



# Perspectives

SUMMER 2007

## Great-West Retirement Services Introduces New Retiree Advocate

Great-West Retirement Services is pleased to announce the creation of a new position called the Retiree Advocate. The primary purpose of the Retiree Advocate is to receive and organize input from Plan participants and retirees with respect to the services, products and features that Great-West Retirement Services should provide to better serve retirees and those participants nearing retirement.

Your Retiree Advocate is Ron Nichols—a 1971 graduate of Santa Barbara College and a 40-year veteran of the financial services and retirement plan business. Ron built a business focused on public sector retirement plans, which grew to encompass over 450 public entities, with over 100,000 participants. He is one of the founding members of the National Association of Government Defined Contribution Administrators (NAGDCA). A retiree



since 2004, Ron's experience in the public sector pension business, plus his experience as a retiree, brings you a unique perspective. He is keenly focused on the needs of public sector retirees and those nearing retirement. "For the past 40 years, the public and private sectors have focused most of their efforts on the accumulation phase of retirement savings. It is now time to focus more attention on the retirement income portion of the market, and the unique and growing needs of public sector employees," Ron says.

Issues of importance to retirees will appear regularly in this newsletter and on your Plan Web site. Ron also welcomes your input on issues of concern to you. He may be reached by phone at (877) RET-GWRS (738-4977) or by e-mail at [retireeadvocate@gwrs.com](mailto:retireeadvocate@gwrs.com).

## Do I Need to Consolidate?

One bill vs. several—what is right for you?

Credit cards, student loans, car payments, mortgages. If you feel like you're always paying a different bill, you may be a candidate for loan consolidation. You've got lots of options to choose from, whether it's taking a personal loan from your bank or credit union or rolling your credit card balances to a lower interest rate credit card. The key is to reduce your interest rates—not just your monthly out-of-pocket costs.

These days, debt can be cheap and some credit card companies are charging single-digit interest rates for their best customers. So if you're paying upward of 18% on several credit cards, consolidating your debt could save you a lot of money. Online debt consolidation calculators can help you figure out just how much. Find one at a financial Web site like [smartmoney.com](http://smartmoney.com).<sup>2</sup> Enter the current balance on your loans along with the interest rate charged, and you'll see how consolidation could affect your overall interest rate payments.

Of course, if you take this opportunity to reduce your principal payments, your new low-interest rate loan could end up costing you more than the old one. Extending the loan payoff timeframe could have the same effect. Additionally, if you are considering combining your credit card debt onto another credit card read over all the details of the balance transfer carefully, as many credit cards charge a balance transfer fee that can be as high as 5% of the balance transferred. Please remember to always read the "fine print" disclosures when considering consolidating your debt, whether with a credit card or a conventional loan.

## Have Questions? Need Information?

Visit the Web site at [www.colorado457.com](http://www.colorado457.com) or call KeyTalk® at (800) 838-0457, option 2.<sup>1</sup> Visit the Deferred Compensation Plan Service Center: 1775 Sherman Street, Suite 2820, Denver, CO 80203

Hours: 8:00 a.m.–5:00 p.m.,  
Monday through Friday

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## Semi-Annual Performance Review

Howard Biggs, investment consultant with Arnerich Massena, provided the semi-annual performance review on the funds offered in the State of Colorado 457 Deferred Compensation Plan. In Mr. Biggs review he also discussed All Cap Funds and Socially Responsible Funds (SR). It was determined that all of the funds offered in the 457 Plan met the performance guidelines of the current Investment Policy. Mr. Biggs provided the 457 Plan Committee a performance comparison chart for the funds that were eliminated from the Plan in August 2006 to those added at that time. See additional document included in with your statement. Although the performance data provided by Mr. Biggs represents past performance and is not a guarantee or prediction of future results, the Committee was happy to see that the changes made have been positive and wanted to share this information with participants.

In regards to socially responsible funds Mr. Biggs stated, "In a participant directed plan you can offer socially responsible funds as part of the core investment options or through a self-directed brokerage (SDB) option. Since there is no uniform definition for socially responsible funds the SDB may be the best place to direct participants who are interested in investing in this type of fund." All Cap Funds can also be accessed through the SDB. The SDB option is for knowledgeable investors who acknowledge and understand the risks associated with many of the investments contained in the SDB. By utilizing the account, you acknowledge that none of the available options in the SDB have been reviewed for suitability by the State of Colorado, your Plan Sponsor, the SDB provider, or Great-West Retirement Services.

