

OHIO DEFERRED COMPENSATION 457 FOCUS



1-877-644-6457

www.Ohio457.org

First Quarter 2011

SMarT
SAVE MORE TOMORROW

Get SMarT!

Recently, most of you received your Ohio DC Annual Statement. You might have immediately turned to page 2 to see how your investments did over the last 1, 3, 5, or 10 years. Many of you made double-digit returns last year.

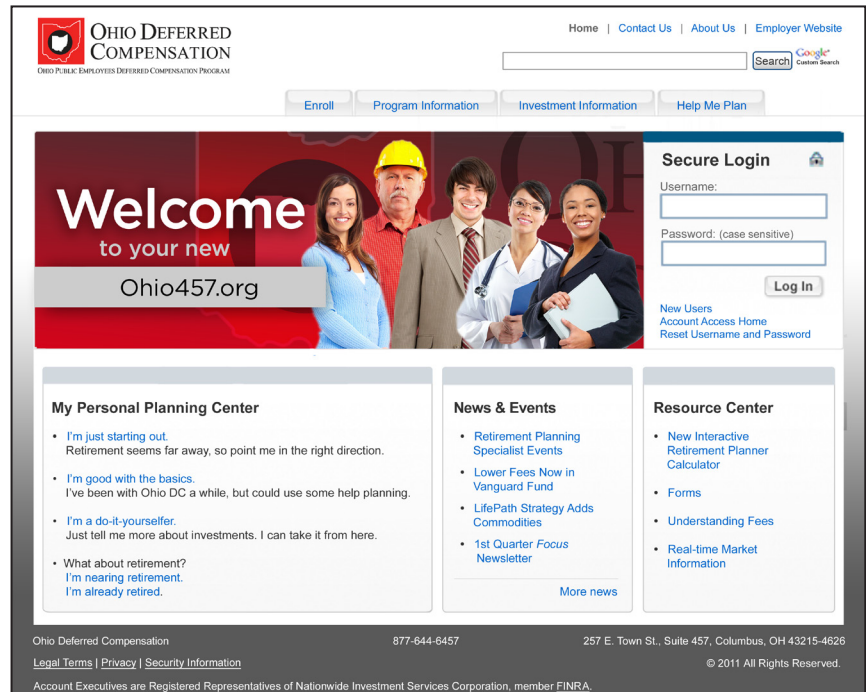
That's great news, but even the best long-term returns can only do so much to help you reach your retirement goals. Unfortunately, the average deferred compensation balance for someone around retirement age last year was about \$54,000, which might provide only a couple thousand dollars in annual retirement income (assuming you will live for 20 years or more in retirement).

Compare that to someone who began saving just \$15 per pay period beginning at 30 years of age and who used our SMarT automatic deferral increase plan to increase that per-pay deferral by just \$10 dollars every year. This person could have an account balance of more than \$285,000 by retirement age, assuming 7% annual returns.

Whether you are 3 years or 30 years from retirement, sign up for the SMarT plan and let us do the rest to strengthen your saving commitment.

Keith Overly
Executive Director

Your New Website Is Coming Soon!



We're pleased to announce your new **Ohio457.org** is coming this spring! We listened to website users like you who said they want a site that is easier to navigate with quick access to account information. You'll have:

- Account login option on every page
- New Interactive Retirement Planner Calculator
- Easier-to-navigate website pages
- New content based on who you are and where you are in your retirement planning process
- Quick access to investment information

