



County of Fresno

Deferred Compensation Management Council

May 11, 2015 Agenda

SPECIAL MEETING TO BE HELD AT 1:30 P.M. AT THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, 1111 H ST., FRESNO, CA 93721

1. Call to Order
2. Approve Agenda
3. Receive presentation regarding the County of Fresno Stable Value Fund by Empower Retirement

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Personnel Services Manager at 600-1810.



County of Fresno

May 11, 2015

Cathe Tocher, CFA
SVP & CIO Separate Accounts, GWCM

Sam Moyn
Senior Portfolio Trader / Analyst, GWCM

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Economic and Capital Markets Review



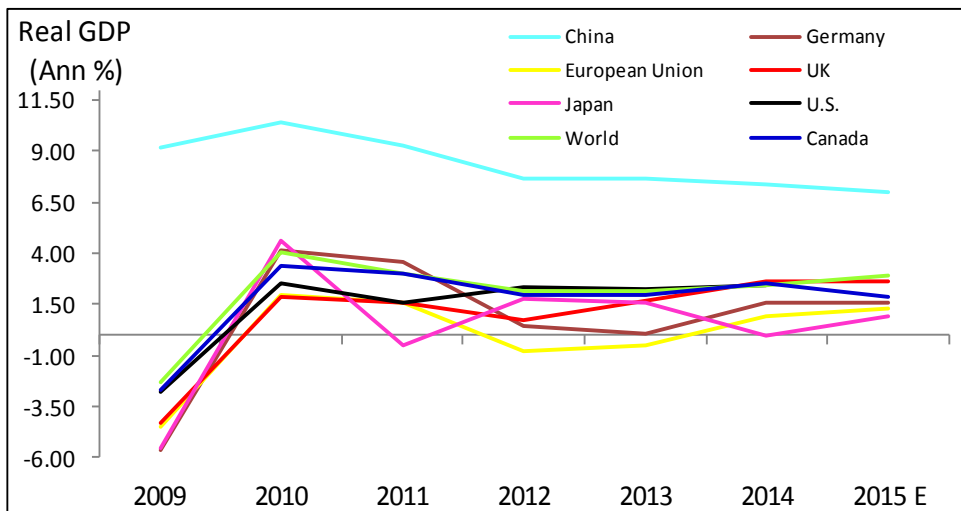
1Q 2015

Global Economy

1Q 2015

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Global Economy: Current State & Expectations



Global growth:

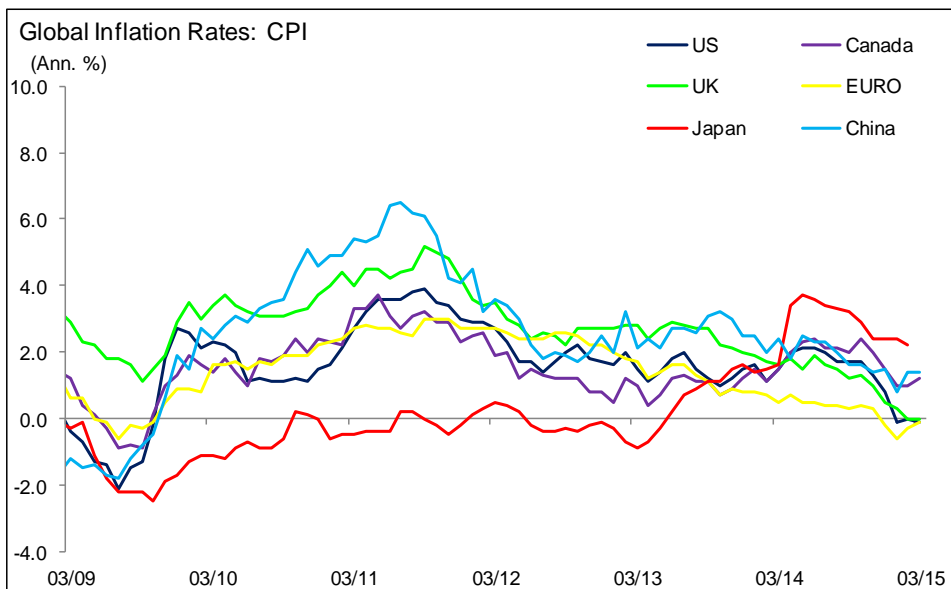
- ❑ Slowing: China, Canada
- ❑ Improving: Eurozone, Japan
- ❑ UK and U.S. growth ok / picking up

	Current Inflation (3/31/15)		Real GDP		
	Headline	Core	2014	2015	2016
Canada	1.2%	2.0%	2.5%	1.9%	2.2%
UK	0.0%	1.0%	2.6%	2.6%	2.3%
Euro	-0.1%	0.6%	0.9%	1.3%	1.6%
U.S.	-0.1%	1.8%	2.4%	2.9%	2.9%
China	1.4%	1.5%	7.4%	7.0%	6.7%
Japan	2.2%*	2.0%*	0.0%	0.9%	1.4%

*2/28/2015

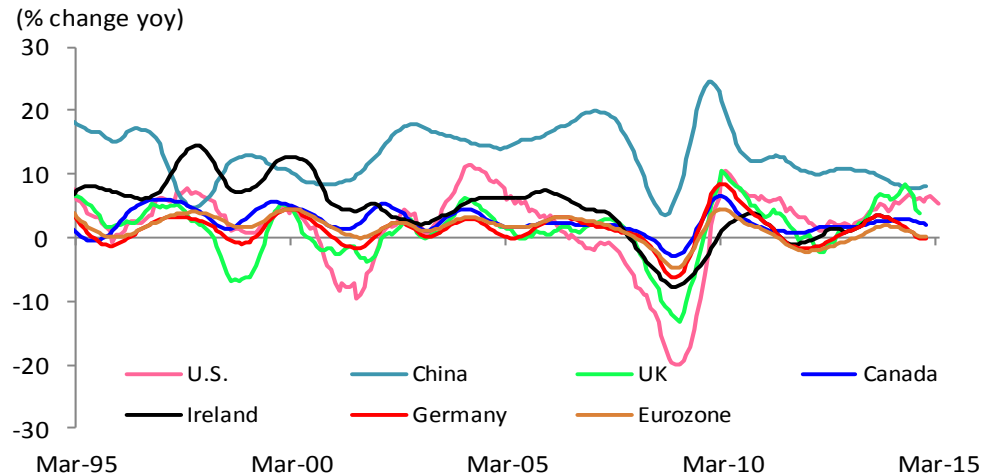
Global inflation; actual and expected:

- ❑ Global inflation rates low and generally moving lower
- ❑ Expectation moving lower



Regional Leading Economic Indicators

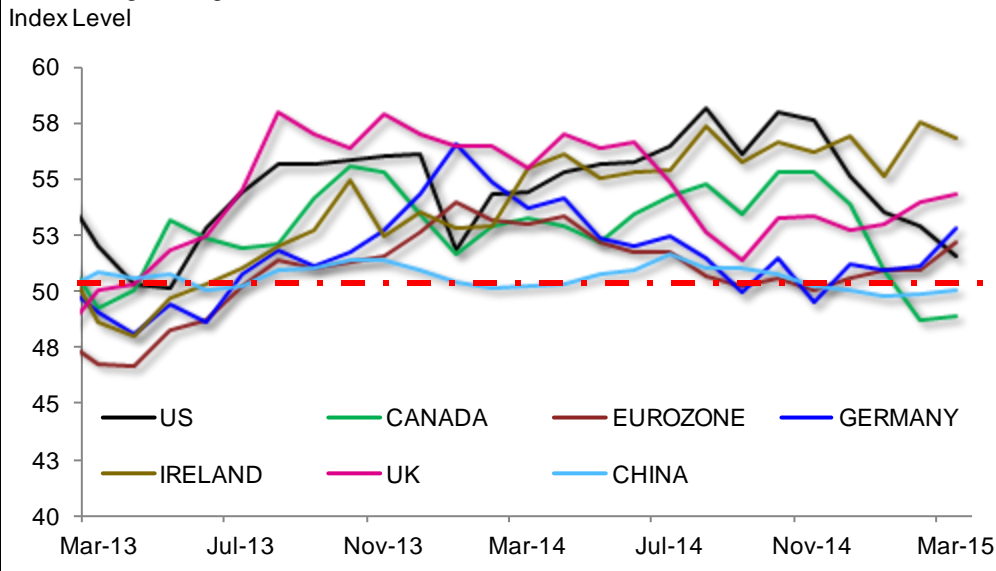
Index of Leading Economic Indicators



LEIs are mixed across the major regions of the global economy

- Real growth though is expected to be stronger in 2015 with lower oil prices adding 0.2% - 0.4% to global GDP next year

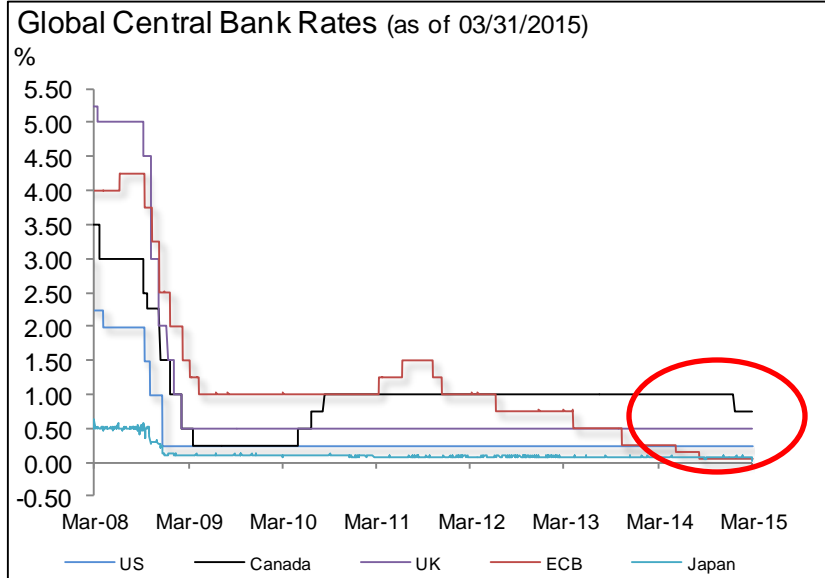
Purchasing Manager's Index



Manufacturing sector activity is mixed

- China and Canada remain at or below 50 indicating contraction
- U.S. PMI continues to move down
- The UK and the Eurozone are making gains

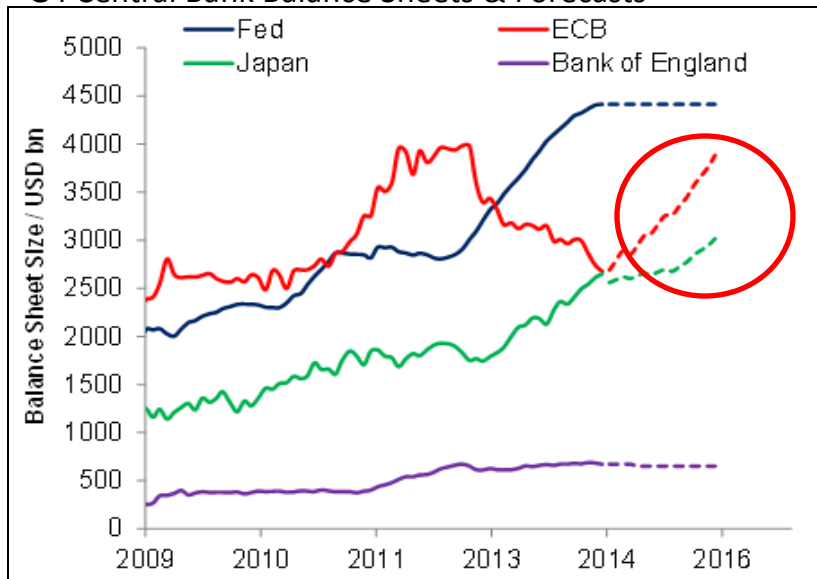
Central Banks: Policies & Programs



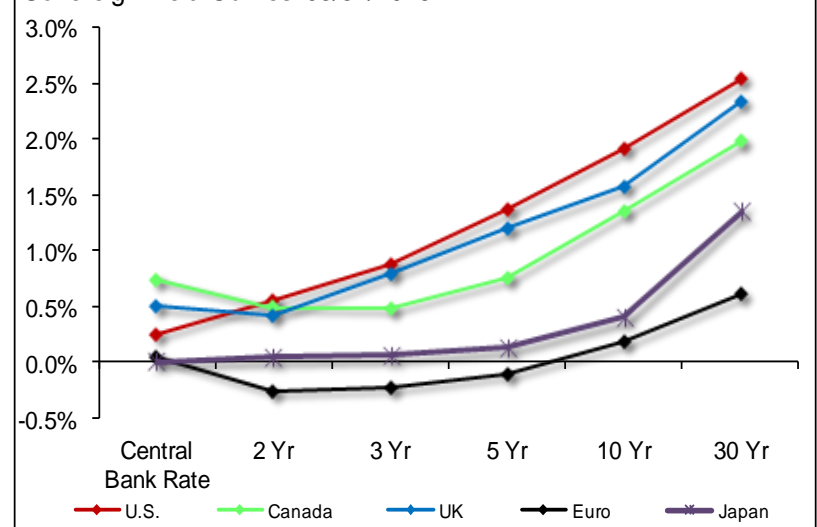
Global effort to stimulate economies

- ❑ ECB balance sheet expansion via QE: €60 billion monthly asset purchases through September 2016
- ❑ Japan implements another round of QE and postpones a planned sales tax increase
- ❑ China's Central Bank cut policy rates in February' and announced another cut on April 19
- ❑ Bank of Canada cut policy rates 1Q15
- ❑ The Fed and the Bank of England have terminated stimulus programs and policy rate hikes are being considered
 - assets held on balance sheets will remain constant; maturities and cashflows (P&I) will be reinvested

