

San Jose Federated City Employees' Retirement System
Private Markets Pacing Plan
Fiscal Year 2026-27

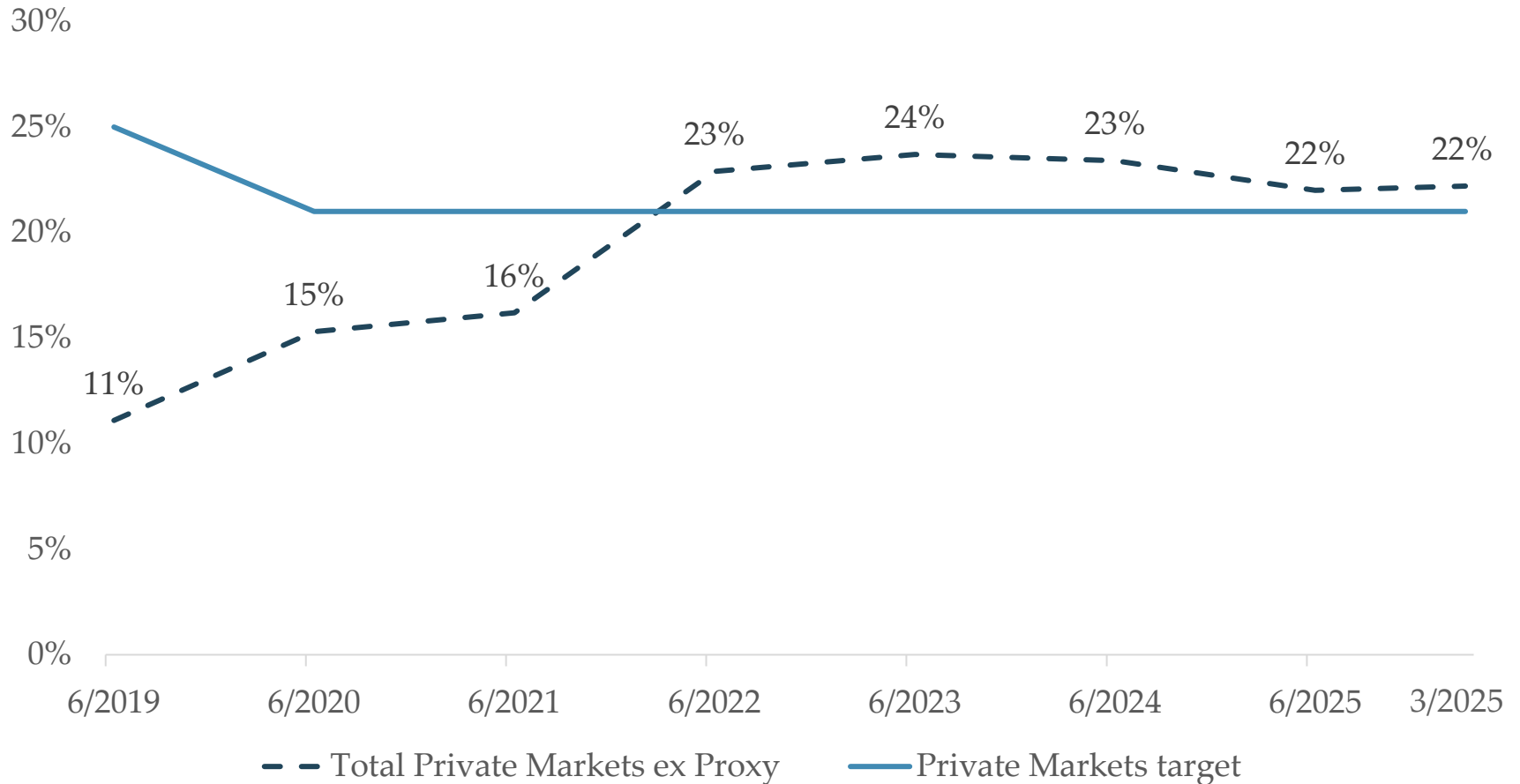
as of May 2026

Purpose

- Seek approval of target commitment amounts (the “pacing plan”) for each private markets asset class in the next fiscal year.
- The pacing plan uses assumptions on future cash flows and Net Asset Values (“NAV’s”) to estimate commitment amounts to reach and maintain target allocations.
- Pacing plan modeling completed by Neuberger Berman (buyout) and Meketa Investment Group (other private asset classes).
- Projections for 10 years shown, but the pacing plan is revisited on an annual basis.

