Agenda Item 14

MEETING DATE: June 17, 2020

SUBJECT: Quarterly Investment Performance Report
Alternative Assets

RECOMMENDATION

Staff recommends the Board receive and file the Cliffwater Quarterly Performance Review presentation for the period ending March 31, 2020 for the Absolute Return portfolio, and the period ending December 31, 2019 for the Private Equity, Private Credit, Real Assets, and Opportunities portfolios.

PURPOSE

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

SCERS ALTERNATIVE ASSETS PORTFOLIO RETURNS

This memorandum provides a summarized table of SCERS’ Alternative Assets period returns, which complements Cliffwater’s Quarterly Performance Review, and it highlights notable manager performance, along with any recent alternative investments made by SCERS. The returns for the private market asset classes within the table below and within Cliffwater’s report are lagged a quarter, and reflect valuations as of December 31, 2019. Therefore, the private market valuations do not reflect the impact from the market downturn due to the coronavirus pandemic, which will be reflected in subsequent quarters.
SCERS’ alternative asset class period returns are as follows:

### SCERS ALTERNATIVE ASSETS PERFORMANCE SUMMARY
Quarter Reporting Periods Ending March 31, 2020

<table>
<thead>
<tr>
<th>SCERS ASSET CLASS</th>
<th>Quarter*</th>
<th>1-Year*</th>
<th>3-Year*</th>
<th>5-Year*</th>
<th>Since Inception *</th>
<th>Since Inception Date*</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCERS Absolute Return</td>
<td>-9.0%</td>
<td>-5.1%</td>
<td>-0.9%</td>
<td>0.0%</td>
<td>3.3%</td>
<td>Sep-04</td>
</tr>
<tr>
<td>HFRI FoF Conservative</td>
<td>-7.2%</td>
<td>-4.3%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>2.2%</td>
<td></td>
</tr>
<tr>
<td>HFRI FoF Composite + 1%</td>
<td>-8.5%</td>
<td>-4.5%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>SCERS Private Equity</td>
<td>4.4%</td>
<td>20.3%</td>
<td>21.7%</td>
<td>17.7%</td>
<td>15.4%</td>
<td>Feb-08</td>
</tr>
<tr>
<td>Cambridge Private Equity/Venture Capital</td>
<td>5.2%</td>
<td>15.2%</td>
<td>15.5%</td>
<td>13.3%</td>
<td>12.9%</td>
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</tr>
<tr>
<td>SCERS Private Credit</td>
<td>2.2%</td>
<td>9.5%</td>
<td>7.6%</td>
<td>7.9%</td>
<td>8.1%</td>
<td>Oct-11</td>
</tr>
<tr>
<td>Credit Suisse Leveraged Loan + 2%</td>
<td>2.2%</td>
<td>10.2%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>SCERS Real Assets</td>
<td>0.3%</td>
<td>5.5%</td>
<td>10.2%</td>
<td>11.7%</td>
<td>11.9%</td>
<td>Jan-13</td>
</tr>
<tr>
<td>(45%) Cambridge Private Infrastructure; (35%) Cambridge Private Energy; (20%) NCREIF Agriculture/Timber</td>
<td>0.9%</td>
<td>2.7%</td>
<td>6.5%</td>
<td>6.1%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>SCERS Opportunities</td>
<td>2.0%</td>
<td>8.0%</td>
<td>5.7%</td>
<td>7.8%</td>
<td>18.4%</td>
<td>Jan-08</td>
</tr>
<tr>
<td>SCERS Portfolio Actuarial Rate of Return</td>
<td>1.8%</td>
<td>7.0%</td>
<td>7.0%</td>
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<td>7.0%</td>
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</tr>
</tbody>
</table>

*Note: Periods ending 12/31/19 for Private Equity, Private Credit, Real Assets, and Opportunities
Periods ending 3/31/20 for Absolute Return
All returns are net IRR, except Absolute Return which is time-weighted

### SCERS PORTFOLIO RESULTS

For the reporting quarter ended December 31, 2019, SCERS’ Private Equity portfolio generated a strong +4.4% return, although underperforming against its benchmark return of +5.2%. Portfolio performance was driven by the impressive returns generated by the buyout (information technology) strategies.

SCERS’ Absolute Return portfolio performed poorly during the quarter, down -9.0%, well below its benchmark return of -7.2% and -8.5%. The portfolio was significantly impacted by the market disruption due to COVID-19 in March, in particular the Growth Orientated portfolio was down -15.5% for the quarter.

Below are notable top and bottom performing funds among SCERS’ alternative assets managers for the reporting periods identified above:

- Top performing funds:
  - Absolute Return:
    - Laurion Capital (market neutral): +15.4%
    - Elliott International (event driven): +2.3%
Private Equity portfolio:
- Thoma Bravo XI (buyout): +25.6%
- Marlin Heritage Europe (buyout): +14.9%
- Thoma Bravo XII (buyout): +12.9%

Private Credit portfolio:
- Athyrium Opportunities Fund II (opportunistic credit): +8.3%
- Summit Partners Credit Fund III (direct lending): +5.8%
- Summit Partners Credit Fund (direct lending): +3.7%

Real Assets portfolio:
- EQT Infrastructure Fund IV (infrastructure): +11.2%
- Wastewater Opportunity Fund (water/wastewater): +6.1%
- IFM Global Infrastructure Fund (infrastructure): +5.4%

Bottom performing funds:

Absolute Return portfolio:
- Lakewood Capital (equity long/short): -31.1%
- LMR Fund Limited (market neutral): -25.4%
- AQR Delta Fund II (multi-strategy): -20.3%

Private Equity portfolio:
- Threshold Ventures III (venture capital): -10.9%
- RCP Fund XIII (fund-of-funds): -6.5%
- TSG7 B (buyout): -6.1%

Private Credit portfolio:
- OrbiMed Royalty and Credit Opportunities III (opportunistic credit): -5.9%
- Benefit Street Partners Senior Secured Opportunities Fund (direct lending): +1.7%

Real Assets portfolio:
- Meridiam Infrastructure North America Fund III (infrastructure): -27.1%
- Quantum Energy Partners VI (energy): -8.7%
- EnCap Energy Capital Fund IX (energy): -7.6%

NEW INVESTMENTS

During the quarter ended March 31, 2020, SCERS made the following new investments:
- BlackRock Event Driven Equity Fund (absolute return): $45 million
• Summit Partners Europe Growth Equity Fund III (growth equity): $20 million

ATTACHMENT

Cliffwater’s Quarterly Performance Review for Alternative Assets

Prepared by:

/\S/  
JR Pearce  
Investment Officer

Reviewed by:

/\S/  /\S/  
Steve Davis  Eric Stern  
Chief Investment Officer  Chief Executive Officer
Sacramento County Employees’ Retirement System
Quarterly Performance Review

June 17, 2020
Executive Summary
Absolute Return Portfolio Performance Summary – as of March 31, 2020

Growth Oriented Strategies

- The Growth Oriented Portfolio returned -15.51% in Q1 and -10.22% for the 1 year period ending March 31, 2020
  - Underperforming the HFRI FoF Index + 1% benchmark by 701 bps in Q1 and 574 bps for the 1 year period
  - Underperforming the T-bills + 5% long term objective by 617 bps (annualized) over the trailing 5 year period
- All funds and strategies produced negative results over the 1 yr period, with Lakewood trailing the most (-23.3%)

Diversifying Strategies

- The Diversifying Portfolio returned -6.37% in Q1 and -3.26% for the 1 year period ending March 31, 2020
  - Outperforming the HFRI Conservative FoF Index benchmark by 80 bps in Q1 and 106 bps for the 1 year period
  - Underperforming the T-bills + 2% long term objective by 362 bps (annualized) over the trailing 5 year period
- Large performance dispersion among funds over the 1 year period, ranging from +17.3 (Laurion) to -26.5% (AQR DELTA)
  - 4 funds produced positive returns while 5 produced negative returns over the 1 year period

Elevated volatility across asset classes during Q1 pushed some portfolio characteristics above their targeted values

- Growth Oriented Portfolio
  - Target standard deviation < 50% of global equities, with an equity beta < 0.5 and equity correlation < 0.8
    - Standard deviation of 7.07% compared to the ACWI standard deviation of 12.56% since December 2011 (56% ratio)
    - Portfolio equity beta of 0.47 with an equity correlation of 0.84
- Diversifying
  - Target standard deviation < 25% of global equities, with an equity beta < 0.1 and equity correlation < 0.1
    - Standard deviation of 3.24% compared to the ACWI standard deviation of 12.56% since December 2011 (26% ratio)
    - Portfolio equity beta of 0.10 with an equity correlation of 0.40

The March drawdown for each portfolio was nearly 3 times larger than the previous worst month since December 2011

- Growth Oriented portfolio returned -13.3% in March while the Diversifying portfolio returned -5.83%
  - Previous worst monthly performance was -4.8% for Growth Oriented and -1.9% for Diversifying
# Growth Oriented Absolute Return Portfolio Performance – as of March 31, 2020

