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A Supplemental Retirement Program for
Los Angeles County Employees

O R I Z O N S



IMPORTANT INFORMATION INSIDE REGARDING YOUR HORIZONS PLAN

**NEW TRADE
RESTRICTIONS
EFFECTIVE
SEPTEMBER 1, 2004**

(See inside for details)

As a Horizons Plan participant, you are responsible for reviewing and understanding the prospectus and/or disclosure documents for any investment fund option in which you invest. It is also your responsibility to adhere to the trading policy and related restrictions set by the fund in the prospectus (as in effect from time to time). The PAC reserves the right to impose penalties for disruptive trading practices that are identified by the fund managers and communicated to the County, even if such practices may not be in strict violation of the program.

NEW HORIZONS TRADE RESTRICTION PROGRAM

The Horizons Plan Administrative Committee (PAC) has authorized the implementation of a Plan-wide Trade Restriction Program, effective September 1, 2004. The PAC has approved this new program to:

- Address complaints from fund managers about disruptive trading practices
- Ensure the PAC's ability to continue to select qualified investment options in the future
- Protect the viability of the remaining investment options.

Effective September 1, 2004, the new Horizons Trade Restriction Program replaces the 90-calendar-day restriction on International Funds.

The Horizons Trade Restriction Program (the Program) described in this brochure will apply to all Horizons investment options except the Stable Income Fund and the Bank Depository Fund. Most Horizons participants will not be affected by these new restrictions.

RESTRICTION ON TRANSFERS INTO INVESTMENT OPTIONS: "INVESTMENT PERIOD" RESTRICTION

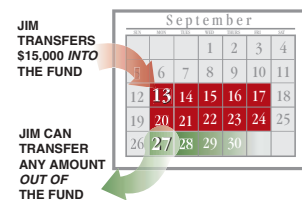
In order to address market timing, the PAC has imposed a 10-business-day investment period restriction.

If a participant transfers \$10,000 or more *into* an investment option on a single day through transfer or rebalance transactions, the assets must remain invested in that option for a minimum of 10 business days. The 10-business-day period is called the "investment period." Any attempt to transfer assets *out of* that option during the 10-business-day investment period will be considered market timing and a penalty will apply. (The penalties for violating the investment period restriction are described inside.) It is up to individual participants to adhere to this investment period restriction. Transfers placed in violation of this policy will still be processed, but participants who violate the policy will incur the penalties described inside.

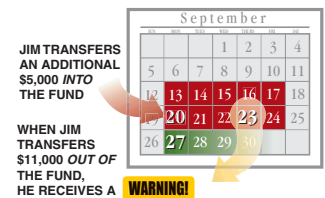
The last assets transferred into an investment option are the first transferred out ("last in are first out").

Here are some examples to illustrate how the investment period restriction works:

On Monday, September 13, 2004, Jim transfers \$15,000 from another Horizons investment option *into* the High Yield Fund. The earliest date that he can transfer any or all of those \$15,000 assets *out of* the High Yield Fund is September 27 — the first day after the \$15,000 transfer has been in the High Yield Fund for 10 business days. Any amount transferred *out* prior to September 27 would result in a market-timing violation and be subject to a penalty.



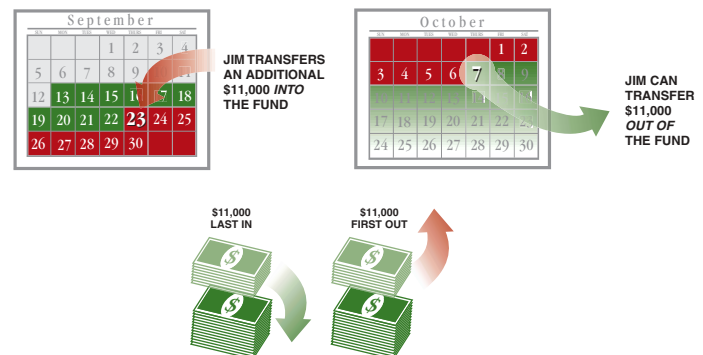
On September 20, Jim decides to transfer an additional \$5,000 *into* the High Yield Fund. This transfer in is not subject to the investment period restriction because it is below the \$10,000 threshold of the investment period restriction. Since this was the *last transfer in*, Jim may transfer *out* up to \$5,000 at anytime.



