New York State
Deferred Compensation Plan
A Plan for Your Future

Trading Restrictions and Redemption Fees

Excessive trading (also known as frequent trading or market timing) is the practice of buying and selling investments frequently in an attempt to capitalize on short-term movements or pricing disparities in the market. This practice increases fund expenses, which results in higher fees and adversely affects fund performance for all shareholders invested in the fund.

Excessive Trading Policy

Designed to protect participants from the potential negative impacts of market timing, our excessive trading policy imposes a 6/11/20 rule.

If a participant makes six or more trades over one calendar quarter, they will receive a warning letter through the mail via U.S.P.S. If a participant makes 11 trades over two consecutive quarters, the participant will receive a warning letter through the mail and must send their exchange requests through the mail for the remainder of that year. If a participant reaches 20 trades in one calendar year, they will again receive a warning letter through the mail, and all future trade requests must be submitted through the mail for the remainder of that year. Multiple trades on a single day count as one trade.

Trading that is deemed excessive may also result in suspension of buy exchange privileges at the request of the mutual fund or by subjective review of the Administrative Service Agency.

International Equity Funds and Emerging Markets Fund Restrictions

A 60-day repurchase restriction is applicable to both of the Plan's developed-market International Equity Funds. Participants are permitted to exchange assets from either of the International Equity options, but are not able to repurchase shares in these funds during the following 60 calendar days. Direct transfers are not permitted between the International Equity Fund – Active Portfolio and the International Equity Fund – Index Portfolio, and an exchange out of either of these fund options will prohibit an exchange into either fund for a 60-day period.

The 60-day repurchase restriction also applies to the Morgan Stanley Emerging Markets Portfolio. Participants are permitted to exchange assets out of the Morgan Stanley Emerging Markets Fund, but are not able to repurchase shares in this fund during the following 60 calendar days. Please also refer to the redemption fee information below.

Mutual Fund Redemption Fees

A number of mutual fund companies impose mandatory, fund-specific redemption fees. Plan participants should be aware that the Plan is required to administer redemption fees on behalf of the mutual funds that impose them. A redemption fee is assessed when shares in a mutual fund are bought and sold within a specific timeframe. **Currently, no mutual fund companies within the Plan's lineup are imposing redemption fees.**

Fund prospectuses can be obtained by calling the HELPLINE at 1-800-422-8463 and can be found on the Plan Website at www.nysdcp.com. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus contains these and other important information. Read the prospectuses carefully before investing.

There is no prospectus for CITs or Custom Funds because these investment options are not mutual funds. You may obtain a fact sheet for these options from the HELPLINE at 1-800-422-8463 or our Web site at www.nysdcp.com.