



Your Retirement
Simplified

401(k) SAVINGS

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Target Date Funds 101

It has been three years since the introduction of Target Date Funds to the Savings Plan. If you participated in the Plan in October 2008, you may remember that—unless you designated otherwise—your balance within the risk-based Pre-assembled Portfolios was “mapped” to a Target Date Fund that most closely matched the asset allocations of the portfolio you were invested in previously.

Now that Target Date Funds are fixtures in the portfolios of so many Savings Plan participants, the Plan Administrative Committee (PAC) thought it would be a good idea to review how Target Date Funds can simplify investing and answer some questions you may have about how the funds work.

What is a Target Date Fund?

Savings Plan Target Date Funds are pre-built, diversified portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. With Target Date Funds, investing is as easy as picking the year that most closely corresponds with your expected retirement date or the year you want to begin taking withdrawals (see this quarter's article “Piece Together Your Financial Future” later in this newsletter for more clarification). The funds with dates furthest in the future have the most aggressive fund allocation and invest primarily in stocks (also known as equities). After you select a fund, the transition from an aggressive to a more conservative allocation happens automatically over time.

Which Target Date Fund is right for me?

Because the original mapping process was based on matching the risk levels of the Pre-assembled Portfolios with those of the Target Date Funds, your previous investment fund selections may

not be the most appropriate ones for your anticipated retirement year. For example, a young investor with a very conservative portfolio in 2008 may have been mapped to a Target Date Fund more appropriate for someone with an anticipated retirement date just 10 years away. That investor may want to consider changing his/her investment to a Target Date Fund that more closely matches his/her planned retirement date.

What is the performance history of Target Date Funds?

Since the Savings Plan Target Date Funds are customized investment options created in 2008, performance track records were not available for review at that time. Now, however, you can review the investment track record for all of the funds for the past three years. See this quarter's *Cyber Smarts Web Tip* later in this newsletter for information on where to find the performance history and other facts about Target Date Funds on the Savings Plan website.

Should I invest in more than one Target Date Fund?

You only need to select one Target Date Fund to have a diversified portfolio with a professionally selected asset allocation. If you invest in more than one Target Date Fund, the result could be a mix of investments with a combination of risk and return potential that isn't recommended for someone with your anticipated retirement date.

If you currently have money in more than one Target Date Fund, or if the year you plan to retire or start taking money from the Savings Plan does not closely match the Target Date Fund you have, consider taking just a few minutes to consolidate monies and/or select a different Target Date Fund that corresponds to your retirement timeframe.

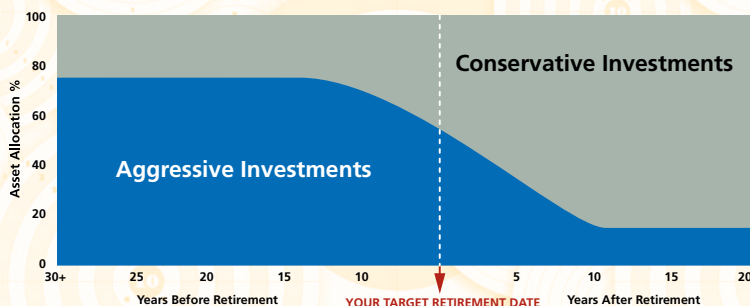
Continued on page 2

Ready to make the change? Follow these easy steps:

1. Log in to your Savings Plan account at www.countyla.com.*
2. Click on the Change Account tab at the top of the page.
3. Click on the Redirect Future Contributions link.
4. Direct 100% of your current allocation to one Target Date Fund of your choice and click Continue.
5. Reallocate your current account balance according to your selections by checking the "Reallocate Current Account Balance" box, and then click Continue.
6. You will then be prompted to review your request. If all of the information is correct, click Submit.

How and why does a Target Date Fund change over time?

This chart shows how a Savings Target Date Fund gradually shifts toward more conservative investments as it approaches its target date (your anticipated retirement year). When your retirement is many years or even decades in the future, the mix of investment options is likely to be more aggressive because you probably



FOR ILLUSTRATIVE PURPOSES ONLY. Generally, investments in more aggressive options have greater risk as well as greater return potential. Conversely, investments in more conservative options have lower risk as well as lower return potential.

* Access to the Los Angeles County Service Center and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

have time to weather the market's ups and downs, and the Target Date Fund has the potential to provide long-term growth. When your retirement is just around the corner, your investment lineup should probably consist of more conservative, fixed or income-based funds. That way, the risk of losing a substantial amount of your savings may be reduced. By investing in a Savings Plan Target Date Fund, adjustments are made for you automatically. Please note that the principal value of the funds is not guaranteed at any time, including the target date.

