



# *Investment Options and Savings Plans Overview*

Performance Update for Period Ending December 31, 2011

# 2012



*Charting Your Own Course*

*401(k) & 457 Plans • Roth & Traditional IRAs*



# Utah Retirement Systems Savings Plans

## So Where Do I Start?

### 1 Decide in which plans you want to participate.

URS offers 401(k), 457, Roth and traditional IRAs (subject to employer participation).

- You can have more than one, such as a 457 and a Roth IRA.
- See plan comparison on page 2.

### 2 Choose how you would like to invest the funds within your plan(s) by deciding on how involved you'd like to be.

Ask yourself the following questions:

- How comfortable am I with choosing my own investments?
- How much experience do I have investing?
- How much time do I want to spend picking my investments?
- How long do I have until retirement?

If you don't have experience or aren't comfortable designing your own portfolio of investment funds, the URS Horizon Funds may be a good choice for you. These funds are professionally designed and diversified portfolios based on the amount of time before money is withdrawn. Select: Short, Medium or Long Horizon Fund and you're on your way! Information about the Horizon Funds is on pages 5 and 6.

If you are comfortable designing your own diversified portfolio of funds, you can select from the eight individual core investment fund options found on pages 3 and 4.

For those who are experienced investors and are looking for specific investments, the Personal Choice Retirement Account® (PCRA) is a brokerage account with Charles Schwab & Co. that offers access to thousands of different types of investments. This option is generally not advised for new accounts as it has minimum account balance requirements and additional risks. *See page 6 for PCRA information.*

### 3 Enroll in your plan(s). Everything you need to enroll is available online through the URS Online Enrollment system. *Instructions are to the right.*

### 4 Maintain your account. It is recommended you periodically review your account to make sure it is still in line with your goals. Here are a few questions to ask yourself when reviewing your account:

- Has my timeline to retirement changed?
- Are my investments still appropriate for my age and risk tolerance?
- Have I had a major life event (marriage, divorce, career change, change in income)?
- Can I afford to contribute more to my retirement?

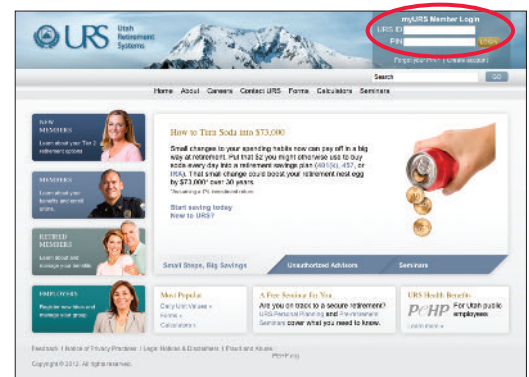
Changes to your investments or deferrals can be made at [www.urs.org](http://www.urs.org) or by submitting an investment contract.

## Enroll in URS Savings Plans in a few quick steps.

### Step 1:

Go to the URS website — [www.urs.org](http://www.urs.org)

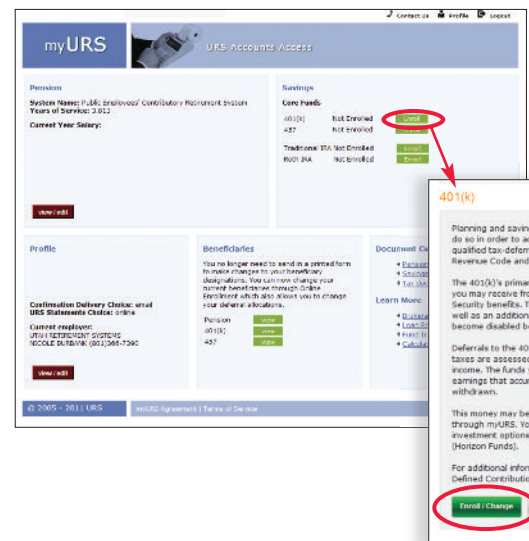
- Log in to “myURS.” (If you need to set up your PIN and create an account see steps on back cover.)



### Step 2:

Select the Savings Plan you want to enroll in

- 401(k), 457, Roth or traditional IRA
- May participate in multiple plans
- Select plan and click on “Enroll”
- After reading about the plan, click on “Enroll/Change.”





# URS Savings Plans Comparison

## Plan Ahead to Get Ahead!

### Step 3:

#### Select Deferral/Contribution Rate

- May be a dollar amount or a percentage.

