

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
 AGENDA  
 TUESDAY, AUGUST 14, 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 - 3 .....	1.	JULY 10, 2018 ( <b>APPROVE</b> )
	IV.	PUBLIC INPUT
	A.	<a href="#"><u>ANDCO CONSULTING – 2Q REPORT</u></a> – PETER BROWN & HOWARD POHL
4 – 6 .....	B.	MONTHLY REPORTS - <b>RES NO. 2018-9</b>
	1.	PORTFOLIO VALUE 1/01/18 - 7/31/18
	2.	CHANGE IN NET ASSETS – 7/31/18
7 – 23 .....	3.	MONEY MANAGER REPORTS
	a.	CS MCKEE – ENDING 6/30/18; 2Q REPORT
	b.	DODGE & COX – ENDING 6/30/18; 2Q REPORT
	c.	LOOMIS – ENDING 6/30/18
	d.	MFS REPORTS – ENDING 6/30/18; 2Q REPORT; PROXY VOTE REPORT 2Q 2018 (AVAILABLE UPON REQUEST)
24 .....	4.	RECAPTURE SERVICES
	a.	CAPIS – 6/30/18
25 – 31 ....	5.	COMERICA – SUMMARY EARNINGS – 6/30/18
32 - 33 .....	6.	VEBA YTD BUDGET REPORT 7/31/18
34 .....	7.	INVOICES APPROVED – 7/31/18
35 – 36 ....	C.	ANNUAL VEBA VALUATION - DISCUSSION
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, SEPTEMBER 11, 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

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, AUGUST 14, 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**

VIII. MISCELLANEOUS BUSINESS

IX. ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
JULY 10, 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 July 10, 2018 at 2:18 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. Morse, Mr. Ryder, and Ms. Shutt.

**Trustees Absent:**

**Also Present:**

Consultant: AndCo Consulting - Howard Pohl and Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth

Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 2:18 p.m.

**MOTION 27:** Moved, supported and carried to excuse Trustee Pett.

**MOTION 28:** Moved, supported and carried to approve the minutes, as printed, from the June 12, 2018 regular meeting.

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

**RES. 2018-9:**

Moved, supported and carried to adopt resolution 2018-9 to receive the monthly reports Portfolio Value ending 06/30/18 (Today's value \$56,246,000), Monthly Change in Net Assets ending 06/30/18, Dodge & Cox- Ending 5/31/18, 2Q Funds Distribution Report; Loomis Sayles – Ending 5/31/18 Capis Recapture services ending 5/31/18, VEBA YTD Budget Report ending 6/30/18, and Approved Invoices Report ending 6/30/18.

**ANNOUNCEMENTS:**

- A. Next regularly scheduled meeting will be Tuesday, August 14, 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:** None

**NEW BUSINESS:** None

**MISCELLANEOUS BUSINESS:** None


**MINUTES** BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (**VEBA**)  
JULY 10, 2018 – **REGULAR MEETING**

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**ADJOURNMENT:**

**MOTION 29:** Moved, supported and carried to adjourn the meeting at 2:21 p.m.

Respectfully submitted,



Jan Histed  
Secretary

Transcribed by: Tracy Cederquist

**MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE**  
    JULY 10, 2018    

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

**MOTIONS**

Trustee	27	28	29						
BRZEZINSKI	Y	M-Y	Y						
GONZALES	M-Y	Y	S-Y						
GRAY	Y	Y	Y						
GROMASKI	Y	Y	M-Y						
HEREK	Y	Y	Y						
MORSE	S-Y	Y	Y						
PETT	E	E	E						
RYDER	Y	Y	Y						
SHUTT	Y	S-Y	Y						

**RESOLUTIONS**

Trustee	9								
BRZEZINSKI	M-Y								
GONZALES	S-Y								
GRAY	Y								
GROMASKI	Y								
HEREK	Y								
MORSE	Y								
PETT	E								
RYDER	Y								
SHUTT	Y								

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
08/14/2018  
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 - 7/31/18
2. CHANGE IN NET ASSETS -7/31/18
3. MONEY MANAGER REPORTS
  - a. C.S. MCKEE – ENDING 6/30/18; 2Q 2018
  - b. DODGE & COX – ENDING 6/30/18; 2 Q 2018
  - c. LOOMIS SAYLES – ENDING 6/30/18
  - d. MFS GROWTH REPORTS – ENDING 6/30/18; 2Q 2018; MFS PROXY VOTE REPORT 2Q 2018
4. RECAPTURES SERVICES
  - a. CAPIS - SUMMARY ENDING 6/30/18
5. COMERICA-SUMMARY EARNINGS 6/30/18
6. VEBA YTD BUDGET REPORT – ENDING 7/31/18
7. INVOICES APPROVED - 7/31/18

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS AUGUST

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				Sandy Shutt			

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	53,997,705.32
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	8,567,329.65	515,050.14	10,183,635.03	16,331,844.27	9,314,996.99	3,997,779.71	4,939,853.55	53,850,489.34
Apr-18	8,628,614.89	165,590.08	10,128,723.42	16,204,343.60	9,396,766.20	4,506,740.40	4,939,853.55	53,970,632.14
May-18	8,803,702.06	538,553.78	10,493,137.06	16,305,299.90	9,935,346.30	4,367,928.58	4,921,548.11	55,365,515.79
Jun-18	8,825,508.52	538,963.23	10,538,064.79	16,325,788.89	9,901,094.39	4,318,136.25	4,921,548.11	55,369,104.18
Jul-18	9,207,993.69	123,770.99	10,807,630.99	16,325,080.29	10,127,902.18	5,013,409.39	4,942,468.62	56,548,256.15
Aug-18								0.00
Sep-18								0.00
Oct-18								0.00
Nov-18								0.00
Dec-18								0.00

### Money Manager Fees

2018	CS MCKEE	MFS	LOOMIS	TOTAL
1ST QTR	12,310.53	13,131.14	4,278.03	29,719.70
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

07/01/2018 through 07/31/2018  
 M03380

219

### Preliminary Changes In Net Assets

	COST VALUE	MARKET VALUE
BEGINNING BALANCE AS OF 07/01/2018	47,751,400.52	55,451,448.72
EARNINGS		
CASH INCOME	56,086.69	56,086.69
LESS PRIOR ACCRUED INCOME	114,849.44-	114,849.44-
PLUS CURRENT ACCRUED INCOME	107,986.53	107,986.53
REALIZED GAIN/LOSS ON SALE OF ASSETS	14,776.17	14,776.17
NET UNREALIZED GAIN OR LOSS	0.00	1,006,336.06
TOTAL EARNINGS	63,999.95	1,070,336.01
CONTRIBUTIONS & OTHER INCREASES		
EMPLOYER CONTRIBUTIONS	136,546.91	136,546.91
TOTAL CONTRIBUTIONS & OTHER INCREASES	136,546.91	136,546.91
DISTRIBUTIONS & OTHER DECREASES		
FEES & EXPENSES	1,876.70-	1,876.70-
TOTAL DISTRIBUTIONS & OTHER DECREASES	1,876.70-	1,876.70-
ENDING BALANCE AS OF 07/31/2018	47,950,070.68	56,656,454.94





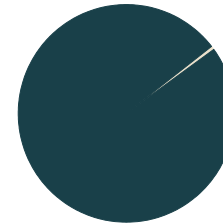
Account Statement - at 6/30/2018

90477

**Portfolio Summary**

	<i>QTD</i> 3/31/18 - 6/30/18	<i>YTD</i> 12/31/17 - 6/30/18
Beginning market value	\$16,414,037	\$16,607,225
Net additions and disbursements	0	16
Investment income	85,835	202,440
Portfolio appreciation / depreciation	-84,575	-394,384
<b>Ending market value</b>	<b>\$16,415,297</b>	<b>\$16,415,297</b>

**Allocation**



- Fixed Income
- Cash

	<i>Actual</i>	<i>Target</i>	<i>Diff</i>
Fixed Income	<b>99.3%</b>	100.0%	(-0.7%)
Cash	<b>0.7%</b>	0.0%	+0.7%

*Actual*

**Performance**

(2/7/2012)\*

	<i>QTD</i>	<i>YTD</i>	<i>1 yr</i>	<i>3 yr</i>	<i>5 yr</i>	<i>ITD</i>
<b>Fixed Income</b>	<b>0.01%</b>	<b>-1.17%</b>	<b>0.27%</b>	<b>2.17%</b>	<b>2.70%</b>	<b>2.38%</b>
BC Aggregate	-0.16%	-1.62%	-0.40%	1.72%	2.27%	1.92%

