



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 8

**MEETING DATE:** September 20, 2017

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

**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 2017.

#### **PURPOSE**

To comply with SCERS' investment policy statement reporting requirements.

#### **DISCUSSION**

Report for the month of August 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 August 31, 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**

1. Monthly Investment Manager Activity, Compliance and Watch List Report - August 2017
2. Watch List with Commentary Report – August 2017

Prepared by:

/S/  
\_\_\_\_\_  
Brian Miller  
Investment Officer

Reviewed by:

/S/  
\_\_\_\_\_  
Steve Davis  
Chief Investment Officer

/S/  
\_\_\_\_\_  
Annette St. Urbain  
Interim Chief Executive Officer

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
 Monthly Investment Manager Activity, Compliance, and Watch List Report August 31, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of August 31, 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
<b>DOMESTIC EQUITY</b>													
1	JP Morgan Asset Management	Equity 130/30		\$111,171,269				Russell 1000	Yes	N/A	\$12,769,216	\$15,344,731	Apple, Alphabet, Microsoft, UnitedHealth Group, Citigroup, Pfizer, Broadcom, Facebook, Occidental Petroleum, Philip Morris International
2	Eagle Capital Management	Large Cap Core		\$231,548,969				Russell 1000	Yes	N/A	\$1,121,413	\$932,778	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Alphabet Inc Cl C, Aon Plc, Liberty Global Plc C, Citigroup Inc, Amazon.Com Inc, Ecolab Inc, Marriott International Cl A
3	Brown Advisory	Large Cap Growth	YES	\$117,596,346				Russell 1000 Growth	Yes	N/A	\$1,346,362	\$1,538,688	Visa Inc Class A Shares, Adobe Systems Inc, Paypal Holdings Inc, Facebook Inc A, State Street Bank + Trust Co, Amazon.Com Inc, Amphenol Corp Cl A, Intuitive Surgical Inc, Zoetis Inc, Danaher Corp
4	Alliance Bernstein	Large Cap Passive		\$1,080,135,762				Russell 1000	Yes	N/A	\$3,250,656	\$3,776,820	Apple Inc, Microsoft Corp, Facebook Inc A, Amazon.Com Inc, Johnson + Johnson, Berkshire Hathaway Inc Cl B, Exxon Mobil Corp, Jpmorgan Chase + Co, Alphabet Inc Cl A, Alphabet Inc Cl C
5	Huber Capital Management	Large Cap Value	YES	\$111,805,838				Russell 1000 Value	Yes	N/A	\$1,218,423	\$1,768,207	Kbr Inc, Citigroup Inc, Ca Inc, Microsoft Corp, Jpmorgan Chase + Co, Bank Of America Corp, Cno Financial Group Inc, Northrop Grumman Corp, State Street Bank + Trust Co, Pfizer Inc
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$97,020,315				FTSE NAREIT Equity REIT	Yes	N/A	\$6,829,889	\$6,509,324	Simon Property Group Inc, Equinix Inc, Prologis Inc, Avalonbay Communities Inc, Cubesmart, Hcp Inc, Boston Properties Inc, Essex Property Trust Inc, Starwood Waypoint Homes, Udr Inc
7	Weatherbie Capital	Small Cap Growth	YES	\$101,540,767				Russell 2000 Growth	Yes	N/A	\$6,872,112	\$6,928,922	Firstservice Corp, Wayfair Inc Class A, State Street Bank + Trust Co, Portola Pharmaceuticals Inc, Insulet Corp, Middleby Corp, Paylocity Holding Corp, Stamps.Com Inc, Chegg Inc, Xpo Logistics Inc
8	UBS Global Asset Management	Small Cap Growth		\$65,427,139				Russell 2000 Growth	Yes	N/A	\$2,131,363	\$2,694,432	Universal Display Corp, State Street Bank + Trust Co, Wix.Com Ltd, Exact Sciences Corp, Callidus Software Inc, Summit Materials Inc Cl A, 8X8 Inc, Varonis Systems Inc, Proofpoint Inc, Generac Holdings Inc
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$75,727,522				Russell 2000 Value	Yes	N/A	\$3,484,759	\$3,608,046	Brandywine Realty Trust, Ipg Photonics Corp, Servicemaster Global Holding, Radian Group Inc, Kennedy Wilson Holdings Inc, El Paso Electric Co, Employers Holdings Inc, Sandy Spring Bancorp Inc, Teradyne Inc, Fulton Financial Corp
10	Wedge Capital Management	Small Cap Value		\$84,471,851				Russell 2000 Value	Yes	N/A	\$1,887,931	\$2,048,878	Stag Industrial Inc, Treehouse Foods Inc, Dupont Fabros Technology, Dana Inc, Prosperity Bancshares Inc, Aecom, Assurant Inc, Colfax Corp, Standex International Corp, Great Western Bancorp Inc
11	TOTAL DOMESTIC EQUITY			\$2,076,445,777							\$40,912,125	\$45,150,825	

