



Selecting Investments

Defined Contribution Plan and Combined Plan



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DEFINED CONTRIBUTION & COMBINED PLANS

Selecting Investments



- **Defined Contribution Plan and Combined Plan (defined contribution portion)**
 - Retirement income will be based on:
 - Amount contributed to the account
 - Performance of investments you select
 - Annuity rates at retirement

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If you choose the Defined Contribution Plan, your retirement income will be based on the amount deposited to your account, the performance of investment choices you select and annuity rates at the time of retirement. Under the Combined Plan, the retirement income from the defined contribution portion of your account would be based on the same factors.

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Investment Basics



- **Asset allocation**
 - Diversifying your investment dollars across different asset classes
- **Two key elements of asset allocation strategy**
 - **Time horizon** (years to retirement) and
 - **Risk tolerance** (high-risk versus low-risk investments)

CHOICES

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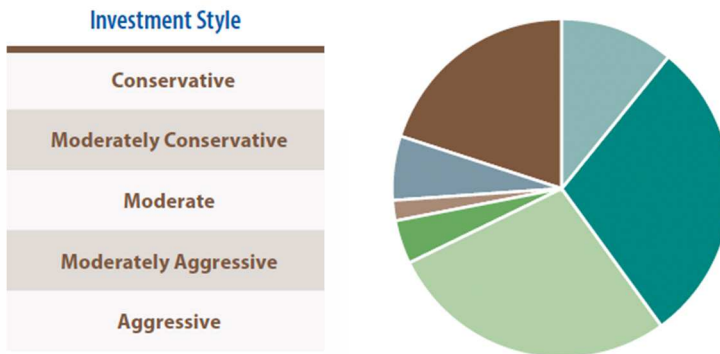
There are some investment basics that are important factors to consider in selecting your investments.

Asset allocation means to diversify your investment dollars across different asset classes. This strategy enables you to pursue attractive performance potential while spreading out your investment risk.

A personal asset allocation strategy is built on time horizon and risk tolerance. Your time horizon reflects the years until you plan to start taking distributions from your account. A short time horizon may result in a more conservative portfolio strategy (to reduce volatility). On the other hand, an aggressive portfolio strategy may not be suitable for a person with a low tolerance for risk — even with a long-term time horizon.

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Identifying What Type of Investor You Are



- ***Investment Options Guide***

- Includes investment style questionnaire and corresponding portfolio models

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Determining your investment style can help you identify the appropriate asset allocations within your investment portfolio. Shown on the left are five potential portfolio styles.

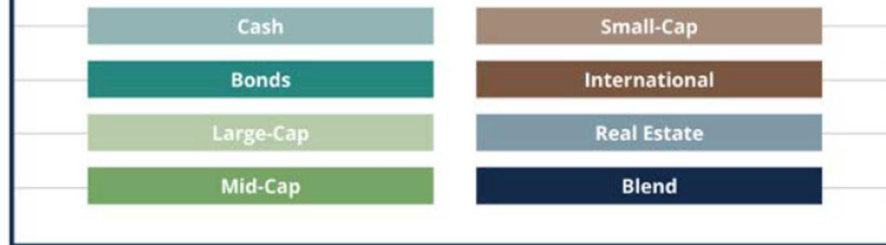
The *Investment Options Guide* includes an investment style questionnaire. Based on your responses, you can match your investment style with an investment portfolio that best fits your needs. This guide is mailed to new members and is also available on the STRS Ohio website.

