

Date: July 15, 2020
To: Board of Retirement
From: F. Robert Reveles, Financial/Investment Officer
Subject: Preliminary Monthly Financial Report – June 2020 Investment Report Update

Attached you will find Callan's Monthly Investment report. The Callan report omits just over 4 Million dollars in transactions, which occurred at the beginning of June, that are reflected in the Preliminary Monthly Financial Report of June. Specifically, these transactions are a sale of investment manager AllianceBernstein (\$4M), updated Large Cap asset values, and updated Real Estate values.

June 30, 2020



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, 2020, with the distribution as of May 31, 2020. 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, 2020				May 31, 2020	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equities	\$209,066,840	38.52%	\$(4,164,978)	\$5,542,134	\$207,689,684	39.52%
Large Cap Equities	\$143,630,520	26.46%	\$(4,164,978)	\$3,727,567	\$144,067,931	27.41%
Vanguard S&P 500 Index	37,297,041	6.87%	(1,164,978)	730,157	37,731,862	7.18%
SSGA S&P Eq Weighted NL CTF	32,735,359	6.03%	(3,000,000)	472,558	35,262,801	6.71%
Boston Partners	36,727,364	6.77%	0	94,763	36,632,601	6.97%
Harbor Cap Appreciation	36,870,756	6.79%	0	2,430,089	34,440,667	6.55%
Mid Cap Equities	\$30,022,512	5.53%	\$0	\$255,439	\$29,767,073	5.66%
Fidelity Low Priced Stock	14,759,667	2.72%	0	233,789	14,525,877	2.76%
Janus Enterprise	15,262,846	2.81%	0	21,650	15,241,196	2.90%
Small Cap Equities	\$35,413,807	6.52%	\$0	\$1,559,128	\$33,854,680	6.44%
Prudential Small Cap Value	16,205,554	2.99%	0	599,150	15,606,405	2.97%
AB US Small Growth	19,208,253	3.54%	0	959,978	18,248,275	3.47%
International Equities	\$156,959,513	28.92%	\$0	\$7,386,026	\$149,573,488	28.46%
EuroPacific	27,863,436	5.13%	0	1,480,080	26,383,356	5.02%
Harbor International	31,564,942	5.82%	0	521,960	31,042,982	5.91%
Oakmark International	32,224,929	5.94%	0	2,279,935	29,944,994	5.70%
Mondrian International	26,357,850	4.86%	0	1,065,452	25,292,398	4.81%
Investec	14,377,090	2.65%	0	1,033,961	13,343,129	2.54%
T. Rowe Price Intl Small Cap	24,571,267	4.53%	0	1,004,638	23,566,629	4.48%
Domestic Fixed Income	\$114,218,829	21.04%	\$7,000,000	\$1,316,674	\$105,902,156	20.15%
Dodge & Cox Income	57,303,860	10.56%	0	725,631	56,578,229	10.76%
PIMCO	56,914,969	10.49%	7,000,000	591,042	49,323,927	9.38%
Real Estate	\$62,341,095	11.48%	\$0	\$(53,885)	\$62,394,981	11.87%
RREEF Private Fund *	32,006,454	5.90%	0	0	32,006,454	6.09%
Barings Core Property Fund	29,046,641	5.35%	0	(53,885)	29,100,526	5.54%
625 Kings Court	1,288,000	0.24%	0	0	1,288,000	0.25%
Cash	\$227,521	0.04%	\$202,430	\$(0)	\$25,091	0.00%
Total Fund	\$542,813,800	100.0%	\$3,037,453	\$14,190,948	\$525,585,399	100.0%

* Market value represents 1Q 2020 valuation.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended June 30, 2020. 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, 2020

