

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT PERFORMANCE REPORT

THIRD QUARTER 2015



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- The “will they / won’t they” debate on Fed policy wrangled on and kept volatility high in the third quarter. At the September meeting, the Fed language turned to conditions abroad as a reason for standing pat. In the U.S., continued worries of emerging markets’ fragility led to losses across style and market capitalization indices. The S&P500 fell 6.4% while small capitalization stocks were hit the hardest, losing 11.9% in Q3.
- The spike in volatility during last quarter sparked a chain of events that led to rapidly rising EM “blow up” risk, including “hot money” outflows, falling commodity prices, and precipitous currency depreciation. Investors went through a significant derisking process, driving emerging market indices deep in the red, with the overall EM index losing 17.9% led by EM Latin America which declined 24.3%.
- The U.S. dollar lost ground against both the Euro and the Yen in the third quarter thanks to continued accommodative policy by both the ECB and the BoJ.
- All U.S. A-rated corporate bond bonds rose during the third quarter; the lower-rated BAA corporate bonds declined 0.7%.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing the buying and selling patterns of the institutional investors. The Global ICI rose to 116.6 in September, up 7.2 points from August’s reading of 109.4. The improvement in sentiment was driven by an increase in the North American ICI from 120.6 to 133.2. Confidence among Asian investors rose by 5.4 points to 97.8, while in Europe the ICI also increased to 95.7, up 2.2 points.
- For the period ending 9/30/15, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 2.0% and 3.1%; one year, 9.9% and 13.0%; three years, 9.6% and 11.6%; and five years, 12.0% and 12.7%.
- In the US, while the world equity markets experienced volatility due to slowing growth in China and falling commodity prices, REITs posted a gain for the period. Investors appeared to favor REITs due to their domestic focus and encouraging economic news. Providing support, 90% of REITs met or exceeded the market’s high expectations for second quarter earnings.
- Europe outperformed North America and Asia Pacific with the UK exhibiting healthy economic growth. Asian real estate markets were heavily influenced by growth concerns in China; Hong Kong was down 17.3% and Singapore was down 14.4%.

MARKET SUMMARY

Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	-6.4	-0.6	12.4
Dow Jones Industrial Average	-7.0	-2.1	9.3
NASDAQ	-7.4	2.8	14.0
Russell 1000	-6.8	-0.6	12.7
Russell 2000	-11.9	1.2	11.0
Russell 3000	-7.2	-0.5	12.5
MSCI EAFE (Net)	-10.2	-8.7	5.6
MSCI Emerging Markets (Net)	-17.9	-19.3	-5.3
MSCI All Country World ex US (Net)	-12.2	-12.2	2.3

Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	1.2	2.9	1.7
Barclays Capital Gov/Credit	1.2	2.7	1.6
Barclays Capital Universal	0.7	2.3	1.9
Barclays Capital Corp. High Yield	-4.9	-3.4	3.5
CG Non-US World Govt.	1.7	-7.0	-4.6

Non-Public Markets

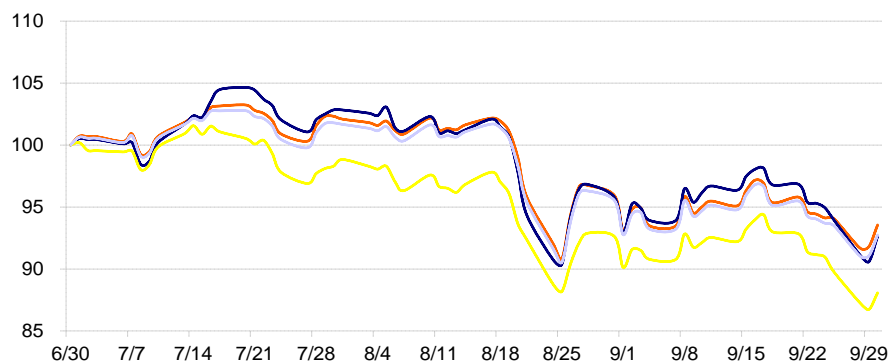
lagged quarterly

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	3.1	13.0	11.6
State Street Private Equity Index	4.2	7.3	13.4

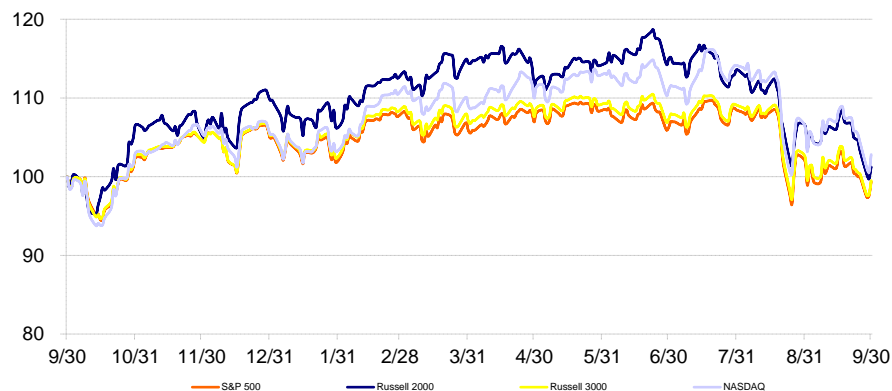
U.S. Equity Market

- US markets remained stuck between the proverbial rock and a hard place in the third quarter. If growth picked up, then Fed hawks and strengthening U.S. dollar would have swept away the upside; if growth remained tepid, then corporate earnings would have needed to adjust lower. Additionally, concerns of a “blow up” in emerging markets and the potential negative feedback loop weighed on investors, causing a flight to safety.
- Even though all indices lost ground in the turbulent third quarter, small capitalization stocks were hit particularly hard.

Equity Index – Quarterly Growth Rate



Equity Index – 1-Year Growth Rate

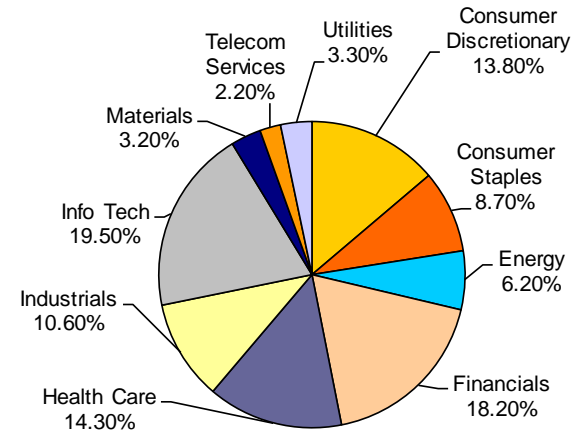


U.S. MARKETS

U.S. Equity – Russell 3000

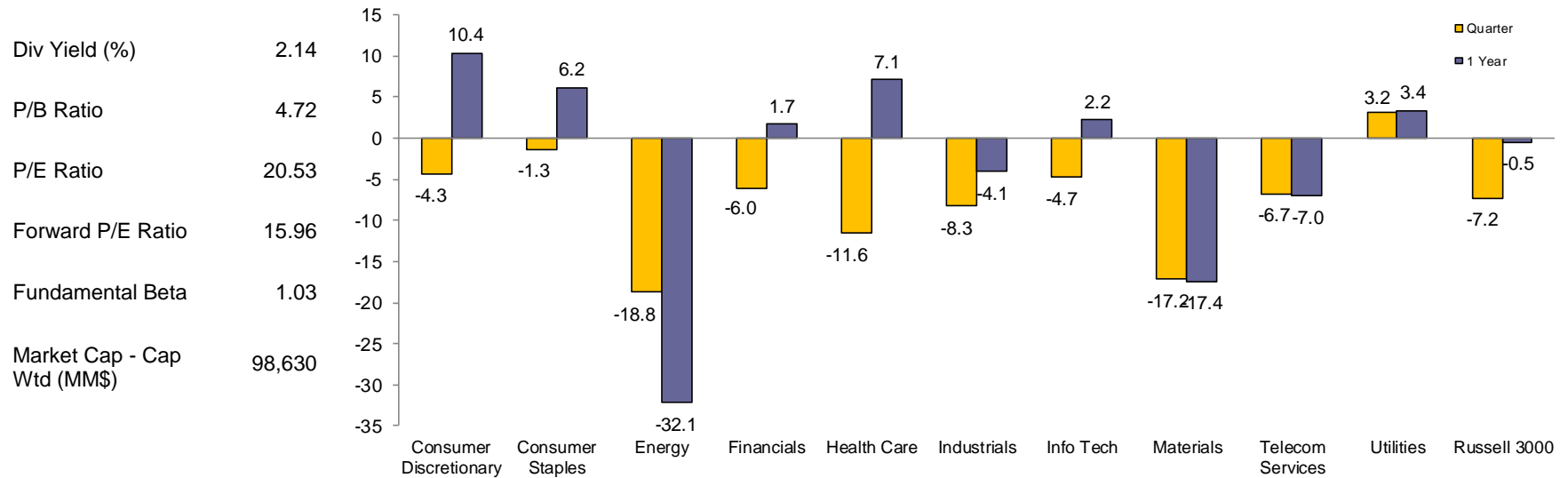
- Driven by lower global demand and continued concerns of slower growth, energy and materials were the biggest losers in the third quarter, dropping 18.8% and 17.2% respectively.
- Utilities were the only sector in positive territory, returning 3.2%.
- Overall, the Russell 3000 declined 7.2% in the third quarter, erasing all gains year-to-date.

Ending Sector Weights



Characteristics

Sector Returns (%)



Contribution to Return:

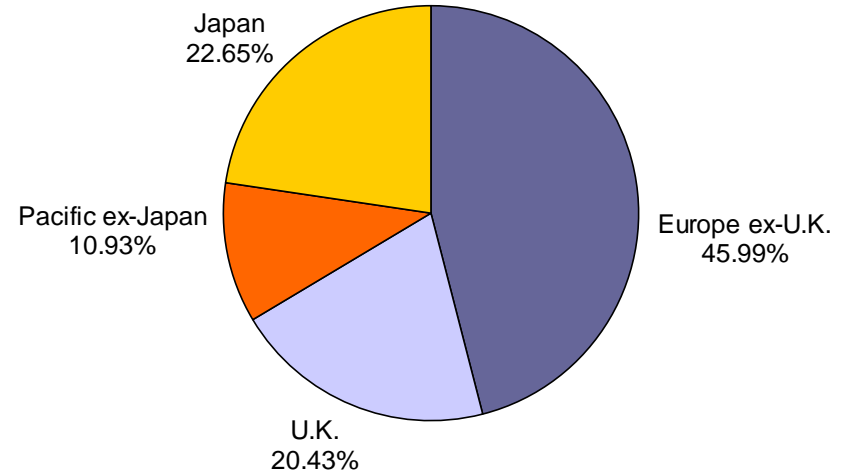
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Russell 3000
Qtr	-0.6	-0.1	-1.3	-1.1	-1.7	-0.9	-0.9	-0.6	-0.1	0.1	-7.2
1 Year	1.3	0.5	-2.8	0.3	1.0	-0.5	0.4	-0.7	-0.2	0.1	-0.5

NON-U.S. MARKETS

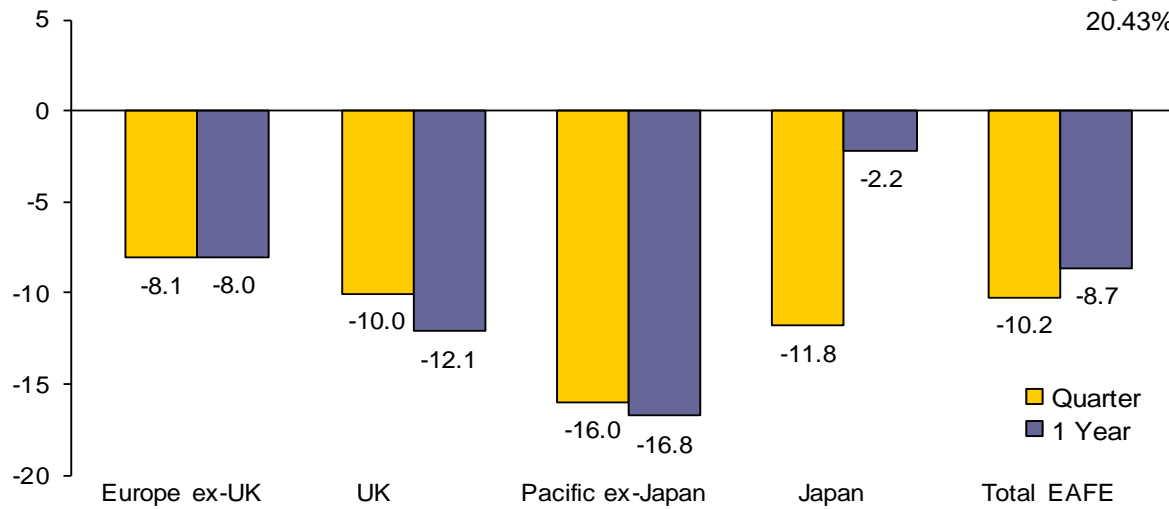
Developed Equity – MSCI EAFE (Net)

- Developed markets were unable to decouple from poor emerging market trends, with Asia Pacific ex-Japan losing the most, down 16% in the third quarter.
- Amid continued easing in credit conditions and improvement in a range of economic indicators, the Eurozone fared the best last quarter, with the Eurozone ex-UK declining 8.1% and the UK declining 10%.
- Overall, the MSCI EAFE Net Return index declined 10.2%.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

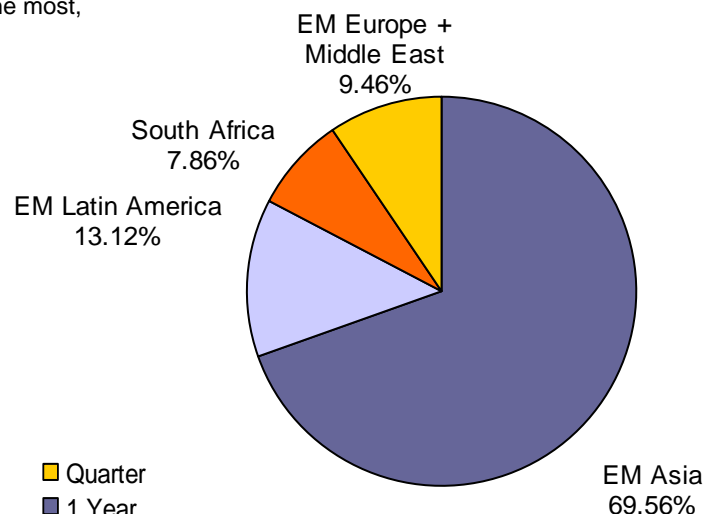
Qtr	-3.7	-2.0	-1.7	-2.7	-10.2
1 Yr	-3.7	-2.5	-1.8	-0.5	-8.7

NON-U.S. MARKETS

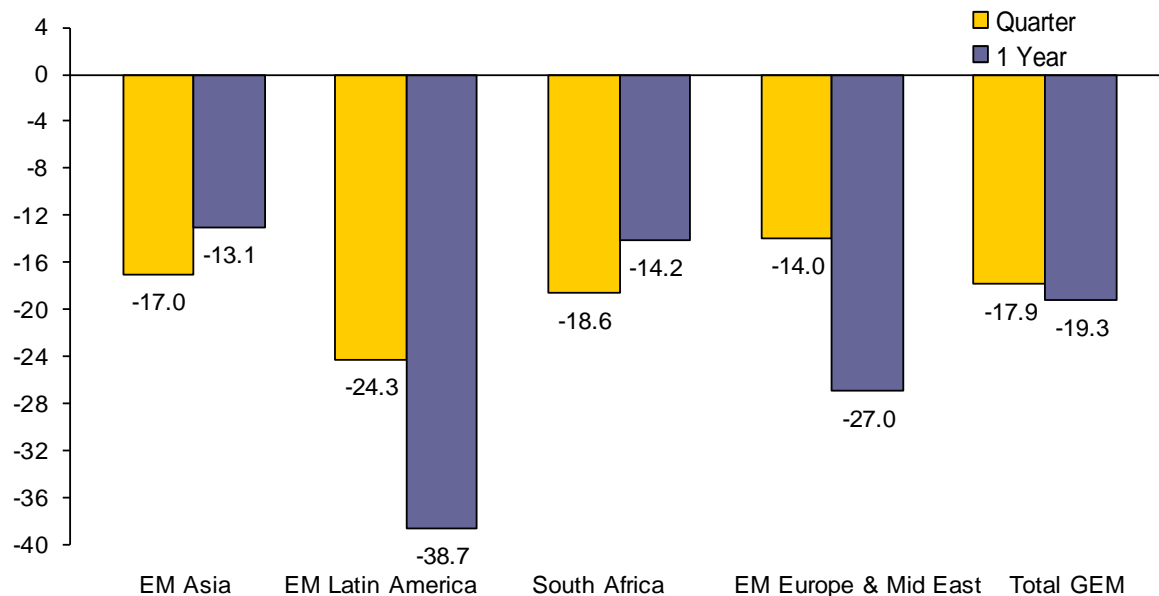
Emerging Markets Equity – MSCI EM (Net)

- Following the carnage of last quarter, bearishness on emerging markets appears fully consensus. In-line with commodity price declines down to '08 lows, commodities-heavy EM Latin America suffered the most, losing 24.3% in the third quarter.
- EM Europe and Middle East outperformed, declining only 14% in Q3.
- Overall, the MSCI EM index lost 17.9% in the third quarter.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

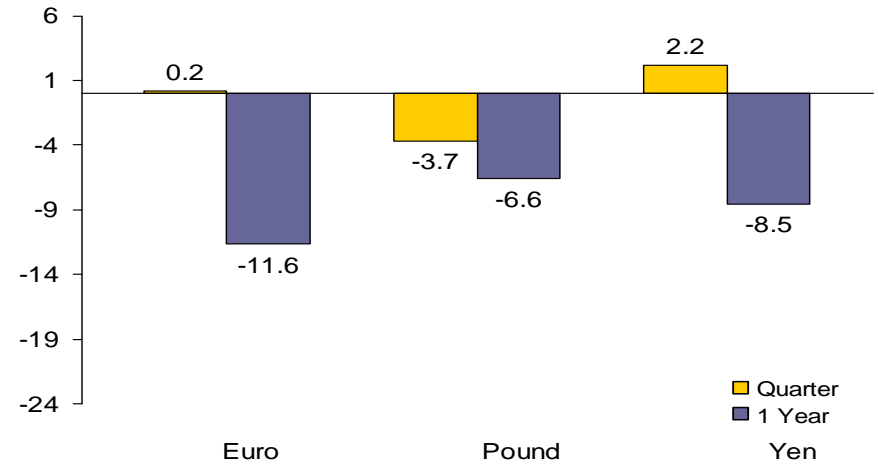
	EM Asia	EM Latin America	South Africa	EM Europe & Mid East	Total GEM
Qtr	-11.8	-3.2	-1.5	-1.3	-17.9
1 Yr	-9.1	-5.1	-1.1	-2.6	-19.3

CURRENCY AND BOND MARKETS

Currency Markets

- With the Fed indicating a more benign tightening path than previously anticipated, the euro preserved the gains from Q2 versus the US Dollar, gaining additional 0.2% in Q3.
- Expectations for additional monetary easing from the BoJ as early as October helped the JPY, which rose 2.2% vs. the U.S. dollar last quarter.

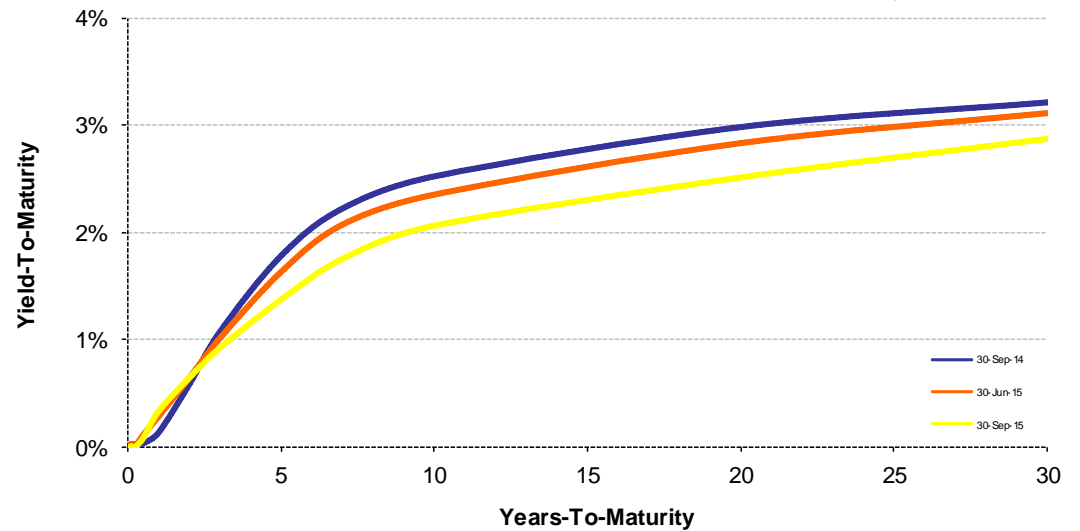
Currency Returns (%)



Yield Curve

- The Treasury yield curve shifted lower last quarter, driven by declines in all maturities except the 1-year and 2-year.
- 10-year yields declined 29bps during the third quarter, while 30-year yields declined by 24bps.
- In contrast, the yields on the 1-year bonds rose by 5 basis points while the 2-year yields remained unchanged.

INTEREST RATE TERM STRUCTURE
Government Issues - 3 Months to 30 Years Maturity

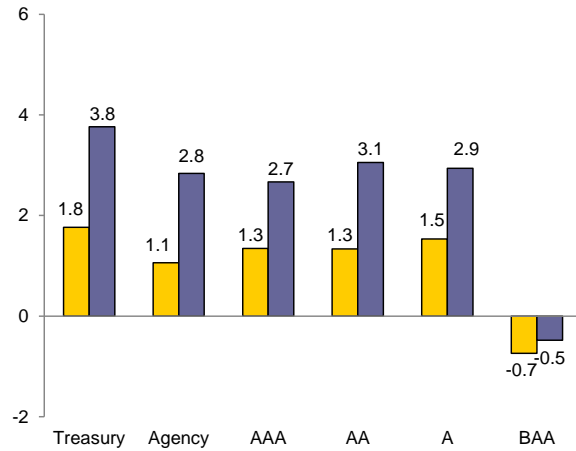


BOND MARKETS

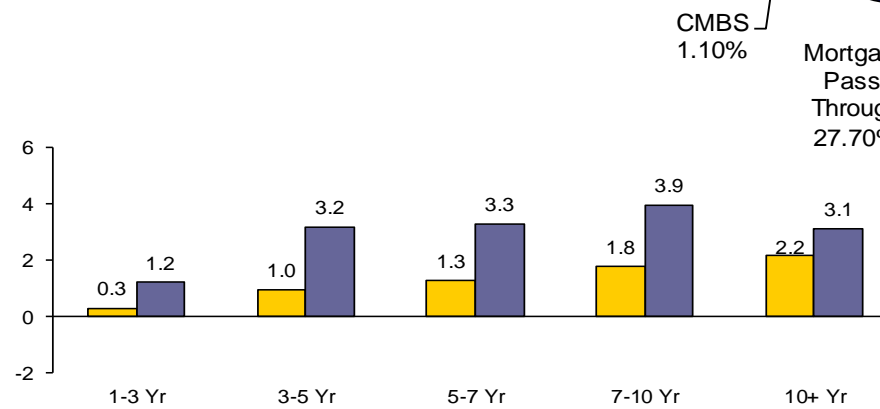
U.S. Bond Market Returns – Barclays Capital Aggregate

- The U.S. Treasuries reversed their second-quarter losses with the aggregate total return index rising 1.8% in the third quarter.
- Longer-duration US Government bonds led the gains and bonds with durations over 10 years rose 2.2%.
- All corporate debt rose in the third quarter, with the exception of lower-rated corporate bonds (BAA) which dropped 0.7%.

