

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
 AGENDA  
 TUESDAY, OCTOBER 8, 2019  
 (Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)  
**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE - 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 3 .....	1.	SEPTEMBER 10, 2019
	IV.	PUBLIC INPUT
	A.	MONTHLY REPORTS - RES NO. 2019-15 (APPROVE)
4 - 7 .....	1.	PORTFOLIO VALUE 1/01/19 - 9/30/19
	2.	CHANGE IN NET ASSETS - 9/30/19/
	3.	MONEY MANAGER REPORTS
8 - 18 .....	a.	CS MCKEE - ENDING 8/31/19
	b.	DODGE & COX - ENDING 8/31/19
	c.	MFS - ENDING 8/31/19
19 - 20 .....	4.	RECAPTURE SERVICES
	a.	CAPIS - 8/31/19
21 - 22 ....	5.	COMERICA SUMMARY EARNINGS - ENDING 8/31/19
23 - 24 .....	6.	VEBA YTD BUDGET REPORT 9/30/19
25 .....	7.	INVOICES APPROVED - 9/30/19
26 .....	B.	NOTICE OF REBALANCE - FULLY LIQUIDATE LORD ABBETT AND TRANSFER CASH TO BAY COUNTY VEBA CASH. (MOTION TO RECEIVE)
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, NOVEMBER 12, 2019 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 <sup>TH</sup> FLOOR, BAY CITY, MI 48708
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, OCTOBER 8, 2019

(Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)

**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE - 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

VIII. MISCELLANEOUS BUSINESS

IX. ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
SEPTEMBER 10, 2019 – REGULAR MEETING**

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

The meeting of the Board of Trustees was held on September 10, 2019 at 2:18 p.m. in the Commission Chambers, 4<sup>th</sup> Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

**Trustees Present:** Chairperson Gray, Ms. Gonzales, Mr. Gromaski, Mr. Herek, Mr. Morse, Mr. Pett, Mr. Ryder, Ms. Shutt and Ms. Walraven.

**Trustees Absent:** None

**Also Present:**

Consultant: AndCo Consulting - Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Zanotti

Corporation Counsel: Heather Brady-Pitcher

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

**MOTION 50:** Moved, supported and carried to approve the minutes, as printed, from the August 13, 2019 regular meeting.

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

**RES. 2019-14:**

Moved, supported and carried to adopt resolution 2019-14 to receive the monthly reports Portfolio Value ending 8/31/19 (Today's value is \$61,668,000), Monthly Change in Net Assets ending 8/31/19, C.S. McKee performance report ending 7/31/19, Dodge & Cox – Semi-Annual Reports June 2019 (Available on Request) Loomis – Ending 7/31/19, MFS – 7/31/19. Capis Recapture services ending 7/31/19, Comerica Summary Earnings – ending 7/31/19, VEBA YTD Budget Report ending 8/31/19, and Approved Invoices Report ending 8/31/19.

**MOTION 51:** Moved, supported and carried to receive the 2020 proposed budget.

**MOTION 52:** Moved, supported and carried to receive notice of rebalance and investment in American Funds.

**ANNOUNCEMENTS:**

- A. Next regularly scheduled meeting will be Tuesday, October 8, 2019 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4<sup>th</sup> Floor, Bay City, MI 48708.

**MINUTES** BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)  
SEPTEMBER 10, 2019 – **REGULAR MEETING**

PAGE 2

**UNFINISHED BUSINESS:**

Mr. Gromaski asked about the changes to the numbers for the contributions on the 2019 budget. Ms. Zanotti explained that only about \$90,000 was budgeted for VEBA contributions for DWS and 2019 was when VEBA contributions started increasing. The VEBA has been receiving contributions more than was budgeted. For the 2020 budget, Ms. Zanotti went through the corrective action plans to try to get the 2020 budget closer to actual expected contributions. Ms. Histed explained because of the under-budgeted status and the additional contributions that amount would have to be brought forward before the end of the year or they will have to do a plan of correction to explain the differences. Ms. Zanotti also explained the increase in actuarial costs budgeted due to the annual valuation and GASB 75 report.

**NEW BUSINESS:** None.

**MISCELLANEOUS BUSINESS:** None

**ADJOURNMENT:**

**MOTION 53:** Moved, supported and carried to adjourn the meeting at 2:23 p.m.

Respectfully submitted,



Jan Histed  
Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE  
SEPTEMBER 10, 2019

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

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 2:18 P.M.

**MOTIONS**

Trustee	50	51	52	53					
GONZALES	Y	Y	M-Y	Y					
GRAY	Y	Y	Y	Y					
GROMASKI	S-Y	S-Y	Y	S-Y					
HEREK	M-Y	M-Y	Y	Y					
MORSE	Y	Y	Y	Y					
PETT	Y	Y	Y	M-Y					
RYDER	Y	Y	Y	Y					
SHUTT	Y	Y	S-Y	Y					
WALRAVEN	Y	Y	Y	Y					

**RESOLUTIONS**

Trustee	2019-14								
GONZALES	S-Y								
GRAY	Y								
GROMASKI	M-Y								
HEREK	Y								
MORSE	Y								
PETT	Y								
RYDER	Y								
SHUTT	Y								
WALRAVEN	Y								

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
10/08/2019  
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

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

1. PORTFOLIO VALUE - 1/1/19 - 9/30/19
2. CHANGE IN NET ASSETS – 09/30/19
3. MONEY MANAGER REPORTS
  - a. C.S. MCKEE – ENDING 8/31/19
  - b. DODGE & COX – ENDING 8/31/19
  - c. LOOMIS – ENDING 8/31/19
  - d. MFS GROWTH EQUITY – ENDING 8/31/19
4. RECAPTURES SERVICES
  - a. CAPIS - SUMMARY ENDING 8/31/19
5. COMERICA BANK SUMMARY EARNINGS – ENDING 8/31/19
5. VEBA YTD BUDGET REPORT – ENDING 9/30/19
6. INVOICES APPROVED - 9/30/19

