



ITEM 8

Executive Staff
Richard Stensrud
Chief Executive Officer
Steve Davis
Chief Investment Officer
Robert L. Gaumer
General Counsel
Kathryn T. Regalia
Chief Operations Officer
John W. Gobel, Sr.
Chief Benefits Officer

For Agenda of:
January 18, 2017

January 13, 2017

TO: President and Members
Board of Retirement

FROM: JR Pearce
Investment Officer

SUBJECT: December 2016 Monthly Investment Manager Activity, Compliance Report,
and Watch List

Recommendation:

It is recommended that the attached December 2016 Monthly Investment Manager Compliance Report and Watch List be received and filed.

Background/Discussion:

In accordance with SCERS' Investment Policy Statement, the investment transactions for SCERS' investment managers and portfolio investments for the month have been reviewed for compliance with their respective investment guidelines and objectives. No compliance violations have been found. The asset values for the various private equity, real estate, and opportunities investments are lagged one quarter.

As of December 31, 2016, there were five investment managers on the Watch List including Hines (Value Add Real Estate), Brigade SC Credit (Strategic Credit), Huber Capital Management (Large Cap Value), Weatherbie Capital Management (Small Cap Growth), and Och-Ziff Capital Management (Absolute Return and Opportunities-Real Estate).

Staff recommends removing Brigade SC Credit (Strategic Credit) from the Watch List. Brigade was originally placed on the Watch List when Ben Renshaw, head of Brigade's Zurich office since 2011, announced his retirement. Mr. Renshaw was a senior manager and was considered the "right-hand-man" to the co-founder, Don Morgan. Over the past two years since Mr. Renshaw's departure, Brigade has shown the departure has not affected its investment strategy and recent performance has improved significantly.

It is recommended that the remaining four investment managers remain on the Watch List until the investment consultants and Staff can advise your Board that the performance and/or organizational concerns have been satisfactorily resolved.

We will be happy to answer any questions you might have.

Respectfully submitted,

Concur:

