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MENDOCINO COUNTY
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Date: May 18, 2016
To: Board of Retirement
From: Stan Conwell, Financial & Investment Officer
Subject: Monthly Investment Report

Preliminary Monthly Investment Report for the month ending March 31, 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 March 31, 2016 the fiscal year change in market value decreased by \$20,675,168 with cash and \$20,187,323 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
March 31, 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	58,489,314	(1,069,578)	13.81%	14.00%	58,685,664	(196,350)
Dodge & Cox - Income Fund	58,550,068	58,633,883	83,814	13.85%	14.00%	59,093,726	(459,843)
Total Domestic Fixed Income	\$ 118,108,961	\$ 117,123,197	\$ (985,764)	27.66%	28.00%	\$ 117,779,390	\$ (656,193)
Small Cap Growth							
Alliance Bernstein - US Small Cap Growth Fund	2,482,995	5,980,956	3,497,961	1.41%	1.52%	7,199,605	(1,218,649)
RS Investments - Small Cap Growth Fund Y	2,830,684	4,617,088	1,786,404	1.09%	1.14%	5,866,230	(1,249,142)
Total Small Cap Growth	5,313,679	10,598,045	5,284,366			13,065,835	(2,467,790)
AMG Funds - Micro-Cap Institutional	7,391,446	7,233,846	(157,600)	1.71%	1.90%	8,783,420	(1,549,573)
Total Small Cap Growth/Micro Cap	12,705,125	17,831,891	5,126,766	4.21%	4.56%	21,849,255	(4,017,364)
Small Cap Value							
Prudential	15,008,686	12,104,832	(2,903,854)	2.86%	2.66%	12,838,894	(734,062)
Total Small Cap Value	15,008,686	12,104,832	(2,903,854)	2.86%	2.66%	12,838,894	(734,062)
Total Small/Micro Cap Equities	\$ 27,713,812	\$ 29,936,723	\$ 2,222,911	7.07%	7.22%	\$ 34,688,149	\$ (4,751,426)
Mid Cap Growth							
Morgan Stanley	4,413,106	4,124,728	(288,378)	0.97%	1.14%	4,956,476	(831,748)
Janus - Enterprise Fund	3,729,919	5,400,851	1,670,932	1.28%	1.14%	5,384,934	15,916
Total Mid Cap Growth	8,143,026	9,525,579	1,382,553	2.25%	2.28%	10,341,410	(815,831)
Mid Cap Value							
Fidelity Low Priced Stock Fund	3,300,069	5,043,948	1,743,879	1.19%	1.14%	5,239,964	(196,016)
Royce - Total Return Fund	4,226,673	4,651,245	424,572	1.10%	1.14%	4,798,388	(147,142)
Total Mid Cap Value	7,526,742	9,695,193	2,168,451	2.29%	2.28%	10,038,351	(343,158)
Total Mid Cap Equities	\$ 15,669,768	\$ 19,220,772	\$ 3,551,004	4.54%	4.56%	\$ 20,379,761	\$ (1,158,989)
Large Cap Core							
Vanguard Institutional Index Fund	18,660,003	22,266,714	3,606,711	5.26%	4.94%	22,468,787	(202,073)
Total Large Cap Core	18,660,003	22,266,714	3,606,711	5.26%	4.94%	22,468,787	(202,073)
Large Cap Growth							
Harbor Capital Appreciation Fund	15,258,385	22,501,159	7,242,773	5.31%	5.32%	25,167,195	(2,666,036)
Janus - Research Fund	17,219,508	22,923,661	5,704,153	5.41%	5.32%	24,479,426	(1,555,765)
Total Large Cap Growth	32,477,893	45,424,820	12,946,927	10.73%	10.64%	49,646,621	(4,221,801)
Large Cap Value							
Dodge & Cox Stock Fund	14,521,437	21,566,417	7,044,980	5.09%	5.32%	23,440,177	(1,873,761)
Boston Partners (Formerly ROBECO)	13,969,190	22,755,844	8,786,654	5.37%	5.32%	24,880,798	(2,124,954)
Total Large Cap Value	28,490,627	44,322,261	15,831,634	10.47%	10.64%	48,320,976	(3,998,714)
Total Large Cap Equities	\$ 79,628,523	\$ 112,013,795	\$ 32,385,272	26.45%	26.22%	\$ 120,436,383	\$ (8,422,588)
International Stock							
American Funds - Euro Pacific	17,473,444	21,753,029	4,279,585	5.14%	4.69%	21,826,245	(73,216)
Harbor international	21,664,411	22,008,418	344,007	5.20%	4.69%	20,566,543	1,441,875
Columbia Management - International Fund	8,511,206	11,054,122	2,542,916	2.61%	2.50%	11,196,474	(142,352)
Janus Overseas (Liquidated Sept. 2015)	-	-	-	0.00%	4.69%	17,083,718	(17,083,718)
Mondrian	20,399,962	22,759,683	2,359,721	5.37%	4.69%	21,110,219	1,649,464
Oakmark	19,581,963	21,690,761	2,108,798	5.12%	3.75%	16,061,266	5,629,496
Total International Stock	\$ 87,630,987	\$ 99,266,014	\$ 11,635,027	23.44%	25.00%	\$ 107,844,466	\$ (8,578,452)
Real Estate							
RREEF - Commingled Fund	5,871,457	8,233,668	2,362,211	1.94%	1.80%	7,967,998	265,670
RREEF - America REIT II ²	14,114,471	20,667,370	6,552,899	4.88%	3.50%	18,914,666	1,752,704
Cornerstone Fund ²	11,068,298	15,249,958	4,181,660	3.60%	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	\$ 45,014,996	\$ 13,059,658	10.63%	9.00%	\$ 41,634,671	\$ 3,380,326
Total Investments ³	\$ 360,707,388	\$ 422,575,497	\$ 61,868,109	99.79%	100.00%	\$ 442,762,820	\$ (20,187,323)
Cash in County Treasury							
	Beg of Year	End of Period					
	\$ 1,398,150	\$ 910,305	\$ (487,845)	0.21%	0.00%	\$ 1,398,150	\$ (487,845)
Total All Available Funds	\$ 362,105,538	\$ 423,485,802	\$ 61,380,264	100.00%	100.00%	444,160,970	(20,675,168)

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.