

Brian Sandoval
Governor

Vacant
Program Coordinator



**Nevada Public Employees'
Deferred Compensation Program**

COMMITTEE
Scott Sisco, Chair
NDOC
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
GOED

Shane Chesney
Senior Deputy Attorney General

NOTICE OF PUBLIC MEETING

**NEVADA PUBLIC EMPLOYEES'
DEFERRED COMPENSATION COMMITTEE**

Thursday, November 14, 2013
9:00 am

Note: Some members of the Committee may attend the meeting and other persons may attend the meeting and provide testimony through a simultaneous videoconference conducted at the following locations:

Legislative Building
401 South Carson Street
Room 2135
Carson City, Nevada 89701

Grant Sawyer State Office Building
555 East Washington Avenue
Room 4412E
Las Vegas, Nevada 89101

If you cannot attend the meeting, you can listen or view it live over the Internet. The address for the Nevada Legislative website is <http://leg.state.nv.us>. Click on the "Calendar of Meetings" on the upper right side of page.

Below is an agenda of all items to be considered. All items which are potential action items are noted as such. Items on the agenda may be taken out of order, combined for consideration, or removed from the agenda at any time at the discretion of the Committee.

AGENDA

1. Call to Order/Roll Call
2. Public Comment. *Comments from the public are invited at this time prior to the commencement of possible action items. The Committee reserves the right to limit the amount of time that will be allowed for each individual to speak and may place reasonable restrictions on the manner of public comment. The Committee is precluded from acting on items raised during Public Comment that are not on the agenda. Public comment pursuant to this item should be limited to items listed on the agenda.*
3. For Possible Action - Hearing to Adopt Proposed Regulation to Nevada Administrative Code Section 287 – LCB File No. RO66-13.

4. For Possible Action – Approval of Committee meeting minutes from meetings of June 6, 2013 and August 15, 2013.
5. Notification of recent Governor’s appointments to the Nevada Public Employee’s Deferred Compensation Program Committee.
6. For Possible Action – Discuss and provide approval to move forward with Program Coordinator recruitment.
7. For Possible Action – Review and discussion of salary level for part-time contract clerical staff position.
8. For Possible Action – Receive and approve Investment Consultant’s review of third quarter reports from providers and performance of investment options.
9. For Possible Action – Receive and approve the Investment Consultant’s Fund Watch list for the third quarter ending September 30, 2013.
10. For Possible Action – Receive and approve plan activity and administrative update from MassMutual for third quarter ending September 30, 2013.
11. For Possible Action – Receive and approve plan activity and administrative update from ING for third quarter ending September 30, 2013, including update on fund change.
12. For Possible Action – Discussion and possible approval of proposed contract with CliftonLarsonAllen LLP for financial audit.
13. For Possible Action – Discussion and possible approval for plan to move forward with participant survey prior to development of Record Keeper RFP.
14. For Possible Action – Receive and approve amendments to existing Interlocal Agreements with alliance partners.
15. For Possible Action – Receive and approve Interlocal Agreement with Board of Occupational Therapy as an alliance partner.
16. Report on NAGDCA Conference.
17. For Possible Action – Discussion and setting of future meeting dates.

Comments/Updates

18. Committee Members
19. Staff Updates

20. Public Comment. *The Committee reserves the right to limit the amount of time that will be allowed for each individual to speak. The Committee is precluded from acting on items raised during Public Comment that are not on the agenda. Public comment pursuant to this item may be on any topic, principally those related to the Nevada Deferred Compensation Program.*

21. Adjournment

Prior to the commencement and conclusion of a contested case or a quasi judicial proceeding that may affect the due process rights of an individual the Committee may refuse to consider public comment. *See NRS 233B.126.*

Notice of this meeting was posted at the following locations in Carson City, Nevada:

Nevada State Library and Archives, 100 Stewart Street

Blasdel Building, 209 E. Musser Street

Capitol Building, 101 N. Carson Street

Legislative Building, 401 S. Carson Street

Notice of this meeting was posted at the following locations in Las Vegas, Nevada:

Grant Sawyer State Office Building, 555 E. Washington Avenue

Fax to Capitol Police – (702) 486-2012

Notice of this meeting was posted on the following website:

<http://defcomp.nv.gov/>

We are pleased to make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If special arrangements for the meeting are required, please notify the Deferred Compensation office at 100 North Stewart Street, Suite 210, Carson City, Nevada, least one working day before the meeting or call (775) 684-3397 or you can fax your request to (775) 684-3399.

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Reba Coombs
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**DEFERRED COMPENSATION COMMITTEE
NAC WORKSHOP MINUTES FOR**

Tuesday, September 24, 2013

The NAC Regulatory Update Workshop was held on Tuesday, September 24, 2013 at 9:00 a.m. in room 2135 of the Legislature Building, 401 S. Carson St., Carson City, Nevada. The meeting was held by videoconference from the Nevada Legislature Building to the Grant Sawyer Building, 555 E. Washington Ave., Suite 4412 E, Las Vegas, Nevada.

A copy of this set of meeting minutes, including the agenda, the audio recording and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at: <http://defcomp.nv.gov/Meetings>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775.684.6835).

Workshop Attendees

Stephanie Allen, Kaempfer Crowell
Jim Barnes, Zeh Law Firm
Bishop Bastien, ING
Shane Chesney, Senior Deputy Attorney General
Reba Coombs, NDC Program Coordinator
Brian Davie, NDC Committee Member
Kent Ervin, Participant
Michael Hackett, MassMutual

Michael Hillerby, Kaempfer Crowell
Karen Oliver, NDC Committee Member
Steve Platt, ING
Micah Salerno, NDC Admin Assistant
Robert Trenerry, MassMutual
Tom Verducci, Great West
Steve Watson, Participant, RPEN

1. **Open Meeting**

Program Coordinator Reba Coombs opened the workshop at 9:00 a.m., on Tuesday, September 24, 2013, and explained that the purpose of the meeting was to read through the proposed regulation update for Nevada Administrative Code, Chapter 287, as it related to Nevada Public Employees' Deferred Compensation Program (NDC). She indicated the workshop had been properly noticed and posted and complied with the requirements for Nevada Open Meeting law. Draft language was submitted to the Legislative Counsel Bureau on August 16, 2013 and LCB File No. R066-13 was returned to the NDC office on September 17, 2013. After the draft regulations were received by the Committee, a few recommended adjustments had been made. There was not time to incorporate those changes into the draft regulations so there was a handout included with the packet of material for the meeting. ([NAC Meeting Material](#))

2. Introduction and Section 1

Ms. Coombs read through the introduction and Section 1 of the proposed regulations. She noted the additional changes from the Committee on Section 1, paragraph 2 was to change NAC 289.735 to NAC 287.735.

Ms. Coombs invited anyone from the public to comment on Section 1. No comments were made.

3. Section 2

Ms. Coombs read Section 2 and invited comments. No comments were made.

4. Section 3

Ms. Coombs read Section 3 and asked if anyone wanted to speak.

Dr. Kent Ervin, active participant, asked if it was necessary to mention the month (September) in Section 3, paragraph 2, because it might cause restrictions that were unnecessary. The statute did not say September but just said every five years.

Ms. Coombs remarked that although she was reading through the document one section at a time those who wanted to comment could do so during each section or at the end of the reading. She also clarified that her purpose in the workshop was to take information and testimony but not make a judgment or give commentary on any comments. She would present all the information from the workshop to the Committee at a meeting in November.

5. Section 4

Ms. Coombs read Section 4 and noted the Committee requested to have "and investment consultants" removed from this section since it was about the recordkeeper selection process not investment consultants. Additionally, they requested subsection 4 be changed to read "the ability of the recordkeeper to make available the investment options designated by the committee at the recommendation of the investment consultant." Since the new open architecture process would dictate which investment options recordkeepers were to provide, it was no longer about investment options offered by the recordkeepers.

Dr. Ervin noted he had comments that related to Sections 4, 5, and 7 but would wait until Ms. Coombs was finished reading through the proposed changes.

Mr. Bishop Bastien with ING noted they were concerned with the language on subsection 4 but thanked the Committee for the suggested change. They also indicated that the criteria set forth in subsection 1 ought to be NRS 333.335 instead of NAC 287.720. In the last sentence of the section, with regard to the majority vote of the Committee, he suggested striking the wording "who submits" and change it to "solely upon the basis of having submitted the least expensive proposal," which made it a little bit more clear.

6. Section 5

Ms. Coombs read Section 5 and no one came forward with comments.

7. Section 6

Ms. Coombs read Section 6 and there were no comments.

8. Section 7

Ms. Coombs read Section 7 and noted "or an investment consultant" in subsection 2 (c) was requested to be removed because that section was about selection of a recordkeeper. No one spoke on this section.

9. Section 8

Ms. Coombs read Section 8. No one came forward with comments.

10. Public Comment

Dr. Ervin: ([Public Comment](#))

"I have been an active contributor and participant in the Nevada Deferred Compensation (NDC) Program since 2007. A substantial portion of my retirement savings is invested in my NDC 457 plan account. As an NSHE employee with no PERS guaranteed retirement benefit, I have been pleased to have this opportunity to save for retirement in addition to our own defined contribution plans. However, I was distressed last year when the NDC's Request for Proposal process was withdrawn amid threatened litigation about the Committee's process. This resulted in higher fees and lower returns for participants, by about \$1 M to \$1.5 M for 2013 compared with the finalists proposals.

The proposed change of regulation NAC 287.715 to award recordkeeper contracts by simple majority vote of the NDC Committee unfortunately attempts to repeat that failed process. It is in conflict with state purchasing statutes and regulations. Going outside the well-established and tested state procurement procedures is not in the best interests of participants for achieving a fair, competitive and legally defensible selection process for recordkeepers.

The goal for the future should be to conduct an RFP process for recordkeepers that is legally defensible and that is both perceived to be and truly is competitive, fair and impartial. To that end it would be advantageous for the NDC to use the State Purchasing Division to lead and coordinate its recordkeeper RFP and selection process. As detailed in my full written comments (page 2 of submission) the NDC Committee clearly meets the definition of a "using agency" under NRS 333 and thus is required by the statute to use the State Purchasing Division to award contracts over \$100,000. To meet the special fiduciary duties of the Committee regarding the 457 Plan, however, it would be appropriate for the program to negotiate with the Purchasing Administrator to designate the NDC Committee as the evaluation committee under its rules and regulations and to employ the NDC's Investment Consultant as an expert to evaluate technical aspects of the recordkeeper proposals. This course of action is more likely to produce a new recordkeeper contract that is in the best interest of participants and not subject to litigation, as well as to protect Committee members from personal liability, than is repeating the disputed process attempted in 2012. For these reasons, the NAC 287 regulations should refer to NRS and NAC 333 procurement procedures for the recordkeeper selection process.

In addition, the regulations need to emphasize the statutory fiduciary duty of the Committee to make decisions solely in the best interests of participants as well as the Open Meeting Law requirement to conduct the process in public meetings,

except where closed meetings are specifically authorized by statute. The language should also allow flexibility to consider proprietary stable value funds, in addition to open-architecture funds.

Page two of my comments are just some background information where I detail the reasons why I believe that the Committee is required to follow NRS 333. I won't read all that but I'll skip to the bottom paragraph.

There is no conflict, in my view, between the Committee discharging its duties under its own statute and following the established procurement procedures of NRS 333. If the Committee instead rejects the applicability of NRS 333 for its recordkeeper search, the Committee will again open itself to litigation and potentially members' personal liability. On that point, it has been six years since an RFP process was carried out, or at least one that wasn't cancelled, and Mr. Chesney has said legally it did not occur. That means the provision that gives waiver of personal liability to Committee members is not in effect right now and that is a dangerous situation. Fortunately there hasn't been a lawsuit but if the Committee screws it up again I would think that would be a problem. Furthermore, it is highly questionable whether the Committee could still rely on the provisions of NRS 333, if you aren't using it, to close any meetings to evaluate confidential parts of proposals. Page three and four are my suggested revisions of the language and I won't read all of it since it is in the packet but I will point out some specific things.

On 287.715, I have put in the preamble the language from the statute that says the recordkeepers and the Committee will base its selection solely on the best interest of participants and that is from the statute. The fiduciary standard is that the Committee will act with the care, skill, prudence and diligence that, under the circumstances existing at the time of the decision, a prudent person who is familiar with similar deferred compensation programs would use while acting in a similar capacity. That is from the statute except I substituted deferred compensation programs instead of investments to make it more general for this purpose.

Section 2 I added the possibility that you would want to use your investment consultant to help you review the proposals because they can be very technical. The Committee is not expert in all these matters that is required by fiduciary standards to employ an expert.

In 4 and 5 I attempted to do some of the change that were already offered but to make clear that, in addition to the ability of the recordkeepers to make available the investment options that the Committee has chosen that are managed by third party investment companies (for example a Vanguard fund), adding a section 5 to say that they can also consider proprietary funds because I think it's still likely that the Committee would want to consider a stable value fund. Those tend to go with the recordkeepers rather than being completely open-architecture; although, you could do either.

Finally and perhaps the most important part of this is below section 6, it was 5 but I renumbered it 6. The bottom part that says 'the Committee will not select an

applicant based solely, to use the language that was just offered, because of the least expensive proposal. The language that was put here says "will better meet the overall needs of the program as determined by a majority vote of the committee" and there are two conflicts with statute on that; one the overall needs of the program are not defined here or in statute and the statute says the decision has to be based solely on the best interest of participants. Unless somewhere it's defined that the overall needs are the same as the best interest of the participants that doesn't work. Secondly, as determined by a majority vote of the committee, that conflicts with the standard rules and procedures of the statute of NRS 333. The process is very well defined for issuing state contracts and so I substitute that with the language "selection of other recordkeeper(s) is in the best interests of participants" which doesn't address the process but addresses the way the decision should be made.

In 287.720 I add "the criteria set forth in NRS 333.335" that language could go up above also but the point is to affirm that the Committee will use the standard state procedures.

In 287.730 I have made a number of suggestions which relate to how the Committee uses its statute along with NRS 333. If you affirm 333 and use State Purchasing to lead the process, some of this might be unnecessary. The whole section could be taken out, but if that is unclear then maybe some of these things ought to be included. At the top the preamble is to say that you are going to follow NRS 333 and NAC 333. I have suggested substituting Section 1 which says the chair can appoint a sub-committee to review the proposals. The Committee is only five members and this is clearly an important process so I think the whole Committee needs to be involved in this decision making process. To make it clear my section one says that the whole committee will serve as the evaluation committee under NRS 333.

Section 2 the only conflict I could potentially find between NRS 333 and NDC statute 287 was that 333 says the best interest of the State of Nevada are to be considered. This is just to say that the best interest of the participants really are the best interest of the State of Nevada to make that connection. I don't think that's a real problem but this just makes it clear.

Section 3 alters the general meetings to "open" general meetings. I think that is required anyway by the Open Meeting Law. It also adds that this is where the deliberation in open meeting will occur whether you want one recordkeeper or more than one recordkeeper. That the Committee members' scorings of proposals will be discussed in open session and the Committee members' should provide their explanations of the scores. I don't think that would require a big long explanation of every little detail but we have seen how RFP proposals say "I affirm what so-and-so said and here's my other issues I had." That just brings out in the open of why the decision was made. Finally, following NRS 333 as far as using the highest scores to award the contracts.

Section 4 allows for the confidentiality of proposals but I think this only works if you are using NRS 333. Part (b) tries to relieve the Committee of the ambiguity of what happens if a contract is not awarded at all, as far as the confidentiality of proposals. Number 5 indicates if you are following NRS 333 it might be appropriate to close a meeting for discussion of confidential parts of proposals during that process which I think is an unnecessary part of the process. Finally, I substituted the best interests of "participants" for the best interests of "the State of Nevada" at the bottom although I believe those are the same.

The rest of my packet was just some documentation of the points from page two about NDC being a public agency and being supported by public money and therefore falling under NRS 333. So with that I am respectfully submitting this conceptual language to implement the ideas that I have just outlined. Thank you for your consideration."

Ms. Coombs provided the opportunity for anyone to comment on Dr. Ervin's presentation. No one commented.

Mr. Bastien:

"First off, thank you very much for the opportunity to comment just in general on the process. Clearly it's a different point at which you see vendors engaging with you and the Committee itself. At the end of the day I think we as a vendor and you as a Committee all have the same intent in mind and that is to provide the best possible program for the employees. But what I think is a little bit different from the vendor community, if I can be so bold, as I mentioned on several past occasions that what we seek as vendors is clarity of the process. When we go out to bid and when we look at potential bids, what we are looking for is clarity of the process that is going to be carried out, clarity in the selection process and the features and benefits that you seek to provide to your employees, so that we can craft the best proposal possible. At the end of the day even some vendors may say "that's not a proposal or something that we want to chase, it goes into areas that we are not comfortable with, or it provides a benefit that we are not capable of providing." So without that clarity we are really at a loss and I think that the clarity of the process is what guides our efforts. The current language that you have in the regs and even some of the current language that is proposed begs the questions as to clarity and what is driving the process. Are we trying to provide a process that is clear and easy to follow or are we trying to provide a process that provides the ambiguity so that there is flexibility to do whatever, at the end of the day. I think what we like, as I said, is that clarity that gives us an understanding of what you desire. Also, we'd like you to provide clarity to us as to how the process might be carried out. Is it going to be carried out by the Committee, or is it going to be carried out by the Purchasing department or is it a combination of the two? So hopefully at the end of the day this process will provide that clarity. I would say that the current language and even the proposed language leaves us wondering at the end of the day what that intent is. So if we could get to that point at the end we would be most happy. We believe that the Committee has the authority to carry out the RFP process in any of the three fashions I just described already through NRS 333.335. It clearly states you can use Purchasing, you can use Purchasing and the Committee or the Committee itself as

part of the process, so again how are we providing more clarity through the process itself. With that in mind and in looking at NRS 333.335, we find ourselves wondering how you move forward with NAC 287.715, 287.720 and 287.730 as they are currently drafted. In NAC 287.715, as an example, really the criteria that is there in items 2, 3, 4, and 5, you are already given the flexibility to address those things through the statutes and it even gives you the ability to further define what those items are through the RFP itself. So why tie yourself to these discussions here and even again in NAC 287.720 where you could clearly identify each of those items as being present in items 3 (a), (b), (c), and (d) of NRS 333.335. Open to interpretation, but in its broadest sense, the statute does give you that authority and does provide clarity. All of us are going to look at the RFP at the end of the day, all of us are going to watch it, see what it entails and how it directs us and so we would say that that is the best approach. Taking NAC 287.715 as a starting point, our suggestion would be if you were just to amend it only to item 1 and indicate that the criteria is set forth in NRS 333.335 provides the flexibility to the Committee to go forward in a manner that allows you to make a determination as to whether or not you're going to use Purchasing, whether or not you are going to involve a sub-committee or the full Committee, etc. I don't want to belabor the point but I think you get the sense of where we are coming from. At the end of the day the issue that we have is really providing the best program and the best possible benefits to the employees of the state of Nevada. How you get there and what the process you go through is your determination. We will abide by what you carry out here in this process as you go through the workshop but we feel that those three sections in particular are a little bit redundant. Thank you."

Mr. Steve Watson:

"I just want to support the Committee in taking these actions to make the Legislative actions that are put into NAC as I think that was one of the issues that happened during the last RFP process. Also as an RPEN representative, I'm still supporting the two vendors even though it's not a mandate for two. Also, support the Committee using the State Purchasing plan."

Mr. Davie: ([Public Comment](#))

"Thank you madam chair. For the record, Brian Davie, member of the Nevada Deferred Compensation Committee. As an employee of the Legislative Counsel Bureau, I am prohibited from speaking in favor of, or opposition to, legislative issues. Since these regulations may come before the Legislative Commission, or its Subcommittee to Review Regulations, I would like to clarify that my testimony and statement before this workshop, and any other public meetings relating to these proposed regulations, are provided solely in my role as an appointed member of the Deferred Compensation Committee.

I am a long-time active contributor and participant in Nevada's Public Employees Deferred Compensation Program (NDC), and currently the longest serving member on the State's Deferred Compensation Committee, with over 10 years' experience, including four consecutive years as Chairman. I was appointed to this service by three successive governors. I have concerns and objections about the proposed regulation changes in R066-13 relating to their possible effect on legislative intent

and the fairness of the recordkeeper selection process. I believe the proposal also contains certain overly restrictive provisions.

To avoid duplication and repetitive testimony, I would like to express my complete agreement with the public comment submitted by Dr. Kent Ervin. Dr. Ervin has been a regular attendee at the Committee's public meetings throughout the previous 2012 RFP process and through the current meetings in 2013. He has consistently provided thoughtful and incisive public testimony concerning the Committee's activities and actions. I see no point in repeating his well-written submittal except to indicate that I have total agreement and respect for his arguments, analysis and recommendations concerning the Committee's proposed regulations.

In addition, I fully support and endorse the recommended changes and revisions by Dr. Ervin to the Committee's proposed regulations.

While I am not an attorney and it is not my intent to present any legal arguments, it is difficult to understand how the Committee's proposed regulations would not change the legislative intent in the plain language of its enabling statutes. NRS 287.330(1)(b) mandates that the Committee "Act in such a manner as to promote the collective best interests of the participants in the Program." NRS 287.330(3)(c) further protects the Committee and its individual members from liability for any investment decisions, if the Committee has, among other things, "Discharged its duties regarding the decision: (1) Solely in the interest of the participants in the Program."

The most controversial provision in the Committee's proposed regulations is found in the new language of NAC 287.715 which provides for the bases of selection of Recordkeeper(s). Subparagraph 5 establishes as a basis for selection "The projected costs submitted by each applicant." It goes on to specify that "The Committee will not select an applicant who submits the least expensive proposal if another applicant will better meet the overall needs of the program as determined by a majority of the Committee." In my view and based on the experience of this Committee's 2012 failed RFP process, this new provision would substitute a regulatory "determination by a majority (three members) of the Committee" for the statutory "collective best interests of the participants" in which the "overall needs of the program" are nowhere defined or even necessarily associated with the best interests of the participants.

This interpretation was verified by the current Committee Chairman when he indicated that the intent of the proposed regulations is to provide the Committee with "maximum flexibility," those were his terms, in its choice of a recordkeeper, regardless of the requirements of the State's purchasing laws or the basic standards of fairness and impartiality. That quote is found in the minutes and audio record of the Committee's August 15 meeting of this year.

The Committee's proposed regulations contain a few overly restrictive provisions, some of which are carried over from the existing language of the older regulations.

The old language in NAC 287.710 (2) specifies that the selection of a recordkeeper “. . . will be made as often as the Committee deems necessary, but not less frequently than in September of every fifth year.” The statute in NRS 287.330(3)(e) specifies the Committee and its individual members are not liable for any decision relating to investments if the Committee has, among other things, “solicited proposals from qualified providers of plans at least once every 5 years.”

The RFP process is dynamic and the regulations should not be tied to a specific month in the fifth year. Such an overly restrictive provision could be used to challenge and mitigate an otherwise fair and impartial RFP process.

Similarly, the proposed changes in NAC 287.725 (1) and (4) to increase the notification periods for an RFP process from 30 to 60 days are unexplained and not understandable in today’s electronic world. I won’t expand on that but we communicate a lot faster than we did back in the Pony Express days and I see no reason to extend those time frames. It appears to be another way to challenge or mitigate what might be an otherwise fair process.

I also believe a provision should be added to prohibit a Committee member from voting on a final RFP decision if he or she does not attend the finalists’ presentations.

The meeting for the finalists’ presentations is one of the most critical hearings for Committee members to attend, usually once every five years, because the finalists for the recordkeeper(s) contract present their “best and final” offers for the Program, and Committee members are allowed to adjust their scores of the finalists based on the bidders’ presentations and final offers. If a Committee member does not attend the finalists’ presentations, he or she would have no basis for casting an informed vote concerning the future of the Program.

When a recordkeeper is designated as a finalist in an RFP process, they believe they have a good chance of winning the bid and take significant time and expense to develop their presentations, and develop their best and final offers. I believe that a Committee member cannot make an informed and intelligent decision on a five-year contract unless he or she attends the finalists’ presentations at the end of the RFP process.

In conclusion, the members of the State’s Deferred Compensation Committee are fiduciaries responsible for the prudent management and oversight of more than \$600 million of other State and local government employees’ money, on which those employees are relying to supplement their retirements. The Committee and NDC Program should be professionally managed by Committee members who are fair, impartial and balanced in their approach. I believe the Committee’s proposed regulations do not encourage that approach and would shift the emphasis to recordkeepers who could get members appointed who are beholden to a particular company.

I would recommend that the Committee follow the existing laws in its procurement processes, and adopt the changes proposed by Dr. Ervin to provide for a truly fair, impartial and competitive bidding process for the sole benefit of the participants.

Thank you for your attention and consideration.”

Ms. Coombs gave an opportunity for anyone to comment on Mr. Davie’s testimony.

Mr. Robert Trenerry with MassMutual:

“I don’t have any direct comments on Mr. Davie’s presentation other than the fact that he did mention that in today’s environment of electronics regarding a Committee member attending. I’m attending this meeting today down here in Las Vegas and you are doing the meeting in Carson City so I would assume that if an individual can attend electronically that that is the exact same thing. I just thought I would throw that in there.

I wanted to just make a comment and again thank you for what you are doing today. I know how dedicated each and every one of the Committee members are and in the time that is spent on this program. Every one of you should be commended for that, specifically with the comments from the public as well. I think it just shows how important this is. I wanted to lend my support as well to the comments that were made by Bishop Bastien from ING. I thought he made some really great comments and rather than repeat all those I do want to say I think it is important for the Committee to remain and to have some flexibility. With being able to have the clarity, I think that’s extremely important to the providers. Keep in mind this is a very unique product. We are not looking at copying paper, toner, or whatever other example you want to use. This is a very unique animal and I think some of that needs to be taken into consideration. I don’t think you want to take all of the flexibility and clarity out of this. Those are my comments today and I appreciate your time.”

Dr. Ervin:

“I just would like to echo some of the comments the ability to use State Purchasing and the flexibility and how to deal with situations that come up during an RFP and I’ll tell a story about NSHE’s recent process. During the finalist interviews we discovered through questioning that our interpretation of pricing proposals and the vendor’s interpretation of pricing proposals were very different. It was just based on an ambiguity of the language in the RFP but it completely changed that part of the scoring and evaluation process. So it’s important that you can deal with such things. Suppose a Committee member had an emergency or family emergency and couldn’t come then I think you would want a procedure that allows you to deal with that. What NSHE had was during important parts of the process a Purchasing agent from our Purchasing was at the table, we could ask questions and she gave advice on how to deal with various things, what we were allowed to do, what we weren’t allowed to do, and I found that very helpful. So I’m sure these recordkeeper contracts aren’t widgets but the State of Nevada has very complex contracts and services, think of the Silver State Exchange, and the contracting procedures and procurement procedures are in place and I’m sure a representative of the Nevada

Purchasing department could give advice on how to handle various things that come up. I don't know that you need any of these things echoing the ING representatives in the regulation if you just refer to NRS 333 and solicit their help through this process because they are pricing almost everything. I would just put that out there that that gives you some flexibility with advice from a third party to get through things that might come up in a process. A very small point on the Notices, I noticed it said the publication would include the requirements. I wonder if you really want the whole minimum requirements or whole RFP to be published somewhere. Today, a link to website gets you to an RFP and it just seems unnecessary to leave that old 'newspaper days' regulation in there. Thank you."

Ms. Coombs thanked everyone for their comments. She offered the courtesy to Ms. Oliver, as a Committee member, if she had anything to add or wanted to join in the discussion. Ms. Oliver did not have anything to say at that time.

Mr. Davie:

"Some of the later comments have sparked a couple points that I thought might be important. There was a comment made about clarity versus flexibility, I'm not sure how those two go together. Obviously I think that would be quite a balancing act because if you grant flexibility then that does not necessarily provide clarity so I think that kind of defines one of the issues that this Committee is facing.

The other point I thought about making at the end of my presentation and I think might be relevant, is to request staff to contact our investment consultant. I don't know if he is even listening in to this. People say this is a unique product and all that but it is done all over the country by local governments, by state governments. The RFP process that is used for deferred compensation recordkeepers and investment consultants are all out there. We have seen them all and they have been around for years and they just get tweaked here and there with new things that come up, like open-architecture, they keep developing and improving. As far as the point about using State Purchasing, again this is a Committee not of experts in purchasing or procurement, so I again want to endorse Dr. Kent's point that we ought to be using them and they ought to be at the table when we go through this RFP process to help guide the Committee. The other suggestion I would like to make is that when we do look at this regulation at our next hearing, I would like to make a request that we contact our investment consultant, they work with jurisdictions across the country, other states, other local governments, and find out what are their processes. Obviously every state is probably different with their procurement processes but the NAGDCA folks that you just recently went to a conference with have put out a recent booklet I saw that goes over some best practices. Unfortunately it did not include best practices for an RFP process and I think they ought to work on that. But in the meantime I think we have a lot of expertise out there. We have an investment consultant that works in a lot of jurisdictions and I think it would be helpful if he could present a report to the Committee indicating how these other jurisdictions handle their RFP processes. Do they use state laws and procurement processes? Do they have special provisions in their regulations for flexibility or other circumstances? I think those are the things that would be helpful to know as we move toward a decision so that we don't end up, to put it bluntly, looking foolish or putting

something in our regs that may not be appropriate or acceptable in the deferred compensation world. It would be helpful to have that knowledge before we move forward on these regulations. So I just wanted to throw that out as a suggestion and again appreciate your consideration.”

Ms. Coombs encouraged anyone to come forward if they had any other comments. One of the things she was hearing loud and clear was that people were very interested in having the RFP process handled through the Purchasing statutory language, NRS 333. She asked for a show of hands to see if everyone agreed and noted it looked unanimous. She noted it was important and she would take that information back to the Chairman. The testimony presented was informative and she believed there were a lot of very good suggestions that came out of it. Ms. Coombs stated the information would be compiled and taken to the Committee. The hearing to pursue the regulatory updates would be held on November 14, 2013 prior to the quarterly meeting.

Mr. Shane Chesney noted it would be a good idea to take the comments from today and incorporate them in to a new document that could be circulated and get feedback on well before the next meetings.

Ms. Coombs agreed with Mr. Chesney and would circulate a new document with the comments from the meeting. Regulations needed to be updated before the RFP process and she thought it would provide better ground on which to build the RFP.

11. Adjournment

Ms. Coombs adjourned the workshop at 9:57 a.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant

Micah Salerno

From: Reba Coombs <rebacoombs@defcomp.nv.gov>
Sent: Tuesday, October 08, 2013 11:24 AM
To: Reba Coombs
Subject: Notice of Intent to Adopt
Attachments: Notice of Intent to Adopt.11.13.docx

Committee –

Attached is the Notice of Intent to Adopt which must be posted by this Friday for our meeting on November 14. We will have the regulation adoption hearing as part of our regular meeting agenda, but the notice must be posted 30 days ahead and then again with our regular meeting agenda 3 days ahead to meet the OML requirements.

Please let me know if you have any questions or changes. The format is according to the AG's Rulemaking Guide.

Thanks!

Reba Coombs, CPM

Program Coordinator
Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 North Stewart Street, Suite 210
Carson City, Nevada 89701
T(775) 684-3397 F (775) 684-3399
mail rebacoombs@defcomp.nv.gov

This communication, including any attachments, may contain confidential information and is intended only for the individual or entity to whom it is addressed. Any review, dissemination or copying of this communication by anyone other than the intended recipient is strictly prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and delete all copies of the original message.

Brian Sandoval
Governor



Reba Coombs
Program Coordinator

COMMITTEE
Scott Sisco, Chair
DOC
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
GOED

Shane Chesney
Senior Deputy Attorney General

**Nevada Public Employees'
Deferred Compensation Program**

**NOTICE OF INTENT TO ADOPT
Proposed Regulation**

To: All Interested Parties
From: Nevada Public Employees Deferred Compensation Program
Date: October 11, 2013
Re: Proposed Regulations LCB No. R066-13

The Nevada Deferred Compensation Program (NDC) will hold a public hearing at **9 am on Thursday, November 14, 2013**, at the Nevada Legislative Building, Room 2135, 401 South Carson Street, Carson City, Nevada and the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. There will be a videoconference link between the two locations. The purpose of the hearing is to receive comments from all interested persons regarding the amendment of regulations that pertain to Chapter 287 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The existing language in NAC 287.700 – 287.735 in its current form contradicts the language in NRS 287.339.

Specifically, NRS 287.330 subsection 3(d) states:

(d) [. . .the Committee has] Selected at least one plan for the use of the participants in the Program, except that if the Committee has selected two or more plans from which the participants in the Program may choose, the Committee has selected the plans from separate and distinct providers.

NAC 287.710 subsection 1 states:

1. The Committee will select administrators and providers for the Program. One person may be selected to serve in both capacities. The

Committee will contract with more than two providers if it deems it necessary to offer the participants in the Program superior investment options.

Therefore, it is the intention to amend the regulations to allow the Committee to select at least one plan for use by participants, but that two or more providers may be chosen if deemed in the best interests of the participants.

2. The definitions used in NAC 287 are outdated and have been amended to clarify the definition of "Recordkeepers" and "Investment Consultants."
3. When the Committee conducts the Request for Proposal process and award of contracts, the process will be conducted according to the provisions of NRS Chapter 333, thereby eliminating language in NAC 287.720, 287.725, which duplicates and/or overlaps the language in NRS Chapter 333.
4. There is no economic impact of the regulation on small businesses. The NDC contracts with recordkeepers to provide voluntary tax-deferred compensation services to state and local government employees according to Internal Revenue Code Section 457(b). No small businesses are allowed to participate in the program as it is restricted to government employees. Therefore, no small businesses were consulted.
5. There is no cost associated with the adoption of the proposed regulation on the NDC, its participants, or other stakeholders.
6. There is no federal law which is impacted by this regulation.

Persons who wish to comment upon the proposed action of the Nevada Public Employees Deferred Compensation Program may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form to:

Reba Coombs, CPM
Program Coordinator
Nevada Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701
Phone (775) 684-3397 Fax (775) 684-3399
Email: rebacoombs@defcomp.nv.gov
or <http://defcomp.nv.gov>

Written submissions must be received by the NDC on or before **November 4, 2013**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the NDC may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation to be amended will be on file at the State Library, 100 North Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the Nevada Deferred Compensation Program, 100 North Stewart Street, Suite 210, Carson City, Nevada, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the program, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

- <http://defcomp.nv.gov>
- Blasdel Building, 209 E. Musser Street, Carson City, Nevada
- Capitol Building, 101 N. Carson Street, Carson City, Nevada
- Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada
- Legislative Counsel Bureau, 401 South Carson Street, Carson City, Nevada
- Carson City Library, 900 N. Roop Street, Carson City, Nevada
- Churchill County Library, 533 S. Main Street, Fallon, Nevada
- Clark County Library District Headquarters, 833 Las Vegas Boulevard North, Las Vegas, Nevada
- Douglas County Public Library, 1625 Library Lane, Minden, Nevada
- Elko County Library, 720 Court Street, Elko, Nevada
- Esmeralda County Library, P.O. Box 430, Goldfield, Nevada
- Eureka County Library, 10190 Monroe Street, Eureka, Nevada
- Humboldt County Library, 85 E. 5th Street, Winnemucca, Nevada
- Battle Mountain Branch Library, 625 S. Broad Street, Battle Mountain, Nevada
- Lincoln County Library, 63 Main Street, Pioche, Nevada
- Lyon County Library System, 20 Nevin Way, Yerington, Nevada
- Mineral County Public Library, PO Box 1390, Hawthorne, Nevada
- Pershing County Library, 1125 Central Avenue, Lovelock, Nevada
- Storey County Public Library, 95 South R Street, Virginia City, Nevada
- Tonopah Public Library, PO Box 449, Tonopah, Nevada
- Washoe County Library System, 301 S. Center Street, Reno, Nevada
- White Pine County Library, 950 Campton Street, Ely, Nevada

Micah Salerno

From: Reba Coombs
ant: Thursday, October 03, 2013 11:40 AM
To: 'Platt, S. (Steve)'; Trenerry, Robert; Bastien, B. (Bishop); 'Kent Ervin'
Cc: Shane Chesney; Micah Salerno; 'Picarelli, Francis'
Subject: NAC update
Attachments: LCB Reg.10-03-13.docx

Hello all –

After our recent regulatory workshop and taking into consideration the testimony presented at the workshop, please find attached a new proposed update. You will see that all of NAC section 287.715 has been removed with the exception of language to state that the committee will conduct the recordkeeper RFP process according to NRS Chapter 333, the State Purchasing regulations.

I believe this revision addresses all the concerns expressed during the workshop, but if there are other concerns, please let me know. We will hold the hearing to adopt the proposed regulation at our regularly scheduled meeting on November 14, 2013.

Please feel free to circulate this email as I don't have addresses for some of the attendees.

Thanks!

Reba Coombs, CPM

ogram Coordinator
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**PROPOSED REGULATION OF
THE COMMITTEE TO ADMINISTER THE PUBLIC
EMPLOYEES' DEFERRED COMPENSATION PROGRAM**

LCB File No. R066-13

September 16, 2013

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-8, NRS 287.330.

A REGULATION relating to public employees; revising provisions concerning the Public Employees' Deferred Compensation Program; and providing other matters properly relating thereto.

Section 1. NAC 287.700 is hereby amended to read as follows:

287.700 As used in NAC 287.700 to 287.735, inclusive, unless the context otherwise requires:

1. ~~“Administrator” means a person who offers services which are necessary to the administration of the Program and to the proper investment of the money of the employees who are participants in the Program.~~

~~2.]~~ “Committee” means the Committee established to administer the Program.

2. *“Investment consultant” means a private person, corporation, institution or other entity that provides advice on investments and operations of the Program, including, without limitation, advice provided for purposes of paragraph (a) of subsection 3 of NRS 287.330 and NAC 2897.735.*

3. “Program” means the Public Employees’ Deferred Compensation Program authorized by NRS 287.250 to 287.370, inclusive.

4. ~~“Provider” means a person who offers investment options to participants in the Program.~~ *“Recordkeeper” means a corporation, institution or other entity that offers investment options and other services which are necessary to the administration of the Program and to the proper investment of the money of the employees who are participants in the Program. The term does not include a private person.*

Sec. 2. NAC 287.705 is hereby amended to read as follows:

287.705 The purpose of NAC 287.705 to 287.735, inclusive, is to set forth the qualifications and the procedures for the selection of ~~administrators and providers~~ *investment consultants and recordkeepers* for the Program.

Sec. 3. NAC 287.710 is hereby amended to read as follows:

287.710 1. The Committee will select ~~administrators and providers~~ *recordkeepers* for the Program. ~~One person may be selected to serve in both capacities.~~ The Committee will contract with more than ~~two providers if it deems it necessary to offer the participants in the Program superior investment options.~~ *one recordkeeper if the Committee deems it necessary and in the best interests of the participants.*

2. The selection *of recordkeepers* will be made as often as the Committee deems necessary, but not less frequently than in ~~September~~ of every fifth year.

3. ~~Administrators and providers~~ *Recordkeepers* serve at the pleasure of the Committee and are subject to removal at any time by a majority vote of the Committee.

Sec. 4. NAC 287.715 is hereby amended to read as follows:

287.715 The Committee will conduct the RFP process in accordance with NRS Chapter 333 and associated regulations and State Administrative Manual provisions in base its selection, as applicable, of ~~[administrators and providers]~~ ***recordkeepers, and investment consultants*** on:

- ~~1. The criteria set forth in NAC 287.720;~~
- ~~2. The answers to the questionnaire provided pursuant to NAC 287.725;~~
- ~~3. Any interviews conducted by the Committee;~~
- ~~4. The variety and quality of any investment options offered to participants; and~~
- ~~5. The projected costs submitted by each applicant.~~

~~↳ The Committee will not select an applicant who submits the least expensive proposal if another applicant [is better qualified.] ***will better meet the overall needs of the Program, as determined by a majority vote of the Committee.***~~

~~Sec. 5. NAC 287.720 is hereby amended to read as follows:~~

~~287.720 In selecting an applicant [,] ***as a recordkeeper,*** the Committee will consider:~~

- ~~1. The experience of the applicant in providing services to deferred compensation and similar programs ; [and the rate of return of any investments offered by the applicant;]~~
- ~~2. The amount of money the applicant is currently managing and the general financial condition of the applicant;~~
- ~~3. Whether the applicant is qualified to do business in this State; and~~
- ~~4. Whether the applicant employs a sufficient number of employees and possesses sufficient equipment to offer timely and efficient communication and service to the participants in the Program.~~

~~Sec. 6. NAC 287.725 is hereby amended to read as follows:~~

~~287.725~~ 1. The Committee will cause to be published a notice of the intended selection ~~of a recordkeeper~~ in one or more ~~[newspapers in the State.]~~ ~~publications or Internet websites frequented by entities which regularly engage in activities performed by recordkeepers.~~ The notice ~~[will]~~ ~~must~~ be published ~~[three times]~~ not more than ~~[30]~~ ~~60~~ days before the date by which applications must be returned.

2. The notice will set forth:

(a) The date on which the Committee will select ~~[administrators and providers]~~ ~~a recordkeeper~~ and the date and time by which the Committee must receive the completed application;

(b) The qualifications required of ~~[administrators and providers;]~~ ~~a recordkeeper;~~ and

(c) The manner in which an applicant ~~for the position of recordkeeper~~ may obtain a questionnaire and a request for proposal.

3. The Chair ~~or his or her designee~~ may, if he or she deems it appropriate, send copies of the notice to state and national trade associations concerned with the business of deferred compensation or similar programs for inclusion in their publications or for dissemination among their members.

4. The Chair ~~or his or her designee~~ shall prepare a questionnaire and a request for proposal and make them available to each applicant ~~for the position of recordkeeper~~ at least ~~[30]~~ ~~60~~ days before the date on which they must be received by the Committee.

Sec. 7. NAC 287.730 is hereby amended to read as follows:

287.7~~2030~~ 1. The Chair shall, if he or she deems it appropriate, appoint a subcommittee to review the proposals *from applicants for the position of recordkeeper or investment consultant* and make recommendations to the full Committee.

2. The Chair shall call a general meeting of the Committee to:

(a) Accept information from appropriate sources pertaining to any applicant.

(b) Conduct interviews of the applicants.

(c) Select ~~{two}~~ *one* or more of the applicants for appointment as ~~{administrators and providers.}~~ *a recordkeeper or an investment consultant, as applicable.*

3. Acceptance of an applicant's proposal does not preclude the Committee from negotiating specific changes to the proposal which are in the best interests of the State of Nevada.

Sec. 8. NAC 287.7~~3035~~ is hereby amended to read as follows:

287.735 1. The Committee will select such *investment* consultants as are necessary to provide services needed for the selection of ~~{administrators and providers}~~ *recordkeepers* and for the administration of the Program and the investment of the money of the participants.

2. Such ~~{a}~~ *an investment* consultant serves at the pleasure of the Committee and may be removed from the position at any time by a majority vote of the Committee.

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**PROPOSED REGULATION OF
THE COMMITTEE TO ADMINISTER THE PUBLIC
EMPLOYEES' DEFERRED COMPENSATION PROGRAM**

LCB File No. R066-13

September 16, 2013

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1. ~~["Administrator" means a person who offers services which are necessary to the administration of the Program and to the proper investment of the money of the employees who are participants in the Program.~~

~~2.]~~ "Committee" means the Committee established to administer the Program.

2. *"Investment consultant" means a private person, corporation, institution or other entity that provides advice on investments and operations of the Program, including, without limitation, advice provided for purposes of paragraph (a) of subsection 3 of NRS 287.330 and NAC 287.735.*

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3. "Program" means the Public Employees' Deferred Compensation Program authorized by NRS 287.250 to 287.370, inclusive.

4. ~~["Provider" means a person who offers investment options to participants in the Program.]~~ *"Recordkeeper" means a corporation, institution or other entity that offers investment options and other services which are necessary to the administration of the Program and to the proper investment of the money of the employees who are participants in the Program. The term does not include a private person.*

Sec. 2. NAC 287.705 is hereby amended to read as follows:

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Sec. 3. NAC 287.710 is hereby amended to read as follows:

287.710 1. The Committee will select ~~administrators and providers~~ *recordkeepers* for the Program. ~~[One person may be selected to serve in both capacities.]~~ The Committee will contract with more than ~~[two providers if it deems it necessary to offer the participants in the Program superior investment options.]~~ *one recordkeeper if the Committee deems it necessary and in the best interests of the participants.*

2. The selection *of recordkeepers* will be made as often as the Committee deems necessary, but not less frequently than in ~~September~~ *of* every fifth year.

3. ~~Administrators and providers~~ *Recordkeepers* serve at the pleasure of the Committee and are subject to removal at any time by a majority vote of the Committee.

Sec. 4. NAC 287.715 is hereby amended to read as follows:

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287.715 The Committee will conduct the ~~RFP~~ Request for Proposal process and award contracts in accordance with NRS Chapter 333 and associated regulations and State Administrative Manual provisions inbase its selection, as applicable, of ~~administrators and providers~~ recordkeepers, and investment consultants on:

1. The criteria set forth in NAC 287.720;
2. The answers to the questionnaire provided pursuant to NAC 287.725;
3. Any interviews conducted by the Committee;
4. The variety and quality of any investment options offered to participants; and
5. The projected costs submitted by each applicant.

~~The Committee will not select an applicant who submits the least expensive proposal if another applicant [is better qualified.] will better meet the overall needs of the Program, as determined by a majority vote of the Committee.~~

~~Sec. 5. NAC 287.720 is Deleted in its entirety hereby amended to read as follows:~~

~~287.720 In selecting an applicant [,] as a recordkeeper, the Committee will consider:~~

1. The experience of the applicant in providing services to deferred compensation and similar programs ; [and the rate of return of any investments offered by the applicant;]
2. The amount of money the applicant is currently managing and the general financial condition of the applicant;
3. Whether the applicant is qualified to do business in this State; and
4. Whether the applicant employs a sufficient number of employees and possesses sufficient equipment to offer timely and efficient communication and service to the participants in the Program.

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~~Sec. 6. NAC 287.725 is Deleted in its entirety hereby amended to read as follows:~~

~~287.725 1. The Committee will cause to be published a notice of the intended selection of a recordkeeper in one or more [newspapers in the State.] *publications or Internet websites frequented by entities which regularly engage in activities performed by recordkeepers.* The notice [will] *must* be published [three times] not more than [30] *60* days before the date by which applications must be returned.~~

~~2. The notice will set forth:~~

~~(a) The date on which the Committee will select [administrators and providers] *a recordkeeper* and the date and time by which the Committee must receive the completed application;~~

~~(b) The qualifications required of [administrators and providers;] *a recordkeeper*; and~~

~~(c) The manner in which an applicant *for the position of recordkeeper* may obtain a questionnaire and a request for proposal.~~

~~3. The Chair *or his or her designee* may, if he or she deems it appropriate, send copies of the notice to state and national trade associations concerned with the business of deferred compensation or similar programs for inclusion in their publications or for dissemination among their members.~~

~~4. The Chair *or his or her designee* shall prepare a questionnaire and a request for proposal and make them available to each applicant *for the position of recordkeeper* at least [30] *60* days before the date on which they must be received by the Committee.~~

Sec. 7. NAC 287.730 is hereby amended to read as follows:

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287.72030 1. The ~~Chair~~ Committee shall, if ~~he or she~~ it deems it appropriate, appoint a subcommittee to review the proposals *from applicants for the position of recordkeeper or investment consultant* and make recommendations to the full Committee.

2. The Chair shall call a general meeting of the Committee to:

(a) Accept information from appropriate sources pertaining to any applicant.

(b) Conduct interviews of the applicants.

(c) Select ~~two~~ one or more of the applicants for appointment as ~~administrators and providers~~ a recordkeeper or an investment consultant, as applicable.

3. Acceptance of an applicant's proposal does not preclude the Committee from negotiating specific changes to the proposal which are in the best interests of the State of Nevada.

Sec. 8. NAC 287.73035 is hereby amended to read as follows:

287.735 1. The Committee will select such *investment* consultants as are necessary to provide services needed for the selection of ~~administrators and providers~~ recordkeepers and for the administration of the Program and the investment of the money of the participants.

2. Such ~~an~~ an investment consultant serves at the pleasure of the Committee and may be removed from the position at any time by a majority vote of the Committee.

**Public Comment for Nevada Public Employees Deferred Compensation Program
Workshop on Proposed Regulations, LCB No. R066-13, September 24, 2013**

Submitted by: Brian L. Davie, Member, Nevada Deferred Compensation Committee

As an employee of the Legislative Counsel Bureau, I am prohibited from speaking in favor of, or opposition to, legislative issues. Since these regulations may come before the Legislative Commission, or its Subcommittee to Review Regulations, I would like to clarify that my testimony and statement before this workshop, and any other public meetings relating to these proposed regulations, are provided solely in my role as an appointed member of the Deferred Compensation Committee.

I am a long-time active contributor and participant in Nevada's Public Employees Deferred Compensation Program (NDC), and currently the longest serving member on the State's Deferred Compensation Committee, with over 10 years' experience, including four consecutive years as Chairman. I was appointed to this service by three successive governors. I have concerns and objections about the proposed regulation changes in R066-13 relating to their possible effect on legislative intent and the fairness of the recordkeeper selection process. The proposal also contains certain overly restrictive provisions.

Agreement by Reference

To avoid duplication and repetitive testimony, I would like to express my complete agreement with the "Public comment for NAC 287 regulation workshop, 9/24/2013, Submitted by Kent Ervin." Dr. Ervin has been a regular attendee at the Committee's public meetings throughout the previous 2012 RFP process and through current meetings in 2013. He has consistently provided thoughtful and incisive public testimony concerning the Committee's activities and actions. I see no point in repeating his well written submittal except to indicate that I have total agreement and respect for his arguments, analysis and recommendations concerning the Committee's proposed regulations.

In addition, I fully support and endorse the recommended changes and revisions by Dr. Ervin to the Committee's proposed regulations.

Abrogation of Legislative Intent

While I am not an attorney and it is not my intent to present any legal arguments, it is difficult to understand how the Committee's proposed regulations would not change the legislative intent in the plain language of its enabling statutes. NRS 287.330(1)(b) mandates that the Committee "Act in such a manner as to promote the collective best interests of the participants in the Program." NRS 287.330(3)(c) further protects the Committee and its individual members from liability for any investment decisions, if the Committee has, among other things, "Discharged its duties regarding the decision: (1) Solely in the interest of the participants in the Program."

The most controversial provision in the Committee's proposed regulations is found in the new language of NAC 287.715 which provides for the bases of selection of Recordkeeper(s).

Subparagraph 5 establishes as a basis for selection “The projected costs submitted by each applicant.” It goes on to specify that “The Committee will not select an applicant who submits the least expensive proposal if another applicant **will better meet the overall needs of the program as determined by a majority of the Committee.**” In my view and based on the experience of this Committee’s failed 2012 RFP process, this new provision would substitute a regulatory “determination by a majority (three members) of the Committee” for the statutory “collective best interests of the participants” in which the “overall needs of the program” are nowhere defined or even necessarily associated with the best interests of the participants.

This interpretation was verified by the current Committee Chairman when he indicated that the intent of the proposed regulations is to provide the Committee with “maximum flexibility” in its choice of a recordkeeper, regardless of the requirements of the State’s purchasing laws or the basic standards of fairness and impartiality. (See Minutes and Audio record of the Committee’s August 15, 2013, quarterly meeting under the final public comment period.)

Overly Restrictive and Incomplete Provisions

The Committee’s proposed regulations contain a few overly restrictive provisions, some of which are carried over from the existing language of the older regulations.

The old language in NAC 287.710 (2) specifies that the selection of a recordkeeper “. . . will be made as often as the Committee deems necessary, but not less frequently than in September of every fifth year. The statute in NRS 297.330(3)(e) specifies the Committee and its individual members are not liable for any decision relating to investments if the Committee has, among other things, “solicited proposals from qualified providers of plans at least once every 5 years.”

The RFP process is dynamic and the regulations should not be tied to a specific month in the fifth year. Such an overly restrictive provision could be used to challenge and mitigate an otherwise fair and impartial RFP process.

Similarly, the proposed changes in NAC 287.725 (1) and (4) to increase the notification periods for an RFP process from 30 to 60 days are unexplained and not understandable in today’s electronic world.

Additional Provision

A provision should be added to prohibit a Committee member from voting on a final RFP decision if he or she does not attend the finalists’ presentations.

The meeting for the finalists’ presentations is one of the most critical hearings for Committee members to attend, usually once every five years, because the finalists for the recordkeeper(s) contract present their “best and final” offers for the Program, and Committee members are allowed to adjust their scores of the finalists based on the bidders’ presentations and final offers. If a Committee member does not attend the finalists’ presentations, he or she would have no basis for casting an informed vote concerning the future of the Program.

When a recordkeeper is designated as a finalist in an RFP process, they believe they have a good chance of winning the bid and take significant time and expense to develop their presentations, and best and final offers. I believe that a Committee member cannot make an informed and intelligent decision on a five-year contract unless he or she attends the finalists' presentations at the end of the RFP process.

Concluding Remarks

The members of the State's Deferred Compensation Committee are fiduciaries responsible for the prudent management and oversight of more than \$600 million of other State and local government employees' money, on which those employees are relying to supplement their retirements. The Committee and NDC Program should be professionally managed by Committee members who are fair, impartial and balanced in their approach. I believe the Committee's proposed regulations do not encourage that approach and would shift the emphasis to recordkeepers who could get members appointed who are beholden to a particular company.

I would recommend that the Committee follow the existing laws in its procurement processes, and adopt the changes proposed by Dr. Ervin to provide for a truly fair, impartial and competitive bidding process for the sole benefit of the participants.

Thank you for your attention and consideration.

Brian Sandoval
Governor

Reba Coombs
Program Coordinator



**Nevada Public Employees'
Deferred Compensation Program**

COMMITTEE
Scott Sisco, Chair
DOC
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
GOED

Shane Chesney
Senior Deputy Attorney General

**DEFERRED COMPENSATION COMMITTEE
QUARTERLY MEETING MINUTES FOR**

Thursday, June 6, 2013

The quarterly meeting of the Deferred Compensation Committee was held on Thursday, June 6, 2013 at 9:00 a.m. in room 2135 of the Legislature Building, 401 S. Carson St., Carson City, Nevada. The meeting was held by videoconference from the Nevada Legislature Building to the Grant Sawyer Building, 555 E. Washington Ave., Suite 4412 E, Las Vegas, Nevada. Other attendees participated in person or by conference call.

A copy of this set of meeting minutes, including the agenda, the audio recording and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at: <http://defcomp.nv.gov/Meetings>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775.684.6835).

BOARD MEMBERS

Brian Davie
Karen Oliver
Steve Woodbury
Carlos Romo, Vice Chair
Scott Sisco, Chair

OTHERS PRESENT

Bill Abramowicz, MassMutual
Jim Barnes, Zeh Law Firm
Bishop Bastien, ING
John Borne, Great-West
Eric Caruso, Parole/Probation
Shane Chesney, Senior Deputy Attorney General
Reba Coombs, NDC Program Coordinator
Steve Ebert, Nationwide
Kent Ervin, UNR
Brett Fields, IAFF 1908
Jeff Fontaine, NACO
Michael Hackett, MassMutual
Jacob Honea, MassMutual

Scott Hudson, ING (by phone)
Harriet Jacobs, Great-West
Brian Merrick, ING
Frank Picarelli, Segal Rogerscasey
Steve Platt, ING
Rex Reed, Participant
Cy Ryan, Las Vegas Sun
Micah Salerno, NDC Admin Assistant
Todd Theroux, MassMutual (by phone)
Robert Trenerry, MassMutual
Tom Verducci, Great West

1. Call to Order/Roll Call

Chairman Scott Sisco called the quarterly meeting of the Nevada Deferred Compensation (NDC) Committee to order at 9:01 a.m., on Thursday, June 6, 2013. Roll was taken and it was determined a quorum was present. Ms. Reba Coombs indicated the meeting had been properly noticed and posted. Chair Sisco also recognized those calling in to the meeting.

2. Public Comment

Dr. Rex Reed provided comment on an Open Meeting Law complaint regarding emails he had requested between Mr. Sisco, Ms. Oliver and Dr. Romo. He felt these members engaged in inappropriate activity related to the Deferred Compensation Program. Based on the emails he believed that Mr. Sisco, Ms. Oliver, and Dr. Romo intended to deliver the NDC provider contract to Hartford noting those actions indicated an abrogation of their fiduciary responsibilities. Dr. Reed also believed that Mr. Sisco, Ms. Oliver, and Dr. Romo engaged in inappropriate walking quorums. Dr. Reed requested his notes be posted on the Deferred Compensation website as part of his public comment. ([Public Comments & Emails](#))

Mr. Davie requested that Dr. Reed's statement and notes be made part of the meeting record. He also asked Senior Deputy Attorney General (DAG) Shane Chesney what the Committee should do with this information and if the Attorney General's office would look further into this matter.

DAG Chesney noted the concerns should be forwarded to George Taylor, Senior Deputy Attorney General, for evaluation to see if anything could be done with regard to the Open Meeting Law.

Chair Sisco asked Dr. Reed if he included the email Sisco sent to him after Reed went to his office saying "Hartford needed to go."

Dr. Reed did not remember ever saying "Hartford has to go" but met with Mr. Sisco because of his concern with the General Account and he challenged Mr. Sisco to produce that email.

Mr. Davie stated, for the record, that there was no collusion between him and any other members during the RFP process and their commitment was to have an open, fair, RFP process. But based on evidence presented today he did not believe it was an open and fair RFP process.

Mr. Eric Caruso with Parole and Probation requested the Committee address agenda item 13 earlier in the meeting because he had to return to work.

Chair Sisco stated they would be taking many items out of order to accommodate Mr. Woodbury and Ms. Salerno needing to leave the meeting early.

13. For Possible Action – Discussion and update from MassMutual concerning third party administrator for implementation of loan provision with two recordkeepers for participants and/or direct staff accordingly.

Ms. Coombs referred to past discussions of possibly adding a Loan Provision to the Plan noting the difficulties in monitoring a loan program with having two recordkeepers with the Plan. She stated it would probably be best to wait until the new recordkeeper RFP to implement a loan plan based on recommendations from Mr. Frank Picarelli and both recordkeepers. Ms. Coombs noted that Mr.

Bill Abramowicz with MassMutual was asked to provide information and answer questions regarding the loan program and using a third party administrator (TPA) to facilitate the program.

Mr. Bill Abramowicz with MassMutual confirmed they spoke with a few TPAs to help decipher some of the administrative issues. He noted the TPA based their fees only on the participants taking loans. The Plan should consider allowing participants to take only one loan per person and have the loans paid back through payroll deduction because there would be less default issues. He stated there were approximately 350 participants that invested with both recordkeepers so that would have to be monitored to assure the participants were not taking more than one loan. The loan program could also be handled without a TPA since both recordkeepers could administer the loans.

Mr. Todd Theroux with MassMutual commented that a TPA in the Bay Area was interested in the NDC Plan, but would need parameters on the full loan program so they could get a better handle on what tasks they would be fulfilling.

Mr. Frank Picarelli with Segal Rogerscasey stated there should be a sound process in place to follow the IRS rules and guidelines. Loans were contradictory to the Program because the Plan encouraged participants to save money; however, the loan program was voluntary and had to be paid back. Whatever the decision, there needed to be a good administrative process to ensure it was being handled properly. Clearly it would be easier with one recordkeeper.

Chair Sisco remarked they would have to have to go out for bid for a TPA which added cost.

Motion made by Vice Chair Romo to not have a loan provision added to the plan, second by Mr. Woodbury.

DAG Chesney stated the agenda item only referred to utilizing a third party administrator so they should amend the motion to reflect that. They could add the loan program issue to a future agenda if needed.

Amended motion made by Vice Chair Romo to not go with a third party administrator for a loan program at this time, second by Mr. Woodbury. Motion passed unanimously.

- 4a. For Possible Action – Discussion and possible action to adjust salary pursuant to legislative restoration of 2.5% pay cut for staff.

Chair Sisco added this item to the agenda because the Committee needed to take action in order to have Ms. Coombs receive the reinstated 2.5 percent salary increase.

Motion by Vice Chair Romo to increase staff salary by 2.5 percent as of July 1, 2013. Motion seconded by Mr. Woodbury and carried unanimously.

6. For Possible Action – Receive and approve the Investment Consultant's Fund Watch list for first quarter.

Mr. Picarelli referred to Tab 2, page 25 of the Performance Review and explained that funds were added to the watch list because of a manager change and/or underperformance of benchmark and peer ranking. ([1Q 2013 Performance Review](#))

FUND	RECOMMENDATION
American Funds Growth Fund of America	Remain on Watch
Hartford MidCap HLS	Remove from Watch
Lazard US Mid Cap Equity Fund	Terminated effective 4/19/2013
Munder Mid Cap Core Growth Fund	Remove from Watch
Keeley Small Cap Value Fund	Remain on Watch
Mutual Global Discovery	Remove from Watch
Hartford General Account	Remove from Watch
Hartford Small Company Fund HLS	Remain on Watch
Victory Diversified Stock Fund	Place on Watch due to underperformance
Oppenheimer Main St Small & Mid Cap Fund	Place on Watch due to underperformance

Mr. Picarelli stated he would add a page to his report to track the history of the Watch List.

Chair Sisco requested two additional columns be added to the Watch List: one showing how many participants were in the funds and the second for how much money was in the funds.

Motion made by Mr. Davie to approve the Watch List as specified by the Investment Consultant, seconded by Vice Chair Romo. Motion passed unanimously.

7. For Possible Action – Discussion and possible update of ING Stable Value Fund for the FICA Alternative Plan.

Mr. Steve Platt with ING stated that due to deteriorating interest rates in the FICA plan fund, participants could reach a zero or negative rate of return because of the expense ratio versus the gross rate of the fund. The fund had approximately \$4 million in assets with 2,210 participants and 380 participants currently contributing. ING presented an option of moving to another fund that had a lower expense ratio of 1.30 percent and charging a \$1 per person fee per month. The new arrangement would increase the earnings by about 60 basis points.

Mr. Picarelli noted the management fee to run the FICA plan was expensive. He presented two other options for this issue: do nothing and monitor the fund closely or move the money to the Hartford fund which would take 12 months because of a 12 Month Put. He believed the best solution, short term, would be to go with the ING option of moving it to the lowest sleeve and charging participants \$1 per month.

Mr. Platt noted if the Committee went with the ING option it would be a fund change and, as required, they would notify participants thirty days prior. With that communication they could also notify participants of their option to move funds to the MassMutual FICA account.

Recommendation from Mr. Picarelli on the ING FICA Alternative Plan would be to move to a lower management fee proposed by ING of 1.30 percent from 1.90 percent and charge \$1 per month per participant administrative fee to preserve principal. Communication would be developed by ING explaining the new fee and if the participant took no action it would default to the new fund and pricing arrangement and if they wanted an alternative in the Program they could move their account to the MassMutual fund offered.

Motion made by Vice Chair Romo to go with the recommendation of the Investment Consultant, seconded by Mr. Davie. Motion carried unanimously.

10. For Possible Action – Discussion and possible acceptance of Attorney General’s response dated February 28, 2013 to Open Meeting Law complaint.

Ms. Coombs summarized the Open Meeting Law complaints from Dr. Kent Ervin which involved the fact that minutes and other documents from previous Committee meetings had not been posted to the website within 30 days after the meeting as required by Nevada Open Meeting Law. The response from the Attorney General’s office stated the Committee had been in violation, but they only issued a warning to the Committee and all the issues had been resolved.

Motion made by Vice Chair Romo to accept the February 28, 2013 recommendation and decision by the Attorney General’s office, file number 12-037. Motion seconded by Mr. Woodbury and passed unanimously.

14. For Possible Action – Discussion and possible approval of Request for Information for auditing firms to conduct an annual financial audit.

Ms. Coombs explained the statute did not require a financial audit for the Plan but it was considered best practice in the industry and she was looking for direction from the Committee about putting out a RFI for this service.

Chair Sisco was extremely concerned about what was previously done with the financial audit and how former staff was pushing to renew the contract without going back out to bid. He had asked Ms. Coombs to send him the contract and bids. He believed the way the previous contract was structured the Committee ended up paying an astronomical amount for the audits. Two audits from the three year contract cost \$124,992. He did not want to see the current Committee make the mistake that the previous Committee had. He wanted to make sure they received the work that was paid for and to have the RFI go to as many bidders as possible.

Mr. Davie stated that the previous Committee had good reasons for doing the financial audit and he did not want to see the motives of those members denigrated or impugned. There was a complete RFP process and the Committee found out there were not many companies who performed this kind of financial audit. They selected what they thought was the best company at the best price. There had never been a financial audit performed before 2008 so the previous Committee had good rationale for doing the financial audit.

Motion made by Mr. Woodbury to ask staff to proceed with the RFI after removing the confidentiality portion, and provide results at or before the next meeting so they could review and select a vendor. Motion seconded by Vice Chair Romo and carried unanimously.

15. For Possible Action – Discussion and approval of updated Administrative Manual and/or direct staff accordingly.

Ms. Coombs stated she updated the previous Administrative Manual and was looking for approval of the draft.

Chair Sisco noted on page 4 under Mission and Goals, section 1.1, "out of fees paid by participants" should be added to the end of the last sentence.

Motion made by Mr. Davie to adopt the revisions of the Administrative Manual, as presented. Seconded by Vice Chair Romo motion passed unanimously.

3. For Possible Action – Approval of Committee meeting minutes from planning meeting of January 30, 2013 and regular meeting of February 20, 2013.

Motion by Vice Chair Romo to approve the planning meeting minutes of January 30, 2013, second by Mr. Davie. Vote carried unanimously.

Chair Sisco asked for wording to be added on page 11, second paragraph of the February 20, 2013 minutes.

Chair Sisco provided a handout of the statutory requirements for meeting minutes and instructed staff to follow those guidelines.

Motion by Vice Chair Romo to approve the February 20, 2013 minutes, second by Mr. Woodbury. Motion carried unanimously.

Mr. Davie, for the record, did not agree with the direction to staff about the minutes and did not feel it was appropriate to require those restrictions.

16. For Possible Action – Discussion and setting of future meeting dates.

Motion by Vice Chair Romo to accept the current meeting dates of 8/15/2014, 11/14/2013 and set the Planning Meeting date for 1/9/2014. Motion seconded by Mr. Davie and passed unanimously.

12. For Possible Action – Receive an update and discussion of the addition of Morningstar Managed Accounts to the ING platform and/or direct staff accordingly.

Mr. Picarelli explained the Morningstar Managed Account program which was an optional service offered to ING participants for a fee. If selected it would allow a managed account service that provided participants with automatic portfolio set-up, ongoing monitoring and professional investment management of their retirement accounts. The Committee would not be responsible for these investments because Morningstar took on the fiduciary responsibility.

Mr. Brian Merrick with ING clarified that the prior RFP (not the discarded one) did include a response on their ability to offer Morningstar Advice. This was an expansion to the services already available to ING participants and there was already an agreement in place between the Committee and Morningstar for the *Managed by You* service. The agreement would need to be updated to include the *Managed by Morningstar* feature. It was the Committee's decision whether they wanted to make this option available.

DAG Chesney noted the Committee could vote on the item contingent that it fit into the scope of the original RFP.

Motion made by Mr. Woodbury to amend the existing agreement to allow for the additional service of *Managed by Morningstar* for ING participants, as long as the current RFP they were operating under recognized Morningstar. Motion seconded by Mr. Davie.

Mr. Abramowicz commented that MassMutual would be willing to look into offering a managed account to their participants.

Vote taken on motion and passed unanimously.

4. For Possible Action – Receive and approve Program Coordinator’s report for first quarter ending March 31, 2013.

Ms. Coombs presented her quarterly report with information on travel funds, NAGDCA, enrollment email campaign, newsletters, Financial Soundings report, regulatory updates and a proposed RFP timeline. ([Coordinator Report](#))

Mr. Woodbury suggested having the next newsletter as the “Summer” edition to get back on track, according to the seasons.

Chair Sisco asked the Committee to review the proposed changes on the regulatory updates and provide comments to Ms. Coombs as soon as possible because the process to get those updated could take up to six months.

Mr. Davie stated they needed to find out if the Committee had rule making authority to adopt rules.

DAG Chesney would quickly look into the rule making authority and in the absence of authority, what the default was.

Ms. Coombs asked the Committee to provide comments on the proposed changes within the next two weeks.

Motion to accept the Coordinator’s Report made by Vice Chair Romo and seconded by Mr. Woodbury. Vote was unanimous.

5. For Possible Action – Receive and approve Investment Consultant’s review of first quarter reports from providers and performance of investment options and/or direct staff accordingly.

Mr. Picarelli presented his quarterly report on first quarter (1Q) of 2013 commenting on financial market conditions from pages 1-10 of Tab 1 of his Performance Review. Continuing on Tab 2, pages 20-25 Mr. Picarelli offered the Executive Summary for 1Q ending March 31, 2013 showing the NDC Program total Plan assets were \$611.7 million which was an increase of \$22.9 million or 3.9 percent. The majority of Plan assets were invested in the Stable Value Funds representing \$277 million (45 percent) in the Hartford General Account and \$28.1 million (5 percent) in the ING Stable Value Account. Individually, MassMutual assets totaled \$497.1 million, increasing \$18.1 million or 3.8 percent and ING assets totaled \$114.6 million, increasing \$4.8 million or 4.4 percent. Tab 3 showed Plan Activity and Tab 4 was the fund breakdown. ([Performance Review](#))

Mr. Woodbury left the meeting so did not vote on any further items.

Motion made by Vice Chair Romo to approve the Investment Consultant report, second by Ms. Oliver and motion carried unanimously (4-0).

8. For Possible Action – Receive and approve plan activity and administrative update from ING for quarter ending March 31, 2013.

Mr. Bishop Bastien announced the new name for ING would be Voya but it would take 18-24 months to have the change completed. An Initial Public Offering (IPO) was held May 2, 2013 so they were now a publicly held company.

Mr. Merrick and Mr. Platt presented a quarterly report from ING. ([ING Report](#))

Motion made by Vice Chair Romo to accept and approve the ING report, seconded by Ms. Oliver. Vote carried unanimously.

9. For Possible Action – Receive and approve plan activity and administrative update from MassMutual for quarter ending March 31, 2013.

Mr. Trenerry presented a quarterly report from MassMutual. ([MassMutual Report](#))

Vice Chair Romo asked if they could break down the contribution numbers for governmental partners and State employees.

Mr. Trenerry stated they could provide that information in the future.

Mr. Trenerry gave a brief summary of the Financial Soundings report that was mailed out to their actively contributing participants.

Motion made by Vice Chair Romo to accept and approve the MassMutual report, seconded by Ms. Oliver. Vote carried unanimously.

11. For Possible Action – Receive an update concerning the non-spousal beneficiary complaint resolution issue and discuss possible future action and/or direct staff accordingly.

Mr. Trenerry reported, as of last week, there had not been any communication from the beneficiary or their attorney so MassMutual was waiting to hear from the beneficiary on how to move forward.

Mr. Trenerry stated the NDC Plan Document did have a default if no beneficiary was designated which was the "5 year rule" but it could be changed if the Committee chose to do that.

Mr. Davie believed they should change their Plan Document to have the default be the "Lifetime rule" so a non-spousal beneficiary would not be hurt by the current designation. He asked to have this item formally put on an agenda and change the Documents to reflect what was beneficial to the participants.

Chair Sisco stated they would add that item and requested some education regarding that issue.

Comments/Updates

17. Committee Members

Mr. Davie noticed Clark County put out an RFP and he offered to attend their finalist meeting to see how they did their business which would be educational and helpful. He also suggested getting notices from NSHE for their RFP meetings to see how they run their business. Mr. Davie also asked Mr. Picarelli to keep them informed of the process Clark County used.

Chair Sisco felt like the Committee was moving forward from past issues and encouraged them to continue moving forward and let go of the past.

18. Contractors/Recordkeepers

No comments.

19. Senior Deputy Attorney General

No comments.

20. Staff Updates

No comments.

21. Public Comment

Mr. Kent Ervin, active participant, thanked the Committee for addressing his Open Meeting Law Complaint and appreciated SDAG George Taylor's work and thought it was a thorough and fair process. He also thanked the Committee for getting the minutes up to date. He made a suggestion to follow the PEBP method for minutes which was having a set of "action only" minutes and also a verbatim transcript. Going forward with the next RFP he recommended the Committee embrace the process through Purchasing and have them lead the Committee through it and if anything was going to be confidential in the RFP they should follow the specific statute. Mr. Ervin also thanked the Committee for reducing fees on some of the index products in the past few months.

Dr. Reed shared more emails and concerns about walking quorums and inappropriate blind carbon copies between Committee Members. ([Public Comments & Emails](#))

A disclaimer from Chair Sisco, for the record, was that the record was incomplete and Mr. Reed's only perception was based on those emails that he wanted to reference.

Ms. Oliver referenced the email from Dr. Reed regarding Mr. Picarelli picking up the tab for her meal and stated that she corrected the error she made by repaying his firm for that meal.

22. Adjournment

Motion made by Vice Chair Romo to adjourn the meeting, second by Ms. Oliver. Motion passed unanimously.

The meeting was adjourned at 2:13 p.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant

DRAFT

Brian Sandoval
Governor

Reba Coombs
Program Coordinator



**Nevada Public Employees'
Deferred Compensation Program**

COMMITTEE
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GOED

Shane Chesney
Senior Deputy Attorney General

**DEFERRED COMPENSATION COMMITTEE
QUARTERLY MEETING MINUTES FOR**

Thursday, August 15, 2013

The quarterly meeting of the Deferred Compensation Committee was held on Thursday, August 15, 2013 at 9:00 a.m. in room 2135 of the Legislature Building, 401 S. Carson St., Carson City, Nevada. The meeting was held by videoconference from the Nevada Legislature Building to the Grant Sawyer Building, 555 E. Washington Ave., Suite 4412 E, Las Vegas, Nevada. Other attendees participated in person or by conference call.

A copy of this set of meeting minutes, including the agenda, the audio recording and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at: <http://defcomp.nv.gov/Meetings>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775.684.6835).

BOARD MEMBERS

Brian Davie (by videoconference)
Karen Oliver
Steve Woodbury
Carlos Romo, Vice Chair
Scott Sisco, Chair

OTHERS PRESENT

Lyra Ambrose, ING (by phone)
Jim Barnes, Zeh Law Firm
Bishop Bastien, ING
Anthony Cardone, MassMutual (Las Vegas)
Shane Chesney, Senior Deputy Attorney General
Reba Coombs, NDC Program Coordinator
Janet Corral, MassMutual (Las Vegas)
Jack Crawford, Participant
Steve Ebert, Nationwide
Kent Ervin, UNR
Michael Hackett, MassMutual
Jacob Honea, MassMutual

Brian Merrick, ING
Jill O'Brien, MassMutual
Gary Petrytus, Valic
Frank Picarelli, Segal Rogerscasey
Steve Platt, ING
Micah Salerno, NDC Admin Assistant
Robert Trenerry, MassMutual
Tom Verducci, Great West
Melanie Walker, Segal Rogerscasey (by phone)
Steve Watson, MassMutual

1. Call to Order/Roll Call

Chairman Scott Sisco called the quarterly meeting of the Nevada Deferred Compensation (NDC) Committee to order at 8:59 a.m., on Thursday, August 15, 2013. Roll was taken and it was determined a quorum was present. Ms. Reba Coombs indicated the meeting had been properly noticed and posted. Chair Sisco also recognized those calling in to the meeting.

2. Public Comment

No public comment.

Chair Sisco stated they would be taking items out of order to accommodate Mr. Picarelli needing to leave the meeting early.

5. For Possible Action – Receive and approve Investment Consultant’s review of second quarter reports from providers and performance of investment options and/or direct staff accordingly.

Mr. Picarelli presented his quarterly report on the second quarter (2Q) of 2013 commenting on financial market conditions from pages 1-19 of his Performance Review. Continuing on pages 20 and 21 Mr. Picarelli offered the Executive Summary for 2Q ending June 30, 2013 showing the NDC Program total Plan assets were \$618.7 million which was an increase of \$6.9 million or 1.1 percent. The majority of Plan assets were invested in the Stable Value Funds representing \$277.5 million or 45 percent in the Hartford General Account and \$27.8 million or 4 percent in the ING Stable Value Account. Individually, MassMutual assets totaled \$503.5 million, increasing \$6.3 million or 1.3 percent and ING assets totaled \$115.2 million, increasing \$0.6 million or 0.5 percent. ([2Q 2013 Segal Report](#))

Mr. Picarelli noted that the benchmarks had changed on Policy Indices for two Vanguard funds but because the NDC Investment Policy statement was well crafted and indicated the index funds should track the performance of that management, nothing needed to be done to account for those changes.

Chair Sisco asked if Mr. Picarelli had reviewed the NDC Investment Policy.

Mr. Picarelli stated he had reviewed it and it looked good with well-constructed language.

Mr. Picarelli remarked that on September 13, 2013, the SSgA US Bond Market INLS expense ratio would be reduced from 15 basis points (bps) to 6 bps as a result of earlier negotiations with MassMutual. In addition, on May 22, 2013, the share class was reduced for another five funds. (Pages 20 & 21)

Mr. Picarelli noted that the Lazard U.S. Mid Cap Equity Fund with ING was mapped to the Hartford Mid Cap HLS Fund as of April 19, 2013.

Mr. Picarelli covered the Watch List from pages 22-24 and recommended all funds from the March 31, 2013 list remain on watch.

Chair Sisco requested Mr. Picarelli to check the date on the Hartford General Account being placed on watch from page 29.

Mr. Picarelli commented on the revenue sharing analysis from pages 30-31 and recommended that both recordkeepers be proactive in monitoring these so there were no surprises as time went on. The ING revenue sharing was still projected to have an approximate \$34,000 shortfall per year, but the \$90,000 annual fee for Plan expenses should be adequate to cover the difference for 2013 and 2014.

Chair Sisco inquired if a per-head fee only applied to the FICA Plan.

Mr. Picarelli stated that was correct and in the regular plan the participants only paid a management fee.

Mr. Picarelli also covered plan activity and asset allocations on pages 30-44 of his report.

Mr. Davie referred to page 34 and 35 and asked Mr. Picarelli to include pie charts for the same quarter from the previous year so they could see the difference over a year in addition to the quarterly changes.

Mr. Picarelli agreed to add the additional pie chart to his next report.

Mr. Picarelli stated that their company provided a rating report on the fund line-up of both recordkeepers at the June and December meetings. He explained the rating system and reviewed the two reports. ([Segal Line-Up](#))

Motion by Vice Chair Romo to accept the Investment Consultant report, second by Ms. Oliver. Motion carried unanimously.

6. For Possible Action – Receive and approve the Investment Consultant’s Fund Watch List for the second quarter ending June 30, 2013.

Mr. Picarelli referred to page 28 of the Performance Review and recommended retaining all funds on the Watch List from last quarter. ([2Q 2013 Segal Report](#))

FUND	RECOMMENDATION
American Funds Growth Fund of America (ING)	Remain on Watch
Keeley Small Cap Value Fund (ING)	Remain on Watch
Hartford Small Company Fund HLS (MassMutual)	Remain on Watch
Victory Diversified Stock Fund (MassMutual)	Remain on Watch
Oppenheimer Main St Small & Mid Cap Fund (MassMutual)	Remain on Watch

Motion made by Vice Chair Romo to approve the Investment Consultant’s fund Watch List for the second quarter, second by Mr. Woodbury. Motion passed unanimously.

13. For Possible Action – Receive update on non-spousal beneficiary language in Plan Document and direct staff accordingly.

Ms. Coombs provided background on the agenda item and explained why it was necessary to change the default language in the Plan Document regarding this issue.

Chair Sisco commented on the past issue of a non-spousal beneficiary with the NDC Plan that related to the current default *5-year* rule and why the change needed to be made in the language.

Ms. Melanie Walker, an attorney and compliance officer with Segal Rogerscasey, called in to offer her expertise stating it was better to have the default rule of a *Lifetime* benefit for the required minimum distribution rather than the lump sum payout at the fifth anniversary of the participant's death (*5-year rule*). It was better to have the participant be given an opportunity to change how they wanted to receive the benefit rather than receiving a large sum with a tax liability attached to it. The IRS regulations used the *Lifetime* payout as the default if a plan did not select another and it was the most common default for required minimum distributions for non-spousal beneficiaries.

Chair Sisco questioned if the language was changed to the *Lifetime* rule as a default if a beneficiary could make a change later if they wanted to receive a lump sum payout.

Ms. Walker stated a beneficiary could accelerate payments or take a lump sum if they chose.

Ms. Coombs referred to the language provided under article 8.7 d) i., and noted where the wording needed to be changed. ([Current Language](#))

Senior Deputy Attorney General (DAG) Chesney suggested to switch the wording under section 8.7 d) i. with the wording under section 8.7 d) i. 1.

Ms. Walker agreed with the proposed language change by DAG Chesney.

Motion by Vice Chair Romo to authorize Senior DAG Shane Chesney to provide necessary language and authorize the Program Coordinator Reba Coombs to update the Plan Document as described.

Mr. Woodbury suggested having DAG Chesney come up with language and have Mr. Picarelli's team review it.

DAG Chesney would send a draft to Mr. Picarelli and Ms. Walker to confirm the changes.

Second on motion by Mr. Woodbury, motion carried unanimously.

Vice Chair Romo inquired as to when the changes would take effect.

Ms. Walker stated it would be effective when they chose but the recordkeepers would need to track the current status of beneficiaries.

Ms. Coombs noted that beneficiaries still had the option to choose the *5-year* or *Lifetime* rule but this amendment was changing the default in case the beneficiary did not choose an option.

Chair Sisco asked for an update on the current beneficiary issue with MassMutual.

Mr. Robert Trenerry stated there was no update as no communication had taken place from the beneficiary.

3. For Possible Action – Approval of Committee meeting minutes from meeting of June 6, 2013.

Ms. Oliver asked to have her comment from page nine about paying for her meal referenced back to the emails from Dr. Reed during the public comment. She also wanted to have a softer word used on page six in regard to Chair Sisco's direction to staff about meeting minutes.

Vice Chair Romo felt an explanation should be included on page five concerning the Open Meeting Law complaint and violation.

Chair Sisco was concerned about editorializing and favoritism in the minutes and did not feel they followed the NRS. He commented that more information should have been included to explain Mr. Davie's comment about the financial audit on page five. Chair Sisco also related that Assembly Bill 65 required that any handouts from the meeting needed to be posted on the website within 24 hours. Chair Sisco asked staff to clean up the minutes and get the website meeting exhibits whole before the next meeting.

4. For Possible Action – Receive and approve Program Coordinator's report for second quarter.

Ms. Coombs presented her quarterly report with information on NAGDCA and FICA distribution. ([Coordinator Report](#))

Mr. Trenerry spoke regarding the FICA distribution noting the distribution of small accounts with no activity for at least two years was a common practice to "clean up" the Plan and MassMutual was planning on taking a look at the 457 accounts in the future as well.

Mr. Steve Platt with ING remarked that communication would be sent out to participants prior to the distribution letting them know the options they had including rolling money into an IRA or other qualified plan.

DAG Chesney commented that after reviewing the FICA Plan Document there was no mandatory language requiring a distribution.

Chair Sisco requested the communication to include an opt-out option so the participants were not forced to take the distribution.

Ms. Coombs continued her report covering email blasts, Financial Education Days, and the Plan's Alliance Partners.

Vice Chair Romo, in reference to information on the Alliance Partners, asked if the expired contracts with the Alliance Partners would have any legal exposure.

DAG Chesney noted it was not an ideal situation but they could do a retroactive amendment back to January 1, 2013.

Chair Sisco was concerned with item 7(d) of the Interlocal Contract Between Public Agencies where it stated "*The Committee agrees to authorize the two investment providers...*" because of the wording on "two investment providers."

DAG Chesney stated they should make the amendment to the contracts first and then change the wording later after updating the regulations and changing the SAM.

Mr. Davie commented that there was nothing wrong with the language on the FICA document at this point because there were two providers in our Plan. He also referred to a handout he provided relating to the MassMutual consultant position he had inquired about at a previous meeting. The memo mentioned that the consultant assisted with various State conferences and Mr. Davie felt it would be a great opportunity to have Mr. Watson, the consultant, help NDC hold a state-wide meeting with the current and possible future Alliance Partners to inform them what the Program was about and to share ideas.

Ms. Coombs concluded her report by discussing an upcoming participant survey and asked for feedback on how it should be circulated and what type of questions should be asked.

Mr. Picarelli believed the participant survey was a great idea prior to the RFP, surveying participants on what they thought was right and what was wrong, to address some of the scope of services in the RFP. It would help with decisions on what was best for participants and their interests.

Motion to accept the Program Coordinator's Report made by Vice Chair Romo and seconded by Mr. Woodbury. Vote was unanimous.

8. For Possible Action – Receive and approve plan activity and administrative update from MassMutual for second quarter ending June 30, 2013, including overview of MassMutual website.

Ms. Jill O'Brien a communications consultant dedicated to the governmental market for participant communication and education with MassMutual spoke to the Committee about ways she provides support to staff and the local MassMutual offices to bring education information to Plan participants in a targeted way. She shared examples of how they can customize material to target different audiences in the Plan and gave a brief demonstration of the MassMutual website.

Mr. Trenerry presented the quarterly report from MassMutual. ([MassMutual 2Q Report](#))

Motion to accept the MassMutual quarterly report made by Vice Chair Romo and seconded by Mr. Woodbury. Motion carried unanimously.

9. For Possible Action – Discussion and review of responses to Request for Information for financial audit and whether to enter into contract negotiations and/or direct staff.

Ms. Coombs explained there were two responses for the RFI for a financial audit issued in June and was looking for direction from the Committee on how to proceed.

Chair Sisco was in support of a financial audit, although it was not required, but he had some concerns about the number of payroll centers with Alliance Partners and the estimated costs

proposed which were much higher than the original estimation. He asked Mr. Picarelli for suggestions on the direction the Committee should go.

Mr. Picarelli commented that because the Plan had two service providers in addition to various payroll centers, the audit would involve more time and work. He also addressed the scope of services and costs associated with both companies that submitted responses to the RFI. Best practice was to do a financial audit on an annual basis even though it was not required.

Mr. Woodbury recommended they meet with the vendors and scale back the scope of service to reduce the price and then negotiate new proposals.

Chair Sisco believed it would be beneficial to review the previous audits and see if there were any significant findings then negotiate with both companies and come back with a couple of proposals. One could address price and scope of work and another proposal if the audit was not done annually but maybe every other year. He asked if Mr. Picarelli would work with Mr. Woodbury to speak with the companies and negotiate price and scope of work on behalf of the Committee and then come back with a couple of proposals at a future meeting.

Mr. Picarelli was willing to work with Mr. Woodbury to help negotiate price and scope of service with both companies.

Motion made by Chairman Sisco to have the Committee authorize Mr. Woodbury with Mr. Picarelli's help to contact the two companies and bring back to the next Committee meeting proposals for either multiple time periods and/or multiple cost prices with similar scope of services, second by Vice Chair Romo. Vote was unanimous.

7. For Possible Action – Receive and approve plan activity and administrative update from ING for second quarter ending June 30, 2013, including update on fund change.

Mr. Platt reported that the FICA Plan fund change was progressing and on August 23, 2013 the share class would be changing. In addition, the \$1 per month fee would begin in October and account balances under \$25 would have the fee waived. The participants would receive communication about the FICA fee change in September. The Morningstar Managed accounts were set up in July. Communication would be going out and meetings were scheduled to introduce the service and educate participants.

Mr. Brian Merrick presented the quarterly report from ING. ([ING 2Q Report](#))

Motion by Vice Chair Romo to accept the ING quarterly report, seconded by Mr. Woodbury. Vote was unanimous.

10. For Possible Action – Receive an update on timelines and plan to make changes to NAC regulation relative to the Deferred Compensation Plan.

Ms. Coombs provided a proposed timeline for the NAC regulatory update along with proposed changes to the current language. ([NAC Changes](#))

Mr. Davie apologized if his question from the last meeting concerning who had authority to change the regulations, had caused a delay in getting the process started. He also stated he had some suggested changes.

DAG Chesney pointed out when looking at the NAC the authority is cited in the regulation and NAC all referenced NRS 287.330. It did not give explicit authority but implicit authority so he recommended moving forward and vote to get the process going. The wording could always be changed at a workshop.

Mr. Davie provided his suggested changes to the NAC.

DAG Chesney noted wherever it said "Recordkeepers" it should read "Recordkeeper(s)" to be consistent. If the proposal was returned from the Legislature within thirty days then staff could hold a workshop where anyone could attend. The regulatory hearing could be held at the next meeting in November to adopt the changes.

Motion by Vice Chair Romo to direct staff to move forward on the regulation process, seconded by Mr. Woodbury. Vote carried unanimously.

11. For Possible Action – Review and discuss possible changes to State Administrative Manual (SAM) Chapter 3800 Deferred Compensation and/or direct staff accordingly.

Chair Sisco recommended the SAM language be sent out, marked up to see what changes they wanted, and have a final to approve at the next meeting. Once the NAC regulation process was completed they could send the SAM chapter to be updated.

12. For Possible Action – Receive update on FICA Alternative Plan Document and Plan Summary Document and/or direct staff accordingly.

Ms. Coombs noted the FICA Plan Document and FICA Plan Summary had been presented to the Committee in June of 2012. She went through it and made small corrections but needed final approval to post the update to the website.

Chair Sisco noted the language on page 16, regarding the default for a beneficiary, needed to be changed to reflect the wording the Committee voted on from earlier in the meeting.

Vice Chair Romo stated they should remove the word "Mandatory" on page 12 under Article VII.

Mr. Davie recommended to check with Mr. Picarelli to be certain the wording could be changed.

Motion by Vice Chair Romo to adopt the FICA Alternative and Summary Plan Documents with changes made today. Mr. Davie seconded the motion and it passed unanimously.

14. For Possible Action – Discussion and setting of future meeting dates.

Ms. Coombs encouraged the Committee to get some dates on the calendar for future meetings.

Chair Sisco commented they should have a meeting with Mr. Picarelli for structuring the RFP.

DAG Chesney suggested meeting January 9 and 10 for the RFP and Planning Meeting.

The Committee chose to add January 9, 2014 for the RFP, January 10, 2014 for the planning meeting and February 20, 2014 and May 22, 2014 for quarterly meetings.

Comments/Updates

15. Committee Members

Mr. Davie commented on a handout he provided from the Boards and Commissions manual which was a reminder for all members to show respect for those who testify at meetings. He noted he highlighted certain portions and was trying to apply the information to himself and felt it was appropriate for the whole Committee. Mr. Davie also wanted to correct a statement from a newspaper article written about the last meeting which said "a source close to the committee, who asked not to be identified, said there was a split between old and new members over the decision to retain Hartford." He felt this was an inaccurate statement and wanted to state that for him the issue had nothing to do with retaining Hartford/MassMutual but his issue was having a fair and open RFP process using proven legal procurement and review procedures that allowed all recordkeepers to believe that they had a fair and equal opportunity to win the bid. It was not about a specific company but about the Committee and Program having a fair and equal process. Mr. Davie also thanked LCB Broadcast & Production Services as well as the Las Vegas staff for the videoconference facilities and for the internet broadcast.

Vice Chair Romo noted he participated in a MassMutual webcast and found it informative. He also commented on serving as Vice Chair and thanked Chair Sisco for leading the meetings and directing the Committee.

Chair Sisco referred to the handout from Mr. Davie and noted that everything highlighted was under duties of Chairman so he assumed Mr. Davie was suggesting he was not doing what he needed to be doing. Chair Sisco surveyed the other Committee members to see if they had any concerns or issues about how he operated.

Ms. Oliver remarked that she did not have any issues with how Chair Sisco ran the meetings and did not think it was appropriate to direct the comments to a Committee member. Chairmanship was a leadership position and was difficult to run the meeting and add input and she appreciated that Chair Sisco stepped up to take his turn as Chairman.

Mr. Woodbury did not have any issues and noted there had been some challenges but hoped the Committee could move forward in a positive way.

Chair Sisco stated it had been difficult but he was trying to do his best and thought the Committee all had the same goal in mind about getting the best RFP out on the street and doing what was right for the participants.

Mr. Davie stated he was not trying to make a personal attack but was trying to move forward in a positive manner. He was working to apply the principles from the handout to himself and thought these were good guidelines that were applicable to the whole Committee.

16. Staff Updates

Ms. Coombs referred to an informational item provided to the Committee members concerning Public Defined Contribution Funds and thought it had a lot of useful information.

Ms. Coombs also thanked LCB for all their help and support for the meetings. She also reminded the Committee she was always available to meet with them about any of the issues in the binder prior to the meetings or for any other reason.

17. Public Comment

Dr. Kent Ervin, active participant, apologized for not addressing agenda item 10 at the first public comment noting the material was not on the web or available when he came into the meeting so he was not aware of the proposed changes. In regard to NAC 287.715 it really was saying the Committee would want to follow a different procedure than the State Purchasing guidelines or statute and he wondered if they had statutory authority to not follow those statutes and why they would not follow them and have Purchasing lead the Committee through the process. He did not see how they could only use part of the statute to treat part of the RFP process as confidential. Dr. Ervin also questioned why they were changing the publication notice from 30 to 60 days.

Chair Sisco commented that one of the things that came out of the process last year was it was verified that the Program was not subject to NRS 333. The Committee did want to use Purchasing to do the RFP process but they did not want to give up their maximum flexibility to do the best thing ultimately in the best interest of the participants. He noted there were regulation handouts available at the beginning of the meeting but may have all been taken.

Dr. Ervin asked Chair Sisco to direct him to the ruling that stated the Committee was exempt from following the State Purchasing statute.

Chair Sisco remarked there was a letter issued during the request for Declaratory Order from ING last year that basically confirmed that NRS 333 was for expenditure of public funds and there were no expenditure of public funds as a result of that RFP.

Dr. Ervin stated that was not his recollection of that letter and he did not believe they ruled on that particular part.

Chair Sisco asked Ms. Coombs to forward the letter to Dr. Ervin. He noted they wanted to use State Purchasing process to be as up front as they could but from his perspective he did not want to give up the maximum flexibility so they would not write the RFP under the NRS 333.

Dr. Ervin believed that following the state guidelines and process was the way to ensure fairness to all the parties and the participants involved in the process. State Purchasing had a longstanding track record for issuing large contracts and given the discord on the Committee they would want to have Purchasing lead them through the process in the proper way rather than have the Committee set their own rules.

Mr. Davie commented on Dr. Ervin's recommendations about following the NRS. He felt the crux of the issue was whether the Committee was going to follow proven procedures using the NRS or leave it to the maximum discretion of three individuals on the Committee.

18. Adjournment

**Motion made by Vice Chair Romo to adjourn the meeting, second by Mr. Woodbury.
Motion passed unanimously.**

The meeting was adjourned at 2:08 p.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant

DRAFT



To All to Whom These Presents Shall Come, Greetings:

KNOW YE, That reposing special trust and confidence in the loyalty, integrity, and ability of, Scott Sisco, I, BRIAN SANDOVAL, Governor of the State of Nevada, by the Authority vested in me by the Constitution and laws thereof, do hereby

APPOINT AND COMMISSION

SCOTT SISCO

A MEMBER OF THE

DEFERRED COMPENSATION COMMITTEE

FOR THE STATE OF NEVADA

This appointment is made pursuant to the laws of this State (NRS 287.325); and I authorize the appointee to discharge, according to law the duties of said office, and to hold and enjoy the same, together with all the powers, privileges and emoluments thereunder appertaining for the term beginning October 1, 2013 and ending September 30, 2017.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Nevada. Done at Carson City, Nevada this 1st day of October, A.D., 2013.



Governor of the State of Nevada

By the Governor:

Secretary of State of Nevada

Deputy



To All to Whom These Presents Shall Come, Greetings:

KNOW YE, That reposing special trust and confidence in the loyalty, integrity, and ability of, Carlos Romo, I, BRIAN SANDOVAL, Governor of the State of Nevada, by the Authority vested in me by the Constitution and laws thereof, do hereby

APPOINT AND COMMISSION

CARLOS ROMO, PH.D.

A MEMBER OF THE

DEFERRED COMPENSATION COMMITTEE

FOR THE STATE OF NEVADA

This appointment is made pursuant to the laws of this State (NRS 287.325); and I authorize the appointee to discharge, according to law the duties of said office, and to hold and enjoy the same, together with all the powers, privileges and emoluments thereunder appertaining for the term beginning October 1, 2013 and ending September 30, 2017.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Nevada. Done at Carson City, Nevada this 1st day of October, A.D., 2013.



Governor of the State of Nevada

By the Governor:

Secretary of State of Nevada

Deputy

Brian Sandoval
Governor

Vacant
Program Coordinator



**Nevada Public Employees'
Deferred Compensation Program**

COMMITTEE
Scott Sisco, Chair
NDOC
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
GOED

Shane Chesney
Senior Deputy Attorney General

DEFERRED COMPENSATION PROGRAM COORDINATOR

Salary Range 45,560.16 to 67,692.96 (employer/employee paid retirement plan)

This position is in the unclassified service and is appointed
by, and serves at the pleasure of the Committee

The Division of Human Resource Management is seeking qualified applicants for the position of Program Coordinator, Nevada Public Employees' Deferred Compensation Program. This position is full-time and serves at the pleasure of the five Governors' appointed Nevada Public Employees' Deferred Compensation Committee Members. The incumbent in this position provides operations management, direction, and daily oversight for the state's Deferred Compensation Program. The position supervises a part-time, contract clerical position that supports the Plan activities. The Plan is a voluntary, supplemental 457 retirement savings program with two providers and current assets exceeding \$ 575 million.

The following are the primary duties of the position:

Operations Management

The position is responsible for managing the Plan and maintaining accurate records in compliance with federal and state regulations. The position is responsible for employer relations, budget creation and monitoring, client's services, participant education and training, monitoring of Plan requirement, and more. Employer relations include working with the various pay centers and the contracted Service Providers to resolve any issues participants may raise related to signing up or making changes to pre-tax funds to be taken from their pay to be deposited with the Service Providers.

Budget creation includes providing draft budget request based on actual base expenditures along with any recommended enhancement decision units to the Committee for review and ultimate approval. Upon Committee approval the Deferred Compensation Program Coordinator then works with the Administration Division of the Department of Administration to input the Committee approved budget request into NEBS. Budget monitoring includes monitoring actual and projected expenditures to insure compliance with the Legislatively approved budget throughout the biennium- and immediately notifying the Committee of any changes needed, and/or concerns regarding the status of the budget.

The position serves as the primary point of contact for program participants who have issues or concerns between their respective payroll centers, and/or their selected Service Provider. The incumbent develops and maintains a close working relationship with those entities to ensure that issues are brought to conclusion at the lowest and earliest possible level. The position monitors and ensures that Service Providers, Contractors, and Employer Pay Centers comply with all requirements of the approved operating plan. When necessary, the position makes recommendations to the Committee for changes to the Plan.

Committee Business Management

The position is responsible for drafting board agendas, distributing those agendas to Committee Members to solicit input, posting of the final agenda in accordance with Open Meeting Law requirements, scheduling appropriate clerical staff necessary to take minutes at the meeting, and making arrangements for appropriate meeting space and necessary presentational equipment. The position provides timely Committee Member packages to the Committee, and meets with Committee Members when necessary or when requested to provide background information on the agenda items. The position conducts necessary research to provide full and complete information to the Committee related to agenda items.

The position provides draft recommended policy changes and/or additions as identified through the normal operations of the program.

The position provides notice to contractors, Service Providers, and other relevant and/or interested parties of the date and time of the meeting, including coordinating the appearance of speakers necessary to properly present each item on the agenda. The position presents agenda items to the Committee during the meeting and provides response to the Committee Members when questioned about the individual items on the agenda.

The position follows through on any decisions or actions taken by the Committee, supervises clerical staff in the completion of the minutes of the meetings, and brings back to the committee any concerns or problems with carrying out those actions.

Contractual Relationships Management/Oversight

The position monitors all contracts and agreements to ensure new agreements are in place prior to expiration of the current agreements. The position, at the direction of the Committee, drafts RFP's and contracts for Investment Consultants, Financial and Compliance Auditors, and works with the Investment Consultant and the State Purchasing Division to create necessary RFP's and contracts for Service Provider(s).

The position monitors all contracted service providers (Investment Consultant, Service Providers, and Financial and/or Compliance Auditors), to ensure compliance with the approved Plan, compliance with State and Federal regulations and compliance with their respective contracts or agreements. The incumbent develops and maintains close working relationships to ensure client concerns and/or other operating problems are resolved as expeditiously as possible.

This position serves as the primary contact with the investment consultants in securing evaluations and recommendations for investment offerings and ultimately coordinating the presentation of those recommendations to the Committee for modification to the offerings of the Plan.

Participant Education and Training

The position creates and presents educational and training opportunities for participants and prospective participants of the Program to effectively communicate the benefits of participation in the Deferred Compensation Plan. Such education includes regular newsletters, general trainings, and extensive workshops when major changes are made to the Plan. The position works with the Service Providers to include their respective news articles in the newsletter, and their offerings in group trainings.

Qualifications: Bachelor's degree from an accredited college or university in public or business administration, finance, social sciences, mathematics, or related field and two years of professional experience in the research, development, evaluation or revision of programs, organizations, methods or procedures or administration of policies and procedures for a program or functional area; OR one year of experience as a Management Analyst I in Nevada State Service; OR an equivalent combination of education and experience on a year-for-year basis.

The position requires general knowledge of research methods and analysis techniques, and may include a working knowledge of state government processes and procedures. The position requires excellent human relations skills, and the ability to establish and maintain effective working relationships and diverse constituencies in both the public and private sectors. This position requires superior verbal and written communication skills, with demonstrated ability to prepare and present complex and technical information to the Committee, Plan participants, Executive Branch representatives, the Legislature, and the public. The position requires the ability to negotiate effectively and deal creatively with issues and problems. The position requires demonstrated project management skills, including the ability to facilitate complaint investigations and conflict resolution.

Location: The position is located in Northern Nevada in the State's capital. Carson City has a population of approximately 52,000 and is in close proximity to Reno and Lake Tahoe. With a semi-desert climate, Carson City enjoys over 266 days of sunshine a year.

Salary and Benefits: The salary range for this position is \$45,560.16 to \$ 67,692.96 per year. An offer will be made by the Committee based on relative experience that the successful candidate brings to the position. Benefits include: medical, dental, life and disability insurance programs; participation in the public employees' retirement system; 11 paid holidays each year; accrual of 3 weeks of annual leave and 3 weeks of sick leave.

The most qualified applicants will be contacted by Committee staff to schedule an interview. The Committee falls under the requirements of the Nevada Open Meeting Law, and as such, the interviews will take place during a special or regularly scheduled Committee Meeting.

The following additional questions are part of this Recruitment:

- 1) Describe experience you have coordinating the provision of services to clients or participants in which the organization you worked for was using an outside service provider.
- 2) Describe experience you have in the management of a government budget to include: a) financial planning; b) budget preparation; c) monitoring of expenditures; and d) justification of budget.
- 3) Describe experience you have in writing Requests for Proposals, negotiating contracts, writing contracts, and processing contracts through the respective approval processes.
- 4) Describe experience you have in professional public speaking and providing legislative, board or community testimony.
- 5) Describe experience you have, including the number of years, in managing a program, and/or managing/supervising multiple and complex program areas.
- 6) Describe experience you have in collection and analysis of data for quality assurance and program improvement purposes.
- 7) Describe experience you have with resolving conflicts between participants and vendors in the following areas: 1) conducting investigations, 2) formal written response, 3) representing agency/business at resolution meeting and/or hearing.
- 8) Describe experience you have, including number of years, working in an environment in which you had a very limited (or distance) supervision, and in which you had full responsibility for productivity, and ultimate results.

Application Requirements: Interested applicants can email or mail their letter of introduction, a current resume, and an updated applicant profile. This profile can be found at <https://nvapps.state.nv.us/NEATS/Recruiting/ViewJobsHome.aep> and a list of five (5) professional references no later than November 21, 2013 to:

Beverly Ghan
Division of Human Resource Management
Email address: bghan@admin.nv.gov
Phone number: 775-684-0126
209 E. Musser Street Room 101
Carson City, Nevada 89701-4204

Committee Members,

Over the last few months, I have been discussing how to request a salary increase with the Program Coordinator. A review of my job duties and a corresponding review of state salary levels shows that based on job experience and time in service, my current salary level is comparatively low. When coupled with the absence of PERS contributions, insurance and leave, the comparison is even lower. (It is also interesting to note that my position is not even eligible to participate in the Deferred Compensation program...).

State job descriptions would point to this position fitting the Admin Assistant or possibly the Executive Assistant designation. The salary range for Admin Assistant IV (Grade 29) is \$16.99-\$24.84 per hour before benefits. My current salary is \$16.63 per hour with no benefits. An increase to reflect a salary in the middle of the grade would seem reasonable.

Until the Program Coordinator position is filled, the workload will increase. I am happy to take on any tasks that I am qualified to handle and have shown the ability to do so in the past. During my current tenure, I have run the office without help, off and on, for almost 6 months.

Overall, I believe that a permanent salary increase is fair and justified based on the above facts. Because the Committee needs to take action on an item like this I requested an agenda item be added for our upcoming meeting. Thank you for your consideration in this matter and please contact me with any questions or concerns.

Respectfully,

Micah Salerno

TITLE	GRADE	SALARY RANGE
EXECUTIVE ASSISTANT	31	\$18.45 to \$27.12
ADMINISTRATIVE ASSISTANT IV	29	\$16.99 to \$24.84

EXECUTIVE ASSISTANT

Executive Assistants provide the highest level of administrative and secretarial support to a dean or higher level executive in the Nevada System of Higher Education (NSHE). Assigned responsibilities include facilitating management processes by acting with authority and as an intermediary on delegated administrative support matters which require independent judgment, initiative and discretion in making determinations on varied problems and situations regarding issues of importance to the executive. Incumbents may work independently or serve as the executive's office manager and supervise lower level administrative support staff.

Only one position at this level may be assigned to a NSHE executive. The reporting relationship alone is not sufficient to warrant allocation to this class. In order to be allocated to this level, the position must be assigned duties comparable to the representative duties listed below.

Positions in this class are distinguished from Administrative Assistants by the complexity of problems and issues which impact the executive's area of responsibility; the frequency and content of personal contacts with the governor's staff, legislators, college/university administration, and representatives of external entities including the media; the consequence of error associated with communications, actions and decisions; and the knowledge, skills and abilities required to assist the highest level executives. While some duties assigned to positions in this class may seem similar to those of positions in the Administrative Assistant series, there are significant differences in the scope of responsibility, consequence of actions and decisions, and in the personal contacts typical of positions at this level.

REPRESENTATIVE DUTIES

Provide executive assistance in resolving administrative questions and issues not requiring the personal attention of the executive; act in an administrative liaison capacity in conferring with managers, government officials, and representatives of other organizations concerning the interpretation of rules and regulations related to program activities and operations; transmit directives, instructions and assignments; and follow up on status of assignments with department staff.

Read and screen incoming correspondence and reports; make preliminary assessment of the importance of materials based on instructions from the executive, agency activities, and the predetermined, ongoing priorities of the organization; resolve matters personally within parameters established by the executive, and forward materials to appropriate managers and staff for analysis and reply; follow up as required to ensure responses are timely and in conformance to established standards.

Receive and screen incoming calls and visitors; evaluate requests and inquiries; determine which are priority matters and alert the executive accordingly; make decisions to page or contact the executive at off-site locations in critical situations; make referrals to appropriate administrative staff or provide requested information as appropriate.

Maintain current knowledge of issues, problems, situations and activities of special interest to the executive regarding the organization as a whole and its divisions and programs; monitor media coverage and alert the executive to new developments or articles of interest.

Coordinate and facilitate the executive's calendar to schedule appointments and engagements; arrange conferences, meetings and hearings for commissions, boards, or other bodies; make travel, lodging and meeting room arrangements including public address systems, teleconferencing, refreshments, and other amenities; ensure agendas, background information, minutes and other pertinent materials are prepared and distributed; maintain official records of such meetings in the form of tapes, minutes or other media.

Compose correspondence and prepare administrative reports and/or financial records, relying on a variety of source material; respond to requests for information regarding programs and activities; provide administrative data, and communicate the activities, views, and commitments of the executive.

Review, proofread and edit documents prepared for the executive's signature; ensure work product quality and quantity control by reviewing documents, reports, forms, records, or other materials for content,

completeness or accuracy; ensure proper grammar, punctuation, spelling and usage as well as appropriate distribution and archiving.

Respond to inquiries from external entities, exercising discretion in disseminating information; describe programs, functions and activities; explain established regulations, policies, and legislative proposals; evaluate new regulations or legislative proposals and potential ramifications in order to inform, update or advise departmental and outside personnel.

Participate in staff meetings; make assignments to program managers, based on the executive's instructions, for studies or projects involving such matters as program coordination, administrative policy, budget, internal controls, and report preparation; indicate nature of work required and due dates; record meeting minutes and transcribe.

Conduct research and studies relating to operations and procedures; gather, analyze and interpret data to develop recommendations on problems affecting programs, operations, and procedures; confer with managers regarding historical precedents, actions and justifications; upon approval, ensure the implementation of new procedures and inform managers of changes.

Schedule and coordinate the work activities for various administrative, secretarial and clerical support staff to facilitate the adherence to and accomplishment of work objectives; serve as supervisor or leadworker to subordinate personnel as assigned; train and orient staff to agency policies, standards and procedures; oversee and direct activities to ensure efficient and effective operation of the executive's office.

Participate in development of the executive office budget; prepare narrative and statistical justifications in support of requests for additional funding; monitor, review and approve expenditures within authority delegated by the executive and in accordance with established purchasing procedures; conduct research related to the cost, quality, applicability and effectiveness of new or improved office equipment and systems.

Organize and maintain confidential records and files for the executive; ensure the security of privileged information in accordance with State and federal laws and regulations; authorize access to information as appropriate.

Participate in the development and enhancement of automated systems, equipment and networks within the organization; provide input regarding current and anticipated administrative requirements; recommend additional equipment, system upgrades or other technological advancements.

Plan, organize, coordinate and oversee special projects and assignments relative to the organization as requested by the executive.

Perform related duties as assigned.

EDUCATION AND EXPERIENCE: Graduation from high school or equivalent education and five years of progressively responsible administrative support experience which included overseeing administrative office activities, maintaining complex records, and coordinating administrative communication including written and oral information to various managers and work groups; **OR** one year of experience as an Administrative Assistant IV in Nevada State service which included administrative support duties as described above; **OR** an equivalent combination of education and experience.

ENTRY LEVEL KNOWLEDGE, SKILLS AND ABILITIES (required at time of application):

Detailed knowledge of: functions and operation of an administrative office. **Working knowledge of:** principles of supervision and training if applicable to the assignment; maintenance of budget and financial records. **Ability to:** provide administrative assistance and secretarial support to a college/university executive; communicate clearly and convey detailed and complex information to others on behalf of the executive; perform specialized program support duties which require analytical and creative thinking; supervise and oversee the work of subordinate staff as assigned; plan, develop and implement production goals, work performance standards and specific processes and procedures required to complete projects and ongoing assignments; manage the executive's calendar as requested; receive and respond to inquiries involving complex and sensitive issues which directly impact staff, operations and activities; make operational decisions related to program support activities and office management within established limits of authority; review, apply and explain complex laws, regulations, requirements, restrictions and standards to program clientele, representatives of external entities, internal work groups, and others; research and

investigate complex questions and issues requiring the review and consideration of historical data, current developments and probable outcomes; **compose effective correspondence, announcements**, training materials, narrative summaries and reports, proposals and recommendations, and other written materials; compile and analyze records, numerical and descriptive information from forms, applications, contracts, spreadsheets, invoices and other materials; assist staff in resolving computer and software related problems and malfunctions. **Skill in: operation of personal computers including word processing, spreadsheet, database management and associated business applications; operation of office equipment such as copiers, calculators, facsimile machines, printers, and other equipment.**

FULL PERFORMANCE KNOWLEDGE, SKILLS AND ABILITIES (typically acquired on the job):

Detailed knowledge of: communication and public relations techniques. **Working knowledge of:** State regulations and requirements related to purchasing, budget development and maintenance, and personnel administration; mission, functions, programs, activities and applicable operating policies, laws, regulations, policies and procedures of the organization to which assigned.

