



City of Arvada RFP Response

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PROPOSAL FORM - PAGE 1

SUBMITTED BY:

Company Name: SAGEVIEW ADVISORY GROUP

Address: 2010 MAIN ST, SUITE 1220 City: IRVINE

State: CA Zip: 92614 Phone: (949) 955-5789

Facsimile: (949) 955-1991

CERTIFICATION: (If a Submission is Offered):

The undersigned hereby affirms that:

- He/she is a duly authorized agent of the Bidder;
- He/she has read the General Terms and Conditions, the Special Conditions and any technical specifications that were made available to the Bidder in conjunction with this Bid and fully understands and accepts these terms unless specific variations have been expressly listed on the Bid Proposal Form;
- The Submission is being offered independently of any other Bidder and in full compliance with the collusive prohibitions specified in the General Terms and Conditions of this solicitation; and
- The Bidder will accept any awards made to them as a result of this Solicitation for a minimum of ninety (90) calendar days following the date and time of the bid opening.

By: 
Manual Signature of Agent

4-6-10
Date

Jon Upham
Typed/Printed Name of Agent

PRESIDENT
Title of Agent

Include Original with Submission

Affix Manual signature of authorized agent.

NO OFFER:

Indicate reason(s) why no offer is being submitted at this time.

PROPOSAL FORM - PAGE 2

PROMPT PAYMENT TERMS:

Discount: 0 % Days

Net: Days

VARIATIONS:

The Bidder shall identify all variations and exceptions taken to the General Terms and Conditions, the Special Conditions and any Technical Specifications in the space provided below; provided, however, that such variations are not expressly prohibited in the Bid documents. For each variation listed, reference the applicable section of the bid document. If no variations are listed here, it is understood that the Bidder's Proposal fully complies with all terms and conditions. It is further understood that such variations may be cause for determining that the Bid Proposal is non-responsive and ineligible for award:

NONE

Page #: Item # or Section:

Variance

Page #: Item # or Section:

Variance

Page #: Item # or Section:

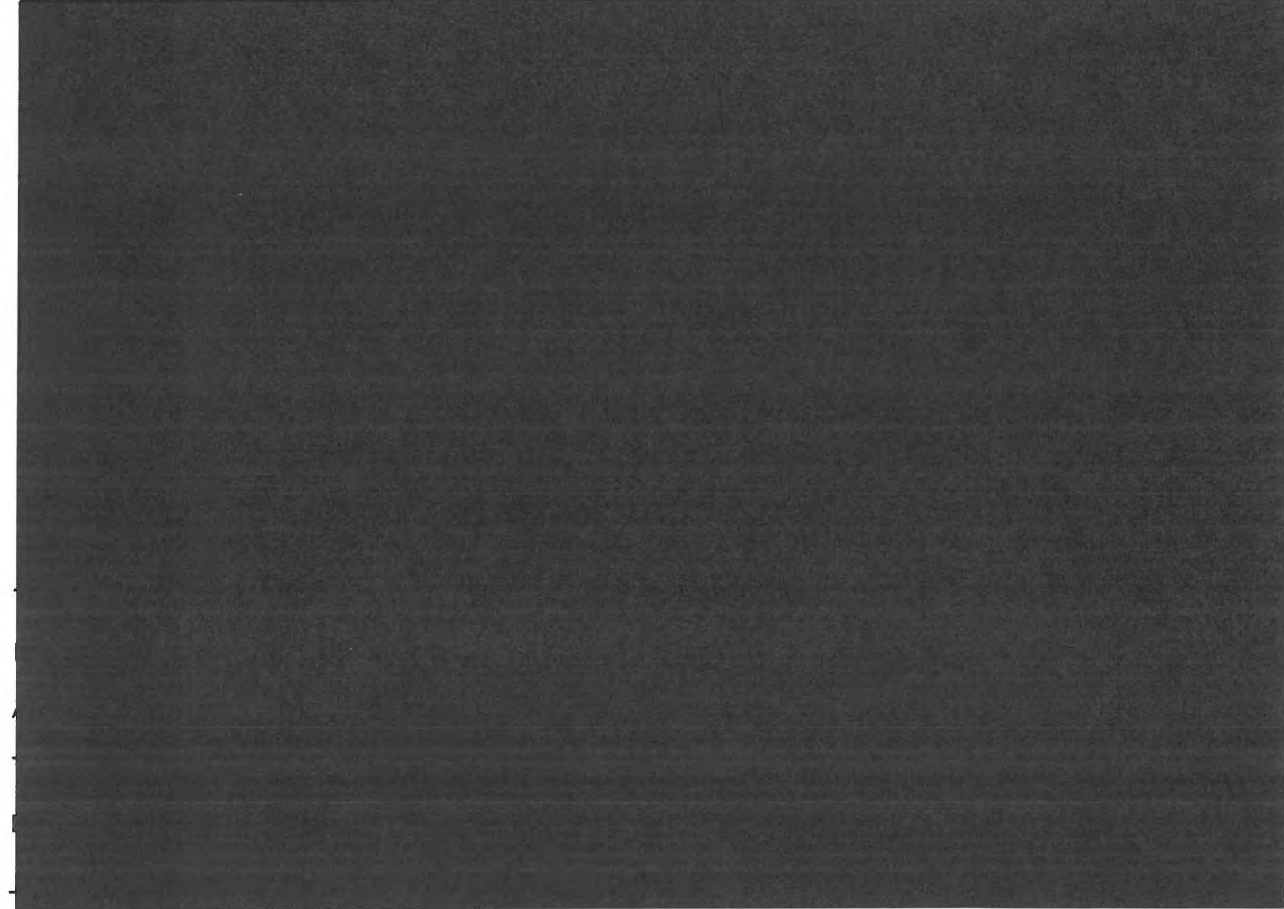
Variance

Page #: Item # or Section:

