



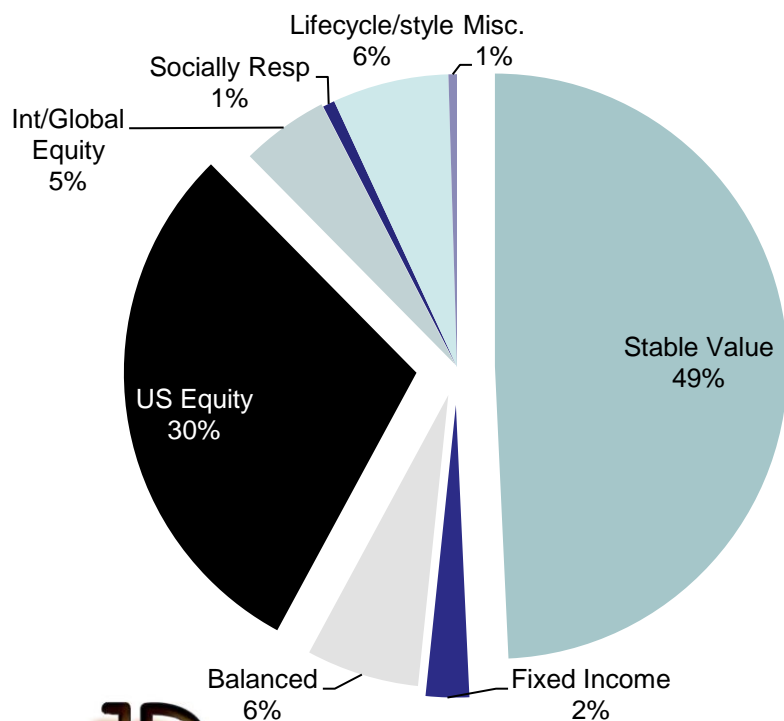
February 2010 NDC Committee Meeting



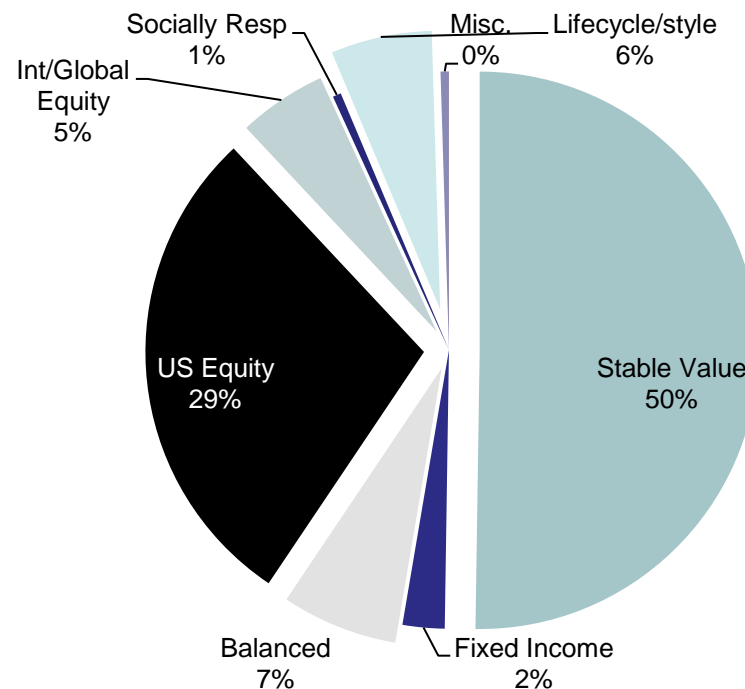


NDC Asset Allocation

\$539.45 Million
As of 12/31/10







\$479.72 Million
As of 12/31/09











Plan Activity

	2009 Total	2010 Total	% Change
Total Participants	13,035	12,836	 1.5%
New Participants	671	769	 14.6%
Quarterly Cash Flow	\$46.55 Million	\$43.38 Million	 6.8%
Individual Mtg with Reps	8,499	8,355	 1.7%
Group Enrollment Meetings	766	797	 4%
Rollovers In (included in cash flow)	\$6.47 Million	\$4.94 Million	 24%



