



Your **Horizons** Retirement Plan

# Simplified

## Updates on Your Horizons Investment Option Lineup

One of the responsibilities of the Plan Administrative Committee (PAC) is to make adjustments to the investment options available through the Horizons Plan and to keep you informed about those changes. Here's the latest.

### Announcing the Horizons 2050 Target Date Fund<sup>4</sup>

Good news for County employees who are just starting their careers: The PAC has added a Horizons 2050 Target Date Fund to the Plan's investment option lineup. The date in a Target Date Fund represents an approximate date when an investor would expect to retire, so if you're planning to retire in or around the year 2050, this fund offers you a professionally managed, diversified portfolio that adjusts over time, gradually shifting from stocks to bonds as you approach your retirement date.<sup>13</sup> The principal value of the funds is not guaranteed at any time, including the target date. You can learn more about the Horizons 2050 Target Date Fund by reading the Fund Data Sheet available on the Horizons website at [www.countyla.com](http://www.countyla.com).<sup>12</sup>

### The Horizons 2010 Target Date Fund: What Now?

If you've invested some or all of your contributions in the Horizons 2010 Target Date Fund, you might be wondering what happens now that we've reached the year 2010. Even though the fund is designed for investors who plan to retire sometime around 2010, it continues to exist as a "transition" fund.



That means its exposure to equities will gradually decline for at least another 10 years, which gives you the potential to participate in market growth during the early years of your retirement.

**THE BOTTOM LINE:** If you're happy with the 2010 Target Date Fund, you can keep it as part of your portfolio well into your retirement.

### New Fund Manager Added to the Horizons Bond Fund<sup>5</sup>

Recently, the PAC hired TCW/Metropolitan West (MetWest) as an additional asset manager for the Horizons Bond Fund. TCW/MetWest will complement the existing asset manager, Loomis Sayles, to offer a broad and more diversified approach to the fund's asset management strategy.

### Stable Income Fund Reallocation

The PAC has also reallocated a portion of the funds in the Stable Income Fund that are part of the Retirement Income, 2010, 2015, 2020 and 2025 Target Date Funds and put that portion under the management of the Horizons Bond Fund. The change was made to achieve a more diversified approach to the fixed income portion of these Target Date Funds.<sup>13</sup>

For more detail on the funds discussed here and the other investment options available to you, visit the website at [www.countyla.com](http://www.countyla.com), where you can find Fund Data Sheets for each fund in the Horizons Plan.

## Horizons Plan Administrative Committee Members

Sid Kikkawa, *Chair*

Lynn Reitnouer  
Lisa M. Garrett  
William Pryor  
Steven Remige

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

## The 95% Rule: A Quick Explanation

If you're a Horizons participant who transfers funds to and from one core investment to another or to the self-directed brokerage (SDB) account, you may have seen information related to the "95% rule." Just what is the rule and how does it affect your transfer activity? Here's a quick explanation.

The 95% rule applies to transfers to and from a core fund or to the SDB. Under Horizons Plan rules, if you transfer a *dollar amount* (instead of a percentage), the dollar amount cannot exceed 95% of the fund's balance. In other words, 5% of the core fund's balance at the time of your transfer must remain in the core fund to help accommodate a potential drop in the fund's value. Simply stated, because your transfer doesn't officially occur until after the day's fund pricing becomes

final, the amount of money you actually have in the core fund at the end of the day (when the transfer *actually* occurs) could be less than the fund balance earlier in the day (when you initiated the transfer).<sup>12</sup> The 5% balance can then be used to offset any difference between the beginning and end-of-day fund balance in order to fulfill your transfer request. If you want to zero out your balance in a core fund, you could transfer the remaining balance to another core fund using a percentage, 100%, in a subsequent transfer.

