

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
 AGENDA  
 TUESDAY, MARCH 13, 2018  
 (Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)  
**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE - 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 5 .....	1.	FEBRUARY 13, 2018
	IV.	PUBLIC INPUT
	A.	MONTHLY REPORTS - <b>RES NO. 2018-3</b>
6 - 8 .....	1.	PORTFOLIO VALUE 1/01/18 - 2/28 /18
	2.	CHANGE IN NET ASSETS - 2/28/18
9 - 14 .....	3.	MONEY MANAGER REPORTS
	a.	CS MCKEE - ENDING 1/31/18
	b.	DODGE & COX - ENDING 1/31/18 & ANNUAL REPORTS (AVAILABLE UPON REQUEST)
	c.	MFS - ENDING 1/31/18
15 .....	4.	RECAPTURE SERVICES
	a.	CAPIS - 1/31 /18
16 .....	5.	COMERICA - SUMMARY EARNINGS ENDING 2/28/18
16 - 18 .....	6.	VEBA YTD BUDGET REPORT 2/28/18
19 .....	7.	INVOICES APPROVED - 2/28/18
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, APRIL 10, 2018 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 <sup>TH</sup> FLOOR, BAY CITY, MI 48708
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
FEBRUARY 13, 2018 – REGULAR MEETING**

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

The meeting of the Board of Trustees was held on February 13, 2018 at 2:25 p.m. in the Commission Chambers, 4<sup>th</sup> Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

**Trustees Present:** Chairperson Gray, Mr. Brzezinski, Ms. Gonzales, Mr. Gromaski, Mr. Herek, Mr. Pett, Mr. Ryder, and Mr. Starkweather.

**Trustees Absent:** Mr. Morse

**Also Present:**

Consultant: AndCo Consulting - Howard Pohl and Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth

Corporation Counsel: Shawna Walraven

Public: Yes

The meeting was called to order by Chairman, Steve Gray at 2:25 p.m.

**MOTION 4:** Moved, supported and carried to excuse Trustee Morse.

**MOTION 5:** Moved, supported and carried to approve the minutes, as printed, from the January 9, 2018 regular meeting.

Mr. Gray called for public input. As there was no public input, he moved on to petitions and communications.

Present today were Mr. Howard Pohl and Mr. Peter Brown from AndCo Consulting to present the 2017 4Q report. A copy of the presentation was provided to Trustees, in advance, via the web.

Mr. Brown reviewed the performance for the 4<sup>th</sup> quarter. There were strong market gains across the stock market and bond market that have benefited the VEBA fund. The quarter had slight outflows of about \$41,000. There was a return on investment of a little over \$1.8 million with an ending balance as of December 31, 2017 of \$52,483,152. The fiscal year was more dramatic with a beginning balance of \$46,354,000 and slight positive inflows of about \$59,000 but added over \$6 million in return on investment with a total market value of \$52,483,000. The flow changes were a result of implementing policy adding 5% into International as well as rebalancing of the Portfolio. Under domestic equities \$5 million was pulled out and put \$2.5 million in international and the other \$2.5 was put into domestic fixed income with a new position in Loomis Sayles. They trimmed C.S. McKee by about \$2.5 million to fund Loomis Sayles.

He reviewed the summary value of current market asset allocation. There are six underlying positions now that the EuroPacific fund was added as well as Loomis Sayles. He compared the asset allocation to target allocation. International equity of 5% was added and reduced the total domestic fixed income from 47% to

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
FEBRUARY 13, 2018 – REGULAR MEETING**

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42%. In doing so, they are increasing the projected return but also increasing the risk a little bit given the fact that the funding is improved and the Fund is stronger to withstand additional volatility.

He reviewed the summary of the returns. For the quarter, the Fund was up 3.6%, better than the policy which was 3.4% and pretty much in line with the All Master Trust which was up 3.5% putting the Fund in the 45<sup>th</sup> percentile. For the year, the Portfolio was up 13.1% which was better than the policy which was up 11.2% and slightly below the universe of 15.1% at the bottom quartile, but then again we are still better than the policy. Also, please note it is still a very conservative portfolio compared to others that are out there. The underlying money managers did well. Stocks were up 5.5% for the quarter and for the year 19.5% better than the policy but a little behind the All Master Trust which was up about 20.5%. Dodge & Cox performed very well on a one-year basis up 18.3% compared to index up 13.6%. It was top quartile. That is coming from their asset allocation. MFS underperformed slightly for the quarter at 6.7% versus 7.9% for the index. They did outperform for the year at about 31.1% compared to the index at 30.2% and roughly in the top third of the universe. Lord Abbett was up 4.25% pretty much in line with the index and similar for the one-year at 10.5% versus 10.4%. The EuroPacific fund was just instituted the end of December so there is no performance for the quarterly report but they will have that for the next report. CS McKee was positive for the quarter at 0.5% which is up versus the index at 0.4% and for the year up 3.7% versus the index of 3.5%. It was better than the index but bottom quartile. They have seen very wide ranges within the aggregate universe depending on what managers were incorporating using high yield or corporates. Loomis Sayles was inserted to focus on high yield and corporate structure.

