



Your **Horizons** Retirement Plan

Simplified

Managing Your Retirement Portfolio

This quarter's newsletter is dedicated to educating you about managing your retirement portfolio. The composition of your retirement portfolio is unique to you and should be developed to meet your specific retirement needs and expectations. Your portfolio could simply be composed of your LACERA pension and Horizons account or you could have other retirement assets outside of the County, such as Social Security*, another employer's pension or 401(k)/457 plan, Individual Retirement Accounts (IRAs), personal brokerage accounts (stock investments), etc.

When you are making investment decisions, be sure to think about how your investments will fit into your overall portfolio investment strategy. Following are a few points that you may want to consider when managing your retirement portfolio.

- Are your investments diversified across all of your accounts?
- Do your investments consist of the lowest cost options with the best potential among the comparable investment options in all of your retirement accounts?
- Does your portfolio include the retirement accounts of your spouse/domestic partner?

Great-West Retirement Services® representatives are available to discuss the issues you should consider when managing a retirement portfolio composed of multiple retirement accounts. Contacting a Plan representative is as easy as calling the County of Los Angeles Service Center at (800) 947-0845.

** The County of Los Angeles does not participate in Social Security; instead, County employees participate in LACERA. If you are eligible for Social Security benefits because you worked for another employer, the amount of Social Security benefits you actually receive may be affected by your LACERA pension. For more information about this "Windfall Elimination Provision," please call LACERA at (800) 786-6464.*

Looking for Financial Advice?

There are many "advisers" out there ready to "manage" your money, usually at your expense. You have spent a career accumulating your retirement nest egg and you should take every precaution to protect it. If you feel you need professional financial advice, do your research on the professional organizations that are out there and the various credentials that many financial advisers tout. For the majority of folks, a one-time portfolio review with a financial adviser who is paid a flat, one-time

fee should get you on the right track. However, your individual circumstances may call for additional portfolio reviews, especially following major life events (e.g. birth of child, death of relative, marriage).

Before you take any action with your Horizons assets, be sure to consult with a Great-West Retirement Services representative to make sure you fully understand the benefits offered through Horizons. Great-West Retirement Services representatives will provide

unbiased information. However, their services are limited to education and information, and they cannot offer financial, legal or tax advice.

Another resource for retirement financial planning is the AARP Web site at http://www.aarp.org/money/financial_planning/.[‡]

‡ Great-West Retirement Services is not responsible for and does not endorse the content contained in the additional Web sites provided. These Web sites are for general education and information only and are provided as a benefit to the users of the site.









Best in Class (For the Advanced Investor)

Whether your portfolio consists of one or more retirement plans, the investment option selections you make in each asset class will directly impact your portfolio balance at retirement. Experts agree that portfolio performance depends heavily on diversification, asset allocation and the potential performance and fees of the specific investment options you select. Striking just the right balance between these four factors across your portfolio can be a complicated, but financially rewarding exercise.

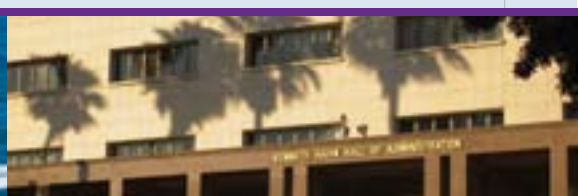
Consider the following hypothetical example: Stephen has been contributing to Horizons and an outside personal brokerage account. He plans to retire in 20 years and annually reviews his portfolio. During this year's annual portfolio review, Stephen projected that his Horizons investment options

have a higher performance potential, net of expense, in certain asset classes while his after-tax brokerage account is superior in the remainder. Illustrated below are his projected retirement totals based on his assumptions. Adjusting

his allocations to take advantage of the superior investments could significantly increase his portfolio while maintaining an overall 50:50 distribution ratio between the two asset classes.

Asset Class	Horizons		Outside Personal Brokerage Account		
	A	B	A	B	
Potential Rate	8.0%	4.5%	6.0%	7.0%	
Allocation Choice					
Equal Split					
Total in 20 Years	\$83,536	\$51,090	\$49,829	\$54,952	= \$239,407
Best in Class					
Total in 20 Years	\$167,072	\$0	\$0	\$109,904	= \$276,976

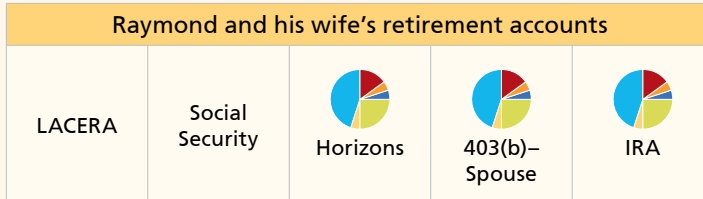
FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is intended to illustrate how selection between comparable investment options can affect an investor's overall portfolio balance. It is not intended as investment advice. Individuals are responsible for selecting and monitoring their own investments. Investment returns fluctuate with market conditions and past performance is not a guarantee or prediction of future results. At redemption, actual shares may be worth more or less than their original cost. This assumes a \$10,000 starting balance in each account, a \$200 contribution per month to each account, a 29% combined federal and state income tax bracket for the personal brokerage account, and reinvestment of earnings, with no withdrawals. The illustration does not reflect any charges, expenses or fees that may be associated with your Plan or the personal brokerage account. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.



