



IN THE SPOTLIGHT:

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City of Los Angeles Quarterly Newsletter

July 2010



**HOW MUCH DO MY INVESTMENTS NEED TO EARN?
FOCUS ON PURCHASING POWER**

If someone asked you what rate of return you need to earn on your investments, how would you reply? You might toss out a round number like "5%" or "10%" because you've heard other people use those numbers. But the answer should really come in two parts: identifying what you *need to earn* in order to *meet a specific investment objective*.

If you're fabulously rich and have more money than you'll ever be able to spend in your lifetime, how much do you "need" to earn on your investments? If your objective is simply to maintain your current standard of living, the answer would be "zero" because you already have more than you need.

Most of us, however, are not in that fortunate situation. We save money through programs like the Deferred Compensation Plan so that we can use it to purchase goods and services at a future date. In effect, then, what we're saving for is future *purchasing power*.

The purchasing power of a dollar rarely remains constant. Prices mostly go up, but during some periods they can also go down. For example, \$1 in 1930 bought a dollar's worth of goods; in 1940, 84 cents bought the same amount of goods and in 2010 \$13.05 would buy the 1930 equivalent of said goods.* In other words, you could buy more with \$1 in 1940 than you could in 1930, but much less today. The example below demonstrates the impact of inflation (rising prices) and deflation (falling prices). In the 1930s the Great Depression created price deflation, but since that time prices have generally risen.

* Source: Inflation Calculator, U.S. Bureau of Labor Statistics, data.bls.gov/cgi-bin/cpicalc.pl

Whether we are in a state of inflation or deflation is an important consideration in answering the question of what you need to earn on your investments. Let's say that in order to meet your specific investment objective you would like to earn 3% above the inflation rate (meaning your purchasing power is rising at an effective rate of 3% each year). If inflation was running at 5%, you'd need to earn 8% on your investment. But if inflation was running at 0%, you'd only need to earn 3%. And if prices were deflating by 3%, you wouldn't need to earn anything at all.[^]

[^] Not intended as financial planning or investment advice.

This means that what you decide you need to earn on your investments (and, by extension, how much risk you take to try to achieve that) is very much related to the question of whether prices are rising or falling.

- During an extended period of **DEFLATION** you might be able to reduce your exposure to risk and still maintain or grow your purchasing power.
- During an extended period of **INFLATION** you might need to take greater risk in order to maintain or grow your purchasing power.

At present, inflation appears to be relatively low. Economists seem divided on whether we might be moving into a more deflationary versus inflationary environment. Keeping an eye on how prices are changing, and aligning your rate of return goals (and the risk you're taking to achieve them) accordingly, is a crucial part of maintaining your purchasing power in retirement.



FOR ILLUSTRATIVE PURPOSES ONLY. Intended to show the effects of inflation over time.

SHOW ME THE MONEY! COMPLETING THE DISTRIBUTION REQUEST FORM

Perhaps the most widely used form in the Deferred Compensation Plan is the "Distribution/Direct Rollover Request" form. This form is used to take money out of your account. It's primarily used by individuals who have separated from City service. It can be used to accomplish most distribution types (excluding hardship withdrawals, account separations due to divorce, and beneficiary claims).

Because the form is used for multiple distribution types, it's easy to become confused about which sections you need to complete and which ones you don't. The form is available on the Plan website at www.cityofla457.com under the "Forms" tab, and you can also obtain it by calling (888) 457-9460 or visiting a Great-West Retirement Services® representative at the service center located in City Hall, 200 N. Spring Street, Room 867.† These representatives can also help guide you through completing the form.

THE FOLLOWING INFORMATION CAN GUIDE YOU THROUGH UNDERSTANDING THE FORM IF YOU'RE COMPLETING IT ON YOUR OWN.

A Participant Information – This section must be completed for every type of distribution. Most of the information (name, address, etc.) is required. However, the item called "Account Extension" is only needed in the very unusual circumstance of a participant who has two accounts under the same plan. Therefore, in most instances it can be left blank.


