



# REALITY *investing*

RETIREMENT SOLUTIONS FOR REAL PEOPLE

## ***WDC Plan***

January 15, 2008



Reality Investing<sup>SM</sup> is a service mark of Great-West Life & Annuity Insurance Company. Investment advisory services are provided by Advised Assets Group, LLC, a federally registered investment adviser, and powered by Ibbotson Associates.

# Agenda



- Who We Are
- Reality Investing<sup>SM</sup>
- WDC Snapshot
- Managed Accounts & Target Date Funds
- Appendix – Studies and Participant Scenarios

# Who We Are



## Great-West Retirement Services (GWRs)

- Services nearly 3.5 million participants
- Manages over \$100 billion in retirement assets
- Delivers services to over 20,000 retirement plan sponsors nationwide
- Innovative Strategic Investment System (ISIS) – Proprietary Recordkeeping System
- Provides defined contribution recordkeeping services to more state and city retirement plans than any other provider in the industry.
- Ranked 4<sup>th</sup> largest recordkeeper of total participants at the end of 2006 (Spectrem Group)

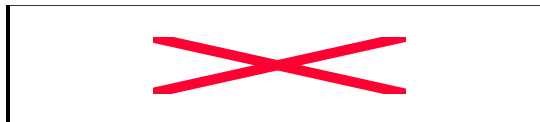
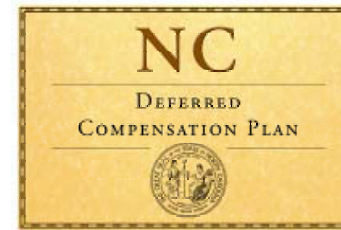
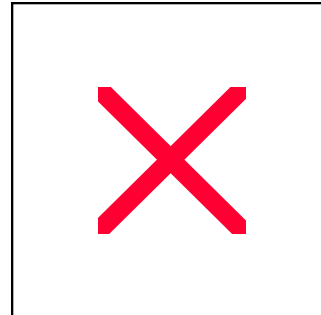


## Advised Assets Group, LLC (AAG)

- Registered Investment Advisor for the Great-West Retirement Services Family of Companies
- Participant Advisory Services
  - Key provider in the defined contribution market driving adoption of Advisory Service Product
  - Full product suite of participant advice – Guidance, Advice and Managed Accounts
  - \$2.8 billion assets under management (\$1.6B in Managed Accounts)
- Plan Sponsor Advisory Services
  - Investment consulting services across \$27 billion in plan assets
  - Evaluation of external Fund Managers of Great-West proprietary mutual funds
- Selected Ibbotson Associates as its Independent Financial Expert in 2004
  - A leading authority in asset allocation for almost 30 years
  - Served as independent expert in SunAmerica Advisory Opinion
  - Manages over \$48.7 billion in assets for the largest Fortune 500 companies, \$11.7 billion of which is DC assets

# Who We Serve

AAG & GWRS – Market Leaders in the Public Sector



## Advised Assets Group Participant Advice Statistics

- \$2.8 Billion Assets Under Management
- \$1.6 Billion in Managed Account Assets
- Number of plans using Advisory Services – 4,500 approximate

# The Defined Contribution Environment Today



## Providers:

- Investment Advice - A “must have” to compete

## Plan Sponsors:

- Cognizant of the “new” fiduciary approach
- Empowered by Regulatory support of affirmative actions toward participant security

## Regulatory:

- Paving the way for responsible delivery of Advice
  - DoL 2001-09A
  - Pension Protection Act

# Industry Assessment – Challenges for DC Plans



## Industry and Governmental Recognition of Challenge of DC Plans as Retirement Solution:

Complex decisions facing individual participant investors

- From the 1<sup>st</sup> day of enrollment to day of retirement participants have questions on how to manage their account

Participation and saving rates have flat lined!

- Participants need assistance with how much to save towards retirement

Majority of workers have not calculated retirement needs

- Over half of participants do not know their retirement needs

Expanded fund lineups are not utilized

- More funds does not necessarily lead to better diversification

Performance gaps between DB and DC Plans

- Historically DB plans outperform DC plans

Inertia – the major failure of previous passive participant default strategies

- Participants make minimal changes to their account once established

# Reality Investing Value Statement



## Value Proposition of Managed Accounts

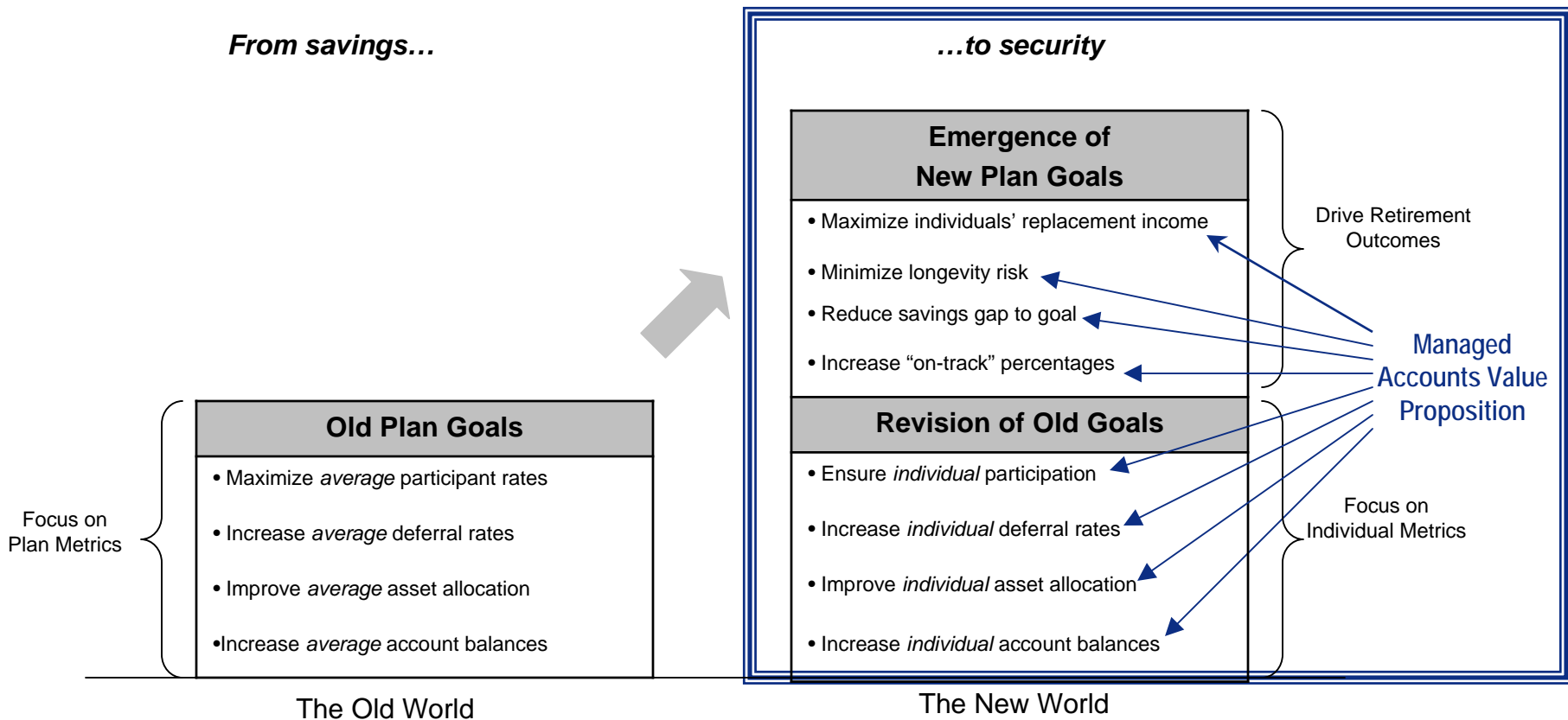
- Provides single integrated solution for both Retirement Planning and Investment Allocation advice
- Focused on individual retirement outcomes specific to each plan participant

