

Bay County Employees' Retirement System

October 22, 2015

Matthew Pistorio, CFA
Investment Director

Nicholas Bauer, CFA
Director, U.S. Institutional



**KNOWLEDGE.
SHARED**

Who is Henderson Geneva*

Henderson Geneva Team



Michelle Picard, CFA
Portfolio Manager
18 years' industry experience



W. Scott Priebe
Portfolio Manager
11 years' industry experience



William Priebe, CFA
Portfolio Manager
47 years' industry experience



Amy Croen, CFA
Portfolio Manager
34 years' industry experience



Derek Pawlak
Portfolio Manager
26 years' industry experience



Kristin Stanek
Senior Research Analyst
11 years' industry experience



Ashley Ditmarsen
Research Analyst
6 years' industry experience



José Muñoz, CFA
Research Analyst
4 years' industry experience



Andy Irwin, CFA, CMT
Senior Trader
13 years' industry experience



Jodie Mrotek
Senior Trader
13 years' industry experience

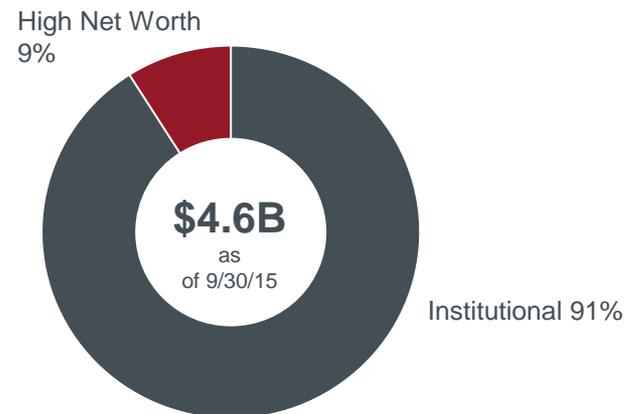


Matthew Pistorio, CFA
Investment Director
9 years' industry experience

Team profile

- A focus on US growth equities
- Fundamental, bottom-up investing
- Founded in 1987
- Long term record of competitive performance
- Located in Milwaukee, WI

Assets Under Management



Source: Henderson Geneva, 9/30/15

*Geneva Capital Management was acquired by Henderson Global Investors in October 2014. Henderson Geneva Capital Management is the name under which Geneva Capital Management LLC provides investment advisory services.

What we do - Investment philosophy

Henderson Geneva engages in fundamental analysis to identify high quality companies with superior management teams, low leverage and a consistent, sustainable record of growth.

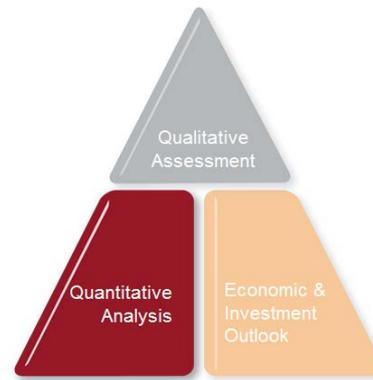
We believe investing in such proven, high quality companies leads to superior returns with below average risk over the market cycle.



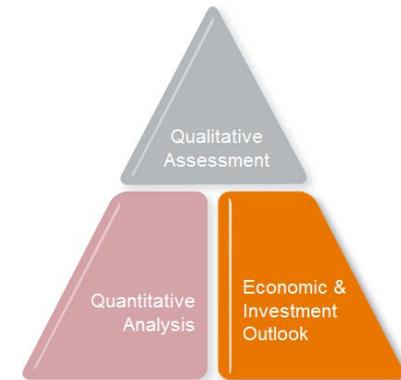
What we do – Investment process



- Leadership position in industry or niche market
- Sustainable competitive advantage
- Experienced management
- Successful record of growth
- Long term focus



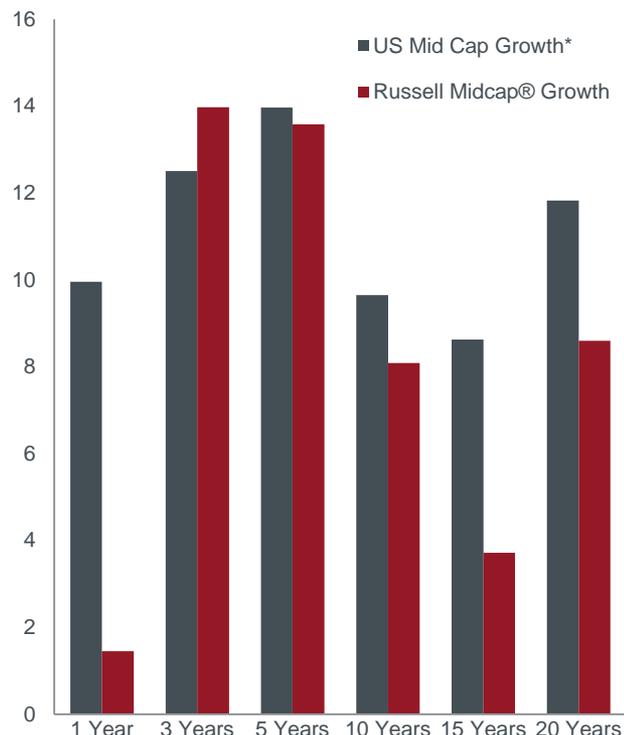
- Healthy historical and projected revenue and earnings growth
- Strong financials and low leverage
- High ROE/ROA
- High margins/margin expansion



