



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 9

**MEETING DATE:** September 19, 2018

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

**SUBMITTED FOR:**  Consent       Deliberation and Action       Receive and File

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#### **RECOMMENDATION**

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

#### **PURPOSE**

This item does not specifically support the 2018-19 Strategic Management Plan, but complies with SCERS' investment policy statement reporting requirements and contributes to the effective management and oversight of investment activities.

#### **DISCUSSION**

Report for the month of August 2018 is provided. The August report has been modified to align with SCERS' Strategic Asset Allocation. The changes made include splitting the Absolute Return asset class into separate Growth and Diversifying asset classes and adding totals for the Growth, Diversifying, and Real Return asset categories.

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

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

1. 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 for SCERS' investment managers and update the watch list accordingly.

**ATTACHMENTS**

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

Prepared by:

/S/

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Brian Miller  
Investment Officer

Reviewed by:

/S/

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Steve Davis  
Chief Investment Officer

/S/

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Eric Stern  
Chief Executive Officer

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
 Monthly Investment Manager Activity, Compliance, and Watch List Report

August 31, 2018

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of August 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
<b>DOMESTIC EQUITY</b>													
1	JP Morgan Asset Management	Equity 130/30		\$129,215,030				Russell 1000	Yes	N/A	\$22,672,549	\$40,095,325	Alphabet, Microsoft, Apple, Amazon, Occidental Petroleum, UnitedHealth Group, Pfizer, Dowdupont, Broadcom Ltd., Bank of America
2	Eagle Capital Management	Large Cap Core		\$253,350,878				Russell 1000	Yes	N/A	\$4,494,967	\$4,364,113	Microsoft Corp, Alphabet Inc Cl C, Berkshire Hathaway Inc Cl B, Amazon.Com Inc, Citigroup Inc, Comcast Corp Class A, Unitedhealth Group Inc, Oracle Corp, Wells Fargo + Co, Aon Plc
3	AQR US Enhanced Equity	Large Cap Core		\$246,523,951				Russell 1000	Yes	N/A	\$20,789,079	\$20,371,678	Apple Inc, Microsoft Corp, Amazon.Com Inc, Facebook Inc A, Alphabet Inc Cl A, Johnson + Johnson, Boeing Co/The, Berkshire Hathaway Inc Cl B, Intel Corp, Adobe Systems Inc
4	Alliance Bernstein	Large Cap Passive		\$1,275,689,897				Russell 1000	Yes	N/A	\$2,771,508	\$3,040,838	Apple Inc, Microsoft Corp, Amazon.Com Inc, Facebook Inc A, Berkshire Hathaway Inc Cl B, Jpmorgan Chase + Co, Alphabet Inc Cl C, Alphabet Inc Cl A, Johnson + Johnson, Exxon Mobil Corp
5	Weatherbie Capital	Small Cap Growth		\$105,606,212				Russell 2000 Growth	Yes	N/A	\$5,448,894	\$5,480,931	Chegg Inc, Firstservice Corp, Insulet Corp, Xpo Logistics Inc, Paylocity Holding Corp, Trade Desk Inc/The Class A, Wayfair Inc Class A, Everbridge Inc, Ebix Inc, Stamps.Com Inc
6	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$105,330,317				Russell 2000 Value	Yes	N/A	\$5,591,704	\$5,852,800	State Street Bank + Trust Co, Allscripts Healthcare Soluti, Greenbrier Companies Inc, Brandywine Realty Trust, Orion Engineered Carbons Sa, Nexstar Media Group Inc Cl A, El Paso Electric Co, Cousins Properties Inc, Asgn Inc, Forward Air Corp
	<b>TOTAL DOMESTIC EQUITY</b>			<b>\$2,115,716,284</b>							<b>\$61,768,703</b>	<b>\$79,205,685</b>	

