

IN THE SPOTLIGHT:

Final Changes Coming to Plan Investment Options
Help Us "Focus"

Seminar Reminder: Make the Most of Your Retirement

Speak Up for Your Retirement: KeyTalk® Now Features Voice Recognition Capabilities

Celebrate Saving During National Save for Retirement Week (NSFRW)!

CyberSmarts Web Tip: Starting a Roth Contribution by Changing Your Pre-Tax Contribution Amount

City of Los Angeles Quarterly Newsletter **OCTOBER 2011**

FINAL CHANGES COMING TO PLAN INVESTMENT OPTIONS

The Deferred Compensation Plan has been gradually implementing a series of changes to improve its core investment menu. This effort has unfolded over several years. It has involved working with expert consultants, reviewing best practices of other plans, and obtaining feedback from Plan participants via a survey. The purpose of these changes has been to **simplify the menu, make it easier for participants to understand choices, and increase stability and security for savers**. At the same time, the Board is also committed to providing those active investors looking for more choices outside the core menu with a self-directed brokerage option to provide a broad supplemental menu.



COMPLETED CHANGES

03/08 Added "Ultra-Conservative" and "Ultra-Aggressive" asset allocation fund options to provide participants with more choices to match their investment objectives and risk tolerance¹.

08/08 Changed self-directed brokerage option providers to allow broader access to mutual funds, stocks, bonds and other investments.

07/09 Eliminated the Hartford General Account and created a City of Los Angeles Stable Value Fund to increase stability/security for savers; and added a Mid-Cap Index Fund.

09/09 Created a blended Deposit Savings Account with three underlying providers to expand FDIC insurance and increase stability/security for savers².

Various Dates Eliminated five investment funds from the Plan's menu for performance reasons and to promote simplification of the investment menu.

REMAINING CHANGES

02/12 Establish a "DCP Large-Cap Stock Fund," "DCP Bond Fund³," and "DCP Mid-Cap Stock Fund⁴" to replace the existing investment options within these categories.

Late 2012 Establish a "DCP International Fund⁵" and "DCP Small-Cap Stock Fund⁶" to replace the existing investment options within these categories; and make further modifications to the "DCP Mid-Cap Stock Fund."

FEBRUARY 2012 FUND CHANGE DETAILS

Large-Company Stock Fund Changes

This investment category will be simplified. If you are currently invested in the American Funds Investment Company of America, American Funds Growth Fund of America, and/or the Hartford Capital Appreciation Fund, your balance in these funds will be "mapped" to the new DCP Large-Cap Stock Fund (formerly known as the Vanguard Institutional Index Plus Fund) effective February 24, 2012. Mapping is a process by which the balance in a current investment option is transferred to a new, most similar investment option. If you are invested in the Vanguard Institutional Index Plus Fund, your investment remains largely unchanged, but you will see the new fund – DCP Large-Cap Stock Fund – designation on your statements and on the Deferred Compensation Plan website.

Bond Fund Changes

This investment category will be simplified. If you are currently invested in the PIMCO Total Return Fund and/or the Vanguard Total Bond Market Index Fund, your balance in these funds will be "mapped" to the new DCP Bond Fund (which will be a 50/50 mix of the existing PIMCO and Vanguard bond funds) effective February 24, 2012.

Mid-Cap Stock Fund Changes

This investment category will be simplified. If you are currently invested in the Lazard Mid-Cap Stock Fund, your balance in this fund will be "mapped" to the new DCP Mid-Cap Stock Fund (formerly known as the Vanguard Mid-Cap Index Fund) effective February 24, 2012. If you are invested in the Vanguard Mid-Cap Index Fund, your investment remains largely unchanged, but you will see the new fund – DCP Mid-Cap Stock Fund – designation on your statements and on the Plan website.

FINAL CHANGES COMING TO PLAN INVESTMENT OPTIONS (CONTINUED)

DISCONTINUED INVESTMENT OPTION	MAPPED TO NEW INVESTMENT OPTION	ASSET CLASS
American Funds Investment Company of America	DCP Large-Cap Stock Fund	Large Cap
American Funds Growth Fund of America	DCP Large-Cap Stock Fund	Large Cap
Hartford Capital Appreciation Fund	DCP Large-Cap Stock Fund	Large Cap
PIMCO Total Return Fund	DCP Bond Fund	Bond
Vanguard Total Bond Market Index Fund	DCP Bond Fund	Bond
Lazard Mid-Cap Fund	DCP Mid-Cap Stock Fund	Mid-Cap Stocks

Please consider the investment objectives, risks, fees and expenses carefully before investing. Additional disclosure documents can be obtained from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact your SDB provider. Read them carefully before investing.

