

FOCUS



**Deferred
Compensation**
Invest in you.

Ohio457.org • 877-644-6457

Second Quarter 2025

Be inspired by the strength of your retirement plan

Celebrating 50 years of dedication and purpose

As Ohio DC celebrates its 50th anniversary, we are filled with immense pride and gratitude. This milestone is not just a testament to the longevity of our Program, but a celebration of the dedication to our mission to guide participants along the path to retirement income security.

From modest beginnings, when the Ohio General Assembly established the framework for our Program, to enrolling our first participants in 1976, we have grown to currently serve more than 277,000 participants. Along the way, there have been significant advancements, such as introducing mutual funds in 1989, implementing automated systems in 1998, and launching LifePath Portfolios in 2002. More recently, our focus has been on using new technology to make your transactions easier and faster.



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Our success is deeply rooted in the trust and confidence you've shown us and the steady commitment of the Ohio DC staff. We extend our heartfelt thanks to all the participants who have been the core of our Program. Your dedication to retirement savings has motivated us to provide exceptional service over these past 50 years and long into the future.

Looking ahead, we acknowledge retirement challenges still exist, such as increasing lifespans and rising health care costs. Our commitment to progress and adaptability remains constant, helping you confidently navigate toward a successful retirement. Thank you for being part of our journey.

Continue to invest in you.

Be inspired by the resources available to you at Ohio457.org.

What is a withdrawal strategy?

Most people work for 30 or 40 years. You might be surprised to know that your retirement savings may also need to last that long. That's why a withdrawal strategy matters. If you plan carefully about how to withdraw your money, it can help turn your retirement assets into a long-lasting income.

Retirement income

When it comes to retirement income, there are three major sources of funding:

- Your pension, if available, through a current or former employer
- Social Security benefits, if you are eligible for them
- Personal savings, such as your Ohio DC 457(b), a 401(k) or 403(b) retirement plan account, IRAs, and bank accounts

You've spent your whole working life saving for retirement, congratulations! Now what?

Withdrawal strategy explained

A withdrawal strategy (also called a decumulation strategy) guides how you draw funds from your retirement accounts to create your retirement income. This can help keep you from outliving your savings by establishing an amount that you can safely withdraw each year. It may also prevent you from paying unnecessary taxes. Various withdrawal strategies address different financial concerns and situations. You may use one or a combination to fit your circumstances and goals.

Examples of withdrawal strategy options

Account sequencing

To minimize taxes, you may apply account sequencing. This strategy focuses on the best order in which to draw from accounts. It is often suggested that you access taxable accounts first, then tax-deferred, and lastly tax-free. Depending on variables such as your tax bracket, a different order may provide more advantages.

The 4% rule

With the 4% rule, you would plan to draw 4% from your accounts in your first year of retirement, then adjust the amount for inflation each of the following years. The 4% rule may allow you to fund an income stream for up to 30 years. Or you could use a different withdrawal percentage to suit your situation.

Bucket method

Investment choices often become more conservative as we approach retirement when shifting to stability rather than growth. However, a strategically diversified portfolio can be designed to balance risk and return throughout retirement years. A strategy such as the bucket method may help you decide how much to invest in lower-risk and higher-risk assets. The idea is to protect money you may need in the short term, while allowing some investments time to grow.

When determining your withdrawal strategy, consider factors such as:

- Your marital status
- All potential sources of retirement income and expenses
- Your life expectancy
- How long you want your savings to last
- How withdrawals may affect your taxes
- How comfortable you are with investment risk

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When should you start planning?

Ideally, you should begin thinking about a withdrawal strategy as early in your work life as possible, since it can impact how you save for retirement. However, it's not too late to create a strategy, even if you are closer to retiring or have already retired.

Create a retirement budget

Estimate expenses and think about your desired lifestyle. Ballparking your income and costs will give you a clearer picture of your retirement budget. Remember to factor in taxes, which can reduce your income total.

Required Minimum Distributions (RMDs)

You might delay taking distributions to make your retirement income last longer, but the Internal Revenue Service (IRS) only allows income tax deferral to continue for so long. When participants reach age 73 and are no longer working, they are required to withdraw a minimum amount annually from each tax-deferred account. If a participant is still working at age 73, the RMD will begin after they terminate employment.