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS OCTOBER

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

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

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Kristal Gonzales				Thomas Herek				Thomas Ryder			
Steve Gray				Jon Morse				Sandy Shutt			
Richard Gromaski				Matthew Pett				Shawna Walraven			

Vote Totals:

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

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

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

## VEBA PORTFOLIO VALUE 2019

VEBA 2019	DODGE & COX	CASH	LORD ABBOTT	CS MCKEE	MFS	AMERICAN FUND	LOOMIS	PRISA	DFA	CLARKSTON	TOTAL
Jan-19	7,474,999.62	6,908,608.51	7,133,937.28	10,247,281.78	9,913,026.33	5,070,281.62	4,921,548.11	3,849,999.99			55,519,683.24
Feb-19	9,626,153.72	529,804.20	7,382,478.70	10,246,096.63	10,387,610.00	10,821,238.19	4,052,301.26	3,849,999.99			56,895,682.69
Mar-19	9,085,812.36	392,067.49	23.37	10,458,192.97	9,342,881.12	10,921,308.79	4,062,788.58	3,849,999.99			48,113,074.67
Apr-19	9,544,369.95	519,607.87	23.42	10,446,289.86	9,845,906.67	11,376,705.35	4,190,733.91	3,908,398.33	2,919,835.43	7,141,399.18	59,893,269.97
May-19	8,838,400.44	181,690.53	23.46	10,634,076.01	9,411,647.60	11,137,878.08	4,251,560.38	3,908,398.33	2,653,010.14	6,755,226.34	57,771,911.31
Jun-19	9,351,736.05	418,248.57	23.51	10,777,390.64	10,055,978.49	11,877,089.11	4,251,560.38	3,908,398.33	2,846,838.15	7,035,061.73	60,522,324.96
Jul-19	9,550,164.52	565,640.94	23.55	10,826,707.53	10,259,897.40	11,778,155.98	4,387,895.57	3,955,176.18	2,872,579.37	7,068,641.98	61,264,883.02
Aug-19	9,070,838.02	123,809.18	23.60	11,119,711.92	10,267,887.89	12,028,245.83	4,387,895.57	3,955,176.18	2,700,923.56	6,895,144.03	60,549,655.78
Sep-19	9,371,048.22	401,282.67	0.00	11,088,408.10	10,170,593.99	12,247,361.03	4,522,133.29	3,955,176.18	2,789,277.52	7,141,399.18	61,686,680.18
Oct-19											0.00
Nov-19											0.00
Dec-19											0.00

### Money Manager Fees

2018	CS MCKEE	MFS	LOOMIS	TOTAL
1ST QTR	7,884.90	13,655.69	3,778.04	25,318.63
2ND QTR	8,136.58	13,765.68	3,684.68	25,586.94
3RD QTR				0.00
4TH QTR				0.00

**MFS**

**INVESTMENT** LARGE CAP EQUITY

**CS MCKEE** FIXED INCOME - BONDS

**DODGE & COX** LARGE CAP EQUITY

**LORD ABBETT** SMALL MID CAP MUTUAL FUND

**AMERICAN FUND** INTERNATIONAL EQUITY

**LOOMIS SAYLES** DOMESTIC FIXED EQUITY

**PRISA** US CORE REAL ESTATE

## ACCOUNT STATEMENT

Statement Period  
 Account Number

09/01/2019 through 09/30/2019  
 M03380

274

### Preliminary Changes In Net Assets

	COST VALUE	MARKET VALUE
<b>BEGINNING BALANCE AS OF 09/01/2019</b>	<b>53,724,320.77</b>	<b>60,683,999.90</b>
EARNINGS		
CASH INCOME	83,410.79	83,410.79
LESS PRIOR ACCRUED INCOME	0.00	0.00
PLUS CURRENT ACCRUED INCOME	69,162.89	69,162.89
REALIZED GAIN/LOSS ON SALE OF ASSETS	259,279.06	259,279.06
NET UNREALIZED GAIN OR LOSS	0.00	382,399.80
TOTAL EARNINGS	411,852.74	794,252.54
CONTRIBUTIONS & OTHER INCREASES		
EMPLOYER CONTRIBUTIONS	276,683.36	276,683.36
TRANSFERS	826.54	826.54
TOTAL CONTRIBUTIONS & OTHER INCREASES	277,509.90	277,509.90
DISTRIBUTIONS & OTHER DECREASES		
ASSETS DISTRIBUTED	0.04-	0.04-
TOTAL DISTRIBUTIONS & OTHER DECREASES	0.04-	0.04-
<b>ENDING BALANCE AS OF 09/30/2019</b>	<b>54,413,683.37</b>	<b>61,755,762.30</b>



# ACCOUNT STATEMENT

Statement Period  
 Account Number

09/01/2019 through 09/30/2019  
 M03380

274

## Preliminary Summary Of Cash Transactions

### R E C E I P T S

CASH BALANCE AS OF 09/01/2019		165,355.83-
INCOME RECEIVED		
DIVIDENDS	50,662.70	
INTEREST	32,711.49	
OTHER INCOME	36.60	
TOTAL INCOME RECEIPTS	83,410.79	
CASH RECEIPTS		
EMPLOYER CONTRIBUTIONS	276,683.36	
TRANSFERS	826.54	
TOTAL CASH RECEIPTS	277,509.90	
PROCEEDS FROM THE DISPOSITION OF ASSETS	15,865,118.95	
TOTAL RECEIPTS		16,226,039.64

