

**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF
COLORADO**

401(k), 401(a), & 457(b) PLAN ADMINISTRATION

REQUEST FOR PROPOSAL VENDOR QUESTIONS & ANSWERS

PROPOSAL DUE DATE:

January 20, 2011

5:00 PM PST

1. How many unique Social Security numbers are there in all 3 plans?

Number of participants in each plan:

401(k) – 76,631

457 – 17,994

DC Plan – 4,882

Number of participants in multiple plans:

401(k) /457 – 9,675

401(k) /DC plan – 223

457/DC Plan – 1,467

401(k) /457/DC Plan – 43

2. How many unique employers are there in all three plans?

There are 412 unique reporting employers. Currently, 411 of the employers participate in the 401(k) plan and 65 participate in the 401(a) plan. Further, the 457(b) plan has 85 employers participating, but has the potential for 412 employers. There is one employer that is allowed to participate in the 457(b) plan but is not affiliated with the 401(k) or 401(a) plans.

3. Please provide a list of employers currently participating in the 457 plan.

PERA declines to answer this question.

4. Can you confirm if PERA is looking for options for a change in Trustee and/or Custodial services? If so, please describe.

PERA's Board of Trustees will remain as the trustee for the plans. Northern Trust will custody the assets of the plans. Currently, Northern Trust does not issue checks or provide tax reporting. Those services are handled by the current recordkeepers or their agents. PERA requests that the bidding firms separately bid the services related to check issues and tax reporting.

5. As custodian and trustee, will Northern Trust be cutting checks and providing tax reporting?

See answer to #4 above.

6. Re: Page 6, Section IV, #1, will participants be restricted to either an actively managed *or* a passively-managed fund within a single asset class, or will they be able to invest in both active and passive within the same asset class?

Participants will *not* be restricted with respect to investment choices, provided that the investment choice is offered through the plan. Both active and passive options will be made available.

7. Please provide the following information for the current 457 Stable Value Fund:
- What is the current crediting rate on the Great West Stable Value Fund?
 - What is the current structure of the GW SVF? (i.e. collective investment trust, general account or separate account)
 - What are current fees for the GW SVF (combined wrap and investment management)?
 - What are the current Investment Guidelines for the GW SVF?
 - What is the termination provision for the GW SVF (e.g. 12 month put, installment payments, etc.)?
 - Would PERA be interested in a similar underlying strategy for an alternate SVF?
 - What is the current market to book ratio of the GW SVF?
 - Will the Great West stable value assets transfer at book value? Does a Deferred Sales Charge or Market Value Adjustment apply to the GW SVF?
 - Is an in kind transfer available for the underlying securities if PERA wants to continue to manage an alternate SVF in a similar manner?
 - What are the other termination provisions for the GW SVF?

PERA declines to answer these questions. PERA is seeking recordkeeping proposals, and will separately evaluate stable value options at its discretion.

8. Please provide the following plan data for the 457(b) plan:
- Stable value cashflow (deposits, withdrawals, transfers). Please see attached file named "SV Cashflow Sample.xls".
 - Stable value participant demographics. Summary of stable value assets broken down by participant age and status (active/inactive). Please see attached file named "SV Demographic Sample.xls".

PERA declines to answer these questions.

9. Please confirm what PERA would like bidders to provide in terms of an investment line-up: Would you like bidders to suggest a fund line-up and/or mapping for traditional funds; underlying managers for “white label” funds, or both?

PERA does not request any investment lineups or mapping strategies from the bidding firms. To the extent you provide some consulting services with your recordkeeping services, you may describe those services.

10. What is the number of participants and assets in advice and managed account respectively?

11 participants and \$503,401 in advice; 4,524 participants and \$34,495,376 in managed accounts.

11. Is there any specific weighting to the Evaluation Criteria outlined on Page 16?

There is no specific weighting to the Evaluation Criteria, and PERA reserves the right to make a judgment on the basis of the best overall service proposal, and these Criteria serve as an illustration of the areas of evaluation only.

12. What is the contract term?

PERA is seeking bids with a minimum 3-year initial term but will consider longer terms and renewal options. The contract will provide for termination of the recordkeeper upon reasonable notice and immediate termination for cause

13. How many PERA FTE's currently provide education on the 401(k) and 401(a) plans? What percentage of their time is allocated to these plans?