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<b>INTERNATIONAL EQUITY</b>													
12	Lazard Asset Management	ACWI ex-US		\$464,667,497				MSCI ACWI Ex.-U.S.	Yes	N/A	\$30,014,526	\$25,023,073	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Prudential Plc, Sampo Oyj A Shs, British American Tobacco Plc, Daiwa House Industry Co Ltd, Don Quijote Holdings Co Ltd, Carlsberg As B, Diageo Plc, Informa Plc
13	LSV Asset Management	Developed Large Cap Value		\$513,403,220				MSCI ACWI Ex.-U.S.	Yes	N/A	\$9,322,554	\$13,892,393	Sanofi, Nippon Telegraph + Telephone, Enel Spa, Swiss Life Holding Ag Reg, Bp Plc, Kddi Corp, Bae Systems Plc, Swiss Re Ag, Deutsche Post Ag Reg, Omv Ag
14	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$461,786,963				MSCI ACWI Ex.-U.S.	Yes	N/A	\$7,370	\$196,365	Keyence Corp, Aia Group Ltd, Novo Nordisk A/S B, Adidas Ag, Novozymes A/S B Shares, Kuehne Nagel Intl Ag Reg, Lvmh Moet Hennessy Louis Vui, Smc Corp, Daito Trust Construct Co Ltd, Kone Oyj B
15	William Blair International Small Cap	Developed Small Cap Growth		\$122,860,670				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$5,450,022	\$5,894,204	Rubis, Beazley Plc, Suruga Bank Ltd, Elbit Systems Ltd, Ssp Group Plc, Kion Group Ag, Rbl Bank Ltd, Challenger Ltd, Intrum Justitia Ab, Oracle Corp Japan
16	Mondrian International Small Cap	Developed Small Cap Value		\$104,936,543				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$855,295	\$678,407	Croda International PLC, Nifco Inc, Spirax-Sarco Engineering PLC, Rubis SCA, Mercury NZ Ltd, AAK AB, Auckland International Airport Ltd, SATS Ltd, Fielmann AG, Nexteer Automotive Group Ltd
17	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$182,871,947				MSCI Emerging Markets	Yes	N/A			Tencent Holdings, Alibaba Group Hldg.Spn. ADR 1:1, Taiwan Semicon.Mnfg., Ping An Insurance 'H', Sberbank Of Russia (Lon) ADR, Naspers, Reliance Industries, Samsung Electronics, Housing Development Fin., Samsung Eltn.Pref.
18	Mondrian EM All Cap	Emerging Market - All Cap		\$152,016,269				MSCI Emerging Markets	Yes	N/A	\$6,348,707	\$4,571,835	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, China Construction Bank Corp Class H, WH Group Ltd, China Mobile Ltd, Fibra Uno Administracion SA, Gazprom PJSC Sponsored ADR, Shinhan Financial Group Ltd, Suzano Papel E Celulose SA Pref A, Indiabulls Housing Finance Ltd
19	Mondrian EM Small Cap	Emerging Market - Small Cap		\$25,849,326				MSCI Emerging Markets Small Cap	Yes	N/A	\$206,958	\$900,120	Nexteer Automotive Group Ltd, Page Industries Ltd, Voltronic Power Technology Corp, Berger Paints India Ltd, Varun Beverages Ltd, CPMC Holdings Ltd, Medy-Tox Inc, Dialog Group Bhd, Alicorp SAA, Fu Shou Yuan International Group Ltd
20	William Blair EM Small Cap	Emerging Market - Small Cap		\$29,977,046				MSCI Emerging Markets Small Cap	Yes	N/A			Bajaj Finance Ltd, China Lodging Group-Spon Ads, Kruk Sa, Cvc Brasil Operadora E Agenc., Gruh Finance Ltd, Bank Tabungan Negara Persero, Nmc Health Plc, Mahanagar Gas Ltd, Banca Transilvania Sa, Capitec Bank Holdings Ltd
21	CBRE Clarion Securities	REIT - Internat'l		\$85,829,557				FTSE NAREIT Developed e.x.-U.S.	Yes	N/A	\$11,872,984	\$11,865,211	Cheung Kong Property Holding, Mitsui Fudosan Co Ltd, Sun Hung Kai Properties, Nippon Building Fund Inc, Unibail Rodamco Se, Wharf Holdings Ltd, Dexus, Gpt Group, Hang Lung Properties Ltd, Vonovia Se
22	TOTAL INTERNATIONAL EQUITY			\$2,144,199,037							\$64,078,416	\$63,021,609	

