



## ITEM 12

### 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:**  
April 19, 2017

April 14, 2017

**TO:** President and Members  
Board of Retirement

**FROM:** JR Pearce  
Investment Officer

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

### **Recommendation:**

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

It is recommended that the five 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.

March 2017 Monthly Investment Manager  
Compliance Report and Watch List  
April 14, 2017  
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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

Attachments

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

March 31, 2017

#	Investment Manager	Fund Type	Watch List	Net Asset Value (as of March 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
<b>DOMESTIC EQUITY</b>													
1	JP Morgan Asset Management	Equity 130/30		\$106,667,904				S&P 500 + 100 bps	Yes	N/A	\$13,663,248	\$14,749,290	Alphabet, Apple, UnitedHealth Group, Microsoft, Broadcom Ltd, Walt Disney, Honeywell International, Pfizer, Citigroup, EOG Resources
2	Eagle Capital Management	Large Cap Core		\$217,648,676				Russell 1000 + 100 bps	Yes	N/A	\$244,741	\$476,639	Berkshire Hathaway Inc Cl B, Oracle Corp, Microsoft Corp, Liberty Global Plc C, Alphabet Inc Cl C, Amazon.Com Inc, Aon Plc, Citigroup Inc, Ecolab Inc, Jpmorgan Chase + Co
3	Brown Advisory	Large Cap Growth	YES	\$106,543,173				Russell 1000 Growth + 100 bps	Yes	N/A	\$2,025,708	\$2,157,613	State Street Bank + Trust Co, Amazon.Com Inc, Visa Inc Class A Shares, Facebook Inc A, Adobe Systems Inc, Danaher Corp, Amphenol Corp Cl A, Ecolab Inc, Costco Wholesale Corp, Intuitive Surgical Inc
4	Alliance Bernstein	Large Cap Passive		\$1,040,567,744				Russell 1000	Yes	N/A	\$8,646,135	\$7,832,085	Apple Inc, Microsoft Corp, Amazon.Com Inc, Johnson + Johnson, Exxon Mobil Corp, Jpmorgan Chase + Co, Facebook Inc A, Berkshire Hathaway Inc Cl B, General Electric Co, At+T Inc
5	Huber Capital Management	Large Cap Value	YES	\$107,628,671				Russell 1000 Value + 100 bps	Yes	N/A	\$4,433,670	\$8,663,138	Kbr Inc, Citigroup Inc, Cno Financial Group Inc, Ca Inc, Herbalife Ltd, Philip Morris International, Jpmorgan Chase + Co, Microsoft Corp, Pfizer Inc, Bank Of America Corp
6	CenterSquare Investment Management (formerly Urdang)	REIT - US		\$94,367,176				NAREIT + 100 bps	Yes	N/A	\$11,839,285	\$11,069,393	Simon Property Group Inc, Equinix Inc, Avalonbay Communities Inc, Boston Properties Inc, Prologis Inc, Hcp Inc, Cubesmart, Vornado Realty Trust, Public Storage, Douglas Emmett Inc
7	Weatherbie Capital	Small Cap Growth	YES	\$87,563,292				Russell 2000 Growth + 150 bps	Yes	N/A	\$4,637,936	\$4,657,774	Firstservice Corp, Macom Technology Solutions H, Paylocity Holding Corp, Stamps.Com Inc, Insulet Corp, Middleby Corp, Ultimate Software Group Inc, State Street Bank + Trust Co, Wayfair Inc Class A, Gtt Communications Inc
8	UBS Global Asset Management	Small Cap Growth		\$64,820,483				Russell 2000 Growth + 150 bps	Yes	N/A	\$2,997,456	\$3,102,267	State Street Bank + Trust Co, Universal Display Corp, Wix.Com Ltd, Exact Sciences Corp, Burlington Stores Inc, 8X8 Inc, Proofpoint Inc, Grand Canyon Education Inc, Imax Corp, Callidus Software Inc
9	Dalton, Greiner, Hartman, Maher	Small Cap Value		\$78,212,915				Russell 2000 Value + 150 bps	Yes	N/A	\$4,167,907	\$3,118,053	State Street Bank + Trust Co, Brandywine Realty Trust, Kennedy Wilson Holdings Inc, Radian Group Inc, Ipg Photonics Corp, Sandy Spring Bancorp Inc, Hancock Holding Co, Servicemaster Global Holding, Ptc Inc, Netscout Systems Inc
10	Wedge Capital Management	Small Cap Value		\$87,385,905				Russell 2000 Value + 150 bps	Yes	N/A	\$2,924,692	\$2,581,289	Treehouse Foods Inc, Dupont Fabros Technology, State Street Bank + Trust Co, Prosperity Bancshares Inc, Stag Industrial Inc, Dana Inc, Aecom
11	TOTAL DOMESTIC EQUITY			\$1,991,405,939							\$55,580,779	\$58,407,540	

