Great-West Retirement Services®

- Business unit of Great-West Life & Annuity Insurance Company
- Representing more than 4.2 million participant accounts as of December 31, 2009
- Chosen by employer to provide administrative, education and communication services
- Helps you understand and evaluate your financial situation
- Provides information to help you make financial decisions
A Guide to Your WDC 457 Program

• Chapter 1: The Nuts and Bolts of Your Journey
  » Your WDC Program Highlights

• Chapter 2: Get on Board
  » An Overview of Saving and Investing

• Chapter 3: Investments for Your Journey
  » The WDC’s Investment Choices

WDC Program Highlights

**Chapter 1:**
The Nuts and Bolts of Your Journey
Getting Started

What is a 457(b) plan?

• Section 457(b) of the Internal Revenue Code
• It can help you save and invest extra retirement money
• You can voluntarily set aside some of your income before you pay current taxes
• In 2010, you can contribute 100% of your compensation or $16,500 (whichever is less)

Getting Started

Who is eligible to enroll?

• Anyone who earns W2 wages from a sponsoring employer, such as the State of Wisconsin
• There is no minimum contribution amount

Is there an employer match?

• No, but your employer may contribute to the Wisconsin Retirement System on your behalf

What is “Age 50+ Catch-Up”?

• If you are age 50 or older during the calendar year, you may make additional contributions to your WDC account
• You may contribute an additional $5,500 in 2010
The Power of Before-Tax Saving
How Your Contributions Can Add Up*
with $100 monthly contributions

- Tax-deferred 8% return
- Taxable 8% return
- Taxable 0% return

Savings after 10 years: $12,000, $16,517, $18,295
Savings after 20 years: $24,000, $46,732, $58,902
Savings after 30 years: $36,000, $102,000, $149,036

* FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes a $100 monthly contribution with an 8% annual rate of return, compounded monthly, and 25% federal tax, with no withdrawals or fees taken into account. If such fees were deducted, tax-deferred accumulations would be reduced. This is not intended to represent any particular investment. Source: Great-West Retirement Services®, 2010.

Rollovers

- You can roll over into the WDC approved balances from a former employer’s 401(a), 401(k), 403(b) or governmental 457(b) plan or from an IRA*

- If you leave your employer, you can roll over your account to your new employer’s 401(a), 401(k), 403(b) or governmental 457(b) plan (if allowed) or to an IRA*

- Discuss any rollover with your personal financial or tax advisor before making this decision

- Evaluate investment choices and fees

* If you roll over any 457 dollars you may have from a previous employer’s plan to a 401(a), 401(k), 403(b) or IRA, you will no longer be able to take a withdrawal before age 59½ without possibly incurring the 10% federal tax penalty if you leave employment.
Withdrawals

• You can withdraw when you
  – Retire and/or terminate employment*
  – Reach age 70½
  – Suffer a financial hardship*
  – Die (your beneficiary(ies) receive your account)

• Distribution options are:
  – Lump sum
  – Periodic payments
  – Partial lump sum with remainder as periodic payment
  – Roll over to another plan (if allowed by the new employer) or to an IRA
    • Evaluate investment choices and fees

* Withdrawals prior to age 59½ may be subject to a 10% federal tax penalty. As defined by the Internal Revenue Code and/or your program’s provisions.

Managing Your Account

Monitor your progress and make changes with

• Web site*
  www.wdc457.org

• KeyTalk®
  (877) 457-9327
  Option 0 = Changes and PIN
  Option 1 = Automated system
  Option 2 = Madison office

* 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 (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.
## WDC’s Administrative Fees

<table>
<thead>
<tr>
<th>If your total account balance is between:</th>
<th>Your monthly fee is:</th>
<th>And equals an annual cost of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1 to $5,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>$5,001 to $25,000</td>
<td>$1</td>
<td>$12</td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>$2</td>
<td>$24</td>
</tr>
<tr>
<td>$50,001 to $100,000</td>
<td>$4</td>
<td>$48</td>
</tr>
<tr>
<td>$100,001 and up</td>
<td>$5.50</td>
<td>$66</td>
</tr>
</tbody>
</table>

Does not include various investment operating expenses

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### An Overview of Saving and Investing

**Chapter 2: Get on Board**
Plan for Your Destination

How much will you need for your retirement, and where will the money come from?

