The LifePath® Funds

A SIMPLE WAY TO SAVE FOR RETIREMENT

oregon SAVINGS GROWTH PLAN

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An Easy Way to Invest

LifePath Funds offer you a fast and easy way to adopt an overall investment solution that seeks to maximize assets for retirement or other purposes, based on an investor's tolerance for risk and investment time horizon. Just determine the year you plan to begin withdrawing money from your account, then select the corresponding LifePath Fund.

The Diversification You Need

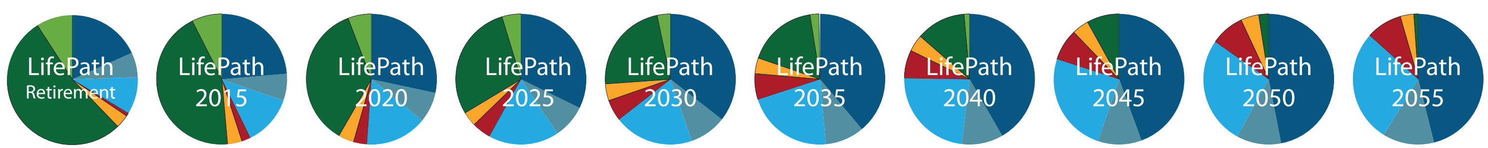
Each well-diversified portfolio contains a blend of investments. These portfolios are based on asset allocation strategies that have been developed, tested and employed by BlackRock on behalf of many of the world's largest institutional investors.

A Portfolio That Evolves Over Time

LifePath Funds are monitored daily by investment professionals at BlackRock and are rebalanced over time. Gradually, each portfolio evolves from a greater concentration of higher-risk investments (namely stock funds) to a greater concentration of lower-risk investments (such as bond funds).

Access to Institutional Investment Strategies

Each LifePath Fund invests in a range of pooled collective trust funds (CTFs) that provide low cost, highly diversified access to a wide range of the world's capital markets. These underlying funds can take advantage of BlackRock's institutional pooling and trading capabilities.



Each LifePath Fund is constructed to provide extensive diversification, so you typically need only **one fund**.

The asset mix in each LifePath Fund becomes more conservative over time.

By changing the mix within the fund, investors don't have to constantly worry about their mix of individual funds.

- U.S. Large-Cap Equities
- U.S. Small/Mid-Cap Equities
- International Equities
- Global Real Estate
- Commodities
- U.S. Bonds
- U.S. Inflation-linked Bonds (TIPS)

Because the mixes of these funds are constantly changing, this graphic features approximations only and does not represent the current allocation of any LifePath Fund.

I'm ready! How do I invest?

You might ask yourself the following questions to determine which type of investor you are:	LifePath investor	Do-it-Yourself investor
How **knowledgeable** are you about investing?	• I lack experience investing • I don't have much knowledge of investing • It doesn't really interest me	• I enjoy investing • I have an ample amount of experience with the markets • I find investing interesting
Do you **understand** investment risk and diversification?	• I don't know enough about diversification • I'm not sure how I would change my risk level as I get older	• I'm pretty comfortable with the concept of diversification • I'm clear on how to change my investment mix as I get older
Do you have **time** to spend on your investments?	• I don't have much time to devote to my account • A professional can probably do a better job • I might forget to review my account	• I enjoy spending time with my investments • I like doing things myself • I really don't trust anyone to look after this for me • I would be happy to periodically review my account
How **calmly** can you review your investments?	• Sometimes I panic when I hear about the market • I can let my emotions get the best of me occasionally	• I'm pretty unemotional when investing • When the market goes down, I look at it as a buying opportunity

What should you expect from a target date fund?

Want to read about some typical LifePath investors?

I'm ready! How do I invest?

What should you expect from a target date fund?

