

MoneyTalks

Wisconsin Deferred Compensation Program

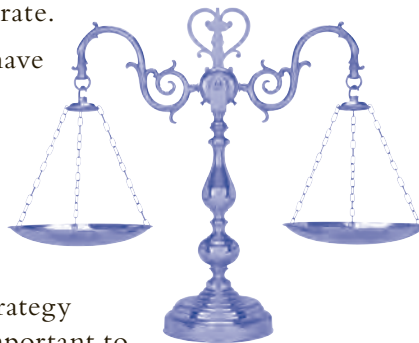
Bonds and Interest Rates



Bond funds can be a useful part of your asset allocation because they can balance more aggressive investments with ones providing potentially steady income. Conversely, they may also help more conservative portfolios stay ahead of inflation. However, while bond funds are typically less risky than stock funds (with the exception of high-yield bond funds), it is important to note that they are not risk free, particularly in an environment of rising interest rates.

Bonds and interest rates have an inverse relationship—when interest rates go up, bond values go down, and vice versa. Put simply, if an investor holds a bond paying 4% and interest rates rise to 5%, the value of that bond on the secondary market decreases. If interest rates go the opposite direction and decrease to 3%, that same bond could now be sold at a premium because it's paying more interest income than the market rate.

When interest rates change, long-term bonds have more drastic swings than shorter-term bonds due to their longer maturities. Investors may choose to hold long-term bond funds because they may provide higher potential returns than shorter-term bond funds while still maintaining the relative safety of a bond fund. While the more aggressive investment strategy could yield a greater investment return, it is important to note that longer-term bond funds also carry greater risks, such as interest rate risk.



Overall, bond funds may be less risky than regular bonds since the fund's underlying investments are spread out over many bonds. However, interest rates will still play a part in the fund's value.

For more information on the bond funds available in the WDC, visit www.wdc457.org and click on the *Investment* tab at the top of the page. ■

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*FDIC Insured Bank Option:
M&I Bank has declared
an annualized interest rate
of 0.42% for the fourth
quarter 2010.*



2010 Survey Results Summary

The WDC participant survey results suggest that, overall, you are pleased with the WDC and the services offered. Following are highlights about the survey. Thank you for your participation!

Quick Stats

- 3,712 total responses
- 7.4% response rate*

* Based on 50,388 participants in the WDC as of August 31, 2010.

Positive

- Nearly 80% of respondents are satisfied/very satisfied with the number of investments available.
- Three out of four are satisfied/very satisfied with the services and features in the WDC.
- About 65% would recommend the WDC to a friend.
- The majority (1,773) prefer to receive information about the WDC and account managing through quarterly statements.
- Approximately 45% said the WDC provides participants with the information needed to make investment decisions/retirement planning decisions.

Areas of Opportunity

- More than 50% of the respondents have never attended a WDC seminar.
- Over half are unfamiliar with the investment advice services offered through the WDC.

Web services

- Roughly 35% are unaware of the Virtual Classroom feature on the WDC website.
- Three out of five are unfamiliar with the Rebalancer tool.
- 90% are unfamiliar with DreamTrackerSM.

We're Listening

Throughout 2011 the WDC will step up efforts to increase participant use of the WDC's outstanding online educational tools, including the Virtual Classroom, Rebalancer, DreamTracker, and investment advice services. Plans are also underway to ensure that retired participants are fully aware and taking advantage of all the services available to them. ■



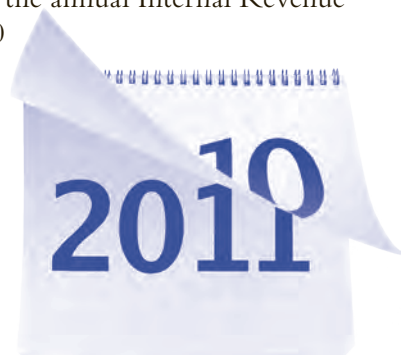
Phone System Enhancements Coming Soon

During the first quarter of 2011, the WDC's Interactive Voice Response (IVR) telephone system, known as KeyTalk[®], will have enhanced speech recognition capabilities. Along with this new capability, the system will offer easier access to your Personal Identification Number (PIN)¹. You will also be able to easily request a statement or form through the new system. The enhancements will be gradually phased in beginning in February and completed by the end of March. The toll-free telephone number for the WDC will remain the same: (877) 457-9327. ■

1 Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

2011 Contribution Limits

Contribution limits will remain the same for 2011. You can contribute a maximum of 100% of your includible compensation, not to exceed the annual Internal Revenue Service legal limit of \$16,500 in 2011. Individuals who are age 50 or older during the 2011 calendar year may contribute an additional \$5,500. If you are within three years of your normal retirement age², you may use the Standard Catch-Up provision that allows you to save an additional \$16,500 in 2011. This amounts to a total possible contribution of \$33,000. Note: The Age 50+ Catch-Up provision and the Standard Catch-Up provision cannot be used in the same calendar year. ■



2 Normal retirement age is 65 unless otherwise specified by your employer or unless you are categorized as a protective employee. Please contact the WDC if you have any questions regarding normal retirement age.

WDC Plan and Trust Document Changes Approved: Roth 457 Option Coming Soon

The Deferred Compensation Board approved changes to the WDC Plan and Trust Document authorizing participants to designate deferrals to the WDC as Roth contributions at its meeting in November 2010. As a result, in July 2011 the WDC will offer another option to invest your money—the Roth 457.

What is the Roth 457 option?

The Roth 457 option allows you to make contributions to your WDC account with after-tax dollars. This means that any Roth money, including contributions and potential earnings, will grow in your account tax free. In addition, because you are contributing after-tax dollars, all qualified distributions are entirely income tax- and penalty-free.