**MOTION 6:** Moved, supported and carried to receive the report from AndCo.

**RES. 2018- 2**

Moved, supported and carried to adopt resolution 2018-2 to receive the monthly reports Portfolio Value ending 1/1/18 to 1/31/18 (Today's value \$51,889,000), Change in Net Value ending 1/31/18, C.S. McKee performance report ending 4Q 2017, Dodge & Cox- ending 12/31/17 & 4Q 2017, Loomis Sayles ending 12/31/17, MFS- Ending 12/31/17, 4Q 2017, and Proxy Voting Report 4Q 2017; Capis Recapture services ending 1/31/18, Northern Trust Summary Earnings – 12/31/17, VEBA YTD Budget Report ending 12/31/17 & 1/31/18, and Approved Invoices Report ending 1/31/18.

**MOTION 7:** Moved, supported and carried to receive the correspondence from Lord Abbett regarding retirement and appointment.

**ANNOUNCEMENTS:**

- A. Next regularly scheduled meeting will be Tuesday, March 13, 2018 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4<sup>th</sup> Floor, Bay City, MI 48708.

**UNFINISHED BUSINESS:**

**MINUTES** BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
FEBRUARY 13, 2018 – **REGULAR MEETING**

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Mr. Brown reviewed the VEBA Asset Allocation Analysis. He referred to page 13 of the Analysis where they reviewed and looked at the existing asset allocation of the VEBA Portfolio for the most recent IPS which includes the new position with EuroPacific and Loomis Sayles and compared that to current asset allocation they had with the Pension Fund. Between the two, they developed different models to step up risks to mirror what it would look like in the Portfolio to go from the VEBA's existing portfolio to the Pension Fund's existing Portfolio. He reviewed page 13 which breaks down the asset allocation by currents which includes a current breakdown of assets in the portfolio with the aggregate exposure. The column marked Mix 4 is the Pension Fund breakdown. Mix 1, 2 and 3 shows a breakout of what the points would be for the VEBA portfolio if you continued to fill out the Portfolio so it would look like the Pension Fund. He reviewed the constraints. Mr. Brown explained how they provided what the returns are for the various portfolios. In essence this takes the mix of the current portfolio, reduces the impact and inserts a small cap position adding a little bit of risk. They keep the domestic stock position as is. There is already 53% of the VEBA Portfolio in domestic stocks. This reduces the exposure to bonds and increases international showing the different percentages between mix 1, 2 and 3. They would not recommend increasing the U.S. stock portfolio above the existing 53% level and would look to add International equities to the portfolio sourced from fixed income. They do not recommend adding other alternatives. Mr. Pohl explained why they add constraints. Mr. Brown reviewed the single year expectations chart stating as you increase risk, you are going to increase volatility and projected returns. Mr. Pohl stated that if you take more risk you get more return but to be cognizant of the lows.

Mr. Brown stated going forward they have increased the position in International with a new higher yield position within fixed income. If the Fund continues to receive positive cash flows, as has been referenced, that is going to be growing. They will be able to continue to build that out, to add a small cap position and then expand the International to grow from the initial 5% closer to what the Pension looks like. It could be as high as 20% given the constraints involving the VEBA.

Trustee Brzezinski stated if he understands correctly, AndCo is saying to leave it the way it is but if new money comes in then change things to more aggressive and add to International versus bond and not move anyone down. He questioned if we would take small pieces of that bond and start moving it in that direction and gave an example of the VEBA receiving \$1 million a month (for lack of a better example.) Mr. Brown stated he would review as cash flows in. Mr. Brzezinski asked if we would update the existing (allocation) and Mr. Brown said they would not because it was just updated in December but may consider doing so later in the year. Mr. Pohl said there are certain things that if you wanted to do we would throw ourselves in front of the bus and say you are nuts to even think about doing that. He stated this is not one of those things. He referenced the first chart where if you miss the big day or the big down day that could have a huge impact. They like the idea of dollar cost averaging any new investments. Trustee Brzezinski asked what they would do with \$1.5 million if they were given that amount next week. Mr. Brown said they would add to International.

