



**PERSPECTIVES
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ENTERPRISE
SUCCESS**



PERIOD ENDING: JUNE 30, 2019

Real Assets Review

San Mateo County Employees' Retirement Association

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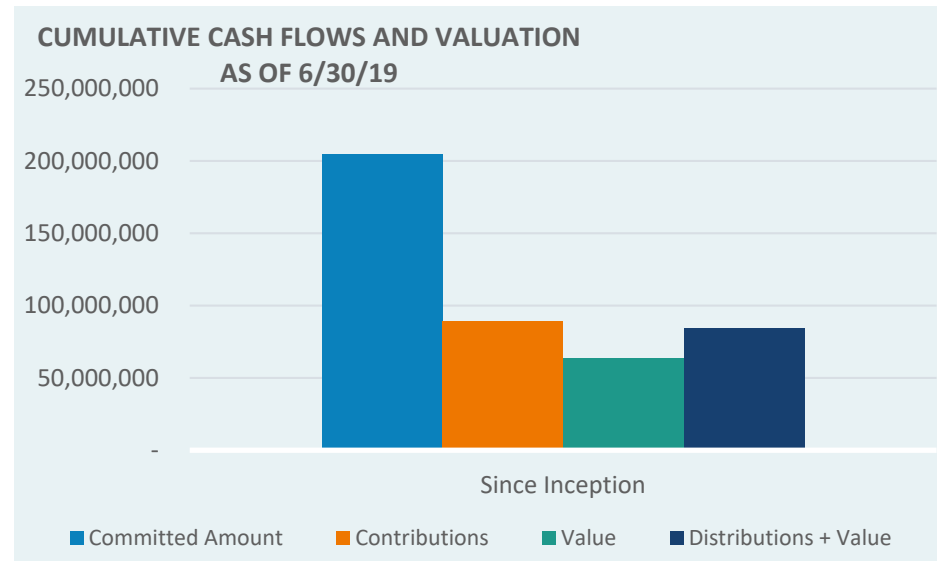
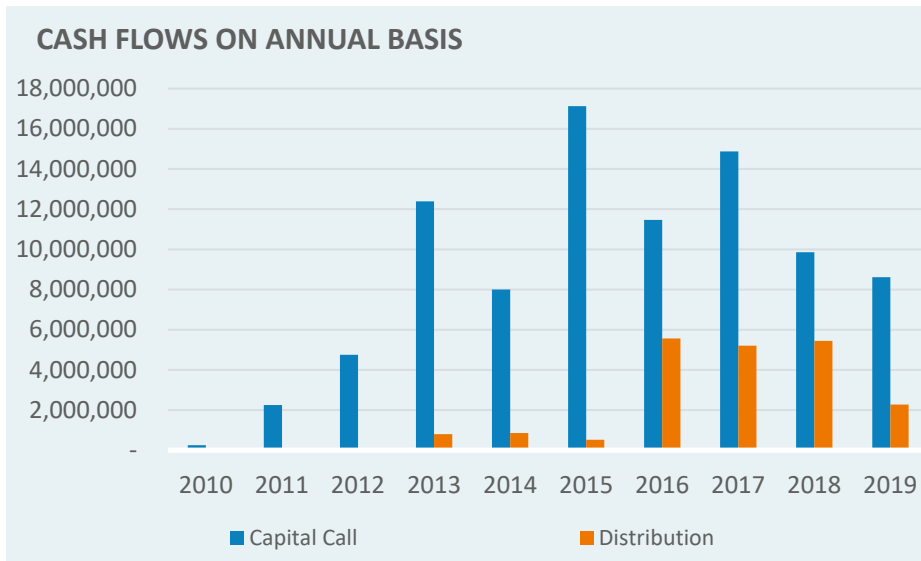
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Performance

- The portfolio is currently valued at \$63.6 million. Together with \$20.7 million in realized distributions, the Total Value at \$84.3 million is approximately \$5.3 million below \$89.6 million total capital contributions, resulting in a total value multiple of 0.94x and a net IRR of -2.09%. If we exclude the investment in Sheridan, the portfolio IRR would be +8.87%. Capital weighted average investment age of the portfolio is 3.5 years.
- SamCERA funded a liquid real asset pool in 2016 that seeks to proxy many of the risk exposures targeted in private real assets. SSgA is managing the pool in a mix of passive exposures to infrastructure, natural resource equities and commodities.
- Within Private Real Assets, the current allocation of market value exposure is 13.6% to Agriculture, 23.0% to Energy, 28.9% to Mining, and 34.6% to Infrastructure. The Portfolio is expected to be diversified over a period of 3 to 5 years.

