

GUIDE TO Investment Options



New York State
Deferred Compensation Plan

A Plan for Your Future

Welcome to your investment options guide

As a participant in the New York State Deferred Compensation Plan (the Plan), you are investing to supplement your retirement income and achieve a goal that may be decades away.

Investing for retirement differs from other strategies in a few ways.

- Retirement investing is usually long-term
- Distributions are usually made over a number of years instead of in a single lump-sum
- Income earned and transactions are not taxed until withdrawals are taken

Exception: After-tax Roth 457 contributions and any earnings from investments of those contributions are not subject to taxation, once certain criteria are met.

Investing through the Plan offers benefits you may not find elsewhere.

- Wide selection of investment options suitable for retirement investors
- Board oversight and regular reviews of investment options
- Lower costs driven by the power of group buying
- Account Executives who:
 - Know the issues most retirement investors face
 - Can help you understand the options available through the Plan
 - Are motivated to help participants be successful through the Plan
- Website offering account access 24/7/365, featuring:
 - My Interactive Retirement PlannerSM to help you see how financial decisions, assets and planning may affect your financial future
 - Investment tools/asset allocation tool
 - Access to your quarterly statement
 - Learning Center to help you navigate through unfamiliar territory
 - Library of Plan documents, brochures, forms and newsletters

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

Types of investment options offered through the Plan

Mutual funds are diversified portfolios of stocks, bonds and other investments chosen by a fund manager to achieve a stated objective. Each fund is assigned a five-letter ticker symbol that helps investors find information via financial websites and publications. In addition, each fund publishes a prospectus: a formal legal document filed with the SEC that provides details about its investment objective, fees, charges and expenses, and related information.

Collective investment trusts (CITs) are similar to mutual funds, offering many of the same diversification and management services as mutual funds but generally at a lower cost. Many CITs are designed specifically for retirement plan investors. Therefore, specific information about a CIT may be available solely through the Plan that offers it. Participants may request fact sheets about CITs offered through the Plan by calling the HELPLINE, or they may download them from www.nysdcp.com.

Custom funds are diversified investments created for the exclusive use of Plan participants. A custom fund may have several separate account investment management companies used together to create a fund for the Plan. Because of their custom nature, information about these funds is available only through the Plan. As with CITs, participants may request fact sheets about each of the Plan's custom funds from the HELPLINE or download them from www.nysdcp.com.

Investing involves market risk, including possible loss of principal. No investment strategy — including asset allocation, diversification and dollar cost averaging — can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Before you decide to direct investments under the Plan, carefully consider the fund's investment objectives, investment methods, risks, charges and expenses. This and other information is contained in the fund prospectus, which you should read carefully before investing. To get any prospectus, ask your Account Executive, call the HELPLINE at 1-800-422-8463 or access the website (www.nysdcp.com). There is no prospectus for CITs and custom funds because these options are not mutual funds. You may obtain a fact sheet on each of these options from the HELPLINE or our website.

Three approaches to investing through the Plan



DO IT FOR ME

The Plan recognizes that participants may have differing levels of comfort with investing. Therefore, we have created three approaches that are generally aligned with how comfortable or willing you are to manage how your retirement assets are invested through the Plan.



DO IT FOR ME

An approach that uses target date CITs based on when you plan to retire or begin taking withdrawals



DO IT YOURSELF

An approach to personally design and monitor your asset allocation and investment options



SPECIALTY OPTIONS

Options that represent special interests such as environmental, social and governance factors or other specialty investment strategies

This approach uses T. Rowe Price Retirement Date Trusts, a series of collective investment trusts (CIT) managed to provide diversified asset allocation across many asset classes appropriate for Plan participants. A Retirement Date Trust may be a great way to get a well-diversified portfolio that you can “set and forget.”

The further away the Trust’s target date (expressed as a year in the Trust’s name) is, the more aggressively its assets will be invested. The target date, offered in five-year increments, refers to the approximate year a participant plans to begin taking withdrawals. T. Rowe Price uses a “glide path” to adjust the asset allocation to automatically become more conservative as the investor approaches the target date.