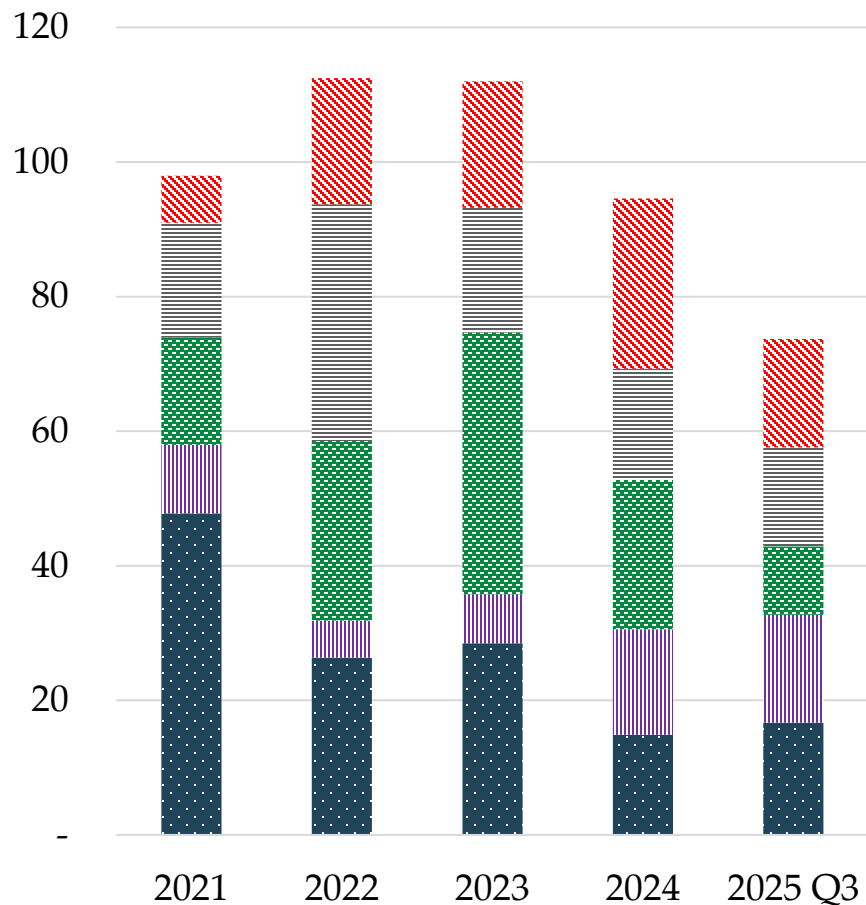
Private Markets % of Plan Over Time

- The Private Markets allocation is currently 1% above target.
- The Board decreased the Private Markets target allocation from 25% to 23% in October 2019 and from 23% to 21% in March 2020.

