



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 8

MEETING DATE: October 17, 2018

SUBJECT: Monthly Investment Manager Activity, Compliance, and Watch List Report – September 2018

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 September 2018.

PURPOSE

This item does not specifically support the 2018-19 Strategic Management Plan, but 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 September 30, 2018, investment managers on the Watch List include:

1. Carlyle Group (Opportunistic Real Estate).

The following changes were made to the Watch List during the month of September:

- The Carlyle Group was added to the Watch List. The Carlyle Group manages multiple closed-end, opportunistic real estate funds for SCERS, including Carlyle China Realty and Carlyle China Rome Logistics. In September 2018, Carlyle announced it would be exiting the Asia real estate business by the end of 2018. The existing team will be spun-out and continue to manage the current investments as a sub-advisor to Carlyle, which will remain the advisor. 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.

- Och-Ziff Capital Management was removed from the Watch List. Och-Ziff was added to the Watch List in October 2016 following the announcement of legal settlements with the Department of Justice and SEC for violations under the Foreign Corrupt Practices Act. The firm was added to the Watch List for increased business risk, including management changes and additional regulatory scrutiny. Since that time, Och-Ziff has made significant management changes, including the announcement of a new CEO and CIO. Additionally, no new regulatory issues have surfaced and the business has stabilized. SCERS' Staff also recently met with Och-Ziff management in their New York offices. Och-Ziff is removed from the Watch List given the reduced business risk and increased organizational stability.

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 – September 2018
2. Watch List with Commentary Report – September 2018

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

September 30, 2018

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 30, 2018)*	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		\$134,492,152				Russell 1000	Yes	N/A	\$22,672,549	\$40,095,325	Alphabet, Microsoft, Apple, Amazon, Occidental Petroleum, UnitedHealth Group, Pfizer, Dowdupont, Broadcom Ltd., Bank of America
2	Eagle Capital Management	Large Cap Core		\$252,938,041				Russell 1000	Yes	N/A	\$16,575,630	\$14,070,402	Microsoft Corp, Alphabet Inc Cl C, Berkshire Hathaway Inc Cl B, Amazon.Com Inc, Citigroup Inc, Comcast Corp Class A, Unitedhealth Group Inc, Oracle Corp, Aon Plc, Liberty Global Plc C
3	AQR US Enhanced Equity	Large Cap Core		\$246,465,009				Russell 1000	Yes	N/A	\$17,495,299	\$17,165,506	Microsoft Corp, Apple Inc, Amazon.Com Inc, Facebook Inc A, Boeing Co/The, Johnson + Johnson, Alphabet Inc Cl A, Pfizer Inc, Berkshire Hathaway Inc Cl B, Intel Corp
4	Alliance Bernstein	Large Cap Passive		\$1,278,364,101				Russell 1000	Yes	N/A	\$3,149,587	\$2,369,945	Apple Inc, Microsoft Corp, Amazon.Com Inc, Berkshire Hathaway Inc Cl B, Facebook Inc A, Jpmorgan Chase + Co, Johnson + Johnson, Alphabet Inc Cl C, Alphabet Inc Cl A, Exxon Mobil Corp
5	Weatherbie Capital	Small Cap Growth		\$104,701,712				Russell 2000 Growth	Yes	N/A	\$6,640,226	\$6,301,194	Firstservice Corp, Xpo Logistics Inc, Insulet Corp, Chegg Inc, Wayfair Inc Class A, Paylocity Holding Corp, Trade Desk Inc/The Class A, Everbridge Inc, Ebix Inc, Heico Corp
6	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$102,246,278				Russell 2000 Value	Yes	N/A	\$677,255	\$577,630	State Street Bank + Trust Co, Greenbrier Companies Inc, Allscripts Healthcare Soluti, Forward Air Corp, Nexstar Media Group Inc Cl A, Brandywine Realty Trust, El Paso Electric Co, Orion Engineered Carbons Sa, Cousins Properties Inc, Moog Inc Class A
	TOTAL DOMESTIC EQUITY			\$2,119,207,293							\$67,210,546	\$80,580,002	