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<b>INTERNATIONAL EQUITY</b>													
12	Lazard Asset Management	ACWI ex-US		\$416,312,089				MSCI ACWI Ex-US + 100 bps	Yes	N/A	\$32,758,510	\$35,308,653	Lazard Emerging Markets Equity, State Street Bank + Trust Co, Prudential Plc, Daiwa House Industry Co Ltd, British American Tobacco Plc, Sampo Oyj A Shs, Shire Plc, Don Quijote Holdings Co Ltd, Valeo Sa, Carlsberg As B
13	LSV Asset Management	Developed Large Cap Value		\$467,036,267				MSCI World Ex-US + 100 bps	Yes	N/A	\$9,322,659	\$6,096,076	Sanofi, Nippon Telegraph + Telephone, Bp Plc, Swiss Life Holding Ag Reg, Bae Systems Plc, Swiss Re Ag, Glaxosmithkline Plc, Basf Se, Roche Holding Ag Genusschein, Total Sa
14	Walter Scott International EAFE Income Growth	Developed Large Cap Growth		\$399,567,440				MSCI World Ex-US + 100 bps	Yes	N/A			Funded on March 10, 2017 for \$400 million.
15	William Blair International Small Cap	Developed Small Cap Growth		\$108,012,022				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$6,708,618	\$7,539,087	Aurelius Equity Opportunitie, Boliden Ab, Suruga Bank Ltd, Ipsen, Yes Bank Ltd, Alten Sa, Intrum Justitia Ab, Nissan Chemical Industries, Elbit Systems Ltd, Orora Ltd
16	Mondrian International Small Cap	Developed Small Cap Value		\$94,238,264				MSCI Small Cap World ex-US + 150 bps	Yes	N/A	\$1,347,754	\$1,514,471	MTU Aero Engines AG Registered, Croda International PLC, Auckland International Airport Ltd, Spirax-Sarco Engineering PLC, SATS Ltd, Mercury NZ Ltd, Nifco Inc, AF AB B Shares, Nexteer Automotive Group Ltd, Rubis SCA
17	Ballie Gifford EM All Cap	Emerging Market - All Cap		\$149,289,820				MSCI Emerging Markets + 150 bps	Yes	N/A			Tencent Holdings, Taiwan Semicon.Mnfg., Alibaba Group Hldg Spn. Adr 1:1, Reliance Industries, Samsung Electronics, Ping An Insurance 'H', Naspers, Housing Development Fin., Sberbank Of Russia (Lon) Adr, China Life Insurance (Taiwan)
18	Mondrian EM All Cap	Emerging Market - All Cap		\$139,444,191				MSCI Emerging Markets + 150 bps	Yes	N/A	\$3,880,338	\$3,208,982	Samsung Electronics Co Ltd, Taiwan Semiconductor Manufacturing Ltd, WH Group Ltd, China Construction Bank Corp Class H, SK Telecom Co Ltd, China Mobile Ltd, Fibra Uno Administracion SA, Gazprom PJSC Sponsored ADR, Shinhan Financial Group Ltd, Bajaj Auto Ltd
19	Mondrian EM Small Cap	Emerging Market - Small Cap		\$24,972,310				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A	\$215,038	\$1,207,107	Nexteer Automotive Group Ltd, Siloam International Hospitals, Medy-Tox Inc, Berger Paints India Ltd, D&L Industries Inc, Page Industries Ltd, Varun Beverages Ltd, Dialog Group Bhd, Nippon Indosari Corpindo Tbk PT, CPMC Holdings Ltd
20	William Blair EM Small Cap	Emerging Market - Small Cap		\$25,007,205				MSCI Emerging Markets Small Cap + 150 basis points	Yes	N/A			Bajaj Finance Ltd, China Lodging Group-Spon Ads, Fuyao Glass Industry Group-H, Nmc Health Plc, Hanssem Co Ltd, Vedanta Ltd, Capitec Bank Holdings Ltd, Bharat Financial Inclusion L, Pampa Energia Sa-Spon Adr, Bank Tabungan Negara Persero
21	CBRE Clarion Securities	REIT - Internat'l		\$79,289,368				NAREIT Global ex-US Real Estate + 100 bps	Yes	N/A	\$10,113,795	\$9,006,068	Cheung Kong Property Holding, Scentre Group, Mitsui Fudosan Co Ltd, Orix Jreit Inc, Unibail Rodamco Se, Sun Hung Kai Properties, Hulic Co Ltd, Nippon Prologis Reit Inc, Link Reit, Activia Properties Inc
22	TOTAL INTERNATIONAL EQUITY			\$1,903,168,976							\$64,346,711	\$63,880,445	