Variance

PROPOSAL FORM - PAGE 3

REFERENCES: (MANDATORY)



Name: _____ Contact Person: _____

Address: _____

Telephone No. _____ Fax No. _____

Describe type of work/service performed or items supplied: _____

Name: _____ Contact Person: _____

Address: _____

Telephone No. _____ Fax No. _____

Describe type of work/service performed or items supplied: _____

April 6, 2010

City of Arvada
Purchasing Division
8001 Ralston Road
Arvada, CO 80001-8101

Dear Ms Polanycia,

SageView Advisory Group would like to thank you for considering SageView to serve as the City of Arvada's plan advisor. We would be honored to serve as Arvada's advisor in providing on-going investment monitoring, investment policy statement structure, education and compliance consulting.


SageView Advisory Group is a SEC Registered Investment Advisor (RIA). Our corporate headquarters are located at 2010 Main Street, Suite 1220, Irvine, CA 92614. We have 62 employees located in 13 offices nationwide. The firm provides unbiased retirement plan consulting services to clients throughout the U.S. We have been evaluating and advising retirement plans since 1989.

We prefer to view ourselves as "plan advisors" rather than the narrower "investment advisors," since we believe a plan is only successful if all its components are monitored to work in synchronicity. This approach requires understanding and staying abreast of IRS, DOL, and federal regulations and guidelines. We firmly believe that our philosophy, approach, commitment, experience, and expertise are ideal for Arvada's needs.

We look forward to discussing our services again with the committee in greater detail.

Thank you again for the opportunity. If you have any questions, please do not hesitate in contacting me. I can be reached at (949) 955-5789 or jupham@sageviewadvisory.com.

Best Regards,


Jon Upham
President

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Throughout our RFP response we reference our fiduciary duty and our processes to adhere to a fiduciary standard. While we understand that the City of Arvada's plans are not covered by ERISA, SageView feels many of the processes and standards of care that apply to ERISA covered plans and their fiduciaries are applicable in the public and non-for-profit market sectors as well. In many cases state law indirectly follows the same guidelines as set out in ERISA. SageView also believes that as the retirement plan regulatory and legislative landscape continue to change, all plans sponsors will need to focus greater attention to plan oversight at a fiduciary level of care.

C) BUSINESS DESCRIPTION - Include:

- 1. Brief background**
- 2. Location(s), size, structure, resources, website**

SageView Advisory Group (SageView) is an SEC Registered Investment Advisory firm (RIA) serving retirement plan sponsors throughout the United States since 1989. SageView advises 401(k), 403(b), 457, defined benefit and deferred compensation plans that range in size from \$5 million to more than \$1 billion in plan assets. Our headquarters are in Irvine, California, and we maintain offices in Boston, Chicago, Kansas City, Knoxville, Las Vegas, Los Angeles, Milwaukee, Richmond, San Francisco, Washington, D.C., and West Palm Beach. SageView is one hundred percent employee-owned and has no parent or affiliated companies. You can visit our website at www.sageviewadvisory.com.

Our mission as a firm is to "define and realize the goals of fiduciaries and individuals." Operating in a fully transparent environment, SageView consults on all aspects of retirement plans, from design to success measurement.

Key SageView features:

- Client assets in excess of \$8.5 billion
- Early proponent and practitioner of fully transparent relationships
- Fiduciary partners with clients (committed in writing)
- Focus on maintaining fees and expenses that are reasonable for services provided
- Objective investment research and advice based on proprietary processes
- Principals of the firm average more than twenty years of industry experience

SageView's team is comprised of sixty-two experienced industry professionals, including sixteen lead consultants throughout the United States. SageView's team includes two attorneys, two Certified Public Accountants (CPA), two Certified Investment Management Analysts (CIMA), two Chartered Financial Analysts (CFA), four actuaries, and eight Accredited Investment Fiduciaries (AIF). Many of these designations have associations, such as the CFA and CPA, which require their members to adhere to a code of ethics. In addition, SageView has adopted a code of ethics that all employees are required to follow.

Retirement plans are SageView's primary focus. We spend every day working to provide our clients with better services and improve our knowledge of retirement plans. The collective experience of our firm is second-to-none when compared to other consulting firms our size. SageView will assign a team of associates with the ability of leveraging our entire team so that

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Arvada benefits from the collective experience and knowledge of our entire company. All of our employees are solely focused on retirement plan and investment consulting.

SageView representatives are regularly asked to speak at industry conferences as experts in retirement plan consulting. In 2009, SageView employees spoke at several industry conferences, including the American Society of Pension Professionals & Actuaries (ASPPA), Center for Due Diligence, the Mid-Sized Pension Conference, and Consultants Congress.