Because the Trust manager has already provided a well-diversified portfolio, investors typically select just one Retirement Date Trust. However, if you plan to retire significantly earlier or later than age 65, you may want to consider carefully which Retirement Date CIT, if any, would be appropriate for your needs.

Investing involves market risk, including possible loss of principal. No investment strategy — including asset allocation, diversification and dollar cost averaging — can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.

The principal value of the TRP Retirement Date Trusts is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the Trust. If an investor plans to retire significantly earlier or later than age 65, the Trusts may not be an appropriate investment, even if the investor is retiring on or near the target date. The Trusts’ allocations among a broad range of underlying stock and bond funds will change over time. The Trusts emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term post-retirement withdrawal horizon. The Trusts are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. They maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility over shorter time horizons.

There is no prospectus for CITs or custom funds because these options are not mutual funds. You may obtain a fact sheet on each of these options from the HELPLINE at 1-800-422-8463 or our website at www.nysdcp.com.



DO IT YOURSELF

If you feel that you have the time, expertise and desire to make your own investment decisions, our Do-It-Yourself approach may be appropriate for you. You should consider diversification, dollar cost averaging and the relationship between investment risk and reward.

Diversification employs the popular saying, “Don’t put all your eggs in one basket.” Investing often goes through cycles during which a particular type of investment or style of investing may do very well for a period of time, while another may be temporarily out of favor. By having a thoughtfully considered mix of investment styles and types, you may be able to reduce the effects of market volatility on your retirement account and potentially increase your long-term returns.

Dollar cost averaging is a strategy through which an individual makes regular recurring investments into a portfolio. This results in the investor buying more shares at lower prices and fewer shares at higher prices. As a Plan participant who makes contributions each payday, you automatically use a form of dollar cost averaging. No investment strategy can guarantee to make profits or avoid losses, but retirement investors tend to have better long-term results when averaging out performance over time rather than making frequent changes to their account.

Risk vs. reward is an investing term that addresses the relationship between the amount of risk (the potential for loss of your money) and the potential rate of return on an investment (the reward). Typically, the more risk assumed, the greater potential returns on an investment over a long period of time. History has shown that properly diversified investments that declined in value in the short term, which can last for several years, have recovered over the long-term. When using the Do It Yourself approach, you will want to identify your

personal time frame (the period between now and when you plan to retire) so that you can select an appropriate level of risk and asset allocation for your Plan account.

The investment options offered under the New York State Deferred Compensation Plan offer diversity and flexibility to Plan participants. Amounts that participants contribute to the Plan may be invested in one or more of the above investment options. The asset classification and/or investment style of any investment option may change. The information concerning asset classification and investment style provided in this guide was last updated in May 2017.

Investing involves market risk, including possible loss of principal. No investment strategy — including asset allocation, diversification and dollar cost averaging — can guarantee to make a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Before you decide to direct investments under the Plan, carefully consider the option’s investment objectives, investment methods, risks, charges and expenses. This and other information is contained in the fund prospectus, which you should read carefully before investing. To get any prospectus, ask your Account Executive, call the HELPLINE at 1-800-422-8463 or access the website at www.nysdcp.com.

There is no prospectus for CITs and custom funds because these options are not mutual funds. You may obtain a fact sheet on each of these options from the HELPLINE or our website.