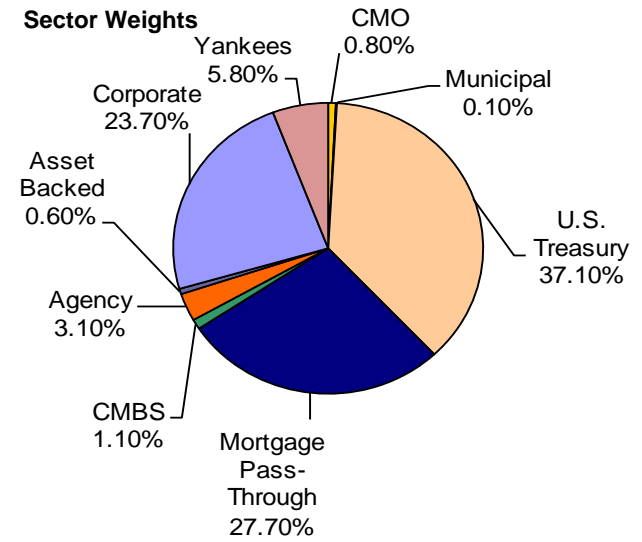
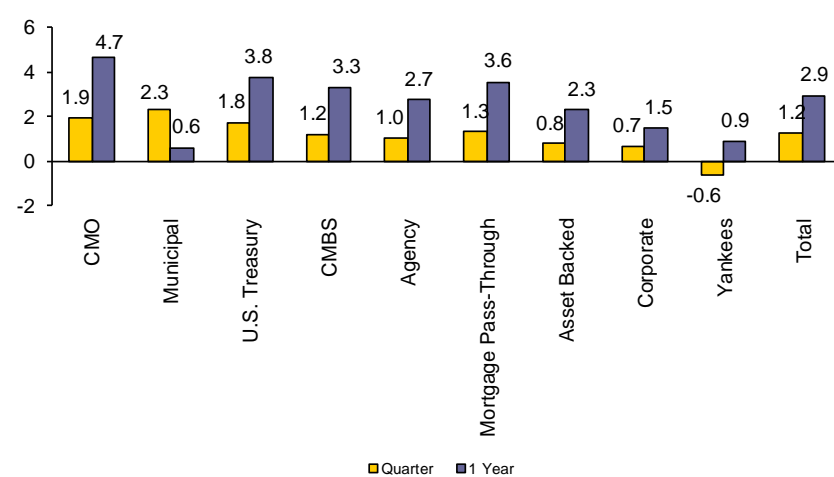
Quality Performance (%)



Duration Performance (%)



Sector Performance (%)



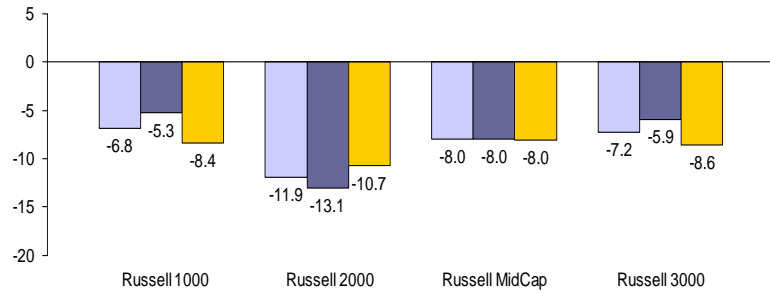
■ Quarter ■ 1 Year

STYLE & CAPITALIZATION

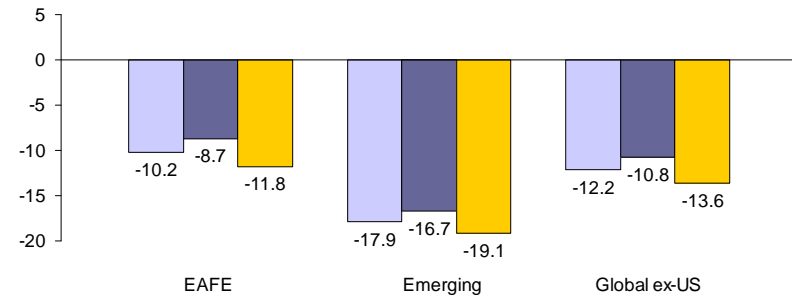
Style & Capitalization Returns

- Small cap equities declined the most in the U.S. as the Russell 2000 index lost ground across investment styles in the third quarter.
- Emerging markets were the worst performer across styles in the third quarter, although Global ex-US Value has lost the most year-to-date.

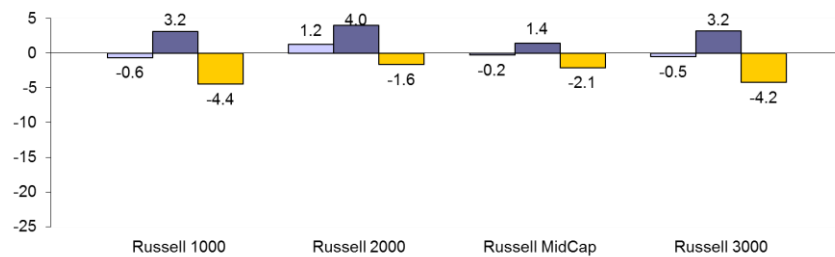
Russell US Style Returns (%) – Quarter



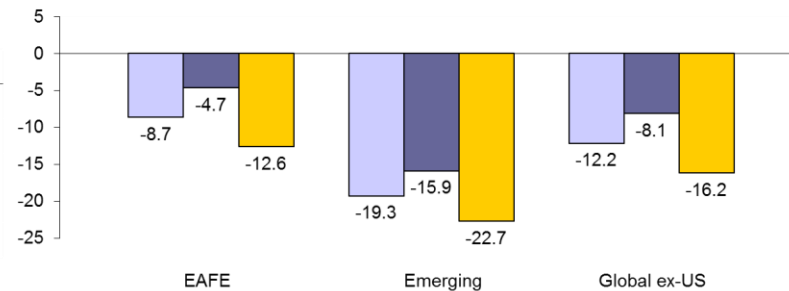
MSCI Non-US Style Returns (%) – Quarter



Russell US Style Returns (%) – 1 Year



MSCI Non-US Style Returns (%) – 1 Year



□ Neutral ■ Growth ■ Value

- The composite fund returned -5.0% in the third quarter of 2015 and ranked in the 37th percentile among other \$250mm-\$1B public funds (-5.3% median). The fund matched its policy index (-5.0%) during this time period. Longer term, the three- and five-year returns of 7.5% and 7.8%, ranked above the median among its peer public plans (7.1% and 7.8%, respectively).

- Third quarter results were enhanced by the following factors:
 1. The DFA Small Cap portfolio depreciated, -9.3% and was ahead of the Russell 2000 Index, -11.9%. It ranked in the 33rd percentile among other small cap managers (median of -10.4%). Performance attribution was derived from its security selection in the Healthcare and Industrials sectors.
 2. The Mellon Dynamic US Equity Fund surpassed its benchmark, the S&P 500 Index (-6.3% vs. -6.4%), and ranked in the 38th percentile among large cap core managers. It was helped by its extended exposure to the long Treasury bond.
 3. The Mellon Large Growth Index Fund returned -5.3% for the quarter. The Fund matched the Russell 1000 Growth Index and ranked above the large cap growth manager median (-6.0%).
 4. The Mellon Large Value Index Fund (-8.3%) edged out the Russell 1000 Value Index return (-8.4%) and was just behind its median large cap value manager return of -8.2%.
 5. PanAgora was in front of the Russell 2000 Index (-10.4% vs. -11.9%) and ranked in the second quartile among small cap managers (-10.4% median). Select investments in the Industrial sector and positive intra-quarter trading were additive.
 6. Copper Rock out-performed the MSCI World ex US Small Cap Index (-7.7% vs. -8.0%) and ranked in the third quartile among EAFE small cap equity managers (median of -6.2%). Stock selection in the Consumer Discretionary, Financials, and Healthcare sectors delivered positive relative returns. Top contributors were Fastighets Balder, Stroer Media, Ion Beam Applications, Optimal Payments and PATRIZIA Immobilien.
 7. The Wells Capital portfolio returned -16.8%, ranking in the 60th percentile among emerging market managers (-16.3% median). The MSCI Emerging Markets Index was down, -17.8%. Its largest relative detractors for the quarter were Standard Chartered (UK), Rumo Logistica Operadora Multimodal (Brazil), Loja Americanas (Brazil), WH Group (China) and Tsingtao Brewery (China). Over three years, Wells fell behind its benchmark (-5.0% vs. -4.9%).

8. Barrow Hanley's quarterly return led the Barclays Aggregate Index (1.4% vs 1.2%), and ranked in the top quartile among core bond managers, with a median return of 1.1%. The portfolio's overweight to MBS aided results. BH was up 1.8% for three years while its custom benchmark was up 1.6%.
 9. Guggenheim Loan beat its benchmark, the Credit Suisse Leveraged Loan Index (0.0% vs. -1.2%). Guggenheim ranked in the top quartile among float-rate bank loans (median of -0.8%).
 10. Titan led the HFRI FoF Composite Index (-3.2% vs. -3.7%) and ranked in the second quartile among all fund of funds multi-strategy hedge funds (-3.3% median).
 11. The Private Equity Composite carried a quarterly time-weighted rate of return (one-quarter lagged) of 3.7% while its benchmark, the Russell 3000 +3% Index 1Q Lag, appreciated 0.3%. Adams Street appreciated the most, at 6.3%. Pantheon Secondary and Raven II carried quarterly returns of 1.9% and 1.5%, respectively.
- Third quarter results were hindered by the following factors:
 1. EARNEST Partners (-13.3%) was below par with the MSCI ACWI ex-US (-12.1%) and ranked in the 91st percentile among ACWI ex-US Core equity managers (median of -10.9%). The portfolio was negatively impacted by its overweight to emerging markets. Over three years, EARNEST was surpassed by its custom benchmark (3.0% vs. 4.4%).
 2. GMO's return of -12.4% under-performed the MSCI EAFE Index return of -10.2%. It placed below the median among EAFE core equity managers (-9.0%). It carried a negative attribution with its emerging markets exposure, Japanese underweight and stock selection in France and Germany. Three-year results lagged its benchmark (5.6% vs. 6.1%).
 3. The AXA -5.0% return was behind the BofA ML US High Yield Master II Index, -4.9%, and ranked in the third quartile among high yield managers, median return of -4.0%. The portfolio's macro positioning throughout the risk spectrum within the high yield market (overweight to highest yielding portion of the market) was detractive. Three year returns fared better than its benchmark (4.4% vs. 3.5%).
 4. OZ Domestic II was behind the HFRI RV Multi-Strategy Index (-5.6% vs. -2.3%) and ranked in the third quartile among all multi-strategy hedge funds (-2.6% median).

5. The Real Estate Composite added 3.0%, while its custom benchmark appreciated 3.4%. BlackRock RE matched the FTSE NAREIT Developed Index ex US (-5.3%). Greenfield Gap VII and UBS Trumbull Property returned 9.5% and 3.4%, respectively, compared to the NCREIF ODCE net Index, 3.4%.

6. Combined, the Infrastructure Composite was down, -5.2%, for the quarter while CPI-U Headline +5% Index was up, 1.1%. KKR Global II and North Haven II returned 6.5% and -6.9%, respectively. The Natural Resources strategy was funded in September. Taurus Mining will be pegged to the CPI-U Headline +5% Index.

Merced County Employees' Retirement Association

Performance Summary

Periods Ending September 30, 2015

	Market Value	3 Mo	Rank	Calendar		1 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
				YTD	Rank												
Total Fund *	633,058,385	-5.0	37	-2.3	21	-0.6	40	7.5	39	7.8	44	6.7	65	5.1	77	8.0	Dec-94
<i>Policy Index¹</i>		<i>-5.0</i>	<i>34</i>	<i>-1.9</i>	<i>15</i>	<i>-0.5</i>	<i>38</i>	<i>7.3</i>	<i>44</i>	<i>8.2</i>	<i>29</i>	<i>7.1</i>	<i>47</i>	<i>5.5</i>	<i>43</i>	<i>5.5</i>	
<i>InvestorForce Public DB \$250mm-\$1B Gross Median</i>		<i>-5.3</i>		<i>-2.9</i>		<i>-0.8</i>		<i>7.1</i>		<i>7.8</i>		<i>6.9</i>		<i>5.4</i>		<i>8.1</i>	
US Equity	195,242,345	-7.2	33	-5.9	75	0.6	31	13.9	10	13.3	37	10.1	41	6.9	52	9.2	Dec-94
<i>US Equity Custom Index¹</i>		<i>-7.9</i>	<i>63</i>	<i>-5.7</i>	<i>69</i>	<i>-0.2</i>	<i>52</i>	<i>12.3</i>	<i>64</i>	<i>13.1</i>	<i>49</i>	<i>9.8</i>	<i>57</i>	<i>6.8</i>	<i>54</i>	<i>9.3</i>	
<i>InvestorForce All DB US Eq Gross Median</i>		<i>-7.6</i>		<i>-5.3</i>		<i>-0.1</i>		<i>12.5</i>		<i>13.1</i>		<i>10.0</i>		<i>6.9</i>		<i>9.4</i>	
Large Cap Core																	
Mellon Dynamic	62,213,341	-6.3	38	-7.0	80	0.3	44									17.3	Dec-12
Mellon Dynamic - net		-6.4		-7.0		0.2										17.0	
<i>S&P 500 Index</i>		<i>-6.4</i>	<i>42</i>	<i>-5.3</i>	<i>56</i>	<i>-0.6</i>	<i>57</i>									13.8	
<i>eA US Large Cap Core Equity Gross Median</i>		<i>-6.9</i>		<i>-4.9</i>		<i>-0.1</i>										14.0	
Large Cap Growth																	
Mellon Large Growth	49,357,278	-5.3	32	-1.5	47	3.2	52	13.6	51	14.5	41	11.8	39	8.1	49	9.5	Mar-03
Mellon Large Growth - net		-5.3		-1.5		3.2		13.6		14.5		11.7		8.0		9.4	
<i>Russell 1000 Growth Index</i>		<i>-5.3</i>	<i>32</i>	<i>-1.5</i>	<i>49</i>	<i>3.2</i>	<i>52</i>	<i>13.6</i>	<i>53</i>	<i>14.5</i>	<i>42</i>	<i>11.7</i>	<i>40</i>	<i>8.1</i>	<i>50</i>	<i>9.5</i>	
<i>eA US Large Cap Growth Equity Gross Median</i>		<i>-6.0</i>		<i>-1.7</i>		<i>3.2</i>		<i>13.7</i>		<i>14.0</i>		<i>11.2</i>		<i>8.0</i>		<i>10.0</i>	
Large Cap Value																	
Mellon Large Value	46,716,350	-8.3	51	-8.9	68	-4.3	61	11.6	60	12.4	51	8.3	73	5.8	80	9.0	Mar-03
Mellon Large Value - net		-8.3		-8.9		-4.4		11.6		12.3		8.2		5.7		9.0	
<i>Russell 1000 Value Index</i>		<i>-8.4</i>	<i>52</i>	<i>-9.0</i>	<i>70</i>	<i>-4.4</i>	<i>61</i>	<i>11.6</i>	<i>60</i>	<i>12.3</i>	<i>53</i>	<i>8.2</i>	<i>74</i>	<i>5.7</i>	<i>81</i>	<i>9.0</i>	
<i>eA US Large Cap Value Equity Gross Median</i>		<i>-8.2</i>		<i>-7.5</i>		<i>-3.5</i>		<i>12.1</i>		<i>12.4</i>		<i>9.2</i>		<i>6.9</i>		<i>9.9</i>	

* Managers are ranked against the eVestment Alliance (eA) style universes. Asset class composites are ranked against the InvestorForce universes.

** Since inception returns are based on the first full quarter of performance.

*** Since inception date denotes last day of the month.

¹ See Appendix for Benchmark History.

Merced County Employees' Retirement Association

Performance Summary

Periods Ending September 30, 2015

	Market Value	3 Mo	Rank	Calendar		1 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
				YTD	Rank												
Small Cap																	
DFA Small Cap	18,560,328	-9.3	33	-5.1	42	4.0	36									-2.3	Jun-14
DFA Small Cap - net		-9.4		-5.3		3.6										-2.5	
<i>Russell 2000</i>		-11.9	70	-7.7	71	1.2	57									-5.0	
<i>eA US Small Cap Equity Gross Median</i>		-10.4		-5.7		2.3										-3.5	
PanAgora	18,395,047	-10.4	49	-6.9	64	4.3	32									6.4	Sep-13
PanAgora - net		-10.5		-7.3		3.7										5.7	
<i>Russell 2000</i>		-11.9	70	-7.7	71	1.2	57									2.6	
<i>eA US Small Cap Equity Gross Median</i>		-10.4		-5.7		2.3										4.1	
International Equity																	
International Equity Custom Index ¹	136,347,821	-12.6	74	-7.7	66	-11.2	69	4.0	53	3.7	45	4.7	32	4.0	34	4.8	Dec-98
<i>InvestorForce All DB ex-US Eq Gross Median</i>		-12.1	63	-8.3	74	-11.8	75	3.6	60	2.9	62	3.2	69	2.7	70	3.4	
<i>InvestorForce All DB ex-US Eq Gross Median</i>		-11.6		-6.9		-9.9		4.1		3.5		4.1		3.5		4.8	
Copper Rock	24,819,966	-7.7	68	4.5	47	5.4	26									7.4	Sep-13
Copper Rock - net		-7.9		3.9		4.5										6.6	
<i>MSCI World ex USA Small Cap</i>		-8.0	76	0.0	91	-3.4	90									0.1	
<i>eA EAFE Small Cap Equity Gross Median</i>		-6.2		4.3		2.6										3.9	
EARNEST Partners	37,632,750	-13.3	91	-10.9	97	-13.4	96	3.0	81	2.8	86	5.7	40			2.2	Jun-08
EARNEST Partners - net		-13.4		-11.4		-14.0		2.3		2.1		5.0				1.5	
<i>Earnest Custom Index¹</i>		-12.1	68	-8.3	81	-11.8	85	4.4	64	3.5	73	3.5	92			0.2	
<i>eA ACWI ex-US Core Equity Gross Median</i>		-10.9		-5.6		-8.0		5.4		4.6		5.6				1.9	

Merced County Employees' Retirement Association

Performance Summary

Periods Ending September 30, 2015

	Market Value	3 Mo	Rank	Calendar YTD	Rank	1 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
Hedge Fund Composite****	28,596,681	-4.5	84	-1.0	58	1.9	22									1.7	Jun-14
<i>Hedge Fund Custom Index¹</i>		<i>-3.0</i>	<i>56</i>	<i>-0.3</i>	<i>44</i>	<i>0.6</i>	<i>36</i>									<i>0.7</i>	
<i>InvestorForce All DB Hedge Funds Gross Median</i>		<i>-2.9</i>		<i>-0.6</i>		<i>-0.5</i>										<i>-0.3</i>	
OZ Domestic II	14,328,143	-5.6	74	-1.5	56	1.5	48									1.9	Jun-14
<i>HFRI RV: Multi-Strategy Index</i>		<i>-2.3</i>	<i>47</i>	<i>0.4</i>	<i>45</i>	<i>0.3</i>	<i>54</i>									<i>0.5</i>	
<i>eV Alt All Multi-Strategy Median</i>		<i>-2.6</i>		<i>-0.4</i>		<i>1.0</i>										<i>1.3</i>	
Titan	14,268,538	-3.2	49	-0.5	40	2.2	25									1.5	Jun-14
<i>HFRI Fund of Funds Composite Index</i>		<i>-3.7</i>	<i>56</i>	<i>-1.1</i>	<i>49</i>	<i>-0.1</i>	<i>47</i>									<i>0.1</i>	
<i>eV Alt Fund of Funds - Multi-Strategy Median</i>		<i>-3.3</i>		<i>-1.1</i>		<i>-0.4</i>										<i>-0.2</i>	
Real Estate Composite	54,765,677	3.0	55	8.0	59	11.4	71	9.9	83	10.7	84	5.3	30	6.8	34	8.8	Mar-99
<i>Real Estate Custom Index¹</i>		<i>3.4</i>	<i>29</i>	<i>10.5</i>	<i>35</i>	<i>14.8</i>	<i>32</i>	<i>12.5</i>	<i>48</i>	<i>12.5</i>	<i>54</i>	<i>5.8</i>	<i>21</i>	<i>8.0</i>	<i>13</i>	<i>8.9</i>	
<i>InvestorForce All DB Real Estate Gross Median</i>		<i>3.0</i>		<i>9.1</i>		<i>13.5</i>		<i>12.1</i>		<i>12.8</i>		<i>3.6</i>		<i>5.7</i>		<i>9.4</i>	
BlackRock RE	7,345,888	-5.3	79	-4.4	99	-2.8	99									-7.5	Jul-14
BlackRock RE - net		-5.3		-4.4		-2.9										-7.6	
<i>FTSE NAREIT Developed ex US</i>		<i>-5.3</i>	<i>79</i>	<i>-4.3</i>	<i>99</i>	<i>-2.6</i>	<i>95</i>									<i>-7.4</i>	
<i>eA EAFE REIT Gross Accounts</i>		<i>-5.0</i>		<i>-2.8</i>		<i>-1.6</i>										<i>-6.8</i>	
Greenfield Gap VII²	7,532,145	9.5		13.5												13.5	Dec-14
Greenfield Gap VII - net		8.7		9.3												9.3	
<i>NCREIF ODCE net</i>		<i>3.4</i>		<i>10.5</i>												<i>10.5</i>	
UBS Trumbull Property	39,457,644	3.4		9.6		13.0		11.3		11.8		4.9		7.0		8.9	Mar-99
UBS Trumbull Property - net		3.1		8.8		11.7		10.3		10.7		3.8		5.8		7.7	
<i>NCREIF ODCE net¹</i>		<i>3.4</i>		<i>10.5</i>		<i>14.1</i>		<i>13.2</i>		<i>13.9</i>		<i>7.1</i>		<i>8.9</i>		<i>10.5</i>	
Other Real Estate	430,000																

****Managers are reported net of fees.

²Funded on 12/18/2014

Merced County Employees' Retirement Association

Performance Summary

Periods Ending September 30, 2015

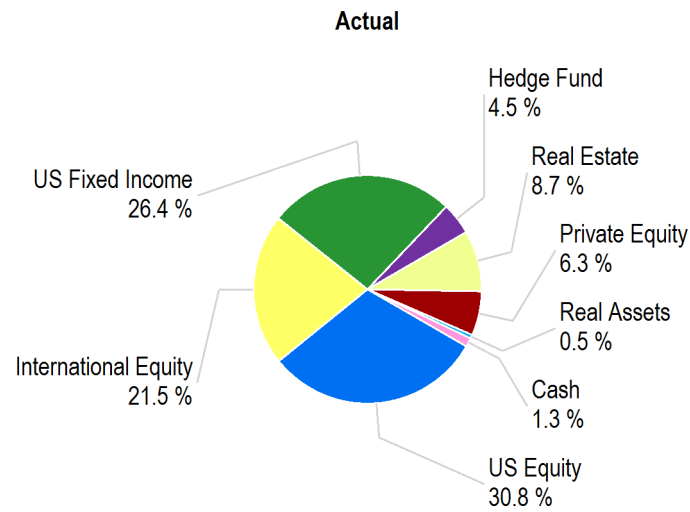
	Market Value	3 Mo	Rank	Calendar YTD	Rank	1 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
Private Equity Composite⁺	39,658,702	3.7		10.0		9.3		7.6		10.3		5.7		6.2		6.2	Jun-05
<i>Russell 3000 + 3% 1Q Lagged¹</i>		0.3		9.1		10.3		22.4		21.6		17.0		13.3		13.5	
Adams Street	9,533,335	6.3		13.4		14.3		14.5		14.5		8.1		5.7		5.7	Sep-05
Invesco IV	4,884,002	2.4		15.7		18.5		7.5		13.2		8.7		9.7		9.6	Jun-05
Invesco VI	3,470,368	4.9		24.8		29.2										14.0	Jun-13
Ocean Ave II	3,471,340	5.7		13.9		5.9										0.1	Jun-14
Pantheon I	2,584,869	2.3		4.2		1.9		7.0		8.5		4.9		3.9		3.2	Dec-05
Pantheon II	2,722,591	4.9		5.8		5.0		12.6								10.1	Dec-11
Pantheon Secondary	3,503,451	1.9		3.5		-1.5		0.8		3.1		-0.2				3.9	Jun-07
Raven Asset Fund II	9,488,746	1.5		-5.2		-5.2										-4.8	Aug-14
Infrastructure Composite	2,342,777	-5.2		2.0												2.0	Dec-14
<i>CPI-U Headline +5%</i>		1.1		3.5												3.5	
KKR Global II ³	661,187	6.5		14.5												14.5	Dec-14
<i>CPI-U Headline +5%</i>		1.1		3.5												3.5	
North Haven Infrastructure II ⁴	1,681,590	-6.9														-6.9	May-15
<i>CPI-U Headline +5%</i>		1.1		3.5												1.8	
Natural Resources	965,221																Sep-15
<i>CPI-U Headline +5%</i>																	
Taurus Mining ⁵	965,221																Sep-15
<i>CPI-U Headline +5%</i>																	
Cash	6,096,049	0.1		0.4		0.6		0.6		0.7		2.8		5.5		4.8	Sep-03
Treasury Cash	1,930,265																

⁺ Private Equity Composite and managers are reported net of fees.

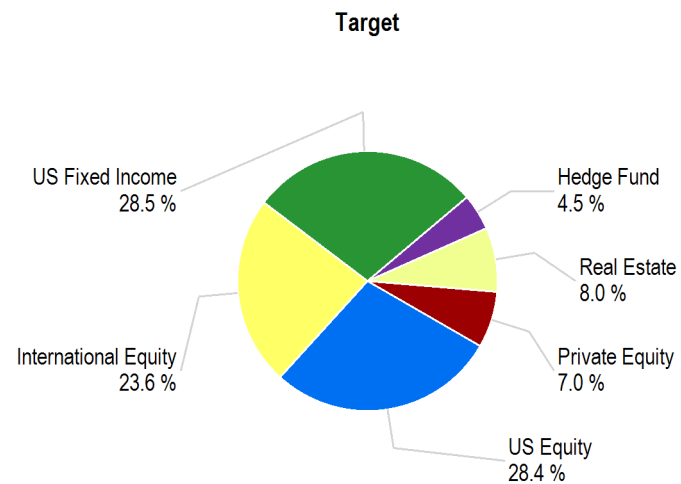
³ Funded on 12/18/2014.

⁴ Funded on 5/19/2015.

⁵ Funded on 9/21/2015.