PERA requests that the bidding firms propose their own education services based on information provided in the RFP, such as PERA's statewide presence, the number of potential participants and PERA's goal to encourage participation in the plans.

14. How many Great West Life representatives currently provide education on the 457 plan? Are they exclusive? If not, what percentage of their time is dedicated to the PERA 457 Plan?

See answer to 13 above.

15. Does GWL keep any of the revenue sharing on the existing 457 funds? If so, please describe.

PERA declines to answer this question. As stated in the RFP, PERA's intent is to require that all revenue from the plans flow to PERA. The only revenue to the recordkeeper will be the price negotiated between PERA and the recordkeeper for the services. The RFP requests proposals employing asset-based pricing and as a charge per participant account.

16. Re: Page 34, Section J, #1, does PERA want bidders to disclose revenue received from managed accounts/advice?

Any and all revenues received by the bidders must be disclosed, and such revenue will flow to PERA.

17. During the bidders call, it was referenced that there is substantial participant overlap between the 401(k) and 457(b) plans. How many unique social security numbers exist between these plans?

See answer to #1 above.

18. Is it acceptable to offshore certain back-office administrative functions (non-participant and non-client facing) or does this engagement require 100% onshore delivery of all functions?

PERA is not subject to any prohibition on offshore services, but expects that all such services will be fully disclosed and described to PERA prior to executing an agreement.

19. The RFP indicates the volume of outstanding loans. Please supply the average annual volume of new loans.

# of New Loans	401(k) Plan	457(b) Plan
2008	3,058	447
2009	3,460	520
Thru 9/30/2010	2,800	498

20. Within the 457(b) plan, who is your current Advice and Managed Accounts provider today? What percentage of members is currently enrolled in Managed Accounts along with their balance in this option?

The advice and managed accounts service is the proprietary service suite offered by the Advised Assets Group of Great-West Retirement Services. Also see the answer to question 10 above.

21. The recordkeepers of the 401(k) Plan and the 457 Plan each maintain custom Web sites. How effective have these sites been in delivering useful information to members? What are your goals for these Web sites? Is the new recordkeeper expected to provide a consolidated custom Web site or would you prefer to streamline information access by directing employees to the Colorado PERA Web site?

PERA's preference is for the recordkeeper to provide a custom Web site that would be accessed via single sign-on from the PERA website. The member would access the PERA secure Web site and be presented with the ability to link directly to the recordkeeper's Web site without having to revalidate. The member would not have direct access to their DC information by starting at the recordkeeper's Web site.

22. Is Colorado PERA open to automating certain processes, such as New Enrollments, Deferral Rate Changes, or Withdrawals, to be paperless?

PERA is open to automation of those processes, provided that all desired functionalities can be maintained.

23. The RFP indicates that Colorado PERA would like a daily feed that includes information on participant requested distributions. Does Colorado PERA just need the total distribution amount across the plan or by individual distribution details? If the latter, does Colorado PERA need to approve distributions prior to a check being cut?

The daily feed should have individual distribution details. PERA will not need to approve distributions, but will ensure that the recordkeeper has accurate demographic information to determine eligibility for distributions.

24. What is the volume of forms processing each month mentioned in the RFP? Please supply the volume broken out by form type.

Approximately, for the 401(k) Plan, per month, our TPA processes 65 rollovers, 27 hardships, 200 beneficiary forms, 125 loan issues, 75 file maintenance, and 150 distributions.

Approximately, for the 457 Plan, per month, our TPA processes 30 rollovers, 5 hardships, 50 beneficiary forms, 60 loan issues, 50 file maintenance, and 200 distributions.

25. The bidder's call helped us understand your goals relative to the information you'd like to obtain in the RFP. However, we'd also like to understand your current goals for the retirement communications and education program as it exists today. What channels do you leverage for distribution? Do your employers/agencies conduct their own communications and education programs? How are efforts measured for success?

See answer to #13 above.

26. What are your key goals in the near future? What additional measurement criteria would you like to see for communications programs going forward?

See answer to #13 above.

27. In what languages does Colorado PERA currently provide communications? Will translation be required for any particular audiences? If so, which languages?

Spanish is required. PERA is also interested in descriptions of any other translation services the bidders can provide.

