

**CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM**

**REQUEST FOR PROPOSALS FOR
A STABLE INCOME AND/OR STABLE VALUE MANAGER
FOR THE CITY AND COUNTY OF SAN FRANCISCO
457(B) DEFERRED COMPENSATION PLAN**

DATE ISSUED:	DECEMBER 5, 2012
DEADLINE FOR QUESTIONS:	JANUARY 23, 2013
RESPONSE TO QUESTIONS ISSUED BY SFDCP	JANUARY 30, 2013
DEADLINE FOR SUBMISSION:	MARCH 8, 2013
ORAL PRESENTATIONS:	TBD
SELECTION OF FINALISTS	TBD

DEADLINE FOR SUBMISSION: FRIDAY, MARCH 8, 2013, 5:00 P.M. (PACIFIC TIME)

Request for Proposals for Stable Income and Stable Value Manager

For the City and County of San Francisco

457(b) Deferred Compensation Plan

Table of Contents

	Page
I. Introduction.....	1
II. Scope of Services	1
III. Submission Requirements	1
IV. Evaluation and Selection Criteria	4
V. Contract Award.....	5
VI. Terms and Conditions for Receipt of Proposals	6
VII. Contract Requirements	10

Appendices:

- A. Required Vendor Forms: Listing and Internet addresses of Forms related to Chapters 12B and 12C of the S.F. Administrative Code, Business Tax and Employer Identification Number
- B. Standard Professional Services Contract
- C. Questionnaire
- D. Price Proposal Form
- E. Core Investment Funds
- F. SFDCP Investment Policy Statement (February 2012)
- G. SFDCP Stable Value Monthly Cash Flows (Revised – January 30, 2013)
- H. SFDCP Plan Participant Demographics

I. Introduction

The City and County of San Francisco Employees' Retirement System (SFERS) is soliciting proposals from qualified investment management firms with fixed income expertise in stable income and/or stable value that focus on principal preservation and stable interest, and meet the minimum qualifications described below. The product sought will be part of SFERS 457 Deferred Compensation Plan (SFDCP).

Stable value products should provide participants the ability to transact at contract or book value, and provide protection from interest rate volatility through insurance contracts. Stable income products should focus on capital preservation but do not need to have any guaranteed return or income. In both cases expected returns should exceed the returns of money market funds. Stable income products should be comparable to stable value offerings in their focus on capital preservation, and appropriate for risk-averse participants. Firms may propose more than one product, and may propose both stable value and stable income products.

The purpose of this search is to identify a manager for the SFDCP existing stable value fund which is currently managed as a separate account by Great West. The incumbent manager is eligible to participate in this search. While the exact portfolio size is not known at this time, the size of the total exposure is expected to be \$900 million to \$1 billion. Assets may be allocated across one or more managers.

Due to the broader mandate of this search, there may be questions in this RFP that are not relevant to every product proposed. If any question is not applicable to the product your firm is proposing, please state that the question is not applicable with a brief explanation why.

II. Scope of Services

The general scope of work for this Request for Proposal is to provide fully discretionary professional management of a stable income or stable value portfolio totaling approximately \$1 billion. The exposure may be allocated across more than one manager. The Scope of Work is to be used as a general guide and is not intended to be a complete list of all work necessary to complete the project.

III. Submission Requirements

For the duration of the RFP process, the SFDCP, SFERS and the Retirement Board will enter into a "blackout" period during which communications and meetings between interested parties and SFDCP and SFERS staff, Retirement Board members, and Deferred Compensation Committee members will be prohibited. This blackout will continue until the review and selection of stable income or stable value manager is completed.

This blackout is effective immediately upon release of this Request for Proposal.

This blackout will enable the SFDCP to treat all respondents fairly during the RFP process and permit the Retirement System review of the responses without bias.

Blackout conditions are outlined below:

Interested parties are to refrain from meeting or communications with the SFDCP and SFERS staff, Retirement Board members and Deferred Compensation Committee.

The only exceptions are communications with Jay Huish, Executive Director, Norm Nickens, Acting Deferred Compensation Plan Manager, presentations for finalists scheduled by the SFDCP, and publicly noticed meetings of the Retirement Board and Deferred Compensation Committee.

This blackout remains in effect until the successful bidder(s) enters into a contractual agreement with the City and County of San Francisco SFDCP.

Communications include telephone conversations, letters, and email.

Interested parties may meet with the SFDCP and SFERS staff at the SFDCP board offices or a Board member only if the meeting consists of an exchange of information that is not relevant to the RFP. The Executive Director of the Retirement System will be notified of these meetings in advance and any meeting will be documented.

If you have any questions regarding the blackout please contact Jay Huish at 415-487-7015 or by email at jay.huish@sfgov.org.

A. Time and Place for Submission of Proposals

Proposals must be submitted and **received by 5:00 p.m. (Pacific Time), on Friday, March 8, 2013.** Proposals may be submitted in person to Norm Nickens, Acting Deferred Compensation Plan Manager, City and County of San Francisco Employees' Retirement System, Attn: Deferred Compensation – Stable Income/Stable Value RFP, 30 Van Ness Avenue, Suite 3900, San Francisco, California, 94102 or mailed to:

City and County of San Francisco Employees' Retirement System
Attn: Deferred Compensation – Stable Income/Stable Value RFP
30 Van Ness Avenue, Suite 3900
San Francisco, CA 94102

Proposers shall submit ten (10) copies in a sealed envelope or box and four (4) electronic copies (on compact discs) in Microsoft Word (version 2003 or higher) format, clearly marked: Deferred Compensation - Stable Income/Stable Value RFP. Please include two copies, separately bound, of required HRC Forms in a sealed envelope clearly marked "HRC Forms - City and County of San Francisco Request for Proposals for Stable Income/Stable Value Manager for the 457(b) Deferred Compensation Plan" to the above location. Proposals which are submitted by fax will **not** be accepted. Late submissions will **not** be considered.

B. Format and Content of Proposals

Format

The department will circulate proposals in three-ring binders for the review panel. Please use three-hole recycled paper, print double-sided to the maximum extent practical, and bind the proposal with a binder clip, rubber band, or single staple, or submit it in a three-ring binder. Do not bind your proposal with a spiral binding, glued binding, or anything similar. You may use tabs or other separators within the document.

Content

Firms interested in responding to this RFP must submit the following information, in the order specified below:

To be considered, each bidder must submit a complete response to this RFP. The respondent must include a statement as to the period during which the proposal remains valid. This period must be at least 180 days from the due date for responses to this RFP. However, the rates quoted in the Price Proposal remain firm for the duration of the prospective contract.

1. Introduction and Executive Summary

Submit a letter of introduction and executive summary of the proposal. A person authorized by your firm to obligate your firm to perform the commitments contained in the proposal must sign the letter. Submission of the letter will constitute a representation by your firm that your firm is willing and able to perform the commitments contained in the proposal. Any minor exceptions should be fully described in this letter of introduction. You should describe how the exception will not jeopardize the integrity of the Plan and its operation or impair its goals and objectives. Include in the letter of introduction a summary of your qualifications and experience and why you should be selected.

2. Response to Questionnaire

In providing your company's responses to the questionnaire included in Appendix C, restate each question in bold face type with your response directly below. Responses should be brief and provide requested information only. Your company's proposal and consequently your response to this questionnaire may be incorporated into the contract between your company and the SFDCP.

Your company's submitted proposal, including this questionnaire, must be submitted both in printed form and on a compact disc. The questionnaire must be provided in a Microsoft Word file (version 2003 or higher). Four (4) copies of your compact disc must be provided with each clearly labeled with your company's name and contact information.

3. Price Proposal

The Price Proposal form is included in Appendix D

COMPLETENESS, CLARITY, AND BREVITY ARE IMPORTANT. CANDIDATES SHOULD SUBMIT ALL INFORMATION REQUESTED IN THIS RFP IN THE SPECIFIED FORMAT. RESPONSES NOT MEETING FORMAT REQUIREMENTS OR THAT ARE INCOMPLETE IN ANY WAY MAY BE REJECTED. CANDIDATES ARE URGED TO READ THIS RFP CAREFULLY, TO TAKE CARE IN THE PREPARATION OF RESPONSES, AND TO CAREFULLY PROOFREAD THE FINAL VERSIONS FOR ACCURACY AND COMPLETENESS.

IV. Evaluation and Selection Criteria

A. Minimum Qualifications

Proposers must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal.

- The candidate must be an SEC-registered investment advisor or exempt from registration.
- Candidates must have fully entered data on the subject product in the eVestment Alliance Manager Database located at www.evestmentalliance.com as of submission of this RFP, or make alternative arrangements with SFDCP for provision of performance data.
- The senior members of the stable income or stable value investment team must have worked together for at least five years at their current or a former employer.
- As of December 31, 2012, candidates should have at least \$250 million of discretionary stable income or stable value institutional assets under management, and the SFDCP' portfolio should make up no more than 20% of the firm's total asset base after funding.
- The proposer must have submitted a response to the SFDCP RFP for Stable Income/ Stable Value Manager by Friday, March 8, 2013.
- The proposer must carry \$10 million dollars in Errors and Omissions Insurance coverage or must have applied for it by the submission date of the RFP. E&O insurance will be required throughout the duration of the assignment (See Appendix B).

If your company does not satisfy these Minimum Qualifications, do not submit a proposal. If a proposal is submitted by a company that does not satisfy the Minimum Qualifications, it will not be reviewed or considered.

B. Selection Criteria

The proposals will be evaluated by a selection panel comprised of SFDCP Staff, Angeles Investment Advisors Staff, and other parties as determined necessary by the SFDCP. The SFDCP intends to evaluate the proposals using a 6-step process, described below. The SFDCP reserves the right to revise the process or the evaluation criteria as necessary.

Step 1: All proposals received will be reviewed for compliance with the RFP and proposal submission requirements.

Step 2: All proposals satisfying Step 1 will be evaluated for compliance with the Minimum Qualifications to Bid.

Step 3: Using the following categories and weights, all proposals satisfying Step 2 will be evaluated.

Organization	25%
Product Background	15%
Philosophy & Process	25%
Performance	25%
Fees	10%

Step 4: Based on the results of Step 3, the SFDCP will select semi-finalists whose services will be evaluated. This information will be combined with the results from the evaluation under Step 3 to determine up to three finalists to be recommended for interviews.

Step 5: Stable Income and/or Stable Value Manager semi-finalists will be interviewed by the SFDCP Staff, Consultant and Deferred Compensation Committee. On-site visits to candidates may also be considered at the discretion of the SFDCP.

Step 6: The information gathered in Steps 1-5 will be considered in selecting a plan administrator with which the SFDCP will enter into contract negotiations.

V. Contract Award

A Contract Award

The San Francisco City and County Employees' Retirement System ("SFERS") will select a proposer with whom the SFDCP staff and consultant shall commence contract negotiations. The selection of any proposal shall not imply acceptance by the City of all terms of the proposal, which may be subject to further negotiations and approvals before the City may be legally bound thereby. If a satisfactory contract cannot be negotiated in a reasonable time the SFERS, in its sole discretion, may terminate negotiations with the highest ranked proposer and begin contract negotiations with the next highest ranked proposer.

1. Termination – This RFP in no manner obligates the SFERS or any of its agencies to the eventual procurement of services described, implied or which may be proposed, until confirmed by a written contract. Progress toward this end is solely at the discretion of SFERS and may terminate at any time prior to the signing of a contract.

SFERS reserves the right to cancel this RFP at any time and to reject any and all proposals submitted in response to this RFP, if SFERS determines such action or actions are in its best interest.

2. Proposal Applicability – To allow sufficient time for contract negotiation, all fees and conditions stated in the proposal must be firm for a period of 180 days from the deadline for submission of proposals.
3. Negotiation Requirements – SFERS reserves the right to negotiate a change in terms if, in its sole opinion, the representatives assigned by the administrator are not adequately meeting SFDCP needs for this contract.
4. Legal Review – SFERS expects that all candidates will agree to be bound by the terms and conditions articulated in this RFP. For this reason, it is strongly recommended that Proposers have the terms and conditions contained herein reviewed with corporate counsel and that concerns be brought to the attention of the SFDCP staff in a timely manner.

5. **Governing Law** – This procurement and any agreement with Proposers that may result shall be governed by the laws of the State of California and the City and County of San Francisco. Submission of a proposal constitutes acceptance of this condition.
6. **Basis for Proposal** – Only information supplied by the SFDCP staff in writing or in this RFP should be used in the preparation of proposals.
7. **Proposal Preparation Cost** – Any cost incurred by the Proposer in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Proposer.
8. **Proposer Qualification** – SFDCP may take such investigations as necessary to determine the ability of the Proposer to adhere to the items as identified within the questionnaire portion of this RFP. SFDCP reserves the right to reject the proposal of any Proposer who, in SFDCP opinion, is not a responsible candidate as defined below:

“Responsible candidate” means a candidate who submits a complete proposal and who has furnished, when required, information and data to prove that its financial resources, production and service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in the proposal.

8. **Non-Discrimination in Contracts** - All contracts are subject to the non-discrimination ordinance of the City and County of San Francisco. Contractors should note the provision prohibiting discrimination by contractors in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees.

VI. Terms and Conditions for Receipt of Proposals

A. Errors and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify the SFERS in writing, if the Proposer discovers any ambiguity, discrepancy, omission, or other error in the RFP. Any such notification should be directed to SFERS promptly after discovery, but in no event later than five working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

B. Inquiries Regarding RFP

Inquiries regarding the RFP (i.e. clarification questions) must be directed in writing to:

Norm Nickens
 Acting Deferred Compensation Plan Manager
 San Francisco City and County Employees’ Retirement System
 30 Van Ness Avenue, Suite 3900
 San Francisco, CA 94102
 Team.SFDCP@sfgov.org

All questions must be submitted no later than January 23, 2013. With the assistance of its investment consultant, Angeles Investment Advisors, the SFDCP staff will prepare replies to each question and provide a consolidated Q&A document to all participants in the search by January 30, 2013.

