



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 7

MEETING DATE: September 18, 2019

SUBJECT: Monthly Investment Manager Activity, Compliance, and Watch List Report – August 2019

SUBMITTED FOR: Consent Deliberation and Action Receive and File

RECOMMENDATION

Staff recommends the Board receive and file the Monthly Investment Manager Activity, Compliance, and Watch List report for August 2019.

PURPOSE

This item complies with SCERS' investment policy statement reporting requirements and contributes to the effective management and oversight of investment activities.

DISCUSSION

SCERS' investment manager transactions have been reviewed for compliance with their respective investment guidelines and objectives. No compliance violations have been found.

As of August 31, 2019, investment managers on the Watch List include:

1. Carlyle Group (Opportunistic Real Estate)
2. AQR Capital Management (Diversifying Absolute Return)

Effective August 2019, SCERS added the AQR Delta Fund II (Diversifying Absolute Return) to the Watch List. The Delta Fund's performance has been negative and underperformed SCERS' Diversifying Absolute Return benchmarks. The Fund has also experienced significant outflows over the past year.

Staff and the investment consultants will continue to monitor the performance and/or organizational concerns for SCERS' investment managers and update the Watch List accordingly.

ATTACHMENTS

1. Monthly Investment Manager Activity, Compliance, and Watch List Report – August 2019
2. Watch List with Commentary Report – August 2019

Prepared by:

/S/

Brian Miller
Investment Officer

Reviewed by:

/S/

Steve Davis
Chief Investment Officer

/S/

Eric Stern
Chief Executive Officer

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

August 31, 2019

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of August 31, 2019)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Monthly Purchases / Capital Called	Monthly Sales / Capital Returned**	Top 10 Holdings / Notes
DOMESTIC EQUITY													
1	JP Morgan Asset Management	Equity 130/30		\$133,902,798				Russell 1000	Yes	N/A	\$17,376,658	\$23,399,204	Microsoft, Alphabet, Amazon, Apple, Comcast, Fiserv, Linde, Mastercard, Honeywell International, Prologis
2	D.E. Shaw Broad Market Core Alpha Extension	Equity 130/30		\$127,149,946				Russell 1000	Yes	N/A			Amazon.com, Microsoft, Visa, Apple, VeriSign, Johnson & Johnson, Merck, ConocoPhillips, AbbVie, McDonald's Corp
3	Eagle Capital Management	Large Cap Core		\$254,691,252				Russell 1000	Yes	N/A	\$5,386,906	\$5,667,087	Microsoft Corp, Alphabet Inc Cl C, Berkshire Hathaway Inc Cl B, Citigroup Inc, Comcast Corp Class A, Amazon.Com Inc, Goldman Sachs Group Inc, Liberty Broadband C, Wells Fargo + Co, Marriott International Cl A
4	AQR US Enhanced Equity	Large Cap Core		\$242,998,357				Russell 1000	Yes	N/A	\$19,062,995	\$18,965,672	Microsoft Corp, Apple Inc, Amazon.Com Inc, Facebook Inc Class A, Alphabet Inc Cl A, Johnson + Johnson, Procter + Gamble Co/The, Exelon Corp, Berkshire Hathaway Inc Cl B, Alphabet Inc Cl C
5	Alliance Bernstein	Large Cap Passive		\$1,152,249,847				Russell 1000	Yes	N/A	\$6,284,494	\$6,209,700	Microsoft Corp, Apple Inc, Amazon.Com Inc, Facebook Inc Class A, Berkshire Hathaway Inc Cl B, Alphabet Inc Cl C, Alphabet Inc Cl A, Jpmorgan Chase + Co, Johnson + Johnson, Visa Inc Class A Shares
6	Weatherbie Capital	Small Cap Growth		\$107,928,113				Russell 2000 Growth	Yes	N/A	\$5,473,519	\$6,218,056	Firstservice Corp, Chegg Inc, Insulet Corp, Nevro Corp, Paylocity Holding Corp, Casella Waste Systems Inc A, Heico Corp, Planet Fitness Inc Cl A, State Street Bank + Trust Co, Wayfair Inc Class A
7	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$88,136,855				Russell 2000 Value	Yes	N/A	\$3,110,118	\$3,434,725	Unifirst Corp/Ma, Portland General Electric Co, State Street Bank + Trust Co, Teradyne Inc, Gibraltar Industries Inc, Brandywine Realty Trust, Cable One Inc, Quanta Services Inc, Forward Air Corp, Southwest Gas Holdings Inc
	TOTAL DOMESTIC EQUITY			\$2,107,057,168							\$56,694,690	\$63,894,445	