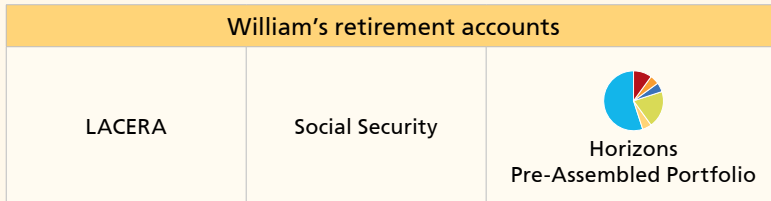
Consider the Whole Picture

In many other newsletters, we have emphasized the importance of diversification and asset allocation within your Horizons account. You can apply that same philosophy to each of your retirement accounts and across your entire portfolio. The following hypothetical examples illustrate how creative you can be in developing your investment strategy.

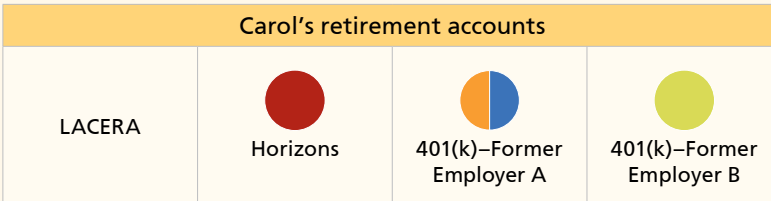
Raymond and his wife, who works for another employer, have agreed to take a coordinated retirement planning strategy. Their combined retirement portfolio is composed of Horizons, LACERA, an IRA, Social Security benefits and a 403(b). They decided it was easiest for them to manage and monitor each retirement account individually. The Horizons account, 403(b) and IRA have the same percentage allocated to each of the major asset classes (fixed income, bonds, large cap, mid cap, small cap and international).



William's retirement portfolio only contains Horizons, LACERA and Social Security benefits. He has decided to simplify management of his Horizons account by investing in one of the pre-assembled portfolios based on his risk profile.



Carol considers her LACERA pension the cornerstone of her retirement because of the guaranteed income she will receive based on her age, years of service and final compensation at retirement. She also has a Horizons account and several 401(k) accounts from previous employers. Based on her personal circumstances, she has decided to structure her retirement portfolio so that LACERA has the fixed income/conservative allocation, Horizons has the international allocation, and the 401(k) accounts split the domestic equity allocations. Overall, she considers herself diversified among the major asset classes.



Who has the better strategy? It's a personal decision based on a person's time horizon to retirement, investment knowledge, risk profile, retirement lifestyle expectations and other personal circumstances. What may be good for you may not be suitable for someone else.

Just be sure to consider all of your retirement accounts when you make investment decisions, because the changes you make in one retirement account may affect how your overall retirement portfolio is structured.

ASSET CLASS ● Small-Cap Funds⁹ ● Mid-Cap Funds⁷ ● Large-Cap Funds
 ● International¹⁰ ● Fixed ● Bonds¹¹



Reminder: Review Your Statement

The County has implemented new correction protocol. Please review your statement carefully to confirm that we have properly acted on your instructions. Corrections involving eligibility or deferrals will only be made for errors that have been communicated within 90 calendar days following the first payroll date upon which the initial election should have been reflected on your paycheck and should have been reported to the County or Great-West Retirement Services. All other account discrepancies must be communicated to Great-West Retirement Services within 90 days of the last calendar quarter. Please direct all inquiries to:

Client Service Department
 Attn: Correspondence Dept. 6T2
 8515 E. Orchard Rd.
 Greenwood Village, CO 80111

After the 90-day correction window has passed, the account information shall be deemed accurate and acceptable to you. If you notify Great-West Retirement Services of an error after this 90-day correction window, the correction will only be processed as quickly as practicable from the date of notification forward and not on a retroactive basis. Contact the County of Los Angeles Service Center at **(800) 947-0845** with questions.



