



## Kentucky Public Employees' Deferred Compensation Authority Plans

2nd Quarter 2024 Performance Results  
of Investment Options — Without Plan Asset Charges

[kentuckydcp.ky.gov](http://kentuckydcp.ky.gov)  
1.800.542.2667 or 502.573.7925

The following are the percentage changes in Net Assets (with capital gains and income dividends reinvested) for the funds under the Plan(s), without reduction for Plan charges for the respective period(s) ended **June 30, 2024**.

The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting [kentuckydcp.ky.gov](http://kentuckydcp.ky.gov).

**Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other information about the investment company. Prospectuses are available online at [kentuckydcp.com](http://kentuckydcp.com) or by calling 502-573-7925 or 800-542-2667.**

It should be noted, some mutual funds may impose a short term trading fee, while other funds may be subject to a trade restriction policy. Please read the prospectus carefully before investing.

Note: Any comparisons should be made only after a recognition of the differences in the investment policies and objectives of the companies' investments. Fixed Contract Fund 3 has an annual Plan recordkeeping fee of .32% and the Authority's fee on the other Board Administered funds will not exceed a maximum annual Plan recordkeeping fee of .32%. None of the returns below reflect the deduction of any Plan(s) charges which may be assessed to the Plan(s) participants. The deduction of these charges would reduce the performance quoted. However, the current underlying fund expenses as of June 30, 2024 are reflected.

Investment Options (fund class, inception date)	TICKER	Total Return		Average Annual Return		Inception to Date*	Gross Expense Ratio**
		3 MONTH	1 YEAR	5 YEAR	10 YEAR		
<b>Target Date Funds</b>							
Vanguard Target Retirement 2020 Fund	VTW NX	1.05	9.24	5.15	5.35	6/7/06	0.08
Vanguard Target Retirement 2025 Fund	VTTV X	1.26	11.02	6.12	6.03	10/27/03	0.08
Vanguard Target Retirement 2030 Fund	VTHR X	1.37	12.39	6.95	6.58	6/7/06	0.08
Vanguard Target Retirement 2035 Fund	VTTX X	1.55	13.52	7.77	7.12	10/27/03	0.08
Vanguard Target Retirement 2040 Fund	VFOR X	1.73	14.74	8.59	7.65	6/7/06	0.08
Vanguard Target Retirement 2045 Fund	VTIV X	1.90	15.81	9.40	8.12	10/27/03	0.08
Vanguard Target Retirement 2050 Fund	VFIX X	2.02	16.63	9.68	8.26	6/7/06	0.08
Vanguard Target Retirement 2055 Fund	VFFV X	2.02	16.61	9.67	8.24	8/18/10	0.08
Vanguard Target Retirement 2060 Fund	VTTX X	2.03	16.60	9.68	8.23	1/19/12	0.08
Vanguard Target Retirement 2065 Fund	VLXV X	2.03	16.63	9.66	N/A	7/12/17	0.08
Vanguard Target Retirement 2070 Fund	VSVN X	2.01	16.65	N/A	N/A	6/28/22	0.08
Vanguard Target Retirement Income Fund	VTIN X	0.89	7.96	3.72	3.95	10/27/03	0.08
<b>International Stock Funds</b>							
Dodge & Cox International Stock Fund	DODFX	0.02	8.73	6.71	3.52	5/1/01	0.62
American Funds EuroPacific Grwth Fd (Class R6)	RERGX	-0.23	10.82	6.05	5.25	4/16/84	0.47
<b>Small - Mid (SMID) Cap Funds</b>							
T Rowe Price Mid-Cap Equity Growth (Instl Shares)	PMEGX	-4.66	10.29	7.81	10.65	7/31/96	0.61
Vanguard Extended Market Index	VEMPX	-3.42	14.99	8.72	8.28	1/14/11	0.04
Principal Small-MidCap Dividend Income Fund (Class R6)	PMDHX	-4.44	13.09	7.81	7.35	6/6/11	0.79
<b>Large Cap Funds</b>							
Fidelity Growth Company Fund (Class K6)	FGKFX	8.37	38.97	23.53	N/A	6/13/19	0.45
JPMorgan Equity Income (Class R6)	OIEJX	-1.79	10.88	9.22	9.32	7/2/87	0.45
Vanguard Institutional Index Fund (Inst. Plus Shares)	VIIIX	4.28	24.53	15.03	12.85	7/7/97	0.02
<b>Stable Value Fund</b>							
Fixed Contract Fund 3	N/A	0.68	2.61	1.98	1.89	3/31/00	0.26
<b>Bond Funds</b>							
Vanguard Total Bond Mkt Index (Instl Shares)	VBPIX	0.18	2.77	-0.19	1.35	9/18/95	0.04
MetWest Total Return Bond Fund	MWTSX	0.05	2.93	-0.13	1.42	7/29/11	0.37
Invesco Government & Agency Portfolio	AGPXX	1.31	5.37	2.12	1.46	9/1/98	0.16
<b>Balanced Fund</b>							
Vanguard Wellington (Admiral Shares)	VWENX	2.58	15.07	8.74	8.14	5/14/01	0.17

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### Definitions and Explanations

**Balanced Funds** — These funds generally have a three-part investment objective:

- To conserve investors' initial principal
- To pay current income
- To promote long-term growth of both income and growth

Balanced funds typically invest in a mix of at least 25% in bonds and the remainder in stocks.