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INTERNATIONAL EQUITY													
8	Lazard Asset Management	ACWI ex-US		\$361,675,346				MSCI ACWI Ex.-U.S.	Yes	N/A	\$9,977,241	\$11,036,409	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Accenture Plc Cl A, Cae Inc, Vivendi, Aon Plc, Medtronic Plc, Informa Plc, Volkswagen Ag Pref, Sanofi
9	LSV Asset Management	Developed Large Cap Value		\$392,258,015				MSCI World Ex.-U.S.	Yes	N/A	\$20,475,647	\$17,840,650	Roche Holding Ag Genusschein, Sanofi, Enel Spa, Royal Dutch Shell Plc B Shs, Kddi Corp, Nippon Telegraph + Telephone, Total Sa, Bp Plc, Glaxosmithkline Plc, Bae Systems Plc
10	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$509,632,207				MSCI World Ex.-U.S.	Yes	N/A	\$245,068		Aia Group Ltd, Lvmh Moet Hennessy Louis Vui, Keyence Corp, Smc Corp, Adidas Ag, Coloplast B, Compass Group Plc, Shin Etsu Chemical Co Ltd, Smith + Nephew Plc, Experian Plc
11	William Blair International Small Cap	Developed Small Cap Growth		\$83,549,691				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$5,716,800	\$5,736,880	Li Ning Co Ltd, Euronext Nv, Custodian Interest Bearing Deposit Account, Tis Inc, Indutrade Ab, Nihon Unisys Ltd, Beazley Plc, Nihon M&A Center Inc, Globant Sa, Localiza Rent A Car
12	Mondrian International Small Cap	Developed Small Cap Value		\$91,873,003				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$693,188	\$235,460	Rubis SCA, Nihon MA Center Inc, Innergex Renewable Energy Inc, Ultra Electronics Holdings PLC, Nifco Inc, SATS Ltd, en-Japan Inc, Mercury NZ Ltd, WSP Global Inc, Boralex Inc
13	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$185,033,730				MSCI Emerging Markets	Yes	N/A	5,547,920	\$2,864,042	Taiwan Semicon.Mnfg., Ping An Insurance 'H', Alibaba Group Hldg.Spn. ADR 1:1, Tencent Holdings, Norilsk Nickel ADR, Naspers, Samsung Electronics, Sberbank Of Russia (Lon) ADR, Cnooc, Housing Development Fin.
14	Mondrian EM All Cap	Emerging Market - All Cap		\$160,473,498				MSCI Emerging Markets	Yes	N/A	\$3,726,612	\$4,839,130	Ping An Insurance Co of China Class H, Taiwan Semiconductor Manufacturing Ltd, Samsung Electronics Co Ltd, LG Chem Ltd, CSPC Pharmaceutical Group Ltd, Gazprom PJSC Sponsored ADR, Alibaba Group Holding Sponsored ADR, Sands China Ltd, Midea Group Co Ltd Class A, WH Group Ltd
	TOTAL INTERNATIONAL EQUITY			\$1,784,495,489							\$46,382,476	\$42,552,571	

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PRIVATE EQUITY													
15	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$47,649,077	\$75,000,000	\$74,062,500	\$73,501,320	Cambridge Assoc. All Private Equity	Yes	N/A		\$2,062,500	
16	HarbourVest International PEP VI, LP	aFund of Funds		\$34,483,713	\$50,000,000	\$37,649,314	\$24,962,275	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.
17	HarbourVest VIII, LP	aFund of Funds		\$11,630,077	\$50,000,000	\$47,962,500	\$67,639,976	Cambridge Assoc. All Private Equity	Yes	N/A		\$125,921	
18	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$24,061,108	\$75,000,000	\$74,960,334	\$75,447,155	Cambridge Assoc. All Private Equity	Yes	N/A			
19	Accel-KKR Capital Partners IV, LP	Buyout		\$13,800,842	\$15,000,000	\$14,176,766	\$22,441,864	Cambridge Assoc. All Private Equity	Yes	N/A			
20	Accel-KKR Capital Partners V, LP	Buyout		\$10,431,714	\$25,000,000	\$11,640,739	\$6,001,296	Cambridge Assoc. All Private Equity	Yes	N/A		\$5,745,208	
21	H.I.G. Capital Partners V, LP	Buyout		\$12,740,564	\$14,000,000	\$11,319,832	\$3,766,021	Cambridge Assoc. All Private Equity	Yes	N/A			
22	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$41,462,123	\$35,000,000	\$32,852,736	\$25,756,984	Cambridge Assoc. All Private Equity	Yes	N/A			
23	Linden Capital Partners IV, LP	Buyout - Middle Market Healthcare		\$10,699,815	\$44,000,000	\$13,096,127	\$3,439,955	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,884,929		
24	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$41,082,544	\$30,000,000	\$30,010,615	\$27,341,907	Cambridge Assoc. All Private Equity	Yes	N/A		\$7,066,811	
25	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$34,909,240	\$30,000,000	\$28,353,851	\$1,663,022	Cambridge Assoc. All Private Equity	Yes	N/A			
26	Thoma Bravo Fund XIII, LP	Buyout - Middle Market Technology		\$15,889,485	\$45,000,000	\$16,076,058		Cambridge Assoc. All Private Equity	Yes	N/A			