**Deferral Rate for Future Contributions**

Note: Your employer(s) are listed below. Please review and update your deferral dollar amount or percentage. Deferral amounts are per paycheck.

Employer	Deferral Amount
SUNRISE COUNTY	\$ 0.00 -OR- %

### Step 4: Select Investment Options

- Select one fund from the Horizon Funds **OR**
- Select funds in the Core Investment Options that total 100%.

**Allocate Percentages for Future Contributions Only**

Note: Please review and update investment percentages or check the checkbox below to waive your investment decision.

Waive investment decision. I understand this will result in all contributions (100%) being allocated to the MEDIUM HORIZON fund.

Involvement Level 1		Involvement Level 2	
Fund	Investment %	Fund	Investment %
SHORT HORIZON	%	INCOME	
MEDIUM HORIZON	%	BOND	
LONG HORIZON	%	BALANCED	
		LARGE CAP VALUE	
		LARGE CAP INDEX	
		LARGE CAP GROWTH	
		INTERNATIONAL	
		SMALL CAP	
Total: 0%			

### Step 5: Designate Your Beneficiaries

- List your primary and contingent beneficiaries
- You may list a trust as beneficiary.

**Designate Beneficiaries**

Note: To add a beneficiary, please go to the "New Beneficiary" existing beneficiaries from another plan:

Select plan to copy from and click on Copy button

Select plan to copy from and click on Copy button

(Person (Contributory)  
Traditional IRA)

Designation	Name	Edit	Delete
PRIMARY	JANE DOE	Edit	Delete
CONTINGENT	JIM DOE	Edit	Delete

### Step 6: Complete Your Enrollment

- Review your selections
- Type in your name as your electronic signature
- Confirm
- Print if you'd like a copy and/or
- Return to the online enrollment home page to enroll in another plan or edit information.

	Lower tax bill now!	Tax deferred growth!	Tax-free growth!
	<b>401(k)</b> Tax deferred Pay income tax when withdrawn	<b>457</b> Tax deferred Pay income tax when withdrawn	<b>Traditional IRA</b> May be tax-deductible Pay income tax when withdrawn
			<b>Roth IRA</b> After-tax deposits Tax-free withdrawals
<b>Deposits</b>			
Payroll deduction (if allowed by employer)	✓	✓	✓
Rollovers	✓	✓	✓
Transfers	✓	✓	✓
Personal deposits		✓	✓
<b>Withdrawals</b> (Vested balances only)	<ul style="list-style-type: none"> <li>■ Retirement</li> <li>■ Termination</li> <li>■ Age 59½ if still employed</li> <li>■ Hardship (Elective deferrals only)</li> </ul>	<ul style="list-style-type: none"> <li>■ Retirement</li> <li>■ Termination</li> <li>■ Age 70½ if still employed</li> <li>■ Unforeseeable Emergency</li> </ul>	<ul style="list-style-type: none"> <li>■ Any time</li> <li>■ Any time</li> </ul>
<b>Early Withdrawal Penalty Tax</b>	Yes — 10% early withdrawal penalty tax if withdrawn before age 59½. Exceptions: <ul style="list-style-type: none"> <li>■ you work into the calendar year you turn age 55</li> <li>■ payout based on life expectancy</li> <li>■ disability</li> </ul>	No penalty tax	Yes – if withdrawn before age 59½. Exceptions: <ul style="list-style-type: none"> <li>■ first home</li> <li>■ higher education</li> <li>■ payout based on life expectancy</li> <li>■ disability</li> </ul> Contributions: No Earnings: Yes – if withdrawn before age 59½. Exceptions: <ul style="list-style-type: none"> <li>■ first home</li> <li>■ higher education</li> <li>■ payout based on life expectancy</li> <li>■ disability</li> </ul> (For additional exceptions see IRS publication 590.)
<b>Loan Provision</b>	Yes (Limitations apply to Tier 2 employer contributions)	Yes	No
<b>Annual Contribution Limits</b>	<b>2012</b> \$17,000	\$17,000*	\$5,000
<b>With Age 50+ Catch-Up Provision</b>	<b>2012</b> \$22,500	\$22,500	\$6,000
<b>Special 457 Catch-Up Provision</b>		*The three years prior to the year you qualify to retire, your limit on 457 contributions is double the standard limit (depending on past contributions). This is called the Special Catch-Up. Note: You cannot use the 457 Age 50+ Catch-Up the same year as the Special Catch-Up.	

# Core Investment Options

If you prefer to design your own portfolio, you can use the eight individual URS investment options.

