

1st Quarter 2019

For a healthier future, raise more than your heart rate



How you live now foreshadows how you may live in retirement. If you want to enjoy a robust lifestyle in your later years, consider establishing good diet and exercise habits now. Exercising and taking care of your health can help keep your current medical costs to a minimum.

Just as these habits can be great for your long-term health, establishing good financial habits can enhance your overall wellbeing and prospects for a financially healthy retirement.

For better long-term results, most coaches suggest that you increase your workout by a little bit at regular intervals. Your retirement account could benefit from a similar approach. For maximum potential earn, consider increasing contributions to your KDC contribution amount every year – for example, \$10 per pay.

Once you've established a good financial habit, it's easier to keep it going. Fortunately, you don't have to do all the work yourself. Over time, your money has the potential to make money over and over, a concept known as **compounding**. It's something that happens all by itself and, as your account grows, the potential impact of compounding grows.



Learn more about it

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> The power of time & compounding

Of course, just as going into retirement in optimal health won't guarantee you won't face issues down the line, no investment strategy — including compounding — can guarantee investment success. However, going into retirement after decades of increasing contributions could improve your odds of good financial health through retirement. Just that thought should get your heart pumping.

In This Issue

Many of us who participate in Kentucky Deferred Comp do so to build another resource for retirement income.

But there's another factor that may influence your welfare in retirement: your health.

In its 2018 Retirement Confidence Survey, the Employee Benefit Research Institute documented that **good health and retirement confidence go hand in hand.**

This issue of KDC Connection takes a look how you can develop good habits for a **healthy retirement through participation in Kentucky Deferred Comp.**

Think you can't come up with even \$20 a month? Check this out.



Pack your lunch

Even if packing your lunch saves you just \$4 each time, you'll have \$20 in a week.



Make your own coffee

Let's say that saves you \$2 a day — you'll have \$20 in two weeks.



Take your foot off the accelerator

Gas mileage usually decreases at speeds above 50 mph.

Welcome Christina Stephenson, Personal Retirement Consultant



Moving from a working career into retirement takes specialized planning. Christina Stephenson, Certified Financial Planner/CFP® and KDC's new Personal Retirement Consultant, brings a wealth of knowledge to KDC participants who are within seven years of retirement.

Christina is prepared to work with you to develop a snapshot of what your retirement income, expenses and budget, to help you answer questions such as:

- Can I afford to retire now?
- How much money will I need?
- How much can I afford to spend?
- What common distribution strategies are available?
- What's my risk tolerance and investor profile?
- How will inflation affect my money?
- Can I afford to do the things I've always wanted to do? (travel, major purchases, etc.)

If you're within seven years of retirement, schedule a consultation today. Christina will provide our exclusive Retirement Income Planning Analysis questionnaire for you to complete and return. This information will allow her to complete a thorough analysis your current retirement readiness and financial wellness which will become the foundation of future discussions designed to help you develop a strategy to help you prepare for your retirement date and life after your career.

Best of all, this service is one of several that financial planners would charge for but is available at no additional cost to you as a KDC participant.

To schedule your consultation, contact:

Christina A. Stephenson, MPA, CFP®

Personal Retirement Consultant

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Take time to
attend monthly
KDC webinars!

As a Kentucky state employee, **you can earn 35 go365 points** each time you participate in a KDC educational webinar. These webinars take less than an hour and provide valuable information on topics such as:

- Enrolling in the plan
- Budgeting
- Health care
- Social security
- Nearing retirement

These sessions are offered to any eligible employee, so spread the word! Sessions fill up fast, so be sure to register in advance.

To receive credit, you will need to participate in the full session and complete a go365 survey upon completion. Points from the survey are awarded at the end of each month.

Learn about upcoming KDC webinars, and to register, visit www.kentuckydcp.com and click on the "Events" page.

Keeping your balance through the market's ups and downs

After a lengthy period of relative stability, the final quarter of 2018 saw the investment markets enter a period of volatility. Market volatility is a component of a healthy stock market and shouldn't affect your long-term investment strategy.

However, these periods tend to unsettle investors, which can lead to decisions that may not be prudent. A key point to remember: **No matter how much your account value drops in the short term, it's not a loss unless you sell.**



Learn more about it

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> Market risk

But how can you get more comfortable with market volatility? Consider these principles for long-term investing to help you avoid emotional investing that often leads to losses or missed opportunities.



Have a plan.

Use the newly enhanced **My Interactive Retirement PlannerSM** to set personal goals and decide how to plan to reach them.