	Current	%
US Equity	\$195,242,345	30.8%
International Equity	\$136,347,821	21.5%
US Fixed Income	\$167,112,847	26.4%
Hedge Fund	\$28,596,681	4.5%
Real Estate	\$54,765,677	8.7%
Private Equity	\$39,658,702	6.3%
Real Assets	\$3,307,998	0.5%
Cash	\$8,026,314	1.3%
Total	\$633,058,385	100.0%

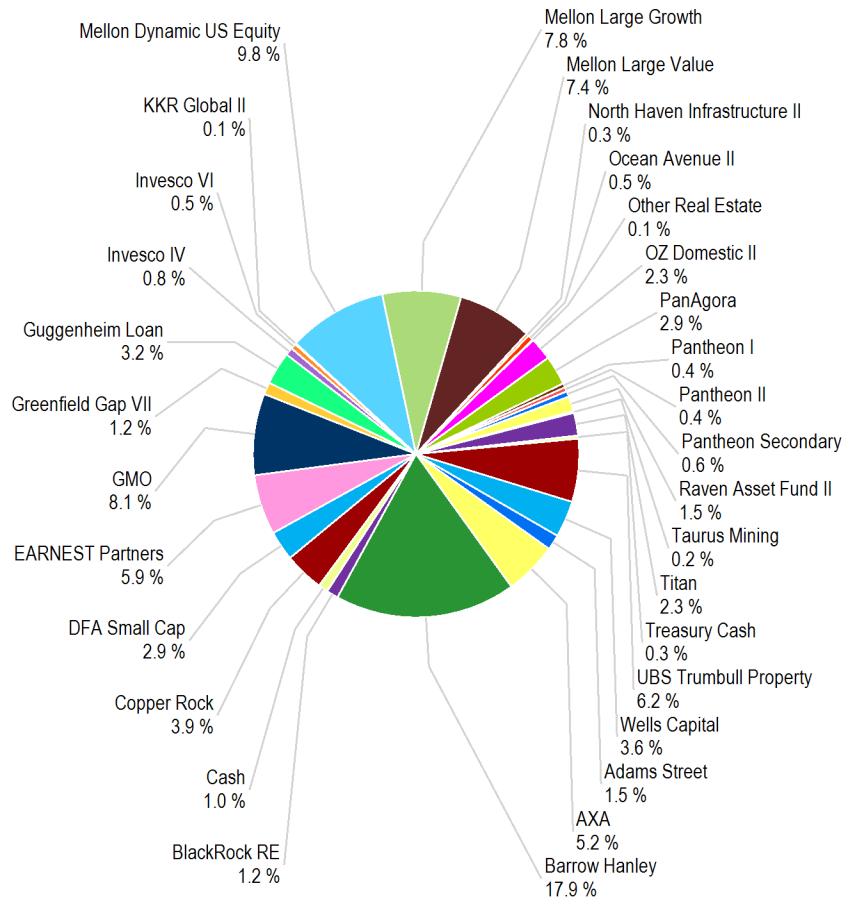


	Actual	Target	Difference
US Equity	30.8%	28.4%	2.4%
International Equity	21.5%	23.6%	-2.1%
US Fixed Income	26.4%	22.5%	3.9%
Hedge Fund	4.5%	4.5%	0.0%
Real Estate	8.7%	8.0%	0.7%
Private Equity	6.3%	7.0%	-0.7%
Real Assets	0.5%	6.0%	-5.5%
Cash	1.3%	0.0%	1.3%
Total	100.0%	100.0%	

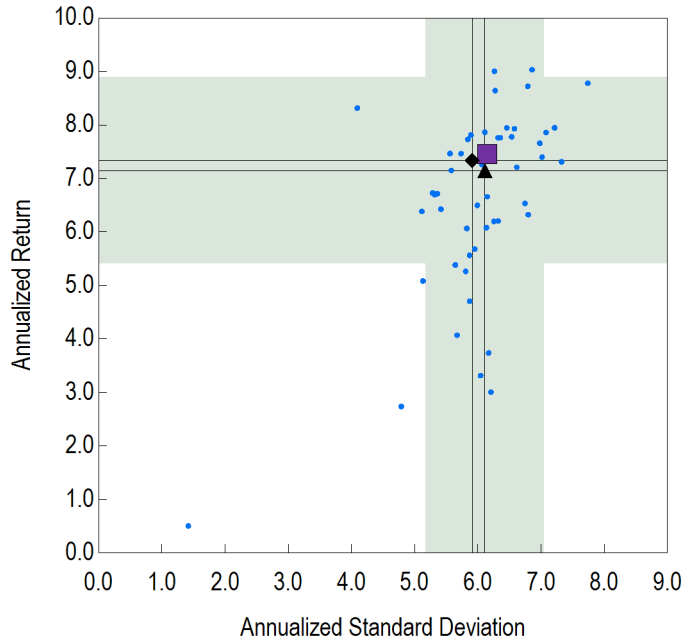
Merced County Employees' Retirement Association

Manager Allocation Analysis - Total Plan

As of September 30, 2015



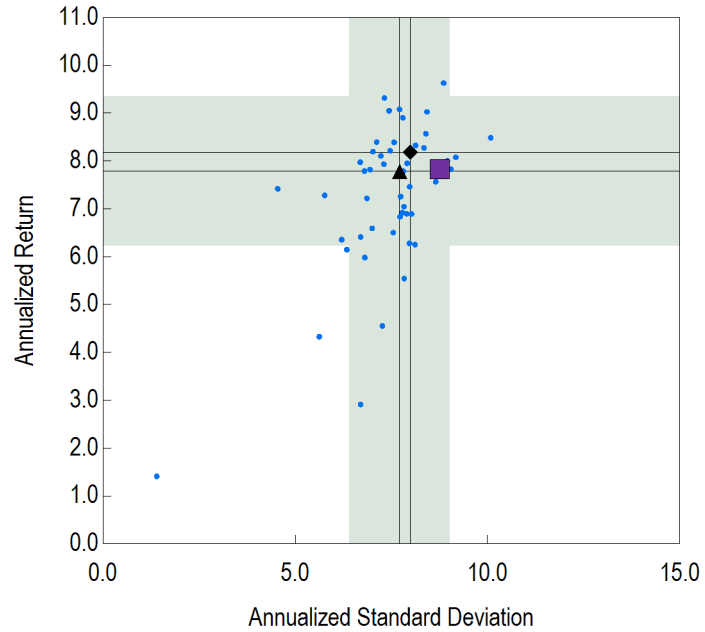
	Actual \$	Actual %
Adams Street	\$9,533,335	1.5%
AXA	\$33,081,230	5.2%
Barrow Hanley	\$113,513,279	17.9%
BlackRock RE	\$7,345,888	1.2%
Cash	\$6,096,049	1.0%
Copper Rock	\$24,819,966	3.9%
DFA Small Cap	\$18,560,328	2.9%
EARNEST Partners	\$37,632,750	5.9%
GMO	\$51,067,660	8.1%
Greenfield Gap VII	\$7,532,145	1.2%
Guggenheim Loan	\$20,518,338	3.2%
Invesco IV	\$4,884,002	0.8%
Invesco VI	\$3,470,368	0.5%
KKR Global II	\$661,187	0.1%
Mellon Dynamic US Equity	\$62,213,341	9.8%
Mellon Large Growth	\$49,357,278	7.8%
Mellon Large Value	\$46,716,350	7.4%
North Haven Infrastructure II	\$1,681,590	0.3%
Ocean Avenue II	\$3,471,340	0.5%
Other Real Estate	\$430,000	0.1%
OZ Domestic II	\$14,328,143	2.3%
PanAgora	\$18,395,047	2.9%
Pantheon I	\$2,584,869	0.4%
Pantheon II	\$2,722,591	0.4%
Pantheon Secondary	\$3,503,451	0.6%
Raven Asset Fund II	\$9,488,746	1.5%
Taurus Mining	\$965,221	0.2%
Titan	\$14,268,538	2.3%
Treasury Cash	\$1,930,265	0.3%
UBS Trumbull Property	\$39,457,644	6.2%
Wells Capital	\$22,827,445	3.6%
Total	\$633,058,385	



51 Portfolios

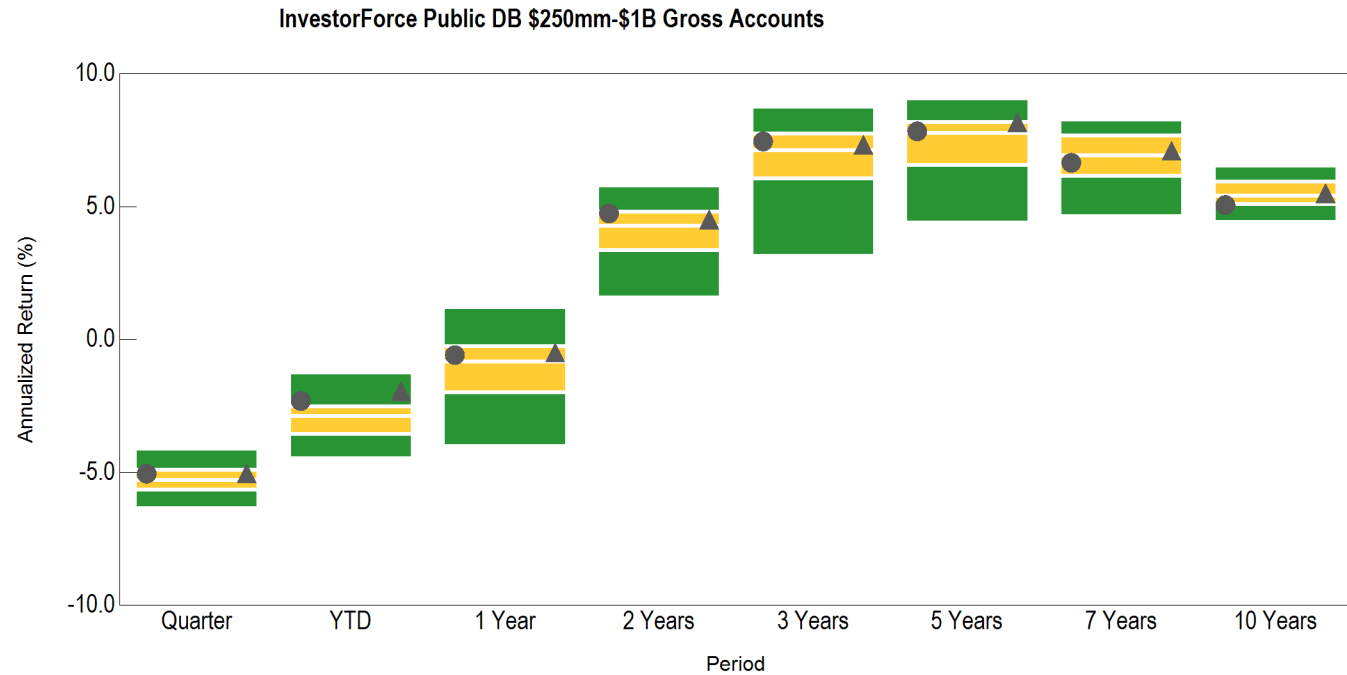
- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB \$250mm-\$1B Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	7.5%	39	6.1%	55	1.2	36
Policy Index	7.3%	44	5.9%	39	1.2	29
InvestorForce Public DB \$250mm-\$1B Gross Median	7.1%	--	6.1%	--	1.1	--



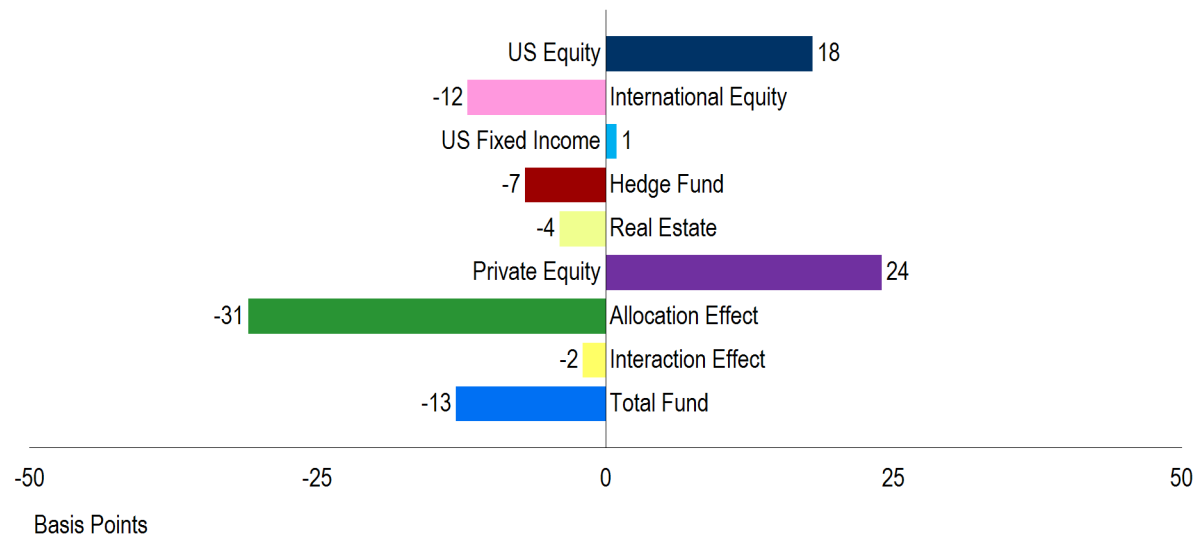
- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB \$250mm-\$1B Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	7.8%	44	8.8%	91	0.9	67
Policy Index	8.2%	29	8.0%	76	1.0	43
InvestorForce Public DB \$250mm-\$1B Gross Median	7.8%	--	7.7%	--	1.0	--



Return (Rank)

	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-4.1	-1.3	1.2	5.8	8.8	9.1	8.3	6.5
25th Percentile	-4.9	-2.5	-0.2	4.8	7.8	8.2	7.7	6.0
Median	-5.3	-2.9	-0.8	4.3	7.1	7.8	6.9	5.4
75th Percentile	-5.6	-3.5	-2.0	3.4	6.1	6.6	6.2	5.1
95th Percentile	-6.3	-4.4	-4.0	1.6	3.2	4.4	4.6	4.4
# of Portfolios	52	52	52	52	51	49	48	41
● Total Fund	-5.0 (37)	-2.3 (21)	-0.6 (40)	4.7 (29)	7.5 (39)	7.8 (44)	6.7 (65)	5.1 (77)
▲ Policy Index	-5.0 (34)	-1.9 (15)	-0.5 (38)	4.5 (42)	7.3 (44)	8.2 (29)	7.1 (47)	5.5 (43)

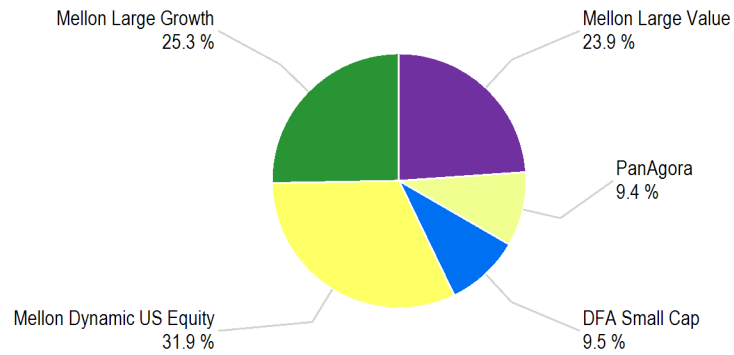


Attribution Summary

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	-7.23%	-7.86%	0.63%	0.18%	-0.11%	0.02%	0.10%
International Equity	-12.61%	-12.10%	-0.51%	-0.12%	-0.01%	0.00%	-0.13%
US Fixed Income	-0.10%	-0.12%	0.02%	0.01%	-0.14%	0.00%	-0.14%
Hedge Fund	-4.46%	-2.91%	-1.55%	-0.07%	0.00%	0.00%	-0.07%
Real Estate	2.95%	3.44%	-0.49%	-0.04%	0.00%	0.00%	-0.04%
Private Equity	3.69%	0.26%	3.43%	0.24%	-0.05%	-0.04%	0.15%
Total	-5.09%	-4.96%	-0.13%	0.20%	-0.31%	-0.02%	-0.13%

Manager Allocation Analysis - US Equity

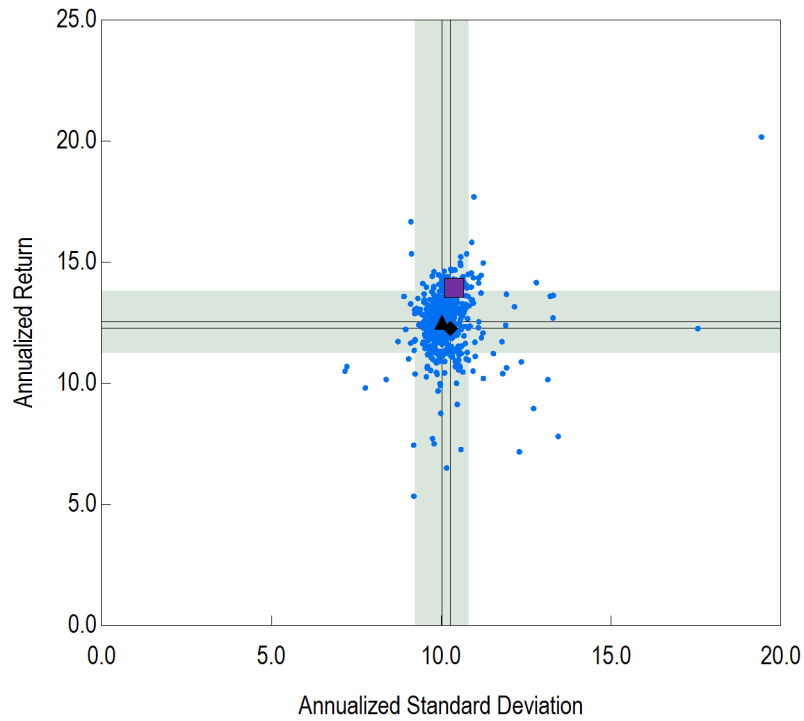
As of September 30, 2015



	Actual \$	Actual %
DFA Small Cap	\$18,560,328	9.5%
Mellon Dynamic US Equity	\$62,213,341	31.9%
Mellon Large Growth	\$49,357,278	25.3%
Mellon Large Value	\$46,716,350	23.9%
PanAgora	\$18,395,047	9.4%
Total	\$195,242,345	

Risk vs. Return 3 Year - US Equity

Period Ending September 30, 2015



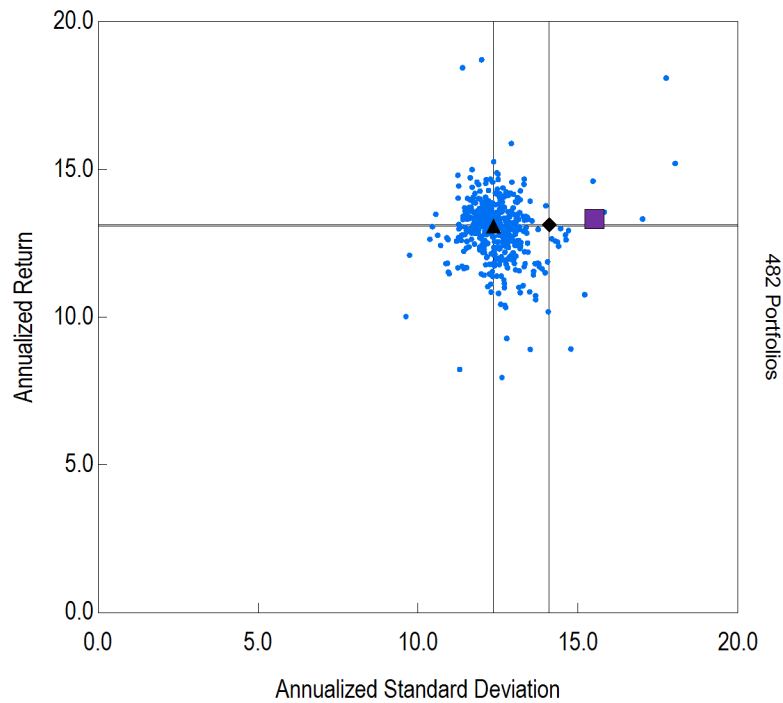
579 Portfolios

- US Equity
- ◆ 80% R1000/ 20% R2000
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	13.9%	10	10.4%	77	1.3	16
80% R1000/ 20% R2000	12.3%	64	10.3%	68	1.2	73
InvestorForce All DB US Eq Gross Median	12.5%	--	10.0%	--	1.3	--

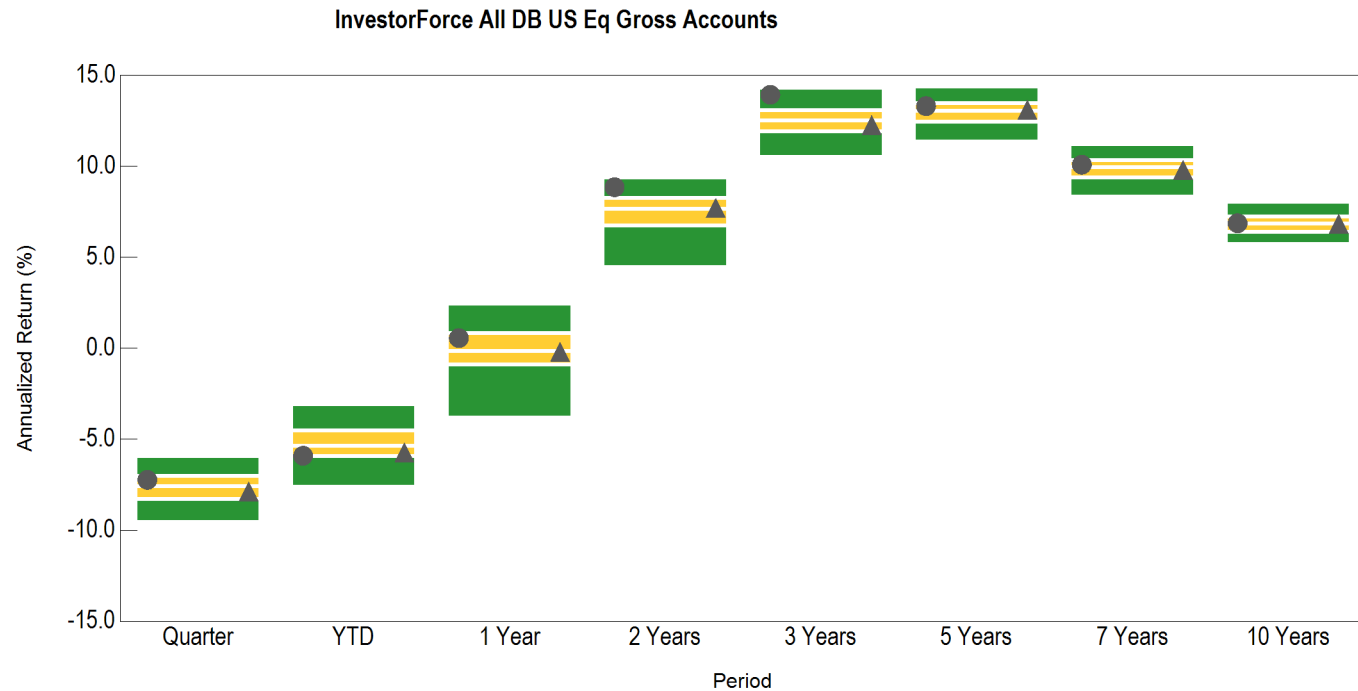
Risk vs. Return 5 Year - US Equity

Period Ending September 30, 2015



- US Equity
- ◆ 80% R1000/ 20% R2000
- ▲ Universe Median
- InvestorForce All DB US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	13.3%	37	15.5%	99	0.9	95
80% R1000/ 20% R2000	13.1%	49	14.1%	97	0.9	88
InvestorForce All DB US Eq Gross Median	13.1%	--	12.4%	--	1.1	--



Return (Rank)

5th Percentile	-5.9	-3.1	2.4	9.4	14.3	14.4	11.2	8.1
25th Percentile	-7.0	-4.5	0.9	8.3	13.1	13.5	10.4	7.3
Median	-7.6	-5.3	-0.1	7.7	12.5	13.1	10.0	6.9
75th Percentile	-8.2	-5.9	-0.9	6.8	11.9	12.5	9.4	6.4
95th Percentile	-9.5	-7.6	-3.8	4.5	10.6	11.4	8.4	5.7
# of Portfolios	663	646	644	606	579	482	404	344
● US Equity	-7.2 (33)	-5.9 (75)	0.6 (31)	8.9 (12)	13.9 (10)	13.3 (37)	10.1 (41)	6.9 (52)
▲ 80% R1000/ 20% R2000	-7.9 (63)	-5.7 (69)	-0.2 (52)	7.7 (48)	12.3 (64)	13.1 (49)	9.8 (57)	6.8 (54)

Characteristics

	Portfolio	Russell 3000
Number of Holdings	2,984	2,984
Weighted Avg. Market Cap. (\$B)	87.3	97.4
Median Market Cap. (\$B)	2.1	1.4
Price To Earnings	23.0	21.5
Price To Book	4.5	3.6
Price To Sales	3.3	3.1
Return on Equity (%)	17.9	16.7
Yield (%)	2.0	2.1
Beta (holdings; domestic)	1.0	1.0

Top Holdings

APPLE	2.7%
MICROSOFT	1.5%
EXXON MOBIL	1.3%
JOHNSON & JOHNSON	1.1%
GENERAL ELECTRIC	1.1%
BERKSHIRE HATHAWAY 'B'	1.0%
WELLS FARGO & CO	1.0%
JP MORGAN CHASE & CO.	1.0%
AT&T	0.8%
FACEBOOK CLASS A	0.8%

Best Performers

	Return %
NTELOS HOLDINGS (NTLS)	95.5%
PHOENIX (PNX)	80.9%
ADEPT TECHNOLOGY (ADEP)	80.0%
OMTOOL (OMTL)	73.1%
TREVENA (TRVN)	65.3%
DOT HILL SYS. (HILL)	59.0%
SOUTHCOAST FINL. (SOCB)	56.7%
EDUCATIONAL DEV. (EDUC)	54.3%
SMARTPROS (SPRO)	52.8%
ANACOR PHARMACEUTICALS (ANAC)	52.0%

