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**MENDOCINO COUNTY**  
EMPLOYEES' RETIREMENT ASSOCIATION  
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Date: July 15, 2015  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Investment Report

**Preliminary Monthly Investment Report for the month ending May 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 May 31, 2015 the fiscal year change in market value is \$10,909,911. 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**  
**May 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 <sup>1</sup>
<b>Domestic Fixed Income</b>							
PIMCO - Total Return Institutional	57,556,369	59,351,286	1,794,917	13.18%	14.00%	57,374,762	1,976,524
Dodge & Cox - Income Fund	58,445,754	60,093,105	1,647,351	13.35%	14.00%	58,101,916	1,991,189
<b>Total Domestic Fixed Income</b>	<b>\$ 116,002,123</b>	<b>\$ 119,444,391</b>	<b>\$ 3,442,268</b>	<b>26.53%</b>	<b>28.00%</b>	<b>\$ 115,476,679</b>	<b>\$ 3,967,712</b>
<b>Small Cap Growth</b>							
Alliance Bernstein - US Small Cap Growth Fund	1,967,850	7,048,710	5,080,860	1.57%	1.52%	6,694,534	354,176
RS Investments - Small Cap Growth Fund Y	2,755,512	5,719,942	2,964,430	1.27%	1.14%	4,732,133	987,809
<b>Total Small Cap Growth</b>	<b>4,723,362</b>	<b>12,768,652</b>	<b>8,045,290</b>			<b>11,426,667</b>	<b>1,341,985</b>
AMG Funds - Micro-Cap Institutional	6,518,139	8,580,126	2,061,987	1.91%	1.90%	8,035,800	544,327
<b>Total Small Cap Growth/Micro Cap</b>	<b>11,241,501</b>	<b>21,348,778</b>	<b>10,107,277</b>	<b>4.74%</b>	<b>4.56%</b>	<b>19,462,467</b>	<b>1,886,311</b>
<b>Small Cap Value</b>							
Prudential	11,336,382	12,853,817	1,517,435	2.86%	2.66%	12,598,958	254,860
<b>Total Small Cap Value</b>	<b>11,336,382</b>	<b>12,853,817</b>	<b>1,517,435</b>	<b>2.86%</b>	<b>2.66%</b>	<b>12,598,958</b>	<b>254,860</b>
<b>Total Small/Micro Cap Equities</b>	<b>\$ 22,577,883</b>	<b>\$ 34,202,596</b>	<b>\$ 11,624,712</b>	<b>7.60%</b>	<b>7.22%</b>	<b>\$ 32,061,425</b>	<b>\$ 2,141,171</b>
<b>Mid Cap Growth</b>							
Morgan Stanley	3,882,212	4,966,300	1,084,088	1.10%	1.14%	4,777,614	188,687
Janus - Enterprise Fund	3,525,879	5,470,187	1,944,308	1.22%	1.14%	4,758,310	711,877
<b>Total Mid Cap Growth</b>	<b>7,408,091</b>	<b>10,436,487</b>	<b>3,028,396</b>	<b>2.32%</b>	<b>2.28%</b>	<b>9,535,924</b>	<b>900,564</b>
<b>Mid Cap Value</b>							
Fidelity Low Priced Stock Fund	3,075,784	5,276,949	2,201,165	1.17%	1.14%	4,894,239	382,710
Royce - Total Return Fund	3,644,897	4,831,252	1,186,355	1.07%	1.14%	4,817,934	13,318
<b>Total Mid Cap Value</b>	<b>6,720,681</b>	<b>10,108,201</b>	<b>3,387,520</b>	<b>2.25%</b>	<b>2.28%</b>	<b>9,712,173</b>	<b>396,028</b>
<b>Total Mid Cap Equities</b>	<b>\$ 14,128,772</b>	<b>\$ 20,544,689</b>	<b>\$ 6,415,917</b>	<b>4.56%</b>	<b>4.56%</b>	<b>\$ 19,248,097</b>	<b>\$ 1,296,592</b>
<b>Large Cap Core</b>							
