



ITEM 11

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:
February 15, 2017

February 10, 2017

TO: President and Members
Board of Retirement

FROM: JR Pearce
Investment Officer

SUBJECT: January 2017 Monthly Investment Manager Activity, Compliance Report, and Watch List

Recommendation:

It is recommended that the attached January 2017 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 January 31, 2017, there were four investment managers on the Watch List including Hines (Value Add Real Estate), Huber Capital Management (Large Cap Value), Weatherbie Capital Management (Small Cap Growth), and Och-Ziff Capital Management (Absolute Return and Opportunities-Real Estate).

January 2017 Monthly Investment Manager
Compliance Report and Watch List
February 10, 2017
Page 2 of 2

It is recommended that the 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.

Staff also recommends placing Brown Advisory (Large Cap Growth) on the Watch list due to their significant underperformance across all reporting periods. Going forward, Staff will meet with manager on a quarterly basis to review their investment performance and investment portfolio. Brown will remain on the Watch List until performance improves considerably, or until any recommendations are made by Staff and Verus.

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

January 31, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of January 31, 2017)*	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		\$99,391,150				S&P 500 + 100 bps	Yes	N/A	\$14,570,381	\$14,414,325	Alphabet, UnitedHealth Group, Apple, Broadcom Ltd, Honeywell International, Microsoft, Walt Disney, Pfizer, Citigroup, PepsiCo
2	Eagle Capital Management	Large Cap Core		\$211,037,040				Russell 1000 + 100 bps	Yes	N/A	\$777,558	\$1,028,584	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Liberty Global Plc C, Alphabet Inc Cl C, Amazon.Com Inc, Aon Plc, Ecolab Inc, Citigroup Inc, Jpmorgan Chase + Co
3	Brown Advisory	Large Cap Growth	YES	\$101,798,918				Russell 1000 Growth + 100 bps	Yes	N/A	\$6,778,032	\$8,719,658	Amazon.Com Inc, Facebook Inc A, Visa Inc Class A Shares, Danaher Corp, Costco Wholesale Corp, State Street Bank + Trust Co, Amphenol Corp Cl A, Intuitive Surgical Inc, Ecolab Inc, Adobe Systems Inc
4	Alliance Bernstein	Large Cap Passive		\$1,004,223,006				Russell 1000	Yes	N/A	\$4,261,316	\$5,652,072	Apple Inc, Microsoft Corp, Exxon Mobil Corp, Amazon.Com Inc, Johnson + Johnson, Berkshire Hathaway Inc Cl B, Jpmorgan Chase + Co, Facebook Inc A, General Electric Co, At+T Inc
5	Huber Capital Management	Large Cap Value	YES	\$104,872,972				Russell 1000 Value + 100 bps	Yes	N/A	\$9,985,359	\$11,491,307	Kbr Inc, Cno Financial Group Inc, Citigroup Inc, Herbalife Ltd, Ca Inc, Jpmorgan Chase + Co, Microsoft Corp, Philip Morris International, Bank Of America Corp, Pfizer Inc
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$92,474,031				NAREIT + 100 bps	Yes	N/A	\$7,820,577	\$7,641,083	Simon Property Group Inc, Avalonbay Communities Inc, Equinix Inc, Boston Properties Inc, Public Storage, Welltower Inc, Vornado Realty Trust, Prologis Inc, Hcp Inc, Cyrusone Inc
7	Weatherbie Capital	Small Cap Growth	YES	\$83,401,310				Russell 2000 Growth + 150 bps	Yes	N/A	\$3,834,273	\$4,082,561	Stamps.Com Inc, Gtt Communications Inc, Firstservice Corp, Macom Technology Solutions H, State Street Bank + Trust Co, Insulet Corp, Bofi Holding Inc, Middleby Corp, Ultimate Software Group Inc, Signature Bank
8	UBS Global Asset Management	Small Cap Growth		\$62,200,812				Russell 2000 Growth + 150 bps	Yes	N/A	\$2,069,209	\$1,941,343	State Street Bank + Trust Co, Universal Display Corp, 8X8 Inc, Proofpoint Inc, Wix.Com Ltd, Exact Sciences Corp, Us Silica Holdings Inc, Webster Financial Corp, Emcor Group Inc, Imax Corp
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$78,218,527				Russell 2000 Value + 150 bps	Yes	N/A	\$4,966,284	\$4,957,402	State Street Bank + Trust Co, Brandywine Realty Trust, Radian Group Inc, Kennedy Wilson Holdings Inc, Korn/Ferry International, Steelcase Inc Cl A, Sandy Spring Bancorp Inc, Hancock Holding Co, Ipg Photonics Corp, Ptc Inc
10	Wedge Capital Management	Small Cap Value		\$87,054,488				Russell 2000 Value + 150 bps	Yes	N/A	\$1,728,534	\$1,887,229	State Street Bank + Trust Co, Treehouse Foods Inc, Prosperity Bancshares Inc, Dupont Fabros Technology, Dana Inc, Aecom, Stag Industrial Inc
11	TOTAL DOMESTIC EQUITY			\$1,924,672,254							\$56,791,522	\$61,815,565	