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PRIVATE EQUITY													
27	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		\$9,613,984	\$21,000,000	\$11,064,811	\$2,655,522	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.
28	Waterland Fund V, LP	Buyout - Non-US		\$11,602,431	\$23,193,600	\$15,735,010	\$28,919,708	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.
29	Waterland Fund VI, LP	Buyout - Non-US		\$24,426,629	\$30,000,000	\$17,664,784	\$709,100	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.
30	Marlin Heritage, LP	Buyout - Small / Middle Market		\$11,774,401	\$10,000,000	\$10,136,148	\$9,582,441	Cambridge Assoc. All Private Equity	Yes	N/A			
31	Marlin Heritage II, LP	Buyout - Small / Middle Market		\$5,193,766	\$10,000,000	\$5,094,856		Cambridge Assoc. All Private Equity	Yes	N/A	\$56,128		
32	Marlin Heritage Europe, LP	Buyout - Small / Middle Market		\$8,516,468	\$14,400,000	\$7,022,318		Cambridge Assoc. All Private Equity	Yes	N/A	\$94,737		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
33	Marlin Equity Partners IV, LP	Buyout - Middle Market		\$14,347,279	\$20,000,000	\$19,860,787	\$9,877,476	Cambridge Assoc. All Private Equity	Yes	N/A			
34	Marlin Equity Partners V, LP	Buyout - Middle Market		\$8,770,620	\$25,000,000	\$8,603,113	\$374,749	Cambridge Assoc. All Private Equity	Yes	N/A	\$63,306		
35	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$19,387,412	\$35,000,000	\$41,957,342	\$31,563,336	Cambridge Assoc. All Private Equity	Yes	N/A			
36	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$22,073,611	\$40,000,000	\$37,535,226	\$24,731,489	Cambridge Assoc. All Private Equity	Yes	N/A		\$5,789,863	
38	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$19,545,872	\$25,000,000	\$30,351,369	\$16,594,181	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,556,353	
39	DavidsonKempner Long-Term Distressed Opportunities Fund IV, LP	Distressed Debt		\$23,687,862	\$35,000,000	\$22,400,000		Cambridge Assoc. All Private Equity	Yes	N/A			
40	DavidsonKempner Long-Term Distressed Opportunities Fund V, LP	Distressed Debt			\$30,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
41	Garrison Opportunity Fund III, LP	Distressed Debt		\$13,656,852	\$20,000,000	\$20,000,000	\$7,660,415	Cambridge Assoc. All Private Equity	Yes	N/A			