Vanguard Institutional Index Fund	18,635,341	22,910,905	4,275,564	5.09%	4.94%	23,915,904	(1,004,999)
<b>Total Large Cap Core</b>	<b>18,635,341</b>	<b>22,910,905</b>	<b>4,275,564</b>	<b>5.09%</b>	<b>4.94%</b>	<b>23,915,904</b>	<b>(1,004,999)</b>
<b>Large Cap Growth</b>							
Harbor Capital Appreciation Fund	14,838,653	25,135,513	10,296,860	5.58%	5.32%	23,908,392	1,227,121
Janus - Research Fund	15,890,771	24,890,118	8,999,347	5.53%	5.32%	24,594,682	295,436
<b>Total Large Cap Growth</b>	<b>30,729,424</b>	<b>50,025,631</b>	<b>19,296,207</b>	<b>11.11%</b>	<b>10.64%</b>	<b>48,503,075</b>	<b>1,522,557</b>
<b>Large Cap Value</b>							
Dodge & Cox Stock Fund	13,353,825	23,863,599	10,509,775	5.30%	5.32%	23,740,685	122,915
Boston Partners (Formerly ROBECO)	14,500,000	25,428,272	10,928,272	5.65%	5.32%	23,467,671	1,960,601
<b>Total Large Cap Value</b>	<b>27,853,825</b>	<b>49,291,872</b>	<b>21,438,047</b>	<b>10.95%</b>	<b>10.64%</b>	<b>47,208,356</b>	<b>2,083,516</b>
<b>Total Large Cap Equities</b>	<b>\$ 77,218,590</b>	<b>\$ 122,228,408</b>	<b>\$ 45,009,818</b>	<b>27.15%</b>	<b>26.22%</b>	<b>\$ 119,627,334</b>	<b>\$ 2,601,074</b>
<b>International Stock</b>							
American Funds - EuroPacific	14,833,805	22,228,512	7,394,708	4.94%	4.69%	21,616,103	612,409
Harbor international	17,261,482	21,240,275	3,978,792	4.72%	4.69%	21,451,634	(211,359)
Columbia Management - International Fund	7,446,335	11,474,139	4,027,804	2.55%	2.50%	11,776,362	(302,223)
Janus Overseas	19,599,565	17,775,056	(1,824,510)	3.95%	4.69%	19,581,811	(1,806,755)
Mondrian	17,299,962	21,747,138	4,447,176	4.83%	4.69%	22,571,671	(824,533)
Oakmark	12,257,452	16,472,925	4,215,474	3.66%	3.75%	16,478,315	(5,390)
<b>Total International Stock</b>	<b>\$ 88,698,601</b>	<b>\$ 110,938,045</b>	<b>\$ 22,239,444</b>	<b>24.64%</b>	<b>25.00%</b>	<b>\$ 113,475,897</b>	<b>\$ (2,537,851)</b>
<b>Real Estate</b>							
RREEF - Comingled Fund	6,651,482	8,365,597	1,714,115	1.86%	1.80%	7,623,257	742,340
RREEF - America REIT II <sup>2</sup>	13,410,174	18,265,547	4,855,373	4.06%	3.50%	16,484,323	1,781,224
Cornerstone Fund <sup>2</sup>	10,585,254	13,479,269	2,894,015	2.99%	3.50%	12,561,621	917,648
625 Kings Court	901,112	864,000	(37,112)	0.19%	0.20%	864,000	-
<b>Total Real Estate</b>	<b>\$ 31,548,022</b>	<b>\$ 40,974,413</b>	<b>\$ 9,426,391</b>	<b>9.10%</b>	<b>9.00%</b>	<b>\$ 37,533,200</b>	<b>\$ 3,441,213</b>
<b>Total Investments <sup>3</sup></b>	<b>\$ 350,173,991</b>	<b>\$ 448,332,542</b>	<b>\$ 98,158,550</b>	<b>99.60%</b>	<b>100.00%</b>	<b>\$ 437,422,631</b>	<b>\$ 10,909,911</b>
<b>Cash in County Treasury</b>	<b>\$ 4,966,310</b>	<b>\$ 1,823,022</b>	<b>\$ (3,143,288)</b>	<b>0.40%</b>	<b>0.00%</b>	<b>\$ 4,966,310</b>	<b>\$ (3,143,288)</b>
<b>Total All Available Funds</b>	<b>\$ 355,140,301</b>	<b>\$ 450,155,564</b>	<b>\$ 95,015,263</b>	<b>100.00%</b>	<b>100.00%</b>		

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.