G4 Central Bank Balance Sheets & Forecasts



Sovereign Yield Curves: 03/31/2015

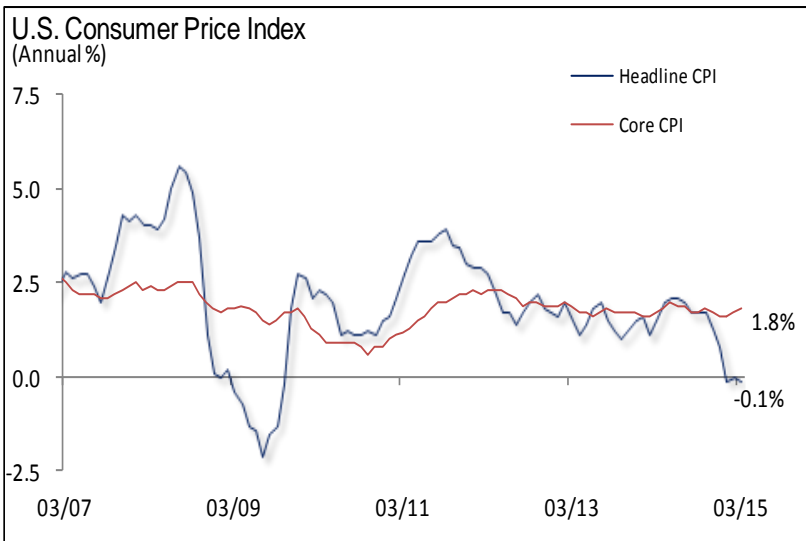
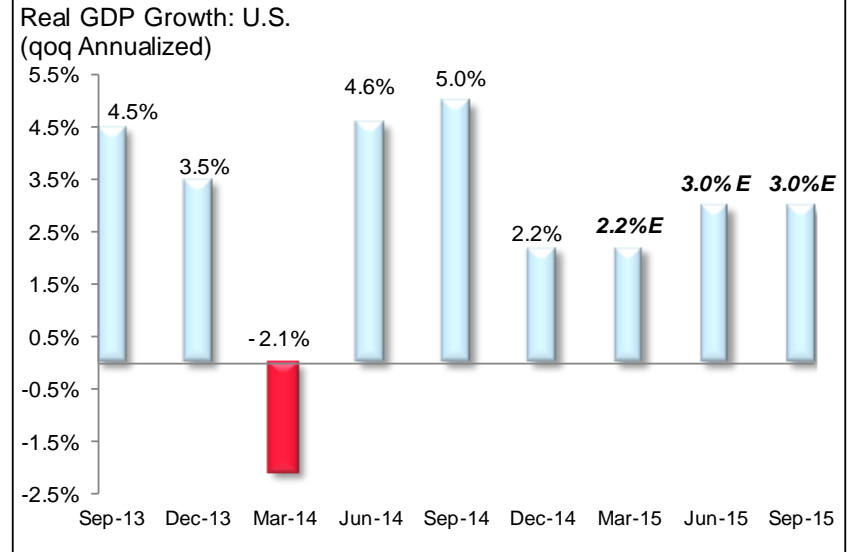
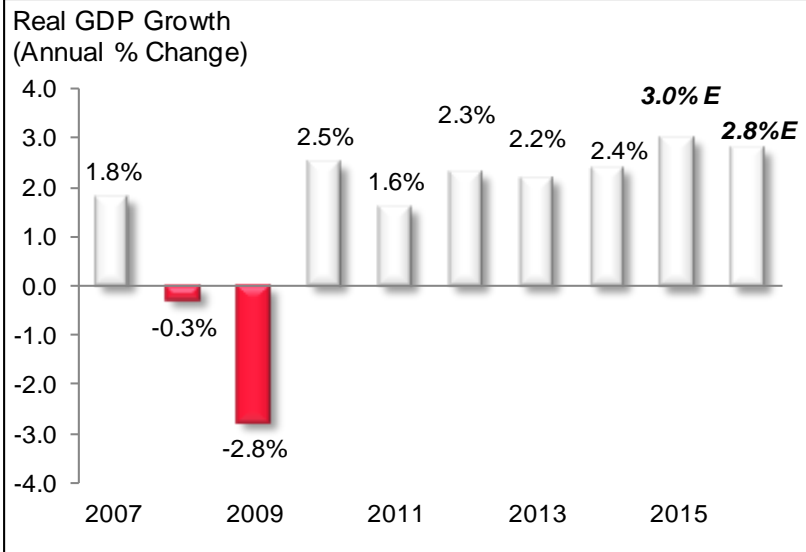


U.S. Economy

1Q 2015

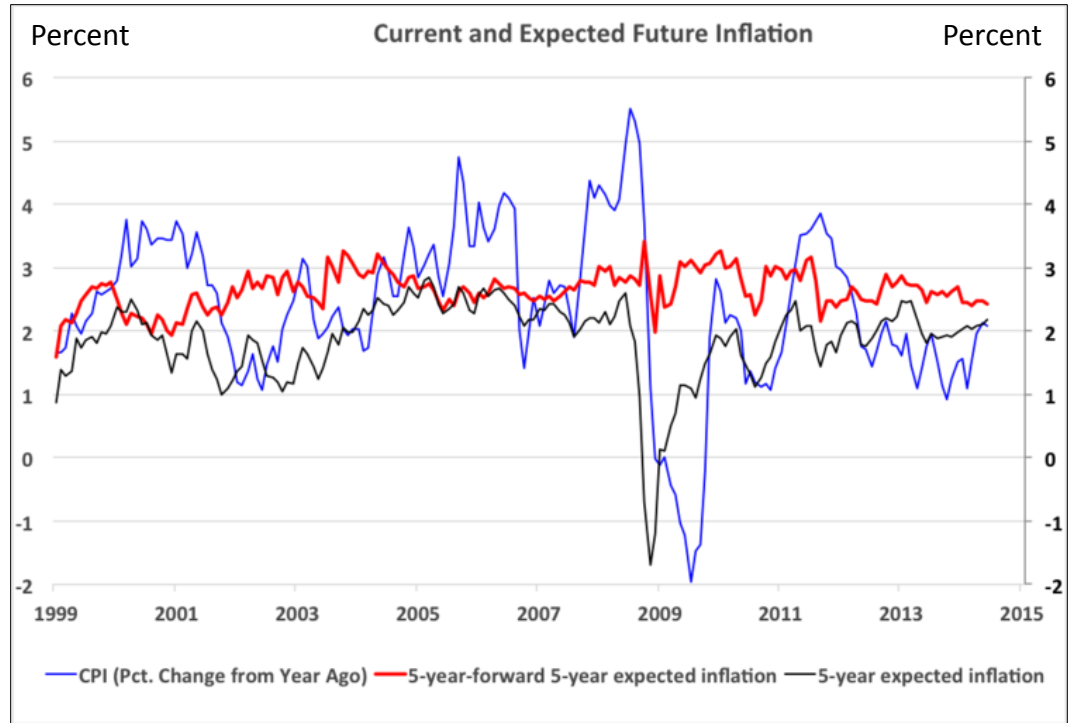
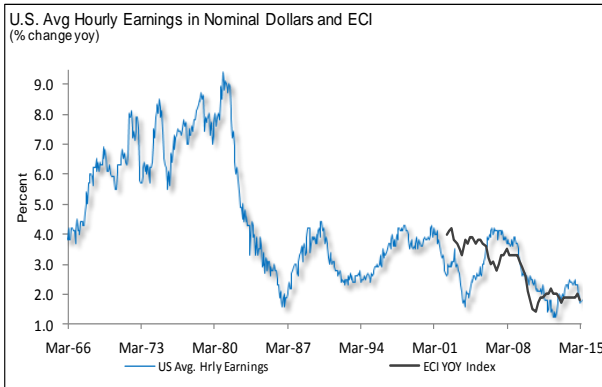
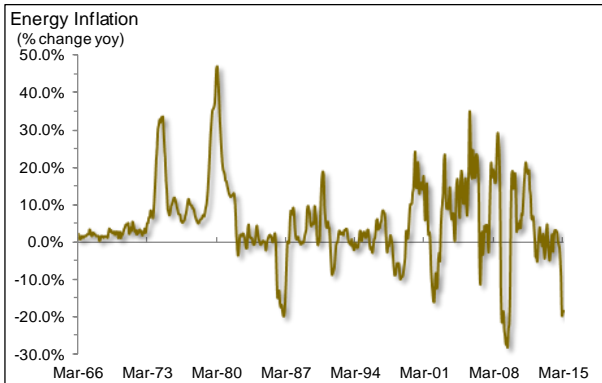
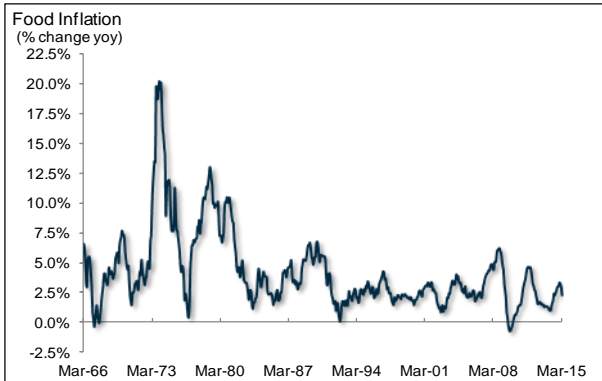
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U.S. Economy: Current State & Expectations

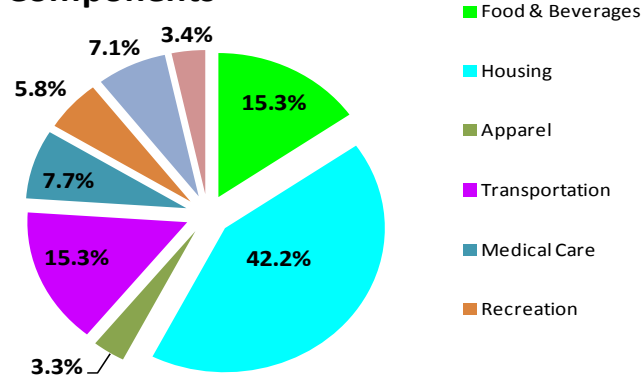


- ❑ Solid real growth / solid expectations but headwinds in place
- ❑ Low inflation – headline and core
 - trend is down
 - wage inflation not reflected in the data
- ❑ Domestic demand, consumption and business investment up modestly
- ❑ Strong and broad-based job creation through 2014 and into 2015

Inflation & Inflation Expectations: Contained



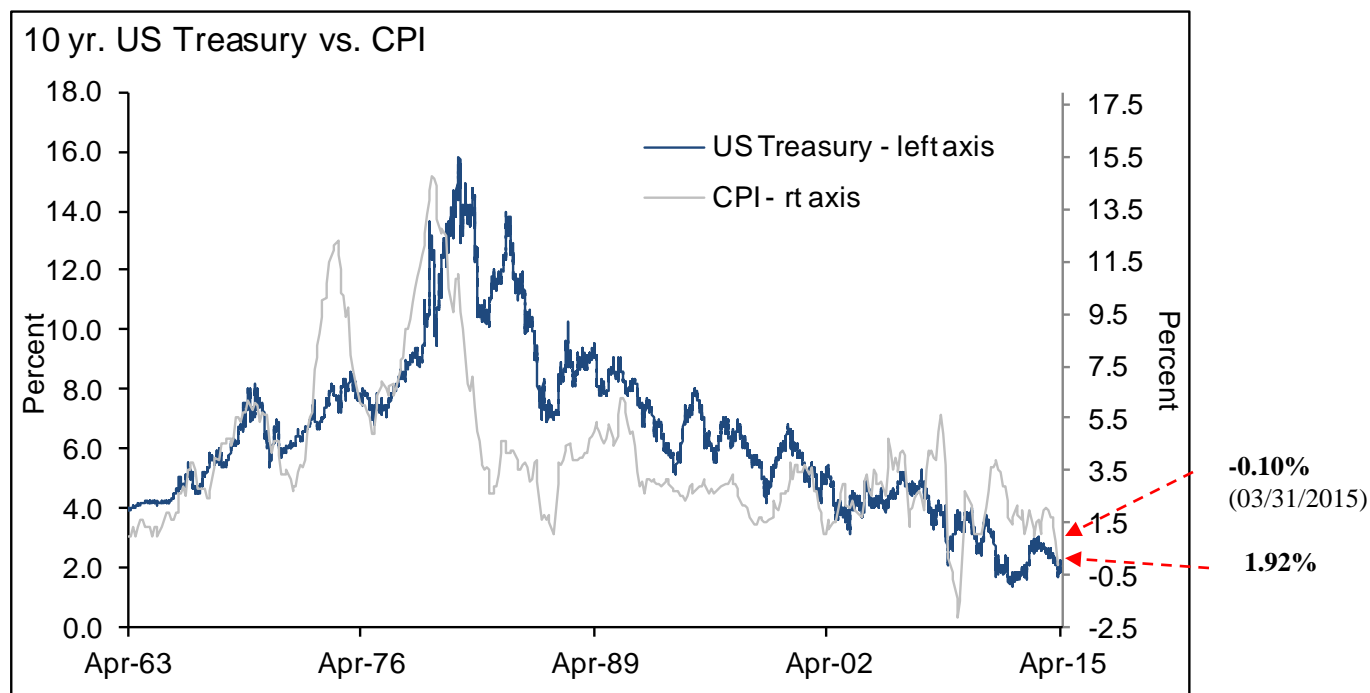
CPI Components



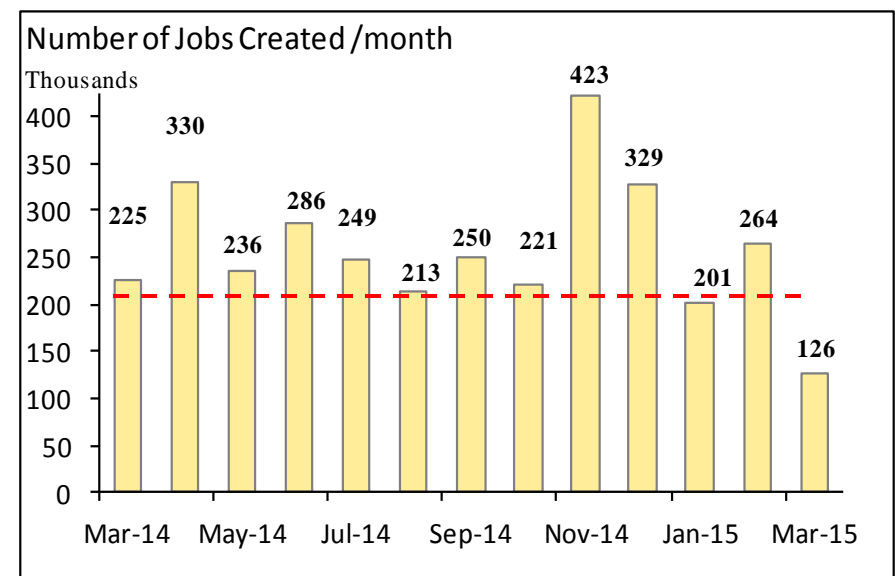
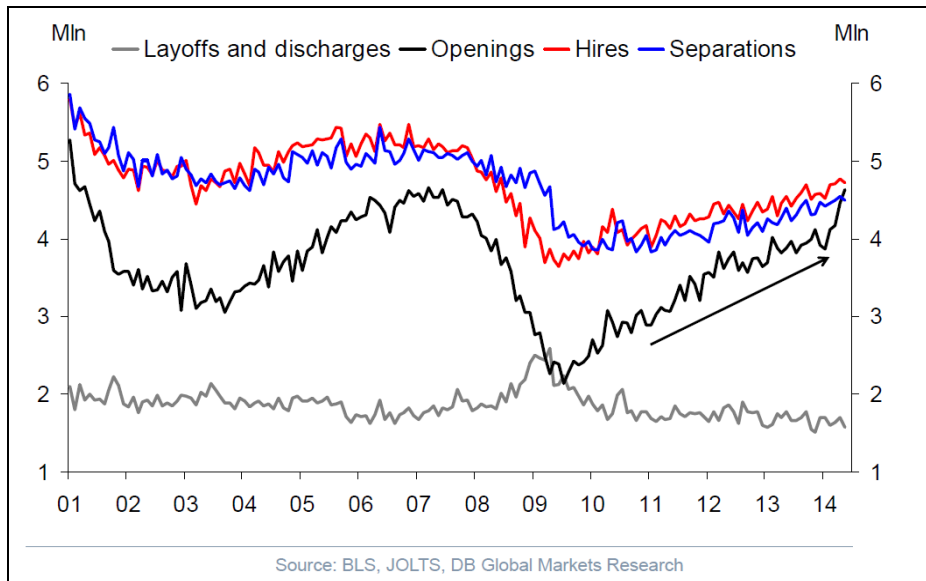
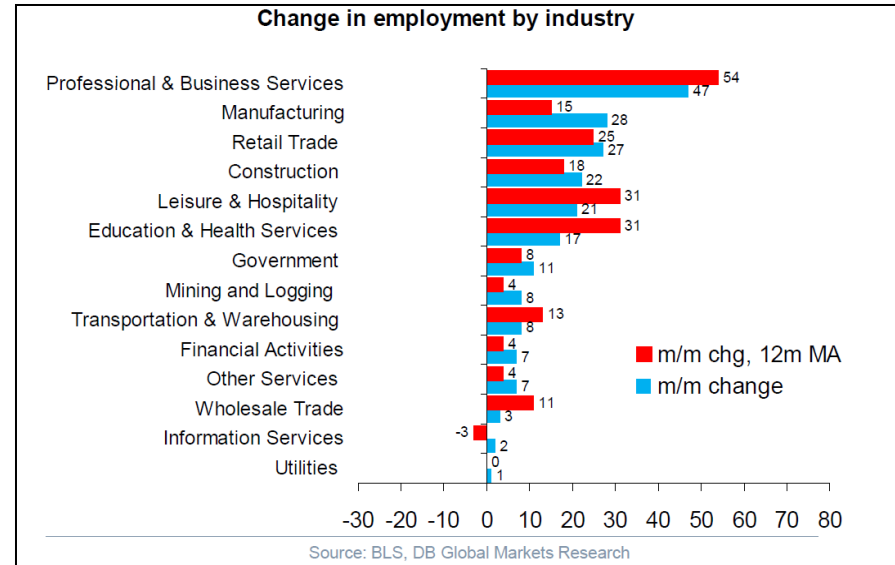
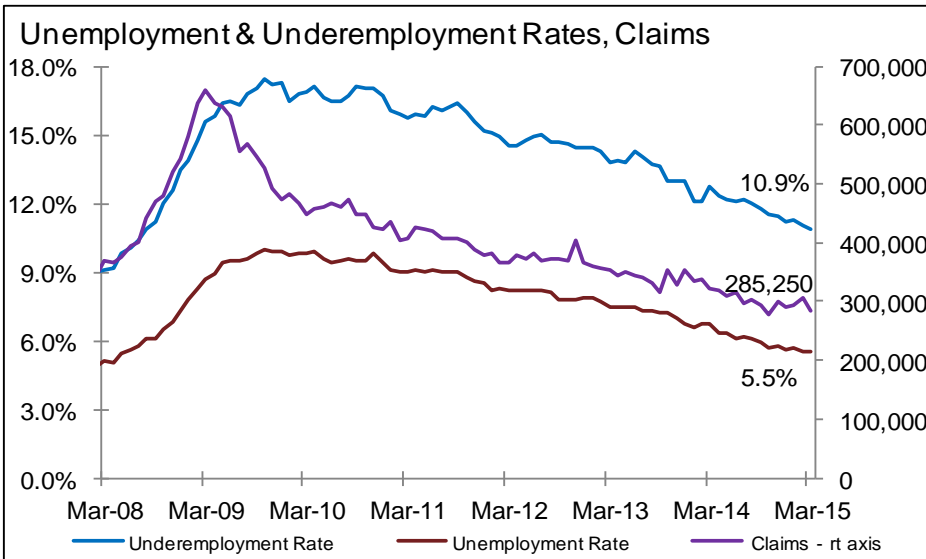
U.S.: Historical Interest Rates & Inflation Data