SageView works closely with the nation's top policy and legal experts, and we are frequently asked to speak on panels or write about technical, legal, investment, and education issues affecting retirement planning. SageView's employees are involved with ASPPA, the Center for Fiduciary Studies, and the Chartered Financial Analyst (CFA) Institute; and have provided testimony as an expert witness to the Department of Labor's ERISA Advisory Council

In 2008 and 2009, SageView was nominated as one of the top five retirement plan advisory organizations by *PlanSponsor Magazine*.

Additionally, SageView is among a small, select group of investment advisors to be awarded the CEFEX certification for Fiduciary Practices by the Centre for Fiduciary Excellence. Through CEFEX's independent assessment, the certification provides assurance to investors, both institutional and individual, that SageView has demonstrated adherence to the industry's best fiduciary practices. This indicates that SageView's interests are aligned with those of investors. More information about CEFEX can be obtained at www.cefex.org.

3. Major services and expertise

SageView's Retirement Plan Services include:

- Plan Design Consulting
- Compliance Consulting – 404(c) consulting
- Investment Policy Statement & Committee Charter consulting
- Investment Selection & Monitoring
- Fiduciary Oversight & Partnership
- Employee Education and Communication
- Vendor Comparative Analysis
- Plan Transition and Integration

Plan Consulting (overall and design). We work with our clients and their ERISA counsel to ensure the desired goals of their retirement plan offerings are being met. Whether that means working with plan document design or understanding industry employer match trends, we strive to make sure all aspects of the plan are being addressed.

Compliance Consulting. For many of our clients, we work with the Investment Committee, HR staff, ERISA counsel and plan sponsors to ensure they are meeting the plan rules and regulations. Our services also include assisting plan sponsors in adhering to the ERISA 404(c) guidelines.

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Investment Policy Statements – [IPS] (establishment and monitoring). SageView will work with Arvada to review and modify your current IPS to ensure that the Committee and the Plan are following the appropriate guidelines. This is an essential part of your Plan and will be reviewed and monitored on an on-going basis to be sure the correct processes are in place and are being followed.

Investment Selection and Monitoring. After establishing our investment criteria in the IPS we will work with Arvada to select and monitor the appropriate plan investment options. Once the initial options are selected, SageView will continually monitor the investments from both a quantitative and qualitative basis. Each quarter, SageView will provide a comprehensive report to review with the Retirement Plan Committee.

Fiduciary Oversight and Partnership. At SageView, we recognize, and readily accept in writing, the responsibility as a fiduciary that we share with our clients. The materials we provide, the procedures we help put in place and our on-going consultation will enable the plan fiduciaries to maintain compliance with the Uniform Fiduciary Standards of Care. The Employee Retirement Income Security Act (ERISA) was enacted to protect the participants and beneficiaries of retirement and welfare plans. Persons serving as fiduciaries of those plans must follow ERISA's standards to properly perform their duties and avoid liability. We are able to act in an ERISA 3(21) or ERISA 3(38) Discretionary Fiduciary capacity.

Employee Education and Communication Consulting. We feel employee education and communication is a key component of a successful plan. There remains a fiduciary duty to supervise participant education and address problem-areas that need improvement. SageView has significant experience with these matters and we provide communication consulting and design strategies for our clients on an on-going basis. Since the purpose of the plan is to help employees save for retirement, it is essential that the correct message and information is made available to them. SageView will partner with you to consult and implement communications to better prepare your employees for retirement.

Vendor Comparative Analysis. SageView has developed a proprietary seven-step Vendor Comparative Analysis process through which we assist plan sponsors in determining if their current vendor is the best fit for their needs. Our due-diligence process focuses on the following four key areas:

- Plan investment options/flexibility
- Plan costs, both investment and hard dollar
- Plan recordkeeping/administration capabilities
- Employee education capabilities and deliverables

The key component of our analysis is the Request for Proposal (RFP) which will be sent to a core group of vendors who initially seem to be viable options for our clients. Our process guides clients from the initial phase of reviewing their plan and determining their specific needs, to the final stages of visiting the vendor site locations to better understand the people and cultures offered by a select group of vendors.

Plan Transition and Integration. SageView will coordinate the transition to the new provider, working with human resources and the vendor to ensure a seamless transition. Including

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working with the provider to develop an education plan to ensure participants are informed of the change and the services the new provider offers.

4. Number of current clients

SageView currently works with 175 clients with total asset in excess of \$8.5 billion.

5. Disclose any business associations with any investment provider or financial product vendor by which your firm is compensated.

SageView provides consulting services to Pioneer Investments on their own employee retirement plan. We do not provide any services relating to Pioneer's investment management or mutual fund products. We provide them the same services as we do most of our clients, such as: plan investment review, compliance consulting, plan design, and employee education. There is no incentive to utilize Pioneer mutual funds with any of our clients. We charge an annual fee for our services.

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D) EXPERIENCE - Your firm's experience in providing consultation services for 401a and 457 plans, in particular for governmental entities.

SageView's diverse client base includes over twenty-five clients with over \$2.2 billion in assets of 403(b), 401(a) and 457 plans. These plans include cities, universities, public organizations, and non-profit organizations. We provide our full range of services for these clients.

City of Plantation, Florida

SageView provides full service investment review, plan design analysis and compliance consulting to the city's 457 plan. We meet quarterly with the investment committee to review plan performance. This review includes manager searches and recommendations when appropriate. SageView also conducted a vendor RFP for Plantation and presented these results to the committee.

