

## Philosophy & Facts

**Objective:** To provide long-term growth of capital and generation of income by investing in a diversified mix of domestic and foreign equities and fixed income securities. This pool is appropriate for donors who seek moderate growth paired with stability. This pool is managed by First National Investment Management & Trust (“IM&T”), and Dimensional Fund Advisors (“DFA”). The overall allocation of the Balanced Pool is 60% equities and 40% fixed income, plus or minus 10%.

**Dimensional Fund Advisors:** DFA’s investment approach is grounded in academic research and is based on the premises that markets work efficiently and that risk and return are related. DFA allocates funds based on three factors that affect value: market risk, size and book-to-market values. The CFNC Balanced Pool utilizes the DFA Global 60/40, Global 25/75, U.S. REIT and International REIT Funds. These portfolios invest in over 10,000 underlying securities across more than 35 countries. The investment objective of the Global 60/40 Fund is to seek total return consisting of capital appreciation and current income. The investment objective of the Global 25/75 Fund is to seek total return consistent with current income and preservation of capital with some capital appreciation. The investment objectives of the U.S. and International REIT Funds are to achieve long-term capital appreciation. The portfolios offer broad diversification across global asset classes.

**First National Investment Management & Trust:** The CFNC Balanced Pool will also utilize the 60/40 IM&T Tactical Asset Allocation Model. The objective of the IM&T Tactical Asset Allocation Model is to improve upon a passive mix of equities and fixed income securities through a disciplined quantitative active allocation approach. This approach is based on weighting sectors within the market for changing economic conditions and relative values. For equity exposure, IM&T utilizes eight exchange traded funds (ETFs), representing the following asset classes: Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Developed International, Emerging Markets, U.S. REITs and International REITs. IM&T employs an actively managed individual bond portfolio for the fixed income portion of the model.

The following table provides hypothetical results based on historical performance of a blend of the DFA and IM&T portfolios from July 1, 2000 through April 30, 2006. Actual Pool results from May 1, 2006 through June 30, 2010. Past performance is not a guarantee of future results.

### CFNC Balanced Pool - Model Strategy Simulations

Zephyr StyleADVISOR:First National Bank of Colorado

The Portfolio vs. Index: Annual Return graph plots the annualized returns of the CFNC Balanced Pool against the returns of the blended index. The colored bars represent the CFNC Balanced Pool and the black bars represent the blended index.

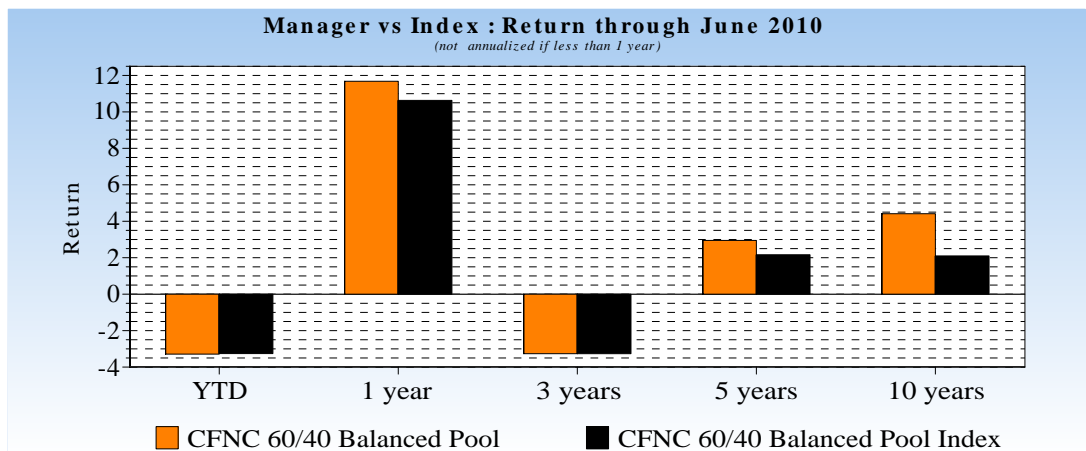
#### What the Graph Shows us:

The graph reflects the average annualized returns for the CFNC Balanced Pool and the index for the different periods within the analysis time frame (1 year, 3 year, etc.).