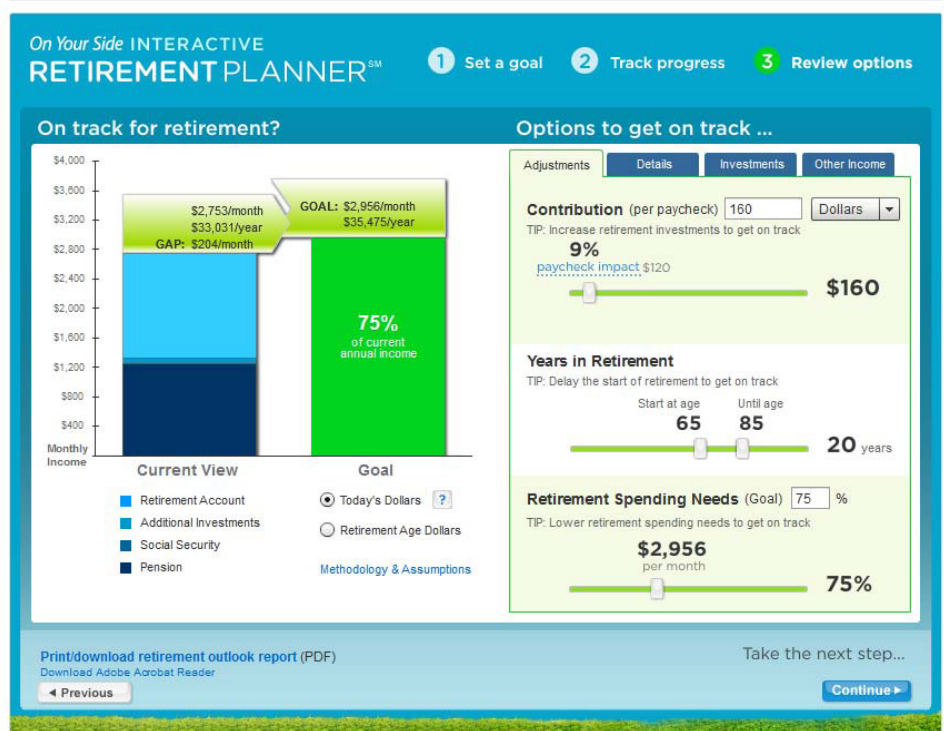
Play It Safe. Don't Use Your Social Security Number! When you visit the website, select a secure Username. Change your Username to something other than your Social Security number. It's easy! Just go to "Reset Username and Password" in the Secure Login box.

Thank you for your feedback! We're sure you will find tools that will help you feel more confident as you plan for retirement. We look forward to serving you on the new website, in person, or over the phone—it's your choice; we'll be there.

Coming This Spring! New Interactive Retirement Planner Calculator

This spring, try out the new Interactive Retirement Planner at www.Ohio457.org. This new tool allows you to analyze your current retirement savings and experiment with variables that impact your account, such as when you plan to retire, how much investment risk you are willing to take, and how much you contribute to Ohio DC.

The calculator helps you make informed decisions right then and there. You can change your entries to see what alternative outcomes there might be and how different decisions made now could bring about different outcomes for your retirement future! So, this spring take this new calculator for a spin! Just go to the "Resource Center" at the new www.Ohio457.org.



Program Champion

Ohio Deferred Compensation would like to recognize and offer our sincere thanks to Program participants who go out of their way to make a difference in the lives of others. This quarter, we recognize and thank Bob Masseria for his tremendous effort to promote retirement savings awareness. Mr. Masseria is employed by the City of Cleveland and represents the Personnel/Human Relations Department. He joined the Program in his first year of city employment, and has been a strong advocate for savings through Ohio DC.



Bob Masseria
City of Cleveland Employee

Mr. Masseria goes out of his way to:

- Inform every new and veteran employee about Ohio DC
- Invite our local representative to City Hall every other month for employee education
- Hang posters, flyers, and email notifications throughout the city so every employee has the opportunity to meet with the local Ohio DC representative
- Invite Ohio DC to all city open enrollment Health/Wellness Benefit Fairs
- Coordinate special events such as National Save for Retirement Week with Ohio DC

It's been our privilege to work with Mr. Masseria and the staff of the City of Cleveland's Human Resources Department.

This individual's experience may not be representative of other plan participants. There is no guarantee their objectives will be met.

Making It Personal We're Expanding Our Retirement Planning Specialist Services for You

We are pleased to announce the addition of a **fourth** Retirement Planning Specialist (RPS) to our team! If you are nearing retirement or already retired, you might want to schedule an appointment with an RPS.

Retirement Planning Specialists are Chartered Financial Consultants (ChFC) who help Program participants with retirement planning at no charge in any of three ways—at the Service Center in Columbus, at meeting sites throughout Ohio, or over the phone.

Call 1-877-644-6457, press 3, and an Account Executive will assist you with making your appointment.

Information presented by the RPS is for educational 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.