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INTERNATIONAL EQUITY													
12	Lazard Asset Management	ACWI ex-US		\$401,546,161				MSCI ACWI Ex-US + 100 bps	Yes	N/A	\$21,896,006	\$22,810,058	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Sampo Oyj A Shs, Daiwa House Industry Co Ltd, Prudential Plc, British American Tobacco Plc, Don Quijote Holdings Co Ltd, Shire Plc, Valeo Sa, Carlsberg As B
13	LSV Asset Management	Developed Large Cap Value		\$453,283,668				MSCI World Ex-US + 100 bps	Yes	N/A	\$3,657,966	\$4,224,239	Sanofi, Bp Plc, Nippon Telegraph + Telephone, Swiss Re Ag, Swiss Life Holding Ag Reg, Bae Systems Plc, Basf Se, Total Sa, Daimler Ag Registered Shares, Magna International Inc
14	Walter Scott International EAFE Income Growth	Developed Large Cap Growth						MSCI World Ex-US + 100 bps	Yes	N/A			Will be funded in 1Q2017.
15	William Blair International Small Cap	Developed Small Cap Growth		\$103,473,185				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$6,980,763	\$6,688,686	Suruga Bank Ltd, Intrum Justitia Ab, Ipsen, Bollden Ab, Aurelius Equity Opportunitie, Orora Ltd, Micro Focus International, Nissan Chemical Industries, Elbit Systems Ltd, Gentera Sab De Cv
16	Mondrian International Small Cap	Developed Small Cap Value		\$89,688,810				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$1,877,444	\$1,471,418	MTU Aero Engines AG Registered, Auckland International Airport Ltd, SATS Ltd, Croda International PLC, Nifco Inc, Mercury NZ Ltd, Spirax-Sarco Engineering PLC, AF AB B Shares, Nexteer Automotive Group Ltd, Ascendas REIT
17	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$132,454,798				MSCI Emerging Markets + 150 bps	Yes	N/A			Tencent Holdings, Taiwan Semicon.Mnfg., Alibaba Group Hldg.Spn. Adr 1:1, Samsung Electronics, Ping An Insurance 'H', Naspers, China Life Insurance (Taiwan), Reliance Industries, Housing Development Fin., Sberbank Of Russia (Lon) Adr
18	Mondrian EM All Cap	Emerging Market - All Cap		\$122,803,049				MSCI Emerging Markets + 150 bps	Yes	N/A	\$3,064,120	\$2,652,598	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, China Mobile Ltd, WH Group Ltd, SK Telecom Co Ltd, Woolworths Holdings Ltd, Gazprom PJSC Sponsored ADR, China Construction Bank Corp Class H, Bajaj Auto Ltd, Fibra Uno Administracion SA
19	Mondrian EM Small Cap	Emerging Market - Small Cap		\$23,093,838				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A	\$80,498	\$479,365	Nexteer Automotive Group Ltd, Ginko International Co Ltd, Siloam International Hospitals, Microport Scientific Corp, Nippon Indosari Corpindo Tbk PT, D&L Industries Inc, Page Industries Ltd, Hartalega Holdings Bhd, Apollo Hospitals Enterprise Ltd, Voltronic Power Technology Corp
20	William Blair EM Small Cap	Emerging Market - Small Cap		\$23,753,602				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A			Fuyao Glass Industry Group-H, China Lodging Group-Spon Ads, Bajaj Finance Ltd, Hanssem Co Ltd, Nmc Health Plc, Capitec Bank Holdings Ltd, Vedanta Ltd, Safaricom Ltd, United Bank Ltd, Indraprastha Gas Ltd
21	CBRE Clarion Securities	REIT - Internat'l		\$77,206,525				NAREIT Global ex-US Real Estate + 100 bps	Yes	N/A	\$13,441,748	\$13,255,638	Scentre Group, Cheung Kong Property Holding, Nippon Prologis Reit Inc, State Street Bank + Trust Co, Mitsui Fudosan Co Ltd, Activia Properties Inc, Sino Land Co, Sun Hung Kai Properties, Hulic Co Ltd, Unibail Rodamco Se
22	TOTAL INTERNATIONAL EQUITY			\$1,427,303,636							\$50,998,546	\$51,582,002	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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FIXED INCOME													
23	Neuberger Investment Management	Enhanced Index		\$349,095,917				Barclays Aggregate Bond + 25 bps	Yes	N/A	\$52,200,906	\$46,818,803	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, Us Treasury N/B, Us Treasury N/B, Us Treasury N/B, Fnma Tba 30 Yr 3
24	Metropolitan West Asset Management	Core Plus		\$370,513,761				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$93,272,313	\$105,547,230	Us Treasury N/B, Us Treasury N/B, 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, Fnma Tba 30 Yr 3, Gnma Ii Tba 30 Yr 3 <i>Monthly Purchases and Sales excludes derivative transactions.</i>
25	Prudential Investment Management	Core Plus		\$414,858,209				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$88,042,470	\$74,338,680	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, S8A3Yx146 Irs Usd R F 1.84873 <i>Monthly Purchases and Sales excludes derivative transactions.</i>
26	Brandywine Global Investment Management	Global		\$202,118,025				80% Citigroup WGBI / 20% JP Morgan GBI-EM Global Diversified	Yes	N/A	\$7,063,230	\$7,643,436	Ukt 1 1/4 07/22/18, T 2 7/8 11/15/46, Mbono 7 3/4 11/13/42, Us Dollar, Gs 0 11/15/18, Mbono 8 1/2 11/18/38, Mbono 8 1/2 05/31/29, T 3 11/15/45, Hgb 6 11/24/23, Bntnf 10 01/01/25
27	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$162,624,372				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
28	TOTAL FIXED INCOME			\$1,499,210,284							\$240,578,919	\$234,348,149	