Periods greater than 1 year are annualized

\* Performance Start Date

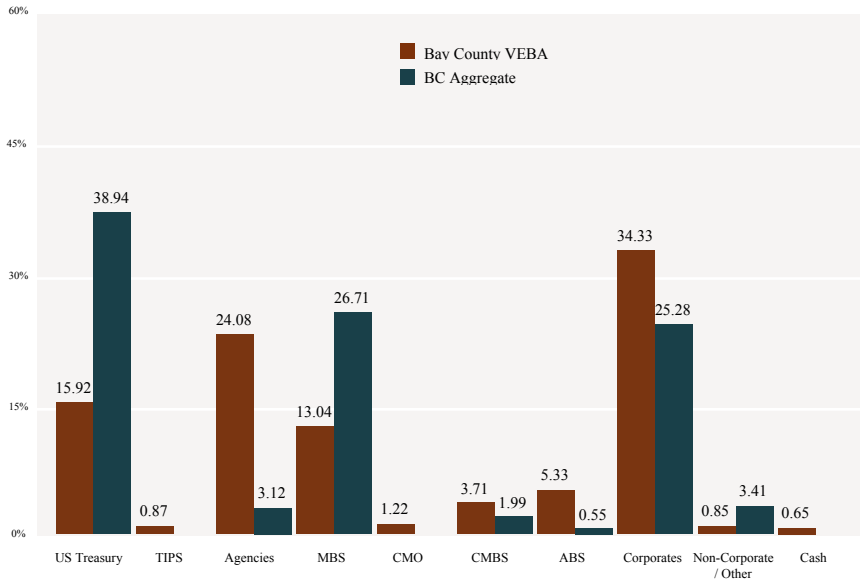
# Bay County VEBA

## Fixed Income Portfolio Characteristics - at 6/30/2018

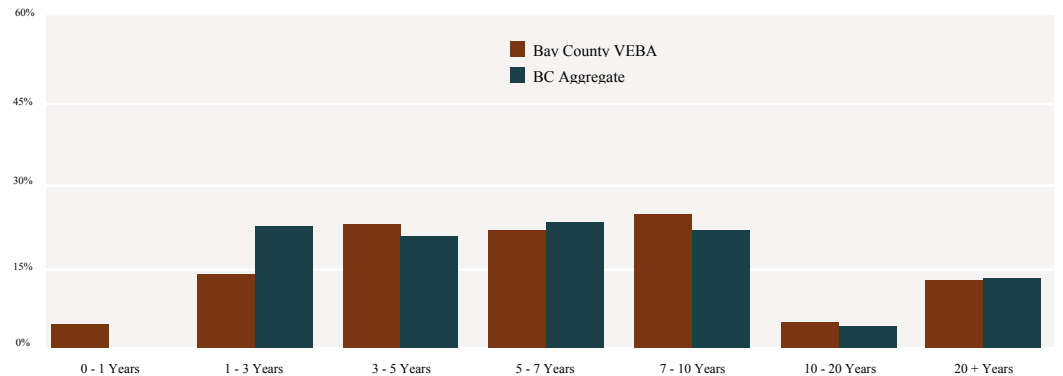
Benchmark Comparisons	Bay County VEBA	BC Aggregate	Variance
Effective Duration	<b>6.29 yrs.</b>	6.01 yrs.	0.28 yrs.
Average Convexity	<b>-0.10</b>	0.17	-0.27 yrs.
Average Maturity	<b>8.38 yrs.</b>	8.08 yrs.	0.31
Yield to Maturity	<b>3.46 %</b>	3.28 %	0.18 %
Average Coupon	<b>3.26 %</b>	3.10 %	0.15 %
Average Quality	<b>Aa2</b>	Aa2	N/A

Top 10 Largest Holdings	Coupon	Maturity	Sector	% of Portfolio
UNITED STATES TREAS	2.750	11/15/2047	US Treasuries	2.53
FEDERAL HOME LN MTG	3.250	06/14/2023	US Agencies	2.26
UNITED STATES TREAS	2.000	06/30/2024	US Treasuries	2.24
UNITED STATES TREAS	2.500	01/31/2025	US Treasuries	2.11
UNITED STATES TREAS	2.250	10/31/2024	US Treasuries	1.72
UNITED STATES TREAS	2.250	11/15/2027	US Treasuries	1.45
UNITED STATES TREAS	3.125	05/15/2048	US Treasuries	1.43
AMERICREDIT AUTO REC	1.900	03/18/2022	Asset Backed Sec	1.40
FNMA PASSTHRU AS7388	3.500	06/01/2046	Mortgage Backed	1.34
FEDERAL FARM CR BKS	3.700	03/13/2028	US Agencies	1.30

### Sector Allocation



### Term Structure



*Investment Summary - at 6/30/2018*

90477

<i>Asset Class</i>	<i>Total Cost</i>	<i>Weight at Cost</i>	<i>Market Value</i>	<i>Accrued Income</i>	<i>Total Value</i>	<i>Weight at Market</i>
<b><i>Fixed Income</i></b>	\$16,506,330.08	99.35%	\$16,195,381.73	\$111,374.52	<b>\$16,306,756.25</b>	<b>99.34%</b>
<b><i>Cash</i></b>	\$108,540.45	0.65%	\$108,540.45	\$0.00	<b>\$108,540.45</b>	<b>0.66%</b>
<b><i>Total Portfolio</i></b>	\$16,614,870.53	100.00%	\$16,303,922.18	\$111,374.52	<b>\$16,415,296.70</b>	<b>100.00%</b>

# C.S. McKee, L.P.

## Account Overview

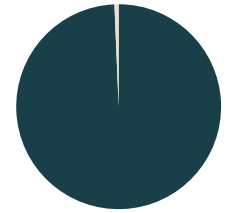
Bay County VEBA

Client Code: 90477  
 As Of Date: 6/30/2018  
 Report: Calendar

## Asset Allocation

As of 6/30/2018

Large-Cap Equity	\$	-	0.00%
Small-Cap Equity	\$	-	0.00%
Fixed Income	\$	16,306,756.25	99.34%
Intl Mutual Fund	\$	-	0.00%
Cash	\$	108,540.45	0.66%
Other	\$	-	0.00%
<b>Total Portfolio:</b>	<b>\$</b>	<b>16,415,296.70</b>	<b>100.00%</b>



## Performance

As of 6/30/2018

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	16,434,196.92	-	-	-	16,434,196.92	-
Net Contributions (Distributions):	-	-	-	-	-	-
Income:	28,012.93	-	-	-	28,012.93	-
Market Appreciation (Depreciation):	(46,913.15)	-	-	-	(46,913.15)	-
Ending Market Value:	16,415,296.70	-	-	-	16,415,296.70	-
<b>Dollar-Weighted Return:</b>	<b>(0.12%)</b>	-	-	-	<b>(0.12%)</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 (0.12%)</b>	-	-	-	<b>(0.12%) (0.12%)</b>	-
	<i>Benchmark (0.12%)</i>	-	-	-	<i>(0.12%) (0.12%)</i>	-
	<b>Value Added (Gross) 0.00%</b>	-	-	-	<b>0.00% 0.00%</b>	-
<b>QTD</b>	<b>Gross 0.01%</b>	-	-	-	<b>0.01% (0.03%)</b>	-
	<i>Benchmark (0.16%)</i>	-	-	-	<i>(0.16%) (0.16%)</i>	-
	<b>Value Added (Gross) 0.17%</b>	-	-	-	<b>0.17% 0.13%</b>	-
<b>YTD</b>	<b>Gross (1.17%)</b>	-	-	-	<b>(1.17%) (1.24%)</b>	-
	<i>Benchmark (1.62%)</i>	-	-	-	<i>(1.62%) (1.62%)</i>	-
	<b>Value Added (Gross) 0.45%</b>	-	-	-	<b>0.45% 0.38%</b>	-
<b>1 Year</b>	<b>Gross 0.27%</b>	-	-	-	<b>0.27% 0.20%</b>	-
	<i>Benchmark (0.40%)</i>	-	-	-	<i>(0.40%) (0.40%)</i>	-
	<b>Value Added (Gross) 0.67%</b>	-	-	-	<b>0.67% 0.60%</b>	-
<b>3 Year</b>	<b>Gross 2.17%</b>	-	-	-	<b>2.17% 2.19%</b>	-
	<i>Benchmark 1.72%</i>	-	-	-	<i>1.72% 1.72%</i>	-
	<b>Value Added (Gross) 0.45%</b>	-	-	-	<b>0.45% 0.47%</b>	-
<b>5 Year</b>	<b>Gross 2.70%</b>	-	-	-	<b>2.70% 2.75%</b>	-
	<i>Benchmark 2.27%</i>	-	-	-	<i>2.27% 2.27%</i>	-
	<b>Value Added (Gross) 0.43%</b>	-	-	-	<b>0.43% 0.48%</b>	-
<b>ITD</b>	<b>Gross 2.38%</b>	-	-	-	<b>2.38% 2.44%</b>	-
	<i>Benchmark 1.92%</i>	-	-	-	<i>1.92% 1.92%</i>	-
	<b>Value Added (Gross) 0.46%</b>	-	-	-	<b>0.46% 0.52%</b>	-

# DODGE & COX FUNDS

## Total Rates of Return For Periods Ending June 30, 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	1.48%	2.75%	.95%	11.87%	10.93%	12.81%	9.69%	9.16%
Dodge & Cox Global Stock Fund	.30%	-.74%	-3.39%	5.84%	7.34%	10.04%	7.25%	N.A.
Dodge & Cox International Stock Fund	-1.76%	-5.12%	-7.15%	.50%	2.06%	5.79%	3.68%	N.A.
Dodge & Cox Balanced Fund	1.03%	1.53%	.02%	6.88%	8.04%	9.62%	8.39%	8.11%
Dodge & Cox Income Fund	-.11%	-.33%	-1.23%	.37%	2.64%	3.09%	4.86%	5.24%
Dodge & Cox Global Bond Fund†	-.56%	-2.38%	-1.95%	.38%	3.41%	2.93%	N.A.	N.A.
<u>Comparative Indices</u>								
S&P 500 Index	.62%	3.43%	2.65%	14.37%	11.93%	13.42%	10.17%	6.46%
MSCI World Index	-.05%	1.73%	.43%	11.09%	8.48%	9.94%	6.26%	N.A.
MSCI EAFE Index	-1.22%	-1.24%	-2.75%	6.84%	4.90%	6.44%	2.84%	N.A.
Combined Index	.32%	1.99%	1.00%	8.34%	7.90%	8.98%	7.84%	6.07%
Bloomberg Barclays U.S. Aggregate Bond Index	-.12%	-.16%	-1.62%	-.40%	1.72%	2.27%	3.72%	4.70%
Bloomberg Barclays Global Aggregate Bond Index	-.44%	-2.78%	-1.46%	1.36%	2.58%	1.50%	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 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.

