



July 2017

**Mendocino County Employees'
Retirement Association**

Investment Manager Evaluation

Passive S&P 500 Index



Investment Manager Evaluation

Passive S&P 500 Index

July 2017

The following investment manager organizations have submitted information to Callan regarding their investment management capabilities, for which information Callan has not necessarily verified the accuracy or completeness of or updated. The information provided to Callan has been summarized in this report for your consideration. Unless otherwise noted, performance figures reflect a commingled fund or a composite of discretionary accounts. All written comments in this report are based on Callan's standard evaluation procedures which are designed to provide objective comments based upon facts provided to Callan. Statements in this report are made as of the date they are expressed.

This report is for informational purposes only and should not be construed as legal or tax advice on any matter. Any decision you make on the basis of the content is your sole responsibility. You should consult with legal and tax advisers before applying any of this information to your particular situation. Reference to or inclusion in this report of any product, service or entity should not be construed as a recommendation, approval, affiliation or endorsement of such product, service or entity by Callan. Past performance is no guarantee of future results.

Callan

The following investment manager organizations have submitted information to Callan Associates Inc. regarding their investment management capabilities. The information has been summarized in this report for the consideration of the Mendocino County Employees' Retirement Association.

Passive S&P 500 Index

S&P 500 Index (Market-Cap Weighted)

BlackRock

State Street Global Advisors

Vanguard Group, Inc. (The)

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BlackRock

State Street Global Advisors



Mendocino County Employees' Retirement Association Investment Manager Evaluation

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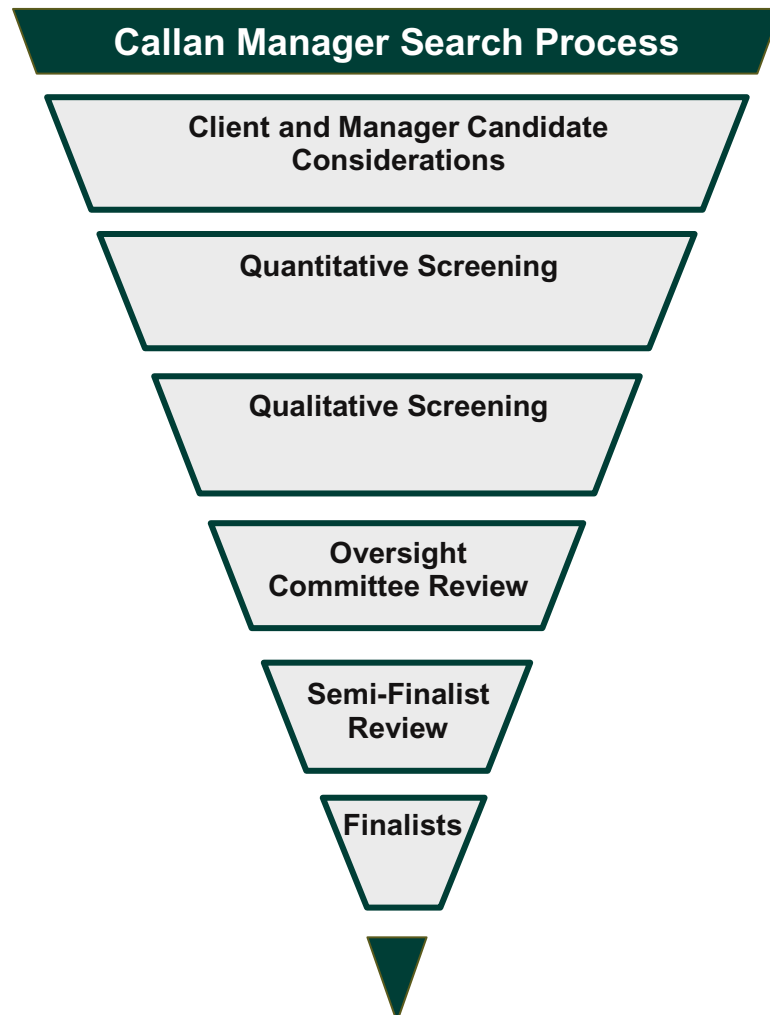
State Street Global Advisors

Summary Matrix

Comparative Manager Performance

Appendix

Manager Search Process



Manager Search Process Overview

Callan's investment manager searches are underpinned by a disciplined, six-step process:

I. Identify Client and Manager Candidate Considerations

At the onset of each search, Callan meets with the client to review and document any specific characteristics sought in an investment manager. This includes factors such as the manager's strategy and approach, organizational structure, minimum/maximum assets under management, performance criteria relative to an appropriate index and peer group, and risk tolerance. These factors serve as the basis for developing the appropriate quantitative and qualitative screening criteria.

II. Conduct Quantitative Screening

After beginning with the broadest possible universe of candidates, Callan narrows the field using client-specified screening criteria to screen our proprietary database. Screens examine numerous quantitative factors including performance, volatility, correlation with the existing structure, and assets under management. Callan screens performance across multiple time periods, market cycles, and statistical analyses so as to identify consistency of returns and avoid performance bias.

III. Perform Qualitative Screening

Qualitative screening concentrates the field even further. Qualitative screens examine manager type, organizational history, depth and experience of investment personnel, investment process and style, client servicing capability and resource allocation. Callan generates qualitative assessments based on manager research conducted by our dedicated asset class specialists and generalist consultants through regular in-house meetings, conference calls, and on-site manager due diligence.

IV. Oversight Committee Review of Preliminary Recommendations

Callan's Manager Search Committee—an oversight body that is comprised of eleven senior consultants—reviews each search to thoroughly examine candidates and ensure Callan has met the client's specified criteria. Collectively, the Manager Search Committee vets the candidates and identifies semi-finalist candidates to present to the client.

V. Review Semi-finalist Candidates

A manager evaluation document comparing the semi-finalist candidates is prepared for the client. Callan reviews the report with the client to highlight important considerations in conducting the search, compare and contrast the manager candidates, and assist in the identification of finalist candidates.

VI. Interview Finalists

To gain additional insight, finalists are invited to present to the client. The presentations generally include an overview of the manager organization and a specific review of the product being considered. They also provide the opportunity for the client and/or consultant to address any outstanding issues. A winner is typically selected following these presentations.

Mendocino County Employees' Retirement Association
Passive Equity Search
S&P 500 Equal Weighted and S&P Market Cap Weighted
May 2017

Manager Orientation

Mendocino County Employees' Retirement Association ("MCERA") is seeking investment management firms with an expertise and proven record in managing passive S&P 500 Cap Weighted and Equal Weighted portfolios. While it might ultimately be operationally efficient to have one firm provide both the equity weighted and market cap weighted funds, it is not mandatory.

Manager Type

Only qualified investment counselor organizations registered under the Investment Advisors Act of 1940 will be considered. This includes investment counselors and investment counseling subsidiaries of banks, brokerage houses and insurance companies.

Total Assets Under Management

It is preferred that candidates have a minimum of \$500 million in the proposed strategies. MCERA is also willing to consider otherwise qualified, compelling and viable strategies with a lower asset base in unique circumstances.

Size of Professional Staff

Investment staff should be of sufficient depth and breadth to perform ongoing duties of the firm. Additionally, there should be a sufficient number of client service and investment personnel relative to the firm's account load to ensure that MCERA has reasonable access to the firm and that the investment portfolios are well attended. If the client service representatives are the main contacts they should be well versed in the firm's investment approach.

Years Experience in Managing Funds

It is essential that candidates exhibit organizational stability and have compensation and ownership programs that provide reasonable assurance of their ability to retain key investment professionals. At least five years of experience by the investment team is preferred. Experience gained at another firm is permissible as long as the track record is directly attributable to the investment team.

Geographic Location

No preference.

Investment Vehicles

MCERA will consider institutional commingled & mutual funds. The mandate size is expected to be approximately \$30 million for the Cap Weighted fund and \$30 million for the Equal Weighted fund.

Risk Level

Returns generated by the portfolio will be evaluated in light of the portfolio risk. Risk will be evaluated relative to the benchmark through quantitative measures such as Tracking Error, Sharpe Ratio, Standard Deviation, Correlation, and R-Squared. Candidates should demonstrate performance that tracks closely the product's benchmark.

Historical Performance Criteria

The proposed product should closely track the holdings and performance of the respective indices: S&P 500 Equal Weighted index and S&P 500 Market Cap Weighted index.

Qualities Specifically Sought

- Consistent low tracking error relative to the respective benchmarks
- Disciplined investment process
- Low turnover of personnel and organizational stability

Mendocino County Employees' Retirement Association
Passive Equity Search
S&P 500 Equal Weighted and S&P Market Cap Weighted
May 2017

Financial Well-Being of Firm

Firms must be financially viable; have a diversified clientele; and reasonably be expected to continue as an on-going business. The ideal firm will have strong monetary and/or equity incentives in place for the investment professionals

Client Communication

The firm should be service-oriented and responsive to individual client needs. Manager representatives should be available to meet with the client when requested.

Fees

Fees must be reasonable and competitive with industry norms.

S&P 500 MARKET-CAP WEIGHTED INDEX

BlackRock
40 East 52nd Street, Suite 121
New York, NY 10022

History

BlackRock was founded in 1988. In February 1995, BlackRock became a wholly-owned subsidiary of The PNC Financial Services Group, Inc. and a member of the PNC Asset Mgmt. Group. In 1998, PNC consolidated its asset management subsidiary names under BlackRock. BlackRock completed an IPO in 1999 for 16% of its equity. In 2005, BlackRock acquired SSRM Holdings Inc., the holding company of State Street Research and Management and State Street Realty. In 2006, BlackRock, Inc. and Merrill Lynch Investment Managers merged to create an independent company operating under the BlackRock name. In October 2007, BlackRock acquired Quellos Group. In December 2009, BlackRock completed the acquisition of Barclays Global Investors (BGI) including its iShares exchange-traded funds.

Structure

Founded: 1988
 Parent: None
 Ownership: Publicly Owned
 Errors and omissions insurance: Yes
 In compliance with SEC and DOL: Yes
 GIPS Compliant: Yes

Contact: Jason Gordon
 400 Howard Street
 San Francisco, CA 94105
 Phone: (415) 670-4295
 Fax: (415) 618-1458
 Email: jason.gordon@blackrock.com

Key Professionals

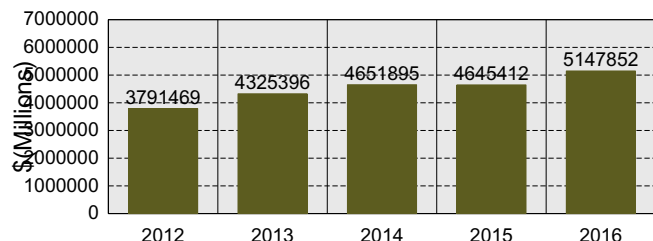
Laurence Fink - Chairman, CEO

Joined Investment Firm Experience
 1988 1976

Employee Structure

Administrative	1500
Central Research Analyst	408
Client Services/Marketing	3822
Executive Management	37
Operations	2447
Other	1209
Portfolio Manager	1053
System/Information Technology	1773
Trader	162
Total	12411

Total Asset Growth



Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt	1,203,116	23%
U.S. Taxable	548,311	11%
Non-U.S.	1,571,646	31%
Mutual Fund	462,293	9%
Other	1,362,486	26%
Total	5,147,852	100%

U.S. Tax-Exempt Separate/Commingled Assets as of December 31, 2016

Asset Class	\$(mm)		Client Type	\$(mm)	
Domestic Balanced	134,808	11%	Corporate	424,566	36%
Domestic Broad Equity	767,018	64%	Endowment/Foundation	9,902	1%
Domestic Broad Fixed-Income	259,559	22%	Multi-Employer	17,115	1%
Domestic Real Estate	7,390	1%	Public	648,253	54%
Hedge Fund of Funds	2,853	0%	High Net Worth	806	0%
Other Alternatives	31,488	2%	Sub-Advised	50,595	4%
Total	1,203,116	100%	Other	51,879	4%
			Total	1,203,116	100%

Note(s): In February 2013, Peter Fisher left his role as Head of Fixed Income, Americas, and joined the BlackRock Institute. In first quarter 2016, BlackRock created a unified active equities platform by combining the Fundamental Active Equity and Scientific Active Equity groups into one business. The new team is jointly managed by Christopher Jones, Nigel Bolton, Raffaele Savi, and Jeff Shen. In January 2016, BlackRock made changes to the structure and leadership of their investment team; Tim Webb will be the Global Head of Fixed Income, Rick Rieder will be CIO of Global Fixed Income, and Kevin Holt, co-head of Americas Fixed Income, will be moving to their Multi-Asset strategy group. BlackRock announced that its Global Head of Beta Strategies Amy Schioldager intends to retire in 2017. In March 2017 Blackrock restructured its fundamental equity business resulting in rationalization of several strategies. "Other" employees represent risk teams, PM support, and transitions management. "Other" assets refer to commingled funds, government agencies, insurance company retirement plans, non-profit retirement plans, and official institutions.

