

Bay County VEBA

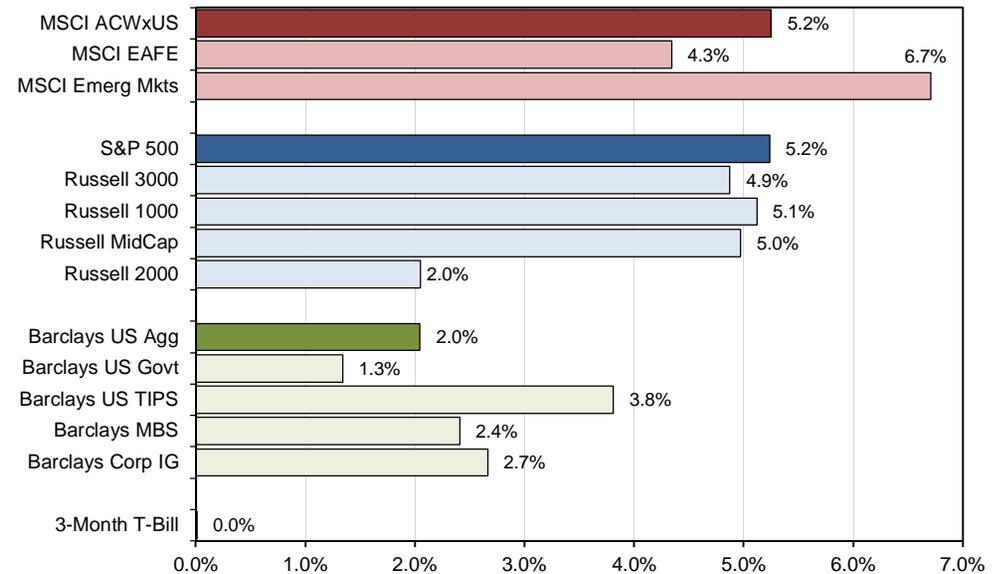
Investment Performance Review
Quarter Ending
June 30, 2014



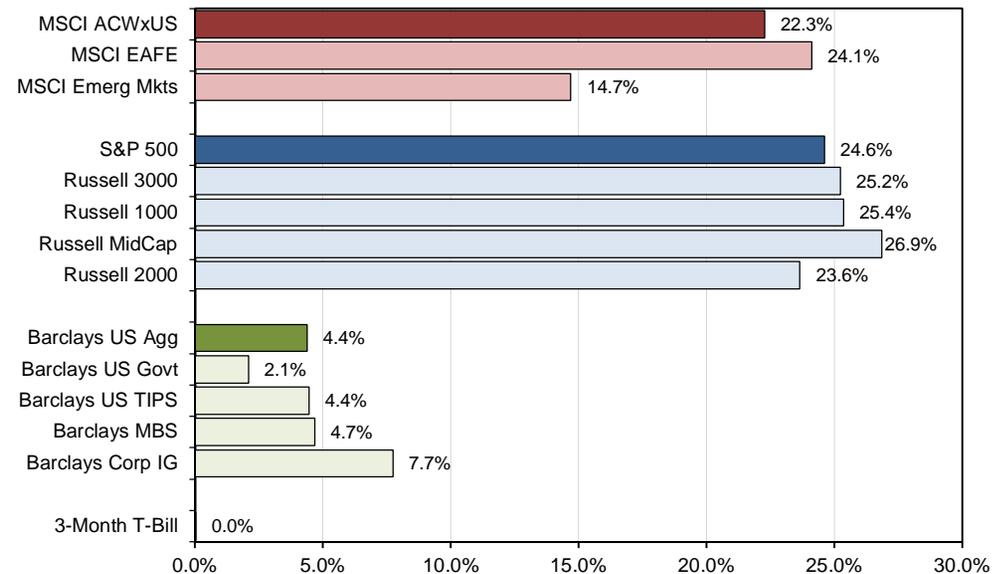
2nd Quarter 2014 Market Environment

- It was a remarkably uneventful quarter across markets despite political concerns (Middle East discourse) and economic worries (-2.9% restated US GDP growth in the first quarter) that would seemingly have a larger impact on overall volatility. The CBOE Volatility Index (VIX) finished the quarter at 11.6, its lowest quarterly close since December 2006. The Q1 growth slowdown, largely weather related, benefitted both emerging markets and domestic fixed income in Q2 as it contributed to a flatter, lower yield curve. This naturally benefits bond holders, but also helped support emerging markets, which experienced a sell off earlier this year on lower liquidity and concerns regarding higher rates. As a result, all major markets were positive during the quarter.
- The S&P 500 appreciated 5.2% during the period, which marked the sixth consecutive positive quarter for the index. This is the first time the S&P has had a quarterly run this strong since 1998. In addition, the index has appreciated in each of the past five months. The market seems to be shrugging off the significant decline in GDP growth in the first quarter, instead focusing on impressive job growth numbers (+500,000 new jobs added in April and May) and continued overall declines in the unemployment rate, which ended the quarter at 6.3%. Finally, the housing market continues to show improvement with a 5.1% year-over-year gain in median home prices and continued tight supply (5.6 months of inventory).
- Emerging market equities surged to the head of the asset classes during the second quarter, after struggling on a relative basis for a majority of the past year and a half. Developed international equity markets lagged domestic large cap equities slightly, but were up strongly on an absolute basis. For the trailing one-year period, emerging equities lagged their developed counterparts by 9.4%.
- After a strong start to the year, domestic bonds continued to move higher in the second quarter, rising 2.0%. The strong performance pushed the trailing, one-year return back into positive territory (+4.4%). The quarterly performance was aided by positive returns from each major sector of the market, led by a 3.8% return from TIPS. After dropping 8.6% in 2013, TIPS have rebounded in 2014, moving their return over the past twelve months to 4.4%. Despite a number of economic and political concerns, Corporate Bonds also move sharply higher, followed by MBS and Government issues.

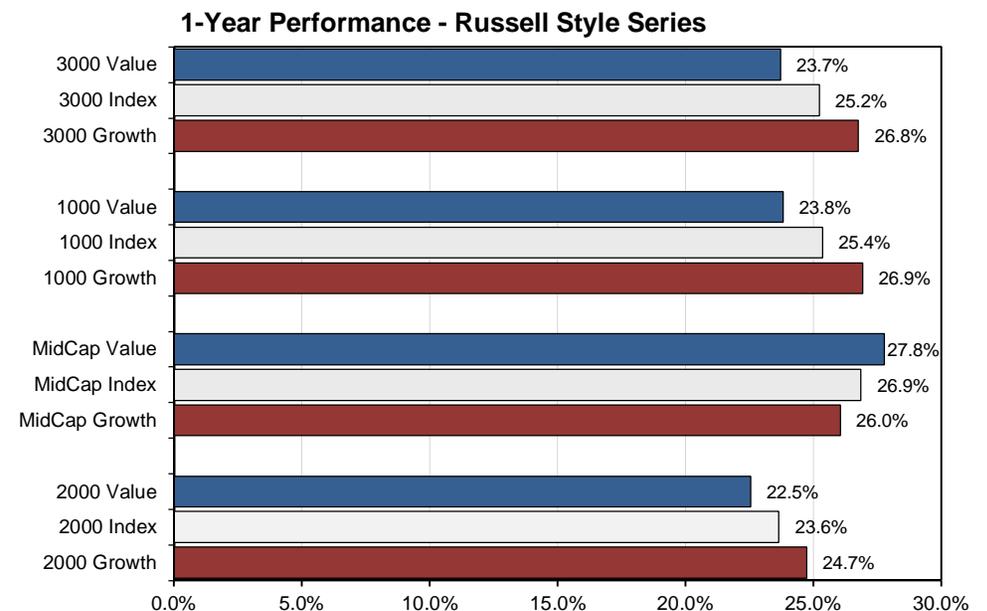
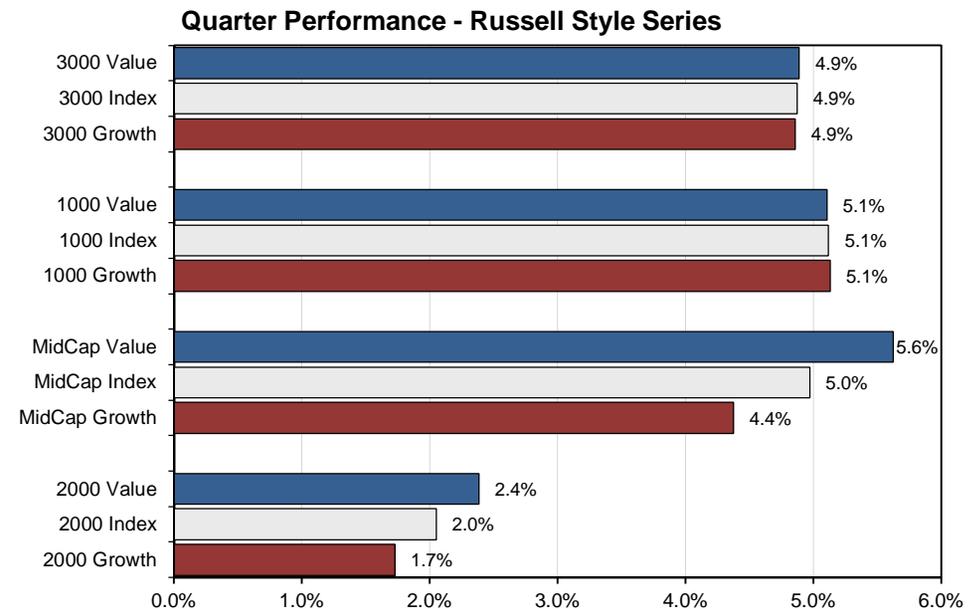
Quarter Performance



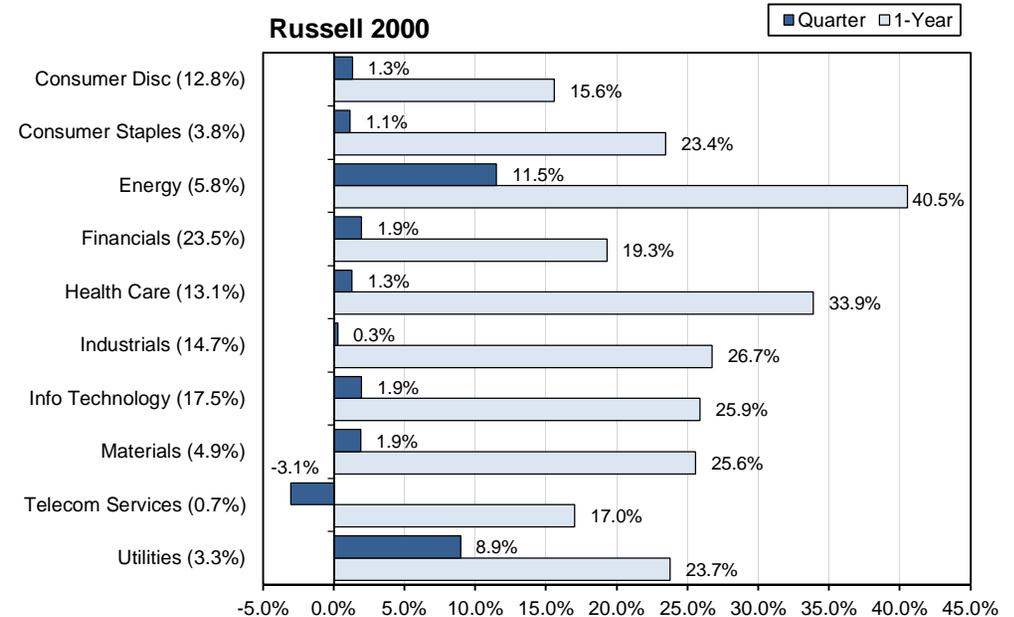
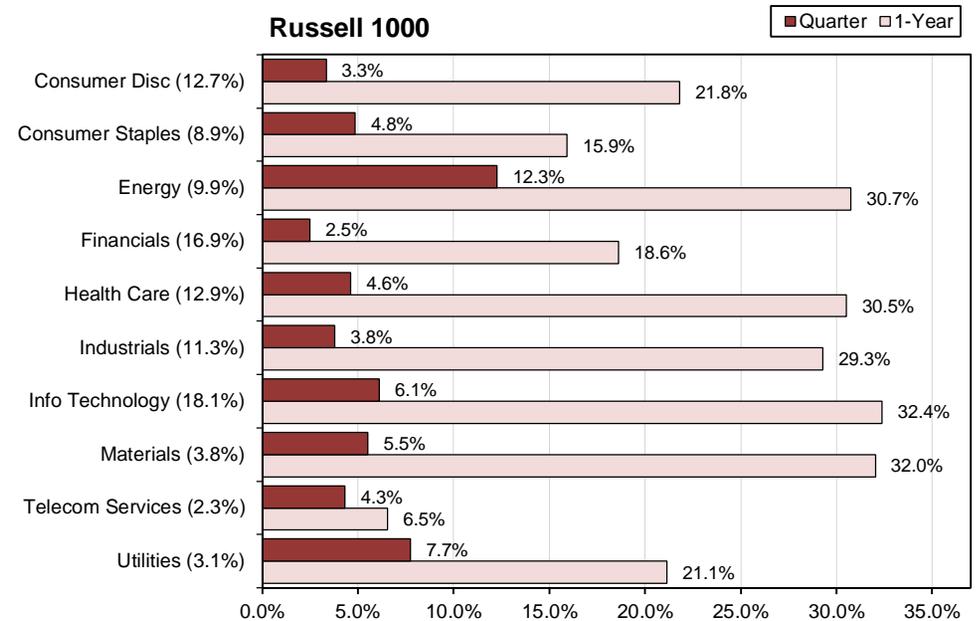
1-Year Performance



- The decline in overall volatility in the midst of a long-standing bull market would suggest that small cap stocks should outperform their large cap brethren, but that was not the case during the quarter. On average, large caps were the best performing segment, but the dispersion across mid and large capitalizations was minimal. Mid Cap Value was the single best performing area. Small caps were largely hurt by the reemergence of investor preference towards higher yielding sectors, which favor larger, more established dividend paying companies. However, small cap stocks had a resurgence in June, which suggests market leadership could be changing. Value stocks outperformed growth stocks in the mid and small capitalizations, but there was no similar skew in the larger cap segment.
- As of June 2014, intra stock correlations (~0.28) continue to fall. While slightly above the long-term average (~0.26 since 1926), the current level is very favorable for stock picking and suggests the future success of actively managed strategies remains bright.
- Current valuations remain fair. As of June 30, 2014, the S&P 500 traded at 1,960. While this represents a 25% premium to the October 9, 2007 inflection point valuation of 1,565, the forward looking P/E multiples are virtually identical (15.2x in 2007, 15.6x in 2014). The current P/E multiple is in line with the 25-year average.
- On average, markets experience an intra-year pullback of approximately 14.4% (using S&P 500 data back to 1980). In 2013, the largest decline was 6%, which has been repeated so far in 2014. Despite many pundits continuing to speculate that we are overdue for a “typical” market correction of 10% or greater, relative valuations, generally positive economic growth, and benign macro factors continue to favor domestic equities over international and fixed income alternatives in the minds of most investors.
- On an absolute basis, small cap stocks are more expensive relative to their mid and large cap counterparts (18.5x PE versus 18.4x, and 15.6x, respectively). However, relative to their long term averages, small cap valuations are in-line with mid cap. Both are slightly expensive relative to large caps, especially on the value side.



