

# Bay County VEBA

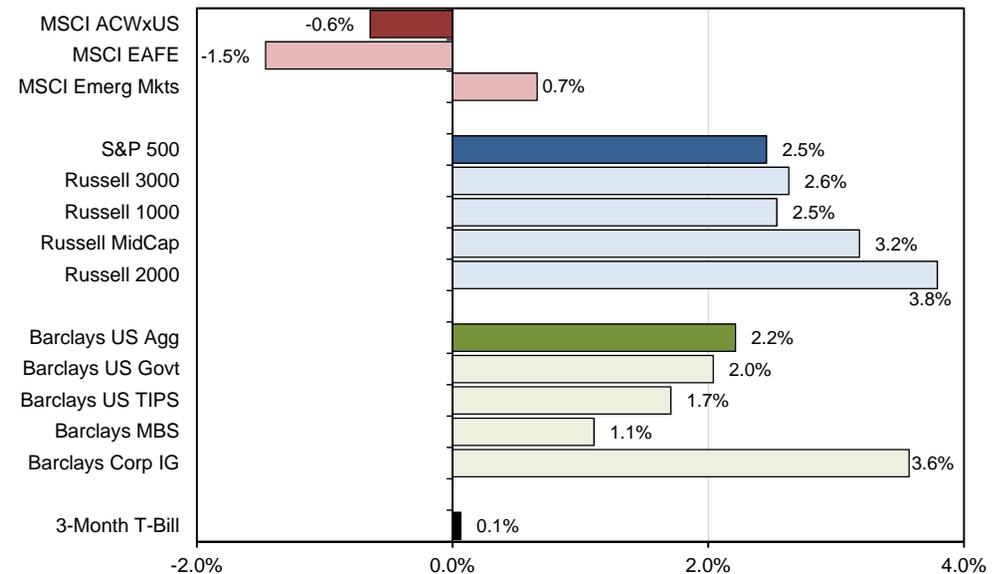
Investment Performance Review  
Quarter Ending  
June 30, 2016



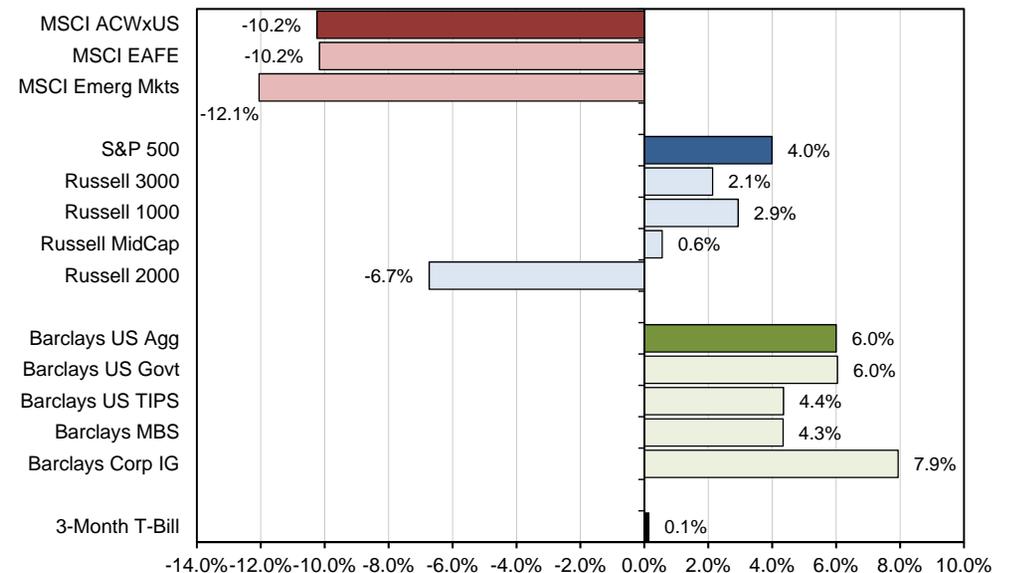
## 2nd Quarter 2016 Market Environment

- The 2<sup>nd</sup> quarter of 2016 was very volatile as financial market returns were influenced by central bank policy expectations, rising commodity prices, mixed economic data, and increased global political and economic uncertainty caused by the U.K.'s June vote to discontinue its membership in the European Union (EU). Despite this volatility, asset class results for the period were broadly positive with the exception of international developed market returns. Higher risk assets, such as small cap equities, emerging market stocks, and investment grade and high yield corporate bonds, posted the strongest returns throughout the quarter.
- Led by the small cap Russell 2000's return of 3.8%, U.S. stock market indices were positive for the 2<sup>nd</sup> quarter. In contrast, for the 1-year period, domestic large cap stock indices were the best performers, posting moderate gains, while domestic small cap indices posted negative returns. Broad international equity indices trailed domestic stock indices through both the quarter and prior year. In U.S. Dollar (USD) terms, returns for the MSCI Emerging Markets Index (net) were marginally positive for the quarter returning 0.7% while developed market equities, represented by the MSCI EAFE Index (net), returned -1.5%. Both indices have experienced double digit losses over the 1-year period, returning -12.1% and -10.2% respectively..
- The U.S. Treasury yield curve flattened throughout the 2<sup>nd</sup> quarter with near-term rates staying relatively flat and rates at the medium to long end of the yield curve falling near all-time lows. Despite their low yields, investment grade bonds have outperformed broad domestic and international equity indices over the past twelve months with the Barclays Aggregate Index returning 2.2% for the 2<sup>nd</sup> quarter and 6.0% for the trailing 1-year period. Investment grade corporate bonds outperformed the remaining investment grade sectors for both the quarter and 1-year period with the Barclays U.S. Corporate Investment Grade Index returning 3.6% and 7.9% respectively. Corporate issues experienced tailwinds from their higher durations relative to other areas of the fixed income market, as well as tightening credit spreads.

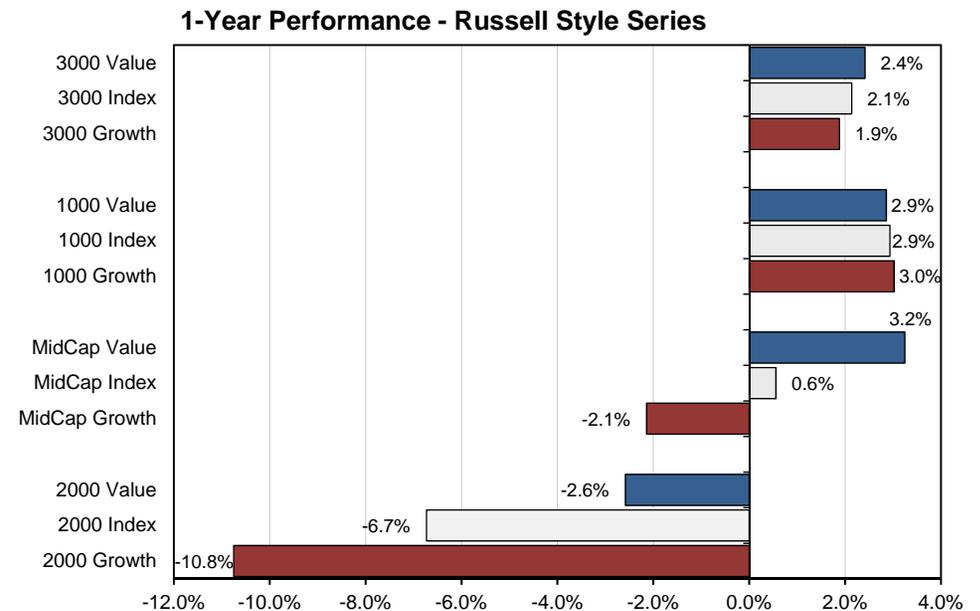
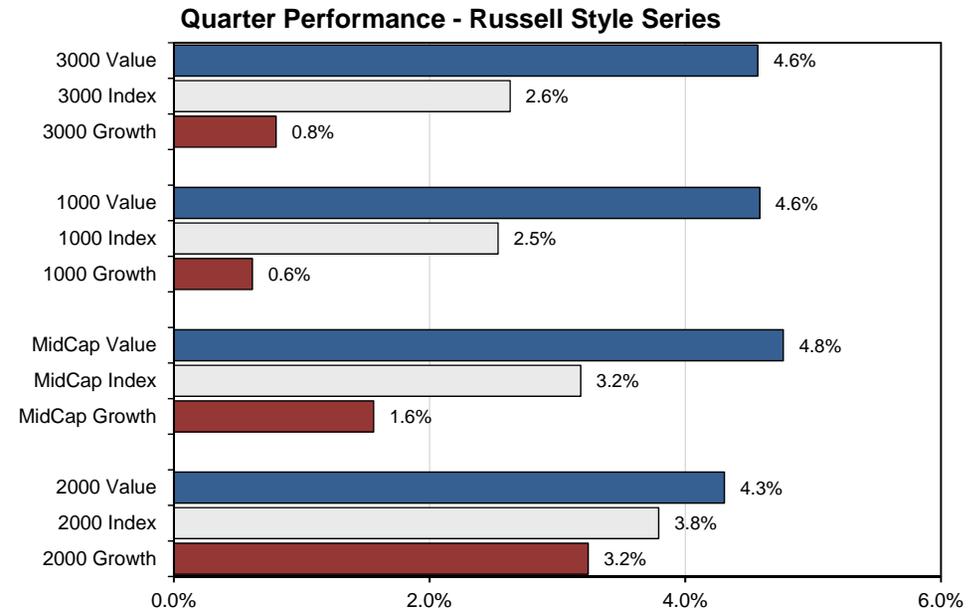
### Quarter Performance



### 1-Year Performance



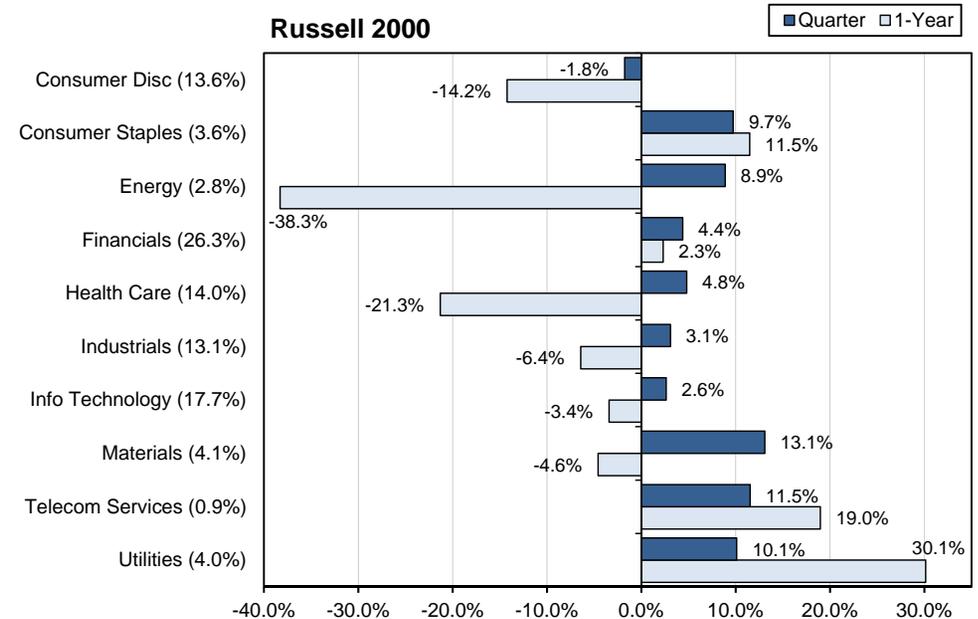
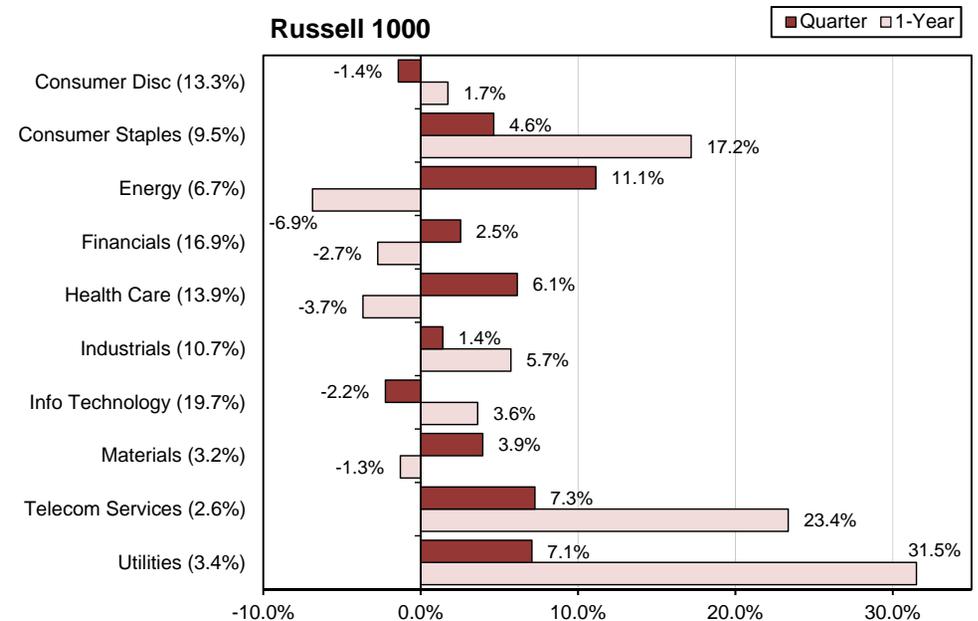
- U.S. equity index returns were positive across the capitalization spectrum during the 2<sup>nd</sup> quarter. Domestic stock prices increased through April and May, fueled by largely supportive macroeconomic data suggesting that the economic weakness experienced at the beginning of the year had been transitory. The strength in economic data led market participants to consider an increased probability for the U.S. Federal Reserve (Fed) to tighten monetary policy by increasing short-term interest rates as early as June. However, forecasts surrounding the timing of future Fed rate hikes were pushed out after the release of May's non-farm payroll report, which came in much weaker than expected. The possibility of a near-term rate increase became even more remote near the end of the quarter when the U.K. unexpectedly voted to exit the EU, creating political and economic uncertainty throughout global financial markets. Demand for equities remains high as investors struggle to find other sources of portfolio return in the current low interest rate environment.
- Value stocks outperformed growth stocks across the capitalization spectrum for the second straight quarter. This value outperformance was generally due to investors seeking the perceived safety of value stocks given valuation levels and the volatility experienced throughout the period. Value indices were also beneficiaries of rising oil and natural gas prices as value-based benchmarks have higher allocations to the Energy sector. Mid cap value stocks were the best performers across the value spectrum, returning 4.8% during the period, followed by large cap value (4.6%) and small cap value (4.3%) stocks respectively. However, across the growth spectrum, small cap growth stocks (3.2%) were the best performers followed by mid cap growth stocks (1.6%). The Russell 1000 Growth Index, representing large cap stocks, had the weakest performance returning 0.6% for the quarter. Style trends are mixed over the 1-year period. The Russell Midcap Value Index was the best performer (3.2%), and the Russell 2000 Growth Index was the worst performer (-10.8%).
- From a valuation perspective, equity valuations appear stretched relative to historical levels based on their forward Price/Earnings ratios (P/E). The large growth, mid growth, and small value indices have valuation levels close to their respective historical average, while the remaining indices fall between 106% and 114% of their 15-year averages.



- Large cap sector performance was generally positive for the 2<sup>nd</sup> quarter with all but two sectors within the Russell 1000 Index posting gains for the period. The Consumer Discretionary and Technology sectors were the quarter's only laggards returning -1.4% and -2.2% respectively. Defensive and interest rate sensitive sectors of the market continue to perform well as investors attempt to proxy dividend income as a substitute for paltry investment grade bond yields due to the persistent low interest rate environment. Utilities, Telecom Services, and Consumer Staples all posted strong quarterly returns. These three sectors are also the only sectors to post double-digit returns over the past year, outperforming all other sectors in the Russell 1000 Index by a considerable margin. The Energy sector was a notable performer during the quarter, returning 11.1% due to increasing oil and natural gas prices. Supply disruptions in Canada and Nigeria, paired with a decrease in production from U.S. shale producers, contributed to reduced global supply, which drove energy prices higher. Despite a favorable quarter, Energy returns over the 1-year period continue to represent the weakest sector with a return of -6.9%. Materials (-1.3%), Health Care (-3.7%) and Financials (-2.7%) also posted negative results over the prior year.

- Similar to large cap sector results, small cap sector performance was largely positive for the quarter. In addition, small cap sector performance generally outpaced corresponding large cap sector results. Performance in large and small cap sectors also had similar observable trends. Higher yielding, defensive sectors and commodity price sensitive industries were the best performers during the 2<sup>nd</sup> quarter. In contrast, over the 1-year period, all Russell 2000 Index sectors underperformed their corresponding Russell 1000 Index sectors with the exception of the Financials sector. The Energy (-38.3%), Health Care (-21.3%), and Consumer Discretionary (-14.2%) sectors were the largest detractors over the 1-year period. Like the large cap index, Consumer Staples (11.5%), Telecom Services (19.0%), and Utilities (30.1%) significantly outperformed other sectors.

- Using the S&P 500 as a proxy, forward P/E ratios for six GICS sectors were below their long-term (20-year) averages at quarter-end. The Technology and Health Care sectors were trading at the largest discount to their long-term average P/E ratios. In contrast, the Energy and Utilities sector valuations were the most extended relative to their historical P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of June 30, 2016

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.58%	-11.7%	-22.2%	Information Technology
Exxon Mobil Corp	1.91%	13.1%	16.8%	Energy
Microsoft Corp	1.91%	-6.7%	19.1%	Information Technology
Johnson & Johnson	1.64%	12.9%	28.2%	Health Care
General Electric Co	1.43%	-0.2%	22.3%	Industrials
Amazon.com Inc	1.37%	20.5%	64.9%	Consumer Discretionary
Berkshire Hathaway Inc B	1.35%	2.1%	6.4%	Financials
AT&T Inc	1.31%	11.7%	28.4%	Telecommunication Services
Facebook Inc A	1.26%	0.2%	33.2%	Information Technology
Verizon Communications Inc	1.12%	4.3%	25.6%	Telecommunication Services

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Olin Corp	0.25%	44.3%	-3.8%	Materials
Idacorp Inc	0.25%	9.8%	49.2%	Utilities
Portland General Electric Co	0.24%	12.6%	37.4%	Utilities
Gramercy Property Trust	0.24%	9.1%	21.7%	Financials
Curtiss-Wright Corp	0.23%	11.5%	17.1%	Industrials
Southwest Gas Corp	0.23%	20.3%	52.1%	Utilities
Microsemi Corp	0.23%	-14.7%	-6.5%	Information Technology
Healthcare Realty Trust Inc	0.22%	14.4%	57.2%	Financials
Medical Properties Trust Inc	0.22%	19.0%	24.8%	Financials
WGL Holdings Inc	0.22%	-1.5%	34.5%	Utilities

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
LinkedIn Corp Class A	0.11%	65.5%	-8.4%	Information Technology
Denbury Resources Inc	0.00%	61.7%	-42.6%	Energy
ONEOK Inc	0.05%	61.7%	29.8%	Energy
Rice Energy Inc	0.01%	59.8%	11.4%	Energy
Memorial Resource Development Corp	0.01%	56.0%	-16.3%	Energy
Southwestern Energy Co	0.02%	55.9%	-44.7%	Energy
Zillow Group Inc C	0.02%	52.9%	N/A	Information Technology
Yelp Inc Class A	0.01%	52.7%	-29.4%	Information Technology
Continental Resources Inc	0.02%	49.1%	6.8%	Energy
Tahoe Resources Inc	0.02%	48.7%	26.1%	Materials

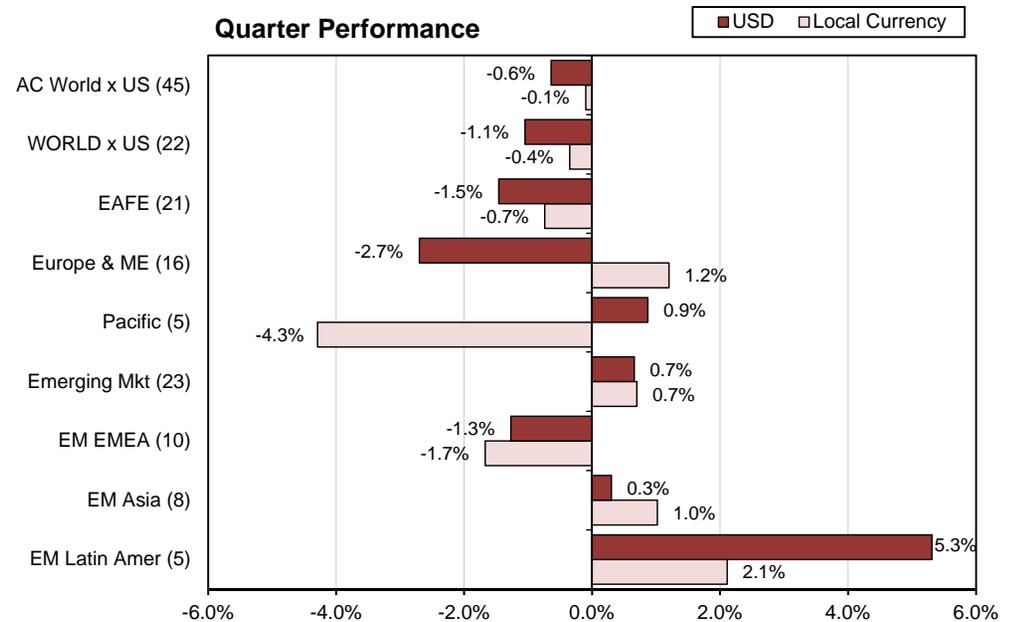
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Magnum Hunter Resources Corporation	0.00%	309559.2%	628.6%	Energy
Ultra Petroleum Corp	0.00%	253.4%	-85.9%	Energy
Ryerson Holding Corp	0.01%	214.7%	92.3%	Materials
Clayton Williams Energy Inc	0.01%	207.8%	-58.2%	Energy
Fairmount Santrol Holdings Inc	0.03%	207.2%	-5.9%	Energy
Celator Pharmaceuticals Inc	0.06%	173.6%	1247.3%	Health Care
EZCORP Inc	0.02%	154.5%	1.7%	Financials
North Atlantic Drilling Ltd	0.00%	146.0%	-43.4%	Energy
Eclipse Resources Corp	0.01%	131.9%	-36.5%	Energy
Radio One Inc Class D	0.00%	124.6%	0.6%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
SunEdison Inc	0.00%	-73.8%	-99.5%	Information Technology
Cobalt International Energy Inc	0.00%	-54.9%	-86.2%	Energy
Office Depot Inc	0.00%	-53.4%	-61.8%	Consumer Discretionary
LendingClub Corp	0.00%	-48.2%	-70.8%	Financials
Endo International PLC	0.02%	-44.6%	-80.4%	Health Care
Ionis Pharmaceuticals Inc	0.01%	-42.5%	-59.5%	Health Care
Square Inc A	0.00%	-40.8%	N/A	Information Technology
CVR Energy Inc	0.00%	-39.1%	-55.9%	Energy
Fossil Group Inc	0.00%	-35.8%	-58.9%	Consumer Discretionary
VeriFone Systems Inc	0.01%	-34.3%	-45.4%	Information Technology

