



The City of Milwaukee understands that planning and saving for your future is one of the best things you can do to ensure you're able to live the lifestyle you want in retirement. Therefore, an overarching goal of ours is to provide you with a retirement program that can help you better prepare. As part of this commitment, we continually look to enhance our Deferred Compensation Plan.

We're excited to announce a change to our target date fund line up that we believe will help more employees to retire with enough to meet their income replacement needs. The Board has approved a new approach to the way those assets are managed, taking advantage of lower cost investments.

Effective January 1, 2020, for participants invested in the Target Date Funds, your existing balances and future contributions will automatically transfer to this new style of management, which uses a combination of active and passive investing.

If you are currently invested in the Target Date Funds and would like your current account balance and future contributions to be invested in the new management style, there is nothing you need to do at this time. After the stock market closes on December 31, 2019 your current account balance and future contributions will automatically be invested in the new style.

While the amount of your investment will stay the same, the number of units you own of the fund will change because the price of the new Target Date Funds will be different.

If you wish to choose different investments, you will need to log on to [www.milwaukeedcp.com](http://www.milwaukeedcp.com) or call **(844) 360-6327** to make a change prior to the close of the New York Stock Exchange (generally 3 p.m. CT) on December 31, 2019.

## **PASSIVE VS ACTIVE INVESTING**

Most investment options are managed using either a "passive" or "active" investing style:

### **PASSIVE INVESTING**

Passive Investing is a strategy in which the investment manager makes as few portfolio decisions as possible in order to minimize management and transaction fees. A passive investment manager will invest in the same securities that make up a particular index and use the same weighting or the proportion of total value that each security takes up within the index.

### **ACTIVE INVESTING**

Managers of active investments spend a great deal of time researching individual companies and gathering extensive data about financial performance, business strategies, and management characteristics. Using their findings, they identify and invest in the stocks, bonds and other investments of those companies that they think will produce better returns than the market overall.

## **WHAT'S THE SAME?**

### **PROFESSIONALLY MANAGED**

When you invest in a Target Date Fund, you're tapping into the expertise of more than 80 investment professionals at J.P. Morgan. This team has dedicated itself to developing and implementing the mix of stocks and bonds that their research shows is most likely to help get you to retirement.

As with the previous Target Date Funds, each Fund is a well-diversified, professionally managed automatic investment option designed to care for all of your assets within the retirement plan. Each fund has a date in its name—the fund's target date—designed to be the approximate retirement year when withdrawals begin. For many people, that date is the year they turn 65. Keep in mind that the portfolios are designed for you to put your entire balance into one fund.

## AUTOMATIC

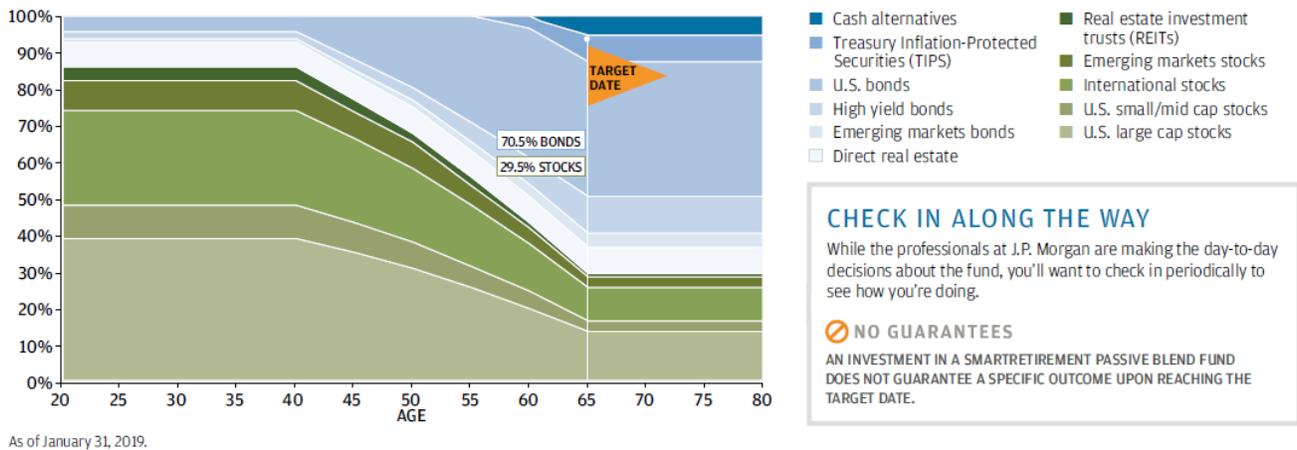
Investing in a Fund means that the professionals are responsible for shifting from stocks to bonds as the fund approaches its target date. It's their job to make adjustments on a regular basis. The team also has the unique flexibility to make adjustments to the investment strategy in the face of unprecedented market events.