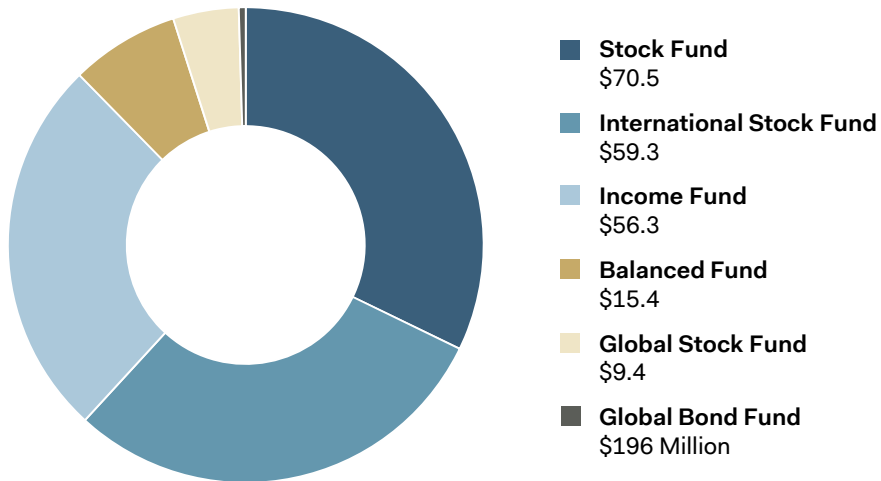
Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated above. Performance 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.

# Dodge & Cox Assets Under Management (\$ in Billions)

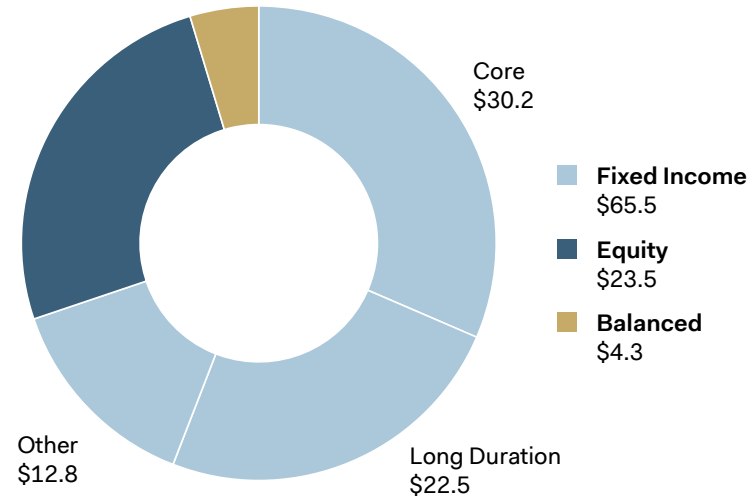
June 30, 2018

\$309.3 in Total Assets: \$181.7 in Equities / \$127.6 in Fixed Income

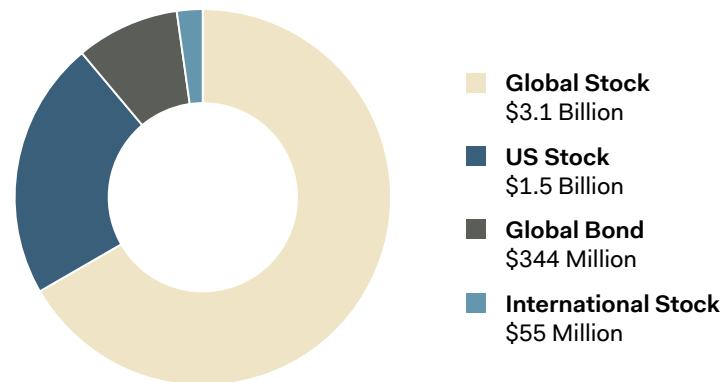
## Dodge & Cox Funds: \$211.0 Billion



## Separate Accounts: \$93.3 Billion



## Non-U.S. Funds (Irish UCITS): \$5.0 Billion



Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

# Dodge & Cox Investment Vehicles

Effective July 1, 2018

Dodge & Cox Funds <sup>(a)</sup>	Status	Account Minimum	Annual Expense Ratio / Fee Schedule
Stock Fund (DODGX)	Open		.52%
Global Stock Fund (DODWX)	Open		.63%
International Stock Fund (DODFX)	Closed to New Investors	\$2,500 (all Funds)	.63%
Balanced Fund (DODBX)	Open		.53%
Income Fund (DODIX)	Open		.43%
Global Bond Fund (DODLX)	Open		.45% <sup>(e)</sup>
<b>Institutional Separately Managed Accounts <sup>(b)</sup></b>			
Domestic Equity and Balanced	Open	\$60 million	.60% on the first \$25 million .40% thereafter
Core Fixed Income	Open	\$200 million	.35% on the first \$25 million .25% on the next \$75 million .15% on the next \$150 million .12% thereafter
Long Duration Fixed Income	Open	\$100 million	.35% on the first \$25 million .25% on the next \$75 million .15% on the next \$150 million .13% thereafter
Intermediate Fixed Income <sup>(c)</sup>	Open	\$100 million	.30% on the first \$50 million .25% on the next \$50 million .14% on the next \$100 million .11% thereafter
<b>Private Client Accounts <sup>(d)</sup> Individuals, Local Foundations and Endowments</b>			
Domestic Equity and Balanced	Open	Based on client circumstances	.60% on the first \$25 million .40% thereafter
<b>Tax-Exempt Municipal Bond</b>			
	Open	\$10 million	.35% on the first \$10 million .25% on the next \$20 million .20% on the next \$20 million .15% thereafter
<b>Non-U.S. Dodge &amp; Cox Funds (Irish UCITS)</b>			
Global Stock Fund	Open		.63% <sup>(f)</sup>
International Stock Fund	Open	\$50,000 outside the U.S. only	.70% <sup>(f)</sup>
U.S. Stock Fund	Open	(all Funds)	.63% <sup>(f)</sup>
Global Bond Fund	Open		.45% <sup>(f)</sup>

<sup>(a)</sup> For defined contribution plan assets, when a record keeper's aggregate client assets in the Dodge & Cox Funds reach \$5 million, a service fee may be paid by Dodge & Cox to the record keeper at the annual rate of 10 basis points for the Stock Fund, Global Stock Fund, International Stock Fund and Balanced Fund, and 8 basis points for the Income Fund and Global Bond Fund. <sup>(b)</sup> Prospective separate account relationships are considered on a case-by-case basis. Institutional fixed income accounts are subject to a minimum quarterly fee of \$37,500. <sup>(c)</sup> Dodge & Cox also manages stable value fixed income portfolios. <sup>(d)</sup> Private Client accounts are subject to a minimum quarterly fee of \$10,000. <sup>(e)</sup> Dodge & Cox has contractually agreed to reimburse the Fund for all ordinary expenses to the extent necessary to maintain Total Annual Fund Operating Expenses at 0.45% through April 30, 2019. The term of the agreement renews annually thereafter unless terminated with 30 days' written notice by either party prior to the end of the term. <sup>(f)</sup> Dodge & Cox has voluntarily agreed to reimburse the Funds for all ordinary expenses to the extent necessary to limit aggregate annual ordinary expenses to the percentage of the average daily net assets of each share class listed in the table. Dodge & Cox may terminate or modify this agreement upon 30 days' notice to shareholders.

Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

# Dodge & Cox Funds Performance Results

June 30, 2018

	Average Annual Total Returns for Periods Ended June 30, 2018						
	3 Months Ended <sup>(a)</sup>	YTD <sup>(a)</sup>	1 Year	3 Years	5 Years	10 Years	20 Years
<b>Stock Fund</b>	2.75%	0.95%	11.87%	10.93%	12.81%	9.69%	9.16%
S&P 500 Index	3.43%	2.65%	14.37%	11.93%	13.42%	10.17%	6.46%
Russell 1000 Value Index	1.18%	-1.69%	6.77%	8.26%	10.34%	8.49%	6.69%
<b>Global Stock Fund</b>	-0.74%	-3.39%	5.84%	7.34%	10.04%	7.25%	N.A. <sup>(b)</sup>
MSCI World Index	1.73%	0.43%	11.09%	8.48%	9.94%	6.26%	N.A. <sup>(b)</sup>
MSCI ACWI Index	0.53%	-0.43%	10.73%	8.19%	9.41%	5.80%	N.A. <sup>(b)</sup>
<b>International Stock Fund</b>	-5.12%	-7.15%	0.50%	2.06%	5.79%	3.68%	N.A. <sup>(c)</sup>
MSCI EAFE Index	-1.24%	-2.75%	6.84%	4.90%	6.44%	2.84%	N.A. <sup>(c)</sup>
MSCI ACWI ex USA Index	-2.61%	-3.77%	7.28%	5.07%	5.99%	2.54%	N.A. <sup>(c)</sup>
<b>Balanced Fund</b>	1.53%	0.02%	6.88%	8.04%	9.62%	8.39%	8.11%
Combined Index	1.99%	1.00%	8.34%	7.90%	8.98%	7.84%	6.07%
<b>Income Fund</b>	-0.33%	-1.23%	0.37%	2.64%	3.09%	4.86%	5.24%
Bloomberg Barclays U.S. Aggregate Bond Index	-0.16%	-1.62%	-0.40%	1.72%	2.27%	3.72%	4.70%
<b>Global Bond Fund<sup>(d)</sup></b>	-2.38%	-1.95%	0.38%	3.41%	2.93%	N.A. <sup>(e)</sup>	N.A.
Bloomberg Barclays Global Aggregate Bond Index	-2.78%	-1.46%	1.36%	2.58%	1.50%	N.A. <sup>(e)</sup>	N.A.

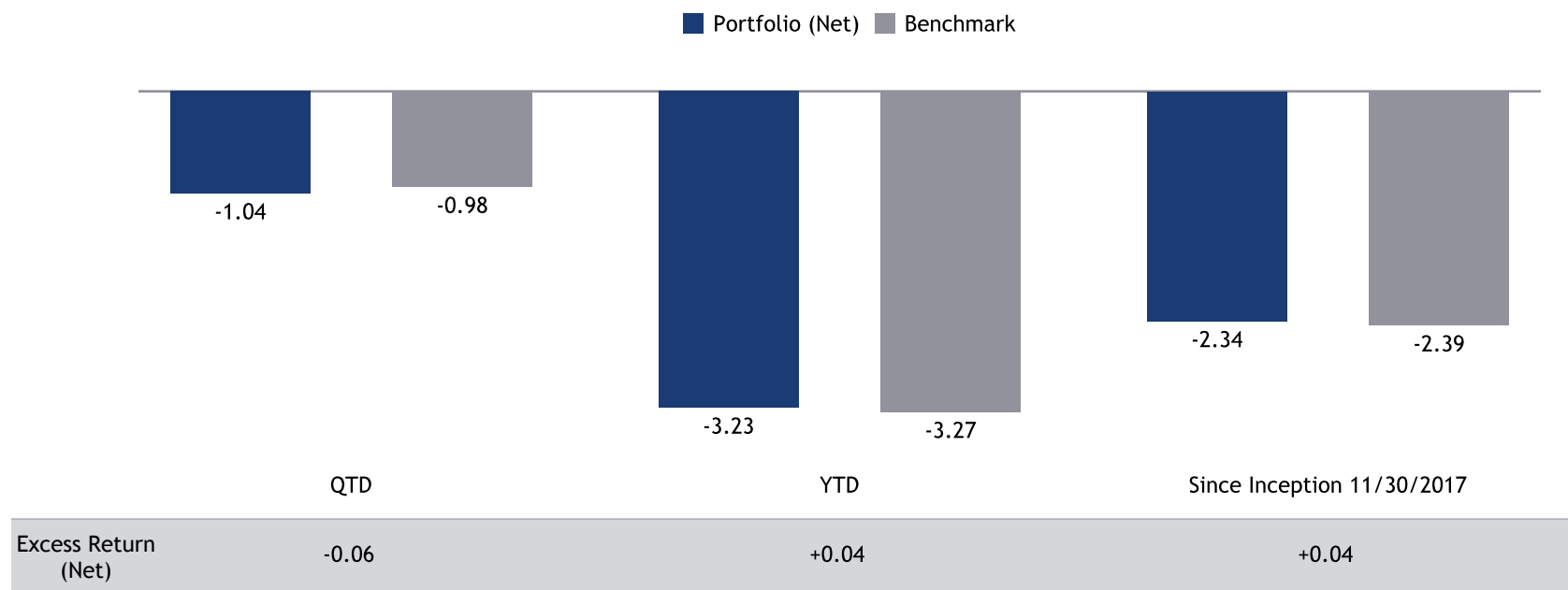
<sup>(a)</sup> Unannualized rate of total return. <sup>(b)</sup> Since Global Stock Fund's inception on May 1, 2008 through June 30, 2018: 5.72% vs. 5.45% MSCI World Index vs. 4.97% MSCI ACWI Index. <sup>(c)</sup> Since International Stock Fund's inception on May 1, 2001 through June 30, 2018: 7.36% vs. 4.81% MSCI EAFE Index vs. 5.47% MSCI ACWI free ex USA. <sup>(d)</sup> 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. <sup>(e)</sup> Since Global Bond Fund's inception on December 5, 2012 through June 30, 2018: 2.24% compared to 0.31% for the Bloomberg Barclays Global Aggregate Bond Index.

The Combined Index reflects an unmanaged portfolio (rebalanced monthly) of 60% of the S&P 500 Index, which is market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market, and 40% of the Bloomberg Barclays U.S. Aggregate Bond Index (BBG Barclays U.S. Agg), which is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable fixed income securities. 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 charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, or for current month-end performance figures, visit [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.



# performance

## TRAILING RETURNS AS OF 6/30/2018 (%)



### PORTFOLIO VALUATION (USD)

	Portfolio 3/31/2018	Portfolio 6/30/2018	Increase/Decrease
Total	4,939,854	4,892,782	-47,071

Data Source: Barclays Capital

Benchmarks: BBG B.ARC U.S. Corporate Investment Grade (11/30/2017 - 6/30/2018).

The current benchmark is Bloomberg Barclays Corporate Index. Returns over one year are annualized. Information is reported on a trade date basis.



**LOOMIS SAYLES**

Sources: Loomis, Sayles & Company, L.P. and others

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June 30, 2018

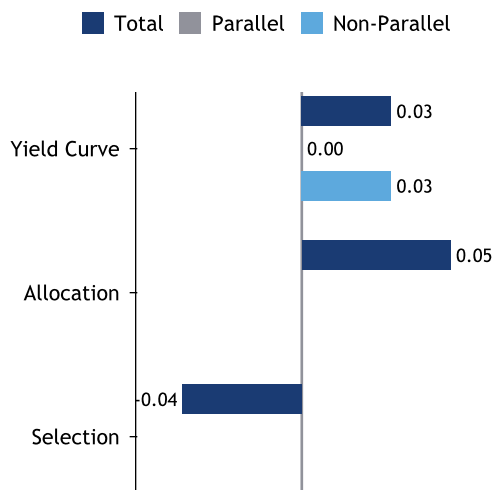
# performance attribution by sector

3/31/2018 TO 6/30/2018 (%)

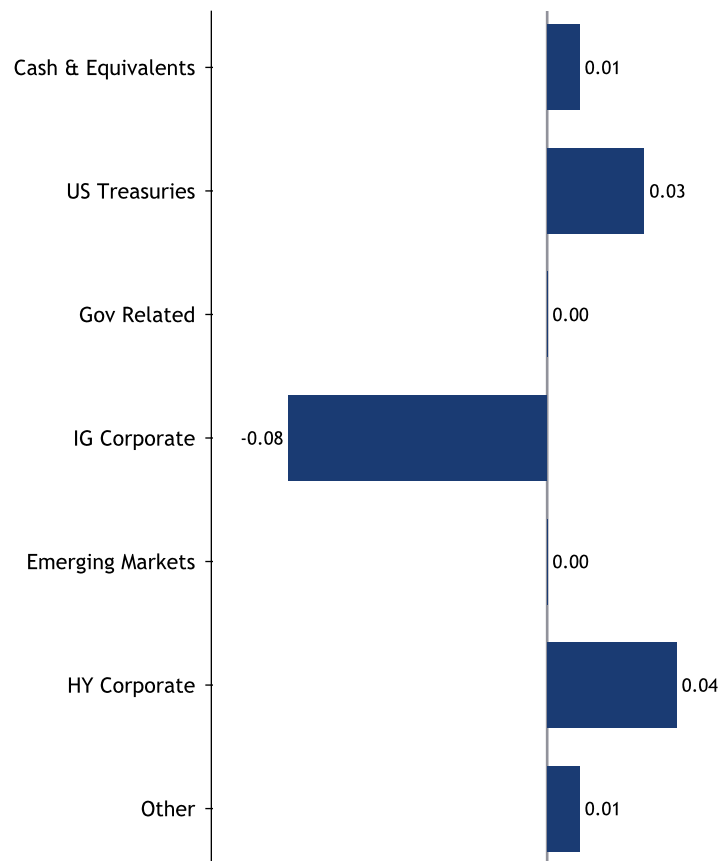
TOTAL RETURNS

	Total Return
Portfolio Return	-0.88
Benchmark Return	-0.98
Excess Return	0.09

EXCESS RETURN ATTRIBUTION



EXCESS RETURN ATTRIBUTION BY SECTOR



Data Source: Barclays Capital

Figures on the bar chart may not add up to total excess return as they exclude impact of trading and pricing differences. Excess Return by sector excludes yield curve impact. Values shown include impact of hedging if utilized. Unless otherwise noted, the performance shown is gross of management fees.