BlackRock
Equity Index (S&P 500)
As of December 31, 2016

Key Professionals	Joined Firm	Investment Experience
Alan Mason - PM	1991	1991

Investment Professionals	#	5 Years	
Function		Gained	Lost
Central Research Analyst	3		
Portfolio Manager	9	2	2
Portfolio Decision: Team Management			

Product Highlights:

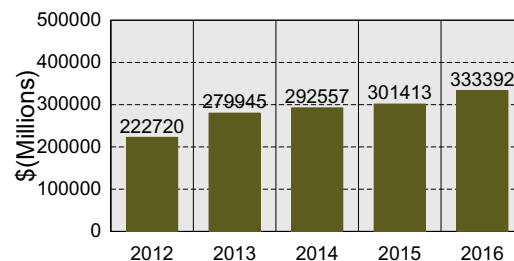
Investment Style: Large Cap Core

Benchmark: S&P 500

Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt Commingled	106,274	32%
U.S. Tax-Exempt Sep Acct	217,084	65%
Mutual Fund	10,034	3%
Total	333,392	100%

Total Asset Growth



U.S. Tax-Exempt Assets

Vehicle	Largest Acct	# of Accts	\$(mm) Assets	5 Years Net Flows
Commingled	0	389	106,274	3,009
Separate	0	19	217,084	-164

Fee Schedule: See Summary Matrix

Vehicle Information

Market Value (\$mm): 84,073

Annual 2016 Return: 12.01%

Note(s): Performance represents the lending commingled fund, gross-of-fees. Only the lead portfolio manager has been listed above. Portfolio manager Ed Corallo, former head of Americas Index, retired in 2014 who was replaced by Alan Mason. Portfolio manager Chris Bliss left the firm in the second quarter of 2016. Portfolio Manager Amy Schioldager left the firm in the first quarter of 2017. Asset increase in 2013 was attributed to the gain of 28 accounts for \$5.4 billion and market appreciation. Asset increase in 2016 was attributed to net inflows and market appreciation.

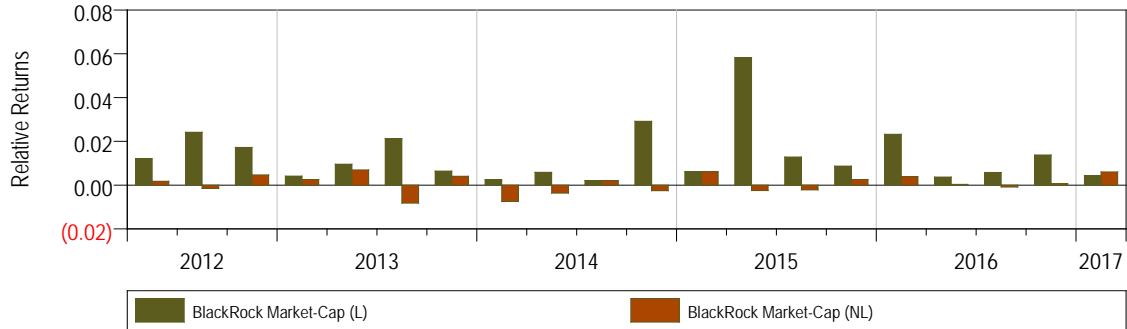
Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
BlackRock Market-Cap (L)	6.07	17.20	10.43	13.36	13.02
BlackRock Market-Cap (NL)	6.07	17.18	10.37	13.30	12.94
S&P:500	6.07	17.17	10.37	13.30	12.94

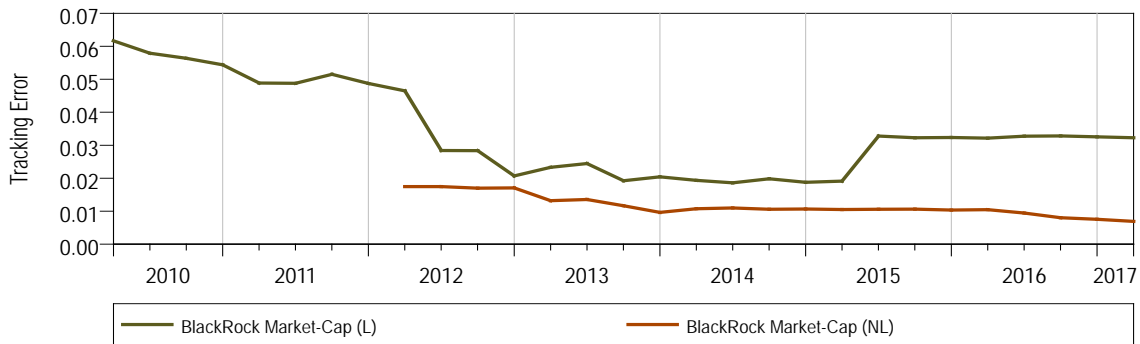
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
BlackRock Market-Cap (L)	0.05	0.09	0.04	0.04	0.07	0.11	0.12	0.26	0.16	0.03
BlackRock Market-Cap (NL)	0.00	0.00	(0.01)	0.01	0.00	0.01	0.02	--	--	--

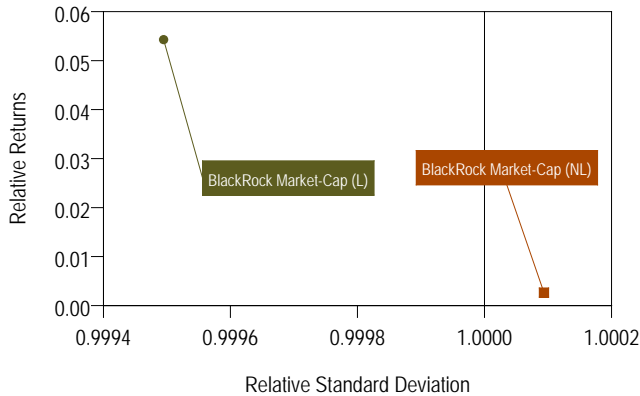
Relative Returns Relative to S&P:500



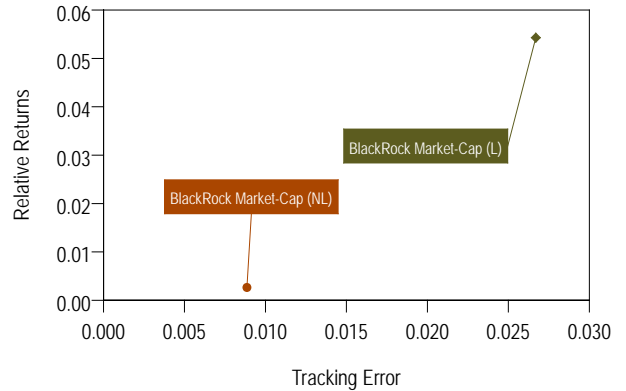
Rolling 12 Quarter Tracking Error Relative To S&P:500 Index for 7 Years Ended March 31, 2017



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P:500



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P:500



Note(s): Performance represents the lending and non-lending commingled funds, gross-of-fees.

State Street Global Advisors
One Lincoln Street 34th Floor
Boston, MA 02111

History

State Street Global Advisors (SSgA) is the investment management division of State Street Bank and Trust Company and began managing tax-exempt assets for U.S. clients in 1978 when its predecessor, State Street Asset Management, was established. As part of the firm's overall global expansion, SSgA was created in 1990 in order to organize all of the State Street's investment related business units under one umbrella. State Street Bank and Trust Company was formed in 1792 and is a wholly owned subsidiary of State Street Corporation, which is publicly traded on the NYSE under the ticker symbol "STT." On January 10, 2011, SSgA completed its acquisition of Bank of Ireland Asset Management, which is now known as State Street Global Advisors Ireland Limited. In July 2016, SSgA completed the acquisition of GE Asset Management.

Structure

Founded: 1895
 Parent: State Street Corporation
 Ownership: Publicly Owned
 Errors and omissions insurance: Yes
 In compliance with SEC and DOL: Yes
 GIPS Compliant: Yes

Contact: John Farley
 One Lincoln Street
 Boston, MA 02110
 Phone: (415) 836-9871
 Email: john_farley@ssga.com

Key Professionals

Ronald O'Hanley - CEO
 Richard Lacaille - CIO

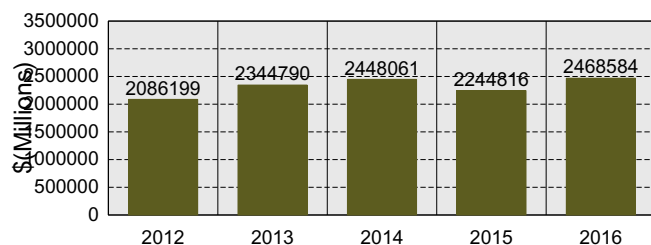
Joined Investment Firm Experience

2015 1986
 2000 1985

Employee Structure

Dedicated Fundamental Analyst 18
 Dedicated Quantitative Analyst 98
 Economist 2
 Executive Management 6
 Other 2474
 Portfolio Manager 243
 Trader 37
Total 2878

Total Asset Growth



Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt	796,102	32%
U.S. Taxable	200,016	8%
Non-U.S.	714,068	29%
Mutual Fund	758,398	31%
Total	2,468,584	100%

U.S. Tax-Exempt Separate/Commingled Assets as of December 31, 2016

Asset Class	\$(mm)		Client Type	\$(mm)	
Domestic Balanced	181	0%	Corporate	407,303	51%
Domestic Broad Equity	279,210	35%	Endowment/Foundation	51,560	6%
Domestic Broad Fixed-Income	110,196	14%	Multi-Employer	48,223	6%
Domestic Real Estate	7,364	1%	Public	236,811	30%
Intl Equity	244,658	31%	Healthcare	19,277	2%
Intl/Global Balanced	76,828	10%	Insurance	5,073	1%
Intl/Global Fixed-Income	64,829	8%	High Net Worth	160	0%
Other Alternatives	12,835	2%	Sub-Advised	9,867	1%
Total	796,102	100%	Other	17,827	Ñ%
			Total	796,102	100%

Note(s): Effective January 1, 2017, John Tucker, Co-Head of Global Equity Beta Solutions (GEBS) in the Americas, moved to a newly created role of Global Investments COO. Subsequently, Mike Feehily was appointed as the head of GEBS and Karl Schneider assumed the role of Deputy Head of GEBS. In 2015, President and CEO Scott Powers retired and Ronald O'Hanley assumed his titles and responsibilities. Eric Brandhorst, Director of Research for the Global Equity Beta Solutions team, retired at the end of second quarter 2014; Jennifer Bender succeeded Brandhorst. Bender joined SSgA from MSCI's Index Applied Research group, where she directed its global research agenda. Asset growth in 2013 was attributed to the gain of new accounts for \$57 billion, fund inflows into existing accounts and market appreciation. Asset decline in 2015 was attributed primarily to fund outflows for a net loss of \$39 billion. Asset increase in 2016 was attributed to the GE acquisition and market appreciation. Employee structure data represents information as of 3Q16. "Other" assets represent mutual funds, ETFs, SICAVs, and non-institutional investments.

