



Your **Horizons** Retirement Plan

Simplified

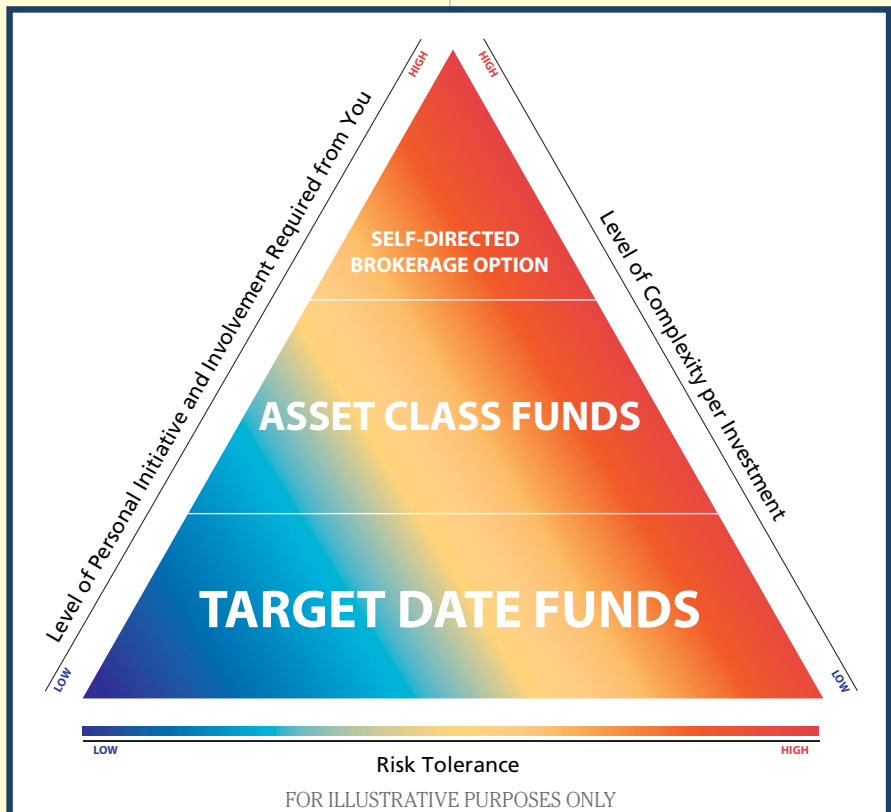
Investment Model Conversion Reminder

The conversion from the existing investment options to the new Horizons Target Date Funds and Asset Class Funds ended on November 5, 2008. Through a process called “mapping,” your then-current balances and future contributions were moved to the new investment options that most closely matched your old fund elections to maintain consistency in investment option characteristics. The fund mapping table was described in the *Horizons Investment Model Conversion* brochure (page 7) that was mailed to your address on record. The brochure is also available on the Web site at www.countyla.com. Your entire account balance was converted automatically.

Please keep in mind that your personal statement enclosed with this newsletter has an effective date of September 30, 2008. Therefore, it will show how your Horizons assets were diversified among the old investment options. However, as of November 5, you will see how your assets are currently invested in the new investment options when you access your account through the www.countyla.com Web site or the County of Los Angeles Service Center at (800) 947-0845.¹²

In early February 2009, you will receive your December 31, 2008, statement showing your new account balance allocation and transaction activity for the fourth quarter. On this statement you will notice the fund transfers to the new investment options on October 31, 2008, as well as any other account activity that you may have initiated.

For questions regarding the investment conversion, please visit www.countyla.com or you may call the County of Los Angeles Service Center at (800) 947-0845. Representatives are available Monday through Friday between the hours of 7:00 a.m. and 5:00 p.m. PT.¹²





Market Volatility During the Investment Model Conversion

During the workshops conducted throughout the County in October, many participants expressed concern about how the current market volatility may affect their accounts during the investment model conversion. The Plan Administrative Committee (PAC) responsible for Horizons held meetings immediately prior to the conversion to specifically address this issue.

Risk Assessment

The new investment model is designed by the PAC to diversify Plan assets and thereby potentially reduce the risk associated with holding a large portion of assets in any one investment option.*

In consultation with an independent investment advisor, the PAC evaluated the current market conditions for the investment model conversion. The PAC concluded that proceeding with the conversion was in the best overall interest of the Plan and its participants.

Creating the Target Date Funds and Asset Class Funds

The Target Date Funds and Asset Class Funds are designed to allocate existing and ongoing Plan assets between the underlying fund managers to specified target ratios.

Considering the current market volatility, the PAC decided to implement the Asset Class Fund conversion in two phases. On October 31, 2008, the existing fund managers were moved under the new Asset Class Fund structure while maintaining the existing asset ratio. At a later date, the PAC will reallocate to the target ratios and begin adding new fund managers.