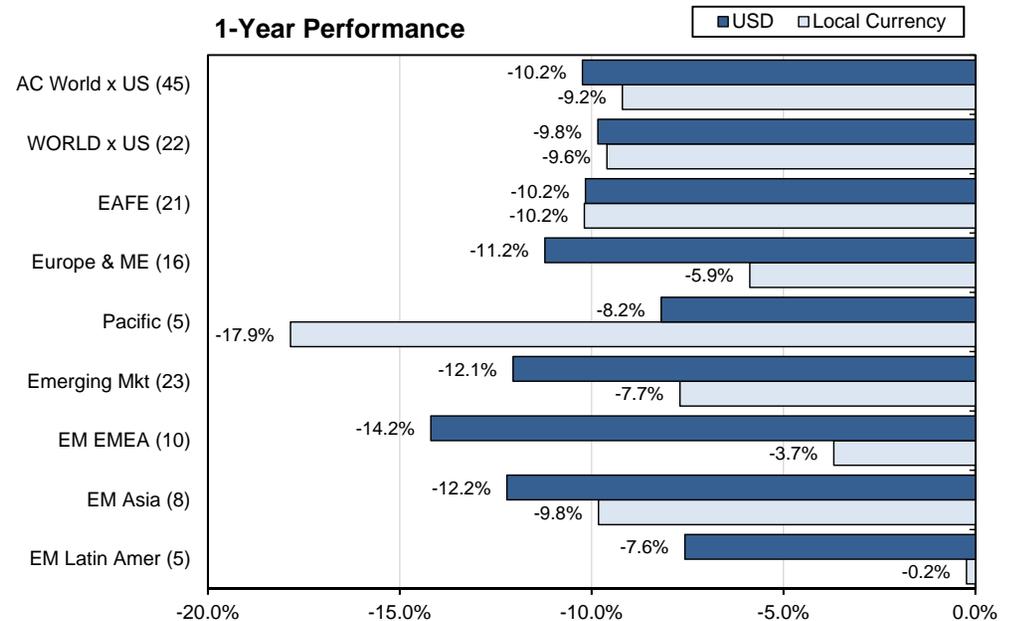
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Code Rebel Corp	0.00%	-98.9%	-99.8%	Information Technology
Energy XXI Ltd	0.00%	-92.8%	-98.3%	Energy
Seventy Seven Energy Inc	0.00%	-84.1%	-97.9%	Energy
Fairway Group Holdings Corp A	0.00%	-81.5%	-98.2%	Consumer Staples
The JG Wentworth Co Class A	0.00%	-79.1%	-97.2%	Financials
Infinity Pharmaceuticals Inc	0.00%	-74.8%	-87.9%	Health Care
Mirati Therapeutics Inc	0.00%	-74.5%	-82.7%	Health Care
TransEnterix Inc	0.01%	-71.3%	-59.3%	Health Care
Lipocine Inc	0.00%	-70.0%	-64.6%	Health Care
Chiasma Inc	0.00%	-68.4%	N/A	Health Care

- Similar to domestic equity markets, the 2<sup>nd</sup> quarter was volatile for international stocks as broad developed market indices struggled throughout the quarter. Currency impact on returns was mixed during the quarter with the EM Latin America Index benefiting from a weakening USD, and the Europe and Middle East Index suffering from USD strength. For the 1-year period, returns for developed markets were negative in both USD and local currency. While the quarter began positively as markets pushed higher on the back of better than expected economic data and rising commodity prices, the second half of the quarter saw international markets swoon. Much of this was due to uncertainty leading up to the U.K.'s June 23<sup>rd</sup> referendum to remain in or move to leave the EU. British voters surprised investors by voting to discontinue membership in the economic bloc. While the terms and aggregate impact of "Brexit" will remain unknown for some time, the reaction to the vote was immediate. The pound sterling fell sharply (-12%), Standard & Poor's downgraded the U.K.'s AAA credit rating, and U.K. Prime Minister David Cameron resigned. While U.K. equity markets initially suffered sharp losses, markets recovered quickly as investors weighted the benefits of a weakened pound on the country's largely foreign earnings base.
- The U.K.'s decision to leave the EU cast a shadow over European equities for the quarter despite the region's generally positive economic data. While the European Central Bank (ECB) has signaled its intent for continued support, the EU faces concerns surrounding "Brexit's" effect on future growth, as well as a political contagion that could lead other members to leave the economic union. Japanese equities fell sharply through the quarter as the Bank of Japan (BoJ) bucked market expectations when they did not announce an extension to its negative interest rate policy or asset purchase program. The subsequent "Brexit" decision led to a sharp appreciation in the yen, raising additional concerns around future earnings growth potential for Japanese equities.
- Broad emerging market indices were modestly positive throughout the quarter, outperforming developed markets. Latin America was the best performing region on both a USD and local currency basis as the region benefitted from political tailwinds in Brazil and rising commodity prices. Russia, India, and the Philippines were also notable positive performers. Emerging European countries were laggards relative to emerging peers in Asia and Latin America. Performance for the MSCI Emerging Markets Index (net) remains negative in both local (-7.7%) and USD (-12.1%) terms over the trailing 1-year period.

**Quarter Performance**



**1-Year Performance**



**The Market Environment**  
**U.S. Dollar International Index Attribution & Country Detail**  
As of June 30, 2016

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.1%	-8.4%	-17.7%
Consumer Staples	13.3%	2.9%	10.1%
Energy	5.2%	11.3%	-2.4%
Financials	22.3%	-6.6%	-23.2%
Health Care	12.4%	4.7%	-2.2%
Industrials	13.3%	-1.5%	-5.4%
Information Technology	5.4%	-2.7%	-8.0%
Materials	6.9%	1.2%	-15.7%
Telecommunication Services	5.2%	-0.3%	-3.7%
Utilities	3.9%	1.6%	-0.2%
<b>Total</b>	<b>100.0%</b>	<b>-1.5%</b>	<b>-10.2%</b>

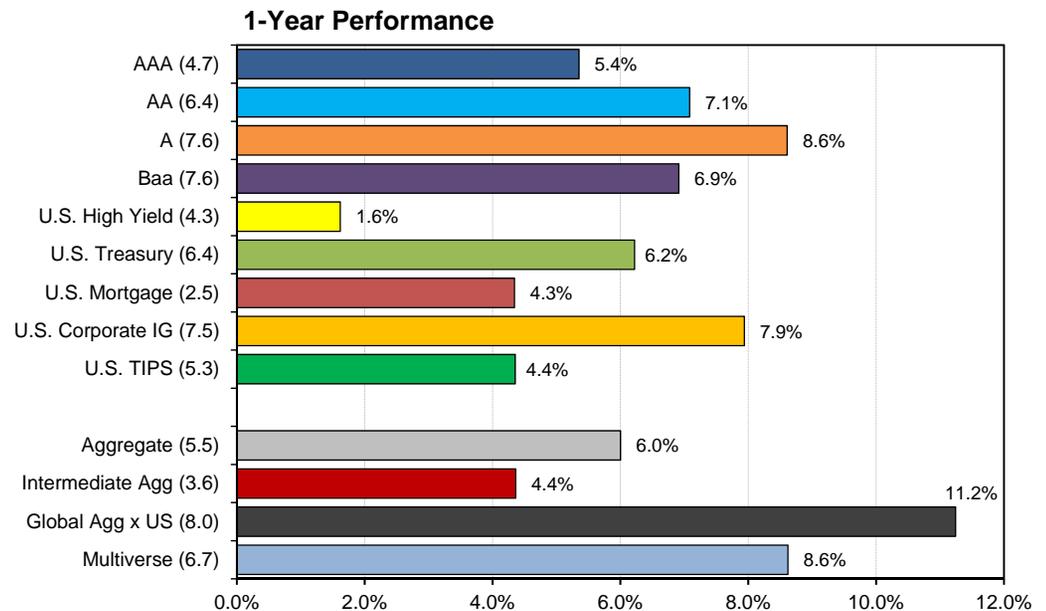
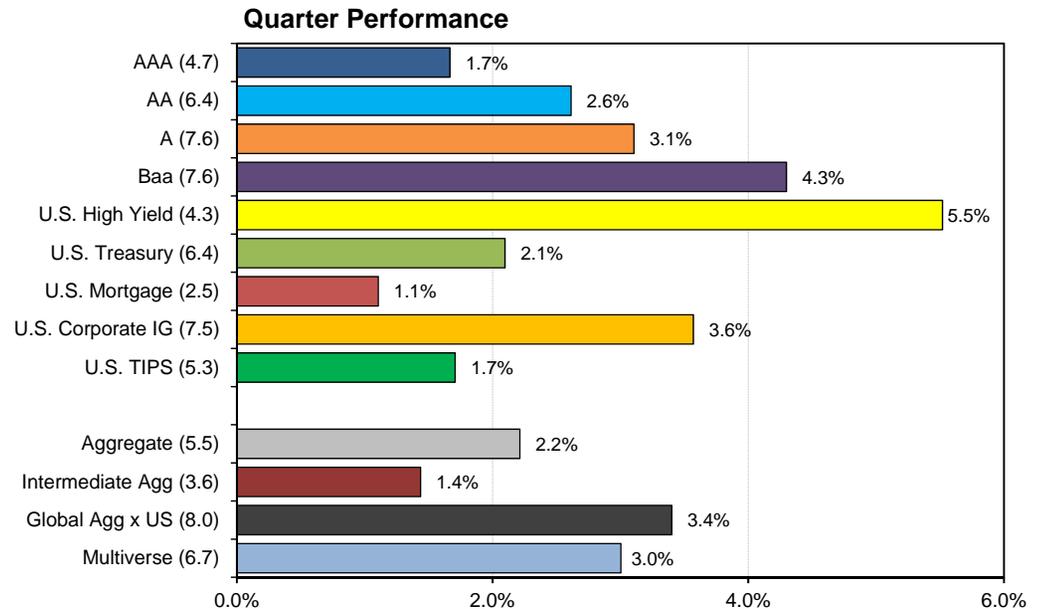
MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	-6.9%	-15.9%
Consumer Staples	11.6%	2.8%	7.5%
Energy	6.9%	8.1%	-5.7%
Financials	24.4%	-4.3%	-19.9%
Health Care	9.4%	4.3%	-6.5%
Industrials	11.3%	-1.8%	-7.2%
Information Technology	9.0%	0.1%	-5.3%
Materials	7.1%	3.1%	-12.1%
Telecommunication Services	5.3%	-0.2%	-6.9%
Utilities	3.6%	1.5%	-2.0%
<b>Total</b>	<b>100.0%</b>	<b>-0.6%</b>	<b>-10.2%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.5%	-1.4%	-10.5%
Consumer Staples	8.5%	4.2%	-3.6%
Energy	7.5%	1.9%	-12.7%
Financials	26.1%	0.3%	-17.8%
Health Care	2.7%	0.4%	-7.5%
Industrials	6.2%	-3.3%	-19.0%
Information Technology	22.5%	2.5%	-4.0%
Materials	6.3%	-0.8%	-9.5%
Telecommunication Services	6.6%	-0.1%	-15.6%
Utilities	3.2%	0.5%	-10.0%
<b>Total</b>	<b>100.0%</b>	<b>0.7%</b>	<b>-12.1%</b>

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1-Year Return
Japan	23.3%	16.4%	1.0%	-8.9%
United Kingdom	19.6%	13.8%	-0.7%	-12.1%
France	9.6%	6.8%	-4.3%	-8.9%
Switzerland	9.3%	6.6%	2.0%	-8.5%
Germany	8.7%	6.1%	-5.6%	-11.6%
Australia	7.3%	5.1%	0.5%	-4.5%
Hong Kong	3.3%	2.3%	0.9%	-10.8%
Netherlands	3.2%	2.2%	-5.1%	-7.8%
Spain	2.9%	2.1%	-7.7%	-23.3%
Sweden	2.8%	2.0%	-5.4%	-12.2%
Denmark	2.0%	1.4%	-0.6%	2.5%
Italy	2.0%	1.4%	-10.5%	-26.1%
Belgium	1.5%	1.1%	2.3%	4.5%
Singapore	1.4%	1.0%	0.4%	-11.5%
Finland	1.0%	0.7%	-2.1%	-3.9%
Israel	0.8%	0.6%	-3.8%	-11.1%
Norway	0.6%	0.5%	2.4%	-16.2%
Ireland	0.5%	0.3%	-9.9%	-10.5%
New Zealand	0.2%	0.1%	5.9%	29.7%
Austria	0.2%	0.1%	-10.0%	-12.9%
Portugal	0.2%	0.1%	-2.8%	-7.5%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>70.6%</b>	<b>-1.5%</b>	<b>-10.2%</b>
Canada		6.8%	3.4%	-6.3%
<b>Total Developed Countries</b>		<b>77.4%</b>	<b>-1.1%</b>	<b>-9.8%</b>
China		5.8%	0.1%	-23.4%
Korea		3.3%	-1.2%	-3.5%
Taiwan		2.7%	0.7%	-8.8%
India		1.9%	3.7%	-6.5%
South Africa		1.7%	1.6%	-15.9%
Brazil		1.6%	13.9%	-6.0%
Mexico		0.9%	-7.0%	-12.2%
Russia		0.9%	4.1%	-1.6%
Malaysia		0.7%	-5.9%	-6.0%
Indonesia		0.6%	4.1%	6.0%
Thailand		0.5%	2.8%	-7.1%
Philippines		0.4%	5.8%	1.0%
Turkey		0.3%	-7.9%	-10.1%
Chile		0.3%	1.9%	-1.7%
Poland		0.3%	-17.5%	-27.0%
Qatar		0.2%	-4.9%	-17.2%
United Arab Emirates		0.2%	0.1%	-14.9%
Colombia		0.1%	2.9%	-12.4%
Peru		0.1%	18.2%	8.3%
Greece		0.1%	-14.0%	-60.8%
Hungary		0.1%	-4.7%	20.5%
Czech Republic		0.0%	-6.1%	-18.3%
Egypt		0.0%	0.9%	-23.8%
<b>Total Emerging Countries</b>		<b>22.6%</b>	<b>0.7%</b>	<b>-12.1%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>-0.6%</b>	<b>-10.2%</b>

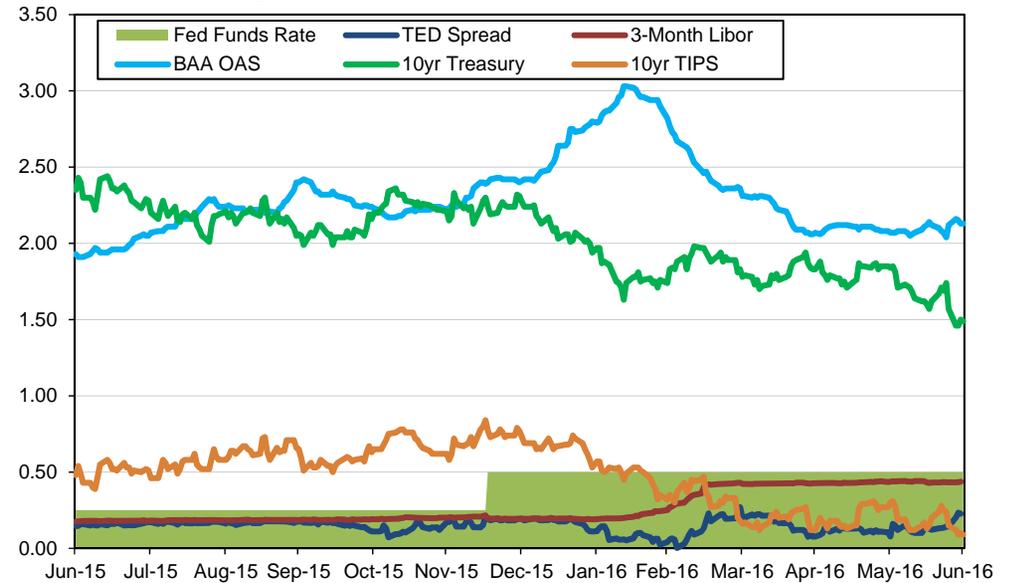
Source: MSCI Global Index Monitor (Returns are Net in USD)

- Despite being investors' least favorite asset class for some time, fixed income indices continued their strong 2016 performance through the 2<sup>nd</sup> quarter of the year. Early quarter headwinds triggered by hawkish comments from Federal Reserve Chair Janet Yellen implying a summer interest rate hike dissipated as weaker economic data created doubts that the economy was robust enough to warrant further monetary policy tightening. Expectations for a near-term increase of the Fed Funds Rate shrank further after the U.K.'s vote to leave the EU. This news caused a swift flight to quality, pushing interest rates lower through the second half of the quarter. While near-term rates had little room to move lower, long-term rates fell to near historic lows. This curve flattening helped longer duration indices such as the Barclays U.S. Corporate Investment Grade Index and the Barclays Global Aggregate ex U.S. Index to outperform, returning 3.6% and 3.4% respectively. Fixed income performance for the 1-year period was also positive across the country, credit, and sector spectrums with international bond indices, such as the Barclays Global Aggregate ex U.S. (11.2%) and the Barclays Multiverse (8.6%), generating the highest returns
- U.S. investment grade bond indices posted gains for the quarter with the broad market Barclays Aggregate Index posting a return of 2.2%. Higher duration index sectors within the Aggregate outperformed lower duration sectors with investment grade corporates (3.6%) and Treasury securities (2.1%) posting the largest gains. Hurt by its relatively low duration, the Barclays U.S. Mortgage Index performed the worst for the second quarter in a row, returning 1.1%. Over the 1-year period, the Aggregate has returned an expectation defying 6.0%. Similar to the quarterly results, investment grade corporates and Treasuries outperformed mortgages for the period.
- Lower credit quality issues outperformed higher quality securities during the 2<sup>nd</sup> quarter. Baa rated securities returned 4.3% versus a return of 1.7% for AAA issues due to higher average durations and the compression of interest rate credit spreads throughout the quarter. Driven by this spread compression, high yield bonds were the best performers with the Barclays U.S. High Yield Index returning 5.5%. Despite its strong start to 2016, the Barclays U.S. High Yield Index is only marginally positive over the last 12 months with a return of 1.6%.

