

September 30, 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 September 30, 2019, with the distribution as of August 31, 2019. 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

	September 30, 2019				August 31, 2019	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equities</b>	<b>\$211,388,477</b>	<b>39.95%</b>	<b>\$(825,000)</b>	<b>\$3,434,140</b>	<b>\$208,779,337</b>	<b>39.92%</b>
<b>Large Cap Equities</b>	<b>\$149,160,805</b>	<b>28.19%</b>	<b>\$(550,000)</b>	<b>\$2,594,968</b>	<b>\$147,115,837</b>	<b>28.13%</b>
Vanguard S&P 500 Index	37,160,307	7.02%	(550,000)	691,263	37,019,044	7.08%
SSGA S&P Eq Weighted NL CTF	37,597,782	7.11%	0	1,232,385	36,365,397	6.95%
Boston Partners	37,230,675	7.04%	0	1,131,860	36,098,815	6.90%
Harbor Cap Appreciation	37,172,041	7.03%	0	(460,540)	37,632,582	7.20%
<b>Mid Cap Equities</b>	<b>\$33,196,117</b>	<b>6.27%</b>	<b>\$(275,000)</b>	<b>\$725,233</b>	<b>\$32,745,885</b>	<b>6.26%</b>
Fidelity Low Priced Stock	15,298,315	2.89%	0	538,005	14,760,310	2.82%
Janus Enterprise	17,897,803	3.38%	(275,000)	187,228	17,985,575	3.44%
<b>Small Cap Equities</b>	<b>\$29,031,554</b>	<b>5.49%</b>	<b>\$0</b>	<b>\$113,939</b>	<b>\$28,917,615</b>	<b>5.53%</b>
Prudential Small Cap Value	12,484,146	2.36%	0	908,077	11,576,069	2.21%
AB US Small Growth	16,547,408	3.13%	0	(794,138)	17,341,546	3.32%
<b>International Equities</b>	<b>\$143,304,413</b>	<b>27.08%</b>	<b>\$0</b>	<b>\$3,747,352</b>	<b>\$139,557,062</b>	<b>26.68%</b>
EuroPacific	26,576,689	5.02%	0	475,497	26,101,192	4.99%
Harbor International	28,494,058	5.39%	0	811,084	27,682,975	5.29%
Oakmark International	26,795,192	5.06%	0	1,161,526	25,633,667	4.90%
Mondrian International	25,797,726	4.88%	0	926,413	24,871,313	4.76%
Investec	14,361,788	2.71%	0	191,272	14,170,516	2.71%
T. Rowe Price Intl Small Cap	21,278,959	4.02%	0	181,561	21,097,398	4.03%
<b>Domestic Fixed Income</b>	<b>\$114,149,899</b>	<b>21.57%</b>	<b>\$0</b>	<b>\$(276,389)</b>	<b>\$114,426,288</b>	<b>21.88%</b>
Dodge & Cox Income	57,214,834	10.81%	0	(39,029)	57,253,863	10.95%
PIMCO	56,935,066	10.76%	0	(237,360)	57,172,426	10.93%
<b>Real Estate</b>	<b>\$60,129,416</b>	<b>11.36%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,129,416</b>	<b>11.50%</b>
RREEF Private Fund	30,787,441	5.82%	0	0	30,787,441	5.89%
Barings Core Property Fund	28,053,974	5.30%	0	0	28,053,974	5.36%
625 Kings Court	1,288,000	0.24%	0	0	1,288,000	0.25%
<b>Cash</b>	<b>\$136,154</b>	<b>0.03%</b>	<b>\$8,346</b>	<b>\$(0)</b>	<b>\$127,807</b>	<b>0.02%</b>
<b>Total Fund</b>	<b>\$529,108,359</b>	<b>100.0%</b>	<b>\$(816,654)</b>	<b>\$6,905,103</b>	<b>\$523,019,910</b>	<b>100.0%</b>

## Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended September 30, 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 September 30, 2019