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<tr>
<th>Fund</th>
<th>Market Value</th>
<th>Actual %</th>
<th>Mar</th>
<th>QTD</th>
<th>YTD</th>
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<th>1 Year</th>
<th>3 Year</th>
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<th>Std Dev</th>
<th>Sharpe Ratio</th>
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<tr>
<td><strong>Growth-Oriented Portfolio</strong></td>
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<td>Third Point Partners Qualified L.P.</td>
<td>43,375,957</td>
<td>4.8%</td>
<td>-11.29%</td>
<td>-16.06%</td>
<td>-16.06%</td>
<td>-12.87%</td>
<td>-9.50%</td>
<td>-0.71%</td>
<td>1.18%</td>
<td>6.42%</td>
<td>9.21%</td>
<td>0.61</td>
<td>May-12</td>
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<tr>
<td>Event Driven - HF Total</td>
<td>43,375,957</td>
<td>4.8%</td>
<td>-11.29%</td>
<td>-16.06%</td>
<td>-16.06%</td>
<td>-13.11%</td>
<td>-10.18%</td>
<td>-2.41%</td>
<td>-0.56%</td>
<td>4.83%</td>
<td>9.22%</td>
<td>0.45</td>
<td>May-12</td>
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<td><strong>Equity Long/Short</strong></td>
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<td>Lakewood Capital Partners, LP</td>
<td>33,779,486</td>
<td>3.7%</td>
<td>-22.96%</td>
<td>-31.13%</td>
<td>-31.13%</td>
<td>-24.52%</td>
<td>-23.33%</td>
<td>-7.80%</td>
<td>-1.81%</td>
<td>0.65%</td>
<td>13.34%</td>
<td>0.03</td>
<td>Jul-13</td>
</tr>
<tr>
<td>Equity Long/Short - HF Total</td>
<td>33,779,486</td>
<td>3.7%</td>
<td>-22.96%</td>
<td>-31.13%</td>
<td>-31.13%</td>
<td>-24.52%</td>
<td>-23.33%</td>
<td>-7.80%</td>
<td>-1.81%</td>
<td>0.65%</td>
<td>13.34%</td>
<td>0.03</td>
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<td><strong>Multi-Strategy</strong></td>
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<td>Sculptor Domestic Partners II, L.P.</td>
<td>49,348,475</td>
<td>5.5%</td>
<td>-9.03%</td>
<td>-6.68%</td>
<td>-6.68%</td>
<td>-3.98%</td>
<td>-0.05%</td>
<td>4.25%</td>
<td>3.15%</td>
<td>6.22%</td>
<td>6.09%</td>
<td>0.86</td>
<td>Jan-12</td>
</tr>
<tr>
<td>Multi-Strategy - HF Total</td>
<td>49,348,475</td>
<td>5.5%</td>
<td>-9.03%</td>
<td>-6.68%</td>
<td>-6.68%</td>
<td>-3.98%</td>
<td>-0.05%</td>
<td>4.25%</td>
<td>3.15%</td>
<td>6.22%</td>
<td>6.09%</td>
<td>0.86</td>
<td>Jan-12</td>
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<tr>
<td><strong>Fund of Funds</strong></td>
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<tr>
<td>Grovenor SC Absolute Return Fund LLC (Growth)</td>
<td>108,305,745</td>
<td>12.0%</td>
<td>-12.63%</td>
<td>-12.88%</td>
<td>-12.88%</td>
<td>-10.49%</td>
<td>-9.22%</td>
<td>-0.36%</td>
<td>0.34%</td>
<td>3.79%</td>
<td>6.34%</td>
<td>0.46</td>
<td>Dec-11</td>
</tr>
<tr>
<td>Fund of Funds - HF Total</td>
<td>108,305,745</td>
<td>12.0%</td>
<td>-12.63%</td>
<td>-12.88%</td>
<td>-12.88%</td>
<td>-10.49%</td>
<td>-9.22%</td>
<td>-0.47%</td>
<td>0.29%</td>
<td>3.52%</td>
<td>6.73%</td>
<td>0.29</td>
<td>Sep-04</td>
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<tr>
<td><strong>Growth-Oriented Portfolio Total</strong></td>
<td>234,809,663</td>
<td>26.0%</td>
<td>-13.34%</td>
<td>-15.51%</td>
<td>-15.51%</td>
<td>-12.19%</td>
<td>-10.22%</td>
<td>-1.40%</td>
<td>0.02%</td>
<td>3.63%</td>
<td>7.16%</td>
<td>0.29</td>
<td>Sep-04</td>
</tr>
<tr>
<td>HFRI FoF Composite + 1%</td>
<td>-7.48%</td>
<td>-8.50%</td>
<td>-8.50%</td>
<td>-6.09%</td>
<td>-4.48%</td>
<td>0.96%</td>
<td>1.01%</td>
<td>3.48%</td>
<td>5.29%</td>
<td>0.35</td>
<td>Sep-04</td>
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</tr>
<tr>
<td>3 Month T-Bills+5%</td>
<td>0.69%</td>
<td>1.79%</td>
<td>1.79%</td>
<td>5.32%</td>
<td>7.25%</td>
<td>6.83%</td>
<td>6.19%</td>
<td>6.42%</td>
<td>0.47%</td>
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<td>Sep-04</td>
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<tr>
<td><strong>Market Indices</strong></td>
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<tr>
<td>Libor3Month</td>
<td>0.12%</td>
<td>0.38%</td>
<td>0.38%</td>
<td>1.41%</td>
<td>2.03%</td>
<td>2.02%</td>
<td>1.47%</td>
<td>1.74%</td>
<td>0.48%</td>
<td>-</td>
<td>Sep-04</td>
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</tr>
<tr>
<td>Bloomberg Barclays US Aggregate Bond Index</td>
<td>-0.59%</td>
<td>3.15%</td>
<td>3.15%</td>
<td>5.68%</td>
<td>8.95%</td>
<td>4.83%</td>
<td>3.37%</td>
<td>4.29%</td>
<td>3.18%</td>
<td>0.79</td>
<td>Sep-04</td>
<td></td>
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</tr>
<tr>
<td>Bloomberg Barclays US High Yield Bond Index</td>
<td>-11.46%</td>
<td>-12.68%</td>
<td>-12.68%</td>
<td>-9.21%</td>
<td>-6.95%</td>
<td>0.76%</td>
<td>2.78%</td>
<td>6.40%</td>
<td>9.43%</td>
<td>0.52</td>
<td>Sep-04</td>
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<tr>
<td>S&amp;P 500 TR</td>
<td>-12.35%</td>
<td>-19.60%</td>
<td>-19.60%</td>
<td>-10.82%</td>
<td>-6.98%</td>
<td>5.11%</td>
<td>6.73%</td>
<td>7.82%</td>
<td>14.18%</td>
<td>0.48</td>
<td>Sep-04</td>
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<tr>
<td>MSCI AC World Index Free - Net</td>
<td>-13.50%</td>
<td>-21.37%</td>
<td>-21.37%</td>
<td>-14.35%</td>
<td>-11.26%</td>
<td>1.50%</td>
<td>2.85%</td>
<td>5.88%</td>
<td>15.47%</td>
<td>0.34</td>
<td>Sep-04</td>
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<tr>
<td>MSCI EAFE - Net</td>
<td>-13.35%</td>
<td>-22.83%</td>
<td>-22.83%</td>
<td>-17.42%</td>
<td>-14.38%</td>
<td>-1.82%</td>
<td>-0.62%</td>
<td>4.05%</td>
<td>16.78%</td>
<td>0.22</td>
<td>Sep-04</td>
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<tr>
<td>MSCI EMF (Emerging Markets Free) - Net</td>
<td>-15.40%</td>
<td>-23.60%</td>
<td>-23.60%</td>
<td>-18.18%</td>
<td>-17.68%</td>
<td>-1.62%</td>
<td>-0.37%</td>
<td>6.82%</td>
<td>21.65%</td>
<td>0.34</td>
<td>Sep-04</td>
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</table>
## Diversifying Absolute Return Portfolio Performance – as of March 31, 2020