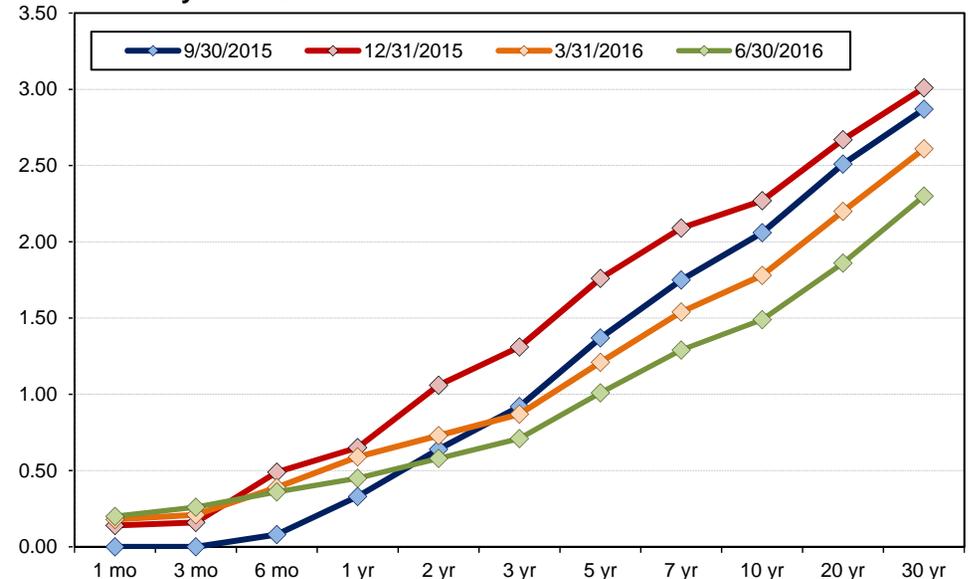


- U.S. TIPS finished the 2<sup>nd</sup> quarter with a 1.7% return. The relatively strong return can be attributed to the longer end of the TIPS yield curve shifting lowering during the period as headline CPI (1.1%) remains largely in check. The TIPS return for the 1-year period is a solid 4.4%.
- In USD terms, international fixed income indices posted the largest gains for both the quarter and 1-year periods. Despite the relatively low interest rates in international markets, with several government issues having negative yields, the Barclays Global Aggregate ex U.S. returned 3.4% for the quarter as the index benefitted from its higher average duration and mixed currency impact. The index's 11.2% return over the 1-year period also outpaced domestic bond returns.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell over the quarter and is now at a 12-month low. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread), which quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. When credit spreads widen (tighten), it is equivalent to interest rate increases (decreases) on corporate bond returns. After falling below 2.0% early in 2015, this spread rose throughout the remainder of the calendar year. While there was upside momentum in credit spreads early in 2016, they have narrowed by close to 1% since their high on February 11<sup>th</sup>. Despite an uptick from "Brexit" during June, this spread compression has benefited corporate bond returns. The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. Treasury issues greater than two years ended the 2<sup>nd</sup> quarter at their lowest levels in the past 12-months while short-term rates are at the high end of their 12-month range.
- The Fed has stated future rate increases would be implemented at a measured pace and with an ongoing assessment of current economic data. Despite this domestic policy assertion, geopolitical events and non-U.S. stimulus programs are likely to keep demand for U.S. Treasury issues elevated and exert downward pressure on how high domestic interest rates will rise in the short-term.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

**Our Mission**

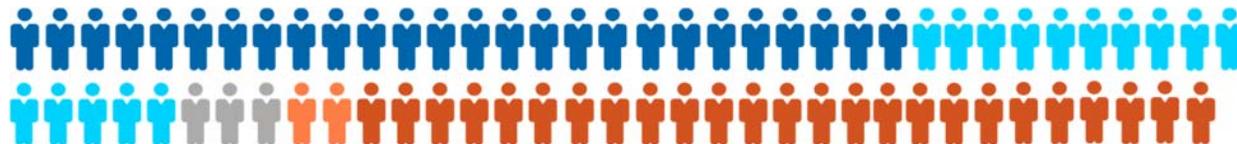
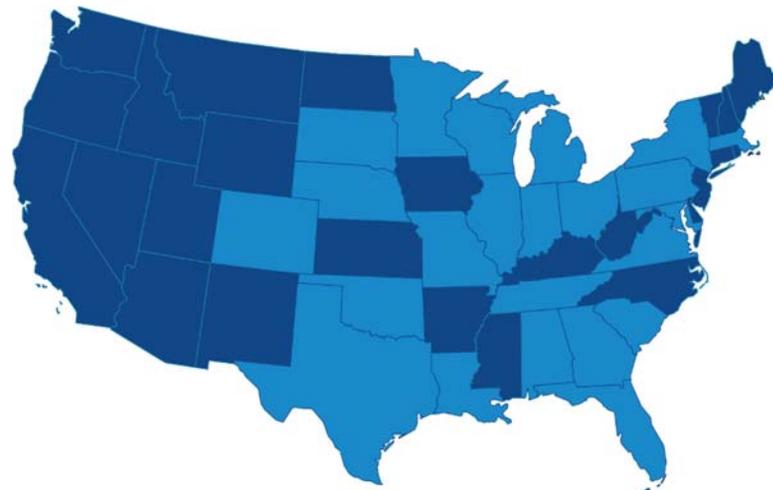
To represent the sole interest of our clients by redefining independence.

**About Us**

The Bogdahn Group is an independent investment consulting firm that advises over 530 institutional clients with approximately \$64 billion in assets under advisement. We are an independent firm, employee owned, and serve as a fiduciary to each of our clients. Our firm receives 100% of our revenue through hard-dollar fees for consulting services. We have never engaged in soft-dollar fee arrangements and are not affiliated with any Investment Management firms or other service providers.

Our firm believes that trust, integrity, confidence, and respect are the cornerstones of any successful business relationship. As a result, we work to ensure our client's interests are placed first. Our objective is to serve as our client's advocate and guide in the implementation, maintenance, administration, and fiduciary oversight of their investment and retirement programs. Exceptional service, as defined by each client, is our goal.

The Bogdahn Group, headquartered in Orlando, FL also has offices in Chicago, IL; Pittsburgh, PA; Tulsa, OK; Cleveland, OH; and Detroit, MI.



**71**  
EMPLOYEES

**26 ADVANCED DEGREES**

15 CFAs   2 CIPMs   3 CAIAs

INSTITUTIONAL FOCUS

**\$64**

billion AUA

### Investment Consulting Services

The Bogdahn Group has one line of business: investment consulting. We strive to simplify investment and fiduciary decisions for our clients by providing governance, monitoring and risk oversight, education, strategic implementation, and superior investment options. The Bogdahn Group delivers customized services to meet each client's unique needs.

Since no two clients' needs are the same and continuously evolve over time, we strive to maintain an ongoing understanding of each client's constraints and objectives to deliver ongoing value-added services. Our core services represent a strong foundation for client relationships.

#### Traditional Consulting Services

- Investment policy statement development
- Strategic asset allocation
- Manager / Strategy Evaluation
- Investment Manager Due Diligence
- Investment Manager Searches
- Performance measurement & reporting
- Quarterly Economic Summary
- Attribution analysis
- Client Education
- Spending policy review and development
- Vendor search & fee negotiations
- Distribution and management of open RFPs where required
- Custodian Evaluation
- Interpretation and assistance in asset/liability reports

#### Defined Contribution Consulting Services

- Design, Distribute, Collect and Evaluate RFP responses for Recordkeeping and Administration Services
- Facilitate the Vendor Selection Process and Interviews
- Assist with provider scope of work definition, negotiation of fees and contracts
- Investment Policy Development and Review
- Manager/Strategy Evaluation
- Plan Level Fee Analysis
- Board/Investment Committee Education
- Fund Evaluation and Recommendations
- Review Employee Education Strategy for fit with Demographics and Plan Goals
- Provide Guidance for Defined Contribution Strategies and Investment Decisions



### Client Service Support

The Bogdahn Group's resources include dedicated teams comprised of:

- 34 Investment Consultants
- 8 Research Analysts
- 7 Internal Consultants
- 11 Performance Measurement Analysts
- 3 Information Technology Experts

The Bogdahn Group also has a dedicated management team consisting of professionals in compliance, finance, operations, and consulting services further supporting each department and ultimately each client.

#### SERVICE MODEL



### Investment Databases

Our firm utilizes some of the most robust and deep databases that are available to investment consultants. These include Bloomberg, InvestmentMetrics PARis, eVestment Alliance, Zephyr StyleADVISOR, Morningstar Direct, etc.

Page Intentionally Left Blank

**Total Fund** The VEBA Total Fund had a 1.9% return in the quarter and was just above the median of all Total Plans, but below its policy benchmark. The 1.9% performance for the year was near top quartile but below the policy, while the five year 7.0% return was top third. Compared to funds with a similar mix, performance was just above average for the quarter, top quartile for the year and above average for five years.

**Total Domestic Equities** The return ranked in the bottom third for the quarter and for the year versus Combined Equities. It was below average for three years, but top third for four years. The performance in the quarter, year, and three years was below its equity policy index (62% Russell 1000, 38% Russell 2500), but above for four years. It was below the Russell 3000 index for the quarter, year, and three years.

- **Dodge & Cox Stock Fund** The fund had bottom third performance relative to Domestic Large Cap Value funds for the quarter, was bottom quartile for the year and was below the Russell 1000 Value index for both periods. It was above average but below the index for three years and near top decile and above the index for four years.
- **MFS Domestic Large Cap Growth** The account was funded in late December 2015 with the proceeds from the Atalanta Sosnoff account. It had top third performance for the quarter versus Large Cap Growth funds and was above the Russell 1000 Growth index. For six months, it was above median, but below the index.
- **Lord Abbett** Performance in the quarter was slightly above average versus Smid Cap Value funds, but below the Russell 2500 Value index. It was above average and below the index for the year and near top decile and above the index for three years and for four years.

**Total Domestic Fixed Income**

- **CS McKee** Bottom quartile return for the quarter relative to Domestic Core Fixed Income funds and below the Barclay's Aggregate Bond index. For the year results were top third and above the index, while for three and four years it was above median and above the index.

**Financial Reconciliation**  
**Total Fund**  
**1 Quarter Ending June 30, 2016**

<b>1 Quarter</b>	<b>Market Value 04/01/2016</b>	<b>Net Flows</b>	<b>Return On Investment</b>	<b>Market Value 06/30/2016</b>
<b>VEBA Total Fund</b>	<b>43,121,337</b>	<b>-57,898</b>	<b>822,448</b>	<b>43,885,887</b>
<b>Total Domestic Equity</b>	<b>25,955,930</b>	<b>-1,525,000</b>	<b>489,728</b>	<b>24,920,658</b>
Dodge & Cox Stock Fund (DODGX)	9,095,868	-1,100,000	145,288	8,141,155
Atalanta Sosnoff	1,490	-1,490	-	-
MFS Equity Investment	9,589,916	-1,498,510	134,083	8,225,490
Lord Abbett (LVOVX)	7,268,656	1,075,000	210,357	8,554,013
<b>Total Domestic Fixed Income</b>				
CS McKee	16,816,229	1,700,000	330,005	18,846,233
<b>Cash W/Income Lending</b>	<b>349,178</b>	<b>-232,898</b>	<b>2,715</b>	<b>118,995</b>

<b>Fiscal Year To Date</b>	<b>Market Value 01/01/2016</b>	<b>Net Flows</b>	<b>Return On Investment</b>	<b>Market Value 06/30/2016</b>
<b>VEBA Total Fund</b>	<b>42,451,901</b>	<b>96,076</b>	<b>1,337,911</b>	<b>43,885,887</b>
<b>Total Domestic Equity</b>	<b>25,981,690</b>	<b>-1,525,000</b>	<b>463,969</b>	<b>24,920,658</b>
Dodge & Cox Stock Fund (DODGX)	9,186,740	-1,100,000	54,415	8,141,155
Atalanta Sosnoff	7,416	-6,838	-578	-
MFS Equity Investment	9,739,019	-1,493,162	-20,367	8,225,490
Lord Abbett (LVOVX)	7,048,515	1,075,000	430,499	8,554,013
<b>Total Domestic Fixed Income</b>				
CS McKee	16,277,015	1,700,000	869,219	18,846,233
<b>Cash W/Income Lending</b>	<b>193,196</b>	<b>-78,924</b>	<b>4,723</b>	<b>118,995</b>

<b>1 Year</b>				
	<b>Market Value 07/01/2015</b>	<b>Net Flows</b>	<b>Return On Investment</b>	<b>Market Value 06/30/2016</b>
<b>VEBA Total Fund</b>	<b>42,851,093</b>	<b>193,481</b>	<b>841,313</b>	<b>43,885,887</b>
<b>Total Domestic Equity</b>	<b>26,657,226</b>	<b>-1,525,000</b>	<b>-211,568</b>	<b>24,920,658</b>
Dodge & Cox Stock Fund (DODGX)	9,746,607	-1,100,000	-505,452	8,141,155
Atalanta Sosnoff	9,387,438	-9,879,432	491,994	-
MFS Equity Investment	-	8,379,432	-153,942	8,225,490
Lord Abbett (LVOVX)	7,523,181	1,075,000	-44,167	8,554,013
<b>Total Domestic Fixed Income</b>				
CS McKee	16,098,979	1,700,000	1,047,254	18,846,233
<b>Cash W/Income Lending</b>	<b>94,887</b>	<b>18,481</b>	<b>5,627</b>	<b>118,995</b>

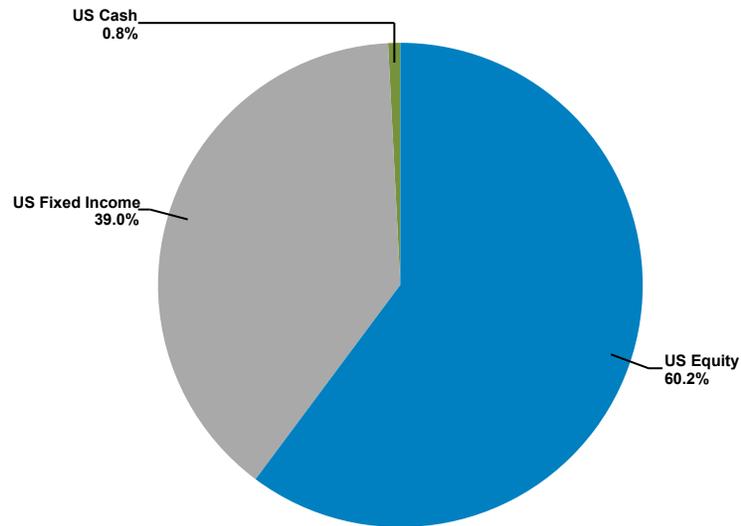
**Asset Allocation Attributes**

	Domestic Equity		Domestic Fixed Income		Cash Equivalent		Total Fund	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
<b>VEBA Total Fund</b>	<b>24,757</b>	<b>56.4</b>	<b>18,433</b>	<b>42.0</b>	<b>696</b>	<b>1.6</b>	<b>43,886</b>	<b>100.0</b>
<b>Total Domestic Equity</b>	<b>24,757</b>	<b>99.3</b>	<b>-</b>	<b>-</b>	<b>163</b>	<b>0.7</b>	<b>24,921</b>	<b>56.8</b>
Dodge & Cox Stock Fund (DODGX)	8,141	100.0	-	-	-	-	8,141	18.6
Atalanta Sosnoff	-	-	-	-	-	-	-	0.0
MFS Equity Investment	8,062	98.0	-	-	163	2.0	8,225	18.7
Lord Abbett (LVOVX)	8,554	100.0	-	-	-	0.0	8,554	19.5
<b>Total Domestic Fixed Income</b>	<b>-</b>	<b>-</b>	<b>18,433</b>	<b>97.8</b>	<b>414</b>	<b>2.2</b>	<b>18,846</b>	<b>42.9</b>
CS McKee	-	-	18,433	97.8	414	2.2	18,846	42.9
<b>Cash W/Income Lending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>100.0</b>	<b>119</b>	<b>0.3</b>

**Asset Allocation By Asset Class  
Total Fund**

As of June 30, 2016

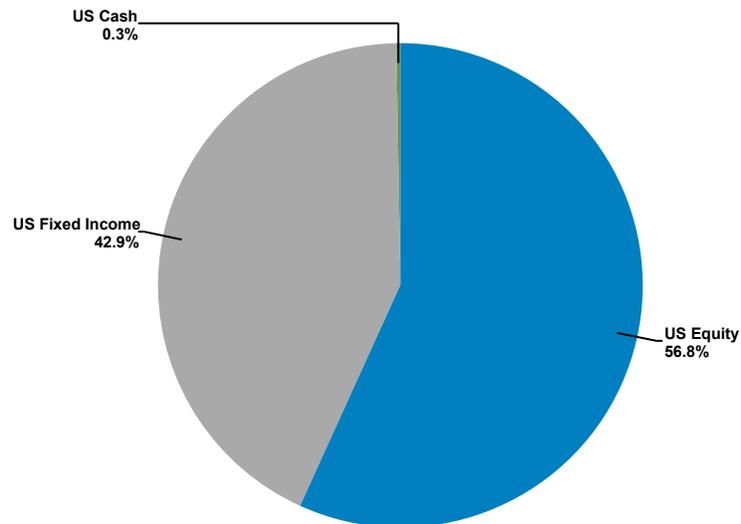
**March 31, 2016 : \$43,121,337**



**Allocation**

	Market Value	Allocation
■ US Equity	25,955,930	60.2
■ US Fixed Income	16,816,229	39.0
■ US Cash	349,178	0.8

**June 30, 2016 : \$43,885,887**

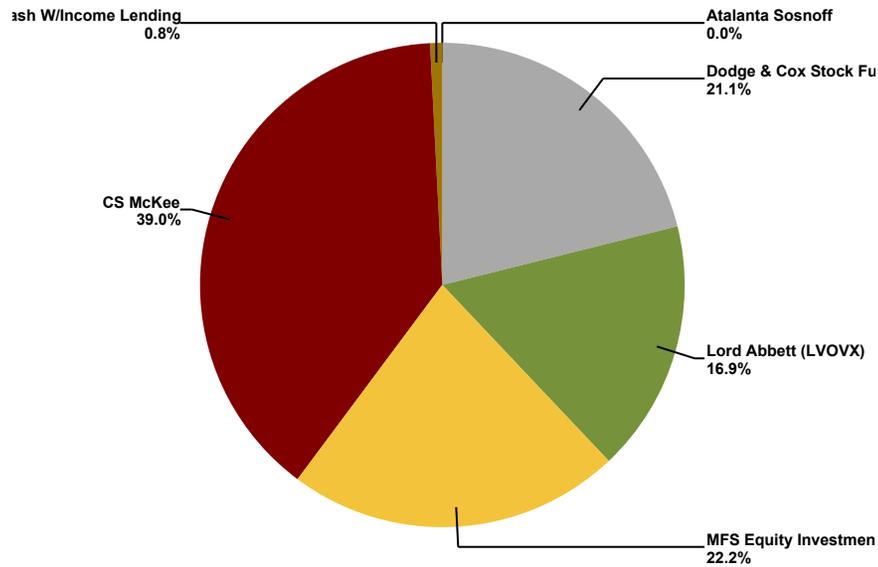


**Allocation**

	Market Value	Allocation
■ US Equity	24,920,658	56.8
■ US Fixed Income	18,846,233	42.9
■ US Cash	118,995	0.3

**Asset Allocation By Manager  
Total Fund  
As of June 30, 2016**

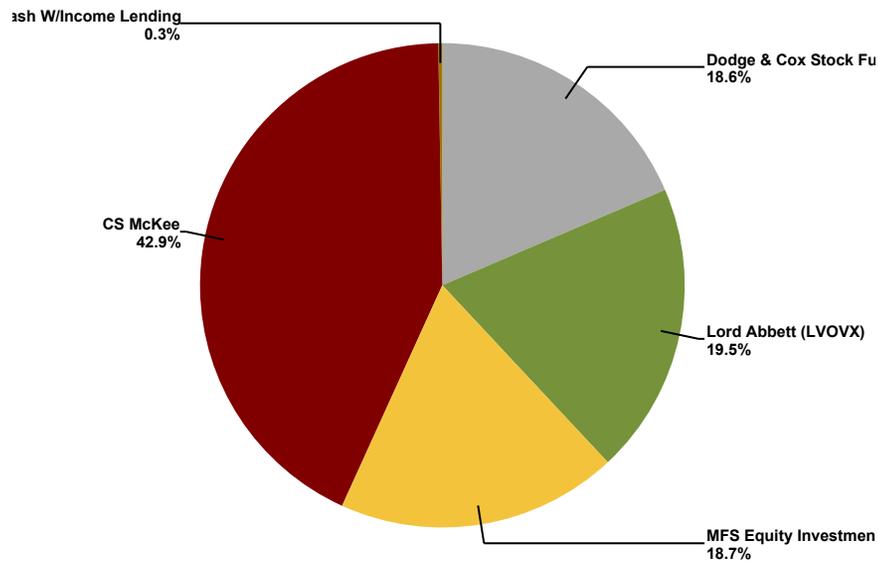
**March 31, 2016 : \$43,121,337**



**Allocation**

	Market Value	Allocation
Atalanta Sosnoff	1,490	0.0
Dodge & Cox Stock Fund (DODGX)	9,095,868	21.1
Lord Abbett (LVOVX)	7,268,656	16.9
MFS Equity Investment	9,589,916	22.2
CS McKee	16,816,229	39.0
Cash W/Income Lending	349,178	0.8

