



Your **Horizons** Retirement Plan

# Simplified

## Meeting Your Expectations: The 2010 Horizons Survey

Recently, Great-West Retirement Services® (Great-West), on behalf of the Plan Administrative Committee (PAC) for the Horizons Plan, conducted a survey to find out what you—the participants—think of your Horizons Plan. The objective was to find out what you like and what can be improved. The bottom line: The PAC wanted to find out more about how you use the Horizons Plan and how they can make it a more effective retirement planning resource.

Thousands of you took the time to complete the online survey available on the Horizons Plan website at [www.countyla.com](http://www.countyla.com).<sup>12</sup> The questions covered a range of topics, from the Plan website to the call center to account statements.

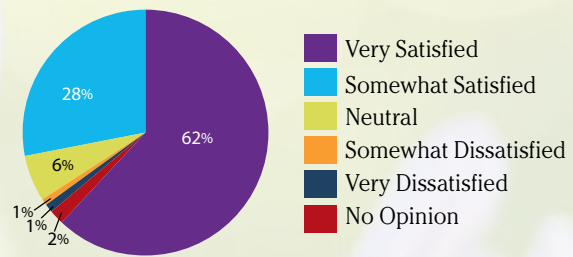
*In general, you told us you were happy with the Horizons Plan and Great-West.*

Although your responses to most questions tended to be positive, we do see room for improvement. We'll be spending the coming months analyzing the survey results and evaluating potential changes.

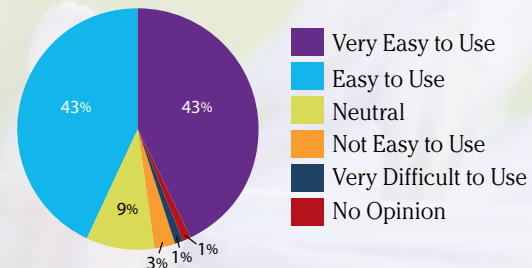
One area where you'll see immediate results is this newsletter. You gave us hundreds of suggestions on topics you'd like to see covered in this publication. This edition of the newsletter is dedicated to some of the most frequently requested topics. In the future, we'll continue to feature articles on other topics you requested.

Good communication flows two ways. You hear from Horizons often in the form of statements, newsletters, seminars and more. We use surveys like this one to make sure Horizons hears from you. Thanks for your insight on how we can make the Horizons Plan better.

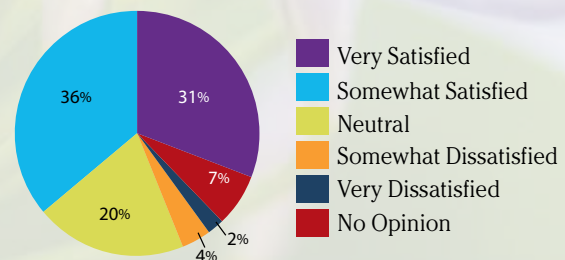
OVERALL SATISFACTION WITH GREAT-WEST



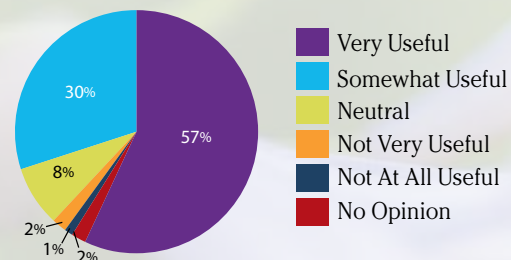
HORIZONS WEBSITE EASE OF USE



SATISFACTION WITH INFORMATION PROVIDED IN QUARTERLY NEWSLETTERS, WITH RESPECT TO INVESTMENT EDUCATION



CONTENT AND FORMATTING OF YOUR HORIZONS ACCOUNT STATEMENT



# Your Horizons Account: It's Yours to Keep for the Long Term

***"Are there advantages to keeping my Horizons account after I leave the County or retire?"***

This was among the most frequently asked questions in the latest Horizons survey. A lot of people think that when they retire or change jobs, they have to move their assets out of the Horizons Plan. The same Plan that helped you save for retirement can continue to help you long after you retire. The following are some of the reasons you may want to keep your Horizons Plan account:

## Quality investments

Keep in mind that Horizons is a \$5 billion retirement plan that leverages its size to get you access to high quality investments for a much reduced cost compared to the average retail mutual fund. In addition, each underlying fund within the Asset Class and Target Date funds underwent an extensive initial screening process that included performance, investment strategy, fees and corporate stability, as outlined in the Horizons Investment Policy. Horizons' investment professionals continue to regularly analyze each of the underlying funds to make sure they are meeting our high standards.