- Social Security
- Traditional employer pension plans
- Personal savings
- A tax-deferred retirement plan

Save Enough to Afford Retirement

- Most financial advisors say you'll need about 70 percent of your pre-retirement earnings to comfortably maintain your pre-retirement standard of living*
- Many people are living longer and healthier lives than ever before
- Social Security may not be enough
- Don’t forget about inflation

* Source: Social Security: https://www.socialsecurity.gov/planners/morecalculators.htm
Grow Your Retirement

• Plant the seeds for your retirement by:
  – Starting to save early
  – Saving as much as you can
  – Allowing your money time to potentially grow

Journey to Retirement

• Start now, don’t wait
• Investing wisely and setting realistic goals are key to successful saving
• Starting today can make a big difference

Cost of waiting to save and invest with $100 monthly contributions

- Sarah
  - 15 years: $34,604
  - 25 years: $18,295
  - 35 years: $58,902
- David
  - 15 years: $95,103
  - 25 years: $58,902
  - 35 years: $229,388

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes an 8% annual rate of return, compounded monthly, with no withdrawals or fees taken into account. If such fees were deducted, tax-deferred accumulations would be reduced. This is not intended to represent any particular investment. Source: Great-West Retirement Services®, 2010.
### The Power of Before-Tax Savings

#### More money in your pocket!

<table>
<thead>
<tr>
<th></th>
<th>Savings Before Tax</th>
<th>Savings After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Pay</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Less Contributions to Program (before tax)</td>
<td>-$100</td>
<td>-$0</td>
</tr>
<tr>
<td>Taxable Pay</td>
<td>$1,900</td>
<td>$2,000</td>
</tr>
<tr>
<td>Less Estimated Tax Withheld</td>
<td>-$361*</td>
<td>-$380*</td>
</tr>
<tr>
<td>Less Contributions to Other Savings Plans (after tax)</td>
<td>-$0</td>
<td>-$100</td>
</tr>
<tr>
<td>Spendable Pay</td>
<td>$1,539</td>
<td>$1,520</td>
</tr>
<tr>
<td>Before-Tax Advantage</td>
<td>$19</td>
<td>None</td>
</tr>
</tbody>
</table>

By contributing before tax in this program, Sarah has $19 more to spend (or save!) each month compared to saving after taxes—which translates into $228 more per year!

* FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes $2,000 in monthly wages, 15% federal income tax withholding, and 4% state and local income tax withholding. It does not account for Social Security or Medicare tax.

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### The Power of Before-Tax Saving

#### How Your Contributions Can Add Up

<table>
<thead>
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<th></th>
<th>Tax-deferred 8% return</th>
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<th>Taxable 0% return</th>
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<tr>
<td>Savings after 10 years</td>
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<td>$16,157</td>
<td>$18,295</td>
</tr>
<tr>
<td>Savings after 20 years</td>
<td>$24,000</td>
<td>$46,732</td>
<td>$58,902</td>
</tr>
<tr>
<td>Savings after 30 years</td>
<td>$36,000</td>
<td>$102,000</td>
<td>$149,036</td>
</tr>
</tbody>
</table>

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WDC’s Investment Choices

**Chapter 3: Investments for Your Journey**

**Understand How Risk Affects Your Journey**

- Put your money into a number of different types of investment options
- Invest for the long term
- Be aware of being too cautious
- Change your investments when you change your long-term goals

Risk: the possibility of gain or loss on your investment
Return: the actual gain or loss on your investment
Choose the Right Investments

• Balance risk to help you arrive in retirement

Higher risk/return potential

Cash Equivalents (Fixed/Stable Value)

Bonds (Fixed Income)

Stocks (Equities)

Lower risk/return potential

This chart is FOR ILLUSTRATIVE PURPOSES ONLY and does not predict or guarantee the returns of any given asset class. An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund. Certificates of deposit are insured by the FDIC for up to $250,000 per depositor and offer a fixed rate of return, whereas both the principal and yield of bonds and stocks will fluctuate with market conditions.

Diversify with Asset Allocation*

• Invest for your risk tolerance and savings goals

• Know your time frame

• The investment strategies on the following slide are intended only to illustrate possible investment portfolio allocations that represent an investment strategy based on risk and return.

This is not intended as financial planning or investment advice.

* Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.
Establish Asset Allocation

FOR ILLUSTRATIVE PURPOSES ONLY. These hypothetical portfolio allocations are based on an investment strategy regarding risk and potential return. This is not intended as financial planning or investment advice. Sample portfolio allocations are approximate.

Prospectus

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.

For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact Charles Schwab at 1-(888)-393-7272. Read them carefully before investing.
Life Cycle Fund Path

Target Date Funds
Risk/Potential Return Meter

Vanguard Target Retirement 2045 Income Fund
Vanguard Target Retirement 2035 Income Fund
Vanguard Target Retirement 2025 Income Fund
Vanguard Target Retirement 2015 Income Fund
Vanguard Target Retirement Income Fund

The date in a Target Date Fund represents an approximate date when an investor would expect to start withdrawing their money or when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date.

The Lifecycle Fund Path
- “Shortcuts” for choosing investment options for your account
- Diversified investment allocations*
- Professionally selected for target retirement date

For illustrative purposes only. The Lifecycle Fund allocations are professionally determined based on an investment strategy based on risk and return. Allocation percentages to investment options can change based upon periodic investment reviews. The Portfolio allocation models are not intended as financial planning or investment advice. Holdings and composition of holdings are subject to change.

