

PERSONal

INVESTOR

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New investment options added to the line-up

Target Date Funds Available for Investment

OPERS began offering Target Date Funds on Oct. 1, 2008. In addition, the three Pre-Mixed Portfolios (*Conservative, Moderate and Aggressive*) will be eliminated Dec. 1, 2008. Target Date Funds are a one-stop investment option for your long-term retirement planning. They are easy to use because they automatically select the asset allocation of OPERS funds that is suitable for you, based on your "target" retirement date or the date you plan to start taking distributions from your account. They offer a mix among stocks, bonds and other investments, and the asset allocation automatically changes and becomes more conservative as you near retirement.

What this means for you

If you are currently investing your contributions in one of the Pre-Mixed Portfolios, we encourage you to move your balance into one of the Target Date Funds or build your own portfolio with the six core OPERS Funds. If you don't take action by 1 p.m. on Friday, Nov. 28, 2008, your individual account balance in the Pre-Mixed Portfolios will be moved on Dec. 1 to the appropriate Target Date Fund based on your birth date and the assumption you will retire at age 65. In addition, any percentages you are contributing to a Pre-Mixed Portfolio will be redirected to the appropriate Target Date Fund.

Choosing the Target Date Fund that's best for you

To decide which Target Date Fund is right for you, determine the year in which you think you will terminate service and begin taking distributions from your account. Choose the Target Date Fund that is closest to that date. These funds and their corresponding asset allocations were developed with the idea that this is an individual's only source of retirement income.

When choosing a Target Date Fund, remember to consider if it is an appropriate fit with your overall financial retirement plan. If the Target Date Fund that is most suitable for your termination date is not aggressive or conservative enough for you, you can select a slightly more aggressive or conservative Target Date Fund or you could consider putting a portion of your contributions into one of the OPERS equity investment options (more aggressive) or our bond or stable value fund (more conservative). Remember to keep your other retirement savings (i.e., Ohio Deferred Compensation, Roth IRA) in mind when making any investment decision.

If the date you think you will terminate service is between two Target Date Funds, you should choose the fund that is closest to the actual date. For example, if your target date is 2017, you would choose the OPERS Target 2015 Fund. Or, you might consider dividing your contributions equally between the two funds that bracket your date (2015 and 2020). ●

For example:

If you are 37 years old and expect to retire in 25 years at age 62, your retirement year would be approximately 2033. The **OPERS Target 2035 Fund** is closest to when you expect to start withdrawing money from your individual account. This fund would provide you with an appropriate and simple investment strategy for your time horizon.



Resources available for you to learn more

Participate in one of the live, interactive web seminars scheduled to discuss the Target Date Funds. Check the Web site, www.opers.org, for the schedule and instructions on how to register.

You also can consult our Web site for details about the transition to the Target Date Funds, fund information and more.

Call the OPERS Help Line at **1-866-673-7748** with questions or for assistance with changes to your investments.

Afraid of Today's Market?

Take the Emotion Out of Your Investing

We all know it's best not to let short-term market fluctuations influence your long-term investment decisions. So what can you do to keep your head?

Stick to your asset allocation.

For long-term investing success, you should consider allocating your money among the different asset classes (stock, bond, and short-term funds) according to the mix of growth, income, safety and risk that suits you best. Once you have an allocation that works for you, stick to it. Don't make changes in response to short-term moves in the market. Make changes because something basic in your life has changed that leads you to reconsider the date you plan to retire (a marriage or divorce, the birth or adoption of a child).

Make the most of dollar-cost averaging.

Keep investing fixed amounts of money at regular intervals regardless of whether the market is up or down. Your money buys fewer shares when prices are high and at risk of falling, and more shares when prices are low and likely to rise. Consistently contributing to your retirement savings plan through regular payroll deductions makes dollar-cost averaging automatic.

Keep track of your investments.

Not every investment will work out as you hoped. If a fund has not lived up to your expectations over the long term or has consistently missed its benchmark, you may decide to sell your current holdings, reallocate future contributions, or do both. You will be making an informed decision.

Attend a workshop.

Check with your Plan about any opportunities to attend seminars to increase your financial knowledge. Taking time now to learn more about investing could pay off big when retirement rolls around.

Remember stock-market history.

When stocks are soaring, it's easy to think they'll soar forever; when they're down, it's easy to think they'll never go up. Don't focus on short-term ups and downs. Instead, keep your eye on the long-term. ●



A Word about Recent Market Events

When the markets get rough, some investors begin to question their investment strategies. Many think a decision to move out of the market may help them feel more in control. Others may even begin to wonder if their retirement savings are really protected in any way.

Market Volatility

The market activity this fall has been significant. Right now it's important to remember that market volatility is inevitable. Markets move up and down; trying to time the market is nearly impossible. Focusing on the future, maintaining a long-term strategy, and ignoring short-term fluctuations is usually the wisest thing to do. This means staying on the path you identified for yourself when times were calmer, riding out short-term volatility, and waiting for better days to return.

