

SFDCP Transition Bulletin

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SAN FRANCISCO RETIREMENT BOARD

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Dear SFDCP Participant,

The City and County of San Francisco Retirement Board is pleased to announce the selection of Great-West Retirement Services® (Great-West) as the new provider of administrative, recordkeeping, communication and investment education services for the City and County of San Francisco Deferred Compensation Plan (SFDCP). The transition of participant accounts from ING to Great-West is scheduled for January 30, 2009.

This bulletin will serve as your guide to the new enhancements coming to the SFDCP. It contains important information regarding transition dates, as well as a listing of group informational meetings scheduled at locations across the City and County.

Why We're Changing Service Providers

As part of our commitment to provide participants with a high-quality retirement savings plan, an extensive selection process was conducted by the City and County of San Francisco Employees' Retirement System and its consultant. After evaluating several service providers, the Retirement Board selected Great-West based upon its lower fees, enhanced education tools, online services and the local, dedicated education and service representatives.

While the SFDCP is transitioning to a new service provider, it is important to note that your investment options are not changing—though some of the current funds will be offered at a lower cost share class.

You are encouraged to attend a group informational meeting at a location near you to learn more about the changes coming to the SFDCP. Meetings will take place at locations across the City and County during the month of January. No registration is required, so you may attend a meeting at your convenience. Please bring this Transition Bulletin or city identification with you to the meeting of your choice. A meeting schedule is enclosed with this bulletin

Sincerely,
The City and County of San Francisco Employees' Retirement System

An Introduction to Great-West

Great-West is a leading provider of governmental employer-sponsored retirement programs that focuses on providing high-quality retirement plan services to employers and their employees. It is headquartered in Colorado, with a fully staffed customer support call center and 10 dedicated, full-time, local representatives who serve the SFDCP.

New Features and Benefits

After the transition is complete, you can look forward to the following:

Improved Technology Services

A range of improved services will make it easier for you to manage your account and obtain SFDCP and investment information. A useful, interactive Web site designed exclusively for SFDCP participants at www.sfdcp.org and an interactive telephone account management system, KeyTalk® at **(888) SFDCP4U** (888-733-2748), will make it easier to keep an eye on your account and make transactions at any time you choose, 24 hours a day, seven days a week.¹

Some of your improved technology services will allow a simple and paperless solution to managing your account. The new paperless solutions will include:

- **Beneficiary Recordkeeping**—With this feature, you can update your beneficiary information as necessary on the Web site.
- **Statements on Demand**—Access your account data, including transaction history, for a specified time period on the Web site.
- **Online File Cabinet**®—If you prefer, you may access your quarterly statements online rather than receive them in the mail. Online File Cabinet, which is a feature of www.sfdcp.org, will store your statements so you can access, view and print them at any time, at your convenience. You may also download and save these documents to your computer's hard drive.

Enhanced Communication Program

An enhanced communication and education program designed specifically for the SFDCP will help you understand and take full advantage of the opportunities offered by the Plan. Innovative, educational seminars will be offered to cover such topics as the Plan's features and benefits, investment fundamentals, asset allocation strategies and other financial topics.

On-Site Education, Enrollment and Retirement Planning Counseling Services

During the transition, a team of Great-West field representatives will conduct group informational meetings and will be available to answer any additional questions you may have about the SFDCP transition. After the transition is complete, you will have access to representatives dedicated full time to the SFDCP. In addition, you can speak with a customer service representative who can answer your questions by calling KeyTalk at **(888) SFDCP4U** Monday through Friday, from 6:00 a.m. to 5:00 p.m. Pacific Time.

Improved Tools and Advice

You will have access to financial tools and calculators immediately following the Plan's transition to Great-West. The Portfolio Expense Calculator, Paycheck Comparison, DreamTrackerSM and College Planner will all be available to help guide you through retirement planning and savings decisions. You can also research investment options and access an array of information online, including investment performance, fund fact sheets and prospectuses. At a later date, the SFDCP will be making a significant enhancement to investment advice services.

Investment Options

With the help of an independent financial consultant not affiliated with Great-West, the SFDCP has elected to retain the same investment options and the Self-Directed Brokerage account. However, it is important to note the following changes.

1. New Underlying Funds

The following investment options will have new underlying funds:

Investment Option Name	Current Underlying Fund	New Underlying Fund
SFDCP Large Cap Core Equity—Active Portfolio	Fidelity VIP ContraFund—Initial Class	Fidelity ContraFund
SFDCP Large Cap Growth Equity Portfolio	50% ING T. Rowe Price Growth Equity—Initial Class	50% T. Rowe Price Growth Stock ²
	50% American Funds Growth Fund of America—R4	50% American Funds Growth Fund of America—R5 ²
SFDCP Mid Cap Value Equity Portfolio ³	RiverSource Mid Cap Value—R4	RiverSource Mid Cap Value—R5
SFDCP Small Cap Growth Equity Portfolio ⁴	Vanguard VIF Small Company Growth	Vanguard Explorer Fund—Admiral
SFDCP Small Cap Core Equity Portfolio ⁴	50% Vanguard VIF Small Company Growth	50% Vanguard Explorer Fund—Admiral
	50% TARGET Small-Cap Value Portfolio	50% TARGET Small-Cap Value Portfolio (No change)
SFDCP International Equity Portfolio ⁵	American Funds EuroPacific Growth—R4	American Funds EuroPacific Growth—R5