- Supports bottom up process
- Macro lens
- Communication tool

Market cycle performance

Annualized returns as of September 30, 2015



| | | | | | | |
|------------------------|------|-------|-------|------|------|-------|
| US Mid Cap Growth* | 9.96 | 12.51 | 13.97 | 9.65 | 8.63 | 11.83 |
| Russell Midcap® Growth | 1.45 | 13.98 | 13.58 | 8.09 | 3.72 | 8.60 |

| | US Mid Cap Growth* | Russell Midcap® Growth |
|--|--------------------|------------------------|
| Bear Market (2000-2002) [†] | -2.2% | -20.0% |
| Speculative (2003) | 26.6% | 42.7% |
| Bull Market (2004-2007) [†] | 14.7% | 12.4% |
| Bear Market (2008) | -35.5% | -44.3% |
| Speculative (2009) | 36.9% | 46.3% |
| Bull Market (2010-2011) [†] | 16.8% | 11.5% |
| Speculative (2012-2014) [†] | 16.0% | 20.7% |
| Entire Market Cycle (2000-2014)[†] | 9.4% | 5.0% |

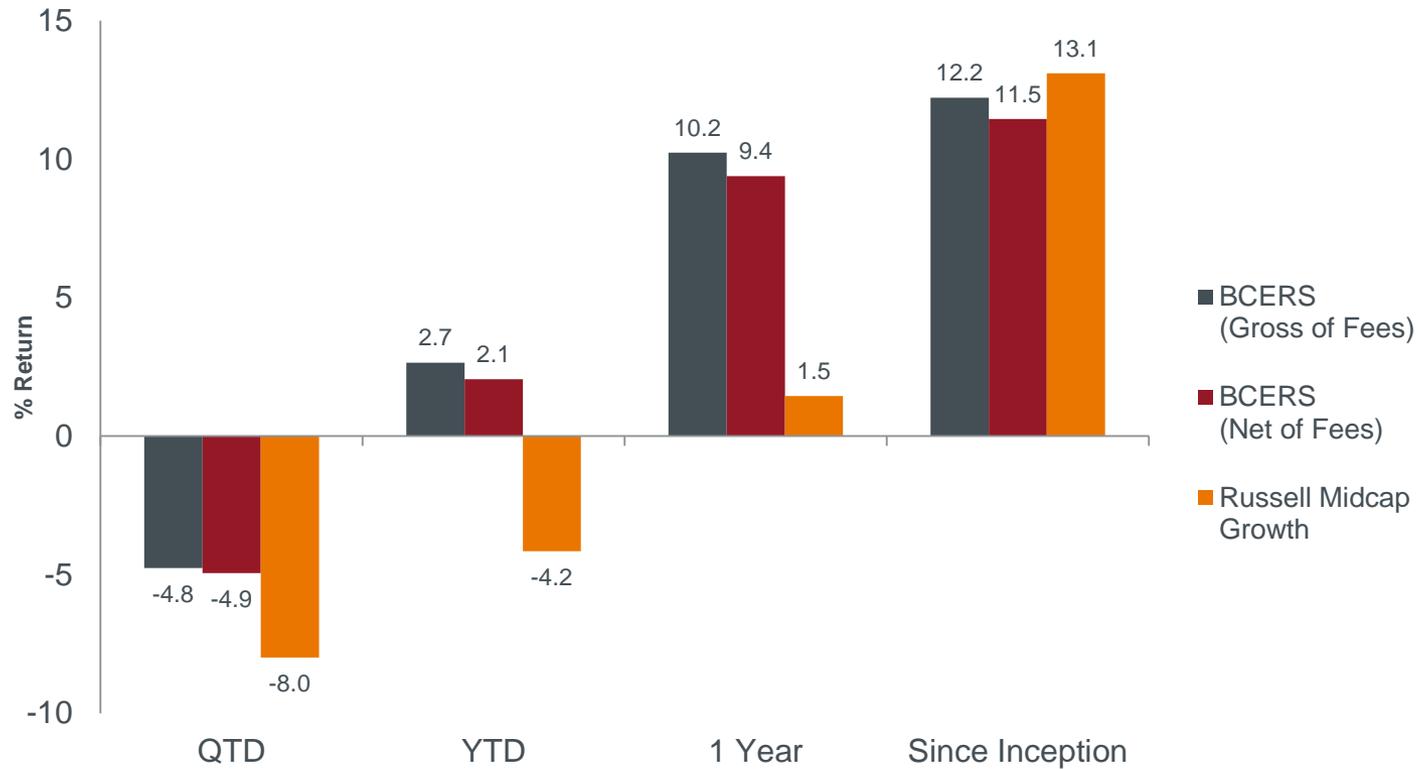
Source: Henderson Geneva, 9/30/15

*Gross of fees. †Annualized returns.