# Managed Accounts – Fulfilling the Need/Gap



## A MIGRATION TO SECURITY

Plan Goals for Meeting the New Retirement Security Mandates





# Driving Retirement Outcomes



## Focused on Each Individual

- Program participation through Auto-enrollment and opt out enrollment strategies
- Asset Allocation based on personal planning horizon
- Automated account monitoring and re-balancing
- Annual Review of progress towards retirement goals

## Retirement Planning based on fundamental concepts:

- Replacement Income
- Savings Requirements
- Retirement Age
- Sources of Capital
- Goal Achievement

## Three Primary Participant Concerns Regarding Retirement Security



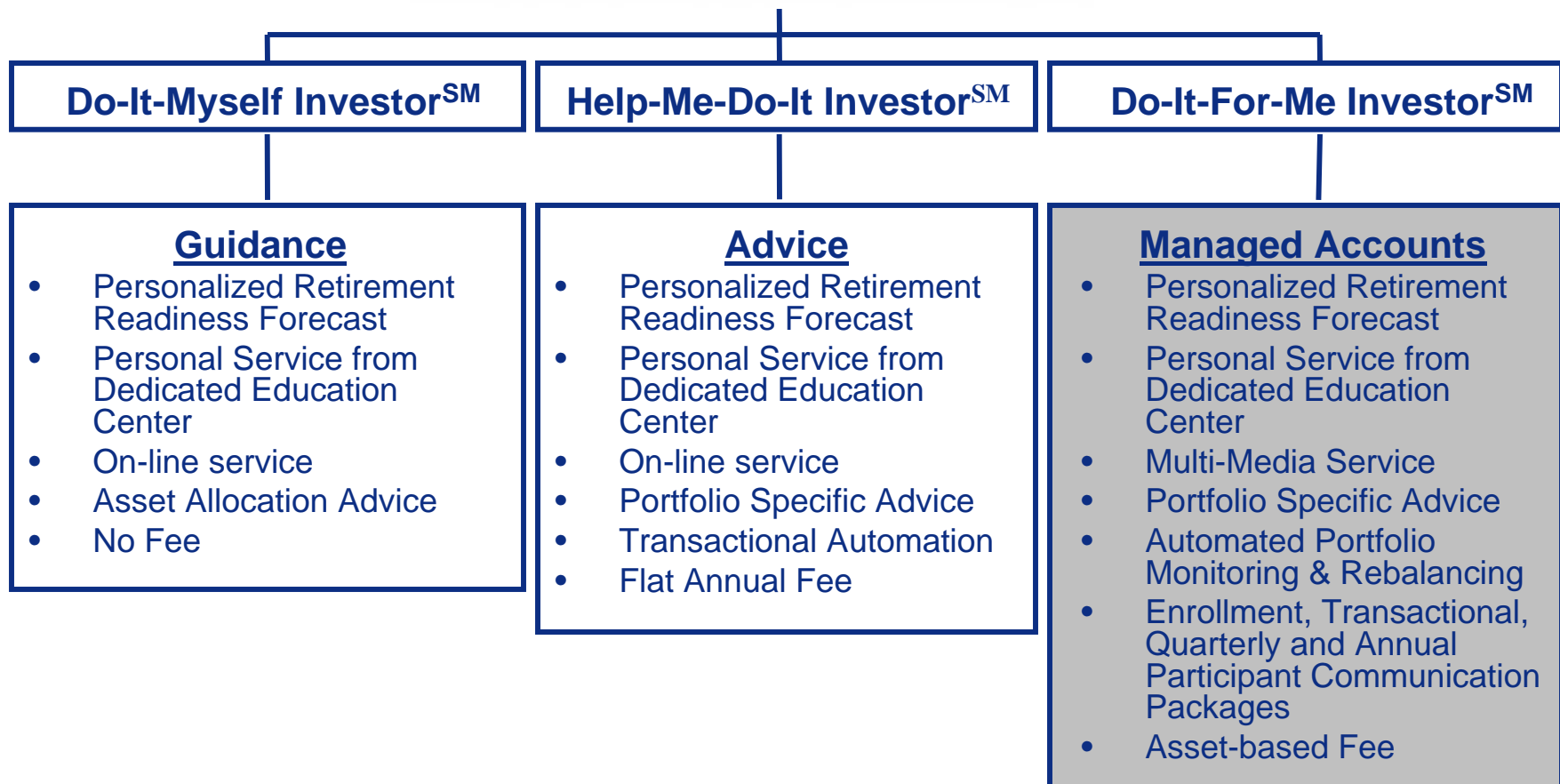
- » What will I have at retirement? When will I retire? Will I have enough?
  - Participants voice a general concern for their retirement security
  
- » How much should I save?
  - Unaware of what will be necessary at retirement
  - Failure to increase savings rate over time
  
- » How should I invest? Where should I invest?
  - Duplicating the approach of the office “expert”
  - Investing for safety because of lack of knowledge or fear

# A Reality-Based Suite of DC Education, Communication and Advisory Services



## REALITYinvesting

RETIREMENT SOLUTIONS FOR REAL PEOPLE



# Reality Investing Services



## Online Investment Guidance

- Personalized asset allocation assistance for participants
- Participant receives asset allocation model upon which to build his/her portfolio
  - Savings rate recommendation provided
- No sub asset class recommendations or specific fund recommendations
- No fee

## Online Investment Advice

- Builds off of Guidance experience
- Personalized fund specific recommendations for participants based upon the options available within a plan
  - Tailored to a participant's personal financial situation
  - Considers the entire household of assets, if provided
- Fiduciary responsibility accepted by AAG
- Available Online
- Flat dollar fee per annum – \$6.25 per quarter

