

BAY COUNTY RETIREMENT BOARD OF TRUSTEES
 AGENDA
 TUESDAY, FEBRUARY 9, 2016 @ 1:30 P.M.
 COMMISSIONERS CHAMBERS
 515 CENTER AVENUE - 4TH FLOOR
 BAY CITY, MI 48708

PAGE	I. CALL TO ORDER
	II. ROLL CALL
	III. MINUTES
1 - 9	A. JANUARY 12, 2016
	IV. PUBLIC INPUT
	V. PETITIONS & COMMUNICATIONS
	A. THE BOGDAHN GROUP- HOWARD POHL & PETER BROWN 4 TH QUARTER REPORT
	1. FOURTH QUARTER REPORT
10 - 11	2. TRANSITION MANAGEMENT AGREEMENT CAPIS RES NO. 2016-4
12 - 15	3. FEE AMENDMENT MFS RES NO. 2016 - 7
16 - 18	B. MONTHLY REPORTS - RES NO. 2016-3
	1. PORTFOLIO VALUE - 1/1/16 - 1/31/16
	2. CHANGE IN BOOK AND MARKET VALUE - 12/31/15
	3. MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	a. NONE
19 - 78	4. MONEY MANAGER REPORTS
	a. CORNERSTONE - ENDING 12/31/15 & 4 th QTR REPORT 12/31/15
	b. EAGLE ASSET MGMT - ENDING 12/31/15
	c. GENEVA HENDERSON - ENDING 12/31/15 AND PROXY 4 TH QTR REPORT 12/31/15
	d. HOTCHKIS & WILEY - ENDING 12/31/15 and 4 TH QTR PROXY REPORT
	e. INTEGRITY - ENDING 12/31/15
	f. LOOMIS SAYLES - ENDING 12/31/16
	g. MACKAY SHIELDS - ENDING 12/31/15
	h. MFS INVESTMENT - ENDING 12/31/15 AND PROXY 4 TH QTR REPORT 12/31/15
	i. MFS HERITAGE TRUST - ENDING 12/31/15 AND PROXY 4 TH QTR VOTE REPORT

BAY COUNTY RETIREMENT BOARD OF TRUSTEES
 AGENDA
 TUESDAY, FEBRUARY 9, 2016 @ 1:30 P.M.
 COMMISSIONERS CHAMBERS
 515 CENTER AVENUE - 4TH FLOOR
 BAY CITY, MI 48708

- 79 - 81
 - 5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 12/31/15
 - b. CAPIS - SUMMARY ENDING 12/31/15

- 82 - 87
 - 6. NORTHERN TRUST
 - a. SUMMARY EARNINGS - ENDING

- 88.....
 - 7. REFUNDS/RETIREMENTS ENDING

- 89 - 94
 - 8. BCERS YTD BUDGET REPORT – ENDING

- 95
 - 9. INVOICES APPROVED – 1/31/16

- 96 - 97
 - C. RFP AUTHORIZATION FOR MEDICAL DIRECTOR RES NO. 2016-5

- 98.....
 - D. NON-DUTY DISABILITY RETIREMENT (RES NO. 2015-6)
 - 1. TERESA WILBERT – SHERIFF DEPT (CLOSED SESSION)

Motion: To go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute.

- 99 - 104
 - E. CORRESPONDENCE – COMMISION RECAPTURE LETTERS
 - 1. COLUMBIA
 - 2. EAGLE
 - 3. HENDERSON GENEVA
 - 4. HOTCHKIS & WILEY
 - 5. INTEGRITY
 - 6. MFS INVESTMENT

VI. ANNOUNCEMENTS

- 105 -106
 - A. NEXT REGULAR MEETING - MARCH 8, 2016 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708.
 - B. MAPERS ONE-DAY SEMINAR FRIDAY, MARCH 4, 2016 AT THE SOMERSET INN IN TROY, MICHIGAN (PLEASE CONTACT REBECCA IF YOU WISH TO ATTEND)

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

BAY COUNTY RETIREMENT BOARD OF
TRUSTEES AGENDA
TUESDAY, JANUARY, 2016 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

- IX. MISCELLANEOUS BUSINESS
- X. ADJOURNMENT

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

A meeting of the Board of Trustees was held on January 12, 2016 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

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

Trustees Absent: None.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl.
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel: Shawna Walraven
Director of Personnel: Tiffany Jerry
Public: Yes

The meeting was called to order by Chairman, Steve Gray at 1:30 p.m.

Chairman Gray welcomed the appointment of two trustees. He welcomed Commission Krygier to the Pension Board and welcomed Mr. Starkweather back. Mr. Starkweather has been re-appointed as the DHS representative.

Chairman Gray turned the meeting over to Ms. Hebert for the election of officers for 2016.

Ms. Hebert asked for a nomination for the position of Chairperson. Trustee Gromaski nominated Steve Gray for Chairperson. Trustee Pett seconded the nomination. Mr. Gray accepted the nomination. There were no other nominations.

MOTION 1: Moved, supported and carried to unanimously elect Steve Gray as the 2016 Chairperson for the Retirement Board of Trustees.

Ms. Hebert asked for a nomination for the position of Vice Chairperson. Trustee Pett nominated Rick Brzezinski and Trustee Goetz supported the nomination. Mr. Brzezinski accepted the nomination. There were no other nominations.

MOTION 2: Moved, supported and carried to unanimously elect Rick Brzezinski as the 2016 Vice Chairperson for the Retirement Board of Trustees.

Ms. Hebert asked for a nomination for the position of Sergeant at Arms. Trustee Brzezinski nominated Matt Pett for the position. Trustee Goetz supported the nomination. Mr. Pett accepted the nomination. There were no other nominations.

MOTION 3: Moved, supported and carried to unanimously elect Matt Pett as the 2016 Sergeant at Arms for the Retirement Board of Trustees.

Ms. Hebert turned the meeting over to Chairperson Gray. He thanked the Board for their continued trust in him in the position of Chairperson.

Chairman Gray brought to the attention of the Board the letter of resignation from Retirement Administrator, Rebecca Marsters, that was handed out at the beginning of the meeting. He stated the Board was sad to see her go but wished her the best in her next adventure. He also thanked her for helping out until a replacement was found.

MOTION 4: Moved, supported and carried to approve the minutes, as printed, from the October 22, 2015 special meeting.

MOTION 5: Moved, supported and carried to approve the minutes, as printed, from the November 10, 2015 special meeting.

MOTION 6: Moved, supported and carried to approve the minutes, as printed, from the December 8, 2015 regular meeting.

Mr. Gray called for public input.

Ms. Tiffany Jerry, Director of Personnel, stated in light of the that Ms. Marsters accepted the Payroll and Benefits position, she would like authority from the Board to place the posting of Retirement Administrator position on the agenda for the Personnel and Human Services Committee. She stated they would keep the Chair and Vice Chair informed of the interview process.

MOTION 7: Moved, supported and carried to place the posting of the position for Retirement Administrator on the Personnel and Human Services Committee agenda.

There were no other public comments and he moved onto petitions and communications.

Present today were Kim Hyland, Director, Relationship Manager, and Pete Loncto, Institutional Product Specialist of MFS Investment from Boston, Massachusetts to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Ms. Hyland gave an overview of MFS. They have over \$400 billion in assets under management. They have a very well diversified business platform at MFS not only in assets but in client type. They believe the diverse platform gives them the stability they need to weather all market environments. She stated MFS was focused on the clients. Over the last five years and 10 years they have added

value above their clients' benchmark. They want to make sure they continue to deliver that value. As a result, over the past couple of years they have closed a number of the fundamental equity strategies. She stated they will continue to do that as they see the need to continue to protect clients assets and to continue to deliver the returns that they want to deliver for clients.

Absolute returns were very strong. U.S. growth was probably the best-performing asset class when looking across the world at all the different equity markets. The Bay County Portfolio was up 7.2% for 2015 and the benchmark the Russell 1000 growth index was up 5.7%. They are pleased not only to deliver strong absolute returns but also to deliver above the benchmark and to have outperformed the investment policy benchmark since inception in September of 2012.

She went over the market overview for the past year and the volatility in the market for the past 12 months. She stated for the one year the strongest asset class, the one Bay County is invested in, the Russell 1000 growth was up 3.2%. She emphasized there were probably 10 stocks last year that drove the performance of this benchmark. She talked about FANG stocks; Facebook, Amazon, Netflix, and Google. Those four stocks led the growth in the performance of the benchmark. She went over the performance of the sectors stating the weakest performing sectors were commodities, energy and basic materials.

Mr. Loncto talked more about the FANG stocks that dominated the market and why the stocks were up. He talked about the few retail stocks that were up over the year such as Amazon and Home Depot.

Mr. Loncto answered questions of trustees regarding the number of employees of these companies as well as how long these companies have existed.

He went over the attributions relative to the Russell 1000 index. He stated in technology they had an overweight position in all four of the FANG stocks. He talked about them inserting revenue to the growth driver for them. He commented on the attributions of financial services where they had added value. They also added value services.

He went over the sector weightings stating all the sectors were within plus or minus 5% of the benchmark and that showed they are trying to really add value to the stock selection in their approach. They are trying to stay somewhat close to the index in terms of sector weights. Retail was overweight. Consumer staples was underweight.

He went over the top holdings in the portfolio as well as the characteristics of the portfolio with regard to fundamentals, market capitalization, portfolio construction, and risk/reward. He stated the 38% turnover of the portfolio construction is low compared to other what other U.S. Growth Strategy managers are doing. That reflects the long-term approach.

Trustee Brzezinski asked if that turnover percentage was typical historically over the past years. Mr. Loncto stated it has typically been in the 25% to 55% range for a number of years.

Trustee Brzezinski asked why they did not own banks. Mr. Loncto stated they don't see a lot of them with above average growth prospects. They feel that companies like the credit processing companies as well as some of the active management companies will be a tailwind for them as markets tend to rise. They don't see banks adding above average growth rates.

Ms. Hyland and Mr. Loncto then gave a presentation of the MFS International Fund.

Ms. Hyland went over the Executive summary of the Bay County Portfolio. The International Portfolio is very different from the U.S. Portfolio. The International Portfolio is up 3.4% year-to-date through the end of November. The benchmark MSCI is flat. She stated through the end of December, the Portfolio was up 1.3% for the year for 2015 and the benchmark was down 1.2% for the year. They added value, but the market environment is more challenging than the non U.S. market.

Mr. Loncto went over the performance of the Bay County Portfolio. The Portfolio was up 3.5% in relative contribution. Currency was up 1.5%. He stated they were overweight in the British Pound resulting in loss of stock there. They are overweight in the U.S. Dollar because some of the non-U.S. stocks they own trade on the U.S. stock exchange. With regard to stock selection, that was up 1.2%. There was very strong stock selection in the special products and services. Within financial services, where they own non-U.S. banks, that continued to grow and he referred to mortgages in foreign countries where they have different qualifications than the U.S. He also talked about the top detractors such as consumer staples due to the influence of emerging markets.

He went over the sector weights of the Portfolio. It is overweight in consumer staples, special products and services as well as health care. The portfolio is underweight in autos and housing which tend to be cyclical. They are also underweight in utilities and communications. With respect to country weightings, they have a pretty healthy overweight in Europe and the UK which has been pretty longstanding in the portfolio. The portfolio is underweight in Japan and emerging markets. He did state that although they are underweight in emerging markets, 30% of the revenues from the portfolio comes from emerging markets because a lot of companies they own get their revenues from selling products in the emerging markets.

The portfolio has a fairly low turnover at 34% and very consistent with long-term period and lower than most other International Growth Portfolios.

Mr. Pohl questioned how they call themselves International Growth if their growth is below your EPS growth of the growth index. Mr. Loncto stated he would say it is certainly growth at a reasonable price approach. Valuation is very important to them. They see growth companies - some of the Chinese internet stock - achieved growth across the selling end really high in valuation. He stated they just can't get very comfortable with those very high valuations for this portfolio.

Mr. Loncto answered questions regarding the falling price of oil and its' impact on the economy stating in terms of the Portfolio, they have a very low exposure to energy companies. They do have some secondary exposure with companies that make machinery for fracking. In terms of direct exposure, it is very low relative to the index.

Mr. Loncto answered trustee's questions regarding China's economy and the impact on the U.S. economy.

MOTION 8: Moved, supported and carried to receive the MFS report.

RESOLUTION NO 2016-1:

Moved, supported and carried to adopt Res. No 2016 -1 to receive the following monthly reports: The Portfolio Value Ending 12/31/15 (Today's Value is \$288 million), Change in Book & Market Value 11/30/15, Money Managers on Watch - None, Money Manager Reports: Cornerstone - ending 11/30/15, Eagle Asset - Ending -11/30/15, Hotchkis & Wiley - Ending 11/30/15,, MFS Heritage - Ending 11/30/15, MFS Investment - Ending 11/30/15; Recapture Services: Abel/Noser - Summary Ending 11/30/15, CAPIS - Summary Ending 11/30/15; Northern Trust Summary Earnings -11/30/15; Refunds & Retirements Ending 12/31/15; BCERS YTD Budget Report ending 12/31/15; Invoices Approved ending 12/31/15.

MOTION 9: Moved, supported and carried to receive correspondence from Schroder Investment regarding proposed comparative benchmark change.

The next item on the agenda is the explanation of line items on the direct and indirect costs. Richelle Jimenez from Finance explained the one presented in November had an Excel spreadsheet calculation error. The indirect cost portion was correct but on the direct cost portion one of the lines at the bottom was picking up not only the top lines, but also the line for other direct charges as Mr. Starkweather had pointed out. They double checked those numbers and it was the total expenditures and the line that was in there for other services was actually the total expenditures less the salary and fringes is what ended up coming down to as a calculation error. The spreadsheet presented today has the direct expenditures for those years that were in question and those numbers tie back to an eight-year comparison report that is printed off the general ledger.

She explained for the Board how the roll forward worked and the criteria for using the roll forward. They use the last audited financial statement to budget for the next year. There is always a two-year cycle that they have to either make up the difference with either a credit or a deposited amount that, in theory, they did not collect for the total actual expenditures. She answered questions with regard to 2014 budget using the 2012 costs.

MOTION 10: Moved, supported and carried to receive the presentation of the correction of indirect and direct line item costs.

RES NO. 2016-2

Moved, supported and carried to approve Res No 2016-2 to refer the matter of Disability Retirement for Teresa Wilbert to the medical director.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, February 9, 2016 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

Ms. Hebert stated that the committee met and discussed the fact that PRISA has asked them to start the paperwork for the pending \$4.4 million investment. There is a five quarter waiting list in the queue. She stated they are looking for discussion as to whether they wanted to enter the queue now and proceed with the paperwork. Mr. Pohl stated currently there is roughly \$10 million invested in the PRISA account. To get it up to target weight there would need to be an additional investment of \$4.4 million. He explained to the Board by completing paperwork now and entering queue it would probably be another five quarters before the money was called for the investment. He answered questions regarding other investment companies and queues as well as where the money will be invested while waiting for it to be called in five quarters. The money will be taken from overweight funds that will be rebalanced.

He stated they would not suggest another real estate manager. As an aside, it was announced there would be a fee reduction for the PRISA account. The fee would be going down from around 114 basis points down to around 100 in that range on a sliding scale. There will be a fee reduction going forward.

Mr. Pohl also answered questions regarding the types of properties were in the PRISA fund.

MOTION 11: Moved, supported, and carried to proceed with the paperwork for entering the PRISA queue for an additional \$4.4 million investment and approve the rebalancing of funds when PRISA calls for the monies for the investment.

Chairman Gray asked Ms. Walraven to speak to the tax issue that had previously been on the agenda. Ms. Walraven stated Mr. Michaud had previously discussed the employer pick up portion of some entities. In some entities, the employees no longer make their contributions and their employer picks up that portion of the contribution and it is deposited for them. She referred to Internal Revenue Section code is 414 (h) (2). This was discussed at a previous meeting. She stated this is really an issue of how the employer's, individual entities, are treating the payroll of the members and how they are taxing that. It is an issue for the entities to be aware of and to make sure they are treating it properly. There are a lot of benefits in doing it the way that those entities

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
JANUARY 12, 2016- REGULAR MEETING
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have chosen to do it and having the employer pick up that portion treated pre-taxed. There are the tax benefits to the member and tax benefits to the employers as well. The Chair will be sending out a letter to the entities to make them aware of this. It is something she believes the general County dealt with in 1979. It could be dealt with either through a collective bargaining agreement or it could be addressed in an ordinance change. That is something they will inform the entities of making them aware of the options.

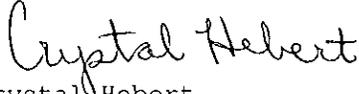
NEW BUSINESS:

MISCELLANEOUS BUSINESS None

ADJOURNMENT:

MOTION 12: Moved, supported and carried to adjourn the meeting at 2:55 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE
JANUARY 12 , 2016

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

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:30 P.M.

MOTIONS

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	S-Y	Y	Y	Y	Y	Y	Y	S-Y	Y	S-Y
COONAN	Y	Y	S-Y	S-Y	M-Y	Y	M-Y	Y	Y	Y
GOETZ	Y	S-Y	Y	Y	Y	S-Y	S-Y	Y	Y	Y
GRAY	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GROMASKI	Y	M-Y	Y	Y	Y	M-Y	Y	Y	M-Y	Y
KRYGIER	Y	Y	M-Y	Y	Y	Y	Y	M-Y	Y	Y
MORSE	Y	Y	Y	Y	Y	Y	Y	Y	S-Y	M-Y
PETT	Y	Y	Y	M-Y	S-Y	Y	Y	Y	Y	Y
STARKWEATHER	M-Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

TRUSTEE	11	12	13	14						
BRZEZINSKI	Y	Y	S-Y	Y						
COONAN	Y	Y	Y	M-Y						
GOETZ	Y	Y	Y	Y						
GRAY	Y	Y	Y	Y						
GROMASKI	Y	Y	Y	S-Y						
KRYGIER	S-Y	Y	Y	Y						
MORSE	Y	S-Y	Y	Y						
PETT	M-Y	M-Y	Y	Y						
STARKWEATHER	Y	Y	M-Y	Y						

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

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE
JANUARY 12, 2016

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

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 1:30P.M.

RESOLUTIONS

TRUSTEE	2016-1	2016-2								
BRZEZINSKI	Y	Y								
COONAN	Y	Y								
GOETZ	Y	Y								
GRAY	Y	Y								
GROMASKI	M-Y	Y								
KRYGIER	Y	Y								
MORSE	S-Y	S-Y								
PETT	Y	M-Y								
STARKWEATHER	Y	Y								

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



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

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

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Kristal Goetz
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pett
Thomas Starkweather

MEMORANDUM

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4113

To: Bay County Employees' Retirement System Board of Trustees

From: Crystal Hebert, Finance Officer, BCERS/VEBA Secretary *CH*

Date: February 1, 2016

RE: Transition Management Agreement

Request :

To enter into a Transition Management Agreement with Capital Institutional Services, Inc. (CAPIS).

Background:

The Bay County Employees' Retirement System (BCERS) and the Bay County Voluntary Employees' Beneficiary Association (VEBA) are currently engaged with Northern Trust to provide transition management services, a service necessary when restructuring investments by terminating or reducing the asset allocations of certain investment managers. Our consultants suggest that we engage with more than one management service which allows BCERS and VEBA the ability to request proposals as to the methods, timing, estimated costs, etc. for future major manager or allocation changes. Due to timing issues, our consultants also suggest that the Board give the Finance Officer the authority to request proposals on the Board's behalf and select an approved manager after their review.

Finance/Economics:

The use of a transition manager may lower the transaction costs associated with major manager or allocation changes.

Recommendation:

Please receive and approve the transition management agreement with CAPIS after review by Corporation Counsel. In addition, please authorize the Finance Officer to request proposals, as needed for major transitions. Further, allow the Finance Officer the authority to select a transition manager after consultation with the Investment Consultants.

BAY COUNTY RETIREMENT BOARD
2/09/16
RESOLUTION

- BY: BAY COUNTY RETIREMENT BOARD (2/09/16)
- WHEREAS, The use of a transition manager may lower the transaction costs associated with major manager or allocation changes
- WHEREAS, Currently, the Bay County Employees' Retirement System (BCERS) is engaged only with Northern Trust to provide transition management services, a service necessary when restructuring investments by terminating or reducing the asset allocations of certain investment managers.
- WHEREAS, Our consultants suggest that we engage with more than one management service which allows BCERS the ability to request proposals as to the methods, timing, estimated costs, etc. for future major manager or allocation changes.
- WHEREAS, Due to timing issues, our consultants also suggest that the Board give the Finance Officer the authority to request proposals on the Board's behalf and select an approved manager after their review. Therefore, Be It
- RESOLVED That this Board enter into a transition management agreement with CAPIS, Be It Further
- RESOLVED That the Finance Officer is authorized to request proposals, as needed, for major transitions, and Be It Further
- RESOLVED That the Finance Officer, after consultation with the Investment Consultant, is authorized to select which of the approved transition managers shall be utilized, Be It Finally
- RESOLVED That the Chairman of the Board is authorized to execute the agreement with CAPIS and all related documents on behalf of the Bay County Voluntary Employee's Beneficiary Association (BCERS) Board following review by Corporation Counsel.

STEVE GRAY, CHAIR
AND BOARD

TRANSITION MANAGEMENT AGREEMENT CAPIS

MOVED BY TRUSTEE _____
SUPPORTED BY TRUSTEE _____

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

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

From: Shanley, Thomas [<mailto:TShanley@MFS.com>]
Sent: Monday, February 01, 2016 5:07 PM
To: Crystal Hebert
Cc: Shawna Walraven; Hyland, Kimberly
Subject: MFS: Fee Amendment Letter for Bay County Employees' Retirement System

Good Afternoon Crystal,

I hope this email finds you well.

We included fee aggregation language in the contract for the Bay County VEBA account. As a result we also need to add this language to the contract for the Bay County Employees' Retirement System. Attached please find the fee amendment letter for your review.

Please let me know if you have any comments. If you agree with the added language, please confirm and I will have the document executed on our end and returned to you for final signature.

Thank you and please let me know if you have any questions.

Regards,

Tom



Thomas Shanley, Client Service Manager
T: 617-954-7492 E: tshanley@mfs.com
MFS Investment Management
111 Huntington Avenue, Boston, MA 02199-7632

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AMENDMENT TO
INVESTMENT ADVISORY AGREEMENT

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AMENDMENT effective as of July 1, 2015 (the "Amendment") to the INVESTMENT ADVISORY AGREEMENT, dated August 14, 2012 and as amended as of July 1, 2015 (the "Agreement") by and between the Board of Trustees of Bay County Retirement Board, on behalf of Bay County Employees' Retirement System, a public retirement- system organized under MCL 46.12a (the "Client") and MFS Institutional Advisors, Inc., a Delaware corporation (the "Adviser"). Except as otherwise defined in this Amendment, terms defined in the Agreement are used herein as defined in the Participation Agreement.

WHEREAS, the parties desire to amend the Fee Schedule to the Agreement;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties agree as follows:

1. The Fee Schedule to the Agreement is deleted and replaced in its entirety with the Fee Schedule attached hereto and a new paragraph includes the following new language in italics: For the purpose of this Fee Schedule above, and "Effective Management Fee" shall be determined by aggregating the Average Portfolio Net Assets of Bay County Employees' Retirement System and Bay County Voluntary Employees' Beneficiary Association that are managed in a substantially similar manner (i.e., MFS Growth Equity) by the Adviser.
2. Except as specifically amended hereby, the Agreement, as amended and supplemented to date, remains in full force and effect.
3. This amendment may be executed in any number of Counterparts, any one of which need not contain the signatures of more than one party, but all of such counterparts together shall constitute one agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their respective duly authorized officers as of the date first above written.

Plan Fiduciary

Board of Trustees of Bay County Retirement Board, on behalf of Bay County Employees' Retirement System

By _____
(Signature)

Date: _____

Print Name: _____

Title: _____

MFS Institutional Advisors, Inc.

By _____
(Signature)

Date: _____

Print Name: _____

Title: _____

Fee Schedule

For investment management services provided to the Account under this Agreement, the Client shall pay the Adviser a fee determined by multiplying the Average Portfolio Net Assets by the Applicable Percentage as defined below. All fees shall be calculated and paid quarterly in arrears. Fees for partial periods shall be prorated for the portion of the period for which services were rendered.

For purposes of this Schedule:

"Applicable Percentage" means:

0.57% p.a. for the first US\$ 50 million

0.50% p.a. on the next US\$ 50 million

0.45% p.a. on amounts over US\$100 million

The fee shall be based on the "Average Portfolio Net Assets" that shall be determined by computing the average of the value of Account assets on the last business day of each of the three months comprising the calendar quarter and the prior quarter-end value (e.g., Account Average Assets = [Prior Quarter-end Value + First Month-end Value + Second Month-end Value + Third Month-end value] divided by four). The value of the Account shall be based on the month end reports calculated by the Adviser. Should the time span be less than a calendar quarter, the fee will be prorated based on the actual days.

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For the purpose of this Fee Schedule above, an "Effective Management Fee" shall be determined by aggregating the Average Portfolio Net Assets of Bay County Employees' Retirement System and Bay County Voluntary Employees' Beneficiary Association that are managed in a substantially similar manner (i.e., MFS Growth Equity) by the Adviser.

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The Adviser shall provide its invoices to the following at the end of each quarter:

{Client Billing Contact}

Name: Rebecca Marsters
Address: 515 Center Avenue,
Bay City, MI 48708

Phone: 989-895-4030
Fax: 989-895-4039
Email: MarstersR@baycounty.net

**BAY COUNTY RETIREMENT BOARD
02/09/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD 02/09/16)

WHEREAS, MFS Institutional Advisors (MFS) is a money manager for the Bay County Employees' Retirement System (BCERS). MFS also entered into a contract with the Bay County Voluntary Employees' Beneficiary Association (VEBA) December 17, 2015.