- During the quarter, the Commerce Department's downward revision of first quarter GDP to a surprising -2.9% had a strong impact on equity sector returns. The lower economic growth number contributed to a surprising decline in interest rates across most points on the yield curve. Given a lower yield environment, investors again returned to higher yielding sectors such as Energy and especially Utilities. This preference for dividends, last seen to a significant degree in 2012, helped contribute to 12.3% and 6.8% quarterly returns for these sectors, respectively.
- In this interest rate environment, it is no surprise that REITs also fared well, appreciating 7.2% during the quarter. This brings the sector's year-to-date gain to a robust 18.2% (as measured by the Dow Jones US Select REIT Index). However, this performance was not enough to buoy the Financials sector as a whole, as Financials were the worst performing sector within the S&P 500, appreciating a meager 2.3% during the period.
- Similar to the first quarter, Consumer Discretionary was once again a relative underperformer in both the small and large cap benchmarks during the period. Again, most of the impact could be weather related. Many analysts related the soft retail numbers to the effects of a brutal winter that extended well into the second quarter reporting period. Most analysts see brighter times ahead as they believe that the now lower inventory levels will promote accelerated growth in the second half of the year as retailers replenish depleted stock.
- On an absolute valuation basis, when viewed across a ten-year trailing period ending June 30, 2014, Financials and Telecom were the most attractively valued areas within the S&P 500. Each sector traded at approximately 12.5x-14.0x. Consumer Staples appear the most overvalued at the moment. Staples trade at approximately 17.5x on an absolute basis, which is very near the top of its ten-year range. Relative to the ten-year average, only two sectors currently trade at or below average valuations: Telecom and Information Technology.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of June 30, 2014

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.78%	21.9%	68.0%	Information Technology
Exxon Mobil Corporation	2.15%	3.8%	14.5%	Energy
Microsoft Corp	1.71%	2.4%	24.3%	Information Technology
Johnson & Johnson	1.47%	7.2%	25.4%	Health Care
General Electric Co	1.31%	2.3%	17.1%	Industrials
Wells Fargo & Co	1.25%	6.4%	30.9%	Financials
Chevron Corp	1.23%	10.7%	14.1%	Energy
Berkshire Hathaway Inc Class B	1.15%	1.3%	13.1%	Financials
JPMorgan Chase & Co	1.08%	-4.5%	12.2%	Financials
Procter & Gamble Co	1.06%	-1.7%	5.3%	Consumer Staples

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Hillshire Brands Co	0.04%	67.8%	91.9%	Consumer Staples
Zillow Inc	0.02%	62.2%	153.9%	Information Technology
Platform Specialty Products Corp	0.01%	47.1%	NA	Materials
Golar LNG Ltd	0.01%	45.5%	97.2%	Energy
Williams Companies Inc	0.20%	44.7%	86.6%	Energy
Questcor Pharmaceuticals Inc	0.03%	43.5%	108.1%	Health Care
Targa Resources Corp	0.03%	41.5%	123.1%	Energy
Newfield Exploration Co	0.03%	40.9%	85.0%	Energy
Polypore International, Inc.	0.00%	39.5%	18.4%	Industrials
Micron Technology Inc	0.18%	39.3%	129.9%	Information Technology

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
NII Holdings Inc	0.00%	-53.8%	-91.7%	Telecommunication Services
Molycorp, Inc.	0.00%	-45.2%	-58.5%	Materials
ITT Educational Services, Inc.	0.00%	-41.8%	-31.6%	Consumer Discretionary
FireEye Inc	0.02%	-34.1%	NA	Information Technology
Coach Inc	0.05%	-30.6%	-38.4%	Consumer Discretionary
Intercept Pharmaceuticals Inc	0.01%	-28.2%	427.7%	Health Care
Walter Energy Inc	0.00%	-27.8%	-47.4%	Materials
Cliffs Natural Resources Inc	0.01%	-25.8%	-4.8%	Materials
Zynga Inc Class A	0.01%	-25.3%	15.5%	Information Technology
Whole Foods Market Inc	0.07%	-23.6%	-24.3%	Consumer Staples

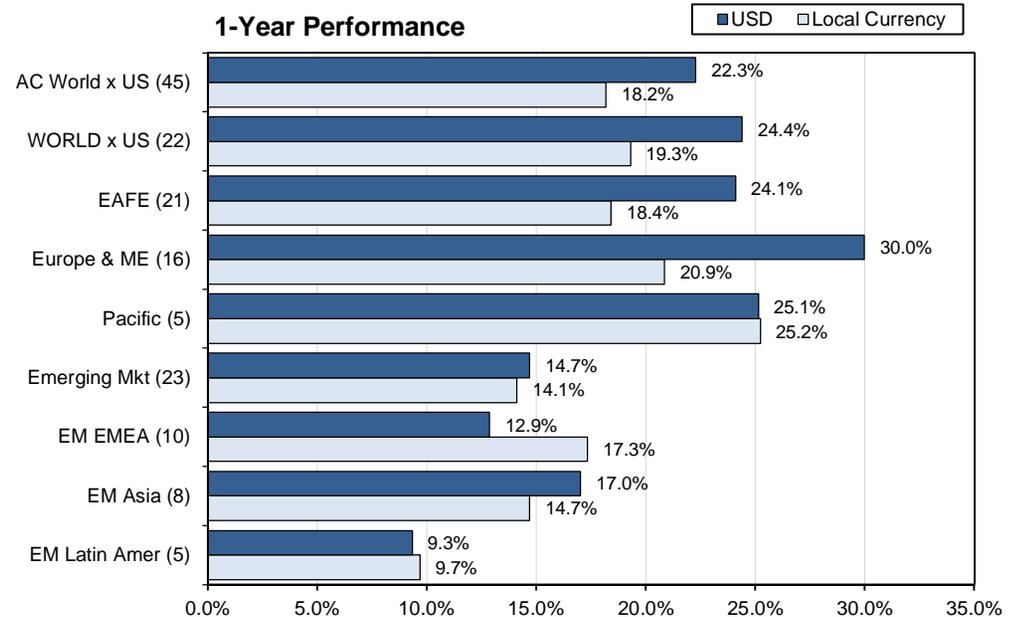
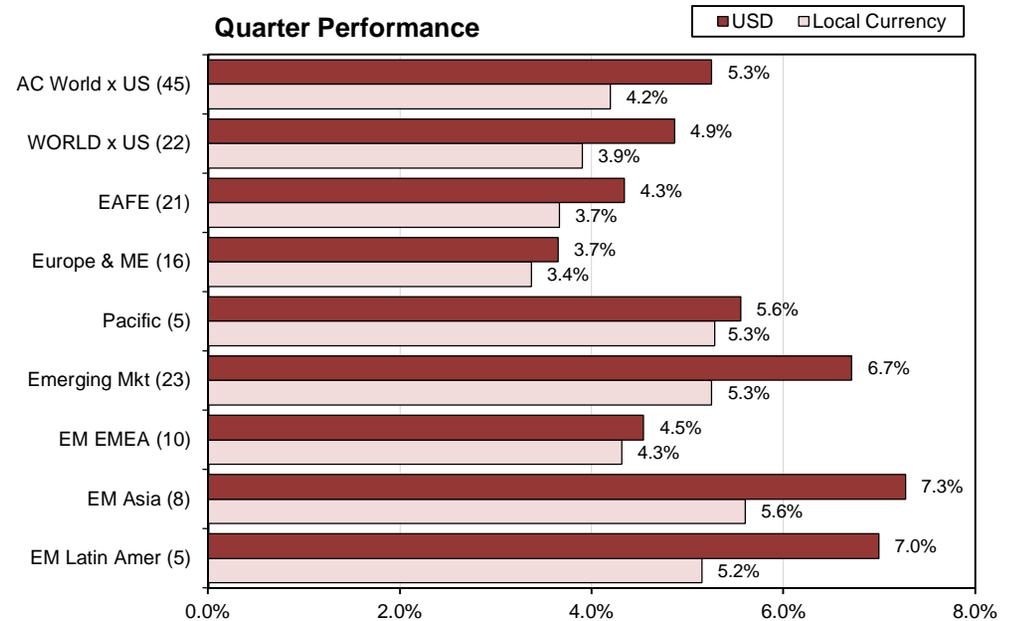
Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Pharmacyclics, Inc.	0.33%	-10.5%	12.9%	Health Care
Ocwen Financial Corporation	0.32%	-5.3%	-10.0%	Financials
Starwood Property Trust, Inc.	0.30%	2.8%	28.6%	Financials
Genesee & Wyoming, Inc. Class A	0.27%	7.9%	23.8%	Industrials
3D Systems Corporation	0.27%	1.1%	36.2%	Information Technology
Alaska Air Group, Inc.	0.27%	2.4%	85.4%	Industrials
Two Harbors Investment Corp	0.27%	4.8%	13.7%	Financials
CoStar Group Inc	0.26%	-15.3%	22.5%	Information Technology
Dril-Quip, Inc.	0.26%	-2.6%	21.0%	Energy
Gulfport Energy Corporation	0.26%	-11.8%	33.4%	Energy

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Idenix Pharmaceuticals Inc	0.02%	299.7%	567.6%	Health Care
Dolan Co	0.00%	281.3%	-96.3%	Industrials
MannKind Corp	0.06%	172.6%	68.5%	Health Care
Quest Resource Holding Corp	0.00%	145.8%	77.2%	Industrials
RadNet Inc	0.00%	133.5%	150.2%	Health Care
Achillion Pharmaceuticals Inc	0.04%	130.1%	-7.5%	Health Care
Sypris Solutions, Inc.	0.00%	102.1%	77.9%	Consumer Discretionary
Medical Action Industries	0.00%	97.0%	78.3%	Health Care
American Apparel Inc	0.00%	79.6%	-53.1%	Consumer Discretionary
Repligen Corp	0.02%	77.2%	176.6%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
GSE Holding Inc	0.00%	-79.3%	-99.0%	Materials
L & L Energy, Inc.	0.00%	-79.2%	-90.1%	Energy
Corinthian Colleges Inc	0.01%	-78.6%	-86.8%	Consumer Discretionary
Endocyte Inc	0.03%	-72.3%	-49.8%	Health Care
EveryWare Global Inc	0.00%	-71.5%	-89.3%	Consumer Discretionary
Parkervision Inc	0.03%	-69.2%	-67.5%	Information Technology
OncoGenex Pharmaceuticals Inc	0.01%	-68.3%	-61.9%	Health Care
Global Geophysical Services, Inc.	0.01%	-66.6%	-99.2%	Energy
Education Management Corp	0.01%	-65.3%	-69.9%	Consumer Discretionary
PowerSecure International Inc	0.00%	-58.4%	-35.2%	Industrials

Source: Morningstar Direct

- Volatility declined during the quarter, and monthly returns for all of the diversified non-US equity indexes were positive. This is very different from last quarter, when the final return appeared that nothing had happened, but the intra-quarter path resembled a roller coaster.
- The range of returns for the individual countries outside of the U.S. was wide. The best developed return was Norway at +10.8% and the worst developed return was Ireland at -9%. On the emerging country side, Turkey was the strongest performer at +15.4% and Greece was the worst at -10.7%.
- Qatar and the UAE were added to the MSCI EM Index during the second quarter (May). Both countries' equities were down for the quarter, which seems counterintuitive given the likelihood that many index funds added capital to stocks within the two countries (or even more likely to ETFs).
- Currency moves for the quarter were favorable for U.S. investors overseas, as the USD depreciated versus a majority of European, Asian and Latin American currencies. The few exceptions were France, Germany and India.
- Energy (+11.6%) and Utilities (+7.1%) were the top two performing sectors in developed equities, followed by defensive sectors, Consumer Staples (+6.3%) and Health Care (+5.7%). Within emerging equities, Information Technology (+11.2%) took top sector honors, followed closely by Utilities (+10.5%) and Energy (+10.2%).
- Value again outperformed growth in developed equities. The trend reversed in emerging equities from last quarter and value outperformed growth there as well. Small cap stocks underperformed large caps among both developed and emerging market indices.



Source: MSCI Global Index Monitor (Returns are Gross)

The Market Environment
U.S. Dollar International Index Attribution & Country Detail
As of June 30, 2014

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.9%	3.6%	21.1%
Consumer Staples	11.1%	6.3%	18.2%
Energy	7.3%	11.6%	34.0%
Financials	25.3%	2.7%	22.5%
Health Care	10.5%	5.7%	27.5%
Industrials	12.7%	2.6%	23.9%
Information Technology	4.4%	1.3%	20.3%
Materials	8.0%	3.6%	23.5%
Telecommunication Services	4.9%	4.0%	33.9%
Utilities	3.9%	7.1%	27.8%
Total	100.0%	4.3%	24.1%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.8%	3.9%	21.4%
Consumer Staples	9.9%	6.0%	14.8%
Energy	9.6%	11.6%	28.3%
Financials	26.5%	3.9%	20.2%
Health Care	8.2%	5.5%	27.2%
Industrials	11.0%	3.4%	23.4%
Information Technology	6.9%	6.5%	28.1%
Materials	8.5%	4.2%	19.7%
Telecommunication Services	5.2%	4.4%	23.8%
Utilities	3.6%	7.7%	25.7%
Total	100.0%	5.3%	22.3%

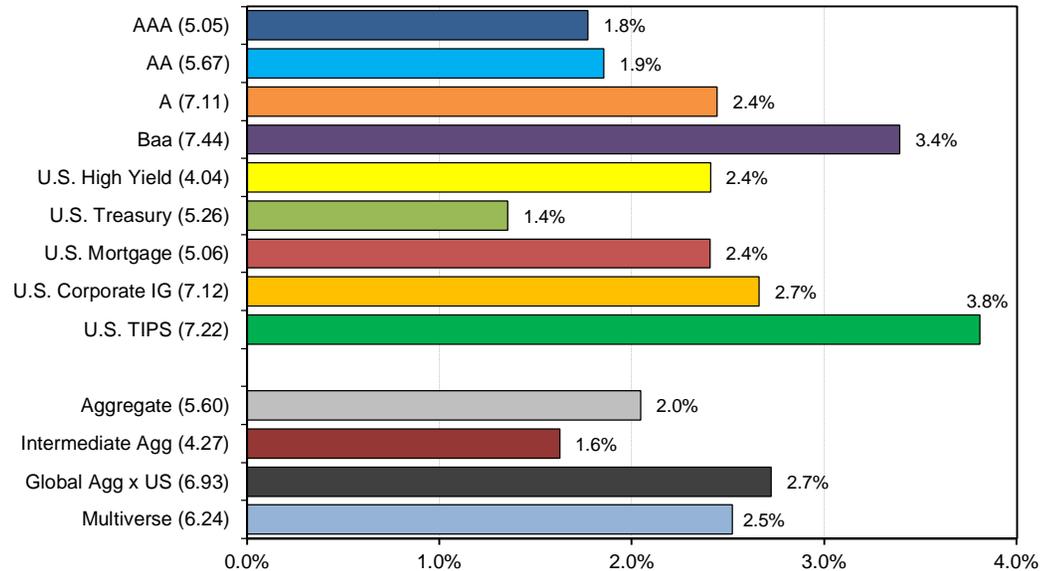
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	9.1%	4.2%	21.1%
Consumer Staples	8.3%	4.1%	0.9%
Energy	10.8%	10.2%	13.6%
Financials	27.0%	5.4%	9.8%
Health Care	1.8%	8.1%	17.5%
Industrials	6.5%	4.9%	15.6%
Information Technology	17.3%	11.2%	36.1%
Materials	8.8%	3.9%	11.7%
Telecommunication Services	7.0%	5.7%	2.8%
Utilities	3.6%	10.5%	20.5%
Total	100.0%	6.7%	14.7%

Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
United Kingdom	21.4%	15.3%	6.1%	26.6%
Japan	20.3%	14.4%	6.7%	10.1%
France	10.1%	7.2%	2.4%	29.3%
Germany	9.3%	6.6%	2.3%	30.2%
Switzerland	9.0%	6.4%	2.4%	23.0%
Australia	7.7%	5.5%	2.9%	21.0%
Spain	3.7%	2.6%	7.4%	57.9%
Sweden	3.0%	2.2%	-0.3%	24.5%
Hong Kong	2.8%	2.0%	8.3%	17.7%
Netherlands	2.7%	1.9%	0.7%	27.0%
Italy	2.6%	1.9%	0.3%	52.4%
Denmark	1.5%	1.1%	3.3%	50.9%
Singapore	1.4%	1.0%	5.7%	10.4%
Belgium	1.2%	0.9%	5.6%	32.8%
Norway	0.9%	0.6%	10.8%	30.9%
Finland	0.9%	0.6%	5.6%	50.0%
Israel	0.5%	0.4%	2.4%	32.5%
Ireland	0.3%	0.2%	-9.0%	35.4%
Austria	0.3%	0.2%	-0.2%	19.5%
Portugal	0.2%	0.1%	-1.9%	20.8%
New Zealand	0.1%	0.1%	-1.0%	30.4%
Total EAFE Countries	100.0%	71.2%	4.3%	24.1%
Canada		7.6%	10.1%	27.2%
Total Developed Countries		78.7%	4.9%	24.4%
China		3.9%	5.7%	15.9%
Korea		3.3%	6.4%	24.7%
Taiwan		2.6%	10.4%	20.8%
Brazil		2.3%	7.7%	13.5%
South Africa		1.6%	4.6%	22.4%
India		1.5%	12.7%	27.4%
Russia		1.2%	10.8%	8.2%
Mexico		1.1%	6.6%	7.7%
Malaysia		0.8%	3.5%	5.4%
Indonesia		0.5%	0.8%	-11.4%
Thailand		0.5%	7.8%	-1.6%
Poland		0.4%	-0.8%	25.7%
Turkey		0.4%	15.4%	-3.1%
Chile		0.3%	2.7%	-11.6%
Colombia		0.2%	7.9%	10.3%
Philippines		0.2%	9.2%	8.6%
Greece		0.2%	-10.7%	55.1%
Peru		0.1%	8.5%	12.3%
United Arab Emirates		0.1%	-5.5%	57.9%
Qatar		0.1%	-5.4%	20.6%
Czech Republic		0.1%	1.9%	25.4%
Egypt		0.1%	1.1%	48.4%
Hungary		0.0%	4.6%	-14.9%
Total Emerging Countries		21.3%	6.7%	14.7%
Total ACWixUS Countries		100.0%	5.3%	22.3%

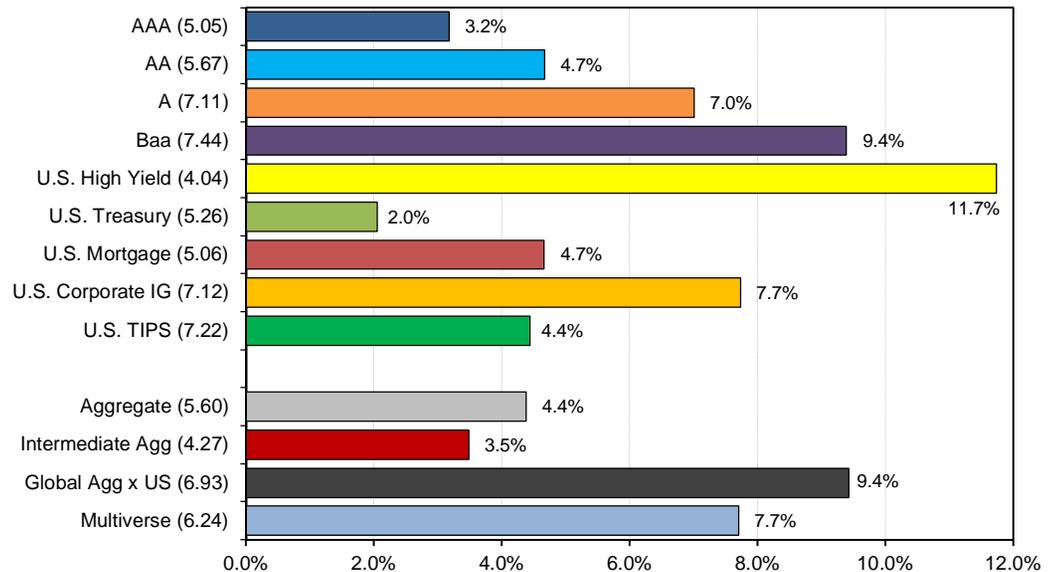
Source: MSCI Global Index Monitor (Returns are Gross in USD)

- Amid lackluster economic news and geopolitical concerns in Ukraine, domestic bonds continued their strong performance in the second quarter, rising 2.0%. Bond markets began the quarter on a bullish note, moving higher on a surprisingly weak first quarter US GDP report and concerns over the Ukraine-Russia conflict. In May, weak economic news from China and Europe, along with lower revisions to first quarter GDP, pushed bonds higher, especially in maturities ten years or greater. Late in the quarter, volatility fell and credit spreads moved lower, resulting in a positive return for the month of June. Overall, it was a good quarter for bond investors, especially in light of the fact that the Federal Reserve remains on pace to end their quantitative easing program by year-end.
- For the second consecutive quarter, all investment grade sectors posted positive returns. Though small in size, TIPS were the top performing area of the market (3.8%). Among the major sectors, Corporate Bond prices continued to grind higher and were the strongest performing segment (2.7%), followed by MBS (2.4%) and Treasuries (1.4%).
- The trend of lower quality bonds outperforming higher quality securities within investment grade credit continued for yet another quarter. Bonds rated Baa rose 3.4%, followed by A-rated (2.4%), AA-rated (1.9%), and AAA-rated (1.8%).
- Amid the strong demand for longer-dated Treasuries, the broad-based Barclays Aggregate Index outperformed short and intermediate bonds for the second consecutive quarter. The bullish sentiment in 2014, has benefitted The Barclays Aggregate Index, which has outpaced shorter-dated bonds by a wide margin over the past twelve months.
- The continued appetite for income resulted in strong demand for Corporate Bonds, regardless of credit quality. For the first time in eight quarters, high yield issuers trailed investment grade credits, but remained well ahead over the past twelve months.
- For the second consecutive quarter, International bonds, represented by the Barclays Global Aggregate ex US Index, surpassed their domestic bond counterparts (2.7% versus 2.0%). The strong showing pushed international bonds ahead of the US market by 5.0% on a trailing, one-year basis.

Quarter Performance



1-Year Performance



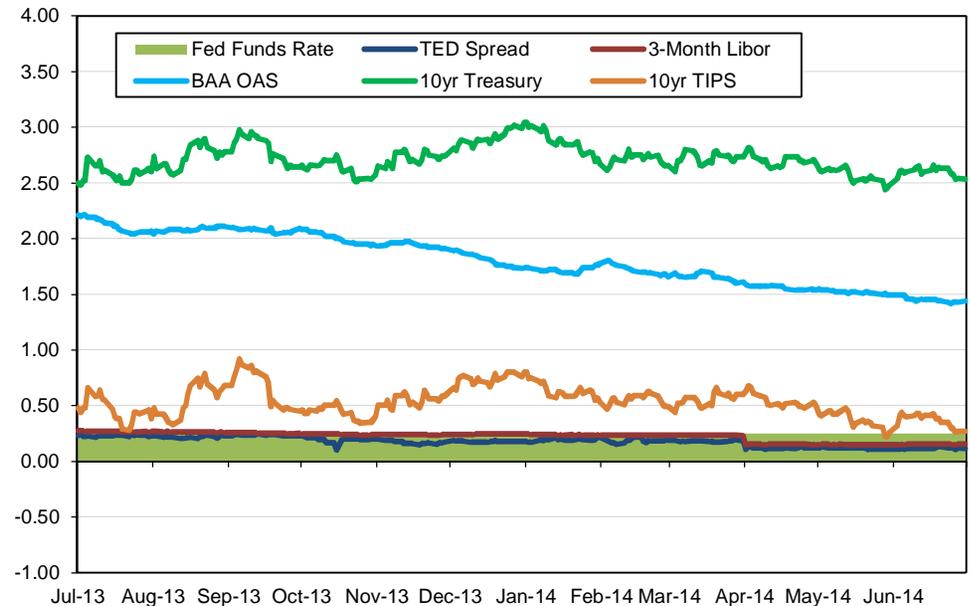
Source: Barclays Capital Live

- Domestic bonds markets continued their strong performance in 2014, returning 2.0% in the second quarter. The bullish tone of the market was due, in part, to a surprising weak first quarter US GDP report, overall weakness in China and Europe, and geopolitical concerns in Ukraine.
- The strong year-to-date performance occurred despite little change in policy by the Federal Reserve, which remains on course to end its quantitative easing program by year-end. As we move towards year end, investors will increasingly focus their attention on the timing and magnitude of any potential interest rate increases.
- Despite numerous macro and geopolitical concerns, sentiment in the credit markets remained positive, resulting in BAA option adjusted spreads tightening 17 basis points (bps).
- Aside from modest weakness in June, yield levels for maturities ten years and greater declined sharply during the second quarter. Yields on 10 and 30-year maturities declined 20 and 22 bps, respectively, during the period.
- Although the yield curve continued to flatten in the second quarter, it still provides investors a sizable yield gain for extending maturities, especially in the intermediate part of the yield curve. The spread between key points on the yield curve is shown below.

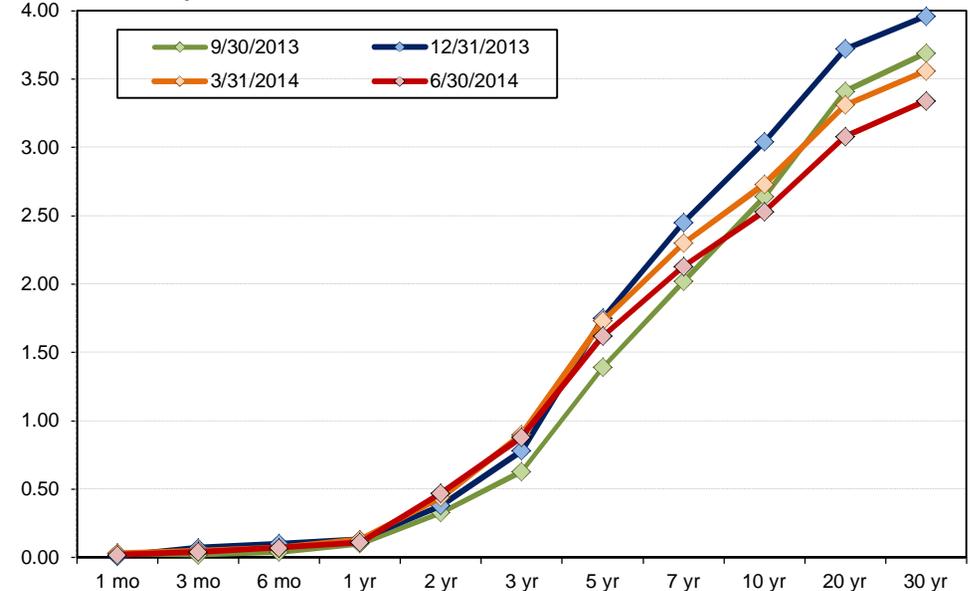
2-5 Year U.S. Treasury	115 bps
5-10 Year U.S. Treasury	91 bps
10-30 Year U.S. Treasury	81 bps

- Since rising to more attractive yields in mid-to-late 2013, the yield curve has flattened, spreads have narrowed and interest rates have declined, particularly in longer-dated maturities. While this has resulted in strong returns over the past twelve months, we believe the return outlook going forward is poor. Furthermore, the low nominal yields and narrow credit spreads offer only a modest amount of income to offset the amount of interest rate risk assumed by investors.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

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Total Fund The VEBA Total Fund had a 3.2% return in the quarter and ranked below the median of all Total Plans, and slightly below its policy benchmark. The 16.6% performance for the year was above average and above the policy while the five year 12.3% return was near median.

Total Domestic Equities The return ranked in the bottom third for the quarter versus Combined Equities, but top third for the year. It was top decile for two years. The performance in the quarter was below its equity policy and the Russell 3000 index. It was above both benchmarks for the year and two years.

- **Dodge & Cox Stock Fund** The fund had slightly above average performance relative to Domestic Large Cap Value funds for the quarter, but was below the Russell 1000 Value index. It was top decile and above the index for the year and two years.
- **Atalanta Sosnoff** The portfolio had performance just above median relative to Domestic Large Cap Growth funds for the quarter, but was bottom quartile for the year. It was near median for two years. It was below the Russell 1000 Growth index plus 100 bps annually for all periods.
- **Lord Abbett** Performance in the quarter was bottom third versus Smid Cap Value funds and below the Russell 2500 Value index. It was in the top quartile and above the index for the year, and top third and above the index for two years.
- **CS McKee** Bottom quartile but close to median in absolute return in the quarter relative to Domestic Core Fixed Income funds. Results were slightly below the Barclay's Aggregate Bond index. For the year, results were bottom quartile, but equal to the index, while for two years, performance was bottom third, but above the index.