ADMINISTRATIVE ASSISTANT IV: Positions at this level provide secretarial, clerical and administrative support to the administrator of a complex division or the manager of multiple statewide programs, services and activities. Or, they perform specialized duties in support of a program or function which require previous knowledge and experience in the subject area. Assignments are broadly stated in terms of objectives to be met, and/or they are specialized and require the use of analytical and critical thinking to determine appropriate action. Problem resolution often requires research, comparison and examination of detailed agency/program-specific information. Errors directly affect the customized services provided to specific clientele or members of the general public; the content, quality, adequacy and timeliness of services provided; and frequently have monetary consequences to the program or loss of agency credibility. Incumbents interpret and explain complex regulations, laws and program requirements; convince others to take a specific course of action; resolve difficult problems; and defend and justify agency actions to individuals or groups. Critical assignments are reviewed to ensure conformance to standards of quality and general acceptability. Positions at this level may or may not supervise lower level staff.

Representative duties for ADMINISTRATIVE ASSISTANT IV include:

Act as liaison for the administrator regarding agency activities, operations and programs; coordinate communications with other administrators, agency managers, leaders of external entities, community groups and the general public; relay specialized and sensitive information which impacts division programs and activities; defuse irate callers who insist upon speaking with the administrator; schedule, organize and coordinate meetings, conferences and publicized events.

Research and investigate complaints, public inquiries and issues raised by external entities including the legislature and governor's office staff; review and evaluate historical information, precedents and applicable regulations, statute and guidelines; develop alternative courses of action and probable outcomes based on available information and projections for the supervisor's review.

Receive, review and evaluate information concerning the eligibility and/or activities of program clientele; interpret and explain program policies, regulations and requirements to individuals who may have opposing viewpoints, varying agendas, and vested personal interests; provide information in a professional manner to individuals who may be confrontational, uncooperative and unpleasant.

Perform specialized duties in support of one or more agency programs; implement, coordinate and oversee a major component of a complex program; develop and produce informational materials as requested by the supervisor; ensure program activities conform to established goals and policies; represent the program by participating in ongoing and ad hoc committees and work groups as assigned.

Assist professional staff in developing fiscal, operational and procedural program plans by studying historical precedents, present requirements, and projected costs and trends; plan the sequence of detailed steps required to accomplish program objectives; develop, revise and maintain specific procedures and manuals.

Compile, organize and consolidate financial and statistical data required to assist in the development of the budget of a major work unit; analyze and reconcile numerical data and narrative information; develop spreadsheets to facilitate data analysis; compile cost sheets; prepare reports and budget documents according to specific instructions from the Budget Office. Assist professional staff with projects and assignments; compile and summarize information; compose narrative reports, announcements, correspondence, findings of fact and other materials using appropriate grammar, punctuation, spelling and syntax.

Obtain and record specialized information concerning program activities and clientele and communicate with representatives of external entities as required; ensure compliance with legal requirements and procedures, agency policies and program guidelines; develop remedies for non-compliance or refer to appropriate personnel according to established procedures.

Maintain records and track the progress and outcome of legislative proposals, grievances, contracts, personnel and project activities; develop and implement effective and efficient recordkeeping systems and ensure that information is logically organized, appropriately cross-referenced, and accessible to users; ensure confidentiality of sensitive information which is not part of the public record.

Train, supervise and evaluate the performance of personnel as assigned; assign, prioritize and review work; ensure completed work products meet required timelines and standards of quality and quantity.

EDUCATION AND EXPERIENCE: Graduation from high school or equivalent education and four years of progressively responsible relevant work experience which included experience in one or more of the following areas: providing administrative/program support to professional staff and management; performing secretarial duties in support of a manager; coordinating communications between the manager, staff and program clientele; supervision of subordinate staff; researching information from internal and external sources; **OR** one year of experience as an Administrative Assistant III in Nevada State service; **OR** an equivalent combination of education and experience. (*See Special Requirement*)

ENTRY LEVEL KNOWLEDGE, SKILLS AND ABILITIES (required at time of application):

Detailed knowledge of: functions and operation of an administrative office and/or program area. **Working knowledge of:** principles of supervision and training if applicable to the assignment; maintenance of budget and financial records if applicable to the assignment. **Ability to:** provide administrative assistance and secretarial support to a division administrator or the manager of a major work unit with responsibility for multiple programs and functions; analyze problems and develop creative solutions; supervise and oversee the work of subordinate staff as assigned; plan, develop and implement production goals, work performance standards and specific processes and procedures required to complete projects and ongoing assignments; manage the administrator's calendar as requested; receive and respond to inquiries involving complex and sensitive issues which directly impact agency staff, operations and activities; make operational decisions related to program activities and office management within established limits of authority; interpret, apply and explain complex laws, regulations, requirements, restrictions and standards to program clientele, representatives of external entities and other agencies, and others; research and investigate complex questions and issues requiring the review and consideration of historical data, current developments and probable outcomes; compose effective correspondence, announcements, training materials, narrative summaries and reports, proposals and recommendations and other written materials; compile and analyze records, numerical and descriptive information from forms, applications, contracts, spreadsheets, invoices and other materials; *and all knowledge, skills and abilities required at the lower levels.*

FULL PERFORMANCE KNOWLEDGE, SKILLS AND ABILITIES (typically acquired on the job):

Detailed knowledge of: agency mission, functions, programs, activities and operating policies; eligibility requirements, enabling statutes, and agency policies related to the program to which assigned. **Working knowledge of:** State regulations and requirements related to purchasing, budget development and maintenance, and personnel administration.

Nevada Public Employees'
Deferred Compensation Plan

ANALYSIS OF INVESTMENT PERFORMANCE

December 31, 2013

Francis Picarelli
Senior Vice President



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Francis Picarelli
Senior Vice President
FPicarelli@Segalrc.com

November 05, 2013

Deferred Compensation Committee
State of Nevada
Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 North Stewart Street, Suite 210
Carson City, NV 89701

Dear Deferred Compensation Committee:

We have prepared this report to review the experience of the Employees Deferred Compensation Plan investment options through various time periods ended September 30, 2013. We believe this report will help the Deferred Compensation Committee to better understand how the investment options of the Plan have performed and will aid in evaluating any strength or weakness of the investment program.

It should be noted that the information set forth in this report is gathered through research from various mutual fund databases and the fund families.

We look forward to meeting with you to discuss the performance results of the funds and answer any questions regarding our analysis.

Sincerely yours,

A handwritten signature in cursive script that reads "Francis Picarelli".

Francis Picarelli
Senior Vice President

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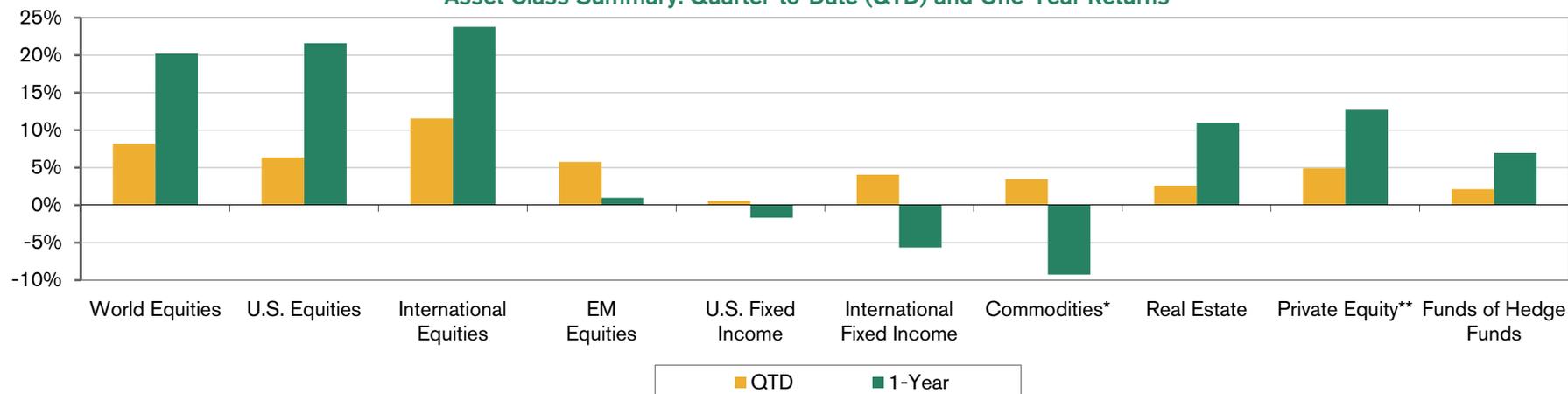
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Third Quarter Investment Performance: Summary by Asset Class

This section provides data on investment performance for select market indices mostly for the third quarter (Q3) 2013, as well as Segal Rogerscasey's commentary.

Asset Class Summary: Quarter-to-Date (QTD) and One-Year Returns



Asset Class	Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Equities	MSCI World (Net of dividends)	8.18	17.29	20.21	11.82	7.84	7.58
	Russell 3000	6.35	21.30	21.60	16.76	10.58	8.11
	MSCI EAFE (Net of dividends)	11.56	16.14	23.77	8.47	6.35	8.01
	MSCI EM (Net of dividends)	5.77	-4.35	0.98	-0.33	7.22	12.80
Fixed Income	Barclays Capital Aggregate	0.57	-1.89	-1.68	2.86	5.41	4.59
	Citigroup Non-U.S. WGBI (Unhedged)	4.06	-3.37	-5.65	0.55	4.27	4.91
Other	Commodity Splice*	3.46	-4.73	-9.25	0.22	-6.88	1.99
	NCREIF NPI	2.59	8.25	11.00	12.67	3.36	8.66
	Thomson Reuters Private Equity**	4.93	4.93	12.72	9.58	3.74	9.66
	HFRI Fund of Funds Composite	2.13	5.56	6.96	2.62	2.02	3.43

*Commodity Splice, a Segal Rogerscasey index, blends the DJ UBS Commodity Index (50%) and the S&P GSCI Index (50%), rebalanced monthly.

**Performance reported as of Q1 2013 because Q2 2013 and Q3 2013 performance data is not yet available.
Sources: eVestment Alliance, Hueler Analytics, Thomson One and Hedge Fund Research, Inc.

World equity markets were positive in Q3. On a global factor* basis, high Beta and Volatile stocks had strong performance, while Operating Margin and Size performed poorly.

Global fixed income was positive during Q3. The Federal Reserve's decision to continue quantitative easing** helped both the U.S. and international markets.

Commodities had positive performance in Q3. Notable outperformance was in Silver, Copper, Soybean Meal, Gold, and Brent Crude. Corn significantly underperformed. Growth in Chinese manufacturing and exports benefited many commodities.

Funds of Hedge Funds were positive in Q3. On a year-to-date basis for Direct Hedge Funds, Equity Hedge, Event-Driven and Relative Value strategies performed well while Macro has performed poorly.

*Factors are attributes that explain differences in equity performance. Stocks are sorted based on their exposure to a particular factor, with the factor return being the difference in returns between stocks with high exposure and low exposure to a particular attribute.

**Quantitative easing is a government monetary policy that increases the money supply to stimulate the economy.

World Economy: Key Indicators

This section provides data on select U.S. and global economic indicators for Q3 2013 along with Segal Rogerscasey's commentary.

GDP Growth

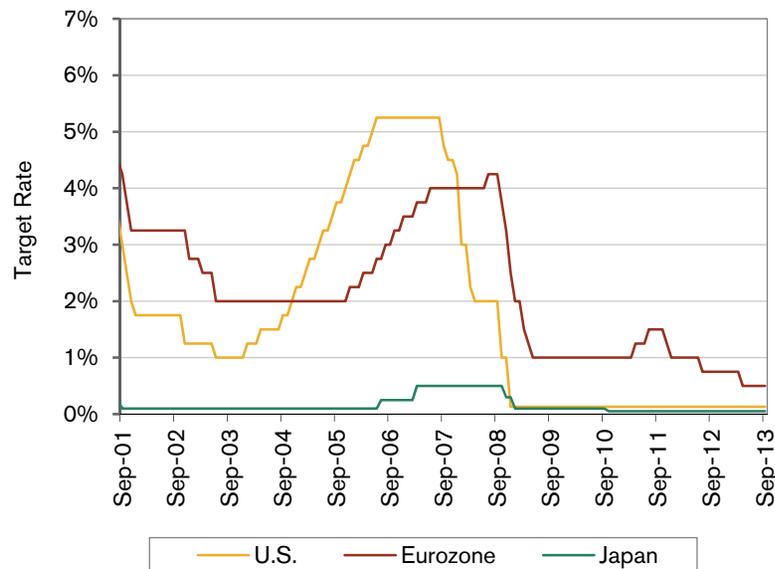
Due to the U.S. federal government shutdown, the Bureau of Economic Analysis has delayed the release of Q3 GDP data until November 7, 2013.

U.S. GDP Growth: Annualized Quarterly and Year-over-Year (YoY) Rolling (%)

Due to the U.S. federal government shutdown, the Bureau of Economic Analysis has delayed the release of Q3 GDP data until November 7, 2013.

Source: Bureau of Economic Analysis

Target Rates: U.S., Eurozone and Japan



Sources: Segal Rogerscasey using data from the Federal Reserve Board, the European Central Bank and the Bank of Japan

Monetary Policy

As its September meeting, the Federal Open Market Committee (FOMC) decided not to taper quantitative easing and announced that it would continue purchasing agency mortgage-backed securities in the amount of \$40 billion each month and long-term Treasuries in the amount of \$45 billion per month. The FOMC also continued to maintain its exceptionally low target range for the Federal Funds Rate between 0.0 and 0.25 percent as long as unemployment is above 6.5 percent. Over the next one or two years, inflation is projected to be no more than 0.5 percent above the FOMC's 2 percent target.

The European Central Bank (ECB) kept its target rate at 0.5 percent. Increases in money market rates may cause the ECB to do another Long-Term Refinancing Operation in the near future. Providing this liquidity may lead to weakened currency. The eurozone has posted modest GDP growth while still facing weak business lending, high unemployment, and high public and private debt.

The Bank of Japan (BoJ) continued its quantitative and qualitative easing policy to achieve a price stability target of 2 percent. The Japanese economy has continued to improve, as business sentiment has risen. The BoJ is continuing with asset purchases within the following guidelines; Japanese Government Bonds (JGB) at an annual pace of 50 trillion yen (average remaining JGB maturity of approximately 7 years), ETF's at 1 trillion yen annually, Japanese REITs at 30 billion yen annually, and CP and corporate bonds until amounts outstanding reach approximately 1 trillion yen and 30 billion yen, respectively.

World Economy: Key Indicators

This section provides data on select U.S. and global economic indicators for Q3 2013 along with Segal Rogerscasey's commentary.

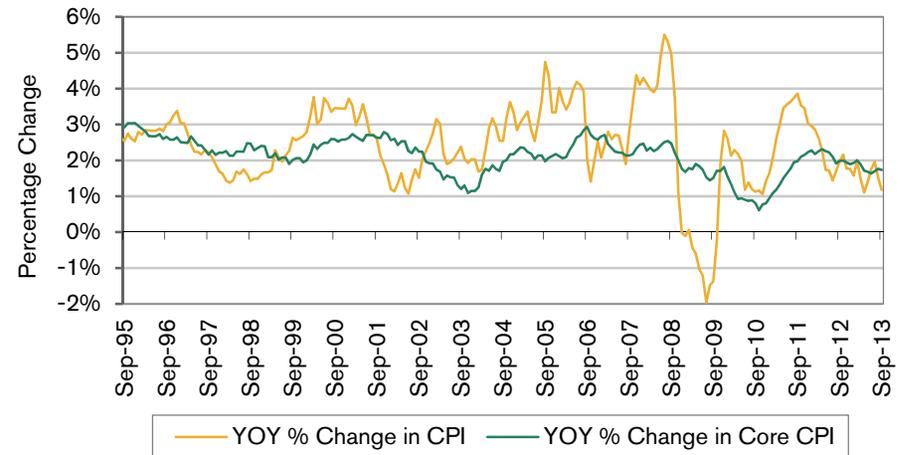
Inflation

The headline Consumer Price Index (CPI)* was up 0.43 percent in Q3 (rising each month), and advanced 1.18 percent on a YoY basis. All major components of the Energy indices increased in September, contributing about half of the total All Items increase. Food was unchanged in September.

Core CPI, which excludes both food and energy prices, rose 0.49 percent in Q3, bringing the YoY core CPI to 1.73 percent. Contributors for September included shelter, medical care, new vehicles and airline fares. Detractors included apparel and recreation.

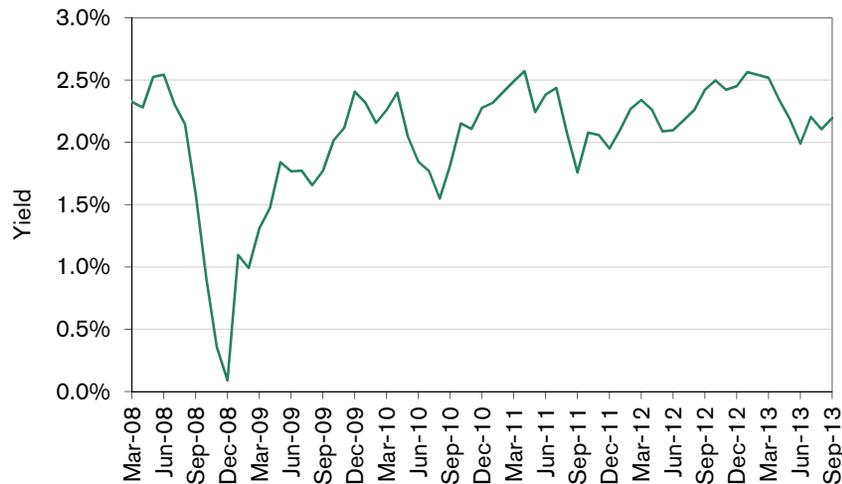
* Headline CPI is the CPI-U, the CPI for all urban consumers.

Headline CPI and Core CPI: Percentage Change YoY



Source: Bureau of Labor Statistics

10-Year Break-Even Inflation Rate



Source: Bloomberg

Break-Even Inflation

The adjacent graph shows the 10-year break-even inflation rate, which measures the difference in yield between a nominal 10-year Treasury bond and a comparable 10-year Treasury inflation-protected security bond (TIPS). The break-even inflation rate is an indicator of the market's inflation expectations over the horizon of the bond.

During Q3, the 10-year break-even rate increased to 2.19 percent from Q2's 1.99 percent. As noted on page 3 (see "Monetary Policy"), the FOMC announced it will maintain quantitative easing due to concerns over the slow growth in the labor market and the overall economy. Its intention is to keep additional downward pressure on interest rates. The FOMC also noted that longer-term inflation is not projected to be more than 0.5 percent above its target of 2 percent.

World Economy: Key Indicators

This section provides data on select U.S. and global economic indicators for Q3 2013 along with Segal Rogerscasey's commentary.

Labor Market and the Unemployment Rate

Unemployment declined throughout Q3, ending the quarter at 7.2 percent. Nonfarm payroll employment increased by 148,000 jobs in September, which was below consensus expectations of 180,000. Weak payroll growth likely contributed to the Fed's decision to delay tapering its quantitative easing program. July payrolls were revised downward from 104,000 to 89,000 and August payrolls were revised upward from 169,000 to 193,000.

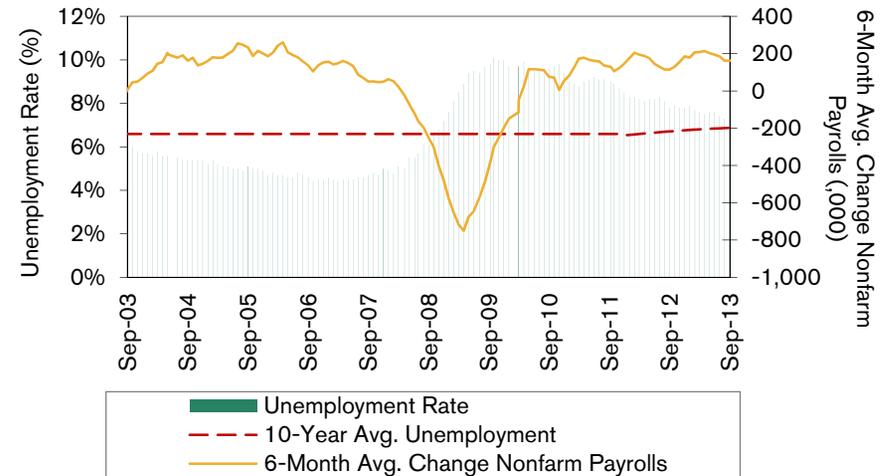
Goods-producing industries had positive growth from Q2. Services and private industries also grew, but at a lower rate.

The one-month diffusion index* fell from 58.8 in June to 58.1 in September.

The labor force participation rate declined from 63.5 percent in June to 63.2 percent in September.

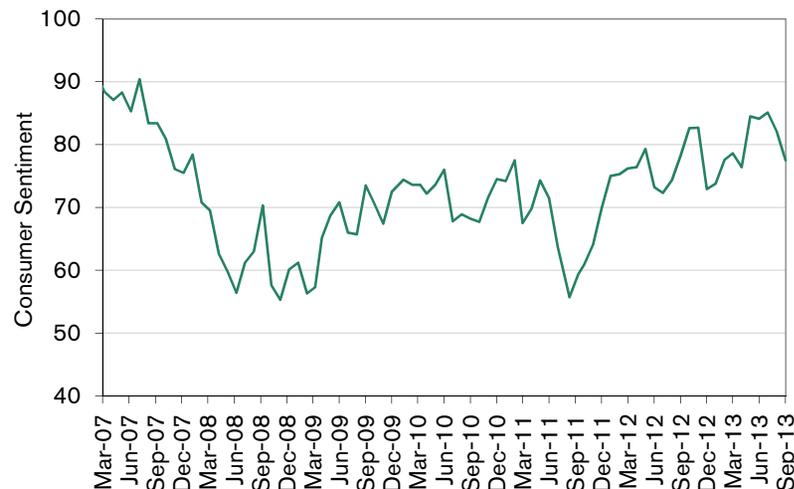
*Per the Bureau of Labor Statistics, figures represent the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.

Unemployment and Nonfarm Payrolls



Source: Bureau of Labor Statistics

U.S. Consumer Sentiment (March 2007 – September 2013)



Source: Moody's Economy.com using data from the Thomson Reuters/University of Michigan Consumer Sentiment Index

Consumer Sentiment

The University of Michigan Index of U.S. Consumer Sentiment is an economic indicator that measures individuals' confidence in the stability of their incomes as well as the state of the economy. The Consumer Sentiment Index stood at 77.5 for September, down from June's 84.1. Views on both present conditions and expectations fell. The last time the index recorded a number this low was in January 2013.

Inflation expectations increased from June to September.

The government shutdown and negative economic views contributed to the decline in consumer sentiment. The greater threat of not raising the debt ceiling also weighed down consumer sentiment, as the potential for a default would cause borrowing costs to go up and also likely cause a recession.

Investor Sentiment: Mutual Fund Flows

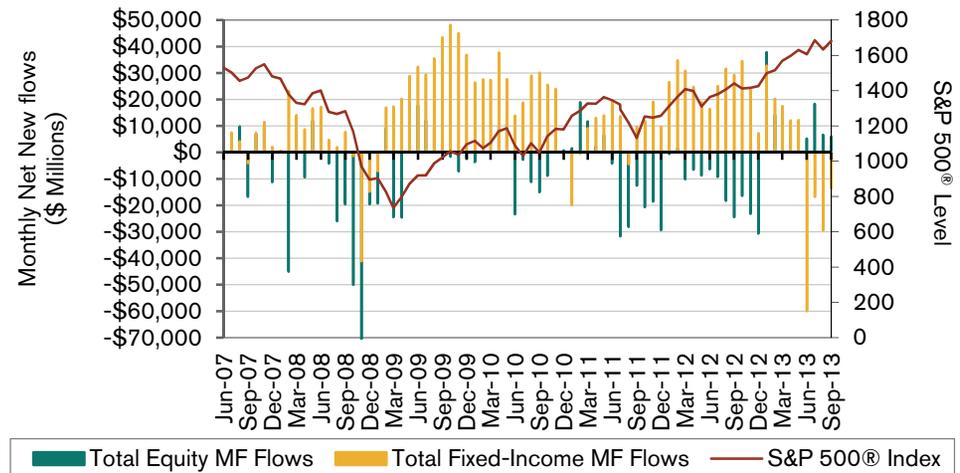
This page presents mutual fund flows across equity and fixed-income funds. Flow estimates are derived from data collected covering more than 95 percent of industry assets and are adjusted to represent industry totals.

Net Mutual Fund Flows

The adjacent graph shows net flows into equity and fixed-income mutual funds. In Q3, mutual funds experienced net outflows of approximately \$29.0 billion. Outflows were once again driven by fixed-income mutual funds, which experienced negative flows in each of the three months through September. The outflows came as a result of the uncertainty surrounding the Federal Reserve (Fed)'s decision to begin to reduce quantitative easing, causing rates to rise in July and August. Rates dropped again in late September after the Fed delayed its tapering program and offered assurances that its interest rate target would remain near zero for the foreseeable future.

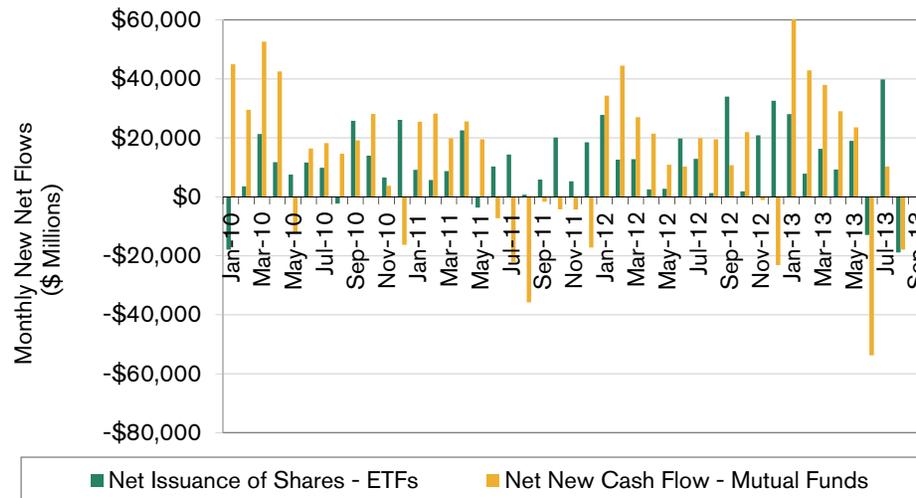
Equity mutual funds experienced \$30.9 billion in inflows during Q3, driven by international mutual fund inflows of \$26.5 billion. Hybrid mutual funds also experienced positive inflows of \$18.2 billion. After strong inflows in July, flows into domestic equity mutual funds suffered in August and September as investors grew cautious amidst the Fed's announcements and potential political standoff over the U.S. debt limit and impending government shutdown.

Monthly Mutual Fund Net Flows (\$ Millions) Q3 2013



Source: Investment Company Institute <http://www.ici.org>

Mutual Fund Flows vs. ETFs (\$ Millions): New Net Cash Flows



Source: Investment Company Institute <http://www.ici.org>

Mutual Fund Flows vs. Exchange-Traded Funds

Mutual funds had over \$11.0 billion in net outflows during Q3. ETFs on the other hand experienced net inflows totaling \$20.9 billion during July and August 2013. (September numbers have not yet been reported.) This brings total ETF issuance for 2013 to \$88.5 billion, surpassing the \$58.4 billion in net issuance that ETFs experienced in all of 2012.

June and August 2013 were the only two months since May 2011 during which ETFs saw outflows. Total assets are now \$1.47 trillion, up from \$1.2 trillion in August 2012. All types of ETFs except fixed-income ETFs experienced inflows from June to August.

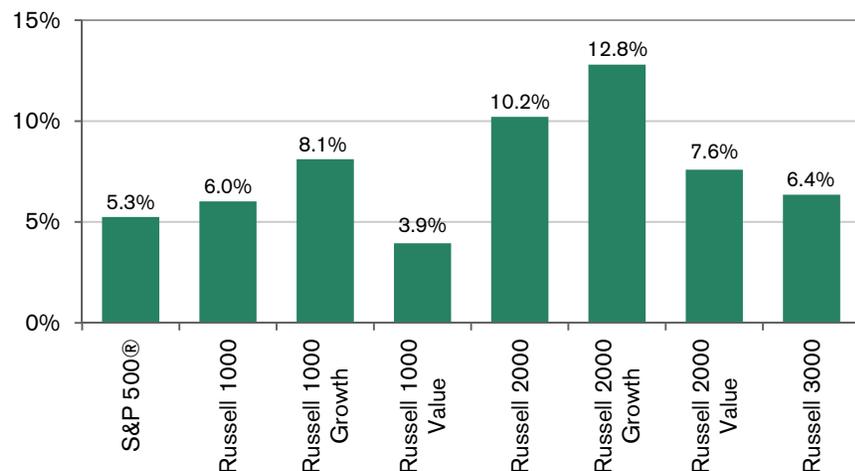
*Includes domestic equity, foreign equity, taxable bond, municipal bond and hybrid mutual funds.

Investment Performance: U.S. Equities

This section presents data and Segal Rogerscasey's commentary on U.S. equity index returns and sector performance for Q3 2013.

U.S. Equity Index Returns

The graph below illustrates Q3 2013 rates of return for selected U.S. equity indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



Equity Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500® Index	5.25	19.79	19.34	16.27	10.02	7.57
Russell 1000	6.02	20.76	20.91	16.64	10.53	7.98
Russell 1000 Growth	8.11	20.87	19.27	16.94	12.07	7.82
Russell 1000 Value	3.94	20.47	22.30	16.25	8.86	7.99
Russell 2000	10.21	27.69	30.06	18.29	11.15	9.64
Russell 2000 Growth	12.80	32.47	33.07	19.96	13.17	9.85
Russell 2000 Value	7.59	23.07	27.04	16.57	9.13	9.29
Russell 3000	6.35	21.30	21.60	16.76	10.58	8.11

Sources: Standard & Poor's and Russell Investments

S&P 500 Index® Sector Performance – Q3 2013

	QTD (%)	YTD (%)
Consumer Discretionary	7.8	29.1
Consumer Staples	0.8	16.1
Energy	5.2	15.4
Financials	2.9	22.9
Healthcare	6.8	28.5
Industrials	8.9	23.9
Information Technology	6.6	13.4
Materials	10.3	13.5
Telecommunications Services	-4.4	5.7
Utilities	0.2	10.1

This table shows quarter-to-date and year-to-date price changes for each sector.
Source: Standard & Poor's

Index and Sector Performance

U.S. equity markets continued their strong performance for the year through Q3. Following a positive July, the Russell 3000 posted its second monthly decline year-to-date in August before recovering in September. Investors' apprehension over a potential stimulus tapering by the Fed contributed to the mid-quarter retreat, but stocks rebounded in September following the Fed's announcement to continue its asset-purchasing program for the near-term. In general, growth stocks outperformed value stocks, and small-cap stocks outperformed large-cap stocks. Small-cap growth stocks exhibited the strongest relative quarterly performance for the third consecutive quarter.

Sector performance was positive across 9 of the 10 sectors in the large cap segment of the U.S. market, as indicated by the S&P 500® Index. Defensive sectors such as Utilities (0.2 percent) and Telecommunications Services (-4.4 percent) fared poorly, while Materials (10.3 percent) and Industrials (8.9 percent) posted the strongest gains. The quarter ended with a slight pullback in the second half of September, as investors contemplated the Fed's guarded assessment of the state of the recovery and the impending budget negotiations in Washington.

Investment Performance: U.S. Equities

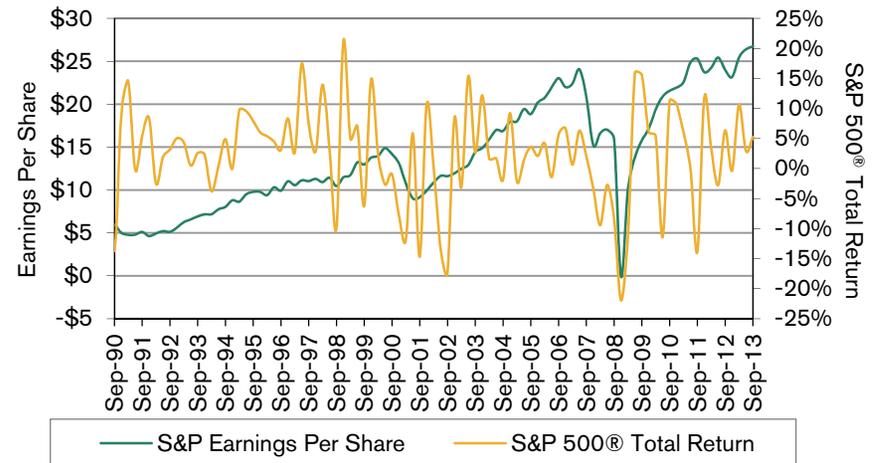
This section presents Segal Rogerscasey's commentary on U.S. equity earnings and growth- vs. value-stock performance for Q3 2013.

U.S. Equity Market Earnings and Volatility

The adjacent graph compares the total return and the earnings per share of companies in the S&P 500 Index® since September 1990. With the exception of the slight drops during Q4 2011 and Q4 2012, earnings per share of companies in the S&P 500 Index® have been trending upward since 2008, ending Q3 2013 at \$26.72, a 10-year high. Q2 2013 earnings were revised downward to \$26.36. Current earnings remain well above those of Q4 2008, which bottomed at \$-0.09.

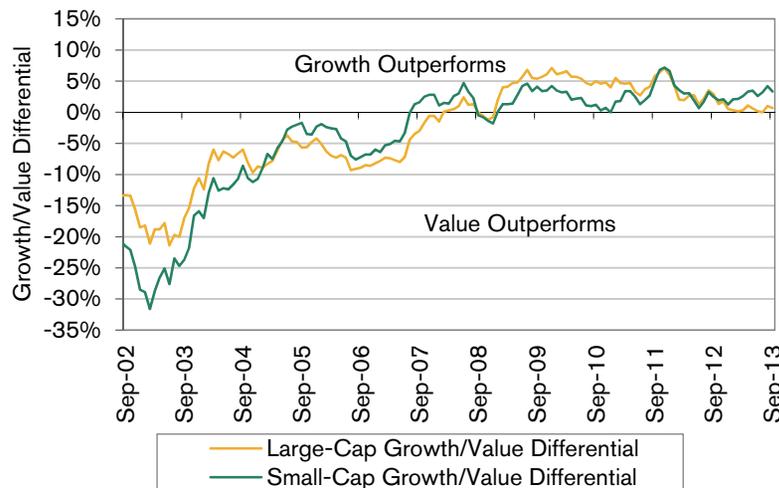
Earnings are perhaps the single most studied metric in a company's financial statements because they show a company's profitability. A company's quarterly and annual earnings are typically compared to analysts' estimates and guidance provided by the company itself. In most situations, when earnings do not meet either of those estimates, a company's stock price will tend to drop. On the other hand, when actual earnings beat estimates by a significant amount, the share price will likely surge.

S&P 500® Index: Total Return and Earnings Per Share (Quarterly)



Source: Standard & Poor's

Growth Stocks vs. Value Stocks (Rolling 3-Year)



Source: Russell Investments

Growth vs. Value

The adjacent graph depicts the growth versus value differential for both large- and small-cap stocks. The large-cap differential is composed of the Russell 1000 Growth (R1000G) versus the Russell 1000 Value (R1000V) and the small-cap differential is composed of the Russell 2000 Growth (R2000G) versus the Russell 2000 Value (R2000V).

The R1000G outpaced the R1000V for each rolling three-year period since January 2009 with the exception of the period ending July 2013, when the large-cap growth/value differential was flat. Although the R1000V outperformed the R1000G over the 10-year period (15 bps), the R1000G outperformed the R1000V on a trailing three- (69 bps) and five-year (321 bps) basis.

Similar to large-cap stocks, the R2000G outpaced the R2000V for each rolling three-year period since January 2009. In addition, the R2000G outpaced the R2000V on a trailing three-year (335 bps), five-year (402 bps) and 10-year (56 bps) basis.

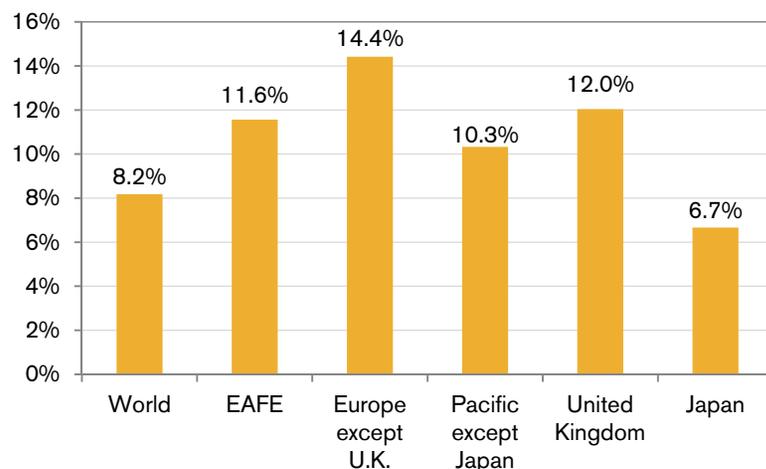
*As a reminder, 10 basis points (bps) equals 0.1 percent.

Investment Performance: Non-U.S. Equities

This section presents data and Segal Rogerscasey's commentary on international equity returns and sector performance for Q3 2013.

MSCI Non-U.S. Equity Index Returns

The graph below illustrates Q3 2013 rates of return for selected non-U.S. equity indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



MSCI Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
World	8.18	17.29	20.21	11.82	7.84	7.58
Europe, Australasia and Far East (EAFE)	11.56	16.14	23.77	8.47	6.35	8.01
Europe except U.K.	14.42	18.06	28.20	7.97	5.20	8.68
Pacific except Japan	10.33	5.20	11.57	7.37	11.60	12.62
United Kingdom	12.04	12.35	17.03	10.19	7.69	8.11
Japan	6.66	24.31	31.50	8.91	5.16	4.84

Source: Morgan Stanley Capital International

MSCI EAFE Sector Performance – Q3 2013

	QTD (%)	YTD (%)
Consumer Discretionary	12.7	25.9
Consumer Staples	6.0	10.5
Energy	9.3	1.8
Financials	12.1	14.2
Healthcare	5.4	16.6
Industrials	13.9	16.2
Information Technology	9.8	15.6
Materials	13.9	-2.7
Telecommunications Services	17.0	27.0
Utilities	8.8	8.3

This table shows quarter-to-date and year-to-date price changes for each sector.
Source: Morgan Stanley Capital International

Index and Sector Performance

International stocks rallied across the board, as evidenced by the MSCI EAFE Index's strong 11.6 percent return. Although the market declined in August due to rising tension in the Middle East, positive momentum in July and September helped to offset those negative returns. In September, investors were particularly relieved by the Fed's announcement that it would not taper its \$85-billion-a-month bond-buying program.

All non-U.S. developed equity markets posted gains in Q3. Europe ex U.K. (14.4 percent) performed the best because many investors felt that the worst of the European crisis was over. Not surprisingly, developed European countries also outperformed the broader index. All except Switzerland (9.5 percent) and Norway (9.2 percent) posted double-digit gains. Notably, Greece (33.3 percent), Spain (25.7 percent) and Italy (19.6 percent) were among the best performers.

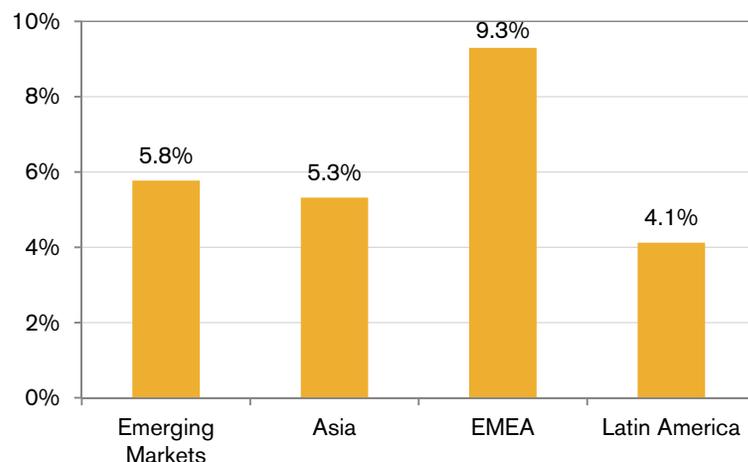
All sectors performed strongly during Q3. In general, the more economically sensitive sectors, such as Industrials (13.9 percent) and Materials (13.9 percent) fared better; however, the historically defensive Telecommunication Services (17.0 percent) sector significantly outperformed the broader index.

Investment Performance: Emerging Market Equities

This section presents data and commentary on emerging market (EM) equity returns and sector performance for Q3 2013.

MSCI Emerging Market Equity Index Returns

The graph below illustrates Q3 2013 rates of return for selected emerging market equity indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



MSCI EM Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Emerging Markets (All)	5.77	-4.35	0.98	-0.33	7.22	12.80
Asia	5.32	-1.61	4.22	1.64	9.74	11.72
Europe, Middle East and Africa (EMEA)	9.30	-5.34	0.23	0.43	4.74	11.64
Latin America	4.12	-11.29	-7.48	-6.25	3.67	17.28

Source: Morgan Stanley Capital International

MSCI EM Sector Performance – Q3 2013

	QTD (%)	YTD (%)
Consumer Discretionary	9.0	3.2
Consumer Staples	-0.2	-2.2
Energy	10.6	-8.4
Financials	3.3	-5.1
Healthcare	2.3	4.3
Industrials	7.1	-3.7
Information Technology	8.8	5.6
Materials	9.0	-18.7
Telecommunications Services	3.0	-1.7
Utilities	1.2	-7.5

This table shows quarter-to-date and year-to-date price changes for each sector.
Source: Morgan Stanley Capital International

Index and Sector Performance

The MSCI Emerging Markets (EM) Index rose 5.8 percent in Q3, marking its first quarterly increase of 2013. Currency had a small positive contribution to Q3's performance, as the MSCI EM Index increased 5.6 percent in local currency terms.

All regions within EM posted gains during Q3. EMEA (9.3 percent) fared better than Asia (5.3 percent) and Latin America (4.1 percent). Poland (17.2 percent) and South Korea (14.9 percent) were the top performing EM countries in Q3. Poland's strong performance was due to improved external demand, which resulted in increased manufacturing and higher real GDP. Indonesia (-24.0 percent) was the worst performer in Asia and of the broader index. Decelerating GDP growth and significantly higher inflation were the primary causes for its loss. Indonesia's headline inflation rose from 5.5 percent in June 2013 to 8.4 percent in September 2013.

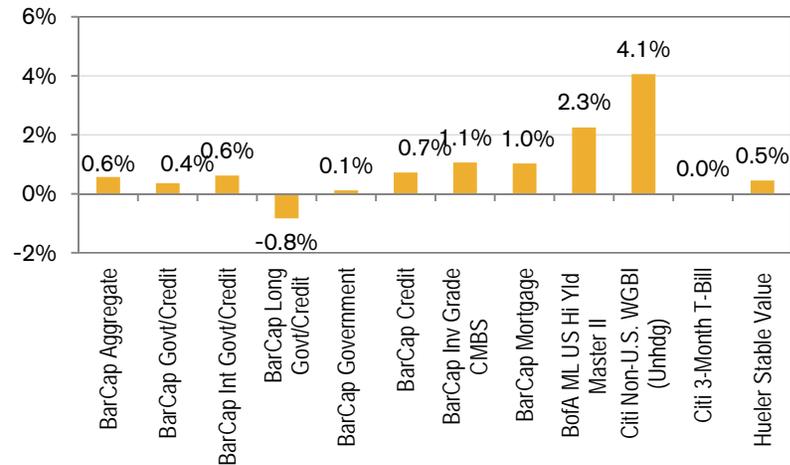
Investors favored cyclical sectors over defensive sectors, signaling a readiness to return to riskier assets. Energy (10.6 percent), Consumer Discretionary (9.0 percent), and Materials (9.0 percent) performed the best. Despite Materials' strong Q3 return, its year-to-date performance is significantly worse than the other sectors. Consumer Staples (-0.2 percent) was the only sector that fell in Q3.

Investment Performance: U.S. Fixed Income

This section presents select U.S. fixed-income index data along with commentary on option-adjusted spreads (OAS) during Q3 2013.

U.S. Fixed Income Index Returns

The graph below illustrates Q3 2013 rates of return for selected U.S. fixed-income indices. The table shows returns for the latest quarter, year-to-date, one-year, three-year, five-year and 10-year annualized timeframes. All data in the table are percentages.



Fixed-Income Indices	QTD	YTD	1 Year	3 Year	5 Year	10 Year
BarCap* Aggregate	0.57	-1.89	-1.68	2.86	5.41	4.59
BarCap* Govt/Credit	0.36	-2.32	-1.96	2.89	5.71	4.52
BarCap* Intermediate Govt/Credit	0.62	-0.84	-0.50	2.42	4.96	4.10
BarCap* L/T Govt/Credit	-0.83	-8.74	-8.33	4.71	9.07	6.34
BarCap* Government	0.12	-1.92	-1.98	2.13	4.00	4.17
BarCap* Credit	0.72	-2.91	-1.90	4.13	8.54	5.19
BarCap* Inv. Grade CMBS	1.06	-0.40	0.89	5.66	8.96	4.99
BarCap* Mortgage	1.03	-1.00	-1.20	2.65	4.66	4.75
BofA ML U.S. High Yield Master II	2.25	3.79	7.09	8.87	13.35	8.71
Citigroup Non-U.S. WGBI** (Unhedged)	4.06	-3.37	-5.65	0.55	4.27	4.91
Citigroup 3-Month T-Bill	0.01	0.04	0.07	0.08	0.15	1.61
Hueler Stable Value	0.45	1.41	1.94	2.38	2.73	3.67

Sources: Barclays Capital, Citigroup and Hueler Analytics

OAS* in Bps

	6/30/13	9/30/13	Change in OAS	10-Year Average
U.S. Aggregate Index	61	54	-7	70
U.S. Agency (Non-mortgage) Sector	15	21	6	35
Mortgage and Asset-Backed Securities Sectors:				
• U.S. Agency Pass-Throughs	60	43	-17	57
• Asset-Backed Securities	58	64	6	144
• Commercial Mortgage-Backed Securities	150	141	-9	246
Credit Sectors:				
• U.S. Investment Grade	152	141	-11	173
– Industrial	149	142	-7	158
– Utility	150	146	-4	161
– Financial Institutions	158	139	-19	198
• U.S. High Yield	492	461	-31	563

*OAS is the yield spread of bonds versus Treasury yields taking into consideration differing bond options.

Source: Barclays Capital

Option-Adjusted Spreads

The Barclays U.S. Aggregate Index returned 0.6 percent, as yields fell following the Fed's September announcement that it would not taper its monthly bond-buying program.

The mortgage sector, a direct beneficiary of the delay in the Fed's tapering, posted a strong rally in Q3, as spreads tightened from 60 bps to 43 bps. CMBS and ABS registered modest spread changes during Q3.

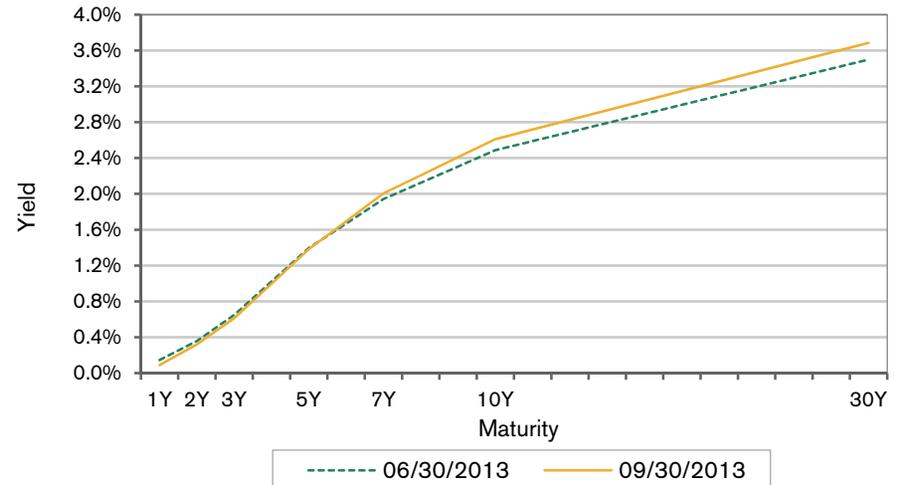
Investment Performance: U.S. Fixed Income

This section presents commentary on the U.S. Treasury yield curve and credit spreads during Q3 2013.

Yield Curve

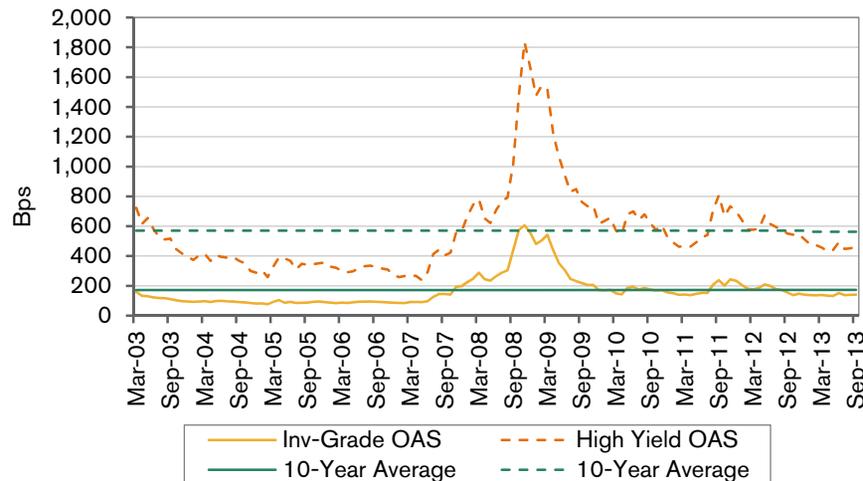
In response to market expectations of the Fed tapering its monthly bond-buying program, U.S. Treasury yields rose throughout most of Q3 and peaked on September 5, 2013 with the 10-year yield at 2.98 percent. Markets were surprised in September when the Fed announced that it would not taper its programs despite earlier indications that improving economic conditions would justify tighter monetary policy. Consequently, Q3 closed with short-term interest rates falling and long-term interest rates rising.

U.S. Treasury Yield Curve



Source: Bloomberg

Barclays Capital Corporate Bond Spreads



Source: Barclays Capital

Credit Spreads

Investment-grade corporate spreads tightened by 11 bps during Q3, ending the quarter with an option-adjusted spread of 173 bps over Treasuries, as shown in the adjacent graph. September was a record month for corporate investment-grade debt issuance, with the market anchored by the \$49 billion Verizon Communications bond issue. Spreads remained below their 10-year average of 173 bps. Within corporates, financials spreads tightened by 19 bps, outperforming both industrials and utilities. Financials now trades through industrials and utilities for the first time since the global financial crisis.

High-yield spreads narrowed by 31 bps and finished at 461 bps over Treasuries, buoyed by the risk-on investor sentiment. Corporate balance sheets remained strong and continued to limit the risk of a near-term spike in defaults.

Investment Performance: Non-U.S. Fixed Income

This page focuses on international fixed-income asset class data and information on EM debt (EMD) for Q3 2013.

International Fixed Income

In Q3, global sovereign bonds, as measured by the Citigroup World Government Bond Index (WGBI), returned 0.7 percent in local currency terms and 2.9 percent in unhedged terms. The Barclays Capital (BarCap) Global Aggregate Index, which includes spread sectors, returned 2.8 percent, underperforming the sovereign-only Citigroup WGBI Index by 10 bps on an unhedged basis. Non-U.S. government bonds, as measured by the Citigroup Non-U.S. WGBI, outperformed U.S. government bonds by 92 bps in local currency terms and by 398 bps in unhedged currency terms.

On an unhedged basis, all major constituents of the WGBI returned positive results. Bond markets recovered from losses in Q2, benefiting from the Fed's continuation of its asset-purchasing program. European periphery countries, such as Spain (7.8 percent) and Italy (5.6 percent) were among the strongest performers.

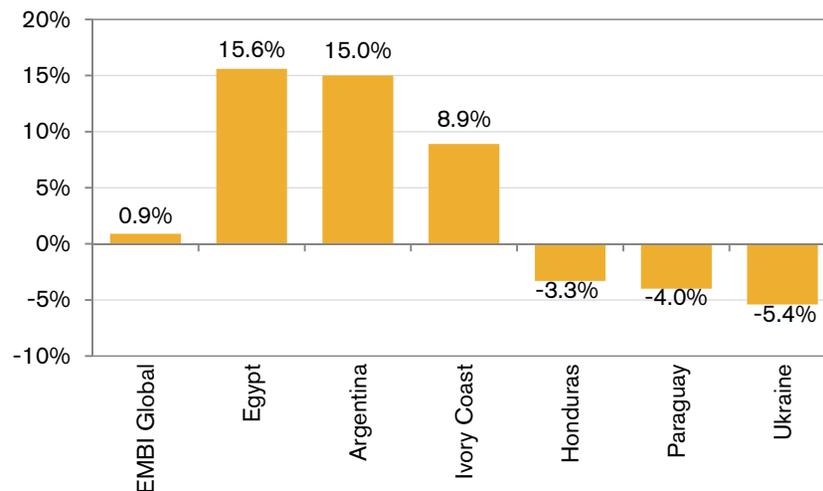
The lower-beta Japanese market lagged the broad market rally, despite the BOJ's decision to continue its monetary stimulus. Japan finished Q3 with a 2.6 percent gain on an unhedged basis.

Citigroup WGBI: Returns of Major Constituents (%)

Country	Local Currency Return (Qtr)	Currency Effect	Unhedged Total Return (Qtr)
United States	0.1	-	0.1
Canada	-0.1	2.6	2.5
Australia	0.7	2.2	2.8
Japan	1.4	1.2	2.6
Austria	0.3	4.1	4.5
Belgium	0.6	4.1	4.8
France	0.5	4.1	4.7
Germany	0.0	4.1	4.1
Italy	1.4	4.1	5.6
Netherlands	-0.1	4.1	4.1
Spain	3.5	4.1	7.8
United Kingdom	0.5	6.8	7.3
Non-U.S. Govt. Bond	1.0	3.0	4.1
World Govt. Bond	0.7	2.1	2.9

Sources: Citigroup and Barclays Capital

J.P. Morgan EMBI Global Index Best and Worst-Performing Markets



Source: J.P. Morgan

Emerging Market Debt

U.S.-dollar denominated bonds regained momentum after the Fed's announcement that it would continue its asset-purchasing programs. With the yield increases earlier in the year, corporate bond issuance fell during Q3.

Emerging-market central banks raised interest rates in an effort to prop up their slumping currencies. While most currencies recovered, countries such as India and Indonesia were unable to combat their currency depreciation due to their large current account deficits.

Hard dollar issues, as measured by the J.P. Morgan EMBI Global Index, returned 0.9 percent. Mexico (1.6 percent), Russia (1.4 percent) and Venezuela (0.9 percent), the three largest components of the index, posted positive returns. The three best and worst performing countries are shown in the adjacent chart. The J.P. Morgan GBI-EM Global Diversified (Unhedged) Index, the local currency debt benchmark, fell 0.4 percent.

Investment Performance: Commodities and Currencies

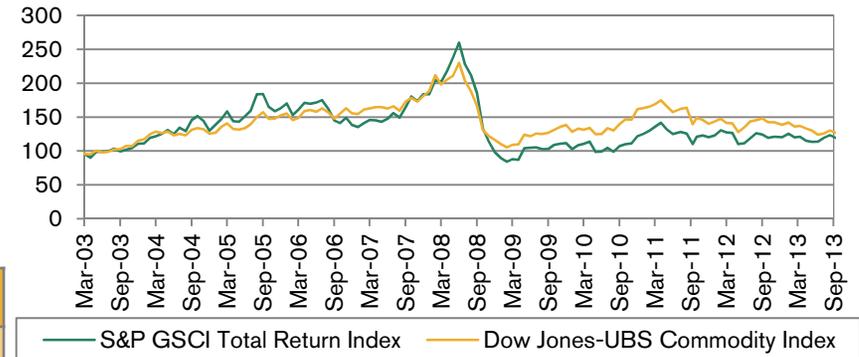
This section presents performance information about commodities and major world currencies as of Q3 2013.

Commodities

Commodities staged a comeback in Q3 2013, but have lagged other asset classes year-to-date. Industrial metals such as Copper performed strongly during Q3, as investor sentiment turned positive in response to a rebound in Chinese economic activity. Crude oil prices continued to get a boost from geopolitical risks and supply disruptions; however, these forces are fading and returns might be more modest in Q4. A delay in the much-anticipated tapering of quantitative easing led to a relief rally in precious metals in Q3, as investors recalibrated their expectations. Agriculture-related commodities lagged in Q3 because inventories continued to build up across the complex. Corn severely underperformed due to lower Ethanol production.

Commodities	Q3 Level	QTD (%)	YTD (%)	12-Month Low	12-Month High	5-Year Average
Copper (USD/tonne)	7,302	8.2	-7.9	6,670	8,326	7,224
Corn (USc)	442	-35.0	-36.8	442	773	550
Gold (USD/oz)	1,332	8.8	-20.6	1,216	1,792	1,349
Wheat (USc)	679	4.6	-12.8	627	903	646
WTI Crude (/barrel)	102.3	6.0	11.5	84.4	110.5	83.9

Monthly Commodity Returns, Growth of \$100: March 2003 – September 2013



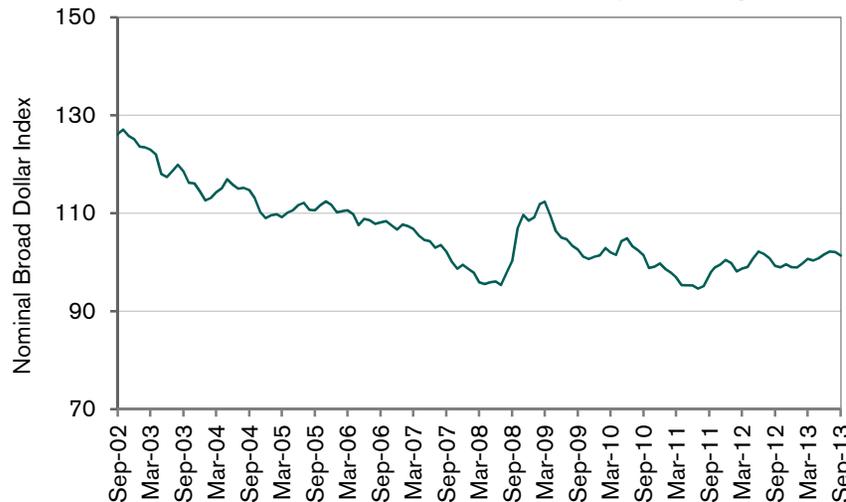
The graph above shows the major commodity indices, the S&P GSCI* Index and the Dow Jones-UBS Commodity Index**

* The S&P GSCI Index is calculated primarily on a world production-weighted basis and is composed of the principal physical commodities that are the subject of active, liquid futures markets.

** The DJ-UBSCI is composed of futures contracts on physical commodities, with weighting restrictions on individual commodities and commodity groups to promote diversification.

Sources: eVestment Alliance and Deutsche Bank

Nominal Broad Dollar Index: USD vs. Basket of Major Trading Partners



Sources: Federal Reserve and Bloomberg

Currencies

The adjacent graph shows the U.S. dollar (USD) against a basket of 16 major market currencies, including those listed in the table below: the Canadian dollar (CAD), the euro (EUR), the Japanese yen (JPY), the Swiss franc (CHF), and the British pound-sterling (GBP).

In Q3, the USD depreciated versus the major trading partners (CAD, JPY, EUR, CHF, and GBP). The U.S. government shutdown and potential default, threat of inflation, and continued quantitative easing negatively affected the USD.

USD Major Trading Partners	Pairs	Q3 Level	YTD (%)	5-Year Average
Canada	USD/CAD	1.0309	3.91%	1.0472
Eurozone	USD/EUR	0.7393	-2.47%	0.7457
Japan	USD/JPY	98.2700	13.28%	87.3180
Switzerland	USD/CHF	0.9049	-1.15%	0.9843
U.K.	USD/GBP	0.6178	0.39%	0.6371

Investment Performance: Hedge Funds

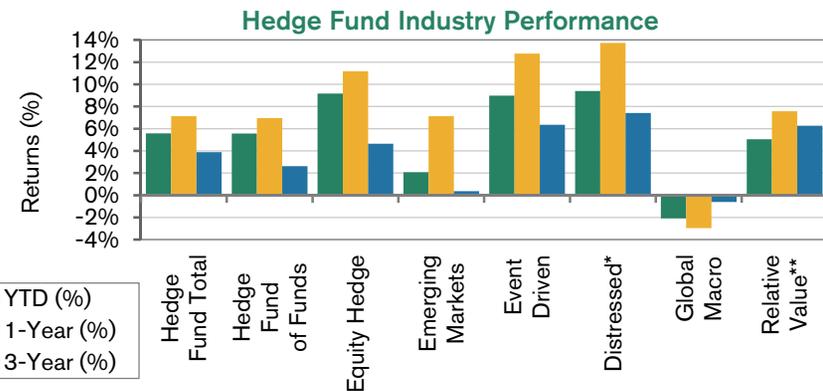
This section provides an overview of hedge fund results along with an analysis of strategy performance during Q3 2013.

Hedge Fund Overview

The Hedge Fund Research, Inc. (HFRI) Fund Weighted Composite Index gained 2.3 percent in Q3, rebounding from a previous quarter loss. Hedge funds recorded profits in July and September. Most of the major hedge fund strategies posted positive performance in Q3. The best Q3 performance among the major hedge fund strategies included Equity Hedge (4.1 percent) and Event-Driven (3.2 percent). Global Macro (-1.1 percent) continued to underperform.

Longer-term results are positive. Hedge funds recorded a gain of 3.8 percent over the three-year period ending September 30, 2013, as measured by the HFRI Fund Weighted Composite Index.

Hedge funds of funds also gained in Q3, as represented by the HFRI Fund of Funds (FOF) Composite Index's 2.1 percent increase. The HFRI FOF: Conservative Index underperformed this broader index with a 1.6 percent return while the HFRI FOF: Diversified Index gained just 1.1 percent.



* Distressed funds focus on companies that are close to or in bankruptcy.

**Relative-value funds focus on arbitrage opportunities between equity and fixed income securities.

Source: Hedge Fund Research, Inc.

HFRI Index Returns – Q3 2013 (%)

	Jul	Aug	Sep	QTD	YTD
Fund of Funds Composite	1.0	-0.8	1.9	2.1	5.6
FOF: Conservative	0.6	-0.2	1.2	1.6	5.2
FOF: Diversified	0.9	-0.7	1.0	1.1	4.6
Fund Weighted Composite	1.4	-0.7	1.6	2.3	5.6
Equity Hedge (Total)	2.4	-0.9	2.6	4.1	9.2
Equity Market Neutral	1.1	-0.6	0.4	0.9	3.7
Short Bias	-2.1	0.9	-2.6	-3.8	-13.6
Event-Driven (Total)	1.4	-0.2	2.0	3.2	9.0
Distressed/Restructuring	1.3	-0.1	1.3	2.5	9.4
Merger Arbitrage	1.0	-0.1	0.9	1.8	3.4
Relative Value (Total)	0.7	-0.1	1.4	2.0	5.1
FI-Convertible Arbitrage	0.8	0.1	1.1	2.1	6.5
Global Macro (Total)	0.0	-0.9	-0.2	-1.1	-2.1
Emerging Markets (Total)	1.0	-1.4	3.3	2.9	2.1

Source: Hedge Fund Research, Inc.

The HFRI Global Macro Index declined -1.1 percent. Macro managers, both Systematic and Discretionary, suffered losses during Q3 as risk-assets remained volatile amid fears about U.S. tapering and tensions in the Middle East. Short positions in gold, long positions in European and EM bonds were the largest sources of losses during the period, while currency positions also proved costly for Systematic managers.

The HFRI Equity Hedge Index gained 4.1 percent in Q3. Equity Hedge managers benefited from rising equity markets as well as company-specific fundamentals and idiosyncratic performance drivers. Long-biased managers performed the best, driven by gains in value-oriented consumer, technology and energy stocks. Equity Market Neutral managers posted muted performance, while Short Bias managers struggled with the headwind of positively performing markets.

The HFRI Event-Driven Index rose 3.2 percent. Event-Driven managers recorded positive performance as equity markets provided a tailwind for Merger Arbitrage and Special Situations investments while Credit positions experienced spread tightening during Q3. Additionally, Distressed/Restructuring managers benefited from buying opportunities early in the period following a sell-off during Q2, while managers with broader mandates benefited from company-specific developments including dividend payments, acquisitions and restructuring situations.

The HFRI Emerging Markets Index gained 2.9 percent. While managers recorded gains in the Asian equities, sovereign Credit positions were a significant driver of positive results in September. Specifically, Argentinian bonds rallied amid an improving landscape while Indonesian debt also performed well as the local currency stabilized.

The HFRI Relative Value Index increased 2.0 percent. Fixed Income Arbitrage managers focused on the non-agency RMBS space continued to record gains as the sector performed well and continued to offer attractive loss-adjusted yields. Additionally, Convertible Arbitrage managers benefited from solid issuance of convertible debt.

Strategy Analysis

Investment Performance: Private Equity

This section provides data on private equity industry performance, fundraising, buyout funds, initial public offering (IPO) activity and venture capital. The information in this section reflects the most recent private equity data available.

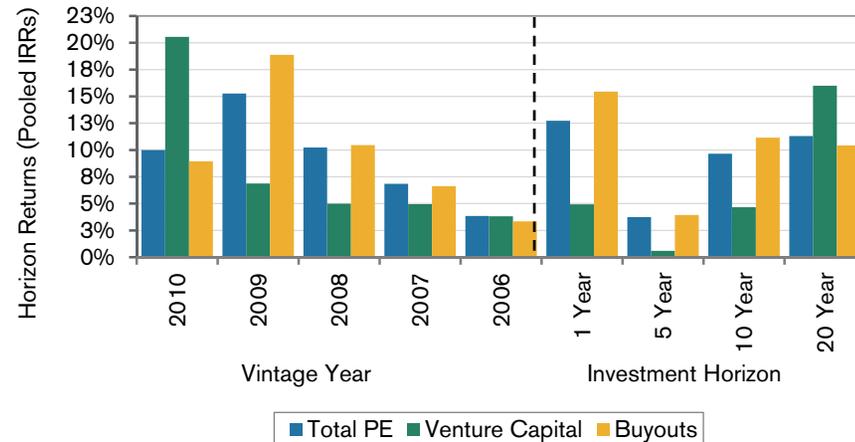
Private Equity Industry Performance

The adjacent graph shows private equity fund performance for Q1 2013, calculated as pooled internal rates of return (IRR) of funds reporting to Thomson One. Performance for 2006 through 2010 vintage-year funds, as well as one-, five-, 10- and 20-year returns, is calculated for funds in the following categories: all private equity, venture capital and buyouts. While venture and buyout strategies are posting positive returns for these vintage years, buyouts have outperformed venture funds with the exception of the 2010 and 2006 vintage years.

Private equity funds for all regions returned approximately 4.93 percent in Q1 2013. This includes performance across all venture capital (seed/early, later and balanced stages) and buyout funds (small, medium, large, mega and generalist). Over a 20-year period, all private equity, venture capital and buyout funds generated double-digit returns, returning 11.4 percent, 15.7 percent and 10.5 percent, respectively.

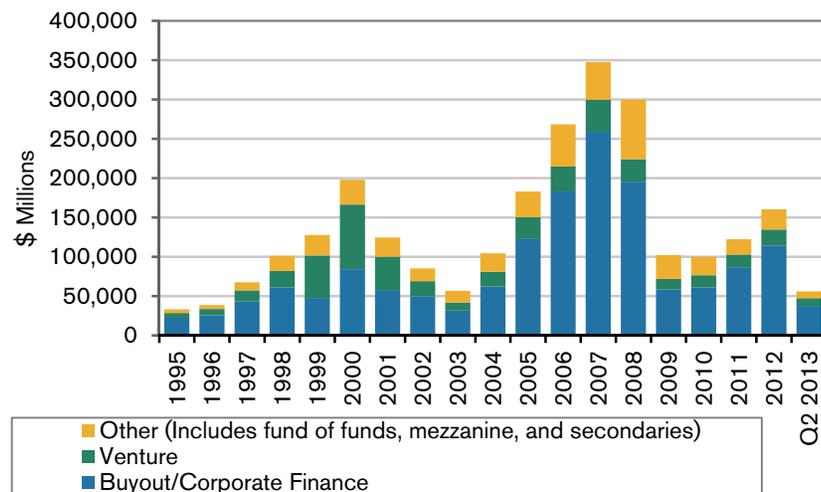
**Vintage year* refers to the first year capital was committed in a particular fund. Vintage-year performance is calculated as the median percentile returns of all funds reporting as pooled IRRs.

Private Equity Performance by Vintage Year and Investment Horizon: All Regions



Source: Thomson Reuters

Private Equity Commitments: United States



* Includes fund of funds, mezzanine, and secondaries.

Sources: *The Private Equity Analyst*, Preqin

Private Equity Overview

According to Preqin, private equity firms in the U.S. raised \$36 billion in Q2 2013. Fundraising, while at its highest quarterly levels since the financial crisis, remains substantially lower than the pre-financial crisis levels, which peaked at \$350 billion in 2007, as shown in the adjacent graph.

Buyout funds raised \$25.9 billion during Q2, more than double the \$11.6 billion raised in Q1, while venture capital and growth funds raised \$6.4 billion across 34 funds. Mezzanine and secondary strategies raised \$1.7 billion and \$1.5 billion, respectively.

Twenty-one venture-backed IPOs raised \$2.1 billion in Q2, which is more than double the dollars raised in Q1 and marks a 163 percent increase in volume. The uptick is largely attributable to the highest number of biotechnology IPOs since Q3 2000. There were 84 venture-backed M&A deals, 15 with a disclosed aggregate value of \$3.0 billion, representing a 53 percent decline from Q2 2012. Buyout exit activity increased globally from an aggregate value of \$50 billion in Q1 to 324 exits valued at \$92 billion in Q2.

Venture capital firms invested \$6.7 billion in 913 deals during Q2, a slight rise in dollars and deals from Q1 2013. Meanwhile, the total value of North American buyout deals declined from \$71 billion in Q1 to 306 deals valued at an aggregate of \$29 billion, a drop of 59 percent. The decline is largely attributable to a number of mega-cap deals in Q1.

Investment Performance: Real Estate

This page presents data and Segal Rogerscasey's commentary on private and public real estate. The information below reflects the most recent data available.

Private Real Estate

The National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index (NPI), which tracks private real estate in the U.S., gained 2.6 percent during Q3. The total return is composed of 1.4 percent income and 1.2 percent property-level appreciation. Over the trailing one-year period, the Index gained 11.0 percent, composed of 5.1 percent property-level appreciation and 5.7 percent income.

In the regions of the U.S., the South performed the best during Q3 and over the last 12 months, as shown in the adjacent table.

Operating fundamentals continued to improve slowly due, in part, to a lack of new supply across most sectors in the U.S. Shorter-lease-term sectors such as apartments, hotels, storage and high-end malls have generated the strongest operating performance. Investor demand for high-quality assets with secure income streams remained strong even at lower return expectation levels, while secondary assets continued to experience wide bid-ask spreads across most markets*.

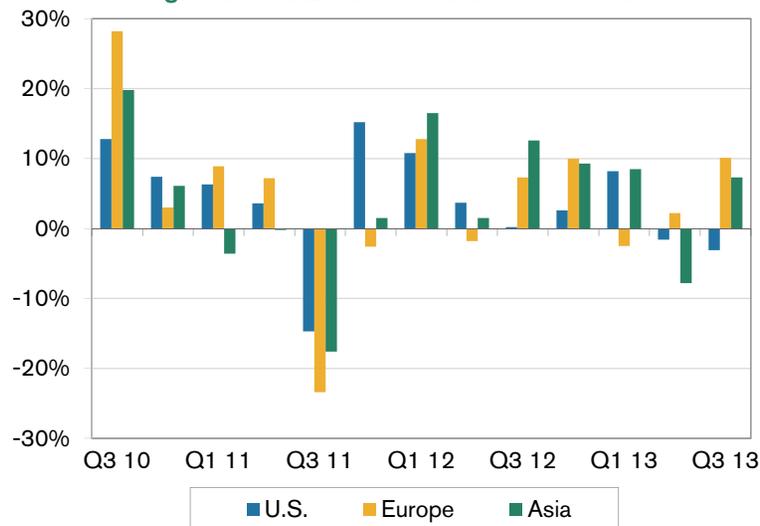
* A "bid" is the offer price from a buyer and an "ask" is the requested price from a seller. Currently, the bid-ask spread, or the difference between the two, is large enough that few secondary asset transactions have been taking place.

National Property Index Sector and Region Performance

	Ending Weight (%)	Returns as of Q3 2013	
		QTD (%)	1 Year (%)
NCREIF NPI Total Return	100.0	2.6	11.0
Sector			
Apartment	25.2	2.5	10.8
Hotel	2.3	2.1	7.7
Industrial	13.9	3.1	11.7
Office	35.3	2.4	9.7
Retail	23.3	2.7	13.2
NCREIF Region			
East	34.3	2.1	9.2
Midwest	9.5	2.7	10.9
South	21.3	3.0	12.6
West	34.9	2.8	11.8

Source: National Council of Real Estate Investment Fiduciaries

Regional Real Estate Securities Performance



Source: National Association of Real Estate Investment Trusts

Public Real Estate

The FTSE EPRA/NAREIT Global Developed Real Estate Index total market capitalization rose to \$1.1 trillion in Q3, broken down as follows: North America \$540 billion, Europe \$150 billion and Asia \$379 billion. Stronger economic conditions in Asia and Europe counteracted concerns over higher interest rates in the U.S. and bolstered property stocks to a 2.4 percent gain on a global basis in Q3. Europe (10.1 percent) outperformed the U.S. (-3.1 percent) and Asia (7.3 percent) as measured by the FTSE EPRA/NAREIT indices. Sector performance in the U.S. was mostly negative: Self Storage (7.5 percent), Lodging (6.2 percent), Central Business District Office (1.4 percent) and Industrial (1.2 percent) outperformed the broader index while Student Apartments (-13.0 percent), Manufactured Home Communities (-12.3 percent), Healthcare (-8.0 percent), Apartments (-6.3 percent), Specialty Office (-5.9 percent), Regional Malls (-5.4 percent) and Diversified/Financial (-4.0 percent) underperformed. Investors' concerns over higher interest rates weakened U.S. REITs' Q3 performance.

Property stocks in Asia and Europe benefited from stronger economic prospects as well as the Fed's decision to delay tapering. In Europe, Austria (23.3 percent), the U.K. (12.9 percent), France (11.0 percent) and Finland (10.8 percent) outperformed in Q3, while Italy (1.9 percent), Switzerland (2.5 percent), Norway (4.8 percent), the Netherlands (7.4 percent) and Greece (8.5 percent) lagged. In Asia, Japan (13.5 percent) and New Zealand (9.9 percent) outperformed, while Singapore (2.1 percent), Australia (2.4 percent) and Hong Kong (4.0 percent) lagged the region as a whole.

Investment Performance: Real Estate

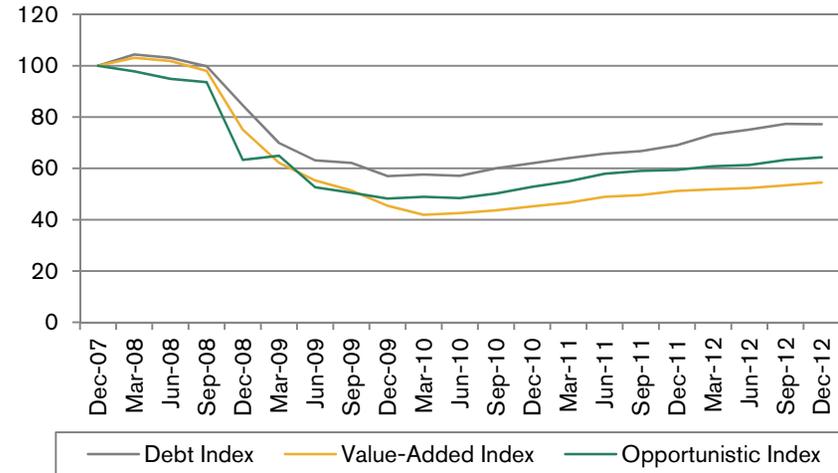
This page presents data and Segal Rogerscasey's commentary on value-added and opportunistic real estate. The information in this section reflects the most recent data available.

Value-Added and Opportunistic Real Estate

The Preqin real estate indices represent the returns earned by investors on average in their private real estate portfolios based on the actual amount of money invested in the partnerships. As illustrated in the graph on the right, debt, value-added and opportunistic strategies have steadily recovered from their 2008 and 2009 declines. Value-added and opportunistic strategies reached values of 54.5 and 64.3, respectively, at the end of 2012 and real estate debt strategies have had the strongest recovery at 77.2. As illustrated in the graph below at left, closed-end private real estate funds of vintage years 2005 (-1.5 percent) and 2006 (-0.4 percent) have the lowest median net IRRs in recent history. Fortunately, the last two vintage years for which data is available show improvement with the median net IRR of 2009 and 2010 vintage funds reaching 16.0 percent and 12.9 percent, respectively. The figure on the bottom right shows that the median net multiples* of value-added and opportunistic strategies for vintage years prior to 2004 exceeded 1.3 times an investor's paid-in capital, but subsequently decreased due to the impact of the global financial crisis. Vintage year 2006 value-added funds (0.73) and vintage year 2005 opportunistic funds (0.95) have the lowest multiple of each strategy.

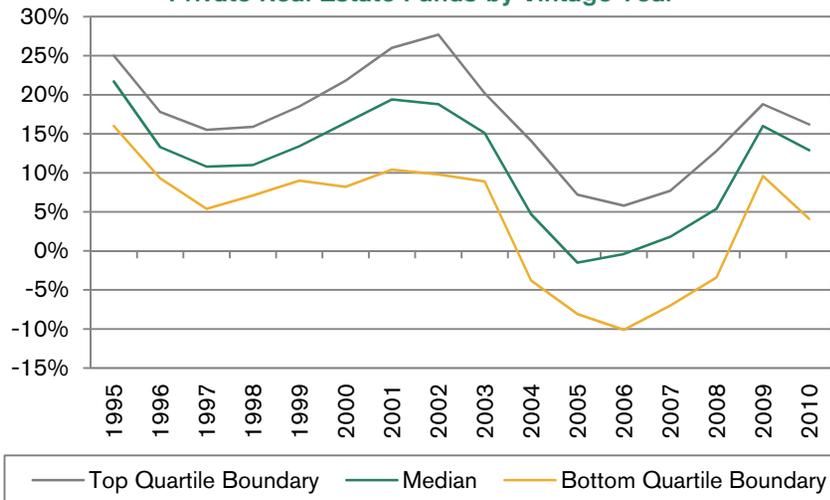
*The median net multiple reflects the gain on a fund investment relative to an investor's net contribution to the fund.

Debt, Value-Added and Opportunistic Closed-End Private Real Estate Index Performance



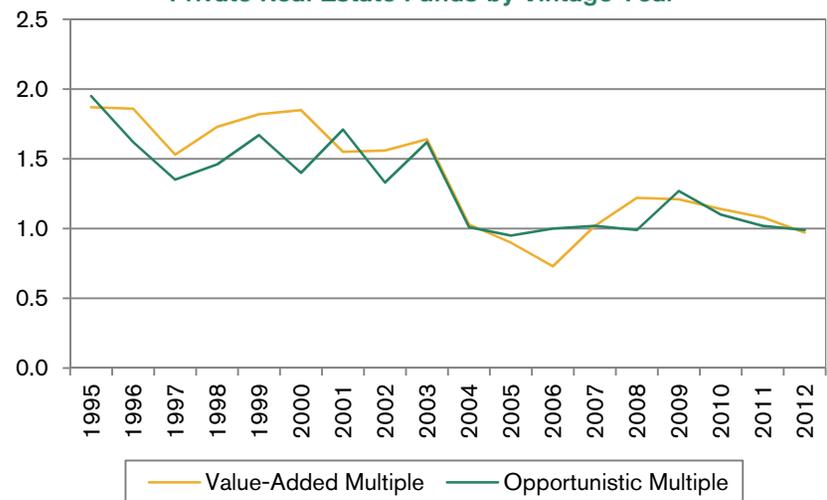
Source: Preqin Real Estate Online

Median Net IRRs and Quartile Boundaries of Closed-End Private Real Estate Funds by Vintage Year



Source: Preqin Real Estate Online

Median Net Multiple of Value-Added and Opportunistic Closed-End Private Real Estate Funds by Vintage Year



Source: Preqin Real Estate Online

Noteworthy Developments

Segal Rogerscasey finds the developments discussed in this section to be noteworthy for investors.

U.S. Consumer Spending's Contribution to Quarterly Change in GDP is Less than in Past Recoveries

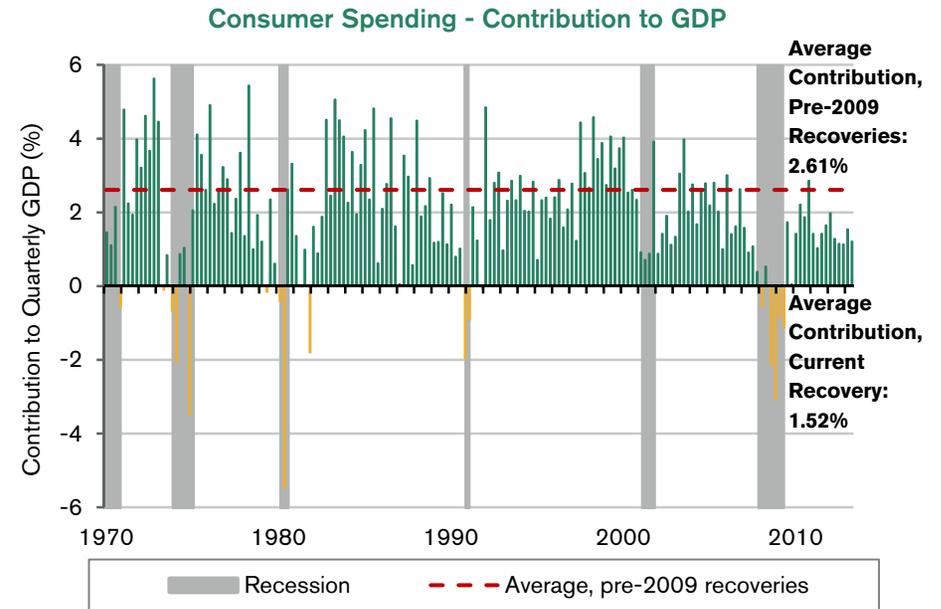
The adjacent chart depicts consumer spending's contribution to the quarterly change in GDP, measured at an annualized rate, through Q2 2013.

During the most recent recovery (2009 to present), consumer spending has contributed U.S. economic growth; however, the pace is not as dynamic as in past recoveries. Since 1970 until the most recent recession, the average contribution to the quarterly change in GDP from consumer spending was 2.61 percent, while the contribution during the most recent recovery is 1.52 percent.

A number of factors have influenced consumer confidence and spending both positively and negatively. Since the market downturn, households have put less money toward paying off debt, as shown by a decrease in the percent of financial obligations as a share of after-tax income to 15.7 percent as of Q1 2013, compared to over 18 percent prior to the latest recession. This drop increased consumer-spending power, despite sluggish income growth during the most recent recovery.

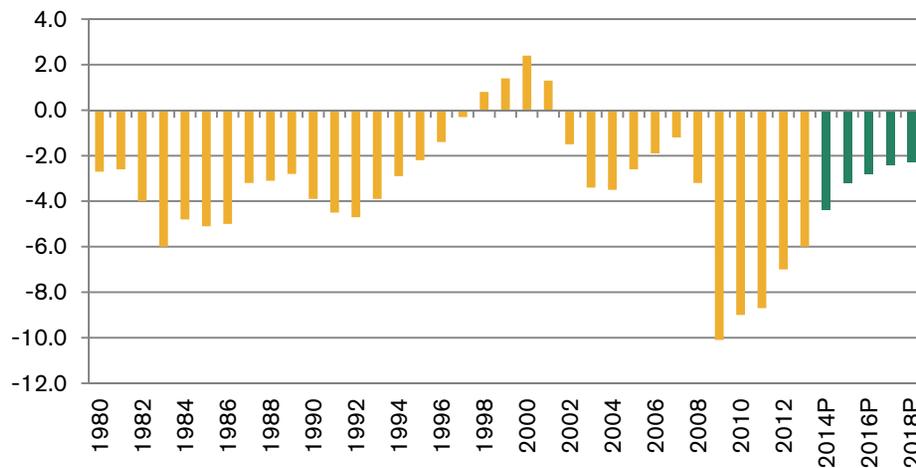
Additionally, homeowners have rebuilt equity in their homes. As of Q1 2013, homeowners' equity as a percentage of household real estate was at 49.2 percent, up from below 40 percent during the recession.

On the negative side, wage growth has stalled, as real average wages are unchanged since June 2009.



Source: Bureau of Economic Analysis

Federal Budget Surplus/Deficit % GDP



Source: U.S. Office of Management and Budget

Federal Budget Deficit Reduction

While the federal budget has recently been the subject of tense negotiations, there has been significant reduction in the federal budget deficit in recent years. From a low of -10.1 percent of GDP in 2009, the budget deficit is projected at -4.4 percent in 2014, and is expected to continue to fall toward -2.3 percent in 2018. Gains have been achieved from a combination of an improved economy, tax increases and spending reductions. A separate study by the Congressional Budget Office (CBO) has also noted that the current path of deficit reduction from across-the-board spending reductions has likely reduced GDP growth by 0.7 percent. The CBO also projects that deficits in dollar terms will bottom out in 2015 and then rise again until 2022. Thus, the current environment of improved fiscal condition offers a unique opportunity to re-shape fiscal policy toward longer-term deficit solutions.

Noteworthy Developments

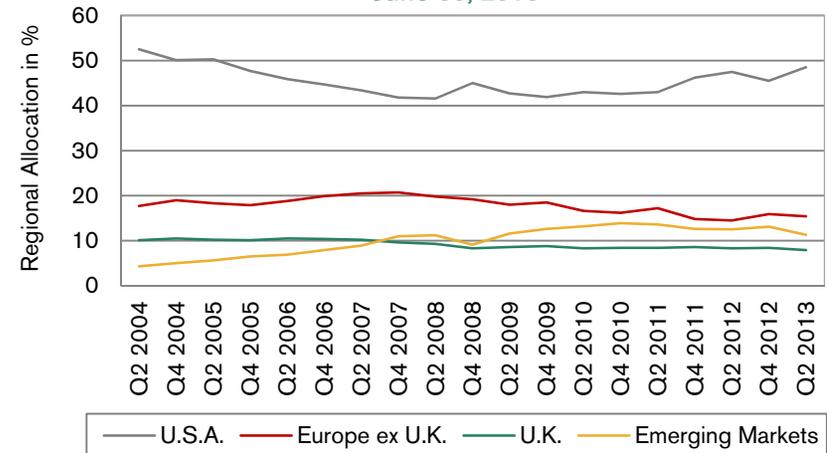
Segal Rogerscasey finds the developments discussed in this section to be noteworthy for investors.

Emerging Markets are Significant in a Global Equity Portfolio

This adjacent graph shows the regional composition of the total global equity market over approximately 10 years, as represented by the MSCI ACWI Index. The four regions shown have comprised at least 80% of the Index since Q2 2004. (Japan and Canada make up most of the remainder, but were omitted from this graph and commentary.) Since then, EM has more than doubled (from 4.3 percent to 11.3 percent), while the other regions have declined in value. In the second half of 2007, EM surpassed the U.K., and as of June 2013, it was smaller than Europe ex U.K. by only 3.7 percent. The recent trend shows the U.S. growing steadily since its low point in Q2 2008 (from 41.6 percent to 48.5 percent), while EM has dropped 2.6 percent from its all-time high of 13.9 percent in Q4 2010.

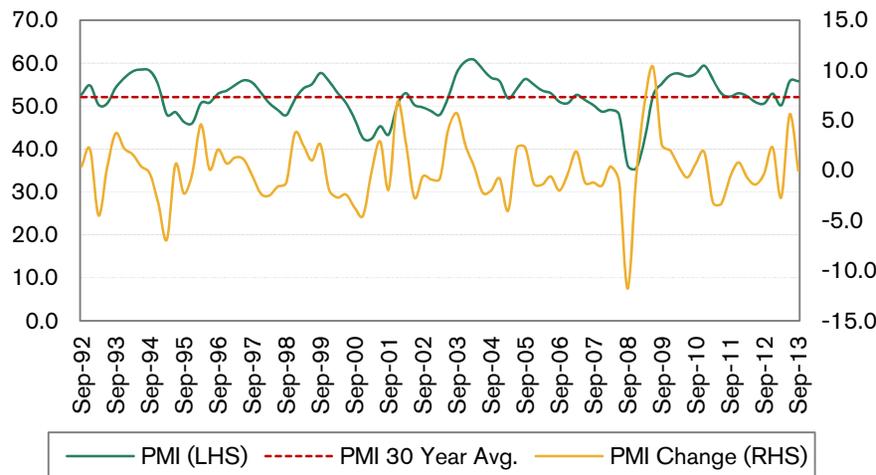
The MSCI EM Index has outpaced the MSCI Europe ex U.K., MSCI U.K., and MSCI U.S.A. indices in the seven- and 10-year trailing periods, as of June 30, 2013, explaining its increased presence in market-cap-weighted benchmarks. The short-term trend of growth in the U.S. weighting has also been driven by strong performance, as the MSCI U.S.A. Index has outpaced the other three indices in the trailing one-, three-, and five-year trailing periods.

Regional Market Capitalizations - % of MSCI ACWI Index, as of June 30, 2013



Source: Morgan Stanley Capital International

PMI – September 1992 – September 2013



Source: Institute for Supply Management

Manufacturing Growth Trend is Positive, but Not Enough to Convince the Fed of Economic Stability

Investors were surprised when the Fed announced it would continue its asset-purchasing program, despite earlier indications of tapering. Clearly, the Fed was not convinced of the health of the economy despite favorable economic indicators, one of which is The Institute for Supply Management's Purchasing Managers Index (PMI).

PMI is an indicator that is derived from monthly surveys of private sector companies and is used to measure the health of the manufacturing sector and overall economy. The index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI above 50 indicates that the manufacturing economy is generally expanding, while a score below 50 indicates that it is generally declining. Not only has the PMI score increased over recent months, but it has remained above the 30-year average of 52.1. Although the manufacturing indicators are favorable, it seems the Fed is looking for more evidence of a stable economy.

Executive Summary as of September 30, 2013

Combined Providers – Total Assets

- Plan assets totaled **\$638.7 million** as of September 30, 2013. This represented an increase of **\$20.0 million**, or **3.2%**, during the third quarter of 2013.
- The majority of Plan assets, **\$307.7 million**, are invested in the Stable Value Funds representing **\$279.9 million**, or **44%**, in the Hartford General Account and **\$27.8 million** or **4%** in the ING Stable Value Account. The next largest fund allocations among the two plans were: **6%** in the Hartford Mid Cap HLS Fund; **5%** in the INVESCO Van Kampen Equity and Index Fund (Balanced Option); **4%** in the T. Rowe Price Growth Stock Fund (Large Cap Growth); and **3%** in the Vanguard Institutional Index Fund (S&P Index Option).
- Target date funds' assets totaled **\$57.5 million** and accounted for **9%** of Total Plan assets.

Deferred Compensation - MassMutual

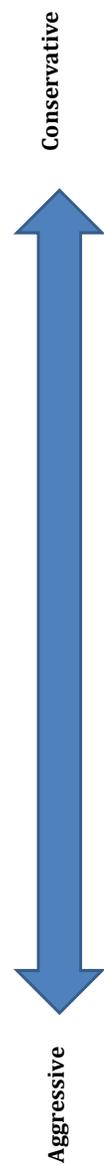
- The MassMutual Plan assets totaled **\$519.7 million** as of September 30, 2013. This represented an increase of **\$16.2 million**, or **3.2%**, during the third quarter of 2013.
- The majority of Plan assets were invested in the Hartford General Account, with the allocation changing from **55%** to **54%**. The allocation of total Plan assets invested in the lifecycle funds remained constant at **3%** over the quarter.
- All figures in this report include the market values of the political subdivisions administered by MassMutual.
- On September 13, 2013, the SSgA US Bond Market INLS expense ratio was reduced from **0.15%** to **0.06%** and there is no revenue share.

Deferred Compensation - ING

- The ING Plan assets totaled **\$119.0 million** as of September 30, 2013. This represented an increase of **\$3.8 million**, or **3.2%**, during the third quarter of 2013. These assets include all political sub divisions administered by ING.
- The majority of Plan assets were invested **35%** in lifecycle funds and **23%** in the ING Stable Value Fund.
- Based upon the decisions of the January 30, 2013 meeting, the Committee decided to leave all the ING expense ratios and revenue sharing in place for 2013 and 2014. The Committee decided to use the annual **\$90,000** credit allowance to subsidize any revenue sharing shortfall of less than the required 35 basis points contract requirement. The current revenue is projecting a shortfall of **3bps**, or approximately **\$34,000**.

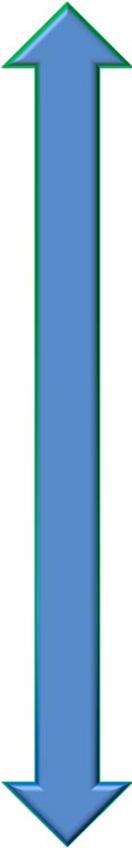
State of Nevada Deferred Compensation Plan Line-Up
Plan Review - Investment Options Array

Tier I - Asset Allocation	
<u>Target Date/Lifecycle Funds</u> Vanguard Target Retirement Income Inv Vanguard Target Retirement 2015 Inv Vanguard Target Retirement 2025 Inv Vanguard Target Retirement 2035 Inv Vanguard Target Retirement 2045 Inv	
Tier II- Passive Core (index options)	Tier II - Active Core
<p style="text-align: center;"><u>Core Fixed Income</u> SSgA US Bond Market INLS Vanguard Total Bond Market Index</p> <p style="text-align: center;"><u>Large Cap Core</u> Vanguard Institutional Index</p> <p style="text-align: center;"><u>Smid Cap Core (Small & Mid Cap)</u> Vanguard Extended Market Index I</p> <p style="text-align: center;"><u>International Equity</u> American Beacon International Equity Index Instl Vanguard Developed Markets Index Adm</p>	<p style="text-align: center;"><u>Stable Value</u> Hartford General Fund ING Stable Value Fund</p> <p style="text-align: center;"><u>Balanced Fund</u> Invesco Van Kampen Equity & Income R6 ING T.Rowe Price Cap App Port I</p> <p style="text-align: center;"><u>Large Cap Value</u> American Beacon Large Cap Value Instl Allianz NFJ Dividend Value</p> <p style="text-align: center;"><u>Large Cap Core</u> Victory Diversified Stock I</p> <p style="text-align: center;"><u>Large Cap Growth</u> T.Rowe Price Growth Stock American Funds Growth Fund of Amer R3 Fidelity Contrafund</p> <p style="text-align: center;"><u>Mid Cap Core</u> Hartford Mid Cap HLS</p> <p style="text-align: center;"><u>Mid Cap Growth</u> Munder Mid Cap Core Growth R7 Baron Growth Retail</p> <p style="text-align: center;"><u>Smid Cap Core (Small & Mid Cap)</u> Lord Abbett Value Opportunities Oppenheimer Main St Sm & Mid Cap Y</p> <p style="text-align: center;"><u>Smid Cap Growth</u> Columbia Acorn Fund A</p> <p style="text-align: center;"><u>Small Cap Core</u> Keeley Small Cap Value A</p> <p style="text-align: center;"><u>Small Cap Growth</u> Hartford Small Company HLS</p> <p style="text-align: center;"><u>International Equity (w/Emerging Markets)</u> Dodge & Cox International Stock</p>
Tier III- Specialty	
<u>Socially Responsible</u> Neuberger Berman Socially Responsible Instl Parnassus Equity Income <u>Global Equity</u> Mutual Discovery Z American Funds Cap World G&I <u>Self-Directed Brokerage</u> Schwab SDBA TD Ameritrade	



State of Nevada Deferred Compensation Plan Line-Up

Plan Review - Investment Options Array

	Tier I: Asset Allocation	Tier II (A): Passive Core (index options)	Tier II(B): Active Core	Tier III: (Specialty)
<p>CONSERVATIVE</p>  <p>AGGRESSIVE</p>	<p><u>Target Date/Lifecycle Funds</u> Vanguard Target Retirement Funds</p>	<p><u>Core Fixed Income</u> SSgA US Bond Market INLS Vanguard Total Bond Market Index</p> <p><u>Large Cap Core</u> Vanguard Institutional Index</p> <p><u>Smid Cap Core (Small & Mid Cap)</u> Vanguard Extended Market Index I</p> <p><u>International Equity</u> American Beacon International Equity Index Instl Vanguard Developed Markets Index Adm</p>	<p><u>Stable Value</u> Hartford General Fund ING Stable Value Fund</p> <p><u>Balanced Fund</u> Invesco Van Kampen Equity & Income R6 ING T.Rowe Price Cap App Port I</p> <p><u>Large Cap Value</u> American Beacon Large Cap Value Instl Allianz NFJ Dividend Value</p> <p><u>Large Cap Core</u> Victory Diversified Stock I</p> <p><u>Large Cap Growth</u> T.Rowe Price Growth Stock American Funds Growth Fund of Amer R3 Fidelity Contrafund</p> <p><u>Mid Cap Core</u> Hartford Mid Cap HLS</p> <p><u>Mid Cap Growth</u> Munder Mid Cap Core Growth R6 Baron Growth Retail</p> <p><u>Smid Cap Core (Small & Mid Cap)</u> Lord Abbett Value Opportunities Oppenheimer Main St Sm & Mid Cap Y</p> <p><u>Smid Cap Growth</u> Columbia Acorn Fund A</p> <p><u>Small Cap Core</u> Keeley Small Cap Value A</p> <p><u>Small Cap Growth</u> Hartford Small Company HLS</p> <p><u>International Equity (w/Emerging Market)</u> Dodge & Cox International Stock</p>	<p><u>Socially Responsive</u> Neuberger Berman Socially Responsible Instl Parnassus Equity Income</p> <p><u>Global Equity</u> Mutual Discovery Z American Funds Cap World G&I</p> <p><u>Self-Directed Brokerage</u> Schwab SDBA TD Ameritrade</p>

Nevada Public Employees' Deferred Compensation Plan Current Investment Structure

ING & Mass Mutual

STYLE

		Value	Blend	Growth
CAPITALIZATION	Large	American Beacon Large Cap Value Inv (MM) Allianz NFJ Dividend Value (ING)	Vanguard Institutional Index (passive) (Both) Victory Diversified Stock I (MM)	T. Rowe Price Growth Stock (MM) American Funds Growth Fund of America R3 (ING) Fidelity Contrafund (ING)
	Medium		Hartford Mid Cap HLS (Both)	Munder Mid Cap Core (MM) Baron Growth Retail (ING)
	SMID		Vanguard Extended Market Index (passive) (Both) Lord Abbett Value Opportunities I (Both) Oppenheimer Main St Small & Mid Cap Y (MM)	Columbia Acorn Fund A (ING)
	Small		Keeley Small Cap Value A (ING)	Hartford Small Company HLS (MM)

Additional Asset Categories within Investment Line-up

Fixed Income/Stable Value

Hartford General Fund (MM)
ING Stable Value Fund (MM)

Fixed Income/Bond

SSgA US Bond Market INLS (MM)
Vanguard Total Bond Market Index (ING)

Balanced

Invesco Van Kampen Equity & Income Y (MM)
ING T. Rowe Price Capital Appreciation Port I (ING)

Socially Responsive Equity

Neuberger Berman Socially Responsible (MM)
Parnassus Equity Income (ING)

International Equity

American Beacon Intl Equity Index Instl (passive) (MM)
Vanguard Developed Markets Index Adm (passive) (ING)

International Eq (w/ Emerging Markets exposure)

Dodge & Cox International Stock (ING)

Global Equity

Mutual Global Discovery A (MM)
American Funds Capital World Growth & Income (ING)

Target Date/Lifecycle Funds

Vanguard Target Retirement Income Inv (Both)
Vanguard Target Retirement 2015 Inv (Both)
Vanguard Target Retirement 2025 Inv (Both)
Vanguard Target Retirement 2035 Inv (Both)
Vanguard Target Retirement 2045 Inv (Both)

Self Directed Brokerage

Schwab SDBA / TD Ameritrade SDBA

Munder Mid Cap Core Growth R6

- The Munder Mid Cap Core Growth Fund underperformed the Russell Mid Cap Growth Index over the third quarter of 2013 (7.5% vs. 9.3%).
- Three sectors were relative laggards during the September quarter: health care, industrials and consumer staples.
- In health care, Health Management Associates Inc. Cl A (1.8%) declined from higher levels earlier in the year as the company entered into a takeover agreement at a price that was lower than investors expected.
- In the industrials sector, a few holdings were moderate underperformers for the three months. Precision Castparts Corp. (1.1%) reported a 23% earnings gain for the quarter, but it was slightly below analyst expectations. Kansas City Southern (1.4%) was soft on a lack of news flow regarding new opportunities for transporting crude oil by rail in various markets within the United States.
- One consumer staples holding was weak: Monster Beverage Corp. (1.2%).

Lord Abbett Value Opportunities

- The Lord Abbett Value Opportunities Fund slightly underperformed the Russell 2500 Index over the third quarter of 2013 (6.7% vs. 9.1%).
- The Fund's performance suffered from select underperforming investments. One such investment, information technology holding Rovi Corp., sold off following an uninspiring earnings release in which management reported softer-than-expected revenues and lowered its 2013 outlook. Weakness in the firm's Consumer Electronics division due to contract delays and the lack of new customers were cited as reasons for both the revenue miss and negative guidance revision.
- Another major detractor from the Fund's performance was consumer discretionary holding Abercrombie & Fitch Co. Similar to other mall-based teen retailers, a severe slowdown in store traffic, particularly in July, coupled with an increasingly competitive environment, led to an earnings miss as demand for the retailer's offerings waned.
- Despite hitting a 52-week high in July 2013, shares of Hertz Global Holdings, Inc., pulled back following cautious comments by the automotive and equipment rental company's management. Weaker volumes and issues regarding fleet integration of recently acquired Dollar/Thrifty were cited as reasons for the revision to the industrials holding's earnings outlook.

Columbia Acorn Fund

- The Columbia Acorn Fund underperformed the Russell 2500 Growth Index over the third quarter of 2013 (10.3% vs. 11.9%).
- Only two stocks hurt fund performance by more than 0.05%:
- Insurance company Tower Group announced that it would take a large charge to its reserves. Columbia sold the fund's position in the stock during the quarter.
- Pier 1 Imports' stock fell on earnings that were down slightly from the prior year and below expectations.

Keeley Small Cap Value Fund

- The Keeley Small Cap Value Fund significantly underperformed the Russell 2000 Index during the recent quarter (8.5% vs. 10.2%).
- This strategy typically avoids "short-product cycle" sectors and industries, and holdings in the healthcare sector (i.e. biotech) and the technology sector (i.e. internet), are good examples. These sectors were the top performers in the index this quarter, which can be a headwind for the Fund when they are leaders.
- Additionally, Ryland Group (RYL), which had been a strong performer over the past year due to the recovery in housing, was the our largest detractor.

Hartford Small Company Fund

- The Hartford Small Company Fund underperformed the Russell 2000 Growth Index during the recent quarter (11.0% vs. 12.8%).
- Consumer Discretionary, Industrials, and Information Technology were the worst performing sectors relative to the benchmark.
- A number of holdings had double digit drops during the quarter, including retailers Francesca's (-33%) and Elizabeth Arden (-18%), online review site Angie's List (-15%), and manufacturer Lattice Semiconductor (-12%).
- While the Fund's larger market profile should have helped due to larger names outperforming smaller names within the benchmark, poor stock selection erased any benefit. Stock selection in the \$2-5B market cap bucket had the worst benchmark relative results

Mutual Global Discovery Fund

- The Mutual Global Discovery Fund underperformed the MSCI ACWI Index over the recent quarter (5.8% vs. 7.9%).
- The Fund suffered from an overweight position in Microsoft, which was down in the quarter.
- In addition, the Fund was underweight to the top three best performing sectors: Industrials, Materials and Consumer Discretionary.

Current Watch List as of September 30, 2013

<u>Fund</u>	<u>Date Put on Watch List</u>	<u>Prior Action</u>	<u>Current Recommendation</u>
American Funds Growth Fund of America (ING)	February 1, 2011	Placed on Watch List due to underperformance.	This Fund performance relative to the Russell 1000 Growth Index has continued to improve over the 3rd quarter (9.2% vs. 8.1%) and over the 1-year period (24.8% vs. 19.3%). Recommended to remain on Watch List to monitor performance over longer periods.
Keeley Small Cap Value Fund (ING)	November 1, 2010	Placed on the Watch List due to underperformance and the level of volatility associated with this fund.	Remain on Watch List due to 5-year performance and continued underperformance during the quarter (8.5% vs. 10.2%).
Hartford Small Company Fund HLS (Mass Mutual)	December 31, 2012	Recommend for Watch List due to underperformance of the benchmark over the 3- and 5-year periods.	Remain on Watch List due to underperformance of the benchmark and universe over the 3- and 5-year periods.
Victory Diversified Stock Fund (Mass Mutual)	March 31, 2013	Placed on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.	Remain on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
Oppenheimer Main St Small & Mid Cap Fund (Mass Mutual)	March 31, 2013	Placed on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.	Remain on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
American Funds Capital World Growth & Income (ING)	September 30, 2013	N/A	Place on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.

Watch List as of September 30, 2013

Fund	Date Put on Watch List	Date Removed from Watchlist	Prior Action
American Funds Growth Fund of America (ING)	February 1, 2011	Remain	Placed on Watch List due to underperformance.
Keeley Small Cap Value Fund (ING)	November 1, 2010	Remain	Placed on the Watch List due to underperformance and the level of volatility associated with this fund.
Hartford Small Company Fund HLS (Mass Mutual)	December 31, 2012	Remain	Recommend for Watch List due to underperformance of the benchmark over the 3- and 5-year periods.
Victory Diversified Stock Fund (Mass Mutual)	March 31, 2013	Remain	Placed on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
Oppenheimer Main St Small & Mid Cap Fund (Mass Mutual)	March 31, 2013	Remain	Placed on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
American Funds Capital World Growth & Income (ING)	September 30, 2013	Remain	Place on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
Hartford MidCap HLS (Mass Mutual)	February 1, 2011	March 31, 2013	Placed on Watch List due to a change in portfolio management leadership.
Lazard US Mid Cap Equity Fund (ING)	May 1, 2008	March 31, 2013	Fund terminated at the 6/30/2012 review period. Assets were mapped to the Hartford Mid Cap HLS Fund.
Munder Mid Cap Core Growth Fund (Mass Mutual)	November 1, 2010	March 31, 2013	Placed on Watch List due to underperformance.
Mutual Global Discovery(Mass Mutual)	February 1, 2010	March 31, 2013	Placed on the Watch List due to investment team's departure.
Hartford General Account	March 1, 2012	March 31, 2013	Placed on the Watch List due to the announcement of a pending sale by the Hartford of its retirement business.

Revenue Sharing Analysis for MassMutual Funds

As of September 30, 2013

Fund Name	Ticker	Asset Class	Plan Assets 9/30/2013	Mutual Fund Expense Ratio	Mutual Fund Total \$ Expense	Revenue Sharing	Revenue Sharing \$
General Account	n/a	Stable Value	\$ 279,907,568	n/a	-	n/a	-
SSgA US Bond Market INLS	n/a	Core Fixed Income	\$ 8,540,601	0.06%	\$ 5,124	0.00%	\$ -
Invesco Equity and Income R6	IEIFX	Balanced	\$ 32,376,185	0.37%	\$ 119,792	0.00%	\$ -
American Beacon Lg Cap Value Instl	AADEX	Large Cap Value	\$ 12,444,173	0.60%	\$ 74,665	0.00%	\$ -
Vanguard Institutional Index I	VINIX	Large Cap Core	\$ 16,679,609	0.04%	\$ 6,672	0.00%	\$ -
Victory Diversified Stock I	VDSIX	Large Cap Core	\$ 28,232,172	0.82%	\$ 231,504	0.15%	\$ 42,348
Neuberger Berman Socially Resp Inst	NBSLX	Socially Responsive	\$ 4,878,964	0.71%	\$ 34,641	0.10%	\$ 4,879
T. Rowe Price Growth Stock	PRGFX	Large Cap Growth	\$ 24,469,823	0.70%	\$ 171,289	0.15%	\$ 36,705
Hartford MidCap HLS IA	HIMCX	Mid Cap Core	\$ 40,097,993	0.71%	\$ 284,696	0.25%	\$ 100,245
Munder Mid-Cap Core Growth R6	MGOSX	Mid Cap Growth	\$ 2,384,651	0.85%	\$ 20,270	0.00%	\$ -
Vanguard Extended Market Idx I	VIEIX	Smid Core	\$ 5,434,561	0.12%	\$ 6,521	0.00%	\$ -
Lord Abbett Value Opportunities I	LVOYX	Smid Core	\$ 10,825,396	0.96%	\$ 103,924	0.10%	\$ 10,825
Oppenheimer Main Street Sm & Mid Cap Y	OPMYX	Smid Core	\$ 9,287,685	0.85%	\$ 78,945	0.30%	\$ 27,863
Hartford Small Company HLS IA	HIASX	Small Cap Growth	\$ 4,424,618	0.72%	\$ 31,857	0.25%	\$ 11,062
American Beacon Intl Eq Index Inst	AIIX	International Equity	\$ 10,058,970	0.19%	\$ 19,112	0.00%	\$ -
Mutual Global Discovery Z ¹	TEDIX	Global Equity	\$ 11,111,342	1.02%	\$ 113,336	0.10% + \$12/head	\$ 53,302
Vanguard Target Retirement Income Inv	VTINX	Lifecycle	\$ 2,503,925	0.16%	\$ 4,006	0.00%	\$ -
Vanguard Target Retirement 2015 Inv	VTXVX	Lifecycle	\$ 3,539,751	0.16%	\$ 5,664	0.00%	\$ -
Vanguard Target Retirement 2025 Inv	VTTVX	Lifecycle	\$ 4,667,058	0.17%	\$ 7,934	0.00%	\$ -
Vanguard Target Retirement 2035 Inv	VTTHX	Lifecycle	\$ 3,217,587	0.18%	\$ 5,792	0.00%	\$ -
Vanguard Target Retirement 2045 Inv	VTIVX	Lifecycle	\$ 2,294,817	0.18%	\$ 4,131	0.00%	\$ -
Schwab SDBA	n/a	Brokerage account	\$ 2,349,886	-	\$ -	-	-
TOTALS			\$ 519,727,331		\$ 1,329,873		\$287,229

¹Revenue sharing based on 391 participants.

