



Your **Horizons** Retirement Plan

Simplified

An Advanced Route to Investing: Asset Class Funds



The Asset Class Funds provide you with the opportunity to design your own investment portfolio based on your specific investment objectives and risk tolerance. Developing your own portfolio does require investment knowledge about the various securities available, asset allocation and diversification.[^] In addition to reading the Horizons newsletters, you are strongly encouraged to educate yourself on investment principles, economics and current market conditions to make informed investment decisions.

Creating a Portfolio

The Plan Administrative Committee provides you with investment options in each of the major asset classes needed to create a diversified portfolio, including domestic equities, non-U.S. equities, bonds and cash equivalents. You pick

which Asset Class Funds to include in your portfolio and how to allocate your assets among those investment options. Be sure to consider your investment objectives, retirement time horizon and risk tolerance.

Horizons
Small Cap
Equity Fund

Horizons
Mid Cap
Equity Fund

Horizons
Non-U.S.
Equity Fund

Horizons
Large Cap
Equity Fund

Horizons
Balanced
Fund

Horizons
Bond
Fund

Horizons
Stable Income
Fund

Bank
Depository
Fund

Use a Comprehensive Investment Strategy

When developing your Horizons investment portfolio, keep in mind how it fits with your other retirement plans, such as LACERA. LACERA is often considered the foundation of your retirement income. Horizons can be used to make up the difference between what LACERA provides and the level of income you need in retirement. Adjusting your Horizons contribution rate and asset allocation, subject to market fluctuations, can affect your account balance and how much you can withdraw as regular income during retirement.

Another strategy for consideration is coordinating your Horizons investments with any defined contribution plans you may have from former employers, your spouse's retirement plan(s), and any IRAs.

[^] Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.





Fundamentals of the Asset Class Funds

Each Asset Class Fund is managed by one or more fund managers. These fund managers buy and sell individual securities based on their unique investment philosophy. Some fund managers take a “passive” approach, which means they invest in securities that represent a wide range of companies in that asset class and expect an average overall performance. The majority of fund managers take an “active” approach, which means they invest heavily in research looking for stocks with certain key characteristics. Some active managers are “growth-oriented” in their investment style and look for companies that will grow and expand in the short-term and provide higher than average performance.

Other active managers are “value-oriented” in their investment style and look for companies that are underappreciated and have potential to provide higher than average performance.

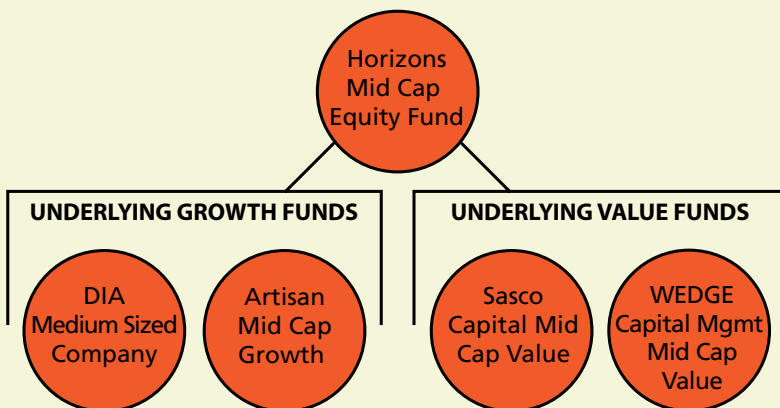
At any given time, the market may favor the growth style over the value style or vice versa. Because active managers are looking for the best companies in which to invest, their objective is to outperform the passive manager.

The Asset Class Funds are designed to take advantage of the potential outperformance offered by both growth and value managers, regardless of which is favored by the market. This provides you with an investment option that may be less volatile than one that was just growth or value.

Diversifying Your Investments on the Advanced Route

Diversification is a key strategy to building and maintaining your retirement portfolio. You’ve probably heard that it’s never good to put all of your eggs in one basket—and the same applies to your investments. Diversification is the idea that when you spread out your investments among different categories, classes and styles, you potentially minimize your risk because you have varied assets that will react differently to market conditions.

Over the long term, the diversification found in the Asset Class Funds may potentially protect funds from overexposure to a single underperforming management style, while capitalizing on stronger performing styles. Additionally, each Asset Class Fund will automatically rebalance the underlying fund investments according to the Horizons Investment Policy. Rebalancing at regular intervals will allow the fund to stay true to its objectives and asset allocations. The objective of rebalancing is to mitigate risk by maintaining a balance among the underlying fund management styles. A secondary benefit of rebalancing will be to buy low and sell high. Rebalancing does not ensure a profit and does not protect against loss in declining markets.