The current benchmark is Bloomberg Barclays Corporate Index. Information on this page reflects fund data.

# portfolio summary

3/31/2018 TO 6/30/2018

## PORTFOLIO SUMMARY

	3/31/2018			6/30/2018		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
Yield to Worst (%)	3.87	3.75	0.12	4.16	4.01	0.15
Maturity (years)	10.50	10.82	-0.32	10.73	10.77	-0.04
Effective Duration (years)	7.48	7.39	0.09	7.32	7.24	0.09
Coupon (%)	3.86	3.94	-0.08	3.96	3.95	0.01
Average Quality	A3	A3	-	A3	A3	-
OAS (bps)	116	108	8	132	121	12

## QUALITY SUMMARY (% OF TOTAL MARKET VALUE)

	3/31/2018			6/30/2018		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
AAA	5.77	2.45	3.32	6.15	2.35	3.80
AA	8.43	14.91	-6.47	10.90	16.53	-5.63
A	44.27	48.22	-3.96	37.57	45.97	-8.40
BAA	40.62	34.40	6.22	44.53	35.11	9.41
BA	0.91	0.02	0.89	0.86	0.04	0.82

Data Source: Barclays Capital

OAS is option adjusted spread.

Client Guideline Quality Methodology presented. Both duration and maturity for equity securities are deemed to be zero.

The current benchmark is Bloomberg Barclays Corporate Index. Information on this page reflects fund data.



LOOMIS SAYLES®

Sources: Loomis, Sayles & Company, L.P. and others

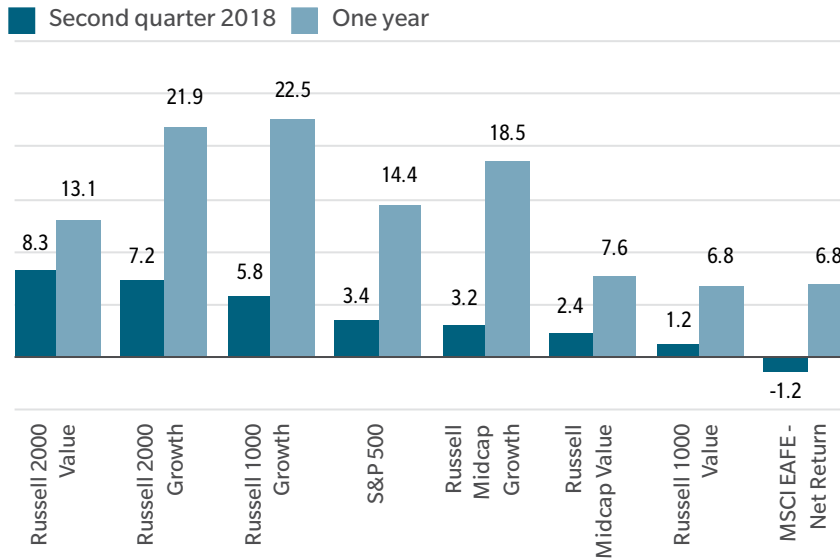
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June 30, 2018

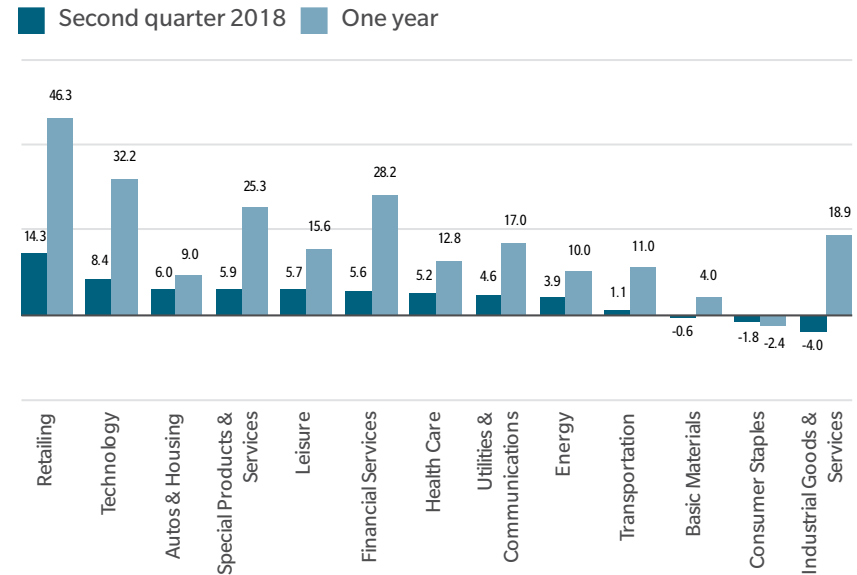
# Market Overview



Style performance (%) (USD) as of 30-Jun-18



Sector performance (%) (USD) as of 30-Jun-18



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

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

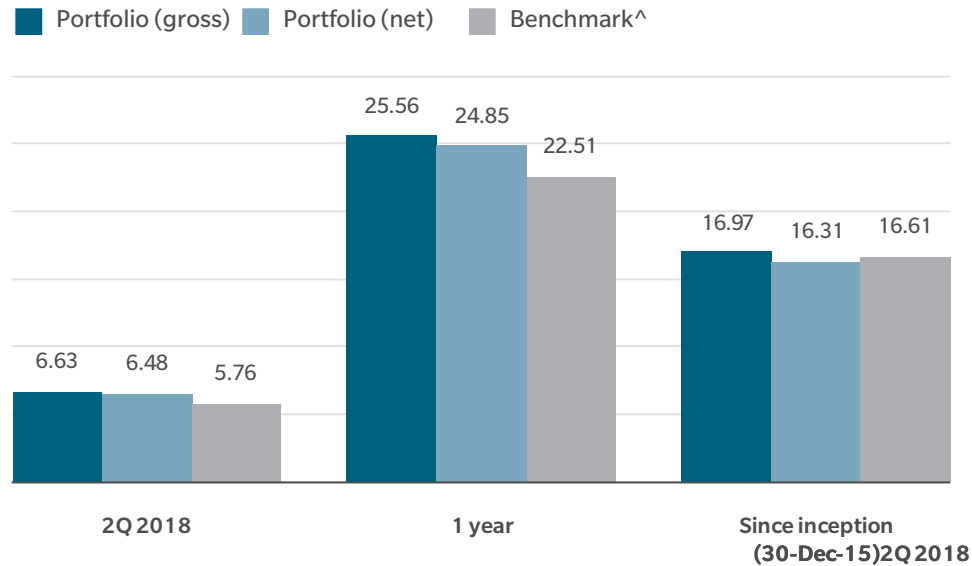
## US market review as of 30-June 2018

- The US market, as measured by the S&P 500 Index, grinded higher throughout the second quarter and ended the period above where it started. The market looked to balance the positive impact over recent tax cuts with concerns over higher interest rates and retaliation from foreign countries for recently imposed US tariffs.
- US economic growth (GDP) decreased from last quarter, with a final reading of 2.0% for Q1. Consumer spending slowed during what is typically a weaker period. As expected, the US Federal Reserve raised interest rates for the second time this year and signaled two more rate increases for 2018.
- Except for small cap stocks, the growth style of investing continued to outperform the value style during Q2. While consumer discretionary and the technology sectors continued to outperform the broad market, sectors such as energy and REITs helped value investors. In addition, small cap stocks outperformed mid and large cap stocks with the belief that they would see less impact from a possible trade war than larger multinational companies.

# Executive Summary



Performance results (%) gross and net of fees (USD) as of 30-Jun-18



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<sup>®</sup> Growth Index

## Asset summary (USD)

Beginning value as of 31-Mar-18	9,318,950
Contributions	0
Withdrawals	0
Change in market value	+618,653
Ending value as of 30-Jun-18	9,937,602

## Sector weights (%) as of 30-Jun-18

	Portfolio	Benchmark <sup>^^</sup>
<b>Top overweights</b>		
Special Products & Services	10.8	6.2
Financial Services	11.0	7.8
Leisure	10.0	6.8
<b>Top underweights</b>		
Industrial Goods & Services	4.3	7.7
Technology	30.0	33.3
Retailing	9.3	11.6

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

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

1 year	Since inception
The Growth Equity portfolio outperformed the Russell 1000 <sup>®</sup> Growth Index in the second quarter of 2018.	

