



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 7

MEETING DATE: July 19, 2017

SUBJECT: Monthly Investment Manager Activity, Compliance and Watch List Report - June 2017

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 June 2017.

PURPOSE

To comply with SCERS' investment policy statement reporting requirements.

DISCUSSION

Report for the month of June 2017 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 June 30, 2017, 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).
4. Weatherbie Capital Management (Small Cap Growth).

No changes in manager status are recommended at this time. Staff and the investment consultants will continue to monitor the performance and/or organizational concerns and advise when satisfactorily resolved.

ATTACHMENTS

Monthly Investment Manager Activity, Compliance and Watch List Report - June 2017
Watch List with Commentary Report – June 2017

Prepared by:

/S/
JR Pearce
Investment Officer

Reviewed by:

/S/
Steve Davis
Chief Investment Officer

/S/
Annette St. Urbain
Interim Chief Executive Officer

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of June 30, 2017)*	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
DOMESTIC EQUITY													
1	JP Morgan Asset Management	Equity 130/30		\$108,656,534				S&P 500 + 100 bps	Yes	N/A	\$17,646,334	\$18,100,245	Alphabet, Apple, UnitedHealth Group, Microsoft, Citigroup, Pfizer, Broadcom, Allergan, EOG Resources, Occidental Petroleum
2	Eagle Capital Management	Large Cap Core		\$226,310,285				Russell 1000 + 100 bps	Yes	N/A	\$2,033,381	\$4,293,236	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Alphabet Inc Cl C, Amazon.Com Inc, Aon Plc, Citigroup Inc, Liberty Global Plc C, Ecolab Inc, Marriott International Cl A
3	Brown Advisory	Large Cap Growth	YES	\$112,526,776				Russell 1000 Growth + 100 bps	Yes	N/A	\$2,503,030	\$2,197,780	Visa Inc Class A Shares, State Street Bank + Trust Co, Facebook Inc A, Amazon.Com Inc, Adobe Systems Inc, Danaher Corp, Zoetis Inc, Paypal Holdings Inc, Intuitive Surgical Inc, Ecolab Inc
4	Alliance Bernstein	Large Cap Passive		\$1,065,066,224				Russell 1000	Yes	N/A	\$28,714,480	\$27,723,745	Apple Inc, Microsoft Corp, Amazon.Com Inc, Johnson + Johnson, Facebook Inc A, Exxon Mobil Corp, Berkshire Hathaway Inc Cl B, Jpmorgan Chase + Co, Alphabet Inc Cl A, Alphabet Inc Cl C
5	Huber Capital Management	Large Cap Value	YES	\$110,115,022				Russell 1000 Value + 100 bps	Yes	N/A	\$5,260,607	\$4,033,786	Kbr Inc, Citigroup Inc, State Street Bank + Trust Co, Ca Inc, Jpmorgan Chase + Co, Bank Of America Corp, Cno Financial Group Inc, Microsoft Corp, Northrop Grumman Corp, Pfizer Inc
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$95,290,335				NAREIT + 100 bps	Yes	N/A	\$7,262,705	\$6,678,986	Simon Property Group Inc, Equinix Inc, Prologis Inc, Avalonbay Communities Inc, Boston Properties Inc, Vornado Realty Trust, Hcp Inc, Cubesmart, Essex Property Trust Inc, Douglas Emmett Inc
7	Weatherbie Capital	Small Cap Growth	YES	\$98,449,123				Russell 2000 Growth + 150 bps	Yes	N/A	\$4,955,233	\$4,855,198	Stamps.Com Inc, Firstservice Corp, Wayfair Inc Class A, Insulet Corp, Portola Pharmaceuticals Inc, Middleby Corp, Macom Technology Solutions H, Paylocity Holding Corp, Ultimate Software Group Inc, Chegg Inc
8	UBS Global Asset Management	Small Cap Growth		\$66,454,975				Russell 2000 Growth + 150 bps	Yes	N/A	\$5,172,879	\$4,897,520	Universal Display Corp, State Street Bank + Trust Co, Exact Sciences Corp, Wix.Com Ltd, Proofpoint Inc, Grand Canyon Education Inc, Callidus Software Inc, Summit Materials Inc Cl A, 8X8 Inc, Semtech Corp
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$77,365,867				Russell 2000 Value + 150 bps	Yes	N/A	\$5,696,682	\$6,074,237	Brandywine Realty Trust, State Street Bank + Trust Co, Ipg Photonics Corp, Radian Group Inc, Kennedy Wilson Holdings Inc, Sandy Spring Bancorp Inc, Employers Holdings Inc, Fulton Financial Corp, Hancock Holding Co, Old National Bancorp
10	Wedge Capital Management	Small Cap Value		\$87,389,633				Russell 2000 Value + 150 bps	Yes	N/A	\$947,587	\$1,449,778	Treehouse Foods Inc, Dupont Fabros Technology, Dana Inc, Stag Industrial Inc, Prosperity Bancshares Inc, Assurant Inc, State Street Bank + Trust Co
11	TOTAL DOMESTIC EQUITY			\$2,047,624,776							\$80,192,918	\$80,304,511	

