San Jose Police and Fire Department Retirement Plan

Asset Class Reviews: Core Real Estate, Fixed Income, and Market Neutral Strategies

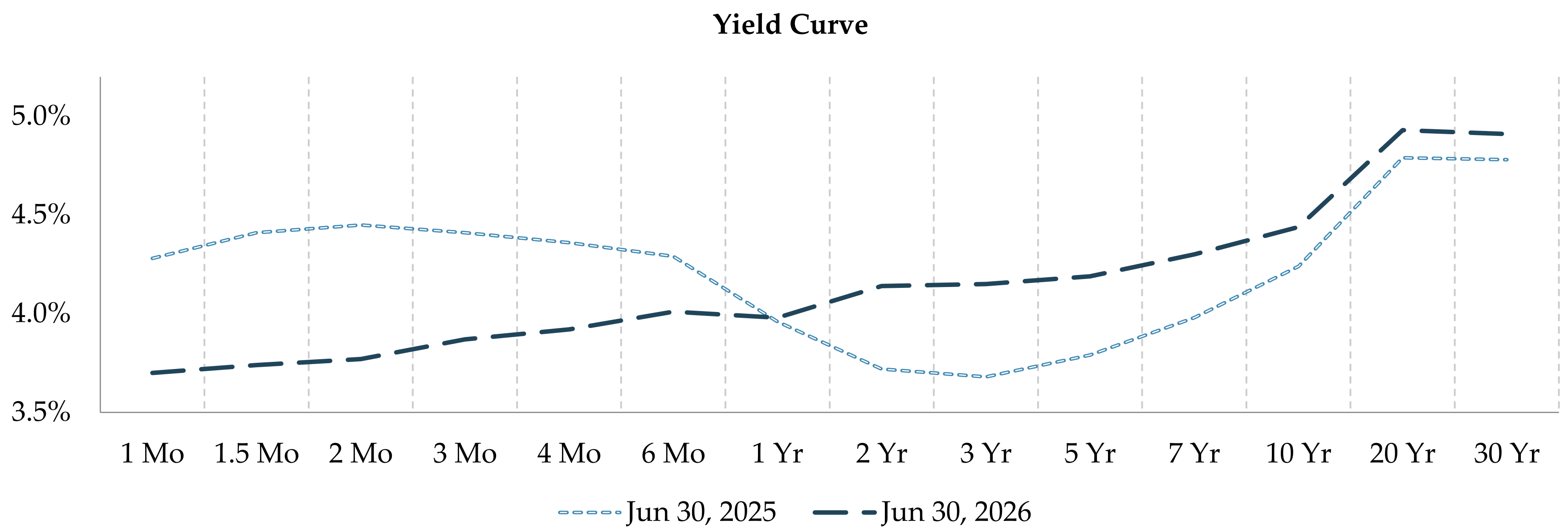
August 2026

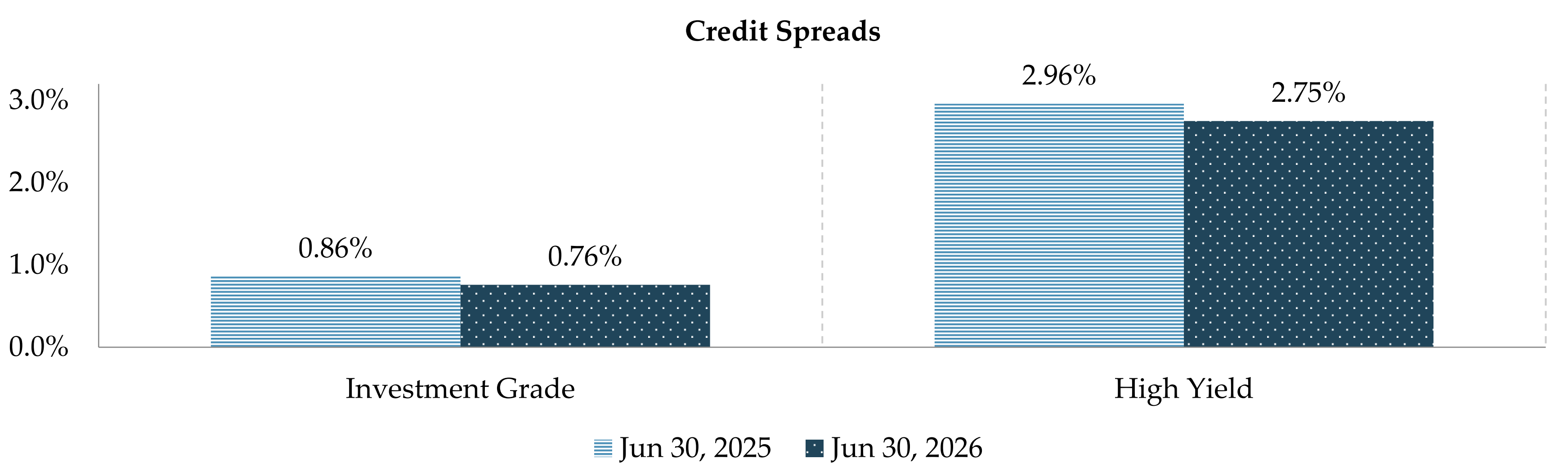
Asset Allocation Snapshot as of June 30, 2026

The scope of this presentation is asset classes excluding Public Equity and Private Markets.