28. The 401(k) Plan recordkeeper provides a standard quarterly newsletter, the 457 Plan recordkeeper provides a more customized quarterly newsletter and Colorado PERA provides another newsletter. Is the new recordkeeper expected to provide either a standard or custom newsletter or provide content for the Colorado PERA newsletter?

The recordkeeper will produce and distribute a custom newsletter, but the content will be based on information from the recordkeeper and PERA.

29. What percentage of Colorado state employees has employee e-mail addresses?

There are 29,929 e-mail addresses for members (both active and inactive) out of 391,460 (7.64%). We have 14,724 e-mail addresses for retirees out of 93,476 (15.75%).

30. For the call center customer service, are there any additional language needs outside of English?

Spanish.

31. Who is the current provider for self-directed brokerage accounts? Are there any restrictions in place which would prohibit members from investing in certain securities or other available investment options?

TD Ameritrade is the current provider for self-directed brokerage accounts. Investment options and restrictions for any self-directed brokerage accounts will be determined by PERA in its normal process for setting investment lineups.

32. How many members have self-directed brokerage accounts?

144 participants and assets of \$6,403,991.06.

33. Page 19 #20 asks for references for a large governmental plan, since over half of CO PERA is made up of K12 or other NFP groups, can the references be expanded to include this type of organization with the same size parameters?

Yes, provided that the bidding firm describes the plan and its similarity to large governmental plans.

34. Can you expand on what role the communication staff with CO PERA serves in enrolling, educating employees. What role would CO PERA like the vendor's financial experts to fill within the education model for your member groups?

See answer to #13 above.

35. Please confirm legal provisions on page 10 must be agreed to without exception.

No, the terms of the agreement are negotiable; however, those provisions indicate PERA's position on the subject matters mentioned.

36. Will there be a separate RFP for selection of the stable value. If we would like to propose a stable value option, can we include information on the option?

It is unlikely that a separate RFP for stable value option will be issued, but it is possible. In addition, all firms are permitted to suggest a fund or supply information, but due to the unbundled nature of the search, it will not be relevant to the evaluation of proposals, and will not be considered in the process.

37. What are your participation goals for your member organizations? Do you feel that 16% participation rate is reasonable for your members?

Retirement security is very important to PERA, thus PERA would like all of its members to participate in a voluntary defined contribution plan. PERA declines to answer the second question.

38. Can you provide a work flow for trust and custodial services as they relate to their responsibilities? The introduction mentions that Northern Trust will provide trustee services, but there is also a trustee section in the RFP. Is this section to be ignored or are there tasks that need to be performed by an additional trustee?

No section of the RFP is to be ignored. The RFP states that Northern Trust will provide custodial services, and that the PERA Board is the Trustee. Please see answer to #4 above.

39. In regards to the white labeling, is PERA looking for this option on the stable value fund or all funds?

All funds, with the potential exception of the target retirement date fund series.

40. Is PERA looking to have fund of funds, or pure separate accounts for each 'white labeled fund'?

Even if a fund of funds structure is opted for, it is expected that the funds will be unitized. In addition, it is expected that Northern Trust will be performing the unitization service. The recordkeeper submitting is to recordkeep the SNAV supplied by Northern Trust.

41. How often is the current vendor on site at the various states locations to educate the participants about the plan? Is this deemed sufficient?

See answer to #13 above.

42. What is the current rate on the fixed account? Is there a Guaranteed minimum rate?

PERA declines to answer this question.

43. What are the withdrawal provisions for the plan?

Please see the Plan documents for such provisions.

44. Please provide the fixed account cash flow history for the last twelve quarters.

PERA declines to answer this question.

45. What current program features and/or service does the plan and participants like? Dislike?

PERA declines to answer this question.

46. What proportion of the total assets and fixed account fund is controlled by retired and/or terminated employees?

PERA declines to answer this question.

47. What is the existing withdrawal protocol for the fixed account? (LIFO, pro-rata, etc.)

PERA declines to answer this question.

The following questions are specifically in regards to the education and communication program:

See the answer to #13 above for questions 48 through 63.

48. What would you cite as your primary concern with your existing plan?

49. Can you segment your employee base? Are there unique populations or groups that constitute the whole? (e.g., teachers vs. other, male vs. female, salary, age, ethnicity, etc.)