Financial Reconciliation
Total Fund
1 Quarter Ending June 30, 2014

1 Quarter	Market Value 04/01/2014	Net Flows	Return On Investment	Market Value 06/30/2014
VEBA Total Fund	39,343,498	77,350	1,278,155	40,699,003
Total Domestic Equity	24,797,399	-	1,020,671	25,818,070
Dodge & Cox Stock Fund	9,197,790	-	412,390	9,610,180
Atalanta Sosnoff	8,691,562	-	410,459	9,102,021
Lord Abbett	6,908,047	-	197,822	7,105,869
Total Domestic Fixed Income				
CS McKee	14,127,324	-	257,472	14,384,796
Cash	418,775	77,350	12	496,137

Fiscal Year To Date	Market Value 01/01/2014	Net Flows	Return On Investment	Market Value 06/30/2014
VEBA Total Fund	38,466,843	212,416	2,019,744	40,699,003
Total Domestic Equity	24,351,766	-	1,466,304	25,818,070
Dodge & Cox Stock Fund	8,980,051	-	630,129	9,610,180
Atalanta Sosnoff	8,765,110	-	336,911	9,102,021
Lord Abbett	6,606,605	-	499,264	7,105,869
Total Domestic Fixed Income				
CS McKee	13,831,377	-	553,419	14,384,796
Cash	283,700	212,416	21	496,137

**Financial Reconciliation
Total Fund**

1 Year Ending June 30, 2014

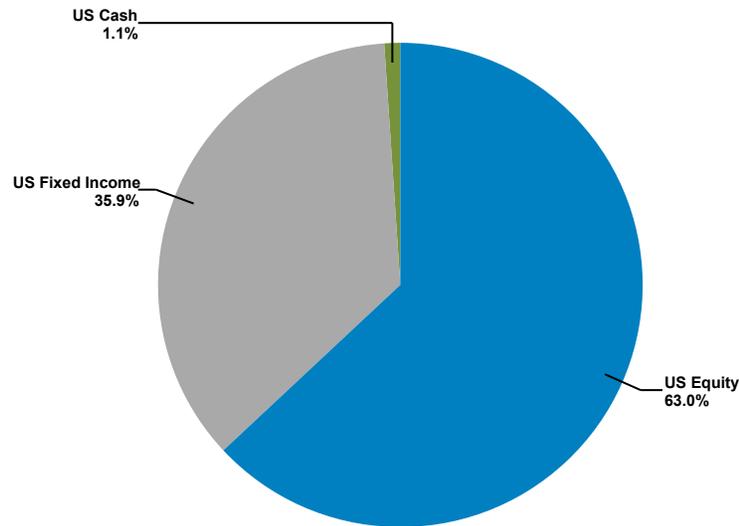
1 Year	Market Value 07/01/2013	Net Flows	Return On Investment	Market Value 06/30/2014
VEBA Total Fund	34,453,972	541,154	5,703,877	40,699,003
Total Domestic Equity	19,515,713	1,200,000	5,102,357	25,818,070
Dodge & Cox Stock Fund	6,438,124	1,200,000	1,972,056	9,610,180
Atalanta Sosnoff	6,009,251	1,600,000	1,492,770	9,102,021
Lord Abbett	7,068,338	-1,600,000	1,637,531	7,105,869
Total Domestic Fixed Income				
CS McKee	13,783,347	-	601,449	14,384,796
Cash	1,154,912	-658,846	71	496,137

Asset Allocation Attributes	Domestic Equity		Domestic Fixed Income		Cash Equivalent		Total Fund	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
VEBA Total Fund	25,588	62.9	13,731	33.7	1,380	3.4	40,699	100.0
Total Domestic Equity	25,588	99.1	-	-	230	0.9	25,818	63.4
Dodge & Cox Stock Fund	9,610	100.0	-	-	-	-	9,610	23.6
Atalanta Sosnoff	8,872	97.5	-	-	230	2.5	9,102	22.4
Lord Abbett	7,106	100.0	-	-	-	-	7,106	17.5
Total Domestic Fixed Income								
CS McKee	-	-	13,731	95.5	654	4.5	14,385	35.3
Cash	-	-	-	-	496	100.0	496	1.2

**Asset Allocation By Asset Class
Total Fund**

As of June 30, 2014

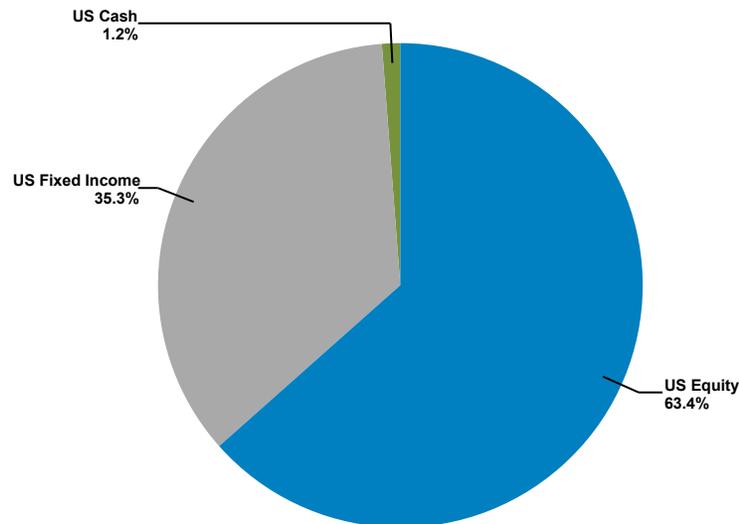
March 31, 2014 : \$39,343,498



Allocation

	Market Value	Allocation
■ US Equity	24,797,399	63.0
■ US Fixed Income	14,127,324	35.9
■ US Cash	418,775	1.1

June 30, 2014 : \$40,699,003



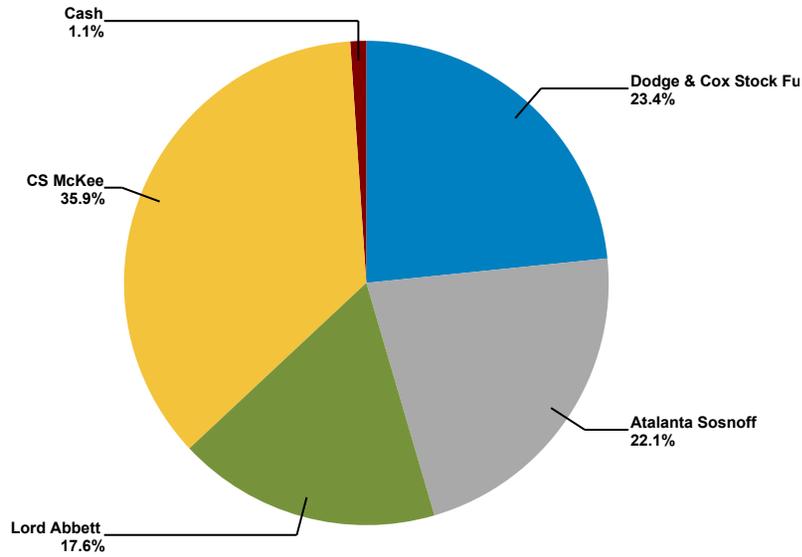
Allocation

	Market Value	Allocation
■ US Equity	25,818,070	63.4
■ US Fixed Income	14,384,796	35.3
■ US Cash	496,137	1.2

**Asset Allocation By Manager
Total Fund**

As of June 30, 2014

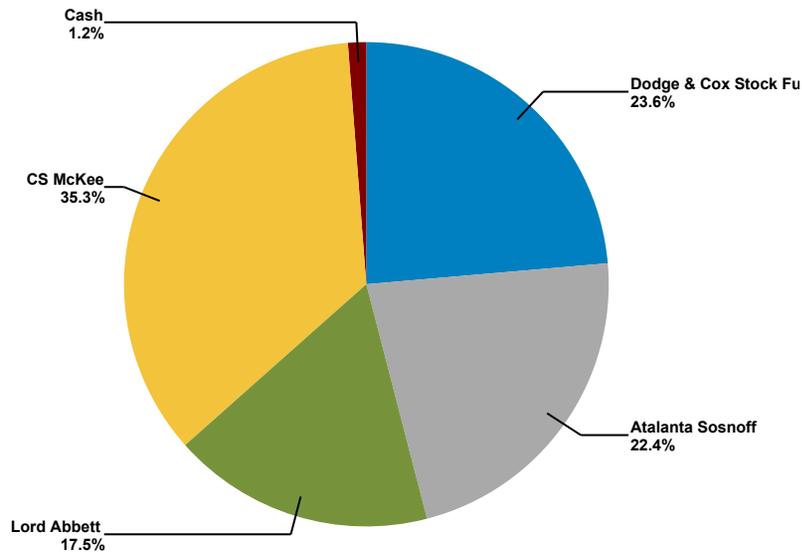
March 31, 2014 : \$39,343,498



Allocation

	Market Value	Allocation
Dodge & Cox Stock Fund	9,197,790	23.4
Atalanta Sosnoff	8,691,562	22.1
Lord Abbett	6,908,047	17.6
CS McKee	14,127,324	35.9
Cash	418,775	1.1

June 30, 2014 : \$40,699,003

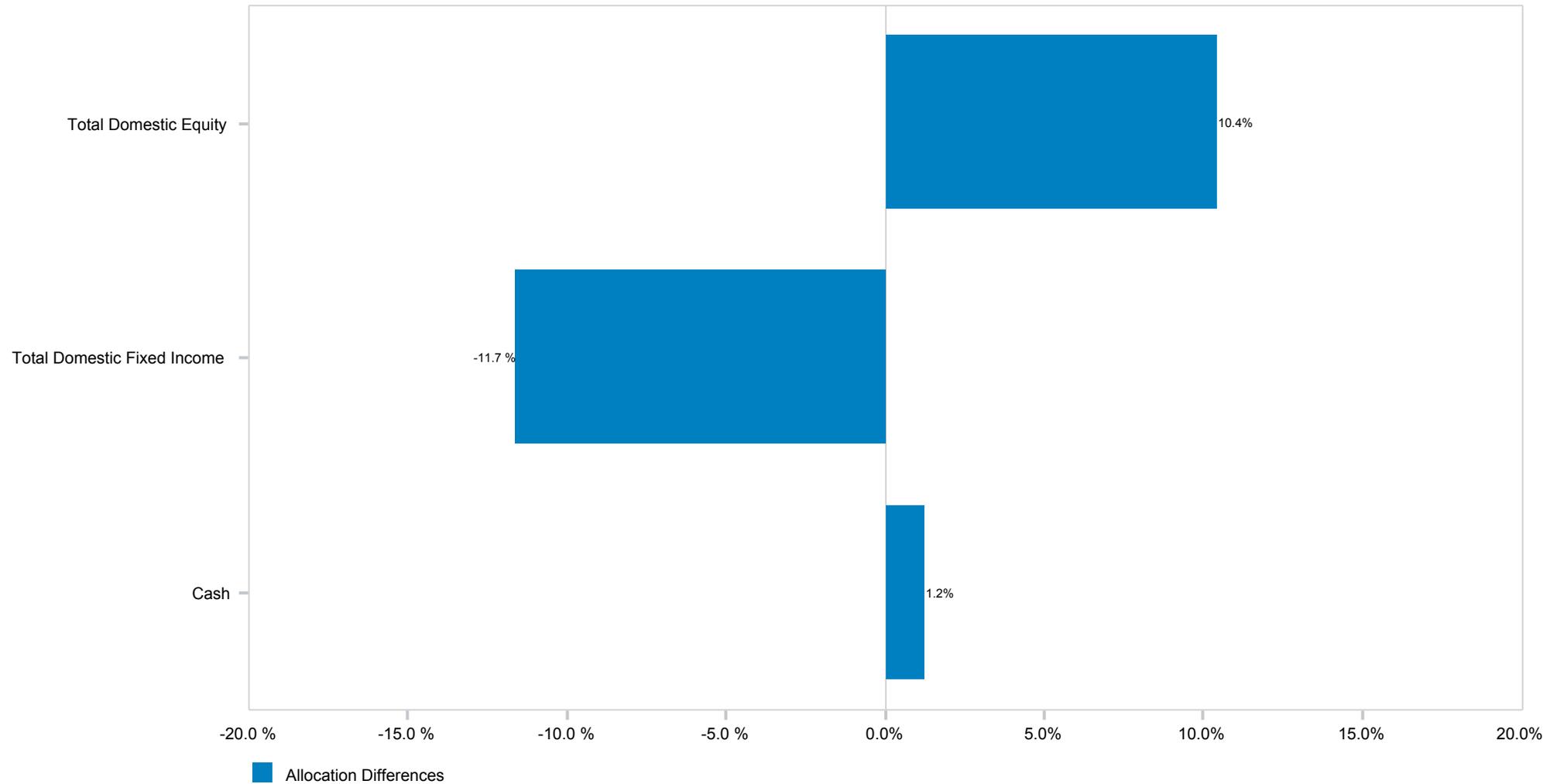


Allocation

	Market Value	Allocation
Dodge & Cox Stock Fund	9,610,180	23.6
Atalanta Sosnoff	9,102,021	22.4
Lord Abbett	7,105,869	17.5
CS McKee	14,384,796	35.3
Cash	496,137	1.2

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Asset Allocation vs. Target Allocation



Asset Allocation vs. Target Allocation

	Market Value \$	Allocation (%)	Target (%)
Total Domestic Equity	25,818,070	63.4	53.0
Total Domestic Fixed Income	14,384,796	35.3	47.0
Cash	496,137	1.2	0.0
Total Fund	40,699,003	100.0	100.0

Comparative Performance

Total Fund

As of June 30, 2014

Comparative Performance										
	QTR		FYTD		1 YR		3 YR		5 YR	
VEBA Total Fund	3.24	(71)	5.23	(59)	16.63	(44)	9.55	(50)	12.26	(54)
VEBA - Total Fund Policy	3.50	(58)	5.87	(37)	15.12	(68)	N/A		N/A	
All Master Trust - Total Fund Median	3.63		5.47		16.25		9.53		12.37	
Total Domestic Equity	4.12	(71)	6.02	(62)	25.69	(31)	N/A		N/A	
VEBA - Total Domestic Equity Policy	4.78	(35)	7.51	(15)	25.22	(41)	N/A		N/A	
Russell 3000 Index	4.87	(30)	6.94	(29)	25.22	(41)	16.46	(32)	19.33	(47)
All Master Trust-US Equity Segment Median	4.50		6.44		24.76		15.91		19.28	
Dodge & Cox Stock Fund	4.48	(46)	7.02	(44)	28.28	(2)	N/A		N/A	
Russell 1000 Value Index	5.10	(26)	8.28	(10)	23.81	(29)	16.92	(13)	19.23	(11)
IM U.S. Large Cap Value Equity (MF) Median	4.39		6.87		22.38		15.29		17.08	
Atalanta Sosnoff	4.72	(44)	3.84	(75)	22.18	(89)	N/A		N/A	
Russell 1000G + 100BP	5.39	(26)	6.84	(26)	28.19	(42)	17.42	(22)	20.43	(19)
IM U.S. Large Cap Growth Equity (SA+CF) Median	4.59		5.45		27.34		15.55		18.75	
Lord Abbett	2.86	(72)	7.56	(29)	26.74	(24)	N/A		N/A	
Russell 2500 Value Index	4.20	(34)	7.87	(28)	24.94	(46)	16.02	(39)	21.58	(36)
IM U.S. SMID Cap Value Equity (MF) Median	3.30		5.47		24.74		15.38		21.07	
Total Domestic Fixed Income										
CS McKee	1.82	(91)	4.00	(66)	4.37	(79)	N/A		N/A	
Barclays Aggregate Index	2.04	(69)	3.93	(73)	4.37	(78)	3.66	(88)	4.85	(89)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.13		4.18		4.91		4.37		5.72	
Cash	0.00		0.01		0.01		0.00		0.00	
90 Day U.S. Treasury Bill	0.01		0.03		0.04		0.06		0.09	