Asset Class	Market Value ($mm)	% of Plan	Target	Difference
Public Equity	2,589	41.7%	42%	-0.3%
Private Markets	1,716	27.7%	27.5%	0.2%
Core Real Estate	289	4.7%	5%	-0.3%
Multi-Sector Bonds	515	8.3%	8.5%	-0.2%
Immunized Cash Flows / Cash	690	11.1%	10.5%	0.6%
Long-Term Government Bonds	87	1.4%	1.5%	-0.1%
TIPS	119	1.9%	2%	-0.1%
Market Neutral Strategies	198	3.2%	3%	0.2%
Total Plan	**6,202**			

Yields and Credit Spreads

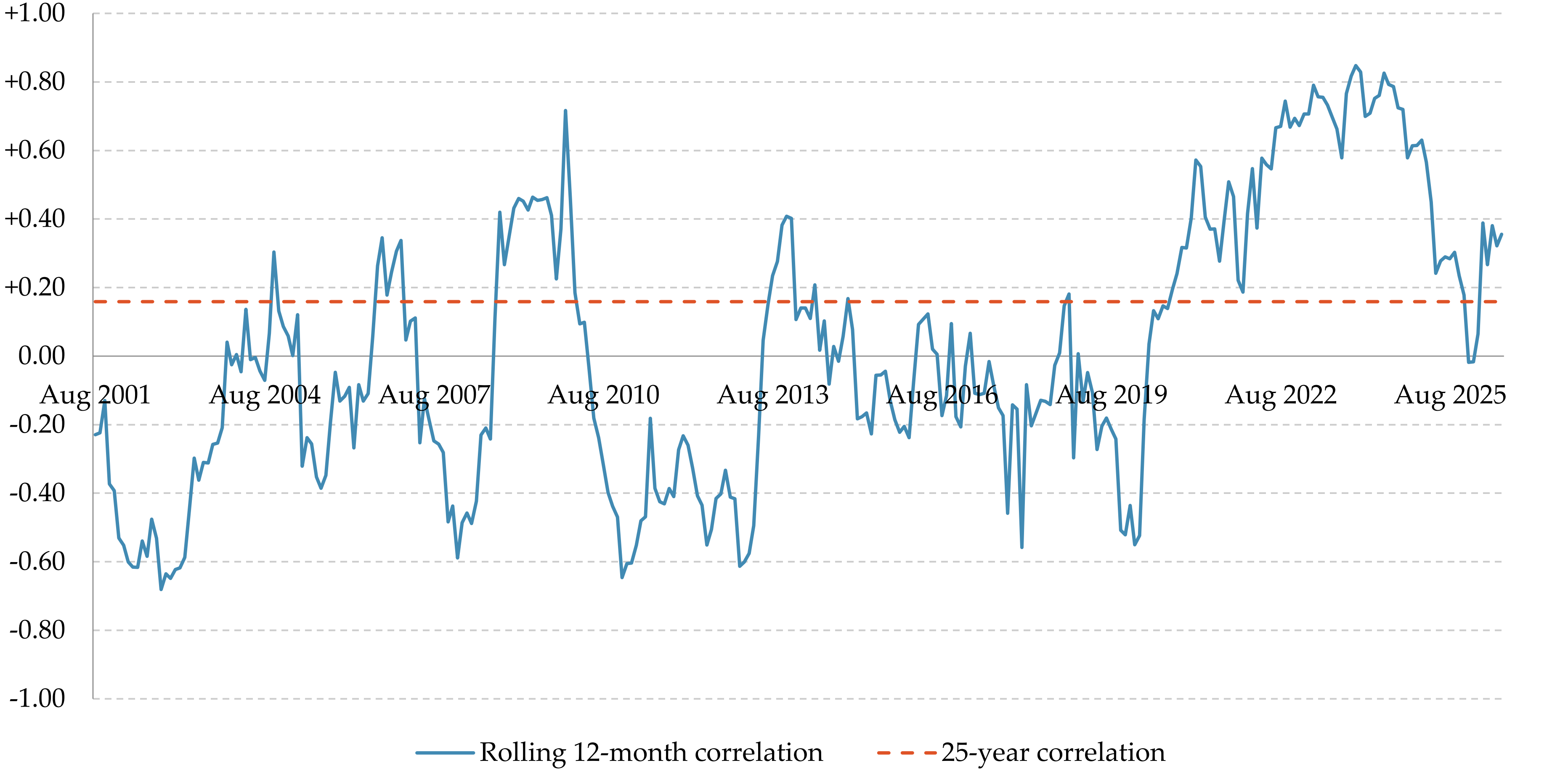




Source: U.S. Department of the Treasury, ICE Data Indices, LLC via FRED

Correlations

U.S. Stock–Bond Correlation Across 25 Years



Source: Yahoo Finance. SPDR S&P 500 ETF Trust (SPY) and iShares Core U.S. Aggregate Bond ETF (AGG)

