

FUND EVALUATION REPORT

**San Jose Federated Retiree Health Care
115 Trust**

Quarterly Review
December 31, 2018



M E K E T A I N V E S T M E N T G R O U P

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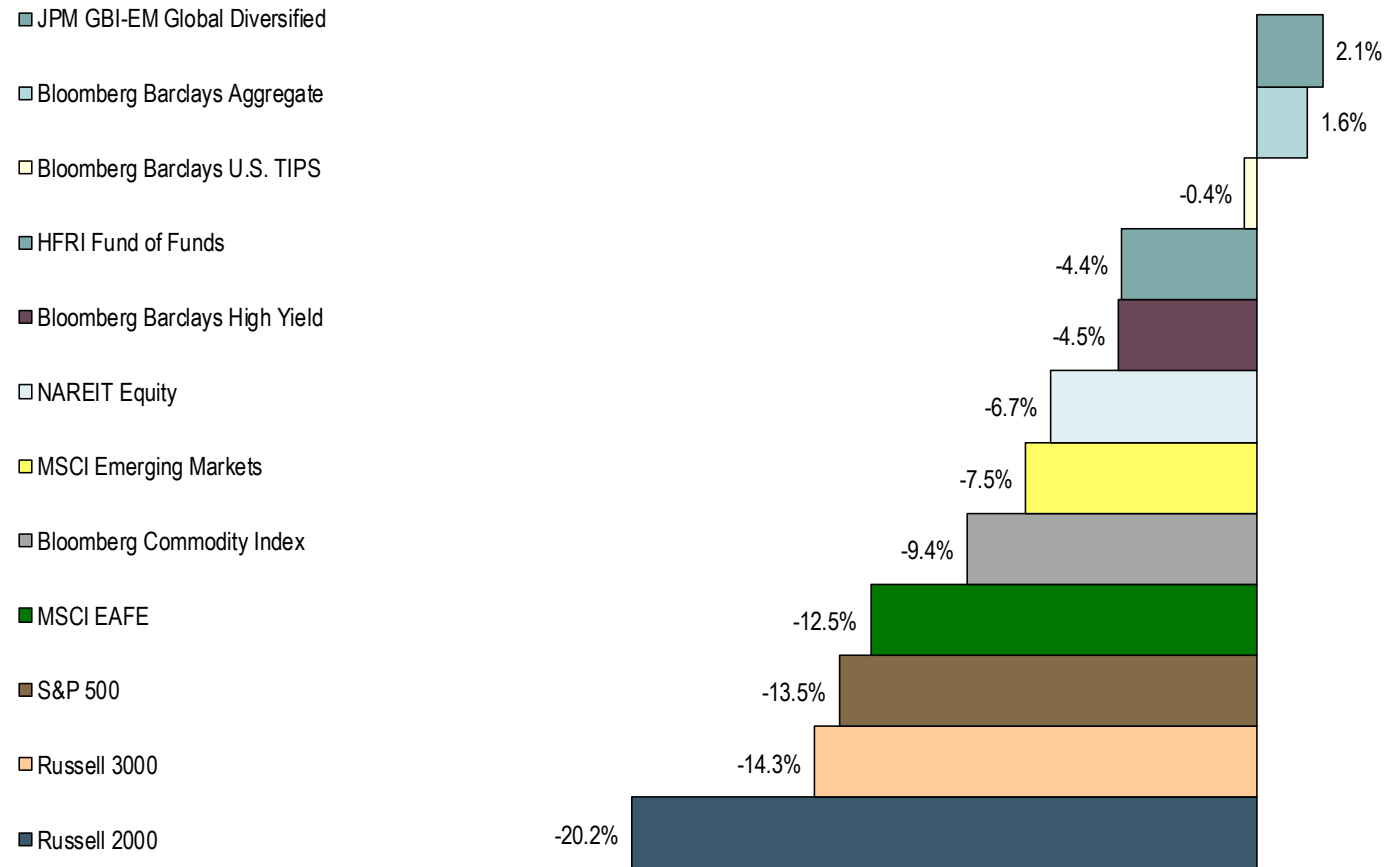
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The World Markets Fourth Quarter of 2018

The World Markets¹ Fourth Quarter of 2018



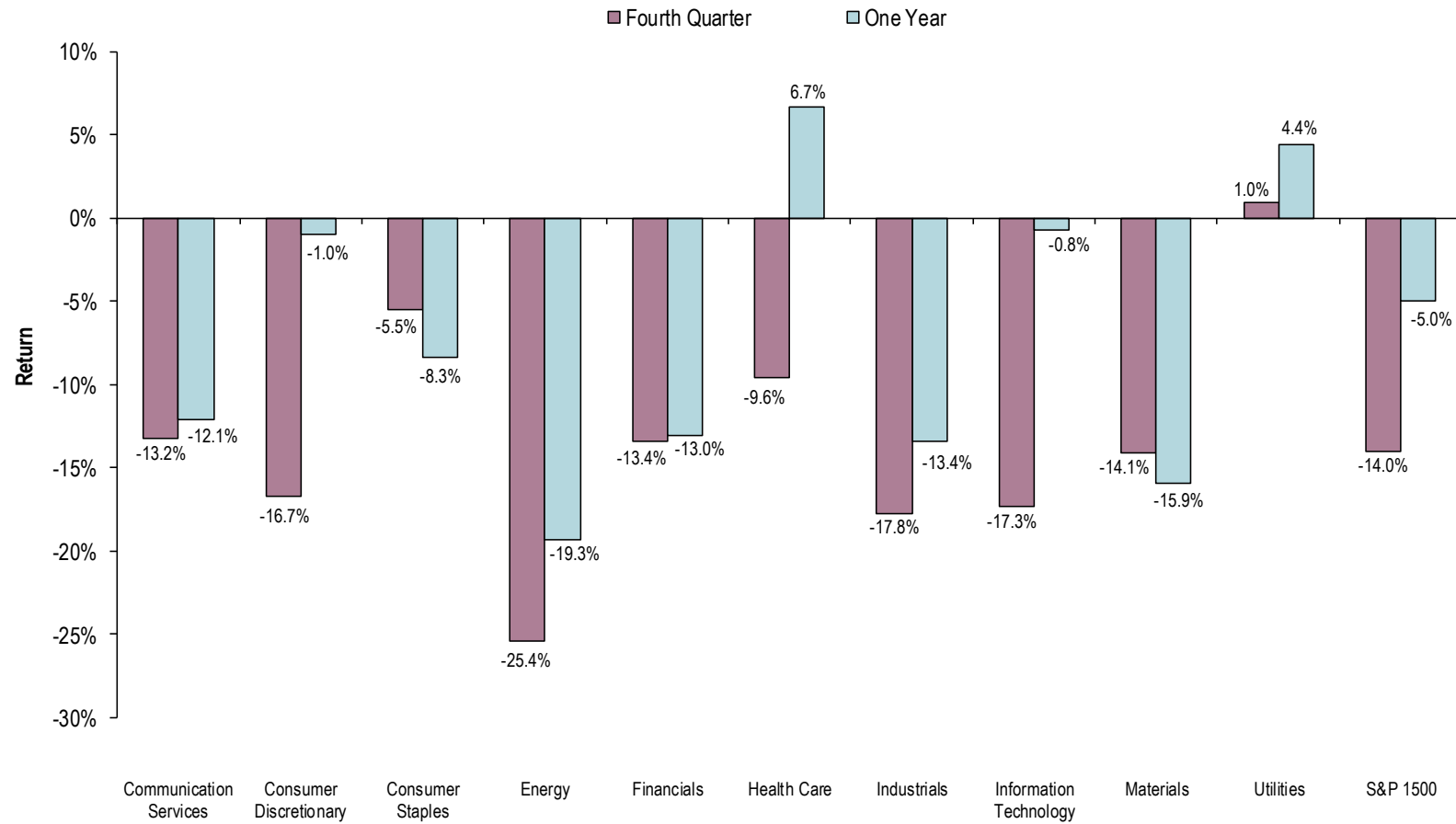
¹ Source: InvestorForce.

Index Returns¹

	4Q18 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	-14.3	-5.2	9.0	7.9	13.2
Russell 1000	-13.8	-4.8	9.1	8.2	13.3
Russell 1000 Growth	-15.9	-1.5	11.1	10.4	15.3
Russell 1000 Value	-11.7	-8.3	7.0	5.9	11.2
Russell MidCap	-15.4	-9.1	7.0	6.3	14.0
Russell MidCap Growth	-16.0	-4.8	8.6	7.4	15.1
Russell MidCap Value	-15.0	-12.3	6.1	5.4	13.0
Russell 2000	-20.2	-11.0	7.4	4.4	12.0
Russell 2000 Growth	-21.7	-9.3	7.2	5.1	13.5
Russell 2000 Value	-18.7	-12.9	7.4	3.6	10.4
Foreign Equity					
MSCI ACWI (ex. U.S.)	-11.5	-14.2	4.5	0.7	6.6
MSCI EAFE	-12.5	-13.8	2.9	0.5	6.3
MSCI EAFE (Local Currency)	-12.2	-11.0	2.6	3.8	7.5
MSCI EAFE Small Cap	-16.0	-17.9	3.7	3.1	10.5
MSCI Emerging Markets	-7.5	-14.6	9.2	1.6	8.0
MSCI Emerging Markets (Local Currency)	-7.4	-10.1	8.8	5.0	9.6
Fixed Income					
Bloomberg Barclays Universal	1.2	-0.3	2.6	2.7	4.1
Bloomberg Barclays Aggregate	1.6	0.0	2.1	2.5	3.5
Bloomberg Barclays U.S. TIPS	-0.4	-1.3	2.1	1.7	3.6
Bloomberg Barclays High Yield	-4.5	-2.1	7.2	3.8	11.1
JPM GBI-EM Global Diversified	2.1	-6.2	5.9	-1.0	3.4
Other					
NAREIT Equity	-6.7	-5.0	2.7	7.8	12.1
Bloomberg Commodity Index	-9.4	-11.2	0.3	-8.8	-3.8
HFRI Fund of Funds	-4.4	-3.5	1.5	1.5	3.2

