



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



**PERIOD ENDING: JUNE 30, 2021**

Real Assets Review

**San Mateo County Employees' Retirement Association**

# Table of Contents



VERUSINVESTMENTS.COM

SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

SAN FRANCISCO 415-362-3484

---

Real Assets Portfolio Performance	3
-----------------------------------	---

---

Real Assets Portfolio Diversification	5
---------------------------------------	---

---

- RA Portfolio Diversification by Strategy
  - RA Portfolio Diversification by Geography
  - RA Portfolio Diversification by Vintage Year
- 

Real Assets Program Update	8
----------------------------	---

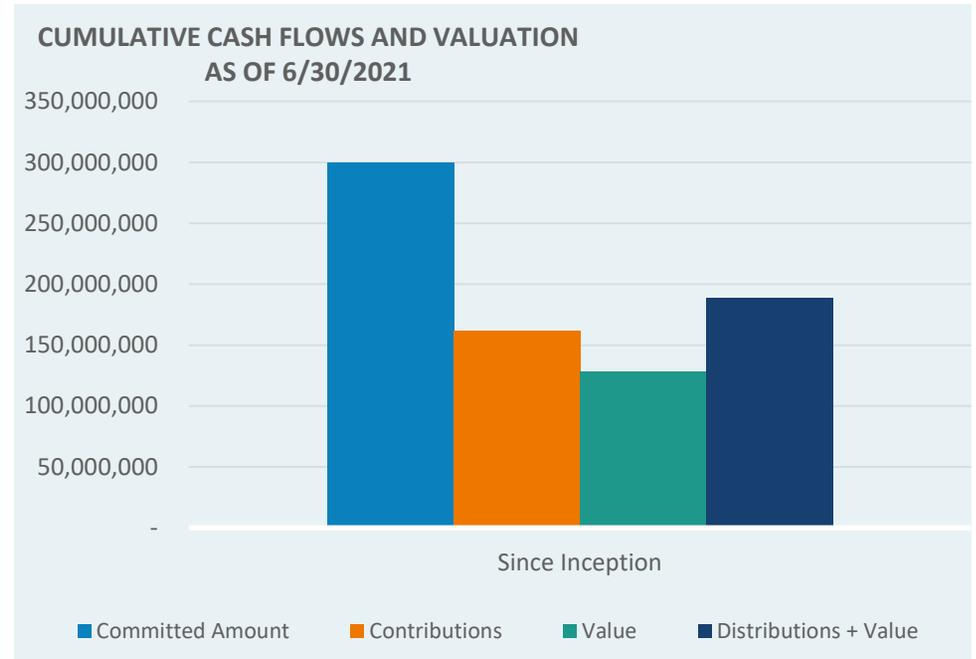
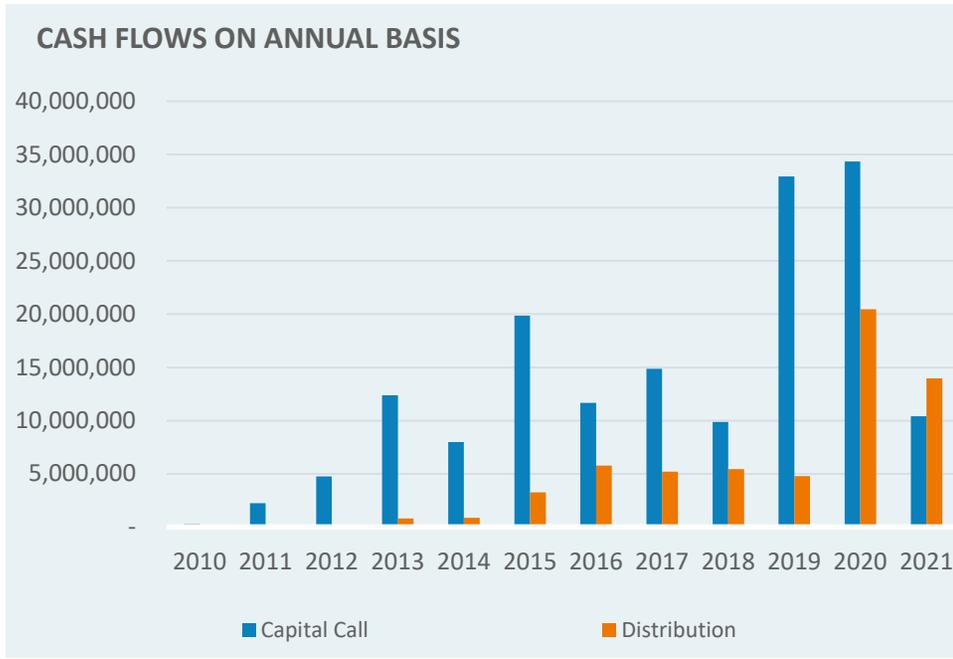
---