Trustee Starkweather wanted clarification that it is his understanding under VEBA the various departments are supplying the retirement medical through their own budgets and no one is drawing out of the VEBA account at this point. Chairman Gray stated that was correct. Trustee Starkweather clarified that any

**MINUTES** BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (**VEBA**)  
FEBRUARY 13, 2018 – **REGULAR MEETING**

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money that is contributed to the VEBA, as a division, will go directly in as an investment opportunity and will not affect the entity such as the Medical Care Facility that is already buying BCBS for their own individual employees. He stated it is the Medical Care Facility's intention, after they complete the real estate component of the renovations, to look seriously at any excess funds they have to fund into the VEBA.

**MOTION 8:** Moved, supported and carried to receive the VEBA Asset Allocation Analysis from AndCo.

**NEW BUSINESS:**

Trustee Gromaski asked if business with Northern Trust was complete and everything had been transferred to Comerica. Ms. Meeth stated as of February all value managers are transferred over to Comerica and everything is moving smoothly.

**MISCELLANEOUS BUSINESS:** None

**ADJOURNMENT:**

**MOTION 9:** Moved, supported and carried to adjourn the meeting at 2:51 p.m.

Respectfully submitted,



Jan Histed  
Secretary

Transcribed by: Tracy Cederquist

**MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE**  
FEBRUARY 13, 2018

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

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 2:25 P.M.

**MOTIONS**

Trustee	4	5	6	7	8	9			
BRZEZINSKI	Y	Y	Y	S-Y	Y	Y			
GONZALES	Y	Y	Y	Y	Y	S-Y			
GRAY	Y	Y	Y	Y	Y	Y			
GROMASKI	M-Y	Y	S-Y	M-Y	M-Y	Y			
HEREK	S-Y	M-Y	M-Y	Y	Y	Y			
MORSE	E	E	E	E	E	E			
PETT	Y	Y	Y	Y	Y	M-Y			
RYDER	Y	Y	Y	Y	Y	Y			
STARKWEATHER	Y	S-Y	Y	Y	S-Y	Y			

**RESOLUTIONS**

Trustee	2018-2								
BRZEZINSKI	Y								
GONZALES	Y								
GRAY	Y								
GROMASKI	Y								
HEREK	Y								
MORSE	E								
PETT	S-Y								
RYDER	M-Y								
STARKWEATHER	Y								

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
03/13/2018  
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 - 1/1/18 - 2/28/18
2. CHANGE IN NET ASSETS -2/28/18
3. MONEY MANAGER REPORTS
  - a. C.S. MCKEE – ENDING 1/31/18
  - b. DODGE & COX – ENDING 1/31/18
  - b. MFS GROWTH EQUITY – ENDING 1/31/18
4. RECAPTURES SERVICES
  - a. CAPIS - SUMMARY ENDING 1/31/18
5. COMERICA – SUMMARY EARNINGS ENDING 1/31/18
5. VEBA YTD BUDGET REPORT – ENDING 2/28/18
6. INVOICES APPROVED - 2/28/18

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS - MARCH

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Richard Gromaski				Matthew Pett			
Kristal Gonzales				Thomas Herek				Thomas Ryder			
Steve Gray				Jon Morse				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

## VEBA PORTFOLIO VALUE 2018

VEBA 2018	DODGE & COX	CASH	LORD ABBOTT	CS MCKEE	MFS	AMERICAN FUND	LOOMIS	TOTAL
Jan-18	9,216,495.21	297,191.85	10,662,863.79	16,468,728.52	9,674,923.21	2,677,502.74	5,000,000.00*	48,997,705.32
Feb-18	8,925,709.49	304,762.08	10,438,225.33	16,225,238.47	9,581,161.00	2,570,546.44	4,926,778.24	52,972,421.05
Mar-18								0.00
Apr-18								0.00
May-18								0.00
Jun-18								0.00
Jul-18								0.00
Aug-18								0.00
Sep-18								0.00
Oct-18								0.00
Nov-18								0.00
Dec-18								0.00

\*As of 1/31/18 Loomis had not transferred to Comerica. Value from NT

### Money Manager Fees

2017	CS MCKEE	MFS	LOOMIS	TOTAL
1ST QTR				0.00
2ND QTR				0.00
3RD QTR				0.00
4TH QTR				0.00

**MFS**

- INVESTMENT**    LARGE CAP EQUITY
- CS MCKEE**        FIXED INCOME - BONDS
- DODGE & COX**    LARGE CAP EQUITY
- LORD ABBETT**    SMALL MID CAP MUTUAL FUND
- AMERICAN FUND** INTERNATIONAL EQUITY
- LOOMIS SAYLES** DOMESTIC FIXED EQUITY



