

# Saving For Retirement



## Asset Allocation Models

When it comes to choosing the right investments, one size doesn't fit all. The investment options that are appropriate for a plan participant who is just entering the workforce are likely not the right choices for someone nearing retirement. The OCTA Deferred Compensation Plan Asset Allocation Models are an optional asset allocation tool that simplifies what used to be one of the most challenging aspects of saving for retirement: choosing investments that match your unique goals. The Models are easy to understand and are available to you at no additional cost.<sup>1</sup>

## How to Determine Which Model is Right For You?

### Step 1

#### • Determine Your Investor Style:

- **Conservative** investors are generally concerned about short-term ups and downs in the market, and want to minimize risk and maintain principal.
- **Moderate** investors generally are willing to sacrifice safety of principal and can tolerate modest market swings, hoping to receive potentially greater returns.
- **Aggressive** investors generally seek to maximize returns, and are willing/able to tolerate large markets swings.

### Step 2

#### • Determine When You Would Like to Retire

- Subtract your current age from your anticipated retirement age to calculate your retirement time horizon.

### Step 3

#### • Select Model Portfolio

- You may initiate or update your selections at any time via the website [www.OCTAdc.com](http://www.OCTAdc.com), or contact Nationwide via their toll free customer service number 1-877-677-3678.
- Select your model portfolio based on the investment style code and years to retirement. For example, if you scored a 38 on the style quiz and have 20 years until retirement the C4 model may be appropriate for you.

<sup>1</sup> No additional costs means that as a participant you will not pay anything other than the customary fees associated with the underlying mutual funds. See the underlying mutual fund prospectuses for information on fees.

Investing in an Asset Allocation Model does not guarantee against loss of principal and interest. It is possible to lose money by investing in securities. **These Models are provided as a tool to help participants diversify their account. The suggested Model allocations are samples, and not to be considered investment advice.** In addition to the Models, funds with similar risk and return characteristics may be available. For further details on the investment options in the Models, please refer to the underlying mutual funds' prospectuses.

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# Investor Style Quiz / Which Model is For You?

## Step 1

### • Determine Your Investor Style:

- **Conservative** investors are generally concerned about short-term ups and downs in the market, and want to minimize risk and maintain principal.
- **Moderate** investors generally are willing to sacrifice safety of principal and can tolerate modest market swings, hoping to receive potentially greater returns.
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Select one answer for each question

Points

1. How concerned are you that you won't achieve a high enough rate of return over the long term?	Very concerned	10	
	Somewhat concerned	7	
	Not concerned	3	
2. How concerned are you about potential loss of "buying power" or "quality of life" due to inflation?	Very concerned	6	
	Somewhat concerned	4	
	Not concerned	1	
3. How concerned are you over wide swings in the value of your account over a 1 - 3 month period?	Very concerned	0	
	Somewhat concerned	4	
	Not concerned	12	
4. How concerned are you over wide swings in the value of your account over a 1 - 2 year period?	Very concerned	2	
	Somewhat concerned	6	
	Not concerned	12	
5. Which of the following causes you the most concern about the investments in your account?	Ability to get back at least as much as I put in	2	
	My money is not earning enough	6	
	How much I've gained or lost this month	0	
6. One of your investments has performed very well for a few years. If it suddenly dropped 15% in 3 months, what would you do?	Sell immediately	0	
	Hold it	6	
	Buy more	8	
7. What is your level of experience with stocks or stock funds?	Very experienced	6	
	Somewhat experienced	4	
	Very little experience	2	
8. What is your level of experience with bonds or bond funds?	Very experienced	5	
	Somewhat experienced	3	
	Very little experience	2	
	None	1	
9. What is your comfort level with stocks or stock funds?	High	12	
	Fair	10	
	Very little	4	
	None	0	
10. What is your comfort level with bonds or bond funds?	High	7	
	Fair	4	
	Very little	3	
	None	0	

Total: \_\_\_\_\_

Description	Type
<b>CONSERVATIVE</b> investors generally: are most comfortable with stability of principal, willing to forgo potential higher returns for less volatility; and allow everyday market performance to effect through process. Investor Style Quiz Score 0 – 40 Points	C
<b>MODERATE</b> investors generally: are most comfortable with small fluctuations in principal, seek slightly higher returns at the risk of principal; and do not worry about everyday market returns. Investor Style Quiz Score 41 – 60 Points	M
<b>AGGRESSIVE</b> investors generally: more comfortable with larger fluctuations in principal, seek top performance and recognize the need to accept risk to get there, take a long-term perspective on investing. Investor Style Quiz Score 61+ Points	A

For example: if your total score is 38 you would enter "C" as your style code or if your score was 65 you would enter "A" as your style code.

Investor style code is:

# Investor Style Quiz / Which Model is For You?

## Step 2

### Determine When You Would Like to Retire:

Subtract your current age from your anticipated retirement age to calculate your retirement time horizon.