C. Addenda to RFP

The SFDCP may modify the RFP, prior to the proposal due date, by issuing written addenda which will be posted on the SFERS Website at: www.sfers.org. Respondents should check the web site on a regular basis and before they submit a response to ensure they have received all notices or modifications. The SFDCP staff will make reasonable efforts to notify Proposers in a timely manner of modifications to the RFP. Notwithstanding this provision, the Proposer shall be responsible for ensuring that its proposal reflects any and all addenda issued by SFDCP prior to the proposal due date regardless of when the proposal is submitted. Therefore, the SFDCP recommends that the Proposer call SFDCP before submitting its proposal to determine if the Proposer has received all addenda.

D. Term of Proposal

Submission of a proposal signifies that the proposed services and prices are valid for 180 calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

E. Revision of Proposal

A Proposer may revise a proposal on the Proposer's own initiative at any time before the deadline for submission of proposals. The Proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any Proposer.

At any time during the proposal evaluation process, SFERS may require a Proposer to provide oral or written clarification of its proposal. SFERS reserves the right to make an award without further clarifications of proposals received.

F. Errors and Omissions in Proposal

Failure by SFERS to object to an error, omission, or deviation in the proposal will in no way modify the RFP or excuse the vendor from full compliance with the specifications of the RFP or any contract awarded pursuant to the RFP.

G. Financial Responsibility

SFERS accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Submissions of the RFP and associated materials will become the property of SFERS and may be used by SFERS in any way deemed appropriate.

H. Proposer's Obligations Under the Campaign Reform Ordinance

Proposers must comply with Section 1.126 of the S.F. Campaign and Government Conduct Code, which states:

No person who contracts with the City and County of San Francisco, for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the Retirement System or the board on which a City elective officer serves.

If a Proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Proposer is prohibited from making contributions to:

- the officer's re-election campaign
- a candidate for that officer's office
- a committee controlled by the officer or candidate

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (i) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (ii) a city officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a Request for Proposal, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil or administrative penalties:

(a) Criminal. Any person who knowingly or willfully violates section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.

(b) Civil. Any person who intentionally or negligently violates section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.

(c) Administrative. Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, Proposers should contact the San Francisco Ethics Commission at (415) 581-2300.

I. Sunshine Ordinance

In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to RFPs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for

qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

J. Public Access to Meetings and Records

If a Proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, the Proposer must comply with the reporting requirements of that Chapter. The Proposer must include in its proposal (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to Proposer's meetings and records, and (2) a summary of all complaints concerning the Proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the Proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in Proposer's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

K. Reservations of Rights by SFDCP

The issuance of this RFP does not constitute an agreement by the SFDCP that any contract will actually be entered into by the SFDCP. SFDCP expressly reserves the right at any time to:

- Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- Reject any or all proposals;
- Reissue a Request for Proposal;
- Prior to submission deadline for proposals, modify all or any portion of the election procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
- Procure any materials, equipment or services specified in this RFP by an other means; or
- Determine that no project will be pursued.

L. No Waiver

No waiver by SFDCP of any provision of this RFP shall be implied from any failure by SFDCP to recognize or take action on account of any failure by a Proposer to observe any provision of this RFP.

M. Chapter 12B and 12C: Nondiscrimination in Employment and Benefits

Chapter 12B and 12C of the San Francisco Administrative Code are incorporated by reference as though fully set forth herein. Chapters 12B and 12C prohibit discrimination by City contractors in employment, the use of property, the provision of public accommodations and in the provision of benefits to employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees.

Please refer to Appendix A regarding the requirements of San Francisco Administrative Code Chapters 12B and 12C.

N. Conflicts of Interest

The successful proposer will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful proposer will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful proposer that the City has selected the proposer.

VII. Contract Requirements

A. Standard Contract Provisions

The successful Proposer will be required to enter into a contract substantially in the form of the Agreement for Professional Services, attached hereto as Appendix B. Failure to timely execute the contract, or to furnish any and all certificates, bonds or other materials required in the contract, shall be deemed an abandonment of a contract offer. The City, in its sole discretion, may select another firm and may proceed against the original selectee for damages. Full text of all referenced San Francisco municipal codes can be viewed on-line at <http://www6.sfgov.org/index.aspx?page=4> at the Municipal Codes link under the Government section on this page.

B. Required Standard City Forms

Before the City can award any contract to Proposer, the Proposer must file three standard City forms with the Retirement System. The required forms are:

1. Form P-25 - Business Tax Declaration;
2. HRC Form 12B-101 – Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits;
and
3. Form W-9 – Request for Taxpayer Identification Number and Certification.

A complete description of these required forms and where to find them on the Internet is provided in Appendix A of this RFP.

The three required forms are to be submitted under separate cover at the time you submit the proposal. If these forms are not filed at the time you submit your proposal, the proposal may be determined to be non-responsive and rejected.

Please submit two (2) copies of the above forms at the time you submit your proposal. The forms should be submitted under separate cover in a separate, sealed envelope addressed to:

Norm Nickens
Acting Deferred Compensation Manager
Attention: SFDCP – Stable Income/Stable Value RFP
30 Van Ness Avenue, Suite 3900
San Francisco, CA 94102

If a Proposer has previously completed and submitted the required forms to the Retirement System, the Proposer should not do so again unless the Proposer's answers have changed.

Appendix A Required Vendor Forms

Required Vendor Forms

Office of Contract Administration

All vendors must complete and return the following three forms before the City can do business with them:

1. [P-25 - Business Tax Declaration](#)
2. [IRS Form W-9 - Request for Taxpayer Identification Number](#)
3. [HRC 12B-101 SF Admin Code Chapters 12B and 12C Declaration](#)

The three required Office of Contract Administration forms listed can be found at:
<http://sfgsa.org/index.aspx?page=4762>

If you are not a current vendor, your vendor number may be obtained after submission of your bid.

Form P-25 - Business Tax Declaration

The City uses this form to determine if vendors must register with the Tax Collector, and if so, whether they have. All vendors must sign this form, even if they are not located in San Francisco. Please download this form, sign it, and mail it either to Purchasing or to another City department you are dealing with. Purchasing's address is: City Hall, Room 430, San Francisco 94102-4685

Form W-9 – Request for Taxpayer Identification Number

The City needs each vendor's taxpayer ID number, and if we don't already have it, we need you to submit this form to us. If you've already done business with the City before, don't fill out this form because we already have your taxpayer ID number.

We will do our best to make sure the edition we post is current, but we cannot guarantee it. You may want to check the IRS's website at: www.irs.gov/pub/irs-pdf/fw9.pdf. Attached is the IRS form with instructions for filling out the form.

HRC 12B Forms – HRC Website

The link below goes to the HRC website. Please use your back button to return to Purchasing. You must complete form HRC-12B-101, and you might have to complete other forms depending on your company's particular situation.

SAMPLE
Agreement between
THE SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM
and

THIS Agreement is made this ____ day of _____, 2014 in the City and County of San Francisco, State of California, by and between:
_____ (hereinafter "Contractor") and the San Francisco Employees' Retirement System (hereinafter the "Retirement System") by and through the Retirement Board.

W I T N E S S E T H

WHEREAS, the Retirement System seeks to retain _____ services for the San Francisco Employees' Retirement System; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the _____ services required by the Retirement System under this Agreement;

Now, THEREFORE, in consideration of the promises and mutual covenants herein contained, the Contractor and the Retirement System do hereby agree as follows:

1. **Term of the Agreement.** The term of this Agreement shall be from _____, 2014 to _____, 20__ unless extended through a written amendment or terminated under provisions of Section 17 or any other terms of this Agreement.
2. **Engagement.** The Retirement System hereby engages Contractor, and Contractor hereby accepts such engagement, to provide _____ services to the Retirement System in accordance with the terms and conditions of this Agreement.
3. **Services.** The Contractor shall provide the Retirement System the _____ services described in Statement of Services attached hereto as Exhibit A (the "Services"). Additional services will be provided only upon and in accordance with a written request by the Executive Director or designee acting on behalf of the Retirement System.
4. **Compensation.** For the full performance and the completion of the Services described in Exhibit A, Contractor shall be compensated as set forth in the Fee Schedule attached hereto as Exhibit B (the "Fee Schedule"). The fee includes the compensation for professional fees as well as travel, printing, delivery, secretarial and clerical support services as may be necessary to perform these services in a professional manner. The Contractor shall furnish an itemized statement of services at the end of each quarter. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports,

services, or both, required under this Agreement are received from Contractor and approved by the Retirement System as being in accordance with this Agreement. The Retirement System may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall the annual compensation amount of this Agreement exceed \$ _____.

5. **Contractor's Responsibility.** The Contractor represents and warrants that it is duly registered as an investment adviser under the Investment Advisers Act of 1940. The Contractor acknowledges that this Agreement places it in a fiduciary relationship with the Retirement System. As a fiduciary, Contractor shall discharge each of its duties and exercise each of its powers (as those duties and powers are defined herein) with the competence, care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the course of any enterprise of like character and with like aims, in conformance with the California Constitution, Article XVI, Section 17 and with the customary standard of care of a professional Contractor providing services to a U.S. employee pension trust.

The Contractor acknowledges that, to comply with the above-described fiduciary duties, it must maintain independence from all interest other than the interests of the Retirement System members and beneficiaries, as those interests are expressed by the Retirement Board. The Contractor further acknowledges that the Retirement System staff acts as the agent for the Retirement Board in its relationship with the Contractor, but is subordinate to the Retirement Board and cannot direct the Contractor to consider interests contrary to those expressed by the Retirement Board.

The Contractor warrants that it will not delegate its fiduciary responsibilities pursuant to this Agreement.

Within the context of providing the services described in Exhibit A, Contractor's analysis may address tax, legal or other considerations related to various investment strategies or investments. However, the Contractor shall not provide or otherwise be responsible for the provision of tax advice or legal counsel. Contractor shall act in an advisory capacity only.

6. **Key Personnel.** The Retirement System may designate in writing, from time to time, that certain personnel of the Contractor are "key personnel". Contractor shall immediately notify the Retirement System in writing of any changes in key personnel within their organization.
7. **Budget Authorization.** This Agreement is subject to the budget and fiscal provisions of the City and County of San Francisco Charter. Charges will accrue only after prior written authorization certified by the City Controller, and any amount of the Retirement System's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Retirement System at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

The Retirement System has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

This section controls against any and all other provisions of this Agreement.

8. **Invoices.** Contractor shall submit invoices for the Services in a form acceptable to the Retirement System.
9. **False Claims.** Contractor acknowledges that Contractor is subject to Section 21.35 of the San Francisco Administrative Code, which provides that any Contractor who submits a false claim: (a) is liable for three times the amount of damages the Retirement System sustains; (b) is liable for the costs (including attorney's fees), of a civil suit to recover such damages; and (c) may be liable for a civil penalty of up to \$10,000 per claim. Under that Section, a Contractor is deemed to have submitted a false claim if Contractor: (i) knowingly presents (or causes to be presented) to an officer or employee of the Retirement System a false claim or request for payment or approval; (ii) knowingly makes or uses (or causes to be made or used) a false record or statement to get a false claim paid or approved by the Retirement System or to conceal, avoid, or decrease the obligation to pay or transmit money or property to the Retirement System; (iii) conspires to defraud the Retirement System by getting a false claim allowed or paid by the Retirement System; (iv) knowingly makes, uses or causes to made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the Retirement System; or (v) is a beneficiary of an inadvertent submission of a false claim to the Retirement System, subsequently discovers the falsity and fails to disclose it to the Retirement System within a reasonable time after discovery.
10. **Taxes.** To the extent applicable, payment of any payroll expense taxes levied on the Services delivered pursuant to this Agreement shall be the obligation of Contractor.
11. **Independent Contractor.** Contractor shall be an independent Contractor and not an employee of the Retirement System. If any governmental authority should, nevertheless, determine that Contractor is an employee, then the Retirement System's payment obligations hereunder shall be reduced so that the aggregate amount of payments directly to the Contractor and to the applicable governmental authority does not exceed the maximum amount specified in Section 4. Contractor shall refund any amounts necessary to effect such reduction.
12. **Insurance.** Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:
 - (1) Worker's Compensation, with Employers' Liability Limits not less than \$1,000,000 each accident; and
 - (2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

- (3) Professional or Fiduciary Indemnity (Error and Omissions) Insurance in the aggregate minimum of \$10,000,000.

Certificates of insurance evidencing all coverage above, in the form and with Insurers reasonably satisfactory to the Retirement System, will be furnished to the Retirement System before commencing any operations under this Agreement. Upon request, complete copies of these policies will be promptly furnished to the Retirement System.