Committee in Action: In the Best Interest of the Plan and Participant

Horizons Plan Administrative Committee Members

William T. Fujioka, *Chair*

Daniel Cohen

J. Tyler McCauley

William Pryor

Ramon Rubalcava

Michael J. Henry

Mark Saladino

Carolyn Lawson

Steven Remige



The Plan Administrative Committee (PAC) was delegated authority by the Board of Supervisors to govern the administration of Horizons. The PAC is composed of a Public Member appointed by the Board of Supervisors and four management and four labor representatives, with two alternates for each position. Each member and alternate member of the PAC has the fiduciary responsibility of making sure the consultants hired, services rendered and expenses incurred are in the best interest of the Plan, participants and your beneficiaries.

The PAC meets regularly at least once each month to review current issues. Its major responsibilities include:

- Developing administrative policies to improve Plan operations
- Interpreting the Plan's provisions and tax laws/regulations to determine the rights and benefits of participants and beneficiaries
- Monitoring investment performance and selecting new fund managers, as needed, pursuant to the Investment Policy
- Hiring consultants and approving services
- Establishing an annual budget, including determining the County administrative fee and TPA fee subsidy

In addition, the Defined Contribution Program has dedicated County staff who are responsible for the daily operations of Horizons and for implementing the PAC's directives.

New Horizons Fee Schedule

For the period of July 1, 2007, through June 30, 2008, the total annual cost for participating in the Horizons Plan will be \$65.40. This includes a Plan administrative fee of \$46.32 and a County administrative fee of \$19.08. These fees will be deducted from your account in monthly installments of \$3.86 and \$1.59, respectively.

Horizons Plan Receives NAGDCA Award!

The National Association of Government Defined Contribution Administrators (NAGDCA) recognizes outstanding achievement in effective communication or plan design and administration in a defined contribution plan with its NAGDCA Leadership Recognition Award. The Horizons Plan was honored with the 2007 NAGDCA Leadership Recognition Award for the "Simplified" participant communication program.

Customer Service On-Site Locations

Martin Luther King/Drew Medical Center

12021 S. Wilmington Ave., Los Angeles
First and third Monday every 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

Public Works

900 S. Fremont Ave., Alhambra
Third Wednesday of each month in cafeteria

Olive View Medical Center

14445 Olive View Dr., Sylmar
Second Wednesday of each month in cafeteria

Rancho Los Amigos Rehabilitation Center

7601 E. Imperial Hwy., Downey
Second Thursday each month in Café Los Amigos cafeteria

Harbor/UCLA Medical Center

1000 W. Carson St., Torrance
Second Thursday of each month in elevator lobby

Note: On rare occasions, a representative may not be available. Representatives also follow the County's holiday schedule.

Investment Option Returns for the Period Ending September 30, 2007

(Investment option returns are published based on the best available data and may be subject to revision.)

	AVERAGE ANNUAL RETURN AS OF SEPTEMBER 30, 2007							CALENDAR YEAR					FUND OPERATING EXPENSES ¹	INCEPTION DATE OF FUND
	Last 3 Months	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION ¹	2006	2005	2004	2003	2002		
SIMPLIFIED INVESTMENT MENU^{2,3,4}														
Pre-Assembled Portfolio A	1.23%	5.50%	8.90%	7.95%	8.83%	N/A	6.38%	8.43%	5.43%	7.53%	13.85%	-1.88%	0.12%	05/18/98
Pre-Assembled Portfolio B	1.35%	6.25%	10.36%	9.26%	10.27%	N/A	6.51%	9.73%	6.22%	8.38%	16.66%	-4.30%	0.15%	05/18/98
Pre-Assembled Portfolio C	1.46%	7.01%	11.84%	10.57%	11.73%	N/A	6.60%	11.05%	7.00%	9.23%	19.49%	-6.70%	0.18%	05/18/98
Pre-Assembled Portfolio D	1.05%	6.97%	12.51%	11.23%	12.88%	N/A	7.05%	12.21%	6.88%	10.46%	22.56%	-8.49%	0.21%	05/18/98
Pre-Assembled Portfolio E	1.30%	8.17%	14.52%	12.77%	14.50%	N/A	7.36%	13.33%	7.78%	11.46%	25.82%	-10.86%	0.27%	05/18/98
ADVANCED INVESTMENT MENU³														
PIMCO High Yield Fund – Institutional ⁵	1.05%	3.41%	7.26%	7.26%	11.77%	6.35%	8.56%	9.44%	4.62%	9.32%	23.70%	-0.85%	0.50%	12/15/92
Dodge & Cox Balanced Fund	-0.63%	4.68%	9.83%	11.16%	13.75%	10.18%	Not Available	13.86%	6.59%	13.30%	24.44%	-2.89%	0.53%	06/26/31
SSGA S&P 500 Flagship Series Fund C ^{2,6}	N/A	9.13%	16.43%	13.12%	15.42%	6.50%	9.24%	15.75%	4.88%	10.84%	28.60%	-22.08%	0.05%	10/01/96
Artisan Mid Cap Fund ⁷	5.67%	21.67%	29.83%	18.09%	18.87%	16.03%	18.18%	9.65%	9.11%	14.66%	31.80%	-24.16%	1.18%	06/27/97
DIA Medium Size Company Fund ^{2,7,8}	4.10%	15.75%	25.31%	17.22%	18.71%	N/A	9.80%	13.70%	5.68%	13.65%	41.89%	-17.71%	0.45%	12/31/97
Small Cap Equity Managed by Brandywine ^{2,8,9}	-7.48%	-1.86%	7.05%	10.02%	17.00%	N/A	13.75%	17.61%	2.01%	22.89%	41.24%	-3.63%	0.51%	11/10/99
Capital Guardian International Equity Fund ^{2,10}	2.93%	13.73%	23.64%	23.01%	22.97%	N/A	9.10%	20.50%	20.15%	14.53%	36.48%	-15.35%	0.51%	12/01/00
Causeway International Value Equity Fund ^{8,10}	-0.12%	11.01%	21.57%	N/A	N/A	N/A	17.99%	27.66%	N/A	N/A	N/A	N/A	0.62%	02/01/05
FIXED INVESTMENT OPTIONS²														
LA County Stable Income Fund	Fourth Quarter Crediting Rate is 5.25%							Third Quarter Crediting Rate was 5.35%					11/30/90	
Washington Mutual Bank Fund	Fourth Quarter Crediting Rate is 5.66%							Third Quarter Crediting Rate was 5.58%					11/30/90	
<p><i>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/or disclosure documents from your registered representative. Read them carefully before investing.</i></p> <p><i>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.</i></p>														

