



INVESTMENT ADVISORY SERVICES

Los Angeles • New York

Sacramento County Employees' Retirement System Quarterly Performance Review

March 16, 2022

Absolute Return Portfolio Performance Summary – as of December 31, 2021

Growth Oriented Strategies

- The Growth Oriented Portfolio returned -1.24% in Q4 and 13.19% for the one-year period ending December 31, 2021
 - Trailed the HFRI FoF Index + 1% benchmark by 2.31% in Q4 but outperformed by 5.66% for the one-year period
 - Outperformed the T-bills + 5% long term objective by 2.09% (annualized) over the 5-year period ending December 31, 2021
 - Outperformed the HFRI FoF Index + 1% benchmark by 1.45% (annualized) over the 5-year period
- Third Point was the biggest detractor in Q4 (-4.87%), while Lakewood provided a gain of 3.84%
- All funds generated positive returns for the one-year period, led by Lakewood (+32.10%) and Third Point (+23.99%)

Diversifying Strategies

- The Diversifying Portfolio returned 0.81% in Q4 and 6.51% for the one-year period ending December 31, 2021
 - Trailed the HFRI Conservative FoF Index benchmark by 42 bp2 in Q4 and 168 bps for the one-year period
 - Lagged the T-bills + 2% long term objective by 31 bps (annualized) over the trailing 5-year period
- Two Sigma led performance in Q4 (+9.29%), followed by Elliott (+4.05%) and PSquared (+1.93%)
 - Laurion (-3.93%) and MW Global Opps (-2.84%) were the biggest detractors among the continuing funds in the portfolio
- All continuing funds generated positive returns for the 1-year period, other than MW Global Opps (-6.48%)

Portfolio risk and market sensitivity is within expectations for the new portfolio structure parameters

- Diversifying Portfolio
 - Target standard deviation < 25% of global equities, with an equity beta < 0.2 and equity correlation < 0.5
 - Standard deviation of 3.43% compared to the ACWI standard deviation of 13.14% since December 2011 (26% ratio)
 - Portfolio equity beta of 0.13 with an equity correlation of 0.48
- The Growth Oriented portfolio is being eliminated in connection with the 2021 asset liability study

Growth Oriented Absolute Return Portfolio Performance – as of December 31, 2021

| Fund | Market Value | Actual % | Returns | | | | | | | | Std Dev | Sharpe Ratio | Incep Date |
|--|--------------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|
| | | | Dec | QTD | YTD | FYTD | 1 Year | 3 Year | 5 Year | Incep | | | |
| Growth-Oriented Portfolio | | | | | | | | | | | | | |
| Event Driven | | | | | | | | | | | | | |
| Third Point Partners Qualified L.P. | 78,392,182 | 7.3% | -2.20% | -4.87% | 23.99% | 7.23% | 23.99% | 21.31% | 13.37% | 11.87% | 10.67% | 1.02 | May-12 |
| Event Driven - HF Total | 78,392,182 | 7.3% | -2.20% | -4.87% | 23.99% | 7.23% | 23.99% | 20.37% | 12.13% | 10.50% | 10.73% | 0.90 | May-12 |
| Equity Long/Short | | | | | | | | | | | | | |
| Lakewood Capital Partners, LP | 59,163,844 | 5.5% | 5.32% | 3.84% | 32.10% | 7.52% | 32.10% | 14.92% | 7.10% | 7.37% | 14.99% | 0.49 | Jul-13 |
| Equity Long/Short - HF Total | 59,163,844 | 5.5% | 5.32% | 3.84% | 32.10% | 7.52% | 32.10% | 14.92% | 7.10% | 7.37% | 14.99% | 0.49 | Jul-13 |
| Multi-Strategy | | | | | | | | | | | | | |
| Sculptor Domestic Partners II, L.P. | 66,056,518 | 6.2% | 0.13% | -1.94% | 5.08% | -0.71% | 5.08% | 13.07% | 9.62% | 8.21% | 6.59% | 1.10 | Jan-12 |
| Multi-Strategy - HF Total | 66,056,518 | 6.2% | 0.13% | -1.94% | 5.08% | -0.71% | 5.08% | 13.07% | 9.62% | 8.21% | 6.59% | 1.10 | Jan-12 |
| Fund of Funds | | | | | | | | | | | | | |
| Grosvenor SC Absolute Return Fund LLC (Growth) | 61,539,425 | 5.8% | -0.09% | -0.03% | 2.61% | -0.10% | 2.61% | 6.69% | 5.82% | 5.75% | 6.66% | 0.74 | Dec-11 |
| Fund of Funds - HF Total | 61,539,425 | 5.8% | -0.09% | -0.03% | 2.61% | -0.10% | 2.61% | 6.69% | 5.73% | 4.68% | 6.88% | 0.47 | Sep-04 |
| Growth-Oriented Portfolio Total | 265,151,969 | 24.9% | 0.48% | -1.24% | 13.19% | 2.88% | 13.19% | 12.36% | 8.23% | 5.64% | 7.57% | 0.55 | Sep-04 |
| HFRI FoF Composite + 1% | | | 0.86% | 1.07% | 7.53% | 21.73% | 7.53% | 9.59% | 6.78% | 4.76% | 5.39% | 0.60 | Sep-04 |
| 3 Month T-Bills+5% | | | 0.42% | 1.25% | 5.05% | 7.72% | 5.05% | 5.99% | 6.14% | 6.28% | 0.46% | - | Sep-04 |
| Market Indices | | | | | | | | | | | | | |
| Libor3Month | | | 0.02% | 0.04% | 0.16% | 0.28% | 0.16% | 1.01% | 1.34% | 1.59% | 0.48% | - | Sep-04 |
| Bloomberg US Aggregate Bond Index | | | -0.26% | 0.01% | -1.54% | -0.27% | -1.54% | 4.80% | 3.57% | 4.00% | 3.17% | 0.75 | Sep-04 |
| Bloomberg US High Yield Bond Index | | | 1.87% | 0.71% | 5.28% | 17.22% | 5.28% | 8.83% | 6.29% | 7.31% | 9.16% | 0.64 | Sep-04 |
| S&P 500 TR | | | 4.48% | 11.03% | 28.71% | 57.23% | 28.71% | 26.07% | 18.48% | 11.02% | 14.48% | 0.69 | Sep-04 |
| MSCI AC World Index Free - Net | | | 4.00% | 6.68% | 18.54% | 47.00% | 18.54% | 20.38% | 14.40% | 8.73% | 15.50% | 0.52 | Sep-04 |
| MSCI EAFE - Net | | | 5.12% | 2.69% | 11.26% | 35.31% | 11.26% | 13.54% | 9.55% | 6.31% | 16.69% | 0.36 | Sep-04 |
| MSCI EMF (Emerging Markets Free) - Net | | | 1.88% | -1.31% | -2.54% | 27.80% | -2.54% | 10.94% | 9.87% | 8.66% | 21.11% | 0.43 | Sep-04 |

