

Private Debt Managers

Portfolio	ASRS Commitment (\$MM)	Market Value (\$MM) 5/31/16	Target Net Return	%	IMD Commentary
Cerberus ASRS Credit Opportunities Fund	\$1,100	878	13%	33	Fund-of-one partnership that invests in floating-rate secured loans primarily to fund private-equity sponsored middle market leveraged transactions . The partnership can leverage ASRS's equity investment by up to 1.25x to boost returns.
RFM Cactus Holding Company, LLC (Partnership with Related)	\$600	445	10%	17	Fund-of-one partnership that invests in: 1) "Freddie B" securities (first loss tranches of multi-family property securitizations that have been pooled and sponsored by Freddie Mac;) and 2) mezzanine debt to finance real estate properties.
Cactus Direct Lending Fund, LP (Partnership with Highbridge)	\$600	183	12%	7	Fund-of-one partnership that invests in floating-rate secured loans primarily to fund middle market leveraged transactions (ex. buyouts, recapitalizations) often without a private equity sponsor. The partnership can leverage ASRS's equity investment by up to 1.25x to boost returns.
AP Mezzanine Partners III , LP (Partnership with Highbridge)	\$500	0	12%	0	Fund-of-one partnership that invests primarily in mezzanine debt to fund highly leveraged transactions for larger capitalization companies.
ICG Arizona Senior Direct Lending Credit Fund	\$401	74	11%	3	Fund-of-one partnership that invests in floating-rate secured loans primarily to fund private-equity sponsored middle market leveraged transactions in Europe. The partnership can leverage ASRS's equity investment by up to 1.0x.
H/2 Core Real Estate Debt Fund	\$400	282	6%	10	Open-ended fund that invests in floating-rate senior mortgage loans and other conservatively underwritten real estate finance investments. The fund will utilize leverage of up to 60%.
Ares Cactus Private Asset Backed Fund	\$500	67	10%	2	Fund-of-one partnership that invests in loans backed by consumer and commercial receivables.
Monroe Private Credit Fund A	\$450	290	11%	11	Fund-of-one partnership that invests in floating-rate secured loans primarily to fund smaller middle market leveraged transactions . The partnership can leverage ASRS's equity investment by up to 1.25x to boost returns.
AP Mezzanine Partners II, LP (Partnership with Highbridge)	\$229	185	11%	8	Fund-of-one partnership that invests primarily in mezzanine debt to fund highly leveraged transactions for larger capitalization companies. Investment period expires 6/30/16.
Arizona – White Oak Investor LLC	\$210	171	12%	7	Separate account invests in floating-rate secured loans for small-to mid-size companies typically lacking a deal sponsor.
Blackstone/GSO Capital Solutions Fund (closed end fund in liquidation)	\$66	66	13%	2	Commingled fund which provided rescue financing to companies seeking to avoid a bankruptcy or restructuring. Investment period ended in 2013 and portfolio is now running off.
Total	\$5,056	\$2,641		100	27