**June 30, 2016 : \$43,885,887**



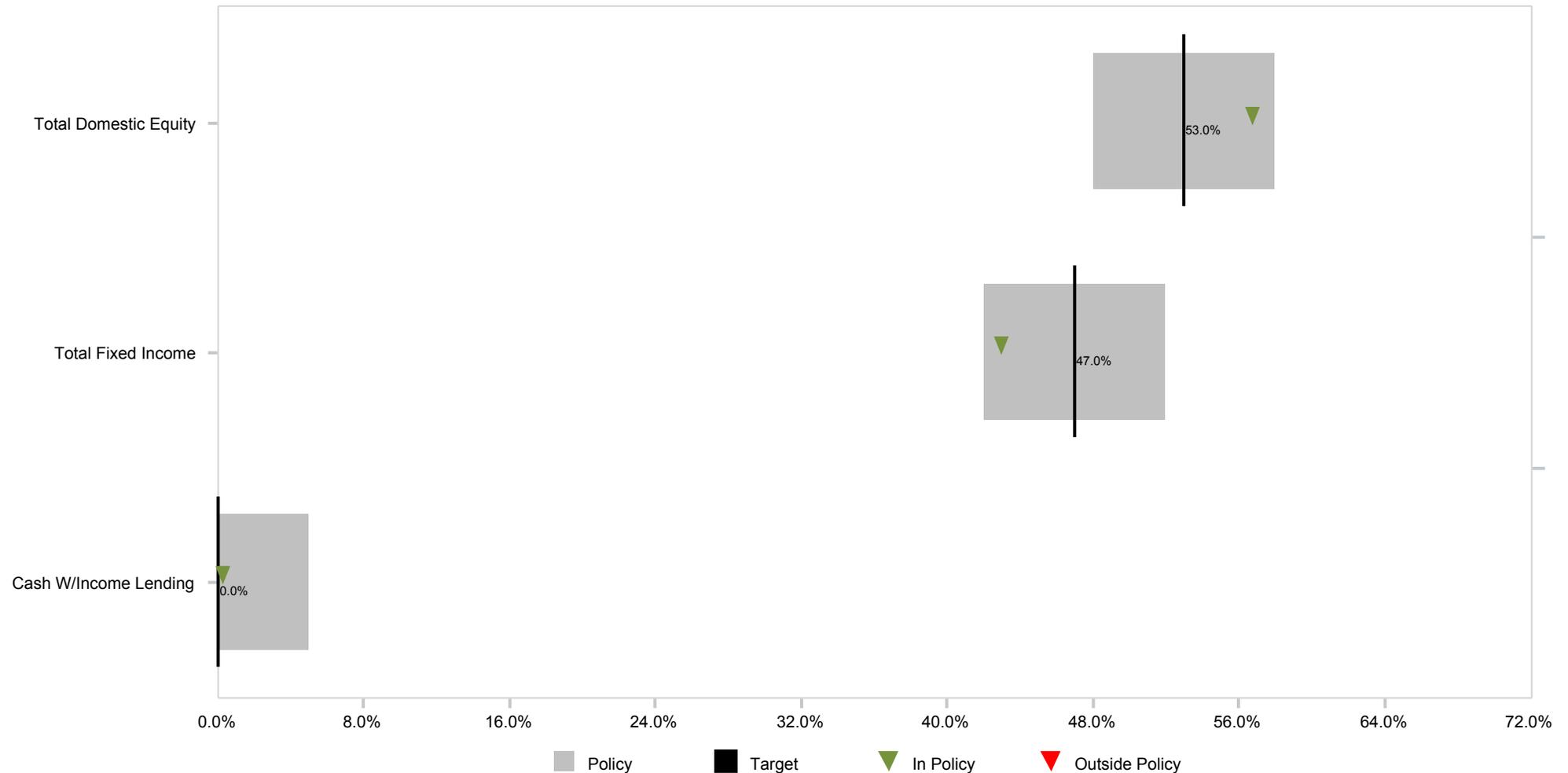
**Allocation**

	Market Value	Allocation
Atalanta Sosnoff	-	0.0
Dodge & Cox Stock Fund (DODGX)	8,141,155	18.6
Lord Abbett (LVOVX)	8,554,013	19.5
MFS Equity Investment	8,225,490	18.7
CS McKee	18,846,233	42.9
Cash W/Income Lending	118,995	0.3

Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal. (\$)	Differences (%)
VEBA Total Fund	43,885,887	100.0		100.0		-	0.0
Total Domestic Equity	24,920,658	56.8	48.0	53.0	58.0	-1,661,138	3.8
Total Fixed Income	18,846,233	42.9	42.0	47.0	52.0	1,780,133	-4.1
Cash W/Income Lending	118,995	0.3	0.0	0.0	5.0	-118,995	0.3

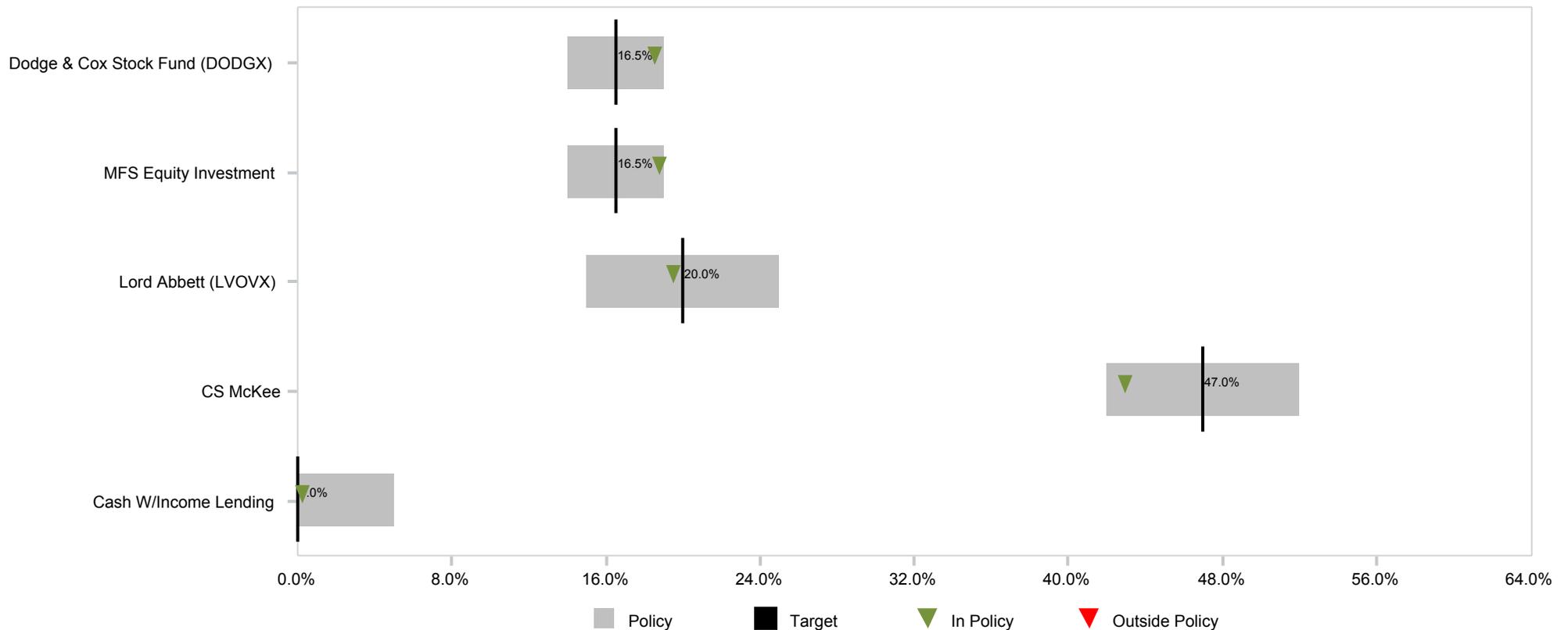
Allocation Summary



**Asset Allocation Compliance**

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal. (\$)	Differences (%)
VEBA Total Fund	43,885,887	100.0		100.0		-	0.0
Total Equity	24,920,658	56.8		53.0		-1,661,138	3.8
Total Domestic Equity	24,920,658	56.8		53.0		-1,661,138	3.8
Dodge & Cox Stock Fund (DODGX)	8,141,155	18.6	14.0	16.5	19.0	-899,984	2.1
MFS Equity Investment	8,225,490	18.7	14.0	16.5	19.0	-984,318	2.2
Lord Abbett (LVOVX)	8,554,013	19.5	15.0	20.0	25.0	223,164	-0.5
Total Fixed Income	18,846,233	42.9		47.0		1,780,133	-4.1
Total Domestic Fixed Income	18,846,233	42.9		47.0		1,780,133	-4.1
CS McKee	18,846,233	42.9	42.0	47.0	52.0	1,780,133	-4.1
Cash W/Income Lending	118,995	0.3	0.0	0.0	5.0	-118,995	0.3

**Allocation Summary**



Comparative Performance										
	QTR		FYTD		1 YR		3 YR		5 YR	
<b>VEBA Total Fund</b>	<b>1.91</b>	<b>(47)</b>	<b>3.14</b>	<b>(45)</b>	<b>1.93</b>	<b>(27)</b>	<b>7.47</b>	<b>(22)</b>	<b>6.95</b>	<b>(34)</b>
VEBA - Total Fund Policy	2.76	(14)	5.43	(11)	4.09	(11)	7.48	(21)	N/A	
All Master Trust - Total Fund Median	1.87		2.94		0.63		6.38		6.41	
<b>VEBA Total Fund</b>	<b>1.91</b>	<b>(47)</b>	<b>3.14</b>	<b>(39)</b>	<b>1.93</b>	<b>(18)</b>	<b>7.47</b>	<b>(24)</b>	<b>6.95</b>	<b>(41)</b>
VEBA - Total Fund Policy	2.76	(7)	5.43	(5)	4.09	(4)	7.48	(24)	N/A	
Master Trust >=55% and <70% Equity Median	1.87		2.77		0.44		6.74		6.68	
<b>Total Domestic Equity</b>	<b>1.86</b>	<b>(74)</b>	<b>1.76</b>	<b>(79)</b>	<b>-0.87</b>	<b>(71)</b>	<b>9.55</b>	<b>(63)</b>	<b>N/A</b>	
VEBA - Total Domestic Equity Policy	3.23	(20)	5.29	(13)	1.93	(35)	10.24	(47)	N/A	
Russell 3000 Index	2.63	(42)	3.62	(45)	2.14	(31)	11.13	(24)	11.60	(25)
All Master Trust-US Equity Segment Median	2.52		3.44		0.94		10.08		10.79	
Dodge & Cox Stock Fund (DODGX)	1.70	(69)	0.69	(78)	-5.09	(81)	8.37	(44)	N/A	
Russell 1000 Value Index	4.58	(8)	6.30	(13)	2.86	(17)	9.87	(14)	11.35	(9)
IM U.S. Large Cap Value Equity (MF) Median	2.54		2.79		-1.37		8.06		9.45	
MFS Equity Investment	1.49	(31)	-0.12	(38)	N/A		N/A		N/A	
Russell 1000 Growth Index	0.61	(51)	1.36	(22)	3.02	(20)	13.07	(34)	12.35	(27)
IM U.S. Large Cap Growth Equity (SA+CF) Median	0.63		-0.90		-0.69		12.22		11.27	
Lord Abbett (LVOVX)	2.63	(47)	5.84	(45)	-0.84	(42)	9.99	(13)	N/A	
Russell 2500 Value Index	4.37	(14)	7.84	(22)	0.22	(31)	8.14	(31)	9.59	(24)
IM U.S. SMID Cap Value Equity (MF) Median	2.35		5.46		-2.90		6.90		8.11	
<b>Total Domestic Fixed Income</b>										
CS McKee	1.82	(97)	5.20	(73)	6.36	(32)	4.44	(39)	N/A	
Barclays Aggregate Index	2.21	(68)	5.31	(62)	6.00	(61)	4.06	(83)	3.76	(89)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.32		5.39		6.13		4.33		4.14	
<b>Cash W/Income Lending</b>	<b>1.49</b>		<b>2.21</b>		<b>2.73</b>		<b>0.91</b>		<b>0.54</b>	
90 Day U.S. Treasury Bill	0.06		0.12		0.13		0.07		0.07	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

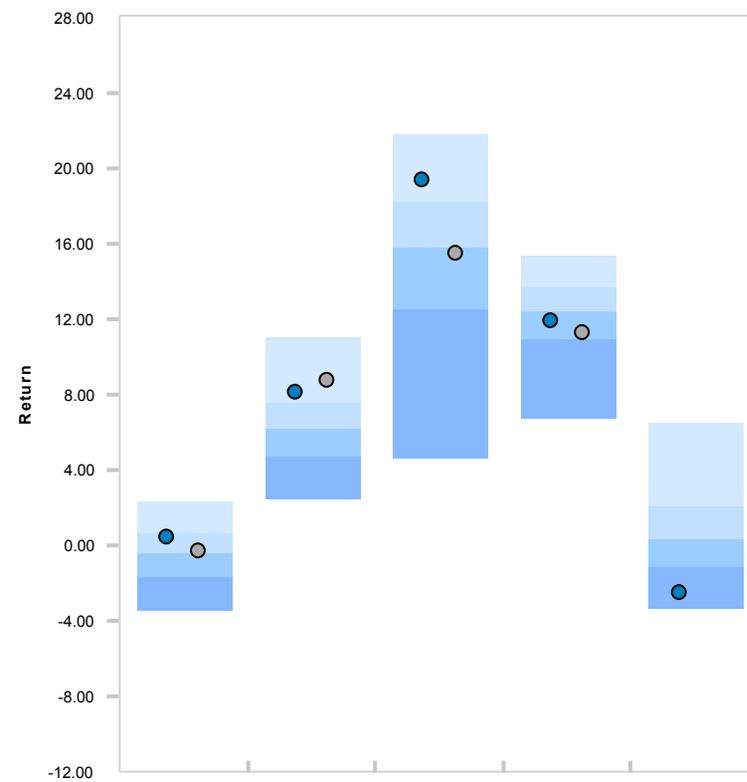
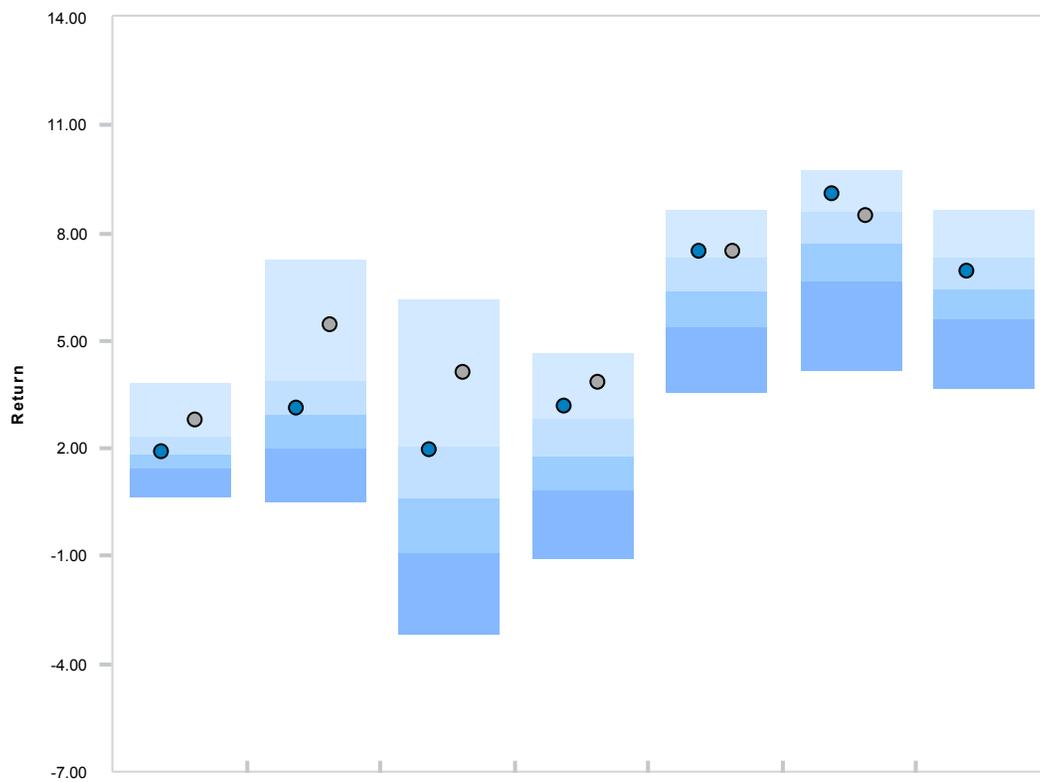
**Comparative Performance**  
**Total Fund**  
**Years Ending**

**Comparative Performance**

	1 Year Ending Jun-2016		1 Year Ending Jun-2015		1 Year Ending Jun-2014		1 Year Ending Jun-2013		1 Year Ending Jun-2012	
<b>VEBA Total Fund</b>	<b>1.93</b>	<b>(27)</b>	<b>4.40</b>	<b>(19)</b>	<b>16.63</b>	<b>(46)</b>	<b>14.05</b>	<b>(16)</b>	<b>-1.15</b>	<b>(85)</b>
VEBA - Total Fund Policy	4.09	(11)	3.62	(33)	15.12	(72)	11.54	(54)	N/A	
All Master Trust - Total Fund Median	0.63		2.75		16.39		11.75		1.10	
<b>VEBA Total Fund</b>	<b>1.93</b>	<b>(18)</b>	<b>4.40</b>	<b>(24)</b>	<b>16.63</b>	<b>(64)</b>	<b>14.05</b>	<b>(22)</b>	<b>-1.15</b>	<b>(89)</b>
VEBA - Total Fund Policy	4.09	(4)	3.62	(43)	15.12	(92)	11.54	(76)	N/A	
Master Trust >=55% and <70% Equity Median	0.44		3.33		17.20		12.75		1.01	
<b>Total Domestic Equity</b>	<b>-0.87</b>	<b>(71)</b>	<b>5.51</b>	<b>(69)</b>	<b>25.69</b>	<b>(28)</b>	<b>27.12</b>	<b>(5)</b>	<b>N/A</b>	
VEBA - Total Domestic Equity Policy	1.93	(35)	4.96	(74)	25.22	(35)	23.37	(27)	N/A	
Russell 3000 Index	2.14	(31)	7.29	(41)	25.22	(35)	21.46	(57)	3.84	(25)
All Master Trust-US Equity Segment Median	0.94		6.70		24.50		21.84		1.82	
Dodge & Cox Stock Fund (DODGX)	-5.09	(81)	4.54	(44)	28.28	(2)	31.30	(5)	N/A	
Russell 1000 Value Index	2.86	(17)	4.13	(53)	23.81	(28)	25.32	(39)	3.01	(18)
IM U.S. Large Cap Value Equity (MF) Median	-1.37		4.27		22.38		24.51		0.41	
MFS Equity Investment	N/A									
Russell 1000 Growth Index	3.02	(20)	10.56	(60)	26.92	(52)	17.07	(55)	5.76	(24)
IM U.S. Large Cap Growth Equity (SA+CF) Median	-0.69		11.28		27.16		17.40		3.14	
Lord Abbett (LVOVX)	-0.84	(42)	5.87	(7)	26.74	(21)	27.72	(34)	N/A	
Russell 2500 Value Index	0.22	(31)	0.99	(57)	24.94	(42)	26.88	(42)	-1.49	(32)
IM U.S. SMID Cap Value Equity (MF) Median	-2.90		1.44		24.42		26.30		-3.34	
<b>Total Domestic Fixed Income</b>										
CS McKee	6.36	(32)	2.63	(11)	4.37	(80)	0.08	(58)	N/A	
Barclays Aggregate Index	6.00	(61)	1.86	(74)	4.37	(79)	-0.69	(88)	7.47	(72)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	6.13		2.03		4.98		0.17		7.86	
<b>Cash W/Income Lending</b>	<b>2.73</b>		<b>0.01</b>		<b>0.01</b>		<b>0.00</b>		<b>-0.01</b>	
90 Day U.S. Treasury Bill	0.13		0.03		0.04		0.09		0.04	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

Peer Group Analysis - All Master Trust - Total Fund



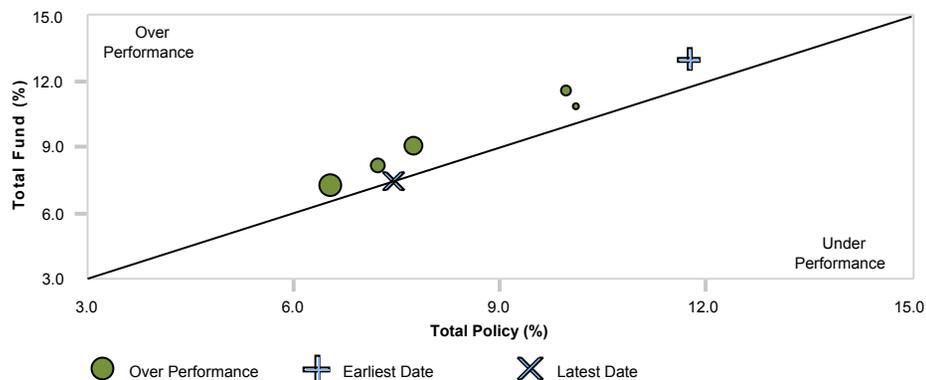
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	1.91 (47)	3.14 (45)	1.93 (27)	3.16 (19)	7.47 (22)	9.08 (14)	6.95 (34)
● Total Policy	2.76 (14)	5.43 (11)	4.09 (11)	3.86 (11)	7.48 (21)	8.48 (28)	N/A
Median	1.87	2.94	0.63	1.79	6.38	7.67	6.41

	2015	2014	2013	2012	2011
● Total Fund	0.40 (30)	8.15 (19)	19.39 (16)	11.91 (62)	-2.51 (91)
● Total Policy	-0.34 (48)	8.68 (14)	15.51 (53)	11.24 (73)	N/A
Median	-0.46	6.20	15.77	12.44	0.33

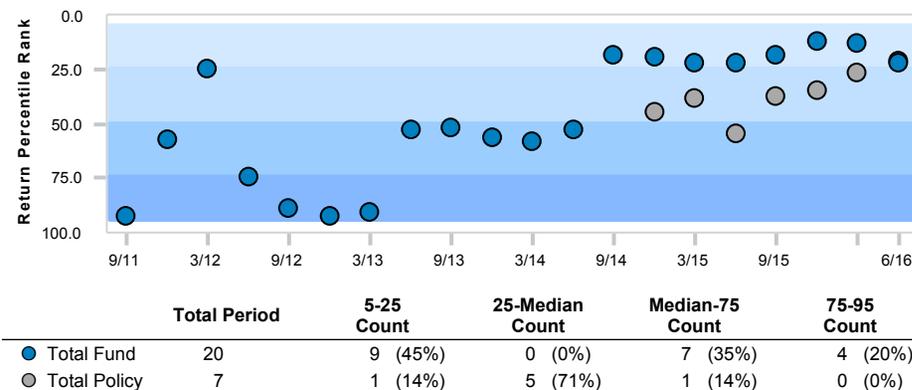
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Total Fund	1.20 (44)	3.52 (12)	-4.54 (38)	0.16 (34)	1.42 (89)	3.27 (11)
Total Policy	2.60 (9)	2.47 (53)	-3.64 (22)	-1.00 (88)	1.96 (69)	3.67 (6)
All Master Trust - Total Fund Median	1.05	2.55	-5.00	-0.08	2.25	1.83

