Adams County Retirement Plan
Strategic Asset Allocation and Investment Structure
October 2013

Purpose of the Strategic Asset Allocation and Investment Structure

This document is intended to supplement the Statement of Investment Policy (“IPS”) of the Adams County Retirement Plan. The IPS is long term in nature while this Strategic Asset Allocation and Investment Structure (“Investment Strategy”) document is designed to be reviewed, and if necessary revised, annually by the Board of the Adams County Retirement Plan (“Board”).

The Investment Strategy includes the following:
- Strategic asset class targets and ranges, refined within the IPS allowable ranges,
- Investment structure including the investment strategies utilized, the investment management firm, fees, and product inventory,
- Actuarial assumed rate of return,
- Liquidity Policy,
- Performance benchmarks for the Total Plan and subcomponents, and
- Contact information for vendors involved with the investments of the Plan.

Strategic Asset Class Targets and Ranges

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Current Target</th>
<th>Allowable Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity</td>
<td>2.5%</td>
<td>0% - 5%</td>
</tr>
<tr>
<td>Non-U.S. Equities</td>
<td>15.0%</td>
<td>10% - 20%</td>
</tr>
<tr>
<td>U.S. Equities</td>
<td>32.5%</td>
<td>27.5% - 37.5%</td>
</tr>
<tr>
<td>Total Equities</td>
<td>50.0%</td>
<td>45% - 55%</td>
</tr>
<tr>
<td>Private Equity Real Estate</td>
<td>10.0%</td>
<td>5% - 15%</td>
</tr>
<tr>
<td>Hedge Fund-of-Funds</td>
<td>15.0%</td>
<td>10% - 20%</td>
</tr>
<tr>
<td>Total Alternatives</td>
<td>25.0%</td>
<td>15% - 35%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>25.0%</td>
<td>20% - 30%</td>
</tr>
</tbody>
</table>
**Investment Management Structure**

<table>
<thead>
<tr>
<th>Investment Manager</th>
<th>Investment Product</th>
<th>Investment Fees</th>
<th>Investment Style</th>
<th>Target Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesirow Private Equity Investments</td>
<td>Equity Partnership Fund III, L.P.</td>
<td>1.0% of Committed Capital</td>
<td>Private Equity Multi-Strategy</td>
<td>0.83%</td>
</tr>
<tr>
<td></td>
<td>Equity Partnership Fund IV, L.P.</td>
<td>1.0% of Committed Capital</td>
<td>Private Equity Multi-Strategy</td>
<td>0.83%</td>
</tr>
<tr>
<td>Adams Street Partners</td>
<td>Partnership Fund Program – 2012 Global Offering</td>
<td>0.5% Year 1, 0.75% Year 2, 1.0% on first $25 million, 10% decline per year after year 7</td>
<td>Private Equity Multi-Strategy</td>
<td>0.83%</td>
</tr>
<tr>
<td>Dimensional Fund Advisors</td>
<td>DFA World ex-US Value fund, Ticker DFWVX</td>
<td>0.90% Expense Ratio</td>
<td>Non-U.S. Equity Value</td>
<td>5.0%</td>
</tr>
<tr>
<td>American Funds</td>
<td>EuroPacific Growth fund – R6, Ticker RERGX</td>
<td>0.50% Expense Ratio</td>
<td>Non-U.S. Equity Core Growth</td>
<td>5.0%</td>
</tr>
<tr>
<td>Aberdeen Asset Management</td>
<td>Aberdeen Emerging Markets Equity fund, Ticker ABEMX</td>
<td>1.05% Expense Ratio</td>
<td>Emerging Markets Equity</td>
<td>5.0%</td>
</tr>
<tr>
<td>State Street Global Advisors</td>
<td>S&amp;P 500 Flagship Commingled Fund: (IRS Rev. Rul. 81-100 fund)</td>
<td>0.05% of first $50 million 0.04% on next $50 million</td>
<td>U.S. Equity S&amp;P 500 Index</td>
<td>10.0%</td>
</tr>
<tr>
<td>T. Rowe Price Associates</td>
<td>Institutional U.S. Structured Research fund, Ticker TRISX</td>
<td>0.55% Expense Ratio</td>
<td>U.S. Equity Structured Core</td>
<td>7.0%</td>
</tr>
<tr>
<td>Vanguard Group</td>
<td>Vanguard Dividend Growth fund, Ticker VDIGX</td>
<td>0.29% Expense Ratio</td>
<td>U.S. Equity Dividend Growth</td>
<td>7.0%</td>
</tr>
<tr>
<td>Pyramis Global Advisors</td>
<td>Smid Cap Core Commingled fund: (IRS Rev. Rul. 81-100 fund)</td>
<td>0.65% of Assets</td>
<td>U.S. Equity Smid Cap Core</td>
<td>3.5%</td>
</tr>
<tr>
<td>Tortoise Capital Advisors</td>
<td>Master Limited Partnership (MLP) Separate Account</td>
<td>0.75% of Assets</td>
<td>U.S. Equity MLPs</td>
<td>5.0%</td>
</tr>
<tr>
<td>GAM Limited</td>
<td>GAM US Institutional Trading II L.P.</td>
<td>1.2% of Assets</td>
<td>Hedge Fund of Funds Macro Trend</td>
<td>5.0%</td>
</tr>
<tr>
<td>Grosvenor Capital Management</td>
<td>Grosvenor Institutional Partners, L.P.</td>
<td>1.25% on first $25 million 1.00% on next $25 million</td>
<td>Hedge Fund of Funds Multi-Strategy</td>
<td>5.0%</td>
</tr>
<tr>
<td>Investment Manager</td>
<td>Investment Product</td>
<td>Investment Fees</td>
<td>Investment Style</td>
<td>Target Allocation</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Principal Real Estate Investors</td>
<td>U.S. Property Account</td>
<td>1.1% under $10 million 1.0% over $10 million</td>
<td>Private Equity Real Estate</td>
<td>10.0%</td>
</tr>
<tr>
<td>Principal Real Estate Investors</td>
<td>Real Estate Debt Fund</td>
<td>0.65% of Assets 8% Preferred Return</td>
<td>Private Real Estate Debt</td>
<td>5.0%</td>
</tr>
<tr>
<td>Denver Investments</td>
<td>Separate Account</td>
<td>0.30% on first $25 million 0.25% on the balance</td>
<td>Core Fixed Income</td>
<td>7.5%</td>
</tr>
<tr>
<td>Pacific Investment Management Company</td>
<td>PIMCO Total Return fund - Institutional, Ticker PTTRX</td>
<td>0.46% Expense Ratio</td>
<td>Core Plus Fixed Income</td>
<td>7.5%</td>
</tr>
<tr>
<td>Pacific Investment Management Company</td>
<td>PIMCO Unconstrained Bond fund - Institutional, Ticker PFIUX</td>
<td>0.90% Expense Ratio</td>
<td>Absolute Return Fixed Income</td>
<td>5.0%</td>
</tr>
<tr>
<td>Babson Capital Management LLC</td>
<td>Floating Rate Income Fund – Commingled fund</td>
<td>0.48% of Assets</td>
<td>Senior Secured Floating Rate Loans</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