## ACCOUNT STATEMENT

Statement Period  
 Account Number

02/01/2018 through 02/28/2018  
 M03380

066

### Preliminary Changes In Net Assets

	COST VALUE	MARKET VALUE
<b>BEGINNING BALANCE AS OF 02/01/2018</b>	<b>45,128,710.73</b>	<b>54,095,857.57</b>
<b>EARNINGS</b>		
CASH INCOME	47,142.05	47,142.05
LESS PRIOR ACCRUED INCOME	95,149.24-	95,149.24-
PLUS CURRENT ACCRUED INCOME	93,877.90	93,877.90
REALIZED GAIN/LOSS ON SALE OF ASSETS	66,067.02-	66,067.02-
NET UNREALIZED GAIN OR LOSS	0.00	1,409,855.67-
TOTAL EARNINGS	20,196.31-	1,430,051.98-
<b>CONTRIBUTIONS &amp; OTHER INCREASES</b>		
EMPLOYER CONTRIBUTIONS	7,106.99	7,106.99
TRANSFERS	108,172.59	108,172.59
TOTAL CONTRIBUTIONS & OTHER INCREASES	115,279.58	115,279.58
<b>DISTRIBUTIONS &amp; OTHER DECREASES</b>		
ASSETS DISTRIBUTED	145,636.25-	145,636.25-
TOTAL DISTRIBUTIONS & OTHER DECREASES	145,636.25-	145,636.25-
<b>ENDING BALANCE AS OF 02/28/2018</b>	<b>45,078,157.75</b>	<b>52,635,448.92</b>

# C.S. McKee, L.P.

## Account Overview

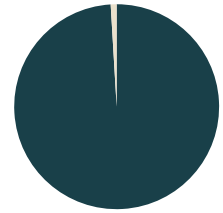
Bay County VEBA

Client Code: 90477  
 As Of Date: 1/31/2018  
 Report: Calendar

## Asset Allocation

As of 1/31/2018

Large-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Fixed Income	\$ 16,220,611.67	99.06%
Intl Mutual Fund	\$ -	0.00%
Cash	\$ 153,116.92	0.94%
Other	\$ -	0.00%
<b>Total Portfolio:</b>	<b>\$ 16,373,728.59</b>	<b>100.00%</b>



## Performance

As of 1/31/2018

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	16,607,225.36	-	-	-	16,607,225.36	-
Net Contributions (Distributions):	(94,038.04)	-	-	-	(94,038.04)	-
Income:	37,543.44	-	-	-	37,543.44	-
Market Appreciation (Depreciation):	(177,002.17)	-	-	-	(177,002.17)	-
Ending Market Value:	16,373,728.59	-	-	-	16,373,728.59	-
<b>Dollar-Weighted Return:</b>	<b>(0.84%)</b>	-	-	-	<b>(0.84%)</b>	-

Time-Weighted Returns	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
<i>Performance Start Date:</i>	2/7/2012	N/A	N/A	N/A	2/7/2012	N/A
		<i>Ex Cash</i>	<i>Ex Cash</i>	<i>Ex Cash</i>	<i>Ex Cash</i>	
<b>MTD</b>	<b>Gross (0.85%)</b>	-	-	-	<b>(0.85%) (0.86%)</b>	-
	<i>Benchmark (1.15%)</i>	-	-	-	<i>(1.15%) (1.15%)</i>	-
	<b>Value Added (Gross) 0.30%</b>	-	-	-	<b>0.30% 0.29%</b>	-
<b>QTD</b>	<b>Gross (0.85%)</b>	-	-	-	<b>(0.85%) (0.86%)</b>	-
	<i>Benchmark (1.15%)</i>	-	-	-	<i>(1.15%) (1.15%)</i>	-
	<b>Value Added (Gross) 0.30%</b>	-	-	-	<b>0.30% 0.29%</b>	-
<b>YTD</b>	<b>Gross (0.85%)</b>	-	-	-	<b>(0.85%) (0.86%)</b>	-
	<i>Benchmark (1.15%)</i>	-	-	-	<i>(1.15%) (1.15%)</i>	-
	<b>Value Added (Gross) 0.30%</b>	-	-	-	<b>0.30% 0.29%</b>	-
<b>1 Year</b>	<b>Gross 2.67%</b>	-	-	-	<b>2.67% 2.66%</b>	-
	<i>Benchmark 2.15%</i>	-	-	-	<i>2.15% 2.15%</i>	-
	<b>Value Added (Gross) 0.52%</b>	-	-	-	<b>0.52% 0.51%</b>	-
<b>3 Year</b>	<b>Gross 1.76%</b>	-	-	-	<b>1.76% 1.79%</b>	-
	<i>Benchmark 1.14%</i>	-	-	-	<i>1.14% 1.14%</i>	-
	<b>Value Added (Gross) 0.62%</b>	-	-	-	<b>0.62% 0.65%</b>	-
<b>5 Year</b>	<b>Gross 2.43%</b>	-	-	-	<b>2.43% 2.49%</b>	-
	<i>Benchmark 2.01%</i>	-	-	-	<i>2.01% 2.01%</i>	-
	<b>Value Added (Gross) 0.42%</b>	-	-	-	<b>0.42% 0.48%</b>	-
<b>ITD</b>	<b>Gross 2.60%</b>	-	-	-	<b>2.60% 2.68%</b>	-
	<i>Benchmark 2.14%</i>	-	-	-	<i>2.14% 2.14%</i>	-
	<b>Value Added (Gross) 0.46%</b>	-	-	-	<b>0.46% 0.54%</b>	-