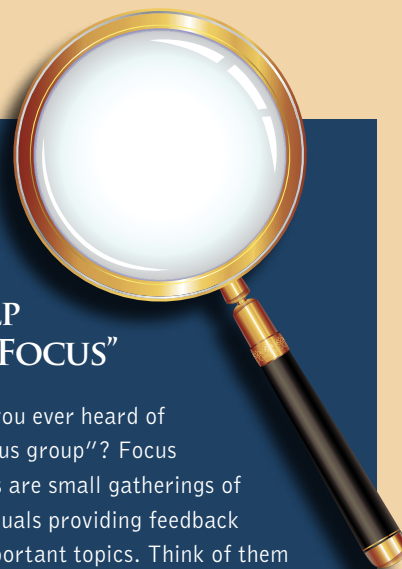
All changes will occur automatically on February 24, 2012. No action is required on your part.

If You Want to Stay Invested in Your Current Fund Choices . . .

If you decide that you'd like to continue to invest in funds that are being eliminated from the new investment menu, you can sign up for the Plan's self-directed brokerage account—Schwab Personal Choice Retirement Account® (PCRA)—which offers access to approximately 4,700 mutual funds, more than 2,700 of which are offered as no-load, no-transaction fee funds through Schwab's mutual fund OneSource program. Keep in mind that the Schwab PCRA is for knowledgeable investors who acknowledge and understand the risks associated with investment choices available through the Schwab PCRA, and that additional fees will apply for using the Schwab PCRA. You can find more information on the Schwab PCRA on the website at www.cityofla457.com⁷. Click on the *Fund Options* tab and then the *Fund Overview* link.

More Information to Come

As the date of the conversion approaches, you'll be receiving an information packet explaining the change in detail. Later in 2012, you'll also be seeing similar announcements regarding the Plan's small-cap and international funds. Keep watching your mailbox and the Plan's website at www.cityofla457.com for more information.



HELP US "FOCUS"

Have you ever heard of a "focus group"? Focus groups are small gatherings of individuals providing feedback on important topics. Think of them like a very intensive survey in which people's thoughts and opinions can be explored in detail.

The Plan has been increasing its use of focus groups so that we can incorporate participant feedback in a number of areas, especially the development of communication materials. Because we use focus groups so often, we're creating a pool of volunteers interested in and willing to serve from time to time. Focus groups will generally be conducted in the downtown Civic Center area and last approximately one hour. Refreshments and a small thank you gift will be provided. Volunteers are not obliged to serve in any particular group—we will contact you to determine your availability. Discussions are always fun and lively. If you're interested, go to the Plan's website at www.cityofla457.com and click on Focus Group Sign-Up. It's a great way to get more involved and help us improve our Plan!

SEMINAR REMINDER: MAKE THE MOST OF YOUR RETIREMENT

LOCATION	DATE	TIME
Planning Commission Hearing Room 17 105 E Anapamu St. Santa Barbara, CA 93101	Tuesday, November 15, 2011	10:00 a.m.
Dept. of Health Services Auditorium 1 st Floor 313 N. Figueroa St. Los Angeles, CA 90012	Wednesday, November 16, 2011	10:00 a.m.
Marvin Braude Constituent Center 6262 Van Nuys Blvd. Van Nuys, CA 91401	Wednesday, November 16, 2011	2:00 p.m.
Katy Geissert Library Meeting Room 3301 Torrance Blvd. Torrance, CA 90503	Thursday, November 17, 2011	10:00 a.m.
MWD Union Station 700 N. Alameda St. Los Angeles, CA 90012	Thursday, November 17, 2011	2:00 p.m.



Don't forget that Great-West Retirement Services® Retiree Advocate, Ron Nichols, will be in Los Angeles on November 15 - 17, 2011 to present a special seminar called "Make the Most of Your Retirement."