What happens when my fund reaches its target date?

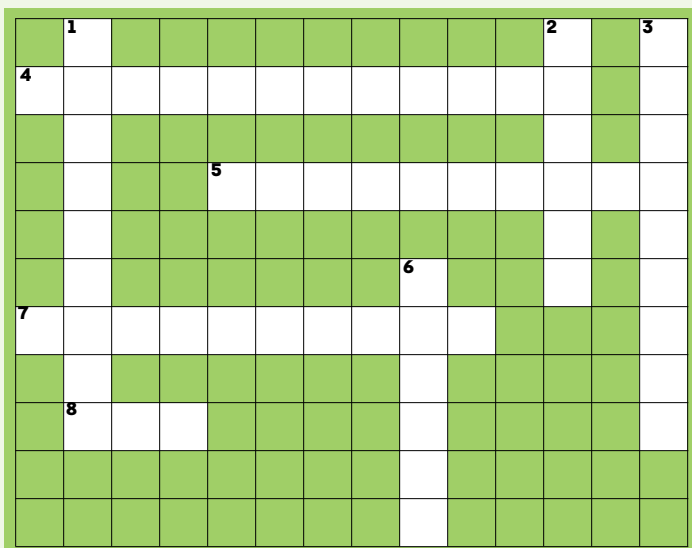
Your fund doesn't disappear when you reach the target date (which should be sometime around the year you retire or start taking money from the Savings Plan). For the ten years following the date named in the fund, the asset allocation continues to automatically move to a more conservative mix of investments. After ten years, the fund merges into the Savings Retirement Income Fund. The Savings Retirement Income Fund is focused more on income preservation rather than income generation.

What if I don't want to invest in a Target Date Fund?

If you're a confident investor who's comfortable researching and selecting your own investments and managing your account over time, you still have the flexibility to assemble your own portfolio from the asset class investment options available through the Savings Plan or the Self-Directed Brokerage Option available through Charles Schwab.

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. Read them carefully before investing.

Target Date Funds: Helping Solve Your Retirement Income Puzzle



Answers on page 4.

DOWN

1. With a single investment choice, Target Date Funds provide a diversified _____.
2. Your target date is the year you expect to _____.
3. Through a mix of investments, Target Date Funds help you _____.
6. To change your investments or increase your contribution rate, visit www._____.la.com and click on the Change Account tab.

ACROSS

4. Over time, Target Date Funds gradually become more _____.
5. For younger investors, the investment mix of Target Date Funds is more _____.
7. Professionally selected asset _____ is a key feature of Target Date Funds.
8. The number of Target Date Funds you should select is _____.

Cyber Smarts Web Tip:

Accessing Fund Information

You can find comprehensive information on all the investment options available in your Savings Plan—including Target Date Funds—anytime on the Savings Plan website.

- ☀ Log on to your Savings Plan account at www.countyla.com.
- ☀ Select "Fund Options" from the menu bar.
- ☀ Choose "Fund Data Sheets" for detailed information on a fund's objectives, holdings, assets, risk, and other characteristics.
- ☀ Choose "Fund Performance" to review a fund's returns over a specified timeframe.

Piece Together Your Financial Picture

- 1. Add your year of birth to the age you expect to be when you retire.** For example, if you were born in 1965 and you expect to retire at age 65, the year of your anticipated retirement is 2030, or 1965 + 65.
- 2. Choose the Target Date Fund with the number that most closely matches the result.** In our example, the investor would select the Savings 2030 Target Date Fund.

Target Date Funds are designed to make investing easy. Instead of researching and selecting multiple investments to build a diversified portfolio, you only need to select a single Target Date Fund. So which Target Date Fund should you choose?

Year of Birth	Target Date Fund
On or before 1943	= Income Fund
1943–1947	= 2010
1948–1952	= 2015
1953–1957	= 2020
1958–1962	= 2025
1963–1967	= 2030
1968–1972	= 2035
1973–1977	= 2040
1978–1982	= 2045
On or after 1983	= 2050

- 3. Consider increasing your contribution amount.** The evolving asset allocation and diversification that Target Date Funds provide are just part of a smart retirement planning strategy. To reach your retirement income goals, you may want to contribute more to build up your nest egg.