All Funds	
Average Expense Ratio ¹	0.48%
Weighted Average Variable Expense Ratio ¹	0.56%
Weighted Average Variable Revenue Share ¹	0.12%

¹Does not include Stable Value or Brokerage Account.

Hartford Contract Requirements:

Total Revenue Sharing on Variable Funds: 11 bps

Nevada Public Employees' Deferred Compensation Program

Revenue Sharing Analysis for ING Funds
As of September 30, 2013

Fund Name	Ticker	Asset Class	Plan Assets 9/30/2013	Mutual Fund		Revenue Sharing	Revenue Sharing \$
				Expense Ratio	Mutual Fund Total \$ Expense		
ING Stable Value Fund	n/a	Stable Value	\$ 27,828,292	0.75%	\$ 208,712	0.55%	\$ 153,056
Vanguard Total Bond Market Index I	VBTIX	Core Fixed Income	\$ 4,305,300	0.26%	\$ 11,194	0.19%	\$ 8,180
ING T. Rowe Price Cap Apprec Port I	ITRIX	Balanced	\$ 4,618,300	0.65%	\$ 30,019	0.28%	\$ 12,931
Allianz NFJ Dividend Value Instl	NFJEX	Large Cap Value	\$ 3,431,768	0.71%	\$ 24,366	0.10%	\$ 3,432
Vanguard Institutional Index I	VINIX	Large Cap Core	\$ 5,691,898	0.23%	\$ 13,091	0.19%	\$ 10,815
Parnassus Equity Income - Inv	PRBLX	Socially Responsive	\$ 1,098,724	0.90%	\$ 9,889	0.40%	\$ 4,395
American Funds Growth Fund of Amer R3	RGACX	Large Cap Growth	\$ 6,626,776	0.98%	\$ 64,942	0.65%	\$ 43,074
Fidelity Contrafund	FCNTX	Large Cap Growth	\$ 2,370,466	0.74%	\$ 17,541	0.25%	\$ 5,926
Hartford MidCap HLS IB	HBMCX	Mid Cap Core	\$ 1,237,634	0.96%	\$ 11,881	0.30%	\$ 3,713
Baron Growth Retail	BGRFX	Mid Cap Growth	\$ 2,217,803	1.32%	\$ 29,275	0.40%	\$ 8,871
Lord Abbett Value Opportunities I	LVOYX	Smid Core	\$ 3,949,347	0.96%	\$ 37,914	0.10%	\$ 3,949
Vanguard Extended Market Idx I	VIEIX	Smid Core	\$ 3,732,398	0.31%	\$ 11,570	0.19%	\$ 7,092
Columbia Acorn A	LACAX	Smid Growth	\$ 2,379,192	1.10%	\$ 26,171	0.50%	\$ 11,896
Keeley Small Cap Value A	KSCVX	Small Cap Core	\$ 727,497	1.39%	\$ 10,112	0.35%	\$ 2,546
Vanguard Developed Markets Index Admiral	VDMAX	International Equity	\$ 899,263	0.29%	\$ 2,608	0.19%	\$ 1,709
Dodge & Cox International Stock	DODFX	International Equity	\$ 4,469,023	0.64%	\$ 28,602	0.10%	\$ 4,469
American Funds Capital World G/I R3	RWICX	Global Equity	\$ 1,563,509	1.10%	\$ 17,199	0.65%	\$ 10,163
Vanguard Target Retirement Income Inv	VTINX	Lifecycle	\$ 3,639,381	0.35%	\$ 12,738	0.19%	\$ 6,915
Vanguard Target Retirement 2015 Inv	VTTVX	Lifecycle	\$ 17,984,440	0.35%	\$ 62,946	0.19%	\$ 34,170
Vanguard Target Retirement 2025 Inv	VTTVX	Lifecycle	\$ 3,844,120	0.36%	\$ 13,839	0.19%	\$ 7,304
Vanguard Target Retirement 2035 Inv	VTTHX	Lifecycle	\$ 15,202,904	0.37%	\$ 56,251	0.19%	\$ 28,886
Vanguard Target Retirement 2045 Inv	VTIVX	Lifecycle	\$ 619,343	0.37%	\$ 2,292	0.19%	\$ 1,177
TD Ameritrade SDBA	n/a	Brokerage account	\$ 542,993	-	\$ -	0.08%	\$ 434
TOTALS			\$ 118,980,371		\$ 703,151		\$ 375,102

All Funds	
Average Expense Ratio ¹	0.68%
Weighted Average Variable Expense Ratio ¹	0.55%
Weighted Average Variable Revenue Share (w/brokerage)	0.24%
Weighted Average Stable Value Revenue Sharing	0.55%
Weighted Average Total Revenue Sharing	0.32%

¹ Does not include Stable Value or Brokerage Account

ING Contract Requirements:

Total Revenue Sharing All Funds: 35 bps
Total Revenue Sharing on Variable: 26 bps
Total Revenue Sharing on Stable Value: 55 bps

Plan Activity: MassMutual
July 1, 2013 through September 30, 2013

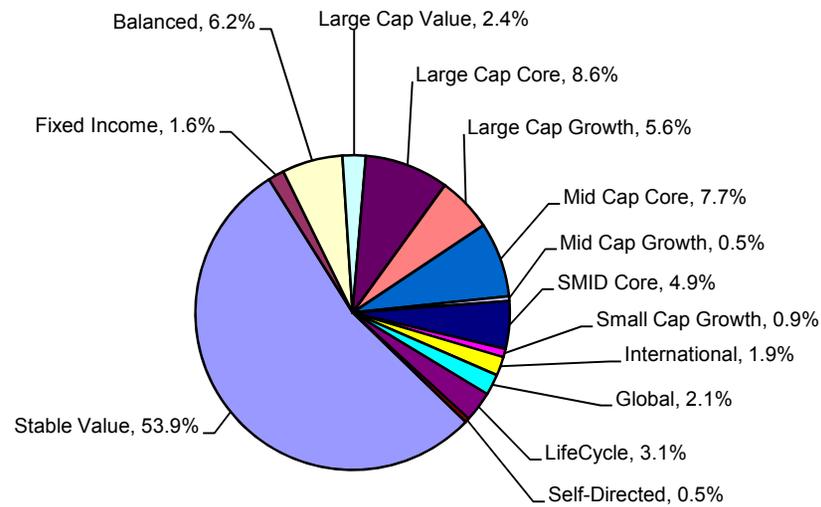
Funds	Beginning Balance July 1, 2013	Contributions	Withdrawals	Transfers	Fees/Misc*	Investment Gain/Loss (incl. Dividends)	Ending Balance September 30, 2013
General Account	\$ 277,487,623	\$ 3,182,312	\$ (5,170,539)	\$ 2,337,370	\$ (90)	\$ 2,070,892	\$ 279,907,568
SSgA US Bond Market INLS	\$ 9,143,678	\$ 114,538	\$ (231,822)	\$ (529,933)	\$ (0)	\$ 44,140	\$ 8,540,601
Invesco Equity and Income Y	\$ 31,392,440	\$ 280,473	\$ (573,400)	\$ (16,088)	\$ (0)	\$ 1,292,760	\$ 32,376,185
American Beacon Lg Cap Value Inv	\$ 11,995,666	\$ 192,343	\$ (266,128)	\$ (44,548)	\$ (2)	\$ 566,844	\$ 12,444,173
Vanguard Institutional Index I	\$ 16,340,822	\$ 272,099	\$ (352,641)	\$ (433,621)	\$ (3)	\$ 852,953	\$ 16,679,609
Victory Diversified Stock I	\$ 26,367,410	\$ 298,925	\$ (303,624)	\$ (258,011)	\$ (3)	\$ 2,127,475	\$ 28,232,172
Neuberger Berman Socially Resp Inv	\$ 4,538,870	\$ 67,760	\$ (62,802)	\$ (11,662)	\$ (1)	\$ 346,798	\$ 4,878,964
T. Rowe Price Growth Stock	\$ 21,885,441	\$ 319,744	\$ (190,470)	\$ (148,789)	\$ (5)	\$ 2,603,902	\$ 24,469,823
Hartford MidCap HLS IA	\$ 37,300,698	\$ 411,675	\$ (559,439)	\$ (496,893)	\$ (4)	\$ 3,441,957	\$ 40,097,993
Munder Mid-Cap Core Growth Y	\$ 2,324,588	\$ 35,518	\$ (48,045)	\$ (96,460)	\$ -	\$ 169,050	\$ 2,384,651
Vanguard Extended Market Idx I	\$ 5,140,034	\$ 148,508	\$ (138,177)	\$ (230,411)	\$ (1)	\$ 514,609	\$ 5,434,561
Lord Abbett Value Opportunities I	\$ 10,292,541	\$ 160,687	\$ (204,435)	\$ (111,934)	\$ (3)	\$ 688,540	\$ 10,825,396
Oppenheimer Main Street Sm & Mid Cap Y	\$ 8,803,093	\$ 154,906	\$ (254,449)	\$ (198,786)	\$ (2)	\$ 782,923	\$ 9,287,685
Hartford Small Company HLS IA	\$ 3,852,356	\$ 64,546	\$ (40,523)	\$ 81,643	\$ -	\$ 466,596	\$ 4,424,618
American Beacon Intl Eq Index Inst	\$ 9,134,261	\$ 196,392	\$ (173,887)	\$ (123,638)	\$ (4)	\$ 1,025,846	\$ 10,058,970
Mutual Global Discovery Z	\$ 10,302,583	\$ 145,624	\$ (70,996)	\$ 132,217	\$ (1)	\$ 601,916	\$ 11,111,342
Vanguard Target Retirement Income Inv	\$ 2,151,400	\$ 55,257	\$ (1,212)	\$ 236,258	\$ -	\$ 62,222	\$ 2,503,925
Vanguard Target Retirement 2015 Inv	\$ 3,260,789	\$ 211,044	\$ (43,157)	\$ (30,059)	\$ -	\$ 141,133	\$ 3,539,751
Vanguard Target Retirement 2025 Inv	\$ 4,366,916	\$ 170,153	\$ (256,759)	\$ 149,420	\$ -	\$ 237,328	\$ 4,667,058
Vanguard Target Retirement 2035 Inv	\$ 2,720,977	\$ 175,667	\$ (20,068)	\$ 152,069	\$ -	\$ 188,943	\$ 3,217,587
Vanguard Target Retirement 2045 Inv	\$ 2,093,649	\$ 126,749	\$ (22,300)	\$ (43,237)	\$ -	\$ 139,955	\$ 2,294,817
Schwab SDBA	\$ 2,619,205	\$ -	\$ -	\$ (314,910)	\$ -	\$ 45,590	\$ 2,349,886
Total	\$ 503,515,039	\$ 6,784,919	\$ (8,984,875)	\$ -	\$ (120)	\$ 18,412,368	\$ 519,727,331

*Participant account corrections.

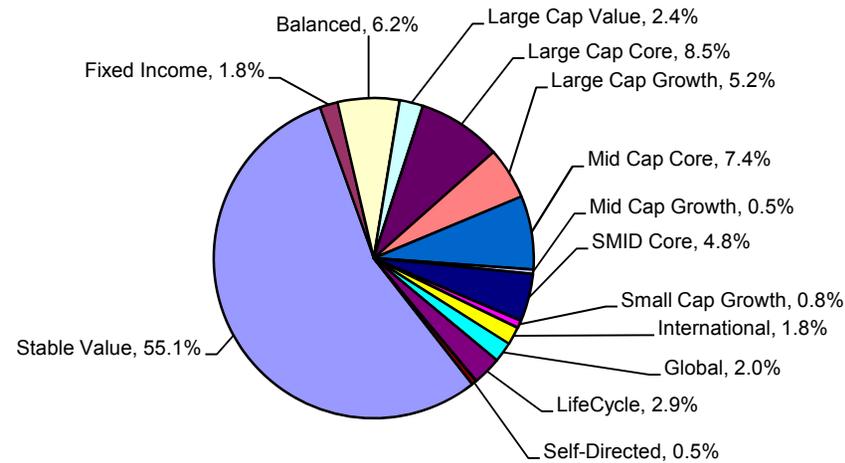
Asset Allocation Summary: MassMutual

Fund	September 30, 2013		June 30, 2013	
	Assets	% of Total Assets	Assets	% of Total Assets
General Account	\$ 279,907,568	53.9%	\$ 277,487,623	55.1%
SSgA US Bond Market INLS	\$ 8,540,601	1.6%	\$ 9,143,678	1.8%
Invesco Equity and Income Y	\$ 32,376,185	6.2%	\$ 31,392,440	6.2%
American Beacon Lg Cap Value Inv	\$ 12,444,173	2.4%	\$ 11,995,666	2.4%
Vanguard Institutional Index I	\$ 16,679,609	3.2%	\$ 16,340,822	3.2%
Victory Diversified Stock I	\$ 28,232,172	5.4%	\$ 26,367,410	5.2%
Neuberger Berman Socially Resp Inv	\$ 4,878,964	0.9%	\$ 4,538,870	0.9%
T. Rowe Price Growth Stock	\$ 24,469,823	4.7%	\$ 21,885,441	4.3%
Hartford MidCap HLS IA	\$ 40,097,993	7.7%	\$ 37,300,698	7.4%
Munder Mid-Cap Core Growth Y	\$ 2,384,651	0.5%	\$ 2,324,588	0.5%
Vanguard Extended Market Idx I	\$ 5,434,561	1.0%	\$ 5,140,034	1.0%
Lord Abbett Value Opportunities I	\$ 10,825,396	2.1%	\$ 10,292,541	2.0%
Oppenheimer Main Street Sm & Mid Cap Y	\$ 9,287,685	1.8%	\$ 8,803,093	1.7%
Hartford Small Company HLS IA	\$ 4,424,618	0.9%	\$ 3,852,356	0.8%
American Beacon Intl Eq Index Inst	\$ 10,058,970	1.9%	\$ 9,134,261	1.8%
Mutual Global Discovery Z	\$ 11,111,342	2.1%	\$ 10,302,583	2.0%
Vanguard Target Retirement Income Inv	\$ 2,503,925	0.5%	\$ 2,151,400	0.4%
Vanguard Target Retirement 2015 Inv	\$ 3,539,751	0.7%	\$ 3,260,789	0.6%
Vanguard Target Retirement 2025 Inv	\$ 4,667,058	0.9%	\$ 4,366,916	0.9%
Vanguard Target Retirement 2035 Inv	\$ 3,217,587	0.6%	\$ 2,720,977	0.5%
Vanguard Target Retirement 2045 Inv	\$ 2,294,817	0.4%	\$ 2,093,649	0.4%
Schwab SDBA	\$ 2,349,886	0.5%	\$ 2,619,205	0.5%
Total	\$ 519,727,331	100.0%	\$ 503,515,039	100.0%

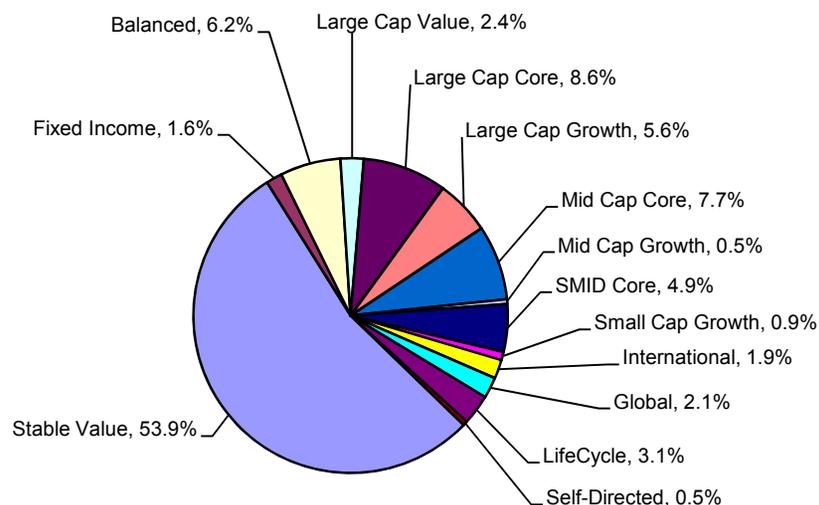
Asset Allocation as of September 30, 2013



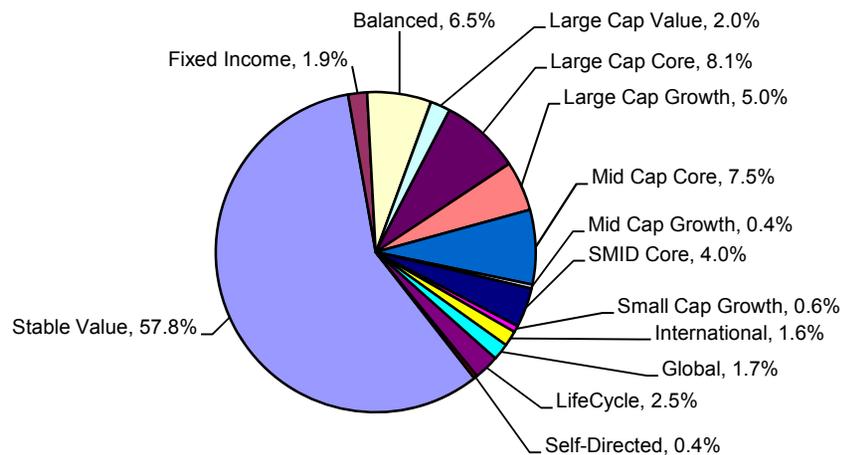
Asset Allocation as of July 1, 2013



Asset Allocation as of September 30, 2013

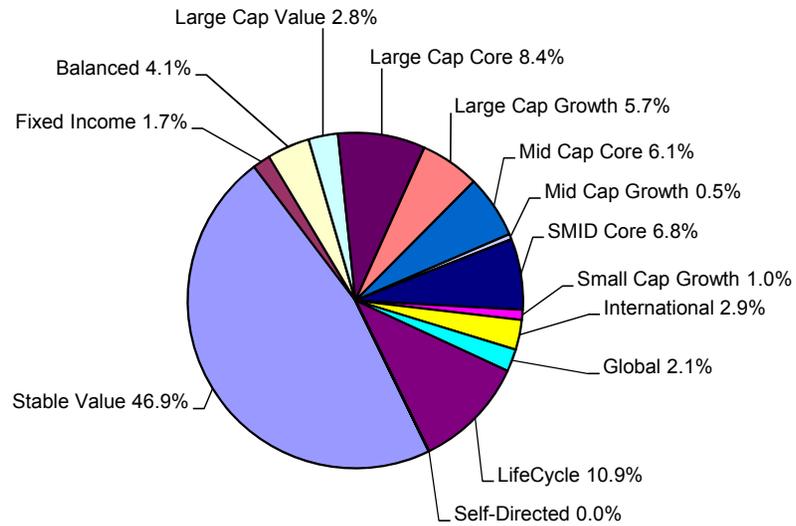


Asset Allocation as of September 30, 2012

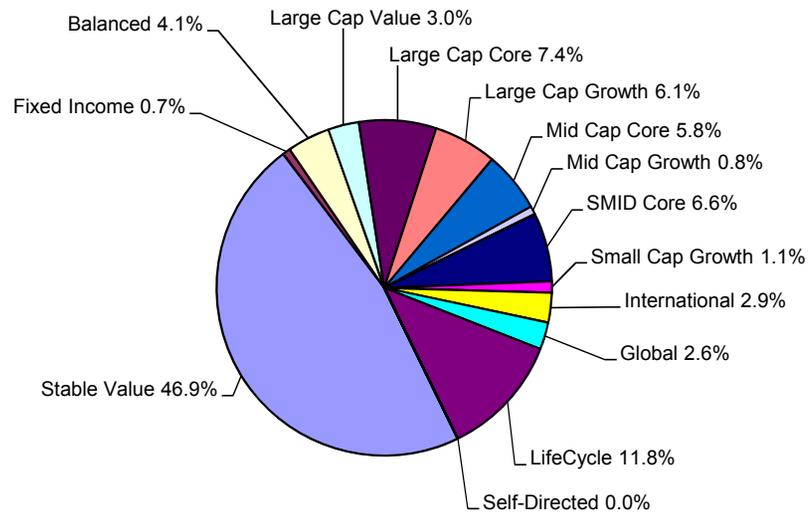


Nevada Public Employees' Deferred Compensation Program

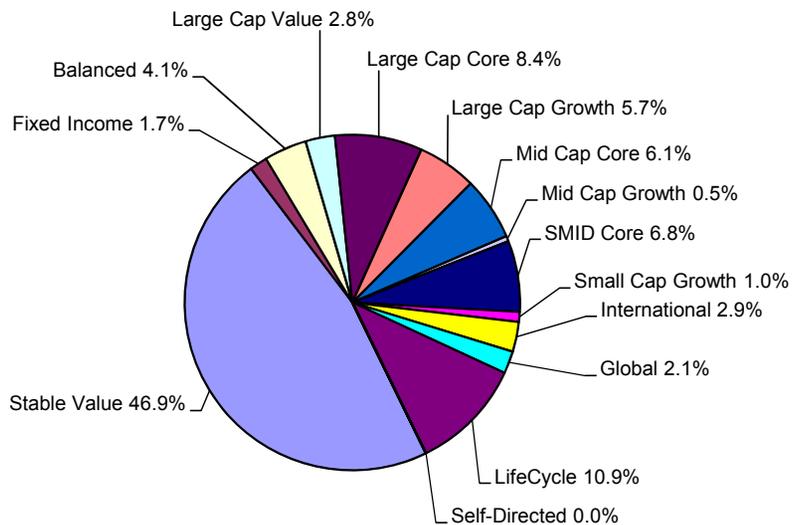
Plan Contributions - 3rd Quarter 2013



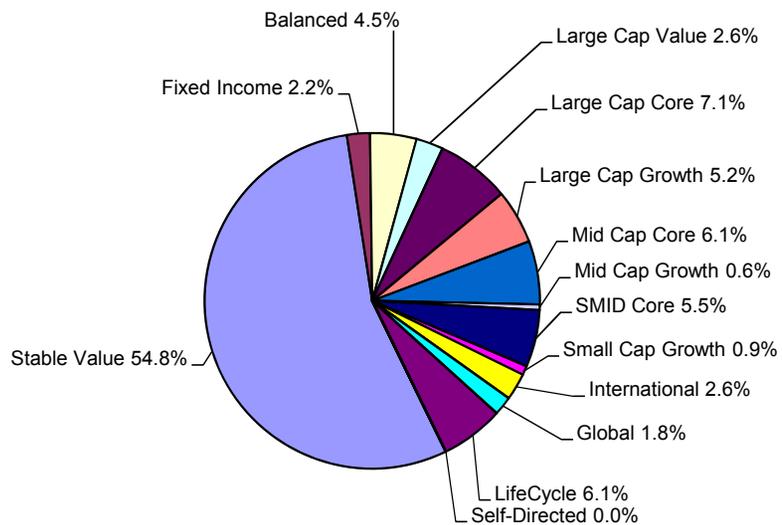
Plan Contributions - 2nd Quarter 2013



Plan Contributions - 3rd Quarter 2013



Plan Contributions - 3rd Quarter 2012



**Number of Participants Invested by Fund: MassMutual
As of September 30, 2013**

Fund	# of Participants	# of One-Funders
General Account	5,659	2,601
SSgA US Bond Market INLS	790	17
Invesco Equity and Income Y	2,054	117
American Beacon Lg Cap Value Inv	1,527	6
Vanguard Institutional Index I	1,145	40
Victory Diversified Stock I	2,405	47
Neuberger Berman Socially Resp Inv	591	7
T. Rowe Price Growth Stock	2,185	72
Hartford MidCap HLS IA	3,086	34
Munder Mid-Cap Core Growth Y	329	1
Vanguard Extended Market Idx I	494	6
Lord Abbett Value Opportunities I	1,535	8
Oppenheimer Main Street Sm & Mid Cap Y	1,463	3
Hartford Small Company HLS IA	577	3
American Beacon Intl Eq Index Inst	1,910	9
Mutual Global Discovery Z	391	5
Vanguard Target Retirement Income Inv	143	19
Vanguard Target Retirement 2015 Inv	220	95
Vanguard Target Retirement 2025 Inv	351	168
Vanguard Target Retirement 2035 Inv	348	207
Vanguard Target Retirement 2045 Inv	328	208
Schwab SDBA	54	0

Plan Activity: ING
July 1, 2013 through September 30, 2013

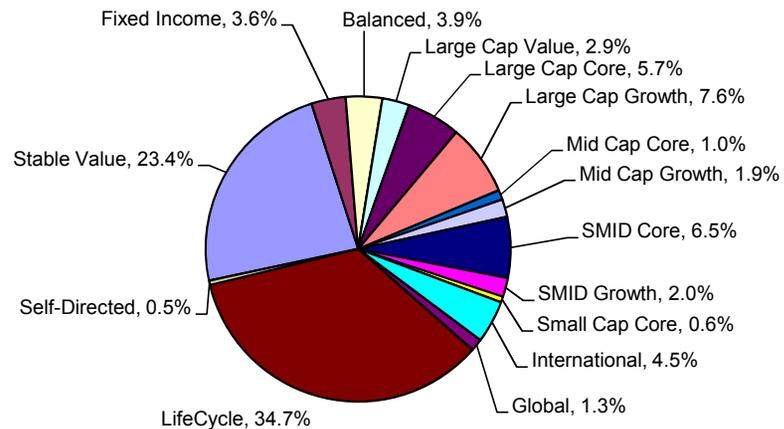
Funds	Beginning Balance July 1, 2013	Contributions	Withdrawals	Transfers	Misc*	Investment Gain/Loss (incl. Dividends)	Ending Balance September 30, 2013
ING Stable Value Fund	\$ 27,779,560	\$ 494,271	\$ (1,174,833)	\$ 651,986	\$ -	\$ 77,308	\$ 27,828,292
Vanguard Total Bond Market Index I	\$ 4,822,263	\$ 101,464	\$ (176,254)	\$ (462,120)	\$ -	\$ 19,947	\$ 4,305,300
ING T. Rowe Price Cap Apprec Port I	\$ 4,538,227	\$ 100,130	\$ (273,338)	\$ 51,671	\$ 632	\$ 200,978	\$ 4,618,300
Allianz NFJ Dividend Value Instl	\$ 3,255,674	\$ 96,049	\$ (21,733)	\$ (40,583)	\$ -	\$ 142,361	\$ 3,431,768
Vanguard Institutional Index I	\$ 5,231,308	\$ 119,866	\$ (180,003)	\$ 248,119	\$ -	\$ 272,608	\$ 5,691,898
Parnassus Equity Income - Inv	\$ 940,890	\$ 38,381	\$ (1,470)	\$ 54,944	\$ -	\$ 65,979	\$ 1,098,724
American Funds Growth Fund of Amer R3	\$ 6,042,988	\$ 95,933	\$ (48,734)	\$ (16,900)	\$ -	\$ 553,489	\$ 6,626,776
Fidelity Contrafund	\$ 2,187,336	\$ 50,375	\$ (108,579)	\$ 45,807	\$ 954	\$ 194,573	\$ 2,370,466
Hartford Mid Cap HLS	\$ 2,382,753	\$ 25,648	\$ (26,009)	\$ (1,354,507)	\$ 954	\$ 208,795	\$ 1,237,634
Baron Growth Retail	\$ 1,969,307	\$ 34,027	\$ (22,652)	\$ 19,243	\$ 954	\$ 216,924	\$ 2,217,803
Lord Abbett Value Opportunities I	\$ 3,884,717	\$ 69,592	\$ (245,755)	\$ (15,419)	\$ -	\$ 256,212	\$ 3,949,347
Vanguard Extended Market Idx I	\$ 3,557,360	\$ 86,968	\$ (202,869)	\$ (68,386)	\$ 954	\$ 358,371	\$ 3,732,398
Columbia Acorn A	\$ 2,134,863	\$ 44,051	\$ (19,999)	\$ 302	\$ -	\$ 219,975	\$ 2,379,192
Keeley Small Cap Value A	\$ 644,813	\$ 21,903	\$ (16,007)	\$ 20,219	\$ 954	\$ 55,615	\$ 727,497
Vanguard Developed Markets Index Admiral	\$ 625,676	\$ 21,919	\$ (657,952)	\$ 849,178	\$ 316	\$ 60,126	\$ 899,263
Dodge & Cox International Stock	\$ 3,986,106	\$ 92,276	\$ (45,136)	\$ (10,379)	\$ -	\$ 446,156	\$ 4,469,023
American Funds Capital World G/I R3	\$ 1,493,948	\$ 36,000	\$ (76,492)	\$ (6,670)	\$ -	\$ 116,723	\$ 1,563,509
Vanguard Target Retirement Income Inv	\$ 3,793,116	\$ 82,553	\$ (178,216)	\$ (156,100)	\$ -	\$ 98,028	\$ 3,639,381
Vanguard Target Retirement 2015 Inv	\$ 17,348,523	\$ 441,673	\$ (537,586)	\$ (11,197)	\$ 21,102	\$ 721,925	\$ 17,984,440
Vanguard Target Retirement 2025 Inv	\$ 3,135,603	\$ 180,736	\$ (86,327)	\$ 441,673	\$ -	\$ 172,435	\$ 3,844,120
Vanguard Target Retirement 2035 Inv	\$ 14,512,353	\$ 446,278	\$ (306,534)	\$ (375,056)	\$ -	\$ 925,863	\$ 15,202,904
Vanguard Target Retirement 2045 Inv	\$ 508,196	\$ 42,648	\$ (274)	\$ 33,326	\$ 316	\$ 35,131	\$ 619,343
TD Ameritrade SDBA	\$ 423,329	\$ -	\$ -	\$ 100,849	\$ -	\$ 18,815	\$ 542,993
Total	\$ 115,198,909	\$ 2,722,741	\$ (4,406,752)	\$ -	\$ 27,136	\$ 5,438,337	\$ 118,980,371

* Interprovider transfers and 457 plan-to-plan transfers

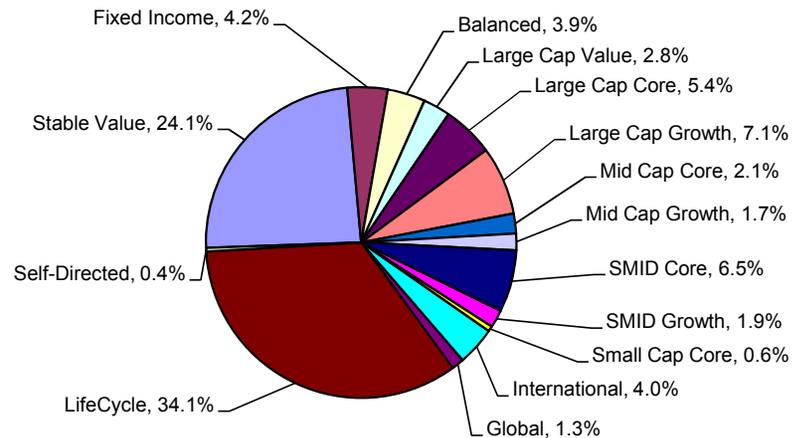
Asset Allocation Summary: ING

Fund	September 30, 2013		June 30, 2013	
	Assets	% of Total Assets	Assets	% of Total Assets
ING Stable Value Fund	\$ 27,828,292	23.4%	\$ 27,779,560	24.1%
Vanguard Total Bond Market Index I	\$ 4,305,300	3.6%	\$ 4,822,263	4.2%
ING T. Rowe Price Cap Apprec Port I	\$ 4,618,300	3.9%	\$ 4,538,227	3.9%
Allianz NFJ Dividend Value Instl	\$ 3,431,768	2.9%	\$ 3,255,674	2.8%
Vanguard Institutional Index I	\$ 5,691,898	4.8%	\$ 5,231,308	4.5%
Parnassus Equity Income - Inv	\$ 1,098,724	0.9%	\$ 940,890	0.8%
American Funds Growth Fund of Amer R3	\$ 6,626,776	5.6%	\$ 6,042,988	5.2%
Fidelity Contrafund	\$ 2,370,466	2.0%	\$ 2,187,336	1.9%
Hartford Mid Cap HLS	\$ 1,237,634	1.0%	\$ 2,382,753	2.1%
Baron Growth Retail	\$ 2,217,803	1.9%	\$ 1,969,307	1.7%
Lord Abbett Value Opportunities I	\$ 3,949,347	3.3%	\$ 3,884,717	3.4%
Vanguard Extended Market Idx I	\$ 3,732,398	3.1%	\$ 3,557,360	3.1%
Columbia Acorn A	\$ 2,379,192	2.0%	\$ 2,134,863	1.9%
Keeley Small Cap Value A	\$ 727,497	0.6%	\$ 644,813	0.6%
Vanguard Developed Markets Index Admiral	\$ 899,263	0.8%	\$ 625,676	0.5%
Dodge & Cox International Stock	\$ 4,469,023	3.8%	\$ 3,986,106	3.5%
American Funds Capital World G/I R3	\$ 1,563,509	1.3%	\$ 1,493,948	1.3%
Vanguard Target Retirement Income Inv	\$ 3,639,381	3.1%	\$ 3,793,116	3.3%
Vanguard Target Retirement 2015 Inv	\$ 17,984,440	15.1%	\$ 17,348,523	15.1%
Vanguard Target Retirement 2025 Inv	\$ 3,844,120	3.2%	\$ 3,135,603	2.7%
Vanguard Target Retirement 2035 Inv	\$ 15,202,904	12.8%	\$ 14,512,353	12.6%
Vanguard Target Retirement 2045 Inv	\$ 619,343	0.5%	\$ 508,196	0.4%
TD Ameritrade SDBA	\$ 542,993	0.5%	\$ 423,329	0.4%
Total	\$ 118,980,371	100.0%	\$ 115,198,909	100.0%

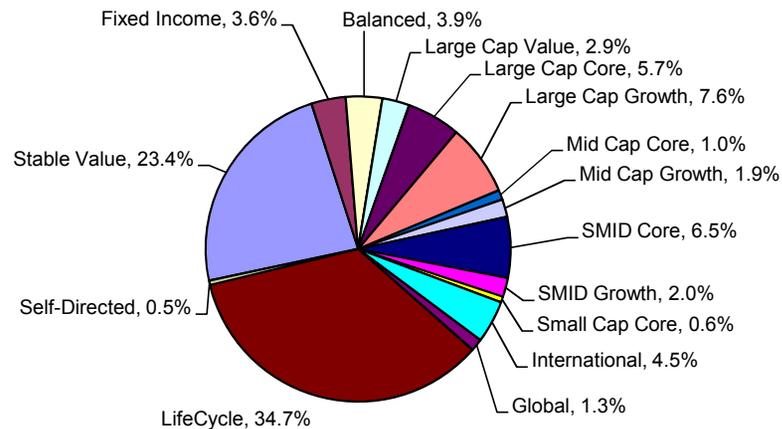
Asset Allocation as of September 30, 2013



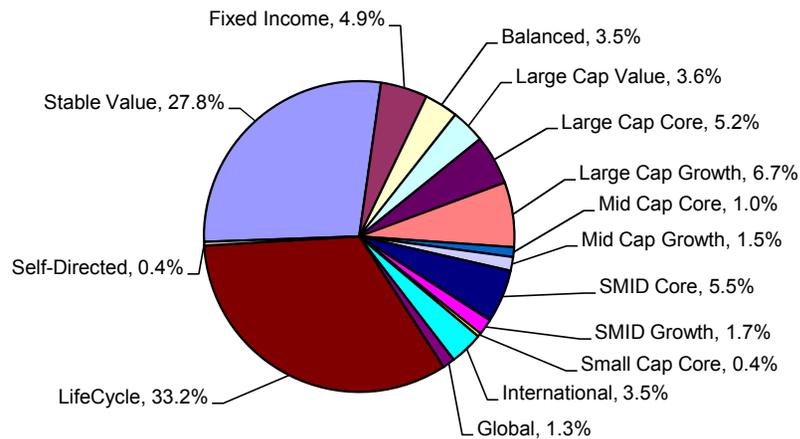
Asset Allocation as of July 1, 2013



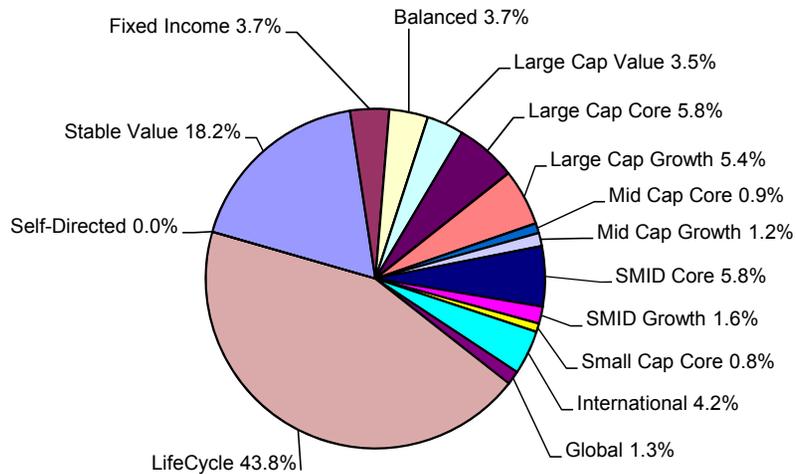
Asset Allocation as of September 30, 2013



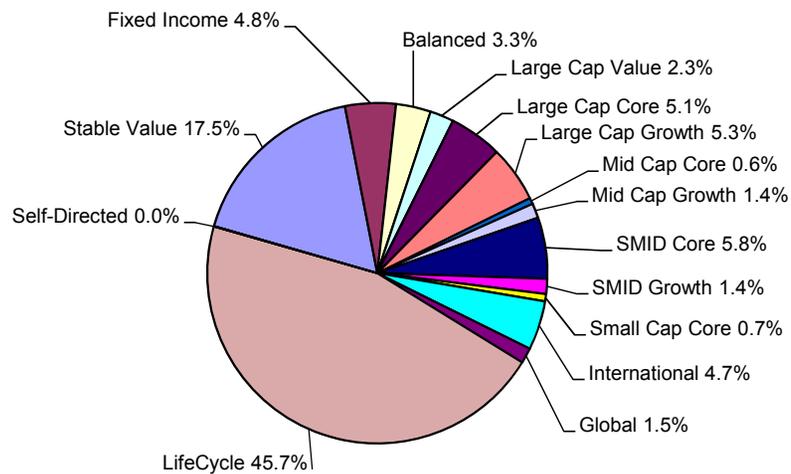
Asset Allocation as of September 30, 2012



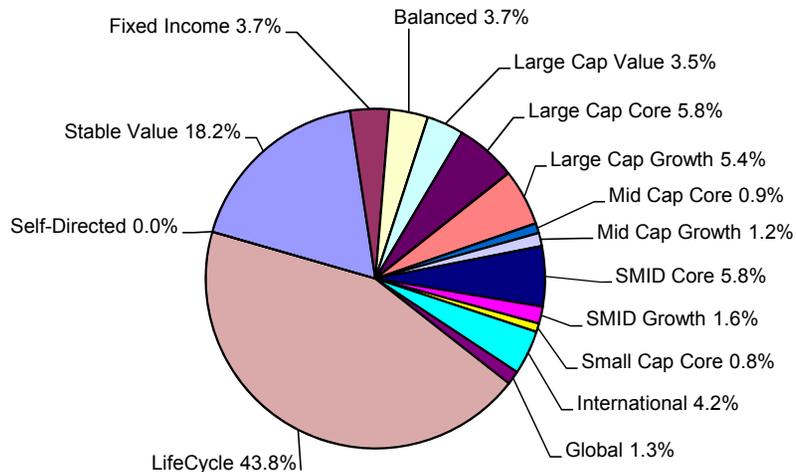
Plan Contributions - 3rd Quarter 2013



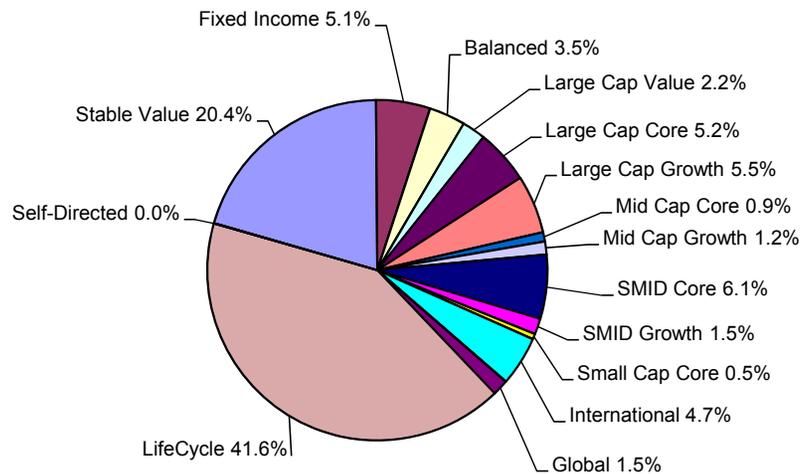
Plan Contributions - 2nd Quarter 2013



Plan Contributions - 3rd Quarter 2013



Plan Contributions - 3rd Quarter 2012



**Number of Participants Invested by Fund: ING
As of September 30, 2013**

Fund	# of Participants	# of One-Funders
ING Stable Value Fund	1,080	464
Vanguard Total Bond Market Index I	457	11
ING T. Rowe Price Cap Apprec Port I	384	13
Allianz NFJ Dividend Value Instl	433	4
Vanguard Institutional Index I	389	18
Parnassus Equity Income - Inv	120	4
American Funds Growth Fund of Amer R3	590	12
Fidelity Contrafund	284	3
Hartford Mid Cap HLS	213	1
Baron Growth Retail	256	4
Lord Abbett Value Opportunities I	395	4
Vanguard Extended Market Idx I	316	3
Columbia Acorn A	283	5
Keeley Small Cap Value A	122	2
Vanguard Developed Markets Index Admiral	85	1
Dodge & Cox International Stock	570	16
American Funds Capital World G/I R3	291	1
Vanguard Target Retirement Income Inv	321	84
Vanguard Target Retirement 2015 Inv	1,029	685
Vanguard Target Retirement 2025 Inv	272	211
Vanguard Target Retirement 2035 Inv	1,041	690
Vanguard Target Retirement 2045 Inv	165	116
TD Ameritrade SDBA	12	0

**MassMutual General Account
As of June 30, 2013**

	US Gov/Agency	RMBS	Corporate Bonds	Asset-Backed Securities	CMBS	Cash / Equivalents	Other	Total
General Account	12.5%	3.8%	64.6%	9.3%	5.1%	0.0%	4.7%	100%

*Other for Hartford includes Municipal and Sovereign Bonds.

	AAA	AA/A	BBB	Below Investment Grade
General Account	10.0%	49.0%	35.3%	5.7%

MV to BV Ratios	2009	2010	2011
Stable Value	91%	99%	100%

	2002	2003	2004	2005	2006	2007
Annualized Credit Rate	4.75%	5.00%	4.25%	4.03%	4.20%	4.50%
	2008	2009	2010	2011	2012	2013
	5.30%	5.00%	4.75%	4.50%	4.00%	3.00%

**ING Stable Value Fund
As of September 30, 2013**

	US Gov/Agency	Mortgage-Backed Securities	Corporate Bonds	Asset-Backed Securities	CMBS	Cash / Equivalents	Other*	Total
Stable Value	17.8%	20.7%	17.8%	6.9%	4.8%	24.8%	7.2%	100%
Barclays Aggregate Bond Index	43.9%	29.5%	21.5%	0.4%	1.8%	0.0%	2.9%	100%

*Other for ING includes GICs. Other for BC Agg includes Sovereign and Supranational.

	Effective Duration Years	Average Quality
Stable Value	2.33	AA+
Barclays Aggregate Bond Index	5.52	AA1/AA2

MV to BV Ratios	09/30/2011	12/31/2011	03/31/2012	06/30/2012	09/30/2012	12/31/2012	03/31/2013	#####	09/30/2013
Stable Value	103.64%	103.49%	103.49%	103.85%	104.35%	103.89%	103.54%	101.84%	101.77%

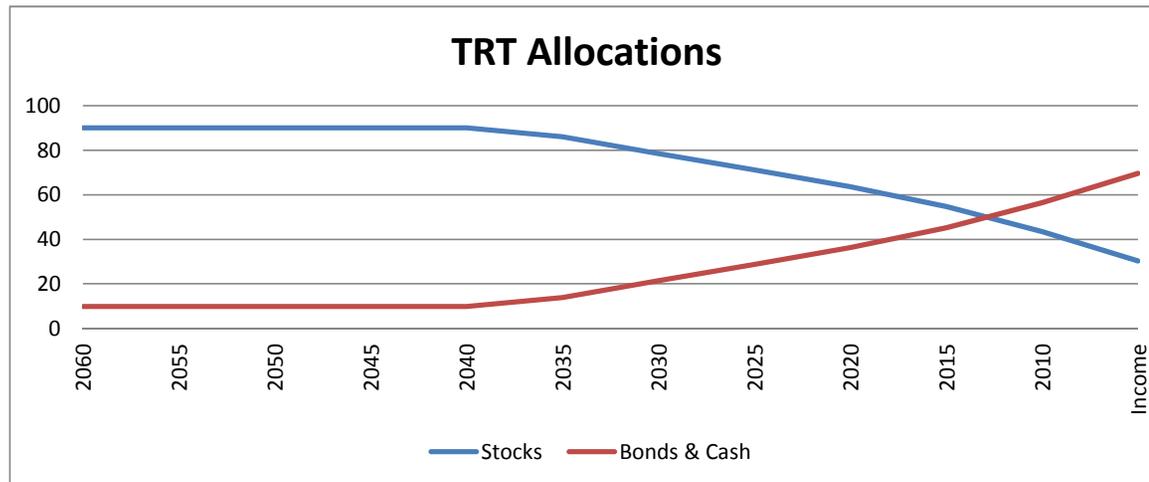
	12/31/2009	03/31/2010	06/30/2010	09/30/2010	12/31/2010	03/31/2011	06/30/2011	#####	12/31/2011
Annualized Gross Rate	3.93%	3.63%	3.70%	3.61%	3.34%	3.07%	2.88%	2.75%	2.60%
Annualized Net Rate	3.18%	2.88%	2.95%	2.86%	2.59%	2.32%	2.13%	2.00%	1.85%

	03/31/2012	06/30/2012	09/30/2012	12/31/2012	03/31/2013	06/30/2013	09/30/2013
Annualized Gross Rate	2.42%	2.31%	2.31%	2.20%	2.17%	2.10%	1.84%
Annualized Net Rate	1.67%	1.56%	1.56%	1.45%	1.42%	1.35%	1.09%

Vanguard Target Date Retirement Funds

Estimated allocations

Fund	Total Stock Market Index Fund	Total International Stock Index Fund	Total Bond Market Index II Fund	Inflation-Protected Securities Fund	Prime Money Market Fund	Stocks	Bonds & Cash
2045	63%	27%	10%	0%	0%	90%	10%
2035	60%	26%	14%	0%	0%	86%	14%
2025	49%	22%	29%	0%	0%	71%	29%
2015	38%	16%	40%	6%	0%	54%	46%
Income	21%	9%	45%	20%	5%	31%	69%



Nevada Public Employees' Deferred Compensation Program

As of September 30, 2013

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio
MassMutual						
General Account	0.74	2.24	3.24	3.98	4.36	
Hueler Stable Value	0.44	1.40	1.93	2.38	2.73	
ING						
ING Stable Value Fund	0.28	0.96	1.33	1.76	N/A	0.75
Hueler Stable Value	0.44	1.40	1.93	2.38	2.73	
MassMutual						
SSgA US Bond Market INLS	0.56	-1.95	-1.73	2.87	5.46	0.06
Barclays U.S. Aggregate	0.57	-1.89	-1.68	2.86	5.41	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.54	-2.10	-1.59	3.08	6.11	
SSgA US Bond Market INLS Rank	47	41	57	61	68	
ING						
Vanguard Total Bond Market Index	0.54	-1.95	-1.82	2.79	5.37	0.07
Vanguard Total Bond Policy Index *	0.53	-1.91	-1.68	2.89	5.46	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.54	-2.10	-1.59	3.08	6.11	
Vanguard Total Bond Market Index Rank	50	40	61	64	71	
MassMutual						
Invesco Equity & Income R6**	4.14	17.67	18.49	12.56	9.69	0.37
60 S&P 500 / 40 Barclays Agg	3.39	10.73	10.58	10.95	8.59	
IM All Balanced (MF)	4.33	8.81	10.35	8.71	7.60	
Invesco Equity & Income R6 Rank	54	3	8	N/A	N/A	
ING						
ING T Rowe Price Cap App Port I	4.49	11.94	14.00	13.08	10.37	0.65
60 S&P 500 / 40 Barclays Agg	3.39	10.73	10.58	10.95	8.59	
IM All Balanced (MF) Median	4.33	8.81	10.35	8.71	7.60	
ING T Rowe Price Cap App Port I Rank	48	30	28	2	4	

*Policy Index: Barclays U.S. Aggregate Bond Index through December 31, 2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.

**Invesco Equity and Income 5-year performance is an estimate of the performance of the Fund's oldest share class, adjusted for fees.

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2013

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
MassMutual							
T.Rowe Price Growth Stock	11.86	24.33	23.03	17.69	13.38	0.70	
Russell 1000 Growth Index	8.11	20.87	19.27	16.94	12.07		
IM U.S. Large Cap Growth Equity (MF) Median	9.52	20.61	19.35	15.05	10.24		
T.Rowe Price Growth Stock Rank	14	10	17	9	11		
ING							
American Funds Growth Fund R3	9.16	22.07	24.75	15.31	9.93	0.98	
Russell 1000 Growth Index	8.11	20.87	19.27	16.94	12.07		
IM U.S. Large Cap Growth Equity (MF) Median	9.52	20.61	19.35	15.05	10.24		
American Funds Growth Fund R3 Rank	55	33	9	45	54		
ING							
Fidelity Contrafund	8.94	21.38	19.46	15.54	11.12	0.74	
Russell 1000 Growth Index	8.11	20.87	19.27	16.94	12.07		
IM U.S. Large Cap Growth Equity (MF) Median	9.52	20.61	19.35	15.05	10.24		
Fidelity Contrafund Rank	58	42	49	41	36		
MassMutual/ING							
Hartford Mid Cap HLS	9.29	28.12	30.98	16.77	11.76	0.71	0.96
Russell Midcap Index	7.70	24.34	27.91	17.53	12.97		
IM U.S. Mid Cap Core Equity (MF) Median	8.21	24.35	27.93	16.02	11.27		
Hartford Mid Cap HLS Rank	15	11	20	39	37		
MassMutual							
Munder Mid Cap Core Growth R6	7.46	23.42	26.27	17.30	12.12	0.85	
Russell Midcap Growth Index	9.34	25.42	27.54	17.65	13.92		
IM U.S. Mid Cap Growth Equity (MF) Median	10.34	24.95	25.86	15.55	11.90		
Munder Mid Cap Core Growth R6 Rank	93	64	46	N/A	N/A		
ING							
Baron Growth Retail	11.03	28.12	30.76	20.36	13.19	1.32	
Russell Midcap Growth Index	9.34	25.42	27.54	17.65	13.92		
IM U.S. Mid Cap Growth Equity (MF) Median	10.34	24.95	25.86	15.55	11.90		
Baron Growth Retail Rank	31	17	9	4	26		

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

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2013

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
MassMutual							
American Beacon Lg Cap Value Instl	4.73	22.78	25.64	16.29	10.35	0.60	
Russell 1000 Value Index	3.94	20.47	22.30	16.25	8.86		
IM U.S. Large Cap Value Equity (MF) Median	4.52	20.57	22.13	14.71	8.54		
American Beacon Lg Cap Value Instl Rank	40	17	14	19	12		
ING							
Allianz NFJ Dividend Value	4.36	18.34	17.49	14.95	6.60	0.71	
Russell 1000 Value Index	3.94	20.47	22.30	16.25	8.86		
IM U.S. Large Cap Value Equity (MF) Median	4.52	20.57	22.13	14.71	8.54		
Allianz NFJ Dividend Value Rank	58	86	93	46	90		
MassMutual/ING							
Vanguard Institutional Index	5.23	19.77	19.31	16.24	10.04	0.04	0.23
S&P 500	5.24	19.79	19.34	16.27	10.02		
IM U.S. Large Cap Core Equity (MF) Median	5.61	19.63	20.00	14.95	9.07		
Vanguard Institutional Index Rank	64	47	60	26	25		
MassMutual							
Victory Diversified Stock I	8.09	23.84	25.27	14.86	8.02	0.82	
S&P 500	5.24	19.79	19.34	16.27	10.02		
IM U.S. Large Cap Core Equity (MF) Median	5.61	19.63	20.00	14.95	9.07		
Victory Diversified Stock I Rank	5	5	6	52	76		
MassMutual							
Neuberger Berman Socially Responsive Instl	7.59	26.44	28.76	15.56	10.06	0.71	
S&P 500	5.24	19.79	19.34	16.27	10.02		
IM U.S. Large Cap Core Equity (MF) Median	5.61	19.63	20.00	14.95	9.07		
Neuberger Berman Socially Responsive Instl Rank	9	1	1	38	25		
ING							
Parnassus Equity Income	6.74	21.98	23.44	16.18	10.47	0.90	
S&P 500	5.24	19.79	19.34	16.27	10.02		
IM U.S. Large Cap Core Equity (MF) Median	5.61	19.63	20.00	14.95	9.07		
Parnassus Equity Income Rank	19	16	12	27	15		

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

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2013

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
MassMutual/ING							
Vanguard Extended Market Idx I	10.22	27.50	31.53	18.91	13.46	0.12	0.31
S&P Completion Index	10.15	27.38	31.34	18.81	13.31		
IM U.S. SMID Cap Core Equity (MF) Median	8.55	23.99	27.75	16.66	11.31		
Vanguard Extended Market Idx I Rank	18	14	18	16	13		
MassMutual/ING							
Lord Abbett Value Opportunities I	6.73	24.27	28.94	14.57	12.23	0.96	
Russell 2500 Index	9.08	25.89	29.79	18.44	12.68		
Russell Midcap Index	7.70	24.34	27.91	17.53	12.97		
IM U.S. Mid Cap Core Equity (MF) Median	8.21	24.35	27.93	16.02	11.27		
Lord Abbett Value Opportunities I Rank	82	54	36	70	30		
MassMutual							
Oppenheimer Main St Sm & Mid Cap Y	8.97	24.33	27.85	17.48	11.95	0.85	
Russell 2500 Index	9.08	25.89	29.79	18.44	12.68		
Russell 2000 Index	10.21	27.69	30.06	18.29	11.15		
IM U.S. SMID Cap Core Equity (SA+CF) Median	8.84	25.57	30.01	18.99	13.64		
Oppenheimer Main St Sm & Mid Cap Y Rank	47	68	66	63	82		
ING							
Columbia Acorn Fund A	10.29	21.73	25.29	15.94	12.24	1.10	
Russell 2500 Growth Index	11.94	29.65	31.95	19.79	14.33		
Russell Midcap Growth Index	9.34	25.42	27.54	17.65	13.92		
IM U.S. Mid Cap Growth Equity (MF) Median	10.34	24.95	25.86	15.55	11.90		
Columbia Acorn Fund A Rank	55	83	56	42	42		
ING							
Keeley Small Cap Value A	8.47	24.55	32.17	19.03	8.20	1.39	
Russell 2000 Index	10.21	27.69	30.06	18.29	11.15		
IM U.S. Small Cap Core Equity (MF) Median	10.00	27.23	30.07	18.10	11.18		
Keeley Small Cap Value A Rank	77	82	28	37	97		

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

Nevada Public Employees' Deferred Compensation Program

As of September 30, 2013

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio
MassMutual						
Hartford Small Company HLS	11.03	32.16	31.73	19.62	11.84	0.72
Russell 2000 Growth Index	12.80	32.47	33.07	19.96	13.17	
IM U.S. Small Cap Growth Equity (MF) Median	12.33	32.60	31.94	19.77	12.18	
Hartford Small Company HLS Rank	84	58	53	52	58	
MassMutual						
American Beacon Intl Eq Index Inst	11.33	15.03	23.64	8.37	5.87	0.19
MSCI EAFE (Net)	11.56	16.14	23.77	8.47	6.35	
IM International Core Equity (MF) Median	10.44	13.94	21.68	7.85	5.87	
American Beacon Intl Eq Index Inst Rank	28	37	29	41	50	
ING						
Vanguard Developed Markets Index Admiral *	11.58	15.48	24.16	8.64	6.14	0.29
Vanguard Developed Market Policy Index **	11.70	16.17	23.80	8.48	6.36	
IM International Equity (MF)	9.32	11.02	17.80	6.85	6.19	
Vanguard Developed Markets Index Admiral Rank	20	24	20	N/A	N/A	
ING						
Dodge & Cox International Stock	11.15	17.15	27.76	8.75	8.11	0.64
MSCI AC World ex USA (Net)	10.09	10.04	16.48	5.95	6.26	
MSCI EAFE (Net)	11.56	16.14	23.77	8.47	6.35	
IM International Core Equity (MF) Median	10.44	13.94	21.68	7.85	5.87	
Dodge & Cox International Stock Rank	33	17	9	30	24	
MassMutual						
Mutual Global Discovery Z	5.81	16.85	19.74	10.83	8.91	1.02
MSCI AC World Index (Net)	7.90	14.43	17.73	10.21	7.71	
IM Global Core Equity (MF) Median	7.79	16.25	20.35	10.50	7.96	
Mutual Global Discovery Z Rank	86	46	55	46	32	

*Vanguard's 3-year and 5-year is an estimate based on the performance of the fund's oldest share class, adjusted for fees.

**Policy Index: MSCI EAFE Index through April 16, 2013; FTSE Developed ex North America Index thereafter.

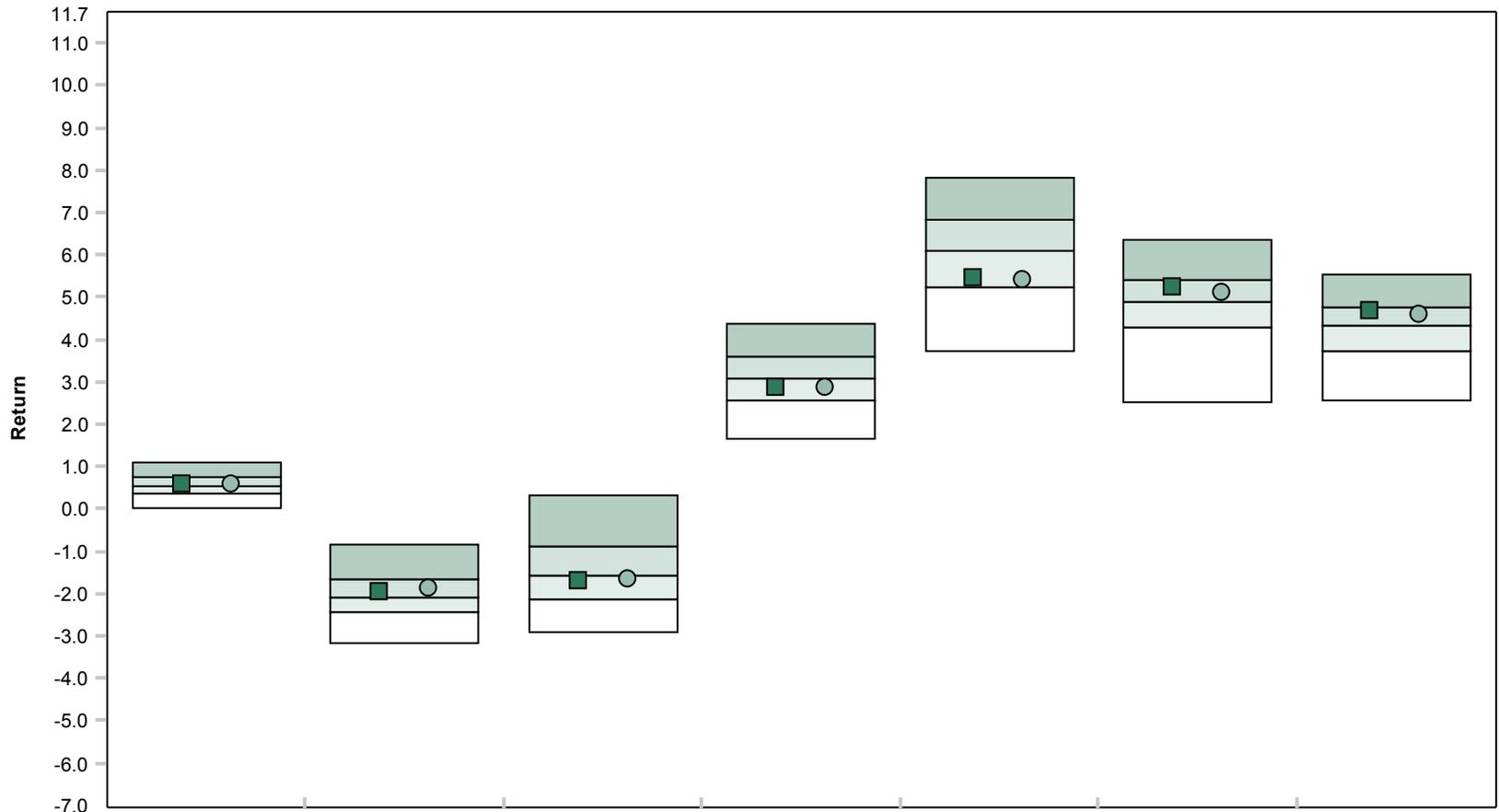
Nevada Public Employees' Deferred Compensation Program

As of September 30, 2013

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Expense Ratio	
ING							
American Funds Cap Wrld G&I	7.94	15.73	20.27	9.99	7.67	1.10	
MSCI AC World Index (Net)	7.90	14.43	17.73	10.21	7.71		
IM Global Core Equity (MF) Median	7.79	16.25	20.35	10.50	7.96		
American Funds Cap Wrld G&I Rank	43	57	51	59	60		
MassMutual/ING							
Vanguard Target Retirement Income Inv	2.67	3.38	4.12	6.46	6.83	0.16	0.35
Vanguard Target Income Composite Index	2.67	3.43	4.26	6.54	6.84		
IM Mixed-Asset Target 2010 (MF) Median	3.45	5.44	6.85	6.91	6.71		
Vanguard Target Retirement Income Inv Rank	83	80	85	57	47		
MassMutual/ING							
Vanguard Target Retirement 2015 Inv	4.24	8.30	9.56	9.06	7.92	0.16	0.35
Vanguard Target 2015 Composite Index	4.31	8.57	9.83	9.12	7.92		
IM Mixed-Asset Target 2015 (MF) Median	3.79	6.28	7.98	7.78	7.04		
Vanguard Target Retirement 2015 Inv Rank	23	18	31	16	19		
MassMutual/ING							
Vanguard Target Retirement 2025 Inv	5.42	11.70	13.34	10.72	8.39	0.17	0.35
Vanguard Target 2025 Composite Index	5.45	12.01	13.60	10.99	8.60		
IM Mixed-Asset Target 2025 (MF) Median	5.01	9.93	11.96	9.59	7.82		
Vanguard Target Retirement 2025 Inv Rank	35	27	35	22	28		
MassMutual/ING							
Vanguard Target Retirement 2035 Inv	6.46	14.69	16.77	12.23	8.87	0.18	0.36
Vanguard Target 2035 Composite Index	6.48	15.10	17.01	12.51	9.09		
IM Mixed-Asset Target 2035 (MF) Median	6.33	13.17	15.87	11.15	8.23		
Vanguard Target Retirement 2035 Inv Rank	48	36	40	16	25		
MassMutual/ING							
Vanguard Target Retirement 2045 Inv	6.73	15.60	17.70	12.58	9.09	0.18	0.37
Vanguard Target 2045 Composite Index	6.80	15.95	17.94	12.82	9.26		
IM Mixed-Asset Target 2045 (MF) Median	6.76	14.93	17.34	11.64	8.42		
Vanguard Target Retirement 2045 Inv Rank	52	33	46	15	22		

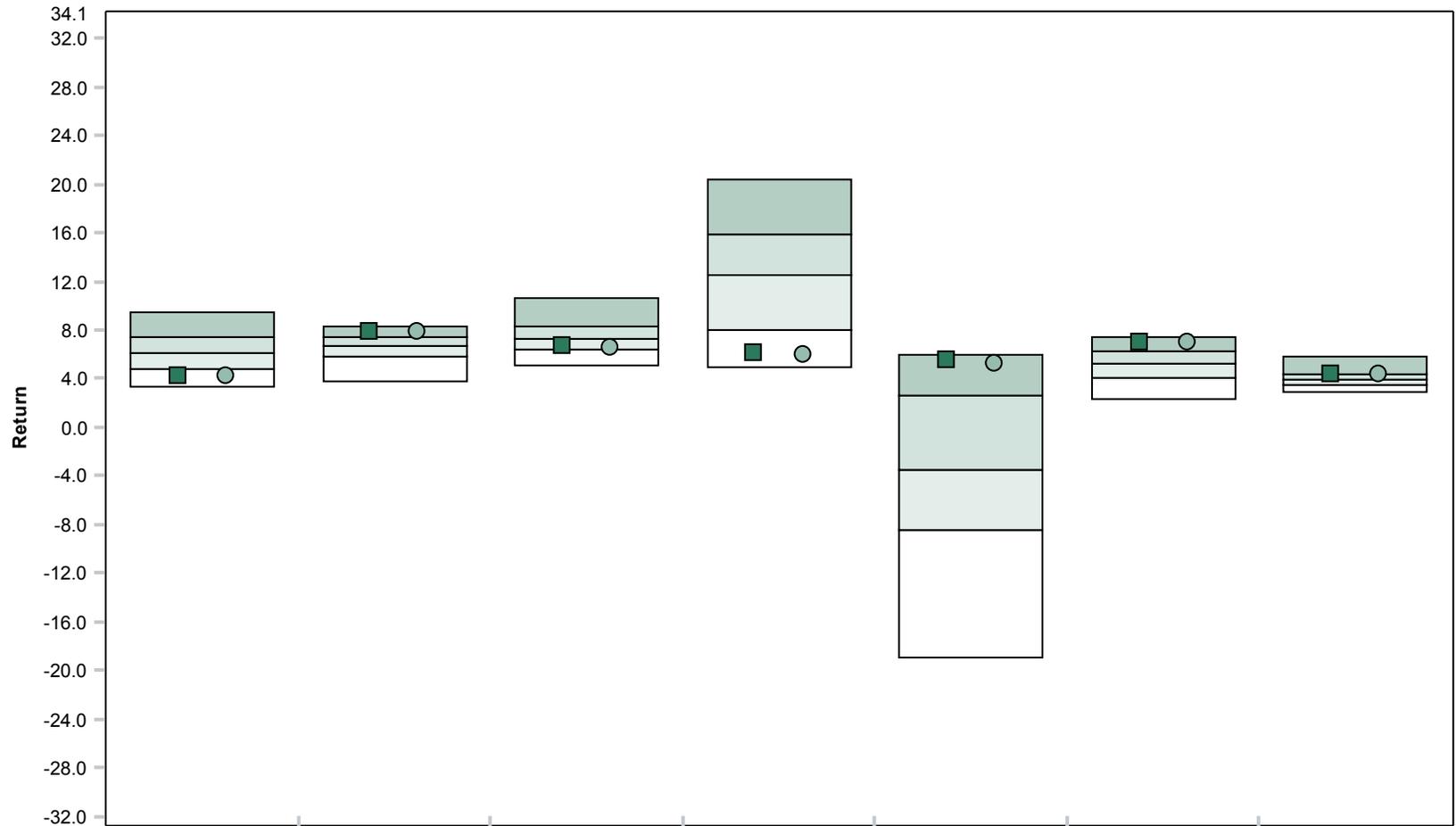
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ SSgA US Bond Market INLS	0.56 (47)	-1.95 (41)	-1.73 (57)	2.87 (61)	5.46 (68)	5.21 (34)	4.66 (31)
● Barclays U.S. Aggregate	0.57 (46)	-1.89 (36)	-1.68 (55)	2.86 (61)	5.41 (70)	5.12 (38)	4.60 (34)
5th Percentile	1.08	-0.86	0.31	4.37	7.84	6.37	5.55
1st Quartile	0.74	-1.65	-0.88	3.61	6.84	5.41	4.78
Median	0.54	-2.10	-1.59	3.08	6.11	4.90	4.31
3rd Quartile	0.36	-2.46	-2.14	2.54	5.24	4.28	3.74
95th Percentile	0.04	-3.19	-2.92	1.67	3.71	2.52	2.55

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)

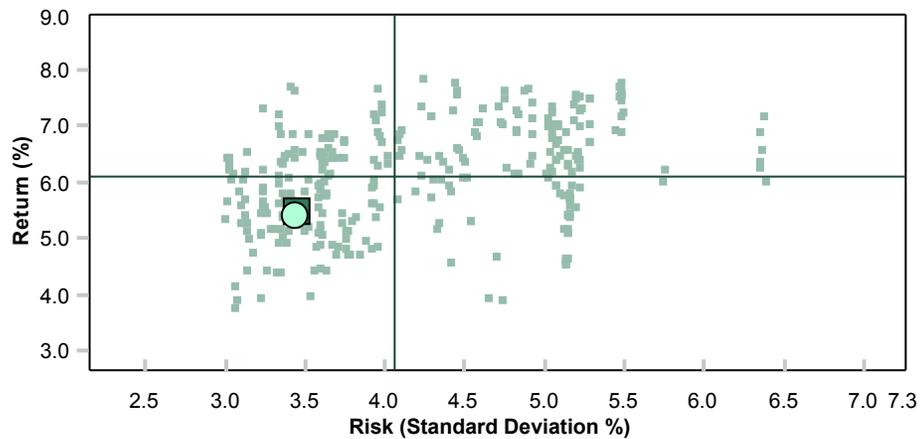


	2012	2011	2010	2009	2008	2007	2006
■ SSgA US Bond Market INLS	4.24 (80)	7.86 (11)	6.63 (67)	6.15 (88)	5.58 (8)	7.02 (9)	4.35 (28)
● Barclays U.S. Aggregate	4.21 (81)	7.84 (12)	6.54 (70)	5.93 (90)	5.24 (10)	6.97 (10)	4.34 (28)
5th Percentile	9.43	8.32	10.57	20.31	6.02	7.44	5.86
1st Quartile	7.39	7.38	8.31	15.84	2.61	6.26	4.39
Median	6.16	6.63	7.26	12.44	-3.45	5.30	3.93
3rd Quartile	4.86	5.76	6.39	7.96	-8.41	4.10	3.51
95th Percentile	3.35	3.80	5.06	4.94	-19.03	2.29	2.85

Historical Statistics (10/01/08 - 09/30/13) *

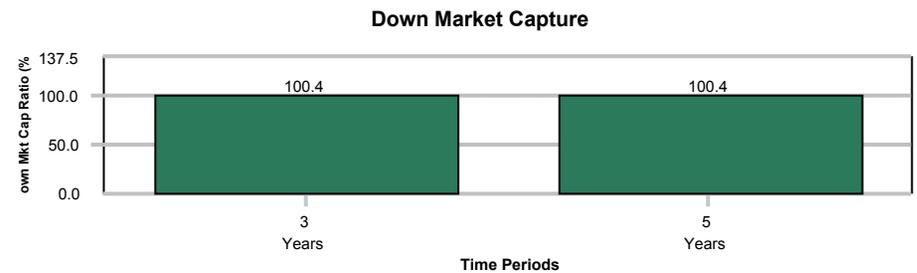
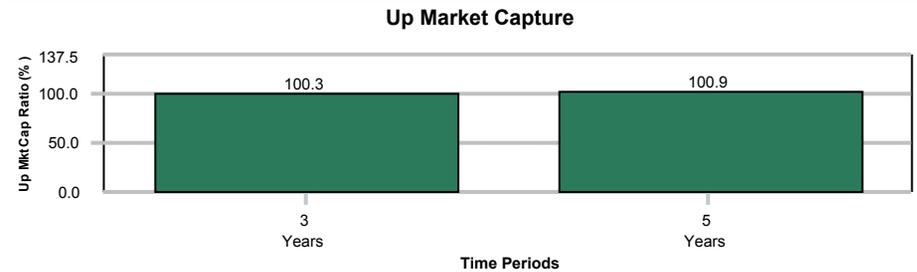
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
SSgA US Bond Market INLS	5.46	3.45	1.55	0.05	1.00	1.00	0.06	0.83	3.40	10/01/1997
Barclays U.S. Aggregate	5.41	3.45	1.53	0.00	1.00	1.00	0.00	N/A	3.40	10/01/1997
90 Day U.S. Treasury Bill	0.15	0.10	N/A	0.08	0.01	0.20	3.40	-1.53	0.00	10/01/1997

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ SSgA US Bond Market INLS	5.46	3.45
● Barclays U.S. Aggregate	5.41	3.45
— Median	6.11	4.06

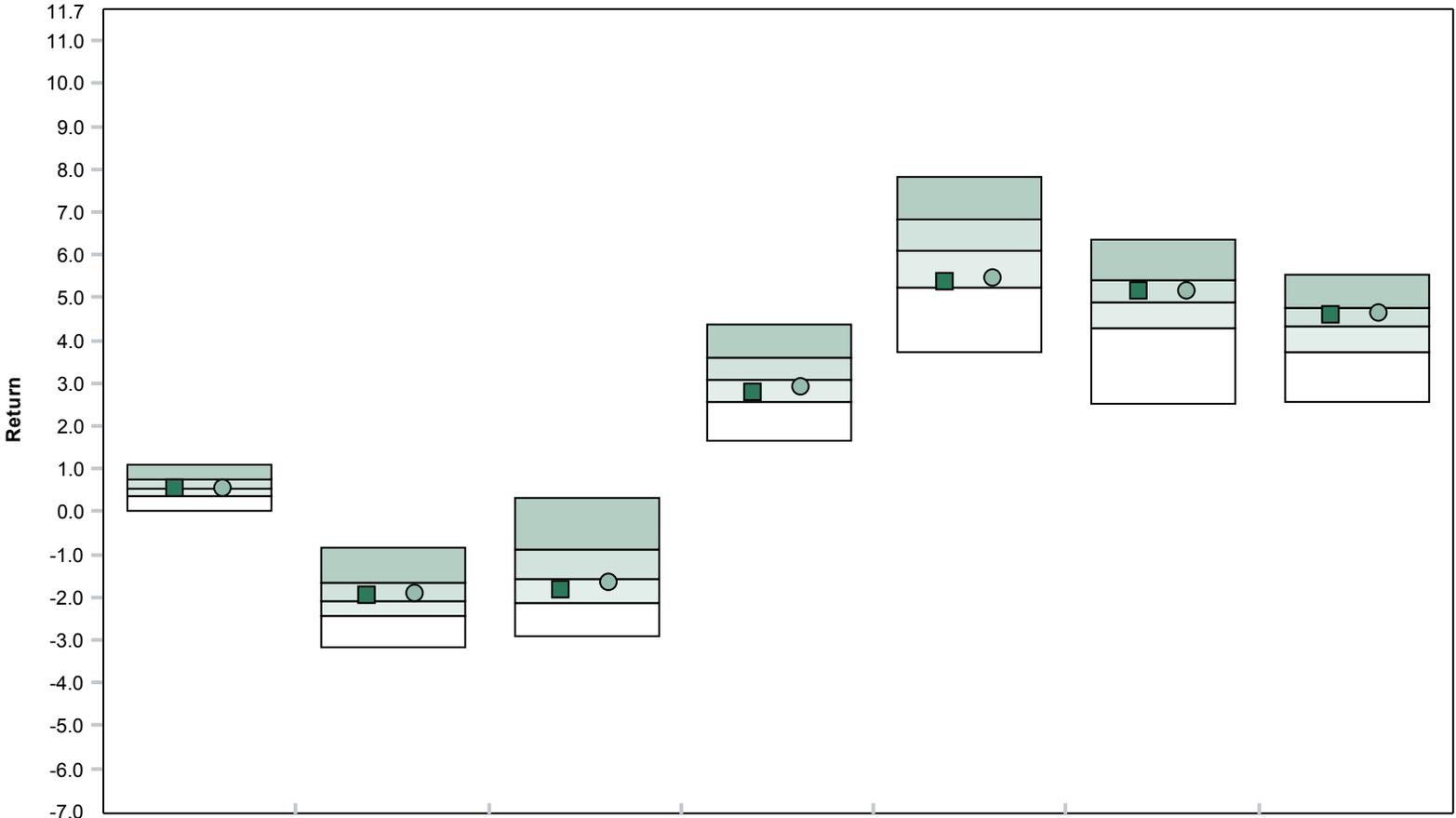
Up Down Market Capture



* Quarterly periodicity used.

Vanguard Total Bond Market Index

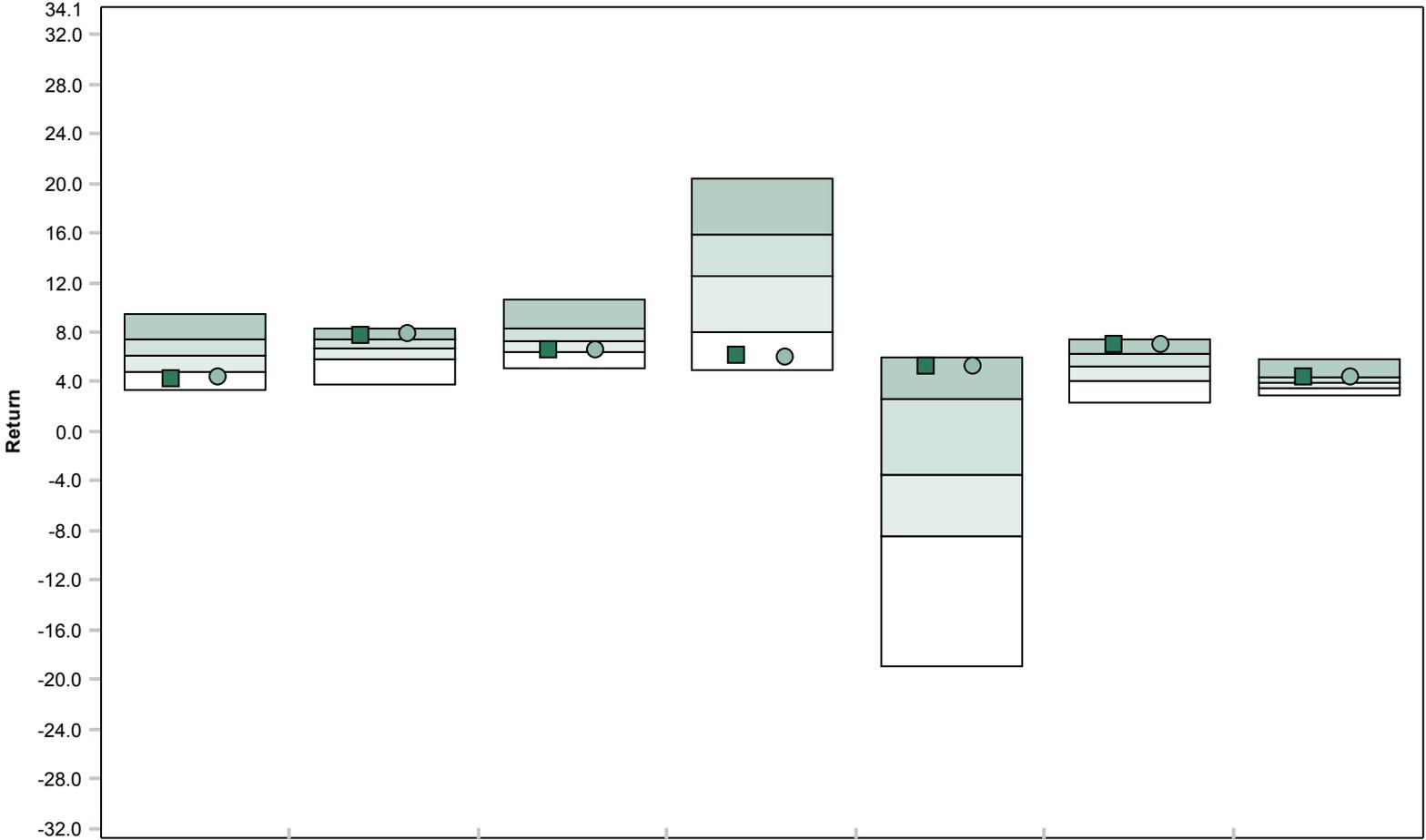
Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Total Bond Market Index	0.54 (50)	-1.95 (40)	-1.82 (61)	2.79 (64)	5.37 (71)	5.14 (37)	4.60 (34)
● Vanguard Total Bond Policy Index	0.53 (53)	-1.91 (37)	-1.68 (55)	2.89 (61)	5.46 (68)	5.15 (37)	4.62 (33)
5th Percentile	1.08	-0.86	0.31	4.37	7.84	6.37	5.55
1st Quartile	0.74	-1.65	-0.88	3.61	6.84	5.41	4.78
Median	0.54	-2.10	-1.59	3.08	6.11	4.90	4.31
3rd Quartile	0.36	-2.46	-2.14	2.54	5.24	4.28	3.74
95th Percentile	0.04	-3.19	-2.92	1.67	3.71	2.52	2.55

Vanguard Total Bond Market Index

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Total Bond Market Index	4.18 (81)	7.72 (14)	6.58 (68)	6.09 (89)	5.19 (11)	7.05 (9)	4.40 (25)
● Vanguard Total Bond Policy Index	4.32 (80)	7.92 (10)	6.58 (68)	5.98 (90)	5.24 (10)	6.97 (10)	4.34 (28)
5th Percentile	9.43	8.32	10.57	20.31	6.02	7.44	5.86
1st Quartile	7.39	7.38	8.31	15.84	2.61	6.26	4.39
Median	6.16	6.63	7.26	12.44	-3.45	5.30	3.93
3rd Quartile	4.86	5.76	6.39	7.96	-8.41	4.10	3.51
95th Percentile	3.35	3.80	5.06	4.94	-19.03	2.29	2.85

Vanguard Total Bond Market Index

Fund Information

Fund Name :	Vanguard Bond Index Funds: Vanguard Total Bond Market Index Fund; Institutional Shares	Portfolio Assets :	\$108,292 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Volpert/Barrickman
Ticker :	VBPIX	PM Tenure :	1995--2013
Inception Date :	09/18/1995	Fund Style :	IM U.S. Broad Market Core Fixed Income (MF)
Fund Assets :	\$20,372 Million	Style Benchmark :	Vanguard Total Bond Policy Index

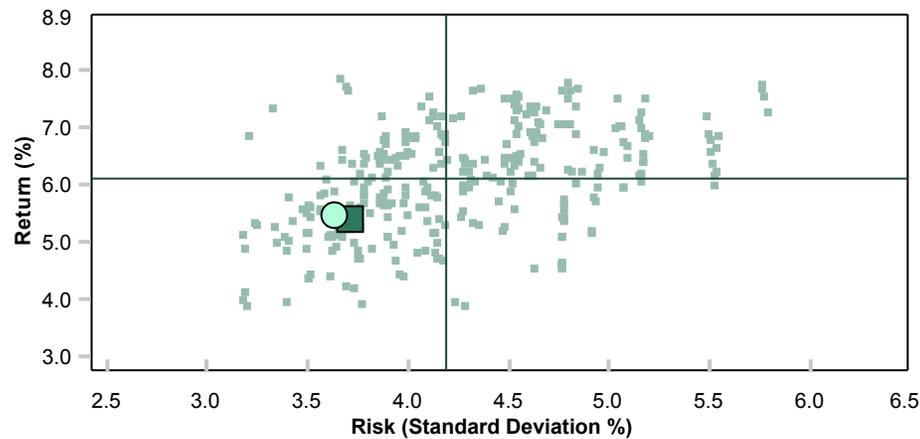
Fund Investment Policy

The Fund seeks to generate returns that track the performance of the Barclays U.S. Aggregate Float Adjusted Index, and will maintain a dollar-weighted average maturity consistent with that of the index. The Index measures investment-grade, taxable fixed income securities in the U.S.

Historical Statistics (10/01/08 - 09/30/13) *

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Total Bond Market Index	5.37	3.72	1.39	-0.16	1.02	0.99	0.39	-0.20	3.72	10/01/1995
Vanguard Total Bond Policy Index	5.46	3.64	1.44	0.00	1.00	1.00	0.00	N/A	3.65	10/01/1995
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.16	0.00	0.01	3.65	-1.44	0.00	10/01/1995

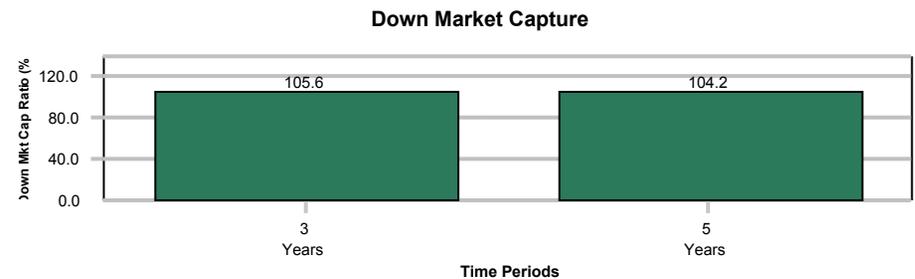
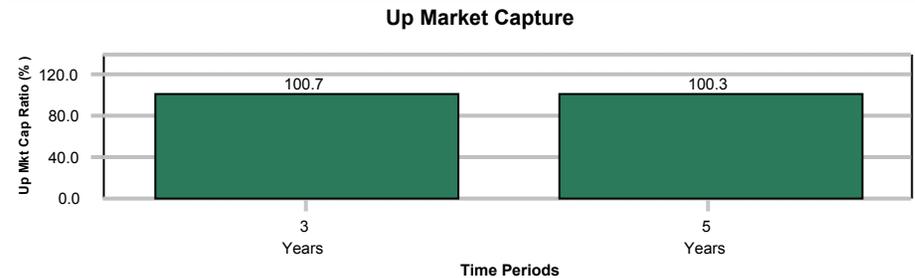
Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Total Bond Market Index	5.37	3.72
○ Vanguard Total Bond Policy Index	5.46	3.64
— Median	6.11	4.19

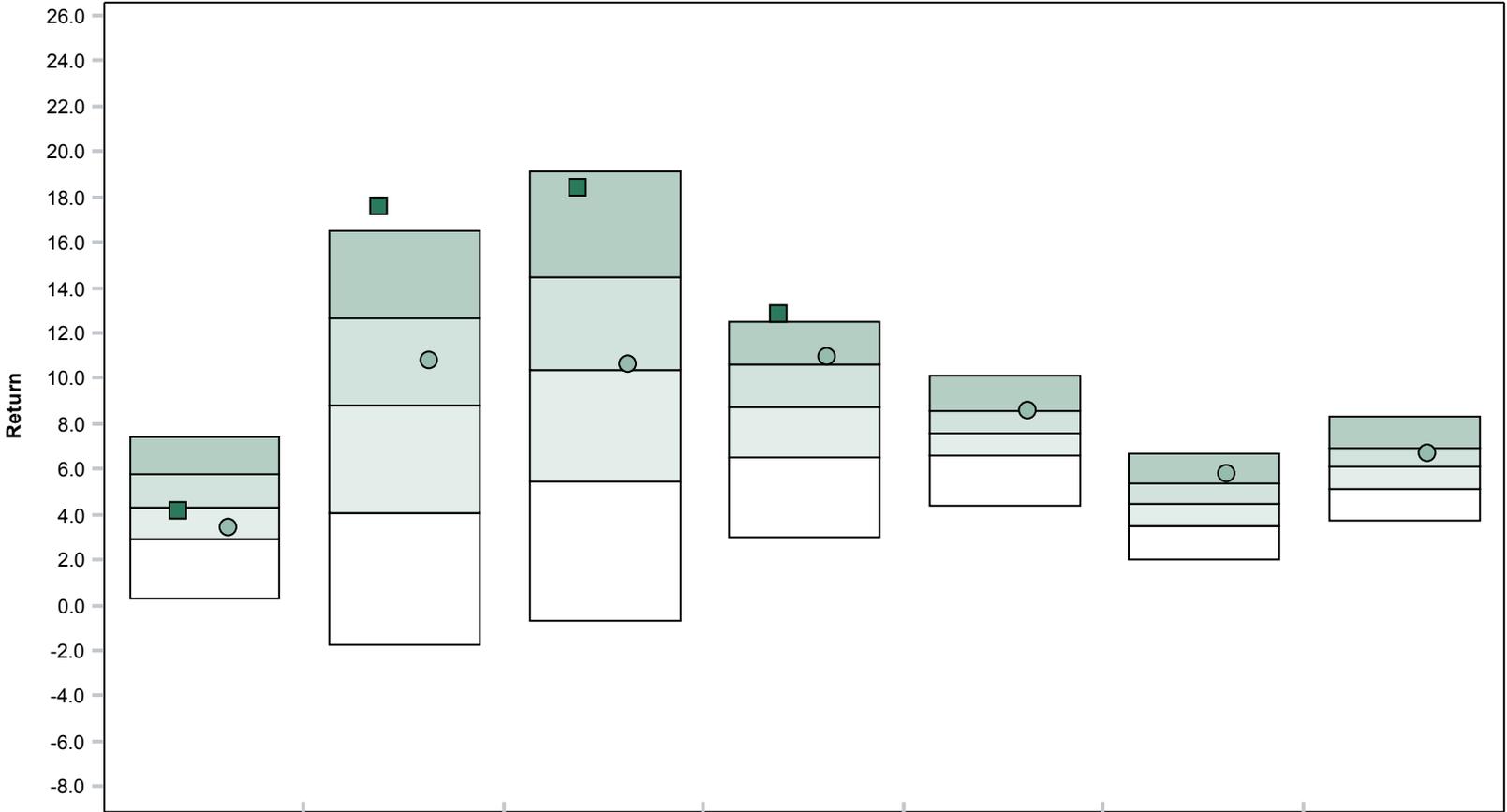
* Monthly periodicity used.

Up Down Market Capture



Invesco Equity & Income R5

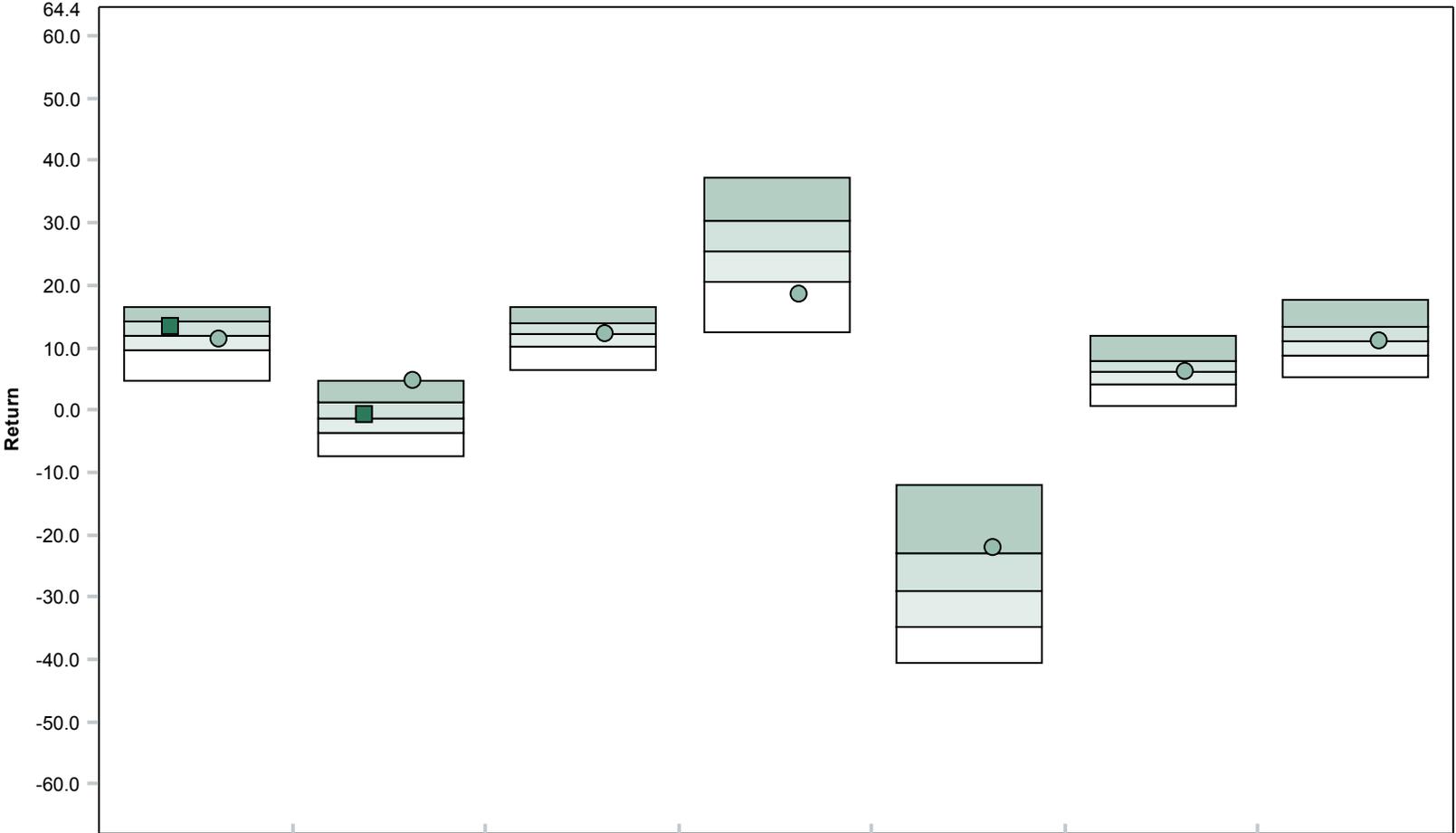
Peer Group Analysis - IM All Balanced (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Invesco Equity & Income R5	4.11 (54)	17.59 (3)	18.38 (8)	12.81 (4)	N/A	N/A	N/A
● 60 S&P 500 / 40 Barclays Agg	3.39 (68)	10.73 (38)	10.58 (49)	10.95 (21)	8.59 (25)	5.78 (15)	6.66 (33)
5th Percentile	7.41	16.51	19.15	12.52	10.08	6.67	8.35
1st Quartile	5.81	12.65	14.49	10.58	8.59	5.35	6.95
Median	4.33	8.81	10.35	8.71	7.60	4.48	6.09
3rd Quartile	2.91	4.04	5.49	6.52	6.58	3.45	5.15
95th Percentile	0.30	-1.79	-0.72	2.96	4.42	1.99	3.74

Invesco Equity & Income R5

Peer Group Analysis - IM All Balanced (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Invesco Equity & Income R5	13.24 (34)	-0.78 (45)	N/A	N/A	N/A	N/A	N/A
● 60 S&P 500 / 40 Barclays Agg	11.31 (57)	4.69 (6)	12.13 (51)	18.40 (85)	-22.06 (23)	6.22 (47)	11.12 (49)
5th Percentile	16.61	4.75	16.43	37.12	-12.03	11.87	17.65
1st Quartile	14.15	1.29	13.89	30.23	-22.97	7.89	13.33
Median	11.87	-1.35	12.16	25.56	-29.08	5.99	10.94
3rd Quartile	9.57	-3.68	10.29	20.64	-34.93	4.16	8.65
95th Percentile	4.76	-7.55	6.49	12.32	-40.74	0.50	5.30

Invesco Equity & Income R5

Fund Information

Fund Name : AIM Counselor Series Trust (Invesco Counselor Series Trust): Invesco Equity & Income Fund; Class R5 Shares Portfolio Assets : \$11,828 Million
 Fund Family : Invesco Funds Portfolio Manager : Thomas Bastian
 Ticker : ACEKX PM Tenure : 2010
 Inception Date : 06/01/2010 Fund Style : IM All Balanced (MF)
 Fund Assets : \$254 Million Style Benchmark : 60 S&P 500 / 40 Barclays Agg

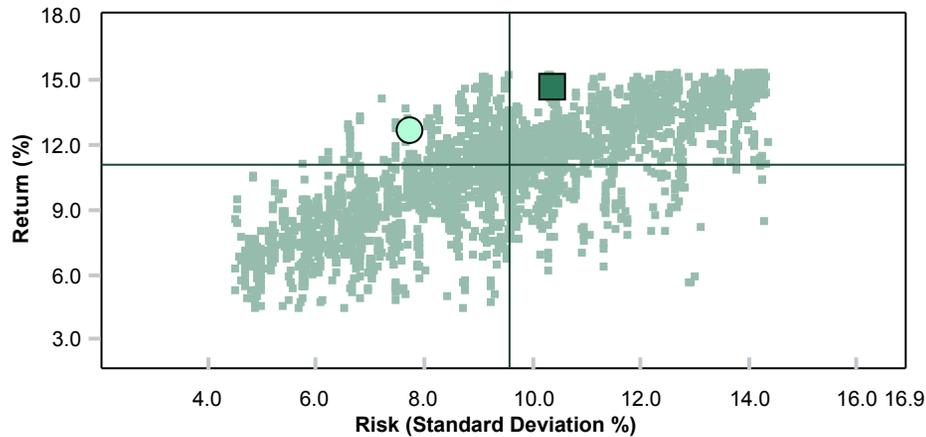
Fund Investment Policy

The Fund seeks the highest possible income consistent with safety of principal. Long-term growth of capital is an important secondary objective. The Fund seeks to achieve its investment objective by investing primarily in income-producing equity securities and investment grade quality debt securities.

Historical Statistics (07/01/10 - 09/30/13) *

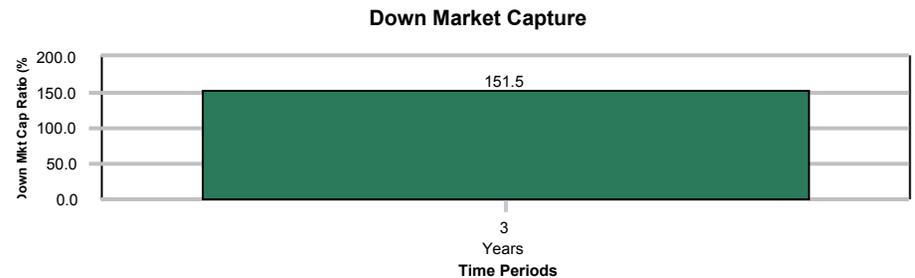
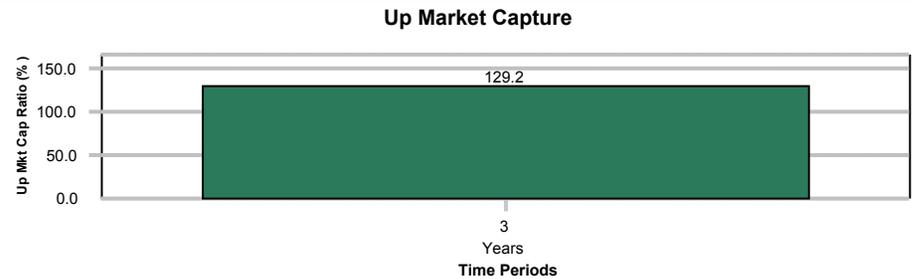
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Invesco Equity & Income R5	14.63	10.40	1.36	-1.71	1.30	0.94	3.40	0.58	10.40	07/01/2010
60 S&P 500 / 40 Barclays Agg	12.66	7.76	1.57	0.00	1.00	1.00	0.00	N/A	7.75	07/01/2010
90 Day U.S. Treasury Bill	0.09	0.03	N/A	0.09	0.00	0.00	7.75	-1.57	0.00	07/01/2010

Peer Group Scattergram (07/01/10 to 09/30/13)



	Return	Standard Deviation
■ Invesco Equity & Income R5	14.63	10.40
○ 60 S&P 500 / 40 Barclays Agg	12.66	7.76
— Median	11.12	9.59

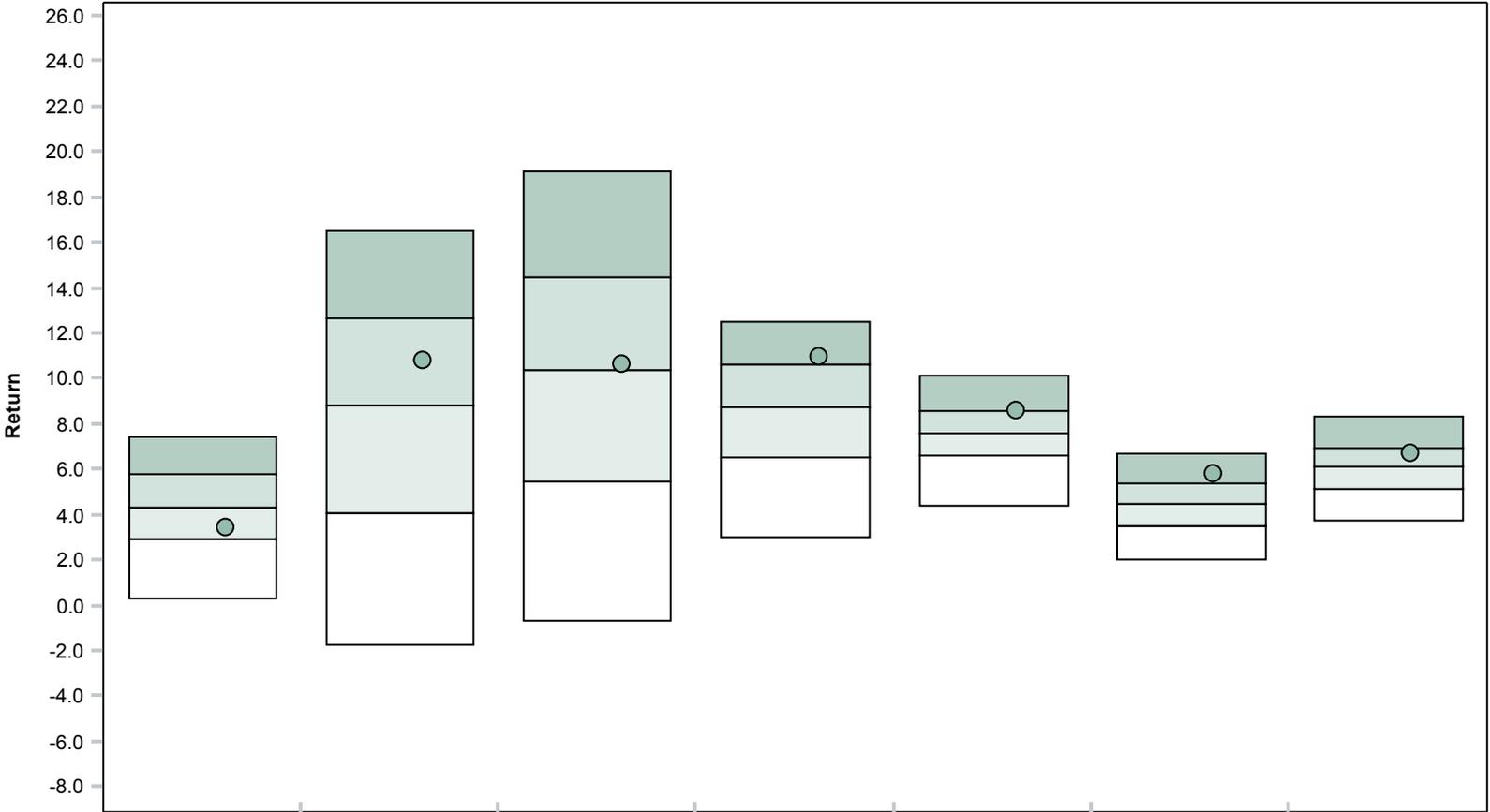
Up Down Market Capture



* Monthly periodicity used.

ING T Rowe Price Cap App Instl

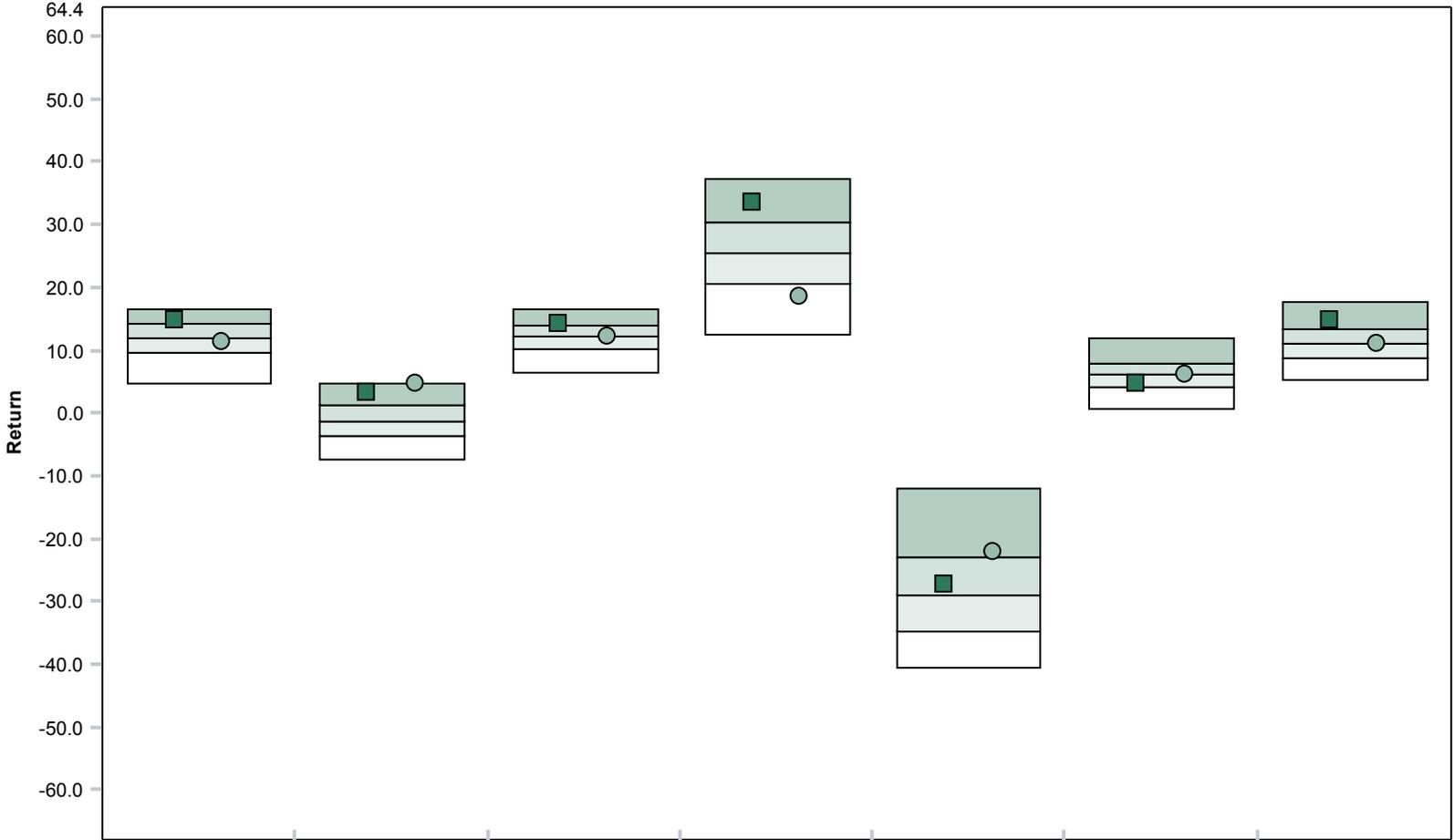
Peer Group Analysis - IM All Balanced (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
ING T Rowe Price Cap App Instl	N/A	N/A	N/A	N/A	N/A	N/A	N/A
60 S&P 500 / 40 Barclays Agg	3.39 (68)	10.73 (38)	10.58 (49)	10.95 (21)	8.59 (25)	5.78 (15)	6.66 (33)
5th Percentile	7.41	16.51	19.15	12.52	10.08	6.67	8.35
1st Quartile	5.81	12.65	14.49	10.58	8.59	5.35	6.95
Median	4.33	8.81	10.35	8.71	7.60	4.48	6.09
3rd Quartile	2.91	4.04	5.49	6.52	6.58	3.45	5.15
95th Percentile	0.30	-1.79	-0.72	2.96	4.42	1.99	3.74

ING T Rowe Price Cap App Instl

Peer Group Analysis - IM All Balanced (MF)



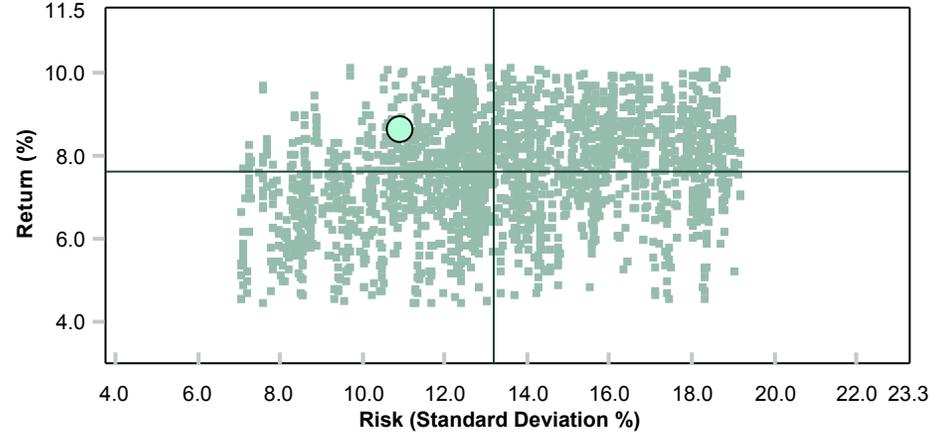
	2012	2011	2010	2009	2008	2007	2006
■ ING T Rowe Price Cap App Instl	14.78 (19)	3.16 (10)	14.30 (22)	33.56 (13)	-27.34 (43)	4.71 (70)	14.91 (15)
● 60 S&P 500 / 40 Barclays Agg	11.31 (57)	4.69 (6)	12.13 (51)	18.40 (85)	-22.06 (23)	6.22 (47)	11.12 (49)
5th Percentile	16.61	4.75	16.43	37.12	-12.03	11.87	17.65
1st Quartile	14.15	1.29	13.89	30.23	-22.97	7.89	13.33
Median	11.87	-1.35	12.16	25.56	-29.08	5.99	10.94
3rd Quartile	9.57	-3.68	10.29	20.64	-34.93	4.16	8.65
95th Percentile	4.76	-7.55	6.49	12.32	-40.74	0.50	5.30

ING T Rowe Price Cap App Instl

Historical Statistics (10/01/08 - 09/30/13) *

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
ING T Rowe Price Cap App Instl	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2004
60 S&P 500 / 40 Barclays Agg	8.59	10.94	0.79	0.00	1.00	1.00	0.00	N/A	10.98	01/01/2004
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.15	10.98	-0.79	0.00	01/01/2004

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ ING T Rowe Price Cap App Instl	N/A	N/A
● 60 S&P 500 / 40 Barclays Agg	8.59	10.94
— Median	7.60	13.17

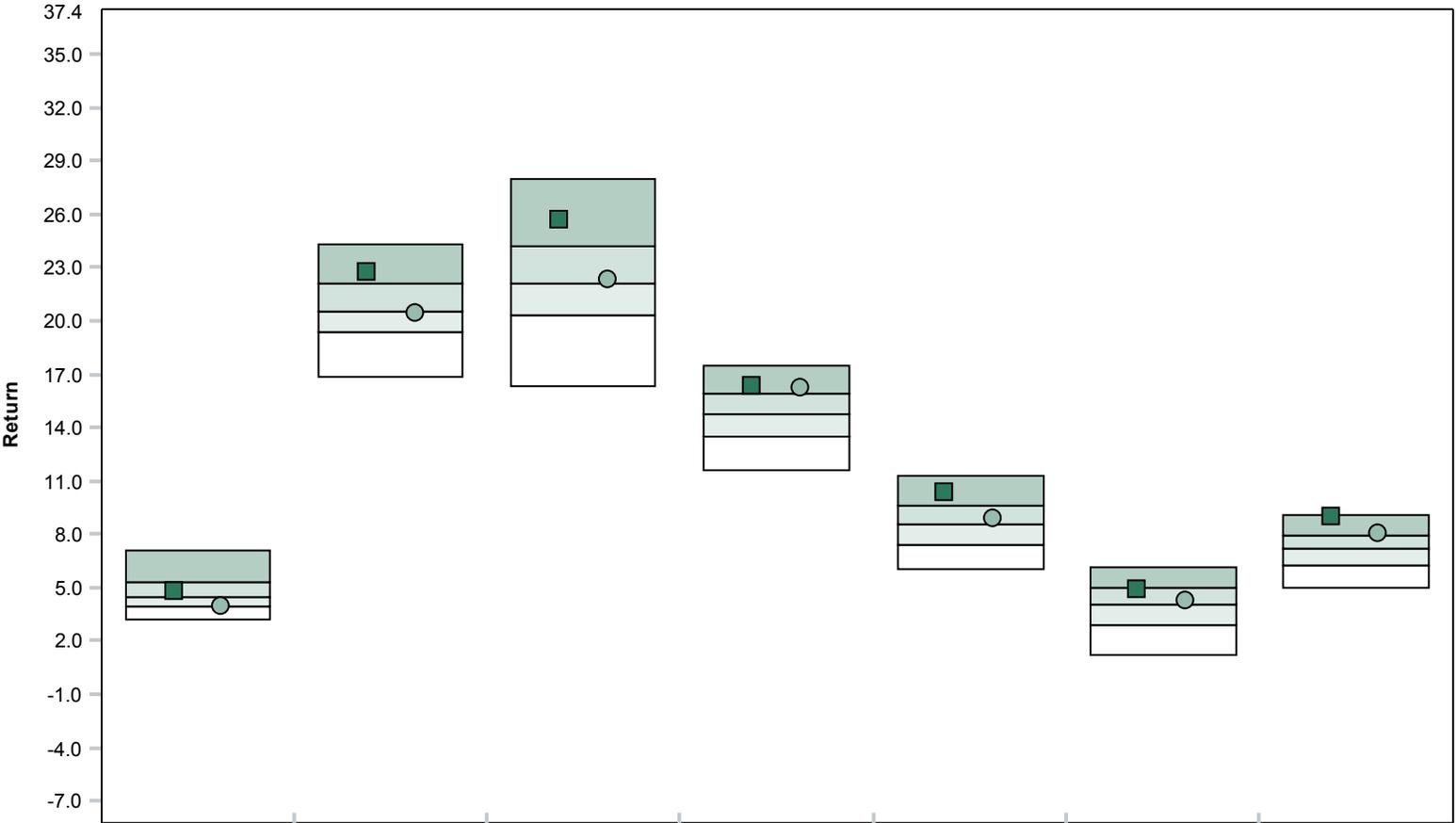
Up Down Market Capture

No data found.