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ABSOLUTE RETURN													
29	Grosvenor SC Absolute Return Fund (SCARF)	Diversified Separate Account		\$248,132,901				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
30	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Diversified Separate Account		\$67,885,325				90-Day U.S. T-Bill + 500 bps	Yes	Yes			This diversified Absolute Return Separate Account is part of SCERS' interim Absolute Return allocation.
31	Lakewood Capital Partners, LP	Equity Long/Short		\$41,986,494	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
32	Elliott Associates, LP	Event Driven		\$45,577,518				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
33	Jana Partners Qualified, LP	Event Driven		\$38,068,415				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
34	Third Point Partners Qualified, LP	Event Driven		\$41,635,314				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
35	Grosvenor	Fund of Funds		\$249,135				90-Day U.S. T-Bill + 500 bps	Yes	N/A			Fund was terminated; redemptions from the fund continues to progress.
36	Claren Road Credit Partners, LP	Global Long-Short Credit		\$2,502,164				90-Day U.S. T-Bill + 500 bps	Yes	Yes		\$1,314,142	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.
37	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$35,788,725				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
38	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$41,515,029				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
39	AQR DELTA Fund, LP	Multi-Strategy		\$69,019,620				90-Day U.S. T-Bill + 500 bps	Yes	Yes			Made an additional \$20 million investment in January 2017.
40	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$41,411,040				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
41	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$35,000,000				90-Day U.S. T-Bill + 500 bps	Yes	Yes			Invested \$35 million in the fund on January 3, 2017.
41	TOTAL ABSOLUTE RETURN FUNDS			\$673,771,681	\$35,000,000	\$33,000,000						\$1,314,142	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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PRIVATE EQUITY													
42	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$61,922,663	\$75,000,000	\$67,500,000	\$28,501,320	Russell 1000 + 300 bps	Yes	N/A			
43	HarbourVest International PEP VI, LP	aFund of Funds		\$30,912,470	\$50,000,000	\$34,503,044	\$11,842,946	Russell 1000 + 300 bps	Yes	N/A	\$696,613		Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
44	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			
45	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$49,369,180	\$75,000,000	\$74,342,136	\$33,905,959	Russell 1000 + 300 bps	Yes	N/A			
46	Accel-KKR Capital Partners IV, LP	Buyout		\$10,918,519	\$15,000,000	\$11,287,048	\$1,843,437	Russell 1000 + 300 bps	Yes	N/A	\$252,293		
47	Accel-KKR Capital Partners V, LP	Buyout		\$1,401,138	\$25,000,000	\$1,648,472		Russell 1000 + 300 bps	Yes	N/A	\$1,648,472		
48	H.I.G. Capital Partners V, LP	Buyout		\$2,834,621	\$14,000,000	\$3,207,392		Russell 1000 + 300 bps	Yes	N/A			
49	Marlin Equity IV, LP	Buyout		\$11,899,246	\$20,000,000	\$10,569,329	\$140,443	Russell 1000 + 300 bps	Yes	N/A		\$80,188	
50	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			
51	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			