# Reality Investing Services

cont'd



## Managed Account service

- Professional investment management
  - AAG in partnership with Ibbotson Associates
  - Use plan core investment options
- Proactive investment selection and monitoring
  - Personalized to financial circumstances and retirement goals
  - Determines what the participant has today
  - Determines what the participant will need
  - Determines an individualized strategy
    - Investment Allocation
    - Savings Rate
    - Retirement Age
  - Allocation adjusts over time
- For the “Do-It-For-Me” participant
- Asset-based fee

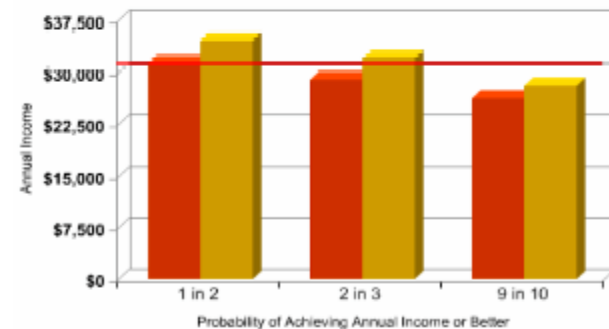
# Participant Advantages



- Personalized retirement portfolio
- Recommended savings rate strategy
- Recommended retirement age
- Forecasts related to desired retirement goal
- Ongoing portfolio monitoring and rebalancing with Managed Account service
- Asset allocation changes as the participant's life circumstances change or retirement nears (automatically occurs with Managed Account service)



SAVINGS AND RETIREMENT AGE	Current	Proposed Plan
Pre-Tax Advice Account Savings Rate	6%	7%
Post-Tax Advice Account Savings Rate	0%	0%
Annual Taxable Savings - Outside of Advice Account	\$0	\$0
Decided Retirement Age	66	66



Source: Business Logic

Graphics are for informational purposes only and do not represent an actual portfolio or investment.

# Value of Managed Account Communications



## 1. Help Me Pick My Investments: *The Welcome Kit*

- Clarifies participant goals
- Assesses where the participant is today
- Gets the ball rolling
- Includes 120 data inputs for account personalization

## 2. Keep Me On Track For The Retirement I Want: *The Quarterly Account Review*

- Looks at the impact of recent trends on chosen investment options.
- Adjusts, reallocates, and rebalances the account to the assigned model portfolio, if necessary.
- Participant receives transaction confirmation on changes made to their account
  - Information reflected on quarterly recordkeeping statement

## 3. Keep Me Informed: *The Annual Review*

- Looks at the “big picture” to see how the participant’s life has changed
- Reviews account progress in working toward participant goals
- Offers the participant the chance to make adjustments and provide additional outside account information (pension, IRA, spousal information, etc.)
- Adjusts, reallocates and rebalances the account, if necessary.

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# Investment Advice Powered by Ibbotson Associates



## Methodology behind Reality Investing

- Portfolio Selection Methodology – Ibbotson approach to advice uses 7 asset class model portfolios
  - Employs Mean-Variance Optimization (MVO) analysis to evaluate and determine portfolio asset class construction
  - Screen specific fund investment options based on investment style and style consistency; utilize RBSA and R-squared
  - Utilize proprietary alpha/tracking error optimization to accomplish portfolio construction
- Capital Market Forecast
  - Annual reforecast covering a long-term forecast horizon
  - Separate Ibbotson Financial Simulation Engine drives annual adjustment to model portfolios
- Participant Portfolio Assignment
  - Specific recommendation is a balance between portfolio risk, savings rate and retirement age
  - Patented methodology incorporates Human Capital as well as Financial Capital into participant portfolio assignment
- Wealth Forecasting
  - Ibbotson Wealth Forecasting Engine calculates probability of investment goal achievement
  - Capable of creating alternative advice strategies
  - “Portfolio Switching” technique completes glide path forecasting



# Reality Investing Benefits



- Goal Oriented Planning
  - Participant will know how much they need to save for retirement
  - Participant will know how much they will have for retirement and when they will be able to retire
- Professional Glide Path to Retirement
  - Moves with the participant as lifestyle/circumstances change
- Robust Technology
  - Sophisticated tool integrated to recordkeeping system
  - “Real time” enrollments and updates to retirement account
  - Service can take into account outside assets, spousal information, lifestyle expenses, etc.
- Personalized Service
  - AAG Education Center
  - Welcome and Annual Kits with progress report
- Fiduciary Protection
  - AAG and Ibbotson Associates
  - Department of Labor rulings
- Industry Leading & Award Winning Research
  - DoL Sun America Opinion 2001-09A
  - National Savings Guidelines for Individuals
  - Merging Asset Allocation and Longevity Insurance: An Optimal Perspective on Payout Annuities

# Managed Accounts Provide the Best Solution for Filling DC Retirement Security Gaps



## Managed Accounts is the Total Solution:

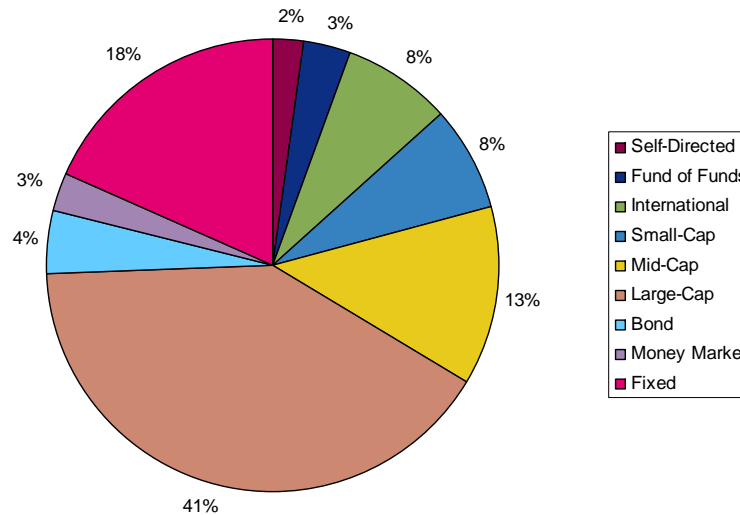
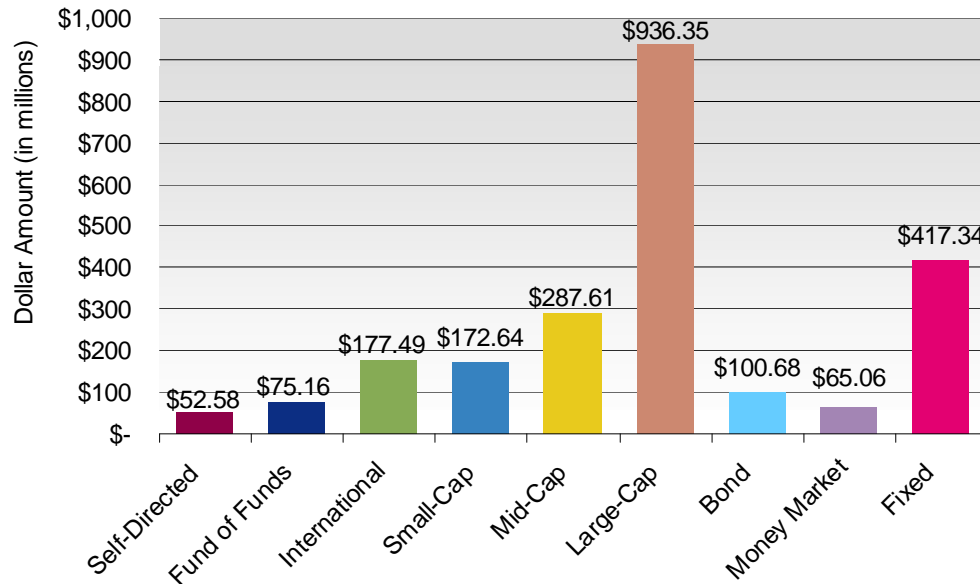
- Integrated with Recordkeeping System
- Utilizes Plan Sponsor Line-up
- Provides Plan Participants with:
  - Professional investment management
  - Retirement readiness forecasts
  - Personalized planning program
  - Easy to use technology and licensed service representatives
- Provides Plan Sponsors with:
  - Fiduciary protection
  - Value-added Plan features
  - Pricing protection

