

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
 AGENDA
 TUESDAY, AUGUST 9, 2016
 (Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 4	1.	JULY 12, 2016
	IV.	PUBLIC INPUT
	A.	THE BOGDAHN GROUP – Q2 REPORT
5 - 7	B.	MONTHLY REPORTS - RES NO. 2016-14
	1.	PORTFOLIO VALUE 1/01/16 - 7/31 /16
	2.	CHANGE IN BOOK AND MARKET VALUE – 6/30/16
8 - 15	3.	MONEY MANAGER REPORTS
	a.	C.S. MCKEE – ENDING 6/30/16
	b.	DODGE & COX FUND REPORT 6/30/16
	c.	MFS – ENDING 6/30/16 Q2; PROXY VOTE REPORT Q2 (AVAILABLE UPON REQUEST)
16 - 19	4.	RECAPTURE SERVICES
	a.	CAPIS – 6/30/16
20 - 24	5.	VEBA YTD BUDGET REPORT 7/31/16
25	6.	INVOICES APPROVED – 7/31/16
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, SEPTEMBER 13, 2016 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 TH FLOOR, BAY CITY, MI 48708
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
JULY 12, 2016 - REGULAR MINUTES**

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NOTE: In addition to these typed minutes, this Board meeting was also recorded. These audio files are available for review in the Retirement Office.

The meeting of the Board of Trustees was held on July 12, 2016 at 2:00 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Mr. Coonan, Ms. Goetz, Mr. Gromaski, Mr. Krygier, Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: None.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth.

Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 2:00 p.m.

MOTION 24: Moved, supported and carried to approve the minutes, as printed, from the June 14, 2016 regular meeting.

RES. 2016-13:

Moved, supported and carried to adopt resolution 2016- 13 to receive the monthly reports Portfolio Value ending 6/30/16 (Today's value \$44,530,000), Monthly Change in Book and Market Value ending 5/31/16, C.S. McKee performance report ending 5/31/16, Dodge & Cox Q2 Distribution Report – 5/31/16, and MFS ending 5/31/16; Capis Recapture services ending 5/31/16; VEBA YTD Budget Report ending 6/30/2016, and Approved Invoices Report ending 6/30/16.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, August 9, 2016 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

Trustee Starkweather stated he had asked last month about MFS with regard to BCERS having over 2000 trades. Mr. Pohl stated he did check on that. It was apparently the way they broke down trades. They break down trades by doing an omnibus trade for all of their clients and buying at different prices. So the way they break them down creates what he terms as an "illusion" but it was not like they trimmed the portfolio to the extent that it looked like. He stated he was not concerned about it.

NEW BUSINESS:

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (**VEBA**)
JULY 12, 2016 - REGULAR MINUTES

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MISCELLANEOUS BUSINESS:

Trustee wished to address the Fall MAPERS Conference. He asked if what was needed was a check for \$180 if bringing their spouse for the two nights. Ms. Meeth asked if they could wait until after the conference for all the charges to come through before making reimbursement.

ADJOURNMENT:

MOTION 25 Moved, supported and carried to adjourn the meeting at 2:05 p.m.

Respectfully submitted,



Jan Histed
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE
JULY 12, 2016

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH
FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 2:00 P.M.

Entered late: None

MOTIONS

Trustee	24	25							
BRZEZINSKI	Y	Y							
COONAN	Y	Y							
GOETZ	S-Y	Y							
GRAY	Y	Y							
GROMASKI	M-Y	M-Y							
KRYGIER	Y	S-Y							
MORSE	Y	Y							
PETT	Y	Y							
STARKWEATHER	Y	Y							

MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE
JULY 12, 2016

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH
FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 2:00 P.M.

Entered late: None

RESOLUTIONS

Trustee	13								
BRZEZINSKI	S-Y								
COONAN	Y								
GOETZ	Y								
GRAY	Y								
GROMASKI	Y								
KRYGIER	M-Y								
MORSE	Y								
PETT	Y								
STARKWEATHER	y								

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
08/09/2016
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

RESOLVED By the Bay County Voluntary Employees' Beneficiary Association Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/16 - 07/31/16
2. CHANGE IN BOOK AND MARKET VALUE - 6/30/16
3. MONEY MANAGER REPORTS
 - a. C.S. MCKEE - ENDING 6/30/16
 - b. DODGE & COX FUNDS REPORT 6/30/16
 - b. MFS GROWTH EQUITY - ENDING 6/30/16 2Q
4. RECAPTURES SERVICES
 - a. CAPIS - SUMMARY ENDING 6/30/16
5. VEBA YTD BUDGET REPORT - ENDING 7/31/16
6. INVOICES APPROVED - 7/31/16

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Gonzales				Ernie Krygier				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