52	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$9,237,932	\$30,000,000	\$9,562,698		Russell 1000 + 300 bps	Yes	N/A			
53	H.I.G. Europe Capital Partners II, LP	Buyout - Non-US		(\$437,712)	\$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													
54	Waterland Fund V, LP	Buyout - Non-US		\$13,395,733	\$23,193,600	\$14,710,875	\$17,167,446	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.
55	Waterland Fund VI, LP	Buyout - Non-US		\$5,901,778	\$30,000,000	\$6,040,313		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.
56	Marlin Heritage, LP	Buyout - Small / Middle Market		\$8,071,362	\$10,000,000	\$7,562,602	\$1,411,103	Russell 1000 + 300 bps	Yes	N/A			
57	Marlin Heritage Europe, LP	Buyout - Small / Middle Market			\$14,400,000			Russell 1000 + 300 bps	Yes	N/A			
58	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$26,372,897	\$35,000,000	\$41,782,546	\$16,497,647	Russell 1000 + 300 bps	Yes	N/A	\$58,553	\$58,553	
59	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$8,350,011	\$40,000,000	\$9,751,111	\$2,243,116	Russell 1000 + 300 bps	Yes	N/A	\$933,333	\$965,693	
60	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$7,603,469	\$20,000,000	\$24,939,499	\$22,593,281	Russell 1000 + 300 bps	Yes	N/A			
61	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			
62	Athyrium Opportunities Fund II, LP	Corp. Credit Lending - Healthcare		\$23,075,528	\$32,000,000	\$29,178,565	\$7,861,933	Russell 1000 + 300 bps	Yes	N/A			
63	Atalaya Special Opportunities Fund VI, LP	Distressed Debt		\$17,192,441	\$25,000,000	\$18,149,529	\$720,052	Russell 1000 + 300 bps	Yes	N/A	\$1,750,000		
64	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			
65	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			
66	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													
67	Wayzata Opportunities Fund III, LP	Distressed Debt		\$9,688,598	\$30,000,000	\$14,718,000	\$4,602,383	Russell 1000 + 300 bps	Yes	N/A			
68	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$24,543,576	\$16,350,000	\$16,350,000	\$13,166	Russell 1000 + 300 bps	Yes	N/A			
69	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$8,860,102	\$35,000,000	\$8,737,103		Russell 1000 + 300 bps	Yes	N/A			
70	TSG 7A,LP and TSG 7B, LP	Buyout - Consumer Brands		\$2,706,064	\$20,000,000	\$2,986,363	\$7,227	Russell 1000 + 300 bps	Yes	N/A	\$126,182		
69	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$4,043,221	\$15,000,000	\$4,827,631	\$384,805	Russell 1000 + 300 bps	Yes	N/A			
70	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$15,027,771	\$25,000,000	\$14,846,097		Russell 1000 + 300 bps	Yes	N/A	\$1,500,000		
71	Dyal II US Investors, LP	Other		\$6,312,435	\$35,000,000	\$11,204,662	\$6,392,003	Russell 1000 + 300 bps	Yes	N/A			
73	Dyal Capital Partners III, LP	Other		\$10,212,010	\$35,000,000	\$11,093,368		Russell 1000 + 300 bps	Yes	N/A	\$2,343,368		
74	Khosla Ventures Fund IV, LP	Venture Capital		\$14,952,565	\$10,000,000	\$9,670,000	\$955,913	Russell 1000 + 300 bps	Yes	N/A			
75	Khosla Ventures Fund V, LP	Venture Capital		\$9,174,459	\$20,000,000	\$9,140,000		Russell 1000 + 300 bps	Yes	N/A			
76	NEA 14, LP	Venture Capital		\$32,187,349	\$25,000,000	\$23,500,000	\$2,379,176	Russell 1000 + 300 bps	Yes	N/A			
77	NEA 15, LP	Venture Capital		\$17,549,221	\$35,000,000	\$16,804,431		Russell 1000 + 300 bps	Yes	N/A	\$700,000		

