



ITEM 8

Executive Staff

Richard Stensrud
Chief Executive Officer

Vacant
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

For Agenda of:
October 19, 2016

October 14, 2016

TO: President and Members
Board of Retirement

FROM: JR Pearce
Investment Officer

SUBJECT: September 2016 Monthly Investment Manager Activity, Compliance Report,
and Watch List

Recommendation:

It is recommended that the attached September 2016 Monthly Investment Manager Compliance Report and Watch List be received and filed.

Background/Discussion:

In accordance with SCERS' Investment Policy Statement, the investment transactions for SCERS' investment managers and portfolio investments for the month have been reviewed for compliance with their respective investment guidelines and objectives. No compliance violations have been found. The asset values for the various private equity, real estate, and opportunities investments are lagged one quarter.

As of September 30, 2016, there were four investment managers on the Watch List including Hines (Value Add Real Estate), Brigade SC Credit (Strategic Credit), Huber Capital Management (Large Cap Value), and Weatherbie Capital Management (Small Cap Growth).

Staff and Cliffwater recommend that Och-Ziff Capital be placed on the Watch List due to an organization legal matter. SCERS has an investment in Och-Ziff Domestic Partners II, LP, an absolute return mandate and Och-Ziff Real Estate Fund III, LP, an opportunistic

real estate fund. 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 related to Och-Ziff's dealings in Libya and other African nations going back to 2007. The firm will pay fines of \$213 million to the DOJ and civil penalties of \$199 million to the SEC. In addition, Och-Ziff will be subject to a monitor for the next three years; however, the settlement does not restrict any of Och-Ziff's investment activities. In light of this, the firm has been receiving some redemptions. Potential business risks remain related to further investor redemptions, ancillary regulatory scrutiny, employee retention, and reputational risk.

It is recommended that the investment managers remain on the Watch List and Och-Ziff be placed on the Watch List until the investment consultants and Staff can advise your Board that the performance and/or organizational concerns have been satisfactorily resolved.

We will be happy to answer any questions you might have.

Respectfully submitted,

Concur:

JR Pearce
Investment Officer

Richard Stensrud
Chief Executive Officer

Steve Davis
Deputy Chief Investment Officer

Attachments

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

September 30, 2016

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 30, 2016)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Purchases / Capital Called (month)	Sales / Capital Returned (month)**	Top 10 Holdings / Notes
DOMESTIC EQUITY													
1	JP Morgan Asset Management	Equity 130/30		\$125,900,208				S&P 500 + 100 bps	Yes	N/A	\$13,174,232	\$13,940,804	Alphabet, UnitedHealth Group, Honeywell International, Broadcom Ltd, Microsoft, Wells Fargo, Chubb Limited, Pfizer, Occidental Petroleum, General Motors
2	Eagle Capital Management	Large Cap Core		\$259,851,037				Russell 1000 + 100 bps	Yes	N/A	\$4,410,113	\$5,007,680	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Aon Plc, Amazon.Com Inc, Citigroup Inc, Liberty Global Plc Series C, Unitedhealth Group Inc, Alphabet Inc Cl C, Jpmorgan Chase + Co
3	Brown Advisory	Large Cap Growth		\$118,904,370				Russell 1000 Growth + 100 bps	Yes	N/A	\$2,918,965	\$3,007,518	Amazon.Com Inc, Visa Inc Class A Shares, Facebook Inc A, Starbucks Corp, State Street Bank + Trust Co, Danaer Corp, Intuitive Surgical Inc, Estee Lauder Companies Cl A, Costco Wholesale Corp, Nxp Semiconductors Nv
4	Alliance Bernstein	Large Cap Passive		\$1,127,148,240				Russell 1000	Yes	N/A	\$14,580,245	\$14,088,726	Apple Inc, Microsoft Corp, Exxon Mobil Corp, Amazon.Com Inc, Johnson + Johnson, Facebook Inc A, Berkshire Hathaway Inc Cl B, General Electric Co, At+t Inc, Jpmorgan Chase + Co
5	Huber Capital Management	Large Cap Value	YES	\$111,745,054				Russell 1000 Value + 100 bps	Yes	N/A	\$1,591,829	\$797,692	Kbr Inc, Cno Financial Group Inc, Ca Inc, Bank Of America Corp, Pfizer Inc, Eli Lilly + Co, Herbalife Ltd, Philip Morris International, Citigroup Inc, Jpmorgan Chase + Co
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$119,524,329				NAREIT + 100 bps	Yes	N/A	\$6,268,452	\$6,112,387	Simon Property Group Inc, Welltower Inc, Equinix Inc, Avalonbay Communities Inc, Public Storage, Duke Realty Corp, Equity Residential, Prologis Inc, Hcp Inc, Vornado Realty Trust
7	Weatherbie Capital	Small Cap Growth	YES	\$78,771,555				Russell 2000 Growth + 150 bps	Yes	N/A	\$5,777,959	\$5,682,673	Git Communications Inc, Firstservice Corp, Cotiviti Holdings Inc, State Street Bank + Trust Co, Stamps.Com Inc, Middleby Corp, Ipg Photonics Corp, Macom Technology Solutions H, Ultimate Software Group Inc, Sps Commerce Inc
8	UBS Global Asset Management	Small Cap Growth		\$58,890,134				Russell 2000 Growth + 150 bps	Yes	N/A	\$3,269,858	\$3,074,668	State Street Bank + Trust Co, 8X8 Inc, Gigamon Inc, Abiomed Inc, Wix.Com Ltd, Exact Sciences Corp, Proofpoint Inc, Dexcom Inc, Integrated Device Tech Inc, Us Silica Holdings Inc
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$70,134,495				Russell 2000 Value + 150 bps	Yes	N/A	\$2,924,748	\$3,532,238	State Street Bank + Trust Co, Kennedy Wilson Holdings Inc, Brandywine Realty Trust, Colony Capital Inc A, Kite Realty Group Trust, Hersha Hospitality Trust, Provident Financial Services, Thor Industries Inc, Ptc Inc, First Midwest Bancorp Inc/Il
10	Wedge Capital Management	Small Cap Value		\$77,574,540				Russell 2000 Value + 150 bps	Yes	N/A	\$2,081,448	\$1,890,559	Treehouse Foods Inc, State Street Bank + Trust Co, Stag Industrial Inc, Endurance Specialty Holdings, Dupont Fabros Technology, Aecom, Dana Inc, Enersys, Prosperity Bancshares Inc, Standex International Corp
11	TOTAL DOMESTIC EQUITY			\$2,148,443,961							\$56,997,850	\$57,134,945	