Scope of Coverage and Activity Levels

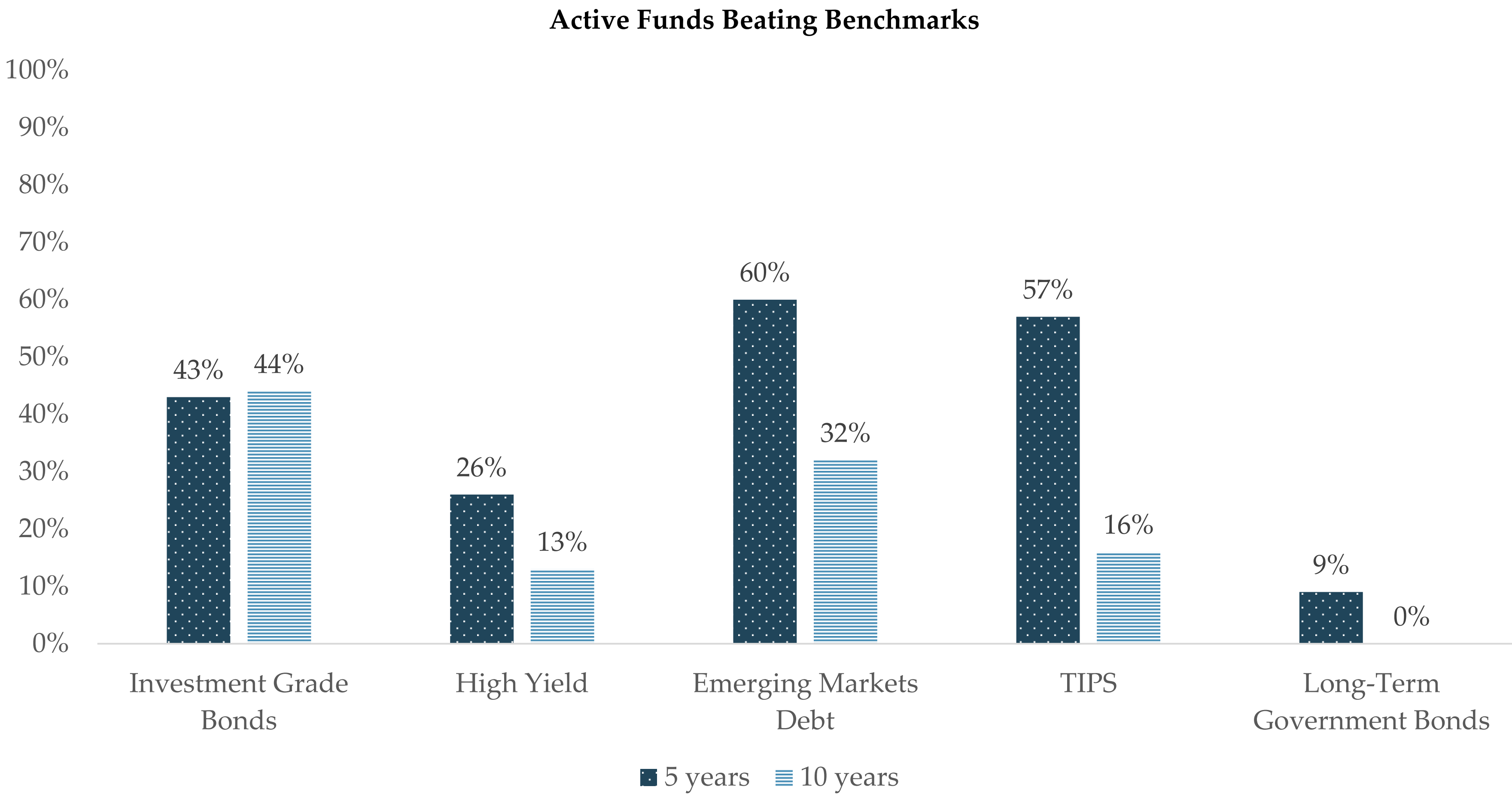
Investments for this asset class review discussion:

- 6 Asset Classes
- 18 Funds
- 6.9 Years Average Active Fund Tenure
- $40.4 Million of FY 2026 Alpha

Ongoing monitoring activities:

- Monthly/Quarterly Reports
- Compliance with Policies
- Meeting with Portfolio Managers
- Collaboration with Meketa Asset Class Specialists
- Market Mapping
- Hold/Buy/Sell Decisions

Active Management



Source: S&P Dow Jones Indices LLC, CRSP, Bloomberg LLC. Data as of Dec. 31, 2025.
Comparison Index: Investment Grade Bonds (Bloomberg U.S. Aggregate), High Yield (iBoxx $ Liquid High Yield), Emerging Markets Debt (Bloomberg Emerging Markets $ Aggregate), TIPS (iBoxx TIPS Inflation-Linked), Long-Term Government Bonds: iBoxx $ Domestic Sovereign & Sub-Sovereigns)

$40.4 Million of Estimated Manager Selection Alpha in FY 2026

Asset Class	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	5-Years '22-26	9-Years '18-26
Core Real Estate	1.7	0.0	0.3	9.9	2.3	2.3	3.8	2.2	-1.8	14.2	20.8
Multi-Sector Bonds: IG Bonds	0.3	0.7	4.5	-0.8	-1.7	9.7	1.4	0.8	3.1	3.1	18.0
Multi-Sector Bonds: HY Bonds	-0.2	-0.8	-0.3	0.7	1.0	-0.2	-0.3	0.0	0.0	0.4	-0.1
Multi-Sector Bonds: EM Debt	-4.3	-4.5	-0.6	-9.6	24.9	-1.5	10.8	-2.8	5.7	5.8	18.1
Market Neutral Strategies	42.9	-9.3	1.5	1.7	26.7	16.7	-2.5	12.6	7.3	63.5	97.6
Immunized Cash Flows / Cash	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Long-Term Government Bonds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TIPS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**40.4**	**-14.0**	**5.3**	**2.0**	**53.3**	**27.0**	**13.2**	**12.8**	**14.3**	**87.0**	**154.3**

Values in $ millions
Calculated by comparing asset class net performance to asset class policy benchmarks
Asset classes managed passively show n/a

Calendar Year 2025 Fees

Asset Class	Mgmt. Fees ($ mm)	Incent. Fees ($ mm)	Op. Expenses ($ mm)	Mgmt, Incent, and Op Exp ($ mm)	Average Balance ($ mm)	Average Weight	Fee Ratio – Mgmt. Fees	Fee Ratio - Mgmt, Incent, and Op Exp	Share of Total Plan Fees
Core Real Estate	1.9	-	0.1	1.9	282	5.0%	0.66%	0.68%	2.5%
Multi-Sector Bonds: IG Bonds	0.4	-	-	0.4	229	4.1%	0.18%	0.18%	0.5%
Multi-Sector Bonds: HY Bonds	0.4	-	-	0.4	114	2.0%	0.35%	0.35%	0.5%
Multi-Sector Bonds: EM Debt	0.8	-	0.0	0.9	115	2.0%	0.73%	0.76%	1.1%
Market Neutral Strategies	3.0	8.2	0.2	11.4	160	2.9%	1.87%	7.13%	14.8%
Immunized Cash Flows	0.1	-	-	0.1	392	7.0%	0.04%	0.04%	0.2%
Cash	0.1	-	-	0.1	86	1.5%	0.17%	0.17%	0.2%
Long-Term Government Bonds	0.0	-	-	0.0	70	1.3%	0.02%	0.02%	0.0%
TIPS	0.0	-	-	0.0	111	2.0%	0.03%	0.03%	0.0%
Total	**6.8**	**8.2**	**0.3**	**15.4**	**1,559**	**27.8%**	**0.44%**	**0.98%**	**19.9%**