B Distribution Reason – Here you check the applicable box as to the reason you are eligible for a distribution. For most individuals it will be "Severance of Employment" or "Retirement." You are also asked to indicate the date of your employment separation. (De minimis distributions are for active employee participants only; to be eligible, you must have less than \$5,000 in your account, have not contributed to your account in the past 24 months, and have never taken a prior distribution.)

C Change Distribution Request – You only need to check this box if you are already receiving a periodic distribution and wish to change it.

D Distribution Method – In this section you indicate the type of distribution you're requesting. Your general choices are a full distribution of your entire account, a partial distribution, or a periodic payment based on a specific dollar amount or over a specified number of years. If you want more information regarding the differences between these options, consult a Plan representative or the Distribution Guide information attached to the back of the form.

E Payment Options – One of the payment options is a "Direct Rollover." This option is available to individuals who have separated service and who would like to roll over their funds to another provider. You are required to provide information regarding the company to which the funds are being transferred. If you're not doing a rollover, this portion of the form can be left blank.

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.



Distribution/Direct Rollover Request Governmental 457(b) Plan

Refer to the Participant Distribution Guide while completing this form. Use blue or black ink only. All pages must be returned excluding the Participant Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions.

City of Los Angeles Deferred Compensation Plan **98994-01**

Participant Information **A**

Last Name _____	First Name _____	MI _____	Social Security Number _____
Home Phone (____) _____			Account Extension (if applicable) _____
Work Phone (____) _____			E-Mail Address _____

Has this account already been transferred to the spousal Claimant? Yes No Mo _____ Day _____ Year _____

Married Unmarried Date of Birth _____

Please Select One:
 U.S. Citizen U.S. Resident Alien
 Other: _____
 Country of Residence: _____ (Required)

Beneficiary Account - If you acquired this account due to the death of the participant, please complete a Death Benefit Claim Request form.

A distribution made payable to you will be mailed to your address on file unless otherwise requested in the Address Change/Alternate Mailing Address section below. You may confirm the address on file by accessing your account online at www.cityofla457.com. If you have recently changed your address or have any questions regarding the address on file, please contact our Client Service Department at 1-888-457-9460. If you require an address change that is submitted the same day this request is submitted, or if you are requesting an alternate mailing address, you must have your signature notarized or witnessed by your Plan Administrator in the section below.

Payroll Center <input type="checkbox"/> 01 - City <input type="checkbox"/> 02 - DWP (check one)	Employee ID Number (DWP Only) _____
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Distribution Reason **B**

Severance of Employment - Date: _____ Retirement - Date: _____ Purchase of Service Credit

De Minimis Minimum Distribution (Age 70 1/2)

Change Distribution Request **C**

I am currently receiving a periodic payment. I wish to change this request. I understand I must give Service Provider/Great-West 30 days to make any distribution changes to my account.

Distribution Method - Required **D** **Effective Date:** _____

Full Distribution/Purchase of Service Credit/Rollover

Partial Distribution/Purchase of Service Credit/Rollover

Amount \$ _____ Net Amount 1st Contribution Source: _____

Amount \$ _____ Net Amount 2nd Contribution Source: _____

Periodic Payment - Also complete Periodic Payment Options below.

Payment Options **E**

Payment to Self

Combination - Partial Distribution to Me and Partial Purchase of Service Credit or Rollover

Payment to Self \$ _____ Net Amount _____

Purchase of Service Credit \$ _____ (Also complete Purchase of Service Credit information below)

Direct Rollover \$ _____ (Also complete Direct Rollover information below)

Periodic Payment Options

Check this box if you are making a change to an existing payment.