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INTERNATIONAL EQUITY													
12	Lazard Asset Management	ACWI ex-US		\$407,094,175				MSCI ACWI Ex-US + 100 bps	Yes	N/A	\$14,262,363	\$13,069,425	Lazard Emerging Markets Equity, Sampo Oyj A Shs, Daiwa House Industry Co Ltd, State Street Bank + Trust Co, Kddi Corp, Aon Plc, British American Tobacco Plc, Don Quijote Holdings Co Ltd, Shire Plc, Anheuser Busch Inbev Sa/Nv
13	LSV Asset Management	Developed Large Cap		\$426,503,566				MSCI World Ex-US + 100 bps	Yes	N/A	\$23,386,407	\$25,509,166	Nippon Telegraph + Telephone, Bp Plc, Sanofi, Swiss Re Ag, Koninklijke Ahold Delhaize N, Bae Systems Plc, Swiss Life Holding Ag Reg, Total Sa, Magna International Inc, Basf Se
14	William Blair International Small Cap	Developed Small Cap Growth		\$107,305,750				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$8,160,752	\$8,779,420	Nissan Chemical Industries, Glp J-Reit, Star Entertainment Grp Ltd/T, Royal Unibrew, Yes Bank Ltd, Micro Focus International, Aurelius Equity Opportunitie, Icon Plc, Gentera Sab De Cv, Elbit Systems Ltd
15	Mondrian International Small Cap	Developed Small Cap Value		\$90,651,494				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$1,402,217	\$2,278,947	Nifco Inc, Auckland International Airport Ltd, Croda International PLC, Spirax-Sarco Engineering PLC, Christian Hansen Holding A/S, SATS Ltd, MTU Aero Engines AG Registered, Nexteer Automotive Group Ltd, AF AB B Shares, Ascendas REIT
16	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$135,497,834				MSCI Emerging Markets + 150 bps	Yes	N/A			Tencent Holdings, Alibaba Group Hldg.Spn. Adr 1:1, Taiwan Semicon.Mnfg., Naspers, Samsung Electronics, Reliance Industries, Ping An Insurance 'H', Jd.Com Inc, China Life Insurance (Taiwan),
17	Mondrian EM All Cap	Emerging Market - All Cap		\$129,305,340				MSCI Emerging Markets + 150 bps	Yes	N/A	\$5,320,436	\$3,531,151	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, China Mobile Ltd, SK Telecom Co Ltd, Hyundai Mobis Co Ltd, Bajaj Auto Ltd, Taiwan Mobile Co Ltd, WH Group Ltd, Fibra Uno Administracion SA, Woolworths Holdings Ltd
18	Mondrian EM Small Cap	Emerging Market - Small Cap		\$25,141,505				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A	\$147,329	\$474,469	Nexteer Automotive Group Ltd, Nippon Indosari Corpindo Tbk PT, Berger Paints India Ltd, Amara Raja Batteries Ltd, Voltronic Power Technology Corp, D&L Industries Inc, Tong Ren Tang Technologies Ltd Class H, Page Industries Ltd, Emami Ltd, Microport Scientific Corp
19	William Blair EM Small Cap	Emerging Market - Small Cap		\$26,520,173				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A			Yes Bank Ltd, Yandex Nv-A, Bajaj Finance Ltd, Indusind Bank Ltd, Gt Capital Holdings Inc, Bharat Financial Inclusion L, Minth Group Ltd, Havells India Ltd, China Lodging Group-Spon Ads, Fuyao Glass Industry Group-H
20	CBRE Clarion Securities	REIT - Internat'l		\$82,448,392				NAREIT Global ex-US Real Estate + 100 bps	Yes	N/A	\$11,320,174	\$10,066,323	Sun Hung Kai Properties, Unibail Rodamco Se, Mitsui Fudosan Co Ltd, Scentre Group, Mirvac Group, Vicinity Centres, Japan Real Estate Investment, Sino Land Co, Sumitomo Realty + Developmen, Vonovia Se
21	TOTAL INTERNATIONAL EQUITY			\$1,430,468,228							\$63,999,678	\$63,708,901	