# Summary

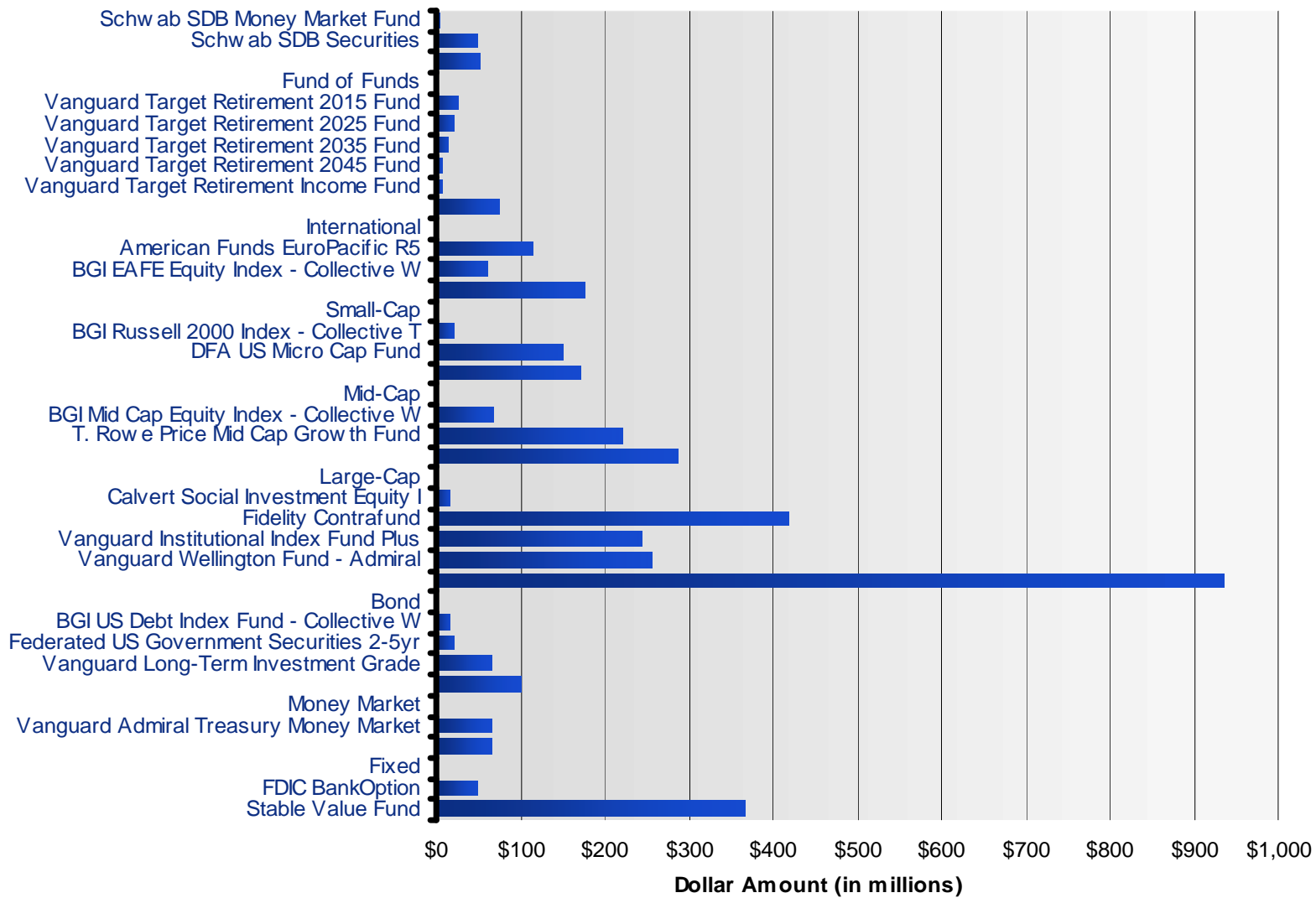


- Retirement Security is the Larger Goal
  - Managed Accounts in the only product focused on achieving successful retirement outcomes for DC participants
- Mirror DB Security
  - Bridge the gap between DB and DC Plans
- Higher Standards
  - Managed Accounts represents a higher standard of plan stewardship; with full fiduciary support
- Optimizing Retirement Wealth
  - Substantially improved retirement wealth and security outcomes are possible in Managed Accounts; strategic focus will be on participant interaction in the post enrollment phase

