

February 28, 2018



**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 February 28, 2018, with the distribution as of January 31, 2018. 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

	February 28, 2018		Net New Inv.	Inv. Return	January 31, 2018	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$207,707,906	39.63%	\$(500,000)	\$(7,148,191)	\$215,356,097	39.81%
Large Cap Equities	\$145,955,409	27.85%	\$(500,000)	\$(5,215,345)	\$151,670,754	28.03%
Vanguard S&P 500 Index	36,404,061	6.95%	0	(1,393,607)	37,797,668	6.99%
SSGA S&P Eq Weighted NL CTF	34,692,962	6.62%	0	(1,578,983)	36,271,945	6.70%
Boston Partners	36,103,086	6.89%	0	(1,552,393)	37,655,479	6.96%
Harbor Cap Appreciation	38,755,300	7.39%	(500,000)	(690,361)	39,945,661	7.38%
Mid Cap Equities	\$31,275,109	5.97%	\$0	\$(994,049)	\$32,269,159	5.96%
Fidelity Low Priced Stock	15,300,847	2.92%	0	(706,236)	16,007,083	2.96%
Janus Enterprise	15,974,262	3.05%	0	(287,813)	16,262,076	3.01%
Small Cap Equities	\$30,477,387	5.82%	\$0	\$(938,797)	\$31,416,185	5.81%
Prudential Small Cap Value	13,364,199	2.55%	0	(772,338)	14,136,538	2.61%
AB US Small Growth	17,113,188	3.27%	0	(166,459)	17,279,647	3.19%
International Equities	\$159,419,172	30.42%	\$(500,000)	\$(8,091,891)	\$168,011,063	31.05%
EuroPacific	28,487,375	5.44%	0	(1,206,079)	29,693,454	5.49%
Harbor International	30,845,767	5.89%	0	(2,275,510)	33,121,277	6.12%
Oakmark International	32,834,278	6.27%	(500,000)	(1,862,313)	35,196,591	6.51%
Mondrian International	27,331,677	5.22%	0	(1,343,409)	28,675,086	5.30%
Investec	16,317,134	3.11%	0	(738,856)	17,055,990	3.15%
T. Rowe Price Intl Small Cap	23,602,941	4.50%	0	(665,724)	24,268,665	4.49%
Domestic Fixed Income	\$103,908,620	19.83%	\$0	\$(699,260)	\$104,607,881	19.34%
Dodge & Cox Income	52,168,298	9.95%	0	(383,310)	52,551,608	9.71%
PIMCO	51,740,323	9.87%	0	(315,950)	52,056,273	9.62%
Real Estate	\$52,968,056	10.11%	\$0	\$0	\$52,968,056	9.79%
RREEF Private Fund	26,308,782	5.02%	0	0	26,308,782	4.86%
Barings Core Property Fund	25,509,274	4.87%	0	0	25,509,274	4.72%
625 Kings Court	1,150,000	0.22%	0	0	1,150,000	0.21%
Cash	\$80,047	0.02%	\$0	\$(0)	\$80,047	0.01%
Total Fund	\$524,083,802	100.0%	\$(1,000,000)	\$(15,939,343)	\$541,023,144	100.0%

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended February 28, 2018. 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 February 28, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
Domestic Equities	(3.32%)	3.56%	19.89%	10.71%	14.81%
Russell 3000 Index	(3.69%)	2.40%	16.22%	10.59%	14.37%
Large Cap Equities					
Vanguard S&P 500 Index	(3.69%)	2.95%	17.06%	11.11%	-
S&P 500 Index	(3.69%)	2.97%	17.11%	11.14%	14.73%
SSGA S&P Eq Weighted NL CTF	(4.35%)	0.56%	-	-	-
S&P 500 Eq Weighted	(4.35%)	1.11%	12.74%	9.10%	14.04%
Boston Partners	(4.12%)	3.03%	15.21%	8.70%	12.88%
S&P 500 Index	(3.69%)	2.97%	17.11%	11.14%	14.73%
Russell 1000 Value Index	(4.78%)	0.35%	7.75%	8.02%	12.04%
Harbor Cap Appreciation (1)	(1.75%)	8.57%	35.71%	14.88%	18.77%
S&P 500 Index	(3.69%)	2.97%	17.11%	11.14%	14.73%
Russell 1000 Growth Index	(2.62%)	5.09%	26.11%	13.51%	17.03%
Mid Cap Equities					
Fidelity Low Priced Stock	(4.41%)	1.62%	16.45%	8.21%	12.31%
Russell MidCap Value Idx	(4.93%)	(1.54%)	5.47%	7.07%	12.03%
Janus Enterprise (2)	(1.77%)	4.54%	24.51%	13.09%	16.10%
Russell MidCap Growth Idx	(3.14%)	2.89%	20.60%	9.33%	14.23%
Small Cap Equities					
Prudential Small Cap Value (3)	(5.46%)	(4.50%)	1.67%	8.08%	11.21%
US Small Cap Value Idx	(4.90%)	(3.98%)	2.59%	7.71%	11.01%
Russell 2000 Value Index	(5.00%)	(4.75%)	2.96%	8.03%	10.59%
AB US Small Growth (4)	(0.96%)	6.02%	31.82%	12.62%	15.41%
Russell 2000 Growth Index	(2.85%)	1.06%	18.44%	8.93%	13.72%

(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 February 28, 2018. 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 February 28, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
International Equities	(4.82%)	3.43%	23.58%	6.50%	6.89%
MSCI ACWI ex-US Index	(4.70%)	2.90%	22.18%	6.73%	6.78%
EuroPacific	(4.06%)	2.95%	26.40%	8.29%	9.09%
Harbor International (3)	(6.87%)	1.15%	16.84%	3.40%	4.70%
Oakmark International (2)	(5.31%)	3.38%	26.22%	8.72%	9.69%
Mondrian International	(4.74%)	2.54%	17.76%	4.37%	6.07%
MSCI EAFE Index	(4.51%)	1.89%	20.13%	5.65%	7.06%
MSCI ACWI ex-US Index	(4.70%)	2.90%	22.18%	6.73%	6.78%
Investec	(4.39%)	6.39%	-	-	-
MSCI Emerging Markets	(4.61%)	7.05%	30.51%	8.97%	5.02%
T. Rowe Price Intl Small Cap	(2.82%)	5.77%	-	-	-
MSCI ACWI ex US Small Cap	(3.93%)	3.89%	24.51%	10.42%	9.16%
Domestic Fixed Income	(0.67%)	(0.85%)	1.94%	1.99%	2.30%
Blmbg Aggregate Index	(0.95%)	(1.64%)	0.51%	1.14%	1.71%
Dodge & Cox Income	(0.73%)	(0.69%)	2.10%	2.37%	2.77%
PIMCO	(0.61%)	(1.01%)	1.78%	1.61%	1.83%
Blmbg Aggregate Index	(0.95%)	(1.64%)	0.51%	1.14%	1.71%
Real Estate	0.00%	1.72%	6.83%	8.40%	9.95%
Real Estate Custom Benchmark (1)	0.64%	1.94%	7.14%	8.76%	10.20%
RREEF Private	0.00%	2.02%	6.43%	9.93%	11.23%
Barings Core Property Fund	0.00%	1.45%	6.59%	9.37%	9.31%
NFI-ODCE Equal Weight Net	0.64%	1.94%	7.14%	9.48%	10.56%
625 Kings Court	0.00%	1.66%	22.90%	14.08%	16.97%
Total Fund	(2.95%)	2.37%	15.59%	7.56%	9.26%
Total Fund Benchmark*	(2.95%)	1.61%	13.29%	7.33%	8.86%

* Current Month Target = 38.7% Russell 3000 Index, 29.6% MSCI ACWIxUS Gross, 21.0% Blmbg Aggregate and 10.7% 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.