

FOCUS



**Deferred
Compensation**
Invest in you.

Ohio457.org • 877-644-6457

Third Quarter 2023



Ohio Deferred Compensation has a new look

We refreshed our branding and communications to reflect the strength of Ohio DC.

We're proud to unveil Ohio Deferred Compensation's new look! We have refreshed our branding to reflect the strength of Ohio DC and our commitment to keeping up with the times. The new logo nods to the State of Ohio flag and celebrates the uniqueness of our state. And, because our goal is to empower you to achieve the retirement you want, we have introduced a new tagline: Invest in you.

Your adventure awaits

We have fresh materials to help you set retirement targets to obtain your desired retirement outcome. Whatever you have planned for yourself when you leave employment, we have resources and tools to help you on your journey. Visit the Virtual Adventure Center to:

- ✓ Reach new heights by enrolling in or managing your Ohio DC account.
- ✓ Discover how Ohio DC can maximize your post-employment adventures.
- ✓ Explore planning tools in the Resource Studio.
- ✓ Have a "virtual" beverage at the smoothie truck and test your knowledge with interactive trivia or connect with an Ohio DC Account Executive.
- ✓ Attend live webinars or stream them on demand.

Take another step to prepare for retirement. Visit bit.ly/virtualadventurecenter today. If you are unable to access the Adventure Center, schedule a 1-on-1 consultation with an Account Executive at Ohio457.org or by calling 877-644-6457.



Ohio457.org



Ohio457@Nationwide.com



[877-644-6457](tel:877-644-6457)

Information provided by Retirement Specialists is for educational purposes only and not intended as investment advice. Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA. Neither the company nor its representatives give legal or tax advice. Please consult your attorney or tax advisor for answers to specific questions.

A publication of the Ohio Deferred Compensation Board

Fidelity Share Class Change

Large institutional investors, like Ohio DC, can offer professionally managed investment options at a lower cost compared to those available to individual investors. Ohio DC is committed to providing a quality, low-cost retirement plan. Lower costs mean more money stays in your account for retirement.



In 2016, investments in the Fidelity Contrafund and Growth Company mutual funds were moved to commingled pools to take advantage of lower investment costs.

Ohio DC continues to see asset growth in these two commingled pools, and participants are once again eligible for a lower-cost share class with the same investment strategy. On December 8, 2023, participants invested in these Fidelity options will be moved to Class S shares.

The annual expense ratio for the Fidelity Contrafund Commingled Pool will decrease from 0.35% to 0.30%. The annual expense ratio for the Fidelity Growth Company Commingled Pool will decrease from 0.35% to 0.32%. With these changes, Ohio DC participants invested in Fidelity options will save a cumulative \$1,585,000 annually in investment fees.

After the transition on December 8, participants invested in any of the two Fidelity options will receive a notification confirming this change.

Required Minimum Distributions

In 2023, if you are no longer working and will turn 73, or are already 73 or older, you will need to take a required minimum distribution (RMD) from your Ohio DC account. If you are a beneficiary of an inherited account, you may also be subject to an RMD. The RMD, mandated by the IRS, is determined at the beginning of the year and is required to be withdrawn by the end of the year.

If you are subject to a 2023 RMD and have not made withdrawals equal to or greater than the full RMD amount by Tuesday, December 5, your remaining RMD amount will be automatically withdrawn on Wednesday, December 6. If you are receiving systematic payments, your scheduled December 5 withdrawal amount will be automatically increased to meet the full RMD amount. Your systematic payments will resume as originally requested in 2024. Please allow two days from the withdrawal date for the receipt of funds in your bank account.

No action is required for these automatic withdrawals to be made.

For first-time RMD payments, federal income taxes will be set to the IRS default withholding amount of 10%. Ohio state income taxes will default to zero exemptions. If the address on file is outside of Ohio, no state income taxes will be withheld.

Visit Ohio457.org to manage your RMD withdrawal, including adding or updating bank information, changing Ohio income tax information, selecting an investment withdrawal option, or printing a federal income tax withholding form.



October Is National Retirement Security Month

During **National Retirement Security Month**, we will host free, one-hour, live webinars to help you with your retirement outcomes. If you have an internet connection and a phone or computer, you're ready to go. During the webinar, we will not be able to address specific questions about your account. Call our Service Center, at 877-644-6457, if you need individual assistance.

Approaching Retirement: Preparing to Retire

**Wednesday, October 4 at 9 a.m. and 11:30 a.m.
(one hour)**

This webinar is for participants who are getting close to retirement. It helps participants identify basic concepts such as retirement risks, determine their retirement gap, and explore asset allocation and payout options. If you are unable to attend, this webinar has been recorded and is available at Ohio457.org.