#### What the table shows us:

The manager vs index table is a numerical representation of the graph above. It displays the average annualized returns for the CFNC Balanced Pool and index for the different periods within the analysis timeframe (1 year, 3 year, etc.).

\*CFNC 60/40 Balanced Pool Index is composed of 50% S&P 500 Index, 10% MSCI EAFE Index and 40% Citigroup USBIG Gov/Credit 1-5 Yr Index. Prior to May 1, 2006 the Barclays Gov’t Credit Intermediate Index was used in place of the Citigroup Index.



	YTD	1 year	3 years	5 years	10 years
<b>CFNC 60/40 Balanced Pool</b>	-3.29%	11.68%	-3.26%	2.95%	4.41%
<b>*CFNC 60/40 Balanced Pool Index</b>	-3.26%	10.63%	-3.27%	2.16%	2.10%

The following table provides hypothetical results based on historical performance of a blend of the DFA and IM&T portfolios from July 1, 2000 through April 30, 2006. Actual Pool results from May 1, 2006 through June 30, 2010. Past performance is not a guarantee of future results.

## CFNC Balanced Pool - Model Strategy Simulations

Zephyr StyleADVISOR: First National Bank of Colorado

The Upside/Downside graph presents how well a portfolio has fared against its index during periods of market fluctuation.

### What the table shows us:

#### Number of Months (Up/Down)

The number of months that the CFNC Balanced Pool and blended index are up (positive return) & down (negative return) over the analysis period.

#### 1-Year (Best/Worst)

Displays the best & worst 1 year (any 4 consecutive quarters) returns for the CFNC Balanced Pool and blended index.

#### Market Index (Up/Down Cap)

How much of the market's upside & downside is captured by the CFNC Balanced Pool and the blended index.

#### R-Squared (R2)

R2 measures the degree to which a portfolio's performance can be explained by market movement.

Up/Down Table							
July 2000 - June 2010, Single Computation							
	# of Months		1-Year (%)		Market Index (%)		
	Up	Down	Best	Worst	Up Capture	Down Capture	R-Squared
<b>CFNC 60/40 Balanced Pool</b>	72	48	36.70	-29.09	117.4	98.9	94.59
<b>*CFNC 60/40 Balanced Pool Index</b>	75	45	32.92	-27.97	100.0	100.0	100.00

The following table provides hypothetical results based on historical performance of a blend of the DFA and IM&T portfolios from July 1, 2000 through April 30, 2006. Actual Pool results from May 1, 2006 through June 30, 2010. Past performance is not a guarantee of future results.

## CFNC Balanced Pool - Model Strategy Simulations

Zephyr StyleADVISOR: First National Bank of Colorado

The portfolio Risk / Return graph plots the CFNC Balanced Pool's return (annualized %) against the portfolio's standard deviation. The colored dot represents the CFNC Balanced Pool and the black diamond represents the blended index.

### What the graph shows us:

If the CFNC Balanced Pool has outperformed the blended index, the portfolio will plot above the horizontal line. If the portfolio's total risk is less than that of its index, the portfolio will plot to the left of the vertical line.