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<b>FIXED INCOME</b>													
23	Neuberger Investment Management	Enhanced Index		\$351,861,144				Barclays Aggregate Bond + 25 bps	Yes	N/A	\$63,040,894	\$49,673,836	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
24	Metropolitan West Asset Management	Core Plus		\$371,055,955				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$129,292,762	\$122,735,136	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 4.5, State Street Bank + Trust Co <i>Monthly Purchases and Sales excludes derivative transactions.</i>
25	Prudential Investment Management	Core Plus		\$406,098,058				Barclays Aggregate Bond + 70 bps	Yes	N/A	\$54,930,124	\$38,531,559	B8A45W6S0 Irs Usd R V 01Mlibor, B8A3N41G5 Irs Usd R V 12Mfedl, B8A3Ucw67 Irs Usd R V 03Mlibor, B91Qxs9P4 Cds Usd R V 00Mevent, B8A3Tkg69 Irs Usd R V 12Mlibor, B8A3U8Pu1 Irs Usd R V 01Musois, State Street Bank + Trust Co, B8A3Lz3V3 Irs Usd R V 12Mfedl, B8A3Qvn94 Irs Usd R V 09Musios, B8A3Rynl0 Irs Usd R V 12Mlibor <i>Monthly Purchases and Sales excludes derivative transactions.</i>
26	Brandywine Global Investment Management	Global		\$212,602,076				80% Citigroup WGBI / 20% JP Morgan GBI-EM Global Diversified	Yes	N/A	\$2,557,336	\$16,579,297	Us Treasury N/B 2.5% 02/15/45, Mexican Bonos 7.75% 11/13/42, Btps 5% 08/01/39, Mexican Bonos 8.5% 05/31/29, Mexican Bonos 8.5% 11/18/38, Hungary Govt 6% 11/24/23, Goldman Sachs Gp Flt 11/15/18, Nswtc-Domestic 5% 08/20/24, Indonesia GovT 9% 03/15/29, Us Treasury N/B 3% 11/15/45
27	Brigade SC Credit Opportunities Mandate, LLC	Strategic Credit		\$168,155,518				50% BofA Merrill Lynch High Yield Master II Constrained / 50% Credit Suisse Leveraged Loan	Yes	N/A			
28	<b>TOTAL FIXED INCOME</b>			<b>\$1,509,772,752</b>							<b>\$249,821,116</b>	<b>\$227,519,828</b>	

