



Mendocino County Employees Retirement Association

Small Cap Value Manager Search Overview

April 20, 2011

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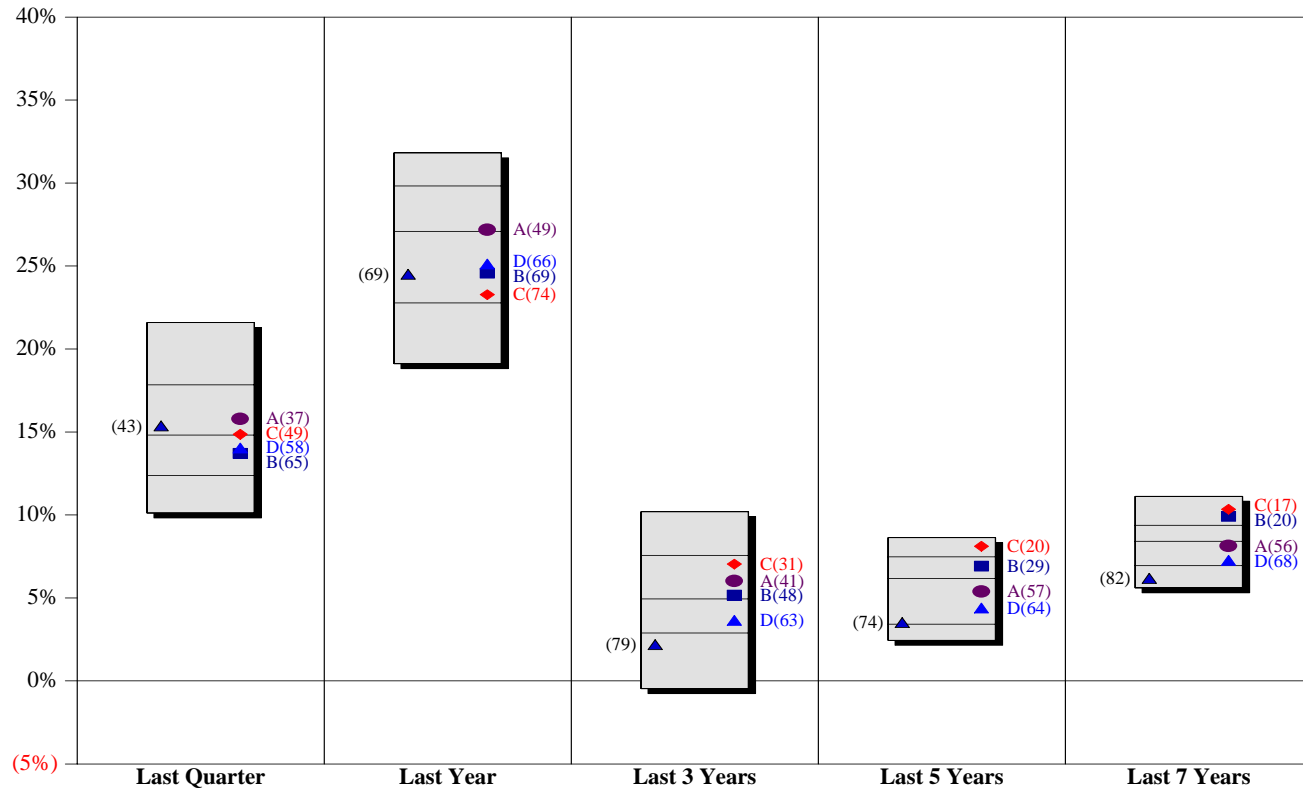


Search Summary – Small Cap Value

	American Beacon Advisors Small Cap Value	Prudential Investments Target Small Cap Value	Victory Capital Small Cap Value
Vehicle	Mutual Fund (AVFIX)	Mutual Fund (TASVX)	Commingled Fund Mutual Fund (VSOIX)
Expense Ratio	0.84%	0.80%	0.95% (MF 1.11%)
Vehicle Assets (\$mm)	\$3,200	\$944	\$12 (MF \$685)
Product Assets	\$3,200	\$944	\$1,077
Ownership	Jointly owned by Lighthouse Holdings (90%) and AMR (10%)	Wholly owned by Prudential Financial, Inc.	Wholly owned subsidiary of KeyCorp
Observations	<ul style="list-style-type: none"> • Multi-Manager Fund Subadvisers: Brandywine (30%), Boston Company (21%), Opus Capital (20%), Barrow Hanley (15%), Hotchkis and Wiley (12%) and Dreman Value (2%). • Broadly diversified due to multi-manager approach • Lowest price-to-book, dividend yield amongst group, which may lead to higher volatility (three year trailing SD highest within group) 	<ul style="list-style-type: none"> • Multi-Manager Fund Subadvisers: EARNST Partners (26%), NFJ (31%), Lee Munder (15%), JPMorgan (8%) and Vaughan Nelson (20%) • Most broadly diversified with nearly 700 holdings • Consistent performance, outperformed benchmark in 9 of past 10 calendar years • Has a larger capitalization bias relative to peer group 	<ul style="list-style-type: none"> • Managed by two PM's (Gary Miller, CIO and Greg Connors) since 2004, added two analysts to team in 2006 • Market cap tends to drift based on where they see value • Screening process reduces universe of 3200 companies to approximately 200 • Tends to have higher sector variance to peers (43% versus 39% style median), number of holdings is average relative to SCV peers
Wgt Avg Mkt Cap (\$m) (R2000V = \$1,120)	\$1,780	\$2,340	\$1,620
Number of Holdings (R2000V = 1,297)	524	677	106