## Income Fund

The Income Fund is a stable value option and the most conservative of the investment choices. Approximately 95% of its assets are invested in investment grade bonds, which are "wrapped" with book value contracts. The contracts are financial agreements from creditworthy banks and insurance companies, protecting against changes in interest rates and allowing the returns to be smoothed over the duration of the portfolio.

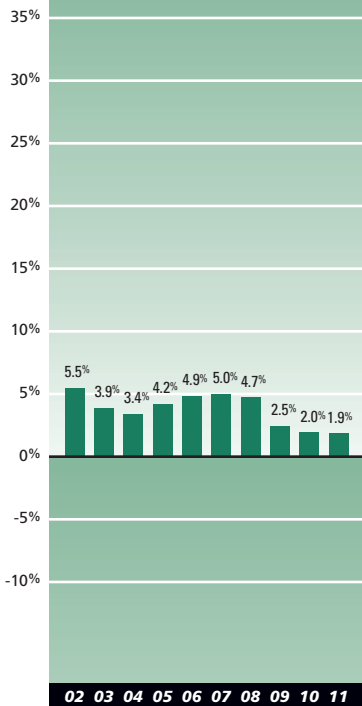
### Sample of Portfolio

- Book Value Contracts
- Government Bonds
- Short-term Investments

Annualized Returns for Periods Ended Dec. 31, 2011

1 Year	3 Years	5 Years	10 Years
1.9%	2.1%	3.2%	3.8%

Annual Returns for Periods Ended December 31



## Bond Fund

The URS Bond Fund generally contains investment grade and government bonds issued in the United States and denominated in U.S. dollars.

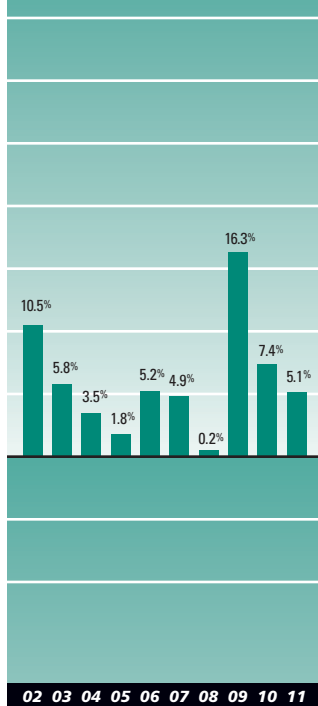
### Sample of Portfolio

- Asset-Backed Securities
- Corporate Bonds
- U.S. Treasury and Gov't. Related

Annualized Returns for Periods Ended Dec. 31, 2011

1 Year	3 Years	5 Years	10 Years
5.1%	9.5%	6.7%	6.0%

Annual Returns for Periods Ended December 31



## Balanced Fund

The Balanced Fund invests in a portfolio consisting of approximately 60% stocks, and 40% bonds. This fund is considered less risky than most stock investments, but has higher risk than most fixed income investments.

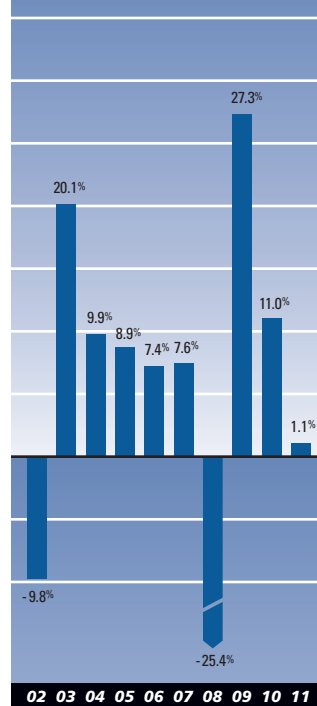
### Portfolio Structure

- 40% Bond Fund
- 30% Large Cap Growth Fund
- 30% Large Cap Value Fund

Annualized Returns for Periods Ended Dec. 31, 2011

1 Year	3 Years	5 Years	10 Years
1.1%	12.6%	2.8%	4.8%

Annual Returns for Periods Ended December 31



## Large Cap Stock Value Fund

The Large Cap Stock Value Fund invests in a diversified portfolio of common stocks that appear to be undervalued by the stock market, but have a favorable outlook for long-term growth.