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<b>INTERNATIONAL EQUITY</b>													
7	Lazard Asset Management	ACWI ex-US		\$369,562,858				MSCI ACWI Ex.-U.S.	Yes	N/A	\$5,519,756	\$4,716,666	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Prudential Plc, Sampo Oyj A Shs, Accenture Plc Cl A, Don Quijote Holdings Co Ltd, Informa Plc, Vivendi, Equinor Asa, Coca Cola European Partners
8	LSV Asset Management	Developed Large Cap Value		\$450,873,476				MSCI World Ex.-U.S.	Yes	N/A	\$3,817,061	\$2,609,783	Sanofi, Royal Dutch Shell Plc B Shs, Total Sa, Bp Plc, Glaxosmithkline Plc, Kddi Corp, Roche Holding Ag Genusschein, Nippon Telegraph + Telephone, Bae Systems Plc, Swiss Life Holding Ag Reg
9	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$503,096,227				MSCI World Ex.-U.S.	Yes	N/A	\$101,331		Aia Group Ltd, Lvmh Moet Hennessy Louis Vui, Keyence Corp, Csl Ltd, Coloplast B, Novo Nordisk A/S B, Kao Corp, Galp Energia Sgps Sa, Total Sa, Compass Group Plc
10	William Blair International Small Cap	Developed Small Cap Growth		\$91,616,670				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$9,711,240	\$9,696,119	Ssp Group Plc, Beazley Plc, Royal Unibrew, Evolution Gaming Group, Burford Capital Ltd, Abcam Plc, Fevertree Drinks Plc, Thule Group Ab/The, Workspace Group Plc, Dechra Pharmaceuticals Plc
11	Mondrian International Small Cap	Developed Small Cap Value		\$96,637,011				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$67,519	\$127,055	AAK AB, Elkem ASA, Spirax-Sarco Engineering PLC, Nifco Inc., Cineworld Group PLC, SATS Ltd, CAE Inc., Auckland International Airport Ltd, AF AB B Shares, Fielmann AG
12	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$179,437,761				MSCI Emerging Markets	Yes	N/A	5,488,381	\$2,500,714	Tencent Holdings, Alibaba Group Hldg.Spn. ADR 1:1, Taiwan Semicon.Mnfg., Cnooc, Samsung Electronics, Ping An Insurance 'H', Reliance Industries, Sberbank Of Russia (Lon) ADR, Norilsk Nickel ADR, China Merchants Bank 'H'
13	Mondrian EM All Cap	Emerging Market - All Cap		\$160,941,910				MSCI Emerging Markets	Yes	N/A	\$2,233,174	\$5,484,566	Taiwan Semiconductor Manufacturing Ltd, Samsung Electronics Co Ltd, Ping An Insurance Co of China Class H, China Construction Bank Corp Class H, China Mobile Ltd, Suzano Papel E Celulose SA, Embraer SA Sponsored ADR, Indiabulls Housing Finance Ltd, WH Group Ltd, Vedanta Ltd
	<b>TOTAL INTERNATIONAL EQUITY</b>			<b>\$1,852,165,912</b>							<b>\$26,938,462</b>	<b>\$25,134,904</b>	

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SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
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August 31, 2018

