



5 Steps at the Heart of Financial Wellness

Like exercising regularly and eating healthy foods, saving money is a habit that is good for you. But just like getting fit or learning to prepare nourishing meals, getting into the habit of consistently setting money aside takes time, discipline, and action. Here are five steps to getting ahead financially:

- 1. Build an emergency fund.** There are many reasons to save, including having an emergency fund to cover unexpected events such as car repairs or medical bills.
- 2. Set a realistic budget.** A budget is a good way to track recurring expenses and other ways you spend money. Once you know how you are spending your money, you can prioritize where you want to spend it and make room in your budget to save for items such as a vacation or long-term goals such as retirement. We have a budgeting tool on our Enrich Financial Wellness platform that makes budgeting easy.
- 3. Commit to retirement plan contributions.** Consider bumping up your contributions every year or whenever you get a raise. Log in to your account and go to “contributions” to create an increase, or sign up for the SMarT Automatic Increase plan.
- 4. Develop a long-term savings plan.** A written strategy can make a substantial difference in your financial outcome.¹ You do not have to be an accountant, but it is important to think ahead and set financial goals.

5. Strengthen your financial literacy. Individuals with higher levels of financial literacy show more positive money management behaviors.² Ohio DC offers online tools and calculators to help you understand and control your finances.

Ready to improve your financial wellness?

Ohio DC has partnered with Enrich to provide a financial wellness program at no additional cost to you. You can access Enrich by logging in to your Ohio DC online account and clicking “financial wellness.”



Let's achieve financial wellness together

Put your heart into taking charge and setting goals.



Ohio457.org



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877-644-6457

¹ “The New Social Contract: Age-Friendly Employers,” Aegon Center for Longevity and Retirement (June 2020).

² “The Economic Importance of Financial Literacy: Theory and Evidence,” Journal of Economic Literature (March 2014).

Message from the Executive Director...

The recent stock market declines are understandably concerning. Often these negative outcomes cause some investors to get out of the market. A knee-jerk reaction is often not the best solution and may effectively lock in losses.

Recognizing that markets will always experience ups and downs, the Ohio DC Board works closely with our investment consultant to select investment managers who provide long-term value. Please review the article on page 4 that describes how the Dollar-Cost Averaging process works to help manage market volatility.

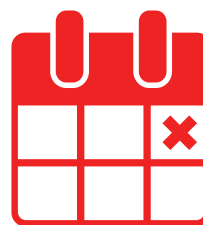
Ohio DC is here to support your retirement journey and encourage you to keep a long-term focus. However, we also recognize the best way to invest retirement savings is different for everyone. If you would like to discuss your circumstances, give us a call.

Christina Elliott
Executive Director

Meet with Your Local Account Executive

In times of uncertainty, sometimes it is nice to talk to a familiar face about your Ohio DC account. We offer multiple ways to stay in touch with your local Account Executive, including on-site visits, telephone appointments, or virtual meetings. Your local Account Executive can help you:

- Review your investment options
- Evaluate your tolerance for risk
- Answer questions about retirement and post-employment withdrawals
- Navigate online tools and calculators
- Understand the difference between pre-tax or post-tax (Roth) contributions, if offered by your employer
- Update your address, email, or beneficiaries



To schedule a virtual appointment with your local Account Executive, visit our website at Ohio457.org. On the home page, click the calendar icon. Select the Account Executive for the county where you work. If you are unable to find a convenient time, you can schedule with any Account Executive across the entire state.

Upcoming Board Elections

Elected members of the Ohio Public Employees Retirement System (OPERS) Board are also members of the Ohio Deferred Compensation Board.

Elections for four seats on both Boards of Trustees will be held August 23 through September 30, 2022. One retiree seat and the State, Municipal, and College/University employee seats are up for election. Those elected will serve four-year terms beginning in January 2023.



For more information visit OPERS.org/elections

Mutual Funds, Collective Investment Trusts, and Separate Accounts...What are they all about?

