



The South Carolina Deferred Compensation Program

SECOND QUARTER 2011 *news*

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STICK WITH THE PROGRAM!

When you separate from service from a participating employer of the South Carolina Deferred Compensation Program (Program), you have a number of options to manage your Program account. Keeping your money in the Program may provide you with better retirement opportunities than other investment products.

Reasons to stay:

YOU MIGHT PAY LESS IN FEES IF YOU STAY IN THE PROGRAM.

If you're approached about moving your account to a broker's company, be sure to compare your current fee structure with the broker's fee structure. If the expenses are higher with the alternative, what is the real reason to move your money? Who will it benefit? Consider all of your options before you hand over your hard-earned money. You could end up paying more, which could affect your retirement savings.

1

YOU GET LOW-COST INVESTMENT OPTIONS.

The Program offers you many investment products that are priced at the lowest share class available when compared to other mutual funds. With lower investment fees, more of your retirement money is working for you in your portfolio.

2

YOU RETAIN DISTRIBUTION FLEXIBILITY WITH A VARIETY OF PAYOUT OPTIONS.

You can keep your money in the Program – even if you retire or leave your job – or you may choose from a variety of distribution options to suit your financial needs, which can include periodic payments and partial withdrawals. You can also change your distribution arrangement as many times as necessary to meet your needs as long as you begin receiving your required minimum distribution payments by the required date.

3

QUICK AND EASY TRANSFERS AMONG INVESTMENT OPTIONS ARE STILL AVAILABLE.

By keeping your money in your Program account there is no paperwork to transfer your assets among investment options. Transfers made online or by phone are processed within 24 hours¹ with no additional transaction fees.

4

THE PROGRAM OFFERS FLEXIBLE, EASY ACCOUNT MANAGEMENT.

You may continue to call KeyTalk® at (877) 457-6263¹ to speak with a representative about your Program-specific questions. The website at www.southcarolinadcp.com¹ allows you to log in to your account to manage your retirement savings and access financial education information that can help you effectively prepare for retirement. Access both KeyTalk and the website at any time for account information or to make changes to your investments or beneficiary designations.

5

The Program offers tax-deferred growth and flexible distribution options – with added benefits like low costs, flexibility, and access to valuable services. You've worked hard for your retirement savings. Consider letting your Program account keep working for you!

BE PREPARED FOR VOLATILITY

HOW TO INVEST IN AN UP-AND-DOWN MARKET

As an investor, you know that risk and return can't be separated. The stock market offers potential inflation-beating returns, but it fluctuates constantly – sometimes dramatically. If you're unprepared for that volatility, you might panic at sudden drops and sell at the wrong times.

LEARN FROM EXPERIENCE

You can minimize the impact of volatility. Strive to maintain an investment mix that is based on your goals and time horizon and that reflects the degree of risk you can comfortably live with, even in a turbulent market. Consider your response to the 2008-09 stock market collapse. If you made drastic changes, it's a sign that your original investment strategy may not have accurately reflected the amount of risk you could tolerate.

REVIEW AS NEEDED

It makes sense to periodically review your goals, time horizon and comfort level with risk, and to confirm that they're reflected in your asset allocation. Asset allocation means dividing your portfolio among the different asset classes of stock funds, bond funds and cash investments. The percentage you invest in each asset class helps to determine your portfolio's short-term volatility and its potential long-term return. You can also diversify within each asset class. For example, your stock fund holdings could include both large- and small-company funds.

Asset allocation and diversification can't prevent a loss in a declining market or guarantee a profit, but they can help you create a portfolio that you can live with despite the market's ups and downs.



EDUCATIONAL RESOURCES AVAILABLE ONLINE

No matter where you're headed in life, the Program website, www.southcarolinadcp.com¹, can provide you with valuable tools and information to help you get there. Learn about saving and investing or keep up-to-date with what's going on in the Program.

ELEARNING SEMINARS

eLearning Seminars cover a variety of important retirement and financial education topics, including asset allocation, investment fundamentals, pre-retirement planning and market volatility.

