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Rebalancing your investments

Setting your asset allocation is one of the most significant decisions you make when choosing investments for your OPERS account.

Asset allocation is spreading your money across different types of investments — called asset classes — like stocks, bonds and cash equivalents. They have their own characteristics and reactions to market changes. Think of asset classes as different baskets. How much you put into each basket depends on your personal situation, including how far you are from retirement.

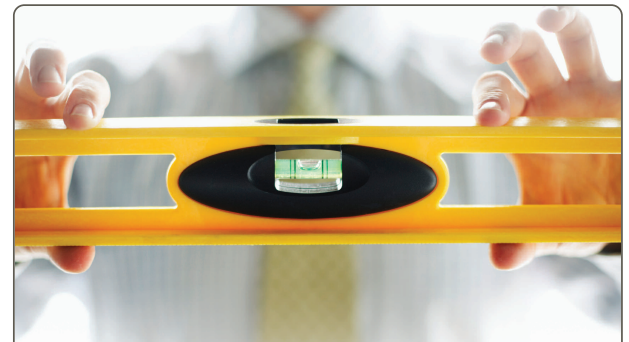
The value of your investments in each basket is likely to increase or decrease at different rates. Over time, market gains or losses may push your portfolio out of alignment with your original asset allocation strategy. This may affect your risk level and the ability to reach your retirement savings objective. If this is the case, it might be time to rebalance.

Rebalancing adjusts your investment mix back to the percentages of stock, bond and cash equivalent investments you set in your asset allocation strategy.

For example, maybe one fund has grown in value to become a much higher percentage of your total account portfolio. To rebalance, you might sell shares of that "overweight" fund to buy shares in an investment in a different asset class, bringing both back to your original target percentages.

Or you may be closer to retirement and want to reduce your exposure to market risk. If you have been investing a large percentage of your portfolio in stock funds for potential long-term growth, you might shift a greater percentage to bond and cash equivalent funds, accepting lower growth potential in exchange for lower market risk.

Of course, rebalancing and asset allocation do not assure or guarantee better performance or prevent loss in declining markets. However, both strategies may help you manage risk and stick to an investment strategy that's appropriate for your situation. ●



Stay balanced automatically

If you have built your own portfolio and invest in more than one OPERS investment option, you can keep your investment mix in balance for the long term by activating your account's automatic rebalancing feature:

- Log into your OPERS online account at www.opers.org and select **Rebalance Account** under the **Manage Investments** tab.
- Or call the OPERS Help Line at **(866) 673-7748** for a representative to assist you.

Remember, you won't need to rebalance an OPERS Target Date Fund since professional managers handle the asset allocation and rebalancing decisions for you. ●

Your statement helps you check your progress

Your quarterly account statement shows the activity in your account for the time period listed and contains valuable information that can help you:

- manage your investments
- compare your investments' performance against your retirement savings goals
- monitor your account balance
- keep track of fund transfers and other account activity

One of the most important sections is your **Personal Investment Performance (PIP)** shown in the grey box on page 1 under **Your Total Account Value**. PIP tells you how your particular mix of investments has performed during the statement period. Expressed as a percentage, PIP reflects the performance of your entire account. This figure is based on your specific combination of investments and your account activity, such as contributions, exchanges and withdrawals. So your PIP is unique to your account and will be different from the performance figures reported for all the Plan's investment options.

Here is an example of how your PIP is calculated. At the beginning of the quarter, you owned one share of XYZ fund with a starting price of \$10. You purchase a second share of XYZ fund in the middle of the quarter, at a price of \$11. The fund price at the end of the quarter is \$9. The return of the fund, measured from day 1 to day 91, is negative 10 percent (i.e., -10 percent). The return of the portfolio, however, will be different from that of the fund because of the activity of the account. Since the purchase during the quarter was at a higher price than the ending price, the portfolio performance is worse. In this case, the PIP of the portfolio is negative 14.3 percent (i.e., -14.3 percent). If the purchase during the quarter had been at a price lower than the ending price, the performance of the portfolio would have been better than that of the fund. This example shows how activity during a quarter can influence performance and why your PIP may be different from the enclosed returns.

Take the time to read and understand your account statements. If you have questions about your PIP or the enclosed statement, call the OPERS Help Line at **(866) 673-7748**. ●



Stay in touch with OPERS

Please let OPERS know about any changes in your address or beneficiary designations. Giving your employer the information does not automatically mean it is updated with OPERS.

To keep your personal data current with OPERS:

- Log into your OPERS online account at **www.opers.org**. Click on the **Member Login** (top, right corner of the home page). You will need your Social Security number and an active e-mail account to register.
- Or call the OPERS Member Services Center at **(800) 222-7377**. ●



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 is closed will be processed the following business day that the NYSE is open.

- Monday, Jan. 18, 2016
- Monday, Feb. 15, 2016
- Friday, March 25, 2016