- 13. Indemnification.** Contractor shall indemnify, protect, defend and hold harmless the Retirement System and its officials, employees and agents (each a “Covered Person) from and against all liabilities, obligations, losses, damages, judgments, costs or expenses (including legal fees and costs of investigation) (collectively “Losses”) and claims for damages of any nature whatsoever, arising from, in connection with or caused by:
- a) any improper or unethical practice in violation of law, bad faith, negligence, or willful misconduct by the Contractor or its agents, except to the extent such indemnity is void or otherwise unenforceable under applicable law in effect or validly retroactive to the date of this Agreement and except to the extent that any such Losses or claims are the result of the negligence, omissions or willful misconduct of the Retirement System;
 - b) any breach of any representation or warranty made by the Contractor in this Agreement;
 - c) the breach of any covenant, agreement or obligation of the Contractor contained in this Agreement, including any infringement of intellectual property rights, breach of trust, breach of confidentiality, patent, copyright, trademark, trade secret; or
 - d) the injury or death of a person, including employees of the Contractor or loss of or damage to property, resulting directly from the Contractor’s negligent acts or omission or willful misconduct in the course of the Contractor’s performance of this Agreement, except to the extent such indemnity is void or otherwise unenforceable under applicable law in effect or validly retroactive to the date of this Agreement and except where any such Losses or claims are the result of the negligence, omissions or willful misconduct of the Retirement System.

In addition to the Contractor’s obligation to indemnify the Retirement System, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Retirement System from any claim which actually or potentially falls within this indemnification provision even if the allegations are or may be groundless, false or fraudulent; which obligation arises at the time such claim is tendered to Contractor by the Retirement System and continues at all times thereafter.

- 14. Limitation on Liability of the Retirement System.** The Retirement System’s payment obligations hereunder shall be limited to the payments under Section 4 of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall the Retirement System be liable, regardless of whether the claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including but not limited to, lost profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.

15. **Termination for Convenience.** The Retirement System shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. The Retirement System shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

Upon termination of this Agreement, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by the Retirement System and to minimize the liability of Contractor and the Retirement System to third parties as a result of termination. All such actions shall be subject to the prior approval of the Retirement System. Such actions shall include, without limitation, the orderly liquidation of the portfolio, the cessation of trading, or such other actions as reasonably directed by the Retirement System.

16. **Conflict of Interest.** Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et. seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Retirement System if it becomes aware of any such fact during the term of this Agreement.

Contractor further acknowledges that it is familiar with Section 3.216 of the San Francisco Campaign and Government Code which prohibits an officer or employee of the Retirement System from soliciting or accepting any gift in excess of \$100 in a calendar year from a person who the officer or employee knows or has reason to know is a restricted source. "Restricted source" is defined in this section to mean: a) a person doing business with or seeking to do business with the department of the officer or employee; or b) any person who during the prior 12 months knowingly attempted to influence the officer or employee in any legislative or administrative action.

17. **Confidentiality.** Contractor shall keep strictly confidential any of the Retirement System's proprietary or confidential information to which Contractor has access while performing the Services and shall not make any disclosure thereof without the prior written consent of the Retirement System. Contractor's obligation of confidentiality will not apply to information that: (a) is or becomes available from public sources through no breach of Contractor's obligations hereunder; (b) is already in Contractor's possession without an obligation of confidentiality; (c) is rightfully disclosed to Contractor from a third party without an obligation of confidentiality; or (d) is required to be disclosed by court or regulatory order provided Contractor gives the Retirement System prompt notice of any such order.

18. **Notices.** Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To the Retirement System: Jay Huish, Executive Director
San Francisco City and County Employees' Retirement System
30 Van Ness Avenue, Suite 3000
San Francisco, CA 94102
Fax No. (415)487-7023
E-mail address: jay.huish@sfgov.org

To the Contractor:

Fax No.

19. **Audit.** Contractor shall maintain accurate books and records relating to this Agreement and the Services, including accounting records and copies of all invoices. Contractor shall make such books and records available to the Retirement System for review and audit for at least three (3) years after termination of this Agreement, in a format and at a location that is readily accessible to the Retirement System.
20. **No Assignment or Subcontracting.** The services are personal in nature and Contractor shall perform the work contemplated with resources available within its own organization. Neither this Agreement nor any duties or obligations hereunder may be assigned, subcontracted or delegated by Contractor without prior written consent of the Retirement System.
21. **Earned Income Credit Forms.** Administrative Code Section 12O requires that employers who contract with the Retirement System provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.
 - a. Contractor shall provide Earned Income Credit Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.
 - b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If within thirty (30) days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such thirty (30) days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Retirement System may pursue any rights or remedies available under this Agreement or under applicable law.

- c. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

22. Local Business Enterprise Utilization. Consultant understands and agrees to comply fully with all the requirements of the Local Business Enterprise Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “LBE Ordinance”), provided such amendments do not materially increase the Consultant’s obligations or liabilities, or materially diminish Consultant’s rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made part of this Agreement as though fully set forth in this section. Consultant's willful failure to comply with any applicable provision of the LBE Ordinance is a material breach of Consultant’s obligations under this Agreement and shall entitle the Retirement System, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Consultant shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting.

Consultant agrees to maintain records necessary for monitoring its compliance with Chapter 14B for a period of three years following termination of this Agreement.

23. Nondiscrimination; Penalties. In the performance of this Agreement, Contractor agrees not to discriminate on the basis of the fact or perception of a person’s race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes or in retaliation for opposition to discrimination against such classes, against any employee of, any City employee working with, or applicant for employment with Contractor, in any of Contractor’s operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Contractor.

a. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the Retirement System elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the S.F. Administrative Code.

b. As a condition to this Agreement, Contractor shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

c. The provisions of Chapters 12B and 12C of the S.F. Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §12B.2(h) of the S.F. Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

24. **MacBride Principles – Northern Ireland.** Pursuant to San Francisco Administrative Code Section 12.F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.
25. **Tropical Hardwood and Virgin Redwood Ban.** Pursuant to Section 814(b) of the San Francisco Environment Code, the City and County of San Francisco urges Contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood wood product, virgin redwood or virgin redwood wood product.
26. **Drug-Free Workplace.** Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on Retirement System premises. Contractor agrees to comply with such Act. Any violation of this Section shall be deemed a material breach of this Agreement.
27. **Resource Conservation.** Contractor shall comply in good faith with Chapter 5 of the San Francisco Environment Code (Resource Conservation), which is hereby made a part of this Agreement as though fully set forth herein.
28. **Sunshine Ordinance.** Contractor understands that under Section 67.24(e) of San Francisco Administrative Code, contracts, contractors' bids, responses to requests for proposals and all other records of communications between the Retirement System and persons or firms seeking contracts, must be open to public inspection immediately after a contract has been awarded. All information provided by Contractor which is covered by that ordinance (as it may be amended) will be made available to the public upon appropriate request.
29. **Limitations on Contributions.** Through execution of this Agreement, Contractor acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services or for the furnishing of any material, supplies or equipment to the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contributions to the officer at any time from the commencement of negotiations of the contract until the later of either: (1) the termination of negotiations for such contract or (2)

three months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

- 30. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, “Political Activity”) in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City’s Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years.
- 31. Compliance with Americans with Disabilities Act.** Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.
- 32. Requiring Minimum Compensation for Employees.** Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.ci.sf.ca.us/MCO.
- 33. Requiring Health Benefits for Covered Employees.** Unless exempt, Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the HCAO is available on the web at <http://sfgsa.org/Modules/ShowDocument.aspx?documentid=993>.
- 34. No Waiver.** Any failure to enforce any right or to require performance of any provision of this Agreement shall not be considered a waiver of such right or performance.
- 35. Documents and Reports.** The Contractor will furnish to the Retirement System and its authorized representatives, on reasonable notice (which in no event need ever be more than five (5) business days) and during ordinary business hours, full access (including useable electronic data format) to the records maintained by Contractor with regard to this Agreement. Any interest of Contractor in reports, memoranda, or other documents prepared by the Contractor in connection with services to be performed under this

Agreement shall become the property of and will be transmitted to the Retirement System in a useable format (including electronic date format) upon demand.

36. **Modifications.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed by each party hereto.
37. **Administrative Remedy.** All disputes, controversies or claims arising under or relating to this Agreement shall be settled by the Executive Director of the Retirement System. The Executive Director's decision shall be deemed an exhaustion of all administrative remedies. However, the Executive Director's decision shall not preclude resorting to judicial remedy.
38. **California Law; Venue.** This Agreement shall be governed by the laws of California. The venue for all litigation or other disputes relative to this Agreement shall be San Francisco, California.
39. **Construction.** Section headings are for reference only and shall not be used to interpret this Agreement. Terms such as "hereunder" or "herein" refer to this Agreement as a whole. Terms such as "include" or "including" shall be deemed followed by the words "without limitation." References to consents, approvals, determinations or other decisions of the Retirement System shall refer to the sole judgment of the Retirement System.
40. **Entire Agreement.** This Agreement contains the entire agreement between the parties, and supersedes all other oral or written provisions. The attached Appendices A and B are a part of this Agreement.
41. **Compliance with Laws.** Contractor shall comply with the City and County of San Francisco Charter, codes, ordinances and regulations and with applicable state and federal laws and regulations (including the Americans with Disabilities Act), as they may be amended from time to time.
42. **Severability.** If any provision hereof is found to be invalid or unenforceable, such finding shall not affect the validity of any other provision hereof; and such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties.
43. **Services Provided by Attorneys.** Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.
44. **Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to

avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require the Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first referenced above.

**CITY AND COUNTY OF SAN FRANCISCO
RETIREMENT SYSTEM (Retirement System)**

By: _____
Jay Huish, Executive Director

Date: _____

_____ **(Contractor)**

By: _____
Authorized Party, Title

Date: _____

Stable Income & Stable Value

Your company's submitted proposal, including this questionnaire, must be submitted both in printed form and on a compact disc. The questionnaire must be provided in a Microsoft Word file (version 2003 or higher). Four (4) copies of your compact disc must be provided with each clearly labeled with your company's name and contact information. Information provided should be as of December 31, 2012 unless otherwise noted.

I. Organization

1. Provide the name, title, address, email address, telephone and fax numbers of the contact person or persons from your company whom we may contact with questions regarding your RFP response. These individuals must be authorized to negotiate contracts regarding the scope, terms and pricing outlined in the proposal.
2. Describe in detail your firm's ownership structure, e.g., private, public, employee owned. Provide your company's name, address and type of legal entity (corporation, Limited Liability Company, joint venture, partnership, etc.)
3. Is your company a subsidiary or affiliate of another company? Provide full disclosure of all direct or indirect ownership.
4. Describe any *pending agreements* to merge or sell your company or any portion thereof. If you can provide this information and it is confidential, please indicate confidential in your response and on all printed material
5. Describe whether your firm has any plans to merge, acquire or sell any part of the business in the next 12-24 months. If you can provide this information and it is confidential, please indicate confidential in your response and on all printed material
6. Provide a short description of your organization, the businesses in which it engages and the services it provides.
7. Supply an audited financial statement for the most recently closed fiscal year.
8. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the management of stable income or stable value?
9. How does your firm identify and manage conflicts of interest?
10. Please provide a copy of your firm's conflict of interest policy. Who monitors compliance with these guidelines and policies?

11. Describe any actual or potential conflict of interest issues that your firm would have in servicing the San Francisco Deferred Compensation Plan (SFDCP) as a Stable Value or Stable Income provider.
12. Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any SFDCP Board member or staff member during the past twelve months. If yes, please identify the SFDCP board or staff member, the amount of the expense, when it was incurred, and what it was for.
13. List and describe all professional, business and personal relationships between you and anyone in your firm and any SFDCP Board or staff members during the past three years.
14. Identify the senior investment personnel turnover your company has experienced over the last 5 years. Provide information regarding the reasoning for the turnover and the impact it has had on your company and the product(s) you are proposing.
15. Has your organization or any professional at your organization been the subject of any litigation in the last 7 years? Or, involved in any SEC or other regulatory exams? If so, please explain.
16. Describe your errors and omissions coverage. Describe the various types of insurance coverage and indemnification provided to protect clients, including for each insurance type risks covered, carriers, levels, limits, and deductibles.

Risk Covered				
Carriers				
Levels				
Limits				
Deductibles				

17. Has your company ever filed a petition or has your company ever been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? If so, provide complete details.
18. Has your company had a contract terminated by a client for cause in the last seven years? If so, by whom and under what circumstances? Provide the name and telephone number of each client that has terminated your company's services. What have you learned or changed based on those experiences?
19. Have you ever been denied a license to do business, a license as an agent or broker, or any other insurance license? If so, state the date of the denial, the license denied, the state in which the license was denied, the reason given for denial of the license, whether you have had a bona fide change of ownership or management since your license was denied and whether you have eliminated the cause for which the license was denied.
20. In the last seven years, has your company failed or refused to complete a contract with an explanation?

21. Is the firm submitting the proposal the firm which will perform the assignment?

II. Product Background:

22. Briefly describe the history of stable value and stable income (as applicable) at your firm, including how long you have managed such assets, any product enhancements that have been implemented and when, and any notable departures or additions to the relevant team(s).
23. Please describe your organization’s strategic business plan for the next five years. Also, please describe how stable income and stable value fit into your organization’s strategic plan.
24. What portion of total firm revenues do investment management of fixed income, stable income, and stable value, respectively, represent to your firm? Provide each separately for the year ended 12/31/2012.
25. Please fill in the table below:

	Total Assets Under Management (\$MM)	Fixed Income Assets (\$MM)	Stable Income Assets (\$MM)	Stable Value Assets (\$MM)
12/31/12				
12/31/11				
12/31/10				
12/31/09				
12/31/08				

26. Please provide the total value (\$ Millions) and the number of discretionary separate account stable income and/or stable value portfolios your firm managed as of 6/30/12 and 12/31/2012. If any changes have occurred from year end 2012 to the time of submission of this RFP, describe.
27. How many different commingled stable income and/or stable value products do you manage? List all in the format below.