* Monthly periodicity used.

American Beacon Lg Cap Value Instl

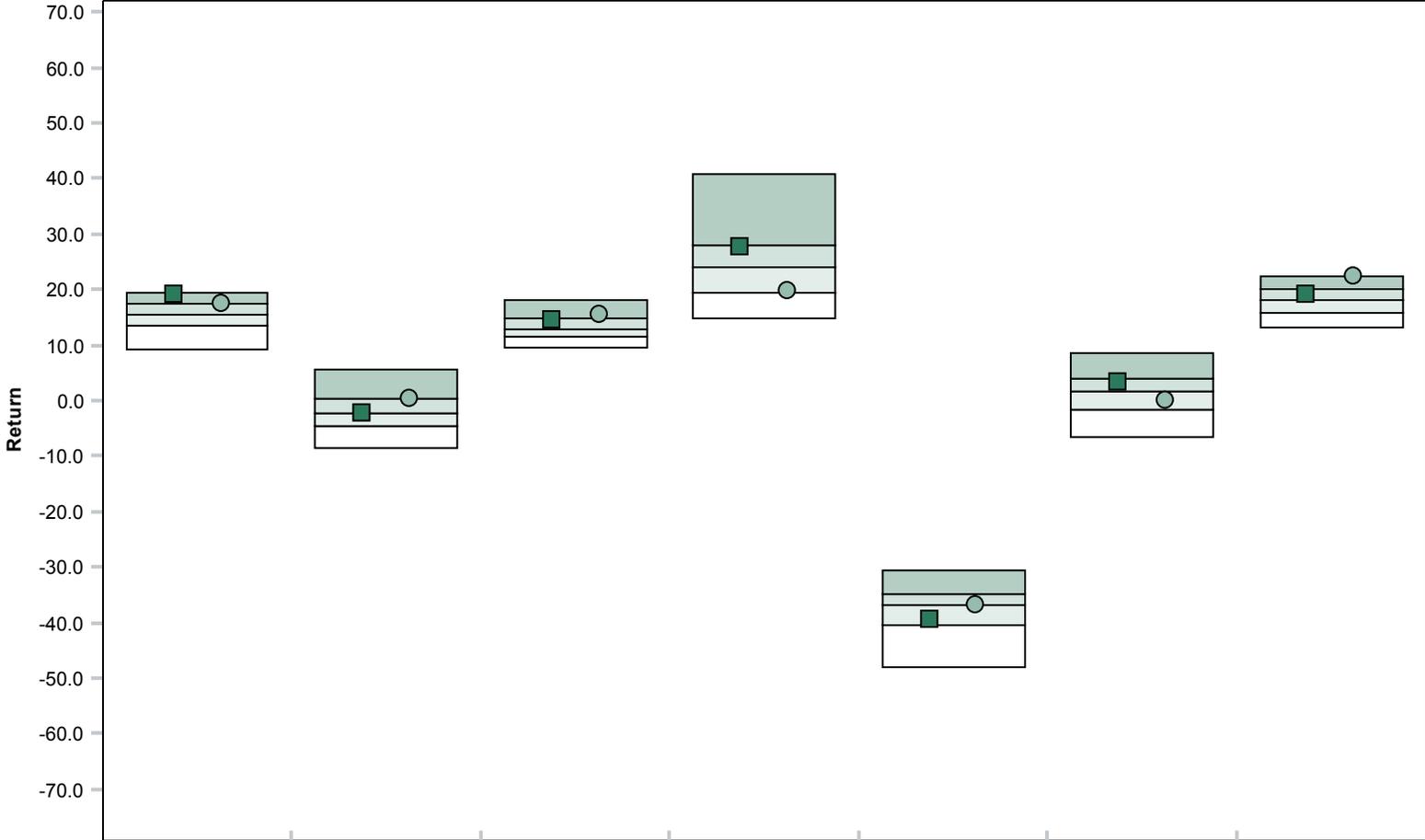
Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Beacon Lg Cap Value Instl	4.73 (40)	22.78 (17)	25.64 (14)	16.29 (19)	10.35 (12)	4.89 (29)	9.00 (7)
● Russell 1000 Value Index	3.94 (77)	20.47 (52)	22.30 (48)	16.25 (19)	8.86 (44)	4.24 (45)	7.99 (23)
5th Percentile	7.12	24.30	28.03	17.53	11.32	6.11	9.08
1st Quartile	5.34	22.10	24.21	15.88	9.57	5.02	7.90
Median	4.52	20.57	22.13	14.71	8.54	4.09	7.22
3rd Quartile	3.97	19.32	20.27	13.47	7.38	2.94	6.22
95th Percentile	3.23	16.81	16.32	11.59	6.00	1.16	5.02

American Beacon Lg Cap Value Instl

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



	2012	2011	2010	2009	2008	2007	2006
■ American Beacon Lg Cap Value Instl	19.07 (9)	-2.34 (52)	14.56 (28)	27.52 (27)	-39.39 (69)	3.18 (33)	19.01 (38)
● Russell 1000 Value Index	17.51 (24)	0.39 (23)	15.51 (18)	19.69 (74)	-36.85 (49)	-0.17 (63)	22.25 (6)
5th Percentile	19.49	5.70	18.03	40.62	-30.76	8.66	22.27
1st Quartile	17.40	0.21	14.78	27.97	-34.81	3.92	20.02
Median	15.51	-2.27	12.78	24.11	-36.93	1.47	17.92
3rd Quartile	13.51	-4.62	11.38	19.50	-40.48	-1.63	15.80
95th Percentile	9.34	-8.48	9.42	14.89	-48.23	-6.47	13.03

American Beacon Lg Cap Value Instl

Fund Information

Fund Name :	American Beacon Funds: American Beacon Large Cap Value Fund; Institutional Class Shares	Portfolio Assets :	\$10,204 Million
Fund Family :	American Beacon Advisors Inc	Portfolio Manager :	Crumpler/Posada
Ticker :	AADEX	PM Tenure :	2007--1988
Inception Date :	07/17/1987	Fund Style :	IM U.S. Large Cap Value Equity (MF)
Fund Assets :	\$5,192 Million	Style Benchmark :	Russell 1000 Value Index

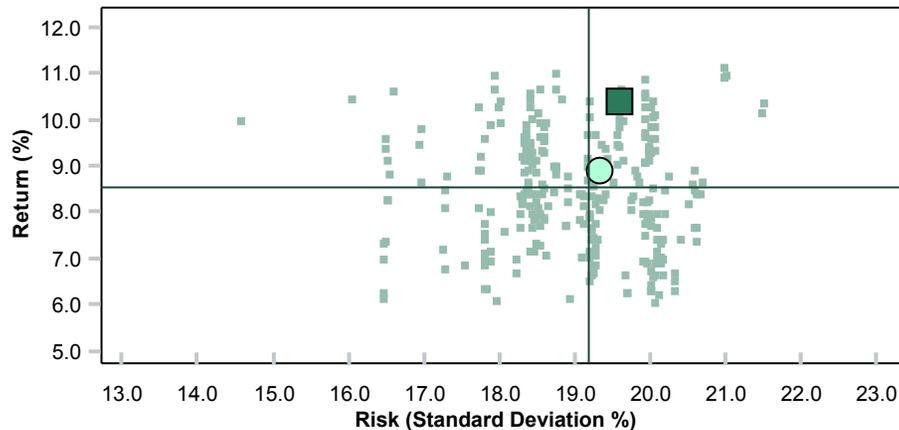
Fund Investment Policy

The Fund seeks long-term capital appreciation and current income by typically investing in equity securities of U.S. companies with market capitalizations of \$5 billion or more at the time of investment.

Historical Statistics (10/01/08 - 09/30/13) *

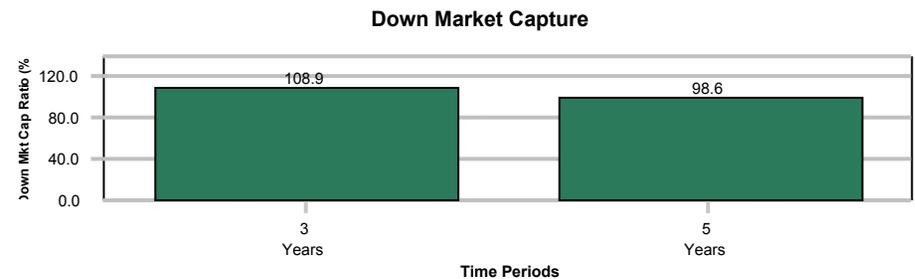
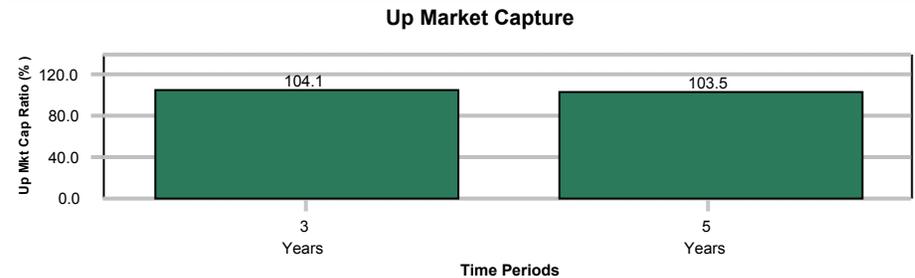
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Beacon Lg Cap Value Instl	10.35	19.61	0.60	1.37	1.00	0.98	2.52	0.56	19.64	08/01/1987
Russell 1000 Value Index	8.86	19.36	0.53	0.00	1.00	1.00	0.00	N/A	19.39	08/01/1987
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.12	19.39	-0.53	0.00	08/01/1987

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ American Beacon Lg Cap Value Instl	10.35	19.61
○ Russell 1000 Value Index	8.86	19.36
— Median	8.54	19.19

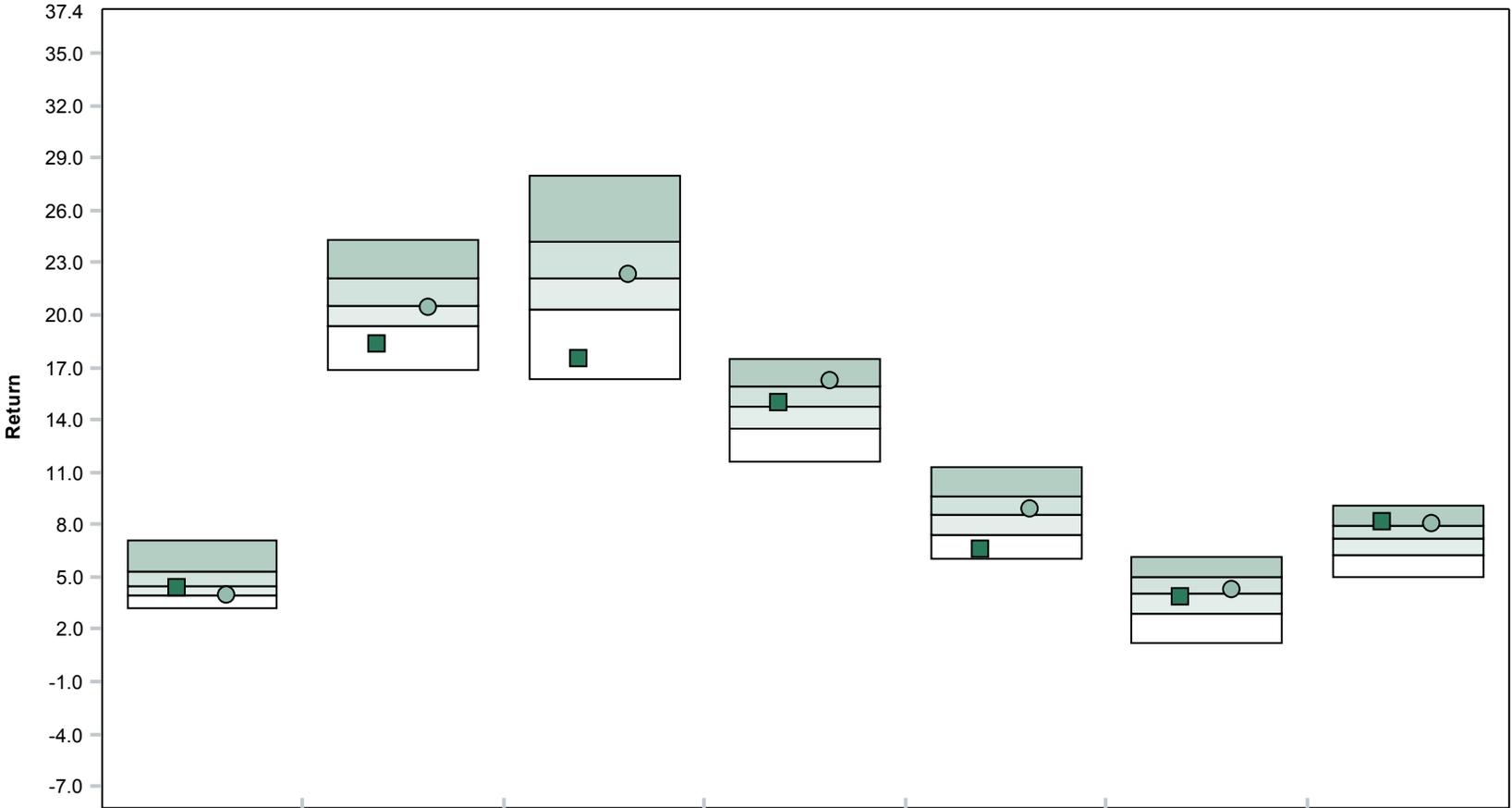
Up Down Market Capture



* Monthly periodicity used.

Allianz NFJ Dividend Value

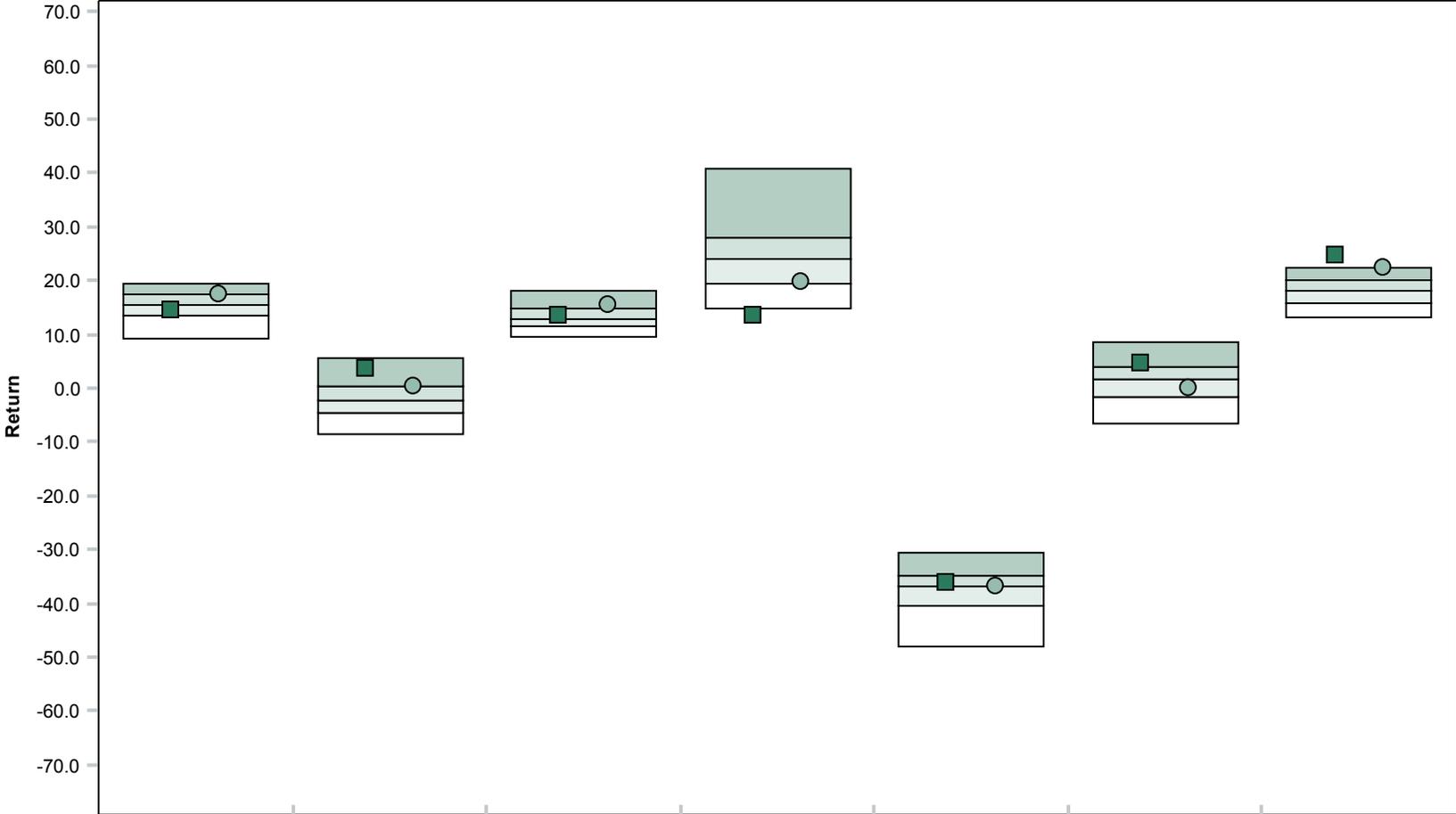
Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Allianz NFJ Dividend Value	4.36 (58)	18.34 (86)	17.49 (93)	14.95 (46)	6.60 (90)	3.79 (59)	8.15 (18)
● Russell 1000 Value Index	3.94 (77)	20.47 (52)	22.30 (48)	16.25 (19)	8.86 (44)	4.24 (45)	7.99 (23)
5th Percentile	7.12	24.30	28.03	17.53	11.32	6.11	9.08
1st Quartile	5.34	22.10	24.21	15.88	9.57	5.02	7.90
Median	4.52	20.57	22.13	14.71	8.54	4.09	7.22
3rd Quartile	3.97	19.32	20.27	13.47	7.38	2.94	6.22
95th Percentile	3.23	16.81	16.32	11.59	6.00	1.16	5.02

Allianz NFJ Dividend Value

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



	2012	2011	2010	2009	2008	2007	2006
■ Allianz NFJ Dividend Value	14.31 (67)	3.44 (12)	13.57 (39)	13.33 (98)	-36.06 (37)	4.65 (23)	24.64 (1)
● Russell 1000 Value Index	17.51 (24)	0.39 (23)	15.51 (18)	19.69 (74)	-36.85 (49)	-0.17 (63)	22.25 (6)
5th Percentile	19.49	5.70	18.03	40.62	-30.76	8.66	22.27
1st Quartile	17.40	0.21	14.78	27.97	-34.81	3.92	20.02
Median	15.51	-2.27	12.78	24.11	-36.93	1.47	17.92
3rd Quartile	13.51	-4.62	11.38	19.50	-40.48	-1.63	15.80
95th Percentile	9.34	-8.48	9.42	14.89	-48.23	-6.47	13.03

Allianz NFJ Dividend Value

Fund Information

Fund Name :	Allianz Funds: AllianzGI NFJ Dividend Value Fund; Institutional Class Shares	Portfolio Assets :	\$8,774 Million
Fund Family :	Allianz Global Investors	Portfolio Manager :	Benno J. Fischer
Ticker :	NFJEX	PM Tenure :	2000
Inception Date :	05/08/2000	Fund Style :	IM U.S. Large Cap Value Equity (MF)
Fund Assets :	\$3,850 Million	Style Benchmark :	Russell 1000 Value Index

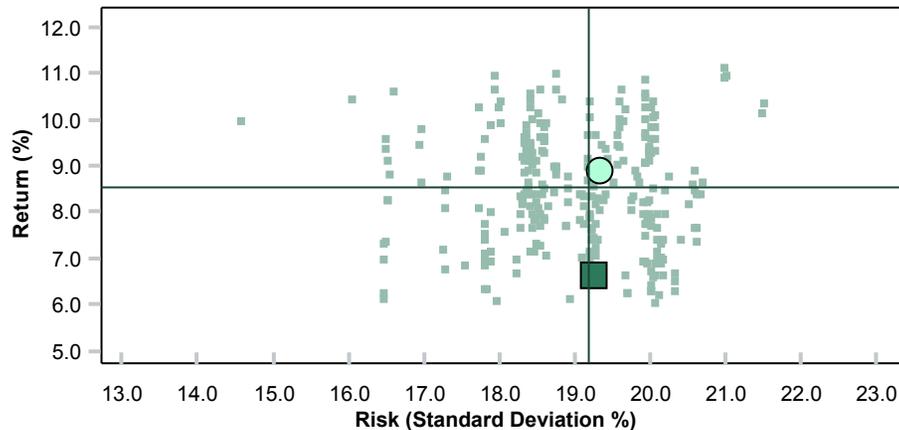
Fund Investment Policy

The Fund seeks current income as a primary objective, and long-term growth of capital as a secondary objective. Focus is on income-producing common stocks with the potential for capital appreciation.

Historical Statistics (10/01/08 - 09/30/13) *

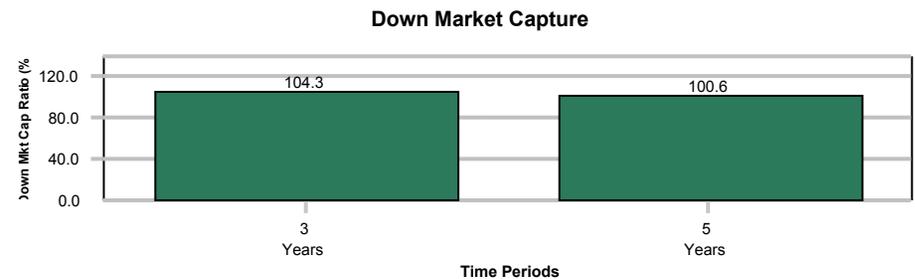
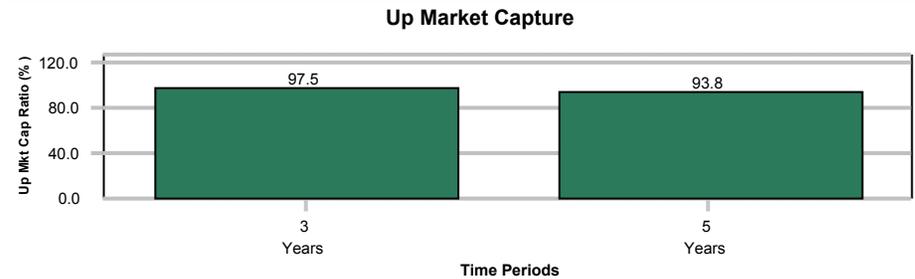
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Allianz NFJ Dividend Value	6.60	19.28	0.42	-1.83	0.97	0.96	3.96	-0.53	19.31	06/01/2000
Russell 1000 Value Index	8.86	19.36	0.53	0.00	1.00	1.00	0.00	N/A	19.39	06/01/2000
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.12	19.39	-0.53	0.00	06/01/2000

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Allianz NFJ Dividend Value	6.60	19.28
○ Russell 1000 Value Index	8.86	19.36
— Median	8.54	19.19

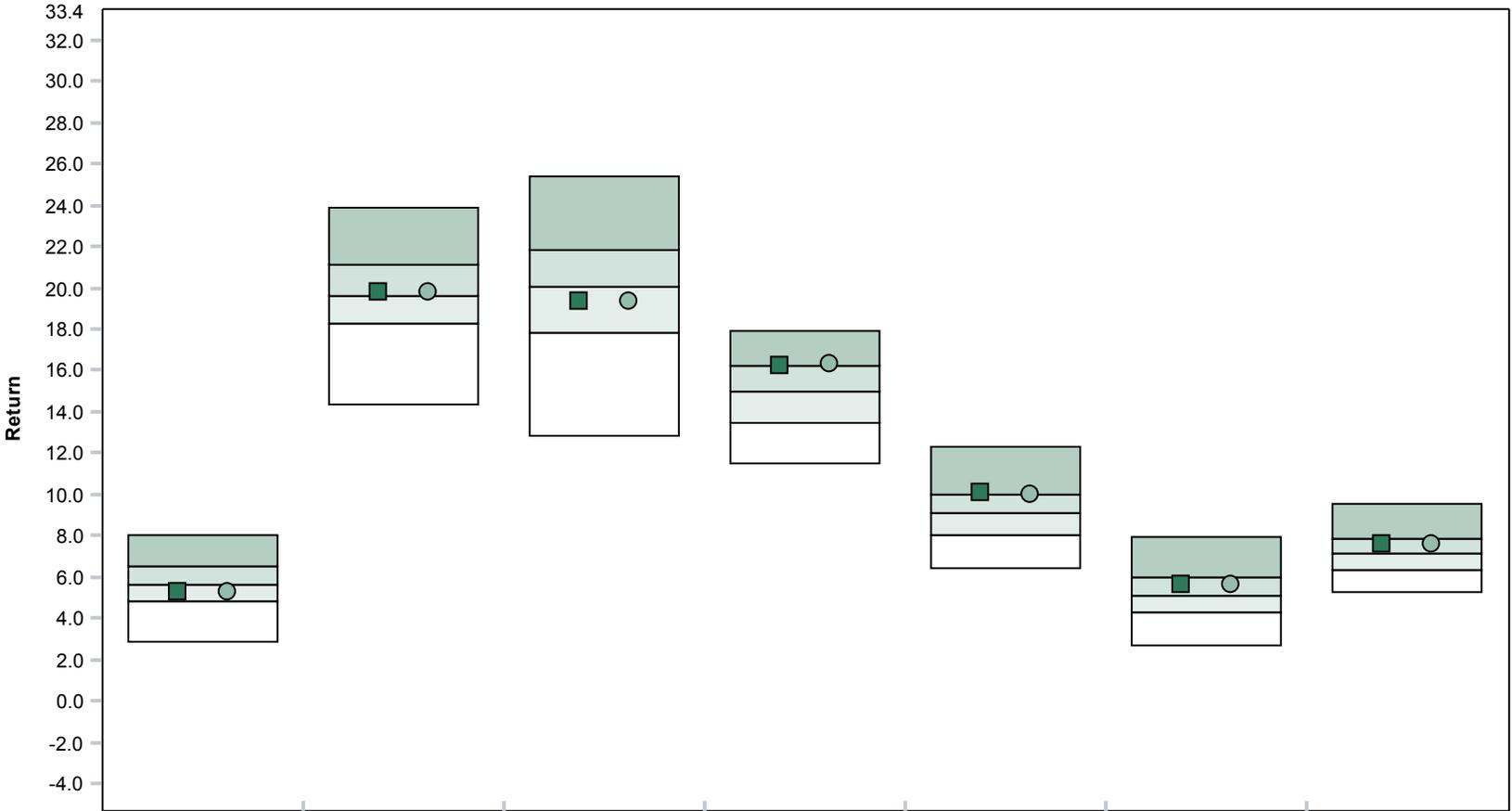
Up Down Market Capture



* Monthly periodicity used.

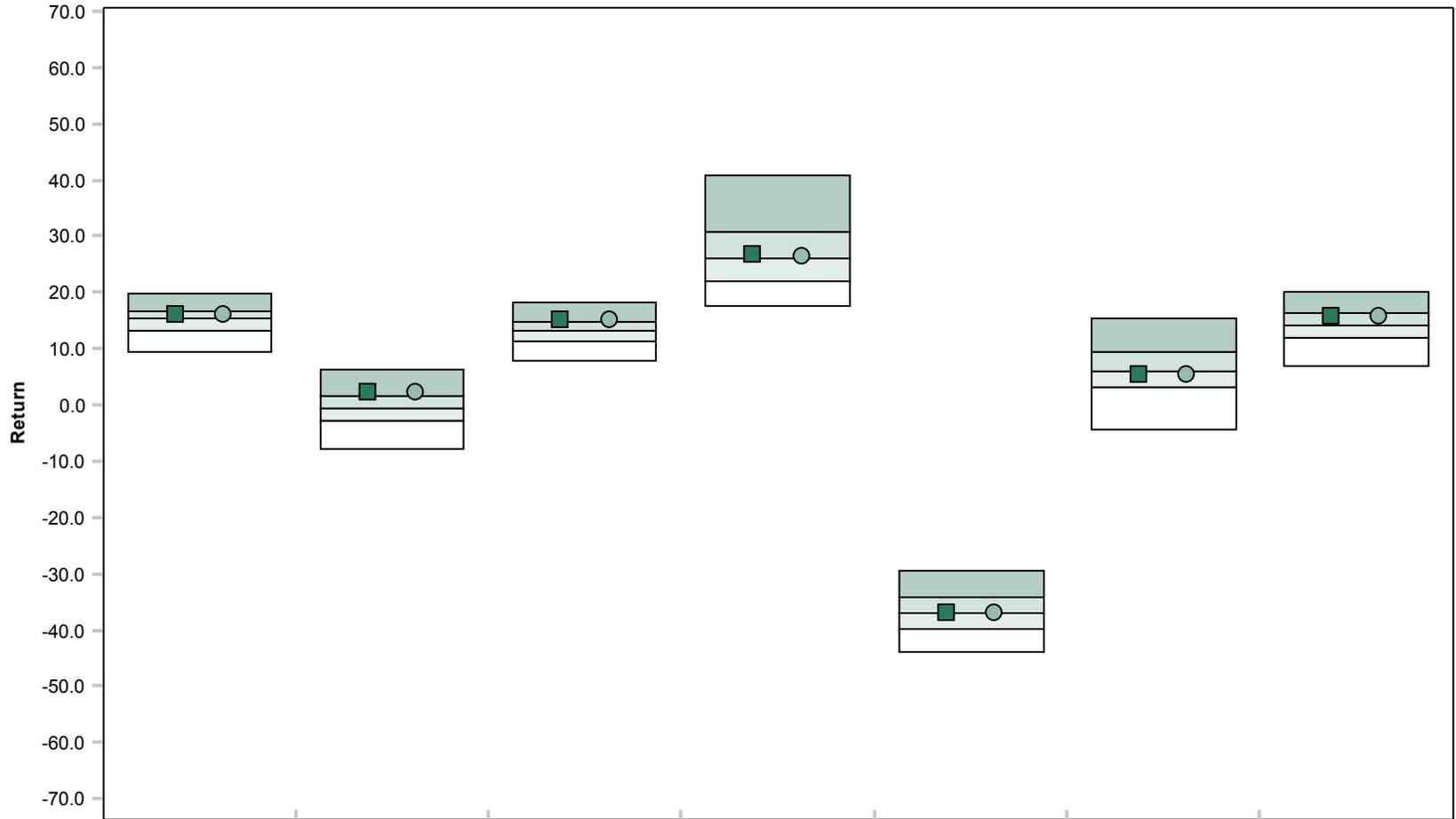
Vanguard Institutional Index

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



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Institutional Index	5.23 (64)	19.77 (47)	19.31 (60)	16.24 (26)	10.04 (25)	5.61 (35)	7.57 (32)
● S&P 500	5.24 (63)	19.79 (47)	19.34 (59)	16.27 (25)	10.02 (26)	5.60 (36)	7.57 (33)
5th Percentile	8.06	23.83	25.42	17.90	12.29	7.93	9.53
1st Quartile	6.48	21.08	21.83	16.25	10.03	5.99	7.86
Median	5.61	19.63	20.00	14.95	9.07	5.09	7.10
3rd Quartile	4.80	18.26	17.82	13.50	8.06	4.25	6.37
95th Percentile	2.83	14.31	12.88	11.47	6.47	2.65	5.23

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



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Institutional Index	15.98 (39)	2.09 (23)	15.05 (21)	26.63 (49)	-36.95 (51)	5.47 (55)	15.78 (31)
● S&P 500	16.00 (39)	2.11 (23)	15.06 (21)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (31)
5th Percentile	19.76	6.25	18.08	40.64	-29.41	15.24	20.08
1st Quartile	16.71	1.72	14.65	30.62	-34.20	9.29	16.20
Median	15.38	-0.50	13.08	26.21	-36.91	5.86	14.20
3rd Quartile	13.13	-2.72	11.32	21.85	-39.71	3.25	11.87
95th Percentile	9.50	-7.95	7.73	17.74	-44.05	-4.38	6.88

Vanguard Institutional Index

Fund Information

Fund Name :	Vanguard Institutional Index Fund: Vanguard Institutional Index Fund; Institutional Shares	Portfolio Assets :	\$138,973 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Donald M. Butler
Ticker :	VINIX	PM Tenure :	2000
Inception Date :	07/31/1990	Fund Style :	IM U.S. Large Cap Core Equity (MF)
Fund Assets :	\$78,463 Million	Style Benchmark :	S&P 500

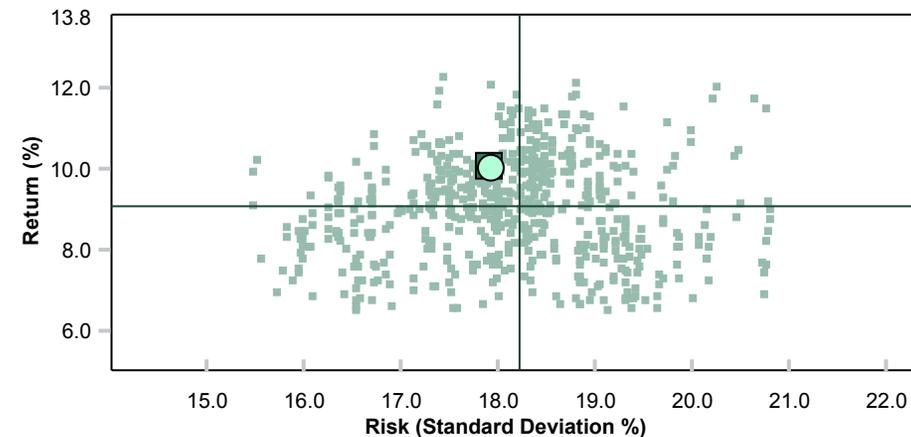
Fund Investment Policy

The Fund seeks to match the investment performance of the Standard & Poor's 500 Composite Stock Price Index.

Historical Statistics (10/01/08 - 09/30/13) *

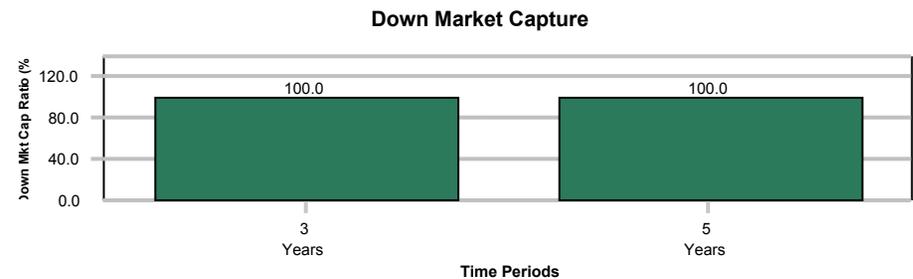
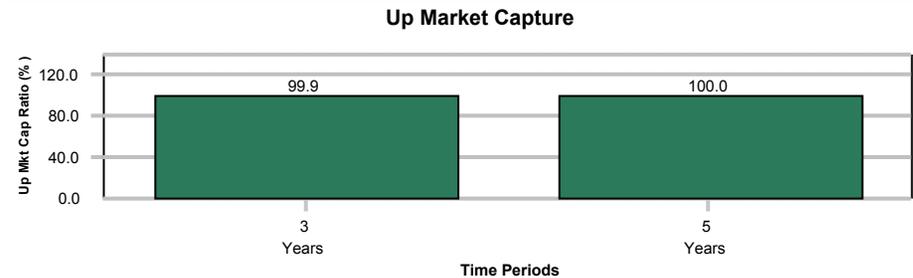
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Institutional Index	10.04	17.92	0.62	0.02	1.00	1.00	0.03	0.53	17.96	08/01/1990
S&P 500	10.02	17.93	0.62	0.00	1.00	1.00	0.00	N/A	17.96	08/01/1990
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.15	17.96	-0.62	0.00	08/01/1990

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Institutional Index	10.04	17.92
○ S&P 500	10.02	17.93
— Median	9.07	18.21

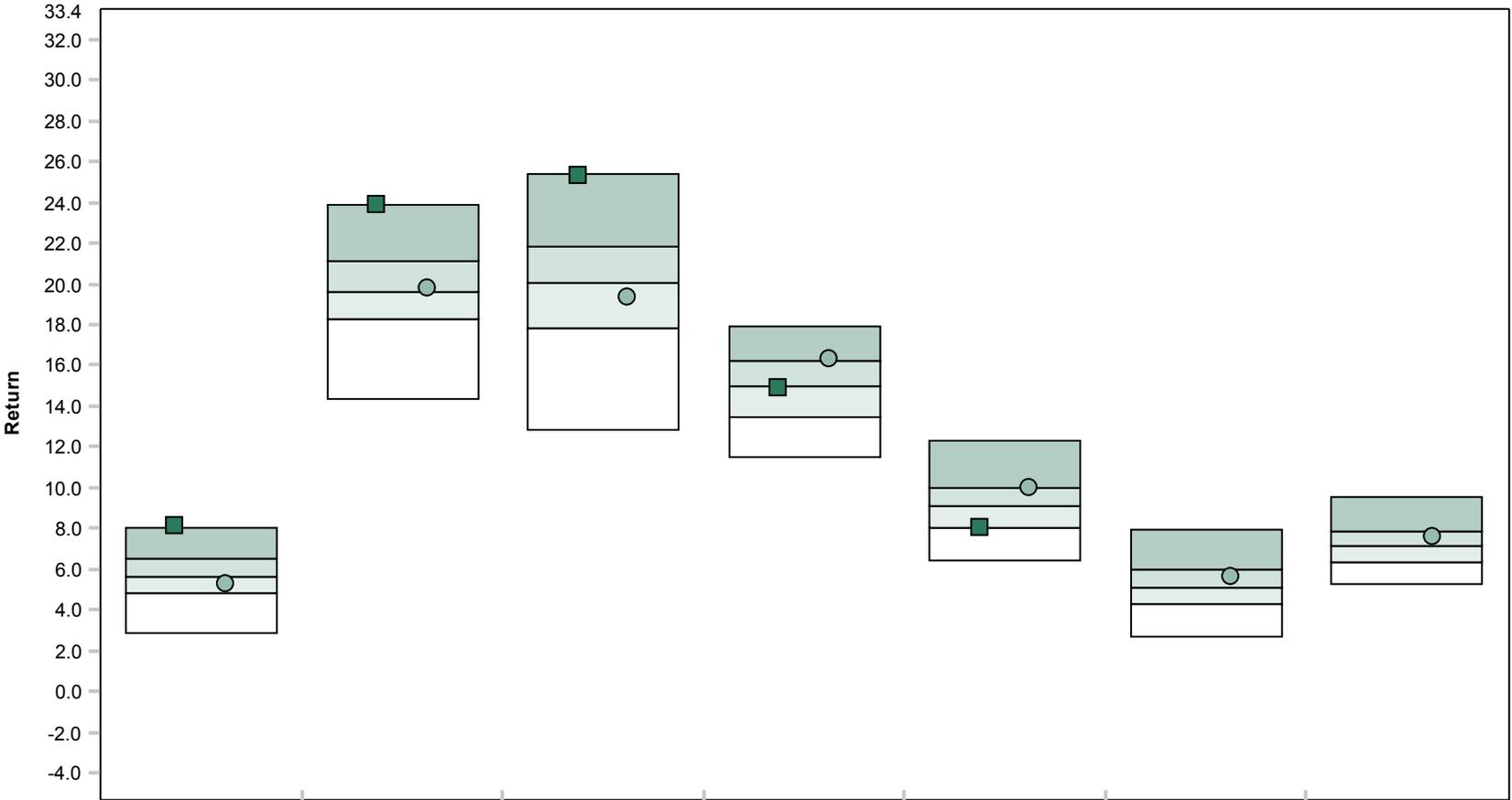
Up Down Market Capture



* Monthly periodicity used.

Victory Diversified Stock I

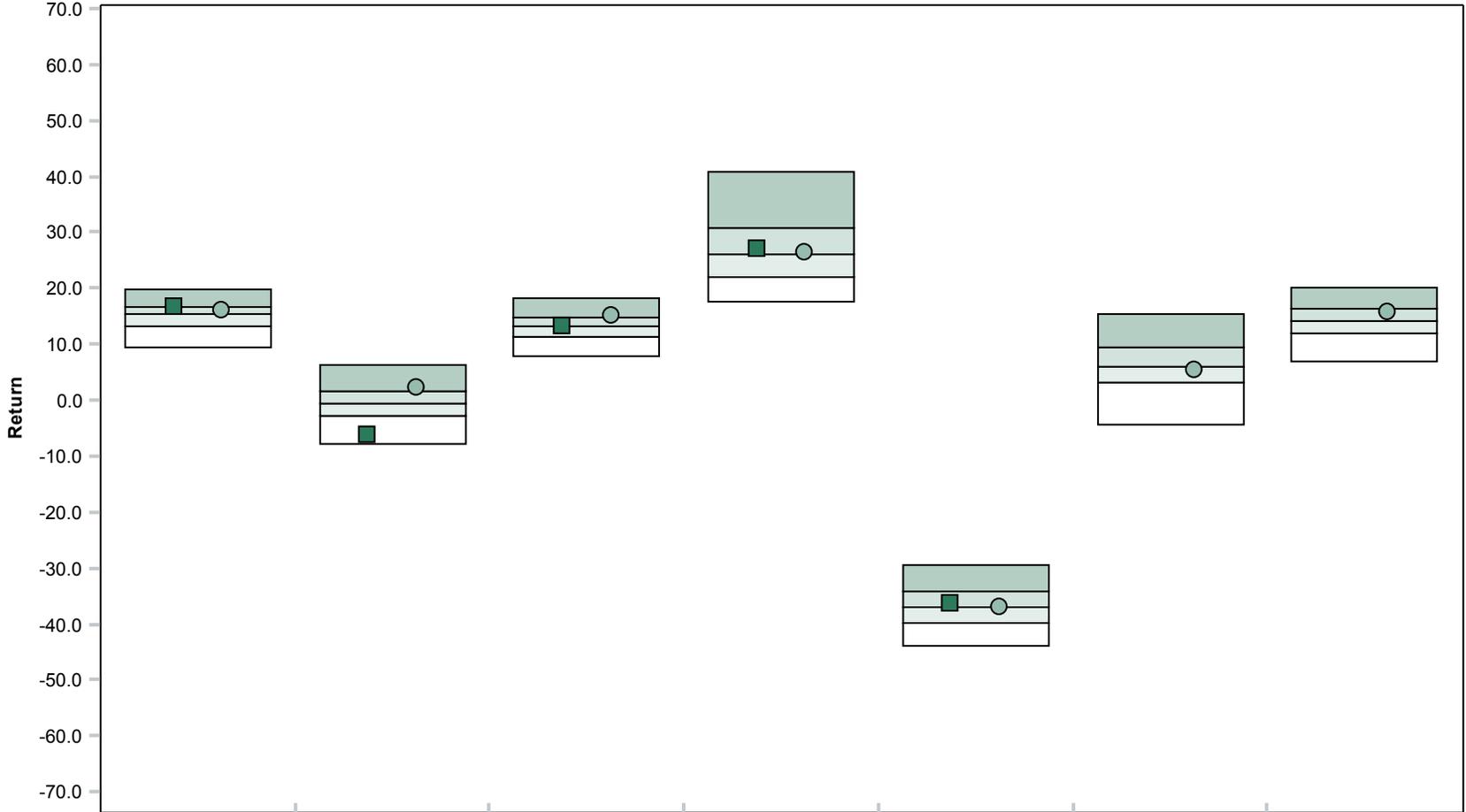
Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Victory Diversified Stock I	8.09 (5)	23.84 (5)	25.27 (6)	14.86 (52)	8.02 (76)	N/A	N/A
● S&P 500	5.24 (63)	19.79 (47)	19.34 (59)	16.27 (25)	10.02 (26)	5.60 (36)	7.57 (33)
5th Percentile	8.06	23.83	25.42	17.90	12.29	7.93	9.53
1st Quartile	6.48	21.08	21.83	16.25	10.03	5.99	7.86
Median	5.61	19.63	20.00	14.95	9.07	5.09	7.10
3rd Quartile	4.80	18.26	17.82	13.50	8.06	4.25	6.37
95th Percentile	2.83	14.31	12.88	11.47	6.47	2.65	5.23

Victory Diversified Stock I

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



	2012	2011	2010	2009	2008	2007	2006
■ Victory Diversified Stock I	16.71 (25)	-6.29 (93)	13.11 (50)	27.02 (46)	-36.51 (46)	N/A	N/A
● S&P 500	16.00 (39)	2.11 (23)	15.06 (21)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (31)
5th Percentile	19.76	6.25	18.08	40.64	-29.41	15.24	20.08
1st Quartile	16.71	1.72	14.65	30.62	-34.20	9.29	16.20
Median	15.38	-0.50	13.08	26.21	-36.91	5.86	14.20
3rd Quartile	13.13	-2.72	11.32	21.85	-39.71	3.25	11.87
95th Percentile	9.50	-7.95	7.73	17.74	-44.05	-4.38	6.88

Victory Diversified Stock I

Fund Information

Fund Name : Victory Portfolios: Diversified Stock Fund; Class I Shares
 Fund Family : Victory Capital Management Inc
 Ticker : VDSIX
 Inception Date : 08/31/2007
 Fund Assets : \$396 Million
 Portfolio Turnover : 87%

Portfolio Assets : \$1,545 Million
 Portfolio Manager : Babin/Danes/Rains
 PM Tenure : 2007--2007--2007
 Fund Style : IM U.S. Large Cap Core Equity (MF)
 Style Benchmark : S&P 500

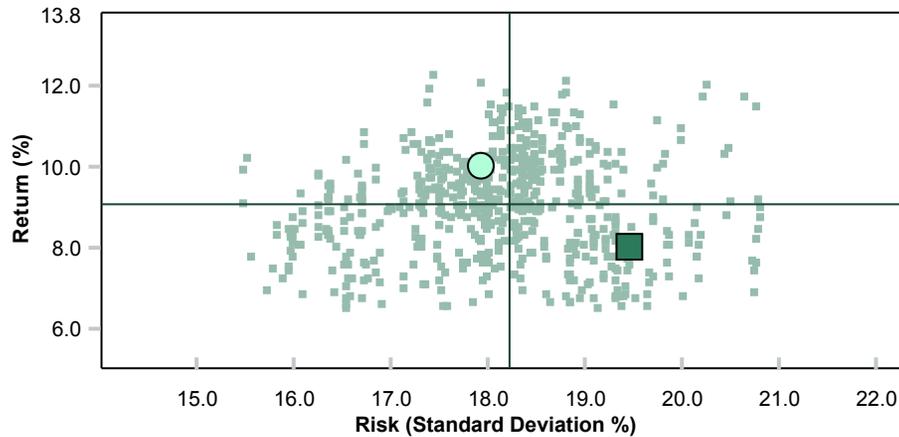
Fund Investment Policy

The Fund seeks long-term growth of capital by investing in primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

Historical Statistics (10/01/08 - 09/30/13) *

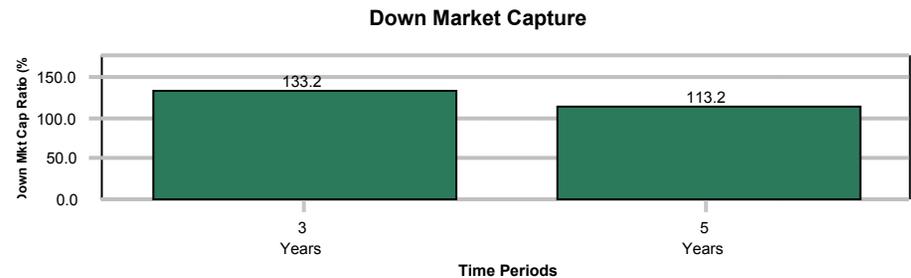
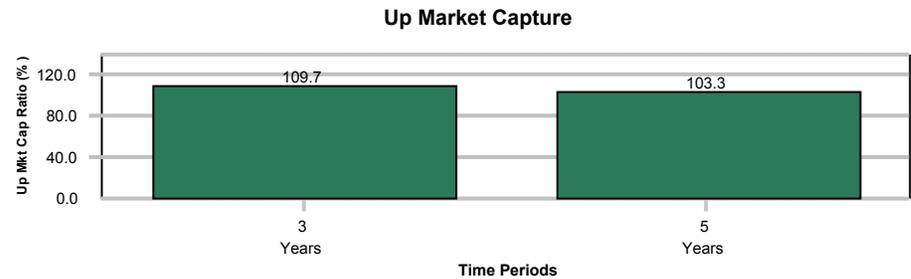
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Victory Diversified Stock I	8.02	19.46	0.49	-2.24	1.06	0.96	4.02	-0.39	19.50	09/01/2007
S&P 500	10.02	17.93	0.62	0.00	1.00	1.00	0.00	N/A	17.96	09/01/2007
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.15	17.96	-0.62	0.00	09/01/2007

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Victory Diversified Stock I	8.02	19.46
● S&P 500	10.02	17.93
— Median	9.07	18.21

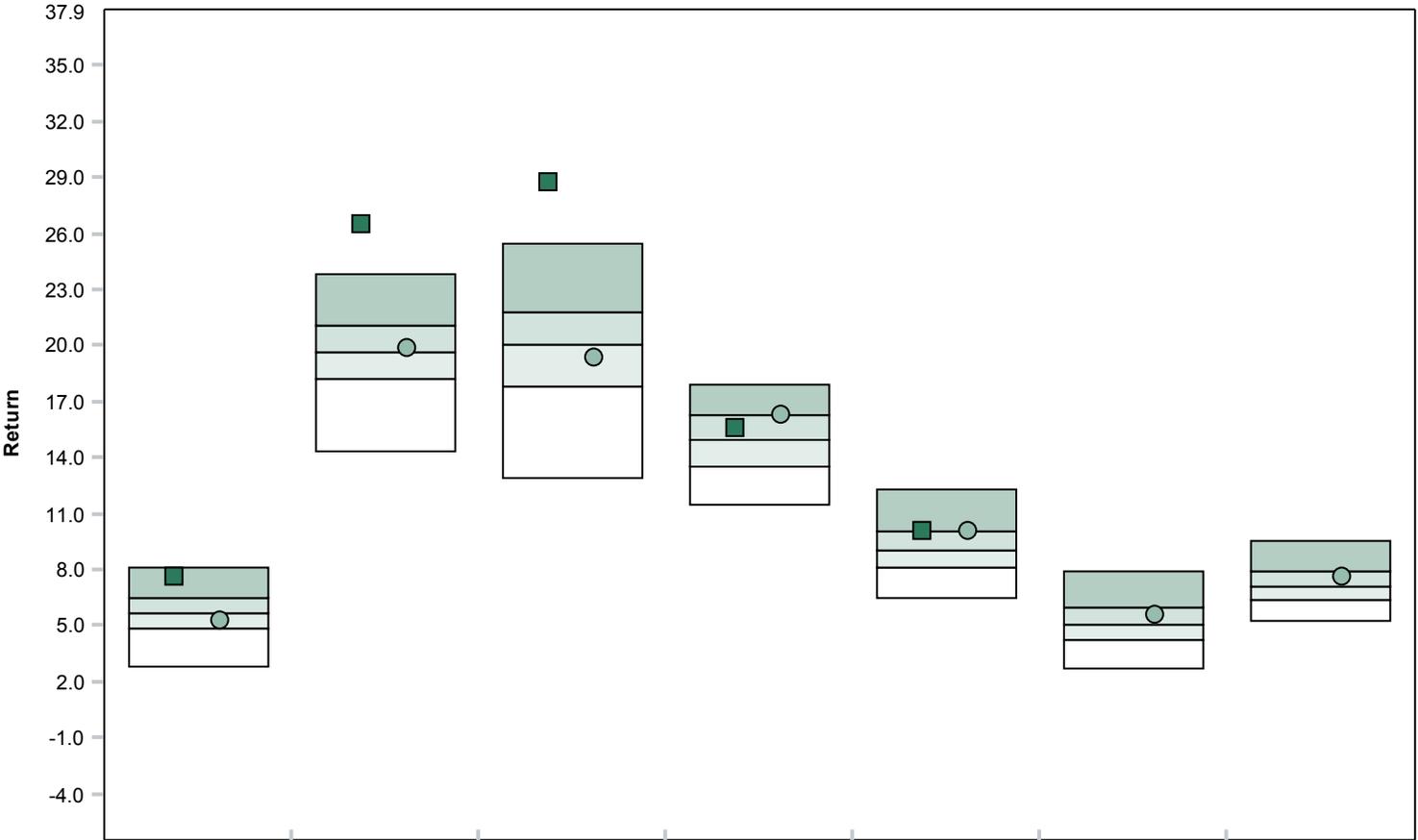
Up Down Market Capture



* Monthly periodicity used.

Neuberger Berman Socially Responsive Instl

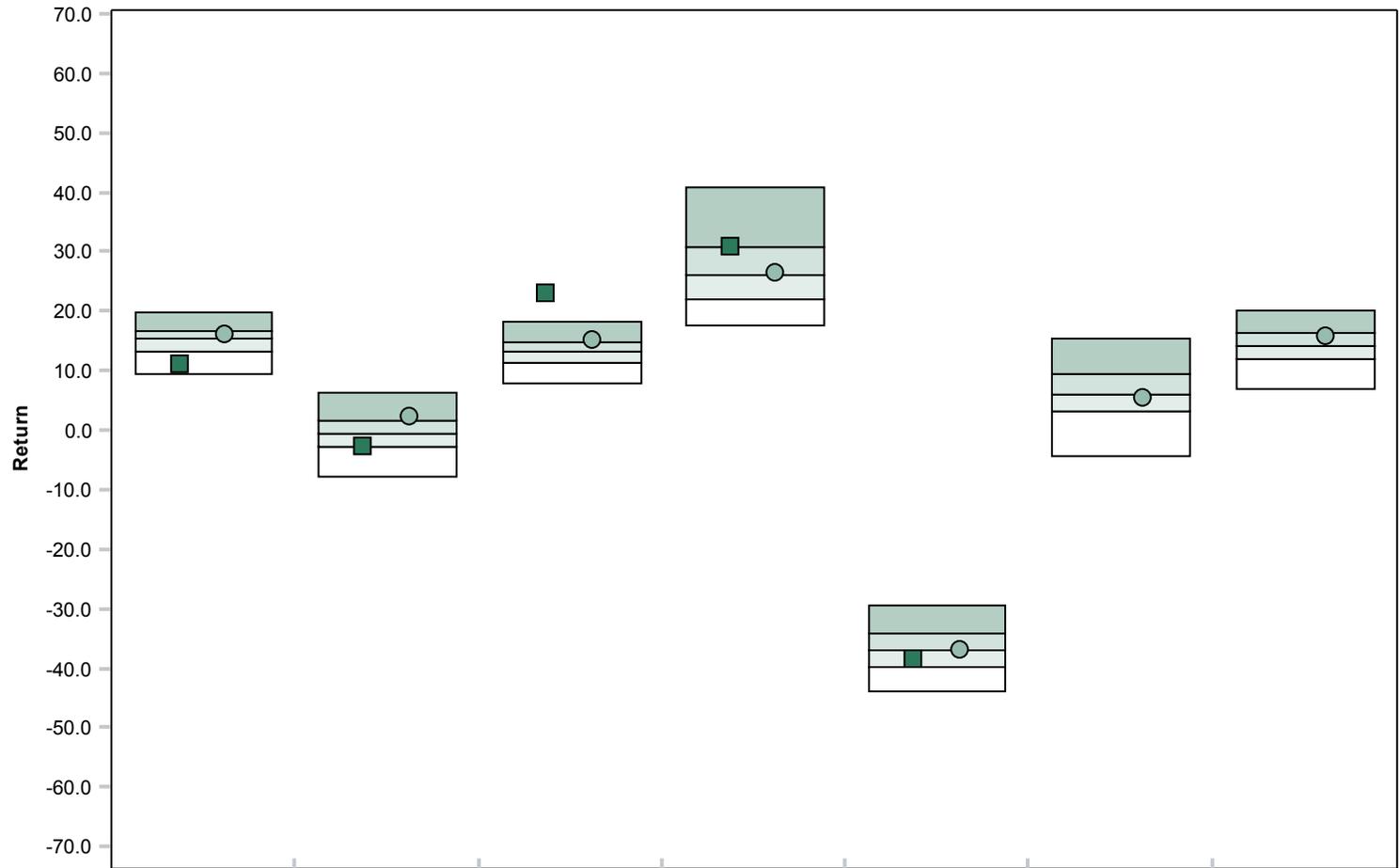
Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



■ Neuberger Berman Socially Responsive Instl
● S&P 500

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Neuberger Berman Socially Responsive Instl	7.59 (9)	26.44 (1)	28.76 (1)	15.56 (38)	10.06 (25)	N/A	N/A
S&P 500	5.24 (63)	19.79 (47)	19.34 (59)	16.27 (25)	10.02 (26)	5.60 (36)	7.57 (33)
5th Percentile	8.06	23.83	25.42	17.90	12.29	7.93	9.53
1st Quartile	6.48	21.08	21.83	16.25	10.03	5.99	7.86
Median	5.61	19.63	20.00	14.95	9.07	5.09	7.10
3rd Quartile	4.80	18.26	17.82	13.50	8.06	4.25	6.37
95th Percentile	2.83	14.31	12.88	11.47	6.47	2.65	5.23

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



	2012	2011	2010	2009	2008	2007	2006
■ Neuberger Berman Socially Responsive Instl	11.15 (89)	-2.72 (76)	23.06 (2)	30.83 (24)	-38.69 (68)	N/A	N/A
● S&P 500	16.00 (39)	2.11 (23)	15.06 (21)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (31)
5th Percentile	19.76	6.25	18.08	40.64	-29.41	15.24	20.08
1st Quartile	16.71	1.72	14.65	30.62	-34.20	9.29	16.20
Median	15.38	-0.50	13.08	26.21	-36.91	5.86	14.20
3rd Quartile	13.13	-2.72	11.32	21.85	-39.71	3.25	11.87
95th Percentile	9.50	-7.95	7.73	17.74	-44.05	-4.38	6.88

Neuberger Berman Socially Responsive Instl

Fund Information

Fund Name : Neuberger Berman Equity Funds: Neuberger Berman Socially Responsive Fund; Institutional Class Shares
 Fund Family : Neuberger Berman Management LLC
 Ticker : NBSLX
 Inception Date : 11/28/2007
 Fund Assets : \$597 Million

Portfolio Assets : \$2,305 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Large Cap Core Equity (MF)
 Style Benchmark : S&P 500

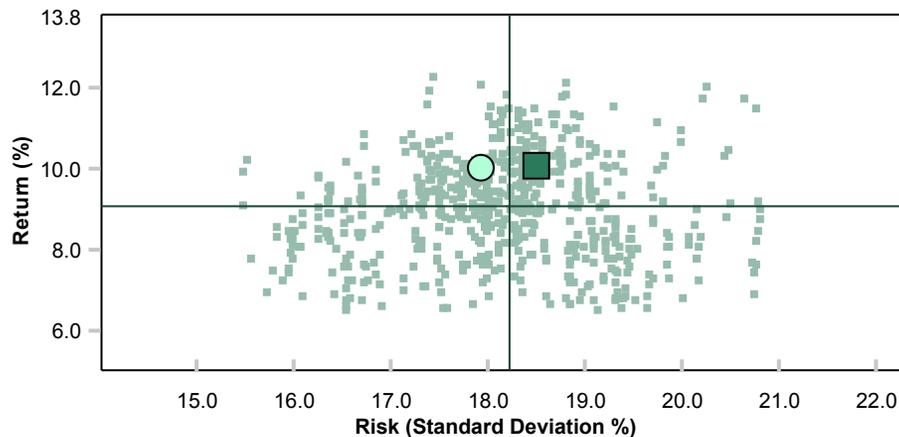
Fund Investment Policy

The Fund seeks long-term growth of capital by investing primarily in securities of companies that meet the fund's financial criteria and social policy. The Fund invests primarily in common stocks of mid- to large-capitalization companies that show leadership in socially progressive areas.

Historical Statistics (10/01/08 - 09/30/13) *

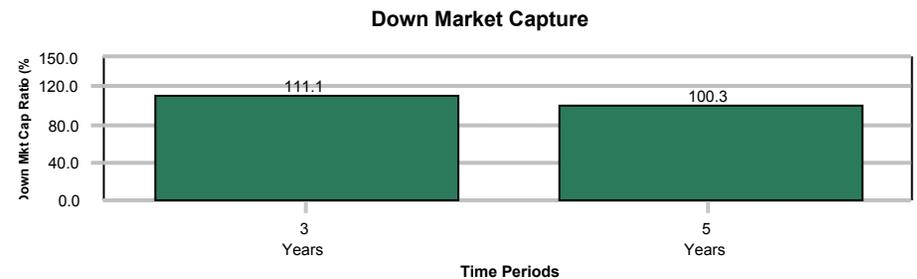
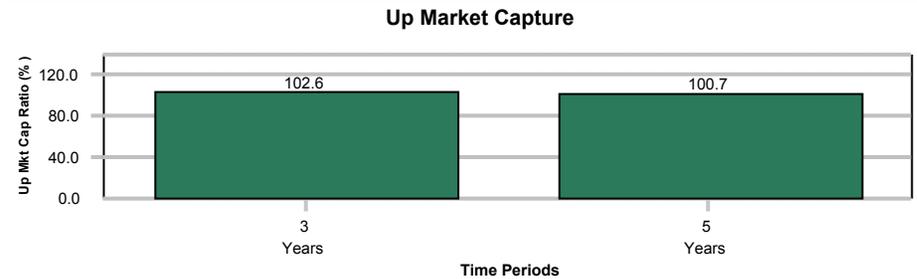
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Neuberger Berman Socially Responsive Instl	10.06	18.51	0.61	0.24	0.99	0.93	5.06	0.03	18.55	12/01/2007
S&P 500	10.02	17.93	0.62	0.00	1.00	1.00	0.00	N/A	17.96	12/01/2007
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.15	17.96	-0.62	0.00	12/01/2007

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Neuberger Berman Socially Responsive Instl	10.06	18.51
● S&P 500	10.02	17.93
— Median	9.07	18.21

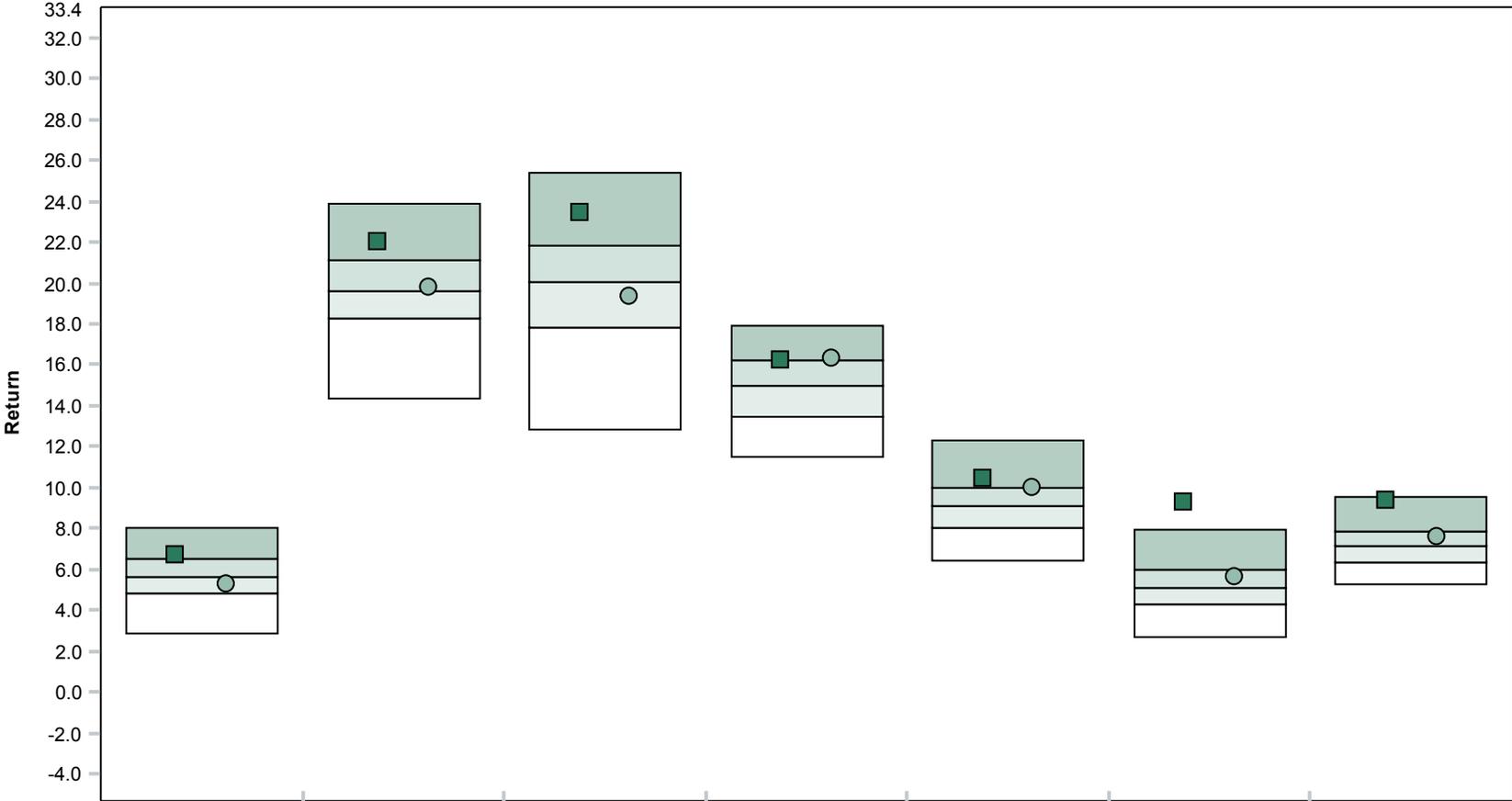
Up Down Market Capture



* Monthly periodicity used.

Parnassus Equity Income

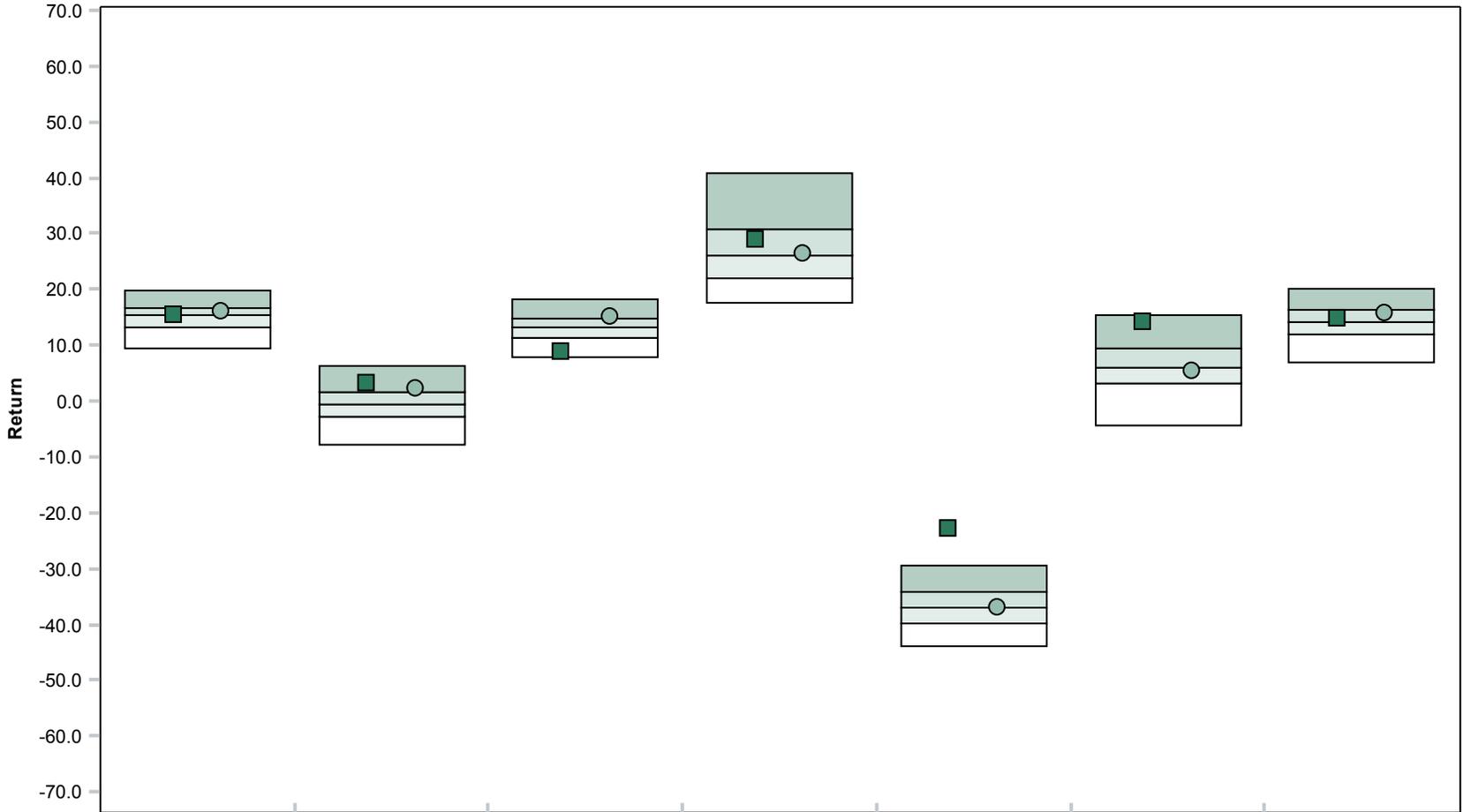
Peer Group Analysis - IM U.S. Large Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Parnassus Equity Income	6.74 (19)	21.98 (16)	23.44 (12)	16.18 (27)	10.47 (15)	9.28 (2)	9.34 (6)
● S&P 500	5.24 (63)	19.79 (47)	19.34 (59)	16.27 (25)	10.02 (26)	5.60 (36)	7.57 (33)
5th Percentile	8.06	23.83	25.42	17.90	12.29	7.93	9.53
1st Quartile	6.48	21.08	21.83	16.25	10.03	5.99	7.86
Median	5.61	19.63	20.00	14.95	9.07	5.09	7.10
3rd Quartile	4.80	18.26	17.82	13.50	8.06	4.25	6.37
95th Percentile	2.83	14.31	12.88	11.47	6.47	2.65	5.23

Parnassus Equity Income

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



	2012	2011	2010	2009	2008	2007	2006
■ Parnassus Equity Income	15.43 (50)	3.13 (17)	8.89 (91)	28.73 (36)	-22.95 (1)	14.13 (6)	14.70 (45)
● S&P 500	16.00 (39)	2.11 (23)	15.06 (21)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (31)
5th Percentile	19.76	6.25	18.08	40.64	-29.41	15.24	20.08
1st Quartile	16.71	1.72	14.65	30.62	-34.20	9.29	16.20
Median	15.38	-0.50	13.08	26.21	-36.91	5.86	14.20
3rd Quartile	13.13	-2.72	11.32	21.85	-39.71	3.25	11.87
95th Percentile	9.50	-7.95	7.73	17.74	-44.05	-4.38	6.88

Parnassus Equity Income

Fund Information

Fund Name : Parnassus Income Funds: Equity Income Fund; Investor Shares
 Fund Family : Parnassus Investments
 Ticker : PRBLX
 Inception Date : 08/31/1992
 Fund Assets : \$5,471 Million
 Portfolio Turnover : 24%

Portfolio Assets : \$7,059 Million
 Portfolio Manager : Todd Ahlsten
 PM Tenure : 2001
 Fund Style : IM U.S. Large Cap Core Equity (MF)
 Style Benchmark : S&P 500

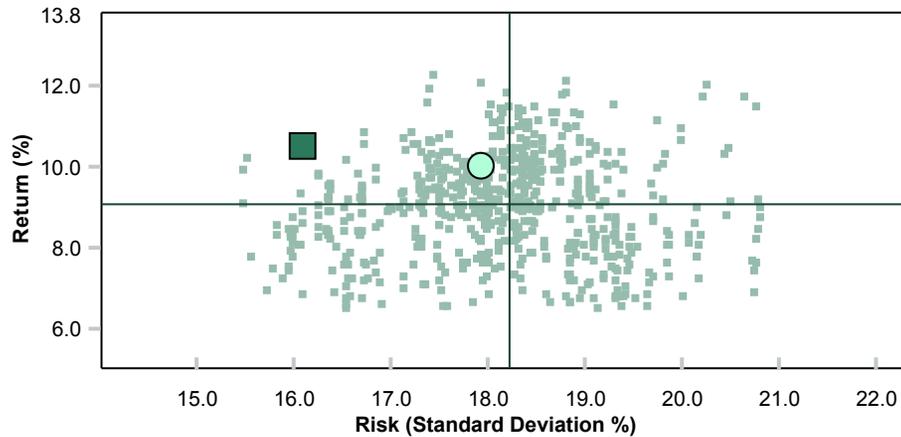
Fund Investment Policy

The Fund seeks current income and capital appreciation. The Fund also screens all investments using social responsibility criteria.

Historical Statistics (10/01/08 - 09/30/13) *

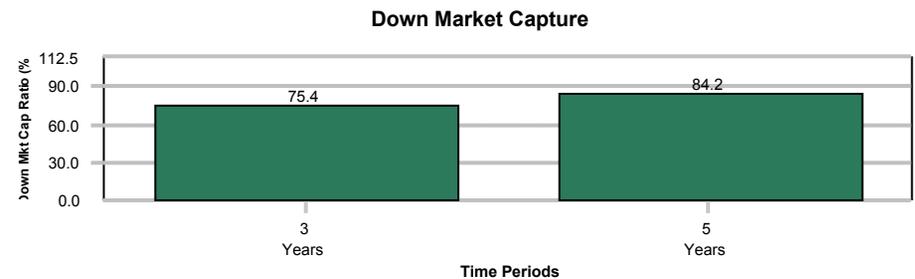
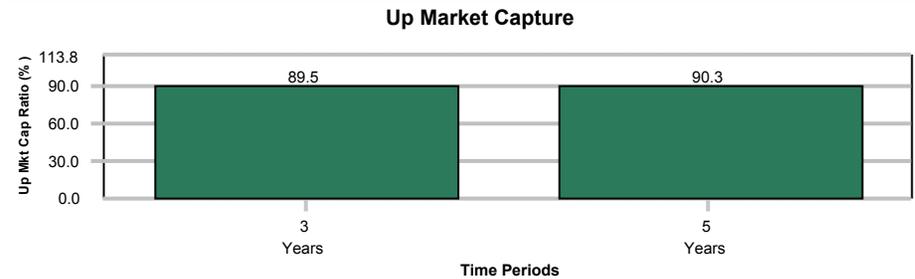
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Parnassus Equity Income	10.47	16.10	0.69	1.55	0.87	0.94	4.51	0.02	16.13	09/01/1992
S&P 500	10.02	17.93	0.62	0.00	1.00	1.00	0.00	N/A	17.96	09/01/1992
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.15	17.96	-0.62	0.00	09/01/1992

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Parnassus Equity Income	10.47	16.10
○ S&P 500	10.02	17.93
— Median	9.07	18.21

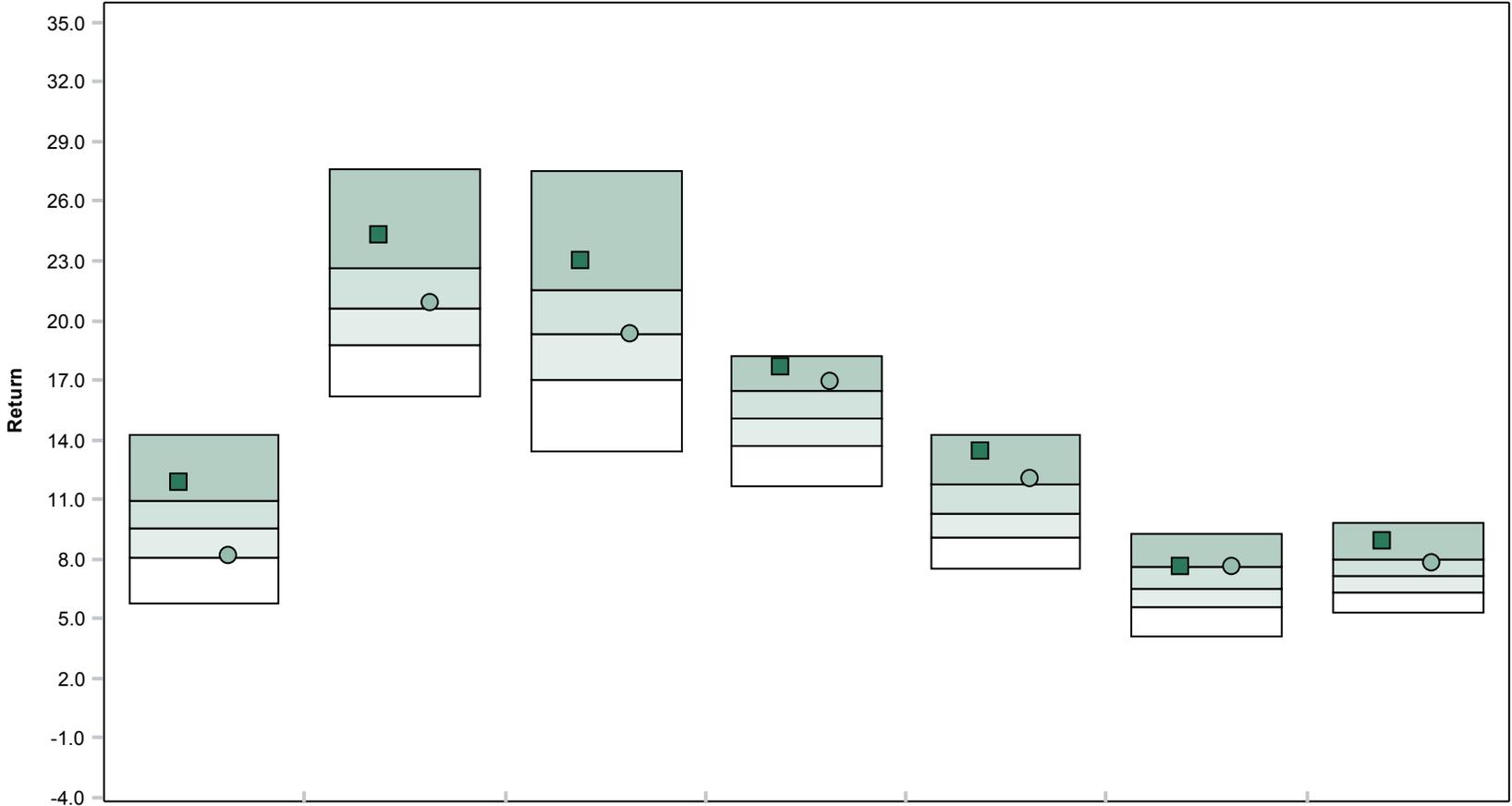
Up Down Market Capture



* Monthly periodicity used.

T.Rowe Price Growth Stock

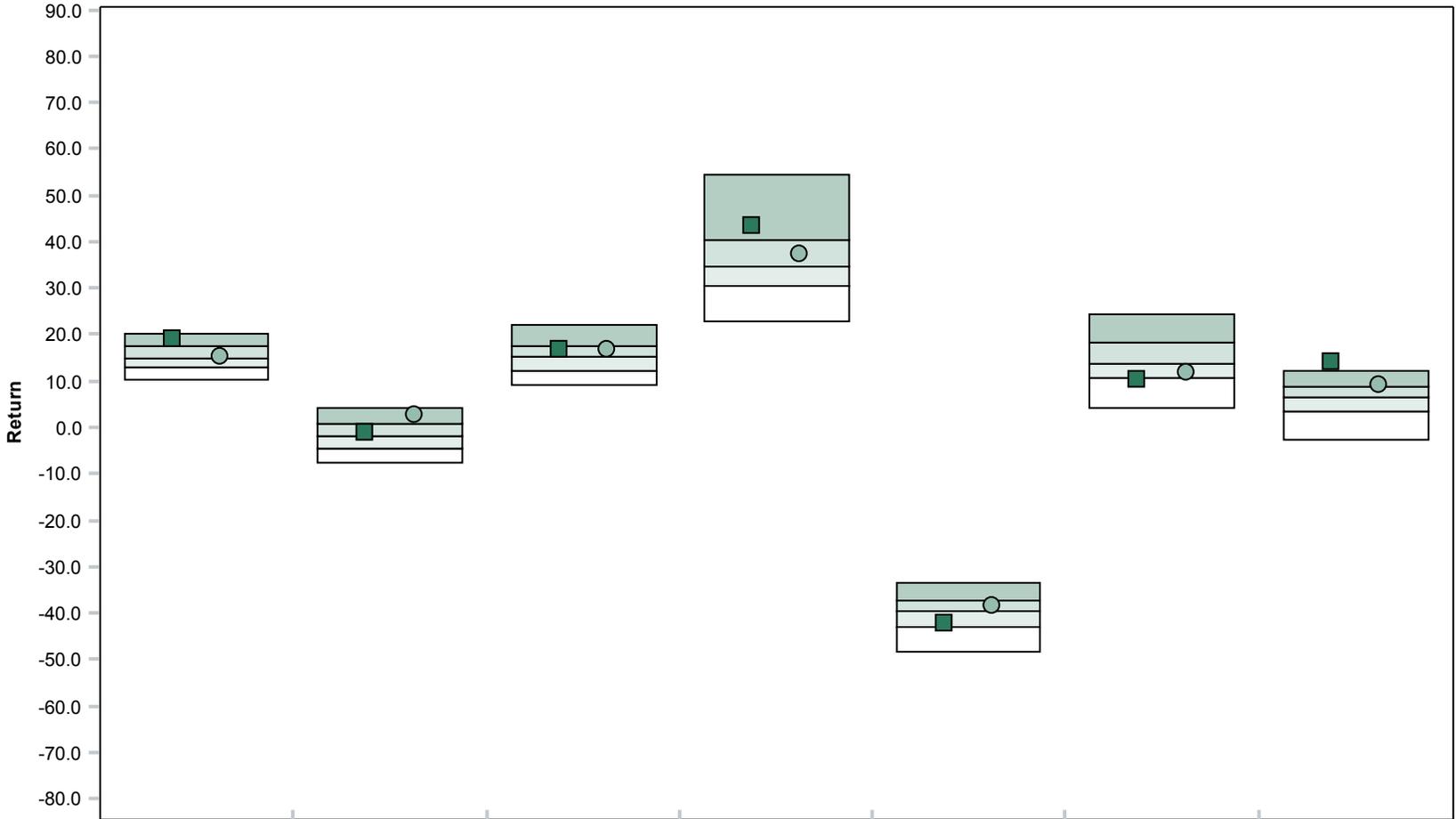
Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ T.Rowe Price Growth Stock	11.86 (14)	24.33 (10)	23.03 (17)	17.69 (9)	13.38 (11)	7.59 (26)	8.87 (11)
● Russell 1000 Growth Index	8.11 (74)	20.87 (48)	19.27 (51)	16.94 (19)	12.07 (20)	7.60 (25)	7.82 (28)
5th Percentile	14.23	27.65	27.55	18.19	14.24	9.26	9.78
1st Quartile	10.94	22.63	21.54	16.48	11.72	7.59	7.99
Median	9.52	20.61	19.35	15.05	10.24	6.52	7.14
3rd Quartile	8.02	18.76	16.97	13.72	9.05	5.53	6.32
95th Percentile	5.80	16.14	13.41	11.64	7.53	4.06	5.25

T.Rowe Price Growth Stock

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



	2012	2011	2010	2009	2008	2007	2006
■ T.Rowe Price Growth Stock	18.92 (13)	-0.97 (40)	16.93 (30)	43.25 (16)	-42.26 (69)	10.37 (77)	14.05 (3)
● Russell 1000 Growth Index	15.26 (47)	2.64 (11)	16.71 (32)	37.21 (37)	-38.44 (39)	11.81 (67)	9.07 (22)
5th Percentile	20.24	4.29	22.15	54.24	-33.48	24.50	12.30
1st Quartile	17.40	0.64	17.32	40.39	-37.36	18.26	8.70
Median	14.91	-1.77	15.13	34.63	-39.64	13.77	6.52
3rd Quartile	13.02	-4.49	12.03	30.59	-43.12	10.62	3.35
95th Percentile	10.32	-7.65	9.20	22.76	-48.54	4.24	-2.76

T.Rowe Price Growth Stock

Fund Information

Fund Name : T Rowe Price Growth Stock Fund, Inc
 Fund Family : T Rowe Price Associates Inc
 Ticker : PRGFX
 Inception Date : 04/11/1950
 Fund Assets : \$31,510 Million
 Portfolio Turnover : 31%

Portfolio Assets : \$35,181 Million
 Portfolio Manager : P. Robert Bartolo
 PM Tenure : 2007
 Fund Style : IM U.S. Large Cap Growth Equity (MF)
 Style Benchmark : Russell 1000 Growth Index

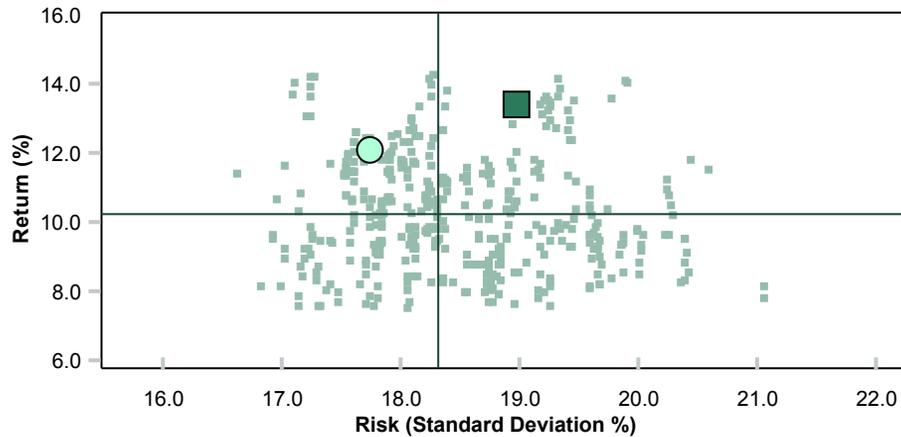
Fund Investment Policy

The Fund seeks to provide long-term capital growth and, secondarily, increasing dividend income through investments in the common stocks of well-established growth companies. The Fund will normally invest at least 80% of net assets in the common stocks of a diversified group of growth companies.

Historical Statistics (10/01/08 - 09/30/13) *

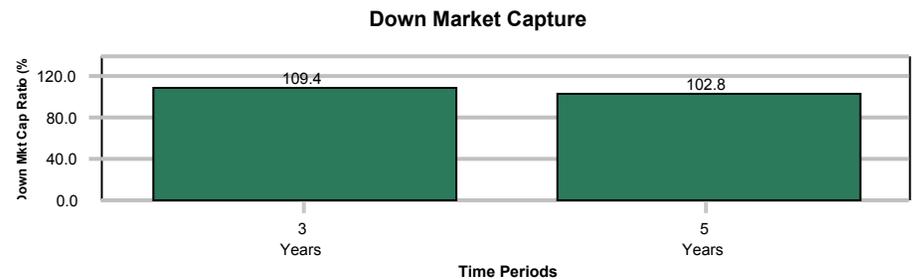
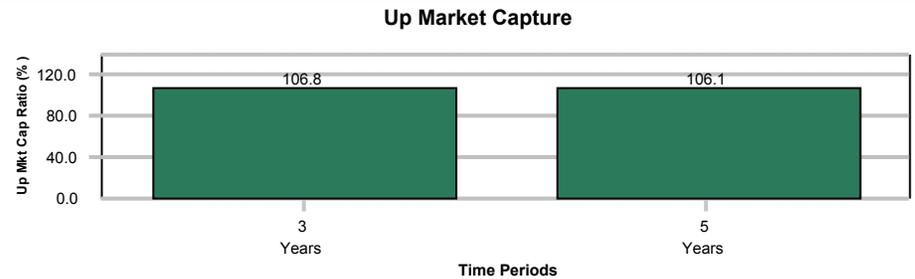
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
T.Rowe Price Growth Stock	13.38	18.97	0.75	0.70	1.05	0.97	3.35	0.42	19.01	01/01/1960
Russell 1000 Growth Index	12.07	17.74	0.73	0.00	1.00	1.00	0.00	N/A	17.77	01/01/1960
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.19	17.77	-0.73	0.00	01/01/1960

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ T.Rowe Price Growth Stock	13.38	18.97
○ Russell 1000 Growth Index	12.07	17.74
— Median	10.24	18.31

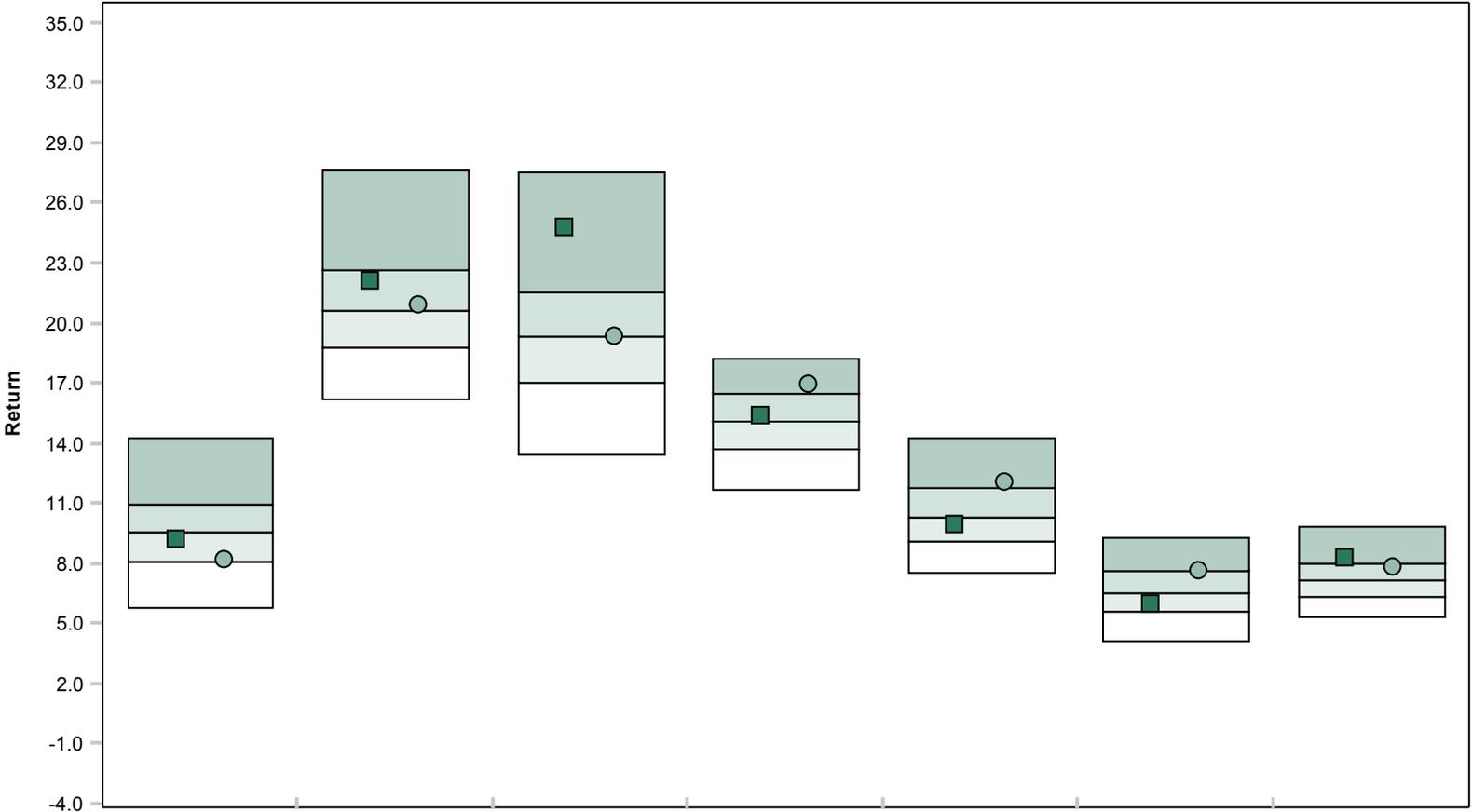
Up Down Market Capture



* Monthly periodicity used.

American Funds Growth Fund R3

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

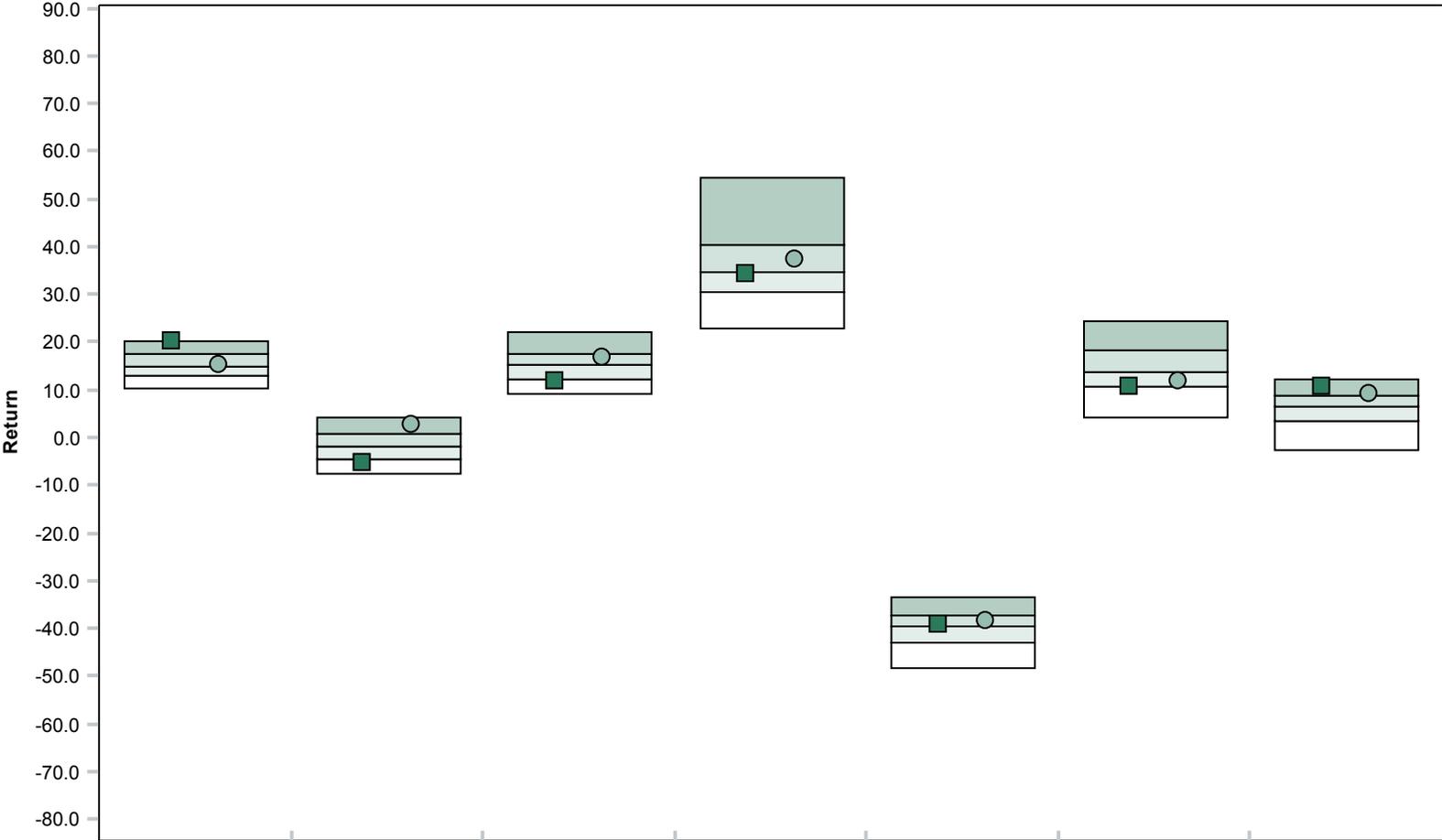


■ American Funds Growth Fund R3
● Russell 1000 Growth Index

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
American Funds Growth Fund R3	9.16 (55)	22.07 (33)	24.75 (9)	15.31 (45)	9.93 (54)	5.90 (66)	8.26 (20)
Russell 1000 Growth Index	8.11 (74)	20.87 (48)	19.27 (51)	16.94 (19)	12.07 (20)	7.60 (25)	7.82 (28)
5th Percentile	14.23	27.65	27.55	18.19	14.24	9.26	9.78
1st Quartile	10.94	22.63	21.54	16.48	11.72	7.59	7.99
Median	9.52	20.61	19.35	15.05	10.24	6.52	7.14
3rd Quartile	8.02	18.76	16.97	13.72	9.05	5.53	6.32
95th Percentile	5.80	16.14	13.41	11.64	7.53	4.06	5.25

American Funds Growth Fund R3

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



	2012	2011	2010	2009	2008	2007	2006
■ American Funds Growth Fund R3	20.20 (6)	-5.14 (82)	11.95 (76)	34.12 (54)	-39.24 (47)	10.59 (76)	10.62 (10)
● Russell 1000 Growth Index	15.26 (47)	2.64 (11)	16.71 (32)	37.21 (37)	-38.44 (39)	11.81 (67)	9.07 (22)
5th Percentile	20.24	4.29	22.15	54.24	-33.48	24.50	12.30
1st Quartile	17.40	0.64	17.32	40.39	-37.36	18.26	8.70
Median	14.91	-1.77	15.13	34.63	-39.64	13.77	6.52
3rd Quartile	13.02	-4.49	12.03	30.59	-43.12	10.62	3.35
95th Percentile	10.32	-7.65	9.20	22.76	-48.54	4.24	-2.76

American Funds Growth Fund R3

Fund Information

Fund Name : Growth Fund of America; Class R-3 Shares
 Fund Family : American Funds
 Ticker : RGACX
 Inception Date : 05/21/2002
 Fund Assets : \$7,769 Million
 Portfolio Turnover : 18%

Portfolio Assets : \$123,491 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Large Cap Growth Equity (MF)
 Style Benchmark : Russell 1000 Growth Index

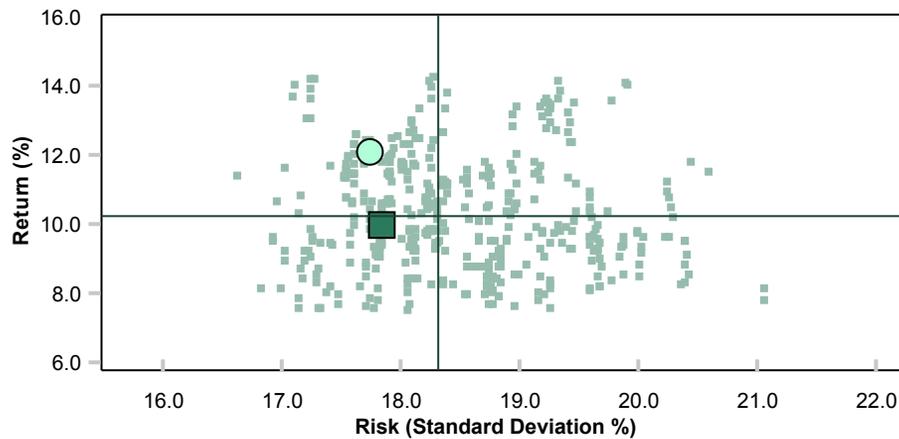
Fund Investment Policy

The Fund seeks to provide growth of capital. The Fund invests primarily in common stocks in companies that appear to offer superior opportunities for growth of capital. The Fund seeks to invest in attractively valued companies that, in the Adviser's opinion, represent good, long-term investment opportunities.

Historical Statistics (10/01/08 - 09/30/13) *

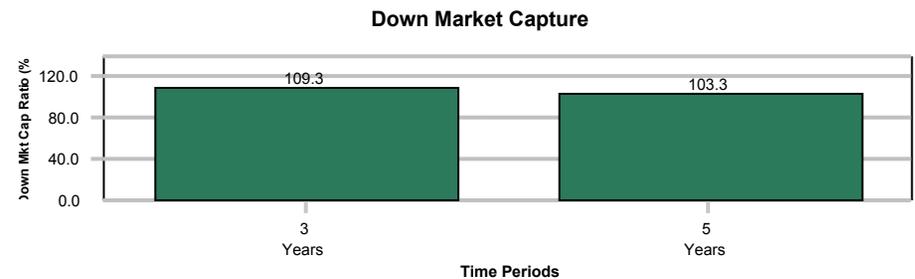
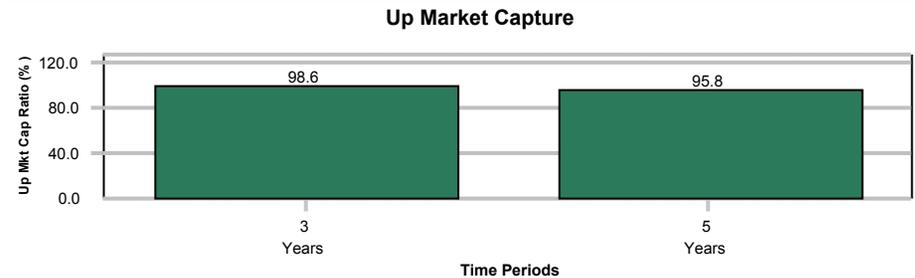
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Funds Growth Fund R3	9.93	17.84	0.61	-1.83	0.99	0.98	2.68	-0.72	17.88	06/01/2002
Russell 1000 Growth Index	12.07	17.74	0.73	0.00	1.00	1.00	0.00	N/A	17.77	06/01/2002
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.19	17.77	-0.73	0.00	06/01/2002

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
American Funds Growth Fund R3	9.93	17.84
Russell 1000 Growth Index	12.07	17.74
Median	10.24	18.31

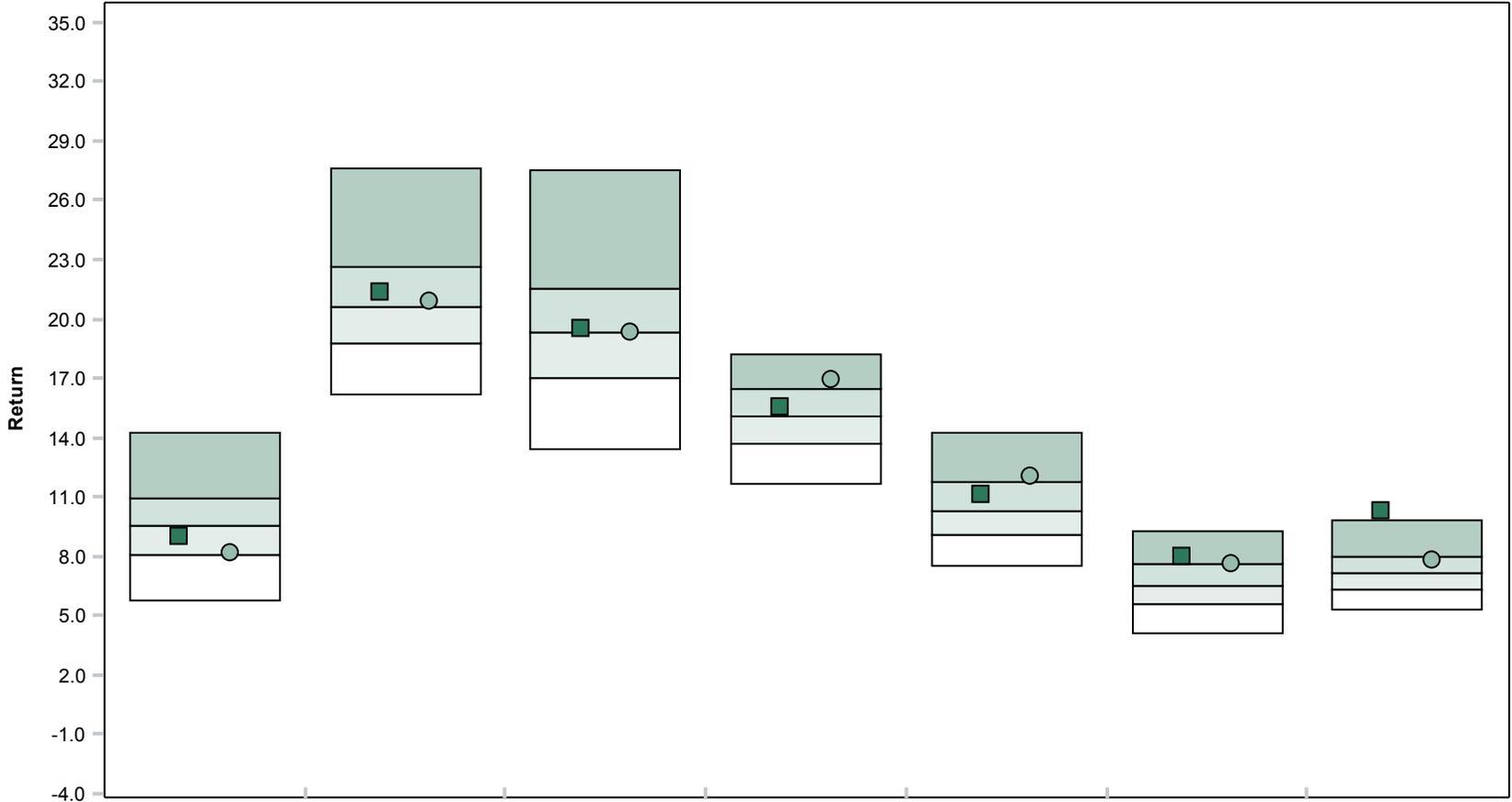
Up Down Market Capture



* Monthly periodicity used.