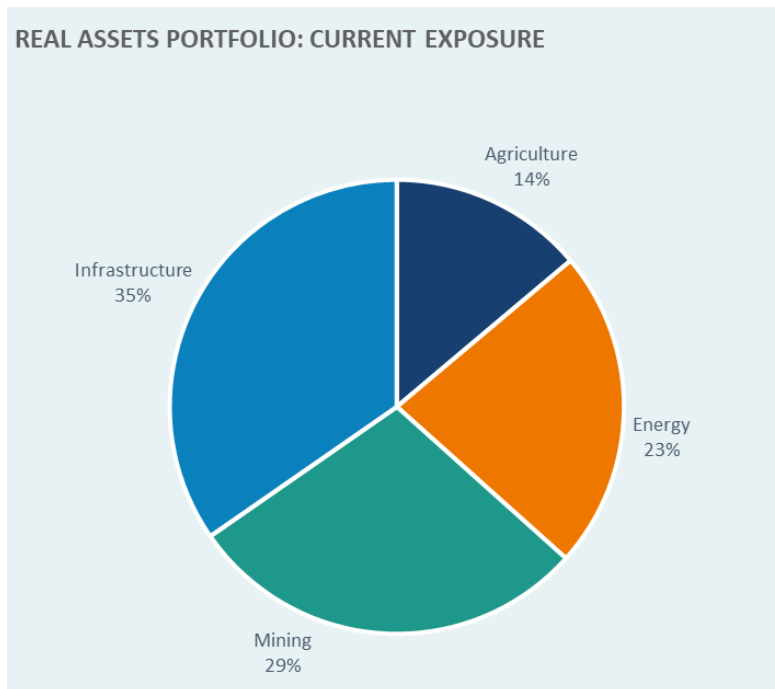


Strategy

Portfolio Diversification

Period Ending: June 30, 2019

Investment Type	Commitment	Current Exposure	Current Exposure as % of Portfolio
Agriculture	15,000,000	8,646,326	13.6%
Energy	49,800,000	14,618,072	23.0%
Mining	55,000,000	18,378,215	28.9%
Infrastructure	85,000,000	21,988,334	34.6%
Total Portfolio	204,800,000	63,630,947	100.0%

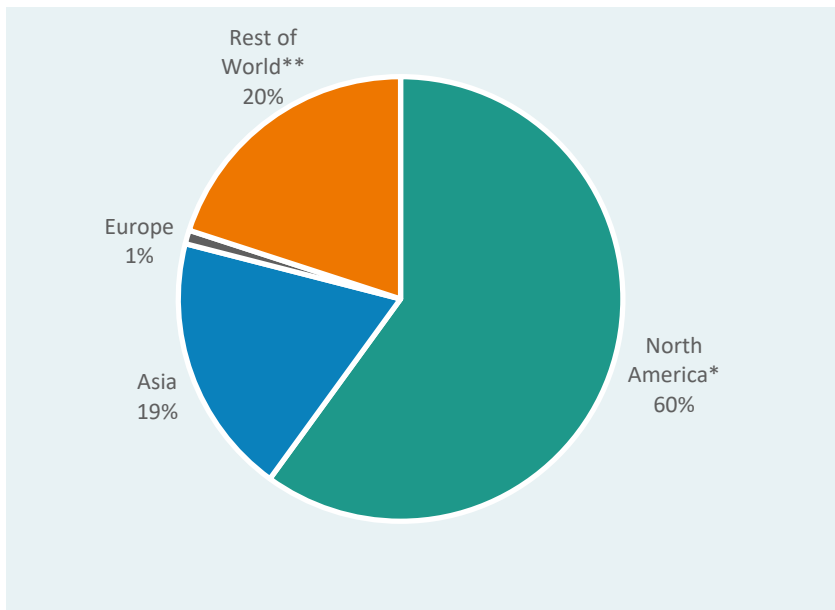


Geography

Portfolio Diversification

Period Ending: June 30, 2019

Geography	Reported Fair Value
North America*	38,096,637
Asia	12,094,282
Europe	729,926
Rest of World**	12,710,102
Total Portfolio	63,630,947



