



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: DECEMBER 31, 2015

Real Assets Review

San Mateo County Employees' Retirement Association

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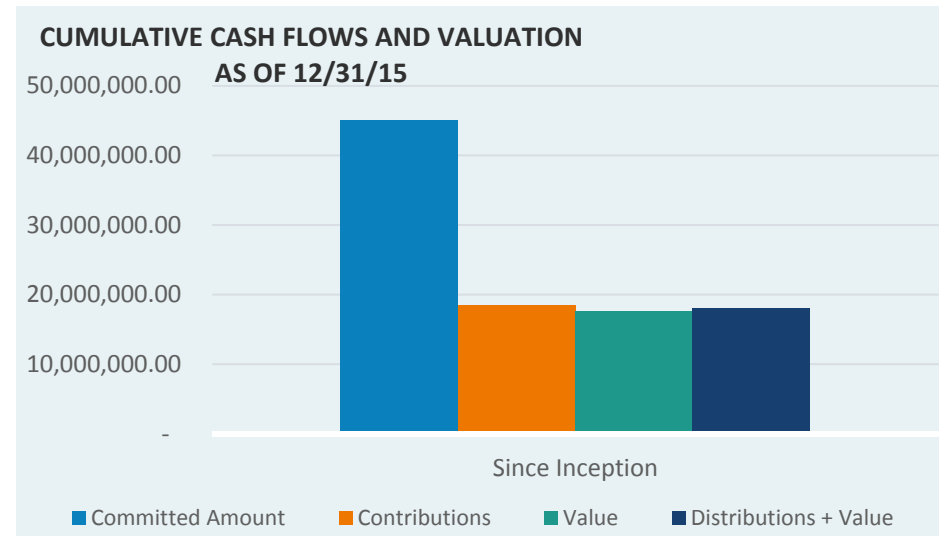
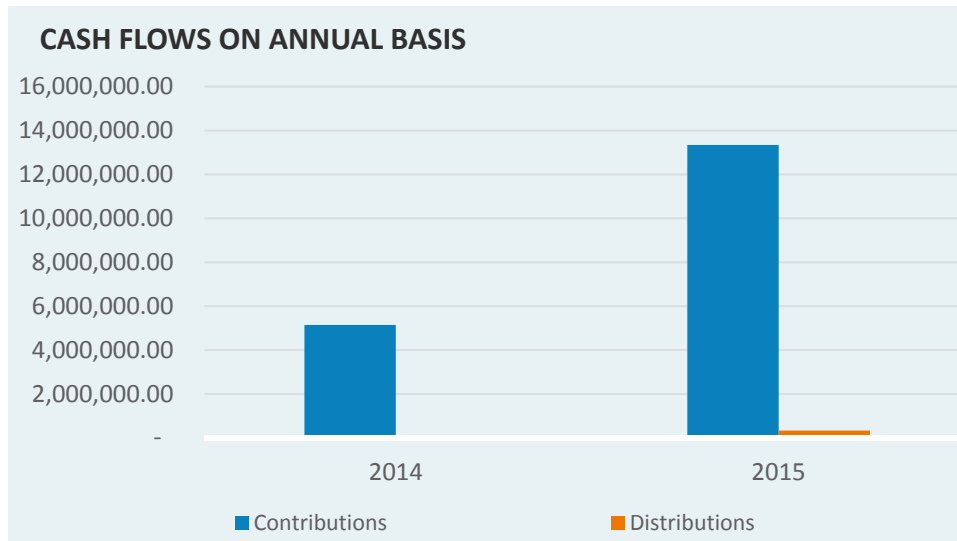
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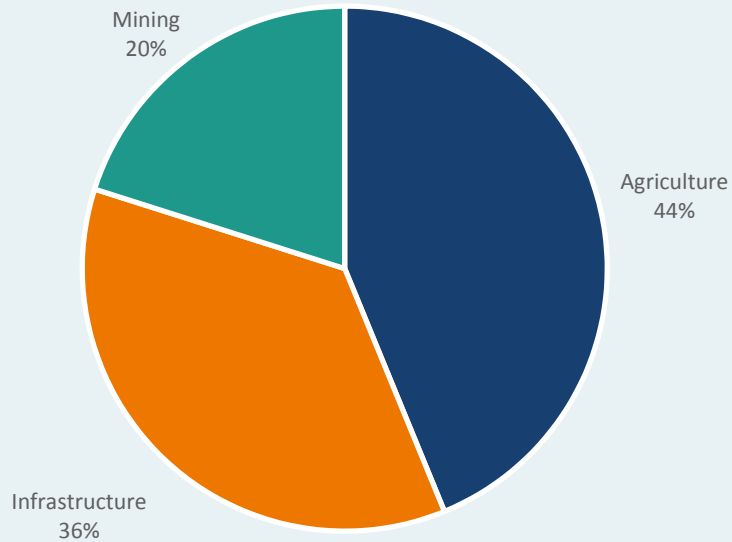
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Performance