50. Are there any underserved segments of your employee population or groups that you feel need to be targeted? Why?

51. How do employees learn the difference between retirement savings options? (e.g., traditional pension vs. PERA 401(k) vs. 403(b), etc.)

52. Are there differences in the messages and channels used to communicate to teachers vs. the other employees?

53. Have employees expressed any preferences with respect to benefit communications?

54. Which communication channels appear to be most effective?

55. What is the frequency of your current participation campaigns? (e.g., once a year during open enrollment, throughout the year, etc.)

56. Are there concepts and features of the retirement program that you would specifically prefer us to emphasize in communications?

57. Have your employees provided any feedback on gaps with current communications? Information they would like to have or topics they would like addressed?
58. Are retirement plan communications branded as coming from you or your provider? Do you have a preference?
59. Would you provide samples of your communication materials?
60. Do your employees have access to educational information? If so, please describe.
61. Do your employees respond more favorably to in-person seminars or web-based education programs?
62. How would you define the success of a communications and education campaign? (e.g., attendance, follow-up appointments, increased plan enrollment or activity, subjective evaluations, etc.)
63. How would your employees define a successful program?
64. Please confirm that the record keeper will communicate the participant-initiated trades to Northern Trust (internal trades) and the mutual fund companies (external trades). Also, that Northern Trust will communicate trades to underlying funds held in fund-of-funds investment options (profile product). Please confirm that all trades will be in aggregate and Northern Trust will settle all trades.

We can confirm all of the above.

65. Please provide a workflow of the daily processing interface between the record keeper and Northern Trust, including data file layouts and description of the data elements required for each file.

See Attachment A to these Questions and Answers. Within Attachment A, there is:
The CIT Format

An illustration of the preferred outbound NAV format

An illustration of system terms and processes

A daily fund flow schematic and process description

66. Please detail the contribution process including file transmission, timing, and communication.

PERA's plans require that the employer submit contributions and contribution reports to the recordkeeper electronically within 5 days after the pay date. The pay date frequencies are specific to each employer and do not fall on the same days for all employers. PERA expects the recordkeeper to have employer relations representatives available to help the employers with the process to ensure accuracy and timeliness. The recordkeeper is responsible for calculating and collecting the

applicable fees and interest charged under the plans to employers who are late in submitting their contributions or reports. The contributions must be posted to the member accounts within the industry standard timeframes, and those specified within the final agreement.

67. Does Northern Trust issue distribution checks to participants? If so, please describe the process, including the interface with record keeper.

See answer to #4 above.

68. Does Northern Trust perform State and Federal tax withholding? If so, please describe the process, including the interface with record keeper.

No, see answer to #4 above.

69. Please provide a diagram of the banking flow and processes required to initiate cash movement.

All contributions and rollovers into the Plans are sent to a treasury DDA (direct deposit account) at The Northern Trust (TNT). The recordkeeper balances the contribution information received from the employers and the rollover information received from participants to the cash in the DDA. Once the information is reconciled they move the cash, via the TNT Treasury Passport System, over to the custody side of TNT into the Clearing account. Colorado PERA controls who has access to the TNT Treasury Passport system. Once the cash is in the Clearing account, the recordkeeper initiates the required trades each evening for the net purchase or sale of each investment fund offered by the Plans. These nightly trades encompass all activity including loan and distribution activity. The trades are settled by TNT.

Loans are requested from the recordkeeper and disbursed from the investments through Clearing to the recordkeeper's custodial bank. Checks are mailed to the participants from the recordkeeper's custodial account. Loan payments from the participants are sent directly to the recordkeeper's custodial bank if paid by ACH or to the TNT DDA account if paid by check.

Requests for distributions are processed by the recordkeeper and once the sale of investments has been initiated, the cash is moved immediately from the Clearing account to the recordkeeper's custodial bank for disbursement.

70. Are forfeitures maintained by Employer? Please describe.

No. Pursuant to the plan documents, forfeitures are used by the plan for plan expenses.

71. Are plan contributions and assets reported by Employer? If so, how are these items reported when a participant is employed by multiple employers?

Ideally, PERA expects each contribution to be tagged to the contributing employer. PERA is interested in knowing the bidders' capacity to do that, especially when a participant is contributing through several employers.

72. Please describe any additional file transmissions not previously discussed and include file layout key for each.

There are no other file transmissions not previously discussed.