Note: This information is shown as supplemental information to the US Mid Cap Growth composite Annual Disclosure Presentation on pages 25-26. Past performance is not a guarantee of future results. One cannot invest directly in an index.

Account overview

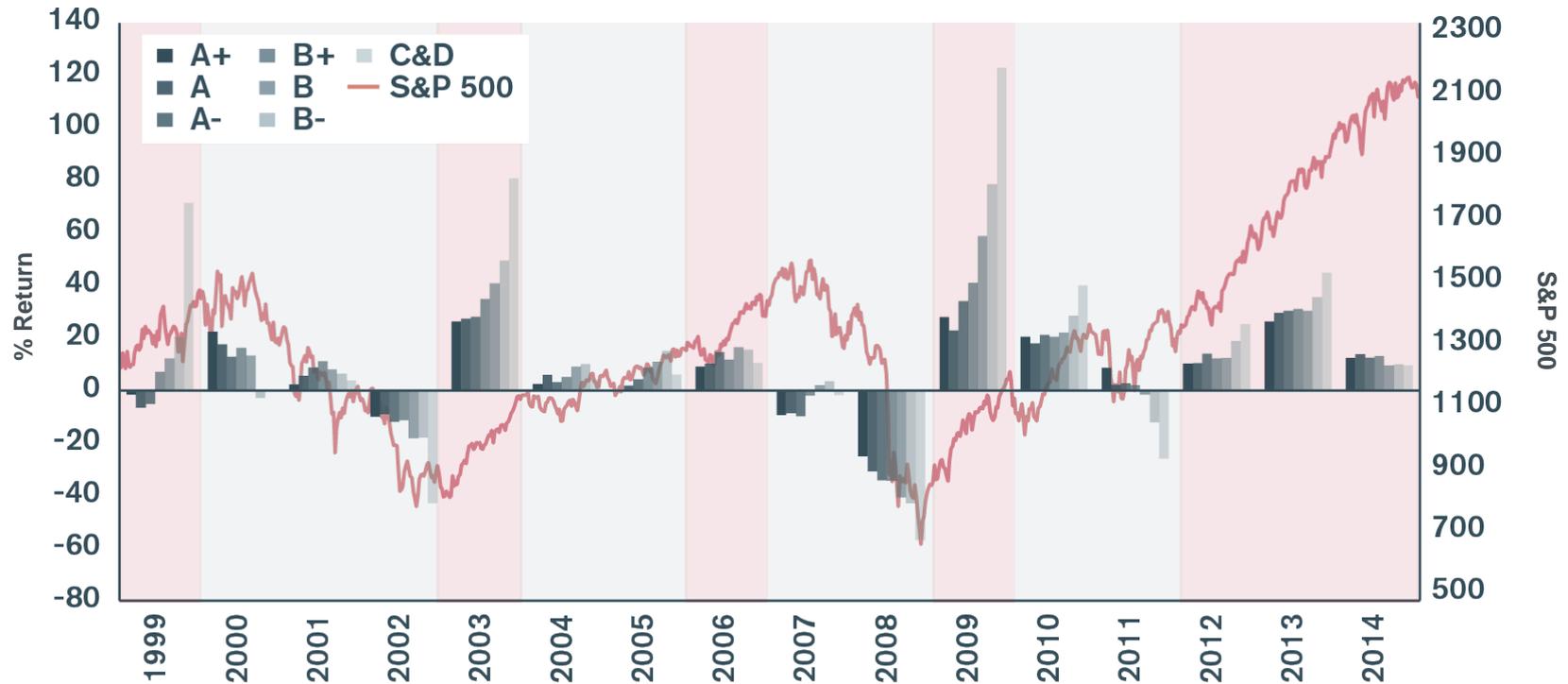
Performance



AUM as of September 30, 2015: \$20,984,902
Account inception: January 23, 2013

S&P quality indices

Low quality has been a headwind



Henderson Geneva Mid Cap Composite underperformed the Russell Midcap Growth Index

