

Your  
Trusted  
Partner



County of Monterey

# A dynamic industry leader — ready for the County of Monterey



City of  
Baltimore

\$411 million in assets



County of San Luis  
Obispo

\$150 million in assets



County of Fresno

\$256 million in assets



City and County of  
Denver

\$700 million in assets



\$120 million in assets



\$350 million in assets



City of  
Santa Clara  
The Center of What's Possible

\$150 million in assets



\$150 million in assets



Pierce County

\$227 million in assets



Nationwide®



County of Monterey

# Transition process

## 1 PLANNING

- Negotiate and finalize contract & governing documents
- Understand plan design
- Receive first set of test files
- **Understand data & file layouts**
- Document payroll processes
- Finalize investment lineup
- Collaborate and finalize transition communication strategy (messaging, workshop schedule, etc.)

## 2 DESIGN, DEVELOP & TEST

- Forms
- Reports
- Investment setup
- Develop internal training
- System feature build
- **System testing**

## 3 COMMUNICATION & FINAL CONVERSION PREP

- **Integrated testing** of all features, plan data
- Conduct internal training
- Mail transition communication
- Transition workshops & relaunch plan
- Call Center takes participant calls

## 4 CONVERSION

- Blackout
- Mail account setup confirmation letter
- Liquidate assets
- Transfer final data and assets
- Receive and apply assets
- **Reconcile and validate**
- Website goes live

## TIMELINE



# Communication plan

The Monterey County 457(b) Plan’s success and your employees’ retirement readiness is dependent on the partner you choose and the plan developed to help them prepare for and live in retirement. From day one, we’ll work with you to ensure that employees are receiving relevant, timely updates about the transition, Nationwide as the provider, the tools and resources available to them, and actions they may need to take during the transition.

We base our transition communication strategy for your plan on two key principles. In partnership with the County, we will:

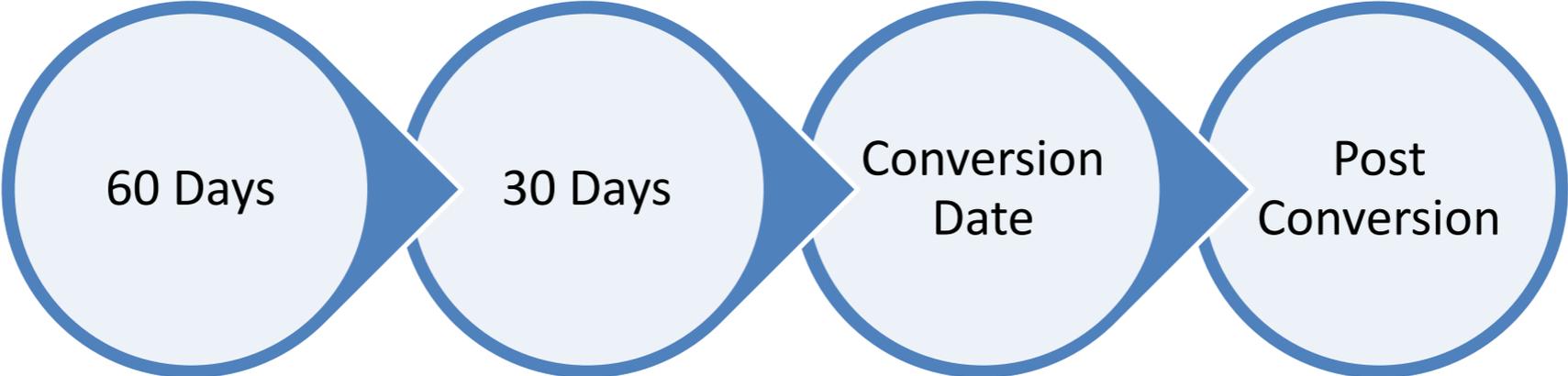
- *Define the current situation* to understand how prepared your employees are for retirement; review metrics used to gauge plan success and uncover insights key to developing an effective plan.
- *Understand your goals* for the plan and your employees’ retirement readiness; this allows us to plan targeted education and communication initiatives.

