



## ITEM 9

Executive Staff

Richard Stensrud  
Chief Executive Officer

Steve Davis  
Chief Investment Officer

Robert L. Gaumer  
General Counsel

Kathryn T. Regalia  
Chief Operations Officer

John W. Gobel, Sr.  
Chief Benefits Officer

**For Agenda of:**  
**March 15, 2017**

March 10, 2017

**TO:** President and Members  
Board of Retirement

**FROM:** JR Pearce  
Investment Officer

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

### **Recommendation:**

**It is recommended that the attached February 2017 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 February 28, 2017, there were five investment managers on the Watch List including Brown Advisory (Large Cap Growth), Hines (Value Add Real Estate), Huber Capital Management (Large Cap Value), Och-Ziff Capital Management (Absolute Return and Opportunities-Real Estate), and Weatherbie Capital Management (Small Cap Growth).

It is recommended that the four investment managers remain 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.

February 2017 Monthly Investment Manager  
Compliance Report and Watch List  
March 10, 2017  
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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  
Chief Investment Officer

Attachments

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

February 28, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of February 28, 2017)*	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
<b>DOMESTIC EQUITY</b>													
1	JP Morgan Asset Management	Equity 130/30		\$105,977,408				S&P 500 + 100 bps	Yes	N/A	\$11,764,153	\$13,513,710	Alphabet, Apple, UnitedHealth Group, Broadcom Ltd, Honeywell International, Microsoft, Pfizer, Walt Disney, Citigroup, PepsiCo
2	Eagle Capital Management	Large Cap Core		\$216,981,282				Russell 1000 + 100 bps	Yes	N/A	\$1,093,269	\$990,545	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Liberty Global Plc C, Alphabet Inc Cl C, Amazon.Com Inc, Citigroup Inc, Aon Plc, Ecolab Inc, Jpmorgan Chase + Co
3	Brown Advisory	Large Cap Growth	YES	\$105,558,265				Russell 1000 Growth + 100 bps	Yes	N/A	\$8,819,968	\$7,880,857	Visa Inc Class A Shares, Amazon.Com Inc, State Street Bank + Trust Co, Facebook Inc A, Costco Wholesale Corp, Danaher Corp, Intuitive Surgical Inc, Amphenol Corp Cl A, Ecolab Inc, Adobe Systems Inc
4	Alliance Bernstein	Large Cap Passive		\$1,041,040,962				Russell 1000	Yes	N/A	\$2,709,318	\$2,756,570	Apple Inc, Microsoft Corp, Exxon Mobil Corp, Johnson + Johnson, Jpmorgan Chase + Co, Amazon.Com Inc, Berkshire Hathaway Inc Cl B, Facebook Inc A, General Electric Co, Wells Fargo + Co
5	Huber Capital Management	Large Cap Value	YES	\$108,396,894				Russell 1000 Value + 100 bps	Yes	N/A	\$6,963,638	\$2,291,763	Kbr Inc, State Street Bank + Trust Co, Cno Financial Group Inc, Citigroup Inc, Philip Morris International, Ca Inc, Jpmorgan Chase + Co, Herbalife Ltd, Bank Of America Corp, Pfizer Inc
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$96,554,135				NAREIT + 100 bps	Yes	N/A	\$7,074,056	\$7,386,961	Simon Property Group Inc, Avalonbay Communities Inc, Boston Properties Inc, Equinix Inc, Public Storage, Welltower Inc, Vornado Realty Trust, Prologis Inc, Hcp Inc, Cubesmart
7	Weatherbie Capital	Small Cap Growth	YES	\$87,968,711				Russell 2000 Growth + 150 bps	Yes	N/A	\$5,132,644	\$5,184,379	Firstservice Corp, Stamps.Com Inc, Gtt Communications Inc, Macom Technology Solutions H, Insulet Corp, Middleby Corp, Bofi Holding Inc, Ultimate Software Group Inc, Paylocity Holding Corp, State Street Bank + Trust Co
8	UBS Global Asset Management	Small Cap Growth		\$65,123,765				Russell 2000 Growth + 150 bps	Yes	N/A	\$1,775,683	\$1,700,690	State Street Bank + Trust Co, Universal Display Corp, Wix.Com Ltd, Exact Sciences Corp, Proofpoint Inc, 8X8 Inc, Webster Financial Corp, Burlington Stores Inc, National Bank Hold Cl A, Wageworks Inc
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$78,968,070				Russell 2000 Value + 150 bps	Yes	N/A	\$1,986,816	\$2,066,515	Brandywine Realty Trust, Kennedy Wilson Holdings Inc, Radian Group Inc, Korn/Ferry International, Sandy Spring Bancorp Inc, Hancock Holding Co, State Street Bank + Trust Co, Ipg Photonics Corp, Old National Bancorp, Ptc Inc
10	Wedge Capital Management	Small Cap Value		\$88,003,273				Russell 2000 Value + 150 bps	Yes	N/A	\$2,202,180	\$2,189,273	Treehouse Foods Inc, Dupont Fabros Technology, Prosperity Bancshares Inc, State Street Bank + Trust Co, Stag Industrial Inc, Aecom, Dana Inc
11	TOTAL DOMESTIC EQUITY			\$1,994,572,765							\$49,521,724	\$45,961,263	