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PRIVATE EQUITY													
78	Trinity Ventures XI, LP	Venture Capital		\$18,388,177	\$25,000,000	\$16,562,500		Russell 1000 + 300 bps	Yes	N/A	\$250,000		
79	Trinity Ventures XII, LP	Venture Capital		\$2,760,929	\$30,000,000	\$3,150,000		Russell 1000 + 300 bps	Yes	N/A			
80	TOTAL PRIVATE EQUITY			\$629,974,112	\$1,182,943,600	\$731,805,603	\$208,835,620				\$10,258,813	\$1,104,434	

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REAL ASSETS													
81	SSgA Real Asset Strategy Proxy	Real Assets Overlay		\$325,695,351				Blended benchmarked to strategy fund weights	Yes	N/A	\$10,377,180	\$1,261,441	This is the overaly proxy for the Real Assets asset class.
82	BlackRock Realty	Real Estate - Core Separate Account		\$158,862,314				NFI-ODCE Index	Yes	N/A	\$1,320,434		Capital called is for the Block 295 (Leland James Center) redevelopment project in Portland, OR.
83	Cornerstone	Real Estate - Core Separate Account		\$61,000,987				NFI-ODCE Index	Yes	N/A			Assets Managed does not include \$39 million of debt.
84	Jamestown Premier Property Fund, LP	Real Estate - Core and Core Plus		\$19,225,923				NFI-ODCE Index	Yes	N/A			
85	MetLife Core Property Fund	Real Estate - Core		\$50,169,133				NFI-ODCE Index	Yes	N/A			
86	Prime Property Fund, LLC	Real Estate - Core		\$51,332,452				NFI-ODCE Index	Yes	N/A			
87	Principal US Property Account	Real Estate - Core		\$39,212,520				NFI-ODCE Index	Yes	N/A			
88	Prologis Targeted Europe Logistics Fund, LP	Real Estate - Core		\$29,692,321				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.
89	Prologis Targeted US Logistics Fund, LP	Real Estate - Core		\$36,813,507	\$35,000,000	\$29,800,000	\$1,434,296	NFI-ODCE Index	Yes	N/A		\$404,709	
90	Townsend Real Estate Fund, LP	Real Estate - Core		\$69,273,126	\$90,000,000	\$67,526,639		NFI-ODCE Index	Yes	N/A			
91	Blackstone Resources Select Offshore Fund	Comm-odities		\$42,383,402				Blend of GSCI and Dow Jones AIG	Yes	N/A			
92	Gresham Strategic Commodities Fund	Comm-odities		\$26,015,276				Dow Jones AIG Index	Yes	N/A			