Leakage

	2009 Total	2010 Total	% Change
Total Number Withdrawals (Full Only)	422 \$3,046,896	594 \$4,039,039	 40.8% 32.5%
Total # of Rollovers (Out of Plan)	266 \$9,427,912	214 \$8,936,635	 19.5% 5.2%
Total Number of Service Buybacks (NVPERS)	144 \$3,827,388	160 \$4,408,158	 11.1% 15.2%
Total Number Unforeseen Emergencies	118 \$464,408	143 \$447,535	  19.5% 2.8%
TOTAL MONEY OUT* <small>*Does not include routine money out (RMDS, partials or SWOS)</small>	\$16.77 Million	\$17.86 Million	 6.5%

Performance Indicators

Performance Indicators	FY 10 Actual (12.31.09)	FY 11 Actual (12.31.10)	FY 11 Goal	% of Goal
Total Participants*	10,587	10,427	11,429	9.6%
Participation Rate*	32%	30%	39%	9.0%
Percent of funds with top ratings (4-5 stars)	62%	58%	75%	17%
Average Annual Costs to Participants**	0.67%	0.68%	0.68%	-----
Percent of Customers' Calls to providers answered within 20 seconds	91% Hartford	84% Hartford	80%	4%
	84% ING	91% ING	80%	11%
Total Plan Assets*	\$386 million	\$432 million	\$393 million	9%

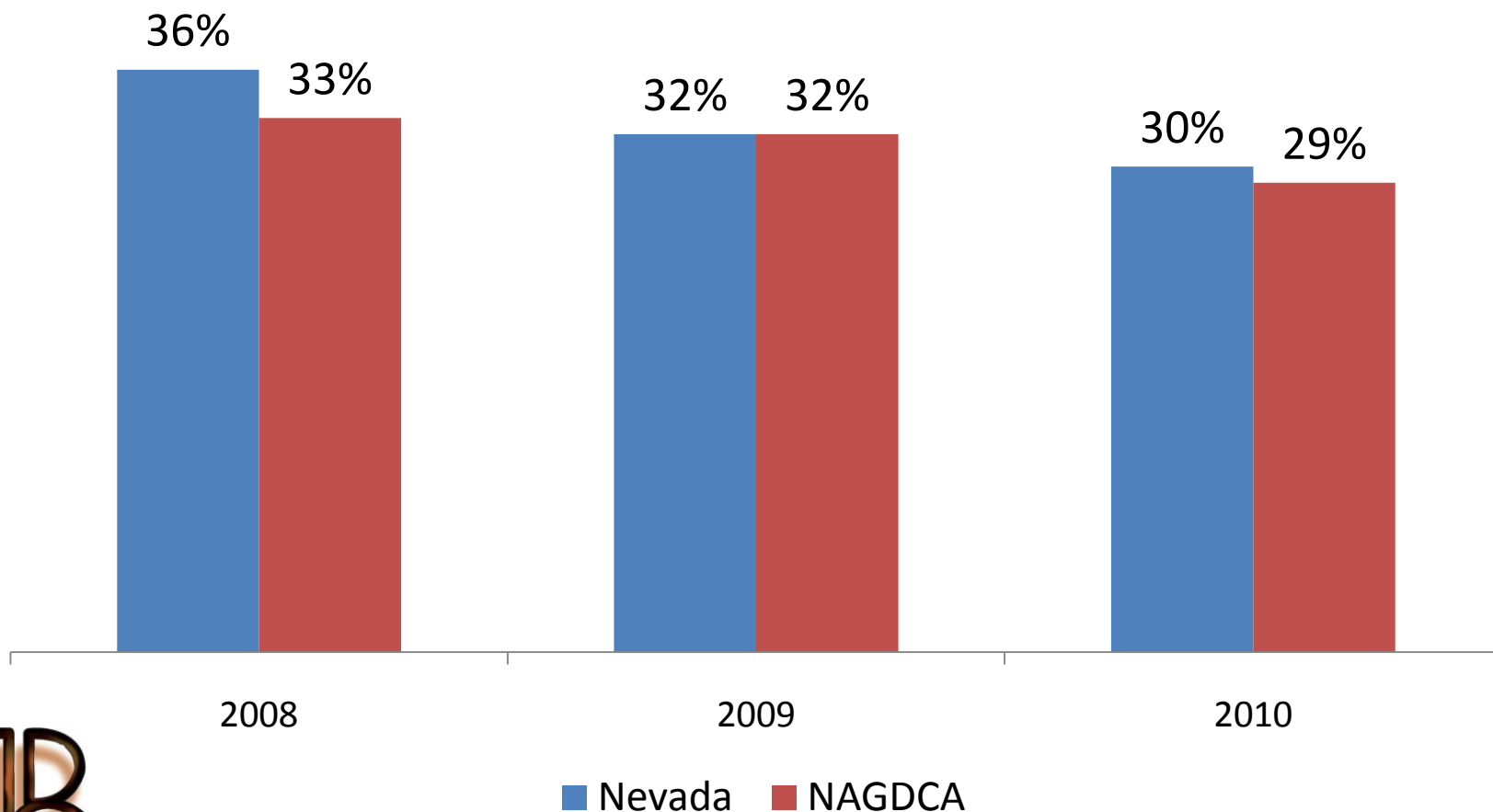
* Does not include alliance partner data

