



OHIO DEFERRED COMPENSATION

457 FOCUS

877-644-6457

Ohio457.org

Second Quarter 2020



Make sure you have a healthy retirement savings game plan

Visit [Ohio457.org/CalculatorsTools](https://ohio457.org/CalculatorsTools) to see how Ohio DC can help.

As people prepare for retirement, one of their most significant concerns is how they will afford health care once they are retired. According to a recent survey by Reuters Health¹, almost half of Americans between the ages of 50 and 64 are afraid they won't be able to afford health care in retirement.

Ohio DC is here to help our participants save money for retirement, which can be used for anything, including health care expenses. If you visit the Calculators/Tools tab on our website, you can use the My Health Care Estimator tool to calculate potential future health care expenses to help plan for retirement.

To learn more about health care in retirement, watch our presentation on Health Care under Resources>Videos & Webinars>Workshops>Health Care on the website. There's a lot you need to know; we can make it easier to understand.



Visit our website at [Ohio457.org](https://ohio457.org)



Give us a call at 877-644-6457

¹<https://www.reuters.com/article/us-health-insurance-retirement/many-in-u-s-worry-about-affording-healthcare-in-retirement-idUSKBN2042FA>

This material is not a recommendation to buy, sell, hold, or roll over any asset; adopt an investment strategy; retain a specific investment manager; or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition, or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation. 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.

Account Executives are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, OH.

A publication of the Ohio Deferred Compensation Board

Message from the Executive Director...

I am honored to be the new Executive Director for Ohio Deferred Compensation, and I am dedicated to helping ensure that your savings goals and retirement dreams come to fruition. I encourage you to partner with Ohio DC and continue to save.

As I type this, COVID-19 still has the world in its grasp, and our nation is under intense division. These circumstances, no doubt, have had an impact on your financial stability in one way or another, only adding to the uncertainty of what tomorrow may bring.

During times like these, it is difficult to think about your savings goals or retirement dreams. I urge you to stay the course. At Ohio Deferred Compensation, we are fervently monitoring market conditions and our fund performance. Your retirement savings are in good hands. We have seen very good relative performance amongst the market turmoil.

I look forward to moving the Program forward and getting to know you in the process of closing the retirement gap for all public employees of the great State of Ohio.

Christina Elliott
Executive Director

Schedule a Meeting with a Retirement Planning Specialist

Retirement Planning Specialists (RPSs) are Chartered Financial Consultants (ChFC) who help Ohio DC participants with retirement planning at no charge. Currently, RPSs are available to meet with you over the phone or through a virtual meeting using online technology.



If you are getting close to retirement or have already retired, feel free to give us a call at 877-644-6457 to schedule a private appointment. For general education, you can also visit [Ohio457.org](https://www.ohio457.org) and click on Resources>Videos & Webinars for other live and pre-recorded content.

Information presented by the RPS is for educational and planning purposes only and is not intended as investment advice. Neither Nationwide nor its representatives provide tax, legal, or investment advice. Please consult your professional advisor for such advice.

New Monthly Payment Date

Please note that the monthly payment date from Ohio DC accounts will be changing from the 20th of the month to the 7th of the month. This change will be effective starting with the August 7th pay date.

If you plan on requesting payments from your Ohio DC account, please submit withdrawal forms by the 22nd of the month, so payments can start on the 7th of the following month. For example: If your forms are received by July 22nd, your payment(s) will begin on August 7th.

For participants who are currently receiving ongoing payments, **no action is required by you.** Your change in payment dates will automatically occur in August.

You can request withdrawal forms from the Service Center by calling 877-644-6457.



Investment Option Transitions

The Ohio DC Board is committed to periodically reviewing the investment options to make sure they continue to help you meet your retirement and financial goals. Among the items considered are the range of investment options available and each option's performance and value.

As a result of a recent review, the Board decided to make changes to the investment options. Beginning September 11, 2020, two new investment options will be available for your Ohio DC account. Certain investment options currently offered will be closed, and all existing balances and future contributions will be moved to the new investment options, as shown in the table below:

Current Investment Options <i>(to be closed)</i>		New Investment Options <i>(available September 11, 2020)</i>
Vanguard Small-Cap Index		Vanguard Extended Market Index
Templeton Foreign		Ohio DC International Stock
Vanguard International Growth		Ohio DC International Stock

Vanguard Extended Market Index

Vanguard Extended Market Index seeks to track the performance of the S&P Completion Index, which invests in U.S. small and mid-sized company stocks. Paired with the Vanguard Institutional Index, which tracks the S&P 500 Index, these two passively managed funds can provide investors with broad access to the U.S. stock market at a low fee.