Fidelity Contrafund

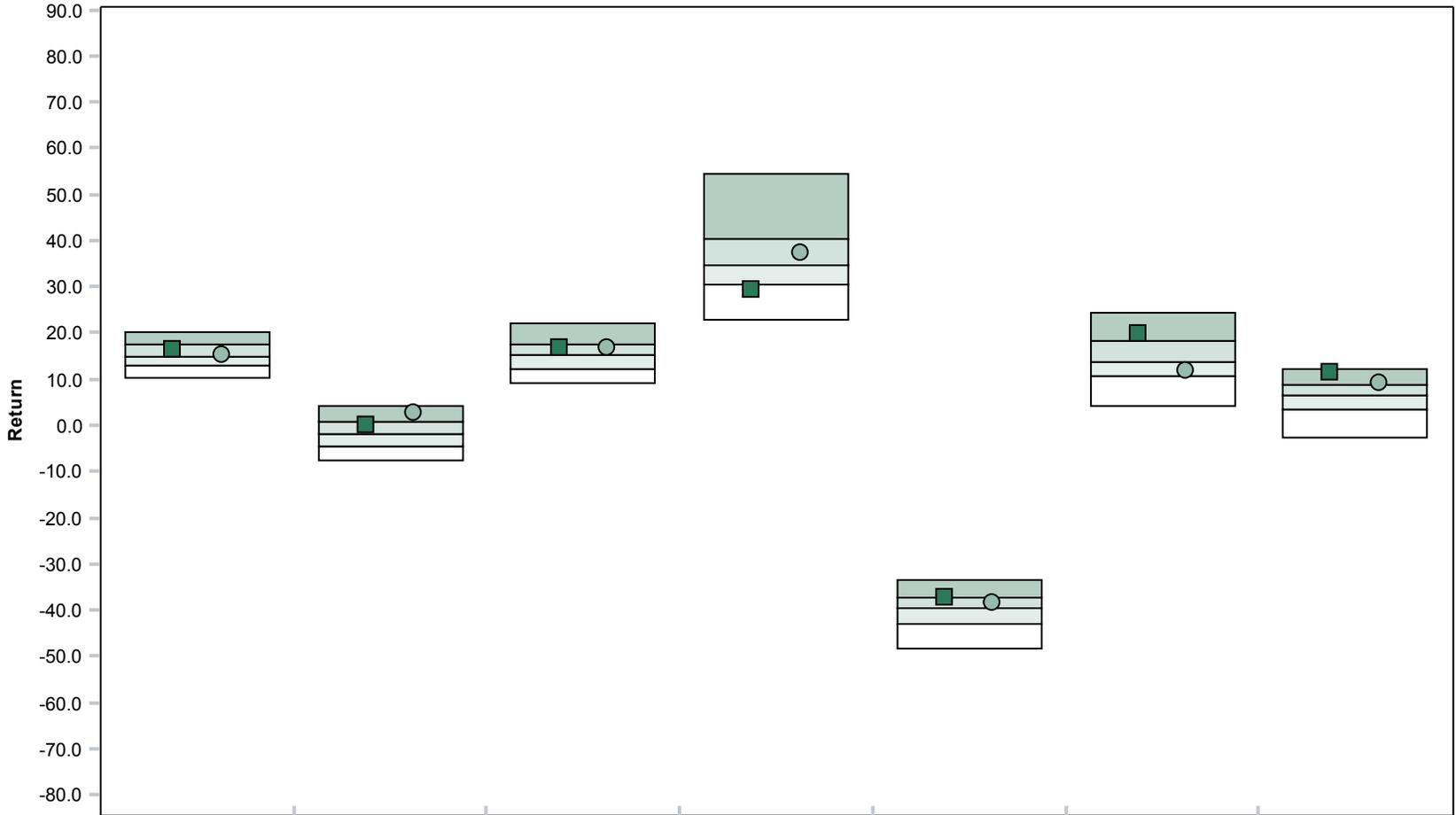
Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Fidelity Contrafund	8.94 (58)	21.38 (42)	19.46 (49)	15.54 (41)	11.12 (36)	7.93 (17)	10.29 (3)
● Russell 1000 Growth Index	8.11 (74)	20.87 (48)	19.27 (51)	16.94 (19)	12.07 (20)	7.60 (25)	7.82 (28)
5th Percentile	14.23	27.65	27.55	18.19	14.24	9.26	9.78
1st Quartile	10.94	22.63	21.54	16.48	11.72	7.59	7.99
Median	9.52	20.61	19.35	15.05	10.24	6.52	7.14
3rd Quartile	8.02	18.76	16.97	13.72	9.05	5.53	6.32
95th Percentile	5.80	16.14	13.41	11.64	7.53	4.06	5.25

Fidelity Contrafund

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



	2012	2011	2010	2009	2008	2007	2006
■ Fidelity Contrafund	16.24 (35)	-0.12 (31)	16.93 (30)	29.23 (80)	-37.16 (23)	19.78 (19)	11.54 (7)
● Russell 1000 Growth Index	15.26 (47)	2.64 (11)	16.71 (32)	37.21 (37)	-38.44 (39)	11.81 (67)	9.07 (22)
5th Percentile	20.24	4.29	22.15	54.24	-33.48	24.50	12.30
1st Quartile	17.40	0.64	17.32	40.39	-37.36	18.26	8.70
Median	14.91	-1.77	15.13	34.63	-39.64	13.77	6.52
3rd Quartile	13.02	-4.49	12.03	30.59	-43.12	10.62	3.35
95th Percentile	10.32	-7.65	9.20	22.76	-48.54	4.24	-2.76

Fidelity Contrafund

Fund Information

Fund Name : Fidelity Contrafund
 Fund Family : Fidelity Management & Research Company
 Ticker : FCNTX
 Inception Date : 05/17/1967
 Fund Assets : \$65,835 Million
 Portfolio Turnover : 48%

Portfolio Assets : \$96,586 Million
 Portfolio Manager : Will Danoff
 PM Tenure : 1990
 Fund Style : IM U.S. Large Cap Growth Equity (MF)
 Style Benchmark : Russell 1000 Growth Index

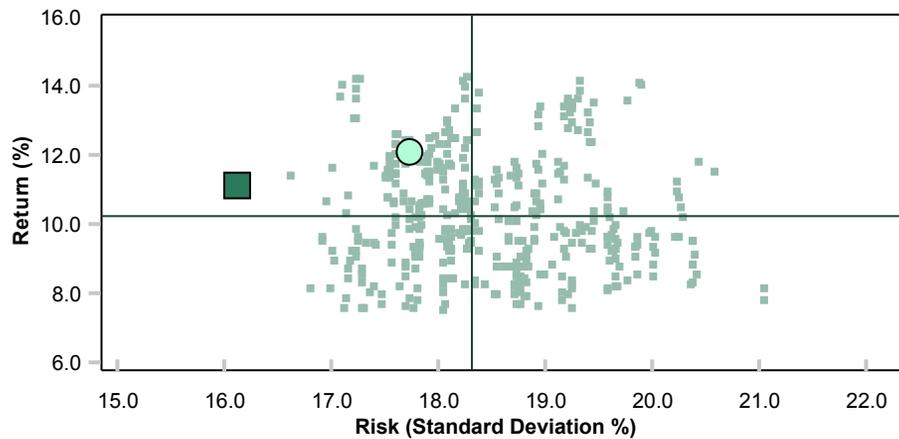
Fund Investment Policy

The Fund seeks capital appreciation. The Fund seeks to achieve its investment objective by investing in securities of companies whose value it believes is not fully recognized by the public. The Fund normally invests primarily in common stocks and may invest in both domestic and foreign issuers.

Historical Statistics (10/01/08 - 09/30/13) *

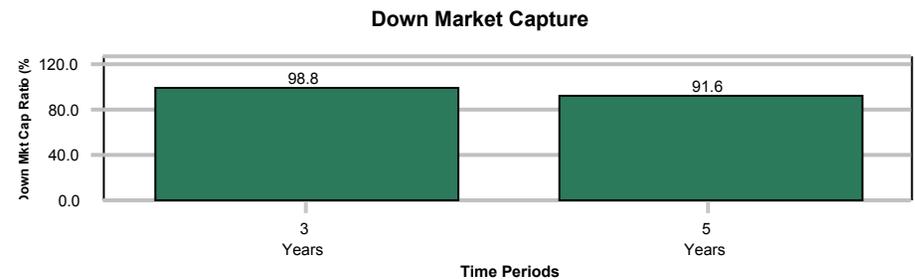
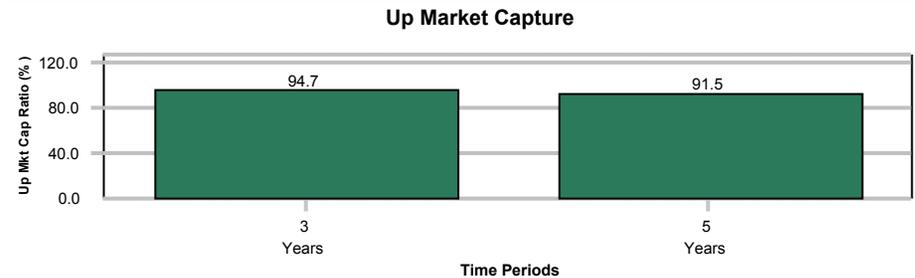
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Fidelity Contrafund	11.12	16.13	0.73	0.23	0.89	0.97	3.43	-0.33	16.17	06/01/1967
Russell 1000 Growth Index	12.07	17.74	0.73	0.00	1.00	1.00	0.00	N/A	17.77	06/01/1967
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.19	17.77	-0.73	0.00	06/01/1967

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Fidelity Contrafund	11.12	16.13
○ Russell 1000 Growth Index	12.07	17.74
— Median	10.24	18.31

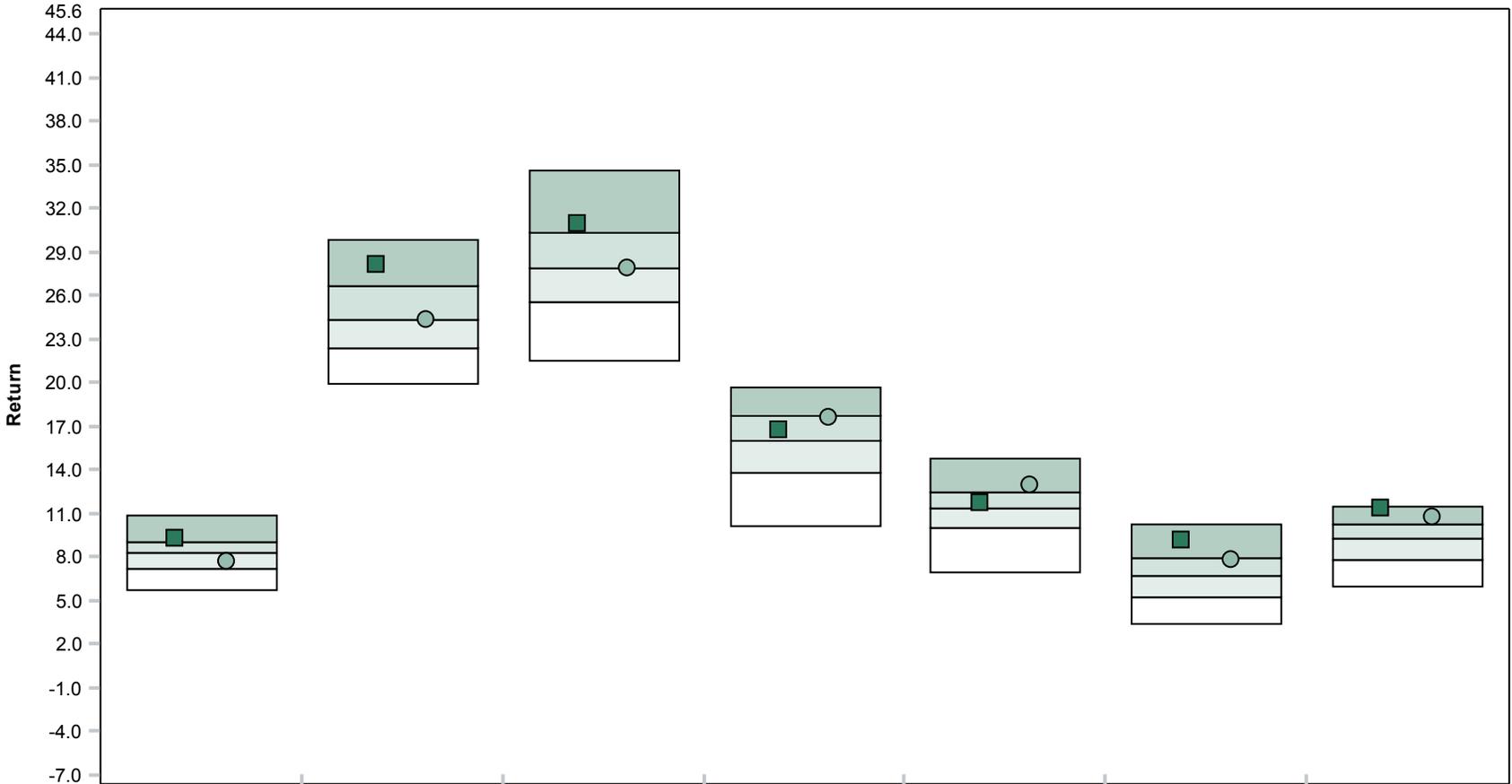
Up Down Market Capture



* Monthly periodicity used.

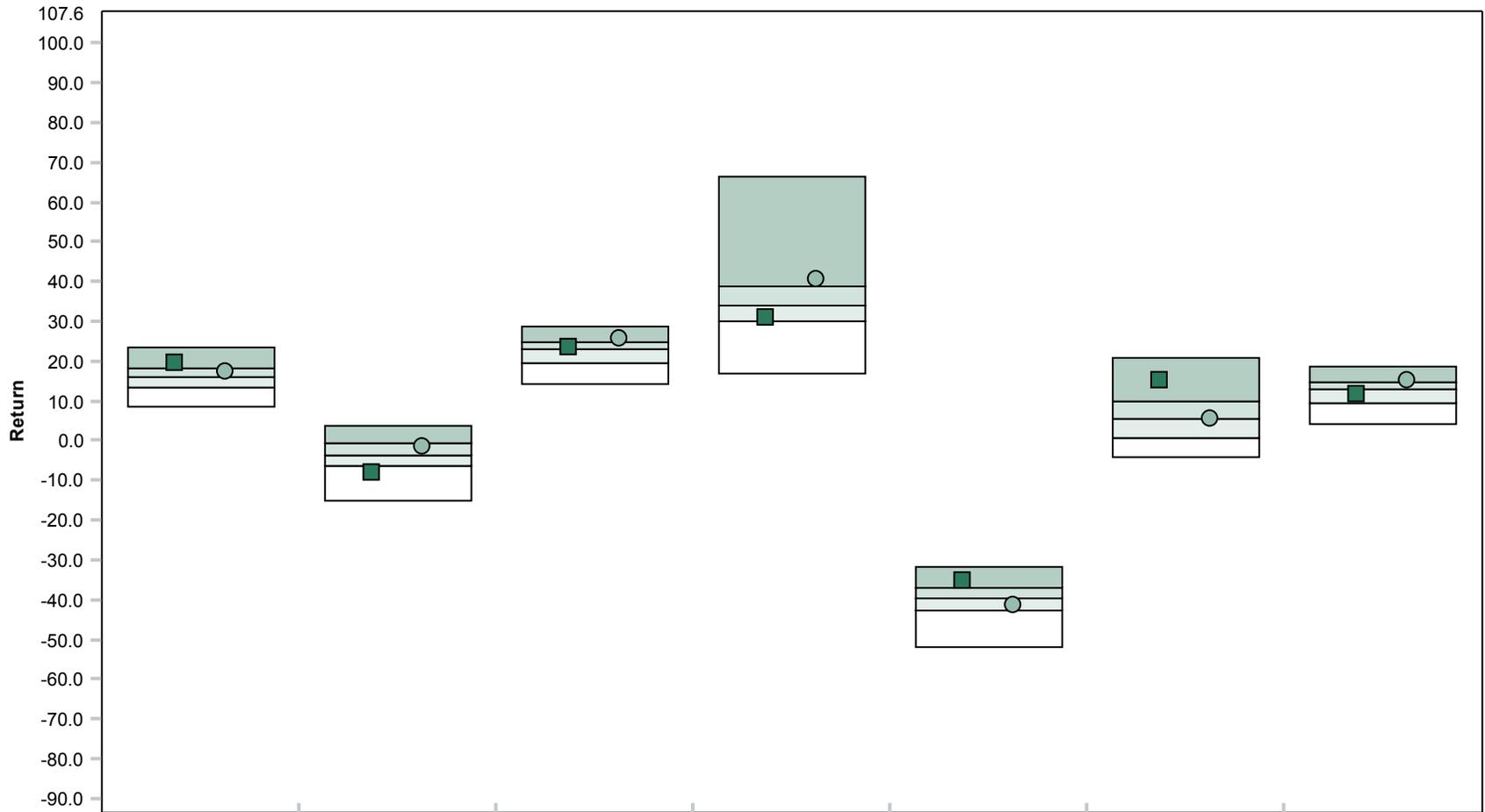
Hartford Mid Cap HLS

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Hartford Mid Cap HLS	9.29 (15)	28.12 (11)	30.98 (20)	16.77 (39)	11.76 (37)	9.08 (9)	11.37 (6)
● Russell Midcap Index	7.70 (59)	24.34 (51)	27.91 (51)	17.53 (28)	12.97 (20)	7.73 (26)	10.78 (15)
5th Percentile	10.85	29.87	34.67	19.60	14.74	10.19	11.50
1st Quartile	9.05	26.68	30.33	17.72	12.48	7.86	10.28
Median	8.21	24.35	27.93	16.02	11.27	6.63	9.26
3rd Quartile	7.12	22.34	25.52	13.79	10.01	5.21	7.76
95th Percentile	5.64	19.90	21.54	10.15	6.86	3.31	5.99

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Hartford Mid Cap HLS	19.44 (11)	-7.92 (82)	23.45 (39)	30.96 (71)	-35.32 (14)	15.30 (9)	11.74 (60)
● Russell Midcap Index	17.28 (35)	-1.55 (29)	25.47 (19)	40.48 (18)	-41.46 (63)	5.60 (50)	15.26 (22)
5th Percentile	23.38	3.60	28.49	66.17	-31.87	20.62	18.82
1st Quartile	18.09	-0.63	24.65	38.91	-37.20	9.66	14.68
Median	16.00	-3.78	23.01	33.75	-39.91	5.59	12.74
3rd Quartile	13.14	-6.54	19.63	30.00	-42.58	0.80	9.36
95th Percentile	8.38	-15.19	14.42	16.97	-52.19	-3.98	4.14

Hartford Mid Cap HLS

Fund Information

Fund Name : Hartford Series Fund, Inc: Hartford MidCap HLS Fund; Class IA
 Fund Family : Hartford Funds Management Company LLC
 Ticker :
 Inception Date : 07/14/1997
 Fund Assets : -
 Portfolio Turnover : 51%

Portfolio Assets : -
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Mid Cap Core Equity (MF)
 Style Benchmark : Russell Midcap Index

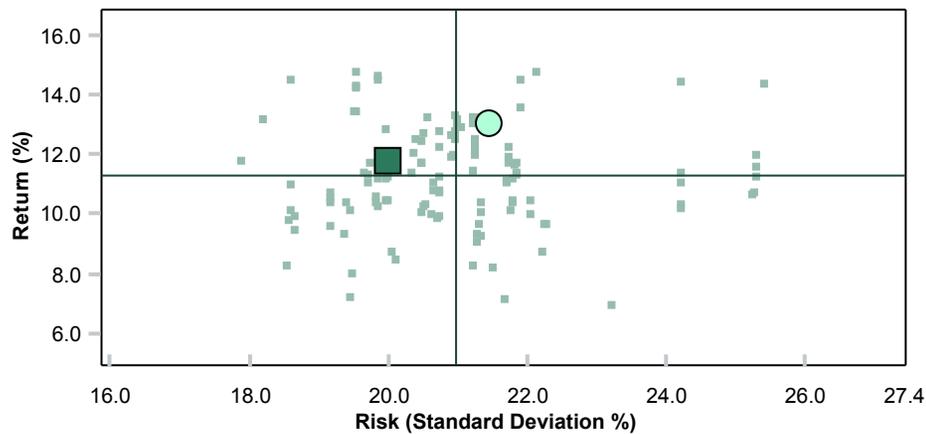
Fund Investment Policy

The Fund seeks long-term growth of capital. The Fund invests at least 80% of its assets in common stocks of mid-capitalization companies. The Fund may invest up to 20% of its total assets in securities of foreign issuers and non-dollar securities.

Historical Statistics (10/01/08 - 09/30/13) *

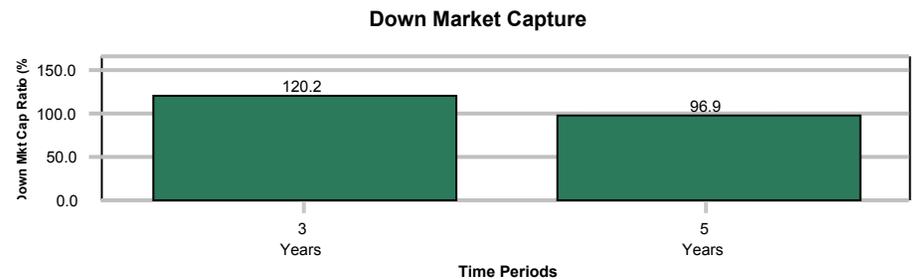
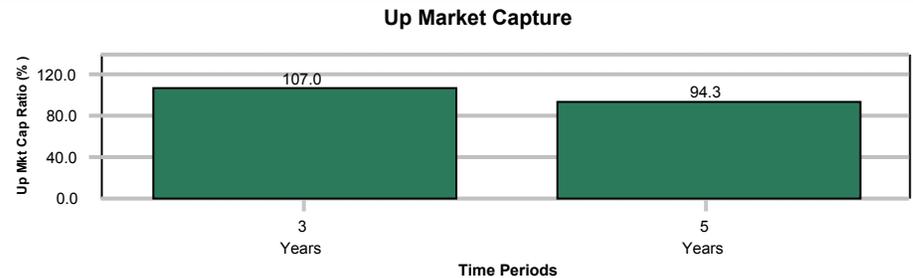
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Hartford Mid Cap HLS	11.76	20.00	0.65	-0.15	0.91	0.96	4.38	-0.33	20.04	08/01/1997
Russell Midcap Index	12.97	21.47	0.67	0.00	1.00	1.00	0.00	N/A	21.51	08/01/1997
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.20	21.51	-0.67	0.00	08/01/1997

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Hartford Mid Cap HLS	11.76	20.00
○ Russell Midcap Index	12.97	21.47
— Median	11.27	20.98

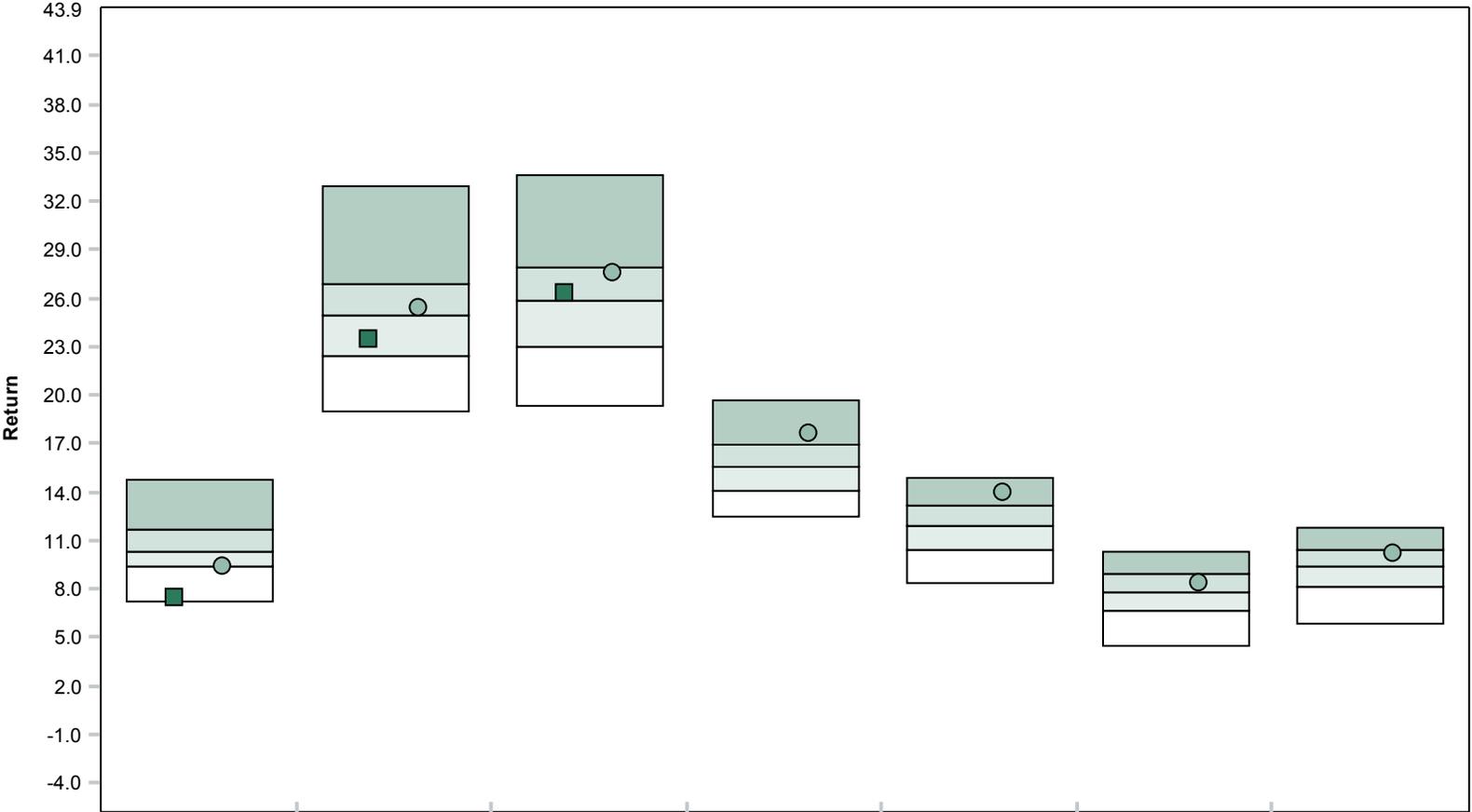
Up Down Market Capture



* Monthly periodicity used.

Munder Mid Cap Core Growth R6

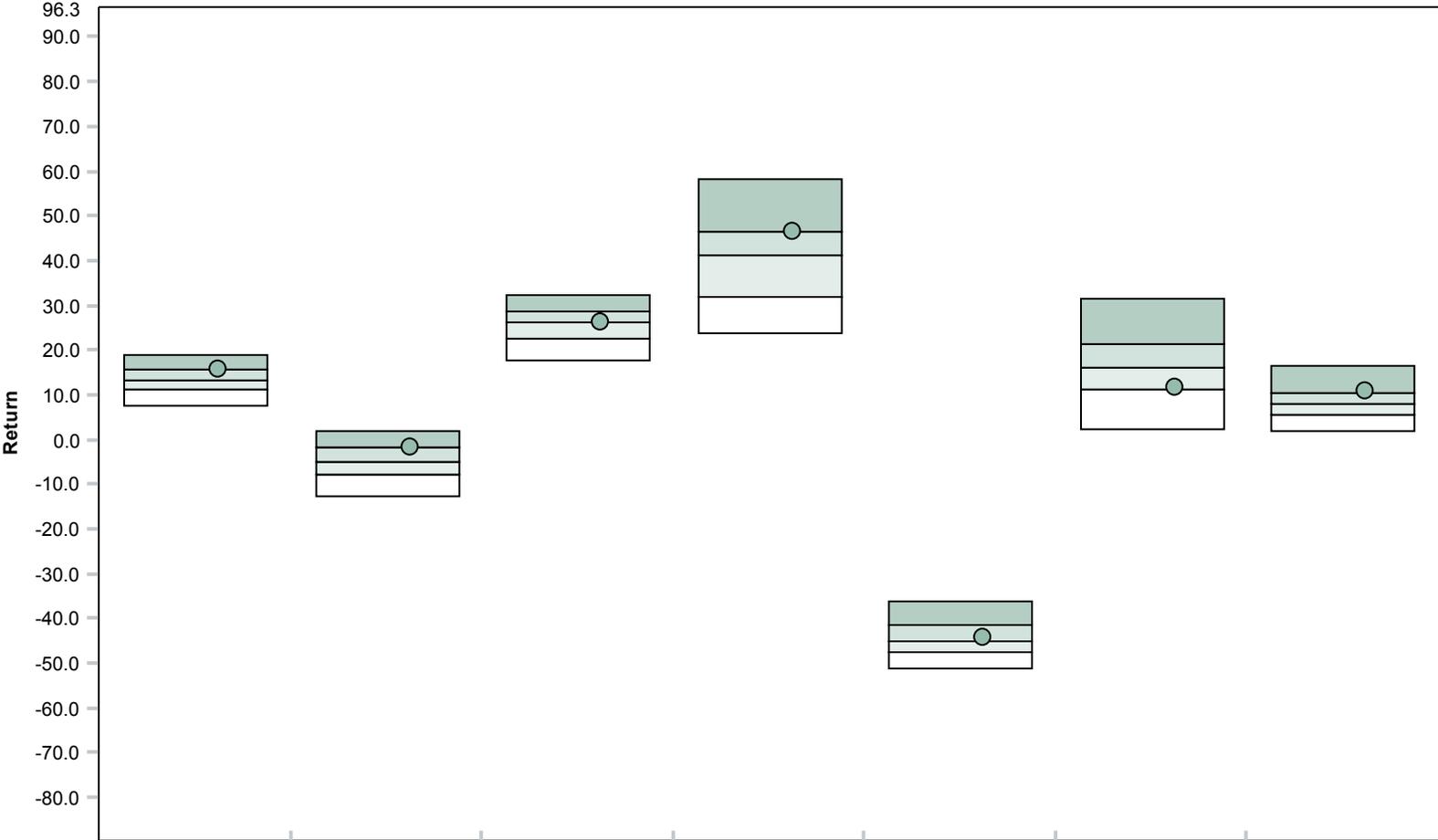
Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Munder Mid Cap Core Growth R6	7.46 (93)	23.42 (64)	26.27 (46)	N/A	N/A	N/A	N/A
● Russell Midcap Growth Index	9.34 (77)	25.42 (41)	27.54 (31)	17.65 (12)	13.92 (14)	8.34 (39)	10.16 (30)
5th Percentile	14.79	32.90	33.67	19.68	14.88	10.35	11.79
1st Quartile	11.66	26.91	27.96	16.90	13.21	8.99	10.43
Median	10.34	24.95	25.86	15.55	11.90	7.85	9.42
3rd Quartile	9.42	22.40	22.98	14.05	10.45	6.66	8.10
95th Percentile	7.28	19.05	19.32	12.45	8.38	4.43	5.86

Munder Mid Cap Core Growth R6

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Munder Mid Cap Core Growth R6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
● Russell Midcap Growth Index	15.81 (22)	-1.65 (24)	26.38 (51)	46.29 (27)	-44.32 (44)	11.43 (74)	10.66 (25)
5th Percentile	18.97	2.06	32.19	57.99	-36.06	31.44	16.60
1st Quartile	15.59	-1.71	28.61	46.53	-41.30	21.17	10.45
Median	13.37	-5.01	26.39	41.04	-45.05	15.88	7.91
3rd Quartile	11.07	-7.83	22.51	31.94	-47.74	11.19	5.69
95th Percentile	7.70	-12.77	17.74	23.67	-51.39	2.34	1.74

Munder Mid Cap Core Growth R6

Fund Information

Fund Name :	Munder Series Trust: Munder Mid-Cap Core Growth Fund; Class R6 Shares	Portfolio Assets :	\$5,713 Million
Fund Family :	Munder Capital Management	Portfolio Manager :	Team Managed
Ticker :	MGOSX	PM Tenure :	
Inception Date :	06/01/2012	Fund Style :	IM U.S. Mid Cap Growth Equity (MF)
Fund Assets :	\$207 Million	Style Benchmark :	Russell Midcap Growth Index

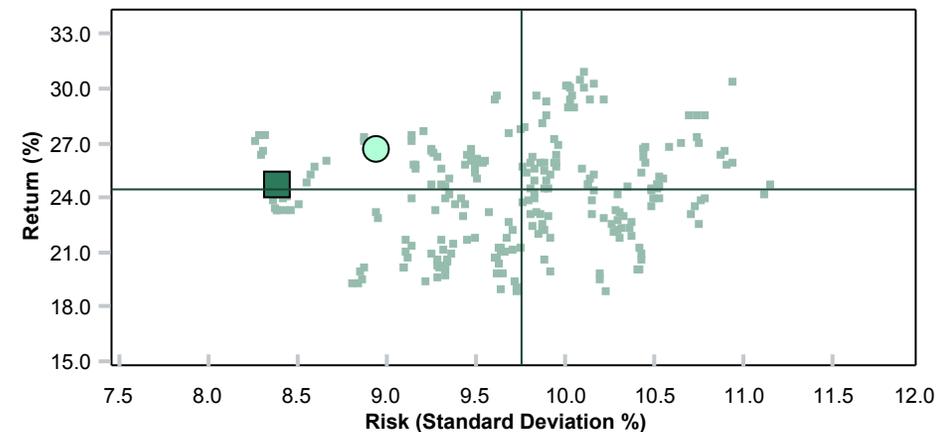
Fund Investment Policy

The Fund seeks to provide long-term capital appreciation. The Fund pursues its goal by investing, under normal circumstances, at least 80% of its assets in the equity securities (i.e., common stock, preferred stock, convertible securities and rights and warrants) of mid-capitalization companies.

Historical Statistics (07/01/12 - 09/30/13) *

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Munder Mid Cap Core Growth R6	24.70	8.38	2.69	0.59	0.91	0.94	2.21	-0.74	8.38	07/01/2012
Russell Midcap Growth Index	26.65	8.94	2.70	0.00	1.00	1.00	0.00	N/A	8.94	07/01/2012
90 Day U.S. Treasury Bill	0.08	0.02	N/A	0.08	0.00	0.02	8.94	-2.70	0.00	07/01/2012

Peer Group Scattergram (07/01/12 to 09/30/13)



	Return	Standard Deviation
■ Munder Mid Cap Core Growth R6	24.70	8.38
○ Russell Midcap Growth Index	26.65	8.94
— Median	24.43	9.75

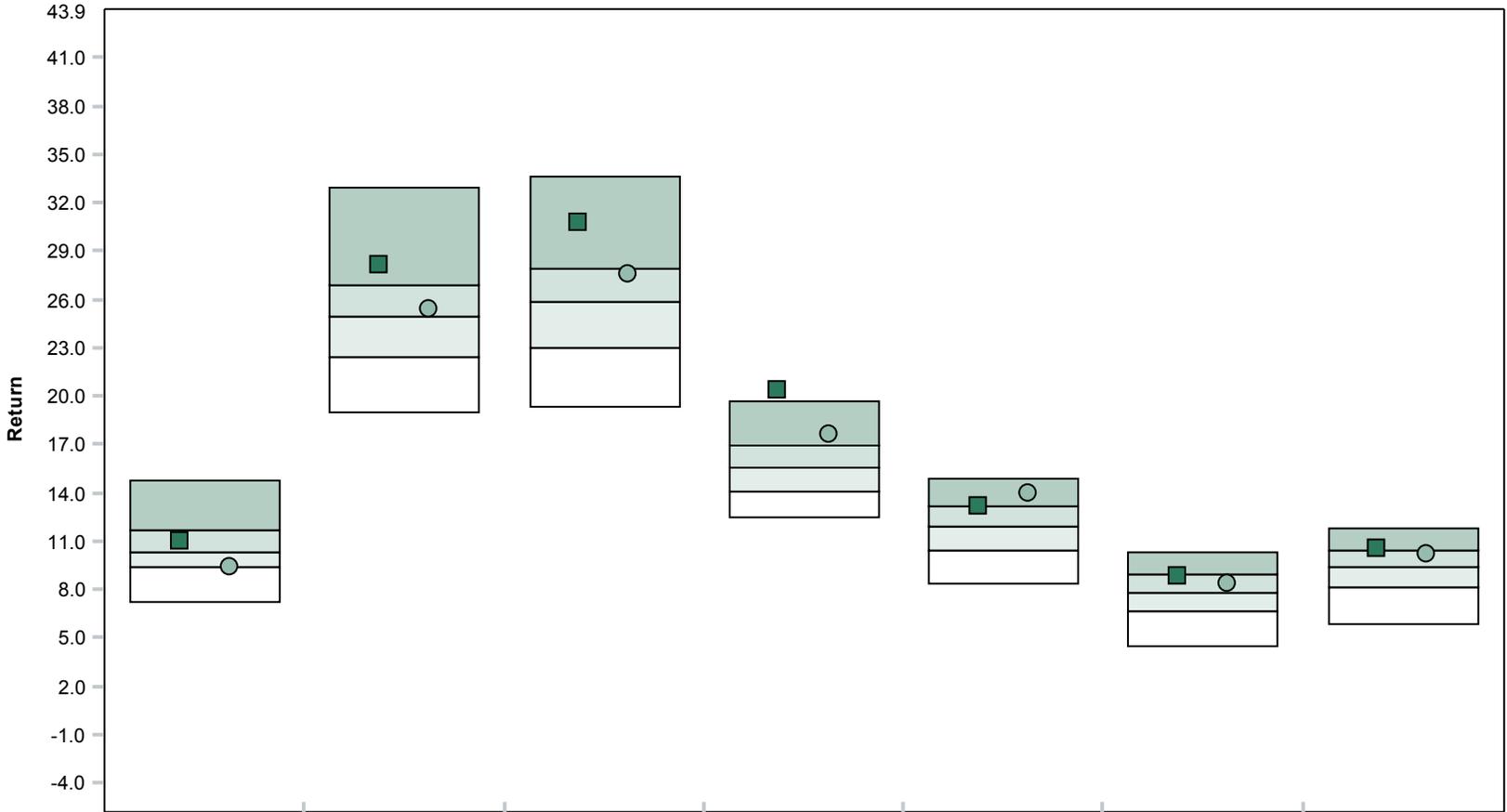
Up Down Market Capture

No data found.

* Monthly periodicity used.

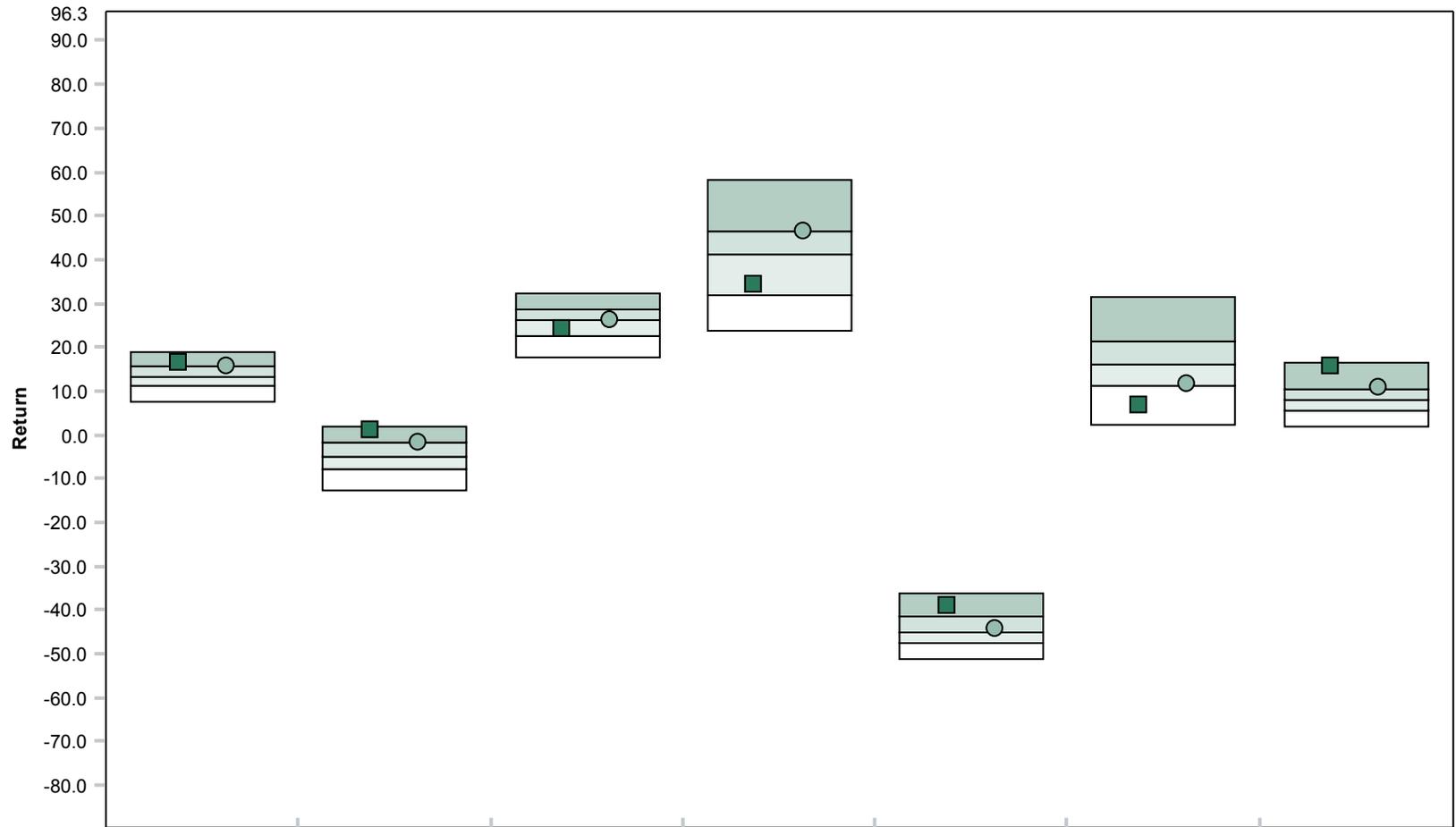
Baron Growth Retail

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Baron Growth Retail	11.03 (31)	28.12 (17)	30.76 (9)	20.36 (4)	13.19 (26)	8.84 (29)	10.58 (21)
● Russell Midcap Growth Index	9.34 (77)	25.42 (41)	27.54 (31)	17.65 (12)	13.92 (14)	8.34 (39)	10.16 (30)
5th Percentile	14.79	32.90	33.67	19.68	14.88	10.35	11.79
1st Quartile	11.66	26.91	27.96	16.90	13.21	8.99	10.43
Median	10.34	24.95	25.86	15.55	11.90	7.85	9.42
3rd Quartile	9.42	22.40	22.98	14.05	10.45	6.66	8.10
95th Percentile	7.28	19.05	19.32	12.45	8.38	4.43	5.86

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Baron Growth Retail	16.43 (13)	1.24 (10)	24.01 (67)	34.24 (70)	-39.18 (14)	6.59 (91)	15.50 (8)
● Russell Midcap Growth Index	15.81 (22)	-1.65 (24)	26.38 (51)	46.29 (27)	-44.32 (44)	11.43 (74)	10.66 (25)
5th Percentile	18.97	2.06	32.19	57.99	-36.06	31.44	16.60
1st Quartile	15.59	-1.71	28.61	46.53	-41.30	21.17	10.45
Median	13.37	-5.01	26.39	41.04	-45.05	15.88	7.91
3rd Quartile	11.07	-7.83	22.51	31.94	-47.74	11.19	5.69
95th Percentile	7.70	-12.77	17.74	23.67	-51.39	2.34	1.74

Baron Growth Retail

Fund Information

Fund Name : Baron Investment Funds Trust: Baron Growth Fund; Retail Shares
 Fund Family : BAMCO Inc
 Ticker : BGRFX
 Inception Date : 12/31/1994
 Fund Assets : \$4,396 Million
 Portfolio Turnover : 14%

Portfolio Assets : \$7,139 Million
 Portfolio Manager : Ronald Baron
 PM Tenure : 1994
 Fund Style : IM U.S. Mid Cap Growth Equity (MF)
 Style Benchmark : Russell Midcap Growth Index

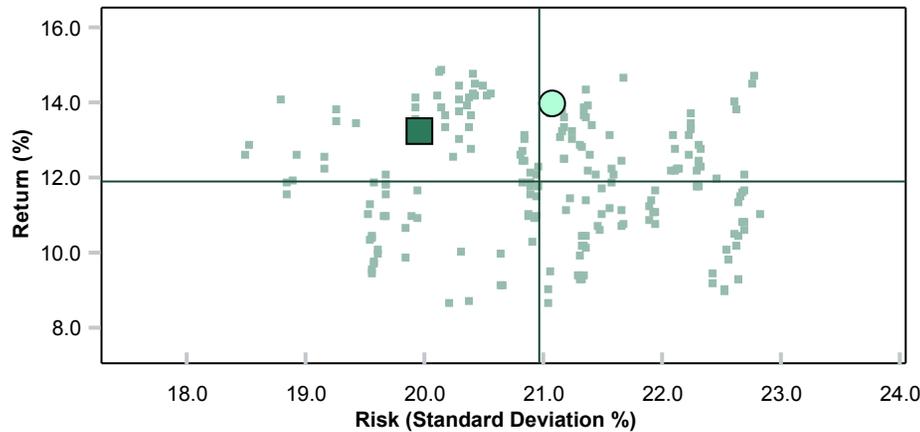
Fund Investment Policy

The Fund seeks capital appreciation. The Advisor seeks investments that are supported by long term demographic, economic and societal "megatrends." The Advisor looks to the ability of a company to grow its business substantially within a four to five year period.

Historical Statistics (10/01/08 - 09/30/13) *

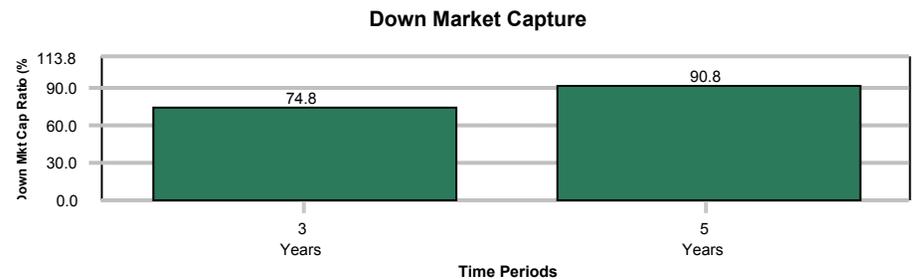
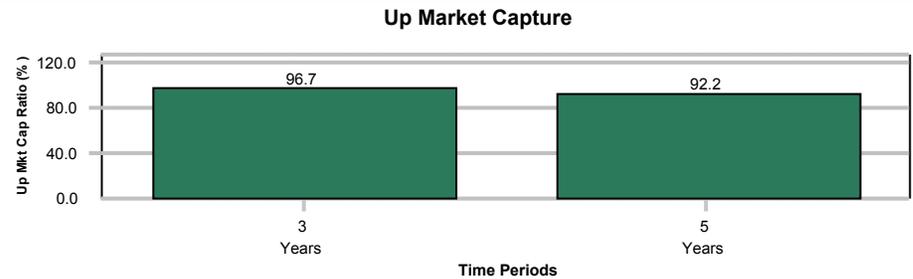
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Baron Growth Retail	13.19	19.96	0.72	0.36	0.92	0.94	5.13	-0.18	19.99	02/01/1995
Russell Midcap Growth Index	13.92	21.08	0.72	0.00	1.00	1.00	0.00	N/A	21.12	02/01/1995
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.21	21.12	-0.72	0.00	02/01/1995

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Baron Growth Retail	13.19	19.96
○ Russell Midcap Growth Index	13.92	21.08
— Median	11.90	20.95

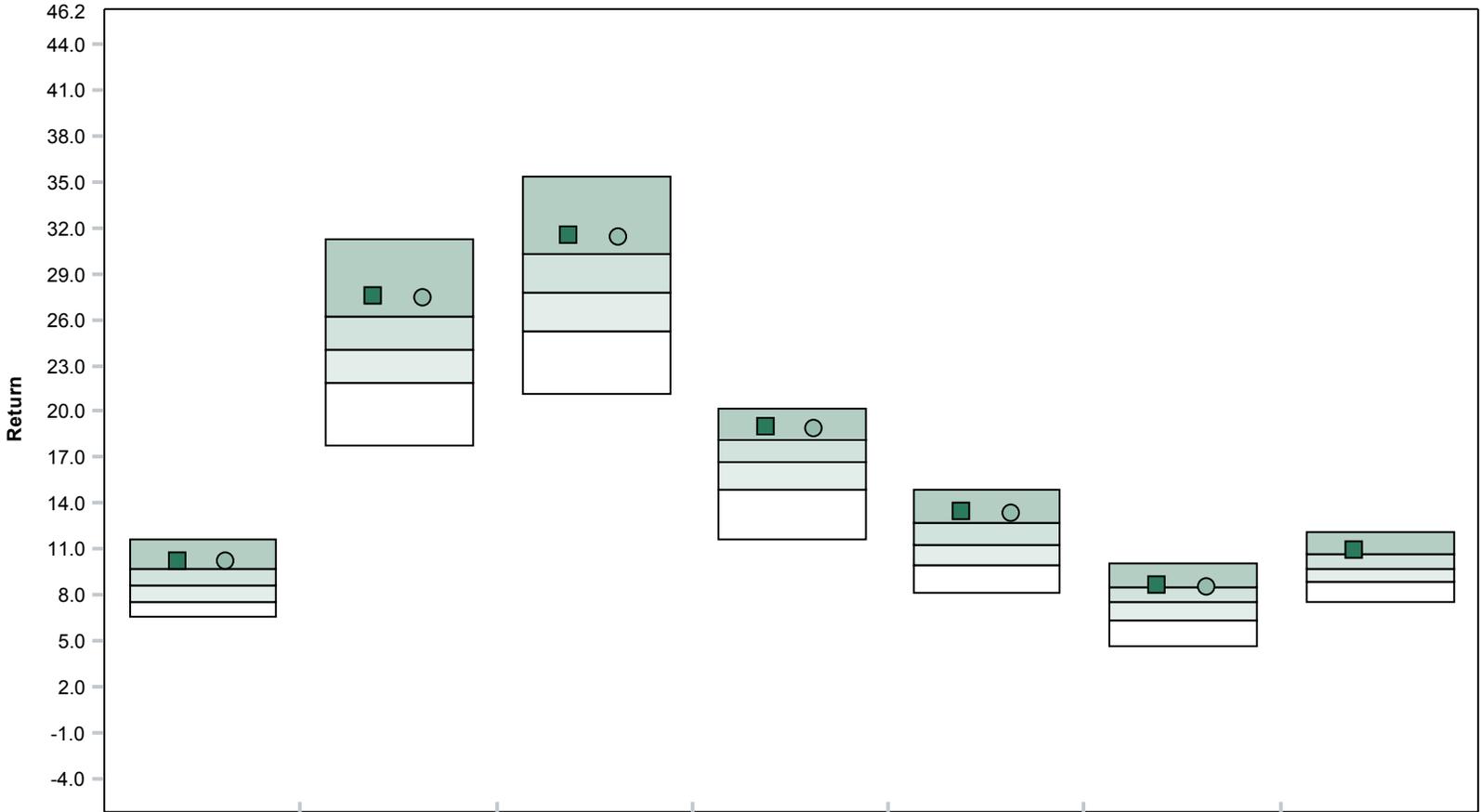
Up Down Market Capture



* Monthly periodicity used.

Vanguard Extended Market Idx I

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

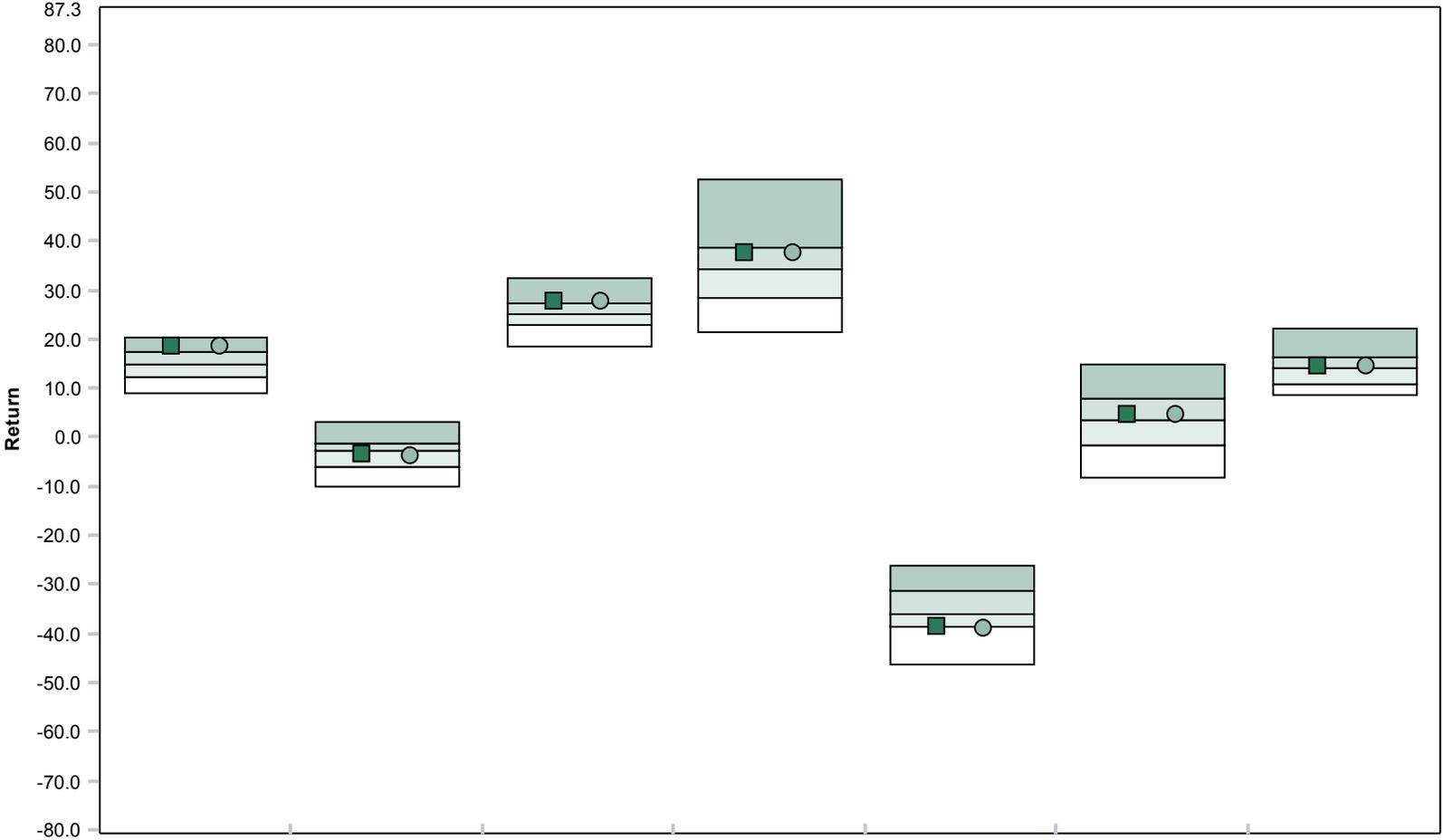


■ Vanguard Extended Market Idx I
● S&P Completion Index

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Vanguard Extended Market Idx I	10.22 (18)	27.50 (14)	31.53 (18)	18.91 (16)	13.46 (13)	8.64 (23)	10.89 (21)
S&P Completion Index	10.15 (19)	27.38 (15)	31.34 (19)	18.81 (19)	13.31 (16)	8.48 (28)	N/A
5th Percentile	11.62	31.28	35.40	20.20	14.84	10.09	12.05
1st Quartile	9.65	26.24	30.25	18.17	12.74	8.54	10.71
Median	8.55	23.99	27.75	16.66	11.31	7.52	9.70
3rd Quartile	7.52	21.90	25.25	14.85	9.98	6.29	8.82
95th Percentile	6.52	17.77	21.09	11.59	8.07	4.58	7.48

Vanguard Extended Market Idx I

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



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Extended Market Idx I	18.50 (14)	-3.57 (56)	27.59 (21)	37.69 (29)	-38.58 (74)	4.51 (45)	14.46 (46)
● S&P Completion Index	18.45 (14)	-3.71 (59)	27.46 (23)	37.65 (30)	-38.94 (77)	4.49 (45)	14.27 (50)
5th Percentile	20.42	3.27	32.38	52.71	-26.20	14.82	22.28
1st Quartile	17.39	-1.17	27.29	38.79	-31.26	7.70	16.45
Median	14.72	-2.95	24.98	34.09	-36.07	3.47	14.25
3rd Quartile	12.39	-6.00	22.98	28.34	-38.80	-1.58	10.83
95th Percentile	8.80	-10.09	18.41	21.23	-46.16	-8.13	8.53

Vanguard Extended Market Idx I

Fund Information

Fund Name : Vanguard Index Funds: Vanguard Extended Market Index Fund; Institutional Shares
 Fund Family : Vanguard Group Inc
 Ticker : VIEIX
 Inception Date : 07/07/1997
 Fund Assets : \$6,826 Million

Portfolio Assets : \$30,872 Million
 Portfolio Manager : Donald M. Butler
 PM Tenure : 1997
 Fund Style : IM U.S. SMID Cap Core Equity (MF)
 Style Benchmark : S&P Completion Index

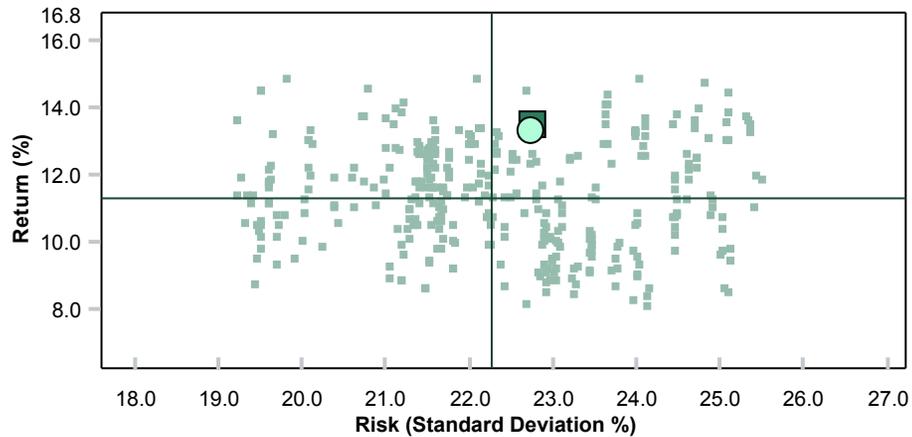
Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of small and mid capitalization stocks. The Fund employs a passive management or indexing investment approach designed to track the performance of the Standard & Poors Completion Index.

Historical Statistics (10/01/08 - 09/30/13) *

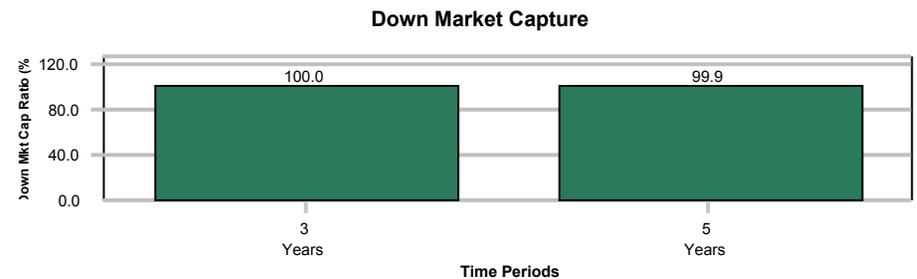
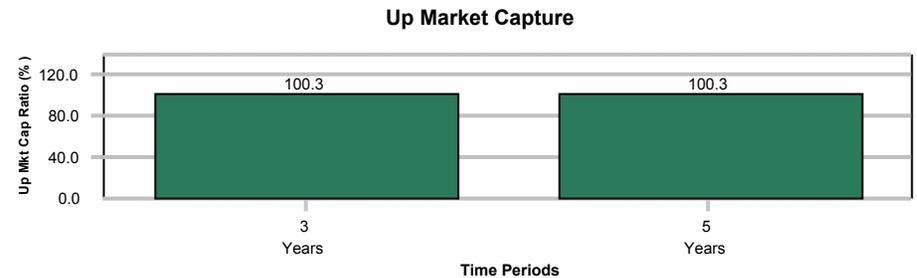
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Extended Market Idx I	13.46	22.76	0.67	0.12	1.00	1.00	0.12	1.13	22.79	08/01/1997
S&P Completion Index	13.31	22.74	0.66	0.00	1.00	1.00	0.00	N/A	22.78	08/01/1997
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.18	22.78	-0.66	0.00	08/01/1997

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Extended Market Idx I	13.46	22.76
● S&P Completion Index	13.31	22.74
— Median	11.31	22.27

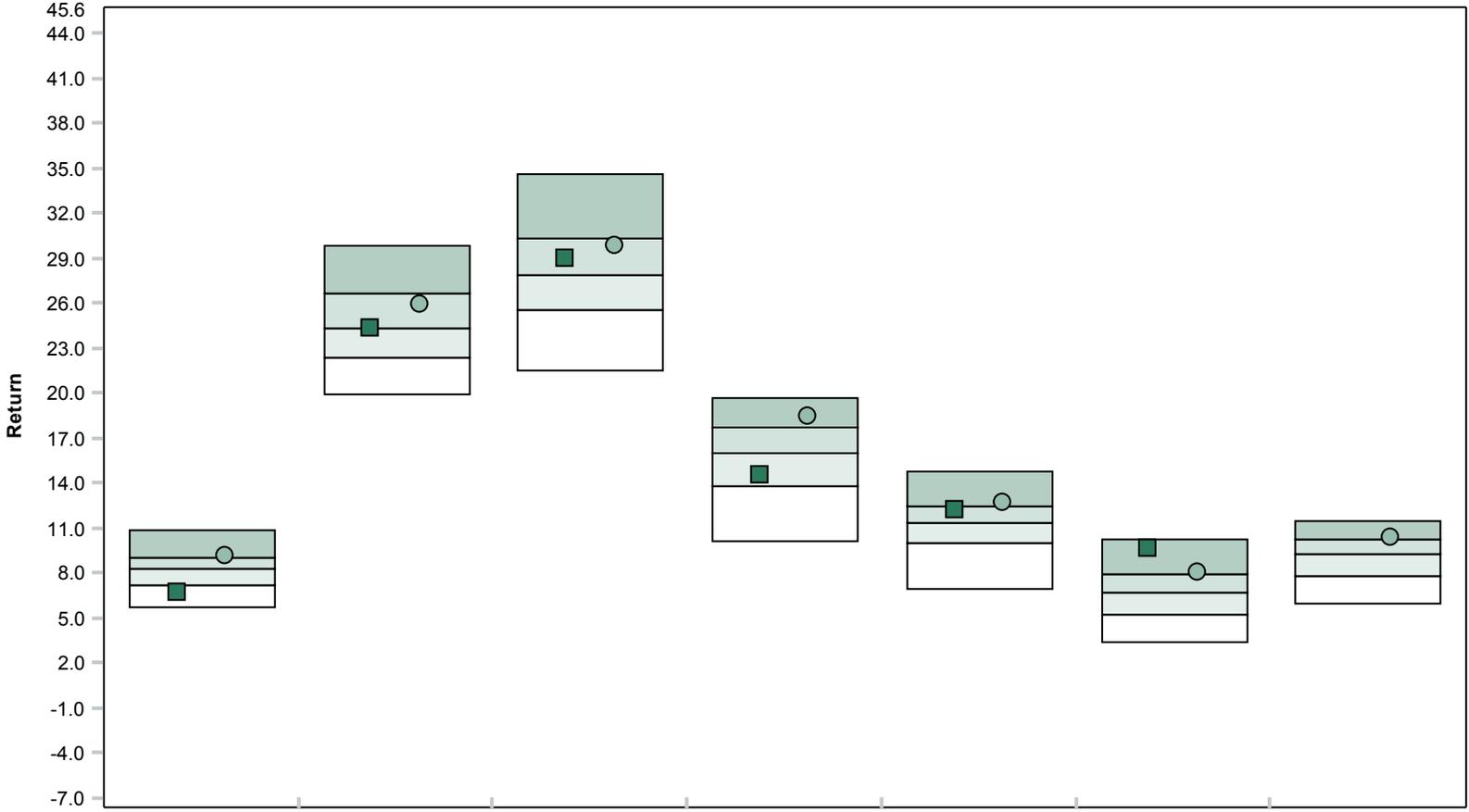
Up Down Market Capture



* Monthly periodicity used.

Lord Abbett Value Opportunities I

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)

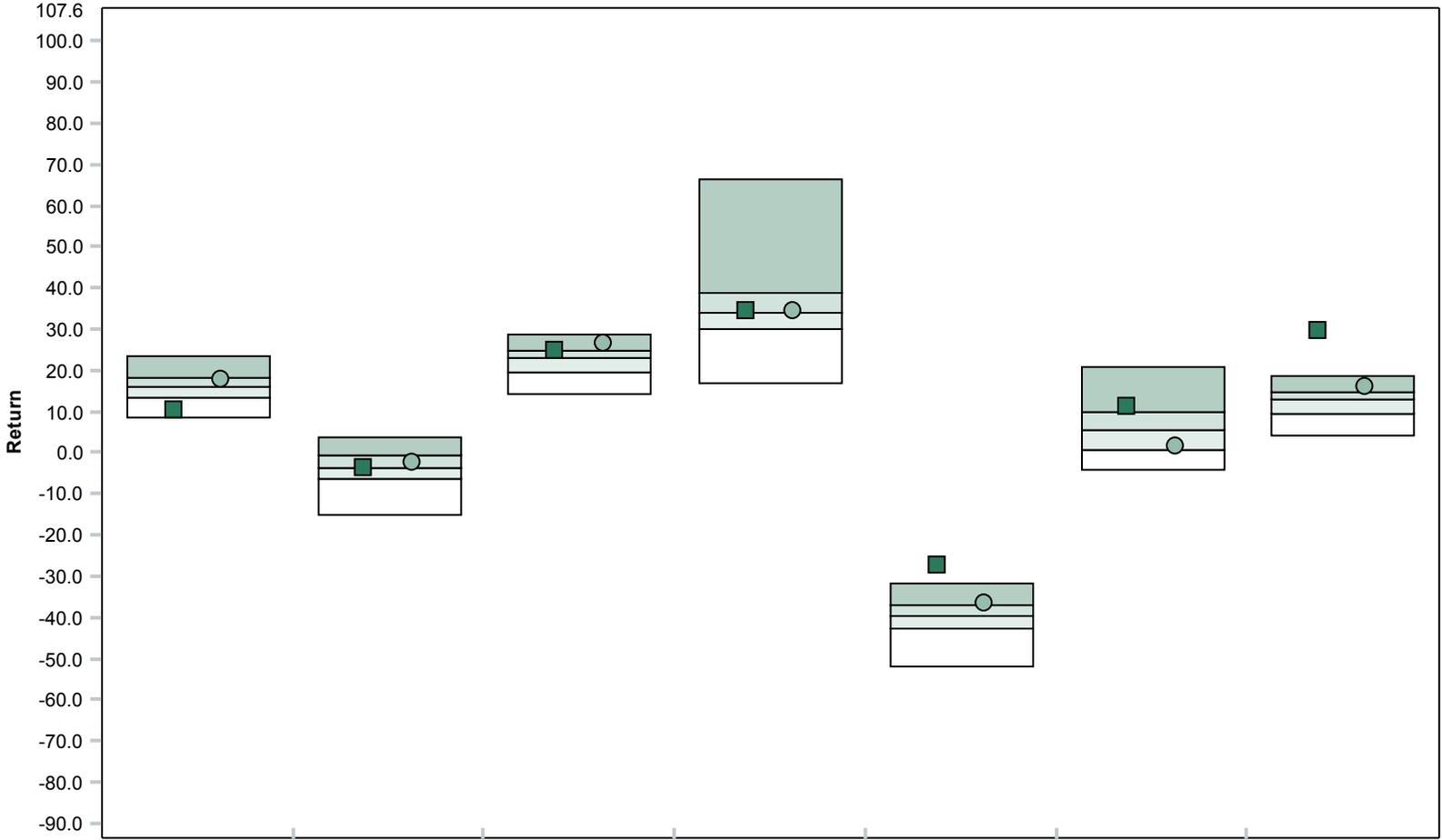


■ Lord Abbett Value Opportunities I
● Russell 2500 Index

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Lord Abbett Value Opportunities I	6.73 (82)	24.27 (54)	28.94 (36)	14.57 (70)	12.23 (30)	9.61 (7)	N/A
Russell 2500 Index	9.08 (25)	25.89 (30)	29.79 (30)	18.44 (14)	12.68 (24)	8.02 (23)	10.38 (23)
5th Percentile	10.85	29.87	34.67	19.60	14.74	10.19	11.50
1st Quartile	9.05	26.68	30.33	17.72	12.48	7.86	10.28
Median	8.21	24.35	27.93	16.02	11.27	6.63	9.26
3rd Quartile	7.12	22.34	25.52	13.79	10.01	5.21	7.76
95th Percentile	5.64	19.90	21.54	10.15	6.86	3.31	5.99

Lord Abbett Value Opportunities I

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Lord Abbett Value Opportunities I	10.13 (88)	-3.83 (51)	24.91 (24)	34.27 (47)	-27.49 (1)	11.28 (20)	29.41 (1)
● Russell 2500 Index	17.88 (28)	-2.51 (41)	26.71 (11)	34.39 (47)	-36.79 (24)	1.38 (72)	16.17 (16)
5th Percentile	23.38	3.60	28.49	66.17	-31.87	20.62	18.82
1st Quartile	18.09	-0.63	24.65	38.91	-37.20	9.66	14.68
Median	16.00	-3.78	23.01	33.75	-39.91	5.59	12.74
3rd Quartile	13.14	-6.54	19.63	30.00	-42.58	0.80	9.36
95th Percentile	8.38	-15.19	14.42	16.97	-52.19	-3.98	4.14

Lord Abbett Value Opportunities I

Fund Information

Fund Name :	Lord Abbett Securities Trust: Lord Abbett Value Opportunities Fund; Class I Shares	Portfolio Assets :	\$3,014 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 :	\$655 Million	Style Benchmark :	Russell 2500 Index

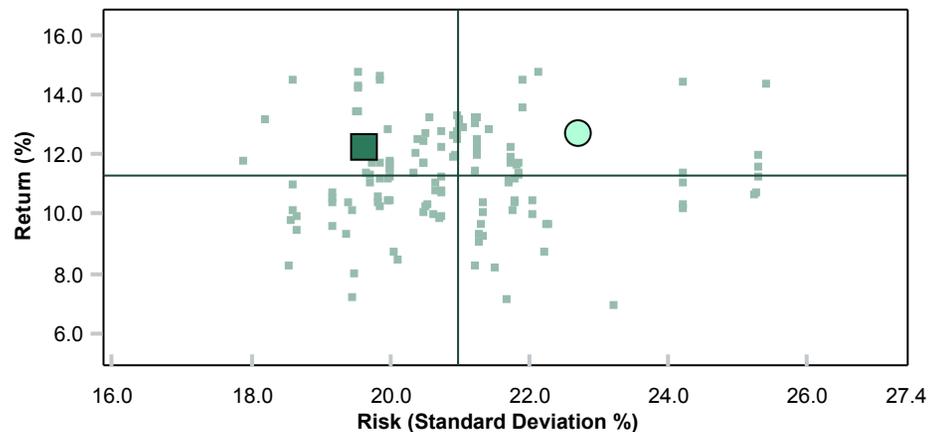
Fund Investment Policy

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.

Historical Statistics (10/01/08 - 09/30/13) *

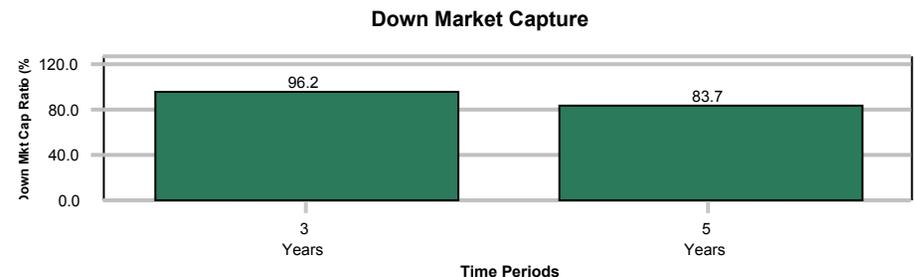
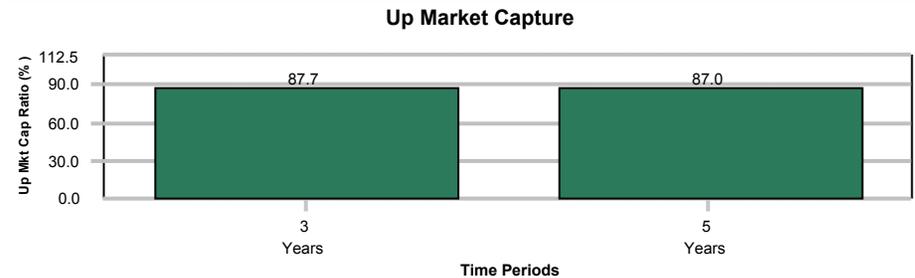
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Lord Abbett Value Opportunities I	12.23	19.63	0.68	1.10	0.85	0.97	4.96	-0.22	19.66	01/01/2006
Russell 2500 Index	12.68	22.71	0.64	0.00	1.00	1.00	0.00	N/A	22.75	01/01/2006
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.18	22.75	-0.64	0.00	01/01/2006

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Lord Abbett Value Opportunities I	12.23	19.63
○ Russell 2500 Index	12.68	22.71
— Median	11.27	20.98

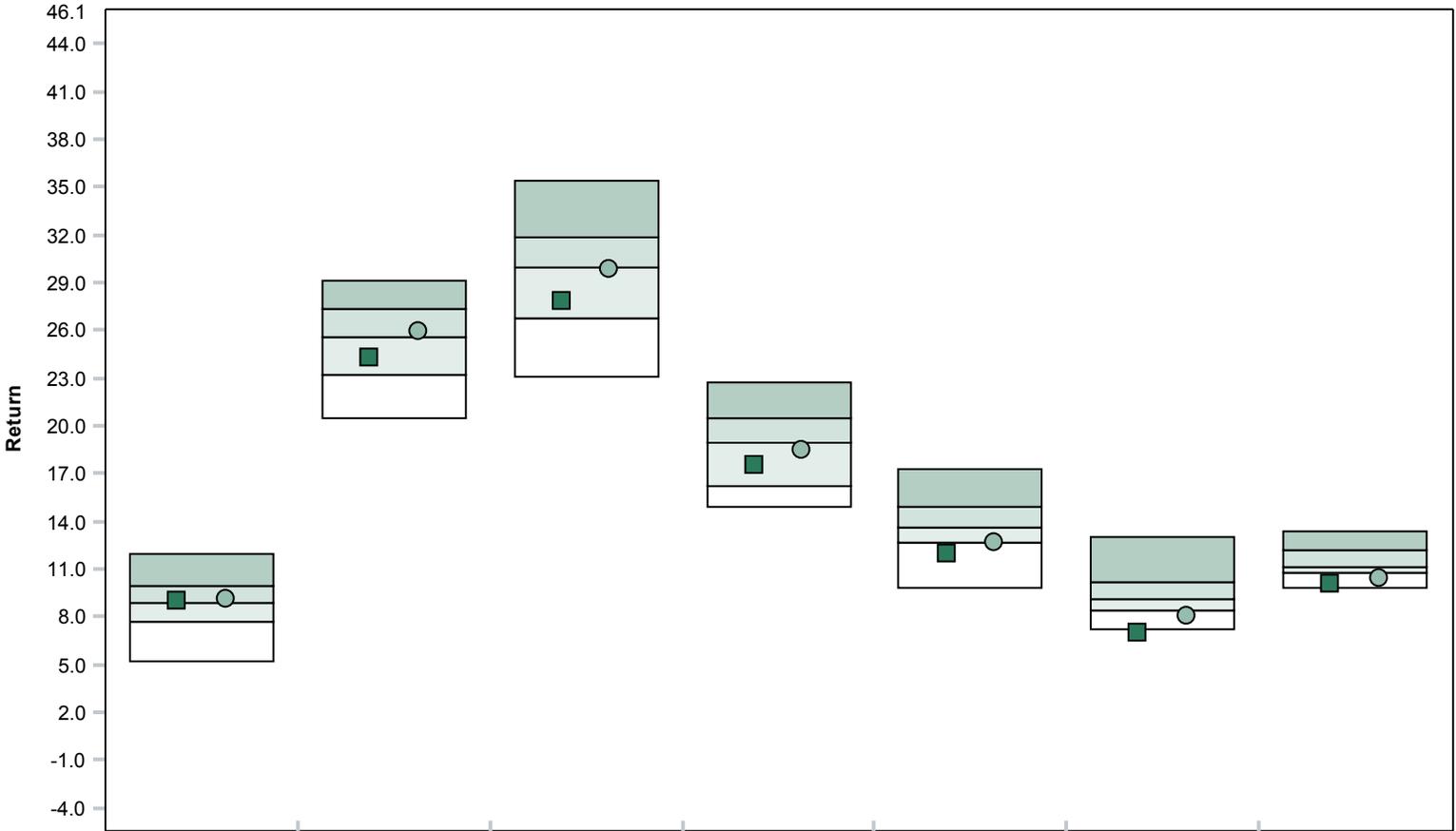
Up Down Market Capture



* Monthly periodicity used.

Oppenheimer Main St Sm & Mid Cap Y

Peer Group Analysis - IM U.S. SMID Cap Core Equity (SA+CF)

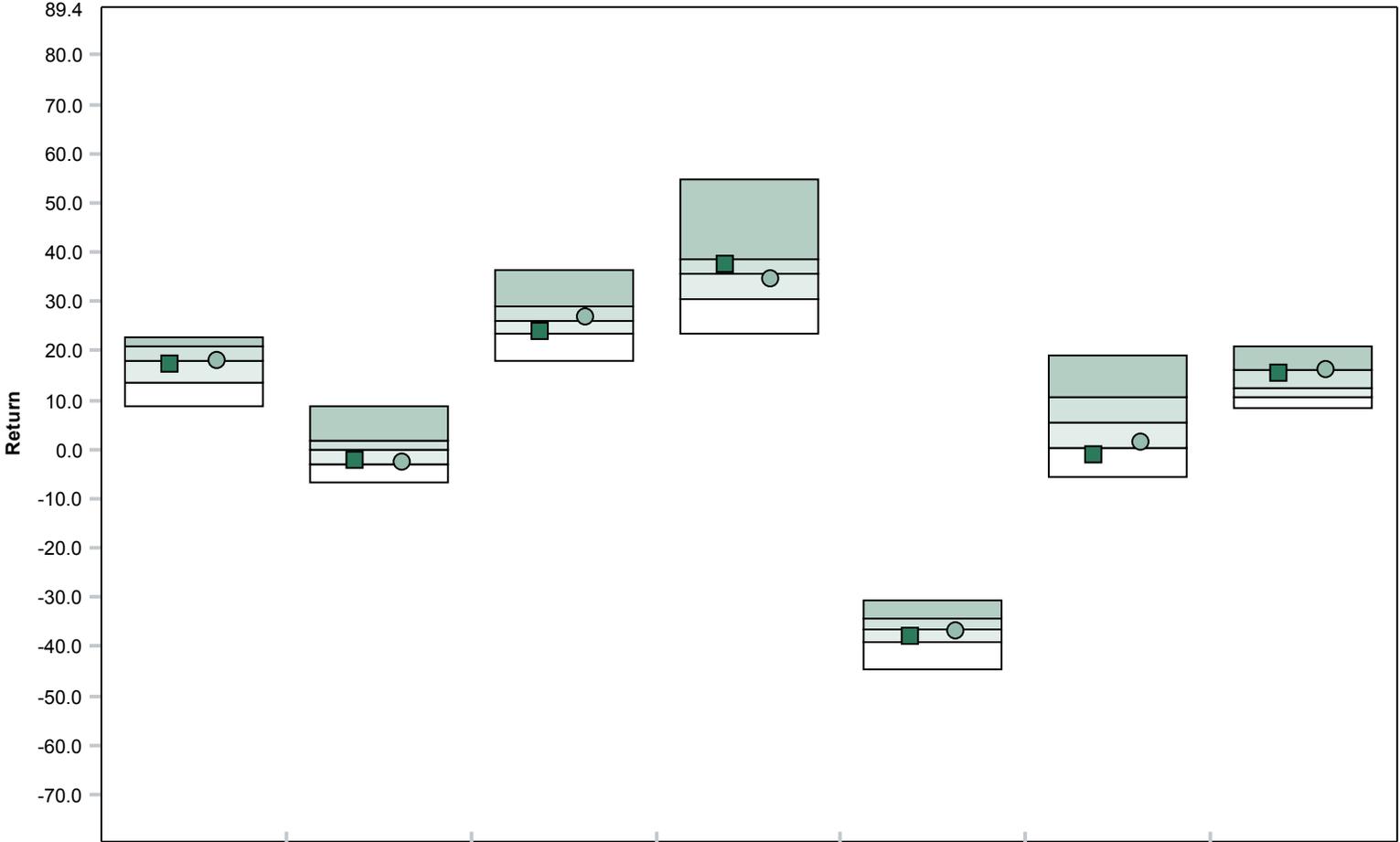


■ Oppenheimer Main St Sm & Mid Cap Y
● Russell 2500 Index

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Oppenheimer Main St Sm & Mid Cap Y	8.97 (47)	24.33 (68)	27.85 (66)	17.48 (63)	11.95 (82)	7.04 (96)	10.06 (92)
Russell 2500 Index	9.08 (45)	25.89 (43)	29.79 (51)	18.44 (57)	12.68 (75)	8.02 (86)	10.38 (82)
5th Percentile	11.96	29.12	35.46	22.69	17.26	13.03	13.43
1st Quartile	10.00	27.39	31.88	20.46	14.90	10.16	12.15
Median	8.84	25.57	30.01	18.99	13.64	9.16	11.11
3rd Quartile	7.74	23.18	26.74	16.23	12.68	8.35	10.82
95th Percentile	5.15	20.52	23.09	14.97	9.83	7.20	9.83

Oppenheimer Main St Sm & Mid Cap Y

Peer Group Analysis - IM U.S. SMID Cap Core Equity (SA+CF)



	2012	2011	2010	2009	2008	2007	2006
■ Oppenheimer Main St Sm & Mid Cap Y	17.26 (58)	-2.31 (73)	23.72 (74)	37.37 (35)	-38.02 (64)	-1.10 (85)	15.20 (33)
● Russell 2500 Index	17.88 (56)	-2.51 (73)	26.71 (40)	34.39 (62)	-36.79 (54)	1.38 (73)	16.17 (24)
5th Percentile	22.80	8.60	36.37	54.59	-30.69	18.91	20.90
1st Quartile	20.80	1.66	28.97	38.41	-34.34	10.76	15.95
Median	17.96	0.04	26.10	35.52	-36.57	5.40	12.46
3rd Quartile	13.40	-3.17	23.60	30.58	-39.05	0.35	10.77
95th Percentile	8.60	-6.60	18.04	23.46	-44.83	-5.46	8.27

Oppenheimer Main St Sm & Mid Cap Y

Fund Information

Fund Name :	Oppenheimer Main Street Small- & Mid-Cap Fund; Class Y Shares	Portfolio Assets :	\$3,678 Million
Fund Family :	OppenheimerFunds Inc	Portfolio Manager :	Raymond Anello
Ticker :	OPMYX	PM Tenure :	2011
Inception Date :	08/02/1999	Fund Style :	IM U.S. SMID Cap Core Equity (SA+CF)
Fund Assets :	\$815 Million	Style Benchmark :	Russell 2500 Index
Portfolio Turnover :	101%		

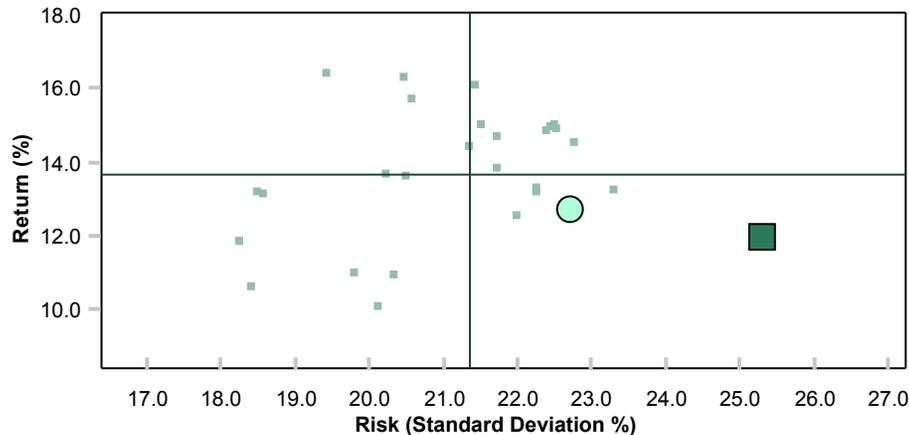
Fund Investment Policy

The Fund seeks capital appreciation. The Fund mainly invests in common stocks of small and mid-cap companies. Under normal market conditions, the Fund will invest at least 80% of its net assets in securities of companies having a market capitalization in the range of the Russell 2500 Index and the Russell Midcap Index.

Historical Statistics (10/01/08 - 09/30/13) *

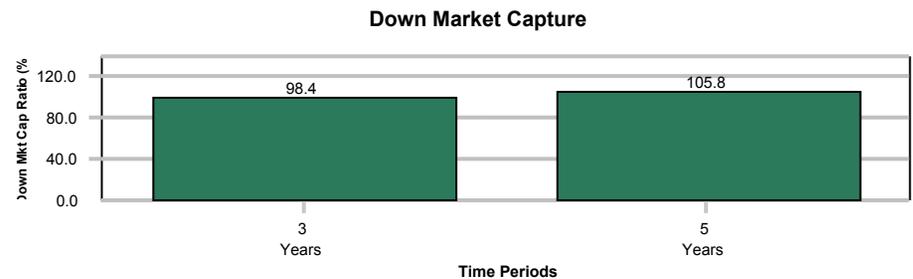
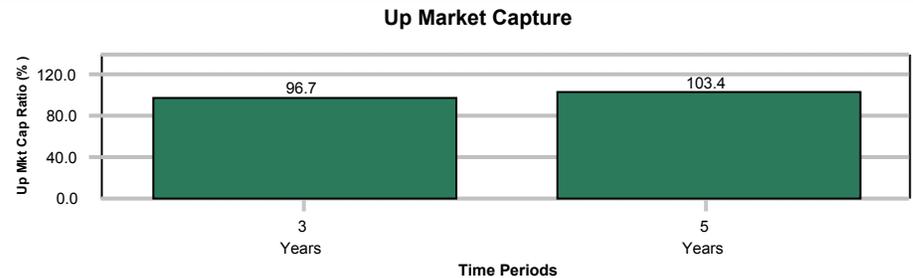
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Oppenheimer Main St Sm & Mid Cap Y	11.95	25.31	0.57	-1.39	1.09	0.96	5.67	-0.02	25.34	09/01/1999
Russell 2500 Index	12.68	22.71	0.64	0.00	1.00	1.00	0.00	N/A	22.75	09/01/1999
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.18	22.75	-0.64	0.00	09/01/1999

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Oppenheimer Main St Sm & Mid Cap Y	11.95	25.31
● Russell 2500 Index	12.68	22.71
— Median	13.64	21.37

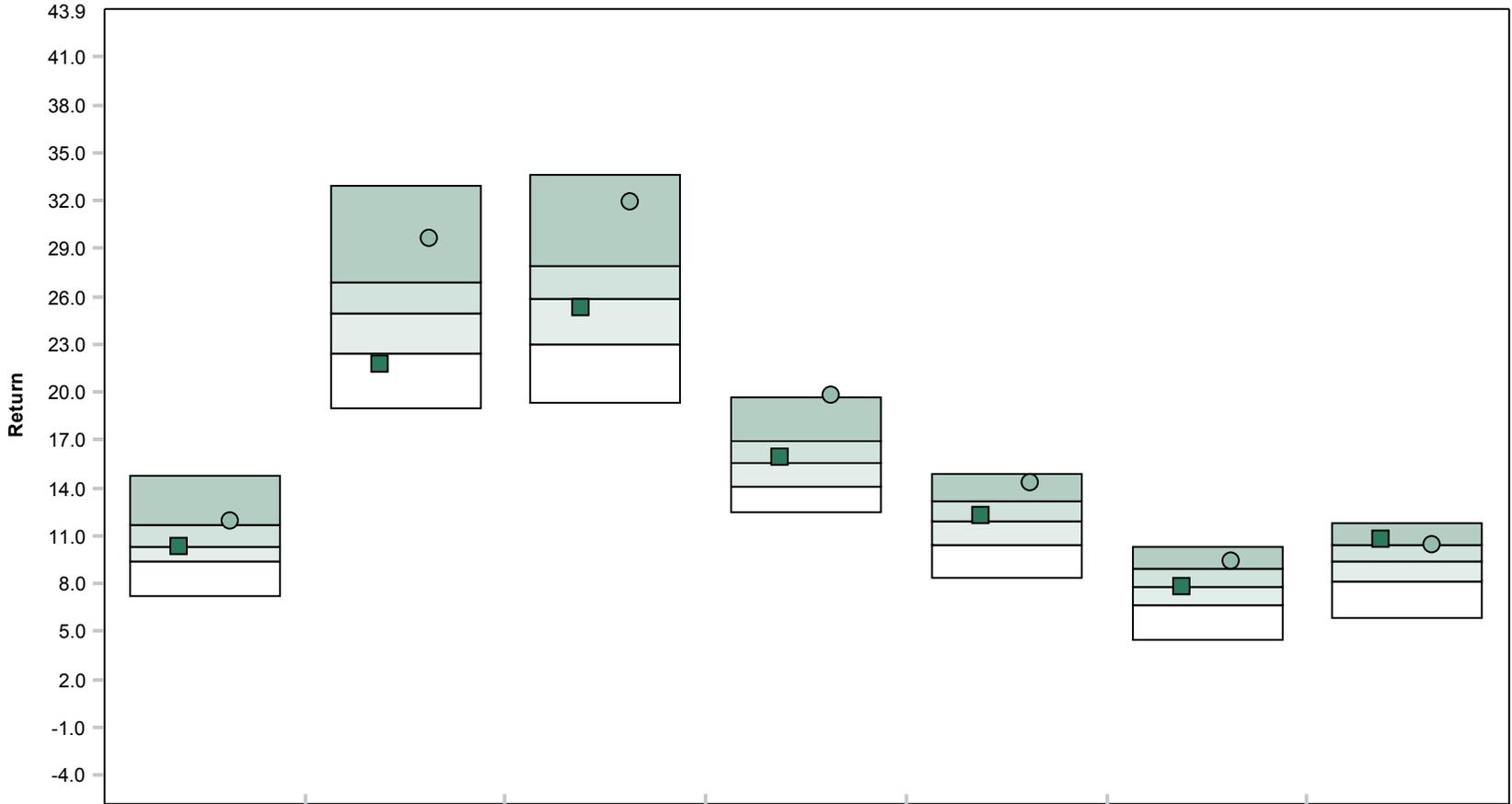
Up Down Market Capture



* Monthly periodicity used.

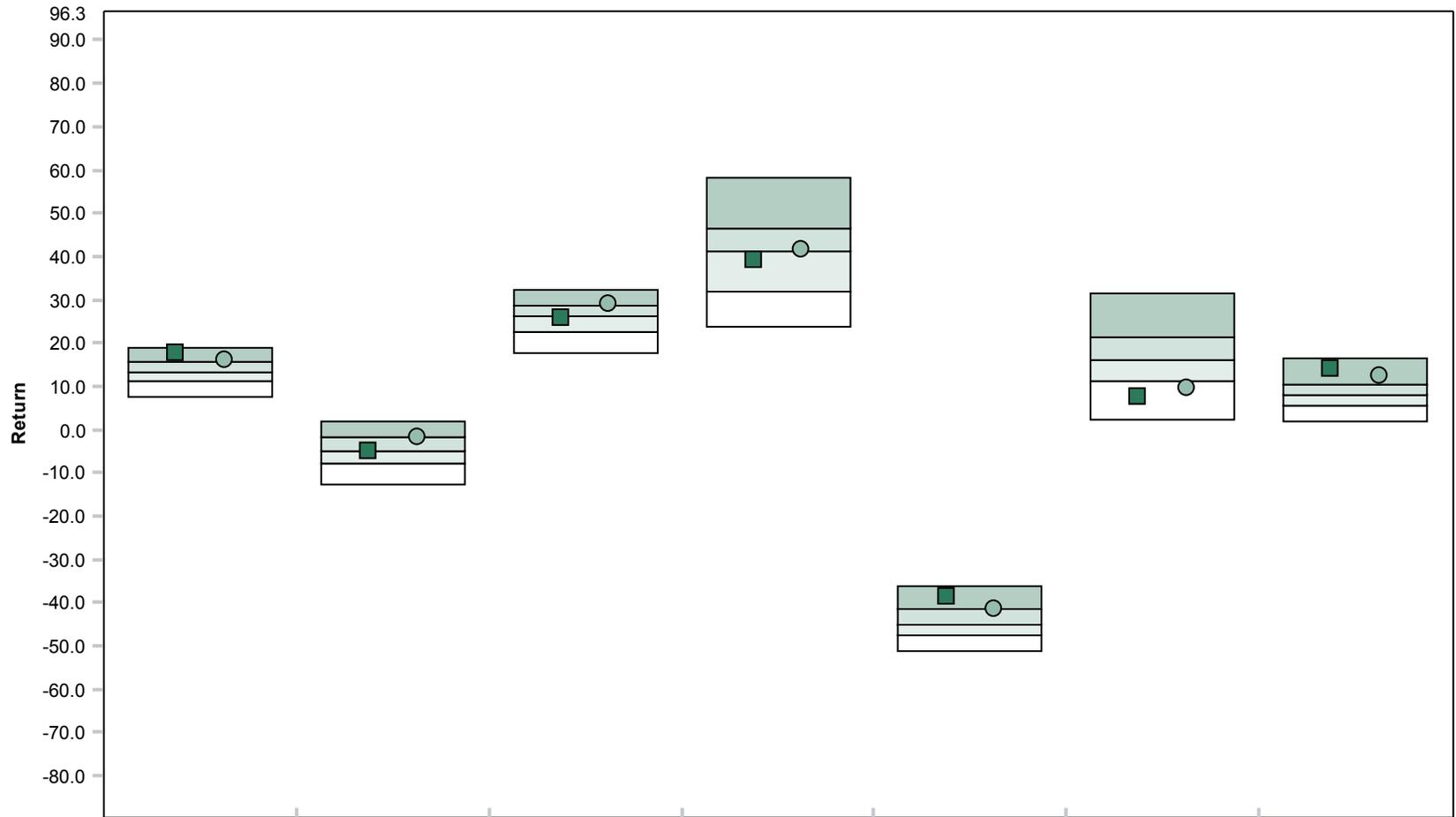
Columbia Acorn Fund A

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Columbia Acorn Fund A	10.29 (55)	21.73 (83)	25.29 (56)	15.94 (42)	12.24 (42)	7.75 (54)	10.81 (15)
● Russell 2500 Growth Index	11.94 (20)	29.65 (11)	31.95 (9)	19.79 (5)	14.33 (9)	9.43 (18)	10.46 (24)
5th Percentile	14.79	32.90	33.67	19.68	14.88	10.35	11.79
1st Quartile	11.66	26.91	27.96	16.90	13.21	8.99	10.43
Median	10.34	24.95	25.86	15.55	11.90	7.85	9.42
3rd Quartile	9.42	22.40	22.98	14.05	10.45	6.66	8.10
95th Percentile	7.28	19.05	19.32	12.45	8.38	4.43	5.86

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Columbia Acorn Fund A	17.62 (10)	-4.91 (50)	25.61 (55)	39.26 (59)	-38.72 (12)	7.39 (90)	14.13 (10)
● Russell 2500 Growth Index	16.13 (18)	-1.57 (24)	28.86 (23)	41.65 (48)	-41.50 (26)	9.69 (83)	12.26 (17)
5th Percentile	18.97	2.06	32.19	57.99	-36.06	31.44	16.60
1st Quartile	15.59	-1.71	28.61	46.53	-41.30	21.17	10.45
Median	13.37	-5.01	26.39	41.04	-45.05	15.88	7.91
3rd Quartile	11.07	-7.83	22.51	31.94	-47.74	11.19	5.69
95th Percentile	7.70	-12.77	17.74	23.67	-51.39	2.34	1.74

Columbia Acorn Fund A

Fund Information

Fund Name : Columbia Acorn Trust: Columbia Acorn Fund; Class A Shares
 Fund Family : Columbia Funds
 Ticker : LACAX
 Inception Date : 10/16/2000
 Fund Assets : \$3,765 Million
 Portfolio Turnover : 16%

Portfolio Assets : \$20,479 Million
 Portfolio Manager : McQuaid/Mohn
 PM Tenure : 2000--2000
 Fund Style : IM U.S. Mid Cap Growth Equity (MF)
 Style Benchmark : Russell 2500 Growth Index

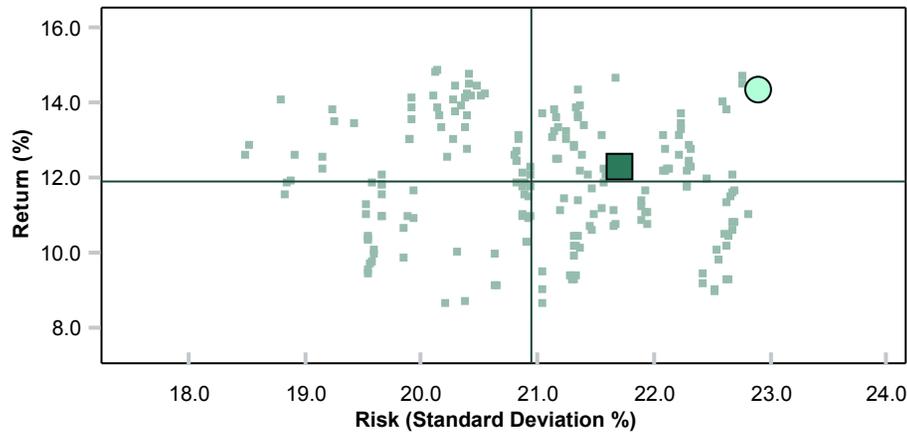
Fund Investment Policy

The Fund seeks long-term capital appreciation. The Fund invests a majority of its net assets in the common stock of small- and mid-sized companies with market capitalizations under \$5 billion at the time of investment. The Fund invests the majority of its assets in U.S. companies.

Historical Statistics (10/01/08 - 09/30/13) *

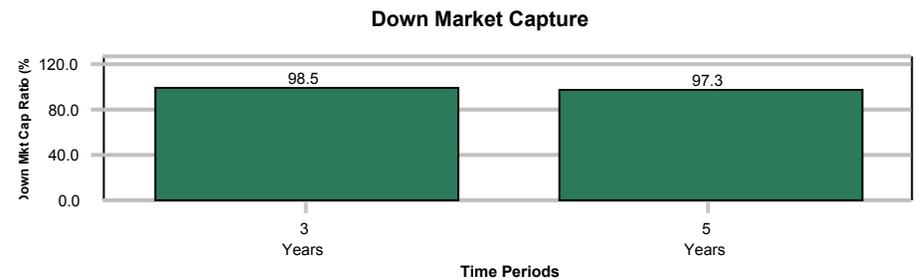
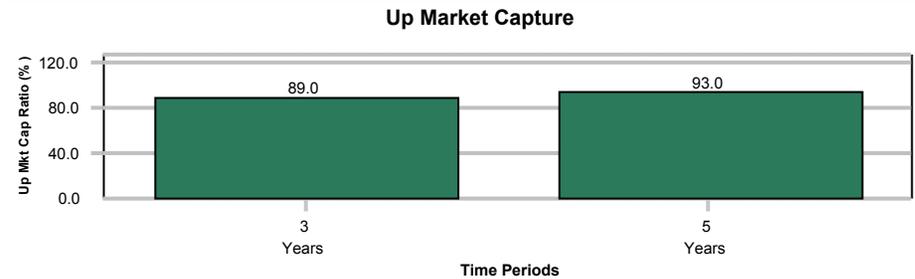
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Columbia Acorn Fund A	12.24	21.71	0.64	-1.17	0.94	0.98	3.23	-0.67	21.75	11/01/2000
Russell 2500 Growth Index	14.33	22.90	0.70	0.00	1.00	1.00	0.00	N/A	22.94	11/01/2000
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.18	0.00	0.20	22.94	-0.70	0.00	11/01/2000

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Columbia Acorn Fund A	12.24	21.71
○ Russell 2500 Growth Index	14.33	22.90
— Median	11.90	20.95

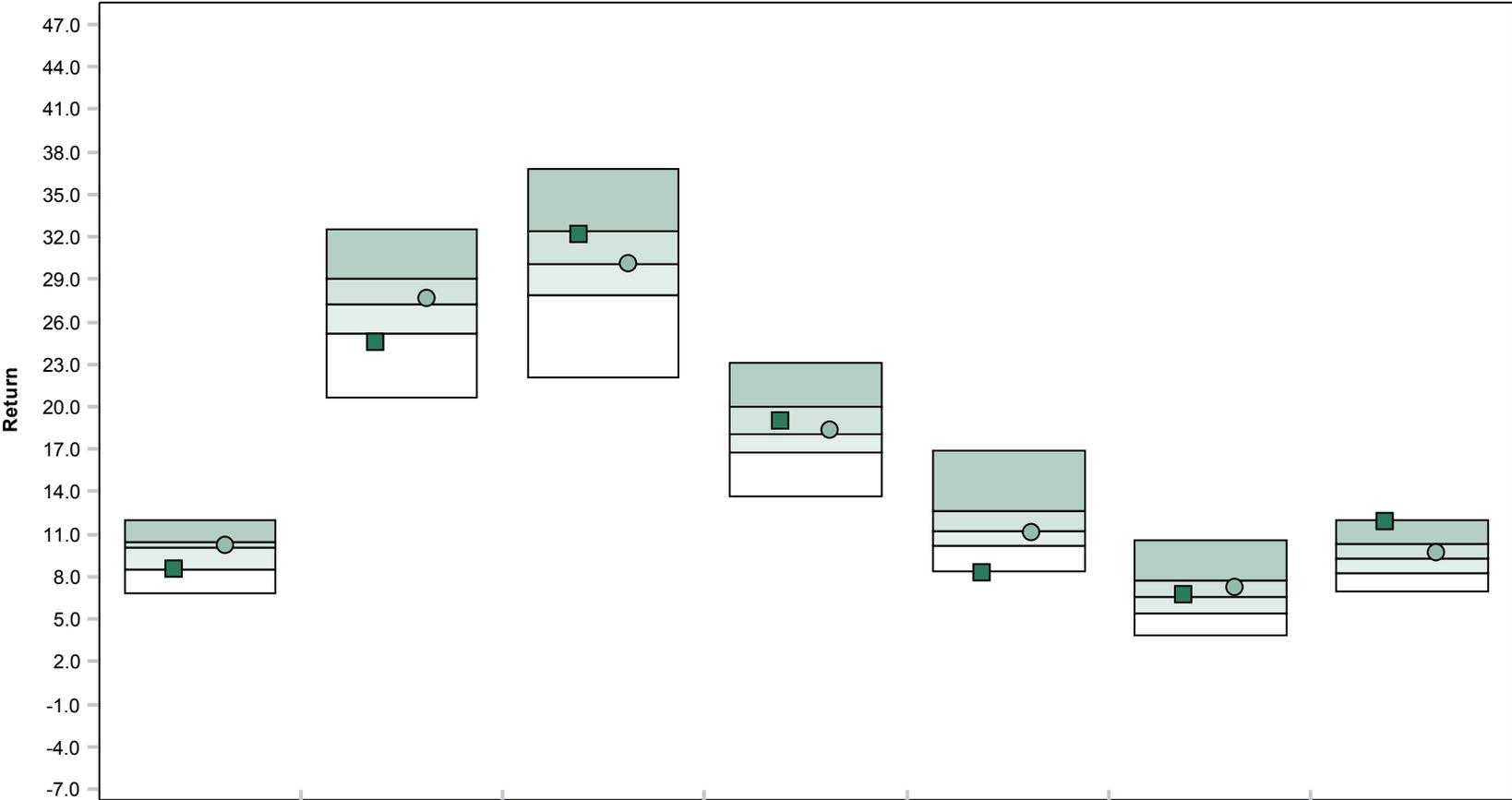
Up Down Market Capture



* Monthly periodicity used.

Keeley Small Cap Value A

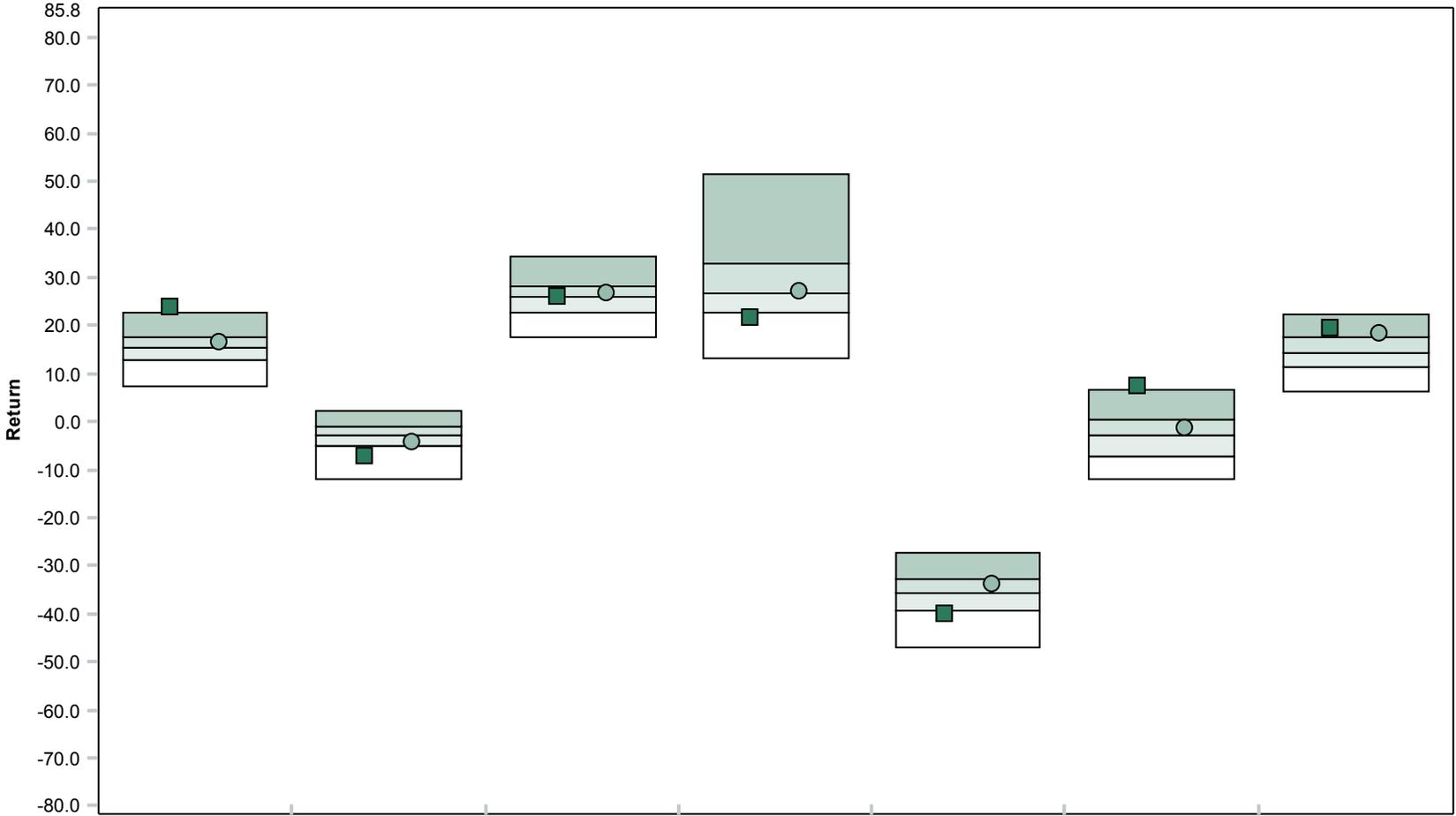
Peer Group Analysis - IM U.S. Small Cap Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Keeley Small Cap Value A	8.47 (77)	24.55 (82)	32.17 (28)	19.03 (37)	8.20 (97)	6.69 (48)	11.89 (7)
● Russell 2000 Index	10.21 (39)	27.69 (42)	30.06 (51)	18.29 (46)	11.15 (53)	7.23 (35)	9.64 (39)
5th Percentile	11.96	32.50	36.85	23.04	16.89	10.56	11.93
1st Quartile	10.50	29.01	32.42	20.03	12.62	7.75	10.37
Median	10.00	27.23	30.07	18.10	11.18	6.59	9.28
3rd Quartile	8.56	25.15	27.90	16.77	10.19	5.47	8.27
95th Percentile	6.81	20.67	22.01	13.71	8.38	3.80	6.93

Keeley Small Cap Value A

Peer Group Analysis - IM U.S. Small Cap Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Keeley Small Cap Value A	23.81 (5)	-7.29 (91)	25.98 (49)	21.67 (79)	-40.18 (79)	7.17 (3)	19.55 (12)
● Russell 2000 Index	16.35 (35)	-4.18 (63)	26.85 (39)	27.17 (47)	-33.79 (34)	-1.57 (38)	18.37 (18)
5th Percentile	22.69	2.26	34.31	51.30	-27.17	6.46	22.31
1st Quartile	17.58	-1.17	28.12	32.87	-32.69	0.40	17.49
Median	15.38	-2.83	25.83	26.63	-35.89	-3.02	14.31
3rd Quartile	12.74	-5.03	22.82	22.80	-39.41	-7.39	11.25
95th Percentile	7.41	-12.10	17.49	13.13	-47.21	-12.11	6.37

Keeley Small Cap Value A

Fund Information

Fund Name :	KEELEY Funds, Inc: KEELEY Small Cap Value Fund; Class A Shares	Portfolio Assets :	\$2,977 Million
Fund Family :	Keeley Asset Management Corporation	Portfolio Manager :	Keeley/Keeley
Ticker :	KSCVX	PM Tenure :	1993--2011
Inception Date :	10/01/1993	Fund Style :	IM U.S. Small Cap Core Equity (MF)
Fund Assets :	\$2,038 Million	Style Benchmark :	Russell 2000 Index
Portfolio Turnover :	26%		

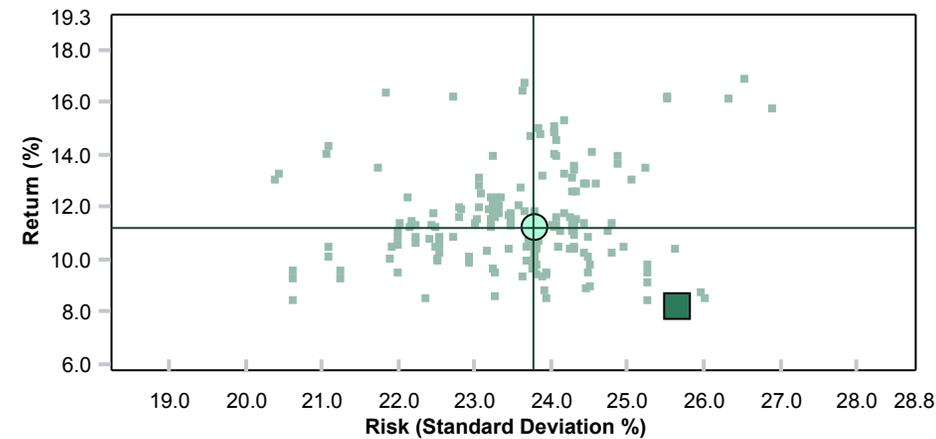
Fund Investment Policy

The Fund seeks capital appreciation by investing in companies with relatively small market capitalization, emphasizing companies undergoing substantial changes such as: emerging from bankruptcy, spin-offs and recapitalizations.