WHEREAS, In order to lower costs associated with management fees, MFS has amended its agreement to combine the market values of the VEBA and BCERS MFS accounts, thereby, providing better opportunity to reach break points in the MFS fee schedule. Therefore, Be It

RESOLVED That this Board grant approval to the Chairman of the Board sign an amended fee agreement after review by Corporation Counsel.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION MFS INVESTMENT ADVISORY AGREEMENT AMENDMENT

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

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

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
2/09/2016
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/16 -1/31/16
2. CHANGE IN BOOK AND MARKET VALUE -12/31/15
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
 - a. CORNERSTONE - ENDING 12/31/15 & 4th QTR REPORT 12/31/15
 - b. EAGLE ASSET MGMT – 12/31/15
 - c. GENEVA HENDERSON - 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
 - d. HOTCHKIS & WILEY - ENDING 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
 - e. INTEGRITY – ENDING 12/31/15
 - f. LOOMIS SAYLES – ENDING 12/31/16
 - g. MACKAY SHIELDS – ENDING 12/31/15
 - h. MFS INVESTMENT - ENDING 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
 - i. MFS HERITAGE TRUST - ENDING 12/31/15 AND 4TH QTR PROXY REPORT 12/31/15
5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 12/31/15
 - b. CAPIS - SUMMARY ENDING 12/31/15
6. NORTHERN TRUST SUMMARY EARNINGS -12/31/15
7. REFUNDS/RETIREMENTS –ENDING1/31/16
8. BCERS YTD BUDGET REPORT – ENDING 1/31/16
9. INVOICES APPROVED – 1/31/16

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS FEBRUARY

MOVED BY TRUSTEE _____
SUPPORTED BY TRUSTEE _____

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

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

RET.	BAIRD	BARRINGS	CORNERSTONE	DENVER	EAGLE (RJEN)	GENEVA	HOTCHKISS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MRS	MRS INTL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL
2015	9541	1500	484	20024	2000	4200	8242	2012	5822	402	20022	9810	5822	4407				
JAN	25,954,484.81	18,548.92	14,930,255.11	0.11	9,746,980.22	22,736,052.32	10,466,425.37	36,773,554.50	19,088,857.01	48,475,341.50	15,276,008.70	21,347,500.05	17,398,557.17	44,653,307.62	14,948,550.99		4,580,099.44	304,086,341.84
FEB	25,899,772.32	18,293.74	14,500,330.44	0.11	10,308,479.58	24,218,314.77	11,215,548.48	35,589,850.38	24,426,781.07	33,195,871.83	24,740,538.82	22,445,787.78	26,406,553.80	31,837,449.58	30,859,517.96		3,437,191.54	318,869,088.18
MARCH	25,849,611.06	17,623.39	14,781,781.58	0.11	10,435,015.38	24,485,880.35	11,226,212.23	36,689,891.43	18,918,542.84	32,780,556.90	25,599,791.38	22,555,526.97	26,587,122.19	31,178,272.37	30,369,218.58		2,232,776.79	314,297,332.51
APRIL	25,791,286.30	19,349.81	13,913,879.08	0.11	10,080,308.23	24,420,047.89	11,231,878.82	36,471,974.37	15,991,922.14	32,576,453.55	25,376,195.39	22,080,940.19	27,690,924.91	31,524,713.33	30,656,694.29		4,559,077.37	312,951,350.48
MAY	25,772,284.89	10,005.37	13,988,300.28	0.11	10,521,250.61	24,392,284.82	11,427,015.55	36,254,310.10	15,679,728.57	33,164,349.21	26,300,081.20	22,631,525.11	27,997,897.88	31,833,443.18	31,052,702.90		585,897.00	315,589,588.38
JUNE	25,560,850.64	10,188.50	13,243,171.01	0.11	10,902,795.80	22,032,623.00	10,574,813.83	35,880,577.83	12,559,847.79	32,886,679.51	26,300,081.20	22,229,821.72	27,691,207.36	31,440,501.74	30,453,489.99		4,187,087.00	310,889,407.36
JULY	25,751,940.42	9,887.21	14,066,281.12		11,144,365.01	22,813,005.24	10,109,127.93	35,863,131.82	12,860,974.56	34,414,354.68	25,572,051.27	22,067,034.58	29,009,490.01	31,375,840.87	31,091,619.83		4,187,087.00	313,406,121.48
AUG	25,788,233.06	10,009.97	13,216,059.49		10,294,473.82	21,483,480.49	9,831,518.56	35,588,190.82	12,377,652.26	32,432,003.96	26,072,571.85	20,962,180.94	26,793,476.57	28,310,728.04	29,215,944.37		3,021,353.52	300,344,374.72
SEPT	25,974,798.96	9,934.22	7,787,054.40		9,710,864.75	20,984,823.38	9,228,385.90	35,687,646.71	12,317,078.45	31,417,522.82	23,997,290.88	20,167,198.72	25,874,633.59	28,108,853.88	28,480,179.90		3,488,561.25	293,282,483.82
OCT	25,922,485.86	9,840.17	8,194,199.97		10,082,293.50	22,243,942.88	9,839,088.71	36,028,950.23	12,925,835.35	34,014,148.79	23,443,355.07	21,388,087.08	27,158,538.87	30,483,036.27	30,894,140.35		2,552,894.15	305,355,704.65
NOV	25,854,793.37	9,434.53	8,158,478.38		10,441,629.35	21,149,237.53	10,119,923.30	35,908,309.73	12,893,548.39	33,331,303.46	25,128,924.28	20,907,993.96	27,036,571.85	30,785,102.29	30,988,725.31		4,461,949.79	307,363,883.32
DEC	25,802,016.29	9,894.87	8,327,243.74		10,188,423.39	20,449,844.06	9,533,331.05	35,546,380.32	12,753,574.38	33,050,734.84	24,905,348.95	19,982,787.31	27,358,147.46	29,966,446.55	30,497,830.43		3,285,060.83	301,841,833.37
2015 YTD	54,615.73	0.00	66,046.58	0.00	85,140.86	182,437.00	103,846.28	109,749.86	62,820.03	155,314.59	129,719.18	178,646.00	139,478.53	149,335.39			0.00	3,221,442.31

RET.	BAIRD	BARRINGS	CORNERSTONE	DENVER	EAGLE (RJEN)	GENEVA	HOTCHKISS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MRS	MRS INTL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL	
2016	6241	1530	484	20024	2000	4200	8242	2012	5822	402	20022	9810	5822	4407					
JAN	28,283,359.90	8,549.37	8,024,589.76		9,137,770.44	19,317,122.12	8,643,010.85	35,626,884.74	12,045,416.38	31,358,773.03	24,387,024.29	18,703,844.28	25,440,447.89	27,919,505.11	28,982,907.66		10,204,988.00	2,118,603.07	288,213,356.69
FEB																			0.00
MARCH																			0.00
APRIL																			0.00
MAY																			0.00
JUNE																			0.00
JULY																			0.00
AUG																			0.00
SEPT																			0.00
OCT																			0.00
NOV																			0.00
DEC																			0.00
2016 YTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RET.	BAIRD	BARRINGS	CORNERSTONE	DENVER	EAGLE (RJEN)	GENEVA	HOTCHKISS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MRS	MRS INTL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL	
2014 YTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1ST QTR																			0.00
2ND QTR																			0.00
3RD QTR																			0.00
4TH QTR																			0.00
2014 YTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Portfolio Statement

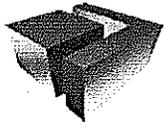
DEC 15 - 31 DEC 15

Account Number 8765
Account Name FAMILY CODE FAIM8765

◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	264,966,993.15	307,141,555.83	
Miscellaneous Cash Receipts	170,960.94	170,960.94	See funding & disbursement summary
Participant Contributions	90,906.53	90,906.53	See funding & disbursement summary
Sponsor Contributions	224,809.37	224,809.37	See funding & disbursement summary
Total receipts	486,676.84	486,676.84	See funding & disbursement summary
Benefit Payments / Beneficiary Payments	- 1,422,049.75	- 1,422,049.75	See funding & disbursement summary
Total disbursements	- 1,422,049.75	- 1,422,049.75	See funding & disbursement summary
Income received	610,491.06	610,491.06	See income & expense summary, cash activity detail
Expenses paid	- 267,659.80	- 267,659.80	See income & expense summary
Unrealized gain/loss change	0.00	- 5,378,364.30	See asset summary
Realized gain/loss	160,793.51	160,793.51	See realized gain/loss summary
Accrued income change	- 8,222.20	- 8,222.20	See income & expense summary
Closing balance	264,527,022.81	301,323,221.19	

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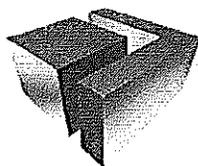


CORNERSTONE

PERFORMANCE HISTORY
Bay County Employees' Retirement System
U.S. REIT Strategy

Percent Total Return
Per Period

Time Period	12/31/2015	Portfolio		FTSE/NAREIT
		Gross	Net	Equity REIT Index
1 Month		1.93%	1.88%	1.84%
YTD		4.27%	3.65%	3.20%
1 Year		4.27%	3.65%	3.20%
3 Year		13.14%	12.47%	11.23%
5 Year		13.28%	12.60%	11.96%
Inception (October 21, 2008)		16.33%	15.65%	14.24%



CORNERSTONE

January 29, 2016

Bay County Employees' Retirement System
Bay County Voluntary Employees' Beneficiary Association
Bay County Building
515 Center Avenue, Suite 706
Bay City, MI 48708-5128

Dear Bay County Employees' Retirement System:

The total return of the Bay County Employees' Retirement System REIT account for the quarter ended December 31, 2015 is as follows:

Total Returns Ending December 31, 2015

Portfolio	Q4 2015	1 Year
Bay County Employees' Gross	6.94%	4.27%
Bay County Employees' Net	6.78%	3.65%
FTSE NAREIT Equity REIT Index	7.26%	3.20%

Market Overview

U.S. REITs rebounded from previous rate hike fears, following somewhat flat returns in the third quarter and negative returns in the second quarter. Performance was positive in most sectors, led by Self-storage, Net Lease, and Industrial. Self-Storage operators reported strong occupancy and rent-growth in the quarter, benefitting from demographic trends in the U.S. and a quiet supply pipeline. The Net Lease sector outperformed due to investors looking for safety in this sector which has a long leasing duration. The Industrial sector benefited from healthy occupancy driven by strong imports, e-commerce, and an improving housing market. Property fundamentals are currently balanced, but supply could be a risk due to the short construction period for this sector.

The U.S. Hotel sector underperformed in the fourth quarter due to global growth concerns in the broader equity markets, and December RevPAR levels that were reported at the low-end of expectations. Valuations are attractive and property fundamentals are solid.

Market Commentary

The U.S. economy is performing well. The December jobs report capped a strong year for the U.S. labor market, with 2.9 million jobs gained, the highest level since 1999. The unemployment rate in December was 5.0%; the economy will soon reach full employment levels. However,

GDP growth has been lackluster, due to the decline in oil prices, inventory accumulation, and the strong dollar limiting exports and favoring imports. The Federal Reserve began normalizing interest rates in December, raising the target range for the fed funds rate by 25 basis points, the first increase since 2006. This move was already priced into equity markets, and rates still remain low. Future rate hikes are expected to be gradual, and will be dependent on inflation and employment gains. Interest rates are not expected to reach "normal levels" until 2018.

REIT Outlook

U.S. economic growth is expected to reaccelerate in the second quarter 2016. This growth should offset any risk of new real estate supply. We expect strong same store NOI growth in 2016, led by growth sectors: Hotels, Self-Storage, and Apartments. Supply levels are rising but remain below historical levels. The sectors with higher forecast levels of new supply are Apartments, Industrial, and Hotels. In addition, select primary office markets have experienced a higher concentration of development. Longer-term secular changes underway in the U.S. are being monitored: urbanization (millennials shifting their preferences for housing and office space), E-Commerce (a trend that is driving major changes in retail and warehouse space), consumption trends (consumers are becoming more cautious), and an aging population (ramifications for healthcare and housing). The Multifamily sector will have to contend with increased supply while we expect lower gas prices and broadening wage growth to benefit retail.

We expect listed property to generate attractive returns in 2016. Equity markets will remain volatile as uncertainty remains for U.S. Fed policy, China's slowing economy, and a stronger U.S. dollar. Economic growth, rising interest rates, and inflation, should support real estate fundamentals, rent growth, and thus listed real estate. Real estate fundamentals remain positive in the U.S. and global valuations are attractive.

Sincerely,



David Wharmby, CFA
Managing Director, Global Head of Real Estate Securities, Portfolio Manager



CORNERSTONE

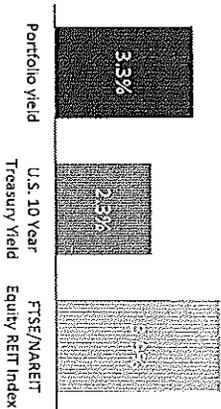
PERFORMANCE HISTORY
 Bay County Employees' Retirement System
 U.S. REIT Strategy

Total Return as of 12/31/2015

Time Period	Portfolio Returns		FTSE/NAREIT Equity Index
	Gross	Net	
Q4 2015	6.94%	6.78%	7.26%
YTD 2015	4.27%	3.65%	3.20%
1 Year	4.27%	3.70%	3.20%
3 Year	13.14%	12.47%	11.23%
5 Year	13.28%	12.60%	11.96%
Since Inception	16.33%	15.70%	14.24%

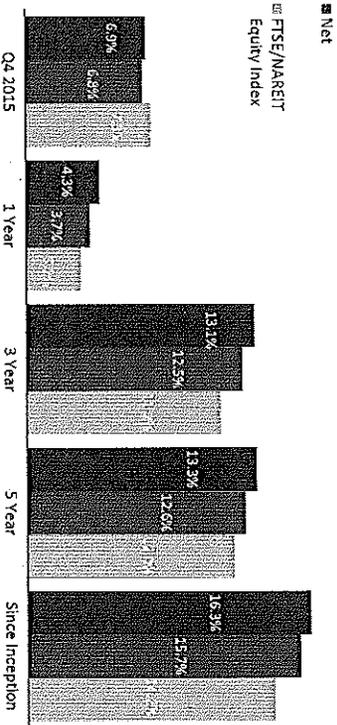
* Inception Date 10/21/2008

Dividend Yields¹

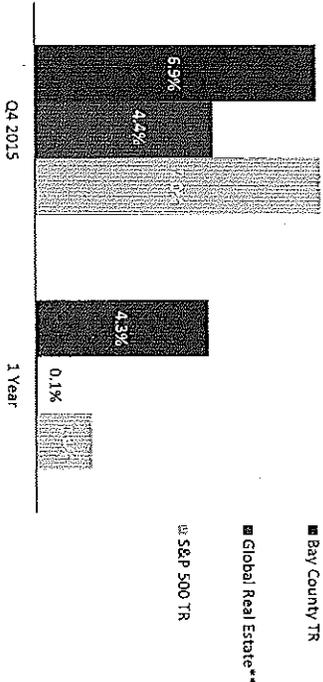


¹All forward yields

Returns Summary



Capital Markets & Real Estate Comparison



Past performance is not a guarantee of future performance.

** FTSE EPRA/NAREIT Developed Index



CORNERSTONE

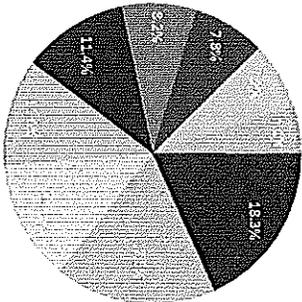
Bay County Employees' Retirement System
 U.S. REIT Strategy
 December 31, 2015

Top Ten Equity Holdings

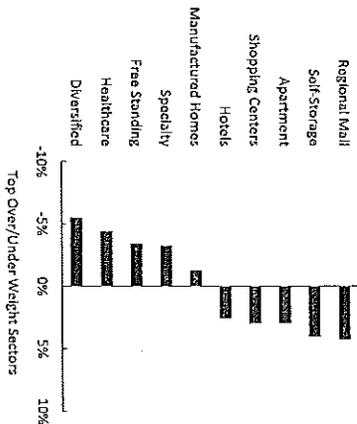
Ticker	Security	Total Portfolio Weight	Sector	Quantity	Market Close Price	Portfolio Market Value	Equity Weight*	Dividend Yield	Security Market Return Quarter
SPG	Simon Property Group Inc	10.2%	Regional Mall	4,388	\$194.44	\$853,203	10.5%	3.1%	6.7%
PSA	Public Storage	6.2%	Self-Storage	2,070	\$247.70	\$512,739	6.3%	2.6%	17.9%
EQR	Equity Residential	5.8%	Apartment	5,870	\$81.59	\$478,933	5.9%	2.7%	9.4%
EXR	Extra Space Storage Inc	5.2%	Self-Storage	4,920	\$88.21	\$433,993	5.3%	2.5%	15.1%
PLD	Prologis Inc	4.5%	Industrial	8,800	\$42.92	\$377,696	4.6%	3.5%	11.4%
BXP	Boston Properties Inc	4.4%	Office	2,880	\$127.54	\$367,315	4.5%	3.0%	9.3%
AVB	AvailonBay Communities Inc	4.4%	Apartment	1,975	\$184.13	\$363,841	4.5%	2.7%	6.0%
ESS	Essex Property Trust Inc	4.3%	Apartment	1,480	\$239.41	\$354,327	4.3%	2.4%	7.8%
HGN	Welltower Inc	4.1%	Healthcare	5,020	\$68.03	\$341,511	4.2%	4.9%	1.8%
REG	Regency Centers Corp	4.1%	Shopping Centers	4,970	\$68.12	\$338,556	4.1%	2.8%	10.4%
						\$4,422,114	54.2%	3.0%	

FISE NAREIT Equity Index vs. Portfolio Sector Weightings

Sector	Equity Weight*	NAREIT Equity Index Weight	Over/Under Weight
Apartment	18.3%	15.3%	3.0%
Single Family	0.0%	0.6%	-0.6%
Diversified	0.0%	5.5%	-5.5%
Healthcare	7.8%	12.1%	-4.4%
Hotels	8.2%	5.6%	2.6%
Industrial	7.2%	6.4%	0.7%
Manufactured Homes	0.0%	1.2%	-1.2%
Office	13.0%	12.5%	0.5%
Regional Mall	17.5%	13.2%	4.3%
Self-Storage	11.6%	7.5%	4.1%
Specialty	0.0%	3.2%	-3.2%
Free Standing	0.0%	3.4%	-3.4%
Shopping Centers	11.4%	8.4%	3.0%
Data Center	5.1%	5.0%	0.2%
		100.0%	0.0%



Sector Weightings excluding cash holdings



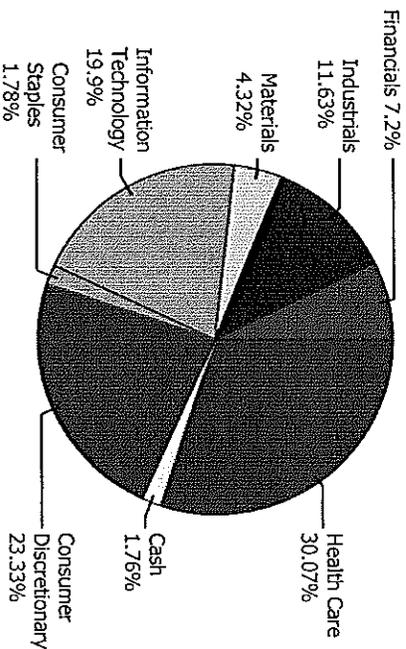
*Note: Weight excludes cash and cash equivalents.
 Sector weights include securities that are not in the index.

Bay County Employees' Retirement System - 05231100
Portfolio Style: Small Cap Growth Equity

Portfolio Summary

	Month To Date	Year To Date
Beginning Market Value	10,441,601.40	10,177,409.68
Contributions	1,521.05	2,380.49
Withdrawals	-32.14	-387.23
Dividend and Interest Income	2,503.73	49,138.02
Change in Market Value	-257,326.08	-40,273.00
Ending Market Value	10,188,267.96	10,188,267.96

Industry Weightings



Currency Valuation: USD

Performance Summary

	MTD	QTD	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	-2.44	4.90	.08	.08	13.01	10.92	15.18
Net	-2.44	4.70	-.75	-.75	12.00	9.99	14.25
RU20GTR ¹	-4.77	4.32	-1.38	-1.38	14.28	10.67	16.13

¹ Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

Top Ten Holdings

Security Description	Total Market Value	% of Market Value
UNIVERSAL ELECTRONICS INC	349,334.05	3.43%
GENESCO INC	323,419.53	3.18%
NATUS MEDICAL INC	301,898.15	2.96%
IMPERVA INC	268,181.16	2.63%
MARTIN MARLETTA MATERIALS	242,702.66	2.38%
TUMI HOLDINGS INC	225,552.69	2.21%
CENTENE CORP	210,986.86	2.07%
JETBLUE AIRWAYS CORP	204,303.00	2.01%
QUAKER CHEMICAL CORP	197,553.82	1.94%
VAIL RESORTS INC	191,601.03	1.88%

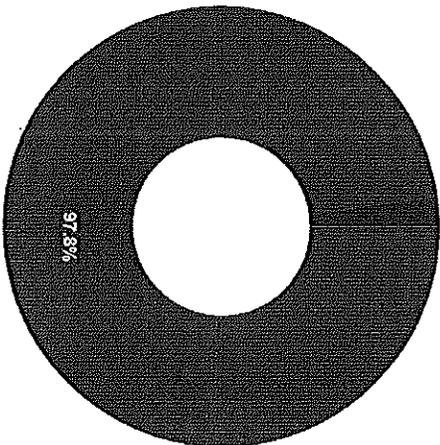
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Activity Summary

	Month To Date	Quarter To Date	Year To Date
Beginning Market Value	21,149,301.85	20,984,776.22	23,224,664.42
Net Additions	-64.62	-1,000,224.45	-4,001,053.96
Gains/Losses (Net of Fees)	-699,465.82	465,219.64	1,226,160.95
Ending Market Value	20,449,771.41	20,449,771.41	20,449,771.41

Account Objectives & Asset Allocation

Objective	Style	Range	Equity	Fixed Income	Cash	Ladder of Maturities
Equity	Mid Cap	95-100%	97.8%	0%	0-5%	n/a



Equities 97.8% Cash & Equivalents 2.2%

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Performance Overview

Net of Fees | US Dollar
12/31/2015

Bay County Employees' Retirement System XXXX9057 (bcers)

Performance Returns

Asset Class	Month	Quarter	Year	Latest	Annualized
	To Date	To Date	To Date	1 Year	To Date
Equities	-3.38	2.13	4.61	4.61	(1/17/2013) 12.12
Account	-3.31	1.89	3.99	3.99	11.13
Index					
Russell Midcap Growth Index	-2.26	4.12	-0.20	-0.20	13.44

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Performance History - YTD

Bay County Employees' Retirement System XXXX9057 (bcers)

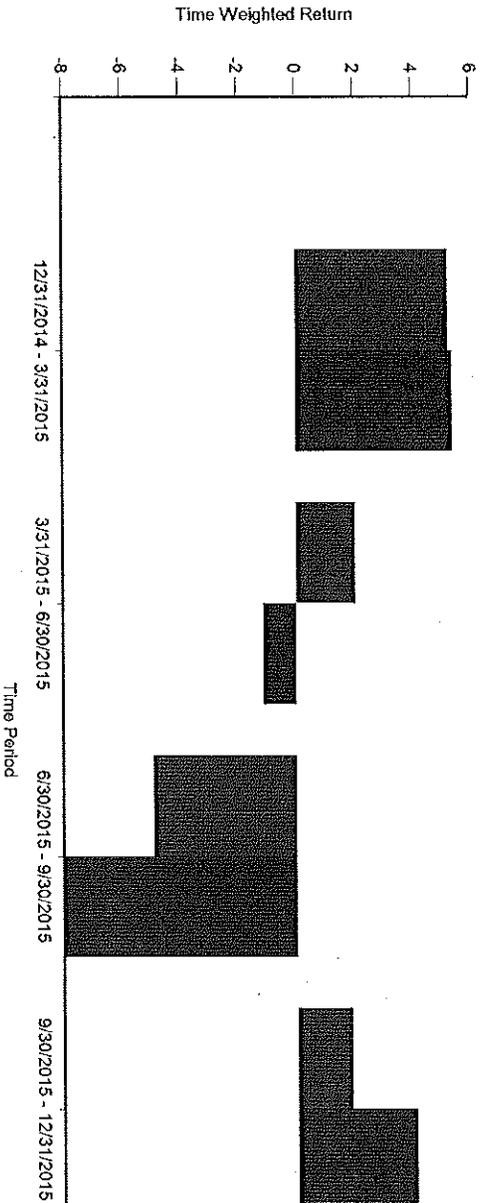
Net of Fees | US Dollar
12/31/2014 - 12/31/2015

Performance History

Percent Return Per Period

Time Period	Total	Equities	Russell Midcap Growth Index
12/31/2014 to 03/31/2015	5.23	5.55	5.38
03/31/2015 to 06/30/2015	2.03	2.02	-1.14
06/30/2015 to 09/30/2015	-4.94	-4.88	-7.99
09/30/2015 to 12/31/2015	1.89	2.13	4.12
Date to Date			
12/31/2014 to 12/31/2015	3.99	4.61	-0.20

Time Weighted Return



■ Total
▨ Equities
▤ Russell Midcap Growth Index

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Performance Since Inception

Bay County Employees' Retirement System XXXX9057 (bcers)