JR Pearce
Investment Officer

Richard Stensrud
Chief Executive Officer

Steve Davis
Chief Investment Officer

Attachment

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

December 31, 2016

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of December 31, 2016)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Purchases / Capital Called (month)	Sales / Capital Returned (month)**	Top 10 Holdings / Notes
DOMESTIC EQUITY													
1	JP Morgan Asset Management	Equity 130/30		\$98,192,345				S&P 500 + 100 bps	Yes	N/A	\$10,645,288	\$11,346,623	Alphabet, UnitedHealth Group, Broadcom Ltd, Honeywell International, Microsoft, Pfizer, Apple, Citigroup, Wells Fargo, Chubb Limited
2	Eagle Capital Management	Large Cap Core		\$204,331,056				Russell 1000 + 100 bps	Yes	N/A	\$281,235	\$75,154,931	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Alphabet Inc Cl C, Liberty Global Plc Series C, Citigroup Inc, Aon Plc, Ecolab Inc, Amazon.Com Inc, Jpmorgan Chase + Co <i>As part of the quarterly rebalancing, redeemed \$74 million.</i>
3	Brown Advisory	Large Cap Growth		\$98,380,133				Russell 1000 Growth + 100 bps	Yes	N/A	\$2,109,265	\$17,360,251	State Street Bank + Trust Co, Visa Inc Class A Shares, Amazon.Com Inc, Starbucks Corp, Facebook Inc A, Costco Wholesale Corp, Amphenol Corp Cl A, Danaher Corp, Ecolab Inc, Intuitive Surgical Inc <i>As part of the quarterly rebalancing, redeemed \$16 million.</i>
4	Alliance Bernstein	Large Cap Passive		\$986,783,893				Russell 1000	Yes	N/A	\$9,216,332	\$183,016,943	Apple Inc, Microsoft Corp, Exxon Mobil Corp, Johnson + Johnson, Jpmorgan Chase + Co, Berkshire Hathaway Inc Cl B, Amazon.Com Inc, General Electric Co, At+T Inc, Facebook Inc A <i>As part of the quarterly rebalancing, redeemed \$173 million.</i>
5	Huber Capital Management	Large Cap Value	YES	\$104,256,221				Russell 1000 Value + 100 bps	Yes	N/A	\$3,915,207	\$18,379,124	Kbr Inc, Bank Of America Corp, Cno Financial Group Inc, State Street Bank + Trust Co, Citigroup Inc, Ca Inc, Jpmorgan Chase + Co, Pfizer Inc, Eli Lilly + Co, Microsoft Corp <i>As part of the quarterly rebalancing, redeemed \$16 million.</i>
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$93,725,855				NAREIT + 100 bps	Yes	N/A	\$7,332,720	\$28,735,317	Simon Property Group Inc, Avalonbay Communities Inc, Equinix Inc, Public Storage, Welltower Inc, Boston Properties Inc, Vornado Realty Trust, Prologis Inc, Hcp Inc, Equity Residential <i>As part of the quarterly rebalancing, redeemed \$21 million.</i>
7	Weatherbie Capital	Small Cap Growth	YES	\$80,555,238				Russell 2000 Growth + 150 bps	Yes	N/A	\$5,019,317	\$4,696,862	Stamps.Com Inc, Gtt Communications Inc, Firstservice Corp, State Street Bank + Trust Co, Bofi Holding Inc, Macom Technology Solutions H, Middleby Corp, Insulet Corp, Ultimate Software Group Inc, Signature Bank
8	UBS Global Asset Management	Small Cap Growth		\$61,155,413				Russell 2000 Growth + 150 bps	Yes	N/A	\$2,457,964	\$2,256,761	State Street Bank + Trust Co, Universal Display Corp, 8X8 Inc, Webster Financial Corp, Proofpoint Inc, Emcor Group Inc, Us Silica Holdings Inc, Generac Holdings Inc, Burlington Stores Inc, Gigamon Inc
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$78,694,251				Russell 2000 Value + 150 bps	Yes	N/A	\$3,884,615	\$3,881,262	Brandywine Realty Trust, Colony Capital Inc A, State Street Bank + Trust Co, Radian Group Inc, Kennedy Wilson Holdings Inc, Steelcase Inc Cl A, Korn/Ferry International, Old National Bancorp, Sandy Spring Bancorp Inc, Provident Financial Services
10	Wedge Capital Management	Small Cap Value		\$86,780,643				Russell 2000 Value + 150 bps	Yes	N/A	\$3,607,737	\$3,342,373	Treehouse Foods Inc, State Street Bank + Trust Co, Prosperity Bancshares Inc, Dupont Fabros Technology, Aecom, Stag Industrial Inc, Dana Inc, Great Western Bancorp Inc, Cullen/Frost Bankers Inc, Enersys
11	TOTAL DOMESTIC EQUITY			\$1,892,855,047							\$48,469,679	\$348,170,447	

