Ohio Deferred Compensation
Invest in you.

BOARD UPDATE

JULY 2024

Board Meeting Schedule

August Strategic Planning Meeting

The Strategic Planning meeting will take place on **Tuesday, August 20**. The meeting will begin at 9 a.m. and is expected to conclude around 2:30 p.m.

The meeting will be held the OPERS Annex Conference Room 415. Contact Cindy if you need additional information about the location of the meeting room. Materials for this meeting will be sent out by August 12.

You can review the current Strategic Plan Objectives here.

October Board Meeting

Note: due to a conflict with the September NAGDCA conference, the Ohio DC Board will meet in October.

The October Board meeting will take place on Tuesday, October 15, at 9 a.m.

The meeting will be held in the OPERS 12th floor Board room. Materials for this meeting will be sent out by October 7.

Operational Update

We are happy to provide you with an update on the work being done to develop the strategic services that will enhance Ohio DC's mission and streamline performance.

Staff has entered into several discussions on collaborative services available between Ohio DC and OPERS. We have executed three service agreements to move forward in the areas of human resources support, internet connection, and print and mailing services. We are encouraged by the growing relationship, the expertise, and cooperative efforts of the OPERS and Ohio DC staff.

Staff are evaluating all aspects of continuity planning and cross training or individual positions that are needed to ensure seamless services to participants.

We are preparing for the August Strategic Planning meeting. Topics will include asset and participant retention, technology needs, and financial details of the shared services with OPERS.

Your strategic planning materials will be mailed in early August, but we are interested in Board feedback on print versus electronic copies. *If you would be content with only an electronic copy of future materials, please let us know.*

Ohio DC Leadership Team

June 2024|Ohio DC Statistics

Click here to review statistics regarding assets, enrollments, cash reserves and cash flows.

Annual Investment Consultant Evaluation

Ohio DC's Investment Policy states that our investment consultant will be reviewed annually concerning their work on both Ohio DC's investment options and the Stable Value Option. The purpose of the review is to provide feedback to the consultant and determine if the consultant will be considered for future investment reviews. The current RVK contract has a five-year term running from April 1, 2022, through March 31, 2027.

In May, an online evaluation form was provided to the Board to assess RVK on their presentations, reports, and staff. Eight responses were received, and the overall score for 2024 was 3.8 compared to an overall score in 2023 of 4.1, when eleven responses were received. The rating scale was one (unsatisfactory) to five (exceptional).

Confidence in RVK's investment advice and performance, generally exceeds expectations. Positive comments were received that support the quality of the services being provided by RVK. Staff will share these results with RVK management. For a complete summary of the scoring and comments click here.

NAGDCA Annual Conference

The 2024 National Association of Government Defined Contribution Administrators (NAGDCA) Annual Conference will be held September 15-18 in Phoenix, Arizona. Registration opened in April, and the discounted conference in-person registration fee of $700 is due by July 11.

You can review information regarding the conference and the agenda here.

Cindy Ward will assist Board members with registration and travel arrangements. Please contact Cindy, if you plan to attend.

Dodge & Cox, SVO Contract Update

Dodge & Cox manages a portfolio with a current market value of about $730 million within our Stable Value Option. Their goal is to outperform the Bloomberg US Aggregate Intermediate Index as their benchmark.

Dodge & Cox's portfolio is a separately managed account with a custom set of investment guidelines that have been amended from time to time. The guidelines are intended to manage acceptable risk to Ohio DC and the wrap contract issuers covering the portfolio. One guideline stated that the portfolio would have a maximum duration of 4.25 years. However, as the benchmark's duration has extended, Dodge & Cox has been restricted by the guideline limit. To solve this situation, Dodge & Cox requested that their guideline limit be redefined to be +/- 1.0 years of the benchmark's duration.

Changing to a benchmark-relative duration guideline was reviewed by RVK, GSAM, and the wrappers. All found this request reasonable and acceptable, so the Dodge & Cox investment guideline document has been amended.

Annual Board Evaluation

One way for the Board to maintain excellence in its governance of Ohio DC is to review its own performance on an annual basis. The annual Board evaluation enables Trustees to review their collective performance with candor, objectivity, and a broad perspective.

The Board Evaluation will be sent out in mid-July and should be completed by August 2, 2024. Individual responses will remain confidential. The summary will be used as a basis for discussion by the Board members at the August 20, 2024, Strategic Planning meeting.