Worst Performers

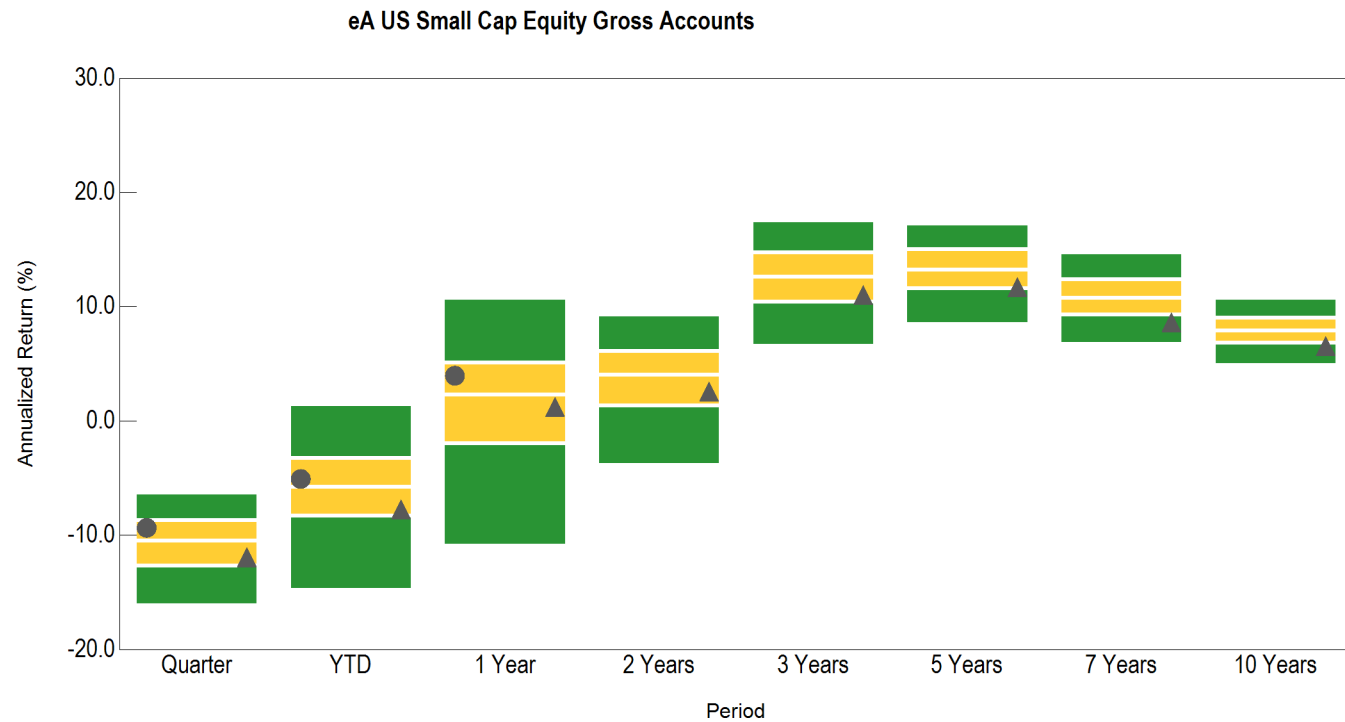
	Return %
QUIKSILVER (ZQKSQ)	-97.0%
RCS CAPITAL CL.A (RCAP)	-89.4%
PENN VIRGINIA (PVA)	-87.9%
ALTISOURCE ASSET MAN. (AAMC)	-83.4%
SWIFT ENERGY (SFY)	-81.5%
DYNACQ HLTHCR. (DYII)	-80.0%
NUVERRA ENV.SOLUTIONS (NES)	-78.3%
BONANZA CREEK ENERGY (BCEI)	-77.7%
VERASTEM (VSTM)	-76.3%
ALPHATEC HOLDINGS (ATEC)	-76.1%

US Equity Performance Attribution vs. Russell 3000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	-0.1%	0.1%	0.0%	-19.7%	-18.9%	6.3%	7.3%			
Materials	0.0%	0.0%	0.0%	0.0%	-18.3%	-17.2%	3.5%	3.4%			
Industrials	0.0%	0.0%	0.0%	0.0%	-8.4%	-8.1%	10.6%	10.9%			
Cons. Disc.	-0.2%	-0.2%	0.0%	0.0%	-5.3%	-4.2%	13.1%	13.3%			
Cons. Staples	0.0%	0.0%	-0.1%	0.0%	-0.7%	-1.0%	7.1%	8.0%			
Health Care	0.0%	0.0%	0.0%	0.0%	-11.8%	-11.8%	14.3%	15.1%			
Financials	0.0%	0.1%	0.0%	0.0%	-5.7%	-6.0%	16.7%	18.1%			
Info. Tech	-0.1%	-0.1%	0.0%	0.0%	-5.2%	-4.7%	17.5%	19.1%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-5.4%	-6.8%	1.8%	2.0%			
Utilities	0.0%	0.0%	0.0%	0.0%	5.0%	4.3%	2.9%	2.9%			
Cash	0.5%	0.0%	0.5%	0.0%	0.0%	--	6.3%	0.0%			
Portfolio	0.3%	=	-0.2%	+	0.5%	+	0.0%	-7.0%	-7.3%	100.0%	100.0%

US Effective Style Map





Return (Rank)

5th Percentile	-6.3	1.4	10.8	9.3	17.5	17.3	14.7	10.7
25th Percentile	-8.7	-3.2	5.1	6.2	14.8	15.1	12.4	9.1
Median	-10.4	-5.7	2.3	4.1	12.6	13.3	10.8	7.9
75th Percentile	-12.6	-8.2	-1.9	1.4	10.5	11.6	9.3	6.9
95th Percentile	-16.1	-14.7	-10.9	-3.8	6.6	8.5	6.8	5.0
# of Portfolios	517	517	517	510	500	475	440	373
● DFA Small Cap	-9.3 (33)	-5.1 (42)	4.0 (36)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Russell 2000	-11.9 (70)	-7.7 (71)	1.2 (57)	2.6 (67)	11.0 (71)	11.7 (73)	8.6 (86)	6.5 (80)

Characteristics

	Portfolio	Russell 2000
Number of Holdings	1,979	1,955
Weighted Avg. Market Cap. (\$B)	1.8	1.8
Median Market Cap. (\$B)	0.5	0.7
Price To Earnings	23.7	23.1
Price To Book	3.2	2.8
Price To Sales	2.1	2.9
Return on Equity (%)	13.6	11.1
Yield (%)	1.3	1.3
Beta (holdings; domestic)	1.2	1.2

Top Holdings

MANHATTAN ASSOCS.	0.5%
JETBLUE AIRWAYS	0.4%
VAIL RESORTS	0.4%
JACK IN THE BOX	0.4%
ENDURANCE SPY.HDG.	0.3%
OFFICE DEPOT	0.3%
CNO FINANCIAL GROUP	0.3%
MARKETAXESS HOLDINGS	0.3%
ALLEGiant TRAVEL	0.3%
MOLINA HEALTHCARE	0.3%

Best Performers

	Return %
NTELOS HOLDINGS (NTLS)	95.5%
PHOENIX (PNX)	80.9%
ADEPT TECHNOLOGY (ADEP)	80.0%
OMTOOL (OMTL)	73.1%
DOT HILL SYS. (HILL)	59.0%
SOUTHCOAST FINL. (SOCP)	56.7%
EDUCATIONAL DEV. (EDUC)	54.3%
SMARTPROS (SPRO)	52.8%
ANACOR PHARMACEUTICALS (ANAC)	52.0%
SIMULATIONS PLUS (SLP)	51.7%

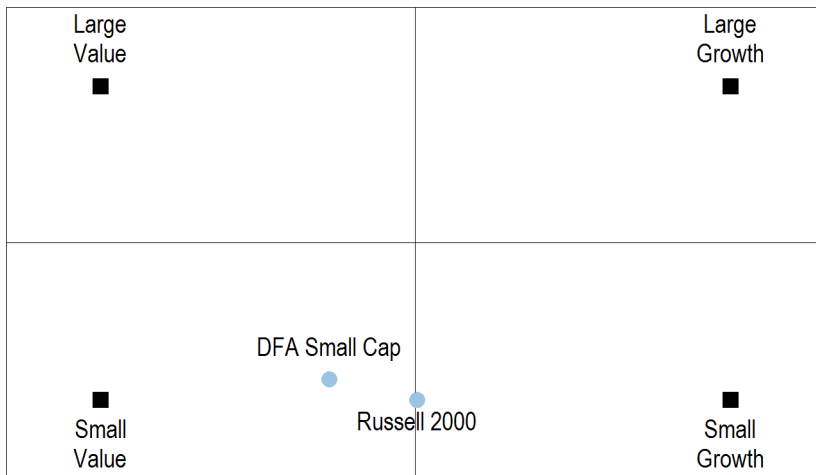
Worst Performers

	Return %
QUIKSILVER (ZQKSQ)	-97.0%
RCS CAPITAL CL.A (RCAP)	-89.4%
PENN VIRGINIA (PVA)	-87.9%
ALTISOURCE ASSET MAN. (AAMC)	-83.4%
SWIFT ENERGY (SFY)	-81.5%
DYNACQ HLTHCR. (DYII)	-80.0%
NUVERRA ENV.SOLUTIONS (NES)	-78.3%
BONANZA CREEK ENERGY (BCEI)	-77.7%
VERASTEM (VSTM)	-76.3%
ALPHATEC HOLDINGS (ATEC)	-76.1%

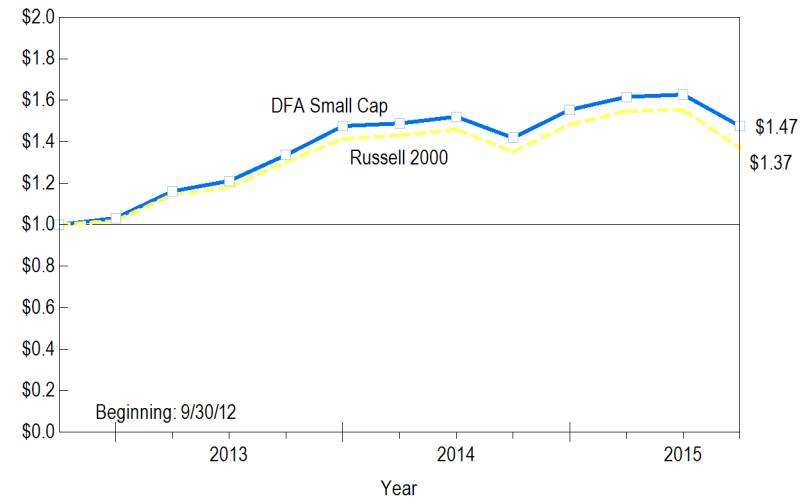
DFA Small Cap Performance Attribution vs. Russell 2000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.2%	0.1%	0.1%	0.0%	-30.8%	-32.8%	3.1%	3.8%			
Materials	0.1%	0.1%	-0.1%	0.0%	-18.2%	-21.9%	5.0%	4.0%			
Industrials	0.3%	0.4%	-0.2%	0.1%	-12.8%	-15.6%	17.2%	12.8%			
Cons. Disc.	0.2%	0.2%	0.0%	0.1%	-10.6%	-11.9%	18.5%	14.5%			
Cons. Staples	0.3%	0.1%	0.1%	0.0%	-1.4%	-4.7%	4.5%	3.1%			
Health Care	1.1%	1.3%	0.3%	-0.5%	-9.2%	-17.2%	10.4%	16.3%			
Financials	-0.2%	0.2%	-0.3%	0.0%	-4.6%	-5.3%	19.2%	24.2%			
Info. Tech	0.0%	0.0%	0.0%	0.0%	-10.3%	-10.4%	17.7%	17.1%			
Telecomm.	0.1%	0.1%	0.0%	0.0%	1.5%	-5.8%	0.9%	0.9%			
Utilities	0.3%	0.2%	0.0%	0.0%	7.0%	0.0%	3.6%	3.3%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	2.4%	=	2.7%	+	0.0%	+	-0.2%	-9.5%	-11.9%	100.0%	100.0%

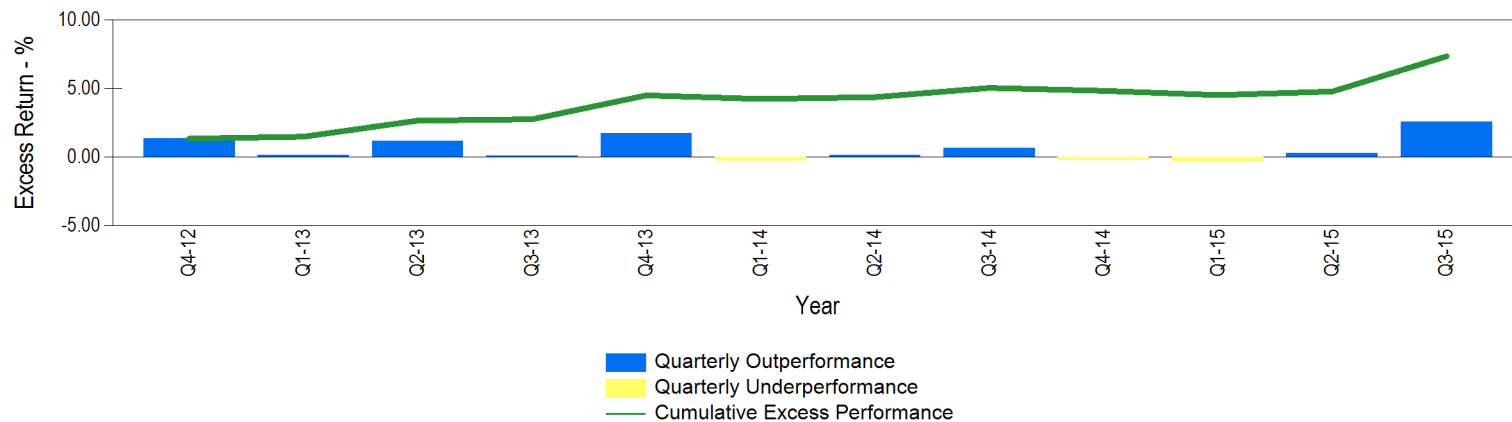
US Effective Style Map



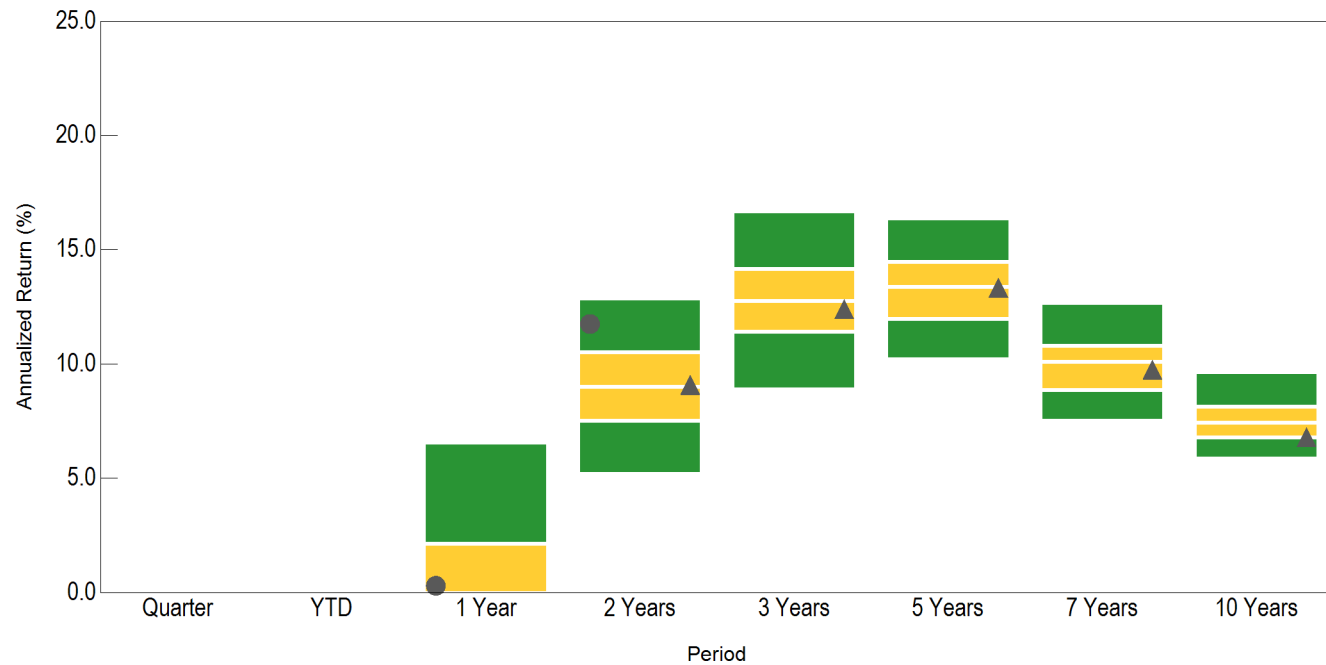
Growth of a Dollar



Quarterly and Cumulative Excess Performance



eA US Large Cap Core Equity Gross Accounts



Return (Rank)

5th Percentile	-2.6	0.1	6.6	12.9	16.7	16.4	12.7	9.6
25th Percentile	-5.5	-3.1	2.1	10.5	14.2	14.5	10.8	8.1
Median	-6.9	-4.9	-0.1	9.0	12.8	13.4	10.1	7.5
75th Percentile	-7.9	-6.5	-2.4	7.5	11.4	12.0	8.9	6.8
95th Percentile	-9.5	-9.2	-5.5	5.2	8.9	10.2	7.5	5.9
# of Portfolios	265	265	265	263	255	244	226	201
● Mellon Dynamic US Equity	-6.3 (38)	-7.0 (80)	0.3 (44)	11.7 (13)	-- (--)	-- (--)	-- (--)	-- (--)
▲ S&P 500	-6.4 (42)	-5.3 (56)	-0.6 (57)	9.1 (49)	12.4 (56)	13.3 (52)	9.8 (59)	6.8 (77)

Characteristics

	Portfolio	S&P 500
Number of Holdings	508	505
Weighted Avg. Market Cap. (\$B)	119.1	119.2
Median Market Cap. (\$B)	16.6	16.6
Price To Earnings	22.2	20.9
Price To Book	4.7	4.1
Price To Sales	3.3	3.0
Return on Equity (%)	19.0	18.3
Yield (%)	2.3	2.3
Beta (holdings; domestic)	1.0	1.0

Top Holdings

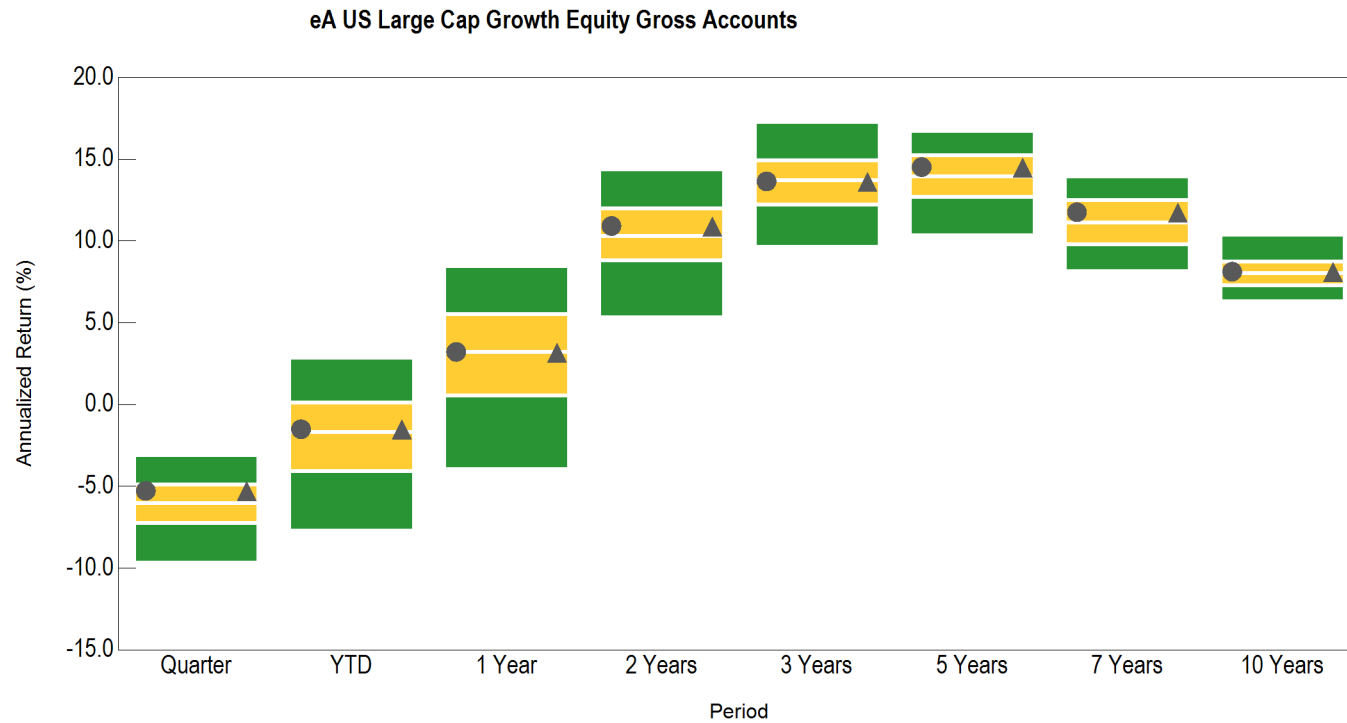
APPLE	3.7%
MICROSOFT	2.1%
EXXON MOBIL	1.8%
JOHNSON & JOHNSON	1.5%
GENERAL ELECTRIC	1.5%
BERKSHIRE HATHAWAY 'B'	1.4%
WELLS FARGO & CO	1.4%
JP MORGAN CHASE & CO.	1.3%
FACEBOOK CLASS A	1.2%
AT&T	1.2%

Best Performers

	Return %
TECO ENERGY (TE)	50.2%
CABLEVISION SYS. (CVC)	36.4%
AGL RESOURCES (GAS)	32.5%
CHUBB (CB)	29.5%
NVIDIA (NVDA)	23.1%
H&R BLOCK (HRB)	22.8%
MOTOROLA SOLUTIONS (MSI)	19.9%
MOLSON COORS BREWING 'B' (TAP)	19.6%
REYNOLDS AMERICAN (RAI)	19.6%
CHIPOTLE MEXN.GRILL (CMG)	19.1%

Worst Performers

	Return %
JOY GLOBAL (JOY)	-58.4%
CONSOL EN. (CNX)	-54.9%
ALLEGHENY TECHS. (ATI)	-52.6%
FREEMPORT-MCMORAN (FCX)	-47.5%
WYNN RESORTS (WYNN)	-45.9%
MALLINCKRODT (MNK)	-45.7%
SOUTHWESTERN ENERGY (SWN)	-44.2%
QORVO (QRVO)	-43.9%
MARATHON OIL (MRO)	-41.3%
MURPHY OIL (MUR)	-41.2%



Return (Rank)

5th Percentile	-3.1	2.9	8.4	14.3	17.3	16.7	13.9	10.4
25th Percentile	-4.9	0.2	5.5	12.0	14.9	15.3	12.5	8.8
Median	-6.0	-1.7	3.2	10.3	13.7	14.0	11.2	8.0
75th Percentile	-7.2	-4.0	0.6	8.8	12.3	12.7	9.8	7.3
95th Percentile	-9.6	-7.7	-3.9	5.3	9.7	10.4	8.2	6.3
# of Portfolios	276	276	276	274	264	256	241	210
● Mellon Large Growth	-5.3 (32)	-1.5 (47)	3.2 (52)	10.9 (41)	13.6 (51)	14.5 (41)	11.8 (39)	8.1 (49)
▲ Russell 1000 Growth	-5.3 (32)	-1.5 (49)	3.2 (52)	10.9 (42)	13.6 (53)	14.5 (42)	11.7 (40)	8.1 (50)

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	644	642
Weighted Avg. Market Cap. (\$B)	115.5	115.5
Median Market Cap. (\$B)	8.3	8.3
Price To Earnings	26.2	24.4
Price To Book	7.2	6.5
Price To Sales	4.4	3.6
Return on Equity (%)	25.5	25.4
Yield (%)	1.7	1.7
Beta (holdings; domestic)	0.9	0.9

Top Holdings

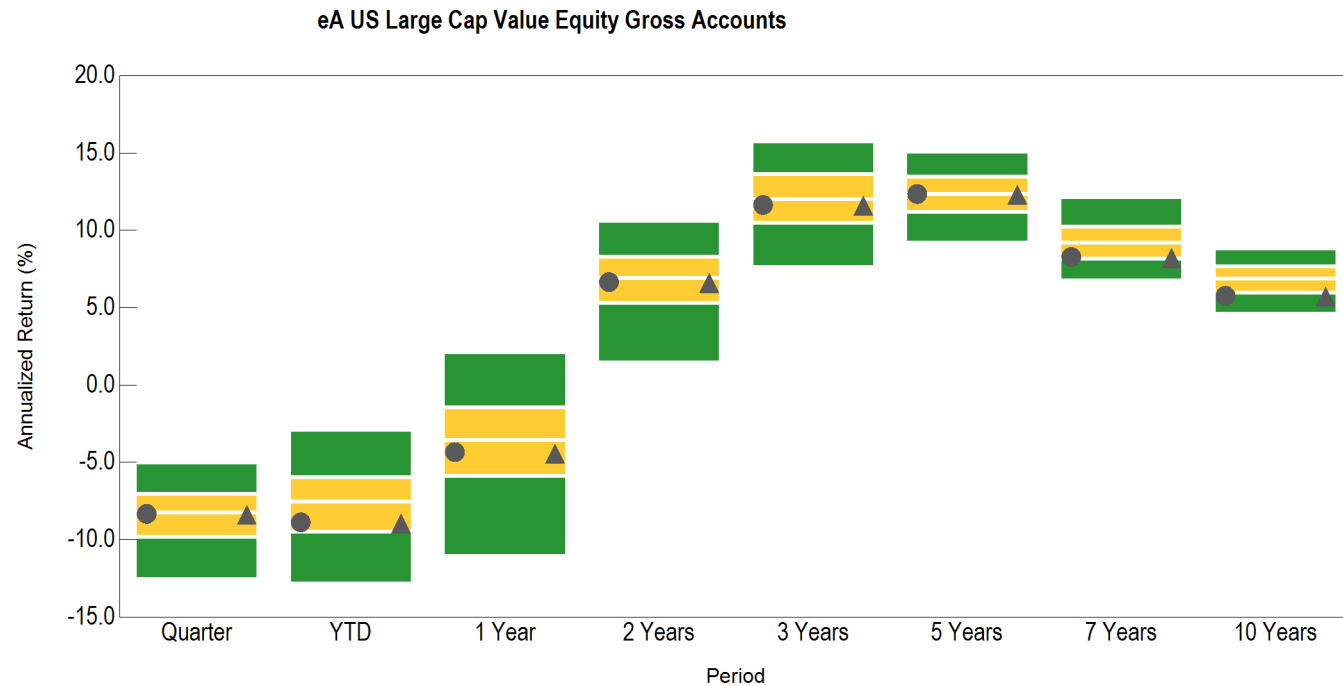
APPLE	6.4%
MICROSOFT	2.0%
AMAZON.COM	2.0%
FACEBOOK CLASS A	2.0%
ALPHABET 'A'	1.9%
ALPHABET 'C'	1.8%
WALT DISNEY	1.7%
VERIZON COMMUNICATIONS	1.7%
COCA COLA	1.6%
HOME DEPOT	1.5%

