

November 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 November 30, 2018, with the distribution as of October 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

	November 30, 2018		Net New Inv.	Inv. Return	October 31, 2018	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$204,239,456	40.72%	\$(1,000,000)	\$3,559,904	\$201,679,552	40.51%
Large Cap Equities	\$142,969,253	28.50%	\$(1,000,000)	\$2,771,843	\$141,197,410	28.36%
Vanguard S&P 500 Index	36,557,680	7.29%	(1,000,000)	743,860	36,813,821	7.39%
SSGA S&P Eq Weighted NL CTF	35,565,219	7.09%	0	958,179	34,607,040	6.95%
Boston Partners	36,250,700	7.23%	0	842,172	35,408,528	7.11%
Harbor Cap Appreciation	34,595,654	6.90%	0	227,633	34,368,021	6.90%
Mid Cap Equities	\$31,457,698	6.27%	\$0	\$552,177	\$30,905,521	6.21%
Fidelity Low Priced Stock	14,914,263	2.97%	0	141,754	14,772,510	2.97%
Janus Enterprise	16,543,435	3.30%	0	410,423	16,133,012	3.24%
Small Cap Equities	\$29,812,505	5.94%	\$0	\$235,885	\$29,576,620	5.94%
Prudential Small Cap Value	12,978,031	2.59%	0	179,293	12,798,738	2.57%
AB US Small Growth	16,834,474	3.36%	0	56,592	16,777,883	3.37%
International Equities	\$134,712,161	26.86%	\$0	\$(116,417)	\$134,828,577	27.08%
EuroPacific	24,205,993	4.83%	0	341,698	23,864,295	4.79%
Harbor International	26,602,751	5.30%	0	(197,670)	26,800,421	5.38%
Oakmark International	25,393,351	5.06%	0	(460,605)	25,853,956	5.19%
Mondrian International	24,854,613	4.96%	0	152,033	24,702,580	4.96%
Investec	13,744,253	2.74%	0	205,481	13,538,773	2.72%
T. Rowe Price Intl Small Cap	19,911,199	3.97%	0	(157,353)	20,068,552	4.03%
Domestic Fixed Income	\$103,869,852	20.71%	\$0	\$254,030	\$103,615,822	20.81%
Dodge & Cox Income	52,036,169	10.37%	0	0	52,036,169	10.45%
PIMCO	51,833,684	10.33%	0	254,030	51,579,654	10.36%
Real Estate	\$57,472,781	11.46%	\$0	\$0	\$57,472,781	11.54%
RREEF Private Fund	29,566,479	5.89%	0	0	29,566,479	5.94%
Barings Core Property Fund	26,756,302	5.33%	0	0	26,756,302	5.37%
625 Kings Court	1,150,000	0.23%	0	0	1,150,000	0.23%
Cash	\$1,292,010	0.26%	\$1,000,000	\$0	\$292,010	0.06%
Total Fund	\$501,586,260	100.0%	\$0	\$3,697,517	\$497,888,742	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, 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 November 30, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
Domestic Equities	1.77%	(6.44%)	5.05%	11.47%	9.92%
Russell 3000 Index	2.00%	(5.35%)	5.53%	11.80%	10.62%
Large Cap Equities					
Vanguard S&P 500 Index	2.04%	(4.40%)	6.23%	12.13%	11.09%
S&P 500 Index	2.04%	(4.40%)	6.27%	12.16%	11.12%
SSGA S&P Eq Weighted NL CTF	2.76%	(4.46%)	3.07%	-	-
S&P 500 Eq Weighted	2.76%	(4.51%)	3.51%	10.91%	9.99%
Boston Partners	2.38%	(3.28%)	3.45%	10.20%	8.36%
S&P 500 Index	2.04%	(4.40%)	6.27%	12.16%	11.12%
Russell 1000 Value Index	2.99%	(2.15%)	2.96%	9.82%	8.65%
Harbor Cap Appreciation (1)	0.66%	(8.78%)	7.99%	12.64%	12.89%
S&P 500 Index	2.04%	(4.40%)	6.27%	12.16%	11.12%
Russell 1000 Growth Index	1.06%	(7.46%)	8.59%	13.97%	13.04%
Mid Cap Equities					
Fidelity Low Priced Stock	0.96%	(5.43%)	(0.95%)	7.50%	6.80%
Russell MidCap Value Idx	2.40%	(5.73%)	(0.79%)	8.90%	8.39%
Janus Enterprise (2)	2.54%	(6.13%)	8.26%	14.34%	12.89%
Russell MidCap Growth Idx	2.54%	(8.00%)	5.32%	11.24%	10.17%
Small Cap Equities					
Prudential Small Cap Value (3)	1.40%	(12.14%)	(7.26%)	7.45%	5.94%
US Small Cap Value Idx	1.76%	(9.32%)	(1.55%)	9.43%	7.41%
Russell 2000 Value Index	1.61%	(9.78%)	(1.83%)	10.08%	6.71%
AB US Small Growth (4)	0.34%	(12.68%)	13.02%	15.53%	10.47%
Russell 2000 Growth Index	1.56%	(13.36%)	2.81%	9.97%	8.22%