This seminar is geared toward participants nearing retirement (for example, within five years). It will cover preparing for and transitioning into retirement and your distribution options with your Plan®.

This educational seminar is free! It will last approximately two hours, and space is limited. Call Great-West at (800) 382-8924 to reserve your seat today!

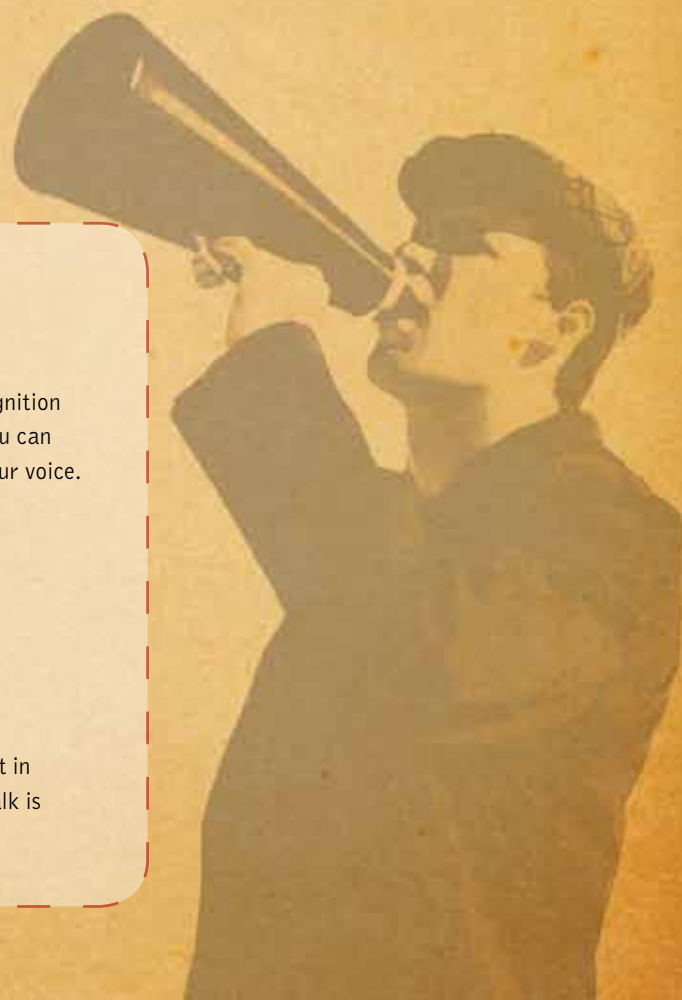
SPEAK UP FOR YOUR RETIREMENT:

KeyTalk Now Features Voice Recognition Capabilities

Earlier this year, the Plan announced the upcoming addition of voice recognition functionality to KeyTalk®. The new capability is now up and running, so you can manage your retirement account over the phone using just the sound of your voice. Call (888) 457-9460 today to do any of the following (and more)⁷:

- Get or change a PIN⁹
- Check your balance and transaction status
- Transfer money between funds and/or rebalance your account
- Change your deferral amount
- Connect with a Great-West representative

And the enhanced KeyTalk is even bilingual, so you can manage your account in English or Spanish. When you're ready to talk about your retirement, KeyTalk is there to listen — and help you take action.





**Board of Deferred
Compensation
Administration
Members:**

Eugene K. Canzano
Chairperson
DWP Participant
Representative

John R. Mumma
Vice-Chairperson
Fire/Police Pension
Participant Representative

Michael Amerian
L.A. City Employees'
Retirement System
Participant Representative

Cliff Cannon
Retired Participant
Representative

Sangeeta Bhatia
Retirement Plan
Manager
DWP Retirement

Tom Moutes
General Manager
L.A. City Employees'
Retirement System

Michael A. Perez
General Manager
Fire/Police Pensions

Margaret M. Whelan
General Manager
Personnel Department

Robert Schoonover
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.com⁷
KeyTalk®: (888) 457-9460⁷

CITY HALL

200 N. Spring Street, Room 867
Office hours: 8:00 a.m. to 4:00 p.m.

City Hall office is closed on the first Friday of each pay period until further notice.