Over the long term

- Although LifePath is designed to help make investing easier, **you should still review your LifePath strategy periodically** to make sure that it meets your needs. Please also keep in mind that no investment solution can replace the need for adequate contributions. You are ultimately responsible for achieving your savings goals.
- LifePath is built around a number of assumptions concerning the 'average' investor. **If you feel that your savings strategy requires a different amount of risk** compared to others your age, you may want to consider a higher or lower risk LifePath strategy (see page 5).
- Although BlackRock strives to deliver very efficient investment solutions, **no investment manager can predict how markets will react over the short or long term**. Diversification can help cushion a portfolio by offsetting losses in some holdings with gains from other holdings. However, you should anticipate that **your LifePath Fund may experience negative performance to the extent that several markets experience declines during the same period**.
- BlackRock is dedicated to helping participants achieve their retirement goals by providing institutional-quality investment solutions. With this in mind, our **LifePath Funds are expected to evolve over time** to incorporate the latest participant research and understanding of the world's capital markets.

Over the Savings Years

- The risk level of each LifePath Fund is based on the time frame prior to the target year. As return potential is typically linked to risk level, participants should expect that each LifePath Fund will experience its highest returns in the early years, with less potential for high returns (or large losses) in the later years.

Over the Spending Years

- Each LifePath Fund maintains a steady, moderate level of risk during the years after its target date.
- The asset allocation of the funds starting in the target year was constructed with the objective of allowing investors to annually withdraw between 2-5% of their original account balance over a 20 - 30 year period.
- During the spending years, **if you withdraw significantly more money than is made up by market returns, it is likely that you will exhaust the value of your account over a short period**. Careful planning and the advice of a professional financial planner (particularly when you are close to retirement) is strongly advised.

I'm ready! How do I invest?

LifePath® Funds have been set up to span a wide range of target years, from LifePath Retirement to LifePath 2055, with the intention that you purchase the fund dated nearest your "target year"—the year when you plan to start withdrawing money from your account. Here are some things you may want to consider when picking a fund:

1. Ask yourself: When will I need the money?

The first step is to determine when you expect to start withdrawing funds from your account. This may be when you retire, or it may be a few years later if you have other savings you will rely on first.

2. Select the closest LifePath Fund

Pick the LifePath Fund with the number in the name that is closest to the year when you'll start withdrawing from your account. For example, if the current year is 2011 and you plan to retire in 20 years, your target year might be 2031, and you'd probably choose the LifePath 2030 Fund.

If your target year falls between two funds, you can invest in the fund that is closest to your target date, or you can split your funds between the two closest funds.

It's important to be aware that an investment in the LifePath Funds is not guaranteed, and an investor may experience losses, including near, at, or after the target date.

IF YOU EXPECT TO RETIRE BETWEEN		THEN YOU MIGHT CONSIDER
2053 or later	→	LifePath 2055
2048–2052	→	LifePath 2050
2043–2047	→	LifePath 2045
2038–2042	→	LifePath 2040
2033–2037	→	LifePath 2035
2028–2032	→	LifePath 2030
2023–2027	→	LifePath 2025
2018–2022	→	LifePath 2020
2014–2017	→	LifePath 2015
2013 or earlier	→	LifePath Retirement

What reasons might there be to invest in a more or less aggressive LifePath fund?

I'm ready! How do I invest?

What reasons might there be to invest in a more or less aggressive LifePath fund?

Let's say that based on your anticipated retirement date, the closest fund is LifePath 2030

What are some reasons why some might invest in a more conservative fund?

- If you hold other, more risky assets outside of the Fund (real estate, stocks, etc.).
- If your balance is high and you have decided to minimize risk in order to preserve your accumulated balance. You are not particularly concerned about inflation and/or preserving spending power over the long-run.
- If you can afford to contribute a large amount on an annual basis, and think that is a better way to meet your accumulation goals.

In this example, you might invest in a LifePath fund five years before or after your retirement date. But there are no restrictions from making an even more aggressive or conservative election.

What are some reasons why some might invest in a more aggressive fund?

- If you expect to have ample income in retirement from a defined benefit plan. To balance out your overall portfolio, you might decide to increase your risk level in your 401(k).
- If you have other investments outside of the Fund that are lower risk (bonds, CDs, etc.).
- If you are expecting a large inheritance and can afford to take more risk with your 401(k).
- If your spouse has a retirement plan that will produce ample income in retirement. This may be viewed as similar to holding a bond, which allows you to increase your equity exposure.