Diversifying Absolute Return Portfolio Performance – as of December 31, 2021

| Fund | Market Value | Actual % | Returns | | | | | | | | Std Dev | Sharpe Ratio | Incep Date |
|---|--------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|
| | | | Dec | QTD | YTD | FYTD | 1 Year | 3 Year | 5 Year | Incep | | | |
| Diversifying Portfolio | | | | | | | | | | | | | |
| Market Neutral | | | | | | | | | | | | | |
| Aristeia Partners, L.P. | 48,684,222 | 4.6% | 0.19% | 1.68% | 8.19% | 2.30% | 8.19% | - | - | 8.19% | 6.23% | 1.27 | Jan-21 |
| Laurion Capital, Ltd. | 62,350,534 | 5.8% | -0.64% | -3.93% | 16.51% | -8.85% | 16.51% | 16.53% | 11.83% | 9.89% | 9.77% | 0.91 | Mar-14 |
| LMR Fund Limited | 49,691,148 | 4.7% | 0.69% | 1.74% | 14.92% | 5.85% | 14.92% | - | - | 4.68% | 18.64% | 0.32 | Nov-19 |
| KLS Diversified Fund LP | 161,818 | 0.0% | -4.42% | -5.49% | -3.75% | -6.35% | -3.75% | -3.66% | - | -3.66% | 11.86% | -0.33 | Jan-19 |
| Two Sigma Risk Premia Enhanced Fund, LP | 49,093,002 | 4.6% | 3.50% | 9.29% | 22.32% | 10.69% | 22.32% | - | - | 3.80% | 11.19% | 0.33 | Sep-19 |
| Market Neutral - HF Total | 209,980,723 | 19.7% | 0.81% | 1.59% | 14.31% | 1.23% | 14.31% | 6.23% | 5.79% | 6.07% | 6.13% | 0.82 | Mar-14 |
| Event Driven | | | | | | | | | | | | | |
| BlackRock Event Driven Equity Fund (BILPX) | 53,670,140 | 5.0% | 0.61% | 0.61% | 1.89% | -0.73% | 1.89% | - | - | 6.23% | 6.31% | 0.94 | Mar-20 |
| Davidson Kempner Institutional Partners LP | 58,665,441 | 5.5% | 0.20% | 0.08% | 6.97% | -0.09% | 6.97% | - | - | 7.49% | 5.53% | 1.17 | May-19 |
| Elliott International Limited - Class A & B | 74,174,243 | 7.0% | 1.60% | 4.05% | 14.03% | 7.40% | 14.03% | 11.00% | 8.73% | 8.35% | 3.24% | 2.19 | Apr-12 |
| PSquared US Feeder Fund LP | 52,608,803 | 4.9% | -1.00% | 1.93% | 3.33% | 3.42% | 3.33% | - | - | 3.80% | 4.64% | 0.79 | Aug-20 |
| Event Driven - HF Total | 239,118,627 | 22.4% | 0.00% | 1.34% | 6.57% | - | 0.00% | 0.00% | 0.00% | 7.53% | 3.29% | 1.94 | Apr-12 |
| Equity Long/Short | | | | | | | | | | | | | |
| Marshall Wace Funds LP - MW Global Opportunities (US) Fund | 52,349,878 | 4.9% | -1.56% | -2.84% | -6.48% | 1.09% | -6.48% | 5.74% | - | 5.74% | 8.60% | 0.58 | Jan-19 |
| Equity Long/Short - HF Total | 52,349,878 | 4.9% | -1.56% | -2.84% | -6.48% | 1.09% | -6.48% | 5.74% | 5.74% | 5.74% | 8.60% | 0.58 | Apr-12 |
| Macro-Discretionary | | | | | | | | | | | | | |
| Eisler Capital Fund LP - Class A | 42,704,825 | 4.0% | -1.04% | -1.94% | - | -5.10% | - | - | - | -5.10% | 2.08% | - | Jul-21 |
| Macro-Discretionary - HF Total | 42,704,825 | 4.0% | -1.04% | -1.94% | -5.10% | -5.10% | -9.94% | -1.80% | 0.11% | 0.27% | 4.34% | -0.12 | May-12 |
| Macro-Systematic | | | | | | | | | | | | | |
| Graham Global Investment Fund II SPC Ltd. - Tactical Trend Segregated Por | 37,309,500 | 3.5% | 1.60% | -1.33% | 2.55% | -3.65% | 2.55% | 7.11% | - | 1.31% | 11.95% | 0.06 | Feb-17 |
| Macro-Systematic - HF Total | 37,309,500 | 3.5% | 1.60% | -1.33% | 2.55% | -3.65% | 2.55% | 1.76% | 0.17% | 0.17% | 9.30% | -0.08 | Jan-17 |
| Fund of Funds | | | | | | | | | | | | | |
| Grosvenor SC Absolute Return Fund LLC (Diversifying) | 219,813,680 | 20.6% | 1.35% | 0.83% | 2.85% | 3.10% | 2.85% | 6.25% | 2.86% | 2.65% | 3.76% | 0.48 | Dec-11 |
| Grosvenor SC Absolute Return Fund LLC Series B | 220,528 | 0.0% | -1.58% | -4.10% | -8.78% | -6.54% | -8.78% | 1.17% | -0.71% | 0.36% | 3.67% | -0.13 | Feb-13 |
| Fund of Funds - HF Total | 220,034,208 | 20.6% | 1.35% | 0.83% | 2.84% | 3.08% | 2.84% | 6.34% | 2.66% | 2.52% | 3.60% | 0.46 | Dec-11 |
| Diversifying Portfolio Total | 801,497,762 | 75.1% | 0.63% | 0.81% | 6.51% | 1.56% | 6.51% | 5.41% | 2.83% | 2.83% | 3.43% | 0.57 | Dec-11 |
| HFRI FOF: Conservative Index | | | 1.31% | 1.23% | 8.19% | 17.57% | 8.19% | 6.98% | 4.79% | 4.04% | 3.48% | 0.90 | Dec-11 |
| 3 Month T-Bills+2% | | | 0.17% | 0.51% | 2.05% | 3.14% | 2.05% | 2.99% | 3.14% | 2.62% | 0.24% | - | Dec-11 |

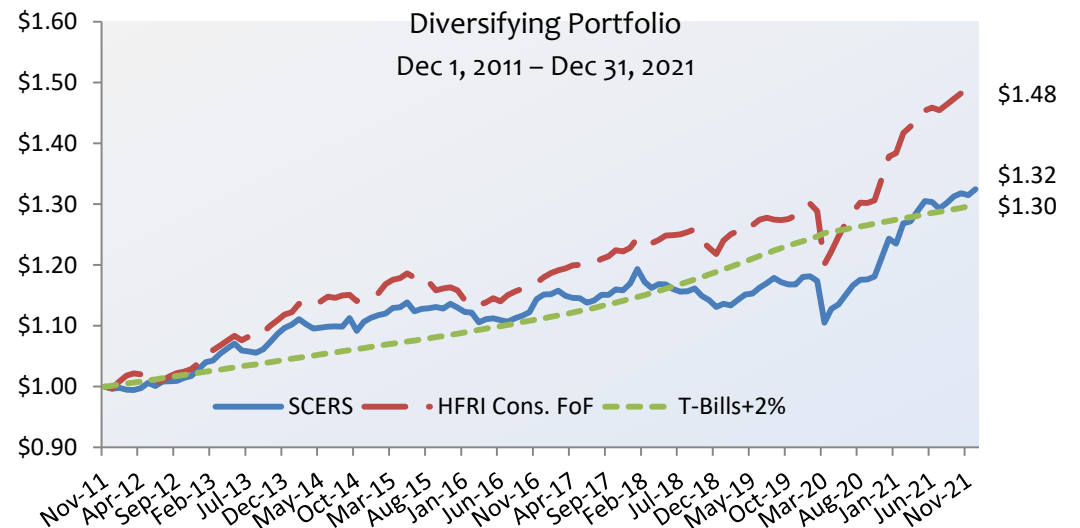
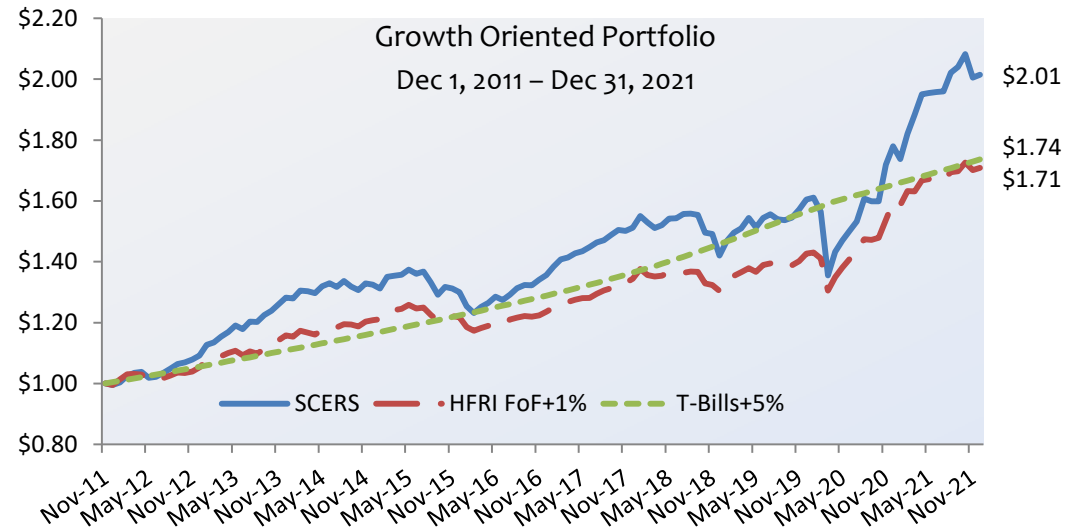
Absolute Return Portfolios Cumulative Performance – December 2011 to December 2021

Despite the sharp downturn in Q1 2020, the Growth Oriented portfolio continues to exceed the T-bills + 5% long term objective and remains ahead of the Fund of Funds Index + 1% benchmark

The Diversifying portfolio is above its T-bills + 2% long term objective though continues to trail the HFRI Fund of Funds Conservative Index over this period

Showing cumulative performance (growth of \$1) for each portfolio since the initial restructuring of the Absolute Return portfolio in December 2011

- The prior exposure of the Absolute Return portfolio was only Equity Long/Short fund of funds investments



Private Equity Portfolio – as of September 30, 2021

The Private Equity portfolio's net IRR since inception is 19.72%, versus the Cambridge Associates benchmark IRR of 15.99%

- The long-term Policy objective (Russell 3000 + 3%) has a 17.66% IRR over this period

The private equity portfolio gained 7.5% in Q3 despite the modest pullback in global equity markets (ACWI -1.1%)