Product Name	Inception Date	Assets at 12/31/2012	Number of clients	Number of US Public DC Plan Clients
Stable Value				
(Product Name)				
(Product Name)				
Stable Income				
(Product Name)				

28. What stable value and/or stable income product do you propose for SFDCP? (Note that firms can propose more than one product.) For each product, will the SFDCP account be managed on a separate account basis? If you are proposing the use of a commingled stable income or stable value fund, please provide the total assets in the fund and number of clients using the commingled product.

29. What is your minimum stable value separate account size?

30. Provide the client turnover in each of the proposed product(s) using the format below:

	2012	2011	2010	2009	2008
# of Clients Gained					
Assets Gained (\$Millions)					
# of Clients Lost					
Assets Lost (\$ Millions)					

31. Provide the number of stable income and/or stable value portfolio managers (those who make the discretionary allocation/structure decisions) currently employed at your firm and the number that would work on this account. Please provide the number of research analysts, economists and marketing personnel who work on stable income and/or stable value.

32. Identify the name, title, location, and contact information for the investment portfolio personnel who would work with SFDCP if retained. Please fill in the table below for the investment personnel who work on the proposed stable income and/or stable value account for SFDCP. Additionally, please attach their full biographies. Provide the information separately for each product.

Name	Responsibility	Year Joined Firm	Year Entered Industry	Most Adv. Degree	Institution	Percentage of time dedicated to the proposed product

33. Describe who has ultimate responsibility for managing the product and how the team works together.

III. Philosophy & Process – IF PROPOSING MORE THAN ONE PRODUCT, PROVIDE SEPARATE RESPONSE FOR EACH PRODUCT AND CLEARLY MARK WITH TITLE OF PRODUCT FOR EACH RESPONSE

34. Describe your investment philosophy and process of managing stable value and/or stable income portfolios. If you are proposing two different products please describe separately the philosophy and process for both.
35. Describe the process in selecting securities. Include a description of the universe from which securities are selected, the process for narrowing the universe, and the buy and sell discipline. If applicable, you may provide information on the process as it is applied by your firm in the subject product for different sectors. Describe issue size, quality and liquidity, yield spread, sector, borrower/loan concentration, structural, and any other criteria that you apply in security selection.
36. Describe the proposed investment structure: composition of the portfolio, types of securities held, average maturity, credit quality, etc. -- of the stable income and/or stable value fund you would manage for SFDCP. Include investment guidelines which you would propose to govern management of the portfolio.
37. State the anticipated duration, initial crediting rate and the weighted average credit quality for the portfolio as of December 31, 2012, based on your strategy and positioning as articulated in the previous question.
38. Describe the process for managing duration in the subject product. Also describe how you anticipate managing the product as interest rates begin to rise from current low levels and the strategies you may employ in this environment, including the allocation to different duration/maturity ranges.
39. How flexible are you in tailoring guidelines to client preferences? Describe the process, including how this affects wrap coverage (if applicable).
40. Describe your risk management process in managing stable value and/or stable income, including key individuals responsible for risk management and oversight, and tools used. Describe specifically your process for avoiding “tail risk” events like 2008/2009 in your stable value and stable income products.
41. Describe the role cash plays in the management of your proposed portfolio(s) and the types of cash investments (including cash equivalents) you use. What level of cash is typically maintained and how is that level established?
42. Provide portfolio characteristics for your product(s) as of the end of the last five calendar years (2008-2012) in the following format.

	Product Name	Specify Benchmark
Market to Book Value		
Duration		
Yield		
Gross Crediting Rate		
Average Crediting Rate		
Average Wrap fee		
Number of Holdings		
Portfolio Turnover		

43. What enhancements do you anticipate making to your strategy (or strategies) to enhance credit quality, liquidity, investment performance and/or responsiveness to interest rate movements?
44. What is the appropriate benchmark index for your strategy (or strategies)?
45. How will you seek to add value relative to the stated benchmark? What is the size of the return premium you look to provide above your preferred benchmark index *net* of your fees? What is the expected tracking error?
46. For the product(s) you are proposing for SFERS, what is the premium over *money market funds (net of ALL fees)* that you would expect your product(s) to earn over the long term? Describe how the premium will be affected in different market and/or interest rate environments.
47. What market conditions would favor and not favor the strategy for your product?
48. For Stable Value funds, describe your firm's use of GICs versus synthetic GICs (defined as separately held securities backed by an insurance wrapper for book value accounting). How do you decide to allocate to GICs versus synthetics? What is a typical level of GIC usage in your product? Provide actual level of GIC exposure in your Stable value accounts as of year end for 2008-2012?
49. Have your stable value funds had exposure to failed GIC issuers, particularly Mutual Benefit, Confederation Life and/or Executive Life, AIG? Others? Describe, including timeframes and resolution.
50. Does your firm have any affiliations with issuers of stable value securities or wrap providers? If yes, how do you manage conflicts of interest that may arise from these affiliations?
51. If you propose the use of a non-proprietary product, please describe the relationship between the organizations and the revenue sharing agreement in place.
52. Discuss wrapper diversification and wrap fee pricing.
53. Has your firm ever made a wrap coverage claim for a stable value product? Describe when, circumstances and outcome.
54. Do you have any Stable Value Funds, past or present, that have required activation of an insurance wrapper with a payment to the fund? To issue a payment to achieve 100% for book

value accounting (make an account whole) during the book value settlement phase? To issue a benefit payment? If yes, please provide details.

55. For a stable value product did your product's market value fall below the book value at any time? What was the lowest point? Indicate historical MV/BV ratio over time through 2/28/12.
56. Has your firm (not the insurance wrapper) ever been required to issue a payment to achieve 100% market to book for book value accounting purposes (make an account whole) during the book value settlement phase? For a benefit payment? If yes, please provide the reason why.
57. What competitive advantage does your firm possess that will result in the most favorable wrap pricing for SFDCP?
58. List the personnel responsible for evaluating the creditworthiness and contract terms for wrap coverage and their experience in this function.
59. Describe your firm's criteria for the selection of stable value book-value wrappers. Please also include the credit quality criteria your firm uses to select the book-value wrapper and the current credit quality (most recent date available) on each. Include the permissible maximum allocation to each book-value wrapper.
60. Please list the book value wrapper providers your firm would currently utilize and the percentage currently held in each.
61. How would you anticipate wrap coverage for SFERS portfolio to evolve over the next 18-24 months (through 2014)?
62. Do you see the restrictions imposed by the insurance wrapper as limiting the plan fiduciaries ability to carry out due diligence (e.g., replacing the manager for underperformance or adopting a change in the investment policy that would restructure allowable investments)? Could there be a breach of fiduciary duty as a result of the restrictions? If so, explain.
63. Do you have any plan sponsors that self insure? If so, how is this handled? For example, is a sub account established under the trust for the exclusive benefit of the stable value fund? Other arrangements?
64. Describe the wrap contract provisions you require with respect to:
 - a) Competing accounts, e.g., cash/money market funds, including any equity wash;
 - b) Plan amendments including investment fund changes;
 - c) Employer initiated events including layoffs and early retirement programs;
 - d) Any conditions under which the wrap provider can terminate the contract or make payments below book value; and,
 - e) Termination provisions initiated by the wrap provider (including any change of control clauses).
65. If applicable, list the wrap providers your firm can access today to provide book value wrap capacity to the Fund. What is the current cost for your book value wrap contracts?

- What is your ability to obtain additional wrap coverage for this Fund?
 - Please list ALL the current book value wrappers that your firm utilizes.
 - Please list ALL the wrap providers that are currently accepting new contributions.
 - Specifically, identify the wrap providers that you would utilize for this assignment. (If utilizing Insurance Company Separate Accounts, please list what strategies these specific separate accounts would be wrapping.)
66. If proposing both, compare and contrast your firm's Stable Value and Stable Income offerings in terms of expected return, expected volatility and potential for loss, cost, and other factors you believe are important and relevant to SFDCP.
67. If you are proposing a stable income product, are there any guarantees of income or return? If so, describe clearly how they work.
68. If your firm is proposing a stable income product, please clearly explain the benefits and disadvantages of the proposed product versus a stable value fund.
69. Describe your firm's experience in assisting with communications to participants about your Stable Value and/or Stable Income products and what you view as key elements of success in communicating to participants about these products.
70. What issues if any, do you see when disclosing fees and restrictions in communication materials as required by the Department of Labor?
71. For a client transitioning from Stable Value to Stable Income (floating NAV), what do you recommend as the key elements of a communication strategy for participants about the transition, including specific examples of your work in this area. Describe the number of such transitions you have been involved in. What do you recommend as key elements of a successful transition of this type?
72. If your firm is proposing a stable value product, please clearly explain the benefits and disadvantages of your proposed product versus a stable income fund.
73. Describe, if applicable, the utilization of repurchase agreements and securities lending in your product. Indicate the percentage of the fund (if applicable) that participates in securities lending, the additional return generated by securities lending in each of the past three calendar years, and the split of the earnings resulting from securities lending between your commingled funds and the securities lending provider. Please indicate who manages the securities lending collateral pool and the fees associated with such management.
74. Please describe the process and key steps associated with the transition of SFDCP's existing stable value fund portfolio to management by your organization. Distinguish between a transition to stable value versus a stable income alternative. Describe how existing book value to market value relationships will be maintained under a transition.
75. Will your firm accept the fiduciary role with respect to the management of this stable income and/or stable value fund and assume complete discretion with respect to the hiring and firing of investment managers, the selection and termination of investment contracts (including wraps) and the purchase and sale of underlying investments?

Yes _____ No _____
If No, please explain: _____

IV. Performance

- 76. Please provide historical monthly returns for the proposed product(s) (both gross- and net-of-fee) since inception (provide in separate excel spreadsheet). For stable value products, please provide both book and market value returns.
- 77. For Stable Income products, describe periods where negative returns have been delivered.
- 78. If applicable, what is the current interest rate being credited on current deposits for your Stable Value fund?
Rate: _____ As of what date: _____
- 79. If applicable, how long will the interest rate remain in force?
- 80. If applicable, as of the end of the most recent calendar quarter, and year-to-date, what was the current interest rate credited on current deposits?
Rate: _____ Date: _____
- 81. If applicable, what have you credited on deposits made in the year ending December 31:

Year	Rate
2012	
2011	
2010	
2009	
2008	
2007	
2006	
2005	

For Stable income products, provide portfolio yield data at year end.

V. Additional Information

- 82. Describe any liquidity restrictions (i.e., equity wash provisions) the fund would or may have. Please see a complete list of Plan fund options at the end of this RFP. Indicate if any of these option types as “competing funds” that would trigger an equity wash provision. If so, please describe in detail.
- 83. Describe the liquidity of the stable value and/or stable income fund with regard to employer-directed transfers, withdrawals or contract termination, including the period of time over which the account could be liquidated. Describe **any** employer-directed restrictions or limitations (including any market value adjustment) which would apply.

84. Describe the liquidity of the stable value and/or stable income fund with regard to employee-directed transfers.
85. In the event a participant withdraws funds from the proposed product(s), describe restrictions or limitations (including any market value adjustment) which would apply. Indicate specifically if the limitation or restriction is based on years of participation or contribution years (rolling charge), or restrictions on redemptions in order to invest in another investment option.
86. For GIC, separate account or similar products, as of each year end provide the average credit quality of the portfolio and percentage in each investment grade as categorized by S&P and Moody's.

Calendar Year:	S&P Rating:	Moody's Rating:	Avg Maturity:	Duration:
2012				
2011				
2010				
2009				
2008				
2007				

87. How frequently does your firm provide statements? Please provide a sample copy of your statements and quarterly reports.
88. Describe the firm's "back office" support capabilities with respect to the accounting function, processing transactions, generating statements, etc. Is this task out sourced and if so, to whom?
89. Please describe the interaction you have with clients. What is your ongoing reporting methodology with respect to meetings, phone updates, written reports, and website information?
90. What are your reporting capabilities with respect to Trustees/Third Party Administrators?
91. What assistance can your firm provide in communicating the description, management, risks, and performance of the Stable Income Fund to Plan participants? Provide examples of such work.

VI. Summary:

92. Describe what you believe is your firm's competitive advantage relative to competitors for your products. What is the evidence of your firm's past success and why do you believe the product(s) will be successful in the future?
93. Describe what you believe is your firm's weakness or disadvantage relative to competitors. Why?

94. If you have proposed two products, how would you help SFDCP select the most appropriate option for the plan? What factors do you believe are most important in making this decision?

VII: References:

95. Provide three references for public fund clients who employ your firm to manage stable value mandates. Include a contact name, phone number, and the market value of the assets your firm manages for each reference at inception and as of December 31, 2012.
96. Provide three references for public fund clients who employ your firm to manage stable income mandates. Include a contact name, phone number, and the market value of the assets your firm manages for each reference at inception and as of December 31, 2012.
97. Provide the name, contact name, and phone number of the past three stable value clients that terminated your firm in the time period since January 1, 2010, the reason for the termination and the dollars managed at the termination date.
98. Provide the name, contact name, and phone number of the past three stable income clients that terminated your firm in the time period since January 1, 2010, the reason for the termination and the dollars managed at the termination date.

Contract Term

Proposals should be based on an open ended contract, an effective date of January 30, 2014, and an initial investment of approximately \$200 million dollars, \$500 million, or \$900 million.

Total Pricing Considerations

At the same time as this RFP, SFDCP is issuing an RFP for third party administrator services. SFDCP currently utilizes the services of its TPA for stable value management, but will consider “unbundled” services for Stable Value/Stable Income investment management services and third party administration.