Asset classes/investment types

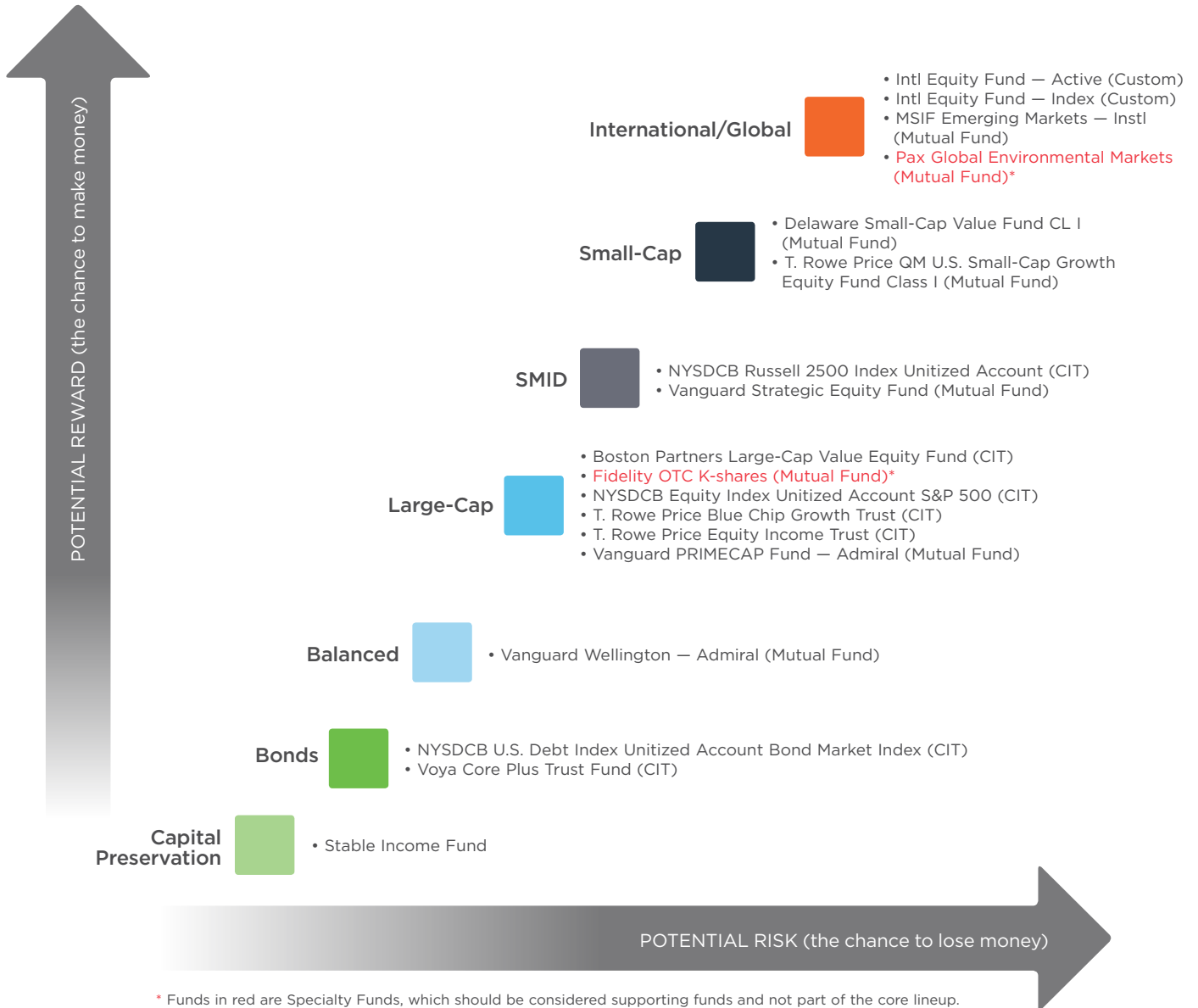
An asset class is the category or type of investment that a fund is expected to invest in. They are listed here in the approximate order of expected risk — from the most conservative to the most aggressive.

Stable income fund

The Stable Income Fund invests in a combination of managed bond portfolios integrated with wrap contracts to provide a stable value and low-to-modest returns. An investment in the Fund is designed to not fluctuate in value. The Fund is not guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency.

The Stable Income Fund seeks to preserve principal and provide a competitive rate of return. However, as with all investments, the Fund involves certain risks, including inflation risk and credit risk.

Risk/Return Profile



Bond funds

Bonds are loans to corporations, municipalities, the federal government or other issuers. Most bonds pay interest until the bond matures.