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<b>PRIVATE EQUITY</b>													
23	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$58,675,469	\$75,000,000	\$69,375,000	\$37,876,320	Cambridge Assoc. All Private Equity	Yes	N/A	\$750,000	\$1,875,000	
24	HarbourVest International PEP VI, LP	aFund of Funds		\$35,024,504	\$50,000,000	\$36,132,040	\$13,951,143	Cambridge Assoc. All Private Equity	Yes	N/A	\$569,889	\$1,049,753	Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
25	HarbourVest VIII, LP	aFund of Funds		\$24,042,802	\$50,000,000	\$47,587,500	\$22,449,447	Cambridge Assoc. All Private Equity	Yes	N/A		\$31,587	
26	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$38,433,297	\$75,000,000	\$74,435,671	\$46,291,185	Cambridge Assoc. All Private Equity	Yes	N/A		\$5,993,557	
27	Accel-KKR Capital Partners IV, LP	Buyout		\$9,560,231	\$15,000,000	\$11,287,048	\$5,635,281	Cambridge Assoc. All Private Equity	Yes	N/A		\$2,347,386	
28	Accel-KKR Capital Partners V, LP	Buyout		\$1,981,502	\$25,000,000	\$2,235,673		Cambridge Assoc. All Private Equity	Yes	N/A			
29	H.I.G. Capital Partners V, LP	Buyout		\$4,401,263	\$14,000,000	\$4,592,845	\$636,107	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,385,453		
30	Marlin Equity IV, LP	Buyout		\$14,677,810	\$20,000,000	\$13,487,974	\$190,655	Cambridge Assoc. All Private Equity	Yes	N/A			
31	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$22,588,722	\$35,000,000	\$19,693,808		Cambridge Assoc. All Private Equity	Yes	N/A			
32	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$35,428,413	\$30,000,000	\$30,010,615	\$3,335,600	Cambridge Assoc. All Private Equity	Yes	N/A		\$2,638,447	
33	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$12,163,303	\$30,000,000	\$12,149,800	\$2,154	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,110,158		
34	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		\$4,227,404	\$21,000,000	\$4,692,079		Cambridge Assoc. All Private Equity	Yes	N/A	\$2,503,707		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>													
35	Waterland Fund V, LP	Buyout - Non-US		\$12,346,403	\$23,193,600	\$14,956,684	\$19,279,580	Cambridge Assoc. All Private Equity	Yes	N/A		\$2,113,823	Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
36	Waterland Fund VI, LP	Buyout - Non-US		\$9,766,151	\$30,000,000	\$9,288,537		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	Marlin Heritage, LP	Buyout - Small / Middle Market		\$10,040,486	\$10,000,000	\$8,470,000	\$3,045,860	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,468,203	
38	Marlin Heritage II, LP	Buyout - Small / Middle Market			\$10,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
39	Marlin Heritage Europe, LP	Buyout - Small / Middle Market		\$906,418	\$14,400,000	\$905,112		Cambridge Assoc. All Private Equity	Yes	N/A	\$905,112		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
40	Marlin Heritage Equity Partners V, LP	Buyout - Middle Market			\$25,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
41	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$21,358,478	\$35,000,000	\$41,802,635	\$22,512,041	Cambridge Assoc. All Private Equity	Yes	N/A	\$10,334	\$3,349,843	
42	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$13,289,598	\$40,000,000	\$15,113,638	\$2,523,643	Cambridge Assoc. All Private Equity	Yes	N/A		\$493,644	
44	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$17,753,675	\$25,000,000	\$20,510,228	\$4,078,264	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,558,527	
45	DavidsonKempner Long-Term Distressed Opportunities Fund IV, LP	Distressed Debt			\$35,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
46	Garrison Opportunity Fund III, LP	Distressed Debt		\$13,770,218	\$20,000,000	\$20,000,000	\$6,220,104	Cambridge Assoc. All Private Equity	Yes	N/A			
47	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$22,873,913	\$30,000,000	\$24,230,705	\$5,434,136	Cambridge Assoc. All Private Equity	Yes	N/A	\$3,538,562		
48	TPG Opportunities Partners III, LP	Distressed Debt		\$18,742,021	\$40,000,000	\$20,817,813	\$8,674,985	Cambridge Assoc. All Private Equity	Yes	N/A	\$2,516,476	\$2,992,997	

