

457 Plan Investment Design

September 2013

Wendy J. Dominguez, President, MBA
Gordon Tewell, Principal, CFA, CPC
Jerry Huggins, Vice President, CFP, MBA
W. Eric Overbey, Vice President, CFA



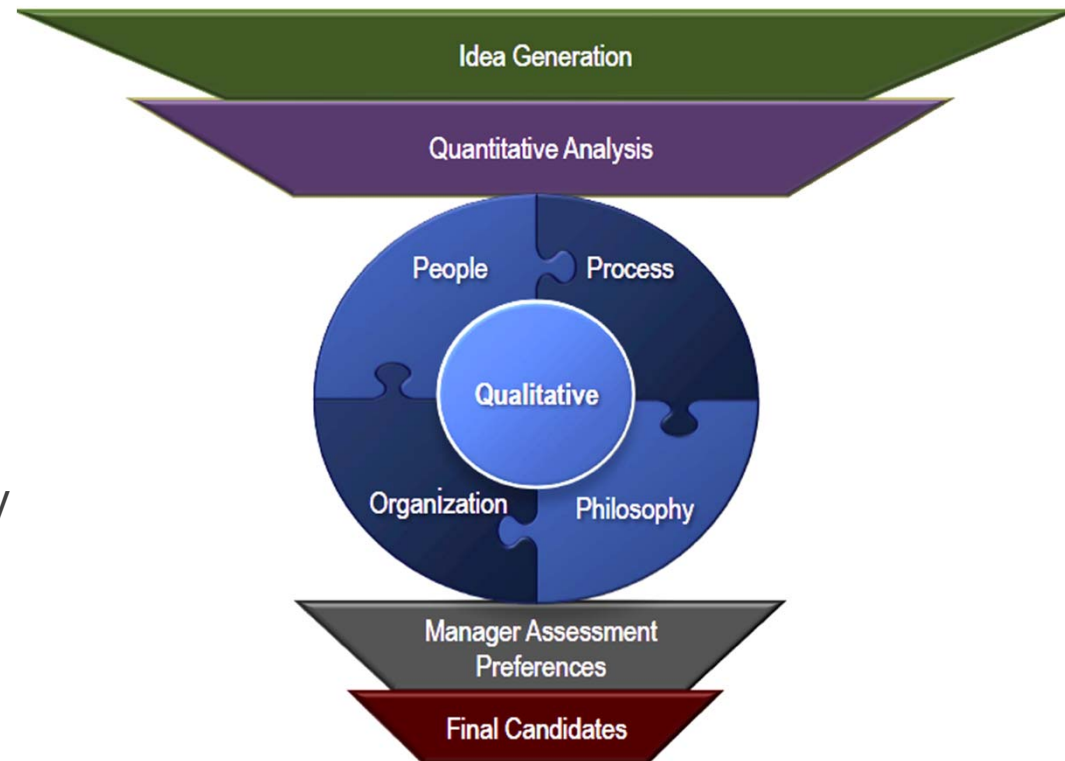
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INVESTMENT MENU - OBJECTIVES

- Create a balanced well-diversified menu
- Maintain sensitivity to highly utilized investment options
- Implement with high quality, low cost investment alternatives
- Simplify where possible

INNOVEST SEARCH PROCESS

- Completely open universe with no proprietary funds
- Proper benchmarking is key to performance evaluation
- Consistent managers perform better in the long run
- Risk management is integral at every step and on every level
- A complete understanding of the “whys” of performance is crucial
- There is a direct trade-off between performance and fees and expenses



MANAGER DUE DILIGENCE

Our forward-looking due diligence process strives to separate luck from skill in manager performance.

Manager Identification

- Quantitative & fundamental screening (databases)
- Direct solicitation by managers
- Referrals from industry contacts
- Multiple manager databases
- Trade journals
- Referrals from investors

Quantitative Analysis

- Performance analysis
- Performance attribution
- Consistency analysis
- Market exposures/risks responsible for driving returns
- Risk adjusted value added vs. benchmarks and peers

Qualitative Analysis

- Organizational and personnel evaluation
- Experience and stability
- Philosophy & process uniqueness and sustainability
- Conflicts, compensation, board structure

Manager Assessment

- Why should we hire?
- What edge does the manager have over peers?
- Intellectual, strategy, resource, implementation
- Pros and cons