VEBA 2015	<u>DODGE & COX</u> <small>no vendor number. M&D Fund Mgt fee assessed to separately managed mgt; deduct fee from portfolio</small>	<u>CASH</u>	<u>ATLANTA SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number. M&D Fund Mgt fee assessed to separately managed mgt; deduct fee from portfolio</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061		3509		
JAN	9,372,607.82	242,255.57	9,238,500.71	7,037,168.25	15,638,042.35		41,528,814.70
FEB	9,962,923.15	249,127.39	9,745,731.63	7,468,844.23	15,512,818.11		42,939,444.61
MARCH	9,503,359.19	127,069.94	9,346,931.59	7,533,533.53	16,301,909.64		42,812,883.69
APR-L	9,759,073.66	118,394.44	9,323,633.72	7,461,656.59	16,255,829.65		42,918,588.06
MAY	9,669,676.45	90,416.63	9,466,375.99	7,623,160.66	16,228,630.63		43,168,480.67
JUNE	9,746,608.25	94,837.29	9,387,431.67	7,523,160.66	16,048,961.56		42,851,069.43
JULY	9,656,762.12	122,254.13	9,694,347.47	7,541,149.69	16,187,962.71		43,402,496.32
AUG	9,171,435.83	155,594.49	9,045,038.09	7,175,026.45	16,188,549.01		41,735,643.87
SEPT	8,787,357.99	118,999.53	8,793,933.42	6,926,976.49	16,301,324.34		40,928,651.77
OCT	9,492,978.60	161,932.44	9,714,099.64	7,250,499.00	16,338,025.92		42,947,535.60
NOV	9,436,337.19	184,056.93	9,752,744.33	7,291,828.82	16,345,694.97		43,010,752.29
DEC	9,186,741.48	193,166.27	7,415.58	7,048,514.63	16,277,014.67	9,759,019.02	42,451,901.65

ATLANTA SOSNOFF LARGE CAP EQUITY
CS MCKEE FIXED INCOME
DODGE & COX LARGE CAP EQUITY
LORD ABBETT SMALL M/D CAP EQUITY

	<u>DODGE & COX</u>	<u>ATLANTA SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>TOTAL</u>
2015					
1ST QTR		17,819.00		12,223.31	30,042.31
2ND QTR		17,525.00		12,078.61	29,603.61
3RD QTR		11,734.00		12,233.32	23,967.32
4TH QTR				12,214.75	12,214.75
		47,078.00		48,749.99	95,827.99

VEBA 2016	<u>DODGE & COX</u> <small>no vendor number. M&D Fund Mgt fee assessed to separately managed mgt; deduct fee from portfolio</small>	<u>CASH</u>	<u>ATLANTA SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number. M&D Fund Mgt fee assessed to separately managed mgt; deduct fee from portfolio</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061		3509		
JAN	8,556,306.57	268,524.93	1,489.48	6,855,474.41	16,476,306.40	9,247,614.05	41,235,715.84
FEB	8,497,608.96	343,039.83	1,489.77	6,712,569.32	16,628,173.94	9,032,194.27	41,265,016.09
MARCH	9,095,863.65	349,177.83	1,490.03	7,268,656.04	16,816,245.91	9,589,722.49	43,121,161.05
APRIL	9,228,597.33	273,273.00	1,490.33	7,326,587.59	15,835,959.11	9,548,266.79	43,324,174.60
MAY	8,361,507.07	132,628.36		8,586,314.73	18,592,843.35	8,292,708.42	43,960,001.93
JUNE	8,141,156.33	118,999.01		8,554,013.32	18,846,484.64	8,225,469.79	43,666,139.09
JULY	8,576,651.32	155,072.92		8,850,665.32	18,965,859.64	8,659,450.47	45,168,169.67
AUG							0.00
SEPT							0.00
OCT							0.00
NOV							0.00
DEC							0.00

ATLANTA SOSNOFF LARGE CAP EQUITY
CS MCKEE FIXED INCOME
DODGE & COX LARGE CAP EQUITY
LORD ABBETT SMALL M/D CAP EQUITY

	<u>DODGE & COX</u>	<u>ATLANTA SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>MFS</u>	<u>TOTAL</u>
2016						
1ST QTR				12,812.18	13,342.55	25,954.73
2ND QTR				14,148.91		14,148.91
3RD QTR						0.00
4TH QTR						0.00