Term	3/31/2015			Historical Govt Annual Real Returns ¹
	U.S. Treasury	TIPs Inflation Expectations	Current Real Returns	
3 yr	0.88%	1.43%	-0.55%	0.5% (T-Bills)
5 yr	1.37%	1.70%	-0.33%	2.3% (Int)
10 yr	1.92%	1.77%	0.15%	2.5% (L.T.)
30 yr	2.54%	1.88%	0.66%	2.5% (L.T.)

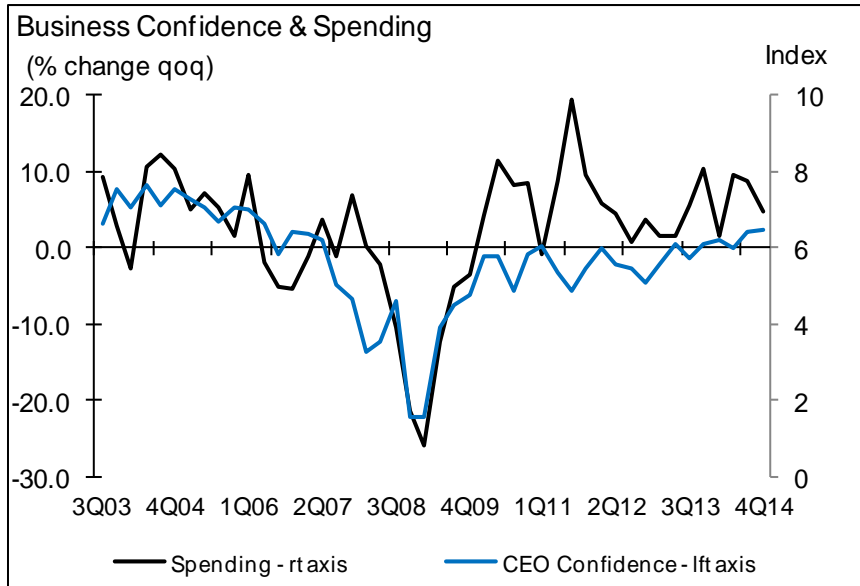
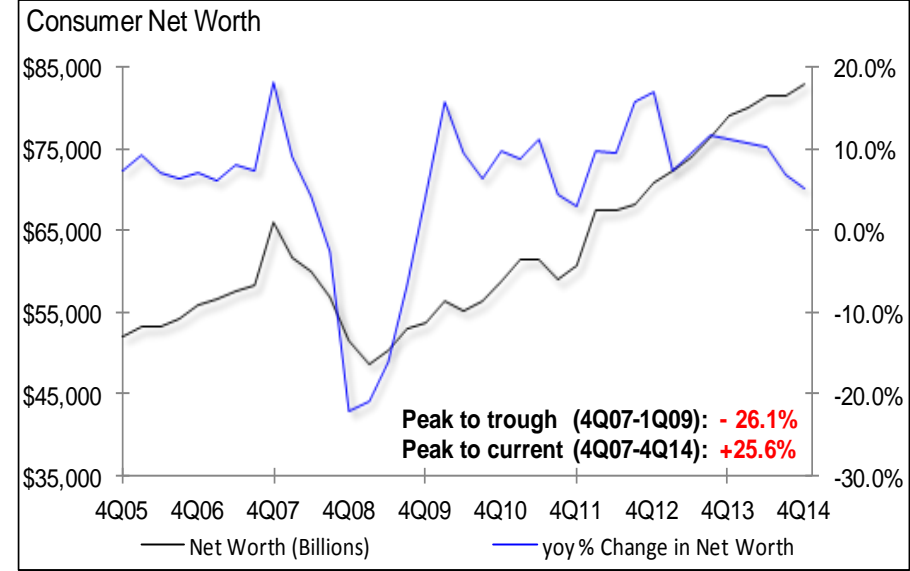
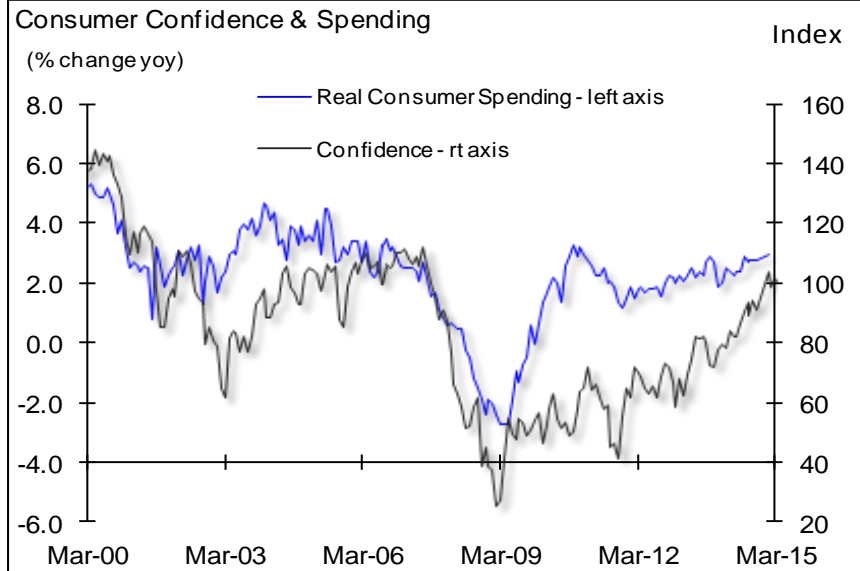
¹ Source: Ibbotson SBBI 1926 - 2013



Labor Market Trends



Spending & Confidence: Consumer and Business



2015 U.S. Macroeconomic Summary

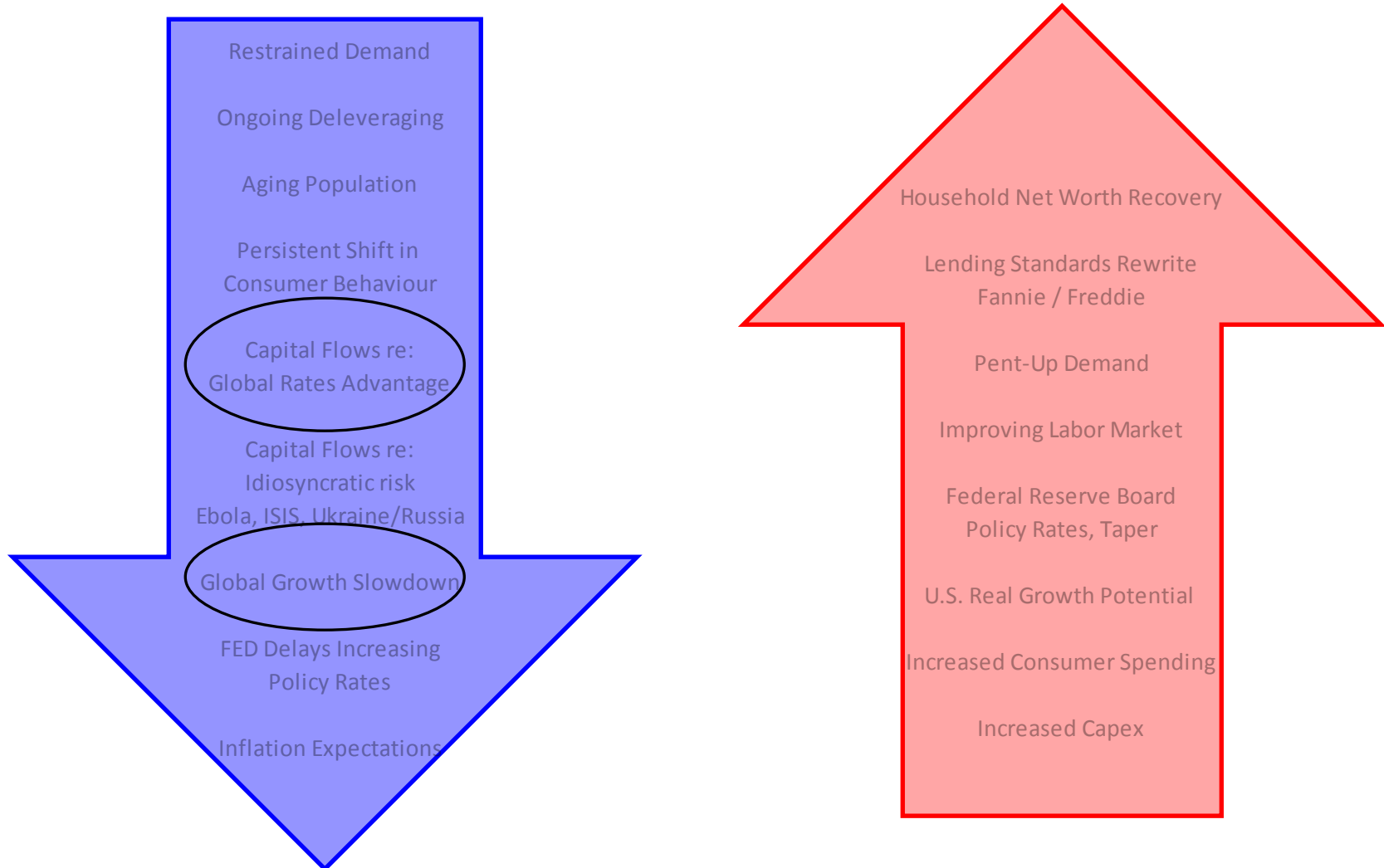
	2013	2014				2014	3/31/15
		Q1	Q2	Q3	Q4		
Fed Funds (at qtr end)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
5 yr U.S. Treasury Yield (at qtr end)	1.74%	1.72%	1.63%	1.76%	1.65%	1.65%	1.37%
10 yr U.S. Treasury Yield (at qtr end)	3.03%	2.72%	2.53%	2.49%	2.17%	2.17%	1.92%
Benchmark "A" Intermediate Spread (10yr) (at qtr end)	0.90%	0.86%	0.82%	0.90%	1.04%	1.04%	1.03%
S&P 500 (at qtr end)	1,848.36	1,872.34	1,960.23	1,972.29	2,058.90	2,058.90	2,067.89
Operating EPS (at qtr end)	\$113.1	\$113.1	\$113.1	\$113.1	\$113.1	\$113.1	\$118.55 (2015)
P/E (at qtr end)	16.35	16.56	17.34	17.45	18.21	18.21	17.44E
Real GDP (annual)	2.20%					2.40%	
Real GDP (qtr over previous qtr annualized)		-2.10%	4.60%	5.00%	2.20%		
Real Consumer Spending (yoy)	2.70%					2.80%	
Real Consumer Spending (qtr over previous qtr annualized)		1.20%	2.50%	3.20%	4.30%		
Payroll Employment (ytd)	2,388,000					3,116,000	
Unemployment Rate (at qtr end)	6.70%	6.60%	6.10%	5.90%	5.60%		
Business Fixed Investment (yoy)	3.00%					6.30%	
Business Fixed Investment (qtr over previous qtr annualized)		1.60%	9.70%	8.90%	4.80%		
Wage Inflation (ECI yoy)	2.00%					2.20%	
Wage Inflation (ECI qtr over previous qtr annualized)		1.61%	2.83%	2.83%	1.61%		
CPI (yoy)	1.50%					0.80%	
CPI (qtr over previous qtr annualized)		1.90%	2.40%	1.20%	-0.90%		
Core CPI (yoy)	1.70%					1.60%	
Core CPI (qtr over previous qtr annualized)		1.60%	2.20%	1.40%	1.50%		
Core PCE Deflator (yoy)	1.34%					1.34%	
Core PCE Deflator (qtr over previous qtr annualized)		1.20%	2.00%	1.40%	1.10%		
EUR/USD (at qtr end)	1.374	1.377	1.369	1.263	1.210	1.210	1.073
CAD/USD (at qtr end)	0.941	0.905	0.937	0.893	0.861	0.861	0.788
Oil (per barrel) (at qtr end)	\$98.42	\$101.58	\$105.37	\$91.16	\$53.27	\$53.27	\$47.60
Gold (per ounce) (at qtr end)	\$1,205.65	\$1,284.00	\$1,327.32	\$1,208.16	\$1,184.86	\$1,184.86	\$1,183.68

Capital Markets Trends

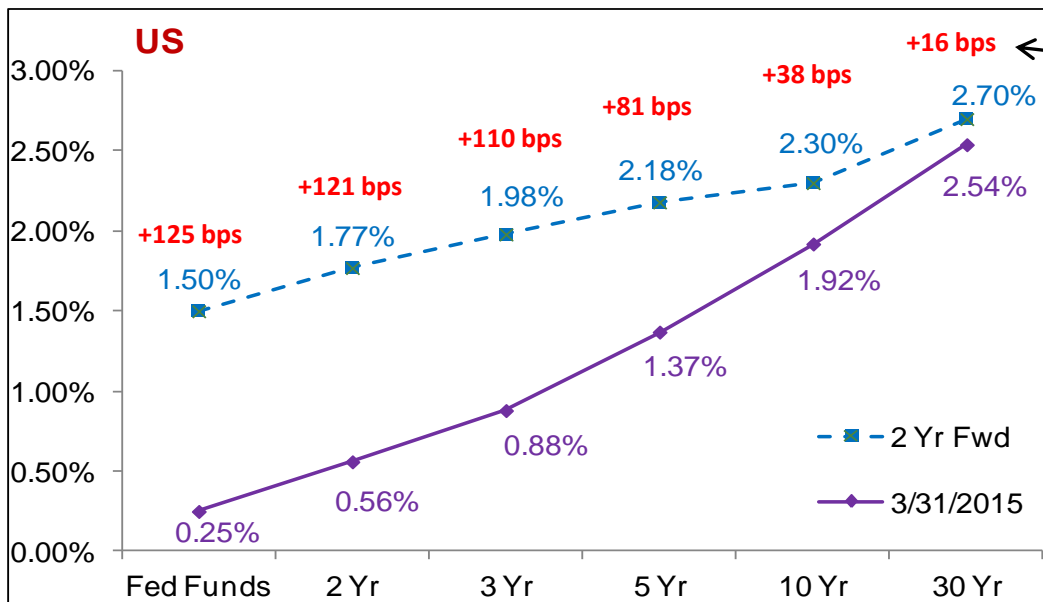
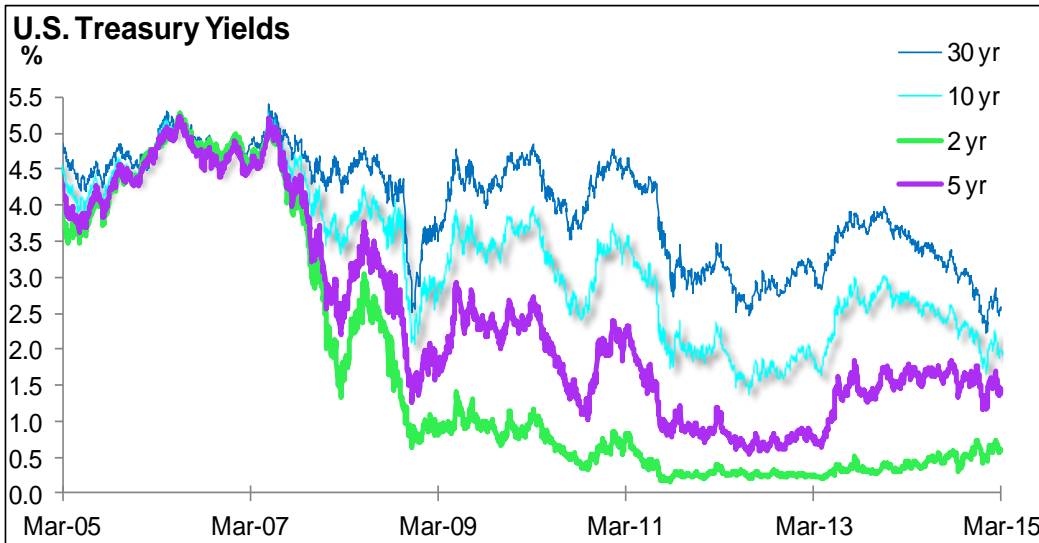
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What's Driving Interest Rates?

