



County of Los Angeles
Defined Contribution Plans

Mailing Address
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September 1, 2008

WASHINGTON MUTUAL BANK FUND POLICY CHANGE

Dear Participant:

As you may be aware, there have been recent news headlines regarding the financial stability of banking institutions due to the continuing deterioration of the housing market. The Horizons Plan Administrative Committee (PAC) has been monitoring this situation and has adopted a new policy that limits individual participant investment in the Washington Mutual bank fund to \$250,000, which is the maximum amount insured by the Federal Deposit Insurance Corporation (FDIC).¹

Bank Fund Investment Capped at the FDIC Retirement Account Limit

The PAC provides a bank fund as a conservative investment option whose principal feature is the insurance provided by the FDIC. The FDIC insurance coverage for all retirement deposits (e.g., 401(k), 457, IRA and/or Keogh accounts) at the same bank is a total of \$250,000. This is significant because your deposits, dollar for dollar, including principal and any accrued interest, will be made available to you up to \$250,000 in the event of a bank failure. However, any amounts exceeding the insurance coverage limit are subject to loss.

Effective August 29, 2008, investments in the Washington Mutual bank fund are limited to \$250,000. Any transfers, contributions or interest earnings that exceed the \$250,000 limit will be transferred to the LA County Stable Income Fund. You will retain the discretion to allocate your assets, including any amounts transferred to the Stable Income Fund, among the available investment options, but you will only be able to invest up to the \$250,000 limit in the Washington Mutual bank fund. This policy maintains the objective of the bank fund, which is to provide a reasonable rate of return with FDIC insurance coverage. No action is required by you.

The PAC adopted this policy because of concerns about Washington Mutual's exposure to underperforming mortgages, or mortgage backed securities which has negatively affected its financial position. You may continue investing up to the \$250,000 cap in the Washington Mutual bank fund, which the PAC will continue monitoring. In addition, the PAC will be conducting a search for additional FDIC-insured or U.S. Treasury products so you can have the opportunity to invest additional assets in the bank fund in the future.

Information regarding the Washington Mutual bank fund and the other investment options in Horizons is available on the Plan's Web site at www.countyla.com. In addition, participants may contact the Participant Service Center. Representatives can be reached at (800) 947-0845 and are available Monday through Friday between the hours of 7:00 a.m. and 5:00 p.m. Pacific Time.¹

Sincerely,



SHARON R. HARPER

Chair, Horizons Plan Administrative Committee

¹ The FDIC provides separate insurance coverage for single accounts, certain retirement accounts, joint accounts and revocable trust accounts.

¹ Access to the automated voice response system and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

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

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