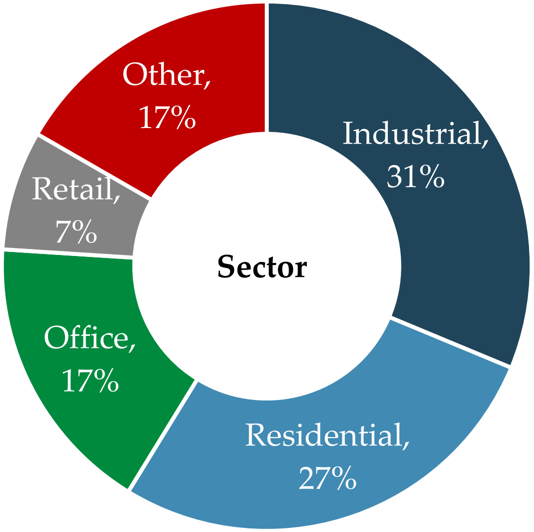
Source: Preliminary Calendar Year 2025 Fee Report

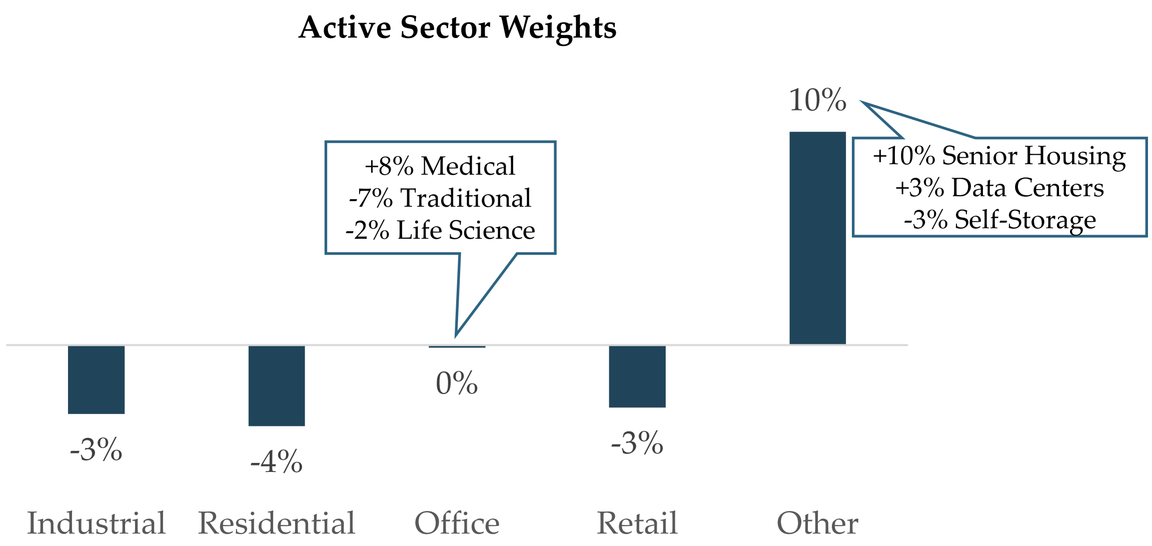
Core Real Estate

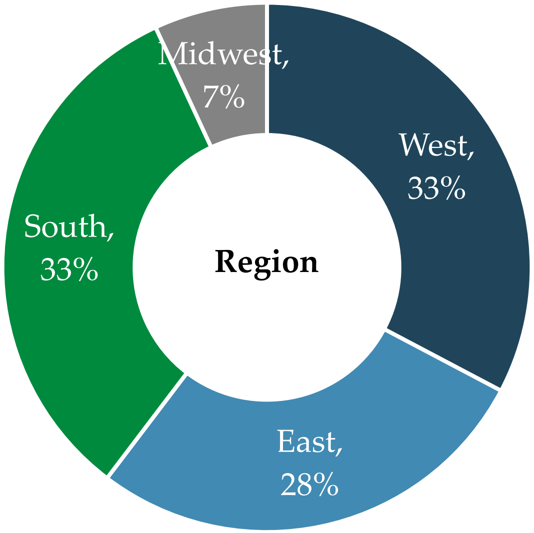
Core Real Estate

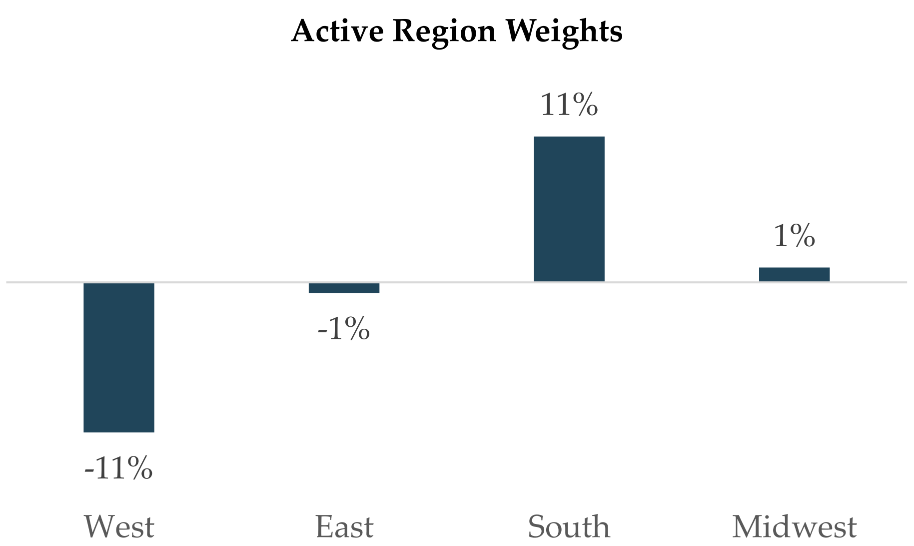
Asset Class Overview	
Policy Target	5%
% of Plan as of June 2026	4.7%
Meketa 20-Year Exp. Return	7.3%
Policy Benchmark	NCREIF ODCE Cap Wgtd – Net (Lagged 1 quarter)
Low-Cost Passive Benchmark	FTSE EPRA NAREIT Global
Purpose	Produce the Plan income and price appreciation while maintaining a low correlation to both stocks and bonds.
Recent Developments	- Committed $26mm (Pension) and $3mm (HCT) to the new Clarion Alternative Sectors Fund in Dec 2025. These commitments are currently unfunded. - In-Kind Transfers of BlackRock, Clarion, and partial TA Realty to IDR Core Property Index Fund in Jul 2026. - Conducting due diligence on an additional fund.