On October 31, 2008, the Pre-Assembled Funds were converted into the Target Date Funds. New investment strategies were added to the Target Date Funds to further diversify the funds. To the extent possible, trading was limited and market exposure was maintained throughout the transition. All of the asset reallocation necessary to establish the Target Date Funds occurred within the blackout period.

Fund Transparency

Helping you understand your investments is one of the most important responsibilities of the PAC. You will always know who the underlying fund managers are within the Target Date Funds and Asset Class Funds through the annually published Fund Data Sheets, which also include asset distribution ratios. Any changes will be announced through this newsletter, the “news” section of the Web site, and the subsequent annual Fund Data Sheets.

Fund Data Sheets for the Target Date Funds and Asset Class Funds are now available online at www.countyla.com.

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

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Plan Asset Diversification: Protecting Your Assets

The PAC is responsible for making decisions in the best interest of the Plan, its participants and their beneficiaries. Within this responsibility, the PAC must maintain a balance between providing participants with suitable investment options and safeguarding total Plan assets. Horizons has grown into a multi-billion dollar Plan where this balance between participant choice and total Plan asset risk must be reassessed.

One of the largest potential risks facing Horizons, at the Plan level, is asset concentration—i.e., keeping all your eggs in one basket. As a defined contribution plan, participants have full authority to

invest in the investment options available. During the height of the bull market from 2002 through 2007, a significant portion of Horizons Plan assets were held with a few popular fund managers. Despite introducing comparable fund managers, participants continued to invest with the original popular managers.

During the past two years, the PAC has been developing this new investment model that proactively diversifies the Plan's assets among multiple fund managers while providing participants with suitable investment options. Development of the new model included looking at other comparably

sized defined contribution plans to see what were considered best practices and included legal, tax and securities considerations. Some of the criteria for designing the new model were simplicity for participants and flexibility to allow the Plan to continue to grow.

Although investment in the market offers no guarantees, the three unique routes within the new investment model (Target Date Funds, Asset Class Funds and Self-Directed Brokerage Account Option) provide participants of every level of investment sophistication with suitable investment options while diversifying total Plan assets.

Bank Depository Fund Update

Effective August 29, 2008, investments in the Bank Depository Fund (formerly Washington Mutual Bank Fund) are limited to \$250,000. Any transfers, contributions or interest earnings that exceed the \$250,000 limit will be transferred to the Horizons Stable Income Fund. You will retain the discretion to allocate your assets, including any amounts transferred to the Horizons Stable Income Fund, among the available investment options, but you will only be able to invest up to the \$250,000 limit in the Bank Depository Fund. This policy maintains the objective of the Bank Depository Fund, which is to provide a reasonable rate of return with Federal Deposit Insurance Corporation[^] (FDIC) insurance coverage. No action is required by you.

The PAC adopted this policy because of concerns about Washington Mutual's exposure to underperforming mortgages, or mortgage-backed securities, which has negatively affected its financial position. On September 25, 2008, Washington

Mutual was closed by the Office of Thrift Supervision and the FDIC was named receiver. Subsequent to the closure, JPMorgan Chase acquired the assets of Washington Mutual Bank from the FDIC, including those held within Horizons.

The change of the underlying provider of the Bank Depository Fund does not directly affect you. You may continue investing up to the \$250,000 cap in the Bank Depository Fund, which the PAC will continue to monitor. In addition, the PAC will be conducting a search for additional FDIC-insured or U.S. Treasury[♦] products so you can have the opportunity to invest additional assets in the Bank Depository Fund in the future. Future rates for the Bank Depository Fund will be set by the JPMorgan Chase Public Funds team.

Please keep in mind that a transfer fee equal to 5% of the transferred amount will be deducted from your account if you transfer out of any of your other Horizons investment options into the Bank Depository Fund.



Information regarding the Bank Depository Fund and the other investment options in Horizons is available at www.countyla.com. In addition, you may contact the Participant Service Center. 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. PT.¹²

[^] The FDIC provides separate insurance coverage for single accounts, certain retirement accounts, joint accounts and revocable trust accounts.

[♦] U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are neither issued nor guaranteed by the U.S. government.

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

How Do I Access My Account?



If it's been awhile since you've accessed your account, you'll find that it's easy to monitor and manage it either online or over the phone. All you need is your Social Security number (SSN) and Personal Identification Number (PIN).[‡] If you misplaced, forgot or never received your PIN, you can order a new one either online or over the phone.



Online

Go to www.countyla.com and click on the "Forgot Your PIN?" link. Upon verification of your information, you can reset your PIN.



Phone

Call the County of Los Angeles Service Center at (800) 947-0845 and press option 0 to speak with a customer service representative.¹² Upon verification of your information, a temporary PIN will be given or mailed to you.