The transition from the Vanguard Small-Cap Index to the Vanguard Extended Market Index is intended to provide participants with a passive investment option that invests in both small and mid-size company stocks. This investment option will be a collective investment trust (CIT).

Ohio DC International Stock

Ohio DC International Stock seeks to provide long-term capital appreciation by investing in a wide array of value and growth-style stocks across international developed markets and emerging markets. The investment option will be managed by three, active investment managers, each with different styles and philosophies:

- 35% Vanguard International Growth (VWILX)
- 35% Schroders QEP International Equity (CIT)
- 30% Arrowstreet International Equity ACWI ex US (CIT)

The transition from Templeton Foreign (FTFGX) and Vanguard International Growth (VWILX) to Ohio DC International Stock is intended to provide participants with an actively managed investment option that offers style and manager diversification as a way to reduce the performance volatility inherent with one style or management approach.

Participants with investments in any of the three investment options that are closing will receive a notification through mail or email explaining the change. Please visit Ohio457.org or refer to your quarterly statement for more details. If you have any questions about the transition, please contact the Service Center at 877-644-6457 to speak to an Account Executive.

Allocation Deadline

In order to facilitate the fund changes, Ohio DC requests that participants invested in these funds make allocation changes or exchanges to their accounts by 4 p.m. on September 10, 2020.

Required Minimum Distributions

The CARES Act suspends the Required Minimum Distribution (RMD) provisions for calendar year 2020, which means participants are not required to take an RMD in 2020. Participants who have withdrawn funds from their Ohio DC account during 2020, to satisfy RMD requirements, may be eligible to redeposit those funds.



Please refer to Ohio457.org and read your quarterly *Focus* newsletters for updates regarding RMD redeposit eligibility requirements.

Call our Service Center at 877-644-6457 with questions or to request the necessary forms to redeposit an RMD withdrawal. If required, RMD payments will resume in 2021.



Holiday Schedule

The Service Center and exchange processing will be affected by the New York Stock Exchange holiday schedule.

Exchanges received on holidays will be processed as of the market close of the next business day.

Visit Contact Us at Ohio457.org for the 2020 holiday schedule.



KEEP IN TOUCH

Let Ohio DC know about email, address or beneficiary changes.



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

Phone hours: 9 a.m.-4 p.m., Monday-Friday



877-644-6457



Ohio457@Nationwide.com



Ohio457.org



Ohio Deferred Compensation

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

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Ohio Deferred Compensation

Investment Performance Report—As of June 30, 2020

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. Although data is gathered from investment providers, the Program 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 your prospectuses, which contain this and other information. Prospectuses are available by calling 877-644-6457 or visiting Ohio457.org. Read the prospectus carefully before investing.**