COLLECTIVE INVESTMENT TRUST vs MUTUAL FUNDS

“70 % of companies with greater than 1000 employees offer Collective Investment Trusts”

- Morningstar

Similarities

- Investment Portfolio
- Management team, philosophy and process
- Daily net asset value (“NAV”)
- Trading flexibility with T+1 settlement

Differences

- Governance and Regulation
 - a) Governed by Banking regulations vs. Securities and Exchange Commission
 - b) Barred from advertising
- Availability
 - a) Not available to individuals, institutional investors only
- Costs to Participants
 - a) Not as many costs to pass through to investors (i.e., advertising, prospectuses)
 - b) Drives cost lower

CURRENT INVESTMENT MENU OPTIONS

Current Investment Menu

Menu Coverage

Fixed Income

PIMCO Total Return (1.65%)	MFS Government Securities (0.25%)
VT Vntgnt Core Bond Idx (0.32%)	
Am Century Inflation-Adjusted (0.72%)	Goldman Sachs High Yield (0.36%)
VT Vtgnt Infltn Protected Sec (0.28%)	

Fixed Account/Stable Value

MassMutual General Acct (41.37%)
Prudential Guar Interest Acct (1.21%)
ICMA Vantage Trust Plus (3.97%)

Balanced

Oakmark Equity & Income I (4.07%)
Franklin Income (0.66%)
VT Fidelity Puritian (0.25%)

Domestic Equity

	Value	Core	Growth
Large	Am Century Equity Income (2.53%)	Hartford Capital Apprectrn (8.23%)	Franklin Growth (1.16%)
	Hartford Dividend & Growth (0.94%)	SSgA S&P 500 (1.45%)	Janus Twenty (1.80%)
	Vantagepnt Equity Income (0.49%)	Vantagepoint 500 Stock Idx (0.40%) Vantagepoint Broad Mkt Idx (0.46%)	VT Fidelity Contrafund (1.37%) T Rowe Price Growth Stock (0.27%)
Mid	Allianz NFJ Dividend Value (0.16%)	Vantagepoint Grwth & Inc (0.38%)	
	Artsan Mid Cap Value (1.25%) Goldman Sachs MCV (0.33%)	Vantagepnt Mid/Small Co Idx (0.25%) SSgA S&P Mid Cap Idex (0.13%)	Artisan Mid Cap (1.62%) Hartford Mid Cap (2.68%)
Small	Am Beacon Small Value (0.83%)	Lord Abbett Small Cap (1.27%)	Baron Small Cap Retail (0.53%)
	T Rowe Price Small Value (0.20%)	VT Royce Premier (0.09%) SSgA Russell Small Cap Idx (0.10%)	Invesco Small Cap Growth (0.05%)
	VT Columbia Small Value (0.00%)		

Specialty

MFS Utilities (0.99%)
RS Gbl Natural Resources (0.07%)
Janus Global Technology (0.52%)
Invesco Real Estate I (0.46%) VT Nuveen Real Estate Sec (0.15%)

Global Equity

Am Funds Capital World G/I (1.94%)

Emerging Markets

Oppenheimer Developing Markets (1.71%)
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International Equity

Value	Core	Growth
MFS International Value (0.24%)	Hartford International Opps (0.47%) SSgA International Index (0.78%) Vantgepnt Overseas Eqty Idx (0.10%) Harbor International (0.60%)	

Small Cap

MFS International New Discovery (0.32%)