There are three primary types of investment products available to retirement plan investors:

- **Mutual fund**—an investment that is generally available to retail and institutional investors. Mutual funds pool money from many investors to purchase a portfolio of securities (stocks, bonds, or other assets). Investors own shares, or units, of the mutual fund, which represent a portion of its holdings. Mutual funds are registered with and regulated by the U.S. Securities and Exchange Commission (SEC).
- **Collective Investment Trust** (CIT or commingled pool)—a pooled investment vehicle organized for institutional investment that is not available to the general public. Eligible institutional investors (including large plans like Ohio DC) can use CITs, which are organized as a trust and managed with a common investment strategy. CITs are monitored by the Office of the Comptroller of the Currency and state banking regulators, instead of the SEC. Collective trust funds are similar to mutual funds, but generally have a different regulatory oversight framework and a lower cost structure, which may offer the opportunity for greater account growth.
- **Separate account**—an investment account holding individual securities and owned by a single investor (in this case, Ohio DC). A separate account commonly holds a diversified portfolio of investments, like a mutual fund or CIT, and is managed by a professional manager, typically a Registered Investment Advisor (RIA), who is monitored by the SEC. Unlike a mutual fund or CIT, which have common and rigidly defined investment guidelines and less flexible predefined fee schedules, the owner of the separate account can negotiate terms of service with the manager and customize the investment strategy. Separate account assets are held by Ohio DC in trust, and the custodian values the securities daily and determines a daily trading price. Separate accounts are not marketed to the public and do not have the same reporting requirements as a registered mutual fund or CIT, so larger separate account portfolios generally have lower operating costs.



In fact, CITs and separate accounts are often managed by the same portfolio manager and invested similarly to well-known mutual funds, but at a lower cost. Separate accounts have been commonly used for decades by pension plans, such as OPERS, as part of their pooled assets. Many defined contribution retirement plans, like Ohio DC, have been moving from mutual funds to CITs or separate accounts. In fact, large 401(k) plan assets held in CITs have more than doubled from 2010 to 2020.

Ohio DC is committed to providing a quality low-cost retirement plan. Lower costs mean more money stays in your account for retirement.

Dollar-Cost Averaging Helps with Market Volatility

When it comes to the stock market, time is more important than timing. Because the market is unpredictable, investing is a challenge for even the most informed investors. That is why investing on a regular basis, with your paycheck contributions, may be better than trying to pick the right time to jump into the market.

This process is called dollar-cost averaging, and it may help you overcome the uncertainties of the market by investing more strategically.

How dollar-cost averaging works

When you invest the same amount regularly, you end up buying fewer shares when the market is up and more shares when the market is down. This may cut your average cost per share because you are buying fewer shares at a higher price and more shares at a lower price.

Example of how dollar-cost averaging might work over a four-month period:

Month	Amount Invested	Cost per Share	Number of Shares Purchased
March	\$100	\$20.00	5
April	\$100	\$25.00	4
May	\$100	\$10.00	10
June	\$100	\$50.00	2
Average Cost per Share		\$19.05	21

Advantages of dollar-cost averaging

With dollar-cost averaging you tend to worry less about market fluctuations and whether you chose the right time to invest. Using dollar-cost averaging allows you to focus on long-term goals and maintain a convenient and continuous investment, regardless of the investment's fluctuating prices. Of course, dollar-cost averaging does not guarantee a profit or protect against loss in a declining market.



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Holiday Schedule

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

Visit Ohio457.org>[Contact Us](#) for the 2022 holiday schedule.

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

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This newsletter is printed on recycled paper.