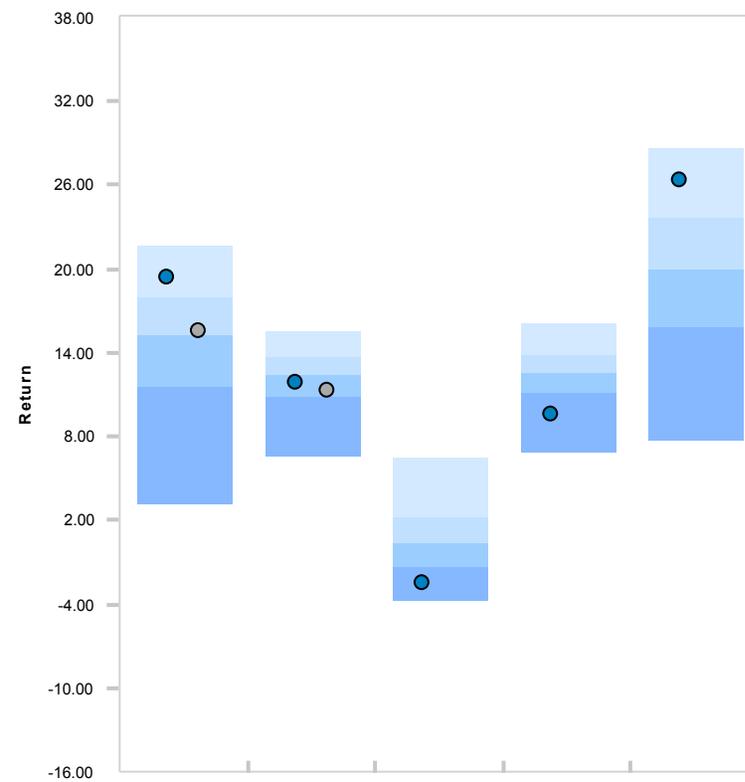
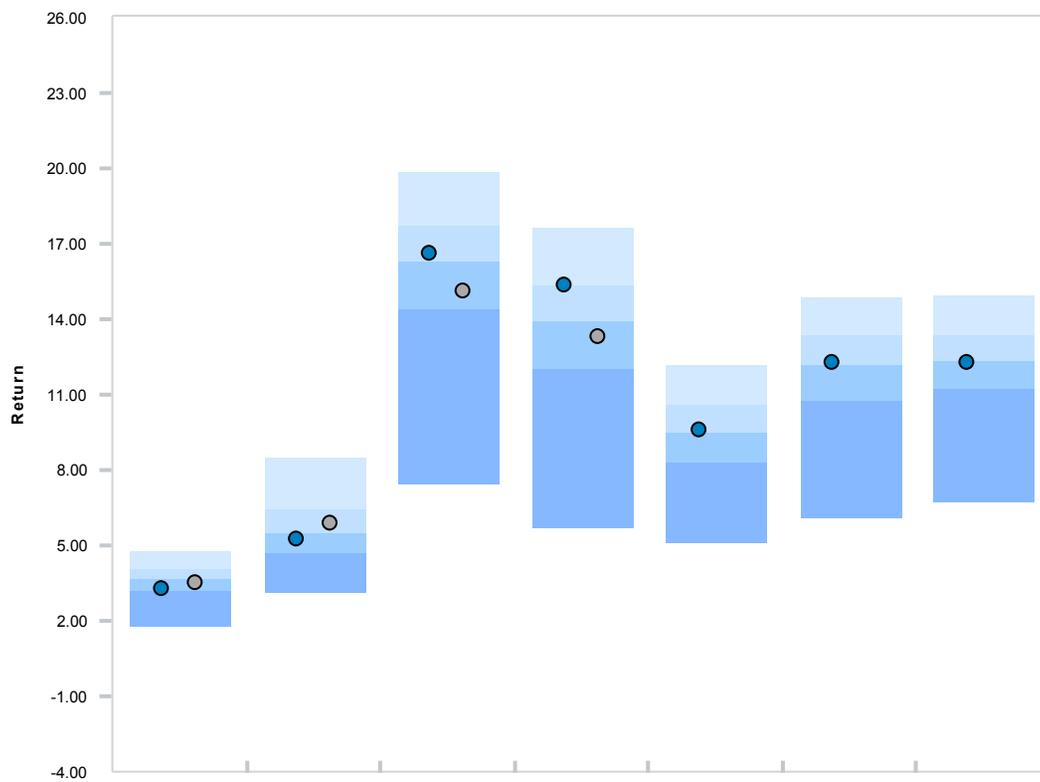
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Comparative Performance
Total Fund
Years Ending

Comparative Performance	1 Year Ending Jun-2014		1 Year Ending Jun-2013		1 Year Ending Jun-2012		1 Year Ending Jun-2011		1 Year Ending Jun-2010	
VEBA Total Fund	16.63	(44)	14.05	(16)	-1.15	(84)	20.67	(46)	12.39	(56)
VEBA - Total Fund Policy	15.12	(68)	11.54	(52)	N/A		N/A		N/A	
All Master Trust - Total Fund Median	16.25		11.60		1.02		20.29		12.74	
Total Domestic Equity	25.69	(31)	27.12	(5)	N/A		N/A		N/A	
VEBA - Total Domestic Equity Policy	25.22	(41)	23.37	(26)	N/A		N/A		N/A	
Russell 3000 Index	25.22	(41)	21.46	(62)	3.84	(27)	32.37	(59)	15.72	(58)
All Master Trust-US Equity Segment Median	24.76		21.97		2.07		32.90		16.06	
Dodge & Cox Stock Fund	28.28	(2)	31.30	(2)	N/A		N/A		N/A	
Russell 1000 Value Index	23.81	(29)	25.32	(37)	3.01	(18)	28.94	(34)	16.92	(13)
IM U.S. Large Cap Value Equity (MF) Median	22.38		24.42		0.23		27.74		12.85	
Atalanta Sosnoff	22.18	(89)	22.24	(15)	N/A		N/A		N/A	
Russell 1000G + 100BP	28.19	(42)	18.24	(42)	6.82	(18)	36.36	(32)	14.76	(34)
IM U.S. Large Cap Growth Equity (SA+CF) Median	27.34		17.49		3.08		33.51		13.08	
Lord Abbett	26.74	(24)	27.72	(41)	N/A		N/A		N/A	
Russell 2500 Value Index	24.94	(46)	26.88	(54)	-1.49	(23)	34.54	(29)	26.46	(46)
IM U.S. SMID Cap Value Equity (MF) Median	24.74		27.06		-3.89		33.26		25.58	
Total Domestic Fixed Income										
CS McKee	4.37	(79)	0.08	(59)	N/A		N/A		N/A	
Barclays Aggregate Index	4.37	(78)	-0.69	(89)	7.47	(72)	3.90	(80)	9.50	(84)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	4.91		0.22		7.88		4.66		11.16	
Cash	0.01		0.00		-0.01		-0.01		0.02	
90 Day U.S. Treasury Bill	0.04		0.09		0.04		0.15		0.13	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Peer Group Analysis - All Master Trust - Total Fund



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	3.24 (71)	5.23 (59)	16.63 (44)	15.33 (25)	9.55 (50)	12.23 (48)	12.26 (54)
● Total Policy	3.50 (58)	5.87 (37)	15.12 (68)	13.32 (59)	N/A	N/A	N/A
Median	3.63	5.47	16.25	13.94	9.53	12.15	12.37

	2013	2012	2011	2010	2009
● Total Fund	19.39 (14)	11.91 (61)	-2.51 (88)	9.63 (87)	26.42 (11)
● Total Policy	15.51 (49)	11.24 (71)	N/A	N/A	N/A
Median	15.29	12.44	0.31	12.59	19.88

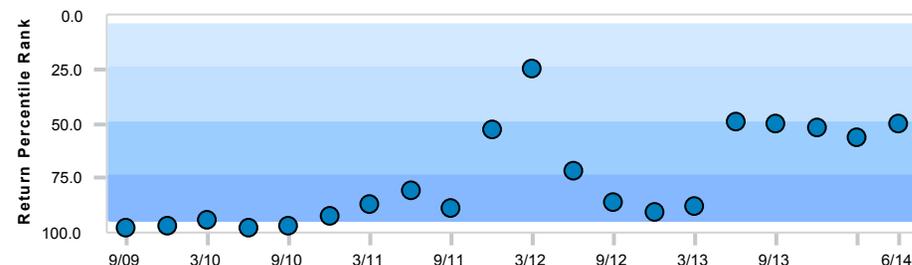
Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Total Fund	1.93 (39)	6.55 (9)	4.01 (70)	1.20 (8)	6.44 (10)	1.06 (78)
Total Policy	2.29 (24)	5.00 (52)	3.56 (79)	0.09 (40)	6.14 (16)	0.97 (80)
All Master Trust - Total Fund Median	1.76	5.04	4.66	-0.17	4.88	1.72

3 Yr Rolling Under/Over Performance - 5 Years

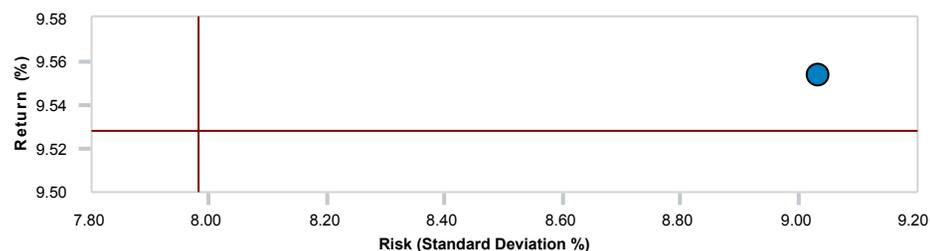
No data found.

3 Yr Rolling Percentile Ranking - 5 Years



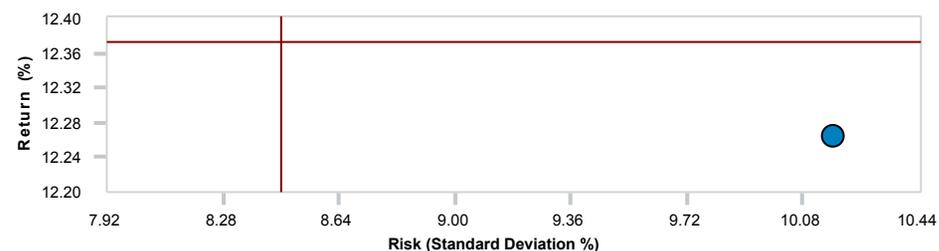
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	1 (5%)	3 (15%)	4 (20%)	12 (60%)
Total Policy	0	0	0	0	0

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	9.55	9.04
Total Policy	N/A	N/A
Median	9.53	7.98

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	12.26	10.18
Total Policy	N/A	N/A
Median	12.37	8.46

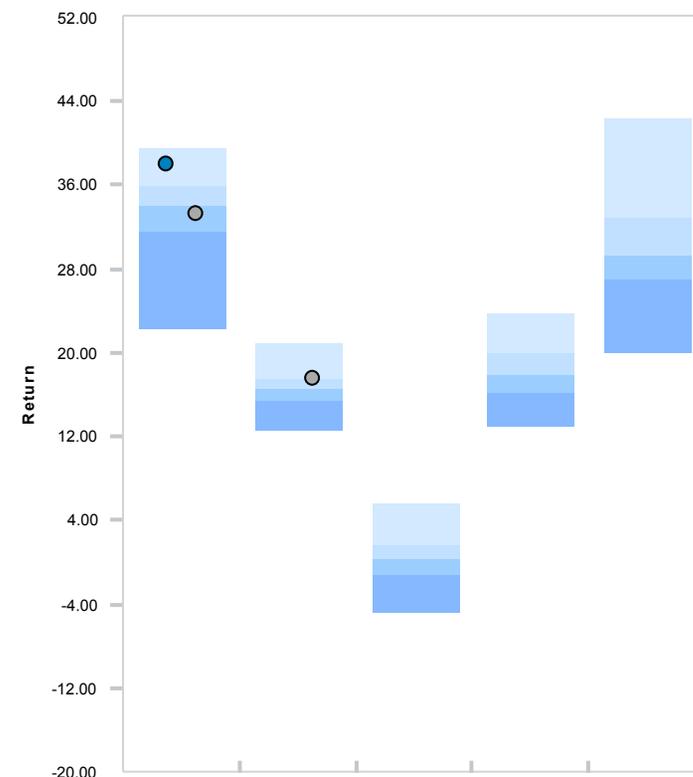
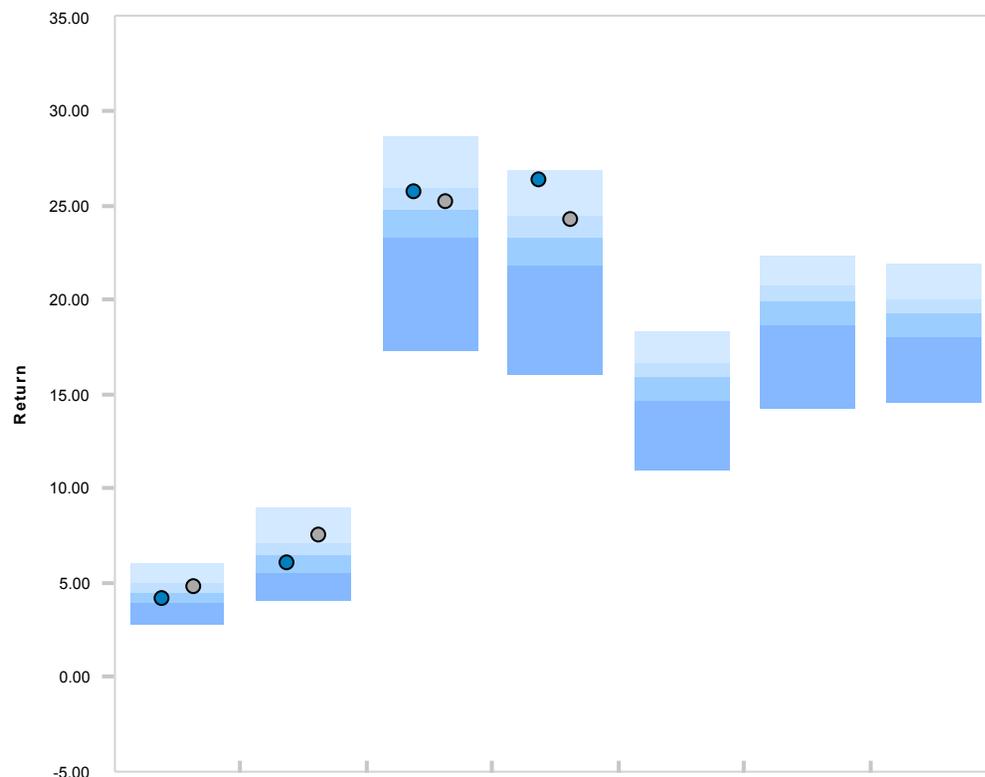
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Peer Group Analysis - All Master Trust-US Equity Segment