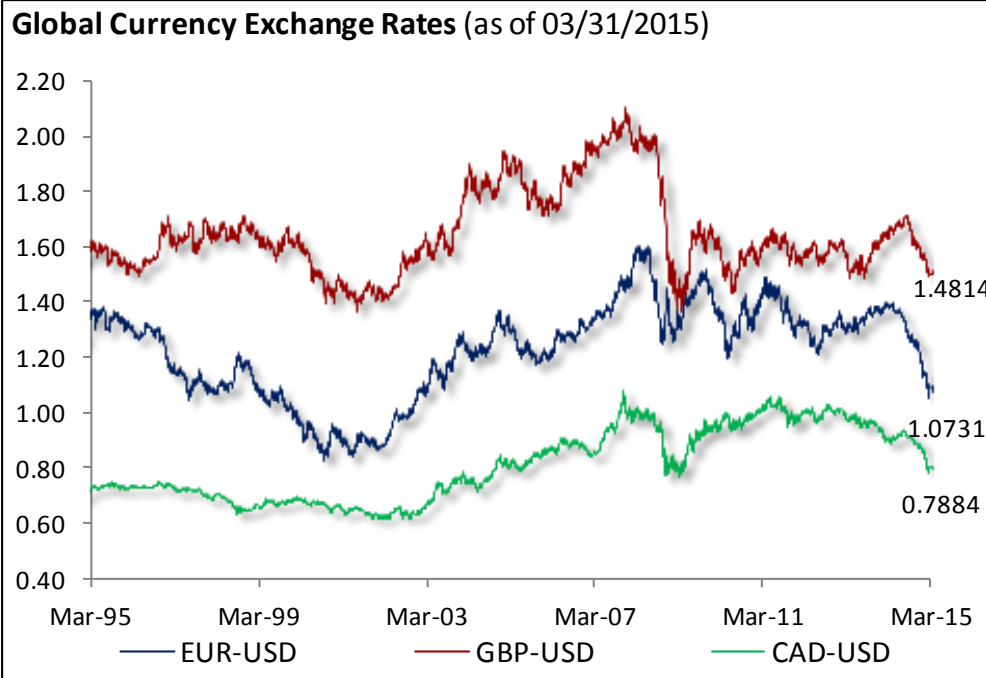


Current and Forward Rates (as of 03/31/2015)



Projected changes in bps from current to 2 years forward

Foreign Currency Exchange Rates

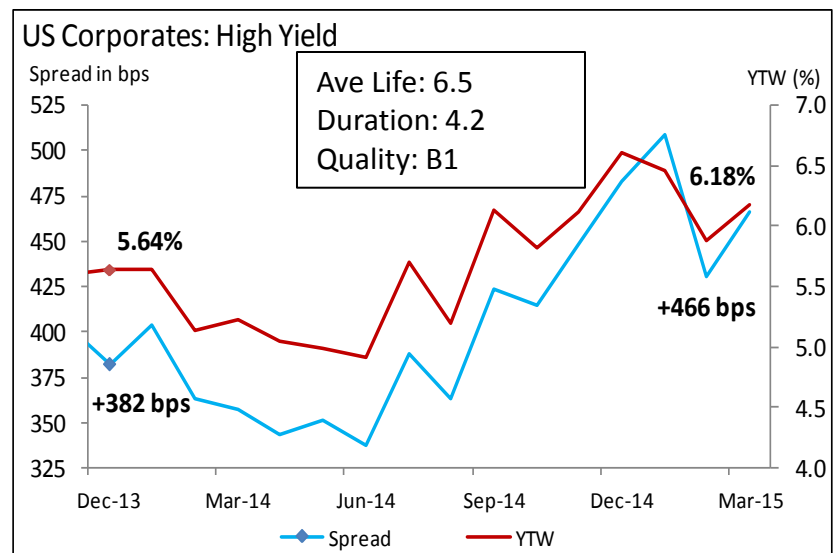
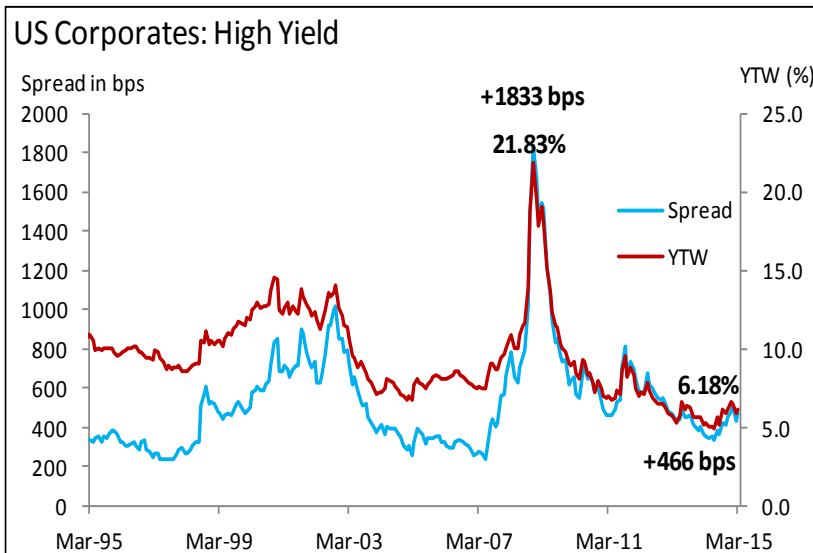
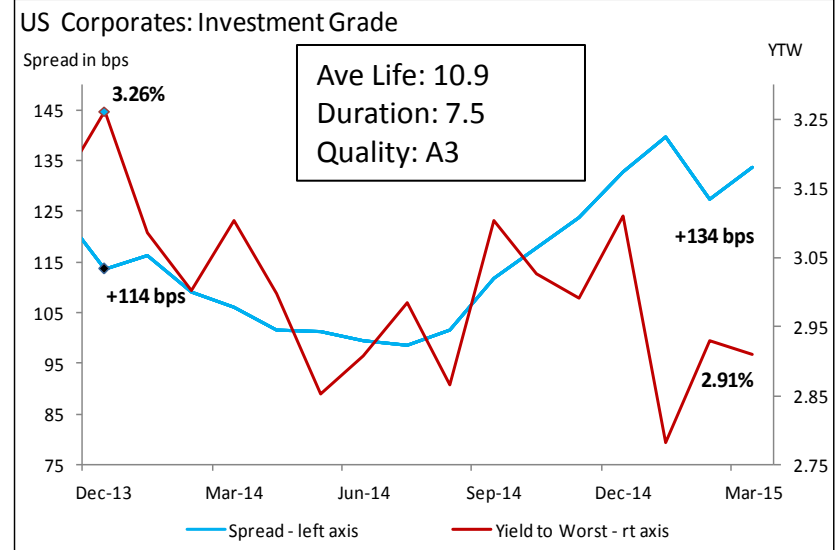
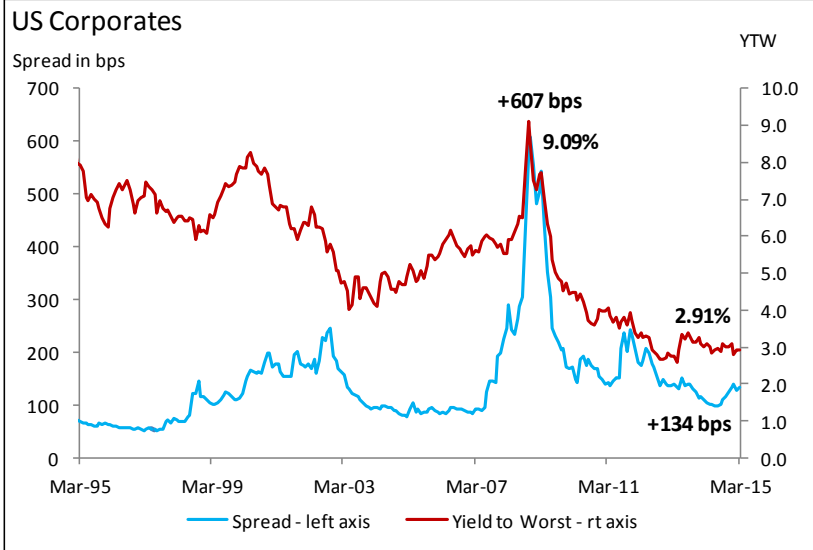


EUR-USD yoy: -22.1%

U.S.\$ strength:

- 1) stronger domestic (U.S.) economy
 - 2) ECB QE and additional policy rate cuts globally → capital flows into the U.S. , effectively capping U.S. Treasury yields
- expect the U.S.\$ to stay strong on a relative basis; opportunity to invest in weaker currencies with long-term growth potential
 - extended period of U.S. dollar strength can become negative for domestic earnings growth and the U.S. economy

Corporate Yield and Spread History (as of 03/31/2015)

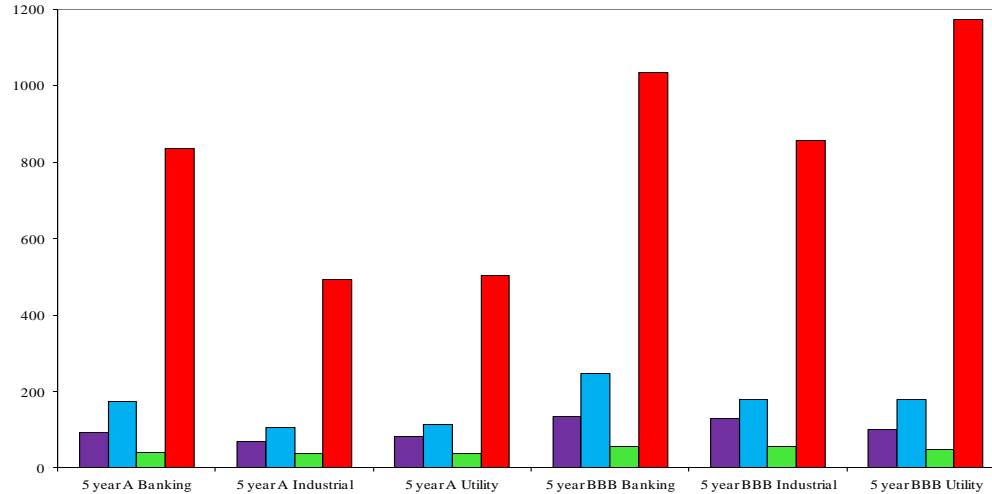


Barclays Investment Grade Corporate Spread History

(5/31/1994 – 3/31/2015)

5 Year Corporate Sector Spreads

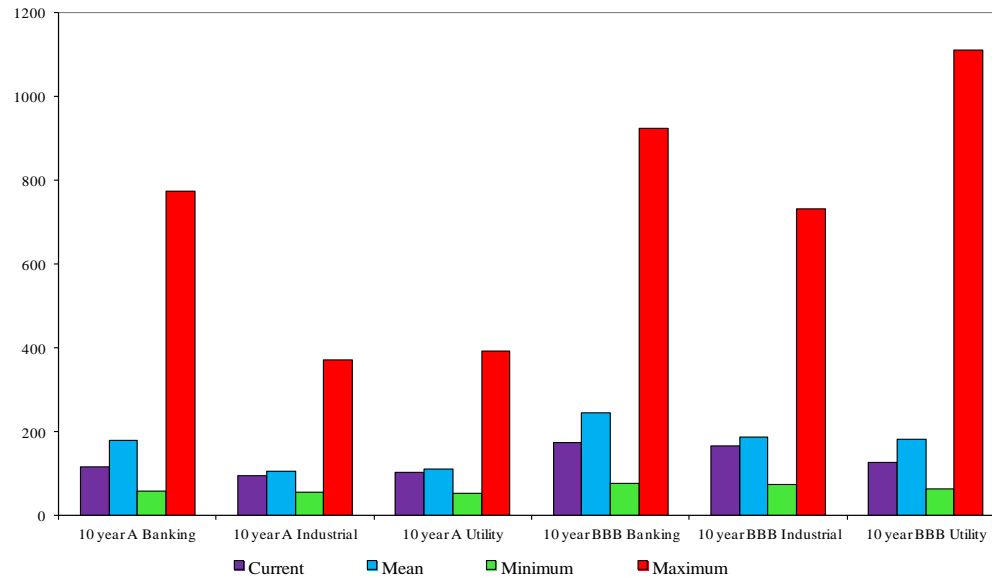
Spread in bps



10 Year Corporate

Current Mean Minimum Maximum

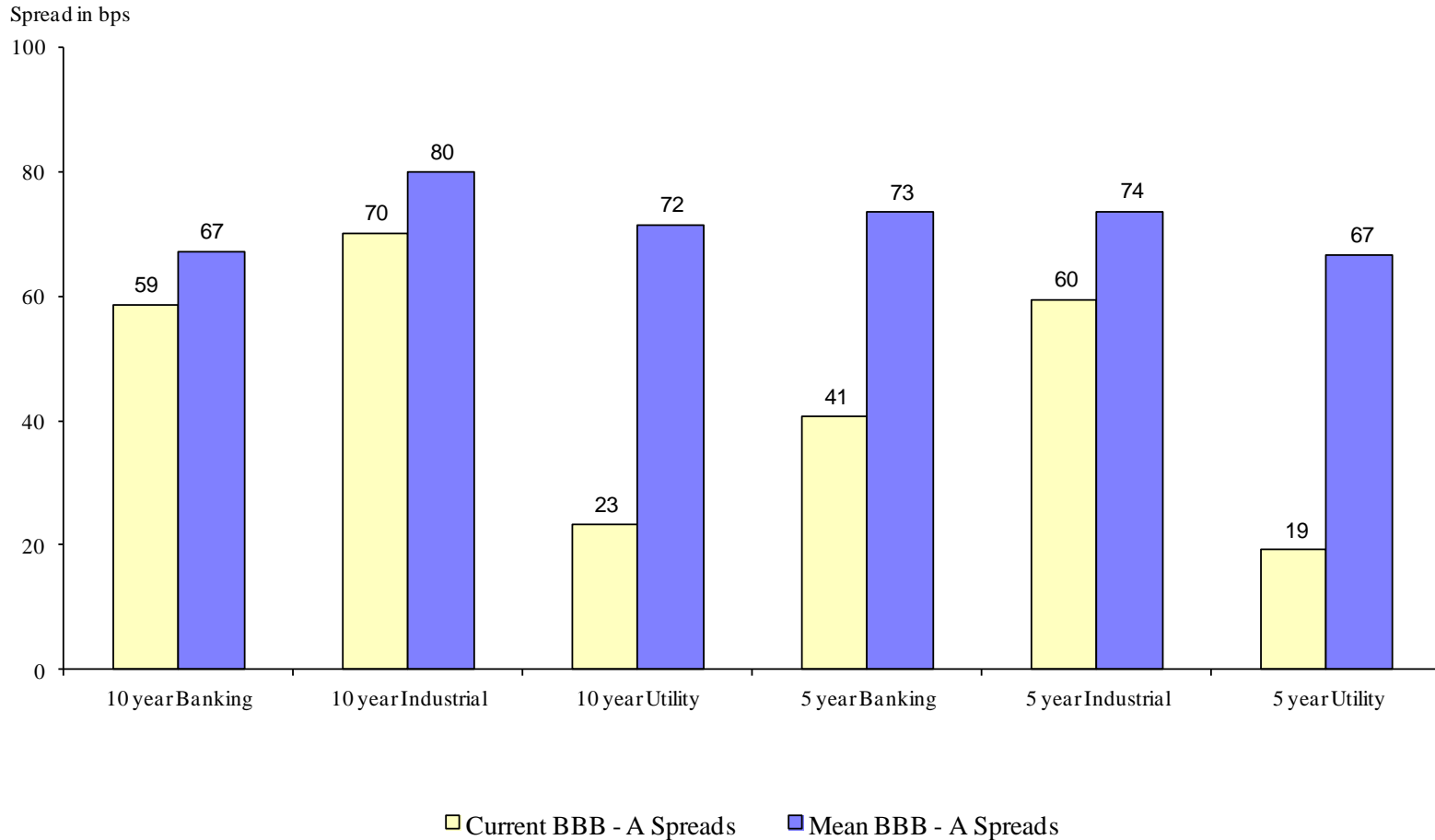
Spread in bps



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Barclays Investment Grade Corporate Spreads: BBB vs. A Rated Sector Trends