Retired Minds Want to Know

**Wednesday, October 18 at 9 a.m. and 11:30 a.m.
(one hour)**

This webinar focuses on helping retirees protect their accounts against risks in retirement, including diversifying their portfolios. It also explains various withdrawal strategies and required minimum distributions (RMDs). If you are unable to attend, this webinar has been recorded and is available at Ohio457.org.

Approaching Retirement: Beyond the Basics

**Wednesday, October 11 at 9 a.m. and 11:30 a.m.
(one hour)**

This webinar is for participants who are getting closer to retirement and have already mastered basic concepts and want more in-depth discussion regarding asset allocation examples, Catch-up, retirement decisions (such as PLOP), and withdrawal strategies. If you are unable to attend, this webinar has been recorded and is available at Ohio457.org.

Asset Allocation & Managing Risk

**Wednesday, October 25 at 9 a.m. and 11:30 a.m.
(one hour)**

This webinar is designed to help participants control their emotions when investing through market volatility. It will help participants identify an asset allocation strategy and manage their investment risk.

**Advance Registration Is
Required for Ohio DC Webinars
To Register:**

1. Go to Ohio457.org
2. Click "Resources" then
"Videos & Webinars"

You will be emailed login
information and detailed
instructions after registering.

Register now—attendance is
limited!



Invest Your Unused Sick and Vacation Leave

Let your unused sick and vacation leave grow by investing it! If your employer allows it, you can cash out your unused sick or vacation leave and invest it with Ohio DC. When you retire, you can cash out your unused sick and vacation leave and invest it into your Ohio DC account. If your employer allows it, you may also be able to invest some of your sick or vacation leave in the years prior to your retirement, subject to annual contribution limits. This has multiple benefits, including increasing your retirement savings. If you make a pre-tax contribution, you will not pay federal and state income taxes until the contribution is withdrawn.

Timing Is Important

If you will receive a **leave cash out**, contact your payroll manager to determine the dollar amount and the date it will be paid. We request that you contact Ohio DC, at 877-644-6457, at least 31 days before the pay date of your leave cash out.

To be eligible to contribute a **leave cash out when ending employment**, the IRS requires that your leave cash out be made within 75 days of your termination date or within the same calendar year in which you terminate, whichever is longer. It is necessary that you be enrolled in Ohio DC before your last day of work. Please give us a call, at 877-644-6457, at least 31 days before your cash out is paid and prior to your termination date.



Ohio Deferred Compensation Service Center
257 East Town Street, Suite 457
Columbus, Ohio 43215-4626



877-644-6457

8 a.m.-4:30 p.m., Monday-Friday



Ohio457@Nationwide.com



Ohio457.org



Holiday Schedule

The Service Center and exchange processing follows the New York Stock Exchange holiday schedule.

Visit [Ohio457.org/Contact Us](https://Ohio457.org/ContactUs) for the 2023 holiday schedule.

The Ohio Public Employees Deferred Compensation Program is a supplemental retirement benefit plan regulated by Section 457 of the Internal Revenue Code.

Ohio DC Board of Trustees

Elected

Julie Albers, Vice Chair
County Employees

Randy Desposito
Non-teaching College/
University Employees

Christopher Mabe
State Employees

Stewart Smith
Miscellaneous Employees

Timothy Steitz
Retired Group

Ken Thomas, Chair
Municipal Employees

Steve Toth
Retired Group

Paul D. Miller
Interim Executive Director

Statutory

Kathleen Madden
Director, Department of
Administrative Services

Richard Brown
House of Representatives

Louis W. Blessing, III
Senate

Appointed

James E. Kunk
Investment Expert

Scott Richter
Investment Expert

James Tilling
Investment Expert

Ohio Deferred Compensation

Investment Performance Report—As of September 30, 2023

The results shown represent past performance and should not be considered a representation of future performance or experience. Past performance cannot guarantee future results. Current investment results may be lower or higher than quoted in this report. The principal value and investment return of an investment will fluctuate so that an investor's units/shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained by visiting [Ohio457.org](https://ohio457.org). Although data is gathered from investment providers, Ohio DC cannot guarantee completeness and accuracy. Please see other important disclosures at the end of this report. **Consider the investment objectives, risks, charges, and expenses carefully before investing by consulting the prospectuses or profiles, which contain this and other information. Read the prospectuses or profiles carefully before investing. Prospectuses or profiles are available by calling 877-644-6457 or visiting [Ohio457.org](https://ohio457.org).**