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<b>PRIVATE EQUITY</b>													
14	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$52,723,769	\$75,000,000	\$73,500,000	\$59,251,320	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,500,000	
15	HarbourVest International PEP VI, LP	aFund of Funds		\$36,129,378	\$50,000,000	\$37,375,492	\$20,515,651	Cambridge Assoc. All Private Equity	Yes	N/A		\$930,964	Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
16	HarbourVest VIII, LP	aFund of Funds		\$18,564,392	\$50,000,000	\$47,962,500	\$26,118,248	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,306,993	
17	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$30,584,373	\$75,000,000	\$74,960,334	\$55,391,146	Cambridge Assoc. All Private Equity	Yes	N/A		\$5,208,002	
18	Accel-KKR Capital Partners IV, LP	Buyout		\$15,369,176	\$15,000,000	\$12,400,154	\$6,650,498	Cambridge Assoc. All Private Equity	Yes	N/A			
19	Accel-KKR Capital Partners V, LP	Buyout		\$7,867,691	\$25,000,000	\$7,758,852	\$137,482	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,162,639		
20	H.I.G. Capital Partners V, LP	Buyout		\$10,101,441	\$14,000,000	\$9,346,180	\$3,373,594	Cambridge Assoc. All Private Equity	Yes	N/A		\$546,433	
21	Marlin Equity IV, LP	Buyout		\$19,975,477	\$20,000,000	\$18,747,571	\$713,670	Cambridge Assoc. All Private Equity	Yes	N/A			
22	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$37,673,191	\$35,000,000	\$32,618,808	\$3,512,203	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,371,247	
23	Linden Capital Partners IV, LP	Buyout - Middle Market Healthcare			\$44,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
24	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$42,060,034	\$30,000,000	\$30,010,615	\$15,956,890	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,467,273	
25	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$23,567,482	\$30,000,000	\$21,632,133	\$674,826	Cambridge Assoc. All Private Equity	Yes	N/A	\$2,508,867		
26	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		\$10,484,353	\$21,000,000	\$10,621,345	\$361,238	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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<b>PRIVATE EQUITY</b>													
27	Waterland Fund V, LP	Buyout - Non-US		\$11,202,801	\$23,193,600	\$15,495,150	\$24,605,102	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.
28	Waterland Fund VI, LP	Buyout - Non-US		\$16,496,270	\$30,000,000	\$14,655,228		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.
29	Marlin Heritage, LP	Buyout - Small / Middle Market		\$8,903,069	\$10,000,000	\$8,770,439	\$7,498,237	Cambridge Assoc. All Private Equity	Yes	N/A			
30	Marlin Heritage II, LP	Buyout - Small / Middle Market		\$2,653,081	\$10,000,000	\$2,845,717		Cambridge Assoc. All Private Equity	Yes	N/A	\$60,549		
31	Marlin Heritage Europe, LP	Buyout - Small / Middle Market		\$4,685,434	\$14,400,000	\$4,980,774		Cambridge Assoc. All Private Equity	Yes	N/A	\$89,329		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
32	Marlin Heritage Equity Partners V, LP	Buyout - Middle Market		\$4,593,293	\$25,000,000	\$4,846,711		Cambridge Assoc. All Private Equity	Yes	N/A	\$130,176		
33	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$19,084,972	\$35,000,000	\$41,854,303	\$28,348,836	Cambridge Assoc. All Private Equity	Yes	N/A			\$722,539
34	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$29,604,896	\$40,000,000	\$15,620,918	\$8,643,851	Cambridge Assoc. All Private Equity	Yes	N/A			
36	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$24,424,693	\$25,000,000	\$30,004,617	\$8,980,722	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,812,500		
37	DavidsonKempner Long-Term Distressed Opportunities Fund IV, LP	Distressed Debt		\$7,302,639	\$35,000,000	\$7,000,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$3,500,000		
38	Garrison Opportunity Fund III, LP	Distressed Debt		\$14,261,357	\$20,000,000	\$20,000,000	\$7,045,236	Cambridge Assoc. All Private Equity	Yes	N/A			\$249,048
39	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$20,655,709	\$30,000,000	\$23,358,256	\$10,648,645	Cambridge Assoc. All Private Equity	Yes	N/A	\$3,538,562		\$2,369,650
40	TPG Opportunities Partners III, LP	Distressed Debt		\$22,371,498	\$40,000,000	\$25,925,248	\$9,920,250	Cambridge Assoc. All Private Equity	Yes	N/A			