BARCLAYS SECTOR RELATIVE VALUE: BBB VS A SPREADS
MAY 31, 1994 - March 31, 2015



U.S. Public and Private Placement Bond Issuance

Public Bond Issuance (in billions of USD)	<u>YTD</u>								
	<u>03/31/2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
U.S. Investment Grade Corporates	\$381	\$1,206	\$1,147	\$1,114	\$874	\$846	\$1,074	\$806	\$1,018
CMBS	16	139	166	103	78	50	24	16	191
Credit Card ABS	3	39	38	33	11	8	47	58	91
Auto ABS	21	98	92	95	66	66	66	48	78
Agency MBS	311	981	1,611	1,734	1,221	1,405	1,754	1,075	1,128
Non-Agency MBS	18	46	36	13	7.8	6.2	43.6	31.3	740.8

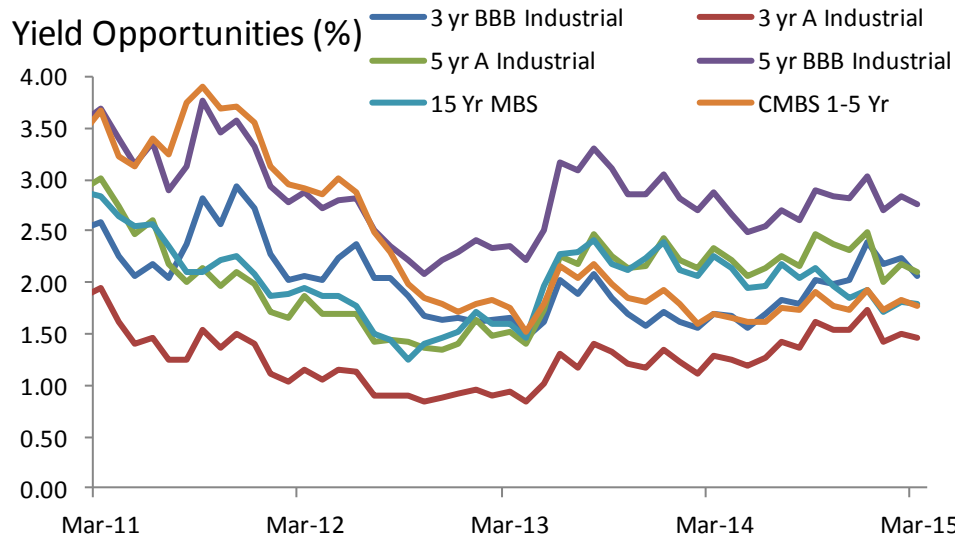
Private Bond Issuance (in billions of USD)	<u>YTD</u>								
	<u>03/31/2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Private Placements	\$13.3	\$55.7	\$51.9	\$54.9	\$48.3	\$41.0	\$26.0	\$28.1	\$40.3

Source: Bank of America/Merrill Lynch

Index Returns – Fixed Income

As of 03/31/15						
U.S.						
Barclays Fixed Income Indices	Total Rate of Return	YTD	1 year	3 year (ann.)	5 year (ann.)	10 year (ann.)
U.S. Aggregate		1.61%	5.72%	3.11%	4.41%	4.93%
U.S. Treasury		1.64%	5.36%	2.57%	4.13%	4.65%
U.S. Agency		1.17%	3.73%	1.84%	2.70%	4.00%
CMBS		1.77%	4.35%	3.94%	6.33%	5.56%
U.S. Mortgage Backed Securities		1.06%	5.53%	2.54%	3.63%	4.87%
U.S. Corporate Investment Grade		2.32%	6.81%	5.21%	6.50%	5.90%
Aaa Corporate		2.18%	8.46%	3.86%	5.83%	4.79%
Aa Corporate		2.03%	6.19%	3.53%	4.89%	4.93%
A Corporate		2.21%	6.89%	4.92%	6.25%	5.36%
Baa Corporate		2.49%	6.82%	5.91%	7.25%	6.65%
Industrial		2.47%	6.76%	4.65%	6.33%	6.14%
Utility		2.50%	10.05%	5.97%	7.58%	6.95%
Finance		1.98%	6.08%	6.04%	6.58%	5.52%
Credit 1-3		0.70%	1.35%	1.79%	2.27%	3.72%
High Yield Corporate		2.52%	2.00%	7.46%	8.59%	8.18%
Pan European						
Barclays Fixed Income Indices	Total Rate of Return	YTD	1 year	3 year (ann.)	5 year (ann.)	10 year (ann.)
Pan European Corporate		3.90%	12.52%	8.41%	7.33%	4.74%
Aaa Corporate		6.54%	22.02%	9.92%	8.28%	4.99%
Aa Corporate		3.46%	11.29%	6.48%	6.18%	4.19%
A Corporate		3.89%	12.87%	7.70%	6.77%	4.00%
Baa Corporate		4.01%	12.39%	9.77%	8.17%	5.89%
Industrial		3.60%	12.24%	7.20%	6.98%	5.44%
Utility		5.39%	17.62%	10.11%	8.80%	6.08%
Finance		3.81%	11.56%	9.10%	7.40%	4.30%
High Yield Corporate		4.69%	8.47%	12.05%	10.48%	9.57%

Yield Opportunities



3 yr BBB Industrial	3 yr A Industrial	5 yr A Industrial	5 yr BBB Industrial	15 Yr MBS	CMBS 1-5 Yr
2.06%	1.46%	2.10%	2.76%	1.79%	1.78%

Index Returns – Equity

As of 03/31/15					
Equity Indices Total Rate of Return	YTD	1 year	3 year (ann.)	5 year (ann.)	10 year (ann.)
S&P 500 - large cap	0.95%	12.72%	16.11%	14.46%	8.01%
S&P 400 - mid cap	5.31%	12.17%	16.99%	15.69%	10.30%
S&P 600 - small cap	3.95%	8.70%	17.29%	16.24%	9.66%
NASDAQ	3.86%	18.28%	18.27%	16.85%	10.60%
TSX	2.58%	6.92%	9.57%	7.40%	7.39%
EAFE (USD)	5.04%	-0.30%	9.74%	6.87%	5.69%
MSCI Emerging Markets (USD)	2.22%	0.75%	0.65%	2.09%	8.87%

As of 03/31/15					
Equity Indices Price Return	YTD	1 year	3 year (ann.)	5 year (ann.)	10 year (ann.)
EAFE (Local Currency)	10.12%	14.71%	13.37%	5.97%	3.19%
MSCI Emerging Markets (Local Currency)	4.56%	8.21%	3.79%	3.01%	7.51%

Price Returns as of 03/31/2015	YTD	1 year	3 year (ann.)	5 year (ann.)	10 year (ann.)
S&P 500	0.44%	10.44%	13.66%	12.08%	5.77%
Energy	-3.55%	-13.35%	1.66%	5.63%	5.29%
Materials	0.40%	2.74%	9.39%	8.42%	5.15%
Industrials	-1.40%	6.43%	14.03%	11.91%	5.39%
Cons Disc	4.38%	16.46%	18.80%	18.24%	8.58%
Cons Staples	0.35%	13.44%	12.56%	11.71%	7.76%
Health Care	6.16%	24.18%	24.49%	17.67%	9.26%
Financials	-2.51%	7.93%	15.15%	8.64%	-1.62%
Info Tech	0.17%	16.22%	11.76%	12.96%	8.56%
Telecom Svc	0.25%	-0.94%	5.39%	7.17%	2.63%
Utilities	-6.02%	7.14%	8.22%	8.41%	4.32%

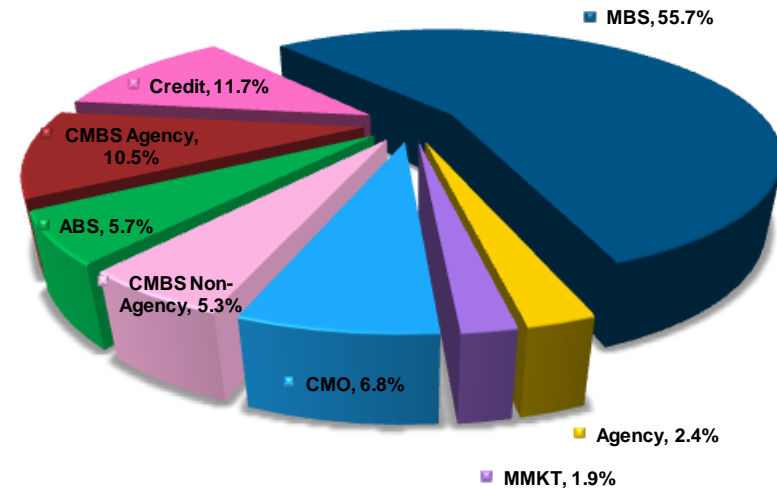
Performance & Composition



1Q 2015

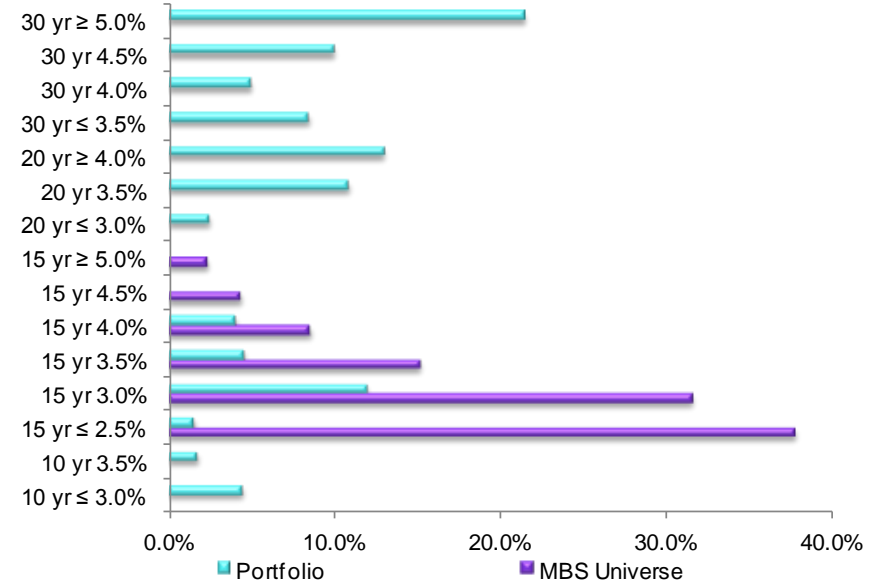
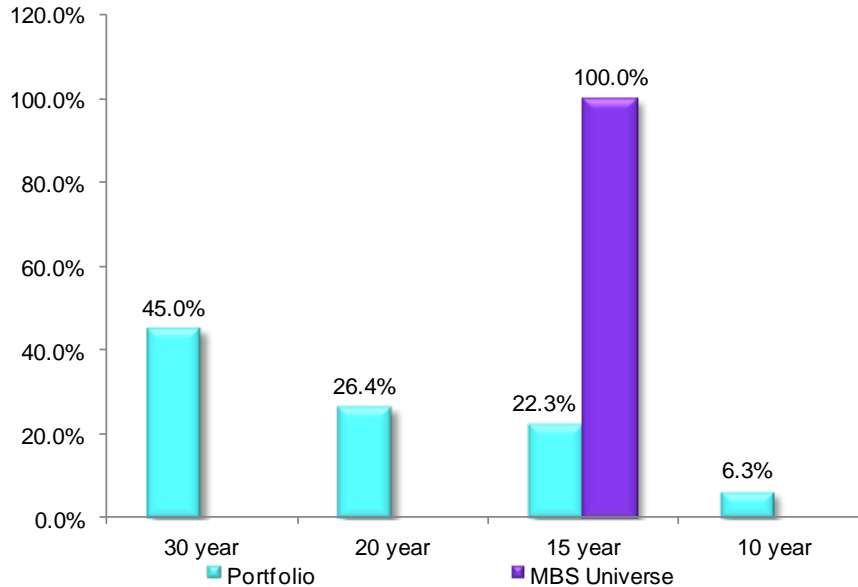
Portfolio Composition

3/31/15	County of Fresno	County of Fresno Duration	Benchmark Benchmark	Benchmark Duration
Sector Weightings:				
Agency	2.4%	4.5	0.0%	0.0
MBS	55.7%	2.9	55.0%	3.4
CMO	6.8%	2.8	0.0%	0.0
Credit	11.7%	3.0	35.0%	2.9
AAA Credit	0.5%	3.9	0.7%	3.2
AA Credit	3.5%	3.8	6.3%	2.8
A Credit	6.5%	2.6	28.0%	2.9
BBB Credit	1.2%	3.0	0.0%	0.0
CMBS	15.8%	3.2	10.0%	4.6
CMBS Agency	10.5%	3.5	3.1%	5.4
CMBS Non-Agency	5.3%	2.8	6.9%	4.3
ABS	5.7%	2.0	0.0%	0.0
MMKT	1.9%	0.0	0.0%	0.0
Credit Quality	AA+		AA+	
Weighted Average Life	4.3		3.9	
Effective Duration	2.9		3.3	
Effective Convexity	-1.2		-0.4	
Yield To Maturity	1.9		1.8	
Total AUM	\$ 61,544,553			