**Actuarial Assumed Rate of Return**

The current actuarial assumed rate of return is 7.5%

**Liquidity Policy**

The IPS states that the Executive Director of the Plan will determine the appropriate level of cash reserves depending on the anticipated liquidity needs. Based on the current liquidity requirements, the Executive Director has determined that the current liquidity requirements are $1 million. When the balance exceeds $1.5 million, excess reserve cash will be transferred into the invested assets. When the balance falls below $200,000, the cash reserves will be replenished to $1 million by liquidation of invested assets. The Executive Director, with the assistance of the Investment Consultant, will coordinate all investment manager cash inflows and outflows with the effected products and with the Plan’s custodial bank.
Performance Benchmarks

The Plan’s investments, in total, by asset class and individual manager, will be measured against appropriate benchmarks. Unless otherwise stated, performance will be compared on a net-of-investment management fees basis.

Total Plan Benchmarks:

<table>
<thead>
<tr>
<th>Absolute Return:</th>
<th>7.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Return:</td>
<td>Public Defined Benefit Pension Plans</td>
</tr>
<tr>
<td>Benchmark Index:</td>
<td>50% MSCI All Country World (Equities)</td>
</tr>
<tr>
<td></td>
<td>10% NFI ODCE Equal Weighted Net (Real Estate Equity)</td>
</tr>
<tr>
<td></td>
<td>5% Real Estate Debt Index (Real Estate Debt)</td>
</tr>
<tr>
<td></td>
<td>10% HFRI Fund of Funds Composite (Hedge FOF)</td>
</tr>
<tr>
<td></td>
<td>20% Barclays Capital Aggregate Bond (Fixed Income)</td>
</tr>
<tr>
<td></td>
<td>5% Credit Suisse Leverage Loan (Floating Rate Loans)</td>
</tr>
</tbody>
</table>
Investment Product Benchmarks

