



# County of Los Angeles Savings Plan

November 2010

## Updates on Your Savings Plan Investment Option Lineup

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

### Announcing the Savings 2050 Target Date Fund<sup>1</sup>

Good news for County employees who are just starting their careers: The PAC has added a Savings 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>2</sup> The principal value of the fund is not guaranteed at any time, including the target date. You can learn more about the Savings 2050 Target Date Fund by reading the Fund Data Sheet available on the Savings website at [www.countyla.com](http://www.countyla.com).<sup>3</sup>

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

If you've invested some or all of your contributions in the Savings 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 Savings Bond Fund<sup>4</sup>

Recently, the PAC hired TCW/Metropolitan West (MetWest) as an additional asset manager for the Savings 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 Savings Bond Fund. The change was made to achieve a more diversified approach to the fixed income portion of these Target Date Funds.<sup>2</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 Savings Plan.

<sup>1</sup> 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 Savings 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.

<sup>2</sup> Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.

<sup>3</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.

<sup>4</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.

## The 95% Rule: A Quick Explanation

If you're a Savings Plan 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 Savings 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

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## The 95% Rule (continued)

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>3</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 Savings account).

For more information on the 95% rule for the SDB, please refer to the SDB fact sheet located at **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.*

## Savings Plan Fee Correction

In the July 2010 newsletter, the third-party administrator annual fee was incorrectly stated. The correct amount should be \$48.31 annually.

Please refer to the table below for the correct fee schedule for the period July 1, 2010, through June 30, 2011.

Fee	Amount	Services Provided
Third-Party Administrator (TPA)	\$48.31 annually, or \$4.03 per month <sup>5</sup>	Record keeping, marketing, client services and other services provided by Great-West Retirement Services®
County	\$59.28 annually, or \$4.94 per month	County and contractor services

<sup>5</sup> The monthly amount was rounded upward.

### County of Los Angeles Service Center

**655 N. Central Ave., Suite 1520 | Glendale, CA 91203**  
**Office hours: 8:30 a.m. - 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>3</sup> | Phone: (800) 947-0845<sup>3</sup>**

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. TCW/Metropolitan West and Loomis Sayles are not affiliated with GWFS Equities, Inc. Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Great-West Retirement Services® is a registered service mark of Great-West Life & Annuity Insurance Company. All rights reserved. Not intended for plan sponsors whose situs is in New York. ©2010 Great-West Life & Annuity Insurance Company. Form# CB1004N-03 (11/10) PT114006

## Savings Plan Administrative Committee Members

Sid Kikkawa, *Chair*

Wendy L. Watanabe  
Mark J. Saladino

Lisa M. Garrett  
Andrea Ordin

## 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

**Harbor/UCLA Medical Center**  
1000 W. Carson St., Torrance  
Second Thursday of each month in elevator lobby

**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

**Kenneth Hahn Hall of Administration**  
500 W. Temple St., Los Angeles  
Third Thursday of each month, second floor lobby entrance from mall

**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