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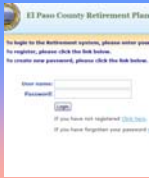
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○ ISSUE 3

○ VOLUME 3



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Financial focus

FINANCIAL SECURITY FOR YOUR GOLDEN YEARS

RETIREMENT BOARD

Brian Larson
Chairman
BoCC Appointed

Julie Johnson
Vice-Chairman
BoCC Appointed

Robert C. Balink
Treasurer
El Paso County Treasurer

Nicola Sapp
Secretary
Member Elected

Joe Breister
Board Member
Member Elected

Board meetings are held on the 4th Monday of every month, except for June and December, at the retirement plan's office.

Discipline Helps Investment Strategies Pay Off in the Long Run

By Howard Miller
Executive Director

It is easy to get caught up in Wall Street's mood swings and get emotional about the swings in your retirement account values. The fact is, investment decisions based on emotional reactions rarely end well. By the time you've jumped on or off an investment swing, chances are you've already missed out on whatever advantage you might have gained. Instead of trying to get in or out of the market on an up or down, look at the big picture and think long term.

Having a plan and the discipline to stick to it is always the best way to reach your financial goals. While it's possible to create scenarios in which you outperform the market, you'd have to possess remarkable foresight to make such an approach work on a consistent basis. The best way to build wealth over the long run is to follow a disciplined long-term investing strategy with an appropriate asset allocation for your time frame, objectives and risk tolerance.

Creating a plan is simply a matter of setting targets, understanding the options and risks, and establishing a regular investment schedule. The preferred method is an automated approach such as payroll deductions into your 457(b) account or regular deposits into an IRA.

Your investment plan can be as detailed or as

general as your circumstances require. If your financial situation is complex, you may want to consult a professional planner. The EPCRP website can help direct you to reputable resources. Plus, the Internet abounds with worksheets and calculators that can help you with almost any situation.

A solid investment plan, factoring in your asset allocation targets and risk tolerance, can help you through the market's inevitable stormy patches. Otherwise, you might end up making emotional decisions that are detrimental to your financial objectives.

Of course, your investment plan is only as good as your willingness to follow it and your fortitude not to change it based on market swings. There is always the risk of losing money when investing in variable markets, but you stand a better chance of staying on track by keeping emotions in check.

Some of the actions to avoid, especially when the market is swinging up or down are:

Chasing performance – Basing your investment decisions on what has already happened or the windfall that a friend or neighbor may have told you about is using emotions to choose your investment.

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EL PASO COUNTY RETIREMENT PLAN

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IMPORTANT DATES

The Retirement Plan
office will be closed for:

Columbus Day: Oct. 10

Veteran's Day: Nov. 11

Thanksgiving Holiday:
Nov. 24 & 25

Christmas Holiday:
Dec. 23 & 26

RETIREE NOTICE

The Jan. 1, 2012, benefit
payments will be posted
to your bank accounts on
Jan. 2.

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Watershed Investment Consultants Helps Board Make Sound Investment Decisions



Without a doubt, financial markets worldwide have been a roller coaster this year. Watershed Investment Consultants and its co-founder and Managing Director

Dale Connors help the EPCRP board make sound investment decisions during what can be an unpredictable ride.

Watershed is an independent, employee-owned firm that specializes in advising institutional investors. Founded in 1998 by Connors and the company's other managing director, Kevin Yoshida, the firm counts private and public pensions, college and educational endowments, and private and public foundations among its clients.

The firm's consulting services to the EPCRP board include asset allocation, investment structure and investment policy analysis, investment performance evaluations, and investment manager searches and research. Connors says Watershed provides the board and the executive director with any other investment-related information they may need, as well.

The company started working with EPCRP in 2007. Connors says he's enjoyed working with the board.

"[The board members] are very conscientious about their fiduciary responsibilities," Connors says. "I think they're a good group."

Public pensions have unique challenges among institutional investors, particularly the need to reach a certain level of return to help fund the promised benefits. Connors says they are trying to make sure the pension plans they work with

are aware of how investments react in different economic environments.

"We're focusing primarily on risk awareness, not necessary risk reductions, because you can't get to where you need to be without risk," Connors says.

For EPCRP and other pension plans, being long-term investors is an advantage. They can wait out short-term ups and downs in the markets that other investors can't stomach and hopefully reap the rewards, according to Connors.

But the global economy is proving to be daunting for investors of all kinds. Economic conditions are influencing investment markets more than they used to, Connors says, and inflation is picking up worldwide. The markets are also becoming more efficient, which means high returns are harder to come by.

"The investment world is becoming quite volatile and quite global," Connors says.