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PRIVATE EQUITY													
42	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$12,806,603	\$30,000,000	\$23,358,256	\$20,230,756	Cambridge Assoc. All Private Equity	Yes	N/A		\$2,581,515	
43	TPG Opportunities Partners III, LP	Distressed Debt		\$21,126,445	\$40,000,000	\$37,439,970	\$23,664,084	Cambridge Assoc. All Private Equity	Yes	N/A		\$758,953	
44	TSSP Opportunities Partners IV, LP	Distressed Debt		\$4,518,932	\$35,000,000	\$4,362,500	\$1,166	Cambridge Assoc. All Private Equity	Yes	N/A			
45	Wayzata Opportunities Fund III, LP	Distressed Debt		\$5,285,208	\$30,000,000	\$14,718,000	\$8,556,157	Cambridge Assoc. All Private Equity	Yes	N/A			
46	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$15,013,357	\$16,350,000	\$16,350,000	\$16,489,728	Cambridge Assoc. All Private Equity	Yes	N/A			
47	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$13,152,467	\$35,000,000	\$19,393,992	\$20,308,437	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,132,742	
48	Summit Partners Europe Growth Equity Fund II, LP	Growth Equity		\$11,926,132	\$30,000,000	\$15,478,340	\$8,538,907	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,378,062		
49	TSG 7A, LP and TSG 7B, LP	Buyout - Consumer Brands		\$15,326,536	\$20,000,000	\$14,535,653	\$108,566	Cambridge Assoc. All Private Equity	Yes	N/A			
50	TSG8, LP	Buyout - Consumer Brands		\$193,155	\$45,000,000	\$891,419		Cambridge Assoc. All Private Equity	Yes	N/A			
51	Accel-KKR Growth Capital Partners II, LP	Growth Equity - Software Technology		\$9,701,227	\$15,000,000	\$13,353,536	\$8,254,126	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,727,674	
52	Accel-KKR Growth Capital Partners III, LP	Growth Equity - Software Technology		\$2,012,456	\$33,320,000	\$2,012,456		Cambridge Assoc. All Private Equity	Yes	N/A			
53	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$32,657,415	\$25,000,000	\$23,500,000	\$30,029,010	Cambridge Assoc. All Private Equity	Yes	N/A			
54	Spectrum Equity Fund VIII, LP	Growth Equity - Software Technology		\$7,930,049	\$25,000,000	\$8,750,000		Cambridge Assoc. All Private Equity	Yes	N/A			

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PRIVATE EQUITY													
55	Dyal II US Investors, LP	Other		\$15,990,046	\$35,000,000	\$27,534,060	\$6,118,146	Cambridge Assoc. All Private Equity	Yes	N/A			
56	Dyal Capital Partners III, LP	Other		\$18,910,642	\$35,000,000	\$24,066,392	\$11,063,870	Cambridge Assoc. All Private Equity	Yes	N/A	\$280,000		
57	Khosla Ventures Fund IV, LP	Venture Capital		\$2,219,570	\$10,000,000	\$9,810,000	\$11,838,065	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,389,926	
58	Khosla Ventures Fund V, LP	Venture Capital		\$16,395,266	\$20,000,000	\$18,200,000	\$1,012,798	Cambridge Assoc. All Private Equity	Yes	N/A			
59	Khosla Ventures Fund VI, LP	Venture Capital		\$10,802,166	\$35,000,000	\$11,480,000		Cambridge Assoc. All Private Equity	Yes	N/A			
60	NEA 14, LP	Venture Capital		\$30,352,051	\$25,000,000	\$23,500,000	\$21,396,928	Cambridge Assoc. All Private Equity	Yes	N/A			
61	NEA 15, LP	Venture Capital		\$46,339,027	\$35,000,000	\$30,979,431	\$7,455,998	Cambridge Assoc. All Private Equity	Yes	N/A			
62	NEA 16, LP	Venture Capital		\$20,380,041	\$35,000,000	\$18,812,500	\$626,817	Cambridge Assoc. All Private Equity	Yes	N/A		\$626,817	
63	NEA 17, LP	Venture Capital		\$1,200,000	\$20,000,000	\$1,200,000		Cambridge Assoc. All Private Equity	Yes	N/A			
64	Trinity Ventures XI, LP	Venture Capital		\$40,142,586	\$25,000,000	\$22,562,500	\$4,835,385	Cambridge Assoc. All Private Equity	Yes	N/A	\$250,000		
65	Trinity Ventures XII, LP	Venture Capital		\$35,339,519	\$30,000,000	\$21,225,000		Cambridge Assoc. All Private Equity	Yes	N/A			
66	RCP Advisors	Buyout & Co-Investment FoF		\$8,695,161	\$75,000,000	\$9,386,394	\$386,394	Cambridge Assoc. All Private Equity	Yes	N/A			
67	Gridiron Capital Fund IV, LP	Buyout - Middle Market			\$30,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
68	Threshold Ventures III, LP	Venture Capital			\$20,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
TOTAL PRIVATE EQUITY				\$894,723,001	\$1,536,263,600	\$1,061,503,293	\$670,054,421				\$5,446,181	\$34,564,283	

