



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 10

MEETING DATE: June 20, 2018

SUBJECT: Monthly Investment Manager Activity, Compliance, and Watch List Report – May 2018

SUBMITTED FOR: Consent Deliberation and Action Receive and File

RECOMMENDATION

Staff recommends the Board receive and file the Monthly Investment Manager Activity, Compliance, and Watch List report for May 2018.

PURPOSE

To comply with SCERS' investment policy statement reporting requirements.

DISCUSSION

Report for the month of May 2018 is provided.

SCERS' investment manager transactions have been reviewed for compliance with their respective investment guidelines and objectives. No compliance violations have been found.

As of May 31, 2018, investment managers on the Watch List include:

1. Brown Advisory (Large Cap Growth).
2. Huber Capital Management (Large Cap Value).
3. Och-Ziff Capital Management (Absolute Return and Opportunities-Real Estate).

Staff and the investment consultants will continue to monitor the performance and/or organizational concerns and advise when satisfactorily resolved.

ATTACHMENTS

1. Monthly Investment Manager Activity, Compliance, and Watch List Report – May 2018
2. Watch List with Commentary Report – May 2018

Prepared by:

/S/

Brian Miller
Investment Officer

Reviewed by:

/S/

Steve Davis
Chief Investment Officer

/S/

Eric Stern
Chief Executive Officer

| # | Investment Manager | Fund Type | Watch List | Net Asset Value (as of May 31, 2018)* | SCERS Investment / Commitment | Total Capital Called to Date | Total Capital Returned to Date** | Benchmark | Comply | Counter-Party Comply | Monthly Purchases / Capital Called | Monthly Sales / Capital Returned** | Top 10 Holdings / Notes |
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| DOMESTIC EQUITY | | | | | | | | | | | | | |
| 1 | JPMorgan Asset Management | Equity 130/30 | | \$123,735,596 | | | | Russell 1000 | Yes | N/A | \$23,963,942 | \$24,581,105 | Alphabet, Microsoft, Occidental Petroleum, Amazon, Apple, Broadcom Inc, Bank of America, UnitedHealth Group, Norfolk Southern, DowDuPont |
| 2 | Eagle Capital Management | Large Cap Core | | \$258,628,646 | | | | Russell 1000 | Yes | N/A | \$17,551,560 | \$20,889,028 | Microsoft Corp, Alphabet Inc C1C, Berkshire Hathaway Inc C1B, Amazon.Com Inc, Oracle Corp, Aon Plc, UnitedHealth Group Inc, Citigroup Inc, Liberty Global Plc, Wells Fargo + Co |
| 3 | Brown Advisory | Large Cap Growth | YES | \$142,918,883 | | | | Russell 1000 Growth | Yes | N/A | \$4,195,363 | \$3,299,609 | Amazon.Com Inc, Zoetis Inc, Visa Inc Class A Shares, Intuit Inc, Intuitive Surgical Inc, State Street Bank + Trust Co, Salesforce.Com Inc, Adobe Systems Inc, Alphabet Inc C1C, Paypal Holdings Inc |
| 4 | Alliance Bernstein | Large Cap Passive | | \$1,192,688,860 | | | | Russell 1000 | Yes | N/A | \$13,297,320 | \$13,349,109 | Apple Inc, Microsoft Corp, Amazon.Com Inc, Facebook Inc A, Jpmorgan Chase + Co, Berkshire Hathaway Inc C1B, Exxon Mobil Corp, Alphabet Inc C1C, Alphabet Inc C1A, Johnson + Johnson |
| 5 | Huber Capital Management | Large Cap Value | YES | \$119,827,350 | | | | Russell 1000 Value | Yes | N/A | \$1,124,669 | \$874,893 | Kbr Inc, Microsoft Corp, Northrop Grumman Corp, Citigroup Inc, Bank Of America Corp, Eli Lilly + Co, Jpmorgan Chase + Co, State Street Bank + Trust Co, Philip Morris International, Merck + Co. Inc. |
| 6 | Weatherbie Capital | Small Cap Growth | | \$129,480,177 | | | | Russell 2000 Growth | Yes | N/A | \$7,393,777 | \$6,579,386 | Chegg Inc, Wayfair Inc Class A, Xpo Logistics Inc, Insulet Corp, Firstservice Corp, Paylocity Holding Corp, Ebix Inc, State Street Bank + Trust Co, Stamps.Com Inc, Everbridge Inc |
| 7 | UBS Global Asset Management | Small Cap Growth | | \$83,813,913 | | | | Russell 2000 Growth | Yes | N/A | \$5,610,445 | \$6,226,481 | State Street Bank + Trust Co, Varonis Systems Inc, Wix.Com Ltd, Chegg Inc, Boise Cascade Co, 8X8 Inc, Tabula Rasa Healthcare Inc, Ligand Pharmaceuticals, Teledoc Inc, Universal Display Corp |
| 8 | Dalton, Greiner, Hartman, Maher | Small Cap Value | | \$82,812,285 | | | | Russell 2000 Value | Yes | N/A | \$6,078,259 | \$5,405,274 | State Street Bank + Trust Co, Wpx Energy Inc, Kennedy Wilson Holdings Inc, Brandywine Realty Trust, Allscripts Healthcare Solutions, El Paso Electric Co, Cousins Properties Inc, American Eagle Outfitters, Community Trust Bancorp Inc, Lhc Group Inc |
| 9 | Wedge Capital Management | Small Cap Value | | \$93,376,129 | | | | Russell 2000 Value | Yes | N/A | \$2,827,879 | \$2,269,903 | State Street Bank + Trust Co, Stag Industrial Inc, Prosperity Bancshares Inc, Tef Financial Corp, Great Western Bancorp Inc, Aecom, Integrated Device Tech Inc, Assurant Inc, Colfax Corp, Standex International Corp |
| 10 | TOTAL DOMESTIC EQUITY | | | \$2,227,281,839 | | | | | | | \$82,043,214 | \$83,474,788 | |