Our approach delivers relevant messages to the right employees when they need them. Your employees want to choose when and how they interact with Nationwide—that’s why we surround them with educational resources through multiple channels throughout the transition:

Audience	Transition Communication Plan
All Employees	<ul style="list-style-type: none"> <li>• <b>Announcement email and direct mail</b> – share decision to transition to Nationwide, provide plan overview and implementation steps to establish employee expectations.</li> <li>• <b>Human resource announcements</b> – work with Human Resource contact to announce internally via intranet sites, employee newsletters and through worksite promotions to create awareness of new provider.</li> <li>• <b>Group meetings</b> – conducted throughout the transition to meet your employees, share the benefits of the service they’ll receive, tools available and details about the transition and possible impact on them.</li> <li>• <b>Environmental displays</b> – create awareness through posters, table tents, TV displays, interactive displays and other media.</li> </ul>
Active and Retired Participants	<ul style="list-style-type: none"> <li>• <b>Transition notice</b> – introduction to plan features and benefits with detailed timeline, fund mapping strategy, blackout period, frequently asked questions and next steps for participants.</li> <li>• <b>Transition confirmation</b> – letter sent post-conversion describing transition success and confirmation of asset transfer and fund allocation; invites participants to call or meet with their local Retirement Specialist.</li> </ul>

Audience	Transition Communication Plan
Managed Account Participants	<ul style="list-style-type: none"> <li>• <b>In-person meetings</b> – group and individual meetings with managed account participants to help them understand the program changes and their investment options.</li> </ul>
Self-Directed Brokerage Account Participants	<ul style="list-style-type: none"> <li>• <b>Welcome letter</b> – mailing sent to participants describing how their brokerage account assets will transfer during the transition.</li> </ul>
Plan Sponsor	<ul style="list-style-type: none"> <li>• <b>Updates and confirmations</b> – you will receive regular progress updates from our transition team; you’ll have the option to review and approve all communications, and will receive confirmations of actions taken so there are no surprises during the transition.</li> </ul>

# Managed accounts transition



- Nationwide mails a transition brochure to all County participants. This brochure will include a brief description of the ProAccount service. We also make mention that more information will be coming to those participants currently enrolled in the Monterey County managed account program.

- A list of managed accounts participants is provided to Nationwide and a packet of information is sent to participants currently enrolled in managed accounts. This includes an in depth brochure describing the ProAccount service, what options participants have with regards to their managed account as well as a risk tolerance questionnaire.
  - Option 1: Complete the questionnaire to manage the participants account based on their desired risk tolerance
  - Option 2: Do nothing and we will place participants into the Moderate risk tolerance portfolio. (This can be updated at anytime)
  - Option 3: Cancel your current managed current account service prior to the conversion date.

- All participants (managed account and non managed account) move to NW and follow the mapping strategy set in place prior to the conversion. Managed account participants will be enrolled in ProAccount and assigned to either the model from their completed risk tolerance form or the moderate portfolio if they did not complete the form.

- Managed account participant accounts will be allocated 3-5 business days post conversion. Once allocated, they will receive a confirmation letter in the mail notifying them everything was set up and that their account is now under management.

