BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
AGENDA
TUESDAY, MARCH 8, 2011
(Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)

FINANCE DEPARTMENT LARGE CONFERENCE ROOM
515 CENTER AVENUE - 7TH FLOOR
BAY CITY, MI 48708

PAGE		
	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 4		1. FEBRUARY 8, 2011
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
5		A. PORTFOLIO VALUE - MARCH 2, 2011
		B. ATALANTA SOSNOFF
6 - 10		1. PORTFOLIO FROM 6/9/2009 TO 12/31/2010
	VI.	ANNOUNCEMENTS
		A. NEXT REGULAR MEETING - TUESDAY, APRIL 12, 2011 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING @ APPROX. 2:30 P.M. **- FINANCE DEPARTMENT LARGE CONFERENCE ROOM, 515 CENTER AVENUE - 7TH FLOOR, BAY CITY, MI 48708**
	VII.	UNFINISHED BUSINESS
		A. CORRESPONDENCE DATED 12/8/10 FROM RICHARD L. POTTER, BECKER, BURKE ASSOCIATES
11 - 20		1. FURTHER ANALYSIS OF THE DODGE & COX BALANCED FUND AND SUGGESTED POSSIBLE COURSES OF ACTION
	VIII.	NEW BUSINESS
	IX.	MISCELLANEOUS BUSINESS
	X.	ADJOURNMENT

MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE ON **February 8, 2011**

IN THE FINANCE DEPT CONFERENCE ROOM, LOCATED AT 515 CENTER AVENUE,
7TH FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIR Steve Gray at **3:38 P.M.**

OTHERS PRESENT: RICK POTTER, DANEAN WRIGHT, CRYSTAL HEBERT (LEAVES AT 3:38 PM)

TRUSTEES PRESENT:	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
BRZEZINSKI	Y	M	S	Y								
CARPENTER	Y	Y	Y	Y								
COONAN	M	Y	M	Y								
DEATON	S	Y	Y	M								
GRAY	Y	Y	Y	Y								
PELTIER	Y	Y	Y	Y								
PETT	Y	Y	Y	Y								
RYDER	Y	S	Y	Y								
STARKWEATHER	Y	Y	Y	Y								

CODE:

M - MOVED; S - SUPPORTED; Y - YEA; N - NAY; A - ABSENT; E - EXCUSED

TRUSTEES PRESENT:	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**
BRZEZINSKI												
CARPENTER												
COONAN												
DEATON												
GRAY												
PELTIER												
PETT												
RYDER												
STARKWEATHER												

CODE:
M - MOVED; S - SUPPORTED; Y - YEA; N - NAY; A - ABSENT; E - EXCUSED

The meeting, held in the Bay County Finance Department, 7th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan was called to order by Chairman Gray at 3:38 P.M. Roll call was taken. All trustees are present.

1. Moved, supported and carried to approve the minutes from December 14, 2010.

2. Moved, supported and carried to approve the minutes from January 11, 2011.

Mr. Gray called for public input. Seeing no one from the public present, he moved onto petitions and communications.

Present today is Rick Potter our consultant from Becker, Burke Associates to give the Investment Performance Analysis as of December 31, 2010. He has a copy for everyone's review.

Starting with Page 4 Total Fund Asset Growth Summary in dollars. We have seen enough market information to know what the markets have done for the year. This growth of the dollar has some implications for future direction of the VEBA. The start date of the VEBA was January 1, 2002, with a value of $879,000. Over this period of time you have added $20.6 million into the VEBA contributions. That is deferring your money from the pension fund contributions into the VEBA. During this time you made $5.8 million on investments. The ending value is $27.2 million, so it is substantially larger than when you started.

Page 5: You have two managers, both of them are balanced fund managers. Atalanta Sosnoff is oriented toward growth, Dodge & Cox is oriented toward value. Both have bonds in their portfolios. Atalanta Sosnoff is $11.6 million, Dodge & Cox is $15.5 million. Dodge & Cox was the original manager here and received the first contribution from the County. At that time, with a small amount of money a mutual fund made sense. The fund is big enough now that you could consider parceling it out into more specific investment strategies.

Page 7 shows performance from six years to ten years. At the nine year basis it made 5.8% per year which is a little above average.

Page 6 shows performance from one to five years. At the one year basis, while you made 9.6%, the rank relative to a master trust or broad universe is low at 81. That is a result of under performance by Atalanta Sosnoff and longer term results have been low due to under performance of Dodge & Cox.

One of the reasons for the overall under performance is both of the balanced fund managers are heavily committed to equities. A balanced fund universe has just portfolios that have been selected to be balanced funds by their sponsor. The overall investment performance of the VEBA was not selected to be a balanced fund, it was a collection of assets, so in that sense balanced fund master trust is maybe the right comparison.

