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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: November 12, 2015
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Investment Report

Preliminary Monthly Investment Report for the month ending August 31, 2015

The Cost Basis of investments at the end of the month are displayed in column A. Market value of investments at the end of the month are presented in column B. Unrealized Gain/Loss is presented in Column C. The target analysis for the investment portfolio is shown in columns D and E. Column D displays actual percent of portfolio and column E displays the target percent of portfolio. All investment classes are well within target ranges. The market value of investments at the beginning of the fiscal year are shown in Column F. Column G presents the difference between Column B and F, or the change in market value during the current fiscal year. As of August 31, 2015 the fiscal year change in market value decreased by \$19,494,044 with cash and \$19,711,308 excluding cash. Investments in this report are tracked using fair market value which is the current valuation method used for financial reporting. The total on this report differs from the total assets reported on the Statement of Plan Net Position because the investment report only includes investments and cash and does not include receivables. Please note that rounding may occur in the attached report and can cause figures to vary by a few dollars.

Mendocino County Employees' Retirement Association
Monthly Investment Report
August 31, 2015

	A	B	C	D	E	F	G
	Cost Basis	Market Value	Unrealized Gain/Loss	Percent of Portfolio	Target % (2013 Study)	Start of Fiscal Year Market Value	Fiscal Year Change in Market Value ¹
Domestic Fixed Income							
PIMCO - Total Return Institutional	57,556,369	58,519,258	962,889	13.78%	14.00%	58,685,664	(166,405)
Dodge & Cox - Income Fund	58,445,754	58,789,567	343,813	13.84%	14.00%	59,093,726	(304,159)
Total Domestic Fixed Income	\$ 116,002,123	\$ 117,308,826	\$ 1,306,702	27.62%	28.00%	\$ 117,779,390	\$ (470,564)
Small Cap Growth							
Alliance Bernstein - US Small Cap Growth Fund	1,967,850	6,637,169	4,669,319	1.56%	1.52%	7,199,605	(562,436)
RS Investments - Small Cap Growth Fund Y	2,755,512	5,393,309	2,637,798	1.27%	1.14%	5,866,230	(472,921)
Total Small Cap Growth	4,723,362	12,030,478	7,307,117			13,065,835	(1,035,357)
AMG Funds - Micro-Cap Institutional	6,518,139	8,148,840	1,630,701	1.92%	1.90%	8,783,420	(634,580)
Total Small Cap Growth/Micro Cap	11,241,501	20,179,318	8,937,817	4.75%	4.56%	21,849,255	(1,669,937)
Small Cap Value							
Prudential	11,336,382	11,834,068	497,686	2.79%	2.66%	12,838,894	(1,004,826)
Total Small Cap Value	11,336,382	11,834,068	497,686	2.79%	2.66%	12,838,894	(1,004,826)
Total Small/Micro Cap Equities	\$ 22,577,883	\$ 32,013,386	\$ 9,435,503	7.54%	7.22%	\$ 34,688,149	\$ (2,674,763)
Mid Cap Growth							
Morgan Stanley	3,882,212	4,621,214	739,002	1.09%	1.14%	4,956,476	(335,262)
Janus - Enterprise Fund	3,525,879	5,172,970	1,647,091	1.22%	1.14%	5,384,934	(211,964)
Total Mid Cap Growth	7,408,091	9,794,184	2,386,093	2.31%	2.28%	10,341,410	(547,226)
Mid Cap Value							
Fidelity Low Priced Stock Fund	3,075,784	5,062,033	1,986,249	1.19%	1.14%	5,239,964	(177,931)
Royce - Total Return Fund	3,661,241	4,509,763	848,522	1.06%	1.14%	4,798,388	(288,625)
Total Mid Cap Value	6,737,025	9,571,795	2,834,771	2.25%	2.28%	10,038,351	(466,556)
Total Mid Cap Equities	\$ 14,145,116	\$ 19,365,980	\$ 5,220,864	4.56%	4.56%	\$ 20,379,761	\$ (1,013,782)
Large Cap Core							
Vanguard Institutional Index Fund	18,740,113	21,555,732	2,815,619	5.08%	4.94%	22,468,787	(913,055)
Total Large Cap Core	18,740,113	21,555,732	2,815,619	5.08%	4.94%	22,468,787	(913,055)
Large Cap Growth							
Harbor Capital Appreciation Fund	14,465,796	23,801,273	9,335,477	5.60%	5.32%	25,167,195	(1,365,921)
Janus - Research Fund	15,600,767	23,305,864	7,705,097	5.49%	5.32%	24,479,426	(1,173,562)
Total Large Cap Growth	30,066,563	47,107,138	17,040,574	11.09%	10.64%	49,646,621	(2,539,483)
Large Cap Value							
Dodge & Cox Stock Fund	13,353,825	22,056,912	8,703,087	5.19%	5.32%	23,440,177	(1,383,265)
Boston Partners (Formerly ROBECO)	13,969,190	22,789,904	8,820,713	5.37%	5.32%	24,880,798	(2,090,895)
Total Large Cap Value	27,323,015	44,846,816	17,523,800	10.56%	10.64%	48,320,976	(3,474,160)
Total Large Cap Equities	\$ 76,129,691	\$ 113,509,685	\$ 37,379,994	26.73%	26.22%	\$ 120,436,383	\$ (6,926,698)
International Stock							
American Funds - EuroPacific	14,833,805	20,394,520	5,560,715	4.80%	4.69%	21,826,245	(1,431,726)
Harbor international	17,261,482	18,908,809	1,647,327	4.45%	4.69%	20,566,543	(1,657,734)
Columbia Management - International Fund	7,543,475	10,387,060	2,843,585	2.45%	2.50%	11,196,474	(809,414)
Janus Overseas	19,599,565	14,804,865	(4,794,700)	3.49%	4.69%	17,083,718	(2,278,853)
Mondrian	17,299,962	19,832,153	2,532,191	4.67%	4.69%	21,110,219	(1,278,066)
Oakmark	12,257,452	14,898,163	2,640,712	3.51%	3.75%	16,061,266	(1,163,102)
Total International Stock	\$ 88,795,742	\$ 99,225,570	\$ 10,429,828	23.37%	25.00%	\$ 107,844,466	\$ (8,618,896)
Real Estate							
RREEF - Comingled Fund	6,651,482	7,961,393	1,309,911	1.87%	1.80%	7,967,998	(6,605)
RREEF - America REIT II ²	13,577,014	18,914,666	5,337,652	4.45%	3.50%	18,914,666	-
Cornerstone Fund ²	10,707,035	13,888,006	3,180,972	3.27%	3.50%	13,888,006	-
625 Kings Court	901,112	864,000	(37,112)	0.20%	0.20%	864,000	-
Total Real Estate	\$ 31,836,643	\$ 41,628,066	\$ 9,791,423	9.80%	9.00%	\$ 41,634,671	\$ (6,605)
Total Investments ³	\$ 349,487,198	\$ 423,051,512	\$ 73,564,314	99.62%	100.00%	\$ 442,762,820	\$ (19,711,308)
Cash in County Treasury							
	Beg of Year	End of Period					
	\$ 1,398,150	\$ 1,615,414	\$ 217,264	0.38%	0.00%	\$ 1,398,150	\$ 217,264
Total All Available Funds	\$ 350,885,348	\$ 424,666,926	\$ 73,781,578	100.00%	100.00%	444,160,970	(19,494,044)