Central Arizona Water Conservation District (CAWCD)

In 2009, SageView was hired by CAWCD to provide plan investment oversight and fiduciary support to the district's 457 and 401(k) plans. Quarterly SageView meets with the Plan Committee to review plan performance, including manager evaluation and recommendations, as well as to address fiduciary best practices and ensure the appropriate oversight procedures remain in place.

University of Alabama

In 2007, SageView was hired by the University of Alabama System to conduct a vendor search with the goal of adding a second 403(b) and 457(b) vendor, to assist in developing the first Investment Policy Statement (IPS) for the plans, as well as investment advisory services on an ongoing basis. In the past, the Benefits Committee relied upon the single vendor to their 403(b) and 457(b) program to provide periodic updates, but there was no IPS or formal monitoring process.

A critical function of this engagement has been ensuring that each Benefits Committee member understands the investment review process, the terminology, methodology as well as the scope of any on-going fiduciary requirements. Working with SageView, Alabama has now decided to establish a separate Investment Committee that will include faculty representation. In addition to drafting documents and providing consulting to the members of the Benefits Committee, we have assisted with presentations to the campus CFOs and Board of Trustees throughout the process, ensuring that all stakeholders are informed and fully support the program.

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E) STAFF QUALIFICATIONS - Name and qualification of staff member(s) that would be servicing the City, include resumes. Include any professional certifications.

Jon Upham, MA, AIF – Lead Consultant
Tracy Thomas – Relationship Manager
Marty Cosgrove, CFA – Lead Investment Consultant
Matt Hammonds, AIF – Investment Consultant
Hector Palacios, MBA, AIF – Education Consultant

Bios for each team member are attached.



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Jon T. Upham, MA, AIF®

President

Direct: 949.955.5789

Email: jupham@sageviewadvisory.com

With more than 12 years of financial services experience, Jon Upham serves as President of SageView Advisory Group, a consulting firm specializing in services for retirement plan sponsors and personal wealth management clients. Jon also serves as the Managing Director of our West region. Jon has the experience necessary to effectively develop and maintain strategic investment and compliance efforts on behalf of client companies. Jon works with clients on designing, implementing and managing their retirement plan needs, including assisting with ERISA fiduciary responsibilities and investment reviews.

His extensive experience with qualified retirement plans for companies in different industries has allowed him to provide clients with the appropriate oversight and guidance that is needed. Jon has assisted in the design and implementation of SageView's proprietary investment program. Additionally, he is instrumental in guiding clients to build goals and objectives for their plans, integrating customized education programs.

Jon has authored several articles and been a featured speaker discussing various retirement plan issues at many industry events including the 2008 Mid-Sized Retirement & Pension Plan Management Conference and the Center for Due Diligence's (CFDD) 2007 Advisor Conference. Jon was named as a "Rising Star for 2008" by the national publication Institutional Investor Magazine.

Jon has worked with SageView since 1999. Prior to joining the company, he worked for an institutional securities trading firm in San Diego, California. He earned his B.A. from University of Redlands and his M.A. from Concordia University. Jon has attained the Accredited Investment Fiduciary (AIF) designation from the Center for Fiduciary Studies-University of Pittsburgh and holds multiple securities registrations.



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Tracy L. Thomas, AIF
Senior Client Relationship Manager
Direct: 949-955-0074
Email: tthomas@sageviewadvisory.com

Tracy Thomas serves as a Senior Client Relationship Manager and is responsible for coordinating and monitoring the implementation of new accounts, as well as the transition of existing accounts to new providers so that transitions are completed as smoothly and quickly as possible. Once implementation is complete, Tracy remains with the plan as the in-house customer service contact for day-to-day administrative issues and questions. She also assists with fiduciary and compliance needs, as well as plan design and employee education and communications.

Prior to joining SageView, Tracy managed the Retirement Plan Services practice at Oswald Financial, Inc. In her eighteen years in the Retirement Services industry, Tracy has also served as a Client Services Manager for Neuberger Berman and the Associate Portfolio Manager for McDonald Investments.

Tracy graduated from Baldwin-Wallace College with a B.A. in Business Administration and a minor in Communications. She has earned the Accredited Investment Fiduciary (AIF) designation and holds multiple securities registrations.

SAGEVIEW

ADVISORY GROUP

Unequaled process. Unparalleled commitment.



Martin Cosgrove, CFA
Managing Director, Investment Research
Tel: 949.955.7627

Martin Cosgrove serves as Managing Director of Investment Research for SageView Advisory Group. Mr. Cosgrove oversees the review of investment line ups, analyzes and recommends appropriate changes and delivers reviews to investment committees. Mr. Cosgrove is a member of SageView's Investment Committee.

Prior to joining SageView, Mr. Cosgrove served as Director of Investment Research for the Research department of ING Advisors Network and its four independently managed broker-dealer firms. Mr. Cosgrove also served as Vice President and Senior Financial Analyst with Capital Research and Management Company in the Institutional Investment Services Group.

Mr. Cosgrove's prior experience includes more than 20 years as an equities analyst, where his responsibilities included coverage of a variety of sectors for retail and institutional sales efforts.

Mr. Cosgrove earned a Master's Degree in finance from the University of California, Los Angeles after receiving his undergraduate business degree from California State University at Fullerton. He is a CFA charter holder and a member of the Los Angeles Society of Financial Analysts.