When we discussed this last November or December I broke out some information of the individual components. When we get back into this discussion we will get into more detail.

Page 9 looks at the individual manager results. Atalanta Sosnoff had a reasonable quarter. The one year performance was well below the balanced fund median and we talked with them about the reasons for their under performance. Your approach on the pension fund has been to give a manager time to get going, and that is what we would encourage with Atalanta Sosnoff. Dodge & Cox is below average at the one year number, at the five year number they are quite low on a relative basis. Some of that is due to under performance in equities and also due to high equity commitment in a tough equity market. At the eight year basis they have earned 7.1% per year, the median balance fund was 7.5% per year.

Page 11 shows year by year results. What hurt Dodge & Cox were the years 2007 and 2008. They had a long string of pretty good years prior to 2007 and 2008. They recovered in 2009 and 2010 I would have expected to see a better result. There are two levels of questions here. Is Dodge & Cox the right manager for the value side of the fund, and the other question is does it make sense to have balanced fund versus specialized funds. We need to come back to this in future discussions.

Page 12 shows equity commitment. Atalanta Sosnoff 65%, Dodge & Cox is 75%.

The above pages cover the highlights of the VEBA.

Trustee: This fund was set up to eventually pay retiree health care. If things get worse in the future, can we use some of those dollars to off set the general fund contribution by say $100,000 or $200,000?

Ms. Wright: According to the calculation I did, no, we can't for the general county. Some outside groups can. We do not meet the criteria at this point in time to use these dollars for health insurance premiums.

Trustee: Can I see those figures some time?

Ms. Wright: Certainly, I have information that I had planned to present at this morning's session, but we ran out of time.

3. Moved, supported and carried to receive the performance analysis report from Becker, Burke Associates.

Announcements:

The next regular meeting is scheduled for Tuesday, March 8, 2011 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in the Finance Department, large conference room, 515 Center Avenue, 7th Floor, Bay City, Michigan 48708.

Unfinished Business: None

New Business: None

Miscellaneous Business: None

4. Moved, supported and carried to adjourn the meeting. Adjourned at 3:52 p.m.

Respectfully submitted,

Tim Quinn

Tim Quinn
Secretary

Transcribed by: Naomi Wallace

Mgr Mix VEBA

BAY COUNTY VEBA CONSOLIDATED

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
BAYCO-VEBA CASH 2611831	-44,856.79 -100.00%	44,856.79 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	44,856.79 0.16%
BAYCO - VEBA DODGE & COX BAL 2613001	-0.13 0.00%	0.13 0.00%	17,025,131.25 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	17,025,131.38 58.87%
BAYCO - VEBA ATALANTA SOSNOFF 2646670	-481,242.16 -4.06%	481,242.16 4.06%	7,457,331.98 62.94%	3,905,254.74 32.96%	0.00 0.00%	4,470.65 0.04%	11,848,299.53 40.97%
Total for consolidation **% for consolidation**	**-526,099.08** **-1.82%**	**526,099.08** **1.82%**	**24,482,463.23** **84.66%**	**3,905,254.74** **13.50%**	**0.00** **0.00%**	**4,470.65** **0.02%**	**28,918,287.70** **100.00%**

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Atalanta
Sosnoff
Capital Corporation • 101 Park Avenue, New York, New York 10178-0008 (212) 867-5000 Fax (212) 922-1820

Martin T. Sosnoff
Chairman of the Board

January 11, 2011

Mrs. Danean Wright
Retirement Accountant
Bay County Voluntary Employees' Beneficiary Association
Bay County Building
515 Center Ave., Suite 706
Bay City, MI 48708-5128

Dear Mrs. Wright:

We are confident that our portfolio construct is right for the new year, but let's deal with 2010. We added value in the fixed income portion of balanced accounts by placing emphasis on the corporate sector and underweighting Treasuries. The equity component underperformed benchmarks due to financials and "headline" stocks.

In early 2009 we initiated an overweighting in banks on the premise of a bottoming in credit losses. Although this thesis played out adding value in 2009, last year was a different story. Pressure from regulatory reform, net interest margins and potential mortgage "put backs" combined to create underperformance.

Several positions in our roughly 40-stock portfolio suffered from unpredictable negative "headline" events. For example, our position in Transocean declined dramatically after one of their rig's exploded in the Gulf of Mexico. We didn't see it coming.

If you've known us long, you wouldn't be surprised to find us proactive in dealing with these issues. Select financials and headline stocks were eliminated. Proceeds were redeployed into secular growth technology and energy / materials positions. It takes time to see the full benefit of these actions. Equity performance was up over 10% in the fourth quarter but moderately trailed the benchmarks.