2. New Stable Value Option

After the transition, the SFDCP will offer a new SFDCP Stable Value Portfolio. The new SFDCP Stable Value Portfolio is a separate portfolio that over time will invest only in securities issued by the U.S. government or one of its agencies. The interest rate changes quarterly and applies to all funds on deposit in this option. Quarterly rate changes will usually be small, but the rate can vary every three months. However, the rate is determined and guaranteed in advance of each calendar quarter, so you know exactly what your earnings will be each quarter. The SFDCP Stable Value Portfolio is part of a managed separate account contract issued by Great-West Life & Annuity Insurance Company.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact TD AMERITRADE, Inc. at (866) 766-4015. Read them carefully before investing.

Important Dates and Key Changes⁶

January, 2009— Group Meetings

Group informational meetings to discuss the SFDCP enhancements and transition activities will be held throughout the City and County.

No registration is required, so you and a guest may attend any meeting at your convenience. However, please bring this Transition Bulletin or city identification with you for admittance to the meeting of your choice. A meeting schedule is enclosed with this guide.

January 20, 2009

This is the last day ING will process your payroll contributions.

January 26, 2009— Quiet Period Begins

This will be the last day to make any fund transfers or account changes with ING. Between 1:00 p.m. Pacific Time on January 26, 2009, and February 11, 2009, no transactions can be made, including investment option transfers, withdrawals and unforeseeable emergency withdrawals.

Whether or not you plan to retire in the near future, you are encouraged to carefully consider how the quiet period may affect your retirement planning, as well as your overall financial plan.

Because you will be unable to direct or diversify the assets held in your Plan account during the quiet period, it is very important that you:

- Review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during this period.

- Give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments.

To determine whether the quiet period has started or ended during the transition, you can call **(888) SFDCP4U** (888-733-2748) or log on to www.sfdcp.org.

January 29, 2009— Transition Date

This is the last day that ING will record your account activity. All assets will be transferred to Great-West, and it will begin recording your account activity.

Week of February 2, 2009— Your New Personal Identification Number (PIN) Mails

A letter will be mailed with your new PIN⁷ and the current investment allocations for your payroll deferrals. These allocations will be based on the final allocation information received from ING.

February 3, 2009— Payroll Contributions

This is the first day that Great-West will begin receiving and recordkeeping your payroll contributions for deposit into your SFDCP account.

Continued ...

Important Dates and Key Changes⁶ *(continued)*

February 11, 2009—

All Account Activities Open

The SFDCP will reopen for all account activities. All existing account balances will be verified and reconciled. The Web site and KeyTalk will be fully operational for all transactions.¹ If you have questions regarding transactions that took place prior to January 29, 2009, while ING was the recordkeeper, you may contact ING at (800) 584-6001.

You will need your Social Security number (SSN) and PIN to access www.sfdcp.org and KeyTalk at **(888) SFDCP4U**. Upon initial login to www.sfdcp.org, please enter your SSN in the Username field. For security purposes, you will then be asked to create a personalized Username.

Mid to Late April 2009—

First Quarter Statement Mailings

You will receive your last statement from ING, showing your account activity through January 29, 2009. Your final ING statements will show a zero balance, with your accounts transferred to Great-West as the new service provider.

Around this same time, you will receive your first quarterly account statement from Great-West with an accurate account balance at March 31, 2009, as well as any activity from January 29, 2009, through March 31, 2009.

Manage your account 24 hours a day, seven days a week
by visiting the Web site at

www.sfdcp.org

or calling KeyTalk® at

(888) SFDCP4U (888-733-2748)¹

- 1 Access to KeyTalk® and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or KeyTalk 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.
- 2 These sub-funds are not available as separate investment options under the Plan.
- 3 Medium-sized companies may suffer more significant losses, as well as realize more substantial growth, than larger capitalized, more established issuers.
- 4 Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies.
- 5 Foreign investments involve special risks, including currency fluctuations and political developments.
- 6 These dates are subject to change based on the ability of ING and Great-West Retirement Services to meet the associated deadlines and the successful transfer of data and assets by ING to Great-West Retirement Services.
- 7 The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

Core securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. ING and Great-West Retirement Services are separate and unaffiliated. Investment options offered through a combination of separately managed accounts and a group fixed and variable deferred annuity issued by Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution and administrative services.

Your Plan may utilize one or more of the following annuity policy form numbers: GDC 177, GTSA 179, GTSA 279, GDCA 180, GDCA 184, GTSMF 1-84, GDCMF 1-84, GTSA 184, GATSA 184, GATSMF 184, QGAC 985, QGAC-CDSC 685, QGP 685, QGAC 1289, QGAC 1089, QGAC 490 FFSII, GDCMF 190, GDC 990 FFSII, GTDAMF 92 ER, GTDAMF 92 VOL, GTDAGF 92 VOL, GTDAGF 92 ER, QGAC 1-94, STAC 1-95, GFF 1-97, GPF 1-00, GFAC 1-02, GFVAC 1-02, GFAC 1-05, GFVAC 1-05.

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