# WDC Snapshot Assets by Asset Class



# WDC Snapshot Assets by Investment Option



# Participant Illustration



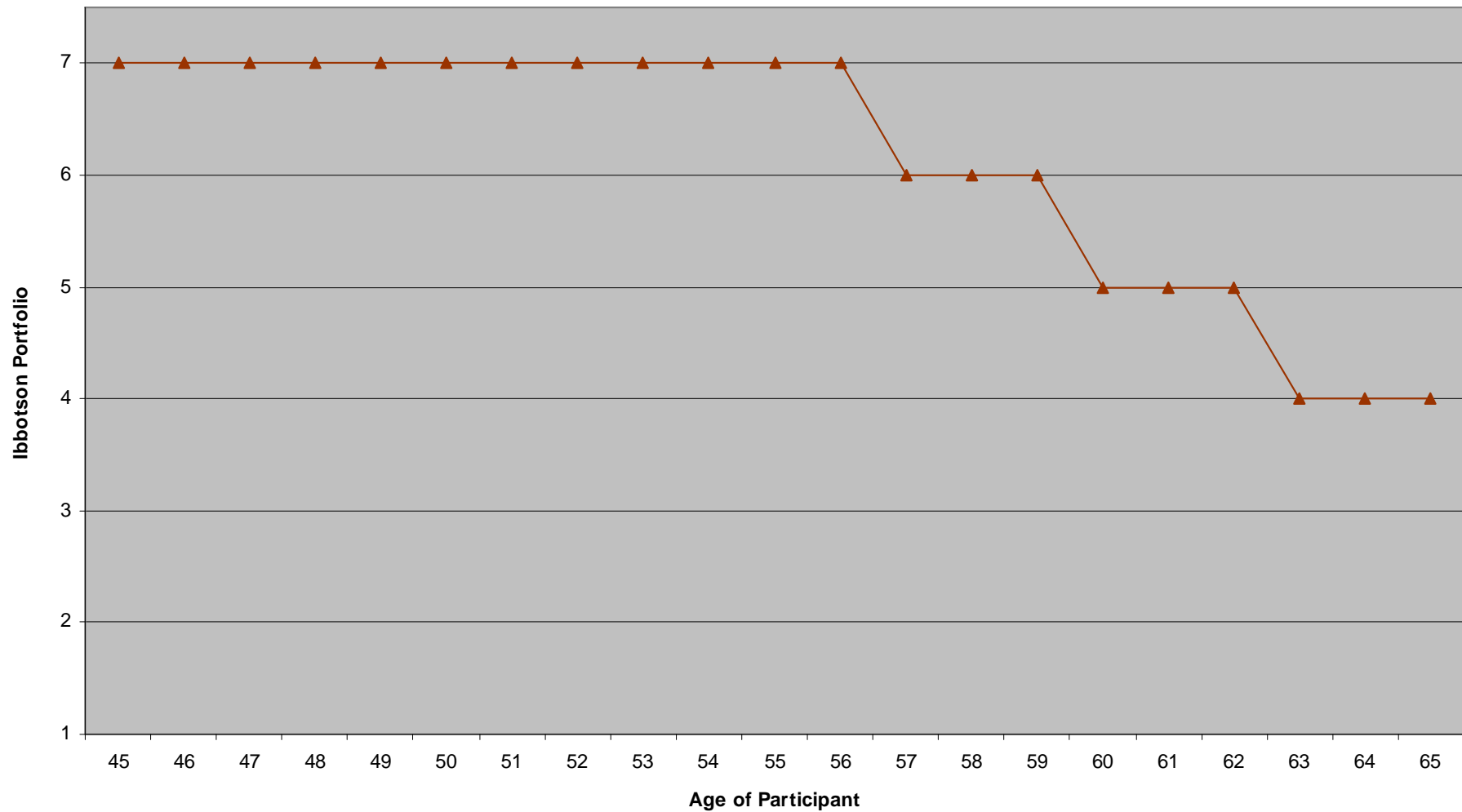
Inputs	Participant
<b>PROFILE DATA</b>	
Age	45
Salary	\$35,000
Current 457 Balance	\$15,000
Desired Retirement Age	65
Desired Retirement Income	100%
Current Savings Rate	5%
<b>DEFINED BENEFIT PLAN</b>	
DB Account	\$10,140
<b>OUTSIDE INVESTMENTS</b>	
Outside Account (IRA)	\$15,000
<b>PLANNED INCOME</b>	
Social Security	Yes
Spouse Social Security	Yes
<b>EXPENSES</b>	
College Expense	Yes

# What Can the Participant Expect At Retirement?



	Current Plan	Reality Investing Recommendation
Asset Allocation (Current)	Moderate Conservative	Aggressive
Savings Rate	5%	10%
Retirement Age	65	65
Probability of achieving desired retirement income goal	17%	73%
Projected Income (90 <sup>th</sup> percentile)	\$24,100	\$26,300

# Reality Investing Participant Scenario Glide Path





# Managed Account & Target Date Funds



## Key Differences Between Managed Accounts and Target Date Funds

- Managed Accounts is an Outcome-Based retirement planning and investment management solution
- Managed Accounts provides a Personalized investment allocation program
- Managed Accounts provides Savings Advice at the individual participant level
- Managed Accounts provides a Service Model that supports participants through online capabilities, dedicated Education Center representatives and personalized retirement readiness statements
- Managed Accounts is an Automated Solution that eliminates misunderstanding and/or misuse of plan investment options

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## Lifestyle/Profile Funds/Target Maturity Funds vs. Managed Accounts



	Lifestyle Funds	Target Maturity Funds	Managed Accounts
Static or Dynamic Election	Static	Static	Dynamic
Reflect Age Changes	No	Maybe	Yes
Reflect Other Life Changes	No	No	Yes
Considers Participant Assets Outside the Plan	No	No	Yes
Considers Spouse Assets Outside the Plan	No	No	Yes
Considers All Assets in the Plan	No	No	Yes
Considers Personal Retirement Age	No	Maybe	Yes
Considers Life Expectancy	No	No	Yes
Employer Fiduciary Protection for Advice	No	No	Yes

Managed Accounts Have Advantages of Lifestyle and Target Funds and much more

# *Appendix*

# Participant Scenarios with Retirement Wealth Net of Managed Account Fees



Factor	Scenario 1*	Scenario 2*	Scenario 3
Age	25	35	45
Gender	Female	Female	Female
Marital Status	Single	Married	Married
Starting Salary	\$30,000	\$40,000	\$35,000

Managed Account Service			
Probability of Success	85%	91%	93%
Recommended Savings Rate	19%	25%	25%
Retirement Age	65	66	66
Future Value of Projected Retirement Wealth	\$434,152	\$553,375	\$320,902

Target Age Date Option			
Probability of Success	54%	17%	17%
Savings Rate	13%	13%	13%
Retirement Age	65	65	65
Future Value of Projected Retirement Wealth	\$227,332	\$108,952	\$159,381

Balanced Fund Option			
Probability of Success	58%	15%	10%
Savings Rate	13%	13%	13%
Retirement Age	65	65	65
Future Value of Projected Retirement Wealth	\$220,969	\$117,663	\$148,914

-\$0.00 opening account balance for all scenarios

-Replacement Income – 100% post tax

\*College funding for 2 children

# Introduction



To GWRS/GWFS Equities Representative:

Attached is an excerpt from a study conducted by Advised Assets Group, LLC (AAG) on the performance experienced by a sample of our Advisory Services participants. Please review all disclosures and notes associated with this presentation material to ensure your understanding of the data prior to any use. This material is ONLY FOR USE WITH BROKERS AND PLAN SPONSORS. THIS MATERIAL IS NOT AUTHORIZED FOR USE WITH PARTICIPANTS.

The following statements should precede any discussion of the material with brokers and/or plan sponsors.

## DISCLOSURE STATEMENT:

AAG conducted a research study as part of its ongoing evaluation of its products and services and the usage and experience of our participant enrollees. This study, and others that will be forthcoming, provides AAG and GWRS with valuable information with respect to the investing behaviors and experiences of its Advisory Services participants as we strive for continuous improvement of our products, services, and the participant experience.