"The investment world is becoming quite volatile and quite global," Connors says. "It is just more difficult to make high investment returns, at least in the near term, given the economic situation around a lot of the globe."

Connors says that, in addition to keeping an eye on investments, the EPCRP board is taking a close look at the plan in light of these economic conditions and working toward securing its long-term sustainability.

For more information about Watershed Investments, visit their website at www.watershedinvest.com. For more information about EPCRP investments, visit www.epcretirement.org and click on *Investments*.

The EPCRP Website: A Wealth of Resources Just a Click Away

Ever have questions about the El Paso County Retirement Plan? Your first stop should be our website: www.epretirement.org. It's your No. 1 resource for everything about EPCRP. You can find the answers to many questions about the plan and your benefit with just a click of the mouse.

The EPCRP website was re-designed last year to give you quick access to the information you need. On the homepage, you'll find the current Plan Document, an archive of actuarial studies, audited financial statements and quarterly newsletters. All documents can be viewed with Adobe Acrobat Reader. (If you don't have this program you can download it by clicking the link on the homepage.) The change of name form, the change of beneficiary form and the retirement application packet are also available on the homepage.

Investments

From the homepage, you can also dive into EPCRP's investment reports. Clicking on the *Investment* link (located on the right side of the homepage) will take you to all of the fourth quarter performance reports dating back to 2005. The reports show where EPCRP invests money, and provide insight to the portfolio from the plan's investment consultant. The plan's investment policy, which is updated annually, is also located on this page.

Account Access

If you are an active and deferred vested

member, you can click on *Member Login* on the right side of the homepage. You can log in to your account anytime. Your employee ID number, department and an email address are all you need to access your account. Once logged in, you will be able to see your most current account balance and update your beneficiaries. You can also work on a benefit estimate, which allows you to see your earliest retirement date.

Even without logging in, you can still get a very rough estimate of your retirement benefit through the Benefit Calculator link on the homepage. This calculator, however, is not pulling any information from your account. EPCRP intends this calculator to be used by potential employees of EPCRP's sponsor employers (El Paso County, Fourth Judicial District, El Paso County Public Health, Pikes Peak Library District and EPCRP), to help them understand the value of the retirement benefit.

Questions and Answers

We've compiled a list of answers to the most common questions we receive at the EPCRP office on the *Frequently Asked Question* page.



For information about saving for retirement outside of the retirement plan, clicking on the *Retirement Planning Links* link can steer you in the right direction. From the Social Security Administration to financial planning resources, the websites listed will lead you down the path to meeting your retirement goals.

We update the EPCRP website several times per month, so check back often to see the latest information. If you have any trouble with the website or have feedback, please call EPCRP at (719) 520-7490 or email Ashley Campbell at ashleycampbell@elpasoco.com.



Investment and Emotion in a Turbulent Market

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Timing the Market – It has been proven over and over that the market is unpredictable, so resist the urge to make changes to your financial plans based on swings or media hype.

Overweighting – Recently there has been a rush to gold, but what goes up will inevitably come down. It can be tempting to follow a trend that seems secure, but what might seem secure may invite a bigger loss than staying the course in variable securities.

Misunderstanding Risk – Before making any investment, understand the risk. Know your risk tolerance and the worst-case downside of any investment before making the investment.

Brian Larson Elected Chair of Retirement Board



The El Paso County Retirement Plan board elected Brian Larson as its new chairman during its April 25 board meeting. Larson, president of FirstBank Colorado Springs, has been a member of the EPCRP board since 2007, when he was appointed by the El Paso County Board of Commissioners.

In addition to being an EPCRP board member, Larson is on the Government Affairs Committee of the Colorado Bankers Association and a six-year member of the advisory board of the Graduate School of Banking in Madison, Wis.

He also serves on the boards of several non-profit organizations, including the American Red Cross (Pikes Peak region), Mission Medical, Junior Achievement of Southern Colorado and the Air Force Academy Foundation.

Larson hales from Reynolds, N.D., a small community between Grand Forks and Fargo. He moved to Colorado in 1990, living in Denver for 14 years before moving to Colorado Springs.

“Colorado Springs is a really nice, really neat community,” Larson says. “I’m happy to be here.”

As a resident of El Paso County, Larson recognizes the impact the retirement plan has on attracting good people to provide vital public services. He’s also aware that change is necessary to move forward and come up with a retirement plan that works for everybody for the long term.

“I think success for the board will be if we can keep the amount of change reasonable for all the stakeholders involved,” Larson says. “Our job is to try and make the plan sustainable well into the future.”



El Paso County Retirement Plan

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