Net of Fees | US Dollar
1/17/2013 - 12/31/2015

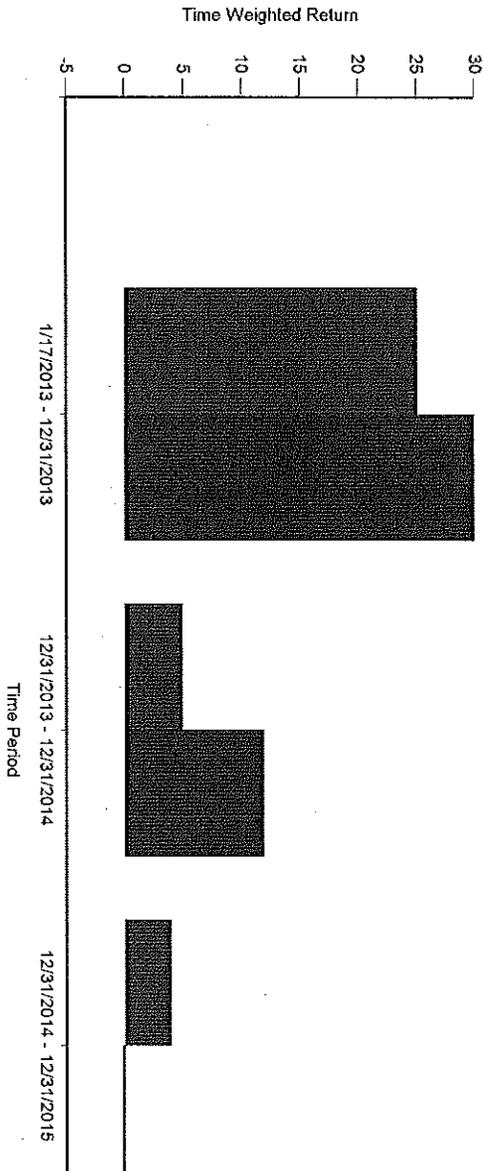
Performance History

Percent Return Per Period

Time Period	Total	Equities	Russell Midcap Growth Index
01/17/2013 to 12/31/2013	25.11	26.17	29.97
12/31/2013 to 12/31/2014	4.96	6.21	11.90
12/31/2014 to 12/31/2015	3.99	4.61	-0.20

Inception to Date	Total	Equities	Russell Midcap Growth Index
01/17/2013 to 12/31/2015	36.55	40.18	45.14
Annualized	11.13	12.12	13.44

Time Weighted Return



Total
Russell Midcap Growth Index

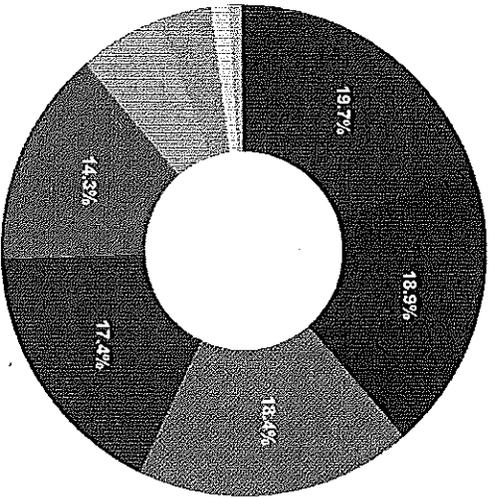
28

Equity Overview

US Dollar
12/31/2015

Bay County Employees' Retirement System XXXX9057 (boers)

Portfolio Allocation as of 12/31/2015



Industry Sector	Market Value	% Equity	% Assets
TECHNOLOGY	3,945,842	19.7	19.3
CONSUMER DISCRETIONARY	3,786,273	18.9	18.5
PRODUCER DURABLES	3,688,879	18.4	18.0
HEALTH CARE	3,486,733	17.4	17.1
FINANCIAL SERVICES	2,861,066	14.3	14.0
CONSUMER STAPLES	1,135,747	5.7	5.6
MATERIALS & PROCESSING	689,238	3.4	3.4
UTILITIES	230,578	1.2	1.1
ENERGY	175,970	0.9	0.9
Equity Total	20,000,326	100.0	97.8

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Top 10 Holdings

Quantity	Symbol	Security	Cost Basis	Market Value	% Assets
6,577	fsv	FISERV INC COM	272,223	601,532	2.9
2,294	orly	O'REILLY AUTOMOTIVE INC NEW COM	201,153	581,345	2.8
6,711	tsco	TRACTOR SUPPLY CO COM	314,195	573,791	2.8
3,210	tyl	TYLER TECHNOLOGIES INC COM	288,996	559,567	2.7
6,539	ua	UNDER ARMOUR INC CL A	224,914	527,109	2.6
4,651	midd	MIDDLEBY CORP COM	356,952	501,703	2.5
7,363	manh	MANHATTAN ASSOCS INC COM	253,480	487,210	2.4
8,943	aph	AMPHENOL CORP NEW CL A	303,688	467,093	2.3
15,692	lkg	LKG CORP COM	366,440	464,954	2.3
5,476	chd	CHURCH & DWIGHT INC COM	326,021	464,803	2.3
Top 10 Holdings Total			2,908,064	5,229,107	25.6

Proxy Voting Report

Oct 01, 2015 to Dec 31, 2015
 4Q15 PROXY VOTING REPORT -BAY COUNTY EMPLOYEES RETIREMENT SYSTEM (BCERS)

Ballot Status Summary

Number of Meetings	2	
Number of Ballots	2	
Confirmed	2	% Of All Ballots 100.0%
Validated	0	% Of All Ballots NA
Sent Ballots	0	% Of All Ballots NA
Unsent Ballots	0	% Of All Ballots NA
Take No Action	0	% Of All Ballots NA
No Vote Cast	0	% Of All Ballots NA

Vote Against Management (VAM) Summary

Number of Meetings	2	Number of Proposals	16
Number of Countries (Country of Origin)	1	Number of Countries (Country of Trade)	1
Number of Meetings With VAM	0	% of All Meetings Voted	NA
Number of Proposals With VAM	0	% of All Proposals Voted	NA
Number of Meetings With Votes For Mgmt	2	% of All Meetings Voted	100.0%
Number of Proposals With Votes For Mgmt	16	% of All Proposals Voted	100.0%
Number of Abstain Votes	0	% of All Proposals Voted	NA

Number of No Votes Cast	0	% of All Proposals Voted	NA
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Votes Against Policy (VAP) Summary

Number of Meetings	2	Number of Proposals	16
Number of Countries (Country of Origin)	1	Number of Countries (Country of Trade)	1
Number of Meetings With VAP	0	% of All Meetings Voted	NA
Number of Proposals With VAP	0	% of All Proposals Voted	NA
Number of Meetings With Votes For Policy	2	% of All Meetings Voted	100.0%
Number of Proposals With Votes For Policy	16	% of All Proposals Voted	100.0%
Number of Abstain Votes	0	% of All Proposals Voted	NA
Number of No Votes Cast	0	% of All Proposals Voted	NA
Number of Proposals with Votes with GL	16	% of All Proposals Voted	100.0%

Proposal Summary

Number of Meetings: 2
 Number of Mgmt Proposals: 16
 Number of Shareholder Proposals: 0

Mgmt Proposals Voted FOR	16	% of All Mgmt Proposals	100.0%
Mgmt Proposals Voted Against/Withhold	0	% of All Mgmt Proposals	NA
Mgmt Proposals Voted Abstain	0	% of All Mgmt Proposals	NA
Mgmt Proposals With No Votes Cast	0	% of All Mgmt Proposals	NA
Mgmt Proposals Voted 1 Year	0	% of All Mgmt Proposals	NA
Mgmt Proposals Voted 2 Years	0	% of All Mgmt Proposals	NA
Mgmt Proposals Voted 3 Years	0	% of All Mgmt Proposals	NA

ShrHldr Proposal Voted FOR	0	% of All ShrHldr Proposals	NA
ShrHldr Proposals Voted Against/Withhold	0	% of All ShrHldr Proposals	NA
ShrHldr Proposals Voted Abstain	0	% of All ShrHldr Proposals	NA
ShrHldr Proposals With No Votes Cast	0	% of All ShrHldr Proposals	NA

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Small Cap Value

Total Market Value: \$9,532,487 (1.7% Cash)

Quarter Ended December 31, 2015

Performance Returns - Gross of Fees				Weighted Average Portfolio Characteristics			
Portfolio	MTD	QTD	YTD	Since Incept.	Portfolio	Rus 2000 V	Rus 2000
Portfolio - Total Return	-5.80 %	3.30 %	-7.59 %	9.48 %	Projected P/E (FY2)	13.2x	14.9x
					Price / Normal Earnings	8.9x	13.9x
Russell 2000 Value Index	-5.27	2.87	-7.48	7.06	Price / Cash Flow	7.8x	7.9x
Russell 2000 Index	-5.02	3.59	-4.41	7.65	Price / Book	1.2x	1.3x
S&P 500 Index	-1.58	7.04	1.38	7.80	Dividend Yield	1.3%	2.4%
					Market Capitalization (mm)	\$2,023	\$1,671
					# of Holdings / 1-Yr Turnover	61 / 41%	
Commenctment of portfolio: 12/1/03. Periods over one year are average annualized returns.				Trading Data			
Top and Bottom Five Contributors to Performance				Top Ten Holdings - Total Portfolio			
Avg Wgt	Ttl Ret	Contr.	Major Buy/Sell	Buy/Sell	End Wgt		
Hanger Inc.	3.27 %	20.60 %	0.64 %	First Niagara Fin'l Grp Inc.	1.6%	Great Plains Energy Inc.	5.5 %
Artis Group Inc.	2.94	17.71	0.46	LifePoint Hospitals Inc.	0.9%	Horace Mann Educ. Corp.	4.7
Louisiana-Pacific Corp.	1.80	26.47	0.42	Office Depot Inc.	0.8% *	Rush Enterprises Inc.	4.0
Sonic Automotive Inc.	2.98	11.64	0.35	Rush Enterprises Inc.	0.6%	First Niagara Fin'l Grp Inc.	3.7
Ologic Corp.	2.12	19.02	0.34	Tutor Perini Corp.	0.5%	Hanger Inc.	3.6
Real Industry Inc.	2.39 %	-8.96 %	-0.20 %	(Horsehead Hldg Corp.)	-0.5% *	Masonite Intl Corp.	3.4
Navistar Intl Corp.	0.77	-30.50	-0.24	(Rowan Companies PLC)	-1.5% *	LifePoint Hospitals Inc.	3.3
William Lyon Homes	1.37	-19.90	-0.28			Artis Grp Inc.	3.1
Cobalt Intl Energy Inc.	1.20	-23.73	-0.28			Geo Grp Inc.	3.1
Rush Enterprises Inc.	4.02	-9.55	-0.40			Sonic Automotive Inc.	2.9
Performance Attribution				Top Ten Industries - Total Portfolio			
Portfolio	Russell 2000 Value	Allocation	Total	End Wgt			
Information Technology	11.43 %	14.00 %	10.63 %	7.35 %	Sector	Stock	Total
Health Care	9.75	10.40	4.33	5.56	0.04	0.70	0.74
Energy	3.49	-16.26	4.80	-6.33	0.26	0.44	0.69
Consumer Discretionary	8.22	-2.23	10.13	-1.51	0.30	-0.22	0.08
Consumer Staples	0.00	0.00	3.24	1.91	0.10	-0.04	0.06
Materials	6.79	1.87	3.27	0.68	0.03	0.00	0.03
Telecommunication Services	0.00	0.00	0.92	6.18	-0.07	0.09	0.02
Financials	26.78	2.24	43.67	3.14	-0.03	0.00	-0.03
Utilities	7.63	-0.37	7.28	5.48	-0.03	-0.23	-0.26
Industrials	25.92	1.23	11.74	3.73	0.03	-0.44	-0.41
					0.15	-0.66	-0.51
					0.77	-0.36	0.40

Returns are calculated using daily holding information, gross of fees. Performance attribution returns can differ from actual client portfolio returns due to data differences, cash flows, trading, and other activity.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

December 31, 2015

<u>Assets</u>		<u>Transactions Summary</u>	
Total Market Value:	\$9,532,487	Total Purchases:	\$658,786
		Total Sales:	\$308,813
Total Equity Value:	\$9,368,566	Total Commissions:	\$1,336
Total Cash Value:	\$158,925	Average Transaction Cost/Share:	\$0.015
Total Accrued Value:	\$4,995		
% Cash of Portfolio:	1.7%		

Performance Returns

Commencement of Portfolio
December 1, 2003

	<u>MTD</u>	<u>QTD</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>	<u>Inception</u>	Since
Portfolio - Total Return	-5.80 %	3.30 %	-7.59 %	16.02 %	12.21 %	7.38 %	9.48 %	
Russell 2000 Value Index	-5.27	2.87	-7.48	9.06	7.67	5.57	7.06	
Russell 2000 Index	-5.02	3.59	-4.41	11.65	9.19	6.80	7.65	
S&P 500 Index	-1.58	7.04	1.38	15.13	12.57	7.31	7.80	

Periods over one year are average annualized returns
Performance shown gross of fees
Past performance is no guarantee of future performance

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BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

December 31, 2015

MARKET REVIEW AND OUTLOOK

Market Commentary

Investing in small capitalization stocks that trade at lower than average valuation multiples has been the most rewarding part of the US equity market over the last 50 years. While small cap value equities have been long-term winners, there are short periods of underperformance that require patience. In 2015, small cap underperformed large caps and value lagged growth as the Russell 2000 Value Index declined -7.5% while the Russell 1000 Growth Index gained +5.7%. While that underperformance is not as severe as the tech bubble of the late 1990s or the financial crisis of the mid/late 2000s, it was nevertheless a significant headwind for value investors. Beyond these investment style headwinds, we observed increased investor concern about global economic growth driven by a slowdown in China. The world's second largest economy is experiencing growing pains that are affecting economies beyond its borders. Few small cap stocks have direct exposure to China, but stocks in economically sensitive market segments such as heavy industry, basic materials, and energy have been punished nonetheless. The precipitous decline in these economically sensitive industries has resulted in statistically significant value dislocations, and in select circumstances, attractive investment opportunities. The energy sector has been hit particularly hard. It was, by far, the worst-performing sector for the second consecutive year. Small cap energy stocks lagged the broad small cap index by more than 30 percentage points in each of the last two calendar years. Another market segment that has been hit hard is industrial commodities, such as aluminum. Exposure to these sectors was a significant drag on the portfolio in 2015.

Our experience has taught us that remaining true to our value investment philosophy and disciplined in our approach is the best course of action. The portfolio trades at 8.9x normal earnings and 1.2x book value, which represents a considerable valuation discount to the Russell 2000 Value Index (13.9x and 1.4x, respectively) and an even larger discount to the Russell 2000 Index (16.2x and 2.0x, respectively).

Attribution: 2015

The Hotchkis & Wiley Small Cap Value portfolio performed in line with the Russell 2000 Value Index in 2015. The portfolio was overweight (by about 8 percentage points) stocks in the lowest price-to-book quintile. This hurt performance as this cohort underperformed the index (-13.4% vs. -7.5%). An underweight allocation to financials and an overweight allocation to materials also hurt relative performance. Positive stock selection in technology and energy, along with an overweight allocation to healthcare (the best performing sector) helped portfolio performance. The largest individual contributors to relative performance were Watson, First Niagara Financial, and Great Plains Energy; the largest individual detractors were Horsehead Holdings, Noranda Aluminum, and Rush Enterprises.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

December 31, 2015

Portfolio Activity: 2015

We began calendar year 2015 with 61 holdings in the Small Cap Value strategy. Over the course of the year, we exited 12 positions and added 13 new positions, ending the year with 62 holdings. This implies name turnover of roughly 20%, which is a bit less than our 10 year average (~31%). We trimmed the weight in financials and healthcare — the market's two best-performing sectors. We increased the weight in technology and utilities by adding to existing positions and taking new positions in companies exhibiting compelling valuations for the risks at hand.

Performance comparison is based on gross of management fee returns. Portfolio attribution is based on a representative Small Cap Value portfolio. Certain client portfolio(s) may or may not hold the securities discussed due to the account's guideline restrictions, cash flow, tax and other relevant considerations. Equity performance attribution is an analysis of the portfolio's return relative to a selected benchmark and is calculated using daily holding information. Returns calculated using this buy-and-hold methodology can differ from actual portfolio returns due to intraday trades, cash flows, corporate actions, accrued/miscellaneous income, and trade price and closing price difference of any given security. Specific securities identified are the largest contributors (or detractors) on a relative basis to the Russell 2000 Value Index. Securities' absolute performance may reflect different results. Securities identified do not represent all of the securities purchased, sold, or recommended for advisory clients, and are not indicative of current or future holdings or trading activity. H&W has no obligation to disclose purchases or sales of these securities. No assurance is made that any securities identified, or all investment decisions by H&W were, or will be profitable. Quarterly portfolio holdings and characteristics are available at www.hwc.com (subject to the Firm's portfolio holdings disclosure policy).

The commentary is for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Portfolio managers' opinions and data included in this commentary are as of December 31, 2015 and are subject to change without notice. Any forecasts made cannot be guaranteed. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness. Certain information presented is based on proprietary or third-party estimates, which are subject to change and cannot be guaranteed. Equity securities may have greater risks and price volatility than U.S. Treasuries and bonds, where the price of these securities may decline due to various company, industry and market factors. Investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform growth stocks during given periods. All investments contain risk and may lose value. Past performance is no guarantee of future results. ©2016 Hotchkis & Wiley

Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Hotchkiss & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

Ruby Tuesday, Inc.

Meeting Date: 10/07/2015	Country: USA	Primary Security ID: 781182100	Meeting ID: 1000020
Record Date: 08/17/2015	Meeting Type: Annual	Ticker: RT	
Primary CUSIP: 781182100	Primary ISIN: US7811821005	Primary SEDOL: 2757616	
Shares Voted: 0	Votable Shares: 0	Shares on Loan: 12,600	Shares Instructed: 0

Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1a	Elect Director F. Lane Cardwell, Jr.	Mgmt	For	For	For
1b	Elect Director Kevin T. Clayton	Mgmt	For	For	For
1c	Elect Director Jeffrey J. O'Neill	Mgmt	For	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
3	Ratify KPMG LLP as Auditors	Mgmt	For	For	For
4	Amend Omnibus Stock Plan	Mgmt	For	For	For
5	Approve Executive Incentive Bonus Plan	Mgmt	For	For	For

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay Counties Emp Retirement System, 1122	2622536	Approved	v Wade	09/22/2015	v Wade	09/22/2015	0	0
Total Shares:							0	0

ARRIS Group, Inc.

Meeting Date: 10/21/2015	Country: USA	Primary Security ID: 04270V106	Meeting ID: 1003348
Record Date: 09/10/2015	Meeting Type: Special	Ticker: ARRS	
Primary CUSIP: 04270V106	Primary ISIN: US04270V1061	Primary SEDOL: B9SMW04	
Shares Voted: 0	Votable Shares: 0	Shares on Loan: 9,800	Shares Instructed: 0

Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1	Approve Merger Agreement	Mgmt	For	For	For
2	Advisory Vote on Golden Parachutes	Mgmt	For	For	For
3	Adjourn Meeting	Mgmt	For	For	For

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
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Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Hotchkis & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

ARRIS Group, Inc.

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay Counties Emp Retirement System, 1122	2622536	Approved	vwade	10/13/2015	vwade	10/13/2015	0	0
Total Shares:							0	0

Extreme Networks, Inc.

Meeting Date: 11/12/2015

Country: USA

Primary Security ID: 30226D106

Meeting ID: 1006391

Record Date: 09/21/2015

Meeting Type: Annual

Ticker: EXTR

Primary CUSIP: 30226D106

Primary ISIN: US30226D1063

Primary SEDOL: 2407052

Shares Voted: 3,041

Votable Shares: 3,041

Shares on Loan: 31,359

Shares Instructed: 3,041

Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.1	Elect Director John H. Kispert	Mgmt	For	For	For
1.2	Elect Director Charles Carinalli	Mgmt	For	For	For
1.3	Elect Director Kathleen M. Holmgren	Mgmt	For	For	For
1.4	Elect Director Raj Khanna	Mgmt	For	For	For
1.5	Elect Director Edward H. Kennedy	Mgmt	For	For	For
1.6	Elect Director Edward B. Meyercord, III	Mgmt	For	For	For
1.7	Elect Director John C. Shoemaker	Mgmt	For	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
3	Ratify KPMG LLP as Auditors	Mgmt	For	For	For
4	Amend NOL Rights Plan (NOL Pll)	Mgmt	For	For	For

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay Counties Emp Retirement System, 1122	2622536	Confirmed	vwade	10/26/2015	vwade	10/26/2015	3,041	3,041
Total Shares:							3,041	3,041

Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Hotchkis & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

Taro Pharmaceutical Industries Ltd.

Meeting Date: 12/24/2015	Country: Israel	Primary Security ID: M8737E108	Meeting ID: 1015018
Record Date: 11/23/2015	Meeting Type: Annual	Ticker: TARO	
Primary CUSIP: M8737E108	Primary ISIN: IL0010827181	Primary SEDOL: 2872423	
	Shares Voted: 800	Votable Shares: 800	Shares on Loan: 0
			Shares Instructed: 800

Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1	To Approve the Company's Investment in the Construction of and the Acquisition of a Wind-Powered Electric Energy Project	Mgmt	For	For	Against
2.1	Reelect Dilip Shanghvi as Director Until the End of the Next Annual General Meeting	Mgmt	For	For	Against
2.2	Reelect Subramanian Kalyanasundaram as Director Until the End of the Next Annual General Meeting	Mgmt	For	For	Against
2.3	Reelect Sudhir Valia as Director Until the End of the Next Annual General Meeting	Mgmt	For	For	Against
2.4	Reelect James Kedrowski as Director Until the End of the Next Annual General Meeting	Mgmt	For	For	Against
2.5	Reelect Dov Pekelman as Director Until the End of the Next Annual General Meeting	Mgmt	For	For	For
3	Reappoint BDO Ziv Haft as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For	For
A	Vote FOR if you are a controlling shareholder or have a personal interest in one or several resolutions, as indicated in the proxy card; otherwise, vote AGAINST. You may not abstain. If you vote FOR, please provide an explanation to your account manager	Mgmt	None	Refer	Against

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay Counties Emp Retirement System, 1122	2622536	Confirmed	vwade	12/16/2015	vwade	12/16/2015	800	800
Total Shares:							800	800

Performance Summary



INTEGRITY ASSET MANAGEMENT

Bay County Employees' Retirement System

Quarter Ending December 2015

As of 12/31/15	Market Value (\$)	% of Total
Equity	19,576,008.81	98.06
	19,576,008.81	98.06
Cash	358,638.01	1.80
	358,638.01	1.80
Accrued Income/Dividends	28,051.12	0.14
Total	19,962,697.94	100.00

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Gross Rate of Return as of 12/31/15 Inception Date 01/03/07	Month-to-Date (%)	Quarter-to-Date (%)	Year-to-Date (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Inception (%)
Total Portfolio	-4.07	3.74	-4.95	-4.95	14.21	11.65	7.22
Russell Midcap [®] Value Index	-3.10	3.12	-4.78	-4.78	13.40	11.24	6.28
Relative Performance	-0.97	0.62	-0.17	-0.17	0.81	0.41	0.94

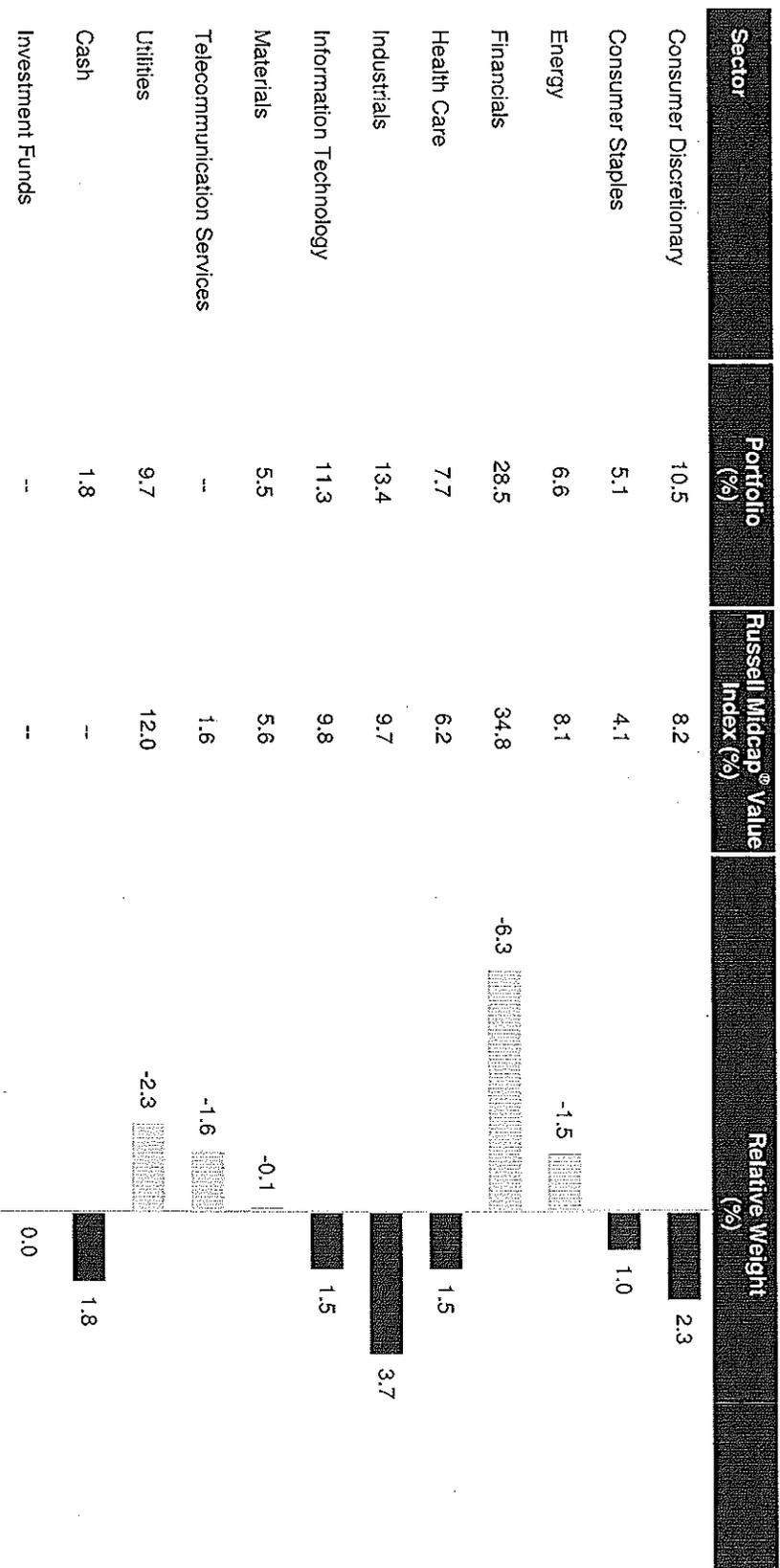
Sector Allocation



INTEGRITY ASSET MANAGEMENT

Bay County Employees' Retirement System

Quarter Ending December 2015



Source: Factset

Percentage allocations listed above may not add up to 100% due to rounding methodology.