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<b>PRIVATE EQUITY</b>													
49	Wayzata Opportunities Fund III, LP	Distressed Debt		\$7,951,356	\$30,000,000	\$14,718,000	\$6,782,049	Cambridge Assoc. All Private Equity	Yes	N/A		\$636,256	
50	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$19,515,930	\$16,350,000	\$16,350,000	\$5,617,161	Cambridge Assoc. All Private Equity	Yes	N/A			
51	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$9,848,438	\$35,000,000	\$8,737,103		Cambridge Assoc. All Private Equity	Yes	N/A			
52	Summit Partners Europe Growth Equity Fund II, LP	Growth Equity			\$35,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
53	TSG 7A, LP and TSG 7B, LP	Buyout - Consumer Brands		\$5,391,136	\$20,000,000	\$5,890,152	\$7,227	Cambridge Assoc. All Private Equity	Yes	N/A			
54	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$4,521,127	\$15,000,000	\$5,124,983	\$384,805	Cambridge Assoc. All Private Equity	Yes	N/A			
55	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$23,179,739	\$25,000,000	\$20,937,500	\$1,473,759	Cambridge Assoc. All Private Equity	Yes	N/A	\$875,000		
56	Dyal II US Investors, LP	Other		\$8,576,569	\$35,000,000	\$13,495,512	\$3,487,206	Cambridge Assoc. All Private Equity	Yes	N/A			
57	Dyal Capital Partners III, LP	Other		\$13,574,173	\$35,000,000	\$17,088,603	\$3,808,343	Cambridge Assoc. All Private Equity	Yes	N/A			
58	Khosla Ventures Fund IV, LP	Venture Capital		\$15,926,857	\$10,000,000	\$9,810,000	\$955,913	Cambridge Assoc. All Private Equity	Yes	N/A			
59	Khosla Ventures Fund V, LP	Venture Capital		\$11,612,823	\$20,000,000	\$12,340,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$2,400,000		
60	NEA 14, LP	Venture Capital		\$36,550,074	\$25,000,000	\$23,500,000	\$2,637,324	Cambridge Assoc. All Private Equity	Yes	N/A			