# New fund lineup

## MONTEREY COUNTY, CALIFORNIA 457(b) Deferred Compensation Plan Proposed Investment Menu

	Asset Class	Fund	Ticker	Expense Ratio	Total
Fixed	Stable Value	Nationwide Fixed Account	-	0.40%	\$83,049,292
	Int.-Term Active	Sterling Capital Total Return Bond R6	strdx	0.35%	\$11,509,288
	Int.-Term Index	Fidelity US Bond Index	fxnax	0.025%	\$6,435,698
Large	Large Value	DFA US Large Cap Value I	dflvx	0.27%	\$7,150,427
	Large Blend	Fidelity 500 Index	fxaix	0.015%	\$27,983,503
	Large Growth	T. Rowe Price Instl Large Cap Growth	trlgx	0.56%	\$8,060,621
Mid	Mid Value	Wells Fargo Special Mid Cap Value R6	wfprx	0.75%	\$21,641,167
	Mid Blend	Fidelity Mid Cap Index	fsmdx	0.025%	\$6,333,471
	Mid Growth	MFS Mid Cap Growth R6	otclx	0.85%	\$4,077,419
Small	Small Value	DFA US Targeted Value I	dffvx	0.37%	\$534,000
	Small Blend	Fidelity Small Cap Index	fssnx	0.025%	\$2,432,774
	Small Growth	Hood River Small-Cap Growth Retirement	hrsix	1.00%	\$4,082,547
Int'l	Int'l Value	Hartford Schroders Intl Multi-Cp Val SDR	sidrx	0.76%	\$0
	Int'l Blend	Fidelity Total Intl Index	ftihx	0.06%	\$2,985,816
	Int'l Growth	American Funds Europacific Growth R6	rergx	0.49%	\$10,151,272
Asset Allocation	Income	Vanguard Target Retirement Income Inv	vtinx	0.13%	\$2,271,577
	2015	Vanguard Target Retirement 2015 Inv	vtvxx	0.13%	\$2,666,639
	2020	Vanguard Target Retirement 2020 Inv	vtwnx	0.13%	\$451,926
	2025	Vanguard Target Retirement 2025 Inv	vttvx	0.14%	\$17,407,911
	2030	Vanguard Target Retirement 2030 Inv	vthrx	0.14%	\$52,262
	2035	Vanguard Target Retirement 2035 Inv	vtthx	0.14%	\$8,976,630
	2040	Vanguard Target Retirement 2040 Inv	vforx	0.15%	\$9,159
	2045	Vanguard Target Retirement 2045 Inv	vtivx	0.15%	\$2,377,732
	2050	Vanguard Target Retirement 2050 Inv	vfifx	0.15%	\$61,398
	2055	Vanguard Target Retirement 2055 Inv	vffvx	0.15%	\$461,286
2060	Vanguard Target Retirement 2060 Inv	vtttx	0.15%	\$8,339,881	
					<b>\$239,503,696</b>

*Excludes loan and brokerage assets. All assets as of March 31, 2018.*

*Explicit recordkeeping costs estimated based on five-year contract.*

	Post-RFP %
Investment Expenses	0.33%
Explicit Recordkeeping Costs	0.03%
<b>Combined Total Cost</b>	<b>0.36%</b>
<b>Estimated Annual Savings</b>	<b>\$663,484</b>