2010 Main Street, Suite 1220, Irvine, CA 92614

Offices in Irvine, Boston, Chicago, Kansas City, Knoxville, Las Vegas, Los Angeles, Milwaukee, Richmond, San Francisco, Washington D.C. and West Palm Beach

Securities and registered representative services offered through Financial Network Investment Corporation, Member SIPC. SageView Advisory Group and Financial Network Investment Corporation are not affiliated companies.



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Matthew C. Hammonds, AIF®
Director of Institutional Services
Direct: 949.955.5786
Email: mhammonds@sageviewadvisory.com

Matt Hammonds serves as the Director of Institutional Services for SageView, heading SageView's internal investment committee. He works with clients reviewing that their plan investment options ensuring they meet Investment Policy Statement guidelines and are providing the participants with returns commensurate for the amount of risk being taken.

Matt leads the development of SageView's proprietary investment evaluation process, which provides an unbiased comparison of funds within a category. This process is an important element in the ongoing monitoring and evaluation of a plan's investment lineup.

With over sixteen years experience in the financial services industry, Matt has been part of the SageView team for over thirteen years.

Matt earned his Bachelors in Communications from California State University, Fullerton and has attained the Accredited Investment Fiduciary (AIF) designation from the Center for Fiduciary Studies-University of Pittsburgh. He holds various securities registrations and is a Chartered Financial Analyst (CFA) candidate. Matt has also received the PRP designation from PLANSPONSOR Institute.



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Hector Palacios, AIF®
Retirement Plan Consultant
Direct: 949.955.3504
Email: hpalacios@sageviewadvisory.com

In his role as Retirement Plan Consultant, Hector Palacios is responsible for conducting a broad range of educational meetings for various audiences. His success in increasing enrollments and deferral percentages is based on his ability to deliver difficult concepts in an easy-to-understand manner. Hector also works closely with clients to create customized solutions to address the educational needs of each specific client.

Hector has worked in the financial services field for nine years and is bilingual in English and Spanish. He brings with him a wealth of knowledge in the financial planning arena working at various firms including Principal Financial Group.

Hector attained dual B.S. degrees in Finance and Computer Information Systems from California State University Los Angeles. Hector obtained his MBA from California State University of Long Beach. He holds multiple securities registrations, is an AIF® Designee and a CFA Candidate.

F) CUSTOMER SERVICE - Identify the objectives your firm has for serving its clients.

At SageView, customer service is a top priority and our involvement, service level and responsiveness is often referenced by our clients as to why they appreciate our partnership. We desire, and our service model is designed, to provide customized solutions for our clients; ensuring plan and investment fiduciary responsibilities and oversight are met; time dedicated to administrative responsibilities is reduced; and participants are provided with retirement planning tools and resources to be successful in meeting their goals.

Specifically SageView wants to ensure the following:

- Fiduciary roles and responsibilities are identified;
- Plan oversight procedures are in place and followed;
- Appropriate and quality investment options are available;
- Appropriate plan and investment fees;
- Vendor partnerships are good and meeting expectations
- Plan sponsor has perspective on industry best practices & legislative issues
- Plan operates in accordance with all documents

SageView views ourselves as client/plan and participant advocates, and our service model always takes this in to consideration. As an RIA firm, SageView has a legal and moral obligation to put your Plan's and participants' interests above all others. A fiduciary is legally required to act in your best interest – and is defined as “a person in a position of authority whom the law obligates to act solely on behalf of the person he represents and in good faith.” With SageView as your retirement plan fiduciary advisor, you have peace of mind knowing we're on your side. To eliminate all conflicts of interest, we don't accept money from any funds or managers in the plan. Because we're totally independent, we're free to choose investments best suited to your Plan and your employees' needs. We are completely confident in our ability to fulfill our fiduciary duty, which includes the following:

- 1) SageView Advisory Group will always place the client's best interest ahead of our own and that of our employees. We will uphold our fiduciary responsibility, as defined by federal law.
- 2) When choosing investments, we will always act in good faith and with candor. We will search for the best investments at the best prices at all times.
- 3) While no one can promise superior investment returns, SageView will provide impartial advice and act with proficiency, prudence, diligence, and concern.
- 4) SageView will provide complete disclosure of all significant facts. We will not accept any referral fees or compensation that is contingent upon the purchase or sale of a financial product.
- 5) We will completely disclose and manage, in the client's favor, any conflicts that may impact the client.

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G) RESPONSE TO ANTICIPATED SCOPE OF WORK - Address how your firm performs such tasks as listed in paragraph 2 of the Scope of Work.

- ***Objectively review the historical investment performance of the investment options offered by each plan***
- ***Compare investment options to peer group investment alternatives using the same objective criteria***
- ***Offer recommendations with respect to possible investment alternatives and/or additional investment options, with respect to the current portfolio***
- ***Assist board members with special projects as necessary***

As part of our investment advisory services, SageView reviews the historical investment performance of all plan options compared to both peer group category averages as well as appropriate indexes. Our proprietary ranking system is based upon peer group comparisons, to give context and relevance to an investment manager's performance. SageView will maintain a watch list of funds for each plan and, as needed, make recommendations to replace or add additional investment options to the plan. In addition, SageView will be available to work on special projects for the board pertaining to the retirement plans.