The net returns shown above reflect fund operating expenses, but do not include current administrative fees of \$5.45 per month per account. 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 Web site at www.countyla.com.

† Actual fund operating expenses may be less if the fund currently offers a waiver or reimbursement of a portion of this expense.

¹ **Since Inception** is not applicable for funds more than 10 years old.

² **Registration** with the Securities and Exchange Commission is not required for these investment options.

³ **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 Horizons Web site (www.countyla.com).

⁴ **About the Pre-Assembled Portfolios**

Account balances in the Pre-Assembled Portfolios will be automatically rebalanced quarterly to reflect the established portfolio model percentages. Please request a *Fund Data Booklet* for the composition of the Pre-Assembled Portfolios by contacting the Horizons Participant Service Center at (800) 947-0845.

⁵ **About the High Yield Fund**

Investments in debt instruments, such as notes and bonds, are subject to credit risk, which is the possibility that the issuers of the instruments will be unable to meet interest payments or repay principal. Funds that invest a significant portion of their assets in "high yield" bonds (bonds rated below investment grade) have the potential for a higher rate of return than funds holding primarily government or investment grade corporate bonds, but are also subject to significantly greater credit risk and experience greater volatility.

⁶ **An index** is not professionally managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of an index fund will generally be less than its benchmark index. You cannot invest directly in an index.

⁷ **Medium-sized companies** may suffer more significant losses, as well as realize more substantial growth, than larger capitalized, more established issuers.

⁸ **About Separately Managed Funds/Accounts**

Because this is a separately managed fund/account for Horizons Plan participants only, performance data is based only on Horizons assets.

⁹ **Equity securities** of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies.

¹⁰ **Foreign investments** involve special risks, including currency fluctuations and political developments.

¹¹ **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.

About the Investment Options

Investment options have been selected by the Plan Administrative Committee and are a combination of mutual funds and separately managed institutional accounts. Securities are offered through GWFS Equities, Inc., a Great-West Company and FINRA (formerly the NASD) member firm.

Funds may impose redemption fees, and/or transfer restrictions, on certain transfers, redemptions or exchanges if assets are held for less than the period stated in the funds' prospectuses or other disclosure documents. For more information, please refer to the funds' prospectuses and/or disclosure documents.

TRANSFER INFORMATION

A transfer fee equal to 5% of the transferred amount will be deducted from your Horizons account when the following transfers take place.

5% TRANSFER CHARGE WHEN YOU	
TRANSFER FROM:	TRANSFER TO:
LA County Stable Income Fund	Washington Mutual Bank Fund
PIMCO High Yield Fund – Institutional	
Dodge & Cox Balanced Fund	
SSGA S&P 500 Flagship Series Fund C	
Artisan Mid Cap Fund	
DIA Medium Size Company Fund	
Small Cap Equity Managed by Brandywine	
Capital Guardian International Equity Fund	
Causeway International Value Equity Fund	
Pre-Assembled Portfolios	

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.

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