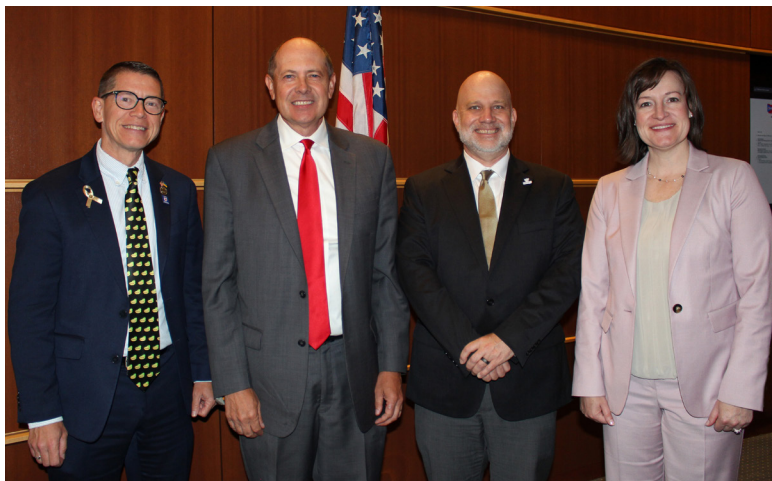
Creating a withdrawal strategy takes careful consideration. By planning, you can enjoy your savings—and your life in retirement—to the fullest.

Want to see your current retirement outlook and discuss your withdrawal strategy? Use the [Simple Income and Retirement Planner](#) and contact a [Retirement Planning Specialist](#) today.

New Ohio DC Board Members

The [Ohio DC Board](#) is a 13-member, uncompensated Board composed of the OPERS board members with the addition of two state legislators. In May, three new board members began serving on the Ohio DC Board.

The OPERS Board of Trustees selected Russell Smith to fill the open non-teaching college/university employee representative position. Jay Hottinger was appointed by the Ohio General Assembly, and Representative Sean P. Brennan was appointed by the Ohio House of Representatives. They are pictured with Ohio DC Executive Director Lauren Gresh.



Representative Sean Brennan, Jay Hottinger, Russell Smith, Lauren Gresh

OPERS Board Elections

All members of the Ohio Public Employees Retirement System (OPERS) Board are also members of the Ohio DC Board.

The three seats up for election in 2025 include one representative for county employees, miscellaneous employees, and retirees. Any OPERS active member who is employed by a county or miscellaneous employer is eligible to represent their group.

Any OPERS retiree receiving an age and service benefit, disability benefit, or benefit under the OPERS DC plan is eligible to represent retirees, including re-employed retirees.

The elections will be held August 26–October 3, 2025. Those elected will serve four-year terms beginning in January 2026. For more information visit [OPERS.org](https://www.opers.org).



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



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Ohio457.org



Holiday Schedule

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

[2025 Holiday Schedule](#)

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

Dollar-Cost Averaging Helps Manage Market Volatility

You are not alone in thinking that managing your retirement savings in a down market is a challenge. When confronted with negative outcomes, many investors choose to get out of the market, effectively locking in losses. One of the key benefits of contributing to Ohio DC is dollar-cost averaging—investing the same amount of money at regular intervals regardless of the price.

You accomplish this through your contributions that are deducted from your paycheck. When fund prices are down, your contributions purchase more shares. When fund prices are up, your contributions purchase fewer shares.

Lower cost over time

By continuing your contributions through a down market, you may pay less for your investments than their average price over a long period of time. This type of strategy involves continuous investment in a security regardless of the fluctuating price levels of such securities. Of course, dollar-cost averaging does not guarantee a profit or protect against loss in a declining market.

Keep contributing

You don't have to do anything different to take advantage of dollar-cost averaging. As long as you make regular contributions to your Ohio DC account, you'll have it working for you.

