

NRHA COMMITTEE REPORT FORM

Committee name: Investment Committee

Meeting date: 4/8/11

Committee Members Present:

President Allen Mitchels, Beth Himes, Dale Lopp, Rick Ramsey, Kit Cosper, Terry Griffin, Rick Clark, and Rosanne Sternberg.

Committee Advisor: John Foy

Committee Members not present: Mike Hancock

Staff Present: Dan Wall, John Foy, Carol Trimmer, Dennis York, and Jessica Johnson

Guests: Mr. Jeffrey Armstrong (First Vice President - Investments, Wells Fargo Advisors)

Mission Statement: Defined by NRHA Handbook, see page 21 of handbook.

Agenda Items

- Detailed NRHA Investment portfolio performance review provided by Mr. Jeffrey Armstrong (First Vice President - Investments, Wells Fargo Advisors)

Key investment performance data provided:

Mr. Jeffrey Armstrong handed out a detailed investment summary, which documented the performance of NRHA investments for the past year. Mr. Armstrong explained that the Time Weighted Rate of Return is a more accurate performance measure and is what he utilizes; Time Weighted Rate of Return is not sensitive to the external size or timing of cash flows going in and out of the portfolio. NRHA's blended benchmark is a 70% Stock and 30% Bond blended portfolio. For 2010 NRHA's return was 13.91%, benchmark performance for same time frame was 12.92%. For the last 7 year time frame, NRHA's annualized return was 7.87%, benchmark performance for a 70% Stock and 30% Bond blended portfolio for this same timeframe was 4.82%, NRHA has outperformed the benchmark by 63% for the last 7 years. The 70/30 % blended portfolio is in compliance with the NRHA's investment policy.

- Mr. Armstrong also addressed the following issues with the Investment Committee: Asset allocation methodology, key indexes, efficient frontier and current portfolio allocation, investment class detail, and general business outlook.