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61	NEA 15, LP	Venture Capital		\$29,796,783	\$35,000,000	\$23,804,431		Cambridge Assoc. All Private Equity	Yes	N/A			
62	NEA 16, LP	Venture Capital		\$2,368,338	\$35,000,000	\$2,450,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$700,000		
63	Trinity Ventures XI, LP	Venture Capital		\$24,471,828	\$25,000,000	\$18,687,500		Cambridge Assoc. All Private Equity	Yes	N/A	\$250,000		
64	Trinity Ventures XII, LP	Venture Capital		\$8,838,861	\$30,000,000	\$8,250,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$600,000		
65	TOTAL PRIVATE EQUITY			\$627,448,208	\$1,228,943,600	\$706,905,869	\$227,736,105				\$19,146,455	\$26,652,199	

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<b>PUBLIC CREDIT</b>													
66	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$172,749,162				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
67	TOTAL PUBLIC CREDIT			\$172,749,162									
<b>PRIVATE CREDIT</b>													
68	Athyrium Opportunities Fund II, LP	Opport. Credit - Healthcare		\$22,340,780	\$32,000,000	\$31,558,797	\$12,265,595	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
69	Athyrium Opportunities Fund III, LP	Opport. Credit - Healthcare		\$3,272,097	\$25,000,000	\$3,946,681	\$445,813	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$1,031,765	\$103,177	
70	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$6,288,213	\$20,000,000	\$24,939,499	\$24,546,627	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$243,454	
71	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$22,778,483	\$35,000,000	\$33,351,363	\$14,607,461	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
72	TOTAL PRIVATE CREDIT			\$54,679,573	\$112,000,000	\$93,796,340	\$51,865,496				\$1,031,765	\$346,631	

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<b>ABSOLUTE RETURN</b>													
73	Grosvenor SC Absolute Return Fund (SCARF)	Separate Account		\$258,882,078				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
74	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Interim Separate Account		\$69,958,427				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
75	Lakewood Capital Partners, LP	Equity Long/Short		\$44,210,595	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
76	Elliott Associates, LP	Event Driven		\$50,292,142				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
77	Jana Partners Qualified, LP	Event Driven		\$41,039,145				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
78	Third Point Partners Qualified, LP	Event Driven		\$46,349,541				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
79	Grosvenor	Fund of Funds		\$401,745				90-Day U.S. T-Bill + 500 bps	Yes	N/A			Fund was terminated; redemptions from the fund continues to progress.
80	Claren Road Credit Partners, LP	Global Long-Short Credit		\$1,901,982				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.
81	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$33,997,005				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
82	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$41,362,215				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
83	AQR DELTA Fund, LP	Multi-Strategy		\$69,408,060				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
84	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$45,122,970				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
85	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$35,000,000				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
86	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$35,000,000				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
87	<b>TOTAL ABSOLUTE RETURN</b>			<b>\$772,925,905</b>	<b>\$35,000,000</b>	<b>\$33,000,000</b>							