Bond funds are portfolios of various bonds that are acquired, held and sold by the fund manager to achieve the fund's investment objective. The Plan offers bond funds because the risk of a diversified portfolio is generally much less than that of a single bond or sector in the market. Because bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds, a fund manager may acquire and hold many different issues of bonds to comprise a given bond fund.

Balanced funds

Balanced funds invest in both bonds and stocks. The purpose is to achieve higher returns than a bond fund but with less volatility or price fluctuation than most stock funds.

U.S. stock funds

A stock represents a share of ownership in a corporation or certain partnerships. This category is further broken down by capitalization (cap), which essentially means the size of the companies that are being invested in. Historically, stocks have been among the higher-returning types of investments. However, in the short term, the price of a single share or the stock market as a whole can fluctuate quite a bit for a variety of reasons. Stock funds are portfolios of various stocks that are acquired, held and sold by the fund manager to achieve the fund's investment objective. The Plan offers stock funds because the risk of a diversified portfolio is generally much less than that of a single stock or sector in the market.

- » **Large-cap funds** invest primarily in the stocks of the largest companies in the U.S. These companies tend to be well established with long track records of success and experienced management. Traditionally, these are considered to be the most conservative stock investments and will often compose a large percentage of a portfolio.

- » **Small/mid-cap funds (SMID)** invest in small and midsize companies, respectively. Stocks of smaller companies can experience more volatility than those of larger companies because these companies may have less experienced management, fewer resources and may not be well established in their marketplace. These funds offer the potential for higher long-term returns than large-cap stock funds but do so at the cost of increased potential risk and volatility. Do It Yourself participants can incorporate SMID investment options to complete a well-rounded and diversified portfolio.

- » **Small-cap funds** often consist of young, dynamic companies in high-growth phases. Contrary to popular belief, not all small-cap stocks have a technology focus. There are small-cap stocks in nearly every industry sector. It is true, however, that small-company stocks are often more volatile than stocks of larger, more established companies. Smaller companies do not always have the resources and management experience to weather downturns in business cycles. Small caps can offer growth potential, but may involve higher risk and volatility.

International stock funds — established markets

International funds primarily own shares of companies that are headquartered outside of the U.S. and are listed on foreign exchanges. International investments may be subject to several additional risk factors, such as government instability, currency valuation and market regulation. Despite these added risks, these investments can be an important diversifier to portfolios because foreign stock markets do not always move in the same direction as U.S. markets.

International stock funds — emerging markets

Emerging market funds also invest in the stocks of companies not headquartered in the U.S., but they have an emphasis on companies located in less-developed markets. These countries may include Brazil, Russia, India and China, among others. The investment markets in these countries have the potential for very high growth rates but can also be extremely volatile and unpredictable.

International investing involves additional risks, including currency fluctuations, political instability and foreign regulations, all of which are magnified in emerging markets.



SPECIALTY OPTIONS

Index and actively managed investment options

The Plan offers both index and actively managed investment options. Each offers benefits that you may want to consider, depending on your circumstances.

- » **Index funds** are sometimes called passive investment strategies. An index fund is a portfolio constructed to match or track the components of a market index. A market index is a grouping of securities selected by analysts to track and gauge performance of a certain part of the market. An example of an index is the S&P 500, which is used to track performance of large companies in the U.S. stock market. An S&P 500 index fund would mirror the investments in the S&P 500 index. Since the fund manager doesn't need to pay for extensive research, expenses for index funds tend to be very low. Some investors choose to build their portfolios solely using index funds to keep expenses as low as possible. The Plan offers an index fund in each major asset class.
- » **Actively managed funds** employ one or more fund managers and investment analysts to research and select investments that they believe will perform better than average for their category, which is measured by the corresponding index. The objective for an actively managed fund is that over a long period of time, it will consistently outperform the index for its category. A possible disadvantage of this approach is that the cost of management and more frequent trading can result in higher expenses for investors.

