



# OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG

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## All about 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, most plans offer 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 retirement funds, also called age-based funds, you just need to answer this one question.

Once you know the approximate year, pick the target date fund with the end date closest to yours. If you think you'll retire around 2040-41, you would pick "Name of Fund 2040." The year lets the fund manager know how to manage your investment.

### 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.

Ohio Deferred Compensation offers the LifePath Portfolio target date funds (managed by BlackRock) in its investment lineup for hassle-free investing. For more information on Ohio Deferred Compensation, visit [Ohio457.org](https://ohio457.org).

*Ohio Deferred Compensation is a supplemental retirement plan offering all Ohio public employees the opportunity to accumulate tax-deferred assets to meet their long-term financial goals. For more information, visit [Ohio457.org](https://ohio457.org).*