	Last Month	Fiscal Year	Last 36 Months	Last 60 Months	Last 120 Months
Domestic Equities	2.72%	3.53%	9.06%	8.80%	13.19%
Russell 3000 Index	2.29%	6.53%	10.04%	10.03%	13.72%
Large Cap Equities					
Vanguard S&P 500 Index	1.99%	7.49%	10.70%	10.70%	-
S&P 500 Index	1.99%	7.51%	10.73%	10.73%	13.99%
SSGA S&P Eq Weighted NL CTF	1.46%	(3.85%)	-	-	-
S&P 500 Eq Weighted	1.58%	(3.25%)	5.43%	7.14%	12.64%
Boston Partners	0.26%	(9.28%)	1.34%	3.68%	-
S&P 500 Index	1.99%	7.51%	10.73%	10.73%	13.99%
Russell 1000 Value Index	(0.66%)	(8.84%)	1.82%	4.64%	10.41%
Harbor Cap Appreciation (1)	7.06%	30.40%	22.16%	16.69%	17.85%
S&P 500 Index	1.99%	7.51%	10.73%	10.73%	13.99%
Russell 1000 Growth Index	4.35%	23.28%	18.99%	15.89%	17.23%
Mid Cap Equities					
Fidelity Low Priced Stock	1.61%	(3.73%)	2.52%	3.78%	10.28%
Russell MidCap Value Idx	1.13%	(11.81%)	(0.54%)	3.32%	10.29%
Janus Enterprise (2)	0.14%	0.30%	11.76%	11.75%	15.19%
Russell MidCap Growth Idx	2.34%	11.91%	14.76%	11.60%	15.09%
Small Cap Equities					
Prudential Small Cap Value (3)	3.84%	(25.89%)	(10.67%)	(2.84%)	-
US Small Cap Value Idx	2.44%	(18.38%)	(4.53%)	1.16%	8.26%
Russell 2000 Value Index	2.90%	(17.48%)	(4.35%)	1.26%	7.82%
AB US Small Growth (4)	5.26%	15.69%	20.29%	14.31%	18.18%
Russell 2000 Growth Index	3.84%	3.48%	7.86%	6.86%	12.92%

(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 June 30, 2020. 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, 2020

	Last Month	Fiscal Year	Last 36 Months	Last 60 Months	Last 120 Months
International Equities	4.91%	(4.45%)	(0.40%)	1.23%	4.73%
MSCI ACWI ex-US Index	4.56%	(4.39%)	1.61%	2.75%	5.37%
EuroPacific	5.61%	3.17%	4.76%	4.90%	7.48%
Harbor International (3)	1.68%	(6.25%)	(2.71%)	(0.82%)	4.35%
Oakmark International (2)	7.61%	(13.14%)	(5.55%)	(0.65%)	5.48%
Mondrian International	4.15%	(13.20%)	(3.03%)	(0.64%)	-
MSCI EAFE Index	3.40%	(5.13%)	0.81%	2.05%	5.73%
MSCI ACWI ex-US Index	4.56%	(4.39%)	1.61%	2.75%	5.45%
Investec	7.68%	(5.12%)	1.20%	-	-
MSCI Emerging Markets	7.35%	(3.39%)	1.90%	2.86%	3.27%
T. Rowe Price Intl Small Cap	4.18%	11.61%	-	-	-
MSCI ACWI ex US Small Cap	3.26%	(4.34%)	(0.17%)	2.50%	6.05%
Domestic Fixed Income	1.17%	8.45%	5.32%	4.59%	4.34%
Blmbg Aggregate Index	0.63%	8.74%	5.32%	4.30%	3.82%
Dodge & Cox Income	1.28%	8.35%	5.37%	4.74%	4.53%
PIMCO	1.04%	8.34%	5.21%	4.41%	4.22%
Blmbg Aggregate Index	0.63%	8.74%	5.32%	4.30%	3.82%
Real Estate	(0.09%)	3.77%	5.98%	7.24%	10.50%
Real Estate Custom Benchmark (1)	0.23%	3.95%	5.86%	7.30%	10.50%
RREEF Private	0.00%	3.96%	6.06%	7.29%	11.11%
Barings Core Property Fund	(0.19%)	3.54%	5.69%	7.11%	-
NFI-ODCE Equal Weight Net	0.23%	3.95%	5.86%	7.19%	10.19%
625 Kings Court	0.00%	4.42%	10.39%	13.59%	10.69%
Total Fund	2.69%	2.98%	5.44%	5.83%	8.36%
Total Fund Benchmark*	2.41%	4.69%	6.66%	6.81%	8.85%

* Current Month Target = 40.8% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 20.2% Blmbg Aggregate and 9.9% 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.