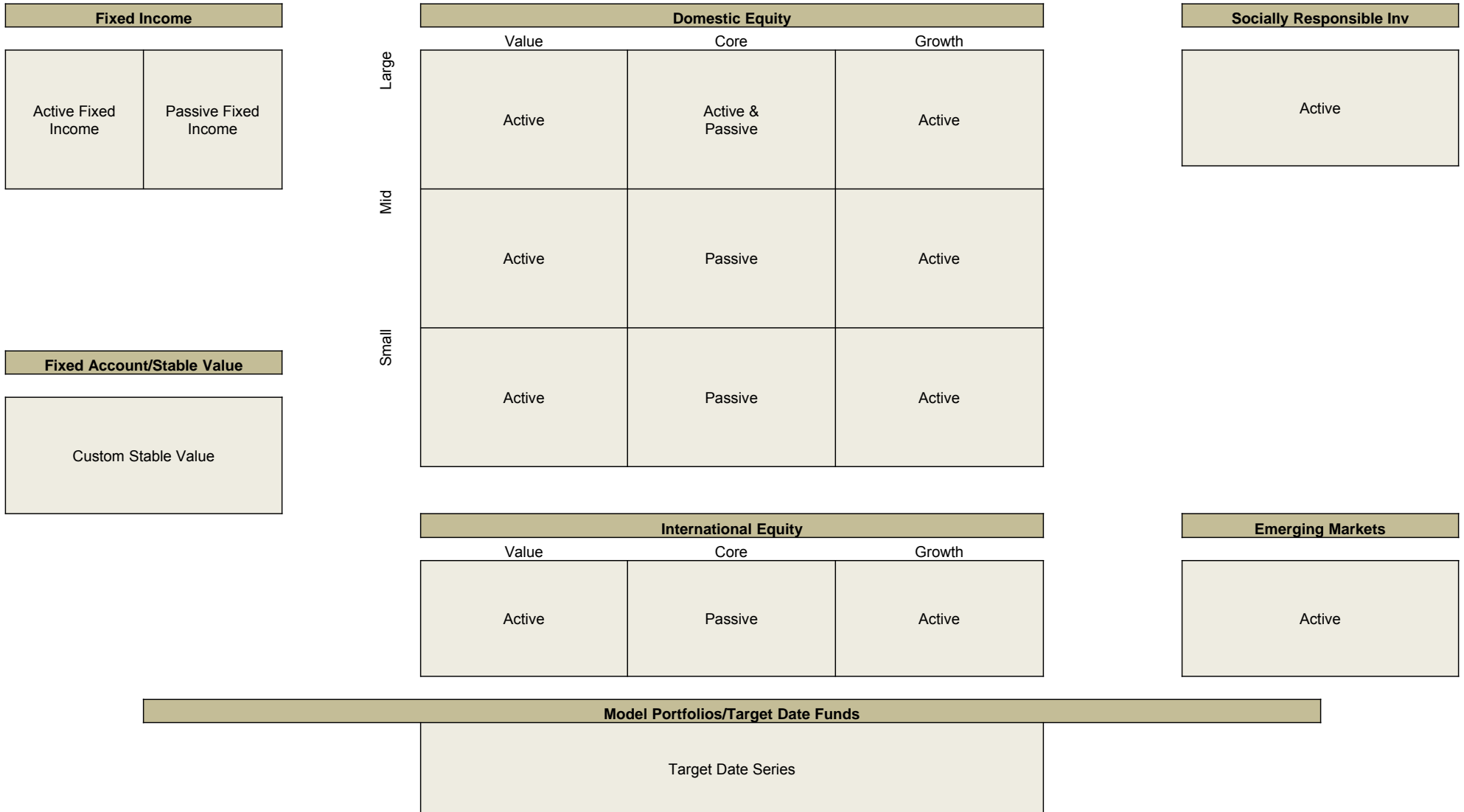
Model Portfolios/Target Date Funds

SSgA Dow Jones Target Series (0.69%)	Vantagepoint Milestone Target Date Series (1.62%)	Vantagepoint Model Portfolios (3.44%)
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MENU DESIGN RECOMMENDATION

Investment Menu Design

Menu Coverage



PRODUCT RECOMMENDATIONS

Recommended Investment Menu Design

Menu Coverage

Fixed Income

PIMCO TR	SSgA U.S. Bond Index (CIT)
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Fixed Account/Stable Value

Galliard Multi Manager Custom Stable Value Fund (CIT)

Domestic Equity

	Value	Core	Growth
Large	Dodge & Cox Stock	Hartford Capital Appreciation ----- SSgA S&P 500 index (CIT)	MainStay Large Cap Growth
Mid	Artisan Mid Cap Value	SSgA S&P Mid Cap Index (CIT)	Artisan Mid Cap
Small	Diamond Hill Small Cap	SSgA Russell Small Cap Index (CIT)	American Beacon Stephens Small Cap Growth

Socially Responsible Inv

Neuberger Berman Socially Responsive

International Equity

Value	Core	Growth
Oakmark International (CIT)	SSgA International Index (CIT)	American Funds EuroPacific Growth

Emerging Markets

Oppenheimer Developing Markets (CIT)

