

# SBCERS

Santa Barbara County Employees' Retirement System

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**DATE:** December 11, 2024

**TO:** SBCERS Board of Retirement

**FROM:** SBCERS Investment Staff

**RE:** **Private Equity, Private Real Estate, and Private Real Return Quarterly Review**

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## **Recommendation**

That the Board of Retirement receive and file the Quarterly Performance updates on Private Equity, Private Real Return and Private Real Estate for the period ended June 30, 2024, presented by Managing Directors Matthew Silverio and Elizabeth Bell of Hamilton Lane.

## **Summary**

The reports cover portfolio performance, commitment activity, portfolio diversification, cash flows, and potential deals for the second quarter 2024.

Through June 30, the Private Equity portfolio had a since inception IRR of 13.29% which represents a decrease of 22 bps from the first quarter 2024 returns. The total fund market value as of June 30 was \$584.8 million. SBCERS contributed \$14.5 million to its Private Equity portfolio and received cash distributions of \$16.8 million in the second quarter. SBCERS' total commitment to Private Equity as of June 30 was \$994 million, of which \$268.1 million is unfunded.

No Private Equity commitments were made during this quarter.

Through June 30, the Private Real Return portfolio had a since inception IRR of 11.95% which represents a decrease of 21 bps from the first quarter 2024 returns. The total fund market value as of June 30 was \$524.5 million. SBCERS contributed \$13.1 million to its Private Real Return portfolio and received cash distributions of \$10.7 million in the second quarter. SBCERS' total commitment to Private Real Return as of June 30 was \$765 million, of which \$254.5 million is unfunded.

The following Private Real Return commitments were made this quarter:

- \$10 million to KKR Global Infrastructure Investors V, a global focused infrastructure fund
- \$10 million to Apollo Infrastructure Opportunities Fund III, a North America focused infrastructure fund

Through June 30, the Private Real Estate portfolio had a since inception IRR of 8.46% which represents a decrease of 17 bps from first quarter 2024 returns. The total fund market value as of

June 30 was \$455.2 million. SBCERS contributed \$18.0 million to its Private Real Estate portfolio and received cash distributions of \$4.8 million in the second quarter. SBCERS' total commitment to Private Real Estate as of June 30 was \$756.7 million, of which \$142.9 million is unfunded.

The following Private Real Estate commitments were made this quarter:

- \$10 million to Lubert-Adler Workforce Housing Fund III, a North America focused value-add fund
- \$10 million to Kayne Anderson Real Estate Partners VII, a North America focused value-add fund
- \$10 million to Hillwood US Industrial Club VII, a North America focused opportunistic fund

#### **Attachments**

- Second Quarter 2024 Private Equity (PE) Performance Update
- Second Quarter 2024 Private Real Return (PRR) Performance Update
- Second Quarter 2024 Private Real Estate (RE) Performance Update