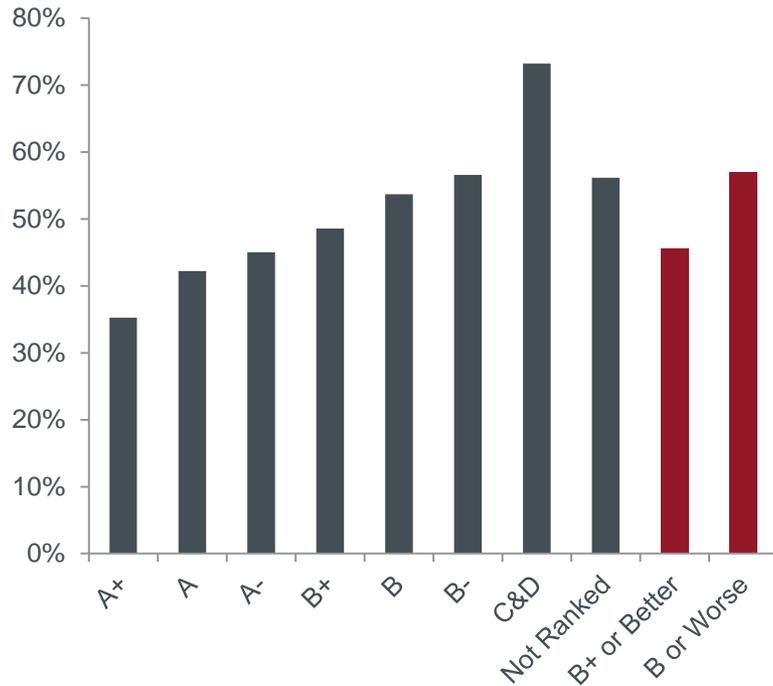
Henderson Geneva Mid Cap Composite outperformed the Russell Midcap Growth Index