The study data suggests two things based on the average return data compiled by AAG with respect to the sampled participant population for the period evaluated:

- 1) That participants enrolled in the Managed Account service reflected the highest level of average returns
- 2) That participants enrolled in any of the Advisory Services services reflected average rates of return higher than the average returns of the group that were not.

## WHAT THIS STUDY IS NOT:

This study was NOT conducted with the intention to assert, indicate, or suggest in any way that participants will experience improved investment performance or similar investment returns to those depicted in the study by enrolling in Advisory Services. The investment returns of any specific individual enrolled in Advisory Services are a function of that individual's personal financial characteristics and retirement goals as shared with AAG and the associated risk/return strategy that the Advisory Services program advises for that person; the returns of which may be higher or lower than the averages shown in this study.

Please contact AAG with any questions that you have on this study.

# Advised Assets Group Research Study Participant Advisory Services



<b>Enrollment Status During Period 4/01/06 - 3/31/07</b>	<b>Average Annual IROR</b>	<b># of Participants</b>
Participants enrolled in Guidance	8.34%	368
Participants enrolled in Advice	9.57%	154
Participants enrolled in Managed Accounts	11.48%	9,451
Participants in the study group not enrolled in any of the AAG Advisory Services	7.27%	93,159
WDC Plan Participant Return	8.27%	40,4011

Advised Asset Group, LLC (AAG) conducted a study to review the performance of its suite of participant advisory services branded as Advisory Services. The study encompassed approximately 10,000 Advisory Services enrollees across 5 defined contribution plans that represented over 100,000 participants in total. AAG conducted the study to further its understanding of the behavioral-based aspects of defined contribution plan participant investing patterns. AAG has defined participant investing behaviors in 3 categories: Do-It-Myself Investor<sup>SM</sup> (generally interested in Guidance service), Help-Me-Do-It Investor<sup>SM</sup> (generally interested in Advice service) and Do-It-For-Me Investor<sup>SM</sup> (generally interested in Managed Account service). The study represents the average annual rate of return of study participants for each category of service for the time period of April 1, 2006 through March 31, 2007. To fully account for the study population, also shown is the average annual rate of return for plan participants not enrolled in any of the Advisory Services services.

**THIS PERFORMANCE DATA IS PROVIDED FOR INFORMATIONAL AND GENERAL EDUCATIONAL PURPOSES ONLY, AND IS NOT INTENDED TO BE CONSTRUED OR RELIED UPON AS INVESTMENT ADVICE OR TO PREDICT FUTURE RESULTS. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RETURNS, AND THE PERFORMANCE OF ACTUAL PORTFOLIOS CAN VARY WIDELY. ACTUAL INVESTMENT RESULTS MAY BE HIGHER OR LOWER.**

## Additional Disclosures



Individual Rates of Return (IROR) were calculated by the GWRS defined contribution plan participant recordkeeping system. The calculated average rate of return is net of any AAG fees and other fee and charges, as applicable. A full description of the calculation is available upon request.

Advisory Services is a comprehensive suite of participant advisory services that combines the elements of sound financial planning with professional investment advice. The objective of Advisory Services is to provide defined contribution plan participants with a range of services; each intended to facilitate the alignment of an individual's asset allocation strategy and its associated risk/return characteristics with his/her specific retirement goals and current financial position.

Managed Account, Advice, and Guidance services are offered by Advised Assets Group, LLC (AAG) and powered by Ibbotson Associates, Inc. Both AAG and Ibbotson Associates, Inc. are federally registered investment advisers. More information about this research study can be obtained by contacting AAG at 303-737-5724. Additional information about AAG can be found at [www.advisedassetsgroup.com](http://www.advisedassetsgroup.com).

Information for this study was received from what we believe to be reliable sources, but we cannot guarantee accuracy, completeness, or suitability for any purpose.

Great-West Retirement Services<sup>®</sup> refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCore, LLC (FASCore Administrators, LLC in California), First Great-West Life & Annuity Insurance Company, White Plains, New York and their subsidiaries and affiliates. Great-West Life & Annuity Insurance Company is not licensed to conduct business in New York. Insurance products and related services are sold in New York by its subsidiary, First Great-West Life & Annuity Insurance Company, White Plains, New York. Other products and services may be sold in New York by FASCore, LLC. Advised Assets Group, LLC is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of FASCore, LLC (FASCore Administrators, LLC in California) and First 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 Plan's attorney, investment advisor and/or tax advisor as needed. Great-West Retirement Services<sup>®</sup> is a registered service mark and Reality Investing<sup>SM</sup> is a service marks of Great-West Life & Annuity Insurance Company. © 2007 Great-West Life & Annuity Insurance Company. All rights reserved.

Form #AAG51283 (11/07)-GWRS

# Savings & Utilization Study



Study evaluated the utilization of Managed Account programs.<sup>1</sup>

- The study found little difference in the utilization of Managed Account programs across varying:
  - Plan Sizes
  - Industries
  - Occupations (professional vs. non-professional)
  - Salaries
- Conclusion
  - The average deferral rate for Managed Account participants significantly higher than those not participating
  - The need and demand for managed accounts by plan sponsors and participants is ‘universal’.

<sup>1</sup> Source: “The Managed Account Solution: Managed Accounts Have Universal Appeal with Today’s Retirement Plan Sponsors and Their Participants” at [www.retirement.standard.com](http://www.retirement.standard.com), 2007.



# Additional Performance Results



Study evaluated the impact of retirement planning variables on investment selection.<sup>1</sup>

- Incorporating ‘outside asset’ (i.e. DB in this study) information into managed accounts model contributes to increased participant DC performance by approximately 400 bps over 12 months

Study evaluated “bar bell” investing pattern and the normalization of investment selection through managed accounts.<sup>2</sup>

- Most conservative category increased performance by 360 bps<sup>3</sup>
- Most aggressive category decreased performance by 146 bps<sup>3</sup>
- Risk/return ratios improve in all categories<sup>3</sup>

<sup>1</sup> The AIG/Valic Study was based on calculated portfolio returns for 12 months ended on June 30, 2006. See Wall Street Journal, “The 401(k) That Fixes Itself”, August 19, 2006.

<sup>2</sup> The Vanguard Study was based on calculated portfolio returns in September 2004 and December 2005. For additional information, see Vanguard Center for Retirement Research, “Managed Accounts and Participant Portfolios” (Vol. 24, July 2006).

<sup>3</sup> The study relied upon Financial Engines’ proprietary forecasting methodology which projects the likelihood of various investments that are hypothetical in nature. The projected returns do not reflect actual results and are not guarantees of future results.

