

# Great Expectations

## Tulare County Deferred Compensation Plan Newsletter

### Plan to Attend Annual Fund Performance Review

The County of Tulare Deferred Compensation Committee is well aware of your need to make well-informed investment decisions. For that reason, the Committee wants to make all plan participants aware of the annual Fund Performance Review that will take place on Monday, May 21, 2007. The purpose of the Deferred Comp Committee's Fund Review is to discuss the individual performance of each of the funds currently offered to Tulare County Deferred Comp participants. The review will look at each of the fund's investment performance, will compare this to other funds of similar structure (their "peers"), and will look at the level of risk involved with the individual funds (Yes, some funds are riskier than others.) The Committee will also hold discussion as to whether or not any new funds should be added or any of the existing funds removed.

While having the opportunity to contribute into a Deferred Compensation program is a great way to save for retirement, it also presents a significant challenge. The person ultimately responsible for investing the funds in your personal Deferred Comp account is YOU! As a result, educating yourself on the various investment options available to you is not just a good thing to do, it is a must for those people who want their accounts to show positive results over the long-term. Even under the best of circumstances investing one's money is difficult and there are no guarantees that anyone will always be successful.



Also keep in mind that Reality Investing is available for those participants who would like to have their accounts managed for them.

As mentioned in the last edition of *Great Expectations*, you are able to choose from three levels of the service. Under the "do-it-for-me" approach, investment selections are made for you. These are monitored and re-balanced over time as changes in the investment markets occur. The "help-me-do-it"

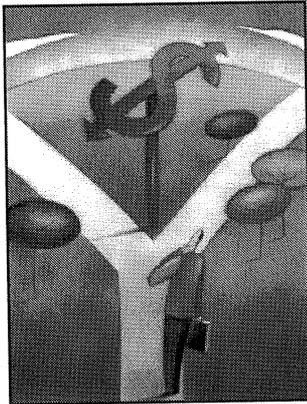
service gives you assistance by making asset allocation and savings rate recommendations. Finally, for the "do-it-myself" investor, "Investment Advice" will give you information designed to assist you in making your own investment decisions.

Whether you are an experienced investor, or a novice, please consider joining the Deferred Comp Committee in the annual review of the Deferred Compensation program funds. You may not understand everything that goes on, but we are certain that it is information covered at the meeting will assist you in becoming a more knowledgeable investor. The meeting will also help you to gain a broader understanding of how the Deferred Comp program works. As stated above, the meeting is to be held on Monday, May 21, 2007. It will begin at 9:00 a.m. and will be held in the TCERA building at 136 North Akers in Visalia. The Committee welcomes all of the Deferred Comp plan participants to attend.

## Committee Relaxes Restrictions on SDBA Investments

The County Deferred Compensation Committee has voted to allow members of the plan who invest in Self-Directed Brokerage Accounts (SDBA) to include investments in individual securities. Prior to this decision, SDBA participants were restricted to investing only in mutual funds.

Deferred Comp Committee members remain concerned that those participating in the Self-Directed Brokerage Accounts be made fully aware of the risks involved and caution that such investments are best made by those with a high-level of investment experience and knowledge. A participant in the SDBA program is required to sign documents indicating their understanding that the liabilities of investing are their own and that they make such investments at their own risk. However, for those participants interested in having greater control over their 457-plan investments, participation in the SDBA may be worth taking the time to review.



## Equity Fund to be Replaced

Due to concerns regarding performance, the Tulare County Deferred Compensation Committee has decided to terminate the Delaware Trend A Fund from the list of mid-cap growth equity (stock) funds available to plan participants.

Currently there are 68 participants in the Tulare County Deferred Comp program that have accounts invested with Delaware Trend A. All of these individuals will be notified via separate mailing of the planned change and of their options for investing in other funds. A notice regarding the decision is also to be posted of the County's Deferred Compensation website.

## Should You Consolidate Your Deferred Comp Accounts?

Some members of the Tulare County Deferred Compensation Program also have Deferred Comp accounts through previous employers. If you are one such participant, have you thought about consolidating your various accounts into a single one? Doing so would allow you the ability to track the total of your Deferred Comp amounts through fewer monthly or quarterly statements. Other advantages (and concerns) to consider regarding consolidating multiple Deferred Comp accounts into a single one are as follows:

- You may have lower fees through the Tulare County plan than through your previous employer. (The Tulare County program charges no management fees on an ongoing basis.)
- The Tulare County plan may offer you a greater selection of investment options. (These include the Self Directed Option for experienced investors.)
- The Tulare County program offers the "Managed Account" product with fees that may be lower than other providers.

Keep in mind that there may be a fee charged by your previous plan for transferring your funds to the Tulare County (or some other) program. Even so, consolidation may make the practice of managing your Deferred Comp funds much easier.

If you would like more information or help in getting started, contact our Great West representative, Stephanie Henry, at (559) 967-2280.

### Contact Information:

TC Deferred Compensation Plan  
[www.co.tulare.ca.us/government/auditor/defercomp/default.asp](http://www.co.tulare.ca.us/government/auditor/defercomp/default.asp)

If you are interested in finding out more about the 457 Deferred Compensation Plan for Tulare County, please contact:

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