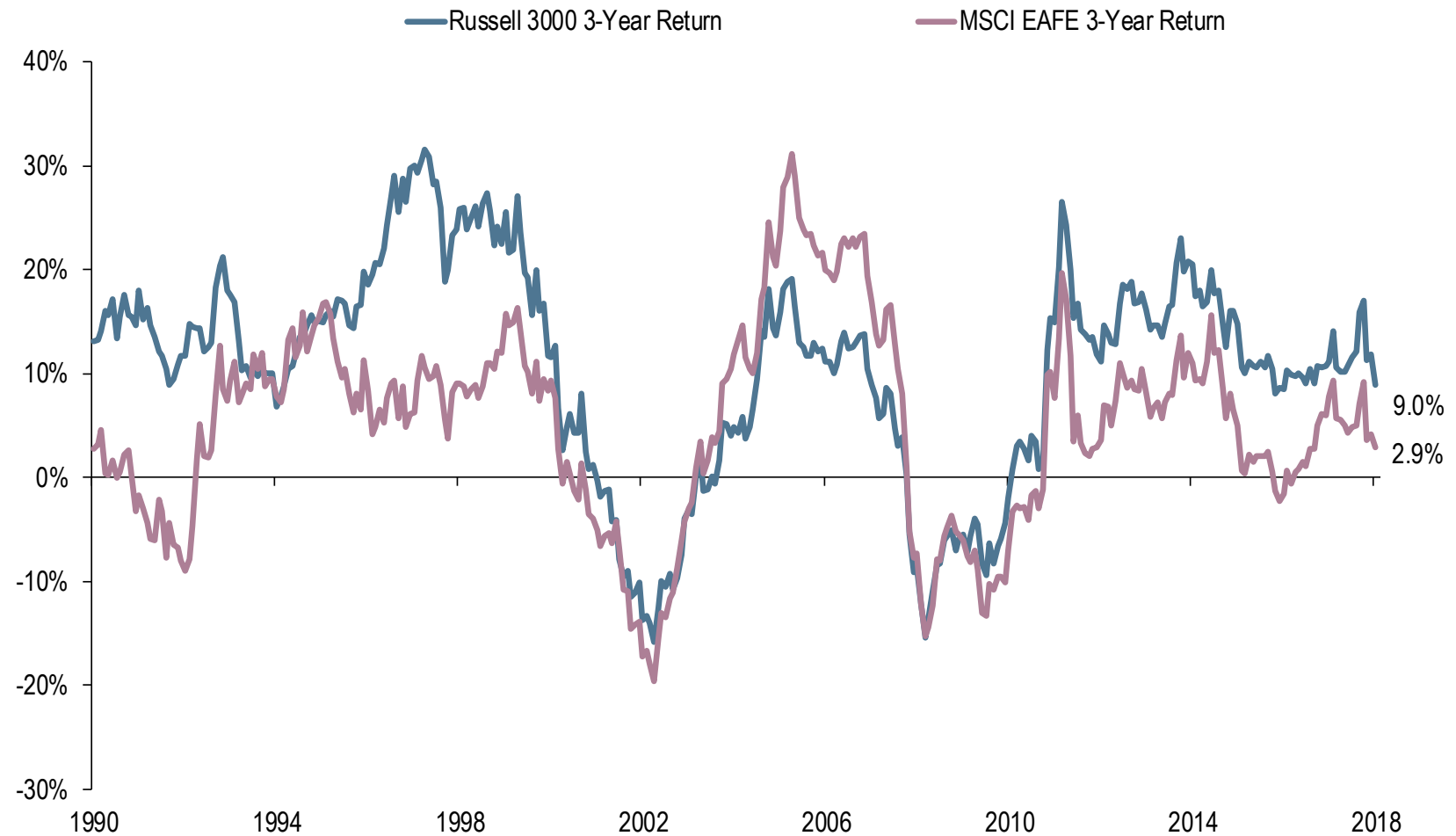
¹ Source: InvestorForce.

S&P Sector Returns¹



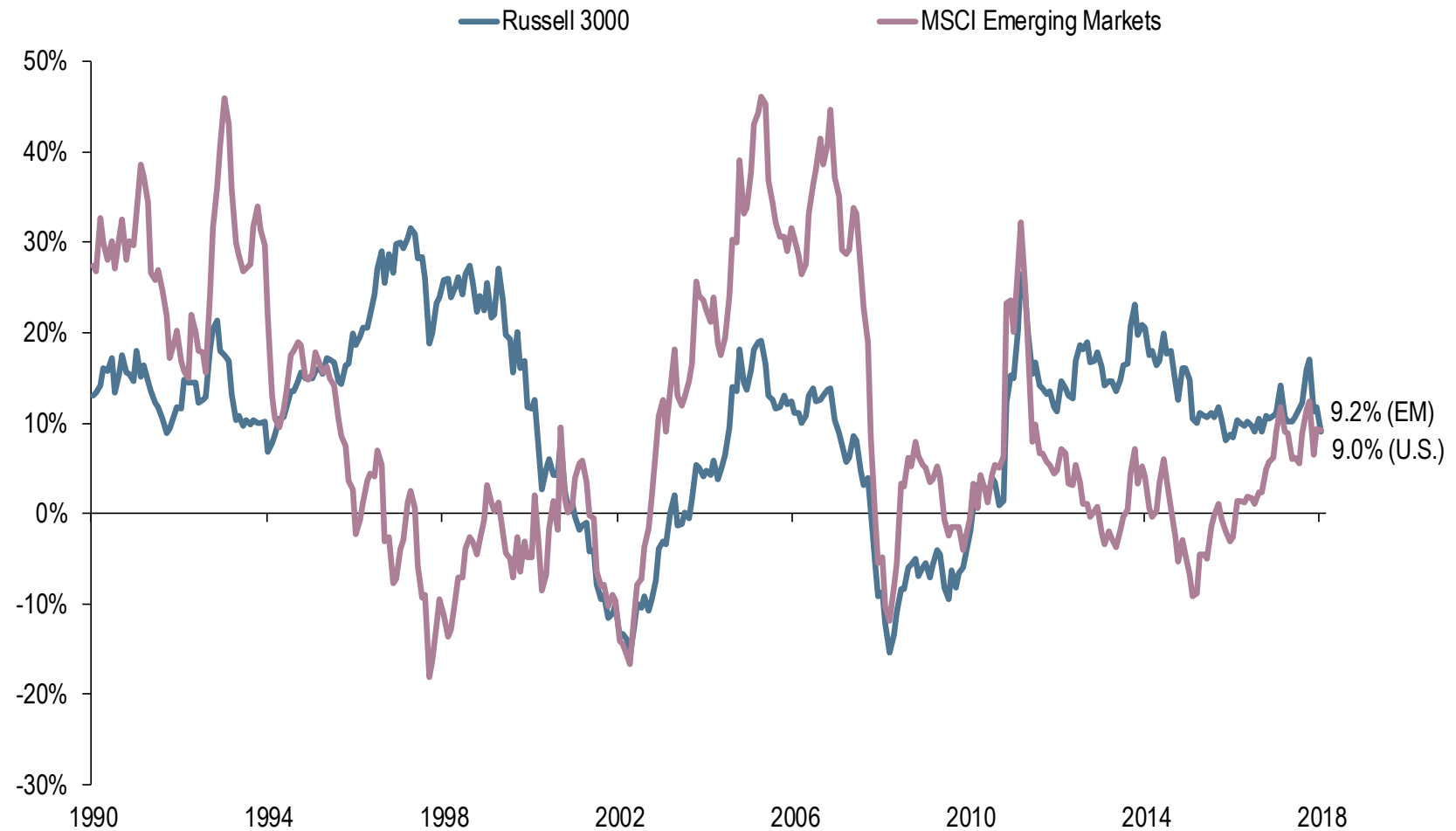
¹ Source: InvestorForce. Represents S&P 1500 (All Cap) data.

U.S. and Developed Market Foreign Equity Rolling Three-Year Returns¹



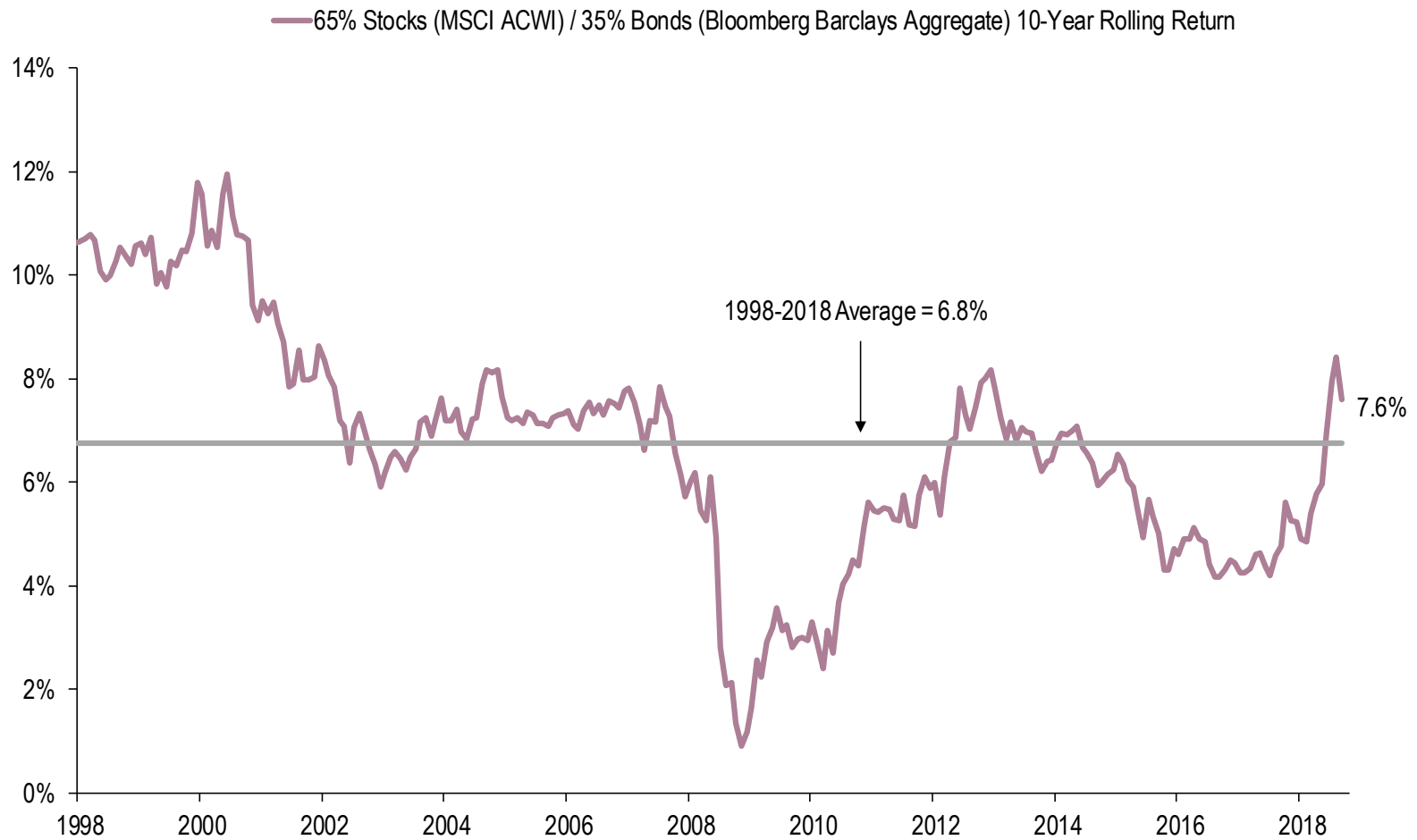
¹ Source: InvestorForce.

U.S. and Emerging Market Equity Rolling Three-Year Returns¹



¹ Source: InvestorForce.