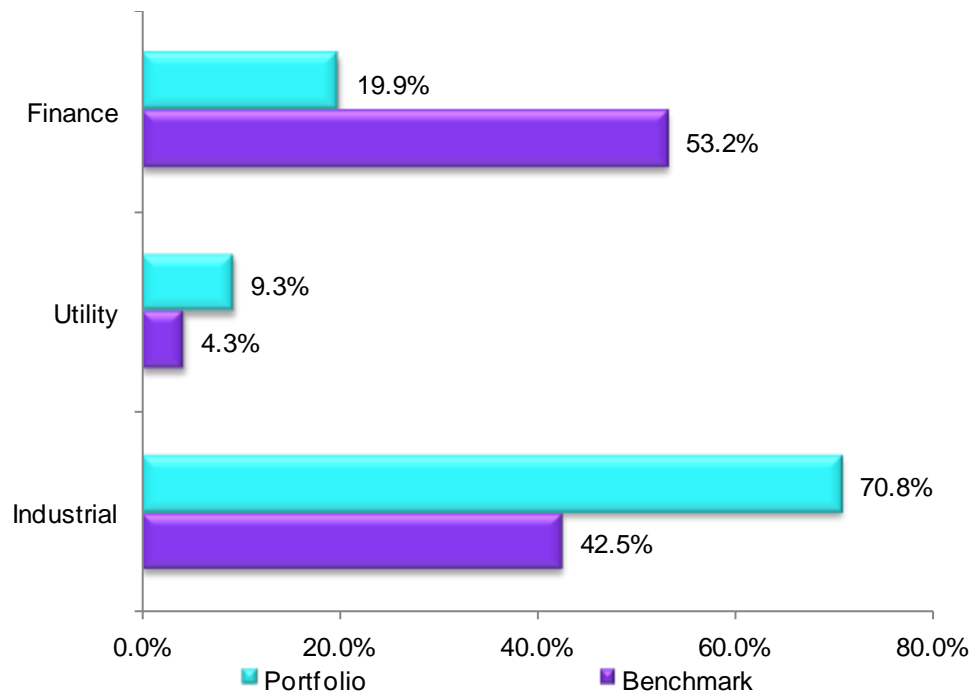
- ❑ Portfolio strategy through 2014: decrease allocation to Credit, MMKT & MBS vs. an increase to ABS & CMBS securities
- ❑ Portfolio strategy through 2015 Q1: decrease allocation to Credit, ABS, MMKT & MBS vs. an increase to CMBS securities
 - ✓ Increased allocation to CMBS is based on relative value opportunities vs. comparable bullet securities (Credit & ABS)

MBS Pass-Through: Term & Coupon



- ❑ Overweight to 10, 20 and 30 year vs. 15 year amortizing mortgages
- ❑ Underweight to production coupons
- ❑ Across pass-through holdings, the Portfolio is concentrated in specified pools across amortization terms and coupons, targeting characteristics that have exhibited significantly less interest rate sensitivity and, therefore, average life variability over market cycles

Credit Sectors

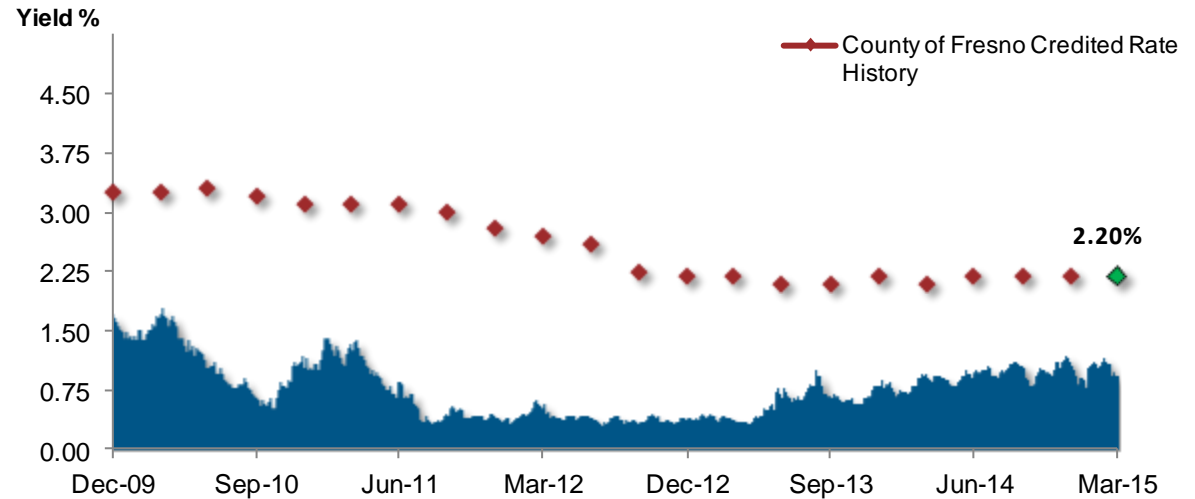


- ❑ Continue holding an overweight to cyclical industries; re: should outperform on a spread basis in improving economy
- ❑ Overweight to Industrial and Utility sectors vs. an underweight to Finance sector; re: headline risk

Credited Rate History

County of Fresno Credited Rate History	
2009 4Q	3.25%
2010 1Q	3.25%
2010 2Q	3.25%
2010 3Q	3.30%
2010 4Q	3.20%
2011 1Q	3.10%
2011 2Q	3.10%
2011 3Q	3.10%
2011 4Q	3.00%
2012 1Q	2.80%
2012 2Q	2.70%
2012 3Q	2.60%
2012 4Q	2.25%
2013 1Q	2.20%
2013 2Q	2.20%
2013 3Q	2.10%
2013 4Q	2.10%
2014 1Q	2.20%
2014 2Q	2.10%
2014 3Q	2.20%
2014 4Q	2.20%
2015 1Q	2.20%
2015 2Q	2.20%

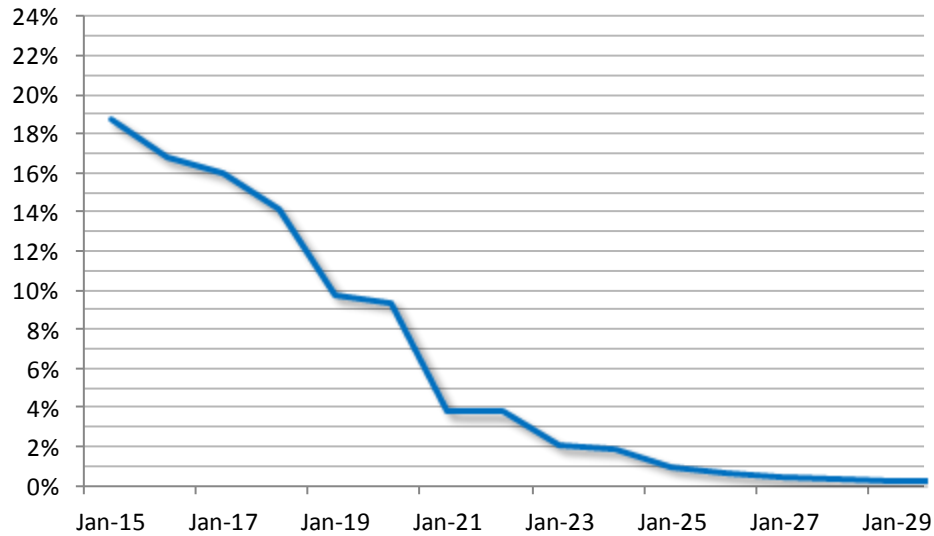
3 yr CMT vs. Credited Rates



Inception Date: 03/2013
Total AUM: \$61.54 MM
Book Yield: 2.56%
Mkt to Book (12/31): 102.3%

Portfolio Projected Cash Flow

County of Fresno Portfolio Run-Off



**Composition at 03/31/2015*

Disclosure

The principal underwriter is GWFS Equities, Inc., and securities, when offered, are offered through GWFS Equities, Inc., and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Financial SM refers to products and services provided by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO, its subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by GWL&A.

The information presented herein has been developed internally and/or obtained from sources believed to be reliable, however, the accuracy, adequacy or completeness of such information is not guaranteed. Predictions, opinions, and other information contained in this presentation are subject to change continually and without notice and may no longer be true after the date presented. Any forward-looking statements speak only as of the date made, and we assume no duty to and do not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. The information provided herein should be not relied upon in making investment decisions. This material (or any portion thereof) may not be copied or distributed without prior written consent.

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Custom Stable Value Fund

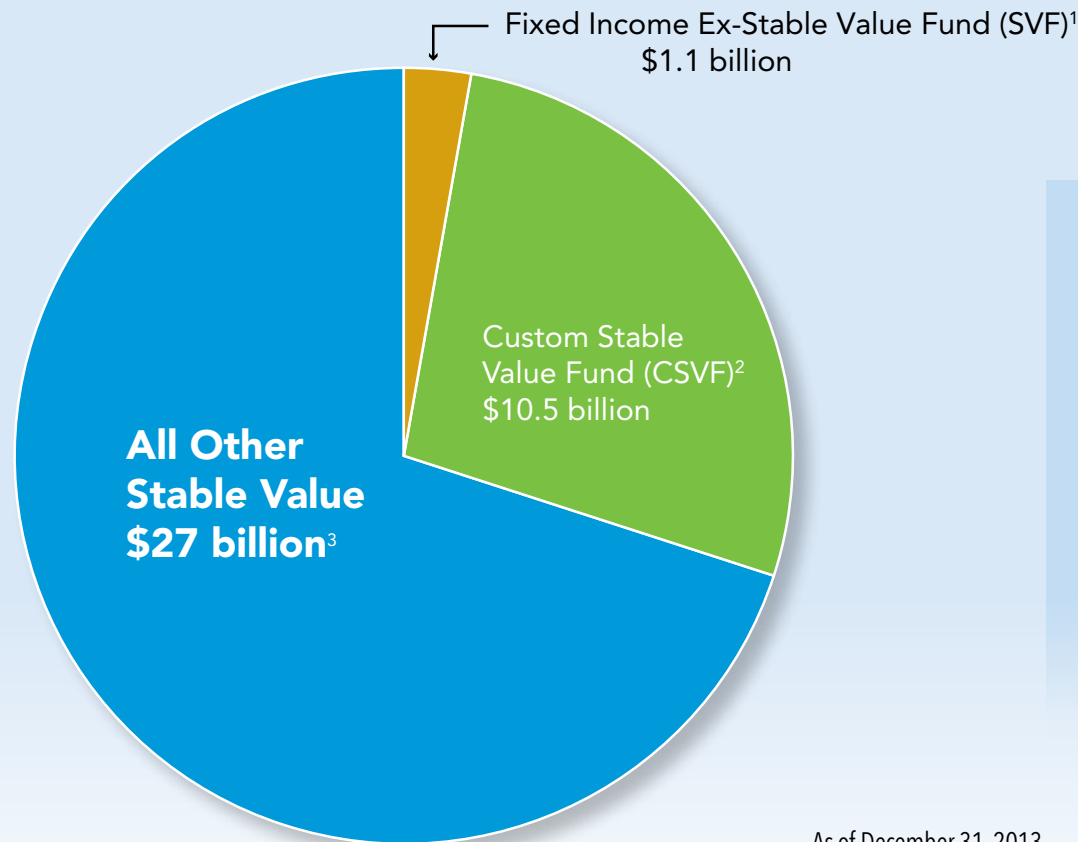


Our Four Core Beliefs ...

TRANSLATE INTO OUR KEY DIFFERENTIATORS FOR OUR CSVF



Great-West Financial® Family of Companies Fixed Income Solutions



One of Great-West Financial's core competencies is stable value asset management.

Great-West Financial® refers to products and services provided by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York (GWL&A of NY), Home Office: White Plains, NY; and their subsidiaries and affiliates, including Great-West Funds, Inc., Great-West Trust Company, LLC, Great-West Capital Management, LLC, EMJAY Corporation. The trademarks, logos, service marks, and design elements used are owned by GWL&A.

1 Great-West Funds

2 Great-West Life & Annuity Insurance Company (GWL&A)

3 General Accounts, Separate Accounts, COLI/BOLI

GREAT-WEST
FINANCIAL.

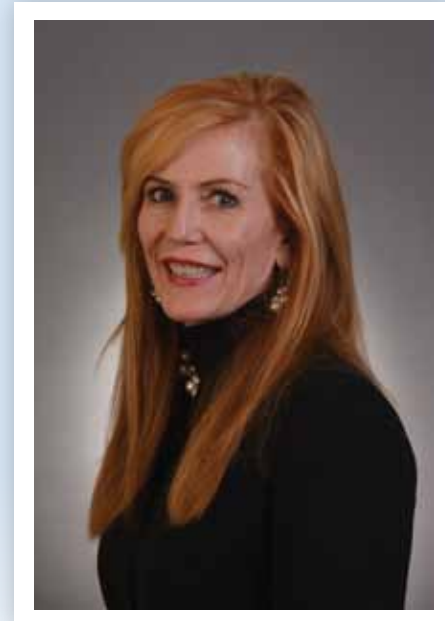
Great-West Financial[®] Knows Retirement — Investment Management

Catherine Tocher, CFA

- » Senior Vice President and Chief Investment Officer, Great-West Financial Separate Accounts and Great-West Capital Management, LLC (GWCM), Chartered Financial Analyst
- » Lead portfolio manager
- » Total of 23 investment professionals, including MBS/ABS analysts, credit analysts, and commercial real estate analysts
- » Has managed all Great-West Life & Annuity Insurance Company (GWL&A) CSVFs since 1993
- » Manages the trading desk and has oversight responsibility for the money market group

ACCOMPLISHMENTS

- » Manages the 5-Star Rated Great-West Short Duration Bond Fund^{1,2}
- » Manages 39 custom stable value portfolios and 40 mutual funds
- » Manages pooled investment products



¹ 5-Star Overall Morningstar Rating™ as of June 30, 2014.

² For more information on Morningstar Ratings, see back page.

Great-West Financial Investment Team

	Years of Experience	Years at Great-West Financial
Catherine Tocher, CFA SVP and Chief Investment Officer, Great-West Financial Separate Accounts and GWCM	30	27
Thone Gdovin, CFA Portfolio Manager	17	14
Bruce Masters Trader	35	25
Sam Moyn Assistant Portfolio Manager	14	14
Kiva Patten Assistant Portfolio Manager	14	2
Laura Kline, CFA Portfolio Analyst	7	7
Nate Simons Credit Analyst	4	1

Growing Presence in the Stable Value Market*

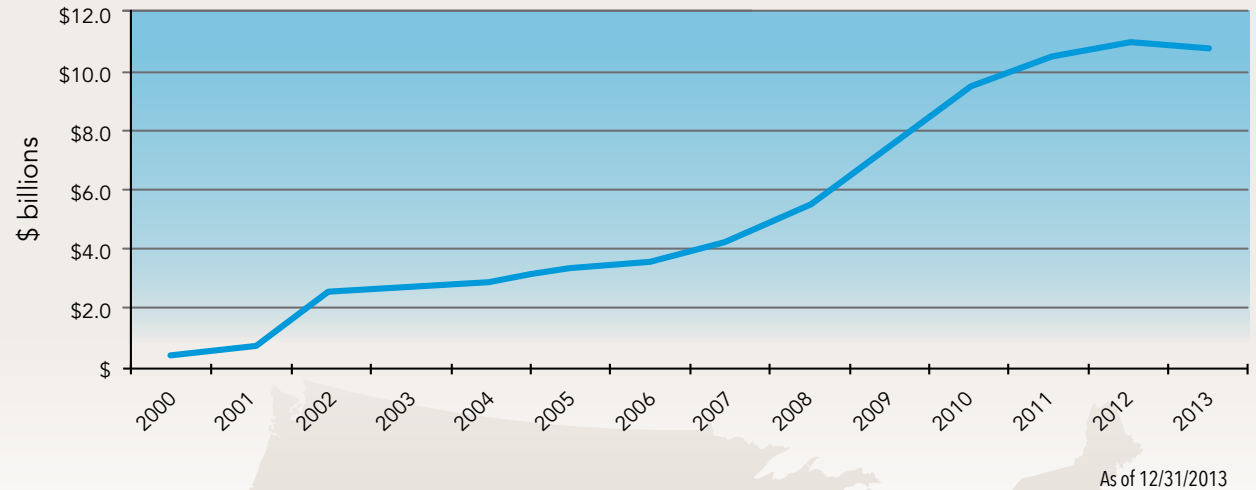
Great-West Financial Stable Value Business

- » 39 custom Separate Account clients, each with its own distinct investment policy guidelines
- » 33 clients and \$6.9 billion in 457 assets
- » \$3.3 billion in COLI/BOLI Separate Account business
- » Diversification amongst portfolio sizes

Asset Thresholds (millions)	Number of Clients	Average Assets
<\$50	11	\$31.1 million
\$50-\$99	13	\$74.6 million
\$100-\$199	4	\$135.7 million
\$200-\$499	9	\$327.4 million
>\$500	2	\$850.6 million

As of June 30, 2014
Source: Great-West Financial

Great-West Financial Stable Value Separate Account Assets Under Management



Corporate

- » Bi-Mart Corporation
- » Genesco, Inc.
- » Good Samaritan Hospital
- » Kirby Risk Corporation
- » SWIFT, Inc.