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<b>ABSOLUTE RETURN</b>													
29	Grosvenor SC Absolute Return Fund (SCARF)	Diversified Separate Account		\$255,487,220				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
30	Grosvenor SC Absolute Return Fund, Series B (SCARF-B)	Diversified Separate Account		\$69,052,045				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		\$43,102,752	\$35,000,000	\$33,000,000		90-Day U.S. T-Bill + 500 bps	Yes	Yes			
32	Elliott Associates, LP	Event Driven		\$48,816,523				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
33	Jana Partners Qualified, LP	Event Driven		\$40,306,175				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
34	Third Point Partners Qualified, LP	Event Driven		\$43,921,312				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
35	Grosvenor	Fund of Funds		\$432,213				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		\$2,494,415				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.
37	Brevan Howard Master Fund, LLC	Global Macro - Discretion		\$36,004,010				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
38	Laurion Capital Management, LP	Market Neutral - Vol/Arb		\$41,720,719				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
39	AQR DELTA Fund, LP	Multi-Strategy		\$70,320,480				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
40	Och-Ziff Domestic Partners Fund II, LP	Multi-Strategy	YES	\$43,139,430				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
41	Winton Diversified Futures Fund, LP	Systematic Global Macro		\$35,324,520				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
42	Graham Global Investment Fund II SPC, Ltd	Systematic Global Macro		\$34,614,860				90-Day U.S. T-Bill + 500 bps	Yes	Yes			
43	<b>TOTAL ABSOLUTE RETURN FUNDS</b>			<b>\$764,736,673</b>	<b>\$35,000,000</b>	<b>\$33,000,000</b>							

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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<b>PRIVATE EQUITY</b>													
44	Abbott Capital Private Equity Fund VI, LP	aFund of Funds		\$60,422,688	\$75,000,000	\$68,250,000	\$30,751,320	Russell 1000 + 300 bps	Yes	N/A		\$750,000	
45	HarbourVest International PEP VI, LP	aFund of Funds		\$31,457,996	\$50,000,000	\$35,021,819	\$12,361,058	Russell 1000 + 300 bps	Yes	N/A	\$524,683	\$524,683	Fund is denominated in Euros and has been converted to US dollars based on the exchange rate at the time of the transaction.
46	HarbourVest VIII, LP	aFund of Funds		\$25,489,946	\$50,000,000	\$47,400,000	\$21,480,041	Russell 1000 + 300 bps	Yes	N/A		\$313,496	
47	Private Equity (Goldman Sachs) X, LP	aFund of Funds		\$49,497,666	\$75,000,000	\$74,342,136	\$35,226,826	Russell 1000 + 300 bps	Yes	N/A		\$1,320,867	
48	Accel-KKR Capital Partners IV, LP	Buyout		\$10,992,165	\$15,000,000	\$11,287,048	\$1,882,526	Russell 1000 + 300 bps	Yes	N/A			
49	Accel-KKR Capital Partners V, LP	Buyout		\$1,262,787	\$25,000,000	\$1,648,472		Russell 1000 + 300 bps	Yes	N/A			
50	H.I.G. Capital Partners V, LP	Buyout		\$3,758,486	\$14,000,000	\$3,207,392		Russell 1000 + 300 bps	Yes	N/A			
51	Marlin Equity IV, LP	Buyout		\$12,113,677	\$20,000,000	\$10,729,713	\$190,655	Russell 1000 + 300 bps	Yes	N/A			
52	Linden Capital Partners III, LP	Buyout - Middle Market Healthcare		\$16,467,715	\$35,000,000	\$16,124,213		Russell 1000 + 300 bps	Yes	N/A	\$3,067,143		
53	Thoma Bravo Fund XI, LP	Buyout - Middle Market Technology		\$35,221,843	\$30,000,000	\$29,600,786	\$178,826	Russell 1000 + 300 bps	Yes	N/A			
54	Thoma Bravo Fund XII, LP	Buyout - Middle Market Technology		\$10,553,107	\$30,000,000	\$11,037,488		Russell 1000 + 300 bps	Yes	N/A	\$66,513		
55	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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<b>PRIVATE EQUITY</b>													
56	Waterland Fund V, LP	Buyout - Non-US		\$13,293,873	\$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.
57	Waterland Fund VI, LP	Buyout - Non-US		\$5,749,433	\$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.
58	Marlin Heritage, LP	Buyout - Small / Middle Market		\$9,399,487	\$10,000,000	\$7,562,602	\$1,411,103	Russell 1000 + 300 bps	Yes	N/A			
59	Marlin Heritage II, LP	Buyout - Small / Middle Market			\$10,000,000			Russell 1000 + 300 bps	Yes	N/A			
60	Marlin Heritage Europe, LP	Buyout - Small / Middle Market			\$14,400,000			Russell 1000 + 300 bps	Yes	N/A			
61	Marlin Heritage Equity Partners V, LP	Buyout - Middle Market			\$25,000,000			Russell 1000 + 300 bps	Yes	N/A			
62	RRJ Capital Master Fund II, LP	Buyout - Special Situations SE Asia		\$25,694,995	\$35,000,000	\$41,782,546	\$18,578,302	Russell 1000 + 300 bps	Yes	N/A		\$1,987,565	
63	RRJ Capital Master Fund III, LP	Buyout - Special Situations SE Asia		\$10,805,835	\$40,000,000	\$12,418,400	\$1,389,398	Russell 1000 + 300 bps	Yes	N/A		\$35,171	
64	Summit Partners Credit Fund I, LP	Corp. Credit Lending		\$6,096,213	\$20,000,000	\$24,939,499	\$24,303,173	Russell 1000 + 300 bps	Yes	N/A		\$1,709,892	
65	Summit Partners Credit Fund II, LP	Corp. Credit Lending		\$21,650,750	\$35,000,000	\$26,765,069	\$7,787,978	Russell 1000 + 300 bps	Yes	N/A		\$908,940	
66	Athyrium Opportunities Fund II, LP	Corp. Credit Lending - Healthcare		\$24,146,998	\$32,000,000	\$31,265,573	\$9,227,243	Russell 1000 + 300 bps	Yes	N/A	\$823,115	\$375,047	