On September 23, Jim transfers \$11,000 *out of* the High Yield Fund, which is a restriction violation and subject to a penalty — this is because it is made up of the September 20 transfer (\$5,000) and a portion of the restricted September 13 transfer (\$6,000). Remember, the assets from the September 13 transfer are still under the investment period restriction until September 27.

If, on the other hand:

On September 23, Jim instead transfers an additional \$11,000 *into* the High Yield Fund. The earliest date that he can transfer any or all of those \$11,000 assets *out of* the High Yield Fund is October 7 — the first day after the \$11,000 transfer has been in the High Yield Fund for 10 business days. Since this is the *last transfer in*, any transfers *out* would be made up of these assets, so if Jim transferred any amount out of the High Yield Fund prior to October 7, it would be a restriction violation and subject to penalty. That is, even though Jim has unrestricted September 20 assets, he would need to transfer out the September 23 assets first.





PENALTIES FOR VIOLATING THE “INVESTMENT PERIOD” RESTRICTION

In order to address market timing among Horizons participants, the PAC has authorized the following penalties for those participants who violate the 10-business-day investment period restriction.

WARNING!

Upon the *first* violation of the 10-business-day investment period restriction, the participant will receive a “Warning Notice.” The notice will identify the violating transaction and describe the Horizons Trade Restriction Program. The participant will maintain “normal transaction” privileges; that is, the participant can still conduct transactions through the Web site, KeyTalk® Voice Response System, fax, and with a Participant Service Center Representative.

PENALTY!

Upon the *second* violation of the 10-business-day investment period restriction, the participant will receive a “Penalty.” Normal transaction privileges will be suspended for 180 calendar days. During the penalty period, the participant may execute transactions only through standard First Class U.S. Postal Service. At the end of the 180-calendar-day penalty period, the participant must submit a signed “Request for Transaction Access Reinstatement” (“Agreement”) in which the participant agrees to comply with the Program in exchange for having normal transaction privileges restored.

PENALTY!

If a participant subsequently breaches the Agreement, the PAC will, at its discretion, determine the new transaction privilege penalty to be imposed. This can range from another 180-calendar-day suspension up to and including the permanent suspension of normal transaction privileges for those who have been determined to have a history of market timing.

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A participant may appeal to the PAC. However, the *only* transactions exempt from the investment period restriction are those considered “non-transfer” transactions — for example, monthly payroll contributions, loans, hardship withdrawals, disbursements, and service credit purchases, as applicable.

RESTRICTION ON TRANSFERS OUT OF INVESTMENT OPTIONS: “ROUND-TRIP” RESTRICTION

In order to eliminate frequent transfers, the PAC has imposed a 30-calendar-day “round-trip” restriction.

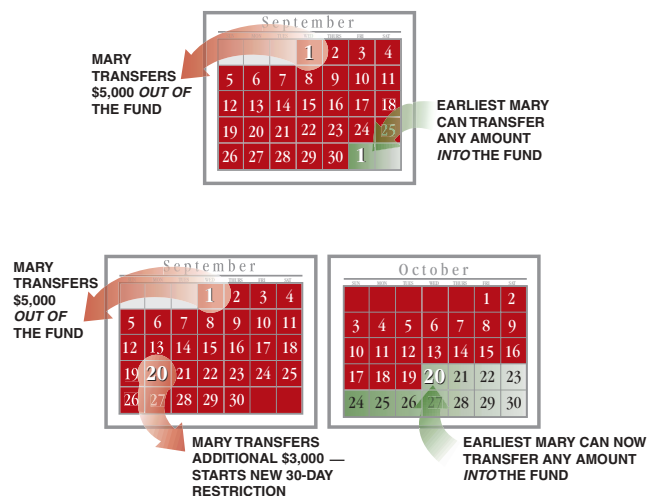
If a participant transfers assets *out of* an investment option, the participant cannot transfer assets *into* that investment option for 30 calendar days. The participant may continue to transfer out any assets that remain in that investment option. However, the 30-calendar-day restriction will begin anew each time assets are transferred out of the option. This restriction is automatically implemented on all participant accounts.

Effective September 1, 2004, the new Horizons Trade Restriction Program replaces the 90-calendar-day restriction on International Funds.

Here are some examples to illustrate how the round-trip restriction works:

On September 1, 2004, Mary transfers \$5,000 *out of* the Stock Index Fund into another Horizons investment option. Under the round-trip restriction, the earliest date Mary can transfer money *into* the Stock Index Fund is October 1, 2004 — 30 calendar days after she transferred assets *out of* the Stock Index Fund.