## Distribution/withdrawal flexibility

The Horizons Plan offers a variety of ways to withdraw your money when you retire, including periodic payments and partial withdrawals. You can also change your withdrawal arrangement to meet your needs as long as you begin receiving payments by the later of April 1 of the year following the year you reach age 70½ or you retire.

## Free, quick and easy transfers among investment options<sup>2,12</sup>

There's no paperwork to transfer your assets among Horizons' different investment options. Transfers made online or by phone are processed within 24 hours. Best of all, transfers among your Horizons investment options are free!

## Flexible account management

When you keep your Horizons account, you can continue to call the County of Los Angeles Service Center at **(800) 947-0845<sup>12</sup>** to speak with a representative or schedule a meeting at our local office to discuss your Plan-specific questions.<sup>†,12</sup> You will also still have access to the account management,

education and planning tools on **[www.countyla.com](http://www.countyla.com)**.

If you're happy with the Horizons Plan and its features, you can keep your money right where it is.

## Broker Beware

When someone leaves County employment or retires, it's not uncommon for brokers or investment companies to approach them about moving the money in their Horizons account into the broker's "outstanding" investments. In many cases, though, those new investments can mean higher fees and lucrative commissions for those brokers.

If you're ever in this situation, be sure to compare your current Horizons fees with the broker's fee structure. Ask yourself who really benefits from making the change. Consider all your options. The lower your costs and fees, the more money that stays in your portfolio working for you.

<sup>†</sup> 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.



## To Borrow or Not to Borrow:

### Things to Consider Before You Take a Loan from Your Horizons Account

***"Does it make financial sense to use the savings in my Horizons account for a loan to pay down other debt?"***

Unfortunately, there's no single answer to that question. Personal financial situations can vary so much that it's virtually impossible to offer a definitive point of view. While it's generally a smart financial strategy to pay down as much debt as you can, using the money you've saved through your Horizons Plan may not be the best approach. Here are a few reasons why:

**T**HE POSSIBILITY OF MISSING OUT ON STRONG MARKET PERFORMANCE—One of the advantages of investing in an employer-sponsored plan like Horizons is the potential for tax-deferred compounded growth. But when you withdraw the money to pay down debt, you lose out on any potential surges in market performance that can add to your retirement nest egg. When your money stays in the Plan, it may continue to benefit from strong investment performance.

*Continued on next page*

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**THE RISK OF USING A HORIZONS LOAN TO SHIFT AROUND DEBT**—Taking a Horizons loan to pay off debt can have serious consequences, especially if you've been juggling around your debt payments. Horizons loans are automatically repaid through semi-monthly payroll deductions. If you resume using those credit cards, you will find it much harder to shift payments around since a portion of your paycheck is strictly dedicated to repaying your Horizons loan. Before you take any other steps, please consider consulting with a credible consumer credit counseling service about your debt and alternative ways you can develop personal financial discipline.

**THE RISK OF HAVING TO REPAY YOUR HORIZONS LOAN SOONER THAN YOU PLANNED**—Let's say you've borrowed from your Horizons account to pay down credit card bills. What happens if you find yourself in a position where you have to leave County employment? Under the terms of your loan, you may have to pay back the amount you borrowed—generally within one calendar quarter after leaving employment. If you don't, the outstanding balance will be viewed by the Internal Revenue Service as income

and you will be required to pay income taxes on that amount. If you're still employed, this additional income could push you into a higher tax bracket, which means you'll pay even more taxes!

Your Horizons Plan gives you the flexibility to use your account balance for a loan, but understand that the loan comes with responsibilities. Also keep in mind that it is still a loan that needs to be repaid and these limitations may make it less attractive than other options that may be available to you. If you decide that a loan is still your best option, be sure you understand the potential impact on your retirement savings plan and personal finances. If you reduce or stop your contributions to the Plan during the period of your loan, you interrupt the steady, long-term accumulation of assets intended for your retirement.