Total Administrative Service Price

1. Please provide your firm’s complete fee schedule for stable value and/or income separate account discretionary management. These are the fees paid to you directly for your discretionary management. Please disclose ALL expenses to be assessed to SFDCP and fund participants. What additional fees, if any, are applied to open maturity synthetic investments that are managed either internally or externally? In your summary show separately your investment management fee, wrap cost, administrative fees, and any other costs.

Fee Summary for \$200 million

	Fee in Basis Points
Investment Management Fee	
Wrap Fee	
Trust and Custody Fee	
Sub advisor fee (if applicable)	
Other fees (describe)	
TOTAL FEE	

Fee Summary for \$500 million

	Fee in Basis Points
Investment Management Fee	
Wrap Fee	
Trust and Custody Fee	
Sub advisor fee (if applicable)	
Other fees (describe)	
TOTAL FEE	

Fee Summary for \$900 million

	Fee in Basis Points
Investment Management Fee	
Wrap Fee	
Trust and Custody Fee	
Sub advisor fee (if applicable)	
Other fees (describe)	
TOTAL FEE	

2. Does your firm provide any fee rebate/reimbursement to offset administrative costs, including a recordkeeping fee offset? If yes, please describe in detail.
3. Will your firm guarantee its fees? For what time period and to what extent?
4. Does your firm offer performance-based fees? Please describe.
5. Are there any additional set-up, termination charges, or ongoing fees that are applicable to your services for management of a Stable Value or Stable Income fund? Please describe.

Note that in evaluating your proposal, the SFDCP will make its own assumptions. Note that the SFDCP is making no guarantees regarding expected asset or participants that your company may expect.

Conditions or Exceptions

Describe any conditions or exceptions that your company must impose. Note that it is not expected that any significant required conditions or exceptions to the services required under the RFP will be accepted.

Appendix E
Core Investment Funds

FUND NAME	UNDERLYING FUND
INTERNATIONAL EQUITY	
SFDCP International Equity Portfolio	American Funds EuroPacific Growth, R5 (RERFX)
DOMESTIC EQUITY	
SFDCP Large Cap Growth Equity Portfolio	T. Rowe Price Growth, Stock and Vanguard Large Cap Growth Index Fund (VIGIX) (Blended 50/50)
SFDCP Large Cap Value Equity Portfolio	LSV Conservative Value Equity Fund (LSV VX)
SFDCP Large Cap Core S&P 500 Index	Vanguard 500, Institutional Shares (VINIX)
SFDCP Large Cap Core Equity Portfolio	Fidelity Contrafund (FCNTX)
SFDCP Mid Cap Growth Equity Portfolio	Columbia Acorn Z (ACRN X)
SFDCP Mid Cap Value Equity Portfolio	Vanguard Mid Cap Value Index Fund (VMVAX)
SFDCP Mid Cap Core Equity Portfolio	Fidelity Low Price Stock Fund (FLPSX)
SFDCP Small Cap Core Equity Portfolio	Target Small Cap Value and TCW Small Cap Growth Fund (Blended 50/50)
SFDCP Small Cap Growth Equity Portfolio	TCW Small Cap Growth Fund (ticker TGSCX)
SFDCP Small Cap Value Equity Portfolio	Target Small Cap Value (TASVX)
SOCIALLY CONSCIOUS	
SFDCP Large Cap Social Equity Portfolio	Vanguard FTSE Social Index, Investor Shares (VFTSX)
CUSTOM TARGET DATE	
SFDCP Target Date 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055, Retirement Fund	Composition of various asset allocations based on year of retirement
FIXED INCOME	
SFDCP Core Bond Portfolio	Pimco Total Return, Institutional Shares (PTTRX)
STABILITY OF PRINCIPAL	
SFDCP Stable Value Fund	Great-West Custom Stable Value
SELF-DIRECTED BROKERAGE ACCOUNT	
SFDCP Self-Directed Brokerage Account	TD Ameritrade

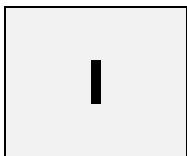


City and County of San Francisco
457 Deferred Compensation Plan
Investment Policy Statement

February 8, 2012

Contents

1.	Purpose of the Investment Policy Statement	I
2.	Plan Objectives	2
3.	Responsibilities of Plan Participants	2
4.	Parties Responsible for Administration Management of the Plan’s Investments	3
5.	Plan Investment Structure	5
6.	Investment Option Performance Standards	8
7.	Fund Monitoring	9
8.	Excessive Trading Policy	12
Exhibit A	Performance Expectations and Benchmarks	A-I
Exhibit B	Structure of Target Date Fund Portfolios	B-I
Exhibit C	Stable Value Fund Statement of Objectives, Guidelines & Procedures	C-I



PURPOSE OF THE INVESTMENT POLICY STATEMENT

This Investment Policy Statement was established on November 12, 2003 and revised periodically by the Retirement Board. The purpose of the Investment Policy Statement is to serve as a general guideline to outline Board Responsibilities, Selection of Investment Funds, Fund Management, Performance Measurement, and Watch List Procedures.

The City and County of San Francisco authorizes the Employees' Retirement System to establish a Deferred Compensation Plan ("Plan") for the benefit of employees in accordance with Section 457 of the Internal Revenue Code ("Internal Revenue Code") of 1986, as amended. This Statement of Investment Policy ("Policy") defines the objectives of the Plan and establishes policies and procedures for creating the highest probability that these objectives are met in a prudent manner that is consistent with established guidelines under the Internal Revenue Code, and other governing rules and regulations.

The Plan is under the responsibility of the Retirement Board ("Board"). This Policy has been adopted by the Board under the authority granted by the City and County of San Francisco. This Policy states the Plan's objectives and establishes policies and procedures that are intended to achieve these objectives in a prudent manner that is consistent with the established guidelines.

This policy governs the investment funds offered under the Plan sponsored by the City and County of San Francisco. The purpose of this policy is to set forth investment objectives and guidelines applicable to the Plan assets. The underlying objective of the policy is to provide plan participants a range of investment funds that represent varying degrees of risk.

In general, it is understood that this Policy is intended to incorporate sufficient flexibility so as to accommodate current and future economic and market conditions and changes in applicable accounting, regulatory, and statutory requirements. The Board may deviate from this Policy as it deems appropriate and in the best interests of the Plan and participants, including on a case-by-case basis with respect to any investment manager appointed by the Board. The Board will review this Policy at least annually, and, if appropriate, amend or supplement it to reflect changes in the capital markets, Plan participant objectives, or any other factors relevant to the Plan.

2

PLAN OBJECTIVES

The assets in the Plan belong to employees, prior employees, alternate payees, or beneficiaries (active, retired, terminated, and survivors) who are plan participants. Eligible participants may make contributions to their plan accounts on a pre-tax basis from their employer compensation. The objective of the plan is

to provide employees with a source of retirement income from accumulated employee contributions and investment returns.

3

RESPONSIBILITIES OF PLAN PARTICIPANTS

Participants are responsible for:

- Allocating assets in their accounts among the investment alternatives offered by the Plan and/or through a Self-Directed Brokerage Option (SDBO) that offers access to thousands of open end mutual funds. Generally, the SDBO shall be considered an appropriate vehicle for participants with significant knowledge of investments and capital markets.
- Determining how much to contribute as a deferral of their pay, up to the limit established under federal law each year; and
- Determining the allocation of funds based on their own judgment and assessment of their risk tolerance and retirement income objectives, including their evaluation of information and guidance provided by an outside Investment Advice Service.

Participants that do not select funds in which to invest their assets and the allocation to those funds will have their assets invested in a Target Date Fund. Participants will be defaulted into the appropriate Target Date Fund based on the plan's normal retirement age and other factors. The Target Date Fund will serve as the Qualified Default Investment Alternative (QDIA).

4

PARTIES RESPONSIBLE FOR ADMINISTRATION AND MANAGEMENT OF THE PLAN'S INVESTMENTS

Retirement Board

The Retirement Board shall have the power to perform all the duties necessary to select and oversee the investment funds in the Plan.

The Board's responsibilities include, but are not limited to, the following:

- Establish and maintain the Investment Policy.
- Review the Investment Policy at least annually to make modifications as necessary.
- Determine the number and type of investment funds to offer in the Plan.
- Select professionally managed investment funds.
- Monitor and evaluate investment performance on a semi-annual and ongoing basis.
- Monitor investment expenses.
- Promote communication and education (which may include an outside Investment Advice Service) through the plan administrator to help participants understand the objectives of each investment fund to make investment decisions aligned with their individual objectives.
- To assist in this process, the Board may retain investment consultants, delegate to the Deferred Compensation Plan Review Committee, appoint staff, or, appoint a designee to perform the duties described above.

The Board is not responsible for monitoring investments in the self-directed brokerage option.

The City and County of San Francisco, as plan sponsor, and the Retirement Board intend to make available an array of investment funds that satisfy the following criteria:

- each is diversified within itself;
- each permits contributions and allocations among investment options with a frequency that is appropriate in light of the market volatility of the investment option (which will usually be daily);
- each has materially different risk and return and/or style characteristics;
- each, in combination with other available investment funds, must contribute to the diversification opportunities of a participant's plan account portfolio; and,
- considered together, the available investment funds must enable participants to achieve a plan account portfolio with aggregate risk and return characteristics that meets their return and risk objectives and is within the range normally appropriate for similarly situated participants.

Investment Options available to plan participants and the performance benchmarks and other characteristics of those options are outlined in Exhibits A, B and C, attached to this Investment Policy Statement.

Investment Consultants

The General Investment Consultant is responsible for:

- Conducting an ongoing review of this Investment Policy and making recommendations thereon in an annual report to the Board.

- Working with Plan staff to assist the Board with the process of evaluating and selecting any new or replacement funds and make recommendations on such selections.
- Providing a semi-annual performance measurement report that evaluates investment results and organizational characteristics of the investment managers, identifying any funds that warrant placement on the watch list/probation report, and making recommendations for fund termination and/or selection.
- Providing assistance to Plan staff and the Board on deferred compensation plan investment issues.
- Assisting with periodic Plan Administrator selection analysis and recommendations.

The Board may also hire specialty investment consultants, e.g., to advise on the construction of Target Date Funds, or for other matters. The responsibilities of any specialty investment consultant will be stated in a Scope of Work and Contract that applies directly to that assignment.

Plan Staff

Plan Staff is responsible for:

- Assisting the Board with carrying out its responsibilities, including by providing timing communication of information relevant to the Plan and its oversight;
- Ensuring timely and effective implementation of Board decisions; and,
- Monitoring and overseeing the work of the investment consultant(s), the Plan Administrator, and any other service providers associated with the Plan.

Third-Party Plan Administrator

The Plan Administrator will work with Plan Staff and the Plan under the terms of a contract delineating its responsibilities and fee arrangements, and provisions of the plan document.

Generally the Plan Administrator will:

- Provide individual record-keeping and accounting, enrollment, beneficiary designation and changes, disbursement of assets and other administrator functions.

PLAN INVESTMENT STRUCTURE

The Plan's investment options will be selected to offer participants the opportunity to:

- Maximize return within reasonable and prudent levels of risk.
- Obtain returns comparable to returns for similar investment options.
- Obtain exposure to a wide range of investment opportunities in various asset classes.
- Control administrative and management costs.
- Have investment options that base asset allocation on a participant's age and retirement date (Target Date Fund).

Selection of Investment Funds

The investment fund selection process will be documented throughout to provide a history of initial screening, funds deleted or terminated, the reasons for the deletion or termination, and other factors considered by the Board in the final selection.

A. Initial Screening

- 1.) The initial screening will produce a list of funds that have out-performed the average of their respective categories over a specified investment period. At this point, those funds that are inappropriate for the Plan will be deleted from the selection process. Deletions may occur but are not limited to the following reasons:
 - a) The fund is closed.
 - b) The fund under-performed the average of the respective category.
 - c) The fund is a specialty or sector fund (other than in a specialty or sector identified by the Board as a suitable investment category for an investment option).
 - d) The fund has a policy of not being available for deferred compensation plans.
 - e) The fund has excessive fees or has sales charges (loads) that it is not willing to waive.
- 2.) The initial list of funds produced shall be ranked according to their average annualized performance over a specified investment period for evaluation. At this point, a short list will be produced identifying the funds for consideration.
- 3.) Based on the information available during the evaluation, funds will be reviewed and may be eliminated based on a variety of criteria, including:

- a) Staff turnover – longevity of manager.
- b) Equity investment style, including market timing, sector selection and security selection.
- c) Fixed income investment style, including duration management, sector selection, and security selection style.
- d) Fees and expenses.
- e) Compliance.
- f) Inconsistent performance history.
- g) Excessive movement within investment category.
- h) Qualitative factors such as excessive account turnover or inappropriate investment style.
- i) Inability to satisfy Minimum Operational Criteria (which are outlined below).

B. Minimum Criteria For Selection

When selecting funds to include in the Plan's core investment fund lineup or as components of the Target Date Funds, the guidelines listed below should be used but are not limited to:

1.) Minimum Size and History Criteria

- a) Size – to be considered a fund should have at least \$250 million in assets. Given that the available universe of small cap funds is typically limited, those with assets of at least \$100 million are eligible for consideration. Other asset classes may have similar constraints and exceptions on size should be noted in writing by the Board at the time of selection.
- b) Size – Assets allocated to the fund by SFDCP participants should not exceed 20% of the fund's assets, including different share classes of the fund.
- c) Time – the fund should have been in operation for a period of five years prior to selection. This requirement may be waived for small cap funds or other asset classes where the universe of available funds is typically limited. If an exception on the time in operation for the fund is made, it should be noted in writing by the Board at the time of selection.
- d) Size and Time Exception – size and time criteria may be waived and an exception may apply if the fund is created specifically for the SFDCP Deferred Compensation Plan.