Below is a detailed description of our services and our investment research capabilities.

Investment Advisory Services

- Meet with the Retirement Committee on a quarterly basis to conduct a formal Investment Review and establish a committee charter and Investment Policy Statement (if needed).
- Monitor the investments using the SageView Advisory Group proprietary review process and provide recommendations with regard to each investment's status (see sample review attached)
- Maintain a "watch list" and advise on funds not currently conforming to the Investment Policy Criteria. Recommend and provide alternatives as appropriate.
- Document all committee meetings and on-going investment decisions and maintain a fiduciary file
- Keep the committee apprised of economic trends, changes in regulations or industry trends that impact the decision-making of the committee (examples include establishing a Qualified Default Investment Option, document adherence to 404(c) requirements, if applicable)
- Consider plan design changes that allow participants to make informed investment decisions
- Consult with the committee on an as-needed basis between designated quarterly investment meetings

SageView Quarterly Report includes the following categories (see attached Sample):

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- Market and Economic Review – a review of the current market and economic conditions, as well as any legal or legislative issues that might impact our client's plans
- Fund Performance Summary – fund returns compared to the appropriate peer group and index, along with the SageView Score for each manager
- Individual Fund Scoring Pages – detailed examination of our score for each manager
- Portfolio Returns – a look at the overall performance of the combined plan as compared to a client custom benchmark, as well as a simple fiduciary portfolio
- Style Box Analysis – a graphical look at both holding and return-based style analysis for the plan lineup
- Fund Detail Pages – each fund receives a detailed fund analysis that includes historical returns, risk reward analysis, and up and down capture ratios, to name a few. During this portion of the presentation, any qualitative issues, such as manager changes, compensation issues, turnover, and others will be addressed.

Our presentation will go through each of these sections, focusing on items of particular note and funds that may require additional review. In addition, agenda items might include employee demographics and plan usage, employee education and communication items, plan design, investment policy statement discussions, retirement plan industry and legislative updates, plan operational issues, and any other relevant items.

Investment Analysis

SageView's internal investment committee consists of twelve members with an excess of 180 years of combined investment experience. Our committee meets regularly to review our client's investment options, client custom portfolios, the economy, and any legislative items which will affect retirement plans.

SageView's quarterly investment reviews are prepared in-house, utilizing customized reporting software. This includes our proprietary market commentary which is created by our investment committee.

SageView's database is comprised of information gathered from industry's leading providers, including Morningstar, Evestnet, Lipper, Barclays, and Hueler. Our database contains in excess of 30,000 mutual funds and separate account managers. This data includes performance data, holdings and current fund operations statistics, such as manager tenure and expense ratios. All data is updated monthly.

It is important to understand that SageView's system has no restrictions on our ability to build style groups, categories or peer groups. We have available all of the industry-recognized categories and peer groups from Morningstar and Lipper. We also build custom benchmarks for many of our clients, in addition to thousands of benchmarks provided from recognized industry leaders such as MSCI, Barclays, Lipper, S&P, and Russell, to name a few.

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Investment Analytics

Our analysis is comprised of both qualitative and quantitative components. SageView uses a customized version of MPI Stylus investment analysis software for our reporting and research. All of our quarterly reporting is conducted in-house by our staff.

Our quantitative analysis focuses on a detailed comparison of an individual fund to its peer group. In determining the success of a fund, we feel it is crucial that all data is viewed in context to the other funds within a category. Various asset classes can perform differently at any given time; therefore we rank a fund's returns, rolling returns, Sharpe Ratio, expense ratio, R-squared, and other statistics against all other funds within a category. Our proprietary system combines these various rankings into an overall "fund score" which then allows us to rank a manager appropriately against its peers.

Qualitative analysis includes manager tenure, manager change, manager's personal investment in his fund, style drift, current economic environment, corporate scrutiny/public perception, individual and sector concentration, portfolio turnover, asset size and growth, cash flow, bond duration, firm structure, management team structure, and firm ownership.

A more detailed explanation of our due-diligence process follows:

Objectives

The goal of SageView's due diligence process is four-fold:

1. Identify talented investment managers based on our internally developed quantitative metrics and qualitative criteria.
2. Measure and rank the managers' performance relative to their peers utilizing our internal scoring system on a quarterly basis.
3. Monitor selected firms and managers to determine if any adverse circumstances in their organizations, investment process, or performance warrant change.
4. Document our evaluation and decision points in the selection process.

Philosophy

Our philosophy is based on finding managers who are able to execute their investment strategy consistently and thus minimizing style drifts within their portfolio. We favor managers with stable long-term track records rather than those who hit home runs. In our research, we want to learn why an investment manager performed well and whether they have a repeatable investment strategy that gives them a competitive advantage. When appropriate, we try to find those "diamond in the rough" managers who may have been overlooked by the investment community. We also seek out managers who place extra significance on downside risk protection, as we feel this is an important aspect for constructing investment options in a defined contribution plan.

Our process is based on our knowledge and experience. Therefore, as our skill and experience continues to evolve, we will continually evaluate our process and philosophy to ensure that they are dynamic and improving, both the quantitative and qualitative aspect of it.

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The Process

The outline below discusses the general process we follow when analyzing investment managers for use in our retirement plan advisory practice. While the process may appear linear on paper, in reality it is quite flexible and we don't always follow these steps in sequential order. Generally, the foundation of our process is SageView's proprietary quantitative scoring system overlaid by deeper subjective and qualitative analysis.