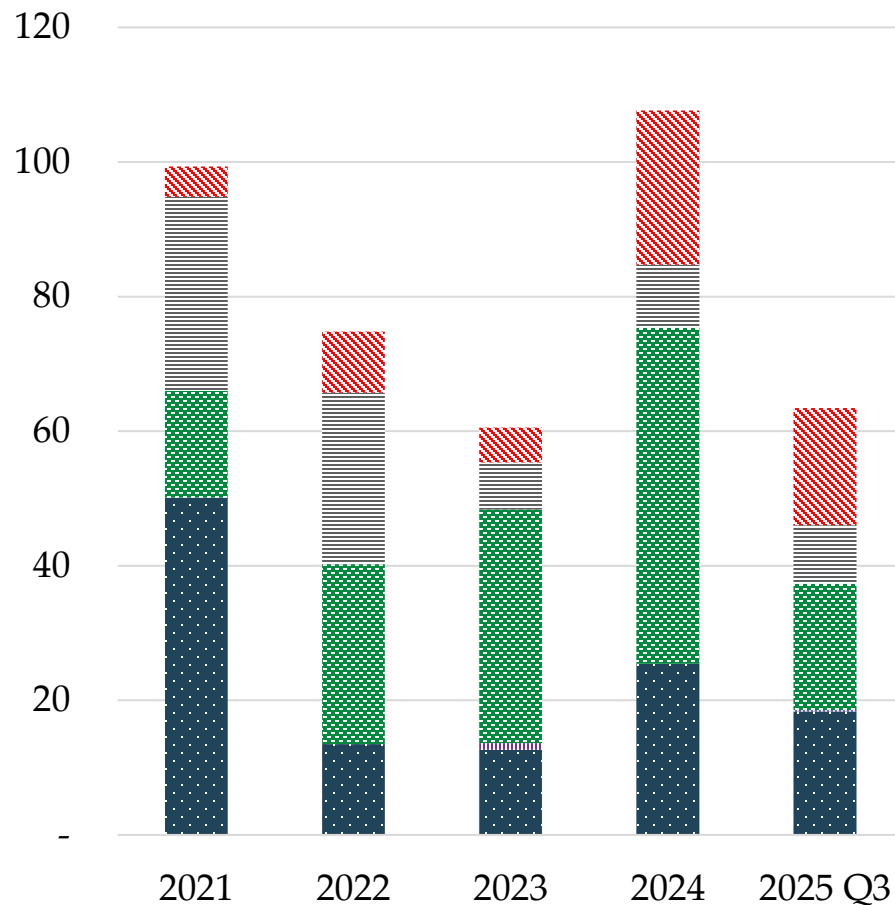


Private Markets Cash Flow Dynamics

Capital Calls (\$ millions)



Distributions (\$ millions)



- Buyout
- Venture Capital
- Private Debt
- Growth Real Estate
- Private Real Assets

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FY 2025-26: \$136 million of commitments expected

Asset Class / Fund	Style	Date	Executed (\$mm)	Target (\$mm)	% of Target
Buyout			25	25	100%
PE Strategic Partnership SJFED, L.P.	Fund-of-one	7/1/2025	25		
Venture Capital			35	28	125%
Fin Capital Flagship III, L.P.	Early Stage	8/20/2025	5		
Transpose Platform SJFED, L.P.	Fund-of-one	n/a	20		
Mighty Capital Fund III, LP	Early Stage	12/22/2025	5		
<i>Expected to close soon</i>	<i>Early Stage</i>	<i>TBD</i>	5		
Private Debt			28	20	140%
Eagle Point Defensive Income Fund III US LP	Par Credit	10/7/2025	7		
GC Customer Value Fund, L.P.	Par Credit	12/31/2025	7		
NB Capital Solutions Fund III LP	Stress	3/20/2026	7		
<i>Expected to close soon</i>	<i>Stress</i>	<i>TBD</i>	7		
Growth Real Estate			19	32	59%
Corebridge U.S. Real Estate Fund V (A), LP	Value Added	8/8/2025	8		
Kayne Anderson Real Estate Partners VII, L.P.	Value Added	12/31/2025	3		
Foundry Owners' Fund III, LP	Value Added	3/11/2026	8		
Private Real Assets			29	25	116%
Tembo Capital Mining Fund IV Parallel LP	Nat. Resources	12/23/2025	5		
Seraya Partners Fund II, LP	Infrastructure	12/31/2025	8		
Warwick Partners V, LP	Nat. Resources	3/30/2026	8		
<i>Expected to close soon</i>	<i>Infrastructure</i>	<i>TBD</i>	8		
Total Private Markets			136	130	105%

Strategy Delivering Alpha Beyond Public Pension Peers

Asset Class	5-Year Net Return	5-Year Median Net Return	Percentile (99th is best)
Buyout	14.9%	12.9%	86 th
Private Debt*	12.4%	n/a	n/a
Growth Real Estate	7.5%	3.4%	93 rd
Private Real Assets	15.0%	9.5%	91 st

As of December 31, 2025.

Source: Meketa, Investment Metrics (InvMetrics Public DB > \$1B net of fees)

* Investment Metrics does not have a Private Debt universe.

Outperformance Validated Against Private Funds Universe

	Percentile (99th is best)	5-Year Alpha to Median
Buyout	66 th	\$81 million
Private Debt	85 th	\$31 million
Growth Real Estate	63 rd	\$19 million
Private Real Assets	77 th	\$19 million
Total Private Markets		\$150 million

As of June 30, 2025 for Vintage Years 2017 - 2025.

Source: Meketa, Neuberger Berman, Burgiss.

Burgiss Universes: Buyout (Equity ex. Venture Capital), Private Debt (Debt), Growth Real Estate (Real Estate), Private Real Assets (Infrastructure, Natural Resources).

\$4.3 Million Estimated Fee Savings for CY 2025 Investments

- Estimated fee savings from commitments made in calendar year 2025 over the projected life of the investments for the San Federated plan.
- Fund Commitments fee savings from Staff negotiations, early closing discounts, and volume discounts.
- Additional fee savings not modeled: fee structures of fund-of-ones compared to fund-of-funds alternative, upside performance of investments with incentive fee discounts, commitments to funds with standard fees below asset class averages, and fee savings from investments made prior to January 2025.