<table>
<thead>
<tr>
<th>Fund</th>
<th>Market Value</th>
<th>Actual %</th>
<th>Mar</th>
<th>QTD</th>
<th>YTD</th>
<th>FYTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>Incep</th>
<th>Std Dev</th>
<th>Sharpe Ratio</th>
<th>Incep Date</th>
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<tbody>
<tr>
<td><strong>Diversifying Portfolio</strong></td>
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<tr>
<td>Laurion Capital, Ltd.</td>
<td>53,067,053</td>
<td>6.1%</td>
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<td></td>
<td>6.26%</td>
<td>1.03</td>
<td>Mar-14</td>
</tr>
<tr>
<td>LMR Fund Limited</td>
<td>34,252,987</td>
<td>3.8%</td>
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<td>-24.4%</td>
<td>-25.37%</td>
<td>-25.37%</td>
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<td>-23.88%</td>
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<td>Nov-19</td>
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<td>KLS Diversified Fund LP</td>
<td>33,468,257</td>
<td>3.7%</td>
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<td>-17.34%</td>
<td>-16.82%</td>
<td>-16.82%</td>
<td>-17.87%</td>
<td>-16.88%</td>
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<td>-13.29%</td>
<td>15.86%</td>
<td>Jan-19</td>
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<tr>
<td>Two Sigma Risk Premia Enhanced Fund, LP</td>
<td>39,629,069</td>
<td>4.4%</td>
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<td>-6.54%</td>
<td>-12.32%</td>
<td>-12.32%</td>
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<td></td>
<td></td>
<td></td>
<td>-11.94%</td>
<td>10.57%</td>
<td>Sep-19</td>
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<tr>
<td><strong>Market Neutral - HF Total</strong></td>
<td>162,417,367</td>
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<td>-9.21%</td>
<td>-9.30%</td>
<td>-9.30%</td>
<td>-10.22%</td>
<td>-8.10%</td>
<td>1.72%</td>
<td>2.26%</td>
<td>3.45%</td>
<td>6.10%</td>
<td>0.38</td>
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<td><strong>Event Driven</strong></td>
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</tr>
<tr>
<td>Blackrock Event Driven Equity Fund (BILPX)</td>
<td>42,724,458</td>
<td>4.7%</td>
<td></td>
<td>-5.06%</td>
<td></td>
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<td></td>
<td></td>
<td>-5.06%</td>
<td></td>
<td>Mar-20</td>
</tr>
<tr>
<td>Elliott International Limited</td>
<td>59,052,120</td>
<td>6.5%</td>
<td></td>
<td>0.19%</td>
<td>2.30%</td>
<td>2.30%</td>
<td>4.36%</td>
<td>7.39%</td>
<td>5.50%</td>
<td>6.73%</td>
<td>7.17%</td>
<td>3.34%</td>
<td>Apr-12</td>
</tr>
<tr>
<td>Davidson Kempner Institutional Partners LP</td>
<td>42,847,121</td>
<td>4.7%</td>
<td></td>
<td>-6.45%</td>
<td>-6.06%</td>
<td>-6.06%</td>
<td>-3.55%</td>
<td></td>
<td></td>
<td></td>
<td>-3.14%</td>
<td></td>
<td>May-19</td>
</tr>
<tr>
<td><strong>Event Driven - HF Total</strong></td>
<td>144,650,699</td>
<td>16.0%</td>
<td></td>
<td>-9.42%</td>
<td>-1.98%</td>
<td>-1.98%</td>
<td>0.22%</td>
<td>2.44%</td>
<td>3.85%</td>
<td>5.73%</td>
<td>6.54%</td>
<td>3.54%</td>
<td>Apr-12</td>
</tr>
<tr>
<td><strong>Equity Long/Short</strong></td>
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</tr>
<tr>
<td>Marshall Wace Funds LP - MW Global Opportunities (US) Fund</td>
<td>42,932,774</td>
<td>4.8%</td>
<td></td>
<td>-0.17%</td>
<td>0.73%</td>
<td>0.73%</td>
<td>4.77%</td>
<td>6.24%</td>
<td></td>
<td></td>
<td>5.82%</td>
<td>4.69%</td>
<td>Jul-19</td>
</tr>
<tr>
<td><strong>Equity Long/Short - HF Total</strong></td>
<td>42,932,774</td>
<td>4.8%</td>
<td></td>
<td>-0.17%</td>
<td>0.73%</td>
<td>0.73%</td>
<td>4.77%</td>
<td>6.24%</td>
<td>5.82%</td>
<td>5.82%</td>
<td>5.82%</td>
<td>4.69%</td>
<td>Apr-12</td>
</tr>
<tr>
<td><strong>Macro-Systematic</strong></td>
<td></td>
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</tr>
<tr>
<td>Graham Global Investment Fund II SPC Ltd. - Tactical Trend Segments</td>
<td>33,259,512</td>
<td>3.7%</td>
<td></td>
<td>-2.11%</td>
<td>-6.99%</td>
<td>-6.99%</td>
<td>-1.33%</td>
<td>5.20%</td>
<td>-0.26%</td>
<td>-1.60%</td>
<td>12.91%</td>
<td>-0.21%</td>
<td>Feb-17</td>
</tr>
<tr>
<td>Winton Diversified Futures Fund L.P.</td>
<td>35,360,568</td>
<td>3.9%</td>
<td></td>
<td>-4.24%</td>
<td>-7.80%</td>
<td>-7.80%</td>
<td>-5.26%</td>
<td>-5.31%</td>
<td>0.03%</td>
<td></td>
<td>0.32%</td>
<td>8.15%</td>
<td>Jul-17</td>
</tr>
<tr>
<td><strong>Macro-Systematic - HF Total</strong></td>
<td>68,620,808</td>
<td>7.6%</td>
<td></td>
<td>-3.22%</td>
<td>-7.41%</td>
<td>-7.41%</td>
<td>-3.40%</td>
<td>-0.49%</td>
<td>-0.11%</td>
<td></td>
<td>-0.73%</td>
<td>9.59%</td>
<td>Jan-17</td>
</tr>
<tr>
<td><strong>Multi-Strategy</strong></td>
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<tr>
<td>AQR DELTA Fund II, LP</td>
<td>34,434,822</td>
<td>3.8%</td>
<td></td>
<td>-13.61%</td>
<td>-20.30%</td>
<td>-20.30%</td>
<td>-23.30%</td>
<td>-26.47%</td>
<td>-14.38%</td>
<td>-6.93%</td>
<td>-3.43%</td>
<td>8.00%</td>
<td>May-13</td>
</tr>
<tr>
<td><strong>Multi-Strategy - HF Total</strong></td>
<td>34,434,822</td>
<td>3.8%</td>
<td></td>
<td>-13.61%</td>
<td>-20.30%</td>
<td>-20.30%</td>
<td>-23.30%</td>
<td>-26.47%</td>
<td>-14.38%</td>
<td>-6.93%</td>
<td>-3.43%</td>
<td>8.00%</td>
<td>May-13</td>
</tr>
<tr>
<td><strong>Fund of Funds</strong></td>
<td></td>
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</tr>
<tr>
<td>Grosvenor SC Absolute Return Fund LLC (Diversifying)</td>
<td>147,384,743</td>
<td>16.3%</td>
<td></td>
<td>-5.42%</td>
<td>-4.90%</td>
<td>-4.90%</td>
<td>-2.72%</td>
<td>-0.20%</td>
<td>-1.12%</td>
<td>-1.30%</td>
<td>1.06%</td>
<td>3.52%</td>
<td>Dec-11</td>
</tr>
<tr>
<td>Grosvenor SC Absolute Return Fund LLC Series B</td>
<td>67,766,599</td>
<td>7.5%</td>
<td></td>
<td>-4.94%</td>
<td>-4.50%</td>
<td>-4.50%</td>
<td>-2.50%</td>
<td>-0.07%</td>
<td>-1.61%</td>
<td>-2.14%</td>
<td>0.16%</td>
<td>3.21%</td>
<td>Dec-11</td>
</tr>
<tr>
<td><strong>Fund of Funds - HF Total</strong></td>
<td>215,151,342</td>
<td>23.8%</td>
<td></td>
<td>-5.27%</td>
<td>-4.78%</td>
<td>-4.78%</td>
<td>-2.72%</td>
<td>-0.25%</td>
<td>-1.36%</td>
<td>-1.66%</td>
<td>0.92%</td>
<td>3.32%</td>
<td>Dec-11</td>
</tr>
<tr>
<td><strong>Diversifying Portfolio Total</strong></td>
<td>668,207,084</td>
<td>74.0%</td>
<td></td>
<td>-5.83%</td>
<td>-6.37%</td>
<td>-6.37%</td>
<td>-4.95%</td>
<td>-3.26%</td>
<td>-1.29%</td>
<td>-0.43%</td>
<td>1.21%</td>
<td>3.24%</td>
<td>Dec-11</td>
</tr>
<tr>
<td>HFRI FOF: Conservative Index</td>
<td>-6.64%</td>
<td>-7.17%</td>
<td></td>
<td>-7.17%</td>
<td>-5.71%</td>
<td>-4.32%</td>
<td>0.21%</td>
<td>0.44%</td>
<td>2.23%</td>
<td>3.29%</td>
<td>0.38%</td>
<td>0.26%</td>
<td>Dec-11</td>
</tr>
<tr>
<td>3 Month T-Bills+2%</td>
<td>0.45%</td>
<td>1.06%</td>
<td></td>
<td>1.06%</td>
<td>3.10%</td>
<td>4.25%</td>
<td>3.83%</td>
<td>3.19%</td>
<td>2.74%</td>
<td>0.26%</td>
<td>-</td>
<td>-</td>
<td>Dec-11</td>
</tr>
</tbody>
</table>
The sharp downturn in Q1 pushed the Growth Oriented portfolio below the T-bills + 5% long term objective; the portfolio still remains slightly ahead of the Fund of Funds Index + 1% benchmark.

The Diversifying portfolio is trailing both the T-bills + 2% long term objective and 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 December 31, 2019

The Private Equity portfolio’s net IRR since inception is 15.36%, versus the Cambridge Associates benchmark IRR of 12.88%
  - The long-term Policy objective (Russell 3000 + 3%) has a 15.93% IRR over this period
The private equity portfolio saw another quarter of solid gains as global equity markets rallied in Q4
  - Gains were again broad-based with most of the funds producing single-digit gains in Q4
    - Thoma Bravo XI & XII, Marlin Heritage & Heritage Europe, Dyal III, and NEA 14 reported the largest gains
  - Distributions slowed from the high volume seen in Q3, but still totaled $49.1 million in Q4
    - Summit Europe Growth II, Thoma Bravo XI, RRJ III, Marlin Heritage, and Atalaya SOF VI led distributions during the quarter
Longer-term performance remains quite strong across most of the private equity funds
  - Double-digit net IRRs for all vintage years prior to 2018, with several years >20%
  - Spectrum VII (41.7%), Summit VC IV (39.2%), Accel-KKR IV (36.8%), and Marlin Heritage (36.5%) are leading performance
The fund of funds reported modest increases during the quarter
  - Aggregate since inception net IRR decreased slightly to 11.36% from 11.44%, during the quarter
    - The aggregate total value (TVPI) remained at 1.65x
  - The legacy fund of funds comprise only 11.9% of the current fair value of the Private Equity portfolio
Changes during the quarter
  - SCERS committed $30 million to Cortec VII (mid-market buyouts) and $20 million to Threshold Ventures III (early stage venture capital) during Q4, and added $5 million to an existing commitment with NEA 17 (diversified venture capital)
    - SCERS committed $20 million to a mid-market buyout fund in Q1 2020
    - SCERS also committed €20 million to a European growth equity and buyout fund (reup with existing GP) in Q1 2020
  - $46.5 million in new contributions, $49.1 million in distributions
  - Total portfolio gain increased by $41.3 million while the total portfolio IRR increased by 0.12%
The SCERS Private Equity portfolio is diversified by strategy and geography
- Investments remain focused in North America, with meaningful exposure to Europe

The legacy fund of funds exposure remains relatively small as a percentage of the total portfolio’s value
- Represents 12% of the total portfolio’s value as of December 31, 2019

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

* Exposures are based on the market values of investments as of 12/31/19.
# Private Equity Portfolio Performance Details – as of December 31, 2019