The eLearning Seminars are accessible through a web link on the Program website. The viewing program is automatically launched when clicked on, so there is no additional software to install on your computer.

VIRTUAL CLASSROOM

Virtual Classroom provides a more robust, online learning experience complete with Adobe® Flash animation capabilities throughout three in-depth modules:

- 1. Let's Talk About Investment Planning**
Designed to help you identify your retirement savings objectives and establish effective investment strategies utilizing the Program.
- 2. Let's Talk About Financial Planning**
Designed to help you identify your financial objectives utilizing the financial planning process through topics like debt management, estate planning, mortgages and more.
- 3. Let's Talk About Retirement Planning**
An educational program designed to help you understand your retirement objectives and establish a plan to achieve and maintain your retirement lifestyle goals.

Each module includes a downloadable workbook, worksheets and links to related forms and calculators. You have the flexibility to suppress any module and/or subtopic within a module that you feel may not be applicable to you.

(continued on page 3)



EDUCATIONAL RESOURCES AVAILABLE ONLINE (CONTINUED)

RETIREE CROSSROADS

Retiree Crossroads is a web-based resource for participants nearing or in retirement. It reinforces the notion that retirement planning doesn't end at retirement.

On the Retiree Crossroads website, you can find enhanced educational content to help you prepare for not only the financial challenges of retirement, but also the emotional challenges. The site provides information on the following topics across all stages of the retirement planning process:

- » Pre-Retirement Planning
- » Retiree Money Matters
- » Retirement Lifestyles
- » Tools for Retirees

To access these resources, just log on to your account at www.southcarolinadcp.com and click on the Education tab; then, look for the eLearning Seminars, Virtual Classroom and Retiree Crossroads links.¹

TRY THEM ALL TODAY!

BASICS OF BUDGETING

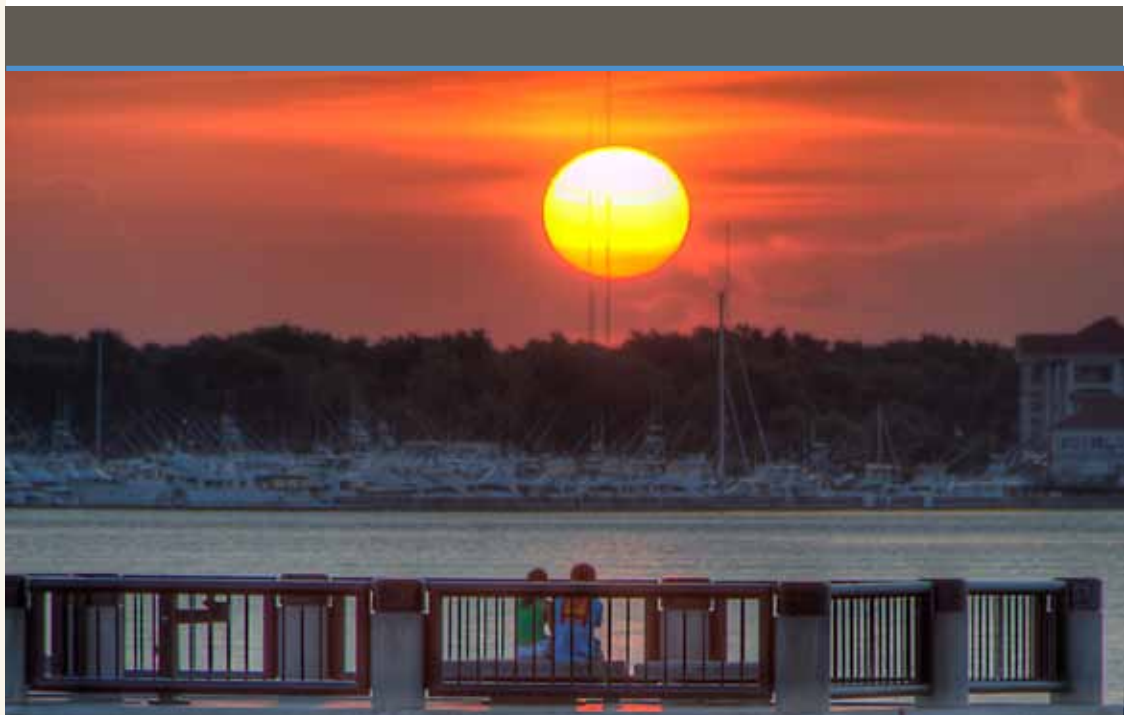
Unexpected expenses can happen. Do you have an emergency fund? Your Program account is meant for retirement, not as an emergency fund. That's why it's important to set aside money in another account, in case any unexpected costs arise.