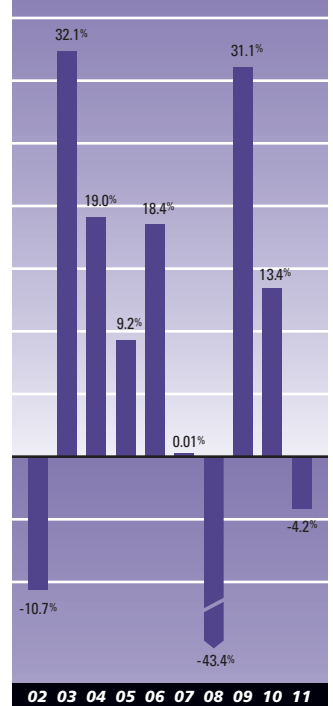
### Sample of Portfolio Securities

- Comcast Corp.
- General Electric Co.
- Hewlett-Packard Co.
- Merck & Co.
- Wells Fargo & Co.

Annualized Returns for Periods Ended Dec. 31, 2011

1 Year	3 Years	5 Years	10 Years
-4.2%	12.5%	-4.2%	3.9%

Annual Returns for Periods Ended December 31



## Large Cap Stock Index Fund

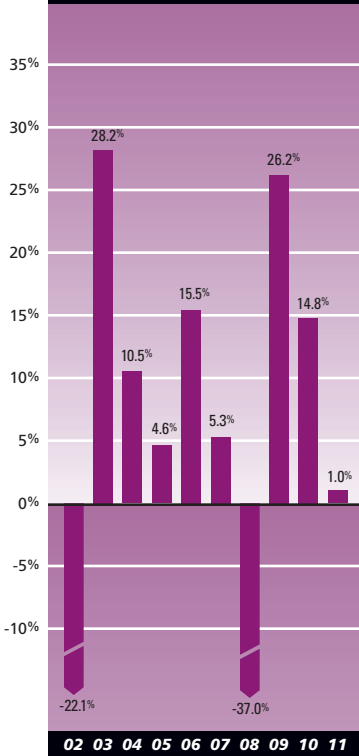
The Large Cap Stock Index Fund invests in stocks included in the Russell 1000 Index. The Russell 1000 Index is constructed as a broad and impartial measure of the large cap stock sector. The index includes approximately 1000 of the largest stocks based on a combination of their current market cap and current index membership.

### Sample of Portfolio Securities

Apple Inc.  
Chevron Corp.  
Exxon Mobil Corp.  
General Electric Co.  
Microsoft Corp.

Annualized Returns for Periods Ended Dec. 31, 2011				
1 Year	3 Years	5 Years	10 Years	
1.0%	13.5%	-0.6%	2.6%	

### Annual Returns for Periods Ended December 31



## Large Cap Stock Growth Fund

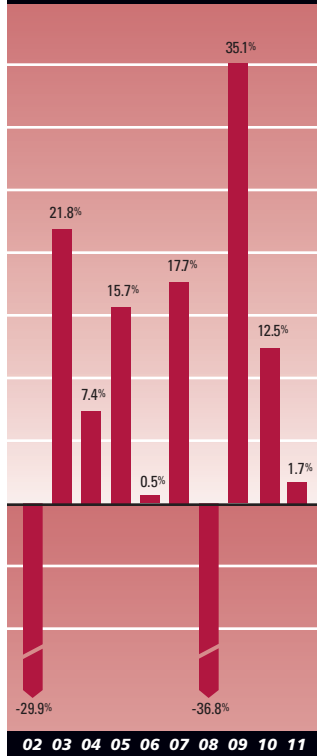
The Large Cap Stock Growth Fund emphasizes capital appreciation and seeks to identify companies with future relative earnings strength at a reasonable valuation. The portfolio is actively managed to react quickly to changing company fundamentals and prevailing market forces.

### Sample of Portfolio Securities

Amazon.com Inc.  
Google Inc.  
MasterCard Inc.  
Precision Castparts Corp.  
Schlumberger Ltd.