Looking forward, a self-sustaining economic expansion is emerging. Sure, there are plenty of negatives but that is often the case at the beginning. Housing activity, both new and existing, remains depressed. But home prices are already 30% off their 2006 high water mark so we probably have seen the lows in this cycle for consumer confidence.

There's plenty of misery to go round – Euroland, unemployment, the plight of major states like New York, California and Illinois. The municipal bond market, a $2.9 trillion sector largely owned by the public, gave back all of its gains over the past two years these past few months. Tax receipts can't rise fast enough to reduce deficits, and the pension fund drain is oppressive and legally can't be changed short of declaring bankruptcy. States and municipalities can negotiate lower terms on new workforce entrants but little else. More layoffs to come.

We've over 16 million unemployables with extended safety nets. Twenty percent of homes are underwater based on mortgage liabilities. It's even hard to pin point when our federal deficit moves much below 10 percent of GDP for years to come or when unemployment goes below 9 percent.

But we've already endured several years with this scenario. All this is reflected in personal consumption spending that plummeted and then ticked at a depressed level. The personal savings rate moved up to 6 percent. However, spending recently recovered to a 3% rate and should be augmented by the upcoming payroll tax reduction of 2 percentage points. Next, real job growth?

Longer term forces are always at work. New family formations run over a million, annually. The country won't discard home ownership as a primary goal. Our best example of these forces kicking in is the automobile industry. Too many cars on the road cry out for replacement in terms of mileage driven and high gas consumption. Used car prices are buoyant and interest rates on car loans affordable. We own Ford.

The excesses in the past downturn were in the consumer and financial sectors. These negatives peaked and are largely accounted for. The banking system has written off much of its bad paper and is sufficiently equitized to meet the Basel III guidelines for capital adequacy. Demand for loans can be satisfied.

Meanwhile, the corporate sector handled itself conservatively during the economic contraction phase. Major cost cutting ensued and capital spending slashed. Corporations, flush with capital, are looking for major acquisitions. Given the low cost of capital, even for low investment grade credits (BBB), expect a year or more of deal proliferation. This is a tonic for the stock market and was a major force in propelling the averages in the mid-eighties.

Overall, corporate earnings should grow at a 10 percent rate in the economic scenario we expect. Corporate profit margins already have fully recovered to the pre-recession high point of 2006-'07. So momentum in corporate top lines (revenues) will help.

Our portfolio construct is methodically evolving on two fronts. We've increased weighting in the technology and natural resource sectors. The cloud computing (Salesforce.com, NetApp, Red Hat) thematic is significant. Additionally, we are probing high secular growth properties that so far haven't correlated with the market or the economy. These include Amazon and Las Vegas Sands.

Negative real interest rates we construe positively as an economic and investment stimulant. Our country won't enter a long term malaise of deflation like Japan. Long term, the wealthy probably are destined to shoulder a bigger tax burden, but the 2-year respite agreed on by the Administration is a confidence builder. So is a shift to the center.

We never bought the Fed's theme song on deflationary risks to the country. QE-2's objective to squash long term interest rates didn't play out. The real objective was to hype the stock market and create wealth to be channeled into personal consumption expenditures. In this connotation it's a home run, but goes unremarked.

Here's the bull market thesis: Treasuries and inflation stay low in a historic context. The consumer comes back, spending rather than over-saving. Corporations gain confidence, hire and invest in capital goods. Bonds are out and equities are in. An exodus from bond funds is on and the public is putting new money into equity mutual funds, finally. This is a trillion dollar migration, enough to move markets.

The risk in this scenario: a supercycle in commodities pressures inflation. Remember that a residual of the recession is that there's no chance of wage inflation in the country for years to come.

Our charts on oil futures are quirky. We see some backwardation in outlying years starting in mid 2011 through mid 2014. All this while you hear traders mouthing "supercycle, supercycle". The explanation for backwardation is the dollar. Oil is denominated in dollars so the Saudi's have less incentive to raise prices by holding back their reserve capacity, some 3 million barrels a day. Our rationale for the dollar's strength largely rests on GDP rising over 3 percent this year and in 2012. Rising interest rates are a pivotal variable in the direction of the dollar. The 10-year spread between us and Germany has narrowed meaningfully. Periodic credit scares in Euroland may also push up the buck.

If we're right and the dollar is a firm currency, it will press the lid on oil and therefore inflation. Consumer purchasing power won't be crimped. This is a most benevolent scenario for interest rates. They can move higher but not enough to choke the recovery or cap equity valuation.

Time to put away fears of a double dip or malevolent political setting. We expect the market to gain as much as 10% and are fully invested. Last year was tough for us but thinking back to our long-term track record, we say to 2011: Bring it on.