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INTERNATIONAL EQUITY													
7	Lazard Asset Management	ACWI ex-US		\$373,139,041				MSCI ACWI Ex.-U.S.	Yes	N/A	\$6,118,009	\$5,404,201	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Prudential Plc, Sampo Oyj A Shs, Don Quijote Holdings Co Ltd, Accenture Plc Cl A, Informa Plc, Coca Cola European Partners, Vivendi, Daiwa House Industry Co Ltd
8	LSV Asset Management	Developed Large Cap Value		\$454,748,769				MSCI World Ex.-U.S.	Yes	N/A	\$11,218,363	\$11,941,118	Roche Holding Ag Genusschein, Royal Dutch Shell Plc B Shs, Sanofi, Total Sa, Bp Plc, Kddi Corp, Glaxosmithkline Plc, Nippon Telegraph + Telephone, Bae Systems Plc, Swiss Life Holding Ag Reg
9	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$505,000,047				MSCI World Ex.-U.S.	Yes	N/A	\$479,079	\$305,911	Keyence Corp, Aia Group Ltd, Lvmh Moet Hennessy Louis Vui, Csl Ltd, Kao Corp, Adidas Ag, Compass Group Plc, Sap Se, Coloplast B, Novozymes A/S B Shares
10	William Blair International Small Cap	Developed Small Cap Growth		\$90,386,314				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$5,947,655	\$6,028,062	Ssp Group Plc, Beazley Plc, Royal Unibrew, Basic-Fit Nv, Burford Capital Ltd, Thule Group Ab/The, Evolution Gaming Group, Fevertree Drinks Plc, Tis Inc, Tokyo Century Corp
11	Mondrian International Small Cap	Developed Small Cap Value		\$97,359,201				MSCI Small Cap World ex.-U.S.	Yes	N/A	\$2,141,914	\$1,641,603	AAK AB, Nifco Inc, Spirax-Sarco Engineering PLC, Elkem ASA, Nihon MA Center Inc, SATS Ltd, Cineworld Group PLC, CAE Inc, Victrex PLC, AF AB B Shares
12	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$182,394,794				MSCI Emerging Markets	Yes	N/A	13,091,070	\$6,437,204	Cnooc, Taiwan Semicon.Mnfg., Alibaba Group Hldg.Sp.n. Adr 1:1, Samsung Electronics, Ping An Insurance 'H', Tencent Holdings, Reliance Industries, Naspers, Sberbank Of Russia (Lon) Adr, Norilsk Nickel Adr
13	Mondrian EM All Cap	Emerging Market - All Cap		\$161,866,701				MSCI Emerging Markets	Yes	N/A	\$3,941,487	\$6,869,629	Taiwan Semiconductor Manufacturing Ltd, Ping An Insurance Co of China Class H, Samsung Electronics Co Ltd, China Construction Bank Corp Class H, China Mobile Ltd, WH Group Ltd, Embraer SA Sponsored ADR, LG Chem Ltd, Suzano Papel E Celulose SA, Vedanta Ltd
	TOTAL INTERNATIONAL EQUITY			\$1,864,894,868							\$42,937,577	\$38,627,728	