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

January 31, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of January 31, 2017)*	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													
93	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$10,715,636	\$100,000,000	\$13,700,253	\$4,323,497	CPI-U Headline + 500 bps	Yes	N/A			
94	ArcLight Energy Partners VI, LP	Energy - Midstream		\$26,295,131	\$40,000,000	\$26,325,842	\$573,221	CPI-U Headline + 500 bps	Yes	N/A	\$8,992,388		
95	ACM Fund II, LLC	Real Assets - Agriculture		\$4,403,198	\$25,000,000	\$6,468,247	\$1,902,189	CPI-U Headline + 500 bps	Yes	N/A			
96	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$6,628,885	\$20,000,000	\$7,617,867	\$1,596,554	CPI-U Headline + 500 bps	Yes	N/A	\$344,960	\$283,909	
97	Quantum Energy Partners VI, LP	Energy - Midstream		\$15,455,651	\$35,000,000	\$13,101,189	\$1,770,702	CPI-U Headline + 500 bps	Yes	N/A			
98	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$18,184,871	\$33,000,000	\$31,238,650	\$18,336,539	CPI-U Headline + 500 bps	Yes	N/A	\$520,473	\$4,811,121	
99	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$12,299,092	\$40,000,000	\$13,943,582	\$1,087,923	CPI-U Headline + 500 bps	Yes	N/A	\$699,594		
100	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$14,506,175	\$35,000,000	\$15,287,590	\$3,170,690	CPI-U Headline + 500 bps	Yes	N/A	\$2,552,963	\$1,898,412	
101	Carlyle Power Partners II, LP	Energy - Power		\$13,115,950	\$40,000,000	\$19,050,560	\$4,312,447	CPI-U Headline + 500 bps	Yes	N/A	\$303,173		
102	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core			\$75,000,000			CPI-U Headline + 500 bps	Yes	N/A			
103	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$6,199,603	\$40,000,000	\$7,760,547	\$1,370,790	CPI-U Headline + 500 bps	Yes	N/A			
104	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			
105	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$40,234,361	\$100,000,000	\$27,900,000		CPI-U Headline + 500 bps	Yes	N/A	\$2,700,000		
106	TOTAL REAL ASSETS			\$1,080,578,411	\$733,000,000	\$283,568,171	\$40,018,492				\$27,811,165	\$8,659,592	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