### Contributors

- Technology – Stock selection
- Leisure – Stock selection
- Individual stocks:
  - Visa Inc

### Detractors

- Health Care – Stock selection
- Special Products & Services – Stock selection
- Consumer Staples – Stock selection
- Individual stocks:
  - Apple Inc
  - Morgan Stanley
  - T-Mobile Us Inc

# Performance Results



Performance results (%) gross and net of fees (USD) as of 30-Jun-18

Period	Portfolio gross (%)	Portfolio net (%)	Benchmark^ (%)	Excess return net vs benchmark (%)
2Q 2018	6.63	6.48	5.76	0.72
1Q 2018	5.00	4.86	1.42	3.44
4Q 2017	6.71	6.55	7.86	-1.31
3Q 2017	5.09	4.94	5.90	-0.96
2018 YTD	11.97	11.65	7.25	4.40
2017	31.11	30.36	30.21	0.15
2016	2.59	2.01	7.08	-5.07
1 year	25.56	24.85	22.51	2.34
Since client inception (30-Dec-15)	16.97	16.31	16.61	-0.30

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

# Bay County Voluntary Employees' Beneficiary Association Trust

Growth Equity



Performance results (%) gross and net of fees (USD)	Portfolio		Benchmark <sup>^</sup>	Excess returns Net vs benchmark
	Gross of fees	Net of fees		
2Q 2018	6.63	6.48	5.76	0.72
2018 YTD	11.97	11.65	7.25	4.40
1 year	25.56	24.85	22.51	2.34
Since client inception (30-Dec-15)	16.97	16.31	16.61	-0.30

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	19.1%	17.9%
Price/earnings (12 months forward ex-negative earnings)	25.6x	20.8x
<b>Market capitalization</b>		
Market capitalization (USD) <sup>1</sup>	259.3 bn	275.7 bn
<b>Diversification</b>		
Top ten holdings	42%	34%
Number of holdings	78	542
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	17%	–
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>3</sup>	2.76%	–

<sup>1</sup> Weighted average.

<sup>2</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>3</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-Mar-18	9,318,950
Contributions	0
Withdrawals	0
Change in market value	+618,653
Ending value as of 30-Jun-18	9,937,602

Top 10 issuers	Sector	% of Portfolio
VISA INC	Financial Services	7.4
ALPHABET INC	Technology	6.6
AMAZON.COM INC	Retailing	6.2
MICROSOFT CORP	Technology	5.7
FACEBOOK INC	Technology	4.7
ADOBE SYSTEMS INC	Technology	4.3
NETFLIX INC	Leisure	2.9
SALESFORCE.COM INC	Technology	2.4
THERMO FISHER SCIENTIFIC INC	Health Care	2.3
ACTIVISION BLIZZARD INC	Leisure	2.0

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## FOR MORE INFORMATION CONTACT

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 Email: khyland@mfs.com

Thomas Shanley, Client Service Manager  
 Phone: 617-954-7492  
 Email: tshanley@mfs.com

# Bay County Voluntary Employees' Beneficiary Association Trust

Growth Equity



Sectors (%)	Portfolio	Benchmark^^
Technology	30.0	33.3
Health Care	11.7	13.1
Financial Services	11.0	7.8
Special Products & Services	10.8	6.2
Leisure	10.0	6.8
Retailing	9.3	11.6
Industrial Goods & Services	4.3	7.7
Consumer Staples	3.8	4.8
Autos & Housing	2.7	1.9
Transportation	1.9	2.7
Utilities & Communications	1.8	1.2
Energy	1.0	0.8
Basic Materials	-	2.0

1.7% 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.

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## FOR MORE INFORMATION CONTACT

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Email: khyland@mfs.com

Thomas Shanley, Client Service Manager

Phone: 617-954-7492

Email: tshanley@mfs.com



## Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 6/30/2018

### TOTAL COMMISSION

### COMMISSION ALLOCATION

	<u>TOTAL COMMISSION</u>		<u>COMMISSION ALLOCATION</u>			
	<u>June</u>	<u>YTD</u>	<u>Execution</u>		<u>Recapture</u>	
			<u>June</u>	<u>YTD</u>	<u>June</u>	<u>YTD</u>
<b>Beginning Balance</b>					\$0.00	\$0.00
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>\$ 0.00</b>	<b>\$ 0.00</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>				
					<b>Total Earned</b>	<b>\$ 0.00</b>
					<b>Total Redeemed</b>	<b>\$ 0.00</b>
					<b>Balance as of 6/30/2018</b>	<b>\$ 0.00</b>

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 6/30/2018

**Summary of Activity by Month**

	Commission		Recapture Allocation		Redeemed Recapture		Balance
	Month	YTD	Month	YTD	Month	YTD	
<b>Beginning Balance</b>							<b>\$ 0.00</b>
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
February	.00	.00	.00	.00	.00	.00	.00
March	.00	.00	.00	.00	.00	.00	.00
April	.00	.00	.00	.00	.00	.00	.00
May	.00	.00	.00	.00	.00	.00	.00
June	.00	.00	.00	.00	.00	.00	.00

**BAY COUNTY VEBA TRUST  
SECURITIES LOAN STATEMENT  
June 2018  
Account Officer : DANIEL BERD**

<b>TOTAL EARNINGS</b>	<b>\$711.51</b>
<b>LESS TOTAL REBATE</b>	<b>\$674.55</b>
<b>TOTAL GROSS</b>	<b>\$36.96</b>
<b>LESS BANK FEE</b>	<b>\$9.11</b>
<b>TOTAL NET EARNINGS</b>	<b>\$27.85</b>



# CLIENT EARNINGS REPORT

For the Period  
6/1/2018 To 6/30/2018

## 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
<b>Account: 1055082335</b>									
00507V109 06/19/2018	ACTIVISION BLIZZARD INC ,	2,478	80.00	198,240.00	06/19/2018	1.8000	1.98423	9.91	10.93
									Total Earnings 10.93
									Less Total Rebate 9.91
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.25
DTC	USD	Citigroup Global Markets Inc		418	93306	06/20/2018	Net Earnings		0.77
09857L108 06/20/2018	BOOKING HOLDINGS INC ,	68	2,183.00	148,444.00	06/20/2018	1.9000	1.96833	7.83	8.12
									Total Earnings 8.12
									Less Total Rebate 7.83
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.07
DTC	USD	Citigroup Global Markets Inc		418	93428	06/29/2018	Net Earnings		0.22
285512109 06/22/2018	ELECTRONIC ARTS INC ,	1,359	147.00	199,773.00	06/22/2018	1.9100	1.98901	10.60	11.04
		1,359	147.00	199,773.00	06/23/2018	1.9100	1.98901	10.60	11.04
		1,359	147.00	199,773.00	06/24/2018	1.9100	1.98900	10.60	11.04
		1,359	145.00	197,055.00	06/25/2018	1.9100	1.99240	10.45	10.91
									Total Earnings 44.03
									Less Total Rebate 42.25
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.44
DTC	USD	Citigroup Global Markets Inc		418	93748	06/26/2018	Net Earnings		1.34
30303M102 06/19/2018	FACEBOOK INC-A ,	2,401	203.00	487,403.00	06/19/2018	1.9000	1.98423	25.72	26.86
		2,401	202.00	485,002.00	06/20/2018	1.9000	1.96833	25.60	26.52
									Total Earnings 53.38
									Less Total Rebate 51.32
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.51
DTC	USD	Citigroup Global Markets Inc		418	93305	06/25/2018	Net Earnings		1.55



# CLIENT EARNINGS REPORT

For the Period  
6/1/2018 To 6/30/2018

## 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
30303M102 06/22/2018	FACEBOOK INC-A ,								
		2,401	206.00	494,606.00	06/22/2018	1.9100	1.98901	26.24	27.33
		2,401	206.00	494,606.00	06/23/2018	1.9100	1.98901	26.24	27.33
		2,401	206.00	494,606.00	06/24/2018	1.9100	1.98900	26.24	27.33
									Total Earnings 81.99
									Less Total Rebate 78.72
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.81
DTC	USD	Citigroup Global Markets Inc		418	93752	06/25/2018	Net Earnings		2.46
43300A203 06/19/2018	HILTON WORLDWIDE HOLDINGS IN ,								
		479	87.00	41,673.00	06/19/2018	1.8000	1.98423	2.08	2.30
									Total Earnings 2.30
									Less Total Rebate 2.08
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.05
DTC	USD	Citigroup Global Markets Inc		418	93302	06/20/2018	Net Earnings		0.17
714264207 06/05/2018	PERNOD-RICARD SA-UNSPON ADR ,								
		794	35.00	27,790.00	06/05/2018	-17.6250	1.90144	-13.61	1.47
									Total Earnings 1.47
									Less Total Rebate -13.61
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	3.77
DTC	USD	J.P. Morgan Clearing Corp.		352	91861	06/06/2018	Net Earnings		11.31
<b>Account : 1055082335</b>									<b>Total Earnings 202.22</b>
									<b>Less Total Rebate 178.50</b>
									<b>Total Gross 23.72</b>
									<b>Less Bank Fee at 25 5.90</b>
									<b>Net Earnings 17.82</b>