STEP 1: Idea Generation

There are several starting points that help us generate ideas for funds to research:

- Managers who consistently score well on our internally developed quantitative scoring system
- Following new or existing managers we previously have been introduced to
- Attending fund company and industry conferences
- Researching funds on our short list
- Reading industry journals and speaking with our peers in the industry
- Manager that falls into a sector or asset category we determine to have merit in our asset allocation strategies

STEP 2: Initial Screen

Utilizing our internally developed scoring system, we are able to rank all of mutual funds in the Morningstar database and separate accounts that we track through other databases. Each manager is compared to its respective category peer group. Our internally developed scoring system is based on nine metrics.

After each fund is ranked against its peer group in the previous categories, the rankings are weighted and then combined to achieve the SageView Score. Every fund in a category receives a score. It is then determined which quartile a fund falls against its peers in that category.

The SageView Investment Committee determines the weightings for each category. The four total return numbers – 1 year, 3 year, 5 year and 10 year – are weighted, and combined into the Total Return Composite, with more emphasis being placed on the 5 year number.

We underweight the rolling 12-month return metric and put more emphasis on the rolling 36-month metric. We believe the 36-month time frames are a better measure of the investment manager's ability. Down capture ratio is overweighted and up capture ratio is underweighted. Down market returns have a greater impact on a fund's overall success than up market returns. Lastly, because expense ratio is indirectly included in many of the other categories, we underweight the expense ratio.

If we are considering a new manager in our search, we also look at the manager's historical score (quarterly) within our system. While we do not have hard and fast rules, a manager's ranking consistency within the SageView scoring system will be a factor for further consideration.

We use the quantitative screen and past performance as a guide to help us identify managers who are worthy of additional qualitative analysis.

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STEP 4: Manager Interview

Whenever possible, we try to speak directly with the portfolio manager or team that is in charge of managing the product. If the portfolio manager is not available, then we prefer to speak with a key analyst. We understand the time constraints put on the investment management team and the analysts, so when it's not possible to speak about the strategy with our first two preferred options, we will schedule a call with a fund specialist.

During the interview we want to learn more in depth how the manager goes about in implementing his or her strategy. We try to initiate stock-specific discussions to determine the consistency between how the manager describes his investment process and how it is implemented. We also look to get an insight into the manager's passion for investing and money management. A primary goal is determining the potential for a repeatable process that leads to consistency of performance. (See qualitative criteria on page 6.)

STEP 5: Manager Site Visit

Due to the time constraints in reviewing and analyzing investment managers, this step is not a requirement for an investment manager to be included in our select of managers. Hopefully by this point in our search we have developed sufficient confidence and trust in the manager's capabilities through our previous contact with the manager and phone conversations. However, once a manager meets all of our criteria, we will make an effort to schedule an on-site meeting with them.

STEP 6: Committee Vote

A team of SageView analysts is responsible for researching the managers and reviewing questionnaires. Before a strategy/fund is brought to a final vote, an internal factsheet is written that outlines the following areas: investment philosophy and strategy, portfolio review, the advantages and deficiencies of the strategy, investment management team, and the rationale behind our recommendation. During the committee discussion, the lead analyst on the fund will present his or her conclusions to the entire team.

While we may assign individual analysts to focus their research efforts in certain investment style categories, each analyst has a vote that carries equal weight when final decisions are made. In order for a vote to take place, a minimum of five (5) individuals need to present for a quorum.

To maintain a record of our actions and decisions, we record minutes of each committee vote and note which funds were presented, voted on, and the results of our vote. A manager that is not approved will remain on our research list of funds that we continue to monitor closely in case a future opportunity arises or there are new positive developments that persuade us to reconsider our previous vote.

STEP 7: Maintenance and Follow Up Research

Like our manager selection process, our manager monitoring system is based on both quantitative metrics and qualitative criteria. The goal of this step is to identify early any potential problems a manager faces and implement a systemic decision-process to address our concerns and take appropriate action. Scheduled quarterly meetings are held to review pertinent

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developments. Ad hoc meetings within the analyst team can be called to address unexpected developments.

All of the managers we follow receive an updated quantitative score on a quarterly basis. This score usually serves as a first warning sign.

- ***Provide education to plan participants regarding fund performance, changes, additions, and other topics as requested by the board(s)***

Employee Education (see sample education flyers attached at the end of this section)

We work with our client's providers to develop education campaigns, themes, materials and schedules. We draw upon our expertise in providing successful education campaigns to get the most of the provider's materials and delivery capabilities.

In addition to the provider materials, SageView can customize presentations to meet the needs of Arvada's participants. In addition, SageView provides quarterly educational flyers to all clients for distribution to participants.

Hector Palacios works with our West region clients to develop and implement an education program to meet both the needs of the employees and the employer. He will be available to conduct in person education meetings, as well as hold conference calls and webcasts with employees on plan changes and general topics.

In addition, SageView offers an 800 participant customer service line for participants to call in to ask questions regarding the plan.

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H) LITIGATION - Identify any pending litigation, include a brief description.

SageView's retirement plan consulting practice has never been the subject of any litigation. SageView does have a small high-net-worth practice that is currently involved in litigation by an individual who, following the market downturn, is asserting that this person's investments were unsuitable. SageView is challenging this claim and is in the process of defending against the claim.