Best Performers

	Return %
NTELOS HOLDINGS (NTLS)	95.5%
PHOENIX (PNX)	80.9%
ADEPT TECHNOLOGY (ADEP)	80.0%
OMTOOL (OMTL)	73.1%
ITALCEMENTI FABBRICHE RIUNITE (I:ITCF)	67.8%
TREVENA (TRVN)	65.3%
DOT HILL SYS. (HILL)	59.0%
SOUTHCOAST FINL. (SOCB)	56.7%
EDUCATIONAL DEV. (EDUC)	54.3%
SMARTPROS (SPRO)	52.8%

Worst Performers

	Return %
SUNEDISON (SUNE)	-76.0%
HUNTSMAN (HUN)	-55.7%
PLATFORM SPY.PRDS. (NYS) (PAH)	-50.5%
YELP CLASS A (YELP)	-49.7%
BLUEBIRD BIO (BLUE)	-49.2%
OPKO HEALTH (OPK)	-47.7%
WYNN RESORTS (WYNN)	-45.9%
MALLINCKRODT (MNK)	-45.7%
QORVO (QRVO)	-43.9%
TARGA RESOURCES (TRGP)	-41.7%



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-5.0	-2.9	2.1	10.6	15.7	15.1	12.1	8.8
25th Percentile	-7.0	-5.9	-1.4	8.3	13.7	13.5	10.3	7.7
Median	-8.2	-7.5	-3.5	7.0	12.1	12.4	9.2	6.9
75th Percentile	-9.8	-9.4	-5.8	5.3	10.5	11.2	8.2	6.0
95th Percentile	-12.5	-12.8	-11.0	1.5	7.7	9.2	6.8	4.6
# of Portfolios	306	306	306	304	300	289	274	241
● Mellon Large Value	-8.3 (51)	-8.9 (68)	-4.3 (61)	6.7 (57)	11.6 (60)	12.4 (51)	8.3 (73)	5.8 (80)
▲ Russell 1000 Value	-8.4 (52)	-9.0 (70)	-4.4 (61)	6.6 (59)	11.6 (60)	12.3 (53)	8.2 (74)	5.7 (81)

Equity Only Summary Statistics - Mellon Large Value

Quarter Ending September 30, 2015

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	693	689
Weighted Avg. Market Cap. (\$B)	95.0	95.0
Median Market Cap. (\$B)	6.8	6.8
Price To Earnings	18.6	17.9
Price To Book	2.1	2.1
Price To Sales	2.6	2.5
Return on Equity (%)	12.0	11.6
Yield (%)	2.8	2.7
Beta (holdings; domestic)	1.1	1.1

Top Holdings

EXXON MOBIL	3.3%
GENERAL ELECTRIC	2.7%
WELLS FARGO & CO	2.5%
BERKSHIRE HATHAWAY 'B'	2.4%
JP MORGAN CHASE & CO.	2.4%
JOHNSON & JOHNSON	2.4%
PROCTER & GAMBLE	2.1%
PFIZER	2.0%
AT&T	1.8%
BANK OF AMERICA	1.7%

Best Performers

	Return %
STANCORP FINL.GP. (SFG)	51.0%
TECO ENERGY (TE)	50.2%
CABLEVISION SYS. (CVC)	36.4%
AGL RESOURCES (GAS)	32.5%
CHUBB (CB)	29.5%
ACTIVISION BLIZZARD (ATVI)	27.6%
JETBLUE AIRWAYS (JBLU)	24.1%
NVIDIA (NVDA)	23.1%
H&R BLOCK (HRB)	22.8%
CYTEC INDS. (CYT)	22.2%

Worst Performers

	Return %
SUNEDISON (SUNE)	-76.0%
TERRAFORM POWER CL.A (TERP)	-62.0%
DENBURY RES. (DNR)	-61.0%
EP ENERGY CL.A (EPE)	-59.5%
JOY GLOBAL (JOY)	-58.4%
CALIFORNIA RESOURCES (CRC)	-56.8%
HUNTSMAN (HUN)	-55.7%
CONSOL EN. (CNX)	-54.9%
WHITING PETROLEUM (WLL)	-54.6%
ALLEGHENY TECHS. (ATI)	-52.6%

Characteristics

	Portfolio	Russell 2000
Number of Holdings	327	1,955
Weighted Avg. Market Cap. (\$B)	1.8	1.8
Median Market Cap. (\$B)	0.7	0.7
Price To Earnings	27.2	23.1
Price To Book	4.2	2.8
Price To Sales	3.4	2.9
Return on Equity (%)	15.8	11.1
Yield (%)	1.1	1.3
Beta (holdings; domestic)	1.2	1.2

Top Holdings

MAXIMUS	1.64%
INVESTORS BANCORP	1.57%
PORTLAND GEN.ELEC.	1.56%
TEAM HEALTH HOLDINGS	1.55%
JACK IN THE BOX	1.51%
DELUXE	1.28%
SOVRAN SELF STORAGE	1.25%
WESTERN ALL.BANCORP.	1.23%
CAVIUM	1.19%
DYAX	1.19%

Best Performers

	Return %
TREVENA (TRVN)	65.3%
CENTRAL GDN.& PET (CENT)	46.5%
CENTRAL GDN.& PET 'A' NV. (CENTA)	41.2%
PREMIERE GLOBAL SERVICES (PGI)	33.5%
MEDICINES COMPANY (MDCO)	32.7%
BIOTELEMETRY (BEAT)	29.8%
STRAYER EDUCATION (STRA)	27.5%
CONCERT PHARMACEUTICALS (CNCE)	26.1%
JETBLUE AIRWAYS (JBLU)	24.1%
OMEGA PROTEIN (OME)	23.4%

Worst Performers

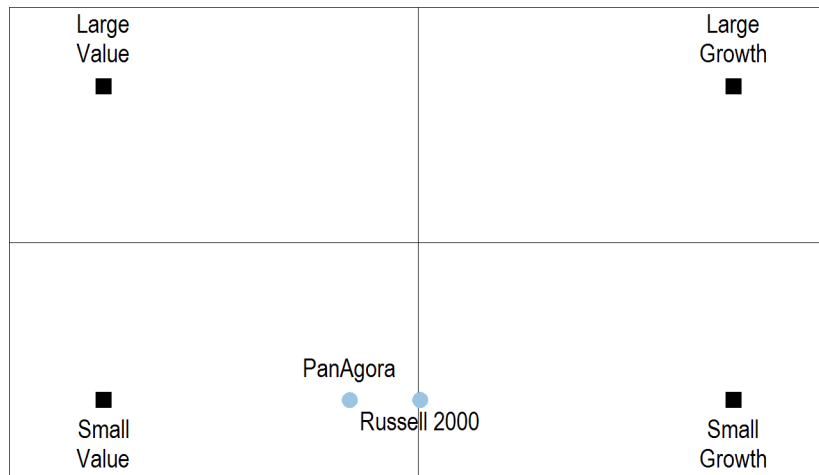
	Return %
TRIANGLE PETROLEUM (TPLM)	-71.71%
SEVENTY SEVEN ENERGY (SSE)	-67.83%
PIONEER ENERGY SERVICES (PES)	-66.88%
ION GEOPHYSICAL (IO)	-63.55%
TIMKENSTEEL (TMST)	-62.15%
HELIX ENERGY SLTN.GP. (HLX)	-62.07%
RAYONIER ADV.D.MATERIALS (RYAM)	-61.92%
IMMUNOMEDICS (IMMU)	-57.64%
BASIC ENERGY SVS. (BAS)	-56.29%
CELLULAR BIOMEDICINE (CBMG)	-54.87%

*Note: Data provided is based on 8/31 holdings. PanAgora provides holdings on a 45-day lag, thus the 9/30 holdings are not yet available.

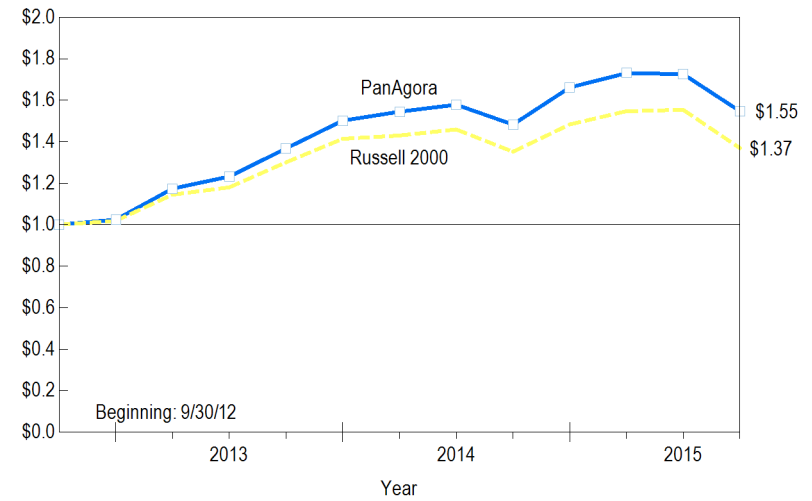
PanAgora Performance Attribution vs. Russell 2000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.3%	0.1%	0.0%	-41.3%	-32.8%	3.3%	3.8%			
Materials	-0.3%	-0.1%	-0.1%	0.0%	-25.2%	-21.9%	5.2%	4.0%			
Industrials	0.6%	0.6%	0.1%	-0.1%	-10.6%	-15.6%	11.3%	12.8%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	-12.2%	-11.9%	18.2%	14.5%			
Cons. Staples	0.0%	0.1%	-0.1%	-0.1%	0.0%	-4.7%	1.8%	3.1%			
Health Care	-0.2%	0.0%	-0.2%	0.0%	-17.0%	-17.2%	20.2%	16.3%			
Financials	0.3%	0.7%	-0.2%	-0.1%	-2.5%	-5.3%	20.6%	24.2%			
Info. Tech	-0.1%	-0.1%	0.0%	0.0%	-11.0%	-10.4%	14.3%	17.1%			
Telecomm.	0.2%	0.2%	0.0%	0.0%	18.7%	-5.8%	0.7%	0.9%			
Utilities	0.3%	0.1%	0.1%	0.0%	3.6%	0.0%	4.4%	3.3%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	0.6%	=	1.2%	+	-0.4%	+	-0.2%	-11.3%	-11.9%	100.0%	100.0%

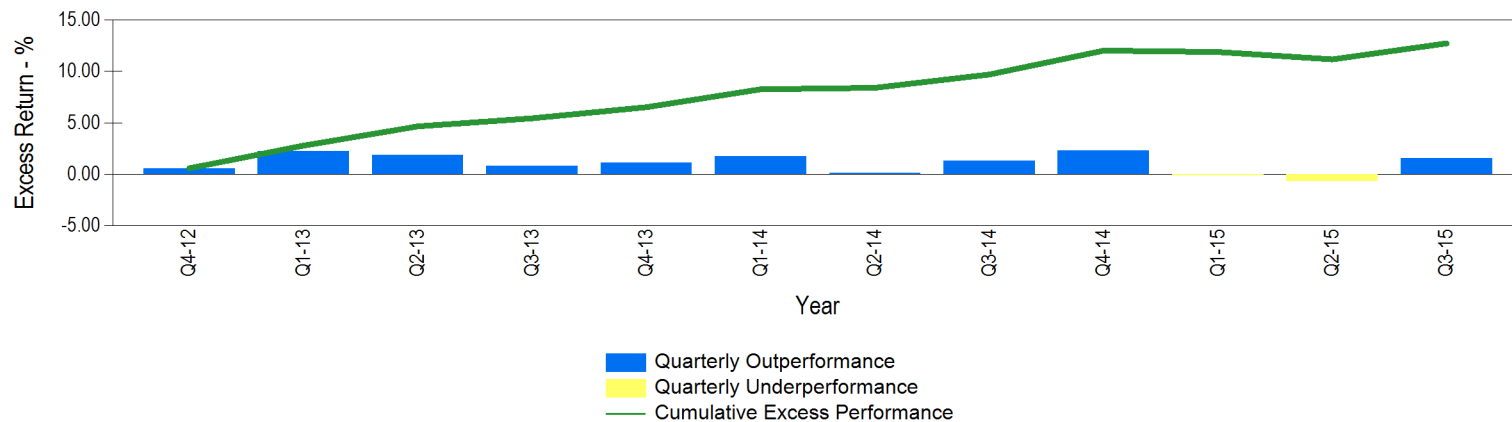
US Effective Style Map



Growth of a Dollar



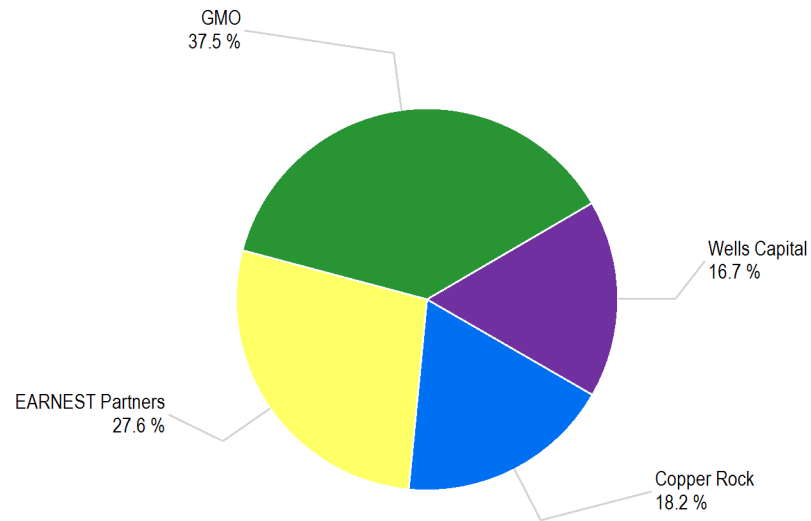
Quarterly and Cumulative Excess Performance



Merced County Employees' Retirement Association

Manager Allocation Analysis - International Equity

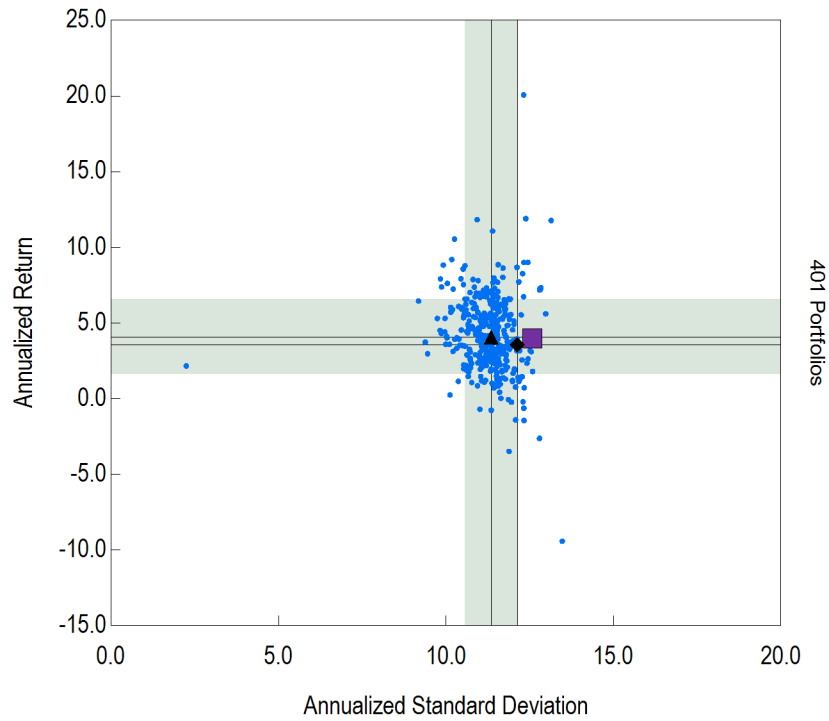
As of September 30, 2015



	Actual \$	Actual %
Copper Rock	\$24,819,966	18.2%
EARNEST Partners	\$37,632,750	27.6%
GMO	\$51,067,660	37.5%
Wells Capital	\$22,827,445	16.7%
Total	\$136,347,821	

Risk vs. Return 3 Year - International Equity

Period Ending September 30, 2015

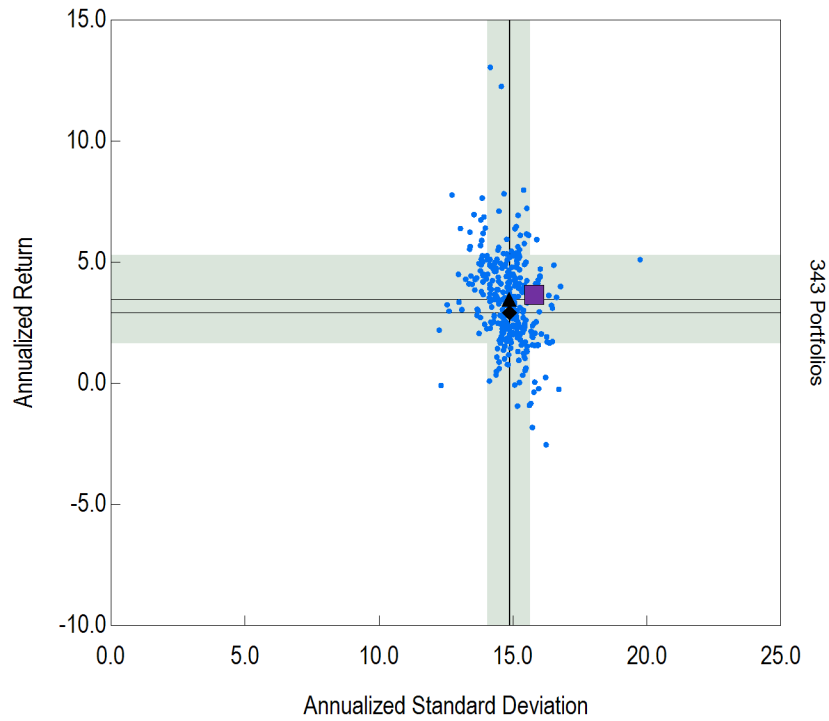


- International Equity
- ◆ MSCI ACWI ex US
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB ex-US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	4.0%	53	12.6%	98	0.3	61
MSCI ACWI ex US	3.6%	60	12.1%	92	0.3	64
InvestorForce All DB ex-US Eq Gross Median	4.1%	--	11.3%	--	0.4	--

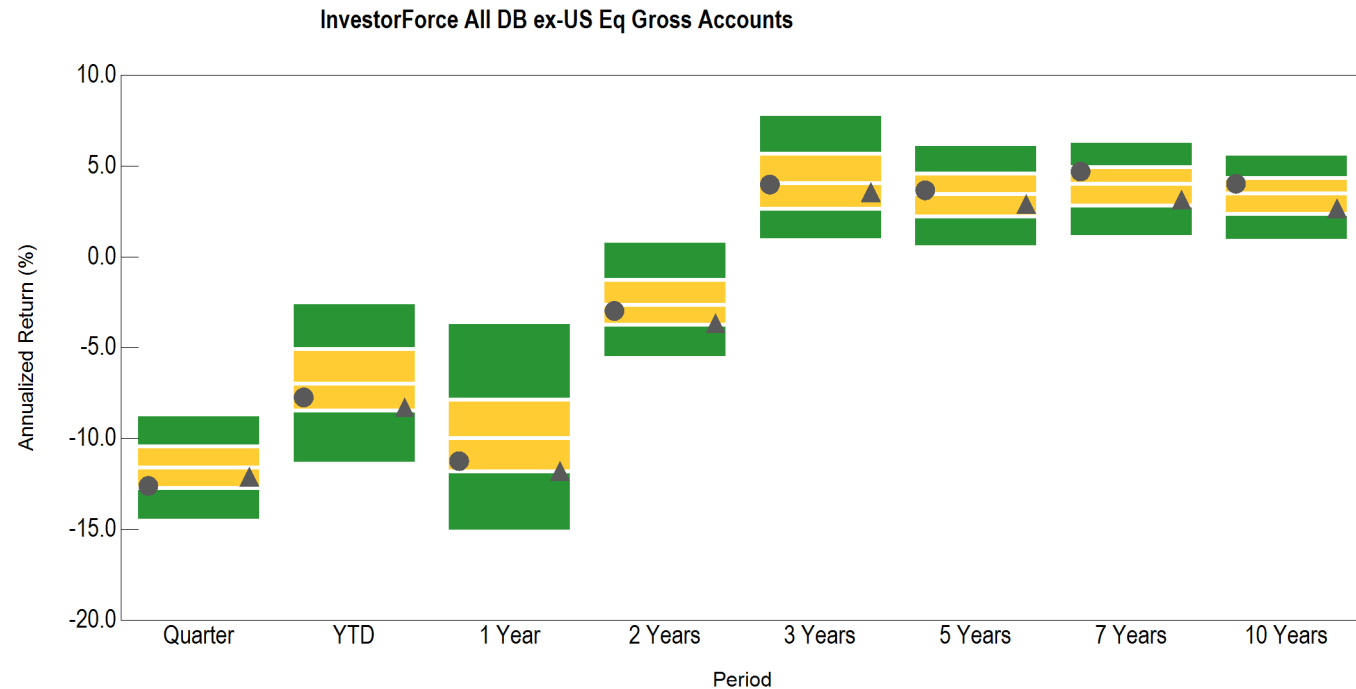
Risk vs. Return 5 Year - International Equity

Period Ending September 30, 2015



- International Equity
- ◆ MSCI ACWI ex US
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB ex-US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	3.7%	45	15.8%	90	0.2	52
MSCI ACWI ex US	2.9%	62	14.9%	51	0.2	62
InvestorForce All DB ex-US Eq Gross Median	3.5%	--	14.9%	--	0.2	--



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-8.7	-2.5	-3.6	0.9	7.9	6.2	6.4	5.7
25th Percentile	-10.4	-5.0	-7.8	-1.2	5.7	4.6	5.0	4.4
Median	-11.6	-6.9	-9.9	-2.6	4.1	3.5	4.1	3.5
75th Percentile	-12.7	-8.5	-11.8	-3.7	2.7	2.3	2.8	2.4
95th Percentile	-14.5	-11.4	-15.1	-5.5	0.9	0.5	1.1	0.9
# of Portfolios	474	460	458	419	401	343	272	200
● International Equity	-12.6 (74)	-7.7 (66)	-11.2 (69)	-3.0 (59)	4.0 (53)	3.7 (45)	4.7 (32)	4.0 (34)
▲ MSCI ACWI ex US	-12.1 (63)	-8.3 (74)	-11.8 (75)	-3.7 (75)	3.6 (60)	2.9 (62)	3.2 (69)	2.7 (70)

Equity Only Summary Statistics - International Equity

Quarter Ending September 30, 2015

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	1,837	1,843
Weighted Avg. Market Cap. (\$B)	35.2	47.5
Median Market Cap. (\$B)	3.9	6.2
Price To Earnings	19.5	18.0
Price To Book	2.8	2.3
Price To Sales	2.3	2.2
Return on Equity (%)	15.9	15.2
Yield (%)	3.1	3.2
Beta (holdings; global)	1.1	1.0

