



County of Ventura 401(k) Shared Savings Plan and Section 457 Plan

**Exciting changes are coming
soon to the County of Ventura
401(k) Shared Savings Plan
and Section 457 Plan!**



Agenda



Today's Agenda

- What's changing and when?
- What's staying the same?
- What does the new fund lineup look like?
- What are some Frequently Asked Questions?

What's Changing?



- A new, simplified investment lineup for your 401(k) Shared Savings Plan and Section 457 Plan is being introduced to help you save and invest for the future.
- Some current investment options will be removed and some new funds added.
- Funds removed will be mapped to a new or existing fund.

When Will the Changes Go into Effect?



- On **July 17, 2017**, you will gain access to several new funds and investment options that are not part of the final fund lineup will be frozen to new money.
- Future payroll contributions will be directed according to the fund mapping detailed in the *Investment Lineup Changes Transition Guide*. **This is only for future contributions only.**
- If you want to direct future contributions to one of the closing investment options, you must open a BrokerageLink account by 1:00 p.m. Pacific time on this date.

When Will the Changes Go into Effect?



- If you do not make an alternative election to your investment options from the new lineup, your current account balances will be mapped to the investment options most closely aligned with the your current elections.
- Mapping is outlined in the *Investment Lineup Changes Transition Guide*.
- The change will be effective **August 31, 2017**. **This is only for existing balances.**

The dates shown are based on the timing and accuracy of a variety of factors, including the transfer of data, receipt of instructions, and receipt of assets. Changes in any of these factors may result in changes to the dates and timing, including the dates on which, and thus the prices at which, assets in your account are sold and/or reinvested.

What's Staying the Same?



Everything else will stay the same.

- The plan design is the same.
- Your contribution amounts will remain the same.
- The ability to select funds and make changes will be the same.
- Online account access, call center, and in-person support from Fidelity will not change.

What Does the New Fund Lineup Look Like?



Beginning **July 17, 2017**, there will be four categories in the new investment structure:

- Target Date Funds
- Core Funds
- Managed Account Service
- Self-Directed Brokerage

OPTION 1

Target Date Funds



Target Date Funds

- Target date funds offer a single-fund approach to investing and are designed for investors expecting to retire around the year indicated in each fund's name.
- This is the default fund for the plans. If no investment election is made, you will automatically be defaulted into an age based target date fund. For more information regarding target date funds, please visit [NetBenefits.com/ventura](https://netbenefits.com/ventura).

OPTION 2

Core Funds



Core Funds

- Core funds are designed for people who want to take a more hands-on approach and choose their own investment mix from a selection of individual investment options.
- The core funds cover a broad range of investments, while providing a manageable selection to create your portfolio.
- These options are monitored by the Deferred Compensation Committee and the County's third-party consultant, SageView Advisory Group, LLC.
- There will be a total of **115 funds** in the core lineup effective **July 17, 2017**.
- To learn more, visit NetBenefits.com/ventura to get more details on these funds and download individual fund fact sheets.



OPTION 3

Fidelity® Portfolio Advisory Service *at Work*

(Managed Account Service)



Managed Account Service

- Fidelity® Portfolio Advisory Service *at Work* lets you delegate the management of your retirement plan account to professional investment managers who will seek to enhance growth and manage risk.
- If you utilize this service, the advisory fee is estimated to not exceed 0.82% per year of your average daily managed account balance and is deducted quarterly.*
- **Please Note:** If you are enrolled in this program, you are unable to contribute to the other options, including BrokerageLink.

*The annual gross advisory fee will never be more than 0.82% of your average account balance. However, your net advisory fee will vary over time based on the investment in your account and other factors. Please see the terms and conditions of the service for additional information. The advisory fee for your account does not include underlying investment option expenses charged at the individual investment option level for any investment options in your account. These are the standard expenses that all investment option shareholders pay. You may obtain additional information on advisory fees, including a detailed fee schedule, by logging in to NetBenefits.fidelity.com/pas or by calling 866-811-6041. Shareholders may be subject to certain short-term trading fees. Please consult the individual fund prospectus for more information.

Fidelity® Portfolio Advisory Service *at Work* is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. **This service provides discretionary money management for a fee.**



OPTION 4

Fidelity BrokerageLink[®]

(Self-Directed Brokerage Account Option)



Self-Directed Brokerage

- Brokerage accounts provide participants with the opportunity to invest in a broad range of investment options beyond those offered directly through the plans.
- This gives participants the ability to independently research and select from thousands of mutual funds, stocks, bonds, ETFs, CDs, etc.
- The Deferred Compensation Committee neither evaluates nor monitors the investments offered through this service.

BrokerageLink[®] includes investments beyond those in your plan's lineup. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance. See the fact sheet and commission schedule for applicable fees and risks.

What are some Frequently Asked Questions?



What are the key dates I need to be aware of?

July 17, 2017 (1:00 p.m. Pacific time)

New Investment Lineup Will Be Available

The new investment options will be available in the Ventura County Deferred Compensation Plans.

Freezing of Current Investment Options That Will Be Eliminated

Any investment not part of the final fund lineup will be frozen to new money and will be directed to the mapped fund detailed in the *Investment Lineup Changes Transition Guide*.

Please Note: This is for future contributions only. If you want to direct future contributions to one of the closing investment options, you must open a BrokerageLink account by 1:00 p.m. Pacific time on this date.

What are Some Frequently Asked Questions?



What are the key dates I need to be aware of?