**State Street Global Advisors
S&P 500 Index
As of December 31, 2016**

Key Professionals	Joined Firm	Investment Experience
Mike Feehily - PM	2010	1992
Karl Schneider - PM	1996	1996
John Tucker - PM	1988	1988

Investment Professionals

Function	#	5 Years	
		Gained	Lost
Dedicated Quantitative Analyst	5	3	1
Portfolio Manager	3	0	0
Portfolio Decision: Team Management			

Product Highlights:

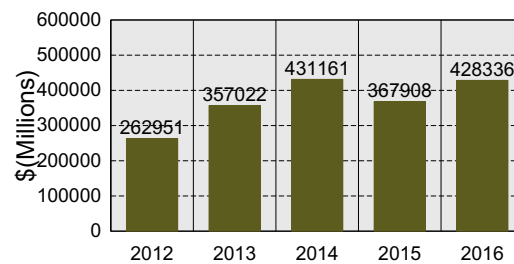
Investment Style: Large Cap Broad Eq

Benchmark: S&P 500

Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt Commingled	107,384	25%
U.S. Tax-Exempt Sep Acct	17,763	4%
U.S. Taxable	20,961	5%
Non-U.S.	37,110	9%
Mutual Fund	245,118	57%
Total	428,336	100%

Total Asset Growth



U.S. Tax-Exempt Assets

Vehicle	Largest Acct	# of Accts	\$(mm) Assets	5 Years Net Flows
Commingled	0	696	107,384	0
Separate	0	14	17,763	0

Fee Schedule: See Summary Matrix

Vehicle Information

Market Value (\$mm): 10,021

Annual 2016 Return: 11.98%

Note(s): Performance represents the lending commingled fund, gross-of-fees. Asset growth in 2013 was attributed to the gain of 54 accounts for \$2.5 billion, market appreciation, and fund inflows. Asset increase in 2014 was attributed to the gain of 19 accounts for \$6.8 billion and market appreciation. Asset decline in 2015 was attributed to the loss of 16 accounts for \$1.3 billion. Asset increase in 2016 was attributed to the gain of 19 accounts for \$875 million.

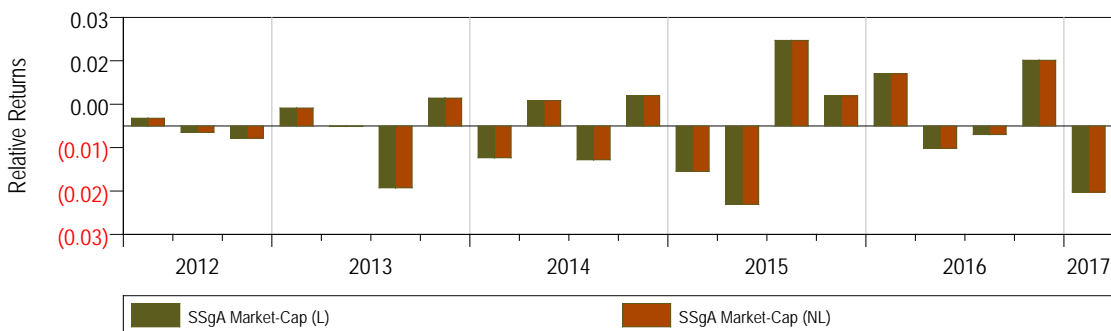
Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
SSgA Market-Cap (L)	6.05	17.16	10.37	13.30	12.94
SSgA Market-Cap (NL)	6.05	17.16	10.37	13.30	12.94
S&P:500	6.07	17.17	10.37	13.30	12.94

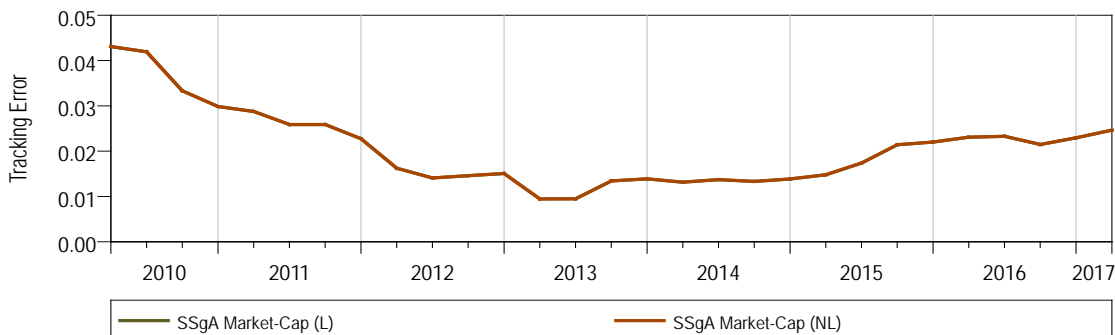
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
SSgA Market-Cap (L)	0.02	0.00	0.00	0.00	0.00	0.01	0.04	0.03	0.03	0.03
SSgA Market-Cap (NL)	0.02	0.00	0.00	0.00	0.00	0.01	0.04	0.03	0.03	0.03

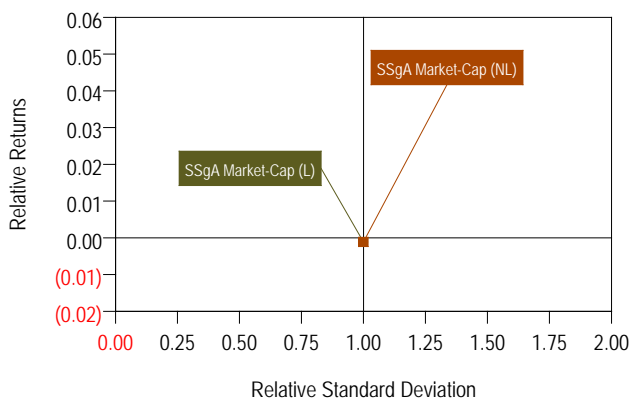
Relative Returns Relative to S&P:500



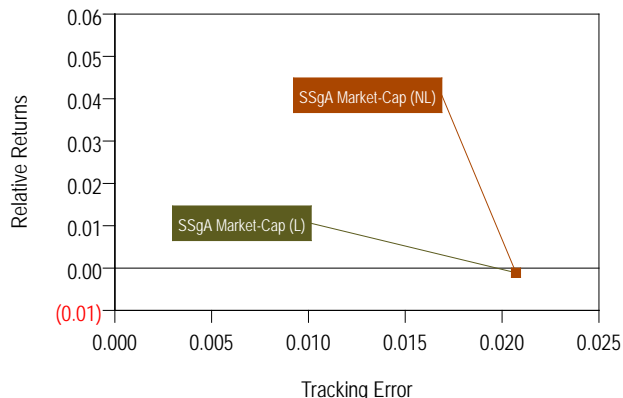
Rolling 12 Quarter Tracking Error Relative To S&P:500 Index for 7 Years Ended March 31, 2017



**Scatter Chart for 5 Years Ended March 31, 2017
Benchmark: S&P:500**



**Scatter Chart for 5 Years Ended March 31, 2017
Benchmark: S&P:500**



Note(s): Performance represents the lending and non-lending commingled funds, gross-of-fees. Lending is not specifically part of the strategy and the lending income is paid outside of the fund

Vanguard Group, Inc. (The)
100 Vanguard Boulevard
Malvern, PA 19355

History

The Vanguard Group (Vanguard) traces its roots to the Wellington Fund, which began in 1928. Vanguard was founded in 1975 by Senior Chairman, John C. Bogle. The firm operates a variety of passive and actively managed mutual funds across a wide array of asset classes and investment styles. The firm is owned by all of the existing Vanguard mutual fund shareholders.

Structure

Founded: 1975
 Ownership: Other
 Errors and omissions insurance: Yes
 In compliance with SEC and DOL: Yes
 GIPS Compliant: No

Contact: Andrew Kalinchak
 100 Vanguard Boulevard
 Malvern, PA 19355
 Phone: (610) 669-4360
 Fax: (610) 503-6703
 Email: andrew_j_kalinchak@vanguard.com

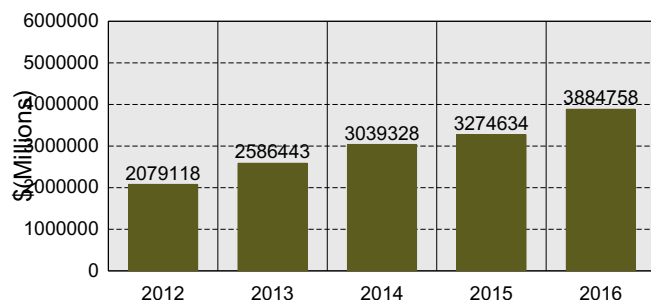
Key Professionals

	Joined Firm	Investment Experience
William McNabb - Chairman, President, CEO	1986	1986
Tim Buckley - CIO	1991	1991

Employee Structure

Central Research Analyst	71
Executive Management	12
Other	14517
Portfolio Manager	68
Trader	66
Total	14734

Total Asset Growth



Total Asset Structure

Asset Type	\$(mm)	
Mutual Fund	3,884,758	100%
Total	3,884,758	100%

Note(s): Vanguard does not maintain composites and does not claim GIPS compliance. "Other" employees represent Client Services/Marketing, Operations, and IT. Effective June 30, 2014, Ken Volpert relocated to London to take up his new role as Vanguard's Global Head of Fixed Income Indexing and Head of Investments, Europe. In April 2014, Gregory Davis assumed the role of Vanguard's Global Head of Fixed Income, replacing Robert F. Auwaerter, who retired after 32 years with Vanguard. Tim Buckley, managing director of Vanguard's Retail Investor Group since 2006, assumed the role of Chief Investment Officer upon Mr. Sauter's retirement in 2012. Asset increase in 2013 was attributed to the gain of 999 accounts for \$24.8 billion and market appreciation. Asset increase in 2014 was attributed to the gain of 884 accounts for \$11.5 billion and market appreciation. Asset growth in 2015 was attributed to account inflows. Asset growth in 2016 was attributed to \$303 billion in net inflows.

**Vanguard Group, Inc. (The)
Vanguard Institutional Index Fund
As of December 31, 2016**

Key Professionals

Donald Butler - PM
Scott Geiger - PM

Joined Firm	Investment Experience
1992	1997
2006	2008

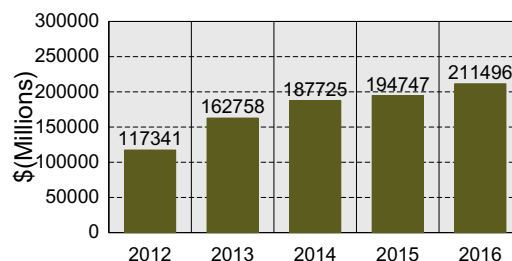
Total Asset Structure

Asset Type	\$(mm)	
Mutual Fund	211,496	100%
Total	211,496	100%

Investment Professionals

Function	#	5 Years	
		Gained	Lost
Portfolio Manager	2	0	0
Portfolio Decision: Individual With Backup			

Total Asset Growth



Product Highlights:

Investment Style: Large Cap Core

Benchmark: S&P 500

U.S. Tax-Exempt Assets

Vehicle	Largest Acct	# of Accts	\$(mm) Assets	5 Years Net Flows
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Fee Schedule: See Summary Matrix

Vehicle Information

Market Value (\$mm): 211,496

Annual 2016 Return: 11.97%

Note(s): Performance represents the mutual fund, gross-of-fees. The Institutional Index Fund is supported by the Vanguard Quantitative Equity Group (Index Equity). Asset growth in 2013 was attributed primarily to market appreciation and mutual fund inflows. Asset growth in 2014 was attributed to the gain of 68 accounts for \$1.2 billion. Asset growth in 2015 was attributed to market appreciation and fund inflows. Further growth in 2016 was attributed to the gain of 119 accounts for \$3.9 billion, mutual fund inflows, and portfolio performance.

