

January 31, 2019



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 January 31, 2019, with the distribution as of December 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

	January 31, 2019				December 31, 2018	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equities	\$201,201,816	39.81%	\$(1,000,000)	\$17,801,953	\$184,399,863	38.72%
Large Cap Equities	\$140,326,361	27.77%	\$(500,000)	\$11,606,872	\$129,219,488	27.14%
Vanguard S&P 500 Index	34,854,183	6.90%	(500,000)	2,618,225	32,735,958	6.87%
SSGA S&P Eq Weighted NL CTF	35,183,042	6.96%	0	3,172,054	32,010,988	6.72%
Boston Partners	35,110,138	6.95%	0	2,572,554	32,537,584	6.83%
Harbor Cap Appreciation	35,178,998	6.96%	0	3,244,039	31,934,958	6.71%
Mid Cap Equities	\$31,040,191	6.14%	\$(500,000)	\$2,668,405	\$28,871,786	6.06%
Fidelity Low Priced Stock	14,842,347	2.94%	0	1,151,671	13,690,677	2.87%
Janus Enterprise	16,197,844	3.20%	(500,000)	1,516,734	15,181,110	3.19%
Small Cap Equities	\$29,835,265	5.90%	\$0	\$3,526,676	\$26,308,589	5.52%
Prudential Small Cap Value	12,858,060	2.54%	0	1,533,810	11,324,250	2.38%
AB US Small Growth	16,977,205	3.36%	0	1,992,866	14,984,339	3.15%
International Equities	\$138,471,536	27.40%	\$0	\$9,980,205	\$128,491,331	26.98%
EuroPacific	24,845,471	4.92%	0	1,878,596	22,966,876	4.82%
Harbor International	27,228,160	5.39%	0	1,758,611	25,469,548	5.35%
Oakmark International	26,034,193	5.15%	0	2,062,709	23,971,484	5.03%
Mondrian International	25,543,981	5.05%	0	1,623,415	23,920,566	5.02%
Investec	14,545,409	2.88%	0	1,216,489	13,328,920	2.80%
T. Rowe Price Intl Small Cap	20,274,321	4.01%	0	1,440,385	18,833,937	3.96%
Domestic Fixed Income	\$106,439,546	21.06%	\$0	\$1,420,406	\$105,019,140	22.05%
Dodge & Cox Income	53,375,150	10.56%	0	793,092	52,582,058	11.04%
PIMCO	53,064,396	10.50%	0	627,314	52,437,082	11.01%
Real Estate	\$58,113,647	11.50%	\$0	\$0	\$58,113,647	12.20%
RREEF Private Fund	29,836,945	5.90%	0	0	29,836,945	6.27%
Barings Core Property Fund	27,126,702	5.37%	0	0	27,126,702	5.70%
625 Kings Court	1,150,000	0.23%	0	0	1,150,000	0.24%
Cash	\$1,173,604	0.23%	\$1,000,000	\$(0)	\$173,604	0.04%
Total Fund	\$505,400,149	100.0%	\$0	\$29,202,565	\$476,197,584	100.0%

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended January 31, 2019. 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 January 31, 2019