Strategic Plan Objectives Update

Goal/ Objective	Lead	Target Quarter/Year	Objective	Status
Goal #1: Provide quality participant services and promote financial literacy through effective education and clear communication.				
Goal #2: Establish plan features and tools that encourage supplemental savings to provide income through retirement.				
2-49	KK/JC	~~4Q 2022~~ 4Q 2023	Complete Phase III of recordkeeping modernization project.	COMPLETED
2-55	STAFF/NTWD	4Q 2024	Update the internal fiduciary review, every five years.	
Goal #3: Provide suitable, diverse, cost effective investment options.				
3-26	PM/RVK	~~2Q 2022~~ ~~3Q 2022~~ ~~3Q 2023~~ 4Q 2024	Research asset retention strategies, including but not limited to self-directed brokerage window and managed account options.	
3-27	PM/RVK	~~2Q 2023~~ ~~3Q 2023~~ 4Q 2024	Research retirement income strategies.	
Goal #4: Accurately and fairly apply laws; when appropriate, advocate regulatory and legislative changes.				
Goal #5: Develop and implement prudent practices to effectively govern and administer the Plan.				
5-20	KK/PM/CW/LG	~~3Q 2022~~ ~~3Q 2023~~ ***Ongoing***	Develop an administrative staffing model to assist with maintaining new technology, participant service enhancements, and succession plans.	

On Target

Potential Delay With Target

Target Delayed

June 2024 | Ohio DC Statistics

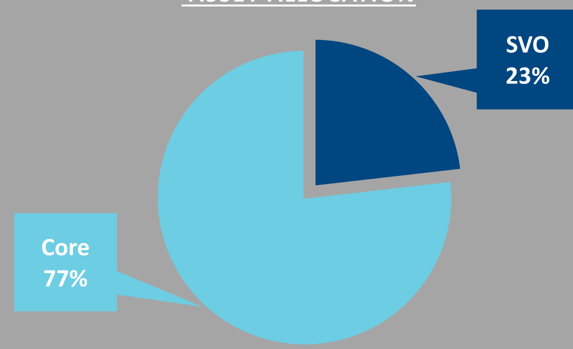
MONTHLY MARKET PERFORMANCE

	June	YTD
Large Company Stocks	▲ 3.58%	▲ 15.28%
Small/Mid Company Stocks	▼ -0.04%	▲ 3.82%
Non-US Stocks	▼ -0.68%	▲ 5.41%
Total Bond Market	▲ 0.96%	▼ -0.60%

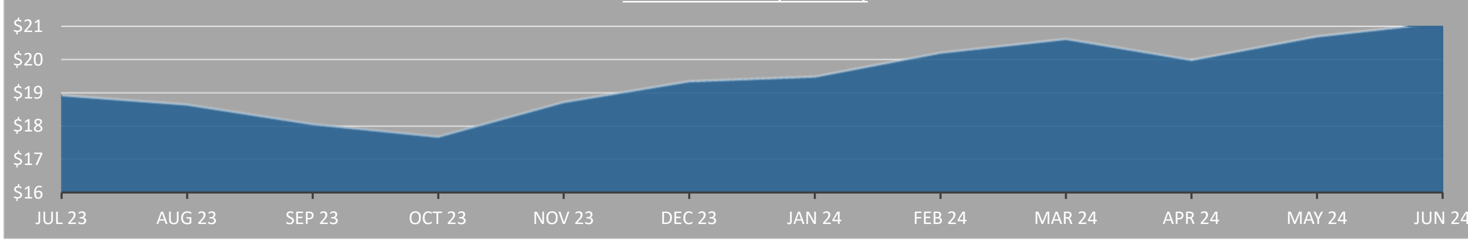
Monthly Perf.
$459
million

YTD Perf.
$2,025
million

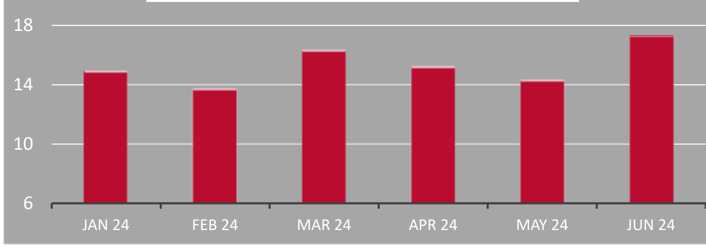
MONTH END ASSET ALLOCATION



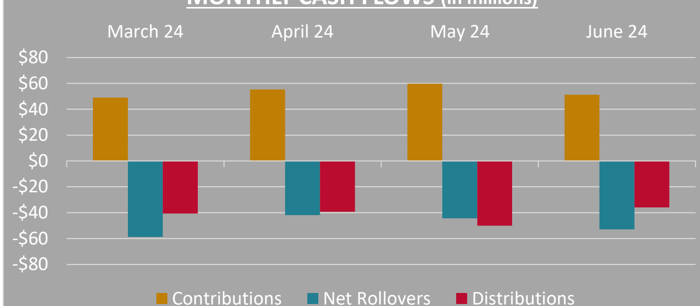
TOTAL ASSETS (in billions)



MONTHS OF EXPENSE IN CASH RESERVES



MONTHLY CASH FLOWS (in millions)