*Net Asset Value for Private Equity, Real Assets, and Opportunities are December 2016 values adjusted for cash flows.

**Capital returned includes return of capital, income, and gains.

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INTERNATIONAL EQUITY													
12	Lazard Asset Management	ACWI ex-US		\$446,922,452				MSCI ACWI Ex-US + 100 bps	Yes	N/A	\$21,748,380	\$20,737,560	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Daiwa House Industry Co Ltd, Prudential Plc, Sampo Oyj A Shs, British American Tobacco Plc, Shire Plc, Don Quijote Holdings Co Ltd, Valeo Sa, Informa Plc
13	LSV Asset Management	Developed Large Cap Value		\$495,060,249				MSCI World Ex-US + 100 bps	Yes	N/A	\$8,916,079	\$6,452,951	Sanofi, Nippon Telegraph + Telephone, Bp Plc, Swiss Life Holding Ag Reg, Bae Systems Plc, Glaxosmithkline Plc, Swiss Re Ag, Enel Spa, Roche Holding Ag Genusschein, Bayer Ag Reg
14	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$402,964,344				MSCI World Ex-US + 100 bps	Yes	N/A	\$8,702,668	\$10,825,306	Aia Group Ltd, Keyence Corp, Industria De Diseno Textil, Lvmh Moet Hennessy Louis Vui, Novo Nordisk A/S B, Coloplast B, Hong Kong + China Gas, Rakuten Inc, Kao Corp, Novozymes A/S B Shares
15	William Blair International Small Cap	Developed Small Cap Growth		\$117,087,633				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$14,957,187	\$14,445,490	China Lodging Group-Spon Ads, Rubis, Beazley Plc, Recordati Spa, Kion Group Ag, Suruga Bank Ltd, Intrum Justitia Ab, Kingspan Group Plc, Ssp Group Plc, Brembo Spa
16	Mondrian International Small Cap	Developed Small Cap Value		\$101,334,494				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$1,623,116	\$3,323,842	Croda International PLC, Spirax-Sarco Engineering PLC, Nifco Inc, Auckland International Airport Ltd, SATS Ltd, Mercury NZ Ltd, Rubis SCA, MTU Aero Engines AG Registered, Nexteer Automotive Group Ltd, AAK AB
17	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$132,454,798				MSCI Emerging Markets + 150 bps	Yes	N/A			Tencent Holdings, Alibaba Group Hldg.Spn. Adr 1:1, Taiwan Semicon.Mnfg., Ping An Insurance 'H', Samsung Electronics, Naspers, Reliance Industries, Housing Development Fin., China Life Insurance (Taiwan), Samsung Eln.Pref.
18	Mondrian EM All Cap	Emerging Market - All Cap		\$141,528,824				MSCI Emerging Markets + 150 bps	Yes	N/A	\$5,082,977	\$8,832,863	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, WH Group Ltd, China Construction Bank Corp Class H, Fibra Uno Administracion SA, Gazprom PJSC Sponsored ADR, China Mobile Ltd, SK Telecom Co Ltd, Shinhan Financial Group Ltd, Woolworths Holdings Ltd
19	Mondrian EM Small Cap	Emerging Market - Small Cap		\$25,409,111				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A	\$327,189	\$947,506	Hartalega Holdings Bhd, Medy-Tox Inc, Varun Beverages Ltd, Page Industries Ltd, Nexteer Automotive Group Ltd, Voltronic Power Technology Corp, Apollo Hospitals Enterprise Ltd, Dialog Group Bhd, Berger Paints India Ltd, QL Resources Bhd
20	William Blair EM Small Cap	Emerging Market - Small Cap		\$28,357,349				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A			Hanssem Co Ltd, Fuyao Glass Industry Group-H, China Lodging Group-Spon Ads, Bajaj Finance Ltd, Bank Tabungan Negara Persero, Nmc Health Plc, Kruk Sa, Bgf Retail Co Ltd, Pampa Energia Sa-Spon Adr, Mahanagar Gas Ltd
21	CBRE Clarion Securities	REIT - Internat'l		\$83,561,381				NAREIT Global ex-US Real Estate + 100 bps	Yes	N/A	\$14,719,603	\$15,220,412	Mitsui Fudosan Co Ltd, Dexus, Unibail Rodamco Se, Cheung Kong Property Holding, Nippon Building Fund Inc, Mitsubishi Estate Co Ltd, Hang Lung Properties Ltd, Scentre Group, Aventus Retail Property Fund, Vonovia Se
22	TOTAL INTERNATIONAL EQUITY			\$1,974,680,634							\$76,077,199	\$80,785,929	