*GWFS Equities Inc. is not affiliated with Howard Biggs or Arnerich Massena.*

**Please note: This newsletter does not constitute investment or financial advice.**



## New Committee Member

The 457 Plan participants voted in June to choose a new elected member to the 457 Plan Committee. Mr. Benson Stein, CDOT-Manager, Office of Management, Finance and Budget, will be the newly elected Committee member effective July 1, 2007 and serve through July 1, 2011. As a reminder the Committee meets on the second Thursday of every month. The agenda for each meeting is posted on the 457 Plan Web site at [www.colorado457.com](http://www.colorado457.com) one week prior to the meeting. The minutes for each meeting are posted once they are approved by the Committee one month following the meeting. Contact information for all Committee members and staff can also be viewed on the Plan Web site.

<sup>1</sup> Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

<sup>2</sup> Great-West Retirement Services® is not responsible for, nor does it endorse the content contained in the additional Web sites provided. These Web sites are for general education and information only and are provided as a benefit to the users of the site.

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State of Colorado 98991-01/02  
Investment Performance as of June 29, 2007  
Eliminated and Replacement Funds



Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit [www.colorado457.com](http://www.colorado457.com). The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses and/or disclosure documents from your registered representative. For prospectuses on Self-Directed Brokerage, contact TD AMERITRADE at (866) 766-4015. Read them carefully before investing.

For fund objective and asset allocation information for your plan's investment options, please refer to the Fund Fact Sheet or Prospectus.

**Standardized Returns as of Quarter Ending June 29, 2007**

Investment Options	Fund Status	Ticker	1 Year	3 Years	5 Years	10 Year/ Since Inception <sup>1</sup>	Inception Date of Option	Fund Operating Expense
<b>Large Cap Growth</b>								
American Funds Growth Fund of America R5	Replacement	RGAFX	18.25%	14.32%	14.04%	11.21%	May-02	0.39
American Century Ultra <sup>2</sup>	Eliminated	TWCUX	10.08%	3.59%	5.19%	4.53%	Nov-81	0.99
<b>Large Cap Value</b>								
Hotchkis Wiley Large Cap Value	Replacement	HWLIX	19.63%	13.31%	15.25%	10.92%	Jun-87	0.98
American Funds Washington Mutual Investors Fund R4 <sup>2</sup>	Eliminated	RWMEX	20.85%	11.92%	9.98%	8.39%	May-02	0.68
<b>Mid Cap Growth<sup>3</sup></b>								
Munder Mid Cap Core Growth	Replacement	MGOYX	23.43%	17.61%	17.61%	14.59%	Jun-98	1.05
Artisan Mid Cap Growth <sup>2</sup>	Eliminated	ARTMX	23.52%	13.89%	12.97%	18.04%	Jun-97	1.18
<b>Mid Cap Value<sup>3</sup></b>								
Artisan Mid Cap Value Fund	Replacement	ARTQX	24.67%	19.49%	19.26%	16.74%	Mar-01	1.20
American Century Equity Income Investors <sup>2</sup>	Eliminated	TWEIX	18.57%	11.40%	11.48%	11.32%	Aug-94	0.98
<b>Small Cap Growth<sup>4</sup></b>								
TCM Small Cap Growth	Replacement	TCMSX	18.50%	N/A	N/A	23.99%	Oct-04	0.97
Dreyfus Founders Discovery Fund <sup>2</sup>	Eliminated	FDISX	13.34%	6.59%	6.94%	8.00%	Dec-89	1.46
<b>Small Cap Value<sup>4</sup></b>								
Veracity Small Cap Value	Replacement	ARTVX	15.00%	15.73%	N/A	15.00%	Mar-04	1.82
Touchstone Diversified Small Cap Value <sup>2</sup> (Formerly Constellation Clover Small Cap Value)	Eliminated	TCSVX	13.87%	11.90%	11.97%	13.18%	Feb-96	1.57

These returns and fund operating expenses are expressed as percentages.

Performance returns reflect deduction for fund operating expenses. Your Plan may also assess an administrative fee which would reduce the performance quoted above.

Funds may impose redemption fees, and/or transfer restrictions, on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. For more information, please refer to the fund's prospectus and/or disclosure documents.

With the exception of the Self Directed Brokerage Account, securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

On occasion, the name and/or investment objective of an investment option may change. For specific information on whether the option name has changed within the past year, or if the investment objective has changed in the last ten years, please contact your Registered Representative for a current prospectus.

Actual fund operating expenses may be less if the fund currently offers a waiver or reimbursement of a portion of this expense. For more information regarding fund operating expenses, please refer to the fund's prospectus.

<sup>1</sup> 3, 5, and 10 Year/Since Inception returns shown are annualized. For 10 Year/Since Inception, if the fund was not in existence for 10 years, returns shown are since inception.

<sup>2</sup> This investment option is no longer available. From time to time an investment option under the Plan may be closed. A closed investment option means that the investment option is no longer available for new deposits or transfers into that investment option.

<sup>3</sup> Medium sized companies may suffer more significant losses as well as realize more substantial growth than larger capitalized, more established issuers.

<sup>4</sup> Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies.

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