

Strategies to help you manage investment risk

Risk is a normal part of investing. While you can't eliminate it, there are ways to help offset risk as you invest for retirement.

Strategy #1:

Understand risk.

There are different types of risk. An investment with high market risk is considered volatile, meaning its value may go up or down a lot, especially in the short term. Generally, investments with higher volatility, such as stocks, tend to offer higher potential for return. Lower volatility investments, such as bonds and cash equivalents, usually yield lower returns.

An all-stock portfolio has the highest risk of loss in value in a single year but the biggest potential average gain over time. Over the long haul, such an approach might accumulate higher returns, but wide swings in investment value could make it harder not to worry and stick with the strategy. In the short term, a high volatility portfolio could be risky for near-retirees and retirees ready to take withdrawals.

Another risk is falling short of an investment goal. Long-term investors with only low volatility investments that can't provide high enough returns are at risk of running out of retirement savings.

To learn more about risk and volatility, go to <https://calpers.voyaplans.com>. Under *Plan Information*, select *CalPERS 457 Plan Information > Education & Tools > Retirement > Investment Strategies > Investment Risk*.

Strategy #2:

Figure out how much risk you can handle.


Risk doesn't mean the same thing to everyone. When you are younger, with more time to stay invested in the market, you may be able to tolerate more volatility. Closer to retirement, you may wish to invest more conservatively. Your ability to tolerate risk depends partly on your age, the number of years before you'll need the money in your account and how much you have saved.

An experienced local representative can help you weigh how much risk you feel is right for your situation. Go to www.calpers457.checkappointments.com or call toll free at (888) 713-8244 to set an appointment.

Strategy #3:

Diversify your investments.

You can help balance the different kinds of risk by spreading the money in your account across the different asset classes. While diversification isn't a guarantee and can't protect against loss, taking some risk could potentially increase your investment return and help level out risk over the long haul.

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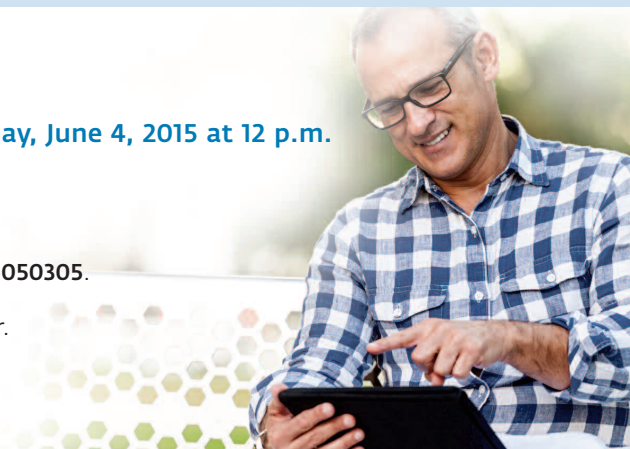
Bridging the Gap webinar June 4

You are invited to participate in the *Bridging the Gap* webinar on Thursday, June 4, 2015 at 12 p.m.

This webinar reviews various retirement income sources and explores approaches for bridging any potential gap.

▶ To register, go to <https://attendee.gotowebinar.com/register/3297933814466050305>.

You will receive a confirmation by e-mail with instructions for joining the webinar. Or visit www.gotowebinar.com and enter Webinar ID 104-103-803.



Schedule an annual Plan account review

Now that you've organized your financial information for tax season, this is a great time to turn your attention to your CalPERS Supplemental Income 457 Plan account. If you would like to review your account and investments with an experienced local representative, go to www.calpers457.checkappointments.com or call toll free at (888) 713-8244.

See your current financial picture

Your account offers an online experience designed to help you with planning and making financial decisions. **myOrangeMoney™** displays how your account balance translates into estimated monthly retirement income. It links to your **Personal Financial Dashboard** where you organize all your financial accounts and priorities in one place. Both tools are available every time you log into your account at <https://calpers.voyaplans.com>.

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The CalPERS Supplemental Income 457 Plan offers a simple approach to investing to help you match your investor style.

Help-Me-Do-It

Target retirement date funds offer the ease of investing in a diversified portfolio in one fund. This approach is convenient if you don't have the interest, time or experience to actively design and manage your investment allocation on your own. You simply choose a target date fund based on the date you expect to begin withdrawing money for retirement, and CalPERS manages the asset allocation of the fund.

Investments in target retirement date funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the work force. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a target retirement date fund is not guaranteed at any time, including on or after the target date.

Do-It-Myself

If you like to design and actively manage your own asset allocation, you may choose among the Plan's core investment options. Six index funds in different asset classes (stocks, bonds and cash equivalents) are available so you can diversify your portfolio based on your individual circumstances, goals, time horizon and risk tolerance.

The Schwab Personal Choice Retirement Account® (PCRA) is a discount brokerage option available for an additional fee through employers who contract for that provision. The account provides access to thousands of investments available through Charles Schwab plus the company's industry-leading research tools. It is designed for experienced investors who can make informed decisions and understand the risks associated with the investment decisions made. The mutual funds are not selected, reviewed or monitored by CalPERS. Charles Schwab is not affiliated with the Voya® family of companies.

Fund fact sheets describing each investment option and its objectives, risks, fees and expenses are available at <https://calpers.voyaplans.com> or by calling the Plan Information Line at (800) 260-0659. You should carefully read and review all investment information prior to making any investment decisions.



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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.

- Monday, May 25, 2015
- Friday, July 3, 2015