Core Real Estate Portfolio Exposures









Pro Forma for pending activity.

Core Real Estate Performance

Net of Fees as of June 30, 2026	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
Core Real Estate	289	4.7%	3.7	-2.6	3.5	5.5	07/01/2015	
Core Real Estate Benchmark			3.1	-2.8	2.3	4.2		
Excess Return			0.6	0.3	1.1	1.3		
BlackRock Core Property Fund	33	0.5%	0.5	-7.2	0.9	2.0	02/01/2019	Yes
Core Real Estate Benchmark 2			3.1	-2.8	2.3	2.4		
Excess Return			-2.6	-4.3	-1.5	-0.5		
Clarion Lion Properties Fund	80	1.3%	4.8	-3.3	2.3	2.8	03/01/2019	Yes
Core Real Estate Benchmark 2			3.1	-2.8	2.3	2.4		
Excess Return			1.7	-0.5	0.0	0.4		
TA Realty Core Property Fund	127	2.0%	2.7	-0.6		2.4	10/01/2021	No
Core Real Estate Benchmark 3			3.1	-2.8		0.4		
Excess Return			-0.4	2.2		2.0		
Kayne Anderson Core RE	50	0.8%	6.7			5.5	01/01/2025	No
Core Real Estate Benchmark 4			3.1			2.6		
Excess Return			3.6			2.9		

Immunized Net Cash Flows / Cash

Immunized Net Cash Flows / Cash

Asset Class Overview	
Policy Target	10.5%
% of Plan as of June 2026	11.1% (10.3% excluding Cash Account and Overlay)
Meketa 20-Year Exp. Return	3.1%
Policy Benchmark	Actual Return
Low-Cost Passive Benchmark	Bloomberg U.S. Gov/Credit 1-3 Year
Purpose	- Provide liquid funds for expected outflows and allow for other assets to be invested in an illiquid fashion. - Maintain sufficient liquidity to meet at least five years of anticipated beneficiary payments, net of plan sponsor and member contributions.
Key Statistics as of June 2026	4.2% Yield to Worst, 2.8 years Effective Duration, AA+ Average Rating, 98.8% Treasury / 1.2% Agency
Recent Developments	- $164 million contributed to Insight Immunized Cash Flows SMA in June 2026 to top up to five years of net benefit payment hedging.

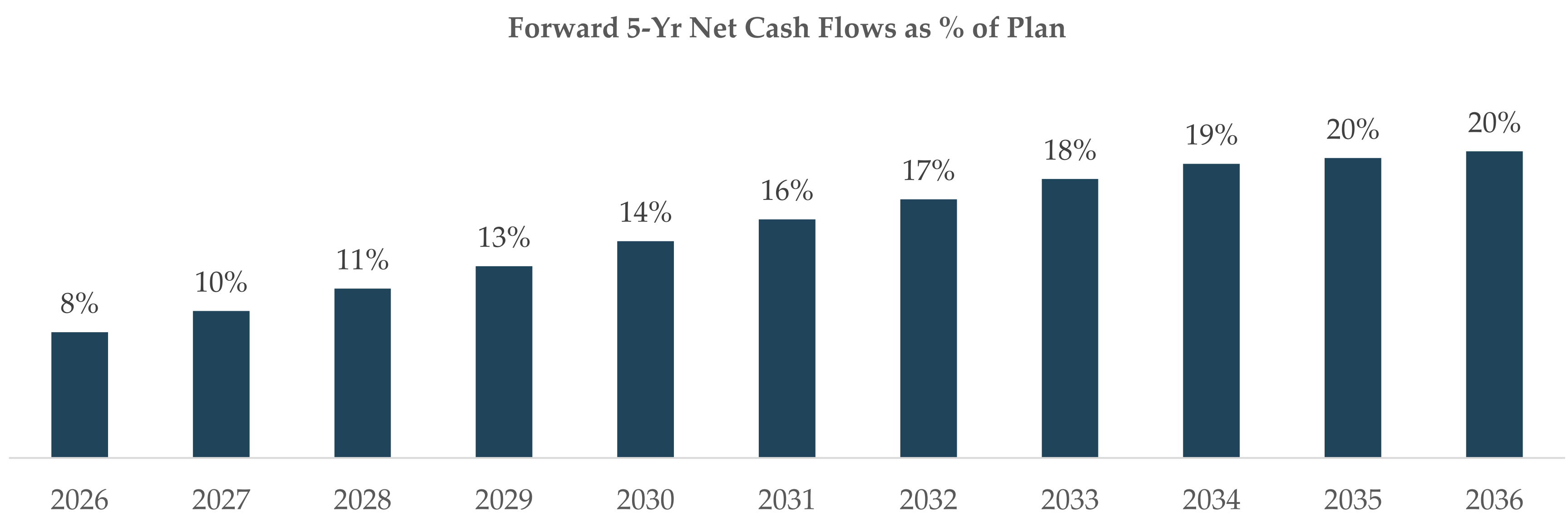
Immunized Net Cash Flows Projections

Assuming current benefits do not change, plans meet their assumed rates of return, and actuarial assumptions do not change, the projected allocation to meet the 5-year hedging objective is expected to increase over time.

