



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 8

**MEETING DATE:** October 18, 2017

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

#### **PURPOSE**

To comply with SCERS' investment policy statement reporting requirements.

#### **DISCUSSION**

Report for the month of September 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 September 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**

1. Monthly Investment Manager Activity, Compliance and Watch List Report - September 2017
2. Watch List with Commentary Report – September 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 September 30, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 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
<b>DOMESTIC EQUITY</b>													
1	JP Morgan Asset Management	Equity 130/30		\$113,565,896				Russell 1000	Yes	N/A	\$14,103,968	\$15,215,843	Alphabet, Apple, Microsoft, UnitedHealth Group, Citigroup, Occidental Petroleum, Pfizer, Dowdupont, EOG Resources, Broadcom
2	Eagle Capital Management	Large Cap Core		\$234,862,959				Russell 1000	Yes	N/A	\$344,018	\$370,022	Berkshire Hathaway Inc Cl B, Microsoft Corp, Oracle Corp, Alphabet Inc Cl C, Aon Plc, Citigroup Inc, Liberty Global Plc C, Amazon.Com Inc, Ecolab Inc, Marriott International Cl A
3	Brown Advisory	Large Cap Growth	YES	\$117,984,586				Russell 1000 Growth	Yes	N/A	\$2,127,477	\$2,406,861	Visa Inc Class A Shares, Paypal Holdings Inc, Facebook Inc A, Adobe Systems Inc, Amphenol Corp Cl A, Intuitive Surgical Inc, Zoetis Inc, State Street Bank + Trust Co, Roper Technologies Inc, Danaher Corp
4	Alliance Bernstein	Large Cap Passive		\$1,108,529,098				Russell 1000	Yes	N/A	\$7,398,988	\$6,057,183	Apple Inc, Microsoft Corp, Facebook Inc A, Amazon.Com Inc, Berkshire Hathaway Inc Cl B, Johnson + Johnson, Exxon Mobil Corp, Jpmorgan Chase + Co, Alphabet Inc Cl A, Alphabet Inc Cl C
5	Huber Capital Management	Large Cap Value	YES	\$116,444,159				Russell 1000 Value	Yes	N/A	\$4,622,874	\$3,210,204	Kbr Inc, State Street Bank + Trust Co, Citigroup Inc, Ca Inc, Microsoft Corp, Jpmorgan Chase + Co, Bank Of America Corp, Northrop Grumman Corp, Cno Financial Group Inc, Pfizer Inc
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$96,484,754				FTSE NAREIT Equity REIT	Yes	N/A	\$5,806,952	\$5,497,681	Simon Property Group Inc, Equinix Inc, Prologis Inc, Avalonbay Communities Inc, Cubesmart, Boston Properties Inc, Starwood Waypoint Homes, Hcp Inc, Udr Inc, Essex Property Trust Inc
7	Weatherbie Capital	Small Cap Growth	YES	\$105,885,413				Russell 2000 Growth	Yes	N/A	\$4,722,513	\$4,921,806	Firstservice Corp, Wayfair Inc Class A, Middleby Corp, Stamps.Com Inc, Xpo Logistics Inc, Ebix Inc, Paylocity Holding Corp, Portola Pharmaceuticals Inc, Chegg Inc, Insulet Corp
8	UBS Global Asset Management	Small Cap Growth		\$68,696,185				Russell 2000 Growth	Yes	N/A	\$5,960,706	\$4,559,289	State Street Bank + Trust Co, Universal Display Corp, Wlx.Com Ltd, Exact Sciences Corp, Summit Materials Inc Cl A, Callidus Software Inc, Generac Holdings Inc, Varonis Systems Inc, National Bank Hold Cl A, Boise Cascade Co
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$80,603,663				Russell 2000 Value	Yes	N/A	\$3,461,463	\$3,404,920	State Street Bank + Trust Co, Brandywine Realty Trust, Employers Holdings Inc, Sandy Spring Bancorp Inc, American Eagle Outfitters, Radian Group Inc, Old National Bancorp, Teradyne Inc, El Paso Electric Co, Kennedy Wilson Holdings Inc
10	Wedge Capital Management	Small Cap Value		\$90,035,402				Russell 2000 Value	Yes	N/A	\$4,317,163	\$4,630,387	Stag Industrial Inc, Treehouse Foods Inc, Dana Inc, Prosperity Bancshares Inc, Aecom, Assurant Inc, Standex International Corp, Great Western Bancorp Inc, Cullen/Frost Bankers Inc, State Street Bank + Trust Co
11	TOTAL DOMESTIC EQUITY			\$2,133,092,114							\$52,866,121	\$50,274,195	