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Investment Options



17 Investment Choices Among Multiple Asset Classes



- **Managed by STRS Ohio investment professionals**
- **17 investment choices**
- **Includes eight Target Choice Options**

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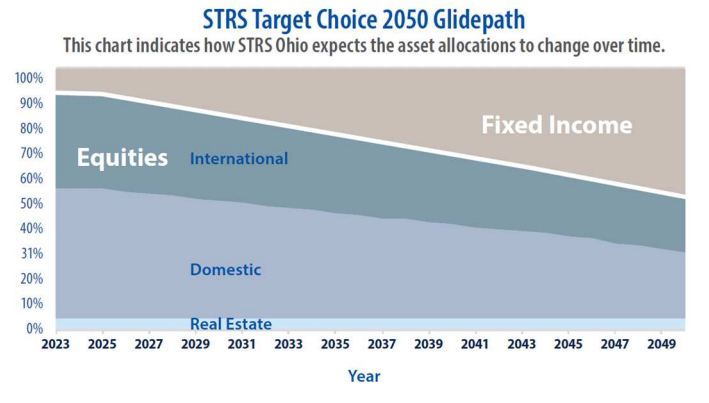
STRS Ohio offers 17 investment choices. These choices are comprised of cash; bonds; large-, mid- and small-cap domestic funds; international; real estate and target date asset classes. There are eight STRS Target Choice Options. Those funds target a year closest to the participant's expected retirement date and the investment mix becomes more conservative the closer to the target date. All of these investment funds are managed by the same STRS Ohio investment professionals who manage the system's defined benefit assets.

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Investment Options — Target Choice



- **Asset allocation changes over time**
- **Target a year closest to participant's retirement date**
 - STRS Target Choice 2050, 2055, 2060, etc.
- **More conservative investment mix closer to target date**



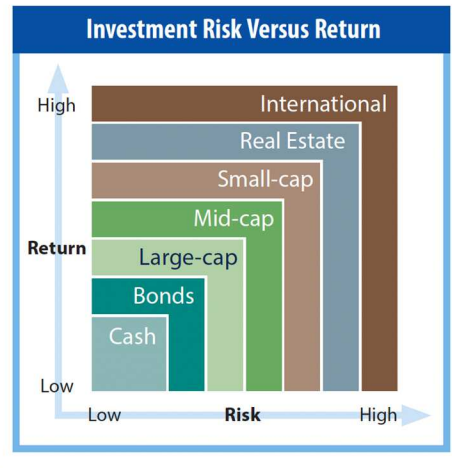
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The STRS Target Choice options have a future year that roughly matches the participant's expected retirement date — such as STRS Target Choice 2050. STRS Target Choice options are intended as long-term investment vehicles due to the volatility of returns on common stocks over short time periods.

The investment mix in these funds becomes more conservative the closer the participant is to the target date. The investment mix moves from a substantial allocation to stocks in the early years (for greater growth opportunities) toward a more balanced mix of stocks and bonds (to reduce volatility) as the target date nears.

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Investment Options



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The investment choices STRS Ohio offers vary in degrees of risk. How your investments are diversified depends on your willingness to tolerate risk. In general, the greater the risk, the greater the potential return.

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Investment Strategy Assistance



- **STRS Ohio website and retirement plan selection packet**
 - *Investment Options Guide*
 - Investment performance information
- **Nationwide Retirement Solutions**
 - 866-332-3342 (toll-free)



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If you need assistance developing your investment strategy, our *Investment Options Guide* includes a risk tolerance questionnaire as well as detailed information on the STRS Ohio investment choices. Investment information is also available on the STRS Ohio website and in the retirement plan selection packet mailed to new members.

To discuss your investment choices by phone, please contact Nationwide Retirement Solutions toll-free at 866-332-3342.

DEFINED CONTRIBUTION & COMBINED PLANS

Managing Your Account



- **Online account access at www.nrsstrsoh.org**
 - Make allocation changes
 - Move funds among investment choices
 - Access fund performance information
- **Quarterly account statements provided**

CHOICES

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If you select the Defined Contribution Plan or Combined Plan, you can register for online account access on the NRS/STRS Ohio website to manage your defined contribution account. By accessing your account, you will be able to:

- Make allocation changes;
- Move existing funds among the various investment choices; and
- Access performance information about each investment choice.

In addition, you will receive quarterly account statements providing additional details.