I'm ready! How do I invest?

The time you have left before you retire is probably the most important factor in determining how much risk is appropriate. This timeframe drives the asset mix for each one of the LifePath Funds.

Each LifePath Fund's investment strategy is based on a particular time horizon, and therefore the particular level of risk that investors on average would deem appropriate for that timeframe. It can invest in any or all of seven major asset classes to ensure that the fund is properly diversified.

The most important feature of LifePath is that each fund (except for LifePath Retirement, which is highlighted below) is constructed so that its investment strategy evolves as it approaches its maturity date. This feature takes into account the changing needs of participants throughout their working lives.

In the early years, when investors generally seek to maximize returns, while potentially having additional time to bear short-term fluctuations in the equity market, each portfolio's asset allocation gives preference to the equity market. Then, as you and your portfolio get closer to your "target year," (the date you begin taking money out of your account), the funds gradually move more money out of equities and into fixed income with the goal of protecting the accumulated value of your account.

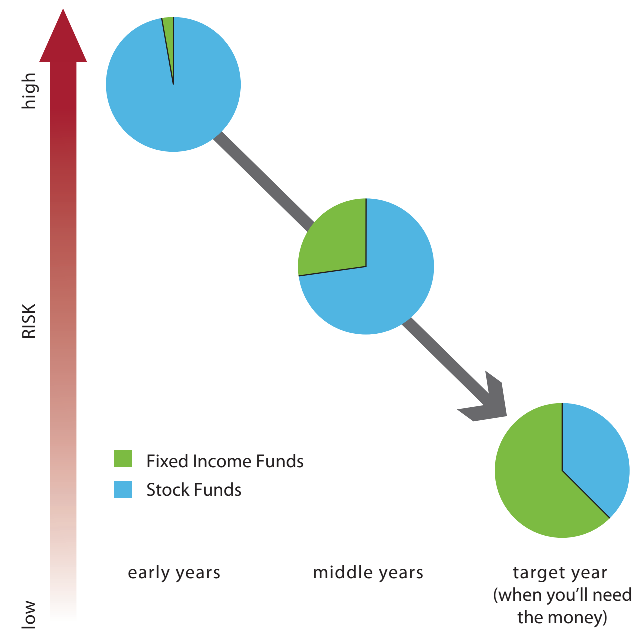
LifePath Retirement Fund

When your LifePath Fund gets to the target year, it will have reached its most conservative level, and will then be blended into the LifePath Retirement Fund. This fund is specifically designed for people currently near or in retirement, which means that it is seeking income and moderate long-term growth of capital.

The LifePath Retirement Fund holds a blend of investments that is appropriate for retirement years—approximately one-third of its assets in stocks, around two-thirds of its assets in bonds.

LifePath aims to ensure that you will only need to make an investment decision if there is a change to your personal circumstances or investment horizon, for example if you decide to retire early.

An investment in the LifePath Funds is not guaranteed, and an investor may experience losses, including near, at, or after the target date.



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What are the underlying funds?