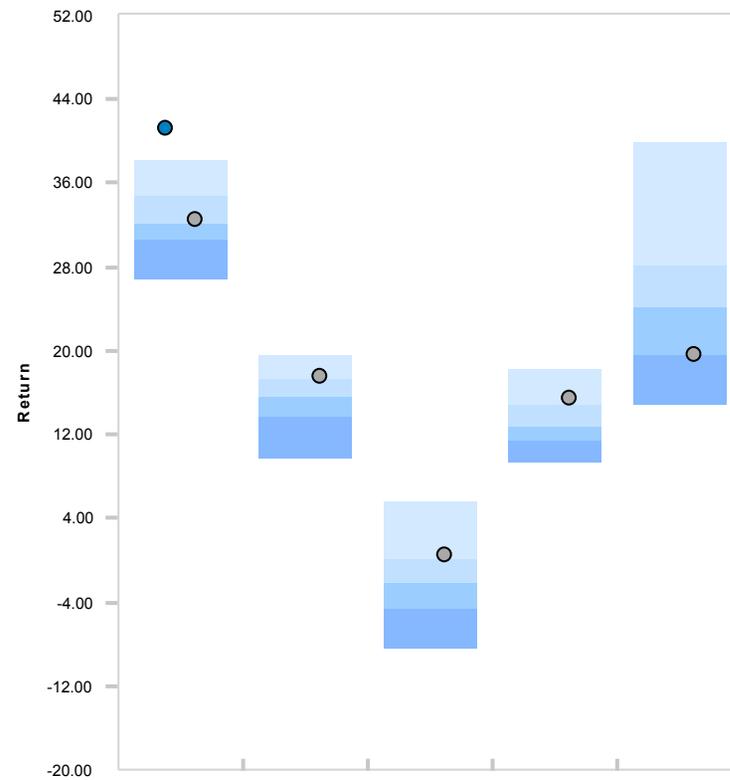
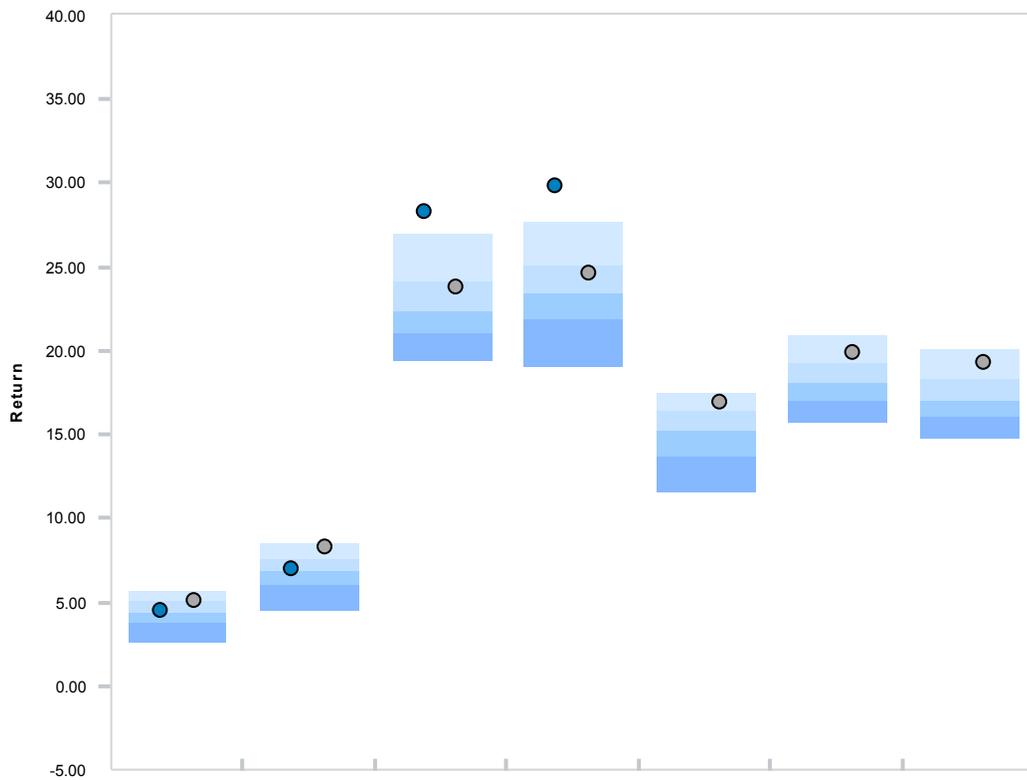
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Dom Equity	4.12 (71)	6.02 (62)	25.69 (31)	26.40 (8)	N/A	N/A	N/A
● Total Equity Policy	4.78 (35)	7.51 (15)	25.22 (41)	24.29 (29)	N/A	N/A	N/A
Median	4.50	6.44	24.76	23.34	15.91	19.99	19.28

	2013	2012	2011	2010	2009
● Total Dom Equity	37.95 (10)	N/A	N/A	N/A	N/A
● Total Equity Policy	33.21 (61)	17.49 (27)	N/A	N/A	N/A
Median	33.93	16.51	0.22	17.97	29.18

Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Total Dom Equity	1.83 (52)	11.00 (8)	6.80 (51)	3.85 (9)	12.05 (13)	2.42 (11)
Total Domestic Equity Policy	2.61 (14)	9.70 (57)	6.18 (71)	2.23 (76)	11.87 (15)	1.64 (22)
All Master Trust-US Equity Segment Median	1.84	9.87	6.81	2.84	11.01	0.78

Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



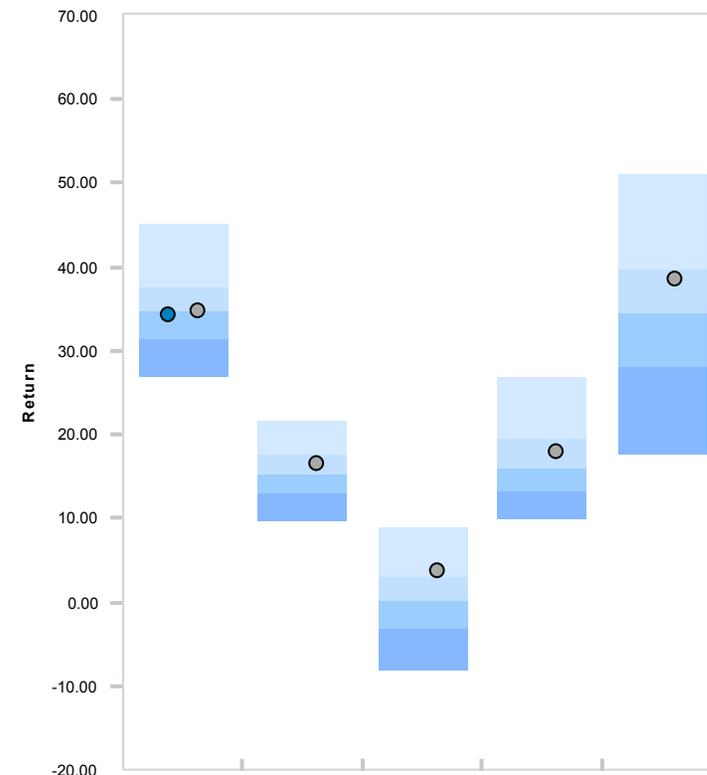
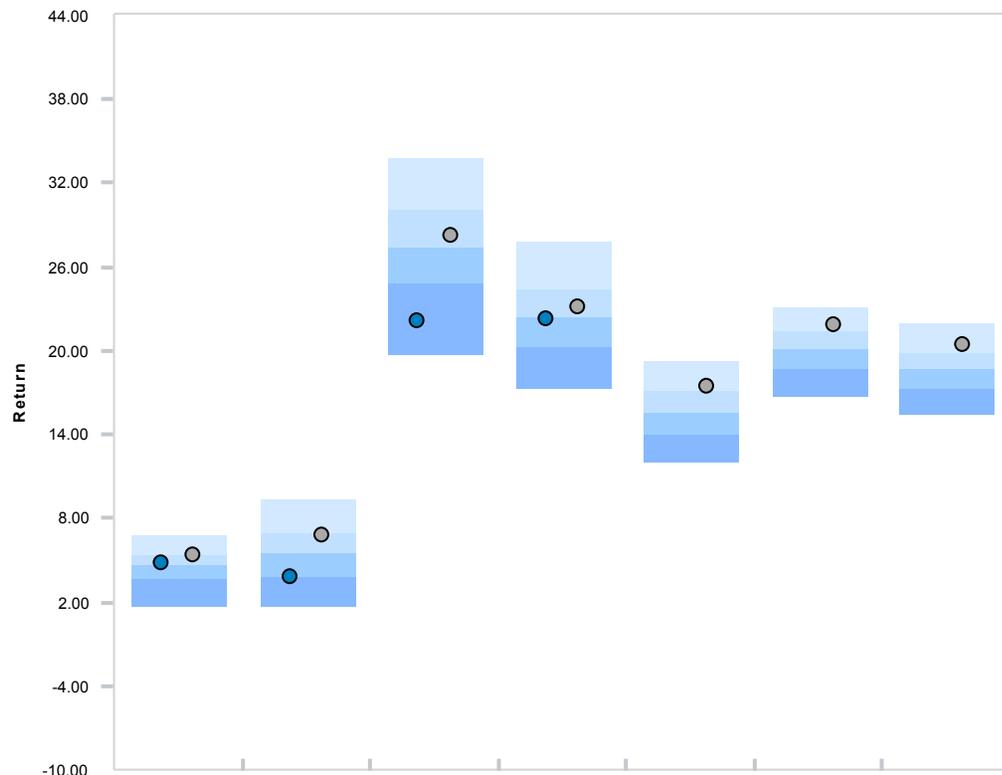
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Dodge & Cox	4.48 (46)	7.02 (44)	28.28 (2)	29.78 (1)	N/A	N/A	N/A
● R1000 V	5.10 (26)	8.28 (10)	23.81 (29)	24.56 (33)	16.92 (13)	19.81 (17)	19.23 (11)
Median	4.39	6.87	22.38	23.40	15.29	18.10	17.08

	2013	2012	2011	2010	2009
● Dodge & Cox	41.28 (1)	N/A	N/A	N/A	N/A
● R1000 V	32.53 (46)	17.51 (25)	0.39 (23)	15.51 (19)	19.69 (74)
Median	32.17	15.56	-2.28	12.82	24.17

Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Dodge & Cox	2.42 (41)	11.96 (3)	7.06 (6)	5.34 (7)	11.89 (28)	2.99 (11)
R1000 V	3.02 (12)	10.01 (44)	3.94 (77)	3.20 (68)	12.31 (14)	1.52 (40)
IM U.S. Large Cap Value Equity (MF) Median	2.27	9.75	4.52	3.69	11.29	1.27

Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)

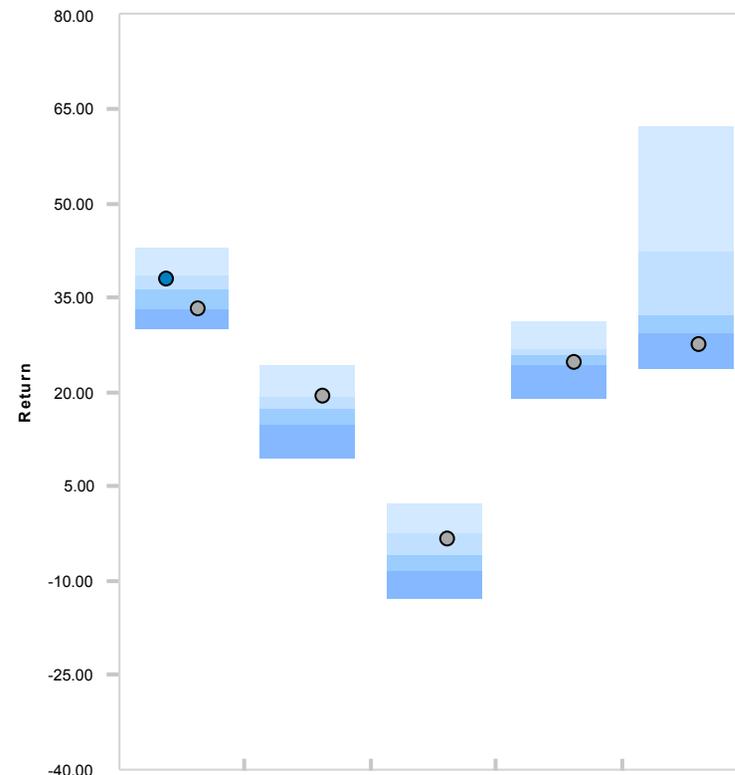
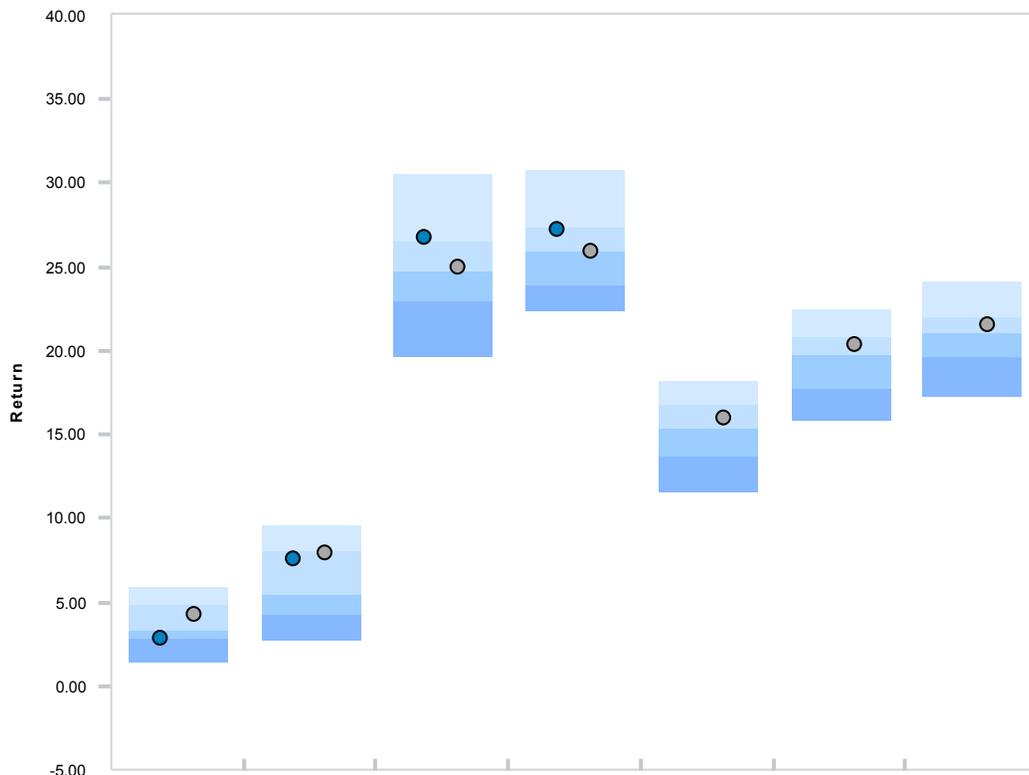


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	2013	2012	2011	2010	2009
● Atalanta Sosnoff	4.72 (44)	3.84 (75)	22.18 (89)	22.21 (52)	N/A	N/A	N/A	34.20 (56)	N/A	N/A	N/A	N/A
● R1000G+100BP	5.39 (26)	6.84 (26)	28.19 (42)	23.11 (43)	17.42 (22)	21.89 (18)	20.43 (19)	34.82 (49)	16.41 (40)	3.67 (21)	17.88 (35)	38.58 (29)
Median	4.59	5.45	27.34	22.35	15.55	20.08	18.75	34.61	15.19	0.06	16.04	34.51

Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Atalanta Sosnoff	-0.84 (87)	10.72 (54)	6.27 (84)	4.10 (11)	9.57 (41)	0.11 (28)
R1000G + 100BP	1.37 (37)	10.71 (55)	8.38 (57)	2.32 (42)	9.82 (33)	-1.07 (59)
IM U.S. Large Cap Growth Equity (SA+CF) Median	0.82	10.86	8.91	2.08	9.24	-0.72

Peer Group Analysis - IM U.S. SMID Cap Value Equity (MF)