A Retirement Planning Specialist (RPS) will be available to meet with you in person in the following cities on these selected dates to discuss your account:

April:

April 20 – Toledo – Waterville Branch Library
April 27 – Dayton – Kettering Moraine Branch Library

May:

May 11 – Marietta – Lyman Pomeroy Beverly Library
May 12 – Akron – Main Library

June:

June 1 – Cleveland – North Olmsted Library
June 9 – Columbiana – Columbiana Library

Topics covered by an RPS during an appointment:

- Your retirement goals and how to achieve them
- General information about tax deferrals
- Strategies to minimize taxes
- Withdrawal illustrations
- Deferred compensation allocation strategies
- Coordinating income from various sources during retirement



Evening Seminar Offered in Cleveland Area

Ohio DC will present an **evening** educational seminar at the Embassy Suites Beachwood on May 24 at 6:30 p.m. that will cover basic topics: **asset allocation, risk tolerance, catch-up deferrals, and withdrawal options**. As a part of the workshop and afterwards, we look forward to addressing individual questions, but we will not be able to perform detailed individual account reviews.

Please register for this evening seminar today to learn more about your Ohio DC retirement savings plan! Feel free to bring your spouse or a co-worker. Space is limited. Call 1-877-644-6457 to register for this seminar. Complete information is available at www.Ohio457.org.

Getting Fit

April Is Financial Literacy Month

1. **First, promise yourself.** Your first step is to take stock of your situation: Are you sticking with a budget and paying your bills on time? Do you check your credit report regularly at www.annualcreditreport.com? Do you put money away for emergencies? Promise yourself to make necessary changes.
2. **Pay down your debt.** Take an honest look at your situation and commit to paying down your debt. Are you at or near the limit on your credit cards or other loans? Are you paying bills with money you've set aside for other items in your budget? Are you making only minimum payments on your loans? Start by tackling the smallest debt and paying a little extra on it each month. Once that loan is paid off, add the amount you were paying on it to pay off the next smallest debt, and so on.
3. **Be SMarT.** Make simple, annual increases to your Ohio DC account. Sign up for the SMarT automatic deferral increase plan to save more tomorrow by doing something about it today. Increase your deferrals by the amount and in the month you choose. Be even smarter by getting some financial education from a trusted source like Ohio DC. Go to www.Ohio457.org and click "New Interactive Retirement Planner Calculator" in the "Resource Center." Additional resources are available at www.PlanandRetire.org.



Less Is More

Lower Fees Now in Vanguard Fund

On April 20, the Program will move all investments in the Vanguard Total International Stock Index fund from Investor share class (ticker symbol VGTSX) to the Vanguard Total International Stock Index fund Institutional share class (ticker symbol VTSNX). This action will lower fees for participants who are invested in this Vanguard fund.

The underlying investments are the same in both share classes; only the fees are different. This move will lower the annual expense ratio from 0.26% to 0.15%. Lower fees mean that more money stays in your account for retirement!



Getting the Goods

LifePath Strategy Adds Commodities

On March 31, 2011, BlackRock introduced a strategic enhancement to the LifePath options that provides even broader diversification and protection against periods of inflation. BlackRock, Inc., is the portfolio manager for Ohio DC's nine target date funds called LifePath Portfolios. (See all LifePath Portfolios listed in this *Focus* newsletter in the "Investment Performance Report" on page 5.)

BlackRock is adding exposure to commodities, such as petroleum, precious metals, industrial metals, natural gas, and livestock, across the LifePath Portfolios. This enhancement follows a series of similar asset class additions to the LifePath options, such as the addition of real estate, emerging market equities, and TIPS (Treasury Inflation-Protected Securities). As in previous instances, BlackRock introduced this new asset class to the LifePath Portfolios without increasing investment management fees.

Ohio Deferred Compensation

Investment Performance Report — As of March 31, 2011

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 www.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 1-877-644-6457 or visiting www.Ohio457.org. Read the prospectus carefully before investing.**