2.) Minimum Operational Criteria

- a) Front end loads and fund surrender charges must not apply.
- b) The fund must be compatible with the plan's administrative and record-keeping, accounting, and system practices.

3.) Disclosure of Fees, Commissions and Charges

- a) All fees, commissions and charges for each selected fund must be fully disclosed to the Board before the fund will be made available to plan participants.

The screening process for certain categories/asset classes may differ from the above selection criteria in an effort to identify the most suitable investment options. Examples of where an exception may be appropriate are asset level or manager tenure, etc. It is incumbent upon the Deferred Compensation Plan Review Committee to properly document the rationale for any exception during the search process, and to inform the full Board of any such exception.

C. Selection of Stable Value Fund

The Stable Value Fund invests in an underlying portfolio of marketable fixed income securities. Prospective investment managers of the underlying separate account for the Stable Value Fund shall be evaluated using the same criteria outlined in Section 5.A.2-3 above. The underlying separate account shall adhere to the investment guidelines in Exhibit C.

6

INVESTMENT OPTION PERFORMANCE STANDARDS

The standards by which the performance of each such investment fund will be measured are set forth in Exhibit A. Performance will be measured over a complete market cycle (generally a three to five year period).

If a fund and/or manager falls below that of the appropriate index for four consecutive quarters or the manager's relative rank and falls significantly below the benchmark stated in Exhibit A, the fund may be placed on "Watch List".

If a fund fails to perform at the expected investment return levels, or has exhibited significant qualitative factor changes, a replacement fund and/or manager search will be initiated. If, after completion of the search, it remains clear that the fund and/or manager should be replaced, the process of termination should commence, coinciding with the addition of the replacement fund and/or manager.

The Board, plan administrator, investment consultant, staff, or designee may use benchmarks other than those described in Exhibit A if the Board determines that there is a more appropriate index to measure fund performance.

FUND MONITORING

The Board may terminate an investment fund at any time for any reason, but does not expect to be reactive to short-term investment developments. Furthermore, the Board recognizes that the accumulation of wealth for eventual retirement benefit payout is long-term in nature and that manager investment competence must be measured over a complete market cycle (generally a three to five year period). The Board, nevertheless, may act on interim qualitative judgments. Qualitative criteria include, but are not limited to:

- fundamental changes in a manager's investment philosophy;
- changes in a manager's organizational structure, financial condition (including any significant changes in total assets under management);
- changes in key personnel; and,
- changes, relative to their peers, in the manager's fee structure.

Watch List - Statement of Process

The investment fund manager's failure to remedy the fund's unsatisfactory performance, within a reasonable time, may be grounds for termination. Any recommendation to terminate a fund will be made only after a thorough and documented analysis. Each fund will be considered on an individual basis, and will not be judged solely on quantitative data.

Watch List Status Criteria

- I.) A fund may be subject to "Watch List" status immediately and at the discretion of the Board once the fund is determined to have met any one or more of the following criteria:

Recent Performance

- a) The fund under-performs the style specific index and is below the 75th percentile in peer group ranking for the trailing 12 months for the last two reporting periods.

Market Cycle Performance

- b) The Funds' three-year average annualized return under performs the style specific index over that time period.
- c) The funds' three-year average annualized return ranks below the 50th percentile of the peer group average over that time period.

Qualitative Factors

- d) There is a disruption or a change in company ownership.
- e) There is a change in key personnel for the fund or the company.
- f) There is a change in investment process/style.
- g) There is a violation of SEC rules or regulations or other legal or regulatory issues.
- h) Other qualitative issues that the Board believes may have a material impact on the future performance of an investment fund, a significant change in the level of assets and/or number of accounts, systems or operational changes, etc.

The Board may terminate a fund immediately without placing it on “Watch List” status if it believes immediate termination is in the best interest of the participants.

Watch List Procedures and Fund Termination

- 1.) Once a fund is formally placed on "Watch List" status, the fund can be monitored for a period of up to, but not to exceed, twenty-four months. The Board, at its discretion, may determine to terminate the investment fund at any time during the twenty-four month period. After twenty-four months, the Board will consider other managers for the assignment, and Funds remaining on "Watch List" status after the twenty-four month period that have not, in the judgment of the Board, remedied the circumstances that caused them to be placed on such status shall be terminated by the Board.
- 2.) A fund will be removed from “Watch List” status only after the Board determines that the fund is meeting expectations, and/or has met the compliance requirements of the fund, and that the fund does not fall within any of the criteria listed above for “Watch List” status.
- 3.) The following procedures should be followed once a fund has been placed on “Watch List” status:
 - a) A conference with the fund manager will take place at which time the fund manager will have an opportunity to explain the recent under-performance and discuss any action plan to help remedy the poor performance and/or address the qualitative concern(s).
 - b) The Board should review any additional data pertinent to the circumstances surrounding the issue(s) that placed the fund on “Watch List” status.

c) A fund may be terminated if the Board determines the fund is unable to:

- Achieve performance and risk objectives;
- Improve performance;
- Provide stable performance;
- Maintain an expected investment style; and/or,
- Comply with reporting requirements.

Replacement of an Investment Fund and/or Manager

Replacement of an investment fund and/or manager would follow the criteria outlined in Section 5 under “Selection of Investment Funds.” When necessary, an investment fund shall be removed using one of the following approaches:

- Remove and transfer (map) assets to a replacement fund;
- Freeze the fund to any new deferrals and direct new deferrals to a replacement fund;
- Phase out the fund over a specified time period;
- Continue the fund but add a competing fund; or,
- Remove the fund and do not provide a replacement fund.

Participants will have the option to transfer to an existing investment fund at the time of a fund termination. If the participant does not select the option to transfer to an existing core investment fund at the time the terminated fund is removed, all assets will be mapped and transferred to the replacement fund, if available, or to an appropriate Target Date Fund until the participant elects to redirect the assets to a new fund(s).

EXCESSIVE TRADING POLICY

The Board has adopted a policy on excessive trading by plan participants in accordance with that of the Plan Administrator. The definition of excessive trading is intended to respond to a majority of the restrictions on such trading activity that have been adopted by the various fund families on the Administrator's platform. The definition of excessive trading and the policy with respect to such trading activity are outlined below.

Definition of Excessive Trading

Excessive Trading is defined as more than one purchase and sale of the same fund (including money market funds) within a thirty (30) day period. Each investment offered to Plan Participants (including through the Self-Directed Brokerage Option), either by prospectus or stated policy, has adopted or may adopt its own definition of Excessive Trading. Therefore the Administrator reserves the right, without prior notice, to modify its general definition or to develop another definition that may apply to a particular fund, product or individual, depending on the needs of a particular fund and/or state or federal regulatory requirements. A purchase followed by one or more sales and then another purchase of the same fund, or a sale followed by one or more purchases and then another sale of the same fund within a thirty day period would meet the definition of Excessive Trading.

The following transactions are excluded when determining whether trading activity is excessive:

- Purchases or sales of shares related to non-fund transfers (for example, new purchase payments or withdrawals).
- Transfers associated with scheduled dollar cost averaging and scheduled rebalancing programs.
- Purchases and sales of fund shares in the amount of \$250 or less.
- Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and the money market fund.

Policy with Respect to Excessive Trading

The Administrator actively monitors fund transfer and reallocation activity by participants among their investment funds in which they are invested to identify Excessive Trading.

If the Administrator determines that an individual has used one or more of fund investments available through the Plan to engage in Excessive Trading, it will send that individual a one-time warning letter and place that individual on a watch list. According to the needs of the various business units, a copy of the warning letter may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual.

If the Administrator determines that an individual has used one or more of the funds to engage in Excessive Trading after having received a warning letter as described above, it will send a second letter to the individual. This letter will state that the individual's ability to initiate fund transfers or reallocations through the Internet, facsimile, telephone calls to the company's service center, or other electronic trading medium that the Administrator may make available from time to time ("Electronic Trading Privileges") has been suspended for a period of 6 months. All fund transfers or reallocations will then have to be initiated by providing written instructions to the Administrator via mail. During the Suspension Period, "inquiry only" privileges will be permitted when possible.

Following the 6 month suspension period, the Electronic Trading Privileges may again be restored, but the Administrator will continue to monitor the fund transfer and reallocation activity. Any future Excessive Trading will result in an indefinite suspension of the Electronic Trading Privileges.

The Administrator may elect to limit fund trading or reallocation privileges with respect to any individual, with or without prior notice, if it determines that the individual's trading activity is disruptive, regardless of whether the individual's trading activity fall within the definition of Excessive Trading set forth above.

EXHIBIT A

PERFORMANCE EXPECTATIONS AND BENCHMARKS

INVESTMENT FUND	PERFORMANCE EXPECTATION VERSUS MARKET INDICES	PERFORMANCE EXPECTATION VERSUS UNIVERSE OF PEERS
Stable Value Fund Underlying separate account holding wide range of marketable fixed income securities.	Return exceeds an index of three-year US Treasury notes, on a constant maturity basis.	N/A
Fixed Income Fund Investments are fixed income securities, including corporate bonds and U.S. government debt and mortgage-backed.	Total annualized return exceeds the Barclays Capital Aggregate Bond Index.	Total return which ranks above the 50th percentile in a universe of other bond funds over multiple time

INVESTMENT FUND	PERFORMANCE EXPECTATION VERSUS MARKET INDICES	PERFORMANCE EXPECTATION VERSUS UNIVERSE OF PEERS
	Volatility similar to Barclays Capital Aggregate Bond Index.	periods.
<p>Target Date Funds</p> <p>These funds will be based on a custom “glide path” (comprising a range of asset allocation mixes) that is developed based on factors specific to the SFDCP plan, including participants’ age, normal retirement, other pension income, and other factors. Investment in these funds may be elected by participants themselves, or SFDCP may map participant assets to the funds as a QDIA or in other cases where the participant has not made an election.</p> <p>See Exhibit B for further detail on the structure of the Target Date funds.</p>	<p>Each Target Date Fund will be measured against a benchmark that reflects the Growth/Capital Preservation allocation of the fund and expected to exceed the return on an annualized basis.</p>	<p>The Target Date Funds will also be measured against:</p> <ul style="list-style-type: none"> • A suitable universe of peer Target Date Funds • Other measures as necessary. <p>Total return is expected to rank about the 50th percentile over multiple time periods.</p>

EXHIBIT A (CONT'D)

PERFORMANCE EXPECTATIONS AND BENCHMARKS

INVESTMENT FUND	PERFORMANCE EXPECTATION VERSUS MARKET INDICES	PERFORMANCE EXPECTATION VERSUS UNIVERSE OF PEERS
<p>Large Cap Index Fund</p> <p>Investments will consist primarily of the 500 stocks, which comprise the S&P 500 Index.</p>	<p>Total annualized return equals the S&P 500 Index (gross of fees).</p> <p>Volatility should match the S&P 500 Index.</p>	N/A
<p>Large Cap Core Funds</p> <p>Investments will be primarily in stocks of large cap companies.</p>	<p>Total annualized exceeds the S&P 500 index.</p> <p>Volatility should be similar to the S&P 500 Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other large cap core funds over multiple time periods.</p>
<p>Large Cap Socially Responsible Fund</p> <p>Investments in a portfolio of stocks screened for certain social and environmental criteria.</p>	<p>Total annualized return equals the FTSE 4Good US Select Index (gross of fees).</p> <p>Volatility should match the FTSE 4Good US Select Index.</p>	N/A
<p>Large-Cap Value Stock Fund</p> <p>Investments will be primarily in undervalued stocks of medium and large companies, characterized by above-average income yields and below-average price/earnings ratios relative to the large cap stock market.</p>	<p>Total annualized return exceeds the Russell 1000 Value.</p> <p>Volatility should be similar to the Russell 1000 Value Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other large-cap value funds over multiple time periods.</p>

EXHIBIT A (CONT'D)

PERFORMANCE EXPECTATIONS AND BENCHMARKS

INVESTMENT FUND	PERFORMANCE EXPECTATION VERSUS MARKET INDICES	PERFORMANCE EXPECTATION VERSUS UNIVERSE OF PEERS
<p>Large Cap Growth Funds</p> <p>Investments will be primarily in stocks of medium and large cap companies, which have experienced above-average and consistent long-term earnings growth and exhibit favorable prospects for future growth.</p> <p>As of July 2005, this option is composed of a 50/50 blend of two different large cap growth funds. The Plan Administrator is responsible for maintaining the equal weighting of the two underlying funds.</p>	<p>Total annualized return exceeds the Russell 1000 Growth Index.</p> <p>Volatility should be similar to the Russell 1000 Growth Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other large cap growth funds over multiple time periods.</p>
<p>International Stock Fund</p> <p>Invests primarily in equities of non-U.S. companies and cash equivalents determined by the manager.</p>	<p>Total annualized return exceeds the MSCI EAFE Index.</p> <p>Volatility should be similar to the MSCI EAFE Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other international funds over multiple time periods.</p>
<p>Mid-Cap Core Fund</p> <p>Investments will be primarily in stocks of Mid Cap companies.</p>	<p>Total annualized return exceeds the Russell Mid-Cap Index.</p> <p>Volatility should be similar to the Russell Mid-Cap Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other Mid-Cap core funds over multiple time periods.</p>

EXHIBIT A (CONT'D)

