

October 2010

ERS REMOVES STABLE VALUE FUND IN TEXA\$AVER PROGRAM

During the first week of October, ERS removed the Stable Value Fund (TXSSVF) from the TexaSaver Program. Accounts with remaining balances in the Stable Value Fund were transferred to the Wells Fargo Advantage Dow Jones Target Today Fund (WOTDX). If you had a balance in the Stable Value Fund, you will see this transfer on your fourth quarter statement.

The Stable Value Fund has been closed to new contributions and balance transfers since December 4, 2009. Participants were encouraged, but not required, to move balances into other investment products.

Due to this change, there was a brief blackout period after market close on October 7, 2010 until 12:00 p.m. CT on Friday, October 8, 2010 for the Stable Value Fund only. During this blackout period, participants were not able to transfer funds out of the Stable Value Fund.

The Wells Fargo Advantage Dow Jones Target Today Fund is designed for people who are close to retirement, already retired, or are conservative investors who want to invest in one fund. The principal value of the fund is not guaranteed at any time.

For more information, please contact TexaSaver at (800) 634-5091 or see our Frequently Asked Questions document in the Investments section of texasaver.com.¹

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses and disclosure documents from your registered representative, or prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact Charles Schwab at (888) 393-7272. Read them carefully before investing.

National Save for Retirement Week is October 18-22. What better way to celebrate than to make one or more of the following changes?¹

- 6 Attend a group meeting in your area. Visit www.texasaver.com for a meeting schedule.
- 5 Make sure your beneficiary is up-to-date. You can get a form on the website or call **(800) 634-5091**.¹
- 4 Make sure your investments are in line with your goals.
- 3 Suggest to a friend to enroll in the TexaSaver 401(k) and 457 Plans.
- 2 Rebalance your account.² It's easy. Just log in, click on "Change Account," then "Rebalancer."
- 1 Increase your contribution. After you log in, go to "Change Account" and click on "Deferral Update."

TOP 6 WAYS TO CELEBRATE NATIONAL SAVE FOR RETIREMENT WEEK

HEADS-UP ON RISK

Keep your 401(k)/457 growing

As an investor, you have probably encountered three types of risk:

◇ market ◇ interest rates ◇ inflation

HOW CAN YOU MINIMIZE THE IMPACT ON YOUR TEXASAVER ACCOUNT?

Market risk: Diversify³

You're probably most familiar with this risk. Many investments can lose value when the market declines. By owning a mixture of stock and bond funds, and a cash investment such as a money market fund*, you may increase your chance of having at least one investment perform well when others don't.

Interest-rate risk: Include bonds

Bonds are vulnerable to interest rate risk. Generally, when interest rates rise, bond prices fall. Your best defense

NEW WEB TOOL

Have you taken the risk quiz on texasaver.com?¹ The quiz can help you see what kind of investor you are.

Take the quiz today to learn how to improve your investing game plan.

against interest rate risk is a combination of stock, bond and money market funds in your investment mix.

Inflation risk: Minimize cash

Over time, money market funds can lose purchasing power. The likelihood that your money won't keep up with the price of goods and services is called inflation risk. For a while now, inflation has been at its lowest level in decades. But that may not last. You should consider keeping only assets you'll need within a couple of years in a cash investment such as a money market fund.

**An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.*



MASTER YOUR MIX

Review your asset allocation

Does your investment strategy still fit your retirement savings goals?

Review the way your assets are divided between stocks, bonds and cash equivalents in your TexaSaver account.

Let's say you have \$10,000. If you have \$5,000 in stock funds, \$4,000 in bond funds and \$1,000 in a money market fund*, your asset allocation is 50%/40%/10%.

FOR ILLUSTRATIVE PURPOSES ONLY. Asset allocation and rebalancing can help you achieve diversification in your TexaSaver account, but they do not ensure a profit or protect against loss in declining markets.

Does your mix fit your needs?

Consider your life expectancy. Keep in mind that you may live 20 to 30 years after you retire. Also consider how comfortable you are with riskier investments.

Make a change

If you have 10 to 15 years before retirement, and you want to benefit from the long-term growth potential of stocks, you might decide that a 75% stocks/20% bonds/5% money market

allocation is better for you. To do that, you could shift 5% of your cash and 20% of your bonds to stocks. Then boost your stocks by 25%. That would make your new contributions 75%/20%/5%. Every year, you can shift back to your initial target if the market movements change your investment allocation. You can do this online at texasaver.com. Click on "Change Account," then "Fund Transfers." You can also call **(800) 634-5091** for help.¹

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.

¹ Access to the voice response system and the 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 KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern 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 Rebalancing does not ensure a profit and does not protect against loss in declining markets.

³ Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.

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

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. Not intended for plan sponsors whose situs is in New York. ©2010 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1110N (10/10) PT111905