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#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of August 31, 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
<b>FIXED INCOME</b>													
88	Neuberger Investment Management	Enhanced Index		\$355,353,215				Barclays U.S. Aggregate Bond	Yes	N/A	\$35,336,328	\$33,845,854	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, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B
89	Metropolitan West Asset Management	Core Plus		\$376,218,117				Barclays U.S. Aggregate Bond	Yes	N/A	\$93,426,265	\$92,757,822	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Metropolitan West High Yield B, Fnma Tba 30 Yr 4.5, Us Treasury N/B, Gnma II Tba 30 Yr 4.5, Fnma Tba 30 Yr 4, State Street Bank + Trust Co  <i>Monthly Purchases and Sales excludes derivative transactions.</i>
90	Prudential Investment Management	Core Plus		\$417,022,061				Barclays U.S. Aggregate Bond	Yes	N/A	\$42,264,516	\$36,442,288	B8A45W6S0 Irs Usd R V 01Mlibor, B8A46Pas9 Irs Usd R V 12Mliber, B8A3N41G5 Irs Usd R V 12Mfedl, B8A3Ucw67 Irs Usd R V 03Mlibor, B8A3Tkg69 Irs Usd R V 12Mlibor, B8A3U8Pu1 Irs Usd R V 01Musois, S8A4Edws3 Irs Usd R F .00000, B8A3Qvn94 Irs Usd R V 09Musios, B8A3Rynl0 Irs Usd R V 12Mlibor, B8A3U3H15 Irs Usd R V 01Musois  <i>Monthly Purchases and Sales excludes derivative transactions.</i>
91	Brandywine Global Investment Management	Global		\$228,373,536				80% Citigroup WGBI ex.-U.S. / 20% JP Morgan GBI EM Diversified	Yes	N/A	\$12,989,336	\$13,098,811	Us Treasury Frn Flt 07/31/19, Us Treasury Frn Flt 04/30/19, Uk Tsy Gilt 1.25% 07/22/18, Mexican Bonos 7.75% 11/13/42, Mexican Bonos 8.5% 11/18/38, Mexican Bonos 8.5% 05/31/29, Poland Govt Bond 3.25% 07/25/25, Portuguese OT'S 2.875% 10/15/25, Brazil Ntn-F 10% 01/01/25, Us Treasury N/B 2.875% 11/15/46
92	TOTAL FIXED INCOME			\$1,376,966,929							\$184,016,445	\$176,144,775	

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<b>CORE REAL ESTATE</b>													
93	BlackRock Realty	Real Estate - Core Separate Account		\$169,831,267				NFI-ODCE Index	Yes	N/A			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	Barings (formerly Cornerstone)	Real Estate - Core Separate Account		\$68,337,220				NFI-ODCE Index	Yes	N/A			Assets managed does not include \$39 million of debt.
95	Jamestown Premier Property Fund, LP	Real Estate - Core / Core Plus		\$19,634,546				NFI-ODCE Index	Yes	N/A			
96	MetLife Core Property Fund	Real Estate - Core		\$52,266,892				NFI-ODCE Index	Yes	N/A			
97	Prime Property Fund, LLC	Real Estate - Core		\$53,488,671				NFI-ODCE Index	Yes	N/A			
98	Principal US Property Account	Real Estate - Core		\$41,060,985				NFI-ODCE Index	Yes	N/A			
99	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$32,488,801				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.
100	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$56,046,340				NFI-ODCE Index	Yes	N/A			
101	Townsend Real Estate Fund, LP	Real Estate - Core		\$97,820,495				NFI-ODCE Index	Yes	N/A			
102	<b>TOTAL CORE REAL ESTATE</b>			<b>\$590,975,216</b>									