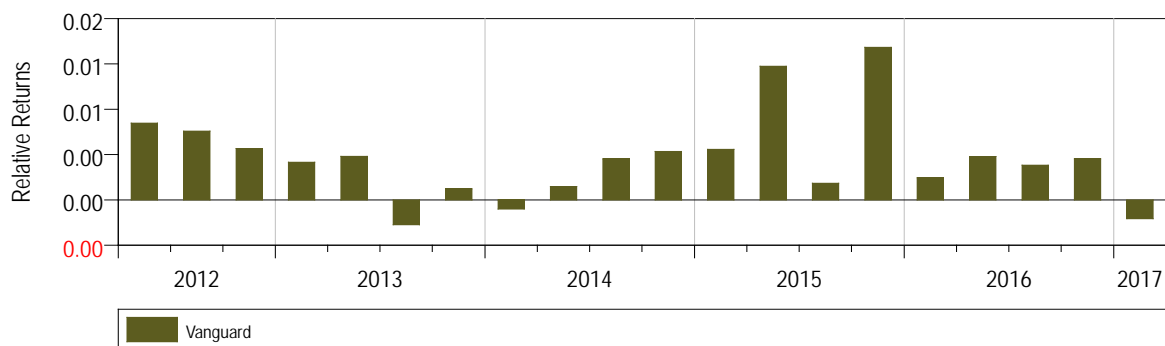
Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Vanguard	6.06	17.18	10.39	13.32	12.96
S&P:500	6.07	17.17	10.37	13.30	12.94

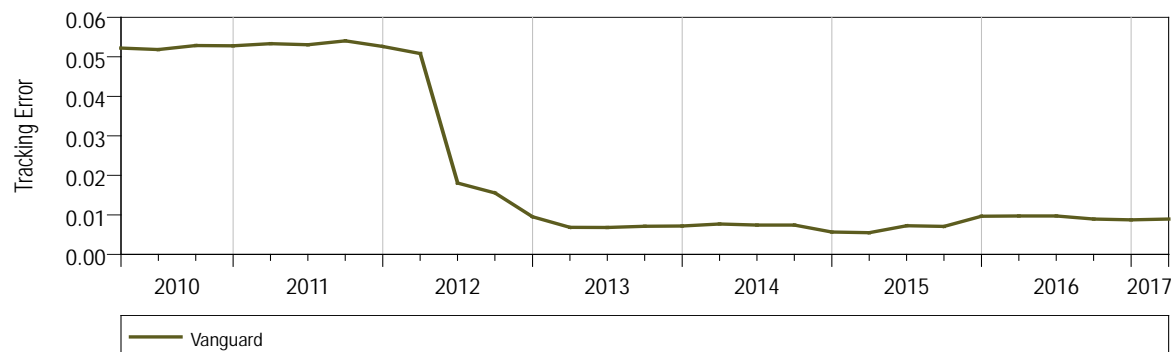
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vanguard	0.01	0.03	0.01	0.01	0.02	0.02	0.03	0.18	0.12	0.04

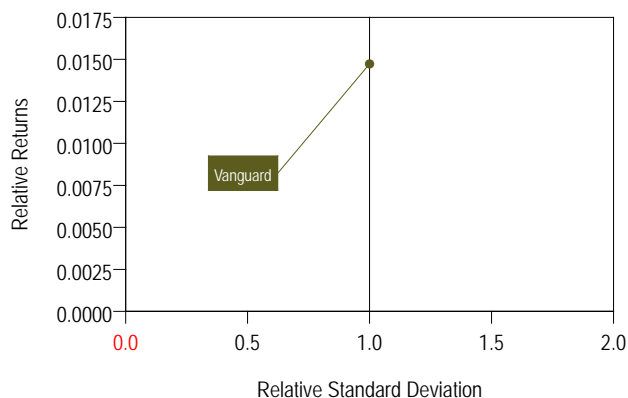
Relative Returns Relative to S&P:500



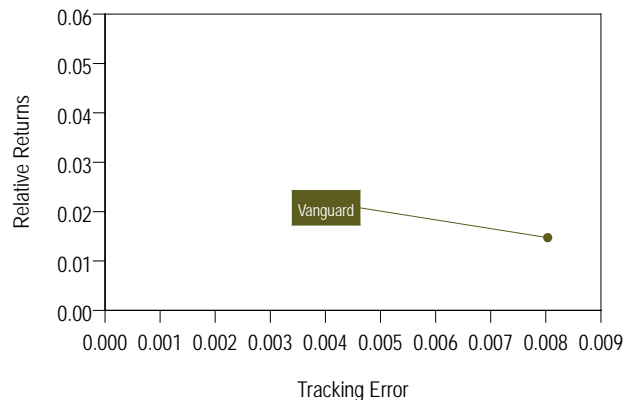
Rolling 12 Quarter Tracking Error Relative To S&P:500 Index for 7 Years Ended March 31, 2017



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P:500



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P:500



Note(s): Performance represents the mutual fund, gross-of-fees.

Mendocino County Employees' Retirement Association
Passive S+P 500 Index (Market-Cap Weighted)
Summary Matrix as of March 31, 2017

Organization/ Product	Proposed Vehicle	Investment Minimum (\$mm)	¹ Fee on \$30mm (Management All-in)	Product Assets (\$mm)	Vehicle Assets (\$mm)	Liquidity/ Valuation Frequency	Notes
BlackRock Equity Index (S&P 500)	CTF	None*	L: 0.02% (all-in) NL: 0.03% 0.04%**	\$349,827	L: \$86,386 NL: \$31,535	Daily	*BlackRock waived the minimum for this search. **BlackRock proposed a discounted fee for this search.
State Street Global Advisors S&P 500 Index	CTF	\$5	L: 0.03% 0.04% NL: 0.03% 0.04%	\$456,001	L: \$1,887 NL: \$8,729	Daily	
Vanguard Group, Inc. (The) Vanguard Institutional Index Fund	Mutual Fund (Inst: VINIX)	\$5	L: 0.04%	\$222,543	L \$222,543	Daily	

¹Stated fees represent best estimates by candidate firms as of 07/12/2017 based on general assumptions provided for this search and are subject to further negotiation.
L= Lending and NL= Non-lending

Mendocino County Employees' Retirement Association
 Passive S+P 500 Index (Market-Cap Weighted)
 Summary Matrix as of March 31, 2017

Organization	Fee Split	Cash Collateral Guidelines	Historic % of Assets on Loan
BlackRock Equity Index (S&P 500)	50/50	When the collateral concerned consists of "U.S. Collateral," it is generally the policy of BTC to require a borrower to maintain collateral at 102% of the value of loaned U.S. securities, and 105% of the value of loaned non-U.S. securities, and in no case less than 100%. U.S. Collateral may include U.S. dollardenominated cash and securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, along with bank certificates of deposit or bankers' acceptances and certain mortgage-backed securities that are rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization. Instead of cash or securities collateral, a borrower may provide an irrevocable letter of credit issued by a U.S. bank that has been approved by BTC and that is not affiliated with the borrower.	8% since inception (January 2009)
State Street Global Advisors S&P 500 Index	70/30 (Participants/ Lending Agent)	The Government Money Market Portfolio will invest 99.5% of its total assets in (i) cash; (ii) securities issued or guaranteed as to principal or interest by the United States; and (iii) repurchase agreements collateralized fully by cash of U.S. Government Securities.	SSgA is unable to disclose due to their policy.
Vanguard Group, Inc. (The) Vanguard Institutional Index Fund	100% of revenue net of program cost is returned to the funds and trusts.	Cash is the only acceptable form of collateral, with US and international equities marked daily at 102% and 105% respectively.	0.08% (Avg 10 year)

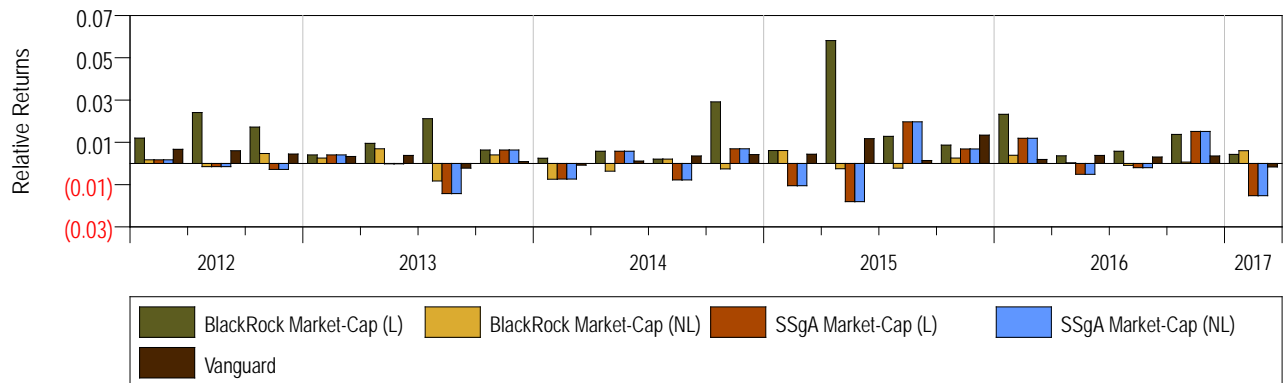
Relative Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
BlackRock Market-Cap (L)	0.00	0.03	0.06	0.05	0.07
BlackRock Market-Cap (NL)	0.01	0.01	0.00	0.00	0.00
SSgA Market-Cap (L)	(0.02)	(0.01)	0.00	0.00	0.00
SSgA Market-Cap (NL)	(0.02)	(0.01)	0.00	0.00	0.00
Vanguard	0.00	0.01	0.02	0.01	0.02

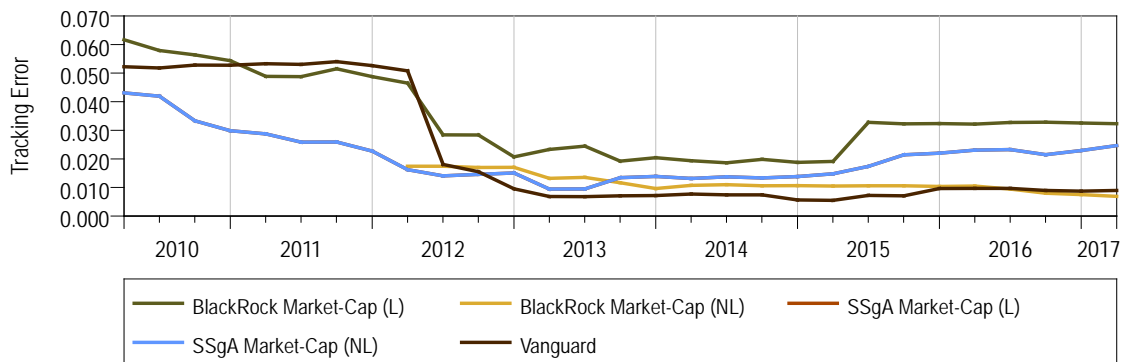
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
BlackRock Market-Cap (L)	0.05	0.09	0.04	0.04	0.07	0.11	0.12	0.26	0.16	0.03
BlackRock Market-Cap (NL)	0.00	0.00	(0.01)	0.01	0.00	0.01	0.02	--	--	--
SSgA Market-Cap (L)	0.02	0.00	0.00	0.00	0.00	0.01	0.04	0.03	0.03	0.03
SSgA Market-Cap (NL)	0.02	0.00	0.00	0.00	0.00	0.01	0.04	0.03	0.03	0.03
Vanguard	0.01	0.03	0.01	0.01	0.02	0.02	0.03	0.18	0.12	0.04

Relative Returns Relative To S&P:500 for 5 Years Ended March 31, 2017

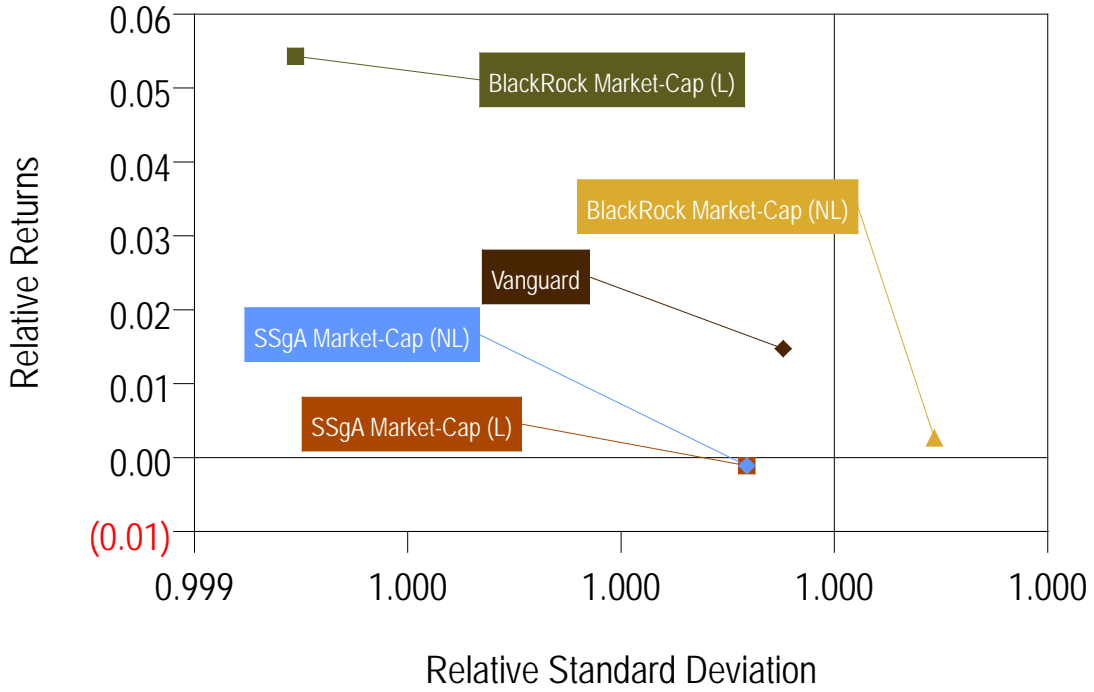


Rolling 12 Quarter Tracking Error Relative To S&P:500 for 7 Years Ended March 31, 2017