### Account: 1055082344

912810RT7 US TREASURY N/B  
05/25/2018 2.250, 08/15/2046



# CLIENT EARNINGS REPORT

For the Period  
6/1/2018 To 6/30/2018

## 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	
		125,000	88.38	110,468.75	06/01/2018	1.9000	1.91877	5.83	5.89	
		125,000	88.38	110,468.75	06/02/2018	1.9000	1.90414	5.83	5.84	
		125,000	88.38	110,468.75	06/03/2018	1.9000	1.90414	5.83	5.84	
		125,000	88.38	110,468.75	06/04/2018	1.8800	1.90400	5.77	5.84	
		125,000	86.88	108,593.75	06/05/2018	1.8300	1.90144	5.52	5.74	
		125,000	86.88	108,593.75	06/06/2018	1.8100	1.90835	5.46	5.76	
		125,000	86.88	108,593.75	06/07/2018	1.8100	1.89853	5.46	5.73	
		125,000	86.88	108,593.75	06/08/2018	1.7800	1.88566	5.37	5.69	
		125,000	86.88	108,593.75	06/09/2018	1.7800	1.88565	5.37	5.69	
		125,000	86.88	108,593.75	06/10/2018	1.7800	1.88566	5.37	5.69	
		125,000	86.88	108,593.75	06/11/2018	1.7700	1.91020	5.34	5.76	
		125,000	86.88	108,593.75	06/12/2018	1.7500	1.91048	5.28	5.76	
		125,000	86.88	108,593.75	06/13/2018	1.8000	1.92667	5.43	5.81	
		125,000	86.88	108,593.75	06/14/2018	1.9000	1.97141	5.73	5.95	
		125,000	86.88	108,593.75	06/15/2018	1.9700	1.97900	5.94	5.97	
		125,000	86.88	108,593.75	06/16/2018	1.9700	1.97901	5.94	5.97	
		125,000	86.88	108,593.75	06/17/2018	1.9700	1.97901	5.94	5.97	
		125,000	87.50	109,375.00	06/18/2018	1.9700	1.98401	5.99	6.03	
		125,000	87.88	109,843.75	06/19/2018	1.9600	1.98423	5.98	6.05	
		125,000	87.88	109,843.75	06/20/2018	1.9400	1.96833	5.92	6.01	
		125,000	87.88	109,843.75	06/21/2018	1.9600	1.99051	5.98	6.07	
		125,000	87.88	109,843.75	06/22/2018	1.9800	1.98901	6.04	6.07	
		125,000	87.88	109,843.75	06/23/2018	1.9800	1.98901	6.04	6.07	
		125,000	87.88	109,843.75	06/24/2018	1.9800	1.98900	6.04	6.07	
		125,000	87.88	109,843.75	06/25/2018	1.9800	1.99240	6.04	6.08	
		125,000	87.88	109,843.75	06/26/2018	1.9900	1.99382	6.07	6.08	
									Total Earnings	153.43
									Less Total Rebate	149.51
Sett Code	Coll Code	Broker	DTC ID		Loan ID	Closed Date	Less Bank Fee at	25.000		0.96
FBE	USD	Citigroup Global Markets Inc	418		91216	06/27/2018	Net Earnings			2.96

9128282P4 US TREASURY N/B  
06/06/2018 1.875, 07/31/2022



# CLIENT EARNINGS REPORT

For the Period  
6/1/2018 To 6/30/2018

## 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	
		76,000	99.25	75,430.00	06/06/2018	1.8100	1.90835	3.79	4.00	
		76,000	99.25	75,430.00	06/07/2018	1.8100	1.89853	3.79	3.98	
		76,000	99.25	75,430.00	06/08/2018	1.7800	1.88566	3.73	3.95	
		76,000	99.25	75,430.00	06/09/2018	1.7800	1.88565	3.73	3.95	
		76,000	99.25	75,430.00	06/10/2018	1.7800	1.88566	3.73	3.95	
		76,000	99.25	75,430.00	06/11/2018	1.7700	1.91020	3.71	4.00	
		76,000	99.25	75,430.00	06/12/2018	1.7500	1.91048	3.67	4.00	
		76,000	99.25	75,430.00	06/13/2018	1.8000	1.92667	3.77	4.04	
		76,000	99.25	75,430.00	06/14/2018	1.9000	1.97141	3.98	4.13	
		76,000	99.25	75,430.00	06/15/2018	1.9700	1.97900	4.13	4.15	
		76,000	99.25	75,430.00	06/16/2018	1.9700	1.97901	4.13	4.15	
		76,000	99.25	75,430.00	06/17/2018	1.9700	1.97901	4.13	4.15	
		76,000	99.25	75,430.00	06/18/2018	1.9700	1.98401	4.13	4.16	
		76,000	99.38	75,525.00	06/19/2018	1.9600	1.98423	4.11	4.16	
		76,000	99.38	75,525.00	06/20/2018	1.9400	1.96833	4.07	4.13	
		76,000	99.38	75,525.00	06/21/2018	1.9600	1.99051	4.11	4.18	
		76,000	99.38	75,525.00	06/22/2018	1.9800	1.98901	4.15	4.17	
		76,000	99.38	75,525.00	06/23/2018	1.9800	1.98901	4.15	4.17	
		76,000	99.38	75,525.00	06/24/2018	1.9800	1.98900	4.15	4.17	
		76,000	99.38	75,525.00	06/25/2018	1.9800	1.99240	4.15	4.18	
		76,000	99.38	75,525.00	06/26/2018	1.9900	1.99382	4.17	4.18	
									Total Earnings	85.95
									Less Total Rebate	83.48
Sett Code	Coll Code	Broker		DTC ID	Loan ID	Closed Date	Less Bank Fee at	25.000	0.57	
FBE	USD	Citigroup Global Markets Inc		418	92054	06/27/2018	Net Earnings		1.90	

9128283W8 US TREASURY N/B  
05/25/2018 2.750, 02/15/2028

# CLIENT EARNINGS REPORT

For the Period  
6/1/2018 To 6/30/2018

## 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
		214,000	102.38	219,082.50	06/01/2018	1.9000	1.91877	11.56	11.68
		214,000	102.38	219,082.50	06/02/2018	1.9000	1.90414	11.56	11.59
		214,000	102.38	219,082.50	06/03/2018	1.9000	1.90414	11.56	11.59
		214,000	102.38	219,082.50	06/04/2018	1.8800	1.90400	11.44	11.59
		214,000	101.25	216,675.00	06/05/2018	1.8300	1.90144	11.01	11.44
		214,000	101.25	216,675.00	06/06/2018	1.8100	1.90835	10.89	11.49
		182,000	101.25	184,275.00	06/07/2018	1.8100	1.89853	9.26	9.72
		182,000	101.25	184,275.00	06/08/2018	1.7800	1.88566	9.11	9.65
		182,000	101.25	184,275.00	06/09/2018	1.7800	1.88565	9.11	9.65
		182,000	101.25	184,275.00	06/10/2018	1.7800	1.88566	9.11	9.65
		182,000	101.25	184,275.00	06/11/2018	1.7700	1.91020	9.06	9.78
		182,000	101.25	184,275.00	06/12/2018	1.7500	1.91048	8.96	9.78
		182,000	101.25	184,275.00	06/13/2018	1.8000	1.92667	9.21	9.86
		182,000	101.25	184,275.00	06/14/2018	1.9000	1.97141	9.73	10.09
		182,000	101.25	184,275.00	06/15/2018	1.9700	1.97900	10.08	10.13
		182,000	101.25	184,275.00	06/16/2018	1.9700	1.97901	10.08	10.13
		182,000	101.25	184,275.00	06/17/2018	1.9700	1.97901	10.08	10.13
		182,000	101.50	184,730.00	06/18/2018	1.9700	1.98401	10.11	10.18
		182,000	101.75	185,185.00	06/19/2018	1.9600	1.98423	10.08	10.21
		182,000	101.75	185,185.00	06/20/2018	1.9400	1.96833	9.98	10.13
		182,000	101.75	185,185.00	06/21/2018	1.9600	1.99051	10.08	10.24
		182,000	101.75	185,185.00	06/22/2018	1.9800	1.98901	10.19	10.23
		182,000	101.75	185,185.00	06/23/2018	1.9800	1.98901	10.19	10.23
		182,000	101.75	185,185.00	06/24/2018	1.9800	1.98900	10.19	10.23
		182,000	101.75	185,185.00	06/25/2018	1.9800	1.99240	10.19	10.25
		182,000	101.75	185,185.00	06/26/2018	1.9900	1.99382	10.24	10.26

Total Earnings	269.91
Less Total Rebate	263.06
Less Bank Fee at 25.000	1.68
Net Earnings	5.17