Projected cash flows recalibrated on an annual basis using updated data from Cheiron.

FY	Benefit Payments	Employer Contributions	Employee Contributions	Expenses	Net Cash Flow
2027	338	228	42	9	-76
2028	355	224	43	9	-97
2029	372	218	45	9	-118
2030	388	201	47	9	-149
2031	403	174	49	10	-189
5-Year Total	1,856	1,045	226	45	-630

Values in $ millions



Immunized Net Cash Flows / Cash Performance

Net of Fees as of June 30, 2026

	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
Immunized Cash Flows	562	9.1%	2.9	4.3	1.7	2.2	10/01/2018	
Immunized Cash Flows BM			2.9	4.3	1.7	2.2		
Excess Return			0.0	0.0	0.0	0.0		
Insight Immunized Cash Flow	562	9.1%	2.9	4.3	1.7	1.9	07/01/2019	n/a
Bloomberg U.S. Treasury: 1-3 Year			2.9	4.4	1.9	2.0		
Excess Return			0.0	0.0	-0.2	-0.1		
Short-Term IG Bonds	75	1.2%	4.0	4.7		4.4	05/01/2022	
BlackRock 3-Month T-Bill	75	1.2%	4.0	4.7		4.4	05/01/2022	n/a
ICE BofA US 3 Month Treasury			3.9	4.7		4.3		
Excess Return			0.1	0.1		0.1		
Cash Account	31	0.5%	3.7	4.5	3.3	1.6	04/01/2008	n/a
Overlay	22	0.4%					07/01/2015	n/a

Multi-Sector Bonds

Multi-Sector Bonds

Asset Class Overview	
Policy Target	8.5%
% of Plan as of June 2026	8.3%
Meketa 20-Year Exp. Return	5.7%
Policy Benchmark / Low-Cost Passive Benchmark	52.94% Investment Grade Bonds: [25% Bloomberg 1-3 Year Government/Credit, 56% Bloomberg US Aggregate, 19% Bloomberg US Securitized MBS/ABS/CMBS Index]; 23.53% High Yield Bonds: Bloomberg US Corporate High Yield; 23.53% Emerging Markets Bonds: JPM EMBI GD, JPM GBI-EM GD
Purpose	Produce returns and income for the Plan by providing exposure to rates and credit risk.
Recent Developments	- New asset class grouping took effect July 2026. - Evaluating opportunities to optimize the structure and add strategies.

Multi-Sector Bonds: Investment Grade Bonds

Net of Fees as of June 30, 2026

	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
Investment Grade Bonds	273	4.4%	4.2	5.1	0.6		07/01/2015	
Custom IG Bonds Benchmark			4.1	4.3	0.3			
Excess Return			0.1	0.9	0.3			
Voya Securitized Credit	58	0.9%	5.0	7.0	1.8	2.8	05/01/2020	No
Bloomberg US Securitized Idx			5.1	4.7	0.6	0.5		
Excess Return			-0.1	2.3	1.2	2.3		
BlackRock 1-3 Year Gov/Credit	60	1.0%					08/01/2020	n/a
Bloomberg U.S. Gov/Cred 1-3 Yr								
Excess Return								
Invesco Core Bonds	155	2.5%	4.0	4.6	0.1	0.2	03/01/2021	No
Bloomberg US Agg Bond Index			3.8	4.2	0.1	0.2		
Excess Return			0.2	0.4	0.0	0.1		

Multi-Sector Bonds: Investment Grade Bonds

Key Statistics as of June 30, 2026

	Yield to Worst	Eff. Duration (Years)	Avg Quality	Treasuries
Voya Securitized Credit	6.0%	4.2	A	0%
Bloomberg US Securitized Idx	4.6%	4.9	AA+	0%
Invesco Core Bonds	5.0%	5.8	AA-	32%
Bloomberg US Agg Bond Index	4.8%	5.8	AA	46%
Bloomberg U.S. Gov/Cred 1-3 Year Index	4.3%	1.8	AA	73%

Multi-Sector Bonds: High Yield Bonds

Net of Fees as of June 30, 2026

	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
High Yield Bonds	121	1.9%	5.7	8.4	4.3	6.0	07/01/2020	
Bloomberg US Corp HY Bond			5.9	8.9	4.2	6.0		
Excess Return			-0.2	-0.4	0.1	0.1		
Mellon High Yield Beta	12	0.2%	6.0	8.8	4.3	6.2	07/01/2020	n/a
Bloomberg US Corp HY Bond			5.9	8.9	4.2	6.0		
Excess Return			0.1	0.0	0.1	0.2		
Columbia High Yield Fixed Inc	109	1.8%	5.7	8.4	4.3	4.7	12/01/2020	Yes
Bloomberg US Corp HY Bond			5.9	8.9	4.2	4.7		
Excess Return			-0.2	-0.5	0.1	0.0		

Key Statistics as of June 30, 2026

	Yield to Worst	Eff. Duration (Years)	Avg Quality	No. of Assets
Mellon High Yield Beta	7.4%	3.0	B+	1,643
Columbia High Yield Fixed Inc	6.8%	2.9	B+	558
Bloomberg US Corp HY Bond Index	7.2%	2.9	B+	1,953

Multi-Sector Bonds: Emerging Markets Debt

Net of Fees as of June 30, 2026

	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
Emerging Markets Debt	121	1.9%	6.1	6.2	4.3	3.3	01/01/2013	
JP Morgan EM SOV50% LM50%			9.8	8.8	2.4	2.2		
Excess Return			-3.7	-2.7	1.9	1.1		
Iguazu Partners LP Fund	49	0.8%	-1.1	1.2	3.2	6.1	02/01/2014	Yes
JP Morgan EM SOV50% LM50%			9.8	8.8	2.4	3.2		
Excess Return			-11.0	-7.7	0.8	2.9		
Payden EMD Blended Currency	72	1.2%	11.7	9.9	3.2	2.7	12/01/2020	No
JP Morgan EM SOV50% LM50%			9.8	8.8	2.4	2.3		
Excess Return			1.9	1.0	0.8	0.4		