Coming Soon: Target Date Fund Enhancements

The PAC is continually evaluating ways to improve the Savings investment lineup, including the Savings Target Date Funds. Recently, the PAC identified the emerging market equity and emerging market debt asset classes as potential growth areas and has added investments for these asset classes to the Target Date Funds. This change also helps further diversify the investment mix within each fund. The recently added funds include:

- ☀ Emerging Markets Equity Fund managed by Dimensional Fund Advisors
- ☀ Emerging Market Debt Fund managed by Standish
- ☀ Inflation Protection Fund managed by State Street Global Advisors

Keep in mind that the Emerging Markets Equity and Emerging Market Debt Funds will not be offered as separate investment options. They are being added only as components of the Target Date Funds' investment mix.

The Savings Plan Annual Fund Data Booklet Goes Green

Since the PAC is committed to saving paper and the environment, we are offering the annual update of the fund data booklet online. The booklet contains overviews of each core investment and other information on the investments available in the Savings Plan.

We're making this change for two reasons: 1. To support the County's Go Green initiative; and 2. To reduce printing and mailing costs. In the recent Savings Plan survey, a majority of respondents said they'd prefer the convenience of accessing this information online versus a hard-copy mailing.

In late March, you may view the fund data booklet online by visiting the Savings Plan website at www.countyla.com. Click on the "Fund Options" tab and then on the "Fund Data Sheets" link. If you'd like to receive a hard-copy booklet, you can call the County of Los Angeles Service Center in late March at (800) 947-0845 to request one.



Joshua Tree National Park



Your Retirement
Simplified

COUNTY OF LOS ANGELES 401(K) SAVINGS PLAN

401(k) SAVINGS Investment Option Performance

Investment Option Returns
for the Period Ending
December 31, 2011

VARIABLE INVESTMENT OPTIONS AVERAGE ANNUAL RETURN

	Last 3 Months	Year to Date	1 YEAR	3 YEARS	5 YEARS	Since Inception	Total Fund Expense	Inception Date of Fund
TARGET DATE FUNDS^{1,2,3}								
Savings Retirement Income Fund	4.49%	2.59%	2.59%	13.00%	N/A	12.61%	0.64%	11/07/08
Savings 2010 Target Date Fund	5.93%	0.24%	0.24%	13.47%	N/A	12.66%	0.61%	11/03/08
Savings 2015 Target Date Fund	7.02%	-0.91%	-0.91%	13.58%	N/A	12.35%	0.60%	11/03/08
Savings 2020 Target Date Fund	7.75%	-1.96%	-1.96%	13.71%	N/A	12.22%	0.59%	11/03/08
Savings 2025 Target Date Fund	8.22%	-2.44%	-2.44%	13.58%	N/A	11.74%	0.58%	11/03/08
Savings 2030 Target Date Fund	8.49%	-2.40%	-2.40%	13.71%	N/A	11.87%	0.59%	11/07/08
Savings 2035 Target Date Fund	8.51%	-2.41%	-2.41%	13.91%	N/A	12.00%	0.59%	11/11/08
Savings 2040 Target Date Fund	8.52%	-2.40%	-2.40%	14.30%	N/A	11.88%	0.59%	11/11/08
Savings 2045 Target Date Fund	8.48%	-2.43%	-2.43%	14.16%	N/A	12.08%	0.59%	11/07/08
Savings 2050 Target Date Fund	8.37%	-2.41%	-2.41%	N/A	N/A	7.28%	0.59%	08/02/10

ASSET CLASS FUNDS^{1,2}

Savings Inflation Protection Fund	2.62%	N/A	N/A	N/A	N/A	7.29%	0.06%	05/02/11
Savings Bond Fund ⁴	1.68%	5.04%	5.04%	15.76%	N/A	17.17%	0.30%	11/03/08
Savings Balanced Fund	8.46%	-1.62%	-1.62%	12.35%	N/A	10.84%	0.43%	11/03/08
Savings Large Cap Equity Fund	11.05%	1.37%	1.37%	15.52%	N/A	12.54%	0.39%	11/03/08
Savings Non-U.S. Equity Fund ⁵	5.35%	-9.10%	-9.10%	10.31%	N/A	9.94%	0.60%	11/03/08
Savings Mid Cap Equity Fund ⁶	12.99%	-1.74%	-1.74%	18.90%	N/A	16.54%	0.06%	11/03/08
Savings Small Cap Equity Fund ⁷	15.30%	1.22%	1.22%	21.96%	N/A	18.14%	0.74%	11/03/08

FIXED INVESTMENT OPTIONS^{1,2}

ANNUALIZED CREDITING RATE

	1st Qtr '12	4th Qtr '11	3rd Qtr '11	2nd Qtr '11	1st Qtr '11	
Savings Stable Value Fund ⁸	3.00%	3.29%	3.50%	3.56%	3.51%	N/A
Bank Depository Fund ^{8,9}	0.52%	0.31%	0.20%	0.26%	0.25%	N/A

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. 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. 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.¹⁰ 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.