Security of Your Retirement Savings

You should take comfort in knowing that there are regulations and government agencies in place to safeguard your retirement savings.

By government regulation, the money in your Plan is only used for the benefit of Plan participants and for the Plan's operational needs.



While government agencies can't guarantee the actual value of your investments, they do mandate rigorous regulations to keep your retirement savings as safe as possible. These safeguards, along with your own thoughtful investment practices, will help you to attain a more financially secure and comfortable retirement. ●

Stay in Charge

Q What is a power of attorney?

A A power of attorney is a document appointing someone to handle your affairs if you cannot. Say you're planning a trip and will be away for 30 days. Several legal or financial matters may be pending. You would sign a power of attorney naming, say, your brother as your "attorney-in-fact" or "agent" to act in your absence.

Matters typically covered using a power of attorney include handling banking and securities transactions, entering into contracts, filing tax returns and buying or selling real estate. You most likely would revoke it once you returned home and could resume managing your affairs.

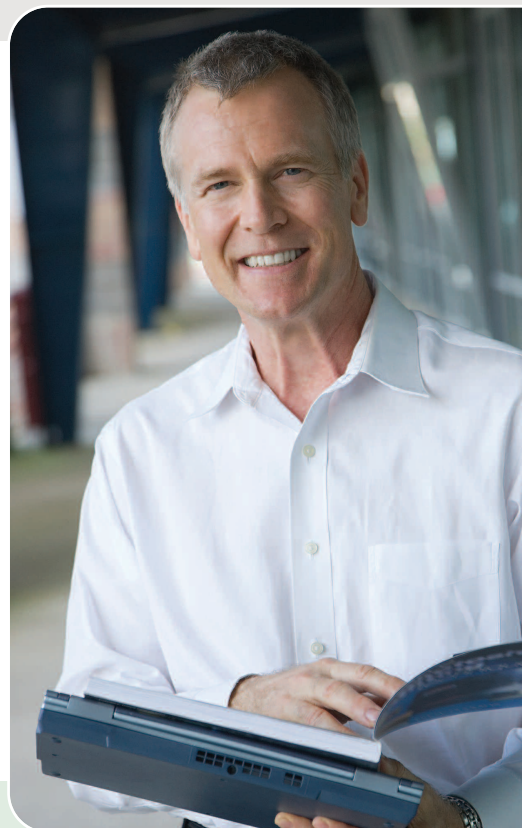
A durable power of attorney contains a special provision allowing your agent to make decisions for you if you become mentally incompetent and can't act on your own. It would stay in effect for as long as there are decisions to be made — or until you regain your mental faculties.

Q What is the difference between a will and a living will?

A A will only takes effect after your death — distributing your assets according to your wishes and naming someone a guardian for any minor children.

A living will takes effect while you are still alive, spelling out the medical treatment you want and don't want, should you become incapacitated and unable to make your wishes known. It also states whether or not you want life-prolonging procedures performed on you.

There are many names for such a document, depending on the state in which you live. It might be called a living will, a health care power of attorney, or an advance directive. ●



Benchmarks & Indexes

You want an above-average performance from your retirement investments.

But what's average?

Here are some key market benchmarks and indexes against which to measure performance.

Dow Jones Industrial Average

This century-old benchmark, usually called "the Dow," is the world's most widely-followed market average. It's not representative of the whole universe of stocks — it tracks only 30 large, well-known U.S. corporations. Use it only to guide you in the overall direction of the market.

S&P 500 From Standard & Poor's

This benchmark is far more representative of the broader market, tracking 500 companies (not always the largest) chosen to reflect all sectors of the U.S. economy. Most professional investors, including mutual fund managers, measure success by whether or not they beat the S&P 500.

Russell 2000

It covers 2,000 small-cap stocks (companies with total stock market values of \$5 billion or less). It's the benchmark against which the performance of smaller-cap mutual funds is measured.

MSCI EAFE

That stands for Morgan Stanley Capital International Europe, Australasia, Far East. It measures some 1,000 stocks on 21 global stock exchanges. It's the benchmark against which international funds are measured.

Lehman Brothers Aggregate Bond Index

It includes more than 5,000 government and corporate bonds. It's the yardstick against which bond-fund performance is measured.

Wilshire 5000

It tracks virtually all 7,000 U.S. stocks, making it a benchmark for the entire U.S. stock market.

Lipper Indexes

Published daily by a research firm, Lipper tracks the performance of virtually all U.S. mutual funds by type, from growth funds to government Treasury funds. ●





You should review the
Investment Options Disclosures
document before making any
investment decisions.