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<b>INTERNATIONAL EQUITY</b>													
12	Lazard Asset Management	ACWI ex-US		\$407,193,067				MSCI ACWI Ex-US + 100 bps	Yes	N/A	\$16,314,541	\$13,187,835	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Daiwa House Industry Co Ltd, Prudential Plc, British American Tobacco Plc, Sampo Oyj A Shs, Shire Plc, Don Quijote Holdings Co Ltd, Valeo Sa, Informa Plc
13	LSV Asset Management	Developed Large Cap Value		\$456,029,965				MSCI World Ex-US + 100 bps	Yes	N/A	\$7,907,753	\$9,785,521	Sanofi, Nippon Telegraph + Telephone, Bp Plc, Swiss Life Holding Ag Reg, Bae Systems Plc, Swiss Re Ag, Basf Se, Total Sa, Glaxosmithkline Plc, Magna International Inc
14	Walter Scott International EAFE Income Growth	Developed Large Cap Growth						MSCI World Ex-US + 100 bps	Yes	N/A			Funded on March 10, 2017 for \$400 million.
15	William Blair International Small Cap	Developed Small Cap Growth		\$105,623,315				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$6,017,022	\$6,412,038	Aurelius Equity Opportunitie, Boliden Ab, Suruga Bank Ltd, Ipsen, Yes Bank Ltd, Alten Sa, Intrum Justitia Ab, Nissan Chemical Industries, Elbit Systems Ltd, Orora Ltd
16	Mondrian International Small Cap	Developed Small Cap Value		\$91,755,401				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$1,459,905	\$1,362,814	MTU Aero Engines AG Registered, Auckland International Airport Ltd, Croda International PLC, SATS Ltd, Nifco Inc, Mercury NZ Ltd, Spirax-Sarco Engineering PLC, AF AB B Shares, Rubis SCA, Ascendas REIT
17	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$141,489,198				MSCI Emerging Markets + 150 bps	Yes	N/A			Tencent Holdings, Taiwan Semicon.Mnfg., Alibaba Group Hldg.Spn. Adr 1:1, Samsung Electronics, Ping An Insurance 'H', Naspers, China Life Insurance (Taiwan), Reliance Industries, Housing Development Fin., Sberbank Of Russia (Lon) Adr
18	Mondrian EM All Cap	Emerging Market - All Cap		\$133,820,870				MSCI Emerging Markets + 150 bps	Yes	N/A	\$5,109,218	\$5,245,101	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, China Construction Bank Corp Class H, WH Group Ltd, China Mobile Ltd, SK Telecom Co Ltd, Woolworths Holdings Ltd, Hyundai Mobis Co Ltd, Fibra Uno Administracion SA, Bajaj Auto Ltd
19	Mondrian EM Small Cap	Emerging Market - Small Cap		\$24,223,968				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A	\$10,506	\$987,769	Nexteer Automotive Group Ltd, Siloam International Hospitals, D&L Industries Inc, Microport Scientific Corp, Ginko International Co Ltd, Voltronic Power Technology Corp, Berger Paints India Ltd, Apollo Hospitals Enterprise Ltd, Nippon Indosari Corpindo Tbk PT, Major Cineplex Group PCL - Foreign
20	William Blair EM Small Cap	Emerging Market - Small Cap		\$23,753,602				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A			Bajaj Finance Ltd, China Lodging Group-Spon Ads, Fuyao Glass Industry Group-H, Nmc Health Plc, Hanssem Co Ltd, Vedanta Ltd, Capitec Bank Holdings Ltd, Bharat Financial Inclusion L, Pampa Energia Sa-Spon Adr, Bank Tabungan Negara Persero
21	CBRE Clarion Securities	REIT - Internat'l		\$79,183,730				NAREIT Global ex-US Real Estate + 100 bps	Yes	N/A	\$11,383,768	\$12,218,280	Cheung Kong Property Holding, Scentre Group, Nippon Prologis Reit Inc, Mitsui Fudosan Co Ltd, Sun Hung Kai Properties, Activia Properties Inc, Unibail Rodamco Se, Hulic Co Ltd, Orix Jreit Inc, Charter Hall Retail Reit
22	TOTAL INTERNATIONAL EQUITY			\$1,463,073,116							\$48,202,714	\$49,199,357	