Historical Statistics (10/01/08 - 09/30/13) *

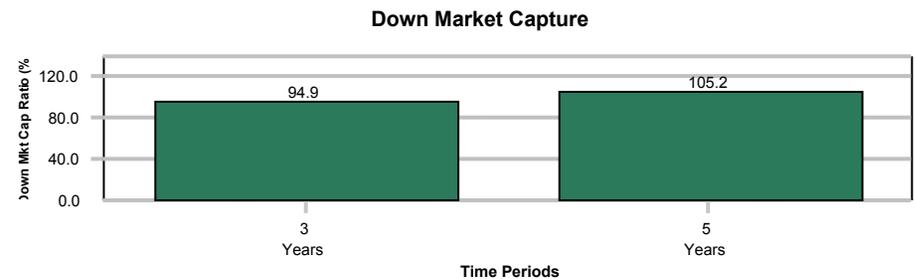
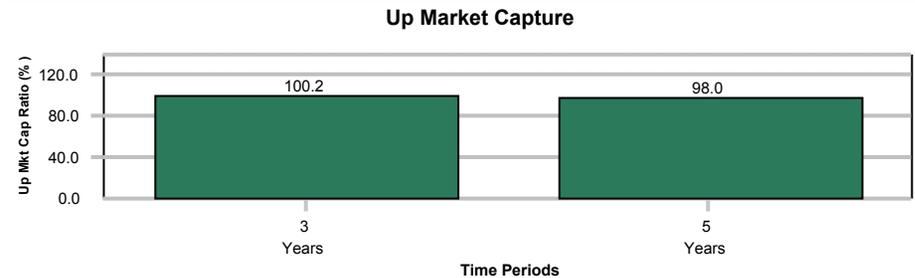
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Keeley Small Cap Value A	8.20	25.65	0.44	-2.93	1.06	0.96	5.09	-0.43	25.69	11/01/1993
Russell 2000 Index	11.15	23.81	0.56	0.00	1.00	1.00	0.00	N/A	23.84	11/01/1993
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.16	23.84	-0.56	0.00	11/01/1993

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Keeley Small Cap Value A	8.20	25.65
○ Russell 2000 Index	11.15	23.81
— Median	11.18	23.78

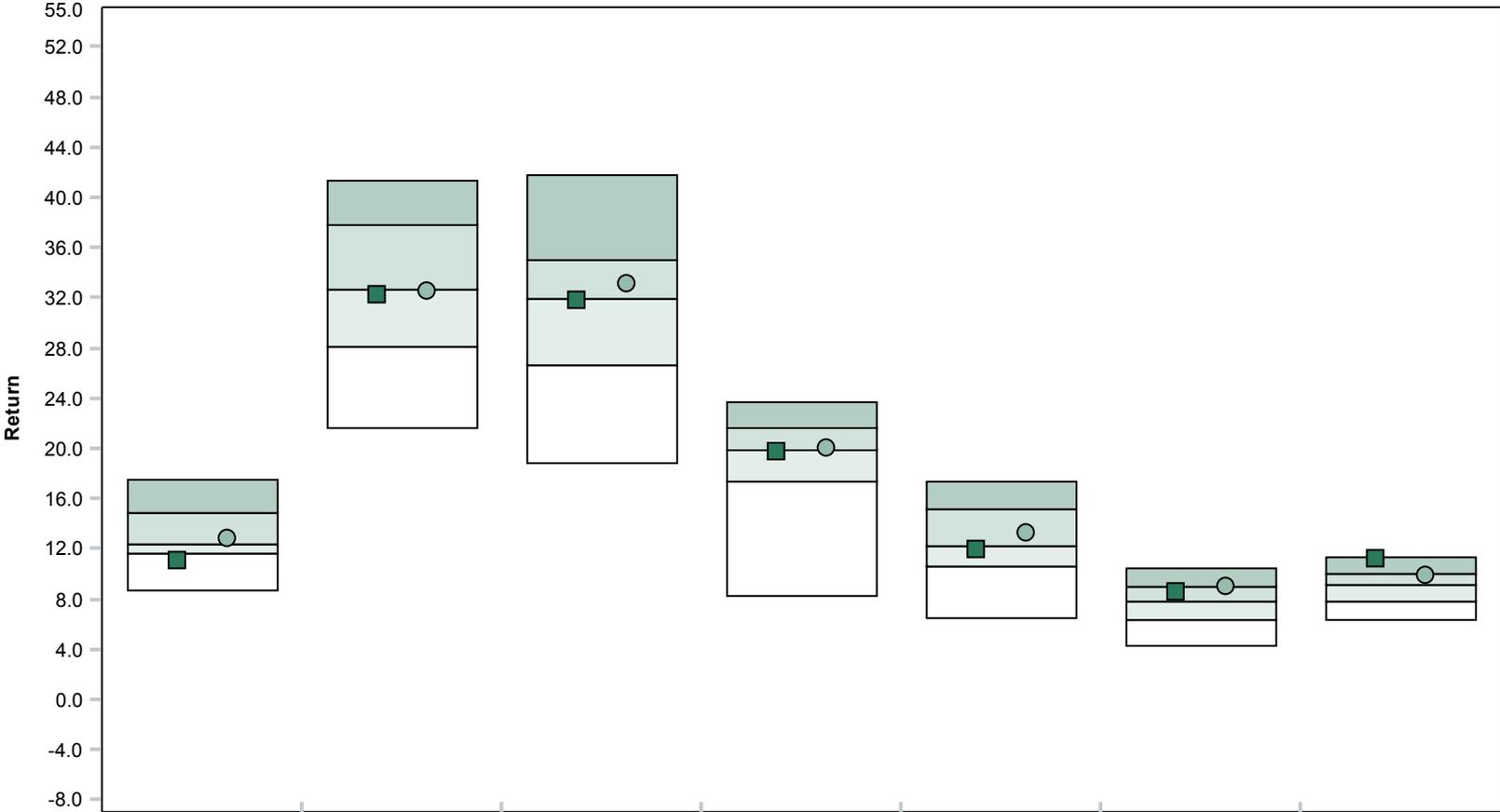
Up Down Market Capture



* Monthly periodicity used.

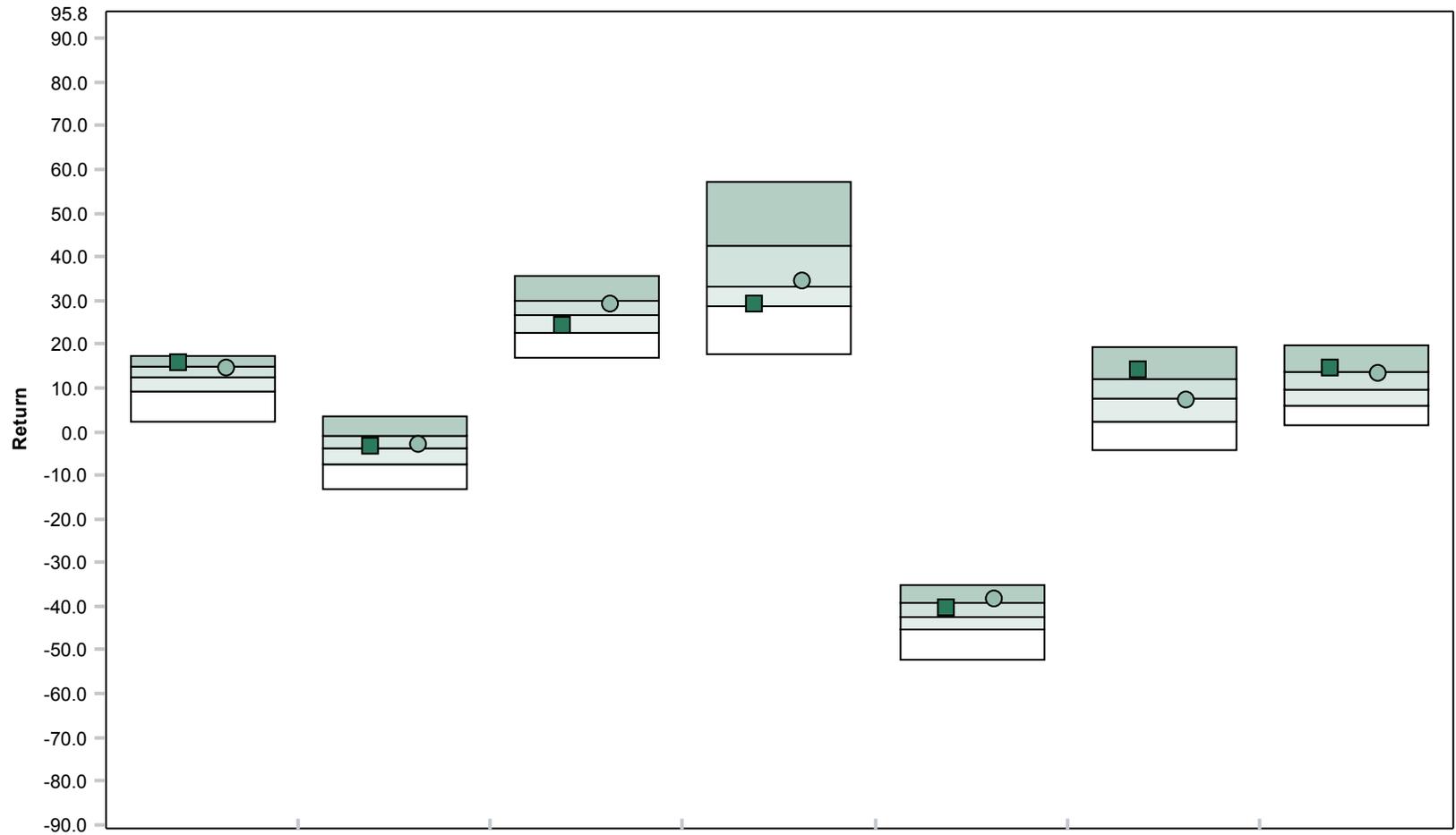
Hartford Small Company HLS

Peer Group Analysis - IM U.S. Small Cap Growth Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Hartford Small Company HLS	11.03 (84)	32.16 (58)	31.73 (53)	19.62 (52)	11.84 (58)	8.49 (36)	11.09 (7)
● Russell 2000 Growth Index	12.80 (40)	32.47 (53)	33.07 (38)	19.96 (48)	13.17 (38)	9.02 (24)	9.85 (28)
5th Percentile	17.50	41.36	41.82	23.61	17.28	10.43	11.37
1st Quartile	14.90	37.73	34.99	21.57	15.07	8.92	9.95
Median	12.33	32.60	31.94	19.77	12.18	7.77	9.06
3rd Quartile	11.55	28.05	26.58	17.39	10.64	6.34	7.85
95th Percentile	8.66	21.58	18.80	8.17	6.48	4.18	6.34

Peer Group Analysis - IM U.S. Small Cap Growth Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Hartford Small Company HLS	15.64 (20)	-3.36 (43)	24.13 (67)	29.29 (73)	-40.60 (35)	14.23 (16)	14.43 (23)
● Russell 2000 Growth Index	14.59 (29)	-2.91 (39)	29.09 (29)	34.47 (43)	-38.54 (20)	7.05 (53)	13.35 (26)
5th Percentile	17.40	3.44	35.59	57.37	-35.04	19.16	19.80
1st Quartile	15.01	-0.92	29.76	42.68	-39.15	12.16	13.49
Median	12.29	-3.94	26.80	33.02	-42.36	7.57	9.51
3rd Quartile	9.17	-7.69	22.76	28.82	-45.52	2.23	6.11
95th Percentile	2.45	-13.15	16.74	17.91	-52.44	-4.19	1.52

Hartford Small Company HLS

Fund Information

Fund Name : Hartford Series Fund, Inc: Hartford Small Company HLS Fund; Class IA Portfolio Assets : -
 Fund Family : Hartford Funds Management Company LLC Portfolio Manager : Team Managed
 Ticker : PM Tenure :
 Inception Date : 08/09/1996 Fund Style : IM U.S. Small Cap Growth Equity (MF)
 Fund Assets : - Style Benchmark : Russell 2000 Growth Index

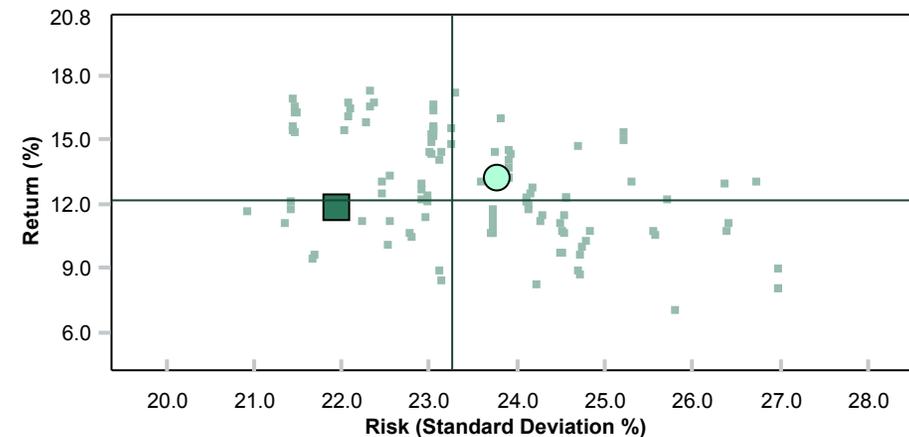
Fund Investment Policy

The Fund seeks growth of capital by investing primarily in common stocks selected on the basis of potential for capital appreciation. Under normal circumstances, the Fund will invest at least 80% of its assets in common stocks of small capitalization companies.

Historical Statistics (10/01/08 - 09/30/13) *

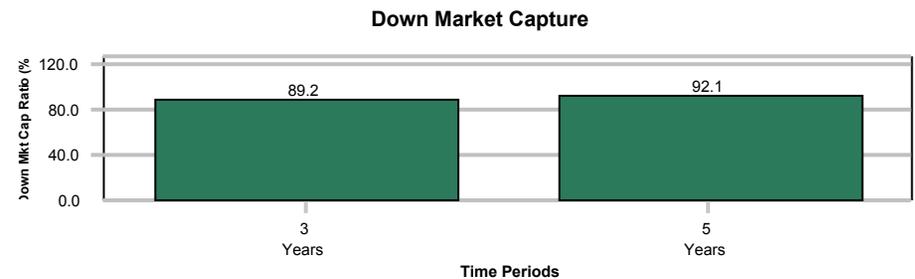
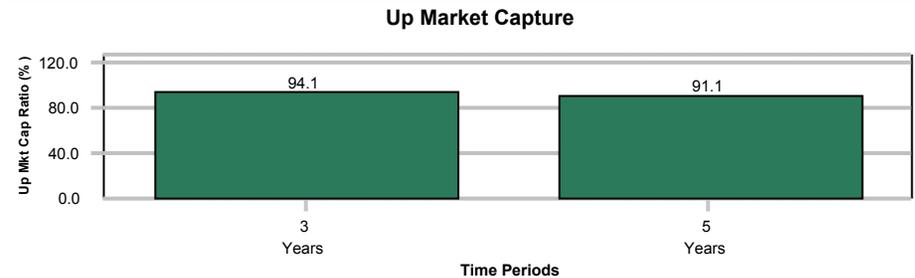
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Hartford Small Company HLS	11.84	21.94	0.62	-0.26	0.91	0.98	4.00	-0.40	21.98	09/01/1996
Russell 2000 Growth Index	13.17	23.78	0.64	0.00	1.00	1.00	0.00	N/A	23.81	09/01/1996
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.18	23.81	-0.64	0.00	09/01/1996

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Hartford Small Company HLS	11.84	21.94
○ Russell 2000 Growth Index	13.17	23.78
— Median	12.18	23.27

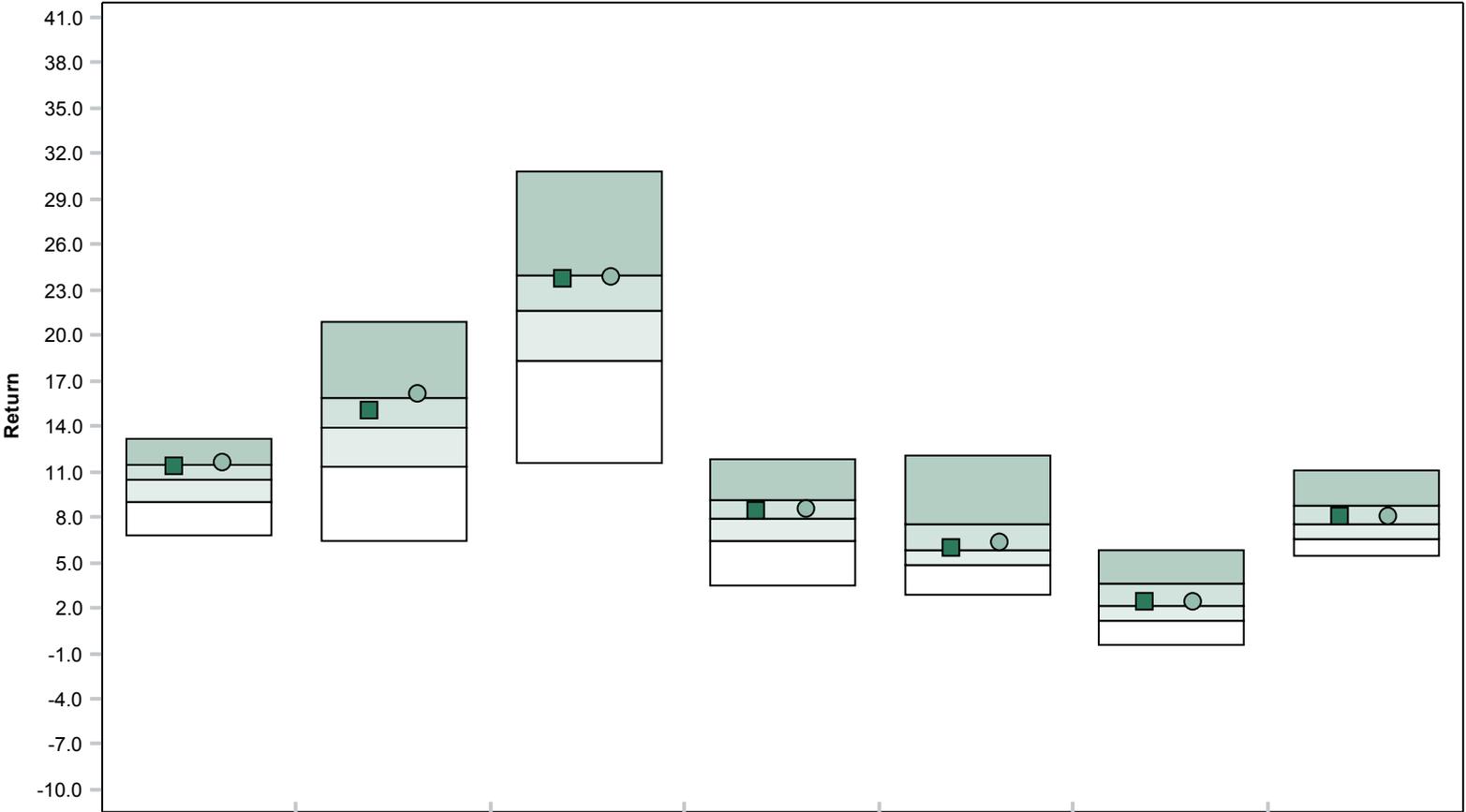
Up Down Market Capture



* Monthly periodicity used.

American Beacon Intl Eq Index Inst

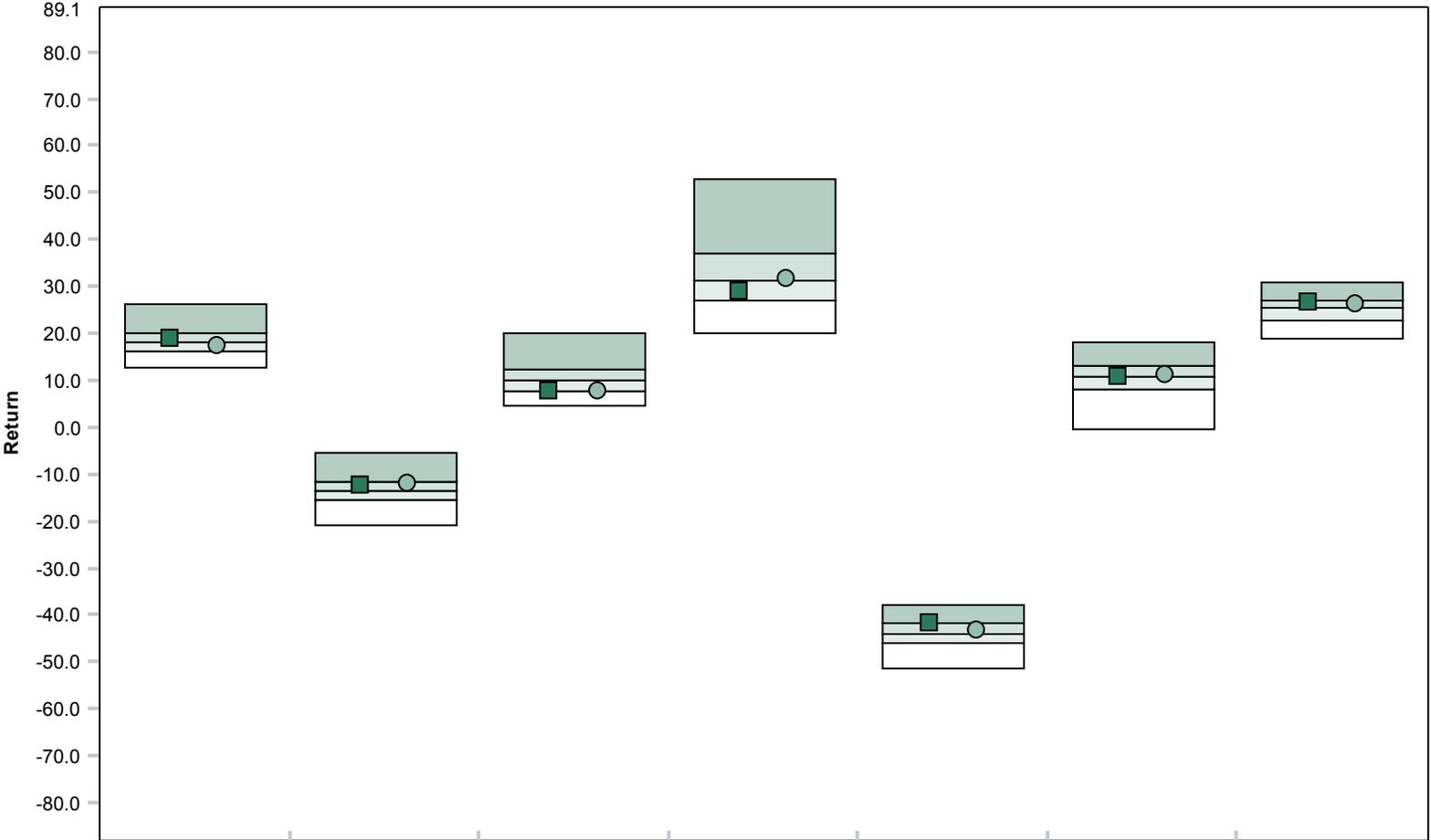
Peer Group Analysis - IM International Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Beacon Intl Eq Index Inst	11.33 (28)	15.03 (37)	23.64 (29)	8.37 (41)	5.87 (50)	2.33 (46)	7.96 (39)
● MSCI EAFE (Net)	11.56 (21)	16.14 (23)	23.77 (27)	8.47 (39)	6.35 (38)	2.40 (46)	8.01 (36)
5th Percentile	13.18	20.84	30.87	11.87	12.11	5.78	11.08
1st Quartile	11.39	15.89	23.94	9.13	7.57	3.60	8.80
Median	10.44	13.94	21.68	7.85	5.87	2.19	7.58
3rd Quartile	9.05	11.31	18.28	6.45	4.86	1.20	6.58
95th Percentile	6.80	6.36	11.58	3.47	2.86	-0.50	5.38

American Beacon Intl Eq Index Inst

Peer Group Analysis - IM International Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ American Beacon Intl Eq Index Inst	18.71 (41)	-12.50 (40)	7.56 (76)	28.72 (63)	-41.85 (26)	10.68 (49)	26.52 (31)
● MSCI EAFE (Net)	17.32 (62)	-12.14 (34)	7.75 (72)	31.78 (46)	-43.38 (46)	11.17 (44)	26.34 (33)
5th Percentile	26.06	-5.62	20.13	52.65	-38.06	18.08	31.00
1st Quartile	20.21	-11.45	12.46	37.15	-41.78	13.12	27.11
Median	18.10	-13.42	9.88	31.04	-43.93	10.59	25.38
3rd Quartile	16.02	-15.54	7.57	27.14	-46.18	8.10	22.88
95th Percentile	12.56	-20.88	4.65	20.01	-51.59	-0.58	18.81

American Beacon Intl Eq Index Inst

Fund Information

Fund Name :	American Beacon Funds: American Beacon International Equity Index Fund; Institutional Class Shares	Portfolio Assets :	\$918 Million
Fund Family :	American Beacon Advisors Inc	Portfolio Manager :	Corallo/Bliss/Savage
Ticker :	AIIX	PM Tenure :	2010--2011--2011
Inception Date :	07/31/2000	Fund Style :	IM International Core Equity (MF)
Fund Assets :	\$570 Million	Style Benchmark :	MSCI EAFE (Net)

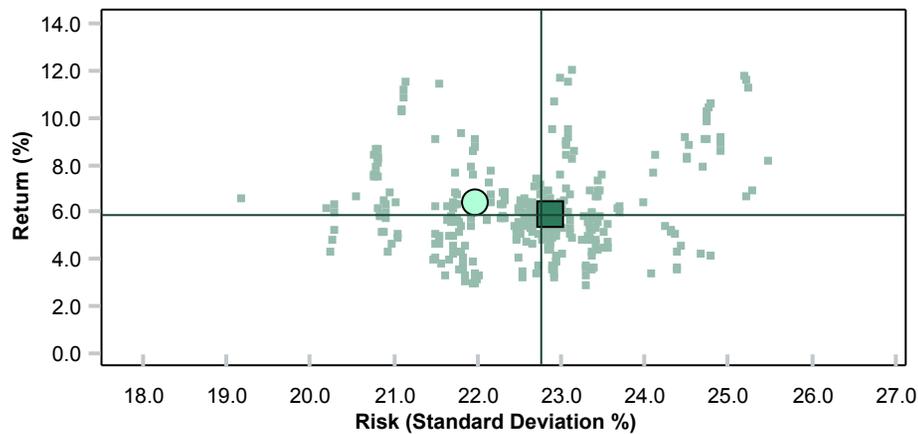
Fund Investment Policy

The Fund seeks to match the performance of the Morgan Stanley Capital International Europe, Asia and Far East Capitalization Weighted Index as closely as possible before the deduction of Fund expenses.

Historical Statistics (10/01/08 - 09/30/13) *

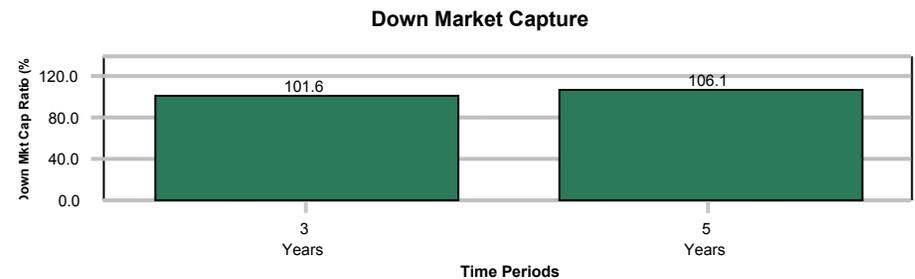
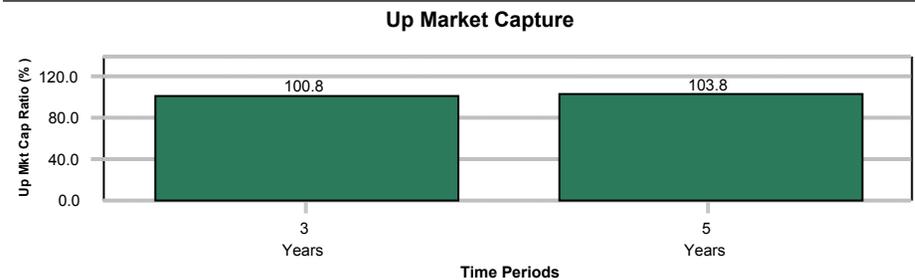
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Beacon Intl Eq Index Inst	5.87	22.89	0.36	-0.55	1.03	0.99	2.71	-0.09	22.92	08/01/2000
MSCI EAFE (Net)	6.35	21.98	0.39	0.00	1.00	1.00	0.00	N/A	22.00	08/01/2000
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.16	0.00	0.11	22.00	-0.39	0.00	08/01/2000

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ American Beacon Intl Eq Index Inst	5.87	22.89
○ MSCI EAFE (Net)	6.35	21.98
— Median	5.87	22.76

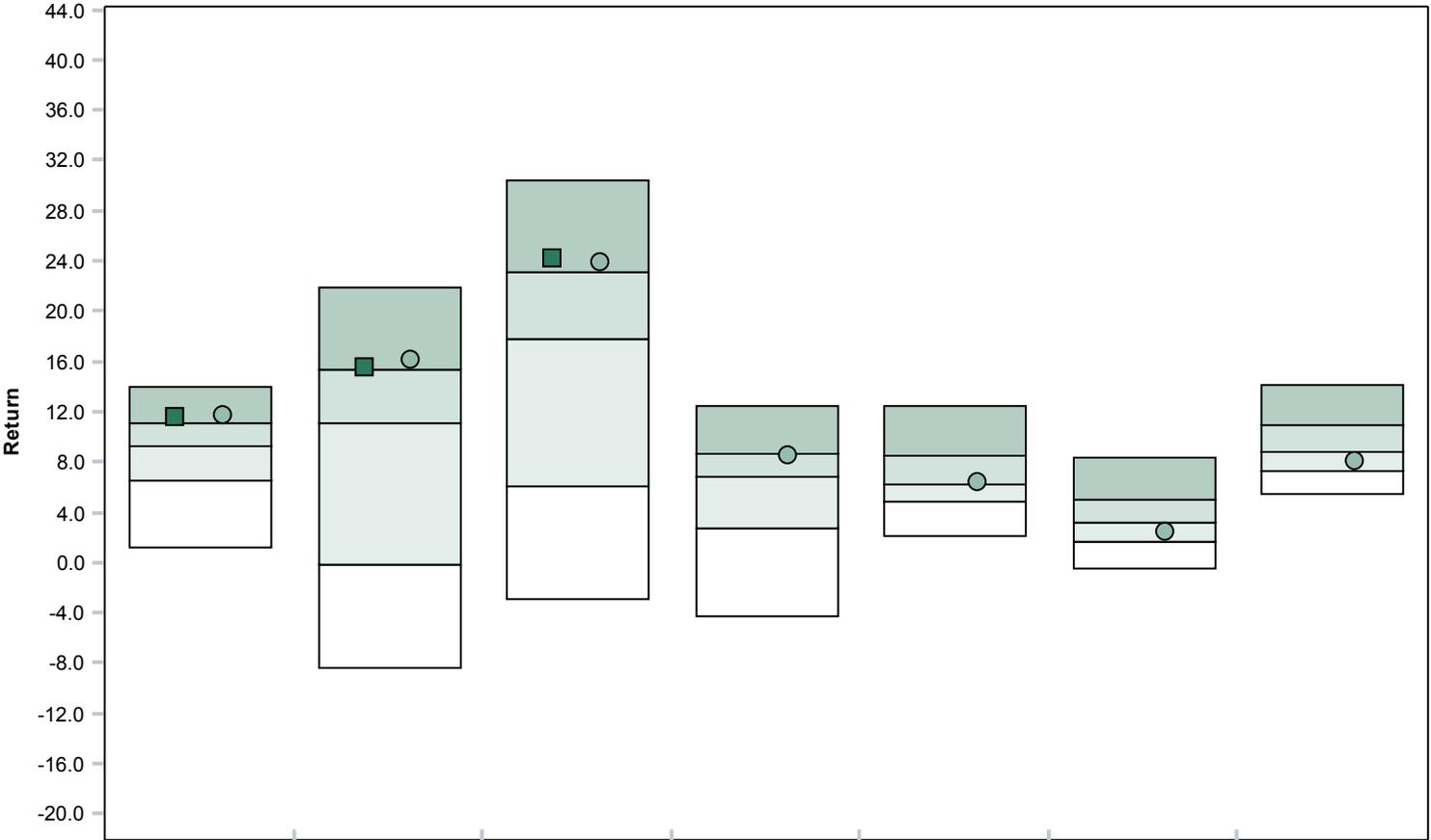
Up Down Market Capture



* Monthly periodicity used.

Vanguard Developed Markets Index Admiral

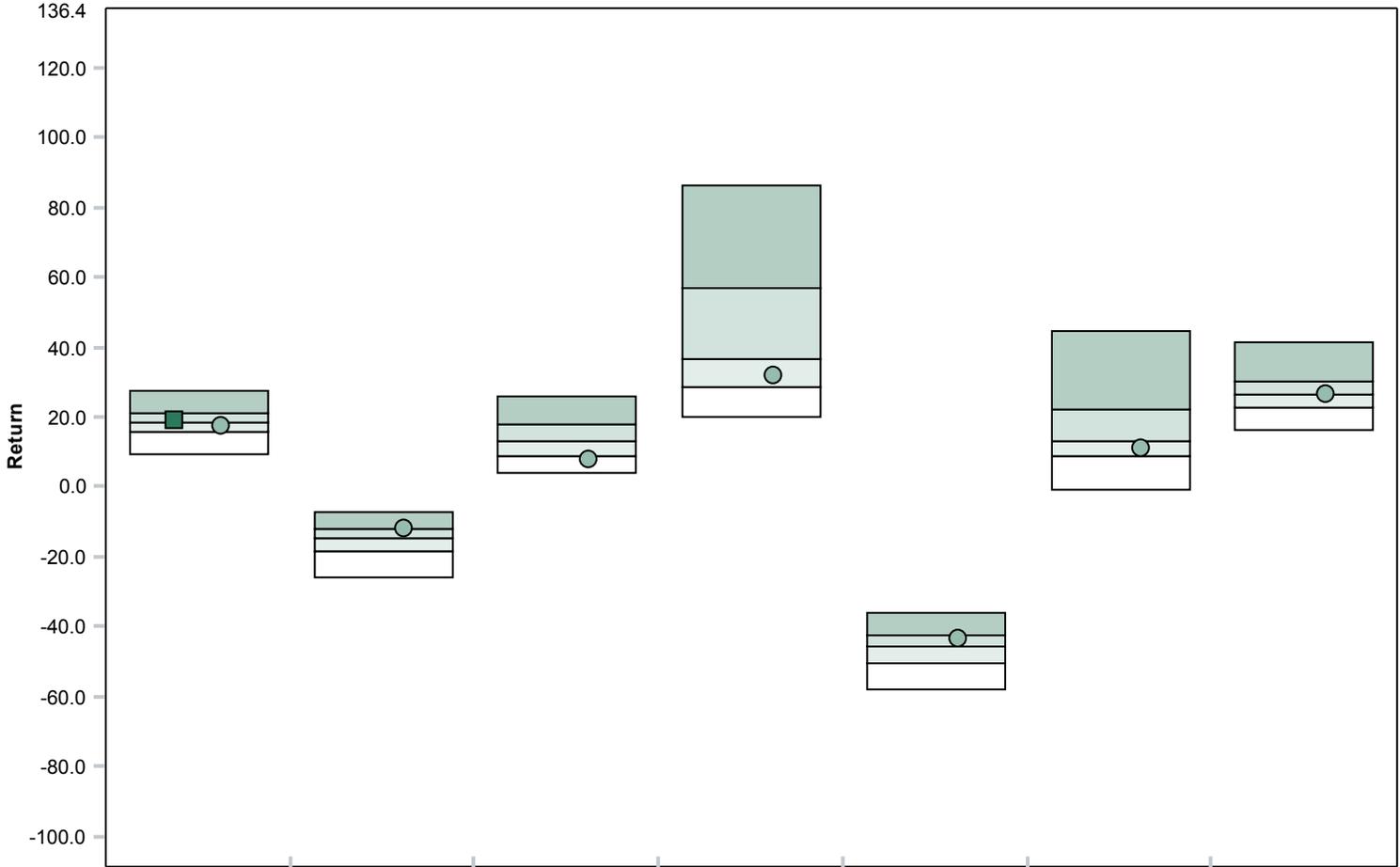
Peer Group Analysis - IM International Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Developed Markets Index Admiral	11.58 (20)	15.48 (24)	24.16 (20)	N/A	N/A	N/A	N/A
● Vanguard Developed Market Policy Index	11.70 (18)	16.17 (19)	23.80 (22)	8.48 (29)	6.36 (47)	2.40 (63)	8.01 (61)
5th Percentile	13.92	21.85	30.47	12.40	12.48	8.33	14.19
1st Quartile	11.13	15.28	23.07	8.71	8.49	5.05	10.97
Median	9.32	11.02	17.80	6.85	6.19	3.19	8.73
3rd Quartile	6.54	-0.24	6.11	2.65	4.85	1.66	7.20
95th Percentile	1.24	-8.45	-2.97	-4.28	2.04	-0.40	5.41

Vanguard Developed Markets Index Admiral

Peer Group Analysis - IM International Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Developed Markets Index Admiral	18.91 (46)	N/A	N/A	N/A	N/A	N/A	N/A
● Vanguard Developed Market Policy Index	17.32 (64)	-12.14 (27)	7.75 (80)	31.78 (64)	-43.38 (33)	11.17 (62)	26.34 (49)
5th Percentile	27.65	-7.14	26.14	85.95	-36.33	44.49	41.29
1st Quartile	21.29	-11.97	18.07	56.97	-42.39	22.05	30.40
Median	18.60	-14.92	12.95	36.30	-45.92	13.26	26.15
3rd Quartile	15.85	-18.63	8.57	28.46	-50.70	8.81	22.91
95th Percentile	9.07	-25.83	3.97	19.78	-58.23	-0.89	16.48

Vanguard Developed Markets Index Admiral

Fund Information

Fund Name :	Vanguard STAR Funds: Vanguard Developed Markets Index Fund; Admiral Class Shares	Portfolio Assets :	\$15,020 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Donald Butler
Ticker :	VDMAX	PM Tenure :	2011
Inception Date :	09/27/2011	Fund Style :	IM International Equity (MF)
Fund Assets :	\$2,474 Million	Style Benchmark :	Vanguard Developed Market Policy Index

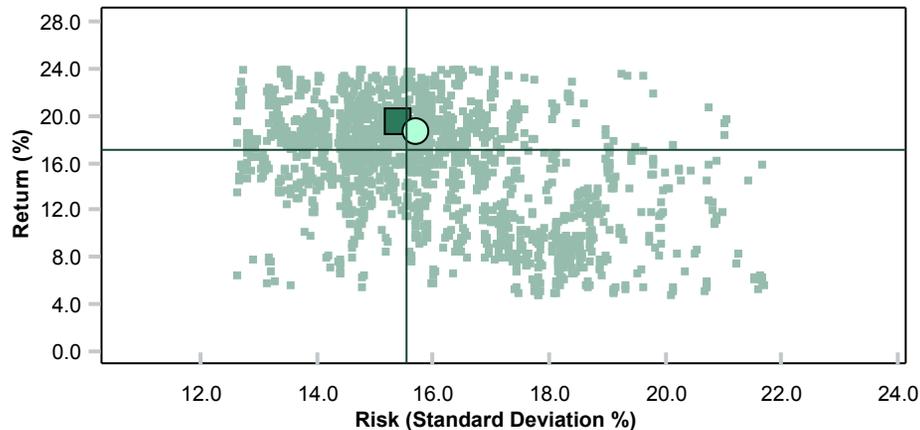
Fund Investment Policy

The Fund seeks to track the performance of the MSCI Europe, Australia, and Far East (EAFE) Index. The Fund seeks to achieve its investment objective by investing in other Vanguard mutual Funds and/or directly in securities included in the Index.

Historical Statistics (10/01/11 - 09/30/13) *

	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Developed Markets Index Admiral	19.52	15.42	1.24	1.29	0.97	0.97	2.56	0.26	15.42	10/01/2011
Vanguard Developed Market Policy Index	18.67	15.73	1.17	0.00	1.00	1.00	0.00	N/A	15.73	10/01/2011
90 Day U.S. Treasury Bill	0.06	0.02	N/A	0.07	0.00	0.01	15.73	-1.17	0.00	10/01/2011

Peer Group Scattergram (10/01/11 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Developed Markets Index Admiral	19.52	15.42
○ Vanguard Developed Market Policy Index	18.67	15.73
— Median	17.04	15.56

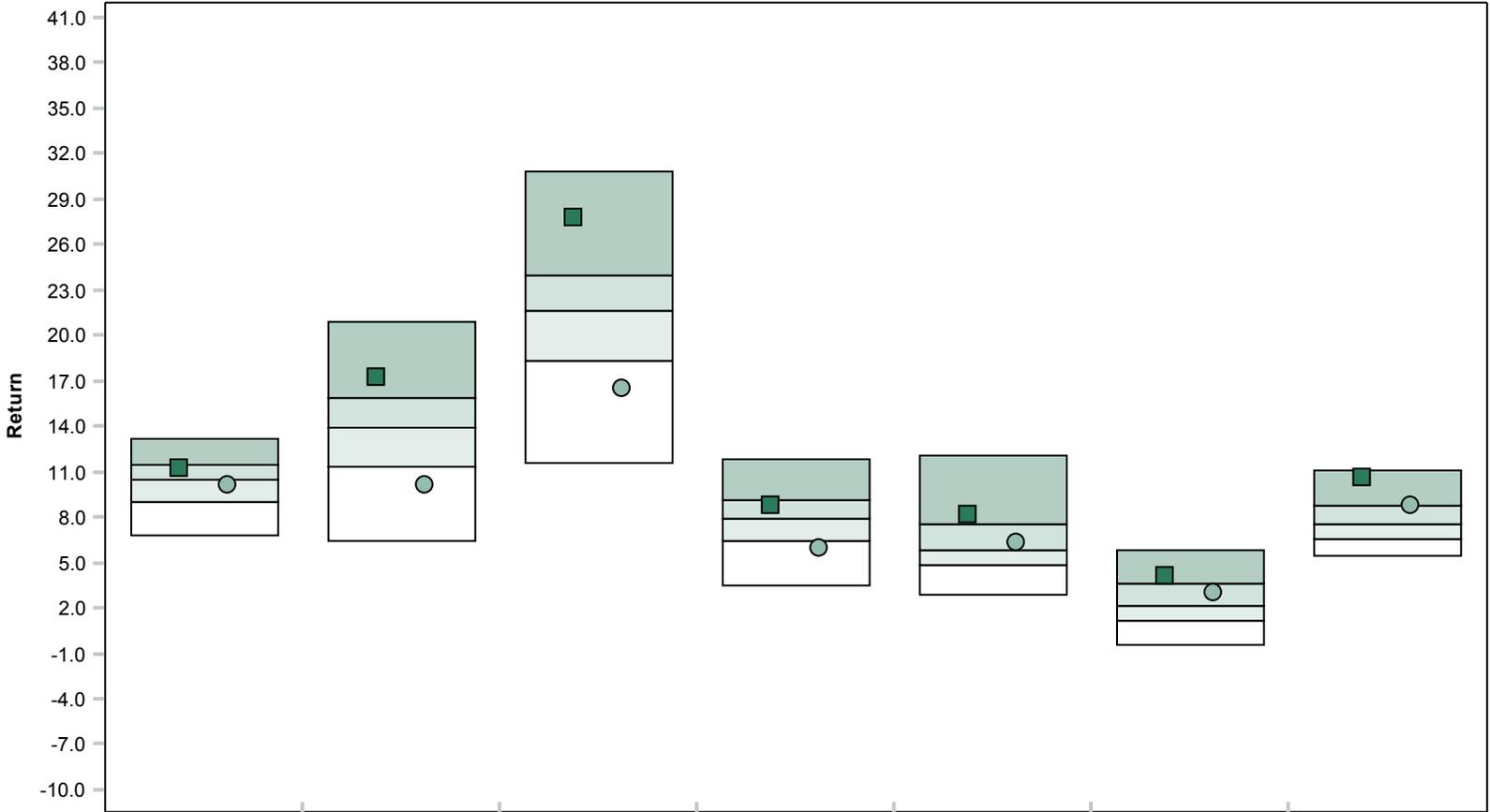
Up Down Market Capture

No data found.

* Monthly periodicity used.

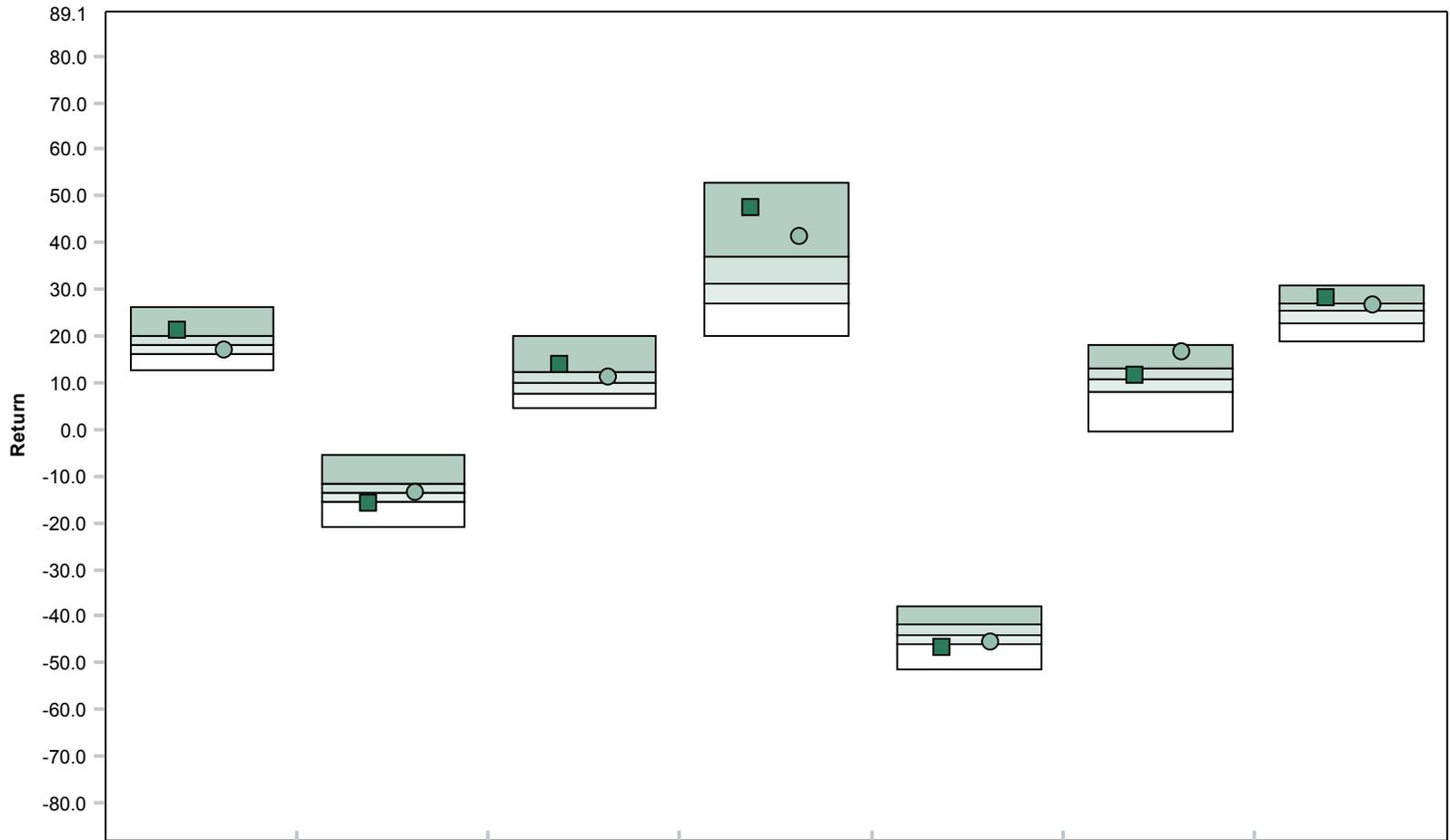
Dodge & Cox International Stock

Peer Group Analysis - IM International Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Dodge & Cox International Stock	11.15 (33)	17.15 (17)	27.76 (9)	8.75 (30)	8.11 (24)	4.10 (20)	10.62 (10)
● MSCI AC World ex USA (Net)	10.09 (63)	10.04 (85)	16.48 (87)	5.95 (83)	6.26 (40)	3.03 (32)	8.77 (26)
5th Percentile	13.18	20.84	30.87	11.87	12.11	5.78	11.08
1st Quartile	11.39	15.89	23.94	9.13	7.57	3.60	8.80
Median	10.44	13.94	21.68	7.85	5.87	2.19	7.58
3rd Quartile	9.05	11.31	18.28	6.45	4.86	1.20	6.58
95th Percentile	6.80	6.36	11.58	3.47	2.86	-0.50	5.38

Peer Group Analysis - IM International Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Dodge & Cox International Stock	21.03 (20)	-15.97 (82)	13.69 (18)	47.46 (10)	-46.69 (79)	11.71 (41)	28.01 (17)
● MSCI AC World ex USA (Net)	16.83 (69)	-13.71 (54)	11.15 (37)	41.45 (18)	-45.53 (68)	16.65 (8)	26.65 (30)
5th Percentile	26.06	-5.62	20.13	52.65	-38.06	18.08	31.00
1st Quartile	20.21	-11.45	12.46	37.15	-41.78	13.12	27.11
Median	18.10	-13.42	9.88	31.04	-43.93	10.59	25.38
3rd Quartile	16.02	-15.54	7.57	27.14	-46.18	8.10	22.88
95th Percentile	12.56	-20.88	4.65	20.01	-51.59	-0.58	18.81

Dodge & Cox International Stock

Fund Information

Fund Name : Dodge & Cox Funds: Dodge & Cox International Stock Fund
 Fund Family : Dodge & Cox
 Ticker : DODFX
 Inception Date : 05/01/2001
 Fund Assets : \$45,221 Million
 Portfolio Turnover : 10%

Portfolio Assets : \$45,221 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM International Core Equity (MF)
 Style Benchmark : MSCI AC World ex USA (Net)

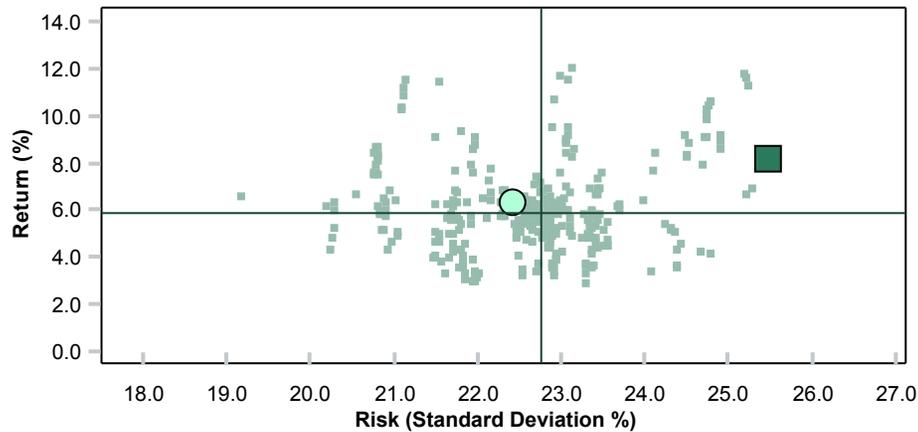
Fund Investment Policy

The Fund seeks long-term growth of principal and income by investing primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different foreign countries, including emerging markets.

Historical Statistics (10/01/08 - 09/30/13) *

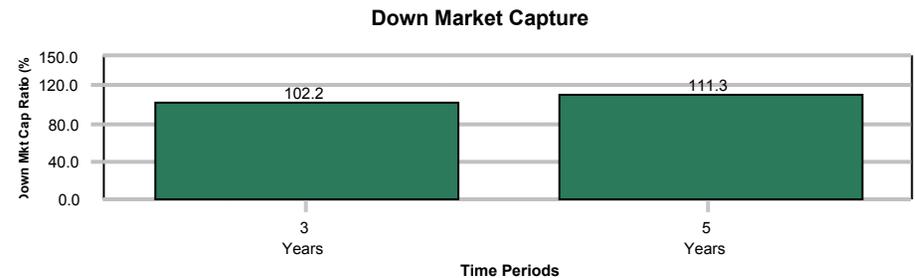
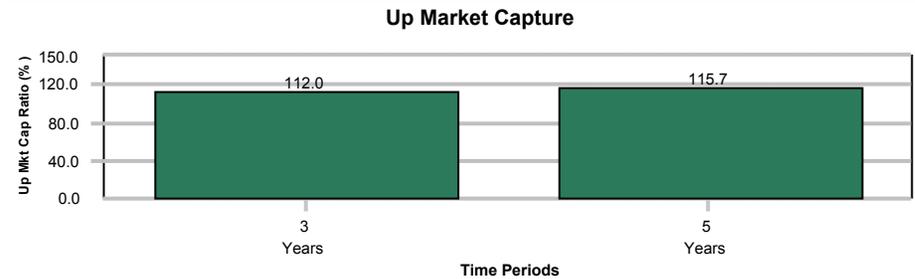
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Dodge & Cox International Stock	8.11	25.48	0.43	1.43	1.12	0.98	4.75	0.52	25.51	06/01/2001
MSCI AC World ex USA (Net)	6.26	22.43	0.38	0.00	1.00	1.00	0.00	N/A	22.45	06/01/2001
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.16	0.00	0.12	22.45	-0.38	0.00	06/01/2001

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Dodge & Cox International Stock	8.11	25.48
○ MSCI AC World ex USA (Net)	6.26	22.43
— Median	5.87	22.76

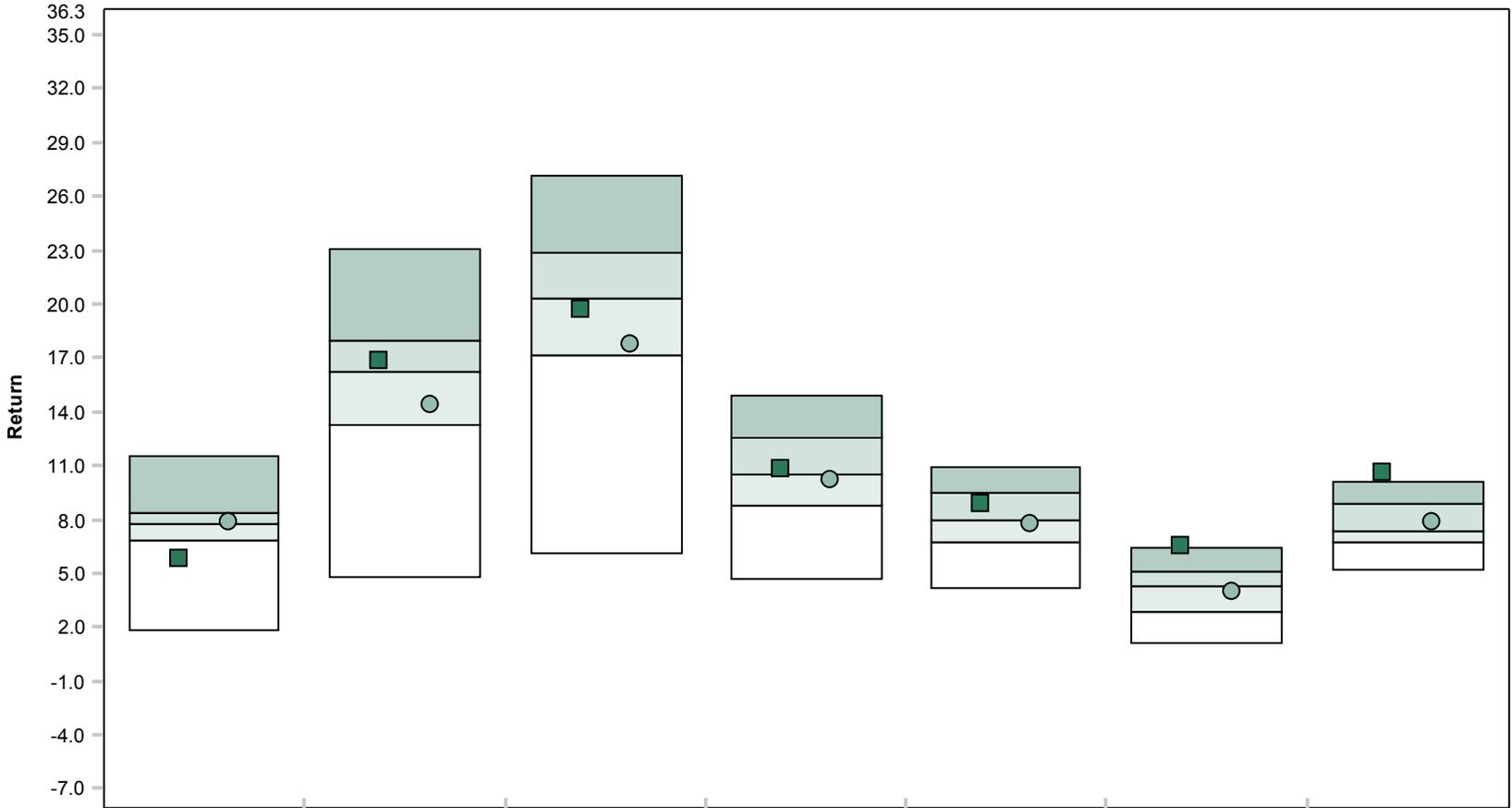
Up Down Market Capture



* Monthly periodicity used.

Mutual Global Discovery Z

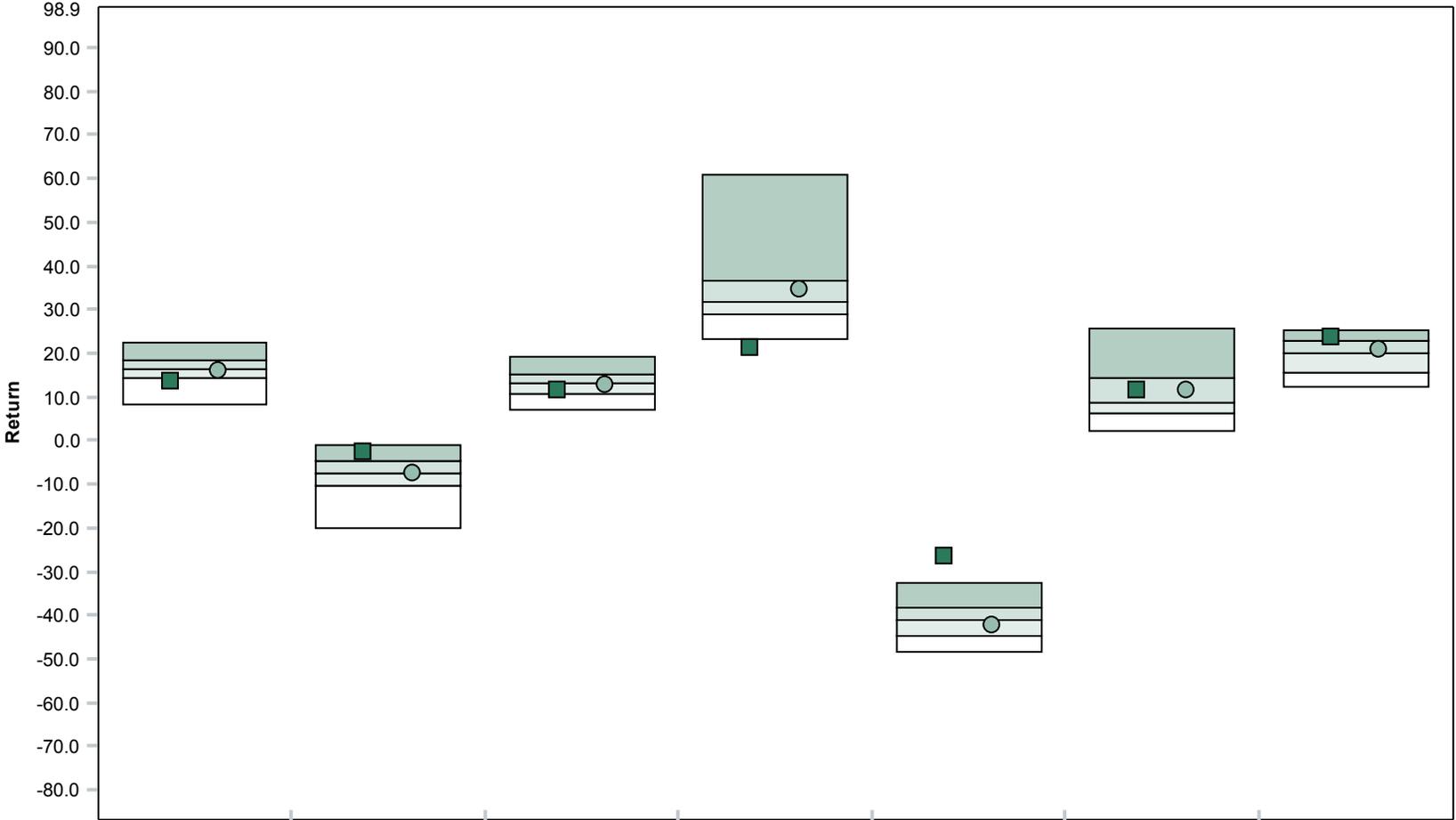
Peer Group Analysis - IM Global Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Mutual Global Discovery Z	5.81 (86)	16.85 (46)	19.74 (55)	10.83 (46)	8.91 (32)	6.51 (5)	10.64 (1)
● MSCI AC World Index (Net)	7.90 (45)	14.43 (69)	17.73 (72)	10.21 (57)	7.71 (58)	3.99 (59)	7.86 (43)
5th Percentile	11.58	23.03	27.19	14.94	10.95	6.42	10.13
1st Quartile	8.41	18.01	22.88	12.50	9.50	5.09	8.90
Median	7.79	16.25	20.35	10.50	7.96	4.26	7.39
3rd Quartile	6.84	13.22	17.13	8.76	6.73	2.89	6.73
95th Percentile	1.86	4.81	6.15	4.64	4.16	1.07	5.21

Mutual Global Discovery Z

Peer Group Analysis - IM Global Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Mutual Global Discovery Z	13.65 (80)	-2.68 (10)	11.37 (66)	21.31 (98)	-26.55 (1)	11.32 (33)	23.43 (19)
● MSCI AC World Index (Net)	16.13 (52)	-7.35 (49)	12.67 (54)	34.63 (38)	-42.19 (65)	11.66 (32)	20.95 (45)
5th Percentile	22.51	-1.12	19.35	60.64	-32.67	25.80	25.10
1st Quartile	18.23	-4.78	15.31	36.51	-38.38	14.29	22.68
Median	16.36	-7.47	12.98	31.84	-41.09	8.50	19.84
3rd Quartile	14.34	-10.17	10.51	28.92	-44.59	6.16	15.59
95th Percentile	8.08	-20.10	7.14	23.36	-48.58	2.38	12.32

Mutual Global Discovery Z

Fund Information

Fund Name :	Franklin Mutual Series Funds: Mutual Global Discovery Fund; Class Z Shares	Portfolio Assets :	\$21,288 Million
Fund Family :	Franklin Templeton Investments	Portfolio Manager :	Langerman/Brugere-Trelat/Ranki
Ticker :	MDISX	PM Tenure :	2009--2009--2013
Inception Date :	12/31/1992	Fund Style :	IM Global Core Equity (MF)
Fund Assets :	\$8,686 Million	Style Benchmark :	MSCI AC World Index (Net)

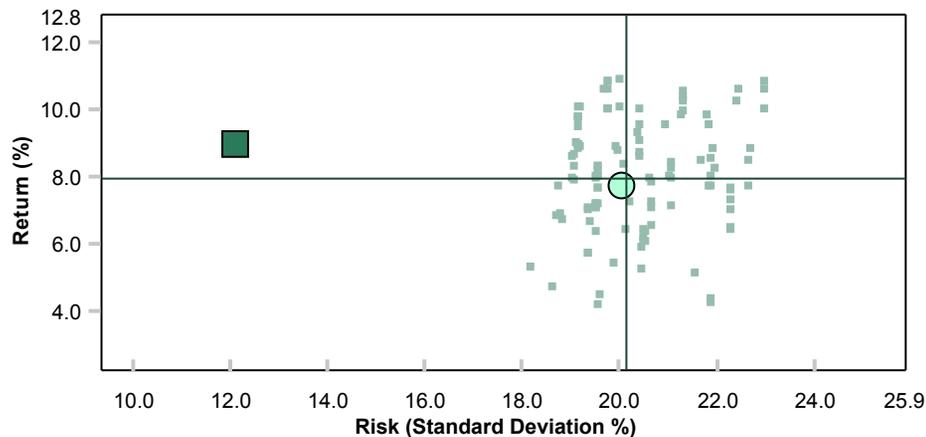
Fund Investment Policy

The Fund seeks capital appreciation. Under normal market conditions, the Fund invests mainly in equity securities of companies that the Manager believes are available at market prices less than their value based on certain recognized criteria. The fund generally invests a majority of its assets in foreign securities.

Historical Statistics (10/01/08 - 09/30/13) *

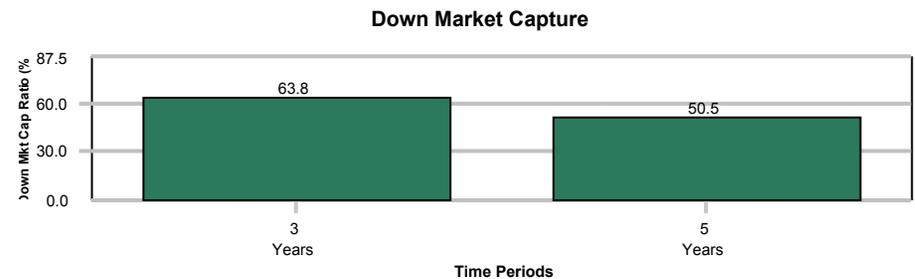
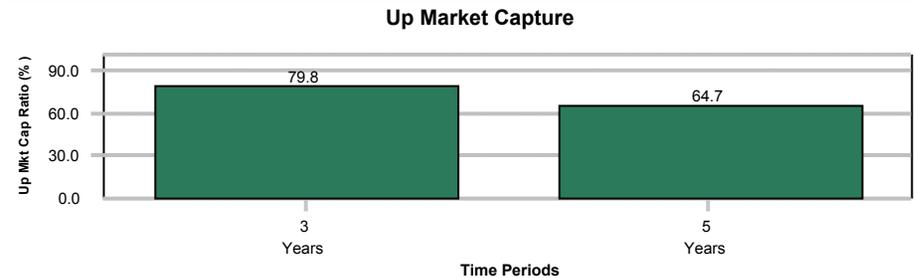
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Mutual Global Discovery Z	8.91	12.12	0.75	4.06	0.56	0.86	9.97	-0.02	12.15	01/01/1993
MSCI AC World Index (Net)	7.71	20.06	0.47	0.00	1.00	1.00	0.00	N/A	20.10	01/01/1993
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.14	20.10	-0.47	0.00	01/01/1993

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Mutual Global Discovery Z	8.91	12.12
○ MSCI AC World Index (Net)	7.71	20.06
— Median	7.96	20.14

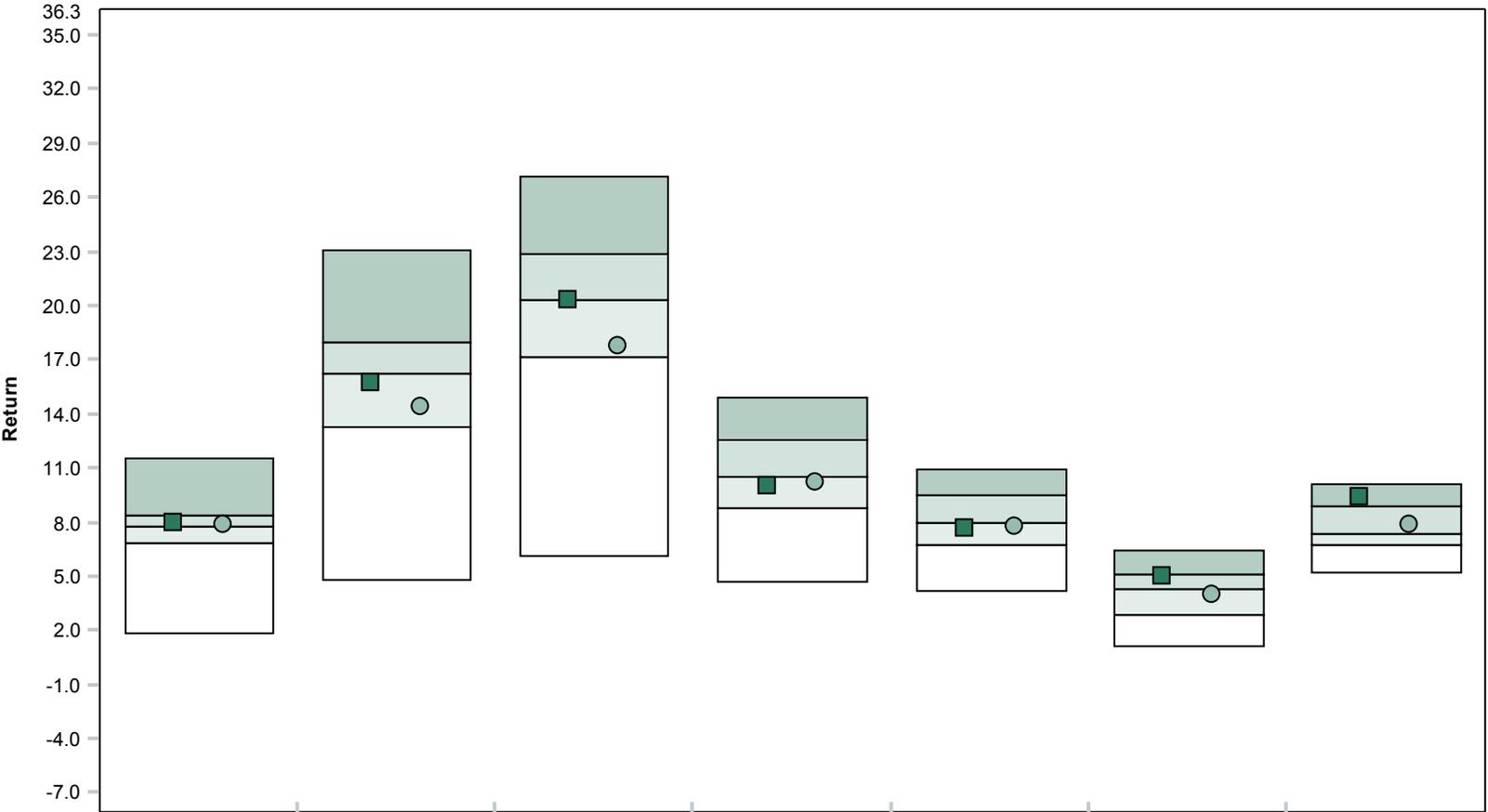
Up Down Market Capture



* Monthly periodicity used.

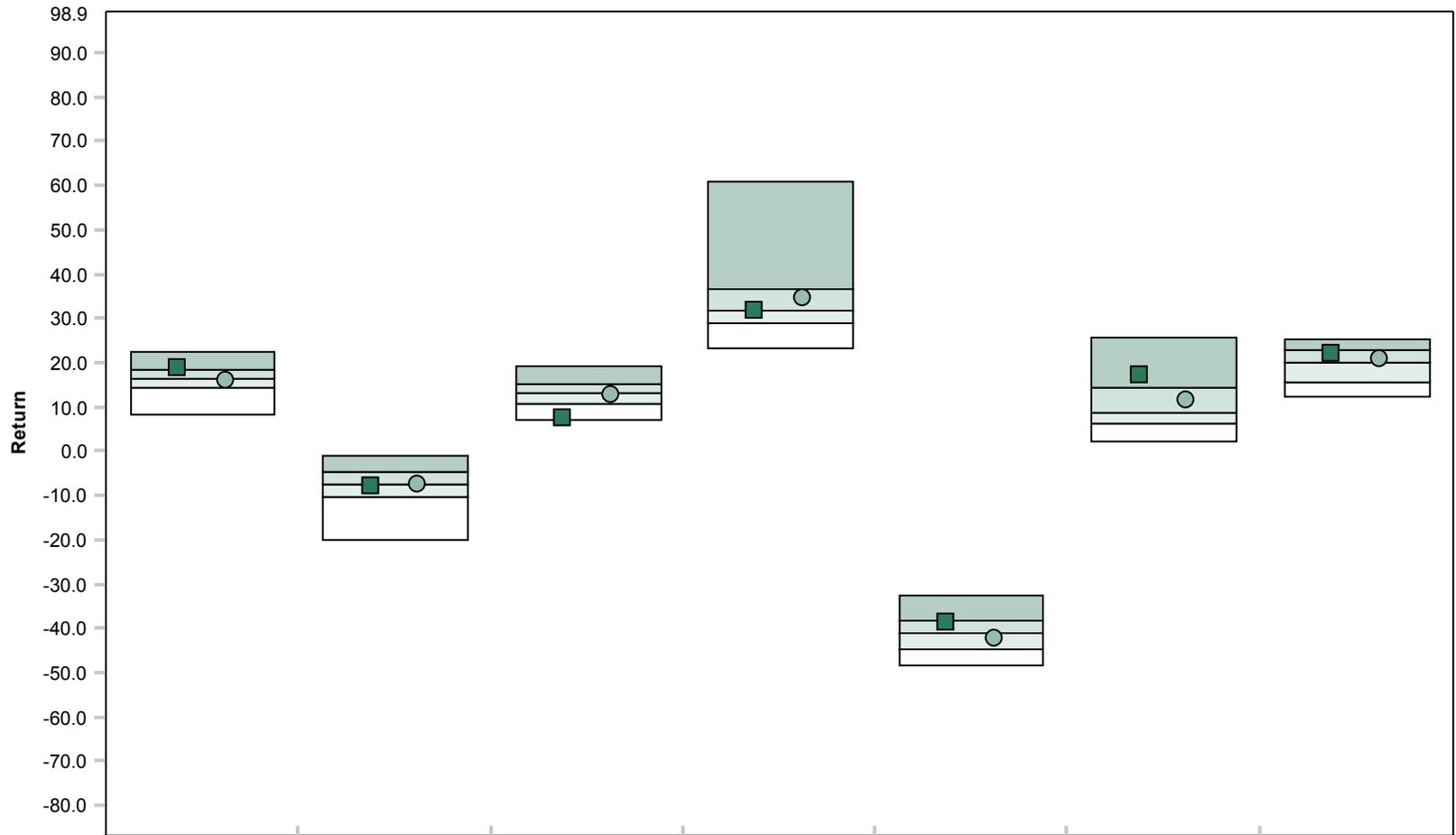
American Funds Cap Wrld G&I

Peer Group Analysis - IM Global Core Equity (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ American Funds Cap Wrld G&I	7.94 (43)	15.73 (57)	20.27 (51)	9.99 (59)	7.67 (60)	5.00 (31)	9.41 (16)
● MSCI AC World Index (Net)	7.90 (45)	14.43 (69)	17.73 (72)	10.21 (57)	7.71 (58)	3.99 (59)	7.86 (43)
5th Percentile	11.58	23.03	27.19	14.94	10.95	6.42	10.13
1st Quartile	8.41	18.01	22.88	12.50	9.50	5.09	8.90
Median	7.79	16.25	20.35	10.50	7.96	4.26	7.39
3rd Quartile	6.84	13.22	17.13	8.76	6.73	2.89	6.73
95th Percentile	1.86	4.81	6.15	4.64	4.16	1.07	5.21

Peer Group Analysis - IM Global Core Equity (MF)



	2012	2011	2010	2009	2008	2007	2006
■ American Funds Cap Wrld G&I	18.77 (22)	-7.84 (55)	7.40 (93)	31.88 (50)	-38.60 (28)	17.09 (13)	21.85 (35)
● MSCI AC World Index (Net)	16.13 (52)	-7.35 (49)	12.67 (54)	34.63 (38)	-42.19 (65)	11.66 (32)	20.95 (45)
5th Percentile	22.51	-1.12	19.35	60.64	-32.67	25.80	25.10
1st Quartile	18.23	-4.78	15.31	36.51	-38.38	14.29	22.68
Median	16.36	-7.47	12.98	31.84	-41.09	8.50	19.84
3rd Quartile	14.34	-10.17	10.51	28.92	-44.59	6.16	15.59
95th Percentile	8.08	-20.10	7.14	23.36	-48.58	2.38	12.32

American Funds Cap Wrld G&I

Fund Information

Fund Name : Capital World Growth & Income Fund; Class R-3 Shares
 Fund Family : American Funds
 Ticker : RWICX
 Inception Date : 06/06/2002
 Fund Assets : \$2,446 Million
 Portfolio Turnover : 23%

Portfolio Assets : \$75,971 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM Global Core Equity (MF)
 Style Benchmark : MSCI AC World Index (Net)

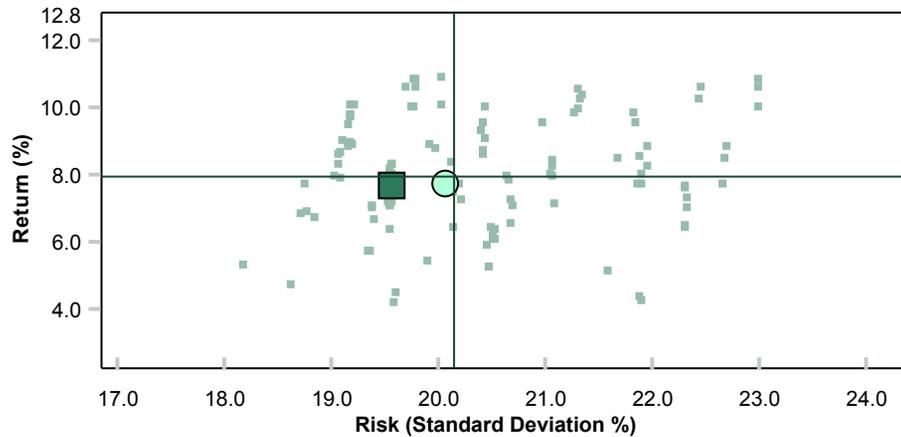
Fund Investment Policy

The Fund seeks long-term growth of capital while providing current income. The Fund invests primarily in stocks of well-established companies located around the world and that the investment adviser believes to be relatively resilient to market declines.

Historical Statistics (10/01/08 - 09/30/13) *

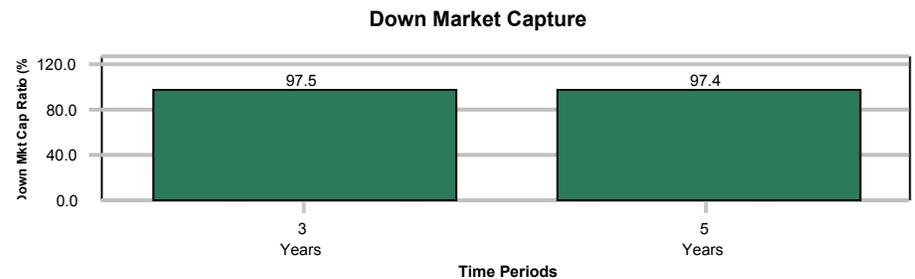
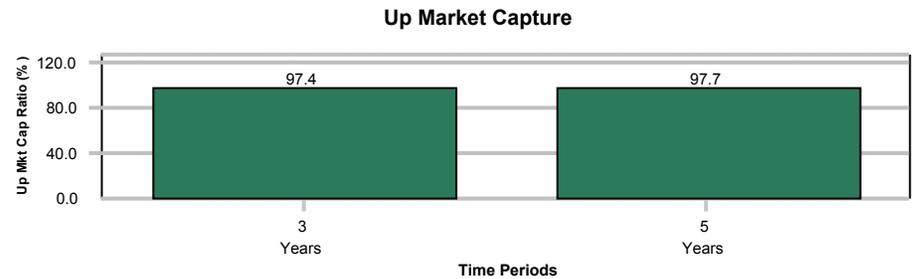
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
American Funds Cap Wrld G&I	7.67	19.57	0.47	0.21	0.96	0.97	3.20	-0.04	19.59	07/01/2002
MSCI AC World Index (Net)	7.71	20.06	0.47	0.00	1.00	1.00	0.00	N/A	20.10	07/01/2002
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.14	20.10	-0.47	0.00	07/01/2002

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
American Funds Cap Wrld G&I	7.67	19.57
MSCI AC World Index (Net)	7.71	20.06
— Median	7.96	20.14

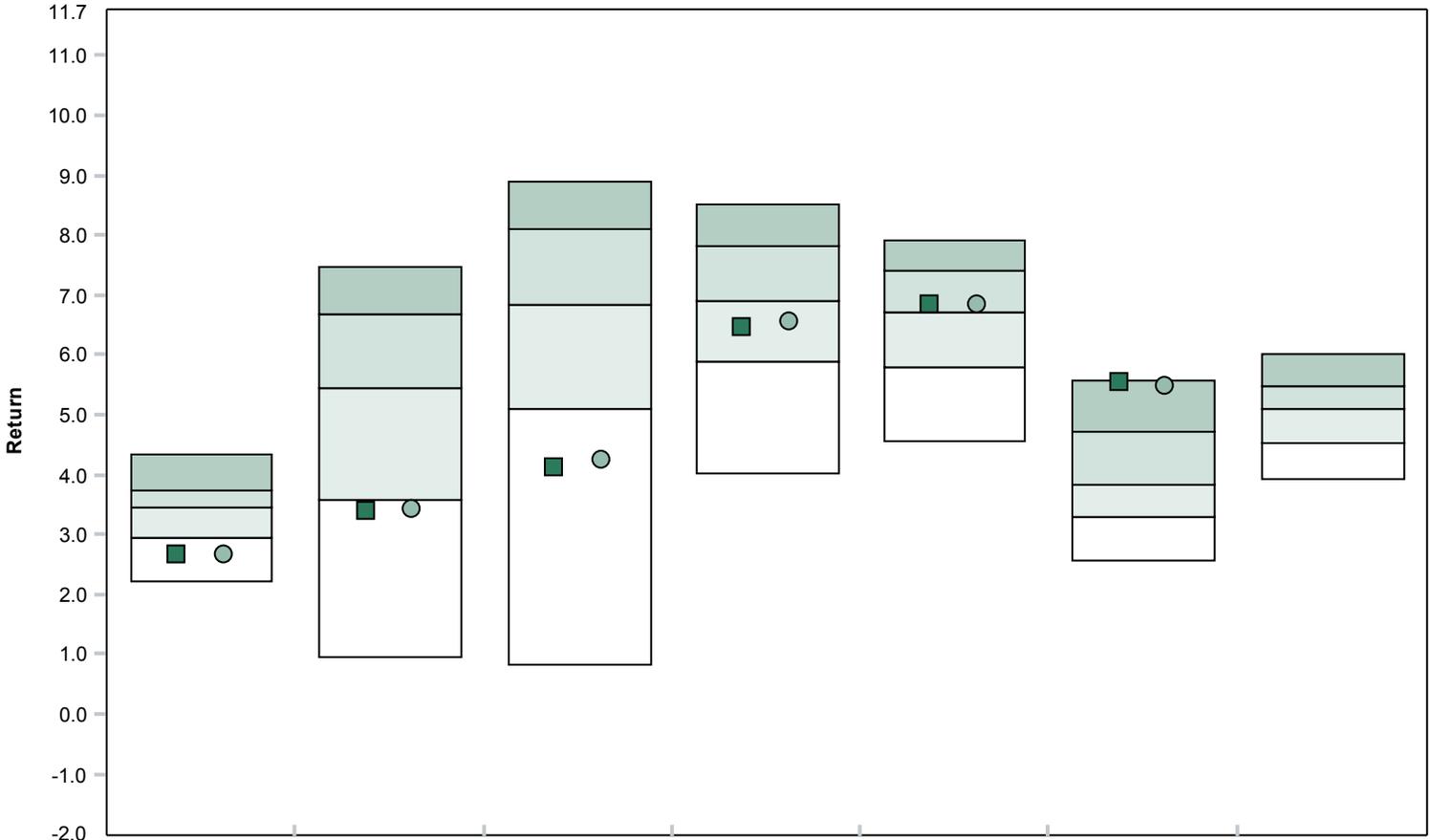
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement Income Inv

Peer Group Analysis - IM Mixed-Asset Target 2010 (MF)

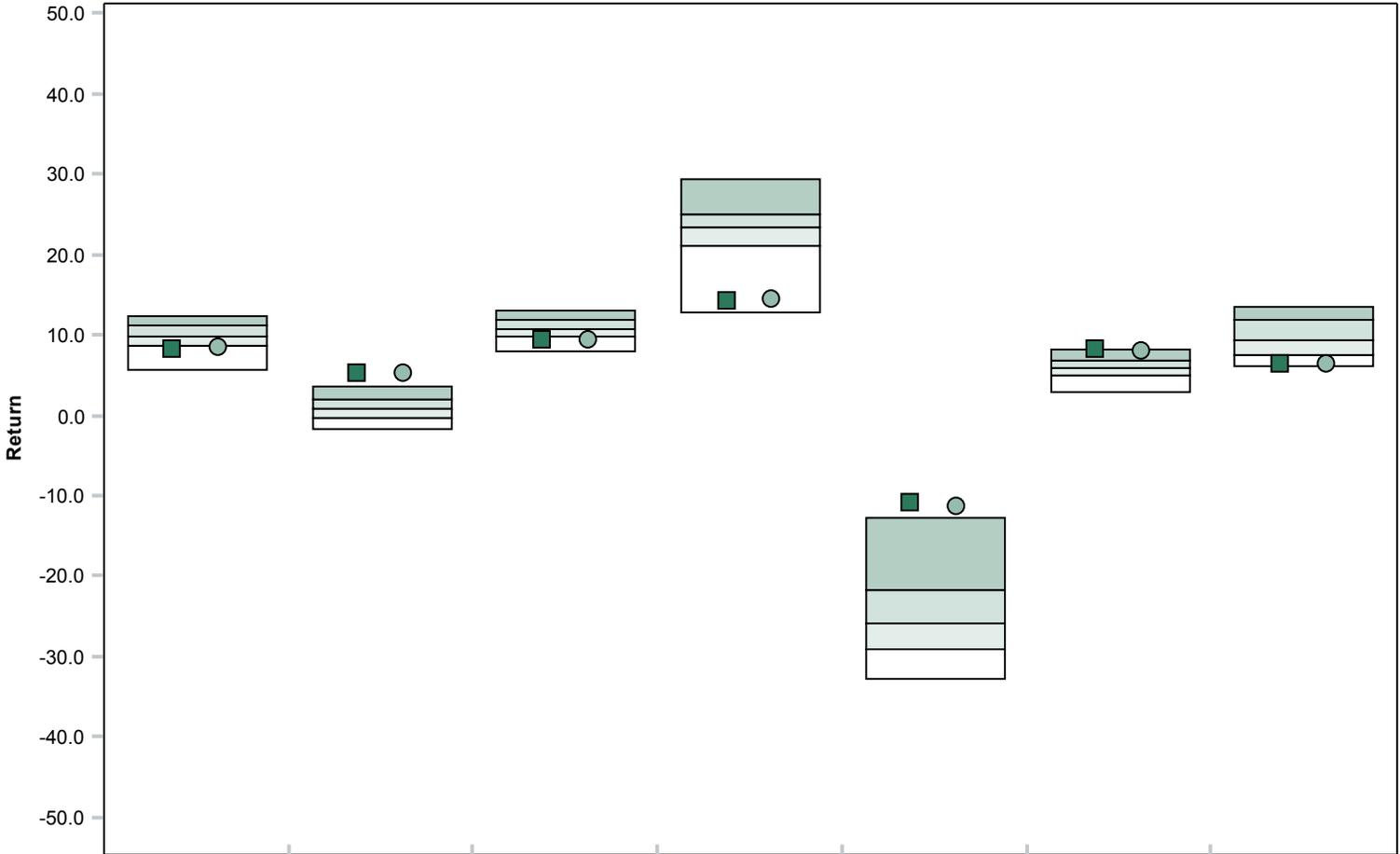


■ Vanguard Target Retirement Income Inv
● Vanguard Target Income Composite Index

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Vanguard Target Retirement Income Inv	2.67 (83)	3.38 (80)	4.12 (85)	6.46 (57)	6.83 (47)	5.53 (6)	N/A
Vanguard Target Income Composite Index	2.67 (83)	3.43 (78)	4.26 (84)	6.54 (56)	6.84 (47)	5.49 (6)	N/A
5th Percentile	4.34	7.47	8.91	8.51	7.92	5.56	6.00
1st Quartile	3.75	6.68	8.10	7.82	7.39	4.71	5.49
Median	3.45	5.44	6.85	6.91	6.71	3.82	5.11
3rd Quartile	2.93	3.59	5.10	5.90	5.78	3.28	4.53
95th Percentile	2.21	0.94	0.81	4.02	4.57	2.55	3.92

Vanguard Target Retirement Income Inv

Peer Group Analysis - IM Mixed-Asset Target 2010 (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Target Retirement Income Inv	8.23 (80)	5.25 (1)	9.39 (85)	14.28 (95)	-10.93 (3)	8.17 (4)	6.38 (91)
● Vanguard Target Income Composite Index	8.40 (78)	5.31 (1)	9.42 (85)	14.32 (95)	-11.35 (4)	8.08 (6)	6.45 (90)
5th Percentile	12.39	3.52	13.11	29.27	-12.76	8.11	13.39
1st Quartile	11.24	1.95	11.81	25.11	-21.67	6.74	11.79
Median	9.83	0.75	10.80	23.34	-25.97	5.86	9.44
3rd Quartile	8.57	-0.41	9.92	21.06	-29.01	4.99	7.52
95th Percentile	5.76	-1.71	7.89	12.85	-32.90	2.89	6.14

Vanguard Target Retirement Income Inv

Fund Information

Fund Name : Vanguard Chester Funds: Vanguard Target Retirement Income Fund; Investor Class Shares; Portfolio Assets : \$10,017 Million
 Fund Family : Vanguard Group Inc; Portfolio Manager : Buek/Coleman/Nejman
 Ticker : VTINX; PM Tenure : 2013--2013--2013
 Inception Date : 10/27/2003; Fund Style : IM Mixed-Asset Target 2010 (MF)
 Fund Assets : \$10,017 Million; Style Benchmark : Vanguard Target Income Composite Index

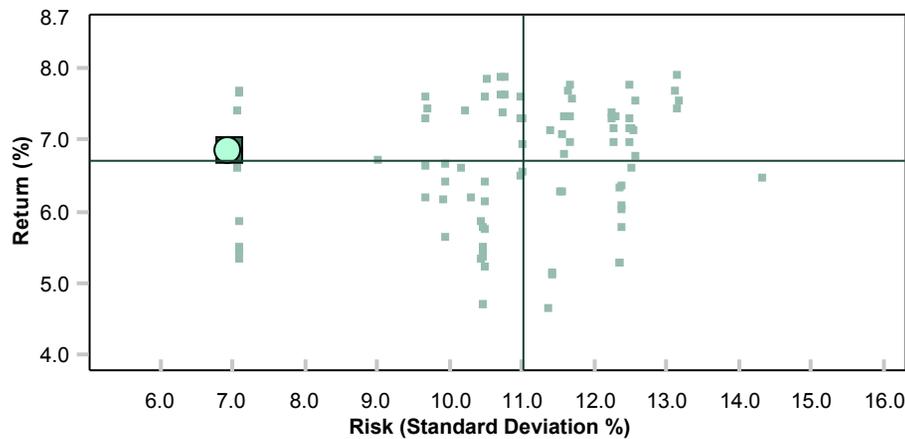
Fund Investment Policy

The Fund seeks to provide current income and some capital appreciation The Fund is a fund-of-funds with an asset allocation strategy designed is for investors currently in retirement.

Historical Statistics (10/01/08 - 09/30/13) *

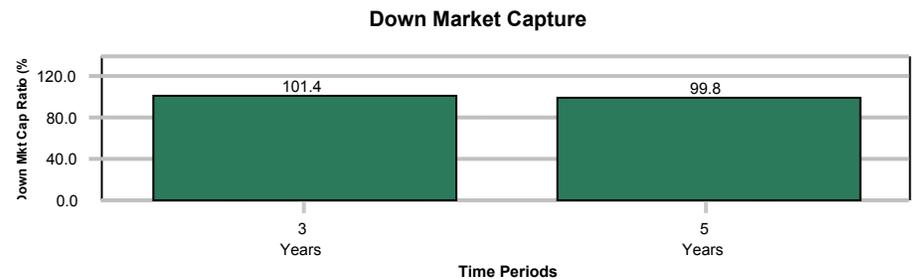
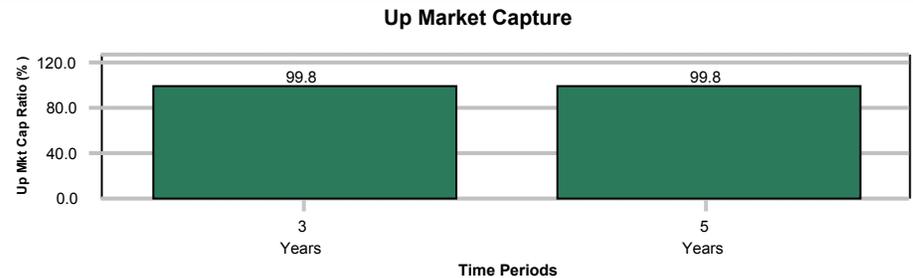
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement Income Inv	6.83	6.96	0.96	-0.02	1.00	1.00	0.28	-0.04	6.99	11/01/2003
Vanguard Target Income Composite Index	6.84	6.94	0.96	0.00	1.00	1.00	0.00	N/A	6.98	11/01/2003
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.19	-0.01	0.19	6.98	-0.96	0.00	11/01/2003

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
Vanguard Target Retirement Income Inv	6.83	6.96
Vanguard Target Income Composite Index	6.84	6.94
Median	6.71	11.02

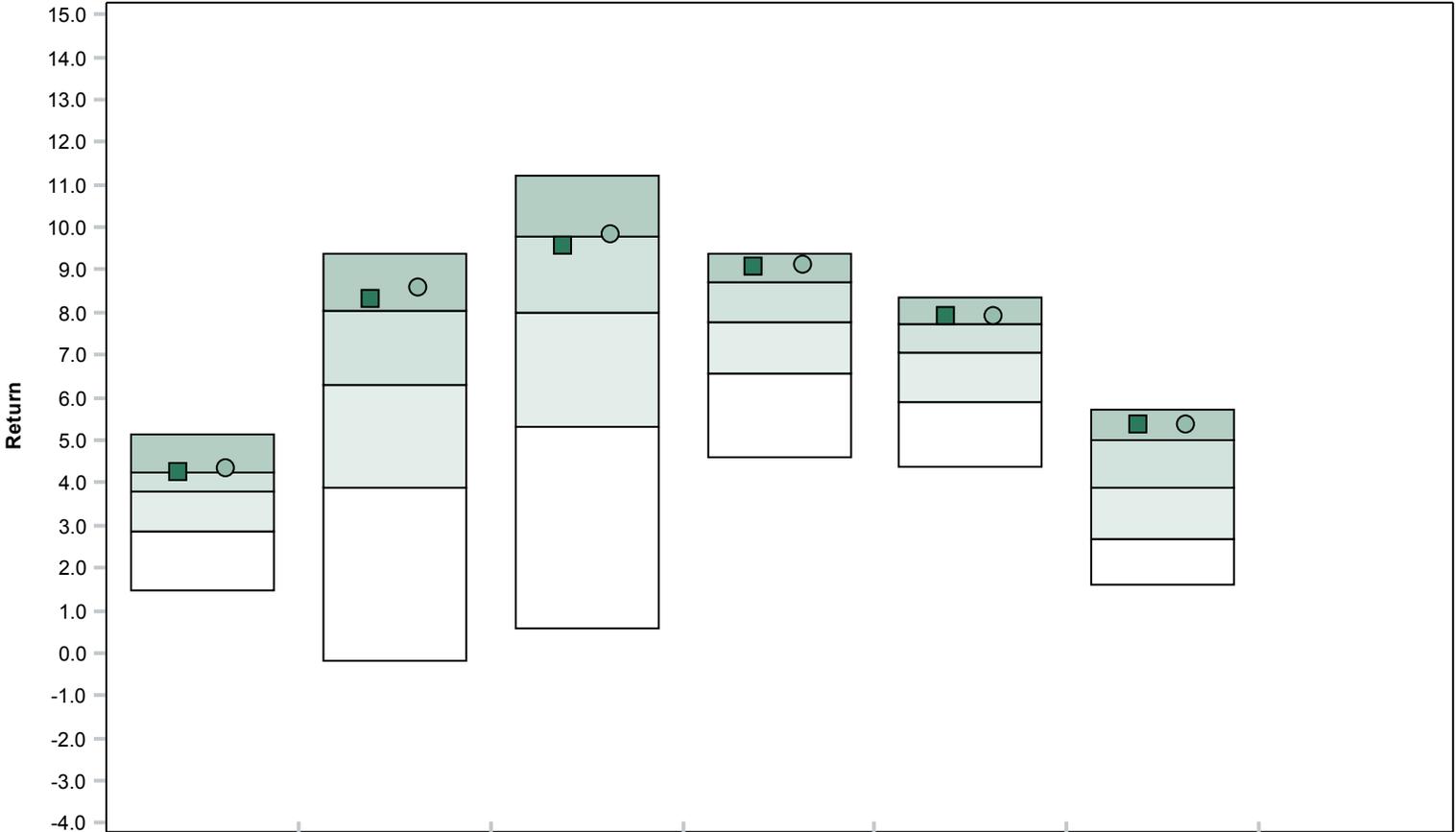
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement 2015 Inv

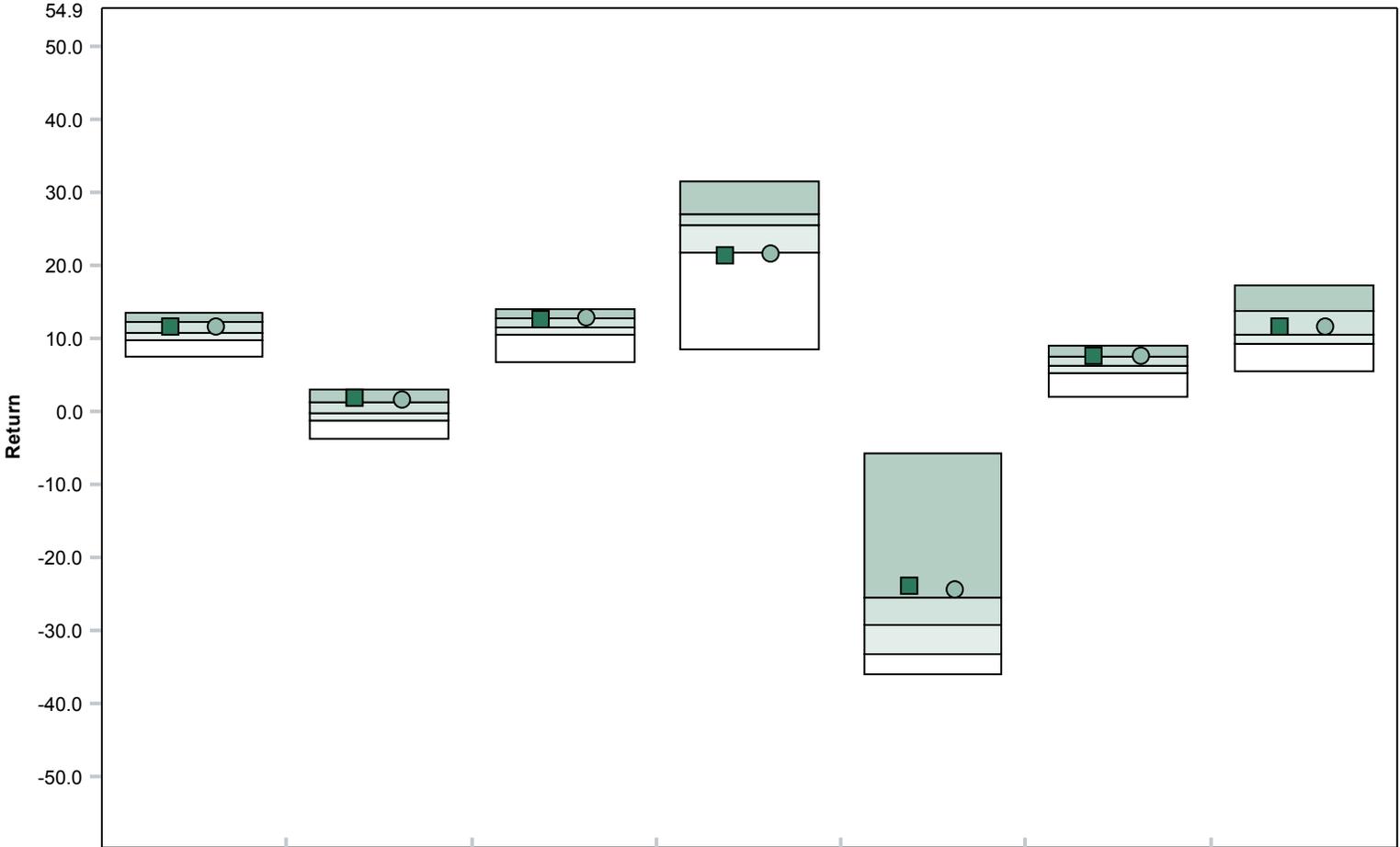
Peer Group Analysis - IM Mixed-Asset Target 2015 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2015 Inv	4.24 (23)	8.30 (18)	9.56 (31)	9.06 (16)	7.92 (19)	5.37 (16)	N/A
○ Vanguard Target 2015 Composite Index	4.31 (22)	8.57 (12)	9.83 (24)	9.12 (11)	7.92 (19)	5.34 (17)	N/A
5th Percentile	5.13	9.37	11.23	9.39	8.33	5.70	N/A
1st Quartile	4.23	8.05	9.76	8.70	7.72	5.01	N/A
Median	3.79	6.28	7.98	7.78	7.04	3.90	N/A
3rd Quartile	2.87	3.89	5.31	6.56	5.91	2.69	N/A
95th Percentile	1.46	-0.20	0.58	4.58	4.37	1.61	N/A

Vanguard Target Retirement 2015 Inv

Peer Group Analysis - IM Mixed-Asset Target 2015 (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Target Retirement 2015 Inv	11.37 (36)	1.71 (23)	12.47 (34)	21.30 (78)	-24.06 (16)	7.55 (25)	11.42 (32)
● Vanguard Target 2015 Composite Index	11.50 (34)	1.50 (24)	12.60 (30)	21.37 (77)	-24.45 (18)	7.51 (25)	11.50 (30)
5th Percentile	13.33	3.07	13.88	31.29	-5.72	8.99	17.17
1st Quartile	12.26	1.34	12.79	26.95	-25.42	7.42	13.73
Median	10.79	-0.23	11.51	25.34	-29.25	6.12	10.36
3rd Quartile	9.61	-1.25	10.54	21.76	-33.20	5.30	9.21
95th Percentile	7.41	-3.87	6.60	8.48	-36.10	1.89	5.35

Vanguard Target Retirement 2015 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2015 Fund; Investor Class Shares	Portfolio Assets :	\$19,378 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Buek/Coleman/Nejman
Ticker :	VTXVX	PM Tenure :	2013--2013--2013
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2015 (MF)
Fund Assets :	\$19,378 Million	Style Benchmark :	Vanguard Target 2015 Composite Index

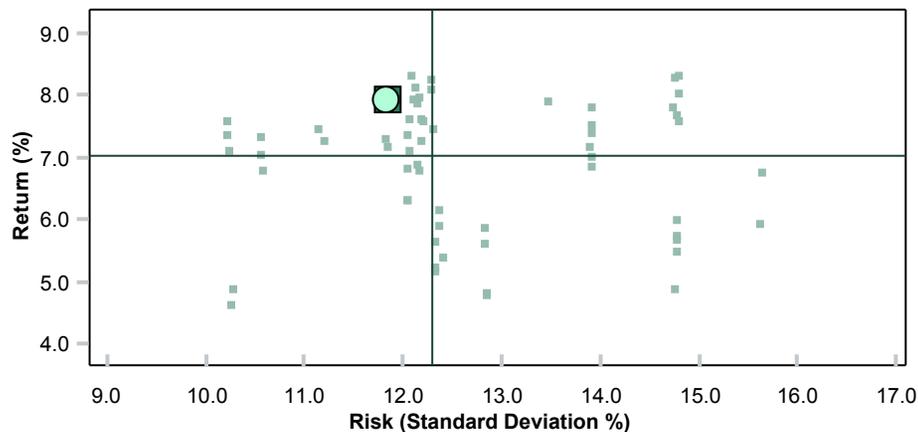
Fund Investment Policy

The Fund seeks capital appreciation and current income consistent with its current asset allocation. The Fund is a fund-of-funds with the asset allocation becoming more conservative over time. The allocation strategy designed is for investors planning to retire in or within a few years of 2015.

Historical Statistics (10/01/08 - 09/30/13) *

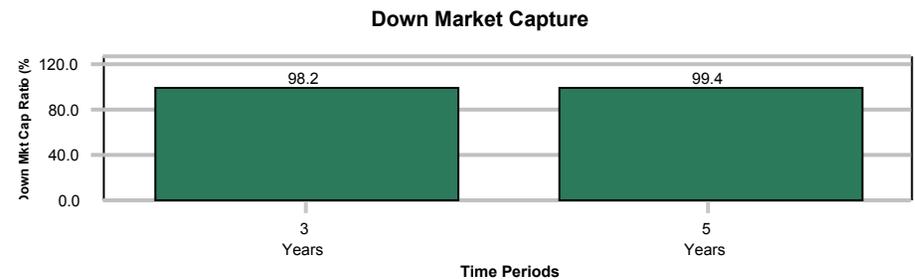
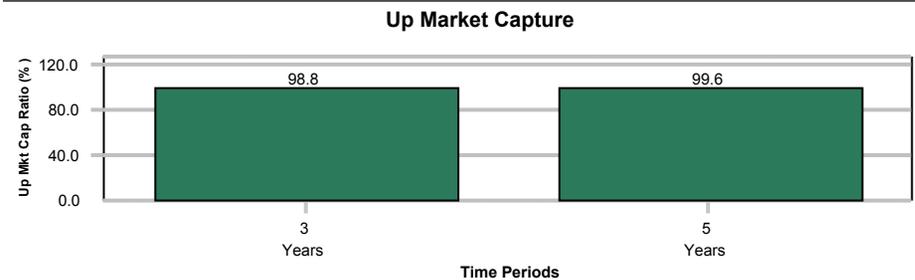
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2015 Inv	7.92	11.85	0.69	0.01	1.00	1.00	0.45	0.01	11.88	11/01/2003
Vanguard Target 2015 Composite Index	7.92	11.84	0.69	0.00	1.00	1.00	0.00	N/A	11.88	11/01/2003
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.16	11.88	-0.69	0.00	11/01/2003

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Target Retirement 2015 Inv	7.92	11.85
○ Vanguard Target 2015 Composite Index	7.92	11.84
— Median	7.04	12.29

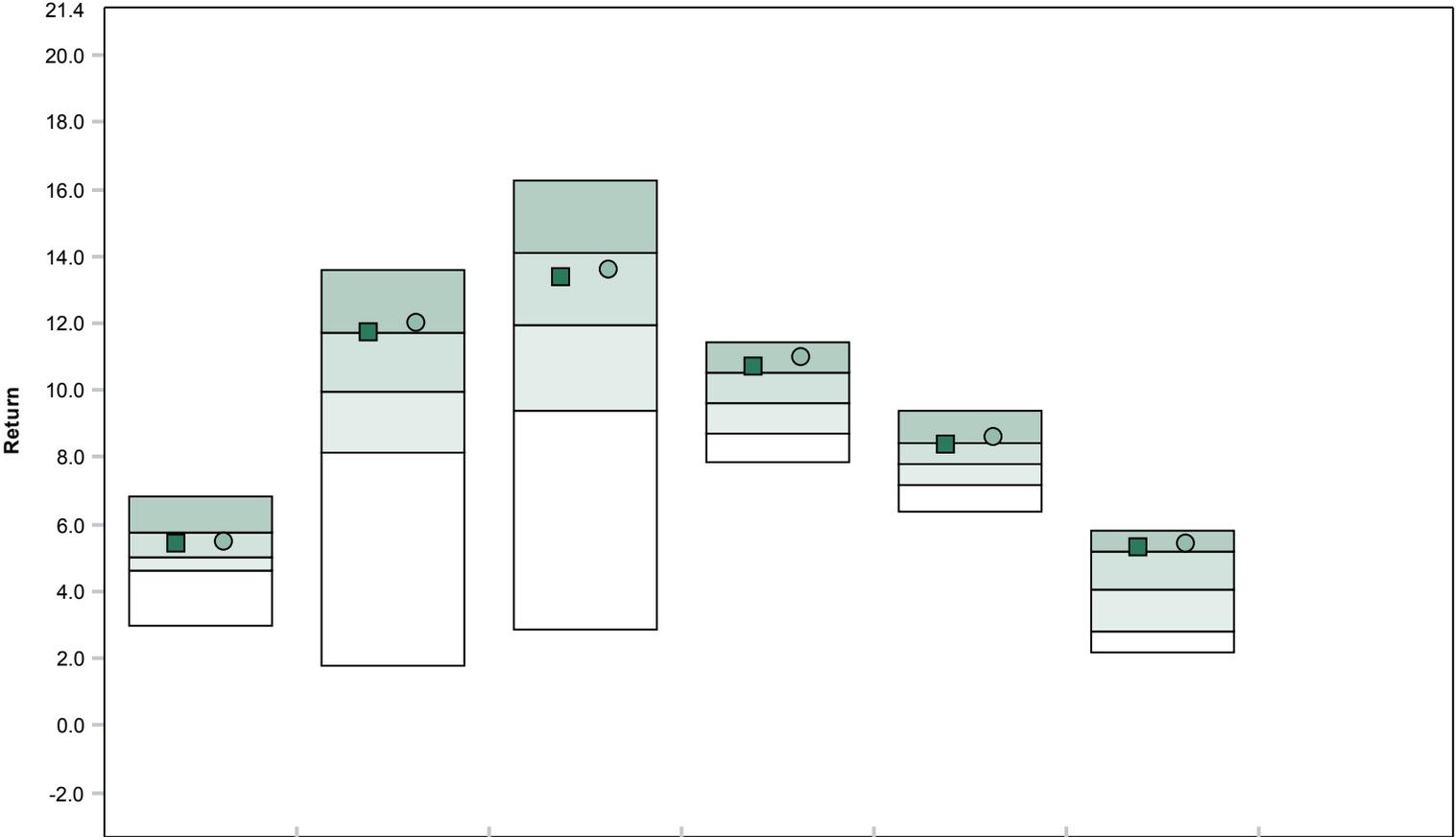
Up Down Market Capture



* Monthly periodicity used.

