



Your **Horizons** Retirement Plan

# Simplified

## A Message from the Committee Chair: Introducing the New Investment Model

On behalf of the Plan Administrative Committee (PAC), I am pleased to announce the adoption of a new participant investment option model composed of Target Retirement Date Funds, Asset Class Funds and a Self-Directed Brokerage Option. The new model is designed to provide investment options that are suitable for participants of every level of investment sophistication, while allowing the PAC to continue to provide qualified investment options. The new investment model is scheduled to replace the current Simplified and Advanced investment options in November 2008.

### A New Model for Everyone

Whether you are brand-new to investing, consider yourself a seasoned investor, or are somewhere in between, the new investment model provides you with new and attractive investment options:

- **Target Retirement Date Funds**

For those who are not interested in actively managing their investment options, or may not have the time to, the Target Retirement Date Funds offer a professionally managed series of funds that gradually move from aggressive to conservative allocations as you approach retirement. Consider these funds the evolution of the Simplified Pre-Assembled Portfolios.

- **Asset Class Funds**

These funds are designed for those who are comfortable with creating and managing their own portfolios from the investment options offered by the PAC. The menu is comparable to the current Advanced menu.

- **Self-Directed Brokerage Option**

This is a brand-new platform designed to provide knowledgeable investors access to the broader investment market, including mutual funds, individual stocks, bonds and other registered investment products.

The remainder of this newsletter will provide more information on these exciting changes to the Horizons investment structure. Additionally, a comprehensive brochure will be mailed to you in late September that will explain the mechanics of the new investment options, mapping of the current investment options to the corresponding investment options in the Target Retirement Date Funds and Asset Class Funds, and how the conversion could affect your individual Horizons account. The brochure will also include the schedule for the participant meetings that will take place at various locations throughout the County during October 2008.

If you have any questions, please contact a Client Service Representative. Representatives can be reached at **(800) 947-0845** and are available Monday through Friday between the hours of 7:00 a.m. and 5:00 p.m. Pacific Time.

Sincerely,

Sharon R. Harper

Chair

Horizons Plan Administrative Committee

# An Overview of the New Investment Model

The new investment model is intended to help simplify the decision-making process for you by providing three menus based on your investment knowledge and how much involvement you want to have in the management of your account.

## Target Retirement Date Funds

Designed for those not interested in managing their portfolio, or may not have the time to. The Target Retirement Date Funds are a professionally managed series of funds that gradually move from aggressive to conservative allocations as you approach retirement. Each fund is diversified among the investment options selected by the PAC.\*

*Your basic decision is which fund is closest to your anticipated retirement date.*

### Participant Examples

Joe is new to the County and has no interest in actively managing his account, but he does want an investment strategy that can offer a reasonable rate of return. He plans on retiring at age 60, which will be in 2023.

The 2025 Target Retirement Date Fund would best match up to Joe's investment strategy. Its current allocation is relatively aggressive with more than 15 years for potential accumulation, but as 2025 approaches, the underlying asset allocation automatically becomes more conservative.

## Asset Class Funds

Designed for the investor who is comfortable with investing in mutual funds and regularly monitors his or her portfolio. Instead of investing in specific name-brand funds, you will be invested in an "Asset Class Fund," which is composed of underlying fund managers that specialize in an asset class.\* Each underlying fund manager is selected and monitored by the PAC.

*You will need to develop an investment strategy to allocate your assets among the various Asset Class Funds and create a diversified portfolio that meets your investment objectives.*

### Participant Examples

Christine is familiar with the basics of investing and is comfortable with creating her own investment strategy and portfolio. She has already accumulated a modest account balance and anticipates retiring within a few years. Christine has decided on the following portfolio mix: 10% international investment option, 15% small cap, 15% mid cap, 20% large cap and 40% stable fund.

## Self-Directed Brokerage Option

Designed for the investor who is knowledgeable of the markets and the various securities available, such as mutual funds and individual stocks and bonds. Investment options available through this portal are not reviewed or monitored by the PAC.