Annualized Returns for Periods Ended Dec. 31, 2011				
1 Year	3 Years	5 Years	10 Years	
1.7%	15.6%	2.8%	2.1%	

### Annual Returns for Periods Ended December 31



## International Fund

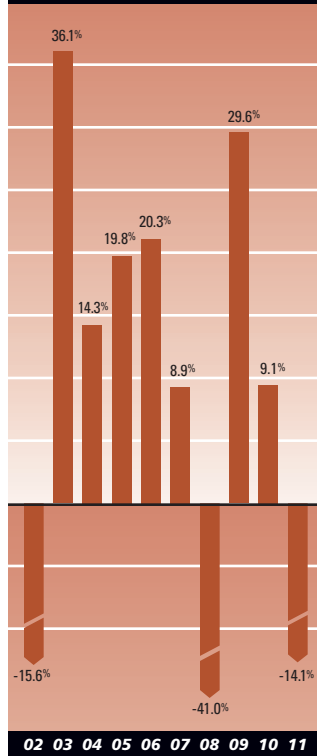
The International Fund tracks the performance of the MSCI All Country World Index – ex. U.S. – Investable Market Index (ACWI ex. U.S. IMI) as closely as possible. The index is designed as a measure of the global stock market performance of developed and emerging markets that excludes the United States.

### Sample of Portfolio Securities

BHP Billiton (Australia)  
BP PLC (UK)  
HSBC Holdings PLC (UK)  
Nestle SA (Switzerland)  
Vodafone Group PLC (UK)

Annualized Returns for Periods Ended Dec. 31, 2011				
1 Year	3 Years	5 Years	10 Years	
-14.1%	6.7%	-4.8%	4.0%	

### Annual Returns for Periods Ended December 31



## Small Cap Stock Fund

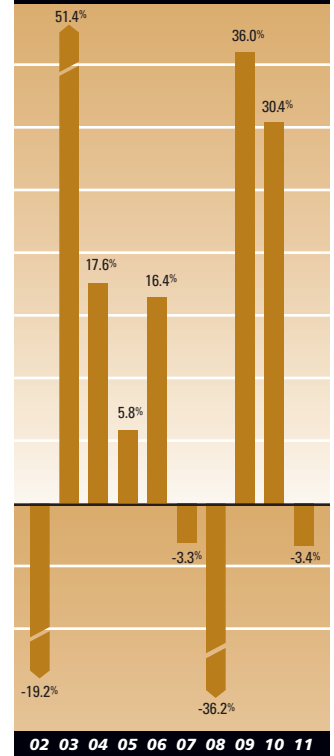
The Small Cap Stock Fund is invested in a broad cross-section of U.S. small companies whose size (market capitalization) falls within the smallest 10% of companies listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ National Market System.

### Sample of Portfolio Securities

Dillards Inc.  
Hexcel Corp.  
HollyFrontier Corp.  
Medicus Pharmaceutical  
Nu Skin Enterprises

Annualized Returns for Periods Ended Dec. 31, 2011				
1 Year	3 Years	5 Years	10 Years	
-3.4%	19.7%	1.1%	6.5%	

### Annual Returns for Periods Ended December 31



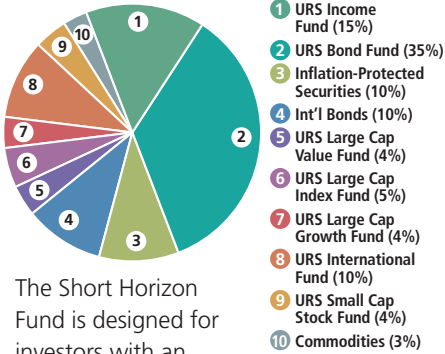
# Asset Allocation Funds

## Horizon Funds

Horizon Fund asset allocations are designed to help those who want to diversify their portfolios. If you select one of the three Horizon Funds, your balance or contributions are allocated to the indicated investment options. The Horizon Funds are automatically rebalanced quarterly when target ranges are exceeded.

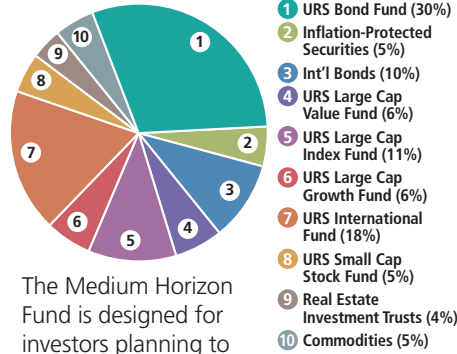


### Short Horizon Fund



The Short Horizon Fund is designed for investors with an investment time frame of **5 years**. This fund provides a relatively conservative investment with a more stable rate of return. However, with reduced market risk, there is generally a lower rate of return over longer periods of time.