VRU Fund #	Ticker Symbol	1st Quarter	Average Annual Returns				Expense Ratio ⁽¹⁾		
			1 Year	3 Year	5 Year	10 Year			
Ohio DC Options									
LifePath Portfolios Inception Date									
120	LifePath Retirement ⁽²⁾	8/1/2005	n/a ⁽³⁾	2.50%	10.25%	4.58%	5.47%	5.52% ⁽⁴⁾	0.24%
121	LifePath 2015 ⁽²⁾	7/5/2006	n/a ⁽³⁾	2.90%	11.31%	3.72%	5.20% ⁽⁴⁾	5.20% ⁽⁴⁾	0.24%
122	LifePath 2020 ⁽²⁾	8/1/2005	n/a ⁽³⁾	3.34%	12.44%	3.54%	4.49%	5.20% ⁽⁴⁾	0.24%
123	LifePath 2025 ⁽²⁾	7/5/2006	n/a ⁽³⁾	3.70%	13.26%	3.27%	4.69% ⁽⁴⁾	4.69% ⁽⁴⁾	0.24%
124	LifePath 2030 ⁽²⁾	8/1/2005	n/a ⁽³⁾	3.86%	14.00%	3.00%	4.00%	5.00% ⁽⁴⁾	0.24%
125	LifePath 2035 ⁽²⁾	7/5/2006	n/a ⁽³⁾	4.23%	14.73%	2.79%	4.19% ⁽⁴⁾	4.19% ⁽⁴⁾	0.24%
126	LifePath 2040 ⁽²⁾	8/1/2005	n/a ⁽³⁾	4.51%	15.23%	2.58%	3.51%	4.74% ⁽⁴⁾	0.24%
127	LifePath 2045 ⁽²⁾	7/5/2006	n/a ⁽³⁾	4.68%	15.74%	2.32%	3.64% ⁽⁴⁾	3.64% ⁽⁴⁾	0.24%
128	LifePath 2050 ⁽²⁾	9/30/2007	n/a ⁽³⁾	5.00%	16.50%	2.68%	-1.04% ⁽⁴⁾	-1.04% ⁽⁴⁾	0.24%
Stable Value									
			(Annualized Return)	1 st Quarter 2011 — 3.35%		2 nd Quarter 2011 — 3.10%			
101	Stable Value Option		n/a ⁽³⁾	0.82%	3.48%	4.00%	4.40%	4.87%	0.38%

Mutual Funds

International Stock Funds									
532	Templeton Foreign	TFFAX	6.51%	15.95%	2.35%	4.52%	7.68%	0.94%	
209	Vanguard International Growth ⁽⁵⁾⁽⁶⁾	VWILX	3.27%	16.61%	0.95%	4.54%	6.59%	0.35%	
310	Vanguard Total International Stock <u>Index</u> ⁽⁵⁾	VGTSX	2.98%	12.71%	-1.34%	3.18%	6.97%	0.26%	
Small-Cap Stock Funds									
402	FPA Capital ⁽⁵⁾	FPPTX	13.20%	32.64%	12.01%	7.13%	13.23%	0.86%	
403	Hartford Small Company	HIASX	12.02%	29.65%	7.50%	4.30%	8.43%	0.75%	
210	Vanguard Small-Cap <u>Index</u>	VSCIX	8.87%	26.99%	10.21%	4.92%	9.05%	0.08%	
Mid-Cap Stock Funds									
208	Vanguard Capital Opportunity ⁽⁵⁾⁽⁶⁾	VHCAX	5.30%	11.30%	5.01%	4.59%	6.67%	0.41%	
Large-Cap Stock Funds									
202	Dodge & Cox Stock	DODGX	5.95%	12.74%	0.53%	0.17%	5.90%	0.52%	
306	Fidelity Contrafund	FCNTX	4.94%	18.44%	3.92%	4.91%	7.56%	0.92%	
307	Fidelity Growth Company	FDGRX	8.29%	23.12%	7.22%	6.01%	5.70%	0.89%	
291	Janus Twenty	JAVLX	1.11%	4.16%	-1.47%	5.92%	5.22%	0.97%	
565	Vanguard Institutional <u>Index</u>	VINIX	5.91%	15.62%	2.42%	2.66%	3.31%	0.05%	
Balanced Funds									
201	Dodge & Cox Balanced	DODBX	4.92%	11.54%	2.97%	2.35%	6.23%	0.53%	
Bond Funds									
207	PIMCO Total Return	PTRAX	1.04%	6.59%	8.05%	8.14%	6.89%	0.72%	
215	Vanguard Total Bond Market <u>Index</u>	VBTIX	0.28%	5.06%	5.28%	6.06%	5.40%	0.07%	

⁽¹⁾ Investment returns for the Ohio DC Options and Mutual Funds have been reduced for gross Expense Ratios. These average Expense Ratios may vary from time to time. The Expense Ratios for the Ohio DC Options are established by the Program and include a 0.10% Program administrative expense.