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<b>PRIVATE EQUITY</b>													
67	Atalaya Special Opportunities Fund VI, LP	Distressed Debt - US		\$18,410,278	\$25,000,000	\$19,652,061	\$2,004,752	Russell 1000 + 300 bps	Yes	N/A		\$379,737	
68	Garrison Opportunity Fund III, LP	Distressed Debt		\$13,821,166	\$20,000,000	\$20,000,000	\$6,220,104	Russell 1000 + 300 bps	Yes	N/A			
69	H.I.G. Bayside Loan Opportunity III (Europe), LP	Distressed Debt		\$17,857,198	\$30,000,000	\$18,945,732	\$5,066,142	Russell 1000 + 300 bps	Yes	N/A			
70	TPG Opportunities Partners III, LP	Distressed Debt		\$20,456,689	\$40,000,000	\$18,301,337	\$2,316,986	Russell 1000 + 300 bps	Yes	N/A	\$2,516,476		
71	Wayzata Opportunities Fund III, LP	Distressed Debt		\$9,882,926	\$30,000,000	\$14,718,000	\$4,893,383	Russell 1000 + 300 bps	Yes	N/A		\$291,000	
72	Summit Partners Venture Capital Fund III, LP	Growth Equity		\$22,189,198	\$16,350,000	\$16,350,000	\$1,501,331	Russell 1000 + 300 bps	Yes	N/A		\$1,488,165	
73	Summit Partners Venture Capital Fund IV, LP	Growth Equity		\$9,199,172	\$35,000,000	\$8,737,103		Russell 1000 + 300 bps	Yes	N/A			
74	TSG 7A,LP and TSG 7B, LP	Buyout - Consumer Brands		\$2,657,610	\$20,000,000	\$2,986,363	\$7,227	Russell 1000 + 300 bps	Yes	N/A			
73	Accel-KKR Structured Credit Capital II, LP	Growth Equity - Software Technology		\$3,964,012	\$15,000,000	\$4,827,631	\$384,805	Russell 1000 + 300 bps	Yes	N/A			
74	Spectrum Equity Investors VII, LP	Growth Equity - Software Technology		\$15,806,179	\$25,000,000	\$15,500,000	\$653,903	Russell 1000 + 300 bps	Yes	N/A			