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PRIVATE EQUITY													
14	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$55,028,301	\$75,000,000	\$73,500,000	\$60,376,320	Cambridge Assoc. All Private Equity	Yes	N/A		\$1,125,000	
15	HarbourVest International PEP VI, LP	aFund of Funds		\$36,855,048	\$50,000,000	\$37,375,492	\$20,515,651	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.
16	HarbourVest VIII, LP	aFund of Funds		\$19,085,945	\$50,000,000	\$47,962,500	\$26,637,190	Cambridge Assoc. All Private Equity	Yes	N/A		\$728,159	
17	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$30,584,373	\$75,000,000	\$74,960,334	\$55,391,146	Cambridge Assoc. All Private Equity	Yes	N/A			
18	Accel-KKR Capital Partners IV, LP	Buyout		\$12,302,077	\$15,000,000	\$12,400,154	\$9,717,597	Cambridge Assoc. All Private Equity	Yes	N/A		\$3,067,099	
19	Accel-KKR Capital Partners V, LP	Buyout		\$7,867,691	\$25,000,000	\$7,758,852	\$137,482	Cambridge Assoc. All Private Equity	Yes	N/A			
20	H.I.G. Capital Partners V, LP	Buyout		\$10,101,441	\$14,000,000	\$9,346,180	\$3,373,594	Cambridge Assoc. All Private Equity	Yes	N/A			
21	Marlin Equity IV, LP	Buyout		\$13,351,178	\$20,000,000	\$18,747,571	\$7,337,969	Cambridge Assoc. All Private Equity	Yes	N/A		\$6,624,299	
22	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$37,907,120	\$35,000,000	\$32,852,736	\$3,512,203	Cambridge Assoc. All Private Equity	Yes	N/A	\$233,928		
23	Linden Capital Partners IV, LP	Buyout - Middle Market Healthcare		\$1,886,101	\$44,000,000	\$1,886,101		Cambridge Assoc. All Private Equity	Yes	N/A	\$1,886,101		
24	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$42,060,034	\$30,000,000	\$30,010,615	\$15,956,890	Cambridge Assoc. All Private Equity	Yes	N/A			
25	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$28,705,148	\$30,000,000	\$26,958,375	\$863,402	Cambridge Assoc. All Private Equity	Yes	N/A	\$5,137,666		
26	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		\$10,792,959	\$21,000,000	\$10,930,964	\$361,238	Cambridge Assoc. All Private Equity	Yes	N/A	\$309,619		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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PRIVATE EQUITY													
27	Waterland Fund V, LP	Buyout - Non-US		\$11,202,801	\$23,193,600	\$15,495,150	\$24,601,388	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 VI, LP	Buyout - Non-US		\$16,496,270	\$30,000,000	\$14,655,228		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	Marlin Heritage, LP	Buyout - Small / Middle Market		\$8,531,692	\$10,000,000	\$8,770,439	\$7,869,614	Cambridge Assoc. All Private Equity	Yes	N/A		\$371,377	
30	Marlin Heritage II, LP	Buyout - Small / Middle Market		\$3,344,861	\$10,000,000	\$3,537,497		Cambridge Assoc. All Private Equity	Yes	N/A	\$691,780		
31	Marlin Heritage Europe, LP	Buyout - Small / Middle Market		\$4,685,434	\$14,400,000	\$4,980,774		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.
32	Marlin Heritage Equity Partners V, LP	Buyout - Middle Market		\$4,593,293	\$25,000,000	\$4,846,711		Cambridge Assoc. All Private Equity	Yes	N/A			
33	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$19,084,972	\$35,000,000	\$41,854,303	\$28,348,836	Cambridge Assoc. All Private Equity	Yes	N/A			
34	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$29,351,061	\$40,000,000	\$15,620,918	\$8,897,686	Cambridge Assoc. All Private Equity	Yes	N/A		\$253,835	
36	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$23,870,830	\$25,000,000	\$30,090,732	\$9,620,700	Cambridge Assoc. All Private Equity	Yes	N/A		\$553,863	
37	DavidsonKempner Long-Term Distressed Opportunities Fund IV, LP	Distressed Debt		\$9,402,639	\$35,000,000	\$9,100,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$2,100,000		
38	Garrison Opportunity Fund III, LP	Distressed Debt		\$13,913,016	\$20,000,000	\$20,000,000	\$7,393,576	Cambridge Assoc. All Private Equity	Yes	N/A		\$348,340	
39	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$20,655,709	\$30,000,000	\$23,358,256	\$10,648,645	Cambridge Assoc. All Private Equity	Yes	N/A			
40	TPG Opportunities Partners III, LP	Distressed Debt		\$22,371,498	\$40,000,000	\$25,925,248	\$9,920,250	Cambridge Assoc. All Private Equity	Yes	N/A			