Model Portfolios/Target Date Funds

Vanguard Target Retirement Series

Current Investment Option

New Investment Option

FIXED ACCOUNT CHARACTERISTICS

- Group annuity contract backed by General Account of insurance company – General Account includes all assets owned by insurance company
- Fixed Account investment is intended to produce a reasonably stable and predictable return throughout economic cycle, while assuming as little risk as possible
- The guaranteed rate of return (crediting rate) is backed by the claims-paying ability of the insurer; not guaranteed by any state or regulatory insurer
- Crediting rate is based on financial strength of insurer
- Compensation of the insurance company is dependent upon the difference between underlying portfolio earnings and crediting rates

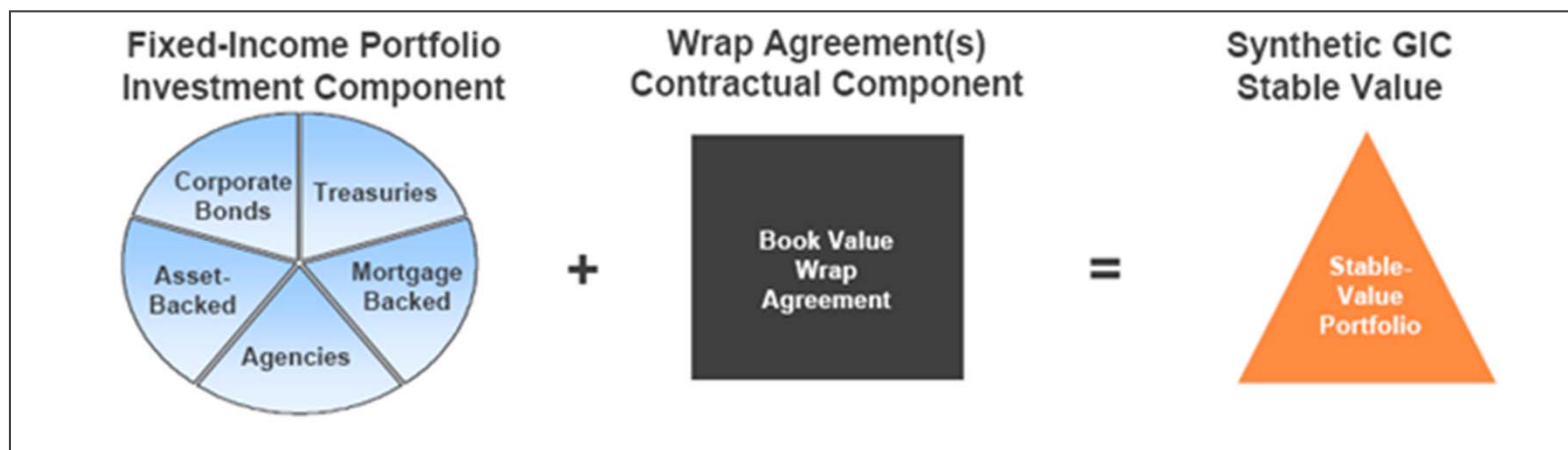


Insurance Company Provides:

- Credit Quality
- BV Accounting
- Guaranteed Principal Repayment
- Guaranteed Interest Rate

STABLE VALUE CHARACTERISTICS

- Fixed income securities secured by insurance
- Multiple insurance providers diversifies counterparty risk
- Crediting rates are a direct result of underlying fixed income performance
 - More responsive to rising interest rates
 - Greater portfolio transparency
- Plan sponsors own the assets backing their investment
- Allows portability of assets if necessary
- Fixed income guidelines can be varied and may include one or multiple investment managers
- Fees are stated and transparent



Galliard Capital Management



Firm Overview

- Founded in 1995 as an independently operated subsidiary of Wells Fargo
- No changes in ownership or management since the firm's inception
- \$83.9 Billion Firm-wide AUM - \$76.5 Billion in Stable Value
- Senior professionals average 21 years in experience

Strengths

- Low management fees
- Ability to negotiate favorable wrap pricing and fixed income guidelines
- Shorter amortization period allows for quicker crediting rate adjustments
- Conservative fixed income management provides greater market-to-book
- Strong reputation and stable value expertise

TARGET DATE FUNDS

Target Retirement Funds address a clear need among investors looking for advice via a single fund solution. These funds offer convenience, diversification, professional management, and efficient implementation – all in one portfolio.