*You will need to develop an investment strategy that meets your investment objectives and takes advantage of the potential returns within the wide range of securities offered through the Self-Directed Brokerage Option, while accepting the risk and volatility associated with specialty niches and individual securities. You may want to consult with an independent registered investment adviser of your choice.*

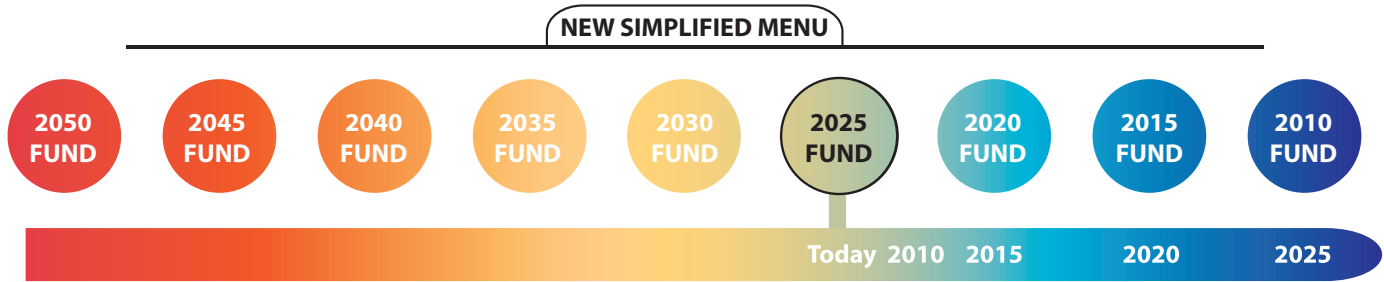
### Participant Examples

Bill has been successful in the active management of his Horizons account for years and is planning on opening an account under the Self-Directed Brokerage Option. Based on his research assessing the risk-return potential and associated fees, he decides to allocate 10% of his Horizons account to the Self-Directed Brokerage Option and leave the remaining 90% in the core funds.

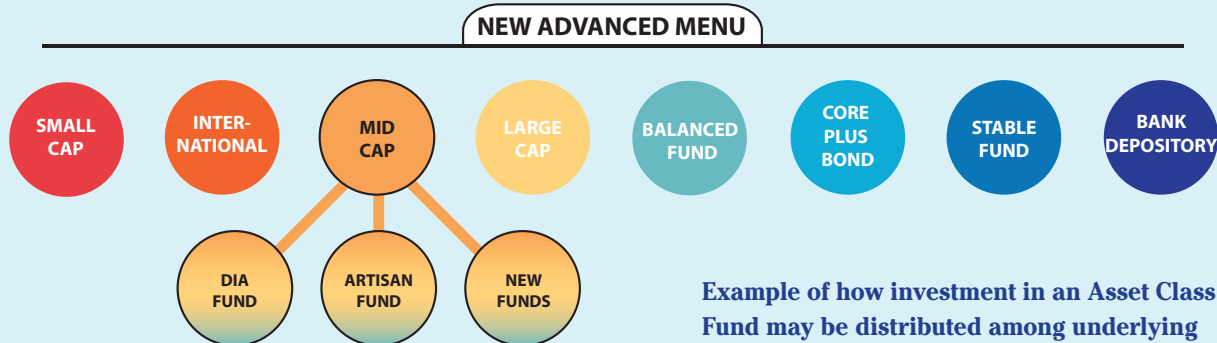
\* Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.

Portions of this communication were created by and are being provided at the request of your Plan Administrator. Great-West has not reviewed this content for legal accuracy.