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<b>PRIVATE EQUITY</b>													
41	TSSP Opportunities Partners IV, LP	Distressed Debt			\$35,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
41	Wayzata Opportunities Fund III, LP	Distressed Debt		\$6,396,062	\$30,000,000	\$14,718,000	\$7,910,776	Cambridge Assoc. All Private Equity	Yes	N/A		\$330,142	
42	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$16,350,639	\$16,350,000	\$16,350,000	\$13,650,630	Cambridge Assoc. All Private Equity	Yes	N/A			
43	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$18,491,365	\$35,000,000	\$17,434,603	\$4,935,627	Cambridge Assoc. All Private Equity	Yes	N/A			
44	Summit Partners Europe Growth Equity Fund II, LP	Growth Equity		\$3,201,773	\$30,000,000	\$8,059,648	\$8,591,015	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,666,937	
45	TSG 7A,LP and TSG 7B, LP	Buyout - Consumer Brands		\$9,426,671	\$20,000,000	\$8,739,456	\$7,227	Cambridge Assoc. All Private Equity	Yes	N/A			
46	Accel-KKR Growth Capital Partners II, LP	Growth Equity - Software Technology		\$7,935,779	\$15,000,000	\$8,987,613	\$2,059,777	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,409,580		
47	Accel-KKR Growth Capital Partners III, LP	Growth Equity - Software Technology			\$33,320,000			Cambridge Assoc. All Private Equity	Yes	N/A			
48	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$28,073,762	\$25,000,000	\$23,000,000	\$10,192,832	Cambridge Assoc. All Private Equity	Yes	N/A			
49	Spectrum Equity Fund VIII, LP	Growth Equity - Software Technology		\$195,839	\$25,000,000	\$437,500		Cambridge Assoc. All Private Equity	Yes	N/A			
50	Dyal II US Investors, LP	Other		\$14,006,956	\$35,000,000	\$20,378,362	\$4,191,170	Cambridge Assoc. All Private Equity	Yes	N/A			
51	Dyal Capital Partners III, LP	Other		\$17,139,997	\$35,000,000	\$20,129,244	\$8,073,804	Cambridge Assoc. All Private Equity	Yes	N/A			

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<b>PRIVATE EQUITY</b>													
52	Khosla Ventures Fund IV, LP	Venture Capital		\$6,055,585	\$10,000,000	\$9,810,000	\$5,755,267	Cambridge Assoc. All Private Equity	Yes	N/A			
53	Khosla Ventures Fund V, LP	Venture Capital		\$14,213,422	\$20,000,000	\$15,460,000	\$1,012,798	Cambridge Assoc. All Private Equity	Yes	N/A			
54	Khosla Ventures Fund VI, LP	Venture Capital			\$35,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
55	NEA 14, LP	Venture Capital		\$35,005,295	\$25,000,000	\$23,500,000	\$10,842,009	Cambridge Assoc. All Private Equity	Yes	N/A			
56	NEA 15, LP	Venture Capital		\$39,027,096	\$35,000,000	\$27,654,431	\$3,102,564	Cambridge Assoc. All Private Equity	Yes	N/A	\$525,000		
57	NEA 16, LP	Venture Capital		\$9,775,221	\$35,000,000	\$9,887,500		Cambridge Assoc. All Private Equity	Yes	N/A	\$700,000		
58	Trinity Ventures XI, LP	Venture Capital		\$28,008,199	\$25,000,000	\$20,437,500	\$2,996,208	Cambridge Assoc. All Private Equity	Yes	N/A			
59	Trinity Ventures XII, LP	Venture Capital		\$17,728,759	\$30,000,000	\$15,000,000		Cambridge Assoc. All Private Equity	Yes	N/A			
	<b>TOTAL PRIVATE EQUITY</b>			<b>\$771,086,180</b>	<b>\$1,396,263,600</b>	<b>\$863,837,928</b>	<b>\$384,363,641</b>				<b>\$15,972,592</b>	<b>\$21,678,644</b>	