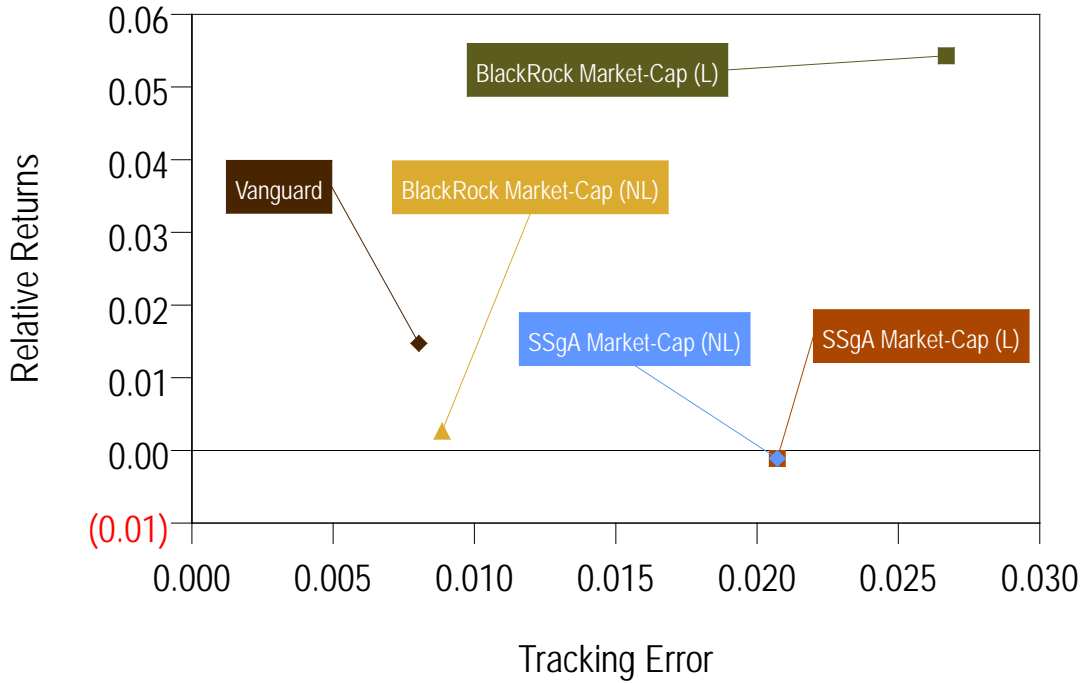


Note(s): Performance has been shown gross-of-fees.

Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P:500



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P:500



S&P 500 EQUAL WEIGHTED INDEX

BlackRock
40 East 52nd Street, Suite 121
New York, NY 10022

History

BlackRock was founded in 1988. In February 1995, BlackRock became a wholly-owned subsidiary of The PNC Financial Services Group, Inc. and a member of the PNC Asset Mgmt. Group. In 1998, PNC consolidated its asset management subsidiary names under BlackRock. BlackRock completed an IPO in 1999 for 16% of its equity. In 2005, BlackRock acquired SSRM Holdings Inc., the holding company of State Street Research and Management and State Street Realty. In 2006, BlackRock, Inc. and Merrill Lynch Investment Managers merged to create an independent company operating under the BlackRock name. In October 2007, BlackRock acquired Quellos Group. In December 2009, BlackRock completed the acquisition of Barclays Global Investors (BGI) including its iShares exchange-traded funds.

Structure

Founded: 1988
 Parent: None
 Ownership: Publicly Owned
 Errors and omissions insurance: Yes
 In compliance with SEC and DOL: Yes
 GIPS Compliant: Yes

Contact: Jason Gordon
 400 Howard Street
 San Francisco, CA 94105
 Phone: (415) 670-4295
 Fax: (415) 618-1458
 Email: jason.gordon@blackrock.com

Key Professionals

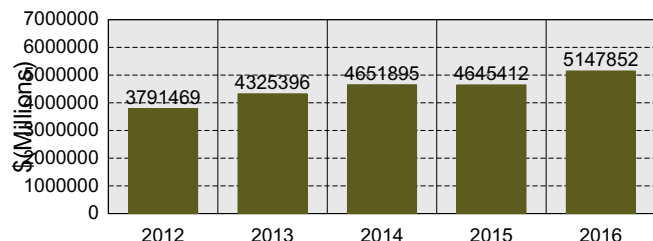
Laurence Fink - Chairman, CEO

Joined Investment Firm Experience
 1988 1976

Employee Structure

Administrative	1500
Central Research Analyst	408
Client Services/Marketing	3822
Executive Management	37
Operations	2447
Other	1209
Portfolio Manager	1053
System/Information Technology	1773
Trader	162
Total	12411

Total Asset Growth



Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt	1,203,116	23%
U.S. Taxable	548,311	11%
Non-U.S.	1,571,646	31%
Mutual Fund	462,293	9%
Other	1,362,486	26%
Total	5,147,852	100%

U.S. Tax-Exempt Separate/Commingled Assets as of December 31, 2016

Asset Class	\$(mm)		Client Type	\$(mm)	
Domestic Balanced	134,808	11%	Corporate	424,566	36%
Domestic Broad Equity	767,018	64%	Endowment/Foundation	9,902	1%
Domestic Broad Fixed-Income	259,559	22%	Multi-Employer	17,115	1%
Domestic Real Estate	7,390	1%	Public	648,253	54%
Hedge Fund of Funds	2,853	0%	High Net Worth	806	0%
Other Alternatives	31,488	N%	Sub-Advised	50,595	4%
Total	1,203,116	100%	Other	51,879	4%
			Total	1,203,116	100%

Note(s): In February 2013, Peter Fisher left his role as Head of Fixed Income, Americas, and joined the BlackRock Institute. In first quarter 2016, BlackRock created a unified active equities platform by combining the Fundamental Active Equity and Scientific Active Equity groups into one business. The new team is jointly managed by Christopher Jones, Nigel Bolton, Raffaele Savi, and Jeff Shen. In January 2016, BlackRock made changes to the structure and leadership of their investment team; Tim Webb will be the Global Head of Fixed Income, Rick Rieder will be CIO of Global Fixed Income, and Kevin Holt, co-head of Americas Fixed Income, will be moving to their Multi-Asset strategy group. BlackRock announced that its Global Head of Beta Strategies Amy Schioldager intends to retire in 2017. In March 2017 Blackrock restructured its fundamental equity business resulting in rationalization of several strategies. "Other" employees represent risk teams, PM support, and transitions management. "Other" assets refer to commingled funds, government agencies, insurance company retirement plans, non-profit retirement plans, and official institutions.

BlackRock
S&P 500 Equal Weight Index
As of December 31, 2016

Key Professionals

Alan Mason - PM

Joined Firm
1991

Investment Experience
1991

Investment Professionals

Function	#	5 Years	
		Gained	Lost
Central Research Analyst	3		
Portfolio Manager	9	2	2
Portfolio Decision: Team Management			

Product Highlights:

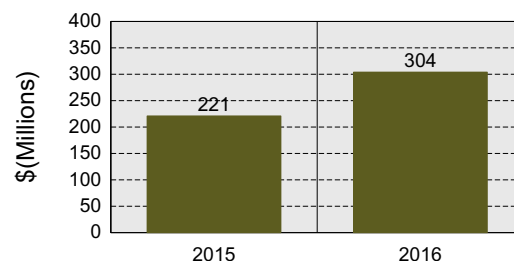
Investment Style: Domestic Broad Eq

Benchmark: S&P 500 Equal Weighted

Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt Commingled	304	100%
Total	304	100%

Total Asset Growth



U.S. Tax-Exempt Assets

Vehicle	Largest Acct	# of Accts	\$(mm) Assets	2 Years Net Flows
Commingled	275	3	304	221

Fee Schedule: See Summary Matrix

Vehicle Information

Market Value (\$mm): 304

Annual 2016 Return: 14.80%

Note(s): Performance represents the lending commingled fund, gross-of-fees. The strategy was launched in October 2015. Only the lead portfolio manager has been listed above. Portfolio manager Ed Corallo, former head of Americas Index, retired in 2014 who was replaced by Alan Mason. Portfolio manager Chris Bliss left the firm in the second quarter of 2016. Portfolio Manager Amy Schioldager left the firm in the first quarter of 2017.

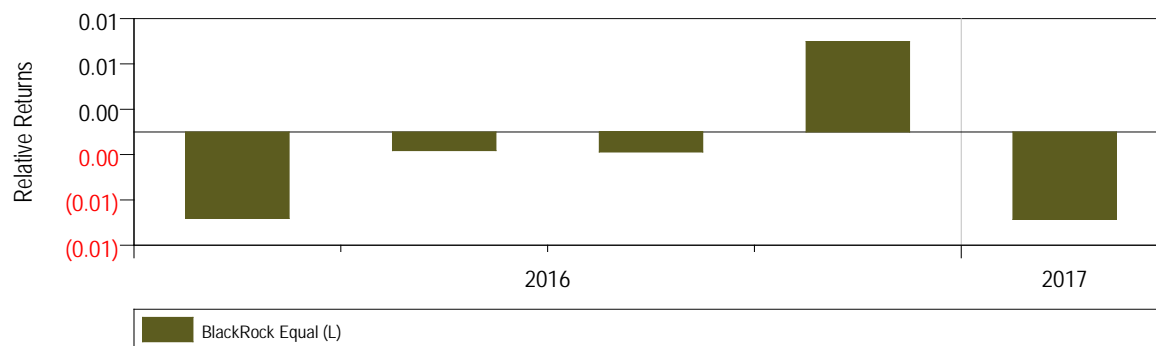
Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
BlackRock Equal (L)	5.41	17.44	--	--	--
S&P 500 Eq Wt	5.42	17.45	9.59	14.02	13.63

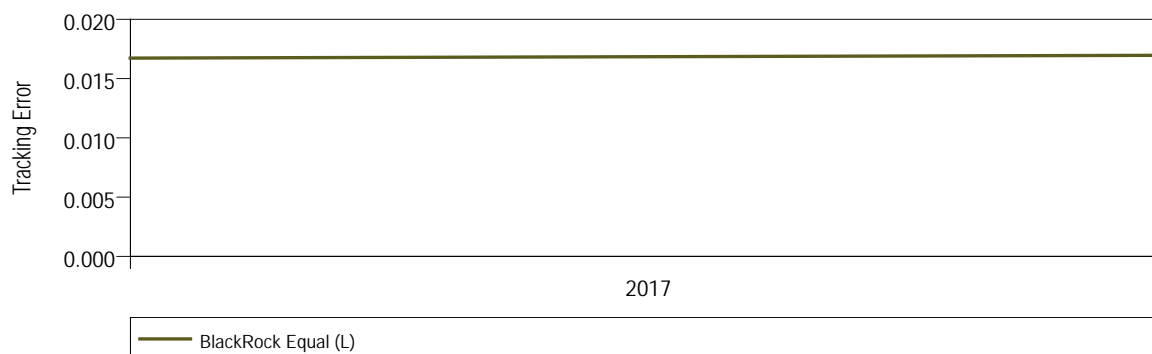
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
BlackRock Equal (L)	0.00	--	--	--	--	--	--	--	--	--

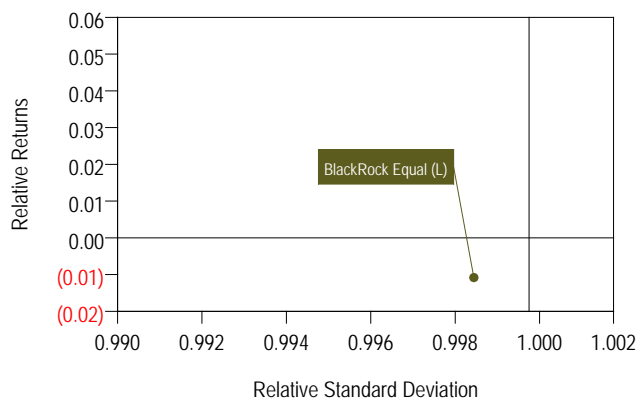
Relative Returns Relative to S&P 500 Eq Wt



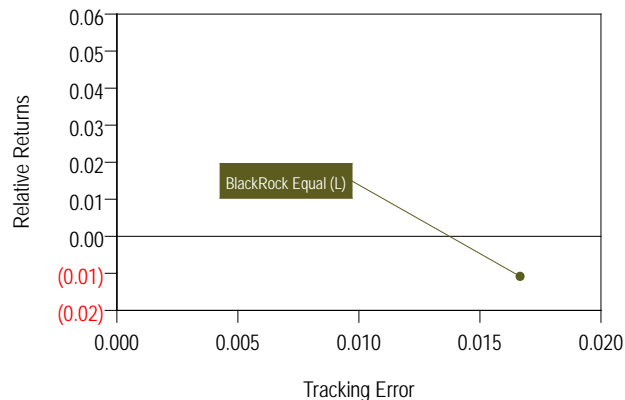
Rolling 4 Quarter Tracking Error Relative To S&P 500 Eq Wt Index for 1 Quarter Ended March 31, 2017



**Scatter Chart for 1 1/4 Years Ended March 31, 2017
Benchmark: S&P 500 Eq Wt**



**Scatter Chart for 1 1/4 Years Ended March 31, 2017
Benchmark: S&P 500 Eq Wt**



Note(s): Performance represents the lending commingled fund, gross-of-fees.

