



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Real Assets Review

December 15, 2015



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

As of June 30, 2015

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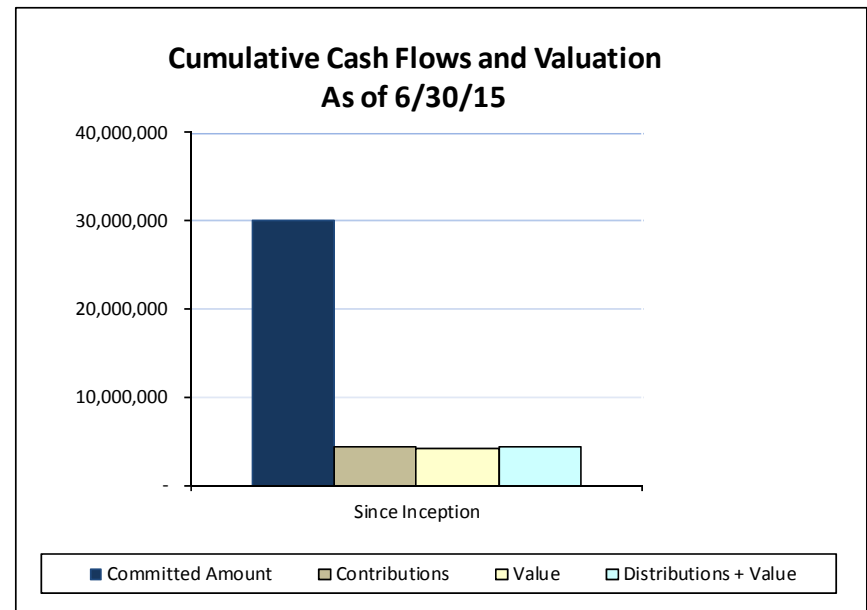
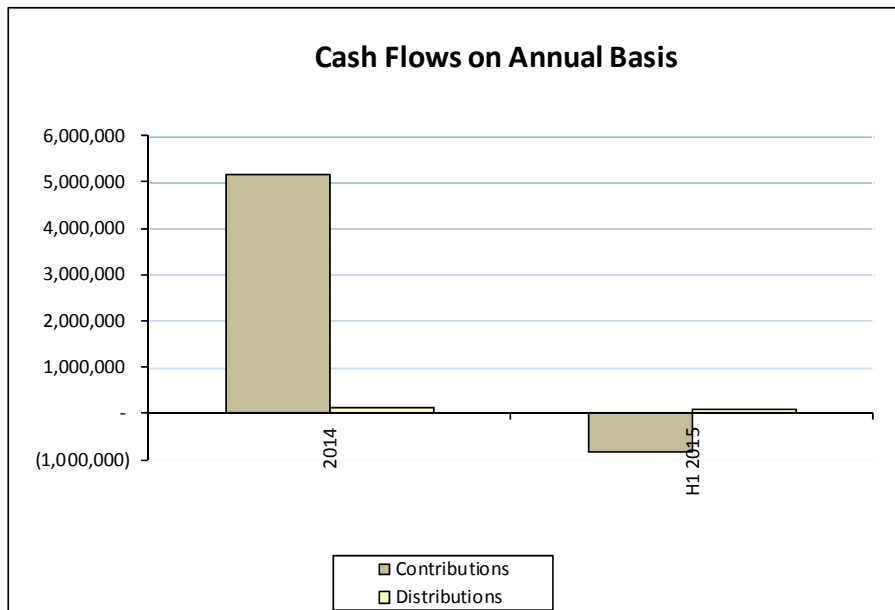