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PUBLIC CREDIT													
69	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$182,792,810				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
TOTAL PUBLIC CREDIT				\$182,792,810									
PRIVATE CREDIT													
70	Athyrium Opportunities Fund II, LP	Opport. Credit - Healthcare		\$13,188,861	\$32,000,000	\$39,018,563	\$31,503,573	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
71	Athyrium Opportunities Fund III, LP	Opport. Credit - Healthcare		\$13,564,616	\$25,000,000	\$18,402,151	\$4,895,283	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$1,439,019		
72	OrbiMed Royalty & Credit Opportunities, L.P.	Opport. Credit - Healthcare			\$35,000,000	\$1,750,000		Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
73	Summit Partners Credit Fund I, LP	Direct Lending		\$2,762,322	\$20,000,000	\$24,939,499	\$28,367,325	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
74	Summit Partners Credit Fund II, LP	Direct Lending		\$29,490,215	\$35,000,000	\$48,213,011	\$26,135,171	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$343,822		
75	Summit Partners Credit Fund III, LP	Direct Lending		\$15,396,694	\$50,000,000	\$14,522,811	\$14,758,257	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$1,010,896	
76	Tennenbaum Capital Partners Direct Lending Fund VIII	Direct Lending		\$59,876,031	\$100,000,000	\$60,634,337	\$2,599,685	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
77	Benefit Street Partners Senior Secured Opportunities Fund, LP	Direct Lending		\$45,793,523	\$50,000,000	\$47,524,698	\$5,026,663	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$1,036,840	
78	IFM U.S. Infrastructure Debt Fund, LP	Direct Lending			\$40,000,000			Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
TOTAL PRIVATE CREDIT				\$180,072,262	\$347,000,000	\$255,005,069	\$113,285,957				\$1,782,841	\$2,047,736	

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GROWTH ABSOLUTE RETURN													
79	Grosvenor SC Absolute Return Fund, Series G (SCARF-G)	Separate Account		\$154,317,823				HFRI FoF Composite Index +100 bps	Yes	Yes			
80	Lakewood Capital Partners, LP	Equity Long/Short		\$45,743,874				HFRI FoF Composite Index +100 bps	Yes	Yes			
81	Jana Partners Qualified, LP	Event Driven		\$2,834,186				HFRI FoF Composite Index +100 bps	Yes	Yes			Redeemed investment with Jana Partners. Received 90% of the account value, approximately \$34 million, with the remaining balance to be received following audit of the fund.
82	Third Point Partners Qualified, LP	Event Driven		\$49,781,198				HFRI FoF Composite Index +100 bps	Yes	Yes			
83	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy		\$51,396,450				HFRI FoF Composite Index +100 bps	Yes	Yes			
	TOTAL GROWTH ABSOLUTE RETURN			\$304,073,532									

TOTAL GROWTH ASSET CATEGORY				\$5,453,214,261							\$110,306,188	\$143,059,035	
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DIVERSIFYING ABSOLUTE RETURN													
84	Grosvenor SC Absolute Return Fund, Series D (SCARF-D)	Separate Account		\$117,989,109				HFRI FoF Conservative Index	Yes	Yes			
85	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Interim Separate Account		\$148,700,362				HFRI FoF Conservative Index	Yes	Yes			
86	Elliott Associates, LP	Event Driven		\$54,988,082				HFRI FoF Conservative Index	Yes	Yes			
88	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$48,526,220				HFRI FoF Conservative Index	Yes	Yes			
89	AQR DELTA Fund II, LP	Multi-Strategy		\$58,296,540				HFRI FoF Conservative Index	Yes	Yes			
89	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$40,404,203				HFRI FoF Conservative Index	Yes	Yes			
90	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$34,951,294				HFRI FoF Conservative Index	Yes	Yes			
90	Marshall Wace Global Opportunities Fund	Equity Long/Short		\$42,248,875				HFRI FoF Conservative Index	Yes	Yes			
91	KLS Diversified Fund, LP	Fixed Income Arbitrage		\$40,751,920				HFRI FoF Conservative Index	Yes	Yes			
91	Davidson Kempner Institutional Partners, L.P	Fixed Income Arbitrage		\$32,674,406				HFRI FoF Conservative Index	Yes	Yes			
	TOTAL DIVERSIFYING ABSOLUTE RETURN			\$619,531,010									