### D I S B U R S E M E N T S

COST OF ACQUISITION OF ASSETS	16,138,686.96-	
TOTAL DISBURSEMENTS		16,138,686.96-
CASH BALANCE AS OF 09/30/2019		78,003.15-

THE ENDING CASH BALANCE CONSISTS OF:

CASH	0.00
DUE FROM BROKER	590,650.91
DUE TO BROKER	668,654.06-
TOTAL CASH	78,003.15-

# C.S. McKee, L.P.

## Account Overview

Bay County VEBA

Client Code: XXXXXXXXXX

As Of Date: 8/31/2019

## Asset Allocation

As of 8/31/2019

Large-Cap Equity	\$	-	0.00%
Small-Cap Equity	\$	-	0.00%
Fixed Income	\$	11,068,686.80	98.94%
Intl Mutual Fund	\$	-	0.00%
Cash	\$	118,795.69	1.06%
Other	\$	-	0.00%
<b>Total Portfolio:</b>	<b>\$</b>	<b>11,187,482.49</b>	<b>100.00%</b>



## Performance

As of 8/31/2019

### Portfolio Summary - Month-to-Date

	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	10,894,794.45			-	10,894,794.45	-
Net Contributions (Distributions):	-			-	-	-
Income:	25,902.97			-	25,902.97	-
Market Appreciation (Depreciation):	266,785.06			-	266,785.06	-
Ending Market Value:						
<b>Dollar-Weighted Return:</b>	<b>2.69%</b>			<b>-</b>	<b>2.69%</b>	<b>-</b>

### Time-Weighted Returns

Performance Start Date:

	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
	2/7/2012	N/A	N/A	N/A	2/7/2012	N/A
		ExCsh	ExCsh	ExCsh	ExCsh	
<b>MTD</b>						
Gross	2.70%	-	-	-	2.70%	2.73%
Benchmark	2.59%	-	-	-	2.59%	2.59%
Value Added (Gross)	0.11%	-	-	-	0.11%	0.14%
<b>QTD</b>						
Gross	3.14%	-	-	-	3.14%	3.17%
Benchmark	2.82%	-	-	-	2.82%	2.82%
Value Added (Gross)	0.32%	-	-	-	0.32%	0.35%
<b>YTD</b>						
Gross	9.79%	-	-	-	9.79%	9.85%
Benchmark	9.10%	-	-	-	9.10%	9.10%
Value Added (Gross)	0.69%	-	-	-	0.69%	0.75%
<b>1 Year</b>						
Gross	10.84%	-	-	-	10.84%	10.90%
Benchmark	10.17%	-	-	-	10.17%	10.17%
Value Added (Gross)	0.67%	-	-	-	0.67%	0.73%
<b>3 Year</b>						
Gross	3.64%	-	-	-	3.64%	3.62%
Benchmark	3.09%	-	-	-	3.09%	3.09%
Value Added (Gross)	0.55%	-	-	-	0.55%	0.53%
<b>5 Year</b>						
Gross	3.89%	-	-	-	3.89%	3.92%
Benchmark	3.35%	-	-	-	3.35%	3.35%
Value Added (Gross)	0.54%	-	-	-	0.54%	0.57%
<b>ITD</b>						
Gross	3.50%	-	-	-	3.50%	3.57%
Benchmark	3.02%	-	-	-	3.02%	3.02%
Value Added (Gross)	0.48%	-	-	-	0.48%	0.55%
	11,187,482.49			-	11,187,482.49	

**Benchmark History**  
2/7/2012  
BCAGG 100%

Total Portfolio

Large-Cap Equity

Small-Cap Equity

Total Domestic Equity

Fixed Income  
2/7/2012  
BCAGG 100%

Intl Mutual Fund

# DODGE & COX FUNDS

## Total Rates of Return For Periods Ending August 31, 2019

	1 Mo. Ended	3 Mos. Ended	Year-to- Date	Annualized				
				1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund*	-5.01%	2.63%	9.74%	-4.98%	10.59%	7.15%	12.20%	8.53%
Dodge & Cox Global Stock Fund*	-3.64%	1.62%	7.89%	-5.69%	7.37%	3.35%	8.89%	N.A.
Dodge & Cox International Stock Fund*	-3.11%	.62%	6.31%	-6.55%	3.77%	-1.00%	5.06%	N.A.
Dodge & Cox Balanced Fund*	-2.63%	2.89%	9.38%	.13%	8.15%	6.03%	10.14%	7.84%
Dodge & Cox Income Fund*	1.65%	3.71%	8.89%	9.08%	3.85%	3.58%	4.70%	5.63%
Dodge & Cox Global Bond Fund*†	-.54%	3.35%	8.70%	8.74%	5.00%	2.54%	N.A.	N.A.
<u>Comparative Indices</u>								
S&P 500 Index	-1.58%	6.87%	18.34%	2.92%	12.70%	10.11%	13.45%	6.09%
MSCI World Index	-2.05%	4.93%	15.15%	.26%	9.63%	6.15%	9.20%	N.A.
MSCI EAFE Index	-2.59%	1.88%	9.66%	-3.26%	5.91%	1.89%	5.00%	N.A.
Combined Index	.09%	5.82%	14.81%	6.22%	8.98%	7.58%	9.78%	6.00%
Bloomberg Barclays U.S. Aggregate Bond Index	2.59%	4.11%	9.10%	10.17%	3.09%	3.35%	3.91%	5.10%
Bloomberg Barclays Global Aggregate Bond Index	2.03%	4.01%	7.42%	7.77%	2.12%	1.63%	N.A.	N.A.