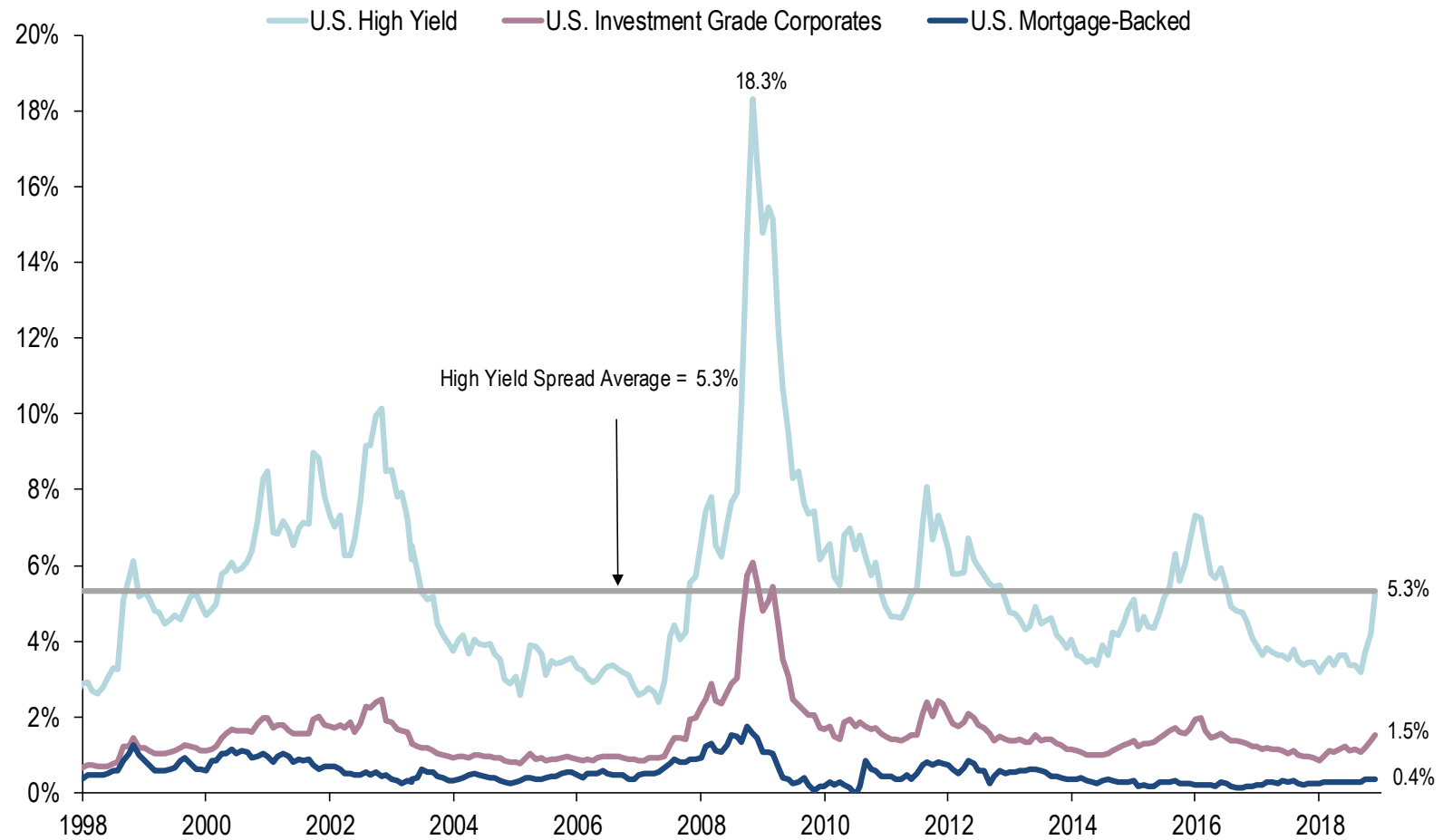
Rolling Ten-Year Returns: 65% Stocks and 35% Bonds¹



¹ Source: InvestorForce.



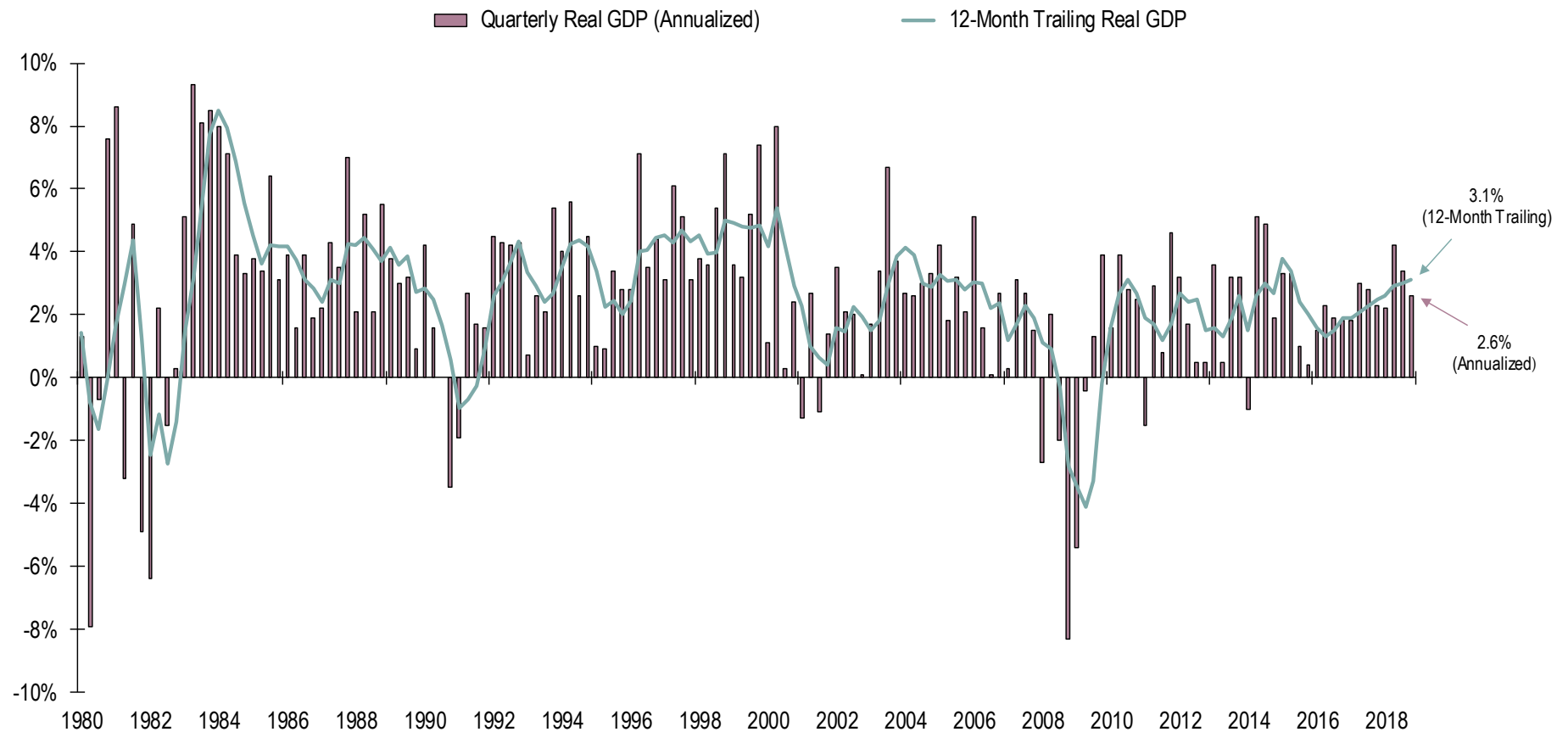
Credit Spreads vs. U.S. Treasury Bonds^{1,2}



¹ Source: Barclays Live.

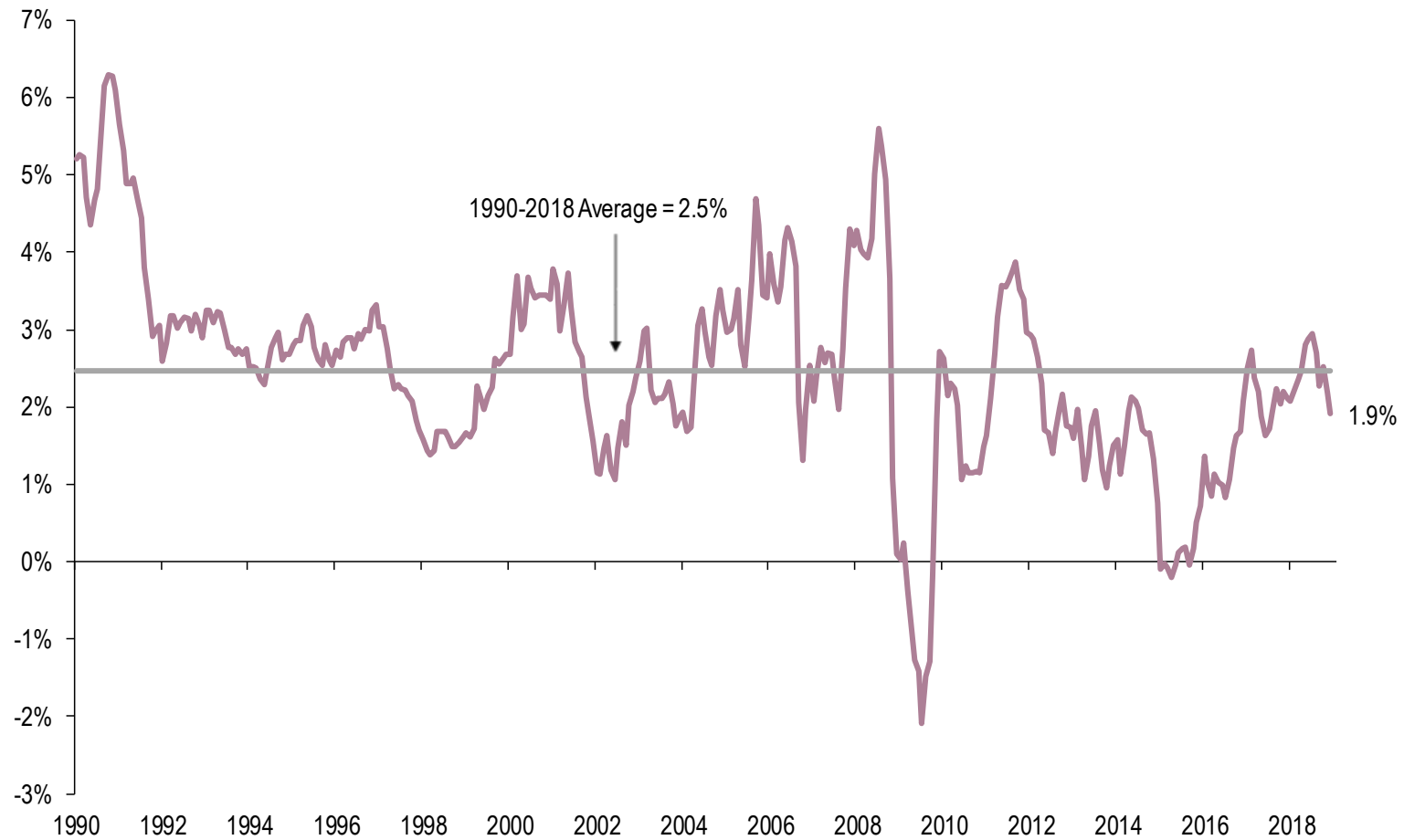
² The median high yield spread was 4.8% from 1997-2018.