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FIXED INCOME													
23	Neuberger Investment Management	Enhanced Index		\$354,706,485				Barclays Aggregate Bond + 25 bps	Yes	N/A	\$40,274,702	\$37,268,217	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, State Street Bank + Trust Co, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B
24	Metropolitan West Asset Management	Core Plus		\$373,539,095				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$138,294,913	\$133,398,721	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Metropolitan West High Yield B, Us Treasury N/B, State Street Bank + Trust Co, Fnma Tba 30 Yr 4, Fnma Tba 30 Yr 4.5 <i>Monthly Purchases and Sales excludes derivative transactions.</i>
25	Prudential Investment Management	Core Plus		\$411,745,452				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$32,146,767	\$27,460,539	B8A45W6S0 Irs Usd R V 01Mlibor, B8A46Pas9 Irs Usd R V 12Mlibor, B8A3N41G5 Irs Usd R V 12Mfedl, B8A3Ucw67 Irs Usd R V 03Mlibor, B8A3Tkg69 Irs Usd R V 12Mlibor, B8A3U8Pu1 Irs Usd R V 01Musois, B8A3Lz3V3 Irs Usd R V 12Mfedl, B8A3Qvn94 Irs Usd R V 09Musois, B8A3Rynl0 Irs Usd R V 12Mlibor, B8A3U3H15 Irs Usd R V 01Musois <i>Monthly Purchases and Sales excludes derivative transactions.</i>
26	Brandywine Global Investment Management	Global		\$218,328,976				80% Citigroup WGBI / 20% JP Morgan GBI-EM Global Diversified	Yes	N/A	\$4,186,523	\$1,131,033	UK Tsy Gilt 1.25% 07/22/18, Mexican Bonos 7.75% 11/13/42, Treasury Sec. Flt 04/30/19, Us Treasury N/B 2.875% 11/15/46, Mexican Bonos 8.5% 11/18/38, Mexican Bonos 8.5% 05/31/29, Us Treasury N/B 3% 11/15/45, Poland Govt Bond 3.25% 07/25/25, Portuguese Ot'S 2.875% 10/15/25, Brazil Ntn-F 10% 01/01/25
27	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$170,168,268				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
28	TOTAL FIXED INCOME			\$1,528,488,276							\$214,902,906	\$199,258,510	

