

# Private Debt Managers

Portfolio	ASRS Commitment (\$MM)	Market Value (\$MM) 5/31/17	Target Net Return	%	IMD Commentary
Sonoran Private Credit Opportunities Fund, LLC (Managed by Cerberus)	\$1,100	912	13%	26	Separate account that invests in floating-rate secured loans primarily to fund private-equity sponsored middle market leveraged transactions . The LLC can leverage ASRS's investment by up to 1.5x to boost returns.
Cactus Direct Lending Fund, LP (Partnership with HPS)	\$750	383	12%	11	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.
Monroe Private Credit Fund A	\$650	384	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.
RFM Cactus Holding Company, LLC (Partnership with Related)	\$625	461	10%	13	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.
AP Mezzanine Partners III , LP (Partnership with HPS)	\$500	84	11%	2	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	258	11%	8	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	418	6%	12	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%.
Sonoran Cactus Private Asset Backed Fund, LLC (Managed by Ares)	\$500	180	10%	5	Separate account that invests in loans backed by consumer and commercial receivables.
Arizona – White Oak Investor LLC	\$210	213	12%	6	Separate account that invests in floating-rate secured loans for small- to mid-size companies typically lacking a deal sponsor.
AP Mezzanine Partners II, LP (Partnership with HPS, in liquidation)	\$173	173	11%	5	Fund-of-one partnership that invests primarily in mezzanine debt to fund highly leveraged transactions for larger capitalization companies. Investment period expired 6/30/16.
Blackstone/GSO Capital Solutions Fund (in liquidation)	\$45	45	13%	1	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	\$5,354	\$3,511		100	21