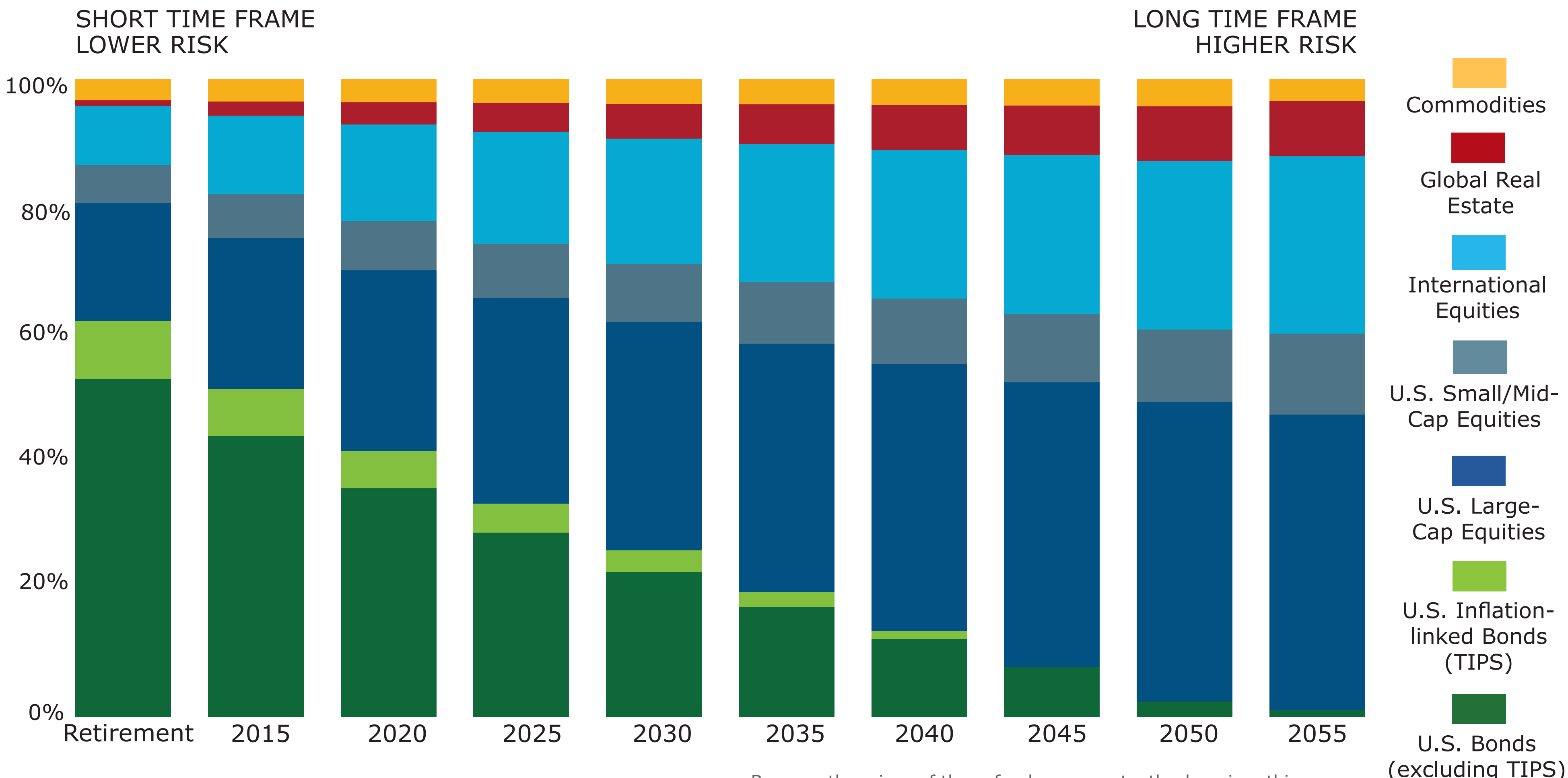
LifePath Retirement Fund

How the allocations shift over time

How does TIME impact RISK preference?

How do active and index management compare?

I'm ready! How do I invest?



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What are the underlying funds?

LifePath Retirement Fund

How does TIME impact RISK preference?

How do active and index management compare?

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ASSET CLASSES	UNDERLYING INDEX EXPOSURE	INDEX DESCRIPTION
U.S. Large-Cap Equities	S&P 500® Index	The S&P 500® has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over U.S. $3.5 trillion benchmarked, with index assets comprising approximately U.S. $915 billion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.
U.S. Small/Mid-Cap Equities	Dow Jones U.S. Completion Total Stock Market Index®	This is a float-adjusted market capitalization-weighted index. Its objective is to represent all U.S. equity issues with readily available prices, excluding securities held by the S&P® 500 Index.
International Equities	MSCI ACWI (All Country World Index) ex. U.S. IMI Index℠	This is a market capitalization-weighted index representing both the developed and the emerging markets excluding the U.S. It excludes securities in which trading is restricted or difficult for foreigners.
Global Real Estate	FTSE EPRA/NAREIT Developed Index	This index tracks a broadly diversified selection of real estate investment trusts (REITs), a useful and efficient way of gaining exposure to institutional-quality real estate.
Commodities	DJ-UBS Commodity Index	This index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The index is designed to minimize concentration in any one commodity or sector.
U.S. Bonds	Barclays U.S. Aggregate Bond Index	This is a market value-weighted index for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.
U.S. Inflation-linked Bonds (TIPS)	Barclays U.S. TIPS Index	TIPS stands for U.S. Treasury Inflation Protection Securities ("TIPS"). This is an index that tracks the U.S. TIPS market. To be included in this index, bonds must have cash flows linked to an inflation index, be sovereign issues denominated in U.S. currency, and have more than one [illegible] index, total a minimum amount outstan[illegible]

I'm ready! How do I invest?