Tips on Financial Advice

The Advanced menu of Asset Class Funds does require more sophisticated decision making than the Target Date Funds. The Horizons Plan provides you with a variety of tools and services to assist you in designing a retirement strategy that fits your anticipated retirement needs. However, developing a retirement portfolio can be a daunting task and there are professionals that specialize in assisting individual investors with their accounts. Whether you are just beginning with the County, are mid-career, are ready to call it in, or have already retired, here are some important things to keep in mind when deciding whether to hire a financial advisor.

Research the Financial Advisor

First and foremost, you should research the financial advisor that may be soliciting you. Make sure that the financial advisor is properly licensed by the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission (SEC) or your state securities regulator. You can contact FINRA by visiting www.finra.org/brokercheck, the SEC by visiting www.adviserinfo.sec.gov, or your state securities regulator by visiting www.nasaa.org. Remember, financial advisors are fiduciaries, which means they must do what is in your best interest, not theirs, and are financially liable for breaking that trust. Here are a few more points to consider when researching and interviewing advisors:

- Investments being offered should be registered with the SEC. You can verify registration through the SEC's EDGAR database at www.sec.gov/edgar.shtml.
- Ask if the financial advisor receives compensation for:
1) investing your assets with certain investment options, and 2) for each transaction made on your account. Make sure you have a written contract and read the fine print. Many scams involve excessive trading in high-cost investment options, all of which generate income for the financial advisor while draining your account balance.
- Regularly monitor your accounts for suspicious activity. Financial advisors are prohibited from executing trades without your consent. Make sure you understand the basis for any recommendations to make changes to your investment allocation. Keep your Horizons Plan account transaction access to yourself.
- Remember that if an investment scheme sounds too good to be true, many times it may be.



Keep in Mind:

1. During market downturns, there is a rise in unscrupulous so-called financial advisors offering free lunch investment seminars. Do your research before handing over your life savings.
2. The County and the Plan Administrative Committee do not endorse any financial advisory firms. Any financial advisor(s) setting up a table or conducting seminars at a County facility/ worksite should be reported to the Department of Human Resources at (213) 738-2284.

"But My Financial Advisor Recommends I Cash out of Horizons..."

Before you withdraw your Horizons account balance, CONSIDER:

- The Plan Administrative Committee has used the multi-billion dollar leverage of the Plan to get participants low-cost and professionally screened investment options.
- You pay a flat fee for Horizons. For the fiscal year from July 1, 2008, to June 30, 2009, the total monthly cost of participating in the Horizons Plan is \$4.40. This includes the ability to make no-cost daily trades and a very wide range of distribution options.

Remember, you can leave your assets in Horizons when leaving County employment, including retirement.*

Regardless of whether or not you choose to hire a financial advisor, please keep these tips in mind. It's better to be skeptical and research what you may be getting yourself into.

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.

** Account balance plus matching account balance must be more than \$1,000 in order to keep your assets in the Plan. Pursuant to Code section 401(a)(9), you must begin receiving a minimum required distribution by April 1 of the year following the year you either turn age 70½ or leave County service, whichever is later.*



Investment Option Returns for the Period Ending March 31, 2009

VARIABLE INVESTMENT OPTIONS AVERAGE ANNUAL RETURN

	Last 3 Months	Year to Date	1 Year	3 YEARS	5 YEARS	Since Inception	Fund Operating Expenses	Inception Date of Fund
SIMPLIFIED INVESTMENT MENU^{1,2,3,4}								
Horizons Retirement Income Fund	-5.34%	-5.34%	N/A	N/A	N/A	-5.23%	0.59%	11/07/08
Horizons 2010 Target Date Fund	-6.98%	-6.98%	N/A	N/A	N/A	-8.67%	0.50%	11/03/08
Horizons 2015 Target Date Fund	-8.43%	-8.43%	N/A	N/A	N/A	-10.43%	0.45%	11/03/08
Horizons 2020 Target Date Fund	-9.46%	-9.46%	N/A	N/A	N/A	-11.74%	0.43%	11/03/08
Horizons 2025 Target Date Fund	-10.42%	-10.42%	N/A	N/A	N/A	-13.08%	0.44%	11/03/08
Horizons 2030 Target Date Fund	-10.99%	-10.99%	N/A	N/A	N/A	-13.73%	0.44%	11/07/08
Horizons 2035 Target Date Fund	-10.27%	-10.27%	N/A	N/A	N/A	-13.06%	0.44%	11/07/08
Horizons 2040 Target Date Fund	-10.22%	-10.22%	N/A	N/A	N/A	-13.07%	0.44%	11/07/08
Horizons 2045 Target Date Fund	-10.94%	-10.94%	N/A	N/A	N/A	-13.69%	0.44%	11/07/08