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Portfolio Statement

1 JUN 16 - 30 JUN 16

Account number ECVEBA
Account Name BAY COUNTY VEBA CONSOLIDATED

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◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	39,765,525.29	43,964,799.67	
Sponsor Contributions	29,948.68	29,948.68	See funding & disbursement summary
Interportfolio Transfers In	0.02	0.02	See funding & disbursement summary
Total receipts	29,948.70	29,948.70	See funding & disbursement summary
Interportfolio Transfers Out	- 0.02	- 0.02	See funding & disbursement summary
Total disbursements	- 0.02	- 0.02	See funding & disbursement summary
Income received	91,963.12	91,963.12	See income & expense summary, cash activity detail
Expenses paid	- 44,905.36	- 44,905.36	See income & expense summary
Unrealized gain/loss change	0.00	- 189,279.03	See asset summary
Realized gain/loss	47,755.68	47,755.68	See realized gain/loss summary
Accrued income change	- 14,394.93	- 14,394.93	See income & expense summary
Closing balance	39,875,892.48	43,885,887.83	

C.S. McKee, L.P.
Account Overview

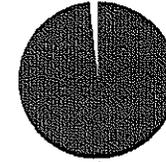
Bay County VEBA

Client Code: 90477
As Of Date: 6/30/2016
Report: Calendar

Asset Allocation

As of 6/30/2016

Large-Cap Equity	\$ -	0.00%
Smid-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Fixed Income	\$ 18,555,490.55	98.36%
Intl Mutual Fund	\$ -	0.00%
Cash	\$ 309,725.75	1.64%
Other	\$ -	0.00%
Total Portfolio:	\$ 18,865,216.30	100.00%



Performance

As of 6/30/2016

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	18,594,577.61	-	-	-	-	18,594,577.61	-
Net Contributions (Distributions):	-	-	-	-	-	-	-
Income:	56,015.44	-	-	-	-	56,015.44	-
Market Appreciation (Depreciation):	214,623.25	-	-	-	-	214,623.25	-
Ending Market Value:	18,865,216.30	-	-	-	-	18,865,216.30	-
Dollar-Weighted Return:	1.46%	-	-	-	-	1.46%	-

Time-Weighted Returns		Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Performance Start Date:		2/7/2012	N/A	N/A	N/A	N/A	2/7/2012	N/A
			Ex Cash	Ex Cash	Ex Cash	Ex Cash	Ex Cash	
MTD	Gross	1.46%	-	-	-	-	1.46%	1.51%
	Net	1.44%	-	-	-	-	1.44%	1.48%
	Benchmark	1.80%	-	-	-	-	1.80%	1.80%
	Value Added (Gross)	(0.34%)	-	-	-	-	(0.34%)	(0.29%)
QTD	Gross	1.82%	-	-	-	-	1.82%	1.89%
	Net	1.74%	-	-	-	-	1.74%	1.81%
	Benchmark	2.21%	-	-	-	-	2.21%	2.21%
	Value Added (Gross)	(0.39%)	-	-	-	-	(0.39%)	(0.32%)
YTD	Gross	5.25%	-	-	-	-	5.25%	5.38%
	Net	5.10%	-	-	-	-	5.10%	5.22%
	Benchmark	5.31%	-	-	-	-	5.31%	5.31%
	Value Added (Gross)	(0.06%)	-	-	-	-	(0.06%)	0.07%
1 Year	Gross	6.45%	-	-	-	-	6.45%	6.64%
	Net	6.13%	-	-	-	-	6.13%	6.32%
	Benchmark	6.00%	-	-	-	-	6.00%	6.00%
	Value Added (Gross)	0.45%	-	-	-	-	0.45%	0.64%
3 Year	Gross	4.47%	-	-	-	-	4.47%	4.59%
	Net	4.16%	-	-	-	-	4.16%	4.27%
	Benchmark	4.06%	-	-	-	-	4.06%	4.06%
	Value Added (Gross)	0.41%	-	-	-	-	0.41%	0.53%
5 Year	Gross	0.00%	-	-	-	-	0.00%	0.00%
	Net	0.00%	-	-	-	-	0.00%	0.00%
	Benchmark	0.00%	-	-	-	-	0.00%	0.00%
	Value Added (Gross)	0.00%	-	-	-	-	0.00%	0.00%
TTD	Gross	3.44%	-	-	-	-	3.44%	3.55%
	Net	3.14%	-	-	-	-	3.14%	3.26%
	Benchmark	2.98%	-	-	-	-	2.98%	2.98%
	Value Added (Gross)	0.46%	-	-	-	-	0.46%	0.57%

Benchmark History	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
2/7/2012						2/7/2012	
BCAGG 100%						BCAGG 100%	