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Characteristics and Top 10 Holdings



INTEGRITY ASSET MANAGEMENT

Bay County Employees' Retirement System

Quarter Ending December 2015

Characteristics	Portfolio	Russell Midcap® Value Index	Top 10 Holdings	(%)
Price/Earnings - Forward 12 Months (x)	16.0	17.1	PLD Prologis Inc	1.68
Price/Book (x)	1.8	1.6	ZBH Zimmer Biomet Holdings Inc	1.63
Price/Cash Flow (x)	9.2	9.0	BSX Boston Scientific Corp	1.63
Price/Sales (x)	1.3	1.4	PNW Pinnacle West Capital Corp	1.61
Dividend Yield (%)	1.8	2.4	HCN Welltower Inc	1.59
Weighted Average Market Cap (\$ Mill)	9,681.0	11,096.0	HII Huntington Ingalls Industrie	1.53
			FTB Fifth Third Bancorp	1.50
			HIG Hartford Financial Services	1.46
			DRE Duke Realty Corp	1.46
			SNV Synovus Financial Corp	1.35
			Total	15.45

52

Characteristics Source: Factset

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**Integrity Asset Management
Fourth Quarter 2015 Performance Summary**

Mid Cap Value Equity Composite Returns as of 12/31/2015 (gross of fees):

Fourth Quarter

Integrity Midcap Composite:	+3.78%
Russell Midcap Value Index:	+3.12%
Difference	+0.66%

Year to Date

Integrity Midcap Composite:	-4.97%
Russell Midcap Value Index:	-4.78%
Difference	-0.19%

Top 5 Holdings:

9/30/2015			12/31/2015		
Ticker	Name	Weight	Ticker	Name	Weight
PNW	Pinnacle West Capital Corporation	1.66	PLD	Prologis, Inc.	1.68
HIG	Hartford Financial Services Group	1.60	ZBH	Zimmer Biomet Holdings, Inc.	1.63
ZBH	Zimmer Biomet Holdings, Inc.	1.55	BSX	Boston Scientific Corporation	1.63
BSX	Boston Scientific Corporation	1.50	PNW	Pinnacle West Capital Corporation	1.61
FITB	Fifth Third Bancorp	1.46	HCN	Welltower, Inc.	1.59

Comments:

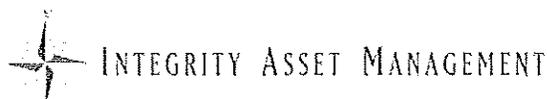
Prologis (PLD) and Welltower (HCN) were new entrants into the top five. We sold another REIT and redeployed the proceeds into these two REITs. All else remained unchanged.

Sector Weights:

	9/30/2015	O/U	12/31/2015	O/U
Consumer Discretionary	9.69	1.26	10.51	2.28
Consumer Staples	4.37	0.43	5.07	0.92
Energy	7.38	-1.46	6.55	-1.52
Financials	27.94	-6.18	28.54	-6.28
Health Care	9.99	3.96	7.67	1.47
Industrials	11.10	1.63	13.43	3.76
Information Technology	11.48	1.94	11.26	1.51
Materials	5.64	-0.42	5.47	-0.10
Telecom Services	0.00	-1.50	0.00	-1.57
Utilities	9.53	-2.54	9.70	-2.27

Comments:

Industrials, consumer discretionary and consumer staples increased. The largest reduction in weights came in health care. The higher weight in industrials was due to new positions in ADT (ADT) and ManpowerGroup (MAN). We like ManpowerGroup (MAN) which has more than 60% of revenues coming from Europe, where employment is in



the early stages of recovery. ADT (ADT) is focused on reducing customer churn, which should improve cash flow, and returning cash to shareholders.

In consumer discretionary, the larger weights came from the purchase of Sally Beauty Holdings (SBH) and Coach (COH), along with additions to Brunswick (BC) and Kohl's (KSS). Sally Beauty Holdings (SBH) has a new CEO focused on improving store productivity and is trading at the bottom of its historical valuation range. Coach (COH) is closing unprofitable stores, reducing promotional activity, and has a majority of products influenced by a new and well respected creative director. Children's Place (PLCE) and PVH (PVH) were sold due to concerns over fundamentals. Good stock selection in consumer staples was the main reason for the higher weight.

Within financials, we sold Jones Lang LaSalle (JLL) to harvest profits. In REITs, we eliminated HCP (HCP) and redeployed the proceeds into other existing REIT holdings. Reasonable valuation and steady fundamentals led to the purchase of Apartment Investment and Management Company (AIV), an apartment REIT.

We sold out of Stillwater Mining (SWC) which is suffering from the tough commodity environment and spread some of the proceeds into other material stocks. We exited Cigna (CI), Universal Health Services (UHS) and Community Health Systems (CYH) to reduce service exposure in health care.

New positions in technology included First Data (FDC), Cypress Semiconductor (CY) and NVIDIA (NVDA). First Data (FDC) is using cash flow to deleverage and trades at a discount to peers. Cypress Semiconductor (CY) is focused on higher margin markets, margin improvement opportunities from a recently completed merger, and returning capital to shareholders. NVIDIA (NVDA) has diversified its legacy PC exposure and royalty streams into several defensible growth areas. Exits included Western Digital (WDC), Diebold (DBD) and Zebra Technologies (ZBRA). The announcement of another large acquisition prompted the sale of Western Digital (WDC). Diebold (DBD) announced a sizeable acquisition that involves substantial execution risk. With Zebra Technologies (ZBRA) we are concerned over end market demand (tablets).

Best/Worst Performers (Quarter ended 12/31/2015):

Best			Worst		
Security	Name	Return	Security	Name	Return
BRKR	Brucker Corporation	+47.72	NRG	NRG Energy, Inc.	-38.71
RAD	Rite Aid Corporation	+29.16	CYH	Community Health Systems, Inc.	-38.51
AMAT	Applied Materials, Inc.	+27.81	WLL	Whiting Petroleum Corporation	-38.18
HRL	Hormel Foods Corporation	+25.39	RICE	Rice Energy, Inc.	-32.55
OA	Orbital ATK, Inc.	+24.69	ASNA	Ascena Retail Group, Inc.	-29.19

Comments:

The difficult commodity environment continued into the fourth quarter. This was a headwind for Whiting Petroleum (WLL), Rice Energy (RICE) and NRG Energy (NRG). Although Ascena Retail Group (ASNA) reported good results with better than expected margins and improved operations at Justice, it issued a tepid outlook. Foreign currency has continued to negatively impact results at (PVH). NRG Energy (NRG) and PVH (PVH) were sold.

Attribution:

Stock selection in consumer staples, industrials and financials were the largest contributors to outperformance. Stock selection in health care, utilities and energy detracted from performance. Sector weights were neutral.

Two of the top five contributors to performance were in consumer staples. Rite Aid (RAD) appreciated 29% as it received an acquisition bid. Hormel Foods (HRL) beat earnings estimates on strong fundamentals and wider margins which were due to favorable raw materials pricing and improved plant efficiencies.



Performance in industrials was driven by aerospace and defense holdings. Huntington Ingalls (HII) and Orbital ATK (OA) were the best names. Huntington Ingalls (HII) was helped by an improving defense budget picture and a doubling of its buyback program. Better than expected results and favorable guidance have highlighted the improved fundamentals and capital deployment at Orbital ATK (OA).

Mack-Cali Realty (CLI) and American Campus Communities (ACC) were the two largest contributors to performance in financials. Mack-Cali Realty (CLI) benefitted from low expectations, an earnings beat and favorable guidance. The steady nature of business at American Campus Communities (ACC) led to decent results for the quarter.

TEGNA (TGNA) was additive to performance in consumer discretionary as it posted a 15% gain. Ascena Retail Group (ASNA) was a detractor as it reported good earnings with better than expected margins and improved operations at Justice, but issued a tepid outlook. Performance in technology was break even. CommScope (COMM) was the largest offender. It issued disappointing guidance due to weak demand and foreign currency headwinds. Our average electronic component stock outperformed led by Littelfuse (LFUS), which was up 18%.

Alere (ALR) and Community Health Systems (CYH) both detracted from performance within health care. Alere (ALR) underperformed after reporting weak results in their Malaria product line as well as within other businesses still to be divested. Community Health Systems (CYH) reported weaker results from adverse mix and lower volumes. We exited the position in the quarter. Bruker (BRKR) was a bright spot increasing 48%. The turnaround at Bruker (BRKR) continues to bear fruit as it raised guidance on expectations for better margin improvement.

Within utilities, NRG Energy (NRG) was the largest detractor to performance. It was hurt by falling commodity prices. Whiting Petroleum (WLL) and Rice Energy (RICE) were the two largest detractors in energy. Whiting Petroleum (WLL) suffered from falling oil prices and high leverage. Rice Energy (RICE) underperformed due to increasing concerns over its spending plans and sensitivity to natural gas prices.

2015

Stock selection in consumer staples and technology were positives. Financials along with stock selection in energy detracted. Sector weights were a small positive as we were underweight energy, the worst performing sector and overweight technology, which outperformed. An underweight to financials, which outperformed, was an offset. A higher beta detracted by 191 basis points.

Hormel Foods (HRL) and Constellation Brands (STZ) were the largest contributors in consumer staples. Hormel Foods (HRL) has benefited from strong fundamentals and wider margins due to favorable raw material pricing and improved plant efficiencies. Sales growth in the beer business as consumers trade-up into better beer and margin improvements as production is moved in-house led to a strong advance by Constellation Brands (STZ).

Semiconductors and electronic components led the way in the technology. Freescale Semiconductor (FSL) was the largest overall contributor to performance as it agreed to be acquired by a rival company. It is a leader in the automotive and industrial end-markets which have faster growth and better margins. Good results and acquisition rumors as the semiconductor industry continues to consolidate helped Maxim (MXIM). Our average electronic component stock outperformed with Littelfuse (LFUS) and Ingram Micro (IM) the biggest contributors within this group.

In financials, underperformance of 70 bps was equal parts sector allocation and stock selection. Most of the sub-industry groups outperformed and our underweight in financials detracted modestly. Stocks that were up more than 20% included Mack-Cali Realty (CLI), American Financial Group (AFG) and Synovus Financial (SNV). Mack-Cali Realty (CLI) is in the midst of a turnaround under new management. Reasonable valuation, a share buyback and solid earnings results helped American Financial Group (AFG). Outperformance at Synovus Financial (SNV) stemmed from improving loan growth and the announcement of a larger share buyback. Negatives included Host Hotels & Resorts (HST), Ameriprise Financial (AMP) and not owning some of the better performing financials. Host Hotels & Resorts (HST) declined as results have softened due to reduced international travel and renovation



disruptions. Although overall financial results at Ameriprise Financial (AMP) have been solid, weak asset flows and reduced earnings power within the property and casualty insurance segment have been a drag.

With global growth slowing and oil prices declining energy stocks were the worst performing sector. Although an underweight helped, stock selection offset this. Continued capex spending to keep production going along with worries about leverage and the timing and pricing of planned asset sales hurt Whiting Petroleum (WLL). Lower commodity prices and higher leverage after a recent acquisition hurt WPX Energy (WPX). Bristow (BRS), an oil service company, has suffered from a weaker spending environment. We did sell Bristow (BRS) as activity may take longer to recover. Utilities were a small drag because of NRG Energy (NRG). It was hurt by falling commodity prices.

Industrials were neutral overall with airlines and aerospace and defense contributing. This was offset by holdings in road and rail. Lower jet fuel costs and better than expected revenue trends led to a 36% advance in Alaska Air (ALK). Better than expected results and favorable guidance have highlighted the improved fundamentals and capital deployment at Orbital ATK (OA). Huntington Ingalls (HII) was helped by an improving defense budget picture and a doubling of its buyback program. Esterline (ESL) was a disappointment as it suffered from foreign currency and program delays. Old Dominion Freight (ODFL) and Genesee & Wyoming (GWR) hurt performance. Softer trucking demand trends weighed on Old Dominion Freight (ODFL). Lower than expected volume hurt Genesee & Wyoming (GWR).

In consumer discretionary, highlights included D.R. Horton (DHI) and Goodyear Tire (GT). D.R. Horton (DHI) outperformed thanks to recovering demand from the lower-end entry-level buyer. Good tire demand, better margins and accretive balance sheet re-financing aided Goodyear Tire (GT). La Quinta (LQ) and Ascena Retail Group (ASNA) were key underperformers. Disappointing results, lowered guidance and the departure of the CEO hurt La Quinta (LQ). Weak traffic and a slower than expected turn around have hampered Ascena Retail Group (ASNA).

Health care was neutral to performance overall. Boston Scientific (BSX) was the bright spot as financial results have been good and it settled a litigation matter for a much smaller than expected amount. Community Health Systems (CYH) was hurt by weak volumes and deteriorating margin mix.

On a characteristic basis, higher momentum, higher earnings growth, lower beta and less liquid stocks worked well. An overweight to beta was the most significant style attribute costing us 191 basis points. Exposure to less liquid stocks was a small positive as the highest quartile underperformed the lowest quartile by 1,600 basis points. Larger exposure to earnings growth was a sizeable positive. Momentum was a small negative as we were overweight the lowest momentum stocks which underperformed.

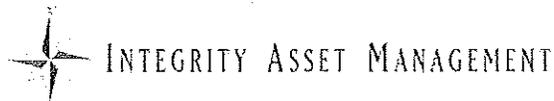
Outlook:

As we enter the New Year, valuations in the equity market are not expensive, yet not cheap. The global industrial economy is in a recession with growth slowing and commodity prices falling. Chinese growth prospects continue to wane. The Fed has started to reverse course on interest rate policy with an initial rate hike likely to be followed by a measured pace of future hikes. The U.S. dollar continues to strengthen. Debt financing for certain companies has become much more challenging. Given this backdrop, we are in the midst of reducing risk in the portfolio. We are looking for opportunities for stocks with attractive valuations and catalysts. Although valuations in select areas have improved, these macro headwinds portend caution in an increasingly difficult and narrow market.

We have also provided a brief outlook for each of our sectors:

2016

Consumer - A number of the catalysts (improving employment, low commodity prices, and low interest rates) for consumer discretionary remain from last year. However, we remain selective as valuations are stretched in some areas and the sector tends to underperform following an increase in interest rates. We maintain our preference for restaurants with company specific catalysts as valuations are elevated. Within lodging, we prefer the timeshare companies given their high free cash flow generation and focus on returning capital. We continue to like self-help



stories in retail, which should help offset, for the short term at least, the pressures on the group (rising online sales, millennial preference for experiences vs. products, weak tourism in gateway cities, fast fashion, and athleisure). Increasing household formation, low interest rates, and improving credit availability will benefit housing related names, keeping us involved.

We are maintaining our market weight positioning within staples as the valuations are not extremely compelling but earnings growth looks to remain stable providing a bid to the group. We continue to prefer names that have company-specific tailwinds, e.g. divestitures, M&A. We are reducing our exposure to auto components as the market continues to believe that 2015 will be the peak for auto sales and production. Our upside to current positions is driven more by internal initiatives rather than volume increases.

Energy - The outlook for energy can be described as "muddy" at best, but we feel the most important factor to remember is that the current bear market is supply side driven meaning that it could turn rather quickly. We currently believe early 2016 will remain extremely difficult for stocks as supply continues to hold up and cash flows dwindle leading to additional balance sheet pressure. We expect the capital markets to remain closed to all but the highest quality names. This will be the beginning of the eventual inflection point by finally spurring production declines domestically. Assuming that demand can hold up worldwide (that's a big if) we think supply and demand will balance sometime between mid '16 and early '17 and will quickly move into deficit in the months that follow. We expect this will result in a rise in oil prices and extreme movements in the stocks to the upside. Given this backdrop the current plan is to remain near market weight relying mostly on the E&P sector for exposure with one or two high risk/high reward service names in each portfolio. We will continue to monitor spending budgets, currency movement and the rig count for insight regarding the inflection point that will turn us more bullish in the months ahead.

Financials - We continue to be slightly overweight the insurers. The life insurers are poised to benefit from the increase in short-term interest rates thus helping earnings in the back half of the year. P&C insurers will continue to use capital management to boost their returns and earnings. Moreover, we believe that there will continue to be M&A activity within the Life and P&C segments of insurance. Several foreign insurers have made it expressly known that they would like to diversify into the US - this has created a halo around the group. Lastly, while we are still constructive on the mortgage insurers, we have reduced our multi-year overweight as there are fewer catalysts left to materialize.

It was a good year for banks as valuations were reasonable to start the year, loan growth was solid and expectations for rising interest rates increased. Additionally, merger activity continued with larger banks joining the foray indicating regulatory concerns will be less of an impediment. Capital levels have been replenished to such high levels that capital is being returned to shareholders in the form of higher dividends and buybacks. Although credit related issues (impact of lower oil) have started to gain investor focus, banks have the wherewithal to handle it. Bank stocks seem fairly valued, with modest upside ahead likely to result from continued growth in book value and higher dividends. There are pockets of opportunity but with it comes increased risk. Another leg up in merger activity and higher rates if the economy stabilizes would mean more upside for the group. We plan to reduce exposure to more controversial names.

REITs were market performers, although they started off very strong only to fade throughout the rest of the year as the prospect of rising interest rates took hold. Fundamentals at most REITs remain solid as there is plenty of access to capital, balance sheets are in good shape, operating metrics are fine and dividend yields continue to increase. The group has been supported by healthy investment flows (private equity and sovereign wealth funds), agitation from activists and increased takeover chatter. We are likely to shift exposure toward those sub-segments with more stable fundamentals and strong balance sheets. Performance will likely be dominated by moves in interest rates and risk-on/risk-off behavior by investors.

Health Care - We remain selectively positive on health care services stocks, but are less positive for a few reasons. First, the benefits from the Affordable Care Act are now mostly in the past. Second, the political rhetoric around health care during the election cycle and the related uncertainty could cause more volatility and less investor interest. Within health care equipment, pharma and life sciences we are largely equal weight with a focus on stock



INTEGRITY ASSET MANAGEMENT

specific stories. Pharma has been under some pressure because of headlines related to drug pricing, but we have limited exposure to the group and are unlikely to make a major bet from here given the small number of stocks we see in our universe.

Industrials – We had been long-term bulls on the commercial aerospace cycle, but given concerns over global growth, continued questions over the quality of the OEM’s backlog, valuations and lower oil prices, we shifted our exposure into the defense group. Defense budgets are poised to turn positive in 2016, the first since 2009, and what looks to us to be a multi-year up cycle. Additionally, the group consistently outperforms in presidential election years. Lastly, current geopolitical environment seems to add more upside risk to budgets. We have moved to an underweight to the machinery names as overall end-market weakness has caused the group to trade with higher correlations as the market has buffeted the names indiscriminately. We will proceed with caution as we continue to look for specific opportunities with minimal oil and gas exposure, but selectivity will be paramount. After an abysmal 2015, we have more than halved our transport exposure. While we had success within the airlines, we were wrong on freight volumes and this detracted from performance. Going forward, we have purchased higher quality companies that are trading at significant discounts to their historical ranges. We feel that these stocks are discounting recessionary-type scenarios that we do not envision coming to fruition in 2016.

Materials - Much like the energy sector, we expect the materials sector to be a difficult area to invest in during the first half of the year. The metals and mining industry will continue to suffer through a tough environment due to oversupply and further weakening emerging market demand. While areas such as chemicals that have benefitted from lower petrochemical feedstock prices should see margins remain elevated, but are not likely to see further margin expansion in the future and already trade at valuations to reflect the current environment. Therefore we expect to maintain a defensive stance by continuing to holding packaging names where we can, and looking for one off plays that appear to be holding up well from strong consumer trends. We will continue to monitor developments in China and emerging markets, as well as currency trends to guide our timing decision on when to get more aggressive.

Technology - After a year of relative outperformance, we remain constructive on the technology sector. Lean inventories and continued consolidation keeps us overweight, but selective in semiconductors. There we are focused on names with automotive (increased content), industrial, and internet of things (IOT) exposure or company specific catalysts. In semi cap equipment, we are biased toward companies that should benefit from spending on new technologies. Within the electronic equipment industry, we continue to like names in electronics manufacturing services focused on higher margin opportunities. Given a mixed demand environment, we are also biased toward the electronics distributors benefiting from disciplined inventory management and cost controls. We have returned to a positive stance on the communication equipment space as carrier spending is improving while data center spending remains strong.

Utilities - The group outperformance in 2015 was driven mainly by increased M&A activity within small and midcap utilities. The continuation of the outperformance by the group will require more deals announced or more concern about global macroeconomic conditions. We are less underweight versus the past few years, but are still underweight given valuations are slightly above average. We are concerned many smaller utilities have some amount of acquisition premium already in the names and could lag without more deals. Also, the benchmark weights in Utilities now include 100 to 150 basis points in stocks in the process of being acquired, so the benchmark weight in Utilities will decline over the course of 2016.

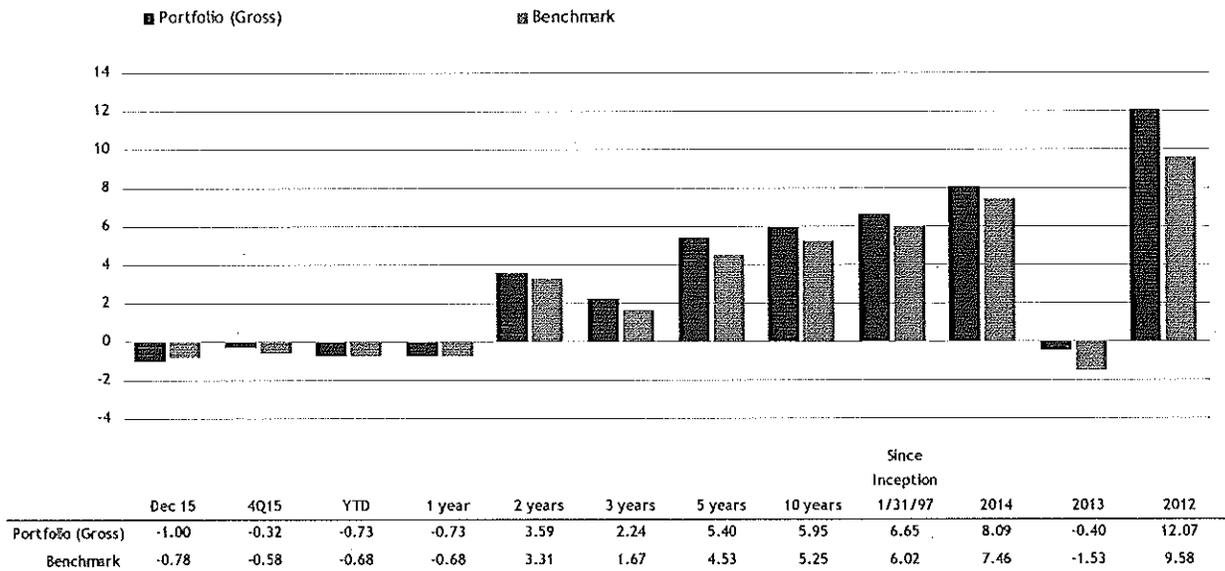
performance review

october-december 2015

MARKET VALUE

TOTAL PRINCIPAL	ACCRUED INCOME	TOTAL PORTFOLIO
\$35,182,294	\$366,535	\$35,548,829

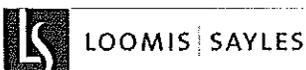
RETURNS (%)



MARKET OVERVIEW

- Rising US Treasury yields in the belly of the yield curve (5- to 10-year maturities) limited investment grade corporate returns in the fourth quarter. AAA-rated US corporates earned the highest return, but at just 1.6% of the index, the universe is small. The Barclays US Investment Grade Index experienced a series of credit rating downgrades, with the weight of A-rated securities falling 3.7% and BBB-rated securities rising 3.1%. Deteriorating credit quality led to higher yields, which produced negative returns for some securities in the index. During the quarter, option-adjusted spreads (OAS) on US Corporate, Euro-Aggregate and Sterling Aggregate indices tightened, though spreads widened for the majority of 2015. Additional European Central Bank (ECB) easing provided a tailwind for the Euro-Aggregate, and the Bank of England continued to hold its policy rate steady, which supported UK corporate credit.