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SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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May 31, 2018

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| INTERNATIONAL EQUITY | | | | | | | | | | | | | |
| 11 | Lazard Asset Management | ACWI ex-US | | \$378,344,801 | | | | MSCI ACWI Ex.-U.S. | Yes | N/A | \$29,992,766 | \$23,058,816 | Lazard Emerging Markets Equity, State Street Bank + Trust Co., Prudential Plc, Doan Quijote Holdings Co Ltd, Daiwa House Industry Co Ltd, Infoma Plc, Sampo Oyj A Shs, Equinor ASA, Accenture Plc Cl A, Vivendi |
| 12 | ISV Asset Management | Developed Large Cap Value | | \$470,880,595 | | | | MSCI World Ex.-U.S. | Yes | N/A | \$7,264,003 | \$6,045,280 | Bp Plc, Total SA, Sanofi, Kddi Corp, GlaxoSmithKline Plc, Nippon Telegraph + Telephone, Bae Systems Plc, Roche Holding AG, Genusshen, Royal Dutch Shell Plc B Shs, Enel SpA |
| 13 | Walter Scott International EAFE Income Growth | Developed Large Cap Growth | | \$490,133,558 | | | | MSCI World Ex.-U.S. | Yes | N/A | \$3,241,888 | \$876,057 | Keyence Corp, Aia Group Ltd, Lvmh Moet Hennessy Louis Vuitton, Csl Ltd, Kao Corp, Novonordisk A/S B, Adidas Ag, Coloplast B, Sap Se, Novozymes A/S B Shares |
| 14 | William Blair International Small Cap | Developed Small Cap Growth | | \$94,736,296 | | | | MSCI Small Cap World ex.-U.S. | Yes | N/A | \$12,066,888 | \$10,774,157 | Nissan Chemical Industries, Rubis, Localiza Rent A Car, Tokyo Century Corp, Kose Corp, Ssp Group Plc, Norwegian Finance Holding As, Nihon M&A Center Inc, Euronext Nv, Thule Group Ab/The |
| 15 | Mondrian International Small Cap | Developed Small Cap Value | | \$97,817,568 | | | | MSCI Small Cap World ex.-U.S. | Yes | N/A | \$2,743,583 | \$2,040,872 | Nico Inc, CAE Inc, AAKAB, SATS Ltd, WSP Global Inc, Rubis SCA, Nihon MA Center Inc, Spirax-Sarco Engineering PLC, AFAB B Shares, Vitrax PLC |
| 16 | Ballie Gifford EM All Cap | Emerging Market - All Cap | | \$185,863,457 | | | | MSCI Emerging Markets | Yes | N/A | 4,049,384 | \$1,004,591 | Tencent Holdings, Alibaba Group Hldg Spn ADR 1:1, Cnooc, Taiwan Semiconductor Mfg., Ping An Insurance 'H, Sberbank Of Russia (Lon) ADR, Samsung Electronics, Reliance Industries, Norilsk Nickel ADR, China Merchants Bank 'H' |
| 17 | Mondrian EM All Cap | Emerging Market - All Cap | | \$168,624,781 | | | | MSCI Emerging Markets | Yes | N/A | \$6,548,391 | \$6,229,722 | Samsung Electronics Co Ltd, China Construction Bank Corp Class H, Taiwan Semiconductor Manufacturing Ltd, Ping An Insurance Co of China Class H, Embraer SA Sponsored ADR, China Mobile Ltd, Suzano Papel e Celulose SA, Gazprom PJSC Sponsored ADR, Indiatulshousing Finance Ltd, WH Group Ltd |
| 18 | TOTAL INTERNATIONAL EQUITY | | | \$1,886,401,056 | | | | | | | \$65,906,903 | \$50,029,496 | |