DODGE & COX FUNDS

Total Rates of Return For Periods Ending June 30, 2016

	1 Mo. Ended	3 Mos. Ended	Year-to- Date	Annualized				
				1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund	-2.63%	1.70%	.69%	-5.10%	8.28%	10.44%	5.13%	9.57%
Dodge & Cox Global Stock Fund	-2.35%	.87%	-.48%	-10.45%	5.32%	6.14%	N.A.	N.A.
Dodge & Cox International Stock Fund	-3.69%	-1.20%	-4.91%	-18.86%	.37%	1.02%	2.22%	N.A.
Dodge & Cox Balanced Fund	-1.39%	2.01%	2.33%	-1.68%	7.25%	8.89%	5.58%	8.62%
Dodge & Cox Income Fund	1.51%	2.64%	5.07%	4.36%	3.96%	3.98%	5.53%	6.03%
Dodge & Cox Global Bond Fund†	1.98%	2.80%	6.31%	1.88%	2.11%	N.A.	N.A.	N.A.
<u>Comparative Indices</u>								
S&P 500 Index	.26%	2.46%	3.85%	4.02%	11.67%	12.11%	7.43%	7.87%
MSCI World Index	-1.12%	1.00%	.66%	-2.78%	6.94%	6.63%	N.A.	N.A.
MSCI EAFE Index	-3.36%	-1.46%	-4.42%	-10.17%	2.07%	1.68%	1.58%	N.A.
Combined Index	.88%	2.38%	4.55%	5.09%	8.75%	8.91%	6.82%	7.32%
Barclays U.S. Aggregate Bond Index	1.80%	2.22%	5.32%	6.04%	4.07%	3.77%	5.14%	5.68%
Barclays Global Aggregate Bond Index	2.92%	2.89%	8.97%	8.87%	2.79%	N.A.	N.A.	N.A.

† A private fund managed by Dodge & Cox with proprietary assets was reorganized into the Dodge & Cox Global Bond Fund on April 30, 2014. Any Fund portfolio characteristics, performance, or attribution information for periods prior to May 1, 2014, are those of the private fund.

The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends and/or interest income but, unlike Fund returns, do not reflect fees or expenses. The S&P 500 Index is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. Equity market. The MSCI World Index is a broad-based unmanaged equity market index aggregated from 23 developed market country indices, including the United States. The MSCI EAFE (Europe, Australasia, Far East) Index is a broad-based, unmanaged equity market index aggregated from 22 developed market country indices, excluding the United States. The Combined Index reflects an unmanaged portfolio (rebalanced monthly) of 60% of the S&P 500, and 40% of the Barclays U.S. Agg. The Fund may, however, invest up to 75% of its total assets in stocks. The Barclays U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-denominated investment-grade fixed income securities. The Barclays Global Aggregate Bond Index is a widely recognized, unmanaged index of multi-currency, investment-grade fixed income securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

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Bay County Voluntary Employees' Beneficiary Association Trust
Growth Equity



Performance results (%) gross and net of fees (USD)	Portfolio		Excess returns	
	Gross of fees	Net of fees	Benchmark ^A	Net vs benchmark
2Q 2016	1.43	1.28	0.61	0.67
2016 YTD	-0.18	-0.46	1.36	-1.82
Since client inception (30-Dec-15)	-1.86	-2.14	-0.40	-1.74

Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^A Russell 1000® Growth Index

Asset summary (USD)	
Beginning value as of 31-Mar-16	9,589,843
Contributions	0
Withdrawals	-1,500,000
Change in market value	+135,581
Ending value as of 30-Jun-16	8,225,424

Characteristics	Portfolio	Benchmark ^{AA}
I/BES long-term EPS growth - weighted average ¹	16.4%	14.0%
Price/earnings (12 months forward ex-negative earnings) - weighted average	22.5x	18.9x
Market capitalization (USD) ²	118.2 bn	133.4 bn
Top ten holdings	30%	24%
Number of holdings	86	600
Barra predicted tracking error ³	2.54%	-

¹ Source: Thomson Reuters

² Weighted average.

³ Source: Barra

No forecasts can be guaranteed.

Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

Top 10 Issuers	Sector	% of Portfolio
ALPHABET INC	Technology	6.1
FACEBOOK INC	Technology	3.9
VISA INC	Financial Services	3.9
AMAZON.COM INC	Retailing	3.5
DANAHER CORP	Industrial Goods & Services	2.7
THERMO FISHER SCIENTIFIC INC	Health Care	2.7
MASTERCARD INC	Financial Services	2.6
ADOBE SYSTEMS INC	Technology	2.5
MICROSOFT CORP	Technology	2.4
SBA COMMUNICATIONS CORP	Utilities & Communications	2.0

Sectors (%)	Portfolio	Benchmark ^{AA}
Technology	22.9	22.8
Retailing	15.7	11.5
Health Care	14.9	16.9
Financial Services	9.6	8.5
Special Products & Services	7.3	5.5
Consumer Staples	7.1	8.4
Leisure	6.5	10.6
Industrial Goods & Services	5.3	6.7
Autos & Housing	3.2	2.3
Utilities & Communications	2.0	2.3
Basic Materials	1.4	4.0
Transportation	1.2	2.0
Energy	0.9	0.4

2.0% Cash & cash equivalents

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Institutional Advisors, Inc.