# Fund mapping

CURRENT INVESTMENT MENU					PROPOSED MENU			
Fund Name	Ticker	\$	Total Cost	Map To	Asset Class	Fund Name	Ticker	Expense
Monterey County Stable Value Fund	n/a	\$87,992,979	0.42%	→	Stable Value	Nationwide Fixed Account	-	0.40%
BlackRock US Debt Index Fund Coll F	n/a	\$6,435,698	0.32%	→	Int.-Term Index	Fidelity US Bond Index	fxnax	0.03%
Loomis Sayles Bond Instl	lsbdx	\$2,036,638	0.78%	→	Int.-Term Active	Sterling Capital Total Return Bond R6	strdx	0.35%
PIMCO Total Return Instl	pttrx	\$4,528,963	0.58%	→	Int.-Term Active	Sterling Capital Total Return Bond R6	strdx	0.35%
Janus Henderson Balanced T	jabax	\$6,441,113	0.95%	→	2025	Vanguard Target Retirement 2025 Inv	vtvx	0.14%
American Beacon Large Cap Value A	alvax	\$7,150,427	1.10%	→	Large Value	DFA US Large Cap Value I	dfvx	0.27%
Parnassus Core Equity - Inv	prblx	\$1,489,225	0.99%	→	Large Blend	Fidelity 500 Index	fxaix	0.02%
BlackRock Equity Index - Collective F	n/a	\$18,294,171	0.30%	→	Large Blend	Fidelity 500 Index	fxaix	0.02%
Hartford Capital Appreciation Y	hcayx	\$8,200,107	0.84%	→	Large Blend	Fidelity 500 Index	fxaix	0.02%
Janus Henderson Forty T	jcctx	\$5,323,932	1.03%	→	Large Growth	T. Rowe Price Instl Large Cap Growth	trlgx	0.56%
American Funds Growth Fund of Amer R4	rgaex	\$2,736,689	0.80%	→	Large Growth	T. Rowe Price Instl Large Cap Growth	trlgx	0.56%
AllianzGI NFJ Mid-Cap Value A	pqnax	\$9,655,623	1.11%	→	Mid Value	Wells Fargo Special Mid Cap Value R6	wfprx	0.75%
American Century Mid Cap Value R6	amdvx	\$7,429,326	0.73%	→	Mid Value	Wells Fargo Special Mid Cap Value R6	wfprx	0.75%
Wells Fargo Spec Mid Cap Value A	wfpax	\$987,950	1.30%	→	Mid Value	Wells Fargo Special Mid Cap Value R6	wfprx	0.75%
Ariel Fund	argfx	\$3,568,268	1.13%	→	Mid Value	Wells Fargo Special Mid Cap Value R6	wfprx	0.75%
BlackRock Mid Cap Equity Index - Coll F	n/a	\$3,848,650	0.38%	→	Mid Blend	Fidelity Mid Cap Index	fsmdx	0.03%
Eaton Vance Atlanta Capital SMID-Cap A	eaasx	\$4,077,419	1.31%	→	Mid Growth	MFS Mid Cap Growth R6	otclox	0.85%
AllianzGI NFJ Small-Cap Value R	pnvrx	\$534,000	1.56%	→	Small Value	DFA US Targeted Value I	dffvx	0.37%
BlackRock Russell 2000 Index Coll F	n/a	\$2,432,774	0.37%	→	Small Blend	Fidelity Small Cap Index	fsrnx	0.03%
T. Rowe Price QM US Small-Cap Gr Eq I	tqaix	\$4,082,547	0.78%	→	Small Growth	Hood River Small-Cap Growth Retirement	hrsix	1.00%
T. Rowe Price Real Estate	trrex	\$2,484,821	0.86%	→	Mid Blend	Fidelity Mid Cap Index	fsmdx	0.03%
BlackRock EAFE Equity Index Coll F	n/a	\$2,985,816	0.32%	→	Int'l Blend	Fidelity Total Intl Index	ftihx	0.06%
American Funds EuroPacific Gr R5	rerfx	\$5,227,164	0.66%	→	Int'l Growth	American Funds Europacific Growth R6	regrx	0.49%
American Funds New Perspective R2E	rpebx	\$4,924,108	1.36%	→	Int'l Growth	American Funds Europacific Growth R6	regrx	0.49%
Great-West Aggressive Profile Fund Instl	mxgtx	\$8,339,881	0.94%	→	2060	Vanguard Target Retirement 2060 Inv	vttax	0.15%
Great-West Mod Aggressive Profile Fund Instl	mxhrx	\$5,898,069	0.80%	→	2035	Vanguard Target Retirement 2035 Inv	vtthx	0.14%
Great-West Mod Profile Fund Instl	mxitx	\$6,990,227	0.71%	→	2025	Vanguard Target Retirement 2025 Inv	vtvx	0.14%
Great-West Mod Conservative Profile Fund Instl	mxjux	\$1,930,336	0.62%	→	2015	Vanguard Target Retirement 2015 Inv	vtbvx	0.13%
Great-West Conservative Profile Fund Instl	mxkvx	\$2,271,577	0.57%	→	Income	Vanguard Target Retirement Income Inv	vtinx	0.13%
Great-West Lifetime 2015 Fund Instl	mxnyx	\$96,630	0.64%	→	2015	Vanguard Target Retirement 2015 Inv	vtbvx	0.13%
Great-West Lifetime 2025 Fund Instl	mxqbx	\$2,753,671	0.68%	→	2025	Vanguard Target Retirement 2025 Inv	vtvx	0.14%
Great-West Lifetime 2035 Fund Instl	mxtbx	\$2,821,269	0.71%	→	2035	Vanguard Target Retirement 2035 Inv	vtthx	0.14%
Great-West Lifetime 2045 Fund Instl	mxwex	\$2,193,538	0.73%	→	2045	Vanguard Target Retirement 2045 Inv	vtivx	0.15%
Great-West Lifetime 2055 Fund Instl	mxzbx	\$450,669	0.73%	→	2055	Vanguard Target Retirement 2055 Inv	vffvx	0.15%
Great-West SecureFoundation Bal Instl	mxciq	\$1,006,896	1.30%	→	2025	Vanguard Target Retirement 2025 Inv	vtvx	0.14%
Great-West SecureFoundation LT 2015 Inv	mxsji	\$639,673	1.67%	→	2015	Vanguard Target Retirement 2015 Inv	vtbvx	0.13%
Great-West SecureFoundation LT 2020 Inv	mxsmx	\$451,926	1.67%	→	2020	Vanguard Target Retirement 2020 Inv	vtvnx	0.13%
Great-West SecureFoundation LT 2025 Inv	mxsmx	\$216,004	1.67%	→	2025	Vanguard Target Retirement 2025 Inv	vtvx	0.14%
Great-West SecureFoundation LT 2030 Inv	mxsqx	\$52,262	1.69%	→	2030	Vanguard Target Retirement 2030 Inv	vtbvx	0.14%
Great-West SecureFoundation LT 2035 Inv	mxsrx	\$257,292	1.71%	→	2035	Vanguard Target Retirement 2035 Inv	vtthx	0.14%
Great-West SecureFoundation LT 2040 Inv	mxdsx	\$9,159	1.72%	→	2040	Vanguard Target Retirement 2040 Inv	vforx	0.15%
Great-West SecureFoundation LT 2045 Inv	mxstx	\$184,194	1.73%	→	2045	Vanguard Target Retirement 2045 Inv	vtivx	0.15%
Great-West SecureFoundation LT 2050 Inv	mxfsx	\$61,398	1.73%	→	2050	Vanguard Target Retirement 2050 Inv	vffvx	0.15%
Great-West SecureFoundation LT 2055 Inv	mxsyx	\$10,617	1.73%	→	2055	Vanguard Target Retirement 2055 Inv	vffvx	0.15%

