OPERS Target 2040 Fund

Investment Strategy

This fund seeks long-term growth of capital and provides a single diversified investment option composed of stocks and bonds for members during their working careers. It is automatically adjusted during the course of a specified time period aimed at a target retirement date.

The OPERS Target 2040 Fund should provide a diversified investment that is appropriate for an investor who has a long (retiring between 2038 and 2042) investment period and is very comfortable with fluctuations in the value of their investment.

The asset allocation of the 2040 Fund is established by OPERS general investment consultant New England Pension Consultants. Staff then uses a variety of BlackRock index funds to construct the recommended asset allocation for this fund.

Category Description: Target-Date 2040

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-2040) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date.

Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Volatility Analysis

Low Moderate High

Category

In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

Performance

Allocation of Stocks and Bonds

Performance as of 12-31-19

Portfolio Analysis as of 12-31-19

Top 10 Holdings as of 12-31-19

Total Number of Holdings

Annual Turnover Ratio %

Allocation

<table>
<thead>
<tr>
<th>Category</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>40.3</td>
</tr>
<tr>
<td>U.S. Stocks</td>
<td>41.4</td>
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<tr>
<td>Non-U.S. Stocks</td>
<td>16.8</td>
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<tr>
<td>Cash</td>
<td>1.4</td>
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<tr>
<td>Other</td>
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</tbody>
</table>

Top 10 Holdings as of 12-31-19

- BlackRock MSCI ACWI ex U.S. Index F 41.57
- BlackRock Russell 1000® Index NL F 21.97
- BlackRock Russell 2000® Index NL F 19.00
- BlackRock Russell 1000® Index NL F 9.71
- BlackRock Russell 1000® Index NL F 7.76

Notes

You should review Investment Disclosures before making any decisions. The Morningstar Rating that is reflected on page is hypothetical, because Morningstar does not independently analyze the custom fund universe. Rather the Rating is assigned to the custom fund universe as a means to compare the institutional funds with the universe of mutual funds that Morningstar rates.