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<b>INTERNATIONAL EQUITY</b>													
12	Lazard Asset Management	ACWI ex-US		\$471,042,382				MSCI ACWI Ex.-U.S.	Yes	N/A	\$13,020,545	\$15,806,527	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Prudential Plc, Sampo Oyj A Shs, British American Tobacco Plc, Daiwa House Industry Co Ltd, Unicredit Spa, Don Quijote Holdings Co Ltd, Informa Plc, Shire Plc
13	LSV Asset Management	Developed Large Cap Value		\$529,017,000				MSCI World Ex.-U.S.	Yes	N/A	\$8,352,071	\$9,792,964	Sanofi, Bp Plc, Enel Spa, Nippon Telegraph + Telephone, Swiss Life Holding Ag Reg, Bae Systems Plc, Deutsche Post Ag Reg, Magna International Inc, Kddi Corp, Basf Se
14	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$468,121,960				MSCI World Ex.-U.S.	Yes	N/A	\$569,598		Keyence Corp, Aia Group Ltd, Novo Nordisk A/S B, Lvmh Moet Hennessey Louis Vui, Adidas Ag, Kuehne Nagel Intl Ag Reg, Novozymes A/S B Shares, Smc Corp, Daito Trust Construct Co Ltd, Air Liquide Sa
15	William Blair International Small Cap	Developed Small Cap Growth		\$126,973,029				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$8,519,884	\$7,763,161	Rubis, Elbit Systems Ltd, Beazley Plc, Royal Unibrew, Ssp Group Plc, Kion Group Ag, China Lodging Group-Spon Ads, Shenzhen International Group, Localiza Rent A Car, Rbl Bank Ltd
16	Mondrian International Small Cap	Developed Small Cap Value		\$107,771,533				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$1,258,482	\$792,884	CAE Inc, Nifco Inc, Croda International PLC, Spirax-Sarco Engineering PLC, MTU Aero Engines AG Registered, AAK AB, Rubis SCA, Mercury NZ Ltd, AF AB B Shares, Fielmann AG
17	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$182,705,264				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, Samsung Electronics, Naspers, Reliance Industries, Housing Development Fin., Samsung Eln.Pref.
18	Mondrian EM All Cap	Emerging Market - All Cap		\$150,788,466				MSCI Emerging Markets	Yes	N/A	\$11,603,909	\$6,001,369	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, China Construction Bank Corp Class H, Gazprom PJSC Sponsored ADR, WH Group Ltd, China Mobile Ltd, Fibra Uno Administracion SA, Shinhan Financial Group Ltd, Bajaj Auto Ltd, Indiabulls Housing Finance Ltd
19	Mondrian EM Small Cap	Emerging Market - Small Cap		\$25,182,681				MSCI Emerging Markets Small Cap	Yes	N/A	\$770,842	\$1,852,318	Page Industries Ltd, QL Resources Bhd, Bloomage Biotechnology Corp Ltd, Alicorp SAA, Dialog Group Bhd, Voltronic Power Technology Corp, Varun Beverages Ltd, Microport Scientific Corp, Atrium European Real Estate, Airtac International Group TWD10
20	William Blair EM Small Cap	Emerging Market - Small Cap		\$29,978,386				MSCI Emerging Markets Small Cap	Yes	N/A			Bank Tabungan Negara Persero, Bajaj Finance Ltd, Cvc Brasil Operadora E Agenc, Nmc Health Plc, Gruh Finance Ltd, Localiza Rent A Car, Kruk Sa, Mahanagar Gas Ltd, China Lodging Group-Spon Ads, Capitec Bank Holdings Ltd
21	CBRE Clarion Securities	REIT - Internat'l		\$85,946,515				FTSE NAREIT Developed e.x.-U.S.	Yes	N/A	\$22,712,266	\$22,862,698	Ck Asset Holdings Ltd, Sun Hung Kai Properties, Mitsui Fudosan Co Ltd, Link Reit, Unibail Rodamco Se, Hang Lung Properties Ltd, Vonovia Se, Mirvac Group, Westfield Corp, Kenedix Retail Reit Corp
22	<b>TOTAL INTERNATIONAL EQUITY</b>			<b>\$2,177,527,217</b>							<b>\$66,807,597</b>	<b>\$64,871,920</b>	