August 17, 2017

One-Time In-Kind Transfer and BrokerageLink Deadline

If you want to maintain your balances in certain investment options that will no longer be part of the new investment lineup, and take advantage of a special, one-time “in-kind” transfer opportunity, you must enroll in BrokerageLink by **1:00 p.m.**

Pacific time on August 17, 2017.

“In-kind” means that your assets will be transferred to your brokerage account and will **NOT** be liquidated. Instead, they will be reinvested in the new investment options.

Note: Not all funds are eligible to move in-kind. For a list of funds that aren't eligible and details on how they will be mapped, please refer to the *Investment Lineup Changes Transition Guide*.

What are Some Frequently Asked Questions?



What are the key dates I need to be aware of?

August 31, 2017

Asset Transfer Date

- As of market close, generally **1:00 p.m. Pacific time**, all existing balances in investment options from the previous lineup, and any funds not eligible to transfer to BrokerageLink, will transfer to the new investment lineup as outlined in the "Fund Transfer Grid" section of the *Investment Lineup Changes Transition Guide*.
- If you have a BrokerageLink account and do not want one or more of your investment options to transfer in-kind to your BrokerageLink account, you will need to exchange the balance in that investment option to a different investment option within the Plan that will not be transferred to BrokerageLink, prior to **1:00 p.m. Pacific time, August 31, 2017**.

What are Some Frequently Asked Questions?



What do I need to do?

- If you are satisfied with the new fund lineup, and the mapping of your current investments into the new lineup, everything will occur for you. You do not have to enroll, reenroll or make new fund selections.
- If you do not want your fund selections to transfer as outlined in the *Investment Lineup Changes Transition Guide*, you may select alternative funds from those available in the new fund lineup. Any changes to how your contributions are to be redirected must be made before **1:00 p.m. Pacific time on July 17, 2017.**
- If you're invested in a fund that isn't listed in the Fund Transfer Grid of the *Investment Lineup Changes Transition Guide*, that fund isn't impacted by these changes and no action is required on your part.

What are Some Frequently Asked Questions?



What happens if an investment I want to keep is being removed?

- By enrolling in BrokerageLink, you can continue to invest in some of the investment options being removed from the plans on **August 31, 2017**, through a one-time "in-kind" transfer.
- **In order to take advantage of the “in-kind” transfer to BrokerageLink, you must already have a BrokerageLink account or enroll by 1:00 p.m. Pacific time on August 17, 2017.**
- Further information on BrokerageLink and the one-time in-kind transfer option is detailed in the *Investment Lineup Changes Transition Guide*.
- Not all funds are eligible to move in-kind. For a list of funds that aren't eligible and details on how they will be mapped, please refer to the *Investment Lineup Changes Transition Guide*.

What are Some Frequently Asked Questions?



Is there anything else I need to know about BrokerageLink?

- If you choose to invest future contributions or transfer assets into your BrokerageLink account, they will first go to the BrokerageLink Core Account until you make a new purchase.
- However, if you select the automatic contribution feature for payroll deductions, your future contributions will move from the BrokerageLink Core Account to the fund(s) you have selected in your BrokerageLink account.
- If you wish to establish the automatic contribution feature in your BrokerageLink account, please contact Fidelity for assistance.

What are Some Frequently Asked Questions?



Why is the County of Ventura making these changes?

- The County has improved its ability to monitor and review the performance of the funds by decreasing the number of funds available.
- Research has shown that excessive choice in a retirement plan causes many participants to make adverse portfolio choices or postpone decision making regarding their investments.
- By consolidating contributions into fewer funds with less redundancy, the County can increase its purchasing power and obtain institutional pricing with lower overall expense ratios for the collective benefit of all participants.

What are Some Frequently Asked Questions?



How did Ventura County choose the core funds?

- The new investment fund lineup was created after a careful and thorough evaluation by the Ventura County Deferred Compensation Committee and their independent third-party investment advisor, SageView Advisory Group, LLC.
- The analysis included a review of volatility/risk measures, fund performance, stability of management, and fees.

What are Some Frequently Asked Questions?



How will the new investment structure be beneficial to me?

The new investment structure is designed to provide you with a broad range of diversified investment options, but not so many that, when faced with choices, you will have a difficult time structuring an investment portfolio.

You will be able to select a path that is appropriate for you based on your:

- Investment knowledge
- Time horizon for managing your own investment portfolios
- Tolerance for risk

What are Some Frequently Asked Questions?



Does investment process simplification mean there will be fewer investment choices?

- The investment menu is being streamlined but will still include a substantial number of diversified investment options to choose from.
- There will be **115 funds** to select from effective **July 17, 2017**.
- The self-directed BrokerageLink account will give you access to a universe of thousands of mutual funds from hundreds of mutual fund companies. Stocks, bonds, ETFs, and CDs are also available through BrokerageLink. This feature will appeal to those participants who want the flexibility to invest outside of the core lineup of funds.

What are Some Frequently Asked Questions?



Will the self-directed BrokerageLink account have extra costs?

- There is no annual account service fee.
- Some funds may have transaction fees or sales loads.
- You can search for funds that do not have these fees associated with them.
- You can avoid these charges by using funds in the core lineup, many of which will have low institutional expense ratios.

What are Some Frequently Asked Questions?



I'm retired. How will my account be affected?

Current retirees will have the same investment options as active participants.

What are Some Frequently Asked Questions?



Who do I call if I have questions?

- Fidelity Investments: **800-343-0860**
- Llame al **800-587-5282** para hablar con un representante en Español.

Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Investing involves risk, including risk of loss.

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