73. On Appendix J, please provide definitions of:

- **Loans transferred in**
Loans transferred in are loans acquired through mergers.
- **Settlement Income**
Settlement income is monies received due to class action litigation on previously held investments.
- **Realized gain**
Realized gains/losses are calculated from an acceptable historical cost method upon sale of a security. Currently, TNT uses the average cost method.
- **Unrealized gain**
- **Unrealized gains/losses represent the change in fair value of a held security.**

74. On Appendix J, what are your expectations for reconciliation, i.e. what does it need to balance to, plan summary?

The monthly MS Excel file of plan activity needs to reconcile to the Investments held by the custodian and to the recordkeeper's system.

75. What additional items would you require that are not included in our current reporting and plan summary?

See Page 11 of the RFP for items in addition to Appendix J.

76. May we obtain a copy of the new Employer 401(k) adoption/joinder agreement?

No adoption/joinder agreement is necessary for the 401(k). All PERA-affiliated employers are in the 401(k) pursuant to law.

77. Are distribution requests allowed via VRU? If yes, which types are allowed and how is tax reporting handled?

PERA expects the bidders to describe their capabilities.

78. Are beneficiary changes allowed via VRU? If yes, please describe the process.

PERA expects the bidders to describe their capabilities.

79. Is the VRU being used generically to include assistance via a Client Service Representative?

PERA expects the bidders to describe their capabilities.

80. Page 8, point 3b - Please provide clarification on reference to “maintain transaction history with archiving capabilities.”

PERA seeks a provider that maintains an accessible archive of all trades within each participant account. The provider should also have the ability to archive transactions made on behalf of the plan and plan assets, and all trades conducted on an omnibus basis. No specific duration aside from those mandated by law is required.

ATTACHMENT A

Northern NAV Format ID **FNDNVFR**

NAV Delivery Format **Text**

NAV Format Description **A common format chosen by U.S. Recordkeepers.**

NAV Delivery Methods **External FTP
Internal FTP
E-Mail**

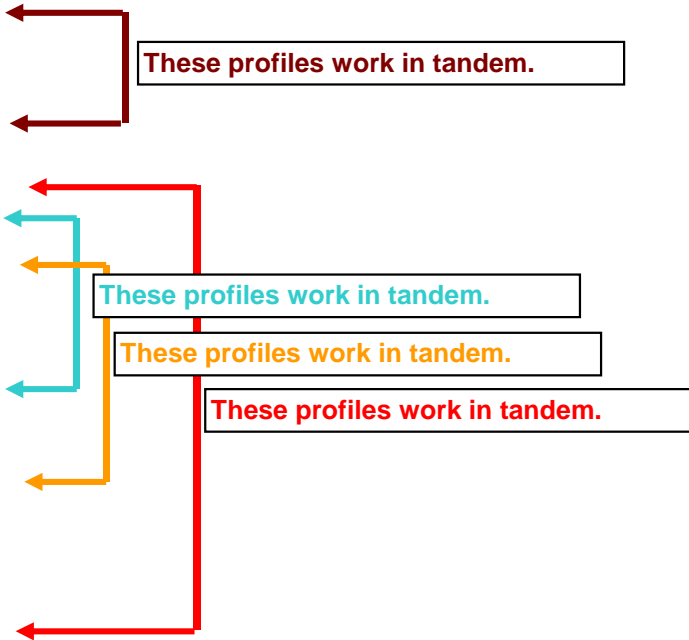
Processing Groups **DV**

Region(s) **Chicago**

Order	DataElement	StartPosition	Length	Field Format	Description	CodeField
1	Account	1	7	X(7)		ProxyAct
2	Date	8	8	X(8)	YYYYMMDD	VALDATE
3	Final Net Asset Value	16	6	Packed		NAVA
4	Total Change From Prior Period (Value)	22	5	Packed		NAVCHG
5	Price	27	6	Packed		ASSET
6	Price Change Value	33	6	Packed		ASSETCHG
7	Ex-Dividend Income	39	6	Packed		DIVD
8	Ending Units	45	7	Packed		UNITS
9	Unit Change	52	7	Packed		UNITCHG
10	Market Value	59	14	Packed		MV
11	Market Value Change	73	6	Packed		MVCHG
12	Filler	80	9			FILLER

