



OHIO DEFERRED COMPENSATION

457 FOCUS

877-644-6457

Ohio457.org

Third Quarter 2017

Improve Your Retirement Readiness

Take control of your investments!

Ohio Deferred Compensation has both a hassle-free and a hands-on approach to investing for retirement: LifePath Portfolios and Asset Allocation Models.

Hassle-Free LifePath Portfolios

With a LifePath Portfolio, you get a straightforward, diversified asset-allocation strategy that becomes more conservative over time. Each Portfolio is designed to be a single, diversified investment choice for your account.

People typically choose a target date closest to when they plan to begin taking withdrawals. However, you are also free to choose a target date that matches your desired asset allocation and level of risk.

Hands-On Asset Allocation Models

If you like to make your own investment decisions, our models have been designed to meet the needs of investors ranging from conservative to aggressive.

Your investment style is based on several factors, including:

- Investment time horizon
- Savings goals
- Tolerance for risk

Visit the “Resources” section of our website and view our “Tools & Calculators” link to find the Asset Allocation Tool. Answer a few questions and the Calculator will suggest a portfolio model, or you may select any model you desire. Then, you can choose funds from the Program’s investment menu to match the model.

Not sure how to choose?

Call to talk with an Account Executive. We’re here to help you improve your retirement readiness.

Investing involves market risk, including possible loss of principal. No investment strategy, Calculator, or program can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience. Like other funds, target date portfolios 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 portfolios will provide enough income for retirement.

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



 Visit our website at Ohio457.org  Call us at 877-644-6457

A publication of the Ohio Deferred Compensation Board

Message from the Executive Director...

Are you saving enough for a comfortable retirement?

Data from Ohio DC and from the Ohio retirement systems indicates that the average retiree will only be able to replace 68.2 percent of his/her pre-retirement income. This percentage is based on the assumption that the participant is receiving an unreduced retirement benefit from the retirement system and using the average Ohio DC account balance over a retired life.

How much income will you need to replace to live a comfortable retirement?

If you are concerned about your retirement income, we have people and tools to help you determine whether you have a retirement income gap. If you do, we are here to help you work towards closing that gap.

Visit Ohio457.org to use our financial calculators or call 877-644-6457 to speak to an Account Executive.

Keith Overly
Executive Director

Invest Unused Sick and Vacation Time

Depending on what your employer's policies are, you may be able to cash out a portion of your unused sick leave and/or vacation time each year. Also, many retiring employees get a portion of their unused sick and vacation time paid to them at the end of employment.

Don't just cash out your unused sick leave and vacation time. Invest it!

When receiving these funds, it may make sense for Ohio DC participants to invest the funds into their Ohio DC account. Not only does this increase the amount you're saving toward retirement, the funds won't be taxed until they are withdrawn.



The process is simple!

If you will be receiving year-end leave pay, contact your payroll manager to determine the dollar amount that is due to you and the date it will be paid. **Ohio DC must receive your request at least 31 days prior to the pay date of your lump sum**, so please call us at least one month in advance at 877-644-6457. If, for example, you're planning to take advantage of a cash-out option in December, you should complete the request in early November.

When retiring or ending employment, the IRS allows you to defer a cash out if it takes place within 75 days of your termination date or within the same calendar year in which you terminate, whichever is longer. **Also, any termination cash out must be requested one month prior to the pay date.**

Your Retirement Story

You should be planning ahead for how you want to spend your time when you reach retirement. Ohio DC has the tools and resources to help you negotiate that planning process. During National Retirement Security Week, we will be hosting webinars on a range of topics to help point you in the right direction. As long as you have an Internet connection and a phone, you're ready to go.

Approaching Retirement: Preparing to Retire

Tuesday, October 17 at 11:30 a.m.
Wednesday, October 18 at 11:30 a.m.

