

WDC Investment Options and Reality Investing® Advisory Services

Choose your own investments or choose from the investment advisory services

The Wisconsin Deferred Compensation (WDC) Program provides you with a wide range of investment options to meet your unique retirement goals. Whether you are an experienced investor or a beginner, the WDC is designed to help you on your way to a financially secure future.

The investment options from which you can choose are divided into four tiers:

1. Lifecycle Funds
2. Passive Index Funds
3. Actively Managed Funds
4. Self-Directed Brokerage Account

Read on to learn more about each investment tier so you can make the right investment choices for your personal needs. As you begin to learn more about the different fund options, the WDC also encourages you to read each fund's prospectus to learn about the objectives of the funds available to you. Keep in mind that there is no guarantee that the objective of any given fund will be achieved.

Tier 1: Lifecycle Funds

This array of funds is designed for the investor who may not have the time—or the desire—to manage his or her account. The lifecycle funds are designed to adjust your exposure to risk over time as your risk tolerance changes. For example, as you near retirement, your assets invested in the fund will be shifted to a more conservative allocation because you'll have less time to make up for any market downturns or losses that you could incur. To get started, simply choose the fund that is closest to the year in which you expect to retire.

Tier 2: Passive Index Funds

This option is intended for people who prefer to invest in certain asset classes, as opposed to specific funds. You have five different index funds to choose from, and they are designed to closely mirror the performance of a particular market index. For example, if you decide to invest in the Vanguard Institutional Index Plus Fund, which is a collection of the large-cap stock market sector, your investment should correlate to the performance of the S&P 500® Index.¹

Tier 3: Actively Managed Funds

This option allows you to select from 11 actively managed investments, ranging from conservative to aggressive. There are many choices, including an FDIC bank option, a stable value fund and a money market option, along with eight other bond and stock funds that range from moderate to aggressive. You can learn about each fund's objective in its prospectus.

Tier 4: Self-Directed Brokerage Account (SDBA)

If you have confidence and investment knowledge—and are comfortable with the risk of selecting your own investment options—you may be interested in a self-directed brokerage account (SDBA). The SDBA provides access to more than 3,000 additional mutual funds and is offered through the Charles Schwab Personal Choice Retirement Account®. So if you're seeking greater flexibility, increased diversification², or simply want to take a more active role in your investment strategy, the SDBA may be the right choice for you. Note: The WDC SDBA option *does not* provide the ability to purchase stocks, commodities or exchange-traded funds. It is limited to mutual funds only.

¹ S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC, and is an unmanaged index considered indicative of the domestic Large-Cap equity market. A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

² Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.



The WDC Spectrum of Investments, Tiers 1–4

Tier 1: Lifecycle Funds

Fund	Risk	Asset Class
Vanguard Target Retirement Income Fund ³	The risk levels and asset classes for the various lifecycle funds are dependent upon the target retirement date associated with each fund. <i>The date in the fund's name represents an approximate date when an investor would expect to retire, assuming retirement at age 65. The principal value of the funds is not guaranteed at any time, including the target date.</i>	
Vanguard Target Retirement 2015 Fund ³		
Vanguard Target Retirement 2025 Fund ³		
Vanguard Target Retirement 2035 Fund ³		
Vanguard Target Retirement 2045 Fund ³		
Vanguard Target Retirement 2055 Fund ³		

Tier 2: Passive Index Funds¹

Fund	Risk	Asset Class	Correlated Index
BlackRock US Debt Index Fund ^{4,5}	Moderate	Bonds	BarCap U.S. Aggregate Bond Index
Vanguard Institutional Index Plus Fund ³	Moderate	Large-Cap Stocks	S&P 500 Index
BlackRock Mid Cap Equity Index Fund ^{4,6}	Aggressive	Mid-Cap Stocks	S&P MidCap 400 [®] Index ⁷
BlackRock Russell 2000 Index Fund ^{4,8}	Aggressive	Small-Cap Stocks	Russell 2000 Index
BlackRock EAFE Equity Index Fund ^{4,9}	Aggressive	International Stocks	MSCI EAFE Index

Tier 3: Actively Managed Funds

Fund	Risk	Asset Class
FDIC Bank Option ¹⁰	Conservative	Fixed Income/Cash
Stable Value Fund ¹¹	Conservative	Fixed Income/Cash
Vanguard Admiral Treasury Money Market Fund ³ (closed to new contributions)	Conservative	Fixed Income/Cash
Federated U.S. Government Securities Fund 2-5 Years ^{3,5} (Institutional)	Moderate	Bonds
Vanguard Long-Term Investment Grade Fund ^{3,5} (Admiral Shares)	Moderate	Bonds
Vanguard Wellington Fund ³ (Admiral Shares)	Moderate	Large-Cap Stocks
Fidelity Contrafund ³	Moderate	Large-Cap Stocks
Calvert Social Investment Fund Equity Portfolio ³ (Class I)	Moderate	Large-Cap Stocks
T. Rowe Price Mid Cap Growth Fund ^{3,6}	Aggressive	Mid-Cap Stocks
DFA US Micro Cap Portfolio ^{3,8}	Aggressive	Small-Cap Stocks
American EuroPacific Growth Fund ^{3,9} (Class R6)	Aggressive	International Stocks

Tier 4: Self-Directed Brokerage Account

Fund	Risk	Asset Class
Charles Schwab Personal Choice Retirement Account	This option is intended for the knowledgeable investor. The risk levels and asset classes vary depending on the fund choices the investor makes.	