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PRIVATE EQUITY													
41	TSSP Opportunities Partners IV, LP	Distressed Debt			\$35,000,000			Cambridge Assoc. All Private Equity	Yes	N/A			
41	Wayzata Opportunities Fund III, LP	Distressed Debt		\$6,396,062	\$30,000,000	\$14,718,000	\$7,910,776	Cambridge Assoc. All Private Equity	Yes	N/A			
42	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$16,350,639	\$16,350,000	\$16,350,000	\$13,650,630	Cambridge Assoc. All Private Equity	Yes	N/A			
43	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$19,481,865	\$35,000,000	\$18,425,103	\$4,935,627	Cambridge Assoc. All Private Equity	Yes	N/A	\$990,500		
44	Summit Partners Europe Growth Equity Fund II, LP	Growth Equity		\$5,925,867	\$30,000,000	\$10,783,854	\$8,591,015	Cambridge Assoc. All Private Equity	Yes	N/A	\$2,723,738		
45	TSG 7A,LP and TSG 7B, LP	Buyout - Consumer Brands		\$11,008,519	\$20,000,000	\$10,393,128	\$7,227	Cambridge Assoc. All Private Equity	Yes	N/A	\$1,647,190	\$65,342	
46	Accel-KKR Growth Capital Partners II, LP	Growth Equity - Software Technology		\$7,627,439	\$15,000,000	\$8,987,613	\$2,368,117	Cambridge Assoc. All Private Equity	Yes	N/A		\$308,340	
47	Accel-KKR Growth Capital Partners III, LP	Growth Equity - Software Technology			\$33,320,000			Cambridge Assoc. All Private Equity	Yes	N/A			
48	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$28,573,762	\$25,000,000	\$23,500,000	\$10,192,832	Cambridge Assoc. All Private Equity	Yes	N/A	\$500,000		
49	Spectrum Equity Fund VIII, LP	Growth Equity - Software Technology		\$195,839	\$25,000,000	\$437,500		Cambridge Assoc. All Private Equity	Yes	N/A			
50	Dyal II US Investors, LP	Other		\$14,920,121	\$35,000,000	\$21,025,862	\$4,191,170	Cambridge Assoc. All Private Equity	Yes	N/A	\$647,500		
51	Dyal Capital Partners III, LP	Other		\$16,721,734	\$35,000,000	\$20,129,244	\$8,492,067	Cambridge Assoc. All Private Equity	Yes	N/A		\$418,263	

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PRIVATE EQUITY													
52	Khosla Ventures Fund IV, LP	Venture Capital		\$6,055,585	\$10,000,000	\$9,810,000	\$5,755,267	Cambridge Assoc. All Private Equity	Yes	N/A			
53	Khosla Ventures Fund V, LP	Venture Capital		\$14,213,422	\$20,000,000	\$15,460,000	\$1,012,798	Cambridge Assoc. All Private Equity	Yes	N/A			
54	Khosla Ventures Fund VI, LP	Venture Capital		\$2,205,000	\$35,000,000	\$2,205,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$2,205,000		
55	NEA 14, LP	Venture Capital		\$34,541,234	\$25,000,000	\$23,500,000	\$11,306,070	Cambridge Assoc. All Private Equity	Yes	N/A		\$464,061	
56	NEA 15, LP	Venture Capital		\$39,027,096	\$35,000,000	\$27,654,431	\$3,102,564	Cambridge Assoc. All Private Equity	Yes	N/A			
57	NEA 16, LP	Venture Capital		\$9,775,221	\$35,000,000	\$9,887,500		Cambridge Assoc. All Private Equity	Yes	N/A			
58	Trinity Ventures XI, LP	Venture Capital		\$28,820,699	\$25,000,000	\$21,250,000	\$2,996,208	Cambridge Assoc. All Private Equity	Yes	N/A	\$812,500		
59	Trinity Ventures XII, LP	Venture Capital		\$18,328,759	\$30,000,000	\$15,600,000		Cambridge Assoc. All Private Equity	Yes	N/A	\$600,000		
	TOTAL PRIVATE EQUITY			\$783,647,021	\$1,396,263,600	\$885,338,469	\$398,688,038				\$21,218,899	\$14,327,979	