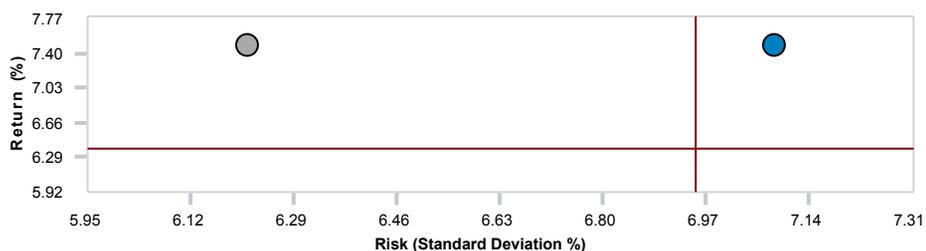
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	7.47	7.09
Total Policy	7.48	6.21
Median	6.38	6.95

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	6.95	8.42
Total Policy	N/A	N/A
Median	6.41	7.76

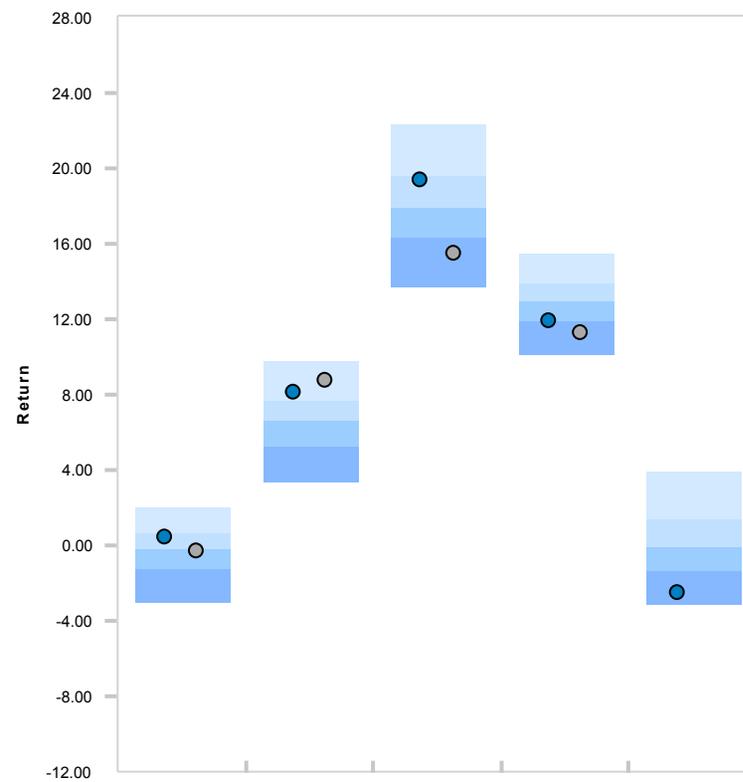
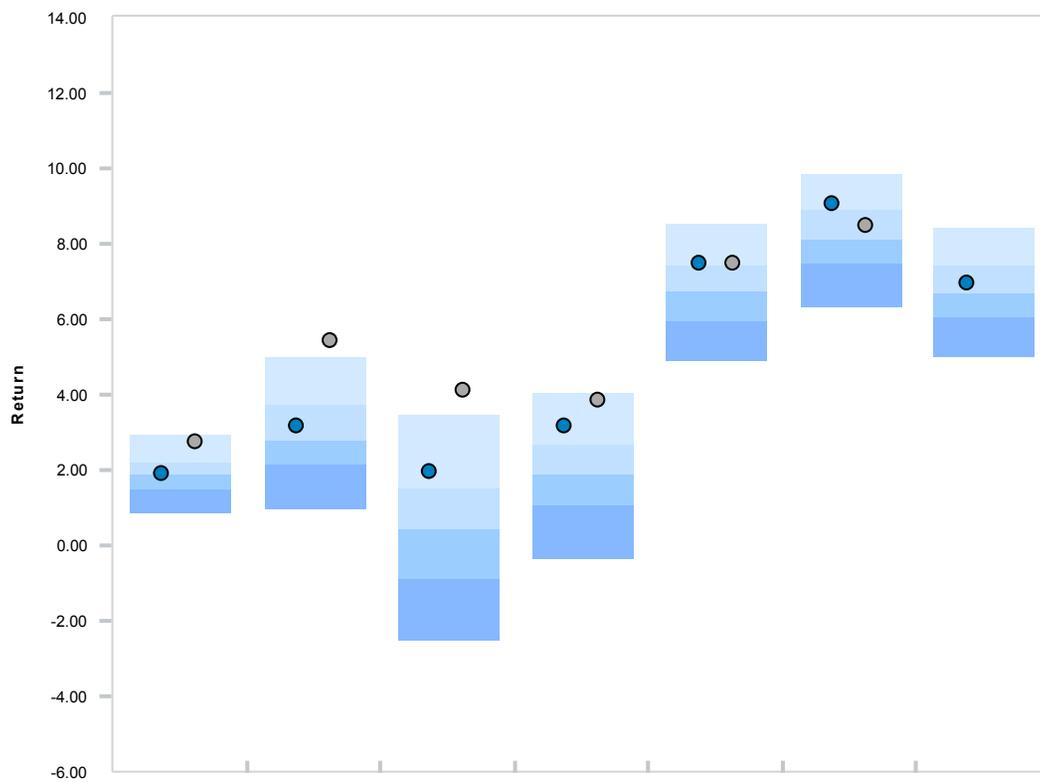
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.01	104.46	109.64	-0.68	0.02	1.04	1.10	3.79
Total Policy	0.00	100.00	100.00	0.00	N/A	1.19	1.00	3.31

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	0.83	N/A	5.19
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Peer Group Analysis - Master Trust >=55% and <70% Equity



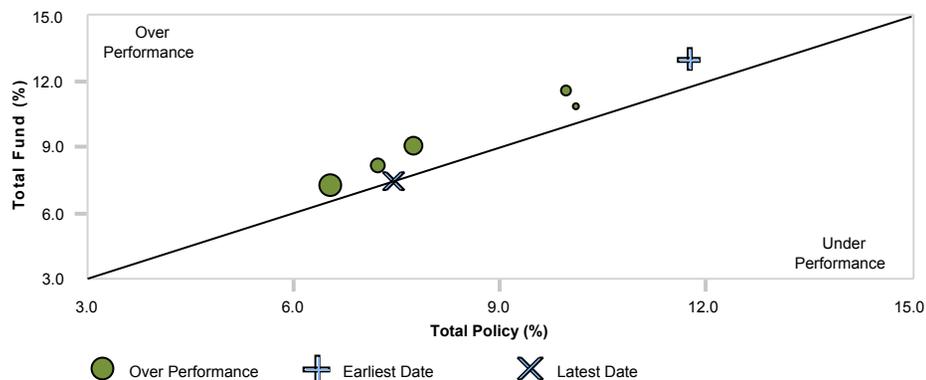
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	1.91 (47)	3.14 (39)	1.93 (18)	3.16 (17)	7.47 (24)	9.08 (19)	6.95 (41)
● Total Policy	2.76 (7)	5.43 (5)	4.09 (4)	3.86 (8)	7.48 (24)	8.48 (39)	N/A
Median	1.87	2.77	0.44	1.88	6.74	8.13	6.68

	2015	2014	2013	2012	2011
● Total Fund	0.40 (32)	8.15 (17)	19.39 (28)	11.91 (76)	-2.51 (91)
● Total Policy	-0.34 (54)	8.68 (9)	15.51 (84)	11.24 (85)	N/A
Median	-0.22	6.63	17.92	12.96	-0.14

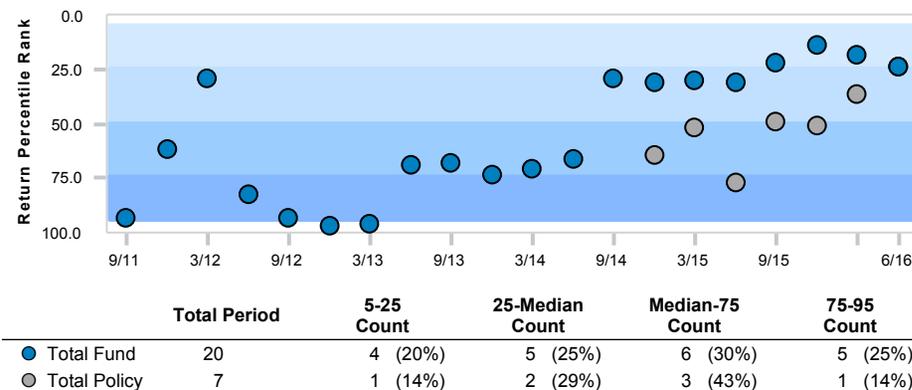
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Total Fund	1.20 (38)	3.52 (21)	-4.54 (15)	0.16 (34)	1.42 (95)	3.27 (14)
Total Policy	2.60 (3)	2.47 (86)	-3.64 (3)	-1.00 (95)	1.96 (79)	3.67 (6)
Master Trust >=55% and <70% Equity Median	0.93	3.11	-5.40	-0.06	2.37	2.29

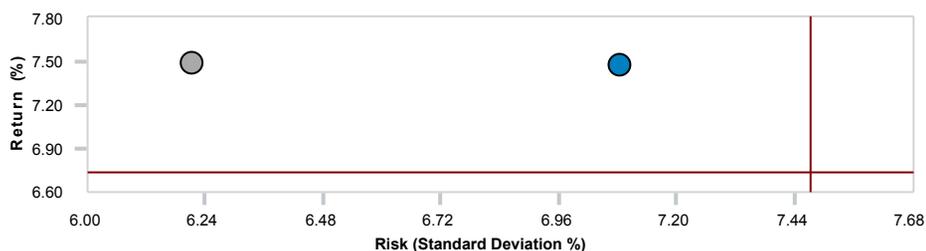
3 Yr Rolling Under/Over Performance - 5 Years



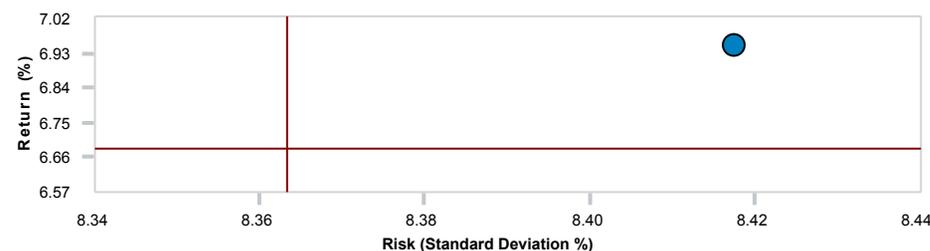
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



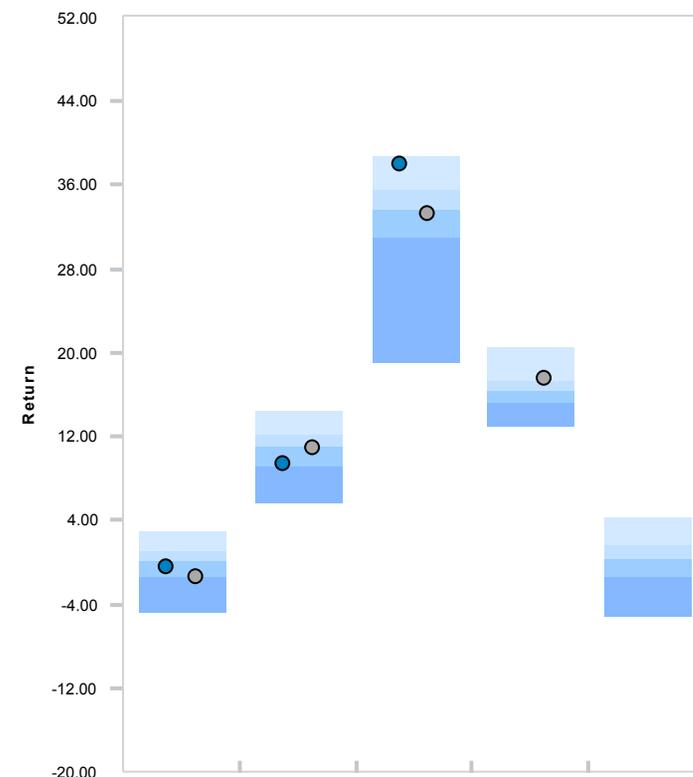
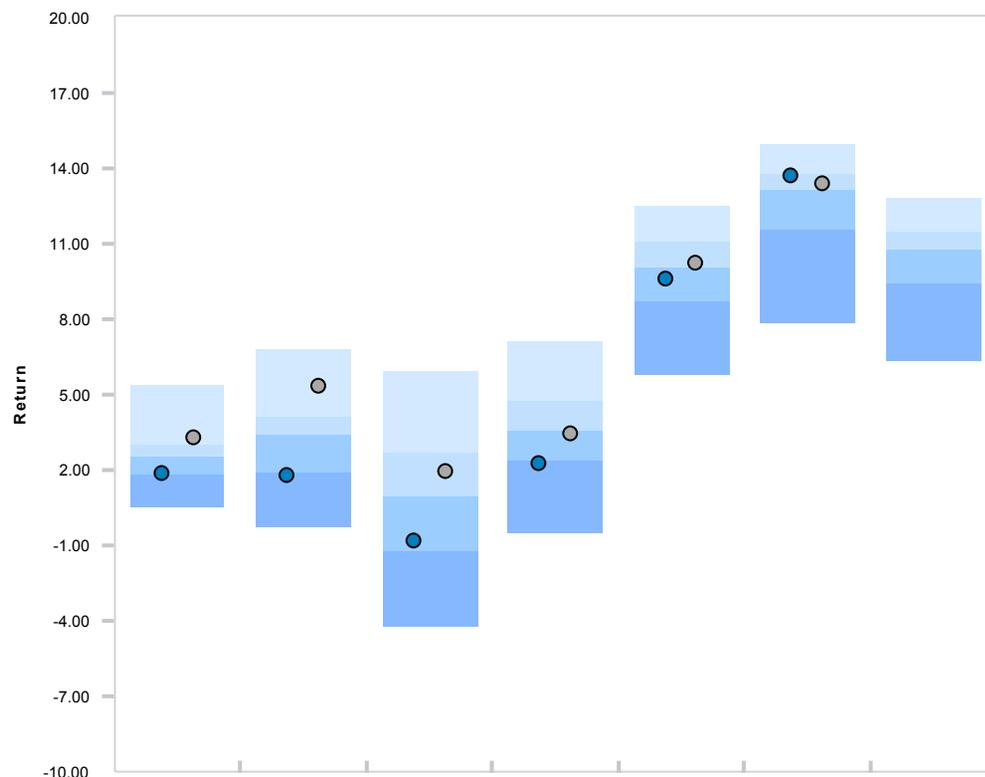
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.01	104.46	109.64	-0.68	0.02	1.04	1.10	3.79
Total Policy	0.00	100.00	100.00	0.00	N/A	1.19	1.00	3.31

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	0.83	N/A	5.19
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Peer Group Analysis - All Master Trust-US Equity Segment



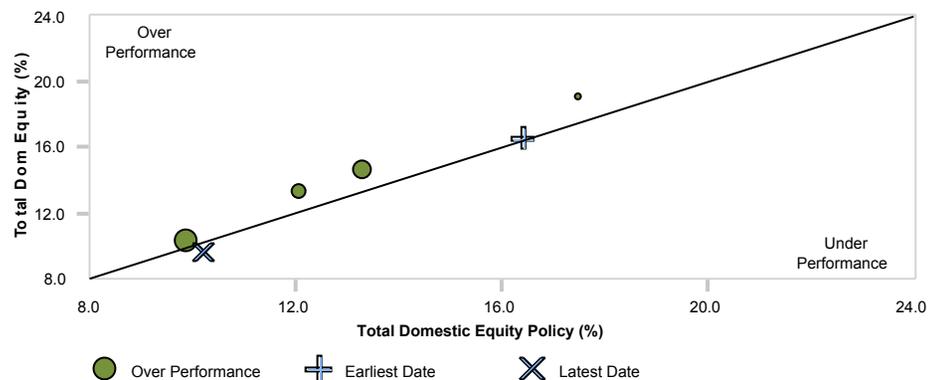
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Dom Equity	1.86 (74)	1.76 (79)	-0.87 (71)	2.27 (77)	9.55 (63)	13.70 (29)	N/A
● Total Equity Policy	3.23 (20)	5.29 (13)	1.93 (35)	3.44 (56)	10.24 (47)	13.39 (40)	N/A
Median	2.52	3.44	0.94	3.62	10.08	13.12	10.79

	2015	2014	2013	2012	2011
● Total Dom Equity	-0.41 (63)	9.43 (74)	37.95 (9)	N/A	N/A
● Total Equity Policy	-1.52 (78)	10.93 (52)	33.21 (57)	17.49 (25)	N/A
Median	0.14	11.06	33.67	16.45	0.22

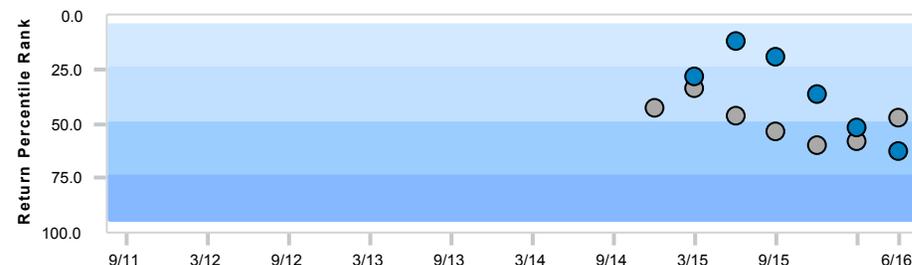
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Total Dom Equity	-0.10 (74)	5.96 (39)	-8.06 (70)	1.04 (9)	1.18 (81)	4.20 (70)
Total Domestic Equity Policy	2.00 (15)	5.08 (69)	-7.87 (64)	-0.41 (84)	2.14 (44)	5.35 (36)
All Master Trust-US Equity Segment Median	0.83	5.67	-7.50	0.22	1.92	5.00

### 3 Yr Rolling Under/Over Performance - 5 Years

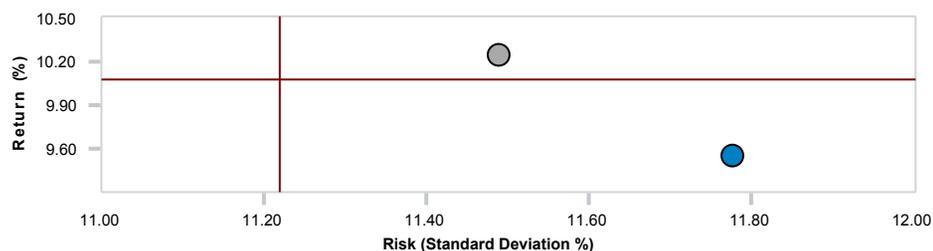


### 3 Yr Rolling Percentile Ranking - 5 Years



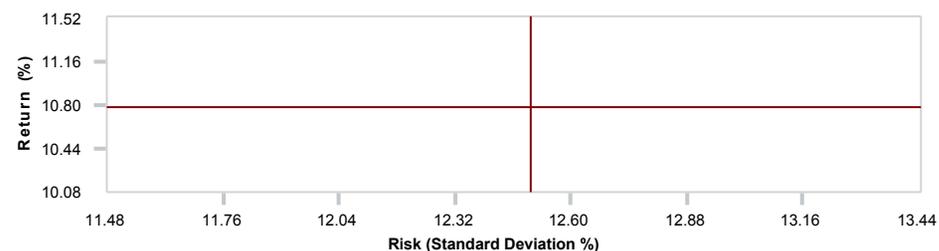
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Dom Equity	6	2 (33%)	2 (33%)	2 (33%)	0 (0%)
● Total Equity Policy	7	0 (0%)	4 (57%)	3 (43%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Dom Equity	9.55	11.78
● Total Equity Policy	10.24	11.49
— Median	10.08	11.22

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Dom Equity	N/A	N/A
● Total Equity Policy	N/A	N/A
— Median	10.79	12.50