Fund Name (Manager or Ticker Symbol)	Inception Date	3rd Quarter	YTD	Average Annual Returns				Expense Ratio ⁽¹⁾
				1 Year	3 Year	5 Year	10 Year	
LifePath Portfolios (BlackRock) ⁽²⁾								
● LifePath Retirement ⁽³⁾	8/15/2017	-3.37%	2.62%	7.44%	0.03%	2.96%	3.95%	0.06%
● LifePath 2025 ⁽³⁾	8/15/2017	-3.54%	3.08%	8.54%	1.07%	3.38%	4.87%	0.06%
● LifePath 2030 ⁽³⁾	8/15/2017	-3.68%	4.38%	11.11%	2.49%	4.13%	5.59%	0.06%
● LifePath 2035 ⁽³⁾	8/15/2017	-3.74%	5.64%	13.56%	3.84%	4.85%	6.26%	0.06%
● LifePath 2040 ⁽³⁾	8/15/2017	-3.79%	6.87%	15.96%	5.09%	5.48%	6.86%	0.06%
● LifePath 2045 ⁽³⁾	8/15/2017	-3.79%	7.99%	18.14%	6.12%	6.04%	7.33%	0.06%
● LifePath 2050 ⁽³⁾	8/15/2017	-3.72%	8.76%	19.47%	6.71%	6.37%	7.58%	0.06%
● LifePath 2055 ⁽³⁾	8/15/2017	-3.65%	9.05%	19.90%	6.85%	6.46%	7.65%	0.06%
● LifePath 2060 ⁽³⁾	8/15/2017	-3.66%	9.05%	19.90%	6.84%	6.45%	7.12% ⁽⁴⁾	0.06%
Non-US Stock								
▲ Non-US Company Stock (Vanguard, Schroders, Arrowstreet) ⁽²⁾	9/11/2020	-3.84%	6.96%	22.28%	4.77%	4.54% ⁽⁴⁾	n/a	0.54%
▲ Non-US Company Stock Index (State Street) ^{(2) (5)}	12/9/2022	-3.71%	5.58%	21.11%	3.98%	2.85%	3.72%	0.05%
Small Company/Mid Company Stock								
▲ US Small Growth Company Stock (Westfield, Fiera) ⁽²⁾	6/2/2017	-6.33%	8.28%	13.10%	3.92%	6.67%	9.40% ⁽⁴⁾	0.65%
▲ US Small Value Company Stock (Westwood) ⁽²⁾	6/2/2017	-3.81%	2.25%	16.09%	13.50%	3.70%	5.61% ⁽⁴⁾	0.51%
▲▲ US Small/Mid Company Stock Index (State Street) ^{(2) (5)}	12/9/2022	-3.38%	8.91%	14.26%	5.24%	5.02%	8.23%	0.02%
▲ Vanguard Capital Opportunity (VHCAX) ⁽⁶⁾	11/12/2001	0.50%	14.95%	25.29%	10.38%	8.68%	12.52%	0.36%
Large Company Stock								
▲ Fidelity Growth Company Commingled Pool ⁽²⁾	12/13/2013	-3.87%	27.79%	31.89%	6.64%	14.44%	16.70% ⁽⁴⁾	0.35%
▲ Fidelity Contrafund Commingled Pool ⁽²⁾	1/17/2014	-0.26%	23.55%	29.28%	6.63%	10.14%	12.17% ⁽⁴⁾	0.35%
▲ US Large Growth Company Stock (T. Rowe Price) ⁽²⁾	8/1/2014	-2.04%	28.56%	28.89%	5.39%	10.27%	13.67% ⁽⁴⁾	0.31%
▲ US Large Value Company Stock (Dodge & Cox) ^{(2) (7)}	12/9/2022	-0.14%	7.06%	20.88%	16.46%	8.61%	10.64%	0.41%
▲ US Large Company Stock Index (State Street) ^{(2) (5)}	12/9/2022	-3.27%	13.07%	21.61%	10.15%	9.90%	11.90%	0.01%
Bonds								
▲ US Bond (TCW) ⁽²⁾	1/30/2015	-3.61%	-1.61%	0.48%	-5.49%	0.23%	0.46% ⁽⁴⁾	0.25%
▲ US Bond Index (State Street) ^{(2) (5)}	12/9/2022	-3.23%	-1.04%	0.62%	-5.22%	0.13%	1.14%	0.02%
Stable Value								
▲ Stable Value Option (Multiple Managers) ⁽²⁾	1/1/1994	0.71%	1.98%	2.50%	2.00%	2.21%	2.21%	0.25%