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<b>PRIVATE EQUITY</b>													
23	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$61,475,520	\$75,000,000	\$70,500,000	\$39,376,320	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,125,000	\$1,500,000	
24	HarbourVest International PEP VI, LP	aFund of Funds		\$34,362,360	\$50,000,000	\$36,512,598	\$15,265,282	Cambridge Assoc. All Private Equity	Yes	N/A	\$380,411	\$1,313,867	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		\$24,582,623	\$50,000,000	\$47,587,500	\$22,702,729	Cambridge Assoc. All Private Equity	Yes	N/A		\$253,282	
26	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$39,999,442	\$75,000,000	\$74,435,671	\$47,470,455	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,179,270	
27	Accel-KKR Capital Partners IV, LP	Buyout		\$9,246,820	\$15,000,000	\$11,287,048	\$5,948,691	Cambridge Assoc. All Private Equity	Yes	N/A		\$313,410	
28	Accel-KKR Capital Partners V, LP	Buyout		\$4,255,162	\$25,000,000	\$4,509,334		Cambridge Assoc. All Private Equity	Yes	N/A	\$2,273,660		
29	H.I.G. Capital Partners V, LP	Buyout		\$3,600,160	\$14,000,000	\$4,592,845	\$1,437,210	Cambridge Assoc. All Private Equity	Yes	N/A		\$801,103	
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		\$27,028,837	\$35,000,000	\$24,133,923		Cambridge Assoc. All Private Equity	Yes	N/A	\$4,440,115		
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			
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			
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			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	\$14,955,517	\$19,280,101	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.
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		\$6,305,562	\$10,000,000	\$8,764,637	\$7,075,421	Cambridge Assoc. All Private Equity	Yes	N/A	\$294,637	\$4,029,561	
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		\$3,016,308	\$14,400,000	\$3,021,592		Cambridge Assoc. All Private Equity	Yes	N/A	\$2,120,199		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		\$19,848,314	\$35,000,000	\$41,802,635	\$24,022,205	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,510,164	
42	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$13,796,878	\$40,000,000	\$15,620,918	\$2,701,421	Cambridge Assoc. All Private Equity	Yes	N/A	\$507,280		
44	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$17,165,082	\$25,000,000	\$20,557,947	\$5,347,086	Cambridge Assoc. All Private Equity	Yes	N/A	\$47,719	\$1,268,822	
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		\$21,738,941	\$30,000,000	\$24,230,705	\$6,569,108	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,134,972	
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			

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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			
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		\$19,190,404	\$25,000,000	\$20,937,500	\$5,463,095	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,989,335	
56	Dyal II US Investors, LP	Other		\$8,498,728	\$35,000,000	\$13,495,512	\$3,487,206	Cambridge Assoc. All Private Equity	Yes	N/A			
57	Dyal Capital Partners III, LP	Other		\$10,539,943	\$35,000,000	\$17,088,603	\$6,842,573	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,034,230	
58	Khosla Ventures Fund IV, LP	Venture Capital		\$15,643,888	\$10,000,000	\$9,810,000	\$1,238,882	Cambridge Assoc. All Private Equity	Yes	N/A		\$282,969	
59	Khosla Ventures Fund V, LP	Venture Capital		\$12,603,758	\$20,000,000	\$12,340,000	\$1,012,798	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,012,798	
60	NEA 14, LP	Venture Capital		\$36,242,278	\$25,000,000	\$23,500,000	\$2,945,120	Cambridge Assoc. All Private Equity	Yes	N/A			