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ABSOLUTE RETURN													
29	Grosvenor SC Absolute Return Fund (SCARF)	Diversified Separate Account		\$257,547,986				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
30	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Diversified Separate Account		\$69,654,269				90-Day U.S. T-Bill + 500 bps	Yes	Yes			This diversified Absolute Return Separate Account is part of SCERS' interim Absolute Return allocation.
31	Lakewood Capital Partners, LP	Equity Long/Short		\$43,418,496	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
32	Elliott Associates, LP	Event Driven		\$50,292,142				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
33	Jana Partners Qualified, LP	Event Driven		\$40,820,220				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
34	Third Point Partners Qualified, LP	Event Driven		\$45,022,385				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
35	Grosvenor	Fund of Funds		\$405,614				90-Day U.S. T-Bill + 500 bps	Yes	N/A			Fund was terminated; redemptions from the fund continues to progress.
36	Claren Road Credit Partners, LP	Global Long-Short Credit		\$2,273,192				90-Day U.S. T-Bill + 500 bps	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.
37	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$34,743,730				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
38	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$40,951,159				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
39	AQR DELTA Fund, LP	Multi-Strategy		\$69,845,160				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
40	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$43,843,620				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
41	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$35,000,000				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
42	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$35,000,000				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
43	TOTAL ABSOLUTE RETURN			\$768,817,973	\$35,000,000	\$33,000,000							

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PRIVATE CREDIT													
44	Athyrium Opportunities Fund II, LP	Opport. Credit - Healthcare		\$22,379,711	\$32,000,000	\$31,350,360	\$11,754,317	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
45	Athyrium Opportunities Fund III, LP	Opport. Credit - Healthcare		\$864,843	\$25,000,000	\$2,577,988		Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$2,577,988		
46	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$6,106,955	\$20,000,000	\$24,939,499	\$24,303,173	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
47	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$18,004,973	\$35,000,000	\$29,055,813	\$14,607,461	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
48	TOTAL PRIVATE CREDIT			\$24,976,771	\$80,000,000	\$56,573,300	\$38,910,634				\$2,577,988		

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PRIVATE EQUITY													
49	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$60,550,477	\$75,000,000	\$68,625,000	\$35,251,320	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A		\$2,250,000	
50	HarbourVest International PEP VI, LP	aFund of Funds		\$33,268,305	\$50,000,000	\$35,562,151	\$12,901,390	Cambridge Assoc. Global PE & VC Pooled IRR	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.
51	HarbourVest VIII, LP	aFund of Funds		\$24,900,625	\$50,000,000	\$47,400,000	\$22,148,496	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A		\$296,100	
52	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$44,426,864	\$75,000,000	\$74,435,671	\$40,297,628	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A		\$3,145,555	
53	Accel-KKR Capital Partners IV, LP	Buyout		\$11,266,816	\$15,000,000	\$11,287,048	\$3,287,895	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
54	Accel-KKR Capital Partners V, LP	Buyout		\$1,387,251	\$25,000,000	\$1,648,472		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
55	H.I.G. Capital Partners V, LP	Buyout		\$3,211,131	\$14,000,000	\$3,207,392	\$636,107	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A		\$636,107	
56	Marlin Equity IV, LP	Buyout		\$14,184,369	\$20,000,000	\$13,375,979	\$190,655	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$2,432,912		
57	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$21,166,570	\$35,000,000	\$19,693,808		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
58	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$35,630,406	\$30,000,000	\$30,010,615	\$178,826	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$409,829		
59	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$11,594,569	\$30,000,000	\$11,039,642	\$2,154	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
60	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		\$1,320,587	\$21,000,000	\$2,188,975		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$377,729		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													
61	Waterland Fund V, LP	Buyout - Non-US		\$13,598,849	\$23,193,600	\$14,956,684	\$17,165,757	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$245,626		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
62	Waterland Fund VI, LP	Buyout - Non-US		\$9,415,072	\$30,000,000	\$9,288,537		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$3,256,512		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
63	Marlin Heritage, LP	Buyout - Small / Middle Market		\$10,793,547	\$10,000,000	\$8,018,863	\$1,411,103	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$456,261		
64	Marlin Heritage II, LP	Buyout - Small / Middle Market			\$10,000,000			Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
65	Marlin Heritage Europe, LP	Buyout - Small / Middle Market			\$14,400,000			Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
66	Marlin Heritage Equity Partners V, LP	Buyout - Middle Market			\$25,000,000			Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
67	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$24,603,775	\$35,000,000	\$41,792,301	\$19,010,276	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A		\$79,979	
68	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$12,829,928	\$40,000,000	\$14,658,553	\$2,029,999	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$1,333,333	\$557,046	
69	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$17,520,509	\$25,000,000	\$19,760,228	\$2,519,737	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$108,167	\$514,985	
70	Garrison Opportunity Fund III, LP	Distressed Debt		\$13,798,507	\$20,000,000	\$20,000,000	\$6,220,104	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
71	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$19,591,281	\$30,000,000	\$20,692,143	\$6,306,585	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$1,746,411	\$872,449	
72	TPG Opportunities Partners III, LP	Distressed Debt		\$21,202,177	\$40,000,000	\$18,301,337	\$5,751,988	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			