U.S. Real Gross Domestic Product (GDP) Growth¹



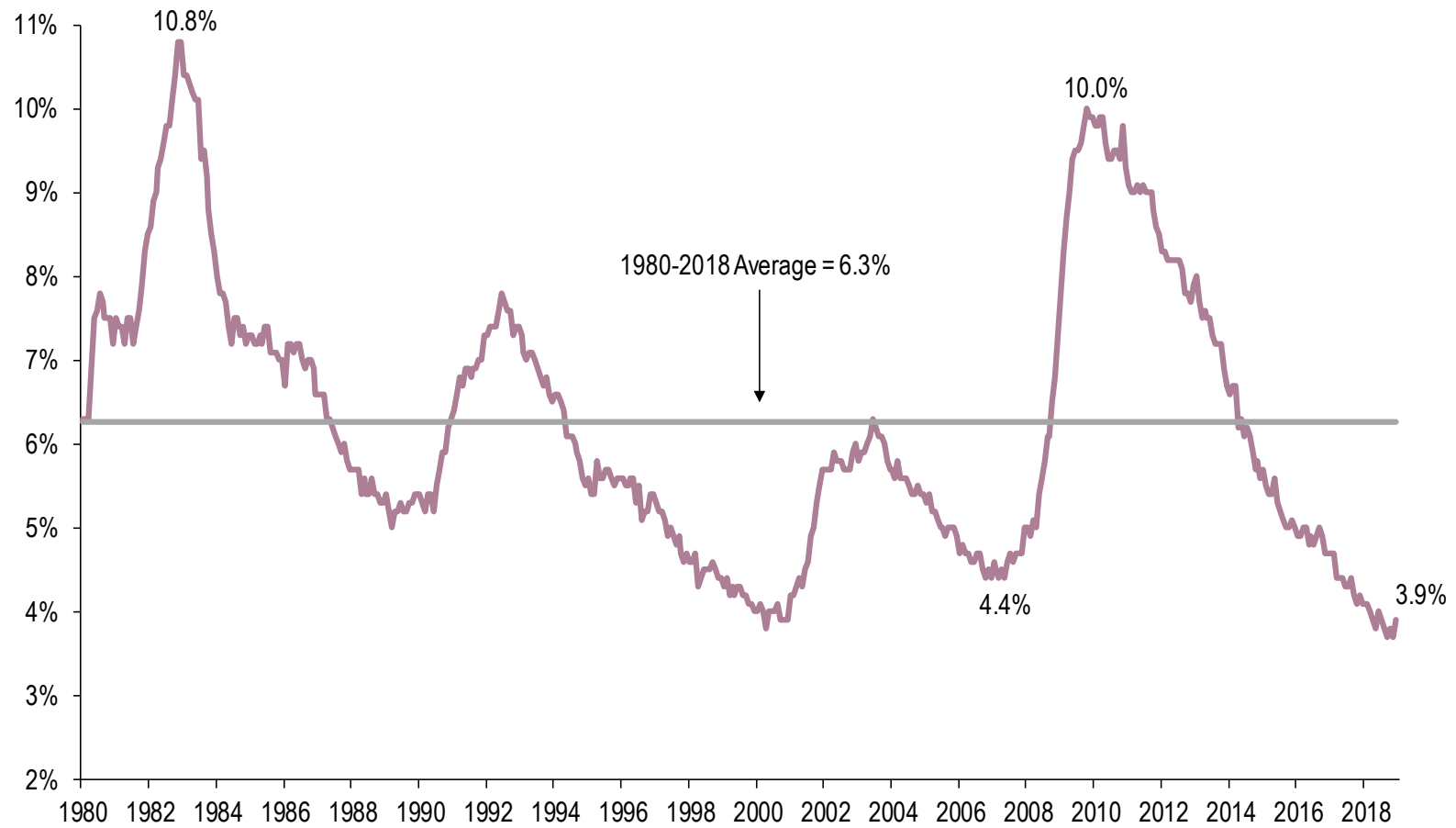
¹ Source: Bureau of Economic Analysis. Data is as of Q4 2018 and represents the first estimate.

U.S. Inflation (CPI) Trailing Twelve Months¹



¹ Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term.

U.S. Unemployment¹



¹ Source: Bureau of Labor Statistics.

Executive Summary

As of December 31, 2018

The value of the San Jose Federated Retiree Health Care Trust's assets was \$280.6 million on December 31, 2018, a decrease of \$17.9 million from the end of the prior quarter. The Trust had \$2.7 million of net cash inflows for the quarter.

- The Health Care Trust's net of fees performance was -6.9% for the quarter, outperforming the Policy Benchmark return of -7.0%. Over the one-year period, the Trust returned -5.1%, compared to -5.2% for the Policy Benchmark.
- On an absolute basis, most asset classes had negative returns for the quarter and one-year period. Relative to benchmarks, broad asset class returns were predominantly in-line.
 - Growth returned -12.2% for the quarter and -9.0% in the one-year period. Growth slightly trailed the Public Equity Benchmark in the quarter and one-year periods by 10 and 20 basis points, respectively.
 - Zero Beta performed in-line with the ICE Bank of America Merrill Lynch 91 Days T-Bill TR benchmark over the quarter (+0.6%) while slightly trailing the benchmark by 10 basis points in the one-year period.
 - Other returned -1.2% for the quarter and -1.0% in the one-year period, outperforming the Other Benchmark by 80 and 140 basis points, respectively. The Trust's only active manager exposure, Credit Suisse Risk Parity Commodity Fund, outperformed its benchmark by +3.9% during the fourth quarter.
- The Health Care Trust positioned towards its new asset allocation structure at the beginning of the quarter.

Artisan

- Artisan Global Value returned -13.3% for the quarter, underperforming the MSCI ACWI Value NR benchmark by 260 basis points. Compared to peers, Artisan ranks in the 52nd and 30th percentiles for the quarter and since inception periods, respectively. In the quarter, the Artisan portfolio suffered along with the broader stock market, as only four stocks in the portfolio generated positive returns.

Cove Street

- Cove Street Small Cap Value returned -14.7% for the quarter and -9.3% over the one-year period, outperforming the Russell 2000 Value benchmark by 400 and 360 basis points, respectively. Compared to peers, Cove Street ranks in the 12th and 48th percentiles for the quarter and since inception periods, respectively. The portfolio benefitted in the quarter from three takeovers and an underweight to financials.

American

- American Core Realty Fund returned +2.0% for the quarter and +7.0% over the one-year period, outperforming the NCREIF ODCE Equal Weighted benchmark by 60 basis points in the quarter while underperforming by 30 basis points over the one-year period. Since inception, American has underperformed the benchmark by 160 basis points.

Credit Suisse

- Credit Suisse Risk Parity Commodity Fund returned -5.5% for the quarter and -8.8% over the one-year period, outperforming the Bloomberg Commodity Index by 390 and 240 basis points over the same time periods, respectively. Since inception, Credit Suisse has outperformed the index by 370 basis points.

¹ Net of management fees.



Fourth Quarter Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation ¹	Comments
Artisan Global Value	Global Equity	Yes	Yes	Hold	Personnel Changes, Watch List
Cove Street Small Cap Value	U.S. Equity	---	Yes	---	Watch List
American Core Realty Fund, LLC	Core Real Estate	---	---	---	---
PRISA I	Core Real Estate	---	---	---	---
Credit Suisse Risk Parity	Commodities	---	---	---	---

Artisan

- Effective October 1, 2018, the Global Value team split from the International Value team into two distinct and autonomous investment teams. The Global Value team is now led by Daniel O'Keefe while the International Value team is led by David Samra. Concurrently, each of the four Associate Portfolio Managers on the Global Value team were named Co-Portfolio Managers along with Mr. O'Keefe.
- Over the three-year period, Artisan (+5.4%) has underperformed the MSCI ACWI Value NR USD benchmark by 50 basis points. Since inception in June 2015, Artisan has outperformed by 70 basis points per year, on average.

Cove Street

- Over the three-year period, Cove Street (+5.6%) has underperformed the Russell 2000 Value Index by 180 basis points. Since inception in June 2015, Cove Street has underperformed by 130 basis points per year, on average.

¹ The Meketa Investment Group recommendations are based on organizational or resource changes at each manager.



Watch List^{1,2}

Investment Manager	Asset Class	Watch List Status	Comments
Artisan Global Value	Global Equity	Monitoring	Underperformance
Cove Street Small Cap Value	U.S. Equity	Monitoring	Underperformance

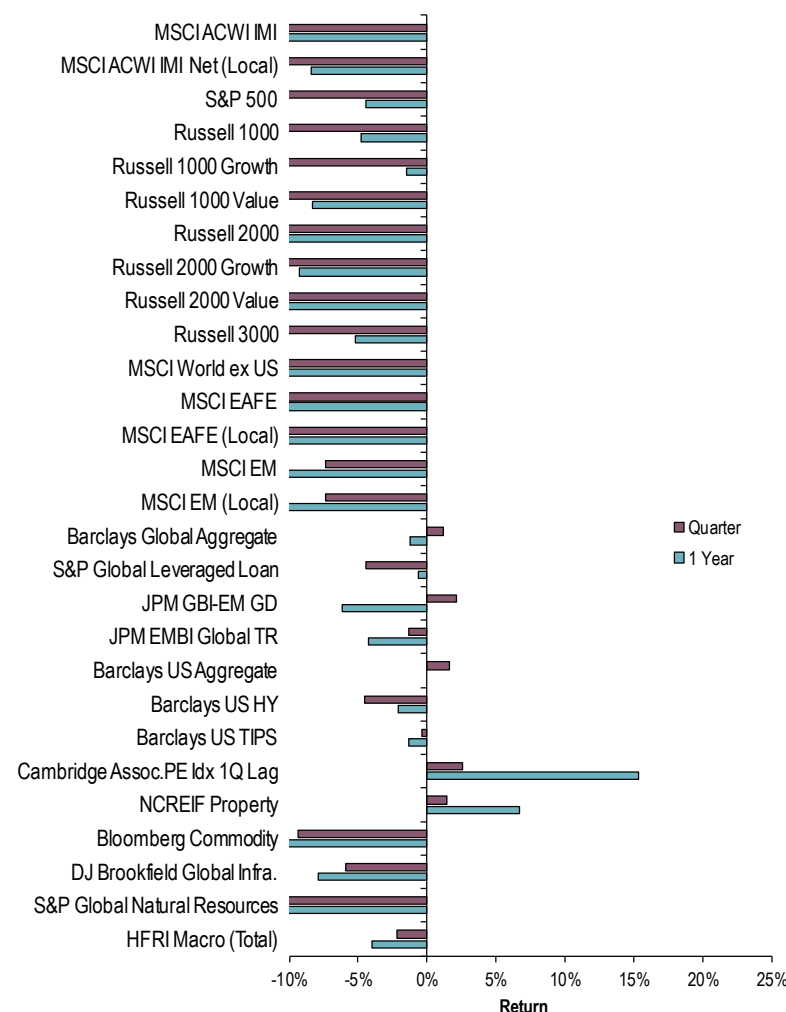
¹ Watch List excludes Private Markets and Passive Funds.