- Gains were once again broad-based and many funds generated returns of more than 10% for the quarter
 - Although some Venture Capital funds saw downturns as equity markets softened, the portfolio saw large gains from several of the Buyout, Growth Equity, and Venture Capital funds
 - TSG7A, Spectrum VII & VIII, Khosla Ventures IV, Marlin Heritage Europe and Gridiron IV reported the largest gains in Q3
- Distributions remained high during the quarter, continuing their strong pace
 - \$98.7 million in distributions, led by Khosla Ventures V, Trinity Ventures XII, Summit VC IV, and AKKR IV & Growth II

Longer-term performance remains quite strong across most of the private equity funds

- Double-digit net IRRs for all vintage years prior to 2020, with all but two vintage years exceeding peer universes
- Spectrum VII (50.4%), Trinity Ventures XII (49.3%), Summit VC IV (47.4%), Linden III (39.3%), AKKR IV (38.7%), Waterland V (35.0%), Marlin Heritage (34.4%), and AKKR Growth II (33.4%) are leading performance among SCERS' more mature funds

The legacy fund of funds, comprising 6.7% of the Private Equity portfolio, reported mixed performance during the quarter

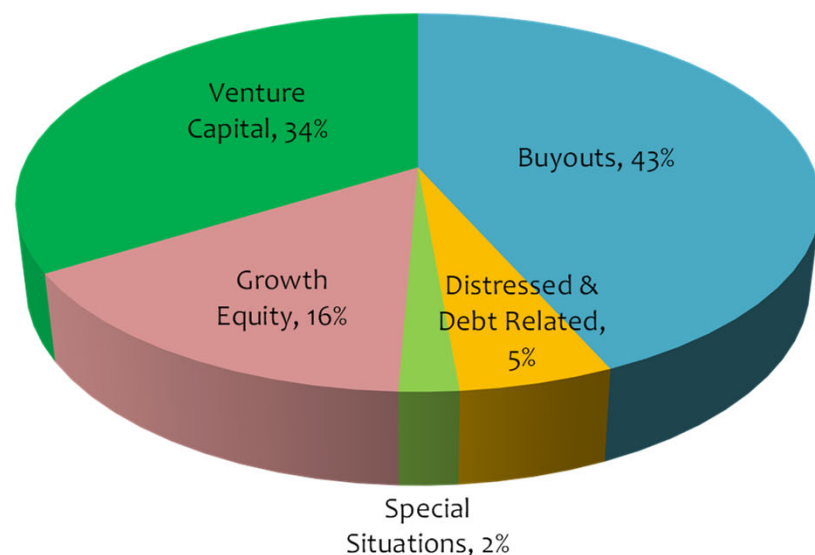
- Abbott Capital VI gained 3.5% in Q3 while HarbourVest International (-3.6%) and Goldman Sachs X (-0.2%) declined
- The legacy fund of funds distributed \$12.6 million during the quarter

Changes during the quarter

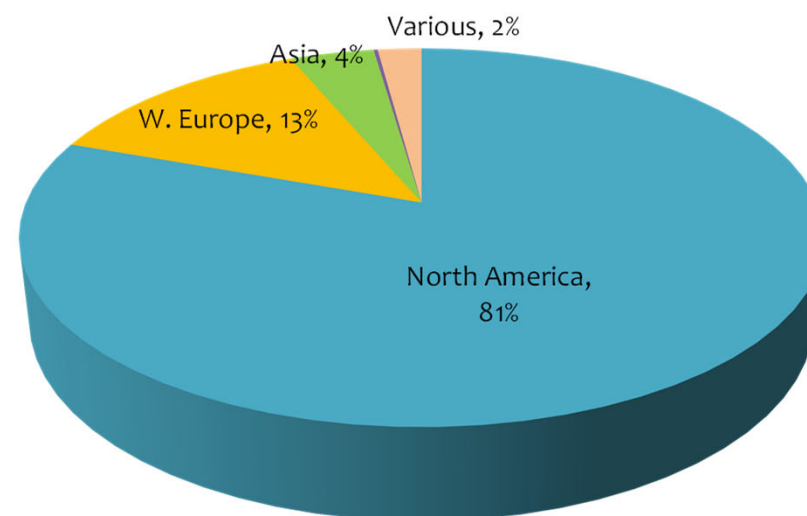
- SCERS committed \$30 million to a distressed debt fund during Q3
 - SCERS also committed \$30 million (re-up) to a small buyout fund in Q4 2021
- \$88.9 million in new contributions, \$98.7 million in distributions
- Total portfolio gain increased by \$125.7 million while the total portfolio IRR increased by 0.35%

Private Equity Portfolio Exposures as of September 30, 2021

Private Equity Portfolio Strategy Exposure*



Private Equity Portfolio Geographic Exposure*



| Portfolio Strategy Totals | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|---------------------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|----------------|
| Buyout | 757,926 | 274,224 | 579,948 | 64% | 443,362 | 669,700 | 1,113,062 | 533,114 | 25.81% | | 1.92x | |
| Distressed Debt | 300,000 | 101,041 | 249,403 | 66% | 172,229 | 136,295 | 308,524 | 59,122 | 7.92% | | 1.24x | |
| Fund of Funds | 312,315 | 51,889 | 271,020 | 83% | 318,339 | 172,029 | 490,368 | 219,348 | 12.53% | | 1.81x | |
| Growth Equity | 252,613 | 123,140 | 190,958 | 51% | 182,284 | 271,722 | 454,006 | 263,048 | 37.39% | | 2.38x | |
| Opportunistic Credit | 20,000 | 13,951 | 6,228 | 30% | 492 | 5,828 | 6,321 | 93 | N/M | | 1.01x | |
| Venture Capital | 355,000 | 92,324 | 262,694 | 74% | 116,349 | 527,053 | 643,402 | 380,708 | 26.35% | | 2.45x | |
| Portfolio Total : | 1,997,854 | 656,570 | 1,560,251 | 67% | 1,233,055 | 1,782,628 | 3,015,683 | 1,455,432 | 19.72% | 15.99% | 1.93x | |

* Exposures are based on the market values of investments as of 9/30/21.

Private Equity Portfolio Performance Details – as of September 30, 2021

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|--|-----------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|----------------|
| Vintage Year 2006 | | | | | | | | | | | | | |
| HarbourVest Partners VIII - Buyout Fund L.P. | Fund of Funds | 37,500 | 1,125 | 36,375 | 97% | 59,766 | 6,375 | 66,141 | 29,766 | 11.05% | 8.28% | 1.82x | 1.81x |
| HarbourVest Partners VIII - Mezzanine and Distressed Debt Fund L.P. | Fund of Funds | 5,000 | 200 | 4,800 | 96% | 6,169 | 395 | 6,565 | 1,765 | 7.02% | 8.28% | 1.37x | 1.81x |
| HarbourVest Partners VIII - Venture Fund L.P. | Fund of Funds | 7,500 | 150 | 7,350 | 98% | 12,650 | 4,236 | 16,886 | 9,536 | 12.18% | 8.28% | 2.30x | 1.81x |
| Vintage Year 2006 Total | | 50,000 | 1,475 | 48,525 | 97% | 78,585 | 11,006 | 89,592 | 41,067 | 10.98% | 7.38% | 1.85x | 1.50x |
| Vintage Year 2008 | | | | | | | | | | | | | |
| Abbott Capital Private Equity Fund VI, L.P. | Fund of Funds | 75,000 | 375 | 74,625 | 100% | 105,285 | 43,833 | 149,118 | 74,493 | 13.98% | 14.14% | 2.00x | 2.22x |
| Goldman Sachs Private Equity Partners X, L.P. | Fund of Funds | 75,000 | 13,234 | 68,958 | 82% | 94,363 | 28,499 | 122,863 | 53,905 | 11.64% | 14.14% | 1.78x | 2.22x |
| HarbourVest International Private Equity Partners VI-Partnership Fund L.P. | Fund of Funds | 37,315 | 1,866 | 37,980 | 95% | 38,847 | 36,269 | 75,116 | 37,136 | 13.10% | 1.38% | 1.98x | 1.08x |
| Vintage Year 2008 Total | | 187,315 | 15,474 | 181,563 | 92% | 238,495 | 108,601 | 347,097 | 165,534 | 12.86% | 8.63% | 1.91x | 1.52x |
| Vintage Year 2011 | | | | | | | | | | | | | |
| Waterland Private Equity Fund V C.V. | Buyout | 18,542 | 3,207 | 16,071 | 83% | 33,655 | 12,572 | 46,228 | 30,157 | 34.95% | 11.61% | 2.88x | 1.66x |
| Khosla Ventures IV, L.P. | Venture Capital | 10,000 | 190 | 9,810 | 98% | 24,769 | 26,465 | 51,234 | 41,424 | 28.02% | 19.59% | 5.22x | 2.79x |
| Vintage Year 2011 Total | | 28,542 | 3,397 | 25,881 | 88% | 58,424 | 39,037 | 97,462 | 71,581 | 31.14% | 13.70% | 3.77x | 1.88x |
| Vintage Year 2012 | | | | | | | | | | | | | |
| Garrison Opportunity Fund III A LLC | Distressed Debt | 20,000 | 0 | 20,000 | 100% | 12,473 | 8,608 | 21,081 | 1,081 | 0.87% | 16.16% | 1.05x | 1.67x |
| Summit Partners Venture Capital III-A, LP | Growth Equity | 16,350 | 1,913 | 19,692 | 88% | 37,702 | 3,151 | 40,853 | 21,161 | 17.57% | 14.56% | 2.07x | 2.09x |
| New Enterprise Associates 14, L.P. | Venture Capital | 25,000 | 875 | 24,125 | 97% | 25,210 | 58,959 | 84,168 | 60,043 | 22.06% | 19.42% | 3.49x | 2.74x |
| Vintage Year 2012 Total | | 61,350 | 2,788 | 63,817 | 95% | 75,384 | 70,718 | 146,102 | 82,285 | 15.30% | 14.27% | 2.29x | 1.87x |
| Vintage Year 2013 | | | | | | | | | | | | | |
| Accel-KKR Capital Partners IV, L.P. | Buyout | 15,000 | 318 | 15,501 | 98% | 35,781 | 15,839 | 51,620 | 36,119 | 38.65% | 17.20% | 3.33x | 1.95x |
| H.I.G. Capital Partners V, L.P. | Buyout | 14,000 | 562 | 13,438 | 96% | 9,216 | 19,337 | 28,553 | 15,115 | 24.78% | 17.20% | 2.12x | 1.95x |
| Marlin Equity IV, L.P. | Buyout | 20,000 | 93 | 19,907 | 100% | 16,662 | 12,217 | 28,878 | 8,971 | 9.53% | 17.20% | 1.45x | 1.95x |
| RRJ Capital Master Fund II, L.P. | Buyout | 35,000 | 3,875 | 35,938 | 89% | 39,544 | 13,271 | 52,815 | 16,877 | 10.80% | 13.74% | 1.47x | 1.73x |
| Atalaya Special Opportunities Fund V, L.P. | Distressed Debt | 25,000 | 1,117 | 24,875 | 96% | 27,095 | 4,920 | 32,014 | 7,139 | 7.99% | 8.65% | 1.29x | 1.37x |
| H.I.G. Bayside Loan Opportunity Fund III (Europe-US\$), L.P. | Distressed Debt | 30,000 | 5,769 | 24,231 | 81% | 27,915 | 5,104 | 33,019 | 8,788 | 8.20% | 3.23% | 1.36x | 1.12x |