State Street Global Advisors
One Lincoln Street 34th Floor
Boston, MA 02111

History

State Street Global Advisors (SSgA) is the investment management division of State Street Bank and Trust Company and began managing tax-exempt assets for U.S. clients in 1978 when its predecessor, State Street Asset Management, was established. As part of the firm's overall global expansion, SSgA was created in 1990 in order to organize all of the State Street's investment related business units under one umbrella. State Street Bank and Trust Company was formed in 1792 and is a wholly owned subsidiary of State Street Corporation, which is publicly traded on the NYSE under the ticker symbol "STT." On January 10, 2011, SSgA completed its acquisition of Bank of Ireland Asset Management, which is now known as State Street Global Advisors Ireland Limited. In July 2016, SSgA completed the acquisition of GE Asset Management.

Structure

Founded: 1895
 Parent: State Street Corporation
 Ownership: Publicly Owned
 Errors and omissions insurance: Yes
 In compliance with SEC and DOL: Yes
 GIPS Compliant: Yes

Contact: John Farley
 One Lincoln Street
 Boston, MA 02110
 Phone: (415) 836-9871
 Email: john_farley@ssga.com

Key Professionals

Ronald O'Hanley - CEO
 Richard Lacaille - CIO

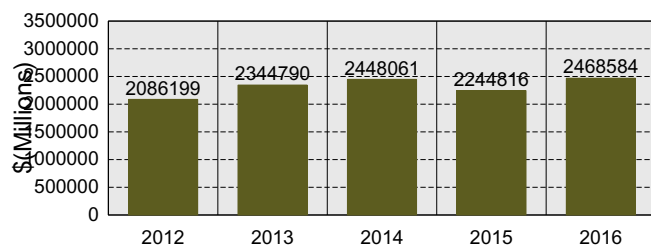
Joined Investment Firm Experience

2015 1986
 2000 1985

Employee Structure

Dedicated Fundamental Analyst 18
 Dedicated Quantitative Analyst 98
 Economist 2
 Executive Management 6
 Other 2474
 Portfolio Manager 243
 Trader 37
Total 2878

Total Asset Growth



Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt	796,102	32%
U.S. Taxable	200,016	8%
Non-U.S.	714,068	29%
Mutual Fund	758,398	31%
Total	2,468,584	100%

U.S. Tax-Exempt Separate/Commingled Assets as of December 31, 2016

Asset Class	\$(mm)		Client Type	\$(mm)	
Domestic Balanced	181	0%	Corporate	407,303	51%
Domestic Broad Equity	279,210	35%	Endowment/Foundation	51,560	6%
Domestic Broad Fixed-Income	110,196	14%	Multi-Employer	48,223	6%
Domestic Real Estate	7,364	1%	Public	236,811	30%
Intl Equity	244,658	31%	Healthcare	19,277	2%
Intl/Global Balanced	76,828	10%	Insurance	5,073	1%
Intl/Global Fixed-Income	64,829	8%	High Net Worth	160	0%
Other Alternatives	12,835	2%	Sub-Advised	9,867	1%
Total	796,102	100%	Other	17,827	2%
			Total	796,102	100%

Note(s): Effective January 1, 2017, John Tucker, Co-Head of Global Equity Beta Solutions (GEBS) in the Americas, moved to a newly created role of Global Investments COO. Subsequently, Mike Feehily was appointed as the head of GEBS and Karl Schneider assumed the role of Deputy Head of GEBS. In 2015, President and CEO Scott Powers retired and Ronald O'Hanley assumed his titles and responsibilities. Eric Brandhorst, Director of Research for the Global Equity Beta Solutions team, retired at the end of second quarter 2014; Jennifer Bender succeeded Brandhorst. Bender joined SSgA from MSCI's Index Applied Research group, where she directed its global research agenda. Asset growth in 2013 was attributed to the gain of new accounts for \$57 billion, fund inflows into existing accounts and market appreciation. Asset decline in 2015 was attributed primarily to fund outflows for a net loss of \$39 billion. Asset increase in 2016 was attributed to the GE acquisition and market appreciation. Employee structure data represents information as of 3Q16. "Other" assets represent mutual funds, ETFs, SICAVs, and non-institutional investments.

**State Street Global Advisors
Equal Weighted S&P 500 Index Strategy
As of December 31, 2016**

Key Professionals	Joined Firm	Investment Experience
Mike Feehily - PM	2010	1992
Karl Schneider - PM	1996	1996
John Tucker - PM	1988	1988

Investment Professionals

Function	#	5 Years	
		Gained	Lost
Dedicated Quantitative Analyst	5	3	1
Portfolio Manager	3	0	0
Portfolio Decision: Team Management			

Product Highlights:

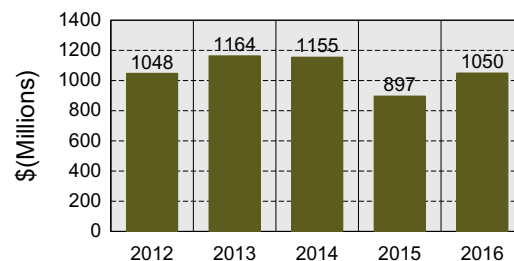
Investment Style: Large Cap Broad Eq

Benchmark: S&P 500 Equal Weighted

Total Asset Structure

Asset Type	\$(mm)	
U.S. Tax-Exempt Commingled	490	47%
U.S. Tax-Exempt Sep Acct	392	37%
Non-U.S.	167	16%
Total	1,050	100%

Total Asset Growth



U.S. Tax-Exempt Assets

Vehicle	Largest Acct	# of Accts	\$(mm) Assets	5 Years Net Flows
Commingled	157	11	490	-4
Separate	222	2	392	0

Fee Schedule: See Summary Matrix

Vehicle Information

Market Value (\$mm): 657

Annual 2016 Return: 15.34%

Note(s): Performance represents the lending commingled fund, gross-of-fees. Asset decrease in 2015 was attributed to market depreciation and the loss of one account for \$40 million. Asset increase in 2016 was attributed to market appreciation.

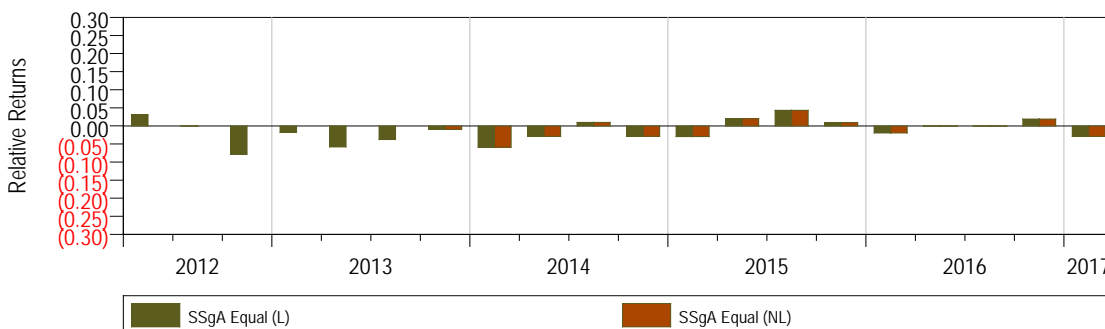
Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
SSgA Equal (L)	5.29	17.55	9.60	14.00	13.66
SSgA Equal (NL)	5.29	17.55	9.60	--	--
S&P 500 Equal Weighted	5.32	17.56	9.61	14.06	13.70

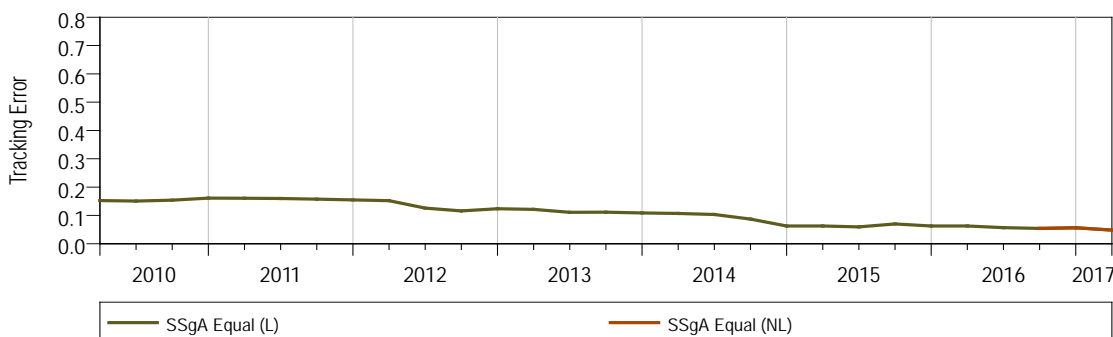
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
SSgA Equal (L)	0.00	0.04	(0.10)	(0.12)	(0.06)	0.02	(0.03)	0.09	0.34	0.03
SSgA Equal (NL)	0.00	0.04	(0.10)	--	--	--	--	--	--	--

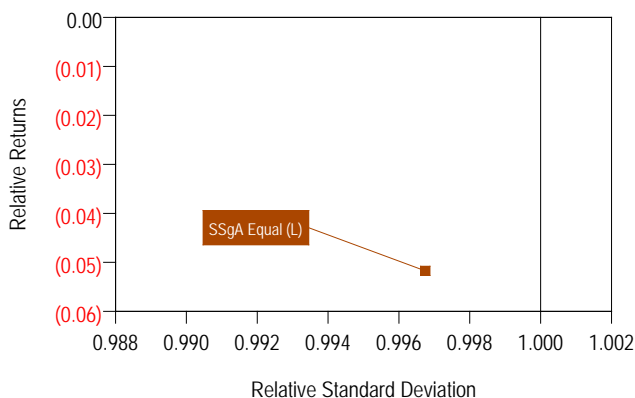
Relative Returns Relative to S&P 500 Equal Weighted



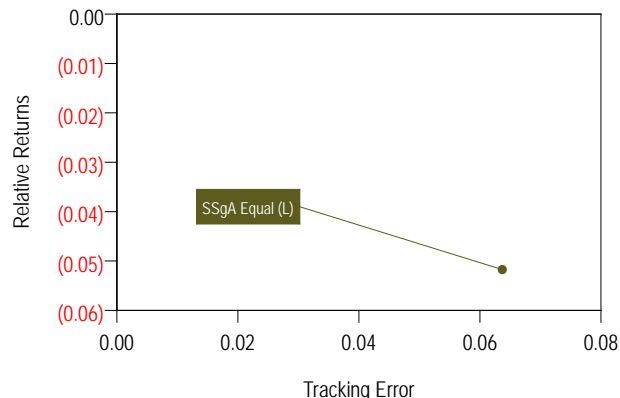
Rolling 12 Quarter Tracking Error Relative To S&P 500 Equal Weighted Index for 7 Years Ended March 31, 2017



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P 500 Equal Weighted



Scatter Chart for 5 Years Ended March 31, 2017 Benchmark: S&P 500 Equal Weighted



Note(s): Performance represents the lending and non-lending commingled funds, gross-of-fees. Please note that State Street uses a monthly rebalanced index while the other indices are quarterly rebalanced.