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<b>FIXED INCOME</b>													
23	Neuberger Investment Management	Enhanced Index		\$352,212,374				Barclays Aggregate Bond + 25 bps	Yes	N/A	\$40,881,842	\$45,826,809	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, Us Treasury N/B
24	Metropolitan West Asset Management	Core Plus		\$371,912,630				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$113,272,923	\$110,403,940	Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Metropolitan West High Yield B, Us Treasury N/B, Us Treasury N/B, Fnma Tba 30 Yr 3, State Street Bank + Trust Co <i>Monthly Purchases and Sales excludes derivative transactions.</i>
25	Prudential Investment Management	Core Plus		\$419,333,955				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$29,811,444	\$21,619,027	B8A3N41G5 Irs Usd R V 12Mfedl, B8A3Ucw67 Irs Usd R V 03Mlibor, B8A4302E7 Irs Usd R V 01Mlibor, B8A4302H0 Irs Usd R F 2.16500, B91Qxs9P4 Cds Usd R V 00Mevent, B8A3Tkg69 Irs Usd R V 12Mlibor, B8A3U8Pu1 Irs Usd R V 01Musois, 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>
26	Brandywine Global Investment Management	Global		\$207,021,167				80% Citigroup WGBI / 20% JP Morgan GBI-EM Global Diversified	Yes	N/A	\$15,234,579	\$16,395,847	T 2 7/8 11/15/46, Ukt 1 1/4 07/22/18, Mbono 7 3/4 11/13/42, T 3 11/15/45, Mbono 8 1/2 11/18/38, Mbono 8 1/2 05/31/29, Bntnf 10 01/01/25, Hgb 6 11/24/23, Bntnf 10 01/01/27, Nswtc 5 08/20/24
27	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$165,676,949				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
28	<b>TOTAL FIXED INCOME</b>			<b>\$1,516,157,074</b>							<b>\$199,200,788</b>	<b>\$194,245,623</b>	

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<b>ABSOLUTE RETURN</b>													
29	Grosvenor SC Absolute Return Fund (SCARF)	Diversified Separate Account		\$254,245,404				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
30	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Diversified Separate Account		\$69,025,795				90-Day U.S. T-Bill + 500 bps	Yes	Yes			This diversified Absolute Return Separate Account is part of SCERS' interim Absolute Return allocation.
31	Lakewood Capital Partners, LP	Equity Long/Short		\$43,207,065	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
32	Elliott Associates, LP	Event Driven		\$48,816,523				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
33	Jana Partners Qualified, LP	Event Driven		\$38,704,925				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
34	Third Point Partners Qualified, LP	Event Driven		\$41,863,069				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
35	Grosvenor	Fund of Funds		\$245,736				90-Day U.S. T-Bill + 500 bps	Yes	N/A			Fund was terminated; redemptions from the fund continues to progress.
36	Claren Road Credit Partners, LP	Global Long-Short Credit		\$2,488,444				90-Day U.S. T-Bill + 500 bps	Yes	Yes			SCERS put in a full redemption request for this fund. Due to significant redemptions incurred by Claren Road, final distribution of SCERS' capital will be made over multiple quarters.
37	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$35,326,620				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
38	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$41,667,074				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
39	AQR DELTA Fund, LP	Multi-Strategy		\$71,068,380				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
40	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$42,656,490				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
41	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$35,320,635				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
42	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$35,000,000				90-Day U.S. T-Bill + 500 bps	Yes	Yes			Invested \$35 million in the fund on February 16, 2017.
43	<b>TOTAL ABSOLUTE RETURN FUNDS</b>			<b>\$759,636,161</b>	<b>\$35,000,000</b>	<b>\$33,000,000</b>							