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INTERNATIONAL EQUITY													
12	Lazard Asset Management	ACWI ex-US		\$390,945,693				MSCI ACWI Ex-US + 100 bps	Yes	N/A	\$26,319,253	\$26,132,652	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Sampo Oyj A Shs, Daiwa House Industry Co Ltd, Prudential Plc, Don Quijote Holdings Co Ltd, British American Tobacco Plc, Shire Plc, Valeo Sa, Informa Plc
13	LSV Asset Management	Developed Large Cap		\$438,393,186				MSCI World Ex-US + 100 bps	Yes	N/A	\$16,594,360	\$16,825,748	Bp Plc, Sanofi, Nippon Telegraph + Telephone, Swiss Re Ag, Bae Systems Plc, Swiss Life Holding Ag Reg, Total Sa, Basf Se, Magna International Inc, Daimler Ag Registered Shares
14	William Blair International Small Cap	Developed Small Cap Growth		\$100,373,763				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$9,226,666	\$9,791,638	Nissan Chemical Industries, Glp J-Reit, Brembo Spa, Gentera Sab De Cv, Boliden Ab, Royal Unibrew, Aurelius Equity Opportunitie, Suruga Bank Ltd, Alten Sa, Icon Plc
15	Mondrian International Small Cap	Developed Small Cap Value		\$85,806,263				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$585,838	\$541,817	MTU Aero Engines AG Registered, Nifco Inc, Croda International PLC, SATS Ltd, Auckland International Airport Ltd, Mercury NZ Ltd, Spirax-Sarco Engineering PLC, AF AB B Shares, Nexteer Automotive Group Ltd, Rubis SCA
16	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$123,691,919				MSCI Emerging Markets + 150 bps	Yes	N/A	\$1,191,919		Tencent Holdings, Taiwan Semicon.Mnfg., Alibaba Group Hldg.Spn. Adr 1:1, China Life Insurance (Taiwan), Reliance Industries, Naspers, Samsung Electronics, Ping An Insurance 'H', Housing Development Fin., Hon Hai Precn.Ind.
17	Mondrian EM All Cap	Emerging Market - All Cap		\$125,265,790				MSCI Emerging Markets + 150 bps	Yes	N/A	\$2,278,175	\$2,195,649	Taiwan Semiconductor Manufacturing Ltd, Samsung Electronics Co Ltd, China Mobile Ltd, WH Group Ltd, Gazprom PJSC Sponsored ADR, SK Telecom Co Ltd, Fibra Uno Administracion SA, Suzano Papel E Celulose SA Pref A, Woolworths Holdings Ltd, Hyundai Mobis Co Ltd
18	Mondrian EM Small Cap	Emerging Market - Small Cap		\$23,093,838				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A	\$275,276	\$450,127	Ginko International Co Ltd, Nexteer Automotive Group Ltd, Microport Scientific Corp, Nippon Indosari Corpindo Tbk PT, Siloam International Hospitals, Amara Raja Batteries Ltd, Voltronic Power Technology Corp, Hartalega Holdings Bhd, Atrium European Real Estate, Page Industries Ltd
19	William Blair EM Small Cap	Emerging Market - Small Cap		\$24,077,810				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A			Bharat Financial Inclusion L, Banregio Grupo Financiero Sa, Raia Drogasil Sa, Bajaj Finance Ltd, Fuyao Glass Industry Group-H, Pakuwon Jati Tbk Pt, Indiabulls Housing Finance L, Minth Group Ltd, China Lodging Group-Spon Ads, Bank Tabungan Negara Persero
20	CBRE Clarion Securities	REIT - Internat'l		\$75,384,700				NAREIT Global ex-US Real Estate + 100 bps	Yes	N/A	\$5,329,221	\$5,982,852	Scentre Group, Mitsui Fudosan Co Ltd, Unibail Rodamco Se, Vicinity Centres, Activia Properties Inc, Nippon Prologis Reit Inc, Hulic Co Ltd, Sino Land Co, Sun Hung Kai Properties, Sumitomo Realty + Developmen
21	TOTAL INTERNATIONAL EQUITY			\$1,387,032,962							\$61,800,709	\$61,920,483	

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FIXED INCOME													
22	Neuberger Investment Management	Enhanced Index		\$351,669,267				Barclays Aggregate Bond + 25 bps	Yes	N/A	\$43,379,826	\$47,329,944	State Street Bank + Trust Co, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Fnma Tba 30 Yr 3, Us Treasury N/B, Gnma li Tba 30 Yr 3, Us Treasury N/B
23	Metropolitan West Asset Management	Core Plus		\$369,311,085				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$111,096,307	\$109,629,194	Us Treasury N/B, Us Treasury N/B, 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, Us Treasury N/B <i>Monthly Purchases and Sales excludes derivative transactions.</i>
24	Prudential Investment Management	Core Plus		\$400,637,181				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$26,013,252	\$23,506,800	B8A3N41G5 Irs Usd R V 12Mfedl, B8A3Ucw67 Irs Usd R V 03Mlibor, B91Qxs9P4 Cds Usd R V 00Mevent, B8A3Lw2X7 Irs Usd R V 12Mfedlo, B8A3Tkg69 Irs Usd R V 12Mlibor, B8A2Jfgg0 Irs Usd R V 03Mlibor, B8A3U8Pu1 Irs Usd R V 01Musois, B8A2Y2Cj1 Irs Usd R V 03Mlibor, S8A3L09N2 Irs Usd R V 03Mfedlo, B8A3Lz3V3 Irs Usd R V 12Mfedl <i>Monthly Purchases and Sales excludes derivative transactions.</i>
25	Brandywine Global Investment Management	Global		\$200,650,717				80% Citigroup WGBl / 20% JP Morgan GBl-EM Global Diversified	Yes	N/A	\$13,694,799	\$17,237,310	Uk Tsy Gilt 1.25% 07/22/18, Us Treasury Frn Flt 10/31/18, Mexican Bonos 7.75% 11/13/42, Goldman Sachs Gp Flt 11/15/18, Mexican Bonos 8.5% 11/18/38, Mexican Bonos 8.5% 05/31/29, Brazil Ntn-F 10% 01/01/25, Hungary Govt 6% 11/24/23, Nswtc-Domestic 5% 08/20/24, Rep South Africa 8.75% 02/28/48
26	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$159,286,788				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
27	TOTAL FIXED INCOME			\$1,481,555,037							\$194,184,184	\$197,703,248	