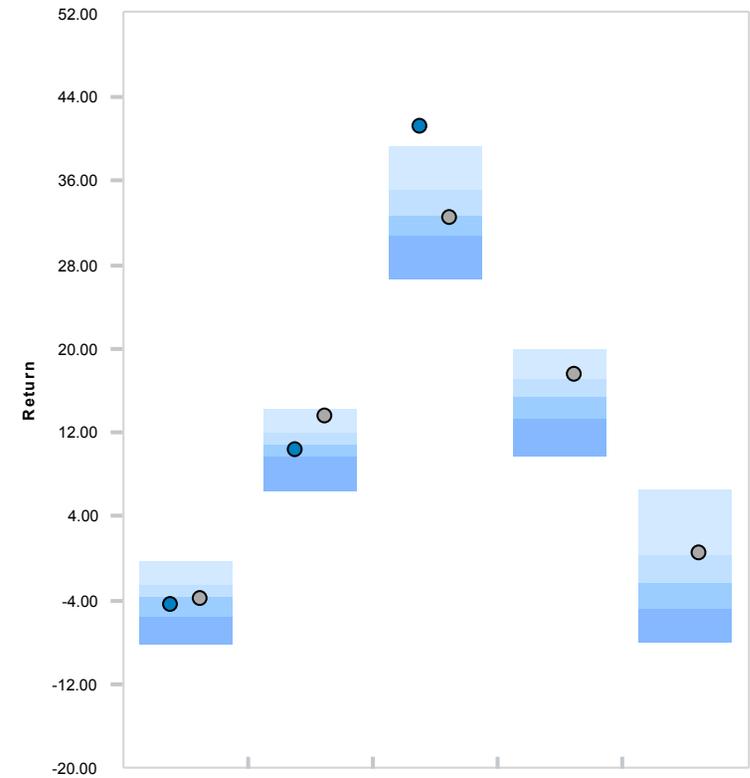
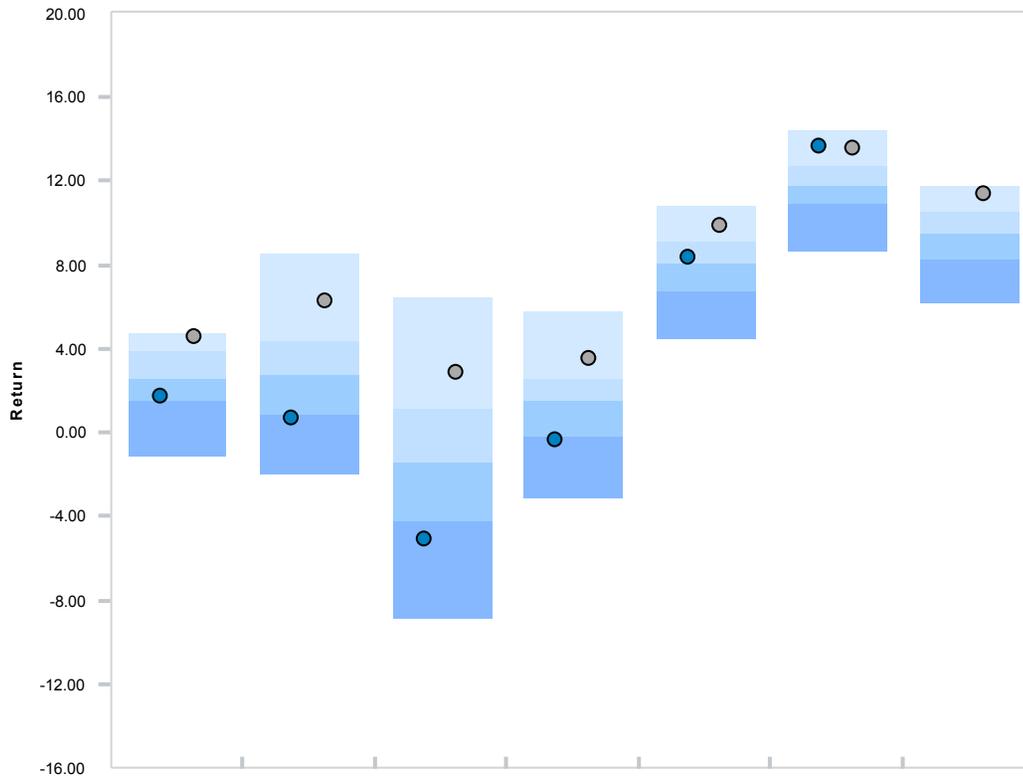
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Equity	2.67	95.60	96.85	-0.58	-0.23	0.83	1.00	6.70
Total Domestic Equity Policy	0.00	100.00	100.00	0.00	N/A	0.90	1.00	6.56

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Domestic Equity Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



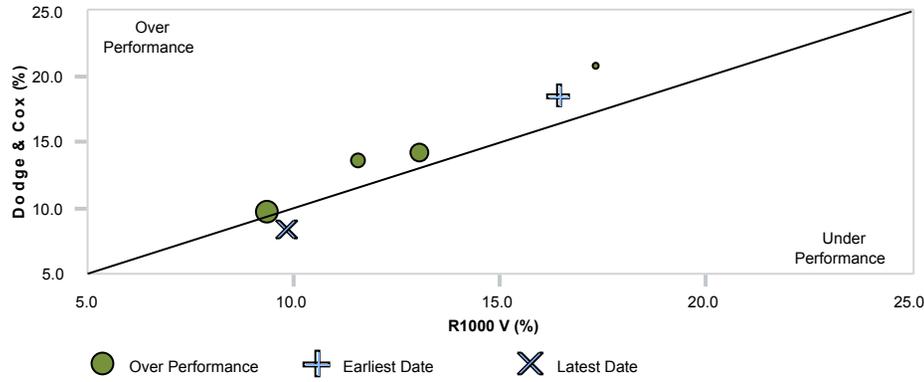
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Dodge & Cox	1.70 (69)	0.69 (78)	-5.09 (81)	-0.39 (77)	8.37 (44)	13.70 (12)	N/A
● R1000 V	4.58 (8)	6.30 (13)	2.86 (17)	3.49 (17)	9.87 (14)	13.54 (13)	11.35 (9)
Median	2.54	2.79	-1.37	1.50	8.06	11.77	9.45

	2015	2014	2013	2012	2011
● Dodge & Cox	-4.48 (63)	10.40 (63)	41.28 (1)	N/A	N/A
● R1000 V	-3.83 (53)	13.45 (9)	32.53 (51)	17.51 (23)	0.39 (25)
Median	-3.70	10.88	32.67	15.34	-2.31

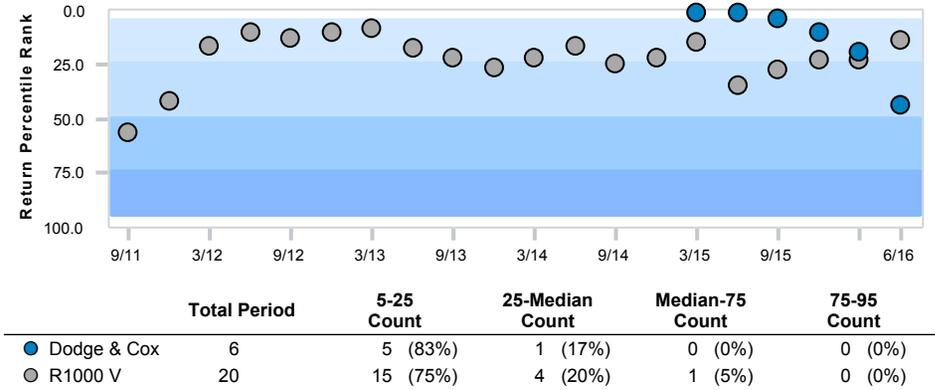
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Dodge & Cox	-0.99 (78)	4.55 (73)	-9.84 (73)	2.56 (2)	-1.19 (89)	2.21 (85)
R1000 V	1.64 (20)	5.64 (27)	-8.40 (46)	0.11 (65)	-0.72 (74)	4.98 (23)
IM U.S. Large Cap Value Equity (MF) Median	0.00	5.16	-8.75	0.44	-0.23	4.18

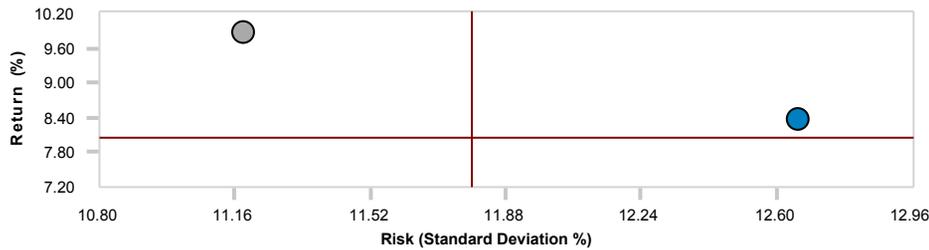
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years

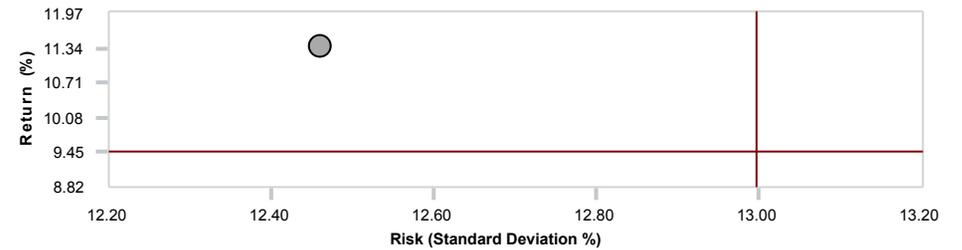


Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Dodge & Cox	8.37	12.66
● R1000 V	9.87	11.18
— Median	8.06	11.79

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Dodge & Cox	N/A	N/A
● R1000 V	11.35	12.46
— Median	9.45	13.00

Historical Statistics - 3 Years

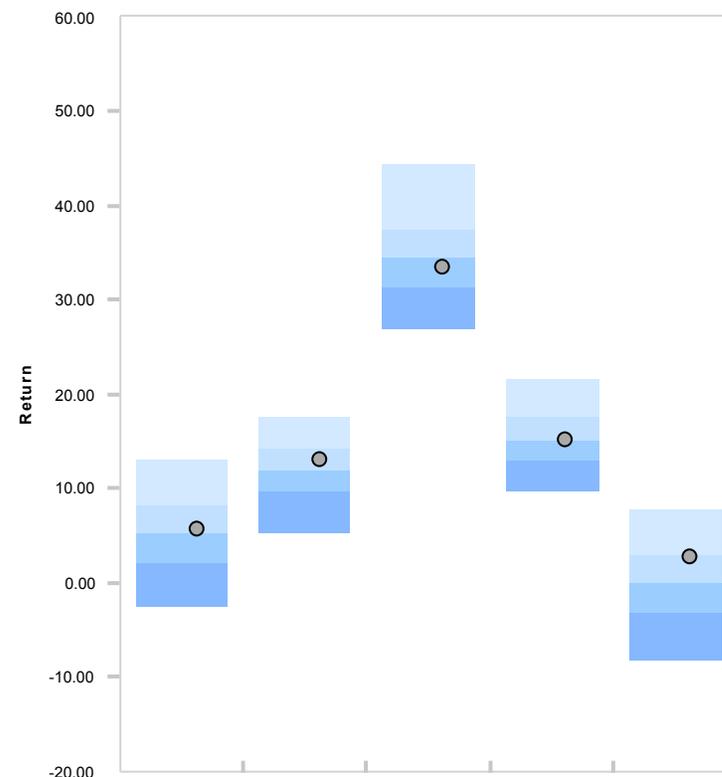
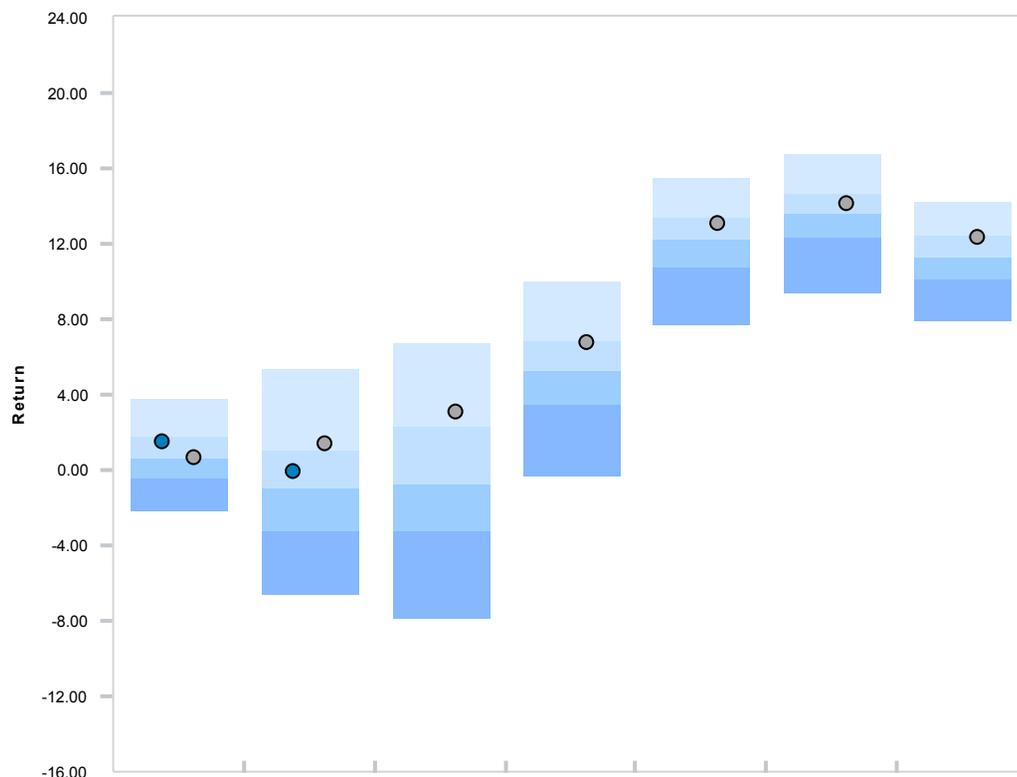
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dodge & Cox	3.95	99.45	109.34	-1.97	-0.30	0.69	1.08	7.81
R1000 V	0.00	100.00	100.00	0.00	N/A	0.89	1.00	6.63

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dodge & Cox	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R1000 V	0.00	100.00	100.00	0.00	N/A	0.92	1.00	7.43

Page Intentionally Left Blank

Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)



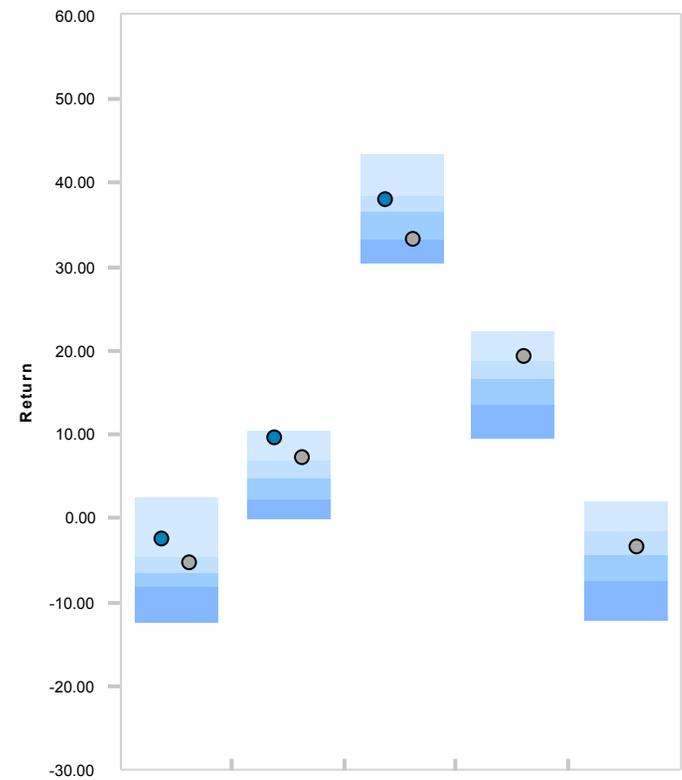
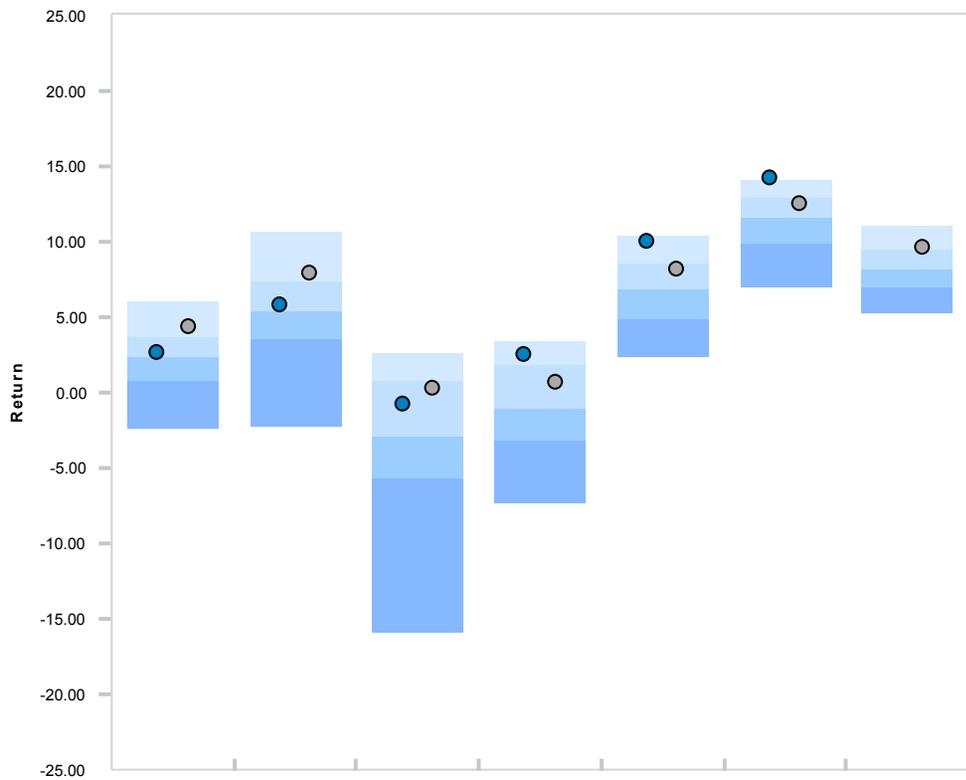
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● MFS Equity	1.49 (31)	-0.12 (38)	N/A	N/A	N/A	N/A	N/A
● R1000G Index	0.61 (51)	1.36 (22)	3.02 (20)	6.72 (28)	13.07 (34)	14.06 (39)	12.35 (27)
Median	0.63	-0.90	-0.69	5.29	12.22	13.53	11.27

	2015	2014	2013	2012	2011
● MFS Equity	N/A	N/A	N/A	N/A	N/A
● R1000G Index	5.67 (47)	13.05 (39)	33.48 (60)	15.26 (50)	2.64 (27)
Median	5.20	12.01	34.56	15.19	0.07

Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
MFS Equity	-1.59 (50)	N/A	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	0.74 (21)	7.32 (47)	-5.29 (34)	0.12 (66)	3.84 (52)	4.78 (59)
IM U.S. Large Cap Growth Equity (SA+CF) Median	-1.59	7.05	-5.91	0.63	3.93	5.13

Peer Group Analysis - IM U.S. SMID Cap Value Equity (MF)



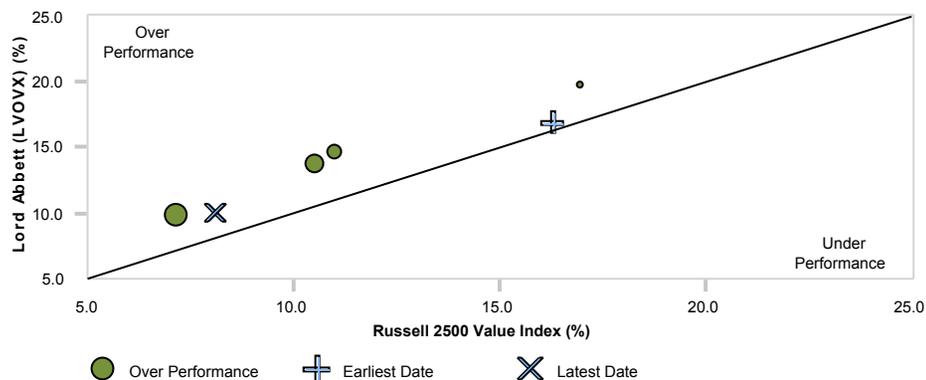
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Lord Abbett (LVOVX)	2.63 (47)	5.84 (45)	-0.84 (42)	2.46 (14)	9.99 (13)	14.18 (5)	N/A
● R2500 Value	4.37 (14)	7.84 (22)	0.22 (31)	0.60 (32)	8.14 (31)	12.55 (31)	9.59 (24)
Median	2.35	5.46	-2.90	-1.08	6.90	11.52	8.11

	2015	2014	2013	2012	2011
● Lord Abbett (LVOVX)	-2.53 (12)	9.45 (10)	37.87 (34)	N/A	N/A
● R2500 Value	-5.49 (34)	7.11 (23)	33.32 (75)	19.21 (14)	-3.36 (37)
Median	-6.53	4.80	36.52	16.60	-4.41

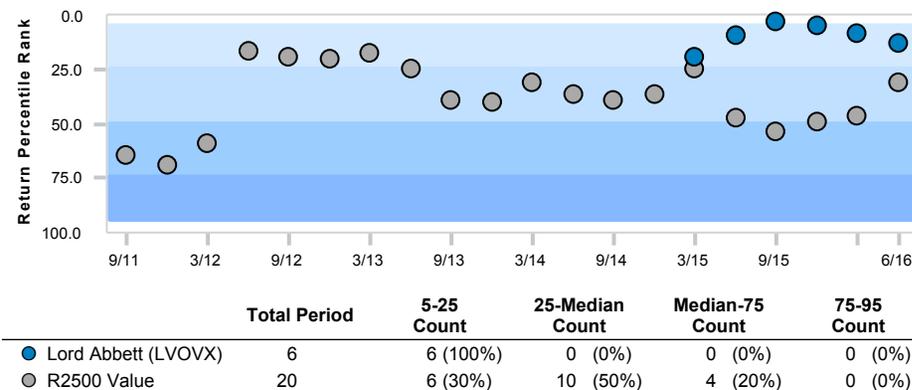
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Lord Abbett (LVOVX)	3.12 (52)	1.75 (59)	-7.92 (19)	-0.14 (40)	4.18 (9)	7.87 (26)
Russell 2500 Value Index	3.33 (51)	2.78 (23)	-9.58 (51)	-1.27 (66)	3.02 (45)	6.09 (68)
IM U.S. SMID Cap Value Equity (MF) Median	3.34	2.16	-9.55	-0.62	2.80	6.86

