



# CITY OF *Los Angeles*

## DEFERRED COMPENSATION PLAN

## Profile Portfolios

Your City of Los Angeles Deferred Compensation Plan offers many tools to help you prepare for retirement, including a wide array of investment options. But building and managing a portfolio of individual investment options is not for everyone. If you don't have the time or desire to select individual investment options and continuously monitor the investment mix on your own, consider the Profile Portfolios.

**The Profile Portfolios are five risk-based asset allocation funds distinguished by their risk levels. They include:**

- Ultra-Conservative Profile Portfolio
- Conservative Profile Portfolio
- Moderate Profile Portfolio
- Aggressive Profile Portfolio
- Ultra-Aggressive Profile Portfolio

While you can invest in any of your Plan's other investment options at the same time, selecting just one Profile Portfolio may be all you really need or want.

### How Profile Portfolios Work:

Each Profile Portfolio automatically spreads your contributions over a broad range of asset classes (which may include stable value, bonds, large-company stocks, mid-size company stocks, small-company stocks and international stocks) in varying percentages. What distinguishes each is the risk "profile" of the participant: ultra-conservative, conservative, moderate, aggressive or ultra-aggressive.

You choose the risk level you're comfortable with. Generally speaking, investors who have many years to work before retiring might be more comfortable taking on more risk, while investors nearing retirement might want less risk. Every individual's situation is different, so if you need help don't hesitate to talk to one of our Plan counselors. They can help you design a strategy that meets your risk tolerance and investment objectives.<sup>1</sup>

All you have to do is choose the profile that best suits your needs.

### Profile Portfolios Offer:

- **Convenience** – The investment mix is selected, performance monitored, and adjustments made, as needed, by the Board and the Plan's consultant.
- **Professional Management** – The underlying funds in each portfolio are professionally managed by qualified investment experts.
- **Diversification**<sup>2</sup> – Ranging from ultra-conservative to ultra-aggressive, each portfolio is diversified with a mix of investments covering a variety of asset classes and investment types. This diversification may allow for a more consistent rate of return while helping to reduce portfolio risk and volatility.
- **Competitive Pricing** – The Profile Portfolios are built largely from the Plan's passively managed investment options, which tend to have lower investment management costs compared to their actively managed peers. Keep in mind that the Profile Portfolios may be subject to a fund operating expense at the fund level, as well as prorated fund operating expenses of each underlying fund in which they invest. For more information, please refer to the portfolio's disclosure document.

### Take the Next Step:

If one of the Profile Portfolios appeals to you, you can transfer account assets or change ongoing deferrals from your current options to any of the Profile Portfolios by calling Participant Services at (888) 457-9460 or visiting the website at [www.cityofla457.com](http://www.cityofla457.com).<sup>3</sup>

If you are looking for investments that are more conservative than the Ultra-Conservative Profile Portfolio, you may wish to consider the Plan's Stable Value Fund and/or its FDIC-Insured Savings Account.<sup>4,5</sup>

*Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain prospectuses for mutual funds and/or disclosure documents from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact Schwab PCRA at (888) 393-7272. Read them carefully before investing.*

## SEE BACK FOR ADDITIONAL INFORMATION ABOUT THE PROFILE PORTFOLIOS

<sup>1</sup> Representatives of GWFS Equities, Inc. cannot offer investment, fiduciary, financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

<sup>2</sup> Diversification does not ensure a profit and does not protect against loss in declining markets.

<sup>3</sup> Access to Participant Services and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website and/or Participant Services received on business days prior to close of the New York Stock Exchange (4 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.

<sup>4</sup> Transfers out of the Deferred Compensation Stable Value Fund must be invested in a variable investment option for a minimum of 90 days prior to investing any funds in the FDIC-Insured Savings Account. Transfers may not be made directly from the Deferred Compensation Stable Value Fund to the FDIC-Insured Savings Account.