The current benchmark is Barclays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Barclays Credit from 6/30/1999 to 2/29/2012; and Barclays U.S. Corporate Investment Grade from 2/29/2012 to 12/31/2015. Returns over one year are annualized. Information is reported on a trade date basis. Data Source: Barclays Capital, Bloomberg



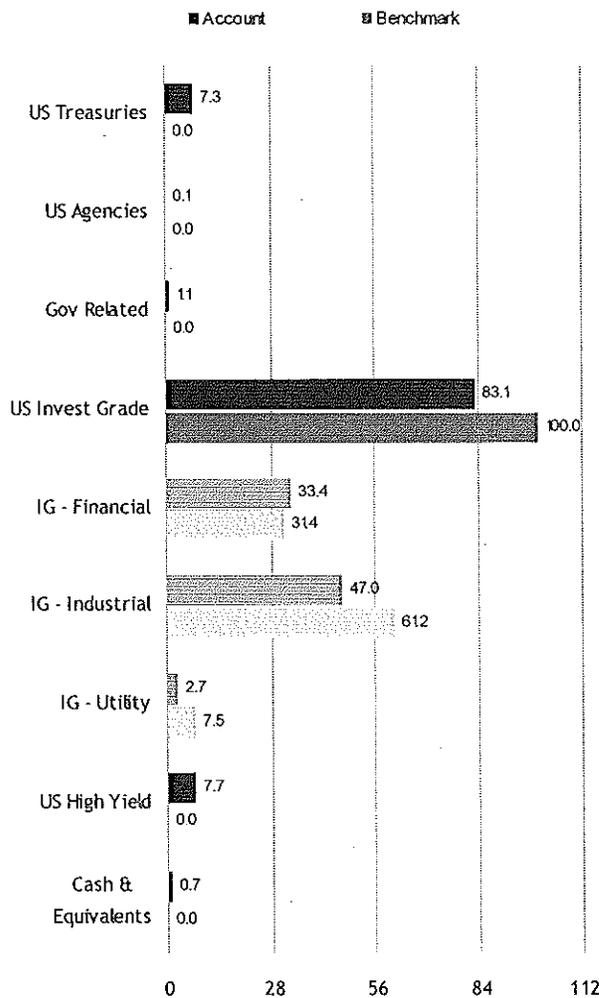
performance review

october-december 2015

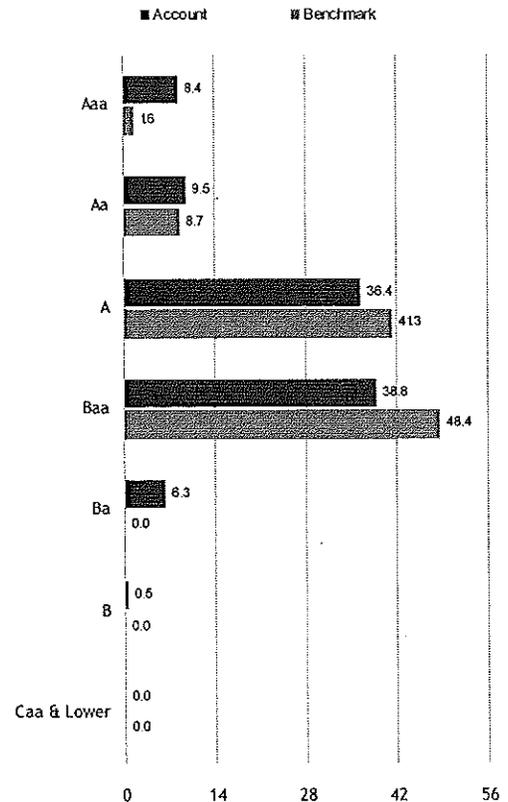
CHARACTERISTICS

	PORTFOLIO	BENCHMARK
Effective Duration	7.10 years	7.00 years
Average Maturity	10.69 years	10.42 years
Yield	3.81%	3.63%
Average Coupon	4.06%	4.26%
Average Quality	A3	Baa1

SECTOR ANALYSIS AT DECEMBER 31, 2015 (%)



QUALITY ANALYSIS AT DECEMBER 31, 2015 (%)



The current benchmark is Barclays U.S. Corporate Investment Grade. For split rated securities in the quality distribution, the bigger of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity Data Source: Barclays Capital

performance review

october-december 2015

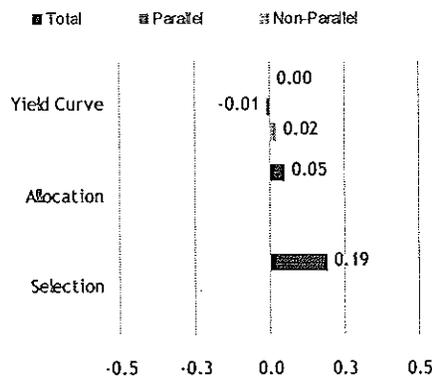
CURRENT QUARTER TOTAL RETURNS (%)

Account Return	-0.32
Benchmark Return	-0.58
Excess Return	0.26

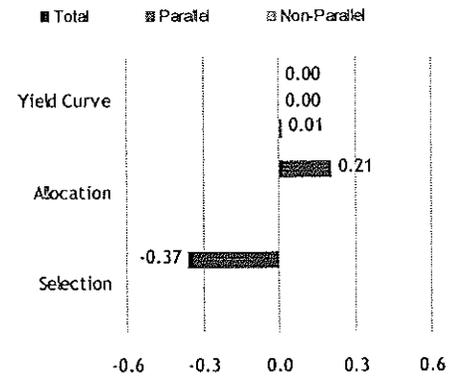
TRAILING YEAR TOTAL RETURNS (%)

Account Return	-0.73
Benchmark Return	-0.68
Excess Return	-0.05

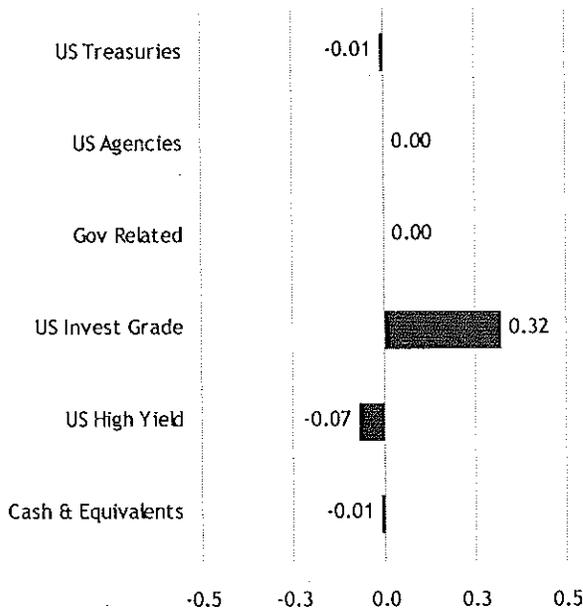
CURRENT QUARTER EXCESS RETURN ATTRIBUTION (%)



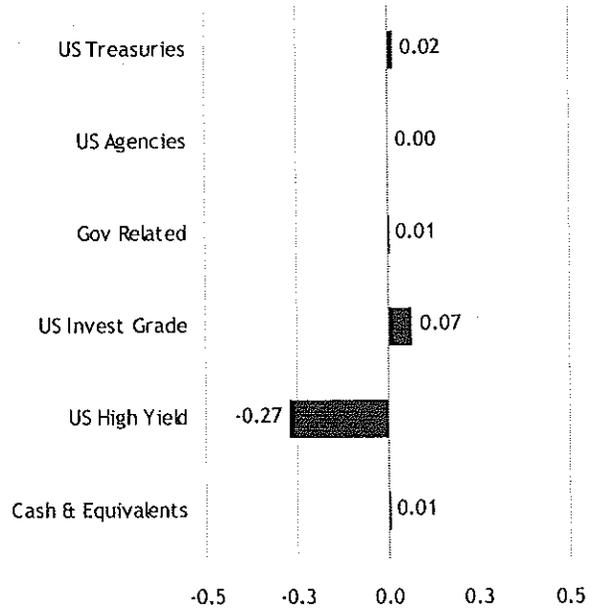
TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



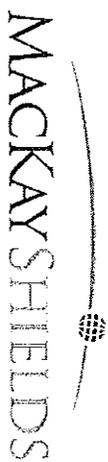
EXCESS RETURN ATTRIBUTION BY SECTOR (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees. Excess Return by sector excludes yield curve impact. Data Source: Barclays Capital



January, 2016

Happy New Year! Mackay Shields would like to take this time to express our appreciation for the continuing opportunity to be of service to you and your organization.

The Fourth Quarter, 2015 investment summary report for your portfolio is attached. Please feel free to let us know if you have any questions or concerns about the enclosed materials, your portfolio or the markets in general.

Best wishes for a peaceful and prosperous 2016.

Best,

A handwritten signature in cursive script that reads "Virginia".

Virginia Rose
Senior Managing Director
Head of Client Service

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A New York Life Company

FOURTH QUARTER 2015 OVERVIEW OF QUARTERLY PERFORMANCE

MACKAYSHIELDS

MARKET OVERVIEW

The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, rose 0.85% during the fourth quarter of 2015, while underlying equities rose 3.64%. During the quarter, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, rose 4.17%, while speculative-grade convertibles were down 1.03%. Year to date, the All Convertible Index declined 2.99%.¹

The performance of the equity and convertible bond markets diverged in the fourth quarter of 2015 as U.S. stock indices registered healthy gains for the quarter while the U.S. convertible market increased less than one percent. Several factors contributed to this divergence. First, within the convertible universe, several issuers such as SunEdison, Clovis Oncology and Iconix Corp. (none of which we own) experienced sharp drops due to negative company-specific events. In addition, the decline in the high yield bond market had a negative impact on the convertible market, as convertibles are hybrid instruments and their value is also influenced by bond market elements such as a widening of credit spreads. Lastly, the major equity indices were helped by the performance of several large index components such as Amazon, Facebook and Google, which are not represented in the convertible market.

Despite the poor start to 2016, we continue to believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace and Europe's economy expands in muted fits and starts. Growth in China is slowing and, although that region is not a significant market for exports from the U.S., a slowdown in China will serve to keep inflationary pressures under control. In addition, the sharp decline in energy prices should provide some material stimulus to those countries and regions that are net importers of oil and gas, particularly Europe and Japan. In addition, the Federal Reserve is likely to continue a monetary policy of low interest rates, which should foster a healthy climate for stocks and equity-linked securities, such as convertibles.

We maintain our belief that equities and equity-linked securities are attractively valued, particularly when compared to the yields on pure fixed income securities, specifically U.S. Treasury and investment-grade bonds. We maintain that in a slow growth environment, at current valuations, convertible bonds and stocks are attractive and should continue to perform well.

Benchmark sector performance was mixed during the quarter. Consumer Staples, Technology, Transportation, Healthcare and Telecom rose. The Energy sector continued its trend as an outlier during the period, sinking 21%. In addition, the Materials and Utilities struggled, declining 5% and 3%, respectively. For the year, returns across the market were highly bifurcated, with hard asset sectors suffering the most. In 2015, the Energy sector declined 43%, and Materials and Utilities were down 29% and 10%, respectively. Meanwhile the Consumer Staples, Healthcare and Telecom sectors each rose over 12%.

During the year, \$2 new issues totaling \$39.3 billion came to the U.S. convertible market, while approximately \$40.4 billion was redeemed through redemptions and maturities, according to BofA Merrill Lynch Research. Although the recent issuer base has been well-diversified across sectors, the vast majority of issuance over the past year has been non-rated. As previously noted, we expect new issuance from investment-grade companies to remain depressed until the yield on the 10-year U.S. Treasury exceeds 3.5%.

PERFORMANCE²

The convertible bonds of Jarden Corp. and Nvidia Corp., and convertible bonds and convertible preferred shares of Teva Pharmaceuticals were among the top contributors during the quarter. Consumer products company, Jarden, performed well following the company's announcement that it had agreed to be acquired by Newell Rubbermaid, Inc. for a price approximately 20% above where the common shares were trading before the announcement was made. Newell, like Jarden, also manufactures consumer products. It is believed that the combination of the two companies will give the combined entity greater bargaining power with large retailers like Walmart, who have been demanding price concessions from suppliers. Graphics chips manufacturer, Nvidia rose in the fourth quarter after the company reported third quarter earnings that exceeded expectations. In addition, the company is likely to be a beneficiary of the shift to driverless/accident avoidance systems in new automobiles as several of these systems employ Nvidia chips. Teva Pharmaceutical rose after the company reported decent third quarter earnings and the market recognized that Teva should not be painted with the same brush as other controversial pharmaceutical companies such as Valeant, which received a great deal of negative press during the past few months. Unlike Valeant, Teva does not rely on large price increases and controversial marketing arrangements to sell high-priced drugs that have much cheaper generic equivalents.

FOURTH QUARTER 2015 OVERVIEW OF QUARTERLY PERFORMANCE

MACKAYSHIELDS

Conversely, exposure to Whiting Petroleum, Southwestern Energy and Radian Group weighed on performance during the period. The convertible bonds of Whiting Petroleum were poor performers as the price of crude oil, the company's main product, continues to decline as worldwide stockpiles continue to grow and Saudi Arabia continues to pump as much oil as possible in an attempt to drive down the price to eliminate high-cost competitors. We expect the price of crude oil to recover by the end of 2016 as supply in the U.S. and other high-cost regions is restrained by low prices and strong demand in response to low prices drives down excess storage. The convertible preferred shares of Southwestern Energy declined during the quarter as low natural gas prices continue to weigh on the company's profitability. There was already an abundant amount of natural gas in storage going into the cold weather season. The incredibly warm weather experienced in the eastern half of the United States so far this winter has only exacerbated the situation of too much supply and low natural gas prices. We are hopeful that this situation can reverse as the number of rigs drilling for natural gas continues to decline in response to low prices and, perhaps with a return to seasonal temperatures in the Northeast and Midwest, demand will increase. Last, the convertible bonds of Radian Group, Inc. declined in the fourth quarter on little company-specific news. The company sells mortgage insurance and there have been reports that the market for mortgage insurance is becoming more competitive as several smaller competitors try to gain market share.

OUTLOOK

Despite the weak finish to 2015 and the poor start to 2016, the past three years have been very benign for the convertible market. The past three years marked the resurrection of a vibrant market for new convertible issuance, which continued in 2015 following 2013 and 2014's nearly \$50 billion of new issuance. The surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most investment-grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the preponderance of new issuance the past three years has been from non-investment grade companies. In addition, following the stock market decline of 2008, companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices they believed under-valued their companies. However, with stocks at near-record levels, companies are no longer reluctant to issue a security linked to their equity.

The asset class' strong three-year returns is testimony to the notion that convertible bonds should outperform in a rising rate environment and, unlike nearly all other classes of fixed income instruments, have almost no correlation to the movement in interest rates. We believe this trend will continue as long as the economy remains in recovery mode.

We remain convinced that convertible bonds and equities are attractively valued in the current slow growth environment. Given the slowly improving macro economy and the relatively low rates of interest and inflation, stocks appear inexpensive based on various measures such as price to earnings, price to cash flow or price to free cash flow. As such, we expect convertible bond and stock prices to be higher in the coming twelve to eighteen months.

Convertible bonds remain an excellent vehicle through which to participate in further equity advances. At current valuations, convertible bonds should participate in the majority of the stock market's advances, but less than half of any decline in the event that our outlook for equities is wrong.

In December, the index data provider, BofA Merrill Lynch announced revisions to convertible index returns for October, November and December. The revised data is reflected in the index return data provided within this commentary. Please note that security specific disclosures are representative and may not be included in your portfolio.

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Past performance is not indicative of future results.

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BAY COUNTY EMPLOYEES RETIREMENT SYSTEM



Portfolio Composition and Performance — Account 1256
 December 31, 2015

Composition	Market Value	Percent of Total
Fixed Income	9,863,181	77.09
Equity	1,799,725	14.07
Cash & Equivalents	1,131,697	8.85
Total Portfolio	\$12,794,603	100.00%

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
	-1.83%	3.61%	-0.61%	-0.61%	8.87%	6.64%	110.32%	6.25%
	-2.01%	0.85%	-3.59%	-3.59%	10.63%	7.97%	80.36%	4.93%
	-2.01%	0.85%	-3.08%	-3.08%	9.26%	N/A	N/A	N/A

Expressed in USD
 Note: Custom Benchmarks consist of BofAML All Convrt (Inc Mand) since 8/31/15. Previously, (I) was BofAML Convrt Inv Grade Bds (Inc Mand) Index and (II) was BofAML Convrt Inv Grade Bds (Inc Mand) 5% Cap Index.
 Past performance is not indicative of future results.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY SHIELDS

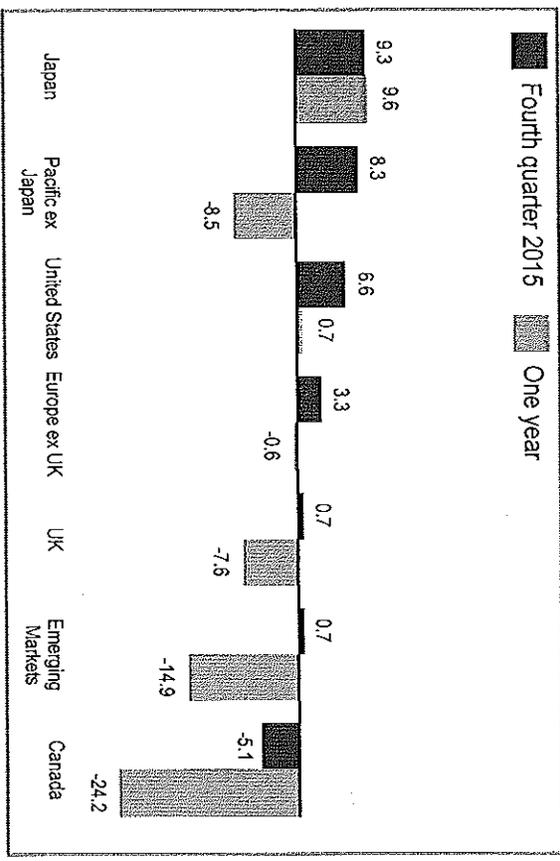
Summary Report — Account 1256
December 31, 2015

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	9,358,859	84.53	1.40	9,832,601	76.85	1.33	131,090
Stocks	1,713,046	15.47	0.74	1,794,462	14.03	0.71	12,716
Cash & Equivalents	0	0.00		1,131,697	8.85	0.00	0
Accrued Income				35,843	0.28		
Total Portfolio	\$11,071,905	100.00%	1.30	\$12,794,603	100.00%	1.13	\$143,806



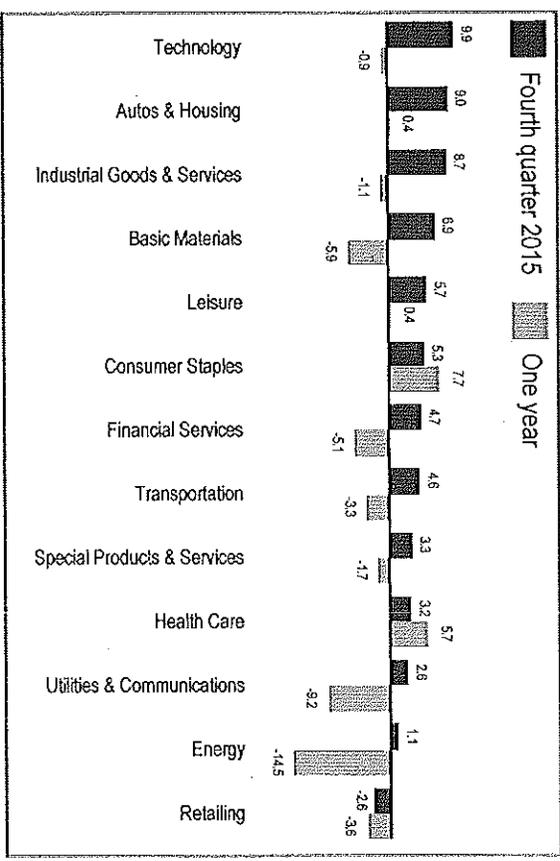
Market Overview

Region performance (%) (USD) as of 31-Dec-15



Source: FactSet. Region performance based on MSCI regional/country indexes.

Sector performance (%) (USD) as of 31-Dec-15



Source: FactSet. Sector performance based on MFS sector classification. The analysis of MSCI All Country World (ex-US) Growth Index constituents are broken out by MFS defined sectors.

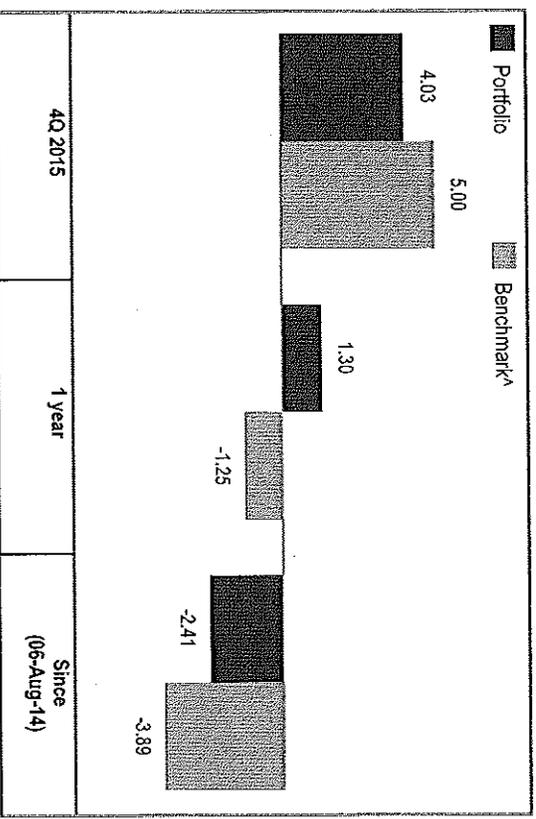
Market review as of 31-Dec-2015

- With the US Federal Reserve's first interest rate hike in 9 years behind us, divergence in global economies and policies remains a key theme in 2016. A robust labor market, high return on equity and lower input costs have supported a stronger US economy, while central banks in Europe, Japan and China continue to implement accommodative policies amidst weak economic growth.
- Many emerging economies face the headwinds of slower Chinese growth, weak commodity prices, a strong US dollar and rising US rates, while EM currency corrections should help exporters. We believe different emerging economies are driven by different dynamics, and structural changes should lead to a long-term improvement of returns.
- Equity markets remain fair to fully valued. All regions are experiencing downgrades in earnings, but no recession-triggering excesses are visible at this time despite the length of the current expansion cycle and recent volatilities.



Executive summary

Performance results (%) class 01 shares net of expenses (USD) as of 31-Dec-15



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. For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. Net of expenses performance does not include management fees.
^a MSCI All Country World (ex-US) Growth Index (net div)

Asset summary (USD)

Beginning value as of 30-Sep-15	23,443,354
Contributions	0
Withdrawals	0
Change in market value	+943,669
Ending value as of 31-Dec-15	24,387,023

Sector weights (%) as of 31-Dec-15

Sector	Portfolio (%)	Benchmark ^a (%)
Top overweights		
Special Products & Services	9.5	4.6
Consumer Staples	19.6	15.2
Health Care	16.3	12.8
Top underweights		
Utilities & Communications	0.7	6.4
Autos & Housing	1.0	5.9
Financial Services	12.3	15.1

^a MSCI All Country World (ex-US) Growth Index

The MFS Heritage Trust Company CIT - MFS International Growth Fund underperformed the MSCI All Country World (ex-US) Growth Index in the fourth quarter of 2015.

Contributors

- Financial Services – Stock selection
- Special Products & Services – Stock selection
- Individual stocks:
 - Valeant Pharmaceuticals Intl Inc (not held)
 - Mettler Toledo Intl
 - Pernod Ricard SA
 - Sundrug

Detractors

- Industrial Goods & Services – Stock selection
- Currency
- Individual stocks:
 - LVMH Moet Hennessy Louis Vuitton SA
 - Burberry Group Plc
 - Linde AG
 - Commonwealth Bank Of Australia (not held)
 - Whitbread Plc

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Performance results

Performance results (%) class 01 shares net of expenses (USD) as of 31-Dec-15

Period	Portfolio net (%)	Benchmark ^A (%)	Excess return net vs benchmark (%)
4Q 2015	4.03	5.00	-0.97
3Q 2015	-8.32	-10.77	2.45
2Q 2015	0.77	0.59	0.18
1Q 2015	5.41	4.79	0.62
2015	1.30	-1.25	2.55
1 year	1.30	-1.25	2.55
Since client inception (06-Aug-14)	-2.41	-3.89	1.48

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.

Net of expenses performance does not include management fees.