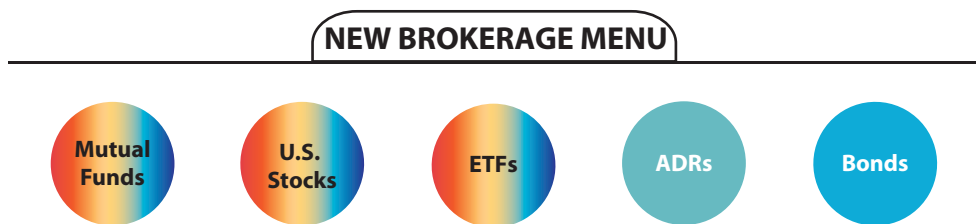
# An Overview of the New Investment Model *(continued)*



Example of how the 2025 Fund allocation automatically changes from aggressive to conservative as we near the year 2025.



Example of how investment in an Asset Class Fund may be distributed among underlying fund managers.



Sample of registered securities.

*FOR ILLUSTRATIVE PURPOSES ONLY. Investment return and principal value of a variable investment will fluctuate so that an investor's shares/units, when redeemed, may be worth more or less than the original cost. Intended to illustrate possible investment portfolio allocations that represent an investment strategy based on risk and return. This is not intended as financial planning or investment advice.*

# Committee in Action: A New Investment Model

## Horizons Plan Administrative Committee Members

Sharon R. Harper, *Chair*

Daniel Cohen

Wendy L. Watanabe

William Pryor

Ramon Rubalcava

Michael J. Henry

Mark Saladino

Carolyn Lawson

Steven Remige



As illustrated in the Asset Class Model example in “An Overview of the New Investment Model,” the new investment model will actually consolidate those fund managers with similar characteristics, specifically their asset class, under a fund-of-funds structure. This will allow the PAC to increase the number of fund managers that will be managing Plan assets and enhance the diversification of Plan assets, even as the Plan continues to increase in size, while preserving the PAC’s ability to terminate fund managers and liquidate assets, if needed.

The new investment model is also designed to simplify your ability to align your investment strategy and goals with the available investment options.

The new investment model retains your ability to direct the allocation of your assets among qualified investment options, while increasing the spectrum of investments available under the Plan. As previously mentioned, you may continue to invest in the Plan’s current fund managers by investing in the Target Date Retirement Funds and/or Asset Class Fund that contains that fund manager.

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## Spring 2008 Newsletter Correction

There were incorrect directions on how to access your LACERA account in last quarter’s newsletter. On the third page, under the section “Purchasing LACERA Service Credits with Your Horizons Assets,” you were directed to [www.mylacera.com](http://www.mylacera.com) to view your personal information with LACERA, which is incorrect. The correct steps to view LACERA account information are to go to [www.lacera.com](http://www.lacera.com) and click the “My LACERA” button near the middle of the screen.

## Customer Service On-Site Locations

### **Martin Luther King/Drew Medical Center**

12021 S. Wilmington Ave., Los Angeles  
First Monday every month in main lobby

### **LAC/USC Main Hospital**

1200 N. State St., Los Angeles  
Second and fourth Friday of each month in cafeteria

### **Kenneth Hahn Hall of Administration**

500 W. Temple St., Los Angeles  
Third Thursday of each month, second floor lobby entrance from mall

### **Rancho Los Amigos Rehabilitation Center**

7601 E. Imperial Hwy., Downey  
Second Thursday each month in Café Los Amigos cafeteria

### **Public Works**

900 S. Fremont Ave., Alhambra  
Third Wednesday of each month in cafeteria

### **Olive View Medical Center**

14445 Olive View Dr., Sylmar  
Fourth Wednesday of each month in cafeteria

### **Harbor/UCLA Medical Center**

1000 W. Carson St., Torrance  
Second Thursday of each month in elevator lobby

### **Health Services**

313 N. Figueroa St., Los Angeles  
Fourth Thursday of each month in the main lobby

Note: On rare occasions, a representative may not be available. Representatives also follow the County’s holiday schedule.

## Account Management Tools

You can make changes to your account, research investment options and stay updated on Plan changes using either of the two convenient methods available to you.