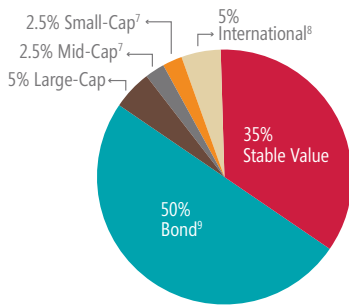


## Profile Portfolios

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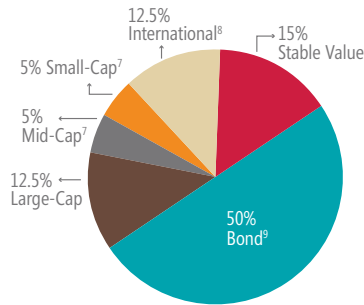
The following reflects the current composition of the Deferred Compensation Plan (DCP) Profile Portfolios by asset class and underlying fund (as of June 30, 2016).<sup>6</sup>

### ULTRA-CONSERVATIVE PROFILE PORTFOLIO



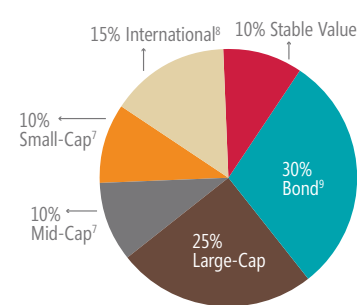
Ultra-Conservative Profile Fund	
Bond (50.0%)	DCP Bond Fund
Stable Value (35.0%)	DCP Stable Value Fund
Large-Cap (5.0%)	DCP Large-Cap Fund
International (5.0%)	DCP International Fund
Small-Cap (2.5%)	DCP Small-Cap Fund
Mid-Cap (2.5%)	DCP Mid-Cap Fund

### CONSERVATIVE PROFILE PORTFOLIO



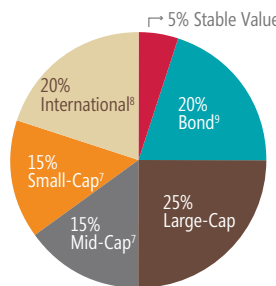
Conservative Profile Fund	
Bond (50.0%)	DCP Bond Fund
Stable Value (15.0%)	DCP Stable Value Fund
Large-Cap (12.5%)	DCP Large-Cap Fund
International (12.5%)	DCP International Fund
Small-Cap (5.0%)	DCP Small-Cap Fund
Mid-Cap (5.0%)	DCP Mid-Cap Fund

### MODERATE PROFILE PORTFOLIO



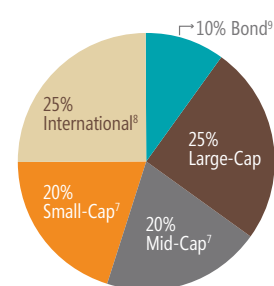
Moderate Profile Fund	
Bond (30.0%)	DCP Bond Fund
Large-Cap (25.0%)	DCP Large-Cap Fund
International (15.0%)	DCP International Fund
Stable Value (10.0%)	DCP Stable Value Fund
Small-Cap (10.0%)	DCP Small-Cap Fund
Mid-Cap (10.0%)	DCP Mid-Cap Fund

### AGGRESSIVE PROFILE PORTFOLIO



Aggressive Profile Fund	
Large-Cap (25.0%)	DCP Large-Cap Fund
Bond (20.0%)	DCP Bond Fund
International (20.0%)	DCP International Fund
Small-Cap (15.0%)	DCP Small-Cap Fund
Mid-Cap (15.0%)	DCP Mid-Cap Fund
Stable Value (5.0%)	DCP Stable Value Fund

### ULTRA-AGGRESSIVE PROFILE PORTFOLIO



Ultra-Aggressive Profile Fund	
International (25.0%)	DCP International Fund
Large-Cap (25.0%)	DCP Large-Cap Fund
Small-Cap (20.0%)	DCP Small-Cap Fund
Mid-Cap (20.0%)	DCP Mid-Cap Fund
Bond (10.0%)	DCP Bond Fund

**For more detailed information about each of the Profile Portfolios, refer to the fund overviews located on the website at [www.cityofla457.com](http://www.cityofla457.com).<sup>3</sup>**

<sup>5</sup> The FDIC-Insured Savings Account assets are typically allocated equally among multiple banks that act as underlying depository institutions. The FDIC insures investor deposits up to \$250,000 per individual per banking institution, and up to \$750,000 of your account balance. For balances over \$750,000, each underlying bank provider is required to collateralize balances above the FDIC coverage limit by pledging high quality securities to provide additional protection from bank credit risk in accordance with the California Government Code.

<sup>6</sup> The allocations shown here for the Profile Portfolios are subject to change.

<sup>7</sup> Equity securities of small- or medium-sized companies may be more volatile than securities of larger, more established companies.

<sup>8</sup> Foreign investments involve special risks, including currency fluctuations, taxation differences and political developments.

<sup>9</sup> 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.

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