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PUBLIC CREDIT													
60	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$182,200,301				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
TOTAL PUBLIC CREDIT				\$182,200,301									
PRIVATE CREDIT													
61	Athyrium Opportunities Fund II, LP	Opport. Credit - Healthcare		\$14,674,766	\$32,000,000	\$36,378,991	\$26,018,379	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A		\$691,204	
62	Athyrium Opportunities Fund III, LP	Opport. Credit - Healthcare		\$9,446,667	\$25,000,000	\$12,296,104	\$2,694,291	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$733,377		
63	Summit Partners Credit Fund I, LP	Direct Lending		\$3,483,535	\$20,000,000	\$24,939,499	\$27,826,984	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
64	Summit Partners Credit Fund II, LP	Direct Lending		\$21,183,602	\$35,000,000	\$39,014,979	\$23,714,849	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A	\$1,346,715	\$706,947	
65	Summit Partners Credit Fund III, LP	Direct Lending			\$50,000,000			Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
66	Tennenbaum Capital Partners Direct Lending Fund VIII	Direct Lending		\$26,800,485	\$100,000,000	\$26,637,736		Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
67	Benefit Street Partners Senior Secured Opportunities Fund, LP	Direct Lending		\$38,857,084	\$50,000,000	\$39,013,694	\$1,385,056	Credit Suisse Leveraged Loan + 200 bps	Yes	N/A			
TOTAL PRIVATE CREDIT				\$114,446,139	\$312,000,000	\$178,281,004	\$81,639,559				\$2,080,092	\$1,398,151	

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GROWTH ABSOLUTE RETURN													
68	Grosvenor SC Absolute Return Fund, Series G (SCARF-G)	Separate Account		\$143,201,663				HFRI FoF Composite Index +100 bps	Yes	Yes			
69	Lakewood Capital Partners, LP	Equity Long/Short		\$45,442,749	\$35,000,000	\$33,000,000		HFRI FoF Composite Index +100 bps	Yes	Yes			
70	Jana Partners Qualified, LP	Event Driven		\$43,848,490				HFRI FoF Composite Index +100 bps	Yes	Yes			
71	Third Point Partners Qualified, LP	Event Driven		\$49,783,145				HFRI FoF Composite Index +100 bps	Yes	Yes			
72	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$48,742,680				HFRI FoF Composite Index +100 bps	Yes	Yes			
	TOTAL GROWTH ABSOLUTE RETURN			\$331,018,727	\$35,000,000	\$33,000,000							
TOTAL GROWTH ASSET CATEGORY				\$5,395,414,349							\$133,447,113	\$134,933,860	

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DIVERSIFYING ABSOLUTE RETURN													
73	Grosvenor SC Absolute Return Fund, Series D (SCARF-D)	Separate Account		\$130,817,237				HFRI FoF Conservative Index	Yes	Yes			
74	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Interim Separate Account		\$168,779,822				HFRI FoF Conservative Index	Yes	Yes			
75	Elliott Associates, LP	Event Driven		\$54,616,433				HFRI FoF Conservative Index	Yes	Yes			
77	Claren Road Credit Partners, LP	Global Long-Short Credit		\$3,679,435				HFRI FoF Conservative Index	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.
78	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$27,996,562				HFRI FoF Conservative Index	Yes	Yes			SCERS submitted a full redemption request for this fund. The fund employs a 25% gate per quarter with the final distribution expected during Q2 2019.
79	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$45,442,634				HFRI FoF Conservative Index	Yes	Yes			
80	AQR DELTA Fund, LP	Multi-Strategy		\$63,905,520				HFRI FoF Conservative Index	Yes	Yes			
81	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$37,839,970				HFRI FoF Conservative Index	Yes	Yes			
82	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$35,303,646				HFRI FoF Conservative Index	Yes	Yes			
	TOTAL DIVERSIFYING ABSOLUTE RETURN			\$568,381,259									

