



Your **Horizons** Retirement Plan

Simplified

Protecting Your Information and Privacy



Did you know that in 2008 more than 10 million Americans experienced some form of identity theft—and that one in every 10 U.S. consumers has already been a victim?*

Identity theft is a serious crime that is on the rise, especially as more of us use the Web to manage our personal and financial lives.

The Web makes information easier to access, but it can also make it more vulnerable. At the County of Los Angeles, we're committed to protecting your personal and financial information, even as we strive to make it easier and more

convenient to access and manage your retirement account online. We're constantly evaluating what we can do to prevent any unauthorized access to your information.

This quarter's newsletter focuses on how we're protecting your information and privacy. Please take a few minutes to read about the steps the County of Los Angeles and Great-West Retirement Services® (Great-West) have taken to help ensure your information is kept secure and private.

Why the emphasis on security? We want you to be able to save and invest for a more comfortable retirement without constantly worrying about whether your most vital information is safe.

** Javelin Strategy and Research, 2009*
(<http://www.spendonlife.com/guide/identity-theft-statistics>)

Protecting Your Account Through Enhanced Authentication

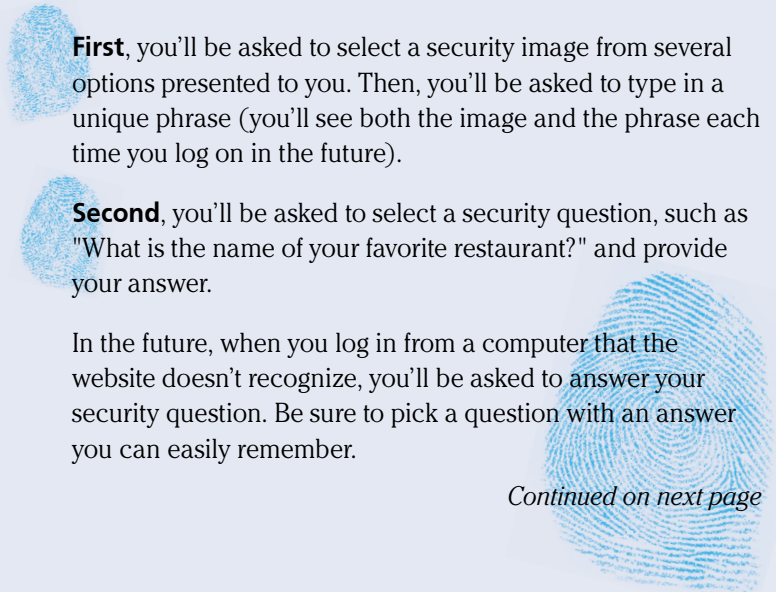
Beginning May 22, 2011, you'll see some changes to the www.countyla.com website when you log in to access your Horizons account. Enhanced Authentication uses two different methods to help protect your account information. These methods use information known only by you to help protect your account. That means you play an important role in setting up Enhanced Authentication on your Horizons account. The process is quick and simple, and your participation is required if you want to continue accessing your account information online.

First, you'll be asked to select a security image from several options presented to you. Then, you'll be asked to type in a unique phrase (you'll see both the image and the phrase each time you log on in the future).

Second, you'll be asked to select a security question, such as "What is the name of your favorite restaurant?" and provide your answer.

In the future, when you log in from a computer that the website doesn't recognize, you'll be asked to answer your security question. Be sure to pick a question with an answer you can easily remember.

Continued on next page



Protecting Your Account Through Enhanced Authentication *(continued)*

So just how does Enhanced Authentication help protect your Horizons account information?

- **It helps prevent others from logging in as you**
An attempted sign-on from an unrecognized location could be an indication of fraud. By asking you to verify your identity through a security question, we're confirming that you—not someone posing as you—are accessing your account. Even if someone has your username and PIN, the security question helps prevent them from logging in as you.