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<b>NON-CORE REAL ESTATE</b>													
103	DRC European Real Estate Debt Fund II, LP	Real Estate Value Add Debt		\$23,109,312	\$50,000,000	\$79,742,724	\$53,400,052	NFI-ODCE + 100 bps	Yes	N/A	\$2,628,431		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.		\$3,506,928	\$10,000,000	\$3,977,692		NFI-ODCE + 100 bps	Yes	N/A	\$1,058,198		
105	Carlyle China Rome Logistics, LP	Real Estate Opport.		\$10,315,769	\$20,000,000	\$11,032,508		NFI-ODCE + 100 bps	Yes	N/A	\$3,038,998		
106	CIM Opportunity Fund VIII, LP	Real Estate Opport.		\$27,954,855	\$35,000,000	\$30,804,150	\$5,906,609	NFI-ODCE + 100 bps	Yes	N/A			
107	KKR Real Estate Partners Americas, LP	Real Estate Opport.		\$17,976,987	\$35,000,000	\$30,673,814	\$20,671,948	NFI-ODCE + 100 bps	Yes	N/A	\$1,309,732	\$774,432	
108	Och-Ziff Real Estate Fund III, LP	Real Estate Opport.	YES	\$14,081,480	\$35,000,000	\$14,495,618	\$4,195,641	NFI-ODCE + 100 bps	Yes	N/A		\$435,347	
109	AEW Value Investors II, LP	Real Estate Value Add		\$321,592	\$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.
110	Allegis Value Trust	Real Estate Value Add		\$16,344,712	\$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.
111	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate Value Add		\$8,860,233	\$35,000,000	\$7,922,479	\$1,343,683	NFI-ODCE + 100 bps	Yes	N/A		\$115,194	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		\$14,512,004	\$25,000,000	\$16,504,420	\$3,482,713	NFI-ODCE + 100 bps	Yes	N/A			
113	Hines US Office Value Fund II, LP	Real Estate Value Add		\$650,323	\$22,572,950	\$21,726,796	\$16,970,785	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.
114	NREP Nordic Strategies Fund, FCP-FIS	Real Estate Value Add		\$16,804,468	\$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.
115	NREP Nordic Strategies Fund II, SCSp	Real Estate Value Add		\$13,498,109	\$35,000,000	\$12,465,026		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.
116	TOTAL NON-CORE REAL ESTATE			\$167,936,771	\$377,572,950	\$298,337,803	\$165,098,516				\$8,035,359	\$1,324,973	
117	TOTAL REAL ESTATE			\$758,911,988	\$377,572,950	\$298,337,803	\$165,098,516				\$8,035,359	\$1,324,973	

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<b>REAL ASSETS</b>													
118	ArcLight Energy Partners VI, LP	Energy - Midstream		\$23,253,274	\$40,000,000	\$26,325,842	\$4,872,370	Blended Index***	Yes	N/A			
119	ACM Fund II, LLC	Real Assets - Agriculture		\$4,689,271	\$25,000,000	\$7,630,815	\$4,277,491	Blended Index***	Yes	N/A	\$454,639	\$1,326,826	
120	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$8,779,662	\$20,000,000	\$8,811,507	\$1,596,554	Blended Index***	Yes	N/A			
121	Quantum Energy Partners VI, LP	Energy - Midstream		\$24,692,527	\$35,000,000	\$19,145,730	\$2,967,662	Blended Index***	Yes	N/A	\$1,791,332		
122	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$22,968,376	\$33,000,000	\$33,817,456	\$20,988,088	Blended Index***	Yes	N/A	\$787,446		
123	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$20,051,824	\$40,000,000	\$23,595,828	\$6,190,851	Blended Index***	Yes	N/A	\$1,791,366	\$132,574	
124	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$8,210,327	\$35,000,000	\$16,324,807	\$16,755,744	Blended Index***	Yes	N/A		\$279,865	
125	Carlyle Power Partners II, LP	Energy - Power		\$11,757,918	\$40,000,000	\$19,413,286	\$6,710,786	Blended Index***	Yes	N/A			
126	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$10,122,997	\$40,000,000	\$11,146,422	\$1,703,882	Blended Index***	Yes	N/A			
127	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core		\$74,082,846	\$100,000,000	\$75,000,000	\$2,929,496	Blended Index***	Yes	N/A		\$2,929,496	
128	Meridiam Infrastructure North America III, LP	Infrastruc. - Core			\$50,000,000			Blended Index***	Yes	N/A			
129	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$4,949,981	\$25,000,000	\$6,314,748	\$139,642	Blended Index***	Yes	N/A			
130	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$42,303,481	\$100,000,000	\$30,000,000		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>													
131	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$13,707,924	\$100,000,000	\$18,370,902	\$6,176,806	Blended Index***	Yes	N/A			
132	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$235,602,341				Blend of weighted real return asset class benchmarks.	Yes	N/A	\$828,980	\$8,395,676	This is the overaly proxy for the Real Return asset category.
133	TOTAL PRIVATE REAL ASSETS			\$505,172,749	\$683,000,000	\$295,897,343	\$75,309,373				\$5,653,762	\$13,064,436	

