

July 31, 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 July 31, 2018, with the distribution as of June 30, 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

	July 31, 2018		Net New Inv.	Inv. Return	June 30, 2018	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$212,207,824	40.10%	\$(1,000,000)	\$5,533,612	\$207,674,212	39.91%
Large Cap Equities	\$147,486,262	27.87%	\$0	\$4,588,920	\$142,897,342	27.46%
Vanguard S&P 500 Index	38,056,718	7.19%	0	1,365,463	36,691,255	7.05%
SSGA S&P Eq Weighted NL CTF	36,516,339	6.90%	0	1,162,652	35,353,687	6.79%
Boston Partners	36,733,409	6.94%	0	1,670,577	35,062,832	6.74%
Harbor Cap Appreciation	36,179,795	6.84%	0	390,227	35,789,568	6.88%
Mid Cap Equities	\$32,599,138	6.16%	\$0	\$712,052	\$31,887,086	6.13%
Fidelity Low Priced Stock	15,658,186	2.96%	0	182,890	15,475,295	2.97%
Janus Enterprise	16,940,952	3.20%	0	529,162	16,411,791	3.15%
Small Cap Equities	\$32,122,424	6.07%	\$(1,000,000)	\$232,641	\$32,889,783	6.32%
Prudential Small Cap Value	14,460,643	2.73%	0	206,876	14,253,767	2.74%
AB US Small Growth	17,661,781	3.34%	(1,000,000)	25,765	18,636,016	3.58%
International Equities	\$153,332,245	28.98%	\$0	\$2,882,042	\$150,450,203	28.91%
EuroPacific	27,063,370	5.11%	0	564,544	26,498,826	5.09%
Harbor International	31,130,782	5.88%	0	510,266	30,620,516	5.88%
Oakmark International	29,839,190	5.64%	0	720,947	29,118,244	5.60%
Mondrian International	26,551,317	5.02%	0	691,475	25,859,842	4.97%
Investec	15,265,685	2.88%	0	358,498	14,907,187	2.86%
T. Rowe Price Intl Small Cap	23,481,900	4.44%	0	36,312	23,445,588	4.51%
Domestic Fixed Income	\$104,161,939	19.68%	\$0	\$388,048	\$103,773,892	19.94%
Dodge & Cox Income	52,369,315	9.90%	0	272,756	52,096,559	10.01%
PIMCO	51,792,624	9.79%	0	115,292	51,677,332	9.93%
Real Estate	\$56,470,400	10.67%	\$0	\$0	\$56,470,400	10.85%
RREEF Private Fund	28,915,125	5.46%	0	0	28,915,125	5.56%
Barings Core Property Fund	26,405,275	4.99%	0	0	26,405,275	5.07%
625 Kings Court	1,150,000	0.22%	0	0	1,150,000	0.22%
Cash	\$2,990,220	0.57%	\$1,000,000	\$0	\$1,990,220	0.38%
Total Fund	\$529,162,627	100.0%	\$0	\$8,803,702	\$520,358,925	100.0%

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended July 31, 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 July 31, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
Domestic Equities	2.66%	6.09%	18.06%	11.84%	12.80%
Russell 3000 Index	3.32%	6.93%	16.39%	12.18%	12.83%
Large Cap Equities					
Vanguard S&P 500 Index	3.72%	6.86%	16.20%	12.49%	-
S&P 500 Index	3.72%	6.87%	16.24%	12.52%	13.12%
SSGA S&P Eq Weighted NL CTF	3.29%	5.86%	-	-	-
S&P 500 Eq Weighted	3.21%	5.67%	13.75%	11.30%	12.27%
Boston Partners	4.76%	3.62%	13.48%	9.53%	10.00%
S&P 500 Index	3.72%	6.87%	16.24%	12.52%	13.12%
Russell 1000 Value Index	3.96%	4.83%	9.54%	9.51%	10.04%
Harbor Cap Appreciation (1)	1.09%	6.16%	24.16%	14.15%	16.98%
S&P 500 Index	3.72%	6.87%	16.24%	12.52%	13.12%
Russell 1000 Growth Index	2.94%	8.48%	22.84%	14.81%	15.83%
Mid Cap Equities					
Fidelity Low Priced Stock	1.18%	1.05%	12.07%	8.34%	9.73%
Russell MidCap Value Idx	2.72%	4.67%	9.07%	9.82%	10.71%
Janus Enterprise (2)	3.22%	7.91%	21.60%	15.07%	15.10%
Russell MidCap Growth Idx	2.15%	6.38%	19.08%	10.92%	12.49%
Small Cap Equities					
Prudential Small Cap Value (3)	1.45%	7.65%	11.72%	11.73%	10.20%
US Small Cap Value Idx	1.95%	7.58%	13.03%	11.98%	10.50%
Russell 2000 Value Index	1.77%	8.34%	14.37%	12.92%	10.19%
AB US Small Growth (4)	(0.08%)	11.20%	34.42%	15.18%	14.05%
Russell 2000 Growth Index	1.72%	8.97%	22.91%	11.08%	12.38%

(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 July 31, 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 July 31, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
International Equities	1.88%	(2.23%)	4.97%	5.52%	5.38%
MSCI ACWI ex-US Index	2.42%	(1.68%)	6.45%	6.50%	6.07%
EuroPacific	2.13%	(1.02%)	7.08%	7.21%	7.90%
Harbor International (3)	1.67%	0.12%	3.97%	3.48%	4.16%
Oakmark International (2)	2.48%	(4.73%)	1.46%	6.68%	6.04%
Mondrian International	2.61%	(3.86%)	3.06%	3.48%	4.64%
MSCI EAFE Index	2.46%	(1.07%)	6.40%	5.03%	5.86%
MSCI ACWI ex-US Index	2.42%	(1.68%)	6.45%	6.50%	6.07%
Investec	2.34%	(4.33%)	5.23%	-	-
MSCI Emerging Markets	2.20%	(5.52%)	4.36%	8.94%	5.25%
T. Rowe Price Intl Small Cap	0.07%	0.05%	-	-	-
MSCI ACWI ex US Small Cap	0.70%	(3.04%)	7.54%	8.89%	8.08%
Domestic Fixed Income	0.37%	0.66%	(0.16%)	2.24%	2.76%
Blmbg Aggregate Index	0.02%	0.61%	(0.80%)	1.49%	2.25%
Dodge & Cox Income	0.52%	0.64%	0.16%	2.72%	3.09%
PIMCO	0.22%	0.68%	(0.48%)	1.76%	2.43%
Blmbg Aggregate Index	0.02%	0.61%	(0.80%)	1.49%	2.25%
Real Estate	0.00%	1.91%	7.56%	8.22%	9.61%
Real Estate Custom Benchmark (1)	0.63%	1.89%	7.76%	8.43%	9.96%
RREEF Private	0.00%	1.92%	7.79%	8.71%	10.77%
Barings Core Property Fund	0.00%	1.91%	7.32%	8.62%	8.89%
NFI-ODCE Equal Weight Net	0.63%	1.89%	7.76%	8.52%	10.11%
625 Kings Court	0.00%	1.73%	7.16%	14.63%	13.22%
Total Fund	1.68%	2.04%	9.07%	7.77%	8.16%
Total Fund Benchmark*	2.04%	2.46%	8.67%	7.93%	8.23%

* Current Month Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% 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.