1. Fiscal year change may include market value changes due to rebalancing activities.

2. Priced quarterly.

3. Totals may differ between this report and the statement of net position due to rounding.

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Preliminary Monthly Investment Report for the month ending September 30, 2015

The Cost Basis of investments at the end of the month are displayed in column A. Market value of investments at the end of the month are presented in column B. Unrealized Gain/Loss is presented in Column C. The target analysis for the investment portfolio is shown in columns D and E. Column D displays actual percent of portfolio and column E displays the target percent of portfolio. All investment classes are well within target ranges. The market value of investments at the beginning of the fiscal year are shown in Column F. Column G presents the difference between Column B and F, or the change in market value during the current fiscal year. As of September 30, 2015 the fiscal year change in market value decreased by \$32,958,091 with cash and \$33,360,186 excluding cash. Investments in this report are tracked using fair market value which is the current valuation method used for financial reporting. The total on this report differs from the total assets reported on the Statement of Plan Net Position because the investment report only includes investments and cash and does not include receivables. Please note that rounding may occur in the attached report and can cause figures to vary by a few dollars.

Mendocino County Employees' Retirement Association
Monthly Investment Report
September 30, 2015

	A	B	C	D	E	F	G
	Cost Basis	Market Value	Unrealized Gain/Loss	Percent of Portfolio	Target % (2013 Study)	Start of Fiscal Year Market Value	Fiscal Year Change in Market Value ¹
Domestic Fixed Income							
PIMCO - Total Return Institutional	57,556,369	58,075,510	519,142	14.12%	14.00%	58,685,664	(610,153)
Dodge & Cox - Income Fund	58,445,754	58,181,249	(264,505)	14.15%	14.00%	59,093,726	(912,477)
Total Domestic Fixed Income	\$ 116,002,123	\$ 116,256,760	\$ 254,637	28.27%	28.00%	\$ 117,779,390	\$ (1,522,630)
Small Cap Growth							
Alliance Bernstein - US Small Cap Growth Fund	1,967,850	6,161,495	4,193,645	1.50%	1.52%	7,199,605	(1,038,110)
RS Investments - Small Cap Growth Fund Y	2,755,512	5,124,727	2,369,216	1.25%	1.14%	5,866,230	(741,503)
Total Small Cap Growth	4,723,362	11,286,222	6,562,860			13,065,835	(1,779,613)
AMG Funds - Micro-Cap Institutional	6,518,139	7,685,255	1,167,115	1.87%	1.90%	8,783,420	(1,098,165)
Total Small Cap Growth/Micro Cap	11,241,501	18,971,477	7,729,976	4.61%	4.56%	21,849,255	(2,877,778)
Small Cap Value							
Prudential	11,336,382	11,426,342	89,960	2.78%	2.66%	12,838,894	(1,412,552)
Total Small Cap Value	11,336,382	11,426,342	89,960	2.78%	2.66%	12,838,894	(1,412,552)
Total Small/Micro Cap Equities	\$ 22,577,883	\$ 30,397,819	\$ 7,819,936	7.39%	7.22%	\$ 34,688,149	\$ (4,290,330)
Mid Cap Growth							