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FIXED INCOME													
22	Neuberger Investment Management	Enhanced Index		\$365,027,852				Barclays Aggregate Bond + 25 bps	Yes	N/A	\$45,531,064	\$42,495,250	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
23	Metropolitan West Asset Management	Core Plus		\$381,544,856				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$128,152,028	\$135,942,937	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Fnma Tba 30 Yr 3, Us Treasury N/B, Metropolitan West High Yield B, Fnma Tba 15 Yr 2.5, State Street Bank + Trust Co <i>Monthly Purchases and Sales excludes derivative transactions.</i>
24	Prudential Investment Management	Core Plus		\$421,024,231				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$21,111,644	\$17,530,398	B8A3Nj4X2 Irs Usd R V 03Mfedlo, B8A3N41G5 Irs Usd R V 12Mfedl, B91Qxs9P4 Cds Usd R V 00Mevent, B8A3Lw2X7 Irs Usd R V 12Mfedlo, B8A2Jfqg0 Irs Usd R V 03Mlibor, B8A3Nhy54 Irs Usd R V 03Mfedlo, B8A2P3Hr6 Irs Usd R V 03Mlibor, B8A2Y2Cj1 Irs Usd R V 03Mlibor, S8A3L09N2 Irs Usd R V 03Mfedlo, B8A3Lz3V3 Irs Usd R V 12Mfedl <i>Monthly Purchases and Sales excludes derivative transactions.</i>
25	Brandywine Global Investment Management	Global		\$213,632,793				80% Citigroup WGBl / 20% JP Morgan GBl-EM Global Diversified	Yes	N/A	\$3,761,222	\$2,824,616	Ukt 1 1/4 07/22/18, Mbono 7 3/4 11/13/42, Mbono 8 1/2 11/18/38, Mbono 8 1/2 05/31/29, Gs 0 11/15/18, Hgb 6 11/24/23, Bntnf 10 01/01/25, Nswtc 5 08/20/24, Indogb 9 03/15/29, Nzgb 5 1/2 04/15/23
26	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit	YES	\$156,943,837				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
27	TOTAL FIXED INCOME			\$1,538,173,568							\$198,555,959	\$198,793,201	

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ABSOLUTE RETURN													
28	Grosvenor SC Absolute Return Fund (SCARF)	Diversified Separate Account		\$238,832,771				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
29	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Diversified Separate Account		\$160,313,632				90-Day U.S. T-Bill + 500 bps	Yes	Yes			This diversified Absolute Return Separate Account is part of SCERS' interim Absolute Return allocation.
30	Lakewood Capital Partners, LP	Equity Long/Short		\$39,620,922	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
31	Elliott Associates, LP	Event Driven		\$43,327,891	\$40,945,627	\$40,945,627		90-Day U.S. T-Bill + 500 bps	Yes	Yes	\$1,205,000		
32	Jana Partners Qualified, LP	Event Driven		\$36,351,595				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
33	Third Point Partners Qualified, LP	Event Driven		\$41,429,769				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
34	Grosvenor	Fund of Funds		\$258,020				90-Day U.S. T-Bill + 500 bps	Yes	N/A			Fund was terminated; redemptions from the fund continues to progress.
35	Claren Road Credit Partners, LP	Global Long-Short Credit		\$3,757,494				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. SCERS received \$4.3 million in July, which was half of the remaining capital to be distributed.
36	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$34,021,505				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
37	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$40,263,531				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
38	AQR DELTA Fund, LP	Multi-Strategy		\$47,704,920				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
39	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$39,514,860				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
40	TOTAL ABSOLUTE RETURN FUNDS			\$725,396,909	\$75,945,627	\$73,945,627					\$1,205,000		

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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PRIVATE EQUITY													
41	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$61,821,336	\$75,000,000	\$66,375,000	\$24,750,000	Russell 1000 + 300 bps	Yes	N/A			
42	HarbourVest International PEP VI, LP	aFund of Funds		\$30,599,008	\$50,000,000	\$31,725,070	\$8,544,616	Russell 1000 + 300 bps	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.
43	HarbourVest VIII, LP	aFund of Funds		\$28,062,327	\$50,000,000	\$46,912,500	\$19,593,916	Russell 1000 + 300 bps	Yes	N/A		\$494,724	
44	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$49,361,809	\$75,000,000	\$74,342,136	\$30,503,979	Russell 1000 + 300 bps	Yes	N/A		\$7,063,274	
45	Accel-KKR Capital Partners IV, LP	Buyout		\$9,548,562	\$15,000,000	\$10,239,006	\$1,843,437	Russell 1000 + 300 bps	Yes	N/A	\$989,846		
46	Accel-KKR Capital Partners V, LP	Buyout			\$35,000,000			Russell 1000 + 300 bps	Yes	N/A			
47	H.I.G. Capital Partners V, LP	Buyout		\$2,645,819	\$14,000,000	\$2,968,402		Russell 1000 + 300 bps	Yes	N/A			
48	Marlin Equity IV, LP	Buyout		\$10,815,076	\$20,000,000	\$10,569,329	\$60,255	Russell 1000 + 300 bps	Yes	N/A		\$60,255	
49	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$9,115,013	\$35,000,000	\$9,876,655		Russell 1000 + 300 bps	Yes	N/A	\$5,544,873		
50	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$32,589,124	\$30,000,000	\$29,600,786	\$178,826	Russell 1000 + 300 bps	Yes	N/A		\$178,826	
51	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$4,824,610	\$30,000,000	\$5,021,458		Russell 1000 + 300 bps	Yes	N/A	\$3,362,008		
52	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		(\$255,916)	\$21,000,000	\$231,729		Russell 1000 + 300 bps	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.