^{AA} Russell 1000® Growth Index

FOR MORE INFORMATION CONTACT

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Email: khyland@mfs.com

Thomas Shanley, Client Service Manager

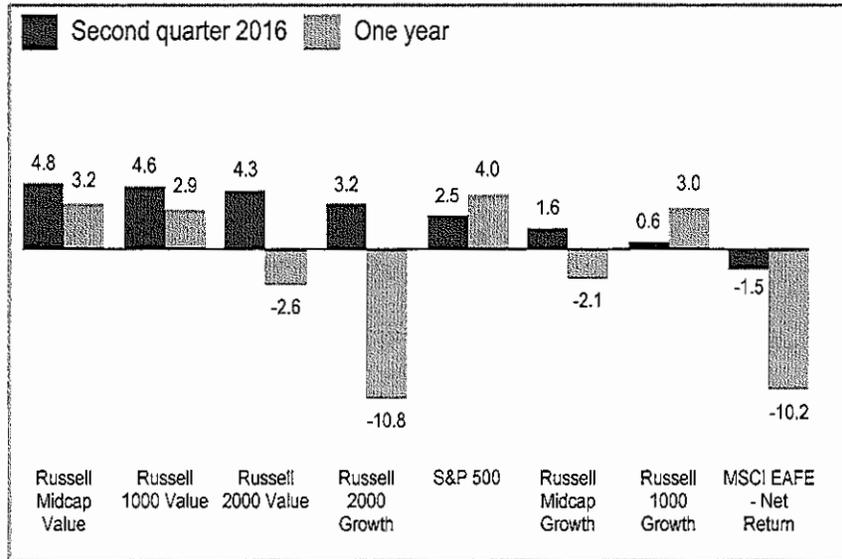
Phone: +1 617 954 7492 | Cell: +1 857 208 5297

Email: tshanley@mfs.com

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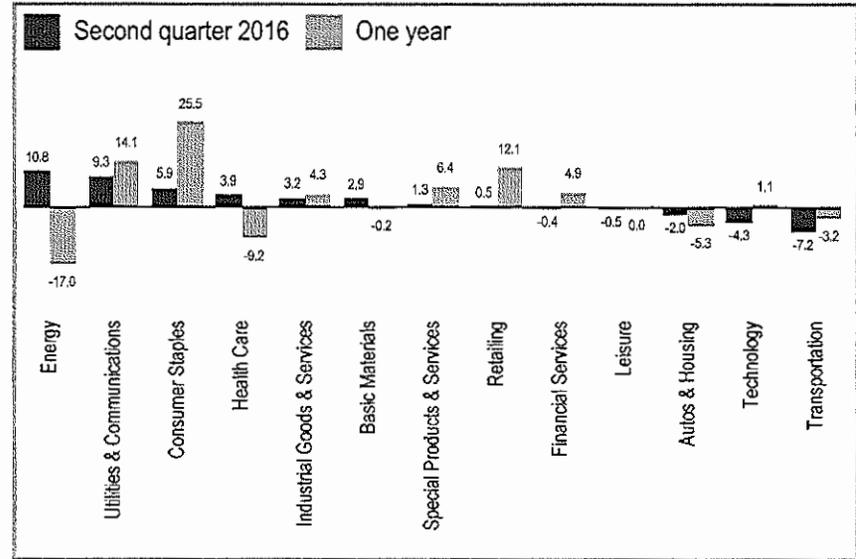
Market overview

Style performance (%) (USD) as of 30-Jun-16



Source for benchmark performance: SPAR, FactSet Research Systems Inc. All indices represent total return unless otherwise noted.

Sector performance (%) (USD) as of 30-Jun-16



Source: FactSet. Sector performance based on MFS sector classification. The analysis of Russell 1000® Growth Index constituents are broken out by MFS defined sectors.