Web: [www.countyla.com](http://www.countyla.com)<sup>12</sup>

Phone: (800) 947-0845<sup>12</sup>

# Investment Option Returns for the Period Ending June 30, 2008

(Investment option returns are published based on the best available data and may be subject to revision.)

VARIABLE INVESTMENT OPTIONS	AVERAGE ANNUAL RETURN AS OF JUNE 30, 2008							CALENDAR YEAR					FUND OPERATING EXPENSES*	INCEPTION DATE OF FUND
	Last 3 Months	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION <sup>1</sup>	2006	2005	2004	2003	2002		
<b>SIMPLIFIED INVESTMENT MENU<sup>2,3,4</sup></b>														
Pre-Assembled Portfolio A	0.14%	-1.78%	-0.83%	5.25%	6.37%	5.64%	5.67%	5.22%	8.43%	5.43%	7.53%	13.85%	0.12%	05/18/98
Pre-Assembled Portfolio B	-0.24%	-3.19%	-2.51%	5.66%	7.07%	5.56%	5.60%	5.58%	9.73%	6.22%	8.38%	16.66%	0.15%	05/18/98
Pre-Assembled Portfolio C	-0.62%	-4.60%	-4.18%	6.06%	7.76%	5.44%	5.50%	5.93%	11.05%	7.00%	9.23%	19.49%	0.18%	05/18/98
Pre-Assembled Portfolio D	-1.13%	-5.88%	-6.59%	5.69%	8.06%	5.62%	5.68%	5.06%	12.21%	6.88%	10.46%	22.56%	0.21%	05/18/98
Pre-Assembled Portfolio E	-1.30%	-7.21%	-7.95%	6.27%	8.90%	5.72%	5.79%	5.93%	13.33%	7.78%	11.46%	25.82%	0.27%	05/18/98
<b>ADVANCED INVESTMENT MENU<sup>3</sup></b>														
PIMCO High Yield Fund – Institutional <sup>5,6</sup>	0.02%	-1.71%	-0.37%	4.53%	6.50%	5.54%	8.03%	3.73%	9.44%	4.62%	9.32%	23.70%	0.50%	12/15/92
Dodge & Cox Balanced Fund	-3.57%	-11.31%	-14.35%	2.74%	7.19%	7.83%	N/A	1.73%	13.86%	6.59%	13.30%	24.44%	0.53%	06/26/31
SSGA S&P 500 Flagship Series Fund C <sup>2,7</sup>	-2.72%	-11.93%	-13.14%	4.38%	7.55%	2.82%	7.20%	5.48%	15.75%	4.88%	10.84%	28.60%	0.05%	10/01/96
Artisan Mid Cap Fund <sup>8</sup>	1.56%	-11.64%	-6.98%	8.75%	11.67%	12.83%	15.50%	21.20%	9.65%	9.11%	14.66%	31.80%	1.22%	06/27/97
DIA Medium Size Company Fund <sup>2,8,9</sup>	1.70%	-10.04%	-9.50%	7.87%	9.69%	7.20%	7.63%	11.86%	13.70%	5.68%	13.65%	41.89%	0.45%	12/31/97
Small Cap Equity Managed by Brandywine <sup>2,9,10</sup>	-4.89%	-8.61%	-23.67%	-1.57%	7.83%	N/A	9.51%	-11.64%	17.61%	2.01%	22.89%	41.24%	0.51%	11/10/99
Capital Guardian International Equity Fund <sup>2,11</sup>	-2.38%	-10.94%	-9.58%	13.66%	15.87%	N/A	6.33%	12.18%	20.50%	20.15%	14.53%	36.48%	0.51%	12/01/00
Causeway International Value Equity Fund <sup>9,11</sup>	-4.11%	-11.14%	-12.31%	10.49%	N/A	N/A	9.50%	9.68%	27.66%	N/A	N/A	N/A	0.62%	02/01/05
<b>FIXED INVESTMENT OPTIONS<sup>2</sup></b>														
LA County Stable Income Fund	Third Quarter Crediting Rate is 5.02%							Second Quarter Crediting Rate was 5.26%					11/30/90	
Washington Mutual Bank Fund	Third Quarter Crediting Rate is 2.68%							Second Quarter Crediting Rate was 2.63%					11/30/90	
<p><i>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. Read them carefully before investing.</i></p> <p><i>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 <a href="http://www.countyla.com">www.countyla.com</a>. 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.</i></p>														