** Does not include guaranteed accounts



Participation Rate Comparison

Nationwide Declining Participation Rates





Quality Investment Options

Utilize Peer Universe Ranking

- Rolling 5-year Performance Ranking (12.31.10)
 - Top Quartile: 31%
 - Top Half: 19% 56%
 - Bottom Half: 46%
 - Bottom Quartile: 4%*

- Rolling 5 year Risk/Reward Ranking (12.31.10)
 - Top Quartile: 28%
 - Top Half: 34% 62%
 - Bottom Half: 34%
 - Bottom Quartile: 4%*

*Represents one fund which is slated for termination/replacement.



2010 Fee Reconciliation

- Review Annually, pursuant to Policy
- Department of Labor (DOL) Regs
- Plan Administrative Fees
 - Not Flat Fees
 - Revenue Sharing
- Credit Allowances



Hartford Revenue

2010 Staff Calculations

0.233% \$482,920 Variable

0.15% \$352,630 General

0.19% \$835,550 Total

2010 Hartford Calculations

-----% \$423,827 Variable

-----% \$0 General

-----% \$423,827 Total

Hartford Contract

0.28% \$668,268 Variable

0.15% \$352,630 General Account

0.231% \$1,020,898 Total



ING Revenue

2010 Staff Calculations

0.307% \$191,878 Variable
0.55 % \$168,625 Stable Value
0.385% \$365,787 Total

2010 ING Calculations

0.31% \$ --- Variable
0.51% \$ --- Stable Value
0.38% \$360,502 Total

ING Contract

0.26% \$166,820 Variable
0.55% \$168,625 Stable Value
0.35% \$335,445 Total



2010 Credit Allowance

Hartford

\$437,000 Contract

\$336,374 Expenses

\$100,625.55 paid to
Participants

ING

\$90,000 Contract

\$71,885 Expenses

\$28,486 Excess Revenue

\$46,600.96 paid to
Participants

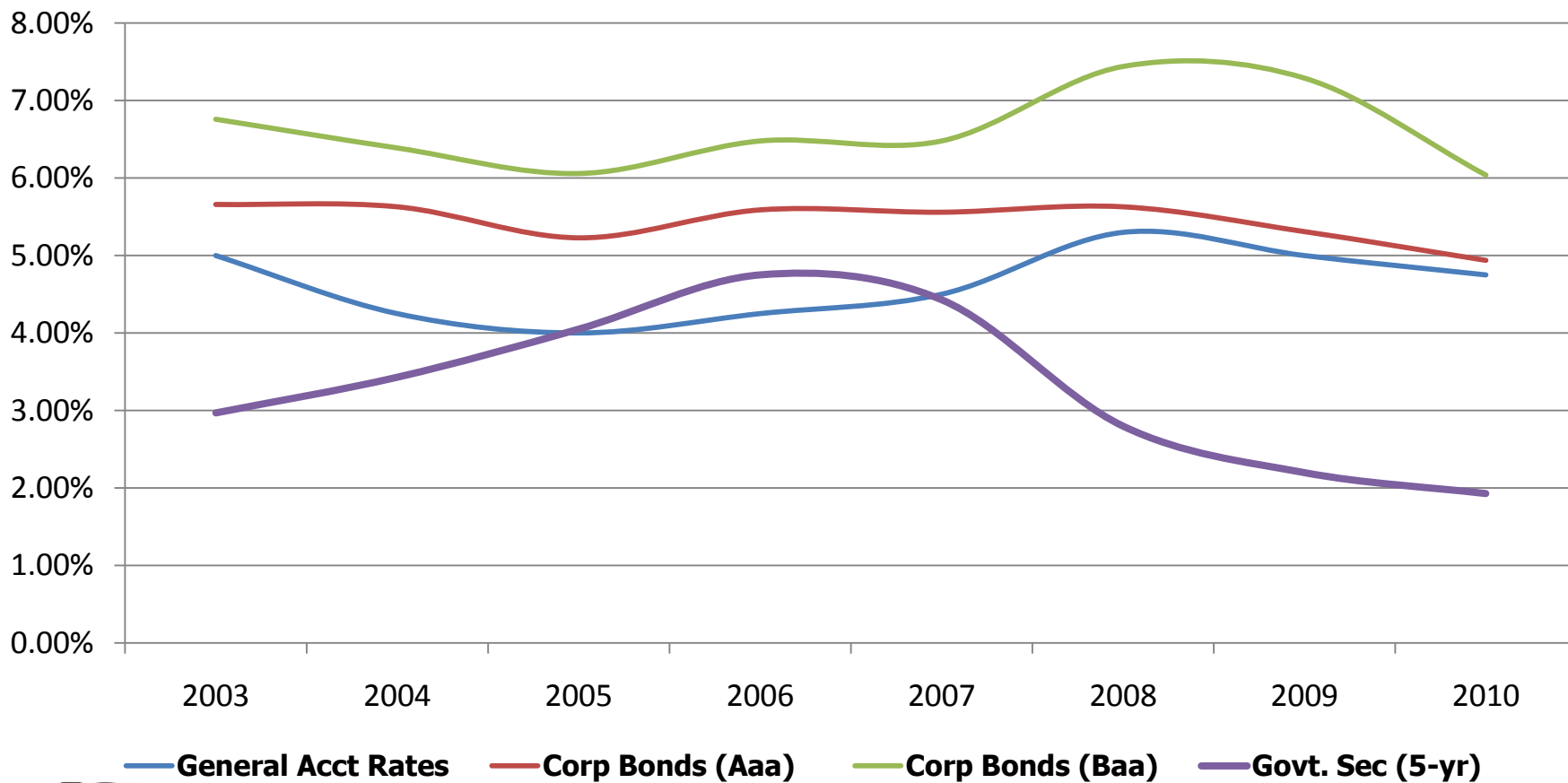


Hartford General Account

- Assess Risk
- 3Q 2010 Summary
- Staff and Mercer Review
- Conclusions



Historical Yields



Historical information from Federal Reserve. Corporate bond ratings based on Moody's rating agency.
Nevada Deferred Compensation
YOUR PLAN...YOUR FUTURE



Conclusion

- Continue to Monitor Financial Strength and Credit Ratings
- Hartford Continue to Provide Quarterly Summary



International Equity Fund Replacement