- How to get ready for retirement
- Identifying your retirement risks
- What is a "retirement gap"?
- Types of investments
- Options for withdrawals

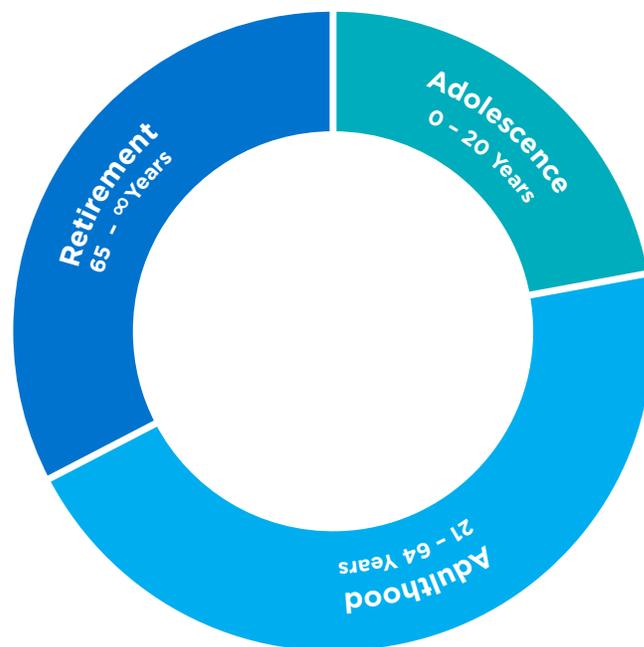
YOUR WHOLE STORY

Approaching Retirement: Beyond the Basics

Thursday, October 19 at 11:30 a.m.
Friday, October 20 at 11:30 a.m.

- Asset allocation in retirement
- Catch-up
- Retirement decisions/considerations
- Withdrawal strategies

Information presented by Retirement Planning Specialists is for educational purposes only and is not intended as investment advice. Retirement Planning Specialists and Account Executives are registered representatives of Nationwide Investment Services Corporation, member FINRA.



Retired Minds Want to Know

Wednesday, October 25 at 11:30 a.m.
Thursday, October 26 at 9:00 a.m.

- Protecting your account against risks in retirement
- Diversifying your retirement portfolio
- Withdrawing funds during retirement

Questions will be answered during the webinar, but we will not be able to address specific questions about your account. You may call our Service Center at 877-644-6457 to schedule a face-to-face or phone meeting with a Retirement Planning Specialist.

Advance Registration Is Required

To Register:

1. Go to Ohio457.org
2. Click "Upcoming Webinars"

You will receive detailed login and telephone instructions after registering.

Register now—attendance is limited!

Fidelity Share Class Change

Last fall, investments in the Fidelity Contrafund and Growth Company mutual funds were exchanged into collective investment trusts (commingled pools) to take advantage of lower investment costs, saving participants an estimated \$1.9 million annually.

Ohio DC continues to see asset growth in these two commingled pools, and participants are now eligible for a lower-cost share class. Participants invested in the Fidelity Contrafund Commingled Pool and Fidelity Growth Company Commingled Pool will move from Class 1 shares to Class 2 shares, resulting in additional cost savings of over \$1.1 million annually. **Both investment options moved to the new share class on Friday, October 6.**

Old Investment Option	New Investment Option
Fidelity Contrafund Commingled Pool (Class 1 shares) Expense Ratio: 0.43%	Fidelity Contrafund Commingled Pool (Class 2 shares) Expense Ratio: 0.38%
Fidelity Growth Company Commingled Pool (Class 1 shares) Expense Ratio: 0.43%	Fidelity Growth Company Commingled Pool (Class 2 shares) Expense Ratio: 0.38%



Holiday

Thanksgiving
Friday after Thanksgiving

Christmas Day
New Year's Day

Date Closed

November 23
Open until 1 p.m.
November 24

December 25
January 1, 2018

Exchanges Processed

November 24
After 1 p.m.
November 27

December 26
January 2, 2018

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.