Ohio DC Board of Trustees

Elected

Julie Albers, Vice Chair
County Employees

Christopher Mabe
State Employees

Russell Smith
Non-teaching College/
University Employees

Stewart Smith
Miscellaneous Employees

Timothy Steitz
Retired Group

Ken Thomas, Chair
Municipal Employees

Steve Toth
Retired Group

Statutory

Louis W. Blessing, III
Senate

Sean P. Brennan
House of Representatives

Kathleen Madden
Director, Department of
Administrative Services

Appointed

Jay Hottinger
Investment Expert

James E. Kunk
Investment Expert

Scott Richter
Investment Expert

Ohio Deferred Compensation

Investment Performance Report—As of June 30, 2025

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	2nd 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	4.59%	6.20%	9.85%	7.74%	5.05%	5.20%	0.06%
● LifePath 2030 ⁽³⁾	8/15/2017	5.92%	6.96%	11.16%	10.01%	7.73%	6.92%	0.06%
● LifePath 2035 ⁽³⁾	8/15/2017	7.21%	7.66%	12.37%	11.73%	9.37%	7.83%	0.06%
● LifePath 2040 ⁽³⁾	8/15/2017	8.28%	8.27%	13.49%	13.40%	10.90%	8.65%	0.06%
● LifePath 2045 ⁽³⁾	8/15/2017	9.39%	8.84%	14.55%	14.95%	12.22%	9.33%	0.06%
● LifePath 2050 ⁽³⁾	8/15/2017	10.51%	9.45%	15.60%	16.10%	13.08%	9.76%	0.06%
● LifePath 2055 ⁽³⁾	8/15/2017	11.05%	9.76%	16.14%	16.56%	13.36%	9.89%	0.06%
● LifePath 2060 ⁽³⁾	8/15/2017	11.13%	9.81%	16.20%	16.59%	13.37%	9.90%	0.06%
● LifePath 2065 ⁽³⁾	11/15/2019	11.12%	9.80%	16.22%	16.61%	13.36%	11.53% ⁽⁴⁾	0.06%
Non-US Stock								
▲ Non-US Company Stock (Vanguard, Schroders, Arrowstreet) ⁽²⁾	9/11/2020	13.98%	21.65%	21.22%	16.11%	10.80% ⁽⁴⁾	n/a	0.51%
▲ Non-US Company Stock Index (State Street) ^{(2) (5)}	12/9/2022	12.20%	18.41%	18.12%	14.15%	10.40%	6.00%	0.05%
Small Company/Mid Company Stock								
▲ US Small Growth Company Stock (Westfield, Fiera) ⁽²⁾	6/2/2017	11.22%	0.02%	5.02%	11.08%	8.99%	9.98% ⁽⁴⁾	0.67%
▲ US Small Value Company Stock (Westwood) ⁽²⁾	6/2/2017	5.19%	-1.62%	4.98%	9.52%	12.12%	6.68% ⁽⁴⁾	0.52%
▲▲ US Small/Mid Company Stock Index (State Street) ^{(2) (5)}	12/9/2022	12.19%	2.82%	16.05%	15.61%	12.31%	9.57%	0.02%
▲ Vanguard Capital Opportunity (VHCAX) ⁽⁶⁾	11/12/2001	9.04%	5.42%	7.32%	15.83%	13.95%	12.45%	0.35%
Large Company Stock								
▲ Fidelity Growth Company Commingled Pool ^{(2) (7)}	9/7/2023	19.18%	4.31%	13.60%	28.25%	18.64%	19.32%	0.32%
▲ Fidelity Contrafund Commingled Pool ^{(2) (7)}	12/5/2023	17.15%	12.12%	21.05%	28.28%	18.05%	16.25%	0.30%
▲ US Large Growth Company Stock (T. Rowe Price) ⁽²⁾	8/1/2014	17.23%	7.78%	16.48%	26.59%	16.14%	16.61%	0.31%
▲ US Large Value Company Stock (Dodge & Cox) ^{(2) (8)}	12/9/2022	3.85%	7.55%	13.54%	14.89%	17.37%	11.50%	0.41%
▲ US Large Company Stock Index (State Street) ^{(2) (5)}	12/9/2022	10.93%	6.18%	15.13%	19.69%	16.63%	13.63%	0.01%
Bonds								
▲ US Bond (TCW) ⁽²⁾	1/30/2015	1.29%	4.34%	6.31%	2.49%	-0.67%	1.88%	0.25%
▲ US Bond Index (State Street) ^{(2) (5)}	12/9/2022	1.23%	4.03%	6.11%	2.56%	-0.72%	1.77%	0.02%
Stable Value								
▲ Stable Value Option (Multiple Managers) ⁽²⁾	1/1/1994	0.78%	1.55%	3.15%	2.76%	2.38%	2.36%	0.25%

Annualized Crediting Rates: 2nd Quarter 2025—3.15% 3rd Quarter 2025—3.25%

- ⁽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 is 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⁾ The inception date of the earliest share class of the Fidelity Growth Company Pool was 12/13/2013. The inception date for the earliest share class of the Contrafund Pool was 1/17/2014. Performance between inception dates of the earliest class of the Pools and the inception dates (see above) of Class S shares of the Pools was calculated by subtracting the respective Class's management fee for that period from the Pool's gross performance.
- ⁽⁸⁾ 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.