- Motion in August to Replace Alliance Bernstein International Value Fund
- Mercer Search
- Hartford Unable to Administer Redemption Fees
- Consider Alternatives



Recommendation

- Map to Passively Managed Fund
 - Provider Limitations Not Drive Process
 - Search Did Not Identify Hartford Funds
 - Reduction in overall fund expenses
 - Outperformance for 1, 3, 5 and 7 year periods
- Hartford provide periodic updates regarding trading platform abilities



Recommended Motion

Motion to eliminate the Alliance Bernstein International Value Fund and map its assets into the American Beacon International Equity Index Fund currently on the Hartford platform.

Committee Fund Watch List

Fund Name	Date Added	Reasons	Action
Hartford Mid Cap	February 2011	Manager Change	Add
American Funds Growth Fund of America	February 2011	Performance	Add
Invesco Van Kampen Equity & Income	February 2010	Manager Change (fixed income)	Continue
Lazard U.S. Mid Cap Equity Income	May 2008	Underperformance & Manager Change	Continue
AllianceBernstein Intrntl Value	February 2009	Underperformance, Staff reductions, asset losses and manager changes	Terminate/Replace
Oppenheimer Main Street Small Cap	August 2009	Manager Changes	Continue
Mutual Global Discovery	February 2010	Manager Changes	Continue
Munder Mid Cap Growth Fund	November 2010	Underperformance & Manager Change	Continue
Keeley Small Cap Value Fund	November 2010	Underperformance & Volatility	Continue



2011 Nevada Legislature

Biennium Budget Hearing

<u>NDC Gross Rate of Return</u>	<u>Broad Market Index (S&P 500)</u>
2008* -11.44	-37.0%
2009* 18.94	26.5%
2010* 12.45	15.1%

**One year gross rate of return, assumes holdings are sold at end of calendar year . All numbers as of 12.31.*



Automatic Enrollment Discussion

- Automatic Enrollment Research
 - 16% of Defined Contribution Retirement Plans Utilize (includes 401(k))
 - Seven (7) States Currently Utilize
 - Employer Matches
 - Social Security Coverage
 - Defined Benefit Formulas
 - Defined Contribution Only
 - Defined Benefit and Matching Defined Contribution