Category	Fee Savings
Buyout Co-Investments	\$2.3 million
Fund Commitments	\$2.0 million
Total Estimated Fee Savings	\$4.3 million

Pacing Plan Modeling

NAV Forecasts Slightly Higher Than Last Year

As of Date	Current NAV Forecast	Prior Year NAV Forecast	Difference
6/30/2026	3,890	3,623	7%
6/30/2027	4,133	3,864	7%
6/30/2028	4,388	4,122	6%
6/30/2029	4,649	4,390	6%
6/30/2030	4,919	4,670	5%
6/30/2031	5,199	4,964	5%
6/30/2032	5,484	5,266	4%
6/30/2033	5,785	5,587	4%
6/30/2034	6,091	5,917	3%
6/30/2035	6,402	6,254	2%

Values in \$ millions

Unfunded Commitments

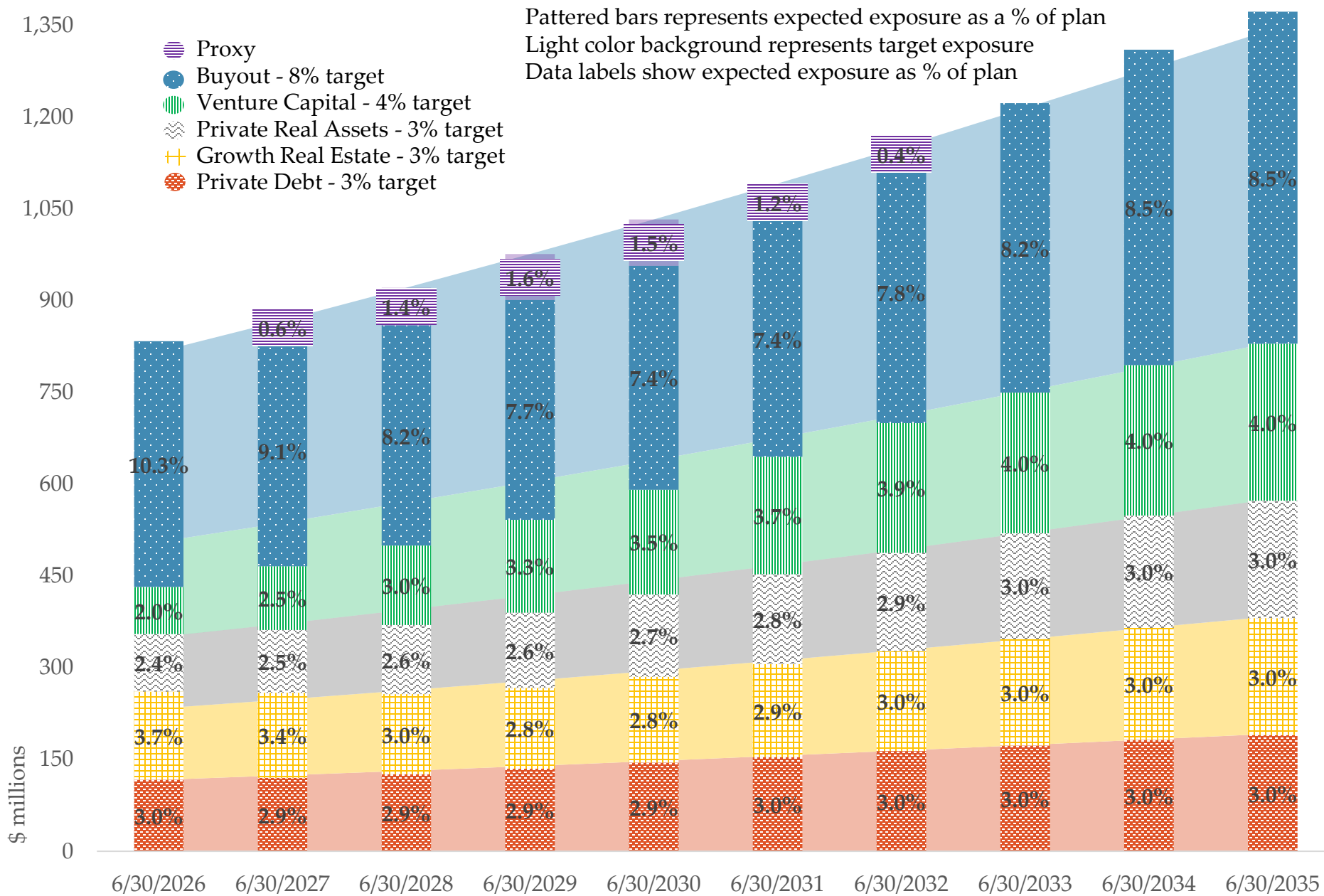
	Unfunded Commitments	% of Plan
Buyout	95	2.4%
Venture Capital	56	1.4%
Private Debt	67	1.7%
Growth Real Estate	57	1.5%
Private Real Assets	50	1.3%
Total Private Markets	326	8.4%

Values in \$ millions

Change in Pacing Plan from Prior Year Modeling

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Buyout	-25	-50	-	-	-25
Venture Capital	+2	+2	+6	+1	+1
Private Debt	-	-	-	-	-
Growth Real Estate	-	-	-	-	-
Private Real Assets	+5	-	-	-	-
Total Private Markets	-18	-48	+6	+1	-24

Forecast Private Markets Net Asset Values



Pacing Plan Recommendation

- Target commitment amounts from pacing plan modeling completed by Neuberger Berman (buyout) and Meketa Investment Group (other private asset classes) are below.
- The IPS commitment limit per asset class is 150% of the pacing plan plus cumulative catch-up for prior year under-commitments. The maximum commitments for FY 26-27 is \$230 million including \$13 million of Growth Real Estate under-commitments.
- **Staff recommends approval of the pacing plan commitment amounts for FY 26-27.**

	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Buyout	25	50	75	75	75
Venture Capital	30	30	30	25	25
Private Debt	25	28	30	30	30
Growth Real Estate	35	35	40	40	40
Private Real Assets	30	30	30	30	30
Total Private Markets	145	173	205	200	200

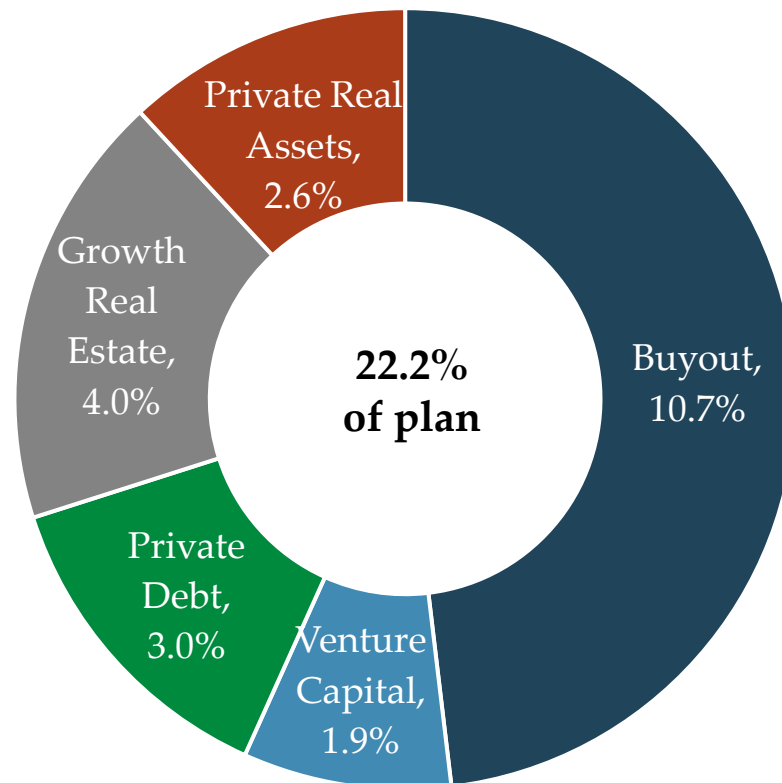
Values in \$ millions

Appendix

Private Markets Allocation Snapshot

Asset Class	% of Plan	Target	Diff.
Buyout	10.7%	8%	2.7%
Venture Capital	1.9%	4%	-2.1%
Private Debt	3.0%	3%	0.0%
Growth Real Estate	4.0%	3%	1.0%
Private Real Assets	2.6%	3%	-0.4%
Total Private Markets	22.2%	21%	1.2%

As of March 31, 2026



Current Positioning as Anticipated in Prior Year Pacing Plan

	Prior Pacing	Current Estimates	Difference
Buyout	9.9%	10.3%	0.5%
Venture Capital	2.2%	2.0%	-0.2%
Private Debt	3.4%	3.0%	-0.4%
Growth Real Estate	3.4%	3.7%	0.3%
Private Real Assets	2.7%	2.4%	-0.3%
Total Private Markets	21.6%	21.4%	-0.1%

Values expected as of 6/30/2026

Private Markets are Forecast to be Net Cash Flow Positive