Key Attributes of Target Date Retirement Funds:

- Complete investment portfolio in a single fund solution
- Designed to reduce exposure to risk over time
- Broad diversification

EVALUATING AND SELECTING TARGET DATE FUNDS INVOLVES A RIGOROUS PROCESS

The fiduciary process for selecting and monitoring target date funds involves:

- The traditional qualitative and quantitative analysis utilized for mutual funds at large, including:
 - **Composition**
 - Asset Classes
 - Proprietary products vs. best in class
 - Active vs. passive
 - **Glide Path**
 - To vs. Through
 - Equity allocation at retirement
 - **Manager Tenure and Experience**
 - **Performance Over Time**
 - **Reasonableness of Expenses**



PERFORMANCE OF NEW INVESTMENT OPTIONS

Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Large Cap Equity									
Value									
Dodge & Cox Stock	5.20	17.55	30.61	19.24	6.67	3.81	7.98	10.96	02/01/1965
S&P 500 Value	3.36	15.73	25.04	18.10	6.47	4.15	7.36	N/A	
IM U.S. Large Cap Value Equity (MF) Median	3.70	15.44	24.42	16.56	6.00	4.18	6.93	N/A	
Growth									
MainStay Large Cap Growth I	1.60	11.15	16.15	17.33	5.86	7.28	N/A	8.34	05/01/2005
S&P 500 Growth	2.48	12.04	16.78	18.89	7.57	7.12	7.18	6.94	
IM U.S. Large Cap Growth Equity (MF) Median	1.65	10.08	15.76	16.18	5.29	5.51	6.50	6.20	
Core									
Hartford Capital Appreciation	5.29	16.91	28.57	16.16	4.46	5.83	10.25	13.28	05/01/1984
SSgA S&P 500	2.83	13.64	20.20	18.07	6.78	5.40	N/A	5.74	04/01/2005
S&P 500 Index	2.91	13.82	20.60	18.45	7.01	5.66	7.30	6.01	
IM U.S. Large Cap Growth Equity (MF) Median	1.65	10.08	15.76	16.18	5.29	5.51	6.50	5.80	
Mid Cap Equity									
Value									
Artisan Mid Cap Value	0.91	17.36	26.74	18.97	9.86	8.83	12.52	11.49	04/01/2001
Russell Midcap Value Index	1.65	16.10	27.65	19.53	8.87	6.44	10.92	9.55	
IM U.S. Mid Cap Value Equity (MF) Median	2.36	16.44	27.84	18.15	7.98	5.75	9.19	8.30	
Growth									
Artisan Mid Cap	3.21	12.20	20.16	20.96	10.42	9.49	11.04	13.90	07/01/1997
Russell Midcap Growth Index	2.87	14.70	22.88	19.53	7.61	7.10	9.94	7.32	
IM U.S. Mid Cap Growth Equity (MF) Median	1.88	12.81	19.01	16.61	5.78	6.19	8.66	7.33	
Core									
SSgA S&P Mid Cap Index	0.90	14.35	24.67	18.97	8.56	7.37	N/A	8.29	04/01/2005
S&P MidCap 400	1.00	14.59	25.18	19.45	8.91	7.72	10.75	8.65	
IM U.S. Mid Cap Core Equity (MF) Median	2.26	15.27	24.96	17.51	6.36	5.33	8.41	6.37	
Small Cap Equity									
Value									
Diamond Hill Small Cap	3.54	20.60	30.58	15.67	8.51	5.74	11.07	11.40	01/01/2001
Russell 2000 Value Index	2.47	14.39	24.77	17.33	8.59	4.64	9.30	8.78	
IM U.S. Small Cap Value Equity (MF) Median	3.50	16.06	25.24	17.53	8.77	4.91	9.49	9.16	
Growth									
American Beacon Stephens Small Cap Growth	3.52	18.32	19.63	22.42	11.55	8.71	N/A	22.81	08/01/2012
Russell 2000 Growth Index	3.74	17.44	23.67	19.97	8.89	6.89	9.62	25.86	
IM U.S. Small Cap Growth Equity (MF) Median	4.06	16.90	23.09	19.30	7.42	5.21	8.75	24.55	