^A MSCI All Country World (ex-US) Growth Index (net div)

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Market Value (mm)	Equivalent Exposure (mm)	Market Value %	Equivalent Exposure %	Market Cap (mm)	MFS Sector	Global Sector	GIS Sector	MFS Industry	MFS Country	ISIN	ID w/Check
40,435,943.75	40,435,943.99	3.96	3.98	234,586,927	Health Care	Health Care	Health Care	Pharmaceuticals	Switzerland	CH0012032048	7110388
37,118,608.36	37,118,608.60	3.65	3.66	238,336.03	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	Switzerland	CH0008953530	7128970
31,559,687.98	31,559,687.98	3.10	3.10	44,200.95	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	France	FR0000120644	B1Y9TB3
30,337,198.00	30,337,198.00	2.98	2.98	65,617.01	Special Products & Services	Technology	Information Technology	Business Services	United States	IE00048BNNY24	G1151C101
28,905,816.51	28,905,816.68	2.84	2.84	228,820.28	Health Care	Health Care	Health Care	Pharmaceuticals	Switzerland	CH0012005287	7103065
27,052,634.54	27,052,634.71	2.66	2.66	74,079.14	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	Switzerland	CH0244767555	BR.L176
26,620,753.25	26,620,753.25	2.62	2.62	117,983.23	Technology	Technology	Information Technology	Electronics	Taiwan	US8740391003	874039100
25,879,631.29	25,879,632.41	2.55	2.55	71,779.25	Financial Services	Financial Services	Financials	Insurance	Hong Kong	HK0000066869	B4TAS81
24,551,279.99	24,551,279.99	2.41	2.41	28,546.17	Special Products & Services	Technology	Consumer Discretionary	Business Services	United Kingdom	GB00081LNNL144	BLNNL14
24,101,813.78	24,101,813.78	2.37	2.37	30,178.05	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverage	France	FR0000120693	4682329
22,647,984.79	22,647,984.79	2.23	2.23	79,441.41	Retailing	Consumer Cyclicals	Consumer Discretionary	Apparel Manufacturers	France	FR0000121014	4081412
22,244,542.50	22,244,542.50	2.19	2.19	103,749.98	Health Care	Health Care	Health Care	Pharmaceuticals	Germany	DE000BAVY0017	5069211
21,247,827.51	21,247,827.51	2.09	2.09	29,801.15	Leisure	Consumer Cyclicals	Consumer Discretionary	Broadcasting	United Kingdom	JE00B9KFB9848	B8KFB84
20,834,690.36	20,834,690.36	2.05	2.05	44,467.13	Transportation	Capital Goods	Industrials	Railroad & Shipping	Canada	CA1383751027	138375102
20,330,019.88	20,330,019.88	2.00	2.00	65,160.12	Consumer Staples	Consumer Staples	Consumer Staples	Consumer Products	United Kingdom	GB000824CGK77	B24CGK7
17,859,246.67	17,859,246.67	1.76	1.76	9,277.58	Industrial Goods & Services	Capital Goods	Health Care	Electrical Equipment	United States	US82926881054	592888105
16,396,686.32	16,396,686.95	1.61	1.61	41,130.38	Financial Services	Financial Services	Financials	Other Banks and Diversified	India	INE040A01028	B5Q34Z5
16,374,292.39	16,374,292.39	1.61	1.61	68,595.75	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverage	United Kingdom	GB0002374008	0237400
16,234,885.50	16,234,885.50	1.60	1.60	94,166.77	Consumer Staples	Consumer Staples	Consumer Staples	Consumer Products	France	FR0000120321	4057808
15,490,975.48	15,490,975.48	1.52	1.52	155,341.30	Financial Services	Financial Services	Financials	Major Banks	United Kingdom	GB0005409286	0540528
14,948,617.24	14,948,617.24	1.47	1.47	26,959.79	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Germany	DE0004634301	5746817
14,180,052.58	14,180,052.58	1.39	1.39	33,455.53	Industrial Goods & Services	Capital Goods	Industrials	Electrical Equipment	France	FR0000121912	4634108
13,818,615.33	13,818,615.33	1.36	1.36	11,792.13	Leisure	Consumer Cyclicals	Consumer Discretionary	Restaurants	United Kingdom	GB00081KJL408	B1KJL40
13,547,713.65	13,547,713.65	1.33	1.33	8,063.71	Special Products & Services	Technology	Health Care	Business Services	Germany	DE000A1D4H40	B4YV556
13,090,889.66	13,090,889.66	1.29	1.29	26,359.28	Health Care	Health Care	Health Care	Medical Services	Germany	DE0005782802	5128074
12,783,678.36	12,783,678.36	1.26	1.26	3,475.14	Technology	Technology	Information Technology	Computer Systems	Israel	US8596561088	659656108
12,392,983.93	12,392,983.93	1.22	1.22	16,592.15	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Netherlands	NL0000009132	5458314
12,377,674.92	12,377,674.92	1.22	1.22	5,905.75	Leisure	Consumer Cyclicals	Consumer Discretionary	Gaming & Lodging	Ireland	IE00BVM794894	BVMK021
12,135,647.44	12,135,647.47	1.19	1.19	31,501.15	Technology	Technology	Information Technology	Network & Telecom	Sweden	SE0000108656	5959378
12,130,372.20	12,130,372.94	1.19	1.19	149,057.77	Health Care	Health Care	Health Care	Pharmaceuticals	Denmark	DK0009534915	BHC2300
12,106,800.91	12,106,800.91	1.19	1.19	8,611.31	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Germany	DE000STN69898	B1JBAK8
11,829,391.98	11,829,392.60	1.16	1.16	13,486.65	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverage	Denmark	DK0010181759	4169219
11,480,831.10	11,480,831.10	1.13	1.13	97,967.94	Technology	Technology	Information Technology	Computer Software	Germany	DE0007164600	4646288
11,173,655.71	11,173,655.71	1.10	1.10	38,651.02	Basic Materials	Capital Goods	Materials	Specialty Chemicals	France	FR0000120073	B1YXJL7
11,088,651.54	11,088,651.54	1.09	1.09	6,589.20	Special Products & Services	Technology	Industrials	Business Services	United Kingdom	GB0001639393	3163936
10,978,424.56	10,978,429.35	1.08	1.08	4,319.70	Retailing	Consumer Cyclicals	Consumer Staples	Food & Drug Stores	Japan	JP2326600006	6817395
10,893,971.06	10,893,975.82	1.07	1.07	73,434.20	Consumer Staples	Consumer Staples	Consumer Staples	Tobacco	Japan	JP2726800000	6474535
10,721,724.13	10,721,724.20	1.05	1.05	29,441.80	Financial Services	Financial Services	Financials	Other Banks and Diversified	Singapore	SG1L01001701	6175203
10,609,597.99	10,609,597.99	1.04	1.04	19,322.80	Special Products & Services	Technology	Information Technology	Business Services	Spain	ES01090907019	B3M5N28

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10,498,271.49	10,498,278.07	1.03	1.03	5,279.95	Technology	Information Technology	Computer Software	Japan	JP217240007	6136749
10,449,089.21	10,449,089.21	1.03	1.03	20,529.81	Technology	Information Technology	Computer Software	France	FR000013050	5330047
10,440,233.34	10,440,237.90	1.03	1.03	11,754.50	Health Care	Health Care	Medical Equipment	Japan	JP254980008	6885074
9,333,057.94	9,333,057.94	0.92	0.92	6,058.90	Basic Materials	Materials	Specialty Chemicals	United Kingdom	GB0002353270	0233527
9,323,670.80	9,323,670.80	0.92	0.92	4,740.53	Industrial Goods & Services	Industrial Goods	Electrical Equipment	Italy	IT000417601	811V4V69
9,262,065.15	9,262,065.15	0.91	0.91	28,977.80	Health Care	Health Care	Medical Equipment	France	FR0000121867	7212477
9,152,064.24	9,152,064.24	0.90	0.90	7,838.75	Retailing	Consumer Discretionary	Apparel Manufacturers	United Kingdom	GB0031743007	3174300
9,054,455.93	9,054,455.98	0.89	0.89	10,730.26	Financial Services	Financials	Other Banks and Diversified Financials	Switzerland	CH0102484988	84R2F50
9,046,151.91	9,046,151.91	0.89	0.89	15,862.37	Health Care	Health Care	Medical Equipment	United Kingdom	GB0009222306	0822230
8,904,447.14	8,904,447.14	0.88	0.88	13,212.21	Basic Materials	Industrial Goods	Containers	Australia	AU000000B381	B1F10C0
8,770,410.59	8,770,410.59	0.86	0.86	41,161.40	Health Care	Health Care	Pharmaceuticals	United Kingdom	JE0020K7057	B20KY05
8,755,504.72	8,755,508.55	0.86	0.86	14,423.04	Energy	Energy	Energy - Independent	Japan	JP284460005	B10RB15
8,734,567.08	8,734,567.08	0.86	0.86	21,522.80	Retailing	Consumer Discretionary	Apparel Manufacturers	France	FR0000121485	5565072
8,188,223.51	8,188,223.51	0.81	0.81	15,585.87	Industrial Goods & Services	Industrial Goods	Aerospace & Defense	United Kingdom	GB00893H491	8639H49
7,981,261.25	7,981,261.33	0.78	0.78	19,452.21	Retailing	Consumer Cyclicals	Food & Drug Stores	Canada	CA5394911015	2321800
7,259,453.26	7,259,471.10	0.71	0.71	18,303.65	Basic Materials	Capital Goods	Specialty Chemicals	South Korea	KR7051910008	6346913
7,150,954.92	7,150,958.05	0.70	0.70	60,506.44	Utilities & Communications	Telecom / CMTV	Wireless Communications	Japan	JP2436700008	6770620
6,778,407.93	6,778,407.97	0.67	0.67	18,670.11	Industrial Goods & Services	Capital Goods	Machinery & Tools	Switzerland	CH0024628196	B11TCYO
6,738,359.79	6,738,359.79	0.66	0.66	17,152.75	Special Products & Services	Technology	Business Services	United Kingdom	GB00819NLV4	B19NLV4
6,659,556.98	6,659,557.12	0.66	0.66	15,287.69	Financial Services	Financial Services	Other Banks and Diversified Financials	Mexico	MX237071014	2421041
6,628,457.53	6,628,461.33	0.65	0.65	39,890.80	Consumer Staples	Consumer Staples	Tobacco	India	INE154A01025	B0JG6P5
6,363,220.61	6,363,220.65	0.63	0.63	8,467.99	Health Care	Health Care	Medical Equipment	Switzerland	CH012549785	7156036
6,221,540.70	6,221,540.70	0.61	0.61	49,564.10	Energy	Energy	Energy - Integrated	United Kingdom	GB00003762899	0873239
6,071,154.88	6,071,154.98	0.60	0.60	3,147.37	Industrial Goods & Services	Capital Goods	Machinery & Tools	United Kingdom	GB0009465607	0346590
6,041,370.50	6,041,370.56	0.59	0.59	37,318.83	Energy	Energy	Energy - Integrated	Canada	CA8672241079	83N81P2
5,698,719.82	5,698,719.82	0.56	0.56	15,082.57	Industrial Goods & Services	Capital Goods	Electrical Equipment	France	FR010307819	B11ZFK9
5,342,415.39	5,342,417.73	0.53	0.53	4,665.16	Financial Services	Financial Services	Other Banks and Diversified Financials	Japan	JP2131400008	6037734
5,290,550.15	5,290,552.46	0.52	0.52	12,657.28	Consumer Staples	Consumer Staples	Consumer Products	Japan	JP2951600000	6911485
5,124,514.66	5,124,514.68	0.50	0.50	9,713.56	Consumer Staples	Consumer Staples	Food & Beverage	China	KYG9431R1029	B2014Z2
5,122,471.39	5,122,473.63	0.50	0.50	6,205.21	Autos & Housing	Capital Goods	Homebuilding & Materials	Japan	JP286200000	6697466
4,878,943.56	4,878,943.56	0.48	0.48	7,782.24	Financial Services	Financial Services	Other Banks and Diversified Financials	Peru	BV02519Y1084	G2519Y108
4,757,495.38	4,757,495.38	0.47	0.47	70,100.58	Consumer Staples	Consumer Staples	Alcoholic Beverage	Brazil	US02318V1035	02318V103
4,682,022.00	4,682,022.00	0.46	0.46	6,297.12	Health Care	Health Care	Medical Equipment	Germany	NL0000240000	5732825
4,615,953.59	4,615,953.79	0.45	0.45	5,696.92	Autos & Housing	Capital Goods	Automotive	China	CNE10000CQ35	B433965
4,541,971.37	4,541,971.46	0.45	0.45	11,877.09	Technology	Technology	Electronics	Taiwan	TW0002454006	6372480
4,493,320.76	4,493,320.99	0.44	0.44	8,247.11	Consumer Staples	Consumer Staples	Food & Beverage	Denmark	DK0060227585	B573M11
4,446,537.31	4,446,537.32	0.44	0.44	29,668.70	Industrial Goods & Services	Capital Goods	Machinery & Tools	Sweden	SE0006886750	BXC9B57
4,167,340.81	4,167,351.06	0.41	0.41	18,357.23	Technology	Technology	Internet	South Korea	KR7025420009	6560303
3,901,423.54	3,901,423.54	0.38	0.38	28,943.26	Financial Services	Financial Services	Other Banks and Diversified Financials	Russia	RU0009029540	B56C9L8
3,858,055.21	3,858,055.38	0.38	0.38	11,428.18	Consumer Staples	Consumer Staples	Consumer Products	China	KYG4402L1510	6136233
3,688,836.71	3,688,836.32	0.36	0.36	7,871.19	Basic Materials	Capital Goods	Specialty Chemicals	Japan	JP2749400002	6640507
3,310,778.49	3,310,778.49	0.33	0.33	7,434.24	Energy	Energy	Energy - Independent	Australia	PG00006579883	6657804
3,288,854.09	3,288,854.09	0.32	0.32	7,756.88	Industrial Goods & Services	Capital Goods	Machinery & Tools	Germany	DE0006602006	4557104

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2,272,104.33	2,272,104.33	0.22	0.22	8,205.99	Retailing	Consumer Cyclicals	Consumer Staples	Food & Drug Stores	Hong Kong	BMG2624N1535	6180274
333,729.16	333,729.16	0.04	0.04	1,399.39	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	Brazil	BRMDA4CNO87	B1FRH89
10,515,319.17	10,515,237.38	1.03	1.03	0.00	Cash & Cash Equivalents	Brazil					

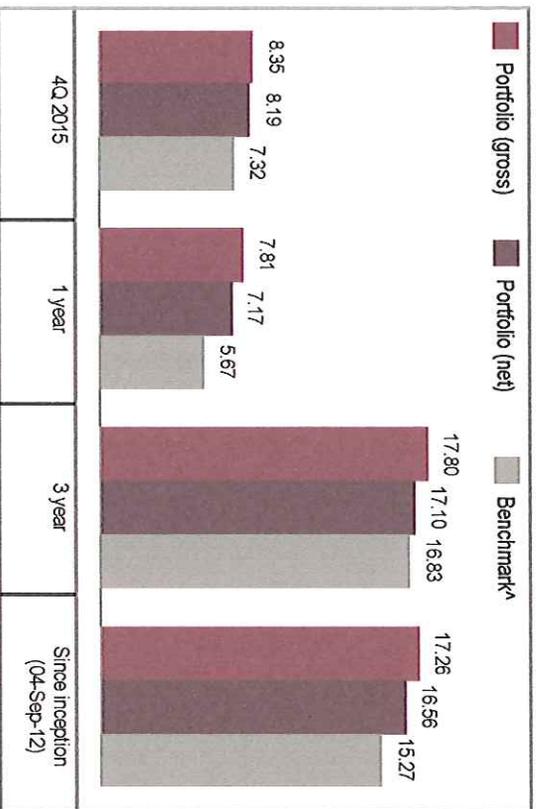
which may differ.

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Executive summary

Performance results (%) gross and net of fees (USD) as of 31-Dec-15



Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.
 Past performance is no guarantee of future results.
^a Russell 1000 Growth Index

Asset summary (USD)

Beginning value as of 30-Sep-15	31,417,509
Contributions	0
Withdrawals	-1,000,000
Change in market value	+2,633,008
Ending value as of 31-Dec-15	33,050,517

Sector weights (%) as of 31-Dec-15

	Portfolio	Benchmark ^a
Top overweights		
Retailing	16.6	11.7
Financial Services	10.4	6.3
Special Products & Services	6.3	5.2
Top underweights		
Leisure	6.6	10.3
Consumer Staples	5.6	9.2
Basic Materials	1.4	4.0

^a Russell 1000 Growth Index

The Growth Equity portfolio outperformed the Russell 1000 Growth Index in the fourth quarter of 2015.

Contributors

- Technology – Stock selection
- Individual stocks:
 - Amazon.Com
 - Thermo Fisher Scientific

Detractors

- Individual stocks:
 - Valeant Pharmaceuticals Intl Inc
 - Microsoft Corp
 - Sba Communications Corp
 - Cognizant Technology
 - Canadian Pacific Railway Ltd

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Bay County Employees' Retirement System
MFS® Heritage Trust Company CIT - MFS International Growth Fund
Class 1 Shares
Report as of 31 December 2015

Performance results (%) class 1 shares net of expenses (USD)

Period	Portfolio net	Benchmark ^a	Excess ^{a,m}
December	-2.08	-1.29	-0.79
November	-0.88	-1.12	0.24
October	7.18	7.58	-0.40
4Q 2015	4.03	5.00	-0.97
3Q 2015	-8.32	-10.77	2.45
2Q 2015	0.77	0.59	0.18
1Q 2015	5.41	4.79	0.62
1 year	1.30	-1.25	2.55
Since client inception (06-Aug-14)	-2.41	-3.89	1.48

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.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses performance does not include management fees.

^a MSCI All Country World (ex-US) Growth Index (net div)

^m Excess return net vs benchmark (%)

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MFS Heritage Trust Company

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MFS HERITAGE TRUST COMPANYSM
111 Huntington Avenue, Boston, Massachusetts 02199

MFS HERITAGE TRUST COMPANY

Account Statement
01/01/2015 - 12/31/2015
Page 1 of 2

Registration: BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
(BCERS)

Account Number: 193

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
(BCERS)
ATTN: CRYSTAL HEBERT
515 CENTER AVENUE, STE 701
BAY CITY, MI 48708

Account Summary - Period

Fund Name	12/31/2015 NAV	Beginning Market Value	Period Purchases	Period Redemptions	Ending Units	Ending Market Value
MFS INTERNATIONAL GROWTH FUND CL 1	\$123.27	\$15,278,005.85	\$9,340,750.00	(\$0.00)	197,834.210	\$24,387,023.07
Account Total		\$15,278,005.85				\$24,387,023.07

Account Summary - YTD

Fund Name	YTD Purchases	YTD Redemptions	Account Inception
MFS INTERNATIONAL GROWTH FUND CL 1	\$9,340,750.00	(\$0.00)	08/06/14

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MFS HERITAGE TRUST COMPANYSM
 111 Huntington Avenue, Boston, Massachusetts 02199

MFS HERITAGE TRUST COMPANY

Account Statement
 01/01/2015 - 12/31/2015
 Page 2 of 2

Transaction History

Trade Date	Transaction Type	Gross Amount	Net Amount	NAV	Transaction Units	Total Units
02/26/2015	MFS INTERNATIONAL GROWTH FUND CL 1 BEGINNING BALANCE					128,548.573
	PURCHASE BY WIRE	\$9,340,750.00	\$9,340,750.00	\$129.22	72,285.637	197,834.210

Message

Please contact your MFS relationship team for any questions regarding your account statement or transaction confirm.

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Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Pernod Ricard

Meeting Date: 11/06/2015

Country: France

Primary Security ID: F72027109

Meeting ID: 987301

Record Date: 11/03/2015

Meeting Type: Annual/Special

Ticker: RI

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Ordinary Business	Mgmt		
1	Approve Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Consolidated Financial Statements and Statutory Reports	Mgmt	For	For
3	Approve Allocation of Income and Dividends of EUR 1.80 per Share	Mgmt	For	For
4	Approve Auditors' Special Report on Related-Party Transactions	Mgmt	For	For
5	Approve Agreements with Alexandre Ricard, Chairman and CEO	Mgmt	For	For
6	Ratify Appointment of Veronica Vargas as Director	Mgmt	For	For
7	Reelect Nicole Bouton as Director	Mgmt	For	For
8	Elect Kory Sorenson as Director	Mgmt	For	For
9	Appoint CBA as Alternate Auditor	Mgmt	For	For
10	Approve Remuneration of Directors in the Aggregate Amount of EUR 950,000	Mgmt	For	For
11	Advisory Vote on Compensation of Alexandre Ricard, Chairman and CEO Since Feb. 11, 2015 and Vice-CEO Previously	Mgmt	For	For
12	Advisory Vote on Compensation of Pierre Pringuet, CEO Until Feb. 11, 2015	Mgmt	For	Against
13	Advisory Vote on Compensation of Daniele Ricard, Chairman Until Feb. 11, 2015	Mgmt	For	For
14	Authorize Repurchase of Up to 10 Percent of Issued Share Capital	Mgmt	For	Against
	Extraordinary Business	Mgmt		
15	Authorize Decrease in Share Capital via Cancellation of Repurchased Shares	Mgmt	For	For
16	Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights up to Aggregate Nominal Amount of EUR 135 Million	Mgmt	For	For
17	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 41 Million	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Pernod Ricard

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
18	Authorize Board to Increase Capital in the Event of Additional Demand Related to Delegation Submitted to Shareholder Vote Above	Mgmt	For	For
19	Authorize Capital Increase of up to 10 Percent of Issued Capital for Contributions in Kind		Mgmt	ForFor
20	Authorize Capital Increase of up to 10 Percent of Issued Capital for Future Exchange Offers		Mgmt	ForFor
21	Authorize Capitalization of Reserves of Up to EUR 135 Million for Bonus Issue or Increase in Par Value	Mgmt	For	For
22	Authorize up to 1.5 Percent of Issued Capital for Use in Restricted Stock Plans	Mgmt	For	For
23	Authorize up to 1.5 Percent of Issued Capital for Use in Stock Option Plans	Mgmt	For	For
24	Authorize Capital Issuances for Use in Employee Stock Purchase Plans	Mgmt	For	For
25	Amend Article 33 of Bylaws Re: Record Date	Mgmt	For	For
26	Authorize Filing of Required Documents/Other Formalities	Mgmt	For	For

Brambles Ltd

Meeting Date: 11/12/2015
Record Date: 11/10/2015

Country: Australia
Meeting Type: Annual

Primary Security ID: Q6634U106
Ticker: BXB

Meeting ID: 997871

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Approve the Remuneration Report	Mgmt	For	For
3	Elect Scott Redvers Perkins as Director	Mgmt	For	For
4	Elect Sarah Carolyn Hailes Kay as Director	Mgmt	For	For

Grupo Financiero Banorte S.A.B. de C.V.

Meeting Date: 11/19/2015
Record Date: 11/05/2015

Country: Mexico
Meeting Type: Special

Primary Security ID: P49501201
Ticker: GFNORTEO

Meeting ID: 1010017

Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Grupo Financiero Banorte S.A.B. de C.V.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Ordinary Business	Mgmt		
1	Amend Dividend Policy	Mgmt	For	For
2	Approve Cash Dividends	Mgmt	For	For
3	Approve Auditor's Report on Fiscal Situation of Company	Mgmt	For	For
4	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	For	For

Grupo Financiero Banorte S.A.B. de C.V.

Meeting Date: 11/19/2015

Country: Mexico

Primary Security ID: P49501201

Meeting ID: 1010018

Record Date: 11/05/2015

Meeting Type: Special

Ticker: GFNORTEO

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Extraordinary Business	Mgmt		
1	Amend Bylaws	Mgmt	For	For
2	Approve Modifications of Sole Responsibility Agreement	Mgmt	For	For
3	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	For	For

Chr.Hansen Holdings A/S

Meeting Date: 11/26/2015

Country: Denmark

Primary Security ID: K1830B107

Meeting ID: 936190

Record Date: 11/19/2015

Meeting Type: Annual

Ticker: CHR

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Receive Report of Board	Mgmt		
2	Accept Annual Report	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Chr.Hansen Holdings A/S

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
3	Approve Allocation of Income and Dividends of DKK 4.70 Per Share	Mgmt	For	For
4	Approve Remuneration of Directors in the Amount of DKK 1.2 Million for Chairman, DKK 750,000 for Vice Chairman, and DKK 375,000 for Other Directors; Approve Remuneration for Committee Work	Mgmt	For	For
5	Approve Guidelines for Incentive-Based Compensation for Executive Management	Mgmt	For	For
6a	Reelect Ole Andersen as Board Chairman	Mgmt	For	For
6ba	Reelect Frederic Stevenin as Director	Mgmt	For	For
6bb	Reelect Mark Wilson as Director	Mgmt	For	For
6bc	Reelect Soren Carlsen as Director	Mgmt	For	For
6bd	Reelect Dominique Reiniche as Director	Mgmt	For	For
6be	Reelect Tiina Mattila-Sandholm as Director	Mgmt	For	For
6bf	Reelect Kristian Villumsen as Director	Mgmt	For	For
7	Ratify PricewaterhouseCoopers as Auditors	Mgmt	For	For
8	Authorize Editorial Changes to Adopted Resolutions in Connection with Registration with Danish Authorities	Mgmt	For	For

Paddy Power plc

Meeting Date: 12/21/2015

Country: Ireland

Primary Security ID: G68673113

Meeting ID: 1016994

Record Date: 12/19/2015

Meeting Type: Special

Ticker: N/A

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Ordinary Resolutions	Mgmt		
1	Approve Merger of the Company and Betfair Group plc	Mgmt	For	For
2	Increase Authorized Common Stock	Mgmt	For	For
3	Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights	Mgmt	For	For
	Special Resolutions	Mgmt		
4	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Paddy Power plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
5	Change Company Name to Paddy Power Betfair plc	Mgmt	For	For
6	Amend Memorandum to Reflect Increase in Share Capital	Mgmt	For	For
7	Amend Articles to Reflect Increase in Share Capital Ordinary Resolution	Mgmt	For	For
8	Approve Specified Compensatory Arrangements Special Resolutions	Mgmt	For	For
9	Approve Reduction of Share Premium Account	Mgmt	For	For
10	Authorize Share Repurchase Program Ordinary Resolution	Mgmt	For	For
11	Approve Remuneration of Directors Special Resolution	Mgmt	For	For
12	Adopt New Articles of Association Ordinary Resolutions	Mgmt	For	For
13	Approve 2015 Long Term Incentive Plan	Mgmt	For	For
14	Approve 2015 Medium Term Incentive Plan	Mgmt	For	For
15	Approve 2015 Deferred Share Incentive Plan	Mgmt	For	For
16	Approve Remuneration Policy	Mgmt	For	For
17	Amend Paddy Power Sharesave Scheme	Mgmt	For	For



Bay County Employees' Retirement System - Growth Equity

BCS

Valuation Summary	31-Dec-15		Portfolio Currency: USD		Total Value	Total Value
	Cost	Market Value	Accrued Income	Accrued Income		
CASH	880,287.49	880,287.49	0.00	0.00	880,287.49	2.66 %
COMMON STOCK	23,332,430.89	31,844,390.13	13,014.60	13,014.60	31,857,404.73	96.39 %
ADR	328,529.30	312,824.64	0.00	0.00	312,824.64	.95 %
	<u>24,541,247.68</u>	<u>33,037,502.26</u>	<u>13,014.60</u>	<u>13,014.60</u>	<u>33,050,516.86</u>	<u>100.00 %</u>
	Accrued Income:			13,014.60		
	Total Value:			33,050,516.86		

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.

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Bay County Employees' Retirement System
 Growth Equity
 Report as of 31 December 2015

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

Period	Portfolio gross	Portfolio net	Benchmark ^a	Excess ^{a,a}
December	-0.84	-0.89	-1.47	0.58
November	0.93	0.88	0.28	0.60
October	8.26	8.21	8.61	-0.40
4Q 2015	8.35	8.19	7.32	0.87
3Q 2015	-4.50	-4.64	-5.29	0.65
2Q 2015	0.35	0.20	0.12	0.08
1Q 2015	3.82	3.67	3.84	-0.17
1 year	7.81	7.17	5.67	1.50
3 year	17.80	17.10	16.83	0.27
Since client inception (04-Sep-12)	17.26	16.56	15.27	1.29

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

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^a Russell 1000 Growth Index

^{a,a} Excess return net vs benchmark (%)

The Growth Equity portfolio outperformed Russell 1000 Growth Index in the fourth quarter of 2015.