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<b>PRIVATE EQUITY</b>													
75	Dyal II US Investors, LP	Other		\$7,217,043	\$35,000,000	\$11,869,662	\$3,167,277	Russell 1000 + 300 bps	Yes	N/A	\$665,000		
76	Dyal Capital Partners III, LP	Other		\$8,722,642	\$35,000,000	\$11,947,368	\$3,224,726	Russell 1000 + 300 bps	Yes	N/A	\$854,000		
77	Khosla Ventures Fund IV, LP	Venture Capital		\$14,406,178	\$10,000,000	\$9,670,000	\$955,913	Russell 1000 + 300 bps	Yes	N/A			
78	Khosla Ventures Fund V, LP	Venture Capital		\$11,066,699	\$20,000,000	\$9,940,000		Russell 1000 + 300 bps	Yes	N/A			
79	NEA 14, LP	Venture Capital		\$33,339,264	\$25,000,000	\$23,500,000	\$2,379,176	Russell 1000 + 300 bps	Yes	N/A			
80	NEA 15, LP	Venture Capital		\$20,764,029	\$35,000,000	\$18,729,431		Russell 1000 + 300 bps	Yes	N/A	\$1,050,000		
81	Trinity Ventures XI, LP	Venture Capital		\$20,163,325	\$25,000,000	\$17,937,500		Russell 1000 + 300 bps	Yes	N/A	\$1,375,000		
82	Trinity Ventures XII, LP	Venture Capital		\$3,770,413	\$30,000,000	\$4,350,000		Russell 1000 + 300 bps	Yes	N/A	\$450,000		
83	<b>TOTAL PRIVATE EQUITY</b>			<b>\$627,331,967</b>	<b>\$1,210,943,600</b>	<b>\$722,327,861</b>	<b>\$214,711,619</b>				<b>\$11,391,930</b>	<b>\$10,084,563</b>	

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Investment Manager Monthly Activity, Compliance, and Watch List Report

March 31, 2017

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<b>REAL ASSETS</b>													
84	<b>SSgA Real Asset Strategy Proxy</b>	Real Assets Overlay		\$321,080,578				Blended benchmarked to strategy fund weights	Yes	N/A	\$15,321,877	\$8,126,755	This is the overaly proxy for the Real Assets asset class.
85	<b>BlackRock Realty</b>	Real Estate - Core Separate Account		\$164,629,515				NFI-ODCE Index	Yes	N/A	\$1,680,000		Capital called is for the Block 295 (Leland James Center) redevelopment project in Portland, OR.
86	<b>Cornerstone</b>	Real Estate - Core Separate Account		\$64,890,851				NFI-ODCE Index	Yes	N/A			Assets Managed does not include \$39 million of debt.
87	<b>Jamestown Premier Property Fund, LP</b>	Real Estate - Core and Core Plus		\$18,881,628				NFI-ODCE Index	Yes	N/A			
88	<b>MetLife Core Property Fund</b>	Real Estate - Core		\$51,090,430				NFI-ODCE Index	Yes	N/A			
89	<b>Prime Property Fund, LLC</b>	Real Estate - Core		\$51,332,452				NFI-ODCE Index	Yes	N/A			
90	<b>Principal US Property Account</b>	Real Estate - Core		\$39,212,520				NFI-ODCE Index	Yes	N/A			
91	<b>Prologis Targeted Europe Logistics Fund, LP</b>	Real Estate - Core		\$29,383,692				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.
92	<b>Prologis Targeted US Logistics Fund, LP</b>	Real Estate - Core		\$38,070,904	\$35,000,000	\$29,800,000	\$1,434,296	NFI-ODCE Index	Yes	N/A		\$401,800	
93	<b>Townsend Real Estate Fund, LP</b>	Real Estate - Core		\$81,968,575	\$90,000,000	\$78,434,612		NFI-ODCE Index	Yes	N/A	\$10,907,973		
94	<b>Blackstone Resources Select Offshore Fund</b>	Comm-odities		\$41,313,982				Blend of GSCI and Dow Jones AIG	Yes	N/A			
95	<b>Gresham Strategic Commodities Fund</b>	Comm-odities		\$25,474,304				Dow Jones AIG Index	Yes	N/A			