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>(D) % Drawn</th>
<th>(C+D) Cumulat. Dist</th>
<th>(C+D) Fair Value</th>
<th>(C+D-B) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vintage Year 2006</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>HarbortVest Partners VIII - Buyout Fund L.P.</td>
<td>Fund of Funds</td>
<td>37,500</td>
<td>1,688</td>
<td>35,813</td>
<td>96%</td>
<td>53,332</td>
<td>9,336</td>
<td>62,666</td>
<td>26,855</td>
<td>10.79%</td>
<td>8.35%</td>
<td>1.75x</td>
</tr>
<tr>
<td>HarbortVest Partners VIII - Mezzanine and Distressed Debt Fund L.P.</td>
<td>Fund of Funds</td>
<td>5,000</td>
<td>200</td>
<td>4,800</td>
<td>98%</td>
<td>6,023</td>
<td>592</td>
<td>6,615</td>
<td>1,815</td>
<td>7.30%</td>
<td>8.35%</td>
<td>1.39x</td>
</tr>
<tr>
<td>HarbortVest Partners VIII - Venture Fund L.P.</td>
<td>Fund of Funds</td>
<td>7,500</td>
<td>150</td>
<td>7,350</td>
<td>98%</td>
<td>10,404</td>
<td>3,760</td>
<td>14,164</td>
<td>6,814</td>
<td>10.78%</td>
<td>8.35%</td>
<td>1.93x</td>
</tr>
<tr>
<td><strong>Vintage Year 2006 Total</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>50,000</td>
<td>2,038</td>
<td>47,963</td>
<td>96%</td>
<td>89,759</td>
<td>13,887</td>
<td>83,446</td>
<td>35,484</td>
<td>10.52%</td>
<td>7.25%</td>
<td>1.74x</td>
</tr>
<tr>
<td><strong>Vintage Year 2008</strong></td>
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</tr>
<tr>
<td>Alcoit Capital Private Equity Fund VI, L.P.</td>
<td>Fund of Funds</td>
<td>75,000</td>
<td>938</td>
<td>74,063</td>
<td>99%</td>
<td>78,859</td>
<td>45,263</td>
<td>124,122</td>
<td>50,059</td>
<td>12.19%</td>
<td>14.12%</td>
<td>1.68x</td>
</tr>
<tr>
<td>Goldman Sachs Private Equity Partners X, L.P.</td>
<td>Fund of Funds</td>
<td>75,000</td>
<td>13,231</td>
<td>68,968</td>
<td>82%</td>
<td>92,998</td>
<td>23,211</td>
<td>116,209</td>
<td>47,251</td>
<td>11.43%</td>
<td>14.12%</td>
<td>1.69x</td>
</tr>
<tr>
<td>HarbortVest International Private Equity Partners VI-Partnership Fund L.P.</td>
<td>Fund of Funds</td>
<td>36,130</td>
<td>1,807</td>
<td>37,930</td>
<td>95%</td>
<td>27,730</td>
<td>34,716</td>
<td>62,446</td>
<td>24,468</td>
<td>11.74%</td>
<td>8.60%</td>
<td>1.64x</td>
</tr>
<tr>
<td><strong>Vintage Year 2008 Total</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>186,130</td>
<td>15,975</td>
<td>171,155</td>
<td>91%</td>
<td>196,567</td>
<td>103,192</td>
<td>302,779</td>
<td>121,779</td>
<td>11.76%</td>
<td>8.26%</td>
<td>1.67x</td>
</tr>
<tr>
<td><strong>Vintage Year 2011</strong></td>
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</tr>
<tr>
<td>Waterland Private Equity Fund V C.V.</td>
<td>Buyout</td>
<td>17,953</td>
<td>3,489</td>
<td>15,729</td>
<td>81%</td>
<td>28,975</td>
<td>11,918</td>
<td>40,895</td>
<td>25,164</td>
<td>35.65%</td>
<td>12.11%</td>
<td>2.60x</td>
</tr>
<tr>
<td>Khosla Ventures IV, L.P.</td>
<td>Venture Capital</td>
<td>10,000</td>
<td>190</td>
<td>9,810</td>
<td>98%</td>
<td>13,292</td>
<td>15,624</td>
<td>28,915</td>
<td>19,105</td>
<td>16.21%</td>
<td>16.21%</td>
<td>2.95x</td>
</tr>
<tr>
<td><strong>Vintage Year 2011 Total</strong></td>
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<tr>
<td></td>
<td></td>
<td>27,953</td>
<td>3,679</td>
<td>25,259</td>
<td>87%</td>
<td>42,267</td>
<td>27,541</td>
<td>69,808</td>
<td>44,270</td>
<td>28.95%</td>
<td>12.74%</td>
<td>2.73x</td>
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<tr>
<td><strong>Vintage Year 2012</strong></td>
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<tr>
<td>Garrison Opportunity Fund III A LLC</td>
<td>Distressed Debt</td>
<td>20,000</td>
<td>0</td>
<td>20,000</td>
<td>100%</td>
<td>7,560</td>
<td>13,650</td>
<td>21,311</td>
<td>1,111</td>
<td>1.25%</td>
<td>12.16%</td>
<td>1.07x</td>
</tr>
<tr>
<td>New Enterprise Associates 14, L.P.</td>
<td>Venture Capital</td>
<td>25,000</td>
<td>1,125</td>
<td>23,875</td>
<td>96%</td>
<td>22,537</td>
<td>31,249</td>
<td>53,866</td>
<td>30,011</td>
<td>17.74%</td>
<td>15.69%</td>
<td>2.26x</td>
</tr>
<tr>
<td>Summit Partners Venture Capital III-A, L.P.</td>
<td>Venture Capital</td>
<td>16,350</td>
<td>1,796</td>
<td>19,166</td>
<td>89%</td>
<td>20,806</td>
<td>16,041</td>
<td>36,847</td>
<td>17,484</td>
<td>17.31%</td>
<td>15.69%</td>
<td>1.90x</td>
</tr>
<tr>
<td><strong>Vintage Year 2012 Total</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>61,350</td>
<td>2,921</td>
<td>63,238</td>
<td>95%</td>
<td>51,104</td>
<td>60,941</td>
<td>112,045</td>
<td>48,806</td>
<td>12.75%</td>
<td>13.11%</td>
<td>1.77x</td>
</tr>
<tr>
<td><strong>Vintage Year 2013</strong></td>
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</tr>
<tr>
<td>Accel-KKR Capital Partners IV, L.P.</td>
<td>Buyout</td>
<td>15,000</td>
<td>710</td>
<td>14,290</td>
<td>95%</td>
<td>23,026</td>
<td>13,710</td>
<td>36,736</td>
<td>22,446</td>
<td>36.82%</td>
<td>14.73%</td>
<td>2.57x</td>
</tr>
<tr>
<td>H.I.G. Capital Partners V, L.P.</td>
<td>Buyout</td>
<td>14,000</td>
<td>2,761</td>
<td>11,239</td>
<td>98%</td>
<td>3,585</td>
<td>15,451</td>
<td>19,146</td>
<td>7,907</td>
<td>24.51%</td>
<td>14.73%</td>
<td>1.70x</td>
</tr>
<tr>
<td>Martin Equity IV, L.P.</td>
<td>Buyout</td>
<td>20,000</td>
<td>108</td>
<td>19,892</td>
<td>99%</td>
<td>9,877</td>
<td>15,308</td>
<td>25,187</td>
<td>5,285</td>
<td>8.00%</td>
<td>14.73%</td>
<td>1.27x</td>
</tr>
<tr>
<td>RRL Capital Master Fund II, L.P.</td>
<td>Buyout</td>
<td>35,000</td>
<td>4,683</td>
<td>30,617</td>
<td>87%</td>
<td>30,592</td>
<td>16,243</td>
<td>46,835</td>
<td>11,760</td>
<td>9.53%</td>
<td>15.10%</td>
<td>1.34x</td>
</tr>
<tr>
<td>H.I.G. Boyzide Loan Opportunity Fund III (Europe-US), L.P.</td>
<td>Distressed Debt</td>
<td>30,000</td>
<td>5,769</td>
<td>24,231</td>
<td>81%</td>
<td>21,952</td>
<td>11,343</td>
<td>33,296</td>
<td>9,065</td>
<td>9.34%</td>
<td>7.60%</td>
<td>1.37x</td>
</tr>
<tr>
<td>Wayzata Opportunities Fund III, L.P.</td>
<td>Distressed Debt</td>
<td>30,000</td>
<td>22,835</td>
<td>14,178</td>
<td>24%</td>
<td>8,556</td>
<td>5,248</td>
<td>13,804</td>
<td>-914</td>
<td>-2.06%</td>
<td>8.41%</td>
<td>0.94x</td>
</tr>
</tbody>
</table>

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**Benchmarks:**
- 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 December 31, 2019 (continued)**

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinity Ventures XI, L.P.</td>
<td>Venture Capital</td>
<td>25,000</td>
<td>2,438</td>
<td>22,563</td>
<td>90%</td>
<td>4,835</td>
<td>36,505</td>
<td>43,341</td>
<td>20,778</td>
<td>16.05%</td>
<td>14.51%</td>
</tr>
<tr>
<td><strong>Vintage Year 2013 Total</strong></td>
<td></td>
<td>169,093</td>
<td>39,305</td>
<td>141,999</td>
<td>77%</td>
<td>102,524</td>
<td>115,820</td>
<td>218,345</td>
<td>76,345</td>
<td>13.48%</td>
<td>12.58%</td>
</tr>
<tr>
<td>Dyell Capital Partners II</td>
<td>Buyout</td>
<td>35,000</td>
<td>9,633</td>
<td>28,187</td>
<td>72%</td>
<td>5,083</td>
<td>17,644</td>
<td>22,628</td>
<td>-5,543</td>
<td>-10.60%</td>
<td>16.70%</td>
</tr>
<tr>
<td>H.I.G. Europe Capital Partners II, L.P.</td>
<td>Buyout</td>
<td>15,709</td>
<td>5,353</td>
<td>10,356</td>
<td>66%</td>
<td>2,624</td>
<td>9,371</td>
<td>11,995</td>
<td>1,096</td>
<td>4.81%</td>
<td>15.50%</td>
</tr>
<tr>
<td>Martin Heritage Fund</td>
<td>Buyout</td>
<td>10,000</td>
<td>0</td>
<td>10,000</td>
<td>100%</td>
<td>13,439</td>
<td>9,794</td>
<td>23,233</td>
<td>12,815</td>
<td>36.52%</td>
<td>16.70%</td>
</tr>
<tr>
<td>Thoma Bravo XI</td>
<td>Buyout</td>
<td>30,000</td>
<td>3,088</td>
<td>26,912</td>
<td>90%</td>
<td>36,579</td>
<td>55,005</td>
<td>89,584</td>
<td>56,983</td>
<td>30.21%</td>
<td>16.70%</td>
</tr>
<tr>
<td>TPG Opportunities Partners III</td>
<td>Distressed Debt</td>
<td>40,000</td>
<td>16,726</td>
<td>23,274</td>
<td>58%</td>
<td>32,576</td>
<td>54,942</td>
<td>8,966</td>
<td>10.30%</td>
<td>7.30%</td>
<td>2.23x</td>
</tr>
<tr>
<td>Khosla Ventures V</td>
<td>Venture Capital</td>
<td>20,000</td>
<td>1,100</td>
<td>18,900</td>
<td>95%</td>
<td>1,013</td>
<td>25,525</td>
<td>26,538</td>
<td>7,638</td>
<td>11.75%</td>
<td>17.15%</td>
</tr>
<tr>
<td>Spectrum Equity Investors VII, L.P.</td>
<td>Venture Capital</td>
<td>25,000</td>
<td>2,375</td>
<td>22,625</td>
<td>91%</td>
<td>29,634</td>
<td>35,218</td>
<td>64,852</td>
<td>42,227</td>
<td>41.71%</td>
<td>17.15%</td>
</tr>
<tr>
<td><strong>Vintage Year 2014 Total</strong></td>
<td></td>
<td>175,709</td>
<td>38,257</td>
<td>139,416</td>
<td>78%</td>
<td>120,929</td>
<td>172,824</td>
<td>293,753</td>
<td>124,137</td>
<td>22.56%</td>
<td>14.78%</td>
</tr>
<tr>
<td>* WPEF VI Overflow Fund C.V.</td>
<td>Buyout</td>
<td>5,732</td>
<td>5,722</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-10</td>
<td>0.00%</td>
<td>14.71%</td>
<td>14.71%</td>
<td>0.00x</td>
</tr>
<tr>
<td>RRJ Capital Master Fund III, LP</td>
<td>Buyout</td>
<td>40,000</td>
<td>12,583</td>
<td>27,417</td>
<td>69%</td>
<td>26,458</td>
<td>46,920</td>
<td>40,387</td>
<td>10,131</td>
<td>15.47%</td>
<td>14.71%</td>
</tr>
<tr>
<td>WPEF VI Feeder, L.P.</td>
<td>Buyout</td>
<td>26,929</td>
<td>11,148</td>
<td>15,781</td>
<td>59%</td>
<td>6,092</td>
<td>20,302</td>
<td>26,417</td>
<td>7,460</td>
<td>16.82%</td>
<td>14.71%</td>
</tr>
<tr>
<td>Accel-KKR Growth Capital Partners II</td>
<td>Mezzanine</td>
<td>15,000</td>
<td>1,879</td>
<td>13,121</td>
<td>87%</td>
<td>9,537</td>
<td>22,814</td>
<td>5,694</td>
<td>20.87%</td>
<td>9.40%</td>
<td>1.43x</td>
</tr>
<tr>
<td>New Enterprise Associates 15, L.P.</td>
<td>Venture Capital</td>
<td>35,000</td>
<td>3,325</td>
<td>31,675</td>
<td>91%</td>
<td>7,456</td>
<td>49,735</td>
<td>57,191</td>
<td>25,512</td>
<td>21.29%</td>
<td>15.77%</td>
</tr>
<tr>
<td>Summit Partners Venture Capital Fund IV-A, L.P.</td>
<td>Venture Capital</td>
<td>35,000</td>
<td>32,778</td>
<td>22,272</td>
<td>6%</td>
<td>20,050</td>
<td>16,978</td>
<td>37,028</td>
<td>14,756</td>
<td>39.22%</td>
<td>15.77%</td>
</tr>
<tr>
<td><strong>Vintage Year 2015 Total</strong></td>
<td></td>
<td>108,861</td>
<td>68,435</td>
<td>40,426</td>
<td>57%</td>
<td>68,594</td>
<td>111,244</td>
<td>179,838</td>
<td>63,543</td>
<td>21.54%</td>
<td>15.39%</td>
</tr>
<tr>
<td>Accel-KKR Capital Partners V, L.P.</td>
<td>Buyout</td>
<td>25,000</td>
<td>12,152</td>
<td>12,848</td>
<td>51%</td>
<td>7,343</td>
<td>11,108</td>
<td>18,451</td>
<td>5,604</td>
<td>27.25%</td>
<td>12.07%</td>
</tr>
<tr>
<td>Dyell III Pension Investors LP</td>
<td>Buyout</td>
<td>35,000</td>
<td>21,143</td>
<td>19,073</td>
<td>40%</td>
<td>5,401</td>
<td>21,909</td>
<td>27,310</td>
<td>8,231</td>
<td>19.70%</td>
<td>12.07%</td>
</tr>
<tr>
<td>Linden Capital Partners III</td>
<td>Buyout</td>
<td>35,000</td>
<td>4,513</td>
<td>30,487</td>
<td>87%</td>
<td>25,592</td>
<td>41,389</td>
<td>67,371</td>
<td>34,516</td>
<td>33.30%</td>
<td>12.07%</td>
</tr>
<tr>
<td>Martin Heritage Europe, L.P.</td>
<td>Buyout</td>
<td>14,587</td>
<td>4,599</td>
<td>10,160</td>
<td>69%</td>
<td>0</td>
<td>13,936</td>
<td>13,936</td>
<td>3,673</td>
<td>26.10%</td>
<td>8.66%</td>
</tr>
<tr>
<td>Thoma Bravo Fund XII, L.P.</td>
<td>Buyout</td>
<td>30,000</td>
<td>2,231</td>
<td>27,769</td>
<td>93%</td>
<td>8,033</td>
<td>41,983</td>
<td>50,017</td>
<td>14,216</td>
<td>19.29%</td>
<td>12.07%</td>
</tr>
<tr>
<td>TSG7 A L.P.</td>
<td>Buyout</td>
<td>18,000</td>
<td>4,075</td>
<td>11,925</td>
<td>75%</td>
<td>185</td>
<td>14,747</td>
<td>14,911</td>
<td>2,986</td>
<td>11.21%</td>
<td>12.07%</td>
</tr>
<tr>
<td>TSG7 B L.P.</td>
<td>Buyout</td>
<td>4,000</td>
<td>1,511</td>
<td>2,489</td>
<td>60%</td>
<td>6</td>
<td>1,993</td>
<td>1,999</td>
<td>-391</td>
<td>-13.25%</td>
<td>12.07%</td>
</tr>
</tbody>
</table>