	Last Month	Fiscal YTD	Last 12 Months	Last 36 Months	Last 60 Months
Domestic Equities	9.66%	(1.43%)	(2.63%)	15.20%	9.65%
Russell 3000 Index	8.58%	(0.32%)	(2.26%)	14.19%	10.41%
Large Cap Equities					
Vanguard S&P 500 Index	8.01%	0.59%	(2.35%)	13.98%	10.93%
S&P 500 Index	8.01%	0.61%	(2.31%)	14.02%	10.96%
SSGA S&P Eq Weighted NL CTF	9.90%	(0.49%)	(3.02%)	-	-
S&P 500 Eq Weighted	9.85%	(0.29%)	(2.87%)	13.63%	9.83%
Boston Partners	7.91%	0.13%	(6.76%)	12.57%	7.67%
S&P 500 Index	8.01%	0.61%	(2.31%)	14.02%	10.96%
Russell 1000 Value Index	7.78%	0.57%	(4.81%)	11.62%	8.33%
Harbor Cap Appreciation (1)	10.16%	(1.71%)	(0.62%)	17.28%	12.76%
S&P 500 Index	8.01%	0.61%	(2.31%)	14.02%	10.96%
Russell 1000 Growth Index	8.99%	0.08%	0.24%	16.60%	12.97%
Mid Cap Equities					
Fidelity Low Priced Stock	8.41%	(4.09%)	(7.28%)	10.30%	7.07%
Russell MidCap Value Idx	10.29%	(3.11%)	(5.43%)	11.67%	7.90%
Janus Enterprise (2)	10.00%	1.75%	2.69%	18.11%	12.69%
Russell MidCap Growth Idx	11.49%	0.75%	0.51%	15.60%	10.26%
Small Cap Equities					
Prudential Small Cap Value (3)	13.54%	(9.79%)	(9.04%)	12.66%	6.16%
US Small Cap Value Idx	11.44%	(6.71%)	(4.05%)	12.97%	7.22%
Russell 2000 Value Index	10.94%	(8.32%)	(4.51%)	13.76%	6.62%
AB US Small Growth (4)	13.30%	(3.95%)	6.47%	23.48%	9.53%
Russell 2000 Growth Index	11.55%	(7.78%)	(2.63%)	15.55%	7.83%

(1) Switched share class in June 2016.

(2) Switched share class in July 2016.

(3) Switched share class in September 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 January 31, 2019. 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 January 31, 2019

	Last Month	Fiscal YTD	Last 12 Months	Last 36 Months	Last 60 Months
International Equities	7.73%	(8.16%)	(16.58%)	7.63%	1.95%
MSCI ACWI ex-US Index	7.57%	(3.94%)	(12.14%)	10.12%	3.59%
EuroPacific	8.18%	(6.24%)	(13.26%)	9.10%	4.33%
Harbor International (3)	6.90%	(11.08%)	(17.79%)	4.63%	0.40%
Oakmark International (2)	8.60%	(10.59%)	(22.43%)	8.97%	1.99%
Mondrian International	6.72%	(1.69%)	(11.63%)	7.52%	2.66%
MSCI EAFE Index	6.57%	(5.53%)	(12.51%)	7.74%	2.66%
MSCI ACWI ex-US Index	7.57%	(3.94%)	(12.14%)	10.12%	3.59%
Investec	9.06%	(2.82%)	(15.34%)	-	-
MSCI Emerging Markets	8.76%	(0.46%)	(14.24%)	14.89%	4.77%
T. Rowe Price Intl Small Cap	7.56%	(14.06%)	(17.33%)	-	-
MSCI ACWI ex US Small Cap	7.83%	(9.12%)	(15.93%)	9.33%	3.91%
Domestic Fixed Income	1.35%	2.57%	1.75%	3.13%	2.72%
Blmbg Aggregate Index	1.06%	2.73%	2.25%	1.95%	2.44%
Dodge & Cox Income	1.51%	2.45%	1.57%	3.73%	2.91%
PIMCO	1.20%	2.68%	1.94%	2.52%	2.52%
Blmbg Aggregate Index	1.06%	2.73%	2.25%	1.95%	2.44%
Real Estate	0.00%	2.99%	6.90%	7.19%	9.28%
Real Estate Custom Benchmark (1)	0.46%	3.76%	7.10%	7.83%	9.62%
RREEF Private	0.00%	3.19%	7.41%	7.26%	9.82%
Barings Core Property Fund	0.00%	2.73%	6.34%	7.18%	8.61%
NFI-ODCE Equal Weight Net	0.46%	3.76%	7.10%	7.43%	9.54%
625 Kings Court	0.00%	3.89%	7.51%	14.25%	12.93%
Total Fund	6.12%	(2.09%)	(5.14%)	9.39%	5.93%
Total Fund Benchmark*	5.74%	0.10%	(2.95%)	9.56%	6.71%

* 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.