The same concept applies to transfers from a core fund to the SDB. Keep in mind that transfers from a core fund to the SDB can only be transacted in dollars (not percentages). If the dollar amount you try to transfer to the SDB is more than 95% of the fund's value, you'll receive an error

message informing you that your transfer didn't occur. If you repeat your request to transfer a dollar amount that is 95% or less of the fund's value, your transfer should be successful (as long as you maintain an overall minimum core balance of \$25,000 in your Horizons account).

For more information on the 95% rule for the SDB, please refer to the SDB fact sheet located at [www.countyla.com](http://www.countyla.com) or call the County of Los Angeles Service Center at **(800) 947-0845**.

*Note: The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.*

## 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

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>



# Investment Option Returns for the Period Ending September 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	7.35%	8.31%	11.17%	N/A	N/A	14.07%	0.63%	11/07/08
Horizons 2010 Target Date Fund	8.82%	5.94%	9.27%	N/A	N/A	11.95%	0.61%	11/03/08
Horizons 2015 Target Date Fund	9.79%	5.76%	9.56%	N/A	N/A	13.37%	0.47%	11/03/08
Horizons 2020 Target Date Fund	11.08%	5.58%	9.68%	N/A	N/A	14.36%	0.44%	11/03/08
Horizons 2025 Target Date Fund	12.21%	5.67%	10.01%	N/A	N/A	14.98%	0.44%	11/03/08
Horizons 2030 Target Date Fund	12.33%	5.77%	10.15%	N/A	N/A	14.63%	0.44%	11/07/08
Horizons 2035 Target Date Fund	12.32%	5.78%	10.16%	N/A	N/A	15.11%	0.44%	11/07/08
Horizons 2040 Target Date Fund	12.30%	5.80%	10.19%	N/A	N/A	15.14%	0.44%	11/07/08
Horizons 2045 Target Date Fund	12.32%	5.79%	10.16%	N/A	N/A	14.65%	0.44%	11/07/08
Horizons 2050 Target Date Fund	N/A	N/A	N/A	N/A	N/A	0.83%	0.44%	08/02/10

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

Horizons Bond Fund <sup>5</sup>	6.60%	13.43%	16.23%	N/A	N/A	27.00%	0.34%	11/03/08
Horizons Balanced Fund	8.59%	3.54%	7.44%	N/A	N/A	14.47%	0.43%	11/03/08
Horizons Large Cap Equity Fund	11.32%	3.88%	10.08%	N/A	N/A	11.76%	0.02%	11/03/08
Horizons Non-U.S. Equity Fund <sup>6</sup>	16.29%	4.39%	6.97%	N/A	N/A	19.36%	0.47%	11/03/08
Horizons Mid Cap Equity Fund <sup>7</sup>	12.99%	10.91%	17.48%	N/A	N/A	23.33%	0.57%	11/03/08
Horizons Small Cap Equity Fund <sup>8</sup>	10.76%	7.23%	10.48%	N/A	N/A	8.05%	0.65%	11/03/08

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

	4th Qtr '10	3rd Qtr '10	2nd Qtr '10	1st Qtr '10	4th Qtr '09
Horizons Stable Income Fund <sup>3,9</sup>	3.22%	3.42%	3.30%	3.75%	3.75%
Bank Depository Fund <sup>3,9,10</sup>	0.29%	0.54%	0.29%	0.25%	0.29%

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 website 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 website 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.

### **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 website at [www.countyla.com](http://www.countyla.com).

### **3 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.

### **4 Important Information About the Target Date Funds**

The Target Date Funds will be rebalanced automatically each quarter so 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 2050 Target Date Funds will be adjusted to a more conservative asset allocation. When the Target Date Fund reaches its targeted year, 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.

**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 Equity securities** of medium-sized companies may be more volatile than securities of larger, more established companies.

**8 Equity securities** of small-sized companies 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) 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.

### **11 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.

**12 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.

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

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.**

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.

GWFS Equities, Inc. is not affiliated with TCW/Metropolitan West.

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