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<b>PRIVATE EQUITY</b>													
44	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$61,172,680	\$75,000,000	\$68,250,000	\$30,001,320	Russell 1000 + 300 bps	Yes	N/A	\$750,000	\$1,500,000	
45	HarbourVest International PEP VI, LP	aFund of Funds		\$30,081,335	\$50,000,000	\$34,503,044	\$11,842,946	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.
46	HarbourVest VIII, LP	aFund of Funds		\$25,740,225	\$50,000,000	\$47,400,000	\$21,166,545	Russell 1000 + 300 bps	Yes	N/A		\$317,310	
47	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$49,369,180	\$75,000,000	\$74,342,136	\$33,905,959	Russell 1000 + 300 bps	Yes	N/A			
48	Accel-KKR Capital Partners IV, LP	Buyout		\$10,809,985	\$15,000,000	\$11,287,048	\$1,882,526	Russell 1000 + 300 bps	Yes	N/A		\$39,089	
49	Accel-KKR Capital Partners V, LP	Buyout		\$1,401,138	\$25,000,000	\$1,648,472		Russell 1000 + 300 bps	Yes	N/A			
50	H.I.G. Capital Partners V, LP	Buyout		\$2,834,621	\$14,000,000	\$3,207,392		Russell 1000 + 300 bps	Yes	N/A			
51	Marlin Equity IV, LP	Buyout		\$12,024,890	\$20,000,000	\$10,729,713	\$190,655	Russell 1000 + 300 bps	Yes	N/A	\$160,384	\$50,212	
52	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$12,133,600	\$35,000,000	\$13,057,070		Russell 1000 + 300 bps	Yes	N/A			
53	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$32,620,298	\$30,000,000	\$29,600,786	\$178,826	Russell 1000 + 300 bps	Yes	N/A			
54	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$10,646,209	\$30,000,000	\$10,970,975		Russell 1000 + 300 bps	Yes	N/A	\$1,408,277		
55	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		(\$437,712)	\$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.

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<b>PRIVATE EQUITY</b>													
56	Waterland Fund V, LP	Buyout - Non-US		\$13,173,330	\$23,193,600	\$14,710,875	\$17,167,446	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.
57	Waterland Fund VI, LP	Buyout - Non-US		\$5,822,355	\$30,000,000	\$6,040,313		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.
58	Marlin Heritage, LP	Buyout - Small / Middle Market		\$8,071,362	\$10,000,000	\$7,562,602	\$1,411,103	Russell 1000 + 300 bps	Yes	N/A			
59	Marlin Heritage Europe, LP	Buyout - Small / Middle Market			\$14,400,000			Russell 1000 + 300 bps	Yes	N/A			
60	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$26,265,155	\$35,000,000	\$41,782,546	\$16,590,737	Russell 1000 + 300 bps	Yes	N/A		\$93,090	
61	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$11,104,270	\$40,000,000	\$12,418,400	\$1,354,227	Russell 1000 + 300 bps	Yes	N/A	\$2,667,289		
62	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$7,603,469	\$20,000,000	\$24,939,499	\$22,593,281	Russell 1000 + 300 bps	Yes	N/A			
63	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$21,869,780	\$35,000,000	\$26,765,069	\$6,879,038	Russell 1000 + 300 bps	Yes	N/A			
64	Athyrium Opportunities Fund II, LP	Corp. Credit Lending - Healthcare		\$23,353,544	\$32,000,000	\$30,442,458	\$8,852,196	Russell 1000 + 300 bps	Yes	N/A	\$1,263,893	\$990,263	
65	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$18,790,015	\$25,000,000	\$19,652,061	\$1,625,015	Russell 1000 + 300 bps	Yes	N/A	\$1,502,532	\$904,963	
65	Garrison Opportunity Fund III, LP	Distressed Debt		\$13,821,166	\$20,000,000	\$20,000,000	\$6,220,104	Russell 1000 + 300 bps	Yes	N/A			
66	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$17,089,532	\$30,000,000	\$18,945,732	\$5,066,142	Russell 1000 + 300 bps	Yes	N/A			



