



# focus

NRM-2911SD.53 • 3rd Quarter 2018



## Important Fund Changes

The SDRS Supplemental Retirement Plan (SRP) is making some changes to its investment fund lineup. These changes may affect your current SDRS-SRP account. The South Dakota Investment Officer evaluates each investment option based on Plan Investment Policy guidelines. The goal is to provide access to a diverse range of quality investment options at a reasonable cost. The annual evaluation led to the changes detailed below.

### Funds being added

Effective December 18, 2018, the following investment options will be added to the SDRS-SRP:

- Vanguard Growth Index Fund (VIGAX)
- Vanguard Value Index Fund (VVIAX)

### Fund being closed

On December 18, 2018, the Franklin Mutual Shares fund will be closed to participants in the SDRS-SRP. The South Dakota Investment Officer has recommended closing the Franklin Mutual Shares Fund due to disappointing investment performance. Assets in these funds will be redirected to the default replacement fund as indicated below unless you individually select a different investment option.

Fund to close		Default Replacement Fund	
Ticker	Fund Name	Ticker	Fund Name
MUTHX	Franklin Mutual Shares Fund	VINIX	Vanguard Institutional Index Fund

If you want your deferrals to and/or balances in the Franklin Mutual Shares fund to be automatically switched to the default replacement fund, no action is necessary. The automatic change in your deferrals will take effect with your next payday following December 17, 2018, and the automatic transfer of any balances into the default replacement fund will be effective on December 18, 2018.

If you choose to select different funds as a replacement, the new selections must be completed by 3 PM CST on December 17, 2018.

To take action or discuss the investment options available to you, contact your local SDRS-SRP Retirement Specialist in Pierre at 605-224-2230.

Information provided by SDRS-SRP Retirement Specialists is for education purposes only and is not intended as investment advice. This letter is intended to notify you of upcoming changes affecting your SDRS-SRP account and provide you with additional information to make an educated decision on your investments.

**Before investing, carefully consider the fund's investment objectives, risks, charges, and expenses. The fund prospectus contains this and other important information. Please read the prospectus carefully before investing in any option and remember that investing involves market risk, including possible loss of principal. Past performance is no guarantee of future results.**

*Investing involves risk, including possible loss of principal. Asset allocation models and diversification do not promise any level of performance or guarantee against loss of principal. Investment in the funds is subject to the risks of the underlying funds. The principal value of the funds is not guaranteed at any time. Target Date Funds invest in a wide variety of underlying funds to help reduce investment risk. So, in addition to the expenses of the Target Date Funds, you pay a proportionate share of the expenses of the underlying funds. Target Maturity Funds are designed for people who plan to withdrawal funds during or near a specific year. Like other funds, target date funds 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 funds will provide enough income for retirement.*

Questions? Contact the SDRS-SRP office in Pierre at 605-224-2230.

## Protect What's Yours

Nearly 75 percent of Americans have fallen victim to cyber-crime. In recent years, 4 in 10 people have had an account hacked or a password stolen or have been notified that their personal information had been compromised. A majority of Americans worry about their online security. Fortunately, it can be easy to reduce your online security risks. Here are some tips.

- Make it more difficult for a hacker to guess your passwords. Give strong, unique passwords to each account you own, even nonfinancial accounts.
- Create unique usernames. Your username is your "first password." Every time you create a new online account, give yourself a new username.
- Install a firewall. A firewall on your computer and router protects your computers and devices from unauthorized intruders.
- Use WPA2 when setting up your home Wi-Fi.
- Use updated anti-virus software and anti-spyware. Viruses can disable your computer and spyware can steal your passwords and account numbers.
- Update software automatically. This will help ensure your system gets the latest updates as soon as they are released.

## National Retirement Security Week – October 21-27, 2018

Every year, Congress designates one week to highlight the importance of saving for retirement and to encourage workers to explore their retirement savings options. For 2018, National Retirement Security Week is October 21 through 27.

The National Retirement Security campaign encourages workers to review

and take full advantage of their retirement savings options in an effort to be better prepared for retirement. The great news is you don't have to wait for a specific week – SDRS-SRP offers a wealth of resources available every day online at [www.srp457.com](http://www.srp457.com).

## Do your investments or investing style need a check-up?

With National Retirement Security Week occurring in October, it may be an appropriate time to reevaluate your investments and investing style. Consider Nationwide ProAccount, the SDRS-SRP's managed account service. Nationwide ProAccount offers easy online enrollment and a team of professionals to research, select, monitor, and adjust funds as

market conditions, or your needs, warrant.

The SDRS-SRP has a variety of investing styles for your consideration. To learn more about investing styles, go to [www.srp457.com](http://www.srp457.com), then navigate as follows: Learning Center > Library > Planning For Retirement > Retirement investing personalities.

Investing involves market risk, including possible loss of principal. No investment strategy can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Nationwide representatives cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.

Nationwide Investment Advisors, LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser.

NIA has retained Wilshire® as an Independent Financial Expert for Nationwide ProAccount. Wilshire provides investment allocation portfolios based on participant ages and their personal tolerance for investment risk.

NIA assesses participants an asset-based fee for the managed account services.

Retirement products are offered by Nationwide Trust Company, a division of Nationwide Bank®, or Nationwide Life Insurance Company.

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## Contact us

### SDRS Supplemental Retirement Plan

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The SDRS Supplemental Retirement Plan is a deferred compensation plan regulated by Section 457 of the Internal Revenue Code and offered by the South Dakota Retirement System (SDRS). Plan administration and enrollment services are provided by Nationwide Retirement Solutions.

Contract #: GA-00619

SDRS-SRP Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

Neither Nationwide nor any of its representatives give investment, legal or tax advice. For such guidance, you should consult your own counsel.

## Prudential Guaranteed Interest Account\*

Prudential has announced a **3.00%** annual effective yield for the fourth quarter of 2018.

*Guarantees and protections are based on the claims paying ability of the underwriting insurance company.*

*\*Available option within the SDRS Supplemental Retirement Plan*

## Payout Changes

Note: If you are receiving distributions from the SDRS-SRP, you may be able to change your payout decisions. Call the SDRS Supplemental Retirement Plan office in Pierre at 605-224-2230 to review your account and/or payout options.