Opportunities for advanced and experienced investors

Specialty options within the Plan are a limited number of investment options that may represent specialized interests such as environmental, social and governance (ESG) factors or higher risk markets focusing on future technological advances. These options may not be intended to stand alone or compose a majority of your Plan account.

Plan participants who are advanced investors have the option of creating a "subaccount" by opening a **Schwab Personal Choice Retirement Account® (PCRA)**. The Schwab PCRA is a self-directed investment option (SDIA) that opens a window to a much expanded range of mutual fund and exchange-traded fund options. Participants should review SDIA restrictions and additional costs before moving any money to the SDIA.

Both specialty options and the Schwab PCRA may provide opportunities for an advanced investor and offer something different from what is available in the Do It For Me or Do It Yourself investment approaches available through the Plan.

Investments placed through the Schwab PCRA are not monitored by the NYSDCP Board or staff. Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc., a registered broker/dealer, which is not affiliated with NYSDCP or the Plan Administrator.

Services to help you

Tools available

There are a number of tools available to assist you in selecting an appropriate mix of investment options for your Plan account.

The Plan website, www.nysdcp.com, has an **asset allocation tool** that asks you to answer several questions about your timeframe to retirement and tolerance to risk to identify a portfolio category from conservative to aggressive, with a suggested percentage for each asset class.

There is also a printed version of this tool available by calling the HELPLINE at 1-800-422-8463.

The Plan also publishes the quarterly Investment Performance Report (IPR) which lists all of the available Plan investment options with their performance record and expenses. You may find it helpful to have a copy of the most recent IPR when you are selecting your investments.

Making changes to your investments

You should review your investment choices periodically to ensure that they are still appropriate for your goals, risk tolerance and timeframe. There are several changes that can be made to your investments explained below. Changes can be made either by calling the HELPLINE at 1-800-422-8463 or using the Plan website at www.nysdcp.com.

Allocation

An allocation change is a change to how new contributions to the Plan will be invested. A change to your allocations will not move any of the money already in the Plan. To make an allocation change on the website, click “Manage My Funds” while logged in, and then select the “Change Your Investment Election” option. Allocations must always total 100%.

Exchanges

An exchange in your Plan account moves money that is already invested from one or more funds to other available investment options. You can specify either a dollar amount to be transferred or a percentage of the balance in the fund to be exchanged. Making an exchange will not change how future contributions will be invested. To make an exchange on the website, click “Manage My Funds” while logged in, and then select the “Exchange Funds” option. It is important to be aware of any exchange restrictions that may apply.

Rebalancing

You may also rebalance your portfolio to a new set of percentages adding up to 100%. This is referred to as an end results exchange. This is used to either realign your existing money to match your initial allocation if it has drifted apart or to institute a completely new investment strategy. To rebalance your account on the website, click on “Manage My Funds,” and then select the “Reallocate Your Account Balance” option. Note that this will not change the way that future contributions are invested. If a completely new strategy is desired, one must also make an allocation change.

Investment expenses and reimbursements

Some mutual fund companies pay reimbursements when the Plan is performing administrative functions that the companies would otherwise have to perform themselves. Mutual fund reimbursements paid to the Plan will be credited as soon as administratively feasible directly to the accounts of participants that hold that fund. These reimbursement payments offset a portion of a fund’s gross expense ratio. The reimbursements and gross expense ratios for all funds can be found on the Investment Performance Report (IPR) mailed with your quarterly statements or at www.nysdcp.com.

Exchange restrictions

Some investment options restrict how often you may exchange in and out of a fund. Excessive exchange activity is discouraged and may cause your account to be restricted. You will receive a warning letter if excessive trading is determined for your account. New contributions and sales of shares to fund distributions are not considered transactions for these purposes. More information is available on the website.



Fact sheets

Fact sheets are available for all investment options at www.nysdcp.com.



HELPLINE and account executives

The HELPLINE and our Account Executives are here to help. Contact them at 1-800-422-8463.