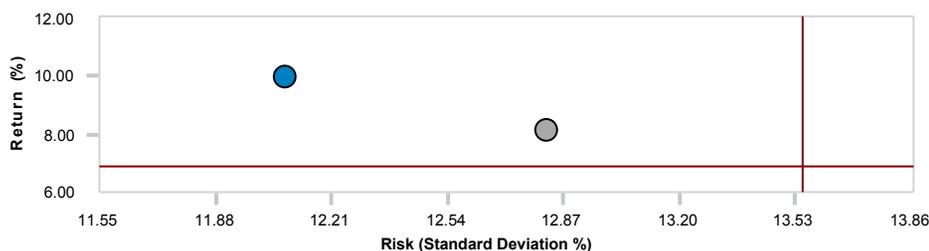
### 3 Yr Rolling Under/Over Performance - 5 Years



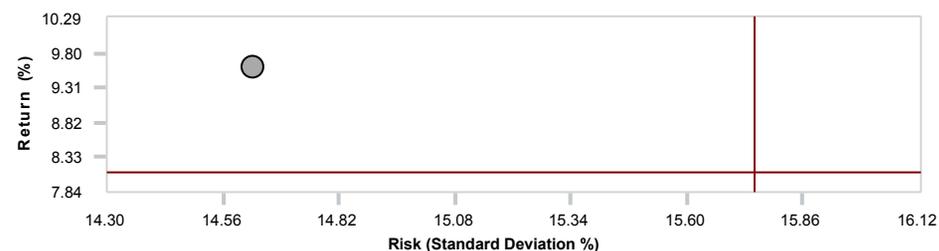
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



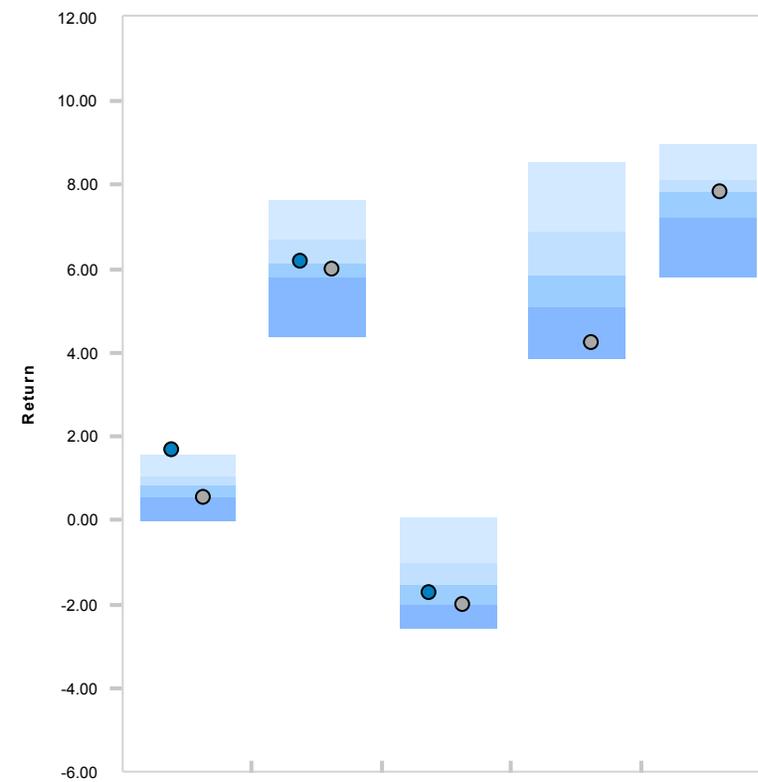
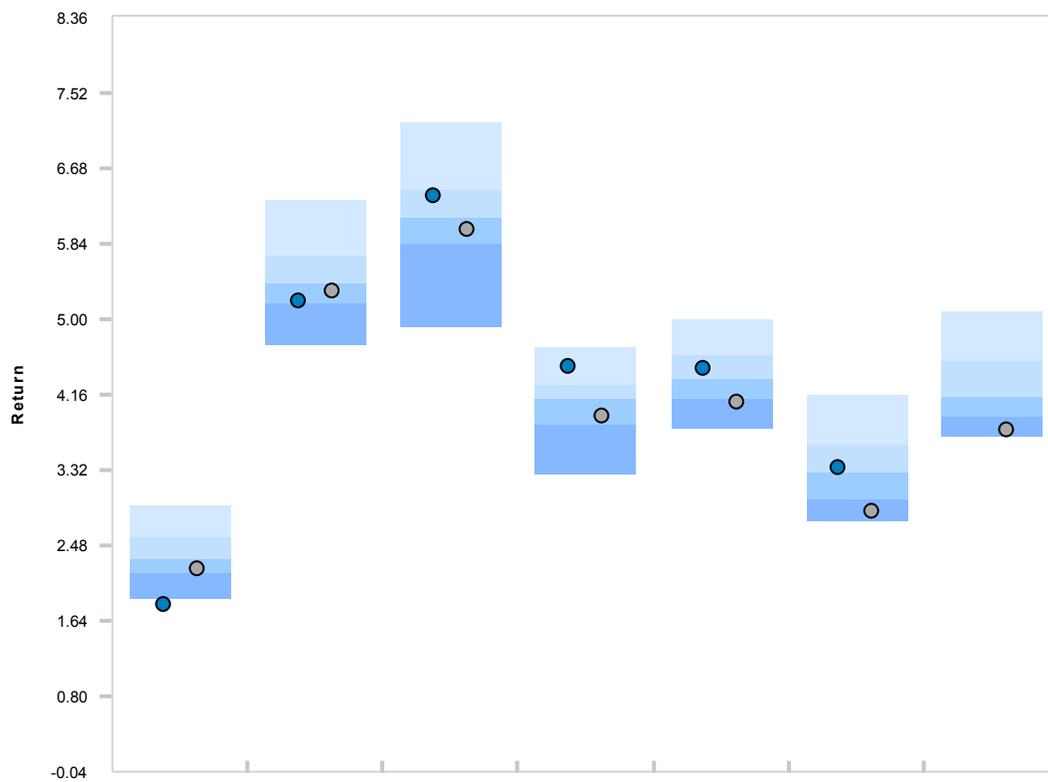
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Lord Abbett (LVOVX)	3.39	95.46	81.87	2.43	0.48	0.85	0.91	6.86
Russell 2500 Value Index	0.00	100.00	100.00	0.00	N/A	0.67	1.00	7.95

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Lord Abbett (LVOVX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2500 Value Index	0.00	100.00	100.00	0.00	N/A	0.70	1.00	9.23

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



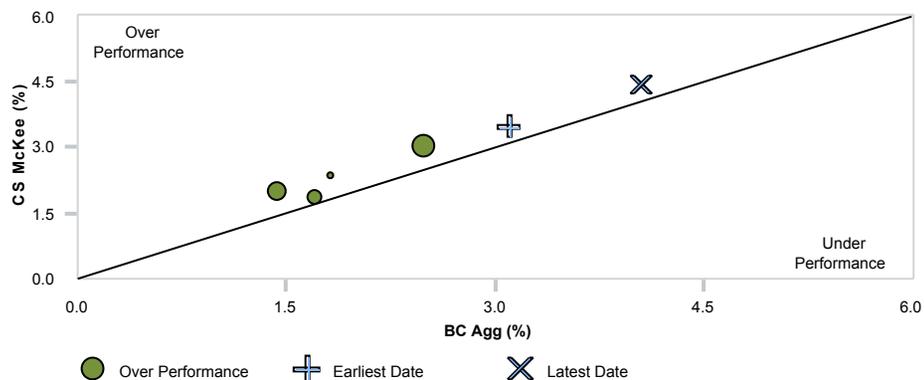
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● CS McKee	1.82 (97)	5.20 (73)	6.36 (33)	4.48 (11)	4.44 (40)	3.33 (45)	N/A
● BC Agg	2.21 (68)	5.31 (62)	6.00 (61)	3.91 (70)	4.06 (83)	2.85 (88)	3.76 (89)
Median	2.32	5.40	6.13	4.11	4.33	3.29	4.14

	2015	2014	2013	2012	2011
● CS McKee	1.67 (3)	6.15 (50)	-1.75 (64)	N/A	N/A
● BC Agg	0.55 (73)	5.97 (66)	-2.02 (74)	4.21 (90)	7.84 (49)
Median	0.81	6.14	-1.55	5.83	7.82

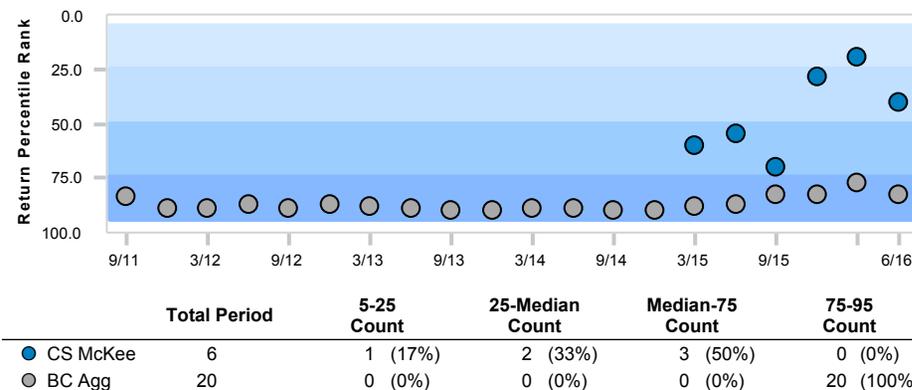
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
CS McKee	3.31 (11)	-0.15 (9)	1.26 (36)	-1.24 (15)	1.82 (31)	1.73 (51)
BC Agg	3.03 (51)	-0.57 (72)	1.23 (40)	-1.68 (72)	1.61 (75)	1.79 (40)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.03	-0.45	1.14	-1.60	1.74	1.74

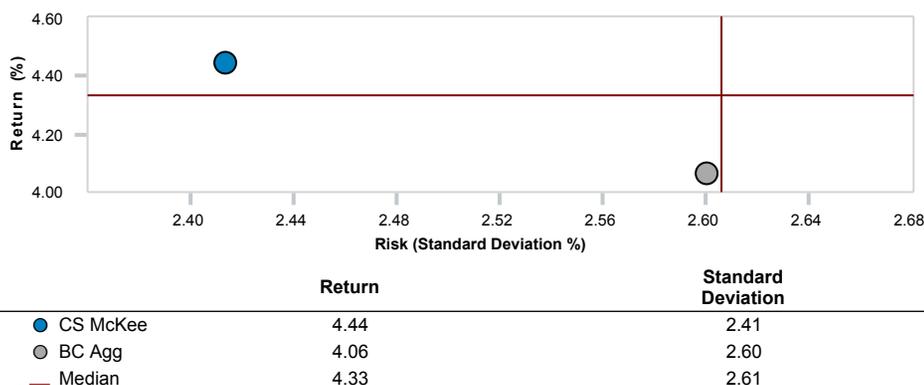
3 Yr Rolling Under/Over Performance - 5 Years



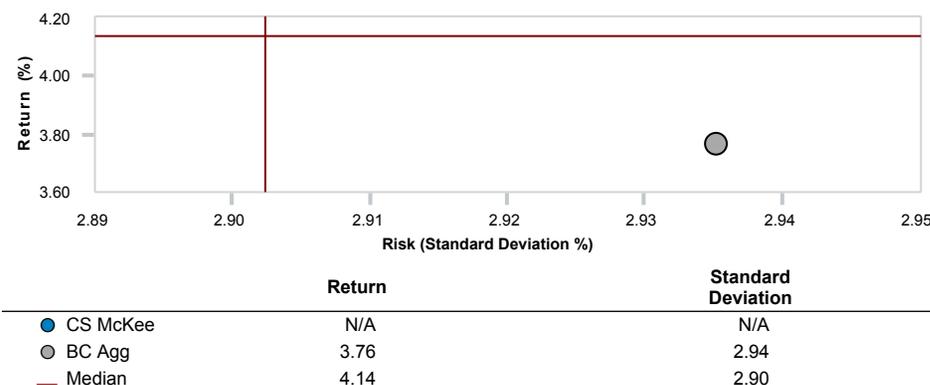
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



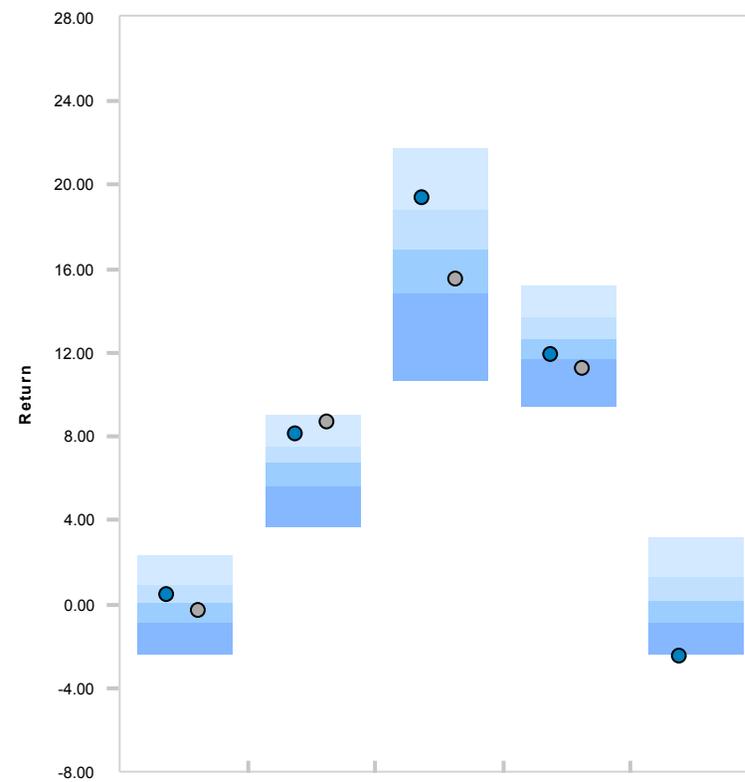
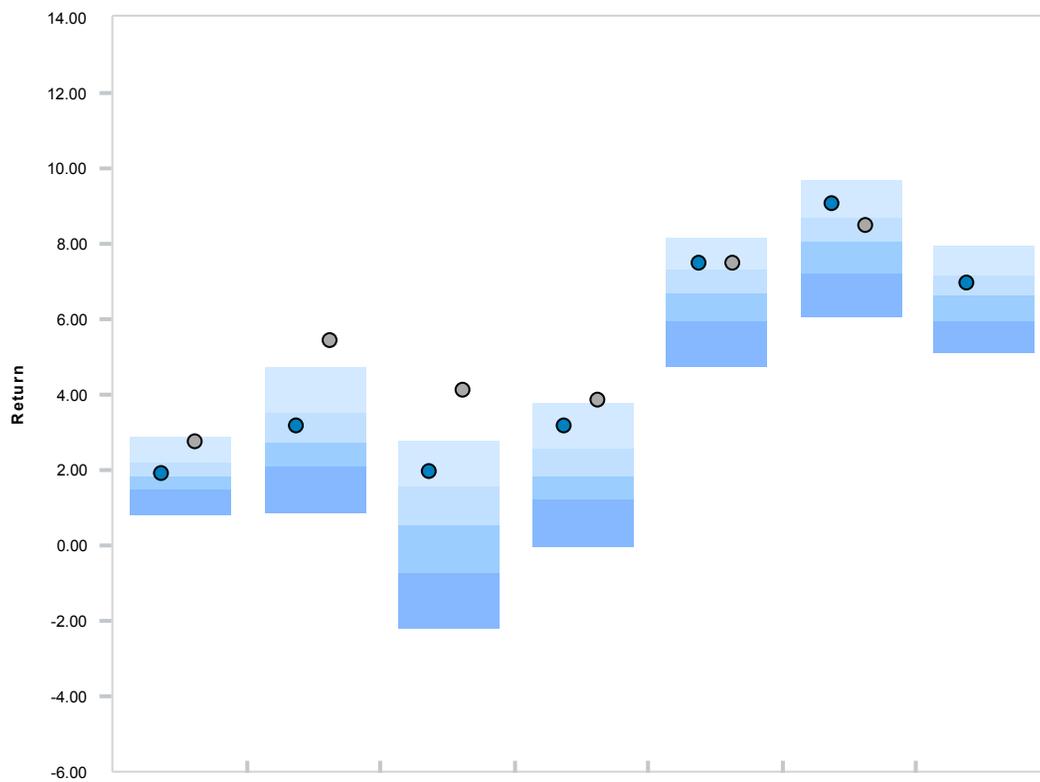
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
CS McKee	0.51	97.75	74.95	0.79	0.70	1.82	0.89	0.92
BC Agg	0.00	100.00	100.00	0.00	N/A	1.52	1.00	1.11

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
CS McKee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BC Agg	0.00	100.00	100.00	0.00	N/A	1.34	1.00	1.42

Peer Group Analysis - All Public Plans-Total Fund



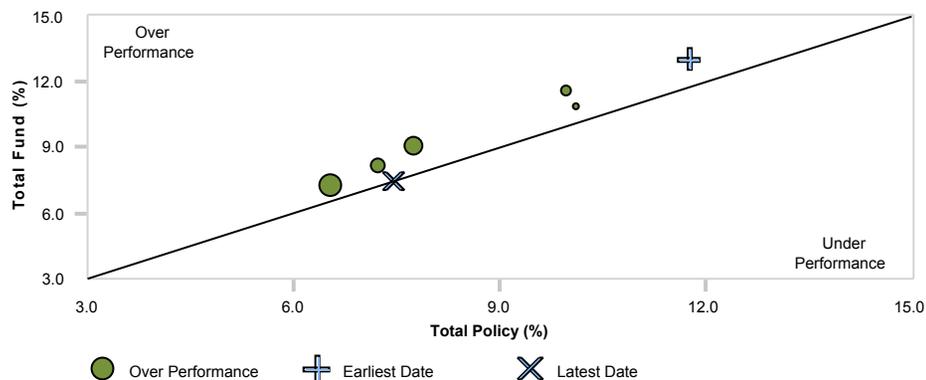
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	1.91 (43)	3.14 (40)	1.93 (16)	3.16 (14)	7.47 (18)	9.08 (14)	6.95 (36)
● Total Policy	2.76 (7)	5.43 (3)	4.09 (2)	3.86 (5)	7.48 (18)	8.48 (35)	N/A
Median	1.83	2.73	0.53	1.83	6.66	8.05	6.61

	2015	2014	2013	2012	2011
● Total Fund	0.40 (39)	8.15 (15)	19.39 (20)	11.91 (69)	-2.51 (96)
● Total Policy	-0.34 (61)	8.68 (7)	15.51 (69)	11.24 (82)	N/A
Median	0.01	6.74	16.88	12.69	0.15

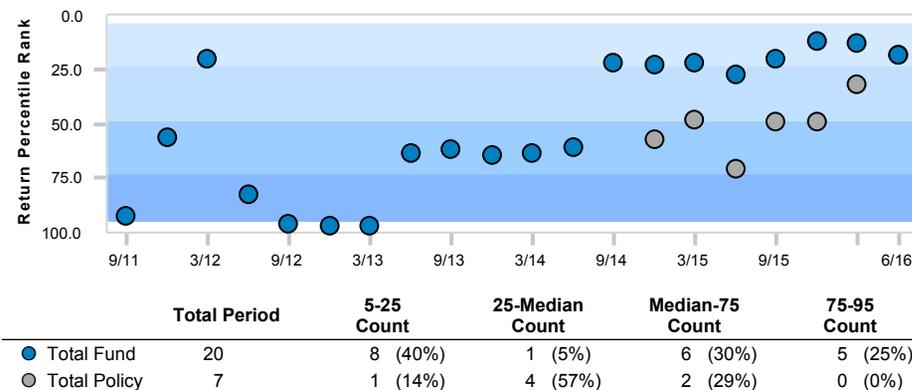
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Total Fund	1.20 (41)	3.52 (17)	-4.54 (30)	0.16 (32)	1.42 (96)	3.27 (13)
Total Policy	2.60 (3)	2.47 (70)	-3.64 (9)	-1.00 (95)	1.96 (86)	3.67 (5)
All Public Plans-Total Fund Median	1.03	2.87	-5.03	-0.13	2.43	2.27

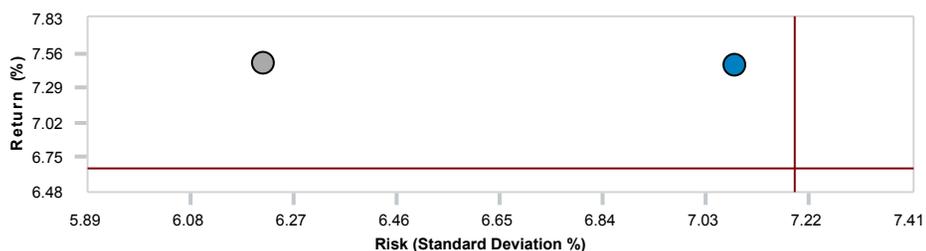
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years

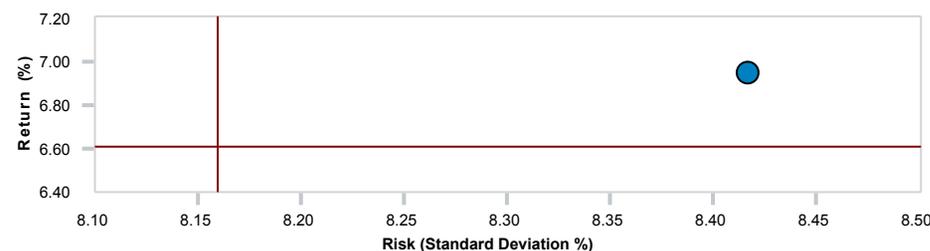


### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Fund	7.47	7.09
● Total Policy	7.48	6.21
— Median	6.66	7.19

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Fund	6.95	8.42
● Total Policy	N/A	N/A
— Median	6.61	8.16

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.01	104.46	109.64	-0.68	0.02	1.04	1.10	3.79
Total Policy	0.00	100.00	100.00	0.00	N/A	1.19	1.00	3.31

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	0.83	N/A	5.19
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

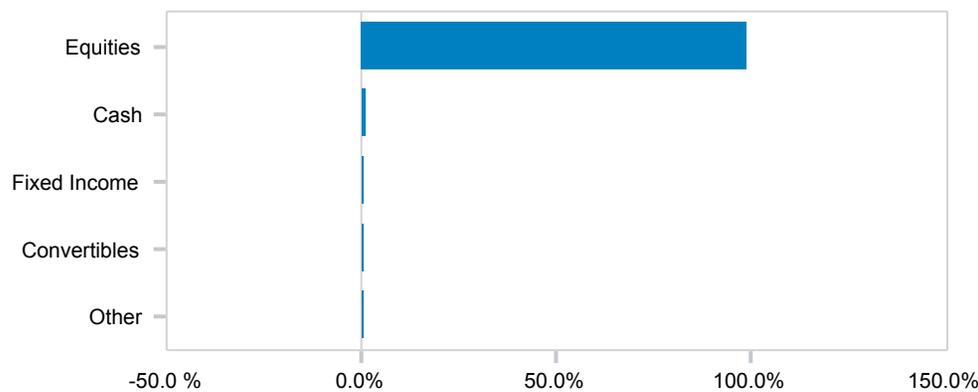
**Fund Information**

Fund Name :	Dodge & Cox Funds: Dodge & Cox Stock Fund	Portfolio Assets :	\$53,717 Million
Fund Family :	Dodge & Cox	Portfolio Manager :	Team Managed
Ticker :	DODGX	PM Tenure :	
Inception Date :	01/04/1965	Fund Style :	IM U.S. Large Cap Value Equity (MF)
Fund Assets :	\$53,717 Million	Style Benchmark :	Russell 1000 Value Index
Portfolio Turnover :	15%		

**Fund Investment Policy**

The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.

