

PERSONal

INVESTOR

It may be time to mix it up

You have probably heard experts say you should choose a mix of investments for your retirement savings. But do you know why?

Keeping too much money in options that invest in just one of the main asset classes — stocks, bonds or cash equivalents — could increase risk.

For example, a portfolio with only conservative investments may expose you to the risk of outliving your assets. With a portfolio that's too aggressively invested for growth, the value of your investments might decline sharply just at the moment you need income in retirement.

As you invest for retirement, it's important to remember:

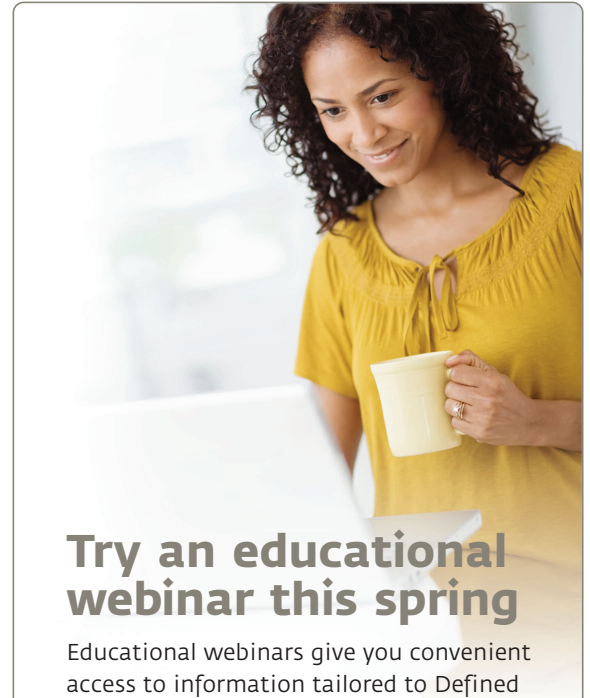
- All investments involve some degree of risk.
- Investments in the main asset classes offer different risk and return potential. Generally, investments with higher risk tend to offer higher potential for return.
- Asset classes respond differently to market volatility. Typically, when stock funds fare well, bond funds typically do not, and vice versa.

Once you accept that risk is a normal part of investing, you may feel more confident that you can find the right balance between risk and return for your situation. Two strategies can help: diversification and asset allocation.

Diversification involves spreading your account balance among investments in more than one asset class and owning different types of investments within an asset class.

Asset allocation is deciding what percentage to invest in an asset class and how to divide it within an asset class.

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Try an educational webinar this spring

Educational webinars give you convenient access to information tailored to Defined Contribution plan participants. You are invited to participate in one of the following live and interactive webinars.

Managing Your Individual Account

Friday, April 18

Noon - 1 p.m.

Retiring from the

OPERS Member-Directed Plan

Friday, April 25

Noon - 1 p.m.

Retiring from the

OPERS Combined Plan

Friday, April 25

10 a.m. - 11 a.m.

To register, visit www.opers.org, and click on *Seminar Options*. The content is updated frequently, so check the Seminar Options page for the most up-to-date listing of educational offerings for Defined Contribution plan participants. ●

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Having a mix of asset classes may help manage risk by increasing the possibility that at least one asset class is performing if others are not. Strong returns in one asset class could also offset weak performance in another. In fact, broad diversification could potentially enhance your portfolio's total return without adding more risk.

Of course, diversification and asset allocation cannot guarantee a profit or protect against loss in declining markets. However, both strategies could help you balance out the various risks you take as you aim for better returns.

The asset allocation you think is right for you will be based on your objectives, how you feel about market volatility, and the amount of time left for investing before you start using the assets in retirement.

OPERS gives you three ways to diversify your investments.

Pick an OPERS Target Date Fund.

OPERS Target Date Funds provide a simple, low-cost investing solution. You simply choose the fund whose target date most closely matches the date you expect to begin withdrawing your money for retirement. The fund you select gives you a diversified portfolio in one step.

Professional managers spread your money across a mixture of the OPERS core funds within the Target Date Fund you choose. Each fund's asset allocation is based on the amount of time remaining before the target date. OPERS Target Date Funds invest more aggressively when you are younger and transition slowly over time to invest more conservatively as you get closer to retirement.

Pick your own mix of OPERS core funds.

If you prefer to select your own investments, OPERS core funds in different asset classes are available so you can customize your own portfolio based on your asset allocation strategy. These core funds exhibit consistent styles and provide you with the basic building blocks to construct a diversified portfolio over the entire range of risk and return combinations appropriate for a retirement plan. Because they are index funds, the core funds have very low investment management fees compared with similar funds that are actively managed.

Pick your own mix through the Self-Directed Brokerage Account.

A mutual fund-only Self-Directed Brokerage Account (SDBA) is available through the Charles Schwab's Personal Choice Retirement Account® (PCRA). You make your own investment decisions by choosing from more than 6,000 mutual funds outside the core OPERS investment options. You also take on all risks and costs related to the investments. To be eligible for this option, your individual account balance must be a minimum of \$5,000 before the SDBA can be established and no more than 50 percent of your individual account balance can be invested in the SDBA.

More information about OPERS investment options, including fund expenses, Morningstar® Fund profiles, Investment Options Disclosures, Target Date Fund glide paths and past fund performance sheets can be found by visiting www.opers.org. If you have questions, call the OPERS Help Line at **(866) 673-7748**. You should read the OPERS Investment Options Disclosures document before investing. ●



Program website: www.opers.org

Benefits questions and personal data changes: (800) 222-PERS (7377)

Account information and management: (866) OPERS-4-U (866-673-7748)

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quarterly calendar

Transactions made on these dates when the New York Stock Exchange (NYSE) is closed will be processed the following business day that the NYSE is open.

- Friday, April 18, 2014
- Monday, May 26, 2014
- Friday, July 4, 2014