- **It lets you know that you're accessing the authentic County of Los Angeles website**
One way that identity thieves try to gain access to your personal information is to get you to enter that information on a fraudulent website that looks like a site you already use and trust (a tactic known as "phishing"). With Enhanced Authentication, you'll always know that you're accessing the authentic County of Los Angeles website, because you'll see your chosen security image and phrase when you log in.

Remember, setting up your security question and choosing your image/phrase is mandatory if you want to continue accessing your account online. By completing these few easy steps, you'll be adding an extra layer of security to your Horizons account. If you have questions about Enhanced Authentication, or if you need to change your security question, image or phrase, call the County of Los Angeles Service Center at (800) 947-0845.

KeyTalk® Enhancements Coming Soon

During the first quarter of 2011, KeyTalk will be enhanced with speech recognition capabilities. This means you can make your selection by "speaking" instead of using the touch-tone keypad. The option to use the touch-tone keypad will still be available. Along with this new functionality, other highlights include a new authentication alternative, where you choose how to verify yourself in the event you do not have a PIN[^] and the ability to request a statement or form. The enhancements will be implemented during first quarter (likely at the end of February 2011). The KeyTalk number for the Horizons Plan, (800) 947-0845¹², will remain the same.

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



Keeping Your Information Confidential and Secure

Social Security numbers are a prime target for identity thieves. That's why the County of Los Angeles and Great-West won't publish Social Security numbers in any correspondence related to your account. It's part of our ongoing effort to protect your personal and financial information. We prominently feature our Confidentiality Notice on the Web and KeyTalk to remind you of our commitment to keeping your information safe and secure. In addition, our call center representatives do not release information about your account without first screening the caller by asking security questions.

For tax year 2010, Great-West will participate in the IRS voluntary Tax Identification Number (TIN) masking program (IRS Notice 2009-93). Most tax forms issued for the 2010 tax year will only display the last four digits of the recipient's TIN.

The first five digits of the payee's TIN will be replaced with an "X" or an "*". Examples: XXX-XX-1234 or ***-**-1234.

Tips for protecting your identity and private information:

1. Never provide your personal information or password to unsolicited callers or Internet requests.
2. Review account statements regularly to ensure you recognize all account activity and charges, and contact the company right away if you see questionable activity.
3. If your identity or financial information has been compromised, report it to the authorities immediately.
4. Minimize the amount of personal and financial information you carry.
5. Keep your personal and financial information in a secure place at home.
6. Shred documents that you no longer need if they contain personal or private information.

Online File Cabinet®: A Secure, Greener, Quicker Way to Get Your Horizons Statements

In the recent Horizons survey, several of you made it clear that you wanted to see less paper in your mailbox and more information online. Others said that they wanted to get their quarterly statements sooner. What do these two items have in common? With Online File Cabinet, you can save a tree and save some time.

A Secure and Greener Way

When you sign up for Online File Cabinet through the Horizons website at www.countyla.com, your statements are delivered electronically as a PDF file, instead of a hard copy delivered to your home. You'll receive an e-mail notification each time a new statement is available to view at www.countyla.com—which can help reduce your risk of becoming a victim of mail fraud. With Enhanced Authentication, accessing your statements online has never been safer. Online File Cabinet stores your statements for two years. If you want to store statements beyond the two-year time frame, you can download them to archive on your home computer or burn them to a disc/CD. You can also print statements for your hard copy files.

A Quicker Way

Another reason to consider switching over to Online File Cabinet is that you can access your statement information a few days sooner than with hard copy statements. Online File Cabinet eliminates the extra time needed to print, package and mail the statement to your home. So not only is Online File Cabinet a greener and more convenient way to get your statement information, it's also quicker.

Remember, when you sign up for Online File Cabinet, you're opting out of the traditional hard copy statement. But if you like the convenience and environmental friendliness of electronically delivered statements, Online File Cabinet may be for you.

It's Easy to Sign Up for Online File Cabinet

- Log in to the website at www.countyla.com.
- Click on the Online File Cabinet tab.
- Select "Consent" and review the Online File Cabinet Agreement.
- Check the box for electronic delivery, provide your e-mail address, and click "Continue."