(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, 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 November 30, 2018

	Last Month	Last 3 Months	Last 12 Months	Last 36 Months	Last 60 Months
International Equities	(0.12%)	(9.31%)	(11.78%)	3.63%	0.68%
MSCI ACWI ex-US Index	0.96%	(6.78%)	(7.67%)	5.94%	2.26%
EuroPacific	1.43%	(8.38%)	(9.32%)	5.09%	3.31%
Harbor International (3)	(0.74%)	(10.61%)	(12.76%)	1.10%	(0.64%)
Oakmark International (2)	(1.78%)	(10.33%)	(17.40%)	3.59%	0.91%
Mondrian International	0.55%	(4.62%)	(7.31%)	4.44%	1.26%
MSCI EAFE Index	(0.13%)	(7.28%)	(7.94%)	4.12%	1.84%
MSCI ACWI ex-US Index	0.96%	(6.78%)	(7.67%)	5.94%	2.26%
Investec	1.45%	(7.10%)	(10.87%)	-	-
MSCI Emerging Markets	4.12%	(5.45%)	(9.09%)	9.41%	1.90%
T. Rowe Price Intl Small Cap	(0.87%)	(14.15%)	(11.48%)	-	-
MSCI ACWI ex US Small Cap	0.25%	(10.62%)	(10.83%)	5.81%	3.46%
Domestic Fixed Income	0.25%	(0.62%)	(0.88%)	2.28%	2.39%
Blmbg Aggregate Index	0.60%	(0.84%)	(1.34%)	1.33%	2.03%
Dodge & Cox Income	0.00%	(0.86%)	(0.94%)	2.55%	2.65%
PIMCO	0.49%	(0.38%)	(0.83%)	2.01%	2.12%
Blmbg Aggregate Index	0.60%	(0.84%)	(1.34%)	1.33%	2.03%
Real Estate	0.00%	1.81%	7.50%	7.59%	9.55%
Real Estate Custom Benchmark (1)	0.62%	1.88%	7.85%	7.95%	9.98%
RREEF Private	0.00%	2.25%	8.59%	8.17%	10.07%
Barings Core Property Fund	0.00%	1.33%	6.41%	7.76%	8.73%
NFI-ODCE Equal Weight Net	0.62%	1.88%	7.85%	7.85%	9.78%
625 Kings Court	0.00%	1.86%	7.16%	13.50%	12.49%
Total Fund	0.73%	(5.20%)	(1.02%)	6.90%	5.65%
Total Fund Benchmark*	1.22%	(3.97%)	0.41%	7.40%	6.32%

* Current Month Target = 37.2% Russell 3000 Index, 28.1% MSCI ACWIxUS Gross, 23.0% Blmbg Aggregate and 11.7% 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.