



Three Key Principles when Investing for the Long Term

RETIREMENT READINESS

When investing, you need to be aware of market risk, which is the potential for investments to lose value due to market fluctuation or volatility. Unfortunately, market risk is a risk that cannot be avoided.

History shows that investment markets have grown over time despite short-term ups and downs. In fact, these fluctuations can create buying opportunities that may lead to greater earnings over time. Investing is about striking a balance between market risk and return. Rather than trying to avoid market swings, understanding some key principles for long-term investing can help you navigate a sometimes volatile market. When investing for your retirement, it is important to have a plan, understand your investment style, and contribute regularly.

Three Key Principles when Investing for the Long Term

1. Have a plan.

It is easier to take a long-term view if you understand where you want to go. When do you want to retire? How much income will you need in retirement? My Interactive Retirement PlannerSM allows you to set your personal retirement goals and model different scenarios to see how you can achieve them. And of course, your Retirement Specialists are available to help you create a comprehensive plan for your retirement.

2. Know your investment style and determine the asset allocation that is right for you.

How comfortable are you with your portfolio fluctuating up and down? Investing for retirement is all about finding an asset allocation that considers both your risk tolerance and timeline for when you expect to access your money. If you are younger, a more aggressive investment mix may help you gain value over time even if you lose value in the short term. But as you get older, your portfolio has less time to recover.

Using asset allocation as part of an overall investment strategy does not assure a profit or guarantee against loss in a declining market.

Another factor to consider when making investment choices is how involved you would like to be in your investments.

- If you prefer to be less involved, you may want to consider a Target Date option which will automatically adjust the investment mix based on your expected retirement date.
- If you prefer to be more involved, you can use the My Interactive Retirement PlannerSM to help you understand your investment style and choose the asset allocation that is right for you.

3. Contribute regularly and stay cool when markets become volatile.

It can be tempting to change your investment choices or contribution amount based on what you hear in the news, but making investment decisions based on hunches or trying to time the market often leads to investment losses and missed opportunities. The SDRS-SRP allows you to contribute regularly from your paycheck, so you never “miss out”. You will be buying when the market is low, as well as when the market is climbing. This is called dollar cost averaging and it helps reduce the effects of market volatility over time, although it does not assure a profit or guarantee against loss in a declining market.

Investing for the long term means planning and monitoring that plan periodically. While there is always potential for investments to lose value due to market fluctuation or volatility, it is important to avoid making decisions based on short-term fluctuations or emotion. When you have a plan, you can invest with confidence. To learn more, call your SDRS-SRP Retirement Specialist in Pierre at 605-224-2230.

Investing involves risk, including possible loss of principal. Asset allocation models and diversification do not promise any level of performance or guarantee against loss of principal. Investment in the funds is subject to the risks of the underlying funds. The principal value of the funds is not guaranteed at any time. Target Date Funds invest in a wide variety of underlying funds to help reduce investment risk. So, in addition to the expenses of the Target Date Funds, you pay a proportionate share of the expenses of the underlying funds. Target Maturity Funds are designed for people who plan to withdraw funds during or near a specific year. 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.

Paperless Delivery. Quick and Easy:

You can have access to your SDRS Supplemental Retirement Plan (SRP) account information any time you pick up a web-enabled device. With Paperless Delivery, SDRS-SRP communications can be:

Faster – Receive email notices when SDRS-SRP communications are available.

Organized – SDRS-SRP communications are housed in one place, making them easy to manage.

Secure – Documents are accessible only after logging in to your account.

Green – Paperless Delivery helps reduce carbon footprints, saving several pounds of paper per participant annually.

Make a statement by getting yours online. Log in to your SDRS-SRP account at www.srp457.com. Select “Contact Preferences” in the left column. Then, click “Update” in the Paperless Delivery section.

Now available to your plan

Is Nationwide ProAccount® right for you?

If you answer yes to any of these questions, then Nationwide ProAccount —our professionally managed account service —may be a good choice for your potential retirement readiness.

- Do you sometimes find yourself overwhelmed by choosing investments and maybe even a little intimidated by the process?
- Would you feel more confident knowing that a respected investment management firm was managing your portfolio?
- Would it give you confidence to know that professionals are making adjustments to your portfolio as needed to keep it in line with your objectives?

When you opt for ProAccount, you get professional account management with oversight provided by Nationwide Investment Advisors, LLC (NIA), an SEC registered investment adviser which has retained Wilshire as the Independent Financial Expert. NIA charges an asset-based fee for ProAccount services, and uses the information you provide and Wilshire’s investment guidance to manage your ProAccount assets.

If your needs change or you have questions, requests, or potential restrictions on management of your account, just contact us. You can also submit a revised risk Profile Questionnaire when your financial situation, investment objectives or other conditions change.

To decide whether Nationwide ProAccount can help you feel more confident about your retirement readiness, contact your SDRS-SRP Retirement Specialist.

Contact us

SDRS Supplemental Retirement Plan

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SRP457.com

The SDRS Supplemental Retirement Plan is a deferred compensation plan regulated by Section 457 of the Internal Revenue Code and offered by the South Dakota Retirement System (SDRS). Plan administration and enrollment services are provided by Nationwide Retirement Solutions.

Contract #: GA-00619

SDRS-SRP Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

Neither Nationwide nor any of its representatives give investment, legal or tax advice. For such guidance, you should consult your own counsel.

Prudential Guaranteed Interest Account*

Prudential has announced a **3.00%** annual effective yield for the second quarter of 2018.

Guarantees and protections are based on the claims paying ability of the underwriting insurance company.

**Available option within the SDRS Supplemental Retirement Plan*

Investing involves market risk, including possible loss of principal. No investment strategy can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Nationwide representatives cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.

Nationwide Investment Advisors, LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser.

NIA has retained Wilshire® as an Independent Financial Expert for Nationwide ProAccount. Wilshire provides investment allocation portfolios based on participant ages and their personal tolerance for investment risk.

NIA assesses participants an asset-based fee for the managed account services.

Retirement products are offered by Nationwide Trust Company, a division of Nationwide Bank®, or Nationwide Life Insurance Company.

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Payout Changes

Note: If you are receiving distributions from the SDRS-SRP, you may be able to change your payout decisions. Call the SDRS Supplemental Retirement Plan office in Pierre at **605-224-2230** to review your account and/or payout options.