Based on invested capital as of June 30, 2019, if provided by the partnerships. The portfolio is expected to be US-biased given the mandate to hedge domestic inflation.

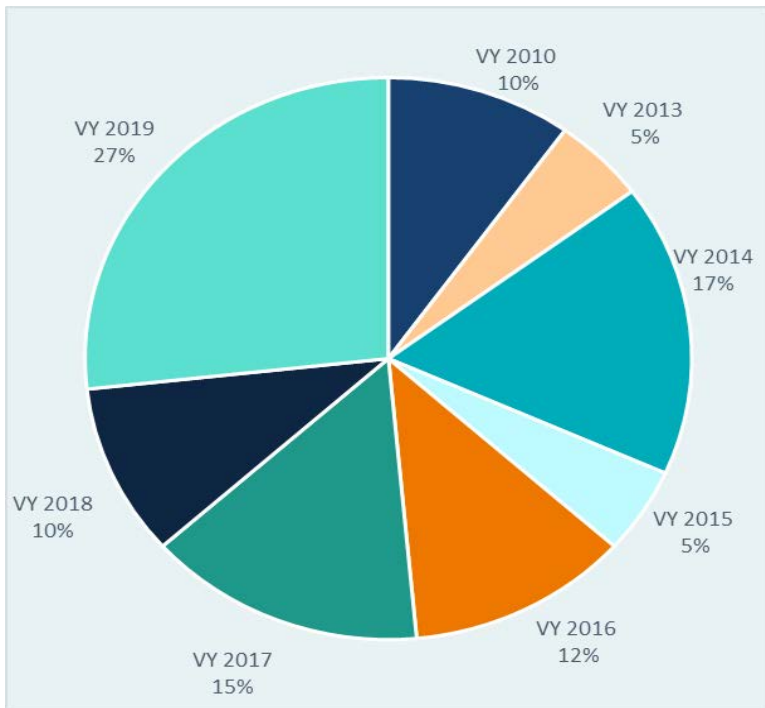
* North America includes 100% market value from Sheridan II-B.

** Rest of World includes Australia, Chile, and Senegal.

Vintage Year Portfolio Diversification

Period Ending: June 30, 2019

Vintage Year	Commitment as of 6/30/19	% of Portfolio Commitment	Reported Value as of 6/30/19
2010	20,000,000	9.8%	0
2013	10,000,000	4.9%	6,438,212
2014	35,000,000	17.1%	21,688,123
2015	10,000,000	4.9%	13,456,600
2016	25,000,000	12.2%	6,456,624
2017	29,800,000	14.6%	13,516,278
2018	20,000,000	9.8%	1,118,445
2019	55,000,000	26.9%	956,665
Total Portfolio	204,800,000	100%	63,630,947



The portfolio is increasingly diversified by vintage year with larger capital commitments expected over the next 2-3 years.

- SamCERA committed \$30.0 million to EQT Infrastructure IV, a new GP relationship for SamCERA within the infrastructure portfolio.
- Verus and Staff are actively looking at an opportunity in Core Infrastructure which we may bring to SamCERA's Board in early 2020.
- Valuations across most asset classes has made it challenging to find attractive opportunities. Fundraising within natural resources is daunting for GPs and mirrors our difficulty in finding investment strategies that meet risk/return hurdles. Infrastructure fundraising has the opposite problem as institutions increasingly look to deploy capital in defensive, yield-oriented strategies like infrastructure.
- As the shift away from commodity-oriented sectors continues, we will look opportunistically for strategies in the space, but we expect infrastructure to occupy a larger share of real asset portfolios going forward.