***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.*

# Real Asset Performance

**Performance**

- The portfolio is currently valued at \$128.0 million. Together with \$60.5 million in realized distributions, the Total Value at \$188.6 million is approximately \$27.0 million above \$161.6 million total capital contributions, resulting in a total value multiple of 1.17x and a net IRR of 5.21%. If we exclude the investment in Sheridan, the portfolio IRR would be 12.53%. Capital weighted average investment age of the portfolio is 3.7 years.
- Within Private Real Assets, the current allocation of market value exposure is 14.3% to Agriculture, 16.8% to Energy, 8.5% to Mining, and 60.3% to Infrastructure. The Portfolio is expected to be diversified over a period of 3 to 5 years.



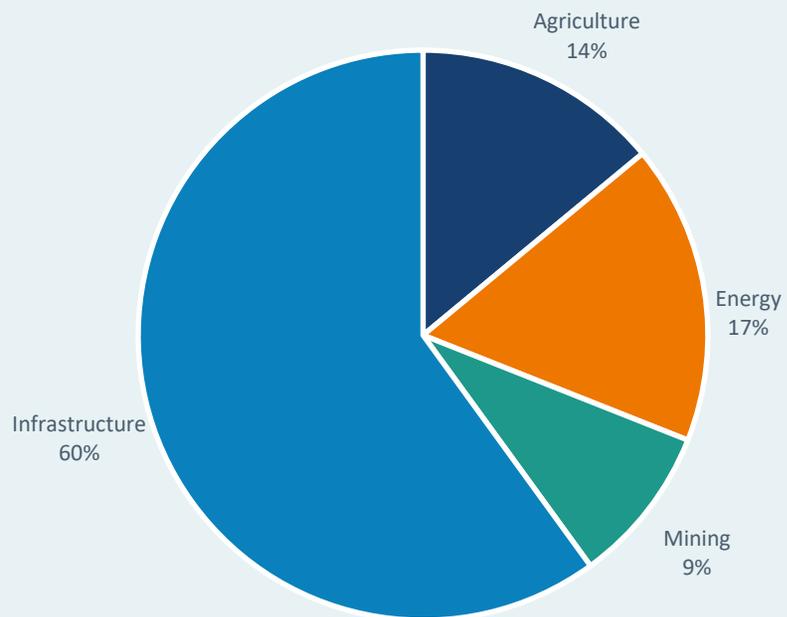
# Strategy

## Portfolio Diversification

Period Ending: June 30, 2021

Investment Type	Commitment	Current Exposure	Current Exposure as % of Portfolio
Agriculture	15,000,000	18,354,338	14.3%
Energy	49,800,000	21,566,003	16.8%
Mining	55,000,000	10,917,824	8.5%
Infrastructure	180,000,000	77,186,096	60.3%
<b>Total Portfolio</b>	<b>299,800,000</b>	<b>128,024,261</b>	<b>100.0%</b>

