



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: JUNE 30, 2018

Real Assets Review

San Mateo County Employees' Retirement Association

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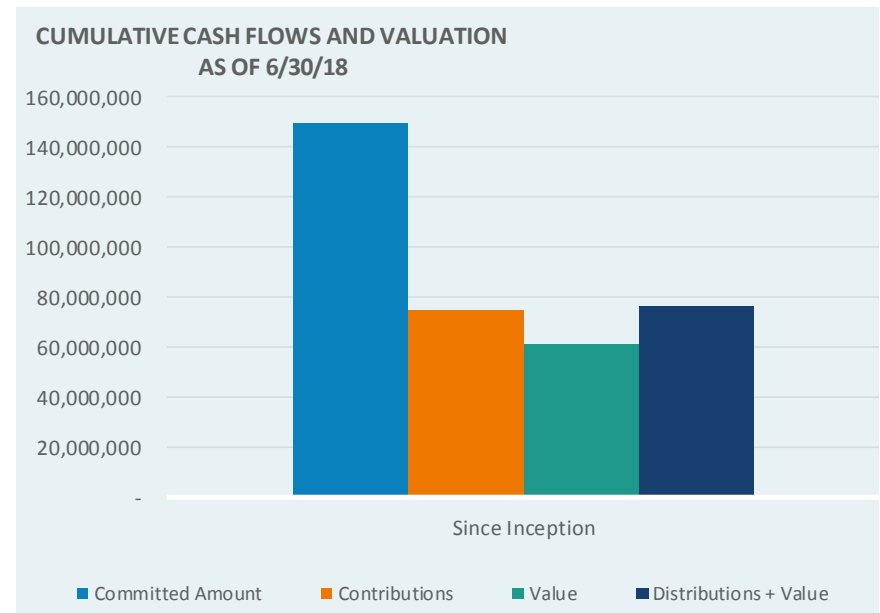
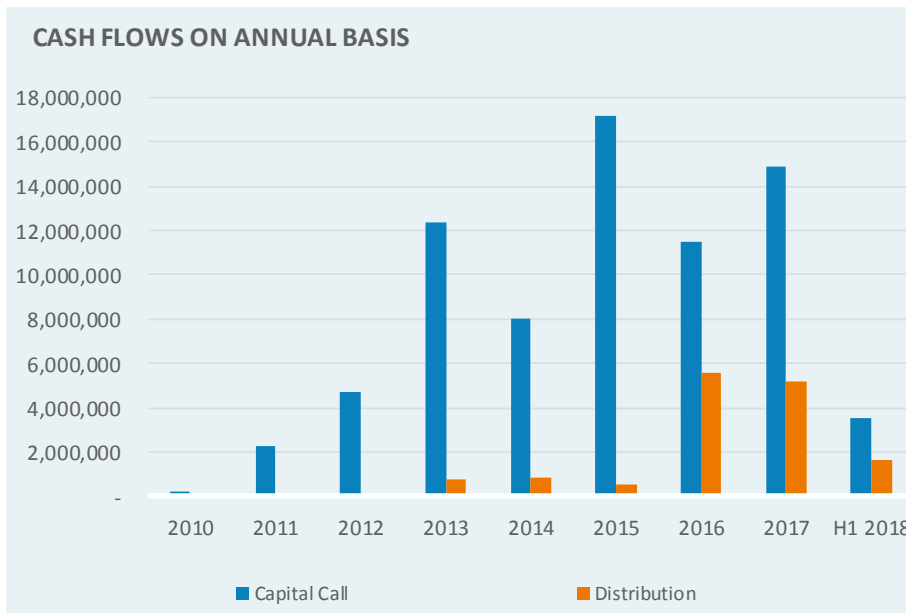
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***Past performance is no guarantee of future results.** This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Verus Advisory Inc. and Verus Investors, LLC ("Verus") file a single form ADV under the United States Investment Advisors Act of 1940, as amended.*

Performance

- The portfolio is currently valued at \$61.3 million. Together with \$14.6 million in realized distributions, the Total Value at \$75.9 million is approximately \$1.2 million above \$74.6 million total capital contributions, resulting in a total value multiple of 1.02x and a net IRR of 0.61%. Capital weighted average investment age of the portfolio is 3.05 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 invested capital is 12.7% to Agriculture, 35.5% to Energy, 18.3% to Mining, and 33.5% to Infrastructure. The Portfolio is expected to be diversified over a period of 3 to 5 years.



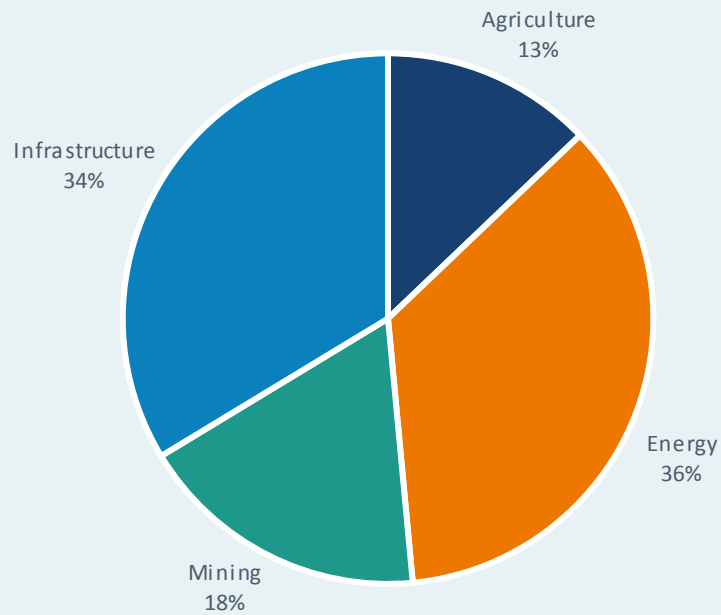
Strategy

Portfolio Diversification

Period Ending: June 30, 2018

Investment Type	Commitment	Current Exposure	Current Exposure as % of Portfolio
Agriculture	15,000,000	7,777,668	12.7%
Energy	49,800,000	21,761,465	35.5%
Mining	30,000,000	11,240,131	18.3%
Infrastructure	55,000,000	20,509,193	33.5%
Total Portfolio	149,800,000	61,288,457	100.0%