Table of investment options



DO IT FOR ME

Investment Option Name	Ticker Symbol	VRU Number	Description
TRP Retirement Date 2010 Trust	N/A	2016	T. Rowe Price Retirement Date Trusts are designed to provide diversification and asset allocation across several types of investments and asset classes. Each trust represents an inclusive portfolio that is managed for people planning on retiring or using the money in the account at or around the target year named in the specific trust.
TRP Retirement Date 2015 Trust	N/A	2017	
TRP Retirement Date 2020 Trust	N/A	2018	
TRP Retirement Date 2025 Trust	N/A	2019	
TRP Retirement Date 2030 Trust	N/A	2020	
TRP Retirement Date 2035 Trust	N/A	2021	
TRP Retirement Date 2040 Trust	N/A	2022	
TRP Retirement Date 2045 Trust	N/A	2023	
TRP Retirement Date 2050 Trust	N/A	2024	
TRP Retirement Date 2055 Trust	N/A	2025	
TRP Retirement Date 2060 Trust	N/A	2026	

The principal value of the TRP Retirement Date Trusts is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the Trust. If an investor plans to retire significantly earlier or later than age 65, the Trusts may not be an appropriate investment even if the investor is retiring on or near the target date. The Trusts' allocations among a broad range of underlying stock and bond funds will change over time. The Trusts emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term post-retirement withdrawal horizon. The Trusts are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. They maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility over shorter time horizons.



DO IT YOURSELF

Investment Option Name	Ticker Symbol	VRU Number	Description
Stable Income Fund (Custom)	N/A	2756	Seeks to provide a relatively stable credited interest that can be earned using guaranteed investment contracts, managed bond portfolios combined with wrap agreements and short term investments. However, as with all investments, the Fund involves certain risks including inflation risk and credit risk.
BOND FUNDS			
NYSDCB U.S. Debt Index Unitized Account (CIT)	N/A	1788	Invests in a portfolio of assets whose performance seeks to match the performance of the Barclays U.S. Aggregate Bond Index.
Voya Core Plus Trust Fund (CIT)	N/A	1794	Uses a total return approach, investing across the full spectrum of the fixed income market including up to 20% in below investment grade securities.
BALANCED FUNDS			
Vanguard Wellington — Admiral (Mutual Fund)	VWENX	8957	Invests using a balanced asset allocation of 60 to 70% stocks and 30 to 40% bonds. Seeks long-term capital appreciation and reasonable current income with moderate risk.
U.S. COMMON STOCK — LARGE-CAP FUNDS			
NYSDCB Equity Index Unitized Account (CIT)	N/A	1789	A passive large-cap equity option that invests in a portfolio of assets whose performance seeks to match that of the S&P 500.
Boston Partners Large-Cap Value Equity Fund (CIT)	N/A	1787	Seeks to outperform the Russell 1000 Value Index over full market cycles through an emphasis on careful fundamental analysis and stock selection.
T. Rowe Price Equity Income Trust (CIT)	N/A	1791	Seeks a high level of dividend income and long-term capital growth primarily through investments in large-capitalization stocks that have a strong track record of paying dividends or that are believed to be undervalued.
Vanguard PRIMECAP Fund — Admiral (Mutual Fund)	VPMAX	2765	Seeks to provide long-term capital appreciation by using fundamental stock selection, investing in out-of-favor growth companies at attractive valuations.
T. Rowe Price Blue Chip Growth Trust (CIT)	N/A	2015	The option's objective is to provide long-term capital growth by investing in the stocks of large and medium-sized blue chip companies that have the potential for above-average earnings growth and are well established in their respective industries.
U.S. COMMON STOCK — SMID FUNDS			
NYSDCB Russell 2500 Index Unitized Account (CIT)	N/A	1790	Invests in a portfolio of assets whose performance seeks to match the performance of the Russell 2500 Index, which tracks a representative grouping of small- and mid-cap (SMID) stocks.
Vanguard Strategic Equity Fund Investor Shares (Mutual Fund)	VSEQX	653	Invests in small- and mid-cap stocks (SMID) screened using a quantitative model looking for an appropriate balance between strong growth prospects and reasonable valuations relative to their industry peers.
U.S. COMMON STOCK — SMALL-CAP FUNDS			
Delaware Small-Cap Value Fund — Institutional (Mutual Fund)	DEVIX	1692	Seeks capital appreciation by investing primarily in small companies whose stock prices appear low relative to their underlying value or future potential.

