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MENDOCINO COUNTY
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Date: June 15, 2016
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Investment Report

Preliminary Monthly Investment Report for the month ending April 30, 2016

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 April 30, 2016 the fiscal year change in market value decreased by \$16,423,359 with cash and \$16,270,969 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
April 30, 2016

| | 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 | 59,558,892 | 58,604,224 | (954,668) | 13.70% | 14.00% | 58,685,664 | (81,440) |
| Dodge & Cox - Income Fund | 58,550,068 | 59,417,409 | 867,341 | 13.89% | 14.00% | 59,093,726 | 323,683 |
| Total Domestic Fixed Income | \$ 118,108,961 | \$ 118,021,633 | \$ (87,328) | 27.59% | 28.00% | \$ 117,779,390 | \$ 242,243 |
| Small Cap Growth | | | | | | | |
| Alliance Bernstein - US Small Cap Growth Fund | 2,482,995 | 6,128,858 | 3,645,863 | 1.43% | 1.52% | 7,199,605 | (1,070,747) |
| RS Investments - Small Cap Growth Fund Y | 2,830,684 | 4,666,557 | 1,835,873 | 1.09% | 1.14% | 5,866,230 | (1,199,673) |
| Total Small Cap Growth | 5,313,679 | 10,795,415 | 5,481,736 | | | 13,065,835 | (2,270,420) |
| AMG Funds - Micro-Cap Institutional | 7,391,446 | 7,409,550 | 18,104 | 1.73% | 1.90% | 8,783,420 | (1,373,870) |
| Total Small Cap Growth/Micro Cap | 12,705,125 | 18,204,965 | 5,499,840 | 4.26% | 4.56% | 21,849,255 | (3,644,290) |
| Small Cap Value | | | | | | | |
| Prudential | 15,008,686 | 12,486,711 | (2,521,976) | 2.92% | 2.66% | 12,838,894 | (352,184) |
| Total Small Cap Value | 15,008,686 | 12,486,711 | (2,521,976) | 2.92% | 2.66% | 12,838,894 | (352,184) |
| Total Small/Micro Cap Equities | \$ 27,713,812 | \$ 30,691,676 | \$ 2,977,864 | 7.18% | 7.22% | \$ 34,688,149 | \$ (3,996,473) |
| Mid Cap Growth | | | | | | | |
| Morgan Stanley | 4,413,106 | 4,137,227 | (275,879) | 0.97% | 1.14% | 4,956,476 | (819,249) |
| Janus - Enterprise Fund | 3,729,919 | 5,421,511 | 1,691,592 | 1.27% | 1.14% | 5,384,934 | 36,577 |
| Total Mid Cap Growth | 8,143,026 | 9,558,738 | 1,415,713 | 2.23% | 2.28% | 10,341,410 | (782,672) |
| Mid Cap Value | | | | | | | |
| Fidelity Low Priced Stock Fund | 3,300,069 | 5,028,258 | 1,728,188 | 1.18% | 1.14% | 5,239,964 | (211,706) |
| Royce - Total Return Fund | 4,226,673 | 4,726,447 | 499,774 | 1.10% | 1.14% | 4,798,388 | (71,940) |
| Total Mid Cap Value | 7,526,742 | 9,754,705 | 2,227,963 | 2.28% | 2.28% | 10,038,351 | (283,646) |
| Total Mid Cap Equities | \$ 15,669,768 | \$ 19,313,443 | \$ 3,643,675 | 4.52% | 4.56% | \$ 20,379,761 | \$ (1,066,318) |
| Large Cap Core | | | | | | | |
| Vanguard Institutional Index Fund | 18,660,003 | 22,353,124 | 3,693,122 | 5.23% | 4.94% | 22,468,787 | (115,662) |