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SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of September 30, 2018)*	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
PUBLIC FIXED INCOME													
83	Neuberger Investment Management	U.S. Treasury		\$416,517,881				Barclays U.S. Treasury	Yes	N/A	\$5,335,218	\$5,331,541	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
84	TCW MetWest Asset Management	Core Plus		\$411,647,832				Barclays U.S. Aggregate Bond	Yes	N/A	\$140,365,359	\$126,333,349	Us Treasury N/B, State Street Bank + Trust Co, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Metropolitan West High Yield B, Frnma Tba 30 Yr 3.5, Fed Hm Ln Pc Pool G67709, Gnma li Tba 30 Yr 4.5 <i>Monthly Purchases and Sales excludes derivative transactions.</i>
85	Prudential Investment Management	Core Plus		\$433,309,620				Barclays U.S. Aggregate Bond	Yes	N/A	\$13,080,579	\$12,964,503	B8A5H9Mg3 Irs Usd R V 01Mlibor, B8A5H9Mp3 Irs Usd R V 01Mlibor, B8A5Keyt7 Irs Usd R V 01Mlibor, B8A5Keyq3 Irs Usd R V 01Mlibor, B8A4Rwjs2 Irs Usd R V 00Mfedl, B8A4Lnzs0 Irs Usd R V 03Mlibor, B8A4Xsge8 Irs Usd R V 00Mfedl0, B8A3U8Pu1 Irs Usd R V 01Musois, B8A4Xw9N7 Irs Usd R V 12Mfedl, B8A3U3H15 Irs Usd R V 01Musois <i>Monthly Purchases and Sales excludes derivative transactions.</i>
86	Brandywine Global Investment Management	Global		\$217,117,772				80% Citigroup WGBl ex.-U.S. / 20% JP Morgan GBl EM Diversified	Yes	N/A	\$6,674,984	\$20,497,407	Us Treasury N/B 2.875% 08/15/28, Uk Tsy Gilt 1.75% 07/22/19, Us Treasury Frn Flt 04/30/20, Mexican Bonos 7.75% 11/13/42, Rep South Africa 8.75% 02/28/48, Goldman Sachs Gp Flt 02/23/23, Mexican Bonos 8.5% 11/18/38, Mexican Bonos 8.5% 05/31/29, Colombia Tes 6% 04/28/28, Australian Govt. 2.75% 10/21/19
	TOTAL FIXED INCOME			\$1,478,593,104							\$165,456,140	\$165,126,800	
TOTAL DIVERSIFYING ASSET CATEGORY				\$2,046,974,363							\$165,456,140	\$165,126,800	

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CORE REAL ESTATE													
87	BlackRock Realty	Real Estate - Core Separate Account		\$68,409,679				NFI-ODCE Index	Yes	N/A		\$126,173,068	Assets sold as part of real estate separate account transition. Remaining value is for the Block 295 (Leland James Center) redevelopment project in Portland, OR.
88	Barings (formerly Cornerstone)	Real Estate - Core Separate Account		\$25,601,105				NFI-ODCE Index	Yes	N/A		\$57,000,000	Assets sold as part of real estate separate account transition.
89	Brookfield Premier Real Estate Partners, LP	Real Estate - Core			\$100,000,000			NFI-ODCE Index	Yes	N/A			\$100 million commitment to Brookfield as part of real estate separate account transition.
90	Clarion Lion Properties Fund, LP	Real Estate - Core		\$150,000,000	\$152,400,000			NFI-ODCE Index	Yes	N/A	\$150,000,000		\$152.4 million commitment to Clarion as part of real estate separate account transition.
91	Jamestown Premier Property Fund, LP	Real Estate - Core / Core Plus		\$17,591,780				NFI-ODCE Index	Yes	N/A			
92	MetLife Core Property Fund	Real Estate - Core		\$58,239,684				NFI-ODCE Index	Yes	N/A			
93	Prime Property Fund, LLC	Real Estate - Core		\$57,974,519				NFI-ODCE Index	Yes	N/A			
94	Principal US Property Account	Real Estate - Core		\$44,986,725				NFI-ODCE Index	Yes	N/A			
95	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$38,077,240				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.
96	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$66,353,523				NFI-ODCE Index	Yes	N/A			
97	Townsend Real Estate Fund, LP	Real Estate - Core		\$107,795,149				NFI-ODCE Index	Yes	N/A			
	TOTAL CORE REAL ESTATE			\$635,029,405	\$252,400,000						\$150,000,000	\$183,173,068	