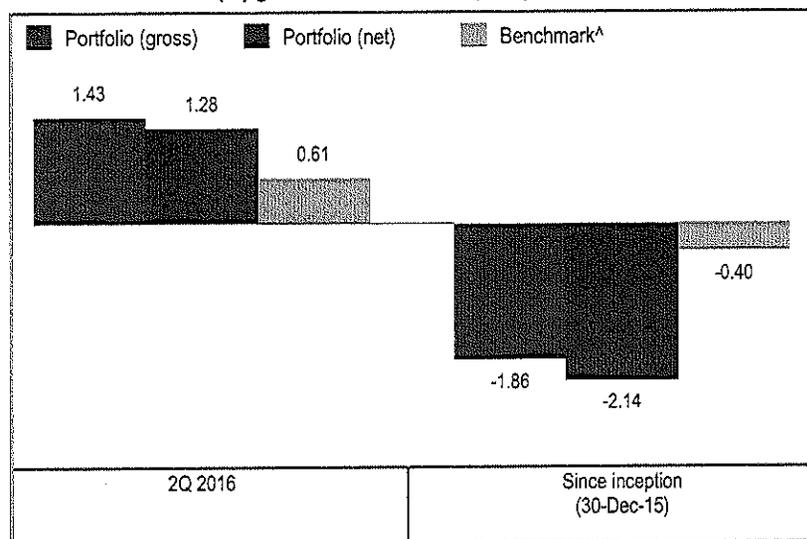
Market review as of 30-Jun-2016

- The U.S. market, as measured by the S&P 500 Index, continued its upward momentum from the back half of the first quarter to end Q2 with a small gain. However, market uncertainty increased at the end of the period as the UK voted to leave the European Union.
- U.S. economic growth slowed during the first quarter with GDP coming in at 1.1%. Growth was constrained by a strong U.S. Dollar and sluggish global demand. While the labor market continued to improve, it had done so at a slower pace during April and May. As a result, the Federal Reserve did not raise interest rates during their June meeting and indicated that future rate increases would likely be gradual. Other central banks (i.e. ECB, BOJ and People's Bank of China) have maintained their "super easy" monetary conditions.
- The value style of investing continued to outperform the growth style of investing during Q2. This outperformance was helped by the energy and utilities sectors, which are more represented in value benchmarks than growth benchmarks.



Executive summary

Performance results (%) gross and net of fees (USD) as of 30-Jun-16



Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.

Past performance is no guarantee of future results.

[^] Russell 1000® Growth Index

Asset summary (USD)

Beginning value as of 31-Mar-16	9,589,843
Contributions	0
Withdrawals	-1,500,000
Change in market value	+135,581
Ending value as of 30-Jun-16	8,225,424

Sector weights (%) as of 30-Jun-16

	Portfolio	Benchmark ^{^^}
Top overweights		
Retailing	15.7	11.5
Financial Services	9.6	6.5
Special Products & Services	7.3	5.5
Top underweights		
Leisure	6.5	10.6
Basic Materials	1.4	4.0
Health Care	14.9	16.9

^{^^} Russell 1000® Growth Index

The Growth Equity portfolio outperformed the Russell 1000® Growth Index in the second quarter of 2016.

Contributors

- Technology – Stock selection
- Retailing – Stock selection
- Individual stocks:
 - Medtronic Inc

Detractors

- Financial Services – Stock selection
- Utilities & Communications – Underweight position
- Individual stocks:
 - Alphabet Inc
 - Alexion Pharmaceuticals Inc
 - Allergan Plc
 - Altria Group Inc (not held)



Performance results

Performance results (%) gross and net of fees (USD) as of 30-Jun-16

Period	Portfolio gross (%)	Portfolio net (%)	Benchmark [^] (%)	Excess return net vs benchmark (%)
2Q 2016	1.43	1.28	0.61	0.67
1Q 2016	-1.58	-1.72	0.74	-2.46
2016 YTD	-0.18	-0.46	1.36	-1.82
Since client inception (30-Dec-15)	-1.86	-2.14	-0.40	-1.74

Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.

Past performance is no guarantee of future results.

[^] Russell 1000® Growth Index

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Bay County Voluntary Employees' Beneficiary Association Trust
 Growth Equity
 Report as of 30 June 2016

Performance results (%) gross and net of fees (USD)

Period	Portfolio gross	Portfolio net	Benchmark^	Excess^^
June	-0.81	-0.86	-0.39	-0.46
May	2.70	2.65	1.94	0.71
April	-0.44	-0.48	-0.91	0.43
2Q 2016	1.43	1.28	0.61	0.67
1Q 2016	-1.58	-1.72	0.74	-2.46
2016 YTD	-0.18	-0.46	1.36	-1.82
Since client inception (30-Dec-15)	-1.86	-2.14	-0.40	-1.74

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^ Russell 1000® Growth Index

^^ Excess return net vs benchmark (%)

The Growth Equity portfolio outperformed Russell 1000® Growth Index in the second quarter of 2016.

Contributors

Technology – Stock selection

Retailing – Stock selection

Individual stocks - Contributors

Medtronic Inc

Detractors

Financial Services – Stock selection

Utilities & Communications – Underweight position

Cash

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Individual stocks - Detractors

- Alphabet Inc
- Alexion Pharmaceuticals Inc
- Allergan Plc
- Atria Group Inc (not held)

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MFS Institutional Advisors, Inc.