**\* SEC Standardized Total Returns as of 06/30/19:**

Dodge & Cox Stock Fund: 1 Year 4.18%; 5 Years 8.26%; 10 Years 14.04%  
Dodge & Cox Global Stock Fund: 1 Year 1.49%; 5 Years 4.76%; 10 Years 11.33%  
Dodge & Cox International Stock Fund: 1 Year -0.31%; 5 Years 0.42%; 10 Years 7.41%  
Dodge & Cox Balanced Fund: 1 Year 5.58%; 5 Years 6.64%; 10 Years 11.45%  
Dodge & Cox Income Fund: 1 Year 7.58%; 5 Years 3.27%; 10 Years 4.90%  
Dodge & Cox Global Bond Fund†: 1 Year 8.65%; 5 Years 2.43%; Since Inception 12/05/12 3.19%

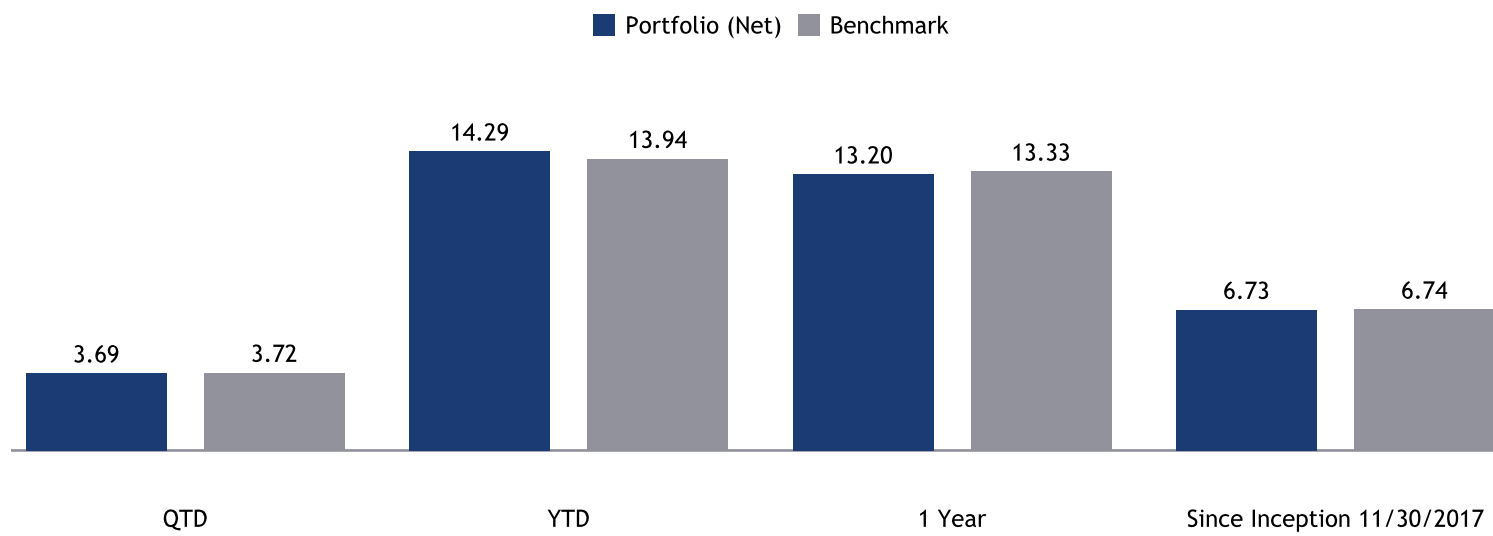
† A private fund managed by Dodge & Cox with proprietary assets was reorganized into the Dodge & Cox Global Bond Fund on April 30, 2014. Any Fund portfolio characteristics, performance, or attribution information for periods prior to May 1, 2014, are those of the private fund.

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

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

# performance

## TRAILING RETURNS AS OF 8/31/2019 (%)



Excess Return (Net)	QTD	YTD	1 Year	Since Inception 11/30/2017
	-0.03	+0.35	-0.14	-0.01

### PORTFOLIO VALUATION (USD)

	Portfolio 6/30/2019	Portfolio 8/31/2019	Increase/Decrease
Total	4,358,531	4,522,133	163,602

Data Source: Barclays Capital

Benchmarks: BBG B.ARC U.S. Corporate Investment Grade (11/30/2017 - 8/31/2019).