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| PRIVATE EQUITY | | | | | | | | | | | | | |
| 19 | Abbott Capital Private Equity Fund VI, LP | Fund of Funds | | \$57,652,512 | \$75,000,000 | \$72,750,000 | \$51,376,320 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 20 | HarbourVest International PEP VI, LP | Fund of Funds | | \$34,824,401 | \$50,000,000 | \$36,905,207 | \$17,159,087 | Cambridge Assoc. All Private Equity | Yes | N/A | | | Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction. |
| 21 | HarbourVest VIII, LP | Fund of Funds | | \$19,852,448 | \$50,000,000 | \$47,587,500 | \$24,895,087 | Cambridge Assoc. All Private Equity | Yes | N/A | | \$1,418,148 | |
| 22 | Private Equity (Goldman Sachs) X, LP | Fund of Funds | | \$33,041,748 | \$75,000,000 | \$74,960,334 | \$55,391,146 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 23 | Accel-KKR Capital Partners IV, LP | Buyout | | \$11,884,999 | \$15,000,000 | \$12,307,042 | \$6,650,498 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 24 | Accel-KKR Capital Partners V, LP | Buyout | | \$5,502,329 | \$25,000,000 | \$5,617,643 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 25 | H.L.G. Capital Partners V, LP | Buyout | | \$8,808,741 | \$14,000,000 | \$8,195,022 | \$1,437,210 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 26 | Madin Equity IV, LP | Buyout | | \$18,805,328 | \$20,000,000 | \$17,613,347 | \$190,655 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 27 | Linden Capital Partners III, LP | Buyout - Middle Market Healthcare | | \$38,015,473 | \$35,000,000 | \$32,375,287 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 28 | Linden Capital Partners IV, LP | Buyout - Middle Market Healthcare | | | \$44,000,000 | | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 29 | Thoma Bravo Fund XI, LP | Buyout - Middle Market Technology | | \$42,612,403 | \$30,000,000 | \$30,010,615 | \$5,395,896 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 30 | Thoma Bravo Fund XII, LP | Buyout - Middle Market Technology | | \$20,286,459 | \$30,000,000 | \$19,363,548 | \$674,826 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 31 | H.L.G. Europe Capital Partners II, LP | Buyout - Non-US | | \$10,051,598 | \$21,000,000 | \$10,621,345 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction. |

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| PRIVATE EQUITY | | | | | | | | | | | | | |
| 32 | Waterland Fund V, LP | Buyout - Non-US | | \$14,070,893 | \$23,193,600 | \$15,407,645 | \$19,565,197 | Cambridge Assoc. All Private Equity | Yes | N/A | | | Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction. |
| 33 | Waterland Fund VI, LP | Buyout - Non-US | | \$12,067,718 | \$30,000,000 | \$10,314,617 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction. |
| 34 | Martin Heritage, LP | Buyout - Small / Middle Market | | \$8,782,660 | \$10,000,000 | \$8,770,439 | \$7,498,237 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 35 | Martin Heritage II, LP | Buyout - Small / Middle Market | | \$1,233,466 | \$10,000,000 | \$1,341,247 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 36 | Martin Heritage Europe, LP | Buyout - Small / Middle Market | | \$4,658,299 | \$14,400,000 | \$4,897,050 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction. |
| 37 | Martin Heritage Equity Partners V, LP | Buyout - Middle Market | | \$2,100,557 | \$25,000,000 | \$2,082,232 | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 38 | RRJ Capital Master Fund II, LP | Buyout - Special Situations SE Asia | | \$19,000,109 | \$35,000,000 | \$41,854,303 | \$27,608,018 | Cambridge Assoc. All Private Equity | Yes | N/A | | \$267,215 | |
| 39 | RRJ Capital Master Fund III, LP | Buyout - Special Situations SE Asia | | \$22,782,048 | \$40,000,000 | \$15,620,918 | \$8,568,251 | Cambridge Assoc. All Private Equity | Yes | N/A | \$311,112 | \$44,444 | |
| 41 | Atalaya Special Opportunities Fund VI, LP | Distressed Debt - US | | \$18,745,636 | \$25,000,000 | \$25,380,563 | \$8,681,210 | Cambridge Assoc. All Private Equity | Yes | N/A | \$1,250,000 | | |
| 42 | Davidson Kempner Long-Term Distressed Opportunities Fund IV, LP | Distressed Debt | | \$3,500,000 | \$35,000,000 | \$3,500,000 | | Cambridge Assoc. All Private Equity | Yes | N/A | \$1,750,000 | | |
| 43 | Garrison Opportunity Fund III, LP | Distressed Debt | | \$13,370,699 | \$20,000,000 | \$20,000,000 | \$6,576,788 | Cambridge Assoc. All Private Equity | Yes | N/A | | \$356,684 | |
| 44 | H.L.G. Bayside Loan Opportunity III (Europe), LP | Distressed Debt | | \$20,578,038 | \$30,000,000 | \$23,358,256 | \$8,278,994 | Cambridge Assoc. All Private Equity | Yes | N/A | | \$1,709,886 | |
| 45 | TPG Opportunities Partners III, LP | Distressed Debt | | \$22,791,483 | \$40,000,000 | \$25,925,248 | \$8,674,985 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |

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| PRIVATE EQUITY | | | | | | | | | | | | | |
| 46 | Wayzata Opportunities Fund III, LP | Diversified Debt | | \$7,100,366 | \$30,000,000 | \$14,718,000 | \$7,580,634 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 47 | Summit Partners Venture Capital Fund III, LP | Growth Equity | | \$15,561,738 | \$16,350,000 | \$16,350,000 | \$13,650,630 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 48 | Summit Partners Venture Capital Fund IV, LP | Growth Equity | | \$15,928,409 | \$35,000,000 | \$16,594,603 | \$4,935,627 | Cambridge Assoc. All Private Equity | Yes | N/A | \$3,045,000 | | |
| 49 | Summit Partners Europe Growth Equity Fund II, LP | Growth Equity | | \$6,492,332 | \$30,000,000 | \$6,913,910 | | Cambridge Assoc. All Private Equity | Yes | N/A | \$2,706,035 | | |
| 50 | TSG 7A, LP and TSG 7B, LP | Buyout - Consumer Brands | | \$7,859,338 | \$20,000,000 | \$7,850,040 | \$7,227 | Cambridge Assoc. All Private Equity | Yes | N/A | \$420,181 | | |
| 51 | Accel-KKR Growth Capital Partners II, LP | Growth Equity - Software Technology | | \$6,211,069 | \$15,000,000 | \$7,578,033 | \$2,059,777 | Cambridge Assoc. All Private Equity | Yes | N/A | \$550,431 | | |
| 52 | Spectrum Equity Investors VII, LP | Growth Equity - Software Technology | | \$22,184,276 | \$25,000,000 | \$23,000,000 | \$10,192,832 | Cambridge Assoc. All Private Equity | Yes | N/A | | \$1,095,049 | |
| 53 | Spectrum Equity Fund VIII, LP | Growth Equity - Software Technology | | | \$25,000,000 | | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 54 | Dyal II US Investors, LP | Other | | \$14,966,663 | \$35,000,000 | \$20,378,362 | \$3,945,397 | Cambridge Assoc. All Private Equity | Yes | N/A | \$1,057,000 | | |
| 55 | Dyal Capital Partners III, LP | Other | | \$15,079,778 | \$35,000,000 | \$19,994,762 | \$7,621,383 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 56 | Khosla Ventures Fund IV, LP | Venture Capital | | \$14,185,782 | \$10,000,000 | \$9,810,000 | \$4,993,413 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 57 | Khosla Ventures Fund V, LP | Venture Capital | | \$17,805,830 | \$20,000,000 | \$15,460,000 | \$1,012,798 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 58 | Khosla Ventures Fund VI, LP | Venture Capital | | | \$35,000,000 | | | Cambridge Assoc. All Private Equity | Yes | N/A | | | |

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| PRIVATE EQUITY | | | | | | | | | | | | | |
| 59 | NEA 14, LP | Venture Capital | | \$35,579,203 | \$25,000,000 | \$23,500,000 | \$8,904,021 | Cambridge Assoc. All Private Equity | Yes | N/A | | | |
| 59 | NEA 15, LP | Venture Capital | | \$37,757,292 | \$35,000,000 | \$27,129,431 | | Cambridge Assoc. All Private Equity | Yes | N/A | | \$3,102,564 | |
| 60 | NEA 16, LP | Venture Capital | | \$7,817,725 | \$35,000,000 | \$7,787,500 | | Cambridge Assoc. All Private Equity | Yes | N/A | \$1,225,000 | | |
| 61 | Trinity Ventures XI, LP | Venture Capital | | \$26,428,713 | \$25,000,000 | \$19,750,000 | | Cambridge Assoc. All Private Equity | Yes | N/A | \$250,000 | | |
| 62 | Trinity Ventures XII, LP | Venture Capital | | \$11,598,382 | \$30,000,000 | \$12,750,000 | | Cambridge Assoc. All Private Equity | Yes | N/A | \$1,425,000 | | |
| 63 | TOTAL PRIVATE EQUITY | | | \$734,895,204 | \$1,327,943,600 | \$826,299,102 | \$325,872,133 | | | | \$14,329,533 | \$7,993,991 | |

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| PUBLIC CREDIT | | | | | | | | | | | | | |
| 64 | Brigade SC Credit Opportunities Mandate, LLC | Strategic Credit | | \$177,091,890 | | | | 50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan | Yes | N/A | | | |
| 65 | TOTAL PUBLIC CREDIT | | | \$177,091,890 | | | | | | | | | |
| PRIVATE CREDIT | | | | | | | | | | | | | |
| 66 | Athyrium Opportunities Fund II, LP | Opport. Credit - Healthcare | | \$15,822,293 | \$32,000,000 | \$32,886,243 | \$20,722,106 | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | | \$1,120,061 | |
| 67 | Athyrium Opportunities Fund III, LP | Opport. Credit - Healthcare | | \$7,318,263 | \$25,000,000 | \$9,975,052 | \$2,345,987 | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | \$339,775 | | |
| 68 | Summit Partners Credit Fund I, LP | Direct Lending | | \$3,834,489 | \$20,000,000 | \$24,939,499 | \$27,188,270 | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | | | |
| 69 | Summit Partners Credit Fund II, LP | Direct Lending | | \$21,038,783 | \$35,000,000 | \$37,168,419 | \$21,390,383 | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | | | |
| 70 | Summit Partners Credit Fund III, LP | Direct Lending | | | \$50,000,000 | | | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | | | |
| 71 | Tennenbaum Capital Partners Direct Lending Fund VIII | Direct Lending | | \$15,138,886 | \$100,000,000 | \$15,138,886 | | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | \$5,039,496 | | |
| 72 | Benefit Street Partners Senior Secured Opportunities Fund, LP | Direct Lending | | \$38,661,844 | \$50,000,000 | \$39,013,694 | \$351,850 | Credit Suisse Leveraged Loan + 200 bps | Yes | N/A | \$6,383,250 | | |
| 73 | TOTAL PRIVATE CREDIT | | | \$101,814,558 | \$312,000,000 | \$159,121,793 | \$71,998,597 | | | | \$11,762,521 | \$1,120,061 | |