	Last Month	Fiscal YTD	Last 36 Months	Last 60 Months	Last 120 Months
<b>Domestic Equities</b>	<b>1.64%</b>	<b>(0.10%)</b>	<b>12.96%</b>	<b>9.93%</b>	<b>12.85%</b>
Russell 3000 Index	1.76%	1.16%	12.83%	10.44%	13.08%
<b>Large Cap Equities</b>					
Vanguard S&P 500 Index	1.87%	1.69%	13.36%	10.81%	-
S&P 500 Index	1.87%	1.70%	13.39%	10.84%	13.24%
SSGA S&P Eq Weighted NL CTF	3.38%	1.06%	-	-	-
S&P 500 Eq Weighted	3.11%	0.77%	11.05%	9.46%	13.41%
Boston Partners	3.14%	1.63%	10.32%	7.18%	-
S&P 500 Index	1.87%	1.70%	13.39%	10.84%	13.24%
Russell 1000 Value Index	3.57%	1.36%	9.43%	7.79%	11.46%
Harbor Cap Appreciation (1)	(1.22%)	(2.11%)	16.34%	12.74%	14.21%
S&P 500 Index	1.87%	1.70%	13.39%	10.84%	13.24%
Russell 1000 Growth Index	0.01%	1.49%	16.89%	13.39%	14.94%
<b>Mid Cap Equities</b>					
Fidelity Low Priced Stock	3.64%	(0.22%)	7.53%	6.28%	10.97%
Russell MidCap Value Idx	4.06%	1.22%	7.82%	7.55%	12.29%
Janus Enterprise (2)	1.04%	1.11%	17.23%	14.94%	15.60%
Russell MidCap Growth Idx	(1.14%)	(0.67%)	14.50%	11.12%	14.08%
<b>Small Cap Equities</b>					
Prudential Small Cap Value (3)	7.84%	0.74%	3.92%	4.94%	-
US Small Cap Value Idx	4.85%	0.06%	6.69%	7.05%	10.79%
Russell 2000 Value Index	5.13%	(0.57%)	6.54%	7.17%	10.06%
AB US Small Growth (4)	(4.58%)	(7.32%)	18.59%	12.18%	16.17%
Russell 2000 Growth Index	(0.82%)	(4.17%)	9.79%	9.08%	12.25%

(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 September 30, 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 September 30, 2019

	Last Month	Fiscal YTD	Last 36 Months	Last 60 Months	Last 120 Months
<b>International Equities</b>	<b>2.65%</b>	<b>(2.10%)</b>	<b>4.90%</b>	<b>2.04%</b>	<b>4.50%</b>
MSCI ACWI ex-US Index	2.62%	(1.70%)	6.85%	3.39%	4.93%
EuroPacific	1.82%	(1.59%)	7.38%	5.02%	6.07%
Harbor International (3)	2.93%	(0.95%)	2.64%	0.89%	4.19%
Oakmark International (2)	4.53%	(1.25%)	5.90%	2.90%	6.68%
Mondrian International	3.66%	(2.88%)	4.20%	1.38%	-
MSCI EAFE Index	2.87%	(1.07%)	6.48%	3.27%	4.90%
MSCI ACWI ex-US Index	2.62%	(1.70%)	6.85%	3.39%	4.93%
Investec	1.28%	(4.65%)	-	-	-
MSCI Emerging Markets	1.91%	(4.25%)	5.98%	2.33%	3.37%
T. Rowe Price Intl Small Cap	0.77%	(2.59%)	-	-	-
MSCI ACWI ex US Small Cap	2.43%	(1.19%)	4.64%	3.98%	6.13%
<b>Domestic Fixed Income</b>	<b>(0.24%)</b>	<b>2.22%</b>	<b>3.67%</b>	<b>3.64%</b>	<b>4.32%</b>
Blmbg Aggregate Index	(0.53%)	2.27%	2.92%	3.38%	3.75%
Dodge & Cox Income	(0.07%)	2.09%	3.79%	3.70%	4.59%
PIMCO	(0.42%)	2.36%	3.55%	3.57%	4.32%
Blmbg Aggregate Index	(0.53%)	2.27%	2.92%	3.38%	3.75%
<b>Real Estate</b>	<b>0.00%</b>	<b>0.00%</b>	<b>6.04%</b>	<b>8.26%</b>	<b>10.57%</b>
Real Estate Custom Benchmark (1)	0.37%	1.12%	6.33%	8.66%	10.98%
RREEF Private	0.00%	0.00%	6.46%	8.61%	10.43%
Barings Core Property Fund	0.00%	0.00%	6.14%	7.89%	-
NFI-ODCE Equal Weight Net	0.37%	1.12%	6.67%	8.67%	9.88%
625 Kings Court	0.00%	0.00%	17.13%	14.20%	10.45%
<b>Total Fund</b>	<b>1.31%</b>	<b>(0.16%)</b>	<b>7.91%</b>	<b>6.21%</b>	<b>8.21%</b>
Total Fund Benchmark*	1.32%	0.57%	8.36%	6.83%	8.43%

\* Current Month Target = 38.1% Russell 3000 Index, 28.0% MSCI ACWIxUS Gross, 22.8% Blmbg Aggregate and 11.2% 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.