Key Statistics as of June 30, 2026

	Yield to Maturity	Eff. Duration (Years)	Average Quality	Beta
Iguazu Partners LP Fund	n/a	-0.1	n/a	-0.8
Payden EMD Blended Currency	8.0%	5.8	BBB-	0.9
JP Morgan EM SOV50% LM50%	6.5%	5.9	BBB-	1.0

Long-Term Government Bonds

Long-Term Government Bonds

Asset Class Overview	
Policy Target	1.5%
% of Plan as of June 2026	1.4%
Meketa 20-Year Exp. Return	5.1%
Policy Benchmark	Bloomberg US Long Treasury
Low-Cost Passive Benchmark	Bloomberg US Long Treasury
Purpose	Provide a positive return in highly stressed market environments, with a low correlation to equity risk.
Key Statistics as of June 2026	4.9% Yield to Worst, 14.3 Years Modified Duration
Recent Developments	No changes; passively managed.

Net of Fees as of June 30, 2026

	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
BlackRock Long Term Gov Bonds	87	1.4%	2.9	-0.4	-5.6	-6.3	06/01/2020	n/a
Bloomberg US Treasury LT Index			2.9	-0.5	-5.6	-6.4		
Excess Return			0.0	0.0	0.0	0.1		

TIPS

TIPS

Asset Class Overview	
Policy Target	2%
% of Plan as of June 2026	1.9%
Meketa 20-Year Exp. Return	4.7%
Policy Benchmark	Bloomberg US Treasury TIPS 0-5 Year
Low-Cost Passive Benchmark	Bloomberg US Treasury TIPS 0-5 Year
Purpose	Provide exposure to inflation in addition to interest rates.
Key Statistics as of June 2026	4.2% Yield to Worst, 2.4 Years Modified Duration
Recent Developments	N/A – Invested passively in index fund.

Net of Fees as of June 30, 2026

	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
Northern Trust 0-5 Year TIPS	119	1.9%	3.6	5.1	3.3	3.8	11/01/2018	n/a
BBG US Treasury TIPS 0-5 Years			3.6	5.1	3.3	3.8		
Excess Return			0.0	0.0	0.0	0.0		

Market Neutral Strategies

Market Neutral Strategies

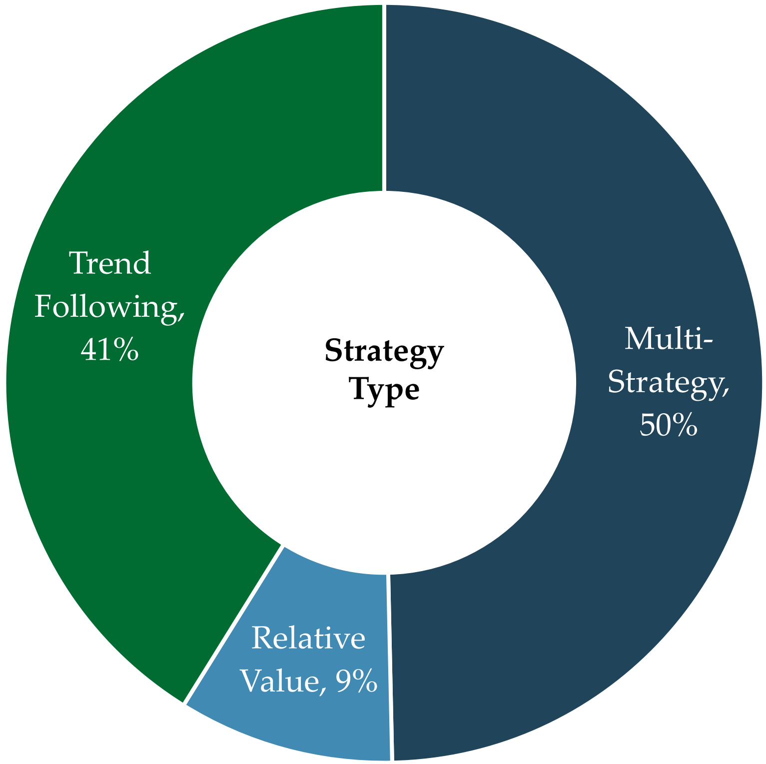
Asset Class Overview

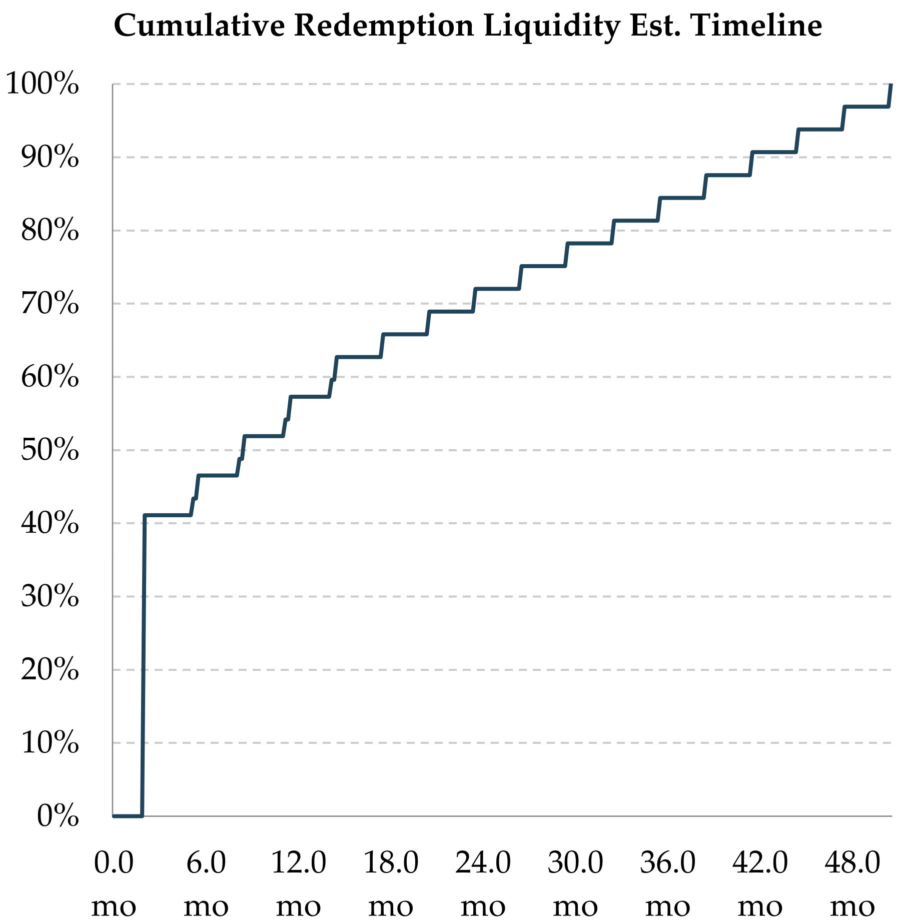
Policy Target	3%
% of Plan as of June 2026	3.2%
Meketa 20-Year Exp. Return	5.7%
Policy Benchmark	SOFR + 1.5%
Low-Cost Passive Benchmark	SOFR
Purpose	Produce alpha based returns while reducing overall Plan volatility and increasing Sharpe ratio.
Recent Developments	- Strong performance from Crabel Advanced Trend - Evaluating optimizing structure and new strategies.