PERFORMANCE OF NEW INVESTMENT OPTIONS

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Core									
SSgA Russell Small Cap Index	3.03	15.72	23.96	18.44	8.69	5.69	N/A	7.00	04/01/2005
Russell 2000 Index	3.08	15.86	24.21	18.67	8.77	5.82	9.53	7.21	
IM U.S. Small Cap Core Equity (MF) Median	3.06	15.80	24.41	18.32	8.21	4.94	9.16	6.60	
International Equity									
Oakmark Int'l	3.76	9.32	34.59	14.35	9.92	5.86	11.08	10.59	10/01/1992
MSCI EAFE Value Index (Net)	-0.74	2.74	18.56	9.17	-0.93	0.34	7.64	7.10	
IM International Large Cap Value Equity (MF) Median	0.09	2.82	16.23	8.18	-1.83	-0.23	7.05	N/A	
SSgA International Index	-0.94	3.22	17.79	9.80	-0.74	1.20	N/A	3.75	04/01/2005
MSCI EAFE (net) Index	-0.98	4.10	18.62	10.04	-0.63	1.37	7.67	3.96	
IM International Large Cap Core Equity (MF) Median	-0.94	3.15	17.20	9.86	-0.87	1.39	7.48	3.94	
American Funds EuroPacific Gr	-0.80	1.99	15.48	9.07	1.13	3.71	9.56	11.29	05/01/1984
MSCI EAFE Growth Index (Net)	-1.20	5.47	18.67	10.85	-0.38	2.33	7.62	7.34	
IM International Large Cap Growth Equity (MF) Median	-1.31	1.83	15.16	9.98	0.28	2.66	7.84	N/A	
Oppenheimer Developing Markets	-4.02	-3.91	7.54	7.79	5.16	9.67	17.80	14.14	12/01/1996
MSCI Emerging Markets Index	-7.95	-9.40	3.23	3.72	-0.11	6.14	14.02	6.91	
IM Emerging Markets Equity (MF) Median	-7.92	-8.34	3.31	3.77	-0.98	4.76	12.55	7.21	
Specialty Funds									
Neuberger Berman Socially Resp	1.95	17.40	25.86	16.01	6.46	6.06	8.02	9.15	04/01/1994
S&P 500 Index	2.91	13.82	20.60	18.45	7.01	5.66	7.30	8.96	
IM U.S. Large Cap Core Equity (MF) Median	2.65	13.29	20.61	16.72	5.78	4.92	6.71	8.39	
Fixed Income									
PIMCO Total Return; Inst	-3.60	-3.02	1.22	4.67	7.27	7.48	5.98	8.09	06/01/1987
Barclays Aggregate Index	-2.32	-2.44	-0.69	3.51	5.19	5.60	4.52	7.00	
IM U.S. Broad Market Core Fixed Income (MF) Median	-2.69	-2.62	0.32	4.08	5.53	5.42	4.28	6.72	
SSgA US Bond Market - Comp	-2.35	-2.46	-0.66	3.49	5.18	5.60	4.52	5.87	01/01/1997
Barclays Aggregate Index	-2.32	-2.44	-0.69	3.51	5.19	5.60	4.52	5.84	
IM U.S. Broad Market Fixed Income (SA+CF+MF) Median	-2.55	-2.40	1.00	4.47	5.97	5.89	4.92	6.04	
Stable Value									
Galliard Stable Value Separate Account Composite	0.55	1.15	2.47	2.91	3.38	3.87	4.20	5.20	10/01/1995
Ryan 3 Yr GIC Master Index	0.26	0.55	1.21	2.03	2.97	3.39	3.42	4.60	
IM U.S. GIC/Stable Value (SA+CF) Median	0.43	0.88	1.91	2.72	3.30	3.78	4.06	4.84	

*Galliard composite performance is reported gross of insurance wrap and management fees.

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PERFORMANCE OF NEW INVESTMENT OPTIONS

Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Target Date Funds									
Vanguard Target Retirement Income	-1.80	0.69	4.52	7.43	5.36	5.70	N/A	5.35	11/01/2003
Vanguard Target Income Composite Index	-1.69	0.74	4.72	7.52	5.34	5.66	N/A	5.35	
Vanguard Target Retirement 2010	-1.24	2.24	7.14	9.39	5.32	5.39	N/A	5.39	07/01/2006
Vanguard Target 2010 Composite Index	-1.17	2.39	7.42	9.49	5.28	5.38	N/A	5.38	
Vanguard Target Retirement 2015	-0.71	3.89	9.63	10.55	5.45	5.37	N/A	5.88	11/01/2003
Vanguard Target 2015 Composite Index	-0.60	4.08	9.95	10.64	5.38	5.32	N/A	5.87	
IM Mixed-Asset Target 2015 (MF) Median	-1.31	2.33	8.54	9.26	4.26	3.50	N/A	N/A	
Vanguard Target Retirement 2020	-0.24	5.08	11.52	11.49	5.43	5.27	N/A	5.27	07/01/2006
Vanguard Target 2020 Composite Index	-0.16	5.30	11.91	11.75	5.51	5.36	N/A	5.36	
IM Mixed-Asset Target 2020 (MF) Median	-1.13	3.20	9.66	10.02	4.16	3.87	5.62	3.87	
Vanguard Target Retirement 2025	-0.07	5.96	12.96	12.34	5.33	5.16	N/A	6.01	11/01/2003
Vanguard Target 2025 Composite Index	0.06	6.22	13.41	12.63	5.45	5.24	N/A	6.09	
IM Mixed-Asset Target 2025 (MF) Median	-0.57	4.68	12.19	11.36	4.25	3.30	N/A	N/A	
Vanguard Target Retirement 2030	0.24	6.89	14.55	13.23	5.24	5.00	N/A	5.00	07/01/2006
Vanguard Target 2030 Composite Index	0.31	7.17	14.97	13.48	5.34	5.10	N/A	5.10	
IM Mixed-Asset Target 2030 (MF) Median	-0.30	5.46	13.22	11.85	4.04	3.50	6.01	3.50	
Vanguard Target Retirement 2035	0.40	7.74	16.00	14.05	5.30	4.99	N/A	6.39	11/01/2003
Vanguard Target 2035 Composite Index	0.55	8.10	16.50	14.32	5.42	5.09	N/A	6.50	
IM Mixed-Asset Target 2035 (MF) Median	0.15	6.62	15.29	13.03	4.26	3.38	N/A	N/A	
Vanguard Target Retirement 2040	0.60	8.28	16.86	14.29	5.48	5.11	N/A	5.11	07/01/2006
Vanguard Target 2040 Composite Index	0.66	8.57	17.22	14.51	5.53	5.17	N/A	5.17	
IM Mixed-Asset Target 2040 (MF) Median	0.13	6.87	15.57	12.97	3.94	3.57	6.21	3.57	
Vanguard Target Retirement 2045	0.64	8.32	16.84	14.32	5.46	5.10	N/A	6.77	11/01/2003
Vanguard Target 2045 Composite Index	0.66	8.57	17.22	14.51	5.53	5.17	N/A	6.85	
IM Mixed-Asset Target 2045 (MF) Median	0.36	7.43	16.37	13.52	4.16	3.13	N/A	N/A	
Vanguard Target Retirement 2050	0.60	8.27	16.84	14.30	5.46	5.11	N/A	5.11	07/01/2006
Vanguard Target 2050 Composite Index	0.66	8.57	17.22	14.51	5.53	5.17	N/A	5.17	
IM Mixed-Asset Target 2050+ (MF) Median	0.27	7.46	16.67	13.45	4.00	3.37	N/A	3.37	
Vanguard Target Retirement 2055	0.60	8.27	16.85	N/A	N/A	N/A	N/A	14.18	09/01/2010
Vanguard Target 2055 Composite Index	0.66	8.57	17.22	14.51	N/A	N/A	N/A	14.31	

MAPPING/FEE SUMMARY ANALYSIS

Current Fund Lineup Totals Excluding Fixed Account and Brokerage Window	Market Value (\$)		Current Lineup Total Plan Cost (%)		Current Lineup Plan Cost (\$)
		\$ 301,185,167.16		0.85%	

Proposed Lineup Excluding Fixed Account and Brokerage Window	Market Value (\$)		Weighted Avg Exp Ratio		Expense (\$ Amt)
		\$ 301,185,167		0.46%	

TIAA-CREF Recordkeeping fee on proposed fund options (7.5 bps)	Less proposed fund lineup Revenue (\$)	Shortfall to Plan (%)	Proposed Lineup Weighted Avg Exp Ratio	Proposed Lineup Total Plan Cost (%)	Proposed Lineup Total Cost (\$)	Total Annual Savings to Participant
\$ 225,888.88	\$ (70,521)	0.0516%	0.46%	0.515%	\$ 1,550,428	\$ 1,010,103

TIMELINE

- Finalize menu by October 2013
 - Design communication/education - October 2013
 - Communication delivery to participants - November 2013
- On Site Meetings with TIAA CREF educators for individual appointments and group meetings
 - November 2013
 - December 2013
- Mapping of assets January 2014