1Benchmarks:
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- Vintage Year Comparison: Cambridge Associates Global Private Equity & Venture Capital median return for the respective vintage years
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### Private Equity Portfolio Performance Details – as of December 31, 2019 (continued)

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Cumulat. Cont.</th>
<th>% Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alayna Special Opportunities Fund VI, L.P.</td>
<td>Distressed Debt</td>
<td>25,000</td>
<td>2,454</td>
<td>29,340</td>
<td>50%</td>
<td>19,437</td>
<td>16,801</td>
<td>36,238</td>
<td>7,298</td>
<td>10.95%</td>
<td>8.65%</td>
</tr>
<tr>
<td>Trinity Ventures XII, L.P.</td>
<td>Venture Capital</td>
<td>30,000</td>
<td>6,625</td>
<td>23,175</td>
<td>77%</td>
<td>0</td>
<td>40,017</td>
<td>40,017</td>
<td>16,842</td>
<td>32.03%</td>
<td>17.43%</td>
</tr>
<tr>
<td>Vintage Year 2016 Total</td>
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<td>214,587</td>
<td>59,643</td>
<td>177,272</td>
<td>72%</td>
<td>66,367</td>
<td>203,863</td>
<td>270,250</td>
<td>92,971</td>
<td>22.92%</td>
<td>13.86%</td>
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<tr>
<td><strong>Vintage Year 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martin Heritage II</td>
<td>Buyout</td>
<td>10,000</td>
<td>4,375</td>
<td>5,625</td>
<td>56%</td>
<td>0</td>
<td>5,922</td>
<td>5,922</td>
<td>297</td>
<td>3.98%</td>
<td>13.50%</td>
</tr>
<tr>
<td>Summit Partners Europe Growth Equity Fund II, SGP</td>
<td>Buyout</td>
<td>33,661</td>
<td>30,439</td>
<td>20,078</td>
<td>10%</td>
<td>16,601</td>
<td>13,804</td>
<td>30,406</td>
<td>10,327</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>New Enterprise Associates 16, L.P.</td>
<td>Venture Capital</td>
<td>35,000</td>
<td>13,913</td>
<td>21,088</td>
<td>60%</td>
<td>627</td>
<td>23,990</td>
<td>24,620</td>
<td>3,532</td>
<td>12.61%</td>
<td>11.47%</td>
</tr>
<tr>
<td><strong>Vintage Year 2017 Total</strong></td>
<td></td>
<td>78,661</td>
<td>48,726</td>
<td>46,791</td>
<td>38%</td>
<td>17,228</td>
<td>43,719</td>
<td>60,947</td>
<td>14,156</td>
<td>30.64%</td>
<td>12.25%</td>
</tr>
<tr>
<td><strong>Vintage Year 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linden Capital Partners IV LP</td>
<td>Buyout</td>
<td>44,330</td>
<td>34,388</td>
<td>11,563</td>
<td>22%</td>
<td>1,907</td>
<td>9,838</td>
<td>11,744</td>
<td>181</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Martin Equity V</td>
<td>Buyout</td>
<td>25,000</td>
<td>16,317</td>
<td>8,883</td>
<td>35%</td>
<td>521</td>
<td>10,470</td>
<td>11,091</td>
<td>2,171</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>TSG L.P.</td>
<td>Buyout</td>
<td>45,000</td>
<td>43,621</td>
<td>1,179</td>
<td>3%</td>
<td>0</td>
<td>-111</td>
<td>-111</td>
<td>-101</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Davidson Kempner Long-Term Distressed Opportunities Fund IV L.P.</td>
<td>Distressed Debt</td>
<td>35,000</td>
<td>10,650</td>
<td>24,150</td>
<td>63%</td>
<td>0</td>
<td>27,261</td>
<td>27,261</td>
<td>3,111</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>TSSP Opportunities Partners IV (A), L.P.</td>
<td>Distressed Debt</td>
<td>35,000</td>
<td>29,302</td>
<td>7,511</td>
<td>16%</td>
<td>1,856</td>
<td>5,963</td>
<td>7,818</td>
<td>307</td>
<td>N/M</td>
<td>N/M</td>
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<tr>
<td>RCP Fund XIII</td>
<td>Fund of Funds</td>
<td>50,000</td>
<td>44,500</td>
<td>5,500</td>
<td>11%</td>
<td>0</td>
<td>4,259</td>
<td>4,259</td>
<td>-1,242</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>RCP Direct</td>
<td>Fund of Funds</td>
<td>25,000</td>
<td>17,364</td>
<td>7,636</td>
<td>31%</td>
<td>386</td>
<td>8,125</td>
<td>6,517</td>
<td>875</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Accel-KKR Growth Capital Partners III</td>
<td>Mezzanine</td>
<td>33,320</td>
<td>29,133</td>
<td>4,187</td>
<td>13%</td>
<td>0</td>
<td>3,642</td>
<td>3,642</td>
<td>-545</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Khosla Ventures VI, L.P.</td>
<td>Venture Capital</td>
<td>35,000</td>
<td>21,770</td>
<td>13,230</td>
<td>38%</td>
<td>0</td>
<td>13,067</td>
<td>13,067</td>
<td>-163</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Spectrum Equity VIII, L.P.</td>
<td>Venture Capital</td>
<td>25,000</td>
<td>8,188</td>
<td>16,812</td>
<td>67%</td>
<td>0</td>
<td>15,638</td>
<td>15,638</td>
<td>-1,175</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td><strong>Vintage Year 2018 Total</strong></td>
<td></td>
<td>352,650</td>
<td>255,632</td>
<td>197,059</td>
<td>28%</td>
<td>4,670</td>
<td>98,156</td>
<td>102,828</td>
<td>2,230</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td><strong>Vintage Year 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cortec Group Fund VII, L.P.</td>
<td>Buyout</td>
<td>30,000</td>
<td>21,528</td>
<td>8,472</td>
<td>29%</td>
<td>0</td>
<td>6,591</td>
<td>6,591</td>
<td>-60</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Gridiron Capital Fund IV, L.P.</td>
<td>Buyout</td>
<td>30,000</td>
<td>30,000</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>-528</td>
<td>-528</td>
<td>-528</td>
<td>N/M</td>
<td>N/M</td>
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<tr>
<td>Thoma Bravo Fund XIII, L.P.</td>
<td>Buyout</td>
<td>45,000</td>
<td>28,753</td>
<td>16,246</td>
<td>36%</td>
<td>0</td>
<td>17,510</td>
<td>17,510</td>
<td>1,263</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>New Enterprise Associates 17, L.P.</td>
<td>Venture Capital</td>
<td>25,000</td>
<td>22,700</td>
<td>2,300</td>
<td>9%</td>
<td>0</td>
<td>2,306</td>
<td>2,306</td>
<td>0</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Threshold Ventures III, L.P.</td>
<td>Venture Capital</td>
<td>20,000</td>
<td>17,600</td>
<td>2,400</td>
<td>11%</td>
<td>0</td>
<td>2,013</td>
<td>2,013</td>
<td>-167</td>
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<td>N/M</td>
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<tr>
<td><strong>Vintage Year 2019 Total</strong></td>
<td></td>
<td>150,000</td>
<td>120,582</td>
<td>29,418</td>
<td>20%</td>
<td>0</td>
<td>29,894</td>
<td>29,894</td>
<td>476</td>
<td>N/M</td>
<td>N/M</td>
</tr>
</tbody>
</table>