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<b>PRIVATE EQUITY</b>													
67	TPG Opportunities Partners III, LP	Distressed Debt		\$17,727,539	\$40,000,000	\$18,301,337	\$2,316,986	Russell 1000 + 300 bps	Yes	N/A			
68	Wayzata Opportunities Fund III, LP	Distressed Debt		\$9,688,598	\$30,000,000	\$14,718,000	\$4,602,383	Russell 1000 + 300 bps	Yes	N/A			
69	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$24,543,576	\$16,350,000	\$16,350,000	\$13,166	Russell 1000 + 300 bps	Yes	N/A			
70	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$8,860,102	\$35,000,000	\$8,737,103		Russell 1000 + 300 bps	Yes	N/A			
71	TSG 7A, LP and TSG 7B, LP	Buyout - Consumer Brands		\$2,706,064	\$20,000,000	\$2,986,363	\$7,227	Russell 1000 + 300 bps	Yes	N/A			
70	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$4,017,249	\$15,000,000	\$4,827,631	\$384,805	Russell 1000 + 300 bps	Yes	N/A			
71	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$14,885,022	\$25,000,000	\$15,500,000	\$653,903	Russell 1000 + 300 bps	Yes	N/A			
72	Dyal II US Investors, LP	Other		\$6,312,435	\$35,000,000	\$11,204,662	\$6,392,003	Russell 1000 + 300 bps	Yes	N/A			
73	Dyal Capital Partners III, LP	Other		\$11,093,368	\$35,000,000	\$11,093,368		Russell 1000 + 300 bps	Yes	N/A			
74	Khosla Ventures Fund IV, LP	Venture Capital		\$14,952,565	\$10,000,000	\$9,670,000	\$955,913	Russell 1000 + 300 bps	Yes	N/A			
75	Khosla Ventures Fund V, LP	Venture Capital		\$10,055,800	\$20,000,000	\$9,940,000		Russell 1000 + 300 bps	Yes	N/A	\$800,000		
76	NEA 14, LP	Venture Capital		\$33,339,264	\$25,000,000	\$23,500,000	\$2,379,176	Russell 1000 + 300 bps	Yes	N/A			
77	NEA 15, LP	Venture Capital		\$19,714,029	\$35,000,000	\$17,679,431		Russell 1000 + 300 bps	Yes	N/A	\$875,000		

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PRIVATE EQUITY													
78	Trinity Ventures XI, LP	Venture Capital		\$18,788,325	\$25,000,000	\$16,562,500		Russell 1000 + 300 bps	Yes	N/A			
79	Trinity Ventures XII, LP	Venture Capital		\$3,320,413	\$30,000,000	\$3,900,000		Russell 1000 + 300 bps	Yes	N/A	\$750,000		
80	<b>TOTAL PRIVATE EQUITY</b>			<b>\$615,364,778</b>	<b>\$1,150,943,600</b>	<b>\$713,458,315</b>	<b>\$204,633,627</b>				<b>\$10,177,375</b>	<b>\$3,894,927</b>	

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#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of February 28, 2017)*	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
<b>REAL ASSETS</b>													
81	<b>SSgA Real Asset Strategy Proxy</b>	Real Assets Overlay		\$320,072,254				Blended benchmarked to strategy fund weights	Yes	N/A	\$3,427,046	\$10,654,465	This is the overaly proxy for the Real Assets asset class.
82	<b>BlackRock Realty</b>	Real Estate Core Separate Account		\$150,162,737				NFI-ODCE Index	Yes	N/A	\$1,419,401		Capital called is for the Block 295 (Leland James Center) redevelopment project in Portland, OR.
83	<b>Cornerstone</b>	Real Estate Core Separate Account		\$65,190,851				NFI-ODCE Index	Yes	N/A			Assets Managed does not include \$39 million of debt.
84	<b>Jamestown Premier Property Fund, LP</b>	Real Estate Core and Core Plus		\$19,225,923				NFI-ODCE Index	Yes	N/A			
85	<b>MetLife Core Property Fund</b>	Real Estate Core		\$50,169,133				NFI-ODCE Index	Yes	N/A			
86	<b>Prime Property Fund, LLC</b>	Real Estate Core		\$51,332,452				NFI-ODCE Index	Yes	N/A			
87	<b>Principal US Property Account</b>	Real Estate Core		\$39,212,520				NFI-ODCE Index	Yes	N/A			
88	<b>Prologis Targeted Europe Logistics Fund, LP</b>	Real Estate Core		\$29,753,966				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.
89	<b>Prologis Targeted US Logistics Fund, LP</b>	Real Estate Core		\$36,837,059	\$35,000,000	\$29,800,000	\$1,434,296	NFI-ODCE Index	Yes	N/A			
90	<b>Townsend Real Estate Fund, LP</b>	Real Estate Core		\$69,273,126	\$90,000,000	\$67,526,639		NFI-ODCE Index	Yes	N/A			
91	<b>Blackstone Resources Select Offshore Fund</b>	Commodities		\$42,704,509				Blend of GSCI and Dow Jones AIG	Yes	N/A			
92	<b>Gresham Strategic Commodities Fund</b>	Commodities		\$26,179,443				Dow Jones AIG Index	Yes	N/A			