Payment Start Date: _____ Frequency: Monthly Quarterly Semi-Annually Annually

Payment of an Amount Certain \$ _____ (Gross Amount Only)

Payment of an Amount Certain With COLA \$ _____

Payment for a Period Certain (Years) _____

Purchase of Service Credit - Attach acceptance letter and complete Company Information section

Direct Rollover - Complete Company Information section

Direct Rollover to an Eligible Plan: Governmental 457(b) 401(a)/401(k) 403(b)

Direct Rollover to a Traditional IRA

Direct Rollover to a Roth IRA - Subject to ordinary income taxes

If you are requesting a full withdrawal as a direct rollover and you have not yet met your required minimum distribution for the year and you are over age 70 1/2 by the end of the year and are no longer working for the employer sponsoring this Plan, provide the amount of your required minimum distribution below. Note: The required minimum distribution cannot be rolled over. If you have not yet satisfied your required minimum distribution for the year, your required amount must be distributed prior to processing a rollover.

Required minimum distribution amount \$ _____

Do you wish to have 10% federal income tax withheld from your required minimum distribution? Yes No

Additional amounts may be withheld at your request \$ _____

F Address Change/Alternate Mailing Address – You only need to complete this section if you have an address change. A notarized signature is required to witness the address change. Alternatively, you can also: (a) complete the form in the presence of a Plan representative, or (b) change your address via the Web or an address change form before you make your distribution request. This is to prevent fraud in the instance of someone else other than you completing the form and redirecting the check.

G Distribution Delivery – Complete one of the boxes for delivery of your check (regular check at no cost or overnight delivery for \$25) or direct deposit, also known as “ACH.” For direct deposit, tape a voided check or deposit slip to the bottom of the page and also complete the bank account information on the form.

H Federal and State Income Tax Withholding – There is mandatory federal tax withholding of 20%; mandatory state income tax withholding may apply depending on the requirements of your state of residence (as indicated by the address of record you maintain with the Plan). You can use this portion of the form to have additional tax taken out. Otherwise, you can leave it blank and the Plan will apply the automatic withholding amounts.

I Outstanding Loan Payoff – If you have an outstanding loan with the Plan, you may choose to pay it off or have the unpaid amount treated as a taxable distribution. You can call KeyTalk® to obtain the payoff amount and attach a check, or you can have the balance treated as a taxable distribution. If you select the latter option, you will receive a Form 1099R at the end of the tax year.

J Your Consent, Signature and Date – Read the consent information and sign and date the form on the “Participant Signature” line. You do not need to complete anything else after this.

ADDITIONAL TIPS

- You may fax the form to the Plan directly at **(866) 745-5766** or mail it to the address provided. Plan authorization and signatures are handled electronically.
- At the top of every page, print your name and Social Security number and submit each page of the form (excluding the participant guide appendage), even if a page is otherwise left blank. This is so the Plan can be sure you did not mistakenly forget to submit one of the pages.

Address Change/Alternate Mailing Address

Primary Residence Address Change - I understand that a check made payable to me requested on this form will be mailed to my new primary address I provided on this form.

For Active Employees Only - I understand that it is my responsibility to update my address with my employer in addition to changing my primary address on this form. Failure to do so will/may result in my address being incorrect on Service Provider's records. A current address is essential for correspondence and tax purposes.

Address - Number & Street _____ City _____ State _____ Zip Code _____

Alternate Mailing Address - I understand that this address will be used for a partial or full distribution of my account.

Address - Number & Street _____ City _____ State _____ Zip Code _____

If you request an address change that is submitted the same day this request is submitted, or if you are requesting an alternate mailing address, you must have your signature notarized or witnessed by your Plan Administrator. The date you sign below must match the date on which your signature was notarized or witnessed by your Plan Administrator.

Distribution Delivery

Check

Express Delivery - \$25.00 non-refundable charge - Not available for periodic payments. Express delivery available Monday through Friday only. Not available to P.O. boxes.

ACH - Available on periodic payments at no charge. Available on one-time full/partial distribution payment to self for a \$15.00 non-refundable charge. ACH credit can only be made into a United States financial institution. Any requests received referencing a foreign financial institution or referencing a United States financial institution with a further credit to an account associated with a foreign financial institution will be rejected.