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ABSOLUTE RETURN													
28	Grosvenor SC Absolute Return Fund (SCARF)	Diversified Separate Account		\$248,132,901				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
29	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Diversified Separate Account		\$102,885,344				90-Day U.S. T-Bill + 500 bps	Yes	Yes			This diversified Absolute Return Separate Account is part of SCERS' interim Absolute Return allocation.
30	Lakewood Capital Partners, LP	Equity Long/Short		\$41,161,461	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
31	Elliott Associates, LP	Event Driven		\$45,577,537				90-Day U.S. T-Bill + 500 bps	Yes	Yes	\$0		
32	Jana Partners Qualified, LP	Event Driven		\$37,169,055				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
33	Third Point Partners Qualified, LP	Event Driven		\$41,959,041				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
34	Grosvenor	Fund of Funds		\$248,338				90-Day U.S. T-Bill + 500 bps	Yes	N/A			Fund was terminated; redemptions from the fund continues to progress.
35	Claren Road Credit Partners, LP	Global Long-Short Credit		\$3,816,306				90-Day U.S. T-Bill + 500 bps	Yes	Yes			SCERS put in a full redemption request for this fund. Due to significant redemptions incurred by Claren Road, final distribution of SCERS' capital will be made over multiple quarters.
36	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$35,788,725				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
37	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$41,515,029				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
38	AQR DELTA Fund, LP	Multi-Strategy		\$69,019,620				90-Day U.S. T-Bill + 500 bps	Yes	Yes	\$20,000,000		Additional investment was funded by a partial redemption from SCARF-B.
39	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$41,411,040				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
40	TOTAL ABSOLUTE RETURN FUNDS			\$708,684,398	\$35,000,000	\$33,000,000					\$20,000,000		

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PRIVATE EQUITY													
41	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$67,173,102	\$75,000,000	\$67,500,000	\$28,501,320	Russell 1000 + 300 bps	Yes	N/A	\$1,125,000	\$937,552	
42	HarbourVest International PEP VI, LP	aFund of Funds		\$29,171,991	\$50,000,000	\$33,209,329	\$11,247,179	Russell 1000 + 300 bps	Yes	N/A	\$433,251	\$718,256	Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
43	HarbourVest VIII, LP	aFund of Funds		\$26,889,013	\$50,000,000	\$47,400,000	\$20,849,235	Russell 1000 + 300 bps	Yes	N/A	\$487,500	\$877,044	
44	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$49,369,182	\$75,000,000	\$74,342,136	\$33,905,959	Russell 1000 + 300 bps	Yes	N/A		\$1,285,333	
45	Accel-KKR Capital Partners IV, LP	Buyout		\$10,639,854	\$15,000,000	\$11,034,756	\$1,843,437	Russell 1000 + 300 bps	Yes	N/A	\$379,849		
46	Accel-KKR Capital Partners V, LP	Buyout			\$35,000,000			Russell 1000 + 300 bps	Yes	N/A			
47	H.I.G. Capital Partners V, LP	Buyout		\$2,834,621	\$14,000,000	\$3,207,392		Russell 1000 + 300 bps	Yes	N/A	\$238,991		
48	Marlin Equity IV, LP	Buyout		\$12,006,908	\$20,000,000	\$10,569,329	\$60,255	Russell 1000 + 300 bps	Yes	N/A			
49	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$12,133,600	\$35,000,000	\$13,057,070		Russell 1000 + 300 bps	Yes	N/A			
50	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$32,620,298	\$30,000,000	\$29,600,786	\$178,826	Russell 1000 + 300 bps	Yes	N/A			
51	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$6,456,450	\$30,000,000	\$9,562,698		Russell 1000 + 300 bps	Yes	N/A			
52	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		(\$435,645)	\$21,000,000	\$231,729		Russell 1000 + 300 bps	Yes	N/A			Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.