Sett Code Coll Code Broker  
FBE USD Citigroup Global Markets Inc

DTC ID Loan ID Closed Date  
418 91218 06/27/2018

Account : 1055082344

<b>Total Earnings</b>	<b>509.29</b>
<b>Less Total Rebate</b>	<b>496.05</b>
<b>Total Gross</b>	<b>13.24</b>
<b>Less Bank Fee at 25</b>	<b>3.21</b>
<b>Net Earnings</b>	<b>10.03</b>



## Detailed Earnings Summary

<b>Total Earnings :</b>	<b>\$711.51</b>
<b>Total Rebate Expense :</b>	<b>\$674.55</b>
<b>Total Gross :</b>	<b>\$36.96</b>
<b>Total Bank Fees :</b>	<b>\$9.11</b>
<b>Total Net Earnings :</b>	<b>\$27.85</b>

## 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	-	-	-	(7,254.50)	-	7,254.50	0%
ER CONTR-HEALTH FUND	-	-	-	(41,216.55)	-	41,216.55	0%
ER CONTR-ROAD COMMISS.	-	-	-	(60,000.00)	-	60,000.00	0%
ER CONTR-LIBRARY	-	-	-	(18,000.00)	-	18,000.00	0%
ER CONTR-GOLF COURSE	-	-	-	(3,379.24)	-	3,379.24	0%
ER CONTR-GENERAL FUND	-	-	-	(243,323.76)	-	243,323.76	0%
ER CONTR-DWS	(90,000.00)	-	(90,000.00)	(42,991.04)	-	(47,008.96)	48%
ER CONTR-911 SERVICE	-	-	-	(27,588.59)	-	27,588.59	0%
ER CONTR-CHILD CARE	-	-	-	(26,899.25)	-	26,899.25	0%
ER CONTR-DIV ON AGING	-	-	-	(28,315.13)	-	28,315.13	0%
ER CONTR-RETIRE SYSTEM	-	-	-	(1,484.33)	-	1,484.33	0%
ER CONTR-GYPSY MOTH	-	-	-	(1,516.10)	-	1,516.10	0%
ER CONTR-HOME REHABIL.	-	-	-	(3.32)	-	3.32	0%
ER CONTR-100% TAX PYMT	-	-	-	(2,005.59)	-	2,005.59	0%
ER CONTR-MED CARE FAC.	(200,000.00)	-	(200,000.00)	(242,964.44)	-	42,964.44	121%
ER CONTR-SELF INSURANC	-	-	-	(277.17)	-	277.17	0%
ER CONTR-COMM.CORRECT.	-	-	-	(1,349.93)	-	1,349.93	0%
ER CONTR-F.O.C. FUND	-	-	-	(1,508.79)	-	1,508.79	0%
ER CONTR-HOUSING FUND	-	-	-	(3,586.53)	-	3,586.53	0%
ER CONTR-SOLDIER RELIE	-	-	-	-	-	-	0%
ER CONTRIB-LOCAL CFO TR	-	-	-	(401.15)	-	401.15	0%
ER CONTRIB-CONC PISTOL	-	-	-	(300.30)	-	300.30	0%
ER CONTR-SHERIFF DEPT	-	-	-	(103,368.95)	-	103,368.95	0%
<b>Total RJ LOCAL UNIT CONTRIBUT</b>	<b>(290,000.00)</b>	<b>-</b>	<b>(290,000.00)</b>	<b>(857,734.66)</b>	<b>-</b>	<b>567,734.66</b>	<b>296%</b>
INVESTMENT INTEREST/DIVIDENDS	(500,000.00)	-	(500,000.00)	(216.73)	-	(499,783.27)	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	-	-	-	(4.22)	-	4.22	0%
<b>Total RP INTEREST &amp; RENTALS</b>	<b>(1,957,870.00)</b>	<b>-</b>	<b>(1,957,870.00)</b>	<b>(220.95)</b>	<b>-</b>	<b>(1,957,649.05)</b>	<b>0%</b>
MISCELLANOUS 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>

## 2018 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
TRANSFERS IN FROM GENERAL FUND	(1,464,000.00)		(1,464,000.00)	(1,464,000.00)	-	-	
<b>TOTAL OTHER FINANCING SOURCE</b>	<b>(1,464,000.00)</b>	-	<b>(1,464,000.00)</b>	<b>(1,464,000.00)</b>	-	-	
PER DIEM	360.00	-	360.00	-	-	360.00	0%
<b>Total XE WAGES &amp; SALARIES</b>	<b>360.00</b>	-	<b>360.00</b>	-	-	<b>360.00</b>	<b>0%</b>
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	-	68.12	3%
COMPUTER SUPPLIES	50.00	-	50.00	-	-	50.00	0%
<b>Total XI SUPPLIES</b>	<b>370.00</b>	-	<b>370.00</b>	<b>1.88</b>	-	<b>368.12</b>	<b>1%</b>
PROFESSIONAL SERVICES	130,000.00	-	130,000.00	43,698.06	-	86,301.94	34%
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	8,000.00	-	8,000.00	50%
LOCAL TRAVEL MILEAGE	-	-	-	-	-	-	0%
EQUIPMENT RENTAL-COPY MACHINES	55.00	-	55.00	-	-	55.00	0%
INDIRECT COST EXPENSE	1,046.00	-	1,046.00	610.18	-	435.82	58%
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>511,820.00</b>	<b>52,308.24</b>	-	<b>459,511.76</b>	<b>10%</b>
<b>Revenue Total</b>	<b>(512,550.00)</b>	-	<b>(512,550.00)</b>	<b>(2,321,955.61)</b>			
<b>Expense Total</b>	<b>512,550.00</b>	-	<b>512,550.00</b>	<b>52,310.12</b>			
<b>Grand Total</b>	<b>-</b>	-	<b>-</b>	<b>(2,269,645.49)</b>			

**VEBA**

**Invoices Approved:**

**Jul-18**

Invoice Date	Vendor	Amount	Description
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**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM  
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**

BAY COUNTY BUILDING  
515 CENTER AVENUE  
BAY CITY, MICHIGAN 48708-5128

Jan Histed  
Secretary

**BOARD OF TRUSTEES**  
Steven Gray, Chairperson  
Richard Brzezinski  
Kristal Gonzales  
Richard Gromaski  
Thomas M. Herek  
Jon Morse  
Matthew Pett  
Thomas Ryder  
Sandy Shutt

TO: STEVE GRAY, CHAIR, VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

FROM: KATIE MEETH, RETIREMENT ADMINISTRATOR

DATE: AUGUST 13, 2018

RE: ANNUAL VEBA VALUATION

**ADMINISTRATIVE STAFF**  
Katie Meeth  
Tracy Cederquist  
(989) 895-4043  
TDD (989) 895-4049  
FAX (989) 895-2076

**Request:**

For the Board to review and discuss whether it is beneficial for the VEBA and its members to have the actuaries produce a valuation annually as opposed biennially.

**Background:**

Since the inception of the VEBA Gabriel Roeder Smith & Company has prepared an Actuarial Valuation every other year. GASB requires that an actuarial valuation of the VEBA plan is prepared at least every other year. Submitted in this report are the results of an Actuarial Valuation of the assets and liabilities associated with the employer financed retiree health benefits provided by Bay County Employers via the Bay County Voluntary Employees' Beneficiary Association. The most recent VEBA Valuation dated as of 12/31/15 shows that BABH has a funded ratio of 169.3% while all other employers have a funding ratios ranging from 3% to 37%.

In accordance with Public Act 202 of 2017, pension and retiree health care reports for retirement systems shall be electronically filed with the Michigan Department of Treasury. For Retirement Health Care Plans (OPEB) a determination of "underfunded status" is made if the plan total assets are less than 40% of the plan total liabilities. Employer groups that trigger the underfunded status from the Michigan Treasury Department must file a corrective action plan with the Michigan Municipal Stability Board. A corrective action plan must show, through supporting documentation, how and when a retirement system will get to a funded level of 40%. For Healthcare Systems corrective action plan supporting documentation must include an actuarial projection, actuarial valuation, or an internal developed analysis.

At this time is uncertain what supporting documentation the MI Treasury would prefer submitted with an employer's corrective action plan. GRS has indicated that they would work with each employer to forecast reaching this 40% trigger. The actuarial projection prepared by

GRS would provide a projection of actuarial accrued liabilities, market value assets, and funded status by year; this would give the employer a projection of when they would reach 40% funded status.

The biennial actuarial valuation shows the current funded status of a plan and the annual required contribution. The actuarial valuation does not estimate when a plan would reach the trigger 40% funded status and would require an internal estimate of when this figure would be reached if submitted as the corrective action plans supporting documentation.

**Finance/Economics:**

Currently we pay \$40,000 every two years for GRS to prepare an actuarial valuation for the VEBA. GRS has quoted an actuarial valuation prepared annually would also cost the VEBA plan \$40,000 each year.

GRS has also quoted us the cost of a preparing an actuarial projection of an employers funded status would cost the employer \$2,600 and could be completed in three weeks. This would be a more effective tool for employers to use in determining options for compliance with the funding requirements of Public Act 202.