When can I receive a tax-free distribution of Roth money from my WDC 457 account?

Roth 457 money may be withdrawn tax free if you are entitled to a qualified distribution. Here is a description of a qualified distribution for Roth contributions and earnings in a 457 account:

Five years of contributing to the Roth account + one of the following:

- Attainment of age 59½ and separation of service from a participating employer,
- death, or
- permanent disability.

If you do not qualify for a tax-free distribution, Roth money may be taxed as ordinary income when you take a distribution.

Please watch future *MoneyTalks* newsletters for more details on the Roth 457 option. To review a copy of the WDC Plan and Trust document, please visit the WDC website. ■

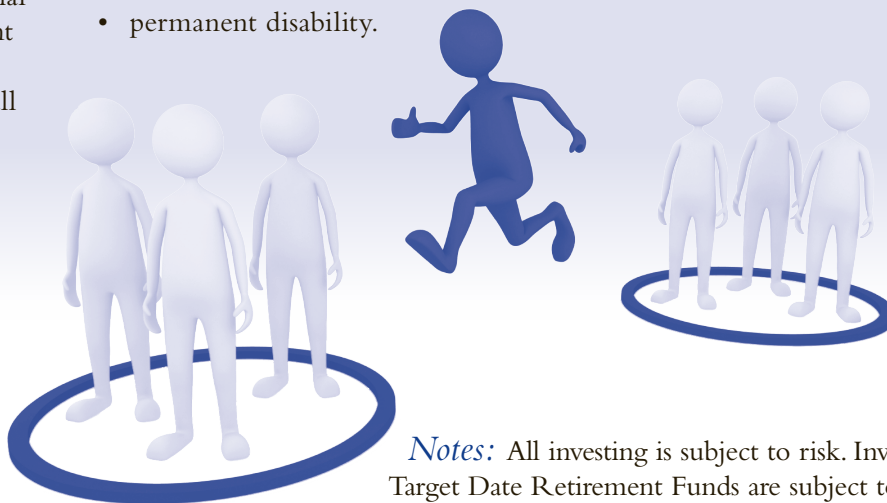
Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

Vanguard Simplifies

Vanguard plans to simplify the construction of its Target Date Retirement Funds by replacing the three underlying international funds with a single, broad international stock index fund. Vanguard will also increase the overall international stock exposure of these funds.

In the coming months, assets in the funds' current international funds—Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund—will be moved to the Vanguard Total International Stock Index Fund. The use of the Vanguard Total International Stock Index Fund will offer better representation of the international equity markets.

Vanguard also plans to increase the international stock exposure of the Vanguard Target Date Retirement Funds from approximately 20% to about 30% of the stock allocation. The exposure to U.S. stocks in these funds will be reduced, so that the overall allocation of stocks and bonds will remain the same.



Notes: All investing is subject to risk. Investments in Target Date Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Date Retirement Fund is not guaranteed at any time, including on or after the target date.

Investments in bond funds are subject to interest rate, credit, and inflation risk. Foreign investing involves additional risks including currency fluctuations and political uncertainty.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from your registered representative. Read them carefully before investing. ■

Financial Literacy Grant Project

The Social Security Administration recently awarded a joint grant to the Department of Employee Trust Funds and the University of Wisconsin-Madison Center for Financial Security. The grant will fund a study of working women's patterns of saving and investment choices, specifically evaluating how best to encourage women to increase their retirement savings.

Why study working women?

Women as a group save less money for retirement than men, due in part to a history of shorter work careers, lower earnings and more conservative investment choices. Among WDC participants, the average account balance among women is \$15,000 less than among men.

Combined with expected longer life spans and growing rates of divorce after long marriages, lower retirement savings leave women vulnerable to living at or near poverty levels in retirement.

The project scope includes data analyses, a literature review, focus group sessions and a survey. It will commence in January and is set for completion by September. Please consider participating in a survey or focus group if you are contacted by the UW Center for Financial Security. The project will provide a better understanding of WDC participants' saving and investment choices, and will be used by the WDC to help women increase their retirement savings through the WDC. ■

2011 STOCK MARKET HOLIDAYS

All Major U.S. Stock Exchanges	Date
New Year's Day	Falls on Saturday, so it has no effect on market schedule
Martin Luther King, Jr. Day	January 17, 2011
Washington's Birthday (Presidents' Day)	February 21, 2011
Good Friday	April 22, 2011
Memorial Day	May 30, 2011
Independence Day	July 4, 2011
Labor Day	September 5, 2011
Thanksgiving Day*	November 24, 2011
Christmas Day	December 26, 2011 (observed)

* The NYSE and NASDAQ will close trading early (12:00 p.m. CT) on Friday, November 25, 2011 (the day after Thanksgiving).

WDC Program Contact Information

Phone Number:
(877) 457-WDCP (9327)

Call Center Hours:
7:00 a.m. – 7:00 p.m.
Monday – Friday

WDC Program Office Address:
5325 Wall Street, Suite 2755
Madison, WI 53718

WDC Program Office Hours:
8:00 a.m. – 4:30 p.m.
Monday – Friday

WDC Program Website:
www.wdc457.org

WDC Program E-mail:
wdcprogram@gwrs.com

Please note: This newsletter does not constitute investment or financial advice.

Core securities (except those offered through the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Investment options offered through a combination of mutual funds, collective trust funds, a stable value fund and a bank option. KeyTalk® is a registered trademark and DreamTrackerSM is a service mark of Great-West Life & Annuity Insurance Company. Not intended for Plan Sponsors whose situs is in New York. ©2010 Great-West Life & Annuity Insurance Company. All rights reserved. CB1080N (1/2011) PT118103