1 Benchmarks:
- 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

**CLIFFWATER LLC**
### Private Equity Portfolio Performance Details – as of December 31, 2019 (continued)

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>(D) % Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
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<tbody>
<tr>
<td><strong>Vintage Year 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Accel-KKR Capital Partners VI, LP</td>
<td>Buyout</td>
<td>30,000</td>
<td>30,000</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/M</td>
<td>N/M</td>
<td>N/A</td>
</tr>
<tr>
<td>Davidson Kempner Long-Term Distressed</td>
<td>Distressed Debt</td>
<td>30,000</td>
<td>30,000</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/M</td>
<td>N/M</td>
<td>N/A</td>
</tr>
<tr>
<td>Opportunities Fund VLP</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td><strong>Vintage Year 2020 Total</strong></td>
<td></td>
<td>60,000</td>
<td>60,000</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/M</td>
<td>N/M</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Portfolio Total:</strong></td>
<td></td>
<td>1,684,701</td>
<td>715,193</td>
<td>1,099,730</td>
<td>58%</td>
<td>743,029</td>
<td>980,905</td>
<td>1,723,834</td>
<td>624,204</td>
<td>15.36%</td>
<td>12.88%</td>
<td>1.57x</td>
</tr>
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</table>

### Portfolio Strategy Totals

<table>
<thead>
<tr>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>(D) % Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
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</thead>
<tbody>
<tr>
<td>Buyout</td>
<td>718,901</td>
<td>350,045</td>
<td>424,856</td>
<td>51%</td>
<td>251,372</td>
<td>410,160</td>
<td>661,552</td>
<td>236,647</td>
<td>21.82%</td>
<td>1.56x</td>
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<tr>
<td>Distressed Debt</td>
<td>245,000</td>
<td>117,937</td>
<td>165,526</td>
<td>52%</td>
<td>92,038</td>
<td>102,832</td>
<td>194,670</td>
<td>59,913</td>
<td>6.59%</td>
<td>1.18x</td>
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</tr>
<tr>
<td>Fund of Funds</td>
<td>311,130</td>
<td>79,877</td>
<td>242,099</td>
<td>74%</td>
<td>269,733</td>
<td>129,261</td>
<td>398,994</td>
<td>156,885</td>
<td>11.36%</td>
<td>1.65x</td>
<td></td>
</tr>
<tr>
<td>Mezzanine</td>
<td>48,320</td>
<td>31,013</td>
<td>17,307</td>
<td>36%</td>
<td>9,537</td>
<td>12,920</td>
<td>22,457</td>
<td>5,149</td>
<td>18.49%</td>
<td>1.30x</td>
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<tr>
<td>Venture Capital</td>
<td>361,350</td>
<td>136,322</td>
<td>249,932</td>
<td>62%</td>
<td>120,351</td>
<td>325,911</td>
<td>446,262</td>
<td>196,370</td>
<td>21.27%</td>
<td>1.79x</td>
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<tr>
<td><strong>Portfolio Total:</strong></td>
<td>1,684,701</td>
<td>715,193</td>
<td>1,099,730</td>
<td>58%</td>
<td>743,029</td>
<td>980,905</td>
<td>1,723,834</td>
<td>624,204</td>
<td>15.36%</td>
<td>12.88%</td>
<td>1.57x</td>
</tr>
</tbody>
</table>

### Portfolio Geography Totals

<table>
<thead>
<tr>
<th>Geography</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>(D) % Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
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</thead>
<tbody>
<tr>
<td>US</td>
<td>1,426,000</td>
<td>628,679</td>
<td>868,329</td>
<td>56%</td>
<td>583,003</td>
<td>834,318</td>
<td>1,417,320</td>
<td>521,082</td>
<td>15.33%</td>
<td>1.58x</td>
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<tr>
<td>Non-US</td>
<td>258,701</td>
<td>86,514</td>
<td>203,471</td>
<td>66%</td>
<td>160,026</td>
<td>146,567</td>
<td>300,613</td>
<td>103,143</td>
<td>15.49%</td>
<td>1.51x</td>
<td></td>
</tr>
<tr>
<td><strong>Portfolio Total:</strong></td>
<td>1,684,701</td>
<td>715,193</td>
<td>1,099,730</td>
<td>58%</td>
<td>743,029</td>
<td>980,905</td>
<td>1,723,834</td>
<td>624,204</td>
<td>15.36%</td>
<td>12.88%</td>
<td>1.57x</td>
</tr>
</tbody>
</table>

1. **Benchmarks:**
   - Private Equity Investments: Cambridge Associates median return for the respective strategies and vintage years
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**CLIFFWATER LLC**

12
The Private Credit portfolio’s net IRR since inception is 8.14%, versus the benchmark return of 7.14%
  – The benchmark is the Credit Suisse Leveraged Loan Index + 2%

The Private Credit funds reported another quarter of steady gains in Q4
  – The portfolio returned 2.2% in Q4 and 9.5% for the trailing 1 year period ending December 31, 2019
    • OrbiMed Royalty III reported a negative return in Q4 (recently started investing), all other funds were up 2% - 8%
  – Longer term performance remains steady, with annualized returns of 7% - 8% over multi-year periods
    • 7.6% net IRR for the 3 year period and 7.9% net IRR for the 5 year period

Changes during the quarter
  – SCERS committed €31.6 million to MCP Private Capital IV (European opportunistic credit) and $50 million to BSP Senior
    Secured II (direct lending, reup with existing GP) during Q4
  – $22.0 million in new contributions, $10.5 million in distributions
  – Portfolio IRR increased 0.08% while the total portfolio gain increased by $4.3 million
## Private Credit Portfolio Details – as of December 31, 2019

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Cumulat. Cont.</th>
<th>% Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
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<tbody>
<tr>
<td><strong>Vintage Year 2011</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summit Partners Credit Fund, LP</td>
<td>Direct Lending</td>
<td>20,000</td>
<td>2,125</td>
<td>20,697</td>
<td>89%</td>
<td>26,196</td>
<td>620</td>
<td>26,818</td>
<td>6,122</td>
<td>8.96%</td>
<td>1.30x</td>
</tr>
<tr>
<td>Vintage Year 2011 Total</td>
<td></td>
<td>20,000</td>
<td>2,125</td>
<td>20,697</td>
<td>89%</td>
<td>26,196</td>
<td>620</td>
<td>26,818</td>
<td>6,122</td>
<td>8.96%</td>
<td>1.30x</td>
</tr>
<tr>
<td><strong>Vintage Year 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summit Partners Credit Fund II, L.P.</td>
<td>Direct Lending</td>
<td>35,000</td>
<td>4,888</td>
<td>47,209</td>
<td>86%</td>
<td>26,390</td>
<td>29,320</td>
<td>56,712</td>
<td>8,503</td>
<td>8.87%</td>
<td>3.97x</td>
</tr>
<tr>
<td>Vintage Year 2014 Total</td>
<td></td>
<td>35,000</td>
<td>4,888</td>
<td>47,209</td>
<td>86%</td>
<td>26,390</td>
<td>29,320</td>
<td>56,712</td>
<td>8,503</td>
<td>8.87%</td>
<td>1.18x</td>
</tr>
<tr>
<td><strong>Vintage Year 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Athyrum Opportunities Fund II</td>
<td>Opportunistic Credit</td>
<td>32,000</td>
<td>4,627</td>
<td>40,149</td>
<td>86%</td>
<td>32,057</td>
<td>15,299</td>
<td>47,355</td>
<td>7,206</td>
<td>9.44%</td>
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<tr>
<td>Vintage Year 2015 Total</td>
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<td>32,000</td>
<td>4,627</td>
<td>40,149</td>
<td>86%</td>
<td>32,057</td>
<td>15,299</td>
<td>47,355</td>
<td>7,206</td>
<td>9.44%</td>
<td>1.18x</td>
</tr>
<tr>
<td><strong>Vintage Year 2017</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Athyrum Opportunities Fund III</td>
<td>Opportunistic Credit</td>
<td>25,000</td>
<td>9,972</td>
<td>20,516</td>
<td>61%</td>
<td>5,352</td>
<td>16,011</td>
<td>21,363</td>
<td>847</td>
<td>3.70%</td>
<td>8.56%</td>
</tr>
<tr>
<td>Vintage Year 2017 Total</td>
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<td>25,000</td>
<td>9,972</td>
<td>20,516</td>
<td>61%</td>
<td>5,352</td>
<td>16,011</td>
<td>21,363</td>
<td>847</td>
<td>3.70%</td>
<td>1.04x</td>
</tr>
<tr>
<td><strong>Vintage Year 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Benefit Street Partners Senior Secured Opportunities Fund I, LP</td>
<td>Direct Lending</td>
<td>50,000</td>
<td>5,567</td>
<td>50,953</td>
<td>89%</td>
<td>7,264</td>
<td>48,289</td>
<td>55,553</td>
<td>4,600</td>
<td>6.01%</td>
<td>4.47%</td>
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<tr>
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<td>Direct Lending</td>
<td>50,000</td>
<td>30,895</td>
<td>23,440</td>
<td>38%</td>
<td>4,336</td>
<td>22,419</td>
<td>26,753</td>
<td>3,313</td>
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<tr>
<td>TCP Direct Lending Fund VIII, LLC</td>
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<td>33,366</td>
<td>66,634</td>
<td>67%</td>
<td>5,599</td>
<td>66,374</td>
<td>71,973</td>
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<td>69,846</td>
<td>141,026</td>
<td>65%</td>
<td>17,196</td>
<td>137,082</td>
<td>154,279</td>
<td>13,253</td>
<td>8.11%</td>
<td>3.42%</td>
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<td><strong>Vintage Year 2019</strong></td>
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<td></td>
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<tr>
<td>BSP Levered US SOF II (Senior Secured Opportunities Fund I, LP)</td>
<td>Direct Lending</td>
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<td>47,532</td>
<td>2,468</td>
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<td>0</td>
<td>1,114</td>
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<td>N/M</td>
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<tr>
<td><strong>Vintage Year 2020</strong></td>
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<td></td>
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<tr>
<td>MCP Private Capital Fund IV (Feeder) SCSp</td>
<td>Opp. Credit</td>
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<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td>Vintage Year 2020 Total</td>
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<td>35,457</td>
<td>35,457</td>
<td>0%</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/M</td>
<td>N/M</td>
</tr>
<tr>
<td><strong>Portfolio Total:</strong></td>
<td></td>
<td><strong>432,457</strong></td>
<td><strong>207,558</strong></td>
<td><strong>273,815</strong></td>
<td><strong>52%</strong></td>
<td><strong>107,197</strong></td>
<td><strong>291,008</strong></td>
<td><strong>308,205</strong></td>
<td><strong>34,381</strong></td>
<td><strong>8.14%</strong></td>
<td><strong>7.14%</strong></td>
</tr>
</tbody>
</table>

*Benchmarks:

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 December 31, 2019 (continued)