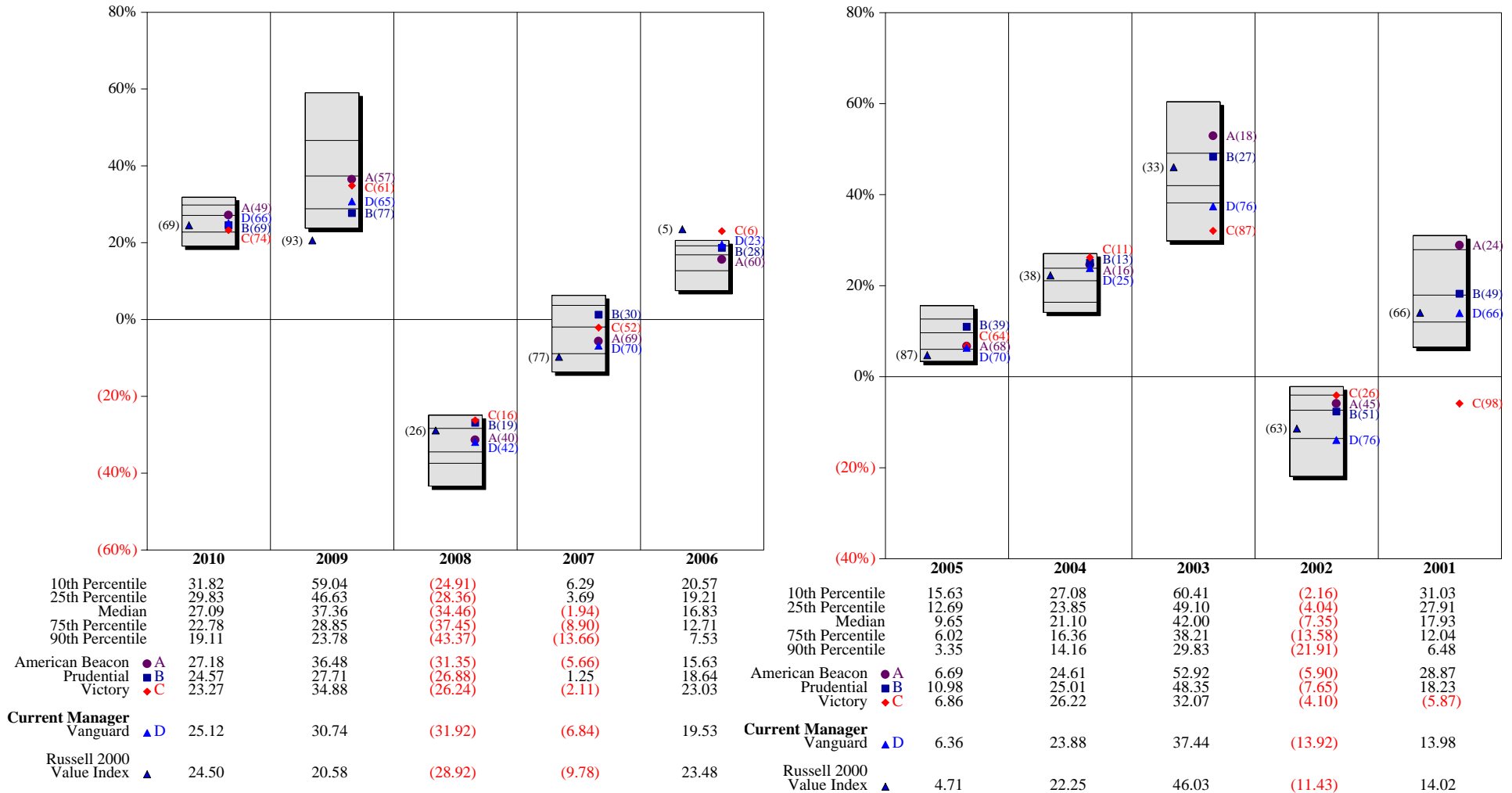
Performance Comparison Trailing Periods (ending 12/31/2010)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	21.60	31.82	10.20	8.63	11.12
25th Percentile	17.84	29.83	7.57	7.48	9.38
Median	14.81	27.09	4.94	6.18	8.41
75th Percentile	12.37	22.78	2.89	3.41	6.95
90th Percentile	10.12	19.11	(0.47)	2.45	5.61
American Beacon	● A 15.79	27.18	6.02	5.38	8.13
Prudential	■ B 13.71	24.57	5.17	6.92	9.92
Victory	◆ C 14.86	23.27	7.04	8.11	10.35
Current Manager					
Vanguard	▲ D 14.03	25.12	3.65	4.40	7.27
Russell 2000 Value Index	▲ 15.36	24.50	2.19	3.52	6.18



