cap Buyout												
Investment 11	NB	2017	\$ 931,000	0.4%	\$ 931,000	\$ -	\$ -	\$ 931,000	\$ 1,089,270	\$ 1,089,270	NM	1.17x
Investment 12	NB	2018	2,120,000	0.8%	-	2,120,000	-	-	-	-	NM	-
Investment 13	NB	2018	1,170,000	0.4%	1,172,035	-	-	1,171,342	1,171,342	1,171,342	NM	1.00x
Investment 14	NB	2018	1,110,000	0.4%	1,110,284	-	-	1,110,284	1,110,000	1,110,000	NM	1.00x
Total Large-cap Buyout			\$ 5,331,000	2.0%	\$ 3,213,319	\$ 2,120,000	\$ -	\$ 3,212,626	\$ 3,370,612	\$ 3,370,612	12.3%	1.05x
Venture Capital / Growth Equity												
Investment 15	NB	2018	\$ 4,760,000	1.8%	\$ 1,356,600	\$ 3,403,400	\$ -	\$ 1,298,668	\$ 1,299,007	\$ 1,299,007	NM	0.96x
Innovation Endeavors III, L.P.	Legacy	2018	4,800,000	1.8%	393,891	4,415,712	39	384,288	281,040	281,079	NM	0.71x
Investment 16	NB	2018	4,760,000	1.8%	999,600	3,760,400	-	891,558	1,009,917	1,009,917	NM	1.01x
Investment 17	NB	2018	4,760,000	1.8%	-	4,760,000	-	-	-	-	NM	-
Investment 18	NB	2018	4,800,000	1.8%	648,000	4,152,000	-	610,788	610,788	610,788	NM	0.94x
Investment 19	NB	2019	2,500,000	0.9%	-	2,500,000	-	-	-	-	NM	-
Investment 20	NB	2019	625,000	0.2%	-	625,000	-	-	-	-	NM	-
Investment 21	NB	2019	1,640,000	0.6%	-	1,640,000	-	-	-	-	NM	-
Total Venture Capital / Growth Equity			\$ 28,645,000	10.8%	\$ 3,398,091	\$ 25,256,512	\$ 39	\$ 3,185,302	\$ 3,200,752	\$ 3,200,791	(21.2%)	0.94x

San Jose Federated City Employees' Retirement System
Status of the Portfolio
As of September 30, 2018

Investments	Fund	Vintage Year ¹	Exposure Commitment ¹	% of Total	Cumulative Contributions ²	Unfunded Commitment ³	Cumulative Distributions ⁵	Cost ³	Fair Value ⁴	Total Value ⁶	Gross IRR ⁷	Gross MOIC ¹⁰
Special Situations												
Investment 22	NB	2017	\$ 2,650,000	1.0%	\$ 2,651,669	\$ -	\$ 265,757	\$ 2,435,804	\$ 4,329,219	\$ 4,594,976	68.5%	1.73x
Investment 23	NB	2017	7,940,000	3.0%	174,843	7,765,157	-	1,265	1,265	1,265	NM	0.01x
Investment 24	NB	2018	7,900,000	3.0%	-	7,900,000	-	-	-	-	NM	-
Investment 25	NB	2018	790,000	0.3%	816,189	-	-	790,000	790,000	790,000	NM	0.97x
Investment 26	NB	2018	641,300	0.2%	660,539	-	-	641,300	641,300	641,300	NM	0.97x
Total Special Situations			\$ 19,921,300	7.5%	\$ 4,303,240	\$ 15,665,157	\$ 265,757	\$ 3,868,369	\$ 5,761,784	\$ 6,027,541	50.1%	1.40x
Legacy investments			\$ 174,322,344	65.8%	\$ 148,117,257	\$ 32,303,391	\$ 169,404,059	\$ 8,666,090	\$ 51,565,215	\$ 220,969,274	7.7%	1.49x
NB investments			\$ 90,444,487	34.2%	\$ 25,764,548	\$ 65,559,811	\$ 3,985,439	\$ 21,589,710	\$ 25,917,998	\$ 29,903,437	35.2%	1.16x
Total investments			\$ 264,766,831	100.0%	\$ 173,881,805	\$ 97,863,201	\$ 173,389,498	\$ 30,255,800	\$ 77,483,213	\$ 250,872,711	7.9%	1.44x

San Jose Federated City Employees' Retirement System

Footnotes

- 1 For primary investments, exposure commitment is the commitment to the investment. For secondary and co-investments, exposure commitment is the purchase price paid plus unfunded commitment on the day of purchase.
 - 2 Cumulative Contributions represent all amounts funded to the investments, including amounts contributed for fees and expenses.
 - 3 The cost basis of the investments in private equity limited partnerships is determined utilizing the Partners' proportionate share of the cost basis of each limited partnership and their portfolio companies, as well as net other assets.
 - 4 We use the best information we have reasonably available to determine or estimate fair value. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or partnership, and considers subsequent transactions, such as capital contributions or distributions. The investments include adjustments based on information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events.
 - 5 Cumulative Distributions represents all amounts distributed by the investment and includes additional cash receipts.
 - 6 Total value equals Fair value plus Cumulative Distributions.
 - 7 Vintage year is based on the year of first investment with exception for the secondary investments of which it is the year of the purchase.
 - 8 Unfunded Commitment represents contributions applied to commitment less recallable distributions. This amount also includes payables to investments. Commitments denominated in foreign currency are translated into U.S. dollar equivalents using spot rates as of September 30, 2018.
 - 9 Gross internal rate of return (IRR) calculated based on cash inflow/outflow to investment and the current net asset value. IRR is presented net of underlying investment fees but gross of NB fees and carried interest. The Gross IRR of private equity investments is not meaningful (NM) in the early years.
 - 10 Gross multiple of invested capital (MOIC) is computed based on commencement-to-date distributions plus the current net asset value divided by commencement-to-date capital contributions. MOIC is presented net of underlying investment fees but gross of NB fees and carried interest.
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San Jose Federated City Employees' Retirement Fund

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