January 31, 2017

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OPPORTUNITIES													
107	DRC European Real Estate Debt Fund II, LP	Distressed Debt - Europe		\$25,947,376	\$50,000,000	\$77,128,595	\$50,117,737	NFI-ODCE Index	Yes	N/A			Fund is denominated in UK pound sterling and has been converted to US dollars based on the exchange rate at the time of the transaction.
108	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			
109	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$17,192,441	\$25,000,000	\$18,149,529	\$720,052	Russell 1000 + 300 bps	Yes	N/A	\$1,750,000		
110	CIM Opportunity Fund VIII, LP	Real Estate - Opport.		\$25,151,770	\$35,000,000	\$28,284,785	\$5,114,809	NFI-ODCE + 100 bps	Yes	N/A			
111	KKR Real Estate Partners Americas, LP	Real Estate - Opport.		\$15,662,240	\$35,000,000	\$27,595,471	\$18,757,147	NFI-ODCE + 100 bps	Yes	N/A			
112	Och-Ziff Real Estate Fund III, LP	Real Estate - Opport.	YES	\$12,090,346	\$35,000,000	\$11,657,517	\$1,042,907	NFI-ODCE + 100 bps	Yes	N/A		\$160,837	
113	AEW Value Investors II, LP	Real Estate - Value Add		\$1,424,337	\$25,000,000	\$21,812,596	\$26,497,696	NFI-ODCE + 100 bps	Yes	N/A			The fund has reached the end of its term. AEW has been undergoing an orderly sale of the assets and extended the closing of the fund until 2017.
114	Allegis Value Trust	Real Estate - Value Add		\$15,844,978	\$25,000,000	\$25,000,000	\$15,859,000	NFI-ODCE + 100 bps	Yes	N/A		\$1,450,000	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.
115	ECE European Prime Shopping Centre Fund II, SCS SIF	Real Estate - Value Add		\$7,372,666	\$35,000,000	\$7,922,479	\$1,229,486	NFI-ODCE + 100 bps	Yes	N/A			Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
116	Hammes Partners II, LP	Real Estate - Value Add		\$14,724,173	\$25,000,000	\$15,625,384	\$1,457,063	NFI-ODCE + 100 bps	Yes	N/A			
117	Hines US Office Value Fund II, LP	Real Estate - Value Add	YES		\$22,572,950	\$21,726,796	\$16,064,873	NFI-ODCE + 100 bps	Yes	N/A			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.
118	NREP Nordic Strategies Fund, FCP-FIS	Real Estate - Value Add		\$19,176,150	\$25,000,000	\$22,179,980	\$8,037,204	NFI-ODCE + 100 bps	Yes	N/A			Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
119	NREP Nordic Strategies Fund II, SCSp	Real Estate - Value Add		\$10,168,658	\$35,000,000	\$10,012,187		NFI-ODCE + 100 bps	Yes	N/A			Fund is denominated in Euros, which will then be converted to US dollars based on the exchange rate at the time of the transaction.
120	TOTAL OPPORTUNITIES			\$170,170,454	\$362,572,950	\$301,958,131	\$158,557,367				\$1,750,000	\$1,610,837	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

January 31, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of January 31, 2017)*	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
SHORT-TERM													
121	State Street Global Advisors - STIF (Cash Account)	Cash		\$530,003,294				91 Day T-Bill	Yes	N/A	\$23,212,683	\$52,684,500	Unallocated cash is swept into a short-term investment fund.
122	TOTAL			\$530,003,294							\$23,212,683	\$52,684,500	
FUTURES OVERLAY													
123	State Street Global Advisors (Futures Overlay)	Overlay		\$169,916,690				Target Asset Allocation	Yes	N/A	\$437,821,549	\$419,923,879	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
124	TOTAL			\$169,916,690							\$437,821,549	\$419,923,879	
SCERS TOTAL PORTFOLIO				\$8,105,600,815	\$2,313,516,550	\$1,350,331,906	\$407,411,479				\$849,223,197	\$833,043,100	

*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-Jan-17

#	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: 3Q2016 (+48.9% vs. +1.6%); 1-Year (+66.4% vs. +10.6%); 3-Year (+44.3% vs. +13.1%); 5 Year (+30.2% vs. +13.1%); and since inception return (-6.7% vs. +8.0%).
2	Huber Capital Management	Large Cap Value	Performance	Feb-15	Returns have underperformed the benchmark over all periods: 3Q2016 (+6.8% vs. +6.7%); 1-Year (+11.5% vs. +17.3%); 3-Year (+3.1% vs. +8.6%); and since inception (+10.6% vs. +13.5%).
3	Weatherbie Capital Management	Small Cap Growth	Performance	Sep-15	Returns have underperformed the benchmark over all periods: 3Q2016 (+2.3% vs. +3.6%); 1-Year (+11.0% vs. +11.3%); 3-Year (+4.8% vs. +7.7%); 5-Year (+3.8% vs. +5.1%); and since inception (+11.3% vs. +10.9%).
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.
5	Brown Advisory	Large Cap Growth	Performance	Feb-17	Returns have significantly underperformed the benchmark over all periods: 3Q2016 (-4.6% vs. +4.6%); 1-Year (-2.3% vs. +7.1%); 3-Year (+4.1% vs. +8.6%); and since inception (+8.8% vs. +12.6%).