¹Benchmarks:

Private Equity Investments: Cambridge Associates median return for the respective strategies and vintage years

Vintage Year Comparison: Cambridge Associates Global Private Equity & Venture Capital median return for the respective vintage years

Private Equity Portfolio: Cambridge Associates Global Private Equity & Venture Capital pooled internal rate of return

Private Equity Portfolio Performance Details – as of September 30, 2021 (continued)

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|---|-----------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|----------------|
| Wayzata Opportunities Fund III, L.P. | Distressed Debt | 30,000 | 24,103 | 14,718 | 20% | 8,849 | 4,754 | 13,603 | -1,115 | -2.11% | 8.65% | 0.92x | 1.37x |
| Trinity Ventures XI, L.P. | Venture Capital | 25,000 | 375 | 24,625 | 99% | 4,835 | 60,419 | 65,255 | 40,630 | 18.58% | 18.61% | 2.65x | 2.34x |
| Vintage Year 2013 Total | | 194,000 | 36,214 | 173,232 | 81% | 169,896 | 135,860 | 305,756 | 132,524 | 14.49% | 14.60% | 1.77x | 1.80x |
| Vintage Year 2014 | | | | | | | | | | | | | |
| Dyal Capital Partners II | Buyout | 35,000 | 9,081 | 34,264 | 74% | 10,625 | 34,109 | 44,734 | 10,470 | 8.63% | 17.48% | 1.31x | 1.91x |
| H.I.G. Europe Capital Partners II, L.P. | Buyout | 16,224 | 3,534 | 15,054 | 78% | 6,461 | 15,900 | 22,361 | 7,306 | 14.76% | 16.85% | 1.49x | 1.79x |
| Marlin Heritage Fund | Buyout | 10,000 | 2,215 | 10,508 | 78% | 17,311 | 8,916 | 26,227 | 15,719 | 34.44% | 17.48% | 2.50x | 1.91x |
| Thoma Bravo XI | Buyout | 30,000 | 3,203 | 32,531 | 89% | 61,926 | 59,177 | 121,103 | 88,572 | 31.80% | 17.48% | 3.72x | 1.91x |
| TPG Opportunities Partners III | Distressed Debt | 40,000 | 12,658 | 49,913 | 68% | 48,421 | 14,389 | 62,811 | 12,897 | 10.78% | 9.34% | 1.26x | 1.30x |
| Spectrum Equity Investors VII, L.P. | Growth Equity | 25,000 | 1,625 | 23,375 | 94% | 45,274 | 88,090 | 133,365 | 109,990 | 50.42% | 24.22% | 5.71x | 2.44x |
| Khosla Ventures V | Venture Capital | 20,000 | 700 | 19,300 | 97% | 20,848 | 51,987 | 72,835 | 53,535 | 31.04% | 25.57% | 3.77x | 2.92x |
| Vintage Year 2014 Total | | 176,224 | 33,016 | 184,946 | 81% | 210,867 | 272,568 | 483,434 | 298,489 | 29.30% | 19.83% | 2.61x | 2.08x |
| Vintage Year 2015 | | | | | | | | | | | | | |
| * WPEF VI Overflow Fund C.V. | Buyout | 6,953 | 6,943 | 10 | 0% | 0 | 0 | 0 | -10 | 0.00% | 17.47% | 0.00x | 1.75x |
| RRJ Capital Master Fund III, LP | Buyout | 40,000 | 7,577 | 37,811 | 81% | 35,334 | 12,759 | 48,093 | 10,282 | 12.20% | 17.47% | 1.27x | 1.75x |
| WPEF VI Feeder, L.P. | Buyout | 27,812 | 15,789 | 21,495 | 43% | 21,555 | 27,107 | 48,661 | 27,166 | 27.98% | 17.47% | 2.26x | 1.75x |
| Accel-KKR Growth Capital Partners II | Growth Equity | 15,000 | 324 | 14,676 | 98% | 22,562 | 11,829 | 34,391 | 19,716 | 33.41% | 30.53% | 2.34x | 2.39x |
| Summit Partners Venture Capital Fund IV-A, L.P. | Growth Equity | 35,000 | 35,370 | 36,216 | -1% | 36,586 | 43,429 | 80,014 | 43,799 | 47.36% | 30.53% | 2.21x | 2.39x |
| New Enterprise Associates 15, L.P. | Venture Capital | 35,000 | 1,925 | 33,079 | 95% | 15,010 | 73,457 | 88,467 | 55,388 | 24.31% | 24.53% | 2.67x | 2.48x |
| Vintage Year 2015 Total | | 159,766 | 67,929 | 143,287 | 57% | 131,047 | 168,580 | 299,627 | 156,340 | 27.41% | 19.84% | 2.09x | 1.94x |
| Vintage Year 2016 | | | | | | | | | | | | | |
| Accel-KKR Capital Partners V, L.P. | Buyout | 25,000 | 2,162 | 22,838 | 91% | 15,097 | 27,782 | 42,879 | 20,041 | 35.58% | 23.55% | 1.88x | 1.87x |
| Dyal III Pension Investors LP | Buyout | 35,000 | 21,921 | 22,721 | 37% | 16,485 | 26,539 | 43,024 | 20,303 | 24.61% | 23.55% | 1.89x | 1.87x |
| Linden Capital Partners III | Buyout | 35,000 | 4,490 | 37,510 | 87% | 56,284 | 57,172 | 113,456 | 75,947 | 39.31% | 23.55% | 3.02x | 1.87x |
| Marlin Heritage Europe, L.P. | Buyout | 15,065 | 1,771 | 13,123 | 88% | 0 | 33,132 | 33,132 | 20,010 | 39.28% | 17.11% | 2.52x | 1.59x |
| Thoma Bravo Fund XII, L.P. | Buyout | 30,000 | 6,466 | 40,687 | 78% | 17,154 | 51,211 | 68,366 | 27,679 | 18.63% | 23.55% | 1.68x | 1.87x |
| TSG7 A.L.P. | Buyout | 16,000 | 3,432 | 12,568 | 79% | 4,415 | 30,717 | 35,132 | 22,565 | 31.26% | 23.55% | 2.80x | 1.87x |

¹Benchmarks:

Private Equity Investments: Cambridge Associates median return for the respective strategies and vintage years

Vintage Year Comparison: Cambridge Associates Global Private Equity & Venture Capital median return for the respective vintage years