Morgan Stanley	3,882,212	4,424,723	542,511	1.08%	1.14%	4,956,476	(531,753)
Janus - Enterprise Fund	3,525,879	5,010,640	1,484,761	1.22%	1.14%	5,384,934	(374,294)
Total Mid Cap Growth	7,408,091	9,435,363	2,027,272	2.29%	2.28%	10,341,410	(906,047)
Mid Cap Value							
Fidelity Low Priced Stock Fund	3,259,812	4,914,864	1,655,051	1.20%	1.14%	5,239,964	(325,100)
Royce - Total Return Fund	3,672,720	4,337,267	664,547	1.05%	1.14%	4,798,388	(461,121)
Total Mid Cap Value	6,932,533	9,252,130	2,319,598	2.25%	2.28%	10,038,351	(786,221)
Total Mid Cap Equities	\$ 14,340,624	\$ 18,687,493	\$ 4,346,870	4.54%	4.56%	\$ 20,379,761	\$ (1,692,268)
Large Cap Core							
Vanguard Institutional Index Fund	18,412,139	20,525,895	2,113,756	4.99%	4.94%	22,468,787	(1,942,892)
Total Large Cap Core	18,412,139	20,525,895	2,113,756	4.99%	4.94%	22,468,787	(1,942,892)
Large Cap Growth							
Harbor Capital Appreciation Fund	13,735,045	22,027,087	8,292,042	5.36%	5.32%	25,167,195	(3,140,108)
Janus - Research Fund	15,130,694	21,981,036	6,850,342	5.35%	5.32%	24,479,426	(2,498,390)
Total Large Cap Growth	28,865,739	44,008,123	15,142,383	10.70%	10.64%	49,646,621	(5,638,498)
Large Cap Value							
Dodge & Cox Stock Fund	13,353,825	21,067,196	7,713,371	5.12%	5.32%	23,440,177	(2,372,982)
Boston Partners (Formerly ROBECO)	13,969,190	21,812,671	7,843,481	5.30%	5.32%	24,880,798	(3,068,127)
Total Large Cap Value	27,323,015	42,879,867	15,556,852	10.43%	10.64%	48,320,976	(5,441,109)
Total Large Cap Equities	\$ 74,600,893	\$ 107,413,884	\$ 32,812,991	26.12%	26.22%	\$ 120,436,383	\$ (13,022,499)
International Stock							
American Funds - EuroPacific	16,733,805	21,626,088	4,892,283	5.26%	4.69%	21,826,245	(200,157)
Harbor international	20,661,482	21,288,137	626,655	5.18%	4.69%	20,566,543	721,594
Columbia Management - International Fund	8,043,475	10,582,879	2,539,403	2.57%	2.50%	11,196,474	(613,596)
Janus Overseas (Liquidated Sept. 2015)	-	-	-	0.00%	4.69%	17,083,718	(17,083,718)
Mondrian	17,299,962	18,786,425	1,486,463	4.57%	4.69%	21,110,219	(2,323,794)
Oakmark	19,557,452	21,227,412	1,669,961	5.16%	3.75%	16,061,266	5,166,147
Total International Stock	\$ 82,296,176	\$ 93,510,941	\$ 11,214,765	22.74%	25.00%	\$ 107,844,466	\$ (14,333,525)
Real Estate							
RREEF - Comingled Fund	6,651,482	8,227,645	1,576,163	2.00%	1.80%	7,967,998	259,647
RREEF - America REIT II ²	13,753,926	19,629,880	5,875,955	4.77%	3.50%	18,914,666	715,214
Cornerstone Fund ²	10,851,839	14,414,211	3,562,372	3.51%	3.50%	13,888,006	526,204
625 Kings Court	901,112	864,000	(37,112)	0.21%	0.20%	864,000	-
Total Real Estate	\$ 32,158,358	\$ 43,135,736	\$ 10,977,378	10.49%	9.00%	\$ 41,634,671	\$ 1,501,066
Total Investments ³	\$ 341,976,058	\$ 409,402,634	\$ 67,426,576	99.56%	100.00%	\$ 442,762,820	\$ (33,360,186)
Cash in County Treasury							
	Beg of Year	End of Period					
	\$ 1,398,150	\$ 1,800,246	\$ 402,096	0.44%	0.00%	\$ 1,398,150	\$ 402,096
Total All Available Funds	\$ 343,374,208	\$ 411,202,880	\$ 67,828,672	100.00%	100.00%	444,160,970	(32,958,091)

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