

# horizons

## Let's Get Back to Basics

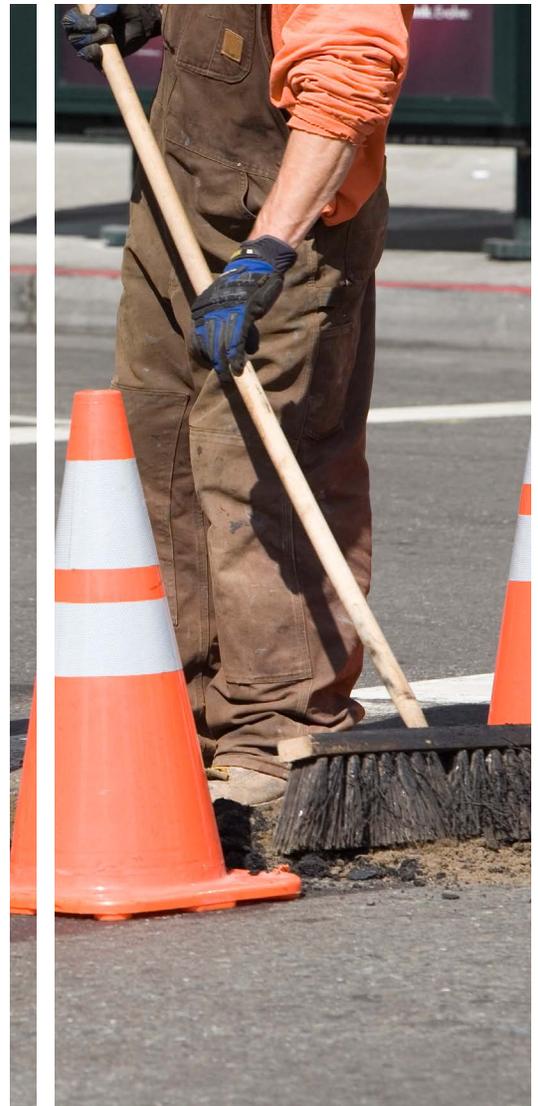


LIFE

WELL BALANCED

---

In this issue, we discuss how you can balance your life with simple savings routines through Savings Plus. This includes taking advantage of the various tools, resources, and services we offer. Over the next two pages, we also consider how to keep concerns about market volatility from throwing off your life balance, how to be more confident about investing through Savings Plus, and how minor changes in your approach could yield significant differences in your projected outcome at retirement.





## Account for the basics.

Setting yourself up for healthy savings can be quick and easy.

**First**, if you haven't done so already, set up an online account at [savingsplusnow.com](https://www.savingsplusnow.com). The process takes just minutes and gives you a gateway to managing your account through a fully secure portal on any web-enabled device.

**Next**, make sure we have the most current information. This will help ensure you receive timely communications from us and gives you access to faster reports and statements through Paperless Delivery.

**Then**, use My Interactive Retirement Planner<sup>SM</sup> to help you determine if you're on track for retirement. The Planner combines your account data with information you provide about other sources of potential retirement income, such as your pension and social security, to provide your retirement projection. Within minutes, you can generate a personalized Retirement Readiness Report that offers you a projection to see if you are on track to meet your retirement income needs.

Help us serve you better. Sign up for your online account and review your account regularly by visiting [savingsplusnow.com](https://www.savingsplusnow.com). Once you have set up an online account, click on the *Life... Well Balanced* banner to find more quick and easy actions for healthy savings.

## Take into account your risk tolerance.

Investing is all about striking a balance between market risk and return.

The past year had a relative lack of volatility in the market. In the first quarter of 2018, there have been signs that this may change.

If you exchange your investments for no other reason than the market is down or a bit rocky, you could experience unnecessary losses. History shows that investment markets have grown over time despite short-term ups and downs. Consider these three principles for long-term investing.

- 1. Have a plan.** Use My Interactive Retirement Planner — When do you think you may want to retire? Set or revise your personal goals and model different scenarios to see how you can achieve them.
- 2. Know your style.** Use My Investment Planner<sup>SM</sup> — Understand your investment style and choose the asset allocation that is right for you.
- 3. Stay cool.** Through Savings Plus, you contribute regularly from your paycheck, so you never “miss out” on market opportunities. You're using dollar cost averaging to help reduce the effects of market volatility over time.

When you implement these three principles, you can avoid emotional investing that often leads to losses or missed opportunities.

To learn more about how to keep your balance when the markets get bumpy, go to the *Learning Center*, select *Retirement Library*, and click on *Investing For The Long Term In A Volatile Market*.

Investing involves market risk, including possible loss of principal. No investment strategy — including asset allocation, diversification, dollar-cost averaging and compounding — can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.



## Keep your balance with asset allocation.

Asset allocation is an investment strategy designed to defuse market risk over time by spreading your investment dollars across different asset categories. By diversifying your portfolio, you can pursue attractive performance potential while simultaneously spreading out your investment risk.

How important is asset allocation to your investment success? Industry research has shown that approximately 90% of the volatility of a portfolio is determined by asset allocation.<sup>1</sup> In short, while picking specific investments and deciding when to exchange in and out of those investments can have an impact on your overall return, a well-diversified portfolio may be the critical factor in determining how well your portfolio performs in the long run.

Most people who participate in a retirement savings plan have one of three investor personalities.