### Benchmarks:
- **Private Credit Investments**: Cambridge Associates median return for the respective debt strategies and vintage years
- **Private Credit Portfolio**: Credit Suisse Leveraged Loan Index + 2%

### Market Value Strategy Exposure*

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Cumulat. Cont.</th>
<th>% Drawn</th>
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<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
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<tr>
<td>Portfolio Strategy Totals</td>
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</tr>
<tr>
<td>Direct Lending</td>
<td></td>
<td>305,000</td>
<td>124,393</td>
<td>211,400</td>
<td>59%</td>
<td>69,788</td>
<td>168,136</td>
<td>237,924</td>
<td>26,524</td>
<td>8.18%</td>
<td>1.13x</td>
</tr>
<tr>
<td>Opportunistic Credit</td>
<td></td>
<td>127,457</td>
<td>63,205</td>
<td>62,415</td>
<td>35%</td>
<td>37,409</td>
<td>32,873</td>
<td>70,281</td>
<td>7,657</td>
<td>8.01%</td>
<td>1.13x</td>
</tr>
<tr>
<td><strong>Portfolio Total</strong></td>
<td></td>
<td>432,457</td>
<td>207,598</td>
<td>273,816</td>
<td>52%</td>
<td>107,197</td>
<td>201,008</td>
<td>308,205</td>
<td>34,391</td>
<td>8.14%</td>
<td>7.14%</td>
</tr>
<tr>
<td>Portfolio Geography Totals</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US</td>
<td></td>
<td>397,000</td>
<td>172,141</td>
<td>273,815</td>
<td>57%</td>
<td>107,197</td>
<td>201,006</td>
<td>308,205</td>
<td>34,391</td>
<td>8.14%</td>
<td>1.13x</td>
</tr>
<tr>
<td>Non-US</td>
<td></td>
<td>35,457</td>
<td>35,457</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Portfolio Total</strong></td>
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<td>432,457</td>
<td>207,598</td>
<td>273,816</td>
<td>52%</td>
<td>107,197</td>
<td>201,008</td>
<td>308,205</td>
<td>34,391</td>
<td>8.14%</td>
<td>7.14%</td>
</tr>
</tbody>
</table>

*Exposures are based on the market values of investments as of 12/31/19.*
The Real Assets portfolio’s net IRR since inception is 11.87%, versus the blended benchmark return of 6.32%
- The Real Assets portfolio includes private Infrastructure, Energy, 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 partnerships
- Both Infrastructure and Energy partnerships have performed well since inception, although recent downturns in Energy continue to erode performance
  - Since inception net IRRs of 13.4% for Infrastructure and 11.7% for Energy
- The Real Asset Debt separate account has also performed well with a 10.6% since inception net IRR
  - That separate account market value remains small at $17.7 million, with very few new investments

The portfolio generated a modest 0.3% net return in Q4
- The portfolio’s largest Q4 gains came primarily from the Infrastructure funds
  - EQT IV, Wastewater, IFM, Tailwater Energy III, ISQ II, and Brookfield III led performance
- Most of the energy funds declined, with Quantum VI, EnCap IX, and Flatrock III declining 6 – 9% in Q4

Changes during the quarter
- SCERS committed $35 million to Tailwater Energy Fund IV (small midstream energy, reup with existing GP) during Q4
- $56.9 million in new contributions, $15.1 million in distributions
- Portfolio IRR declined by 1.11% while the total portfolio gain increased by $1.8 million
Real Assets Portfolio Performance Details – as of December 31, 2019

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Cumulat. Cont.</th>
<th>% Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vintage Year 2013</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>EnCap Energy Capital Fund IX, L.P.</td>
<td>Energy</td>
<td>33,000</td>
<td>2,030</td>
<td>94%</td>
<td>28,174</td>
<td>16,960</td>
<td>46,134</td>
<td>7,869</td>
<td>8.06%</td>
<td>4.03%</td>
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<tr>
<td><strong>Vintage Year 2013 Total</strong></td>
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<tr>
<td>Vintage Year 2014</td>
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<td></td>
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<tr>
<td>Carlyle Power Partners III, L.P.</td>
<td>Energy</td>
<td>40,000</td>
<td>14,139</td>
<td>65%</td>
<td>7,547</td>
<td>29,743</td>
<td>37,290</td>
<td>3,725</td>
<td>5.71%</td>
<td>7.92%</td>
<td>1.11x</td>
</tr>
<tr>
<td>EnCap Flatrock Midstream III</td>
<td>Energy</td>
<td>20,000</td>
<td>2,142</td>
<td>89%</td>
<td>9,210</td>
<td>16,767</td>
<td>25,977</td>
<td>3,900</td>
<td>11.71%</td>
<td>7.92%</td>
<td>1.18x</td>
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<tr>
<td>Global Energy &amp; Power Infrastructure Fund II</td>
<td>Energy</td>
<td>35,000</td>
<td>2,896</td>
<td>92%</td>
<td>26,357</td>
<td>23,078</td>
<td>49,436</td>
<td>13,994</td>
<td>27.63%</td>
<td>7.92%</td>
<td>1.39x</td>
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<tr>
<td>Quantum Energy Partners VI, LP</td>
<td>Energy</td>
<td>30,000</td>
<td>9,572</td>
<td>73%</td>
<td>10,740</td>
<td>32,475</td>
<td>51,216</td>
<td>19,948</td>
<td>26.90%</td>
<td>7.92%</td>
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<tr>
<td>Pantheon SCERS SRF MM, LLC</td>
<td>Infrastructure</td>
<td>100,000</td>
<td>33,968</td>
<td>66%</td>
<td>15,100</td>
<td>85,318</td>
<td>101,018</td>
<td>30,667</td>
<td>13.58%</td>
<td>13.82%</td>
<td>1.44x</td>
</tr>
<tr>
<td>Wastewater Opportunity Fund</td>
<td>Infrastructure</td>
<td>25,000</td>
<td>2,733</td>
<td>89%</td>
<td>1,998</td>
<td>20,705</td>
<td>22,703</td>
<td>429</td>
<td>1.25%</td>
<td>13.82%</td>
<td>1.02x</td>
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<tr>
<td><strong>Vintage Year 2014 Total</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Vintage Year 2015</td>
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</tr>
<tr>
<td>ArcLight Energy Partners Fund VI</td>
<td>Energy</td>
<td>40,000</td>
<td>5,563</td>
<td>86%</td>
<td>15,767</td>
<td>35,263</td>
<td>51,030</td>
<td>8,365</td>
<td>8.00%</td>
<td>8.22%</td>
<td>1.20x</td>
</tr>
<tr>
<td>EnCap Energy Capital Fund X, L.P.</td>
<td>Energy</td>
<td>40,000</td>
<td>6,644</td>
<td>83%</td>
<td>7,400</td>
<td>35,999</td>
<td>42,564</td>
<td>6,945</td>
<td>8.40%</td>
<td>8.22%</td>
<td>1.19x</td>
</tr>
<tr>
<td>Atalaya Real Assets SMA</td>
<td>Real Asset Debt</td>
<td>100,000</td>
<td>84,789</td>
<td>15%</td>
<td>25,769</td>
<td>17,729</td>
<td>43,498</td>
<td>7,329</td>
<td>10.55%</td>
<td>N/A</td>
<td>1.26x</td>
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<tr>
<td><strong>Vintage Year 2015 Total</strong></td>
<td></td>
<td></td>
<td></td>
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<td>Vintage Year 2016</td>
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</tr>
<tr>
<td>ACM Fund II, LLC</td>
<td>Agriculture</td>
<td>25,000</td>
<td>5,586</td>
<td>78%</td>
<td>4,581</td>
<td>16,406</td>
<td>20,987</td>
<td>-2,573</td>
<td>-8.95%</td>
<td>6.21%</td>
<td>0.89x</td>
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<tr>
<td>Brookfield Infrastructure Fund III, L.P.</td>
<td>Infrastructure</td>
<td>40,000</td>
<td>9,702</td>
<td>76%</td>
<td>6,410</td>
<td>31,442</td>
<td>37,851</td>
<td>7,564</td>
<td>12.90%</td>
<td>N/A</td>
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</tr>
<tr>
<td>IFM Global Infrastructure Fund</td>
<td>Infrastructure</td>
<td>125,003</td>
<td>0</td>
<td>100%</td>
<td>33,389</td>
<td>130,268</td>
<td>163,657</td>
<td>38,604</td>
<td>15.95%</td>
<td>N/A</td>
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<td><strong>Vintage Year 2016 Total</strong></td>
<td></td>
<td></td>
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<td>Vintage Year 2017</td>
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</tr>
<tr>
<td>Quantum Energy Partners VII, LP</td>
<td>Energy</td>
<td>40,000</td>
<td>20,560</td>
<td>45%</td>
<td>2,415</td>
<td>19,060</td>
<td>21,475</td>
<td>-322</td>
<td>-1.16%</td>
<td>7.10%</td>
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<tr>
<td>Meridian Infrastructure North America Fund III</td>
<td>Infrastructure</td>
<td>50,000</td>
<td>47,749</td>
<td>5%</td>
<td>1</td>
<td>521</td>
<td>522</td>
<td>-1,729</td>
<td>-76.45%</td>
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<tr>
<td><strong>Vintage Year 2017 Total</strong></td>
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<tr>
<td>Vintage Year 2018</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Paine Schwartz Food Chain Fund V, L.P.</td>
<td>Agriculture</td>
<td>40,000</td>
<td>40,000</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>-874</td>
<td>-874</td>
<td>N/M</td>
<td>N/M</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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 December 31, 2019 (continued)