Private Equity Portfolio: Cambridge Associates Global Private Equity & Venture Capital pooled internal rate of return

Private Equity Portfolio Performance Details – as of September 30, 2021 (continued)

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|--|-----------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|----------------|
| TSG7 B L.P. | Buyout | 4,000 | 222 | 3,952 | 94% | 1,498 | 5,726 | 7,224 | 3,272 | 28.74% | 23.55% | 1.83x | 1.87x |
| Atalaya Special Opportunities Fund VI, L.P. | Distressed Debt | 25,000 | 2,454 | 28,940 | 90% | 33,875 | 8,681 | 42,556 | 13,616 | 14.33% | 8.69% | 1.47x | 1.24x |
| Trinity Ventures XII, L.P. | Venture Capital | 30,000 | 4,275 | 25,725 | 86% | 23,710 | 83,452 | 107,162 | 81,437 | 49.28% | 30.85% | 4.17x | 2.31x |
| Vintage Year 2016 Total | | 215,065 | 47,193 | 208,062 | 78% | 168,519 | 324,412 | 492,931 | 284,869 | 31.67% | 22.45% | 2.37x | 1.78x |
| Vintage Year 2017 | | | | | | | | | | | | | |
| Marlin Heritage II | Buyout | 10,000 | 695 | 9,305 | 93% | 2,110 | 10,969 | 13,078 | 3,774 | 15.86% | 27.02% | 1.41x | 1.88x |
| Summit Partners Europe Growth Equity Fund II, SCSP | Growth Equity | 34,766 | 19,619 | 34,770 | 44% | 23,120 | 45,203 | 68,322 | 33,553 | 77.21% | 20.12% | 1.97x | 1.48x |
| New Enterprise Associates 16, L.P. | Venture Capital | 35,000 | 5,425 | 29,575 | 85% | 1,062 | 49,031 | 50,092 | 20,517 | 22.77% | 33.12% | 1.69x | 2.11x |
| Vintage Year 2017 Total | | 79,766 | 25,739 | 73,649 | 68% | 26,291 | 105,202 | 131,493 | 57,844 | 35.72% | 25.66% | 1.79x | 1.73x |
| Vintage Year 2018 | | | | | | | | | | | | | |
| Linden Capital Partners IV LP | Buyout | 44,330 | 14,636 | 32,618 | 67% | 5,772 | 34,796 | 40,568 | 7,950 | 19.45% | 26.44% | 1.24x | 1.52x |
| Marlin Equity V | Buyout | 25,000 | 7,872 | 17,275 | 69% | 7,748 | 19,582 | 27,330 | 10,056 | 28.60% | 26.44% | 1.58x | 1.52x |
| TSG8 L.P. | Buyout | 45,000 | 22,552 | 22,501 | 50% | 132 | 21,794 | 21,926 | -575 | -2.73% | 26.44% | 0.97x | 1.52x |
| Davidson Kempner Long-Term Distressed Opportunities Fund IV LP | Distressed Debt | 35,000 | 2,400 | 33,198 | 93% | 1,677 | 40,512 | 42,189 | 8,992 | 10.63% | N/A | 1.27x | N/A |
| TSSP Opportunities Partners IV (A), L.P. | Distressed Debt | 35,000 | 15,141 | 30,657 | 57% | 11,650 | 24,131 | 35,782 | 5,125 | 18.48% | N/A | 1.17x | N/A |
| RCP Fund XIII | Fund of Funds | 50,000 | 29,500 | 21,372 | 41% | 872 | 25,756 | 26,628 | 5,256 | 20.50% | 27.59% | 1.25x | 1.39x |
| RCPDirect III | Fund of Funds | 25,000 | 5,440 | 19,560 | 78% | 386 | 26,665 | 27,052 | 7,492 | 24.81% | 10.13% | 1.38x | 1.17x |
| Accel-KKR Growth Capital Partners III | Growth Equity | 33,320 | 7,937 | 25,383 | 76% | 0 | 29,273 | 29,273 | 3,889 | 18.88% | 27.26% | 1.15x | 1.67x |
| Spectrum Equity VIII, L.P. | Growth Equity | 25,000 | 2,500 | 22,500 | 90% | 17,040 | 37,012 | 54,052 | 31,552 | 58.29% | 27.26% | 2.40x | 1.67x |
| Khosla Ventures VI, L.P. | Venture Capital | 35,000 | 5,495 | 29,505 | 84% | 0 | 40,086 | 40,086 | 10,581 | 19.67% | 39.46% | 1.36x | 1.99x |
| Vintage Year 2018 Total | | 352,650 | 113,472 | 254,568 | 68% | 45,277 | 299,607 | 344,884 | 90,316 | 22.97% | 28.63% | 1.35x | 1.58x |
| Vintage Year 2019 | | | | | | | | | | | | | |
| Cortec Group Fund VII, L.P. | Buyout | 30,000 | 21,508 | 13,115 | 28% | 4,628 | 15,392 | 20,020 | 6,904 | N/M | N/M | 1.53x | 1.37x |
| Gridiron Capital Fund IV, L.P. | Buyout | 30,000 | 9,896 | 20,843 | 67% | 796 | 30,159 | 30,955 | 10,112 | N/M | N/M | 1.49x | 1.37x |
| Thoma Bravo Fund XIII, LP | Buyout | 45,000 | 9,278 | 49,289 | 79% | 23,173 | 64,656 | 87,829 | 38,540 | 53.63% | 28.39% | 1.78x | 1.37x |
| New Enterprise Associates 17, L.P. | Venture Capital | 25,000 | 10,625 | 14,389 | 57% | 906 | 20,941 | 21,847 | 7,458 | 46.40% | 39.97% | 1.52x | 1.50x |
| Threshold Ventures III, L.P. | Venture Capital | 20,000 | 6,940 | 13,060 | 65% | 0 | 20,909 | 20,909 | 7,849 | N/M | N/M | 1.60x | 1.50x |

¹Benchmarks:

Private Equity Investments: Cambridge Associates median return for the respective strategies and vintage years

Vintage Year Comparison: Cambridge Associates Global Private Equity & Venture Capital median return for the respective vintage years

Private Equity Portfolio: Cambridge Associates Global Private Equity & Venture Capital pooled internal rate of return

Private Equity Portfolio Performance Details – as of September 30, 2021 (continued)

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|---|----------------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|----------------|
| Vintage Year 2019 Total | | 150,000 | 58,248 | 110,696 | 61% | 29,503 | 152,058 | 181,560 | 70,864 | 51.71% | 34.36% | 1.64x | 1.42x |
| Vintage Year 2020 | | | | | | | | | | | | | |
| Accel-KKR Capital Partners VI, LP | Buyout | 30,000 | 25,799 | 4,201 | 14% | 0 | 3,626 | 3,626 | -575 | N/M | N/M | 0.86x | 1.26x |
| Wynnchurch Capital Partners V | Buyout | 20,000 | 15,941 | 4,059 | 20% | 0 | 5,058 | 5,058 | 1,000 | N/M | N/M | 1.25x | 1.26x |
| Davidson Kempner Long-Term Distressed Opportunities Fund V LP | Distressed Debt | 30,000 | 11,149 | 19,122 | 63% | 274 | 21,547 | 21,821 | 2,699 | N/M | N/M | 1.14x | N/A |
| Spectrum Equity IX-A, L.P. | Growth Equity | 25,000 | 19,000 | 6,000 | 24% | 0 | 5,547 | 5,547 | -453 | N/M | N/M | 0.92x | 1.23x |
| Summit Partners Europe Growth Equity Fund III, SCSp | Growth Equity | 23,177 | 18,841 | 4,358 | 19% | 0 | 4,242 | 4,242 | -116 | N/M | N/M | 0.97x | N/A |
| Summit Partners Venture Capital Fund V-A, L.P. | Growth Equity | 20,000 | 16,011 | 3,989 | 20% | 0 | 3,948 | 3,948 | -41 | N/M | N/M | 0.99x | 1.23x |
| Shamrock Capital Content Fund II, L.P. | Opportunistic Credit | 20,000 | 13,951 | 6,228 | 30% | 492 | 5,828 | 6,321 | 93 | N/M | N/M | 1.01x | 1.13x |
| Canvas Ventures 3, L.P. | Venture Capital | 20,000 | 14,269 | 5,731 | 29% | 0 | 5,327 | 5,327 | -404 | N/M | N/M | 0.93x | 1.24x |
| OrbiMed Private Investments VIII, LP | Venture Capital | 15,000 | 9,750 | 5,250 | 35% | 0 | 5,370 | 5,370 | 120 | N/M | N/M | 1.02x | 1.24x |
| Vintage Year 2020 Total | | 203,177 | 144,712 | 58,937 | 29% | 766 | 60,493 | 61,259 | 2,322 | N/M | N/M | 1.04x | 1.21x |
| Vintage Year 2021 | | | | | | | | | | | | | |
| Linden Capital Partners V LP | Buyout | 30,000 | 30,000 | 0 | 0% | 0 | -364 | -364 | -364 | N/M | N/M | N/A | N/A |
| Shamrock Capital Growth Fund V, L.P. | Buyout | 20,000 | 19,182 | 818 | 4% | 0 | 550 | 550 | -268 | N/M | N/M | 0.67x | 1.00x |
| Strategic Value Special Situations Fund V, L.P. | Distressed Debt | 30,000 | 26,250 | 3,750 | 13% | 0 | 3,649 | 3,649 | -101 | N/M | N/M | 0.97x | N/A |
| CRV Select Fund I, LP | Venture Capital | 20,000 | 5,250 | 14,750 | 74% | 0 | 16,499 | 16,499 | 1,749 | N/M | N/M | 1.12x | 0.97x |
| CRV XVIII, LP | Venture Capital | 20,000 | 10,250 | 9,750 | 49% | 0 | 10,166 | 10,166 | 416 | N/M | N/M | 1.04x | 0.97x |
| Khosla Ventures VII, L.P. | Venture Capital | 20,000 | 15,980 | 4,020 | 20% | 0 | 3,986 | 3,986 | -34 | N/M | N/M | 0.99x | 0.97x |
| Vintage Year 2021 Total | | 140,000 | 106,912 | 33,088 | 24% | 0 | 34,485 | 34,485 | 1,397 | N/M | N/M | 1.04x | 0.98x |
| Portfolio Total : | | 1,997,854 | 656,570 | 1,560,251 | 67% | 1,233,055 | 1,782,628 | 3,015,683 | 1,455,432 | 19.72% | 15.99% | 1.93x | |