### What the table shows us:

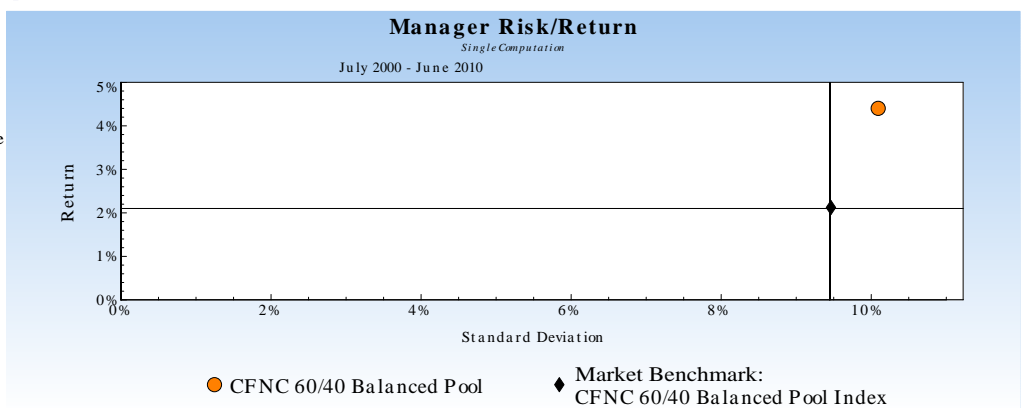
**Return** - The annualized portfolio return over the entire analysis period.

**Standard Deviation** - The total risk or variability of the portfolio's returns about its mean.

**Beta** - The systematic (market) risk of a portfolio. A portfolio with a beta of one is considered to be as risky as the market.

**Alpha** - Measures the difference between a portfolio's actual returns and the return one would expect given the portfolio's level of risk. A positive Alpha means the portfolio has exceeded expectations based on the level of risk.

**Sharpe Ratio** - A measurement of risk adjusted return and the excess return of a portfolio over the risk free rate (3 month T-Bill) per unit of risk (Std Deviation).



Risk-Return Table					
July 2000 - June 2010: Annualized Summary Statistics					
	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market (%)	Sharpe Ratio
<b>CFNC 60/40 Balanced Pool</b>	4.41	10.08	1.0378	2.24	0.1842
<b>*CFNC 60/40 Balanced Pool Index</b>	2.10	9.45	1.0000	0.00	-0.0485

## Philosophy & Facts

**Objective:** To provide long-term growth of capital with the production of income being secondary. Funds will be invested primarily in a diversified mix of domestic and foreign equities. This pool is appropriate for donors seeking capital appreciation who have a higher tolerance for volatility. This pool is managed by First National Investment Management & Trust (“IM&T”) and Dimensional Fund Advisors (“DFA”). The overall allocation of the Growth Pool is 80% equities and 20% fixed income, plus or minus 10%.

**Dimensional Fund Advisors:** DFA’s investment approach is grounded in academic research and is based on the premises that markets work efficiently and that risk and return are related. DFA allocates funds based on three factors that affect value: market risk, size and book-to-market values. The CFNC Growth Pool utilizes the DFA Global 60/40, Global Equities, U.S. REIT and International REIT Funds. These portfolios invest in over 10,000 underlying securities across more than 35 countries. The investment objective of the Global 60/40 Fund is to seek total return consisting of capital appreciation and current income. The investment objectives of the Global Equity, U.S. REIT and International REIT Funds are to achieve long-term capital appreciation. The portfolios generally allocate assets to a combination of underlying domestic and international equity funds.

**First National Investment Management & Trust:** The CFNC Growth Pool will also utilize the 80/20 IM&T Tactical Asset Allocation Model. The objective of the Tactical Asset Allocation Model is to improve upon a passive mix of equities and fixed income securities through a disciplined quantitative active allocation approach. This approach is based on weighting sectors within the market for changing economic conditions and relative values. For equity exposure, IM&T utilizes eight exchange traded funds (ETFs), representing the following asset classes: Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Developed International, Emerging Markets, U.S. REITs, and International REITs. IM&T employs an actively managed individual bond portfolio for the fixed income portion of the model.

The following table provides hypothetical results based on historical performance of a blend of the DFA and IM&T portfolios from July 1, 2000 through April 30, 2006. Actual Pool results from May 1, 2006 through June 30, 2010. Past performance is not a guarantee of future results.