State Governments

- » State of Oklahoma
- » State of Colorado
- » State of North Carolina (two plans)

County Governments

- » Gwinnett County, GA
- » Orange County, CA
- » Santa Barbara County, CA

City/Municipality Governments

- » City & County of San Francisco, CA
- » City of Virginia Beach, VA
- » City of Houston, TX

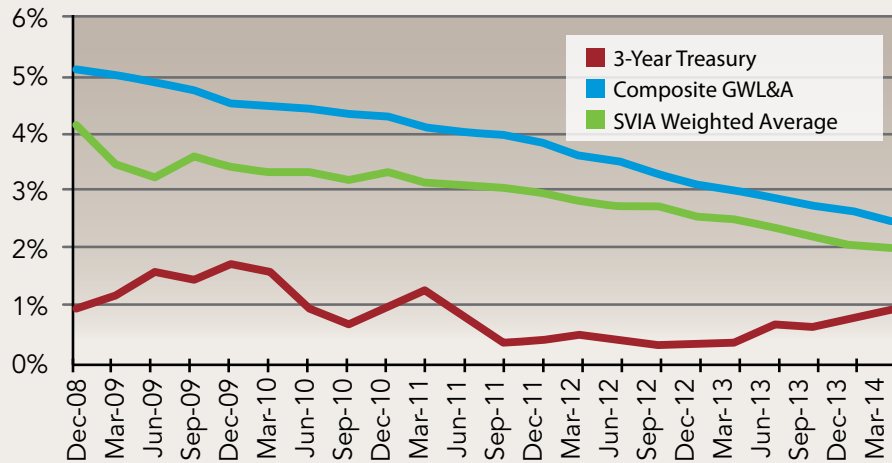
Other

- » Chicago Park District, IL

* The Separate Account product is not available in Minnesota and New York

Industry-Leading Performance

Historical Crediting Rates

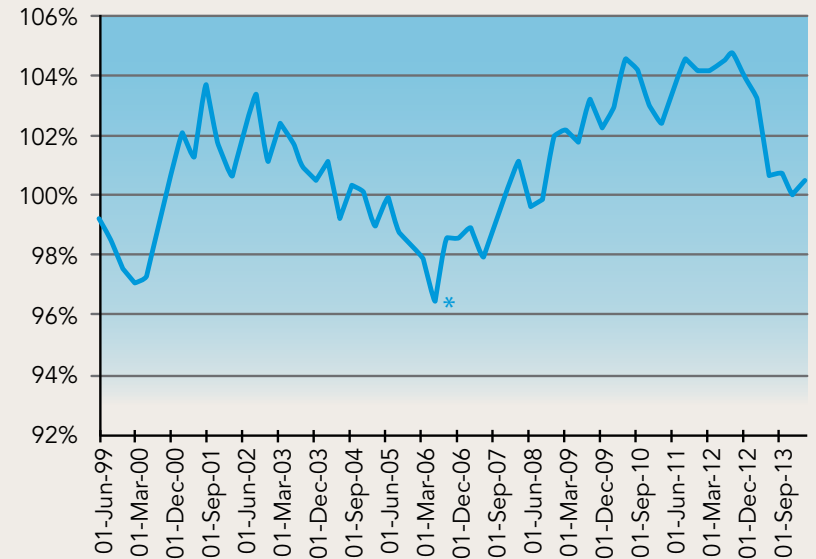


Source: SVIA, Stable Value Funds Quarterly Characteristics Survey, March 31, 2014

Period	Crediting Rate
1Q '09	3.38%
1Q '10	3.24%
1Q '11	3.04%
1Q '12	2.73%
1Q '13	2.40%
1Q '14	1.91%

Source: SVIA, Stable Value Funds Quarterly Characteristics Survey, March 31, 2014

Composite Market Value/Book Value (MV/BV)



Source: Great-West Financial

COMPOSITE MV/BV

Period	MV/BV
4Q '09	102.3%
4Q '10	102.9%
4Q '11	104.2%
4Q '12	103.9%
4Q '13	100.0%
1Q '14	100.5%

Source: Great-West Financial

** Some competitors dropped as low as 80% and Great-West Financial only went as low as 96.5%.*

Industry-leading crediting rates without compromising market-to-book.

Benefits of Working With Great-West Financial

Investment Management Expertise

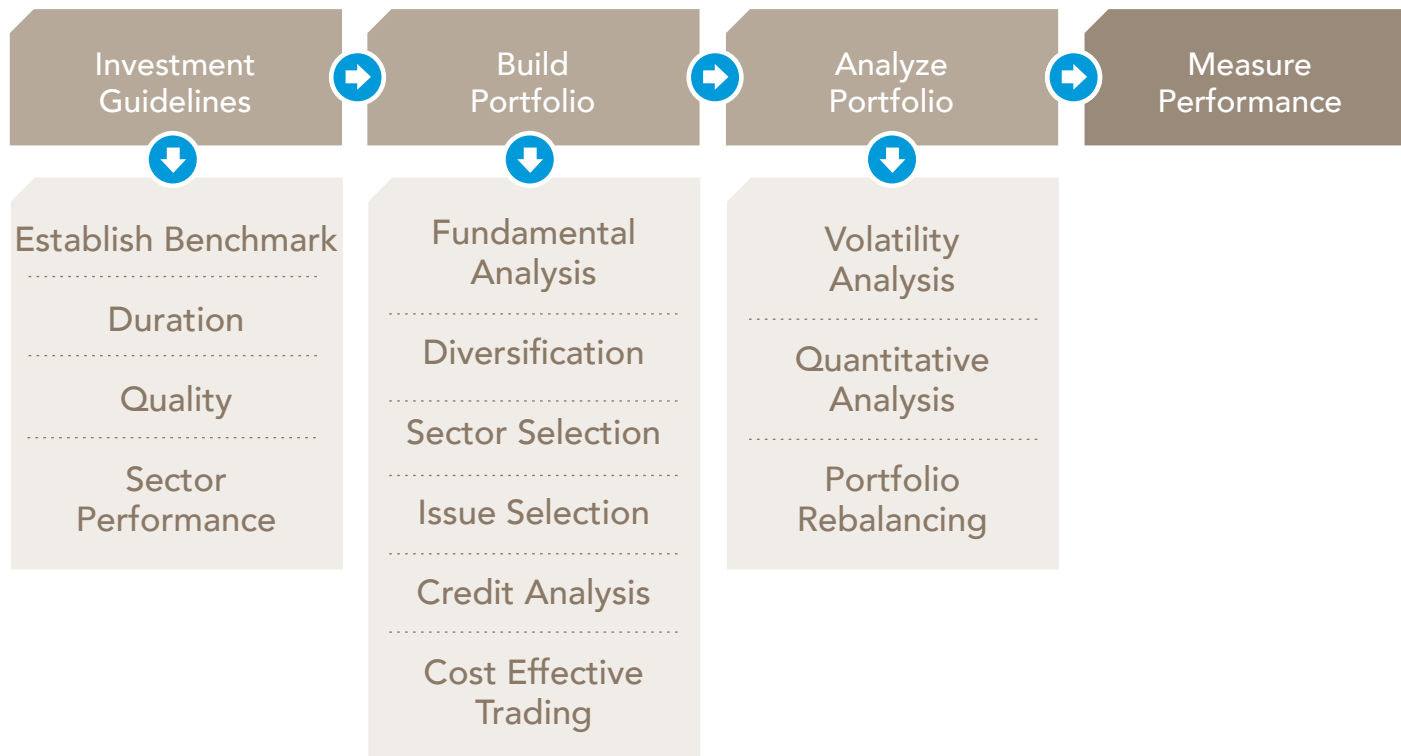
- » Working together to set objectives and strategy
- » Managing compliance with investment policy guidelines
- » Purchasing securities directly for your CSVF fund
- » Pursuing multiple strategies to enhance returns and avoid large concentrations of risk
- » Achieving our ultimate objective: consistent, long-term performance

We offer unique, customizable solutions and the flexibility to ensure we meet all the needs of your plan.

Great-West Financial Process

Building Your CSVF

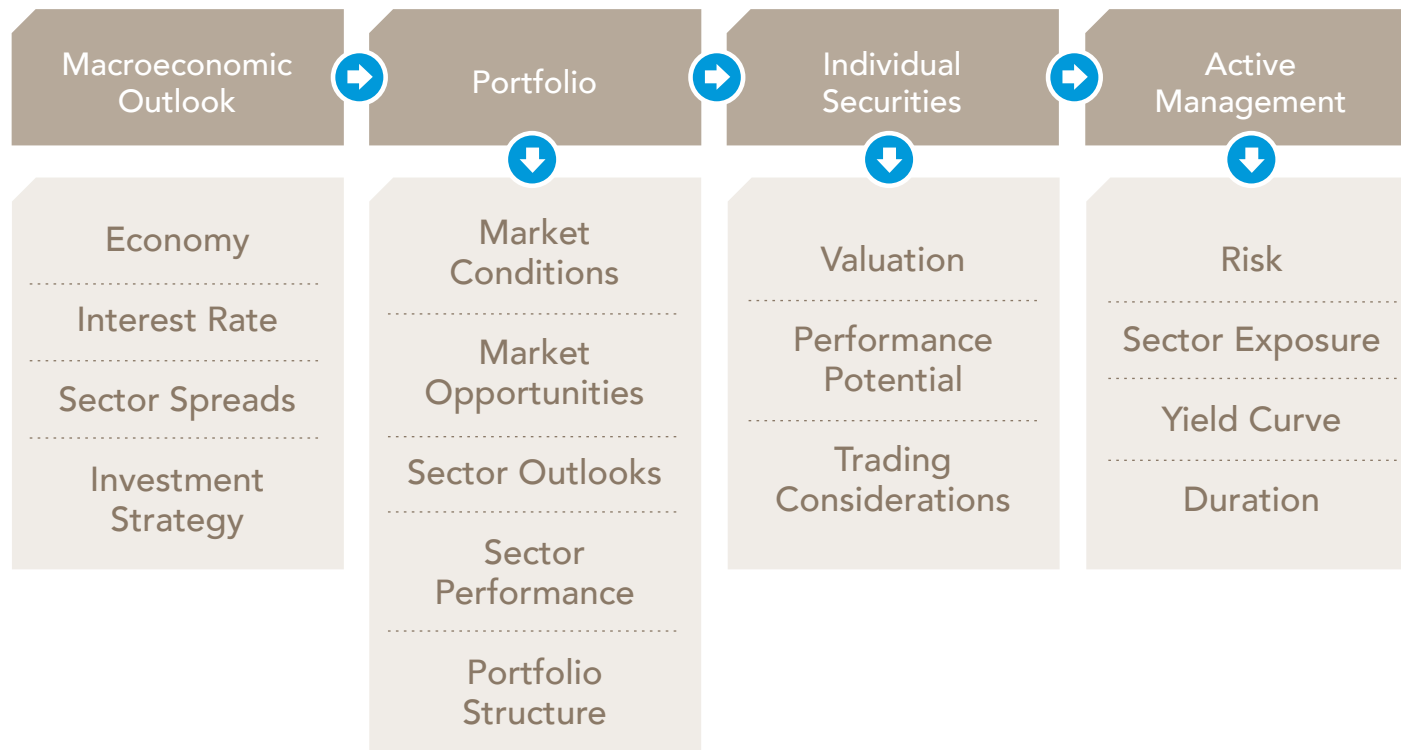
- » Our portfolio management approach integrates:
 - » Fundamental analysis and changes to the economy
 - » Regulatory environment activity
 - » Reactions to fiscal and monetary policy
 - » Relative value within and between asset classes



Great-West Financial Process

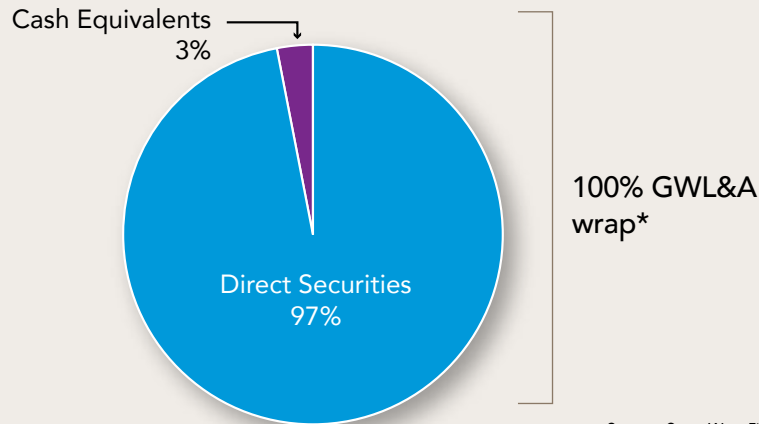
Managing Your CSVF

- » Our philosophy is that disciplined, consistent processes provide the framework for achieving performance
- » Securities are selected based on individual merits
- » Portfolio turnover is managed based on an ongoing assessment of risk, sector exposure, portfolio duration and changes in the yield curve
- » We integrate a top-down macroeconomic outlook with bottom-up fundamental asset class/sector/industry analyses to form the basis for portfolio construction



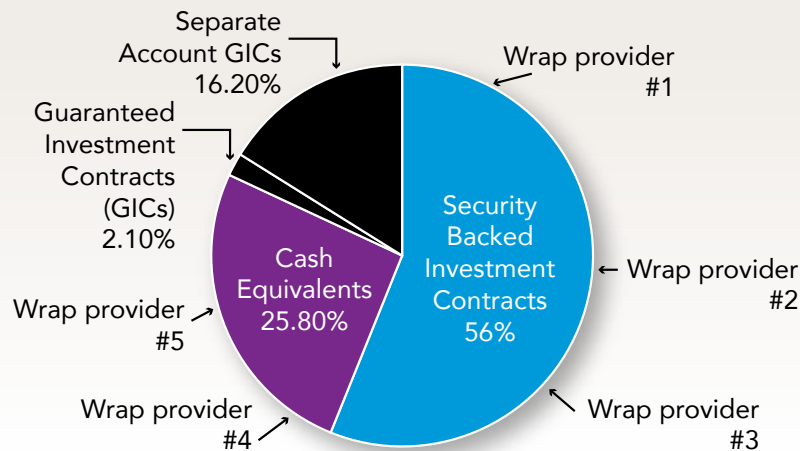
Benefits of Working With Great-West Financial — Our Approach

Great-West Financial—Purchases Securities Directly



- » We report all holdings to you on a quarterly basis
- » We purchase individual securities directly for the sole use of your plan
- » We do not invest in GICs, pools or other companies' investment products
 - Each may have additional fees that are may not be transparent to you
 - GICs are holdings of insurance companies general/ separate accounts resulting in duplication of underlying securities

Competitor—Purchases Securitized Products



- » Competitors may offer contracts with multiple insurance companies and wrap providers, each of which has:
 - Its own fee
 - Different investment management guidelines
 - Separate wrap coverage
 - Varying quality
- » Due diligence may be required to ensure plan sponsors know what is covered for them and their participants

Great West Financial plan sponsors are provided with full insight into all aspects of their SVF.

*Wrap protection provided by GWL&A.