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NON-CORE REAL ESTATE													
98	DRC European Real Estate Debt Fund II, LP	Real Estate - Value Add Debt		\$14,950,976	\$50,000,000	\$80,487,528	\$69,213,329	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.
99	Carlyle China Realty, LP	Real Estate - Opport.	YES	\$6,103,095	\$10,000,000	\$8,060,976	\$1,593,478	NFI-ODCE + 100 bps	Yes	N/A			
100	Carlyle China Rome Logistics, LP	Real Estate - Opport.	YES	\$39,799,797	\$40,000,000	\$30,494,613	\$2,566,008	NFI-ODCE + 100 bps	Yes	N/A			
101	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$33,505,354	\$35,000,000	\$35,007,889	\$7,734,948	NFI-ODCE + 100 bps	Yes	N/A	\$863,782		
102	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$10,559,893	\$35,000,000	\$31,215,303	\$31,041,761	NFI-ODCE + 100 bps	Yes	N/A			
103	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.		\$15,640,885	\$35,000,000	\$21,377,917	\$14,517,940	NFI-ODCE + 100 bps	Yes	N/A	\$114,941		
104	AEW Value Investors II, LP	Real Estate - Value Add		\$59,166	\$25,000,000	\$21,812,596	\$27,457,757	NFI-ODCE + 100 bps	Yes	N/A			The fund has reached the end of its term. AEW has been undergoing an orderly sale of the assets and extended the closing of the fund until 2017.
105	Allegis Value Trust	Real Estate - Value Add		\$7,213,661	\$25,000,000	\$25,000,000	\$23,609,000	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.
106	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$16,988,725	\$35,000,000	\$15,606,451	\$1,750,310	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.
107	Hammes Partners II, LP	Real Estate - Value Add		\$22,591,853	\$25,000,000	\$25,206,214	\$6,262,049	NFI-ODCE + 100 bps	Yes	N/A		\$643,250	
108	Hammes Partners III, L.P.	Real Estate - Value Add			\$31,250,000			NFI-ODCE + 100 bps	Yes	N/A			
109	Hines US Office Value Fund II, LP	Real Estate - Value Add		\$136,535	\$22,572,950	\$21,726,796	\$17,393,514	NFI-ODCE + 100 bps	Yes	N/A		\$422,759	The fund has reached the end of its term. Hines completed the final disposition of assets. The net asset value represents the leftover cash.
110	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$14,784,207	\$25,000,000	\$22,760,416	\$21,438,836	NFI-ODCE + 100 bps	Yes	N/A		\$572,044	Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
111	NREP Nordic Strategies Fund II, SCSp	Real Estate - Value Add		\$28,757,553	\$35,000,000	\$26,855,362	\$1,876,343	NFI-ODCE + 100 bps	Yes	N/A	\$1,891,361		Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
112	NREP Nordic Strategies Fund III, SCSp	Real Estate - Value Add		\$1,655,497	\$40,000,000	\$1,655,156		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.
	TOTAL NON-CORE REAL ESTATE			\$212,747,197	\$468,822,950	\$367,267,216	\$226,455,272				\$2,870,084	\$1,638,054	
	TOTAL REAL ESTATE			\$847,776,602	\$721,222,950	\$367,267,216	\$226,455,272				\$152,870,084	\$184,811,122	

