

James R. Wilbanks, Ph.D.
Retirement Administrator



Telephone: (707) 463-4328
(707) 467-6473
Fax: (707) 467-6472

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

Date: December 2, 2015
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Investment Report

Preliminary Monthly Investment Report for the month ending October 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 October 31, 2015 the fiscal year change in market value decreased by \$9,685,673 with cash and \$10,409,758 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
October 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	58,352,853	796,484	13.43%	14.00%	58,685,664	(332,811)
Dodge & Cox - Income Fund	58,445,754	58,789,567	343,813	13.53%	14.00%	59,093,726	(304,159)
Total Domestic Fixed Income	\$ 116,002,123	\$ 117,142,420	\$ 1,140,297	26.96%	28.00%	\$ 117,779,390	\$ (636,970)
Small Cap Growth							
Alliance Bernstein - US Small Cap Growth Fund	1,967,850	6,431,321	4,463,471	1.48%	1.52%	7,199,605	(768,284)
RS Investments - Small Cap Growth Fund Y	2,755,512	5,330,614	2,575,103	1.23%	1.14%	5,866,230	(535,616)
Total Small Cap Growth	4,723,362	11,761,935	7,038,574			13,065,835	(1,303,900)
AMG Funds - Micro-Cap Institutional	6,518,139	7,799,251	1,281,112	1.80%	1.90%	8,783,420	(984,169)
Total Small Cap Growth/Micro Cap	11,241,501	19,561,186	8,319,685	4.50%	4.56%	21,849,255	(2,288,068)
Small Cap Value							
Prudential	11,336,382	12,311,027	974,644	2.83%	2.66%	12,838,894	(527,868)
Total Small Cap Value	11,336,382	12,311,027	974,644	2.83%	2.66%	12,838,894	(527,868)
Total Small/Micro Cap Equities	\$ 22,577,883	\$ 31,872,213	\$ 9,294,330	7.34%	7.22%	\$ 34,688,149	\$ (2,815,936)
Mid Cap Growth							
Morgan Stanley	3,882,212	4,434,548	552,336	1.02%	1.14%	4,956,476	(521,928)
Janus - Enterprise Fund	3,525,879	5,316,031	1,790,152	1.22%	1.14%	5,384,934	(68,903)
Total Mid Cap Growth	7,408,091	9,750,579	2,342,488	2.24%	2.28%	10,341,410	(590,831)
Mid Cap Value							
Fidelity Low Priced Stock Fund	3,259,812	5,109,922	1,850,110	1.18%	1.14%	5,239,964	(130,041)
Royce - Total Return Fund	3,672,720	4,620,061	947,340	1.06%	1.14%	4,798,388	(178,327)
Total Mid Cap Value	6,932,533	9,729,983	2,797,450	2.24%	2.28%	10,038,351	(308,368)
Total Mid Cap Equities	\$ 14,340,624	\$ 19,480,562	\$ 5,139,938	4.48%	4.56%	\$ 20,379,761	\$ (899,199)
Large Cap Core							
Vanguard Institutional Index Fund	18,412,139	22,257,840	3,845,701	5.12%	4.94%	22,468,787	(210,947)
Total Large Cap Core	18,412,139	22,257,840	3,845,701	5.12%	4.94%	22,468,787	(210,947)
Large Cap Growth							
Harbor Capital Appreciation Fund	13,735,045	23,925,910	10,190,865	5.51%	5.32%	25,167,195	(1,241,285)
Janus - Research Fund	15,130,694	23,797,353	8,666,659	5.48%	5.32%	24,479,426	(682,073)
Total Large Cap Growth	28,865,739	47,723,263	18,857,524	10.98%	10.64%	49,646,621	(1,923,358)
Large Cap Value							
Dodge & Cox Stock Fund	13,353,825	22,734,907	9,381,082	5.23%	5.32%	23,440,177	(705,270)
Boston Partners (Formerly ROBECO)	13,969,190	23,499,628	9,530,437	5.41%	5.32%	24,880,798	(1,381,171)
Total Large Cap Value	27,323,015	46,234,534	18,911,519	10.64%	10.64%	48,320,976	(2,086,441)
Total Large Cap Equities	\$ 74,600,893	\$ 116,215,638	\$ 41,614,744	26.75%	26.22%	\$ 120,436,383	\$ (4,220,746)
International Stock							
American Funds - EuroPacific	16,733,805	22,875,848	6,142,044	5.27%	4.69%	21,826,245	1,049,603
Harbor international	20,661,482	23,080,601	2,419,118	5.31%	4.69%	20,566,543	2,514,058
Columbia Management - International Fund	8,043,475	11,172,902	3,129,427	2.57%	2.50%	11,196,474	(23,572)
Janus Overseas (Liquidated Sept. 2015)	-	-	-	0.00%	4.69%	17,083,718	(17,083,718)
Mondrian	20,399,962	23,478,576	3,078,614	5.40%	4.69%	21,110,219	2,368,357
Oakmark	19,557,452	23,415,805	3,858,354	5.39%	3.75%	16,061,266	7,354,540
Total International Stock	\$ 85,396,176	\$ 104,023,733	\$ 18,627,557	23.94%	25.00%	\$ 107,844,466	\$ (3,820,733)
Real Estate							
RREEF - Comingled Fund	6,651,482	8,710,406	2,058,924	2.00%	1.80%	7,967,998	742,408
RREEF - America REIT II ²	13,753,926	19,629,880	5,875,955	4.52%	3.50%	18,914,666	715,214
Cornerstone Fund ²	10,851,839	14,414,211	3,562,372	3.32%	3.50%	13,888,006	526,204
625 Kings Court	901,112	864,000	(37,112)	0.20%	0.20%	864,000	-
Total Real Estate	\$ 32,158,358	\$ 43,618,497	\$ 11,460,138	10.04%	9.00%	\$ 41,634,671	\$ 1,983,826
Total Investments ³	\$ 345,076,058	\$ 432,353,062	\$ 87,277,004	99.51%	100.00%	\$ 442,762,820	\$ (10,409,758)
Cash in County Treasury	\$ 1,398,150	\$ 2,122,235	\$ 724,085	0.49%	0.00%	\$ 1,398,150	\$ 724,085
Total All Available Funds	\$ 346,474,208	\$ 434,475,297	\$ 88,001,089	100.00%	100.00%	444,160,970	(9,685,673)

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.