# DODGE & COX FUNDS

## Total Rates of Return For Periods Ending January 31, 2018

	1 Mo. Ended	3 Mos. Ended	Year-to- Date	Annualized				
				1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund*	5.69%	11.07%	5.69%	22.26%	15.29%	16.20%	8.92%	9.89%
Dodge & Cox Global Stock Fund*	5.84%	9.81%	5.84%	24.13%	12.52%	13.37%	N.A.	N.A.
Dodge & Cox International Stock Fund*	6.37%	7.96%	6.37%	26.40%	8.45%	8.78%	4.69%	N.A.
Dodge & Cox Balanced Fund*	3.42%	6.79%	3.42%	14.42%	10.85%	11.98%	7.79%	8.64%
Dodge & Cox Income Fund*	-.36%	-.03%	-.36%	3.60%	2.52%	2.99%	4.85%	5.43%
Dodge & Cox Global Bond Fund*†	1.10%	1.73%	1.10%	8.45%	3.72%	3.00%	N.A.	N.A.
<u>Comparative Indices</u>								
S&P 500 Index	5.73%	10.18%	5.73%	26.41%	14.66%	15.91%	9.78%	7.44%
MSCI World Index	5.28%	9.02%	5.28%	25.83%	11.83%	11.68%	N.A.	N.A.
MSCI EAFE Index	5.02%	7.82%	5.02%	27.60%	9.39%	7.85%	3.44%	N.A.
Combined Index	2.97%	5.71%	2.97%	16.19%	9.24%	10.30%	7.63%	6.72%
Bloomberg Barclays U.S. Aggregate Bond Index	-1.15%	-.83%	-1.15%	2.15%	1.14%	2.01%	3.71%	4.86%
Bloomberg Barclays Global Aggregate Bond Index	1.19%	2.67%	1.19%	7.46%	2.48%	1.22%	N.A.	N.A.

\* SEC Standardized Total Returns as of 12/31/17:

Dodge & Cox Stock Fund: 1 Year 18.32%; 5 Years 16.30%; 10 Years 7.71%  
Dodge & Cox Global Stock Fund: 1 Year 21.51%; 5 Years 13.26%; Since Inception 05/01/08 6.40%  
Dodge & Cox International Stock Fund: 1 Year 23.94%; 5 Years 8.50%; 10 Years 3.17%  
Dodge & Cox Balanced Fund: 1 Year 12.59%; 5 Years 12.24%; 10 Years 7.09%  
Dodge & Cox Income Fund: 1 Year 4.36%; 5 Years 3.07%; 10 Years 5.01%  
Dodge & Cox Global Bond Fund†: 1 Year 8.31%; 5 Years 2.86%; Since Inception 12/05/12 2.86%

† 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 Bloomberg Barclays U.S. Agg. The Fund may, however, invest up to 75% of its total assets in stocks. The Bloomberg Barclays U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-denominated investment-grade fixed income securities. The Bloomberg 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](http://www.dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

**Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity**
**BYS**
**Valuation Summary**
**31-Jan-18**
**Portfolio Currency: USD**