- With a capital weighted average investment age of less than one year (0.5 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 \$17.6 million. Together with \$0.4 million in realized distributions, the Total Value at \$18.0 million is approximately \$0.5 million below \$18.5 million total capital contributions, resulting in a total value multiple of 1.0x and a net IRR of -5.46%.
- Within Real Assets, the current allocation of invested capital is 43.8% to Agriculture, 36.1% to Infrastructure, and 20.1% to Mining.



PRIVATE EQUITY PORTFOLIO: CURRENT EXPOSURE

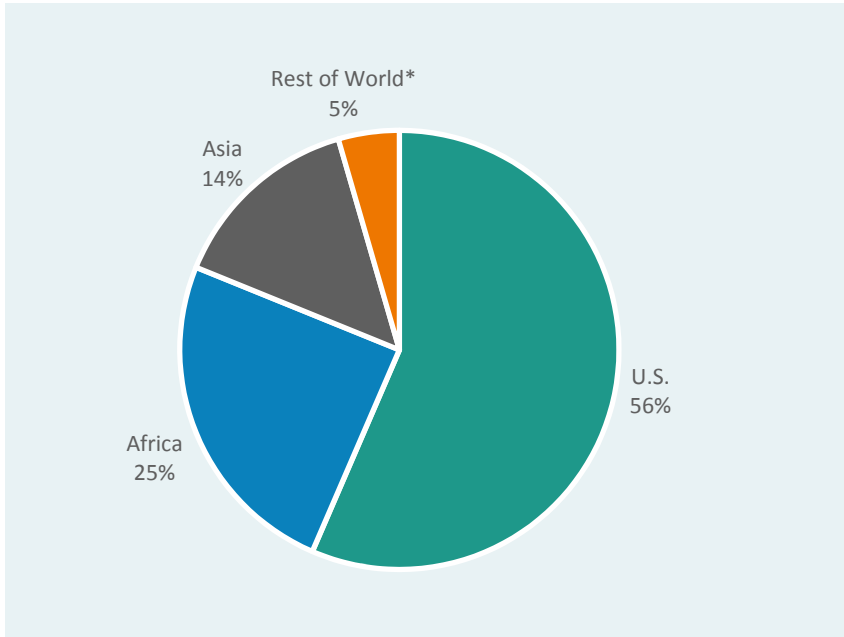


As of December 31, 2015, the Real Assets portfolio invested 43.8% to Agriculture, 36.1% to Infrastructure, and 20.1% to Mining. The Portfolio is expected to be diversified over a period of 3 to 5 years.

Geography

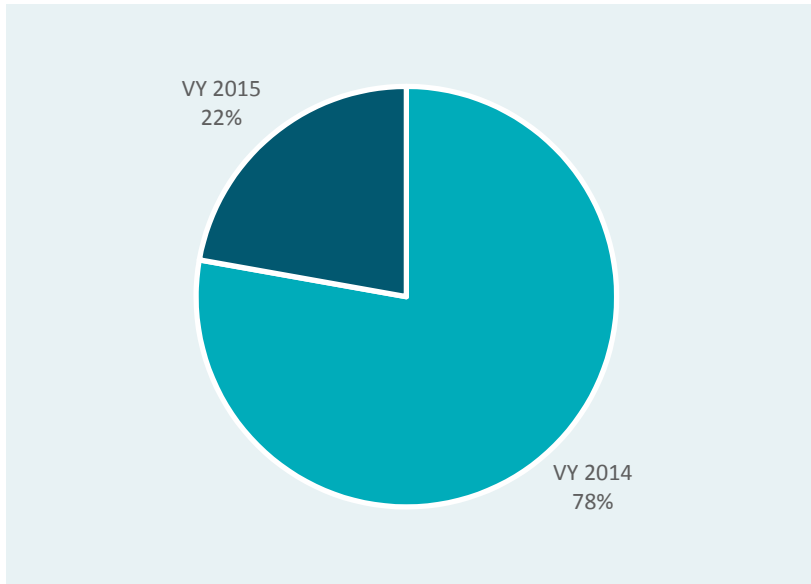
Portfolio Diversification

Period Ending: December 31, 2015



Based on invested capital as of December 31, 2015 if provided by the partnerships.

* Rest of World includes Chile.



As of December 31, 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.

- As of December 31, 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.