**Bond Funds** — Debt securities issued by a corporation, the U.S. Government, or a governmental agency that represents a loan to the issuer. The issuer guarantees to repay the loan by a specific date and to pay regular, fixed interest payments during that period.

**Capitalization (cap)** — The total market value of all of a company's outstanding shares, often abbreviated as "cap." Small-cap generally refers to a company with market capitalization of between \$300 million and \$2 billion; mid-cap, between \$2 billion and \$10 billion; and large-cap, more than \$10 billion.

**International Funds** — A mutual fund that invests in foreign markets but excludes investment in the country where it operates. Not to be confused with a global fund, which invests in foreign markets as well as the country where it operates.

Funds that invest internationally involve risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting, and the limited availability of information.

**Large-Cap Funds** — Invest in the largest 5% of the 5000 domestic equity companies and generally have a market capitalization (valuation) greater than \$10 billion. These are the larger, more established, profitable and well-known companies.

**Operating Expenses** — Reported as a percentage (or ratio) of the fund's assets and reflect those gross costs reported in the most recent prospectus available for each fund. These ratios do not include the impact of waivers, interest expenses or other voluntary adjustments authorized by the management of each fund group. The impact of such adjustments would be a lower expense charged. Expense ratios are subject to change. Consult the relevant prospectus or fund fact sheet for more detailed information regarding actual net costs incurred by investors in any given period. Operating expenses shown are as of Dec. 31, 2020.

**Short-term Investments** — Investments that generally do not fluctuate in market value and yield regular interest payments. These investments could be placed in bank deposits, money market instruments, U.S. Treasury bills, guaranteed investment contracts (GICs), Stable Value funds, short-term bonds, or fixed annuity products offered by insurance companies.

**Small-to-Mid Cap Funds** — Invests primarily in the stocks of smaller, lesser-known corporations that have a market capitalization (valuation) ranging from less than \$1.6 billion up to \$10 billion.

Small or emerging companies may have less liquidity than larger, established companies. Therefore, funds investing in stocks of small or emerging companies may face greater price volatility and risk.

**Stable Value Options** — Low-risk investments that invest in wrap contracts to offer a guaranteed return.

While they are designed to protect the investor against a decline in yield or a loss of capital, the value of the securities held by stable value funds will fluctuate and thus, there is the risk that an investor will lose money.

**Target Date Funds** — A mutual fund that automatically adjusts the mix of stocks, bonds and cash equivalents in its portfolio over time. Investors can select an anticipated year of retirement, and the portfolio will gradually get more conservative until the target date is reached.

#### Authority "Watch List" Announcement

The Board of Trustees (Board) of the Kentucky Public Employees' Deferred Compensation Authority (Authority) has adopted investment guidelines, referred to as Monitoring Investment Options, as amended December 8, 2011 (the "Watch Policy"), which constitutes a part of the Investment Policy Statement for the Authority 401(k) and 457 Plans. The Watch Policy assists the Board in its review of the investments held in the Authority Plans and its assessment of plan investment options in comparison with investment evaluation standards and measures of performance. If you would like a copy of the Watch Policy, Investment Policy Statement, or list of fund options currently on "watch" status, please contact us at 1-800-542-2667.

Disclaimers: The Watch Policy and Watch-listed funds should not be relied upon to invest or exchange Plan(s) fund options and the Watch Policy does not constitute investment advice. Each Plan participant is responsible for his/her own individual investment selections and any resulting gains or losses. Participants should read fund prospectus(es) carefully before investing.

\* Return since fund class first came into existence.

\*\* Gross expense ratios represent the fund's total operating expenses expressed as a percentage of the assets held in the fund. The gross expense ratios provided are as of June 30, 2024. For more information about gross expense ratios read the fund's prospectus.

<sup>1</sup> The Vanguard Target Retirement Funds invest in a wide variety of underlying funds to help reduce investment risk. Their expense ratio represents a weighted average of the expense ratios and any fees charged by the underlying mutual funds in which the Vanguard Target Retirement Funds invest. The Vanguard Target Retirement Funds do not charge any expense or fees of their own. Like other funds, Vanguard Target Retirement 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.

<sup>2</sup> Bond funds have the same interest rate, inflation and credit risks associated with the underlying bonds owned by the fund.

<sup>3</sup> Small company funds involve increased risk and volatility.

<sup>4</sup> International investing involves additional risks including: political instability, currency fluctuations, differences in accounting standards, and foreign regulations.

<sup>5</sup> An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although the money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the money market. The money market fund current yield is the annualized historical yield for the 7-day period ending on the last day of the calendar quarter.

<sup>6</sup> Returns include performance based on a previous share class. Returns have not been re-calculated to reflect the fees of the stated share class.

<sup>7</sup> Fixed Contract Fund 3, managed by INVESCO, is a portfolio of investment contracts issued by insurance companies, banks and other financial institutions. This is not a publicly traded fund. Accounts are credited with an interest rate which when compounded daily equals the current yield, less Plan charges. The fund's underlying gross expenses are factored into the current yield. Insurance wraps and other protections are based on the claims-paying ability of the issuing insurance company.

N/A = return not available

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