*Reality Investing  
Participant Experience Screen Shots*

# Reality Investing Online User Interface





[My Account](#)
[Reality Investing<sup>SM</sup>](#)
[Online File Cabinet<sup>®</sup>](#)
[Education](#)
[Tools](#)

**Welcome FOUR DUMMY ACCOUNT, XYZ**  
Company 401(k) RI Plan  
Your current balance is \$12.48

[Personalize FOUR's Page](#)



**What's your reality?**

Between your work life and home life, you are a lot of different things to a lot of different people, but chances are, you're not an investment expert. And even if you do feel like you are qualified to make the right financial decisions to meet your retirement goals, you may not have the time or desire to do it. To find out more about the professional advisory services your Plan offers, [click here](#).

Learn more about  
Managed Accounts

Enroll in  
Managed Accounts

**Market Indices**

Dow Jones Industrial Average



DJIA	12,226.17	▲ 115.76	0.96%
Nasdaq	2,394.41	▲ 21.75	0.92%
S&P 500	1,402.06	▲ 15.11	1.09%

4:30 PM ET 3/19/2007  
©BigCharts.com

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Tired of keeping track of all the statements you receive? Want a convenient and secure way to access your quarterly statements online...then check out [Online File Cabinet<sup>®</sup>](#) and let us help you simplify your life.



**Balance by Investment Option**

Investment Options	Unit/Shares Effective Date	Balance
Oakmark International II	16-MAR-2007	\$2.87
Oppenheimer Global A	16-MAR-2007	\$3.45
Maxim Index 600	16-MAR-2007	\$1.19
American Funds Wash Mutual R3	16-MAR-2007	\$0.57
Maxim S & P 500 Index	16-MAR-2007	\$3.07

**Your Financial Planning Resource**

*We are pleased to offer you articles from our provider of participant education, SmartMoney Custom Solutions. Please check out some valuable personal finance information by clicking on the links below.*

**-- Updated February 18, 2007**

[The Investment Styles in Your Workplace Retirement Savings Plan](#)

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# Reality Investing Online User Interface



My Account Reality Investing<sup>SM</sup> Online File Cabinet® Education Tools

Summary

1: Profile

2: Investments

3: Planning

4: Results

## Welcome to Advisory Tools and Services Online Access

How much will you need to retire comfortably? Are you selecting the right investment options? Are you saving enough to achieve your goals?

-  Help
-  Get Results
-  Continue

Advisory Tools and Services Online Access provides you with access to Guidance, Advice, and a Managed Account service - all at your fingertips. Online Guidance and Advice provides you with the tools and asset allocation knowledge needed to generate and manage a recommended investment portfolio that reflects your unique goals and plan options. Online access makes it easy to review your plan, consider alternative scenarios and ultimately design your strategy to reflect your desired plan outcome. So you can get a fast start, your most current retirement plan information is already entered below.

If your plan offers Managed Accounts, you can also use this site to keep us current on your financial situation and goals!

Simply click on the "Modify" tabs below to update your information.

### ABOUT YOU [modify](#)

<b>Name:</b>	Joe Smith	<b>Marital Status:</b>	Married
<b>Date of Birth:</b>	11/04/1959	<b>Dependents:</b>	0
<b>State of Residence:</b>	Minnesota	<b>Current Salary:</b>	\$55,000
<b>Gender:</b>	Male		

### INVESTMENTS [modify](#)

	Balance	Enrollment Status
XYZ Company 401(k) RI Plan	\$12	Guidance
Taxable	\$28,000	Not Applicable

# Reality Investing Online User Interface



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# Reality Investing Online User Interface



Summary
1: Profile
2: Investments
3: Planning
4: Advice


? Help

### Proposed Plan

Below is a detailed comparison of your current strategy with the plan proposed by the Managed Accounts program. These plans support the retirement income scenarios from the previous page. Part 1 displays the asset allocation for current and proposed plans. Selecting the proposed plan may require significant changes in how your money is currently invested. Part 2 displays the savings rates for 401(k) and outside assets as well as the desired retirement age. Selecting the proposed plan may require significant changes in your savings rates. You may select Create an Alternate Plan and change any of the variables displayed in the plan.


#### PORTFOLIO ANALYSIS

**Current**



Money Market

**Proposed Plan —  
Moderate**



- Small Stock TR
- International Equity TR
- Large Stock TR
- Money Market

SAVINGS AND RETIREMENT AGE	Current	Proposed Plan
Pre-Tax 401(k) Savings Rate	6%	6%
Post-Tax 401(k) Savings Rate	0%	0%
Annual Taxable Savings - Outside of 401(k)	\$0.00	\$0.00
Desired Retirement Age	65	65

#### SELECT A PLAN

Continue with the Proposed Plan  
 Create an Alternate Plan

Advice and Managed Accounts 3.3 build 150

# Reality Investing Online User Interface



My Account Reality Investing Online File Cabinet® Education

**AdvisedAssetsGroup**  
Put Our Power Behind You

Summary 1: About You 2: Investments 3: Planning 4: Advice

**Advisory Tools and Services Options** ? Help

**STEP 1: REVIEW THE OPTIONS**

**Managed Accounts**  
The Managed Account service is an account management feature offered by your Plan in which you 'hire' Advised Assets Group, LLC (AAG) as your personal investment manager. Based on the information you tell us about yourself, your financial situation, and your goals, AAG will work with Ibbotson Associates - an industry leader in asset allocation and investment analytics, to determine a specific and personalized investment allocation and savings rate recommendation for you. AAG will then allocate your account among the investment options available in your retirement plan.

Once you have enrolled in the service, we take it from there. After you provide us with the required information needed to create your personalized investment portfolio, we'll assign an investment mix to your retirement plan account, realign your account to reflect those new funds and periodically check your account to correct for any drift from the allocation or changes to your plan. All you have to do is keep us current on your financial situation and your goals by periodically checking back with us to make sure everything is up to date.

Fees related to this service are collected from your investment account. For questions on fees, please review the the Terms of Service by clicking the Terms of Service link below or speak with an AAG Adviser Representative by calling your plan's toll-free customer service number. [[More Detail](#)]

**Advice**  
Online Investment Advice is a service in which you obtain an investment recommendation from AAG based on information you provide. You then determine if you wish to accept and implement that recommendation. From time to time AAG encourages you to repeat this process and update your account accordingly. For more information on any fees that may be applicable for your use of the service, please click the Terms of Service link below, or speak with an AAG Adviser Representative by calling your Plan's toll-free customer service number. [[More Detail](#)]

**STEP 2: SELECT AN OPTION**

Enroll in Managed Accounts  
 Enroll in Advice

**STEP 3: REVIEW THE SERVICE AGREEMENT**

Read the [Terms of Service](#)

I have read and agree with the terms of service

# Reality Investing Online User Interface



Summary 1: Profile 2: Investments 3: Planning 4: Advice

## Advice Account Review Transaction ? Help

Please review the transaction to be applied to your advice account.