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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PRIVATE EQUITY													
53	Waterland Fund V, LP	Buyout - Non-US		\$7,928,826	\$23,193,600	\$14,363,611	\$16,957,511	Russell 1000 + 300 bps	Yes	N/A	\$672,978	\$1,503,032	Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
54	Waterland Fund VI, LP	Buyout - Non-US		\$2,201,364	\$30,000,000	\$2,554,023		Russell 1000 + 300 bps	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.
55	Marlin Heritage, LP	Buyout - Small / Middle Market		\$6,650,595	\$10,000,000	\$6,412,287	\$1,411,103	Russell 1000 + 300 bps	Yes	N/A			
56	Marlin Heritage Europe, LP	Buyout - Small / Middle Market			\$14,400,000			Russell 1000 + 300 bps	Yes	N/A			
57	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$26,662,366	\$35,000,000	\$41,194,231	\$16,116,393	Russell 1000 + 300 bps	Yes	N/A	\$20,667	\$760,673	
58	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$2,666,776	\$40,000,000	\$3,217,778	\$266,667	Russell 1000 + 300 bps	Yes	N/A			
59	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$10,146,540	\$20,000,000	\$24,939,499	\$19,630,296	Russell 1000 + 300 bps	Yes	N/A		\$771,572	
60	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$22,153,855	\$35,000,000	\$25,122,996	\$4,031,773	Russell 1000 + 300 bps	Yes	N/A		\$944,110	
61	Athyrium Opportunities Fund II, LP	Corp. Credit Lending - Healthcare		\$19,288,320	\$32,000,000	\$26,199,946	\$7,599,362	Russell 1000 + 300 bps	Yes	N/A	\$2,015,207	\$3,143,175	
62	Atalaya Special Opportunities Fund VI, LP	Distressed Debt		\$13,904,650	\$25,000,000	\$13,752,629		Russell 1000 + 300 bps	Yes	N/A	\$1,000,000		
63	Garrison Opportunity Fund III, LP	Distressed Debt		\$15,306,075	\$20,000,000	\$20,000,000	\$5,447,289	Russell 1000 + 300 bps	Yes	N/A			
64	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$15,503,420	\$30,000,000	\$16,159,790	\$3,732,617	Russell 1000 + 300 bps	Yes	N/A		\$646,517	
65	TPG Opportunities Partners III, LP	Distressed Debt		\$16,744,739	\$40,000,000	\$18,301,337	\$2,316,986	Russell 1000 + 300 bps	Yes	N/A			