Annualized Crediting Rates: 3rd Quarter 2023—2.85% 4th Quarter 2023—2.90%

- ⁽¹⁾ Investment performance has been reduced for expense ratios. These expense ratios may vary from period to period. Expense ratios do not include administrative fees or service fees. See "Fees" for more information.
- ⁽²⁾ These options are not publicly traded mutual funds and do not have a ticker symbol or prospectus. Additional information regarding the manager(s) and investment strategy can be found in the fund profile at [Ohio457.org](https://ohio457.org). The value of the securities held by the Stable Value Option (SVO) will fluctuate. The SVO focuses on principal preservation and a stable rate of return.
- ⁽³⁾ Returns shown are of the respective LifePath Index N series. Returns for periods prior to the inception of the N series are those of the respective LifePath Index F series.
- ⁽⁴⁾ Average annual return since inception date.
- ⁽⁵⁾ Returns for Non-US Company Stock Index, US Small/Mid Company Stock Index, US Large Company Stock Index, and US Bond Index prior to inception are those for State Street Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class II, State Street Russell Small/Mid Cap Index Securities Lending Series Fund Class II, State Street S&P 500 Index Securities Lending Series Fund Class II, and State Street U.S. Bond Index Securities Lending Series Fund Class XIV, respectively.
- ⁽⁶⁾ This option is a publicly traded mutual fund, and it has a ticker symbol and prospectus.
- ⁽⁷⁾ Returns for the US Large Value Company Stock prior to inception are for the Dodge & Cox Stock Fund (DODGX).

Account Executives are registered representatives of Nationwide Investment Services Corporation, member FINRA.

Investment Performance Report Notes

- **LifePath Portfolios**—Each LifePath Portfolio is based on a target year (when you expect to begin using your money). Portfolios are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. LifePath Portfolios are designed for people who plan to begin withdrawing funds during or near a specific year. Like other funds, LifePath Portfolios are subject to market risk and loss. Loss of principal can occur at any time, including before, at, or after the target year. There is no guarantee that LifePath Portfolios will provide enough income for retirement.

- ▲ **Non-US Stock**—Non-US or international funds involve risks not associated with investing solely in the United States, such as currency fluctuation, differences in accounting standards, and the limited availability of information. Over the long term, an investor should be willing to accept a high level of risk resulting from potentially higher market volatility.
- ▲ **Small Company Stock**—Small company funds contain stocks from companies with less than \$2 billion in capitalization, including many start-up companies. Small companies can grow much faster than big companies, but small company stocks tend to be more volatile than the stocks of larger companies. Over the long term, an investor should be willing to accept a high level of risk resulting from potentially higher market volatility.
- ▲ **Mid Company Stock**—Mid company funds contain stocks from companies with market values between \$2 billion and \$10 billion, and often include companies that are well established and growing. Over the long term, an investor should be willing to accept a moderate to high level of risk resulting from potentially higher market volatility.
- ▲ **Large Company Stock**—Large company funds contain stocks from companies with market values of more than \$10 billion, and they include blue-chip and Fortune 500 companies. They are typically more mature, diversified companies with many products and services. Over the long term, an investor should be willing to accept a moderate to high level of risk resulting from potentially higher market volatility.
- ▲ **Bonds**—Bonds are loans or debt instruments issued by governments or corporations that need to raise money. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Bonds are generally a more conservative form of investment than stocks, and usually provide a more steady flow of income. Typically, bonds have a lower long-term total return than stocks.
- ▲ **Stable Value**—These options own short to intermediate term, high-quality securities. Investors who seek safety of principal as well as a competitive rate of return compared to money market funds may invest in these options. The Stable Value Option returns are shown net of fees for investment management, custody, and principal protection.

Investment Performance

All reported returns assume reinvestment of capital gains and dividends and reflect the fund's expense ratio, but not the deduction of the administrative fees.

Fees

Administrative Fees

An annual administrative fee of 0.0014 or 0.14% is charged to each participant. Administrative fees will be charged each quarter and are based on the total of a participant's account balance(s). Administrative fees will be waived if the total of a participant's account balance(s) is below \$5,000. Administrative fees will be capped at \$55 per quarter, per participant.

Before investing in a fund, carefully consider its objectives, risks, charges, and expenses. This information and other important facts can be found in the prospectus or fund profile at Ohio457.org. Read them carefully before investing.