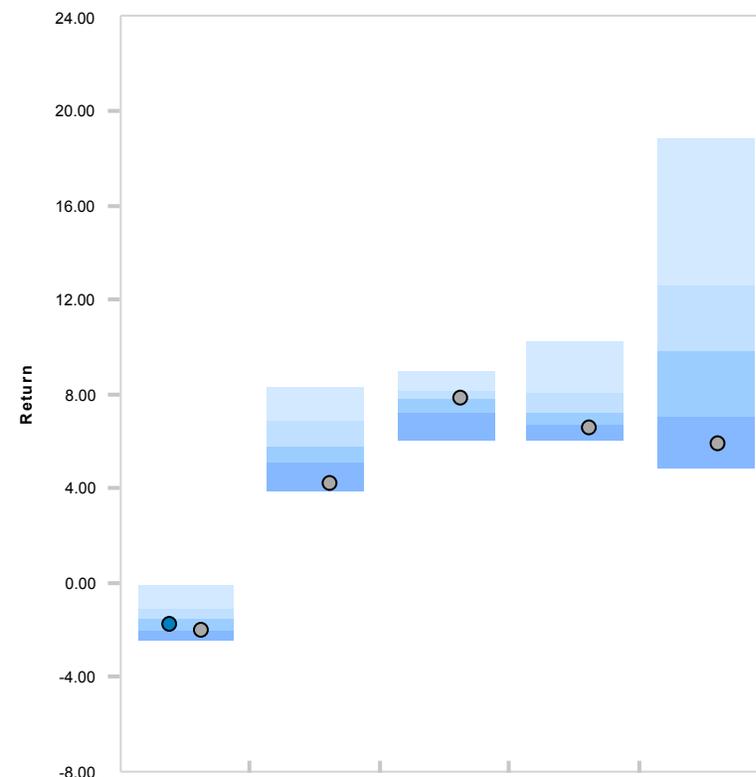
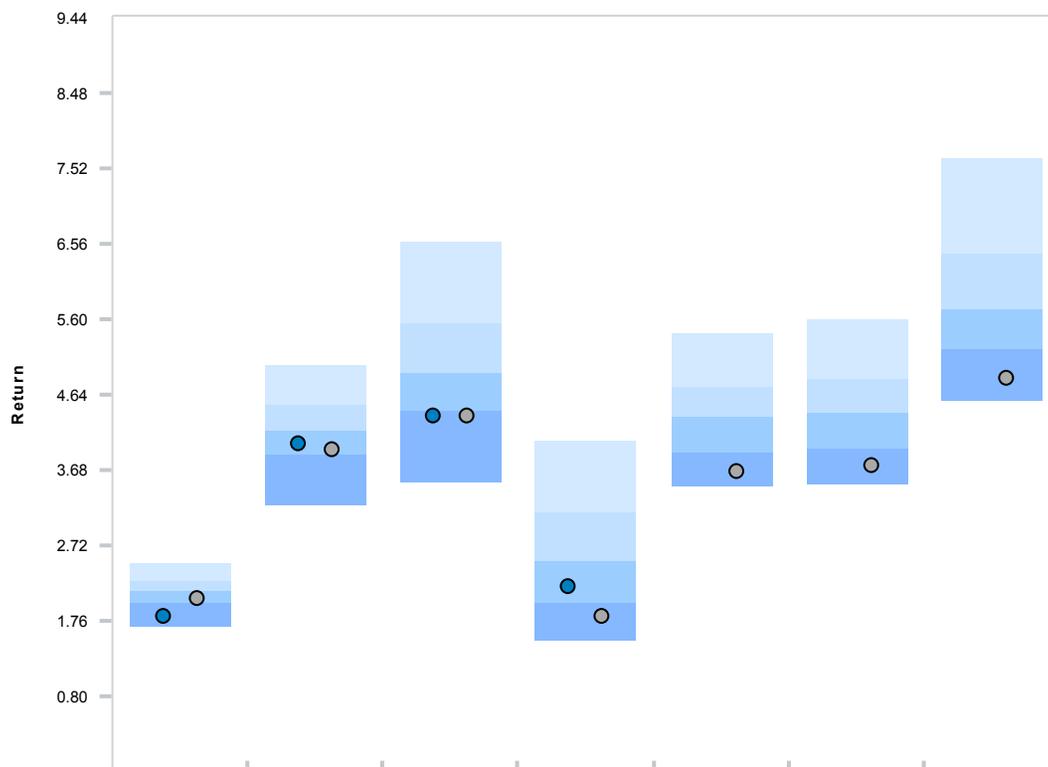
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Lord Abbett	2.86 (72)	7.56 (29)	26.74 (24)	27.23 (28)	N/A	N/A	N/A
● R2500 Value	4.20 (34)	7.87 (28)	24.94 (46)	25.91 (50)	16.02 (39)	20.40 (33)	21.58 (36)
Median	3.30	5.47	24.74	25.90	15.38	19.69	21.07

	2013	2012	2011	2010	2009
● Lord Abbett	37.87 (35)	N/A	N/A	N/A	N/A
● R2500 Value	33.32 (75)	19.21 (26)	-3.36 (30)	24.82 (70)	27.68 (85)
Median	36.35	17.48	-5.86	26.07	32.34

Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Lord Abbett	4.56 (4)	10.14 (30)	6.99 (67)	2.33 (48)	14.34 (18)	4.01 (54)
Russell 2500 Value Index	3.52 (18)	8.83 (68)	6.43 (79)	1.54 (80)	13.35 (39)	4.14 (47)
IM U.S. SMID Cap Value Equity (MF) Median	1.81	9.45	7.82	2.16	12.98	4.08

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



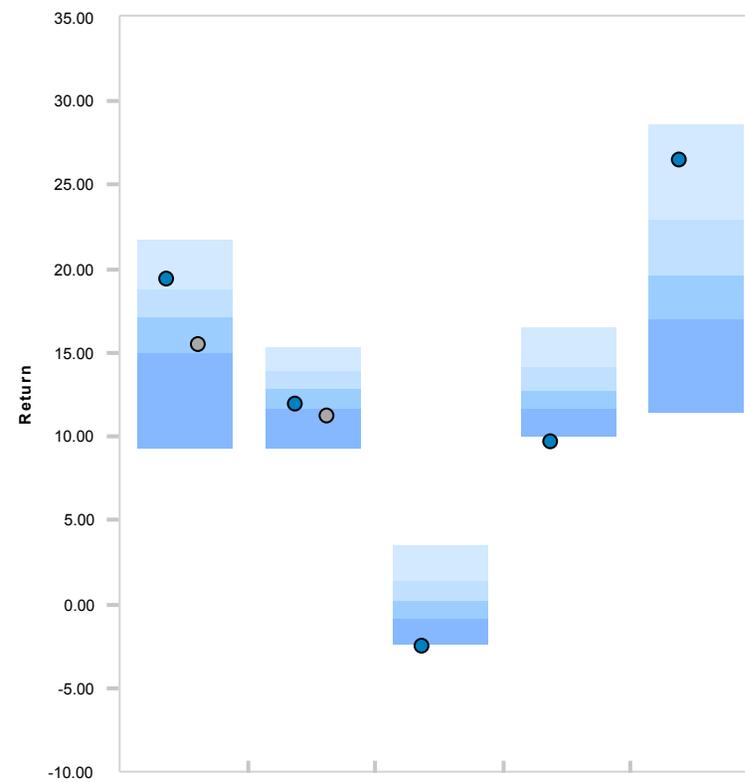
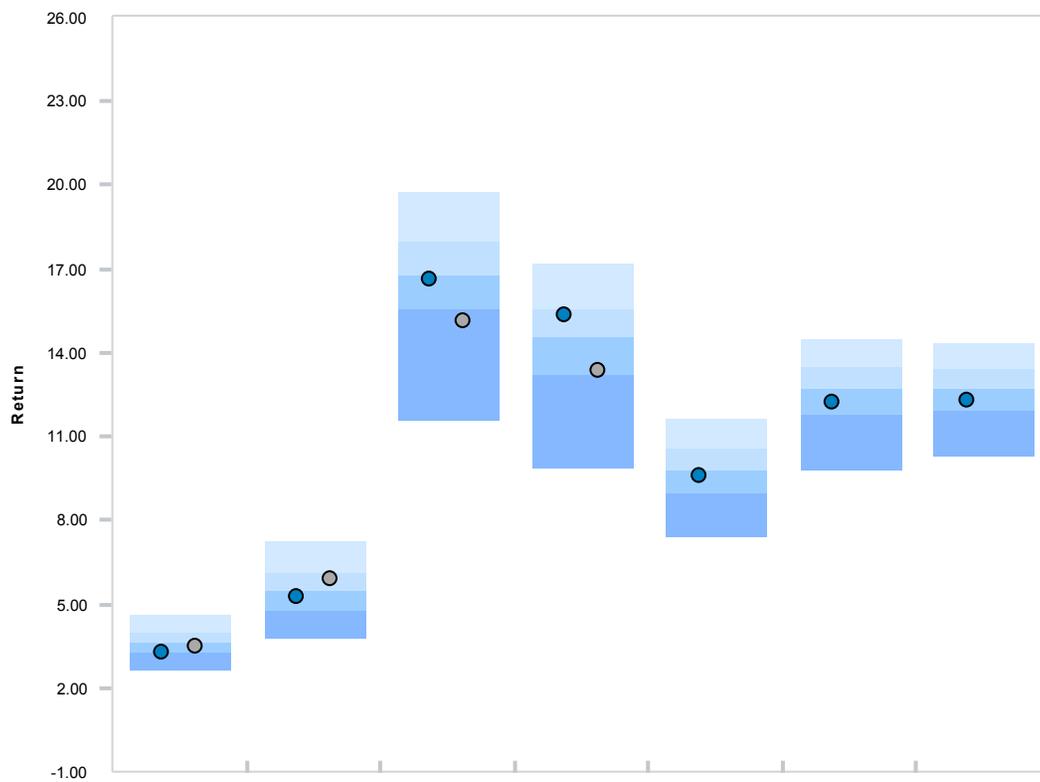
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● CS McKee	1.82 (91)	4.00 (66)	4.37 (79)	2.20 (68)	N/A	N/A	N/A
● BC Agg	2.04 (69)	3.93 (73)	4.37 (78)	1.81 (86)	3.66 (88)	3.72 (89)	4.85 (89)
Median	2.13	4.18	4.91	2.53	4.37	4.42	5.72

	2013	2012	2011	2010	2009
● CS McKee	-1.75 (65)	N/A	N/A	N/A	N/A
● BC Agg	-2.02 (75)	4.21 (91)	7.84 (50)	6.54 (84)	5.93 (88)
Median	-1.54	5.77	7.84	7.22	9.84

Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
CS McKee	2.14 (35)	-0.11 (73)	0.46 (79)	-2.21 (21)	0.12 (44)	-0.52 (100)
BC Agg	1.84 (77)	-0.14 (77)	0.57 (64)	-2.32 (39)	-0.12 (88)	0.21 (83)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.03	0.09	0.63	-2.42	0.09	0.46

Peer Group Analysis - All Public Plans-Total Fund



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	3.24 (77)	5.23 (61)	16.63 (52)	15.33 (30)	9.55 (58)	12.23 (64)	12.26 (65)
● Total Policy	3.50 (63)	5.87 (33)	15.12 (82)	13.32 (72)	N/A	N/A	N/A
Median	3.64	5.45	16.77	14.57	9.80	12.69	12.74

	2013	2012	2011	2010	2009
● Total Fund	19.39 (19)	11.91 (71)	-2.51 (96)	9.63 (97)	26.42 (10)
● Total Policy	15.51 (71)	11.24 (81)	N/A	N/A	N/A
Median	17.09	12.82	0.21	12.75	19.64

Comparative Performance

	1 Qtr Ending Mar-2014	1 Qtr Ending Dec-2013	1 Qtr Ending Sep-2013	1 Qtr Ending Jun-2013	1 Qtr Ending Mar-2013	1 Qtr Ending Dec-2012
Total Fund	1.93 (32)	6.55 (16)	4.01 (87)	1.20 (5)	6.44 (15)	1.06 (75)
Total Policy	2.29 (17)	5.00 (72)	3.56 (94)	0.09 (50)	6.14 (24)	0.97 (77)
All Public Plans-Total Fund Median	1.72	5.60	4.91	0.08	5.46	1.72

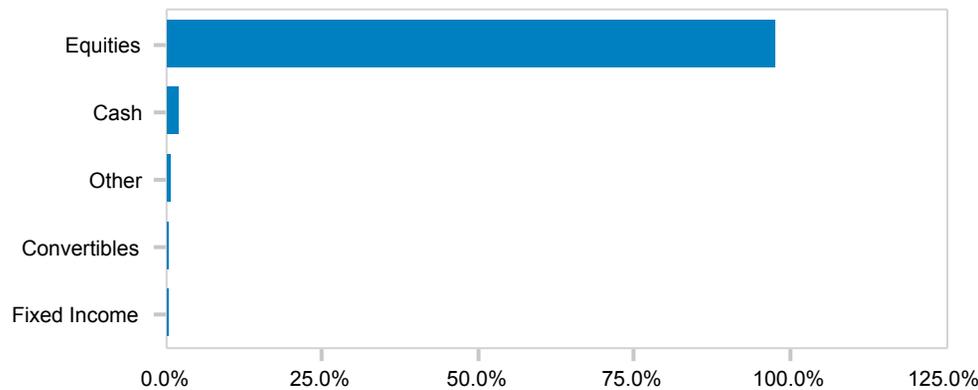
Fund Information

Fund Name :	Dodge & Cox Funds: Dodge & Cox Stock Fund	Portfolio Assets :	\$56,698 Million
Fund Family :	Dodge & Cox	Portfolio Manager :	Team Managed
Ticker :	DODGX	PM Tenure :	
Inception Date :	01/04/1965	Fund Style :	IM U.S. Large Cap Value Equity (MF)
Fund Assets :	\$56,698 Million	Style Benchmark :	Russell 1000 Value Index
Portfolio Turnover :	15%		

Fund Investment Policy

The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.