¹Benchmarks:

Private Equity Investments: Cambridge Associates median return for the respective strategies and vintage years

Vintage Year Comparison: Cambridge Associates Global Private Equity & Venture Capital median return for the respective vintage years

Private Equity Portfolio: Cambridge Associates Global Private Equity & Venture Capital pooled internal rate of return

Private Credit Portfolio – as of September 30, 2021

The Private Credit portfolio's net IRR since inception is 9.49%, versus the benchmark return of 6.99%

- The benchmark is the Credit Suisse Leveraged Loan Index + 2%

The Private Credit funds reported another quarter of solid gains, following the recovery from the Q1 2020 downturn

- The portfolio returned 2.8% in Q3 and 15.3% for the trailing 1-year period ending September 30, 2021
 - Most of the funds gained between 1% and 5% during Q3
 - However, the healthcare-focused Athyrium funds reported modest declines in Q3
- Longer term performance has also recovered from the Q1 2020 sell-off
 - 9.9% net IRR for the 3-year period and 9.5% net IRR for the 5-year period
 - The portfolio continues to generate annualized returns of 9% - 10% over multi-year periods

Changes during the quarter

- SCERS made no new commitments to Private Credit funds during the quarter
 - SCERS committed \$40 million (re-up) to a Direct Lending fund in Q4 2021
- \$35.1 million in new contributions, \$27.3 million in distributions
- Total portfolio gain increased by \$7.4 million while the total portfolio IRR increased by 0.12%

Private Credit Portfolio Details – as of September 30, 2021

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|--|-----------------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|----------------|
| Vintage Year 2011 | | | | | | | | | | | | | |
| Summit Partners Credit Fund, LP | Direct Lending | 20,000 | 2,125 | 20,697 | 89% | 26,391 | 404 | 26,795 | 6,098 | 8.86% | N/A | 1.29x | N/A |
| Vintage Year 2011 Total | | 20,000 | 2,125 | 20,697 | 89% | 26,391 | 404 | 26,795 | 6,098 | 8.86% | 13.70% | 1.29x | 1.88x |
| Vintage Year 2014 | | | | | | | | | | | | | |
| Summit Partners Credit Fund II, L.P. | Direct Lending | 35,000 | 3,546 | 48,551 | 90% | 38,969 | 18,177 | 57,147 | 8,596 | 6.52% | 5.77% | 1.18x | N/A |
| Vintage Year 2014 Total | | 35,000 | 3,546 | 48,551 | 90% | 38,969 | 18,177 | 57,147 | 8,596 | 6.52% | 19.83% | 1.18x | 2.08x |
| Vintage Year 2015 | | | | | | | | | | | | | |
| Athyrium Opportunities Fund II | Opportunistic Lending | 32,000 | 2,805 | 42,342 | 91% | 39,719 | 12,548 | 52,268 | 9,925 | 9.68% | 11.01% | 1.23x | 1.44x |
| Vintage Year 2015 Total | | 32,000 | 2,805 | 42,342 | 91% | 39,719 | 12,548 | 52,268 | 9,925 | 9.68% | 19.84% | 1.23x | 1.94x |
| Vintage Year 2017 | | | | | | | | | | | | | |
| Athyrium Opportunities Fund III | Opportunistic Lending | 25,000 | 4,198 | 27,062 | 83% | 14,901 | 15,692 | 30,593 | 3,531 | 6.62% | 11.57% | 1.13x | 1.25x |
| Vintage Year 2017 Total | | 25,000 | 4,198 | 27,062 | 83% | 14,901 | 15,692 | 30,593 | 3,531 | 6.62% | 25.66% | 1.13x | 1.73x |
| Vintage Year 2018 | | | | | | | | | | | | | |
| Benefit Street Partners Senior Secured Opportunities Fund L.P. | Direct Lending | 50,000 | 11,979 | 50,953 | 76% | 23,958 | 36,204 | 60,161 | 9,209 | 5.97% | 6.20% | 1.18x | N/A |
| Summit Partners Credit Fund III, L.P. | Direct Lending | 50,000 | 28,500 | 51,097 | 43% | 29,734 | 32,398 | 62,131 | 11,034 | 17.25% | 6.20% | 1.22x | N/A |
| TCP Direct Lending Fund VIII-S, LLC | Direct Lending | 125,000 | 47,567 | 77,433 | 62% | 16,798 | 79,293 | 96,091 | 18,658 | 9.68% | 6.20% | 1.24x | N/A |
| Vintage Year 2018 Total | | 225,000 | 88,046 | 179,482 | 61% | 70,489 | 147,894 | 218,383 | 38,901 | 9.40% | 28.63% | 1.22x | 1.58x |
| Vintage Year 2019 | | | | | | | | | | | | | |
| BSP Levered US SOF II (Senior Secured Opportunities) Fund L.P. | Direct Lending | 50,000 | 29,681 | 20,767 | 41% | 871 | 22,031 | 22,902 | 2,134 | N/M | N/M | 1.10x | N/A |
| OrbiMed Royalty & Credit Opportunities III, LP | Opportunistic Lending | 35,000 | 30,355 | 17,493 | 13% | 12,855 | 10,131 | 22,986 | 5,493 | 39.25% | 24.30% | 1.31x | 1.22x |
| Vintage Year 2019 Total | | 85,000 | 60,036 | 38,260 | 29% | 13,727 | 32,162 | 45,888 | 7,628 | 28.08% | 34.36% | 1.20x | 1.42x |
| Vintage Year 2020 | | | | | | | | | | | | | |
| MCP Private Capital Fund IV (Feeder) SCSp | Direct Lending | 36,620 | 26,629 | 10,039 | 27% | 0 | 10,139 | 10,139 | 100 | N/M | N/M | 1.01x | N/A |
| Silver Point Specialty Credit Fund II, L.P. | Opportunistic Lending | 40,000 | 20,779 | 19,082 | 48% | 1,628 | 20,835 | 22,463 | 3,381 | N/M | N/M | 1.18x | 1.13x |
| Vintage Year 2020 Total | | 76,620 | 47,408 | 29,121 | 38% | 1,628 | 30,974 | 32,602 | 3,481 | N/M | N/M | 1.12x | 1.21x |

¹Benchmarks:

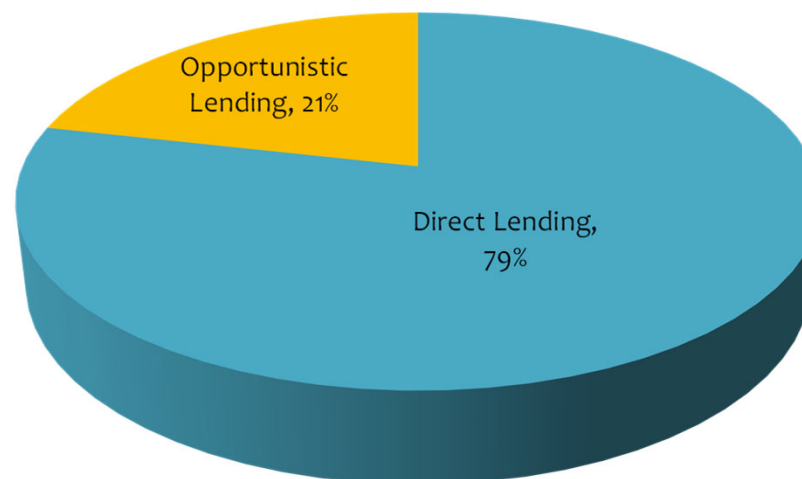
Private Credit Investments: Cambridge Associates median return for the respective debt strategies and vintage years