Ohio Deferred Compensation

Investment Performance Report—As of June 30, 2022

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	-9.03%	-13.68%	-11.67%	2.80%	4.00%	4.64%	0.06%
LifePath 2025 ⁽³⁾	8/15/2017	-9.88%	-14.50%	-12.08%	3.50%	4.82%	6.07%	0.06%
LifePath 2030 ⁽³⁾	8/15/2017	-11.21%	-15.80%	-12.87%	4.23%	5.48%	6.77%	0.06%
LifePath 2035 ⁽³⁾	8/15/2017	-12.43%	-17.01%	-13.62%	4.92%	6.10%	7.42%	0.06%
LifePath 2040 ⁽³⁾	8/15/2017	-13.58%	-18.19%	-14.40%	5.49%	6.62%	7.98%	0.06%
LifePath 2045 ⁽³⁾	8/15/2017	-14.55%	-19.19%	-15.10%	5.95%	6.99%	8.42%	0.06%
LifePath 2050 ⁽³⁾	8/15/2017	-15.11%	-19.80%	-15.55%	6.15%	7.14%	8.68%	0.06%
LifePath 2055 ⁽³⁾	8/15/2017	-15.25%	-19.94%	-15.67%	6.17%	7.16%	8.83%	0.06%
LifePath 2060 ⁽³⁾	8/15/2017	-15.25%	-19.95%	-15.67%	6.16%	7.14%	6.81% ⁽⁴⁾	0.06%
International Stock Funds								
Ohio DC International Stock (Vanguard, Schroders, Arrowstreet) ⁽²⁾	9/11/2020	-14.00%	-19.94%	-22.09%	2.52% ⁽⁴⁾	n/a	n/a	0.53%
Vanguard Total International Stock Index (VTPSX) ⁽⁵⁾	11/30/2010	-12.85%	-18.14%	-18.90%	2.04%	2.75%	5.21%	0.07%
Small-Cap Mid-Cap Stock Funds								
Ohio DC Small-Cap Growth (Westfield, Fiera) ⁽²⁾	6/2/2017	-18.20%	-27.82%	-25.63%	7.51%	9.46%	9.33% ⁽⁴⁾	0.65%
Ohio DC Small-Cap Value (Westwood) ⁽²⁾	6/2/2017	-11.82%	-18.54%	-15.06%	4.03%	5.19%	5.03% ⁽⁴⁾	0.50%
Vanguard Extended Market Index (VEMPX) ^{(5) (6)}	1/14/2011	-20.67%	-28.07%	-29.94%	4.66%	6.45%	10.35%	0.04%
Vanguard Capital Opportunity (VHCAX) ^{(5) (6)}	11/12/2001	-13.98%	-19.58%	-17.61%	10.25%	10.41%	15.06%	0.36%
Large-Cap Stock Funds								
Dodge & Cox Stock (DODGX) ⁽⁵⁾	1/4/1965	-12.42%	-11.53%	-7.58%	11.26%	9.91%	13.09%	0.51%
Fidelity Contrafund Commingled Pool ⁽²⁾	1/17/2014	-20.09%	-27.85%	-21.27%	8.56%	11.64%	11.14% ⁽⁴⁾	0.35%
Fidelity Growth Company Commingled Pool ⁽²⁾	12/13/2013	-24.97%	-33.25%	-29.28%	16.27%	16.38%	15.91% ⁽⁴⁾	0.35%
Ohio DC Large-Cap Growth (T. Rowe Price) ⁽²⁾	8/1/2014	-22.90%	-32.99%	-28.92%	8.16%	12.50%	12.77% ⁽⁴⁾	0.31%
Vanguard Institutional Index (VIXIX) ⁽⁵⁾	7/7/1997	-16.11%	-19.98%	-10.65%	10.59%	11.30%	12.95%	0.02%
Bond Funds								
Ohio DC Intermediate Bond (TCW) ⁽²⁾	1/30/2015	-5.52%	-11.19%	-11.19%	-0.54%	1.23%	1.23% ⁽⁴⁾	0.25%
Vanguard Total Bond Market Index (VBMPX) ⁽⁵⁾	2/5/2010	-4.71%	-10.41%	-10.38%	-0.92%	0.86%	1.51%	0.03%
Stable Value								
Ohio DC Stable Value Option (Multiple Managers) ⁽²⁾	1/1/1994	0.40%	0.79%	1.63%	2.08%	2.19%	2.23%	0.24%
				Annualized Crediting Rates: 2nd Quarter 2022—1.60% 3rd Quarter 2022—1.70%				

⁽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⁾ The asset class for Vanguard Extended Market Index is small/mid-cap stocks. The asset class for Vanguard Capital Opportunity is mid-cap stocks.


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.