² Placement on the Watch List includes qualitative reasons and manager underperformance versus the appropriate benchmark over a three and or five year period as outlined in the Investment Policy Statement.



Market Environment – 4Q18 Overview

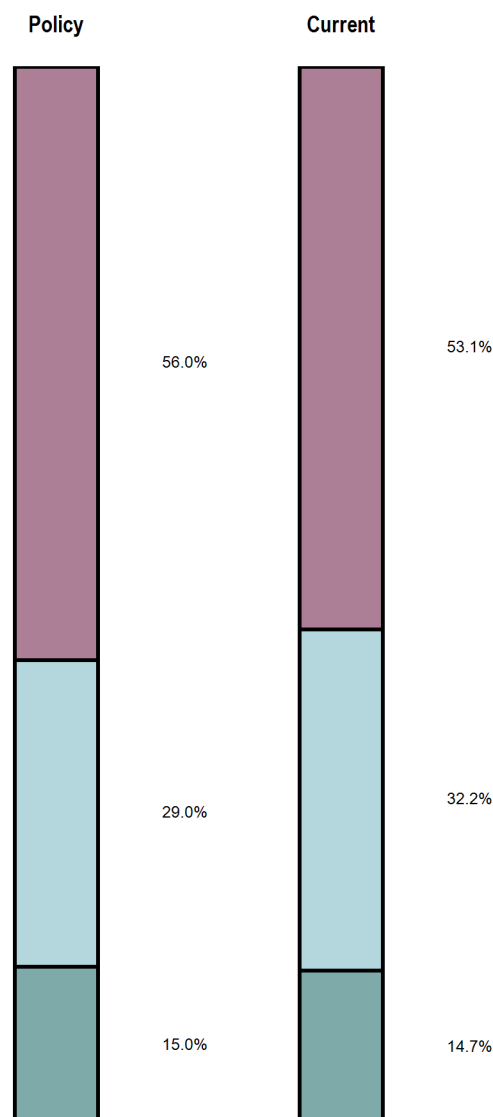
Benchmark	Scope	4Q18 (%)	1 YR (%)	3 YR (%)	5YR (%)	10 YR (%)
Global Equity						
MSCI ACWI IMI	World	-13.3	-10.1	6.5	4.2	9.7
MSCI ACWI IMI Net (Local)	World (Local Currency)	-13.1	-8.4	6.3	5.8	10.3
Domestic Equity						
S&P 500	Large Core	-13.5	-4.4	9.3	8.5	13.1
Russell 1000	Large Core	-13.8	-4.8	9.1	8.2	13.3
Russell 1000 Growth	Large Growth	-15.9	-1.5	11.2	10.4	15.3
Russell 1000 Value	Large Value	-11.7	-8.3	7.0	6.0	11.2
Russell 2000	Small Core	-20.2	-11.0	7.4	4.4	12.0
Russell 2000 Growth	Small Growth	-21.7	-9.3	7.2	5.1	13.5
Russell 2000 Value	Small Value	-18.7	-12.9	7.4	3.6	10.4
Russell 3000	All Cap Core	-14.3	-5.2	9.0	7.9	13.2
International Equity						
MSCI World ex US	World ex-US	-12.8	-14.1	3.1	0.3	6.2
MSCI EAFE	International Developed	-12.5	-13.8	2.9	0.5	6.3
MSCI EAFE (Local)	International Developed (Local Currency)	-12.2	-11.0	2.6	3.8	7.5
MSCI EM	Emerging Markets	-7.4	-14.7	8.9	1.9	8.6
MSCI EM (Local)	Emerging Markets (Local Currency)	-7.4	-10.1	8.8	5.0	9.6
Global Fixed Income						
Barclays Global Aggregate	Global Core Bonds	1.2	-1.2	2.7	1.1	2.5
S&P Global Leveraged Loan	Bank Loans	-4.4	-0.6	4.4	2.3	8.1
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	2.1	-6.2	5.9	-1.0	3.5
JPM EMBI Global TR	Emerging Market Bonds	-1.3	-4.3	5.2	4.8	8.2
Domestic Fixed Income						
Barclays US Aggregate	Core Bonds	1.6	0.0	2.1	2.5	3.5
Barclays US HY	High Yield	-4.5	-2.1	7.2	3.8	11.1
Barclays US TIPS	Inflation	-0.4	-1.3	2.1	1.7	3.6
Other						
Cambridge Associates PE Index 1Qtr Lag	Private Equity	2.6	15.3	10.6	11.9	9.2
NCREIF Property	Real Estate	1.4	6.7	7.2	9.3	7.5
Bloomberg Commodity	Commodities	-9.4	-11.3	0.3	-8.8	-3.8
DJ Brookfield Global Infrastructure	Infrastructure	-5.9	-7.9	6.3	3.6	0.7
S&P Global Natural Resources	Natural Resources	-16.8	-12.6	12.4	-0.5	3.2
HFRI Macro	Hedge Funds	-2.2	-4.0	-0.3	0.7	1.1



4Q18 Review

Total Fund Aggregate

As of December 31, 2018



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Growth	\$149,089,664	53.1%	56.0%	-2.9%	40.0% - 70.0%	Yes
Public Equity	\$149,089,664	53.1%	56.0%	-2.9%	40.0% - 70.0%	Yes
Zero Beta	\$90,400,180	32.2%	29.0%	3.2%	15.0% - 35.0%	Yes
Short-Term IG Bonds	\$86,494,311	30.8%	29.0%	1.8%	15.0% - 35.0%	Yes
Cash	\$3,905,869	1.4%	0.0%	1.4%	0.0% - 5.0%	Yes
Other	\$41,134,415	14.7%	15.0%	-0.3%	5.0% - 25.0%	Yes
Core Real Estate	\$29,977,108	10.7%	10.0%	0.7%	5.0% - 15.0%	Yes
Commodities	\$11,091,469	4.0%	5.0%	-1.0%	0.0% - 10.0%	Yes
Natural Resources	\$58,491	0.0%	0.0%	0.0%	--	--
Infrastructure	\$7,347	0.0%	0.0%	0.0%	--	--
Investment Grade Bonds	\$0	0.0%	0.0%	0.0%	0.0% - 5.0%	Yes
TIPS	\$0	0.0%	0.0%	0.0%	0.0% - 5.0%	Yes
Total	\$280,624,258	100.0%	100.0%			

Total Fund Aggregate

As of December 31, 2018

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund Aggregate	280,624,258	100.0	-6.9	-4.6	-5.1	3.8	1.7	--	3.7	Jul-11
Policy Benchmark			-7.0	-5.1	-5.2	5.8	2.9	--	4.1	Jul-11
InvestorForce Health & Welfare \$250mm - \$1B Gross Median			-4.6	-2.7	-2.3	4.7	4.0	6.6	4.9	Jul-11
InvestorForce Health & Welfare \$250mm - \$1B Gross Rank			67	72	81	84	99	--	87	Jul-11
Growth	149,089,664	53.1	-12.2	-8.4	-9.0	6.3	4.2	--	8.6	Dec-11
Public Equity Benchmark			-12.1	-8.6	-8.8	7.0	4.5	--	8.5	Dec-11
Public Equity	149,089,664	53.1	-12.2	-8.4	-9.0	6.3	4.2	--	8.6	Dec-11
Public Equity Benchmark			-12.1	-8.6	-8.8	7.0	4.5	--	8.5	Dec-11
Global Equity	31,850,489	11.3	-13.3	-10.1	-12.8	5.4	--	--	3.5	Jul-15
MSCI ACWI IMI Net USD			-13.3	-9.9	-10.1	6.5	--	--	4.0	Jul-15
U.S. Equity	57,026,270	20.3	-14.3	-8.3	-5.7	8.6	--	--	6.6	Jul-15
Russell 3000			-14.3	-8.2	-5.2	9.0	--	--	7.2	Jul-15
International Equity	23,711,181	8.4	-12.5	-11.3	-13.4	3.2	--	--	1.0	Jul-15
MSCI EAFE			-12.5	-11.4	-13.8	2.9	--	--	0.7	Jul-15
Emerging Markets Equity	36,501,724	13.0	-7.6	-8.9	-16.0	4.7	--	--	1.3	Jul-15
MSCI Emerging Markets			-7.5	-8.5	-14.6	9.2	--	--	2.2	Jul-15
Zero Beta	90,400,180	32.2	0.6	0.9	1.8	1.0	0.6	--	0.4	Jul-11
ICE BofAML 91 Days T-Bills TR			0.6	1.1	1.9	1.0	0.6	--	0.4	Jul-11

¹ Fiscal Year begins July 1.² Please see the Appendix for composition of the San Jose Health Care 115 Trust Policy Benchmark.³ Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.

San Jose Federated Retiree Health Care 115 Trust

As of December 31, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cash	3,905,869	1.4	0.5	0.8	1.7	0.9	0.5	--	0.3	Jul-11
ICE BofAML 91 Days T-Bills TR			0.6	1.1	1.9	1.0	0.6	--	0.4	Jul-11
Short-Term IG Bonds	86,494,311	30.8	0.6	--	--	--	--	--	0.6	Oct-18
ICE BofAML 91 Days T-Bills TR			0.6	--	--	--	--	--	0.6	Oct-18
Other	41,134,415	14.7	-1.2	-1.1	-1.0	3.7	--	--	1.3	Jul-15
Other Benchmark			-2.0	-1.3	-2.4	28.3	--	--	11.0	Jul-15
Core Real Estate	29,977,108	10.7	0.8	2.8	6.7	6.8	--	--	6.7	Jul-15
NCREIF ODCE Equal Weighted (Net)			1.4	3.3	7.3	7.5	--	--	8.4	Jul-15
Commodities	11,091,469	4.0	-5.4	-8.3	-6.6	1.1	--	--	-5.3	Jan-15
Bloomberg Commodity Index TR USD			-9.4	-11.2	-11.2	0.3	--	--	-6.6	Jan-15
Natural Resources	58,491	0.0								
Infrastructure	7,347	0.0								
Investment Grade Bonds	0	0.0	0.0	0.7	-1.0	1.6	--	--	1.4	Jan-15
BBgBarc Global Aggregate TR			1.2	0.3	-1.2	2.7	--	--	1.2	Jan-15
TIPS	0	0.0	0.0	0.4	0.9	1.6	--	--	1.3	Jan-15
BBgBarc U.S. TIPS 0-5 Years			-0.2	-0.1	0.6	1.5	--	--	1.1	Jan-15