———— DO IT YOURSELF cont'd ————

Investment Option Name	Ticker Symbol	VRU Number	Description
T. Rowe Price QM U.S. Small-Cap Growth Equity Fund I Class (Mutual Fund)	TQAIX	1793	Seeks long-term growth of capital by investing primarily in common stocks of small companies with opportunities for growth.
INTERNATIONAL STOCK FUNDS			
International Equity Fund — Active Portfolio (Custom)	N/A	5025	Managed to provide long-term growth of capital through exposure to the broad international established stock market, diversifying broadly among developed markets with modest exposure to the developing or emerging markets.
International Equity Fund — Index Portfolio (Custom)	N/A	5030	Managed to provide long-term growth of capital through exposure to the broad international established stock market by closely tracking the performance of the Morgan Stanley EAFE index.
MSIF Emerging Markets Portfolio — Institutional (Mutual Fund)	MMMPX	1458	Seeks to maximize returns by investing primarily in growth-oriented equity securities in emerging markets. Under normal circumstances, at least 80% of the fund's assets will be invested in equity securities of issuers located in emerging market countries. Emerging market investments tend to be riskier than international established markets.



———— SPECIALTY OPTIONS ————

Investment Option Name	Ticker Symbol	VRU Number	Description
Pax Global Environmental Markets Fund — Institutional (Mutual Fund)	PGINX	1963	Invests across all environmental sectors and is fossil-fuel free. The Environmental, Social and Governance (ESG) fund typically invests in companies engaging in activities such as energy efficiency and renewable or alternative energy, water infrastructure, pollution control and more.
Fidelity OTC — K Shares (Mutual Fund)	FOCKX	1974	Normally invests at least 80% of assets in securities principally traded on NASDAQ or an over-the-counter market, which has more small and midsize companies than other markets. Invests more than 25% of total assets in the technology sector and therefore is expected to be more volatile than the general stock market.

For current expense information for all investment options, please refer to the Plan website or your most recent quarterly investment performance report.

Before you decide to direct investments under the Plan, carefully consider the fund's investment objectives, investment methods, risks, charges and expenses. This and other information is contained in the fund prospectus or option fact sheet, which you should read carefully before investing. To get a prospectus or fact sheet, ask your Account Executive, call the HELPLINE at 1-800-422-8463 or access the website at www.nysdcp.com.

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NYSDCP MAKES A DIFFERENCE!

Plan Mission Statement

The New York State Deferred Compensation Plan is a voluntary retirement savings plan that provides quality investment options, investment educational programs and related services to help State and local public employees achieve their retirement savings goals.

Administrative Service Agency Mailing Address

New York State Deferred Compensation Plan
Administrative Service Agency
PO Box 182797
Columbus, OH 43272-4227

Phone (toll-free): 1-800-422-8463

Available 24 hours a day. Personalized assistance is available 8 a.m. to 11 p.m., Monday through Friday and 9 a.m. to 6 p.m. on Saturdays, except holidays. TTY/TDD services are available toll-free: 1-800-514-2447 — 24 hours a day.

Website: www.nysdcp.com

New York State Deferred Compensation Board
1450 Western Avenue, Suite 103, Albany, NY 12203
1-518-473-6619

The NYSDCP does not discriminate on the basis of disability in the provision of service or employment. If you need this material interpreted in a different form or if you need assistance using it, contact us at 1-800-422-8463. The New York State Deferred Compensation Plan is a State-sponsored employee benefit for State employees and employees of participating employers. Account Executives are registered representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

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**New York State
Deferred Compensation Plan**

A Plan for Your Future

