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.

**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.

**Strategy #3:**
*Diversify your investments.*

You can help balance the different kinds of risk by spreading the money in your account across 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. OSGP's investment menu includes different choices for diversifying the investments in your OSGP account. For details, visit osgp.voya.com or call (800) 365-8494. You should carefully review all information before making an investment decision.
New Plan website address
The Plan website address has changed to: osgp.voya.com. Visit often for news, education, interactive planning tools and to log into your OSGP account.

National Retirement Security Week
To celebrate National Retirement Security Week, OSGP will hold its 11th annual open house and other events October 17 – 21, 2016. Watch for information coming soon.

Ask Kathy
If you are retired or no longer work for an employer that offers OSGP as a supplemental retirement plan, and you have a question, just Ask Kathy. Send an e-mail to osgpcustsvc.PERS@state.or.us. Please write Ask Kathy in the subject line.

Happy retirement
The decision to retire is not just about money. It’s about the freedom to enjoy life. While this column is typically devoted to the serious business of planning and saving enough, let’s savor the lighter side, too.

“The trouble with retirement is that you never get a day off.”

“Retirement is when you stop living at work and begin working at living.”

“Retirement is wonderful. It’s doing nothing, without worrying about getting caught at it.”

“There’s never enough time to do all the nothing you want.”

Retirement only means that it is time for a new adventure. For those who are ready, let the adventure begin. For those still in the planning stage, remember that OSGP is here to help you, now and throughout your retirement years.

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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, July 4, 2016