	<b>Cost</b>	<b>Market Value</b>	<b>Accrued Income</b>	<b>Total Value</b>	<b>Total Value</b>
<b>OPENING CASH AS OF 12/31/2017</b>	192,398.79	192,398.79	0.00	192,398.79	2.17 %
<b>CLOSING CASH AS OF 1/31/2018</b>	150,078.83	150,078.83	0.00	150,078.83	1.55 %
<b>COMMON STOCK</b>	6,515,429.33	9,417,699.49	2,065.03	9,419,764.52	97.34 %
<b>ADR</b>	91,786.48	107,599.11	0.00	107,599.11	1.11 %
	<b>6,757,294.64</b>	<b>9,675,377.43</b>	<b>2,065.03</b>	<b>9,677,442.46</b>	<b>100.00 %</b>
<b>Accrued Income:</b>		<b>2,065.03</b>			
<b>Total Value:</b>		<b>9,677,442.46</b>			

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.

# Bay County Voluntary Employees' Beneficiary Association Trust

Growth Equity



31 January 2018

Performance results (%) gross and net of fees (USD)	Portfolio		Benchmark <sup>^</sup>	Excess returns Net vs benchmark
	Gross of fees	Net of fees		
January 2018	9.05	8.99	7.08	1.91
1 year	36.96	36.19	34.89	1.30
Since client inception (30-Dec-15)	19.11	18.44	20.10	-1.66

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.**

<sup>^</sup> Russell 1000® Growth Index

Characteristics	Portfolio	Benchmark <sup>^^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	17.9%	15.5%
Price/earnings (12 months forward ex-negative earnings)	26.5x	22.1x
<b>Market capitalization</b>		
Market capitalization (USD) <sup>2</sup>	246.6 bn	248.0 bn
<b>Diversification</b>		
Top ten holdings	40%	31%
Number of holdings	82	551
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	21%	–
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>4</sup>	2.54%	–

<sup>1</sup> Source: Thomson Reuters

<sup>2</sup> Weighted average.

<sup>3</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>4</sup> 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.

<sup>^^</sup> Russell 1000® Growth Index

Asset summary (USD)	
Beginning value as of 31-Dec-17	8,874,483
Contributions	0
Withdrawals	0
Change in market value	+802,960
Ending value as of 31-Jan-18	9,677,442

Top 10 issuers	Sector	% of Portfolio
ALPHABET INC	Technology	7.0
VISA INC	Financial Services	6.9
MICROSOFT CORP	Technology	5.4
AMAZON.COM INC	Retailing	5.4
FACEBOOK INC	Technology	5.2
ADOBE SYSTEMS INC	Technology	3.5
THERMO FISHER SCIENTIFIC INC	Health Care	2.5
NETFLIX INC	Leisure	2.2
T-MOBILE US INC	Utilities & Communications	2.0
SALESFORCE.COM INC	Technology	2.0

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## FOR MORE INFORMATION CONTACT

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# Bay County Voluntary Employees' Beneficiary Association Trust

Growth Equity



Sectors (%)	Portfolio	Benchmark^^
Technology	29.4	30.1
Health Care	12.4	12.8
Financial Services	11.8	6.5
Leisure	10.5	9.0
Special Products & Services	8.0	6.1
Retailing	7.6	10.0
Consumer Staples	5.3	5.5
Industrial Goods & Services	5.1	8.1
Autos & Housing	2.8	2.1
Utilities & Communications	2.0	2.1
Transportation	1.8	2.9
Energy	0.8	0.6
Basic Materials	0.7	4.1

1.6% Cash & cash equivalents

^^ Russell 1000® Growth Index

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

MFS Institutional Advisors, Inc.  
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#### FOR MORE INFORMATION CONTACT

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**Bay County Voluntary Employees' Beneficiary Association Trust**  
**Growth Equity**  
**Report as of 31 January 2018**

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

<b>Period</b>	<b>Portfolio gross</b>	<b>Portfolio net</b>	<b>Benchmark<sup>^</sup></b>	<b>Excess<sup>^^</sup></b>
January	9.05	8.99	7.08	1.91
1 year	36.96	36.19	34.89	1.30
Since client inception (30-Dec-15)	19.11	18.44	20.10	-1.66

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.**

<sup>^</sup> Russell 1000® Growth Index

<sup>^^</sup> Excess return net vs benchmark (%)

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MFS Institutional Advisors, Inc.