With all good wishes,

Martin T. Sosnoff

Martin T. Sosnoff

Craig Steinberg

Craig B. Steinberg

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

PERFORMANCE STATISTICS

	Three Months Ended Dec. 31, 2010	Twelve Months Ended Dec. 31, 2010	Inception June 9, 2009 to Dec. 31, 2010 Total Return	Inception June 9, 2009 to Dec. 31, 2010 Annualized Rate of Return
TOTAL	**+6.47%**	**+6.26%**	**+22.49%**	**+13.87%**
Composite Index (1)	+7.14%	+13.63%	+31.48%	+19.15%
EQUITY	**+10.56%**	**+7.54%**	**+29.43%**	**+17.96%**
Russell 1000 Growth Index	+11.83%	+16.71%	+41.22%	+24.73%
FIXED	**-0.11%**	**+4.98%**	**+12.81%**	**+8.02%**
Barclays Capital Aggregate Bond Index + 1.00 %	-1.01%	+7.57%	+14.78%	+9.23%

(1) 65% RUSSELL 1000 GROWTH / 35% BC AGGREGATE BOND

ACCOUNT 49766 BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

December 31, 2010

MAXIMUM EQUITY: 70% STANDARD EQUITY: 65%

PM: 65% RUSSELL 1000 GROWTH/35% BC AGGREGATE BOND + 1%

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Becker, Burke
ASSOCIATES

225 West Wacker Drive, Suite 400
Chicago, Illinois 60606

December 8, 2010

Board of Trustees
Bay County VEBA
515 Center Avenue, 7th Floor
Bay City, MI 48708-5753

Dear Trustees:

At the November 9th meeting, it was requested that we provide further analysis of the Dodge and Cox balanced fund performance, and that we suggest possible courses of action for the fund.

Page 3 shows year by year total fund performance for the 8 year period that you have invested in the Dodge and Cox fund. In this time period there were two years in the top quarter, two years in the bottom quarter, two years above median and two years below median. The 8 year total fund cumulative results, show on page 4, have been heavily influenced by poor performance in 2008 and 2010.

Page 5 shows data from Dodge and Cox on the equity commitment of the fund. In both 2008 and 2010 the fund had over 70% committed to equities. This was one of the primary causes of underperformance in those years. In a balanced mutual fund, equity commitment is controlled by the fund manager rather than the fund trustees, as is the case with pension fund.

The other source of underperformance is equity performance in 2008 and 2010. Looking at equity results for the eight year period, there were three years in the top quarter, two years in above median, one year below median, and two years, 2008 and 2010, in the bottom quarter. Eight year cumulative equity results rank in the 65th percentile of the equity funds universe.

When Dodge and Cox was initially funded with $2.1 million in August, 2002 the total value of the VEBA was $2.7 million. For assets of this size there are advantages to balanced fund management. As of 9/30/2010, the total value of the VEBA was $25.4 million. Assets of this size are large enough for a more specialized approach to investment management. In particular, by converting the balanced managers into equity specialists, and adding a new fixed income manager, you would be able to control equity commitment risk and possibly lower the fees you pay. Prior to converting your current managers to equity, you should evaluate whether you wish to retain your current balanced fund managers as equity managers.

Page 7 shows investment manager search data for the Dodge & Cox Stock fund, an equity fund. I have also included the Atlanta Sosnoff equity composite on page 8. Atlanta Sosnoff has performed poorly in the past year. However, they are a new manager and should have some time to show their capabilities. Dodge and Cox's long term record is mixed. A judgment needs to be made as to whether to continue with them or replacement them with another large capitalization core or value manager.

If a decision is reached to adopt specialized management, this will necessitate hiring a bond manager. When hiring a bond manager, you can choose passive index fund management or active management. In order to shed some light on this decision, page 9 displays composite results for Loomis Sayles and Baird, and the Barclays Capital aggregate bond index funds offered by Northern Trust and Vanguard.

One of the considerations of any change is its impact on fees. Page 10 shows current fees, fees for Dodge & Cox and Atlanta Sosnoff as equity managers, and information on bond manager fees. The general range of fees for active bond managers is 25 basis points to 40 basis points. The least expensive form of bond management is an index fund. The fee for a Northern Trust bond index fund is 15 basis points. The fee for an index mutual fund from Vanguard is 7 basis points.

We look forward to discussing this report with you at our meeting on December 14th.