**Asset Allocation As of 03/31/2016**



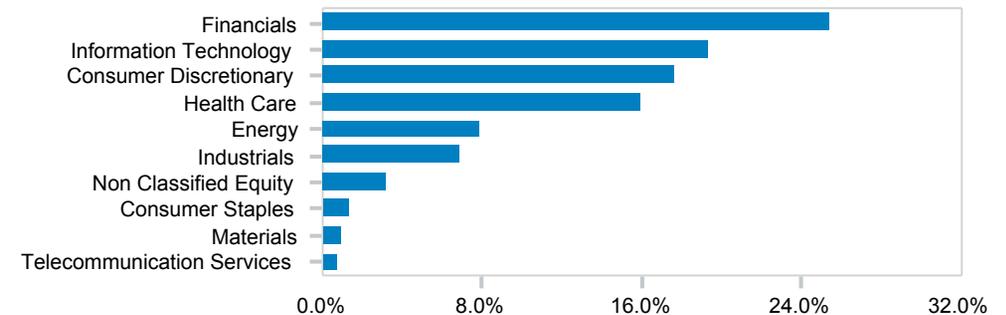
**Top Ten Securities As of 03/31/2016**

Time Warner Cable Inc ORD	4.2 %
Capital One Financial Corp ORD	3.8 %
Wells Fargo & Co ORD	3.7 %
Charles Schwab Corp ORD	3.2 %
Bank of America Corp ORD	3.2 %
Microsoft Corp ORD	3.2 %
Hewlett Packard Enterprise Co ORD	3.2 %
Time Warner Inc ORD	3.0 %
Comcast Corp ORD	2.9 %
EMC Corp ORD	2.8 %

**Fund Characteristics As of 03/31/2016**

Total Securities	67
Avg. Market Cap	\$91,744 Million
P/E	22.2
P/B	2.8
Div. Yield	2.4%
Annual EPS	-3.8
5Yr EPS	6.2
3Yr EPS Growth	4.9

**Sector/Quality Allocation As of 03/31/2016**



**Portfolio Characteristics (Benchmark: Russell 1000 Growth Index)**

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	109,396,527,609	129,409,502,625
Median Mkt. Cap (\$)	32,904,455,065	8,880,234,790
Price/Earnings ratio	30.1	23.3
Price/Book ratio	4.8	5.5
5 Yr. EPS Growth Rate (%)	9.0	9.7
Current Yield (%)	0.8	1.6
Beta	N/A	1.00
Number of Stocks	87	600

**Top Ten Equity Holdings (Benchmark: Russell 1000 Growth Index)**

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Facebook Inc	3.9	2.5	1.4	0.2
Visa Inc	3.9	1.4	2.5	-2.8
Amazon.com Inc	3.5	2.8	0.7	20.5
Alphabet Inc	3.5	2.0	1.4	-7.8
Danaher Corp	2.7	0.2	2.5	6.6
Thermo Fisher Scientific Inc	2.7	0.3	2.4	4.5
MasterCard Inc	2.6	0.8	1.8	-6.6
Alphabet Inc	2.6	2.0	0.6	-7.1
Adobe Systems Inc	2.5	0.5	2.0	2.1
Microsoft Corp	2.4	3.8	-1.5	-6.7

**Ten Best Performers (Benchmark: Russell 1000 Growth Index)**

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
LinkedIn Corp	0.8	0.2	0.6	65.5
NVIDIA Corp	0.6	0.2	0.3	32.3
Amazon.com Inc	3.5	2.8	0.7	20.5
Monster Beverage Corp	0.5	0.2	0.3	20.5
McKesson Corp	0.6	0.4	0.2	18.9
Monsanto Co	1.0	0.3	0.7	18.6
Concho Resources Inc	0.4	0.0	0.4	18.0
Fidelity Natiaol Info Serv Inc.	0.4	0.1	0.2	16.8
Bard (C.R.) Inc	0.8	0.2	0.6	16.2
Bristol-Myers Squibb Co	1.8	1.2	0.6	15.7

**Ten Worst Performers (Benchmark: Russell 1000 Growth Index)**

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Alexion Pharmaceuticals Inc	0.8	0.3	0.6	-16.1
Allergan PLC	0.8	0.5	0.3	-13.8
Apple Inc	1.6	4.7	-3.1	-11.7
Netflix Inc	0.8	0.4	0.4	-10.5
Nike Inc	1.1	0.7	0.4	-9.9
Schwab (Charles) Corp	0.8	0.2	0.6	-9.4
Cognizant Technology	1.1	0.3	0.8	-8.7
Alphabet Inc	3.5	2.0	1.4	-7.8
Rockwell Collins Inc.	0.1	0.1	0.0	-7.3
AMETEK Inc	0.6	0.0	0.5	-7.3

**Buy and Hold Sector Attribution (Benchmark: Russell 1000 Growth Index)**

	Allocation		Performance		Stock	Attribution	
	Portfolio	Benchmark	Portfolio	Benchmark		Sector	Total
Consumer Discretionary	21.8	21.3	3.15	-0.43	0.78	0.00	0.78
Consumer Staples	10.6	11.7	2.93	3.48	-0.06	-0.03	-0.09
Energy	0.4	0.5	12.65	20.15	-0.03	-0.02	-0.05
Financials	2.8	5.6	1.06	3.82	-0.08	-0.09	-0.17
Health Care	14.3	15.6	4.44	3.87	0.08	-0.04	0.04
Industrials	7.5	11.1	2.88	0.38	0.19	0.00	0.19
Information Technology	34.1	28.2	-1.52	-3.57	0.70	-0.24	0.46
Materials	3.8	3.5	9.97	2.21	0.30	0.01	0.30
Telecommunication Services	1.9	2.4	7.76	5.54	0.04	-0.03	0.02
Utilities	0.0	0.1	0.00	5.40	0.00	0.00	0.00
Cash	2.8	0.0	0.06	0.00	0.00	-0.01	-0.01
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>1.94</b>	<b>0.48</b>	<b>1.92</b>	<b>-0.46</b>	<b>1.46</b>

**Portfolio Comparison**

	MFS Equity Investment
<b>Market Capitalization (%)</b>	
Greater than 25000M	72.4
16000M To 25000M	15.4
12000M To 16000M	5.9
8000M To 12000M	3.1
5000M To 8000M	0.8
3000M To 5000M	0.3
Cash	2.0

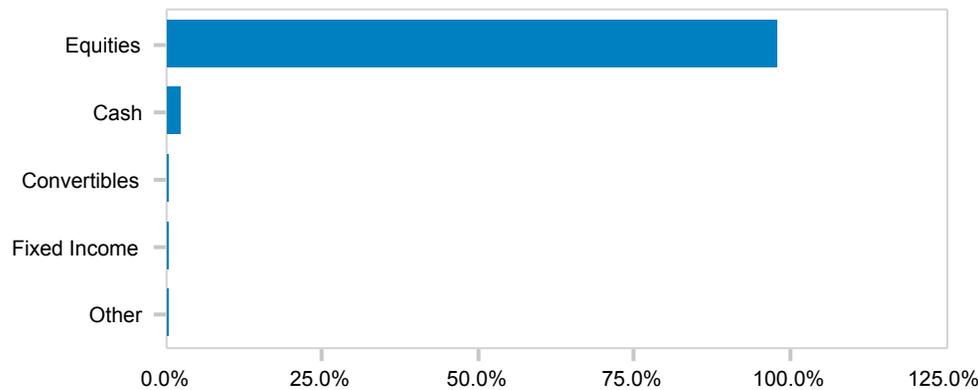
**Fund Information**

Fund Name :	Lord Abbett Securities Trust: Lord Abbett Value Opportunities Fund; Class I Shares	Portfolio Assets :	\$2,550 Million
Fund Family :	Lord Abbett & Co LLC	Portfolio Manager :	Maher/Maurer
Ticker :	LVOYX	PM Tenure :	2008--2007
Inception Date :	12/20/2005	Fund Style :	IM U.S. Mid Cap Core Equity (MF)
Fund Assets :	\$487 Million	Style Benchmark :	Russell Midcap Index
Portfolio Turnover :	47%		

**Fund Investment Policy**

The Fund seeks long-term capital appreciation. To pursue this goal, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of small and mid-sized companies.

**Asset Allocation As of 03/31/2016**



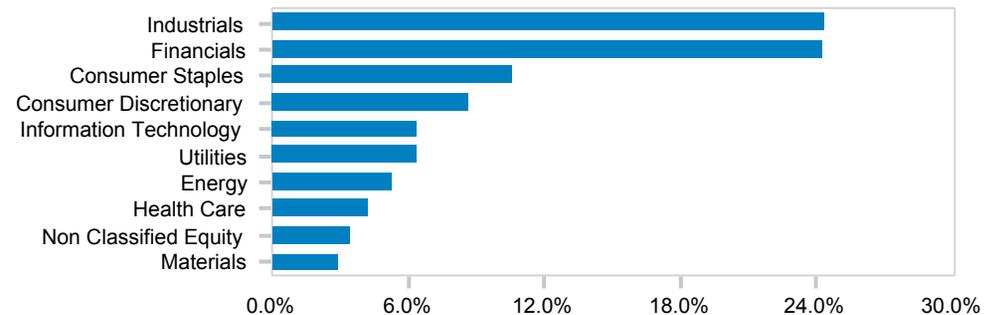
**Fund Characteristics As of 03/31/2016**

Total Securities	74
Avg. Market Cap	\$6,614 Million
P/E	30.6
P/B	3.5
Div. Yield	2.3%
Annual EPS	7.1
5Yr EPS	12.3
3Yr EPS Growth	13.3

**Top Ten Securities As of 03/31/2016**

Federal Realty Investment Trust	2.8 %
Renaissancere Holdings Ltd ORD	2.5 %
AECOM ORD	2.2 %
STERIS plc ORD	2.1 %
Reliance Steel & Aluminum Co ORD	2.1 %
Booz Allen Hamilton Holding Corp ORD	2.1 %
Jarden Corp ORD	2.0 %
CMS Energy Corp ORD	2.0 %
Pinnacle Foods Inc ORD	1.9 %
Fidelity National Information Services Inc ORD	1.8 %

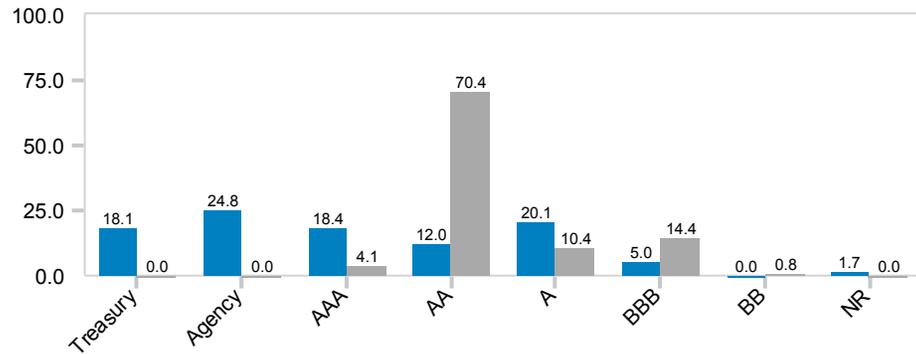
**Sector/Quality Allocation As of 03/31/2016**



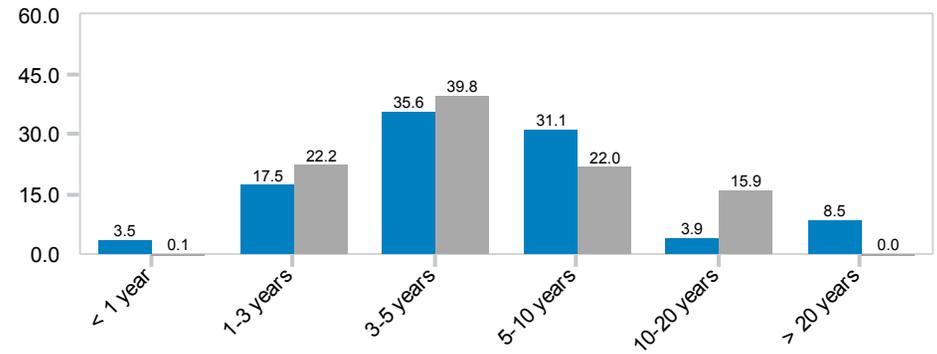
**Portfolio Characteristics**

	Portfolio	Benchmark
Avg. Maturity	7.01	7.51
Avg. Quality	Aa2	Aa2
Coupon Rate (%)	2.82	3.13
Current Yield	2.70	2.91
Effective Duration	5.65	5.50

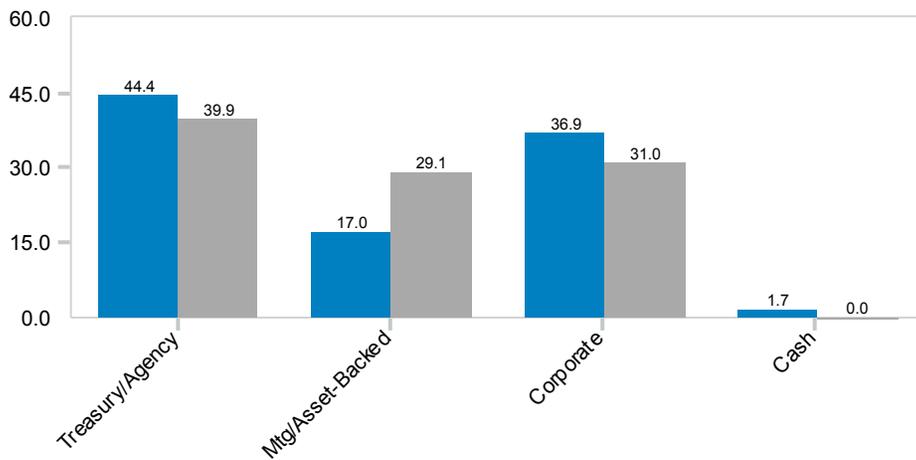
**Credit Quality Distribution (%)**



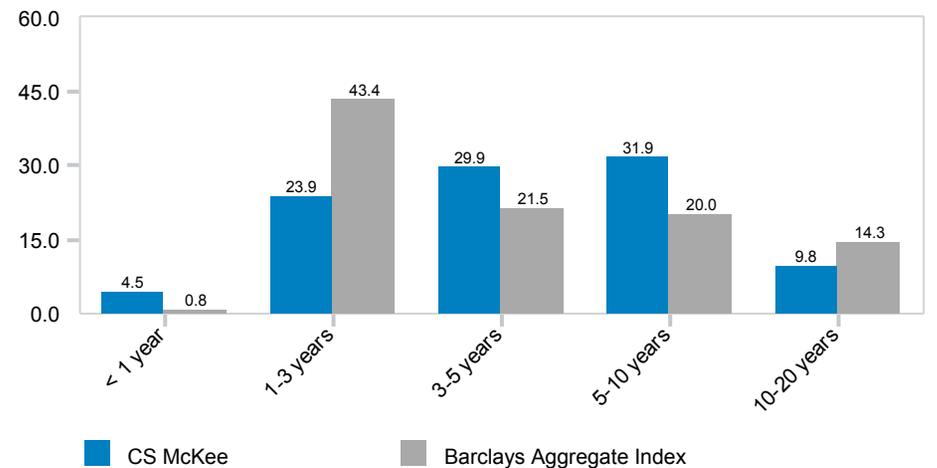
**Maturity Distribution (%)**



**Sector Distribution (%)**



**Duration Distribution (%)**



■ CS McKee      ■ Barclays Aggregate Index

**Comparative Performance**  
**Total Fund Net**  
As of June 30, 2016

Comparative Performance	QTR	FYTD	1 YR	3 YR	5 YR
<b>VEBA Total Fund</b>	<b>1.88</b>	<b>3.08</b>	<b>1.75</b>	<b>7.14</b>	<b>6.52</b>
VEBA - Total Fund Policy	2.76	5.43	4.09	7.48	N/A
<b>Total Domestic Equity</b>	<b>1.86</b>	<b>1.76</b>	<b>-0.97</b>	<b>9.23</b>	<b>N/A</b>
VEBA - Total Domestic Equity Policy	3.23	5.29	1.93	10.24	N/A
Russell 3000 Index	2.63	3.62	2.14	11.13	11.60
Dodge & Cox Stock Fund (DODGX)	1.70	0.69	-5.09	8.28	N/A
Russell 1000 Value Index	4.58	6.30	2.86	9.87	11.35
MFS Equity Investment	1.49	-0.12	N/A	N/A	N/A
Russell 1000 Growth Index	0.61	1.36	3.02	13.07	12.35
Lord Abbett (LVOVX)	2.63	5.84	-0.84	9.81	N/A
Russell 2500 Value Index	4.37	7.84	0.22	8.14	9.59
<b>Total Domestic Fixed Income</b>					
CS McKee	1.75	5.04	6.04	4.09	N/A
Barclays Aggregate Index	2.21	5.31	6.00	4.06	3.76
<b>Cash W/Income Lending</b>	<b>1.49</b>	<b>2.21</b>	<b>2.73</b>	<b>0.91</b>	<b>0.54</b>
90 Day U.S. Treasury Bill	0.06	0.12	0.13	0.07	0.07

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
<b>VEBA Total Fund</b>	<b>0.49</b>	<b>43,885,887</b>	<b>213,335</b>	
<b>Total Domestic Equity</b>	<b>0.63</b>	<b>24,920,658</b>	<b>156,796</b>	
Dodge & Cox Stock Fund (DODGX)	0.52	8,141,155	42,334	0.52 % of Assets
MFS Equity Investment	0.57	8,225,490	46,885	0.57 % of Assets
Lord Abbett (LVOVX)	0.79	8,554,013	67,577	0.79 % of Assets
<b>Total Domestic Fixed Income</b>	<b>0.30</b>	<b>18,846,233</b>	<b>56,539</b>	
CS McKee	0.30	18,846,233	56,539	0.30 % of First \$20 M 0.25 % of Next \$20 M 0.25 % Thereafter
Cash W/Income Lending		118,995	-	

**VEBA Total Fund Policy**

Allocation Mandate	Weight (%)
<b>Jan-2012</b>	
Russell 1000 Index	33.00
Russell 2500 Value Index	20.00
Barclays Aggregate Index	47.00

**VEBA Total Domestic Equity Policy**

Allocation Mandate	Weight (%)
<b>Jan-2012</b>	
Russell 1000 Index	62.00
Russell 2500 Value Index	38.00

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

The Bogdahn Group compiled this report for the sole use of the client for which it was prepared. The Bogdahn Group is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. The Bogdahn group uses the results from this evaluation to make observations and recommendations to the client.

The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

Additional information included in this document may contain data provided by index databases, public economic sources and the managers themselves.

This document may contain data provided by Barclays. Barclays Index data provided by way of Barclays Live.

This document may contain data provided by Standard and Poor's. Nothing contained within any document, advertisement or presentation from S&P Indices constitutes an offer of services in jurisdictions where S&P Indices does not have the necessary licenses. All information provided by S&P Indices is impersonal and is not tailored to the needs of any person, entity or group of persons. Any returns or performance provided within any document is provided for illustrative purposes only and does not demonstrate actual performance. Past performance is not a guarantee of future investment results.

This document may contain data provided by MSCI, Inc. Copyright MSCI, 2016. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

This document may contain data provided by Russell Investment Group. Russell Investment Group is the source owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.

This document may contain data provided by Morningstar. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is not guarantee of future results.



## Orlando

4901 Vineland Road, Suite 600  
Orlando, Florida 32811

866.240.7932

Chicago

Cleveland

Detroit

Pittsburgh

Tulsa