How active and index management compare

	Active management	Index management
How does it work?	The objective of active managers is to beat the performance of a given benchmark or index by investing in securities that they hope will provide above average performance.	Index funds seek to mimic the performance of an index (such as the Standard & Poors 500) by holding all or most of the securities in the index.
How do you define success?	Actively managed funds are measured by the amount of return they produce above and beyond the market or benchmark return (sometimes called ‘alpha’).	Index funds are measured by how closely their performance matches (or tracks) that of a particular benchmark or index.
Active management/costs	Given the active component and associated costs of research and other tools used to select and monitor securities, these strategies tend to have higher fees than index funds. Additionally, some active managers will experience higher turnover and active trading than index funds resulting in higher trading costs.	Because these strategies spend less on research and monitoring, they generally have lower management fees. Index funds also tend to have very low turnover, which can help reduce trading costs.
Why might you use this approach?	Actively managed funds offer the opportunity for higher returns. Some investors are willing to pay higher fees in return for the possibility of outperformance.	Index funds can provide investors with very low cost exposure to specific markets. Some professional investors believe that keeping costs low is much more important than trying to achieve occasional outperformance.

I’m ready! How do I invest?

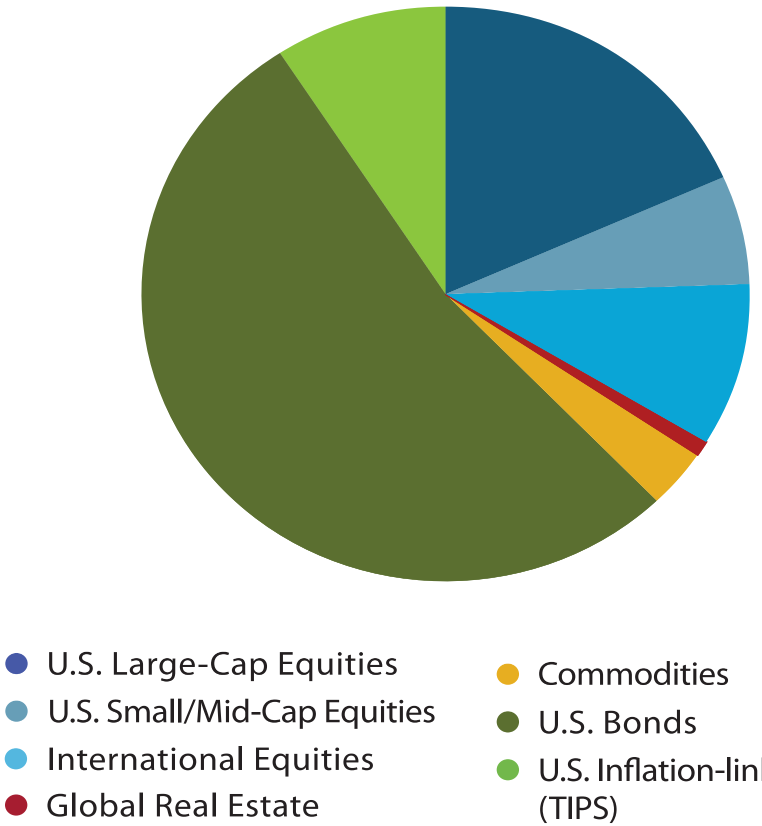
LifePath Retirement Fund

When your LifePath Fund gets to the target year, it will have reached its most conservative level (determined by an investment model), and will then be blended into the LifePath Retirement Fund. That is the one LifePath Fund that is designed for people currently near or in retirement, and who wish to start withdrawing money from their account.