Mendocino County Employees' Retirement Association
Passive S+P 500 Index (Equal Weighted)
Summary Matrix as of March 31, 2017

Organization/ Fund ID- Product	Proposed Vehicle	Investment Minimum (\$mm)	¹ Fee on \$30mm (Management All-in)	Product Assets (\$mm)	Vehicle Assets (\$mm)	Liquidity/ Valuation Frequency	Notes
BlackRock S&P 500 Equal Weight Index	CTF	None*	L: 0.05% 0.09%**	\$301	L: \$301	Daily	*BlackRock waived the minimum for this search. **BlackRock proposed a discounted fee for this search.
State Street Global Advisors Equal Weighted S&P 500 Index Strategy	CTF	\$5	L: 0.05% 0.07% NL: 0.05% 0.07%	\$1,129	L: \$630 NL: \$111	Daily	

¹Stated fees represent best estimates by candidate firms as of 07/12/2017 based on general assumptions provided for this search and are subject to further negotiation.
L= Lending and NL= Non-lending

Mendocino County Employees' Retirement Association
 Passive S+P 500 Index (Equal Weighted)
 Summary Matrix as of March 31, 2017

Organization	Fee Split	Cash Collateral Guidelines	Historic % of Assets on Loan
BlackRock S&P 500 Equal Weight Index	50/50	<p>When the collateral concerned consists of "U.S. Collateral," it is generally the policy of BTC to require a borrower to maintain collateral at 102% of the value of loaned U.S. securities, and 105% of the value of loaned non-U.S. securities, and in no case less than 100%. U.S. Collateral may include U.S. dollardenominated cash and securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, along with bank certificates of deposit or bankers' acceptances and certain mortgage-backed securities that are rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization. Instead of cash or securities collateral, a borrower may provide an irrevocable letter of credit issued by a U.S. bank that has been approved by BTC and that is not affiliated with the borrower.</p>	10% since inception (October 2015)
State Street Global Advisors Equal Weighted S&P 500 Index Strategy	70/30 (Participants/ Lending Agent)	<p>The Government Money Market Portfolio will invest 99.5% of its total assets in (i) cash; (ii) securities issued or guaranteed as to principal or interest by the United States; and (iii) repurchase agreements collateralized fully by cash of U.S. Government Securities.</p>	SSgA is unable to disclose due to their policy.

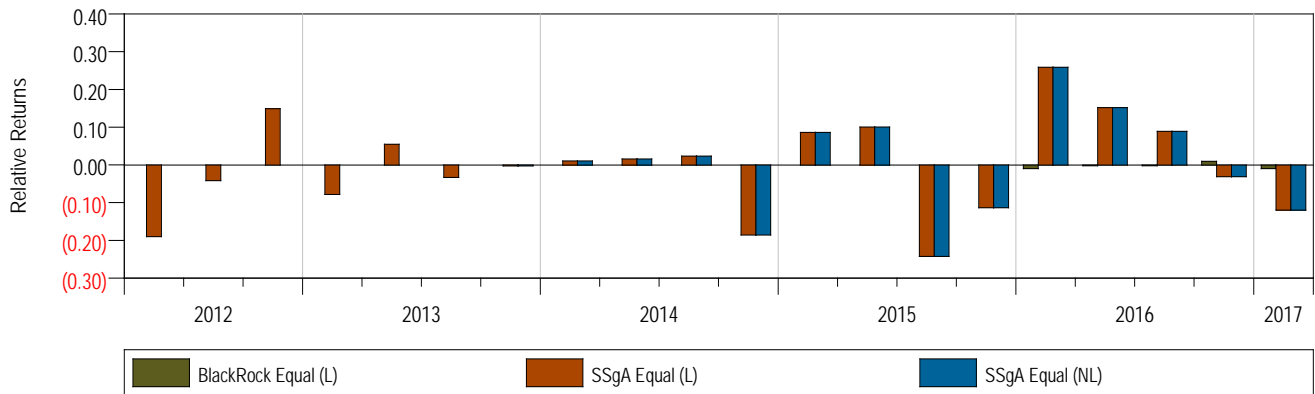
Relative Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
BlackRock Equal (L)	(0.01)	0.00	--	--	--
SSgA Equal (L)	(0.12)	0.09	0.01	(0.02)	0.03
SSgA Equal (NL)	(0.12)	0.09	0.01	--	--

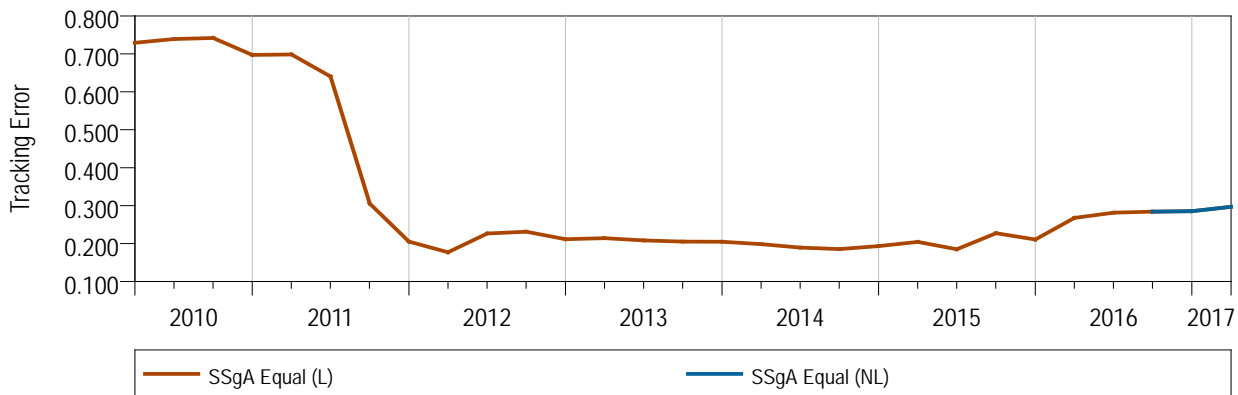
Relative Returns for Calendar Years 10 Years Ended December 31, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
BlackRock Equal (L)	0.00	--	--	--	--	--	--	--	--	--
SSgA Equal (L)	0.47	(0.17)	(0.14)	(0.06)	(0.11)	0.19	0.28	0.14	(0.79)	(0.85)
SSgA Equal (NL)	0.47	(0.17)	(0.14)	--	--	--	--	--	--	--

Relative Returns Relative To S&P 500 Eq Wt for 5 Years Ended March 31, 2017



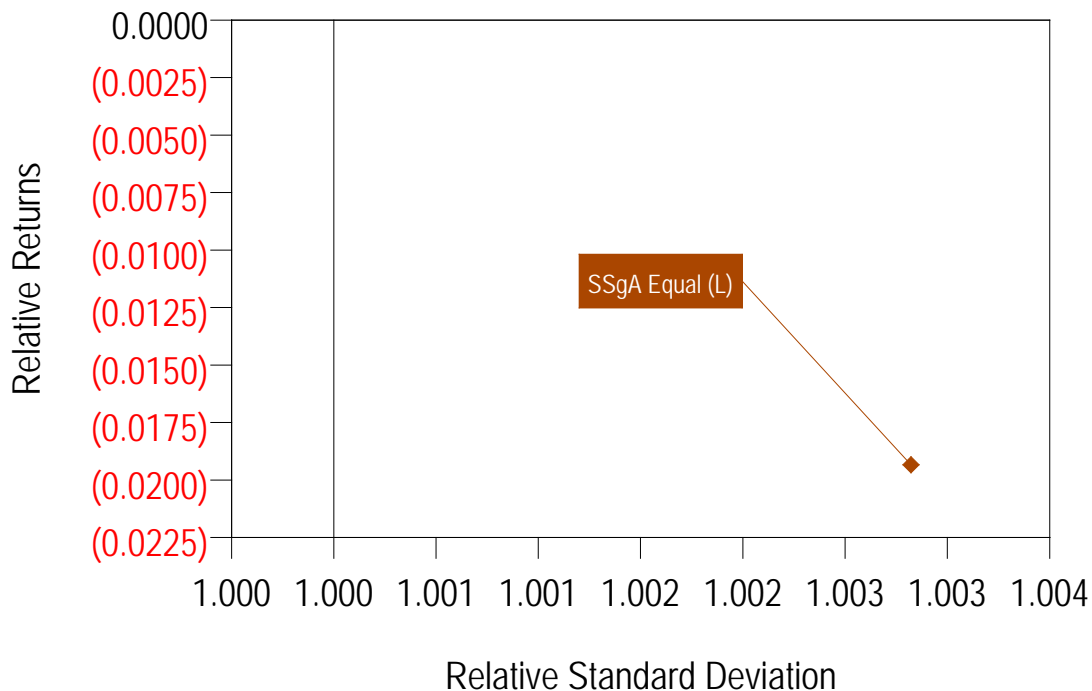
Rolling 12 Quarter Tracking Error Relative To S&P 500 Eq Wt for 7 Years Ended March 31, 2017



Note(s): Performance has been shown gross-of-fees. There is insufficient data on BlackRock given that the product was inception in October 2015. Please note that this index is quarterly rebalanced and State Street uses a monthly rebalanced index.

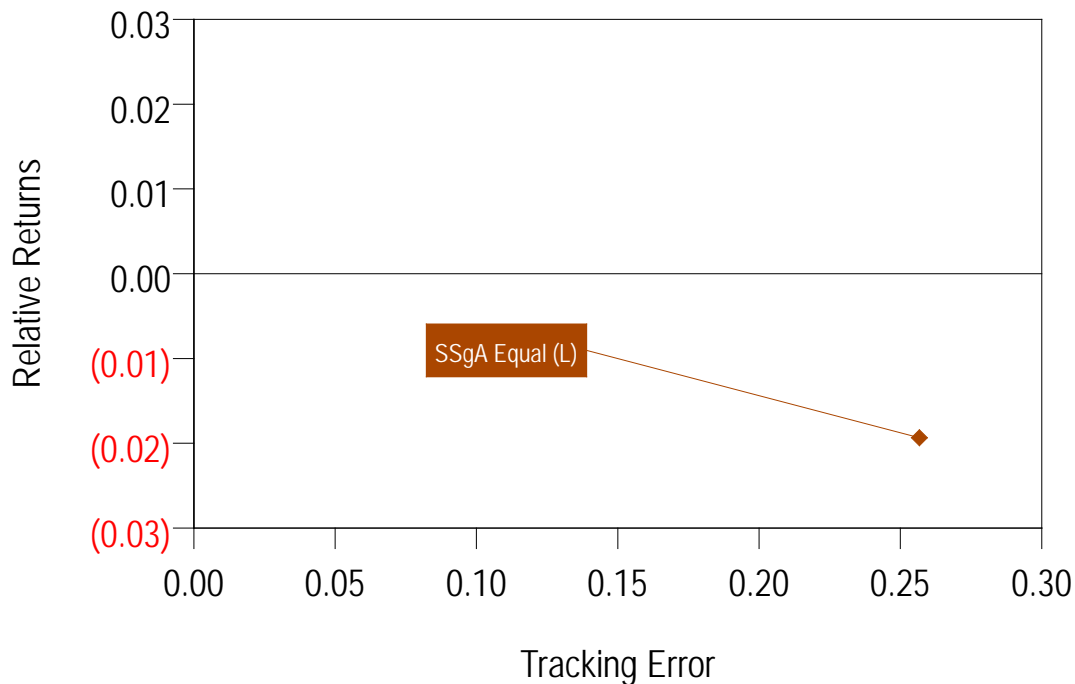
Scatter Chart for 5 Years Ended March 31, 2017

Benchmark: S&P 500 Eq Wt



Scatter Chart for 5 Years Ended March 31, 2017

Benchmark: S&P 500 Eq Wt





Definitions and Disclosures

Definitions

Alpha measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

Beta measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

Diversification Ratio – The ratio of the number of securities comprising the most concentrated half of the portfolio market value divided by the total number of portfolio securities. This value expresses to what extent a portfolio is equally weighted versus concentrated, given the number of names in the portfolio. This value can range from a high of 50% (equal weighted) to a low of 1% (half of the portfolio in 1% of the names).