Key Statistics as of June 30, 2026

	Sharpe Ratio	**Sortino Ratio**	**Skewness**	**Beta to MSCI World**
DE Shaw Composite Fund, LLC	2.1	4.2	-0.6	0.1
Hudson Bay	2.4	12.2	2.1	0.0
Crabel Advanced Trend	0.4	0.6	0.3	-0.2

Market Neutral Strategies Key Statistics





Market Neutral Strategies Performance

Net of Fees as of June 30, 2026	Market Value ($ mm)	% of Plan	1 Year	3 Years	5 Years	ITD	Inception Date	Watch List?
Market Neutral Strategies	198	3.2%	27.1	11.3	12.3	7.2	11/01/2012	
Market Neutral Benchmark			5.5	6.3	5.0	2.5	11/01/2012	
Excess Return			21.6	5.0	7.3	4.7	11/01/2012	
DE Shaw Composite Fund, LLC	98	1.6%	21.8	18.7	18.7	14.8	04/01/2013	No
HFRI Fund Wtd. Composite Index			16.3	11.5	6.6	6.1	04/01/2013	
Excess Return			5.5	7.2	12.1	8.8	04/01/2013	
Hudson Bay	18	0.3%	6.5	6.3	6.8	8.3	08/01/2017	Yes
HFRI Relative Value (Total) Index			7.9	8.1	5.4	5.1	08/01/2017	
Excess Return			-1.4	-1.8	1.4	3.2	08/01/2017	
Crabel Advanced Trend	81	1.3%	40.6	4.0	6.4	6.3	06/01/2021	No
HFRX Macro: System. Div. CTA			21.4	3.5	4.7	4.2	06/01/2021	
Excess Return			19.2	0.6	1.7	2.1	06/01/2021	

Appendix

Fund Details

Fund	Asset Class	Fund Type	Structure	Liquidity	Management Fee	Incentive Fee
BlackRock Core Property Fund	Core Real Estate	Active	Commingled	Quarterly	*	None
Clarion Lion Properties Fund	Core Real Estate	Active	Commingled	Quarterly	*	None
TA Realty Core Property Fund	Core Real Estate	Active	Commingled	Quarterly	*	None
Kayne Anderson Core RE	Core Real Estate	Active	Commingled	Quarterly	*	None
BlackRock 1-3 Year Gov/Credit	Multi-Sector Bond	Passive	Commingled	Daily	0.025%	None
Invesco Core Bonds	Multi-Sector Bond	Active	SMA	Daily	0.10% on first $200 million; 0.08% on next $300 million; 0.07% thereafter	None
Voya Securitized Credit	Multi-Sector Bond	Active	SMA	Daily	0.45% on first $125 million; 0.40% on next $125 million; 0.35% thereafter	None
Iguazu Partners LP Fund	Multi-Sector Bond	Hedged	Commingled	Quarterly	*	*
Payden EMD Blended Currency	Multi-Sector Bond	Active	Commingled	Daily	0.53%	None
Columbia High Yield Fixed Inc	Multi-Sector Bond	Active	SMA	Daily	0.4% on first $100 million; 0.35% thereafter	None
Mellon High Yield Beta	Multi-Sector Bond	Passive	Commingled	Daily	0.25% on first $100 million; 0.2% thereafter	None

* Certain contractual fee terms are confidential; actual fees and expenses are reported separately in the annual fee report disclosure.

Fund Details

Fund	Asset Class	Fund Type	Structure	Liquidity	Management Fee	Incentive Fee
Insight Immunized Cash Flow	Immunized Cash Flows	Passive	SMA	Daily	0.05% on first $500 million; 0.045% on next $250 million; 0.04% thereafter	None
BlackRock 3-Month T-Bill	Short-Term IG Bonds	Passive	SMA	Daily	0.02%	None
BlackRock Long Term Gov Bonds	Long-Term Gov't Bonds	Passive	Commingled	Daily	0.03% on first $100 million; 0.02% on next $400 million; 0.01% thereafter	None
Northern Trust 0-5 Year TIPS	TIPS	Passive	SMA	Daily	0.03%	None
Crabel Advanced Trend	Market Neutral Strategies	Hedged	Commingled	Monthly	*	None
DE Shaw Composite Fund, LLC	Market Neutral Strategies	Hedged	Commingled	Quarterly	*	*
Hudson Bay	Market Neutral Strategies	Hedged	Commingled	Quarterly	*	*

* Certain contractual fee terms are confidential; actual fees and expenses are reported separately in the annual fee report disclosure.