Code	Yrs. to Retirement
1	0-5
2	6-10
3	11-15
4	16+



## Step 3

### Select Model Portfolio

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Description	Type	Code	Yrs. to Retirement
<b>CONSERVATIVE</b> investors generally: are most comfortable with stability of principal, willing to forgo potential higher returns for less volatility; and allow everyday market performance to effect through process. <i>Investor Style Quiz Score 0 – 40 Points</i>	C	1	0-5
<b>MODERATE</b> investors generally: are most comfortable with small fluctuations in principal, seek slightly higher returns at the risk of principal; and do not worry about everyday market returns. <i>Investor Style Quiz Score 41 – 60 Points</i>	M	2	6-10
<b>AGGRESSIVE</b> investors generally: more comfortable with larger fluctuations in principal, seek top performance and recognize the need to accept risk to get there, take a long-term perspective on investing. <i>Investor Style Quiz Score 61+ Points</i>	A	3	11-15
		4	16+

Investor style code is:



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# Asset Allocation & Fund Information

Category	Underlying Fund	Conservative				Moderate				Aggressive			
		0-40 Points				41-60 Points				61+ Points			
		0-5	6-10	11-15	16+	0-5	6-10	11-15	16+	0-5	6-10	11-15	16+
Model Name	C1	C2	C3	C4	M1	M2	M3	M4	A1	A2	A3	A4	
Stable Value	Nationwide Fixed	53%	35%	29%	22%	35%	29%	22%	12%	29%	22%	12%	2%
Intermediate Bond	Dodge & Cox Income	9%	9%	7%	5%	9%	7%	5%	3%	7%	5%	3%	2%
Intermediate Bond	Metropolitan West Total Return Bond	8%	9%	7%	5%	9%	7%	5%	3%	7%	5%	3%	1%
Intermediate Bond	Vanguard Total Bond Market Index Adm	8%	8%	7%	5%	8%	7%	5%	2%	7%	5%	2%	1%
Large Value	Invesco Growth and Income R6	6%	10%	10%	14%	10%	10%	14%	16%	10%	14%	16%	20%
Large Growth	T. Rowe Price Growth Stock	5%	9%	10%	13%	9%	10%	13%	16%	10%	13%	16%	19%
Mid Value	JPMorgan Mid Cap Value Inst	2%	3%	3%	4%	3%	3%	4%	5%	3%	4%	5%	6%
Mid Growth	Prudential Jennison Mid Cap Growth Z	1%	2%	3%	3%	2%	3%	3%	4%	3%	3%	4%	5%
Small Value	American Beacon Small Cap Value	1%	2%	2%	2%	2%	2%	2%	3%	2%	2%	3%	3%
Small Growth	Baron Small Cap Instl	1%	1%	2%	2%	1%	2%	2%	2%	2%	2%	2%	3%
Foreign Equity	American Funds EuroPacific Gr R6	6%	12%	20%	25%	12%	20%	25%	34%	20%	25%	34%	38%

## Fund Information & Investment Objectives

**Nationwide Fixed Account** seeks preservation of capital and offers a guaranteed crediting rate offered by Nationwide Life Insurance Company.

**Dodge & Cox Income** seeks a high and stable rate of current income, consistent with long-term preservation of capital. The fund invests in a diversified portfolio of high-quality bonds and other debt securities.

**Metropolitan West Total Return** seeks to maximize long-term total return. The fund pursues its objective by investing, under normal circumstances, at least 80% of its net assets in investment grade fixed income securities or unrated securities that are determined by the Adviser to be of similar quality.

**Vanguard Total Bond Market Index** seeks the performance of a broad, market-weighted bond index. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

**Invesco Growth and Income** seeks income and long-term growth of capital. Under normal market conditions, Invesco Advisers, Inc. (the Adviser), the fund's investment adviser, seeks to achieve the fund's investment objective by investing primarily in a portfolio of income-producing equity securities (although investments are also made in non-convertible preferred stocks and debt securities). It focuses primarily on the security's potential for income and capital growth.

**T. Rowe Price Growth Stock** seeks to provide long-term capital growth and, secondarily, increasing dividend income through investments in the common stocks of well-established growth companies. The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the common stocks of a diversified group of growth companies. While most assets will typically be invested in U.S. common stocks, it may invest in foreign stocks in keeping with the fund's objectives. The fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities.

**JPMorgan Mid Cap Value** seeks growth from capital appreciation. The fund normally invests at least 80% of assets in equity securities of mid cap companies. Mid cap companies are companies with market capitalizations between \$1 billion and \$20 billion at the time of purchase. In implementing its main strategies, the fund's investments are primarily in common stocks and real estate investment trusts (REITs). It will use futures contracts to more effectively gain targeted equity exposure from its cash positions.

**Prudential Jennison Mid Cap Growth** seeks long-term capital appreciation. The fund normally invests at least 80% of its investable assets in equity and equity-related securities of medium-sized companies with the potential for above-average growth. In deciding which equities to buy, it uses what is known as a growth investment style. The fund's investable assets will be less than its total assets to the extent that it has borrowed money for non-investment purposes, such as to meet anticipated redemptions.

**American Beacon Small Cap Value** seeks long-term capital appreciation and current income. Under normal circumstances, at least 80% of the fund's net assets (plus the amount of any borrowings for investment purposes) are invested in equity securities of small market capitalization companies. These companies have market capitalizations of \$5 billion or less at the time of investment.

**Baron Small Cap** seeks capital appreciation through investments primarily in securities of small-sized growth companies. The fund invests 80% of its net assets in equity securities in the form of common stock of small-sized growth companies with market capitalizations of less than \$2.5 billion at the time of purchase selected for their capital appreciation potential.

**American Funds EuroPacific Gr** seeks long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally invests at least 80% of net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in countries with developing economies and/or markets.