Once you've accessed your account, you will be able to review your investment allocations, make changes, obtain your account balance and other account information, transfer among funds and obtain daily share values of your investments.¹²

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

IRS Contribution Limits for 2009

The IRS has announced the 2009 calendar year contribution limits for your Horizons Plan.

Deferral Limit	\$16,500
With Age 50+ Catch-Up	\$22,000
With Standard Catch-Up	\$33,000

Even if you are eligible for both catch-up options, you may not contribute to both in the same year.

Horizons Reduces Fees for 2008-2009

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 through October, 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 deducted from your account monthly.

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 Jacquelyn Perry Clinic 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 other month beginning in October 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.com¹²

Phone: (800) 947-0845¹²

Investment Option Returns for the Period Ending September 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 SEPTEMBER 30, 2008							CALENDAR YEAR					FUND OPERATING EXPENSES ¹	INCEPTION DATE OF FUND
	Last 3 Months	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION ¹	2007	2006	2005	2004	2003		
SIMPLIFIED INVESTMENT MENU^{2,3,4}														
Pre-Assembled Portfolio A	-2.60%	-4.33%	-4.58%	3.56%	5.32%	5.80%	5.26%	5.22%	8.43%	5.43%	7.53%	13.85%	0.12%	05/18/98
Pre-Assembled Portfolio B	-4.12%	-7.18%	-7.77%	3.18%	5.58%	5.70%	5.03%	5.58%	9.73%	6.22%	8.38%	16.66%	0.15%	05/18/98
Pre-Assembled Portfolio C	-5.64%	-9.98%	-10.88%	2.78%	5.82%	5.56%	4.77%	5.93%	11.05%	7.00%	9.23%	19.49%	0.18%	05/18/98
Pre-Assembled Portfolio D	-6.06%	-11.58%	-13.16%	2.23%	5.95%	5.92%	4.91%	5.06%	12.21%	6.88%	10.46%	22.56%	0.21%	05/18/98
Pre-Assembled Portfolio E	-7.92%	-14.55%	-16.33%	1.86%	6.22%	6.02%	4.81%	5.93%	13.33%	7.78%	11.46%	25.82%	0.27%	05/18/98
ADVANCED INVESTMENT MENU³														
PIMCO High Yield Fund – Institutional ^{5,6}	-10.69%	-12.22%	-11.95%	0.29%	3.80%	4.54%	7.13%	3.73%	9.44%	4.62%	9.32%	23.70%	0.51%	12/15/92
Dodge & Cox Balanced Fund	-10.43%	-20.56%	-22.80%	-2.06%	4.08%	7.54%	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 ^{2,7}	-8.35%	-19.30%	-22.01%	0.18%	5.13%	3.03%	6.18%	5.48%	15.75%	4.88%	10.84%	28.60%	0.05%	10/01/96
Artisan Mid Cap Fund ⁸	-11.92%	-22.17%	-22.47%	2.64%	7.61%	12.66%	13.84%	21.20%	9.65%	9.11%	14.66%	31.80%	1.22%	06/27/97
DIA Medium Size Company Fund ^{2,8,9}	-18.00%	-26.23%	-28.71%	-0.55%	4.41%	7.24%	5.48%	11.86%	13.70%	5.68%	13.65%	41.89%	0.45%	12/31/97
Small Cap Equity Managed by Brandywine ^{2,9,10}	2.33%	-6.48%	-15.47%	-1.16%	7.02%	N/A	9.51%	-11.64%	17.61%	2.01%	22.89%	41.24%	0.51%	11/10/99
Capital Guardian International Equity Fund ^{2,11}	-19.65%	-28.45%	-29.42%	1.48%	8.89%	N/A	3.20%	12.18%	20.50%	20.15%	14.53%	36.48%	0.51%	12/01/00
Causeway International Value Equity Fund ^{9,11}	-19.43%	-28.41%	-29.26%	1.12%	N/A	N/A	2.57%	9.68%	27.66%	N/A	N/A	N/A	0.62%	02/01/05
FIXED INVESTMENT OPTIONS²														
LA County Stable Income Fund	Fourth Quarter Crediting Rate is 4.60%							Third Quarter Crediting Rate was 5.02%					11/30/90	
Washington Mutual Bank Fund	Fourth Quarter Crediting Rate is 2.68%							Third Quarter Crediting Rate was 2.68%					11/30/90	

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.

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.

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.

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

¹ **Since Inception** is not applicable for funds more than 10 years old.

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

³ **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).

⁴ **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.

⁵ **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.

⁶ **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.

⁷ **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.

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

⁹ **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.

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

¹¹ **Foreign investments** involve special risks, including currency fluctuations and political developments.

¹² **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. Transfer requests made via the Web site 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.

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 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.

5% TRANSFER CHARGE WHEN YOU	
TRANSFER FROM:	TRANSFER TO:
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	

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