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PRIVATE EQUITY													
53	Waterland Fund V, LP	Buyout - Non-US		\$13,828,558	\$23,193,600	\$14,710,875	\$17,167,446	Russell 1000 + 300 bps	Yes	N/A	\$346,399		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
54	Waterland Fund VI, LP	Buyout - Non-US		\$5,918,016	\$30,000,000	\$6,040,313		Russell 1000 + 300 bps	Yes	N/A	\$3,435,314		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
55	Marlin Heritage, LP	Buyout - Small / Middle Market		\$8,071,360	\$10,000,000	\$7,562,602	\$1,411,103	Russell 1000 + 300 bps	Yes	N/A	\$408,798		
56	Marlin Heritage Europe, LP	Buyout - Small / Middle Market			\$14,400,000			Russell 1000 + 300 bps	Yes	N/A			
57	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$26,372,896	\$35,000,000	\$41,723,993	\$16,539,912	Russell 1000 + 300 bps	Yes	N/A	\$140,468	\$219,126	
58	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$7,444,524	\$40,000,000	\$8,817,778	\$1,277,423	Russell 1000 + 300 bps	Yes	N/A			
59	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$7,603,472	\$20,000,000	\$24,939,499	\$22,593,281	Russell 1000 + 300 bps	Yes	N/A		\$2,962,985	
60	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$21,869,780	\$35,000,000	\$26,765,069	\$6,879,038	Russell 1000 + 300 bps	Yes	N/A	\$1,642,073	\$2,847,265	
61	Athyrium Opportunities Fund II, LP	Corp. Credit Lending - Healthcare		\$23,075,534	\$32,000,000	\$29,178,565	\$7,861,933	Russell 1000 + 300 bps	Yes	N/A	\$2,878,631		
62	Atalaya Special Opportunities Fund VI, LP	Distressed Debt		\$16,096,924	\$25,000,000	\$16,399,529	\$720,052	Russell 1000 + 300 bps	Yes	N/A	\$2,646,900	\$720,052	
63	Garrison Opportunity Fund III, LP	Distressed Debt		\$14,141,069	\$20,000,000	\$20,000,000	\$6,220,104	Russell 1000 + 300 bps	Yes	N/A			
64	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$17,089,532	\$30,000,000	\$18,945,732	\$5,066,142	Russell 1000 + 300 bps	Yes	N/A			
65	TPG Opportunities Partners III, LP	Distressed Debt		\$17,727,539	\$40,000,000	\$18,301,337	\$2,316,986	Russell 1000 + 300 bps	Yes	N/A			