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PRIVATE EQUITY													
73	Wayzata Opportunities Fund III, LP	Distressed Debt		\$8,716,978	\$30,000,000	\$14,718,000	\$6,145,793	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A		\$208,316	
74	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$21,120,011	\$16,350,000	\$16,350,000	\$3,330,657	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
75	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$9,194,941	\$35,000,000	\$8,737,103		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
76	TSG 7A, LP and TSG 7B, LP	Buyout - Consumer Brands		\$5,383,607	\$20,000,000	\$5,820,869	\$7,227	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
75	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$4,377,369	\$15,000,000	\$5,124,983	\$384,805	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
76	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$19,369,928	\$25,000,000	\$18,375,000	\$1,473,759	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$937,500		
77	Dyal II US Investors, LP	Other		\$10,239,459	\$35,000,000	\$13,495,512	\$3,487,206	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$1,625,850	\$61,994	
78	Dyal Capital Partners III, LP	Other		\$13,491,156	\$35,000,000	\$17,088,603	\$3,808,343	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$3,631,907	\$281,308	
79	Khosla Ventures Fund IV, LP	Venture Capital		\$14,134,173	\$10,000,000	\$9,670,000	\$955,913	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
80	Khosla Ventures Fund V, LP	Venture Capital		\$10,995,750	\$20,000,000	\$9,940,000		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
81	NEA 14, LP	Venture Capital		\$35,680,872	\$25,000,000	\$23,500,000	\$2,637,324	Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
82	NEA 15, LP	Venture Capital		\$27,243,261	\$35,000,000	\$23,104,431		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			
83	NEA 16, LP	Venture Capital		\$1,050,000	\$35,000,000	\$1,050,000		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A			

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PRIVATE EQUITY													
84	Trinity Ventures XI, LP	Venture Capital		\$22,894,843	\$25,000,000	\$18,437,500		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$250,000		
85	Trinity Ventures XII, LP	Venture Capital		\$8,218,659	\$30,000,000	\$7,650,000		Cambridge Assoc. Global PE & VC Pooled IRR	Yes	N/A	\$2,250,000		
86	TOTAL PRIVATE EQUITY			\$619,237,467	\$1,158,943,600	\$681,583,388	\$197,541,048				\$21,640,026	\$8,903,838	

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REAL ASSETS													
87	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$258,934,842				Blended benchmarked to strategy fund weights	Yes	N/A	\$725,540	\$8,141,439	This is the overaly proxy for the Real Assets asset class.
88	BlackRock Realty	Real Estate - Core Separate Account		\$166,869,584				NFI-ODCE Index	Yes	N/A			Capital called is for the Block 295 (Leland James Center) redevelopment project in Portland, OR.
89	Barings (formerly Cornerstone)	Real Estate - Core Separate Account		\$65,413,584				NFI-ODCE Index	Yes	N/A			Assets Managed does not include \$39 million of debt.
90	Jamestown Premier Property Fund, LP	Real Estate - Core and Core Plus		\$19,250,484				NFI-ODCE Index	Yes	N/A			
91	MetLife Core Property Fund	Real Estate - Core		\$52,000,268				NFI-ODCE Index	Yes	N/A			
92	Prime Property Fund, LLC	Real Estate - Core		\$52,320,569				NFI-ODCE Index	Yes	N/A			
93	Principal US Property Account	Real Estate - Core		\$39,940,709				NFI-ODCE Index	Yes	N/A			
94	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$29,886,034				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.
95	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$39,695,871				NFI-ODCE Index	Yes	N/A			
96	Townsend Real Estate Fund, LP	Real Estate - Core		\$95,467,126	\$90,000,000	\$90,000,000		NFI-ODCE Index	Yes	N/A	\$11,565,488		
97	Blackstone Resources Select Offshore Fund	Commodities		\$39,769,713				Blend of GSCI and Dow Jones AIG	Yes	N/A			
98	Gresham Strategic Commodities Fund	Commodities		\$24,864,595				Dow Jones AIG Index	Yes	N/A			
99	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$13,479,042	\$100,000,000	\$18,370,902	\$6,176,806	CPI-U Headline + 500 bps	Yes	N/A			