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<b>PUBLIC CREDIT</b>													
60	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$179,963,493				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
	<b>TOTAL PUBLIC CREDIT</b>			\$179,963,493									
<b>PRIVATE CREDIT</b>													
61	Athyrium Opportunities Fund II, LP	Opport. Credit - Healthcare		\$15,365,970	\$32,000,000	\$35,593,976	\$24,542,160	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$248,861	\$830,976	
62	Athyrium Opportunities Fund III, LP	Opport. Credit - Healthcare		\$8,713,290	\$25,000,000	\$11,562,728	\$2,694,291	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$535,390	\$9,416	
63	Summit Partners Credit Fund I, LP	Direct Lending		\$3,483,535	\$20,000,000	\$24,939,499	\$27,826,984	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$460,131	
64	Summit Partners Credit Fund II, LP	Direct Lending		\$20,543,834	\$35,000,000	\$37,668,264	\$23,007,902	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$499,845		
65	Summit Partners Credit Fund III, LP	Direct Lending			\$50,000,000			Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
66	Tennenbaum Capital Partners Direct Lending Fund VIII	Direct Lending		\$26,610,154	\$100,000,000	\$26,637,736		Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
67	Benefit Street Partners Senior Secured Opportunities Fund, LP	Direct Lending		\$38,857,084	\$50,000,000	\$39,013,694	\$1,385,056	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$714,890	
	<b>TOTAL PRIVATE CREDIT</b>			\$113,573,867	\$312,000,000	\$175,415,897	\$79,456,393				\$1,284,096	\$2,015,413	

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<b>GROWTH ABSOLUTE RETURN</b>													
68	Grosvenor SC Absolute Return Fund, Series G (SCARF-G)	Separate Account		\$157,301,663				HFRI FoF Composite Index +100 bps	Yes	Yes			
69	Lakewood Capital Partners, LP	Equity Long/Short		\$45,442,749	\$35,000,000	\$33,000,000		HFRI FoF Composite Index +100 bps	Yes	Yes			
70	Jana Partners Qualified, LP	Event Driven		\$43,848,490				HFRI FoF Composite Index +100 bps	Yes	Yes			
71	Third Point Partners Qualified, LP	Event Driven		\$49,783,145				HFRI FoF Composite Index +100 bps	Yes	Yes			
72	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$48,742,680				HFRI FoF Composite Index +100 bps	Yes	Yes			
	<b>TOTAL GROWTH ABSOLUTE RETURN</b>			<b>\$345,118,727</b>	<b>\$35,000,000</b>	<b>\$33,000,000</b>							
<b>TOTAL GROWTH ASSET CATEGORY</b>				<b>\$5,377,624,464</b>							<b>\$105,963,853</b>	<b>\$128,034,646</b>	

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<b>DIVERSIFYING ABSOLUTE RETURN</b>													
73	Grosvenor SC Absolute Return Fund, Series D (SCARF-D)	Separate Account		\$112,710,469				HFRI FoF Conservative Index	Yes	Yes			
74	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Interim Separate Account		\$169,584,719				HFRI FoF Conservative Index	Yes	Yes			
75	Elliott Associates, LP	Event Driven		\$53,795,907				HFRI FoF Conservative Index	Yes	Yes			
77	Claren Road Credit Partners, LP	Global Long Short Credit		\$64,508				HFRI FoF Conservative Index	Yes	Yes			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.
78	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$27,545,407				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.
79	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$45,841,006				HFRI FoF Conservative Index	Yes	Yes			
80	AQR DELTA Fund, LP	Multi-Strategy		\$64,706,220				HFRI FoF Conservative Index	Yes	Yes			
81	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$37,919,230				HFRI FoF Conservative Index	Yes	Yes			
82	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$33,393,225				HFRI FoF Conservative Index	Yes	Yes			
	<b>TOTAL DIVERSIFYING ABSOLUTE RETURN</b>			<b>\$545,600,120</b>									