Total Fund Aggregate

As of December 31, 2018

Trailing Net Performance

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund Aggregate	280,624,258	100.0	-6.9	-4.6	-5.1	3.8	1.7	--	3.7	Jul-11
Policy Benchmark			-7.0	-5.1	-5.2	5.8	2.9	--	4.1	Jul-11
InvestorForce Health & Welfare \$250mm - \$1B Gross Median			-4.6	-2.7	-2.3	4.7	4.0	6.6	4.9	Jul-11
InvestorForce Health & Welfare \$250mm - \$1B Gross Rank			67	72	81	84	99	--	87	Jul-11
Growth	149,089,664	53.1	-12.2	-8.4	-9.0	6.3	4.2	--	8.6	Dec-11
Public Equity Benchmark			-12.1	-8.6	-8.8	7.0	4.5	--	8.5	Dec-11
Public Equity	149,089,664	53.1	-12.2	-8.4	-9.0	6.3	4.2	--	8.6	Dec-11
Public Equity Benchmark			-12.1	-8.6	-8.8	7.0	4.5	--	8.5	Dec-11
Global Equity	31,850,489	11.3	-13.3	-10.1	-12.8	5.4	--	--	3.5	Jul-15
MSCI ACWI IMI Net USD			-13.3	-9.9	-10.1	6.5	--	--	4.0	Jul-15
Artisan Global Value	31,850,489	11.3	-13.3	-10.1	-12.8	5.4	--	--	2.8	Jun-15
MSCI ACWI Value NR USD			-10.7	-7.2	-10.8	5.9	--	--	2.1	Jun-15
eV Global Value Equity Net Median			-12.7	-10.4	-12.9	5.0	2.7	9.3	1.9	Jun-15
eV Global Value Equity Net Rank			52	46	49	42	--	--	30	Jun-15
U.S. Equity	57,026,270	20.3	-14.3	-8.3	-5.7	8.6	--	--	6.6	Jul-15
Russell 3000			-14.3	-8.2	-5.2	9.0	--	--	7.2	Jul-15
Northern Trust Russell 3000	55,137,407	19.6	-14.3	-8.2	-5.4	8.9	--	--	6.6	Jun-15
Russell 3000			-14.3	-8.2	-5.2	9.0	--	--	6.5	Jun-15
Cove Street Small Cap Value	1,888,862	0.7	-14.7	-9.6	-9.3	5.6	--	--	2.4	Jun-15
Russell 2000 Value			-18.7	-17.4	-12.9	7.4	--	--	3.7	Jun-15
eV US Small Cap Value Equity Net Median			-19.2	-18.3	-15.0	5.5	3.1	11.9	2.4	Jun-15
eV US Small Cap Value Equity Net Rank			12	3	12	49	--	--	48	Jun-15

Total Fund Aggregate

As of December 31, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	23,711,181	8.4	-12.5	-11.3	-13.4	3.2	--	--	1.0	Jul-15
<i>MSCI EAFE</i>			-12.5	-11.4	-13.8	2.9	--	--	0.7	Jul-15
Northern Trust EAFE Index	23,711,181	8.4	-12.5	-11.3	-13.3	3.0	--	--	0.8	Jul-15
<i>MSCI EAFE</i>			-12.5	-11.4	-13.8	2.9	--	--	0.7	Jul-15
Emerging Markets Equity	36,501,724	13.0	-7.6	-8.9	-16.0	4.7	--	--	1.3	Jul-15
<i>MSCI Emerging Markets</i>			-7.5	-8.5	-14.6	9.2	--	--	2.2	Jul-15
Northern Trust MSCI EM	36,501,724	13.0	-7.6	--	--	--	--	--	-7.6	Aug-18
<i>MSCI Emerging Markets</i>			-7.5	--	--	--	--	--	-8.0	Aug-18
Zero Beta	90,400,180	32.2	0.6	0.9	1.8	1.0	0.6	--	0.4	Jul-11
<i>ICE BofAML 91 Days T-Bills TR</i>			0.6	1.1	1.9	1.0	0.6	--	0.4	Jul-11
Cash	3,905,869	1.4	0.5	0.8	1.7	0.9	0.5	--	0.3	Jul-11
<i>ICE BofAML 91 Days T-Bills TR</i>			0.6	1.1	1.9	1.0	0.6	--	0.4	Jul-11
Short-Term IG Bonds	86,494,311	30.8	0.6	--	--	--	--	--	0.6	Oct-18
<i>ICE BofAML 91 Days T-Bills TR</i>			0.6	--	--	--	--	--	0.6	Oct-18
BlackRock 3-Month T-Bill	86,494,311	30.8	0.6	--	--	--	--	--	0.6	Oct-18
<i>ICE BofAML 91 Days T-Bills TR</i>			0.6	--	--	--	--	--	0.6	Oct-18
Other	41,134,415	14.7	-1.2	-1.1	-1.0	3.7	--	--	1.3	Jul-15
<i>Other Benchmark</i>			-2.0	-1.3	-2.4	28.3	--	--	11.0	Jul-15
Core Real Estate	29,977,108	10.7	0.8	2.8	6.7	6.8	--	--	6.7	Jul-15
<i>NCREIF ODCE Equal Weighted (Net)</i>			1.4	3.3	7.3	7.5	--	--	8.4	Jul-15
PRISA	17,307,530	6.2	0.0	1.9	7.4	--	--	--	6.1	Apr-16
<i>NCREIF ODCE Equal Weighted (Net)</i>			1.4	3.3	7.3	--	--	--	7.4	Apr-16

Total Fund Aggregate

As of December 31, 2018

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
American Core Realty Fund, LLC	12,669,578	4.5	2.0	3.8	7.0	6.9	--	--	6.8	Jul-15
NCREIF ODCE Equal Weighted (Net)			1.4	3.3	7.3	7.5	--	--	8.4	Jul-15
Commodities	11,091,469	4.0	-5.4	-8.3	-6.6	1.1	--	--	-5.3	Jan-15
Bloomberg Commodity Index TR USD			-9.4	-11.2	-11.2	0.3	--	--	-6.6	Jan-15
Credit Suisse Risk Parity Commodity Fund	11,091,469	4.0	-5.5	-8.4	-8.8	2.7	-4.8	--	-5.5	Aug-11
Bloomberg Commodity Index TR USD			-9.4	-11.2	-11.2	0.3	-8.8	--	-9.2	Aug-11
Natural Resources	58,491	0.0								
Rhumblin Global LargeMid Natural Resources	58,491	0.0								
Infrastructure	7,347	0.0								
Rhumblin DJ Brookfield Infrastructure	7,347	0.0								
Investment Grade Bonds	0	0.0	0.0	0.7	-1.0	1.6	--	--	1.4	Jan-15
BBgBarc Global Aggregate TR			1.2	0.3	-1.2	2.7	--	--	1.2	Jan-15
TIPS	0	0.0	0.0	0.4	0.9	1.6	--	--	1.3	Jan-15
BBgBarc U.S. TIPS 0-5 Years			-0.2	-0.1	0.6	1.5	--	--	1.1	Jan-15

¹ Infrastructure tracking error due to a cash position resulting from a delay in the ability to invest in certain markets.

Total Fund Aggregate

As of December 31, 2018

Cash Flow Summary
QTD Ending December 31, 2018

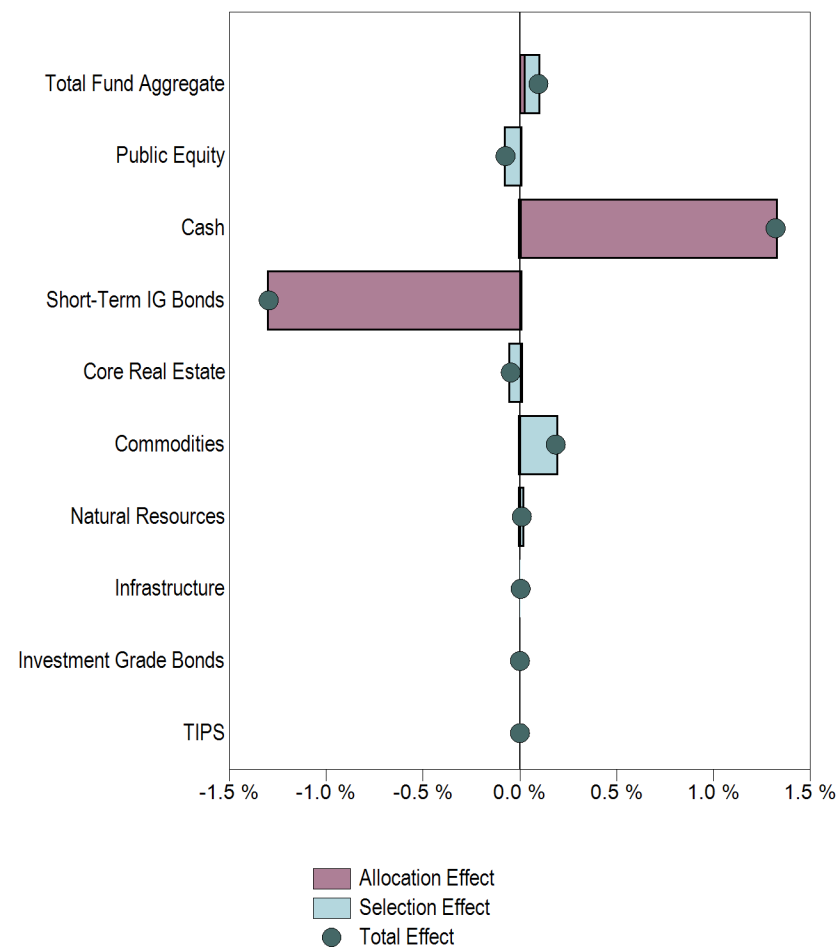
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Artisan Global Value	\$36,723,962	\$0	\$0	\$0	-\$4,873,473	\$31,850,489
Northern Trust Russell 3000	\$64,332,330	\$0	\$0	\$0	-\$9,194,923	\$55,137,407
Cove Street Small Cap Value	\$2,213,184	\$0	\$0	\$0	-\$324,322	\$1,888,862
Northern Trust EAFE Index	\$24,696,003	\$2,200,000	\$0	\$2,200,000	-\$3,184,822	\$23,711,181
Vanguard Emerging Markets Stock Index	\$0	\$0	\$0	\$0	\$0	--
Northern Trust MSCI EM	\$39,500,000	\$0	\$0	\$0	-\$2,998,276	\$36,501,724
Internal Cash Account	\$87,037,253	\$5,754,157	-\$88,900,000	-\$83,145,843	\$14,459	\$3,905,869
BlackRock 3-Month T-Bill	\$0	\$86,000,000	\$0	\$86,000,000	\$494,311	\$86,494,311
PRISA	\$17,307,530	\$0	\$0	\$0	\$0	\$17,307,530
American Core Realty Fund, LLC	\$12,424,195	\$0	-\$26,982	-\$26,982	\$272,364	\$12,669,578
Credit Suisse Risk Parity Commodity Fund	\$11,031,405	\$700,000	-\$12,175	\$687,825	-\$627,761	\$11,091,469
Pinnacle Natural Resources, L.P.	\$2,951,589	\$0	-\$2,800,612	-\$2,800,612	-\$150,977	\$0
Rhumblin Global LargeMid Natural Resources	\$305,033	\$2,497,459	-\$2,757,459	-\$260,000	\$13,459	\$58,491
Rhumblin DJ Brookfield Infrastructure	\$7,459	\$137	-\$137	\$0	-\$112	\$7,347
Northern Trust Barclays Aggregate	\$0	\$0	\$0	\$0	\$0	--
Vanguard Short-Term Inflation-Protected Securities	--	--	--	--	--	--
Total	\$298,529,943	\$97,151,753	-\$94,497,365	\$2,654,388	-\$20,560,073	\$280,624,258