DWP

JFB Main Office Building
111 N. Hope Street, Level A area
Office hours: First and third
Tuesday of each month, usually
from 8:00 a.m. to 4:00 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>

CELEBRATE SAVING DURING NATIONAL SAVE FOR RETIREMENT WEEK (NSFRW)!

National Save for Retirement Week is back the week of October 16th! Consider celebrating this event through some of these great ways to help reach your retirement income goals:

- 1. ROLL IN ASSETS FROM PREVIOUS PLANS TO YOUR CURRENT PLAN** – It could be easier to manage your retirement assets by rolling in assets from other plans or Individual Retirement Accounts (IRAs) to your Deferred Compensation Plan.
- 2. INCREASE YOUR CONTRIBUTIONS** – Can you afford to save a little more? Consider making a modest increase to your ongoing contribution, or you might even be interested in accelerating your contributions to take full advantage of this year's maximum contribution limits. (In 2011, this is \$16,500 if you're below age 50, \$22,000 if you're age 50 or older, and \$33,000 if you're eligible to participate in the "Catch-Up" option).



- 3. REVIEW YOUR INVESTMENTS** – Whether markets are up or down, it's never a bad idea to review your investment holdings and ask yourself whether they match well with your investment objectives and risk tolerance. The City's Plan has a variety of tools to help you do this. Visit the Plan website at www.cityofla457.com, or call (888) 457-9460 for more information⁷.

Saving for retirement has never been more important. Make National Save for Retirement Week an opportunity to review the steps you can take today to meet your retirement income goals of tomorrow.

CYBER SMARTS WEB TIP:

Roth Contribution

Starting a Roth Contribution by Changing Your Pre-Tax Contribution Amount

When you're adding a new Roth (post-tax) contribution that will change or replace the amount you already contribute on a before-tax basis, you need to make sure that you update your before-tax contribution amount at the same time. For example, if you currently contribute \$100 before-tax but want to make a change to \$50 before-tax and \$50 Roth, you will need to click on the *Change Deferral* link under the *Change Account* tab and ensure that both the before-tax and Roth amounts are correct. After you make the changes, you can confirm your total contribution amount by going to the *View Account* tab and clicking on *Deferral*.