31016

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 1/31/2018

**TOTAL COMMISSION**
**COMMISSION ALLOCATION**
**Beginning Balance**

 U.S. Equity  
 International Equity  
 Fixed Income  
 International Fixed Income  
 New Issues  
 Options  
 Futures  
 Foreign Currency  
 Syndicates

**Recapture Subtotals**
**Execution**
**Directed**
**Correspondent Broker/Dealer**
**Total**

	<u>January</u>	<u>YTD</u>
Beginning Balance		
U.S. Equity	-	-
International Equity	-	-
Fixed Income	-	-
International Fixed Income	-	-
New Issues	-	-
Options	-	-
Futures	-	-
Foreign Currency	-	-
Syndicates	-	-
<b>Recapture Subtotals</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Execution</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Directed</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Correspondent Broker/Dealer</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**Execution**
**Recapture**

	<u>January</u>	<u>YTD</u>	<u>January</u>	<u>YTD</u>
			\$0.00	\$0.00
U.S. Equity	-	-	-	-
International Equity	-	-	-	-
Fixed Income	-	-	-	-
International Fixed Income	-	-	-	-
New Issues	-	-	-	-
Options	-	-	-	-
Futures	-	-	-	-
Foreign Currency	-	-	-	-
Syndicates	-	-	-	-
	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**Total Earned** \$ 0.00 \$ 0.00

**Total Redeemed** \$ 0.00 \$ 0.00

**Balance as of 1/31/2018** \$ 0.00 \$ 0.00





# CLIENT EARNINGS REPORT

For the Period  
1/1/2018 To 1/31/2018

## BAY COUNTY VEBA TRUST

Sec ID Open Date	Description	Quantity	Contract Price	Contract Value	Date	Reb/Prem Rate	Mny Mkt Rate	Reb/Prem Due	Earnings Due
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Account: 1055082335

23636T100 DANONE-SPONS ADR  
01/29/2018 ,

377	18.00	6,786.00	01/30/2018	1.2500	1.40723	0.24	0.27
377	18.00	6,786.00	01/31/2018	1.2500	1.40665	0.24	0.27

Total Earnings 0.54  
Less Total Rebate 0.48

Sett Code	Coll Code	Broker	DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.02
DTC	USD	J.P. Morgan Clearing Corp.	352	77589	02/05/2018	Net Earnings		0.04

714264207 PERNOD-RICARD SA-UNSPON ADR  
01/31/2018 ,

794	33.00	26,202.00	01/31/2018	-6.2500	1.40665	-4.55	1.02
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Total Earnings 1.02  
Less Total Rebate -4.55

Sett Code	Coll Code	Broker	DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	1.39
DTC	USD	J.P. Morgan Clearing Corp.	352	77843	02/01/2018	Net Earnings		4.18

Account : 1055082335

**Total Earnings 1.56**  
**Less Total Rebate -4.07**  
**Total Gross 5.63**  
**Less Bank Fee at 25 1.41**  
**Net Earnings 4.22**