Contributors

Technology – Stock selection

Individual stocks - Contributors

Amazon.Com

Thermo Fisher Scientific

Detractors

Cash

Vote Summary Report

Reporting Period: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services **MFS**

Institution Account(s): Bay Country Employees' Retirement System

Alibaba Group Holding Ltd.

Meeting Date: 10/08/2015	Country: Cayman Islands	Primary Security ID: 01609W102	Meeting ID: 1002405
Record Date: 08/13/2015	Meeting Type: Annual	Ticker: BABA	
Primary CUSIP: 01609W102	Primary ISIN: US01609W1027	Primary SEDOL: BFM1ZD1	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Meeting for ADR Holders	Mgmt		
1.1	Elect Joseph C. Tsai as Director	Mgmt	For	Against
1.2	Elect Jonathan Zhaoxi Lu as Director	Mgmt	For	Against
1.3	Elect J. Michael Evans as Director	Mgmt	For	Against
1.4	Elect Borje E. Ekholm as Director	Mgmt	For	For
1.5	Elect Wan Ling Martello as Director	Mgmt	For	For
2	Approve PricewaterhouseCoopers as Independent Auditors	Mgmt	For	For

Avago Technologies Limited

Meeting Date: 11/10/2015	Country: Singapore	Primary Security ID: Y0486S104	Meeting ID: 1005361
Record Date: 09/25/2015	Meeting Type: Court	Ticker: AVGO	
Primary CUSIP: Y0486S104	Primary ISIN: SG9999006241	Primary SEDOL: B3WS2X9	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Court-Ordered Meeting for Shareholders	Mgmt		
1	Approve Scheme of Arrangement	Mgmt	For	For
2	Approve Allotment and Issuance of Ordinary Shares	Mgmt	For	For

Oracle Corporation

Meeting Date: 11/18/2015	Country: USA	Primary Security ID: 68389X105	Meeting ID: 1005074
Record Date: 09/21/2015	Meeting Type: Annual	Ticker: ORCL	
Primary CUSIP: 68389X105	Primary ISIN: US68389X1054	Primary SEDOL: 2661568	

Vote Summary Report

Reporting Period: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

Oracle Corporation

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Jeffrey S. Berg	Mgmt	For	Withhold
1.2	Elect Director H. Raymond Bingham	Mgmt	For	Withhold
1.3	Elect Director Michael J. Boskin	Mgmt	For	Withhold
1.4	Elect Director Safra A. Catz	Mgmt	For	Withhold
1.5	Elect Director Bruce R. Chizen	Mgmt	For	Withhold
1.6	Elect Director George H. Conrades	Mgmt	For	Withhold
1.7	Elect Director Lawrence J. Ellison	Mgmt	For	Withhold
1.8	Elect Director Hector Garcia-Molina	Mgmt	For	Withhold
1.9	Elect Director Jeffrey O. Henley	Mgmt	For	Withhold
1.10	Elect Director Mark V. Hurd	Mgmt	For	Withhold
1.11	Elect Director Leon E. Panetta	Mgmt	For	For
1.12	Elect Director Naomi O. Seligman	Mgmt	For	Withhold
2	Amend Executive Incentive Bonus Plan	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
4	Ratify Ernst & Young LLP as Auditors	Mgmt	For	For
5	Adopt Quantitative Renewable Energy Goals	SH	Against	Against
6	Proxy Access	SH	Against	For
7	Approve Quantifiable Performance Metrics	SH	Against	For
8	Amend Corporate Governance Guidelines	SH	Against	For
9	Proxy Voting Disclosure, Confidentiality, and Tabulation	SH	Against	Against
10	Report on Lobbying Payments and Policy	SH	Against	For

Comcast Corporation

Meeting Date: 12/10/2015

Country: USA

Primary Security ID: 20030N101

Meeting ID: 1013807

Record Date: 10/20/2015

Meeting Type: Special

Ticker: CMCSA

Primary CUSIP: 20030N101

Primary ISIN: US20030N1019

Primary SEDOL: 2044545

Vote Summary Report

Reporting Period: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

Comcast Corporation

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Conversion of Securities	Mgmt	For	For

Medtronic plc

Meeting Date: 12/11/2015

Country: Ireland

Primary Security ID: G5960L103

Meeting ID: 993909

Record Date: 10/12/2015

Meeting Type: Annual

Ticker: MDT

Primary CUSIP: 585055106

Primary ISIN: IE008TN1Y115

Primary SEDOL: 8TN1Y11

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Richard H. Anderson	Mgmt	For	For
1b	Elect Director Craig Arnold	Mgmt	For	For
1c	Elect Director Scott C. Donnelly	Mgmt	For	For
1d	Elect Director Randall J. Hogan, III	Mgmt	For	For
1e	Elect Director Omar Ishrak	Mgmt	For	For
1f	Elect Director Shirley Ann Jackson	Mgmt	For	For
1g	Elect Director Michael O. Leavitt	Mgmt	For	For
1h	Elect Director James T. Lenehan	Mgmt	For	For
1i	Elect Director Elizabeth G. Nabel	Mgmt	For	For
1j	Elect Director Denise M. O'Leary	Mgmt	For	For
1k	Elect Director Kendall J. Powell	Mgmt	For	For
1l	Elect Director Robert C. Pozen	Mgmt	For	For
1m	Elect Director Preetha Reddy	Mgmt	For	For
2	Approve PricewaterhouseCoopers LLP as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
4	Advisory Vote on Say on Pay Frequency	Mgmt	One Year	One Year

Vote Summary Report

Reporting Period: 10/01/2015 to 12/31/2015

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

Bay County Employees' Retirement System

MFS[®] Heritage Trust Company CIT - MFS International Growth Fund
(Class 1 Shares)



Q4 | 31 December 2015

Performance results (%) class 1 shares net of expenses (USD)	Portfolio	Benchmark ^A	Excess returns
4Q 2015	4.03	5.00	-0.97
1 year	1.30	-1.25	2.55
Since client inception (06-Aug-14)	-2.41	-3.89	1.48

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.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses performance does not include management fees.

^A MSCI All Country World (ex-US) Growth Index (net div)

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results are historical and assume the reinvestment of dividends and capital gains.

Asset summary (USD)

Beginning value as of 30-Sep-15	23,443,354
Contributions	0
Withdrawals	0
Change in market value	+943,669
Ending value as of 31-Dec-15	24,387,023

Characteristics	Portfolio	Benchmark ^{AA}
IBES long-term EPS growth ¹ weighted median	9.7%	10.8%
Price/earnings (12 months forward ex-negative earnings) - weighted median	18.6x	18.2x
Return on invested capital - weighted median	12.2%	10.8%
Market capitalization (USD) ²	31.7 bn	25.2 bn
Number of holdings	84	1,058
Trailing 1 year turnover ³	31%	-
Barra predicted tracking error ⁴	2.92%	-

¹ Source: Thomson Reuters

² Weighted median.

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

⁴ Source: Barra

No forecasts can be guaranteed.

Top 10 issuers

Top 10 issuers	Sector
ROCHE HOLDINGS AG	Health Care
NESTLE SA	Consumer Staples
DANONE	Consumer Staples
ACCENTURE PLC	Special Products & Services
NOVARTIS AG NEW	Health Care
UBS GROUP AG	Financial Services
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	Technology
AIA GROUP LTD	Financial Services
COMPASS GROUP EQUITY	Special Products & Services
PERNOD-RICARD	Consumer Staples

Sectors (%)

Sectors (%)	Portfolio	Benchmark ^{AA}
Consumer Staples	19.6	15.2
Health Care	16.3	12.8
Financial Services	12.3	15.1
Special Products & Services	9.5	4.6
Technology	9.1	11.8
Basic Materials	7.8	5.2
Industrial Goods & Services	7.5	5.2
Retailing	6.1	7.5
Leisure	4.7	4.6
Energy	2.4	1.5
Transportation	2.0	4.3
Autos & Housing	1.0	5.9
Utilities & Communications	0.7	6.4

Regions (%)

Regions (%)	Portfolio	Benchmark ^{AA}
Europe ex-U.K.	48.7	35.5
United Kingdom	18.3	12.3
Emerging Markets	9.8	20.4
North America	8.2	5.7
Japan	7.7	17.1
Asia/Pacific ex-Japan	5.0	8.4
Developed - Middle East/Africa	1.3	0.5

1.0% Cash & cash equivalents

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

^{AA} MSCI All Country World (ex-US) Growth Index

FOR MORE INFORMATION CONTACT

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Thomas Shanley, Client Service Manager
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>Abel/Noser Corp.
 One Battery Park Plaza,
 New York, NY 10004-1405
 phone:646.432.4000 800.322.2610
 fax: 212.363.7571
 website: www.abelnoser.com>

Ms. Crystal Herbert
 Bay County Financial Officer
 Bay County Retirement System
 515 Center Avenue
 Suite 701
 Bay City, MO 48708

Date 1/14/2016
 Page 1 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: December 1, 2015 To December 31, 2015

	<u>December 2015</u>	<u>Year To Date</u>
Opening Balance:	\$0.00	\$3.00 ^{*cr}
Commission:	\$13.00	\$231.50
Credit:	\$0.00	\$0.00
Payments:	\$0.00	\$3.00
Adjustments:	\$0.00	\$0.00
Ending Balance:	\$0.00	\$0.00

**Previous Year's closing balance*

Manager Commission Summary

	<u>December 2015 Commission</u>	<u>December 2015 Credit</u>	<u>Year to Date Commission</u>	<u>Year to Date Credit</u>
HOTCHKIS & WILEY	\$13.00	\$0.00	\$231.50	\$0.00
Total:	\$13.00	\$0.00	\$231.50	\$0.00

Payments Summary

	<u>December 2015</u>	<u>Year to Date</u>
BAY COUNTY EMPLOYEES RETIREMENT SYSTEM	\$0.00	\$3.00
Total:	\$0.00	\$3.00

Are you considering making a portfolio change soon? Contact your Abel Noser representative or Transitions@abelnoser.com for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.

In order to comply with ERISA; It is our understanding that the monies disbursed from your commission recapture account are for the exclusive benefit of the plan's participants and their beneficiaries. Please contact us if you see there are any exceptions to this compliance.

Member New York Stock Exchange and other Principle Exchanges, FINRA/SIPC

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>Abel/Noser Corp.
 One Battery Park Plaza,
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Date 1/14/2016
 Page 2 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Trade Details: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: December 1, 2015 To December 31, 2015

Account: 1122-BAY COUNTY EMPL RET SYSTEM/ HOTCHKIS EAN71916

<u>trade date</u>	<u>side</u>	<u>ticker</u>	<u>security description</u>	<u>share</u>	<u>commission</u>	<u>credit</u>	<u>cumulation</u> <u>credit</u>
12/11/15	S	ZINC	HORSEHEAD HLDG CORP COM	400	\$4.00	\$0.00	\$0.00
12/14/15	S	ZINC	HORSEHEAD HLDG CORP COM	400	\$4.00	\$0.00	\$0.00
12/16/15	S	ZINC	HORSEHEAD HLDG CORP COM	300	\$3.00	\$0.00	\$0.00
12/21/15	S	ZINC	HORSEHEAD HLDG CORP COM	200	\$2.00	\$0.00	\$0.00
Account Total:				1,300	\$13.00	\$0.00	
Grand Total:				1,300	\$13.00	\$0.00	

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Dec 1, 2015 To Dec 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2608694

ACCOUNT NAME : *BAYCO - COLUMBIA MANAGEMENT

CURRENCY : USD

OPEN CASH	0.00	2,714.15	0.00	0.00	2,714.15
TERM CASH	0.00	125.18	0.00	0.00	125.18
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,839.33	0.00	0.00	2,839.33
TOTAL REBATES	0.00	891.10	0.00	0.00	891.10
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,948.23	0.00	0.00	1,948.23
BANK FEES	0.00	583.74	0.00	0.00	583.74
NET INCOME	0.00	1,364.49	0.00	0.00	1,364.49

ACCOUNT NUMBER : 2618668

ACCOUNT NAME : *BAYCO - BAIRD -SL

CURRENCY : USD

OPEN CASH	971.09	0.00	0.00	0.00	971.09
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	62.90	0.00	0.00	0.00	62.90
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,033.99	0.00	0.00	0.00	1,033.99
TOTAL REBATES	702.24	0.00	0.00	0.00	702.24
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	331.75	0.00	0.00	0.00	331.75
BANK FEES	99.45	0.00	0.00	0.00	99.45
NET INCOME	232.30	0.00	0.00	0.00	232.30

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Dec 1, 2015 To Dec 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2622490

ACCOUNT NAME : *BAYCO - MACKAY SHIELDS -SL

CURRENCY : USD

OPEN CASH	760.98	48.87	78.96	30.40	919.21
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	558.44	0.00	0.00	0.00	558.44
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,319.42	48.87	78.96	30.40	1,477.65
TOTAL REBATES	-1,127.90	-69.71	19.67	8.98	-1,168.96
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	2,447.32	118.58	59.29	21.42	2,646.61
BANK FEES	733.80	35.43	17.78	6.42	793.43
NET INCOME	1,713.52	83.15	41.51	15.00	1,853.18

ACCOUNT NUMBER : 2622536

ACCOUNT NAME : *BAYCO - HOTCHKIS & WILEY -SL

CURRENCY : USD

OPEN CASH	0.00	1,835.97	0.00	220.02	2,055.99
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	26.15	0.00	9.26	35.41
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,862.12	0.00	229.28	2,091.40
TOTAL REBATES	0.00	145.33	0.00	64.40	209.73
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,716.79	0.00	164.88	1,881.67
BANK FEES	0.00	511.71	0.00	48.80	560.51
NET INCOME	0.00	1,205.08	0.00	116.08	1,321.16

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Dec 1, 2015 To Dec 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2641401

ACCOUNT NAME : *BAYCO - LOOMIS SAYLES -SL

CURRENCY : USD

OPEN CASH	1,214.04	0.00	788.37	0.00	2,002.41
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	65.50	0.00	9.49	0.00	74.99
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,279.54	0.00	797.86	0.00	2,077.40
TOTAL REBATES	121.55	0.00	-86.98	0.00	34.57
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,157.99	0.00	884.84	0.00	2,042.83
BANK FEES	346.44	0.00	265.12	0.00	611.56
NET INCOME	811.55	0.00	619.72	0.00	1,431.27

ACCOUNT NUMBER : 2649057

ACCOUNT NAME : *BAYCO GENEVA CAPITAL MGMT -SL

CURRENCY : USD

OPEN CASH	0.00	3,524.15	0.00	124.08	3,648.23
TERM CASH	0.00	74.14	0.00	0.00	74.14
NON CASH	0.00	29.83	0.00	0.00	29.83
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	3,628.12	0.00	124.08	3,752.20
TOTAL REBATES	0.00	1,033.36	0.00	44.00	1,077.36
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,594.76	0.00	80.08	2,674.84
BANK FEES	0.00	777.39	0.00	23.97	801.36
NET INCOME	0.00	1,817.37	0.00	56.11	1,873.48

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Dec 1, 2015 To Dec 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2653308

ACCOUNT NAME : *BAYCO - INTEGRITY -SL

CURRENCY : USD

OPEN CASH	0.00	2,898.23	0.00	113.51	3,011.74
TERM CASH	0.00	12.59	0.00	0.00	12.59
NON CASH	0.00	5.78	0.00	0.00	5.78
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,916.60	0.00	113.51	3,030.11
TOTAL REBATES	0.00	827.19	0.00	30.73	857.92
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,089.41	0.00	82.78	2,172.19
BANK FEES	0.00	624.37	0.00	24.70	649.07
NET INCOME	0.00	1,465.04	0.00	58.08	1,523.12

ACCOUNT NUMBER : 2653296

ACCOUNT NAME : *BAYCO - CORNERSTONE REALES-SL

CURRENCY : USD

OPEN CASH	0.00	1,353.36	0.00	0.00	1,353.36
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	8.04	0.00	0.00	8.04
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,361.40	0.00	0.00	1,361.40
TOTAL REBATES	0.00	429.60	0.00	0.00	429.60
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	931.80	0.00	0.00	931.80
BANK FEES	0.00	277.85	0.00	0.00	277.85
NET INCOME	0.00	653.95	0.00	0.00	653.95

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Dec 1, 2015 To Dec 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2683854

ACCOUNT NAME : *BAYCO - MFS INVESTMENTS -SL

CURRENCY : USD

OPEN CASH	0.00	2,874.42	0.00	196.72	3,071.14
TERM CASH	0.00	46.21	0.00	0.00	46.21
NON CASH	0.00	0.00	0.00	0.80	0.80
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,920.63	0.00	197.52	3,118.15
TOTAL REBATES	0.00	925.71	0.00	-94.21	831.50
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,994.92	0.00	291.73	2,286.65
BANK FEES	0.00	597.02	0.00	87.38	684.40
NET INCOME	0.00	1,397.90	0.00	204.35	1,602.25

ACCOUNT NUMBER : 2695063

ACCOUNT NAME : *BAYCO - EAGLE ASSET -SL

CURRENCY : USD

OPEN CASH	0.00	2,125.16	0.00	58.63	2,183.79
TERM CASH	0.00	81.34	0.00	0.00	81.34
NON CASH	0.00	59.72	0.00	0.00	59.72
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,266.22	0.00	58.63	2,324.85
TOTAL REBATES	0.00	279.62	0.00	10.63	290.25
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,986.60	0.00	48.00	2,034.60
BANK FEES	0.00	592.76	0.00	14.29	607.05
NET INCOME	0.00	1,393.84	0.00	33.71	1,427.55

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Dec 1, 2015 To Dec 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
GRAND TOTAL					
CURRENCY : USD					
OPEN CASH	2,946.11	17,374.31	867.33	743.36	21,931.11
TERM CASH	0.00	339.46	0.00	0.00	339.46
NON CASH	686.84	129.52	9.49	10.06	835.91
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	3,632.95	17,843.29	876.82	753.42	23,106.48
TOTAL REBATES	-304.11	4,462.20	-67.31	64.53	4,155.31
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	3,937.06	13,381.09	944.13	688.89	18,951.17
BANK FEES	1,179.69	4,000.27	282.90	205.56	5,668.42
NET INCOME	2,757.37	9,380.82	661.23	483.33	13,282.75

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Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

REFUNDS: FOR THE MONTH ENDED:

January 31, 2016

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
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TOTAL REFUNDS: 0.00

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
LeMay, Cindy (Steven Hump	8,562.30	General	11/1/2015
Rose, Rose	5,151.19	General	1/20/2016
Bedell, Norma	\$36,742.00	BMCF	1/2/2016
Quinn, Timothy	\$27,414.67	General	1/4/2016
Mary Carelli	\$40,671.45	General	1/2/2016
Shaw, Sheila	\$40,218.79	General	1/12/2016
Phelps, Joette	\$72,062.61	General	1/23/2016
Nowak, Johanna	\$71,411.72	General	1/16/2016
Crechiolo, Melissa (Charles .	\$53,341.60	BABH	12/20/2015

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
Webb, Benjamin	Webb, Paula	1,016.27	12/18/2015	BMCF

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
Jones, Marquita	3,598.94	BMC NON-UNION	12/16/2015
Veitengruber, Krystal	815.04	BMC NON-UNION	1/8/2016
Harrison, Hailey	197.54	BMC NON-UNION	1/7/2016

4,611.52

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Bay County, Michigan

02/03/2016 14:12
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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 01

ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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7310 RETIREMENT SYSTEM FUND

73127400 RETIREMENT BOARD

RA FUND BALANCE, NET AS

73127400 40001	FUND BALANCE	0	0	.00	.00	.00	.00	-1,100,000.00	.0%
73127400 40003	FUND BALANCE-RESRVS	0	0	.00	.00	.00	.00	-13,000.00	.0%
73127400 40004	NET ASSETS - RESERV	4,601,447	4,601,447	.00	.00	.00	.00	4,601,447.00	.0%
TOTAL FUND BALANCE, NET AS		4,601,447	4,601,447	.00	.00	.00	.00	4,601,447.00	.0%

RJ LOCAL UNIT CONTRIBUT

73127400 59401	ER CONTR-BEHAVE,HEA	-1,100,000	-1,100,000	.00	.00	.00	.00	-1,100,000.00	.0%
73127400 59402	ER CONTR-MOSQUITO C	-13,000	-13,000	.00	.00	.00	.00	-13,000.00	.0%
73127400 59403	ER CONTR-HEALTH FUN	-60,000	-60,000	.00	.00	.00	.00	-60,000.00	.0%
73127400 59404	ER CONTR-ROAD COMM	-550,000	-550,000	.00	.00	.00	.00	-550,000.00	.0%
73127400 59406	ER CONTR-LIBRARY	-180,000	-180,000	.00	.00	.00	.00	-180,000.00	.0%
73127400 59407	ER CONTR-GOLF COURS	-5,000	-5,000	.00	.00	.00	.00	-5,000.00	.0%
73127400 59409	ER CONTR-GENERAL FU	-375,000	-375,000	.00	.00	.00	.00	-375,000.00	.0%
73127400 59410	ER CONTR-DWS	-45,000	-45,000	.00	.00	.00	.00	-45,000.00	.0%
73127400 59411	ER CONTR-911 SERVIC	-40,000	-40,000	.00	.00	.00	.00	-40,000.00	.0%
73127400 59412	ER CONTR-CHILD CARE	-43,000	-43,000	.00	.00	.00	.00	-43,000.00	.0%
73127400 59413	ER CONTR-DIV ON AGI	-1,900	-1,900	.00	.00	.00	.00	-1,900.00	.0%
73127400 59414	ER CONTR-RETIRE SYS	-3,000	-3,000	.00	.00	.00	.00	-3,000.00	.0%
73127400 59415	ER CONTR-HOMELAND S	-2,000	-2,000	.00	.00	.00	.00	-2,000.00	.0%
73127400 59416	ER CONTR-GYPSY MOTH	-180	-180	.00	.00	.00	.00	-180.00	.0%
73127400 59418	ER CONTR-HOME REHAB	-3,300	-3,300	.00	.00	.00	.00	-3,300.00	.0%
73127400 59419	ER CONTR-100% TAX P	-600,000	-600,000	.00	.00	.00	.00	-600,000.00	.0%
73127400 59424	ER CONTR-MED CARE F	-600	-600	.00	.00	.00	.00	-600.00	.0%
73127400 59427	ER CONTR-SELF INSUR	-2,100	-2,100	.00	.00	.00	.00	-2,100.00	.0%
73127400 59429	ER CONTR-COMM CORR	-2,500	-2,500	.00	.00	.00	.00	-2,500.00	.0%
73127400 59430	ER CONTR-F.O.C. FUN	-6,000	-6,000	.00	.00	.00	.00	-6,000.00	.0%
73127400 59434	ER CONTR-HOUSING FU	-300	-300	.00	.00	.00	.00	-300.00	.0%
73127400 59435	ER CONTR-LOCAL CEO	0	0	.00	.00	.00	.00	0.00	.0%
73127400 59499	ER CONTR-SHERIFF DE	-5,000	-5,000	.00	.00	.00	.00	-5,000.00	.0%

Bay County, Michigan

02/03/2016 14:12
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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 59501	BE CONTR-BEHAVE, HEA	-500,000	-500,000	.00	.00	-500,000.00	.0%
73127400 59502	BE CONTR-MOSQUITO C	-12,750	-12,750	.00	.00	-12,750.00	.0%
73127400 59503	BE CONTR-HEALTH FUN	-60,000	-60,000	.00	.00	-60,000.00	.0%
73127400 59504	BE CONTR-ROAD COMM	-130,000	-130,000	.00	.00	-130,000.00	.0%
73127400 59505	BE CONTR-LIBRARY	-75,000	-75,000	.00	.00	-75,000.00	.0%
73127400 59506	BE CONTR-GOLF COUR	-4,200	-4,200	.00	.00	-4,200.00	.0%
73127400 59507	BE CONTR-GENERAL FU	-450,000	-450,000	.00	.00	-450,000.00	.0%
73127400 59508	BE CONTR-DMS	-85,000	-85,000	.00	.00	-85,000.00	.0%
73127400 59509	BE CONTR-911 SERVIC	-60,000	-60,000	.00	.00	-60,000.00	.0%
73127400 59510	BE CONTR-CHILD CARE	-40,000	-40,000	.00	.00	-40,000.00	.0%
73127400 59511	BE CONTR-DIV ON AGI	-43,000	-43,000	.00	.00	-43,000.00	.0%
73127400 59512	BE CONTR-RETIRE SYS	-2,200	-2,200	.00	.00	-2,200.00	.0%
73127400 59513	BE CONTR-HOMELAND S	0	0	.00	.00	0.00	.0%
73127400 59514	BE CONTR-GYPSY MOTH	-1,900	-1,900	.00	.00	-1,900.00	.0%
73127400 59515	BE CONTR-HOME REHAB	-200	-200	.00	.00	-200.00	.0%
73127400 59516	BE CONTR-100% TAX P	-3,100	-3,100	.00	.00	-3,100.00	.0%
73127400 59517	BE CONTR-MED CARE F	-400,000	-400,000	.00	.00	-400,000.00	.0%
73127400 59518	BE CONTR-SELF INSUR	-450	-450	.00	.00	-450.00	.0%
73127400 59519	BE CONTR-COMV CORRE	-1,500	-1,500	.00	.00	-1,500.00	.0%
73127400 59520	BE CONTR-F. O. C. FUN	-2,500	-2,500	.00	.00	-2,500.00	.0%
73127400 59521	BE CONTR-HOUSING FU	-5,800	-5,800	.00	.00	-5,800.00	.0%
73127400 59522	BE CONTR-LOCAL CEO	-300	-300	.00	.00	-300.00	.0%
73127400 59523	BE CONTR-IB-CONC PIS	0	0	.00	.00	0.00	.0%
73127400 59524	BE CONTR-SHERIFF DE	-230,000	-230,000	.00	.00	-230,000.00	.0%
73127400 59525	BE CONTR-SHERIFF DE	0	0	.00	.00	0.00	.0%
TOTAL LOCAL UNIT CONTRIBUT		-5,520,780	-5,520,780	.00	.00	-5,520,780.00	.0%
RP INTEREST & RENTALS							
73127400 66400	INVESTMENT INTEREST	-5,000,000	-5,000,000	.00	.00	-5,000,000.00	.0%
73127400 66500	GAIN ON SALE OF INV	-20,000,000	-20,000,000	.00	.00	-20,000,000.00	.0%
73127400 66501	UNREALIZED GAIN ON	-3,000,000	-3,000,000	.00	.00	-3,000,000.00	.0%
73127400 66502	GAIN ON FOREIGN CUR	-40,000	-40,000	.00	.00	-40,000.00	.0%
73127400 66600	SECURITIES LENDING	-180,000	-180,000	.00	.00	-180,000.00	.0%
TOTAL INTEREST & RENTALS		-28,220,000	-28,220,000	.00	.00	-28,220,000.00	.0%
RR OTHER REVENUE							
73127400 67104	MISCELLANEOUS REVENU	0	0	.00	.00	0.00	.0%