PERFORMANCE EXPECTATIONS AND BENCHMARKS

INVESTMENT FUND	PERFORMANCE EXPECTATION VERSUS MARKET INDICES	PERFORMANCE EXPECTATION VERSUS UNIVERSE OF PEERS
<p>Mid-Cap Value Fund</p> <p>Invests primarily in securities of medium-sized companies, which are characterized by above average income yields and below average price/earnings ratios relative to the Mid-Cap stock market.</p>	<p>Total annual return exceeds the Russell Mid-Cap Value Index.</p> <p>Volatility should be similar to the Russell Mid-Cap Value Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other funds with similar funds of size and style over multiple time periods.</p>
<p>Mid-Cap Growth Fund</p> <p>Invests primarily in securities of medium-sized companies, which have experienced above-average and consistent long-term earnings growth and exhibit favorable prospects for future growth.</p>	<p>Total annualized return exceeds the Russell Mid-Cap Growth Index.</p> <p>Volatility should be similar to the Russell Mid-Cap Growth Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other funds with similar funds of size and style over multiple time periods.</p>
<p>Small Cap Core Funds</p> <p>Invests primarily in securities of small-sized companies</p> <p>As of July 2005, this option is composed of a 50/50 blend of the underlying funds used for the Plan's Small Cap Value and Small Cap Growth Fund options. The Plan Administrator is responsible for maintaining the equal weighting of the two underlying funds.</p>	<p>Total annualized return exceeds the Russell 2000 Index.</p> <p>Volatility should be similar to the Russell 2000 Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other funds with similar funds of size and style over multiple time periods.</p>

EXHIBIT A (CONT'D)

PERFORMANCE EXPECTATIONS AND BENCHMARKS

INVESTMENT FUND	PERFORMANCE EXPECTATION VERSUS MARKET INDICES	PERFORMANCE EXPECTATION VERSUS UNIVERSE OF PEERS
<p>Small Cap Value Fund</p> <p>Invests primarily in securities of small-sized companies characterized by above average income yields and below average price/earnings ratios relative to the small cap stock market</p>	<p>Total annualized return exceeds the Russell 2000 Value Index.</p> <p>Volatility should be similar to the Russell 2000 Value Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other funds with similar funds of size and style over multiple time periods.</p>
<p>Small Cap Growth Fund</p> <p>Invests primarily in securities of small-sized companies, which have experienced above-average and consistent long-term earnings growth and exhibit favorable prospects for future growth.</p>	<p>Total annualized return exceeds the Russell 2000 Growth Index.</p> <p>Volatility should be similar to the Russell 2000 Growth Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other funds with similar funds of size and style over multiple time periods.</p>
<p>Real Estate Stock Fund</p> <p>Invests in real estate investment trusts and other real estate oriented stocks in order to provide exposure to the real estate asset class.</p>	<p>Total annualized return exceeds the Morgan Stanley REIT Index.</p> <p>Volatility should be similar to the Morgan Stanley REIT Index.</p>	<p>Total return which ranks above the 50th percentile in a universe of other funds with similar funds of size and style over multiple time periods.</p>
<p>Self-Directed Brokerage Account</p> <p>Provides participants with access to a large platform of mutual funds through a brokerage window.</p>	N/A	N/A

EXHIBIT B

STRUCTURE OF TARGET DATE FUND PORTFOLIOS

The SFDCP Target Date Fund portfolios (TDFs) will be based on a custom “glide path” (comprising a range of asset allocation mixes) that are developed based on a participant’s age and retirement date, defined benefit retirement income, and other factors. These funds may be selected by participants or participant assets will be mapped by the Plan to these funds as a QDIA or in other cases where the participant has not made an election.

The Board will review the performance of the TDFs on an annual basis and consider changes in allocations as necessary.

DRAFT

	TDF 2055	TDF 2050	TDF 2045	TDF 2040	TDF 2035	TDF 2030	TDF 2025	TDF 2020	TDF 2015	Retirement
SFDCP Large Cap Core Equity - S&P 500	20.70%	20.70%	20.70%	20.70%	20.70%	18.25%	14.28%	11.08%	8.82%	7.95%
SFDCP Mid Cap Core	1.20%	1.20%	1.20%	1.20%	1.20%	1.07%	0.90%	0.71%	0.58%	0.52%
SFDCP Mid Cap Growth	1.30%	1.30%	1.30%	1.30%	1.30%	1.16%	0.95%	0.73%	0.58%	0.53%
SFDCP Mid Cap Value	1.30%	1.30%	1.30%	1.30%	1.30%	1.16%	0.95%	0.73%	0.58%	0.53%
SFDCP Small Cap Core	3.50%	3.50%	3.50%	3.50%	3.50%	2.92%	2.51%	1.88%	1.50%	1.50%
SFDCP International Equity	25.50%	25.50%	25.50%	25.50%	25.50%	21.65%	17.10%	13.25%	10.43%	9.14%
SFDCP Global Equity	10.00%	10.00%	10.00%	10.00%	10.00%	8.53%	6.05%	4.75%	3.92%	3.73%
SFDCP TDF Intl Equity (Quasi-Passive)	3.00%	3.00%	3.00%	3.00%	3.00%	2.42%	2.01%	1.69%	1.44%	1.29%
SFDCP TDF Emerging Markets Equity	1.00%	1.00%	1.00%	1.00%	1.00%	0.92%	0.51%	0.50%	0.48%	0.45%
SFDCP TDF Global Real Estate	5.00%	5.00%	5.00%	5.00%	5.00%	4.34%	3.52%	2.75%	2.20%	1.98%
SFDCP TDF Commodity	6.00%	6.00%	6.00%	6.00%	6.00%	5.27%	4.03%	3.31%	2.77%	2.47%
SFDCP TDF Global Infrastructure	5.00%	5.00%	5.00%	5.00%	5.00%	4.34%	3.52%	2.75%	2.20%	1.98%
SFDCP TDF High Yield Bonds	3.90%	3.90%	3.90%	3.90%	3.90%	2.91%	2.41%	2.03%	1.73%	1.56%
SFDCP TDF EM Debt	2.60%	2.60%	2.60%	2.60%	2.60%	1.94%	1.61%	1.35%	1.15%	1.04%
Total Growth	90.00%	90.00%	90.00%	90.00%	90.00%	76.88%	60.35%	47.51%	38.38%	34.67%
SFDCP Core Bonds	10.00%	10.00%	10.00%	10.00%	10.00%	23.12%	39.65%	41.56%	42.50%	42.50%
SFDCP TDF Short Duration Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.62%	5.33%
SFDCP TDF TIPS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.93%	17.50%	17.50%
Total Capital Preservation	10.00%	10.00%	10.00%	10.00%	10.00%	23.12%	39.65%	52.49%	61.62%	65.33%
Primary Benchmark	90% MSCI ACWI IMI / 10% BC Aggregate	90% MSCI ACWI IMI/ 10% BC Aggregate	90% MSCI ACWI IMI/ 10% BC Aggregate	90% MSCI ACWI IMI/ 10% BC Aggregate	90% MSCI ACWI IMI / 10% BC Aggregate	77% MSCI ACWI IMI/ 23% BC Aggregate	60% MSCI ACWI IMI/ 40% BC Aggregate	48% MSCI ACWI IMI/ 52% BC Aggregate	38% MSCI ACWI IMI / 62% BC Aggregate	35% MSCI ACWI IMI/ 65% BC Aggregate
Peer Universe	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile	Upper 50th percentile
Other Benchmarks	As necessary	As necessary	As necessary	As necessary	As necessary	As necessary	As necessary	As necessary	As necessary	As necessary

EXHIBIT C

INVESTMENT GUIDELINES FOR SFDCP'S STABLE VALUE FUND MANAGED BY GREAT-WEST CAPITAL MANAGEMENT ("MANAGER")

STABLE VALUE FUND: STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

I. PURPOSE

These guidelines supplement the investment management agreement between the San Francisco City and County Deferred Compensation Plan ("SFDCP") and Great West Capital Management ("Manager").

The purpose of these guidelines is to: (1) Provide more specific investment direction than that given in the investment management agreement; (2) Supplement SFDCP's Investment Policy Statement with specific individual manager guidelines; (3) Provide a clear understanding of performance expectations and performance evaluation procedures; and to (4) Establish a medium for ongoing dialogue between SFDCP and the investment manager regarding the manager's investment philosophy, process and strategies.

II. INVESTMENT APPROACH – US HIGH QUALITY INVESTMENT GRADE FIXED INCOME

Within the parameters as stated below, the objectives of the SFDCP Stable Value Fund are to:

1. Provide stable and predictable returns;
2. Preserve principal;
3. Earn a reasonable level of income commensurate with other objectives of the fund, including the maintenance of a low level of credit risk; and,
4. Maintain a highly liquid portfolio

GENERAL GUIDELINES

All investments are subject to compliance with applicable Local, State and Federal statutes, and shall be managed in a diversified and prudent manner. The manager shall invest within the scope of its stated style. The manager shall adhere to the CFA Institute's Code of Ethics and the Standards of Professional Conduct as presented in the *Standards of Practice Handbook*.¹

Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager. The following transactions are prohibited: short sales, selling on margin, writing options, "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA), and transactions that involve a broker acting as a "principal," where such broker is also the investment manager who is making the transaction. Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Plan participants.

¹The CFA Institute. *Code of Ethics and Standards of Professional Consult.* Charlottesville, VA, June 2010 or successor editions.

PORTFOLIO CHARACTERISTICS AND GUIDELINES	ELIGIBLE	PROHIBITED	COMMENTS
Portfolio Duration			Maximum of 5 Years and a target of 2 to 4 years.
Minimum Issue Credit Rating ²			Credit rating limits on various permissible sectors are listed below in these guidelines.
Average Portfolio Credit Quality ²			AA- or better.
Maximum Number of Issues			None.
Money Market Mutual funds	X		Mutual Fund, under the terms of its prospectus, must invest primarily in securities issued by U.S. Government, US Government Agencies, or US Government Sponsored Enterprises
Certificates of Deposit	X		Permitted only if issuing bank deposits are 100% guaranteed by the FDIC.
Bankers Acceptances		X	
Repurchase Agreements	X		Permitted only if fully collateralized by United States Government, Agency, or GSE securities.
U.S. Government Short Term Issues	X		Debt of US Treasury, US Government Agencies, GSEs, quasi-federal corporations, and corporate or foreign debt guaranteed by the US Government with a maximum remaining maturity of 297 days.
Commercial Paper rated A1/PI or equivalent		X	
US Government Issues	X		Eligible issues shall be securities included in the Barclays Capital US Government Index, i.e., public obligations of the US Treasury with a remaining maturity of one year or more (at purchase) and publicly issued debt of US Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the US Government. TIPS are not included, but may be purchased

² For split-rated issues, if rated by Moody's, S&P, and Fitch, the middle rating will apply of the three agencies. If rated by two of the agencies, the lower rating of the two agencies will apply. If only rated by one agency, that rating will apply.

PORTFOLIO CHARACTERISTICS AND GUIDELINES	ELIGIBLE	PROHIBITED	COMMENTS
			only if permission is granted in writing by the SFDCP.
US Agency Issued Mortgage-Backed Securities & CMBS	X		Eligible Mortgage-Backed Securities shall be pass-through mortgage backed securities issued by FHLMC, FNMA, Vendee, FHLB, or GNMA, or other United States Agency or GSE that are secured by fixed and floating rate first liens on real estate and rated AAA. ²
Asset Backed Securities, non-agency mortgage-backed securities, and commercial mortgage-backed securities	X		Securities in these sectors must be rated AAA. ²
Municipal Securities		X	
Corporate and Dollar-Denominated Foreign Bond Obligations	X		Securities in these sectors must be rated A- or better . ² These securities may comprise no more than 20% of the portfolio's market value. Included in Foreign Bonds are sovereign debt, Corporate Bonds, and other Government debt.
Obligations (CMOs)	X		CMOs are permitted subject to concentration limits specified above, but no investments are allowed in mortgage interest only (IO), principal only (PO), inverse floaters or other CMO derivatives that have highly uncertain or volatile duration, prepayment or price movements are not permitted. All CMO holdings must be rated AAA. ² CMOs shall be limited to 20% of portfolio.

BENCHMARK & PERFORMANCE OBJECTIVE

Benchmark Index:	The returns after investment management fees will be compared to the returns of three-year treasury notes, on a constant maturity basis.
Performance Objectives:	The portfolio's performance objective will be to outperform the index over a full market cycle (normally defined as 3-5 years).

DERIVATIVES

Aside from any purchase of CMOs allowed above, the use of any derivatives is limited to hedging purposes only. In no event may derivatives be used to employ leverage. Any use of derivatives shall in no way violate other guideline limits on the portfolio, e.g. limits on duration and sector allocation.

Special Provision Regarding “In Kind” Transfers

The manager is expected to adhere to the investment policies as outlined in this document with the exception of certain assets transferred “in kind” from the prior investment manager, designated as Type “B” Transferred Assets. With respect to those assets, the manager is expected to either hold the securities until maturity, or if the assets are sold, the proceeds will be invested in accordance with the investment policies as outlined in this document. Group Policyholder (SFDCP) acknowledges that Great West operates only in an investment advisory capacity, and not an investment manager, with regard to Type “B” Transferred Assets. Group policyholder further acknowledges that it must provide express written instructions and authorization to Great West regarding all transactions involving Type “B” Transferred Assets. Modifications to these guidelines will not affect the handling of or status of “B” assets originally designated as such by the guidelines in effect for this portfolio as of January 30, 2009.

SHORT-TERM INVESTMENTS

All money received by Great-West for deposit to the Stable Value Fund will be invested the same day it is received. Whenever possible these monies will be invested in the type of investments indicated above. However, if the monies are received at a time of the day which makes this impractical, then the monies will be invested in an interest bearing account at a commercial bank. The following business day the money will then be invested according to the above guidelines.