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PRIVATE EQUITY													
66	Wayzata Opportunities Fund III, LP	Distressed Debt		\$9,688,595	\$30,000,000	\$14,718,000	\$4,602,383	Russell 1000 + 300 bps	Yes	N/A			
67	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$24,543,575	\$16,350,000	\$16,350,000	\$13,166	Russell 1000 + 300 bps	Yes	N/A			
68	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$8,860,101	\$35,000,000	\$8,737,103		Russell 1000 + 300 bps	Yes	N/A			
69	TSG 7A,LP and TSG 7B, LP	Buyout - Consumer Brands		\$2,590,828	\$20,000,000	\$2,860,181	\$7,227	Russell 1000 + 300 bps	Yes	N/A			
68	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$3,477,860	\$15,000,000	\$4,827,631	\$384,805	Russell 1000 + 300 bps	Yes	N/A	\$697,809		
69	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$13,384,920	\$25,000,000	\$13,346,097		Russell 1000 + 300 bps	Yes	N/A			
70	Dyal II US Investors, LP	Other		\$6,552,043	\$35,000,000	\$11,204,662	\$6,392,003	Russell 1000 + 300 bps	Yes	N/A		\$5,139,898	
72	Dyal Capital Partners III, LP	Other		\$5,525,274	\$35,000,000	\$8,750,000	\$3,224,726	Russell 1000 + 300 bps	Yes	N/A	\$8,750,000	\$3,224,726	
73	Khosla Ventures Fund IV, LP	Venture Capital		\$14,952,568	\$10,000,000	\$9,670,000	\$955,913	Russell 1000 + 300 bps	Yes	N/A			
74	Khosla Ventures Fund V, LP	Venture Capital		\$9,174,458	\$20,000,000	\$9,140,000		Russell 1000 + 300 bps	Yes	N/A			
75	NEA 14, LP	Venture Capital		\$32,042,041	\$25,000,000	\$23,500,000	\$2,379,176	Russell 1000 + 300 bps	Yes	N/A	\$258,148	\$258,148	
76	NEA 15, LP	Venture Capital		\$16,792,441	\$35,000,000	\$16,104,431		Russell 1000 + 300 bps	Yes	N/A	\$700,000		

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PRIVATE EQUITY													
77	Trinity Ventures XI, LP	Venture Capital		\$18,113,183	\$25,000,000	\$16,312,500		Russell 1000 + 300 bps	Yes	N/A			
78	Trinity Ventures XII, LP	Venture Capital		\$2,761,349	\$30,000,000	\$3,150,000		Russell 1000 + 300 bps	Yes	N/A			
79	TOTAL PRIVATE EQUITY			\$616,871,998	\$1,162,943,600	\$717,799,687	\$210,460,963				\$27,447,762	\$19,190,385	

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#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of December 31, 2016)*	SCERS Investment / Commitment	Total Capital Called to Date	Total Capital Returned to Date**	Benchmark	Comply	Counter-Party Comply	Purchases / Capital Called (month)	Sales / Capital Returned (month)**	Top 10 Holdings / Notes
REAL ASSETS													
80	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$324,267,971				Blended benchmarked to strategy fund weights	Yes	N/A	\$2,277,448	\$14,200,832	This is the overaly proxy for the Real Assets asset class.
81	BlackRock Realty	Real Estate - Core Separate Account		\$149,705,758				NFI-ODCE Index	Yes	N/A	\$3,160,897		Capital called is for the Block 295 (Leland James Center) redevelopment project in Portland, OR.
82	Cornerstone	Real Estate - Core Separate Account		\$60,905,147				NFI-ODCE Index	Yes	N/A			Assets Managed does not include \$39 million of debt.
83	Jamestown Premier Property Fund, LP	Real Estate - Core and Core Plus		\$19,276,153				NFI-ODCE Index	Yes	N/A			
84	MetLife Core Property Fund	Real Estate - Core		\$50,169,133				NFI-ODCE Index	Yes	N/A			
85	Prime Property Fund, LLC	Real Estate - Core		\$50,128,375				NFI-ODCE Index	Yes	N/A			
86	Principal US Property Account	Real Estate - Core		\$38,251,787				NFI-ODCE Index	Yes	N/A			
87	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$30,624,547				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.
88	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$37,241,757	\$35,000,000	\$29,800,000	\$1,029,586	NFI-ODCE Index	Yes	N/A			
89	Townsend Real Estate Fund, LP	Real Estate - Core		\$69,273,127	\$90,000,000	\$67,526,639		NFI-ODCE Index	Yes	N/A			
90	Blackstone Resources Select Offshore Fund	Commodities		\$41,194,020				Blend of GSCI and Dow Jones AIG	Yes	N/A			
91	Gresham Strategic Commodities Fund	Commodities		\$25,511,443				Dow Jones AIG Index	Yes	N/A			