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



LOOMIS SAYLES®

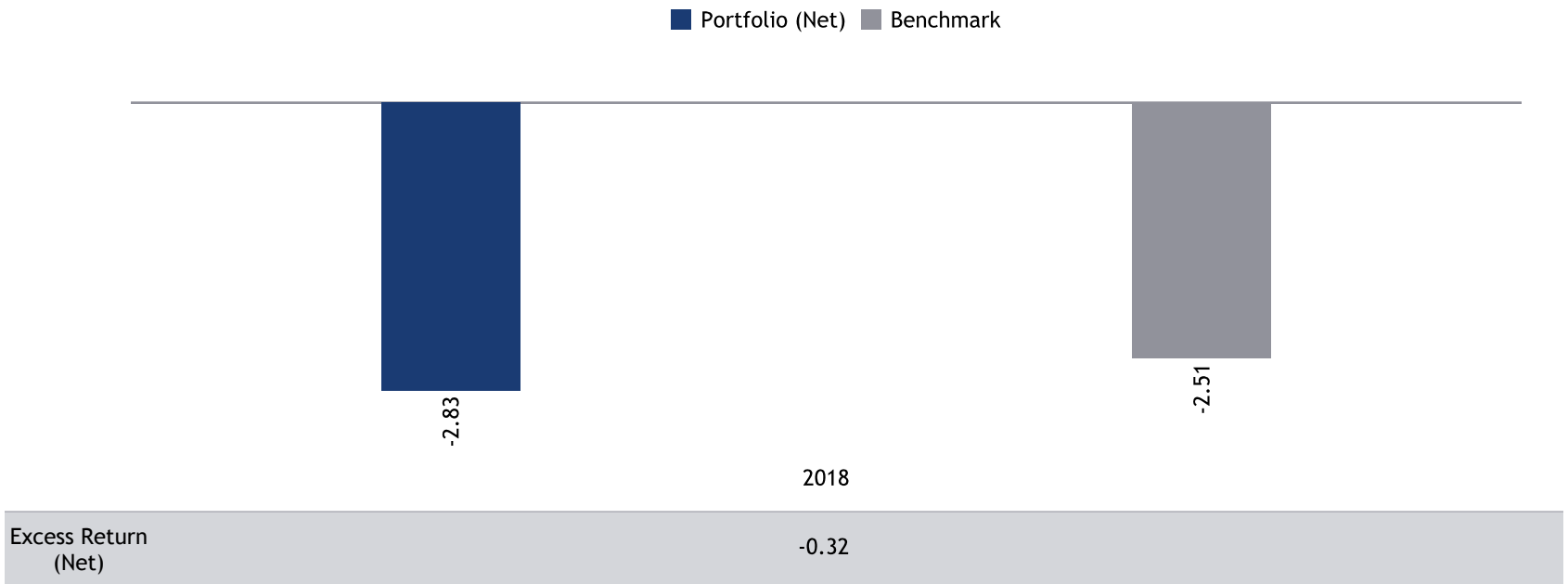
Sources: Loomis, Sayles & Company, L.P. and others

For Institutional Investor Use Only. Not for Further Distribution

August 31, 2019

# performance

## CALENDAR YEAR RETURNS AS OF 8/31/2019 (%)



*Data Source: Barclays Capital  
 Benchmarks: BBG B.ARC U.S. Corporate Investment Grade (11/30/2017 - 8/31/2019).  
 The current benchmark is Bloomberg Barclays Corporate Index. Returns over one year are annualized. Information is reported on a trade date basis.*

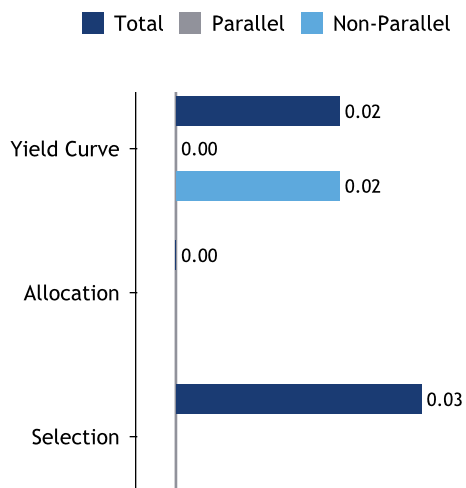
# performance attribution by sector

6/30/2019 TO 8/31/2019 (%)

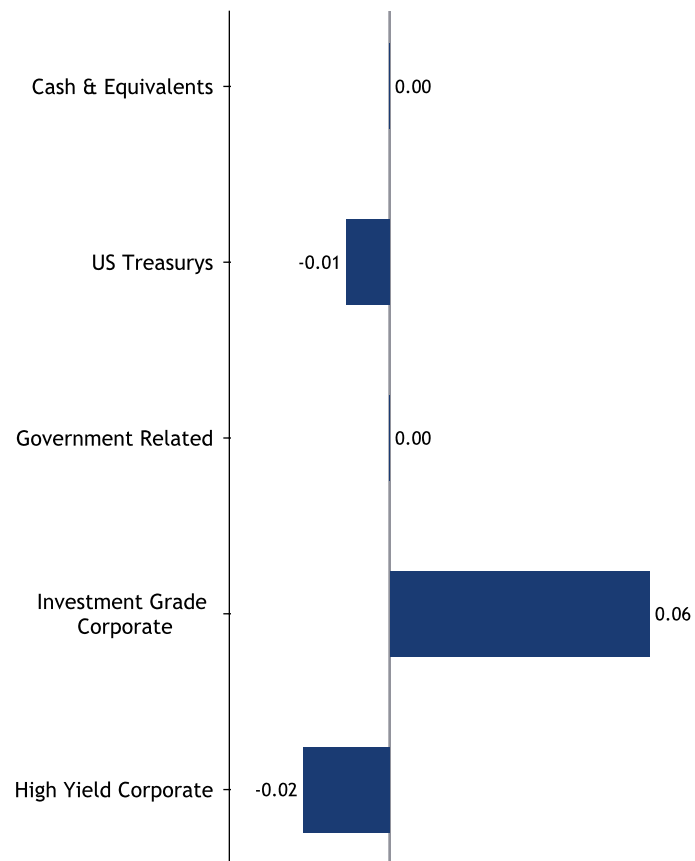
TOTAL RETURNS

	Total Return
Portfolio Return	3.75
Benchmark Return	3.72
Excess Return	0.03

EXCESS RETURN ATTRIBUTION



EXCESS RETURN ATTRIBUTION BY SECTOR



Data Source: Barclays Capital

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

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

# portfolio summary

6/30/2019 TO 8/31/2019

## PORTFOLIO SUMMARY

	6/30/2019			8/31/2019		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
Yield to Worst (%)	3.22	3.17	0.06	2.93	2.80	0.12
Maturity (years)	10.50	10.91	-0.41	11.26	11.17	0.10
Effective Duration (years)	7.67	7.57	0.10	7.91	7.83	0.08
Coupon (%)	3.93	4.04	-0.12	3.84	4.04	-0.19
Average Quality	A3	A3	-	A3	A3	-
OAS (bps)	118	114	4	125	119	6

## QUALITY SUMMARY (% OF TOTAL MARKET VALUE)

	6/30/2019			8/31/2019		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
AAA	5.96	2.09	3.87	6.96	2.12	4.84
AA	13.22	16.20	-2.98	12.23	14.91	-2.68
A	42.20	46.38	-4.18	46.54	47.21	-0.68
BAA	38.23	35.33	2.90	34.10	35.71	-1.61
BA	0.39	0.00	0.39	0.17	0.04	0.13

Data Source: Barclays Capital

OAS is option adjusted spread.