Source: BofAML, Henderson Geneva as of 12/31/14

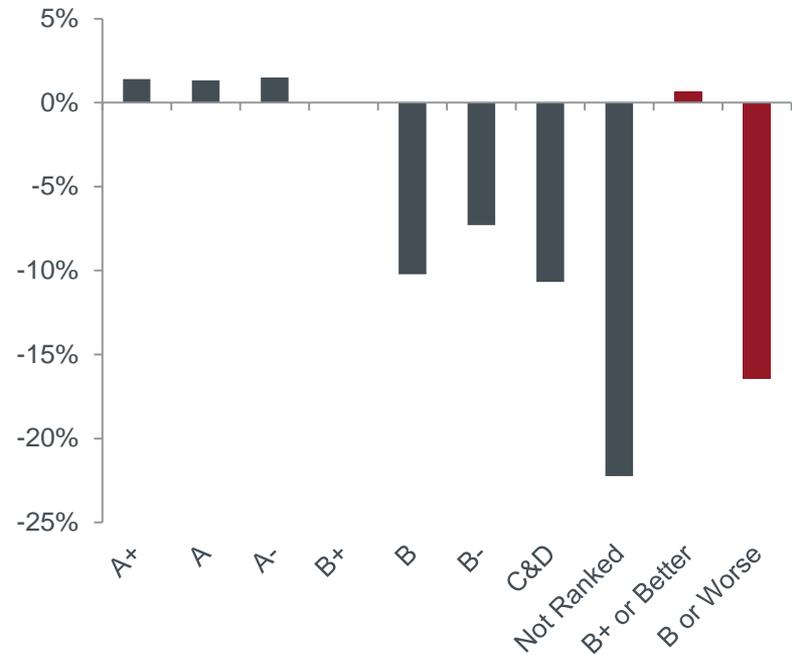
A shift in quality

Entering a high quality rally

Low quality rally: June 2012 – June 2014



High quality rally: June 2014 – Sept. 2015

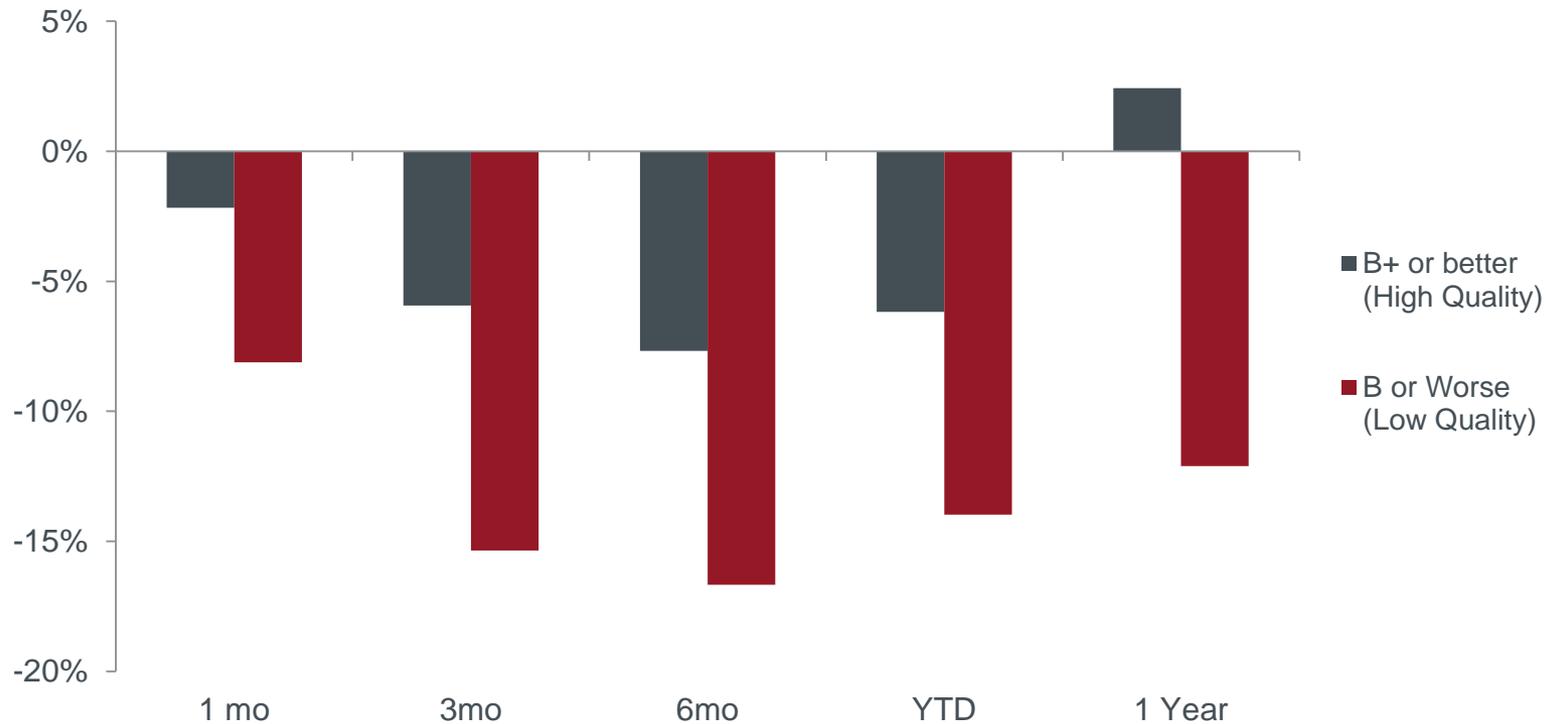


Source: BofAML as of 9/30/15, cumulative returns.