Cordially,

Rich Potter

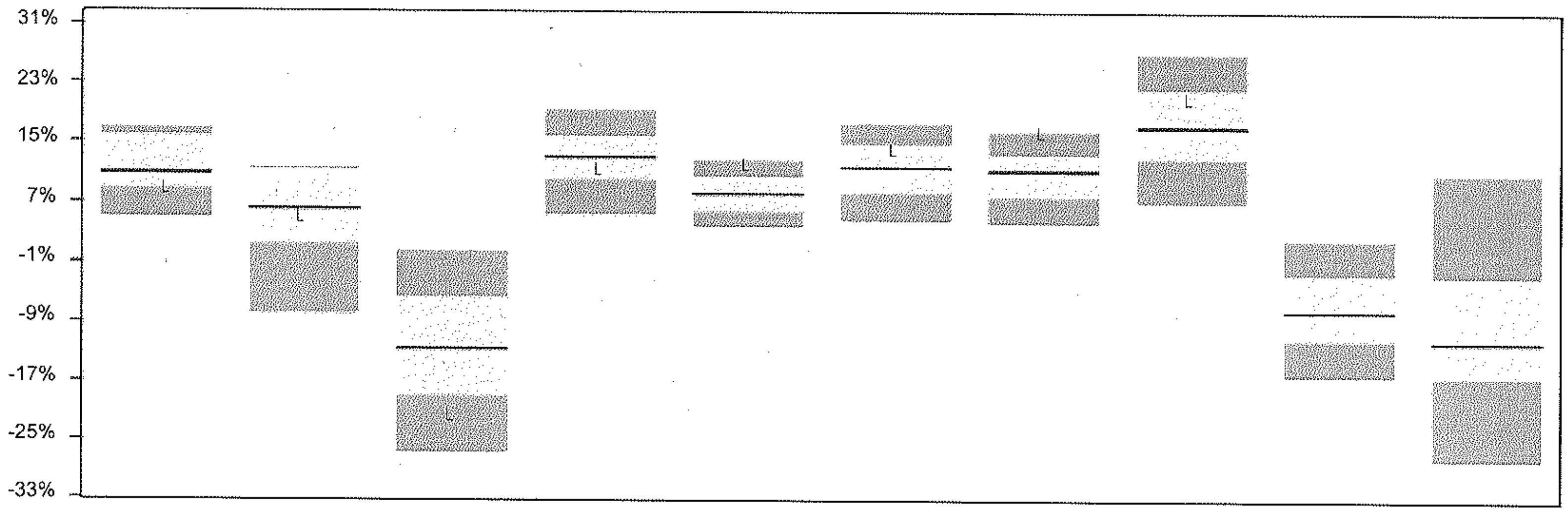
Richard L. Potter
Principal

BAY COUNTY EMPLOYEES' RETIREMENT

Balanced Funds

Years Ending September 30, 2010

Total Fund Performance - Annual Periods



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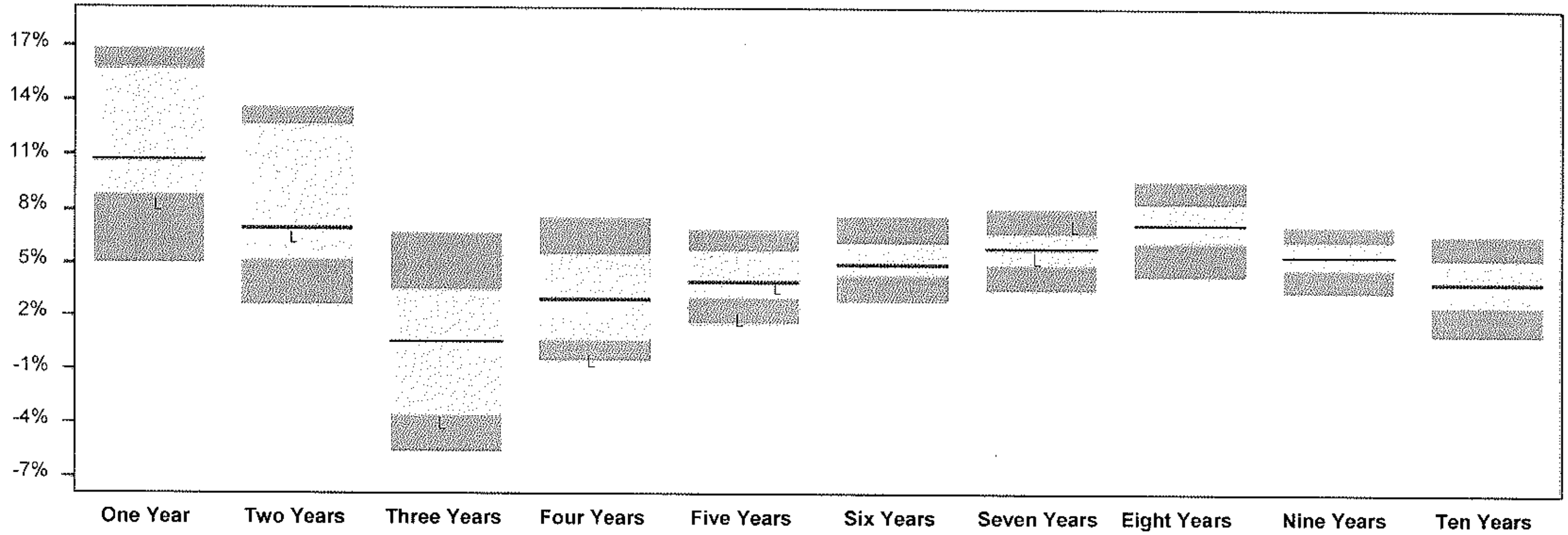
	Sep-2010		Sep-2009		Sep-2008		Sep-2007		Sep-2006		Sep-2005		Sep-2004		Sep-2003		Sep-2002	Sep-2001
DODGE & COX	7.9	85	4.0	60	-22.5	87	10.5	63	11.3	13	13.5	34	15.6	10	20.5	33		
Median	10.7		6.1		-12.6		12.9		8.3		11.7		11.2		17.2		-7.4	-11.5
DODGE & COX Equity Only	7.4	87	-4.4	49	-29.7	92	13.1	77	15.7	5	21.3	24	23.5	15	28.0	37		
Equity Funds Median	12.4		-4.6		-20.9		17.0		9.3		17.8		15.9		25.4			
DODGE & COX Bonds Only	10.8	49	22.0	6	-4.3	78	5.7	43	4.5	29	3.4	53	4.7	40	9.2	20		
Fixed Income Funds Median	10.6		12.5		1.5		5.5		4.1		3.5		4.3		6.3			

