

State of Alaska Defined Contribution Plans

Announcing Seven New Investment Options

In an effort to offer a more diverse investment line up in the defined contribution plans provided by the State of Alaska, we are adding seven new options. The new options, listed below, will be available to participants on September 18, 2008. Investment Option Detail Sheets are available at www.state.ak.us/drj. Under *Programs*, click on the applicable defined contribution plan. **You do not need to take any action to affect these changes. However, if you do wish to make investment option changes to your account as a result of these additions, eliminations or changes, please refer to the Account Management Information on the other side of this mailing.** The new investment options are:

- State Street Treasury Money Market Fund—Inst.
- US Treasury Inflation Protected Securities Index^{3,4}
- Long US Treasury Bond Index^{3,4,5}
- World Government Bond Ex-US Index^{4,5,6}
- Russell 3000 Index⁴
- World Equity Ex-US Index^{4,6}
- U.S. Real Estate Investment Trust Index^{4,7}

Fund Addition for the Supplemental Annuity and PERS/TRS Defined Contribution Plans

In addition to the fund additions mentioned above, the Intermediate Bond Fund⁵ will be added to the State of Alaska Supplemental Annuity and State of Alaska PERS/TRS Defined Contribution Retirement Plans on September 18, 2008. This is the same Intermediate Bond Fund currently offered by the State of Alaska Deferred Compensation Plan.

Fund Elimination/Transfer of Assets

- **The Sentinel Sustainable Core Opportunities Fund will be replaced with the RCM Socially Responsible Investment Fund on October 30, 2008, for all State of Alaska defined contribution plans.** The new RCM fund has a similar socially responsible equity investment mandate. Participants can continue to trade the Sentinel fund through the close of the New York Stock Exchange (12:00 p.m. Alaska Time) on October 30, 2008, at which point all future contributions and existing assets in the Sentinel Sustainable Core Opportunities Fund will be transferred to the RCM Socially Responsible Investment Fund.
- **Also effective October 30, 2008, the S&P 500 Index Fund⁴ offered in the PERS/TRS Defined Contribution Retirement Plan will be replaced with the same S&P 500 Index Fund as offered in the Supplemental Annuity Plan.** There will be no change to the management of this option. This change will reduce the expense ratio associated with this investment option. While you will see a change in the unit value, you will not see a change in your account value as a result of this fund replacement.

Equity Wash Announcement

- **Effective September 18, 2008, an equity wash provision restricting transfers will be implemented on the Deferred Compensation Plan Interest Income Fund and the Supplemental Annuity Plan Stable Value Fund.** Since the Interest Income Fund and the Stable Value Fund are interest-rate sensitive and not as liquid as a money market fund, direct transfers from these funds to the new State Street Treasury Money Market Fund are not allowed. Additionally, transfers from the Interest Income Fund or the Stable Value Fund to any other available investment option(s) must remain invested for at least 90 days before such amounts can be transferred to the State Street Treasury Money Market Fund.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses and disclosure documents from the Division's website at www.state.ak.us/drj, from your registered representative or by calling KeyTalk at 1-800-232-0859.¹ 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 \$1.00 per share, it is possible to lose money by investing in the Fund.

³ U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are neither issued nor guaranteed by the U.S. Government.

⁴ An index is not professionally managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of an index fund will generally be less than its benchmark index. You cannot invest directly in an index.

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

⁷ Specialty funds invest in a limited number of companies and are generally non-diversified. As a result, changes in market value of a single issuer could cause greater volatility than with a more diversified fund.

Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Retirement Services[®] refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates.

Investment options offered through a combination of mutual funds and collective trust funds. Great-West Retirement Services[®] and KeyTalk[®] are service marks of Great-West Life & Annuity Insurance Company. ©2008 Great-West Life & Annuity Insurance Company. All rights reserved. Not intended for use in New York.

Alaska Department of Administration
Retirement and Benefits
c/o Great-West Retirement Services®
P.O. Box 1700
Denver, CO 80201

Open Immediately!

Important Investment Option Changes

State of Alaska Defined Contribution Plans

Account Management Information

KeyTalk® Instructions for Making Changes

Call KeyTalk at **1-800-232-0859**. You will be prompted to enter your Social Security Number and Great-West Retirement Services® (Great-West) Personal Identification Number (PIN).² If you have misplaced or forgotten your Great-West PIN, stay on the line to speak to a representative to order a new Great-West PIN.

PRESS 3 to access the *Change Your Account* menu
then

PRESS 1 to redirect your ongoing contributions to one or more of the existing options

or

PRESS 3 to transfer money between investment options

Website Instructions for Making Changes¹

To make changes online, access the website at **www.state.ak.us/dr.b**. Under *Programs*, click on the applicable defined contribution plan, then click on *Account Information Online*.

You will need your Great-West PIN and Username to access your account and make changes.

Click on *Change* from the left menu
then

Click on *Future Contributions Allocation* to redirect your ongoing contributions.

or

Click on *Account Balance Allocation—Fund to Fund Transfer* to transfer money between investment options.

¹ Access to KeyTalk and the 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 or KeyTalk received on business days prior to close of the New York Stock Exchange (12:00 p.m. Alaska 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.

² The account owner is responsible for keeping the assigned Great-West PIN confidential. Please contact Great-West immediately if you suspect any unauthorized use.