As of December 31, 2018

Attribution Summary
3 Months Ending December 31, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Public Equity	-12.2%	-12.1%	-0.1%	-0.1%	0.0%	-0.1%
Cash	0.5%	0.6%	-0.1%	0.0%	0.1%	0.0%
Short-Term IG Bonds	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%
Core Real Estate	0.8%	1.4%	-0.6%	-0.1%	0.0%	-0.1%
Commodities	-5.4%	-9.4%	4.0%	0.2%	0.0%	0.2%
Natural Resources	2.5%	-16.8%	19.3%	0.0%	0.0%	0.0%
Infrastructure	-1.5%	-5.9%	4.4%	0.0%	0.0%	0.0%
Investment Grade Bonds	0.0%	1.2%	-1.2%	0.0%	0.0%	0.0%
TIPS	0.0%	-0.2%	0.2%	0.0%	0.0%	0.0%
Total	-6.9%	-7.0%	0.1%	0.1%	0.0%	0.1%

Attribution Effects
3 Months Ending December 31, 2018



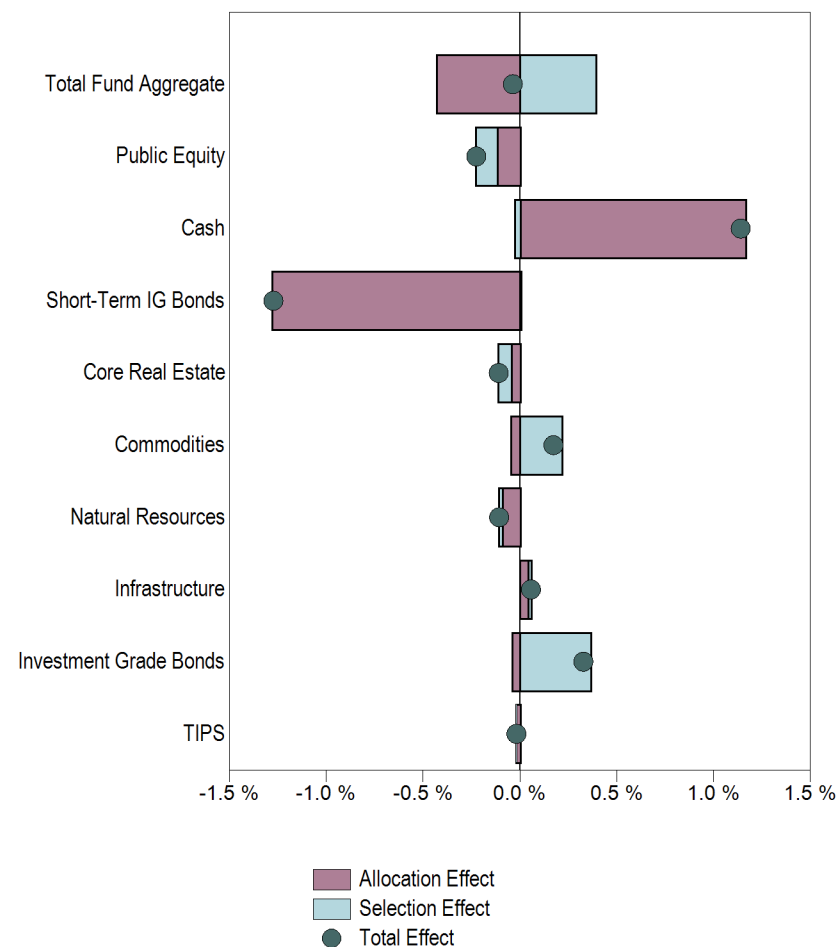
¹ Difference in attribution returns and returns in the performance summary may occur as a result of the different calculation methodologies that are applied by InvestorForce.

As of December 31, 2018

Attribution Summary
1 Year Ending December 31, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Public Equity	-9.0%	-8.8%	-0.2%	-0.1%	-0.3%	-0.4%
Cash	1.7%	1.9%	-0.2%	0.0%	0.1%	0.1%
Short-Term IG Bonds	--	0.6%	--	0.0%	0.0%	0.0%
Core Real Estate	6.7%	7.3%	-0.6%	-0.1%	-0.1%	-0.1%
Commodities	-6.6%	-11.2%	4.6%	0.2%	0.0%	0.2%
Natural Resources	7.0%	-12.6%	19.6%	0.0%	-0.1%	-0.1%
Infrastructure	-5.5%	-7.9%	2.4%	0.0%	0.0%	0.0%
Investment Grade Bonds	-1.0%	-1.2%	0.3%	0.4%	0.0%	0.3%
TIPS	0.9%	0.6%	0.4%	0.0%	0.0%	0.0%
Total	-5.0%	-5.0%	0.0%	0.4%	-0.4%	0.0%

Attribution Effects
1 Year Ending December 31, 2018



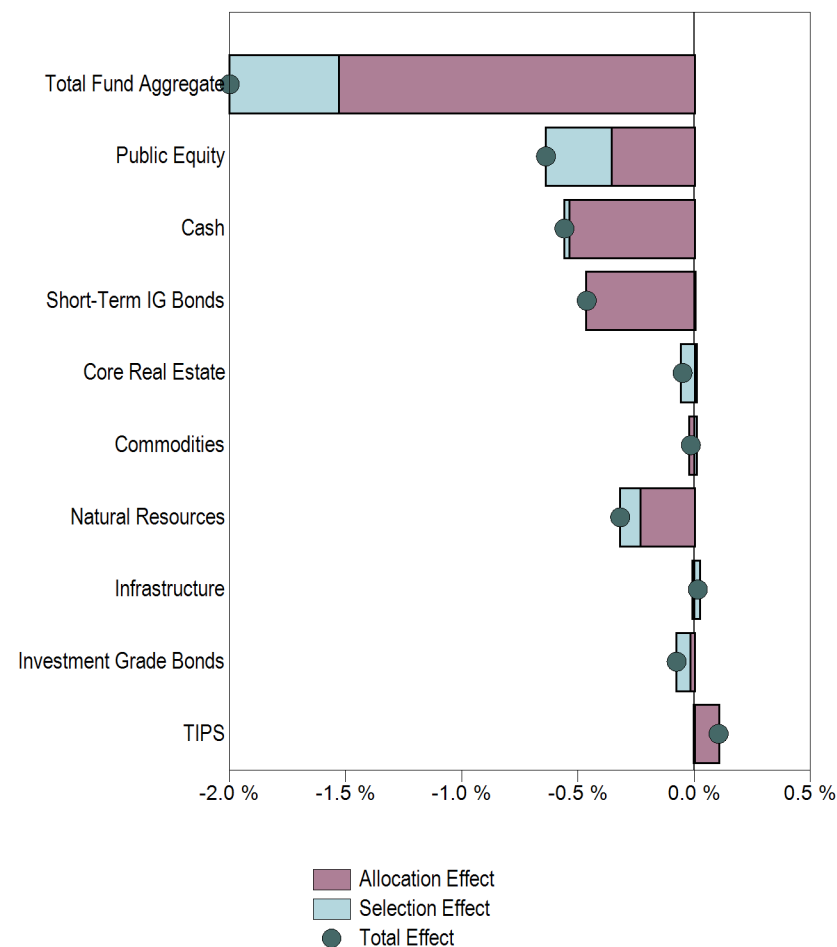
Total Fund Aggregate

As of December 31, 2018

Attribution Summary
3 Years Ending December 31, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Public Equity	6.3%	7.0%	-0.7%	-0.3%	-1.0%	-1.3%
Cash	0.9%	1.0%	-0.1%	0.0%	0.1%	0.1%
Short-Term IG Bonds	--	0.2%	--	0.0%	0.0%	0.0%
Core Real Estate	6.8%	7.5%	-0.8%	-0.1%	-0.1%	-0.1%
Commodities	1.1%	0.3%	0.8%	0.0%	0.0%	0.0%
Natural Resources	18.2%	12.4%	5.8%	-0.1%	-0.4%	-0.5%
Infrastructure	7.5%	6.3%	1.3%	0.0%	-0.1%	0.0%
Investment Grade Bonds	1.6%	2.7%	-1.1%	-0.1%	-0.1%	-0.1%
TIPS	1.6%	1.5%	0.1%	0.0%	0.0%	0.0%
Total	3.8%	5.8%	-2.0%	-0.5%	-1.5%	-2.0%

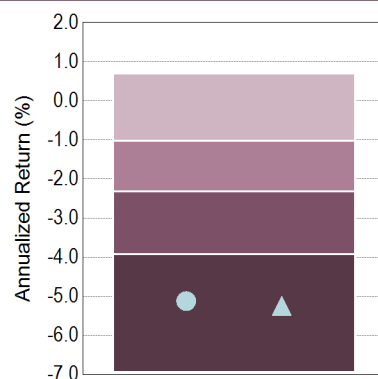
Attribution Effects
3 Years Ending December 31, 2018



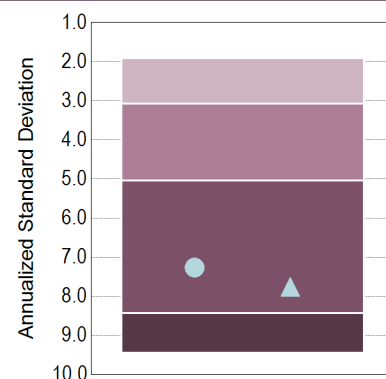
Total Fund Risk Statistics vs. Peer Universe (Trailing 1 Year)

As of December 31, 2018

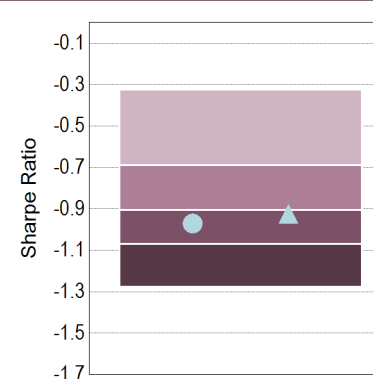
Annualized Return (%)
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