<u>Record Type</u>	<u>Columns</u>		<u>Description</u>	<u>Format</u>	<u>Notes (10/07)</u>		
1	1	2	Transmission Header Record	NN	"01"		
	3	5	Filler	Blank			
	6	13	Transmission Date	MMDDYYYY	Recordkeeping Post Date + 1 Business Day		
	14	17	Filler	Blank			
	18	37	Sending Company Name	Text	"Mercer"		
	38	67	Filler	Blank			
10	1	2	Transaction Header Record	NN	"10"		
	3	26	Filler	Blank			
	27	31	Sponsor Code	Text	To Be Provided by NT		
	32	41	Profile Name	Text	*** See "Profile" Descriptions ***		
	42	43	Filler	Blank			
	44	51	Post Date	MMDDYYYY	Recordkeeping Post Date + 1 Business Day		
	52	63	Cash Amount	999999999v99	Total amount of transaction		
	64	67	Filler	Blank			
30	1	2	Account Detail Record	NN	"30"		
	3	3	Dependent Type	Text	"S"=Buy, "R"=Redemption MFTRANSFERS only; "R"=Buy, "S"=Redemption for non- MFTRANSFERS		
	4	5	Dependent #	NN	Counter		
	6	8	Filler	Blank			
	9	20	Cash Amount	999999999v99			
	21	27	Trust Account Number	NNNNNNNN	Client Specific		
	28	28	Cash Type	Text	"P"		
	29	32	Filler	Blank			
	33	35	Plan Code	NNN	Used for Multiple Fund Trading/Unitization; NT provided		
	36	45	Filler	Blank			
	46	57	Carrying Value	9(09)v999	# of Shares Delivered; In Kind distributions only		
	58	69	Cost Basis	9(10)v99	Cost of Shares Delivered; In Kind distributions only		
	70	79	Filler	Blank			
31	1	2	Fund/Serv Fund Record	NN	"31"		
	3	3	Dependent Type	Text	"S"=Buy, "R"=Redemption		
	4	5	Dependent #	NN	Counter		
	6	14	Fund CUSIP	NNNNNNNNNN	Industry CUSIP		
35	1	2	Fund/Serv Control Record	NN	"35"		
	3	17	Control #	NNNNNNNNNNNNNNNN	Trade specific ID #		
	18	20	Trading entity	Text	"TPA"		
99	1	2	Transmission Trailer Record	NN	"99"		
	3	7	Total # of Transactions	NNNNN			
	8	19	Total Dollar Amount	999999999v99	Batch total for verification only.		
00	1	2	Outstanding Part Units Record	NN	"00"		
	3	9	Trust Account Number	NNNNNNNN	Client Specific; NT to provide		
	10	12	Filler	Blank			
	13	25	Closing Unit Position	9(10)v999			
	26	26	Adjustment Indicator	Text	"S" = negative participant unit adjustment "R" = positive participant unit adjustment		
	27	39	Adjustment Amount	9(10)v999			

N.T.	INDUSTRY STANDARD
PROFILE	TRANSLATION
MF TRANSFER	Roll up trade amount
WIREIN	Net of employer contribution, employee contribution, and loan repayments funded by a payroll wire
WIREOUT	Net of distributions & new loans when checks are cut by an outside entity
EMPLOYER	All employer contributions
EMPLOYEE	All employee contributions excluding rollovers
ROLLOVER	Rollover contributions
TRANSFER	Exchanges between funds
FORFEITURE	Amounts forfeited
ALLOCFORF	Forfeitures re-allocated
WITHDIST	Distributions, either partial or lump-sum
SHAREDEL	In Kind Share Deliveries
SHARE REC	In Kind Share Receipt/Contribution
INCADJUST	Adjustments
FEEUNIT	Units sold for fee payment
FEENOUNIT	Trade add ons
LOAN PROFILE	
NEWLNTRAN	New Loan transfers from investment funds to loan fund
NEWLOAN	New Loan transfers from loan fund to clearing account
LOANTRANS	Loan Repayments from loan fund to investment, on for principal and one for interest
LOANP/I	Loan Repayments made via payroll wire moving from clearing account to loan fund, broken out as principal and interest
NEGLOANPAY	Opposite of LoanP/I
LOANSETTL	Loan default distributions
MANLOANP/I	Loan Repayments made via check moving from clearing account to loan fund, broken out as principal and interest