The Importance of Keeping Your Beneficiary Information Up-to-Date

The beneficiary information you provide identifies who will receive any remaining assets within your account. This is an important step to ensuring stability for your loved ones after your death. Designating a beneficiary is a simple and quick process that helps you prepare for life's uncertainties, while ensuring that your assets will pass on as you intended.

Make it easy for your loved ones and give yourself some peace of mind—make sure your Horizons beneficiary designation is up-to-date. You may name anyone as your beneficiary—however, your Horizons account is subject to California community property laws. This means that if you are married or in a domestic partner relationship that

is registered with the state of California and you name a primary beneficiary other than or in addition to your spouse or domestic partner, he or she must submit notarized written consent for your choice of beneficiary(ies). The consent will waive your spouse's or domestic partner's right to receive a full or partial distribution (as applicable) from your account upon your death. If you are not married or in a registered domestic partnership at the time you name a beneficiary but become married or enter into a registered domestic partnership in the future, your spouse or registered domestic partner will be automatically entitled to his or her interest in this account from the time of marriage or registration regardless of your beneficiary designation.

You may make, revoke or change a beneficiary designation only through a

written form. Contact the County of Los Angeles Service Center at (800) 947-0845 to request this form, or log in to the website at www.countyla.com, click on the "457 Horizons" tab, the "Forms" tab and then on the "Beneficiary Designation Form" link.

The most current signed and dated form on file will be considered your valid designation. You may also want to update your beneficiary designations in the event of a marriage, birth, death and/or divorce.

If you name your Trust as beneficiary, you must submit a copy of the Trust or a certificate of trust with your Beneficiary Designation Form in order for your designation to be considered valid (subject to spousal consent, if applicable). The Trust documents you submit must contain the name and date of the Trust, successor trustee information, and signatures of the trustors.

Coming Soon: A Horizons Investment Option that Helps Protect Your Retirement Savings from Inflation

After the market turmoil of the past few years, many people are looking for ways to protect the money they save for retirement. But investors who prefer safer investments still face a risk to their future retirement income: the threat of rising inflation.

Inflation can eat away at the purchasing power of the money you save for retirement. At 3% per year—the average rate of inflation since 1926—the purchasing power of \$1,000 could drop to \$543 over 20 years.* However, the returns from many low-risk investments are often lower than the rate of inflation. In other words, the cost of the things you buy can increase faster than the return on the money you save, making it harder to pay for the things you'll need in retirement.

To fight against inflation, the Plan Administrative Committee (PAC) incorporated a strategy that includes Treasury Inflation-Protected Securities (TIPS) within the Target Date Funds (TDFs). The interest earned and the principal value of a TIPS fund changes with the rate of inflation. So as inflation increases, the value of your investment will increase with it—helping you counter the negative impact of rising inflation on the money you're saving for retirement.

In the coming months, the PAC will be adding a stand-alone core investment option that is designed to reduce the impact of inflation for those participants who don't participate in the TDFs or are seeking additional inflation protection. The PAC is still working on the details of the new TIPS investment option. Future

editions of the Horizons newsletter will provide more information, including when you'll be able to add the TIPS investment option to your portfolio if you decide that it's right for you.

Remember, a well-diversified portfolio that includes stock funds, bond funds and cash equivalents can help you find the balance of risk and potential return that best matches your personal risk tolerance and investment goals. The addition of the TIPS investment option will broaden the range of investment choices available to you through the Horizons Plan. A Target Date Fund will be automatically adjusted over time, gradually shifting from stocks to bonds as you get closer to retirement to help ensure that your investments have a degree of asset allocation at various life stages to help you reach your retirement goals. The date in a Target Date Fund represents an approximate date when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date.

* Bureau of Labor Statistics (bls.gov)

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

2011 Annual Contribution Limits

The IRS has announced the 2011 Annual Contribution Limits for your Horizons Plan. The limits remain unchanged from 2010.