Downside Risk stems from the desire to differentiate between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation punishes both upside and downside volatility, downside risk measures only the standard deviation of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

Excess Return Ratio is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

Information Ratio measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

Market Capitalization (weighted median) – The weighted median market cap is the point at which half of the market value of the portfolio is invested in stocks with a greater market cap, and consequently the other half is invested in stocks with a lower market cap.

Definitions (continued)

MSCI Combined Z Score is the difference between the MSCI Growth Z Score and the MSCI Value Z Score (Growth - Value). A significant positive Combined Z Score implies significant "growthiness" in the stock or portfolio. A Combined Z Score close to 0.00 (positive or negative) implies "core-like" style characteristics, and a significantly negative Combined Z Score implies more "valueyness" in the stock or portfolio.

MSCI Growth Z Score is a holdings-based measure of the "growthiness" of an individual stock or portfolio of stocks based on fundamental financial ratio analysis. The MSCI Growth Z Score is an aggregate score based on the growth score of five separate financial fundamentals: Long Term Forward Earnings Growth, Short Term Forward Earnings Growth, Current Internal Growth (ROE * (1-payout ratio)), Long Term Historical Earnings Growth, and Long Term Historical Sales Growth.

MSCI Value Z Score is a holdings-based measure of the "valueyness" of an individual stock or portfolio of stocks based on fundamental financial ratio analysis. The MSCI Value Z Score is an aggregate score based on the value scores of three separate financial fundamentals: Price/Book, Price/Forward Earnings, and Dividend Yield.

Number of Issues in Top Half of MV measures the number of stocks (largest holdings) making up half of the market value of the portfolio.

R-Squared indicates the extent to which the variability of the portfolio returns is explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An r-squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An r-squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An r-squared of zero indicates that no relationship exists between the portfolio's return and the market.

Relative Sector Variance – A measure illustrating how significantly a portfolio currently differs from the sector weights of the index. This measure is the sum of the differences (absolute value) between the portfolio and index sector weights across all sectors. The higher the number the more aggressive the deviation from the index sector weights, and vice versa. This relative risk measure can help explain the magnitude of past tracking error and potential future tracking error versus the index.

Relative Standard Deviation is a simple measure of a manager's risk (volatility) relative to a benchmark. It is calculated by dividing the manager's standard deviation of returns by the benchmark's standard deviation of returns. A relative standard deviation of 1.20, for example, means the manager has exhibited 20% more risk than the benchmark over that time period. A ratio of .80 would imply 20% less risk. This ratio is especially useful when analyzing the risk of investment grade fixed-income products where actual historical durations are not available. By using this relative risk measure over rolling time periods one can illustrate the "implied" historical duration patterns of the portfolio versus the benchmark.

Definitions (continued)

Rising/Declining Periods is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, in determining the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class). The analysis determines if a significant "cycle reversal" has occurred over a period. If the magnitude of the cumulative relative return is greater than one standard deviation when the number of periods is four or more quarters—or two standard deviations for periods less than 4 quarters—a significant reversal has occurred. The process is repeated until all the different combinations of recent periods are evaluated, and a break point is determined.

Sector Concentration – A measure of current portfolio diversification by economic sector (equity) or market sector (fixed income) to illustrate potential risk from concentrated sector exposures. The measure itself represents how few sectors contain half of the portfolio market value. A low number means the assets are concentrated in a few sectors and potentially highly exposed to the risks of those sectors.

Sharpe Ratio is a commonly used measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

Standard Deviation is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (i.e., has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

Total Portfolio Risk is a measure of the volatility of the quarterly excess returns of an asset. Total risk is composed of two measures of risk: market (non-diversifiable or systematic) risk and residual (diversifiable or unsystematic) risk. The purpose of portfolio diversification is to reduce the residual risk of the portfolio.

Tracking Error is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

Treynor Ratio represents the portfolio's average excess return over a specified period divided by the beta relative to its benchmark over that same period. This measure reflects the reward over the risk-free rate relative to the systematic risk assumed.

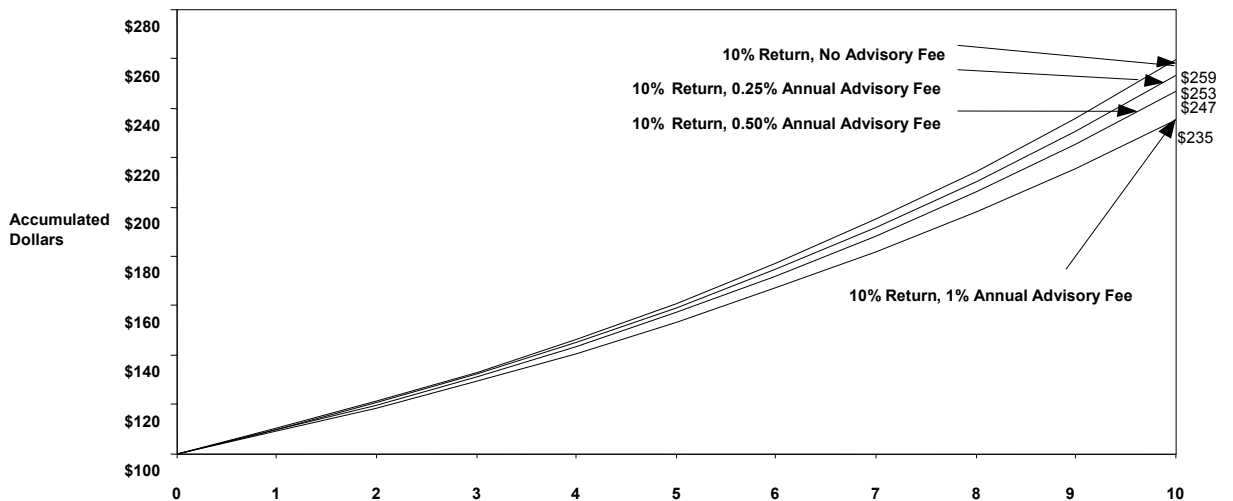
Up Market (Down Market) Capture is a measure of relative performance in up-markets (down-markets). It is determined by the index which has an Up Capture (Down Capture) ratio of 100% when the index is performing positively (negatively). If a manager captures more than 100% of the rising (declining) market it is said to be "offensive" ("defensive").

Disclosure Statement

The preceding report has been prepared for the exclusive use of the Mendocino County Employees' Retirement Association. Unless otherwise noted, performance returns contained in this report do not reflect the deduction of investment advisory fees. The returns in this report will be reduced by the advisory fees and any other expenses incurred in the management of an investment account. The investment advisory fees applicable to the advisors listed in this report are described in Part II of each advisor's form ADV.

The following graphical and tabular example illustrates the cumulative effect of investment advisory fees on a \$100 investment growing at 10% over ten years. Fees are assumed to be paid monthly.

The Cumulative Effect of Advisory Fees



Accumulated Dollars at End of Years

	1	2	3	4	5	6	7	8	9	10
No Fee	110.0	121.0	133.1	146.4	161.1	177.2	194.9	214.4	235.8	259.4
25 Basis Points	109.7	120.4	132.1	145.0	159.1	174.5	191.5	210.1	230.6	253.0
50 Basis Points	109.5	119.8	131.1	143.5	157.1	172.0	188.2	206.0	225.5	246.8
100 Basis Points	108.9	118.6	129.2	140.7	153.3	166.9	181.8	198.0	215.6	234.9

10% Annual Return Compounded Monthly, Annual Fees Paid Monthly.

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor and disclose potential conflicts on an on-going basis.

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Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance Department.

Manager Name
1607 Capital Partners, LLC
Aberdeen Asset Management PLC
Acadian Asset Management LLC
AEGON USA Investment Management
AEW Capital Management
Affiliated Managers Group, Inc.
Alcentra
AllianceBernstein
Allianz Global Investors
Allianz Life Insurance Company of North America
American Century Investments
Amundi Smith Breeden LLC
Angelo, Gordon & Co.
Apollo Global Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Artisan Holdings
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford Overseas Limited
Baird Advisors
Bank of America
Barings LLC
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
Black Creek Investment Management Inc.
BlackRock
BMO Global Asset Management
BNP Paribas Investment Partners
BNY Mellon Asset Management
Boston Partners
Boyd Watterson Asset Management, LLC
Brandes Investment Partners, L.P.

Manager Name
Brandywine Global Investment Management, LLC
Brown Brothers Harriman & Company
Brown Investment Advisory & Trust Company
Cambiar Investors, LLC
Capital Group
CastleArk Management, LLC
Causeway Capital Management
Chartwell Investment Partners
Chicago Equity Partners, LLC
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Management Investment Advisers, LLC
Columbus Circle Investors
Cornerstone Capital Management
Cramer Rosenthal McGlynn, LLC
Credit Suisse Asset Management
Crestline Investors, Inc.
D.E. Shaw Investment Management, L.L.C.
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Capital Management, Inc.
Dimensional Fund Advisors LP
Doubleline
Duff & Phelps Investment Mgmt. Co.
Eagle Asset Management, Inc.
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fiera Capital Corporation
First Eagle Investment Management, LLC
First Hawaiian Bank Wealth Management Division
Fisher Investments
Franklin Templeton

Manager Name
Franklin Templeton Institutional
Fred Alger Management, Inc.
Fuller & Thaler Asset Management, Inc.
GAM (USA) Inc.
Global Evolution USA
GlobeFlex Capital, L.P.
GMO
Goldman Sachs Asset Management
Gryphon International Investment Corporation
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Harding Loevner LP
Hartford Funds
Hartford Investment Management Co.
Heitman LLC
Henderson Global Investors
Hotchkis & Wiley Capital Management, LLC
HSBC Global Asset Management
Income Research + Management, Inc.
Insight Investment Management Limited
INTECH Investment Management, LLC
Invesco
Investec Asset Management
Ivy Investments
Jacobs Levy Equity Management, Inc.
Janus Capital Management, LLC
Jensen Investment Management
Jobs Peak Advisors
J.P. Morgan Asset Management
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
LMCG Investments, LLC
Logan Circle Partners, L.P.
Longfellow Investment Management Co.
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Macquarie Investment Management (formerly Delaware Investments)
Man Investments Inc.
Manulife Asset Management
McKinley Capital Management, LLC
MFS Investment Management
MidFirst Bank
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
Mountain Lake Investment Management LLC
MUFG Union Bank, N.A.
Neuberger Berman
New York Life Investment Management LLC
Newfleet Asset Management LLC
Newton Investment Management (fka Newton Capital Mgmt)
Nikko Asset Management Co., Ltd.

Manager Name
Northern Trust Asset Management
Nuveen Investments, Inc.
OFI Global Asset Management
Old Mutual Asset Management
O'Shaughnessy Asset Management, LLC
Pacific Investment Management Company
Peregrine Capital Management, Inc.
PGIM
PGIM Fixed Income
PineBridge Investments
Pioneer Investments
PNC Capital Advisors, LLC
PPM America
Principal Global Investors
Private Advisors, LLC
Putnam Investments, LLC
Pzena Investment Management, LLC
QMA (Quantitative Management Associates)
RBC Global Asset Management
Record Currency Management Ltd.
Regions Financial Corporation
RidgeWorth Capital Management, Inc.
Rockefeller & Co., Inc.
Rothschild Asset Management, Inc.
Russell Investments
Santander Global Facilities
Schroder Investment Management North America Inc.
Smith, Graham & Co. Investment Advisors, L.P.
Smith Group Asset Management
South Texas Money Management, Ltd.
Standard Life Investments Limited
Standish
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
Strategic Global Advisors
T. Rowe Price Associates, Inc.
Taplin, Canida & Habacht
Teachers Insurance & Annuity Association of America
The Boston Company Asset Management, LLC
The Hartford
The London Company
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
Thornburg Investment Management, Inc.
Tri-Star Trust Bank
UBS Asset Management
Van Eck Global
Versus Capital Group
Victory Capital Management Inc.
Vontobel Asset Management, Inc.
Voya Financial
Voya Investment Management (fka ING)
Vulcan Value Partners, LLC
Wasatch Advisors, Inc.
WCM Investment Management
WEDGE Capital Management
Wedgewood Partners, Inc.
Wellington Management Company, LLP
Wells Capital Management
Western Asset Management Company

Manager Name

William Blair & Company

Manager Name

WisdomTree Asset Management

Callan

Disclosure

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State Street Global Advisors	X	
Vanguard Group, Inc. (The)		X

*Based upon Callan manager clients as of the most recent quarter end.