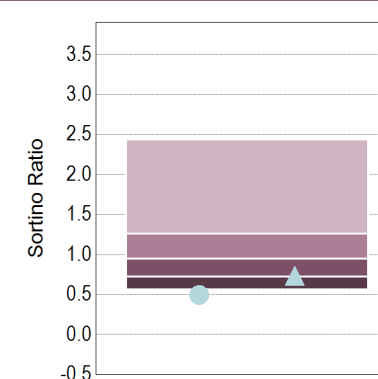
Annualized Standard Deviation
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



Sortino Ratio
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



● Total Fund Aggregate

Value	-5.1
Rank	81
▲ Policy Benchmark	
Value	-5.2
Rank	81

Universe	
5th %tile	0.7
25th %tile	-1.0
Median	-2.3
75th %tile	-3.9
95th %tile	-6.9

● Total Fund Aggregate

Value	7.3
Rank	67
▲ Policy Benchmark	
Value	7.8
Rank	72

Universe	
5th %tile	1.9
25th %tile	3.1
Median	5.0
75th %tile	8.4
95th %tile	9.4

● Total Fund Aggregate

Value	-1.0
Rank	67
▲ Policy Benchmark	
Value	-0.9
Rank	57

Universe	
5th %tile	-0.3
25th %tile	-0.7
Median	-0.9
75th %tile	-1.1
95th %tile	-1.3

● Total Fund Aggregate

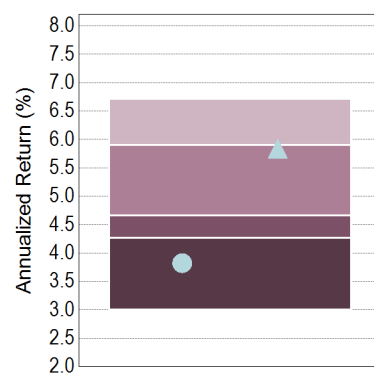
Value	0.5
Rank	99
▲ Policy Benchmark	
Value	0.7
Rank	75

Universe	
5th %tile	2.4
25th %tile	1.3
Median	1.0
75th %tile	0.7
95th %tile	0.6

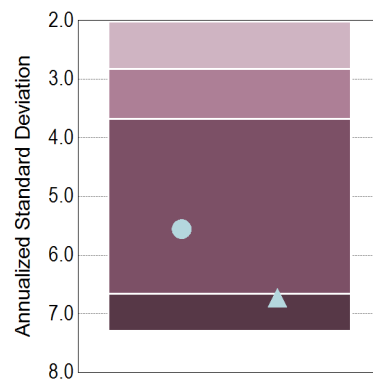
Total Fund Risk Statistics vs. Peer Universe (Trailing 3 Years)

As of December 31, 2018

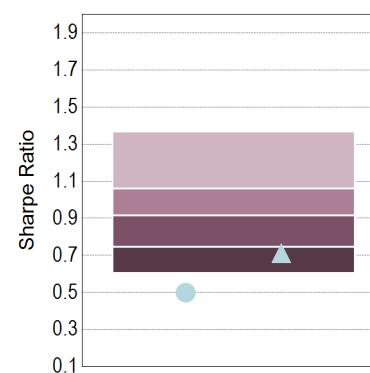
Annualized Return (%)
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



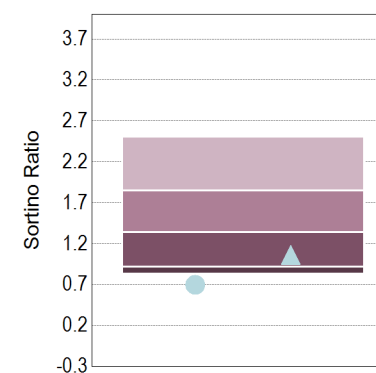
Annualized Standard Deviation
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



Sortino Ratio
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



● Total Fund Aggregate

Value	3.8
Rank	84
▲ Policy Benchmark	
Value	5.8
Rank	29

Universe

5th %tile	6.7
25th %tile	5.9
Median	4.7
75th %tile	4.3
95th %tile	3.0

● Total Fund Aggregate

Value	5.6
Rank	68
▲ Policy Benchmark	
Value	6.7
Rank	76

Universe

5th %tile	2.0
25th %tile	2.8
Median	3.7
75th %tile	6.7
95th %tile	7.3

● Total Fund Aggregate

Value	0.5
Rank	99
▲ Policy Benchmark	
Value	0.7
Rank	84

Universe

5th %tile	1.4
25th %tile	1.1
Median	0.9
75th %tile	0.7
95th %tile	0.6

● Total Fund Aggregate

Value	0.7
Rank	99
▲ Policy Benchmark	
Value	1.1
Rank	70

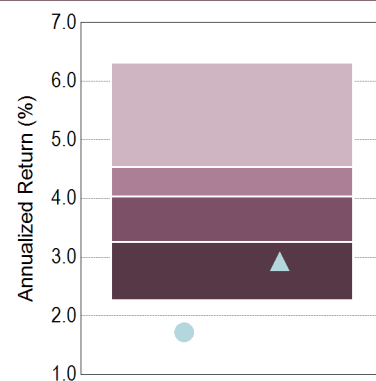
Universe

5th %tile	2.5
25th %tile	1.9
Median	1.3
75th %tile	0.9
95th %tile	0.8

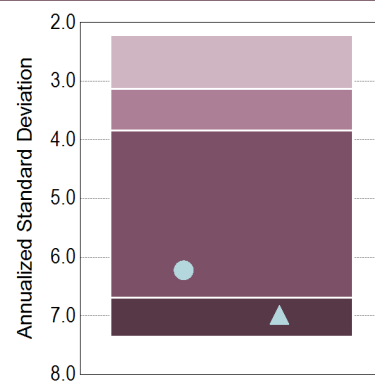
Total Fund Risk Statistics vs. Peer Universe (Trailing 5 Years)

As of December 31, 2018

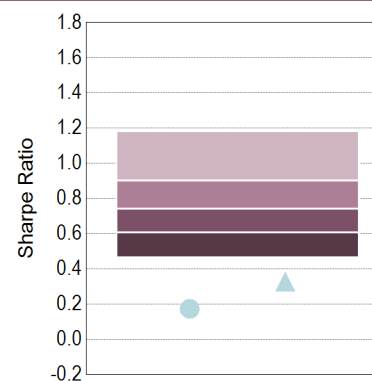
Annualized Return (%)
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



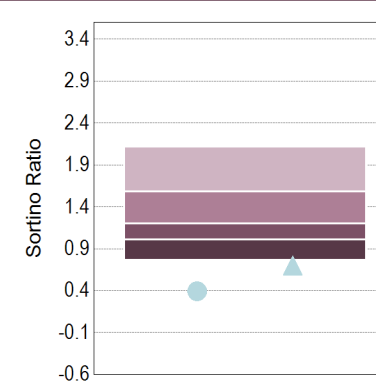
Annualized Standard Deviation
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



Sharpe Ratio
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



Sortino Ratio
vs. InvestorForce Health & Welfare
\$250mm - \$1B Gross



● Total Fund Aggregate

Value	1.7
Rank	99
▲ Policy Benchmark	
Value	2.9
Rank	85

Universe	
5th %tile	6.3
25th %tile	4.5
Median	4.0
75th %tile	3.3
95th %tile	2.3

● Total Fund Aggregate

Value	6.2
Rank	71
▲ Policy Benchmark	
Value	7.0
Rank	83

Universe	
5th %tile	2.2
25th %tile	3.1
Median	3.8
75th %tile	6.7
95th %tile	7.3

● Total Fund Aggregate

Value	0.2
Rank	99
▲ Policy Benchmark	
Value	0.3
Rank	99

Universe	
5th %tile	1.2
25th %tile	0.9
Median	0.7
75th %tile	0.6
95th %tile	0.5

● Total Fund Aggregate

Value	0.4
Rank	99
▲ Policy Benchmark	
Value	0.7
Rank	98

Universe	
5th %tile	2.1
25th %tile	1.6
Median	1.2
75th %tile	1.0
95th %tile	0.8

Total Fund Aggregate

As of December 31, 2018

Benchmark History
As of December 31, 2018
Total Fund Aggregate

10/1/2018	Present	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofAML 91 Days T-Bills TR / 10% NCREIF ODCE Equal Weighted / 5% Bloomberg Commodity Index TR USD
5/1/2018	9/30/2018	55% MSCI ACWI IMI Net USD / 28% BBGBarc Global Aggregate TR / 5% Bloomberg Commodity Index TR USD / 4% S&P Global Natural Resources Index TR USD / 8% NCREIF ODCE Equal Weighted (Net)
7/1/2011	4/30/2018	46.7% MSCI ACWI IMI Net USD / 30.3% BBGBarc Global Aggregate TR / 6% Bloomberg Commodity Index TR USD / 5% S&P Global Natural Resources Index TR USD / 7% NCREIF ODCE Equal Weighted (Net) / 5% DJ Brookfield Global Infrastructure Net TR USD

Growth

10/1/2018	Present	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
12/1/2011	9/30/2018	MSCI ACWI IMI Net USD

Public Equity

10/1/2018	Present	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
12/1/2011	9/30/2018	MSCI ACWI IMI Net USD

Global Equity

7/1/2015	Present	MSCI ACWI IMI Net USD
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U.S. Equity

7/1/2015	Present	Russell 3000
----------	---------	--------------

International Equity

7/1/2015	Present	MSCI EAFE
----------	---------	-----------

Emerging Markets Equity

7/1/2015	Present	MSCI Emerging Markets
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Zero Beta

7/1/2011	Present	ICE BofAML 91 Days T-Bills TR
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Cash

7/1/2011	Present	ICE BofAML 91 Days T-Bills TR
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Short-Term IG Bonds

10/1/2018	Present	ICE BofAML 91 Days T-Bills TR
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Other

10/1/2018	Present	66.67% NCREIF-ODCE / 33.33% Bloomberg Commodity Index TR USD
5/1/2018	9/30/2018	62.22% BBGBarc Global Aggregate TR / 17.78% NCREIF Property Index / 11.11% Bloomberg Commodity Index TR USD / 88.9% S&P Global Natural Resources Index TR USD
7/1/2015	4/30/2018	56.85% BBGBarc Global Aggregate TR / 13.13% NCREIF Property Index / 11.26% Bloomberg Commodity Index TR USD / 93.8% S&P Global Natural Resources Index TR USD / 93.8% DJ Brookfield Global Infrastructure Net TR USD

Core Real Estate

Total Fund Aggregate

As of December 31, 2018

7/1/2015	Present	NCREIF ODCE Equal Weighted (Net)
Commodities		
1/1/2015	Present	Bloomberg Commodity Index TR USD
Natural Resources		
6/1/2015	Present	S&P Global Natural Resources Index TR USD
Infrastructure		
6/1/2015	Present	DJ Brookfield Global Infrastructure Net TR USD
Investment Grade Bonds		
1/1/2015	Present	BBgBarc Global Aggregate TR
TIPS		
3/1/2017	Present	100% BBgBarc US Treasury TIPS 0-5 Yr TR

Glossary and Notes

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.