FY 2010 Financial Audit Report

- **Primary Purpose**
 - Program Financial Statement
 - Service Providers
 - Payroll Centers
- **NAGDCA Survey**
 - 64% of state 457(b) plans are audited by independent auditor
 - 74% audited annually



Recommended Motion

- Motion to approve the Clifton Gunderson Financial Audit reports and statements and direct Staff to begin the process of resolution on the necessary items



Investment Consultant RFP

- Finalize RFP Draft
- Staff Distribute to Interested Parties/Advertise
- Staff Facilitate Q&A Period
- Staff Distribute Bids & Summary Recommendations
- Committee Decide Finalists (June)
- Finalists Presentations/Award Contract (August)
- Staff Negotiate Final Contract



Roth 457 Discussion

- 401(k) Participation
 - What have we learned?
- Action Steps
 - Service providers
 - 5-year tracking and 59 ½ Requirement
 - Transfers
 - Payroll Centers/Governmental Entities
 - Gross deduction
 - Contribution Coordination
 - Plan Document/Legal Issues
 - Governmental entities
 - Interlocal Agreements
 - Roth Communication Planning
 - Education
 - Website
 - Seminars



Recommended Motion

Motion to adopt the Roth 457 feature effective January 1, 2012 and direct Staff to begin the necessary legal, regulatory and communication planning in preparation for this date with periodic updates provided to the Committee.



2010 Executive Officer Review

- Pursuant to Administrative Manual, review based on:
 - Operations Management
 - Committee Business Management
 - Contractual Relationship Management
 - Investment Management
 - Legislative Management



2010 Review

- Key Advances
- Key Disappointments
- Conclusion

Motion to approve the Executive Officer's performance review as submitted or amended



2010 Provider Review

- Pursuant to *Statement of Investment Policy*, review based on:
 - Fees and revenue sharing
 - Performance as it relates to agreed upon standards, such as:
 - Education/Communication on Investment Options Offered
 - Enrolling employees
 - Marketing the Plan



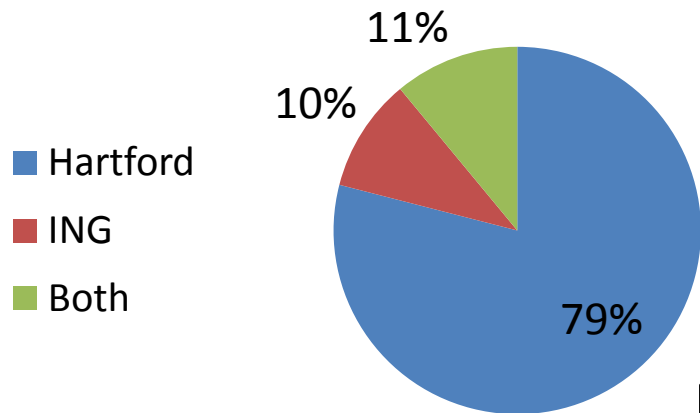
2010 Provider Activities

- Activity Summary
- Coordination with NDC Staff
- Disappointments
- 2011 Goals
 - NDC 12 month communication calendar
- Participant Survey