### CFNC Growth Pool - Model Strategy Simulations

Zephyr StyleADVISOR:First National Bank of Colorado

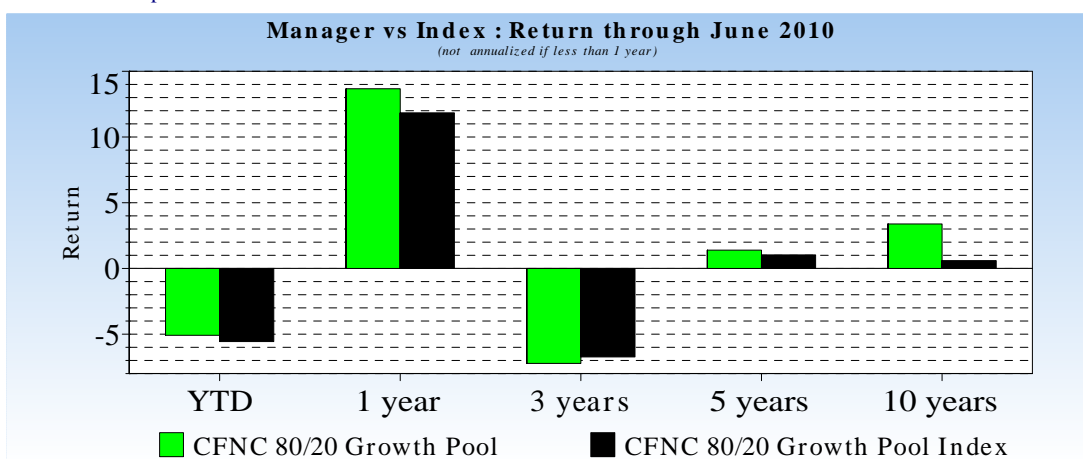
The Portfolio vs. Index: Annual Return graph plots the annualized returns of the CFNC Growth Pool against the returns of the blended index. The colored bars represent the CFNC Growth Pool and the black bars represent the blended index.

#### What the graph shows us:

The graph reflects the average annualized returns for the CFNC Growth Pool and the index for the different periods within the analysis time frame (1 year, 3 year, etc.).

#### What the table shows us:

The manager vs index table is a numerical representation of the graph above. It displays the average annualized returns for the CFNC Growth Pool and index for the different periods within the analysis timeframe (1 year, 3 year, etc.).



**Manager vs Index: Return through June 2010**  
(not annualized if less than 1 year)

	YTD	1 year	3 years	5 years	10 years
<b>CFNC 80/20 Growth Pool</b>	-5.08	13.67	-7.22	1.40	3.39
<b>CFNC 80/20 Growth Pool Index</b>	-5.56	11.84	-6.73	1.03	0.60

\*CFNC 80/20 Growth Pool Index is composed of 65% S&P 500 Index, 15% MSCI EAFE Index and 20% Citigroup USBIG Gov/Credit 1-5 Yr Index. Prior to May 1, 2006 the Barclays Gov't Credit Intermediate Index was used in place of the Citigroup Index.

The following table provides hypothetical results based on historical performance of a blend of the DFA and IM&T portfolios from July 1, 2000 through April 30, 2006. Actual Pool results from May 1, 2006 through June 30, 2010. Past performance is not a guarantee of future results.

## CFNC Growth Pool - Model Strategy Simulation

Zephyr StyleADVISOR: First National Bank of Colorado

The Upside/Downside chart presents how well a portfolio has fared against its index during periods of market fluctuation.

### What the table shows us:

#### Number of Months (Up/Down)

The number of months that the CFNC Growth Pool and blended index are up (positive return) & down (negative return) over the analysis period.

#### 1-Year (Best/Worst)

Displays the best & worst 1 year (any 4 consecutive quarters) returns for the CFNC Growth Pool and blended index.