REAL ASSETS PORTFOLIO PERFORMANCE

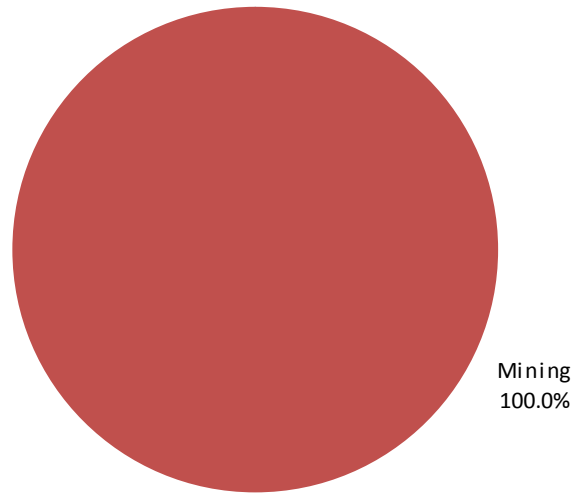
As of June 30, 2015

Performance

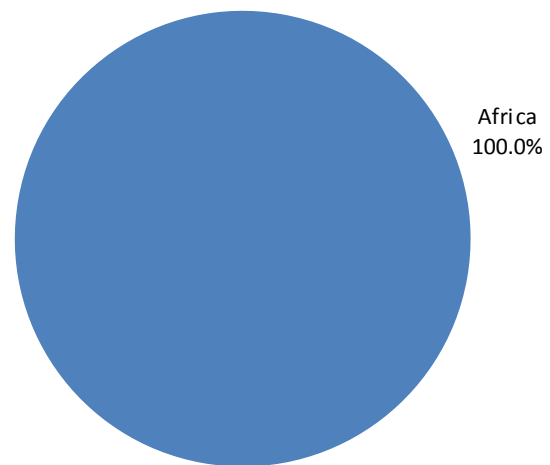
- With a capital weighted average investment age of less than one year (0.7 year,) the Real Assets portfolio is in the early stages of its investment period. Generally at this stage, payment of fees and the lack of sufficient portfolio maturity results in negative performance, a phenomenon known as “the J-Curve” effect.
- The portfolio is currently valued at \$4.2 million. Together with \$0.2 million in realized distributions, the Total Value at \$4.4 million is approximately \$0.1 million above \$4.3 million total capital contributions, resulting in a total value multiple of 1.03x and a net IRR of 4.13%..
- Within Real Assets, the current allocation of invested capital is 100.0% to Mining.



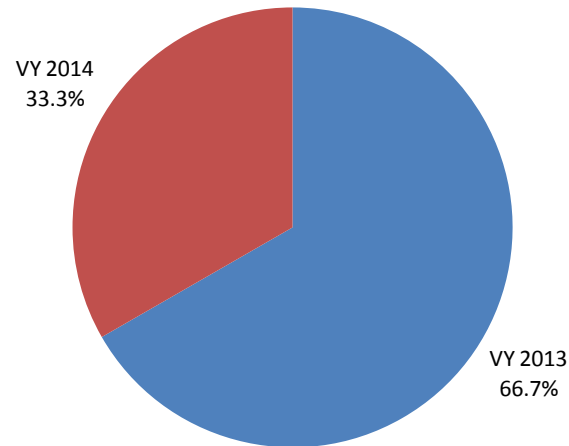
REAL ASSETS PORTFOLIO DIVERSIFICATION



As of June 30, 2015 due to the recent inception and lack of maturity of the program, the Real Assets portfolio was below its target diversification range. The Portfolio is expected to be diversified over a period of 3 to 5 years.



Based on invested capital as of June 30, 2015 if provided by the partnerships.



As of June 30, 2015 due to the recent inception and lack of maturity of the program, the Real Assets portfolio was below its target diversification range. The Portfolio is expected to be diversified over a period of 3 to 5 years.



SIGNIFICANT EVENTS / MATERIAL EXCEPTIONS TO POLICY

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

As of June 30, 2015

Significant Events
Material Exceptions to Policy

- As of June 30, 2015 due to the recent inception and lack of maturity of the program, the Real Assets Portfolio was below its target allocation and target diversification ranges.
- The Portfolio is expected to be diversified over a period of 3 to 5 years.
- No other significant events.