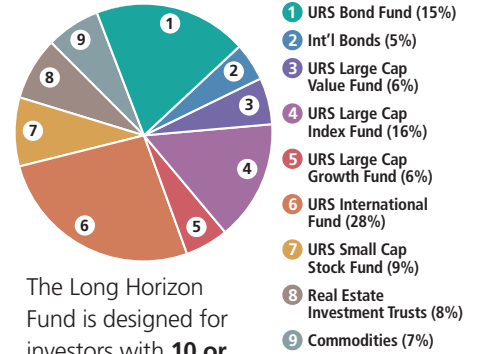
### Medium Horizon Fund\*



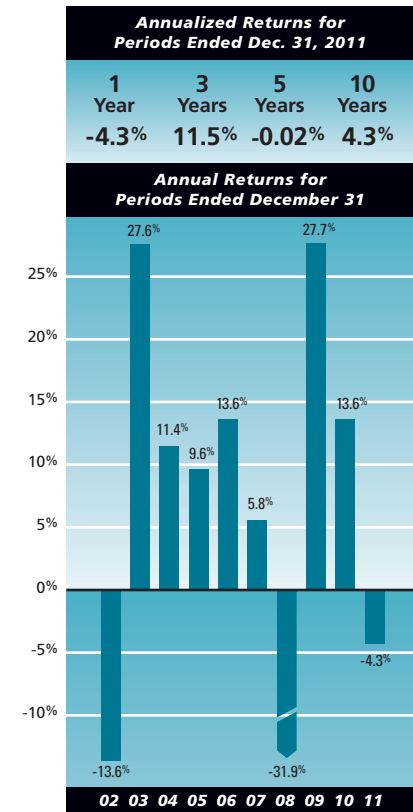
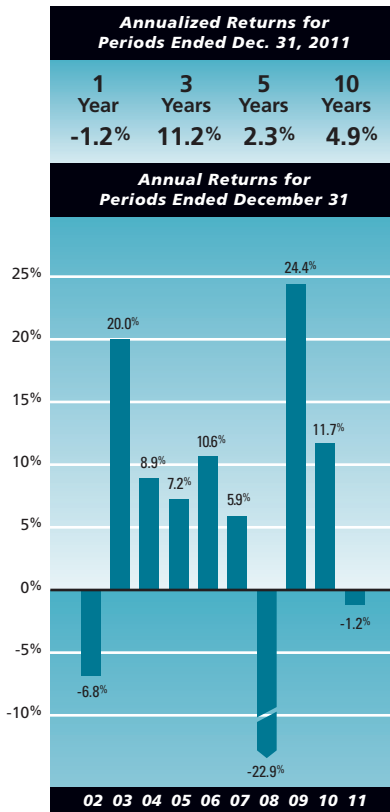
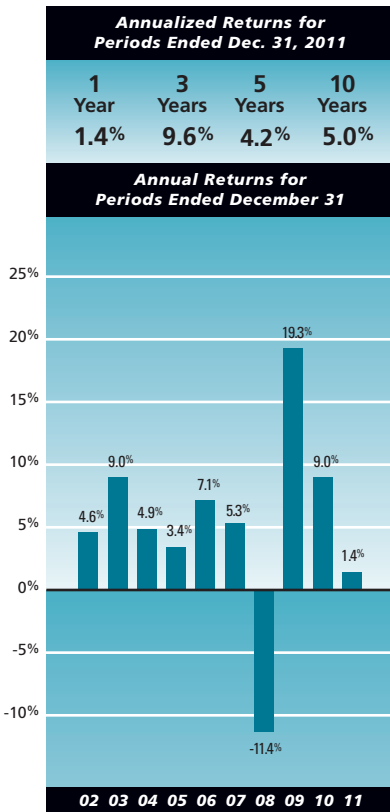
The Medium Horizon Fund is designed for investors planning to withdraw their funds in **5 to 10 years**. This fund emphasizes moderate risk and moderate earnings potential. It has more risk than the Short Horizon Fund, but less than the Long Horizon Fund.

\*The Medium Horizon Fund is the default investment vehicle when no investment option has been selected by an account owner, and for any Tier 2 unvested funds.

### Long Horizon Fund



The Long Horizon Fund is designed for investors with **10 or more years** to invest before withdrawing their funds. This fund offers the potential for higher returns over a long period of time. There is higher market risk with the Long Horizon Fund, along with higher potential returns.