<table>
<thead>
<tr>
<th>Investment Product</th>
<th>Relative Universe</th>
<th>Passive Benchmark Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesirow Equity Partnership Fund III, L.P.</td>
<td>N/A</td>
<td>Custom Index</td>
</tr>
<tr>
<td>Mesirow Equity Partnership Fund IV, L.P.</td>
<td>N/A</td>
<td>Custom Index</td>
</tr>
<tr>
<td>Adams Street Partnership Fund Program – 2012 Global Offering</td>
<td>N/A</td>
<td>Custom Index</td>
</tr>
<tr>
<td>DFA World ex-US Value fund</td>
<td>Non-U.S. Equity – Value</td>
<td>MSCI All Country World ex-U.S. Value</td>
</tr>
<tr>
<td>EuroPacific Growth fund – R6</td>
<td>Non-U.S. Equity</td>
<td>MSCI All Country World ex-U.S.</td>
</tr>
<tr>
<td>Aberdeen Emerging Markets Equity fund</td>
<td>Emerging Markets</td>
<td>MSCI Emerging Markets</td>
</tr>
<tr>
<td>SSgA S&amp;P 500 Flagship Commingled Fund</td>
<td>U.S. Equity – Large Cap Core</td>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>T. Rowe Price Institutional U.S. Structured Research fund</td>
<td>U.S. Equity – Large Cap Core</td>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>Vanguard Dividend Growth fund</td>
<td>U.S. Equity – Large Cap Core</td>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>Pyramis Smid Cap Core Commingled fund</td>
<td>U.S. Equity – Smid Cap Core</td>
<td>Russell 2500</td>
</tr>
<tr>
<td>Tortoise Master Limited Partnership (MLP) Separate Account</td>
<td>N/A</td>
<td>Alerian MLP</td>
</tr>
<tr>
<td>GAM US Institutional Trading II L.P.</td>
<td>Hedge Fund of Funds</td>
<td>HFR Fund of Funds Macro</td>
</tr>
<tr>
<td>Grosvenor Institutional Partners, L.P.</td>
<td>Hedge Fund of Funds</td>
<td>HFR Fund of Funds Conservative</td>
</tr>
<tr>
<td>Principal U.S. Property Account</td>
<td>N/A</td>
<td>NFI ODCE Net of Fee</td>
</tr>
<tr>
<td>Principal Real Estate Debt Fund</td>
<td>N/A</td>
<td>8% net of fee return</td>
</tr>
<tr>
<td>Denver Investments Government Credit Bond Separate Account</td>
<td>U.S. Fixed Income – Core</td>
<td>Barclays Capital Government/Credit</td>
</tr>
<tr>
<td>PIMCO Total Return fund - Institutional</td>
<td>U.S. Fixed Income – Core</td>
<td>Barclays Capital Aggregate</td>
</tr>
<tr>
<td>PIMCO Unconstrained Bond fund - Institutional</td>
<td>N/A</td>
<td>90-Day Libor plus 3%</td>
</tr>
<tr>
<td>Babson Floating Rate Income Fund – Commingled fund</td>
<td>N/A</td>
<td>Credit Suisse Leveraged Loan</td>
</tr>
</tbody>
</table>
Vendor Information

Investment Consultant: Inception January 1999
Watershed Investment Consultants, Inc.
6400 South Fiddler’s Green Circle, Suite 500
Greenwood Village, CO  80111-4950
303-738-0300
www.watershedinvest.com

Lead Consultant
Dale A. Connors, CFA, Managing Director
303-389-2062
dale_connors@watershedinvest.com

Administrative Assistant
Kellie McAdamis
kellie_mcadamis@watershedinvest.com

Trustee Bank: Inception April 1998
US Bank Denver, NA
US Bank Institutional Trust & Custody
DN-CO-T5T
950 17th Street, 5th Floor
Denver, CO  80202

Relationship Manager
Christina (Tina) M. Seberg, Vice President
303-585-4571
tina.seberg@usbank.com

Account Manager
Sherry E. Glanville, Vice President
P.O. Box 3168T699041
Portland, OR  97208
503-275-4637
sherry.glanville@usbank.com

Plan Legal Counsel: Inception October 1998 (Kutak Rock), Feb. 2001 (DGS)
Davis, Graham & Stubbs, LLP
1550 17th Street, Suite 500
Denver, CO  80202

Lead Counsel
Cindy, S. Birley, Partner
303-892-7347
cindy.birley@dgslaw.com
Plan Actuary
Gabriel, Roeder, Smith & Company: October 2011
7900 East Union Avenue, Suite 1100
Denver, CO 80237