-  For the **do-it-for-me investor**, Savings Plus offers Target Date Funds which gives you the convenience of a single, diversified investment strategy that automatically becomes more conservative as the fund approaches a specific retirement date. You choose one fund based on the time frame in which you expect to begin taking distributions in retirement.
-  The **manage-it-for-me investor** can elect to invest through Nationwide ProAccount<sup>®</sup>, a service available for an annual asset-based fee. While enrolled, your account is monitored and adjusted over time to keep you on track toward your retirement goals.
-  For the **do-it-myself investor**, we empower you to build and manage a customized portfolio using the Savings Plus core investment funds. Use My Investment Planner<sup>SM</sup> to help you understand your investment style and choose the asset allocation that is right for you. For the experienced investor, we offer the Schwab Personal Choice Retirement Account<sup>®</sup> (PCRA), a self-directed brokerage account. This account may have transaction fees associated with it.

**To learn more about options for your investing style, including Target Date Funds, Nationwide ProAccount, and My Investment Planner, visit [savingsplusnow.com](https://www.savingsplusnow.com). Then, go to *Investment Information* and click on *Investment Styles*.**

<sup>1</sup> Source: Brinson, Hood, Beebower Study (1986)

Investing involves market risk, including possible loss of principal. No investment strategy – including asset allocation, diversification, dollar-cost averaging and compounding – can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

## Use time to give your savings momentum.

Time is one of the most important factors in the potential success of your investments. Time and compounding work together to build momentum for your retirement savings. Compounding is the process of continually adding any earnings you might receive to the amount you contribute (principal) and then reinvesting them to create more potential earnings.

The more time your money has to earn, the more opportunity for compounding. The more money you contribute per paycheck, the stronger compounding can be. With the recent tax reform, consider increasing your contributions. Contributing a little now could mean more savings in retirement.

**To see an illustration of the power of time and compounding, go to the *Learning Center*, select *Retirement Library* and review *The Power Of Time & Compounding*.**

“You have to get in early. If I had that advice 30 years ago, I can’t imagine where I’d be today. I’m glad that I got in, started taking advantage of it, because it’s going to be there for me when I retire.”

—Eric Joe,  
California Health Care Facility





# You heard it here. A lot is happening at Savings Plus. Take a quick look at these reminders and announcements.

## Target Date Fund update

On April 13 the assets in the Target Date Fund 2015 transferred into the Target Date Income Fund. The underlying assets in both of these funds are identical. Visit [savingsplusnow.com](http://savingsplusnow.com) for additional information.

## Why you should review your beneficiary designations today.

If your beneficiaries are not properly updated, your hard-earned money may end up delayed and possibly not distributed the way you intended. There's an easy way to avoid this potential pitfall. Log on to your online account to review your beneficiaries and update if needed.

**For more information on these and other Savings Plus topics of interest, visit [savingsplusnow.com](http://savingsplusnow.com).**

## Join us at these CalPERS education events.



Our representatives will present information on enrollment, asset allocation, and the investment options available to you. For more information or to register for an event, go to [calpers.ca.gov/benefitseducationevents](http://calpers.ca.gov/benefitseducationevents).

May 11 & 12  
The Village at Squaw Valley  
1750 Village East Rd.  
Olympic Valley, CA 96146

June 15 & 16  
Riverside Convention Center  
3637 5th St.  
Riverside, CA 92501

## Learn more about budgeting, finances and saving.



Our educational workshops are free, and can help you understand how to meet your financial needs.

For a complete list of available classes and locations, please visit [savingsplusnow.com](http://savingsplusnow.com) and click the *Savings Plus Events* link at the bottom of the page.

California Department of  
Human Resources  
1515 S Street  
North Building, Suite 500  
Sacramento, CA 95811

## Contact Information

[savingsplusnow.com](http://savingsplusnow.com)  
(855) 616-4776  
(800) 848-0833 (TTY)

## Customer Service

**Representatives** are available  
5:00 a.m. to 8:00 p.m.  
Monday–Friday

## Walk-in Service Center

1810 16th Street, Room 108  
Sacramento, CA 95811

*Enter on 16th Street, between R  
and S streets*

Open 8:00 a.m. to 5:00 p.m.  
Monday–Friday, excluding  
state holidays



Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

Savings Plus representatives are Registered Representatives of Nationwide Investment Services Corporation (NISC), member FINRA. Neither Nationwide nor its Savings Plus representatives can offer investment, tax or legal advice. Consult your own counsel before making retirement plan decisions.

Schwab Personal Choice Retirement Account (PCRA) is offered through Charles Schwab & Co., Inc., a registered broker-dealer, member FINRA, which is not affiliated with Savings Plus or Nationwide.

Target Date Funds invest in a wide variety of underlying investment options to help reduce investment risk. Their expense ratio represents a weighted average of the expense ratios and any fees charged by the underlying investment options in which the Funds invest. The Funds do not charge any expense or fees of their own. Like other funds, target date funds are subject to market risk and 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 or that asset allocation, diversification or any investment strategy will assure a profit or avoid losses.

Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors, LLC (NIA), an SEC-registered investment adviser. NIA has retained Wilshire® as an Independent Financial Expert for Nationwide ProAccount. While NIA is the investment adviser, Wilshire has discretion over all investment decisions and uses mathematical and statistical investment processes to allocate assets, select mutual funds and construct portfolios and funds in ways that seek to outperform their specific benchmarks. Such processes may not achieve the desired results. Wilshire is a service mark of Wilshire Associates Incorporated, which is not an affiliate of Savings Plus, Nationwide or NIA.

My Interactive Retirement Planner, My Investment Planner, Nationwide ProAccount and Nationwide are service marks of Nationwide Mutual Insurance Company. © 2018 Nationwide

NRM-14952CA-CA.8 (04/18)