## SIMPLE TO CHOOSE

Since each Fund is managed for a specific date in the future, you'll want to consider selecting one named for the year closest to your planned retirement date.

## SAME GLIDE PATH: DIFFERENT IMPLEMENTATION

Each fund automatically changes to become more conservative by investing more in bonds and less in stocks as you approach your target retirement date. The principal value of the funds is not guaranteed at any time, including at the time of target date and/or withdrawal.



### CHECK IN ALONG THE WAY

While the professionals at J.P. Morgan are making the day-to-day decisions about the fund, you'll want to check in periodically to see how you're doing.

#### NO GUARANTEES

AN INVESTMENT IN A SMARTRETIREMENT PASSIVE BLEND FUND DOES NOT GUARANTEE A SPECIFIC OUTCOME UPON REACHING THE TARGET DATE.

## WHAT'S DIFFERENT ABOUT THE NEW STYLE?

By selecting a Target Date Fund you're automatically invested in more than 15 underlying funds. The two primary investments or asset classes are bonds and stocks. Although there are opportunities for active and passive management across both asset classes, we believe that passively managed stocks and actively managed bonds and real estate, help provide employees the potential for a smoother path to a secure retirement, with lower fees than a fully active fund. A comparison of the previous strategy and new strategy appears below:

	Previous strategy	New strategy
U.S. large cap stocks	✓	✓
U.S. small/mid cap stocks	✓	✓
Real estate investment trusts (REITs)	✓	✓
International stocks	✓	✓
Emerging markets stocks	✓	✓
U.S. bonds	✓	✓
High yield bonds	✓	✓
Emerging markets bonds	✓	✓
Treasury Inflation-Protected Securities (TIPS)	✓✓	✓
Direct Real Estate	✓	✓

✓ Actively managed

✓ passively managed

## LOWER FEES

By moving to a strategy that contains more passive investments, we're able to lower the cost of investing in the Target Date Funds. The table below shows the difference between the previous strategy and the new strategy. The new strategy results in cost savings for each Target Date Fund.

FUND NAME	Prior Target Date Fund	New Target Date Fund	Difference
	Net expense ratio*	Net expense ratio*	
JPMorgan SmartRetirement Income Fund – CF	0.41%	0.35%	0.06%
JPMorgan SmartRetirement 2020 Fund – CF	0.46%	0.35%	0.11%
JPMorgan SmartRetirement 2025 Fund – CF	0.51%	0.35%	0.16%
JPMorgan SmartRetirement 2030 Fund – CF	0.53%	0.35%	0.18%
JPMorgan SmartRetirement 2035 Fund – CF	0.54%	0.35%	0.19%
JPMorgan SmartRetirement 2040 Fund – CF	0.53%	0.35%	0.18%
JPMorgan SmartRetirement 2045 Fund – CF	0.54%	0.35%	0.19%
JPMorgan SmartRetirement 2050 Fund – CF	0.54%	0.35%	0.19%
JPMorgan SmartRetirement 2055 Fund – CF	0.54%	0.35%	0.19%
JPMorgan SmartRetirement 2060 Fund – CF	0.56%	0.35%	0.21%

\*Net expense ratio—the expense ratio of the fund after applicable expense waivers or reimbursements and the actual expense ratio you pay.

## QUESTIONS?

If you have questions about these changes or anything else pertaining to your Plan, Voya retirement service representatives are available at **(844) 360-6327** weekdays between 7 a.m. and 8 p.m. CT.