



## Great-West Retirement Services®

### **Great-West Retirement Services Participant:**

With widespread media coverage of financial market conditions the past few weeks, we understand that you might have questions about your retirement account, so we wanted to take a few minutes to provide you with the following information, which addresses recent issues and should help you keep current market events in perspective.

### **Retirement plan assets**

Retirement plans are governed by federal laws, which require that plan assets be held separate and apart from employer or recordkeeper corporate assets. As a result, your retirement plan account would be protected from creditors of the recordkeeper or service provider if either were to encounter financial solvency issues.

In addition, as your plan account may be invested in various mutual funds, it is important to note that a mutual fund is a distinct legal and financial entity, separate and apart from its service providers, such as its investment advisor. As a result, if the investment advisor or other service providers of a mutual fund were to encounter financial solvency issues, the mutual fund investments of your plan account would be protected from creditors of the investment advisor or other service providers of the mutual fund. The separate and distinct roles played by a mutual fund, its investment advisor, and the fund's board of trustees or directors derives from federal law — the Investment Company Act of 1940.

At the same time, it should be remembered that while your plan account is protected from creditors of a recordkeeper or other service provider, the value of the investments are subject to market price volatility. While volatility can be significant in the short run, historically markets have recovered from volatility and moved higher when fundamental economic conditions improved.

### **Great-West Life & Annuity's strength and corporate stability**

Your retirement provider, Great-West Retirement Services®, is a business unit of Great-West Life & Annuity Insurance Company. With more than a century of experience in providing financial security for Americans, Great-West Life & Annuity serves millions of customers through a range of retirement savings products and services, life insurance, and annuities. Headquartered in the metro Denver area with offices around the country, we are a leading provider of employer-sponsored retirement savings plans. We also provide annuity and life insurance products for individuals, businesses and corporate executives.





Great-West Life & Annuity has consistently received high industry ratings for financial strength and operating performance. Our ratings represent the opinion of nationally recognized rating agencies regarding the financial strength of the company and its ability to meet ongoing obligations to policyholders. Great-West's current ratings, which have been in effect since July 2003, are:

- **A.M. Best Company, Inc.: A+ (Superior; highest of 10 categories) for financial strength, operating performance and business profile.**
- **Fitch Ratings: AA+ (Very Strong; second highest of nine categories) for financial strength.**
- **Moody's Investors Service: Aa3 (Excellent; second highest of nine categories) for financial strength.**
- **Standard & Poor's Ratings Services: AA (Very Strong; second highest of nine categories) for financial strength.**

Our parent companies, Great-West Lifeco and Power Financial Corporation, both based in Canada, are among the largest and most successful organizations in the financial services industry. Power Financial is a diversified international management and holding company with operations in Canada, the United States, and Europe. In fiscal year 2007, Power Financial reported over CDN \$28 billion in revenues, and at the end of June 2008, it reported an operating profit of 17.05%. Over the past 15 years, Power Financial has provided a 23.5% annual compound return to shareholders.

### **Pursuing diversification and education through market cycles**

Great-West Retirement Services' educational materials communicate the importance of maintaining diversified retirement investments and sticking with a long-term plan through market cycles. Diversification matters because, at any given time, economic and market conditions may favor one type of investment over others. Since it is impossible to predict market leadership, choosing a variety of investments is a way to increase the chance of owning the best performers while limiting exposure to weaker areas.

Similarly, it is natural when investment values are rising for investors to want to buy more strong performers, and to consider selling poor performers when the market is going down. However, history has shown that chasing past performance has been detrimental to investment results over the years. A more effective way to manage risk over time is to maximize your contributions in a diversified portfolio that is rebalanced through up and down markets. This approach takes advantage of the simple discipline of buying when market prices are low. In summary, for long-term investors, staying invested makes more sense than moving in and out of the market at the first sign of bad news.

When markets are volatile, it is helpful to keep sight of what has not changed: you are pursuing a comfortable and secure retirement, and Great-West Retirement Services is committed to helping you reach your goals. Please contact us with questions, because we want to work closely with you to address any concerns that you might have. At Great-West Retirement Services, we deeply value our relationship with you and we are ready to assist you in any way, both now and in the years ahead, to help you achieve a secure retirement.

Past performance cannot guarantee future results. Diversification does not assure a profit or protect against loss. It is possible to lose money in a diversified portfolio.