BAY COUNTY EMPLOYEES' RETIREMENT

Balanced Funds

Periods Ending September 30, 2010

Total Fund Performance - Trailing Periods



	One Year		Two Years		Three Years		Four Years		Five Years		Six Years		Seven Years		Eight Years		Nine Years	Ten Years
DODGE & COX	7.9	85	5.9	66	-4.5	89	-1.0	98	1.4	97	3.3	93	5.0	76	6.8	65		
Median	10.7		7.0		0.6		3.0		4.0		5.0		5.9		7.3		5.5	4.0
DODGE & COX Equity Only	7.4	87	1.3	73	-10.3	94	-4.9	96	-1.1	94	2.3	89	5.1	73	7.7	65		
Equity Funds Median	12.4		3.6		-4.7		0.5		2.3		4.9		6.5		8.6			
DODGE & COX Bonds Only	10.8	49	16.3	16	9.0	29	8.1	31	7.4	34	6.7	37	6.4	39	6.8	37		
Fixed Income Funds Median	10.6		12.0		7.8		7.4		6.8		6.2		6.0		6.1			

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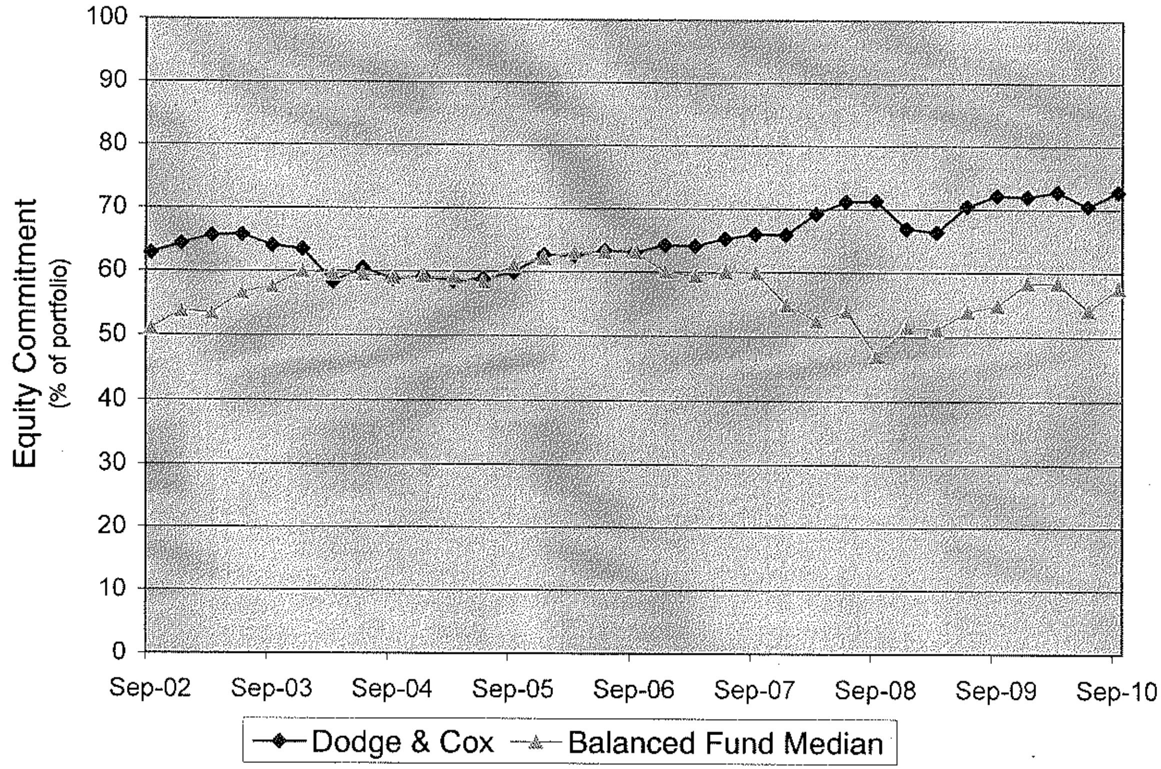
Balance Fund Equity Commitments



