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MENDOCINO COUNTY
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Date: May 6, 2015
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Investment Report

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

As directed by the Audit & Budget committee, the monthly investment report was modified to add back Cost Basis and Unrealized Gain/Loss data. 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 March 31, 2015 the fiscal year change in market value is \$4,681,188. 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
March 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	60,238,782	2,682,413	13.53%	14.00%	57,374,762	2,864,019
Dodge & Cox - Income Fund	58,445,754	60,223,459	1,777,705	13.53%	14.00%	58,101,916	2,121,543
Total Domestic Fixed Income	\$ 116,002,123	\$ 120,462,241	\$ 4,460,117	27.06%	28.00%	\$ 115,476,679	\$ 4,985,562
Small Cap Growth							
Alliance Bernstein - US Small Cap Growth Fund	1,967,850	6,889,062	4,921,212	1.55%	1.52%	6,694,534	194,528
RS Investments - Small Cap Growth Fund Y	2,755,512	5,636,349	2,880,837	1.27%	1.14%	4,732,133	904,216
Total Small Cap Growth	4,723,362	12,525,411	7,802,049			11,426,667	1,098,744
AMG Funds - Micro-Cap Institutional	6,518,139	8,659,924	2,141,784	1.95%	1.90%	8,035,800	624,124
Total Small Cap Growth/Micro Cap	11,241,501	21,185,334	9,943,834	4.76%	4.56%	19,462,467	1,722,868
Small Cap Value							
Prudential	11,336,382	13,072,690	1,736,308	2.94%	2.66%	12,598,958	473,733
Total Small Cap Value	11,336,382	13,072,690	1,736,308	2.94%	2.66%	12,598,958	473,733
Total Small/Micro Cap Equities	\$ 22,577,883	\$ 34,258,025	\$ 11,680,142	7.70%	7.22%	\$ 32,061,425	\$ 2,196,600
Mid Cap Growth							
Morgan Stanley	3,882,212	4,979,809	1,097,597	1.12%	1.14%	4,777,614	202,196
Janus - Enterprise Fund	3,525,879	5,436,319	1,910,440	1.22%	1.14%	4,758,310	678,009
Total Mid Cap Growth	7,408,091	10,416,129	3,008,037	2.34%	2.28%	9,535,924	880,205
Mid Cap Value							
Fidelity Low Priced Stock Fund	3,075,784	5,112,013	2,036,229	1.15%	1.14%	4,894,239	217,774
Royce - Total Return Fund	3,644,897	4,844,327	1,199,430	1.09%	1.14%	4,817,934	26,393
Total Mid Cap Value	6,720,681	9,956,341	3,235,660	2.24%	2.28%	9,712,173	244,167
Total Mid Cap Equities	\$ 14,128,772	\$ 20,372,469	\$ 6,243,697	4.58%	4.56%	\$ 19,248,097	\$ 1,124,372
Large Cap Core							
Vanguard Institutional Index Fund	18,635,341	22,406,626	3,771,284	5.03%	4.94%	23,915,904	(1,509,278)
Total Large Cap Core	18,635,341	22,406,626	3,771,284	5.03%	4.94%	23,915,904	(1,509,278)
Large Cap Growth							
Harbor Capital Appreciation Fund	14,838,653	24,462,276	9,623,622	5.49%	5.32%	23,908,392	553,883
Janus - Research Fund	15,890,771	24,625,330	8,734,559	5.53%	5.32%	24,594,682	30,648
Total Large Cap Growth	30,729,424	49,087,606	18,358,181	11.03%	10.64%	48,503,075	584,531
Large Cap Value							
Dodge & Cox Stock Fund	13,353,825	22,931,032	9,577,207	5.15%	5.32%	23,740,685	(809,653)
Boston Partners (Formerly ROBECO)	14,500,000	24,796,065	10,296,065	5.57%	5.32%	23,467,671	1,328,394
Total Large Cap Value	27,853,825	47,727,097	19,873,272	10.72%	10.64%	47,208,356	518,741
Total Large Cap Equities	\$ 77,218,590	\$ 119,221,328	\$ 42,002,738	26.78%	26.22%	\$ 119,627,334	\$ (406,006)
International Stock							
American Funds - EuroPacific	14,833,805	21,584,020	6,750,215	4.85%	4.69%	21,616,103	(32,083)
Harbor international	17,261,482	20,247,407	2,985,925	4.55%	4.69%	21,451,634	(1,204,227)
Columbia Management - International Fund	7,446,335	11,104,495	3,658,160	2.49%	2.50%	11,776,362	(671,866)
Janus Overseas	19,599,565	15,941,731	(3,657,834)	3.58%	4.69%	19,581,811	(3,640,080)
Mondrian	17,299,962	21,115,757	3,815,795	4.74%	4.69%	22,571,671	(1,455,914)
Oakmark	12,257,452	16,244,226	3,986,774	3.65%	3.75%	16,478,315	(234,090)
Total International Stock	\$ 88,698,601	\$ 106,237,636	\$ 17,539,035	23.86%	25.00%	\$ 113,475,897	\$ (7,238,261)
Real Estate							
RREEF - Comingled Fund	6,651,482	8,943,304	2,291,822	2.01%	1.80%	7,623,257	1,320,048
RREEF - America REIT II ²	13,410,174	18,265,547	4,855,373	4.10%	3.50%	16,484,323	1,781,224
Cornerstone Fund ²	10,585,254	13,479,269	2,894,015	3.03%	3.50%	12,561,621	917,648
625 Kings Court	901,112	864,000	(37,112)	0.19%	0.20%	864,000	-
Total Real Estate	\$ 31,548,022	\$ 41,552,120	\$ 10,004,099	9.33%	9.00%	\$ 37,533,200	\$ 4,018,920
Total Investments ³	\$ 350,173,991	\$ 442,103,819	\$ 91,929,827	99.31%	100.00%	\$ 437,422,631	\$ 4,681,188
Cash in County Treasury	\$ 4,966,310	\$ 3,080,785	\$ (1,885,525)	0.69%	0.00%	\$ 4,966,310	\$ (1,885,525)
Total All Available Funds	\$ 355,140,301	\$ 445,184,604	\$ 90,044,303	100.00%	100.00%		

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.