



## Arizona Annuity and Deferred Compensation Governing Committee

### A MESSAGE FROM YOUR COMMITTEE CHAIRMAN

Dear Participant and Prospective Participants:

Welcome to the website for your tax-advantaged saving plans offered through the State of Arizona!

As you may know, the various investment offerings available through this website are overseen by the State of Arizona's **Annuity and Deferred Compensation Governing Committee** (the 'Committee'), and are administered by **Nationwide Retirement Solutions** ('Nationwide'), the vendor retained by the Committee.

The Committee recognizes that some participants want to actively engage in managing their investment portfolios, while others want less involvement. As a result, the Committee has selected a series of investment options which provide you with the opportunity to choose investments (mostly mutual funds as listed at [investment options listing](#)) that match your personal investment philosophy. So, regardless of which tax-advantaged savings plan you participate in, you can choose an investment approach that is right for you! Generally speaking, there are three investment approaches as follows:

#### 1. Choose *your own* portfolio from approximately 22 investment offerings

*This approach is typically used by participants who are quite knowledgeable about, and willing to allocate time to, investing.*

If you choose this approach, the following set of investment offerings (mostly mutual funds) are available. They are organized into the following eight generalized categories:

- Short Term Investments (3 investment options)
- Medium Term Bonds (4 investment options)
- Large Size US Companies (4 investment options)
- Medium Size US Companies (2 investment options)
- Small Size US Companies (3 investment options)
- International Companies (4 investment options)
- Real Estate (1 investment option)
- Balanced Combination (1 investment option)

In addition, a broader range of investment offerings are available through a Schwab account (called a **Personal Choice Retirement Account** or 'PCRA'). Investments you choose within this Schwab account are not, however, monitored by the Committee or Nationwide.

In general, if you choose this approach, you should select at least one investment offering from several different categories listed above and fully diversify your portfolio.

2. Choose a *pre-diversified* portfolio from the five **‘risk-based’** investment offerings.

*This approach is typically utilized by people who want a pre-defined and pre-diversified portfolio based upon their attitude towards investment risk.*

If you choose this approach, you may choose from among five risk-based investment options (mutual funds), each with its own investment strategy based upon the investment risk (from conservative to aggressive) you identify for yourself. These risk-based investment options are referred to as *Nationwide Investor Destination* funds.

3. Choose a *pre-diversified* portfolio from the eight **‘retirement-date’** investment offerings.

*This approach is typically used by people who want a pre-defined and pre-diversified portfolio based upon their planned retirement date.*

If you choose this approach, you may choose from among eight retirement-date investment offerings (mutual funds), each with its own investment strategy based upon the retirement date you choose for yourself. These retirement-date investment offerings are referred to as *American Funds Target Date Retirement\** funds.

Here are some quick ways to get started on saving if you think a tax-advantaged savings plan may be right for you!

*Call a retirement specialist:*

1-602-266-2733

1-800-796-9753

*Visit a local retirement specialist:*

4747 N. 7th Street

Suite 418

Phoenix AZ 85014

*Email a retirement specialist:*

[nrsforu@nationwide.com](mailto:nrsforu@nationwide.com)

*Enroll online:*

<https://www.arizonadc.com/iApp/tcm/arizonadc/enroll/index.jsp>

*Access online tools and calculators to help plan for your retirement:*

<https://www.arizonadc.com/iApp/tcm/arizonadc/learning/tools/index.jsp>

\*Target Maturity/Target Date/Target Retirement funds are designed for investors who plan to withdraw funds during or near a specific year after retirement. As a result, the funds are managed to become more conservative – that is, decrease in market risk —as that year approaches. However, no strategy can assure a profit or prevent a loss in a declining market; the funds are not guaranteed to provide enough income to last through retirement.

Although investing can be complicated, our focus over the past few years has been to provide a variety of investment approaches based on your personal preference regarding your level of involvement and desired simplicity.

On behalf of both the Committee and Nationwide, we hope you find this summary of the Committee's investment philosophy, as well as our website, helpful. Our best wishes for a fulfilling career and a happy, financially-prepared retirement!

Your Chairman,

A handwritten signature in black ink, appearing to read "P. Matson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Matson  
Arizona Annuity and Deferred Compensation Governing Committee

**Before investing, consider the fund's investment objectives, risks, and charges and expenses carefully. Each fund's prospectus contains this and other important information, and is available by calling 877-6777-3678 or by download at [ArizonaDc.com](http://ArizonaDc.com). Read carefully before investing.**

Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, Member FINRA.

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