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| ABSOLUTE RETURN | | | | | | | | | | | | | |
| 74 | Grosvenor SC Absolute Return Fund (SCARF) | Separate Account | | \$270,012,132 | | | | HFRI FoF Composite Index +100 bps / HFRI FoF Conservative Index | Yes | Yes | | | |
| 75 | Grosvenor SC Absolute Return Fund, Series B (SCARF-B) | Interim Separate Account | | \$171,504,603 | | | | HFRI FoF Composite Index +100 bps / HFRI FoF Conservative Index | Yes | Yes | \$15,000,000 | | The remaining balance of SCERS \$100M additional commitment. |
| 76 | Lakewood Capital Partners, LP | Equity Long/Short | | \$44,467,467 | \$35,000,000 | \$33,000,000 | | HFRI FoF Composite Index +100 bps | Yes | Yes | | | |
| 77 | Elliott Associates, LP | Event Driven | | \$52,876,647 | | | | HFRI FoF Conservative Index | Yes | Yes | | | |
| 78 | Jana Partners Qualified, LP | Event Driven | | \$40,890,850 | | | | HFRI FoF Composite Index +100 bps | Yes | Yes | | | |
| 79 | Third Point Partners Qualified, LP | Event Driven | | \$49,082,111 | | | | HFRI FoF Composite Index +100 bps | Yes | Yes | | | |
| 80 | Claren Road Credit Partners, LP | Global Long Short Credit | | \$46,959 | | | | HFRI FoF Conservative Index | Yes | Yes | | \$96,767 | SCERS put in a full redemption request for this fund. Due to significant redemptions incurred by Claren Road, final distribution of SCERS' capital will be made over multiple quarters. |
| 81 | Bre van Howard Master Fund, LLC | Global Macro - Discretion | | \$34,015,695 | | | | HFRI FoF Conservative Index | Yes | Yes | | | SCERS submitted a full redemption request for this fund. The fund employs a 25% gate per quarter with the final distribution expected during Q2 2019. |
| 82 | Laurion Capital Management, LP | Market Neutral - Vol/Arb | | \$45,050,301 | | | | HFRI FoF Conservative Index | Yes | Yes | | | |
| 83 | AQR DELTA Fund, LP | Multi-Strategy | | \$69,743,400 | | | | HFRI FoF Conservative Index | Yes | Yes | | | |
| 84 | Och-Ziff Domestic Partners Fund II, LP | Multi-Strategy | YES | \$47,816,580 | | | | HFRI FoF Composite Index +100 bps | Yes | Yes | | | |
| 85 | Winton Diversified Future Fund, LP | Systematic Global Macro | | \$36,749,027 | | | | HFRI FoF Conservative Index | Yes | Yes | | | |
| 86 | Graham Global Investment Fund II SPC, Ltd | Systematic Global Macro | | \$33,874,991 | | | | HFRI FoF Conservative Index | Yes | Yes | | | |
| 87 | TOTAL ABSOLUTE RETURN | | | \$896,130,764 | \$35,000,000 | \$33,000,000 | | | | | \$15,000,000 | \$96,767 | |

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| PUBLIC FIXED INCOME | | | | | | | | | | | | | |
| 88 | Neuberger Investment Management | U.S. Treasury | | \$418,924,064 | | | | Barclays U.S. Treasury | Yes | N/A | \$14,521,481 | \$11,954,644 | U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B |
| 89 | ICW MetWest Asset Management | Core Plus | | \$417,559,723 | | | | Barclays U.S. Aggregate Bond | Yes | N/A | \$102,787,853 | \$101,955,672 | U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, U.S. Treasury N/B, Metropolitan West High Yield B, Fhmsa Tba 30 Yr 3.5, State Street Bank + Trust Co., Fhmsa Tba 30 Yr 4.5, U.S. Treasury N/B, Fed Hm Ln Pc Pool G67709 <i>Monthly Purchases and Sales exclude derivative transactions.</i> |
| 90 | Prudential Investment Management | Core Plus | | \$432,873,378 | | | | Barclays U.S. Aggregate Bond | Yes | N/A | \$22,074,640 | \$14,474,192 | BBA51Xhf5 Irs Usd R V 00Mfe d l0, BBA565Ky6 Irs Usd R V 01Mlib or, BBA565L33 Irs Usd R V 01Mlib or, BBA4Lnzs0 Irs Usd R V 03Mlib or, BBA4Xsg e8 Irs Usd R V 00Mfe d l0, BBA4Rwjs2 Irs Usd R V 00Mfe d l, BBA3USPu1 Irs Usd R V 01Muso is, BBA566Rz4 Irs Usd R V 01Mlib or, BBA566S42 Irs Usd R V 01Mlib or, BBA4Xw9N7 Irs Usd R V 12Mfe d l <i>Monthly Purchases and Sales exclude derivative transactions.</i> |
| 91 | Brandywine Global Investment Management | Global | | \$231,953,964 | | | | 80% Citigroup WGBI ex.-U.S. / 20% JP Morgan GBIEM Diversified | Yes | N/A | \$5,765,889 | \$611,388 | U.S. Treasury Fm Flt 07/31/19, Uk Tsy Gilt 1.25% 07/22/18, Mexican Bonos 7.75% 11/13/42, Rep South Africa 8.75% 02/28/48, Goldman Sachs Gp Flt 02/23/23, U.S. Treasury Fm Flt 04/30/20, Mexican Bonos 8.5% 11/18/38, Mexican Bonos 8.5% 05/31/29, Australian Govt. 2.75% 10/21/19, U.S. Treasury N/B 2.875% 11/15/46 |
| 92 | TOTAL FIXED INCOME | | | \$1,501,311,129 | | | | | | | \$145,149,863 | \$128,995,896 | |