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<b>REAL ASSETS</b>													
96	Atalaya SCERS SMA, LLC	Asset Backed Lending Separate Account		\$13,294,400	\$100,000,000	\$18,370,902	\$6,176,806	CPI-U Headline + 500 bps	Yes	N/A	\$4,500,000		
97	ArcLight Energy Partners VI, LP	Energy - Midstream		\$22,155,576	\$40,000,000	\$26,325,842	\$4,872,370	CPI-U Headline + 500 bps	Yes	N/A			
98	ACM Fund II, LLC	Real Assets - Agriculture		\$4,004,984	\$25,000,000	\$7,176,176	\$2,950,666	CPI-U Headline + 500 bps	Yes	N/A	\$707,929	\$1,048,476	
99	EnCap Flatrock Midstream III, LP	Energy - Midstream		\$7,242,178	\$20,000,000	\$7,809,293	\$1,596,554	CPI-U Headline + 500 bps	Yes	N/A	\$191,427		
100	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			
101	EnCap Energy Capital Fund IX, LP	Energy - Upstream		\$24,455,912	\$33,000,000	\$31,642,616	\$18,801,528	CPI-U Headline + 500 bps	Yes	N/A	\$403,966	\$179,036	
102	EnCap Energy Capital Fund X, LP	Energy - Upstream		\$13,150,658	\$40,000,000	\$15,890,148	\$5,715,279	CPI-U Headline + 500 bps	Yes	N/A	\$1,343,674	\$1,931,584	
103	First Reserve Energy Infrastructure II, LP	Energy Infrastruc.		\$12,532,155	\$35,000,000	\$15,287,590	\$3,206,679	CPI-U Headline + 500 bps	Yes	N/A		\$35,989	
104	Carlyle Power Partners II, LP	Energy - Power		\$13,530,874	\$40,000,000	\$19,050,560	\$4,312,447	CPI-U Headline + 500 bps	Yes	N/A			
105	IFM Global Infrastructure Fund (US), LP	Infrastruc. - Core			\$100,000,000			CPI-U Headline + 500 bps	Yes	N/A			
106	Brookfield Infrastructure Fund III, LP	Infrastruc. - Core		\$7,172,039	\$40,000,000	\$10,929,831	\$1,386,731	CPI-U Headline + 500 bps	Yes	N/A	\$3,169,284	\$15,941	
107	Wastewater Opportunity Fund, LP	Infrastruc. - Water/Wastewater		\$2,741,716	\$25,000,000	\$3,847,207	\$139,642	CPI-U Headline + 500 bps	Yes	N/A			
108	Pantheon SCERS Secondary Infrastructure, LLC	Infrastruc. - Secondary Separate Account		\$39,652,688	\$100,000,000	\$27,900,000		CPI-U Headline + 500 bps	Yes	N/A			
109	<b>TOTAL REAL ASSETS</b>			<b>\$1,102,718,264</b>	<b>\$758,000,000</b>	<b>\$305,565,967</b>	<b>\$52,363,701</b>				<b>\$38,226,131</b>	<b>\$11,739,582</b>	