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 Savings Target Date Funds and the Savings 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 Savings Plan investment options are designed exclusively for the Savings 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 the Savings Plan assets are invested separately from other clients of the fund manager. Therefore, performance data is based only on Savings Plan assets. Registration with the Securities and Exchange Commission is not required for any of the Savings Plan 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 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. 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.

⁴ 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.

⁵ Foreign investments involve special risks, including currency fluctuations and political developments.

⁶ Medium-sized companies may suffer more significant losses, as well as realize more substantial growth, than larger capitalized, more established issuers.

⁷ Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies.

⁸ Fixed Investment Option Transfer Information

Transfers out of the Savings Stable Value Fund must be invested in either a target date fund or asset class fund for a minimum of 90 days prior to investing the transferred amount in the Bank Depository Fund. Transfers may not be made directly from the Savings Stable Value Fund to the Bank Depository Fund.

⁹ 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) up to \$250,000. The Bank Depository Fund is the only investment product in the Savings Plan that offers FDIC insurance on account balances. All other Savings Plan investment products offered are not FDIC-insured and may lose value.

¹⁰ Administrative Fees

The monthly Plan administrative fee will be \$3.66 and the County administrative fee will be \$4.94. The total annual administrative fee charged to you for fiscal year 2011-2012 will not exceed \$106.16.

The Savings Target Date Funds are invested in units/shares of the following underlying funds: Savings Bond Fund, Savings Large Cap Fund, Savings Non-U.S. Equity Fund, Savings Mid Cap Fund, Savings 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: Savings Inflation Protection Fund invests in units of SSgA U.S. Inflation Protected Bond Index Fund; Savings Bond Fund invests in units/shares of Loomis, Sayles & Company, L.P. Core Plus Full Discretion and TCW/Metropolitan West Core Bond Fund; Savings Balanced Fund invests in units/shares of Dodge & Cox Balanced Fund; Savings Large Cap Fund invests in units/shares of SSgA S&P 500 Index, TCW Concentrated Core Equities Fund, Sound Shore Value Fund, and Mainstay ICAP Equity I; Savings Non-U.S. Equity Fund invests in units/shares of MFS Intl International Equity Fund; Savings Mid Cap Fund invests in units/shares of SSgA Mid Cap Index; Savings Small Cap Fund invests in units/shares of ICM Small Company and T. Rowe Price New Horizon.

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.

Investment options have been selected by the Plan Administrative Committee. Core securities (except the Self-Directed Brokerage Account) 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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Los Angeles lifeguard boat on patrol

**Savings Plan Administrative
Committee Members**

Sid Kikkawa, *Chair*

Lisa M. Garrett

Mark J. Saladino

Andrea Ordin

Wendy L. Watanabe

**A Reminder about 2012
Savings Plan Contribution Limits**

CONTRIBUTION LIMIT (UNDER AGE 50)	\$17,000
AGE 50+ CATCH-UP	\$22,500

You've probably noticed how the articles in this newsletter encourage you to contribute more to your Savings Plan account to help you build up the nest egg you'll need in retirement. As much as we encourage you to contribute more for your future, the IRS does set annual limits

as to how much you can contribute each year (see chart for the 2012 limits). If you are age 50 or older, you may be automatically eligible to contribute up to the higher \$22,500 limit.

**Target Date Funds:
Helping Solve Your
Retirement Income Puzzle**

Answers
ACROSS: 4. conservative, 5. aggressive, 7. allocation, 8. one
DOWN: 1. portfolio, 2. retire, 3. diversify †, 6. county
† Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.

**Savings Plan
Loan Policy Update**

The Savings Plan loan policy has been updated with respect to paying off your existing loan(s). If you choose to pay off your Savings Plan loan with a personal check instead of a certified check or regular payroll deductions, distributions and loans cannot be made from your account for 15 calendar days after the payment has been made to allow time for your personal check to clear. This change was made to prevent additional distributions/loans from being made before payments were properly credited to participants' accounts. Loans that are paid off with a bank-issued cashier's check or bank-issued money order are not subject to the 15 calendar-day rule.

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
12400 Imperial Hwy., Norwalk
First Thursday of each month

HIGH DESERT HOSPITAL
44900 N. 60th Street, Lancaster
First Tuesday of the month in the cafeteria
If Tuesday falls on the first day of the month, customer service would be available the following Tuesday

ISD (NEW)
9150 East Imperial Hwy., Downey
First Wednesday of every odd-numbered month in the employee lunchroom, R34, second floor

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* Phone: (800) 947-0845*