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>% Drawn</th>
<th>(D) Cumulat. Dist.</th>
<th>(C+D) Fair Value</th>
<th>(C+D-B) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>EnCap Flatrock Midstream IV, L.P.</td>
<td>Energy</td>
<td>22,600</td>
<td>15,206</td>
<td>7,880</td>
<td>32%</td>
<td>688</td>
<td>8,492</td>
<td>9,080</td>
<td>1,200</td>
<td>N/M</td>
<td>N/M</td>
<td>1.15x</td>
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<tr>
<td>Tailwater Energy Fund III, LP</td>
<td>Energy</td>
<td>32,000</td>
<td>9,772</td>
<td>24,283</td>
<td>69%</td>
<td>1,662</td>
<td>24,091</td>
<td>25,753</td>
<td>1,470</td>
<td>N/M</td>
<td>N/M</td>
<td>1.06x</td>
</tr>
<tr>
<td>ISG Global Infrastructure Fund II</td>
<td>Infrastructure</td>
<td>50,000</td>
<td>29,826</td>
<td>23,872</td>
<td>40%</td>
<td>3,697</td>
<td>22,867</td>
<td>26,554</td>
<td>2,682</td>
<td>N/M</td>
<td>N/M</td>
<td>1.11x</td>
</tr>
<tr>
<td>Vintage Year 2018 Total</td>
<td></td>
<td>144,500</td>
<td>94,603</td>
<td>50,435</td>
<td>34%</td>
<td>5,947</td>
<td>54,566</td>
<td>60,513</td>
<td>4,478</td>
<td>N/M</td>
<td>N/M</td>
<td>1.08x</td>
</tr>
<tr>
<td>Vintage Year 2019</td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Tailwater Energy Fund IV, LP</td>
<td>Energy</td>
<td>35,000</td>
<td>29,074</td>
<td>5,926</td>
<td>17%</td>
<td>0</td>
<td>5,656</td>
<td>5,656</td>
<td>-271</td>
<td>N/M</td>
<td>N/M</td>
<td>0.95x</td>
</tr>
<tr>
<td>Brookfield Infrastructure Fund IV</td>
<td>Infrastructure</td>
<td>40,000</td>
<td>28,135</td>
<td>11,865</td>
<td>30%</td>
<td>0</td>
<td>11,638</td>
<td>11,638</td>
<td>-227</td>
<td>N/M</td>
<td>N/M</td>
<td>0.98x</td>
</tr>
<tr>
<td>EQT Infrastructure IV (No.2) USD SCSp</td>
<td>Infrastructure</td>
<td>35,000</td>
<td>28,673</td>
<td>6,377</td>
<td>18%</td>
<td>48</td>
<td>6,821</td>
<td>6,869</td>
<td>-108</td>
<td>N/M</td>
<td>N/M</td>
<td>0.98x</td>
</tr>
<tr>
<td>Vintage Year 2019 Total</td>
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<td>110,000</td>
<td>85,682</td>
<td>24,785</td>
<td>22%</td>
<td>48</td>
<td>24,114</td>
<td>24,162</td>
<td>-606</td>
<td>N/M</td>
<td>N/M</td>
<td>0.98x</td>
</tr>
<tr>
<td>Portfolio Total</td>
<td></td>
<td>1,002,553</td>
<td>428,758</td>
<td>570,898</td>
<td>57%</td>
<td>208,904</td>
<td>590,531</td>
<td>798,435</td>
<td>148,538</td>
<td>11.87%</td>
<td>6.32%</td>
<td>1.23x</td>
</tr>
</tbody>
</table>

Portfolio Strategy Totals

<table>
<thead>
<tr>
<th>Strategy</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>% Drawn</th>
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<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>65,500</td>
<td>45,536</td>
<td>23,961</td>
<td>30%</td>
<td>4,591</td>
<td>15,532</td>
<td>20,113</td>
<td>-3,447</td>
<td>-11.07%</td>
<td>0.05%</td>
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</tr>
<tr>
<td>Energy</td>
<td>372,500</td>
<td>117,597</td>
<td>254,903</td>
<td>68%</td>
<td>117,910</td>
<td>247,100</td>
<td>365,010</td>
<td>66,753</td>
<td>11.73%</td>
<td>1.22%</td>
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</tr>
<tr>
<td>Infrastructure</td>
<td>465,093</td>
<td>180,786</td>
<td>292,911</td>
<td>61%</td>
<td>60,643</td>
<td>310,170</td>
<td>370,813</td>
<td>77,901</td>
<td>13.38%</td>
<td>1.27%</td>
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</tr>
<tr>
<td>Real Asset Debt</td>
<td>100,000</td>
<td>84,785</td>
<td>15,215</td>
<td>15%</td>
<td>25,769</td>
<td>17,729</td>
<td>43,458</td>
<td>7,329</td>
<td>10.59%</td>
<td>1.20%</td>
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<td>1,002,553</td>
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<td>57%</td>
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<td>798,435</td>
<td>148,538</td>
<td>11.87%</td>
<td>6.32%</td>
<td>1.23x</td>
</tr>
</tbody>
</table>

Portfolio Geography Totals

<table>
<thead>
<tr>
<th>Region</th>
<th>(A) Commit. Amount</th>
<th>(B) Unfund. Amount</th>
<th>(C) Cumulat. Cont.</th>
<th>% Drawn</th>
<th>(D) Cumulat. Dist.</th>
<th>(C+D) Fair Value</th>
<th>(C+D-B) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>712,500</td>
<td>332,422</td>
<td>452,844</td>
<td>53%</td>
<td>165,360</td>
<td>387,506</td>
<td>552,866</td>
<td>100,021</td>
<td>10.82%</td>
<td>1.22%</td>
<td></td>
</tr>
<tr>
<td>Non-US</td>
<td>290,053</td>
<td>96,336</td>
<td>193,717</td>
<td>67%</td>
<td>43,544</td>
<td>203,025</td>
<td>246,569</td>
<td>48,515</td>
<td>15.14%</td>
<td>1.24%</td>
<td></td>
</tr>
<tr>
<td>Portfolio Total</td>
<td>1,002,553</td>
<td>428,758</td>
<td>570,898</td>
<td>57%</td>
<td>208,904</td>
<td>590,531</td>
<td>798,435</td>
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<td>11.87%</td>
<td>6.32%</td>
<td>1.23x</td>
</tr>
</tbody>
</table>

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 Characteristics as of December 31, 2019

The SCERS Real Assets portfolio is primarily Infrastructure and Energy
- 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

*Exposures are based on the market values of investments as of 12/31/19.
The Opportunities portfolio’s net IRR since inception is **18.36%**

- The long-term benchmark is SCERS’ 7.00% total portfolio actuarial return objective
- Also tracking the portfolio’s 3 year IRR versus an intermediate-term benchmark
  - 5.73% portfolio IRR vs 9.56% IRR for the SCERS’ total portfolio policy weighted benchmark over the last 3 years
- The portfolio only includes legacy distressed debt funds (fully liquidated) and one post-2009 distressed fund (Atalaya V)
  - The 3 year comparison, for example, reflects only the performance of Atalaya V

**The legacy distressed funds performed very well, the current fund is performing at expectations**

- SCERS’ earlier vintage distressed debt funds are liquidated and have distributed significant capital back to SCERS
  - Stone Tower, MetWest TALF, and PIMCO have distributed $129.3 million
- Atalaya SOF V, a vintage 2013 fund, has produced a 7.99% net IRR since inception

**Changes during the quarter**

- SCERS made no new commitments categorized as Opportunities funds during Q4 2019
- No new contributions, $0.3 million in distributions
- Portfolio IRR decreased 0.01%, total portfolio gain increased slightly

**As mentioned, the Opportunities portfolio only includes certain distressed debt fund(s)**

- SCERS has additional distressed debt investments within its Private Equity portfolio
- Categorizations were made at the time of each investment
Opportunities Portfolio Performance Details – as of December 31, 2019

<table>
<thead>
<tr>
<th>Partnership Name</th>
<th>Strategy</th>
<th>Commit. Amount</th>
<th>Unfund. Amount</th>
<th>(B) Cumulat. Cont.</th>
<th>% Drawn</th>
<th>(C) Cumulat. Dist.</th>
<th>(D) Fair Value</th>
<th>(C+D) Total Value</th>
<th>(C+D-B) Gain/Loss</th>
<th>Net IRR</th>
<th>IRR Bench.</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vintage Year 2007</td>
<td>Distressed Debt</td>
<td>18,000</td>
<td>0</td>
<td>18,000</td>
<td>100%</td>
<td>25,384</td>
<td>0</td>
<td>25,384</td>
<td>7,384</td>
<td>8.96%</td>
<td>9.84%</td>
<td>1.41x</td>
</tr>
<tr>
<td>Vintage Year 2007 Total</td>
<td></td>
<td>18,000</td>
<td>0</td>
<td>18,000</td>
<td>100%</td>
<td>25,384</td>
<td>0</td>
<td>25,384</td>
<td>7,384</td>
<td>8.96%</td>
<td>9.84%</td>
<td>1.41x</td>
</tr>
<tr>
<td>Vintage Year 2008</td>
<td>Distressed Debt</td>
<td>12,000</td>
<td>0</td>
<td>12,000</td>
<td>100%</td>
<td>35,277</td>
<td>0</td>
<td>35,277</td>
<td>23,277</td>
<td>34.38%</td>
<td>12.22%</td>
<td>2.94x</td>
</tr>
<tr>
<td>Vintage Year 2008 Total</td>
<td></td>
<td>12,000</td>
<td>0</td>
<td>12,000</td>
<td>100%</td>
<td>35,277</td>
<td>0</td>
<td>35,277</td>
<td>23,277</td>
<td>34.38%</td>
<td>12.22%</td>
<td>2.94x</td>
</tr>
<tr>
<td>Vintage Year 2009</td>
<td>Distressed Debt</td>
<td>20,000</td>
<td>0</td>
<td>20,000</td>
<td>100%</td>
<td>25,304</td>
<td>0</td>
<td>25,304</td>
<td>5,304</td>
<td>11.21%</td>
<td>14.45%</td>
<td>1.27x</td>
</tr>
<tr>
<td>MetWest Enhanced TALF Strategy Fund LP</td>
<td></td>
<td>25,000</td>
<td>0</td>
<td>25,248</td>
<td>100%</td>
<td>43,383</td>
<td>0</td>
<td>43,383</td>
<td>18,135</td>
<td>25.30%</td>
<td>14.45%</td>
<td>1.72x</td>
</tr>
<tr>
<td>Vintage Year 2009 Total</td>
<td></td>
<td>45,000</td>
<td>0</td>
<td>45,248</td>
<td>100%</td>
<td>68,687</td>
<td>0</td>
<td>68,687</td>
<td>23,439</td>
<td>19.71%</td>
<td>1.52x</td>
<td></td>
</tr>
<tr>
<td>Vintage Year 2013</td>
<td>Distressed Debt</td>
<td>25,000</td>
<td>1,117</td>
<td>24,875</td>
<td>96%</td>
<td>24,140</td>
<td>7,061</td>
<td>31,201</td>
<td>6,326</td>
<td>7.99%</td>
<td>8.41%</td>
<td>1.25x</td>
</tr>
<tr>
<td>Vintage Year 2013 Total</td>
<td></td>
<td>25,000</td>
<td>1,117</td>
<td>24,875</td>
<td>96%</td>
<td>24,140</td>
<td>7,061</td>
<td>31,201</td>
<td>6,326</td>
<td>7.99%</td>
<td>8.41%</td>
<td>1.25x</td>
</tr>
<tr>
<td>Portfolio Total</td>
<td></td>
<td>100,000</td>
<td>1,117</td>
<td>100,123</td>
<td>99%</td>
<td>153,488</td>
<td>7,061</td>
<td>160,549</td>
<td>60,426</td>
<td>18.36%</td>
<td>7.00%</td>
<td>1.60x</td>
</tr>
</tbody>
</table>

* Liquidated partnership

1 Benchmarks:
Opportunities Investments: Cambridge Associates median return for the respective strategies and vintage years
Opportunities Portfolio: 7.00% actuarial return objective
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