REAL ASSETS PORTFOLIO: CURRENT EXPOSURE

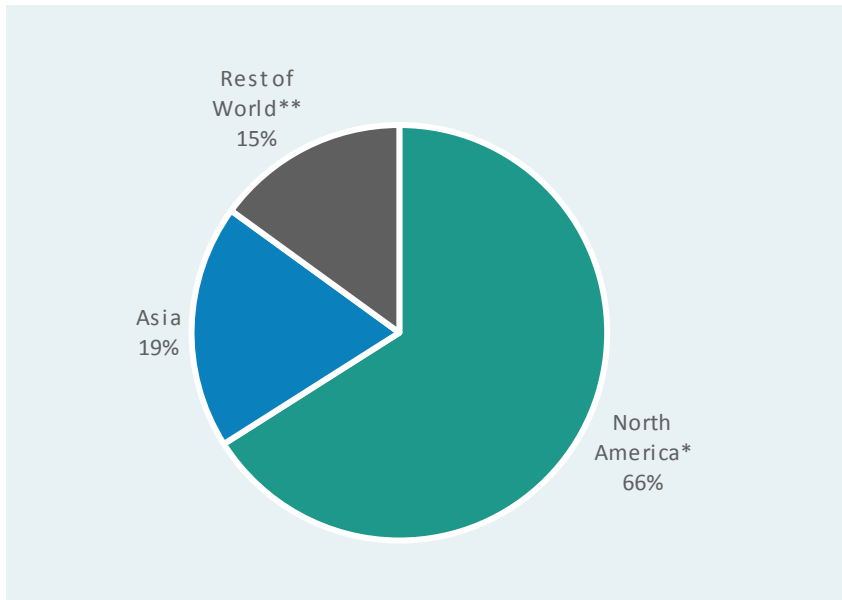


Geography

Portfolio Diversification

Period Ending: June 30, 2018

Geography	Reported Fair Value
North America*	40,459,383
Asia	11,565,455
Rest of World**	9,263,618
Total Portfolio	61,288,456



Based on invested capital as of June 30, 2018, if provided by the partnerships. The portfolio is expected to be US-biased given the mandate to hedge domestic inflation.

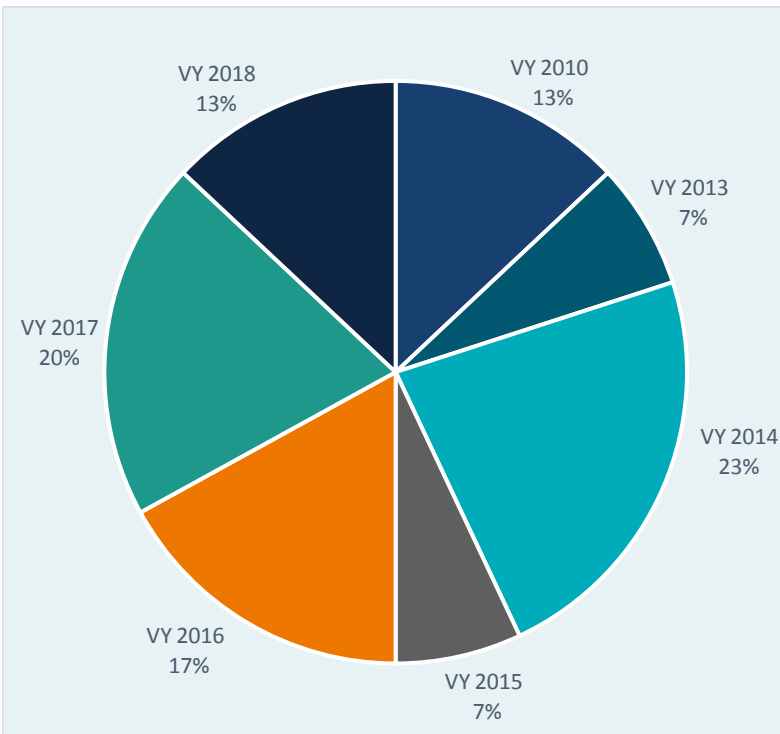
* North America includes 100% market value from Sheridan II-B.

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

Vintage Year Portfolio Diversification

Period Ending: June 30, 2018

Vintage Year	Commitment as of 6/30/18	% of Portfolio Commitment	Reported Value as of 6/30/18
2010	20,000,000	13.4%	9,153,000
2013	10,000,000	6.7%	7,521,141
2014	35,000,000	23.4%	16,378,708
2015	10,000,000	6.7%	13,668,525
2016	25,000,000	16.7%	6,840,668
2017	29,800,000	19.9%	7,726,415
2018	20,000,000	13.4%	0
Total Portfolio	149,800,000	100%	61,288,457



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

- SamCERA committed \$20.0 million to LS Power in April 2018 which will focus on natural gas/renewable power producing assets
- Verus and Staff will be recommending a global infrastructure fund to the Board in December, which if approved will be the fourth infrastructure investment in the private real assets portfolio
- Looking forward, we will be exploring opportunities in non-energy natural resources, re-ups with existing managers in mining finance and a further build-out of the infrastructure portfolio