## Horizon Funds Asset Classes

As you can see from the pie charts, each Horizon Fund is comprised of a different allocation of asset classes. Some of the asset classes are exclusive to the Horizon Funds (Commodities, Inflation-Protected Securities, International Bonds, and Real Estate Investment Trusts), while others are made up of the individual URS core funds (Income Fund, Bond Fund, Large Cap Stock Value Fund, Large Cap Stock Index Fund, Large Cap Stock Growth Fund, International Fund, and Small Cap Stock Fund). Each of the asset classes is described below:

- **Commodities:** Commodities are bulk goods and raw materials, such as grains, metals, livestock, oil, cotton, coffee, sugar, and cocoa; goods used to produce consumer products. Commodities are bought and sold on the cash market, and they are also traded on the futures exchanges in the form of futures contracts. In addition to their diversification benefits, commodities are also used as a long-term hedge against inflation.  
**Sample of Portfolio**  
Crude Oil  
Gold  
Soybeans
- **International Bonds:** The international bond asset class is used to diversify the type of bond investments within the Horizon Funds. An international bond is a bond issued outside of the United States by a government or non-US corporation, and typically issued in a foreign currency.  
**Sample of Portfolio**  
International Asset Backed Securities  
International Corporate Bonds  
International Government Bonds
- **Real Estate Investment Trusts:** Real estate investment trusts, or REITs, are used to increase diversification within the Horizon Funds. A REIT is an actively managed portfolio of real estate and mortgage related investments. Another benefit REITs add is long-term inflation protection.  
**Sample of Portfolio Securities**  
Aeon Mall Co  
China Overseas Land & Investment  
City Developments LTD
- **URS Income Fund:** See page 3.
- **URS Bond Fund:** See page 3.
- **URS Large Cap Stock Value Fund:** See page 3.
- **URS Large Cap Stock Index Fund:** See page 4.
- **URS Large Cap Stock Growth Fund:** See page 4.
- **URS International Fund:** See page 4.
- **URS Small Cap Stock Fund:** See page 4.
- **Inflation-Protected Securities:** Inflation-protected securities, issued primarily by developed countries, form an asset class within the Horizon Funds to protect against the effects of inflation. An example of inflation-protected securities is TIPS (treasury inflation-protected securities), which are issued by the U.S. Government and are designed to reduce the risk of inflation by indexing the principal of the bond to an inflation rate.  
**Sample of Portfolio**  
TIPS (Treasury Inflation Protected Securities)  
Index Linked Government Bonds (UK)  
Index Linked Government Bonds (Germany)

charlesSCHWAB  
PCRA

## Self-Directed Brokerage Account



Utah Retirement Systems offers the Schwab Personal Choice Retirement Account® (PCRA) — a self-directed brokerage account available through Utah Retirement Systems Savings Plans. A PCRA offers a wide variety of investment options and gives you more flexibility in managing your retirement savings.

### With a PCRA, you can invest in:

- Over 3,000 funds, including over 2,000 funds available with no loads or transaction fees, through Schwab Mutual Fund OneSource® (excluding core funds currently offered in the URS Savings Plans)
- Any stock listed on the major U.S. exchanges, including over-the-counter stocks, and foreign securities
- Bonds and other fixed income investments
- Money market and brokered CDs
- Exchange traded funds (ETFs).

### Requirements

Before enrolling in a self-directed brokerage account, be sure to review these minimum eligibility requirements:

- You must have a \$5,000 minimum vested account balance for each plan utilizing the PCRA (401(k), 457, and IRAs constitute separate plans).
- You must maintain a minimum vested account balance of \$1,000 in the URS core investment options for each of the plans (401(k), 457, traditional and/or Roth IRA) in which you have a Schwab PCRA.
- If you have established automatic withdrawals from the plan, you must maintain the minimum \$1,000 in the core funds plus the next six months of projected distributions.
- If your core funds balance falls below \$750 at the end of a quarter, you will be notified that you need to move money back to the core funds. If your core fund balance is not restored to \$1,000 by the end of the following quarter, URS may request money from the Schwab PCRA.
- Beneficiary accounts and alternate payee accounts are not eligible to participate in a PCRA.
- You must be willing to sign a limited power of attorney (LPOA) with Charles Schwab.
- To enroll and transfer money to the PCRA you must have access to the Internet.
- You must be willing to pay the \$25 quarterly administrative fee for each plan utilizing a PCRA.