Asset Allocation As of 03/31/2014



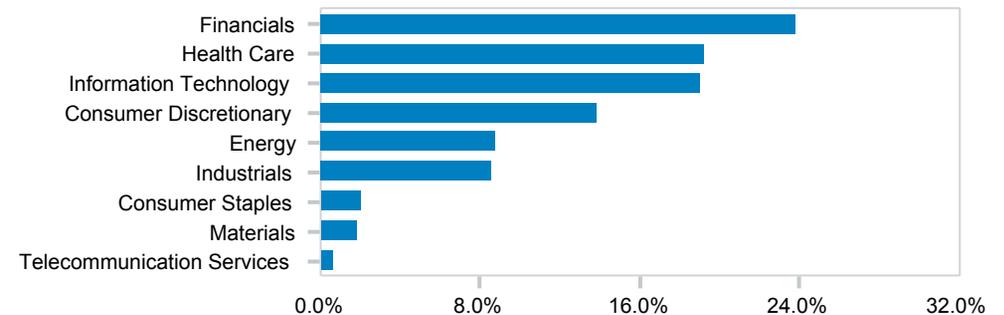
Fund Characteristics As of 03/31/2014

Total Securities	73
Avg. Market Cap	\$110,600 Million
P/E	20.0
P/B	3.3
Div. Yield	2.2%
Annual EPS	18.6
5Yr EPS	11.6
3Yr EPS Growth	11.7

Top Ten Securities As of 03/31/2014

Hewlett-Packard Co ORD	4.2 %
Capital One Financial Corp ORD	4.0 %
Wells Fargo & Co ORD	3.9 %
Microsoft Corp ORD	3.8 %
Comcast Corp ORD	3.0 %
Novartis AG DR	2.8 %
Schlumberger NV ORD	2.8 %
Charles Schwab Corp ORD	2.6 %
Sanofi SA DR	2.6 %
Time Warner Inc ORD	2.5 %

Sector/Quality Allocation As of 03/31/2014



Portfolio Characteristics (Benchmark: Russell 1000 Growth Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	123,898,449,261	108,392,955,557
Median Mkt. Cap (\$)	68,775,623,920	8,665,907,845
Price/Earnings ratio	18.0	22.0
Price/Book ratio	3.5	4.9
5 Yr. EPS Growth Rate (%)	14.1	16.8
Current Yield (%)	1.4	1.5
Beta	N/A	1.00
Number of Stocks	56	672

Top Ten Equity Holdings (Benchmark: Russell 1000 Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Apple Inc	5.0	5.5	-0.5	21.9
Canadian Pacific Railway	4.5	0.0	4.5	21.2
United Technologies Corp	4.3	0.1	4.2	-0.7
Honeywell International Inc.	3.7	0.7	3.0	0.7
Microsoft Corp	3.4	2.2	1.2	2.4
Halliburton Co	3.3	0.6	2.7	20.9
ConocoPhillips	3.3	0.0	3.3	22.9
Precision Castparts Corp.	3.3	0.4	2.9	-0.1
Schlumberger Ltd	2.9	1.5	1.4	21.4
Comcast Corp	2.7	1.3	1.5	7.7

Ten Best Performers (Benchmark: Russell 1000 Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Micron Technology Inc.	1.0	0.3	0.7	39.3
Celgene Corp	0.5	0.7	-0.2	23.0
ConocoPhillips	3.3	0.0	3.3	22.9
Apple Inc	5.0	5.5	-0.5	21.9
Schlumberger Ltd	2.9	1.5	1.4	21.4
Canadian Pacific Railway	4.5	0.0	4.5	21.2
Halliburton Co	3.3	0.6	2.7	20.9
Gilead Sciences Inc	1.6	1.3	0.4	17.0
Delta Air Lines Inc.	2.6	0.0	2.6	11.9
Facebook Inc	1.4	1.3	0.1	11.7

Ten Worst Performers (Benchmark: Russell 1000 Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Bank of America Corp	1.0	0.0	1.0	-10.6
Pfizer Inc	1.0	0.0	1.0	-6.8
Las Vegas Sands Corp	1.9	0.3	1.6	-5.0
JPMorgan Chase & Co	0.7	0.0	0.7	-4.5
Valeant Pharmaceuticals Int'l Inc	1.2	0.0	1.2	-3.8
Yahoo Inc	1.2	0.0	1.2	-2.1
E. I. du Pont	0.9	0.6	0.4	-1.8
Procter & Gamble Co (The)	0.4	0.1	0.3	-1.7
Macy's Inc	1.4	0.2	1.2	-1.6
MasterCard Inc	1.4	0.7	0.7	-1.5

Buy and Hold Sector Attribution (Benchmark: Russell 1000 Growth Index)

	Allocation		Performance		Stock	Attribution	
	Portfolio	Benchmark	Portfolio	Benchmark		Sector	Total
Consumer Discretionary	21.8	19.2	1.99	2.41	-0.09	-0.07	-0.16
Consumer Staples	4.5	11.7	1.48	6.31	-0.22	-0.09	-0.30
Energy	5.4	4.8	20.25	17.71	0.14	0.08	0.22
Financials	12.5	5.5	0.53	5.37	-0.60	0.02	-0.58
Health Care	14.4	12.4	4.34	5.89	-0.22	0.02	-0.21
Industrials	18.8	12.3	3.88	3.55	0.06	-0.10	-0.04
Information Technology	20.7	27.2	7.29	4.43	0.59	0.04	0.64
Materials	1.1	4.6	3.06	5.42	-0.03	-0.01	-0.04
Telecommunication Services	0.0	2.2	0.00	5.36	0.00	-0.01	-0.01
Utilities	0.0	0.1	0.00	2.64	0.00	0.00	0.00
Cash	0.8	0.0	0.01	0.00	0.00	-0.04	-0.04
Total	100.0	100.0	4.56	5.08	-0.37	-0.16	-0.52

Portfolio Comparison

	Atalanta Sosnoff
Market Capitalization (%)	
Greater than 25000M	94.4
16000M To 25000M	1.4
12000M To 16000M	1.8
Cash	2.5

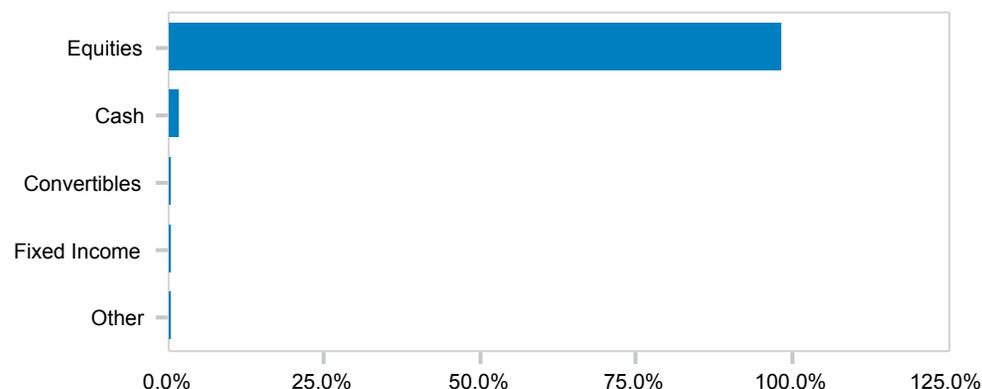
Fund Information

Fund Name :	Lord Abnett Securities Trust: Lord Abnett Value Opportunities Fund; Class I Shares	Portfolio Assets :	\$3,363 Million
Fund Family :	Lord Abnett & Co LLC	Portfolio Manager :	Maher/Maurer
Ticker :	LVOYX	PM Tenure :	2008--2007
Inception Date :	12/20/2005	Fund Style :	IM U.S. Mid Cap Core Equity (MF)
Fund Assets :	\$690 Million	Style Benchmark :	Russell Midcap Index
Portfolio Turnover :	69%		

Fund Investment Policy

The Fund seeks long-term capital appreciation. To pursue this goal, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of small and mid-sized companies.

Asset Allocation As of 03/31/2014



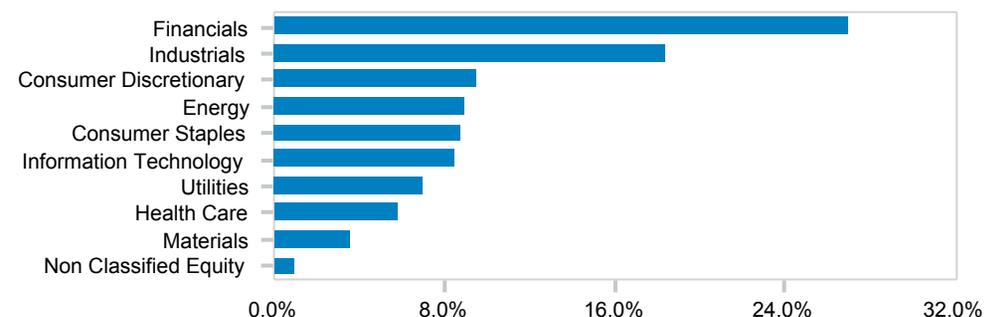
Top Ten Securities As of 03/31/2014

Jarden Corp ORD	2.0 %
Helmerich & Payne Inc ORD	1.9 %
American Airlines Group Inc ORD	1.9 %
Marvell Technology Group Ltd ORD	1.7 %
Akamai Technologies Inc ORD	1.7 %
Actavis PLC ORD	1.6 %
Rock-Tenn Co ORD	1.6 %
United Rentals Inc ORD	1.6 %
HCC Insurance Holdings Inc ORD	1.6 %
Ryder System Inc ORD	1.6 %

Fund Characteristics As of 03/31/2014

Total Securities	97
Avg. Market Cap	\$6,666 Million
P/E	27.5
P/B	3.3
Div. Yield	2.1%
Annual EPS	20.4
5Yr EPS	8.6
3Yr EPS Growth	12.5

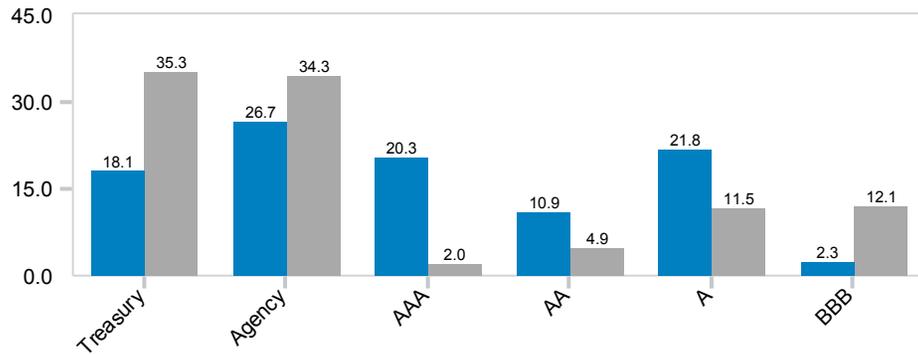
Sector/Quality Allocation As of 03/31/2014



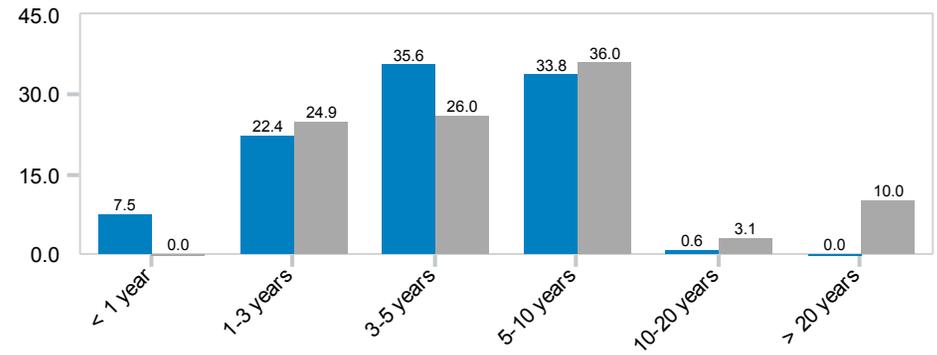
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	6.66	7.69
Avg. Quality	AA1	AA
Coupon Rate (%)	2.68	3.30
Current Yield	2.61	3.12
Effective Duration	5.09	5.60

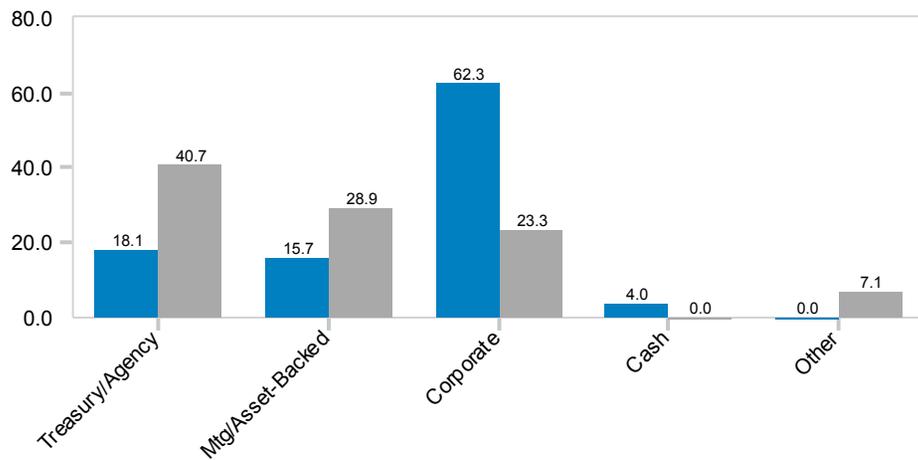
Credit Quality Distribution (%)



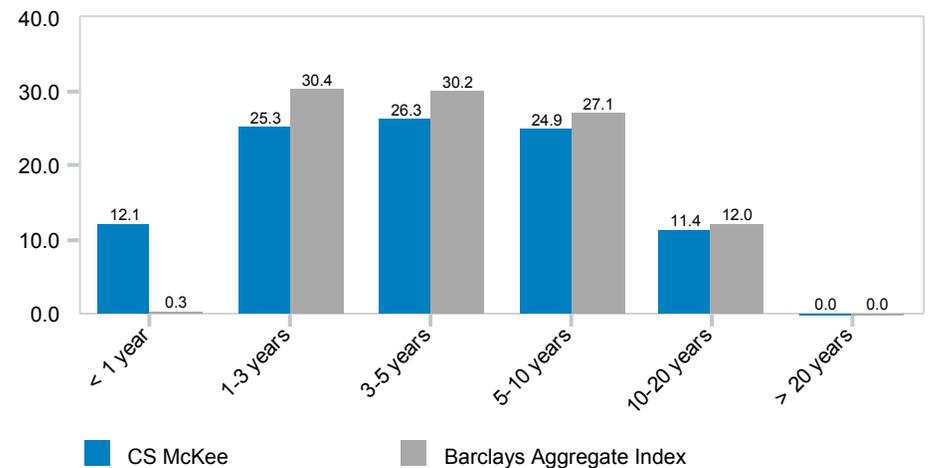
Maturity Distribution (%)



Sector Distribution (%)



Duration Distribution (%)



■ CS McKee ■ Barclays Aggregate Index

Comparative Performance
Total Fund Net
As of June 30, 2014

Comparative Performance	QTR	FYTD	1 YR	3 YR	5 YR
VEBA Total Fund	3.17	5.08	16.12	9.00	11.79
VEBA - Total Fund Policy	3.50	5.87	15.12	N/A	N/A
Total Domestic Equity	4.05	5.88	25.05	N/A	N/A
VEBA - Total Domestic Equity Policy	4.78	7.51	25.22	N/A	N/A
Russell 3000 Index	4.87	6.94	25.22	16.46	19.33
Atalanta Sosnoff	4.53	3.46	21.28	N/A	N/A
Russell 1000G + 100BP	5.39	6.84	28.19	17.42	20.43
Dodge & Cox Stock Fund	4.48	7.02	27.95	N/A	N/A
Russell 1000 Value Index	5.10	8.28	23.81	16.92	19.23
Lord Abbett	2.86	7.56	26.14	N/A	N/A
Russell 2500 Value Index	4.20	7.87	24.94	16.02	21.58
Total Domestic Fixed Income					
CS McKee	1.73	3.82	4.00	N/A	N/A
Barclays Aggregate Index	2.04	3.93	4.37	3.66	4.85
Cash	0.00	0.01	0.01	0.00	0.00
90 Day U.S. Treasury Bill	0.01	0.03	0.04	0.06	0.09

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Fee Schedule
VEBA Total Fund
As of June 30, 2014

	Fee Schedule	Market Value As of 06/30/2014 (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
VEBA Total Fund		40,699,003	234,669	0.6
Total Domestic Equity		25,818,070	184,323	0.7
Dodge & Cox Stock Fund	0.52 % of Assets	9,610,180	49,973	0.5
Atalanta Sosnoff	0.75 % of Assets	9,102,021	68,265	0.8
Lord Abbett	0.93 % of Assets	7,105,869	66,085	0.9
Total Domestic Fixed Income		14,384,796	50,347	0.4
CS McKee	0.35 % of Assets	14,384,796	50,347	0.4
Cash		496,137	-	N/A

VEBA Total Fund Policy	
Allocation Mandate	Weight (%)
Jan-2012	
Russell 1000 Index	33.00
Russell 2500 Value Index	20.00
Barclays Aggregate Index	47.00

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

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The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

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