Checking Account - must attach preprinted voided check

Savings Account - must attach a letter on financial institution letterhead signed by a representative of the financial institution that includes your name, savings account number and ABA routing number

Financial Institution Name _____ Account Number _____ ABA Routing Number _____

Financial Institution Mailing Address _____ City _____ State/Zip Code _____

Federal and State Income Tax Withholding - **H** to all applicable money sources

Federal Income Tax - We will withhold all required federal income tax withholding based on your distribution type.

If you would like **additional** federal income tax withheld, indicate amount \$ _____ or _____ % of the distribution amount.

Do NOT withhold federal income tax from my required minimum distribution (age 70 1/2).

State Income Tax - If you live in a state that mandates state income tax withholding, it will be withheld regardless of any selection below.

Check here if you live in a state that does not mandate state income tax withholding and would like state income tax withheld.

Check here if you do not want state income tax withheld (only available to the residents of the states that allow to elect out of withholding).

If you would like **additional** state income tax withheld, indicate amount \$ _____ or _____ % of the distribution amount.

Note: If you do not make an election above, state income tax will not be withheld unless you reside in a state that mandates state income tax withholding.

Outstanding Loan Payoff

Attached is a payment to pay off my loan. Consider submitting payment by certified check or bank money order. For a payoff amount, please call KeyTalk® at 1-888-457-9460. Make payment payable to ORCHARD TRUST COMPANY, LLC.

If you are attaching a loan payoff check, please mail your loan payoff and this distribution form to the following address once you have obtained all required signatures:

ORCHARD TRUST COMPANY, LLC

Dept 0877

Denver, CO 80256-0877

Express delivery mail address - request a.m. delivery:

US Bank

10035 East 40th Avenue

Dept #0877

Denver, CO 80238

Treat my outstanding loan (principal and interest) as a taxable distribution at this time based on the distribution reason.

For partial withdrawals only: Leave my loan active and my employer will continue to make payroll deductions. (Not available for severance of employment.)

Your Consent and Signature and Date

Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.

My signature acknowledges that I have received, read, understand and agree to all pages of the Distribution/Direct Rollover Request form for Governmental 457(b) Plans, the Participant Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions, and affirms that all information I have provided is true and correct. I acknowledge that I am not electing a foreign financial institution for an ACH deposit and understand that such an election will be rejected and delay the processing of my request. I understand that any election on this Distribution Form is effective for 180 days. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the Plan into which I am rolling money over will accept the dollars, if applicable. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen. I understand that once my payment has been processed, it cannot be changed. In the event that any section of this form is incomplete or inaccurate, Service Provider may not process the transaction requested on this form and may require that I complete a new form or provide additional or proper information before the transaction can be processed.

Participant Signature _____ Date (Required) _____

Participant forward to Plan Administrator/Trustee

Authorized Signature(s)

This request is in compliance with the terms of the Plan and I have provided the participant with a written explanation of the tax rules and any other Internal Revenue Service, Department of Labor or other notice requirements to the participant that apply to this request and the appropriate consent and waivers have been obtained by the Plan Administrator and Service Provider is authorized to rely on the information provided on this request.

Authorized Plan Administrator/Trustee Signature _____ Date _____



Board of Deferred Compensation Administration Members:

Eugene K. Canzano
Chairperson
DWP Participant Representative
Richard Kraus
Vice Chairperson
L.A. City Employees' Retirement System Participant Representative

Cliff Cannon
Retired Participant Representative
Sangeeta Bhatia
Retirement Plan Manager
DWP Retirement

Sally Choi
General Manager
L.A. City Employees' Retirement System
Michael A. Perez
General Manager
Fire/Police Pensions

John Mumma
Fire/Police Pensions Participant Representative
Margaret M. Whelan
General Manager
Personnel Department
Vacant
Organized Labor Representative

HAVE QUESTIONS? NEED INFORMATION?

For information about the Plan and/or access to your account, contact Great-West Retirement Services in any of the following ways.