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61	NEA 15, LP	Venture Capital		\$30,496,783	\$35,000,000	\$24,504,431		Cambridge Assoc. All Private Equity	Yes	N/A	\$700,000		
62	NEA 16, LP	Venture Capital		\$2,368,338	\$35,000,000	\$2,450,000		Cambridge Assoc. All Private Equity	Yes	N/A			
63	Trinity Ventures XI, LP	Venture Capital		\$24,721,828	\$25,000,000	\$18,937,500		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			
65	<b>TOTAL PRIVATE EQUITY</b>			<b>\$627,188,625</b>	<b>\$1,228,943,600</b>	<b>\$719,040,151</b>	<b>\$249,846,255</b>				<b>\$12,139,020</b>	<b>\$21,623,783</b>	

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<b>PUBLIC CREDIT</b>													
66	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$172,297,577				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
67	TOTAL PUBLIC CREDIT			\$172,297,577									
<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			
70	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$6,068,890	\$20,000,000	\$24,939,499	\$24,971,109	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$424,482	
71	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$22,099,893	\$35,000,000	\$33,351,363	\$15,286,051	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$678,590	
72	TOTAL PRIVATE CREDIT			\$53,781,660	\$112,000,000	\$93,796,340	\$52,968,567					\$1,103,072	

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<b>ABSOLUTE RETURN</b>													
73	Grosvenor SC Absolute Return Fund (SCARF)	Separate Account		\$260,950,859				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
74	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Interim Separate Account		\$70,375,990				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
75	Lakewood Capital Partners, LP	Equity Long/Short		\$45,434,037	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
76	Elliott Associates, LP	Event Driven		\$50,533,755				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
77	Jana Partners Qualified, LP	Event Driven		\$41,310,325				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
78	Third Point Partners Qualified, LP	Event Driven		\$46,753,720				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
79	Grosvenor	Fund of Funds		\$410,243				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		\$1,868,769				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		\$34,490,260				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
82	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$40,898,024				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
83	AQR DELTA Fund, LP	Multi-Strategy		\$71,808,420				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
84	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$46,209,480				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
85	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$34,743,905				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
86	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$33,103,630				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
87	<b>TOTAL ABSOLUTE RETURN</b>			<b>\$778,891,417</b>	<b>\$35,000,000</b>	<b>\$33,000,000</b>							

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SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
 Monthly Investment Manager Activity, Compliance, and Watch List Report September 30, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 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
<b>FIXED INCOME</b>													
88	Neuberger Investment Management	Enhanced Index		\$354,236,660				Barclays U.S. Aggregate Bond	Yes	N/A	\$36,085,594	\$30,997,578	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	TCW MetWest Asset Management	Core Plus		\$374,560,337				Barclays U.S. Aggregate Bond	Yes	N/A	\$130,879,466	\$129,071,296	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, Metropolitan West High Yield B, Fnma Tba 30 Yr 4.5, Gnma li Tba 30 Yr 4.5, Us Treasury N/B <i>Monthly Purchases and Sales excludes derivative transactions.</i>
90	Prudential Investment Management	Core Plus		\$435,094,334				Barclays U.S. Aggregate Bond	Yes	N/A	\$16,645,113	\$17,538,434	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 09Musois, B8A3Ryn10 Irs Usd R V 12Mlibor, B8A3U3H15 Irs Usd R V 01Musois, B8A3Ug8W8 Irs Usd R V 01Musois, B8A2G7517 Irs Usd R V 03Mlibor, S8A4Hxr94 Irs Usd R F 1.81500 <i>Monthly Purchases and Sales excludes derivative transactions.</i>
91	Brandywine Global Investment Management	Global		\$229,273,626				80% Citigroup WGBI ex.-U.S. / 20% JP Morgan GBI EM Diversified	Yes	N/A	\$14,800,430	\$13,560,459	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	<b>TOTAL FIXED INCOME</b>			\$1,393,164,958							\$198,410,603	\$191,167,766	

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 Monthly Investment Manager Activity, Compliance, and Watch List Report September 30, 2017

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<b>CORE REAL ESTATE</b>													
93	BlackRock Realty	Real Estate - Core Separate Account		\$169,435,396				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		\$67,862,220				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		\$52,926,383				NFI-ODCE Index	Yes	N/A			
97	Prime Property Fund, LLC	Real Estate - Core		\$52,960,869				NFI-ODCE Index	Yes	N/A			
98	Principal US Property Account	Real Estate - Core		\$41,424,075				NFI-ODCE Index	Yes	N/A			
99	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$32,082,992				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	TOTAL CORE REAL ESTATE			\$590,193,315									