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REAL ASSETS													
100	ArcLight Energy Partners VI, LP	Energy - Midstream		\$23,020,066	\$40,000,000	\$26,325,842	\$4,872,370	CPI-U Headline + 500 bps	Yes	N/A			
101	ACM Fund II, LLC	Real Assets - Agriculture		\$3,932,930	\$25,000,000	\$7,176,176	\$2,950,666	CPI-U Headline + 500 bps	Yes	N/A			
102	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$8,192,315	\$20,000,000	\$8,811,507	\$1,596,554	CPI-U Headline + 500 bps	Yes	N/A	\$802,293		
103	Quantum Energy Partners VI, LP	Energy - Midstream		\$20,028,961	\$35,000,000	\$17,354,399	\$2,967,662	CPI-U Headline + 500 bps	Yes	N/A	\$2,364,460	\$1,154,206	
104	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$23,338,200	\$33,000,000	\$32,756,004	\$20,796,392	CPI-U Headline + 500 bps	Yes	N/A	\$280,408	\$1,795,517	
105	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$18,481,118	\$40,000,000	\$21,434,369	\$6,058,277	CPI-U Headline + 500 bps	Yes	N/A	\$2,345,908	\$334,366	
106	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$8,307,450	\$35,000,000	\$16,073,909	\$16,475,879	CPI-U Headline + 500 bps	Yes	N/A			
107	Carlyle Power Partners II, LP	Energy - Power		\$11,487,612	\$40,000,000	\$19,413,286	\$6,710,786	CPI-U Headline + 500 bps	Yes	N/A	\$328,666	\$645,202	
108	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core		\$75,000,000	\$100,000,000	\$75,000,000		CPI-U Headline + 500 bps	Yes	N/A			
109	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$10,092,374	\$40,000,000	\$11,146,422	\$1,703,882	CPI-U Headline + 500 bps	Yes	N/A	\$216,591	\$317,151	
110	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$5,081,023	\$25,000,000	\$6,314,748	\$139,642	CPI-U Headline + 500 bps	Yes	N/A	\$2,467,541		
111	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$42,175,242	\$100,000,000	\$30,000,000		CPI-U Headline + 500 bps	Yes	N/A	\$2,100,000		
112	TOTAL REAL ASSETS			\$1,147,029,711	\$723,000,000	\$380,177,564	\$70,448,916				\$23,196,894	\$12,387,881	