Years ending Sept. 30:	2003		2004		2005		2006		2007		2008		2009		2010	
Equity Alloc. (%)	64.0	34	58.8	51	59.8	55	63.0	50	66.0	37	71.3	28	72.2	11	72.8	32
Balanced Funds Median	57.6		59.0		61.0		63.0		59.9		47.0		54.8		57.6	

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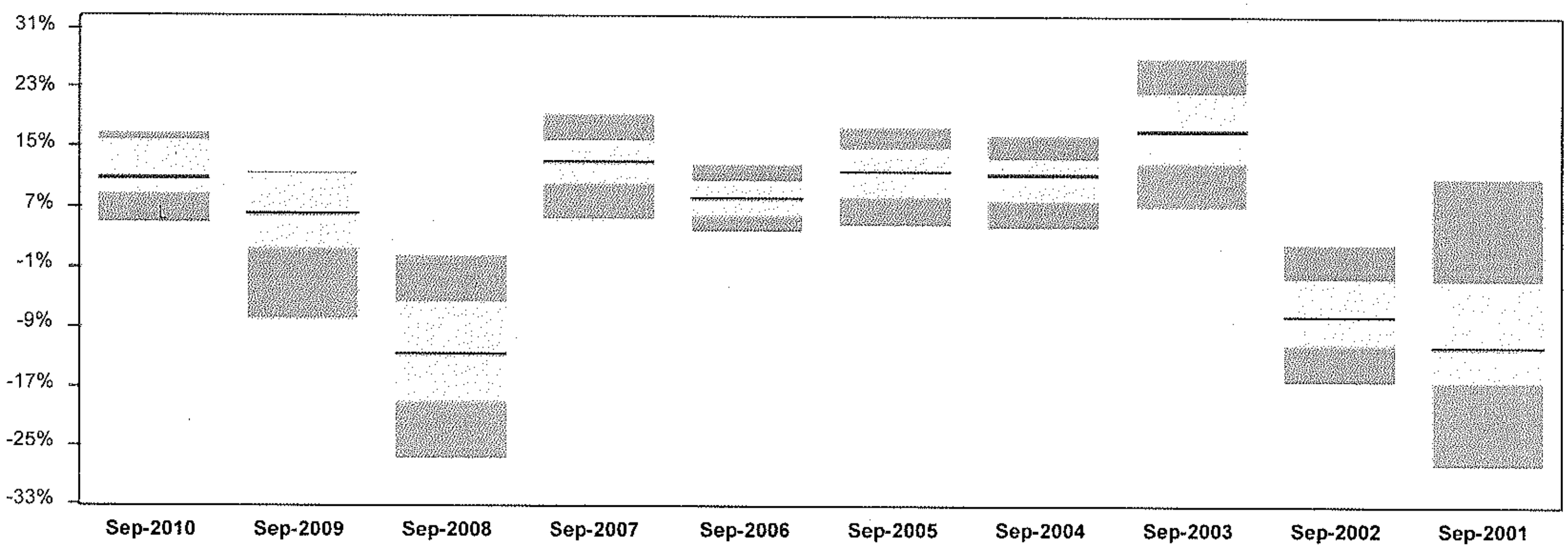
BAY COUNTY EMPLOYEES' RETIREMENT

Balanced Funds

Years Ending September 30, 2010

Total Fund Performance - Annual Periods



	Sep-2010		Sep-2009	Sep-2008	Sep-2007	Sep-2006	Sep-2005	Sep-2004	Sep-2003	Sep-2002	Sep-2001
ATALANTA SOSNOFF	4.2	97									
Median	10.7		6.1	-12.6	12.9	8.3	11.7	11.2	17.2	-7.4	-11.5
ATALANTA Equity Only	2.6	98									
Equity Funds Median	12.4										
ATALANTA Bonds Only	6.8	81									
Fixed Income Funds Median	10.6										