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<b>PUBLIC FIXED INCOME</b>													
83	Neuberger Investment Management	U.S. Treasury		\$420,350,819				Barclays U.S. Treasury	Yes	N/A	\$5,954,924	\$4,345,800	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B
84	TCW MetWest Asset Management	Core Plus		\$415,460,671				Barclays U.S. Aggregate Bond	Yes	N/A	\$100,715,349	\$88,473,225	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, State Street Bank + Trust Co, Metropolitan West High Yield B, Fnm Tba 30 Yr 3.5, Us Treasury N/B, Fed Hm Ln Pc Pool G67709, Gnma li Tba 30 Yr 4.5 <i>Monthly Purchases and Sales excludes derivative transactions.</i>
85	Prudential Investment Management	Core Plus		\$436,362,725				Barclays U.S. Aggregate Bond	Yes	N/A	\$22,048,462	\$14,571,122	B8A5Edwf8 Irs Usd R V 01Mlibor, B8A5Edwp6 Irs Usd R V 01Mlibor, B8A5Fq832 Irs Usd R V 01Mlibor, B8A5Fq7Y5 Irs Usd R V 01Mlibor, B8A4Rwjs2 Irs Usd R V 00Mfedl, B8A4Lnzs0 Irs Usd R V 03Mlibor, B8A4Xsge8 Irs Usd R V 00Mfedl0, B8A3U8Pu1 Irs Usd R V 01Musois, B8A4Xw9N7 Irs Usd R V 12Mfedl, B8A3U3H15 Irs Usd R V 01Musois <i>Monthly Purchases and Sales excludes derivative transactions.</i>
86	Brandywine Global Investment Management	Global		\$223,987,061				80% Citigroup WGBI ex.-U.S. / 20% JP Morgan GBI EM Diversified	Yes	N/A	\$515,255,011	\$520,931,827	Us Treasury N/B 2.875% 08/15/28, Uk Tsy Gilt 1.75% 07/22/19, Us Treasury Frn Flt 04/30/20, Mexican Bonos 7.75% 11/13/42, Goldman Sachs Gp Fit 02/23/23, Mexican Bonos 8.5% 11/18/38, Rep South Africa 8.75% 02/28/48, Mexican Bonos 8.5% 05/31/29, Colombia Tes 6% 04/28/28, Australian Govt. 2.75% 10/21/19
	<b>TOTAL FIXED INCOME</b>			\$1,496,161,276							\$643,973,746	\$628,321,973	
<b>TOTAL DIVERSIFYING ASSET CATEGORY</b>				\$2,041,761,396							\$643,973,746	\$628,321,973	

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<b>CORE REAL ESTATE</b>													
87	BlackRock Realty	Real Estate - Core Separate Account		\$194,582,747				NFI-ODCE Index	Yes	N/A		\$1,384,000	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.
88	Barings (formerly Cornerstone)	Real Estate - Core Separate Account		\$82,601,105				NFI-ODCE Index	Yes	N/A			Assets managed does not include \$39 million of debt.
89	Jamestown Premier Property Fund, LP	Real Estate - Core / Core Plus		\$17,591,780				NFI-ODCE Index	Yes	N/A			
90	MetLife Core Property Fund	Real Estate - Core		\$58,239,684				NFI-ODCE Index	Yes	N/A			
91	Prime Property Fund, LLC	Real Estate - Core		\$57,974,519				NFI-ODCE Index	Yes	N/A			
92	Principal US Property Account	Real Estate - Core		\$44,465,225				NFI-ODCE Index	Yes	N/A			
93	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$38,077,240				NFI-ODCE Index	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.
94	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$66,353,523				NFI-ODCE Index	Yes	N/A			
95	Townsend Real Estate Fund, LP	Real Estate - Core		\$105,428,460				NFI-ODCE Index	Yes	N/A			
96	TOTAL CORE REAL ESTATE			\$665,314,284								\$1,384,000	