A shift to quality

High quality is coming back into favor

Quality Trends

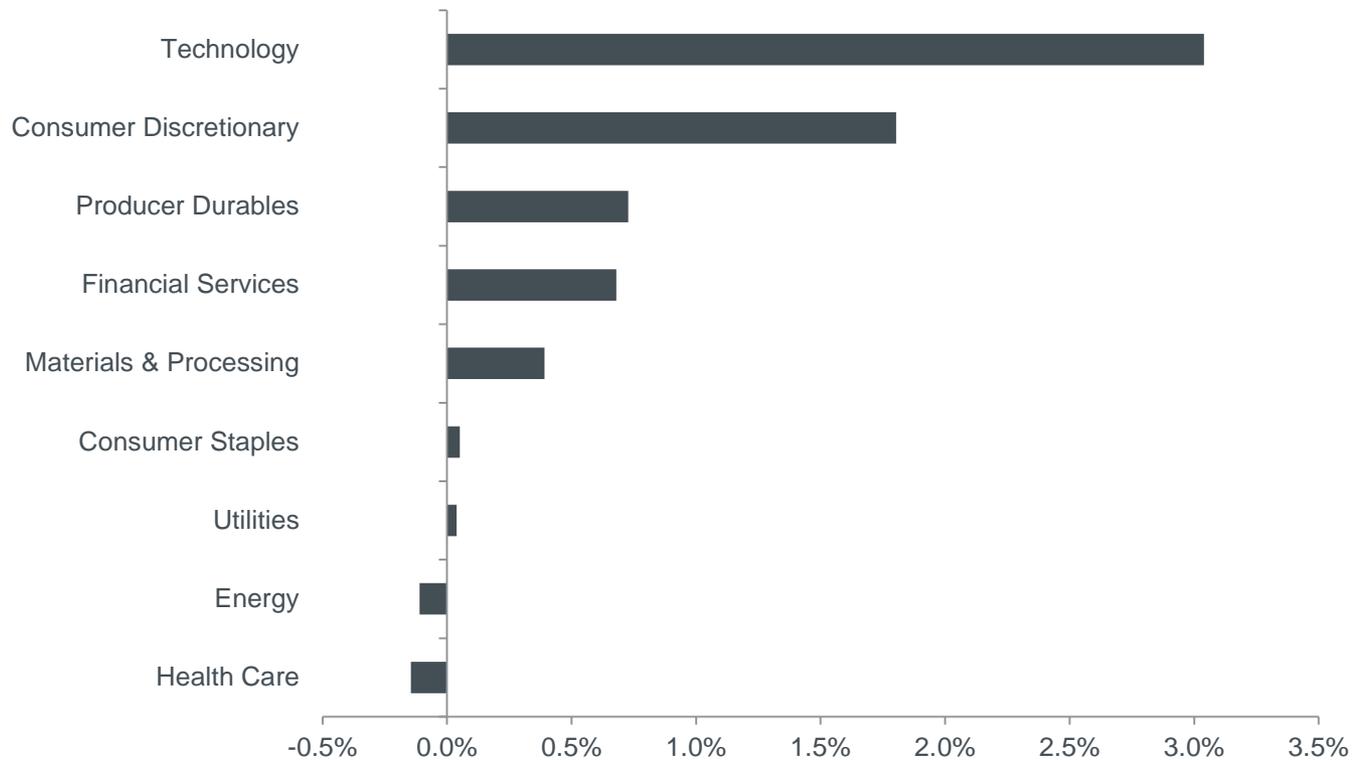


Source: BofAML as of 9/30/15

Performance attribution

Outperformance across sectors

YTD Contribution to return



Contribution to performance

Year-to-date

| Greatest contributors | | |
|----------------------------|--------------|------------------------|
| Name | Stock Return | Contribution to return |
| Manhattan Associates, Inc. | 53.00% | 0.89% |
| Under Armour, Inc. Class A | 42.53% | 0.81% |
| O'Reilly Automotive, Inc. | 29.79% | 0.75% |
| Tyler Technologies, Inc. | 36.43% | 0.66% |
| Fiserv, Inc. | 22.04% | 0.50% |

| Greatest contributors | | |
|---------------------------------|--------------|------------------------|
| Name | Stock Return | Contribution to return |
| Genesee & Wyoming, Inc. | -34.30% | -0.49% |
| DSW Inc. Class A | -30.92% | -0.42% |
| Polaris Industries Inc. | -19.86% | -0.38% |
| Tiffany & Co. | -26.74% | -0.38% |
| Affiliated Managers Group, Inc. | -19.44% | -0.37% |

Buys and sells

September 30, 2014 – September 30, 2015

| Buys | | |
|-----------------------------|------------|----------------|
| Name | Ticker | Buy Date |
| Williams Sonoma Inc. | WSM | 9/14/15 |
| Acuity Brands | AYI | 7/13/15 |
| Towers Watson & Co. | TW | 5/26/15 |
| Broadridge Financial | BR | 5/26/15 |
| Steris Corp. | STE | 4/8/15 |
| Tiffany & Co. | TIF | 10/1/14 |
| Carter's, Inc. | CRI | 10/1/14 |

| Sells | | |
|------------------------------------|------------|----------------|
| Name | Ticker | Sell Date |
| Towers Watson & Co. | TW | 9/18/15 |
| Range Resources Corporation | RRC | 9/14/15 |
| Brown & Brown Inc. | BRO | 5/26/15 |
| Pall Corp. | PLL | 5/26/15 |
| Catamaran Corp. | CTRX | 4/8/15 |
| Oceaneering Int'l Inc. | OII | 3/12/15 |
| Trimble Navigation Ltd. | TRMB | 3/12/15 |
| St. Mary's Land & Exploration | SM | 12/3/14 |
| CommVault Systems, Inc. | CVLT | 10/24/14 |
| Sigma Aldrich | SIAL | 10/1/14 |
| Chart Industries Inc. | GTLS | 10/1/14 |
| Ametek Inc. | AME | 10/1/14 |

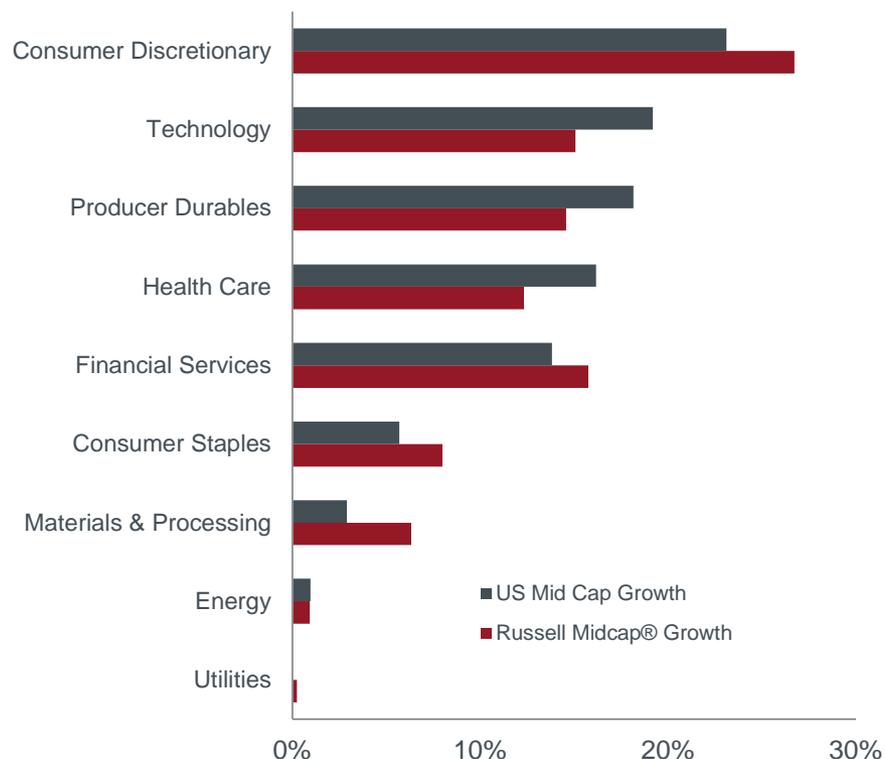
Source: Henderson Geneva, 9/30/15

The list above reflects all new stocks purchased and sold completely by Henderson Geneva in the US Mid Cap Growth strategy from September 30, 2014 to September 30, 2015. A full list of Mid Cap representative holdings as of the most recent quarter end is included in the appendix on page 23. Past performance is not indicative of future results. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list.