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93	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$8,794,400	\$100,000,000	\$13,870,902	\$6,176,806	CPI-U Headline + 500 bps	Yes	N/A		\$1,682,659	
94	ArcLight Energy Partners VI, LP	Energy - Midstream		\$21,995,982	\$40,000,000	\$26,325,842	\$4,872,370	CPI-U Headline + 500 bps	Yes	N/A		\$4,299,149	
95	ACM Fund II, LLC	Real Assets - Agriculture		\$4,403,198	\$25,000,000	\$6,468,247	\$1,902,189	CPI-U Headline + 500 bps	Yes	N/A			
96	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$6,624,442	\$20,000,000	\$7,617,867	\$1,596,554	CPI-U Headline + 500 bps	Yes	N/A			
97	Quantum Energy Partners VI, LP	Energy - Midstream		\$15,455,651	\$35,000,000	\$13,101,189	\$1,770,702	CPI-U Headline + 500 bps	Yes	N/A			
98	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$18,224,815	\$33,000,000	\$31,238,650	\$18,622,492	CPI-U Headline + 500 bps	Yes	N/A		\$285,953	
99	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$7,405,578	\$40,000,000	\$14,546,474	\$3,792,327	CPI-U Headline + 500 bps	Yes	N/A	\$602,892	\$2,704,403	
100	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$12,568,141	\$35,000,000	\$15,287,590	\$3,170,690	CPI-U Headline + 500 bps	Yes	N/A			
101	Carlyle Power Partners II, LP	Energy - Power		\$13,116,226	\$40,000,000	\$19,050,560	\$4,312,447	CPI-U Headline + 500 bps	Yes	N/A			
102	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core			\$100,000,000			CPI-U Headline + 500 bps	Yes	N/A			
103	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$6,199,603	\$40,000,000	\$7,760,547	\$1,370,790	CPI-U Headline + 500 bps	Yes	N/A			
104	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$2,863,549	\$25,000,000	\$3,847,207	\$139,642	CPI-U Headline + 500 bps	Yes	N/A			
105	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$39,095,786	\$100,000,000	\$27,900,000		CPI-U Headline + 500 bps	Yes	N/A			
106	<b>TOTAL REAL ASSETS</b>			<b>\$1,056,861,341</b>	<b>\$758,000,000</b>	<b>\$284,341,713</b>	<b>\$49,161,306</b>				<b>\$5,449,339</b>	<b>\$19,626,629</b>	

