



CITY OF AURORA-POLICE MONEY PURCHASE PENSION PLAN

retirement report



March 28, 2011

Fund Changes - Effective May 2, 2011

After a thorough review and manager search process, the Board of Trustees has determined to replace the Rainier Large Cap Equity Fund (RAIEX) with the Nuveen Winslow Large Cap Growth Fund (NVLIX), and to replace the Artisan International Fund (ARTIX) with the American Funds EuroPacific Growth R4 (REREX). These changes are attributed to an ongoing monitoring and due diligence process conducted by the City of Aurora-Police MPPP Board of Trustees in conjunction with the Plan's independent investment consultant (Wurts & Associates), to monitor and evaluate the performance and investment style of each fund offered to Plan participants. **Both fund changes will occur automatically on May 2, 2011.** Therefore, participants with balance(s) in these funds or Target Date Portfolios do not need to make changes to their investments unless they wish to avoid investing in the two new funds. Please contact Rick Rodgers, Plan Administrator (303-221-5900) if you have any questions concerning the fund replacements or to make changes to your portfolio.

The Rainier Large Cap Equity Fund (RAIEX) will be eliminated from the menu of core funds and all Target Date Portfolios, with all current assets being automatically transferred to the Nuveen Winslow Large Cap Growth Fund (NVLIX) effective May 2, 2011. Likewise, the Artisan International Investment Fund (ARTIX) will be eliminated from the menu of core funds and all Target Date Portfolios, with all current assets being automatically transferred to the American Funds EuroPacific Growth R4 Fund (REREX) effective May 2, 2011. Contributions made after May 2, 2011 that would have been invested in the Rainier Large Cap Equity Fund (RAIEX) will be invested in the Nuveen Winslow Large Cap Growth Fund (NVLIX). Contributions made after May 2, 2011 that would have been invested in the Artisan International Investment Fund (ARTIX) will be invested in the American Funds EuroPacific Growth R4 Fund (REREX).

Replacement of Rainier Large Cap Equity with Nuveen Winslow Large Cap Growth

The replacement of Rainier Large Cap Equity Fund (RAIEX) with the Nuveen Winslow Large Cap Growth Fund (NVLIX) was primarily based upon concerns with Rainier's underperformance in 2009 and 2010. The fund's performance struggled on a relative basis (performance compared to other funds with similar investment objectives) due to disappointing stock selection during the past two years. The Board also determined that the fund's style has drifted from that of a true-growth strategy. As such, the Board sought out funds with a truer growth style. Nuveen Winslow was selected due to the management's exclusive focus on growth stock investing, stable and consistent performance in a variety of market environments, and competitive level of fees. The Rainier Fund's operating expense ratio (OER) is 0.88% and the Nuveen Winslow fund's OER is 0.80%.

Replacement of Artisan International with American Funds EuroPacific Growth R4

The Board of Trustees determined to replace the Artisan International Investment Fund (ARTIX) with the American Funds EuroPacific Growth R4 Fund (REREX) due to concerns about Artisan's underperformance in 2008 and 2010. The Board is also concerned about the high level of fees this fund bears compared to other funds with similar objectives. As such, the Board sought out international growth equity funds that have provided competitive and consistent performance, are well managed and have more reasonable levels of fees. The American Funds EuroPacific Growth R4 fund has an OER of 0.86% versus Artisan's OER of 1.22%. The fund is managed by a team of eight portfolio managers and the fund's team of analysts who collectively have selected over 275 stocks. The portfolio is a collection of the best of ideas from these nine sleeves, with only the best making it into the top ten, because multiple managers must own the stock to get it into the portfolio.