REAL ASSETS PORTFOLIO: CURRENT EXPOSURE

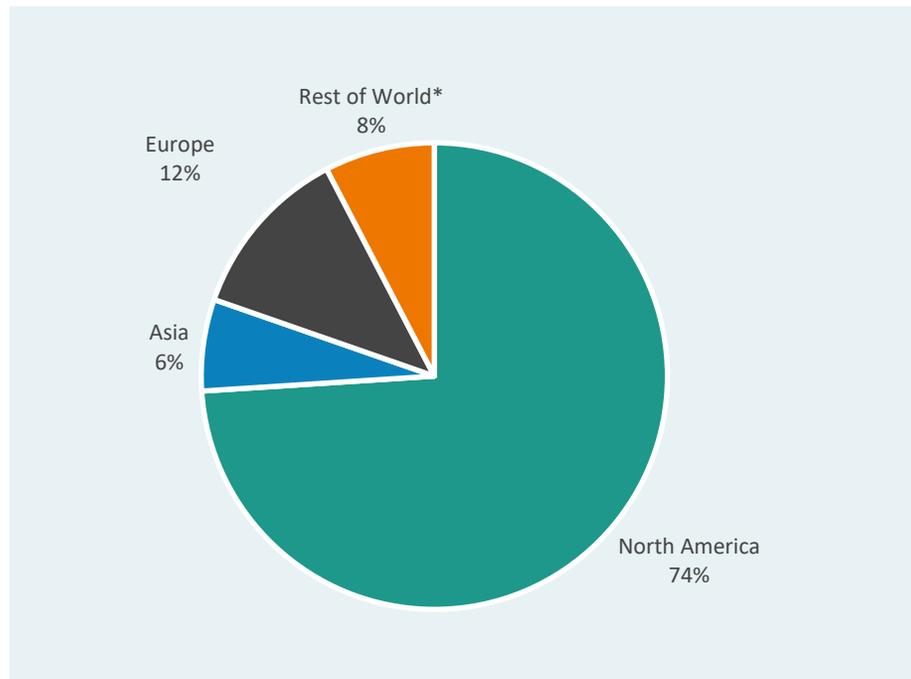


# Geography

## Portfolio Diversification

Period Ending: June 30, 2021

Geography	Reported Fair Value
North America	94,705,041
Asia	8,128,167
Europe	15,405,582
Rest of World*	9,785,471
<b>Total Portfolio</b>	<b>128,024,261</b>



Based on invested capital as of June 30, 2021, if provided by the partnerships. The portfolio is expected to be US-biased given the mandate to hedge domestic inflation.

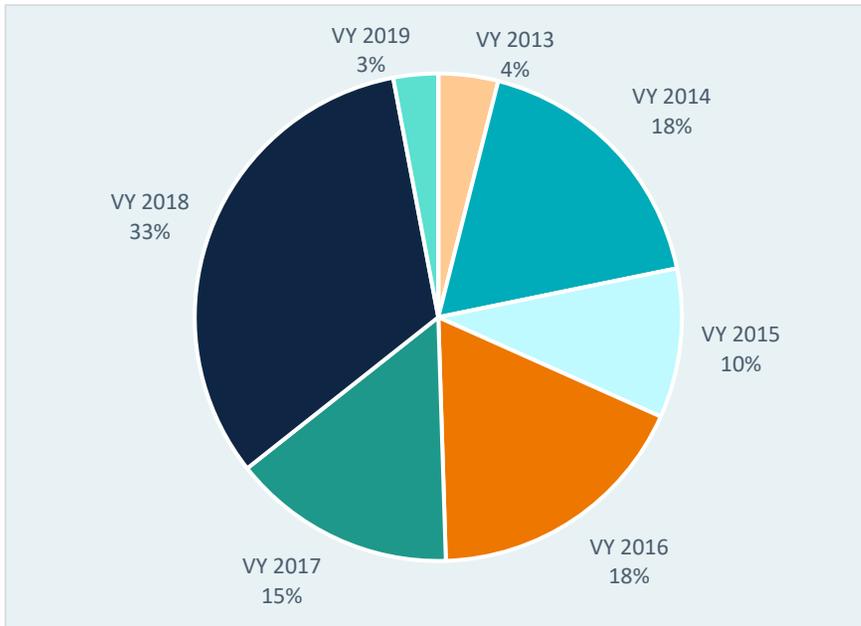
\* Rest of World includes Australia, Peru, Chile, Senegal, DRC, and Burkina Faso.

# Vintage Year Portfolio Diversification

Period Ending: June 30, 2021

Vintage Year	Commitment as of 6/30/2021	% of Portfolio Commitment	Reported Value as of 6/30/2021
2010	20,000,000	8.0%	0
2013	10,000,000	4.0%	5,160,539
2014	35,000,000	14.0%	23,459,680
2015	10,000,000	4.0%	12,430,790
2016	25,000,000	10.0%	22,410,024
2017	29,800,000	11.9%	18,932,950
2018	50,000,000	20.0%	42,345,282
2019	25,000,000	10.0%	3,284,996
2020	25,000,000	10.0%	0
2021	20,000,000	8.0%	0
<b>Total Portfolio</b>	<b>249,800,000</b>	<b>100%</b>	<b>128,024,261</b>

\* Excludes Open-end funds



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 Vision Ridge Sustainable Asset Fund III within the infrastructure portfolio at the March Investment Committee Meeting.
- Verus and staff will be recommending a \$20.0 million investment in Tiger Infrastructure Partners III.
- 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.