Private Credit Portfolio: Credit Suisse Leveraged Loan Index + 2%

Private Credit Portfolio Details – as of September 30, 2021 (continued)

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI | TVPI Bench. |
|--|-----------------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|--------------|---------------|--------------|----------------|
| Vintage Year 2021 | | | | | | | | | | | | | |
| Ares Capital Europe V | Direct Lending | 40,000 | 31,781 | 8,219 | 21% | 6 | 8,948 | 8,954 | 735 | N/M | N/M | 1.09x | N/A |
| IFM USIDF (Offshore) B Feeder | Direct Lending | 40,000 | 31,153 | 8,847 | 22% | 87 | 9,111 | 9,198 | 351 | N/M | N/M | 1.04x | N/A |
| Shamrock Capital Debt Opportunities Fund I, L.P. | Opportunistic Lending | 20,000 | 19,918 | 82 | 0% | 0 | 21 | 21 | -60 | N/M | N/M | 0.26x | N/A |
| Vintage Year 2021 Total | | 100,000 | 82,853 | 17,147 | 17% | 93 | 18,081 | 18,173 | 1,026 | N/M | N/M | 1.06x | 0.98x |
| Portfolio Total : | | 598,620 | 291,018 | 402,663 | 51% | 205,917 | 275,932 | 481,849 | 79,186 | 9.49% | 6.99% | 1.20x | |
| Portfolio Strategy Totals | | | | | | | | | | | | | |
| Direct Lending | | 446,620 | 212,962 | 296,602 | 52% | 136,813 | 216,705 | 353,517 | 56,916 | 8.84% | | 1.19x | |
| Opportunistic Lending | | 152,000 | 78,056 | 106,061 | 49% | 69,104 | 59,228 | 128,331 | 22,271 | 11.69% | | 1.21x | |
| Portfolio Total : | | 598,620 | 291,018 | 402,663 | 51% | 205,917 | 275,932 | 481,849 | 79,186 | 9.49% | 6.99% | 1.20x | |

Private Credit Portfolio Strategy Exposure*



* Exposures are based on the market values of investments as of 9/30/21.

¹Benchmarks:

Private Credit Investments: Cambridge Associates median return for the respective debt strategies and vintage years

Private Credit Portfolio: Credit Suisse Leveraged Loan Index + 2%

Real Assets Portfolio – as of September 30, 2021

The Real Assets portfolio's net IRR since inception is 10.39%, versus the blended benchmark return of 6.87%

- The Real Assets portfolio includes private Infrastructure, Energy and Power, and Agriculture, Timber and Other
- Real Assets is part of the broader Real Return asset category

The Real Assets portfolio is primarily Infrastructure and Energy and Power partnerships

- Performance of the Energy and Power partnerships was materially impacted by significant markdowns in Q1 2020
 - However, most of the Energy and Power (particularly upstream energy) partnerships have rebounded sharply since Q3 2020
- Infrastructure partnerships saw smaller declines in Q1 2020 and have maintained good performance since inception
- Since inception net IRRs of 11.5% for Infrastructure and 10.3% for Energy and Power

The Real Assets portfolio generated a 4.7% net return in Q3

- The portfolio's Energy and Power funds led performance during the quarter
 - Most of the Energy and Power funds reported returns between 3% and 10% in Q3 as oil prices continued to strengthen
 - NGP Royalty gained over 20% in Q3 while the Quantum funds reported modest declines
- The Infrastructure funds also reported good performance during the quarter, generally returning 3% to 5% in Q3

Changes during the quarter

- SCERS made no new commitments to Real Assets funds during the quarter
- \$69.7 million in new contributions, \$14.1 million in distributions
 - A majority of the new contributions were made to an open-end infrastructure fund
- Portfolio IRR increased by 0.59% while the total portfolio gain increased by \$33.1 million

Real Assets Portfolio Performance Details – as of September 30, 2021

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI |
|--|------------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|
| Vintage Year 2013 | | | | | | | | | | | | |
| EnCap Energy Capital Fund IX, L.P. | Energy and Power | 33,000 | 1,425 | 37,856 | 96% | 31,807 | 16,114 | 47,921 | 10,066 | 7.95% | 3.10% | 1.27x |
| Vintage Year 2013 Total | | 33,000 | 1,425 | 37,856 | 96% | 31,807 | 16,114 | 47,921 | 10,066 | 7.95% | | 1.27x |
| Vintage Year 2014 | | | | | | | | | | | | |
| Carlyle Power Partners II, L.P. | Energy and Power | 40,000 | 3,900 | 45,402 | 90% | 9,145 | 45,881 | 55,025 | 9,623 | 7.61% | 6.53% | 1.21x |
| EnCap Flatrock Midstream III | Energy and Power | 20,000 | 1,034 | 23,418 | 95% | 10,633 | 17,602 | 28,235 | 4,817 | 8.01% | 6.53% | 1.21x |
| Global Energy & Power Infrastructure Fund II | Energy and Power | 35,000 | 1,645 | 37,572 | 95% | 30,632 | 19,195 | 49,827 | 12,255 | 17.03% | 6.53% | 1.33x |
| Quantum Energy Partners VI, LP | Energy and Power | 35,000 | 8,283 | 32,647 | 76% | 21,236 | 44,961 | 66,196 | 33,549 | 26.77% | 6.53% | 2.03x |
| Pantheon SCERS SIRF MM, LLC | Infrastructure | 100,000 | 32,668 | 71,632 | 67% | 43,400 | 62,806 | 106,206 | 34,574 | 10.47% | 8.88% | 1.48x |
| Wastewater Opportunity Fund | Infrastructure | 25,000 | 1,320 | 25,624 | 95% | 9,076 | 16,484 | 25,560 | -64 | -0.09% | 8.88% | 1.00x |
| Vintage Year 2014 Total | | 255,000 | 48,851 | 236,295 | 81% | 124,121 | 206,929 | 331,049 | 94,754 | 12.10% | | 1.40x |
| Vintage Year 2015 | | | | | | | | | | | | |
| ArcLight Energy Partners Fund VI | Energy and Power | 40,000 | 5,604 | 42,665 | 86% | 17,941 | 26,065 | 44,006 | 1,341 | 0.95% | 8.45% | 1.03x |
| EnCap Energy Capital Fund X, L.P. | Energy and Power | 40,000 | 2,993 | 39,685 | 93% | 14,523 | 37,751 | 52,275 | 12,589 | 8.62% | 8.45% | 1.32x |
| * Atalaya Real Assets SMA | Real Asset Debt | 100,000 | 84,789 | 36,169 | 15% | 45,101 | 0 | 45,101 | 8,932 | 10.27% | N/A | 1.25x |
| Vintage Year 2015 Total | | 180,000 | 93,385 | 118,519 | 48% | 77,565 | 63,816 | 141,381 | 22,862 | 6.10% | | 1.19x |
| Vintage Year 2016 | | | | | | | | | | | | |
| ACM Fund II, LLC | Agriculture | 25,000 | 2,461 | 26,685 | 90% | 4,581 | 16,924 | 21,506 | -5,180 | -8.32% | N/A | 0.81x |
| Brookfield Infrastructure Fund III, L.P. | Infrastructure | 40,000 | 7,659 | 34,185 | 81% | 11,979 | 34,630 | 46,608 | 12,424 | 11.05% | 8.38% | 1.36x |
| IFM Global Infrastructure Fund | Infrastructure | 125,053 | 0 | 125,053 | 100% | 42,019 | 142,738 | 184,757 | 59,704 | 13.06% | 8.38% | 1.48x |
| Vintage Year 2016 Total | | 190,053 | 10,120 | 185,923 | 95% | 58,579 | 194,292 | 252,871 | 66,948 | 10.60% | | 1.36x |
| Vintage Year 2017 | | | | | | | | | | | | |
| Quantum Energy Partners VII, LP | Energy and Power | 40,000 | 15,902 | 28,538 | 60% | 8,006 | 32,155 | 40,161 | 11,623 | 15.23% | 6.33% | 1.41x |
| Meridiam Infrastructure North America Fund III | Infrastructure | 50,000 | 42,542 | 7,458 | 15% | 1 | 11,086 | 11,087 | 3,629 | 29.11% | 8.79% | 1.49x |
| Vintage Year 2017 Total | | 90,000 | 58,444 | 35,996 | 35% | 8,007 | 43,241 | 51,248 | 15,252 | 17.09% | | 1.42x |
| Vintage Year 2018 | | | | | | | | | | | | |
| Paine Schwartz Food Chain Fund V, LP | Agriculture | 40,000 | 19,817 | 20,648 | 50% | 574 | 22,221 | 22,795 | 2,147 | N/M | N/M | 1.10x |

¹Benchmarks:

Real Assets Portfolio: 45% Cambridge Infrastructure, 35% Cambridge Energy, 10% NCREIF Timberland, 10% NCREIF Farmland

Energy Investments: Cambridge Associates median return for the respective vintage years.