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<b>OPPORTUNITIES</b>													
107	<b>DRC European Real Estate Debt Fund II, LP</b>	Distressed Debt - Europe		<b>\$25,776,133</b>	\$50,000,000	\$77,128,595	\$50,117,737	NFI-ODCE Index	Yes	N/A			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.
108	<b>Atalaya Special Opportunities Fund V, LP</b>	Distressed Debt - US		<b>\$15,550,913</b>	\$25,000,000	\$24,875,000	\$13,949,477	Russell 1000 + 300 bps	Yes	N/A		<b>\$290,084</b>	
109	<b>CIM Opportunity Fund VIII, LP</b>	Real Estate Opport.		<b>\$25,151,294</b>	\$35,000,000	\$28,284,785	\$5,114,809	NFI-ODCE + 100 bps	Yes	N/A			
110	<b>KKR Real Estate Partners Americas, LP</b>	Real Estate Opport.		<b>\$15,942,338</b>	\$35,000,000	\$27,855,068	\$18,757,147	NFI-ODCE + 100 bps	Yes	N/A	<b>\$268,140</b>		
111	<b>Och-Ziff Real Estate Fund III, LP</b>	Real Estate Opport.	<b>YES</b>	<b>\$11,771,449</b>	\$35,000,000	\$11,657,517	\$1,200,967	NFI-ODCE + 100 bps	Yes	N/A		<b>\$158,060</b>	
112	<b>AEW Value Investors II, LP</b>	Real Estate Value Add		<b>\$1,424,337</b>	\$25,000,000	\$21,812,596	\$26,497,696	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.
113	<b>Allegis Value Trust</b>	Real Estate Value Add		<b>\$15,844,978</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.
114	<b>ECE European Prime Shopping Centre Fund II, SCS SIF</b>	Real Estate Value Add		<b>\$7,250,018</b>	\$35,000,000	\$7,922,479	\$1,229,486	NFI-ODCE + 100 bps	Yes	N/A			Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
115	<b>Hammes Partners II, LP</b>	Real Estate Value Add		<b>\$13,400,844</b>	\$25,000,000	\$15,625,384	\$2,098,951	NFI-ODCE + 100 bps	Yes	N/A		<b>\$641,888</b>	
116	<b>Hines US Office Value Fund II, LP</b>	Real Estate Value Add	<b>YES</b>	<b>(\$51,706)</b>	\$22,572,950	\$21,726,796	\$16,064,873	NFI-ODCE + 100 bps	Yes	N/A			The fund has reached the end of its term. Hines has been undergoing an orderly sale of the assets and extended the closing of the fund until 2017.
117	<b>NREP Nordic Strategies Fund, FCP-FIS</b>	Real Estate Value Add		<b>\$18,855,182</b>	\$25,000,000	\$22,179,980	\$8,037,204	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.
118	<b>NREP Nordic Strategies Fund II, SCSp</b>	Real Estate Value Add		<b>\$10,168,658</b>	\$35,000,000	\$10,012,187		NFI-ODCE + 100 bps	Yes	N/A			Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
119	<b>TOTAL OPPORTUNITIES</b>			<b>\$161,084,438</b>	<b>\$372,572,950</b>	<b>\$294,080,387</b>	<b>\$158,927,347</b>				<b>\$268,140</b>	<b>\$1,090,032</b>	

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<b>SHORT-TERM</b>													
120	State Street Global Advisors - STIF (Cash Account)	Cash		\$562,749,444				91 Day T-Bill	Yes	N/A	\$63,058,119	\$38,981,203	Unallocated cash is swept into a short-term investment fund.
121	<b>TOTAL</b>			\$562,749,444							\$63,058,119	\$38,981,203	
<b>FUTURES OVERLAY</b>													
122	State Street Global Advisors (Futures Overlay)	Overlay		\$111,905,004				Target Asset Allocation	Yes	N/A	\$64,625,741	\$131,611,767	Otc295087 Trs Usd R E, Otc295088 Trs Usd R E, Otc295086 Trs Usd R E, State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Gnma Ii Tba 30 Yr 3.5, Fnma Tba 30 Yr 4, Fhmc Tba 30 Yr 3.5, Us Dollar, Fnma Tba 30 Yr 3
123	<b>TOTAL</b>			\$111,905,004							\$64,625,741	\$131,611,767	
<b>SCERS TOTAL PORTFOLIO</b>				\$8,241,404,122	\$2,316,516,550	\$1,324,880,416	\$412,722,280				\$440,503,939	\$484,610,802	

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

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

## INVESTMENT MANAGER WATCH LIST 28-Feb-17

#	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: 3Q2016 (+48.9% vs. +1.6%); 1-Year (+66.4% vs. +10.6%); 3-Year (+44.3% vs. +13.1%); 5 Year (+30.2% vs. +13.1%); and since inception return (-6.7% vs. +8.0%).
2	Huber Capital Management	Large Cap Value	Performance	Feb-15	Returns have underperformed the benchmark over all periods: 3Q2016 (+6.8% vs. +6.7%); 1-Year (+11.5% vs. +17.3%); 3-Year (+3.1% vs. +8.6%); and since inception (+10.6% vs. +13.5%).
3	Weatherbie Capital Management	Small Cap Growth	Performance	Sep-15	Returns have underperformed the benchmark over all periods: 3Q2016 (+2.3% vs. +3.6%); 1-Year (+11.0% vs. +11.3%); 3-Year (+4.8% vs. +7.7%); 5-Year (+3.8% vs. +5.1%); and since inception (+11.3% vs. +10.9%).
4	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.
5	Brown Advisory	Large Cap Growth	Performance	Feb-17	Returns have significantly underperformed the benchmark over all periods: 3Q2016 (-4.6% vs. +4.6%); 1-Year (-2.3% vs. +7.1%); 3-Year (+4.1% vs. +8.6%); and since inception (+8.8% vs. +12.6%).