The net returns shown above reflect fund operating expenses, but do not include current administrative fees of \$5.45 per month per account. For more information on how these administrative fees are assessed to your account, please refer to the Schedule of Participant Fees in the *Fund Data Booklet* or visit the Web site at [www.countyla.com](http://www.countyla.com).

\* Actual fund operating expenses may be less if the fund currently offers a waiver or reimbursement of a portion of this expense.



<sup>1</sup> **Since Inception** is not applicable for funds more than 10 years old.

<sup>2</sup> **Registration** with the Securities and Exchange Commission is not required for these investment options.

<sup>3</sup> **Transfer Restrictions**

Transfers of \$10,000 or more into an investment option on a single day must remain invested in that option for a minimum of 10 business days. The last assets transferred into an investment option will be the first assets transferred out of the investment option. After any transfer of assets out of an investment option, no assets may be transferred into that investment option for 30 calendar days. Non-compliant transactions may result in the restriction of a participant's ability to make transfers. Additional information is available on the Horizons Web site ([www.countyla.com](http://www.countyla.com)).

<sup>4</sup> **About the Pre-Assembled Portfolios**

Account balances in the Pre-Assembled Portfolios will be automatically rebalanced quarterly to reflect the established portfolio model percentages. Please request a *Fund Data Booklet* for the composition of the Pre-Assembled Portfolios by contacting the Horizons Participant Service Center at (800) 947-0845.

<sup>5</sup> **About the High Yield Fund**

Investments in debt instruments, such as notes and bonds, are subject to credit risk, which is the possibility that the issuers of the instruments will be unable to meet interest payments or repay principal. Funds that invest a significant portion of their assets in "high yield" bonds (bonds rated below investment grade) have the potential for a higher rate of return than funds holding primarily government or investment grade corporate bonds, but are also subject to significantly greater credit risk and experience greater volatility.

<sup>6</sup> **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.

<sup>7</sup> **An index** is not professionally 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 an index.

<sup>8</sup> **Medium-sized companies** may suffer more significant losses, as well as realize more substantial growth, than larger capitalized, more established issuers.

<sup>9</sup> **About Separately Managed Funds/Accounts**

Because this is a separately managed fund/account for Horizons Plan participants only, performance data is based only on Horizons assets.

<sup>10</sup> **Equity securities** of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies.

<sup>11</sup> **Foreign investments** involve special risks, including currency fluctuations and political developments.

<sup>12</sup> **Access to the automated voice response system** and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

**About the Investment Options**

Investment options have been selected by the Plan Administrative Committee and are a combination of mutual funds and separately managed institutional accounts.

**Securities are offered through GWFS Equities, Inc., a Great-West Company and FINRA (formerly the NASD) member firm.**

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

**TRANSFER INFORMATION**

A transfer fee equal to 5% of the transferred amount will be deducted from your Horizons account when the following transfers take place.

<b>5% TRANSFER CHARGE WHEN YOU</b>	
<b>TRANSFER FROM:</b>	<b>TRANSFER TO:</b>
LA County Stable Income Fund	Washington Mutual Bank Fund
PIMCO High Yield Fund – Institutional	
Dodge & Cox Balanced Fund	
SSGA S&P 500 Flagship Series Fund C	
Artisan Mid Cap Fund	
DIA Medium Size Company Fund	
Small Cap Equity Managed by Brandywine	
Capital Guardian International Equity Fund	
Causeway International Value Equity Fund	
Pre-Assembled Portfolios	