The LifePath Retirement Fund holds a blend of investments that many investors may find appropriate for retirement years—approximately 38% of its assets in stocks, with the remainder of its assets in fixed income.

It's important to be aware that an investment in the LifePath Funds is not guaranteed, and an investor may experience losses, including near, at, or after the target date.

ASSET ALLOCATION



What are the underlying funds?

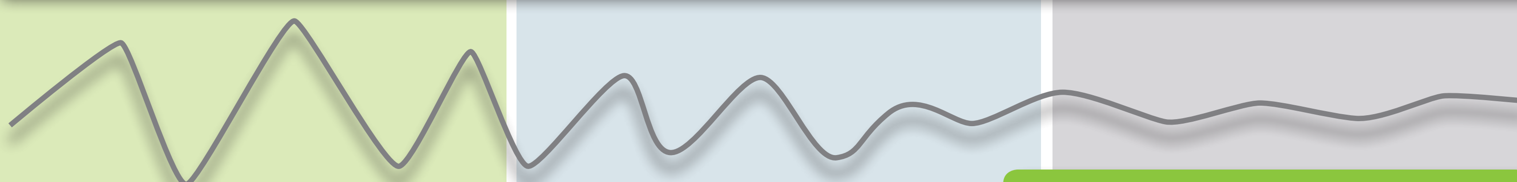
I'm ready! How do I invest?

How the LifePath Funds are managed with your time frame in mind

WHEN YOU'RE:	FAR FROM RETIREMENT	NEAR RETIREMENT	IN RETIREMENT
TIME FRAME	Although you may think you are 'poor' when you're young, you actually are rich in one important respect—you have a lot of time ahead of you, and potentially, a lot of earning power.	As you approach your retirement years, you'll start shifting from 'saving' to 'spending'. You'll only have a few years left of contributions and the company match, but hopefully many years ahead of participating in market returns.	No one knows how long they'll be retired. But with advances in healthcare and a relaxed lifestyle, it may be wise to plan on 30 years or more of retirement.
TYPICAL ACCOUNT BALANCE	Your account balance will probably seem very low when you first start out, but it won't take long before contributions, the company match and investment returns really start to add up.	Your account balance is near its peak. You may see some of your best dollar value gains at this point, even if your portfolio is conservatively invested.	Most of us will have a declining account balance in retirement. It will be important to monitor your spending so that you don't exhaust your savings.
INVESTMENT OBJECTIVE	This is a great time to take more risk, while you have a long time frame ahead, and relatively low amounts of money at risk. The LifePath Funds start out investing primarily in growth oriented investments like stocks and real estate.	Most people near retirement shift from being focused on achieving high returns, to being more concerned with preserving their accumulated capital. As they approach their target year, the LifePath Funds approach their lowest level of risk.	The LifePath Retirement Fund maintains a constant allocation, with approximately 38% invested in equities and other growth investments to allow some protection from inflation.

LIFEPATH EQUITY/FIXED INCOME MIX

PROBABLE RISK PROFILE OF PORTFOLIO



I'm ready! How do I invest?

Here are some stories, illustrating why some participants are using LifePath

Richard - Doesn't have the time

Richard has a demanding job, but still wants to spend quality time with the kids. As a result, he really doesn't have the time (or the interest, frankly) to spend mixing and monitoring his 401(k) investments. He decided that the LifePath Funds are an ideal choice, as it will be 'automatic' investing and he won't need to spend too much time monitoring his account over the years.

Wendy - Likes investing but thinks a professional can do better

Wendy loves investing. Her father taught her a lot when she was in college, and now she follows the financial news and likes talking to stock brokers to get investment ideas. Although she likes dabbling in the stock market with her discretionary savings, she recognizes that her retirement savings account needs to be invested with great care. Although Wendy might be able to do a good job blending different funds together, and managing the mix over the long term, what if she made a mistake? She acknowledges that it's probably a smart idea to leave this one account with professional managers so that she won't have to worry about her retirement savings.