REPORTING

On a monthly basis, the manager will provide a statement to SFDCP showing the market value of each security, the sector diversification within the portfolio, and the duration, quality and yield of the portfolio. This statement will also compare the performance of the portfolio to the performance of its benchmark index. The manager will also report on any loans made by the General Account to the Stable Value Fund.

The manager is responsible for notifying SFDCP in writing of any exceptions to compliance with these guidelines (other than in Type “B” assets) as soon as possible after the time of the occurrence of the exception, but in all cases within 15 business days of the occurrence. Holding securities that no longer comply with these guidelines (including but not limited to a security that undergoes a change in credit rating) will be considered by SFDCP on a case-by-case basis. Permission for holding any non-compliant issues will require written approval by SFDCP based on a written recommendation from the manager as to whether the security should be retained and over what time frame, or any other factors. SFDCP is under no obligation to accept any recommendation to retain a security that is no longer compliant with these guidelines. Until SFDCP provides written direction regarding manager’s recommendation, the manager shall be able to hold the security consistent with the manager’s recommendation. Should SFDCP direct the manager to sell the security, the Manager will then sell the security not in compliance as soon as practical, but not later than 30 days after receiving notification by SFDCP.

It shall be the manager’s responsibility to review these guidelines on a regular basis and to make recommendations in writing for changes that will allow SFDCP to take advantage of future investment opportunities. SFDCP will consider such written recommendations but is under no obligation to accept them.

On a monthly basis, the manager will provide to SFDCP a book value statement showing the book value of the total portfolio and describing the methodology and assumptions used to reset the crediting rate of the Stable Value Fund.

As needed, a senior representative of Great-West will be expected to meet with SFDCP and provide a verbal and written review of his/her investment decisions, their underlying rationale and expected future implication will also be provided.

Appendix G
Stable Value Monthly Cash Flows (Revised – January 30, 2013)

SFDCP Stable Value Cash Flow		
<u>Date</u>	<u>Balance</u>	<u>Net Cash Flow</u>
12/31/2009	\$ 793,397,343.28	
1/31/2010	\$ 798,015,501.92	\$ 4,618,158.64
2/28/2010	\$ 804,198,577.96	\$ 6,183,076.04
3/31/2010	\$ 810,682,896.51	\$ 6,484,318.55
4/30/2010	\$ 811,553,155.02	\$ 870,258.51
5/31/2010	\$ 823,896,188.50	\$ 12,343,033.48
6/30/2010	\$ 829,773,385.13	\$ 5,877,196.63
7/31/2010	\$ 835,269,241.82	\$ 5,495,856.69
8/31/2010	\$ 845,997,799.89	\$ 10,728,558.07
9/30/2010	\$ 852,389,606.47	\$ 6,391,806.58
10/31/2010	\$ 856,214,116.01	\$ 3,824,509.54
11/30/2010	\$ 858,893,576.33	\$ 2,679,460.32
12/31/2010	\$ 861,863,366.57	\$ 2,969,790.24
1/31/2011	\$ 864,679,524.23	\$ 2,816,157.66
2/28/2011	\$ 868,718,609.06	\$ 4,039,084.83
3/31/2011	\$ 877,209,029.88	\$ 8,490,420.82
4/30/2011	\$ 878,736,156.04	\$ 1,527,126.16
5/31/2011	\$ 882,826,924.52	\$ 4,090,768.48
6/30/2011	\$ 894,470,126.82	\$ 11,643,202.30
7/31/2011	\$ 906,674,620.14	\$ 12,204,493.32
8/31/2011	\$ 921,258,231.88	\$ 14,583,611.74
9/30/2011	\$ 926,589,506.71	\$ 5,331,274.83
10/31/2011	\$ 930,503,946.84	\$ 3,914,440.13
11/30/2011	\$ 937,669,577.89	\$ 7,165,631.05
12/31/2011	\$ 945,316,112.55	\$ 7,646,534.66
1/31/2012	\$ 951,668,204.95	\$ 6,352,092.40
2/29/2012	\$ 955,420,917.45	\$ 3,752,712.50
3/31/2012	\$ 957,688,135.84	\$ 2,267,218.39
4/30/2012	\$ 923,572,660.76	\$ (34,115,475.08)
5/31/2012	\$ 926,742,291.31	\$ 3,169,630.55
6/30/2012	\$ 935,239,809.65	\$ 8,497,518.34
7/31/2012	\$ 940,470,594.86	\$ 5,230,785.21
8/31/2012	\$ 942,542,085.90	\$ 2,071,491.04
9/30/2012	\$ 945,284,295.59	\$ 2,742,209.69
10/31/2012	\$ 944,825,064.46	\$ (459,231.13)
11/30/2012	\$ 950,063,405.14	\$ 5,238,340.68
12/31/2012	\$ 956,073,696.36	\$ 6,010,291.22

Source: GWRS. Note outflow in April 2012 due to mapping of Lifestyle funds to TDFs.

Appendix H
SFDCP Plan Participant Demographics

**Plan Demographics and other Data for SFDCP
(All data as of 6/30/12 unless otherwise noted)**

**Plan Assets By Investment Option
As of 06/30/2012**

FUNDS	ASSETS AS OF 06/30/2011	PERCENT OF TOTAL	ASSETS AS OF 06/30/2012	PERCENT OF TOTAL
Stable Value Portfolio	\$ 793,852,253	45.66%	\$ 935,239,806	43.63%
Target Date Funds ¹	-	0.00%	\$ 404,675,865	18.88%
Large Cap Growth Equity Portfolio	\$ 187,732,815	10.80%	\$ 233,368,263	10.89%
International Equity	\$ 105,448,753	6.07%	\$ 111,343,777	5.19%
Large Cap Core Equity-S&P 500 Index	\$ 77,273,148	4.44%	\$ 106,431,985	4.97%
Core Bond Portfolio	\$ 74,330,126	4.28%	\$ 86,906,461	4.05%
Mid Cap Core Equity Portfolio	\$ 41,245,660	2.37%	\$ 50,664,239	2.36%
Small Cap Value Equity Portfolio	\$ 32,549,597	1.87%	\$ 40,716,128	1.90%
Real Estate Portfolio	\$ 20,250,392	1.16%	\$ 34,553,122	1.61%
Large Cap Core Equity Active Portfolio	\$ 18,650,483	1.07%	\$ 26,419,154	1.23%
Large Cap Value Equity Portfolio	\$ 19,413,410	1.12%	\$ 26,217,350	1.22%
Small Cap Growth Equity Portfolio	\$ 18,572,321	1.07%	\$ 23,942,639	1.12%
Mid Cap Growth Equity Portfolio	\$ 8,625,351	0.50%	\$ 16,469,528	0.77%
Mid Cap Value Equity Portfolio	\$ 12,173,901	0.70%	\$ 15,062,830	0.70%
TD Ameritrade	\$ 12,113,680	0.70%	\$ 12,061,173	0.56%
Small Cap Core Equity Portfolio	\$ 6,519,084	0.37%	\$ 9,772,113	0.46%
Large Cap Social Equity Portfolio	\$ 8,706,293	0.50%	\$ 9,626,856	0.45%
Term Portfolios ¹	\$ 301,111,701	17.32%	-	0.00%
TOTAL	\$ 1,738,568,969	100.00%	\$2,143,471,289	100.00%

¹Term Portfolios were eliminated and assets were mapped to SFDCP Target Date Funds.

Plan Contributions By Investment Option

As of 06/30/2012

FUNDS	CONTRIBUTIONS	ROLLINS	TOTAL CONTRIBUTIONS	PERCENT OF TOTAL
Stable Value Portfolio	\$ 42,836,716	\$ 10,292,865	\$ 53,129,581	40.05%
Term Portfolio	\$ 25,799,274	\$ 1,210,803	\$ 27,010,077	20.36%
Large Cap Growth Equity Portfolio	\$ 8,949,166	\$ 68,257	\$ 9,017,424	6.80%
International Equity	\$ 6,967,399	\$ 179,982	\$ 7,147,381	5.39%
Large Cap Core Equity - S&P 500 Index	\$ 6,333,931	\$ 72,933	\$ 6,406,864	4.83%
Target Date Funds	\$ 4,953,404	\$ 805,794	\$ 5,759,198	4.34%
Core Bond Portfolio	\$ 4,972,798	\$ 214,558	\$ 5,187,357	3.91%
Mid Cap Core Equity Portfolio	\$ 3,331,597	\$ 150,011	\$ 3,481,609	2.62%
Real Estate Portfolio	\$ 2,249,861	\$ 353,096	\$ 2,602,957	1.96%
Small Cap Value Equity Portfolio	\$ 2,504,698	\$ 82,275	\$ 2,586,972	1.95%
Small Cap Growth Equity Portfolio	\$ 1,989,832	\$ 392,419	\$ 2,382,251	1.80%
Large Cap Core Equity Active Portfolio	\$ 1,837,561	\$ 50,113	\$ 1,887,674	1.42%
Large Cap Value Equity Portfolio	\$ 1,778,776	\$ 26,208	\$ 1,804,984	1.36%
Mid Cap Growth Equity Portfolio	\$ 1,233,566	\$ 79,911	\$ 1,313,477	0.99%
Mid Cap Value Equity Portfolio	\$ 1,022,258	\$ 54,177	\$ 1,076,435	0.81%
Small Cap Core Equity Portfolio	\$ 905,574	\$ 4,859	\$ 910,433	0.69%
Large Cap Social Equity Portfolio	\$ 754,423	\$ 9,201	\$ 763,624	0.58%
TD Ameritrade	\$ 180,137	\$ -	\$ 180,137	0.14%
TOTAL 2011/12 FISCAL YEAR CONTRIBUTIONS	\$ 118,600,973	\$ 14,047,463	\$ 132,648,436	100%

Other Activity By Investment Option

As of 06/30/2012

FUNDS	DISTRIBUTIONS	EARNINGS
Stable Value Portfolio	\$ (49,663,028)	\$ 27,651,892
Term Portfolios ¹	\$ (8,946,901)	\$ 14,009,015
Large Cap Growth Equity Portfolio	\$ (7,226,670)	\$ 7,154,542
Core Bond Portfolio	\$ (3,263,170)	\$ 5,445,844
Large Cap Core Equity - S&P 500 Index	\$ (2,810,528)	\$ 5,541,596
International Equity	\$ (2,774,519)	\$ (16,907,088)
Target Date Funds	\$ (1,669,387)	\$ (6,457,338)
Mid Cap Core Equity Portfolio	\$ (1,288,481)	\$ (699,956)
Small Cap Value Equity Portfolio	\$ (1,112,335)	\$ (1,293,969)
Real Estate Portfolio	\$ (934,939)	\$ 2,720,710
Small Cap Growth Equity Portfolio	\$ (812,679)	\$ (5,249,237)
Large Cap Value Equity Portfolio	\$ (677,762)	\$ 118,556
Large Cap Core Equity Active Portfolio	\$ (645,713)	\$ 1,401,693
Mid Cap Value Equity Portfolio	\$ (395,453)	\$ (1,442,070)
Mid Cap Growth Equity Portfolio	\$ (287,859)	\$ (640,289)
Small Cap Core Equity Portfolio	\$ (268,807)	\$ (1,077,935)
Large Cap Social Equity Portfolio	\$ (186,665)	\$ 282,746
TD Ameritrade	\$ -	\$ (913,233)
TOTAL 2011/12	\$ (82,964,894)	\$ 29,645,479

Plan Distribution Activity

As of 06/30/2012

REASON	COUNT	AMOUNT	PERCENT
Retirement	9529	\$ (53,425,181)	64.4%
Separation of Service	596	\$ (10,623,947)	12.8%
Minimum Distribution	254	\$ (4,891,038)	5.9%
Death Claim	137	\$ (4,745,329)	5.7%
Purchase of Service Credit	194	\$ (4,366,788)	5.3%
Hardship	197	\$ (2,839,061)	3.4%
QDRO	50	\$ (976,175)	1.2%
Beneficiary Payment	418	\$ (769,288)	0.9%
In-service Rollover	14	\$ (162,201)	0.2%
70 1/2 In-service	50	\$ (144,818)	0.2%
De Minimis Distribution	5	\$ (12,716)	0.0%
Ineligible Contribution	2	\$ (7,187)	0.0%
Excess Deferral	1	\$ (1,166)	0.0%
Total	12,447	\$ (82,964,894)	100.0%

Participants by Age Range in Stable Value (as of 6/30/12)

AGE GROUP	STABLE VALUE
<=25	\$ 163,707
26-33	\$ 4,675,255
34-40	\$ 17,531,783
41-48	\$ 67,624,096
49-55	\$ 165,013,130
56-58	\$ 124,300,094
59-62	\$ 200,701,969
63-65	\$ 128,917,197
Over 65	\$ 225,797,960

Plan Age Group Participation (as of 6/30/12)

AGE GROUP	NUMBER OF PARTICIPANTS	ACTIVE PARTICIPANTS WITH A BALANCE	ACTIVE PARTICIPANTS CONTRIBUTING	% OF ACTIVE PARTICIPANTS CONTRIBUTING
25 and Under	90	75	74	99%
26-33	1,689	1,265	1,187	94%
34-40	2,922	2,222	2,001	90%
41-48	5,140	4,308	3,685	86%
49-55	5,228	4,345	3,759	87%
56-58	2,300	1,661	1,442	87%
59-62	2,936	1,637	1,381	84%
63-65	1,752	597	478	80%
Over 65	2,870	368	250	68%
TOTAL	24,927	16,478	14,257	86%

Participant Accounts Growth (as of 6/30/2012)