*Loan repayment amounts come out of your paycheck automatically, and you will NOT have the option of voluntarily suspending or discontinuing those repayments, regardless of changes to your financial situation.*

## Great-West Representatives: Your Retirement Information Resources

One of the most surprising findings of the recent Horizons survey is that 70% of respondents haven't met with their local Great-West representatives. Retirement planning can be a confusing process. Great-West and your Horizons Plan offer a wide range of self-service tools and information—both printed and online—to help make the process easier. But even in this instant-access, wired world, it's sometimes easier to get answers from an actual human being. That's where the local Great-West representatives come in.

### What kind of questions can they answer?

Any question related to the Horizons Plan and saving for retirement. Keep in mind that the information your local Great-West representatives provide is for educational purposes only. They cannot provide financial planning, legal or tax advice. You are urged to consult with your financial planner, attorney and/or accountant for this type of information.

### So how can you connect with your local Great-West representative?

**CALL**—Pick up the phone and call the County of Los Angeles Service Center at **(800) 947-0845**.<sup>12</sup>

**SET AN APPOINTMENT**—Set up a time for a face-to-face meeting by calling **(800) 947-0845** and selecting option 8, then 5.

**DROP BY**—Go to any of the Customer Service On-Site Locations listed on page 4 during business hours on any of the days specified.\*

#### IF YOU'RE JUST STARTING TO SAVE . . .

Your representative can help you understand how much you need to work toward your retirement income goals and the specific ways the Horizons Plan can help—including advantages of tax-deferred investing.

#### IF YOU'VE BEEN SAVING FOR A WHILE . . .

You may want to take a fresh look at your portfolio to evaluate whether your balance between risk and return potential still makes sense for you today. Also, it could be time to increase your contributions. Your Great-West representative can help you understand your options.

#### IF RETIREMENT IS JUST AROUND THE CORNER . . .

Great-West representatives can provide you with information to help you make the smooth transition to retirement, including your distribution/withdrawal options and how you can continue to benefit from the Horizons Plan after you leave the workplace.

*Great-West representatives are here to help you understand retirement planning at no additional cost. In addition, representatives are salaried and don't receive commissions, which means you get objective information.*

\* On rare occasions, your local representative may be out of the office during business hours. If this happens, please leave them a message or set up an appointment time.



## Horizons Plan Administrative Committee Members

Ellen Sandt, *Chair*

Lynn Reitnouer  
 Lisa M. Garrett  
 William Pryor  
 Steven Remige

Mark J. Saladino  
 Ramon Rubalcava  
 Wendy L. Watanabe  
 Frank Ochoa

## Plan Fees Remain Unchanged

For the period July 1, 2010, through June 30, 2011, the total annual cost for participating in the Horizons Plan will remain unchanged.

Fee	Amount	Services Provided
Third-Party Administrator (TPA)	Annual \$39.20 or \$3.27 <sup>^</sup> per month	Recordkeeping, marketing, client services and other services provided by Great-West
County	Annual \$21.96 or \$1.83 per month	County and contractor services

<sup>^</sup>The monthly amount was rounded upward.

## We're Moving! (But Only Four Floors Down)

Your local County of Los Angeles Service Center is moving, but not that far. On approximately August 27, 2010, you can find us in the same building at 655 North Central Avenue in Glendale, but now in suite 1520. Our phone number stays the same—(800) 947-0845. Please call us to confirm this location.



## Customer Service On-Site Locations

### Martin Luther King/Drew Medical Center

12021 S. Wilmington Ave., Los Angeles  
 First Monday of 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 of each month in  
 Jacquelyn Perry Clinic lobby

### 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

### Registrar Recorder *(NEW)*

12400 Imperial Hwy., Norwalk  
 Fourth Thursday of each month  
 in the south end of the main lobby

### County of Los Angeles Service Center<sup>†</sup>

655 N. Central Ave., Suite 1520 | Glendale, CA 91203  
 Office hours: 8:30 a.m. to 5:00 p.m.  
 Phone: (800) 947-0845

### 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>

<sup>†</sup> Our new address will be effective in late August. Please confirm the location before coming in if you expect to visit in late August.