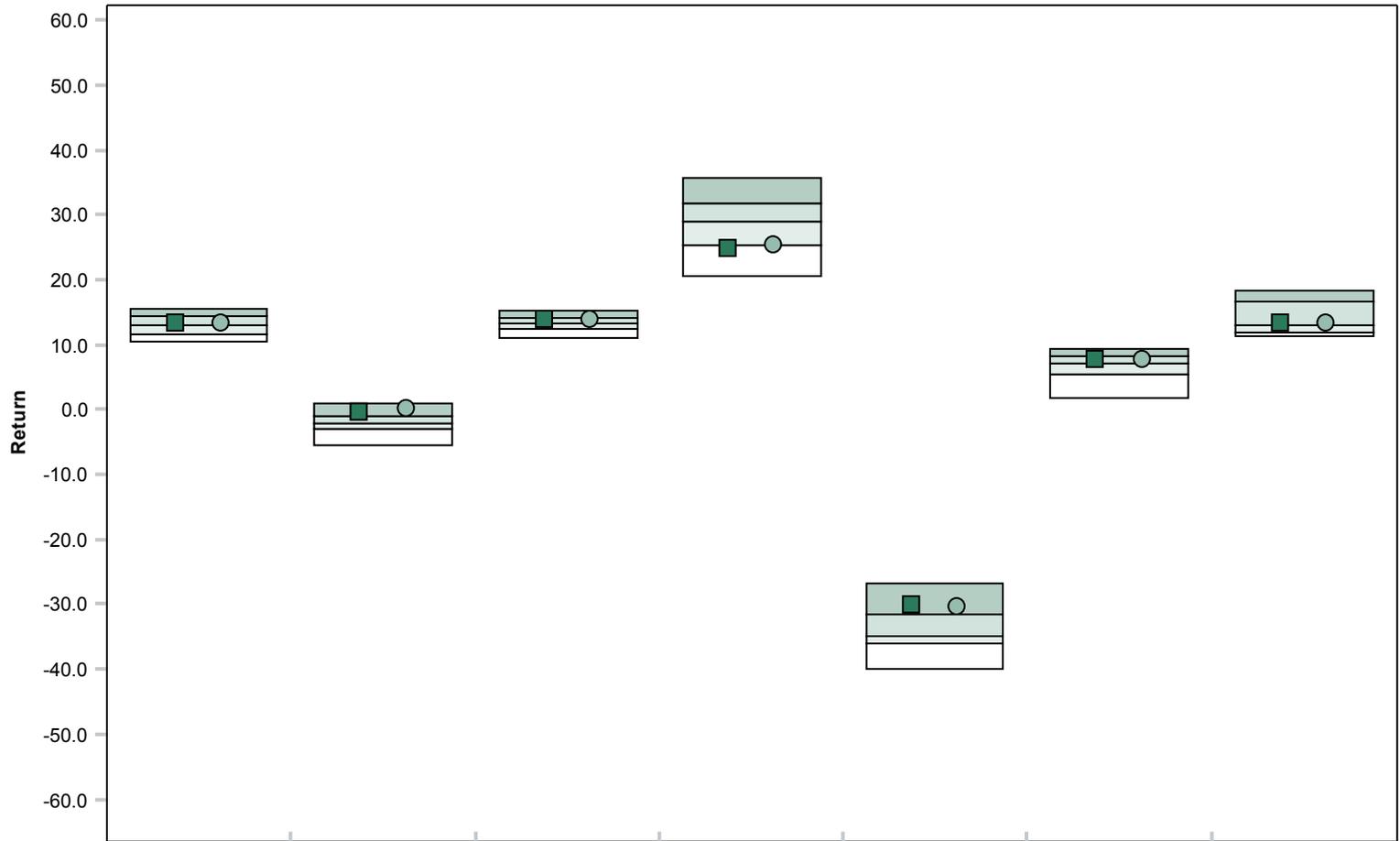
Vanguard Target Retirement 2025 Inv

Peer Group Analysis - IM Mixed-Asset Target 2025 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2025 Inv	5.42 (35)	11.70 (27)	13.34 (35)	10.72 (22)	8.39 (28)	5.31 (24)	N/A
● Vanguard Target 2025 Composite Index	5.45 (34)	12.01 (19)	13.60 (31)	10.99 (15)	8.60 (22)	5.40 (18)	N/A
5th Percentile	6.85	13.59	16.29	11.45	9.39	5.80	N/A
1st Quartile	5.74	11.74	14.08	10.55	8.40	5.20	N/A
Median	5.01	9.93	11.96	9.59	7.82	4.05	N/A
3rd Quartile	4.61	8.14	9.38	8.72	7.15	2.83	N/A
95th Percentile	2.97	1.75	2.88	7.87	6.39	2.18	N/A

Peer Group Analysis - IM Mixed-Asset Target 2025 (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Target Retirement 2025 Inv	13.29 (45)	-0.37 (18)	13.84 (39)	24.81 (80)	-30.05 (16)	7.59 (45)	13.24 (49)
● Vanguard Target 2025 Composite Index	13.43 (43)	0.03 (14)	13.97 (33)	25.27 (76)	-30.52 (18)	7.59 (45)	13.36 (45)
5th Percentile	15.54	0.84	15.14	35.57	-26.67	9.43	18.46
1st Quartile	14.45	-0.96	14.19	31.80	-31.48	8.35	16.78
Median	13.00	-2.03	13.42	28.95	-35.04	7.17	13.12
3rd Quartile	11.74	-2.86	12.57	25.40	-36.15	5.32	11.88
95th Percentile	10.37	-5.46	10.93	20.62	-40.09	1.86	11.20

Vanguard Target Retirement 2025 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2025 Fund; Investor Class Shares	Portfolio Assets :	\$24,844 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Buek/Coleman/Nejman
Ticker :	VTTVX	PM Tenure :	2013--2013--2013
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2025 (MF)
Fund Assets :	\$24,844 Million	Style Benchmark :	Vanguard Target 2025 Composite Index

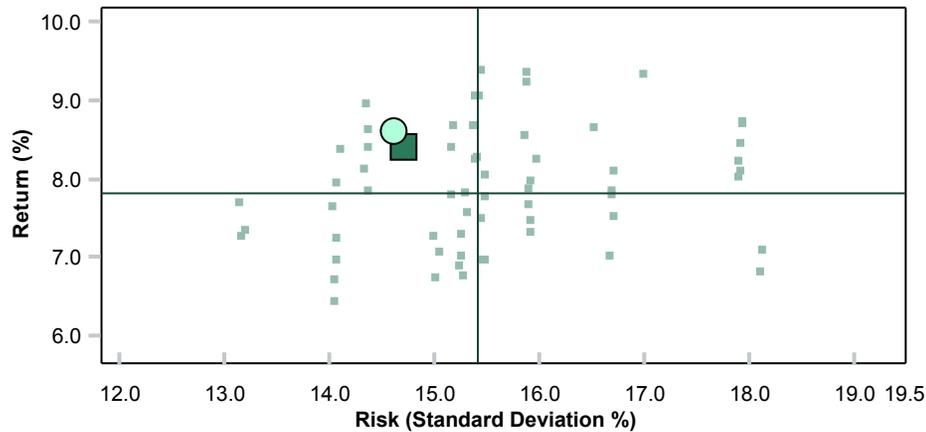
Fund Investment Policy

The Fund seeks capital appreciation and current income consistent with its current asset allocation. The Fund is a fund-of-funds with the asset allocation becoming more conservative over time. The allocation strategy designed is for investors planning to retire in or within a few years of 2025.

Historical Statistics (10/01/08 - 09/30/13) *

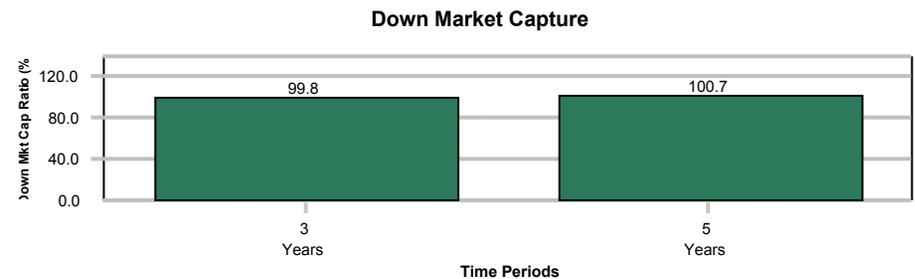
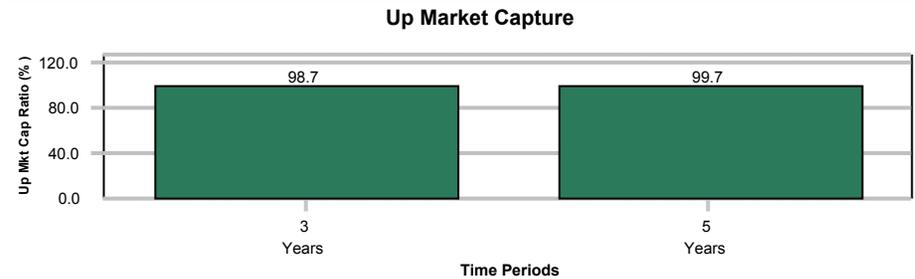
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2025 Inv	8.39	14.71	0.61	-0.23	1.01	1.00	0.49	-0.35	14.74	11/01/2003
Vanguard Target 2025 Composite Index	8.60	14.62	0.63	0.00	1.00	1.00	0.00	N/A	14.65	11/01/2003
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.16	14.65	-0.63	0.00	11/01/2003

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Target Retirement 2025 Inv	8.39	14.71
○ Vanguard Target 2025 Composite Index	8.60	14.62
— Median	7.82	15.41

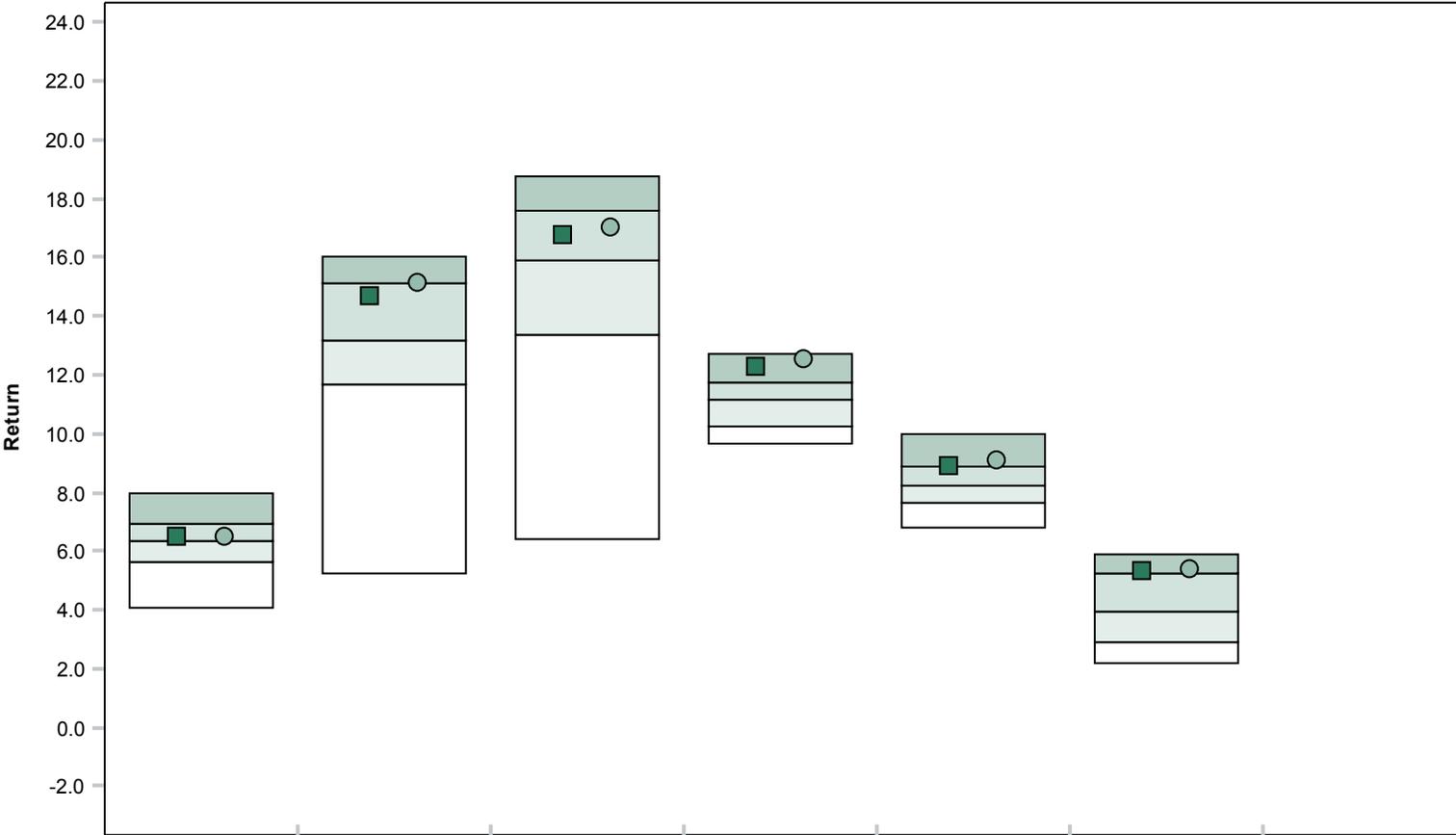
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement 2035 Inv

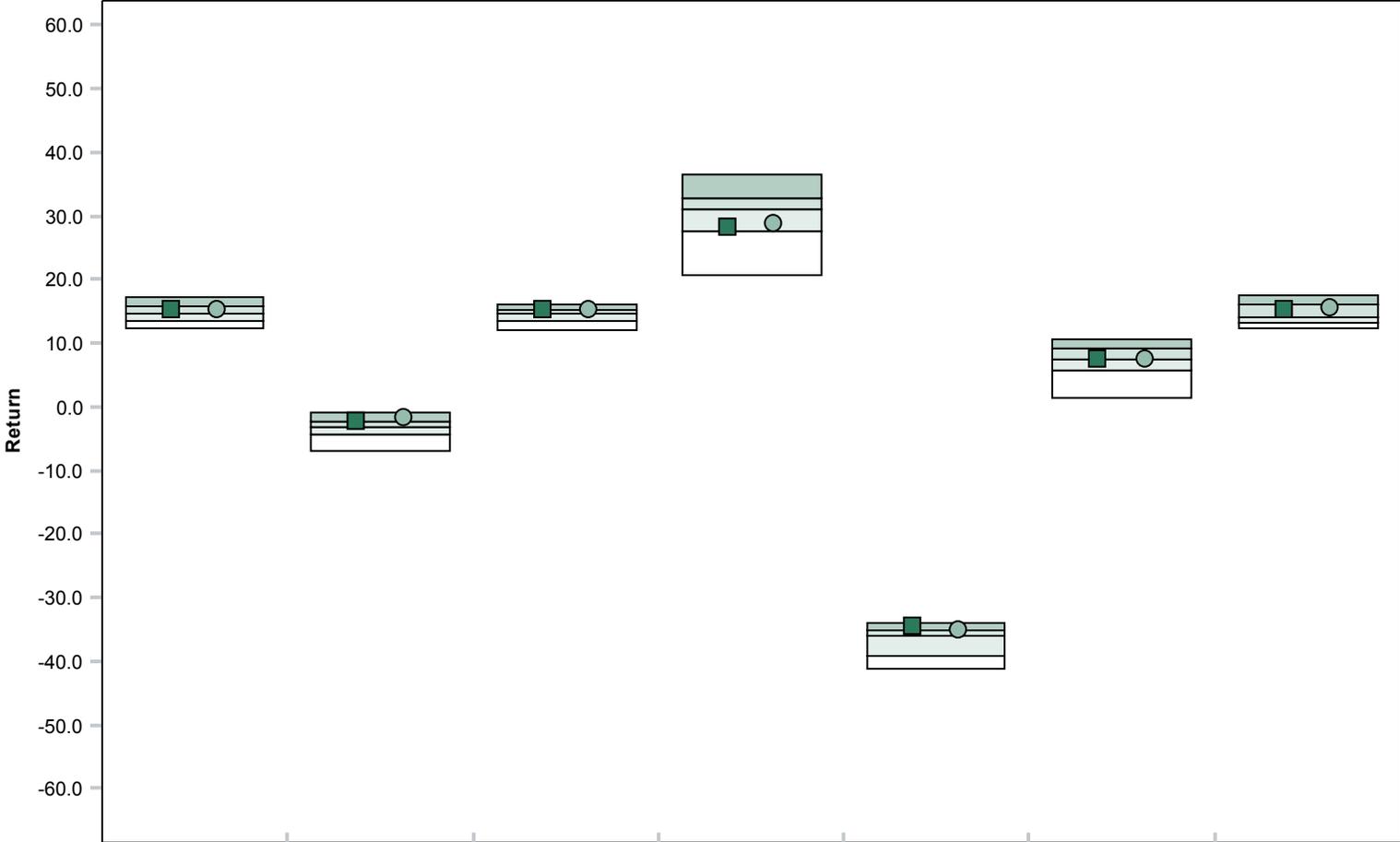
Peer Group Analysis - IM Mixed-Asset Target 2035 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2035 Inv	6.46 (48)	14.69 (36)	16.77 (40)	12.23 (16)	8.87 (25)	5.29 (24)	N/A
● Vanguard Target 2035 Composite Index	6.48 (47)	15.10 (26)	17.01 (37)	12.51 (10)	9.09 (18)	5.40 (20)	N/A
5th Percentile	7.98	16.01	18.79	12.73	10.02	5.90	N/A
1st Quartile	6.93	15.10	17.61	11.77	8.86	5.28	N/A
Median	6.33	13.17	15.87	11.15	8.23	3.92	N/A
3rd Quartile	5.65	11.66	13.36	10.22	7.63	2.93	N/A
95th Percentile	4.09	5.21	6.39	9.63	6.80	2.16	N/A

Vanguard Target Retirement 2035 Inv

Peer Group Analysis - IM Mixed-Asset Target 2035 (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Target Retirement 2035 Inv	15.16 (42)	-2.24 (21)	15.14 (29)	28.17 (67)	-34.66 (13)	7.49 (51)	15.24 (28)
● Vanguard Target 2035 Composite Index	15.26 (41)	-1.91 (16)	15.28 (23)	28.64 (63)	-35.10 (24)	7.51 (50)	15.43 (27)
5th Percentile	17.18	-0.86	16.09	36.34	-34.05	10.47	17.37
1st Quartile	15.71	-2.41	15.21	32.84	-35.25	9.04	15.95
Median	14.75	-3.34	14.57	30.99	-36.09	7.49	13.96
3rd Quartile	13.59	-4.35	13.46	27.65	-39.32	5.72	13.13
95th Percentile	12.39	-7.02	12.08	20.80	-41.34	1.50	12.40

Vanguard Target Retirement 2035 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2035 Fund; Investor Class Shares	Portfolio Assets :	\$18,306 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Buek/Coleman/Nejman
Ticker :	VTTHX	PM Tenure :	2013--2013--2013
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2035 (MF)
Fund Assets :	\$18,306 Million	Style Benchmark :	Vanguard Target 2035 Composite Index

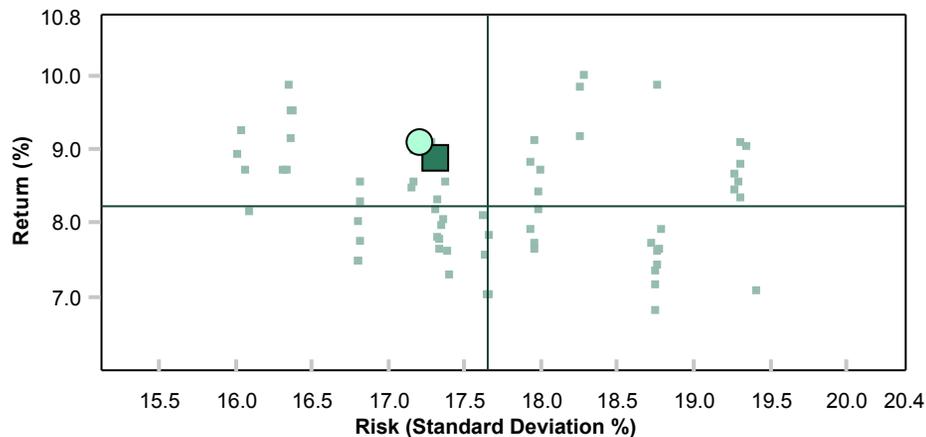
Fund Investment Policy

The Fund seeks capital appreciation and current income consistent with its current asset allocation. The Fund is a fund-of-funds with the asset allocation becoming more conservative over time. The allocation strategy designed is for investors planning to retire in or within a few years of 2035.

Historical Statistics (10/01/08 - 09/30/13) *

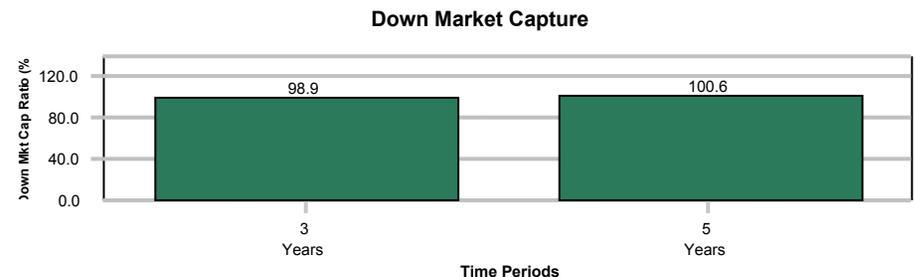
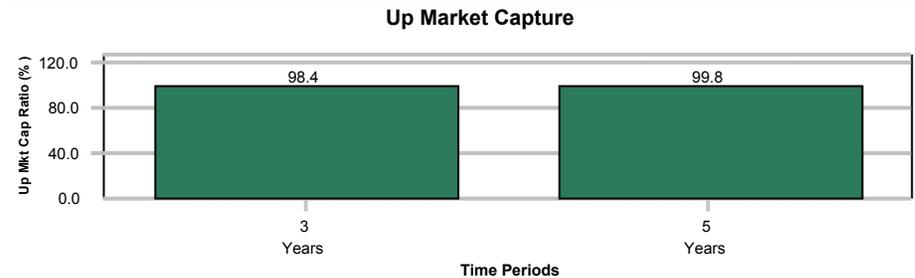
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2035 Inv	8.87	17.32	0.57	-0.24	1.01	1.00	0.59	-0.30	17.35	11/01/2003
Vanguard Target 2035 Composite Index	9.09	17.21	0.59	0.00	1.00	1.00	0.00	N/A	17.25	11/01/2003
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.15	17.25	-0.59	0.00	11/01/2003

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Target Retirement 2035 Inv	8.87	17.32
○ Vanguard Target 2035 Composite Index	9.09	17.21
— Median	8.23	17.66

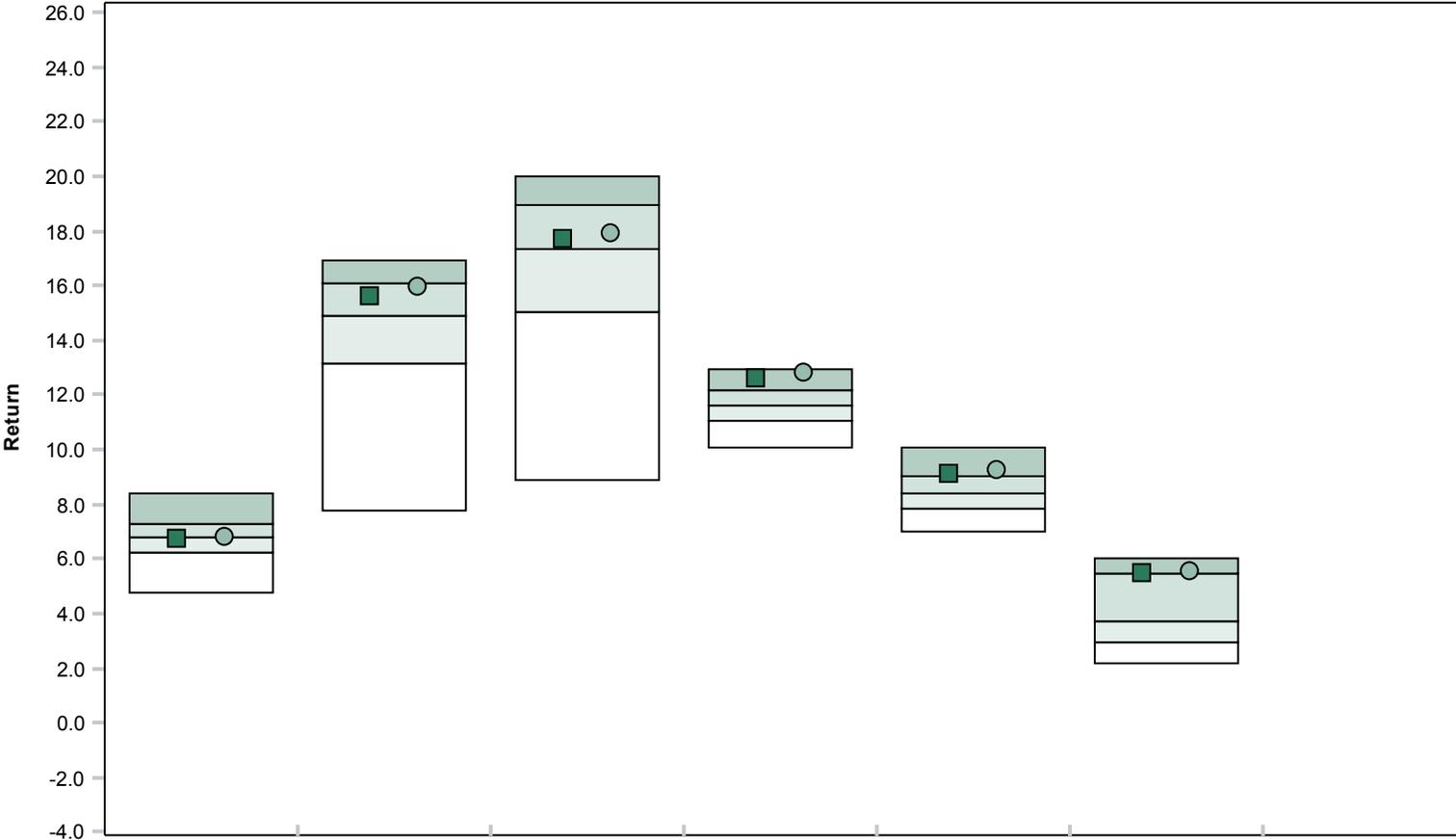
Up Down Market Capture



* Monthly periodicity used.

Vanguard Target Retirement 2045 Inv

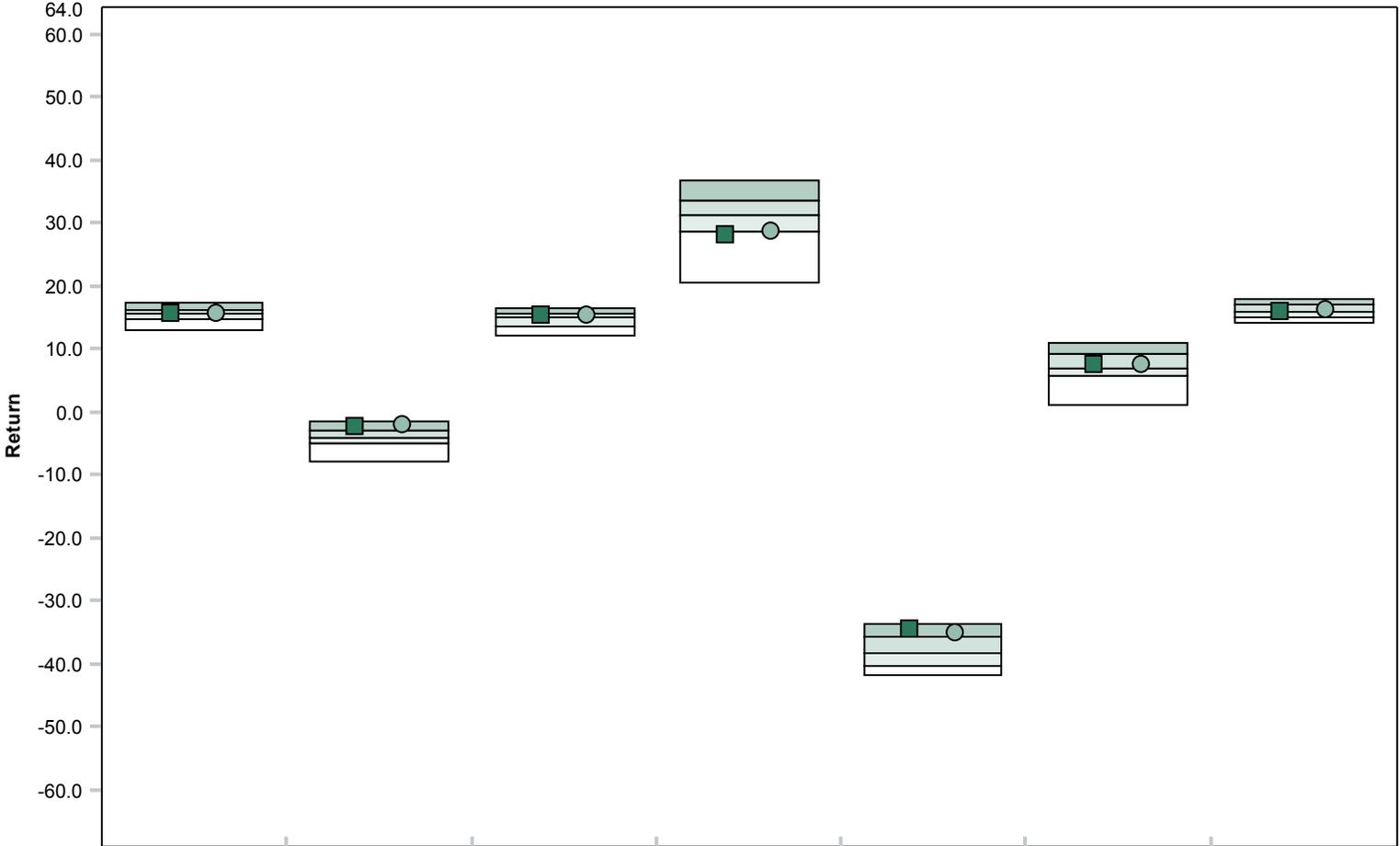
Peer Group Analysis - IM Mixed-Asset Target 2045 (MF)



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Vanguard Target Retirement 2045 Inv	6.73 (52)	15.60 (33)	17.70 (46)	12.58 (15)	9.09 (22)	5.45 (25)	N/A
● Vanguard Target 2045 Composite Index	6.80 (48)	15.95 (28)	17.94 (42)	12.82 (9)	9.26 (17)	5.52 (22)	N/A
5th Percentile	8.42	16.91	20.03	12.94	10.05	6.02	N/A
1st Quartile	7.28	16.11	18.95	12.15	9.05	5.45	N/A
Median	6.76	14.93	17.34	11.64	8.42	3.72	N/A
3rd Quartile	6.20	13.12	15.05	11.02	7.82	2.97	N/A
95th Percentile	4.76	7.77	8.87	10.06	6.97	2.15	N/A

Vanguard Target Retirement 2045 Inv

Peer Group Analysis - IM Mixed-Asset Target 2045 (MF)



	2012	2011	2010	2009	2008	2007	2006
■ Vanguard Target Retirement 2045 Inv	15.58 (44)	-2.51 (15)	15.19 (43)	28.15 (87)	-34.56 (11)	7.47 (49)	15.98 (56)
● Vanguard Target 2045 Composite Index	15.55 (46)	-2.11 (9)	15.31 (36)	28.64 (76)	-35.10 (13)	7.51 (48)	16.15 (45)
5th Percentile	17.32	-1.48	16.44	36.60	-33.77	11.04	17.92
1st Quartile	16.22	-2.97	15.65	33.57	-35.64	9.27	17.01
Median	15.47	-4.03	15.03	31.12	-38.51	6.84	16.00
3rd Quartile	14.70	-4.91	13.41	28.74	-40.43	5.58	15.14
95th Percentile	12.99	-7.78	11.96	20.64	-41.71	1.19	14.22

Vanguard Target Retirement 2045 Inv

Fund Information

Fund Name :	Vanguard Chester Funds: Vanguard Target Retirement 2045 Fund; Investor Class Shares	Portfolio Assets :	\$10,917 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Buek/Coleman/Nejman
Ticker :	VTIVX	PM Tenure :	2013--2013--2013
Inception Date :	10/27/2003	Fund Style :	IM Mixed-Asset Target 2045 (MF)
Fund Assets :	\$10,917 Million	Style Benchmark :	Vanguard Target 2045 Composite Index

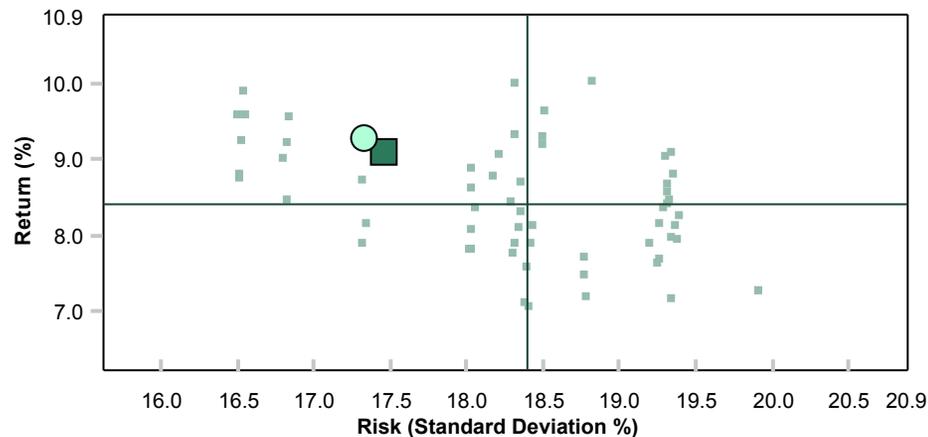
Fund Investment Policy

The Fund seeks capital appreciation and current income consistent with its current asset allocation. The Fund is a fund-of-funds with the asset allocation becoming more conservative over time. The allocation strategy designed is for investors planning to retire in or within a few years of 2045.

Historical Statistics (10/01/08 - 09/30/13) *

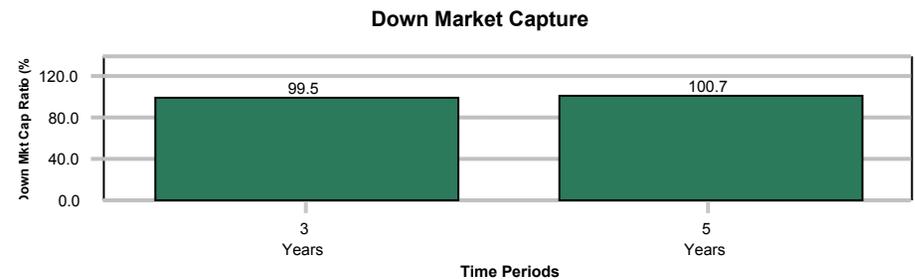
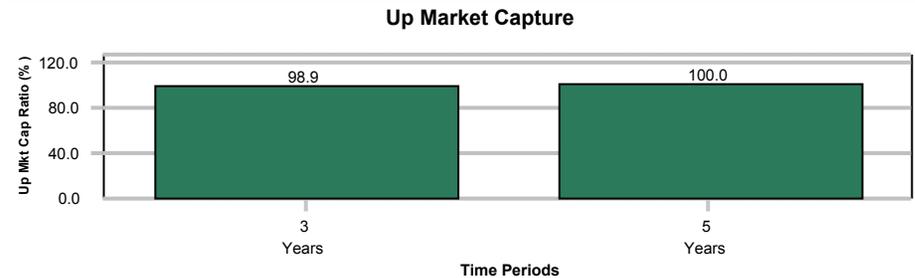
	Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Tracking Error	Information Ratio	Excess Risk	Inception Date
Vanguard Target Retirement 2045 Inv	9.09	17.47	0.58	-0.21	1.01	1.00	0.58	-0.24	17.50	11/01/2003
Vanguard Target 2045 Composite Index	9.26	17.34	0.59	0.00	1.00	1.00	0.00	N/A	17.37	11/01/2003
90 Day U.S. Treasury Bill	0.15	0.08	N/A	0.17	0.00	0.15	17.37	-0.59	0.00	11/01/2003

Peer Group Scattergram (10/01/08 to 09/30/13)



	Return	Standard Deviation
■ Vanguard Target Retirement 2045 Inv	9.09	17.47
○ Vanguard Target 2045 Composite Index	9.26	17.34
— Median	8.42	18.40

Up Down Market Capture



* Monthly periodicity used.

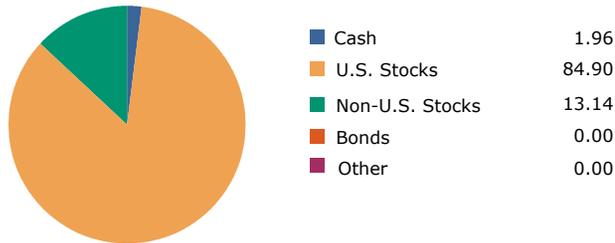
AllianzGI NFJ Dividend Value Instl

NFJEX

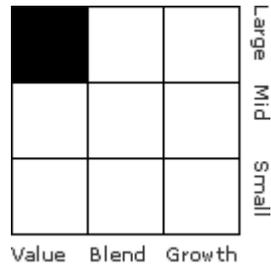
Overall Morningstar Rating ★★★	Total Assets \$8,502 mil	Morningstar Category Large Value	Inception Date 05/08/2000	Family Allianz Funds
Manager McKinney/Oliver/Campbell/Hines/Ree	Manager Tenure 4.9 Years	Total Holdings 46	Expense Ratio 0.71%	12b-1 0.00
				Sharpe Ratio 0.86%

Portfolio Analysis

Asset Allocation



Equity Style Details



Avg Mkt Cap \$Mil	46,782
P/E Ratio TTM	12.2
P/C Ratio TTM	7.0
P/B Ratio TTM	1.6
Turnover Ratio	42%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	4★	2★	4★
Standard Deviation	15.08	20.05	15.58
Information Ratio	-0.01		

Sector Weightings

	Stocks %
Cyclical Economy	37.3
Basic Materials	6.1
Consumer Cyclical	8.1
Financial Services	20.9
Real Estate	2.1
Sensitive Economy	41.1
Communication Services	1.8
Energy	18.2
Industrials	5.7
Technology	15.4
Defensive Economy	21.6
Consumer Defensive	7.8
Healthcare	11.7
Utilities	2.1

Valuations and Growth Rates

Price/Prospective Earnings	10.3
Price/Book	1.5
Price/Sales	1.1
Price/Cash Flow	4.6
Dividend Yield	3.9
Long-Term Earnings	7.1
Historical Earnings	8.2
Sales Growth	-2.6
Cash-Flow Growth	3.5
Book-Value Growth	5.9

Stock Portfolio

% Assets in Top 10

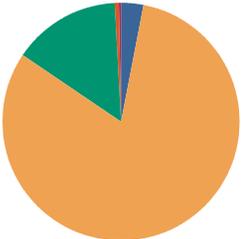
34.59%

American Beacon Lg Cap Value Inst

AADEX

Overall Morningstar Rating ★★★★	Total Assets \$9,158 mil	Morningstar Category Large Value	Inception Date 07/17/1987	Family American Beacon	
Manager Posada/Kaser/Chitkara/Lesutis/Crum	Manager Tenure 11.2 Years	Total Holdings 190	Expense Ratio 0.60%	12b-1 0.00	Sharpe Ratio 0.74%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																																																										
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Sector Weightings

	Stocks %
Cyclical Economy	34.4
Basic Materials	1.1
Consumer Cyclical	6.1
Financial Services	26.9
Real Estate	0.3
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Sensitive Economy	39.5
Communication Services	5.1
Energy	13.0
Industrials	11.4
Technology	10.0
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Defensive Economy	26.1
Consumer Defensive	8.7
Healthcare	13.1
Utilities	4.3

% Assets in Top 10

25.05%

Valuations and Growth Rates

Price/Prospective Earnings	11.1
Price/Book	1.3
Price/Sales	0.9
Price/Cash Flow	4.7
Dividend Yield	2.7
<hr style="border-top: 1px dashed #000;"/>	
Long-Term Earnings	8.2
Historical Earnings	-2.0
Sales Growth	-0.7
Cash-Flow Growth	4.3
Book-Value Growth	4.6

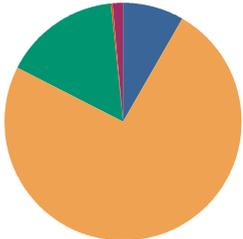
Stock Portfolio

American Funds Growth Fund of Amer R3

RGACX

Overall Morningstar Rating ★★★★	Total Assets \$116,757 mil	Morningstar Category Large Growth	Inception Date 05/21/2002	Family American Funds	
Manager Kerr/Crosthwaite/O'Neal/Vogt/Rother	Manager Tenure 11.8 Years	Total Holdings 414	Expense Ratio 0.98%	12b-1 0.50	Sharpe Ratio 0.68%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																												
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Sector Weightings	Stocks %
Cyclical Economy	30.8
Basic Materials	4.5
Consumer Cyclical	17.1
Financial Services	8.9
Real Estate	0.3
Sensitive Economy	46.2
Communication Services	8.4
Energy	11.6
Industrials	9.1
Technology	17.0
Defensive Economy	23.0
Consumer Defensive	5.6
Healthcare	17.4
Utilities	0.1

% Assets in Top 10
22.63%

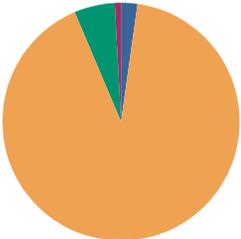
Valuations and Growth Rates	Stock Portfolio
Price/Prospective Earnings	15.5
Price/Book	2.6
Price/Sales	1.5
Price/Cash Flow	8.3
Dividend Yield	1.3
Long-Term Earnings	13.1
Historical Earnings	5.8
Sales Growth	-12.2
Cash-Flow Growth	-4.2
Book-Value Growth	6.1

Baron Growth Retail

BGRFX

Overall Morningstar Rating ★★★★	Total Assets \$6,280 mil	Morningstar Category Mid-Cap Growth	Inception Date 12/30/1994	Family Baron Capital Group	
Manager Baron, Ronald	Manager Tenure 18.3 Years	Total Holdings 96	Expense Ratio 1.32%	12b-1 0.25	Sharpe Ratio 0.97%

Portfolio Analysis

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Sector Weightings

	Stocks %
Cyclical Economy	36.9
Basic Materials	0.5
Consumer Cyclical	22.9
Financial Services	8.7
Real Estate	4.9
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Sensitive Economy	44.3
Communication Services	0.9
Energy	5.1
Industrials	24.6
Technology	13.7
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Defensive Economy	18.8
Consumer Defensive	6.5
Healthcare	7.9
Utilities	4.3

% Assets in Top 10

26.97%

Valuations and Growth Rates

Price/Prospective Earnings	19.2
Price/Book	2.7
Price/Sales	1.6
Price/Cash Flow	11.3
Dividend Yield	0.8
<hr style="border-top: 1px dashed #000;"/>	
Long-Term Earnings	14.0
Historical Earnings	7.2
Sales Growth	3.8
Cash-Flow Growth	4.9
Book-Value Growth	10.7

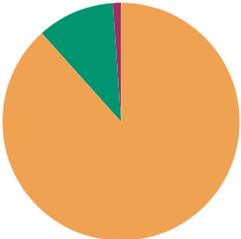
Stock Portfolio

Columbia Acorn A

LACAX

Overall Morningstar Rating ★★★	Total Assets \$19,155 mil	Morningstar Category Mid-Cap Growth	Inception Date 10/13/2000	Family Columbia	
Manager McQuaid/Mohn	Manager Tenure 13.3 Years	Total Holdings 358	Expense Ratio 1.11%	12b-1 0.25	Sharpe Ratio 0.73%

Portfolio Analysis

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Sector Weightings	Stocks %
Cyclical Economy	35.4
Basic Materials	3.0
Consumer Cyclical	17.8
Financial Services	10.0
Real Estate	4.6
Sensitive Economy	51.9
Communication Services	5.4
Energy	5.4
Industrials	24.0
Technology	17.1
Defensive Economy	12.8
Consumer Defensive	1.7
Healthcare	10.2
Utilities	0.9

% Assets in Top 10
15.55%

Valuations and Growth Rates	Stock Portfolio
Price/Prospective Earnings	18.6
Price/Book	2.4
Price/Sales	1.5
Price/Cash Flow	9.3
Dividend Yield	1.1
Long-Term Earnings	13.8
Historical Earnings	1.0
Sales Growth	7.7
Cash-Flow Growth	11.6
Book-Value Growth	8.2

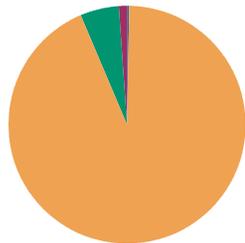
Columbia Mid Cap Value Opportunity K

RMCVX

Overall Morningstar Rating ★★★	Total Assets \$1,633 mil	Morningstar Category Mid-Cap Value	Inception Date 02/14/2002	Family Columbia	
Manager Stocking/Ramos/Schroll	Manager Tenure 5.6 Years	Total Holdings 126	Expense Ratio 1.08%	12b-1 0.00	Sharpe Ratio 0.70%

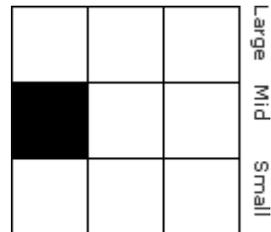
Portfolio Analysis

Asset Allocation



■ Cash	0.25
■ U.S. Stocks	93.28
■ Non-U.S. Stocks	5.49
■ Bonds	0.00
■ Other	0.99

Equity Style Details



Avg Mkt Cap \$Mil	8,077
P/E Ratio TTM	15.5
P/C Ratio TTM	8.8
P/B Ratio TTM	1.6
Turnover Ratio	28%

Risk Profile

		3 Yr	5 Yr	10 Yr
Morningstar Rating		3★	2★	4★
Standard Deviation		18.38	23.74	19.09
Information Ratio		-0.12		

Sector Weightings

	Stocks %
Cyclical Economy	42.3
Basic Materials	8.4
Consumer Cyclical	9.1
Financial Services	23.8
Real Estate	1.0
Sensitive Economy	36.3
Communication Services	1.9
Energy	9.5
Industrials	15.8
Technology	9.0
Defensive Economy	21.5
Consumer Defensive	3.8
Healthcare	10.5
Utilities	7.1

% Assets in Top 10

21.06%

Valuations and Growth Rates

Price/Prospective Earnings	13.0
Price/Book	1.4
Price/Sales	0.9
Price/Cash Flow	7.4
Dividend Yield	1.8
Long-Term Earnings	10.3
Historical Earnings	3.7
Sales Growth	4.6
Cash-Flow Growth	2.3
Book-Value Growth	5.8

Stock Portfolio

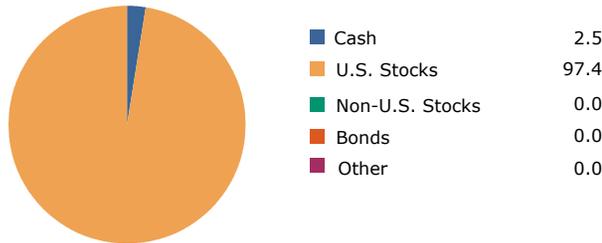
Columbia Small Cap Value Fund II Z

NSVAX

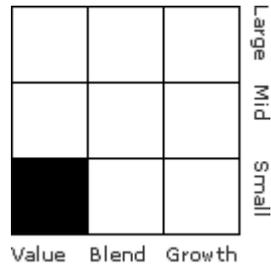
Overall Morningstar Rating ★★★★	Total Assets \$1,519 mil	Morningstar Category Small Value	Inception Date 05/01/2002	Family Columbia	
Manager Stadlinger/Ginsberg	Manager Tenure 10.5 Years	Total Holdings 130	Expense Ratio 1.06%	12b-1 0.00	Sharpe Ratio 0.73%

Portfolio Analysis

Asset Allocation



Equity Style Details



Avg Mkt Cap \$Mil	1,228
P/E Ratio TTM	14.8
P/C Ratio TTM	7.9
P/B Ratio TTM	1.5
Turnover Ratio	41%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	4 ★	3 ★	4 ★
Standard Deviation	20.96	24.62	19.70
Information Ratio	0.17		

Sector Weightings

	Stocks %
Cyclical Economy	50.3
Basic Materials	8.3
Consumer Cyclical	7.4
Financial Services	25.3
Real Estate	9.3
Sensitive Economy	35.7
Communication Services	1.0
Energy	6.0
Industrials	17.5
Technology	11.2
Defensive Economy	14.0
Consumer Defensive	3.5
Healthcare	6.0
Utilities	4.4

Valuations and Growth Rates

Price/Prospective Earnings	14.0
Price/Book	1.3
Price/Sales	0.7
Price/Cash Flow	4.7
Dividend Yield	1.5
Long-Term Earnings	11.5
Historical Earnings	4.3
Sales Growth	2.4
Cash-Flow Growth	5.5
Book-Value Growth	1.8

Stock Portfolio

% Assets in Top 10

12.70%

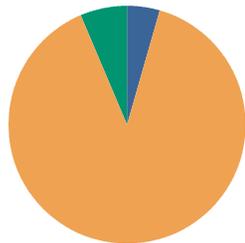
CRM Mid Cap Value Instl

CRIMX

Overall Morningstar Rating ★★★★	Total Assets \$3,118 mil	Morningstar Category Mid-Cap Blend	Inception Date 01/06/1998	Family CRM	
Manager Pollock/Abramson/Rewey, III	Manager Tenure 8.5 Years	Total Holdings 58	Expense Ratio 0.82%	12b-1 0.00	Sharpe Ratio 0.68%

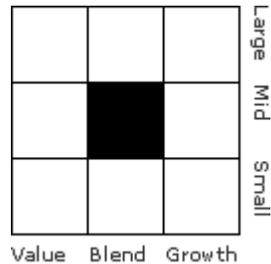
Portfolio Analysis

Asset Allocation



Cash	4.34
U.S. Stocks	89.34
Non-U.S. Stocks	6.32
Bonds	0.00
Other	0.00

Equity Style Details



Avg Mkt Cap \$Mil	9,658
P/E Ratio TTM	16.1
P/C Ratio TTM	11.0
P/B Ratio TTM	1.9
Turnover Ratio	105%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	2★	3★	5★
Standard Deviation	17.33	19.61	15.63
Information Ratio	-0.39		

Sector Weightings

	Stocks %
Cyclical Economy	38.7
Basic Materials	7.1
Consumer Cyclical	13.6
Financial Services	16.2
Real Estate	1.8
Sensitive Economy	36.7
Communication Services	0.0
Energy	6.2
Industrials	17.5
Technology	13.0
Defensive Economy	24.6
Consumer Defensive	6.6
Healthcare	8.5
Utilities	9.4

% Assets in Top 10

26.54%

Valuations and Growth Rates

Price/Prospective Earnings	14.2
Price/Book	1.8
Price/Sales	1.4
Price/Cash Flow	8.1
Dividend Yield	1.9
Long-Term Earnings	10.8
Historical Earnings	8.2
Sales Growth	-3.8
Cash-Flow Growth	-2.0
Book-Value Growth	2.6

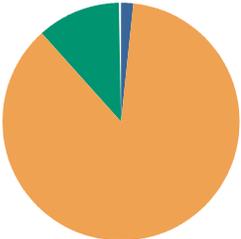
Stock Portfolio

Fidelity Contrafund

FCNTX

Overall Morningstar Rating ★★★★★	Total Assets \$92,266 mil	Morningstar Category Large Growth	Inception Date 05/17/1967	Family Fidelity Investments	
Manager Danoff, William	Manager Tenure 22.6 Years	Total Holdings 375	Expense Ratio 0.74%	12b-1 0.00	Sharpe Ratio 0.92%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																												
 <table border="0" style="margin-left: 20px;"> <tr><td>■ Cash</td><td>1.79</td></tr> <tr><td>■ U.S. Stocks</td><td>86.61</td></tr> <tr><td>■ Non-U.S. Stocks</td><td>11.44</td></tr> <tr><td>■ Bonds</td><td>0.08</td></tr> <tr><td>■ Other</td><td>0.08</td></tr> </table>	■ Cash	1.79	■ U.S. Stocks	86.61	■ Non-U.S. Stocks	11.44	■ Bonds	0.08	■ Other	0.08	<table border="0"> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px; background-color: black;"></td> <td style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 8px;">Large</td> <td>Avg Mkt Cap \$Mil</td> <td>47,129</td> <td></td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 8px;">Mid</td> <td>P/E Ratio TTM</td> <td>19.0</td> <td>Morningstar Rating</td> <td>5★</td> <td>4★</td> <td>5★</td> </tr> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 8px;">Small</td> <td>P/C Ratio TTM</td> <td>13.0</td> <td>Standard Deviation</td> <td>13.95</td> <td>17.14</td> <td>14.09</td> </tr> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td></td> <td>P/B Ratio TTM</td> <td>3.0</td> <td>Information Ratio</td> <td>0.00</td> <td></td> <td></td> </tr> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td></td> <td>Turnover Ratio</td> <td>48%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p style="font-size: 8px; margin-top: 5px;">Value Blend Growth</p>				Large	Avg Mkt Cap \$Mil	47,129		3 Yr	5 Yr	10 Yr				Mid	P/E Ratio TTM	19.0	Morningstar Rating	5★	4★	5★				Small	P/C Ratio TTM	13.0	Standard Deviation	13.95	17.14	14.09					P/B Ratio TTM	3.0	Information Ratio	0.00							Turnover Ratio	48%					
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Sector Weightings

	Stocks %
Cyclical Economy	42.1
Basic Materials	4.2
Consumer Cyclical	19.9
Financial Services	16.8
Real Estate	1.1
<hr style="border-top: 1px dashed #000;"/>	
Sensitive Economy	37.6
Communication Services	1.6
Energy	5.8
Industrials	7.2
Technology	23.0
<hr style="border-top: 1px dashed #000;"/>	
Defensive Economy	20.3
Consumer Defensive	8.7
Healthcare	11.6
Utilities	0.0

% Assets in Top 10

29.62%

Valuations and Growth Rates

Price/Prospective Earnings	17.1
Price/Book	2.7
Price/Sales	2.0
Price/Cash Flow	7.8
Dividend Yield	1.2
<hr style="border-top: 1px dashed #000;"/>	
Long-Term Earnings	13.3
Historical Earnings	14.6
Sales Growth	-7.1
Cash-Flow Growth	-12.0
Book-Value Growth	-0.2

Stock Portfolio

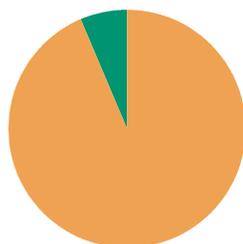
Hartford MidCap HLS IA

HIMCX

Overall Morningstar Rating ★★★★	Total Assets \$1,561 mil	Morningstar Category Mid-Cap Growth	Inception Date 07/14/1997	Family Hartford Mutual Funds	
Manager Whitaker/Ruedi	Manager Tenure 2.9 Years	Total Holdings 99	Expense Ratio 0.71%	12b-1 0.00	Sharpe Ratio 0.73%

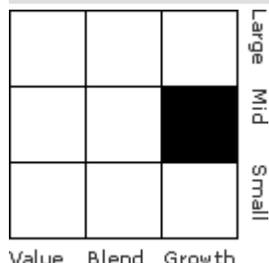
Portfolio Analysis

Asset Allocation



■ Cash	0.00
■ U.S. Stocks	93.54
■ Non-U.S. Stocks	6.46
■ Bonds	0.00
■ Other	0.00

Equity Style Details



Avg Mkt Cap \$Mil	6,034
P/E Ratio TTM	21.1
P/C Ratio TTM	12.3
P/B Ratio TTM	2.7
Turnover Ratio	51%

Risk Profile

		3 Yr	5 Yr	10 Yr
Morningstar Rating		3★	4★	4★
Standard Deviation		18.38	21.14	17.15
Information Ratio		-0.01		

Sector Weightings

	Stocks %
Cyclical Economy	30.1
Basic Materials	2.4
Consumer Cyclical	14.1
Financial Services	13.6
Real Estate	0.0
Sensitive Economy	51.4
Communication Services	1.9
Energy	9.4
Industrials	26.4
Technology	13.6
Defensive Economy	18.5
Consumer Defensive	1.6
Healthcare	14.4
Utilities	2.5

Valuations and Growth Rates

Price/Prospective Earnings	18.2
Price/Book	2.4
Price/Sales	1.1
Price/Cash Flow	4.8
Dividend Yield	1.0
Long-Term Earnings	12.8
Historical Earnings	9.7
Sales Growth	7.8
Cash-Flow Growth	9.0
Book-Value Growth	8.3

Stock Portfolio

% Assets in Top 10

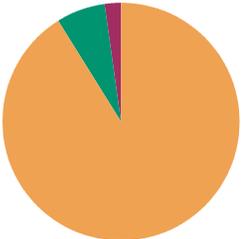
19.86%

Hartford Small Company HLS IA

HIASX

Overall Morningstar Rating ★★★★	Total Assets \$1,391 mil	Morningstar Category Small Growth	Inception Date 08/09/1996	Family Hartford Mutual Funds	
Manager Mortimer/Abularach/Rome/Chally/An	Manager Tenure 6.5 Years	Total Holdings 314	Expense Ratio 0.71%	12b-1 0.00	Sharpe Ratio 0.75%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																																
 <table border="0" style="margin-left: 20px;"> <tr><td>■ Cash</td><td>0.00</td></tr> <tr><td>■ U.S. Stocks</td><td>91.25</td></tr> <tr><td>■ Non-U.S. Stocks</td><td>6.65</td></tr> <tr><td>■ Bonds</td><td>0.00</td></tr> <tr><td>■ Other</td><td>2.10</td></tr> </table>	■ Cash	0.00	■ U.S. Stocks	91.25	■ Non-U.S. Stocks	6.65	■ Bonds	0.00	■ Other	2.10	<table border="0"> <tr> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td style="border: 1px solid black; width: 30px; height: 30px;"></td> <td rowspan="4" style="vertical-align: middle; padding-left: 5px;">Large Mid Small</td> <td>Avg Mkt Cap \$Mil</td> <td>1,772</td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td>P/E Ratio TTM</td> <td>20.0</td> <td>Morningstar Rating</td> <td>3★</td> <td>3★</td> <td>4★</td> </tr> <tr> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td>P/C Ratio TTM</td> <td>12.2</td> <td>Standard Deviation</td> <td>19.40</td> <td>23.03</td> <td>19.72</td> </tr> <tr> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td>P/B Ratio TTM</td> <td>3.0</td> <td>Information Ratio</td> <td colspan="3">0.14</td> </tr> <tr> <td></td> <td></td> <td style="background-color: black; width: 30px; height: 30px;"></td> <td style="vertical-align: middle; padding-left: 5px;">Small</td> <td>Turnover Ratio</td> <td>110%</td> <td colspan="3"></td> </tr> <tr> <td></td> <td>Value Blend Growth</td> <td colspan="7"></td> </tr> </table>				Large Mid Small	Avg Mkt Cap \$Mil	1,772	3 Yr	5 Yr	10 Yr				P/E Ratio TTM	20.0	Morningstar Rating	3★	3★	4★				P/C Ratio TTM	12.2	Standard Deviation	19.40	23.03	19.72				P/B Ratio TTM	3.0	Information Ratio	0.14						Small	Turnover Ratio	110%					Value Blend Growth								
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Sector Weightings

	Stocks %
Cyclical Economy	31.2
Basic Materials	5.3
Consumer Cyclical	18.7
Financial Services	3.7
Real Estate	3.5
<hr/>	
Sensitive Economy	51.2
Communication Services	0.0
Energy	6.4
Industrials	20.8
Technology	24.0
<hr/>	
Defensive Economy	17.5
Consumer Defensive	3.0
Healthcare	14.2
Utilities	0.4

% Assets in Top 10

10.88%

Valuations and Growth Rates

Price/Prospective Earnings	18.3
Price/Book	2.4
Price/Sales	1.2
Price/Cash Flow	8.8
Dividend Yield	0.5
<hr/>	
Long-Term Earnings	15.3
Historical Earnings	13.5
Sales Growth	7.9
Cash-Flow Growth	15.3
Book-Value Growth	9.4

Stock Portfolio

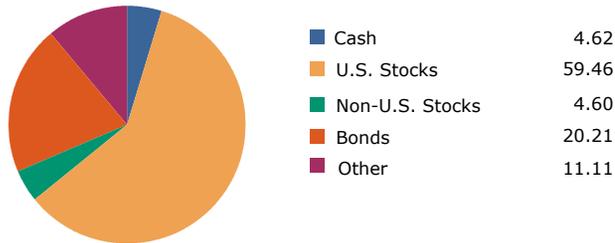
Invesco Equity and Income A

ACEIX

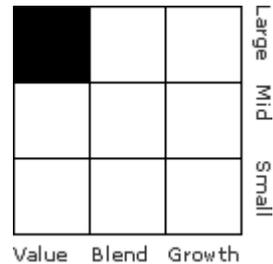
Overall Morningstar Rating ★★★	Total Assets \$11,163 mil	Morningstar Category Moderate Allocation	Inception Date 08/03/1960	Family Invesco	
Manager Burge, Jr./Laskin/Maly/Bastian/Marct	Manager Tenure 8.0 Years	Total Holdings 395	Expense Ratio 0.81%	12b-1 0.25	Sharpe Ratio 0.78%

Portfolio Analysis

Asset Allocation



Equity Style Details



Avg Mkt Cap \$Mil	46,213
P/E Ratio TTM	14.6
P/C Ratio TTM	7.9
P/B Ratio TTM	1.6
Turnover Ratio	21%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	2★	3★	3★
Standard Deviation	11.94	14.08	10.98
Information Ratio	0.05		

Sector Weightings

	Stocks %
Cyclical Economy	36.0
Basic Materials	1.4
Consumer Cyclical	8.5
Financial Services	26.1
Real Estate	0.0
Sensitive Economy	33.8
Communication Services	7.3
Energy	11.4
Industrials	8.0
Technology	7.0
Defensive Economy	30.2
Consumer Defensive	12.5
Healthcare	15.2
Utilities	2.6

Valuations and Growth Rates

Price/Prospective Earnings	12.5
Price/Book	1.6
Price/Sales	1.2
Price/Cash Flow	5.4
Dividend Yield	2.8
Long-Term Earnings	9.2
Historical Earnings	5.0
Sales Growth	3.8
Cash-Flow Growth	0.2
Book-Value Growth	2.8

Stock Portfolio

% Assets in Top 10

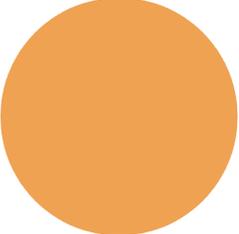
20.22%

Keeley Small Cap Value A

KSCVX

Overall Morningstar Rating ★★	Total Assets \$2,802 mil	Morningstar Category Small Blend	Inception Date 10/01/1993	Family Keeley	
Manager Keeley/Keeley Jr.	Manager Tenure 10.8 Years	Total Holdings 128	Expense Ratio 1.38%	12b-1 0.25	Sharpe Ratio 0.79%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																															
 <ul style="list-style-type: none"> Cash: 0.00 U.S. Stocks: 100.00 Non-U.S. Stocks: 0.00 Bonds: 0.00 Other: 0.00 	<table border="1"> <tr> <td></td> <td></td> <td></td> <td rowspan="4">Large Mid Small</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Value</td> <td>Blend</td> <td>Growth</td> <td></td> </tr> </table>				Large Mid Small											Value	Blend	Growth		<table border="1"> <tr> <td>Avg Mkt Cap \$Mil</td> <td>1,988</td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td>P/E Ratio TTM</td> <td>16.1</td> <td>Morningstar Rating</td> <td>3★</td> <td>1★</td> <td>3★</td> </tr> <tr> <td>P/C Ratio TTM</td> <td>9.9</td> <td>Standard Deviation</td> <td>21.25</td> <td>27.22</td> <td>22.07</td> </tr> <tr> <td>P/B Ratio TTM</td> <td>1.9</td> <td>Information Ratio</td> <td>0.34</td> <td></td> <td></td> </tr> <tr> <td>Turnover Ratio</td> <td>26%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Avg Mkt Cap \$Mil	1,988	3 Yr	5 Yr	10 Yr	P/E Ratio TTM	16.1	Morningstar Rating	3★	1★	3★	P/C Ratio TTM	9.9	Standard Deviation	21.25	27.22	22.07	P/B Ratio TTM	1.9	Information Ratio	0.34			Turnover Ratio	26%				
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Sector Weightings

	Stocks %
Cyclical Economy	52.6
Basic Materials	5.9
Consumer Cyclical	22.3
Financial Services	21.2
Real Estate	3.2
Sensitive Economy	40.6
Communication Services	0.7
Energy	6.3
Industrials	30.9
Technology	2.7
Defensive Economy	6.7
Consumer Defensive	1.5
Healthcare	3.9
Utilities	1.3

% Assets in Top 10

10.54%

Valuations and Growth Rates

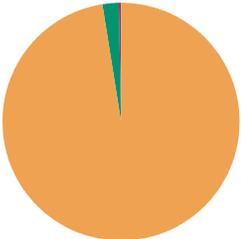
	Stock Portfolio
Price/Prospective Earnings	16.4
Price/Book	1.8
Price/Sales	1.1
Price/Cash Flow	5.6
Dividend Yield	0.9
Long-Term Earnings	14.1
Historical Earnings	12.2
Sales Growth	-0.4
Cash-Flow Growth	16.7
Book-Value Growth	-0.2

Munder Mid-Cap Core Growth Y

MG0YX

Overall Morningstar Rating ★★★★	Total Assets \$5,251 mil	Morningstar Category Mid-Cap Growth	Inception Date 06/24/1998	Family Munder	
Manager Matuszak/Sanders II/Gopal/Hayman/	Manager Tenure 5.6 Years	Total Holdings 81	Expense Ratio 1.07%	12b-1 0.00	Sharpe Ratio 0.91%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																														
 <ul style="list-style-type: none"> ■ Cash 0.00 ■ U.S. Stocks 97.56 ■ Non-U.S. Stocks 2.10 ■ Bonds 0.00 ■ Other 0.34 	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">Large Mid Small</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="background-color: black;"></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Value</td> <td>Blend</td> <td>Growth</td> </tr> </table> <table border="0" style="margin-top: 10px;"> <tr> <td>Avg Mkt Cap \$Mil</td> <td>6,609</td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td>P/E Ratio TTM</td> <td>16.8</td> <td>Morningstar Rating</td> <td>4★</td> <td>3★</td> <td>4★</td> </tr> <tr> <td>P/C Ratio TTM</td> <td>12.0</td> <td>Standard Deviation</td> <td>16.98</td> <td>21.14</td> <td>17.38</td> </tr> <tr> <td>P/B Ratio TTM</td> <td>2.2</td> <td>Information Ratio</td> <td>0.44</td> <td></td> <td></td> </tr> <tr> <td>Turnover Ratio</td> <td>48%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				Large Mid Small											Value	Blend	Growth	Avg Mkt Cap \$Mil	6,609	3 Yr	5 Yr	10 Yr	P/E Ratio TTM	16.8	Morningstar Rating	4★	3★	4★	P/C Ratio TTM	12.0	Standard Deviation	16.98	21.14	17.38	P/B Ratio TTM	2.2	Information Ratio	0.44			Turnover Ratio	48%					
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Sector Weightings

	Stocks %
Cyclical Economy	40.7
Basic Materials	2.4
Consumer Cyclical	19.5
Financial Services	14.0
Real Estate	4.8
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Sensitive Economy	35.5
Communication Services	1.8
Energy	7.1
Industrials	14.5
Technology	12.1
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Defensive Economy	23.9
Consumer Defensive	8.4
Healthcare	9.8
Utilities	5.7

% Assets in Top 10

18.27%

Valuations and Growth Rates

Price/Prospective Earnings	15.2
Price/Book	2.1
Price/Sales	1.5
Price/Cash Flow	9.9
Dividend Yield	1.2
<hr style="border-top: 1px dashed #000;"/>	
Long-Term Earnings	12.5
Historical Earnings	14.3
Sales Growth	8.3
Cash-Flow Growth	9.4
Book-Value Growth	10.0

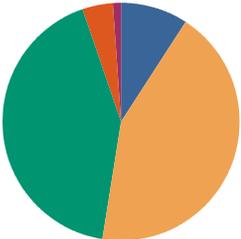
Stock Portfolio

Mutual Global Discovery A

TEDIX

Overall Morningstar Rating ★★★★	Total Assets \$19,354 mil	Morningstar Category World Stock	Inception Date 11/01/1996	Family Franklin Templeton Investment Funds	
Manager Rankin/Langerman/Brugere-Trelat	Manager Tenure 2.9 Years	Total Holdings 179	Expense Ratio 1.31%	12b-1 0.30	Sharpe Ratio 0.67%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																		
 <ul style="list-style-type: none"> ■ Cash 9.04 ■ U.S. Stocks 43.60 ■ Non-U.S. Stocks 42.02 ■ Bonds 4.19 ■ Other 1.15 	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td rowspan="3" style="writing-mode: vertical-rl; transform: rotate(180deg);">Large</td> <td style="background-color: black;"></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="3" style="writing-mode: vertical-rl; transform: rotate(180deg);">Mid</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="3" style="writing-mode: vertical-rl; transform: rotate(180deg);">Small</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Value</td> <td>Blend</td> <td>Growth</td> </tr> </table> <ul style="list-style-type: none"> Avg Mkt Cap \$Mil 32,265 P/E Ratio TTM 12.0 P/C Ratio TTM 7.2 P/B Ratio TTM 1.3 Turnover Ratio 25% 	Large										Mid										Small											Value	Blend	Growth	<table border="0"> <tr> <td></td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td>Morningstar Rating</td> <td>3★</td> <td>4★</td> <td>5★</td> </tr> <tr> <td>Standard Deviation</td> <td>12.68</td> <td>12.80</td> <td>11.06</td> </tr> <tr> <td>Information Ratio</td> <td>0.38</td> <td></td> <td></td> </tr> </table>		3 Yr	5 Yr	10 Yr	Morningstar Rating	3★	4★	5★	Standard Deviation	12.68	12.80	11.06	Information Ratio	0.38		
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Sector Weightings	Stocks %
Cyclical Economy	34.4
Basic Materials	1.4
Consumer Cyclical	8.4
Financial Services	23.4
Real Estate	1.1
Sensitive Economy	35.2
Communication Services	4.4
Energy	10.4
Industrials	12.8
Technology	7.6
Defensive Economy	30.4
Consumer Defensive	16.8
Healthcare	10.7
Utilities	3.0
% Assets in Top 10	18.06%

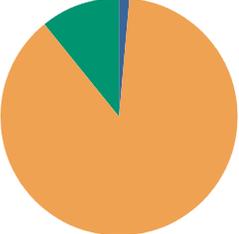
Valuations and Growth Rates	Stock Portfolio
Price/Prospective Earnings	11.2
Price/Book	1.1
Price/Sales	0.8
Price/Cash Flow	5.8
Dividend Yield	2.6
Long-Term Earnings	8.3
Historical Earnings	-5.1
Sales Growth	-10.7
Cash-Flow Growth	-7.6
Book-Value Growth	1.5

Neuberger Berman Socially Rspns Inv

NBSRX

Overall Morningstar Rating ★★★★	Total Assets \$2,087 mil	Morningstar Category Large Growth	Inception Date 03/16/1994	Family Neuberger Berman	
Manager Subhas/Moretti/Dyott/Ladiwala	Manager Tenure 8.7 Years	Total Holdings 41	Expense Ratio 0.89%	12b-1 0.00	Sharpe Ratio 0.82%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																											
 <ul style="list-style-type: none"> ■ Cash 1.33 ■ U.S. Stocks 87.84 ■ Non-U.S. Stocks 10.83 ■ Bonds 0.00 ■ Other 0.01 	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td></td><td></td><td style="background-color: black;"></td> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">Large Mid Small</td> </tr> <tr> <td></td><td></td><td></td> </tr> <tr> <td></td><td></td><td></td> </tr> <tr> <td></td><td></td><td></td> </tr> <tr> <td></td><td>Value</td><td>Blend</td><td>Growth</td><td></td> </tr> </table> <table border="0" style="margin-top: 10px;"> <tr> <td>Avg Mkt Cap \$Mil</td> <td>23,198</td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td>P/E Ratio TTM</td> <td>19.3</td> <td>Morningstar Rating</td> <td>4★</td> <td>3★</td> <td>4★</td> </tr> <tr> <td>P/C Ratio TTM</td> <td>11.8</td> <td>Standard Deviation</td> <td>15.85</td> <td>19.61</td> <td>15.44</td> </tr> <tr> <td>P/B Ratio TTM</td> <td>3.1</td> <td>Information Ratio</td> <td>-0.05</td> <td></td> <td></td> </tr> <tr> <td>Turnover Ratio</td> <td>28%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				Large Mid Small											Value	Blend	Growth		Avg Mkt Cap \$Mil	23,198	3 Yr	5 Yr	10 Yr	P/E Ratio TTM	19.3	Morningstar Rating	4★	3★	4★	P/C Ratio TTM	11.8	Standard Deviation	15.85	19.61	15.44	P/B Ratio TTM	3.1	Information Ratio	-0.05			Turnover Ratio	28%					<table border="0" style="margin-top: 10px;"> <tr> <td>Morningstar Rating</td> <td>4★</td> <td>3★</td> <td>4★</td> </tr> <tr> <td>Standard Deviation</td> <td>15.85</td> <td>19.61</td> <td>15.44</td> </tr> <tr> <td>Information Ratio</td> <td>-0.05</td> <td></td> <td></td> </tr> </table>	Morningstar Rating	4★	3★	4★	Standard Deviation	15.85	19.61	15.44	Information Ratio	-0.05		
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Sector Weightings

	Stocks %
Cyclical Economy	27.7
Basic Materials	1.9
Consumer Cyclical	7.6
Financial Services	18.2
Real Estate	0.0
<hr/>	
Sensitive Economy	45.8
Communication Services	0.0
Energy	12.0
Industrials	18.3
Technology	15.5
<hr/>	
Defensive Economy	26.6
Consumer Defensive	15.7
Healthcare	10.9
Utilities	0.0

% Assets in Top 10

38.52%

Valuations and Growth Rates

Price/Prospective Earnings	16.8
Price/Book	2.8
Price/Sales	2.0
Price/Cash Flow	10.0
Dividend Yield	1.4
<hr/>	
Long-Term Earnings	10.9
Historical Earnings	10.2
Sales Growth	7.1
Cash-Flow Growth	8.4
Book-Value Growth	7.9

Stock Portfolio

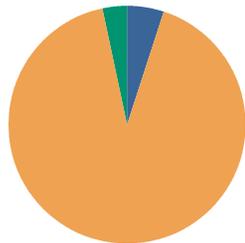
Oppenheimer Main Street Sm- & Mid-Cap A

OPMSX

Overall Morningstar Rating ★★	Total Assets \$3,576 mil	Morningstar Category Small Blend	Inception Date 08/02/1999	Family OppenheimerFunds	
Manager Anello/Krantz/Budzinski/Vardharaj	Manager Tenure 1.6 Years	Total Holdings 92	Expense Ratio 1.21%	12b-1 0.25	Sharpe Ratio 0.72%

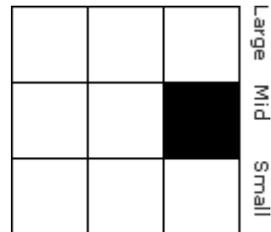
Portfolio Analysis

Asset Allocation



■ Cash	4.94
■ U.S. Stocks	91.61
■ Non-U.S. Stocks	3.44
■ Bonds	0.00
■ Other	0.00

Equity Style Details



Value Blend Growth

Avg Mkt Cap \$Mil	5,102
P/E Ratio TTM	16.0
P/C Ratio TTM	10.7
P/B Ratio TTM	2.2
Turnover Ratio	81%

Risk Profile

		3 Yr	5 Yr	10 Yr
Morningstar Rating	2★	2★	2★	2★
Standard Deviation	19.19	26.28	21.03	
Information Ratio	0.03			

Sector Weightings

	Stocks %
Cyclical Economy	46.9
Basic Materials	4.1
Consumer Cyclical	18.7
Financial Services	14.7
Real Estate	9.3
Sensitive Economy	36.8
Communication Services	0.0
Energy	7.1
Industrials	17.1
Technology	12.6
Defensive Economy	16.4
Consumer Defensive	0.0
Healthcare	15.1
Utilities	1.3

% Assets in Top 10

27.65%

Valuations and Growth Rates

Price/Prospective Earnings	15.2
Price/Book	1.9
Price/Sales	1.4
Price/Cash Flow	7.2
Dividend Yield	1.6
Long-Term Earnings	10.7
Historical Earnings	14.5
Sales Growth	6.4
Cash-Flow Growth	15.7
Book-Value Growth	9.6

Stock Portfolio

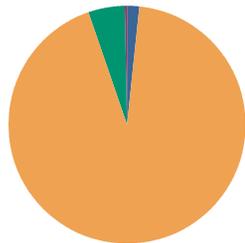
T. Rowe Price Growth Stock

PRGFX

Overall Morningstar Rating ★★★★	Total Assets \$32,360 mil	Morningstar Category Large Growth	Inception Date 04/11/1950	Family T. Rowe Price
Manager Bartolo, Robert	Manager Tenure 5.4 Years	Total Holdings 124	Expense Ratio 0.70%	12b-1 0.00
				Sharpe Ratio 0.76%

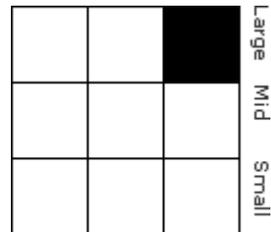
Portfolio Analysis

Asset Allocation



■ Cash	1.56
■ U.S. Stocks	93.10
■ Non-U.S. Stocks	5.14
■ Bonds	0.00
■ Other	0.20

Equity Style Details



Avg Mkt Cap \$Mil	44,770
P/E Ratio TTM	21.3
P/C Ratio TTM	14.7
P/B Ratio TTM	4.0
Turnover Ratio	31%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	4★	4★	4★
Standard Deviation	17.21	20.45	16.17
Information Ratio	-0.04		

Sector Weightings

	Stocks %
Cyclical Economy	35.0
Basic Materials	1.7
Consumer Cyclical	22.2
Financial Services	8.9
Real Estate	2.3
Sensitive Economy	50.3
Communication Services	3.3
Energy	4.4
Industrials	15.0
Technology	27.7
Defensive Economy	14.7
Consumer Defensive	5.6
Healthcare	9.0
Utilities	0.0

Valuations and Growth Rates

Price/Prospective Earnings	18.6
Price/Book	3.9
Price/Sales	2.0
Price/Cash Flow	11.4
Dividend Yield	0.8
Long-Term Earnings	15.9
Historical Earnings	23.7
Sales Growth	12.5
Cash-Flow Growth	25.0
Book-Value Growth	12.9

Stock Portfolio

% Assets in Top 10

36.75%

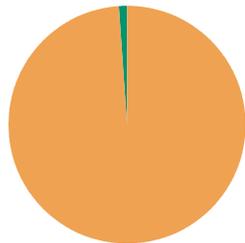
Vanguard 500 Index Inv

VFINX

Overall Morningstar Rating ★★★★	Total Assets \$124,654 mil	Morningstar Category Large Blend	Inception Date 08/31/1976	Family Vanguard	
Manager Buek, Michael	Manager Tenure 21.3 Years	Total Holdings 508	Expense Ratio 0.17%	12b-1 0.00	Sharpe Ratio 0.86%

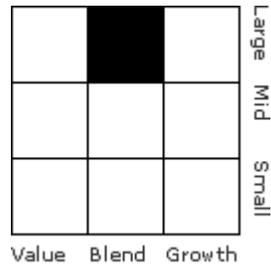
Portfolio Analysis

Asset Allocation



■ Cash	0.13
■ U.S. Stocks	98.83
■ Non-U.S. Stocks	1.04
■ Bonds	0.00
■ Other	0.00

Equity Style Details



Avg Mkt Cap \$Mil	54,866
P/E Ratio TTM	15.0
P/C Ratio TTM	9.2
P/B Ratio TTM	2.1
Turnover Ratio	3%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	4★	4★	3★
Standard Deviation	15.01	18.92	14.81
Information Ratio	-9.77		

Sector Weightings

	Stocks %
Cyclical Economy	29.9
Basic Materials	3.3
Consumer Cyclical	10.1
Financial Services	14.4
Real Estate	2.1
Sensitive Economy	43.5
Communication Services	4.3
Energy	10.9
Industrials	11.1
Technology	17.2
Defensive Economy	26.5
Consumer Defensive	11.2
Healthcare	11.9
Utilities	3.4

Valuations and Growth Rates

Price/Prospective Earnings	13.3
Price/Book	2.0
Price/Sales	1.3
Price/Cash Flow	7.1
Dividend Yield	2.3
Long-Term Earnings	10.3
Historical Earnings	8.8
Sales Growth	0.8
Cash-Flow Growth	10.1
Book-Value Growth	3.8

Stock Portfolio

% Assets in Top 10

19.55%

Vanguard Mid Cap Index Inv

VIMSX

Overall Morningstar Rating
★★★

Total Assets
\$32,536 mil

Morningstar Category
Mid-Cap Blend

Inception Date
05/21/1998

Family
Vanguard

Manager
Butler, Donald

Manager Tenure
14.9 Years

Total Holdings
452

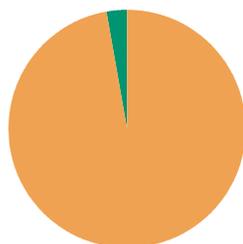
Expense Ratio
0.24%

12b-1
0.00

Sharpe Ratio
0.83%

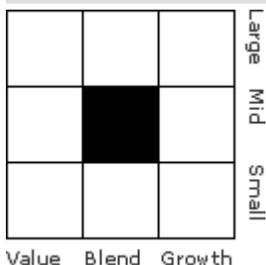
Portfolio Analysis

Asset Allocation



Cash	0.12
U.S. Stocks	97.09
Non-U.S. Stocks	2.79
Bonds	0.00
Other	0.00

Equity Style Details



Avg Mkt Cap \$Mil	6,440
P/E Ratio TTM	17.0
P/C Ratio TTM	9.4
P/B Ratio TTM	2.1
Turnover Ratio	17%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	4 ★	3 ★	3 ★
Standard Deviation	17.39	22.73	17.99
Information Ratio	0.28		

Sector Weightings

	Stocks %
Cyclical Economy	39.5
Basic Materials	6.4
Consumer Cyclical	16.8
Financial Services	10.6
Real Estate	5.7
Sensitive Economy	38.8
Communication Services	2.0
Energy	7.8
Industrials	14.9
Technology	14.1
Defensive Economy	21.7
Consumer Defensive	6.8
Healthcare	9.5
Utilities	5.4

Valuations and Growth Rates

Price/Prospective Earnings	15.0
Price/Book	2.0
Price/Sales	1.1
Price/Cash Flow	7.9
Dividend Yield	1.4
Long-Term Earnings	11.2
Historical Earnings	8.4
Sales Growth	5.3
Cash-Flow Growth	4.7
Book-Value Growth	5.3

Stock Portfolio

% Assets in Top 10

4.76%

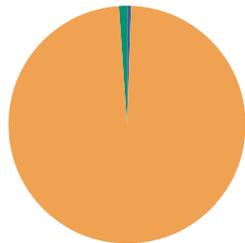
Vanguard Small Cap Index Inv

NAESX

Overall Morningstar Rating ★★★★	Total Assets \$27,276 mil	Morningstar Category Small Blend	Inception Date 10/03/1960	Family Vanguard	
Manager Buek, Michael	Manager Tenure 21.3 Years	Total Holdings 1,759	Expense Ratio 0.24%	12b-1 0.00	Sharpe Ratio 0.79%

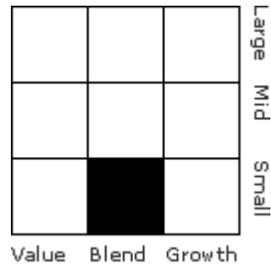
Portfolio Analysis

Asset Allocation



■ Cash	0.61
■ U.S. Stocks	98.23
■ Non-U.S. Stocks	1.16
■ Bonds	0.00
■ Other	0.00

Equity Style Details



Avg Mkt Cap \$Mil	1,497
P/E Ratio TTM	16.2
P/C Ratio TTM	8.9
P/B Ratio TTM	1.7
Turnover Ratio	14%

Risk Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating	4★	4★	4★
Standard Deviation	19.67	24.90	19.99
Information Ratio	0.30		

Sector Weightings

	Stocks %
Cyclical Economy	42.1
Basic Materials	5.8
Consumer Cyclical	13.3
Financial Services	13.2
Real Estate	9.8
Sensitive Economy	40.3
Communication Services	1.5
Energy	4.5
Industrials	19.3
Technology	15.0
Defensive Economy	17.5
Consumer Defensive	3.8
Healthcare	10.3
Utilities	3.5

Valuations and Growth Rates

Price/Prospective Earnings	15.1
Price/Book	1.7
Price/Sales	0.9
Price/Cash Flow	7.0
Dividend Yield	1.6
Long-Term Earnings	12.0
Historical Earnings	-0.9
Sales Growth	-0.1
Cash-Flow Growth	-1.4
Book-Value Growth	-0.8

Stock Portfolio

% Assets in Top 10

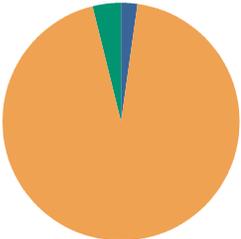
2.67%

Victory Diversified Stock A

SRVEX

Overall Morningstar Rating ★★	Total Assets \$1,848 mil	Morningstar Category Large Blend	Inception Date 10/20/1989	Family Victory	
Manager Babin/Danes/Rains	Manager Tenure 16.3 Years	Total Holdings 54	Expense Ratio 1.09%	12b-1 0.00	Sharpe Ratio 0.57%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																											
 <ul style="list-style-type: none"> ■ Cash 2.23 ■ U.S. Stocks 93.95 ■ Non-U.S. Stocks 3.82 ■ Bonds 0.00 ■ Other 0.00 	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td></td> <td style="background-color: black;"></td> <td></td> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">Large Mid Small</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Value</td> <td>Blend</td> <td>Growth</td> <td></td> </tr> </table> <table border="0" style="margin-top: 10px;"> <tr> <td>Avg Mkt Cap \$Mil</td> <td>58,886</td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td>P/E Ratio TTM</td> <td>15.8</td> <td>Morningstar Rating</td> <td>1★</td> <td>2★</td> <td>3★</td> </tr> <tr> <td>P/C Ratio TTM</td> <td>10.7</td> <td>Standard Deviation</td> <td>17.53</td> <td>20.13</td> <td>16.16</td> </tr> <tr> <td>P/B Ratio TTM</td> <td>2.1</td> <td>Information Ratio</td> <td>-1.00</td> <td></td> <td></td> </tr> <tr> <td>Turnover Ratio</td> <td>87%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				Large Mid Small											Value	Blend	Growth		Avg Mkt Cap \$Mil	58,886	3 Yr	5 Yr	10 Yr	P/E Ratio TTM	15.8	Morningstar Rating	1★	2★	3★	P/C Ratio TTM	10.7	Standard Deviation	17.53	20.13	16.16	P/B Ratio TTM	2.1	Information Ratio	-1.00			Turnover Ratio	87%					<table border="0" style="margin-top: 10px;"> <tr> <td>Morningstar Rating</td> <td>1★</td> <td>2★</td> <td>3★</td> </tr> <tr> <td>Standard Deviation</td> <td>17.53</td> <td>20.13</td> <td>16.16</td> </tr> <tr> <td>Information Ratio</td> <td>-1.00</td> <td></td> <td></td> </tr> </table>	Morningstar Rating	1★	2★	3★	Standard Deviation	17.53	20.13	16.16	Information Ratio	-1.00		
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Sector Weightings

	Stocks %
Cyclical Economy	33.4
Basic Materials	2.4
Consumer Cyclical	15.5
Financial Services	15.5
Real Estate	0.0
<hr style="border-top: 1px dashed #000;"/>	
Sensitive Economy	40.6
Communication Services	1.8
Energy	8.6
Industrials	14.8
Technology	15.3
<hr style="border-top: 1px dashed #000;"/>	
Defensive Economy	26.0
Consumer Defensive	12.6
Healthcare	13.3
Utilities	0.0

% Assets in Top 10

32.11%

Valuations and Growth Rates

Price/Prospective Earnings	13.1
Price/Book	2.1
Price/Sales	1.3
Price/Cash Flow	7.2
Dividend Yield	1.8
<hr style="border-top: 1px dashed #000;"/>	
Long-Term Earnings	11.3
Historical Earnings	1.3
Sales Growth	5.7
Cash-Flow Growth	16.6
Book-Value Growth	4.7

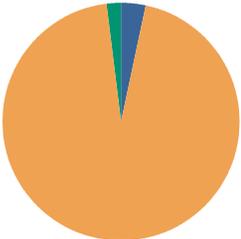
Stock Portfolio

Wells Fargo Advantage Spec SmCp Val A

ESPAX

Overall Morningstar Rating ★★	Total Assets \$775 mil	Morningstar Category Small Value	Inception Date 05/07/1993	Family Wells Fargo Advantage	
Manager Rifkin/Tringas	Manager Tenure 6.9 Years	Total Holdings 110	Expense Ratio 1.35%	12b-1 0.00	Sharpe Ratio 0.62%

Portfolio Analysis

Asset Allocation	Equity Style Details	Risk Profile																																																	
 <ul style="list-style-type: none"> ■ Cash 3.45 ■ U.S. Stocks 94.68 ■ Non-U.S. Stocks 1.87 ■ Bonds 0.00 ■ Other 0.00 	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td rowspan="3" style="writing-mode: vertical-rl; transform: rotate(180deg);">Large</td> <td>Avg Mkt Cap \$Mil</td> <td>897</td> <td>3 Yr</td> <td>5 Yr</td> <td>10 Yr</td> </tr> <tr> <td></td> <td></td> <td></td> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">Mid</td> <td>P/E Ratio TTM</td> <td>15.7</td> <td>Morningstar Rating</td> <td>1★</td> <td>2★</td> <td>2★</td> </tr> <tr> <td></td> <td></td> <td></td> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">Small</td> <td>P/C Ratio TTM</td> <td>7.8</td> <td>Standard Deviation</td> <td>19.69</td> <td>24.10</td> <td>18.98</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>P/B Ratio TTM</td> <td>1.3</td> <td>Information Ratio</td> <td>-0.23</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Turnover Ratio</td> <td>69%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p>Value Blend Growth</p>				Large	Avg Mkt Cap \$Mil	897	3 Yr	5 Yr	10 Yr				Mid	P/E Ratio TTM	15.7	Morningstar Rating	1★	2★	2★				Small	P/C Ratio TTM	7.8	Standard Deviation	19.69	24.10	18.98					P/B Ratio TTM	1.3	Information Ratio	-0.23							Turnover Ratio	69%					
			Large	Avg Mkt Cap \$Mil		897	3 Yr	5 Yr	10 Yr																																										
				Mid		P/E Ratio TTM	15.7	Morningstar Rating	1★	2★	2★																																								
					Small	P/C Ratio TTM	7.8	Standard Deviation	19.69	24.10	18.98																																								
				P/B Ratio TTM		1.3	Information Ratio	-0.23																																											
				Turnover Ratio	69%																																														

Sector Weightings	Stocks %
Cyclical Economy	42.2
Basic Materials	9.9
Consumer Cyclical	13.6
Financial Services	16.8
Real Estate	1.9
Sensitive Economy	45.5
Communication Services	0.9
Energy	5.6
Industrials	22.2
Technology	16.8
Defensive Economy	12.2
Consumer Defensive	4.1
Healthcare	6.2
Utilities	1.9
% Assets in Top 10	

23.64%

Valuations and Growth Rates	Stock Portfolio
Price/Prospective Earnings	15.2
Price/Book	1.3
Price/Sales	0.8
Price/Cash Flow	4.8
Dividend Yield	1.3
Long-Term Earnings	12.0
Historical Earnings	4.7
Sales Growth	1.0
Cash-Flow Growth	-2.4
Book-Value Growth	1.6

Current Watch List as of September 30, 2013

Fund	Date Put on Watch List	Prior Action	Current Recommendation
American Funds Growth Fund of America (ING)	February 1, 2011	Placed on Watch List due to underperformance.	This Fund performance relative to the Russell 1000 Growth Index has continued to improve over the 3rd quarter (9.2% vs. 8.1%) and over the 1-year period (24.8% vs. 19.3%). Recommended to remain on Watch List to monitor performance over longer periods.
Keeley Small Cap Value Fund (ING)	November 1, 2010	Placed on the Watch List due to underperformance and the level of volatility associated with this fund.	Remain on Watch List due to 5-year performance and continued underperformance during the quarter (8.5% vs. 10.2%).
Hartford Small Company Fund HLS (Mass Mutual)	December 31, 2012	Recommend for Watch List due to underperformance of the benchmark over the 3- and 5-year periods.	Remain on Watch List due to underperformance of the benchmark and universe over the 3- and 5-year periods.
Victory Diversified Stock Fund (Mass Mutual)	March 31, 2013	Placed on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.	Remain on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
Oppenheimer Main St Small & Mid Cap Fund (Mass Mutual)	March 31, 2013	Placed on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.	Remain on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.
American Funds Capital World Growth & Income (ING)	September 30, 2013	N/A	Place on the Watch List due to underperformance of the benchmark and median of the peer universe over the 3- and 5-year periods.



MassMutual Quarterly State of Nevada Review

AS OF SEPTEMBER 30, 2013



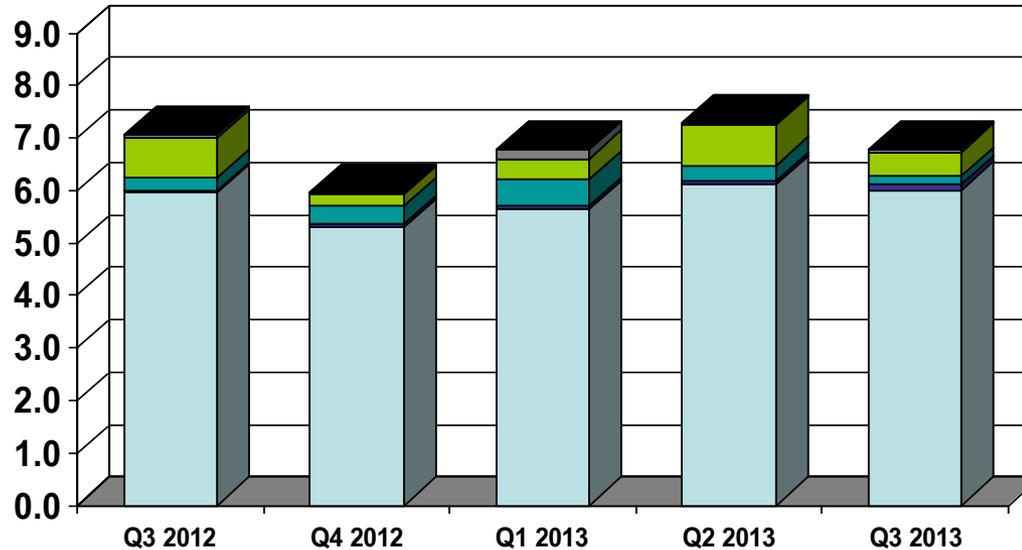
We'll help you get there.®

Contribution Trends: Totals by Source



Total Contribution Dollars

Millions

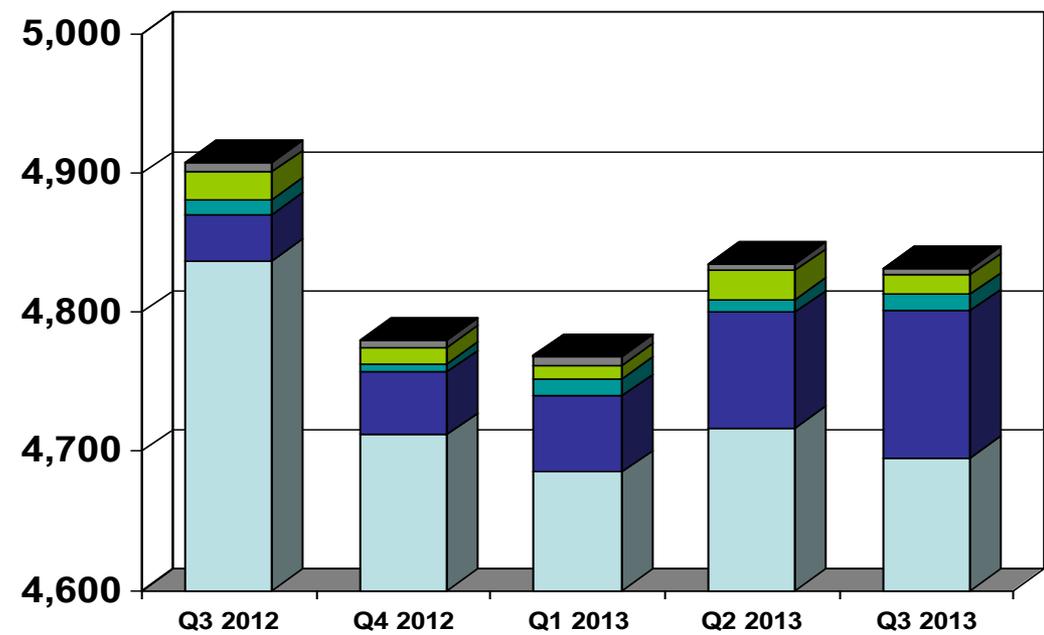


	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
■ Roth Rollover	\$0.00	\$0.00	\$2,736.20	\$0.00	\$0.00
■ Rollover 457	\$49,875.50	\$29,915.95	\$170,412.42	\$44,313.48	\$48,617.08
■ Rollover Misc	\$766,092.12	\$214,927.37	\$393,371.45	\$768,737.20	\$462,008.99
■ ING to MM	\$237,944.36	\$356,506.70	\$508,017.77	\$294,399.28	\$161,978.00
■ Roth Cont	\$31,252.00	\$44,319.45	\$47,534.32	\$64,097.06	\$101,895.69
■ EE PreTax	\$5,974,210.56	\$5,312,790.52	\$5,659,074.86	\$6,123,401.69	\$6,010,419.59
Totals	\$7,059,374.54	\$5,958,459.99	\$6,781,147.02	\$7,294,948.71	\$6,784,919.35

Contribution Trends: Totals by Source



Total Number of Contributions

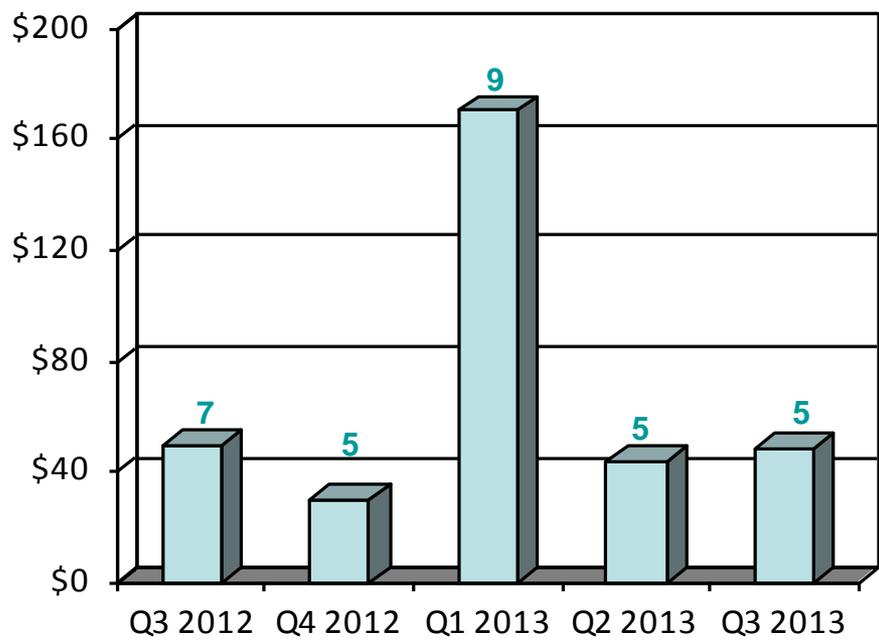


	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
■ Roth Rollover	0	0	1	0	0
■ Rollover 457	7	5	9	5	5
■ Rollover Misc	20	12	10	21	14
■ ING to MM	11	6	12	9	12
■ Roth Cont	33	45	55	83	106
■ EE PreTax	4,837	4,712	4,685	4,717	4,695
Totals	4,908	4,780	4,772	4,816	4,832



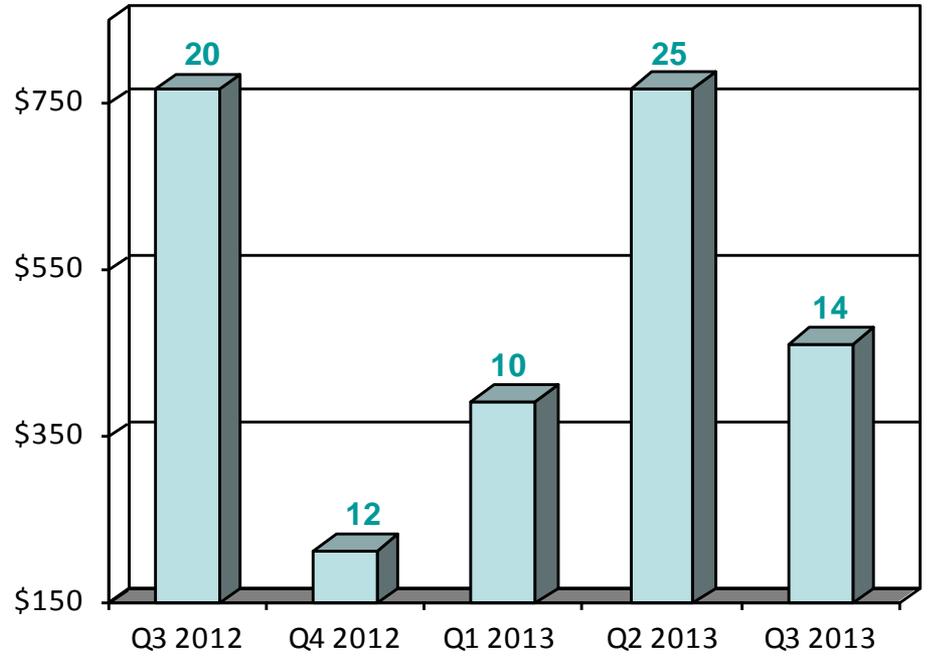
Contribution Trends: Rollover In

Thousands **Rollover In - 457**



Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$49,875.50	\$29,915.95	\$170,412.42	\$44,313.48	\$48,617.08

Rollover In - Misc

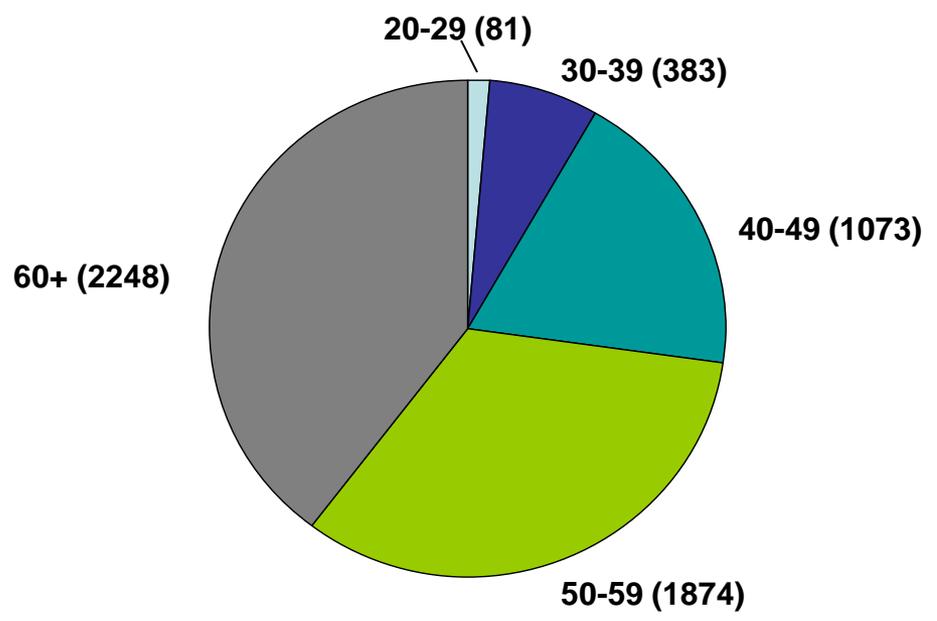


Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$766,092.92	\$214,927.37	\$393,371.45	\$768,737.20	\$462,008.99

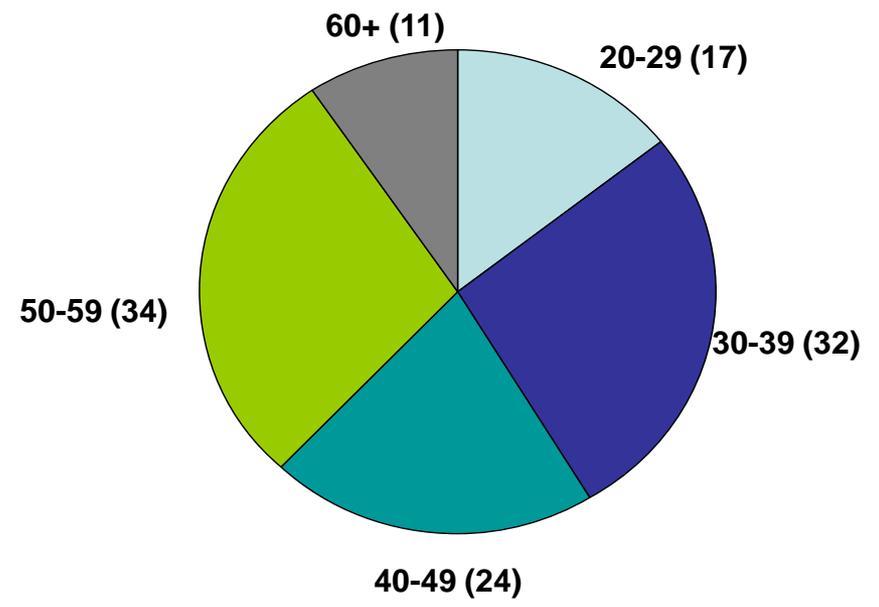


Contribution Trends: General Account & Roth

General Account participant count by age



Roth participant count by age

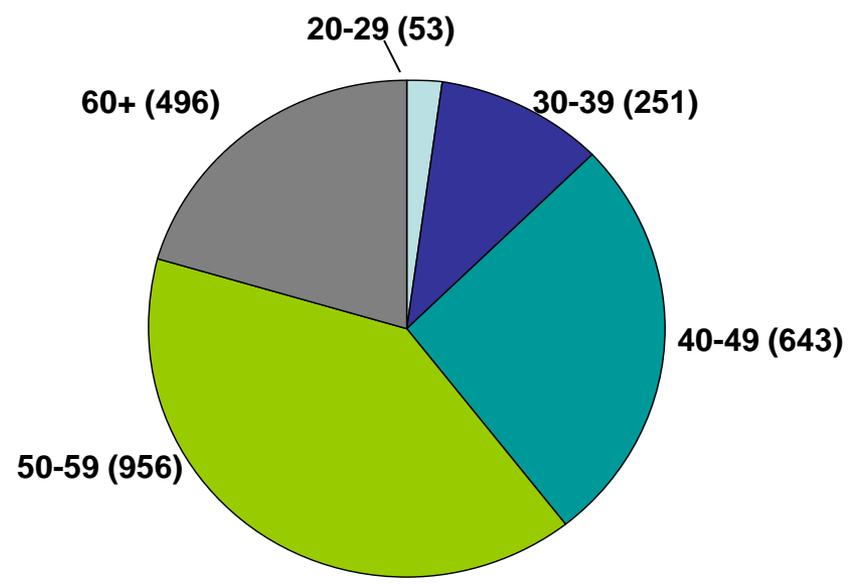


Total participants with a balance: 9,077

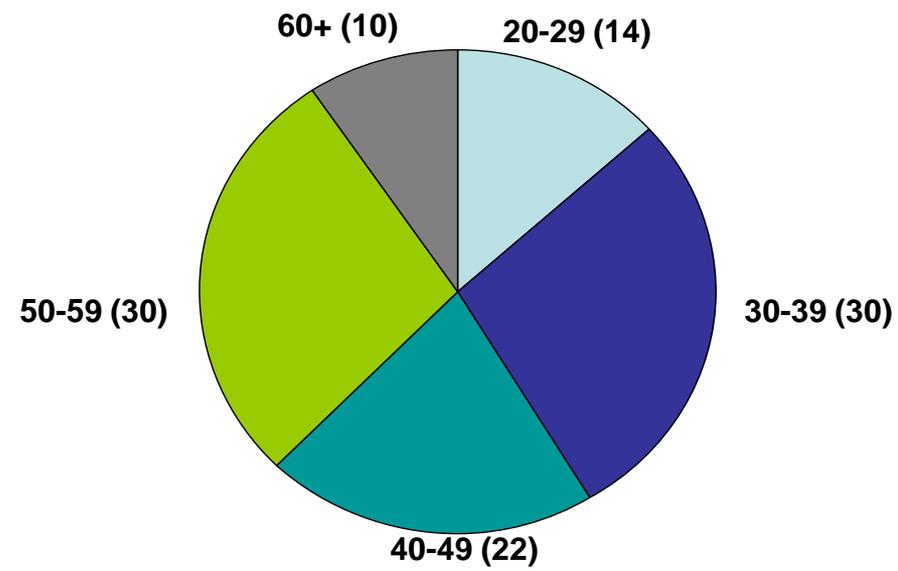


Contribution Trends: General Account & Roth

Participants actively contributing to General Account by age



Participants actively contributing Roth by age

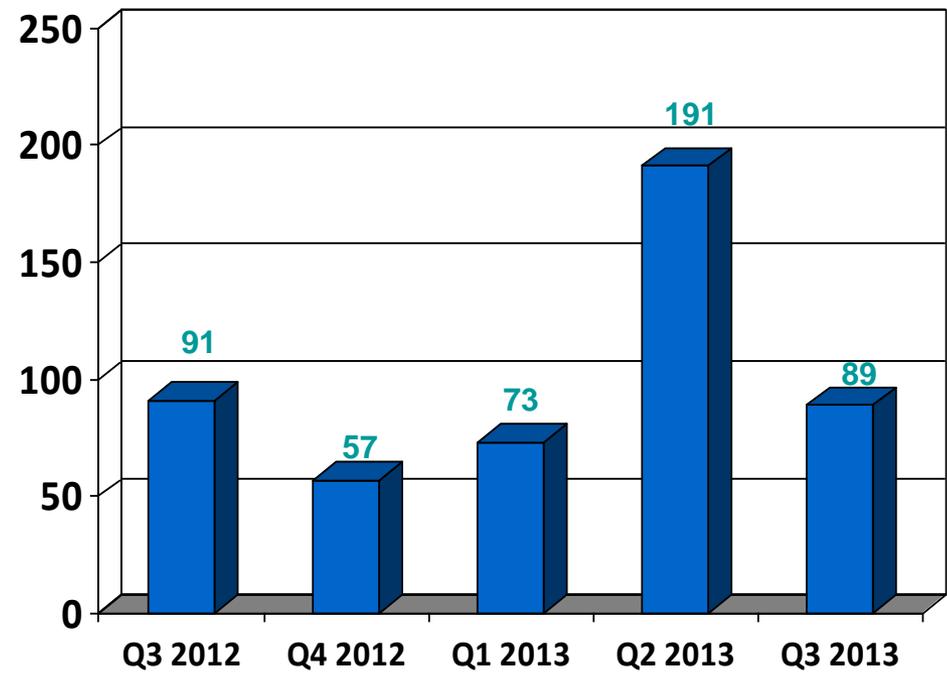


Total participants actively contributing: 4,688

Contribution Trends: Enrollments



Enrollments

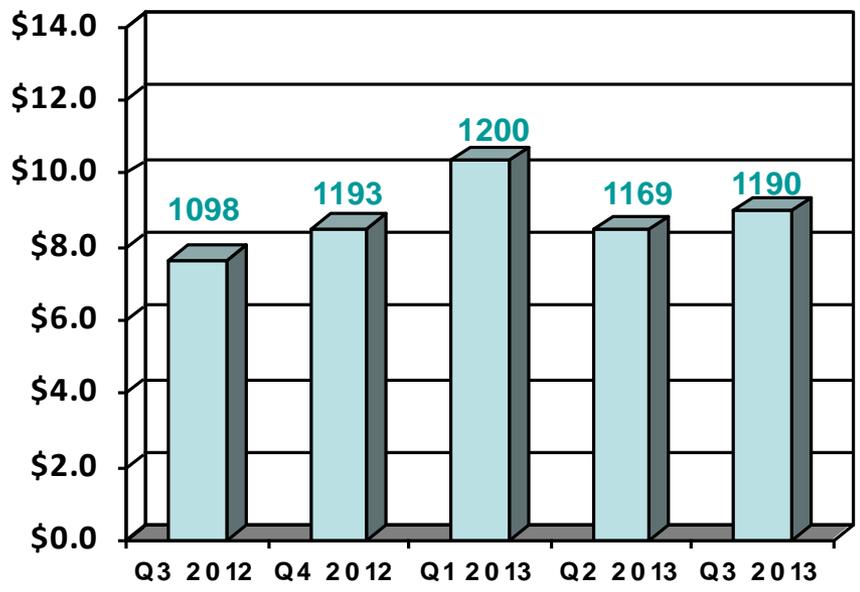




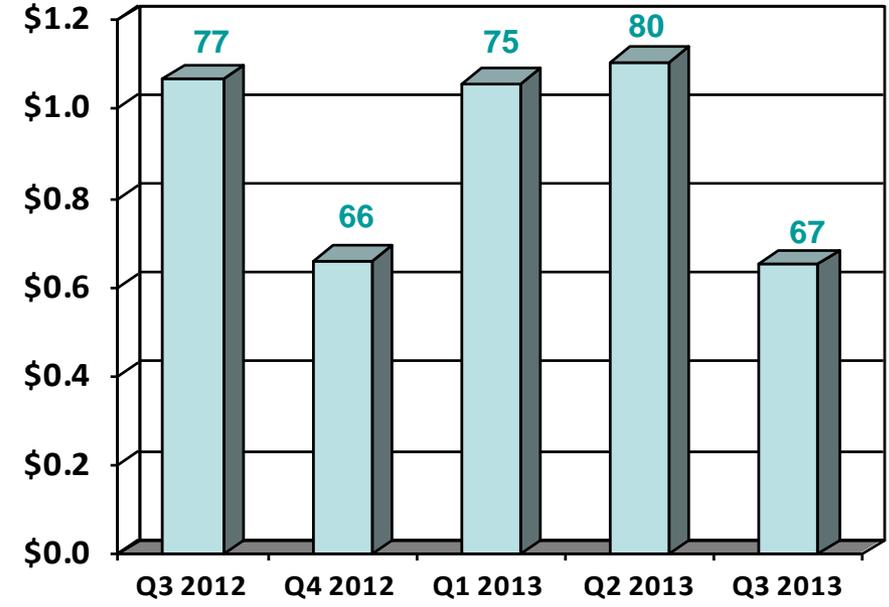
Distribution Trends: Totals & Full Distributions