Top Holdings

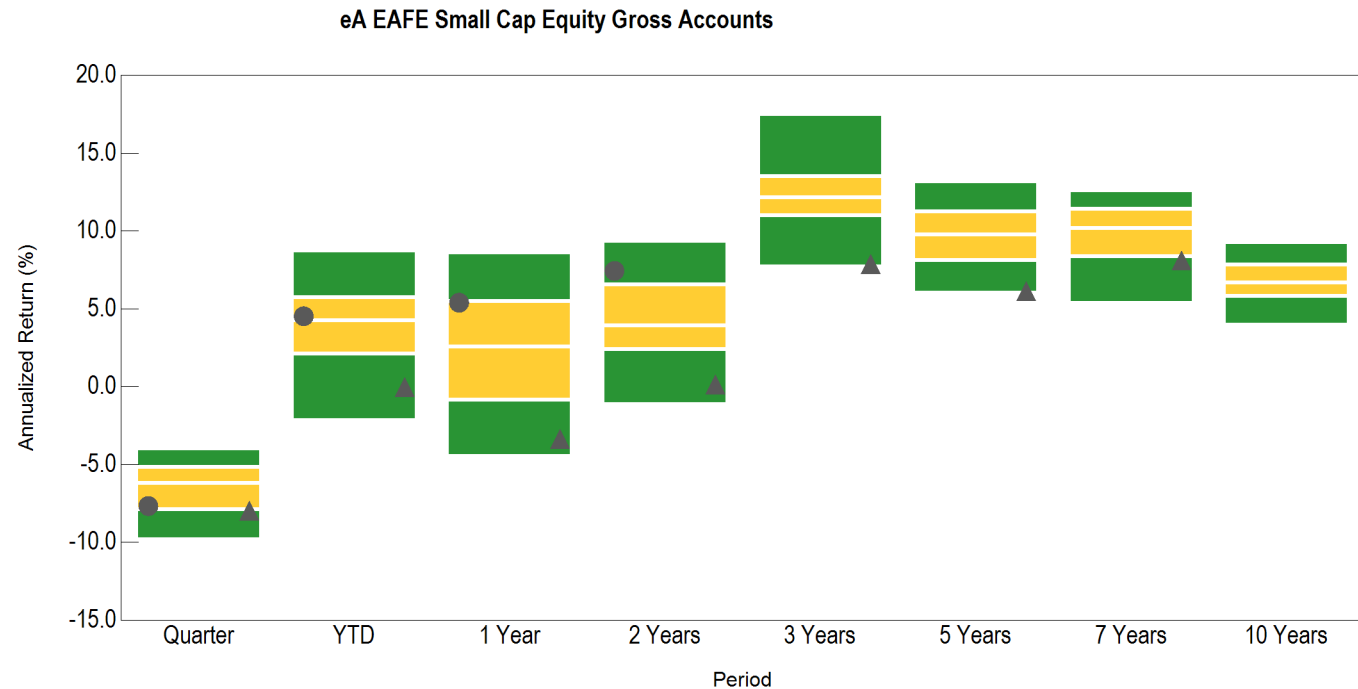
VALEANT PHARMS. (NYS) INTL.	1.4%
TOTAL	1.3%
ICON	1.3%
SAMSUNG ELECTRONICS	1.2%
ARM HDG.SPN.ADR 1:3	1.2%
BASF	1.1%
ASTRAZENECA	1.1%
SHIRE	1.1%
HDFC BANK ADR 1:3	1.0%
ROYAL DUTCH SHELL A	0.9%

Best Performers

	Return %
ITALCEMENTI FABBRICHE RIUNITE (I:ITCF)	67.8%
PARTNER COMMUNICATIONS (IS:PTN)	42.9%
AMLIN (UKIR:AML)	35.0%
OPTIMAL PAYMENTS (UKIR:OPAY)	32.5%
STROEER (D:SAX)	25.9%
FASTIGHETS BALDER 'B' (W:BALB)	22.8%
TOKYO ELECTRIC POWER (J:TE@N)	22.1%
INFOSYS ADR 1:1 (INFY)	20.4%
BLUESCOPE STEEL (OTC) (BLSFF)	20.2%
DANA GAS (AD:DAG)	19.6%

Worst Performers

	Return %
OI PF.SHS.SPN.ADR 1:1 (OIBR)	-64.6%
METALURGICA GERDAU PN (BR:GO4)	-64.0%
RUMO LOG.OPD.MULTIMODAL (BR:P3M)	-63.1%
OI PN (BR:LR4)	-62.8%
GOL LINHAS AEREAS INTELIGENTES PN (BR:GI4)	-61.2%
BEACH ENERGY (A:BPTX)	-60.1%
GOL LINHAS AEREAS INTELIGENTES ADS ADR 1:1 (GOL)	-58.9%
TPK HOLDING (TW:TPK)	-58.6%
LPS BRA.CNSLIA.DE IMOV. ON (BR:LPS)	-57.2%
VALLOUREC (F:VLR)	-56.7%



	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	-4.0	8.7	8.6	9.3	17.5	13.2	12.6	9.2								
25th Percentile	-5.1	5.8	5.5	6.6	13.6	11.3	11.5	7.9								
Median	-6.2	4.3	2.6	3.9	12.2	9.8	10.2	6.7								
75th Percentile	-7.9	2.1	-0.8	2.4	11.0	8.1	8.4	5.8								
95th Percentile	-9.8	-2.1	-4.4	-1.1	7.7	6.1	5.4	4.0								
# of Portfolios	53	53	53	53	50	45	40	28								
● Copper Rock	-7.7 (68)	4.5 (47)	5.4 (26)	7.4 (17)	-- (--)	-- (--)	-- (--)	-- (--)								
▲ MSCI World ex US Small Cap GD	-8.0 (76)	0.0 (91)	-3.4 (90)	0.1 (90)	7.9 (95)	6.1 (95)	8.1 (81)	-- (--)								

Characteristics

	Portfolio	MSCI World ex USA Small Cap
Number of Holdings	93	2,372
Weighted Avg. Market Cap. (\$B)	2.5	2.2
Median Market Cap. (\$B)	1.9	0.8
Price To Earnings	22.4	18.9
Price To Book	3.6	2.2
Price To Sales	2.1	1.9
Return on Equity (%)	18.8	13.2
Yield (%)	2.1	2.3
Beta (holdings; global)	1.1	1.0

Top Holdings

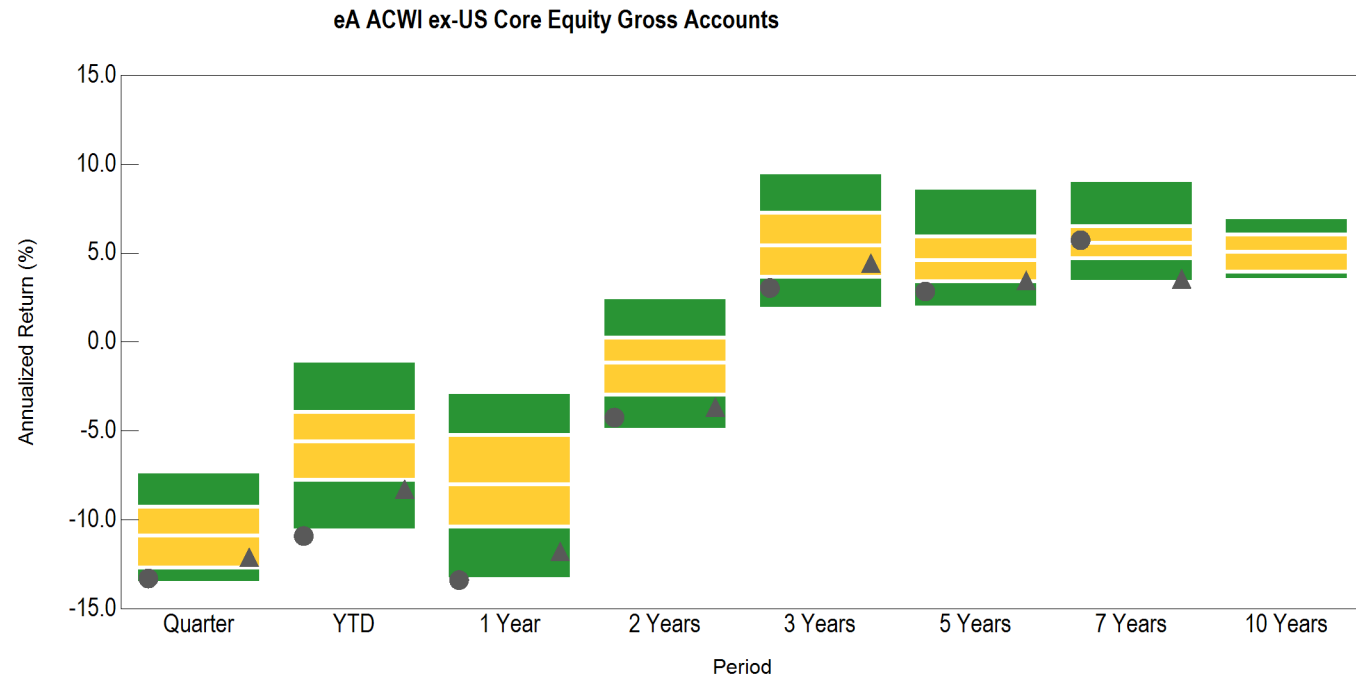
FASTIGHETS BALDER 'B'	2.5%
GRENCORE GROUP	1.9%
STROEER	1.7%
POLA ORBIS HOLDINGS	1.5%
PATRIZIA IMMOBILIEN	1.5%
ALPS ELECTRIC	1.5%
FREENET	1.5%
ELEMENT FINANCIAL	1.4%
CCT CORREIOS DE PORTUGAL	1.4%
GALLIFORD TRY	1.4%

Best Performers

	Return %
OPTIMAL PAYMENTS (UKIR:OPAY)	32.5%
STROEER (D:SAX)	25.9%
FASTIGHETS BALDER 'B' (W:BALB)	22.8%
HOSHIZAKI ELECTRIC (J:HSZK)	18.5%
ION BEAM APPLICATIONS (B:IBA)	18.2%
TECAN 'R' (S:TECN)	17.2%
IPSEN (F:IPN)	12.2%
GRAND CITY PROPERTIES (D:GYC)	10.5%
RECORDATI INDUA.CHIMICA (I:REC)	9.9%
AURELIUS (D:AR4)	9.4%

Worst Performers

	Return %
BEACH ENERGY (A:BPTX)	-60.1%
JAPAN AVNS.ELTN.IND. (J:JAAV)	-44.9%
IRISO ELECTRONICS (J:IRIS)	-38.8%
MINEBEA (J:IA@N)	-35.8%
ACERINOX 'R' (E:ACX)	-35.6%
ENTERTAINMENT ONE (DI) (UKIR:ETO)	-32.7%
INTERTAPE POLYMER GP. (C:ITP)	-28.1%
CSR (A:CSRX)	-27.5%
MISUMI GROUP (J:MISM)	-27.3%
OSTERREICHISCHE POST (O:OES)	-25.5%



Return (Rank)

5th Percentile	-7.3	-1.1	-2.8	2.5	9.5	8.7	9.1	7.0
25th Percentile	-9.2	-3.9	-5.2	0.3	7.3	6.0	6.5	6.1
Median	-10.9	-5.6	-8.0	-1.2	5.4	4.6	5.6	5.1
75th Percentile	-12.6	-7.7	-10.4	-2.9	3.7	3.4	4.7	4.0
95th Percentile	-13.5	-10.6	-13.3	-4.9	1.9	1.9	3.4	3.5
# of Portfolios	73	73	73	72	69	59	51	37
● EARNEST Partners	-13.3 (91)	-10.9 (97)	-13.4 (96)	-4.3 (92)	3.0 (81)	2.8 (86)	5.7 (40)	-- (--)
▲ MSCI ACWI ex US	-12.1 (68)	-8.3 (81)	-11.8 (85)	-3.7 (88)	4.4 (64)	3.5 (73)	3.5 (92)	-- (--)

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	63	1,843
Weighted Avg. Market Cap. (\$B)	38.8	47.5
Median Market Cap. (\$B)	19.0	6.2
Price To Earnings	17.9	18.0
Price To Book	2.9	2.3
Price To Sales	2.5	2.2
Return on Equity (%)	17.9	15.2
Yield (%)	2.7	3.2
Beta (holdings; global)	1.1	1.0

Top Holdings

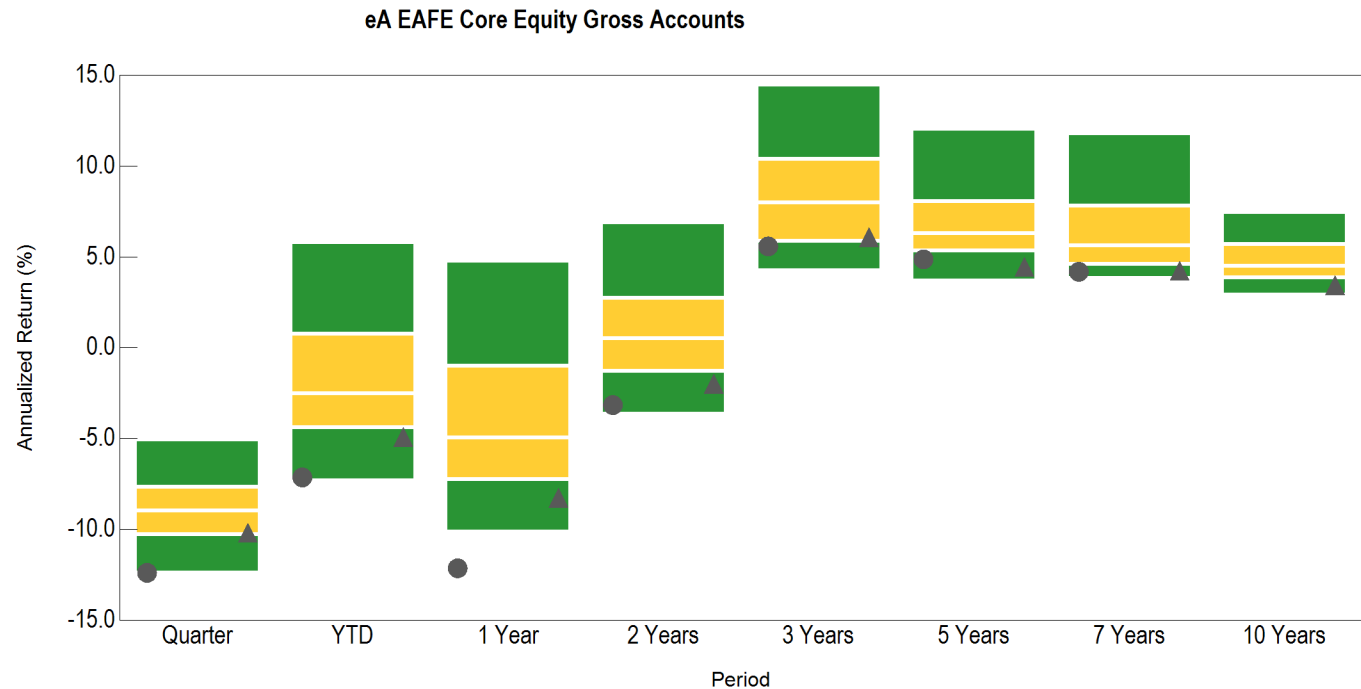
ICON	4.9%
ARM HDG.SPN.ADR 1:3	4.8%
SHIRE	4.1%
AMADEUS IT HOLDING	3.6%
EVEREST RE GP.	3.6%
DENSO	3.5%
CARNIVAL	3.3%
NOVARTIS 'B' SPN.ADR 1:1	3.2%
ROCHE HOLDING	3.2%
CORE LABORATORIES	2.9%

Best Performers

	Return %
AMADEUS IT HOLDING (E:AMS)	7.9%
CONWERT IM.INVEST (O:CIIA)	6.5%
ICON (ICLR)	5.5%
HYUNDAI MOBIS (KO:HAC)	2.8%
ERSTE GROUP BANK (O:ERS)	2.0%
CARNIVAL (CCL)	1.2%
HDFC BANK ADR 1:3 (HDB)	0.9%
ROGERS COMMS.'B' (NYS) (RCI)	-1.9%
KOMERCNI BANKA (CZ:KOM)	-2.3%
EVEREST RE GP. (RE)	-4.2%

Worst Performers

	Return %
BANCO DO BRASIL ON (BR:IO3)	-50.0%
BNC.BRADESCO PF.SPN.ADR 1:1 (BBD)	-41.4%
QUALICORP ON (BR:QUA)	-41.3%
CHINA OILFIELD SVS.'H' (K:CHOL)	-37.4%
NIPPON STL.& SUMIT.MTL. (J:NSSM)	-29.3%
POSCO (KO:PIS)	-29.2%
TKI.GARANTI BKSI. (TK:GAR)	-25.6%
DBS GROUP HOLDINGS (T:DBSS)	-24.7%
BANCOLOMBIA PF.SPN.ADR 1:4 (CIB)	-24.3%
HITACHI (J:HC@N)	-23.9%



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-5.1	5.8	4.8	6.9	14.5	12.0	11.8	7.5
25th Percentile	-7.6	0.8	-1.0	2.8	10.4	8.1	7.9	5.7
Median	-9.0	-2.5	-4.9	0.5	8.0	6.3	5.7	4.5
75th Percentile	-10.3	-4.4	-7.2	-1.3	5.9	5.4	4.6	3.9
95th Percentile	-12.3	-7.3	-10.1	-3.6	4.3	3.7	3.8	3.0
# of Portfolios	139	139	139	135	129	115	103	76
● GMO	-12.4 (96)	-7.1 (95)	-12.1 (99)	-3.2 (91)	5.6 (78)	4.9 (82)	4.2 (93)	-- (--)
▲ MSCI EAFE Gross	-10.2 (74)	-4.9 (79)	-8.3 (81)	-2.0 (84)	6.1 (75)	4.4 (88)	4.2 (90)	3.4 (92)

Characteristics

	Portfolio	MSCI EAFE Gross
Number of Holdings	1,663	913
Weighted Avg. Market Cap. (\$B)	47.5	52.8
Median Market Cap. (\$B)	3.9	8.1
Price To Earnings	19.5	18.3
Price To Book	2.1	2.3
Price To Sales	1.6	2.1
Return on Equity (%)	12.4	14.5
Yield (%)	4.1	3.2
Beta (holdings; global)	1.1	1.0

Top Holdings

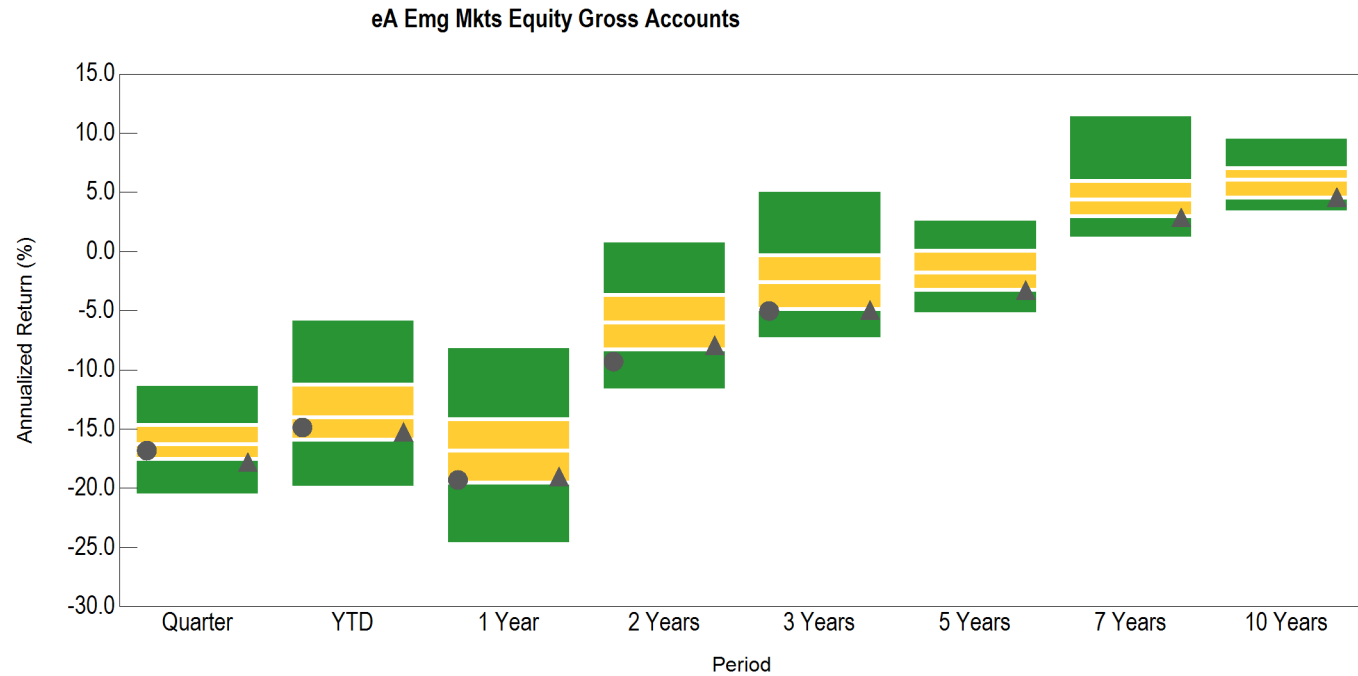
VALEANT PHARMS. (NYS) INTL.	3.7%
TOTAL	3.4%
ASTRAZENECA	2.9%
BP	2.3%
BASF	2.2%
GLAXOSMITHKLINE	2.2%
NISSAN MOTOR	2.1%
DAIMLER	1.9%
RENAULT	1.8%
ROYAL DUTCH SHELL A	1.8%

Best Performers

	Return %
ITALCEMENTI FABBRICHE RIUNITE (I:ITCF)	67.8%
PARTNER COMMUNICATIONS (IS:PTN)	42.9%
AMLIN (UKIR:AML)	35.0%
TOKYO ELECTRIC POWER (J:TE@N)	22.1%
BLUESCOPE STEEL (OTC) (BLSFF)	20.2%
DANA GAS (AD:DAG)	19.6%
CORBION (H:CRBN)	15.8%
MARUTI SUZUKI INDIA (IN:MUD)	13.7%
HYUNDAI MOTOR (KO:HDR)	13.5%
SEOYEON (KO:HEW)	13.4%

Worst Performers

	Return %
OI PF.SHS.SPN.ADR 1:1 (OIBR)	-64.6%
METALURGICA GERDAU PN (BR:GO4)	-64.0%
OI PN (BR:LR4)	-62.8%
GOL LINHAS AEREAS INTELIGENTES PN (BR:GI4)	-61.2%
GOL LINHAS AEREAS INTELIGENTES ADS ADR 1:1 (GOL)	-58.9%
TPK HOLDING (TW:TPK)	-58.6%
LPS BRA.CNSLIA.DE IMOV. ON (BR:LPS)	-57.2%
VALLOUREC (F:VLR)	-56.7%
KUMBA IRON ORE (R:KIOJ)	-54.4%
CIA ENERGETICA DE MINAS GERAIS PN (BR:GP4)	-54.0%



	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	-11.2	-5.7	-8.0	0.9	5.2	2.8	11.6	9.7								
25th Percentile	-14.6	-11.2	-14.2	-3.7	-0.3	0.1	6.0	7.1								
Median	-16.3	-14.0	-16.8	-6.0	-2.6	-1.8	4.4	6.1								
75th Percentile	-17.5	-15.9	-19.5	-8.3	-4.8	-3.2	3.0	4.6								
95th Percentile	-20.6	-19.9	-24.7	-11.7	-7.4	-5.3	1.1	3.3								
# of Portfolios	250	250	249	241	215	161	131	79								
● Wells Capital	-16.8 (60)	-14.9 (62)	-19.3 (73)	-9.3 (86)	-5.0 (79)	-- (--)	-- (--)	-- (--)								
▲ MSCI Emerging Markets Gross	-17.8 (79)	-15.2 (65)	-19.0 (71)	-7.9 (72)	-4.9 (76)	-3.2 (76)	2.9 (77)	4.6 (75)								

Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	110	837
Weighted Avg. Market Cap. (\$B)	38.0	33.6
Median Market Cap. (\$B)	8.9	4.2
Price To Earnings	18.7	17.0
Price To Book	3.3	2.3
Price To Sales	3.0	2.5
Return on Equity (%)	17.3	17.2
Yield (%)	2.5	3.0
Beta (holdings; global)	1.0	0.9

Top Holdings

SAMSUNG ELECTRONICS	4.8%
TAIWAN SEMICON.SPN.ADR 1:5	3.7%
CHINA MOBILE	3.5%
CHINA LIFE INSURANCE 'H'	3.2%
FOM.ECO.MEXNO.SAB DE CV SPN.ADR 1:10	3.1%
HDFC BANK ADR 1:3	2.3%
UNI-PRESIDENT ENTS.	2.2%
INFOSYS ADR 1:1	2.1%
AIA GROUP	2.0%
RELIANCE INDS.GDR 144A	1.9%

Best Performers

	Return %
INFOSYS ADR 1:1 (INFY)	20.4%
KT & G (KO:KTB)	10.6%
GRUPO SANBORNS (MX:GBR)	5.1%
UNI-PRESIDENT ENTS. (TW:PRE)	4.1%
JOHNSON ELECTRIC HDG. (K:JNEL)	3.7%
KT ADR 2:1 (KT)	3.2%
WALMART DE MEXICO 'V' (MX:WAV)	1.7%
HDFC BANK ADR 1:3 (HDB)	0.9%
AVIVASA EMEKLILIK VE HAYAT (TK:AVI)	0.6%
FOM.ECO.MEXNO.SAB DE CV SPN.ADR 1:10 (FMX)	0.2%

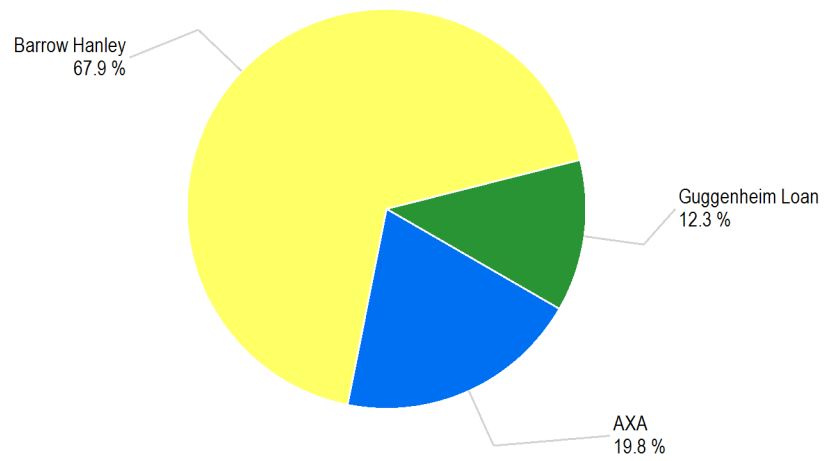
Worst Performers

	Return %
RUMO LOG.OPD.MULTIMODAL (BR:P3M)	-63.1%
PTRO.BRAO.ADR 1:2 (PBRA)	-54.9%
PTRO.BRAO.ADR 1:2 (PBR)	-51.9%
B2W COMPANHIA DIGITAL ON (BR:B2W)	-43.1%
MEDIATEK (TW:MDT)	-42.7%
CIA.MINAS BUENAVENTURA ADR 1:1 (BVN)	-42.6%
BNC.BRADESCO PF.SPN.ADR 1:1 (BBD)	-41.4%
STANDARD CHARTERED (UKIR:STAN)	-38.8%
LEGEND HOLDINGS 'H' (K:LEGH)	-38.2%
IMPALA PLATINUM (R:IMPJ)	-37.9%