Here are some cost-saving tips to help you save for those unexpected expenses:

- » Brown-bag your lunch a couple times a week.
- » Skip the beverage at restaurants, and order water instead.
- » Shop for groceries with coupons and a list.
- » Cook meals in bulk and freeze leftovers.
- » Shop around for a less expensive cell phone plan.
- » Keep credit debt at a minimum.

Having money in reserve can prevent the need to take out loans or use credit cards when unexpected expenses arise. Taking out loans and running up credit card debt make it harder for you to save money for yourself.

If you absolutely need the money, you may be able to take a loan from your 401(k) or 457 plan. You can review the loan information online at www.southcarolinadcp.com under the About Your Program tab.



ENCORE PERFORMANCE OF THE RETIREE ADVOCATE

Ron Nichols, Retiree Advocate for Great-West Retirement Services® (Great-West), is returning to conduct one more free educational seminar. This presentation will address the issues you may be facing as you near or are in retirement and how the Program's benefits and features can help you.

MARK YOUR CALENDAR:

September 6, 2011 • 10:00 a.m. - 12:00 p.m.
Horry County Government Complex • 2nd Floor, Multipurpose Rooms D & A
1301 2nd Avenue • Conway, SC

IS YOUR RETIREMENT ACCOUNT RUNNING AT PEAK PERFORMANCE?

Just as you routinely take your car to the mechanic for a tune-up, you should also take a look at your retirement strategy at least annually to help ensure your account is running at peak performance. As the years go by and life changes, so may your retirement strategy. Performing a tune-up on your retirement future is easy, too! Just follow these simple steps:

1 Review Your Goals and Plans – Are you on track to reach your retirement goals? Have those goals changed? Visit www.southcarolinadcp.com to manage your account online and take advantage of the various tools and calculators like DreamTrackerSM, which can help determine how much income you might need in retirement.¹

2 Maximize Your Contributions – If you're not contributing the maximum possible to your 401(k) or 457 accounts, increase your contributions by one percent each time you get a pay increase.

3 Review Your Investment Allocation – Ask yourself if your asset allocation is proper for your stage in life. For instance, some folks nearing retirement may decide to shift some of their assets into more conservative investments. Have you had a major life change in the past year?

4 Rebalance² – Rebalancing is the process of adjusting your portfolio's investments so they match your original allocation. The Rebalancer tool on www.southcarolinadcp.com automatically redistributes your account balance to selected investment options at the frequency you choose. *Note: The Rebalancer tool is not for Managed Account investors.*

5 Check Beneficiaries – Make sure the correct person is named as your beneficiary by reviewing your beneficiary designations. This may be especially important if you are recently divorced, widowed or remarried.



Follow these annual retirement account tune-up steps and you should be on your way to helping your retirement account run at peak performance. Need more guidance? Set up a meeting with your local education counselor who can help answer any retirement-related questions or go over your Program options in greater detail.³

Forgot your Personal Identification Number (PIN)⁴ or need one to access your account online at www.southcarolinadcp.com? Call KeyTalk at (877) 457-6263¹ and follow the prompts to have your PIN mailed to your address of record.

ANNUAL RATES OF RETURN FOR THE THIRD QUARTER 2011

SOUTH CAROLINA STABLE VALUE FUND	4.15%
84-MONTH CERTIFICATE FUND	2.70%

SAVING IS BACK IN STYLE

One of the outcomes of the economic turmoil during the last few years is that many people have rediscovered the importance of saving. We're redefining "necessity" and "luxury" and reprioritizing our spending as a result. We're learning that indulging our short-term whims can hurt our long-term goals. And more of us are taking a thoughtful look at how we'll build the nest egg we need to provide us with the retirement income we'll want in the future.