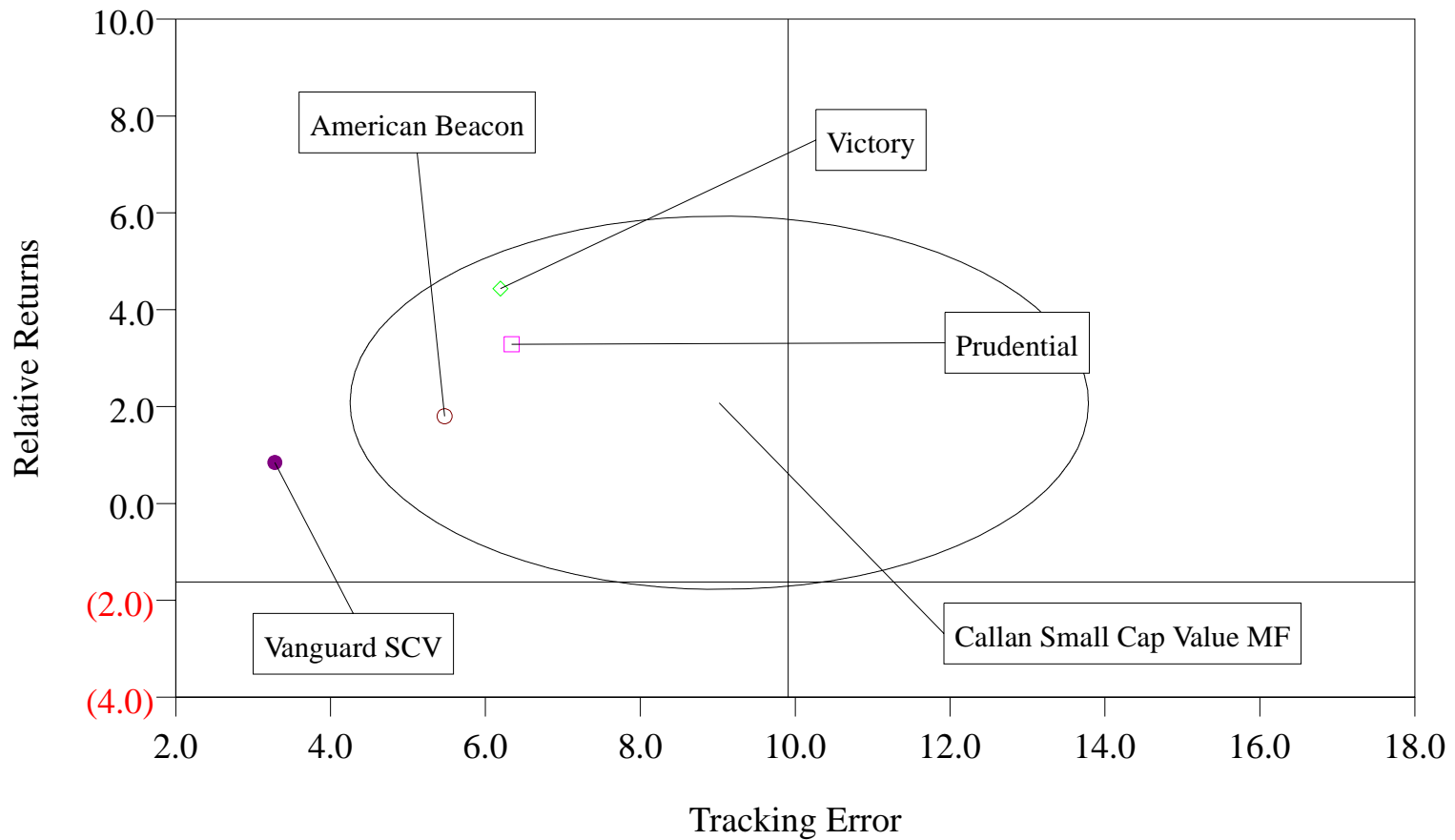
Performance Comparison – Calendar Years





Relative Risk/Return Comparison

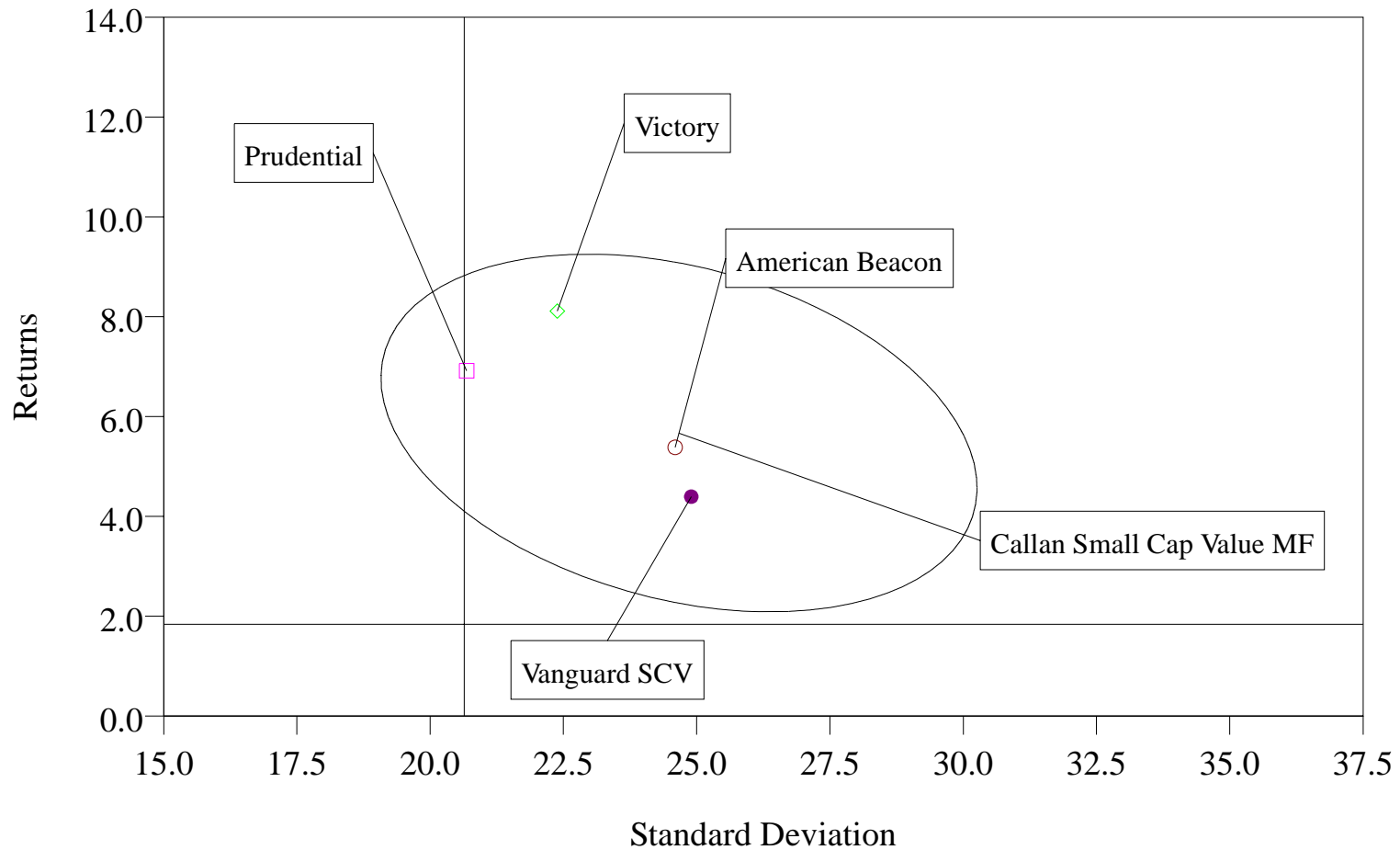
Scatter Chart
for 5 Years Ended December 31, 2010
Benchmark: Russell:2000 Value





Absolute Risk/Return Comparison

Scatter Chart
for 5 Years Ended December 31, 2010





Equity Style Map Comparison

Domestic Equity Style Map
for 5 Years Ended December 31, 2010