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.
Your WDC Investment Options

- BlackRock EAFE Equity Index – Collective T Fund
- American Funds EuroPacific R5*

International Funds*

Risk/Potential Return Meter

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

Your WDC Investment Options

- BlackRock Russell 2000 Index – Collective T Fund
- DFA U.S. Micro Cap Fund

Small-Cap* Funds

Risk/Potential Return Meter

* Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
Your WDC Investment Options

**Mid-Cap Funds**

- BlackRock Mid-Cap Equity Index Fund – Collective F
- T. Rowe Price Mid-Cap Growth Fund

* Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

**Large-Cap Funds**

- Vanguard Institutional Index Plus Fund
- Fidelity Contrafund
- Calvert Social Investments Equity I
Your WDC Investment Options

Balanced Funds

- Vanguard Wellington Fund

Risk/Potential Return Meter

Higher

Lower

FOR ILLUSTRATIVE PURPOSES ONLY

Your WDC Investment Options

Bond Funds*

- BlackRock U.S. Debt Index Fund

- Federated U.S. Government Securities Fund

- Vanguard Long-Term Investment Grade Fund

Risk/Potential Return Meter

Higher

Lower

FOR ILLUSTRATIVE PURPOSES ONLY

* 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.
Your WDC Investment Options

- FDIC Bank Option*
- Stable Value Fund
- Vanguard Admiral Treasury Money Market

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

* The FDIC Bank Option offered through the WDC is insured by the FDIC up to $250,000 per depositor and offers a fixed rate of return whereas both the principal and yield of bonds and stocks will fluctuate with market conditions.

Self-Directed Brokerage Option

- For knowledgeable and experienced investors
- Transaction and investment company fees will apply for the mutual funds you choose to invest in
- Online and phone service available
- Select from thousands of mutual funds, in addition to your core investment options
- Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered by Charles Schwab* T

* 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 (800) 333-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.
Reality Investing® Advisory Services (Advisory Services)

What Is a Managed Account?

Who does it?
– Advised Assets Group, LLC in partnership with Ibbotson Associates

How does it work?
– Determines what the participant has today
– Determines what the participant may need in the future
– Determines an individualized strategy
  • Investment Allocation
  • Savings Rate
  • Retirement Age
Advisory Services Summary

<table>
<thead>
<tr>
<th>Investment Role</th>
<th>Guidance</th>
<th>Advice</th>
<th>Managed Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pick Investment Options</td>
<td>You</td>
<td>Advised Assets Group, LLC.</td>
<td>Advised Assets Group, LLC.</td>
</tr>
<tr>
<td>Implement Picks</td>
<td>You</td>
<td>You</td>
<td>Advised Assets Group, LLC.</td>
</tr>
<tr>
<td>Confirm Action</td>
<td>You</td>
<td>You</td>
<td>Advised Assets Group, LLC.</td>
</tr>
<tr>
<td>Update Account</td>
<td>You</td>
<td>You</td>
<td>Advised Assets Group, LLC.</td>
</tr>
<tr>
<td>Progress Report Card</td>
<td>You Prepare</td>
<td>You Prepare</td>
<td>Advised Assets Group, LLC. Prepares</td>
</tr>
</tbody>
</table>

There is no guarantee that participation in the Reality Investing Advisory services will result in a profit or that your account will outperform a self-managed portfolio.

Advisory Services Fees

<table>
<thead>
<tr>
<th>Quarterly Cost</th>
<th>Guidance</th>
<th>Advice</th>
<th>Managed Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No charge</td>
<td>$6.25</td>
<td>&lt;100k = 0.1500%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Next $150k = 0.1250%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Next $150k = 0.1000%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Over $400k = 0.0750%</td>
</tr>
</tbody>
</table>

*Fee scales for larger account balance

Examples

- $10,000 Account
  - No charge
  - $6.25
  - $15.00*

- $20,000 Account
  - No charge
  - $6.25
  - $30.00*
Getting Started in the WDC

Reasons to Enroll Now

• Easy enrollment and savings
• Tax-deferred savings
• Variety of investment options
• Convenient account management
• Personal and professional service
• Savings and investment education
Go After Your Destination

• Enroll in the WDC today!
• Read the form carefully, complete each section, and sign and return it.
• Contact the WDC office if you have any questions after today

Contact Us

Wisconsin Deferred Compensation Program
5325 Wall Street, Suite 2755
Madison, WI 53718

877-457-WDCP (9327)*
Option 0 = Changes and PIN
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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.

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

Core investment options may be offered through a combination of mutual funds, collective trust funds, and/or a group fixed and variable deferred annuity issued by Great-West Life & Annuity Insurance Company. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG) and powered by Ibbotson Associates. Both AAG and Ibbotson Associates are federally registered investment advisers. AAG and GWFS Equities, Inc. are wholly owned subsidiaries of Great-West Life & Annuity Insurance Company. 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. Ibbotson Associates is not affiliated with GWFS Equities, Inc., Great-West Life & Annuity Insurance Company or Advised Assets Group, LLC. Great-West Retirement Services®, KeyTalk®, The Partnership Logo® and its design elements are service marks of Great-West Life & Annuity Insurance Company. All rights reserved. ©2010 Great-West Life & Annuity Insurance Company. Form# 98971-01LE (03/2010) PT 102129

Thank You