CONTRIBUTION LIMIT	\$16,500
AGE 50+ CATCH-UP	\$22,000
SPECIAL 457 CATCH-UP	\$33,000

If you are 50 or older, you may contribute toward either the Age 50+ Catch-Up or the Special 457 Catch-Up, but not both at the same time. If you are interested in participating in the Special 457 Catch-Up option, you must submit an application for pre-approval. Contact Great-West at (800) 947-0845 to get the process started.

County Match Reduction for Fiscal Years 2010-2011 and 2011-2012

You should have received a letter regarding the County match reduction for fiscal years 2010-2011 and 2011-2012. As a reminder:

- *Starting with your January 30, 2011, through July 15, 2011, paychecks, there will be no County match.*
- *Starting with your July 30, 2011, paycheck, there will be a reduced County match.*

- *Starting with your July 30, 2012, paycheck, the 4% County match will resume.*

If you have any questions, please contact the County of Los Angeles Service Center at (800) 947-0845.

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.com¹²

Phone: (800) 947-0845¹²



Investment Option Returns for the Period Ending December 31, 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
SIMPLIFIED INVESTMENT MENU^{1,2,3,4}								
Horizons Retirement Income Fund	3.65%	12.26%	12.26%	N/A	N/A	14.23%	0.63%	11/07/08
Horizons 2010 Target Date Fund	6.21%	12.52%	12.52%	N/A	N/A	13.62%	0.59%	11/03/08
Horizons 2015 Target Date Fund	7.34%	13.52%	13.52%	N/A	N/A	15.46%	0.47%	11/03/08
Horizons 2020 Target Date Fund	8.56%	14.62%	14.62%	N/A	N/A	16.95%	0.44%	11/03/08
Horizons 2025 Target Date Fund	9.60%	15.80%	15.80%	N/A	N/A	18.03%	0.44%	11/03/08
Horizons 2030 Target Date Fund	9.78%	16.12%	16.12%	N/A	N/A	17.81%	0.44%	11/07/08
Horizons 2035 Target Date Fund	9.78%	16.12%	16.12%	N/A	N/A	18.24%	0.44%	11/07/08
Horizons 2040 Target Date Fund	9.77%	16.14%	16.14%	N/A	N/A	18.26%	0.44%	11/07/08
Horizons 2045 Target Date Fund	9.78%	16.13%	16.13%	N/A	N/A	17.82%	0.44%	11/07/08
Horizons 2050 Target Date Fund	9.74%	N/A	N/A	N/A	N/A	13.32%	0.44%	08/02/10

ADVANCED INVESTMENT MENU^{1,2,3}

Horizons Bond Fund ⁵	-0.74%	12.58%	12.58%	N/A	N/A	23.12%	0.34%	11/03/08
Horizons Balanced Fund	8.32%	12.16%	12.16%	N/A	N/A	16.93%	0.43%	11/03/08
Horizons Large Cap Equity Fund	10.75%	15.04%	15.04%	N/A	N/A	15.65%	0.02%	11/03/08
Horizons Non-U.S. Equity Fund ⁶	7.88%	12.61%	12.61%	N/A	N/A	21.12%	0.46%	11/03/08
Horizons Mid Cap Equity Fund ⁷	13.47%	25.85%	25.85%	N/A	N/A	27.61%	0.56%	11/03/08
Horizons Small Cap Equity Fund ⁸	19.44%	28.08%	28.08%	N/A	N/A	16.24%	0.64%	11/03/08

FIXED INVESTMENT OPTIONS^{1,2}

ANNUALIZED CREDITING RATE					
	1st Qtr '11	4th Qtr '10	3rd Qtr '10	2nd Qtr '10	1st Qtr '10
Horizons Stable Income Fund ^{3,9}	3.29%	3.22%	3.42%	3.30%	3.75%
Bank Depository Fund ^{3,9,10}	0.30%	0.29%	0.54%	0.29%	0.25%

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 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. 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 website at 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.

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, Sascos 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.

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