31016

Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 6/30/2016

Summary of Segregated Account Detail

	June	YTD
Payment from Segregated Account	\$ 0.00	\$ 63.25
	<u>\$ 0.00</u>	<u>\$ 63.25</u>

Voucher Amount

Segregated Account Detail

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	June	Prior Months	YTD	Mixed Use %
December 2015	Commission Recapture	305658Bay Count	01/15/2016		\$ 63.25		
		Payment from Segregated Account Total		<u>\$ 0.00</u>	<u>\$ 63.25</u>	<u>\$ 63.25</u>	
		Grand Total		<u>\$ 0.00</u>	<u>\$ 63.25</u>	<u>\$ 63.25</u>	

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Bay County, Michigan

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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7360 PUBLIC EMPLOYEE HEALTH CARE							
<u>73627401 VOL.EMPLOYEE BENEF.ASSOC.BOARD</u>							
<u>RA FUND BALANCE, NET AS</u>							
73627401 40001 FUND BALANCE	0	.00	.00	.00	.00	.00	.0%
73627401 40004 NET ASSETS - RESERV	1,685,865	.00	1,685,865.00	.00	.00	1,685,865.00	.0%
TOTAL FUND BALANCE, NET AS	1,685,865	.00	1,685,865.00	.00	.00	1,685,865.00	.0%
<u>RJ LOCAL UNIT CONTRIBUT</u>							
73627401 59401 ER CONTR-BEHAVE.HEA	-250,000	.00	-250,000.00	.00	.00	-250,000.00	.0%*
73627401 59402 ER CONTR-MOSQUITO C	0	.00	.00	.00	.00	.00	.0%
73627401 59403 ER CONTR-HEALTH FUN	0	.00	.00	.00	.00	.00	.0%
73627401 59404 ER CONTR-ROAD COMM	0	.00	.00	.00	.00	.00	.0%
73627401 59406 ER CONTR-LIBRARY	-48,000	.00	-48,000.00	-4,000.00	.00	-44,000.00	8.3%*
73627401 59407 ER CONTR-GOLF COUR	0	.00	.00	.00	.00	.00	.0%
73627401 59408 ER CONTR-GENERAL FU	0	.00	.00	.00	.00	.00	.0%
73627401 59409 ER CONTR-DWS	-32,000	.00	-32,000.00	-7,391.76	.00	-24,608.24	23.1%*
73627401 59410 ER CONTR-911 SERVIC	0	.00	.00	.00	.00	.00	.0%
73627401 59411 ER CONTR-CHILD CARE	0	.00	.00	.00	.00	.00	.0%
73627401 59412 ER CONTR-DIV ON AGI	0	.00	.00	.00	.00	.00	.0%
73627401 59413 ER CONTR-RETIRE SYS	0	.00	.00	.00	.00	.00	.0%
73627401 59415 ER CONTR-GYPSY MOTH	0	.00	.00	.00	.00	.00	.0%
73627401 59416 ER CONTR-HOME REHAB	0	.00	.00	.00	.00	.00	.0%
73627401 59418 ER CONTR-100% TAX P	0	.00	.00	.00	.00	.00	.0%
73627401 59419 ER CONTR-MED CARE F	-250,000	.00	-250,000.00	.00	.00	-250,000.00	.0%*
73627401 59424 ER CONTR-SELF INSUR	0	.00	.00	.00	.00	.00	.0%
73627401 59427 ER CONTR-COMM CORRE	0	.00	.00	.00	.00	.00	.0%
73627401 59429 ER CONTR-F.O.C. FUN	0	.00	.00	.00	.00	.00	.0%
73627401 59430 ER CONTR-HOUSING FU	0	.00	.00	.00	.00	.00	.0%
73627401 59433 ER CONTR-SOLDIER RE	0	.00	.00	.00	.00	.00	.0%
73627401 59499 ER CONTR-SHERIFF DE	0	.00	.00	.00	.00	.00	.0%
TOTAL LOCAL UNIT CONTRIBUT	-580,000	.00	-580,000.00	-11,391.76	.00	-568,608.24	2.0%
<u>RP INTEREST & RENTALS</u>							
73627401 66400 INVESTMENT INTEREST	-500,000	.00	-500,000.00	.00	.00	-500,000.00	.0%*

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Bay County Michigan

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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 08

