TOGETHER WE ARE STRONGER™



SIMPLIFYING INVESTMENT CONCEPTS FOR THE **OKMRF DEFINED CONTRIBUTION PROGRAM**

Life is full of risks and rewards. When saving for retirement, the reward for taking on risk is the potential that you will have more income in retirement. Your investments, though, can also lose money. Finding the right balance is key to managing an investment portfolio to stay on track for retirement.

How do you balance risk and reward while investing in the Oklahoma Municipal Retirement Fund (OkMRF) Defined Contribution (DC) Program? Learning more about some key investment concepts can help you manage your account now and for the long term.

What is asset allocation?

Asset allocation is the percentage of money you direct into each of the major asset classes — stocks, bonds, and cash accounts. Stocks can be divided into sub-asset classes such as large cap, mid cap and small cap, and domestic and international, among others. Bonds have sub-asset classes too, such as government bonds and corporate bonds. Each asset class and sub-asset class has a different level of investment risk. Stocks generally have higher risk with higher potential returns. Cash accounts have the lowest risk and returns, and bonds are somewhere in between. Dividing your account among investments and classes determines not only your asset allocation, but your risk and return potential as well.

How is diversification different than asset allocation?

Diversification can be summed up as "not putting all your eggs in one basket." While both help to manage risk, asset allocation takes the concept a step further.

Asset allocation involves dividing a portfolio among and within different asset classes. Diversification only involves spreading your dollars among a variety of investments or, in the OkMRF DC Program, by investing in a Target Retirement Fund. A Target Retirement Fund is a pre-diversified mix of investments that is managed for you over time as you get closer to retirement.

How are Target Retirement Funds diversified?

Target Retirement Funds give you the convenience of having a professional choose and manage the fund's investment mix. This can help you take some of the worry out of investing. The concept is simple - the closer you get to retirement, the more conservative the Target Retirement Fund's diversified investment mix becomes. So instead of having to create a suitable investment mix on your own, simply choose a single Target Retirement Fund to help you reach your retirement goals. The target date in the fund name represents the year you may be retiring. For example, if you are planning to retire in or around the year 2030, the Target Retirement 2030 Fund may be an appropriate choice.



What should I consider when building my own custom portfolio?

If you want to build and manage your own investment profile, your process of asset allocation will be unique to you and your goals. If you don't include enough risk in the portfolio, for example, the investments may not earn enough money to meet your long-term financial goals. If too much risk is included, however, your money may not be there when you need it. The key is to build a portfolio that works within your time horizon and risk tolerance for investing.

Time horizon is the expected time you have to achieve a particular financial goal. Goals with longer time horizons, such as retirement, may allow you to take on more risk since you can wait out the inevitable ups and downs of the market. If you have a shorter time horizon until retirement or for financial goals with shorter time horizons, such as college saving for a dependent, you would likely take on less risk.

Risk tolerance is your ability and willingness to lose some or all of your original investment in exchange for greater potential returns. If you have a high risk tolerance, you may be more likely to risk losing money to get better results. If you have a lower tolerance for risk, though, you may favor investments that will preserve the original investment.

How do I manage my investments during periods of market loss?

When it comes to investing, the only constant is change. The markets are volatile by nature, so rising and falling values of investments are to be expected. Remembering that investments are long-term instruments, though, can help you manage your reactions to a bad market day or week. Research and history shows that you're betting against the odds when you attempt to predict what the market is going to do. Instead, it may help to review your asset allocation annually and **rebalance** it as needed to remain aligned with your long-term goals. Rebalancing your own custom portfolio involves allocating the balance in your account to the percentages that you originally set for your investments based on your time horizon and risk tolerance. This helps to ensure that the allocation of your assets remain aligned with your investment goals.

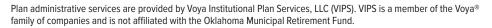
Where can I learn more about investing and investing concepts?

You don't need to be an expert or a stock market whiz to put an investment strategy into place. Resources are available to help you invest with confidence. Visit **voya.com/page/investing-basics** for a Voya Learn session on Investing Basics. When the financial markets and economic concerns make you uneasy, visit **voya.com/page/navigating-market-volatility** for articles and information to help keep your future in perspective.

HAVE A QUESTION OR NEED HELP?

When you want help with your OkMRF DC account investments, we are here for you. Call the toll-free Information Line at **(844) GO-OKMRF** (466-5673) weekdays between 7 a.m. – 7 p.m. CT (excluding stock market holidays). Customer Service Associates can help you access your account online, review your investment elections, make changes to your account, and more.

SSgA Target Date Funds are designed for investors expecting to retire around the year indicated in each fund's name. When choosing a fund, investors should consider whether they anticipate retiring significantly earlier or later than age 65, even if such investors retire on or near a fund's approximate target date. There may be other considerations relevant to Target Date Fund selection and investors should select the fund that best meets their individual circumstances and investment goals. The funds' asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. The investment risks of each Target Date Fund change over time as its asset allocation changes. An investment in the Target Date Fund is not guaranteed at any time, including on or after the target date.



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