

November 30, 2017



**Mendocino County Employees'
Retirement Association**

**Investment Measurement Service
Monthly Review**

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Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of November 30, 2017, with the distribution as of October 31, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	November 30, 2017		Net New Inv.	Inv. Return	October 31, 2017	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$202,997,610	39.49%	\$0	\$4,571,724	\$198,425,886	38.99%
Large Cap Equities	\$142,524,990	27.73%	\$0	\$2,768,793	\$139,756,197	27.46%
Vanguard S&P 500 Index	35,360,195	6.88%	0	1,052,038	34,308,157	6.74%
Dodge & Cox Stock	17,647,238	3.43%	0	446,700	17,200,538	3.38%
Boston Partners	34,076,053	6.63%	0	0	34,076,053	6.70%
Harbor Cap Appreciation	37,783,923	7.35%	0	766,490	37,017,432	7.27%
Janus Research	17,657,580	3.44%	0	503,564	17,154,016	3.37%
Mid Cap Equities	\$30,337,792	5.90%	\$0	\$737,363	\$29,600,429	5.82%
Fidelity Low Priced Stock	15,057,284	2.93%	0	427,196	14,630,088	2.87%
Janus Enterprise	15,280,508	2.97%	0	310,167	14,970,341	2.94%
Small Cap Equities	\$30,134,828	5.86%	\$0	\$1,065,568	\$29,069,260	5.71%
Prudential Small Cap Value	13,993,499	2.72%	0	485,253	13,508,246	2.65%
AB US Small Growth	16,141,329	3.14%	0	580,315	15,561,014	3.06%
International Equities	\$155,756,120	30.30%	\$(1,000,000)	\$684,842	\$156,071,278	30.66%
EuroPacific	27,671,727	5.38%	0	4,838	27,666,889	5.44%
Harbor International	30,494,292	5.93%	0	293,751	30,200,541	5.93%
Oakmark International	33,421,882	6.50%	(1,000,000)	(185,205)	34,607,088	6.80%
Mondrian International	26,601,612	5.17%	0	78,108	26,523,504	5.21%
Investec	15,307,218	2.98%	0	106,019	15,201,199	2.99%
T. Rowe Price Intl Small Cap	22,259,389	4.33%	0	387,330	21,872,059	4.30%
Domestic Fixed Income	\$104,795,293	20.39%	\$0	\$(187,518)	\$104,982,811	20.63%
Dodge & Cox Income	52,529,443	10.22%	0	(38,011)	52,567,453	10.33%
PIMCO	52,265,850	10.17%	0	(149,508)	52,415,358	10.30%
Real Estate	\$49,131,587	9.56%	\$0	\$0	\$49,131,587	9.65%
RREEF Private Fund	22,836,501	4.44%	0	0	22,836,501	4.49%
Barings Core Property Fund	25,145,085	4.89%	0	0	25,145,085	4.94%
625 Kings Court	1,150,000	0.22%	0	0	1,150,000	0.23%
Cash	\$1,362,298	0.27%	\$1,000,000	\$0	\$362,298	0.07%
Total Fund	\$514,042,907	100.0%	\$0	\$5,069,048	\$508,973,860	100.0%

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended November 30, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended November 30, 2017

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
Domestic Equities	2.30%	7.62%	23.06%	10.52%	15.74%
Russell 3000 Index	3.04%	7.85%	22.27%	10.75%	15.63%
Large Cap Equities					
Vanguard S&P 500 Index	3.07%	7.65%	22.83%	10.88%	-
S&P 500 Index	3.07%	7.65%	22.87%	10.91%	15.74%
Dodge & Cox Stock	2.60%	7.37%	16.97%	10.15%	16.36%
Boston Partners	0.00%	5.09%	15.33%	7.14%	13.70%
S&P 500 Index	3.07%	7.65%	22.87%	10.91%	15.74%
Russell 1000 Value Index	3.06%	6.89%	14.83%	8.35%	14.17%
Harbor Cap Appreciation (1)	2.07%	7.33%	35.70%	13.66%	17.83%
Janus Research (2)	2.94%	6.38%	25.91%	10.41%	16.06%
S&P 500 Index	3.07%	7.65%	22.87%	10.91%	15.74%
Russell 1000 Growth Index	3.04%	8.42%	30.81%	13.10%	17.14%
Mid Cap Equities					
Fidelity Low Priced Stock	2.92%	7.57%	19.12%	8.74%	13.79%
Russell MidCap Value Idx	3.38%	7.06%	13.95%	8.83%	14.99%
Janus Enterprise (2)	2.07%	7.73%	26.51%	13.92%	17.30%
Russell MidCap Growth Idx	3.34%	9.24%	25.03%	10.00%	15.59%
Small Cap Equities					
Prudential Small Cap Value (3)	3.59%	12.04%	12.23%	10.58%	14.55%
US Small Cap Value Idx	2.81%	9.06%	13.55%	10.41%	14.48%
Russell 2000 Value Index	2.89%	10.32%	13.37%	10.89%	14.16%
AB US Small Growth (4)	3.73%	12.36%	32.85%	12.64%	15.79%
Russell 2000 Growth Index	2.87%	10.15%	23.69%	11.32%	15.84%

(1) Switched share class in June 2016.

(2) Switched share class in July 2016.

(3) Switched share class in Septemeber 2015.

(4) Switched to a mutual fund in September 2015.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended November 30, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended November 30, 2017

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
International Equities	0.41%	4.52%	28.01%	5.65%	7.63%
MSCI ACWI ex-US Index	0.83%	4.68%	28.18%	6.23%	7.54%
EuroPacific	0.02%	4.65%	30.36%	7.80%	9.57%
Harbor International (3)	0.97%	2.89%	21.85%	3.59%	5.60%
Oakmark International (2)	(0.54%)	5.02%	32.38%	8.98%	11.57%
Mondrian International	0.23%	4.64%	24.33%	4.03%	6.60%
MSCI EAFE Index	1.05%	5.14%	27.27%	5.97%	8.24%
MSCI ACWI ex-US Index	0.83%	4.68%	28.18%	6.23%	7.54%
Investec	0.63%	3.54%	-	-	-
MSCI Emerging Markets	0.20%	3.30%	32.82%	6.15%	4.61%
T. Rowe Price Intl Small Cap	1.68%	3.84%	-	-	-
MSCI ACWI ex US Small Cap	1.49%	5.60%	30.43%	10.38%	10.23%
Domestic Fixed Income	(0.18%)	(0.32%)	4.86%	2.64%	2.58%
BB Aggregate Index	(0.13%)	(0.55%)	3.21%	2.11%	1.98%
Dodge & Cox Income	(0.07%)	0.11%	4.53%	2.86%	3.02%
PIMCO	(0.29%)	(0.75%)	5.19%	2.43%	2.14%
BB Aggregate Index	(0.13%)	(0.55%)	3.21%	2.11%	1.98%
Real Estate	0.00%	1.16%	7.51%	8.92%	10.36%
Real Estate Custom Benchmark (1)	0.56%	1.68%	7.45%	9.15%	10.51%
RREEF Private	0.00%	0.00%	6.71%	10.16%	11.43%
Barings Core Property Fund	0.00%	2.19%	7.18%	9.43%	9.36%
NFI-ODCE Equal Weight Net	0.56%	1.68%	6.74%	9.82%	10.59%
625 Kings Court	0.00%	1.87%	41.24%	19.51%	20.64%
Total Fund	0.99%	4.35%	18.76%	7.43%	9.86%
Total Fund Benchmark*	1.44%	4.39%	17.85%	7.51%	9.57%

* Current Month Target = 38.3% Russell 3000 Index, 29.1% MSCI ACWIxUS Gross, 21.7% Blmbg Aggregate and 10.9% NCREIF NFI-ODCE Eq Wt Net.

(1) Real Estate Custom Benchmark is 20% NAREIT Composite Index and 80% NFI-ODCE Equal Weight Net through 12/31/2016 and 100% NFI-ODCE Equal Weight Net thereafter.

(2) Switched to CIT in November 2015.

(3) Switched share class in June 2016.