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REAL ASSETS													
113	ACM Fund II, LLC	Real Assets - Agriculture		\$12,902,816	\$25,000,000	\$17,998,135	\$4,277,491	Blended Index***	Yes	N/A			
114	ArcLight Energy Partners VI, LP	Energy - Midstream		\$32,676,768	\$40,000,000	\$37,470,434	\$12,252,576	Blended Index***	Yes	N/A		\$3,582,624	
115	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$13,395,298	\$20,000,000	\$18,520,040	\$8,825,342	Blended Index***	Yes	N/A	\$4,094,440		
116	EnCap Flatrock Midstream Fund IV, LP	Energy - Midstream		\$7,841,547	\$22,500,000	\$8,007,203		Blended Index***	Yes	N/A	\$6,608,215		
117	Quantum Energy Partners VI, LP	Energy - Midstream		\$26,228,339	\$35,000,000	\$25,548,389	\$12,084,060	Blended Index***	Yes	N/A			
118	Quantum Energy Partners VII, LP	Energy - Midstream		\$12,904,831	\$40,000,000	\$15,353,368	\$2,365,979	Blended Index***	Yes	N/A	\$2,934,541	\$183,453	
119	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$23,021,682	\$33,000,000	\$36,195,799	\$25,077,124	Blended Index***	Yes	N/A			
120	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$30,197,259	\$40,000,000	\$32,640,406	\$6,707,655	Blended Index***	Yes	N/A	\$973,582		
121	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$19,978,424	\$35,000,000	\$28,664,758	\$19,018,038	Blended Index***	Yes	N/A	\$939,458	\$360,977	
122	Carlyle Power Partners II, LP	Energy - Power		\$15,646,352	\$40,000,000	\$24,048,567	\$8,940,669	Blended Index***	Yes	N/A		\$1,224,618	
123	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$20,252,752	\$40,000,000	\$22,362,470	\$4,573,377	Blended Index***	Yes	N/A	\$3,291,082		
124	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core		\$93,013,139	\$125,000,000	\$100,000,000	\$22,530,520	Blended Index***	Yes	N/A			
125	Meridiam Infrastructure North America III, LP	Infrastruc. - Core		\$395,131	\$50,000,000	\$1,158,255		Blended Index***	Yes	N/A	\$150,000		
126	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$11,633,421	\$25,000,000	\$13,562,835	\$139,642	Blended Index***	Yes	N/A	\$3,720,246		
127	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$69,000,290	\$100,000,000	\$54,531,683	\$5,000,000	Blended Index***	Yes	N/A		\$1,000,000	

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

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REAL ASSETS													
128	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$18,296,341	\$100,000,000	\$36,281,195	\$22,707,378	Blended Index***	Yes	N/A		\$1,831,502	
129	Tailwater Energy Fund III, LP	Energy - Midstream Infrastruc.		\$14,404,694	\$32,000,000	\$14,011,433		Blended Index***	Yes	N/A	\$14,404,694		
130	ISQ Global Infrastructure Fund II, LP	Infrastruc. - Value Add			\$50,000,000			Blended Index***	Yes	N/A			
131	Paine Schwartz Food Chain Fund V, LP	Agriculture			\$40,000,000			Blended Index***	Yes	N/A			
132	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$259,646,893				Blend of weighted real return asset class benchmarks.	Yes	N/A	\$712,608	\$27,642,255	This is the overlay proxy for the Real Return asset category.
	TOTAL PRIVATE REAL ASSETS			\$681,435,976	\$892,500,000	\$486,354,969	\$154,499,852				\$37,828,866	\$35,825,428	

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

COMMODITIES													
133	Gresham Strategic Commodities Fund	Comm-odities		\$27,477,461				Bloomberg Commodity Index	Yes	N/A			
	TOTAL COMMODITIES			\$27,477,461									

TOTAL REAL RETURN ASSET CATEGORY				\$1,556,690,039							\$190,698,950	\$220,636,550	
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OPPORTUNITIES													
134	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$8,902,111	\$25,000,000	\$24,875,000	\$21,331,263	Cambridge Assoc. All PE	Yes	N/A		\$167,458	
	TOTAL OPPORTUNITIES			\$8,902,111	\$25,000,000	\$24,875,000	\$21,331,263					\$167,458	
SHORT-TERM													
135	State Street Global Advisors - STIF (Cash Account)	Cash		\$553,775,715				91 Day T-Bill	Yes	N/A	\$79,470,521	\$84,310,597	Unallocated cash is swept into a short-term investment fund.
	TOTAL SHORT-TERM			\$553,775,715							\$79,470,521	\$84,310,597	
FUTURES OVERLAY													
136	State Street Global Advisors (Futures Overlay)	Overlay		\$45,291,116				Target Asset Allocation	Yes	N/A	\$140,388,023	\$143,092,180	State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Gnma li Tba 30 Yr 3.5, Fnma Tba 30 Yr 4, FhImc Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Us Dollar, Euro Currency, Japanese Yen, Pound Sterling
	TOTAL FUTURES OVERLAY			\$45,291,116							\$140,388,023	\$143,092,180	
SCERS TOTAL PORTFOLIO				\$9,607,047,693	\$3,381,986,550	\$1,975,116,658	\$882,613,985				\$709,460,747	\$748,267,445	

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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.