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<b>NON-CORE REAL ESTATE</b>													
97	DRC European Real Estate Debt Fund II, LP	Real Estate - Value Add Debt		\$14,950,976	\$50,000,000	\$80,487,528	\$69,213,329	NFI-ODCE + 100 bps	Yes	N/A	\$3,056,816	\$371,775	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.
98	Carlyle China Realty, LP	Real Estate - Opport.		\$6,103,095	\$10,000,000	\$8,060,976	\$1,593,478	NFI-ODCE + 100 bps	Yes	N/A			
99	Carlyle China Rome Logistics, LP	Real Estate - Opport.		\$39,799,797	\$40,000,000	\$30,494,613	\$2,566,008	NFI-ODCE + 100 bps	Yes	N/A			
100	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$32,641,572	\$35,000,000	\$34,144,107	\$7,734,948	NFI-ODCE + 100 bps	Yes	N/A			
101	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$10,559,893	\$35,000,000	\$31,215,303	\$31,041,761	NFI-ODCE + 100 bps	Yes	N/A	\$56,077	\$4,299,566	
102	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.	YES	\$15,525,944	\$35,000,000	\$21,262,976	\$14,517,940	NFI-ODCE + 100 bps	Yes	N/A		\$2,953,121	
103	AEW Value Investors II, LP	Real Estate - Value Add		\$59,166	\$25,000,000	\$21,812,596	\$27,457,757	NFI-ODCE + 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.
104	Allegis Value Trust	Real Estate - Value Add		\$7,213,661	\$25,000,000	\$25,000,000	\$23,609,000	NFI-ODCE + 100 bps	Yes	N/A			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.
105	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$16,988,725	\$35,000,000	\$15,606,451	\$1,750,310	NFI-ODCE + 100 bps	Yes	N/A		\$144,856	Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
106	Hammes Partners II, LP	Real Estate - Value Add		\$23,311,109	\$25,000,000	\$25,130,208	\$5,542,793	NFI-ODCE + 100 bps	Yes	N/A	\$1,256,038		
107	Hammes Partners III, L.P.	Real Estate - Value Add			\$31,250,000			NFI-ODCE + 100 bps	Yes	N/A			
108	Hines US Office Value Fund II, LP	Real Estate - Value Add		\$559,294	\$22,572,950	\$21,726,796	\$16,970,755	NFI-ODCE + 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.
109	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$15,356,798	\$25,000,000	\$22,760,416	\$20,867,284	NFI-ODCE + 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.
110	NREP Nordic Strategies Fund II, SCSp	Real Estate - Value Add		\$26,863,873	\$35,000,000	\$24,964,001	\$1,876,343	NFI-ODCE + 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.
111	NREP Nordic Strategies Fund III, SCSp	Real Estate - Value Add		\$1,655,497	\$40,000,000	\$1,655,156		NFI-ODCE + 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.
	<b>TOTAL NON-CORE REAL ESTATE</b>			<b>\$211,589,400</b>	<b>\$468,822,950</b>	<b>\$364,321,127</b>	<b>\$224,741,705</b>				<b>\$4,368,931</b>	<b>\$7,769,318</b>	
	<b>TOTAL REAL ESTATE</b>			<b>\$876,903,684</b>	<b>\$468,822,950</b>	<b>\$364,321,127</b>	<b>\$224,741,705</b>				<b>\$4,368,931</b>	<b>\$9,153,318</b>	

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<b>REAL ASSETS</b>													
112	ACM Fund II, LLC	Real Assets - Agriculture		\$12,902,816	\$25,000,000	\$17,998,135	\$4,277,491	Blended Index***	Yes	N/A			
113	Arclight Energy Partners VI, LP	Energy - Midstream		\$36,259,392	\$40,000,000	\$37,470,434	\$8,669,952	Blended Index***	Yes	N/A			
114	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$9,300,858	\$20,000,000	\$14,425,600	\$8,825,342	Blended Index***	Yes	N/A	\$1,187,760		
115	EnCap Flatrock Midstream Fund IV, LP	Energy - Midstream		\$1,233,331	\$22,500,000	\$1,398,988		Blended Index***	Yes	N/A	\$318,198		
116	Quantum Energy Partners VI, LP	Energy - Midstream		\$26,228,339	\$35,000,000	\$25,548,389	\$12,084,060	Blended Index***	Yes	N/A	\$1,918,002		
117	Quantum Energy Partners VII, LP	Energy - Midstream		\$10,153,744	\$40,000,000	\$12,418,827	\$2,182,527	Blended Index***	Yes	N/A			
118	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$23,021,682	\$33,000,000	\$36,195,799	\$25,077,124	Blended Index***	Yes	N/A	\$364,914	\$2,162,997	
119	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$29,223,677	\$40,000,000	\$31,666,825	\$6,707,655	Blended Index***	Yes	N/A	\$573,643		
120	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$19,399,943	\$35,000,000	\$27,725,300	\$18,657,061	Blended Index***	Yes	N/A		\$138,278	
121	Carlyle Power Partners II, LP	Energy - Power		\$16,870,970	\$40,000,000	\$24,004,027	\$7,671,511	Blended Index***	Yes	N/A	\$41,439	\$801,286	
122	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$16,961,669	\$40,000,000	\$18,769,971	\$4,271,961	Blended Index***	Yes	N/A	\$947,143		
123	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core		\$93,013,139	\$125,000,000	\$100,000,000	\$22,530,520	Blended Index***	Yes	N/A			
124	Meridiam Infrastructure North America III, LP	Infrastruc. - Core		\$245,131	\$50,000,000	\$1,008,255		Blended Index***	Yes	N/A			
125	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$7,913,175	\$25,000,000	\$9,842,589	\$139,642	Blended Index***	Yes	N/A			
126	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$70,000,290	\$100,000,000	\$54,531,683	\$4,000,000	Blended Index***	Yes	N/A			