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

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<b>COMMODITIES</b>													
134	Blackstone Resources Select Offshore Fund	Commodities		\$39,712,272				Bloomberg Commodity Index	Yes	N/A			
135	Gresham Strategic Commodities Fund	Commodities		\$25,295,501				Bloomberg Commodity Index	Yes	N/A			
136	<b>TOTAL COMMODITIES</b>			<b>\$65,007,773</b>	<b>\$683,000,000</b>	<b>\$295,897,343</b>	<b>\$75,309,373</b>						
<b>OPPORTUNITIES</b>													
137	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$11,209,171	\$25,000,000	\$24,875,000	\$18,895,903	Cambridge Assoc. All PE	Yes	N/A		\$1,687,764	
138	<b>TOTAL OPPORTUNITIES</b>			<b>\$11,209,171</b>	<b>\$25,000,000</b>	<b>\$24,875,000</b>	<b>\$18,895,903</b>					<b>\$1,687,764</b>	
<b>SHORT-TERM</b>													
139	State Street Global Advisors - STIF (Cash Account)	Cash		\$205,410,449				91 Day T-Bill	Yes	N/A	\$27,739,529	\$50,008,239	Unallocated cash is swept into a short-term investment fund.
140	<b>TOTAL SHORT-TERM</b>			<b>\$205,410,449</b>							<b>\$27,739,529</b>	<b>\$50,008,239</b>	
<b>FUTURES OVERLAY</b>													
141	State Street Global Advisors (Futures Overlay)	Overlay		\$58,456,060				Target Asset Allocation	Yes	N/A	\$108,882,233	\$115,613,969	State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Fnma Tba 30 Yr 4, Gnma li Tba 30 Yr 3.5, Us Dollar, Fhlmc Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Swap Morgan Stanley Coc, Mini Msci Emg Mkt Sep17, Dax Index Future Sep17
142	<b>TOTAL FUTURES OVERLAY</b>			<b>\$58,456,060</b>							<b>\$108,882,233</b>	<b>\$115,613,969</b>	
<b>SCERS TOTAL PORTFOLIO</b>				<b>\$8,829,582,781</b>	<b>\$3,144,516,550</b>	<b>\$1,748,709,697</b>	<b>\$614,214,765</b>				<b>\$459,496,091</b>	<b>\$493,015,420</b>	

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## INVESTMENT MANAGER WATCH LIST WITH COMMENTARY

August 31, 2017

#	Investment Manager	Fund Type	Reason	Effective (month - year)	Commentary
1	<b>Brown Advisory</b>	Large Cap Growth	<b>Performance</b>	Feb-17	Returns have significantly underperformed the benchmark over long-term periods: 2Q2017 (5.7% vs. +4.7%); 1-Year (14.6% vs. +20.4); 3-Year (+8.5% vs. +11.1%); 5-Year (+12.7% vs. +15.3%), and since inception (+10.9% vs. +14.1%).
2	<b>Huber Capital Management</b>	Large Cap Value	<b>Performance</b>	Feb-15	Returns have underperformed the benchmark over the long-term periods: 2Q2017 (+2.5% vs. +1.3%); 1-Year (+20.6% vs. +15.5%); 3-Year (+4.1% vs. +7.4%); and since inception (+11.1% vs. +13.2%).
3	<b>Och-Ziff Capital Management</b>	Absolute Return and Opportunistic Real Estate	<b>Organization</b>	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	<b>Weatherbie Capital Management</b>	Small Cap Growth	<b>Organization</b>	Sep-15	Weatherbie was initially placed on the watch list for poor performance but has dramatically improved performance by outperforming the benchmark over all periods. However, Weatherbie was acquired by Algiers Associates in January 2017 and will be watched to evaluate the organizational change.