



# Plan Update

## Important Message Regarding Your New OSGP Investment Option

LifePath® Portfolios will be available to all participants on February 4, 2008. These Portfolios will take the place of the Balanced Option, which will no longer be available as of February 1. For those of you invested in the Balanced Option as of February 1, 2008, your funds will automatically map to the appropriate LifePath Portfolio based on your date of birth. Participants invested in the Balanced Option as of December received a letter providing the option to transfer out of the Balanced Option. You have until January 31 to move your money out of the Balanced Option and into other investment options in the plan if you do not want your money to transfer into the LifePath Portfolios. Otherwise, you do not need to take any action. Please see the enclosed brochure for more information about LifePath Portfolios.

## LifePath Frequently Asked Questions

### 1. What is a LifePath Portfolio?

The LifePath Portfolios are a range of funds designed to meet the needs of investors in defined contribution pension plans throughout their working lives. LifePath is designed to provide an investment strategy appropriate to your age and expected retirement date.

Each portfolio has a date in its name (for example, 2020 in LifePath 2020) representing a specific target year when you might want to start withdrawing savings for your retirement. The portfolio managers of each portfolio select and maintain a mix of investments that is appropriate for the fund's specific time frame. As time passes, each portfolio's investment mix is gradually shifted from a greater concentration of stock funds (with higher risk and higher expected return) to a greater concentration of bond funds and money market instruments (with lower risk and lower expected return). This shift is designed to reduce the ups and downs in the value of your account as your target date approaches.

When each LifePath Portfolio reaches its target year, assets in that portfolio will automatically move to the LifePath Retirement Portfolio. That portfolio is intended for people who will be retiring soon, or are already retired. Although the portfolio invests in a greater concentration of lower-risk investments, a portion of its assets will continue to be invested in stock funds so the portfolio has some protection against inflation during your retirement years.

### 2. How do I know if LifePath is right for me?

Only you can decide. LifePath Portfolios are quite different from the traditional investment strategy of picking your own mix of funds and monitoring and adjusting that mix year after year. If you're not particularly interested in investing or you don't think you'll have enough time to stay on top of your investment portfolio over the years, then LifePath may be an attractive solution.

On the other hand, if you enjoy investing and have time to manage your account now and in future years, then LifePath may not be for you.

Although LifePath will free you from the ongoing task of managing your investment mix, you still need to ensure that your overall savings plan will meet your retirement goals. You should periodically review the growth of your account, as you may need to adjust your contribution percentage over time to meet your goals. There are also times when you may consider making changes to your LifePath Portfolio. For instance, if you decide to retire earlier (or later) than you originally planned, you can switch to a LifePath Portfolio that better targets your anticipated retirement date.

### 3. What if I expect to retire during a year not targeted by one of the LifePath Portfolios?

If you expect to retire in 2027, you could simply choose the LifePath Portfolio that is closest to your target year, such as LifePath 2025. Alternatively, if your target year happens to fall precisely between two LifePath Portfolios, such as 2028, you might invest in both LifePath Portfolios. For instance,

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with a 2028 target year, you might invest half your assets in the LifePath 2025 Portfolio and half in the LifePath 2030 Portfolio.

#### 4. Can I invest all my savings in a single LifePath Portfolio?

Yes. With the LifePath Portfolios, you only need one portfolio because each one holds a number of underlying funds that provide ample diversification—from stocks to bonds to real estate to international markets. Although we have all been told over the years that we must diversify by investing in several funds, spreading your money between several portfolios does not provide further diversification. That is because all LifePath Portfolios are composed of the same underlying investments (but in different proportions based on their time frames).

#### 5. If I put some money in the LifePath Portfolios, can I also invest in other options?

Although many investors will choose the LifePath Portfolios because they do not have the time or interest to build their own mix of funds, nothing prevents you from combining LifePath with other investments offered by the Plan.

#### 6. Can I change my LifePath allocations at any time?

Yes, the LifePath Portfolios have no restrictions and can be used just like the other investment options offered in the Plan. Current trading restrictions in the Plan will apply.

#### 7. What happens when I reach the LifePath target year?

When you and your LifePath Portfolio reach your target year, the assets in the portfolio will automatically move into the LifePath Retirement Portfolio. For example, on December 31, all the assets in LifePath 2010 will automatically move into the LifePath Retirement Portfolio. As an investor, there is no action required on your part to accomplish this transfer. The Retirement Portfolio is designed to provide income and moderate long-term growth of capital for investors during their retirement years.

Prior to making any investment decisions, you should carefully review the fund's investment objectives, risks, charges, and expenses. For more information about the funds, including a fact sheet or prospectus, go to [osgp.csplans.com](http://osgp.csplans.com) or call (800) 365-8494.

#### 8. Who manages the LifePath Portfolios?

The LifePath Portfolios are managed by Barclays Global Investors (BGI). For over 30 years, BGI has managed retirement assets and is one of the biggest money managers in the world. Headquartered in San Francisco, California, BGI is owned by Barclays Bank PLC, a leading banking institution in the United Kingdom. BGI currently has in excess of \$17.3 billion invested in LifePath.

#### 9. How do I invest in the LifePath Portfolios?

Investing in LifePath is easy. Pick the LifePath Portfolio closest to the year in which you think you'll start withdrawing money from your plan. You can transfer your funds into the LifePath Portfolios the same way you currently transfer between the other funds.

Remember, you always have a choice when it comes to investing. If you want all of your money to be in a LifePath Portfolio, you can direct both your existing balances and your future contributions into LifePath.

To transfer funds and change future contributions, please go to the OSGP Web site at [osgp.csplans.com](http://osgp.csplans.com) or call the Information Line at 800-365-8494.

### Quarterly Calendar

The New York Stock Exchange is closed on the following days: **Monday, February 18, 2008** and **Friday, March 21, 2008**. Transactions made on these days will be processed the following business day.

### Advisory Corner

2008 Schedule Advisory Committee Meeting Schedule  
(meetings begin at 9:30 a.m.)

February 13 – Archives Building, Salem

May 14 – PERS Headquarters, Tigard

August 13 – Archives Building, Salem

November 19 – PERS Headquarters, T1

**Contribution limits remain the same** — The IRS maximum for before-tax contributions remains at \$15,500 for 2008. The 50-Plus Catch-up for 2008 also remains at \$5,000.

#### EDITORIAL CONTRIBUTIONS

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