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PUBLIC FIXED INCOME													
92	Neuberger Investment Management	U.S. Treasury		\$471,513,613				Barclays U.S. Treasury	Yes	N/A	\$34,001,387	\$34,769,205	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
93	TCW MetWest Asset Management	Core Plus		\$464,764,799				Barclays U.S. Aggregate Bond	Yes	N/A	\$157,716,262	\$129,450,101	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 Floating Rat, Fnma Tba 30 Yr 3, Us Treasury N/B, Us Treasury N/B <i>Monthly Purchases and Sales excludes derivative transactions.</i>
94	Prudential Investment Management	Core Plus		\$488,596,245				Barclays U.S. Aggregate Bond	Yes	N/A	\$22,582,836	\$25,416,136	B8A4Lnz0 Irs Usd R V 03Mlibor, S8A6Ew5F4 Irs Usd R F 2.32800, State Street Bank + Trust Co, B8A5C9Jh0 Irs Usd R V 03Mlibor, Strip Princ, S8A68Lwx6 Irs Usd R F 2.40500, B8A4Rleb8 Irs Usd R V 03Mlibor, Us Dollar, B8A4Lnzn1 Irs Usd R V 03Mlibor, B8A5Jdc08 Irs Usd R V 03Mlibor <i>Monthly Purchases and Sales excludes derivative transactions.</i>
95	Brandywine Global Investment Management	Global		\$249,773,365				80% Citigroup WGBI ex.-U.S. / 20% JP Morgan GBI EM Diversified	Yes	N/A	\$128,977	\$490,917	Us Treasury Frn Fit 04/30/21, Us Treasury N/B 3% 02/15/49, Us Treasury N/B 2.625% 02/15/29, Mexican Bonos 7.75% 11/13/42, Us Treasury Frn Fit 01/31/21, Mexican Bonos 8.5% 11/18/38, Colombia Tes 6% 04/28/28, Mexican Bonos 8.5% 05/31/29, Rep South Africa 8.75% 02/28/48, Australian Govt. 2.75% 10/21/19
TOTAL FIXED INCOME				\$1,674,648,022							\$214,429,461	\$190,126,359	

TOTAL DIVERSIFYING ASSET CATEGORY				\$2,294,179,032							\$214,429,461	\$190,126,359	
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CORE REAL ESTATE													
96	BlackRock Realty	Real Estate - Core Separate Account		\$3,023,623				NFI-ODCE Index	Yes	N/A			Assets sold as part of real estate separate account transition. Completed the sale of Block 295 (Leland James Center). Remaining balance is for final audit confirmation and closing fees.
97	Barings (formerly Cornerstone)	Real Estate - Core Separate Account		\$340,472				NFI-ODCE Index	Yes	N/A			Assets sold as part of real estate separate account transition.
98	Brookfield Premier Real Estate Partners, LP	Real Estate - Core		\$101,691,652				NFI-ODCE Index	Yes	N/A			
99	Clarion Lion Properties Fund, LP	Real Estate - Core		\$154,292,084				NFI-ODCE Index	Yes	N/A			
100	Jamestown Premier Property Fund, LP	Real Estate - Core / Core Plus		\$18,397,265				NFI-ODCE Index	Yes	N/A			
101	MetLife Core Property Fund	Real Estate - Core		\$61,816,899				NFI-ODCE Index	Yes	N/A			
102	Prime Property Fund, LLC	Real Estate - Core		\$62,145,789				NFI-ODCE Index	Yes	N/A			
103	Principal US Property Account	Real Estate - Core		\$47,423,460				NFI-ODCE Index	Yes	N/A			
104	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$54,070,881				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.
105	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$72,981,596				NFI-ODCE Index	Yes	N/A			
106	Townsend Real Estate Fund, LP	Real Estate - Core		\$113,442,958				NFI-ODCE Index	Yes	N/A			
	TOTAL CORE REAL ESTATE			\$689,626,679									