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<b>OPPORTUNITIES</b>													
110	<b>DRC European Real Estate Debt Fund II, LP</b>	Distressed Debt - Europe		<b>\$23,219,719</b>	\$50,000,000	\$77,114,293	\$52,603,944	NFI-ODCE Index	Yes	N/A		<b>\$2,518,199</b>	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.
111	<b>Atalaya Special Opportunities Fund V, LP</b>	Distressed Debt - US		<b>\$15,008,095</b>	\$25,000,000	\$24,875,000	\$14,492,295	Russell 1000 + 300 bps	Yes	N/A		<b>\$542,818</b>	
112	<b>CIM Opportunity Fund VIII, LP</b>	Real Estate - Opport.		<b>\$25,227,804</b>	\$35,000,000	\$28,284,785	\$5,114,809	NFI-ODCE + 100 bps	Yes	N/A			
113	<b>KKR Real Estate Partners Americas, LP</b>	Real Estate - Opport.		<b>\$16,343,706</b>	\$35,000,000	\$27,855,068	\$18,757,147	NFI-ODCE + 100 bps	Yes	N/A			
114	<b>Och-Ziff Real Estate Fund III, LP</b>	Real Estate - Opport.	<b>YES</b>	<b>\$12,323,257</b>	\$35,000,000	\$12,061,577	\$1,697,664	NFI-ODCE + 100 bps	Yes	N/A	<b>\$404,060</b>	<b>\$496,697</b>	
115	<b>AEW Value Investors II, LP</b>	Real Estate - Value Add		<b>\$367,767</b>	\$25,000,000	\$21,812,596	\$27,457,757	NFI-ODCE + 100 bps	Yes	N/A		<b>\$960,061</b>	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.
116	<b>Allegis Value Trust</b>	Real Estate - Value Add		<b>\$15,844,978</b>	\$25,000,000	\$25,000,000	\$15,859,000	NFI-ODCE + 100 bps	Yes	N/A			The fund has reached the end of its term. Allegis Value Trust has been undergoing an orderly sale of the assets and extended the closing of the fund until 2018.
117	<b>ECE European Prime Shopping Centre Fund II, SCS SIF</b>	Real Estate - Value Add		<b>\$7,891,516</b>	\$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.
118	<b>Hammes Partners II, LP</b>	Real Estate - Value Add		<b>\$14,455,790</b>	\$25,000,000	\$16,504,420	\$2,908,297	NFI-ODCE + 100 bps	Yes	N/A	<b>\$879,036</b>	<b>\$809,346</b>	
119	<b>Hines US Office Value Fund II, LP</b>	Real Estate - Value Add	<b>YES</b>	<b>\$488,979</b>	\$22,572,950	\$21,726,796	\$16,880,194	NFI-ODCE + 100 bps	Yes	N/A		<b>\$815,321</b>	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.
120	<b>NREP Nordic Strategies Fund, FCP-FIS</b>	Real Estate - Value Add		<b>\$20,803,315</b>	\$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.
121	<b>NREP Nordic Strategies Fund II, SCSp</b>	Real Estate - Value Add		<b>\$9,729,172</b>	\$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.
122	<b>TOTAL OPPORTUNITIES</b>			<b>\$161,704,098</b>	<b>\$372,572,950</b>	<b>\$295,349,181</b>	<b>\$165,037,798</b>				<b>\$1,283,096</b>	<b>\$6,142,442</b>	

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<b>SHORT-TERM</b>													
123	State Street Global Advisors - STIF (Cash Account)	Cash		\$173,894,649				91 Day T-Bill	Yes	N/A	\$68,427,257	\$452,477,619	Unallocated cash is swept into a short-term investment fund.
124	<b>TOTAL</b>			\$173,894,649							\$68,427,257	\$452,477,619	
<b>FUTURES OVERLAY</b>													
125	State Street Global Advisors (Futures Overlay)	Overlay		\$52,738,972				Target Asset Allocation	Yes	N/A	\$62,254,252	\$109,808,813	State Street Bank + Trust Co, Fnma Tba 15 Yr 2.5, Gnma li Tba 30 Yr 3.5, Fnma Tba 30 Yr 4, Fhmc Tba 30 Yr 3.5, Fnma Tba 30 Yr 3, Us Dollar, Swap Morgan Stanley Coc, Euro Currency, Pound Sterling
126	<b>TOTAL</b>			\$52,738,972							\$62,254,252	\$109,808,813	
<b>SCERS TOTAL PORTFOLIO</b>				\$8,287,472,290	\$2,376,516,550	\$1,356,243,009	\$432,113,118				\$551,331,272	\$940,060,832	

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

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

## INVESTMENT MANAGER WATCH LIST 31-Mar-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%).