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	
Ohio DC LifePath Portfolios (BlackRock) ⁽²⁾								
LifePath Retirement ⁽³⁾	8/15/2017	9.55%	1.08%	6.17%	5.92%	5.30%	6.26%	0.06%
LifePath 2025 ⁽³⁾	8/15/2017	11.57%	-1.05%	4.90%	6.15%	5.84%	7.79%	0.06%
LifePath 2030 ⁽³⁾	8/15/2017	13.52%	-2.78%	3.90%	6.17%	6.06%	8.27%	0.06%
LifePath 2035 ⁽³⁾	8/15/2017	15.38%	-4.37%	2.95%	6.19%	6.26%	8.71%	0.06%
LifePath 2040 ⁽³⁾	8/15/2017	17.14%	-5.83%	2.06%	6.16%	6.39%	9.08%	0.06%
LifePath 2045 ⁽³⁾	8/15/2017	18.49%	-6.73%	1.51%	6.13%	6.47%	9.39%	0.06%
LifePath 2050 ⁽³⁾	8/15/2017	19.12%	-7.16%	1.24%	6.09%	6.48%	9.64%	0.06%
LifePath 2055 ⁽³⁾	8/15/2017	19.21%	-7.16%	1.26%	6.09%	6.48%	9.77%	0.06%
LifePath 2060 ⁽³⁾	8/15/2017	19.20%	-7.16%	1.25%	6.08%	6.48%	6.13% ⁽⁴⁾	0.06%
International Stock Funds								
Templeton Foreign (FTFGX) ^{(5) (6)}	5/1/2013	12.19%	-18.65%	-13.96%	-6.07%	-1.66%	3.71%	0.70%
Vanguard International Growth (VWILX) ⁽⁵⁾	8/13/2001	33.01%	12.37%	24.55%	14.18%	11.91%	11.27%	0.32%
Vanguard Total International Stock Index (VTPSX) ^{(5) (6)}	11/30/2010	18.12%	-10.57%	-4.05%	1.13%	2.47%	5.21%	0.07%
Small-Cap Stock Funds								
Ohio DC Small-Cap Growth (Westfield, Fiera) ⁽²⁾	6/2/2017	32.59%	0.89%	10.75%	11.89%	11.59% ⁽⁴⁾	n/a	0.72%
Ohio DC Small-Cap Value (Westwood) ⁽²⁾	6/2/2017	19.42%	-20.70%	-16.53%	-1.52%	-1.60% ⁽⁴⁾	n/a	0.70%
Vanguard Small-Cap Index (VSCPX) ^{(5) (6)}	12/17/2010	26.68%	-11.41%	-5.58%	4.01%	5.42%	11.61%	0.03%
Mid-Cap Stock Funds								
Vanguard Capital Opportunity (VHCAX) ⁽⁵⁾	11/12/2001	22.20%	-3.17%	8.42%	9.89%	10.98%	15.21%	0.37%
Large-Cap Stock Funds								
Dodge & Cox Stock (DODGX) ⁽⁵⁾	1/4/1965	20.02%	-14.98%	-6.20%	2.99%	5.93%	11.71%	0.52%
Fidelity Contrafund Commingled Pool ⁽²⁾	1/17/2014	26.35%	9.04%	17.92%	16.92%	14.42%	13.39% ⁽⁴⁾	0.35%
Fidelity Growth Company Commingled Pool ⁽²⁾	12/13/2013	41.10%	24.49%	41.16%	24.23%	19.97%	19.28% ⁽⁴⁾	0.35%
Ohio DC Large-Cap Growth (T. Rowe Price) ⁽²⁾	8/1/2014	28.86%	11.20%	21.49%	20.05%	17.09%	16.64% ⁽⁴⁾	0.35%
Vanguard Institutional Index (VIXX) ⁽⁵⁾	7/7/1997	20.55%	-3.07%	7.52%	10.72%	10.72%	13.98%	0.02%
Bond Funds								
Ohio DC Intermediate Bond (TCW) ⁽²⁾	1/30/2015	3.92%	6.93%	9.52%	5.78%	4.48%	3.72% ⁽⁴⁾	0.25%
Vanguard Total Bond Market Index (VBMPX) ⁽⁵⁾	2/5/2010	2.98%	6.36%	8.97%	5.36%	4.33%	3.80%	0.03%
Stable Value								
Ohio DC Stable Value Option (Multiple Managers) ⁽²⁾	1/1/1994	0.62%	1.25%	2.60%	2.44%	2.34%	2.50%	0.25%

Annualized Crediting Rates: 2nd Quarter 2020—2.50% 3rd Quarter 2020—2.25%

⁽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 rebates of fee reimbursements. See "Administrative Fees and Rebates" 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. The value of the securities held by the 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⁾ These options are publicly traded mutual funds, and they have a ticker symbol and prospectus.

⁽⁶⁾ Returns include performance of a different share class achieved prior to the inception of the current share classes. Returns were not recalculated to reflect the fees of the prior share class.

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.

 **International Stock Funds**—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-Cap Stock Funds**—Small-cap 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-Cap Stock Funds**—Mid-cap 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-Cap Stock Funds**—Large-cap 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.

 **Bond Funds**—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 Ohio DC Stable Value Option returns are shown net of fees for investment management, custody, and principal protection. A fund profile can be obtained for the Ohio DC Stable Value Option by calling 877-644-6457 or at Ohio457.org.

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 fee or reinvestment of rebates.

Administrative Fees and Rebates

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.

Rebates of Fee Reimbursements

The Dodge & Cox Stock fund has an annual administrative fee reimbursement of 0.10% included in its expense ratio. Ohio DC will rebate the fee reimbursement quarterly to the participant accounts invested in this option.

Investment decisions should not be made based on fee reimbursements. Before investing in a fund, carefully consider its objectives, risks, and 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.