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| CORE REAL ESTATE | | | | | | | | | | | | | |
| 93 | BlackRock Realty | Real Estate - Core Separate Account | | \$185,148,705 | | | | NFODCE Index | Yes | N/A | \$13,544,888 | \$351,000 | Assets managed does not include \$49.9 million of debt. Any capital called is for the Block 295 (Leland James Center) redevelopment project in Portland, OR. |
| 94 | Bairings (formerly Comerstone) | Real Estate - Core Separate Account | | \$76,129,989 | | | | NFODCE Index | Yes | N/A | | \$1,300,000 | Assets managed does not include \$39 million of debt. |
| 95 | Jamestown Premier Property Fund, LP | Real Estate - Core / Core Plus | | \$17,283,960 | | | | NFODCE Index | Yes | N/A | | | |
| 96 | MetLife Core Property Fund | Real Estate - Core | | \$56,141,379 | | | | NFODCE Index | Yes | N/A | | | |
| 97 | Prime Property Fund, LLC | Real Estate - Core | | \$55,824,191 | | | | NFODCE Index | Yes | N/A | | | |
| 98 | Principal US Property Account | Real Estate - Core | | \$43,184,925 | | | | NFODCE Index | Yes | N/A | | | |
| 99 | Prologis Targeted Europe Logistics Fund, LP | Real Estate - Core | | \$38,714,294 | | | | NFODCE Index | Yes | N/A | | \$409,982 | Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction. |
| 100 | Prologis Targeted US Logistics Fund, LP | Real Estate - Core | | \$63,134,613 | | | | NFODCE Index | Yes | N/A | | | |
| 101 | Townsend Real Estate Fund, LP | Real Estate - Core | | \$102,779,687 | | | | NFODCE Index | Yes | N/A | | | |
| 102 | TOTAL CORE REAL ESTATE | | | \$638,341,745 | | | | | | | \$13,544,888 | \$2,060,982 | |

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| NON-CORE REAL ESTATE | | | | | | | | | | | | | |
| 103 | DRC European Real Estate Debt Fund II, LP | Real Estate - Value Add Debt | | \$12,800,849 | \$50,000,000 | \$77,430,712 | \$68,381,790 | NFODCE+ 100 bps | Yes | N/A | | | Fund is denominated in UK pound sterling and has been converted to US dollars based on the exchange rate at the time of the transaction. |
| 104 | Carlyle China Realty, LP | Real Estate - Opport. | | \$4,826,111 | \$10,000,000 | \$4,982,216 | | NFODCE+ 100 bps | Yes | N/A | | | |
| 105 | Carlyle China Rome Logistics, LP | Real Estate - Opport. | | \$14,442,593 | \$20,000,000 | \$17,336,063 | | NFODCE+ 100 bps | Yes | N/A | | | |
| 106 | CIM Opportunity Fund VIII, LP | Real Estate - Opport. | | \$27,613,637 | \$35,000,000 | \$30,904,925 | \$6,655,221 | NFODCE+ 100 bps | Yes | N/A | | | |
| 107 | KKR Real Estate Partners Americas, LP | Real Estate - Opport. | | \$14,244,188 | \$35,000,000 | \$31,155,372 | \$26,549,652 | NFODCE+ 100 bps | Yes | N/A | \$58,300 | \$1,291,564 | |
| 108 | Och-Ziff Real Estate Fund III, LP | Real Estate - Opport. | YES | \$15,206,915 | \$35,000,000 | \$20,325,826 | \$11,491,176 | NFODCE+ 100 bps | Yes | N/A | | \$1,986,474 | |
| 109 | AEW Value Investors II, LP | Real Estate - Value Add | | \$47,053 | \$25,000,000 | \$21,812,596 | \$27,457,757 | NFODCE+ 100 bps | Yes | N/A | | | The fund has reached the end of its term. AEW has been undergoing an orderly sale of the assets and extended the closing of the fund until 2017. |
| 110 | Allegis Value Trust | Real Estate - Value Add | | \$9,779,523 | \$25,000,000 | \$25,000,000 | \$21,209,000 | NFODCE+ 100 bps | Yes | N/A | | \$5,350,000 | The fund has reached the end of its term. Allegis Value Trust has been undergoing an orderly sale of the assets and extended the closing of the fund until 2018. |
| 111 | ECE European Prime Shopping Centre Fund II, SC S SIF | Real Estate - Value Add | | \$9,409,600 | \$35,000,000 | \$7,922,479 | \$1,606,036 | NFODCE+ 100 bps | Yes | N/A | | \$133,890 | Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction. |
| 112 | Hammes Partners II, LP | Real Estate - Value Add | | \$18,979,986 | \$25,000,000 | \$23,786,440 | \$5,056,412 | NFODCE+ 100 bps | Yes | N/A | | | |
| 113 | Hammes Partners III, LP | Real Estate - Value Add | | | \$31,250,000 | | | NFODCE+ 100 bps | Yes | N/A | | | |
| 114 | Hines US Office Value Fund II, LP | Real Estate - Value Add | | \$587,083 | \$22,572,950 | \$21,726,796 | \$16,970,755 | NFODCE+ 100 bps | Yes | N/A | | | The fund has reached the end of its term. Hines completed the final disposition of assets. The net asset value represents the leftover cash. |
| 115 | NREP Nordic Strategies Fund, FCP-FIS | Real Estate - Value Add | | \$16,166,811 | \$25,000,000 | \$22,760,416 | \$19,639,572 | NFODCE+ 100 bps | Yes | N/A | | | Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction. |
| 116 | NREP Nordic Strategies Fund II, SC Sp | Real Estate - Value Add | | \$21,992,123 | \$35,000,000 | \$23,088,426 | \$1,876,343 | NFODCE+ 100 bps | Yes | N/A | | | Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction. |
| 117 | NREP Nordic Strategies Fund III, SC Sp | Real Estate - Value Add | | | \$40,000,000 | | | NFODCE+ 100 bps | Yes | N/A | | | Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction. |
| 118 | TOTAL NON-CORE REAL ESTATE | | | \$166,096,471 | \$448,822,950 | \$328,232,267 | \$206,893,715 | | | | \$58,300 | \$8,761,928 | |
| 119 | TOTAL REAL ESTATE | | | \$804,438,216 | \$448,822,950 | \$328,232,267 | \$206,893,715 | | | | \$13,603,188 | \$10,822,910 | |