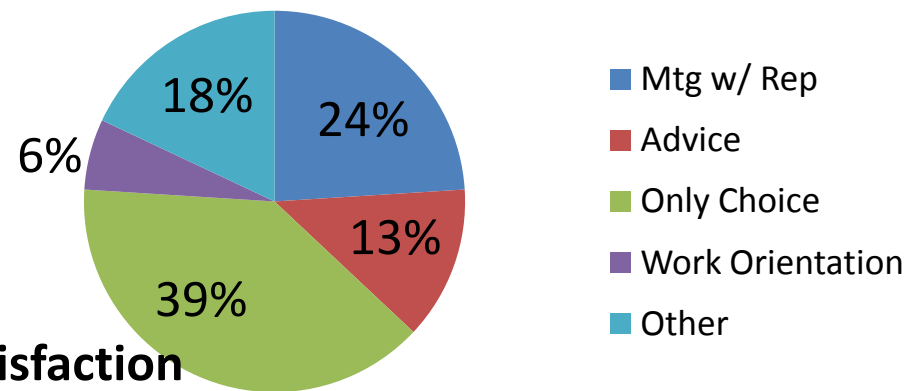


Participant Survey

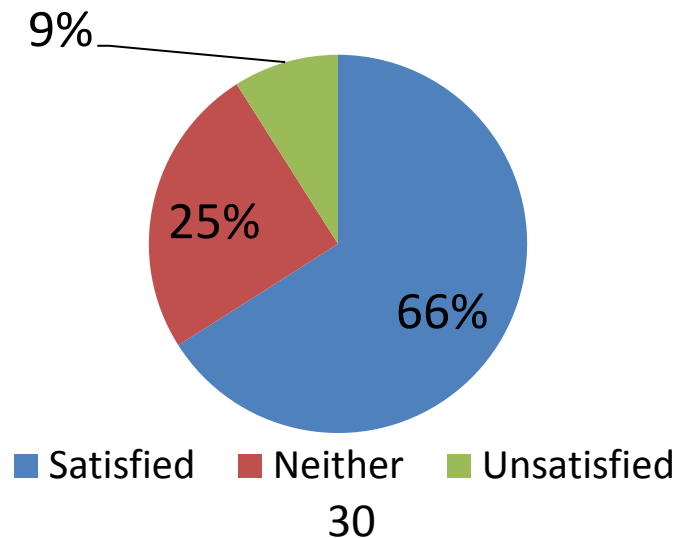
Current Provider



How Did you Choose?



Provider Satisfaction





2010 Investment Consultant Review

- Pursuant to *Statement of Investment Policy*, Consultants responsibilities include:
 - Fiduciary Role
 - Investment Advice per ERISA
 - Administrative Functions
- Staff Requested Change in Lead Consultant
- Issues Addressed
- Valued Added in 2010



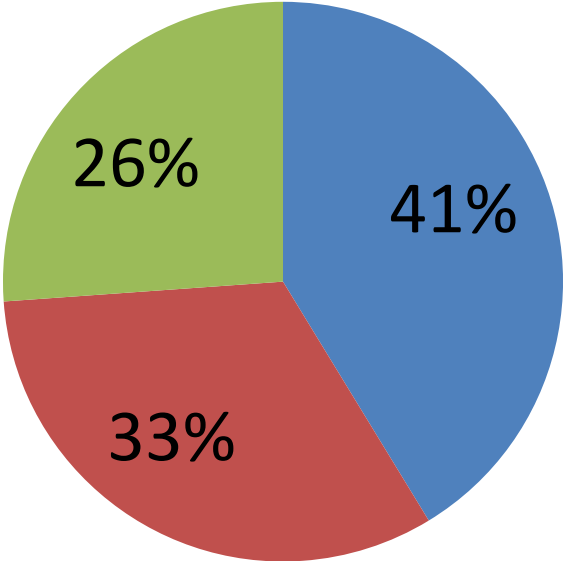
Participation Survey

- Mailed in 3Q 2010 with Participant Statement of Account
- Electronic version Distributed Via E-mail with Fall newsletter
- Over 12,000 Participants
- 1,800 Completed Surveys (versus 2,300 in 2009)



Investment Options

Fewer Options

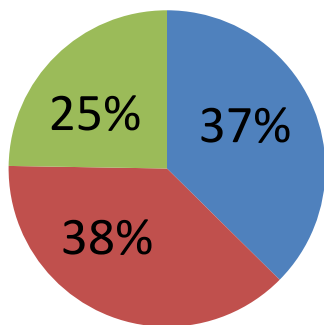


■ Agree ■ Neither ■ Disagree

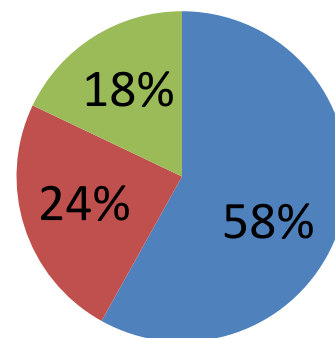


Target Risk Versus Target Date

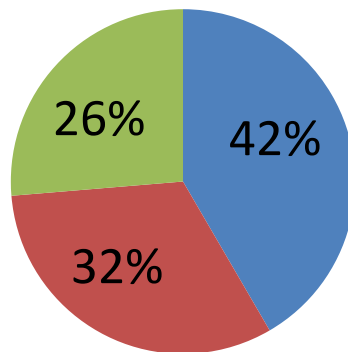
Risk Based Options



Age Based Options



Manage my own Account



■ Agree ■ Neither ■ Disagree

■ Agree ■ Neither ■ Disagree

■ Agree ■ Neither ■ Disagree



Enrollment Process