I) INSURANCE - Professional Liability and General Liability Insurance coverage and limits and carrier information.

SageView currently carries \$100 million in errors and omissions policies, with an individual claim limit of \$7 million. This insurance covers all fiduciary activities as well. These policies are held with American International Specialty Lines Insurance and National Union Fire Insurance Company.

SageView maintains general liability insurance with \$1 million in coverage currently. We are in the process of increasing that limit to \$3 million. The policy is with Zurich Insurance.

SAGEVIEW Investment Consulting Program Features

ANALYSIS OF INVESTMENT ASSET CLASSES:

- SageView Advisory Group will monitor the current asset classes for the Client, providing recommendations as needed to provide all participants with a broad range of investment options and to assist the fiduciaries in meeting their responsibilities.
- SageView will work with the Client's Investment Committee to improve the plan's investment option portfolio, minimizing asset class drift and equity overlap.

DEVELOP AND IMPLEMENT PLAN INVESTMENT POLICY STATEMENT:

- SageView will work with the Client's Investment Committee to structure the 401(k) Plan's investment objectives and guidelines with a view to meeting the retirement needs of the employees.
- SageView will work with the Committee to set procedures for selecting and monitoring plan investment alternatives.
- Upon completion of the Investment Policy, SageView will provide quarterly reports and advice on the investments within the 401(k) Plan with a view to assisting the fiduciaries in selecting investment options that meet the criteria stated in the IPS and in fulfilling their fiduciary responsibilities.

ON-GOING PERFORMANCE MONITORING:

- On a quarterly basis, SageView will provide your plan administrative committee with an in-depth performance monitor report of your plan investment options. On a continuing basis, SageView monitors and analyzes the investment performance, fund composition and manager continuity of each of your plan investment options. Our on-going due diligence process includes the following areas:

-SEC Filings	-Management Stability
-Portfolio Holdings	-Philosophy Change
-Semi-annual reports	-Process Deviation
-Prospectus items	-Style Drift
-Portfolio returns	-On-going monitoring of comparable funds
- When our analysis and due diligence uncovers changes in a particular investment alternative that may impair performance or finds that a particular investment option is not performing well compared to like funds, we will report this to you along with possible alternatives for change.

SEARCH, SCREEN, AND SELECTION OF INVESTMENT ALTERNATIVES:

- SageView will make recommendations of possible alternatives within the current investment platform when the Client's investment committee determines a change to the fund lineup is necessary.
- Experienced retirement plan professionals at SageView will work with you to select an appropriate mix of investment alternatives for your plan and its participants within the framework of the current provider platform. We work on your behalf to prudently search, screen and select investment options for your plan. Our selection process places particular emphasis on:

-Absolute Performance	-Risk Adjusted Performance
-Performance Attribution	-Size of Fund
-Duration of Fund	-Manager expertise
-Manager Continuity	-Total Expense Ratio
-Morningstar rankings	-Portfolio compositions
-Portfolio Revisions	-Money Flows
-Portfolio Overlap	-Investment Style Analysis

K) NEGOTIATOR - Identification of the firm's representative that will have the authority and responsibility for contract negotiation.

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M) Other information deemed pertinent to this RFQ, not to exceed 3 pages.

SageView would welcome the opportunity to work with Arvada. We are confident in our ability to provide you with the level of service and expertise you deserve. There are many factors to consider when hiring a consultant, and we think there are four primary factors that set us apart from our competition.

We are one of the few firms in the country that has committed for years – in writing – to serve as fiduciary to the plan. Accordingly, we serve as true partners with our clients, share the risks, and act solely for the benefit of plan participants – never the plan provider or any other vendor. With our certification from the Centre for Fiduciary Excellence (CEFEX), you can rest assured that SageView's interests are aligned with those of investors, and we will always comply with fiduciary best practices.

In addition, we feel the quality of our staff is second-to-none, and their experience in the retirement plan marketplace is unparalleled. Many of our competitors provide consulting services with a limited administrative staff and concurrently attempt to grow and manage their business. Our size and depth allow us to provide immediate solutions to our clients, while continuing to enhance and grow our business. With the scale of our business and the tenure of our employees, we feel we have a greater perspective on the retirement plan marketplace than our peers. We are able to leverage our knowledge of the industry, our reputation, and our relationships with vendors and investment managers to achieve the best plan available for your participants.

Third, we feel that our proprietary investment analysis process and investment research is unrivaled in the retirement plan consulting industry. SageView has done extensive research and built a proprietary investment selection and monitoring program that is used by all of our clients. We have an internal investment committee that meets quarterly to discuss all of our clients' investments. This committee process allows us to keep with a closer watch on issues that may arise in a client's investment program. Many of our competitors outsource this process to a third party and must rely upon this party to complete the analysis work before being able to report to their clients.

SageView's internal investment committee consists of twelve members with an excess of 180 years of combined investment experience. Our committee meets regularly to review our client's investment options, client custom portfolios, the economy, and any legislative items which will affect retirement plans.

Lastly, SageView believes that our commitment to the participant education campaign design and its successful delivery outstrips the competition. We believe that the purpose of the Plan is to provide a vehicle for your employees to be prepared for retirement. In order to ensure this success, we design education campaigns while taking into account plan demographics and the goals set forth by our clients.