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REAL ASSETS													
92	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$10,715,632	\$100,000,000	\$13,700,253	\$4,323,497	CPI-U Headline + 500 bps	Yes	N/A			
93	ArcLight Energy Partners VI, LP	Energy - Midstream		\$17,302,743	\$40,000,000	\$17,333,454	\$573,221	CPI-U Headline + 500 bps	Yes	N/A			
94	ACM Fund II, LLC	Real Assets - Agriculture		\$4,403,197	\$25,000,000	\$6,468,247	\$1,902,189	CPI-U Headline + 500 bps	Yes	N/A	\$1,746,986	\$1,902,189	
95	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$6,563,391	\$20,000,000	\$7,272,907	\$1,312,645	CPI-U Headline + 500 bps	Yes	N/A	\$104,533		
96	Quantum Energy Partners VI, LP	Energy - Midstream		\$15,455,653	\$35,000,000	\$13,101,189	\$1,770,702	CPI-U Headline + 500 bps	Yes	N/A	\$1,753,206		
97	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$23,144,073	\$33,000,000	\$30,718,177	\$13,525,418	CPI-U Headline + 500 bps	Yes	N/A	\$787,456	\$5,703,505	
98	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$11,576,608	\$40,000,000	\$13,243,988	\$1,087,923	CPI-U Headline + 500 bps	Yes	N/A	\$904,338	\$473,193	
99	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$11,913,593	\$35,000,000	\$12,734,627	\$1,272,278	CPI-U Headline + 500 bps	Yes	N/A	\$3,003,173	\$112,603	
100	Carlyle Power Partners II, LP	Energy - Power		\$12,813,059	\$40,000,000	\$18,747,387	\$4,312,447	CPI-U Headline + 500 bps	Yes	N/A			
101	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core			\$75,000,000			CPI-U Headline + 500 bps	Yes	N/A			
102	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$7,013,473	\$40,000,000	\$7,760,547	\$1,370,790	CPI-U Headline + 500 bps	Yes	N/A	\$360,815	\$28,342	
103	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$2,863,549	\$25,000,000	\$3,847,207	\$139,642	CPI-U Headline + 500 bps	Yes	N/A			
104	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$37,358,223	\$100,000,000	\$25,200,000		CPI-U Headline + 500 bps	Yes	N/A			
105	TOTAL REAL ASSETS			\$1,057,672,413	\$733,000,000	\$267,454,621	\$32,620,341				\$14,098,852	\$22,420,664	

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OPPORTUNITIES													
106	DRC European Real Estate Debt Fund II, LP	Distressed Debt - Europe		\$26,631,323	\$50,000,000	\$77,128,595	\$50,117,737	NFI-ODCE Index	Yes	N/A		\$1,263,422	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.
107	Atalaya Special Opportunities Fund V, LP	Distressed Debt - US		\$15,583,976	\$25,000,000	\$24,875,000	\$13,659,393	Russell 1000 + 300 bps	Yes	N/A		\$908,768	
108	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$16,096,924	\$25,000,000	\$16,399,529	\$720,052	Russell 1000 + 300 bps	Yes	N/A	\$2,646,900	\$720,052	
109	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$25,041,911	\$35,000,000	\$28,284,785	\$5,114,809	NFI-ODCE + 100 bps	Yes	N/A	\$1,929,168		
110	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$15,662,245	\$35,000,000	\$27,595,471	\$18,757,147	NFI-ODCE + 100 bps	Yes	N/A	\$378,653	\$3,590,270	
111	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.	YES	\$11,959,096	\$35,000,000	\$11,657,517	\$882,070	NFI-ODCE + 100 bps	Yes	N/A	\$1,619,990	\$150,360	
112	AEW Value Investors II, LP	Real Estate - Value Add		\$1,424,336	\$25,000,000	\$21,812,596	\$26,497,696	NFI-ODCE + 100 bps	Yes	N/A		\$384,025	The fund has reached the end of its term. AEW has been undergoing an orderly sale of the assets and extended the closing of the fund until 2017.
113	Allegis Value Trust	Real Estate - Value Add		\$17,253,728	\$25,000,000	\$25,000,000	\$14,409,000	NFI-ODCE + 100 bps	Yes	N/A		\$3,100,000	The fund has reached the end of its term. Allegis Value Trust has been undergoing an orderly sale of the assets and extended the closing of the fund until 2018.
114	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$7,630,912	\$35,000,000	\$7,922,479	\$1,229,486	NFI-ODCE + 100 bps	Yes	N/A		\$52,379	Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
115	Hammes Partners II, LP	Real Estate - Value Add		\$14,724,168	\$25,000,000	\$15,625,384	\$1,457,063	NFI-ODCE + 100 bps	Yes	N/A	\$3,711,020	\$288,090	
116	Hines US Office Value Fund II, LP	Real Estate - Value Add	YES	(\$51,706)	\$22,572,950	\$21,726,796	\$16,064,873	NFI-ODCE + 100 bps	Yes	N/A		\$4,891,926	The fund has reached the end of its term. Hines has been undergoing an orderly sale of the assets and extended the closing of the fund until 2017.
117	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$19,987,807	\$25,000,000	\$22,179,980	\$8,037,204	NFI-ODCE + 100 bps	Yes	N/A		\$2,446,192	Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
118	NREP Nordic Strategies Fund II, SCSp	Real Estate - Value Add		\$9,371,652	\$35,000,000	\$10,012,187		NFI-ODCE + 100 bps	Yes	N/A	\$2,734,173		Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
119	TOTAL OPPORTUNITIES			\$171,944,719	\$362,572,950	\$300,208,131	\$156,946,530				\$10,285,731	\$17,795,483	