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Bay County, Michigan

02/03/2016 14:12
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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 67600 REIMBURSEMENTS	0	0	.00	.00	.00	.00	.0%
73127400 67601 REIMBURSEMENT - IND	0	0	.00	.00	.00	.00	.0%
73127400 68900 TRADE-IN ALLOWANCE	0	0	.00	.00	.00	.00	.0%
73127400 69000 COMMISSION RECAPTUR	-15,000	-15,000	.00	.00	.00	-15,000.00	.0%
73127400 69200 CLAIMS/SETTLEMENTS/	-100,000	-100,000	.00	.00	.00	-100,000.00	.0%
TOTAL OTHER REVENUE	-115,000	-115,000	.00	.00	.00	-115,000.00	.0%

XE WAGES & SALARIES

73127400 70300 SALARIES-ELECTED OR	51,012	51,012	1,094.73	1,094.73	.00	49,917.27	2.1%
73127400 70400 WAGES-CLERICAL-OTHR	10,566	10,566	647.68	647.68	.00	9,918.32	6.1%
73127400 70500 TEMPORARY HELP	9,000	9,000	.00	.00	.00	9,000.00	.0%
73127400 70501 PART TIME WAGES	0	0	.00	.00	.00	.00	.0%
73127400 70600 OVERTIME	2,809	2,809	.00	.00	.00	2,809.00	.0%
73127400 70800 HOLIDAY PAY	0	0	506.40	506.40	.00	-506.40	100.0%
73127400 71000 PER DIEM	3,420	3,420	180.00	180.00	.00	3,240.00	5.3%
73127400 71200 VACATION PAY	0	0	40.48	40.48	.00	-40.48	100.0%
73127400 71202 SICK PAY	0	0	48.12	48.12	.00	-48.12	100.0%
73127400 71203 TERMINATION SICK PA	0	0	.00	.00	.00	.00	.0%
73127400 71204 TERMINATION VACTIION	0	0	.00	.00	.00	.00	.0%
TOTAL WAGES & SALARIES	76,807	76,807	2,517.41	2,517.41	.00	74,289.59	3.3%

XF FRINGES

73127400 71500 SOCIAL SECURITY	4,713	4,713	155.97	155.97	.00	4,557.03	3.3%
73127400 71600 HEALTH INSURANCE	17,435	17,435	786.17	786.17	.00	16,648.83	4.5%
73127400 71603 RETIREE HEALTH CARE	0	0	.00	.00	.00	.00	.0%
73127400 71632 EMPLOYEE INCENTIVE	177	177	.00	.00	.00	177.00	.0%
73127400 71700 LIFE INSURANCE	131	131	9.25	9.25	.00	121.75	7.1%
73127400 71800 RETIREMENT	4,928	4,928	186.98	186.98	.00	4,741.02	3.8%
73127400 71900 OTHER FRINGE BENEFIT	0	0	.00	.00	.00	.00	.0%
73127400 72001 STR ADMINISTRATION	0	0	.00	.00	.00	.00	.0%
73127400 72100 WORKERS' COMPENSATI	93	93	3.51	3.51	.00	89.49	3.8%
73127400 72200 SICK AND ACCIDENT I	709	709	17.57	17.57	.00	691.43	2.5%
73127400 72500 UNEMPLOYMENT COMPEN	93	93	3.51	3.51	.00	89.49	3.8%
TOTAL FRINGES	28,279	28,279	1,162.96	1,162.96	.00	27,116.04	4.1%

XI SUPPLIES

73127400 72700 OFFICE SUPPLIES	2,000	2,000	.00	.00	.00	2,000.00	.0%
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Bay County Michigan

02/03/2016 14:12
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BAY COUNTY, MI
 YEAR-TO-DATE BUDGET REPORT

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FOR 2016 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 72702	0	0	.00	.00	.00	.00	.0%
73127400 72800	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 72900	500	500	.00	.00	.00	500.00	.0%
73127400 73000	400	400	.00	.00	.00	400.00	.0%
73127400 73301	500	500	.00	.00	.00	500.00	.0%
73127400 74300	150	150	.00	.00	.00	150.00	.0%
73127400 74700	0	0	.00	.00	.00	.00	.0%
73127400 75000	0	0	.00	.00	.00	.00	.0%
73127400 75100	1,500	1,500	.00	.00	.00	1,500.00	.0%
TOTAL SUPPLIES	6,050	6,050	.00	.00	.00	6,050.00	.0%
XL OTHER SERVICES AND C							
73127400 80100	1,750,000	1,750,000	.00	.00	.00	1,750,000.00	.0%
73127400 80101	70,000	70,000	.00	.00	.00	70,000.00	.0%
73127400 80200	0	0	.00	.00	.00	.00	.0%
73127400 81200	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 81400	250,000	250,000	.00	.00	.00	250,000.00	.0%
73127400 81700	7,500	7,500	.00	.00	.00	7,500.00	.0%
73127400 81900	175,000	175,000	.00	.00	.00	175,000.00	.0%
73127400 82000	550	550	100.00	100.00	.00	450.00	18.2%
73127400 82900	200	200	.00	.00	.00	200.00	.0%
73127400 83500	0	0	.00	.00	.00	.00	.0%
73127400 85300	400	400	.00	.00	.00	400.00	.0%
73127400 86100	15,000	15,000	.00	.00	.00	15,000.00	.0%
73127400 86500	2,700	2,700	.00	.00	.00	2,700.00	.0%
73127400 86600	300	300	.00	.00	.00	279.44	6.9%
73127400 87500	300	300	20.56	20.56	.00	16,250.00	.0%
73127400 90000	500	500	.00	.00	.00	500.00	.0%
73127400 90100	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 93100	500	500	.00	.00	.00	500.00	.0%
73127400 93700	4,100	4,100	.00	.00	.00	4,100.00	.0%
73127400 94601	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 95500	500	500	.00	.00	.00	500.00	.0%
73127400 95600	259,947	259,947	.00	.00	.00	259,947.00	.0%
73127400 96000	1,500	1,500	.00	.00	.00	1,500.00	.0%
73127400 96200	9,000,000	9,000,000	.00	.00	.00	9,000,000.00	.0%
73127400 96201	1,000,000	1,000,000	.00	.00	.00	1,000,000.00	.0%
73127400 96203	100,000	100,000	.00	.00	.00	100,000.00	.0%
73127400 96401	60,000	60,000	.00	.00	.00	60,000.00	.0%
73127400 96402	5,000	5,000	.00	.00	.00	5,000.00	.0%

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Bay County Michigan

02/03/2016 14:12
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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 96403 CONTRIB REFUND-ROAD	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96404 CONTRIB REFUND-MED	40,000	40,000	.00	.00	.00	40,000.00	.0%
73127400 96405 CONTRIB REFUND-B.A.	100,000	100,000	.00	.00	.00	100,000.00	.0%
73127400 96407 CONTRIB REFUND-D.W.	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96408 CONTRIB REFUND-LIBR	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96500 INSURANCE AND BONDS	22,000	22,000	.00	.00	.00	22,000.00	.0%
73127400 96730 MACHINERY & EQUIPME	3,400	3,400	.00	.00	.00	3,400.00	.0%
73127400 96740 OFFICE EQUIP & FURN	2,100	2,100	.00	.00	.00	2,100.00	.0%
73127400 96741 COMPUTER HARDWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96742 COMPUTER SOFTWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96770 BOOK EXPENSE	0	0	.00	.00	.00	.00	.0%
73127400 96999 BUDGET REDUCTION TA	0	0	.00	.00	.00	.00	.0%
TOTAL OTHER SERVICES AND C	29,143,197	29,143,197	120.56	120.56	.00	29,143,076.44	.0%
XQ CAPITAL OUTLAY							
73127400 98001 COMPUTER SOFTWARE	0	0	.00	.00	.00	.00	.0%
TOTAL CAPITAL OUTLAY	0	0	.00	.00	.00	.00	.0%
TOTAL RETIREMENT BOARD	0	0	3,800.93	3,800.93	.00	-3,800.93	100.0%
TOTAL RETIREMENT SYSTEM FUND	0	0	3,800.93	3,800.93	.00	-3,800.93	100.0%
TOTAL REVENUES	-29,254,333	-29,254,333	.00	.00	.00	-29,254,333.00	
TOTAL EXPENSES	29,254,333	29,254,333	3,800.93	3,800.93	.00	29,250,532.07	
GRAND TOTAL	0	0	3,800.93	3,800.93	.00	-3,800.93	100.0%

** END OF REPORT - Generated by Rebecca Marsters **

Bay County, Michigan

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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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REPORT OPTIONS

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

Report title: YEAR-TO-DATE BUDGET REPORT

Print Full or Short description: F
 Print MTD Version: Y
 Print Revenues-Version headings: N
 Format type: 1
 Print revenue budgets as zero: N
 Include Fund Balance: N
 Include requisition amount: N
 Multiyear view: D

Year/Period: 2016/ 1
 Print revenue as credit: Y
 Print totals only: N
 Suppress zero bal accts: N
 Print full GL account: N
 Double space: N
 Roll projects to object: N

Carry forward code: 1
 Print journal detail: N
 From Yr/Per: 2014/ 7
 To Yr/Per: 2014/ 7
 Include budget entries: Y
 Incl encumb/liq entries: Y
 Sort by JE # or PO #: J
 Detail format option: 1

Find Criteria
 Field Name Field Value
 7310

Fund
 FUNCTION
 ACTIVITY
 SPECIAL CODE
 SPECIAL COD2
 Character Code
 Org
 Object
 Project
 Account type
 Account status
 Rollup Code

H4

BCERS Invoices Approved: January

Invoice Date	Vendor	Amount	Description
1/19/2016	Hotchkiss & Wiley	\$ 24,575.45	Q4 money manager fee
1/20/2016	Eagle	\$ 20,376.54	Q4 money manager fee
1/13/2016	Loomis	\$ 27,218.02	Q4 money manager fee
1/21/2016	Cornerstone	\$ 12,490.45	Q4 money manager fee
1/14/2016	Integrity	\$ 42,587.00	Q4 money manager fee
1/12/2016	HendersonGeneva	\$ 36,178.00	Q4 money manager fee
1/15/2016	Columbia	\$ 35,433.00	Q4 money manager fee
1/1/2016	Bogdahn	\$ 38,500.00	Q1 performance evaluation

**BAY COUNTY
DEPARTMENT OF CORPORATION COUNSEL**



SHAWNA S. WALRAVEN
Assistant Corporation Counsel

THOMAS L. HICKNER
Bay County Executive

TO: STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES'
RETIREMENT SYSTEM

FROM: SHAWNA S. WALRAVEN, ASSISTANT CORPORATION
COUNSEL

RE: MEDICAL DIRECTOR RFP AUTHORIZATION

DATE: FEBRUARY 2, 2016

Background:

The Retirement Board has expressed a desire to review its service providers (actuary, investment consultant, medical director, outside attorney and custodian bank) on a five year cycle, reviewing one each year. To date, the Retirement Board participated in the RFP process for actuarial services and investment consultant services. This year, the medical director services would be up for review through a request for proposal process.

The tentative schedule for this process anticipates a July RFP release date. Given the amount of work that is required in reviewing the RFP materials and conducting interviews, the sub-committee structure may work best. I am proposing a sub-committee of four (4) members of the Retirement Board and three (3) staff members (Retirement Administrator, Secretary of the Board and Assistant Corporation Counsel).

Financial Considerations:

Because it has been many years, if it has ever occurred before, since services of the medical director have been bid out, it is unclear what financial impact this process could have.

RECOMMENDATION: THAT THIS BOARD AUTHORIZE PERMISSION TO ISSUE A COMPETITIVE BID FOR MEDICAL DIRECTOR SERVICES UTILIZING A SUB-COMMITTEE OF FOUR RETIREMENT BOARD TRUSTEES AND THREE STAFF MEMBERS, HAVE THE BOARD CHAIR SIGN ANY RELATED DOCUMENTS AFTER REVIEW AND APPROVAL BY CORPORATION COUNSEL.

**BAY COUNTY RETIREMENT BOARD
02/09/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (02/09/16)

WHEREAS, The Retirement Board has expressed a desire to review its service providers (actuary, investment consultant, medical director, outside attorney and custodian bank) on a five year cycle, reviewing one each year. To date, the Retirement Board participated in an RFP process for actuarial services and investment consultant services. This year, the medical director services would be up for review through a request for proposal process.

WHEREAS, It has been many years, if it has ever occurred before, since services of the medical director have been bid out, it is unclear what financial impact this process could have.

WHEREAS, The tentative schedule for this process anticipates a July RFP release date.

WHEREAS, Given the amount of work that is required in reviewing the RFP materials and conducting the interviews, the sub-committee structure may work best. A subcommittee of four (4) members of the Retirement Board and three (3) staff members (Retirement Administrator, Secretary of the Board and Assistant Corporation Counsel) is proposed. Therefore, Be It

RESOLVED Resolved that this Board authorize permission to issue a competitive bid for medical director services utilizing a sub-committee of four Retirement Board Trustees and three staff members. Further Be It,

RESOLVED That the Board Chair is approved to sign any related documents after review and approval by Corporation Counsel.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION
MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

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

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
02/09/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD 02/09/16)

WHEREAS, An application for non-duty disability was received from Ms. Teresa Wilbert.

WHEREAS, All required documents have been filed with the Retirement Office.

WHEREAS, Bay County Medical Director, Dr. Kirk Herrick, D.O. has reviewed all medical records and other pertinent information regarding this application.

WHEREAS, It is Dr. Herrick's professional opinion that Ms. Wilbert is no longer able to perform the duties of her occupation.

RESOLVED That this Board approve this non-duty disability application.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION NON-DUTY DISABILITY WILBERT

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

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

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

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

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Kristal Goetz
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pett
Thomas Starkweather

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4113

January 15, 2016

Mr. Patrick Olk, CFA
Senior Institutional Relationship Manager
Columbia Management
759 Ameriprise Financial Center
Routing H17/759
Minneapolis, MN 55474

RE: COMMISSION RECAPTURE

Dear Mr. Olk:

The purpose of this correspondence is to advise you that Abel/Noser Corporation (Abel/Noser) and Capital Institutional Services, LLC (CAPIS), are the institutions of choice for the Bay County Employees' Retirement System ongoing commission recapture business. Therefore, we request that all brokerage transactions be executed in accordance with your obligation to seek the best combination of net cost and execution ("best execution") in the calendar year 2016. It is our understanding that the use of the Abel/Noser and/or CAPIS trading desks and/or the use of step-outs should allow you to meet our request without impacting your ability to achieve best execution.

Please do not hesitate to call me at 989-895-2007 or the Fund's Investment Consultant, Howard Pohl or Peter Brown of The Bogdahn Group at 866-240-7932, if you have any questions or concerns regarding this correspondence.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

cc: Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Abel/Noser
CAPIS



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING
515 CENTER AVENUE
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ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4113

January 15, 2016

Mr. Clay Lindsey
VP of Institutional Client Services
Eagle Asset Management
880 Carillon Parkway
St. Petersburg, FL 33716

RE: COMMISSION RECAPTURE

Dear Mr. Lindsey:

The purpose of this correspondence is to advise you that Abel/Noser Corporation (Abel/Noser) and Capital Institutional Services, LLC (CAPIS), are the institutions of choice for the Bay County Employees' Retirement System ongoing commission recapture business. Therefore, we request that all brokerage transactions be executed in accordance with your obligation to seek the best combination of net cost and execution ("best execution") in the calendar year 2016. It is our understanding that the use of the Abel/Noser and/or CAPIS trading desks and/or the use of step-outs should allow you to meet our request without impacting your ability to achieve best execution.

Please do not hesitate to call me at 989-895-2007 or the Fund's Investment Consultant, Howard Pohl or Peter Brown of The Bogdahn Group at 866-240-7932, if you have any questions or concerns regarding this correspondence.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

cc: Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Abel/Noser
CAPIS



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

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

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Tom Herek
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Thomas Starkweather

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4113

January 15, 2016

Ms. Lori Klomstad,
Account Service Associate
Henderson Geneva Capital Management
100 E Wisconsin Avenue, Suite 2550
Milwaukee, WI 53202

RE: COMMISSION RECAPTURE

Dear Ms. Klomstad:

The purpose of this correspondence is to advise you that Abel/Noser Corporation (Abel/Noser) and Capital Institutional Services, LLC (CAPIS), are the institutions of choice for the Bay County Employees' Retirement System ongoing commission recapture business. Therefore, we request that all brokerage transactions be executed in accordance with your obligation to seek the best combination of net cost and execution ("best execution") in the calendar year 2016. It is our understanding that the use of the Abel/Noser and/or CAPIS trading desks and/or the use of step-outs should allow you to meet our request without impacting your ability to achieve best execution.

Please do not hesitate to call me at 989-895-2007 or the Fund's Investment Consultant, Howard Pohl or Peter Brown of The Bogdahn Group at 866-240-7932, if you have any questions or concerns regarding this correspondence.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

cc: Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Abel/Noser
CAPIS



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

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

Thomas L. Hickner
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Crystal Hebert
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BOARD OF TRUSTEES
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Richard Brzezinski
Kim Coonan
Kristal Goetz
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pett
Thomas Starkweather

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4113

January 15, 2016

Ms. Anna Marie Lopez, CFA, CPA
Chief Operating Officer
Hotchkis & Wiley Capital Management
725 S Figueroa St. - 39th Floor
Los Angeles, CA 90017

RE: COMMISSION RECAPTURE

Dear Ms. Lopez:

The purpose of this correspondence is to advise you that Abel/Noser Corporation (Abel/Noser) and Capital Institutional Services, LLC (CAPIS), are the institutions of choice for the Bay County Employees' Retirement System ongoing commission recapture business. Therefore, we request that all brokerage transactions be executed in accordance with your obligation to seek the best combination of net cost and execution ("best execution") in the calendar year 2016. It is our understanding that the use of the Abel/Noser and/or CAPIS trading desks and/or the use of step-outs should allow you to meet our request without impacting your ability to achieve best execution.

Please do not hesitate to call me at 989-895-2007 or the Fund's Investment Consultant, Howard Pohl or Peter Brown of The Bogdahn Group at 866-240-7932, if you have any questions or concerns regarding this correspondence.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

cc: Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Abel/Noser
CAPIS



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

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

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
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January 15, 2016

Ms. Andrea Leistra
Investment Manager
Integrity Asset Management
Victory Capital
480 Pierce Street
Birmingham, MI 48009

RE: COMMISSION RECAPTURE

Dear Ms. Leistra:

The purpose of this correspondence is to advise you that Abel/Noser Corporation (Abel/Noser) and Capital Institutional Services, LLC (CAPIS), are the institutions of choice for the Bay County Employees' Retirement System ongoing commission recapture business. Therefore, we request that all brokerage transactions be executed in accordance with your obligation to seek the best combination of net cost and execution ("best execution") in the calendar year 2016. It is our understanding that the use of the Abel/Noser and/or CAPIS trading desks and/or the use of step-outs should allow you to meet our request without impacting your ability to achieve best execution.

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Sincerely,

Crystal Hebert
Finance Officer/Secretary

cc: Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
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FAX (989) 895-4113

January 15, 2016

Ms. Kimberly Hyland
MFS Investment
111 Huntington Ave
Boston, MA 02199-7618

RE: COMMISSION RECAPTURE

Dear Ms. Hyland:

The purpose of this correspondence is to advise you that Abel/Noser Corporation (Abel/Noser) and Capital Institutional Services, LLC (CAPIS), are the institutions of choice for the Bay County Employees' Retirement System ongoing commission recapture business. Therefore, we request that all brokerage transactions be executed in accordance with your obligation to seek the best combination of net cost and execution ("best execution") in the calendar year 2016. It is our understanding that the use of the Abel/Noser and/or CAPIS trading desks and/or the use of step-outs should allow you to meet our request without impacting your ability to achieve best execution.

Please do not hesitate to call me at 989-895-2007 or the Fund's Investment Consultant, Howard Pohl or Peter Brown of The Bogdahn Group at 866-240-7932, if you have any questions or concerns regarding this correspondence.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

cc: Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Abel/Noser
CAPIS



One Day SEMINAR SERIES

Michigan Association of Public Employee Retirement Systems



MAPERS One Day Seminar

Friday, March 4, 2016 • The Somerset Inn • Troy, Michigan

8:00 AM Registration Opens

8:30-9:30 AM Welcoming Remarks and Session One: "Fixed Income Risk Management"

Speakers: Brad Jacob, Director of Marketing, Ryan Labs Asset Management

In light of changes to pension rating agencies' methodologies and GASB's approach towards pension liability valuation, the role of fixed income in a public pension plan's portfolio has shifted. While plan sponsors have historically focused on achieving the ROA objective, reducing funding volatility becomes a key component of the fixed income portfolio. This presentation will focus on how to assess various fixed income strategies' risk management and return profiles, in order to identify the most appropriate approach for an individual pension plan.

9:45 – 10:45 AM Session Two: "How to Respond to a Security Breach"

Speaker: Alex Furney Brown, Plante Moran, PLLC

Many organizations focus on preventing a security breach. However, the recent Cybersecurity breaches indicate that any organization, large or small, private or public, is at risk of a security breach. Organizations should also develop a team and a plan to respond to a cybersecurity incident. This presentation will cover the steps necessary to build the team, develop procedures and train everyone on responding to a Cybersecurity incident.

11:00 AM – 12:00 PM Session Three: "Value versus Growth Investing, the Merits of Each and their Principles" Speaker: Michael S. Dzialo, President & Chief Investment Officer, Managed Asset Portfolios

Investment managers are often differentiated based on their investment style. The most simple of classifications are "Value" and "Growth." Digging deeper, one can learn it is important to understand the meaning behind each classification and how the two styles perform given a particular market environment. This presentation will discuss the current market environment and how we got here in respect of Value & Growth – not Value versus Growth.

12:00 PM Luncheon

1:15 – 2:15 PM Session Four: "International Equity Management and Country Allocation: An Idea That Should Never Have Gone Away" Speaker: Peter M. Hill, Chief Executive Officer, Bailard, Inc.

Country Allocation was a favored method of active international equity management prior to the formation of the Euro. Many institutional investors moved away from this profitable strategy due to the perceived loss in diversification benefit of the various European currencies. This presentation will demonstrate that:

1. The opportunity set remains rich
2. The underlying drivers of country dispersion remain strong and intuitive
3. Even when sectors "seem" to dominate, countries can provide a better expression of that theme

The presentation will conclude with case studies of selected countries and discuss the critical factors that have driven recent results (Monetary Policy, Demographics, Authoritarianism, Reform, Commodities and Currencies) and what they imply for the future.

2:30 – 3:30 PM Session Five: "What If My Pension Is Not Enough? Strategies for Individual Saving and Investing"

Speakers: Robert Kleber, Senior Vice President and Trevor Savage, Vice President, Advance Capital Management

This presentation will inform trustees about the different vehicles that may be available to System Members and techniques to maximize their effectiveness. This will include 457 and 403b plans, traditional and Roth IRA's, and the differences and advantages inherent in each. The presentation will delve into the different strategies appropriate for the accumulation and distribution phases, and how best to ensure lifelong financial security.

3:30 PM MAP Test - Levels 1, 2, and 3

Agenda is subject to change, watch our website for updates. Participants will receive 5.0 hours towards MAP Certification.



Michigan Association of Public Employee Retirement Systems
 525 E. Michigan Ave. #409
 Saline, Michigan 48176

Location:

The Somerset Inn
 2601 West Big Beaver Road
 Troy, MI 48084
 Phone: (248) 643-7800
<http://www.somersetinn.com/>

DRIVING DIRECTIONS

The Somerset Inn is conveniently located just off I-75 on Big Beaver Road at Coolidge in the center of Troy's business district and next to the magnificent Somerset Collection.

For more reservations or more information call (248) 643-7800

Registration Form

Registration Fees (please register by 3/6/15)
\$60.00 System/Affiliate Members (\$75 after 2/26/16)
\$100.00 - Corporate Members (\$125 after 2/26/16)

Personal Information:

Name: _____

Preferred First Name for Badge: _____

System/Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

I have special dietary requests: _____

Payment Information:

I am paying by credit card: Visa Mastercard AMEX Discover

Card Number: _____ Exp. Date: _____ / _____ CCV: _____

Name on Card: _____

Signature: _____

I am paying by check: # _____

Please make checks payable to: MAPERS and return by March 12, 2015 MAPERS is located at: 525 E. Michigan Ave. #409, Saline, Michigan 48176, Phone: 734-944-1144 or 800-475-4200, Fax: 734-944-1145, E-mail: info@mapers.org.

**Cancellations received less than 48 hours prior to the event will not be refunded. You may transfer your registration to another person in your Plan/Company. Refunds will be granted for cancellations received before March 2, 2016 There will be no refunds for cancellations received after this date.*