Ohio PERS Investment Options Fund and Portfolio Returns September 30, 2008

	Asset Class	Year-to-Date 09/30/08	Last Month 09/30/08	Prior 3 Months 09/30/08	Prior 6 Months 09/30/08	Calendar Years					1-Year Ending 09/30/08	3-Years' Ending 09/30/08	5-Years' Ending 09/30/08	Expense Ratio	
						2007	2006	2005	2004	2003					
OPERS Target Date Funds															
Target Payout Fund	PO	-7.71%	-4.67%	-5.65%	-5.33%	6.26%	9.20%	6.00%	7.65%	13.88%	-7.67%	2.90%	5.10%	0.21%	
Target 2010 Fund	10	-10.46%	-6.08%	-7.42%	-7.18%	7.16%	11.34%	7.10%	9.75%	21.98%	-10.77%	2.98%	6.32%	0.20%	
Target 2015 Fund	15	-14.83%	-8.26%	-10.13%	-10.00%	7.96%	14.18%	8.63%	11.41%	26.79%	-15.77%	2.56%	6.99%	0.20%	
Target 2020 Fund	20	-18.51%	-9.99%	-12.66%	-12.65%	8.72%	15.97%	9.37%	12.76%	30.44%	-19.83%	1.92%	7.23%	0.19%	
Target 2025 Fund	25	-20.73%	-11.03%	-14.09%	-14.16%	8.90%	16.98%	9.73%	12.98%	31.29%	-22.33%	1.37%	7.04%	0.19%	
Target 2030 Fund	30	-21.34%	-11.32%	-14.46%	-14.55%	9.02%	17.37%	9.93%	13.20%	32.07%	-23.03%	1.28%	7.11%	0.19%	
Target 2035 Fund	35	-21.69%	-11.52%	-14.69%	-14.76%	9.08%	17.72%	10.11%	13.44%	32.73%	-23.45%	1.28%	7.23%	0.19%	
Target 2040 Fund	40	-22.28%	-11.81%	-15.17%	-15.23%	9.32%	18.14%	10.38%	13.66%	33.59%	-24.08%	1.25%	7.36%	0.19%	
Target 2045 Fund	45	-22.88%	-12.09%	-15.54%	-15.61%	9.43%	18.52%	10.65%	13.66%	33.59%	-24.76%	1.15%	7.34%	0.19%	
Target 2050 Fund	50	-22.88%	-12.09%	-15.54%	-15.61%	9.43%	18.52%	10.65%	13.66%	33.59%	-24.76%	1.15%	7.34%	0.19%	
OPERS Funds															
Stable Value Bond	SV	3.08%	0.31%	0.99%	2.04%	4.44%	4.48%	4.23%	4.13%	3.99%	4.22%	4.37%	4.26%	0.23%	
	GB	-3.39%	-2.80%	-2.76%	-3.09%	4.14%	4.82%	2.74%	5.24%	6.30%	-2.17%	1.99%	2.87%	0.20%	
Stock Index	SI	-18.72%	-9.39%	-8.65%	-10.22%	5.18%	15.70%	6.15%	11.96%	30.80%	-21.41%	0.31%	5.72%	0.03%	
Large Cap	LC	-20.29%	-9.54%	-9.34%	-11.33%	3.30%	11.54%	6.32%	9.34%	29.61%	-22.63%	-2.33%	3.75%	0.05%	
Small Cap	SC	-9.83%	-7.96%	-1.09%	-0.55%	-3.14%	14.88%	7.99%	12.78%	48.45%	-14.79%	0.69%	6.95%	0.08%	
Non-U.S. Stock	NU	-33.43%	-17.39%	-26.58%	-25.99%	17.21%	25.26%	16.08%	17.07%	37.49%	-34.85%	1.08%	9.08%	0.32%	
OPERS Pre-Mix Portfolios															
Conservative	CB	-6.49%	-3.82%	-3.81%	-3.90%	4.66%	8.27%	4.88%	6.95%	13.42%	-6.65%	2.40%	4.49%	0.18%	
Moderate	MB	-12.99%	-6.74%	-7.08%	-7.69%	5.20%	11.51%	6.38%	9.28%	21.77%	-14.27%	1.31%	5.18%	0.14%	
Aggressive	AB	-17.23%	-8.75%	-9.51%	-10.21%	5.65%	13.94%	7.42%	10.78%	28.09%	-19.19%	0.61%	5.66%	0.12%	

The inception date for OPERS Funds & Pre-Mix Portfolios is 12-27-02. The inception date for OPERS Target Date Funds is 9-25-08 with returns for prior periods being calculated from returns of the OPERS Funds allocated according to prescribed target allocations. See the Investment Options Guide for details about investment managers, target allocations and expected fees. Total returns are net of investment management fees.

1. 3-Year and 5-Year investment returns are annualized.

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Program Web site: www.opers.org

Benefits questions and personal data changes: 1.800.222.PERS (7377)

Account information and management: 1.866.OPERS.4.U (1.866.673.7748)

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