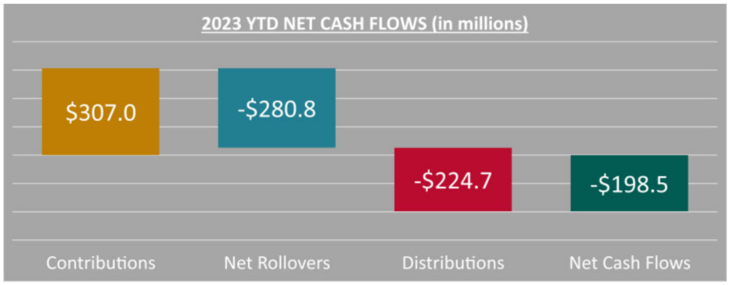
KEY INDICATORS

		June	YTD
Enrollments			
	2024	1,464	10,248
	2023	1,811	10,241
	% Change	▼ -19.2%	▲ 0.1%
Unforseeable Emergencies (in millions)			
	2024	$ 1.9	$ 10.0
	2023	$ 0.9	$ 4.9
	% Change	▲ 107.5%	▲ 105.4%

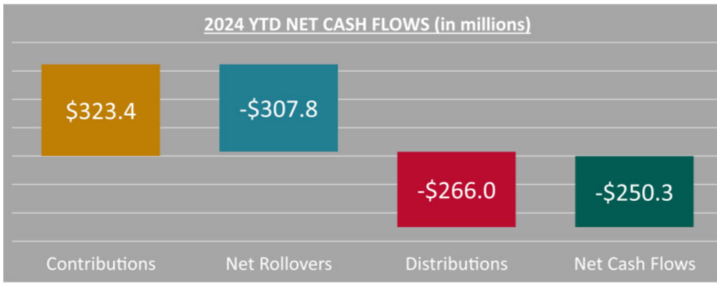
Applications Processed:	511
Applications Approved:	502
Percentage Self-Certified:	81%

Approval %
98.2%

2023 YTD NET CASH FLOWS (in millions)



2024 YTD NET CASH FLOWS (in millions)



Financial data is unaudited and reflects the cash basis of accounting.

Investment Consultant Evaluation

RVK **8 Responses** **May 2024**
11 Responses **May 2023**

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	2024	Rating Score	2023	Rating Score
Overall Score		3.8		4.1

1. Specific knowledge of financial markets and money managers.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	5	1	8	3.9	3.9
0.0%	0.0%	25.0%	62.5%	12.5%			

2. General knowledge of investment strategies for large public retirement systems.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	5	1	8	3.9	4.2
0.0%	0.0%	25.0%	62.5%	12.5%			

3. Understanding of Ohio Deferred Compensation strategic objectives.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	3	4	1	8	3.8	4.3
0.0%	0.0%	37.5%	50.0%	12.5%			

4. Reports on investment manager performance and timely updates the investment policy.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	6	0	8	3.8	4.2
0.0%	0.0%	25.0%	75.0%	0.0%			

5. Quality of research and analysis.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	5	1	8	3.9	4.1
0.0%	0.0%	25.0%	62.5%	12.5%			

6. Interaction with the Board, including timeliness of communications.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	5	1	8	3.9	4.4
0.0%	0.0%	25.0%	62.5%	12.5%			

7. Independent and candid professional advice.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	5	1	8	3.9	4.5
0.0%	0.0%	25.0%	62.5%	12.5%			

8. Clarity and usefulness of verbal presentations.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	3	4	1	8	3.8	4.1
0.0%	0.0%	37.5%	50.0%	12.5%			

9. Clarity and usefulness of written correspondence.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	2	5	1	8	3.9	3.9
0.0%	0.0%	25.0%	62.5%	12.5%			

10. Demonstrated ability to identify issues/problems in timely manner.

1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
0	0	4	4	0	8	3.5	4.0
0.0%	0.0%	50.0%	50.0%	0.0%			

11. Responsiveness to requests.

	1-Unsatisfactory	2-Needs Improvement	3-Effective	4-Exceeds Expectations	5-Exceptional	Number of Responses	2024 Rating Score*	2023 Rating Score*
	0	0	1	6	1	8	4.0	4.1
	0.0%	0.0%	12.5%	75.0%	12.5%			

12. Rate your overall confidence in RVK by selecting one of these statements:

	Number of Response(s)	Response Ratio
I have confidence in the investment consultant's advice.	8	100%
I lack confidence in the investment consultant's advice.	0	0%
No Responses	0	0%
Total	8	100%

13. Other comments. Please provide additional comments regarding the services received over the past year and/or expectations about service in the coming year:

Five trustees provided no comments.

Based on the rating scale offered, RVK is meeting expectations. I would not rate them higher only because what they do for ODC is provide solid advice for running our program. They are doing what I expect of them and I appreciate their information given.

They might increase their ranking by coming up with other ideas that might help retain assets for retirees(or others) who withdraw their assets from our plan and place them elsewhere.

I believe they do a very good job as evidenced by their industry knowledge, mostly concise presenetations (written/verbal), and their recommendations. I think that OHDC is a well run plan and therefore limits the ability of the consultant to make revolutionary changes. I have confidence in them as solid professionals and have confidence in their analysis/work. The acceess they have to other clients and industry data is very valuable.

Solid job by RVK.
Consultants assigned to Ohio Deferred Comp are professional, knowledgable and willing to go beyond what is required. They seem to truly care about the success of the organization.

**The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.*