Infrastructure Investments: Cambridge Associates median return for the respective vintage years.

Real Assets Portfolio Performance Details – as of September 30, 2021 (continued)

| Partnership Name | Strategy | (A) Commit. Amount | Unfund. Amount | (B) Cumulat. Cont. | % Drawn | (C) Cumulat. Dist. | (D) Fair Value | (C+D) Total Value | (C+D-B) Gain/Loss | Net IRR | IRR Bench. | TVPI |
|--|------------------|--------------------------|-------------------|--------------------------|------------|--------------------------|----------------------|-------------------------|----------------------|---------------|---------------|--------------|
| EnCap Flatrock Midstream IV, L.P. | Energy and Power | 22,500 | 13,591 | 9,494 | 40% | 702 | 10,528 | 11,230 | 1,736 | 6.98% | 7.40% | 1.18x |
| Tailwater Energy Fund III, LP | Energy and Power | 32,000 | 2,265 | 31,789 | 93% | 2,133 | 28,650 | 30,784 | -1,006 | -1.40% | 7.40% | 0.97x |
| ISQ Global Infrastructure Fund II | Infrastructure | 50,000 | 16,057 | 40,246 | 68% | 6,304 | 46,020 | 52,324 | 12,078 | 16.35% | 10.17% | 1.30x |
| Vintage Year 2018 Total | | 144,500 | 51,731 | 102,177 | 64% | 9,713 | 107,419 | 117,132 | 14,955 | 8.03% | | 1.15x |
| Vintage Year 2019 | | | | | | | | | | | | |
| Tailwater Energy Fund IV, LP | Energy and Power | 35,000 | 15,613 | 19,377 | 55% | 0 | 21,183 | 21,183 | 1,806 | N/M | N/M | 1.09x |
| Brookfield Infrastructure Fund IV | Infrastructure | 40,000 | 17,525 | 23,504 | 56% | 3,204 | 24,266 | 27,469 | 3,965 | 11.79% | 13.19% | 1.17x |
| EQT Infrastructure IV (No.2) USD SCSp | Infrastructure | 35,000 | 13,124 | 23,297 | 63% | 2,663 | 25,611 | 28,274 | 4,977 | 13.25% | 13.19% | 1.21x |
| Vintage Year 2019 Total | | 110,000 | 46,261 | 66,179 | 58% | 5,867 | 71,059 | 76,926 | 10,748 | 11.85% | | 1.16x |
| Vintage Year 2020 | | | | | | | | | | | | |
| NGP Royalty Partners, L.P. | Energy and Power | 40,000 | 20,872 | 19,080 | 48% | 191 | 24,423 | 24,614 | 5,534 | N/M | N/M | 1.29x |
| Vintage Year 2020 Total | | 40,000 | 20,872 | 19,080 | 48% | 191 | 24,423 | 24,614 | 5,534 | N/M | | 1.29x |
| Vintage Year 2021 | | | | | | | | | | | | |
| Digital Colony Partners II, LP | Infrastructure | 35,000 | 25,035 | 9,937 | 28% | 0 | 9,534 | 9,534 | -403 | N/M | N/M | 0.96x |
| Harrison Street Social Infrastructure Fund, L.P. | Infrastructure | 75,000 | 25,000 | 50,000 | 67% | 36 | 50,961 | 50,997 | 997 | N/M | N/M | 1.02x |
| ISQ Global Infrastructure Fund III (UST), L.P. | Infrastructure | 50,000 | 50,000 | 0 | 0% | 0 | -882 | -882 | -882 | N/M | N/M | N/A |
| Meridiam Sustainable Infrastructure Europe IV | Infrastructure | 46,354 | 45,823 | 539 | 1% | 0 | 174 | 174 | -365 | N/M | N/M | 0.32x |
| Vintage Year 2021 Total | | 206,354 | 145,858 | 60,476 | 29% | 36 | 59,787 | 59,823 | -653 | N/M | | 0.99x |
| Portfolio Total : | | 1,248,907 | 476,947 | 862,502 | 62% | 315,886 | 787,081 | 1,102,967 | 240,465 | 10.39% | 6.87% | 1.28x |
| Portfolio Strategy Totals | | | | | | | | | | | | |
| Agriculture | | 65,000 | 22,279 | 47,333 | 66% | 5,156 | 39,145 | 44,300 | -3,032 | -3.85% | | 0.94x |
| Energy and Power | | 412,500 | 93,127 | 367,525 | 77% | 146,949 | 324,509 | 471,458 | 103,933 | 10.27% | | 1.28x |
| Infrastructure | | 671,407 | 276,753 | 411,476 | 59% | 118,681 | 423,428 | 542,108 | 130,633 | 11.46% | | 1.32x |
| Real Asset Debt | | 100,000 | 84,789 | 36,169 | 15% | 45,101 | 0 | 45,101 | 8,932 | 10.27% | | 1.25x |
| Portfolio Total : | | 1,248,907 | 476,947 | 862,502 | 62% | 315,886 | 787,081 | 1,102,967 | 240,465 | 10.39% | 6.87% | 1.28x |

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Energy Investments: Cambridge Associates median return for the respective vintage years.

Infrastructure Investments: Cambridge Associates median return for the respective vintage years.

Real Assets Portfolio Exposures as of September 30, 2021

The SCERS Real Assets portfolio is primarily Infrastructure and Energy and Power

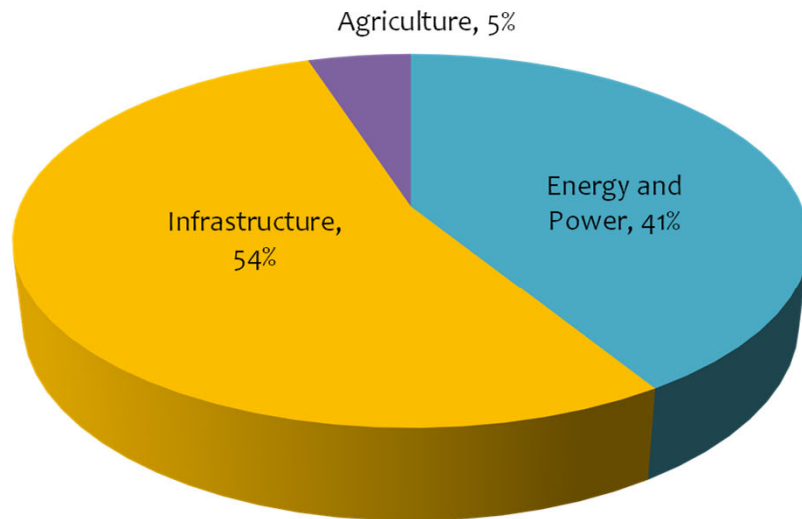
- Other strategies such as Agriculture represent much smaller allocations in the portfolio

The portfolio is focused on North America, though is diversified globally

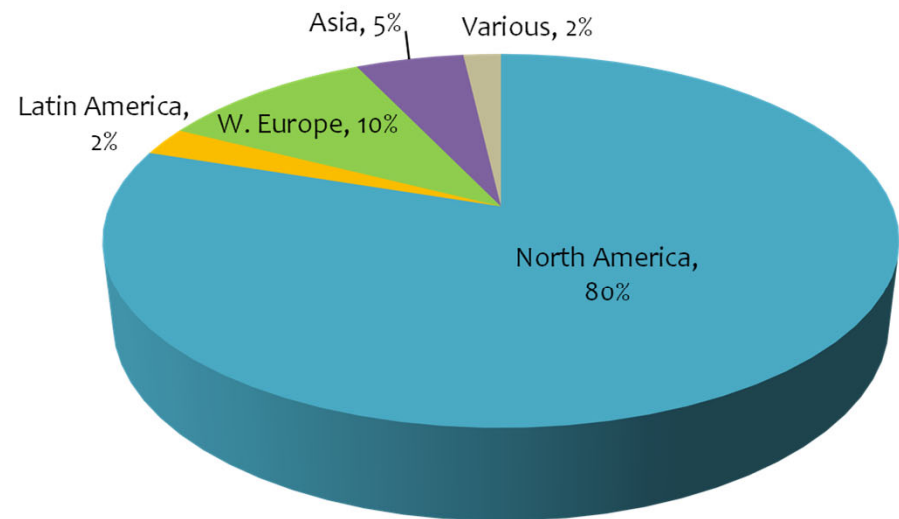
- The portfolio has exposure to Europe, Latin America, and Asia

Portfolio strategy and geographic allocations, based on fair market value of invested capital, shown below

Real Assets Portfolio Strategy Exposure*



Real Assets Portfolio Geographic Exposure*



* Exposures are based on the market values of investments as of 9/30/21.

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