



County of Los Angeles Savings Plan

July 2008

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 Savings Plan 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 Savings Plan 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

Savings 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 Savings Plan 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 Savings Plan 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.

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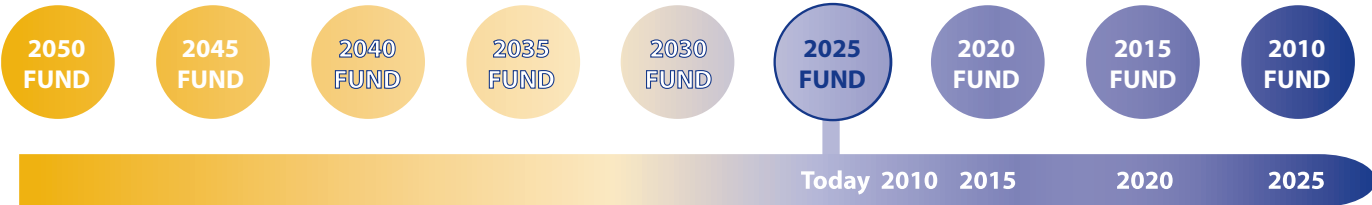
An Overview of the New Investment Model *(continued)*

RISK SPECTRUM

Aggressive

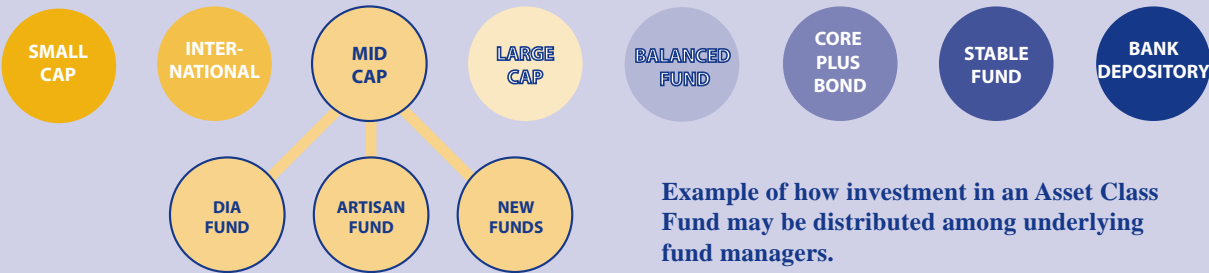
Conservative

NEW SIMPLIFIED MENU



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

NEW ADVANCED MENU



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

NEW BROKERAGE MENU



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

As illustrated in the Asset Class Model example in “An Overview of the New Investment Model” on page 3, 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.

Great-West Retirement Services® Customer Service Is There for You On-Site Customer Service 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

Public Works

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

Health Services

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

Olive View Medical Center

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

Rancho Los Amigos Rehabilitation Center

7601 E. Imperial Hwy., Downey
Second Thursday each month in
Jacquelyn Perry Clinic lobby

Harbor/UCLA Medical Center

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

*Note: On rare occasions, a representative may not be available.
Representatives also follow the normal holiday schedule.*

How to Reach Us

On the Internet:
www.countyla.com¹

By Phone:
(800) 947-0845

Call the L.A. County Service Center toll free and choose “1” from the menu of options you hear to obtain information or make changes to your account. You will be connected to KeyTalk®, an automated service available 24 hours a day, seven days a week.¹ Once you enter your Social Security number and Personal Identification Number² (PIN), you can retrieve personal account information and make changes to your account.

In Person: The L.A. County Service Center

Located at 655 N. Central Ave., Suite 1900, Glendale, CA 91203. Office hours are Monday through Friday, 8:30 a.m. to 5:00 p.m. Pacific Time. Call (800) 947-0845 and choose “4” from the menu to schedule an appointment, or call the Retiree Advocate at (877) RET-GWRS (738-4977).

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

² The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

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