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

Walk-in hours: 8 a.m.-4:30 p.m., Monday-Friday
Phone hours: 8 a.m.-5:30 p.m., Monday-Friday
Automated Telephone System: 24/7



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 September 30, 2017

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	3rd 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⁾	8/26/2011	2.48%	7.42%	6.53%	4.52%	4.96%	4.82%	0.09%
LifePath 2020 ⁽³⁾	8/26/2011	2.80%	8.56%	7.99%	5.06%	6.09%	4.37%	0.09%
LifePath 2025 ⁽³⁾	8/26/2011	3.22 %	9.97%	9.80%	5.69%	6.94%	4.51%	0.09%
LifePath 2030 ⁽³⁾	8/26/2011	3.59%	11.23%	11.43%	6.25%	7.69%	4.60%	0.09%
LifePath 2035 ⁽³⁾	8/26/2011	3.94%	12.46%	13.01%	6.77%	8.38%	4.69%	0.09%
LifePath 2040 ⁽³⁾	8/26/2011	4.25 %	13.56%	14.41%	7.21%	8.96%	4.73%	0.09%
LifePath 2045 ⁽³⁾	8/26/2011	4.47%	14.25%	15.26%	7.49%	9.46%	4.72%	0.09%
LifePath 2050 ⁽³⁾	8/26/2011	4.53%	14.48%	15.54%	7.59%	9.79%	4.93%	0.09%
LifePath 2055 ⁽³⁾	8/26/2011	4.53%	14.48%	15.52%	7.59%	10.03%	10.52% ⁽⁴⁾	0.09%

▲ International Stock Funds

Templeton Foreign (FTFGX) ^{(5) (6)}	5/1/2013	2.88%	14.56%	18.07%	2.78%	8.32%	2.73%	0.72%
Vanguard International Growth (VWILX) ⁽⁵⁾	8/31/2001	10.68%	37.50%	28.29%	10.58%	11.60%	4.28%	0.33%
Vanguard Total International Stock Index (VTPSX) ^{(5) (6)}	11/30/2010	5.97%	21.64%	19.31%	5.34%	7.53%	1.27%	0.07%

▲ Small-Cap Stock Funds

Ohio DC Small-Cap Growth (Westfield, Fiera) ⁽²⁾	6/2/2017	4.59%	4.65% ⁽⁴⁾	n/a	n/a	n/a	n/a	0.73%
Ohio DC Small-Cap Value (Westwood) ⁽²⁾	6/2/2017	6.14%	5.75% ⁽⁴⁾	n/a	n/a	n/a	n/a	0.59%
Vanguard Small-Cap Index (VSCPX) ^{(5) (6)}	12/17/2010	4.59%	10.62%	17.38%	10.47%	13.97%	8.61%	0.04%

▲ Mid-Cap Stock Funds

Vanguard Capital Opportunity (VHCAX) ⁽⁵⁾	11/12/2001	5.37%	21.76%	25.86%	13.88%	19.83%	9.62%	0.38%
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▲ Large-Cap Stock Funds

Dodge & Cox Stock (DODGX) ⁽⁵⁾	1/4/1965	4.76%	11.90%	23.89%	9.83%	15.65%	6.59%	0.52%
Fidelity Contrafund Commingled Pool ⁽²⁾	1/17/2014	6.27%	24.13%	23.71%	12.10%	11.41% ⁽⁴⁾	n/a	0.43%
Fidelity Growth Company Commingled Pool ⁽²⁾	12/13/2013	7.64%	28.60%	31.36%	16.47%	16.33% ⁽⁴⁾	n/a	0.43%
Ohio DC Large-Cap Growth (T. Rowe Price) ⁽²⁾	8/1/2014	7.49%	28.06%	30.38%	14.86%	14.71% ⁽⁴⁾	n/a	0.36%
Vanguard Institutional Index (VIXX) ⁽⁵⁾	7/7/1997	4.48%	14.22%	18.59%	10.81%	14.22%	7.46%	0.02%

▲ Bond Funds

Ohio DC Intermediate Bond (TCW) ⁽²⁾	1/30/2015	0.87%	3.18%	0.39%	1.45% ⁽⁴⁾	n/a	n/a	0.25%
Vanguard Total Bond Market Index (VBMPX) ⁽⁵⁾⁽⁶⁾	2/5/2010	0.73%	3.17%	-0.09%	2.65%	2.00%	4.26%	0.03%

▲ Stable Value

Ohio DC Stable Value Option (Multiple Managers) ⁽²⁾	1/1/1994	0.54%	1.54%	2.12%	2.21%	2.24%	3.01%	0.29%
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Annualized Crediting Rates: 3rd Quarter 2017—2.15% 4th Quarter 2017—2.30%

⁽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 L series. Returns for periods prior to the inception of the L 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.