# Financial Markets

(as of December 31, 2011)

Below are some indices that can be used for comparative purposes:

General Market Rates of Return	One Year	Annualized			
		Three Years	Five Years	Ten Years	
Treasury Bills Index	0.10%	0.15%	1.48%	1.95%	These indices are for comparison only. They are not indicative of the rates of return you should expect from the funds in your savings plans.
Barclays Aggregate Bond Index	7.84%	6.77%	6.50%	5.78%	
Russell 1000 Value Index	0.39%	11.55%	-2.64%	3.89%	
Russell 1000 Index	1.50%	14.81%	-0.02%	3.34%	
Russell 1000 Growth Index	2.64%	18.02%	2.50%	2.60%	
MSCI EAFE Index (International)	-12.14%	7.65%	-4.72%	4.67%	
Russell 2000 Index (Small Cap)	-4.18%	15.63%	0.15%	5.62%	
S&P 500 Index	2.11%	14.11%	-0.25%	2.92%	
MSCI ACWI exUS IMI Index (Int'l)	-14.31%	11.53%	-2.74%	6.92%	

## Trading Policy

Participants are allowed to submit one transfer request (whether electronically, by fax, mail or hand delivered) for your vested core fund balances every seven (7) days. This applies separately to each plan in which you participate — the 401(k), 457, Roth IRA, and traditional IRA each constitutes a separate plan. In addition, if you transfer any or all of your current accounts between core investment options more often than once every 30 days you will be charged a 2% fee on amounts transferred. Each transfer, after being processed, will start a new 30-day period. The fees generated by this policy are used to reduce the administrative expenses for all plan participants. Changes to the investment allocation of future deposits and future deferral amounts are allowed as often as daily.

## PCRA Transfer Policy

Transfers to or from a PCRA are allowed once every seven (7) calendar days. PCRA transfers must be requested at [www.urs.org](http://www.urs.org).

## Additional Information Regarding Transfers

Investment changes received at URS before the close of the New York Stock Exchange (NYSE), generally 2:00 p.m. Mountain Time, are transferred using that evening's closing market values. Requests received after the close of the NYSE are transferred using the next business day's closing market values. On days of unusually heavy transfer activity, computer system failure or other unforeseen circumstances, URS reserves the right to process transfers using the next available business day's closing market values. Elections for the investment allocation of future deposits and the elections of future deferral amounts are allowed as often as daily.

The investments described in this publication are not FDIC insured; not deposits or obligations of, or guaranteed by, any financial institution; and not guaranteed by the Utah Retirement Systems or any government agency.

The past performance of any of these funds does not guarantee future results.

URS employees are not registered securities advisors. They cannot offer investment advice or make recommendations. Because

you make the investment decisions about your vested account, the plan's sponsor, trustees, and others associated with the investments may be relieved of liability for investment performance.

Additionally, URS reserves the right to change investment managers or Horizon Fund allocations as needed.

Further information for each fund is available at [www.urs.org](http://www.urs.org), or by calling 801-366-7720 or 800-688-401k.



## Utah Retirement Systems

### Defined Contribution Department

P.O. Box 1590, Salt Lake City, UT 84110-1590

Or visit us at: 560 East 200 South, Suite 200, Salt Lake City, UT 84102-2021 • 801-366-7720 • 800-688-401k

### Southern Utah Branch Office

165 North 100 East #9, St. George, UT 84770 • 435-673-6300 • 800-950-4877

[www.urs.org](http://www.urs.org)

URS Website:  
[www.urs.org](http://www.urs.org)  
myURS

Manage your retirement account online anytime!  
Here's how to set up your account and URS PIN:

1. Visit [www.urs.org](http://www.urs.org) and click on "Create Account." in the upper right corner.
2. Information you'll need to enter:
  - a. URS account number
  - b. Social Security number
  - c. Birth date
  - d. New PIN
  - e. Email address.
3. After clicking "Submit," use your SSN or account number and PIN to login.

*It's as easy as that!*

## Low Annual Fees

The fees shown here are deducted from earnings prior to posting and do not appear as separate items on your statement. Before you invest in any program, you should thoroughly investigate all fees.

Fund	Annual Investment Fees	Annual Administrative Fees	Total Annual Fees
Income	.30%	.23%	.53%
Bond	.12%	.23%	.35%
Balanced	.26%	.23%	.49%
Large Cap Stock Value	.42%	.23%	.65%
Large Cap Stock Index	.03%	.23%	.26%
Large Cap Stock Growth	.29%	.23%	.52%
International	.07%	.23%	.30%
Small Cap Stock	.41%	.23%	.64%
Short Horizon	.21%	.23%	.44%
Medium Horizon	.22%	.23%	.45%
Long Horizon	.24%	.23%	.47%

Note: An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k), 457, Roth IRA, and traditional IRA plan vested balances of less than \$5,000.