⁽²⁾ Returns shown for the periods prior to 12/18/2007 are those of the respective LifePath Index F series, net of historical Program administrative expenses.

⁽³⁾ LifePath portfolios and Stable Value Option (SVO) are not publicly traded mutual funds and do not have a ticker symbol or prospectus. These options are available only through Ohio Deferred Compensation. The value of the securities held by the SVO will fluctuate. The SVO focuses on principal preservation and a stable rate of return.

⁽⁴⁾ Average annual return since inception date.

⁽⁵⁾ This fund may be subject to a redemption fee. Please consult the Program website or fund prospectus for additional information.

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

Contact Us



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

Ohio Deferred Compensation Program is a supplemental retirement benefit plan regulated by Section 457 of the Internal Revenue Code. If you have questions regarding the Program, write, visit, or call an Account Executive at:

Ohio Deferred Compensation

257 East Town Street, Suite 457
Columbus, OH 43215-4626

Walk-in hours: 8:00 a.m. – 4:30 p.m. Monday – Friday

Phone hours: 8:00 a.m. – 5:30 p.m. Monday – Friday

Automated Telephone System: 24 hours, 7 days a week

1-877-644-6457

Ohio457@Nationwide.com

Ohio Deferred Compensation Board

Kimberly A. Russell, Chair
*State College and University
Employees*

Sharon M. Downs, Vice Chair
Retired Group

Charlie R. Adkins
Investment Expert

Robert Blair
*Director, Ohio Department of
Administrative Services*

Jay Hottinger
House of Representatives

John W. Maurer
Retired Group

Matthew G. Schulz
State Employees

Cynthia Sledz
Miscellaneous Employees

Ken Thomas
Municipal Employees

James R. Tilling
Investment Expert

Jason H. Wilson
Senate

Lennie Wyatt
Investment Expert

Helen Youngblood
County Employees

Keith Overly
Executive Director

www.Ohio457.org

Access the website 24 hours a day, 7 days a week:

- Check your account balance
- Exchange funds
- Access fund information, investment education, and retirement planning tools
- Change your deferral amount and/or allocation
- Update your personal information
- Print a Beneficiary Election Form

Holiday Schedule

The Service Center and exchange processing will be affected by the following New York Stock Exchange holiday schedule. When the Service Center is closed, you may still access your account by using the automated telephone system or the website. Exchanges received on holidays will be processed as of the market close of the next business day.

<u>Holiday</u>	<u>Date Closed</u>	<u>Exchanges Processed</u>
Good Friday	4/22/2011	4/25/2011
Memorial Day	5/30/2011	5/31/2011
Independence Day	7/4/2011	7/5/2011

Stay Connected

Receive the latest
Program information
Add or update your email
address. Log in at
www.Ohio457.org



Investment Performance Report Notes

Investment Performance: Investment returns on the Investment Performance Report do not reflect the deduction of the historical administrative fee. The Board may suspend the administrative fee at its discretion. All reported mutual fund returns assume reinvestment of capital gains and dividends and reflect the fund's expense ratio. The Ohio DC Options are not mutual funds or registered investment companies.

Administrative Fee: An administrative fee of \$2.00 per quarter was charged 1/1/2000 to 9/30/2006. The quarterly \$2.00 administrative fee has been suspended since 10/1/2006 to present.

Stable Value Option: Annualized returns are net of investment management, custody, principal protection, and plan administration fees. A fund profile can be obtained for the Stable Value Option by calling 1-877-644-6457 or visiting www.Ohio457.org.

LifePath Portfolios: Portfolios are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. These portfolios experience risks and expense ratios, including applicable fees and expenses, of the underlying funds. There is no guarantee that LifePath Portfolios will provide enough income for retirement.

International Funds: Funds that invest internationally involve risks not associated with investing solely in the United States, such as currency fluctuation, political risk, differences in accounting, and the limited availability of information.

Small Company Funds: Funds investing in stocks of small or emerging companies may have less liquidity than those investing in larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

Bond Funds: Bond funds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds owned by the fund.