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

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



LOOMIS SAYLES®

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

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August 31, 2019



**Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity**
**BYS**
**Valuation Summary**
**31-Aug-19**
**Portfolio Currency: USD**

	<b>Cost</b>	<b>Market Value</b>	<b>Accrued Income</b>	<b>Total Value</b>	<b>Total Value</b>
<b>OPENING CASH AS OF 7/31/2019</b>	200,323.81	200,323.81	0.00	200,323.81	1.95 %
<b>CLOSING CASH AS OF 8/31/2019</b>	158,081.03	158,081.03	0.00	158,081.03	1.54 %
<b>COMMON STOCK</b>	6,078,306.72	10,045,278.08	7,022.97	10,052,301.05	97.83 %
<b>ADR</b>	56,317.12	64,489.50	0.00	64,489.50	.63 %
	<b>6,292,704.87</b>	<b>10,267,848.61</b>	<b>7,022.97</b>	<b>10,274,871.58</b>	<b>100.00 %</b>
<b>Accrued Income:</b>		<b>7,022.97</b>			
<b>Total Value:</b>		<b>10,274,871.58</b>			

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

**Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity**
**BYS**

Valuation Summary by Country

31-Aug-19

Portfolio Currency: USD

Issuer Country	Cost	Market Value	Accrued Income	Total Value	Total Value
<b>CASH</b>					
United States	158,081.03	158,081.03	0.00	158,081.03	1.54%
	<b>158,081.03</b>	<b>158,081.03</b>	<b>0.00</b>	<b>158,081.03</b>	<b>1.54%</b>
<b>COMMON STOCK</b>					
Canada	61,162.37	102,036.12	0.00	102,036.12	0.99%
United States	6,017,144.35	9,943,241.96	7,022.97	9,950,264.93	96.84%
	<b>6,078,306.72</b>	<b>10,045,278.08</b>	<b>7,022.97</b>	<b>10,052,301.05</b>	<b>97.83%</b>
<b>ADR</b>					
China	39,211.57	36,756.30	0.00	36,756.30	0.36%
France	17,105.55	27,733.20	0.00	27,733.20	0.27%
	<b>56,317.12</b>	<b>64,489.50</b>	<b>0.00</b>	<b>64,489.50</b>	<b>0.63%</b>
<b>Portfolio Totals:</b>	<b>6,292,704.87</b>	<b>10,267,848.61</b>	<b>7,022.97</b>	<b>10,274,871.58</b>	<b>100.00%</b>
Accrued Income:		<b>7,022.97</b>			
Total Value:		<b>10,274,871.58</b>			

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

# Bay County Voluntary Employees' Beneficiary Association Trust

## Growth Equity



31 August 2019

Performance results (%) gross and net of fees (USD)	Portfolio		Excess returns	
	Gross of fees	Net of fees	Benchmark <sup>^</sup>	Net vs benchmark
August 2019	0.13	0.08	-0.77	0.84
2019 YTD	28.23	27.75	23.28	4.47
1 year	10.39	9.76	4.27	5.49
3 year	19.44	18.76	17.03	1.73
Since client inception (30-Dec-15)	16.35	15.69	14.86	0.84

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

Past performance is no guarantee of future results.

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

Characteristics	Portfolio	Benchmark <sup>^^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	16.6%	15.5%
Price/earnings (12 months forward)	27.0x	22.5x
<b>Market capitalization</b>		
Market capitalization (USD) <sup>2</sup>	290.4 bn	322.3 bn
<b>Diversification</b>		
Top ten holdings	42%	35%
Number of holdings	73	526
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	15%	-
<b>Risk/reward (3 year)</b>		
Beta vs benchmark	0.96	-
Historical tracking error	3.20%	-
Downside capture	85.89%	-
Upside capture	101.61%	-

<sup>1</sup> Source: Ibbotson

<sup>2</sup> Weighted average.

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

**No forecasts can be guaranteed.**

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

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

Asset summary (USD)	
Beginning value as of 31-Jul-19	10,261,465
Contributions	0
Withdrawals	0
Change in market value	+13,406
Ending value as of 31-Aug-19	10,274,872

Top 10 issuers	Sector	% of Portfolio
VISA INC	Information Technology	7.9
MICROSOFT CORP	Information Technology	7.5
AMAZON.COM INC (EQ)	Consumer Discretionary	5.7
ALPHABET INC	Communication Services	5.5
ADOBE INC	Information Technology	4.1
THERMO FISHER SCIENTIFIC INC	Health Care	2.8
FACEBOOK INC	Communication Services	2.8
FISERV INC	Information Technology	2.6
DANAHER CORP (EQ)	Health Care	2.2
SALESFORCE.COM INC	Information Technology	2.2

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### FOR MORE INFORMATION CONTACT

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# Bay County Voluntary Employees' Beneficiary Association Trust

Growth Equity



Sectors (%)	Portfolio	Benchmark^^
Information Technology	36.6	37.4
Communication Services	15.5	11.5
Health Care	14.2	14.4
Consumer Discretionary	12.6	14.5
Industrials	7.8	9.8
Consumer Staples	4.3	4.9
Financials	3.9	3.2
Materials	3.2	1.5
Energy	0.2	0.3
Real Estate	-	2.6

1.6% Cash & cash equivalents

^^ Russell 1000® Growth Index

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS.