Merced County Employees' Retirement Association

Manager Allocation Analysis - US Fixed Income

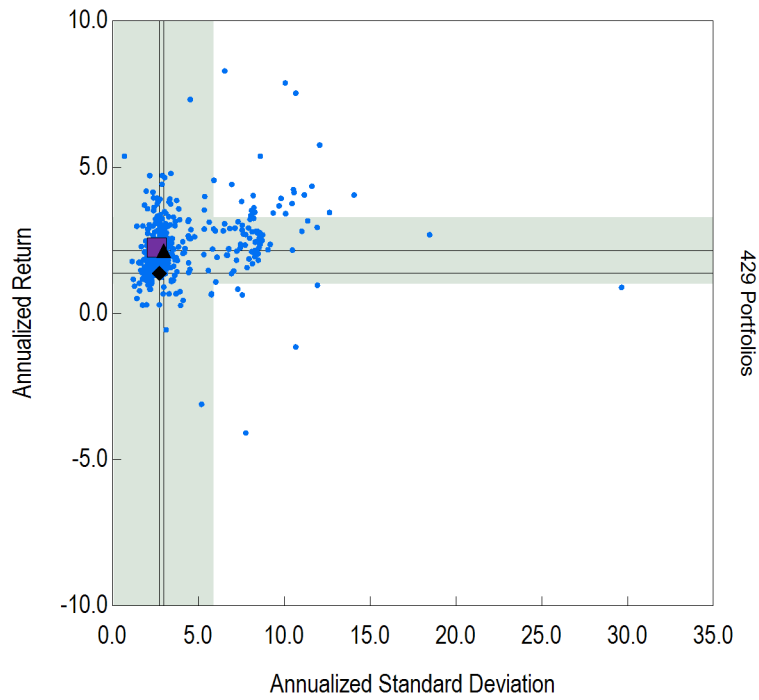
As of September 30, 2015



	Actual \$	Actual %
AXA	\$33,081,230	19.8%
Barrow Hanley	\$113,513,279	67.9%
Guggenheim Loan	\$20,518,338	12.3%
Total	\$167,112,847	

Risk vs. Return 3 Year - US Fixed Income

Period Ending September 30, 2015

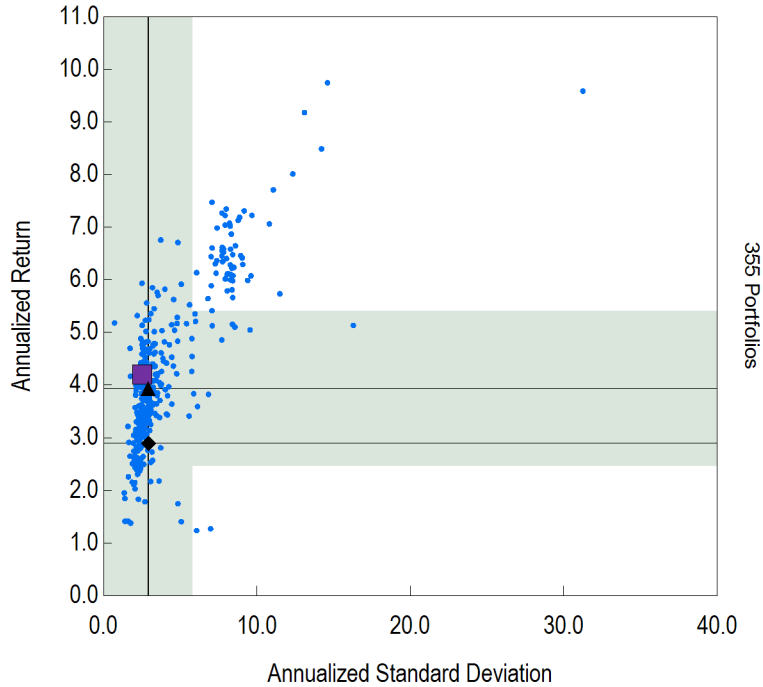


- US Fixed Income
- ◆ US Fixed Custom
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB US Fix Inc Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	2.3%	44	2.6%	30	0.9	24
US Fixed Custom	1.4%	85	2.7%	36	0.5	67
InvestorForce All DB US Fix Inc Gross Median	2.2%	--	3.0%	--	0.6	--

Risk vs. Return 5 Year - US Fixed Income

Period Ending September 30, 2015



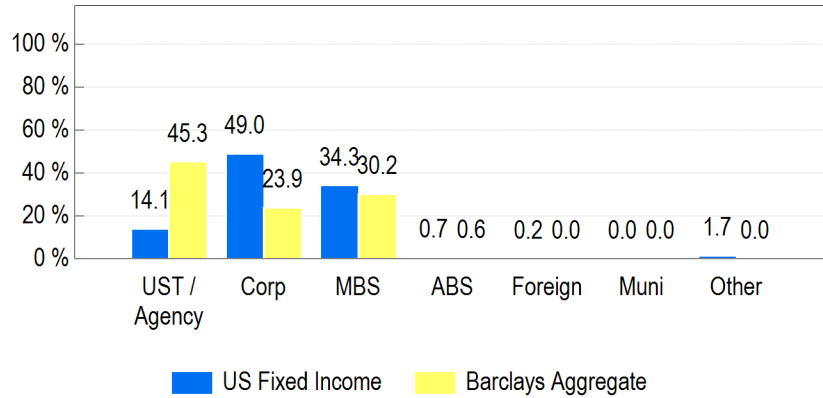
- US Fixed Income
- ◆ US Fixed Custom
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB US Fix Inc Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	4.2%	42	2.7%	37	1.5	14
US Fixed Custom	2.9%	86	2.7%	41	1.0	67
InvestorForce All DB US Fix Inc Gross Median	3.9%	--	2.9%	--	1.2	--

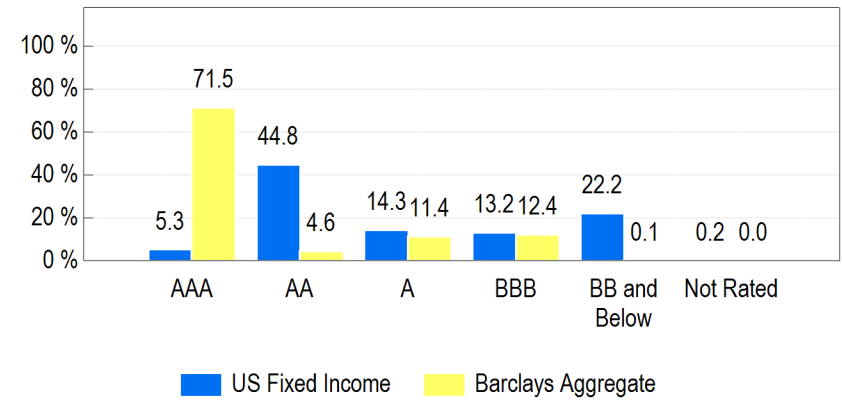


	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	2.6	2.1	4.4	8.6	4.0	7.0	9.8	7.7
25th Percentile	1.2	1.4	2.9	4.8	2.8	5.1	7.7	6.1
Median	0.6	0.5	2.2	3.5	2.2	3.9	6.2	5.3
75th Percentile	-0.3	-1.3	1.2	2.7	1.6	3.3	5.2	4.6
95th Percentile	-2.0	-3.3	-0.8	1.8	0.8	2.3	3.7	3.9
# of Portfolios	492	480	478	446	429	355	281	230
● US Fixed Income	-0.1 (71)	0.9 (41)	1.7 (64)	3.2 (61)	2.3 (44)	4.2 (42)	4.9 (82)	3.9 (94)
▲ US Fixed Custom	-0.1 (71)	0.6 (50)	1.6 (66)	3.0 (67)	1.4 (85)	2.9 (86)	4.7 (85)	4.5 (78)

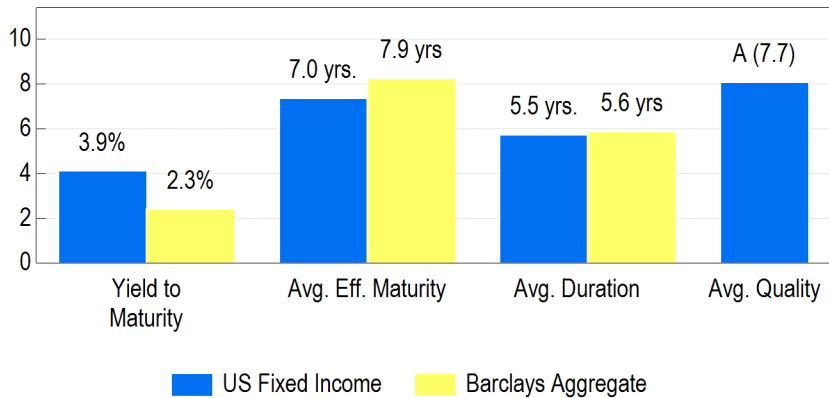
Sectors
US Fixed Income



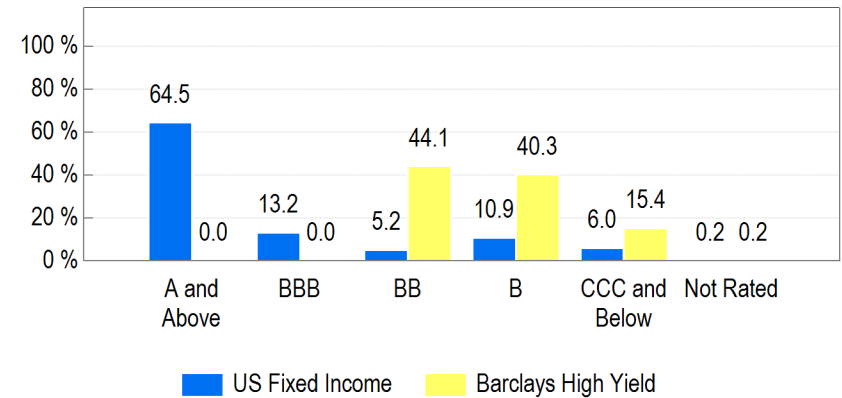
Quality Ratings
US Fixed Income

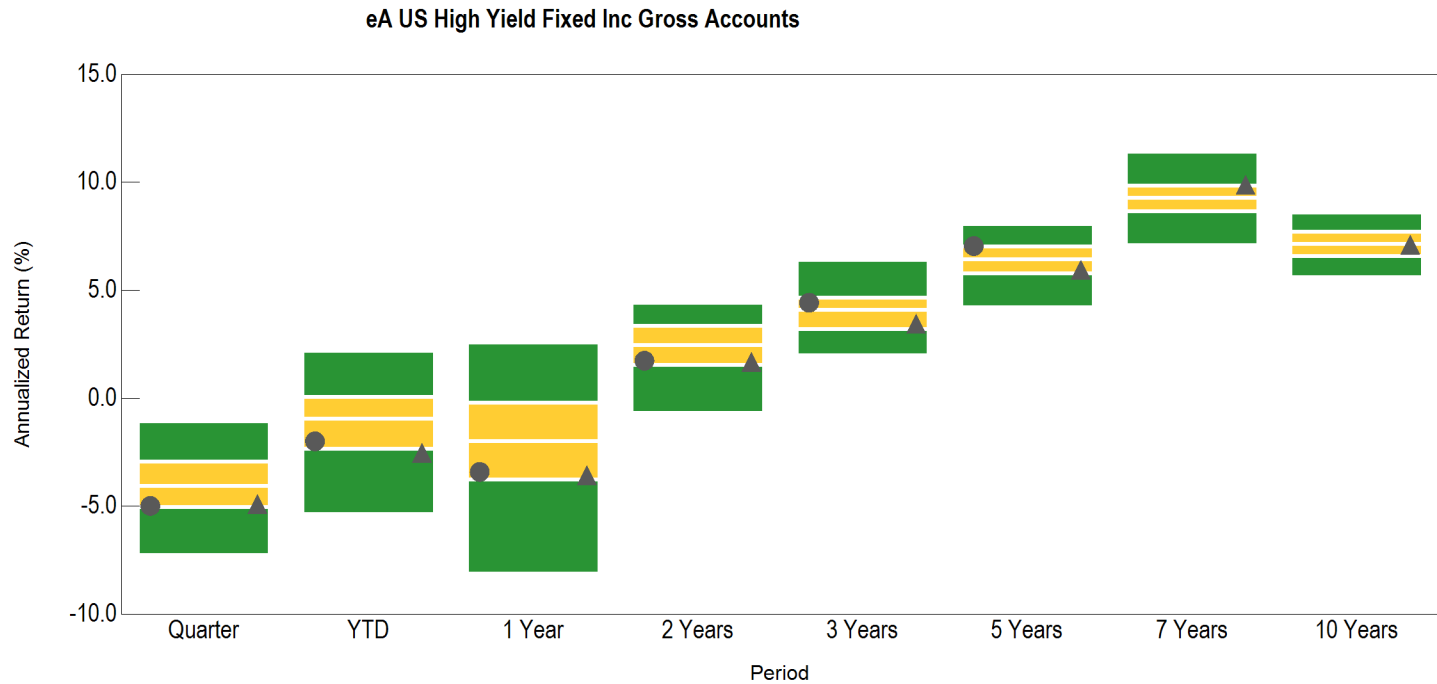


Characteristics
US Fixed Income



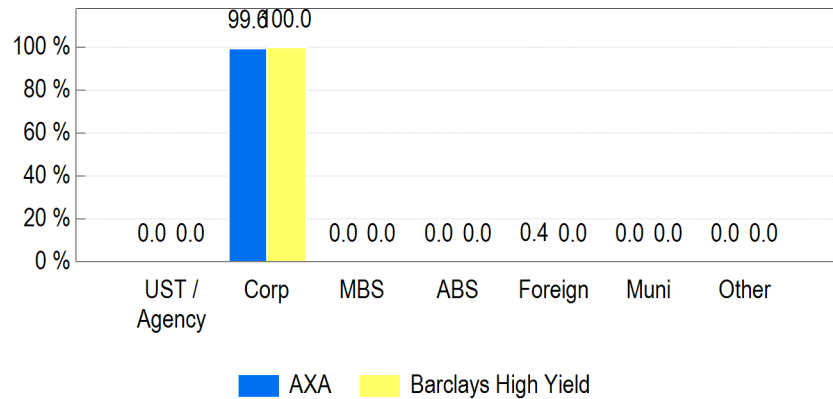
High Yield Quality Ratings
US Fixed Income



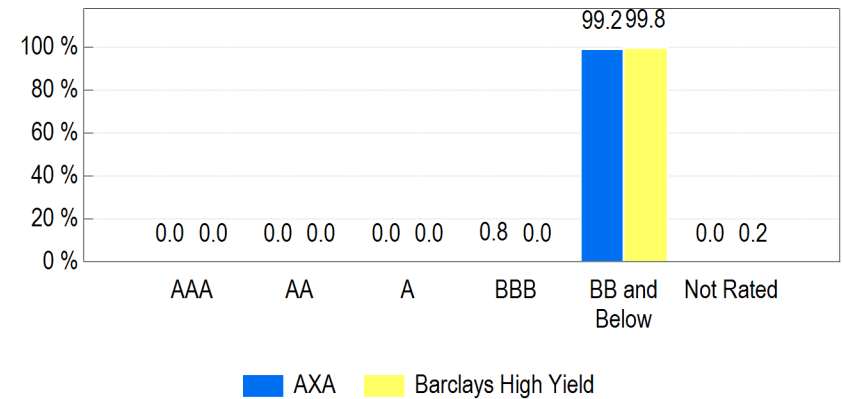


	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-1.1	2.2	2.6	4.4	6.4	8.0	11.4	8.6
25th Percentile	-2.9	0.1	-0.2	3.4	4.7	7.0	9.9	7.7
Median	-4.0	-0.9	-2.0	2.5	4.1	6.5	9.3	7.2
75th Percentile	-5.0	-2.3	-3.7	1.6	3.2	5.8	8.7	6.6
95th Percentile	-7.3	-5.3	-8.1	-0.7	2.0	4.2	7.1	5.6
# of Portfolios	146	146	146	144	139	122	109	102
● AXA	-5.0 (74)	-2.0 (69)	-3.4 (73)	1.7 (73)	4.4 (36)	7.1 (25)	-- (--)	-- (--)
▲ BofA Merrill Lynch US High Yield Master II TR	-4.9 (73)	-2.5 (77)	-3.6 (74)	1.7 (74)	3.5 (67)	5.9 (70)	9.9 (24)	7.1 (55)

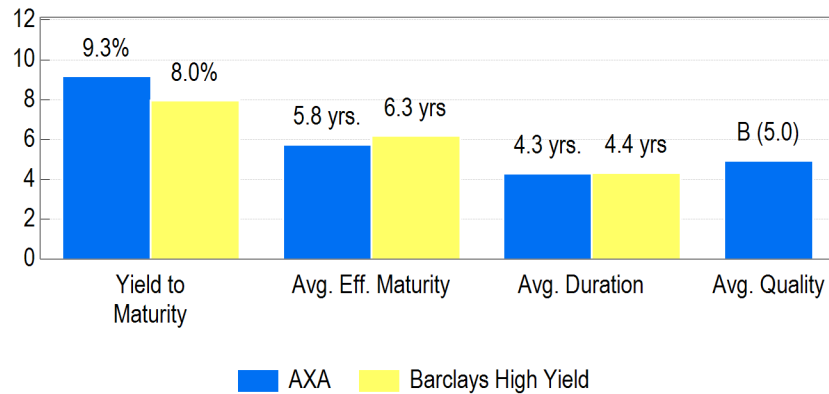
Sectors
AXA



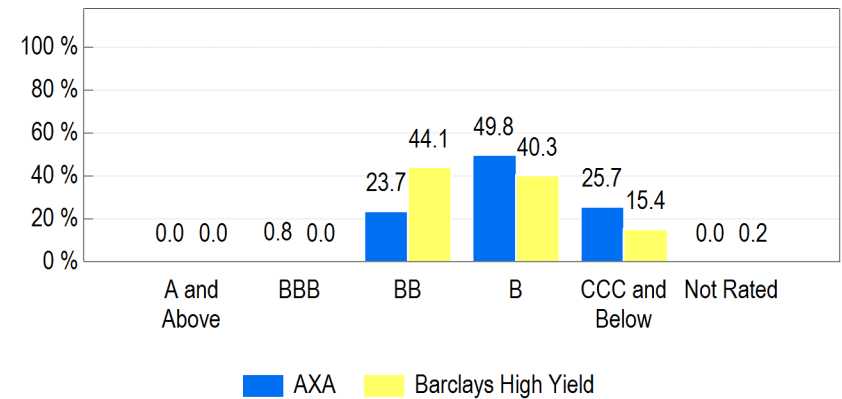
Quality Ratings
AXA

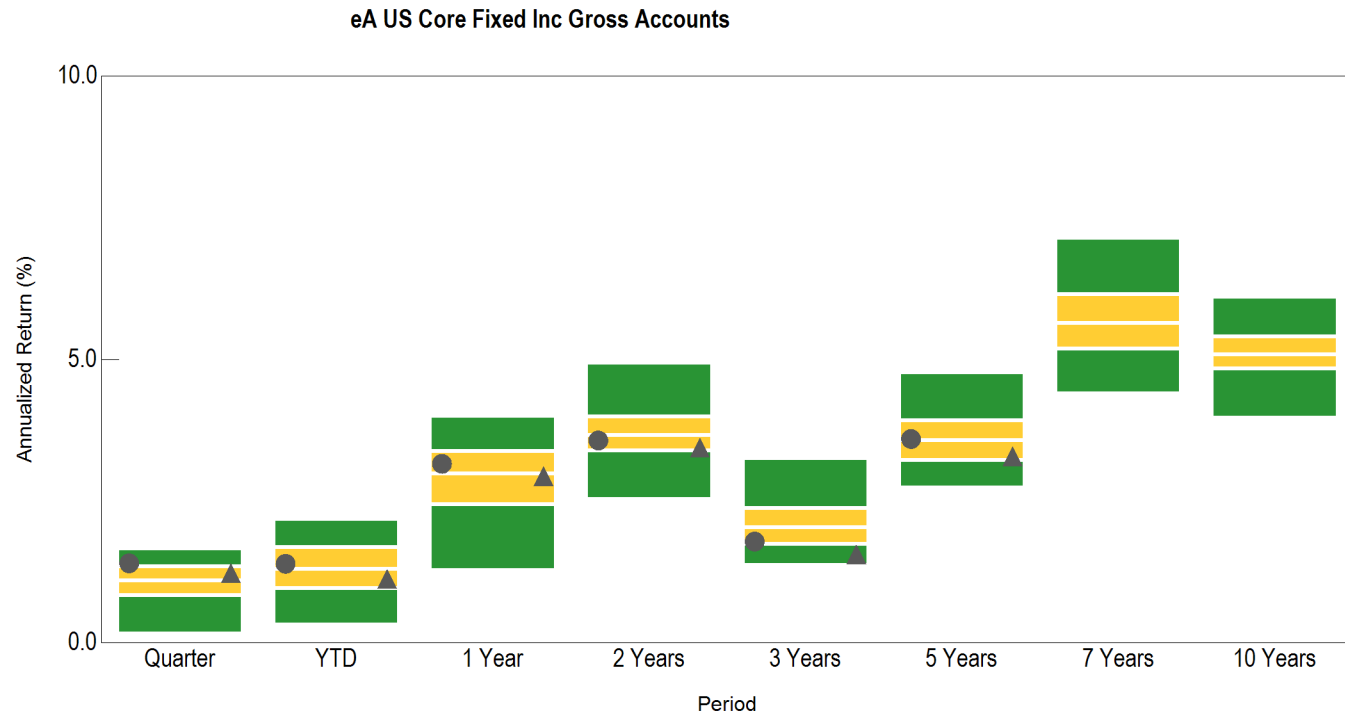


Characteristics
AXA



High Yield Quality Ratings
AXA

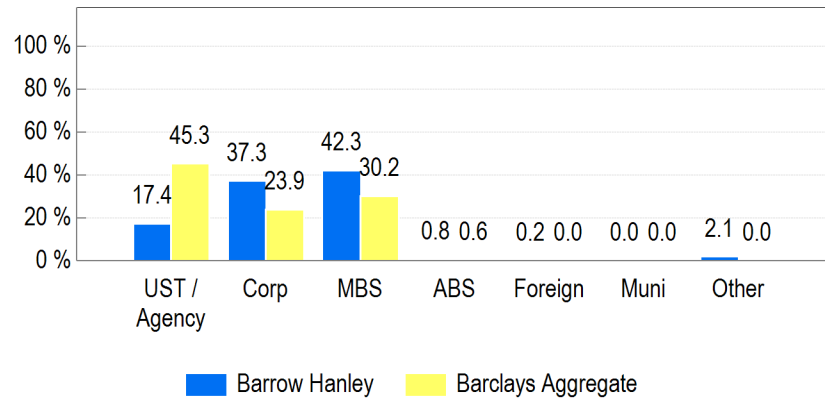




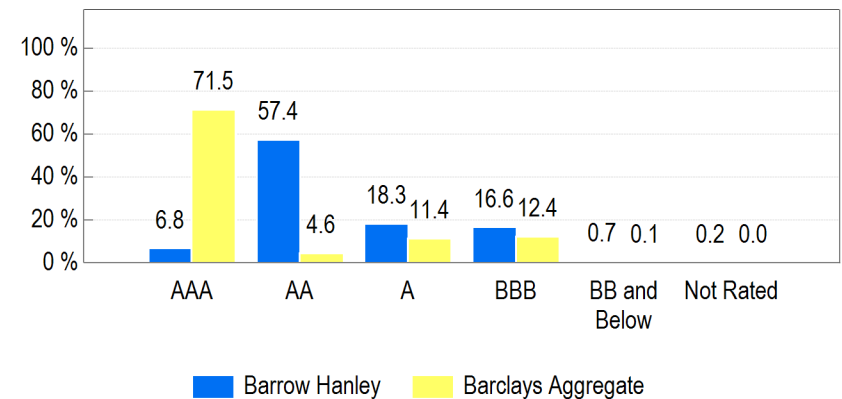
Return (Rank)

5th Percentile	1.7	2.2	4.0	4.9	3.3	4.8	7.1	6.1
25th Percentile	1.4	1.7	3.4	4.0	2.4	3.9	6.2	5.4
Median	1.1	1.3	3.0	3.7	2.0	3.6	5.6	5.1
75th Percentile	0.8	1.0	2.5	3.4	1.8	3.2	5.2	4.8
95th Percentile	0.2	0.3	1.3	2.5	1.4	2.7	4.4	4.0
# of Portfolios	192	192	192	192	191	189	181	167
● Barrow Hanley	1.4 (23)	1.4 (43)	3.2 (40)	3.6 (60)	1.8 (72)	3.6 (50)	-- (--)	-- (--)
▲ Barclays Aggregate	1.2 (37)	1.1 (66)	2.9 (54)	3.4 (72)	1.6 (90)	3.3 (73)	-- (--)	-- (--)