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PRIVATE EQUITY													
66	Wayzata Opportunities Fund III, LP	Distressed Debt		\$9,024,071	\$30,000,000	\$14,490,000	\$4,602,383	Russell 1000 + 300 bps	Yes	N/A	\$105,000		
67	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$21,877,196	\$16,350,000	\$16,350,000		Russell 1000 + 300 bps	Yes	N/A			
68	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$4,012,041	\$35,000,000	\$3,756,826		Russell 1000 + 300 bps	Yes	N/A			
69	TSG 7A,LP and TSG 7B, LP	Buyout - Consumer Brands		\$2,578,668	\$20,000,000	\$2,721,373	\$7,227	Russell 1000 + 300 bps	Yes	N/A	\$2,235,441		
68	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$2,370,889	\$15,000,000	\$3,187,255	\$384,805	Russell 1000 + 300 bps	Yes	N/A			
69	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$11,510,747	\$25,000,000	\$11,875,000		Russell 1000 + 300 bps	Yes	N/A			
70	Dyal II US Investors, LP	Other		\$8,748,133	\$35,000,000	\$11,204,662	\$1,252,105	Russell 1000 + 300 bps	Yes	N/A		\$716,672	
71	Khosla Ventures Fund IV, LP	Venture Capital		\$13,453,046	\$10,000,000	\$9,400,000	\$955,913	Russell 1000 + 300 bps	Yes	N/A			
72	Khosla Ventures Fund V, LP	Venture Capital		\$8,136,400	\$20,000,000	\$7,820,000		Russell 1000 + 300 bps	Yes	N/A			
73	NEA 14, LP	Venture Capital		\$31,249,435	\$25,000,000	\$23,500,000	\$1,986,719	Russell 1000 + 300 bps	Yes	N/A		\$628,195	
74	NEA 15, LP	Venture Capital		\$14,890,274	\$35,000,000	\$14,704,431		Russell 1000 + 300 bps	Yes	N/A	\$525,000		
75	Trinity Ventures XI, LP	Venture Capital		\$18,087,004	\$25,000,000	\$14,562,500		Russell 1000 + 300 bps	Yes	N/A			
76	Trinity Ventures XII, LP	Venture Capital		\$2,649,818	\$30,000,000	\$2,850,000		Russell 1000 + 300 bps	Yes	N/A	\$450,000		
77	TOTAL PRIVATE EQUITY			\$563,510,518	\$1,127,943,600	\$659,852,191	\$179,773,540				\$18,486,227	\$20,054,198	

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REAL ASSETS													
78	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$347,061,017				Blended benchmarked to strategy fund weights	Yes	N/A	\$39,436,818	\$12,777,926	
79	BlackRock Realty	Real Estate - Core Separate Account		\$195,033,883				NFI-ODCE Index	Yes	N/A		\$31,627,314	Assets Managed does not include \$24.5 million of debt. Sales returned represents proceeds from the sale of Forest Pointe Apartments.
80	Cornerstone	Real Estate - Core Separate Account		\$60,601,276				NFI-ODCE Index	Yes	N/A			Assets Managed does not include \$39 million of debt.
81	Jamestown Premier Property Fund, LP	Real Estate - Core and Core Plus		\$18,714,047				NFI-ODCE Index	Yes	N/A		\$1,169,448	
82	MetLife Core Property Fund	Real Estate - Core		\$48,949,084				NFI-ODCE Index	Yes	N/A			
83	Prime Property Fund, LLC	Real Estate - Core		\$49,019,764				NFI-ODCE Index	Yes	N/A			
84	Principal US Property Account	Real Estate - Core		\$37,482,334				NFI-ODCE Index	Yes	N/A			
85	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$30,447,638				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.
86	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$31,140,795	\$35,000,000	\$29,800,000	\$1,029,586	NFI-ODCE Index	Yes	N/A		\$288,405	
87	Townsend Real Estate Fund, LP	Real Estate - Core		\$68,198,446	\$70,000,000	\$67,526,639		NFI-ODCE Index	Yes	N/A	\$22,635,461		
88	Blackstone Resources Select Offshore Fund	Commodities		\$39,636,242				Blend of GSCI and Dow Jones AIG	Yes	N/A			
89	Gresham Strategic Commodities Fund	Commodities		\$24,268,589				Dow Jones AIG Index	Yes	N/A			