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| REAL ASSETS | | | | | | | | | | | | | |
| 120 | ACM Fund II, LLC | Real Assets - Agriculture | | \$12,264,806 | \$25,000,000 | \$17,076,419 | \$4,277,491 | Blended Index*** | Yes | N/A | | | |
| 121 | Arc Light Energy Partners VI, LP | Energy - Midstream | | \$31,592,851 | \$40,000,000 | \$37,470,434 | \$8,669,952 | Blended Index*** | Yes | N/A | | \$1,791,312 | |
| 122 | EnCap Flatrock Midstream III, LP | Energy - Midstream | | \$7,567,826 | \$20,000,000 | \$12,724,320 | \$8,825,342 | Blended Index*** | Yes | N/A | | | |
| 123 | EnCap Flatrock Midstream Fund IV, LP | Energy - Midstream | | \$995,982 | \$22,500,000 | \$995,982 | | Blended Index*** | Yes | N/A | | | |
| 124 | Quantum Energy Partners VI, LP | Energy - Midstream | | \$24,636,318 | \$35,000,000 | \$23,630,387 | \$11,881,269 | Blended Index*** | Yes | N/A | | | |
| 125 | Quantum Energy Partners VII, LP | Energy - Midstream | | \$11,358,597 | \$40,000,000 | \$12,418,827 | \$1,365,090 | Blended Index*** | Yes | N/A | \$2,671,288 | | |
| 126 | EnCap Energy Capital Fund IX, LP | Energy - Upstream | | \$23,890,326 | \$33,000,000 | \$35,830,885 | \$22,914,127 | Blended Index*** | Yes | N/A | \$278,487 | \$535,583 | |
| 127 | EnCap Energy Capital Fund X, LP | Energy - Upstream | | \$27,854,661 | \$40,000,000 | \$30,097,514 | \$6,341,783 | Blended Index*** | Yes | N/A | | | |
| 128 | First Reserve Energy Infrastructure II, LP | Energy Infrastructure | | \$15,974,151 | \$35,000,000 | \$24,127,123 | \$18,352,215 | Blended Index*** | Yes | N/A | | \$118,736 | |
| 129 | Cardyle Power Partners II, LP | Energy - Power | | \$16,061,788 | \$40,000,000 | \$23,609,859 | \$6,870,227 | Blended Index*** | Yes | N/A | | | |
| 130 | Brookfield Infrastructure Fund III, LP | Infrastructure - Core | | \$14,568,789 | \$40,000,000 | \$16,878,679 | \$3,996,942 | Blended Index*** | Yes | N/A | | \$1,132,135 | |
| 131 | IEM Global Infrastructure Fund (US), LP | Infrastructure - Core | | \$101,221,365 | \$125,000,000 | \$100,000,000 | \$13,314,822 | Blended Index*** | Yes | N/A | | | |
| 132 | Meridiam Infrastructure North America III, LP | Infrastructure - Core | | \$324,425 | \$50,000,000 | \$803,451 | | Blended Index*** | Yes | N/A | | | |
| 133 | Wastewater Opportunity Fund, LP | Infrastructure - Water/Wastewater | | \$6,768,109 | \$25,000,000 | \$8,427,169 | \$139,642 | Blended Index*** | Yes | N/A | | | |
| 134 | Pantheon SCERS Secondary Infrastructure, LLC | Infrastructure - Secondary Separate Account | | \$64,013,875 | \$100,000,000 | \$49,331,683 | \$2,800,000 | Blended Index*** | Yes | N/A | \$4,831,683 | | |