Lead Actuary
Leslie L. Thompson, FSA, FCA, EA, MAAA
720-274-7271
Leslie.thompson@gabrielroeder.com

Plan Auditor: Inception November 2009
CliftonLarsonAllen, LLP
Interlocken Business Park
370 Interlocken Boulevard, Suite 500
Broomfield, CO 80021

Auditors
William Petri
303-466-8822
Bill.petri@cliftonlarsonallen.com
Steve Shanks
303-439-6030
Steve.shanks@cliftonlarsonallen.com

Investment Management Firms

Mesirow Private Equity Investments
Fund III, inception Sep. 2005
Fund IV inception Apr 2007
353 North Clark Street, 15th Floor
Chicago, IL 60654

Client Contact
Courtney Wilson-Haynes
312-595-6923
chaynes@mesirowfinancial.com

Adams Street Partners: Inception Feb 2012
One North Wacker Drive, Suite 2200
Chicago, IL 60606-2823

Client Contact
Scott C. Hazen, CFA
312-553-8493
shazen@adamsstreetpartners.com
**Dimensional Fund Advisors:** Inception July 2011
6300 Bee Cave Road, Building One
Austin, TX  78746

Client Contact
Jessica Walton
512-306-4375
Jessica.walton@dimensional.com

**Capital Group (American Funds):** Inception July 2011
333 South Hope Street
Los Angeles, LA  90071

Client Contact
Steve Caruthers, CFA        Ryan Moore, CFA
213-486-9689              213-359-7412
Steve_Caruthers@capgroup.com ryan_moore@capgroup.com

**Aberdeen Asset Management:** Inception November 2011
1735 Market Street, 32nd Floor
Philadelphia, PA  19103

Client Contact
Ashley Cassel
215-405-2018
Ashley.cassel@aberdeen-asset.com

**State Street Global Advisors:** Inception October 2003
One Market Street, Steuart Tower, Suite 1700
One Lincoln Street
San Francisco, CA  94105        Boston, MA  02111

Client Contact
Linda Ng
415-836-9876
Linda_ng@ssga.com
**T. Rowe Price Associates:** Inception November 2007
333 Bush Street, Suite 2550 100 East Pratt Street
San Francisco, CA  94104 Baltimore, MD  21202

Client Contact
David Orlando
415-772-1103
David_orlando@troweprice.com

**Vanguard Group:** Inception November 2011.
14321 N. Northsight Boulevard, Suite ND34 100 Vanguard Boulevard
Scottsdale, AZ  85260 Malvern, PA  19355

Client Contact
Keith D. Mekenney
480-713-4384
Keith_d_mekenney@vanguard.com

**Pyramis Global Advisors:** Inception April 2013
900 Salem Street
Smithfield, RI  02917

Client Contact
Brian Higgins
401-292-4731
Brian.C.Higgins@pyramis.com

**Tortoise Capital Advisors:** Inception January 2012
11550 Ash Street, Suite 300
Leawood, KS  66211

Client Contact
Jennifer Park
913-890-2132
JPark@tortoiseadvisors.com

**GAM Limited (GAM USA Inc.):** Inception October 2010
One Rockefeller Plaza
New York, NY  10020

Client Contact
Joseph Gieger
212-407-4629
jgieger@gam.com
**Grosvenor Capital Management:** Inception July 2004  
900 North Michigan Avenue, Suite 1100  
Chicago, IL  60611

Client Contact  
Mark Roman  
312-506-6542  
mroman@gcmp.com

**Principal Global Investors:** Inception U.S. Property July 2004, Real Estate Debt Oct 2013  
801 Grand Avenue  
Des Moines, IA  50309

Client Contact  
Mike Drysdale  
515-235-9203  
Drysdale.Michael@principal.com

Michelle Fang  
515-343-0336  
Fang.Michelle@principal.com

**Denver Investments:** Inception July 1978  
1225 17th Street, 26th Floor  
Denver, CO  80202

Client Contact  
Ken Harris, CFA  
303-312-5145  
kharris@denvest.com

**Pacific Investment Management Company (PIMCO):** Inception Total Return January 2000  
840 Newport Center Drive  
Newport Beach, CA  92660

Client Contact  
Matt Clark  
949-720-6287  
Matt.clark@pimco.com

Lindsey Woller  
949-720-6501  
Lindsey.woller@pimco.com

**Babson Capital Management:** Inception August 2013  
550 South Tryon Street, Suite 3300  
Charlotte, NC  28202

Client Contact  
Mark Senkpiel, CFA  
704-805-7249  
msenkpiel@babsoncapital.com

David Acampora, CFA  
917-542-8375  
dacampora@babsoncapital.com