INVESTMENT	Previous Allocation	New Allocation
<a href="#">Not Sure Why I'm Blue Chip Fund</a>	0.00%	31.00%
<a href="#">Tiny to Small Cap Fund</a>	0.00%	12.00%
<a href="#">Never Been There International Fund</a>	0.00%	17.00%
<a href="#">Often Confused Bond Fund</a>	0.00%	24.00%
<a href="#">New World Bank Money Market Fund</a>	100.00%	16.00%

DEFERRAL RATES	Current	New
Post Tax:	0.00%	0.00%
Pre Tax:	6.00%	6.00%

**NEXT STEP**


- Implement Advice
- Create an Alternate Plan
- Save and Exit without implementing plan

Advice and Managed Accounts 3.3 build 150



# Reality Investing Online User Interface





[Log Out](#) [Home](#) [Print](#)

[View Account](#)

- Balance
- Current Allocations
- Transaction History
- My Rate of Return
- Loan Summary
- More...

[Change Account](#)

- Fund Transfer(s)
- Redirect Future Contributions
- Rebalancer
- Change PIII
- More...

[Fund Choices](#)

- Fund Overviews
- Fund Performance
- Fund Values
- Fund Values Graph
- Fixed Rates
- More...

[Loan Request](#)

[My Account](#) [Reality Investing<sup>SM</sup>](#) [Online File Cabinet®](#) [Education](#) [Tools](#)

Summary | 1: Profile | 2: Investments | 3: Planning | **4: Results**

### Investment Advice Action [Help](#)

Be sure to print the [summary](#) and keep it for your records.

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#### 1. HERE'S WHAT WE'VE DONE

**XYZ Company 401(k) RI Plan-932777**

**We have reallocated your future contributions and existing fund balances** ([details](#))

**Pre-tax Advice Account Savings:** We have increased your savings to 25%

**Post-tax Advice Account Savings:** We have maintained your savings of 0%

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#### 2. STEPS YOU STILL MUST TAKE

Your plan does not allow deferral changes to occur from within this site. Please contact your employer to implement your recommended savings rate change.

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#### 3. UPDATING YOUR ADVICE RECOMMENDATION

From time to time you may wish to obtain and implement an updated advice recommendation. Simply return to this site, update your financial information and goals, and proceed to "Advice" for an updated recommendation. You may wish to implement the updated recommendation at that time. Some reasons you may wish to update your recommendation may include:

1. Life events - marriage, birth of a child
2. Adding or subtracting spouse's income
3. Adding or changing information on other investment accounts

# Appendix: Examples of Participant Communications



## Managed Account Portfolio Review

Here is your Managed Account Portfolio Review for your ABC Retirement Plan!

Below is a summary of the information provided and used to generate your investment portfolio. Please verify that this information is complete and accurate. If a change to your personal information is required, please contact an AAG representative at (XXX) XXX-XXXX, complete and mail the enclosed "Personalize Your Account Form" or update your information online by visiting your plan's Web site at www.XXXX.com.

### Your Personal Information<sup>1</sup>

Prepared On: 8/31/04

Participant Name:	John Doe	Date of Birth:	08/31/1947
State of Residence:	Colorado	Annual Income:	\$41,573
Gender:	Male	Dependents:	1
Account Balance:	\$20,553.25	Desired Retirement Income (pre-tax):	\$33,259
Retirement Age:	65	Pre-Tax Contribution:	x% or \$xxx
		Post-Tax Contribution:	x% or \$xxx

### Your Spouse/Partner Information<sup>2</sup>

Spouse/Partner Name:	Jane Doe	Date of Birth:	09/28/1950
Gender:	Female	Annual Income:	\$65,000

### Your Outside Account Information<sup>2</sup>

Below is your personal information about outside assets and/or investments. Outside account information, if provided, is not managed but is taken into consideration in constructing your investment portfolio.

Account Name	Owner	Account Type	Account Balance
John Doe IRA	John Doe	IRA	\$10,000
ABC Co. 401(k)	John Doe	401(k)	\$20,000
Merrill Lynch	Jane Doe	Investable	\$52,000

Plan Number: IND ID

## Your Personalized Annual Income Illustration

### Retirement Income: Smart Planning for the Future You Want

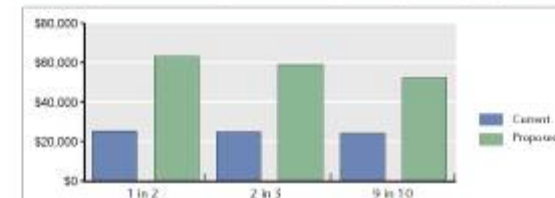
Are you on track to meet your retirement income goals? As a Managed Account participant, you already know that the right mix of investments is a critical part of an effective retirement planning strategy. But other factors are just as important — such as your savings rate and other accounts and investments you plan to use for retirement.

In addition to helping you choose retirement investments, we at Advised Assets Group, LLC (AAG) make personalized recommendations on how to align your retirement savings with your retirement income goals.

### Your Personal Retirement Income Analysis

The first step is to understand whether you're saving enough for the retirement income you want. Remember: the rule of thumb is that you'll need at least 80%-100% of your working income to support a similar lifestyle in retirement. Depending on when you want to retire and how you want to live in retirement, you may need even more.

This graph compares three versions of two different retirement income scenarios: the probability of achieving a given post-tax retirement income based on your **current** investment mix and savings rate (as shown by the blue bar); and the probability of achieving a post-tax retirement income based on AAG's **proposed** savings rate and investment mix based upon the investment options available in your Plan (as shown by the green bar).



As you move to the right, the comparison of the two scenarios increases in probability. The first pairing illustrates a 1-in-2 probability, the second pairing a 2-in-3 probability, and the third pairing a 9-in-10 probability.

### Understanding the Analysis: Does Your Savings Rate Match Your Income Goals?

Ideally, the blue bar and the green bar will be the same height. In other words, your current retirement income scenario (based on your existing savings rate and investment mix) matches AAG's **proposed** retirement income scenario (based on the information you provided when you enrolled in Managed Accounts).

What does it mean if the blue bar is lower than the green bar? It may mean that your current retirement savings rate may not be enough to fund your planned retirement income. In that case, AAG provides you with personalized recommendations for how to increase your retirement savings rate. Possible recommendations include:

- Increasing your contribution rate.
- Increasing your planned retirement age.
- Saving more on an after-tax basis.

(over)



# REALITY *investing*

RETIREMENT SOLUTIONS FOR REAL PEOPLE

***Thank you for your time!***

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. Securities, when offered, are offered through GWFS Equities, Inc. AAG, and GWFS Equities, Inc. are wholly owned subsidiaries of Great-West Life & Annuity Insurance Company. Great-West Life & Annuity Insurance Company is not licensed to conduct business in New York. 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® refers to products and services provided by Great-West Life & Annuity Insurance Company, and their subsidiaries and affiliates. Great-West Retirement Services® and Reality Investing<sup>SM</sup> are service marks of Great-West Life & Annuity Insurance Company. All rights reserved. Form # AAG-RI-WDC (01/08)