On September 20, 2004, Mary decides to transfer an additional \$3,000 *out of* the Stock Index Fund into another Horizons investment option. The round-trip restriction starts over again on September 20. Now, the earliest date Mary can transfer any money *into* the Stock Index Fund is October 20, 2004 — 30 calendar days after the latest date that Mary transferred assets *out of* the Stock Index Fund.

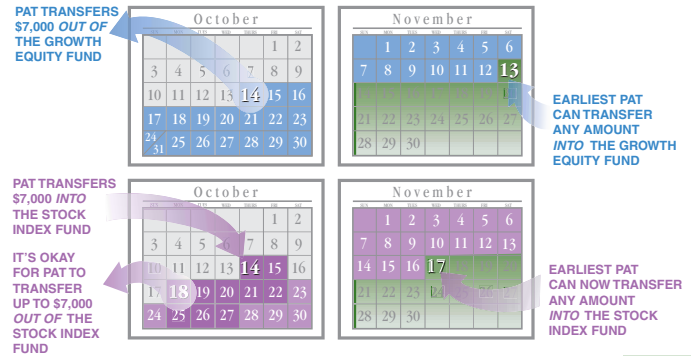


HOW THE TWO RESTRICTIONS WORK TOGETHER

When you transfer funds from one Horizons option to another, your transfer may be subject to one or both of the new trade restrictions depending on a number of factors, including the amount of the transfer and the amount of time since your last transfer into or out of the option.

Here are some additional examples that show how each restriction can affect your ability to transfer funds.

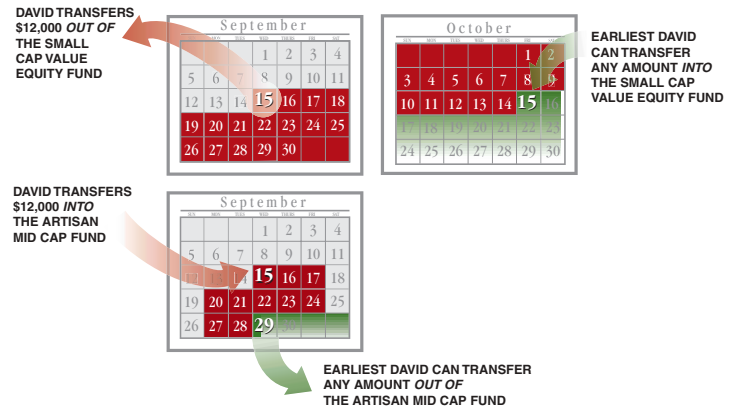
Pat transferred \$7,000 **out of** a Growth Equity Fund **into** the Stock Index Fund on October 14, 2004. The round-trip restriction requires that she must wait 30 calendar days before she can transfer any funds **into** that Growth Equity Fund. Four days later, on October 18, 2004 Pat transfers \$5,000 **out of** the Stock Index Fund into the High Yield Fund. This Stock Index Fund transfer is not in violation of the investment period restriction, even though Pat didn't wait 10 business days, because the amount Pat transferred into the Stock Index Fund is less than the \$10,000 threshold of the investment period restriction. However, since Pat transferred money **out of** the Stock Index Fund, she cannot transfer any amount **into** that fund for a period of 30 calendar days because the round-trip restriction would apply.



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In another example:

On September 15, 2004, David transfers \$12,000 **out of** the Small Cap Value Equity Fund and **into** the Artisan Mid Cap Fund. He must now wait 30 calendar days before he can transfer any funds **into** the Small Cap Value Equity Fund (the round-trip restriction). In addition, the investment period restriction requires that he wait 10 business days before he transfer any funds **out of** the Artisan Mid Cap Fund. David's one transfer affects his ability to transfer funds into and out of two Horizons options.



FOR MORE INFORMATION

For more information about the new Horizons Trade Restriction Program, visit the web site at www.countyla.com.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, please obtain the mutual fund prospectus and disclosure documents by calling the Horizons Participant Service Center at 1-800-947-0845 or by visiting the web site at www.countyla.com. Read the documents carefully before investing. Investment options have been selected by the Plan Administrative Committee. Securities are offered through GWFS Equities, Inc., a Great-West Company and NASD member firm.