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

September 30, 2016

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 30, 2016)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Purchases / Capital Called (month)	Sales / Capital Returned (month)**	Top 10 Holdings / Notes
REAL ASSETS													
90	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$11,923,362	\$100,000,000	\$13,700,253	\$2,713,687	CPI-U Headline + 500 bps	Yes	N/A			
91	ArcLight Energy Partners VI, LP	Energy - Midstream		\$16,558,261	\$40,000,000	\$17,333,454	\$573,221	CPI-U Headline + 500 bps	Yes	N/A			
92	ACM Fund II, LLC	Real Assets - Agriculture		\$4,721,261	\$25,000,000	\$4,721,261		CPI-U Headline + 500 bps	Yes	N/A	\$4,721,261		
93	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$6,546,581	\$20,000,000	\$7,168,373	\$1,236,089	CPI-U Headline + 500 bps	Yes	N/A	\$75,133	\$187,313	
94	Quantum Energy Partners VI, LP	Energy - Midstream		\$8,340,241	\$35,000,000	\$9,298,965	\$1,770,702	CPI-U Headline + 500 bps	Yes	N/A	\$505,971		
95	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$26,749,821	\$33,000,000	\$29,236,114	\$7,570,851	CPI-U Headline + 500 bps	Yes	N/A	\$992,950	\$372,474	
96	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$9,834,917	\$40,000,000	\$11,231,760	\$614,731	CPI-U Headline + 500 bps	Yes	N/A	\$923,440		
97	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$7,405,824	\$35,000,000	\$8,138,687	\$284,429	CPI-U Headline + 500 bps	Yes	N/A	\$1,001,544	\$103,286	
98	Carlyle Power Partners II, LP	Energy - Power		\$12,880,661	\$40,000,000	\$18,732,977	\$3,748,538	CPI-U Headline + 500 bps	Yes	N/A			
99	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core			\$75,000,000			CPI-U Headline + 500 bps	Yes	N/A			
100	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$6,509,283	\$40,000,000	\$7,399,732	\$1,342,448	CPI-U Headline + 500 bps	Yes	N/A	\$1,748,000	\$617,349	
101	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$2,988,326	\$25,000,000	\$3,847,207	\$139,642	CPI-U Headline + 500 bps	Yes	N/A	\$1,804,183		
102	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$35,639,976	\$100,000,000	\$24,700,000		CPI-U Headline + 500 bps	Yes	N/A			
103	TOTAL REAL ASSETS			\$1,100,651,629	\$713,000,000	\$252,835,423	\$21,023,924				\$73,844,761	\$47,143,515	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

September 30, 2016

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 30, 2016)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Purchases / Capital Called (month)	Sales / Capital Returned (month)**	Top 10 Holdings / Notes
OPPORTUNITIES													
104	DRC European Real Estate Debt Fund II, LP	Distressed Debt - Europe		\$28,185,434	\$50,000,000	\$72,418,208	\$45,488,747	NFI-ODCE Index	Yes	N/A	\$3,506,698		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.
105	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$17,782,592	\$25,000,000	\$24,875,000	\$10,990,334	Russell 1000 + 300 bps	Yes	N/A		\$344,132	
106	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$22,890,633	\$35,000,000	\$26,355,617	\$5,114,809	NFI-ODCE + 100 bps	Yes	N/A			
107	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$18,208,962	\$35,000,000	\$27,155,920	\$15,166,877	NFI-ODCE + 100 bps	Yes	N/A		\$2,370,625	
108	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.	YES	\$10,404,139	\$35,000,000	\$10,037,527	\$517,300	NFI-ODCE + 100 bps	Yes	N/A	\$225,974	\$52,126	
109	AEW Value Investors II, LP	Real Estate - Value Add		\$2,092,018	\$25,000,000	\$21,812,596	\$26,113,671	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 April 2016.
110	Allegis Value Trust	Real Estate - Value Add		\$21,538,910	\$25,000,000	\$25,000,000	\$7,309,000	NFI-ODCE + 100 bps	Yes	N/A			
111	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$7,317,685	\$35,000,000	\$7,922,479	\$1,023,277	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	Hammes Partners II, LP	Real Estate - Value Add		\$11,151,792	\$25,000,000	\$11,914,364	\$1,168,973	NFI-ODCE + 100 bps	Yes	N/A	\$4,289,597	\$261,199	
113	Hines US Office Value Fund II, LP	Real Estate - Value Add	YES	\$3,242,857	\$22,572,950	\$21,726,796	\$11,172,947	NFI-ODCE + 100 bps	Yes	N/A		\$875,715	
114	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$21,618,979	\$25,000,000	\$22,179,980	\$5,595,574	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	Real Estate - Value Add		\$4,454,178	\$35,000,000	\$4,707,229		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 OPPORTUNITIES			\$164,434,000	\$337,572,950	\$271,398,487	\$129,661,509				\$8,022,269	\$3,903,797	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