Website: www.cityofla457.com†
KeyTalk®: (888) 457-9460†

CITY HALL

200 N. Spring Street, Room 867
Office hours: 8:30 a.m. to 5:00 p.m.

DWP

JFB Main Office Building
111 N. Hope Street, Level A area
Office hours: First and third Tuesday of each month, usually from 8:30 a.m. to 2:00 p.m.

For information about the Board, decisions made by the Plan and investment selection, contact:

NATASHA GAMEROZ

(213) 978-1617
The Board's website:
<http://www.lacity.org/per/deferredcomp/DeferredComp.htm>

† Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

SEMINAR: MAKING SENSE OF MARKET VOLATILITY: RETIREMENT PLANNING STRATEGIES FOR THE EVERYDAY INVESTOR

Concerned about volatility in the financial markets? Attend this seminar for some perspective based on past market performance.† This seminar also provides an overview of tools you can use to help reduce some of the risks associated with investing.

LOCATION	DATE	TIME
City Hall, Room 1070, 10th Floor 200 N. Spring St., Los Angeles	August 10, 2010	10:00 a.m. and 1:00 p.m.
Harbor Department, Board Room 425 Palos Verdes St., San Pedro	August 17, 2010	10:00 a.m.
Playa Vista Library, Meeting Room 6400 Playa Vista Dr., Los Angeles	August 25, 2010	10:15 a.m.
Los Angeles World Airports HR Room 131 7303 World Way West, Los Angeles	August 26, 2010	10:00 a.m.
Department of Water and Power John Ferraro Building (JFB), Auditorium 111 N. Hope St., Los Angeles	September 7, 2010	10:00 a.m.

† Past performance is not a guarantee or prediction of future results.

CLEAN UP YOUR CREDIT

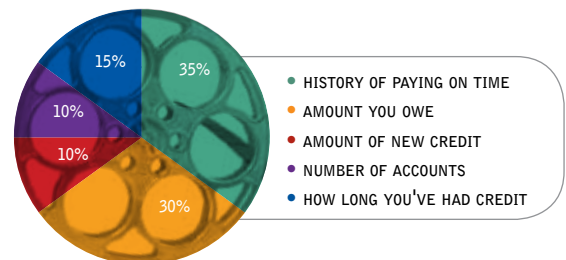
Are your debts in good standing?

Your credit history affects a number of aspects of your life, from getting a mortgage to the rate you pay on a new car loan—possibly even a prospective employer's opinion of you. Each year, you're entitled to a free credit report from each of the three major credit bureaus: Equifax, Experian and TransUnion. For a small fee, you can request your credit score, a three-digit number that reflects how responsible you are as a borrower.

Credit scores range from 300 to 850. Your score could mean the difference between a larger and a smaller monthly payment on a new loan, so pay attention to it. Paying all your bills on time and keeping your credit card balances low are steps you can take to improve your score. If you're having trouble paying bills, ask your creditor if you can work out a payment plan.

How Is Your Score Calculated?

The following chart shows the components of a credit score. You'll notice that timely payments and the size of your balances count the most.



Source: myfico.com, February 2010. Great-West Retirement Services® is not responsible for, nor does it endorse the content contained in the additional website provided. This website is for general education and information only and is provided as a benefit to the users of the site.

CITY OF LOS ANGELES PREMIERE DEFERRED COMPENSATION PLAN

INVESTMENT OPTION RETURNS AS OF JUNE 30, 2010

Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or a prediction of future results. For performance data current to the most recent month-end, please visit www.cityofla457.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 prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. For prospectuses on Self-Directed Brokerage, contact Schwab PCRA at (888) 393-7272. Read them carefully before investing.