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## Bay County Employees' VEBA

CAPIS Account: 10250

Settlement Month Ending: 8/31/2019

### TOTAL COMMISSION

### COMMISSION ALLOCATION

	<u>TOTAL COMMISSION</u>		<u>COMMISSION ALLOCATION</u>			
	<u>August</u>	<u>YTD</u>	<u>Execution</u>		<u>Recapture</u>	
			<u>August</u>	<u>YTD</u>	<u>August</u>	<u>YTD</u>
<b>Beginning Balance</b>					\$0.00	\$0.00
U.S. Equity	-	-	-	-	-	-
International Equity	-	-	-	-	-	-
Fixed Income	-	-	-	-	-	-
International Fixed Income	-	-	-	-	-	-
New Issues	-	-	-	-	-	-
Options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Syndicates	-	-	-	-	-	-
<b>Recapture Subtotals</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Execution</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>				
<b>Directed</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>				
<b>Correspondent Broker/Dealer</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>				
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>				
					<b>Total Earned</b>	<b>\$ 0.00</b>
					<b>Total Redeemed</b>	<b>\$ 0.00</b>
					<b>Balance as of 8/31/2019</b>	<b>\$ 0.00</b>

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 8/31/2019

**Summary of Activity by Month**

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



**BAY COUNTY VEBA TRUST  
SECURITIES LOAN STATEMENT  
August 2019  
Account Officer : DANIEL BERD**

<b>TOTAL EARNINGS</b>	<b>\$269.95</b>
<b>LESS TOTAL REBATE</b>	<b>\$221.16</b>
<b>TOTAL GROSS</b>	<b>\$48.79</b>
<b>LESS BANK FEE</b>	<b>\$12.19</b>
<b>TOTAL NET EARNINGS</b>	<b>\$36.60</b>

## Detailed Earnings Summary

<b>Total Earnings :</b>	<b>\$269.95</b>
<b>Total Rebate Expense :</b>	<b>\$221.16</b>
<b>Total Gross :</b>	<b>\$48.79</b>
<b>Total Bank Fees :</b>	<b>\$12.19</b>
<b>Total Net Earnings :</b>	<b>\$36.60</b>



## 2019 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
FUND BALANCE	-	-	-	-	-	-	0%
NET ASSETS - RESERVES	3,204,320.00	-	3,204,320.00	-	-	3,204,320.00	0%
<b>Total RA FUND BALANCE, NET AS</b>	<b>3,204,320.00</b>	<b>-</b>	<b>3,204,320.00</b>	<b>-</b>	<b>-</b>	<b>3,204,320.00</b>	<b>0%</b>
ER CONTR-BEHAVE.HEALTH	-	-	-	-	-	-	0%
ER CONTR-MOSQUITO CONT	(12,245.00)	-	(12,245.00)	(10,982.19)	-	(1,262.81)	90%
ER CONTR-HEALTH FUND	(68,228.00)	-	(68,228.00)	(46,720.65)	-	(21,507.35)	68%
ER CONTR-ROAD COMMISS.	(360,000.00)	-	(360,000.00)	(280,000.00)	-	(80,000.00)	78%
ER CONTR-LIBRARY	(72,000.00)	-	(72,000.00)	(32,000.00)	-	(40,000.00)	44%
ER CONTR-GOLF COURSE	(5,069.00)	-	(5,069.00)	-	-	(5,069.00)	0%
ER CONTR-GENERAL FUND	(411,404.00)	-	(411,404.00)	(325,030.52)	-	(86,373.48)	79%
ER CONTR-DWS	(90,000.00)	-	(90,000.00)	(133,551.68)	-	43,551.68	148%
ER CONTR-911 SERVICE	(45,637.00)	-	(45,637.00)	(32,182.20)	-	(13,454.80)	71%
ER CONTR-CHILD CARE	(44,198.00)	-	(44,198.00)	(29,076.90)	-	(15,121.10)	66%
ER CONTR-DIV ON AGING	(46,432.00)	-	(46,432.00)	(32,462.74)	-	(13,969.26)	70%
ER CONTR-RETIRE SYSTEM	(2,227.00)	-	(2,227.00)	-	-	(2,227.00)	0%
ER CONTR-GYPSY MOTH	(2,581.00)	-	(2,581.00)	(3,071.88)	-	490.88	119%
ER CONTR-HOME REHABIL.	-	-	-	-	-	-	0%
ER CONTR-100% TAX PYMT	(3,338.00)	-	(3,338.00)	(2,626.55)	-	(711.45)	79%
ER CONTR-MED CARE FAC.	(485,934.00)	-	(485,934.00)	(270,659.06)	-	(215,274.94)	56%
ER CONTR-SELF INSURANC	(483.00)	-	(483.00)	(4,132.35)	-	3,649.35	856%
ER CONTR-COMM.CORRECT.	(2,025.00)	-	(2,025.00)	-	-	(2,025.00)	0%
ER CONTR-F.O.C. FUND	(2,263.00)	-	(2,263.00)	-	-	(2,263.00)	0%
ER CONTR-HOUSING FUND	(5,623.00)	-	(5,623.00)	(2,681.85)	-	(2,941.15)	48%
ER CONTR-SOLDIER RELIE	-	-	-	-	-	-	0%
ER CONTRIB-LOCAL CFO TR	(602.00)	-	(602.00)	(113.77)	-	(488.23)	19%
ER CONTRIB-CONC PISTOL	(536.00)	-	(536.00)	(764.44)	-	228.44	143%
ER CONTR-MIDC FUND	-	-	-	(2,061.70)	-	2,061.70	0%
ER CONTR-SHERIFF DEPT	(174,208.00)	-	(174,208.00)	(129,434.55)	-	(44,773.45)	74%
<b>Total RJ LOCAL UNIT CONTRIBUT</b>	<b>(1,835,033.00)</b>	<b>-</b>	<b>(1,835,033.00)</b>	<b>(1,337,553.03)</b>	<b>-</b>	<b>(497,479.97)</b>	<b>73%</b>
INVESTMENT INTEREST/DIVIDENDS	(500,000.00)	-	(500,000.00)	(589,080.62)	-	89,080.62	118%
GAIN ON SALE OF INVESTMENTS	(1,500,000.00)	-	(1,500,000.00)	(1,355,565.73)	-	(144,434.27)	90%
UNREALIZED GAIN ON INVESTMENTS	-	-	-	-	-	-	0%
SECURITIES LENDING EARNINGS	(288.00)	-	(288.00)	(420.00)	-	132.00	146%
<b>Total RP INTEREST &amp; RENTALS</b>	<b>(2,000,288.00)</b>	<b>-</b>	<b>(2,000,288.00)</b>	<b>(1,945,066.35)</b>	<b>-</b>	<b>(55,221.65)</b>	<b>97%</b>
MISCELLANEOUS REVENUES	-	-	-	(172.63)	-	172.63	0%
COMMISSION RECAPTURE	(5,000.00)	-	(5,000.00)	-	-	(5,000.00)	0%
<b>Total RR OTHER REVENUE</b>	<b>(5,000.00)</b>	<b>-</b>	<b>(5,000.00)</b>	<b>(172.63)</b>	<b>-</b>	<b>(4,827.37)</b>	<b>3%</b>
TRANSFERS IN FROM GENERAL FUND	-	-	-	-	-	-	0%
<b>TOTAL OTHER FINANCING SOURCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