Black = fund change

Blue = share class change

Excludes loan and brokerage assets. All assets as of March 31, 2018.



Nationwide®



County of Monterey

# Our Unique Approach to Retirement Readiness

---



County of Monterey



# Your service team

---



**KENT MORRIS**  
*Regional  
Vice-President*



**JOHN STEGGELL**  
*Primary Contact /  
Managing Director*



**JAKE SOURS**  
*Program Director*



**TO BE HIRED**  
*Local  
Representative*



**MARK GRISE**  
*Personal  
Retirement  
Counselor*



**KIM LOVELL**  
*Plan  
Administrator*

## Transition Team Members:

- Sharon Brown
- Scott Stewart

# Our reporting helps your participants and plan succeed

### Nate Smith's Retirement Readiness Report

as of 03/28/2018

This report helps you understand if you are on track for retirement and gives actions for potential improvement. The estimates are based upon the information you entered and can be further personalized by using the My Interactive Retirement Planner.

Your retirement readiness needs attention

#### Projected Income

**\$3,721/mo; \$44,652/yr**

Based on an investment total of \$1,752, a monthly Social Security amount of \$0 and a monthly pension amount of \$2,250

Based on spouse's investment total of \$0, a monthly Social Security amount of \$0 and a monthly pension amount of \$0

The comprehensive view of your assets is displayed from your account overview to edit

#### Contributions modeled by account

457- COUNTY OF LOS ANGELES \$0

Contribution amount(s) shown here reflect My Interactive Retirement Planner. Actual contributions may vary.

#### Take action

##### Increase your contributions

A contribution increase of \$56 (a paycheck) may help to reduce the gap.

**Increase my contribution**

### County of Monterey's Retirement Readiness Report

Plan-level summary of participants' retirement readiness  
Q1 2018

The County of Monterey's Retirement Readiness Report helps you understand how prepared your participants are to reach their retirement goals. Nationwide has provided your participants with a personalized retirement readiness report, which includes their 457 balance, 401(a), pension and Social Security benefits.