Benefits of Working With Great-West Financial — Transparency Into Wrap Coverage

Wrap Protection*

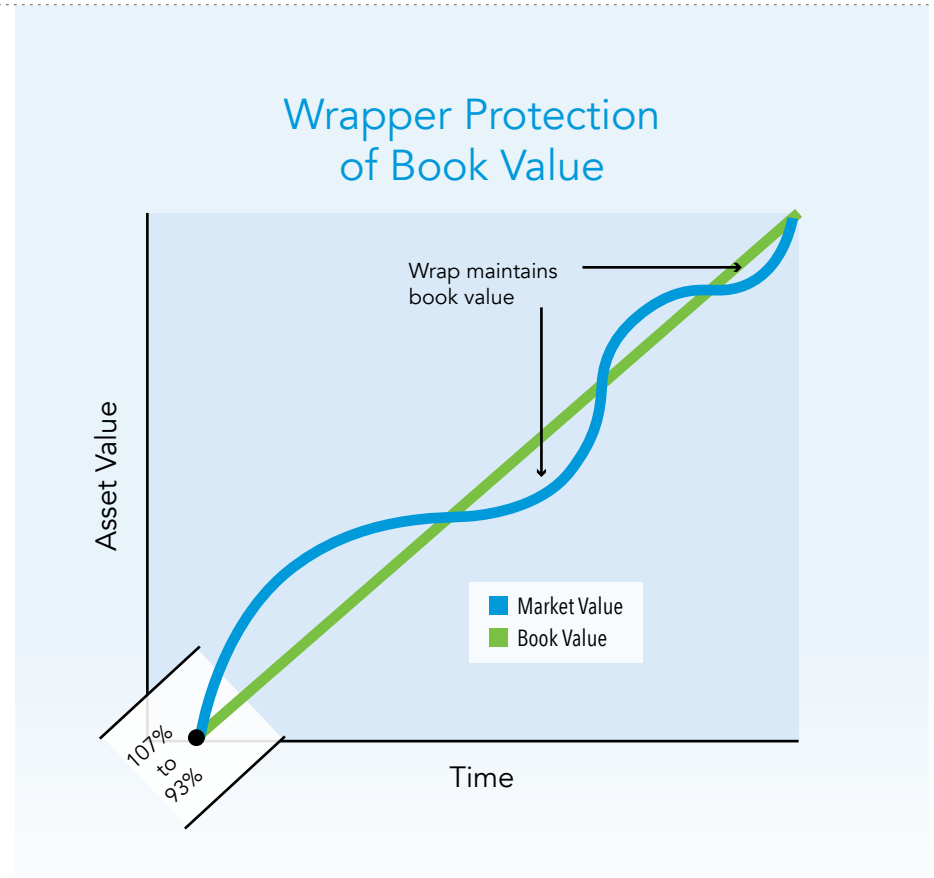
- » Wrap providers guarantee participant account values
- » Wrap providers guarantee to make up any difference that may exist if the fund is unable to pay the book value when participants withdraw funds
- » Wrap protection provides stability of principal and credited interest at book value
- » Wrap protection typically does not cover losses due to impaired securities (defaults or failure to meet investment guidelines) and employer-initiated events

GWL&A Ratings	
A.M. Best Company, Inc.	A+ ¹
Fitch Ratings	AA ²
Moody's Investors Service	Aa ³
Standard & Poor's Rating Services	AA ²

- 1 Superior (highest of 10 categories), measured on financial strength
 2 Very Strong (second highest of nine categories), measured on financial strength
 3 Excellent (second highest of nine categories), measured on financial strength

Current ratings. These ratings are subject to change. These ratings do not pertain to the investment performance of the underlying fund, other insurance affiliates or subsidiaries, or non-insurance affiliates or subsidiaries of the company.

*Wrap protection provided by GWL&A.



A SVF is only as strong as its weakest wrap and underlying investment contract provider.

Benefits of Working With Great-West Financial — Transparency While Maintaining Simplicity

Single Manager, Single Wrap*, Single Contract**

- » **Lower fees**
 - Multiple managers and wrap providers may mean additional fees
- » **Plan sponsor control**
 - Portfolio diversification
 - Credit quality
 - Allocations
- » **Simplify**
 - No matrix of involved companies

Achieve diversification, low fees, competitive yields, high quality and protection for participants with a single manager/single wrap.

* Wrap protection provided by GWL&A

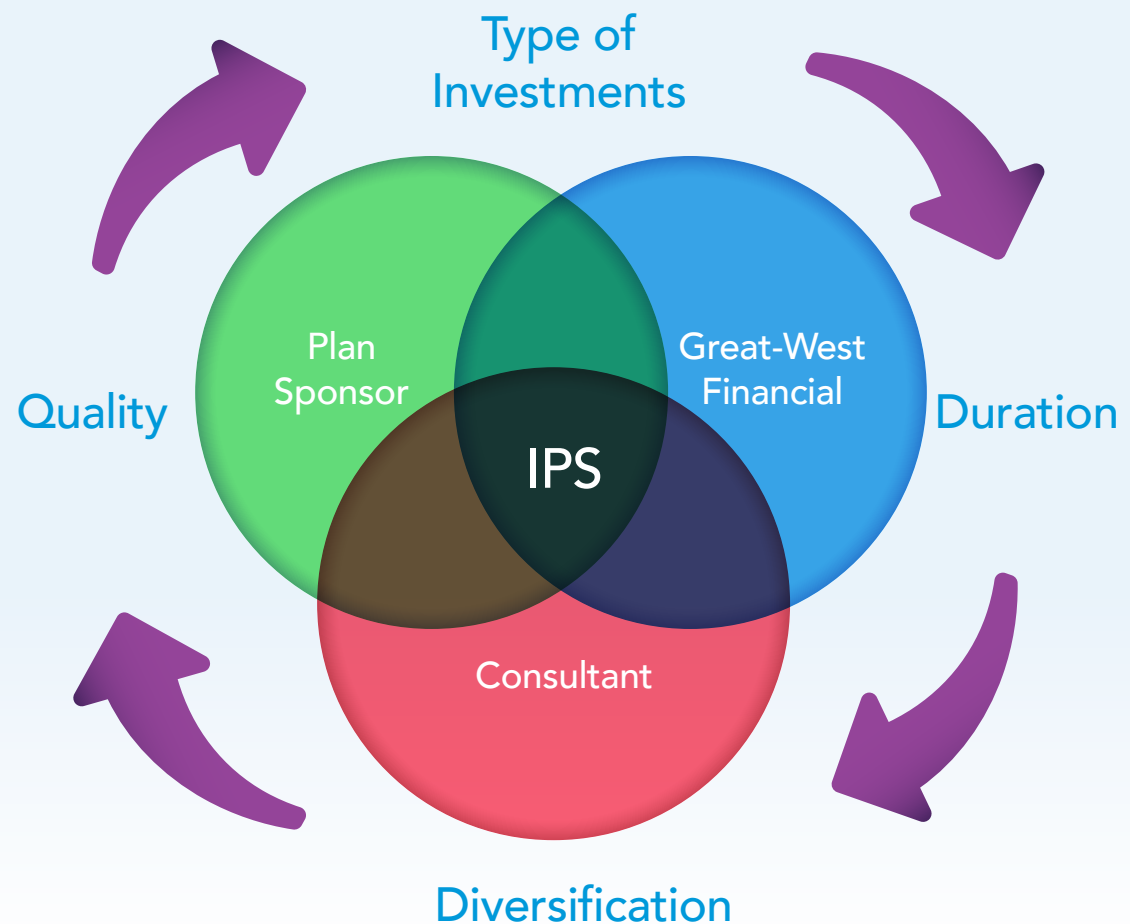
** A Great-West Capital Management, LLC investment management agreement may be required in some circumstances.

Benefits of Working With Great-West Financial — Customization

It all starts with the IPS

- » **Type of Investments Held in the Portfolio**
 - Define preferred combination of government, agency, mortgage-backed securities and/or corporate securities
 - Securities purchased directly for your plan
 - Not a sleeve or predetermined list of securities
- » **Portfolio Diversification**
 - Define exposure limits to certain asset classes or issuers
 - Allows you to determine the level of risk for your CSVF
- » **Portfolio Quality**
 - Define acceptable credit ratings
- » **Portfolio Duration**
 - Typically between two and four years
- » **Benchmark and performance reporting**
 - Customized quarterly holdings and performance reports for your individual portfolio

With a Great-West Financial CSVF, no other portfolio will be the same as yours.



Our unique approach allows plan sponsors the ability to choose how much or how little involvement they want in this process.

Great-West Financial Knows Retirement — Recordkeeping

- » Great-West Financial is a leading provider of employer-sponsored retirement savings plans, servicing more than 30,000 plans nationwide, with approximately 5 million participant accounts and \$226 billion in assets.¹

- » Great-West Financial is the fourth-largest defined contribution recordkeeper by total participant accounts and the seventh-largest by assets under administration, according to PLANSPONSOR'S 2014 Recordkeeping Survey.²

- » Great-West Financial is an expert in retirement industry knowledge because of its diverse experience.

- » Our recordkeeping experience brings retirement knowledge to your plan.

CODE	PLANS	PARTICIPANT ACCOUNTS	ASSETS (\$MILLION)
401(k)	23,183	2,467,000	\$125.982
401(a)	960	472,000	\$14.092
NQDC	99	3,000	\$430
403(b)	3,672	522,000	\$18.563
457	1,109	1,320,000	\$62.182
Other	1,408	180,000	\$4.618
Total	30,431	4,964,000	\$225.868

As of 12/31/2013

Our affiliation with an industry leading recordkeeper means your stable value fund can benefit from the experience gained from this relationship.

¹ As of December 31, 2013, assets under administration (AUA) includes assets of Great-West Financial.

² Information refers to the retirement business of GWL&A, GWL&A of NY, and to recordkeeping business of FASCore, LLC and reflects all recordkeeping customers. Source: PLANSPONSOR, June 2014.

Great-West Financial Knows Retirement

» As a wrap provider, recordkeeper and investment manager, Great-West Financial has the retirement industry knowledge, experience and capability to provide superior service for your plan.

- Product and investment recommendations made based on:

- Participant activity and behavior and how it will impact your CSVF such as:
 - Population demographics
 - Adding/removing Reality Investing® Advisory Services**
 - Trends in usage of other asset classes
- Market and/or economic conditions
- Portfolio recommendations can be influenced by our experience with participants that have similar characteristics

Investment Manager:

Ability to select best assets without consideration to unaffiliated third-party wrap providers

Wrap Provider*:

Higher comfort level because of our relationship with investment manager and recordkeeper

RESULT:

1. Custom portfolio
2. No unnecessary liquidity restrictions
3. Optimized plan sponsor experience

Recordkeeper:

Provides participant behavior and demographic knowledge to put wrap provider at ease and allow investment manager to react quickly

* Wrap protection provided by GWL&A

** Provided by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of GWL&A. More information can be found at www.adviserinfo.sec.gov.



Client Experience



Client Experience

Quarterly Statements

- » Credit rate, historical returns, sector allocations, etc.
- » Detailed list of all security holdings

Annual Audited Financial Statements

Stable Value Expert – Available to Discuss

Works in tandem with your account manager as your SVF expert

- » SVF credit rates
- » Changes to IPS
- » Additions/changes to product lineup with respect to impact on CSVF
- » Available for plan sponsor questions and discussions; attends plan sponsor board meetings as necessary

Senior Investment Manager Available for Consultation

- » Provides economic outlook
- » Annual review of IPS to ensure strategy continues to meet your goals
- » Catherine and team are available to discuss and answer questions about portfolio performance



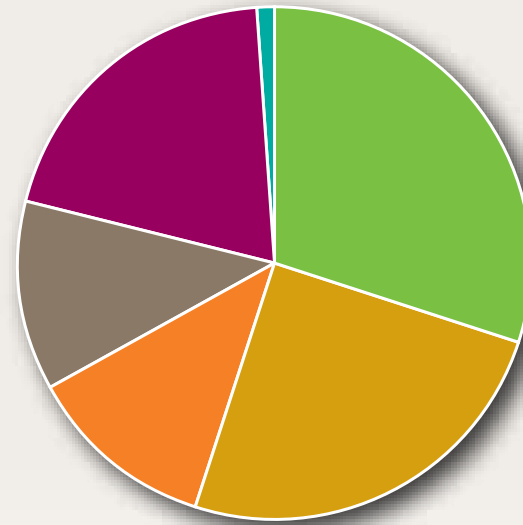
Catherine Tocher

Senior Vice President
Chief Investment Officer,
Great-West Financial Separate
Accounts and GWCM,
Chartered Financial Analyst

Sample Portfolio



- MBS - 10 Yr P/T, 14.0%
- MBS - 15 Yr P/T, 20.0%
- MBS - 20 Yr P/T, 5.0%
- CMBS, 16.0%
- ABS, 10.0%
- CORP - A, 20.0%
- CORP - BBB, 10.0%
- MMKT, 5.0%



- MBS - 10 Yr P/T, 30.0%
- MBS - 15 Yr P/T, 25.0%
- MBS - 20 Yr P/T, 12.0%
- MBS - 30 Yr P/T, 12.0%
- CMO - Agency, 20.0%
- MMKT, 1.0%

Portfolio Considerations

PORTFOLIO COMPOSITION	CORE	GOVERNMENT
Avg. Credit Quality	A	AAA
Portfolio Duration	3.8	3.8
Sector Allocations		
Agency MBS	39%	79%
Agency CMO	0%	20%
CMBS	16%	
ABS	10%	
Corporates	30%	
Mmkt	5%	1%

- » The Core portfolio is more diversified across asset classes; both portfolios are diversified within permissible asset classes
- » Liquidity is significant for both Core and Government portfolios
- » Portfolio structure/strategy is consistent: cashflows are laddered to ensure participation in a changing economic / interest rate environment while managing the average life and duration variability of the underlying assets

Transparent Fees

X.XX% — New Money Portfolio Yield

(X.XX%) — Wrap Fee

(X.XX%) — Investment Management Fee

(X.XX%) — Plan Directed Fee*

X.XX% — Participant Credit Rate

Great-West Financial
provides transparency
into holdings, fees and
performance.

* Plans may elect to offset recordkeeping expense and/or offset Market Value gains/losses from prior provider.

Value Add

- » **Our flexible options**
- » **Conversion experience**
- » **Lets you bring value to your customized portfolio**



Great-West Financial Stable Value Solutions

	GWL&A Custom Stable Value Fund	Great-West Trust Pooled SVF	GWL&A General Account
Participant principal is guaranteed	✓	✓	✓
Minimum guaranteed credited rate for life of contract	✓	✓	✓
Guaranteed credited rate periods	✓	✓	✓
Guarantee backed by full faith and credit of GWL&A	✓ ¹	✓	✓
GWCM as asset manager ²	✓	✓	
Flexible termination options	✓		✓
Expenses	Varies based on asset size	0.68%	0.89% ³
Investment duration	Typically 2-4 years	2-4 years	3-7 years
Protection in the unlikely event of insurance company insolvency	Assets are used solely to pay plan sponsors and/or participants in the fund	Assets are used solely to pay plan sponsors and/or participants in the pooled fund	State Insurance laws give preferential treatment to policyholders over general creditors

1 In the event the separate account's assets are insufficient to meet contractual guarantees, GWL&A's general account is prepared to cover any shortfall.


2 For Great-West Trust Stable Value Fund, GWCM is sub-contracted to perform management services.

3 The "Expense" for General Account products (e.g., GIF, KGPF, GPF, GCF, DIGFII), as also expressed in the plan sponsor 408(b)(2) disclosure, cannot be factored into plan pricing because it does not reflect actual product-specific expenses. The "Expense" merely reflects GWL&A's internal cost of managing its General Account.

Our Four Core Beliefs ...

TRANSLATE INTO OUR KEY DIFFERENTIATORS FOR OUR CUSTOM STABLE VALUE FUND





About Morningstar Ratings:

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Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

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Appendix

Plan Options at Termination

- I. Maintain Participant Balances Until They Are Paid Out - not likely to be elected
- II. Liquidate Fund and send Cash to New Manager
- III. Send Assets in Kind to New Manager (most likely)

In Development - Book Value Option

- Will require new contract filed with State of California
- Will require approval from State of California
- County of Fresno to enter into new contract with this benefit