## Investment Option Returns for the Period Ending June 30, 2010

### 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
<b>SIMPLIFIED INVESTMENT MENU<sup>1,2,3,4</sup></b>								
Horizons Retirement Income Fund	-2.22%	0.89%	14.00%	N/A	N/A	11.50%	0.63%	11/07/08
Horizons 2010 Target Date Fund	-5.77%	-2.65%	11.93%	N/A	N/A	8.23%	0.61%	11/03/08
Horizons 2015 Target Date Fund	-6.98%	-3.67%	13.45%	N/A	N/A	9.23%	0.47%	11/03/08
Horizons 2020 Target Date Fund	-8.54%	-4.95%	13.86%	N/A	N/A	9.55%	0.44%	11/03/08
Horizons 2025 Target Date Fund	-9.74%	-5.83%	14.24%	N/A	N/A	9.57%	0.44%	11/03/08
Horizons 2030 Target Date Fund	-9.85%	-5.84%	14.28%	N/A	N/A	9.12%	0.44%	11/07/08
Horizons 2035 Target Date Fund	-9.82%	-5.82%	14.31%	N/A	N/A	9.65%	0.44%	11/07/08
Horizons 2040 Target Date Fund	-9.80%	-5.79%	14.39%	N/A	N/A	9.69%	0.44%	11/07/08
Horizons 2045 Target Date Fund	-9.82%	-5.81%	14.32%	N/A	N/A	9.15%	0.44%	11/07/08

### ADVANCED INVESTMENT MENU<sup>1,2,3</sup>

Horizons Bond Fund <sup>5</sup>	2.00%	6.40%	21.49%	N/A	N/A	26.68%	0.34%	11/03/08
Horizons Balanced Fund	-9.60%	-4.65%	14.60%	N/A	N/A	11.18%	0.43%	11/03/08
Horizons Large Cap Equity Fund	-11.42%	-6.68%	14.27%	N/A	N/A	6.55%	0.02%	11/03/08
Horizons Non-U.S. Equity Fund <sup>6</sup>	-12.64%	-10.23%	10.78%	N/A	N/A	11.97%	0.46%	11/03/08
Horizons Mid Cap Equity Fund <sup>7</sup>	-8.42%	-1.84%	23.68%	N/A	N/A	18.28%	0.57%	11/03/08
Horizons Small Cap Equity Fund <sup>8</sup>	-10.20%	-3.18%	18.78%	N/A	N/A	2.81%	0.65%	11/03/08

### FIXED INVESTMENT OPTIONS<sup>1,2</sup>

	ANNUALIZED CREDITING RATE			
	3rd Qtr '10	2nd Qtr '10	1st Qtr '10	4th Qtr '09
Horizons Stable Income Fund <sup>9,9</sup>	3.42%	3.30%	3.75%	3.75%
Bank Depository Fund <sup>3,9,10</sup>	0.54%	0.29%	0.25%	0.29%
				3rd Qtr '09
				3.80%
				1.19%
				11/30/90
				11/30/90

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](http://www.countyla.com). Read them carefully before investing.

Since most of the 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](http://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.<sup>11</sup> 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).

## 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.

### <sup>1</sup> 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.

### <sup>2</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 website at [www.countyla.com](http://www.countyla.com).

### <sup>3</sup> Bank Depository Transfer Information

Effective February 16, 2010, monies cannot be transferred directly from the Stable Income Fund to the Bank Depository Fund. Instead, any monies transferred from the Stable Income Fund must first be transferred to one of the other core funds in the Plan (either the Target Date Funds and/or the Asset Class Funds). The monies must remain in that core fund for 90 calendar days before they can be transferred into the Bank Fund. In addition, once a transfer out of the Stable Income Fund is initiated, all investment options are restricted from transferring into the Bank Fund for 90 calendar days.

### <sup>4</sup> 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 Target Date Fund will continue to exist as a "transition" fund with continued gradually declining exposure to equities for at least another 10 years beyond the retirement year until it is eventually absorbed into the Retirement Income Fund. The principal value of the funds is not guaranteed. Review the fund fact sheets for more information.

<sup>5</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>6</sup> Foreign investments involve special risks, including currency fluctuations and political developments.

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

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

### <sup>9</sup> 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.

### <sup>10</sup> 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) for 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 month. 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.

### <sup>11</sup> Administrative Fees

For the period July 1, 2010, through June 30, 2011, the monthly Plan administrative fee will be \$3.27 and the County administrative fee will be \$1.83. The total annual administrative fee charged to you for fiscal year 2010 will not exceed \$61.16.

<sup>12</sup> Access to the automated voice response system and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or automated voice response system received on business days prior to close of the New York Stock Exchange (1:00 p.m. Pacific Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

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.

**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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