This plan-level report summarizes the progress your participants are making towards meeting their retirement goal. For more detailed plan information, access the Gauging Success report on your plan website.

#### Plan Participants

What is the status of all 3,600 participants in your plan?

Legend: < 35, 35-44, 45-54, 55+

#### Retirement Readiness

How engaged are your participants? Are they ready to retire?\*

**3,600** total participants  
**702** have an online account  
**429** view used the Interactive Retirement Planner\*\*

**15%** are prepared for retirement

Participants that have engaged with their retirement outlook are **4 times more likely** to increase their contributions.

How does your plan's retirement readiness compare to a group of similar-sized Nationwide-provided plans?†

† These calculations are based on an R4R retirement ratio of pre-retirement income

Participant & Plan-level Retirement Readiness Reports

## Gauging Success

### PLAN REVIEW

#### Sample Plan, USA

As of March 31, 2017

FOR PLAN SPONSOR USE ONLY

NRM-7897AO.3

Quarterly Plan Metrics

Fee Disclosure <https://www.nwfund.com/App/nc/plansponsor/feeDisclosurePrint.xsp?pl...>

### Plan Sponsor Fee Disclosure

as of 11-21-2017

**Gross Expense Ratio**

The percentage of fund assets paid for operating expenses and management fees:

Fund	Q4 2017		Q3 2017	
	Expense Ratio	Expense Ratio	Expense Ratio	Expense Ratio
Fidelity International Fund	2.81%	1.66%	2.81%	1.66%
Fidelity Contra Fund	1.96%	1.96%	1.96%	1.96%
Fidelity Mid-Cap Growth Fund	1.96%	1.96%	1.96%	1.96%
Fidelity Large Cap Growth Fund	1.96%	1.96%	1.96%	1.96%

\* Gross % refers to the Gross Expense Ratio for the fund as reported to the SEC. It does not include the amount of the fund's net assets that are used to pay for the fund's operating expenses.

\*\* Net % refers to the amount of the fund's net assets that are used to pay for the fund's operating expenses. It does not include the amount of the fund's net assets that are used to pay for the fund's operating expenses.

† Net % refers to the amount of the fund's net assets that are used to pay for the fund's operating expenses. It does not include the amount of the fund's net assets that are used to pay for the fund's operating expenses.

‡ Assets that are subject to the amount of the fund's net assets that are used to pay for the fund's operating expenses.

---

#### Excess Revenue Calculation

Plan Sponsor Name: **SAMPLE COUNTY FL**  
Plan ID: **005555001**  
IRS Code: **457**  
Report Period: **01-Oct-2017 to 31-Dec-2017**

Fund Name	Fund	Trailer	10/31/2017	11/30/2017	12/31/2017	10/31/2017	11/30/2017	12/31/2017	10/31/2017	11/30/2017	12/31/2017
			Account Value	Account Value	Account Value	Annual Fund Asset Fee Rate	Annual Fund Asset Fee Rate	Annual Fund Asset Fee Rate	Service Fee	Annual Fund Asset Fee	Annual Fund Asset Fee
Fidelity International Fund	FIDIX		487,075	581,737	614,565	0.20%	0.20%	0.20%	142.38	0.00	1,142.38
Fidelity Contra Fund	FICAX		8,751	11,127	173,345	0.20%	0.20%	0.20%	175.12	0.00	1,175.12
Fidelity Mid-Cap Growth Fund	FIDCX		759,445	871,524	869,524	0.20%	0.20%	0.20%	254.43	0.00	1,074.43
Fidelity Large Cap Growth Fund	FIDGX		893,211	919,345	719,289	0.20%	0.20%	0.20%	278.46	0.00	1,078.46
Fidelity International Fund	FIDIX		875,188	201,248	183,737	0.20%	0.20%	0.20%	1,288.38	0.00	2,288.38
Fidelity Contra Fund	FICAX		1,851,286	1,824,308	881,382	0.20%	0.20%	0.20%	141.85	0.00	641.85
Fidelity Mid-Cap Growth Fund	FIDCX		829,785	892,775	223,327	0.20%	0.20%	0.20%	178.74	0.00	778.74
Fidelity Large Cap Growth Fund	FIDGX		100,000	100,000	100,000	0.20%	0.20%	0.20%	1,400.00	0.00	2,400.00
Fidelity International Fund	FIDIX		12	183,672	17,762	0.20%	0.20%	0.20%	0.00	0.00	0.00
<b>Total</b>			<b>712,612</b>	<b>844,187</b>	<b>887,612</b>				<b>16,831.34</b>	<b>0.00</b>	<b>15,831.34</b>