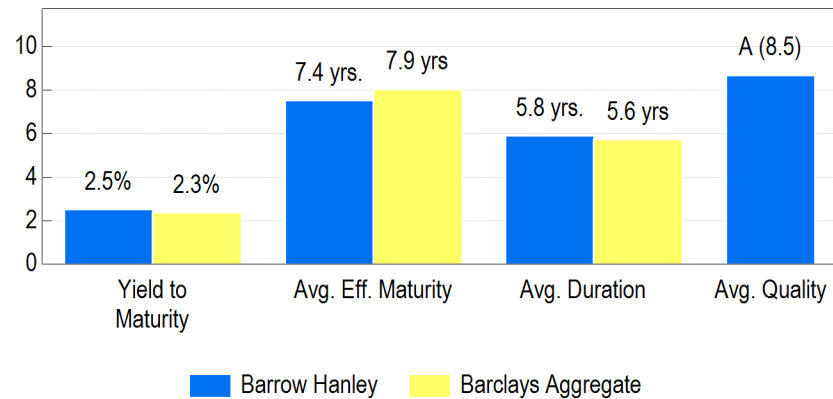
Sectors
Barrow Hanley

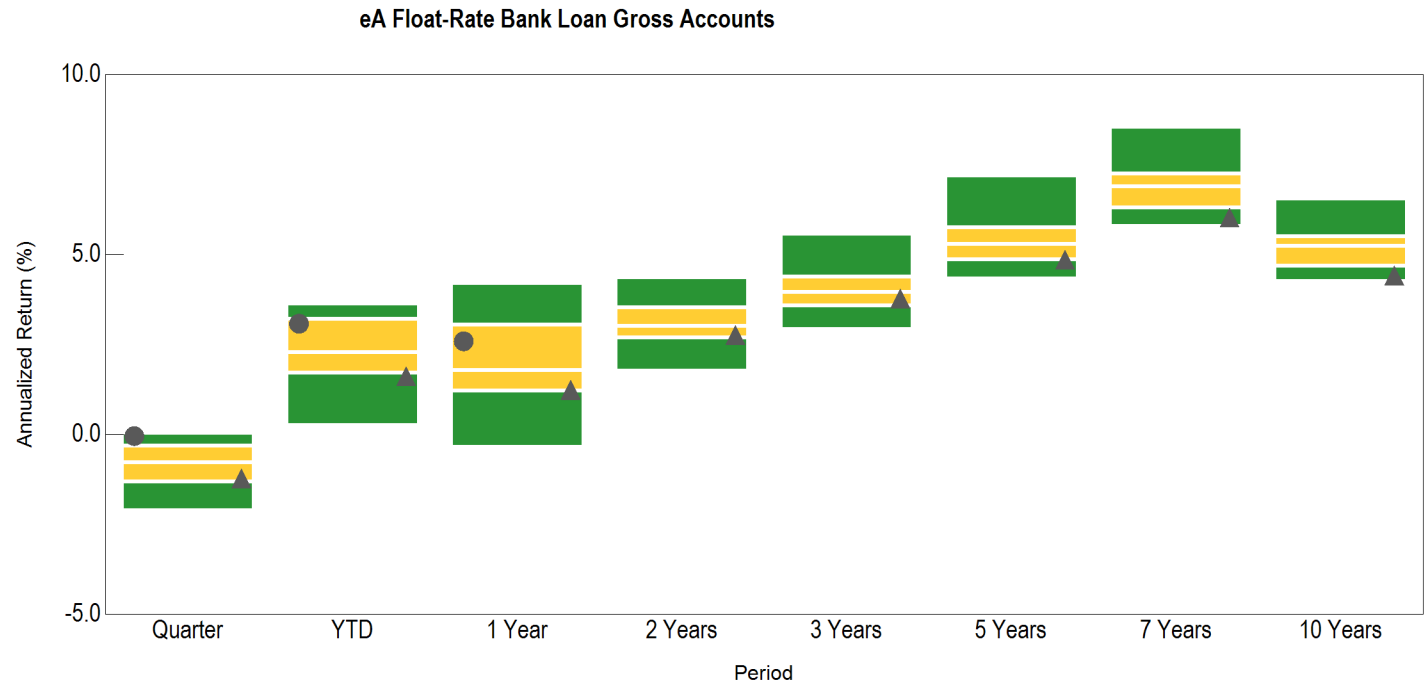


Quality Ratings
Barrow Hanley



Characteristics
Barrow Hanley



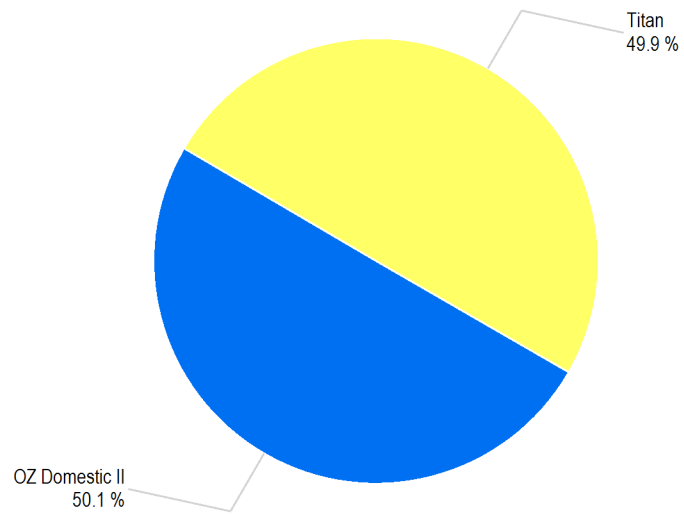


	Return (Rank)															
	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	0.0	(11)	3.6	(28)	4.2	(41)	4.3	(--)	5.6	(--)	7.2	(--)	8.5	(--)	6.5	(--)
25th Percentile	-0.3	(70)	3.2	(79)	3.1	(75)	3.5	(73)	4.4	(63)	5.8	(78)	7.3	(89)	5.5	(91)
Median	-0.8		2.3		1.8		3.0		4.0		5.3		6.9		5.2	
75th Percentile	-1.3		1.7		1.2		2.7		3.6		4.9		6.3		4.7	
95th Percentile	-2.1		0.3		-0.3		1.8		2.9		4.3		5.8		4.3	
# of Portfolios	49		49		49		49		44		38		32		17	
● Guggenheim Loan	0.0	(11)	3.1	(28)	2.6	(41)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ Credit Suisse Leveraged Loans	-1.2	(70)	1.6	(79)	1.2	(75)	2.8	(73)	3.8	(63)	4.8	(78)	6.0	(89)	4.4	(91)

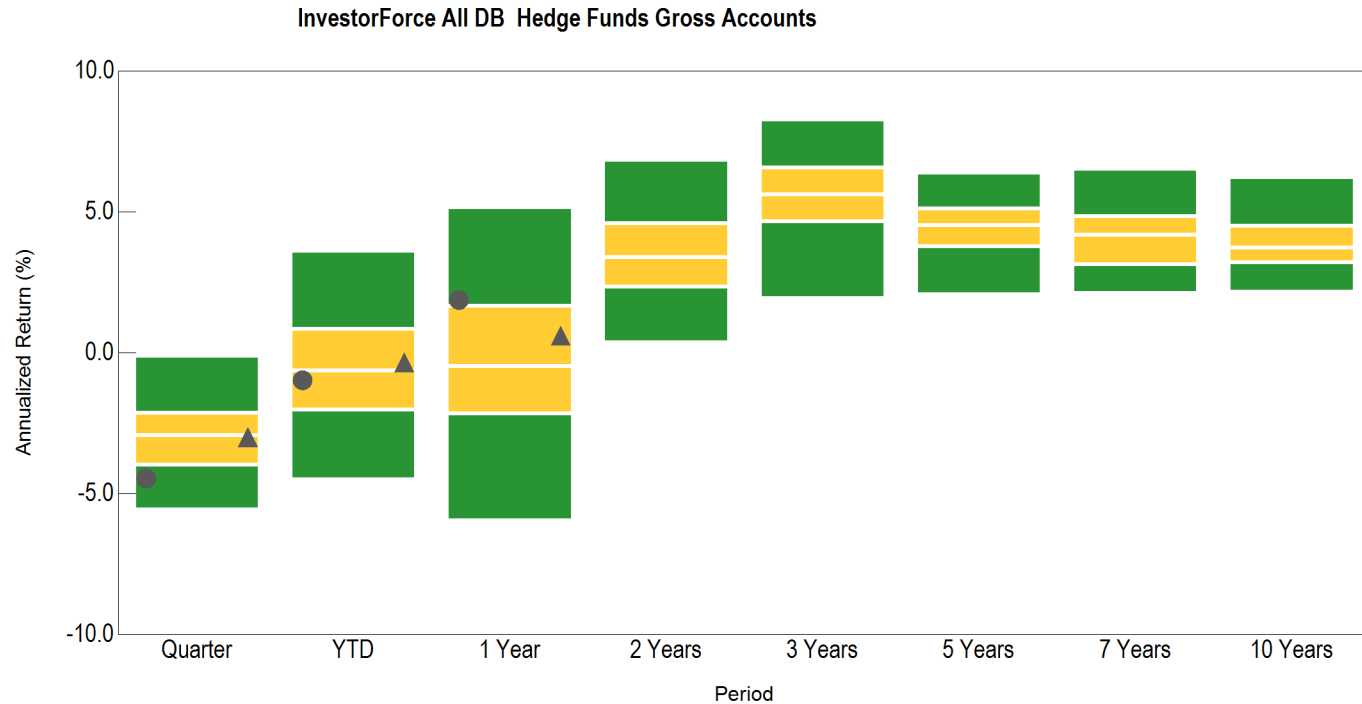
Merced County Employees' Retirement Association

Manager Allocation Analysis - Hedge Fund

As of September 30, 2015



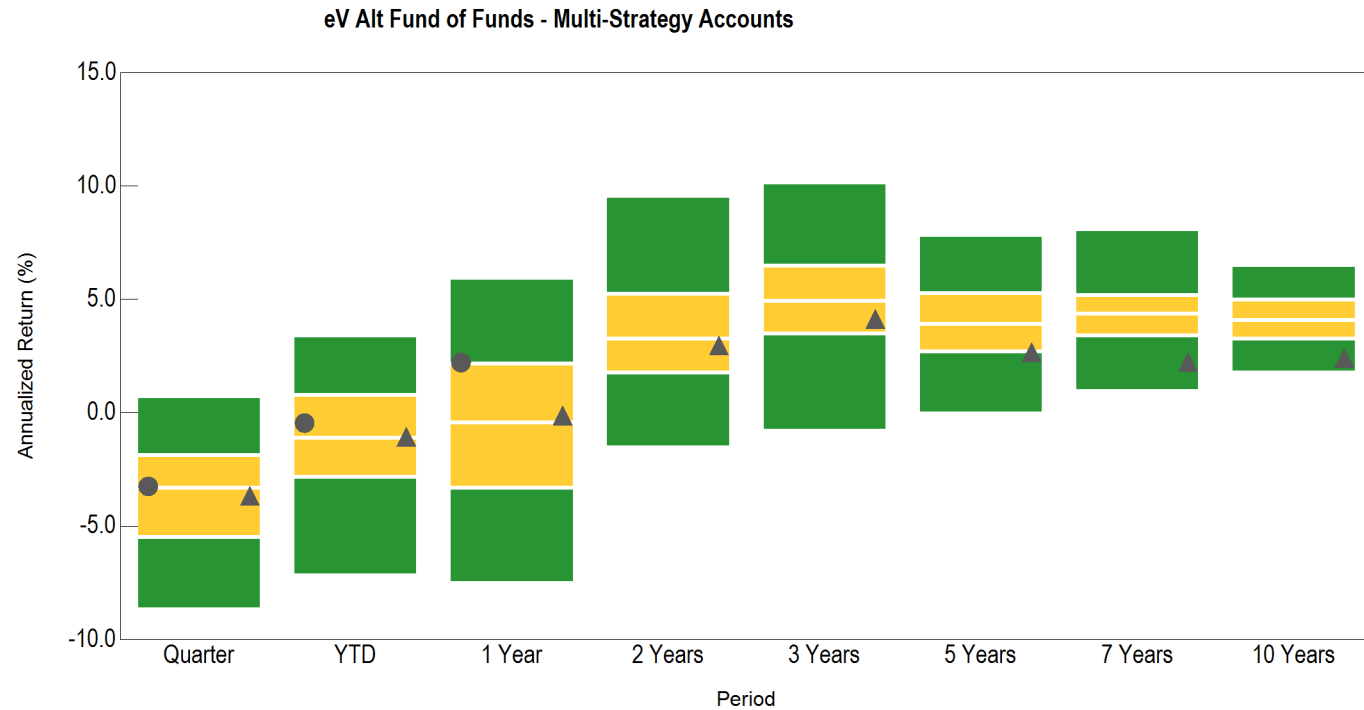
	Actual \$	Actual %
OZ Domestic II	\$14,328,143	50.1%
Titan	\$14,268,538	49.9%
Total	\$28,596,681	



	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	-0.1	3.6	5.2	6.8	8.3	6.4	6.5	6.2								
25th Percentile	-2.1	0.9	1.7	4.6	6.6	5.1	4.9	4.5								
Median	-2.9	-0.6	-0.5	3.4	5.6	4.6	4.2	3.7								
75th Percentile	-4.0	-2.0	-2.1	2.4	4.7	3.8	3.2	3.2								
95th Percentile	-5.6	-4.5	-5.9	0.4	2.0	2.1	2.1	2.2								
# of Portfolios	215	213	211	203	197	144	109	46								
● Hedge Fund	-4.5 (84)	-1.0 (58)	1.9 (22)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
▲ Hedge Fund Custom	-3.0 (56)	-0.3 (44)	0.6 (38)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								

Total Returns - Alt Fund of Funds - Multi-Strategy Net

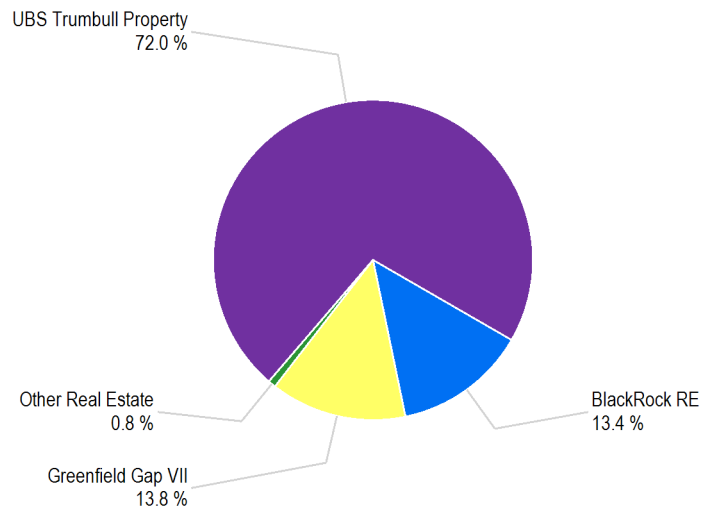
Periods Ending September 30, 2015



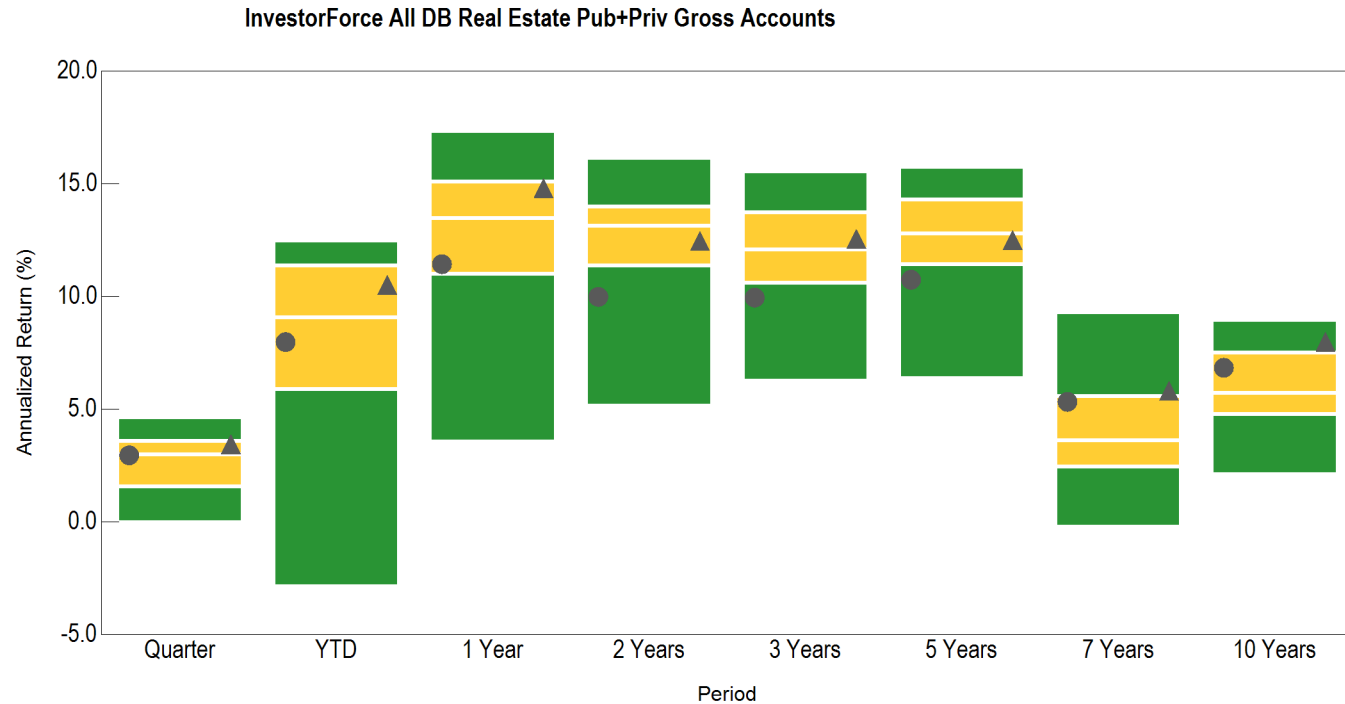
	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	0.7		3.4		5.9		9.5		10.1		7.8		8.1		6.5	
25th Percentile	-1.9		0.8		2.2		5.3		6.5		5.3		5.2		5.0	
Median	-3.3		-1.1		-0.4		3.3		5.0		3.9		4.4		4.1	
75th Percentile	-5.5		-2.8		-3.3		1.8		3.5		2.7		3.4		3.3	
95th Percentile	-8.6		-7.2		-7.5		-1.5		-0.8		0.0		1.0		1.8	
# of Portfolios	178		177		176		169		165		148		125		97	
● Titan	-3.2	(49)	-0.5	(40)	2.2	(25)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ HFRI Fund of Funds Composite Index	-3.7	(56)	-1.1	(49)	-0.1	(47)	3.0	(59)	4.1	(68)	2.7	(76)	2.2	(87)	2.4	(91)

Manager Allocation Analysis - Real Estate

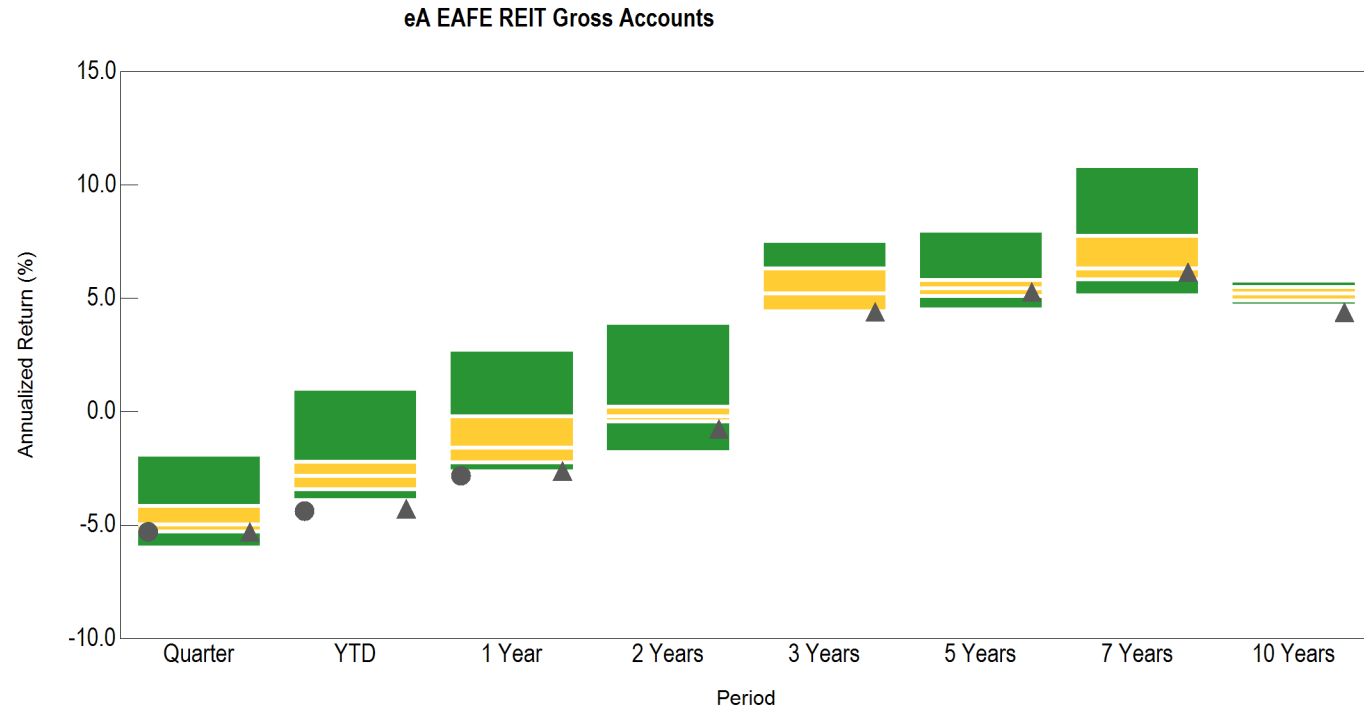
As of September 30, 2015



	Actual \$	Actual %
BlackRock RE	\$7,345,888	13.4%
Greenfield Gap VII	\$7,532,145	13.8%
Other Real Estate	\$430,000	0.8%
UBS Trumbull Property	\$39,457,644	72.0%
Total	\$54,765,677	



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.6	12.5	17.3	16.1	15.5	15.7	9.3	8.9
25th Percentile	3.6	11.4	15.1	14.0	13.7	14.3	5.6	7.5
Median	3.0	9.1	13.5	13.1	12.1	12.8	3.6	5.7
75th Percentile	1.6	5.9	11.0	11.4	10.6	11.4	2.5	4.8
95th Percentile	0.0	-2.8	3.6	5.2	6.3	6.4	-0.2	2.1
# of Portfolios	166	153	151	126	119	80	59	46
● Real Estate	3.0 (55)	8.0 (59)	11.4 (71)	10.0 (84)	9.9 (83)	10.7 (84)	5.3 (30)	6.8 (34)
▲ NCREIF ODCE net	3.4 (29)	10.5 (35)	14.8 (32)	12.5 (65)	12.5 (48)	12.5 (54)	5.8 (21)	8.0 (13)



	Return (Rank)															
	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	-1.9	1.0	2.7	3.9	7.5	8.0	10.8	5.8								
25th Percentile	-4.1	-2.2	-0.2	0.2	6.3	5.8	7.8	5.5								
Median	-5.0	-2.8	-1.6	-0.2	5.2	5.5	6.3	5.2								
75th Percentile	-5.3	-3.4	-2.2	-0.4	4.4	5.1	5.8	4.9								
95th Percentile	-6.0	-3.9	-2.6	-1.8	4.3	4.5	5.2	4.7								
# of Portfolios	10	10	10	10	10	9	9	2								
● BlackRock RE	-5.3	(79)	-4.4	(99)	-2.8	(99)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ FTSE NAREIT Developed ex US Gross	-5.3	(79)	-4.3	(99)	-2.6	(95)	-0.8	(90)	4.4	(87)	5.3	(67)	6.1	(55)	4.4	(99)

US Equity Benchmark

	As of:	As of:	
	7/1/14	6/1/13	1/1/95
Russell 1000	80%	86%	
Russell 2000	20%	14%	
Russell 3000			100%
	100.0%	100.0%	100.0%

International Equity Benchmark

	As of:		
	7/1/13	4/1/12	1/1/99
MSCI ACWI ex US	100%		
MSCI EAFE		83.33%	100%
MSCI Emerging Markets		16.67%	
	100.0%	100.0%	100.0%

Fixed Income Benchmark

	As of:				
	8/1/14	7/1/14	6/1/13	4/1/13	1/1/95
Barclays Aggregate	71.93%	82.46%	85.29%	70.588%	100%
Barclays US TIPS				14.706%	
BofA ML High Yield II	17.54%	17.54%	14.71%	14.706%	
Credit Suisse Leveraged Loan	10.53%				
	100.0%	100.0%	100.0%	100.0%	100.0%

Policy Index and Benchmark History

Hedge Fund Benchmark	As of:				
	1/1/15	7/1/14			
HFRI Fund of Funds Composite	50%	100%			
HFRI RV Multi-strategy	50%				
	100.0%	100.0%			
Real Estate Benchmark	As of:				
	1/1/15	7/1/14	1/1/10	1/1/02	4/1/99
FTSE NAREIT Developed		17.50%	25%		
FTSE NAREIT Developed ex US		16.25%			
NCREIF				100%	
NCREIF ODCE		66.25%	75%		
NCREIF ODCE net	100%				
Wilshire RE					100%
	100.0%	100.0%	100.0%	100.0%	100.0%
Private Equity Benchmark	As of:				
	4/1/13	7/1/05			
Russell 3000 +3% 1QL	100%				
S&P 500 +5%		100%			
	100.0%	100.0%			

Policy Index and Benchmarks History

EARNEST Benchmark	As of:			
	7/1/13	7/1/08		
MSCI ACWI ex US	100%			
MSCI EAFE		100%		
	100.0%	100.0%		
Barrow Hanley Benchmark	As of:			
	6/1/13	4/1/10		
Barclays Aggregate	100%	82.8%		
Barclays US TIPS		17.2%		
	100.0%	100.0%		
UBS Trumbull Benchmark	As of:			
	1/1/15	1/1/10	1/1/02	4/1/99
NCREIF			100%	
NCREIF ODCE		100%		
NCREIF ODCE net	100%			
Wilshire RE				100%
	100.0%	100.0%	100.0%	100.0%