N.T.	INDUSTRY STANDARD
PROFILE	TRANSLATION
MF TRANSFER	Roll up trade amount / net buy or sell for all activity in fund
WIREIN	Net of employer contribution, employee contribution, and loan repayments funded by a payroll wire (shouldn't include manual loan repayment checks)
WIREOUT	Net of distributions & new loans when checks are cut by an outside entity
EMPLOYER	All employer contributions
EMPLOYEE	All employee contributions excluding rollovers
EMPLOYEEAT	Employee After Tax contributions
ROLLOVER	Rollover contributions
TRANSFER	Exchanges between funds
FORFEITURE	Amounts forfeited
ALLOCFORF	Forfeitures re-allocated
WITHDIST	Distributions, either partial or lump-sum
SHAREDEL	In Kind Share Deliveries
INCADJUST	Adjustments (impacts participant units)
FEEUNIT	Units sold for fee payment
FEEACCR	Redemption Fees taking units and value from participant
LNFEUNIT	Units sold for loan fee payment
FEENOUNIT	Trade add ons / usually used for activity to buy/sell fund without selling participant units
DIVDPTPEND	Dividend Pass Thru Transactions - Pending
DIVDPTCASH	Dividend Pass Thru Transactions - Cash
NEWLOANDIR	New loan transfer from investment option to clearing account
LNREPAYDIR	Loan repayment transfer from clearing account to investment option
MLREPAYDIR	Manual Loan repayments
LOANINC	Loan Asset Increase (New Loan)
LOANSETTL	Loan Asset Decrease (Loan Repayment or Default)
LOANINTOUT	Adjustment to loan interest
LOANINTIN	Loan Interest to be reclassified from "P" to "I" in position 28 of "30" record; Loan account is both "R" (record with "P") and "S" (record with "I")

WORKFLOW OF THE DAILY ENVIRONMENT

The following describes the normal workflow of a daily inter-fund transfer from the recordkeeping system to the investment fund valuation module. The flow begins from the originating point of a participant calling the toll-free number or using the Internet and ends with the communication of SNAVs back to the recordkeeper on the following business day. All times mentioned below are in central time (CT) and assume regular trading hours. Please refer to your Recordkeeper for actual trading times for your plan as some plans and/or recordkeepers may use an earlier deadline than the normal trading hours.

Day One

Communication of Participant Activity

Friday 3:00 PM – Monday 2:59 PM

Plan participants initiate a transfer between investment options via phone or internet.

- A participating employee of company XYZ directs the movement of \$100 from Fund A to Fund B.
- The recordkeeping system maintains the information (\$100 transfer from Fund A to Fund B) for the end of day batch processing.

Monday 6:00 PM

- Northern Trust's valuation system is updated with current day's prices, accrual rates, and dividend information (as applicable). If fund information is received after 6:00 PM, all subsequent times will be adjusted accordingly.

Monday - Between 6:30 PM and 7:00 PM

- Northern Trust provides RK with all SNAVs for the investment options. (Note: SNAV includes processing of participant activity from the previous business day.)
- The recordkeeping system posts that day's SNAV, processes participant activity and updates participant balances.

Monday 10:00 PM - Tuesday 7:30 AM

- Plan and fund level information (dollar amounts and corresponding units to be bought/sold by option) is communicated by the recordkeeping system to the investment fund managers as managers allow.

Tuesday 7:00 AM – Tuesday 8:00 AM

- Dollar amounts for the buys/sells of each option are communicated by RK to Northern Trust.

Day Two**Northern Trust Internal Processing**

Tuesday 10:00 AM

- Northern Trust verifies adequate liquidity, and then posts participant transactions.

Tuesday 12:00 PM

- Wires for each applicable investment fund are created and executed as a net trade settlement between Northern Trust and RK..

Tuesday 1:00 PM

- Aggregate participant and trade activity is loaded to the valuation system for each client's plan by fund.

Tuesday 6:00 PM

- Northern Trust's valuation system is updated with current day's prices, accrual rates, and dividend information (as applicable). If fund information is received after 6:00 PM, all subsequent times will be adjusted accordingly.