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 Monthly Investment Manager Activity, Compliance, and Watch List Report September 30, 2017

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<b>NON-CORE REAL ESTATE</b>													
103	<b>DRC European Real Estate Debt Fund II, LP</b>	Real Estate - Value Add Debt		<b>\$22,608,318</b>	\$50,000,000	\$80,260,650	\$53,400,052	NFI-ODCE + 100 bps	Yes	N/A	<b>\$517,926</b>		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	<b>Carlyle China Realty, LP</b>	Real Estate - Opport.		<b>\$3,506,927</b>	\$10,000,000	\$3,977,692		NFI-ODCE + 100 bps	Yes	N/A			
105	<b>Carlyle China Rome Logistics, LP</b>	Real Estate - Opport.		<b>\$10,315,769</b>	\$20,000,000	\$11,032,508		NFI-ODCE + 100 bps	Yes	N/A			
106	<b>CIM Opportunity Fund VIII, LP</b>	Real Estate - Opport.		<b>\$27,954,855</b>	\$35,000,000	\$30,804,150	\$5,906,609	NFI-ODCE + 100 bps	Yes	N/A			
107	<b>KKR Real Estate Partners Americas, LP</b>	Real Estate - Opport.		<b>\$16,596,733</b>	\$35,000,000	\$30,673,814	\$22,862,172	NFI-ODCE + 100 bps	Yes	N/A		<b>\$2,190,224</b>	
108	<b>Och-Ziff Real Estate Fund III, LP</b>	Real Estate - Opport.	<b>YES</b>	<b>\$12,729,623</b>	\$35,000,000	\$14,595,576	\$5,575,123	NFI-ODCE + 100 bps	Yes	N/A	<b>\$99,958</b>	<b>\$1,379,482</b>	
109	<b>AEW Value Investors II, LP</b>	Real Estate - Value Add		<b>\$321,592</b>	\$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	<b>Allegis Value Trust</b>	Real Estate - Value Add		<b>\$16,344,712</b>	\$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	<b>ECE European Prime Shopping Centre Fund II, SCS SIF</b>	Real Estate - Value Add		<b>\$8,536,309</b>	\$35,000,000	\$7,922,479	\$1,343,683	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.
112	<b>Hammes Partners II, LP</b>	Real Estate - Value Add		<b>\$13,616,490</b>	\$25,000,000	\$16,504,420	\$4,378,227	NFI-ODCE + 100 bps	Yes	N/A		<b>\$895,514</b>	
113	<b>Hines US Office Value Fund II, LP</b>	Real Estate - Value Add		<b>\$650,323</b>	\$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	<b>NREP Nordic Strategies Fund, FCP-FIS</b>	Real Estate - Value Add		<b>\$15,277,504</b>	\$25,000,000	\$22,760,539	\$17,895,501	NFI-ODCE + 100 bps	Yes	N/A	<b>\$580,436</b>	<b>\$2,088,105</b>	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	<b>NREP Nordic Strategies Fund II, SCSp</b>	Real Estate - Value Add		<b>\$13,498,109</b>	\$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	<b>TOTAL NON-CORE REAL ESTATE</b>			<b>\$161,957,264</b>	<b>\$377,572,950</b>	<b>\$299,536,246</b>	<b>\$171,648,908</b>				<b>\$1,198,320</b>	<b>\$6,553,325</b>	
117	<b>TOTAL REAL ESTATE</b>			<b>\$752,150,579</b>	<b>\$377,572,950</b>	<b>\$299,536,246</b>	<b>\$171,648,908</b>				<b>\$1,198,320</b>	<b>\$6,553,325</b>	

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SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
 Monthly Investment Manager Activity, Compliance, and Watch List Report September 30, 2017