| Total Large Cap Core | 18,660,003 | 22,353,124 | 3,693,122 | 5.23% | 4.94% | 22,468,787 | (115,662) |
| Large Cap Growth | | | | | | | |
| Harbor Capital Appreciation Fund | 15,258,385 | 22,348,462 | 7,090,077 | 5.22% | 5.32% | 25,167,195 | (2,818,732) |
| Janus - Research Fund | 17,219,508 | 22,895,423 | 5,675,915 | 5.35% | 5.32% | 24,479,426 | (1,584,003) |
| Total Large Cap Growth | 32,477,893 | 45,243,886 | 12,765,992 | 10.58% | 10.64% | 49,646,621 | (4,402,735) |
| Large Cap Value | | | | | | | |
| Dodge & Cox Stock Fund | 14,521,437 | 22,023,379 | 7,501,942 | 5.15% | 5.32% | 23,440,177 | (1,416,798) |
| Boston Partners (Formerly ROBECO) | 13,969,190 | 23,220,261 | 9,251,070 | 5.43% | 5.32% | 24,880,798 | (1,660,537) |
| Total Large Cap Value | 28,490,627 | 45,243,640 | 16,753,012 | 10.58% | 10.64% | 48,320,976 | (3,077,336) |
| Total Large Cap Equities | \$ 79,628,523 | \$ 112,840,650 | \$ 33,212,126 | 26.38% | 26.22% | \$ 120,436,383 | \$ (7,595,734) |
| International Stock | | | | | | | |
| American Funds - Euro Pacific | 17,473,444 | 22,042,939 | 4,569,494 | 5.15% | 4.69% | 21,826,245 | 216,693 |
| Harbor international | 21,664,411 | 22,461,630 | 797,219 | 5.25% | 4.69% | 20,566,543 | 1,895,087 |
| Columbia Management - International Fund | 8,511,206 | 11,110,135 | 2,598,929 | 2.60% | 2.50% | 11,196,474 | (86,340) |
| Janus Overseas (Liquidated Sept. 2015) | - | - | - | 0.00% | 4.69% | 17,083,718 | (17,083,718) |
| Mondrian | 20,399,962 | 23,135,620 | 2,735,658 | 5.41% | 4.69% | 21,110,219 | 2,025,401 |
| Oakmark | 19,581,963 | 22,153,122 | 2,571,159 | 5.18% | 3.75% | 16,061,266 | 6,091,857 |
| Total International Stock | \$ 87,630,987 | \$ 100,903,446 | \$ 13,272,460 | 23.59% | 25.00% | \$ 107,844,466 | \$ (6,941,020) |
| Real Estate | | | | | | | |
| RREEF - Commingled Fund | 5,871,457 | 7,939,676 | 2,068,219 | 1.86% | 1.80% | 7,967,998 | (28,322) |
| RREEF - America REIT II ² | 14,114,471 | 20,667,370 | 6,552,899 | 4.83% | 3.50% | 18,914,666 | 1,752,704 |
| Cornerstone Fund ² | 11,068,298 | 15,249,958 | 4,181,660 | 3.57% | 3.50% | 13,888,006 | 1,361,951 |
| 625 Kings Court | 901,112 | 864,000 | (37,112) | 0.20% | 0.20% | 864,000 | - |
| Total Real Estate | \$ 31,955,338 | \$ 44,721,004 | \$ 12,765,666 | 10.46% | 9.00% | \$ 41,634,671 | \$ 3,086,333 |
| Total Investments ³ | \$ 360,707,388 | \$ 426,491,852 | \$ 65,784,463 | 99.71% | 100.00% | \$ 442,762,820 | \$ (16,270,969) |
| Cash in County Treasury | | | | | | | |
| | 1,398,150 | 1,245,760 | (152,390) | 0.29% | 0.00% | 1,398,150 | (152,390) |
| Total All Available Funds | \$ 362,105,538 | \$ 427,737,612 | \$ 65,632,073 | 100.00% | 100.00% | 444,160,970 | (16,423,359) |

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.