September 30, 2016

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 30, 2016)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Purchases / Capital Called (month)	Sales / Capital Returned (month)**	Top 10 Holdings / Notes
SHORT-TERM													
117	State Street Global Advisors - STIF (Cash Account)	Cash		\$198,897,731				91 Day T-Bill	Yes	N/A	\$45,605,383	\$108,560,158	Unallocated cash is swept into a short-term investment fund.
118	TOTAL			\$198,897,731							\$45,605,383	\$108,560,158	
FUTURES OVERLAY													
119	States Street Global Advisors (Futures Overlay)	Overlay		\$165,393,788				Target Asset Allocation	Yes	N/A	\$64,647,823	\$62,440,838	State Street Bank + Trust Co, Otc290747 Trs Usd R E, Otc290738 Trs Usd R E, Otc290775 Trs Usd R E, Us Dollar, Gnma I Tba 30 Yr 3.5, Fnma Tba 30 Yr 4, Euro Currency, Fhlmc Tba 30 Yr 3.5, Fnma Tba 15 Yr 2.5
120	TOTAL			\$165,393,788							\$64,647,823	\$62,440,838	
SCERS TOTAL PORTFOLIO				\$8,035,370,335	\$2,254,462,177	\$1,258,031,728	\$330,458,973				\$531,364,949	\$561,739,552	

*Net Asset Value for Private Equity, Real Assets, and Opportunistic are June 2016 values adjusted for cash flows, except where noted.

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

INVESTMENT MANAGER WATCH LIST 30-Sep-16

#	Investment Manager	Fund Type	Reason	Effective (month - year)	Commentary
1	Hines US Office Value Fund II	Real Estate - Value Add	Performance	Nov-10	Though the firm's shorter period returns have been favorable, the since inception return significantly underperformed against the benchmark: 2Q2016 (-1.5% vs. +2.7%); 1-Year (+12.2% vs. +13.6%); 3-Year (+29.4% vs. +13.9%); 5-Year (+18.7% vs. +13.9%); and since inception return (-16.0% vs. +8.8%).
2	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit	Organizational Change	Mar-14	Ben Renshaw, head of Brigade's Zurich office since 2011, announced his retirement. Mr. Renshaw is a senior manager and was considered the "right-hand-man" to Don Morgan, the co-founder. Returns have underperformed the benchmark: 2Q2016 (+8.5% vs. +4.4%); 1-Year (-1.1% vs. +1.4%); and since inception (+1.0% vs. +2.7%).
3	Huber Capital Management	Large Cap Value	Performance	Feb-15	Returns have underperformed the benchmark over all periods: 2Q2016 (+1.6% vs. +4.6%); 1-Year (-4.9% vs. +2.9%); 3-Year (+3.8% vs. +9.9%); and since inception (+8.3% vs. +12.6%).
4	Weatherbie Capital Management	Small Cap Growth	Performance	Sep-15	Returns have underperformed the benchmark over all periods: 2Q2016 (+3.0% vs. +3.2%); 1-Year (-7.5% vs. -10.6%); 3-Year (+4.8% vs. +7.7%); 5-Year (+7.8% vs. +8.5%); and since inception (+9.4% vs. +10.3%).
5	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.