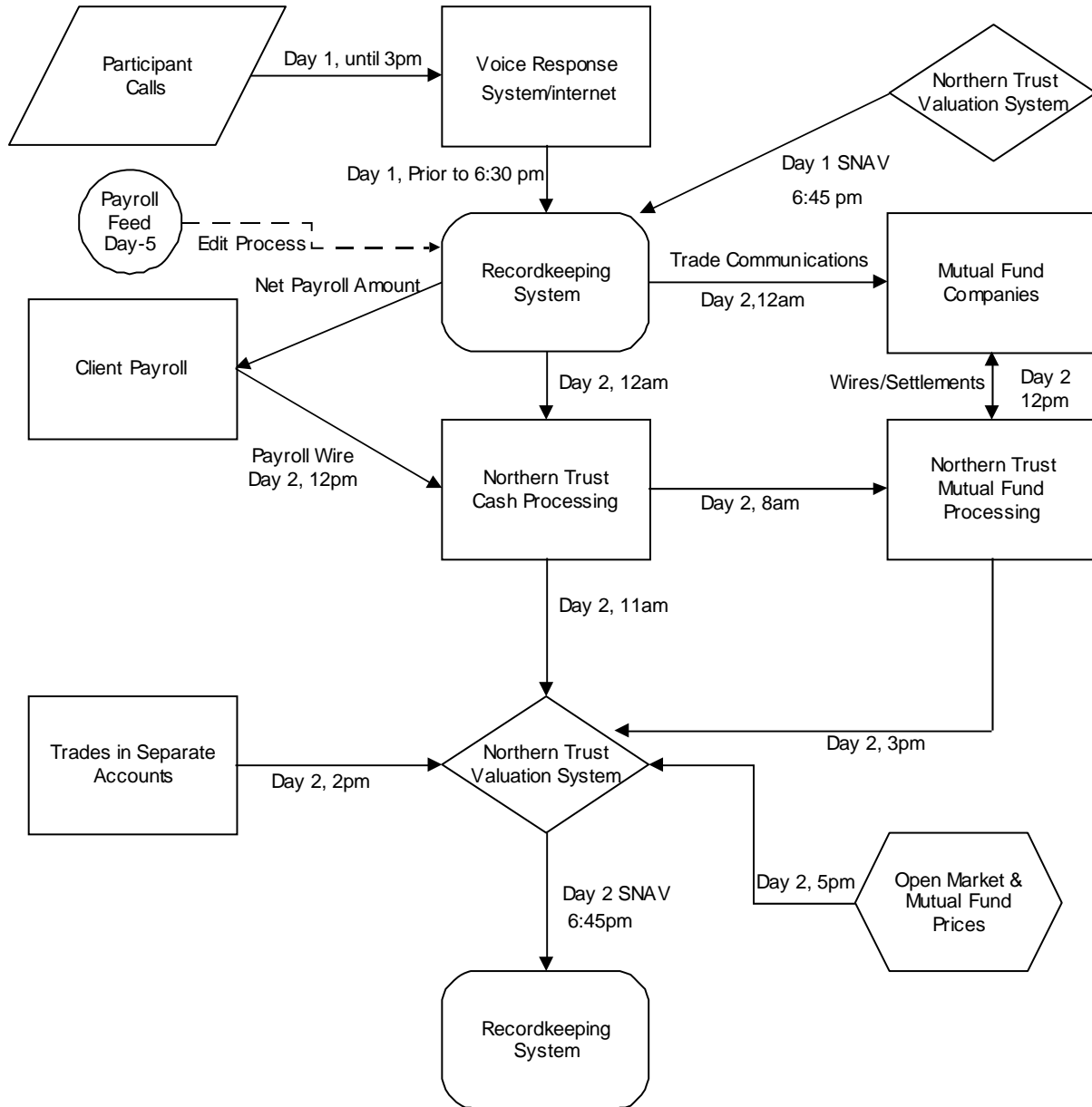
Tuesday - Between 6:45 PM and 7:00 PM

- Northern Trust provides RK with all SNAVs for the investment options. (Note: SNAV includes processing of participant activity from the previous business day.)
- The recordkeeping system posts that day's SNAV, processes participant activity and updates participant balances.

Tuesday 10:00 PM - Wednesday 7:30 AM

- Plan and fund level information (dollar amounts and corresponding units to be bought/sold by option) is communicated by the recordkeeping system to the investment fund managers as managers permit

THE DAILY VALUATION PROCESS



Day 1 = Post Date
 Day 2 = Post Date +1
 All times are CT