CITY OF LOS ANGELES PREMIERE DEFERRED COMPENSATION PLAN

INVESTMENT OPTION RETURNS AS OF SEPTEMBER 30, 2011

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 September 30, 2011¹⁰

Variable Investment Options	YTD	1 Year	3 Years	5 Years	10 Yrs/Since Inception	Expense Ratio ¹¹	Inception Date
FDIC-Insured Savings Option							
FDIC-Insured Savings Account	0.31%	0.42%	N/A	N/A	0.42%	N/A	9/28/09
Stable Value Option							
Deferred Compensation Stable Value Fund ^{12,13}	2.40%	3.34%	3.85%	4.23%	4.49%	0.09%	9/1/85
Profile Portfolios^{14,15}							
Ultra-Conservative	2.30%	3.56%	5.79%	N/A	4.30%	0.09%	1/8/08
Conservative	-0.71%	2.31%	5.20%	3.71%	4.78%	0.11%	5/1/02
Moderate	-5.11%	0.81%	3.89%	2.01%	4.33%	0.12%	5/1/02
Aggressive	-8.21%	-0.75%	2.39%	0.37%	3.82%	0.14%	5/1/02
Ultra-Aggressive	-11.33%	-2.43%	0.61%	N/A	-3.71%	0.17%	1/8/08
Bond: Active³							
PIMCO Total Return Fund ¹⁶	1.90%	0.96%	9.83%	7.81%	6.59%	0.46%	5/11/87
Benchmark Index: Barclays Capital Aggregate Bond ¹⁷	6.65%	5.26%	7.97%	6.53%	5.66%	N/A	
Bond: Index³							
Vanguard Total Bond Market Index Inst. Plus ^{12,16}	6.70%	5.30%	7.93%	6.52%	5.41%	0.05%	2/5/10
Benchmark Index: Barclays Capital Aggregate Bond ¹⁷	6.65%	5.26%	7.97%	6.53%	5.66%	N/A	
Large-Cap Stock: Active							
Hartford Capital Appreciation HLS - CI IA ¹⁶	-18.81%	-8.27%	0.72%	-0.92%	6.19%	0.67%	4/2/84
Benchmark Index: S&P 500 ¹⁷	-8.68%	1.14%	1.23%	-1.18%	2.82%	N/A	
American Funds Investment Company of Amer R6 ¹⁶	-10.85%	-3.04%	0.78%	-1.65%	3.30%	0.30%	5/1/09
Benchmark Index: Russell 1000 ¹⁷ Value ¹⁷	-11.24%	-1.89%	-1.52%	-3.53%	3.36%	N/A	
American Funds Growth Fund of America R6 ¹⁶	-12.12%	-3.05%	0.86%	-0.81%	4.53%	0.34%	5/1/09
Benchmark Index: Russell 1000 ¹⁷ Growth ¹⁷	-7.20%	3.78%	4.69%	1.62%	3.01%	N/A	
Large-Cap Stock: Index							
Vanguard Institutional Index Plus Fund ¹⁶	-8.68%	1.14%	1.30%	-1.13%	2.86%	0.02%	7/7/97
Benchmark Index: S&P 500 ¹⁷	-8.68%	1.14%	1.23%	-1.18%	2.82%	N/A	
Mid-Cap Stock: Active⁴							
Lazard Mid Cap Institutional ¹⁶	-15.38%	-5.75%	2.04%	-1.46%	5.91%	0.91%	11/3/97
Benchmark Index: Russell Mid Cap ¹⁷	-12.34%	-0.88%	3.96%	0.56%	7.45%	N/A	
Mid-Cap Stock: Index⁴							
Vanguard Mid Cap Index Institutional ¹⁶	-12.56%	-0.68%	4.72%	0.51%	7.32%	0.08%	5/21/98
Benchmark Index: MSCI ¹⁷ US Mid Cap 450 ¹⁷	-12.52%	-0.63%	4.74%	0.50%	7.29%	N/A	
Small-Cap Stock: Index⁶							
SSgA Russell Small Cap Index NL Fund - S ¹⁷	-17.02%	-3.59%	-0.47%	-1.21%	5.75%	0.06%	8/1/99
Benchmark Index: Russell 2000 ¹⁷	-17.02%	-3.53%	-0.37%	-1.02%	6.12%	N/A	
International Stock: Active⁵							
Fidelity Diversified International Fund ¹⁶	-17.78%	-10.99%	-3.08%	-3.67%	6.24%	0.98%	12/27/91
Benchmark Index: MSCI ¹⁷ EAFE ¹⁷	-14.98%	-9.36%	-1.13%	-3.46%	5.03%	N/A	
International Stock: Index⁵							
DWS EAFE Equity Index Institutional Fund ^{16,17}	-15.71%	-10.45%	-2.14%	-3.83%	4.44%	0.51%	1/24/96
Benchmark Index: MSCI ¹⁷ EAFE ¹⁷	-14.98%	-9.36%	-1.13%	-3.46%	5.03%	N/A	

Self-Directed Brokerage Option¹⁸

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 Mid Cap®	The Russell Mid Cap® 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 Mid Cap 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®	S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC, 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 Asset allocation does not ensure a profit and does not protect against loss in declining markets.
- 2 Certificates of deposit are insured by the FDIC for up to \$250,000 per depositor and offer a fixed rate of return, whereas both the principal and yield of bonds and stocks will fluctuate with market conditions.
- 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 Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.
- 5 Foreign investments involve special risks, including currency fluctuations and political developments.
- 6 Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
- 7 Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.
- 8 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.
- 9 The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.
- 10 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. If returns are shown prior to the inception date of the current share class, they are hypothetical, and based on the initial share class (adjusted to reflect the fees and charges associated with the current share class).
- 11 Actual fund expense ratio may be less if the fund currently offers a waiver or reimbursement of a portion of this expense.
- 12 Transfer restrictions may apply. Check the Fund Fact Sheet for further information.
- 13 Formerly the Galliard Stable Value Fund.

14 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.

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

16 Mutual fund investment option.

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

18 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.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc. is 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, FAScore, LLC (FAScore Administrators, LLC in California) and their 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 registered trademarks of Great-West Life & Annuity Insurance Company. Not intended for Plans whose situs is in New York. ©2011 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1003N (10/11) PT134830