## 2018 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
FUND BALANCE	-	-	-	-	-	-	0%
NET ASSETS - RESERVES	3,204,320.00	-	3,204,320.00	-	-	3,204,320.00	0%
<b>Total RA FUND BALANCE, NET AS</b>	<b>3,204,320.00</b>	<b>-</b>	<b>3,204,320.00</b>	<b>-</b>	<b>-</b>	<b>3,204,320.00</b>	<b>0%</b>
ER CONTR-BEHAVE.HEALTH	-	-	-	-	-	-	0%
ER CONTR-MOSQUITO CONT	-	-	-	(1,800.83)	-	-	0%
ER CONTR-HEALTH FUND	-	-	-	(11,166.30)	-	-	0%
ER CONTR-ROAD COMMISS.	-	-	-	-	-	-	0%
ER CONTR-LIBRARY	-	-	-	-	-	-	0%
ER CONTR-GOLF COURSE	-	-	-	(577.76)	-	-	0%
ER CONTR-GENERAL FUND	-	-	-	(66,808.39)	-	-	0%
ER CONTR-DWS	(90,000.00)	-	(90,000.00)	-	-	(90,000.00)	0%
ER CONTR-911 SERVICE	-	-	-	(7,320.82)	-	-	0%
ER CONTR-CHILD CARE	-	-	-	(8,030.29)	-	-	0%
ER CONTR-DIV ON AGING	-	-	-	(7,653.40)	-	-	0%
ER CONTR-RETIRE SYSTEM	-	-	-	(389.22)	-	-	0%
ER CONTR-GYPSY MOTH	-	-	-	(325.41)	-	-	0%
ER CONTR-HOME REHABIL.	-	-	-	(3.32)	-	-	0%
ER CONTR-100% TAX PYMT	-	-	-	(557.52)	-	-	0%
ER CONTR-MED CARE FAC.	(200,000.00)	-	(200,000.00)	-	-	(200,000.00)	0%
ER CONTR-SELF INSURANC	-	-	-	(105.76)	-	-	0%
ER CONTR-COMM.CORRECT.	-	-	-	(414.24)	-	-	0%
ER CONTR-F.O.C. FUND	-	-	-	(399.88)	-	-	0%
ER CONTR-HOUSING FUND	-	-	-	(966.86)	-	-	0%
ER CONTR-SOLDIER RELIE	-	-	-	-	-	-	0%
ER CONTR-SHERIFF DEPT	-	-	-	(28,202.59)	-	-	0%
<b>Total RJ LOCAL UNIT CONTRIBUT</b>	<b>(290,000.00)</b>	<b>-</b>	<b>(290,000.00)</b>	<b>(134,722.59)</b>	<b>-</b>	<b>(290,000.00)</b>	<b>46%</b>
INVESTMENT INTEREST/DIVIDENDS	(500,000.00)	-	(500,000.00)	-	-	(500,000.00)	0%
GAIN ON SALE OF INVESTMENTS	(1,457,870.00)	-	(1,457,870.00)	-	-	(1,457,870.00)	0%
UNREALIZED GAIN ON INVESTMENTS	-	-	-	-	-	-	0%
SECURITIES LENDING EARNINGS	-	-	-	-	-	-	0%
<b>Total RP INTEREST &amp; RENTALS</b>	<b>(1,957,870.00)</b>	<b>-</b>	<b>(1,957,870.00)</b>	<b>-</b>	<b>-</b>	<b>(1,957,870.00)</b>	<b>0%</b>
MISCELLANEOUS REVENUES	-	-	-	-	-	-	0%
COMMISSION RECAPTURE	(5,000.00)	-	(5,000.00)	-	-	(5,000.00)	0%
<b>Total RR OTHER REVENUE</b>	<b>(5,000.00)</b>	<b>-</b>	<b>(5,000.00)</b>	<b>-</b>	<b>-</b>	<b>(5,000.00)</b>	<b>0%</b>
PER DIEM	360.00	-	360.00	-	-	360.00	0%
<b>Total XE WAGES &amp; SALARIES</b>	<b>360.00</b>	<b>-</b>	<b>360.00</b>	<b>-</b>	<b>-</b>	<b>360.00</b>	<b>0%</b>

## 2018 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
OFFICE SUPPLIES	100.00	-	100.00	-	-	100.00	0%
PRINTING AND BINDING	150.00	-	150.00	-	-	150.00	0%
POSTAGE	70.00	-	70.00	1.88	-	70.00	3%
COMPUTER SUPPLIES	50.00	-	50.00	-	-	50.00	0%
<b>Total XI SUPPLIES</b>	<b>370.00</b>	<b>-</b>	<b>370.00</b>	<b>1.88</b>	<b>-</b>	<b>370.00</b>	<b>1%</b>
PROFESSIONAL SERVICES	130,000.00	-	130,000.00	13,978.36	-	130,000.00	11%
ACTUARIAL SERVICES	719.00	-	719.00	-	-	719.00	0%
INVESTMENT/BANK SERVICE CHARGE	10,000.00	-	10,000.00	-	-	10,000.00	0%
LEGAL FEES	-	-	-	-	-	-	0%
CONSULTANTS	16,000.00	-	16,000.00	4,000.00	-	12,000.00	25%
LOCAL TRAVEL MILEAGE	-	-	-	-	-	-	0%
EQUIPMENT RENTAL-COPY MACHINES	55.00	-	55.00	-	-	55.00	0%
INDIRECT COST EXPENSE	1,046.00	-	1,046.00	87.17	-	958.83	8%
LOSS ON DISPOSAL OF ASSET	350,000.00	-	350,000.00	-	-	350,000.00	0%
UNREALIZED LOSS ON INVESTMENTS	-	-	-	-	-	-	0%
INSURANCE AND BONDS	4,000.00	-	4,000.00	-	-	4,000.00	0%
<b>Total XL OTHER SERVICES AND C</b>	<b>511,820.00</b>	<b>-</b>	<b>511,820.00</b>	<b>18,065.53</b>	<b>-</b>	<b>507,732.83</b>	<b>4%</b>
<b>Revenue Total</b>	<b>(546,580.00)</b>	<b>-</b>	<b>(546,580.00)</b>	<b>(134,722.59)</b>			
<b>Expense Total</b>	<b>546,580.00</b>	<b>-</b>	<b>546,580.00</b>	<b>18,067.41</b>			
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,655.18)</b>			

**VEBA**

**Invoices Approved: Feb-18**

Invoice Date	Vendor	Amount	Description
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