Top ten holdings & sector weightings

As of September 30, 2015

| Top Ten Holdings | Sector | % weight |
|--------------------------|------------------------|----------|
| O'Reilly Automotive Inc. | Consumer Discretionary | 3.53% |
| Under Armour | Consumer Discretionary | 3.16% |
| Fiserv Inc. | Financial Services | 2.84% |
| Tractor Supply Co. | Consumer Discretionary | 2.83% |
| Tyler Technologies | Technology | 2.74% |
| Manhattan Associates | Technology | 2.64% |
| Middleby Corp. | Producer Durables | 2.44% |
| Church & Dwight Inc. | Consumer Staples | 2.29% |
| Amphenol Corp. | Technology | 2.28% |
| Cognizant Technology | Technology | 2.27% |



Source: Henderson Geneva, 9/30/15, Based on Russell Global Sector classifications
Holdings may change and may not represent current portfolio

Note: This information is shown as supplemental information to the US Mid Cap Growth composite Annual Disclosure Presentation on pages 25-26. Past performance is not a guarantee of future results. One cannot invest directly in an index.

Portfolio characteristics

As of September 30, 2015

| Characteristics | US Mid Cap Growth | Russell Midcap [®] Growth |
|----------------------------|-------------------|------------------------------------|
| Historical EPS – 5 Yr. | 17.7% | 14.8% |
| Forecast EPS – 5 Yr. | 14.5% | 13.6% |
| ROE | 19.7% | 20.1% |
| Debt to capital | 36.0% | 52.5% |
| Forecast P/E – TMF | 22.5x | 18.5x |
| PEG ratio – Forecast 5 Yr. | 1.6x | 1.4x |
| Turnover – 1 Yr. | 16.0% | N/A |
| Number of issues | 55 | 502 |
| Wtd. average market cap | \$11.69 B | \$12.71 B |

| Risk Analysis* | US Mid Cap Growth |
|--------------------|-------------------|
| Standard Deviation | 12.93 |
| Alpha | 1.68 |
| Beta | 0.89 |
| Sharpe Ratio | 1.08 |
| Tracking Error | 4.28 |
| Information Ratio | 0.09 |
| R-Squared | 0.90 |

Source: Henderson Geneva, 9/30/15, *eVestment Alliance, 9/30/15. Based on 5 year monthly gross of fee returns.

Note: The portfolio characteristics are shown as supplemental information to the US Mid Cap Growth composite Annual Disclosure Presentation on pages 25-26. Past performance is not a guarantee of future results. One cannot invest directly in an index. Frank Russell Company is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. This is a presentation of Henderson Geneva Capital Management. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Henderson Geneva's presentation thereof.