## 2019 VEBA YTD BUDGET REPORT

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
PER DIEM	360.00	-	360.00	-	-	360.00	0%
<b>Total XE WAGES &amp; SALARIES</b>	<b>360.00</b>	<b>-</b>	<b>360.00</b>	<b>-</b>	<b>-</b>	<b>360.00</b>	<b>0%</b>
OFFICE SUPPLIES	100.00	-	100.00	-	-	100.00	0%
PRINTING AND BINDING	150.00	-	150.00	-	-	150.00	0%
POSTAGE	70.00	-	70.00	1.50	-	68.50	2%
COMPUTER SUPPLIES	50.00	-	50.00	-	-	50.00	0%
<b>Total XI SUPPLIES</b>	<b>370.00</b>	<b>-</b>	<b>370.00</b>	<b>1.50</b>	<b>-</b>	<b>368.50</b>	<b>0%</b>
PROFESSIONAL SERVICES	130,000.00	-	130,000.00	25,884.20	-	104,115.80	20%
ACTUARIAL SERVICES	45,000.00	-	45,000.00	61,035.00	-	(16,035.00)	136%
INVESTMENT/BANK SERVICE CHARGE	10,000.00	-	10,000.00	15,490.35	-	(5,490.35)	155%
LEGAL FEES	-	-	-	-	-	-	0%
CONSULTANTS	16,000.00	-	16,000.00	12,000.00	-	4,000.00	75%
LOCAL TRAVEL MILEAGE	-	-	-	-	-	-	0%
EQUIPMENT RENTAL-COPY MACHINES	53.00	-	53.00	-	-	53.00	0%
INDIRECT COST EXPENSE	5,952.00	-	5,952.00	4,402.00	-	1,550.00	74%
LOSS ON DISPOSAL OF ASSET	424,266.00	-	424,266.00	85,489.49	-	338,776.51	20%
UNREALIZED LOSS ON INVESTMENTS	-	-	-	-	-	-	0%
INSURANCE AND BONDS	4,000.00	-	4,000.00	3,468.55	-	531.45	87%
<b>Total XL OTHER SERVICES AND C</b>	<b>635,271.00</b>	<b>-</b>	<b>635,271.00</b>	<b>207,769.59</b>	<b>-</b>	<b>427,501.41</b>	<b>33%</b>
<b>Revenue Total</b>	<b>(636,001.00)</b>	<b>-</b>	<b>(636,001.00)</b>	<b>(3,282,792.01)</b>			
<b>Expense Total</b>	<b>636,001.00</b>	<b>-</b>	<b>636,001.00</b>	<b>207,771.09</b>			
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,075,020.92)</b>			

**VEBA**

**Invoices Approved:**

**Sep-19**

Invoice Date	Vendor	Amount	Description
7/31/2019	REHMANN	\$2,400.00	SEPARATE FINANCIAL STATEMENTS VEBA



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

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

Jan Histed  
Secretary

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

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

**TO: STEVE GRAY, CHAIR, VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**FROM: VEBA ADMINISTRATION**  
**DATE: 10/8/2019**  
**RE: VEBA REBALANCE CASH**

**Request:**

There was a need for Bay County Voluntary Employees' Beneficiary Association to rebalance its asset allocation to fully liquidate the Lord Abbett position and make funds available to Comerica Bank for VEBA Cash by 9/19/2019. Correspondence was originally sent 9/18/19.

Account Name	Amount
Lord Abbett	\$23.64

**Transfers Made To:**

VEBA Cash	\$23.64
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