



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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Getting Started with Target Date Funds

Thinking about investing for retirement can be overwhelming—especially if you lack investing experience, don't have an interest in it, or don't have time to devote to your retirement account. For those overwhelmed by retirement investments, Ohio DC offers LifePath Portfolios that are referred to as target date funds.

What is a Target Date Fund?

What year do you anticipate you'll start withdrawing money from your account for retirement? For target date funds, also called age-based funds, you just need to answer this one question.

Most people choose a target date near the year they actually plan to begin making withdrawals. If you think you'll retire around 2040-41 and plan to begin withdrawing money immediately, you would pick "LifePath 2040." The year lets the fund manager know how to manage your investment. Some investors may choose a different target date to adjust their desired asset allocation and level of risk.

How do they work?

Target date funds are composed of a mix of asset classes. The mix changes over time to become less focused on growth and more focused on income. If you have decades until retirement, more stocks will be present in your mix than bonds. The closer you get to retirement, the more conservative your mix will become.

Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at, or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

Do I have to change funds over time?

Fund managers take care of your account and rebalance the account for you. There's no need to track the stock market or alter your investment over time, unless the date you want to access funds changes. Even if your date changes, just choose the fund closest to when you plan to access your account.

Check out [LifePath Portfolios](#) (managed by BlackRock) in our investment lineup for hassle-free investing. For more information on Ohio Deferred Compensation, visit [Ohio457.org](#).

The use of asset allocation does not guarantee returns or insulate you from potential losses. Investing involves risk, including possible loss of principal.. For more information, visit [Ohio457.org](#).