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. Prospectuses can also be obtained online at www.wdc457.org.¹² For prospectuses related to investments in the SDBA, contact Charles Schwab at (888) 393-7272. Read them carefully before investing.

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 per share, it is possible to lose money by investing in the fund.

3 Mutual fund option.

4 Collective trust fund option.

5 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.

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

7 S&P MidCap 400 Index is a registered trademark of Standard & Poor's Financial Services LLC, and is an unmanaged index considered indicative of the domestic Mid-Cap equity market.

8 Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

9 Foreign funds involve special risks, including currency fluctuations and political developments.

10 Plan funds invested in the FDIC Bank Option are insured by the Federal Deposit Insurance Corporation, for up to \$250,000 per participant.

11 Transfers from the Stable Value Fund to the FDIC Bank Option or Federated U.S. Government Securities Fund require a 90-day equity wash. An equity wash means that assets must first be transferred to a noncompeting option (any other option in the WDC lineup besides the three listed previously) for 90 days before transferring the money to the competing fund. The stable value option invests in a diversified portfolio of fixed income securities managed by Galliard, PIMCO and Aberdeen Asset Management. GWFS Equities, Inc. is not affiliated with Galliard, PIMCO or Aberdeen Asset Management.

12 Access to the voice response system and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

Reality Investing[®] Advisory Services

The WDC is pleased to offer participants a suite of optional investment advisory services called Reality Investing Advisory Services (Advisory Services). The services include *Online Investment Guidance*, *Online Investment Advice* and a *Managed Account* option. These services may not be for everyone, but they can provide investment help for those who choose to take advantage of them.

The first step: Determine the investment strategy that gives you the best opportunity to achieve your goals.

Do you have the knowledge and discipline to implement your strategy? For some people, retirement planning is at the bottom of the to-do list; for others, it's top priority. Whatever your situation, Advisory Services offers strategies that fit where you are today—and can help get you where you want to be tomorrow.



Online Investment Guidance and Online Investment Advice:

A Helping Hand for the Help-Me-Do-It Investor

For those who prefer a hands-on approach to managing their retirement accounts, the *Online Investment Guidance* service offers personalized asset allocation and savings rate recommendations that participants can use to build their own customized portfolio from the WDC's investment options. There is no fee to use *Online Investment Guidance*.

With *Online Investment Advice*, Advised Assets Group, LLC* (AAG) will recommend a portfolio based on the information you provide, using the investment options available in the WDC. You have the freedom and flexibility to implement your own investment choices and manage them online—and generate new recommendations when your situation changes. The *Online Investment Advice* service has a \$25 annual fee, which is assessed to your account at \$6.25 quarterly.

* AAG is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and a federally registered investment adviser.



Managed Account Service:

Investment Account Management for the Do-It-For-Me Investor

Are you someone who would rather leave investment decisions to a professional? With the Managed Account service, AAG picks a diversified allocation of investment options from the WDC's core investment spectrum to fit your unique situation and retirement goals. Every three months, your account is reviewed to make sure it stays aligned with those goals. Any needed adjustments occur automatically.

As your investment manager and adviser, AAG partners with Ibbotson Associates for the technology that automates and simplifies the management of your WDC account. You supply the information about your goals and finances, and AAG and Ibbotson will pick your investments and manage your account on your behalf.

An annual fee based on your account balance will be assessed to your account quarterly. See the chart below for the fee schedule.

Fees

	Online Investment Guidance	Online Investment Advice	Managed Account
Quarterly Cost	No Charge	\$6.25	Less than \$100,000 = 0.15%
			Next \$150,000 = 0.125%
			Next \$150,000 = 0.10%
			Over \$400,000 = 0.075%
Examples			
\$10,000 Account	No Charge	\$6.25	\$15
\$20,000 Account	No Charge	\$6.25	\$30

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

Getting started with Advisory Services is easy. You can enroll online or simply get more information at www.wdc457.org. You can also talk directly with a WDC representative by calling the local office in Madison at (877) 457-WDCP (9327). WDC representatives are available to answer questions and provide information to help you make informed decisions regarding your retirement.¹²

GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services. Investment options offered through a combination of mutual funds and collective trust funds.

Representatives of GWFS Equities, Inc. and the State of Wisconsin Deferred Compensation Program 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.

Core securities are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. 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 (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.

Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company, and powered by Ibbotson Associates, a federally registered investment adviser. Ibbotson Associates is not affiliated with GWFS Equities, Inc., Great-West Life & Annuity Insurance Company or Advised Assets Group, LLC. Reality Investing® is a registered trademark and Do-It-For-MeSM, Help-Me-Do-ItSM and Do-It-MyselfSM are service marks of Great-West Life & Annuity Insurance Company. ©2012 Great-West Life & Annuity Insurance Company. All rights reserved. Not intended for Plans whose situs is in New York. Form# CB1080SR (1/12) PT141695