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OPPORTUNITIES													
113	DRC European Real Estate Debt Fund II, LP	Distressed Debt - Europe		\$23,265,302	\$50,000,000	\$77,114,293	\$53,400,052	NFI-ODCE Index	Yes	N/A		\$800,338	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.
114	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$12,834,239	\$25,000,000	\$24,875,000	\$17,208,139	Russell 1000 + 300 bps	Yes	N/A	\$500,000	\$2,214,790	
115	Carlyle China Realty, LP	Real Estate - Opport.		\$2,919,494	\$10,000,000	\$2,919,494		NFI-ODCE + 100 bps	Yes	N/A	\$2,919,494		
116	Carlyle China Rome Logistics, LP	Real Estate - Opport.		\$7,993,510	\$20,000,000	\$7,993,510		NFI-ODCE + 100 bps	Yes	N/A	\$7,993,510		
117	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$26,099,589	\$35,000,000	\$29,076,585	\$5,906,609	NFI-ODCE + 100 bps	Yes	N/A	\$791,800	\$791,800	
118	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$17,348,761	\$35,000,000	\$29,371,912	\$19,897,606	NFI-ODCE + 100 bps	Yes	N/A	\$85,329		
119	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.	YES	\$14,342,839	\$35,000,000	\$14,278,710	\$2,655,116	NFI-ODCE + 100 bps	Yes	N/A		\$405,099	
120	AEW Value Investors II, LP	Real Estate - Value Add		\$337,612	\$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.
121	Allegis Value Trust	Real Estate - Value Add		\$16,004,316	\$25,000,000	\$25,000,000	\$15,859,000	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.
122	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$8,237,314	\$35,000,000	\$7,922,479	\$1,229,486	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.
123	Hammes Partners II, LP	Real Estate - Value Add		\$14,219,463	\$25,000,000	\$16,504,420	\$3,482,713	NFI-ODCE + 100 bps	Yes	N/A		\$574,416	
124	Hines US Office Value Fund II, LP	Real Estate - Value Add		\$647,612	\$22,572,950	\$21,726,796	\$16,970,785	NFI-ODCE + 100 bps	Yes	N/A		\$90,591	The fund has reached the end of its term. Hines completed the final disposition of assets. The net asset value represents the leftover cash.
125	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$14,770,944	\$25,000,000	\$22,179,980	\$15,810,328	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.
126	NREP Nordic Strategies Fund II, SCSp	Real Estate - Value Add		\$10,039,223	\$35,000,000	\$10,012,187		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.
127	TOTAL OPPORTUNITIES			\$169,060,219	\$402,572,950	\$310,787,962	\$179,877,591				\$12,290,133	\$4,877,034	

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SHORT-TERM													
128	State Street Global Advisors - STIF (Cash Account)	Cash		\$61,380,123				91 Day T-Bill	Yes	N/A	\$9,128,487	\$71,192,207	Unallocated cash is swept into a short-term investment fund.
129	TOTAL SHORT-TERM			\$61,380,123							\$9,128,487	\$71,192,207	
FUTURES OVERLAY													
130	State Street Global Advisors (Futures Overlay)	Overlay		\$71,360,563				Target Asset Allocation	Yes	N/A	\$93,722,573	\$82,266,925	State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Gnma li Tba 30 Yr 3.5, Fnma Tba 30 Yr 4, Us Dollar, Fhlmc Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Swap Morgan Stanley Coc, Euro Currency, Pound Sterling
131	TOTAL FUTURES OVERLAY			\$71,360,563							\$93,722,573	\$82,266,925	
SCERS TOTAL PORTFOLIO				\$8,412,656,513	\$2,399,516,550	\$1,462,122,215	\$486,778,189				\$533,729,124	\$539,976,837	

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INVESTMENT MANAGER WATCH LIST WITH COMMENTARY

June 30, 2017

#	Investment Manager	Fund Type	Reason	Effective (month - year)	Commentary
1	Brown Advisory	Large Cap Growth	Performance	Feb-17	Returns have significantly underperformed the benchmark over long-term periods: 1Q2017 (9.4% vs. +8.9%); 1-Year (8.2% vs. +15.8%); 3-Year (+7.0% vs. +11.3%); 5-Year (+9.5% vs. +13.3%), and since inception (+8.8% vs. +12.6%).
2	Huber Capital Management	Large Cap Value	Performance	Feb-15	Returns have underperformed the benchmark over the long-term periods: 1Q2017 (+4.6% vs. +3.3%); 1-Year (+18.9% vs. +19.2%); 3-Year (+3.4% vs. +8.7%); and since inception (+10.4% vs. +13.6%).
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.
4	Weatherbie Capital Management	Small Cap Growth	Performance	Sep-15	Returns have underperformed the benchmark since inception: 1Q2017 (+9.1% vs. +5.3%); 1-Year (+31.9% vs. +23.0%); 3-Year (+6.8% vs. +6.7%); 5-Year (+12.3% vs. +12.1%); and since inception (+10.8% vs. +11.1%).