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Large Cap Value Managers: ANNUALIZED

Time-Weighted Rates of Return for Periods Ending: September 30, 2010

	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
Dodge & Cox Equity Composite	7.3	2.1	-9.4	-4.3	-0.7	2.5	5.1	7.6	6.0	6.2
Rank	80	26	73	75	73	68	61	50	19	18
Russell 1000 Value Index	8.9	-1.3	-9.4	-3.9	-0.5	2.2	4.6	6.9	4.0	2.6
BBA Large Cap Value Median	9.1	0.7	-8.5	-3.0	0.0	3.0	5.6	7.6	4.6	4.0

Large Cap Value Managers: ANNUAL

Time-Weighted Rates of Return for Years Ending: September 30

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Dodge & Cox Equity Composite	7.3	-2.8	-28.6	12.8	15.0	19.8	22.5	26.7	-6.1	8.2
Rank	80	16	80	84	34	37	39	31	6	29
Russell 1000 Value Index	8.9	-10.6	-23.6	14.4	14.6	16.7	20.5	24.4	-16.9	-8.9
BBA Large Cap Value Median	9.1	-6.8	-24.2	15.4	13.8	18.8	21.2	24.3	-14.0	3.2

Represents outperformance of median

Returns have been ranked against the Becker, Burke Associates Large Cap Value Universe

Returns have been supplied by the managers and are believed to be accurate.

Past performance is no guarantee of future performance.

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Large Cap Growth Managers: ANNUALIZED

Time-Weighted Rates of Return for Periods Ending: September 30, 2010

	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
Atalanta Sosnoff Equity Composite	2.6	3.1	-5.7	1.2	2.8	6.4	6.6	8.2	6.1	2.8
Rank	99	59	68	48	37	8	15	31	26	13
Russell 1000 Growth Index	12.7	5.1	-4.4	1.1	2.1	3.6	4.1	6.6	2.9	-3.4
BBA Large Cap Growth Median	12.0	3.8	-4.5	1.0	2.2	4.1	5.3	7.1	4.0	-0.1

Large Cap Growth Managers: ANNUAL

Time-Weighted Rates of Return for Years Ending: September 30

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Atalanta Sosnoff Equity Composite	2.6	3.7	-21.1	25.1	9.6	26.3	7.4	20.1	-9.5	-22.6
Rank	99	14	53	16	15	2	85	62	9	27
Russell 1000 Growth Index	12.7	-1.9	-20.9	19.4	6.0	11.6	7.5	25.9	-22.5	-45.6
BBA Large Cap Growth Median	12.0	-3.6	-20.6	20.8	6.4	15.1	12.3	22.6	-18.9	-31.6

Represents outperformance of median

Returns have been ranked against the Becker, Burke Associates Large Cap Growth Universe

Returns have been supplied by the managers and are believed to be accurate.

Past performance is no guarantee of future performance.

Core Fixed Income Managers: ANNUALIZED

Time-Weighted Rates of Return for Periods Ending: September 30, 2010

	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
Baird composite	11.1	10.7	6.9	6.5	6.1	5.7	5.7	6.0	6.0	6.9
Rank	48	59	71	72	70	68	61	55	59	50
Loomis Sayles composite	11.9	13.5	8.8	8.1	7.3	6.5	6.2	6.2	6.1	6.9
Rank	38	38	31	32	37	42	47	49	55	53
Northern Trust index fund	8.3	9.6	7.2	6.7	6.1	5.6	5.3	5.3	5.7	6.5
Rank	71	69	65	68	69	72	73	74	71	69
Vanguard Total Bond Market Index Fund	8.1	9.4	7.5	6.9	6.3	5.7	5.4	5.4	5.5	6.3
Rank	73	70	58	62	65	69	71	71	76	75
Barclays Capital Aggregate Bond Index	8.2	9.4	7.4	6.8	6.2	5.6	5.3	5.4	5.7	6.4
BBA Fixed Income Funds Median	10.6	12.0	7.8	7.4	6.8	6.2	6.0	6.1	6.3	6.9

Represents outperformance of median

Returns have been ranked against the Becker, Burke Associates Fixed Income Funds Universe

Returns have been supplied by the managers and are believed to be accurate.

Past performance is no guarantee of future performance.

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Bay County VEBA

Current Expense Ratios:

Dodge & Cox Balanced Fund	53 basis points
Atalanta Sosnoff Balanced Portfolio	75 basis points

Other Expense Ratios:

Dodge & Cox Equity Fund	54 basis points
Atalanta Sosnoff Equity Portfolio	75 basis points
Active Bond Managers	25 to 40 basis points
Indexed Bond Funds	7 to 50 basis points

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