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NON-CORE REAL ESTATE													
107	DRC European Real Estate Debt Fund II, LP	Real Estate - Value Add Debt		\$8,604,741	\$50,000,000	\$80,487,528	\$75,933,822	NFI-ODCE + 100 bps	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	Carlyle China Realty, LP	Real Estate - Opport.	YES	\$7,524,129	\$10,000,000	\$9,180,997	\$1,593,478	NFI-ODCE + 100 bps	Yes	N/A			
109	Carlyle China Rome Logistics, LP	Real Estate - Opport.	YES	\$32,959,798	\$40,000,000	\$34,718,007	\$2,566,008	NFI-ODCE + 100 bps	Yes	N/A			
110	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$40,426,992	\$35,000,000	\$42,481,517	\$10,716,456	NFI-ODCE + 100 bps	Yes	N/A	\$2,447,382		
111	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$7,064,235	\$35,000,000	\$31,511,178	\$36,114,284	NFI-ODCE + 100 bps	Yes	N/A	\$55,895		
112	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.		\$13,630,859	\$35,000,000	\$24,295,686	\$21,571,074	NFI-ODCE + 100 bps	Yes	N/A			
113	Allegis Value Trust	Real Estate - Value Add		\$172,378	\$25,000,000	\$25,000,000	\$29,159,000	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	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$23,548,254	\$35,000,000	\$21,441,493	\$2,415,445	NFI-ODCE + 100 bps	Yes	N/A		\$192,375	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	Hammes Partners II, LP	Real Estate - Value Add		\$16,837,056	\$25,000,000	\$25,955,385	\$16,015,927	NFI-ODCE + 100 bps	Yes	N/A			
116	Hammes Partners III, L.P.	Real Estate - Value Add		\$1,545,552	\$31,250,000	\$2,241,978	\$173,883	NFI-ODCE + 100 bps	Yes	N/A			
117	Hines US Office Value Fund II, LP	Real Estate - Value Add		\$26,923	\$22,572,950	\$21,726,796	\$17,393,514	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.
118	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$7,328,133	\$25,000,000	\$23,320,832	\$26,923,309	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	NREP Nordic Strategies Fund II, SCSp	Real Estate - Value Add		\$31,733,267	\$35,000,000	\$28,496,392	\$4,200,456	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.
120	NREP Nordic Strategies Fund III, SCSp	Real Estate - Value Add		\$7,355,910	\$40,000,000	\$7,666,353		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.
121	Asana Partners Fund II, LP	Real Estate - Value Add		(\$121,791)	\$40,000,000	\$262,500		NFI-ODCE + 100 bps	Yes	N/A			
	TOTAL NON-CORE REAL ESTATE			\$198,758,227	\$443,822,950	\$378,524,143	\$244,776,655				\$2,503,277	\$192,375	
	TOTAL REAL ESTATE			\$888,384,906	\$443,822,950	\$378,524,143	\$244,776,655				\$2,503,277	\$192,375	

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REAL ASSETS													
122	ACM Fund II, LLC	Real Assets - Agriculture		\$16,648,371	\$25,000,000	\$22,618,410	\$4,596,346	Blended Index***	Yes	N/A	\$3,657,373		
123	ArcLight Energy Partners VI, LP	Energy - Midstream		\$37,660,611	\$40,000,000	\$42,665,239	\$15,766,744	Blended Index***	Yes	N/A	\$2,149,574		
124	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$16,599,198	\$20,000,000	\$21,943,833	\$9,981,655	Blended Index***	Yes	N/A	\$419,767		
125	EnCap Flatrock Midstream Fund IV, LP	Energy - Midstream		\$6,813,442	\$22,500,000	\$8,594,751	\$2,351,682	Blended Index***	Yes	N/A			
126	Quantum Energy Partners VI, LP	Energy - Midstream		\$31,756,854	\$35,000,000	\$30,451,451	\$18,077,230	Blended Index***	Yes	N/A		\$430,002	
127	Quantum Energy Partners VII, LP	Energy - Midstream		\$18,554,484	\$40,000,000	\$20,338,855	\$2,415,366	Blended Index***	Yes	N/A	\$1,471,426		
128	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$20,858,696	\$33,000,000	\$37,039,582	\$27,983,492	Blended Index***	Yes	N/A		\$387,405	
129	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$35,588,118	\$40,000,000	\$35,772,462	\$7,176,447	Blended Index***	Yes	N/A	\$918,068		
130	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$27,786,610	\$35,000,000	\$36,453,163	\$21,264,562	Blended Index***	Yes	N/A			
131	Carlyle Power Partners II, LP	Energy - Power		\$20,423,346	\$40,000,000	\$28,500,974	\$11,089,058	Blended Index***	Yes	N/A			
132	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$30,691,954	\$40,000,000	\$32,012,365	\$6,404,123	Blended Index***	Yes	N/A			
133	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core		\$103,610,459	\$125,000,000	\$106,250,000	\$32,529,013	Blended Index***	Yes	N/A			
134	Meridiam Infrastructure North America III, LP	Infrastruc. - Core		\$677,859	\$50,000,000	\$2,039,463		Blended Index***	Yes	N/A	\$274,063		
135	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$18,092,878	\$25,000,000	\$20,793,974	\$2,137,666	Blended Index***	Yes	N/A	\$2,485,194		
136	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$90,807,371	\$100,000,000	\$71,531,683	\$9,300,000	Blended Index***	Yes	N/A			