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SHORT-TERM													
120	State Street Global Advisors - STIF (Cash Account)	Cash		\$563,618,354				91 Day T-Bill	Yes	N/A	\$392,391,040	\$91,468,333	Unallocated cash is swept into a short-term investment fund.
121	TOTAL			\$563,618,354							\$392,391,040	\$91,468,333	
FUTURES OVERLAY													
122	State Street Global Advisors (Futures Overlay)	Overlay		\$151,900,476				Target Asset Allocation	Yes	N/A	\$95,725,836	\$63,282,580	State Street Bank + Trust Co, Otc295087 Trs Usd R E, Otc295088 Trs Usd R E, Otc295086 Trs Usd R E, Us Dollar, Fnma Tba 15 Yr 2.5, Fnma Tba 30 Yr 4, Gnma II Tba 30 Yr 3.5, Fhlmc Tba 30 Yr 3.5, Fnma Tba 30 Yr 3
123	TOTAL			\$151,900,476							\$95,725,836	\$63,282,580	
SCERS TOTAL PORTFOLIO				\$8,032,135,404	\$2,293,516,550	\$1,318,462,439	\$400,027,833				\$864,403,792	\$821,951,624	

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

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

INVESTMENT MANAGER WATCH LIST 31-Dec-16

#	Investment Manager	Fund Type	Reason	Effective (month - year)	Commentary
1	Hines US Office Value Fund II	Real Estate - Value Add	Performance	Nov-10	Though the firm's shorter period returns have been favorable, the since inception return significantly underperformed against the benchmark: 2Q2016 (-1.5% vs. +2.7%); 1-Year (+12.2% vs. +13.6%); 3-Year (+29.4% vs. +13.9%); 5-Year (+18.7% vs. +13.9%); and since inception return (-16.0% vs. +8.8%).
2	Huber Capital Management	Large Cap Value	Performance	Feb-15	Returns have underperformed the benchmark over all periods: 2Q2016 (+1.6% vs. +4.6%); 1-Year (-4.9% vs. +2.9%); 3-Year (+3.8% vs. +9.9%); and since inception (+8.3% vs. +12.6%).
3	Weatherbie Capital Management	Small Cap Growth	Performance	Sep-15	Returns have underperformed the benchmark over all periods: 2Q2016 (+3.0% vs. +3.2%); 1-Year (-7.5% vs. -10.6%); 3-Year (+4.8% vs. +7.7%); 5-Year (+7.8% vs. +8.5%); and since inception (+9.4% vs. +10.3%).
4	Och-Ziff Capital Management	Absolute Return and Opportunistic Real Estate	Organization	Oct-16	In September 2016, Och-Ziff settled with the Department of Justice and the SEC by pleading guilty to violations under the Foreign Corrupt Practices Act. The firm will pay fines of \$213 million to the DOJ and civil penalties of \$199 million to the SEC. In light of this, the firm has been receiving some redemptions. The potential business risks remain related to further investor redemptions, ancillary regulatory scrutiny, employee retention, and reputational risk.