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

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<b>REAL ASSETS</b>													
127	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$20,127,843	\$100,000,000	\$36,281,195	\$20,875,876	Blended Index***	Yes	N/A		\$6,038,194	
128	Tailwater Energy Fund III, LP	Energy - Midstream Infrastruc.			\$32,000,000			Blended Index***	Yes	N/A			
129	ISQ Global Infrastructure Fund II, LP	Infrastruc. - Value Add			\$50,000,000			Blended Index***	Yes	N/A			
130	Paine Schwartz Food Chain Fund V, LP	Agriculture			\$40,000,000			Blended Index***	Yes	N/A			
131	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$262,154,049				Blend of weighted real return asset class benchmarks.	Yes	N/A	\$1,159,526	\$2,281,353	This is the overlay proxy for the Real Return asset category.
	<b>TOTAL PRIVATE REAL ASSETS</b>			<b>\$655,010,048</b>	<b>\$892,500,000</b>	<b>\$449,286,016</b>	<b>\$145,970,723</b>				<b>\$6,510,625</b>	<b>\$11,422,109</b>	

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

<b>COMMODITIES</b>													
132	Gresham Strategic Commodities Fund	Commodities		\$26,952,206				Bloomberg Commodity Index	Yes	N/A			
	<b>TOTAL COMMODITIES</b>			<b>\$26,952,206</b>									

<b>TOTAL REAL RETURN ASSET CATEGORY</b>				<b>\$1,558,865,938</b>							<b>\$10,879,556</b>	<b>\$20,575,426</b>	
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<b>OPPORTUNITIES</b>													
133	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$9,069,569	\$25,000,000	\$24,875,000	\$21,163,806	Cambridge Assoc. All PE	Yes	N/A		\$408,508	
	<b>TOTAL OPPORTUNITIES</b>			\$9,069,569	\$25,000,000	\$24,875,000	\$21,163,806					\$408,508	
<b>SHORT-TERM</b>													
134	State Street Global Advisors - STIF (Cash Account)	Cash		\$563,047,126				91 Day T-Bill	Yes	N/A	\$19,199,111	\$54,724,531	Unallocated cash is swept into a short-term investment fund.
	<b>TOTAL SHORT-TERM</b>			\$563,047,126							\$19,199,111	\$54,724,531	
<b>FUTURES OVERLAY</b>													
135	State Street Global Advisors (Futures Overlay)	Overlay		\$48,170,244				Target Asset Allocation	Yes	N/A	\$141,223,110	\$134,679,382	State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Gnma li Tba 30 Yr 3.5, Fnma Tba 30 Yr 4, Fhlmc Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Euro Currency, Japanese Yen, Pound Sterling, Canadian Dollar
	<b>TOTAL FUTURES OVERLAY</b>			\$48,170,244							\$141,223,110	\$134,679,382	
<b>SCERS TOTAL PORTFOLIO</b>				\$9,598,538,737	\$3,129,586,550	\$1,910,735,969	\$855,696,268				\$921,239,376	\$966,744,466	

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1	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.