Annual disclosure presentation

US Mid Cap Growth

| Year | Composite Assets | | | Annual Performance Results | | | | | 3 Year Ex-Post Standard Deviation | | |
|------|------------------------------|----------------|-----------------|----------------------------|---------------|-----------------------|----------------|----------------------|-----------------------------------|-----------------------|----------------|
| | Total Firm Assets (millions) | USD (millions) | No. of Accounts | Composite Gross | Composite Net | Russell Midcap Growth | Russell Midcap | Composite Dispersion | Composite | Russell Midcap Growth | Russell Midcap |
| 2014 | 4,892 | 3,247 | 128 | 5.90% | 5.44% | 11.90% | 13.22% | 0.2% | 10.56% | 10.87% | 10.14% |
| 2013 | 6,695 | 4,896 | 190 | 32.00% | 31.46% | 35.74% | 34.76% | 0.1% | 13.69% | 14.62% | 14.03% |
| 2012 | 3,774 | 2,860 | 168 | 11.51% | 11.03% | 15.81% | 17.28% | 0.2% | 16.62% | 17.91% | 17.20% |
| 2011 | 2,609 | 1,958 | 140 | 4.19% | 3.73% | -1.65% | -1.55% | 0.2% | 18.86% | 20.82% | 21.55% |
| 2010 | 1,872 | 1,297 | 119 | 30.83% | 30.25% | 26.38% | 25.48% | 0.4% | | | |
| 2009 | 1,393 | 928 | 96 | 36.89% | 36.28% | 46.29% | 40.48% | 0.4% | | | |
| 2008 | 979 | 618 | 96 | -35.54% | -35.86% | -44.32% | -41.46% | 0.3% | | | |
| 2007 | 1,579 | 1,061 | 92 | 17.00% | 16.50% | 11.43% | 5.60% | 0.2% | | | |
| 2006 | 1,355 | 794 | 89 | 5.62% | 5.15% | 10.66% | 15.26% | 0.2% | | | |
| 2005 | 1,073 | 581 | 70 | 15.84% | 15.39% | 12.10% | 12.65% | 0.4% | | | |
| 2004 | 815 | 399 | 38 | 20.92% | 20.47% | 15.48% | 20.22% | 0.2% | | | |
| 2003 | 693 | 340 | 34 | 26.55% | 26.10% | 42.71% | 40.06% | 0.3% | | | |
| 2002 | 531 | 229 | 24 | -14.05% | -14.36% | -27.41% | -16.19% | 0.4% | | | |
| 2001 | 537 | 244 | 24 | -3.84% | -4.18% | -20.15% | -5.62% | 0.3% | | | |
| 2000 | 514 | 212 | 16 | 13.36% | 13.00% | -11.75% | 8.25% | 0.6% | | | |
| 1999 | 470 | 286 | 56 | 14.29% | 13.19% | 51.29% | 18.23% | 4.1% | | | |
| 1998 | 380 | 206 | 53 | 28.77% | 27.56% | 17.86% | 10.09% | 1.9% | | | |
| 1997 | 259 | 135 | 36 | 25.03% | 23.85% | 22.54% | 29.01% | 2.7% | | | |
| 1996 | 214 | 90 | 34 | 27.40% | 26.20% | 17.48% | 19.00% | 1.7% | | | |
| 1995 | 195 | 73 | 32 | 28.40% | 27.20% | 33.98% | 34.45% | 2.9% | | | |
| 1994 | 133 | 53 | 28 | -0.50% | -1.50% | -2.16% | -2.09% | 1.3% | | | |
| 1993 | 120 | 28 | 26 | 5.02% | 3.99% | 11.19% | 14.30% | 1.6% | | | |

3 Year Ex-Post Standard Deviation
Not required Prior to 2011

The US Mid Cap Growth composite contains fully discretionary equity accounts invested in approximately 50-60 mid capitalization growth securities whose market capitalization ranges generally fall between \$1 billion to \$10 billion at the time of purchase. Securities are selected using a “bottom-up” fundamental analysis of the company and supplemented by “top-down” considerations of economic conditions.

For comparison purposes, the US Mid Cap Growth composite is measured against primary index Russell Midcap® Growth Index and secondary Russell Midcap® Index. The Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values (Source: <http://www.russell.com>). The Russell Midcap® Index measures the performance of the mid cap segment of the U.S. equity universe. The Russell Midcap® is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap® represents approximately 31% of the total market capitalization of the Russell 1000® companies (Source: <http://www.russell.com>). Performance results in presentations prior to January 1, 2002 were measured against the S&P® 400. From January 1, 2002 through January 1, 2008 performance results were primarily measured against the Russell Midcap® Index.

Annual disclosure presentation

The benchmark was changed to be more representative of the composite strategy and style. Information regarding the S&P 400[®] Index is available upon request. Prior to January 1, 2006, the composite was named Geneva Growth. Between January 1, 2006 and September 30, 2015 the composite was named Geneva Midcap Composite.

The minimum account size for this composite is \$500,000. As of January 1, 2004 accounts are removed annually if they fall more than 20% below the minimum account size.

Henderson Geneva claims compliance with the Global Investment Performance Standards (GIPS[®]) and has prepared and presented this report in compliance with the GIPS[®] standards. Henderson Geneva has been independently verified for the periods January 1, 1993 through March 31, 2015.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS[®] standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS[®] standards. The US Midcap Growth composite has been examined for the periods January 1, 1993 through March 31, 2015. The verification and performance examination reports are available upon request.

Henderson Geneva is a registered investment adviser. On October 1, 2014 Geneva Capital Management LLC became a wholly owned subsidiary of Henderson Global Investors (North America) Inc. The firm maintains a complete list of composite descriptions, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Prior to January 1, 2000, net returns were calculated using the highest fee per the fee schedule in the ADV which was 1.0%. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Beginning January 1, 2006, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 30% portfolio assets or greater. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the last day of the month in which the cash flow takes place.

The annual fee schedule for institutional clients is 75bps (0.75%) on the first \$100 million, 60bps (0.60%) on the balance over \$100 million. Actual investment advisory fees incurred by clients may vary.

Prior to January 1, 2000, balanced portfolio segments were included in this composite and performance reflects required total segment plus cash returns using a predetermined cash allocation percentage. The US Mid Cap Growth composite was created on 1/1/1988.

ADDITIONAL:

Important information

All investments involve risk, including loss of principal. Past performance is no guarantee of future results. Institutional separate accounts are subject to applicable account minimums. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment.