

June 30, 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 June 30, 2018, with the distribution as of May 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

	June 30, 2018		Net New Inv.	Inv. Return	May 31, 2018	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$207,674,086	40.03%	\$(2,500,000)	\$929,549	\$209,244,537	40.17%
Large Cap Equities	\$142,897,226	27.55%	\$(2,500,000)	\$378,863	\$145,018,363	27.84%
Vanguard S&P 500 Index	36,691,139	7.07%	0	221,263	36,469,876	7.00%
SSGA S&P Eq Weighted NL CTF	35,353,687	6.81%	0	343,502	35,010,185	6.72%
Boston Partners	35,062,832	6.76%	0	(242,067)	35,304,899	6.78%
Harbor Cap Appreciation	35,789,568	6.90%	(2,500,000)	56,165	38,233,403	7.34%
Mid Cap Equities	\$31,887,086	6.15%	\$0	\$36,890	\$31,850,196	6.11%
Fidelity Low Priced Stock	15,475,295	2.98%	0	87,225	15,388,071	2.95%
Janus Enterprise	16,411,791	3.16%	0	(50,335)	16,462,126	3.16%
Small Cap Equities	\$32,889,774	6.34%	\$0	\$513,796	\$32,375,978	6.22%
Prudential Small Cap Value	14,253,767	2.75%	0	110,334	14,143,434	2.72%
AB US Small Growth	18,636,007	3.59%	0	403,462	18,232,544	3.50%
International Equities	\$150,450,203	29.00%	\$0	\$(3,045,507)	\$153,495,710	29.47%
EuroPacific	26,498,826	5.11%	0	(635,527)	27,134,354	5.21%
Harbor International	30,620,516	5.90%	0	(289,609)	30,910,125	5.93%
Oakmark International	29,118,244	5.61%	0	(740,973)	29,859,217	5.73%
Mondrian International	25,859,842	4.98%	0	(510,956)	26,370,798	5.06%
Investec	14,907,187	2.87%	0	(614,256)	15,521,443	2.98%
T. Rowe Price Intl Small Cap	23,445,588	4.52%	0	(254,186)	23,699,774	4.55%
Domestic Fixed Income	\$103,773,853	20.00%	\$0	\$(40,539)	\$103,814,392	19.93%
Dodge & Cox Income	52,096,557	10.04%	0	(57,485)	52,154,042	10.01%
PIMCO	51,677,296	9.96%	0	16,946	51,660,350	9.92%
Real Estate	\$53,932,714	10.40%	\$0	\$0	\$53,932,714	10.35%
RREEF Private Fund	26,871,218	5.18%	0	0	26,871,218	5.16%
Barings Core Property Fund	25,911,497	4.99%	0	0	25,911,497	4.97%
625 Kings Court	1,150,000	0.22%	0	0	1,150,000	0.22%
Cash	\$2,940,289	0.57%	\$2,500,000	\$0	\$440,289	0.08%
Total Fund	\$518,771,145	100.0%	\$0	\$(2,156,497)	\$520,927,642	100.0%

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 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 June 30, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
Domestic Equities	0.44%	3.81%	17.47%	11.35%	13.50%
Russell 3000 Index	0.65%	3.89%	14.78%	11.58%	13.29%
Large Cap Equities					
Vanguard S&P 500 Index	0.61%	3.42%	14.33%	11.90%	-
S&P 500 Index	0.62%	3.43%	14.37%	11.93%	13.42%
SSGA S&P Eq Weighted NL CTF	0.98%	2.87%	-	-	-
S&P 500 Eq Weighted	0.95%	2.80%	11.98%	10.49%	12.76%
Boston Partners	(0.69%)	(0.24%)	9.80%	8.13%	10.24%
S&P 500 Index	0.62%	3.43%	14.37%	11.93%	13.42%
Russell 1000 Value Index	0.25%	1.18%	6.77%	8.26%	10.34%
Harbor Cap Appreciation (1)	0.13%	6.36%	29.31%	15.34%	18.17%
S&P 500 Index	0.62%	3.43%	14.37%	11.93%	13.42%
Russell 1000 Growth Index	0.96%	5.76%	22.51%	14.98%	16.36%
Mid Cap Equities					
Fidelity Low Priced Stock	0.57%	1.97%	12.98%	8.07%	10.55%
Russell MidCap Value Idx	0.81%	2.41%	7.60%	8.80%	11.27%
Janus Enterprise (2)	(0.31%)	2.16%	19.03%	14.11%	15.51%
Russell MidCap Growth Idx	0.39%	3.16%	18.52%	10.73%	13.37%
Small Cap Equities					
Prudential Small Cap Value (3)	0.78%	5.51%	10.64%	10.34%	11.10%
US Small Cap Value Idx	0.80%	6.65%	11.86%	10.84%	11.42%
Russell 2000 Value Index	0.61%	8.30%	13.10%	11.22%	11.18%
AB US Small Growth (4)	2.21%	11.41%	35.90%	15.07%	15.77%
Russell 2000 Growth Index	0.78%	7.23%	21.86%	10.60%	13.65%

(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 June 30, 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 June 30, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
International Equities	(2.01%)	(2.96%)	6.78%	4.73%	5.91%
MSCI ACWI ex-US Index	(1.84%)	(2.39%)	7.79%	5.56%	6.48%
EuroPacific	(2.34%)	(2.82%)	9.35%	6.51%	8.34%
Harbor International (3)	(0.94%)	(0.73%)	4.55%	2.90%	4.90%
Oakmark International (2)	(2.48%)	(4.53%)	4.10%	6.14%	7.10%
Mondrian International	(2.00%)	(3.85%)	3.30%	3.14%	4.73%
MSCI EAFE Index	(1.22%)	(1.24%)	6.84%	4.90%	6.44%
MSCI ACWI ex-US Index	(1.84%)	(2.39%)	7.79%	5.56%	6.48%
Investec	(4.02%)	(6.63%)	9.12%	-	-
MSCI Emerging Markets	(4.15%)	(7.96%)	8.20%	5.60%	5.01%
T. Rowe Price Intl Small Cap	(1.16%)	(0.41%)	-	-	-
MSCI ACWI ex US Small Cap	(2.73%)	(2.60%)	10.57%	7.94%	8.98%
Domestic Fixed Income	(0.04%)	(0.38%)	0.12%	2.37%	2.79%
Blmbg Aggregate Index	(0.12%)	(0.16%)	(0.40%)	1.72%	2.27%
Dodge & Cox Income	(0.11%)	(0.33%)	0.37%	2.64%	3.09%
PIMCO	0.03%	(0.44%)	(0.12%)	2.09%	2.49%
Blmbg Aggregate Index	(0.12%)	(0.16%)	(0.40%)	1.72%	2.27%
Real Estate	0.00%	0.00%	5.54%	7.95%	9.23%
Real Estate Custom Benchmark (1)	0.65%	1.96%	7.76%	8.90%	10.05%
RREEF Private	0.00%	0.00%	5.77%	8.02%	10.35%
Barings Core Property Fund	0.00%	0.00%	5.31%	7.94%	8.48%
NFI-ODCE Equal Weight Net	0.65%	1.96%	7.76%	8.73%	10.22%
625 Kings Court	0.00%	0.00%	5.34%	13.97%	12.83%
Total Fund	(0.42%)	0.53%	9.26%	7.36%	8.54%
Total Fund Benchmark*	(0.23%)	0.97%	8.58%	7.54%	8.50%

* Current Month Target = 38.8% Russell 3000 Index, 28.5% MSCI ACWIxUS Gross, 21.7% Blmbg Aggregate and 11.0% 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.