Total Distributions

Millions



Full (Lump Sum) Distributions



Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$7,660,220.69	\$8,490,534.60	\$10,322,331.91	\$8,464,128.50	\$8,984,875.20

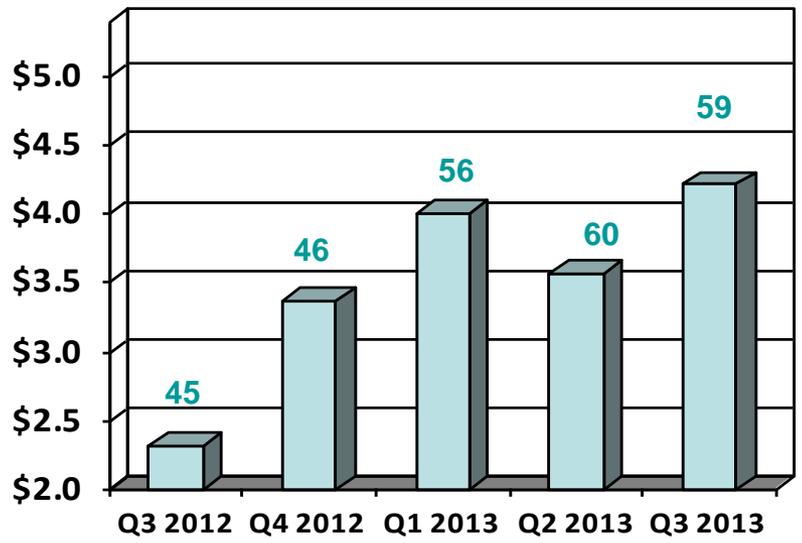
Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$1,064,786.08	\$659,267.12	\$1,057,979.57	\$1,104,659.85	\$650,502.17

Distribution Trends: Rollovers & Transfers



Rollover

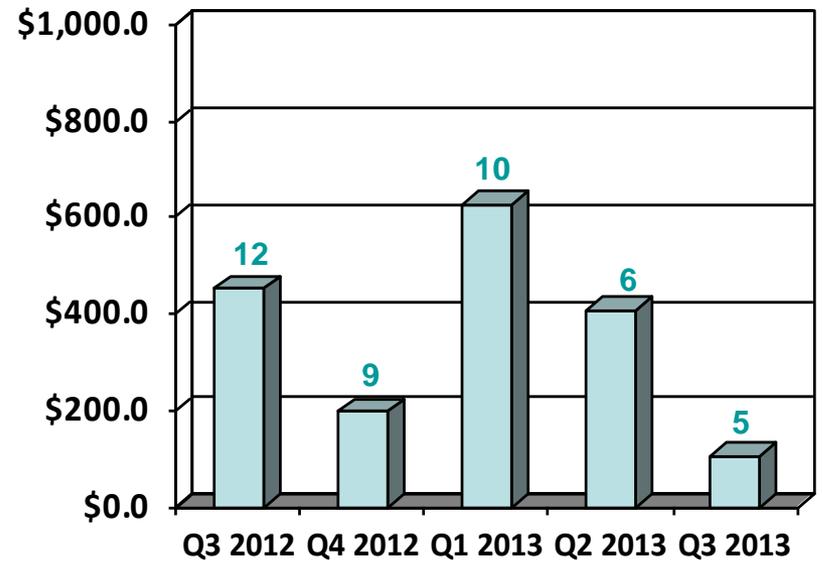
Millions



Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$2,325,744.99	\$3,372,563.48	\$4,014,945.15	\$3,565,612.39	\$4,214,041.88

Transfer from MassMutual to ING

Thousands



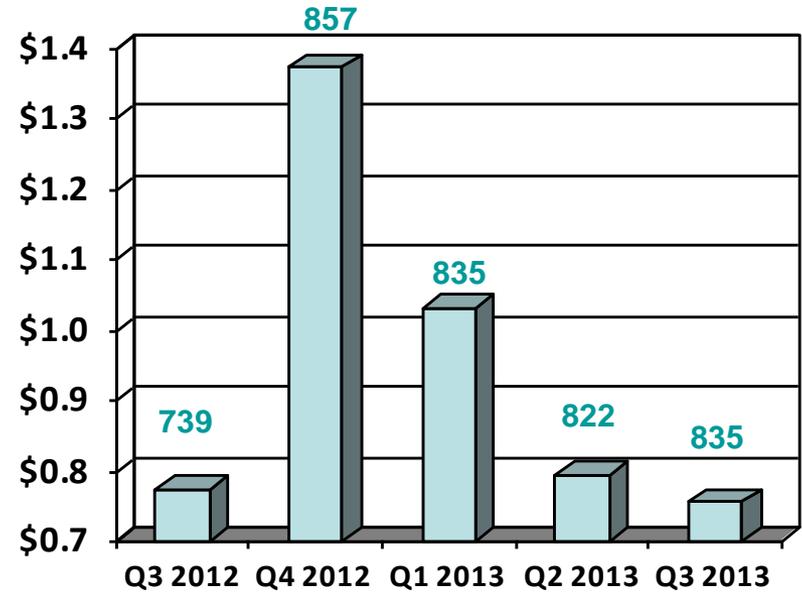
Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$453,299.24	\$199,287.36	\$625,932.18	\$407,842.48	\$107,191.89



Distribution Trends: SWO & RMD

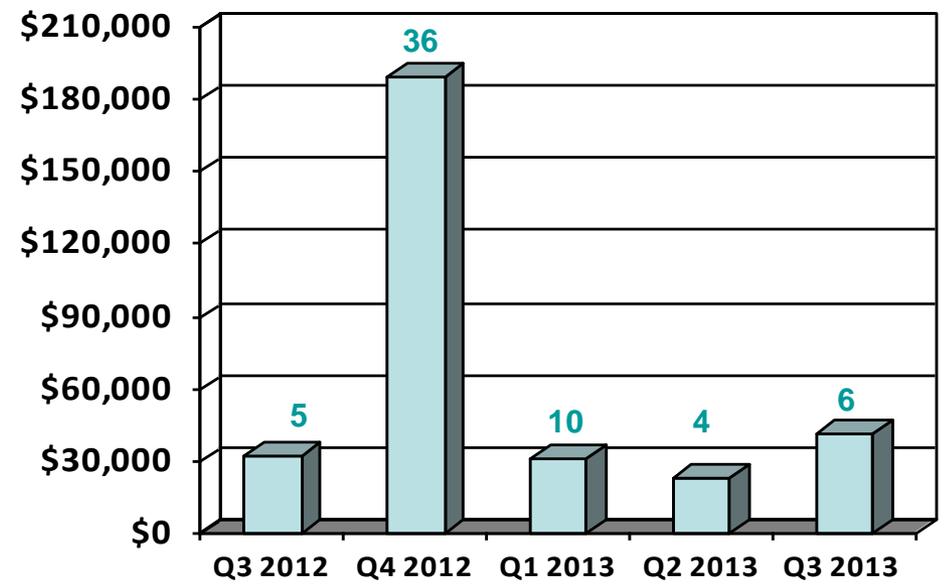
Systematic Withdrawal Option (SWO)

Millions



Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$775,216.30	\$1,372,533.96	\$1,030,219.68	\$795,865.27	\$755,572.90

Required Minimum Distribution (RMD)



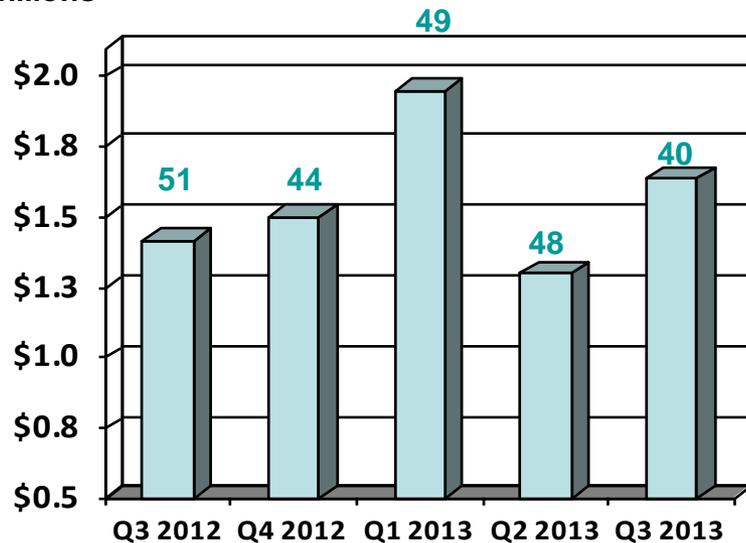
Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$31,779.97	\$188,860.68	\$30,747.66	\$23,032.25	\$41,307.54



Distribution Trends: Service Credits & Other

Purchase of Service Credits

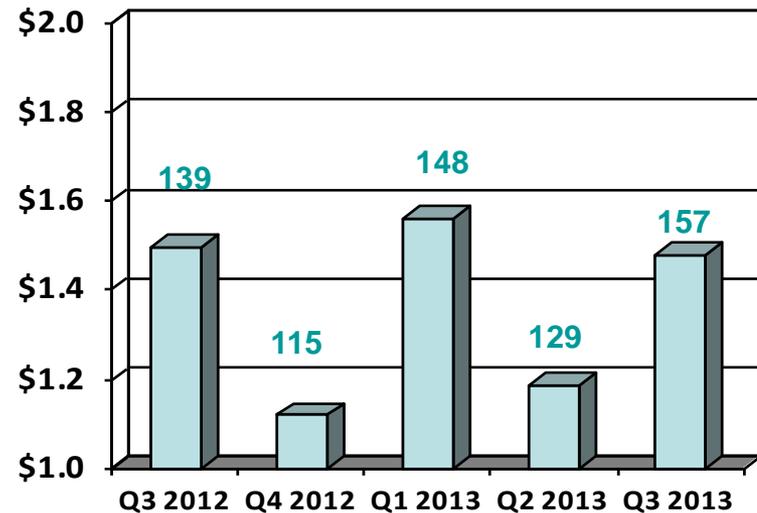
Millions



Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$1,418,143.91	\$1,503,961.73	\$1,949,157.50	\$1,301,046.97	\$1,635,627.47

Other Withdrawals*

Millions



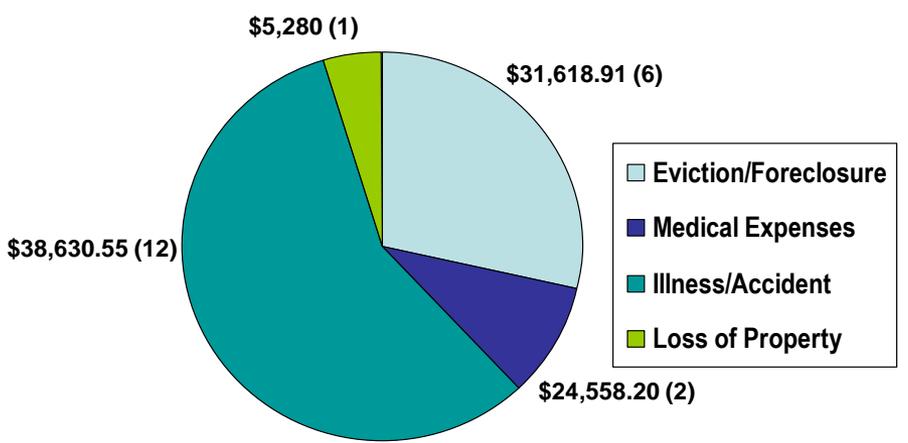
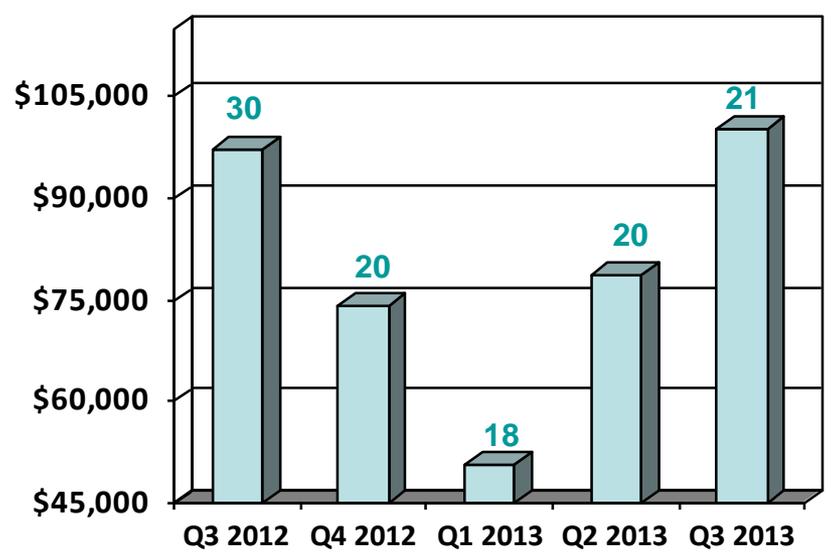
Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$1,497,203.63	\$1,119,844.04	\$1,562,503.01	\$1,187,555.93	\$1,480,543.69

*Other: Partial, QDRO, Death, In Service, Excess Deferral, Annuity Purchase

Distribution Trends: Unforeseen Emergency



Unforeseen Emergency



Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
\$97,046.57	\$74,216.23	\$50,847.17	\$78,513.36	\$100,087.66



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Nevada Deferred Compensation Plan – ING Quarterly Review

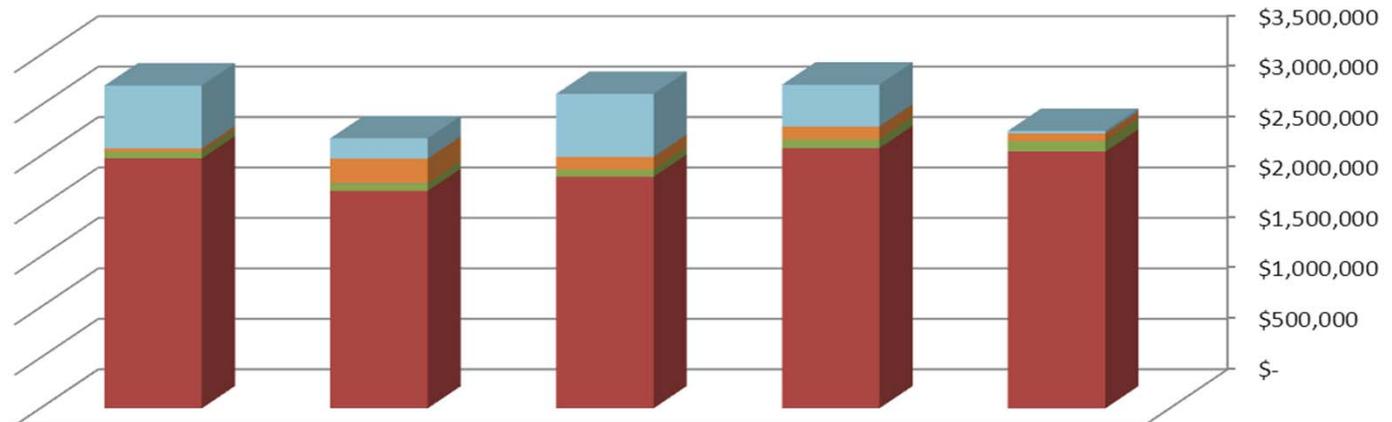
November 14, 2013





Contribution Trends – Quarterly Dollars

Quarterly Contribution \$ by Source

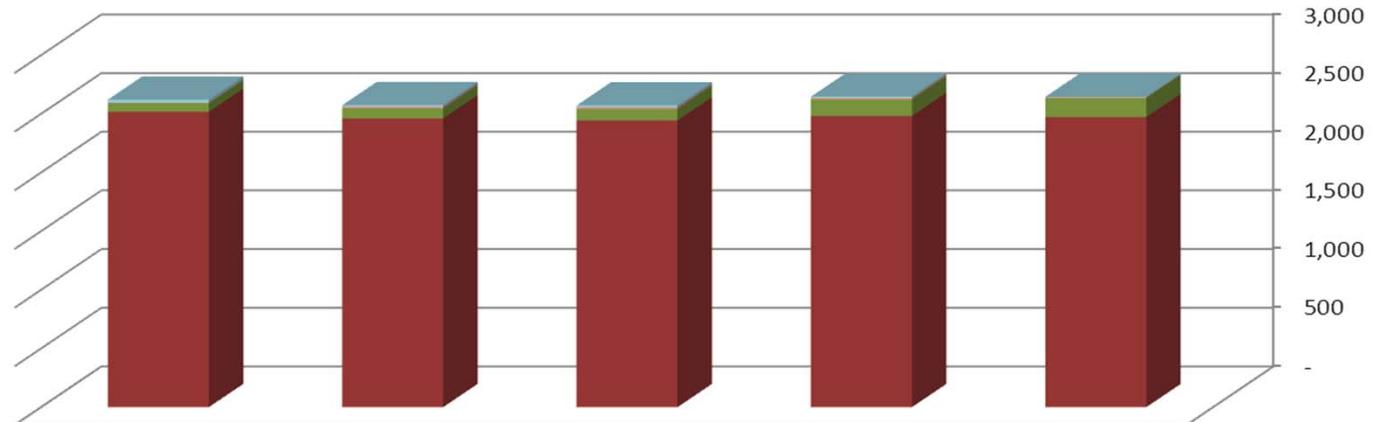


	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3
Plan to Plan Transfers	\$623,985	\$200,971	\$623,694	\$411,847	\$27,139
401/403 Roth Rollover					\$(700)
Roth In-Plan Rollover		\$100	\$2,517	\$100	\$(100)
Rollover 457	\$217			\$5,109	
Rollover	\$33,570	\$245,452	\$125,338	\$124,375	\$73,525
ER Match	\$109	\$477	\$477	\$476	\$977
Roth	\$63,629	\$73,876	\$69,175	\$86,068	\$104,547
EE PreTax	\$2,478,110	\$2,156,277	\$2,296,006	\$2,580,257	\$2,544,500



Contribution Trends – Quarterly Count

Quarterly Contribution Counts by Source

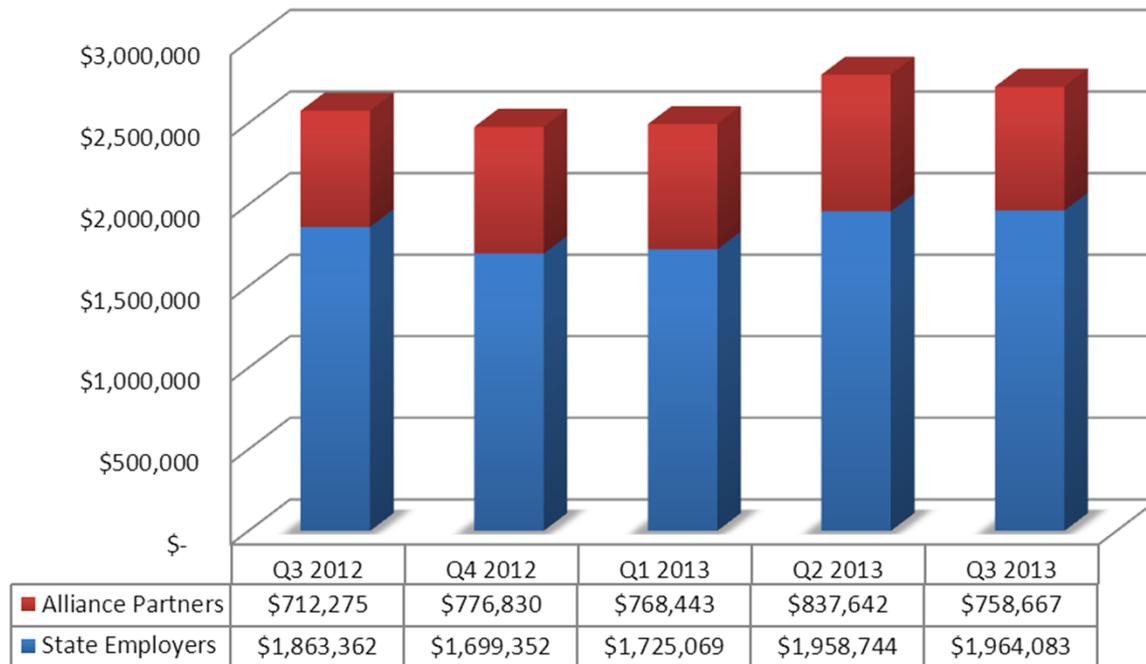


	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3
Plan to Plan Transfers	23	11	13	9	4
401/403 Roth Rollover					-
Roth In-Plan Rollover	-	1	2	1	-
Rollover 457	1	-	-	1	-
Rollover	5	12	11	10	5
ER Match	1	2	2	2	2
Roth	74	86	99	141	161
EE PreTax	2,516	2,461	2,444	2,482	2,473



State vs. Alliance Partners – Quarterly Contributions

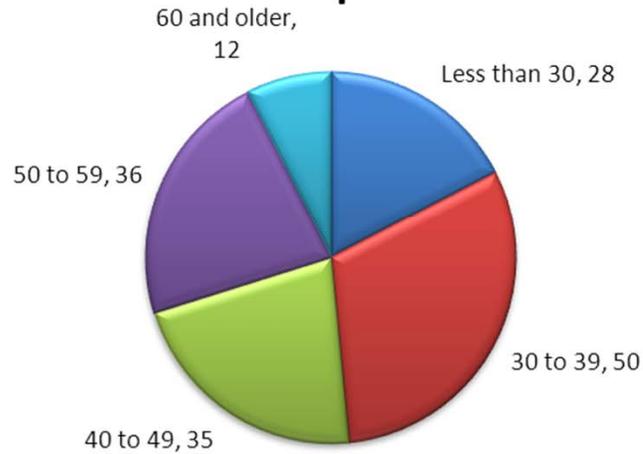
State vs. Alliance Partner Contributions



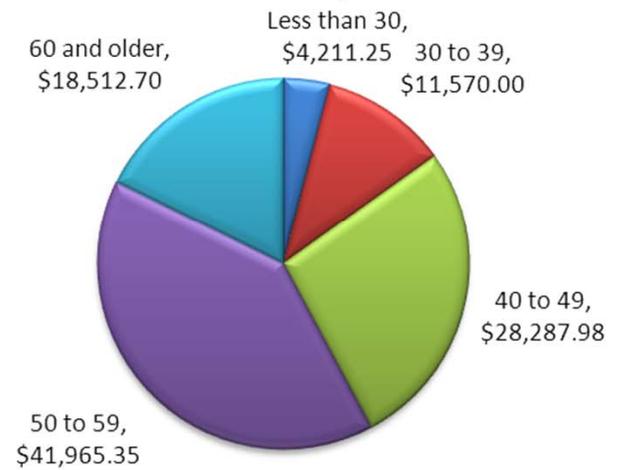


Roth Contributions by Age

Roth Participant Count



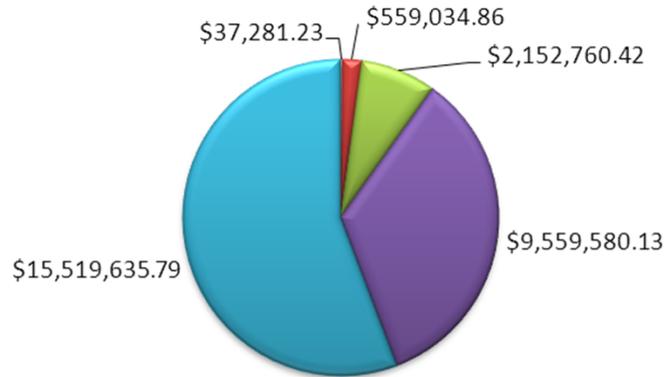
Roth Participant \$



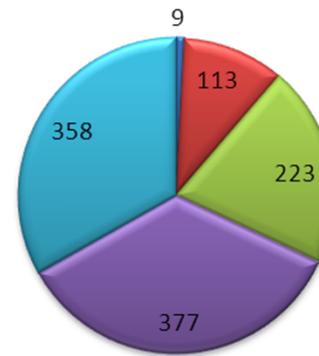


Stable Value Fund Investments by Age

Total Stable Value Fund \$



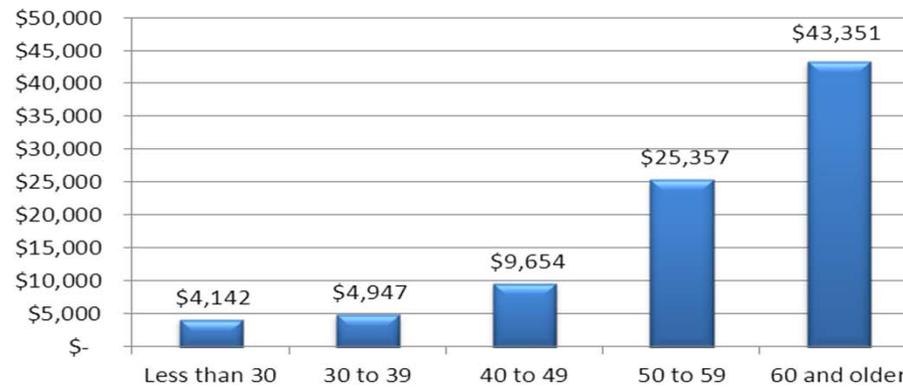
Total Stable Value Fund Investors



■ Less than 30 ■ 30 to 39 ■ 40 to 49 ■ 50 to 59 ■ 60 and older

■ Less than 30 ■ 30 to 39 ■ 40 to 49 ■ 50 to 59 ■ 60 and older

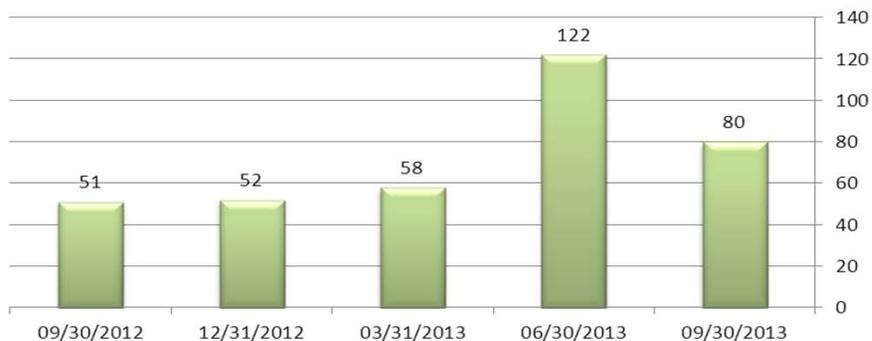
Average Stable Value \$



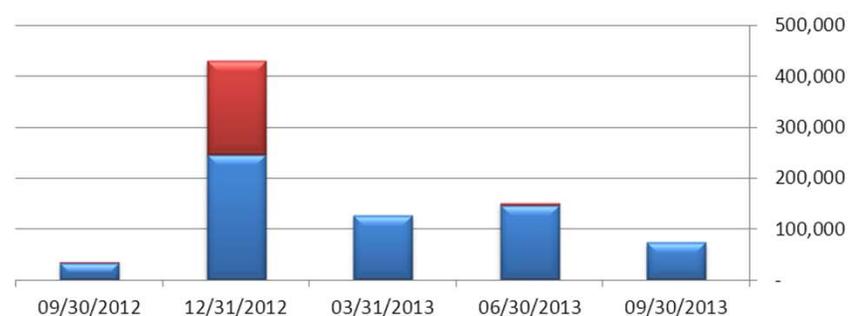


Quarterly Enrollment and Rollover Trends

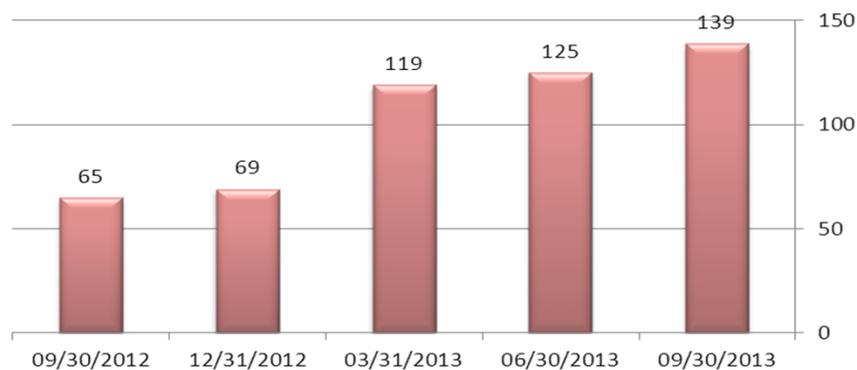
Enrollments



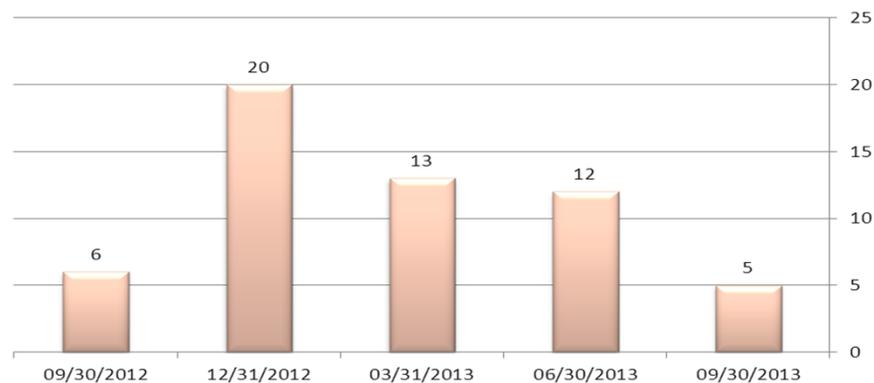
New Rollovers In \$



Contribution Increases



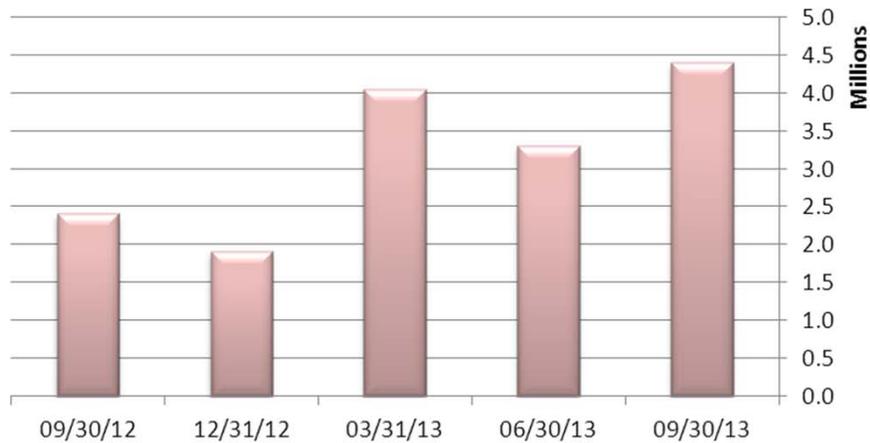
New Rollovers In



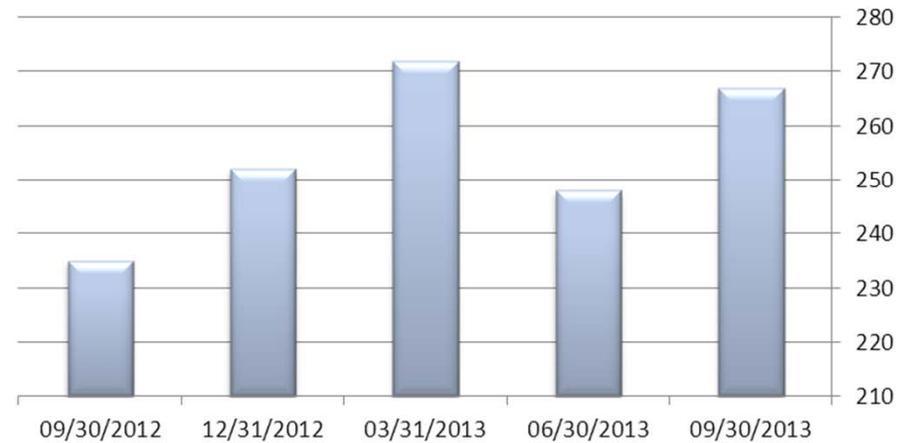


Distribution Trends – Total

Total Distribution \$



Total Distribution



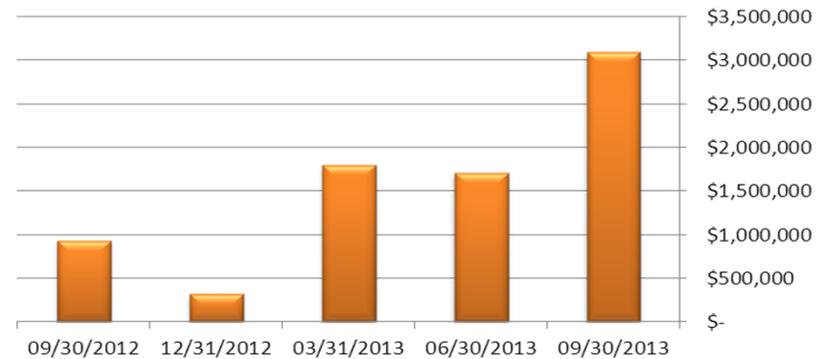


Distribution Trends – Lump Sum and Rollover Out Detail

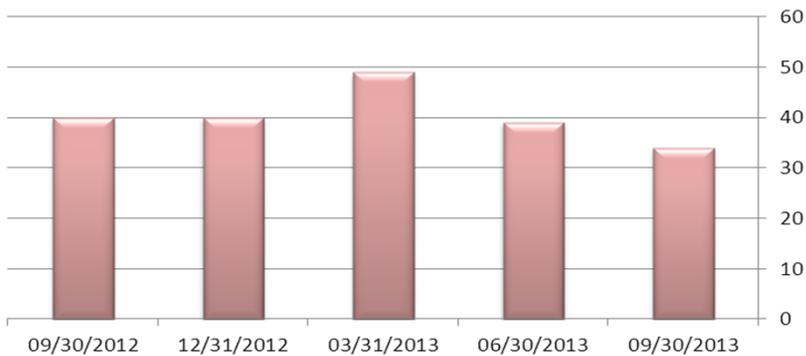
Cash Out \$



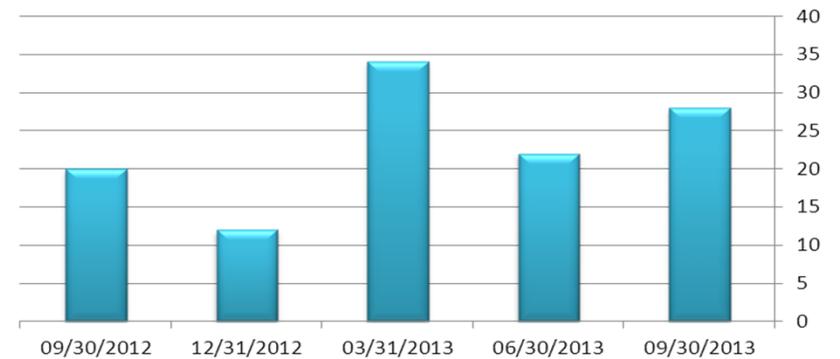
Rollovers Out \$



Cash Out #



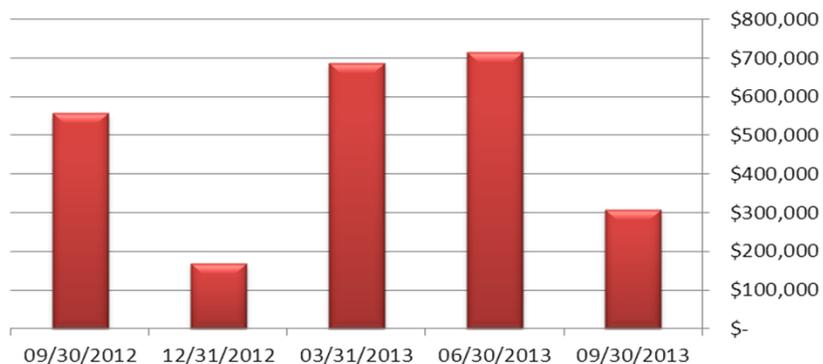
Rollovers Out #



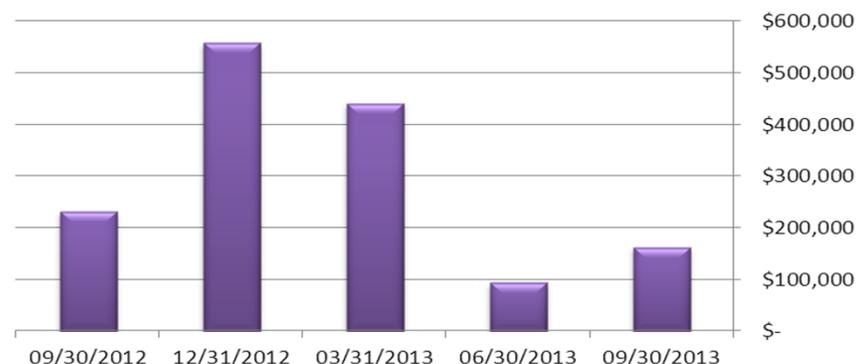


Distribution Trends – SBB and Plan Transfer Detail

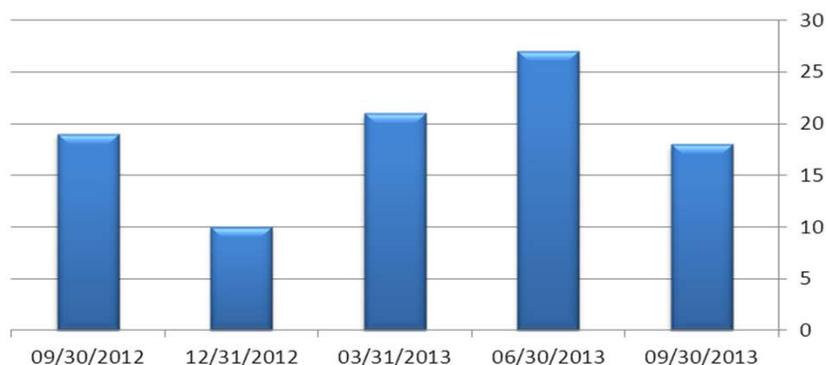
PERS Service Buy Back \$



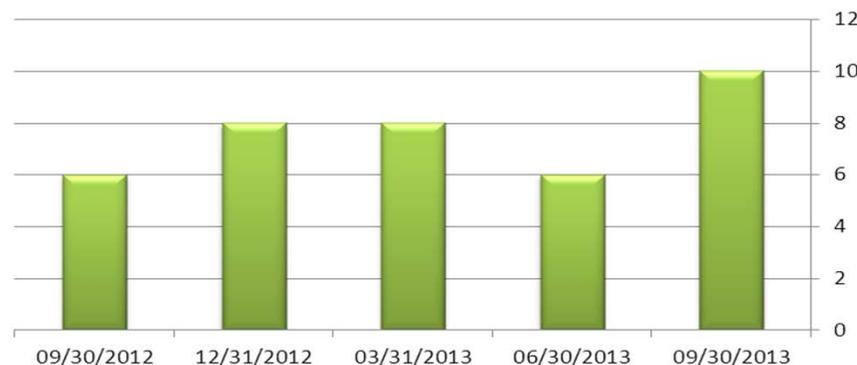
Plan to Plan Transfer \$



PERS Service Buy Back #



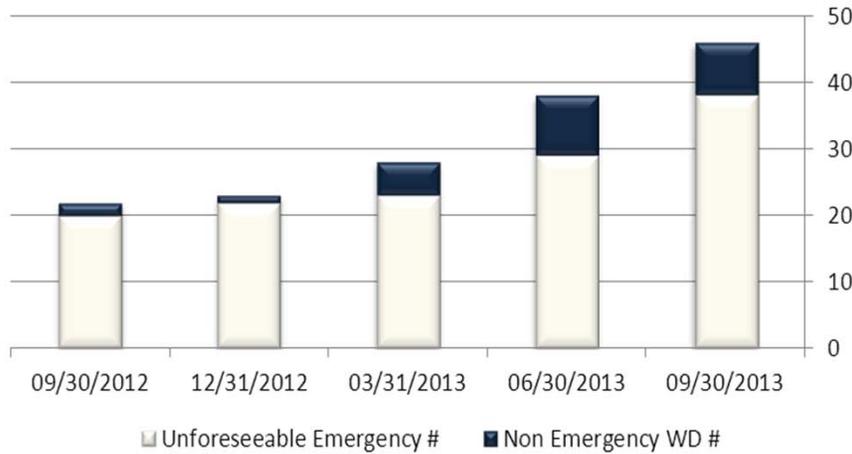
Plan to Plan Transfer #



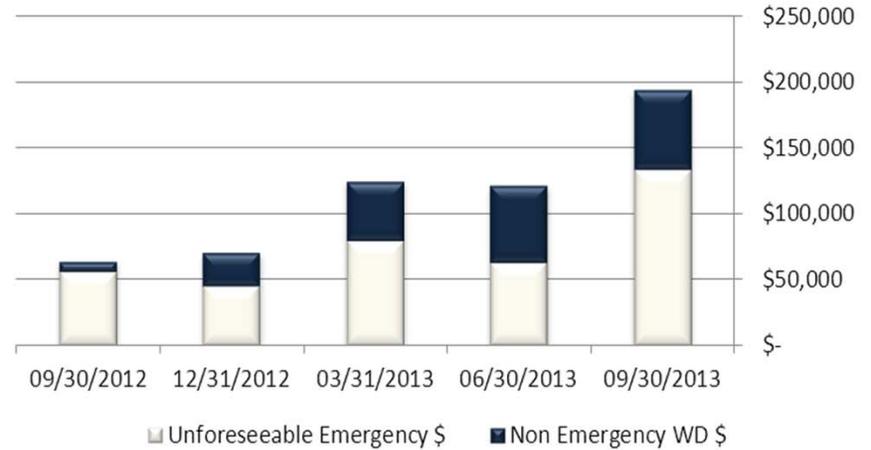


Distribution Trends – UE and Non-Emergency WD Detail

UE and Non Emergency Withdrawal #



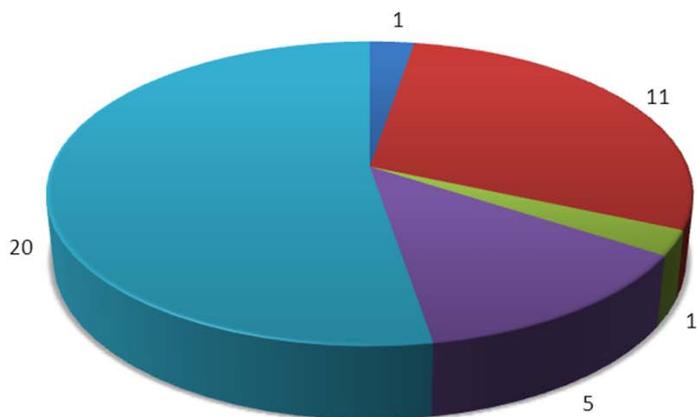
UE and Non Emergency Withdrawal \$





UE Reasons by Count and Dollar Amount

UE Reason Count



- BURIAL OR FUNERAL EXPENSES
- EVICTIION_FORCLOSURE PRINCIPAL RESIDENCE
- LOSS OF PROPERTY
- LOST WAGES
- MEDICAL EXPENSES

UE Reason Dollar Amounts



- BURIAL OR FUNERAL EXPENSES
- EVICTIION_FORCLOSURE PRINCIPAL RESIDENCE
- LOSS OF PROPERTY
- LOST WAGES
- MEDICAL EXPENSES

Micah Salerno

From: Steve Woodbury <scwoodbury@diversifynevada.com>
Sent: Thursday, August 29, 2013 11:31 AM
To: Scott Sisco (ssisco@doc.nv.gov)
Cc: Reba Coombs; FPicarelli@Segalrc.com
Subject: Financial Audit

Scott,

Frank has done some investigating on the options for our financial audit and is recommending that we proceed with Clifton Larson Allen. He has discussed our requirements with them, and by avoiding startup costs with a new vendor, scaling back the proposal (no travel to the pay centers, less emphasis on reviewing controls, etc.), they will provide an annual financial review for \$25K/year. Frank thinks the audit will be meaningful and meet the requirements we discussed at our last meeting.

If this sounds good to you, we'll reach out to the firm and ask them to prepare a revised proposal to reflect these changes.

Thanks,

Steve Woodbury
Administrative Services Officer
808 W. Nye Lane
Carson City, NV 89703
75-687-9909 | office
775-230-8667 | cell
775-687-9925 | fax
scwoodbury@diversifynevada.com
www.diversifynevada.com

Nevada Governor's Office of
ECONOMIC DEVELOPMENT



CliftonLarsonAllen LLP
Timonium Corporate Center
9515 Deereco Road, Suite 500
Timonium, MD 21093
410-453-0900 | fax 410-453-0914
www.cliftonlarsonallen.com

September 11, 2013

Ms. Reba Coombs
Program Coordinator
Nevada Public Employees' Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701-4213

Reference: Request for Information (RFI)- Public Accounting Firms to Conduct an Audit

Dear Ms. Coombs:

In response to the above referenced RFI and subsequent telephone conversation with Francis Picarelli of the Segal Rogerscasey, CliftonLarsonAllen LLP (CLA) is enclosing our understanding and related fee quote to conduct a financial statement audit of the Nevada Employees' Deferred Compensation Program (the Program).

CLA understands the Program's audit engagement will consist of an audit of the Voluntary Deferred Compensation Program and the FICA-Alternative Plan. Our proposed services will include the following:

Financial Audit

CLA will audit the records of the Plan in accordance with generally accepted auditing standards (the Financial Audit). CLA will express an opinion as to whether or not the Program records accurately reflect the financial position of the Program. Our audit will include the reconciliation of payroll contributions from no less than 5 payroll centers. We will also include any findings of misstatements due to error, fraud, or other reasons that would cause the financial records to not be an accurate representation of the financial condition of the Program.

Proposed Fee

Our proposed total all-inclusive not to exceed fee for fiscal year 2012 is \$25,000. Please note that these are **firm-fixed fees** and include out-of-pocket costs associated with the engagement such as local travel, reports, filing fees, travel, clerical, printing, postage, etc. We understand that clients do not want fee surprises; our fee and billing practices reflect this understanding.

The fee is not contingent that we complete the audit on a year-to-year arrangement. The proposed services can be done at the discretion of the State at any time periods at a fee of 25k and that the 25k is guaranteed for next three-year period and that any request for audits after the third audit year will be subject to CPI adjustment or rate increase of no more than 3 percent. In addition, any adjustment to the scope of original services would require a fee adjustment based on the scope of services requested and any fee modifications would have to be in writing and approved by the State.



An independent member of Nexia International

CLA believes we are the best qualified to perform the Program's financial statement audit. You can depend on CLA for several uncommon advantages:

- ***We Know You.*** The professionals assigned to this proposal are members of our National Public Pension Team. Our Public Pension Team has one of the largest governmental retirement plan practices in the nation and the professionals who will serve the Program currently audit and provide consulting services to some of the largest governmental retirement plans nationwide. We are confident that our extensive experience serving similar government retirement entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA the best qualified candidate to continue to fulfill the scope of the engagement. We currently provide similar services to approximately 20 state deferred compensation programs and are, by far, the leader in the accounting industry when it comes to servicing clients similar to the Program. Finally, we previously provided the same services to the Program and are intimate with the deliverables and what it takes to provide a timely and impactful work product.
- ***Specialized Professionals.*** The key personnel assigned to this engagement focus almost exclusively on governmental retirement plans. The knowledge gained from specializing in this unique niche enables our professionals to provide extraordinary service to our governmental retirement plan clients coupled with methodologies which enhance efficiencies and quality.
- ***Credibility, reputation, and resources of a top-10 firm without sacrificing the small-firm touch.*** Public service organizations are the backbone of our economy and our practice at CLA. We have renewed and deepened our commitment to you at a level most other firms reserve for the world's largest for-profit enterprises.
- ***Value and affordability.*** We believe we can continue to provide you with the right allocation of resources to minimize costs. We understand that the Program's Board of Trustees may not elect to have a financial statement audit performed annually. However, if audits are performed annually in conjunction with fiduciary best practices, we are committed to maintaining our fee quote noted above adjusted periodically only for inflation and/or adjustments to scope of services.

We are confident that our technical approach, insight and resources will result in unparalleled service to the Program.

As a Partner of CLA, I offer my personal commitment to continue providing the Program with the best resources and services available. If you have any need to talk to me at any time, please contact me at 888-778-9588 or via email at thomas.rey@claconnect.com.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in black ink, appearing to read 'T. Rey', written in a cursive style.

Thomas R. Rey, CPA
Partner

Micah Salerno

From: Scott Sisco <ssisco@doc.nv.gov>
Sent: Friday, September 27, 2013 3:36 PM
To: Reba Coombs
Cc: Shane Chesney
Subject: Re: survey
Attachments: September 2013 survey (SKS).docx

Reba, I'm sorry for getting into this so late. However, it is my belief that the primary, or most important usage of this survey will be in the preparation of the RFP and specifically the rankings and/or weight that we give the various services that the record keeper respondents will provide. As such, attached I taken much of what you've done, and made some suggested changes that I'd like you to take back to your group for further discussion. Several questions have been eliminated since question # 8 as rewritten should obtain the necessary information in a more useful format. To me, question # 8 has the most relevance and importance to our planning meeting in January. I also believe that these changes will eliminate any suggestion that this is about issues with our two current record keepers. A couple of questions, 1: we're still planning on having these answers for our January Planning meeting?, and 2: are we still looking at doing this through some type of on-line survey taker? Thanks, Scott

Scott K. Sisco
Deputy Director
Support Services
Department of Corrections
(775) 887-3317

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>>> Reba Coombs <rebacoombs@defcomp.nv.gov> 9/25/2013 9:02 AM >>>
Here is the draft.

Reba Coombs, CPM
Program Coordinator
Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 North Stewart Street, Suite 210
Carson City, Nevada 89701
T(775) 684-3397 F (775) 684-3399
email rebacoombs@defcomp.nv.gov

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October 2013

The Nevada Public Employees' Deferred Compensation Program is encouraging you to participate in the survey below. We are interested in your opinions and ideas as to how the program is working for you and what we can do to enhance our service. Please take a few moments to answer the following questions; it should take no longer than 10 minutes of your valuable time. THANK YOU FOR YOUR PARTICIPATION!

EMPLOYEE INFORMATION

1. Do you currently participate in the Deferred Compensation Program? Yes No
 - a. If yes, are you currently contributing? Yes No
 - b. If no, why not? (circle all that apply)

Too many investment choices	Too few investment choices	Can't afford <u>right now</u>
Not the right investments for me	It's too confusing	I am no longer working
 - c. Do you have an account balance even if you are not currently contributing? Yes No
2. Please indicate your age group: 30 or under 31-45 46-50 51-60 Over 60
3. If you are retired, do you have access to the Internet? Yes No

PLAN BASICS and EMPLOYEE SERVICES

4. My preference is to have more than one I am satisfied with the number of service providers (we currently have 2 with MassMutual and ING)

Strongly Agree Agree Neutral Disagree Strongly Disagree

Do you understand the differences between the two providers? Yes No

If we were to consolidate the plan to one provider, would you approve? Yes No

- 7.5. Having local representatives to talk with about my investments account is important?

Strongly Agree Agree Neutral Disagree Strongly Disagree

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- 8.6. Do you believe that there are sufficient representatives? Yes No

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Do you utilize the providers' websites for account information? Yes No

- 10.7. How do you access your account to make changes? (mark all that apply)

Website Telephone Fax In Person

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12. Would you recommend NDC to another employee? Yes No

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- 12.8. In order of preference, please rank all that apply (most important = 1 – least important = 11):
Having more than one service provider to chose from (Record Keepers)

- _____ [Protected principal account with a guaranteed rate of return](#) [Services provided by MassMutual representatives](#)
- _____ [Protected principal account with a fluctuating rate of return \(stable value account\)](#) [Online information/services provided by MassMutual](#)
- _____ [Low service provider fees](#) [Services provided by ING representatives](#)
- _____ [Number of investment choices](#) [Online information/services provided by ING](#)
- _____ [Self-directed brokerage account](#) [Services provided by NDC staff and/or committee](#)
- _____ [The ability to take a loan against your account](#) [Online information/services provided by NDC](#)
- _____ [The number of available representatives](#)
- _____ [On line access](#)
- _____ [Managed account services](#)
- _____ [Target Date fund pptions](#) [The NDC newsletter](#) [The Deferred Word](#)

INVESTMENT OPTIONS

[A fixed investment choice is important to me \(i.e., MassMutual General Account; ING Stable Value Fund\)](#) _____

Strongly Agree _____ Agree _____ Neutral _____ Disagree _____ Strongly Disagree _____

[What is important to you about a fixed investment account?](#) _____

Low Risk _____ Fees _____ Fixed Rate _____

[15.9.](#) I am comfortable my investment decisions are right for me.

Strongly Agree _____ Agree _____ Neutral _____ Disagree _____ Strongly Disagree _____

[16.10.](#) What do you find the most satisfying with the NDC Investment Plan?

[17.11.](#) What do you find the least satisfying about the NDC Investment Plan?

[18.12.](#) Any additional comments?

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PLEASE RETURN YOUR COMPLETED SURVEY BY OCTOBER 31, 2013

Micah Salerno

From: Reba Coombs <rebacoombs@defcomp.nv.gov>
Sent: Thursday, October 17, 2013 11:43 AM
To: Trenerry, Robert; 'Platt, S. (Steve)'; O'Brien, Jill; 'Picarelli, Francis'
Cc: Micah Salerno; Shane Chesney
Subject: survey
Attachments: 2013 survey (6).docx

Dear Committee and everyone else –

Attached is the final version of the survey. We have had input from everyone on our survey committee as well as the NDC committee members. We have had lengthy and detailed conversations about how to ask questions and what the desired outcome should reveal. We have added, deleted, reworded, and reorganized this many times, and I believe this product will provide much useful information that will be shared with everyone at the RFP planning meeting in January.

Jill O'Brien of MM will be helping us get this set up electronically through Survey Monkey so we can send it out to all state employees and our alliance partners. We have also explored the best way to send hard copies to retirees and believe we have come up with a good plan so that we reach as many folks as possible.

Please review this and if you have specific concerns, please let me know as soon as possible. I would like to see this released before the end of the month, if possible.

Thanks everyone for all your time putting this together!

PS – We have had two very successful days of financial education in CC and Reno – nearly 200 people attended the 4 sessions and I have received several nice compliments about the quality of the information provided and format. Thanks everyone – one more day in LV next week!

Reba Coombs, CPM

Program Coordinator
Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 North Stewart Street, Suite 210
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email rebacoombs@defcomp.nv.gov

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The Nevada Public Employees’ Deferred Compensation Program is encouraging you to participate in the survey below. The NDC will be releasing a Request for Proposal next year and your input will be invaluable as we go through that process. We are interested in your opinions and ideas as to how the program is working for you and what we can do to enhance our service. Please take a few moments to answer the following questions; it should take no longer than 10 minutes of your valuable time.

THANK YOU FOR YOUR PARTICIPATION!

EMPLOYEE INFORMATION

- 1. Do you currently participate in the Deferred Compensation Program? Yes No
 - a. If yes, are you currently contributing? Yes No
 - b. If no, why not? (circle all that apply)

Too many investment choices	Too few investment choices	Can’t afford right now
Not the right investments for me	It’s too confusing	I am no longer working
- 2. Please indicate your age group: 30 or under 31-40 41-50 51-65 Over 65
- 3. If you are retired, do you use the Internet? Yes No

PLAN BASICS and EMPLOYEE SERVICES

- 4. My preference is to have more than one service provider (we currently have MassMutual and ING).

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
----------------	-------	---------	----------	-------------------
- 5. Do you know who your account representative is and how to reach them? Yes No
- 6. Do you believe that there are sufficient representatives? Yes No
- 7. How do you make a change to your account? (circle all that apply)

Website	Telephone	Paper	In Person
---------	-----------	-------	-----------
- 8. Are you familiar with the investment advisory and internet retirement planning tools that are available through the Program’s recordkeepers? Yes No
- 9. In order of preference, please rank all that apply (most important = 1; least important = 6):
 - _____ Having more than one service provider (recordkeeper) to choose from
 - _____ Low service provider fees
 - _____ Number of investment choices
 - _____ Self-directed brokerage account

_____ The number of available representatives
_____ Managed account services

INVESTMENT OPTIONS

10. An investment choice with a fixed rate of return is important to me.

Strongly Agree Agree Neutral Disagree Strongly Disagree

11. Are you aware that both recordkeepers offer the same Vanguard Target Date Retirement Funds with either higher or lower expense ratios?

Yes No

12. In selecting a stable value fund, what is your highest priority? (circle all that apply)

Interest Rate Declared interest rate announced at the beginning of the quarter Minimum guaranteed rate
Investment management fee transparency Interest rate with a fluctuating rate of return

13. Please list any other asset class(s) you would like to see offered by the Program:

14. I am comfortable my investment decisions are right for me.

Strongly Agree Agree Neutral Disagree Strongly Disagree

15. How could NDC help with your comfort level of understanding your investment decisions?

Website Seminars One-on-one discussions with Representatives Other _____

16. What do you find the most satisfying with the NDC Investment Plan?

What do you find the least satisfying about the NDC Investment Plan?

17. Any additional comments?

If you would like more information about enrolling or changing your contribution rate, please click here <http://defcomp.nv.gov/> and you will be taken to the NDC website.

PLEASE RETURN YOUR COMPLETED SURVEY BY NOVEMBER 22, 2013

THANK YOU!

Micah Salerno

From: Steve Woodbury <scwoodbury@diversifynevada.com>
Sent: Friday, October 25, 2013 6:35 PM
To: Reba Coombs; Scott Sisco; Francis Picarelli
Cc: Micah Salerno
Subject: FW: survey

Hi all,

I have a friend who does financial planning, and I sent him a copy of the survey to review. I think he makes some great points, including what I had mention in terms of financial literacy.

Steve Woodbury
Sent from my Windows Phone

From: robboehmer@sbcglobal.net
Sent: 10/25/2013 5:25 PM
To: [Steve Woodbury](#); [Steve and Sunadda Woodbury](#)
Subject: Re: survey

Steve,

I took a look at the RFP survey your committee is sending out to the employees of the State of NV and it looks fine, but I might offer the following suggestions:

First, if you are sending this survey out to employees to meet "due diligence", then send it the way it is. The fact is that the way some of the survey is worded, the majority of the State Employees are not going to have clue on how to answer some if not a majority of the questions, and the result will end up being that either they will ask another employee to explain what it means to them or they will just not complete it, with end result being that you receive a lower percentage of employees giving their response. My experience with this in my past 16 year career as an active Estate Planning and Financial Planning Professional primarily working in the 403b, 457b, and senior planning market is that we receive better results and more realistic data when we word questions to surveys in more layman's terms so that employees understand the questions which helps in achieving a higher percentage of participation.

Examples of questions:

- Under the Investment Options section, when you use terms like "Fixed Rate of Return", "Target Date Retirement Funds", "Stable Funds", and "Asset Classes" I have found that 8 out of 10 employees are not going to truly know what those terms mean. I have found that if you do decide to use these terms, that you would be wise to put a more lay-mans definition in parentheses to allow the employee to truly understand what the term means, and the employee is more apt to give a viable answer and complete the survey. So, in other words I would consider wording the questions accordingly:

- **An investment choice with a "Fixed Rate of Return" is important to me.** (receiving a fixed interest percentage return on your contributions, with a guarantee that your account value can never decrease due to Market Index Volatility or decreases).
- **Are you aware that both recordkeepers (Service Providers) offer the same Vanguard Target Date Retirement Funds with higher or lower Expense Ratios?** (These are Mutual Funds that are designed and managed to help the Employee reach a desired Fund Value at a target date by spreading out the risk over more stocks and bonds, and by reducing risk by managing securities that are more conservative as the employees year of retirement approaches. This concept in no way is guaranteed to reach the target value and date, requires the employee to pay Expense Ratio Fees to participate (These fees vary depending on the Mutual Fund), and allows the employee to experience interest gains that could be steady and slow to reach a desired retirement goal value, but is still subject to market losses and a decrease in account value. This is definitely a long term savings plan option- 15-30 year plan.)
- **In Selecting a Stable Value Fund, what is your highest priority?** Truly, not very many employees will know what a Stable Value Fund is, so I would definitely place an explanation in parentheses. something like (a Stable Value Fund is a mutual Fund that is organized and built so that the assets that make up the Fund are a mixture of low to moderate risk assets with the hopes that the fund will stabilize itself when there is Market Volatility and make moderate interest gains when the Market index is doing well; Regardless, this option still is subject to market losses and expense fees paid by the employee).
- **Please list any other asset class(es) you would like to see offered by the program:** Just explain what "Asset Classes" are. (Asset Classes are defined as a group of securities that exhibit similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations. The three main asset classes are equities (stocks), fixed-income (bonds) and cash equivalents (money market instruments).
- I might also recommend that the committee considers asking employees if they would be interested in having a savings plan option that does not require the employee to invest in market securities??? Equity Indexed 457b and 403b Plans are becoming so popular and attractive to the lower to upper-middle class employees and those employees that are nearing the end of the Accumulation Phase (Retirement) of their lives because they are designed to offer complete protection from Market loss, while staying competitive with long term interest accreditation and growth. They are not mutual funds, variable annuities, or any type of instruments that participate directly in stock or equity investments. These are savings plans with important insurance features such as tax deferral, a death benefit, and the option to have a guaranteed lifetime income for the life of the employee and/or the employee's spouse even if the savings plan's accumulation value decreases to zero. Another positive feature to many of these plans are that No Administrative fees are ever deducted from the plan value (although some state require the payment of premium taxes). These plans have proven to be a very desired option to government employees, and proven to increase supplemental pre-taxed savings participation within the entity's Deferred Comp Plan significantly. It is proven that a huge percentage of employees just want to be able contribute to a supplemental pre-taxed Savings Plan and not have to manage it or trust that a Service Provider Representative will manage it in the employee's best interest. Fact is, employees are tired of loosing money to economic downturns and market volatility. This is a great option for employees who have this mind set, and it is proven by all of the data we have collected from government employees over the past 10-20 years. We have seen Plan Participation levels increase from 10-30% up to above 50% within the first year (sometimes 60-80% participation levels) after adding this type of Savings Plan Option to existing investment options in the Entity's Plan.

I hope this counsel helps and gives you a perspective to consider. I am happy to assist you and/or your committee in any way I possibly can, so please feel free to call upon me anytime.

Robert R. Boehmer
Benefit Solutions, Inc.
775-722-9746 (Office/Cell)
775-882-6100 (Fax)

(Mailing Address)
PO BOX 21430
Carson City, Nevada, 89721

(Physical Address)
343 Fairview Drive STE # 204A
Carson City Nevada, 89701

On Oct 18, 2013, at 9:15 AM, Steve Woodbury wrote:

<2013 survey (6).docx>

Micah Salerno

From: Shane S. Chesney <SChesney@ag.nv.gov>
Sent: Tuesday, August 27, 2013 9:45 AM
To: Scott Sisco; Reba Coombs
Subject: RE: Amendment to Alliance Partners

I agree with Scott's comments and revisions. FYI I will be on A/L Thursday and Friday.

Shane

Shane Chesney, Senior Deputy Attorney General
100 N. Carson Street
Carson City, NV 89701
(775) 684-1215
(775) 684-1108 (Fax)
schesney@ag.nv.gov

From: Scott Sisco [mailto:ssisco@doc.nv.gov]
Sent: Tuesday, August 27, 2013 6:11 AM
To: Shane S. Chesney; Reba Coombs
Subject: Re: Amendment to Alliance Partners

Reba, I have removed references that tied the expiration of the agreements to our record keeper contracts as we don't know for a fact that there was actually any intention for that to be the case. More likely they expired because we did not have a good tracking system in the office. Quite frankly it seems to me that we would not want the partnership agreements to expire at the same time as the Record Keeper agreements as that would create quite a workload issue for a single point in time. Please find the attached changes. Scott

>>> Reba Coombs <rebacoombs@defcomp.nv.gov> 8/26/2013 4:45 PM >>>
Scott and Shane –

Please find attached my proposed letter and attachments to our alliance partners. We have 39 Interlocal contracts which have expired and I will customize each letter and amendment and include a copy of the original contract with the letters. Given the situation, I'd like to get these out ASAP.

Could you please review and comment?

Thanks!

Reba Coombs, CPM
Program Coordinator
Nevada Deferred Compensation Program
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Interlocal Agreements to be Signed

Beatty Water & Sanitation
Central Lyon County Fire Protection Board
Carson City
City of Elko
City of Fallon
City of Mesquite
City of Sparks
City of Wells
City of West Wendover
City of Winnemucca
Douglas County
Douglas County FICA
Douglas County Sewer District No. 1
Elko County
Eureka County
Henderson District Public Libraries
Housing Authority of Reno
Humboldt County
Indian Hills General Improvement District
Lyon County
Minden Gardnerville Sanitation District
Mount Grant General Hospital
Nevada State Board of Accountancy
Nevada State Board of Cosmetology
Nevada State Board of Examiner's for Alcohol, Drug and Gambling Counselors (ADGC)
Nevada State Board of Examiners for Social Workers
Nevada State Board of Nursing
Nevada State Board of Osteopathic Medicine
Nevada State Board of Pharmacy
Nevada State Board of Veterinary Medical Examiners
Nevadaworks
North Lake Tahoe Fire Protection District
Reno-Tahoe Airport Authority
Reno Sparks Convention and Visitors Authority
Reno Sparks Convention and Visitors Authority FICA
Regional Transport Comm (RTC) of Washoe
Tahoe Douglas Fire Protection District
Truckee Meadows Fire Protection District
Truckee Meadows Regional Planning Agency
Virgin Valley Water District

Amendment wording was adjusted with permission from our Sr. DAG

AMENDMENT ONE TO INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

Between the State of Nevada
Acting By and Through Its

Nevada Public Employees Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701

and

City of Sparks
(Political Subdivision)
PO Box 857
Sparks, Nevada 89432

1. AMENDMENTS. All provisions of the original Interlocal contract between public agencies dated February 2010, attached hereto as Exhibit A, will remain in full force and effect with the exception of the following:

1. The term of the Interlocal contract will be extended to December 31, 2014.
2. As of January 1, 2013, Massachusetts Mutual Life Insurance Company (MassMutual) acquired the Hartford's Retirement Plans Group. The Administrator Contract is still under the name of The Hartford Life Insurance Company, but the assets and all other financial transactions will be managed by MassMutual until the Administrator Contract expires on December 31, 2014.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended Interlocal contract.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

City of Sparks

By: Geno R. Martini 49/24/13
Geno R. Martini, Mayor
Attest: Teresa Gardner
Teresa Gardner, City Clerk
City of Sparks

Scott K. Sisco, Chairman
Nevada Deferred Compensation Program
Date

Approved as to form by:

Chet Adams 09.24.2013
Deputy Attorney General for Attorney General
Chet Adams, City Attorney
Date

AMENDMENT ONE TO INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

Between the State of Nevada
Acting By and Through Its

Nevada Public Employees Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701

and

Truckee Meadows Fire Protection District
(Political Subdivision)
PO Box 11130
Reno, NV 89520

1. AMENDMENTS. All provisions of the original Interlocal contract between public agencies dated January 2010, attached hereto as Exhibit A, will remain in full force and effect with the exception of the following:

1. The term of the Interlocal contract will be extended to December 31, 2014.
2. As of January 1, 2013, Massachusetts Mutual Life Insurance Company (MassMutual) acquired the Hartford's Retirement Plans Group. The Administrator Contract is still under the name of The Hartford Life Insurance Company, but the assets and all other financial transactions will be managed by MassMutual until the Administrator Contract expires on December 31, 2014.
3. The Hartford and ING contracts, described in paragraphs 6 and 7, have been extended through December 31, 2014.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended Interlocal contract.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

Truckee Meadows Fire Protection District

By: 
DAVID HUMKE, CHAIR

9-23-13
Date

Scott K. Sisco, Chairman
Nevada Deferred Compensation Program

Date

Approved as to form by:

Deputy Attorney General for Attorney General

Date

AMENDMENT ONE TO INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

Between the State of Nevada
Acting By and Through Its

Nevada Public Employees Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701

and

Truckee Meadows Regional Planning Agency
(Political Subdivision)
1105 Terminal Way Ste 316
Reno, Nevada 89506

1. AMENDMENTS. All provisions of the original Interlocal contract between public agencies dated May 2010, attached hereto as Exhibit A, will remain in full force and effect with the exception of the following:

1. The term of the Interlocal contract will be extended to December 31, 2014. Therefore, Paragraph 3 of the Interlocal Contract dated June 2, 2010, between Nevada Public Employees Deferred Compensation Program and the Truckee Meadows Regional Planning Agency is hereby deleted in its entirety and replaced with the following:

The term of the Interlocal Contract will be extended to December 31, 2014.

2. A new paragraph is hereby added to the Interlocal Contract dated June 2, 2010, and will provide as follows:

As of January 1, 2013, Massachusetts Mutual Life Insurance Company (MassMutual) acquired the Hartford's Retirement Plans Group. The Administrator Contract is still under the name of The Hartford Life Insurance Company, but the assets and all other financial transactions will be managed by MassMutual until the Administrator Contract expires on December 31, 2014.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended Interlocal contract.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

Truckee Meadows Regional Planning Agency

By: _____



October 29 2013

Scott K. Sisco, Chairman
Nevada Deferred Compensation Program

Approved as to form by:

Deputy Attorney General for Attorney General

AMENDMENT ONE TO INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

Between the State of Nevada
Acting By and Through Its

Nevada Public Employees Deferred Compensation Program
100 North Stewart Street, Suite 210
Carson City, Nevada 89701

and

Alliance Partner
Address

1. AMENDMENTS. All provisions of the original Interlocal contract between public agencies dated May 2010, attached hereto as Exhibit A, will remain in full force and effect with the exception of the following:

- 1. The term of the Interlocal contract will be extended to December 31, 2014.
- 2. As of January 1, 2013, Massachusetts Mutual Life Insurance Company (MassMutual) acquired the Hartford’s Retirement Plans Group. The Administrator Contract is still under the name of The Hartford Life Insurance Company, but the assets and all other financial transactions will be managed by MassMutual until the Administrator Contract expires on December 31, 2014.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended Interlocal contract.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

Alliance Partner

By: _____

_____ Date

Scott K. Sisco, Chairman
Nevada Deferred Compensation Program

_____ Date

Approved as to form by:

Deputy Attorney General for Attorney General

_____ Date

Brian Sandoval
Governor



COMMITTEE
Scott Sisco, Chair
DOC
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
GOED

Reba Coombs
Program Coordinator

Shane Chesney
Senior Deputy Attorney General

Nevada Public Employees' Deferred Compensation Program

October 3, 2013

Loretta Ponton
Executive Director
Board of Occupational Therapy
PO Box 34779
Reno, NV 89533

Dear Loretta:

Thank you for your recent call and interest in becoming an alliance partner with the Nevada Public Employees' Deferred Compensation Program (NDC). In order to be able to offer deferred compensation benefits to your employees, we are requesting that you complete and return the following enclosed documents:

1. Interlocal Contract Between Public Agencies (3 copies of signature page);
2. Program Certification; and
3. Contact information form.

Copies of the program's Plan Document, Summary Plan Document, Investment Policy, and Administrative Manual are contained on the enclosed CD-ROM and are for your information.

Once you have signed the Interlocal Contract and returned it to our office along with the certification and contact information, your application will be added to the NDC Committee's next regularly scheduled meeting agenda for November 14, 2013 for approval. Thereafter, we will provide you with contact information for both recordkeepers, ING and MassMutual so that procedures can be put into place for electronic transfer of your employees' contributions to either or both companies of their choice. Also, a fully executed copy of the Interlocal Contract will be returned to you for your files.

In the meantime, please visit our website at <http://defcomp.nv.gov> which contains a great deal of information about the program, the investment options, cost to participants, and other information and news that you will find beneficial.

If you have questions about any of the above, please do not hesitate to contact our office.

Regards,

Reba Coombs, CPM
Program Coordinator
Email: rebacoombs@defcomp.nv.gov

INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

A Contract Between the State of Nevada
Acting By and Through Its

State of Nevada Employees' Deferred Compensation Committee
(Committee)
100 North Stewart Street, Suite 210
Carson City, NV 89701

and

Nevada State Board of Occupational Therapy
PO Box 34779
Reno, Nevada 89533

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform;

WHEREAS, NRS 287.250 to 287.370, inclusive, authorize the Committee to create a program for deferred compensation, and whereas NRS 287.381 to 287.480, inclusive, authorize the political subdivision to create a program for deferred compensation;

WHEREAS, The Committee has created a deferred compensation program and pursuant to that program has entered into contracts with two investment providers, MassMutual and ING, with whom participants in the program may invest their deferred compensation;

WHEREAS, The investment options and fee and rate structure of the two investment providers in their contracts with the Committee are considered by the Political Subdivision to be generally more favorable than that which would be available to the Political Subdivision if the Political Subdivision were to independently contract with the investment providers;

WHEREAS, the Political Subdivision desires to join the program created by the Committee in order to obtain the more favorable investment options, fees and rates;

WHEREAS, the Committee desires to have the Political Subdivision participate in the Committee's program subject to the same terms and conditions as apply to state employee participants, except for limitations expressly provided below;

WHEREAS, the Committee has secured the consent of the investment providers to enroll the Political Subdivision's employees as participants in the Committee's program subject to the same terms and conditions as apply to state employee participants, except for limitations expressly provided below;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Contract shall not become effective until and unless approved by appropriate official action of the governing body of each party.
2. DEFINITIONS. "State" means the State of Nevada and any state agency identified herein (the Committee), its officers, employees and immune contractors as defined in

NRS 41.0307. Unless the context otherwise requires, "program" is synonymous with "plan" and "state of Nevada deferred compensation committee plan".

3. CONTRACT TERM. This Contract shall be effective upon approval through December 31, 2014, unless sooner terminated by either party as set forth in this Contract.

4. TERMINATION. This Contract may be terminated without cause by either party prior to the date set forth in paragraph (3), provided that a termination shall not be effective until 30 days after a party has served written notice upon the other party. This Contract may be terminated by mutual consent of both parties or unilaterally by either party without consent of the other. The parties expressly agree that this Contract shall be terminated immediately if for any reason federal and/or State Legislature funding ability to satisfy this Contract is withdrawn, limited, or impaired. Benefits accrued by participating employees of the Political Subdivision upon termination of participation in the plan shall remain in the plan until such are otherwise eligible for distribution under the terms of the plan.

5. NOTICE. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth above.

6. INCORPORATED DOCUMENTS. The parties agree that the services to be performed shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT A: Independent contract between the State of Nevada Employees' Deferred Compensation Committee and Hartford Life Insurance Company, effective January 1, 2008 through December 31, 2014. As of January 1, 2013, Massachusetts Mutual Life Insurance Company (MassMutual) acquired the Hartford's Retirement Plans Group. The Administrator Contract is still under the name of The Hartford Life Insurance Company, but the assets and all other financial transactions will be managed by MassMutual until the Administrator Contract expires on December 31, 2014.

ATTACHMENT B: Independent contract between the State of Nevada Employees' Deferred Compensation Committee and ING Life Insurance and Annuity Company, effective January 1, 2008 through December 31, 2014.

ATTACHMENT C: The State of Nevada Deferred Compensation Committee Plan Document.

7. ASSENT.

a. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations expressly provided.

b. Except as agreed otherwise in paragraphs 3 and 4, the Political Subdivision agrees:

1) To participate in the Committee's deferred compensation program subject to all contract terms and conditions as set forth between the State of Nevada Employees' Deferred Compensation Committee and Hartford Life Insurance Company, 200 Hopmeadow Street, Simsbury, Connecticut 06089, effective January 1, 2008 through December 31, 2014, and as set forth between the

State of Nevada Employees' Deferred Compensation Committee and ING Life Insurance and Annuity Company, One Orange Way, Windsor, Connecticut 06096-4774, effective January 1, 2008 through December 31, 2014;

- 2) To be bound by all current and any future State of Nevada Employees' Deferred Compensation Committee "Plan Documents" and "Investment Policies and Procedures";
 - 3) To cooperate with the investment providers and to provide all necessary and appropriate administrative services to enable Political Subdivision employees to participate in the Committee's deferred compensation program; and
 - 4) To provide an appeal process to Political Subdivision employees for denials of requests by Political Subdivision employees to make unforeseen emergency withdraws from the program and to abide by any guidelines established by the Committee for this purpose.
- c. The Political subdivision agrees that it has made its decision to participate in the program based on its own independent analysis and that neither the State of Nevada nor the Committee are fiduciaries with regard to its decision to participate in the program.
 - d. The Committee agrees to authorize the two investment providers to enroll employees of the Political Subdivision on terms and conditions consistent with this agreement. Execution of this agreement by the Committee constitutes such authorization.

8. INSPECTION & AUDIT.

- a. Books and Records. Each party agrees to keep and maintain under general accepted accounting principles full, true and complete records, agreements, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.
- b. Inspection & Audit. Each party agrees that the relevant books, records (written, electronic, computer related or otherwise), including but not limited to relevant accounting procedures and practices of the party, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location where such records may be found, with or without notice by the State Auditor, Employment Security, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives.
- c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used in this Contract. The retention period runs from the date of termination of this Contract. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

9. BREACH; REMEDIES. Failure of either party to perform any obligation of this Contract shall be deemed a breach. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and

remedies provided by law or equity, including but not limited to actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for State-employed attorneys.

10. LIMITED LIABILITY. The parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Actual damages for any State breach shall never exceed the amount of funds which have been appropriated for payment under this Contract, but not yet paid, for the fiscal year budget in existence at the time of the breach.

11. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

12. INDEMNIFICATION.

- a. To the fullest extent of limited liability as set forth in paragraph (10) of this Contract, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.
- b. The indemnification obligation under this paragraph is conditioned upon receipt of written notice by the indemnifying party within 30 days of the indemnified party's actual notice of any actual or pending claim or cause of action. The indemnifying party shall not be liable to hold harmless any attorneys' fees and costs for the indemnified party's chosen right to participate with legal counsel.

13. INDEPENDENT PUBLIC AGENCIES. The parties are associated with each other only for the purposes and to the extent set forth in this Contract, and in respect to performance of services pursuant to this Contract, each party is and shall be a public agency separate and distinct from the other party and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

14. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

15. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-

enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

16. ASSIGNMENT. Neither party shall assign, transfer or delegate any rights, obligations or duties under this Contract without the prior written consent of the other party.

17. OWNERSHIP OF PROPRIETARY INFORMATION. Unless otherwise provided by law any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by either party in performance of its obligations under this Contract shall be the joint property of both parties.

18. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

19. CONFIDENTIALITY. Each party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that party to the extent that such information is confidential by law or otherwise required by this Contract.

20. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract and that the parties are authorized by law to perform the services set forth in paragraph 6.

21. GOVERNING LAW; JURISDICTION. This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of the Nevada district courts for enforcement of this Contract.

22. ENTIRE AGREEMENT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto, approved by the Office of the Attorney General.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Board of Occupational Therapy

By: Eric Gerken

Date 10/30/13

Board Chair
Title

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Board of Occupational Therapy

By: Eric Seher

Date 10/30/13

Board Chair
Title

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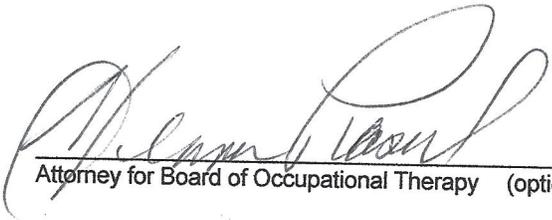
IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Board of Occupational Therapy

By: Eric Serben

Date 10/30/13

Board Chair
Title



Attorney for Board of Occupational Therapy (optional)

10/30/13

Date

Scott K. Sisco, Chairman
Nevada Deferred Compensation Program

Date

Approved as to form by:

Deputy Attorney General for Attorney General

Date

Amended 10/2013

Micah Salerno

From: Reba Coombs <rebacoombs@defcomp.nv.gov>
Sent: Monday, September 23, 2013 9:07 AM
To: Micah Salerno
Cc: 'Shane S. Chesney'
Subject: NAGDCA notes
Attachments: 2013 NAGDCA Highlights.docx

Good morning Committee –

Please find attached the notes compiled by Carlos, Steve and myself after the NAGDCA conference. I am sure both will agree with me that the conference was a very good investment for all of us. We learned so much, met great people, and I certainly am filled with ideas and a little better understanding of the industry as a whole. I can't say enough how important this conference is and hope that our DAG will be able to attend a future conference as I believe it is that valuable.

If you have any questions about any of the sessions we attended, I have noted who was at each event.

Reba Coombs, CPM

Program Coordinator
Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 North Stewart Street, Suite 210
Carson City, Nevada 89701
T(775) 684-3397 F (775) 684-3399
email rebacoombs@defcomp.nv.gov

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2013 NAGDCA Highlights

NOTE: All PowerPoint presentations are available on NAGDCA website

Monday

[Financial Literacy and Investor Resources from the SEC](#) – Kathy Floyd, SEC (Carlos, Steve, Reba)

- Most people are financially illiterate – primarily older women, Hispanics and the less educated; need to increase literacy and reduce fraud; 17% of state have requirements for financial literacy instruction in schools;
- Males, those aged 55-65, and college educated are at the highest risk for fraud;
- <http://www.investor.gov/> and <http://www.saveandinvest.org/> great resources. Not copyrighted – info can be used freely;
- When investing, be aware of broker and investor professional designations, some of which are not legitimate, for example, H.S.D. which stands for “high school diploma”
- Regarding fiduciary standards and rules, make them all the same for brokers, advisors, dealers—remember to keep the customer first;
- Money market funds – new regs – comment period underway;
- Jobs Act, making it easier for startups to issue IPOs, crowd funding to help startups raise capital (allows for equity interest of investors); <http://www.kickstarter.com/> and other orgs helping raise capital for small non-profits;
- New rulemaking guide addressing fiduciary duties underway - scheduled for release in Fall 2013;

[Washington Update](#) – NAGDCA Lobbyist in D.C., Jon Scheiner (Carlos, Steve, Reba)

- Budget outlook bleak; will probably see another continuing resolution;
- Debt ceiling will probably hit in October – looming problem;
- Move to consolidate plans (401, 457, etc.) to simplify – problem: could lose important features of 457; NAGDCA testified about concerns with consolidation before House Ways and Means;
- Need for national tax reform; tax code needs to be simplified---not likely to happen anytime soon;
- Administration Budget Proposals for FFY 2014 includes requirement for non-spousal beneficiaries of deceased IRA owners to take distribution over no more than 5 years;
- Ongoing discussions about tax reform; complexity and inequity of current code; leadership supports but differing perspectives on reform; discussions of the simplification through consolidation of pension and defined benefit plans, but no clear indication of the goal that might be achieved through simplification

[Coping with IRS 457 Audits](#) – (Reba)

- Phone call from the IRS starts process
- Collection of documents - IDR-Information Document Request (includes Plan Document, Admin Manual, handbooks with benefit info, forms, meeting minutes, etc.); will review payroll files, transmission of contributions, accuracy of contribution amounts

- On-site visit by IRS auditor; should have staff, chairman, legal counsel, provider and HR folks present for visit
- Duration – could be 9 months +/-
- Key to successful audit process is INTERNAL CONTROLS
 - Plan Document – up to date legislative changes, contribution limits, eligibility, retirement age defined, catch-up provisions, over payments handled immediately; how well are benefits defined, unforeseen emergencies, rollovers, loans, auto enrollment
 - Plan forms - is all information included? Processed timely?
 - Plan governance - are procedures in place to ensure compliance rules are followed?
 - Administrative policies and procedures
 - Follow one-month rule – contributions must be made to account by the first day of the month following any payroll contribution change
- Takeaways – ensure plan documents and forms are consistent; have safeguards in place for excess contributions; optional benefits defined clearly; are IRC limits adhered to; are transactions processed timely
- No specific audit triggers – large/small plans; public/private; higher ed or not; keep your name out of the newspaper!

Increasing Participant Retirement Security (Steve & Carlos)

- Need to make it SIMPLE for prospective participants;
- Trend toward target date solutions, defaults for many programs
- Alternatives can be considered (real assets, commodities, etc.) – advantages to older investors, e.g. Russell Commodity Strategies
- Good savings habits can alleviate the risk of not having enough money with which to retire
- Why add to DC portfolio?
 - There is an opportunity for diversification
 - It enhances cyclical, long-term returns
 - Minimizes the effects of inflation

Talkin' Bout My Generation (Carlos, Steve, Reba)

- Challenges to engage participants: messaging – must adapt to difference groups (mature, baby boomers, gen x, gen y/millennial)
- Media changes: can't rely on brochures and break room posters
- Use webinars, social media, YouTube, interactive podcasts, email, etc.
- Need to understand EMOTIONAL aspect of decision making – very significant, especially younger generation; vibe – how people feel about companies, more important than in the past; sustainable investing, not just ROI

- Tout carbon footprint of companies to young investors – eco-friendly, green, etc.
- Consider an online EZ enrollment form which can be submitted electronically; survey like-sized programs for marketing ideas, what they offer, cost
- Younger and older generations of employees think about retirement in starkly different ways; have to change retirement appropriate messages and communicate according to age differences; plan sponsors need to refine their message to fit the appropriate age group and the manner in which they receive and send communication messages; build connections between audience and investment options; have flexible communication styles
 - 65-69 year olds should plan on how to spend after retirement
 - 50-64 year olds should be concerned about pre-retirement and plan for retirement; how to convert savings to income
 - 39-49 year olds should be asking how to increase retirement assets; adjust risk
 - 25-48 year olds start by being sure they are in a retirement plan and that they recognize the value of saving for retirement

Tuesday

Breakouts by Program Size (\$500 million to \$999 million) (Carlos, Steve, Reba)

- Roth IRAs: need to educate/explain;
- Denver, required vendors in RFP to submit two proposals (multiple provider vs. single provider) and found they would save participant \$1.3 million by going with a single provider;
- Research supporting advantages of fewer fund offerings. Seven to 12 ideal – more results in poor decisions or indecision;
- Target RISK funds vs. Target DATE funds;
- Other new products being offered by industry: managed accounts, annuities, guaranteed income;
- Administrative costs: revenue sharing vs. direct fees (revenue sharing most common)
- Best way to engage potential participants: Face to Face education. Also opt out approach.
- City of LA charges a loan fee and origination fee to finance loans; offers loans to retirees

Track A- New Members – Defined Contribution Basics (less than 5 years in the industry) – (Carlos and Steve)

Making Your List and Checking it Twice (Steve)

- Committee meetings: can have highly abbreviated or verbatim;
- Regular investment option reviews (performance, options, fees, disclosures, etc.);
- Admin. items to consider: service contracts and deliverables, penalties for failure to perform, annual plan report;
- IRC Compliance: need to review internal controls (for prevention AND detection)
- Deal with governance compliance – four major categories – a compliance plan will help with easiness for audits; create checklist;
 - Document Review (charter; governing body; bylaws; meeting minutes)

- Plan Investment Particulars (document that evaluates funds; performance reports; fee disclosure documents; fiduciary best practices)
- Expense and Revenue Sharing (budget; identify revenue source; fee policy; track residual amounts)
- Administrative Services Considerations (service commitments and deliverables; annual plan report; contractual penalties for failure to perform)
- Participants who use professional allocation management outperform those that don't
- Consider investment alignments with expected outcomes; in some instances, consider re-enrollment campaigns for those who need to make changes

Employee Communication Successes/Effective Communication Strategies (Carlos & Steve)

- Positive, hopeful messages resonate best in focus groups – no FEAR or GUILT based selling
- Message should be plausible, realistic, in plain English and personalized
- “You” and “Your,” not “We”
- Be realistic about results—investments should be something that is “doable”
 - Measure successes
 - Know how to improve participation
 - Use online tools; e-mails; Webinars; seminars; mobile access
 - Make resources known

Regulatory Update (Carlos, Steve, Reba)

- Re: *US v. Windsor* – Supreme Court ruled Section 3 of Defense of Marriage Act (DOMA) is unconstitutional - defined marriage as union of one man and one woman for interpretation of federal laws and regulations. IRS issued Ruling 2013-17 and FAQs in August.
 - Marriage is no longer exclusively one man/one woman, spouse needs not be of opposite sex for tax purposes
 - Same-sex couples legally married will be treated as married for federal tax purposes but no state is required to recognize another state's rulings – all spouses are to be treated the same
 - Fundamental question whether laws of state where same-sex couples *reside* or laws of state where couple *married* will have control of status for federal tax purposes, IRS will recognize legal marriages as valid regardless of couples' residency
 - Ruling *does not* apply to registered domestic partnerships, civil unions or similar formal relationships regardless of sex
 - Federal tax treatment will apply to all federal tax purposes including income, gift & estate taxes; employee benefits; no specific opinion from Dept of Labor on retirement plans as yet
 - Plan document does not have to be amended, but must comply regardless. Can be amended retroactively
- Upcoming legislation – HR 2117 - Retirement Plan Simplification and Enhancement Act of 2013 – includes rules to simplify defined contribution plans – some 457(b)s

- Dept. of Labor will be providing guidance on definition of “fiduciary,” under ERISA §3(21)(A)
- Need to address definitions of government plans – each agency, for example, IRS, DOL, etc. should have similar definitions

Track B- Administrators – (more than 5 years in the industry) – (Reba)

Fees

- Providers must provide disclosures so participants can make informed choices – plan size plays role in fee structure – more money, less fees. Plan fiduciaries have obligation to ensure fees and expenses are fair, reasonable and equitable
- Avoid fund selection based on revenue sharing; must be equitable – participant should not pay too much or too little – transparency is key
- No standard process – some providers do not have revenue sharing; some plans have institutionally priced investment options with an administrative fee; some have capped or flat fees for large account balances to more closely reflect the cost of services, i.e., higher account balances have lower fees than lower account balances. Some have an asset fee – lower fees for small accounts, higher fees for large accounts.
- Excess revenue sharing can be returned to participants pro rata or attempt to put excess in specific funds
- There are pros and cons for all fee structures; dedicated staff is an expense which needs to be paid by participants for that management (includes staff, consultants, accountants, etc.)
- Takeaways – have a plan, review & test alternatives. Act prudently, disclose and communicate. Provide fiduciary oversight of fees and revenue sharing – select, monitor, be transparent

Stable Value Funds (Reba)

- Stable value is very complicated but essentially smoothes out volatility much as a money market fund;
 - Primary objective is to protect investments, ensure liquidity of book value and optimize returns if other objectives are met
- Always a lag in tracking market rate changes and influenced by positive and negative participant cash flows; average coverage in plans is 30-35% of participants
- Value to investors – day to day returns generally higher than money market funds; stability of balances; long-term returns consistent with intermediate bonds
- Education – for both participants and board/trustee members – must be able to understand what is in a wrap contract; look into evergreen contracts as they offer superior structure; participant behavior and demographics; stable value portfolio; risks
- Be Proactive! Focus on what is ahead; don’t worry about what cannot be changed; let go of the past

Wednesday

How to Retain Participants/Assets in the Plan After Separation (Carlos)

- Have one place to get information
- Establish good relationships with participants

- Explain investment options thoroughly
- Educate and inform at all stages of retirement—example: for pre-retirees, explain the advantages of staying with the plan even after retirement
- Provide checklists for participants
- Have coaching sessions at initial, mid, and end of participants' employment careers
- Emphasize the partnership between provider, participant and plan managers
- Align investment outcomes with challenges
- Talk a language participants relate to: for example, “retirement vs. investment/savings”

[Roth 457/Roth Conversions](#) (Reba)

- 1.4% or 280 plans out of 20,000 utilize; 20-29 years is highest usage age group
- Recommend investing in both regular DC and ROTH as each have varying tax advantages during retirement and benefit can be gained from both.
- Need to be more proactive with ROTH to realize greater retirement income in years ahead
- ROTH and DC contributions combined are limited to \$17,500
- Need to develop pay-out information for participants on ROTH if not already done – need a distribution strategy in plan document

[The Yin and Yang of Retirement System Challenges](#) (Steve)

- Need to define a comprehensive retirement policy;
- Behavioral economics/finance – make it EASY, SIMPLE
- 90% of participants won't manage their DC plan (don't design plan for the 10% minority); target date funds are ideal for most;
- Consider AUTO features (enrollment increases, etc.)
- Keep investment lineup simple – no more than 7 options; model deferred comp program after defined benefit approach.

[How the Wealthy Got that Way](#) – by Dr. Danko, author of “The Millionaire Next Door” (Carlos & Steve)

- Self-employed are 5 times more likely to be wealthy
- 2/3 of wealthy earned their wealth (did not inherit)
- Asset distribution of wealthy: 38% equities, 6.3% primary residence, 15.3% investment real estate, 9.6% bonds, 7.8% cash, 23% other;
- Ben Franklin's essay: work ethic, steward of resources, frugality, humility and charity
- Millionaires: only 20% “white collar” professionals.
- 80% of wealthy are well-adjusted, give more time and money to charity, service.
- In the US, there is a growing disparity between the “haves and have nots”

- Some books that give historical perspective on how to accumulate wealth
 - The Richest Man in Bablylon, by George S. Clason, 1916
 - Think and Grow Rich, by Napoleon Hill, 1937
 - A Random Walk Down Wall Street, by Burton G. Malkiel, 1973
 - Who Really Cares, by Arthur C. Brooks, 2006

**State of Nevada
Deferred Compensation Committee
Schedule of Meetings**

2013	2014
Wednesday, January 30, 2013 10:00 AM Planning Session Paul Laxalt Building 401 North Carson St., 2 nd floor Carson City, Nevada	Thursday, January 9, 2014 Friday, January 10, 2014 Planning Session Location TBD Carson City, Nevada
Friday, February 20, 2013 9:00 AM Quarterly Meeting Legislative Building 401 South Carson St., Room 2144 Carson City, Nevada	February 20, 2014 Quarterly Meeting Legislative Building 401 South Carson St., Room TBD Carson City, Nevada
Thursday, June 6, 2013 9:00 AM Quarterly Meeting Legislative Building 401 South Carson St., Room 2135 Carson City, Nevada	May 22, 2014 Quarterly Meeting Legislative Building 401 South Carson St., Room TBD Carson City, Nevada
Thursday, August 15, 2013 9:00 AM Quarterly Meeting Legislative Building 401 South Carson St., Room 2135 Carson City, Nevada	August 2014 Week of 18-22 Quarterly Meeting Legislative Building 401 South Carson St., Room TBD Carson City, Nevada
September 8-11, 2013 National Conference NAGDCA National Association of Governmental Deferred Compensation Administrators Louisville, Kentucky	September 6-10, 2014 National Conference NAGDCA National Association of Governmental Deferred Compensation Administrators San Antonio, Texas
Thursday, November 14, 2013 9:00 AM Adoption of Regulations Quarterly Meeting Legislative Building 401 South Carson St., Room 2135 Carson City, Nevada	November 2014 Week of 17-21 (Thanksgiving November 27) Quarterly Meeting Legislative Building 401 South Carson St., Room TBD Carson City, Nevada

Public Comment 11/14/2013

Kent ERVIN, active participant in the NDC program, comments for the record.

Thank you, Chairman Sisco and Committee members. I have separate comments for the NAC regulation hearing, but will address two other agenda items now.

- 1) **Agenda Item 6**, regarding the vacancy and refilling of the Program Coordinator position: I wish to express my very best wishes to Reba Coombs in her future life as a retiree. I believe her sudden and unexpected departure is a major loss to the NDC program at a critical juncture prior to a RFP process. Despite her limited background in retirement benefits programs, Reba was a quick study. For example, she gave a very educational and well-done presentation at the Financial Education Days in Reno last month. It was a good event. I hope you were able to attend one of those sessions. The qualifications of the new Program Coordinator should include expertise in handling major RFPs, experience in and knowledge about retirement benefit plan administration, and the ability to do participant education and communications. The Committee needs to address how it will recruit and retain staff who possess these essential qualifications. You might start with some soul searching as to why the program has had high turnover in staff recently.

- 2) **Agenda Item 8**, regarding Segal Rogercasey's quarterly report on the performance and fees for the Hartford General Account: I would like to bring to your attention the quarterly performance report prepared for the Washoe County Deferred Compensation Program by Bidart & Ross for 6/30/2013, [a public record posted on the county website](#). Washoe's Hartford General Account administered by MassMutual is yielding 4.0%, compared with 3.0% currently for NDC. Bidart & Ross state that the revenue sharing to MassMutual from the Hartford General Account is 0.65%. If that is an accurate estimate, MassMutual is earning \$1.8 million/per year in revenue sharing from the Hartford General Account assets at NDC. As a participant and investor, I would like to know whether that is a reasonable analysis. Why has MassMutual been unwilling to disclose the recordkeeping expenses on the Hartford General Account to NDC? Other insurance companies do for similar stable value products. Also, why are these high administrative expenses being born disproportionately by General Account investors vs. MassMutual's 0.11% recordkeeping fee on mutual funds?

Thank you for the opportunity to raise these issues. I respectfully request you to address them in your discussions today.

Public comment for NAC 287 regulation hearing, 11/14/2013

Submitted by Kent Ervin, active participant in the NDC 457 program

I have been an active contributor and participant in the Nevada Deferred Compensation (NDC) Program since 2007. A substantial portion of my retirement savings is invested in my NDC 457 plan account. As a NSHE employee with no PERS guaranteed retirement benefit, I have been pleased with this additional opportunity to save for retirement. However, I was distressed last year when the NDC Committee withdrew its Request for Proposals (RFP) for recordkeepers amid threatened litigation about the Committee's process. This resulted in higher fees and lower returns for participants, by about \$1.5M for 2013 alone, compared with the highest-scored proposal. Since it can never be recovered, future earnings on that amount are also lost. Along with fellow participants, I am directly affected financially by this unfortunate outcome.

To help avoid a repeat of those problems, I support the revised proposed revisions of NAC 287.715 to conduct future RFPs and award recordkeeper contracts strictly following state purchasing statutes and regulations, specifically NRS 333 and NAC 333. During the 2012 RFP process, objections were raised based on minor technical violations of obsolete NAC 287 regulations. But ultimately the process failed and the RFP was withdrawn because the Committee's actions violated NRS 333, as determined in the Advisory Opinion of the Purchasing Administrator (Mr. Greg Smith's memo of 9/19/2012), and not because of any purported violations of NAC 287. Removing outdated and redundant provisions from the NAC 287 regulations will prevent similar objections from distracting the next RFP process. The Committee is required to follow the state purchasing statutes in any case. The NDC Committee clearly meets the definition of a public "using agency" under NRS 333 and thus is required to go through the State Purchasing Division to award contracts over \$100,000.

Using the well-established and tested state procurement procedures for the next RFP is in the best interests of participants for achieving a competitive and legally defensible selection process for recordkeepers. More importantly, it is the responsibility of each member of the NDC Committee to ensure that the process is conducted in a manner that is both perceived to be and truly is fair, unbiased, and competitive. That is especially critical since a RFP has now not been completed in over six years, so Committee members cannot rely on the statutory protection against personal liability for their actions as fiduciaries that would normally be afforded by NRS 287.330(3)(e).

Thank you for the opportunity to provide my input into this process.



What motivates women in retirement plans?

Find out

print

MassMutual Plan Participants Sue Over Proprietary Investments

November 8, 2013 (PLANSponsor.com) – Participants and beneficiaries of the MassMutual Thrift Plan have filed a lawsuit in federal court against MassMutual.

The lawsuit, *Gordan v. Massachusetts Mutual Life Insurance Company*, was filed in the U.S. District Court for the District of Massachusetts. In the suit, the plaintiffs allege the company was responsible for the retirement plan undergoing financial losses and the fiduciaries benefited from certain investment options offered through the plan. The suit makes several requests of the court, including that it:

- Find and declare that the defendants breached their fiduciary duties;
- Find the defendants are personally liable to restore losses to the plan that resulted from such fiduciary breaches;
- Order the defendants to disgorge all revenues received from the plan;
- Award actual monetary losses to the plan;
- Impose a constructive trust on any monies by which defendants were enriched as a result of their fiduciary breaches are returned to the plan;
- Remove fiduciaries that have breached their duties and prevent them from committing future breaches; and
- Award plaintiffs and the class their attorneys' fees and costs.

The defendants are alleged to have "selected and retained [for their employees' retirement plan] almost exclusively their own proprietary funds on which defendants make a profit and earn unreasonable compensation, without a prudent process for evaluating nonproprietary funds." The suit also points to the plan containing "unreasonably expensive and imprudent investment options."

The plaintiffs remind the court that under the Employee Retirement Income Security Act, the fiduciaries of the plan are required to "make decisions regarding the plan that are solely and exclusively in the best interests of the plan, not themselves or MassMutual." This is especially emphasized with respect to fiduciaries selecting, removing, replacing and monitoring the plan's investments and service providers.

The suit alleges the defendants repeatedly failed to remove or replace proprietary separate accounts managed and offered by MassMutual, with the funds selected and retained not as part of an impartial or prudent process, but rather were "selected and retained by defendants as investment options in the plan because the defendants benefited financially from the inclusion of these investment options."

A lack of prudence with regard to pricing and fees for investment options is also cited by the plaintiffs. "Defendants larded the plan with excessive fees and unreasonably priced, proprietary investment options that were and are far more expensive and underperform other comparable investments available to the Plan." Plaintiffs also point to how "MassMutual provided the administrative services to the plan at multiples above the market rate for the same services."

MassMutual said in a statement: "We believe the comprehensive retirement benefits we offer our participants help them save toward a secure financial future, and we will defend vigorously against these baseless allegations."

The full text of the lawsuit can be found [here](#).

Kevin McGuinness
editors@plansponsor.com





Breaking: New Excessive Fee Case Filed By MassMutual Employees

Today, November 5, 2013, employees of Massachusetts Mutual Life Insurance Company (“MassMutual”) filed an ERISA class action lawsuit against their employer alleging self-dealing and excessive fees. The Complaint was filed in the District of Massachusetts by six current and one former participant in the MassMutual Thrift Plan. The MassMutual Thrift Plan has over 14,000 participants and over \$1 billion in assets. Plaintiffs allege, as an example, that the fees paid to MassMutual were more than \$5 million just in 2010 alone.

The Defendants

Plaintiffs allege that MassMutual is a fiduciary to the plan because it served as the recordkeeper, investment manager, and primary service provider to the plan. The plan document also allegedly appoints the CEO of MassMutual as the primary fiduciary to the Plan. The CEO then appoints members to the two fiduciary committees. Plaintiffs have sued MassMutual, the current and former CEO’s, as well the investment and administrative committees and multiple committee members.

The plaintiffs allege that the fiduciaries to the plan were conflicted because of their roles as executives to MassMutual. In particular, the plaintiffs attack the CFO as well as the fact that three investment managers from the very products being offered to participants were on the fiduciary investment committee.

Investment Lineup

Plaintiffs allege that the plan has 38 investment options of which 36 to 37 are MassMutual proprietary funds. They allege this shows no prudent process was put in place when they were selected.

Plaintiffs attack the difference between what is paid to the subadvisor on a number of funds versus what they retain for monitoring that advisor. As an example, plaintiffs allege that the MassMutual S&P 500 Index pays its subadvisor .2 basis points, where as MassMutual pays itself 7.2 basis points, or 899% as much.

Plaintiffs also attach the performance of multiple funds, claiming as an example that “the Capital Appreciation Fund and the Large Cap Value Fund have a history of significant underperformance for years, underperforming their respective benchmarks and prudent investment options available to the Plan by over \$10 million each in the past six years alone.”

Plaintiffs further allege that other MassMutual clients paid lower fees.

The Fixed Interest Account

Plaintiffs allege that participants who invested in the Fixed Interest Account not only paid risk charges and recordkeeping fees of 115 to 175 basis points, but that MassMutual also retained “spread” that was possibly

multiples of this amount. Plaintiffs define spread as the difference between what the investments in the general account actually earn versus what is credited to the plan.

Of interesting note, the plaintiffs also attack the fact that the MassMutual CEO controls the group annuity contract that offers the Fixed Interest Account that invests in the MassMutual general account. Plaintiffs allege that the CEO has more or less rigged the contract in favor of MassMutual as the expense of participants. Specifically, plaintiffs allege that the contract states “it will be a breach of this Agreement for the Plan Sponsor to adopt any change or amendment that would have an adverse effect on MassMutual’s administrative procedures or the financial experience of MassMutual” and “it will be a breach of this Agreement for the Investor, Plan Sponsor or the Plan fiduciary to deliver any communication to Participants, either directly or indirectly, that is intended to induce Participants to withdraw or transfer funds from the Guaranteed Interest Account to another investment option under the Plan (a ‘Prohibited Communication’).”

Our Thoughts

Without a doubt, this case has strong similarities to previously filed cases against Ameriprise, Cigna, and Fidelity regarding their in house retirement plans. To note, Cigna just paid \$35 million to settle the case against them.

So what does this mean for plans that use MassMutual as a provider or advisors who recommend MassMutual services and products? It means that you should use this as an opportunity to review your plan’s relationship with MassMutual. This is only a complaint and no one can predict with any certainty how it will turn out. But that being said, if any of the specific allegations found in the complaint could apply to your plan, you have now been put on notice to investigate. This can include asking for more information, re-reviewing your 408(b)(2) disclosures and agreements, or benchmarking your plan’s fees. These tasks should obviously focus on analyzing any investments in your plan and ensuring that any fees paid are reasonable and necessary.

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Lawsuit accusing ING unit of pay-to-play scheme gets green light

By: [Robert Stever](#)

Published: August 14, 2013



Bloomberg

A federal judge in Connecticut has denied ING U.S.' request for summary judgment, thus enabling a case to go to trial that claims a unit of the company breached its fiduciary duty as a service provider.

U.S. District Judge William Young of the U.S. District Court for the District of Connecticut, denied on Aug. 5 the summary judgment request by ING Life Insurance and Annuity Co. The ING unit was sued by Healthcare Strategies Inc., Plymouth Meeting, Pa., and The DeRosa Corp., Wauwatosa, Wis., alleging breach of fiduciary duty "when it negotiated and received revenue-sharing payment from the mutual funds" that it offers to retirement plans, according to the judge's ruling.

In an interview Wednesday, James Miller, the lead counsel for both plaintiffs, said the original suit was filed in February 2011 on behalf of two 401(k) plans run by Healthcare Strategies. Late last year, the 401(k) plan from DeRosa was added to the complaint. ING is still the provider for DeRosa, but not for Healthcare Strategies, Mr. Miller said.

The judge's decision means a trial could take place in early September, said Mr. Miller, a partner in Shepherd Finkelman Miller & Shah. The lawsuit is a class action.

Gregory Braden, a partner with Morgan Lewis & Bockius, representing ING, declined to comment.

According to Mr. Young's ruling, the ING unit offers 401(k) plans, "also known as its 'group annuity programs,' (which) are designed to attract revenue from various sources, including revenue-sharing payments from mutual funds." The revenue-sharing payments are made by mutual funds to the ING unit "based on a percentage of the assets invested in the fund by retirement plan participants," the judge's ruling said.

The plaintiffs allege the ING unit's receipt of revenue-sharing payments from the mutual funds "constituted an impermissible pay-to-play kickback scheme," the judge's ruling said. They argue the action "violated its fiduciary duty" under the Employee Retirement Income Security Act.

Original Story Link: <http://www.pionline.com/article/20130814/ONLINE/130819951/lawsuit-accusing-ing-unit-of-pay-to->



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October 31, 2013

Brian Davie, Legislative Services Officer
Legislative Counsel Bureau, Las Vegas Office
555 East Washington Avenue, Room 4400
Las Vegas, Nevada 89101

Re: Open Meeting Law Complaint / AG File No. 13-029
Clark County Deferred Compensation Plan Committee

Dear Mr. Davie:

This Open Meeting Law (OML) Complaint alleges the Clark County Deferred Compensation Committee (Committee) is a public body, but that it does not comply with the OML's requirement of open and public meetings. NRS 241.020. The Complaint alleges that recent Committee meetings have not been public.

The Clark County District Attorney's office responded to our request for information about the Committee. Mary Ann Miller, County Counsel, Civil Division, advised us that the Committee is not a public body subject to NRS Chapter 241. The explanation is that it is an eleven-person committee appointed by the Clark County Manager, Donald G. Burnette. The Clark County Board of County Commissioners did not appoint the Committee nor does it receive recommendations from the Committee.

In the Spring of 2013, Mr. Burnette received a recommendation from the Committee that a new administrator should be selected to administer the program. Requests for Proposals were published in accordance with NRS 332 and specifically NRS 332.061, which makes proprietary information confidential. When eight responses were received, county staff created an ad hoc committee of six individuals (none of whom were members of the BOCC). The ad hoc committee winnowed the eight responses down to four. These four proposals were then presented to Clark County Purchasing staff, which then selected Mass Mutual as its final choice. Mr. Burnette then

Purchasing staff, which then selected Mass Mutual as its final choice. Mr. Burnette then recommended the choice to the BOCC. On August 20, 2013, the BOCC approved Mass Mutual, as the administrator of the County's deferred compensation program.

The OML does not define "committee, subcommittee or subsidiary thereof." The Attorney General advises that to the extent a group is appointed by a public body and is given the task of making decisions for or recommendations to a public body, the group would be governed by the OML. See OML Opinion 2002-017 (April 18, 2002) and OML Opinion 2002-27 (June 11, 2002). *But see* AG File No. 07-030 (September 10, 2007) (OML does not apply to the appointment of a citizen advisory panel to advise Las Vegas City Manager when acting in his official capacity). Attorney General OML Manual, § 3.03 (11th Ed. 2012).

The Committee was not created by or appointed by the Clark County Board of County Commissioners (BOCC), which is a public body. NRS 287.440 states that a local governing body *may* appoint a deferred compensation committee. The Committee is described by counsel as an "informal" committee, 1) appointed by the County Manager; and 2) the Committee only makes recommendations to the County Manager – not to the BOCC. Since its inception, the Committee has been appointed by the County Manager, not the BOCC, The difference in creation is dispositive as to whether the Committee is a public body.

The Office of the Attorney General has opined that formality in appointment is not the sole dispositive factor in determining what constitutes a public body under the OML, and informality in appointment should not be an escape from it; to hold otherwise would encourage circumvention of the OML through the use of unofficial committees. We found no evidence of formal or informal appointment of the Committee by the BOCC.

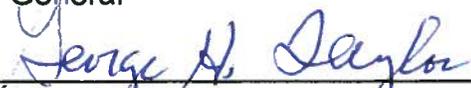
There was no evidence that the BOCC performed any role other than review and approval of Mr. Burnette's recommendation to select an administrator. The Committee and the ad hoc committee were formed at the direction of Mr. Burnette.

We do not find a violation of the OML. We are closing our file on this matter.

Sincerely,

CATHERINE CORTEZ MASTO
Attorney General

By:



GEORGE H. TAYLOR
Senior Deputy Attorney General
Open Meeting Law
Tele: (775) 684-1230

Brian Davie, Legislative Services Officer
October 31, 2013
Page 3

GHT/rmh

cc: Mary Anne Miller, Counsel for Clark County Manager
Donald G. Burnette, Clark County Manager
Elizabeth A. Vibert, Deputy District Attorney, Counsel for the Clark County
Deferred Compensation Committee
Chetan Champaneri, Purchasing Analyst, Clark County Department of Finance