Lisa - Not particularly interested in investing

Lisa is the first to admit that she has very little interest or knowledge about investing. She went to a seminar on investing last year, but quickly realized that it would take a lot more knowledge to really become good with investing. She was quite relieved to hear that this one investment (LifePath) could potentially provide her with a turnkey investment portfolio.

Walter - Wants to keep his strategy emotion-free

Walter is a worrier. At his last employer, where they didn't have target-date funds, he spent a lot of time second guessing his investment decisions. When the market went down, he frequently moved money out of the funds that went down, but later regretted doing so when those same funds went back up. So rather than always worrying about his 401(k) account, Walter is happier investing in LifePath, and not feeling the need to second guess every decision he makes.

What should you expect from a target date fund?

I'm ready! How do I invest?

Can I invest my entire account in a single LifePath Fund?

Yes. Each LifePath Fund is designed to be a complete solution for a participants' savings account. Each fund holds a well-diversified mix of investments tailored for a specific risk level, and is meant as an alternative to the traditional task of mixing a variety of different funds. Although you can supplement your LifePath Fund with additional investments, these funds are designed to meet the needs of investors looking for a single fund investment strategy.

What if I really need the money in a year not represented by a specific LifePath Fund (2028 rather than in 2025 or 2030)?

If your target year does not exactly correspond to the year in a LifePath Fund's name, you have a few choices. You could choose the LifePath Fund that targets a year a bit earlier, which would mean that your fund would reach a more conservative state earlier than when you will need the money. Or you could choose the LifePath Fund with a later target year—so your fund would reach a conservative point a bit later. You could also split your investment between the two closest funds.

Can I change my allocation to LifePath at any time?

The LifePath Funds can be used like any other fund options with the Plan—you do not need to put 100% of your balance or contributions in these funds, and you can move between LifePath Funds at any time.

What happens when I reach my retirement year?

When a LifePath Fund reaches the year identified in its name, it will have reached its most conservative investment mix. This investment mix is designed to provide income and moderate long-term growth of capital for investors beginning to withdraw their money. At that point, your LifePath Fund will automatically be merged into the LifePath Retirement Fund. No action will be required on your part. It is important to understand that although the fund will be conservatively invested, it can still lose value at any point.

What are the fees for the LifePath Funds?

The LifePath Funds have an annual management fee of 0.10% ($1 per $1,000 invested per year). This fee is accrued and charged to the fund on a daily basis. The fund is subject to an accrual for administrative costs, including, but not limited to accounting, custody and audit fees. The amount is capped at 2 basis points (0.02%) per year in order to limit the impact on fund performance.

Where are the BlackRock LifePath Fund quarterly fund fact sheets located?

The fund fact sheets which show the latest performance and current fund allocations can be found on your HR website or by logging onto http://oregon.gov/PERS/OSGP/docs/LifePathFS.pdf

How do I invest in the LifePath Fund?

If, after your research, you feel that one of the LifePath Funds is the right choice for you, click the link below (the green box) or log onto your Plan web site: http://osgp.ingplans.com/

What are some of the risks involved in investing in LifePath?

Although LifePath may help participants who lack the time or knowledge to assemble their own portfolio of funds, it can not protect participants from the risks that come with investing in a wide range of asset classes. Although each LifePath Fund typically invests in a number of diverse markets, there is no assurance that such diversification can avoid overall losses if and when several of these markets produce negative returns at the same point in time. And the funds' manager, BlackRock, makes no attempt to 'time the markets' by trying to forecast market declines or predict which markets will outperform in the future.

I'm ready! How do I invest?

A team of investment professionals at BlackRock manages the LifePath Funds, and seeks to maximize the return for the level of risk that is thought to be appropriate for a specific time frame.

Steeped in a history of innovation, BlackRock defined the target-date retirement product category in 1993 with the launch of LifePath Funds. BlackRock also developed the first index fund, advancing the world of quantitative investing.

BlackRock is dedicated to bringing institutional-quality investment solutions to help participants achieve their retirement goals and to ensure plan sponsors meet their fiduciary responsibility. As of 31 December 2011, the firm manages US$3.51 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

For additional information, please visit the firm's website at www.blackrock.com.

BLACKROCK

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I'm ready! How do I invest?