Know your style.

Use **My Investment PlannerSM** to understand your investment style and choose the asset allocation model that is right for you. If you prefer a less hands-on diversified investment approach, consider selecting a Target Date Fund.



Stay cool.

Through KDC, you contribute regularly from your paycheck, so you never "miss out" on market opportunities. You're using dollar-cost averaging to help reduce the effects of market volatility over time.

5

steps to improve your wellness

Make your hours on the job count toward better fitness and health.

1

Join a wellness program

If your workplace doesn't offer one, seek out options in your community.

2

Add chair yoga and stretching to your daily routine

Just two minutes can increase your fitness and focus.

3

Walk around the block for fresh air

For inclement days, develop a route around your work area.

4

Pack your own lunch

To avoid menu fatigue, mix and match from a wide variety of healthier options.

5

Snack on fresh fruit or mixed nuts

Prepare your own in advance to control choices and costs

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

Actions of the Board of Trustees

At the regularly scheduled quarterly meeting on March 29, 2019, the Authority Board of Trustees (Board) took the following actions:

- Approved the minutes of the December 14, 2018, regular meeting, as submitted;
- Set the next quarterly meeting date for Friday, June 21, 2019, at 9:30 a.m. at the Authority office, 101 Sea Hero Road, Suite 110, Frankfort, Kentucky.

For further information on these items, please call William C. Biddle, Executive Director, at 800.542.2667.



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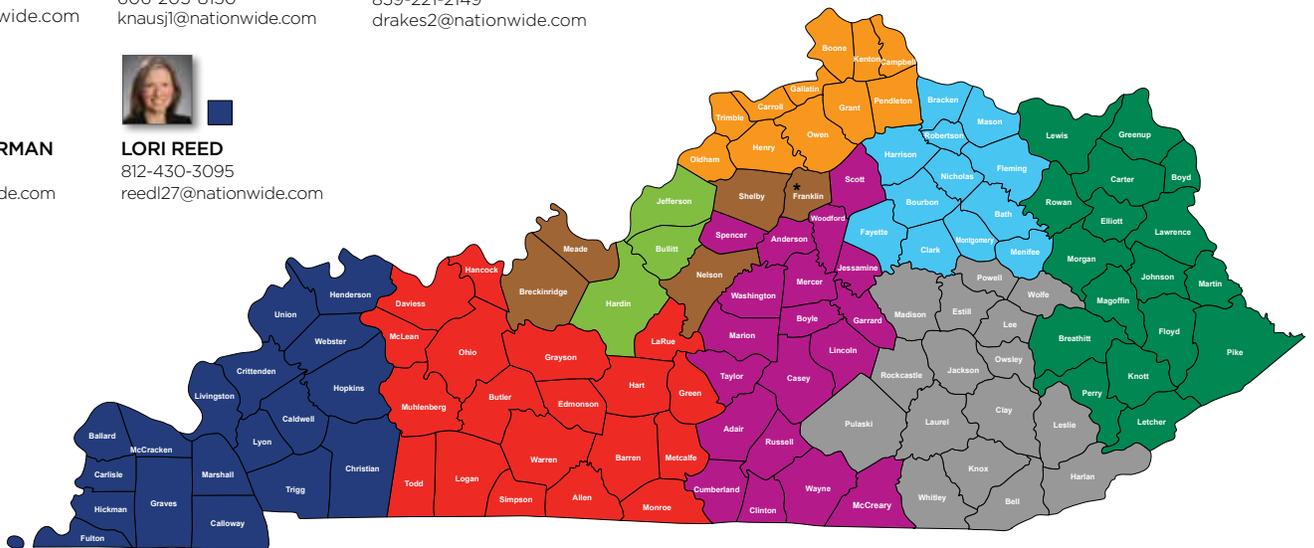
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Calendar of events:

HOLIDAYS

April 19, 2019

Good Friday

KDC Office closed 1/2 day

May 27, 2019

Memorial Day

KDC Office closed

July 4, 2019

4th of July

KDC Office closed

QUARTERLY BOARD OF TRUSTEES MEETING

June 21, 2019

EDUCATIONAL WEBINARS

For topics and to reserve your spot, visit the KDC Events page at kentuckydcp.com

KDC Retirement Specialists are Nationwide employees and Registered Representatives of Nationwide Investment Services Corporation, member FINRA. KDC representatives cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.

My Interactive Retirement Planner is a service mark of Nationwide Mutual Insurance Company.

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