Average Annualized Returns as of June 30, 2010¹

Variable Investment Options	YTD	1 Year	3 Years	5 Years	10 Yrs/Since Inception	Expense Ratio ²	Inception Date
Bond: Active³							
PIMCO Total Return Fund ⁴	5.80%	13.31%	11.12%	7.44%	7.83%	0.64%	5/11/87
Benchmark Index: Barclays Capital Aggregate Bond	5.33%	9.50%	7.55%	5.54%	6.47%		
Bond: Index³							
Vanguard Total Bond Market Index Fund Inst. ^{4,5,6}	5.41%	9.45%	7.69%	5.62%	6.33%	0.07%	9/18/95
Benchmark Index: Barclays Capital Aggregate Bond	5.33%	9.50%	7.55%	5.54%	6.47%		
Vanguard Total Bond Market Index Inst. Plus ^{4,5,6}	N/A	9.34%	7.56%	5.49%	6.20%	0.05%	9/18/95
Benchmark Index: Barclays Capital Aggregate Bond	5.33%	9.50%	7.55%	5.54%	6.47%		
Large-Cap Stock: Active							
Hartford Capital Appreciation HLS - CI IA ⁴	-8.91%	14.89%	-8.87%	2.80%	3.78%	0.68%	4/2/84
Benchmark Index: S&P 500 [®]	-6.65%	14.43%	-9.81%	-0.79%	-1.59%		
American Funds Investment Company of Amer A ⁴	-8.70%	9.91%	-9.42%	-0.14%	1.32%	0.66%	1/2/34
Benchmark Index: Russell 1000 [®] Value	-5.12%	16.92%	-12.32%	-1.64%	2.38%		
American Funds Growth Fund of America A ⁴	-8.01%	10.39%	-8.51%	0.83%	-0.01%	0.76%	11/30/73
Benchmark Index: Russell 1000 [®] Growth	-7.65%	13.62%	-6.91%	0.38%	-5.14%		
Large-Cap Stock: Index							
Vanguard Institutional Index Plus Fund ^{4,6}	-6.65%	14.48%	-9.73%	-0.74%	-1.53%	0.02%	7/7/97
Benchmark Index: S&P 500 [®]	-6.65%	14.43%	-9.81%	-0.79%	-1.59%		
Mid-Cap Stock: Index⁷							
Vanguard Mid Cap Index Institutional ^{4,6}	-2.06%	26.98%	-8.46%	1.21%	5.13%	0.08%	5/21/98
Benchmark Index: MSCI [®] US Mid Cap 450	-2.06%	26.98%	-8.49%	1.18%	3.21%		
Mid-Cap Stock: Active⁷							
Lazard Mid Cap Institutional ⁴	-2.13%	23.36%	-10.23%	-0.07%	6.29%	0.91%	11/3/97
Benchmark Index: Russell Midcap [®]	-2.06%	25.13%	-8.19%	1.22%	4.24%		
Small-Cap Stock: Index⁸							
SSgA Russell 2000 Index NL Fund - S ⁶	-2.03%	21.19%	-8.82%	0.06%	2.63%	0.06%	8/1/99
Benchmark Index: Russell 2000 [®]	-1.95%	21.48%	-8.60%	0.37%	3.00%		
International Stock: Active⁹							
Fidelity Diversified International Fund ⁵	-13.21%	5.58%	-13.18%	0.76%	2.87%	1.01%	12/27/91
Benchmark Index: MSCI [®] EAFE [®]	-13.23%	5.92%	-13.38%	0.88%	0.16%		
International Stock: Index⁹							
DWS EAFE Equity Index Institutional Fund ^{4,6}	-13.79%	4.58%	-13.70%	0.62%	-0.45%	0.52%	1/24/96
Benchmark Index: MSCI [®] EAFE [®]	-13.23%	5.92%	-13.38%	0.88%	0.16%		
Profile Portfolios^{10,11}							
Ultra-Conservative	2.29%	8.38%	N/A	N/A	3.64%	0.09%	1/8/08
Conservative	0.36%	10.47%	1.21%	3.72%	4.52%	0.11%	5/1/02
Moderate	-2.13%	12.76%	-2.80%	2.49%	3.89%	0.12%	5/1/02
Aggressive	-3.70%	14.17%	-6.23%	1.36%	3.29%	0.15%	5/1/02
Ultra-Aggressive	-5.32%	15.47%	N/A	N/A	-8.91%	0.17%	1/8/08
Stable Value Option							
Deferred Compensation Stable Value Fund ^{5,12}	1.80%	3.76%	4.42%	4.51%	4.86%	0.09%	9/1/85
FDIC-Insured Savings Option							
FDIC-Insured Savings Account	0.20%	N/A	N/A	N/A	0.32%	N/A	9/28/09
Self-Directed Brokerage Option¹³							
Schwab Personal Choice Retirement Account [®] (PCRA) Self-Directed Brokerage Option							