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

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REAL ASSETS													
137	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$17,143,921	\$100,000,000	\$37,288,533	\$26,888,949	Blended Index***	Yes	N/A			
138	Tailwater Energy Fund III, LP	Energy - Midstream Infrastruc.		\$23,204,835	\$32,000,000	\$14,011,433		Blended Index***	Yes	N/A			
139	ISQ Global Infrastructure Fund II, LP	Infrastruc. - Value Add		\$13,707,156	\$50,000,000	\$13,990,123	\$1,405,204	Blended Index***	Yes	N/A			
140	Paine Schwartz Food Chain Fund V, LP	Agriculture		(\$466,892)	\$40,000,000			Blended Index***	Yes	N/A			
141	EQT Infrastructure Fund IV, SCSp	Infrastruc. - Value Add		\$3,914,249	\$35,000,000	\$4,164,325		Blended Index***	Yes	N/A			
142	Brookfield Infrastructure Fund IV, L.P.	Infrastruc. - Value Add		(\$16,709)	\$40,000,000			Blended Index***	Yes	N/A			
143	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$214,318,719				Blend of weighted real return asset class benchmarks.	Yes	N/A	\$51,813	\$561,580	This is the overlay proxy for the Real Return asset category.
	TOTAL PRIVATE REAL ASSETS			\$748,375,529	\$967,500,000	\$586,460,618	\$199,367,537				\$11,427,277	\$1,378,986	

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

COMMODITIES													
144	Gresham TAP Fund	Commodities						Bloomberg Commodity Index	Yes	N/A			Gresham TAP Fund was liquidated at the end of Q2, consistent with the adjustment to SCERS' Strategic Asset Allocation approved June 2019, which eliminated the dedicated commodities allocation. Proceeds moved to the SSGA real return overlay proxy.
	TOTAL COMMODITIES												

TOTAL REAL RETURN ASSET CATEGORY				\$1,636,760,435							\$13,930,554	\$1,571,362	
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OPPORTUNITIES													
145	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$7,878,968	\$25,000,000	\$24,875,000	\$23,032,549	Cambridge Assoc. All PE	Yes	N/A		\$132,884	
	TOTAL OPPORTUNITIES			\$7,878,968	\$25,000,000	\$24,875,000	\$23,032,549					\$132,884	
SHORT-TERM													
146	State Street Global Advisors - STIF (Cash Account)	Cash		\$271,632,597				91 Day T-Bill	Yes	N/A	\$35,173,883	\$45,323,242	Unallocated cash is swept into a short-term investment fund.
147	State Street DDA - Dedicated Cash Account	Cash		\$95,071,936				91 Day T-Bill	Yes	N/A			Dedicated cash allocation established at the beginning of Q3 2019, with the adjustment to the Strategic Asset Allocation approved June 2019.
	TOTAL SHORT-TERM			\$366,704,533							\$35,173,883	\$45,323,242	
FUTURES OVERLAY													
148	State Street Global Advisors (Futures Overlay)	Overlay		\$130,701,153				Target Asset Allocation	Yes	N/A	\$123,808,634	\$143,252,511	State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Gnma II Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Fnma Tba 30 Yr 4, Us Dollar, Fnma Tba 30 Yr 3.5, Euro Currency, Pound Sterling, Canadian Dollar
	TOTAL FUTURES OVERLAY			\$130,701,153							\$123,808,634	\$143,252,511	
SCERS TOTAL PORTFOLIO				\$9,889,438,382	\$3,319,586,550	\$2,306,368,123	\$1,250,517,119				\$497,648,720	\$523,465,393	

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1	Carlyle Group	Opportunistic Real Estate	Organization	Sep-18	In September 2018, Carlyle announced plans to exit the Asia real estate business by year end. The existing team will continue to manage the current investments and will be spun-out as a separate entity. Following the separation, the existing arrangement of management fees and promote sharing between Carlyle and the new entity is expected to remain in place. Given the change in management structure and increased risk of further management team departures, the investment with Carlyle has been added to the watch list.
2	AQR Capital Management, Delta Fund II	Diversifying Absolute Return	Performance	Sep-19	AQR Delta Fund's recent performance has been negative and significantly underperformed SCERS' Absolute Return benchmarks. Calendar year 2018 performance was -15.7% and 2019 YTD performance is -5.9%. Recent negative performance has impacted longer term returns with 3 and 5 year annualized returns of -4.6% and +0.3%. The fund has also experienced significant outflows over the past year.