ADVANCED INVESTMENT MENU^{1,2,3}

Horizons Bond Fund ⁵	0.03%	0.03%	N/A	N/A	N/A	6.52%	0.34%	11/03/08
Horizons Balanced Fund	-11.14%	-11.14%	N/A	N/A	N/A	-13.17%	0.53%	11/03/08
Horizons Large Cap Equity Fund	-10.80%	-10.80%	N/A	N/A	N/A	-16.12%	0.02%	11/03/08
Horizons Non-U.S. Equity Fund ⁶	-13.05%	-13.05%	N/A	N/A	N/A	-11.73%	0.50%	11/03/08
Horizons Mid Cap Equity Fund ⁷	-3.67%	-3.67%	N/A	N/A	N/A	-11.00%	0.62%	11/03/08
Horizons Small Cap Equity Fund ⁸	-19.62%	-19.62%	N/A	N/A	N/A	-25.11%	0.49%	11/03/08

FIXED INVESTMENT OPTIONS^{1,2}

	ANNUALIZED CREDITING RATE				
	2nd Qtr '09	1st Qtr '09	4th Qtr '08	3rd Qtr '08	2nd Qtr '08
Horizons Stable Income Fund ^{3,9}	3.80%	4.30%	4.60%	5.02%	5.26%
Bank Depository Fund ^{3,9,10}	1.14%	1.71%	2.68%	2.68%	2.63%

Keep in mind that fees and expenses are only one of several factors that you should consider when making investment decisions. Please consider the investment objectives and risks, as well as fees and expenses, carefully before investing. For this and other important information, you may obtain fund fact sheets and disclosure documents from your registered representative at (800) 947-0845 or through the Web site at www.countyla.com. Read them carefully before investing.

Since most of funds are brand new, there is the potential for a slight difference in performance results as assets are deposited into the funds. These return differences will be minimal and should normalize once the funds have developed a longer history behind them. 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 www.countyla.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. Although data is gathered from reliable sources, we cannot guarantee completeness and accuracy.

The net returns shown above reflect fund operating expenses, but do not include current administrative fees.¹¹ 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.

About the Investment Options

The Plan Administrative Committee (PAC), with the consultation of outside advisors not affiliated with Great-West Retirement Services®, has set the underlying allocation of the Horizons Target Date Funds and the Horizons Asset Class Investment Options (sub-funds). The PAC may change the underlying allocation to the sub-funds at any time, without prior notification, pursuant to the investment guidelines established by the PAC.

¹ About Separately Managed Funds/Accounts

The Horizons investment options are designed exclusively for the Horizons Plan. The PAC has selected underlying fund managers who may manage Plan assets through a separate account, thereby reducing the fund operating expense charged to participants. A separate account means Horizons assets are invested separately from other clients of the fund manager. Therefore, performance data is based only on Horizons assets. Registration with the Securities and Exchange Commission is not required for any of the Horizons investment options.

² 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 Web site at www.countyla.com.

³ Bank Depository Transfer Information

Transfers may be made from the Bank Depository Fund to the other funds without a transfer charge; however, a transfer fee equal to 5% of the transferred amount will be deducted from your account if you transfer out of any other fund into the Bank Depository Fund. Payroll contributions into the Bank Depository Fund are exempt from the 5% penalty.

⁴ Important Information About the Target Date Funds

The Target Date Funds will be rebalanced automatically each quarter so that they maintain their established percentage for each investment option. This automatic rebalancing will take place on the last business day prior to a quarter end, so participant statements will reflect the rebalanced Portfolio. On an annual basis, the Horizons 2010 through 2045 Target Date Funds will be adjusted to a more conservative asset allocation. The objective of the annual adjustment is to eventually mirror the Retirement Income Fund asset allocation by the end of the year reflected in the name of the Target Date Fund.

⁵ 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.

⁶ Foreign investments involve special risks, including currency fluctuations and political developments.

⁷ Medium-sized companies may suffer more significant losses, as well as realize more substantial growth, than larger capitalized, more established issuers.

⁸ Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies.

⁹ Fixed Investment Option Name Changes

Effective November 3, 2008, the LA County Stable Income Fund was renamed to the Horizons Stable Income Fund and the Washington Mutual Bank Fund was renamed to the Bank Depository Fund.

