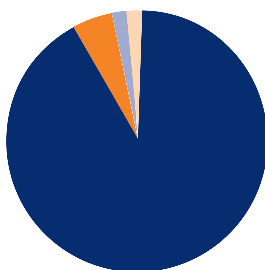
Your Investment Choices May Make a Difference in Your Financial Future

You've taken an important step in planning for your future by participating in the West Virginia Retirement Plus Deferred Compensation Plan. Under the Plan, you choose how to invest your contributions and those made under the Matching Program on your behalf. Your decision plays an important role in determining how much you may be able to accumulate to help meet your future financial objectives.

What Controls Performance?

Studies have shown that one of the most important factors in determining portfolio performance is how you allocate your assets among the different asset classes (i.e., stocks, bonds and money market/cash). Your asset allocation is responsible for almost 92% of the overall performance of your investment portfolio.[1] In fact, how you divide your investments among the different asset classes under the Plan could be more important than the actual investment options you choose.



Portfolio performance is determined by:*

- Asset Allocation – 91.5%
- Individual Investment Selection – 4.6%
- Other – 2.1%
- Market Timing – 1.8%

[1] "Determinants of Portfolio Performance II: An Update." Brinson, Singer and Beebower, 1996.

Impact of Performance.

As you evaluate your choices, keep in mind that your portfolio performance could make a difference over time. The following hypothetical illustration compares the impact of different portfolio returns based on contributions of $100 per pay period (24 pay periods per year), with interest compounded monthly.

Average Portfolio Return	10 Years	20 years	30 years
2.00%	$26,563	$58,944	$98,415
4.00%	$29,435	$73,007	$137,503
6.00%	$32,653	$91,129	$195,851
8.00%	$36,257	$114,532	$283,523

This hypothetical illustration is based on assumed interest rates over a period of time. Systematic investing does not ensure a profit nor guarantee against a loss in declining markets. You should consider your financial ability to consistently invest in up as well as down markets.

Balance Risk with Potential for Return.

In making investment choices, it is important to balance your desire for investment return with your tolerance for risk. This balancing act requires you to weigh the importance of higher risk investments which have the potential for higher returns, with lower risk investments. If you don't include enough risk in your portfolio, your investments may not earn enough money to meet your long-term financial goals. If you include too much risk, your money may not be there when you need it.

A Program Sponsored by State Treasurer John D. Perdue

The proper balance for you will be based on your specific situation and includes a variety of factors, including your time horizon and your tolerance for risk. Ask yourself:

- How much time do you have before beginning to receive benefits?
- How long do you expect your benefit payments to last?
- Can you tolerate ups and downs in the short term?
- Are you willing to take more risk to potentially receive higher returns?

Don't Put All Your Eggs in One Basket.

Because it's not easy to predict how any particular investment option will perform, by diversifying your investment choices you can minimize the negative impact of one asset class performing poorly with another that may be performing well. Historically, market conditions that cause one asset category to do well often cause another category to have poor returns. This is why creating a portfolio that invests in more than one asset category helps reduce the overall risk of losing money.

While asset allocation is a well-recognized investment strategy, it neither assures performance or guarantees against a loss in declining markets. You should always consider your ability to consistently invest in up as well as down markets.

Not Sure Where to Invest?

If you prefer not to choose your investments and instead would like a simpler approach to investing, one alternative is to take advantage of the target date (lifecycle funds) offered under the Plan. The five target date funds, Fidelity Freedom Funds, provide portfolios based on a projected date for retirement.

Fidelity Freedom Funds are designed for investors expecting to retire around the year indicated in each fund's name. Except for the Freedom Income Fund, the funds' asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. Ultimately, they are expected to merge with the Freedom Income Fund. The investment risks of each Fidelity Freedom Fund change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.

You should consider the investment objectives, risk, and charges and expenses of the investment options carefully before investing. Prospectuses containing this and other information can be obtained by contacting your local ING representative. Please read the information carefully before investing.

Putting it All Together – Let ING Help.

How you choose to invest is a personal decision. As you evaluate your options, you should seek to match your objectives with your risk tolerance. You can also determine the type of investor you are by taking the financial self-assessment quiz available online in the Investment Guidance section at **www.WV457.com**.

Most importantly, you should know that ING is here to help. Contact your local representative at **(877) 786-2982** or visit us online at **www.WV457.com**.

You can also email ING at ***WVField@us.ing.com*** to schedule an individual appointment.

www.WV457.com

IMPORTANT INFORMATION

The State's matching contributions will be applied to the employee's account under a separate IRC section 401(a) defined contribution plan. The 401(a) plan does not permit voluntary contributions. Distributions from the 401(a) plan prior to age 59½ will be subject to an IRS 10% premature distribution penalty tax unless an exception applies. Group annuities are intended as long-term investments designed for retirement purposes. Money distributed from the annuity will be taxed as ordinary income in the year the money is distributed. Account values fluctuate with market conditions, and when surrendered the principal may be worth more or less than its original amount invested. An annuity does not provide any additional tax deferral benefits, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits such as lifetime income payments and death benefits, which may be valuable to you.

Insurance products, annuities and retirement plan funding issued by (third party administrative services may also be provided by) ING Life Insurance and Annuity Company. Securities are distributed by ING Financial Advisers, LLC (member SIPC), One Orange Way, Windsor, CT 06095-4774. These companies are wholly owned, indirect subsidiaries of ING Groep N.V. Securities may also be distributed through other broker-dealers with which ING Financial Advisers, LLC has selling agreements. These companies are members of the ING family of companies. Insurance obligations are the responsibility of each individual company. Products and services may not be available in all states. Products and services offered through the ING family of companies. © 2009 ING North America Insurance Corporation. C09-1106-010 (12/09)

3014742.G.P (11/09)