Notes: \* Net % Compensation (0.00% average)

Quarterly Revenue Requirement Report & Fee Disclosure Statement

# We support you and deliver operational excellence



## PLAN SPONSOR EDUCATION

- Fiduciary education
- Administrative staff training
- Industry reports
- Regulatory & economic reports
- Regular updates/reviews



## TACTICAL PLAN MANAGEMENT

- 457(b)
- Unforeseeable Emergency<sup>1</sup>
- Self-directed option
- Domestic Relations Order<sup>1</sup>
- Same-day processing
- Automated payroll submission
- Fee disclosure

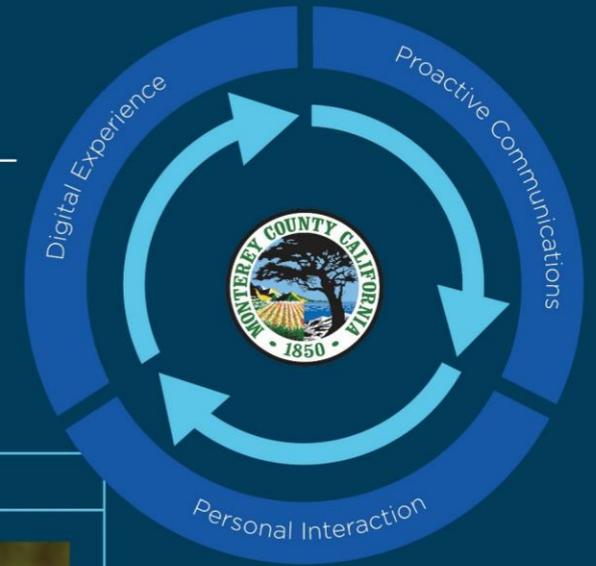


## PLAN HEALTH REVIEW

- Plan document reviews<sup>2</sup>
- Gauging Success report & plan-level retirement report
- Peer comparisons

# Our personal approach drives retirement readiness

WE UNDERSTAND WHAT YOUR EMPLOYEES NEED, IN EVERY PHASE



## ELIGIBLE



Deliver compelling information that explains the benefits of enrollment in their plan.

## NEW ENROLLEE



Provide a personalized "Welcome" experience to guide a strong start.

## SAVER



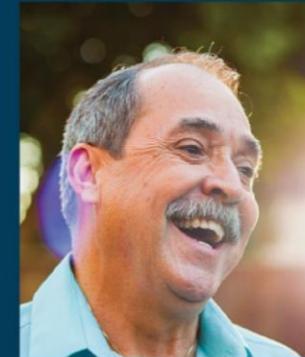
Deliver education and tools that help improve retirement readiness.

## TRANSITIONER



Provide education for a successful transition into retirement.

## RETIREE



Continue support in retirement years to sustain plan effectiveness.

# Our Participant Engagement Program drives results



**26%**

CONVERSATIONS HELD



**21%**

CONTRIBUTIONS



**14%**

ROLLED-IN ASSETS

Results from Jan-Dec 2017 and include all 7,582 plans in the Program. Lift is generated by looking at Treated vs Control groups.

# We reach your employees wherever they are



TO BE HIRED  
*Retirement Specialist*



200 days per year



1500 1-on-1 meetings per year



100 group workshops per year



# Questions?



Thank you



County of Monterey