How can the Program help you make saving a priority? By providing you with:

- » **A different way to save** – There's a difference between saving for retirement on your own on an after-tax basis and saving in a tax-deferred way through the Program.
- » **Investment options for every type of investor** – The Program features a wide array of investment options, as well as access to investment advisory tools and services to help you manage your investments or even manage your account for you.
- » **Convenient account management** – Detailed Program and account information and the flexibility to make changes to your account are available on the website or through KeyTalk.

If you're the type who takes pride in making the most of every penny, your South Carolina Deferred Compensation Program has a lot to offer.

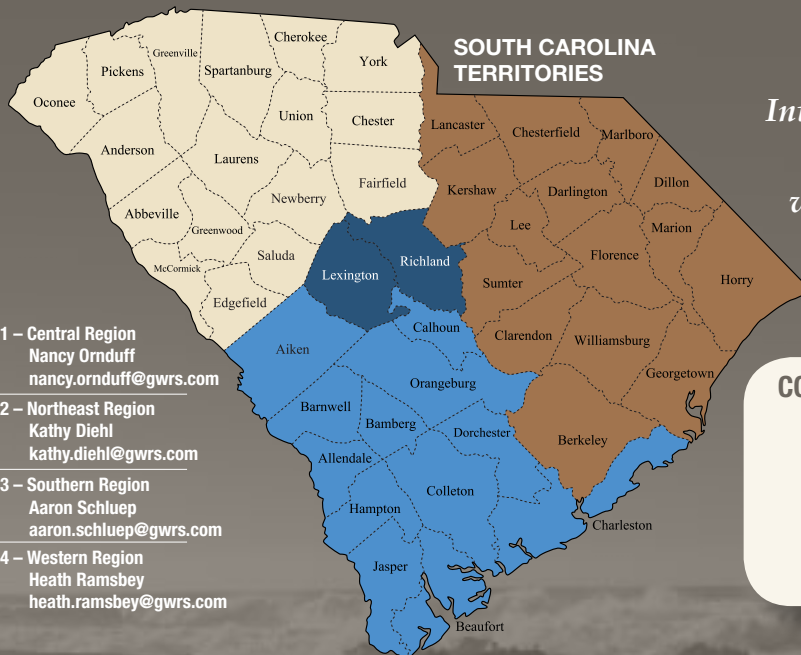
DID YOU REVIEW THE BENEFICIARY LISTED ON THIS QUARTER'S STATEMENT?



Great-West has completed the beneficiary records project to convert historical beneficiary records from paper format to electronic format. These paper records are now loaded into the recordkeeping system and are visible in your account (if you had a paper record on file and in good order). Beneficiary designations listed in the paper records deemed not in good order were not loaded electronically and may not be honored at your time of death.

To be sure that Great-West has the correct information on file, we strongly encourage you to review your beneficiary designation on your account statement or online at www.southcarolinadcp.com.¹ If you do not see a beneficiary listed, update your beneficiary online or call KeyTalk at (877) 457-6263.

Don't delay! Verify your designations today. Your beneficiaries will thank you for it.



CONTACT A LOCAL EDUCATION COUNSELOR IN YOUR AREA!

*Interested in attending a group meeting?
Visit the Program website at
www.southcarolinadcp.com¹ to find a
group meeting in your area.*

CONTACT THE GREAT-WEST LOCAL OFFICE AT:

200 Arbor Lake Dr., Suite 115
Columbia, SC 29223
Phone: (877) 457-6263, option 2
Office Hours: 8:00 a.m. to 4:30 p.m.
Monday through Friday

¹ Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

² Rebalancing does not ensure a profit and does not protect against loss in declining markets.

³ Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

⁴ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

Core securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Great-West Retirement Services® and KeyTalk® are registered trademarks and DreamTracker™ is a service mark of Great-West Life & Annuity Insurance Company. ©2011 Great-West Life & Annuity Insurance Company. All rights reserved. Not intended for Plans whose situs is in New York. Form CB1121N (06/11) PT128935