¹⁰ Bank Depository Fund Insurance of Deposits and Account Balance Limit

Assets invested in the Bank Depository Fund are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The current maximum balance permitted in this Bank Depository Fund is \$250,000. Any amount in excess of this limit will be automatically transferred to the Horizons Stable Income Fund at the end of each quarter. The Bank Depository Fund is the only investment product in the Horizons Plan that offers FDIC insurance on account balances. All other Horizons Plan investment products offered are not FDIC-insured and may lose value.

¹¹ Administrative Fees

For the July 1, 2008, to June 30, 2009, fiscal year, the total annual cost of participating in the Horizons Plan has been reduced to \$59.13. This includes the annual Plan administrative fee of \$39.20 and the County administrative fee of \$19.93. Because the 2007-2008 rates were assessed July 2008 through October 2008, your monthly installments have been adjusted for the remainder of the fiscal year so you do not exceed the annual fee. These fees will be \$2.70 and \$1.70, respectively, and will be deducted from your account monthly.

The Horizons Target Date Funds are invested in units/shares of the following underlying funds: Horizons Stable Income Fund, Horizons Bond Fund, Horizons Large Cap Fund, Horizons Non-U.S. Equity Fund, Horizons Mid Cap Fund, Horizons Small Cap Fund, JPMorgan Property Fund, Mellon Global Alpha I, PIMCO High Yield Fund Institutional, PIMCO All Asset Fund and Wellington Unconstrained Themes.

The Asset Class Funds are comprised of the following: Horizons Bond Fund invests in units/shares of Loomis, Sayles & Company, L.P. Core Plus Full Discretion; Horizons Balanced Fund invests in units/shares of Dodge & Cox Balanced Fund; Horizons Large Cap Fund invests in units/shares of SSgA S&P 500 Index; Horizons Non-U.S. Equity Fund invests in units/shares of Causeway International Value Equity Fund and Capital Guardian International (Non-U.S.); Horizons Mid Cap Fund invests in units/shares of Artisan Mid Cap Growth, Denver Investment Advisors Mid Cap Growth, Sasco Capital Mid Cap Value and WEDGE Capital Management L.L.P. Mid Cap Value; Horizons Small Cap Fund invests in units/shares of Brandywine Small Cap Value, NorthPointe Capital Small Cap Growth Equity and Peregrine Capital Small Cap Growth Equity.

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.

Investment options and their underlying funds have been selected by the PAC. Securities are offered through GWFS Equities, Inc., a Great-West Company and FINRA member firm.

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Horizons Plan Administrative Committee Members

Sharon R. Harper, *Chair*

Daniel Cohen	Wendy L. Watanabe
William Pryor	Teresa Sanchez
Lisa R. Garrett	Mark Saladino
Carolyn Lawson	Steven Remige

FDIC Insured Investments

The Bank Depository Fund is the only investment option currently insured by the Federal Deposit Insurance Corporation (FDIC). Your investment in the Bank Depository Fund is insured dollar-for-dollar up to \$250,000. Any excess balance in the Bank Depository Fund will be transferred each month to the Stable Income Fund.

The \$250,000 FDIC coverage for your assets in the Bank Depository Fund is separate and apart from the \$250,000 FDIC coverage for your personal retail bank account.

The FDIC does require that all retirement accounts you may have in the same FDIC insured bank must be added together for a total insured amount of \$250,000. Retirement accounts include all types of IRAs, 457 plans, 401(k) plans and Keogh plans. Chase Bank (formerly Washington Mutual) is the underlying FDIC insured bank in the Horizons Bank Depository Fund.

For more information on the FDIC insurance limits, please visit:
<http://www.fdic.gov/deposit/Deposits/insured/basics.html>.

Performance Review

Each quarter, the Plan Administrative Committee (PAC) reviews the performance of each of the fund managers hired to invest Plan assets. The PAC is guided by criteria established in the Plan Investment Policy when it monitors, hires and terminates fund managers.

The quarterly performance review is facilitated by an independent investment consultant not affiliated with Great-West Retirement Services®. The independent consultant is also responsible for monitoring changes in the fund manager's operations, philosophy, corporate governance and fees.



Customer Service On-Site Locations

Martin Luther King/Drew Medical Center
12021 S. Wilmington Ave., Los Angeles
First Monday every even-numbered 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 Jacquelyn Perry Clinic lobby

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

Hall of Records
320 W. Temple Street, Los Angeles
Fourth Thursday of every odd-numbered month in the main lobby

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 every even-numbered month in the main lobby

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.com¹²

Phone: (800) 947-0845¹²