CITY OF LOS ANGELES PREMIERE DEFERRED COMPENSATION PLAN

Benchmark Indices

Barclays Capital Aggregate Bond	An unmanaged index considered indicative of the broad fixed income market in general (formerly the Lehman Brothers Aggregate Bond Index).
MSCI® EAFE®	The MSCI® EAFE® Index is a trademark of Morgan Stanley Capital International Inc., and is an unmanaged index considered indicative of foreign equity markets in general.
MSCI® US Mid Cap 450	The MSCI® US Mid Cap 450 Index represents the universe of medium-capitalization companies in the U.S. equity market. MSCI® is a trademark of Morgan Stanley Capital International Inc.
Russell 2000®	The Russell 2000® is a trademark of the Frank Russell Company and measures the performance of the smallest 2,000 companies in the Russell 3000 Index (the 3,000 largest U.S. companies by market capitalization), representing about 7% of the Russell 3000 total market capitalization.
Russell Midcap®	The Russell Midcap® is a trademark of the Frank Russell Company and measures the performance of approximately 800 of the smallest securities in the Russell 1000® Index. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies.
Russell 1000® Value	The Russell 1000® Value Index is a trademark of the Frank Russell Company and is considered indicative of the domestic large-cap equity value market.
Russell 1000® Growth	The Russell 1000® Growth Index is a trademark of the Frank Russell Company and is considered indicative of the domestic large-cap equity growth market.
Standard & Poor's 500®	The S&P 500® is a trademark of the McGraw-Hill Co., and consists of 500 stocks chosen for market size, liquidity and industry group representation. It is one of the most widely used benchmarks of U.S. equity performance and is considered indicative of the domestic large-cap equity market.

DISCLOSURES

¹ The average annual and calendar year returns for the funds reflect actual total returns for each fund, net of fund operating expenses. Any administrative fees or expenses charged will reduce the overall rate of return.

² Actual fund expense ratio may be less if the fund currently offers a waiver or reimbursement of a portion of this expense.

³ A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

⁴ Mutual fund investment option.

⁵ Transfer restrictions may apply. Check the Fund Fact Sheet for further information.

⁶ A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of an index fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

⁷ Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

⁸ Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

⁹ Foreign investments involve special risks, including currency fluctuations and political developments.

¹⁰ The Profiles include investment options directly available to your Plan. For more information about the Profiles, including the eligible underlying portfolios, review the Fund Data Sheets or contact your registered representative.

¹¹ Asset allocation funds may be subject to a fund operating expense at the fund level, as well as a prorated fund operating expense for each underlying fund in which they invest.

¹² Formerly the Galliard Stable Value Fund.

¹³ Participants choosing the Schwab PCRA Self-Directed Account will be charged an additional annual administrative fee of \$50. These securities are not offered through GWFS Equities, Inc.

Transfer Restrictions

Transfers out of the Deferred Compensation Stable Value Fund must be invested in a variable investment option for a minimum of 90 days prior to investing any funds in the FDIC-Insured Savings Account. Transfers may not be made directly from the Deferred Compensation Stable Value Fund to the FDIC-Insured Savings Account.

Securities (except Schwab PCRA), 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. Core investment options are through separately managed accounts and mutual funds. 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. Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated. Great-West Retirement Services® and KeyTalk® are service marks of Great-West Life & Annuity Insurance Company. Not intended for use in New York. ©2010 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1003N (07/10) PT107505