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<b>REAL ASSETS</b>													
118	ArcLight Energy Partners VI, LP	Energy - Midstream		\$24,593,280	\$40,000,000	\$29,672,118	\$6,878,640	Blended Index***	Yes	N/A	\$3,346,276	\$2,006,270	
119	ACM Fund II, LLC	Real Assets - Agriculture		\$2,944,899	\$25,000,000	\$7,630,815	\$4,277,491	Blended Index***	Yes	N/A			
120	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$9,383,995	\$20,000,000	\$9,415,840	\$1,596,554	Blended Index***	Yes	N/A	\$604,333		
121	Quantum Energy Partners VI, LP	Energy - Midstream		\$22,691,746	\$35,000,000	\$21,429,559	\$7,252,272	Blended Index***	Yes	N/A	\$2,283,829	\$4,284,610	
122	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$23,358,898	\$33,000,000	\$34,207,978	\$20,988,088	Blended Index***	Yes	N/A	\$390,522		
123	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$21,125,689	\$40,000,000	\$24,669,692	\$6,190,851	Blended Index***	Yes	N/A	\$1,073,865		
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			
125	Cartyle Power Partners II, LP	Energy - Power		\$11,757,916	\$40,000,000	\$19,413,286	\$6,710,786	Blended Index***	Yes	N/A			
126	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$10,825,666	\$40,000,000	\$12,092,389	\$1,947,180	Blended Index***	Yes	N/A	\$945,967	\$243,298	
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			
128	Meridiam Infrastructure North America III, LP	Infrastruc. - Core		\$647,249	\$50,000,000	\$647,249		Blended Index***	Yes	N/A	\$647,249		
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		\$49,603,481	\$100,000,000	\$37,300,000		Blended Index***	Yes	N/A	\$7,300,000		

\*\*\* 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		\$13,186,349	\$100,000,000	\$18,542,328	\$6,869,807	Blended Index***	Yes	N/A		\$521,575	
132	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$218,847,443				Blend of weighted real return asset class benchmarks.	Yes	N/A	\$17,111,976	\$1,978,621	This is the overaly proxy for the Real Return asset category.
133	<b>TOTAL PRIVATE REAL ASSETS</b>			<b>\$496,209,764</b>	<b>\$683,000,000</b>	<b>\$312,660,810</b>	<b>\$82,536,552</b>				<b>\$33,704,017</b>	<b>\$9,034,374</b>	

\*\*\* 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		\$39,589,976				Bloomberg Commodity Index	Yes	N/A			
135	Gresham Strategic Commodities Fund	Commodities		\$25,434,959				Bloomberg Commodity Index	Yes	N/A			
136	<b>TOTAL COMMODITIES</b>			<b>\$65,024,935</b>	<b>\$683,000,000</b>	<b>\$312,660,810</b>	<b>\$82,536,552</b>						
<b>OPPORTUNITIES</b>													
137	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$9,818,033	\$25,000,000	\$24,875,000	\$19,654,532	Cambridge Assoc. All PE	Yes	N/A		\$758,628	
138	<b>TOTAL OPPORTUNITIES</b>			<b>\$9,818,033</b>	<b>\$25,000,000</b>	<b>\$24,875,000</b>	<b>\$19,654,532</b>					<b>\$758,628</b>	
<b>SHORT-TERM</b>													
139	State Street Global Advisors - STIF (Cash Account)	Cash		\$202,121,403				91 Day T-Bill	Yes	N/A	\$44,771,528	\$44,953,242	Unallocated cash is swept into a short-term investment fund.
140	<b>TOTAL SHORT-TERM</b>			<b>\$202,121,403</b>							<b>\$44,771,528</b>	<b>\$44,953,242</b>	
<b>FUTURES OVERLAY</b>													
141	State Street Global Advisors (Futures Overlay)	Overlay		\$79,184,511				Target Asset Allocation	Yes	N/A	\$98,325,130	\$84,377,735	State Street Bank + Trust Co, Fnma Tba 30 Yr 4, Fnma Tba 15 Yr 2.5, Gnma li Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Fhlmc Tba 30 Yr 3.5, Swap Morgan Stanley Coc, Us Dollar, Euro Currency, Pound Sterling
142	<b>TOTAL FUTURES OVERLAY</b>			<b>\$79,184,511</b>							<b>\$98,325,130</b>	<b>\$84,377,735</b>	
<b>SCERS TOTAL PORTFOLIO</b>				<b>\$8,940,452,793</b>	<b>\$3,144,516,550</b>	<b>\$1,795,569,356</b>	<b>\$659,191,366</b>				<b>\$508,222,337</b>	<b>\$474,718,040</b>	

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## INVESTMENT MANAGER WATCH LIST WITH COMMENTARY

September 30, 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 Algers Associates in January 2017 and will be watched to evaluate the organizational change.