*** Real Assets Blended Index: 45% Cambridge Private Infrastructure, 35% Cambridge Private Energy, 10% NCREIF Agriculture, 10% NCREIF Timber

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|-------------------|---------------------------------|---------------------------------------|------------|---------------------------------------|-------------------------------|------------------------------|----------------------------------|---|--------|----------------------|------------------------------------|------------------------------------|---|
| REALASSEIS | | | | | | | | | | | | | |
| 135 | Atalaya SCERS SMA, LLC | Asset Backed Lending Separate Account | | \$25,437,262 | \$100,000,000 | \$36,109,320 | \$13,105,982 | Blended Index*** | Yes | N/A | | \$3,168,003 | |
| 136 | SSgA Real Asset Strategy Proxy | Real Assets Overlay | | \$298,961,284 | | | | Blend of weighted real return asset class benchmarks. | Yes | N/A | \$4,637,401 | \$35,597,686 | This is the overlay proxy for the Real Return asset category. |
| 137 | TOTAL PRIVATE REALASSEIS | | | \$683,492,413 | \$770,500,000 | \$429,532,051 | \$122,854,885 | | | | \$12,418,859 | \$42,343,455 | |

*** Real Assets Blended Index: 45% Cambridge Private Infrastructure, 35% Cambridge Private Energy, 10% NCREIF Agriculture, 10% NCREIF Timber

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| COMMODITIES | | | | | | | | | | | | | |
| 138 | Gresham Strategic Commodities Fund | Commodities | | \$28,014,307 | | | | Bloomberg Commodity Index | Yes | N/A | | | |
| 139 | TOTAL COMMODITIES | | | \$30,047,639 | | | | | | | | | |
| OPPORTUNITIES | | | | | | | | | | | | | |
| 140 | Atalaya Special Opportunities Fund V, LP | Distributed Debt - US | | \$9,386,111 | \$25,000,000 | \$24,875,000 | \$20,747,397 | Cambridge Assoc. All PE | Yes | N/A | | | |
| 141 | TOTAL OPPORTUNITIES | | | \$9,386,111 | \$25,000,000 | \$24,875,000 | \$20,747,397 | | | | | | |
| SHORT-TERM | | | | | | | | | | | | | |
| 142 | State Street Global Advisors - SIF (Cash Account) | Cash | | \$119,034,124 | | | | 91 Day T-Bill | Yes | N/A | \$46,579,980 | \$92,760,322 | Unallocated cash is swept into a short-term investment fund. |
| 143 | TOTAL SHORT-TERM | | | \$119,034,124 | | | | | | | \$46,579,980 | \$92,760,322 | |
| FUTURES OVERLAY | | | | | | | | | | | | | |
| 144 | State Street Global Advisors (Futures Overlay) | Overlay | | \$43,221,226 | | | | Target Asset Allocation | Yes | N/A | \$68,852,879 | \$71,029,829 | State Street Bank + Trust Co, Fhma Tba 15 Yr 2.5, Gnmf Tba 30 Yr 3.5, Fhma Tba 30 Yr 4, Fhmc Tba 30 Yr 3.5, Fhma Tba 30 Yr 3, Euro Currency, Japanese Yen, Pound Sterling, Canadian Dollar |
| 145 | TOTAL FUTURES OVERLAY | | | \$43,221,226 | | | | | | | \$68,852,879 | \$71,029,829 | |
| SCERS TOTAL PORTFOLIO | | | | \$9,214,546,167 | \$2,919,266,550 | \$1,801,060,212 | \$748,366,727 | | | | \$475,646,939 | \$488,667,516 | |

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| # | Investment Manager | Fund Type | Reason | Effective (month - year) | Commentary |
|---|------------------------------------|---|---------------------|--------------------------|--|
| 1 | Brown Advisory | Large Cap Growth | Performance | Feb-17 | Returns have underperformed the benchmark over long-term periods: 3-Year (+12.4% vs. +12.9%); 5-Year (+13.5% vs. +15.5%); and since inception (+13.1% vs. +15.0%). |
| 2 | Huber Capital Management | Large Cap Value | Performance | Feb-15 | Returns have underperformed the benchmark over long-term periods: 5-Year (+9.3% vs. +10.8%); and since inception (+11.1% vs. +12.4%). |
| 3 | Och-Ziff Capital Management | Absolute Return and Opportunistic Real Estate | Organization | Oct-16 | In September 2016, Och-Ziff settled with the Department of Justice and the SEC by pleading guilty to violations under the Foreign Corrupt Practices Act. The firm will pay fines of \$213 million to the DOJ and civil penalties of \$199 million to the SEC. In light of this, the firm has been receiving some redemptions. The potential business risks remain related to further investor redemptions, ancillary regulatory scrutiny, employee retention, and reputational risk. |