#### Market Index (Up/Down Cap)

How much of the market's upside & downside is captured by the CFNC Growth Pool and the blended index.

#### R-Squared (R2)

R2 measures the degree to which a portfolio's performance can be explained by market movement.

Up/Down Table							
July 2000 - June 2010, Single Computation							
	# of Months		1-Year (%)		Market Index (%)		
	Up	Down	Best	Worst	Up Capture	Down Capture	R-Squared
<b>CFNC 80/20 Growth Pool</b>	69	51	47.64	-39.22	121.4	101.9	95.39
<b>CFNC 80/20 Growth Pool Index</b>	73	47	43.13	-36.62	100.0	100.0	100.00

The following table provides hypothetical results based on historical performance of a blend of the DFA and IM&T portfolios from July 1, 2000 through April 30, 2006. Actual Pool results from May 1, 2006 through June 30, 2010. Past performance is not a guarantee of future results.

## CFNC Growth Pool - Model Strategy Simulation

Zephyr StyleADVISOR: First National Bank of Colorado

The portfolio Risk/Return graph plots the CFNC Growth Pool's returns (annualized %) against the portfolio's standard deviation. The colored triangle represents the CFNC Growth Pool and the black diamond represents the blended index.

### What the graph shows us:

If the CFNC Growth Pool has out performed the blended benchmark, the portfolio will plot above the horizontal line. If the portfolio's total risk is less than that of its benchmark, the portfolio will plot to the left of the vertical line.

### What the table shows us:

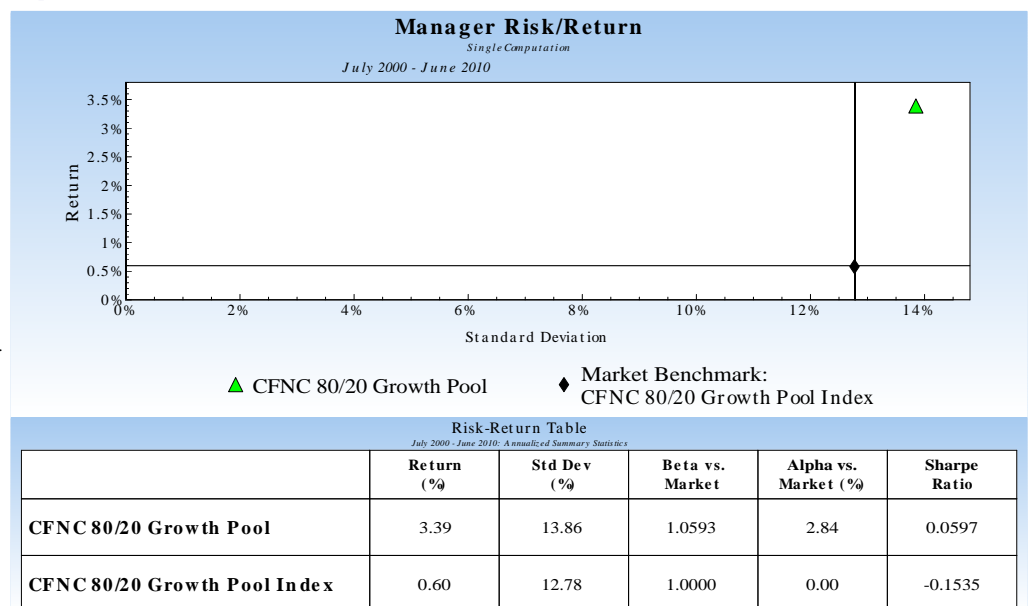
**Return** - The annualized portfolio return over the entire analysis period.

**Standard Deviation** - The total risk or variability of the portfolio's returns about its mean.

**Beta** - The systematic (market) risk of a portfolio. A portfolio with a beta of one is considered to be as risky as the market.

**Alpha** - Measures the difference between a portfolio's actual returns and the return one would expect given the portfolio's level of risk. A positive Alpha means the portfolio has exceeded expectations based on the level of risk.