ACCOUNTS FOR: 7360 PUBLIC EMPLOYEE HEALTH CARE	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	-1,200,000	.00	-1,200,000.00	.00	.00	-1,200,000.00	.0%*
73627401 66501 UNREALIZED GAIN ON	0	.00	.00	.00	.00	.00	.0%
73627401 66600 SECURITIES LENDING	0	.00	.00	-762.67	.00	762.67	100.0%
TOTAL INTEREST & RENTALS	-1,700,000	.00	-1,700,000.00	-762.67	.00	-1,699,237.33	.0%
 RR OTHER REVENUE							
73627401 67104 MISCELLANEOUS REVENUE	0	.00	.00	.00	.00	.00	.0%
73627401 69000 COMMISSION RECAPTUR	-6,900	.00	-6,900.00	208.62	.00	-7,108.62	-3.0%*
TOTAL OTHER REVENUE	-6,900	.00	-6,900.00	208.62	.00	-7,108.62	-3.0%
 XE WAGES & SALARIES							
73627401 71000 PER DIEM	360	.00	360.00	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	.00	360.00	.00	.00	360.00	.0%
 XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	100	.00	100.00	.00	.00	100.00	.0%
73627401 72800 PRINTING AND BINDIN	150	.00	150.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	.00	100.00	.00	.00	100.00	.0%
73627401 75100 COMPUTER SUPPLIES	50	.00	50.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	.00	400.00	.00	.00	400.00	.0%
 XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVIC	130,000	.00	130,000.00	13,341.83	.00	116,658.17	10.3%
73627401 80101 ACTUARIAL SERVICES	39,300	.00	39,300.00	.00	.00	39,300.00	.0%
73627401 81400 INVESTMENT/BANK SER	30,000	.00	30,000.00	.00	.00	30,000.00	.0%
73627401 81700 LEGAL FEES	7,500	.00	7,500.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	.00	30,000.00	4,000.00	.00	26,000.00	13.3%
73627401 86600 LOCAL TRAVEL MILEAG	0	.00	.00	.00	.00	.00	.0%

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Bay County Michigan

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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 08

ACCOUNTS FOR: 7360 PUBLIC EMPLOYEE HEALTH CARE	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
<u>73627401 94601 EQUIPMENT RENTAL-CO</u>	55	.00	55.00	.00	.00	55.00	.0%
<u>73627401 95600 INDIRECT COST EXPEN</u>	10,420	.00	10,420.00	5,209.99	.00	5,210.01	50.0%
<u>73627401 96200 LOSS ON DISPOSAL OF</u>	350,000	.00	350,000.00	.00	.00	350,000.00	.0%
<u>73627401 96201 UNREALIZED LOSS ON</u>	0	.00	.00	.00	.00	.00	.0%
<u>73627401 96500 INSURANCE AND BONDS</u>	3,000	.00	3,000.00	.00	.00	3,000.00	.0%
TOTAL OTHER SERVICES AND C	600,275	.00	600,275.00	22,551.82	.00	577,723.18	3.8%
TOTAL VOL.EMPLOYEE BENEF.ASSOC	0	.00	.00	10,606.01	.00	-10,606.01	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH C	0	.00	.00	10,606.01	.00	-10,606.01	100.0%
TOTAL REVENUES	-601,035	.00	-601,035.00	-11,945.81	.00	-589,089.19	
TOTAL EXPENSES	601,035	.00	601,035.00	22,551.82	.00	578,483.18	

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Bay County, Michigan

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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 08

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
GRAND TOTAL	0	.00	.00	10,606.01	.00	-10,606.01	100.0%

** END OF REPORT - Generated by Kathleen Meeth **

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Bay County, Michigan

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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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REPORT OPTIONS

	Field #	Total	Page Break
Sequence 1	1	Y	Y
Sequence 2	9	Y	N
Sequence 3	10	Y	N
Sequence 4	0	N	N

Report title:
YEAR-TO-DATE BUDGET REPORT

Includes accounts exceeding 0% of budget.

Print totals only: N

Print Full or Short description: F

Print full GL account: N

Format type: 2

Double space: N

Suppress zero bal accts: N

Include requisition amount: N

Print Revenues-Version headings: N

Print revenue as credit: Y

Print revenue budgets as zero: N

Include Fund Balance: N

Print journal detail: N

From Yr/Per: 2015/ 1

To Yr/Per: 2015/13

Include budget entries: Y

Incl encumb/liq entries: Y

Sort by JE # or PO #: J

Detail format option: 1

Include additional JE comments: N

Multiyear view: D

Amounts/totals exceed 999 million dollars: N

Year/Period: 2016/ 8
Print MTD Version: N

Roll projects to object: N
Carry forward code: 1

Find Criteria
Field Name Field Value

Fund 7360

FUNCTION

ACTIVITY

SPECIAL CODE

SPECIAL COD2

Character Code

Org

Object

Project

Account type

Account status

Rollup Code

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VEBA

Invoices Approved:

Jul-16

Invoice Date	Vendor	Amount
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