

San Jose Police and Fire Department Retirement Plan  
Private Markets Pacing Plan  
Fiscal Year 2026-27

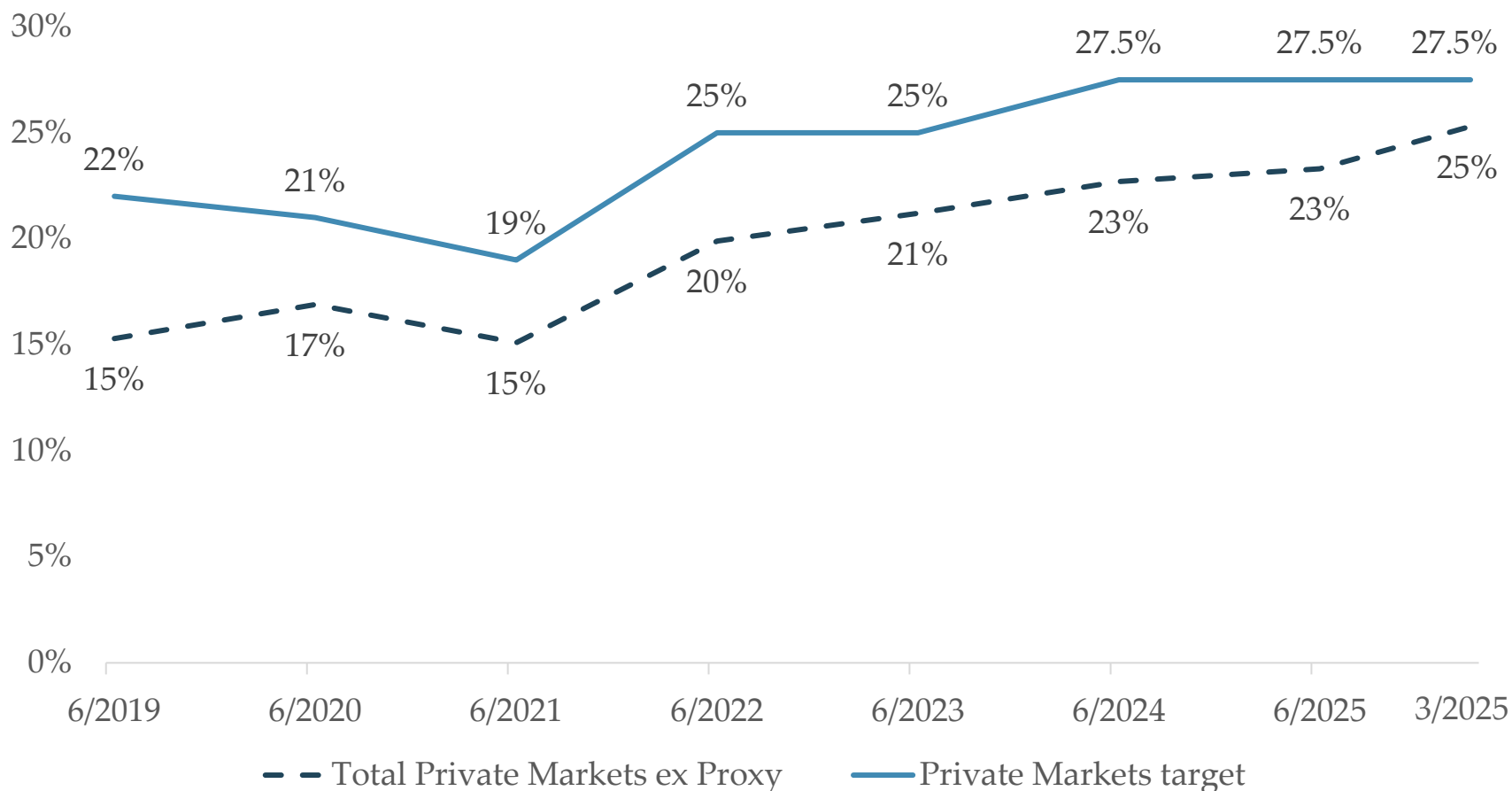
*as of May 2026*

# 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.

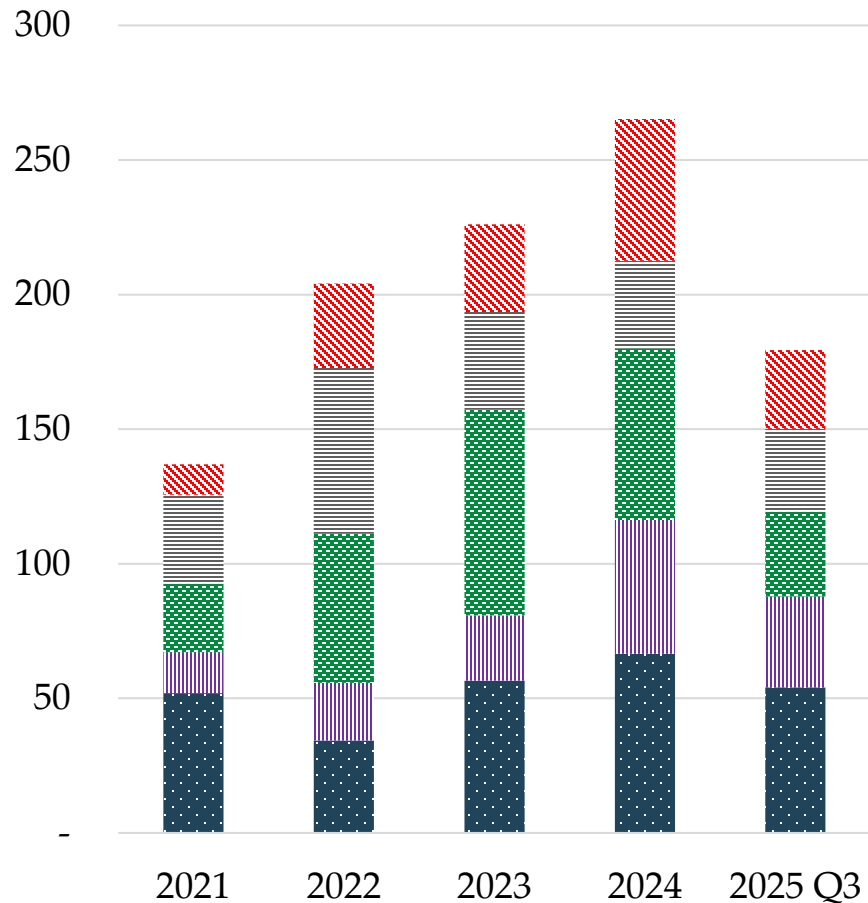
# Private Markets % of Plan Over Time

- The Private Markets allocation is currently 2% below target.
- The Board adjusted the Private Markets target allocation from 25% to 27.5% in May 2024, from 19% to 25% in March 2022, from 21% to 19% in April 2021, and from 22% to 21% in April 2020.

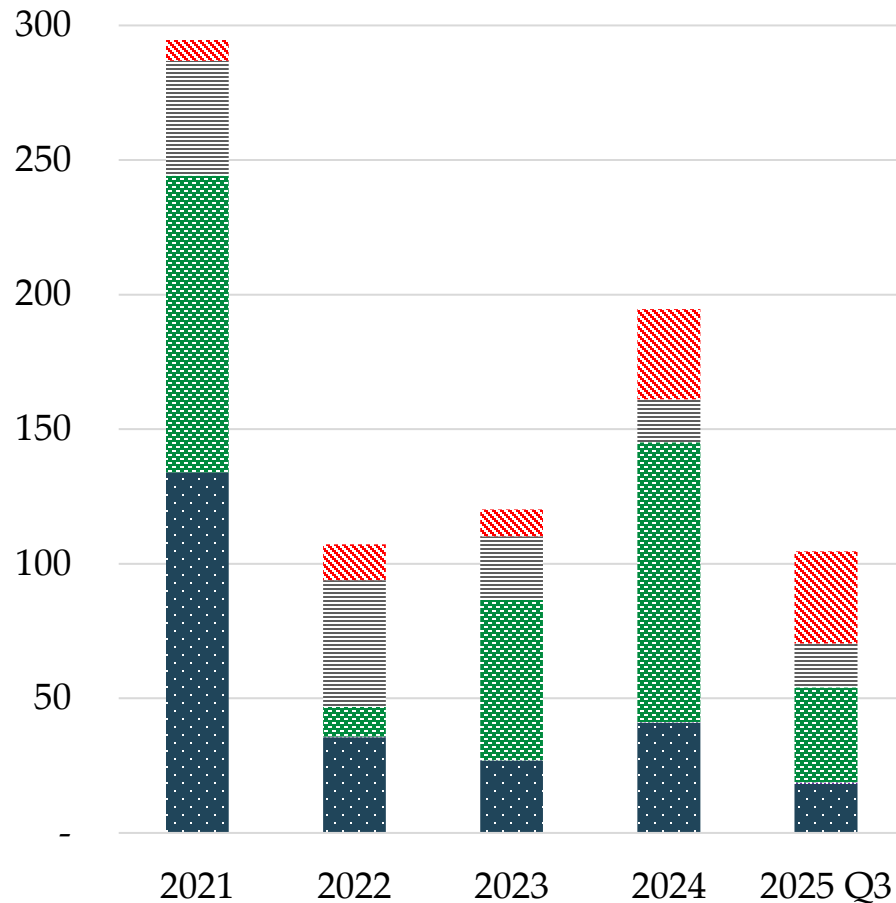


# Private Markets Cash Flow Dynamics

## Capital Calls (\$ millions)



## Distributions (\$ millions)



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

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

# FY 2025-26: \$397 million of commitments expected (1 of 2)

Asset Class / Fund	Style	Date	Executed (\$mm)	Target (\$mm)	% of Target
<b>Buyout</b>			<b>125</b>	<b>125</b>	<b>100%</b>
PE Strategic Partnership SJPF, L.P.	Fund-of-one	7/1/2025	125		
<b>Venture Capital</b>			<b>56</b>	<b>40</b>	<b>140%</b>
Tiger Iron SJPF, L.P.	Fund-of-one	n/a	20		
Tribeca Access Fund II, L.P.	Mid Stage	11/19/2025	7		
Northgate Select Opportunities III, L.P.	Early Stage	12/11/2025	5		
Red Tree Venture Fund II, L.P.	Early Stage	1/26/2026	5		
BSF III, LP	Early Stage	3/30/2026	7		
Kyber Knight Capital 2, L.P.	Early Stage	4/10/2026	7		
Oceans Ventures III, L.P.	Early Stage	4/10/2026	5		
<b>Private Debt</b>			<b>112</b>	<b>80</b>	<b>140%</b>
Eagle Point Defensive Income Fund III US LP	Par Credit	10/7/2025	28		
GC Customer Value Fund, L.P.	Par Credit	12/31/2025	28		
NB Capital Solutions Fund III LP	Stress	3/20/2026	28		
<i>Expected to close soon</i>	<i>Stress</i>	<i>TBD</i>	28		

# FY 2025-26: \$397 million of commitments expected (2 of 2)

Asset Class / Fund	Style	Date	Executed (\$mm)	Target (\$mm)	% of Target
<b>Growth Real Estate</b>			<b>41</b>	<b>75</b>	<b>55%</b>
Corebridge U.S. Real Estate Fund V (A), LP	Value Added	8/8/2025	17		
Kayne Anderson Real Estate Partners VII, L.P.	Value Added	12/31/2025	7		
Foundry Owners' Fund III, LP	Value Added	3/11/2026	17		
<b>Private Real Assets</b>			<b>63</b>	<b>55</b>	<b>115%</b>
Tembo Capital Mining Fund IV Parallel LP	Nat. Resources	12/23/2025	12		
Seraya Partners Fund II, LP	Infrastructure	12/31/2025	17		
Warwick Partners V, LP	Nat. Resources	3/30/2026	17		
<i>Expected to close soon</i>	<i>Infrastructure</i>	<i>TBD</i>	17		
<b>Total Private Markets</b>			<b>397</b>	<b>375</b>	<b>106%</b>

# Strategy Delivering Alpha Beyond Public Pension Peers

<b>Asset Class</b>	<b>5-Year Net Return</b>	<b>5-Year Median Net Return</b>	<b>Percentile (99<sup>th</sup> is best)</b>
Buyout	12.2%*	12.9%	34 <sup>th</sup>
Private Debt	12.2%	n/a**	n/a
Growth Real Estate	8.8%	3.4%	97 <sup>th</sup>
Private Real Assets	14.8%	9.5%	90 <sup>th</sup>

As of December 31, 2025.

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

\* The PE Strategic Partnership established in 2017 is the only actively investing account during this period and generated a 17.3% return.

\*\* Investment Metrics does not have a Private Debt universe.

# Outperformance Validated Against Private Funds Universe

	<b>Percentile (99<sup>th</sup> is best)</b>	<b>5-Year Alpha to Median</b>
Buyout	68 <sup>th</sup>	\$106 million
Private Debt	82 <sup>nd</sup>	\$47 million
Growth Real Estate	60 <sup>th</sup>	\$27 million
Private Real Assets	77 <sup>th</sup>	\$34 million
<b>Total Private Markets</b>		<b>\$214 million</b>

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).

# \$16.8 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 Police and Fire 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.

<b>Category</b>	<b>Fee Savings</b>
Buyout Co-Investments	\$11.5 million
Fund Commitments	\$5.3 million
<b>Total Estimated Fee Savings</b>	<b>\$16.8 million</b>

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# Pacing Plan Modeling

# NAV Forecasts Slightly Higher Than Last Year

<b>As of Date</b>	<b>Current NAV Forecast</b>	<b>Prior Year NAV Forecast</b>	<b>Difference</b>
6/30/2026	6,204	5,877	6%
6/30/2027	6,547	6,217	5%
6/30/2028	6,892	6,565	5%
6/30/2029	7,240	6,923	5%
6/30/2030	7,580	7,280	4%
6/30/2031	7,903	7,628	4%
6/30/2032	8,227	7,981	3%
6/30/2033	8,541	8,328	3%
6/30/2034	8,833	8,658	2%
6/30/2035	9,122	8,991	1%

Values in \$ millions

# Unfunded Commitments

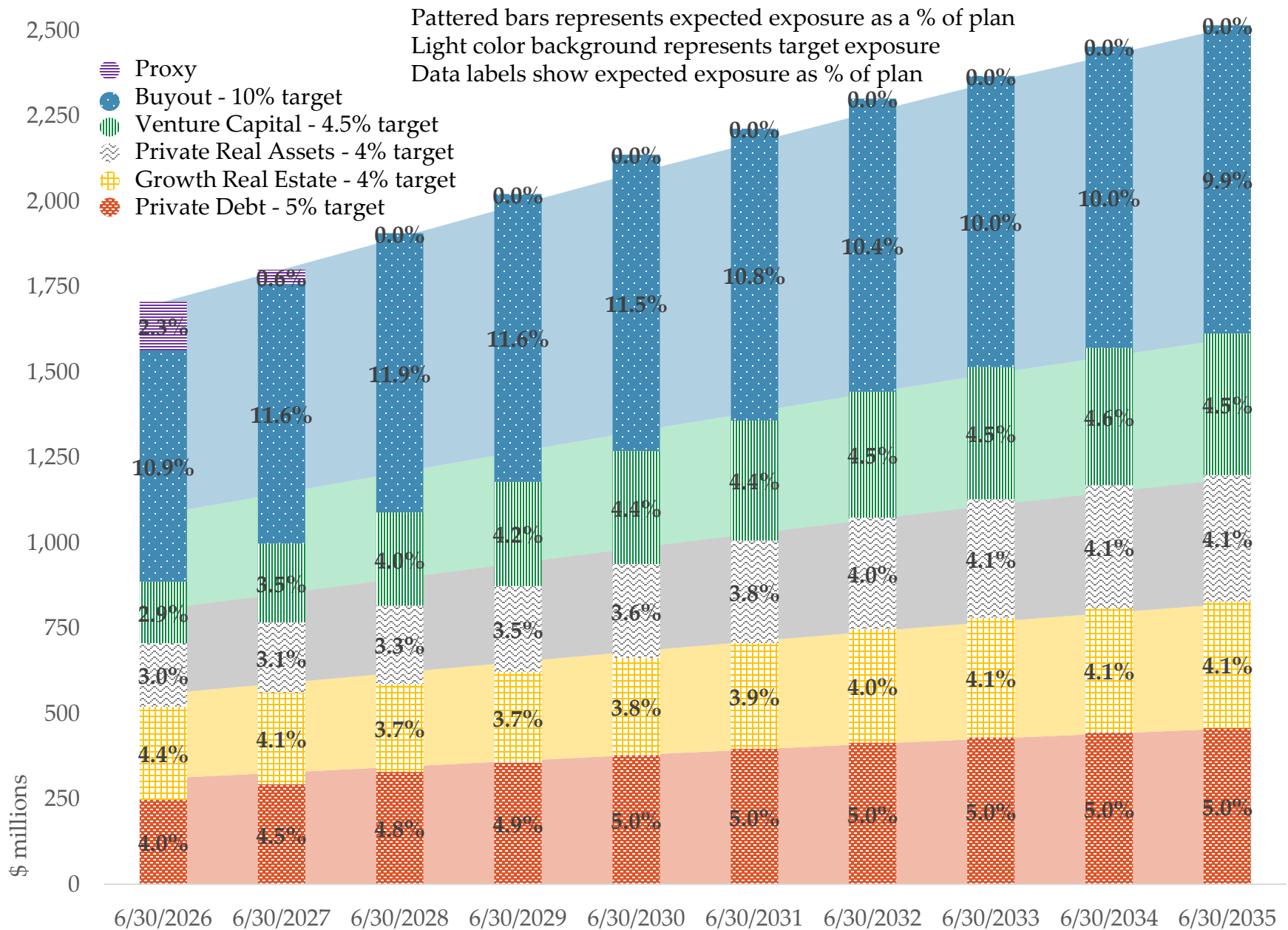
	<b>Unfunded Commitments</b>	<b>% of Plan</b>
Buyout	253	4.3%
Venture Capital	104	1.8%
Private Debt	232	3.9%
Growth Real Estate	121	2.0%
Private Real Assets	106	1.8%
<b>Total Private Markets</b>	<b>816</b>	<b>13.8%</b>

Values in \$ millions  
As of September 30, 2025

# Change in Pacing Plan from Prior Year Modeling

	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>	<b>FY 30-31</b>
Buyout	-	-25	-25	-25	-25
Venture Capital	-	-	-	-	-5
Private Debt	-	-	-	-	-
Growth Real Estate	-	-	+5	+5	+5
Private Real Assets	+5	+5	+10	+10	+10
<b>Total Private Markets</b>	<b>+5</b>	<b>-20</b>	<b>-10</b>	<b>-10</b>	<b>-15</b>

# 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 \$604 million including \$34 million of Growth Real Estate under-commitments.
- **Staff recommends approval of the pacing plan commitment amounts for FY 26-27.**

	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>	<b>FY 30-31</b>
Buyout	125	100	100	125	125
Venture Capital	40	40	40	40	35
Private Debt	80	80	80	90	90
Growth Real Estate	75	75	80	80	80
Private Real Assets	60	60	60	60	60
<b>Total Private Markets</b>	<b>380</b>	<b>355</b>	<b>360</b>	<b>395</b>	<b>390</b>

Values in \$ millions

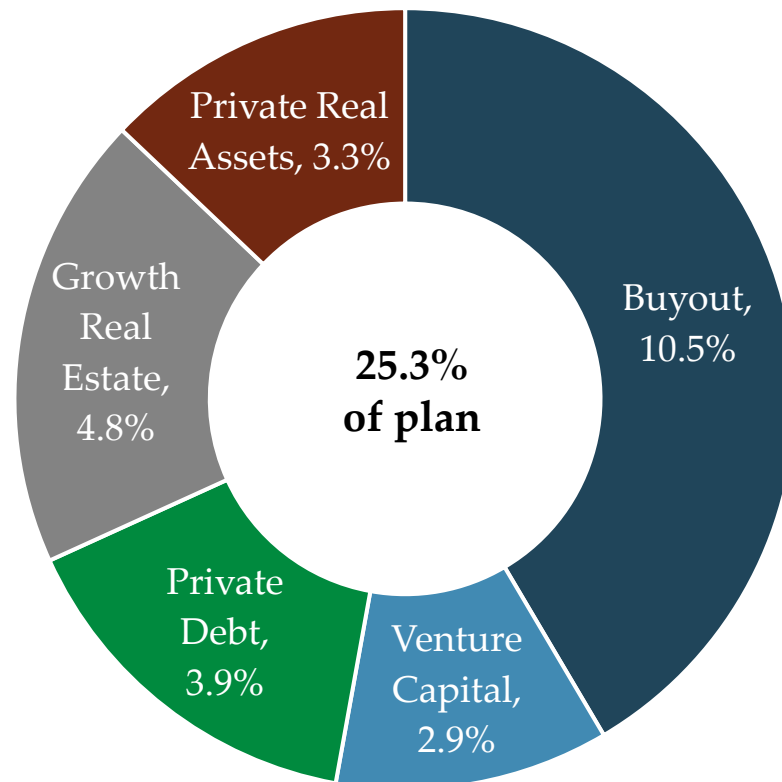
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# Appendix

# Private Markets Allocation Snapshot

Asset Class	% of Plan	Target	Diff.
Buyout	10.5%	10%	0.5%
Venture Capital	2.9%	4.5%	-1.6%
Private Debt	3.9%	5%	-1.1%
Growth Real Estate	4.8%	4%	0.8%
Private Real Assets	3.3%	4%	-0.7%
<b>Total Private Markets</b>	<b>25.3%</b>	<b>27.5%</b>	<b>-2.2%</b>

As of March 31, 2026



# Current Positioning as Anticipated in Prior Year Pacing Plan

	<b>Prior Pacing</b>	<b>Current Estimates</b>	<b>Difference</b>
Buyout	10.5%	10.9%	0.5%
Venture Capital	3.0%	2.9%	-0.1%
Private Debt	4.5%	4.0%	-0.5%
Growth Real Estate	4.0%	4.4%	0.4%
Private Real Assets	3.3%	3.0%	-0.3%
<b>Total Private Markets</b>	<b>25.3%</b>	<b>25.2%</b>	<b>0.1%</b>

Values expected as of 6/30/2026

# Cash Flows Expected to Turn Positive in 2028