**Sharpe Ratio** - A measurement of risk adjusted return and the excess return of a portfolio over the risk free rate (3 month T-Bill) per unit of risk (St. Deviation).



## Philosophy & Facts

**Objective:** To provide long-term capital preservation and generation of income. Growth of capital is a secondary goal. Funds will be invested primarily in a diversified mix of short-term bonds and domestic/foreign equities. This pool is appropriate for donors seeking capital appreciation who have a low tolerance for volatility. This pool is managed by First National Investment Management & Trust (“IM&T”). The overall allocation of the Conservative Pool is 25% equities and 75% fixed income, plus or minus 5%.

**First National Investment Management & Trust:** The CFNC Conservative Pool will utilize the 25/75 IM&T Tactical Asset Allocation Model. The objective of the Tactical Asset Allocation Model is to improve upon a passive mix of equities and fixed income securities through a disciplined quantitative active allocation approach. This approach is based on weighting sectors within the market for changing economic conditions and relative values. For equity exposure, IM&T utilizes eight exchange traded funds (ETFs), representing the following asset classes: Large Cap Value, Large Cap Growth, Small Cap Value, Small Cap Growth, Developed International, Emerging Markets, U.S. REITs and International REITs. IM&T employs an actively managed individual bond portfolio for the fixed income portion of the model. Investable securities include Treasuries, Treasury Inflation Protection Securities (“TIPS”), government agencies, investment grade corporate bonds, Build America Bonds, and certificates of deposits (“CDs”).

The following table provides hypothetical results based on historical performance of the IM&T portfolio from July 1, 2000 through April 30, 2009. Actual Pool results from May 1, 2009 through June 30, 2010. Past performance is not a guarantee of future results.

### CFNC Conservative Pool - Model Strategy Simulations

Zephyr StyleADVISOR:First National Bank of Colorado

The Portfolio vs. Index: Annual Return graph plots the annualized returns of the CFNC Conservative Pool against the returns of the blended index. The colored bars represent the CFNC Conservative Pool and the black bars represent the blended index.

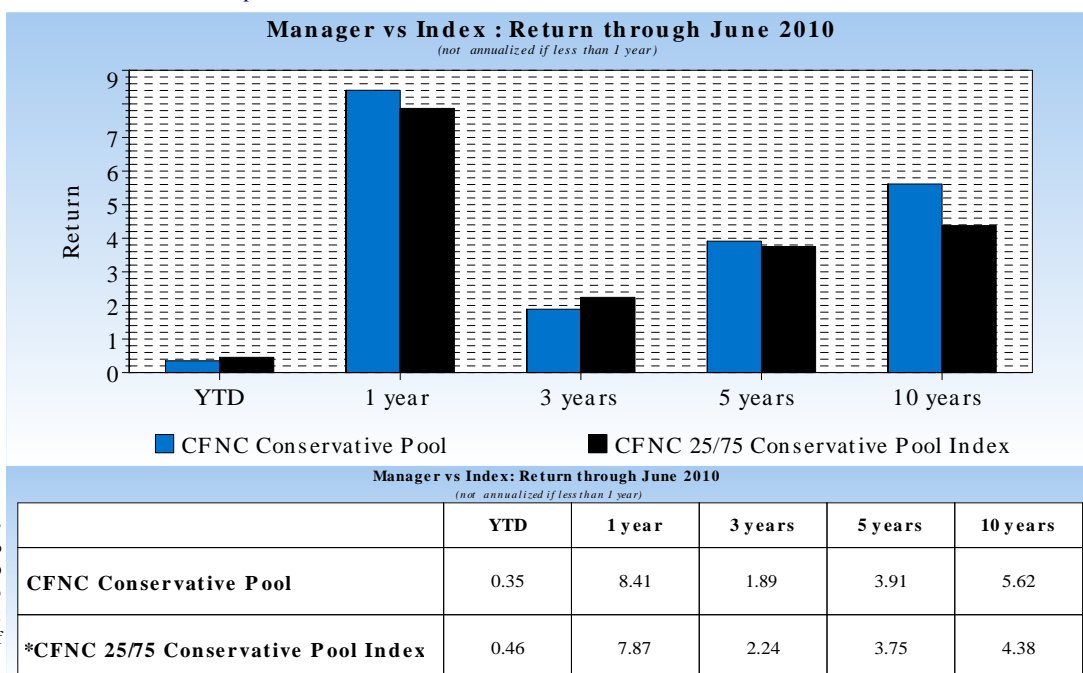
#### What the graph shows us:

The graph reflects the average annualized returns for the CFNC Conservative Pool and the index for the different periods within the analysis time frame (1 year, 3 year, etc.).

#### What the table shows us:

The manager vs index table is a numerical representation of the graph above. It displays the average annualized returns for the CFNC Conservative Pool and index for the different periods within the analysis timeframe (1 year, 3 year, etc.).

\*CFNC 25/75 Conservative Pool Index is composed of 21% S&P 500 Index, 4% MSCI EAFE Index and 75% Citigroup USBIG Gov/Credit 1-5 Yr Index. Prior to May 1, 2009 the Barclays Gov't Credit Intermediate Index was used in place of the Citigroup Index.



# Conservative Pool



The following table provides hypothetical results based on historical performance of the IM&T portfolio from July 1, 2000 through April 30, 2009. Actual Pool results from May 1, 2009 through June 30, 2010. Past performance is not a guarantee of future results.

## CFNC Conservative Pool - Model Strategy Simulation

Zephyr StyleADVISOR: First National Bank of Colorado

The Upside/Downside chart presents how well a portfolio has fared against its index during periods of market fluctuation.

### What the table shows us:

#### Number of Months (Up/Down)

The number of months that the CFNC Conservative Pool and blended index are up (positive return) & down (negative return) over the analysis period.

#### 1-Year (Best/Worst)

Displays the best & worst 1 year (any 4 consecutive quarters) returns for the CFNC Conservative Pool and blended index.

#### Market Index (Up/Down Cap)

How much of the market's upside & downside is captured by the CFNC Conservative Pool and the blended index.

#### R-Squared (R2)

R2 measures the degree to which a portfolio's performance can be explained by market movement.

Up/Down Table							
July 2000 - June 2010. Single Computation							
	# of Quarters		1-Year (%)		Market Index (%)		
	Up	Down	Best	Worst	Up Capture	Down Capture	R-Squared
<b>CFNC Conservative Pool</b>	30	10	17.53	-10.15	115.4	81.6	90.93
<b>*CFNC 25/75 Conservative Pool Index</b>	26	14	15.48	-9.60	100.0	100.0	100.00

The following table provides hypothetical results based on historical performance of the IM&T portfolio from July 1, 2000 through April 30, 2009. Actual Pool results from May 1, 2009 through June 30, 2010. Past performance is not a guarantee of future results.

## CFNC Conservative Pool - Model Strategy Simulation

Zephyr StyleADVISOR: First National Bank of Colorado

The portfolio Risk/Return graph plots the CFNC Growth Pool's returns (annualized %) against the portfolio's standard deviation. The colored square represents the CFNC Growth Pool and the black diamond represents the blended index.

### What the graph shows us:

If the CFNC Conservative Pool has outperformed the blended benchmark, the portfolio will plot above the horizontal line. If the portfolio's total risk is less than that of its benchmark, the portfolio will plot to the left of the vertical line.

### What the table shows us:

**Return** - The annualized portfolio return over the entire analysis period.

**Standard Deviation** - The total risk or variability of the portfolio's returns about its mean.

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**Sharpe Ratio** - A measurement of risk adjusted return and the excess return of a portfolio over the risk free rate (3 month T-Bill) per unit of risk (St. Deviation).

